KØBENHAVNS FONDSBØRS
COPENHAGEN STOCK EXCHANGE

OFFER

by OMX AB (publ)

to the shareholders of

Copenhagen Stock Exchange A/S

and

listing particulars

15 DECEMBER 2004

This offer document (the “Prospectus”) has been prepared by OMX AB, Reg. No. 556243-8001 (“OMX”) in connection with the Offer (as defined below) to be used to enable the shareholders of Copenhagen Stock Exchange A/S, Reg. No. 19 04 26 77 (“Copenhagen Stock Exchange”) to consider the Offer and to be used as listing particulars required in connection with the listing of the shares of OMX on Copenhagen Stock Exchange.

This Prospectus has been prepared in compliance with Danish legislation and regulations, including the Danish Securities Trading Act, the rules of Copenhagen Stock Exchange and Executive Order No. 330 of 23 April 1996 issued by the Danish Securities Council on the requirements to Prospectuses. Further, this Prospectus has been prepared pursuant to the Swedish rules on share issue prospectuses in Chapter 4, section 18–26 of the Swedish Companies Act.

No person is authorised to give any information or to make any representation other than as contained in this Prospectus. If given or made, such information or representation must not be relied upon as having been made or authorised by OMX, Copenhagen Stock Exchange or Lenner & Partners Corporate Finance AB, which are not liable thereof.

The information in this Prospectus relates to the date hereof. The distribution of this Prospectus shall not create any implication that there have been no changes in the affairs of OMX since the date hereof, or that the information contained in this Prospectus is correct as at any time subsequent to the date of this Prospectus.

In the event of any changes subsequent to the date of this Prospectus, which are material to OMX, such changes will be announced by OMX by a press release pursuant to applicable rules.

This Prospectus is available in a Danish-language and an English-language version. The Danish-language version has been approved by the Danish Securities Council and in the event of any discrepancies between this document and the Danish-language version, the Danish-language version shall be the governing text.

The Danish-language version of this Prospectus contains certain declarations required by Copenhagen Stock Exchange for listing in Denmark, including a responsibility statement from the Board of Directors and Management of OMX, a responsibility statement from the Board of Directors and Management of Copenhagen Stock Exchange, a statement by the auditors of OMX and Copenhagen Stock Exchange and a statement by the financial advisor of OMX. Only the declarations by the Board of Directors and Managements of OMX and Copenhagen Stock Exchange are included in the English-language version of this Prospectus.

Shares and/or cash are offered only pursuant to the terms and conditions of the Offer and to the persons identified therein. No securities are offered for purchase or subscription to any other person or entity.

No offer is being made to persons whose participation in the Offer requires any additional prospectus, registration or other measures in addition to those required under Danish law. The shares to be issued by OMX pursuant to this Offer have not been, and will not be, registered under the United States Securities Act of 1933, as amended, nor under the securities laws of any state of the United States of America or under any securities laws of Canada, Japan or Australia and may not be offered or sold in the United States of America, Canada, Japan or Australia or to US, Canadian, Japanese or Australian persons, unless there is an applicable exemption from the registration requirements. Copies of the Prospectus, the related acceptance forms or any related offering documents must not be mailed to or otherwise distributed in, or sent to any country where such distribution or offer requires any such additional measures to be taken or would be in conflict with any law or regulation in such a jurisdiction. Persons who receive this Prospectus or any other documents related to the Offer must obtain information of and comply with any such limitations pertaining to acceptance of the Offer or to the offering of the securities herein. OMX does not accept any liability for measures taken by persons or entities that are in conflict with the said restrictions.

This Prospectus contains forward-looking statements, which are based on current expectations and projections about future events. When used in this Prospectus, the words “anticipate”, “believe”, “estimate”, “expect” and similar expressions, as they relate to OMX and its subsidiaries, including Copenhagen Stock Exchange, following completion of the Offer (the *“Combined Company”*), or to OMX, or Copenhagen Stock Exchange as separate entities, are intended to identify forward-looking statements. These forward-looking statements involve risks and uncertainties and are only relevant as of the date they are made. The Combined Company’s actual results may differ materially from those anticipated in such forward-looking statements as a result of a number of factors. Some of these factors are discussed in more detail in Section “Risk factors”. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Prospectus as anticipated, believed, estimated or expected.

Please note that the totals in the tables of this Prospectus may differ from the corresponding sums due to rounding.

Any dispute arising out of, or in connection with, this Prospectus and the Offer shall be governed by Danish law and settled exclusively by Danish courts, except for disputes arising out of, or in connection with, the issuance of shares in the Offer and other matters related to Swedish company law, which shall be governed by Swedish law.

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Declarations

DECLARATIONS FROM BOARD OF DIRECTORS AND MANAGEMENTS

Declaration from the Board of Directors and the Management of OMX AB

Except for the information regarding Copenhagen Stock Exchange we hereby confirm that, to the best of our knowledge and belief, the information contained in this Prospectus is in accordance with the facts and that, to the best of our knowledge and belief, this Prospectus does not omit any information likely to affect the importance thereof, and also that the Prospectus contains all relevant information from minutes of board meetings, audit reports and other internal documents.

Stockholm, 15 December 2004

Board of Directors

Olof Stenhammar
Chairman

Adine Grate Axén

Gunnar Brock

Thomas Franzén

Bengt Halse

Timo Ihamuotila

Tarmo Korpela

Mikael Lilius

Markku Pohjola

Management

Magnus Böcker
President and CEO

Jukka Ruuska
Deputy CEO

Declaration from the Board of Directors and the Management of Copenhagen Stock Exchange A/S

We hereby confirm that, to the best of our knowledge and belief, the information contained in this Prospectus regarding Copenhagen Stock Exchange on pages 93–114 and Appendix B is in accordance with the facts and that, to the best of our knowledge and belief, said information does not omit any information likely to affect the importance thereof, and also that said information comprises all relevant information from minutes of board meetings, long-form audit reports and other internal documents.

Copenhagen, 15 December 2004

Board of Directors

Hans Ejvind Hansen
Chairman

Christian Clausen
Deputy Chairman

Knud Christensen

Carsten Heinild

Carsten Tirsbæk Madsen

Hans Munk Nielsen

Henrik Normann

Poul Erik Egeberg
Elected by the employees

Henning Kruse
Elected by the employees

Torben Olsen
Elected by the employees

Ellen-Margrethe Soelberg
Elected by the employees

Management

Hans-Ole Jochumsen
President and CEO

Jan Ovesen
CFO

Summary

THE OFFER IN BRIEF

On 1 December 2004, OMX and Copenhagen Stock Exchange entered into a combination agreement (the "Combination Agreement") attached hereto as Appendix C. Pursuant to the Combination Agreement, OMX and Copenhagen Stock Exchange have agreed that OMX will make an offer to the shareholders of Copenhagen Stock Exchange to acquire all the shares in Copenhagen Stock Exchange.

OMX hereby submits a voluntary and recommended offer (the "Offer") to the shareholders of Copenhagen Stock Exchange (the "Shareholders") to acquire all the shares in Copenhagen Stock Exchange in exchange for newly issued shares in OMX (the "Exchange Offer"), or alternatively for cash payment (the "Cash Offer") or a combination thereof, on the terms and conditions set forth in this Prospectus.

The Offer has been based on a total value of all issued Copenhagen Stock Exchange shares of DKK 1,220 m, including net cash of DKK 258 m in Copenhagen Stock Exchange as of 30 September 2004.

OMX currently owns 8,000 shares in Copenhagen Stock Exchange, representing 2 percent of all issued shares in Copenhagen Stock Exchange.

The key terms of the Offer are summarized in the following:

- The Offer is valid as from Wednesday 22 December 2004 and expires at 5:00 p.m. (Danish time) on Monday 7 February 2005 (the "Offer Period"). On or about Wednesday 9 February 2005, OMX expects to announce the results of the Offer.
- Under the Exchange Offer, for each share in Copenhagen Stock Exchange, OMX offers 42.7448 newly issued OMX shares.
- Under the Cash Offer, for each share in Copenhagen Stock Exchange, OMX offers a cash consideration of DKK 3,050.
- The consideration to be paid in the Exchange Offer shall be limited to a maximum number of 7,007,347 newly issued OMX shares in case of full acceptance of the Offer, or a corresponding lower number of newly issued OMX shares in case of a lower acceptance level of the Offer. Save as set forth below, a proportionate reduction of the Copenhagen Stock Exchange shares tendered in the Exchange Offer will be made in the event that the above threshold has been exceeded, and any surplus Copenhagen Stock Exchange shares shall then be deemed tendered in the Cash Offer.
- Shareholders holding five or less than five shares in Copenhagen Stock Exchange (together representing 0.05 percent of all issued shares in Copenhagen Stock Exchange) shall have the right to tender all their shares in the Exchange Offer without being subject to any proportionate reduction thereof. Thus, any proportionate reduction as set forth above shall be made amongst all other Shareholders tendering their Copenhagen Stock Exchange shares in the Exchange Offer to the extent the threshold set forth above has been exceeded.
- Copenhagen Stock Exchange employees having received employee shares under the tax regime governed by Section 7A of the Danish Tax Assessment Act, subject to a lock-up requirement, can only tender these shares in the Exchange Offer.
- Settlement under the Cash Offer is expected to take place on or about Monday 14 February 2005. Settlement under the Exchange Offer is expected to take place on or about Wednesday 15 February 2005.
- Settlement will take place with reduction for usual brokerage fees and sales expenses to the selling Shareholder's own account holding institution or stock brokerage company.

The Offer is subject to certain conditions, which are described in Section "The Offer – Conditions". All holders of shares in Copenhagen Stock Exchange should carefully review and consider the full terms and conditions of the Offer, which are included in Section "The Offer – Conditions" and "The Offer – Other terms and conditions" as well as other information included in this Prospectus.

OMX's objective is to acquire all of the issued and outstanding shares of Copenhagen Stock Exchange. Once OMX owns more than 90 percent of the share capital and the voting rights of Copenhagen Stock Exchange, OMX intends to initiate compulsory redemption procedures. In such case, Copenhagen Stock Exchange shareholders will receive the redemption price in cash.

Shareholders representing more than 66.7 percent of the share capital and the voting rights in Copenhagen Stock Exchange (including shares held by OMX and shares held by Copenhagen Stock Exchange) had as per 1 December 2004 provided their support to the combination. Please see Section "The Offer – Shareholders' support".

The Board of Directors of Copenhagen Stock Exchange unanimously recommends that the holders of shares in Copenhagen Stock Exchange accept the Offer. Please see Section "The Offer – Recommendation of the Board of Directors – Recommendation of the Board of Directors of Copenhagen Stock Exchange" and "Appendix E, Fairness opinion".

The Board of Directors of OMX unanimously recommends that the shareholders of OMX vote for the necessary resolutions at the Extraordinary General Meeting of OMX to be held on or about 3 February 2004, in order to complete the combination. Please see Section "The Offer – Recommendation of the Board of Directors – Recommendation of the Board of Directors of OMX".

Subject to completion of the Offer, an application will be made to list the OMX shares on Copenhagen Stock Exchange. The intention is that trading in OMX shares on Copenhagen Stock Exchange shall begin on or about 16 February 2005.

Corporate decisions

OMX shall convene an Extraordinary General Meeting, intended to be held on or about 3 February 2005, at which the shareholders will be asked among other things to:

- Authorize the Board of Directors of OMX to issue up to 7,007,347 new OMX shares as consideration in the Offer.
- Elect as member of the Board of Directors of OMX, conditional upon and effective as of the date when OMX declares that the Offer will be completed (the "Closing Date"), the person who OMX and Copenhagen Stock Exchange have agreed to propose that the Nomination Committee nominates, see Section "Combined Company – Board of Directors, Management and Auditors – Board of Directors of OMX AB".
- Adopt the amendments of the Articles of Association of OMX as set forth in "Appendix D", conditional upon and effective as of the Closing Date.

After completion of the Offer, OMX may decide to reduce the net cash in Copenhagen Stock Exchange by resolving on an extraordinary dividend, or otherwise.

Indicative transaction time table

The Offer Period begins	22 December 2004
Publication of OMX's financial report for the period January–December 2004[1)]	2 February 2005
Publication of Copenhagen Stock Exchange's financial report for the period January–December 2004[2)]	2 February 2005
OMX Extraordinary General Meeting	On or about 3 February 2005
The Offer Period expires	7 February 2005
Announcement of result of the Offer	On or about 9 February 2005
Assuming completion of the Offer:	
Settlement of the Cash Offer	On or about 14 February 2005
Settlement of the Exchange Offer	On or about 15 February 2005
Trade in OMX shares on Copenhagen Stock Exchange begins	On or about 16 February 2005
Settlement of fractional shares	On or about 21 February 2005

1) The financial report of OMX will be published in the same manner as the Prospectus, see Section "The Offer – Documents". The financial report of OMX will be published in Sweden in the form of a press release by OMX and sent by ordinary mail to all holders of shares in Copenhagen Stock Exchange registered on the banking date preceding the date of publication of the relevant report in the register kept by VP to the addresses registered therein. Furthermore, copies of the report will be available at the same locations as other documents relating to the Offer are available during the Offer Period.

2) The financial report of Copenhagen Stock Exchange will be published in the same manner as the Prospectus, see Section "The Offer – Documents". The financial report of Copenhagen Stock Exchange shall be published in Denmark on the website of Copenhagen Stock Exchange, www.cse.dk, and sent by ordinary mail to all holders of shares in Copenhagen Stock Exchange registered on the banking date preceding the date of publication of the relevant report in the register kept by VP to the addresses registered therein. Furthermore, copies of the document will be available at the same locations as other documents relating to the Offer are available during the Offer Period.

Background and reasons in brief

The combination of OMX and Copenhagen Stock Exchange is a logical further step in the creation of one of Europe's larger securities markets, supported by a leading technology provider, creating value and benefits to shareholders, issuers, and market participants.

OMX's and Copenhagen Stock Exchange's main motive for the combination is to increase the Combined Company's competitiveness as well as the region's attractiveness. The combination will improve the competitive position of the Nordic and Baltic exchanges and place the Combined Company in a stronger strategic position.

Due to the larger size of the Combined Company, shareholders are expected to benefit from synergies coming from economies of scale as well as from expected increased revenues from expected higher activity on the cash and derivatives markets over time.

Through operational efficiencies, the combination of OMX and Copenhagen Stock Exchange is expected to create annual pre-tax cost savings of around SEK 30 m (DKK 25 m) to have full effect within three years, but with the major part having effect within two years, following completion of the combination. Restructuring costs are estimated at around SEK 60 m (DKK 50 m) pre-tax.

The combination will ensure faster and deeper integration of the Nordic and Baltic securities markets. Moreover, the combination will create opportunities to develop the fixed income markets and the investment fund markets in Sweden, Finland and the Baltic countries based on the experience and strength of Copenhagen Stock Exchange. The combination also offers the opportunity to develop the Danish derivatives market by integrating it with the well-functioning and efficient Swedish/Finnish derivatives market.

Furthermore, liquidity in the equity markets is expected to increase due to cheaper infrastructure as a consequence of synergies and streamlining potential for Nordic and Baltic based members. Another important measure to increase the liquidity is to attract more members to the exchanges in Stockholm, Helsinki, Copenhagen and the Baltic countries, which is expected to be facilitated by the proposed combination creating a larger combined market. The streamlining potential from harmonized systems and economies of scale is also expected to provide the members with cost cutting possibilities.

The Combined Company's employees may benefit from the wider development possibilities offered by a larger organization.

The combining parties in brief

OMX owns and operates the largest securities market in the Nordic Baltic region and is a leading provider of market-place services and solutions for the financial and other markets. OMX's vision is to be regarded as the world's leading partner for more efficient securities transactions.

OMX consists of two divisions: OMX Technology and OMX Exchanges. OMX has within the division OMX Technology a global strategy of being a leading provider of transaction technology, outsourcing and processing services to exchanges, clearinghouses, central securities depositories ("CSD"s) and market participants.

The division OMX Exchanges has a Nordic Baltic strategy. OMX's objective is to be the leading catalyst in developing a common Nordic and Baltic securities market with integrated exchanges, as well as one clearinghouse and a functionally integrated CSD with local legal entities.

Copenhagen Stock Exchange offers Danish and foreign investors and exchange members access to trading in shares, investment certificates, bonds, futures and options as well as other financial instruments.

The market value of OMX's shareholders' equity, based on a share price of SEK 85.9027 and a SEK/DKK exchange rate of 1.2039, amounts to DKK 8,245 m. The Offer has been based on a total value of all issued Copenhagen Stock Exchange shares of DKK 1,220 m, including net cash of DKK 258 m as of 30 September 2004, resulting in a relative value contribution of 87.1 percent to OMX and 12.9 percent to Copenhagen Stock Exchange.

Combined Company in brief

The OMX shares are listed on the stock exchanges in Stockholm and Helsinki.

OMX AB will be the parent company of the Combined Company. It is the intention that Copenhagen Stock Exchange shall become a fully owned subsidiary of OMX AB.

Copenhagen Stock Exchange will be organised within the OMX Exchanges division. Copenhagen Stock Exchange will continue to be a regulated entity domiciled in Denmark, regulated by Danish law and supervised by Danish authorities. This corresponds to OMX's preferred exchange business model, which is to operate in a cross-border entity through local entities in order to ensure the closeness to local customers.

The intention is that the integration of OMX and Copenhagen Stock Exchange shall be implemented in two steps. The first step includes integrating Copenhagen Stock Exchange into the corporate and organizational structure of the division OMX Exchanges and is anticipated to take place during 2005. The second step involves the formation of an integrated securities trading market between Sweden, Finland, Denmark and the Baltic countries, including, among other things, the establishment of cross membership and one communication line access point for the members at OMX Exchanges and Copenhagen Stock Exchange. The second step will evolve over 2005–2006.

As of 30 November 2004, OMX Exchanges (including Copenhagen Stock Exchange) had a total of 684 listed companies, whereof 60 companies among STOXX 600. OMX Exchanges (including Copenhagen Stock Exchange) had 139 members as of 30 November 2004. OMX Exchanges' (including Copenhagen Stock Exchange) market capitalization of listed companies amounted to approximately SEK 4,967 bn as of 30 November 2004 and the average daily equity turnover was approximately SEK 23 bn during the period January–November 2004. In total, OMX Exchanges (including Copenhagen Stock Exchange) had approximately 4,000 bonds listed as of 30 November 2004. The OMX Exchanges division's revenues (including internal sales and Copenhagen Stock Exchange's revenues) totalled approximately SEK 1,480 m in the period January–September 2004. The number of employees as of 30 November 2004 (including Copenhagen Stock Exchange) was 468.

The OMX Technology division had revenues of SEK 1,279 m in the period January–September 2004 (including internal sales and sales from OMX to Copenhagen Stock Exchange). The number of employees of the division totalled 968 as of 30 November 2004. The OMX Technology division of the Combined Company will have more than 100 customers, including more than 20 market places and clearing organizations.

The composition of the Board of Directors of OMX shall reflect a representation of the combined companies and their stakeholders. It has been agreed that at least one of the Directors of the OMX Board of Directors shall be proposed by the Danish stakeholders.

The President and CEO of OMX is Magnus Böcker. Jukka Ruuska is Deputy CEO of OMX, President of the OMX Exchanges division and head of Stockholm Stock Exchange. The other members of the Management are Kristina Schauman, Chief Financial Officer, Klas Ståhl, head of OMX Technology and Anders Reveman, Chief Strategy Officer. Hans-Ole Jochumsen, President and CEO of Copenhagen Stock Exchange, shall continue in this position. Further, Hans-Ole Jochumsen shall become a member of the OMX Management and become the Deputy President of the OMX Exchanges division.

Following completion of the Offer and based on figures as of 30 November 2004, the Combined Company will have 1,519 employees in 14 countries.

Summary of unaudited condensed pro forma consolidated financial information

The following unaudited condensed pro forma consolidated interim financial information gives effect to the combination of OMX and Copenhagen Stock Exchange and the possible related issuance of OMX shares, assuming full acceptance of the Offer. OMX has presented this unaudited condensed pro forma consolidated interim financial information for illustrative purposes only. The unaudited condensed pro forma consolidated interim financial information is not necessarily indicative of the actual results of operations or financial position that would have occurred had the combination occurred on the dates indicated, nor are they necessarily indicative of future operating results or financial position.

The unaudited condensed pro forma consolidated income statement for the nine months ended 30 September 2004 gives effect to the combination as if the transaction had occurred on 1 January 2004. The unaudited condensed pro forma consolidated balance sheet as of 30 September 2004 gives effect to the combination as if the transaction had occurred on 30 September 2004. The pro forma includes preliminary adjustments to OMX's and Copenhagen Stock Exchange's historical interim reports for the nine months ended 30 September 2004 to reflect the most significant effects of the preliminary International Financial Reporting Standards ("IFRS") principles in force as from 1 January 2005 and with requirements of comparisons for 2004 financial information. The included preliminary IFRS adjustments have not yet been subject to any audit procedures and there can therefore be no assurance that the actual IFRS adjustments for the above period will correspond to the preliminary adjustments presented herein.

This unaudited condensed pro forma consolidated interim financial information is only a summary and should be read in conjunction with the historical consolidated interim financial information and related notes of OMX and Copenhagen Stock Exchange, included in the Appendices to this Prospectus, and other information included or incorporated by reference in this document. Please also see Section "Combined Company – Financial Information" for a more detailed explanation of this analysis.

	OMX	Copenhagen Stock Exchange		Preliminary pro forma adjustments	OMX pro forma after combination IFRS (preliminary)	
(SEK million)	Swedish GAAP	Danish GAAP	Preliminary IFRS related adjustments[1)]	according to IFRS (if max Exchange Offer)	Max Exchange Offer	Max Cash Offer
Total revenues	2,319	229	13	–27	2,534	2,534
Operating income	541	91	134	–3	763	763
Income after financial items	502	96	147	–29	716	698
Net income	321	68	143	–21	511	498
Earnings per share, SEK	2.8	171.1			4.2	4.3
Goodwill	2,297	–	116	1,153	3,566	3,566
Shareholders' equity	3,806	309	93	290	4,498	3,896
Total assets	6,787	483	155	1,107	8,532	8,532
Interest-bearing net debt	364	–314[2)]	–	841	891	1,492
Operating margin, percent	23	40			30	30
Return on shareholders' equity, percent	12	27			15	17
Equity/assets ratio, percent	57	64			53	46
Net debt/equity ratio, percent	9	–102			20	38

1) All preliminary IFRS-related adjustments relating to the income statement refer to OMX (IFRS adoption will have no impact on Copenhagen Stock Exchange's income statement). Note that, out of the total of SEK 143 m in post-tax adjustments, SEK 23 m is an effect of one-off items relating to translation of foreign subsidiaries and the remaining SEK 120 m relates to goodwill amortizations which according to IFRS will not be amortized in the future. The effect from excluded goodwill amortizations corresponds to an OMX EPS enhancement of SEK 1.0 (SEK 1.2 also including the one-off items). Balance sheet related adjustments refer to both OMX and Copenhagen Stock Exchange.

2) I.e. interest-bearing net cash of SEK 314 m.

The Offer

THE OFFER

OMX hereby submits a voluntary and recommended offer (the "Offer") to the shareholders of Copenhagen Stock Exchange (the "Shareholders") to acquire all the shares in Copenhagen Stock Exchange in exchange for newly issued shares in OMX (the "Exchange Offer"), or alternatively for cash payment (the "Cash Offer") or a combination thereof on the terms and conditions set forth in this Prospectus. Each Shareholder shall be entitled to accept the Exchange Offer or the Cash Offer or a combination thereof. The consideration to be paid in the Exchange Offer shall be limited to a maximum number of 7,007,347 newly issued OMX shares in case of full acceptance of the Offer, or a corresponding lower number of newly issued OMX shares in case of a lower acceptance level of the Offer.

The Offer has been based on a total value of all issued Copenhagen Stock Exchange shares of DKK 1,220 m, including net cash of DKK 258 m in Copenhagen Stock Exchange as of 30 September 2004.

Offeror

OMX AB
SE-105 78 Stockholm
Sweden
Reg. No. 556243-8001

Receiving Agent

Account holding institutions and stock brokerage companies in receipt of acceptance forms should communicate acceptances to:

Danske Bank A/S
Corporate Actions
Holmens Kanal 2–12
1092 Copenhagen K
Denmark
Phone: +45 43 39 49 69
Fax: +45 43 39 49 54

Offer Period

The Offer is valid as from Wednesday 22 December 2004 and expires at 5:00 p.m. (Danish time) on Monday 7 February 2005 (the "Offer Period"). Acceptance of the Offer must be received by Danske Bank A/S, Corporate Actions, Holmens Kanal 2–12, 1092 Copenhagen K, Denmark through the Shareholders' own account holding institution or stock brokerage company prior to the expiry of the Offer Period.

Exchange Offer

OMX offers to acquire Copenhagen Stock Exchange shares in exchange for newly issued OMX shares whereby OMX offers 42.7448 OMX shares, with a nominal value of SEK 2 each, ranking pari passu in all respects with the existing OMX shares, in exchange for each Copenhagen Stock Exchange share with a nominal value of DKK 100 validly tendered.

The consideration to be paid in the Exchange Offer shall be limited to a maximum number of 7,007,347 newly issued OMX shares in case of full acceptance of the Offer, or a corresponding lower number of newly issued OMX shares in case of a lower acceptance level of the Offer. Save as set forth below, a proportionate reduction of the Copenhagen Stock Exchange shares tendered in the Exchange Offer will be made in the event that the above threshold has been exceeded, and any surplus Copenhagen Stock Exchange shares shall then be deemed tendered in the Cash Offer.

Shareholders holding five or less than five shares in Copenhagen Stock Exchange (together representing 0.05 percent of all issued shares in Copenhagen Stock Exchange) shall have the right to tender all their shares in the Exchange Offer without being subject to any proportionate reduction thereof. Thus, any proportionate reduction as set forth above shall be made amongst all other Shareholders tendering their Copenhagen Stock Exchange shares in the Exchange Offer to the extent the threshold set forth above has been exceeded.

Copenhagen Stock Exchange employees having received employee shares under the tax regime governed by section 7A of the Danish Tax Assessment Act, subject to a lock-up requirement, can only tender these shares in the Exchange Offer. The OMX shares received in the Exchange Offer will be subject to identical lock-up requirements as the Copenhagen Stock Exchange shares tendered for the remaining lock-up period. For further information on tax issues, see Section ”Danish Tax Considerations – Exchange Offer”.

Fractional entitlements to OMX shares shall not be delivered to the Shareholders in the Exchange Offer. Instead, fractional entitlements to OMX shares shall subsequently be combined and sold on the Stockholm Stock Exchange on behalf of the Shareholders that have tendered their shares in the Exchange Offer. The proceeds of the sale shall be distributed pro rata to the Shareholders that are entitled to fractional entitlements. Proceeds from the sale of fractional entitlements will be deposited in the yield account linked to the VP account of each Shareholder.

The Board of Directors of OMX has decided to convene an Extraordinary General Meeting in OMX to be held on 3 February 2005 at OMX Head Office, Tullvaktssvägen 15 in Stockholm, at which the Board of Directors will propose the shareholders of OMX to authorise the board to issue up to 7,007,347 new OMX shares. The new shares in OMX will be issued solely for the purpose of being delivered as consideration to the Shareholders in connection with the Offer. The distribution of the new shares in OMX to the Shareholders shall be made by Danske Bank A/S, Corporate Actions, Holmens Kanal 2–12, 1092 Copenhagen K, Denmark pursuant to a power of attorney granted on the acceptance form by the Shareholders as part of tendering their shares in the Exchange Offer.

Cash Offer

As an alternative to the Exchange Offer, OMX offers to acquire Copenhagen Stock Exchange shares for cash consideration whereby OMX offers DKK 3,050 in exchange for each Copenhagen Stock Exchange share with a nominal value of DKK 100 validly tendered.

Offer Value

The Offer has been based on a total value of all issued Copenhagen Stock Exchange shares of DKK 1,220 m, including net cash of DKK 258 m in Copenhagen Stock Exchange as of 30 September 2004.

The exchange ratio between the shares in OMX and the shares in Copenhagen Stock Exchange, as well as the cash consideration for the shares in Copenhagen Stock Exchange, have been determined in discussions between OMX and Copenhagen Stock Exchange. An opinion as to the fairness of the total offer value to the shareholders of Copenhagen Stock Exchange has been given by JP Morgan to the Board of Directors of Copenhagen Stock Exchange, see Appendix E.

The exchange ratio used as a basis for the Exchange Offer was calculated as the volume weighted average OMX share price based on the price quoted on the Stockholm Stock Exchange during the period 17 November 2004 to 30 November 2004, i.e. SEK 85.9027. Bloomberg was used as the source for the volume weighted average OMX share price. The SEK/DKK exchange rate of 1.2039 used for the calculation of the exchange ratio was based on the average rates published in the London Financial Times during the same period.

At the date of the publication of the Offer OMX owns 8,000 shares in Copenhagen Stock Exchange, corresponding to 2.0 percent of all issued shares in Copenhagen Stock Exchange. OMX has not within the past six months prior to the submission of the Offer acquired shares in Copenhagen Stock Exchange at a higher price than the price offered in the Exchange Offer or in the Cash Offer. In addition, no shares have been acquired at a higher price than the price offered in the Exchange Offer or in the Cash Offer during the past twelve months prior to the submission of the Offer.

The market value of OMX's shareholders' equity, based on a share price of SEK 85.9027[1] and a SEK/DKK exchange rate of 1.2039[2], amounts to DKK 8,245 m. The Offer has been based on a total value of all issued Copenhagen Stock Exchange shares of DKK 1,220 m including net cash of DKK 258 m as of 30 September 2004, resulting in a relative value contribution of 87.1 percent to OMX and 12.9 percent to Copenhagen Stock Exchange.

Shareholders' support

The following Shareholders, representing more than 66.7 percent of the share capital and the voting rights in Copenhagen Stock Exchange (including shares already held by OMX and shares held by Copenhagen Stock Exchange) had as per 1 December 2004 provided their (non-binding) support to the combination:

- Alfred Berg Bank A/S
- Alm. Brand Bank A/S
- Amagerbanken Aktieselskab
- BRFkredit A/S
- Carlsberg A/S
- Carnegie Bank A/S
- Danisco A/S
- Danske Bank A/S
- Jyske Bank A/S
- Nordea Bank Danmark A/S
- Nykredit Realkredit A/S
- Oslo Børs ASA
- Realkredit Danmark A/S
- Skandinaviska Enskilda Banken A/S
- Svenska Handelsbanken AB
- Sydbank A/S
- TDC A/S

Recommendations of the Boards of Directors

Recommendation of the Board of Directors of Copenhagen Stock Exchange

"On 1 December 2004 the Boards of Directors of OMX and Copenhagen Stock Exchange have approved a Combination Agreement, whereby OMX offers to acquire Copenhagen Stock Exchange shares in exchange for newly issued OMX shares whereby OMX offers 42.7448 newly issued OMX shares, with a nominal value of SEK 2 each, ranking *pari passu* in all respects with the existing OMX shares, in exchange for each Copenhagen Stock Exchange share with a nominal value of DKK 100 validly tendered ("the Exchange Offer"). The consideration in connection with the Exchange Offer is limited to a maximum new issue of 7,007,347 OMX shares in case of full acceptance of the offer and a proportionate lower number of newly issued OMX shares in case of a lower acceptance level of the offer.

As an alternative to the Exchange Offer, OMX offers to acquire Copenhagen Stock Exchange shares for cash consideration whereby OMX offers DKK 3,050 in exchange for each Copenhagen Stock Exchange Share with a nominal value of DKK 100 validly tendered (the "Cash Offer"). The shareholders of Copenhagen Stock Exchange may choose a combination of the Cash Offer and the Exchange Offer. The Exchange Offer and the Cash Offer are together named "the Offer".

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1) The volume weighted average OMX share price based on the price quoted on the Stockholm Stock Exchange during the period 17 November – 30 November 2004, i.e. SEK 85.9027. Bloomberg has been used as the source for the volume weighted average OMX share price.
2) The SEK/DKK exchange rate of 1.2039 used was based on the average rates published in the London Financial Times during the period 17 November – 30 November 2004.

The exchange ratio between the shares in OMX and the shares in Copenhagen Stock Exchange, as well as the cash consideration for the shares in Copenhagen Stock Exchange, have been determined in discussions between OMX and Copenhagen Stock Exchange. Copenhagen Stock Exchange has in these discussions been advised and assisted by JP Morgan.

Furthermore the Board of Directors of Copenhagen Stock Exchange has received a fairness opinion dated 1 December 2004 given by JP Morgan to the effect that as of the date of the opinion the total consideration offered by OMX in the Offer is fair to the shareholders of Copenhagen Stock Exchange.

The Board of Directors of Copenhagen Stock Exchange has considered the Offer and come to the conclusion that the implementation of the Combination Agreement is in the interests of the shareholders of Copenhagen Stock Exchange.

Therefore, the Board of Directors has resolved to recommend that the shareholders of Copenhagen Stock Exchange accept the Offer.

The Board of Directors has on basis of the above prepared an account to the shareholders of Copenhagen Stock Exchange in which the advantages and disadvantages of the Offer have been accounted for. The account contains a recommendation that the shareholders of Copenhagen Stock Exchange accept the Offer.

15 December 2004

Copenhagen Stock Exchange

Board of Directors"

The account will be published in a press release immediately after the publication of the Prospectus. The account will also be sent to the shareholders of Copenhagen Stock Exchange.

Recommendation of the Board of Directors of OMX

By unanimously approving the Combination Agreement, the Board of Directors has unanimously and unconditionally decided to support the Offer and the transactions contemplated hereunder and to recommend the shareholders of OMX to vote in favour of the following resolutions at the Extraordinary General Meeting intended to be held on or about 3 February 2005:

- To authorize the Board of Directors of OMX to issue up to 7,007,347 new OMX shares as consideration in the Offer.
- To elect as member of the Board of Directors of OMX, conditional upon and effective as of the Closing Date, the person who OMX and Copenhagen Stock Exchange have agreed to propose that the Nomination Committee nominates, see Section "Combined Company – Board of Directors, Management and Auditors – Board of Directors of OMX AB".
- To adopt the amendments of the Articles of Association of OMX as set forth in Appendix D, conditional upon and effective as of the Closing Date.

Conditions

The Offer is subject to the following conditions:

(a) The Offer is accepted to such an extent that OMX becomes the owner of more than 90 percent of all issued shares and votes in Copenhagen Stock Exchange.

(b) The Extraordinary General Meeting in OMX, which is planned to be held on or about 3 February 2005, resolves to (i) authorise the issue of the OMX shares, (ii) elect the person set forth in Section "Combined Company – Board of Directors, Management and Auditors" to the Board of Directors of OMX, effective as from the date when OMX declares that the Offer will be completed (the "Closing Date") and (iii) amend the Articles of Association of OMX as set forth in "Appendix D".

(c) All necessary approvals from public authorities are obtained without any conditions or on conditions that, in the reasonable opinion of OMX, do not materially and adversely affect the Offer or the combination of the operations of OMX and Copenhagen Stock Exchange.

(d) The Offer is not, in the reasonable opinion of OMX, wholly or in part made impossible or significantly impaired as a result of legislation, court decision, action of a public authority, or similar events in any relevant jurisdiction, which has occurred or is expected to occur, or as a consequence of any other circumstance beyond OMX's control.
(e) The main shareholders' agreement covering all Copenhagen Stock Exchange shareholders, the shareholders agreement covering the bond issuing Copenhagen Stock Exchange shareholders (the Group II shareholders' agreement) and the shareholders' agreement covering the majority of the share issuing Copenhagen Stock Exchange shareholders (the Group III shareholders' agreement) have all been terminated prior to the Closing Date.
(f) The Combination Agreement between OMX and Copenhagen Stock Exchange dated 1 December 2004 has not been terminated in accordance with its terms.

OMX is entitled to withdraw the Offer if one or more of the above conditions are not satisfied. Withdrawal of the Offer will be announced by OMX by a press release in Denmark and in Sweden.

OMX reserves the right at any time to maintain acceptances received and complete the Offer even if one or more of the conditions mentioned in (a), (c), (d) and (e) above has not been satisfied. However, if the acceptance level as set forth in (a) above is lower than 66.7 percent, OMX may not complete the Offer without written consent from Copenhagen Stock Exchange's Board of Directors.

Other terms and conditions

Acceptances of the Offer are binding and irrevocable for the Shareholders until such time when OMX announces by a press release in Denmark and in Sweden that the Offer will not be completed. However, all acceptances will automatically be deemed void, if one or more competing offers with a higher offer price are announced during the Offer Period, unless OMX offers the same or a higher price at the latest four stock exchange days prior to the expiry of such competing offer(s).

The shares in Copenhagen Stock Exchange tendered to OMX pursuant to the Offer shall be free and clear from any security or third party rights.

Shareholders submitting their acceptance in accordance with the Offer shall be entitled to vote at any General Meeting which Copenhagen Stock Exchange may hold during the Offer Period and shall maintain their right to dividends, if any, until such time when the title to the shares passes to OMX.

OMX reserves the right to purchase shares in Copenhagen Stock Exchange during the Offer Period in accordance with applicable legislation.

OMX reserves the right to extend the Offer Period one or more times. Notification of any such extension will be announced by OMX by a press release in Denmark and in Sweden prior to the expiry of the Offer Period and will specify the revised offer period, which will then be referred to as the "Offer Period". Extensions of the Offer Period shall not constitute a new offer. Shareholders who have accepted the Offer will continue to be bound by their acceptances if the Offer Period is extended or the offer price is increased. In case the offer price is increased the Shareholders who have accepted the Offer will automatically be entitled to such increased offer price if the Offer is completed. In case the Offer Period is extended, settlement will be postponed accordingly.

Acceptance procedure

Shareholders wishing to tender their shares in Copenhagen Stock Exchange subject to the terms and conditions of the Offer must contact their own account holding institution or stock brokerage company in this respect with a request for the acceptance of the Offer to be communicated to Danske Bank A/S, Corporate Actions, Holmens Kanal 2–12, 1092 Copenhagen K, Denmark. Shareholders wishing to accept the Offer should use the acceptance form attached to this Prospectus.

The Shareholders should be aware that the acceptances shall be submitted to their own account holding institution or stock brokerage company well in advance to allow the account holding institution or stock brokerage company sufficient time to process and send the acceptances to Danske Bank A/S before the expiry of the Offer Period.

Please note that an incomplete or incorrectly completed acceptance form may be disregarded.

Acceptance Shares

Upon acceptance of the Offer, the shares in Copenhagen Stock Exchange will be given new ISIN-codes in the Shareholder's custody account with VP (the "Acceptance Shares").

The relevant ISIN-codes are:

a) "Copenhagen Stock Exchange EXCHANGE (DK0016296114)" for Shareholders, who have tendered their Copenhagen Stock Exchange shares in the Exchange Offer.
b) "Copenhagen Stock Exchange EXCHANGE LESS THAN 5 (DK0016296387)" for Shareholders holding five or less than five shares in Copenhagen Stock Exchange who have tendered their Copenhagen Stock Exchange shares in the Exchange Offer.
c) "Copenhagen Stock Exchange CASH (DK0016296460)" for Shareholders who have tendered their Copenhagen Stock Exchange shares in the Cash Offer.

Upon tendering the Copenhagen Stock Exchange shares in the Offer, the Shareholder will receive a statement from VP or its account holding institutions setting forth the number of Acceptance Shares and the ISIN-code for such Acceptance Shares.

The Acceptance Shares carry the same shareholders' rights as the Copenhagen Stock Exchange shares. In the event of a transfer of the Acceptance Shares the transferee will assume the legal position of the transferor and will be regarded as having tendered its shares in the Offer.

Separate ISIN-codes are used in respect of Shareholders who have accepted the Exchange Offer and shareholders who have accepted the Cash Offer in order to technically facilitate the settlement of the Offer.

Announcement of results of the Offer

On a date not later than two stock exchange days after the expiry of the Offer Period, which is expected to be on or about Wednesday 9 February 2005, OMX expects to announce by a press release in Denmark and in Sweden the results of the Offer. It will be indicated whether the conditions have been satisfied to the effect that the Offer will be completed or alternatively, which conditions have not yet been satisfied. In the event there are conditions, which have not yet been satisfied, OMX will announce whether the unsatisfied conditions are waived to the effect that the Offer will be completed or alternatively that the Offer is withdrawn.

Settlement

Settlement with the Shareholders will take place shortly after OMX has announced by a press release that the conditions for completion of the Offer have been satisfied or alternatively waived. The date of settlement will be announced in the press release.

Settlement under the Cash Offer will take place no later than three stock exchange days after completion of the Offer, which is expected to be on or about Monday 14 February 2005.

Settlement under the Exchange Offer is expected to take place on or about Wednesday 15 February 2005. The newly issued OMX shares will be delivered to Danske Bank A/S, who will distribute the shares to the Shareholders.

Settlement will take place with reduction for usual brokerage fees and sales expenses to the selling Shareholder's own account holding institution or stock brokerage company.

Fractional Shares

Under the Exchange Offer, 42.7448 new OMX shares are offered for every Copenhagen Stock Exchange share tendered.

To the extent that the exchange ratio results in a Shareholder being entitled to a number of shares in OMX which is not divisible by 1, such number of shares in OMX will be rounded down to the nearest whole number. Fractional entitlements to OMX shares will not be delivered to the Shareholders in the Exchange Offer. Instead, the fractions will be combined and sold by Danske Bank A/S on a best efforts basis on the Stockholm Stock Exchange on behalf of Shareholders and the proceeds will be remitted in DKK to Shareholders so entitled. By accepting the Exchange Offer, the Shareholder appoints Danske Bank A/S to execute the sale on behalf of the Shareholder of such excess fractions of new OMX shares to which the Shareholder is entitled. The proceeds of the sale will be distributed pro rata to the Shareholders that are entitled to fractional entitlements. No commission will be charged. Payment is expected to be made no later than 21 February 2005, and the proceeds will be deposited in the yield account linked to the VP-account.

Financing

OMX's acquisition of shares in Copenhagen Stock Exchange will be financed through a combination of own funds, new debt and, pending the acceptance level of the Exchange Offer, issuance of new shares in OMX.

Documents

This Prospectus including an acceptance form will be sent to registered Shareholders, other than those resident in the United States, Canada, Australia or Japan or other jurisdictions in which the submission of the Offer or acceptance hereof is in conflict with applicable legislation.

Additional copies of the Prospectus with acceptance forms will be available from Danske Bank A/S, Corporate Actions, Holmens Kanal 2–12, 1092 Copenhagen K, Denmark, phone: +45 43 39 49 69, fax: +45 43 39 49 54. For Danish residents a Danish version of the Prospectus will as from 17 December 2004 be available on Copenhagen Stock Exchange's website www.cse.dk. In addition, the Prospectus will be available on OMX's website www.omxgroup.com and at OMX's offices in Stockholm and Helsinki.

Dividend and other shareholders' rights

No dividend was paid to the OMX shareholders for the financial year 2003.

The new OMX shares issued pursuant to the Exchange Offer will entitle the holders to receive full dividends – if any – in respect of the financial year 2004 and thereafter. The new shares in OMX entitle the holders to voting rights and other administrative rights from the time of registration of the increase of OMX's share capital with the Swedish Companies Registration Office. The new shares in OMX shall rank pari passu in all respects with the existing shares in OMX.

For a general description of shareholders' rights, including how they are exercised, see Section "OMX – Shareholders' Rights".

For further information about the background and reason for the Offer, see Section "Combined Company – Group Overview".

Agreements

No remuneration or payments has been offered to any member of the Board of Directors or the Management of Copenhagen Stock Exchange in connection with completion of the Offer.

OMX confirms that all agreements of significance for the evaluation of the Offer of which OMX has knowledge are described in this Prospectus.

Listing of the OMX shares on Copenhagen Stock Exchange

Subject to completion of the Offer, an application will be made to Copenhagen Stock Exchange to list the OMX shares on Copenhagen Stock Exchange. The intention is that trading in OMX shares on Copenhagen Stock Exchange shall begin on or about 16 February 2005.

Trading in and clearing of the OMX share on Copenhagen Stock Exchange will take place in DKK.

Registration in the Danish central securities depository

Shareholders who accept the Exchange Offer will receive OMX shares registered through VP.

Under a Danske Bank A/S nominee arrangement, Danske Bank A/S will administer the VP-registered OMX shares on a nominee VPC-account. Danske Bank A/S will be registered as the nominee holder of the VP-registered OMX shares in OMX's shareholders register.

The nominee arrangement means that Shareholders receiving VP-registered OMX shares held under the Danske Bank A/S nominee arrangement will receive dividends in DKK from their account holding institutions via Danske Bank A/S.

The nominee arrangement will not affect the right of the OMX shareholders who hold their shares through VP to attend, speak and vote at General Meetings. However, in order to participate at a General Meeting, such shareholder must be directly registered in the OMX share register maintained by VPC, as described in Section "Listing of Combined Company Shares on Copenhagen Stock Exchange – General Meetings".

For further information of Shareholders' rights, see Section "Listing of Combined Company Shares on Copenhagen Stock Exchange".

Compulsory Redemption

OMX's objective is to acquire all of the issued and outstanding shares of Copenhagen Stock Exchange. Once OMX owns more than 90 percent of the share capital and the voting rights of Copenhagen Stock Exchange, OMX intends to initiate compulsory redemption procedures, either pursuant to section 20b of the Danish Companies Act or pursuant to a redemption provision in the Articles of Association. In such case, Copenhagen Stock Exchange shareholders will receive the redemption price in cash.

OTHER MATTERS RELATING TO THE OFFER

Corporate decisions

OMX Extraordinary General Meeting

OMX shall convene an Extraordinary General Meeting, intended to be held on or about 3 February 2005, at which the shareholders will be asked among other things to:

- Authorize the Board of Directors of OMX to issue up to 7,007,347 new OMX shares as consideration in the Offer.
- Elect as member of the Board of Directors of OMX, conditional upon and effective as of the Closing Date, the person who OMX and Copenhagen Stock Exchange have agreed to propose that the Nomination Committee nominates, see Section "Combined Company – Board of Directors, Management and Auditors – Board of Directors of OMX AB".
- Adopt the amendments of the Articles of Association of OMX as set forth in Appendix D, conditional upon and effective as of the Closing Date.

Furthermore, the shareholders will be asked to resolve on a reduction of the share premium reserve of OMX, by an amount corresponding to the amount by which the share capital and the share premium reserve will be increased following the issue of new shares as consideration in the Exchange Offer. The amount by which the share premium reserve will be reduced shall be transferred to the retained profits of OMX. The resolution shall be conditional upon the Board of Directors' resolution to issue new OMX shares in the Offer, as well as the registration of such resolution with the Swedish Companies and Registration Office.

Reduction of the net cash in Copenhagen Stock Exchange

After completion of the Offer, OMX may decide to reduce the net cash in Copenhagen Stock Exchange by resolving on an extraordinary dividend, or otherwise.

Costs of the Offer and of the listing of the OMX shares on Copenhagen Stock Exchange

The estimated aggregate costs of the Offer and the listing of OMX shares on Copenhagen Stock Exchange to be borne by OMX and Copenhagen Stock Exchange are expected to amount to approximately SEK 39 m, allocated as follows:

Costs	(SEK m)
Fees and commissions to the financial advisors	23
Fees to accountants and legal advisers	13
Other expenses, including translation, printing and distribution of the Prospectus, etc.	3
Total expenses	39

Indicative transaction time table

The Offer Period begins	22 December 2004
Publication of OMX's financial report for the period January–December 2004[1)]	2 February 2005
Publication of Copenhagen Stock Exchange's financial report for the period January–December 2004[2)]	2 February 2005
OMX Extraordinary General Meeting	On or about 3 February 2005
The Offer Period expires	7 February 2005
Announcement of result of the Offer	On or about 9 February 2005
Assuming completion of the Offer:	
Settlement of the Cash Offer	On or about 14 February 2005
Settlement of the Exchange Offer	On or about 15 February 2005
Trade in OMX shares on Copenhagen Stock Exchange begins	On or about 16 February 2005
Settlement of fractional shares	On or about 21 February 2005

1) The financial report of OMX will be published in the same manner as the Prospectus, see Section "The Offer – Documents". The financial report of OMX will be published in Sweden in the form of a press release by OMX and sent by ordinary mail to all holders of shares in Copenhagen Stock Exchange registered on the banking date preceding the date of publication of the relevant report in the register kept by VP to the addresses registered therein. Furthermore, copies of the report will be available at the same locations as other documents relating to the Offer are available during the Offer Period.

2) The financial report of Copenhagen Stock Exchange will be published in the same manner as the Prospectus, see Section "The Offer – Documents". The results for the financial report of Copenhagen Stock Exchange shall be published in Denmark on the website of Copenhagen Stock Exchange, www.cse.dk, and sent by ordinary mail to all holders of shares in Copenhagen Stock Exchange registered on the banking date preceding the date of publication of the relevant report in the register kept by VP to the addresses registered therein. Furthermore, copies of the document will be available at the same locations as other documents relating to the Offer are available during the Offer Period.

Risk factors

The business and financial position of the Combined Company will be affected by a number of external factors, some of which will not be controlled by OMX. In considering the Offer and assessing the future development of the Combined Company it is important to consider not only potential future prospects of growth but also risk factors.

The risk factors that are deemed to have the greatest influence on OMX's and the Combined Company's business, the Offer and the combination are described below. The risk factors below are not presented in order of priority. All risk factors cannot be described in detail. Instead, a decision to accept the Offer will have to be made based on all of the information contained in this Prospectus and on general external factors.

Risks relating to the market

Market fluctuations could adversely affect the Combined Company's businesses in many ways

OMX's and Copenhagen Stock Exchange's businesses are materially affected by conditions in the financial and other markets as well as economic conditions in general, both in the Nordic and other regions. Recent years have been characterized by considerable uncertainty surrounding the global economy resulting in weaker levels of demand on OMX's and Copenhagen Stock Exchange's markets, as well as regards the volumes of equity trading on OMX's stock exchanges and Copenhagen Stock Exchange and technology sales to companies in the financial and other markets. In the event of a downturn, the business operations of the Combined Company could be adversely affected in many ways and its income would likely decline. Should the Combined Company be unable to reduce its cost base (which to a large degree is fixed) at the same pace, its profit margin would erode and its liquidity could be impaired.

The Combined Company will be dependent on the general market and economic conditions and the volume of trading in and the share price of major Nordic companies

The Combined Company will be dependent on the general market and economic conditions and especially so in the Nordic region. The domestic economies of the Nordic countries remain dependent on specific industry sectors, such as the telecom sector, and even specific companies within these sectors. As a result, these economies are particularly vulnerable to fluctuations in the performance of these sectors and companies. OMX's stock exchanges and Copenhagen Stock Exchange are dependent on the volume of trading in and the price of equities and derivatives of a limited number of major Nordic companies, such as A.P. Møller – Mærsk, AstraZeneca, Danske Bank, Ericsson, H&M, Nokia, Nordea, Novo Nordisk, TeliaSonera, TDC and Volvo. Should the volume of trading in, or the market value of, any of these companies materially decrease or should any of these companies be delisted from OMX's stock exchanges or Copenhagen Stock Exchange, it would likely have a detrimental impact on the Combined Company's business.

OMX operates in various markets

The operations of OMX are subject to the risk inherent in international operations, including but not limited to, risks with respect to operating in the emerging markets of the Baltic region. These countries are subject to greater political, economic and social uncertainties than countries with more developed institutional structures. Furthermore, the operations will be subject to the laws and policies of, inter alia, the United States and the European Union. There can be no assurance that these factors will not have a material adverse impact on the Combined Company's ability to increase or maintain its international sales or on the results of its operations.

Risks relating to the business

OMX and Copenhagen Stock Exchange may have difficulties in integrating their businesses and realizing the anticipated benefits of the combination

The combination involves the integration of two businesses that currently operate independently and the Combined Company may face difficulties integrating OMX's and Copenhagen Stock Exchange's businesses, operations and personnel in a timely and efficient manner. Although detailed plans for achieving the estimated cost savings and other benefits from the combination have been made, such plans have not been finalized and cannot be implemented until the completion of the combination. Thus, the estimated cost savings and other benefits of the combination may not be achieved in full or within the expected timeframe. Furthermore, there can be no assurance that the estimated restructuring costs would not be exceeded.

The Combined Company will depend on its relationships with a number of large customers and partners, and the disruption of these relationships may adversely affect its business

The Combined Company will depend on its relationships with its largest customers and partners, see in particular Section "OMX – Other information – Significant agreements" and Section "Copenhagen Stock Exchange – Other information – Significant agreements" for more information. There can be no assurance that these relationships and agreements will continue following the combination or otherwise, or that the terms thereof will remain unaltered. Any such disruption, termination or amendment could have an adverse effect on the Combined Company's business, financial condition and share price.

The combination of OMX and Copenhagen Stock Exchange could have an impact on the pricing of certain products

Both OMX and Copenhagen Stock Exchange have entered into agreements whereby certain products are distributed via third parties. Due to the provisions of the said agreements, the third parties are able to influence the pricing of the distributed products and, consequently, to a certain extent will be able to influence the Combined Company's income for such products.

Furthermore, there are no guarantees that the integration of Copenhagen Stock Exchange and the exchange operations of OMX will not result in fee changes following harmonization of fee structures.

OMX invests substantial amounts in system platforms

In its technology operations, OMX invests substantial amounts in the development of system platforms. Although investments are carefully planned, there can be no assurance that the demand for such platforms will justify the related investments and that the future levels of orders will be sufficient to generate an acceptable return on such investments. If OMX fails to generate acceptable revenue from planned system platforms, or fails to do so within the envisaged timeframe, it could have an adverse effect on the Combined Company's operating results and financial condition.

There are risks related to valuation of goodwill and other intangible assets

A substantial part of the Combined Company's assets will consist of goodwill and other intangible assets. These assets are valued on an ongoing basis based on estimated future market conditions and other relevant factors. Thus, an impairment of these assets could cause impairment losses affecting income statement and shareholders' equity.

It may not be possible to sublease leased premises

A large portion of the offices in which OMX operates in different countries is leased under long-term agreements according to local market conditions. The degree of utilization of these office spaces has decreased and may continue to decrease in the future due for instance to reorganization or closure of business, and there can be no assurance that it would be possible to sublet any non-utilized office space or to sublet such space on terms that would cover existing leasing costs or otherwise not be less favourable for OMX. This could have an adverse effect on the Combined Company's business, operational results and financial position.

Tax assets are valued on a continuous basis

A part of the OMX balance sheet consists of tax assets. These assets are valued on a continuous basis according to going concern concept and relevant factors as impairment testing. An impairment test of these assets could cause impairment losses affecting income statement and shareholders' equity.

The Combined Company may not be able to remain competitive and implement its strategy if it cannot hire and retain skilled personnel

To remain competitive and implement its strategy, the Combined Company will need to hire and retain highly skilled employees with particular expertise. Competence and expertise within transaction technology will be the Combined Company's main competitive advantage and organizational backbone. A portion of this competence will be held by a limited number of key individuals who are of particular importance for ensuring that the Combined Company remains and develops its competitive edge. Furthermore, the Combined Company will be particularly dependent on certain key members of management responsible for managing the integration of the two companies and developing the strategic direction for the company. A positive development of both the future business activities and the integration of OMX and Copenhagen Stock Exchange will be dependent on the continued employment of such employees.

Risks relating to the operations

Operational risk and dependence on systems and IT-systems may disrupt the Combined Company's business, result in regulatory action against the Combined Company or limit its growth

OMX faces operational risk arising from potentially inadequate or failed internal processes and IT systems as well as other systems or from factors beyond its control (such as criminal acts and default by suppliers of telecom services). The business of OMX is highly dependent on the IT systems and other systems on which it operates. Even though OMX aims to take precautions (such as risk management, education, internal control and insurance), as both OMX and Copenhagen Stock Exchange already take today to limit the risks related to their processes and systems, the Combined Company could suffer financial loss, a disruption of its business, liability to customers, regulatory intervention or damage to its reputation or the operations of the securities markets could be disabled, if any of these processes and systems do not operate properly or are disabled.

Employee misconduct could harm the Combined Company and is difficult to detect and deter

Operational risk includes the risk of loss due to lack of knowledge or wilful violation of rules and regulations on the part of employees. Employee misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious financial harm. Employee misconduct in any form could result in significant financial loss to the Combined Company and damage to its reputation. Even though OMX aims to take precautions (such as risk management, education, internal control and insurance), as both OMX and Copenhagen Stock Exchange already take today to limit the risks of such loss or damage, it is not always possible to deter and detect employee misconduct, and the precautions taken may not be effective in all cases.

The Combined Company will be exposed to clearing risk

The Combined Company will clear a range of equity-related and fixed-income-related derivative products. The Combined Company will assume the counterparty risk for all transactions that are cleared for its markets and guarantee that its cleared contracts will be honored. As protection against the risks that are associated with its derivatives clearing business, the Combined Company will enforce minimum financial and operational criteria for membership eligibility, require members and investors to provide collateral, and maintain established risk policies and procedures to ensure that the counterparty risks are properly monitored and pro-actively managed. Both OMX and Copenhagen Stock Exchange also have the benefit of rules and regulations, which provide a robust legal protection.

The most notable risk associated with derivative clearing operations is the risk that one or more counterparties will default on their obligations. The collateral that is required from, and pledged by, members and investors is based on margining methodologies designed to provide adequate protection against counterparty default. The collateral pledged is restricted to approved forms of eligible collateral. Counterparty risk exposures are monitored and controlled on a daily and an intraday basis and both OMX and Copenhagen Stock Exchange have clearly defined procedures in place for managing default risk and responding to default situations.

While pro-active risk management within the Combined Company will be designed to mitigate the risk of counterparty default, there is no guarantee that members or investors will not default on their obligations to the Combined

Company. Moreover, while margining of member and investor risk exposures is specifically designed to ensure that sufficient collateral is maintained to compensate for the default risk incurred, no guarantee can be given that the collateral provided will at all times be sufficient. Accordingly, the Combined Company will maintain clearing capital resources that serve as an additional layer of protection to help ensure that the Combined Company is able to meet its obligations.

The Combined Company will be exposed to currency risk

The Combined Company will face increased currency exposure due to increased translation exposure compared with OMX and Copenhagen Stock Exchange as stand-alone entities. The Combined Company will have significant exposure to exchange rate movements between the SEK, DKK, euro, US dollar and other foreign currencies. Should the Combined Company's hedging strategies prove to be ineffective, this could have an adverse effect on its operating results and financial condition.

The Combined Company will be exposed to credit, counterparty and liquidity risk

The Combined Company will face credit, counterparty and liquidity risks in its business. Although these risks to some extent will be limited by dealing with counterparties with a high credit rating and by investing in low credit risk securities offering high liquidity, no assurance can be given that the counterparties will not default on their obligations to the Combined Company due to factors outside the Combined Company's control and that the market in which the financial instruments are invested will remain liquid.

The Combined Company will be exposed to interest risk

OMX faces interest rate risks in its business. The speed at which an enduring interest rate change can impact the Combined Company's net interest income will depend on duration of the interest rates of the Combined Company's investments and borrowings. In accordance with OMX group's finance policy, the duration of the borrowings is long term while the duration of the interest rate on such borrowings is short-term; fluctuations in the interest rate could impact the Combined Company's financial condition.

Risks related to legal and regulatory matters

The Combined Company will operate in a regulated industry and changes in, or adverse applications of, the regulations affecting it could harm its operating results and financial condition

The Combined Company's activities will, to a large extent, be regulated either at the national level or at an international level, such as by the European Union. Implementation and application of these regulations may be undertaken by one or more regulatory authorities, which may challenge the Combined Company's compliance with one or more aspects of such regulations. If the Combined Company is found not to have complied with these regulations, it may, among other things, be subject to conditional fines and have its authorization or license revoked.

In addition, changes in legislation, regulation or government policy affecting the Combined Company's business activities, as well as decisions by regulatory authorities or courts, could harm its operating results and financial condition and could have a negative impact on its share price.

Legal proceedings

For a description of the legal proceedings to which OMX and Copenhagen Stock Exchange, respectively, are subject, please see Sections "OMX – Other Information – Legal disputes", "OMX – Other Information – Tax disputes" and "Copenhagen Stock Exchange – Other Information – Legal disputes".

Risks relating to the Offer

The Offer will not be adjusted based on fluctuations in the market price of OMX shares or on the relative financial performance of OMX and Copenhagen Stock Exchange

Shareholders accepting the Exchange Offer will be subject to the risk that the market price of the OMX shares to be received in the Offer may decrease between the commencement of the Offer Period and the time when the Offer is completed. Shareholders accepting the Exchange Offer should thus be aware that the value of the OMX shares received at the completion of the Offer may be less than the value of such OMX shares on the date of the announcement of the Offer, the date of this Prospectus or the date of tendering the relevant Copenhagen Stock Exchange shares.

A Shareholder (holding more than five shares in Copenhagen Stock Exchange) accepting the Exchange Offer may not receive all the consideration in the form elected and when accepting the Exchange Offer will not know the exact number of OMX shares to be received

Since the form of consideration to be paid to a Shareholder under the Exchange Offer is subject to a maximum number of new OMX shares to be issued in the Exchange Offer and the elections made by the other tendering Shareholders, see Section "The Offer – Exchange Offer", there can be no assurance that a Shareholder (holding more than five shares in Copenhagen Stock Exchange) accepting the Exchange Offer will receive all of its consideration in OMX shares; instead it may receive part of the consideration in form of cash.

In addition, a Shareholder (holding more than five shares in Copenhagen Stock Exchange) accepting the Exchange Offer will not, until after the Offer Period has expired, know the number of OMX shares that it will receive as consideration.

The Offer ratio may not reflect relative values of the companies

The consideration to be paid in the Offer has been determined based on the best information available for the valuation. Valuations are based on assumptions and judgements of future events. The valuations made by OMX and Copenhagen Stock Exchange may therefore not accurately reflect the intrinsic values of the companies and, accordingly, may not accurately reflect the relative values of OMX and Copenhagen Stock Exchange.

The investment in OMX shares will be affected by currency exchange rate fluctuations

It is the intention that the OMX shares to be received in the Offer by the Shareholders accepting the Exchange Offer shall be listed on Stockholm Stock Exchange, on Helsinki Stock Exchange and, subject to completion of the Offer, on Copenhagen Stock Exchange. As the majority of the Combined Company's revenues will be denominated in SEK and most of the volume of trade in the Combined Company's shares is likely to take place on Stockholm Stock Exchange, it is likely that the valuation and pricing of the Combined Company's shares will to a substantial extent be based on SEK. If the SEK weakens in relation to the DKK, it is likely that the OMX shares received in the Offer will also decrease in value. If, however, the SEK strengthens, such investments are likely to increase in value.

No prior trading on Copenhagen Stock Exchange

In connection with, and subject to, the completion of the Offer, OMX intends to apply for listing of the shares in OMX on Copenhagen Stock Exchange. Prior to the completion of the Offer, neither the shares of OMX nor of Copenhagen Stock Exchange have been publicly traded in Denmark. Thus, there is no guarantee that a well-functioning and liquid trading market for the OMX shares will develop and be sustained on Copenhagen Stock Exchange after the commencement of listing. The lack of liquidity could result in a wider price spread for the OMX shares on Copenhagen Stock Exchange than on the primary market on Stockholm Stock Exchange.

Risks to non-tendering Shareholders

A Shareholder not participating in the Offer may be required to participate in a compulsory redemption proceeding that may result in a cash payment that may be either less or more than the consideration per Copenhagen Stock Exchange share received in connection with the Offer

Under the Danish Companies Act, once OMX holds more than 90 percent of the shares and voting rights of Copenhagen Stock Exchange, OMX will have the right to require the minority Shareholders to sell the remaining Copenhagen Stock Exchange shares to OMX for a fair price in compulsory redemption proceedings.

Combined Company

The information in this Section is presented in order to give a general overview of the Combined Company. All figures presented in this Section relate to the Combined Company. The most important risks related to the Combined Company's business operations, which could have material effect on the Combined Company's operations and financial position, are presented in Section "Risk factors".

GROUP OVERVIEW

Introduction

OMX owns and operates the largest securities market place in the Nordic Baltic region and is a leading provider of marketplace services and solutions for the financial and other markets. OMX consists of two divisions: OMX Technology and OMX Exchanges.

OMX Technology is a leading provider of solutions and services for the entire transaction chain, offering transaction technology, processing and outsourcing services to banks, brokerage firms, exchanges, clearing organizations and CSDs.

The division OMX Exchanges includes the stock exchanges in Stockholm, Helsinki, Tallinn, Riga and Vilnius as well as the CSDs in Estonia, Latvia and Lithuania (OMX's ownership in the Lithuanian CSD amounts to 40 percent). Following the combination, Copenhagen Stock Exchange will be integrated in the corporate and organizational structure of the division OMX Exchanges.

The combination of OMX and Copenhagen Stock Exchange is expected to create value and benefits for shareholders, issuers, members and investors. Through the combination, OMX takes the next step in realizing the vision of an integrated Nordic and Baltic securities market and further establishes the Combined Company as one of the leading European exchange organizations. With more than 85 percent of the total trading turnover in the Nordic market and access to an established and proprietary technology infrastructure, the Combined Company will continue to expand via mergers, expansion of existing co-operations and new co-operations.

Background to and reasons for the combination

Individually, the Nordic securities markets are medium-sized markets exposed to global competition. So far, the Nordic markets have been successful in compensating the lack of size with innovations, cost efficiencies and competitive fees. But as the larger markets and market participants consolidate, the critical mass needed increases and the relative size of the Nordic markets diminishes.

The Nordic securities markets share several important values, structures and participants and are often considered as one common area by the global financial community, which therefore also expects a high level of integration between the Nordic markets to form an efficient securities market. Efficient and competitive capital markets are important for securing access to capital and, in the long run, for a region's attractiveness and growth opportunities.

The internationalization and consolidation of securities markets means that even medium-sized markets have to maintain and develop the same functionality, products and services as the larger markets. Therefore a central counterparty clearing ("CCP") for the equity market, which is becoming a *de facto* standard in Europe, will need to be introduced also in the Nordic markets.

Based on a common view of the future securities market development, OMX's and Copenhagen Stock Exchange's main motive for the combination is to increase the Combined Company's competitiveness as well as the region's attractiveness. The combination of OMX and Copenhagen Stock Exchange will improve the competitive position of the Nordic and Baltic exchanges and place the Combined Company in a stronger strategic position.

Furthermore, OMX and Copenhagen Stock Exchange acknowledges that a Nordic consolidation of the CSD market is essential for the successful creation of a common Nordic securities market. The Combined Company shall therefore actively promote and support such consolidation. OMX and Copenhagen Stock Exchange have the joint understanding that the combination will give further impetus to the establishment of a Nordic CSD and CCP. OMX's objective is to be the leading catalyst in developing a common Nordic and Baltic securities market with integrated exchanges, as well as one clearinghouse and a functionally integrated CSD with local legal entities. This structure would allow investors as well as trading and clearing members to access the market with minimum effort.

The combination of OMX and Copenhagen Stock Exchange is a logical further step in the creation of one of Europe's larger securities markets, supported by a leading technology provider, creating value and benefits to shareholders, issuers, and market participants. The combination is likely to trigger further integration in the Nordic and Baltic area and OMX welcomes Oslo Børs and Iceland Stock Exchange to join the Combined Company.

Benefits and costs of the combination

The combination of OMX and Copenhagen Stock Exchange will create value and benefits to shareholders, issuers, members and investors.

Due to the larger size of the Combined Company, shareholders are expected to benefit from synergies coming from economies of scale as well as from expected increased revenues from expected higher activity on the cash and derivatives markets over time. Through operational efficiencies, the combination of OMX and Copenhagen Stock Exchange is expected to create annual pre-tax cost savings of around SEK 30 m (DKK 25 m) to have full effect within three years, but with the major part having effect within two years, following completion of the combination. Restructuring costs are estimated at around SEK 60 m (DKK 50 m) pre-tax.

The combination will ensure faster and deeper integration of the Nordic and Baltic securities markets. Moreover, the combination will create opportunities to develop the fixed income markets and the investment fund markets in Sweden, Finland and the Baltic countries based on the experience and strength of Copenhagen Stock Exchange. The combination also offers the opportunity to develop the Danish derivatives market by integrating it with the efficient Swedish/Finnish derivatives market.

Furthermore, liquidity in the equity markets is expected to increase due to cheaper infrastructure as a consequence of synergies and streamlining potential for Nordic and Baltic based members. Another important measure to increase the liquidity is to attract more members to the exchanges in Stockholm, Helsinki, Copenhagen and the Baltic countries, which is expected to be facilitated by the proposed combination creating a larger combined market. The streamlining potential from harmonized systems and economies of scale is also expected to provide the members with cost cutting possibilities.

Issuers will benefit from the expected increased liquidity of a combined marketplace through a higher number of members and international investors. In addition, the marketplace is in short to medium term expected to see increased trading following an enlarged home market due to the possibilities of creating attractive segments, indices and market structures for listed companies.

The Combined Company's employees may benefit from the wider development possibilities offered by a larger organization.

BUSINESS DESCRIPTION

Vision and strategy

OMX's vision is to be regarded as the world's leading partner for more efficient securities transactions.

OMX has within the division OMX Technology a global strategy of being a leading provider of transaction technology, outsourcing and processing services to exchanges, clearinghouses, CSDs and market participants.

Within the division OMX Exchanges, OMX has a Nordic Baltic strategy. OMX's objective is to be the leading catalyst in developing a common Nordic and Baltic securities market with integrated exchanges, as well as one clearinghouse and a functionally integrated CSD with local legal entities. This structure would allow investors and trading and clearing members to access the market with minimum effort. Following the combination, Copenhagen Stock Exchange will be integrated in the corporate and organizational structure of OMX operationally under the OMX Exchanges division.

The combination of OMX and Copenhagen Stock Exchange, accounting together for more than 85 percent of the total Nordic equity market, measured in share trading turnover, will further promote the objective of an integrated Nordic and Baltic securities market, leading to increased volumes and providing the best liquidity for the securities listed at OMX and Copenhagen Stock Exchange. The combination of OMX and Copenhagen Stock Exchange is seen also as an ideal catalyst for and supporter of the further consolidation of the Nordic CSDs and the creation of a Nordic CCP.

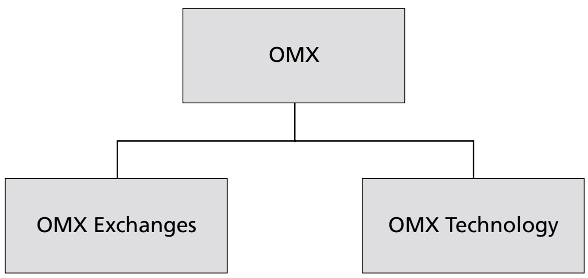
OMX will further aim to

- Promote and position the Nordic and Baltic securities market in a global context. An integrated Nordic and Baltic securities market will attract greater attention and recognition among the global financial community and will thereby offer a better position in integration talks in Europe. By combining OMX and Copenhagen Stock Exchange, the Combined Company will reach the same tier of European markets where the Spanish, Italian and Swiss markets (including Virt-x) currently are.
- Re-enforce the position of the Nordic fixed income markets by utilizing the advantages of the larger entity and experience and strength of the structure of Copenhagen Stock Exchange.
- Further develop the investment fund market in the combined markets by benefiting from the experience and strengths of the structure of the Danish investment fund market.
- Create one common market for derivatives with a common clearinghouse.
- Expand the combined business further by integrating the competences of the employees on a cross-border basis.
- Develop new products of international interest, such as sector markets and indices.

Organization

OMX AB will be the parent company of the Combined Company. For information on the current organization of the OMX group, please see Section "OMX – Group Overview – Operations and business areas". Subject to and following the completion of the Offer and a possible Compulsory Redemption proceeding, Copenhagen Stock Exchange will become a fully owned subsidiary of OMX AB. For information on the current organization of Copenhagen Stock Exchange group please see Section "Copenhagen Stock Exchange – Business Description – Organization".

OMX divides its operations into two divisions: OMX Exchanges and OMX Technology. Copenhagen Stock Exchange will be organised within the OMX Exchanges division. Copenhagen Stock Exchange will continue to be a regulated entity domiciled in Denmark, regulated by Danish law and supervised by Danish authorities. This corresponds to OMX's preferred exchange business model, which is to operate in a cross-border entity through local entities in order to ensure the closeness to local customers.



The corporate headquarters and registered office of OMX is in Stockholm, Sweden. OMX's corporate language is English. Following completion of the Offer and based on figures as of 30 November 2004, the Combined Company will have 1,519 employees in 14 countries. As of 1 December 2004 the Finnish Central Securities Depository ("APK") was deconsolidated due to the merger between APK and VPC. As of 30 November 2004, APK employed 111 persons.

OMX's shares are listed on the stock exchanges in Stockholm and Helsinki and OMX will also, subject to completion of the Offer, seek a listing on Copenhagen Stock Exchange as soon as possible during 2005.

OMX AB

The parent company OMX AB has the overall strategic responsibility for the OMX group and will continue to have such responsibility for the Combined Company. The parent company has certain group functions, including finance, human resources, treasury, legal, investor relations, communications, corporate planning and branding. Strategic and other significant decisions are taken at the parent company level.

OMX Exchanges division

After completion of the Offer, the OMX Exchanges division will comprise Stockholm Stock Exchange, Helsinki Stock Exchange, Copenhagen Stock Exchange, Riga Stock Exchange, Tallinn Stock Exchange and Vilnius Stock Exchange including the Estonian, Latvian and Lithuanian CSDs (the Lithuanian CSD is owned to 40 percent by OMX). The division will also administrate the partnerships and co-operation arrangements with EDX London, Eurex (part of the Deutsche Börse group), NOREX and Euronext.

The OMX Exchanges division of the Combined Company will offer investors access to 85 percent of the Nordic equity market, measured in share trading turnover, and almost 100 percent of the Baltic equity market. As of 30 November 2004, OMX Exchanges (including Copenhagen Stock Exchange) had a total of 684 listed companies, whereof 60 companies among STOXX 600. The OMX Exchanges division of the Combined Company will be one of the leading European exchanges with regard to the Technology sector, as well as in the Basic Resources, Industrial Goods & Services and Retail sectors. OMX Exchanges (including Copenhagen Stock Exchange) had 139 members as of 30 November 2004. OMX Exchanges' (including Copenhagen Stock Exchange) market capitalization of listed companies amounted to approximately SEK 4,967 bn as of 30 November 2004 and the average daily equity turnover was approximately SEK 23 bn during the period January–November 2004. In total, OMX Exchanges (including Copenhagen Stock Exchange) had approximately 4,000 bonds listed as of 30 November 2004.

The following table shows the 20 largest issuers in equity turnover, for the period January–November 2004, on the Combined Company's exchanges.

Ranking	Issuer name	Equity turnover, EUR m	Percent of total equity turnover
1	Nokia	122,838	21.1
2	Ericsson	96,904	16.7
3	Nordea Bank	18,552	3.2
4	Volvo	13,777	2.4
5	TeliaSonera	12,985	2.2
6	Atlas Copco	12,639	2.2
7	Hennes & Mauritz	12,447	2.1
8	A.P. Møller – Mærsk	12,066	2.1
9	AstraZeneca	11,464	2.0
10	Stora Enso	11,331	2.0
11	TDC	10,363	1.8
12	Sandvik	10,351	1.8
13	Svenska Handelsbanken	10,072	1.7
14	Skandia	9,911	1.7
15	UPM-Kymmene	8,965	1.5
16	Skandinaviska Enskilda Banken	8,756	1.5
17	SKF	8,518	1.5
18	Danske Bank	8,214	1.4
19	Electrolux	8,200	1.4
20	Novo Nordisk	8,114	1.4
Total		416,468	71.5

The division's revenues (including internal sales and Copenhagen Stock Exchange revenues) totalled approximately SEK 1,480 m in the period January–September 2004. Number of employees as of 30 November 2004 (including Copenhagen Stock Exchange) was 468.

The headquarters of the division OMX Exchanges is (and will after completion of the Offer remain) located in Helsinki, Finland.

OMX Technology division

The OMX Technology division of the Combined Company will be organised according to the current structure of OMX Technology in the following three business areas: Banks & Brokers, Financial Markets and Global Services. Please see Section "OMX – OMX Technology – Business areas" for further information.

The OMX Technology division had revenues of SEK 1,279 m in the period January–September 2004 (including internal sales and sales from OMX to Copenhagen Stock Exchange). The number of employees of the division totalled 968 as of 30 November 2004. The OMX Technology division of the Combined Company will have more than 100 customers, including more than 20 market places and clearing organizations.

The headquarters of the division OMX Technology is (and will after completion of the Offer remain) located in Stockholm, Sweden.

INTEGRATION PROCESS

Integration and implementation

The integration of OMX and Copenhagen Stock Exchange shall take place on the following four levels:

- Technical level
- Functional/operational level
- Regulatory level
- Organizational level

The intention is that the integration of OMX and Copenhagen Stock Exchange shall be implemented in two steps. The first step includes integrating Copenhagen Stock Exchange into the corporate and organizational structure of the division OMX Exchanges and is anticipated to take place during 2005. The second involves the formation of an integrated securities trading market between Sweden, Finland and Denmark, including among other things the establishment of cross membership and one communication line access point for the members at OMX Exchanges and Copenhagen Stock Exchange. The second step will evolve over 2005–2006.

Step 1. Integration of Copenhagen Stock Exchange in OMX group (2005)

In step one Copenhagen Stock Exchange will be integrated operationally in the corporate and organizational structure of OMX under the OMX Exchanges division. Such integration will in principle be initiated upon completion of the Offer, but will in practice be implemented over a longer period of time. The ways to include Copenhagen Stock Exchange under the OMX brand will be defined and launched as soon as possible. International sales and marketing, as well as all other areas where possible, will adopt the new OMX branding and immediately start working in co-operation across all business areas within the OMX Exchanges division.

Step 2. Integration of order books (2005–2006)

In step two, the Combined Company will form an integrated securities trading market between Sweden, Finland and Denmark as follows:

- Members of Copenhagen Stock Exchange and OMX Exchanges will be granted cross membership.
- Members will only have one point of entry (“access point”) in terms of communication line connections to the central exchange systems.
- Harmonization of trading rules, regulations and listing requirements will be initiated. This step, which is desirable and also likely to be required by future EU legislation, will, however, take into consideration local regulatory issues and market structure or practise. The Advisory Committee must be consulted in advance of any material changes to regulatory issues for which Copenhagen Stock Exchange is responsible.
- On the central cash market exchange system, there will be a single order book per each product, as well as the possibility of a multicurrency single order book.
- Launching of new Nordic indices will be studied. The index family could consist of at least a general index and a blue chip index.
- Centralization of derivatives market functions to Stockholm. Derivatives expertise in Copenhagen will be limited to local sales forces.

Employees and incentives

Following completion of the Offer and based on figures as of 30 November 2004, the Combined Company will have 1,519 employees of which 468 will work within the OMX Exchanges division, 968 within the OMX Technology division and 83 in the parent company. Around 60 percent of the personnel will be employed in Sweden, 20 percent in Finland, 6 percent in Denmark, 8 percent in the rest of Europe, 4 percent in North America and 2 percent in the Asia-Pacific region. As of 1 December 2004, APK was deconsolidated due to the merger between APK and VPC. As of 30 November 2004, APK employed 111 persons, all in Finland.

The Combined Company will be a knowledge-based company where the collective expertise and experience of its employees will represent a very important asset. The Combined Company will, through implementing different types of competence developing programs as well as competitive remuneration, seek to attract and retain skilled employees.

It is planned that the remuneration program of the Combined Company will materially follow the program currently used by OMX where the remuneration comprises a number of parts, including fixed salary as the largest part, a discretionary bonus to key contributors to reward individual performance and the possibility to participate in long-term incentive programs. However, decisions can be made to revise or terminate an existing program related to the remuneration structure according to the Board of Director's discretion. For further information about the existing incentives schemes in OMX, see Section "OMX – Shares, Share Capital and Shareholder Structure – Incentive schemes".

The organization and staff of the OMX group will be restructured following the combination of OMX and Copenhagen Stock Exchange. The restructuring will be made on the basis that knowledge and capabilities are the most important resources of the Combined Company. However, the need for greater efficiency and lower cost can only be satisfied by the removal of duplicate functions inevitably resulting in redundancies. This is an integral part of the business rationale of the combination. Hence, OMX and Copenhagen Stock Exchange apprehend that the transaction will result in a lower overall headcount of personnel. Efforts will be put on keeping the most talented and skilful employees regardless of location.

Synergies, restructuring and transaction costs

Synergies

The combination of OMX and Copenhagen Stock Exchange is expected to create synergies, primarily in the form of cost savings. These savings are expected to derive from headcount reductions enabled by enhanced efficiency, as well as from reductions of costs, within operations of the equity and derivatives markets, IT and administrative functions. OMX and Copenhagen Stock Exchange expect to achieve revenue synergies, through, inter alia, a general increase in the marketplaces' attractiveness, cross-selling opportunities, best practice opportunities and the introduction of new products, although such revenue synergies have not been quantified. However, certain dis-synergies may also occur due to for example harmonization of fee structures.

In total, yearly cost savings of about SEK 30 m (DKK 25 m) pre-tax have been estimated. Full effects of these savings are expected within three years, but with the major part having effect within two years, following completion of the combination.

Restructuring and transaction costs

Total restructuring costs (excluding transaction related costs) resulting from the combination of OMX and Copenhagen Stock Exchange are expected to amount to about SEK 60 m (DKK 50 m) pre-tax, primarily during 2005. The majority of the restructuring costs will arise from a reduction of overlapping functions, organizational restructuring and, over time, write downs of certain existing assets. In addition, total transaction costs related to the combination are expected to amount to about SEK 39 m pre-tax. Of the total restructuring and transaction costs of about SEK 99 m pre-tax, about SEK 39 m are expected to be included in OMX's purchase price of Copenhagen Stock Exchange or expensed in Copenhagen Stock Exchange prior to the date of exchange of control and consequently estimated to also increase goodwill. The total restructuring costs of SEK 60 m pre-tax will be expensed for in OMX's income statement, with the majority affecting the income statement for 2005.

Financial objectives

The Combined Company's financial objectives will be the same as the present financial objectives of OMX, see Section "OMX – Group Overview – Financial objectives".

Financial reporting

OMX will publish the financial report for the period January–December 2004 on 2 February 2005. Copenhagen Stock Exchange will publish results for the period of January–December 2004 on 2 February 2005.

The official reporting currency of OMX is SEK. OMX publishes its annual accounts, account statements and interim reports prepared in accordance with Swedish laws and regulations. For further information on the disclosure requirements, see Section "Securities markets – The Swedish securities market – Disclosure of interests and insider regulations".

Financial calendar

The Combined Company's financial calendar for 2005 will be the following:

Year-End Financial Statements for OMX and Copenhagen Stock Exchange for 2004 – 2 February 2005
Annual General Meeting – 7 April 2005
Interim Report January–March – 20 April 2005
Interim Report January–June[1)]
Interim Report January–September[1)]

1) The dates of publication of the Interim Reports January–June and January–September will be disclosed on a later date.

FINANCIAL INFORMATION

Unaudited condensed pro forma consolidated financial information

General principles

The following unaudited condensed pro forma consolidated interim financial information gives effect to the combination of OMX and Copenhagen Stock Exchange and the possible related issuance of OMX shares, assuming full acceptance of the Offer. The shareholders of Copenhagen Stock Exchange can choose between the Exchange Offer and the Cash Offer, or a combination thereof. For further information on the details of the Offer, please see Section "The Offer". In the following unaudited condensed pro forma consolidated interim financial information, the pro forma adjustments and related notes reflect the effects of the Exchange Offer being fully subscribed, i.e. where the maximum number of OMX shares are issued. The pro forma interim financial information also disclose the effects of all Copenhagen Stock Exchange shares being tendered under the Cash Offer, i.e. where the consideration to be paid in the Offer is cash only.

For accounting purposes, the combination will be accounted for as an acquisition of Copenhagen Stock Exchange by OMX using the purchase method. The final combination of OMX and Copenhagen Stock Exchange will be calculated based on the purchase price consideration and the fair values of Copenhagen Stock Exchange's identifiable assets and liabilities at the date of exchange of control. Therefore, the actual goodwill amount, as well as other balance sheet items, could differ from the preliminary unaudited condensed pro forma consolidated interim financial information presented herein, and in turn affect items in the preliminary unaudited condensed pro forma consolidated income statement, such as depreciations and income taxes. The unaudited condensed pro forma consolidated income statement for the nine months ended 30 September 2004 give effect to the combination as if the transaction had occurred on 1 January 2004. The unaudited condensed pro forma consolidated balance sheet as of 30 September 2004 gives effect to the combination as if the transaction had occurred on 30 September 2004.

OMX has presented this unaudited condensed pro forma consolidated interim financial information for illustrative purposes only. The unaudited condensed pro forma consolidated interim financial information is not necessarily indicative of the actual results of operations or financial position that would have occurred had the combination occurred on the dates indicated, nor are they necessarily indicative of future operating results or financial position.

The unaudited condensed pro forma consolidated interim financial information is based on the historical unaudited interim reports of OMX and Copenhagen Stock Exchange, which are prepared in accordance with Swedish GAAP and

Danish GAAP, respectively. The pro forma includes preliminary adjustments to OMX's and Copenhagen Stock Exchange's historical interim reports for the nine months ended 30 September 2004 to reflect the most significant effects of the preliminary IFRS principles in force as from 1 January 2005 and with requirements of comparisons for 2004 financial information (no comparisons for IAS 39, accounting for financial instruments). It should be noted that the pro forma interim financial information reflects IFRS accounting principles per the standards issued by IASB as of March 2004. The developments of IFRS have not yet reached the point where it is clear which final IFRS standards that will apply as of 31 December 2005, the reporting date for OMX's first annual report under IFRS. Furthermore, the included preliminary IFRS adjustments have not yet been subject to any audit procedures and there can therefore be no assurance that the actual IFRS adjustments for the above period will correspond to the preliminary adjustments presented herein.

In this unaudited condensed pro forma consolidated interim financial information, no account has been taken to OMX's divestment of APK with effect from 1 December 2004. For further information on these matters and for a discussion on the estimated effects thereof, please see Sections "OMX – OMX Exchanges division – Business areas – Settlement & Depository" and "Appendix A, Financial Information – OMX – Interim report January–September 2004".

No account has been taken within the unaudited condensed pro forma consolidated interim financial information of any synergy effects or restructuring costs that may, or may be expected to, occur following the Offer, for further information on this matter, please see Section "Combined Company – Integration Process – Synergies, restructuring and transaction costs". This unaudited condensed pro forma consolidated interim financial information is only a summary and should be read in conjunction with the historical consolidated interim financial information and related notes of OMX and Copenhagen Stock Exchange, included in the "Appendix A, Financial Information – OMX" and "Appendix B, Financial Information – Copenhagen Stock Exchange" and other information included or incorporated by reference in this document.

Unaudited condensed pro forma consolidated income statement, January–September 2004

(SEK million)	OMX Swedish GAAP	Copenhagen Stock Exchange Danish GAAP	Preliminary IFRS related adjustments[1)]	Preliminary pro forma adjustments according to IFRS (if max Exchange Offer)	OMX pro forma after combination IFRS (preliminary) Max Exchange Offer	OMX pro forma after combination IFRS (preliminary) Max Cash Offer
	Note 1	Note 2	Note 3	Note 4	Note 5	Note 5
Total revenues	2,319	229	13	–27 b	2,534	2,534
Personnel expenses	–787	–46	–	–	–833	–833
Other operating expenses	–740	–67	–	25 b	–782	–782
Depreciation	–137	–25	–	–	–162	–162
Amortization of goodwill	–120	–	120	–	–	–
Income from associated companies	6	–	–	–	6	6
Operating income	541	91	134	–3	763	763
Net financial items	–39	5	13	–26 a,b	–47	–65
Income after financial items	502	96	147	–29	716	698
Tax	–180	–29	–4	8	–205	–200
Minority interest	–1	–	–	–	–1	–1
Allocation to undistributable reserves	–	1	–	–	1	1
Net income	321	68	143	–21	511	498
Earnings per share, SEK	2.8	171.1			4.2	4.3
Earnings per share, after full conversion, SEK	2.8	171.1			4.2	4.3
Average number of shares, million	115.547	0.400			122.554	115.547
Average number of shares, after full conversion, million	116.197	0.400			123.204	116.197

1) All preliminary IFRS-related adjustments relating to the income statement refer to OMX (IFRS adoption will have no impact on Copenhagen Stock Exchange's income statement). Note that, out of the total of SEK 143 m in post-tax adjustments, SEK 23 m is an effect of one-off items relating to translation of foreign subsidiaries and the remaining SEK 120 m relates to goodwill amortizations which according to IFRS will not be amortized in the future. The effect from excluded goodwill amortizations corresponds to an OMX EPS enhancement of SEK 1.0 (SEK 1.2 also including the one-off items).

Unaudited condensed pro forma consolidated balance sheet, 30 September 2004

(SEK million)	OMX Swedish GAAP	Copenhagen Stock Exchange Danish GAAP	Preliminary IFRS related adjustments	Preliminary pro forma adjustments according to IFRS (if max Exchange Offer)		OMX pro forma after combination IFRS (preliminary) Max Exchange Offer	OMX pro forma after combination IFRS (preliminary) Max Cash Offer
	Note 1	Note 2	Note 3	Note 4		Note 5	Note 5
Goodwill	2,297	–	116	1,153	a	3,566	3,566
Other intangible assets	370	101	–	–2	a	469	469
Tangible fixed assets	431	9	–26	–		414	414
Financial fixed assets	878	2	19	–18	a	881	881
Other current assets	1,196	46	46	–3	b	1,286	1,286
Short-term investments and cash & bank	1,615	325	–	–24	a	1,916	1,916
Total assets	6,787	483	155	1,107		8,532	8,532
Shareholders' equity	3,806	309	93	290	a,b	4,498	3,896
Undistributable reserves	–	67	–	–		67	67
Minority interest	30	–	–	–		30	30
Provisions	213	25	–238	–		–	–
Interest bearing liabilities	2,076	–	–	817	a	2,893	3,495
Long-term non-interest bearing liabilities	26	–	41	–		67	67
Short-term non-interest bearing liabilities	636	82	259	–		977	977
Total equity and liabilities	6,787	483	155	1,107		8,532	8,532

Unaudited pro forma key figures, January–September 2004 and as of 30 September 2004 (Note 6)[1]

	OMX Swedish GAAP	Copenhagen Stock Exchange Danish GAAP	OMX pro forma after combination IFRS (preliminary) Max Exchange Offer	OMX pro forma after combination IFRS (preliminary) Max Cash Offer
	Note 1	Note 2	Note 5	Note 5
Operating margin, percent	23	40	30	30
Return on capital employed, percent	14	39	15	15
Return on total capital, percent	11	24	13	13
Return on shareholders' equity, percent	12	27	15	17
Cash flow from operations, SEKm	309	126	435	435
Investments, SEKm	–194	–28	–222	–222
Interest-bearing net debt, SEKm	364	–314 [2]	891	1,492
Shareholders' equity per share, SEK	33	773	37	34
Equity/assets ratio, percent	57	64	53	46
Net debt/equity ratio, percent	9	–102	20	38
Employees, end of period	1,460	86	1,546	1,546

1) Note that changes in key figures when comparing OMX with OMX pro forma after combination also is an effect of the preliminary IFRS adjustments.
2) I.e. interest–bearing net cash of SEK 314 m.

Notes to the unaudited condensed pro forma consolidated financial statements

Note 1: Historical interim financial information of OMX

These columns reflect OMX's historical unaudited consolidated income statement for the nine months ended 30 September 2004 and balance sheet as of 30 September 2004, prepared and presented in accordance with Swedish GAAP.

Note 2: Historical interim financial information of Copenhagen Stock Exchange

These columns reflect Copenhagen Stock Exchange's historical unaudited consolidated income statement for the nine months ended 30 September 2004 and balance sheet as of 30 September 2004, prepared and presented in accordance with Danish GAAP.

Copenhagen Stock Exchange presents its financial statements in DKK. For the purpose of these unaudited condensed pro forma consolidated interim financial information, Copenhagen Stock Exchange's income statement and balance sheet have been converted into SEK at the following exchange rates, which corresponds to translation of other DKK-denominated items in OMX's financial statements:

	SEK / DKK
Income statement for the nine months ended 30 September 2004:	
Average exchange rate for the nine months	1.2321
Balance sheet as of 30 September 2004:	
Exchange rate as of 30 September 2004	1.2196

Note 3: Preliminary IFRS related adjustments

In 2005, all listed companies in the EU must prepare financial statements in accordance with IFRS. The transition to IFRS also includes restating comparative figures for 2004, with the exception of accounting for financial instruments and derivatives (IAS 39), which is adopted as from 1 January 2005. Both OMX and Copenhagen Stock Exchange are currently performing an overview of present accounting principles (including a review of systems and processes that are affected by the IFRS transition) and have at this stage identified certain differences between local GAAP in Sweden and Denmark respectively, and IFRS, presented below.

Transition to IFRS will affect both reported net income and financial position of the Combined Company. Note that all income statement related adjustments refer to OMX (IFRS adoption will have no impact on Copenhagen Stock Exchange's income statement). Out of the total of SEK 143 m in post-tax adjustments, SEK 23 m is an effect of one-off items (corresponding to first-time adoption rules of IFRS) relating to translation of foreign subsidiaries and the remaining SEK 120 m relates to goodwill amortizations which according to IFRS will not be amortized in the future. Balance sheet related adjustments refer to both OMX and Copenhagen Stock Exchange. Certain items will be recorded directly against shareholders' equity as an effect of first-time adoption rules of IFRS.

The differences between local GAAP and IFRS concluded by OMX and Copenhagen Stock Exchange relate to a) business combinations, where under IFRS 1 ("First-time adoption of IFRS") and IFRS 3 ("Business Combinations"), goodwill is not amortised beginning 1 January 2004, however subject to impairment tests, b) accounting for share-based remuneration plans, where under IFRS 2 ("Share-based Payments") the difference between the fair value of options granted and what has been paid by the employees is expensed during the vesting period, c) reporting of intangible assets, where additional capitalized development projects are required to be reported under IFRS 1, d) accounting for foreign operations, where the revised IAS 21 ("The effects of changes in Foreign Exchange Rates") requires all foreign operations to be translated using their respective functional currencies, and further, under IFRS 1, the company has utilised the option to set all historically accumulated translation differences to zero, e) gross accounting of certain net accounted balance sheet items not meeting the criteria under IAS 32 ("Financial Instruments: Disclosure and Presentation"), and f) under IFRS, provisions do not exist and have therefore been reclassified into short- or long-term non-interest bearing liabilities. In addition, IAS 39 will from 2005 also have an impact on the Combined Company.

Note 4: Pro forma adjustments

The following note reflects the combination of OMX and Copenhagen Stock Exchange as if the Exchange Offer is accepted in full, i.e. the maximum number of OMX shares is issued.

a) *Purchase method of accounting*

Under the purchase method of accounting, OMX will allocate the total purchase price to Copenhagen Stock Exchange's assets and liabilities based on their fair values. The remaining unallocated purchase price will be recorded as goodwill. The allocation reflected herein is subject to completion of valuations as of the date of exchange of control. Consequently, the actual allocation of the purchase price could differ from that presented herein.

This unaudited condensed pro forma consolidated interim financial information has been prepared and presented using the assumption that 100 percent of the outstanding shares of Copenhagen Stock Exchange will be acquired.

Under Swedish GAAP, the aggregate purchase price, assuming full acceptance of the Exchange Offer, has been calculated as follows:

Number of Copenhagen Stock Exchange shares included in Offer	386,355
Exchange Offer (i)	
Maximum number of newly issued OMX shares	7,007,347
OMX share price	SEK 85.9027
Applied SEK/DKK exchange rate	1.2039
Cash Offer	
Cash consideration per Copenhagen Stock Exchange share	DKK 3,050

	SEK m
Estimated fair value of OMX shares issued if maximum number of OMX shares are issued in Exchange Offer (ii)	602
Acquisition cost for Cash Offer (iii)	817
Acquisition cost for initial 8,000 Copenhagen Stock Exchange shares	18
Estimated transaction related expenses (iv)	24
Total estimated purchase price consideration	1,460

(i) The maximum number of OMX shares to be issued in the Offer has been determined based on the volume weighted average OMX share price on the Stockholm Stock Exchange, during 17–30 November 2004 of SEK 85.9027 and the average SEK/DKK exchange rate during the same period of 1.2039.

(ii) OMX shares issued to Copenhagen Stock Exchange's shareholders as consideration in the Exchange Offer will be valued based on the quoted market price at the date of exchange of control. The share price used herein is based on the volume weighted average price of the OMX share during 17–30 November 2004 of SEK 85.9027. For each SEK 1.00 increase or decrease in the OMX share price, given that the maximum number of OMX shares is issued, the Offer consideration amount will increase or decrease by approximately SEK 7 m.

(iii) Calculated based on the average SEK/DKK exchange rate during 17–30 November 2004 of 1.2039.

(iv) Anticipated transaction related expenses to be capitalized by OMX as a result of the combination represent fees to financial and legal advisors, and auditing and other transaction related fees and expenses. In addition, certain transaction related fees will be expensed in Copenhagen Stock Exchange. See also Section "Combined company – Integration process – Synergies, restructuring and transaction costs"

In this unaudited pro forma, the Cash Offer is assumed to be financed by new debt with an assumed financing cost of 4 percent per annum pre-tax.

The estimated purchase price consideration, the approximate value of Copenhagen Stock Exchange's net assets, the estimated fair value adjustments and the estimated goodwill are as follows:

	SEK m
Total estimated purchase price consideration	1,460
Less approximate fair value of Copenhagen Stock Exchange's net assets under IFRS (i)	307
Estimated goodwill	1,153

(i) Corresponds to book value of the net assets in Copenhagen Stock Exchange less the value of intercompany intangible assets.

After the completion of the Offer and the allocation of the purchase price to assets and liabilities in Copenhagen Stock Exchange, the actual and final amount of goodwill may be lower or higher than the amount presented in this unaudited condensed pro forma consolidated interim financial information.

b) *Intercompany transactions*

For the purposes of preparing the unaudited condensed pro forma consolidated financial statements, transactions between OMX and Copenhagen Stock Exchange have been adjusted for. Such transactions include:

(i) The effects of OMX's support and FMS agreements, relating to for example SAXESS, CLICK and TARGIN, with Copenhagen Stock Exchange have been eliminated from total revenues (SEK –27 m) and other operating expenses (SEK 25 m) in the income statement. Furthermore, intercompany receivables and payables, including any internal profit, relating to these agreements have been eliminated in the balance sheet.

(ii) The post-tax dividend OMX received in 2004, relating to the 8,000 shares of Copenhagen Stock Exchange that OMX held at the time of the Offer, of SEK 1 m has been eliminated in the income statement.

Note 5: OMX pro forma after combination

Max Exchange Offer reflects the consolidated group as if the financing structure of the Offer includes the maximum number of OMX shares issued in the Exchange Offer and the remaining part of the Offer consideration in new debt.

Max Cash Offer reflects the consolidated group as if the Offer is financed entirely by new debt.

Note 6: Definitions of key figures

- *Earnings per share*
  Net income divided by average number of shares.
- *Operating margin*
  Operating income as a percentage of revenues.
- *Return on capital employed*
  Income after net financial items plus financial expenses for the period (recalculated to 12 months figures) as a percentage of average capital employed (pro forma key figures calculated on balance sheet data as of 30 September 2004). Capital employed is defined as shareholders' equity plus interest-bearing liabilities.
- *Return on total capital*
  Income after net financial items plus financial expenses for the period (recalculated to 12 months figures) as a percentage of average total assets (pro forma key figures calculated on balance sheet data as of 30 September 2004).
- *Return on shareholders' equity*
  Net income for the period (recalculated to 12 months figures) as a percentage of average shareholders' equity (pro forma key figures calculated on balance sheet data as of 30 September 2004).
- *Cash flow from operations*
  Cash flow from operations before investments.
- *Investments*
  Investments in tangible and intangible fixed assets.
- *Shareholders' equity per share*
  Shareholders' equity divided by number of shares.
- *Equity/assets ratio*
  Shareholders' equity and minority interest as a percentage of total assets.
- *Net debt/equity ratio*
  Interest-bearing net debt as a percentage of shareholders' equity and minority interest.

BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

Board of Directors of OMX AB

The Board of Directors of OMX AB shall, in accordance with the rules of the Swedish Companies Act, be appointed by OMX's shareholders. The Nomination Committee of OMX, established by the General Meeting, shall prepare and submit to the General Meeting its nominations for elections to the Board of Directors. Furthermore, OMX and Copenhagen Stock Exchange have agreed in the Combination Agreement that the composition of the Board of Directors of OMX AB shall reflect a representation of OMX and Copenhagen Stock Exchange and their stakeholders, and that at least one of the directors shall be proposed by the Danish stakeholders.

The current members of the Nomination Committee were announced on 8 November 2004, see Section "OMX – Financial Summary – Events Subsequent to the Interim Report". As set forth in the Combination Agreement, OMX and Copenhagen Stock Exchange have agreed to propose to the Nomination Committee that the number of directors shall be determined to eight, and to nominate Henrik Normann to the Board of Directors before the Extraordinary General Meeting intended to be held on or about 3 February 2005. For further information about Henrik Normann, please see Section "Copenhagen Stock Exchange – Board of Directors, Management and Statutory Auditors – Members of the Board of Directors of Copenhagen Stock Exchange".

The Nomination Committee will announce its nominations in due time before the Extraordinary General Meeting.

Board of Directors of OMX Exchanges Oy

The Board of Directors of OMX shall appoint the Board of Directors of OMX Exchanges Oy in accordance with applicable mandatory Finnish legislation. The Board of Directors of OMX Exchanges Oy shall consist of OMX executive Directors and non-executives who represent key stakeholders and shall have three non-executive Directors representing the Danish market. OMX and Copenhagen Stock Exchange have agreed that Christian Clausen, Hans Munk Nielsen and Peter Engberg Jensen shall be appointed Directors representing the Danish market.

Board of Directors of Copenhagen Stock Exchange A/S

The Board of Directors in the subsidiaries of OMX Exchanges shall be internal. Demands from any minority shareholders and requirements in Danish legislation concerning employee representation must be observed. The number of members of the Board of Directors of Copenhagen Stock Exchange elected by the shareholders' meeting must be at least five. Further, the employees have a right to elect three members, taking the number of members of the Board to eight.

Combined Company Management

The President and CEO of OMX is Magnus Böcker. Jukka Ruuska is Deputy CEO of OMX, President of the OMX Exchanges division and head of Stockholm Stock Exchange. The other members of the Management are Kristina Schauman, Chief Financial Officer, Klas Ståhl, head of OMX Technology and Anders Reveman, Chief Strategy Officer. Hans-Ole Jochumsen, President and CEO of Copenhagen Stock Exchange, shall continue in this position. Furthermore, Hans-Ole Jochumsen shall be a member of the OMX Management and be the Deputy President of the OMX Exchanges division. The Board of Directors of OMX Exchanges Oy shall be responsible for appointing the President for the OMX Exchanges division. The President shall establish the Management.

Advisory Committee

Copenhagen Stock Exchange will continue to be a regulated company domiciled in Denmark and regulated by Danish laws and authorities. To safeguard the influence from the Danish market participants, an Advisory Committee will be established following completion of the Offer. The Advisory Committee shall advise on and be consulted in questions concerning the self-regulatory powers of Copenhagen Stock Exchange in general and must be consulted in material changes to the disclosure requirements for issuers of securities listed on Copenhagen Stock Exchange.

Subject to completion of the Offer, the Articles of Association of Copenhagen Stock Exchange will be amended. According to the amended Articles of Association, the Advisory Committee shall consist of eleven members, of which five shall be appointed by issuers on Copenhagen Stock Exchange, five by members of Copenhagen Stock Exchange and a Chairman, who shall be appointed unanimously by issuers and members.

Furthermore, OMX and Copenhagen Stock Exchange have agreed that any decision to cease to provide stock exchange services in Copenhagen, to give up the authorization as a Danish stock exchange shall be valid only if a majority of all the members of the Advisory Committee, as well as a majority of the issuers' representatives on the Advisory Committee and the Chairman assent to such a proposal.

The Advisory Committee must comply with decisions made by the DFSA and the Danish Securities Council, as well as with mandatory provisions of Danish law.

Any decision to amend the provisions in Copenhagen Stock Exchange's Articles of Association governing the Advisory Committee or to dissolve the Advisory Committee shall be valid only if a majority of the members of the Advisory Committee as well as a majority of the members of the Advisory Committee appointed by the Confederation of Danish Industries, the Danish Shipowners Association, the Danish Chamber of Commerce and the Association of Danish Mortgage Banks and the Chairman assent to such a proposal.

Remuneration

It is the intention that the total remuneration to the Board of Directors for 2005 shall be substantially unchanged compared to the total remuneration for 2004.

Integration bonus with respect to the Offer has not been offered to any employee of OMX or Copenhagen Stock Exchange.

It is the intention that the remuneration program of the Combined Company shall materially follow the program currently used by OMX and that Copenhagen Stock Exchange's current incentive schemes will be aligned with the incentive schemes of OMX, as described in Section "Combined Company – Integration process – Employees and incentives".

Holdings of Board of Directors and Management

With respect to the holdings of shares, warrants, convertible debentures and employee stock options of the current members of the Board of Directors and the Management of OMX, see Section "OMX – Board of Directors, Management and Auditors – Holdings of the Board of Directors and the Management".

Hans-Ole Jochumsen, new Deputy President of the OMX Exchanges, will, following completion of the Offer, hold 128 shares in OMX, based on his holdings of shares in Copenhagen Stock Exchange as of the date of this Prospectus and assuming that all such shares are tendered in the Exchange Offer. Henrik Normann, proposed member of the OMX Board of Directors, will, following completion of the Offer, based on his holdings of shares in Copenhagen Stock Exchange as of the date of this Prospectus, not hold any shares in OMX. Neither Hans-Ole Jochumsen, nor Henrik Normann, will hold any warrants, convertible debentures or employee stock options in OMX.

Auditors

The current auditors of OMX, Peter Clemedtson (PricewaterhouseCoopers AB) and Björn Fernström (Ernst & Young AB) with deputy auditors Bo Hjalmarsson (PricewaterhouseCoopers AB) and Per Hedström (Ernst & Young AB) will continue as auditors of the Combined Company. See Section "OMX – Board of Directors, Management and Auditors – Auditors" for further information on the auditors of OMX.

Related party transactions

For a description of current transactions with parties related to OMX, see Section "OMX – Board of Directors, Management and Auditors – Related party transactions". It is not expected that additional related party transactions will arise following the completion of the Offer.

CERTAIN CORPORATE INFORMATION

The Articles of Association of OMX will be amended following, and subject to, completion of the Offer. Changes will be made in order for the Articles of Association not to include any provisions for the appointment of deputy board members. Furthermore, the clause with respect to the constitution of the Board of Directors will be amended to state that the maximum number of board members shall be eight instead of twelve. Finally, it will be added to the clause regarding the publication of notices to General Meetings that notices shall be published in Berlingske Tidende, Børsen or another national daily newspaper in Denmark. For the proposed new wording of the Articles of Association of the Combined Company, see Appendix D.

SHARES, SHARE CAPITAL AND SHAREHOLDER STRUCTURE

Shares and share capital

The Board of Directors of OMX will propose that the Extraordinary General Meeting, intended to be held on or about 3 February 2005, resolve to authorize the Board of Directors to issue up to 7,007,347 new shares in OMX.

Following completion of the Offer and assuming that the above described authorization will be used in full, the total number of shares issued in the Combined Company will be 122,554,362 representing a share capital of SEK 245,108,724.

For a description of the shares and the current share capital of OMX, see Section "OMX – Shares, share capital and shareholder structure – Shares and share capital".

For a description of the rights attached to the shares of OMX, see Section "OMX – Shareholders' rights".

Shareholder structure

Following the completion of the Offer and, based on the ownership structure of OMX and Copenhagen Stock Exchange as of 30 November 2004 and assuming acceptance of the Exchange Offer in full, the principal shareholders of OMX would be the following:

Name	Share capital and voting rights, percent	Number of shares
Investor	10.6	12,950,507
Robur Funds	7.8	9,594,252
Swedish State	6.5	7,993,466
Nordea Bank[1)]	5.4	6,595,161
AMF Pension	3.3	4,010,000
FöreningsSparbanken	3.0	3,736,456
Didner & Gerge Fund	3.0	3,708,400
Nordea Funds	2.6	3,226,355
AMF Pension Funds	2.6	3,186,600
SEB Funds[1)]	2.5	3,045,400
Svenska Handelsbanken[1)]	2.4	2,893,598
SHB/SPP Funds	2.3	2,874,639
Olof Stenhammar & company	2.2	2,737,590
Fidelity Funds	1.7	2,079,400
Skandia Funds	1.7	2,067,899
First Swedish National Pension Fund	1.5	1,830,050
OKO-Group	1.4	1,703,190
Finnish State	1.2	1,508,500
Skandia	1.1	1,351,300
Third Swedish National Pension Fund	1.0	1,169,800
Current shareholders of Copenhagen Stock Exchange	5.7	7,007,347
Summary of others	30.4	37,284,452
Summary of shares	100.0	122,554,362

1) Please note that Nordea, Svenska Handelsbanken and SEB own shares in Copenhagen Stock Exchange prior to the Offer. Shares in OMX that these companies may subscribe for in the Exchange Offer have not been included in their respective holdings in OMX above, but have been included in the holdings of the Current shareholders of Copenhagen Stock Exchange.

For further information on the current shareholders of OMX and Copenhagen Stock Exchange, see Sections "OMX – Shares, share capital and shareholder structure – Shareholders" and "Copenhagen Stock Exchange – Shares, share capital and shareholder structure".

REGULATORY MATTERS

General

Operating in a regulated industry, OMX and Copenhagen Stock Exchange are subject to the supervision by financial supervision authorities in the countries in which they operate. For further information about the supervision of OMX and Copenhagen Stock Exchange as separate entities, see Sections "OMX – Authorizations, supervision and regulatory framework" and "Copenhagen Stock Exchange – Authorizations, supervision and regulatory framework".

Ownership control by the Danish Financial Supervisory Authority

Pursuant to section 10 of the Danish Securities Trading Act any natural or legal person shall inform the DFSA of his direct or indirect acquisition of at least 10 percent of the share capital or the voting rights or a smaller shareholding otherwise enabling such person to exercise a significant influence over the management of a limited company carrying on stock exchange business.

OMX

The information provided in the following Section does not take into account the effects of the combination between OMX and Copenhagen Stock Exchange. The most important risks related to OMX business operations, which can have material effect on OMX's operations and financial position, are presented in Section "Risk Factors". The text below reflects OMX's organization up until 30 November 2004.

GROUP OVERVIEW

Introduction

OMX owns and operates the largest securities market place in the Nordic Baltic region and is a leading provider of marketplace services and solutions for the financial and other markets. OMX consists of two divisions: OMX Exchanges and OMX Technology.

The division OMX Exchanges includes the stock exchanges in Stockholm, Helsinki, Tallinn, Riga and Vilnius as well as the CSDs in Estonia, Latvia and Lithuania. Through OMX Exchanges, OMX offers access to 75 percent of the Nordic and Baltic securities market, measured in share trading turnover.

OMX Technology is a leading provider of solutions and services for the entire transaction chain, offering transaction technology, processing and outsourcing services to banks, brokerage firms, exchanges, clearing organizations and CSDs.

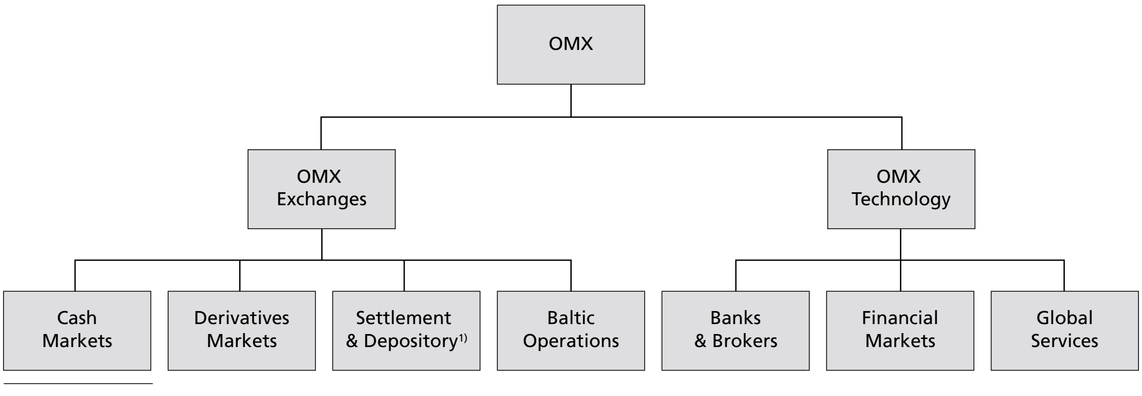
As part of a new brand strategy, the parent company changed its name to OMX AB on 31 August 2004 (formerly OM HEX AB). At the same time, the divisions HEX Integrated Markets and OM Technology changed names to OMX Exchanges and OMX Technology.

OMX is listed on the Stockholm Stock Exchange since 1987, and on the Helsinki Stock Exchange since 2003. OMX has approximately 18,000 shareholders.

History in brief

OMX was established in 1984 in Stockholm, Sweden. In 1985, OMX developed the Nordic Baltic region's first derivatives exchange and in 1987 OMX became the first exchange in the world to be listed on a securities exchange. In 1990, OMX developed and sold the world's first electronic exchange system for derivatives trading. In 1995, OMX developed and sold the trading system used by the world's first electricity exchange. In 1998, OMX merged with Stockholm Stock Exchange. In 2003, OMX and London Stock Exchange formed EDX London, an international marketplace for trading and clearing of equity derivatives. In 2003, OMX merged with HEX, the owner of the stock exchanges and CSDs in Finland, Estonia and Latvia. In 2004, OMX acquired Vilnius Stock Exchange and part of the Lithuanian CSD.

Operations and business areas



1) This business area has ceased to exist as from 1 December 2004 as a result of the merger between APK and VPC.

The division OMX Exchanges was formed through the combination of Stockholm Stock Exchange, Helsinki Stock Exchange, Tallinn Stock Exchange and Riga Stock Exchange. As from 30 June 2004 Vilnius Stock Exchange was included in OMX Exchanges. During 2004 the division comprised four business areas: Cash Markets, Derivatives

Markets, Settlement & Depository and Baltic Operations. With effect from 1 December 2004 the business area Settlement & Depository ceased to exist as a consequence of the merger of APK and VPC. The exchanges included in the division have a total of 123 members and 500 listed companies.

OMX Technology develops transaction technology as well as processing and outsourcing services in the following business areas: Banks & Brokers, Financial Markets and Global Services. OMX Technology has more than 100 customers in 20 countries and operates marketplaces and other systems solutions for customers from nine data centres around the world. In terms of trading hours, OMX Technology is the world's largest exchange operator.

Legal structure and associated companies

OMX AB is the parent company of the OMX group, holding directly or indirectly several wholly owned subsidiaries. For further information about the legal structure of the OMX group of companies see "Appendix A, Financial information – OMX – Annaul Report 2003, Note 14 – Shares in Group Companies".

OMX is the largest owner of Orc Software (30 percent), which is listed on the Stockholm Stock Exchange. Stockholm Stock Exchange and London Stock Exchange jointly owns EDX London. OMX's ownership in EDX London amounts to 24 percent. In September 2004, OMX announced an agreement regarding the merger of APK and VPC, forming a Nordic Central Securities Depository ("NCSD"). OMX's ownership in NCSD amounts to 20 percent. The closing of the transaction took place on 30 November 2004. Together, Oslo Børs, Copenhagen Stock Exchange, Iceland Stock Exchange and OMX run NOREX. Furthermore, OMX Exchanges has an agreement with Eurex regarding the trading in certain Finnish equity derivatives.

Vision, business idea and business model

Well-functioning securities markets are crucial for economic growth and prosperity. OMX's role is to make securities transactions as efficient as possible, which is the common driver behind all parts of the operations within the group.

OMX's vision is to be regarded as the world's leading partner for more efficient securities transactions. OMX's customers include owners and users of financial infrastructure.

OMX's business idea involves transforming knowledge and expertise in the securities markets into advantages and opportunities for customers. Knowledge is continually developed and exchanged through OMX owning and operating marketplaces in the Nordic and Baltic region, and at the same time meeting the demands of the world's leading market participants as a provider of technology and services.

OMX's business model comprises different levels of development, operation and service, spanning the range from owning and operating transaction-related operations such as exchanges and CSDs to developing and providing transaction technology, processing and outsourcing services.

Financial objectives

OMX's primary objective is to deliver long-term shareholder value through creating value for customers, employees and other interested parties. OMX aims to create profitable growth with returns exceeding the market's required rate of return. To reach this objective in the medium-term, a set of financial targets has been established as guiding principles for OMX:

- Return on equity of at least 15 percent
- Net debt/equity ratio of maximum 30 percent

By reaching these targets OMX will be able to pay out increasing dividends to its shareholders while maintaining a sufficient strong balance sheet considering its financial risk.

Strategy

By offering access to 75 percent of the Nordic and Baltic securities markets, measured in share trading turnover, OMX has a great responsibility vis-à-vis these markets – their issuers, intermediaries and investors. OMX works together with market participants toward the integration between exchanges and CSDs in the region. OMX also supports plans to establish a pan-Nordic organization for CCP for equities, bonds and derivative products. OMX's ownership of exchanges, clearing operations and CSDs is organised in the OMX Exchanges division.

Transaction technology

Creating a leading marketplace – a model market – with systems that have been developed and operated internally enables OMX to strengthen its position as the leading provider of transaction-related systems for other marketplace operators around the world such as exchanges, clearing organizations and CSDs.

Its role as marketplace operator in the Nordic and Baltic region does not conflict with OMX's role as technology provider to other marketplaces. This is an important line of demarcation in OMX's strategy. At the same time, in order to maintain credibility, it is vital that the exchanges that OMX owns entirely or in part are powered by proprietary systems. The development and sale of transaction technology is carried out through OMX Technology's Financial Markets business area.

Outsourcing

Daily operation of applications, computers and networks within the central infrastructure of securities trading, including post-trade administration, demands extremely high levels of quality when it comes to dependability and security. Normally, traditional suppliers of IT operational services lack the focus and special knowledge required by the securities markets. This is where OMX is able to offer unique solutions to such markets. OMX provides outsourcing solutions through OMX Technology's Global Services business area.

Processing

The need to automate the transaction flow at banks and brokerage firms is significant and has increased in recent years due to new requirements in the areas of control and capital adequacy. OMX offers systems solutions that automate processes and operations for front office, order management and back office operations. For banks, fund management companies and brokerage firms, the cost of administrating securities transactions makes up a relatively large part of the total transaction costs. Letting OMX handle less business-critical parts of the securities transaction chain improves cost-efficiency and frees time to concentrate on core operations. Through the Banks & Brokers business area, OMX has many years of experience as a provider of back office services.

Competitive edge

Three factors have been identified as critical for OMX's competitive strength:

- *Understanding of customers' operations*
  OMX possesses a unique understanding of customers' operations and the securities markets through owning and operating its own marketplaces.
- *Front edge technology*
  OMX Technology's central systems and market solutions are used daily by a large number of customers with very high demands – some of the world's most advanced exchanges and clearing organizations.
- *The entire transaction chain*
  OMX has turnkey systems and services for the entire transaction chain – not only for individual parts.

Customers

OMX Technology has over 100 customers in more than 20 countries. The largest customers include (not in order of size) American Stock Exchange, EDX London, ICAP, ISE (International Securities Exchange), OMX Exchanges, other Nordic exchanges, Nord Pool, SEB, SFE Corporation (Sydney Futures Exchange) and SGX (Singapore Exchange). Major customers to OMX Exchanges include trading members, such as SEB and Svenska Handelsbanken, issuers, such as Nokia and Ericsson, and information vendors, such as Reuters and Bloomberg.

Suppliers

In its operations OMX uses a number of different types of suppliers such as telecommunications providers, hardware and hardware maintenance providers, IT-consultants and financial providers such as banks. OMX is not dependent on any single supplier.

Revenue and income

The following table summarizes revenues and operating income by division and business area after depreciation for 2003 and 2002 and for the periods January–September 2004 and January–September 2003.

Amounts in SEK m	Jan–Sept 2004	Jan–Sept 2003	Jan–Dec 2003	Jan–Dec 2002
Revenue				
OMX Exchanges				
Cash Markets	693	478	695	584
Derivatives Markets	294	280	367	378
Settlement & Depository	229	69	146	0
Baltic Operations	34	11	22	0
Other revenue[1)]	–	46	46	3
Total OMX Exchanges	1,250	884	1,276	965
OMX Technology				
Banks & Brokers	277	235	331	402
Financial Markets	449	685	889	955
Global Services	533	411	580	547
Other revenue[2)]	111	68	82	156
Eliminations	–91	–100	–130	–200
Total OMX Technology	1,279	1,299	1,752	1,860
Parent company and other functions [3)]	78	114	144	205
Group eliminations	–288	–261	–386	–390
Total group	2,319	2,036	2,786	2,640
Operating income (after depreciation)				
OMX Exchanges				
Cash Markets	356	228	318	265
Derivatives Markets	101	73	84	101
Settlement & Depository	34	13	19	0
Baltic Operations	6	2	3	0
Other revenue[1)]	–	46	46	0
Other expenses[4)]	–	–7	–7	–79
Total OMX Exchanges	497	355	463	287
OMX Technology				
Banks & Brokers	13	–51	–61	–26
Financial Markets	67	39	63	75
Global Services	50	36	48	41
Common functions[5)]	–93	–170	–207	–211
Other revenue[2)]	92	54	54	102
Other expenses[6)]	–	–488	–516	–132
Total OMX Technology	129	–580	–619	–151
Parent company and other functions[7)]	–85	–243	–293	–160
Total group	541	–468	–449	–24

1) Income from the creation of EDX London of SEK 46 m is included during January–September 2003 and January–December 2003.
2) Income from the sale of NGX of SEK 92 m is included during January–September 2004. Income from the formation of EDX London of SEK 54 m is included during January–September 2003 and January–December 2003.
3) Income from the sale of XACT Fonder of SEK 16 m is included during January–September 2004.
4) Includes restructuring expenses of SEK 7 m for the period January–September 2003 and January–December 2003 and SEK 75 m for January–December 2002, regarding the restructuring of Jiway.
5) Common functions comprise mainly expenses for common marketing and sales offices, expenses that are not included in income by business area.
6) Includes restructuring expenses of SEK 488 m for the period, January–September 2003 and January–December 2003 as well as reserves for unutilised premises and write-downs related to product phase-out of SEK 28 m for the period January–December 2003.
7) Includes restructuring expenses of SEK 129 m for the period January–September 2003 and January–December 2003, as well as reserves for unutilised premises of SEK 10 m for the period January–December 2003.

The following table summarizes the geographical distribution of revenues of OMX Technology's operations for 2003 and 2002 and for the period January–September 2004.

OMX Technology's revenues per geographical region

	(SEK m)			(Share, percent)		
	Jan–Sept 2004	2003	2002	Jan–Sept 2004	2003	2002
Nordic countries	672	961	378	53	55	20
Other European countries[1)]	98	261	646	8	15	35
Asia/Australia	116	112	190	9	6	10
North America[2)]	392	418	646	31	24	35
Total	1,279	1,752	1,860	100	100	100

1) SEK 54 m capital gain from the creation of EDX London is included 2003.
2) Including income of SEK 92 m from the sale of NGX in the period January–September 2004.

Transition to IFRS

The new IFRS principles will be in force as from 1 January 2005 and all listed companies in the EU must in 2005 prepare financial statements in accordance with IFRS. Hence, OMX's first interim report under the IFRS will be the report for the period 1 January to 31 March 2005 and the first annual report under the IFRS will be report for the period 1 January to 31 December 2005. It should be noted that the developments of IFRS have not yet reached the point where it is clear which final IFRS standards that will apply as of 31 December 2005, and up until that point in time it is therefore possible that the IFRS adjustments reported for previous periods could change.

OMX EXCHANGES DIVISION

Overview

The OMX Exchanges division was created when OM and HEX merged in 2003[1)]. Through the division, OMX owns and operates the equity and derivatives exchanges in Stockholm, Helsinki, Tallinn, Riga and as from 2004 also Vilnius. OMX owns about 20 percent of the newly established NCSD, consisting of the CSDs in Sweden and Finland. In addition, OMX owns the CSDs in Estonia and Latvia and, to 40 percent, the CSD in Lithuania. Through OMX Exchanges, OMX offers access to more than 75 percent, measured in share trading turnover, of exchange trading in the Nordic and Baltic countries. The operations of OMX Exchanges are divided into four business areas: Cash Markets, Derivatives Markets, Settlement & Depository[2)] and Baltic Operations.

The following table summarizes products offered by OMX Exchanges.

Cash trading	Derivatives, trading & clearing	Listing	Information sales
• Stocks & SDRs & FDRs – A-list – O-list – X-list – Main-list – NM-list – Pre-list – BL-market • ETFs • Convertibles • Warrants • Rights • Fixed income	• Stock options • Stock futures • Index options • Index futures • Fixed income • Derivatives – Swedish – Norwegian – Danish – Finnish	• Stocks, SDRs, FDRs & unsponsored listing – A-list – O-list – Main-list – I-list – NM-list – Pre-list – BL-market • Fixed income • ETFs • Warrants	• Cash products • Derivatives • Company announcement

1) The merger was carried out through an offer to HEX shareholders of 2.5 new OM shares per HEX share. HEX was consolidated in the group on 1 July 2003 and is included in the group's income statement and balance sheet from the third quarter 2003.

2) With effect from 1 December 2004 the business area Settlement & Depository has ceased to exist as a consequence of the merger of APK and VPC.

The following table summarizes key data for OMX Exchanges.

Key data

(SEK)	Jan–Nov 2004	2003
Cash equity market data		
Market capitalization, end period (bn)	3,977	3,525
Share turnover (bn)	4,661	3,778
Daily average share turnover (bn)	20.1	15.1
Turnover velocity (percent)	139	113
Number of listed companies1), end period	500	537
Number of cash equity members, end period	92	100
Derivatives market data2)		
Number of traded contracts (m)	105,4	87.4
Number of derivative members, end period	44	38

1) Excluded 6 multi-listed companies.
2) Equity and fixed-income products total.

The following table shows the ten largest issuers, by share turnover, on the exchanges of OMX Exchanges during the period January–November 2004.

Issuer name	Percent of total share turnover
Nokia	24.1
Ericsson	19.0
Nordea Bank	3.4
Volvo	2.7
TeliaSonera	2.6
Atlas Copco	2.5
Hennes & Mauritz	2.4
AstraZeneca	2.3
Stora Enso	2.2
Sandvik	2.0
Total	63.2

Revenue and income

Revenues within the OMX Exchanges division for the period January–September 2004 amounted to SEK 1,250 m (SEK 884 m) and operating income after depreciation amounted to SEK 497 m (SEK 355 m).

During 2003, OMX Exchanges' revenues totalled SEK 1,276 m (SEK 965 m). HEX was consolidated in the group from 1 July 2003 and was only included during the last two quarters of the year. For comparable operations, excluding HEX and OM London Exchange, revenues fell 5 percent compared to 2002. The division's expenses were SEK 806 m (SEK 678 m) during 2003. For comparable operations, excluding HEX and OM London Exchange, expenses were 15 percent lower. Operating income after depreciation was SEK 463 m (SEK 287 m).

Comprehensive integration work was carried out within the division during 2003. Among other things, a new organizational structure was created and a divisional Board of Directors was introduced. To harmonize fees for trading on Stockholm Stock Exchange and Helsinki Stock Exchange, a reduction in fees for Finnish stocks effective from the beginning of 2004 was announced. At the same time, a fee adjustment for market data from Helsinki Stock Exchange was announced. At the end of 2003, Eurex announced plans, in co-operation with OMX Exchanges, to reduce the fees for Finnish equity derivatives from the beginning of 2004.

Strategy towards an integrated Nordic and Baltic securities market

OMX's strategy in the OMX Exchanges division involves a geographic focus on the Nordic Baltic region. OMX aims to be the driving force in creating an integrated Nordic and Baltic marketplace for equities, bonds, derivatives and other financial instruments. The goal is to offer listing, trading, clearing and settlement services built on a common infrastructure and harmonized rules. This will give customers access to marketplace services with high liquidity and cost-efficiency, which is essential for the region's competitiveness and for attracting capital to the region.

In the continued Nordic and Baltic integration, the actual ownership of the companies that make up the infrastructure is not the most important factor. Integration through common technical platforms and a shared view on market issues is the most central. Systems, operating capacity and the technical know-how possessed by the OMX Technology division are important factors for achieving the vision of an integrated Nordic and Baltic securities market.

Co-operations and partnerships

NOREX

Through NOREX, OMX Exchanges has created an integrated Nordic infrastructure for exchange trading with harmonized trading rules together with Copenhagen Stock Exchange, Oslo Børs and Iceland Stock Exchange.

Eurex (part of Deutsche Börse group)

On the derivatives side, OMX Exchanges has an agreement through Helsinki Stock Exchange with Eurex, the leading derivatives exchange in Europe. As of 30 November 2004, six Finnish single equity derivatives and one index equity derivative were traded on Eurex.

LEC

The clearing co-operation Linked Exchange Clearing *("*LEC*")*, between Stockholm Stock Exchange, Copenhagen Stock Exchange and Oslo Børs has been contributing towards increasing liquidity for derivatives trading since its inception in 1997. LEC offers Swedish, Danish and Norwegian equity-related derivatives with local clearing from all three exchanges.

EDX London

On 30 June 2003, trading started at EDX London, a new derivatives exchange owned by OMX (24 percent) and London Stock Exchange (76 percent). Through LEC, EDX London offers Scandinavian equity derivatives with local clearing to market participants in London. In February 2004, a clearing link was established between LCH Clearnet (which is one of Europe's leading clearing organizations and central counterparty for equity trading on London Stock Exchange) and Stockholm Stock Exchange. Today, EDX London offers trading in Scandinavian equity derivatives as well as clearing of equity derivatives that can be traded at EDX London or over-the-counter ("OTC"). The aim is to broaden EDX London's operations to include additional markets and products.

NCSD

On 30 November 2004, the merger between VPC and APK was completed. By the merger, a joint group for securities administration in the Nordic region, NCSD, was formed. OMX, FöreningsSparbanken, Nordea Bank, Skandinaviska Enskilda Banken and Svenska Handelsbanken each owns about 20 percent of NCSD.

Surveillance issues

Confidence in the capital markets is of central importance for a properly functioning equity and derivatives market. OMX Exchanges is responsible for establishing clear rules and regulations and for supervision to ensure that they are followed. OMX Exchanges' Surveillance department is separate from OMX's business operations.

The Surveillance department is responsible for the formal listing process as well as monitoring listed companies and members trading on the exchanges. Issuer surveillance ensures that listed companies follow the rules for listed companies and handles new listing applications. The Listing Committees of the exchanges approves new listings.

Trading surveillance is responsible for ensuring that trading is carried out in accordance with applicable legislation and the rules and regulations for members of OMX Exchanges' marketplaces.

If there is suspicion that a listed company or a member has acted in breach of exchange regulations, the matter has to be dealt with by the disciplinary committee of the respective exchange and CSD. Trading that is suspected to be unlawful is investigated and reported to the appropriate authorities.

Market development

Seen over time, trading in securities, primarily equities and equity derivatives, are growth markets. Average annual growth in equity trading on Stockholm Stock Exchange and Helsinki Stock Exchange has been over 20 percent during the last ten years, both in terms of value and volumes. However, with respect to the exchanges' revenues, such growth has been partly off-set by price erosion. A key driver behind the growth in equity and derivatives trading is the pension reforms that are being introduced in many countries in combination with an ageing population. Other important drivers are new trading patterns among institutional investors, where the proliferation of hedge funds is one example. New technology enables complicated investment strategies and the possibility to take pre-determined risk positions to a greater extent, and increases accessibility to exchange trading, both for private investors and institutions.

Competition

OMX Exchanges runs the seventh largest marketplace for equity trading and the third largest marketplace for equity derivatives trading in Europe. The largest exchange organizations in Europe are London Stock Exchange, Euronext and Deutsche Börse. Exchanges compete mainly in trading, new listings, and secondary listings of larger companies as well as derivatives and index products. OMX Exchanges' closest competitors in share trading are NASDAQ, New York Stock Exchange, London Stock Exchange and Swiss Exchange.

Regarding trading in equity-related derivatives products, Eurex, Euronext and OMX are the largest exchange organizations in Europe. In derivatives trading, OMX Exchanges competes mainly with Eurex, Chicago Board Options Exchange and LIFFE (a subsidiary of Euronext).

Competitors are not limited to other exchanges; equities and options are also traded off-exchange through OTC trading. Moreover, established exchanges compete with alternative marketplaces, particularly in the US, and indirectly with the larger banks that internalize trades.

Business areas

Cash Markets

Revenues within Cash Markets for the period January–September 2004 amounted to SEK 693 m (SEK 478 m). Operating income after depreciation improved to SEK 356 m (SEK 228 m) during January–September 2004. The improved profitability in the business area is mainly due to increased market activity and realization of cost synergies from the merger between OM and HEX. In 2003, Cash Markets' revenues totalled SEK 695 m (SEK 584 m). For comparable operations, excluding HEX, revenues decreased by 5 percent compared with 2002. Operating income after depreciation in 2003 increased to SEK 318 m (SEK 265 m).

The Cash Markets business area comprises equity trading at Stockholm Stock Exchange and Helsinki Stock Exchange as well as the co-operation through NOREX. Within OMX Exchanges, OMX operates the largest stock exchange in the Nordic countries and the seventh largest in Europe, offering access to 75 percent of the Nordic equities market, measured in share trading turnover. Cash Markets' customers include listed companies, exchange members and information vendors. The business area offers trading, listing and information services related to equities, premium bonds, convertibles, warrants, bonds, rights and exchange-traded funds.

Listed companies, the issuers, are offered an efficient marketplace for raising capital and a distribution network in the form of members who can directly or indirectly reach investors world wide. At the end of September 2004, the number of listed companies on all exchanges within OMX Exchanges was 502. At 30 November the number of listed companies was 500, compared to 537 at the end of 2003.

Members, banks and brokerage firms can offer their customers around the world trading in Nordic securities. Through OMX, members take part in an open and efficient trading system with easy access and internationally adopted rulebook. At end of September 2004, the number of equity trading members was 93. The corresponding figure for 30 November 2004 was 92 compared to 100 at the end of 2003.

The average daily equity turnover during January–September 2004 was SEK 20.2 bn. During the period January–November 2004 the average daily equity turnover amounted to SEK 20.1 bn, which is a 33 percent increase compared to SEK 15.1 bn in 2003. The average daily number of transactions during January–September 2004 amounted to 58,059. The corresponding figure for January–November 2004 was 57,497 and 52,497 for the year of 2003. Turnover velocity in equity trading was 127 percent during January–September 2004, 139 percent during January–November 2004 and 113 percent for the full year of 2003. The aggregated market capitalization of all listed companies on all exchanges within OMX Exchanges as of 30 September 2004 was SEK 3,714 bn. At the end of November 2004 the aggregated market capitalization amounted to SEK 3,977 bn compared to SEK 3,525 bn at year-end 2003.

Nordic and foreign information vendors such as Bloomberg, Reuters and SIX receive information from the exchanges within OMX. As of 30 September as well as of 30 November 2004, the number of information vendors and members who distribute trading information was 140. The corresponding figure at 31 December 2003 was 135.

Derivatives Markets

Revenues within Derivatives Markets for the period January–September 2004 amounted to SEK 294 m (SEK 280 m). Operating income after depreciation totalled SEK 101 m (SEK 73 m). In 2003, Derivatives Markets' revenues totalled 367 m (SEK 378 m). For comparable operations, excluding HEX and OM London Exchange, revenues decreased by 3 percent year-on-year. The business area's operating income after depreciation was SEK 84 m (SEK 101 m).

The Derivatives Markets business area comprises derivatives trading and clearing operations at Stockholm Stock Exchange and Helsinki Stock Exchange, as well as co-operations with mainly Eurex and EDX London.

OMX Exchanges operates the largest equity derivatives exchange in the Nordic countries and the third largest equity derivatives exchange in Europe. Customers include exchange members and clearing members, that is, banks and brokerage firms. Through the business area, members are offered trading and clearing services related to equity options, index options, fixed-income derivatives, equity futures and index futures.

The total number of derivatives (equity and fixed-income related) contracts traded daily on all exchanges within OMX Exchanges during January–September 2004 was 463,426. During January–November 2004 the corresponding figure was 454,092, which is an increase by 30 percent, from 350,431 contracts per day in 2003.

Through the exchanges in Stockholm and Helsinki, OMX offers clearing for both equity and fixed-income related derivative products and enters as the central counterparty towards both buyers and sellers. This makes the market more efficient since all participants can act without taking the original counterparty risk into consideration as part of the price picture. As security against the risks that arise from its clearing operations, OMX Exchanges' members and end customers are to provide collateral. Clearing at the exchanges in Stockholm and Helsinki is carried out at the end customer level, and at year-end 2003 there were 115,000 (112,000) end customers.

In addition to clearing exchange-traded derivative products, OMX Exchanges also offers clearing of OTC derivatives through Stockholm Stock Exchange, which means that it clears non-standardized trades carried out off-exchange. The number of derivatives trading members at Stockholm Stock Exchange and Helsinki Stock Exchange at the end of September 2004 was 41. At 30 November 2004 the number of derivatives trading members amounted to 44, compared to 38 at the end of 2003.

Settlement & Depository

Revenues for the period January–September 2004 amounted to SEK 229 m (SEK 69 m). Operating income after depreciation was SEK 34 m (SEK 13 m). In 2003, revenues in the business area were SEK 146 m during the six months that Settlement & Depository was included in the group. Operating income after depreciation in 2003 was SEK 19 m.

Settlement & Depository customers include banks and brokerage firms, listed companies and retail investors. The business area offers banks and brokerage firms clearing and settlement services for securities as well as maintains the register of securities accounts. It offers listed companies registry services for shareholders' lists and insider lists, among other things. It also maintains links to other CSDs such as the VPC, which facilitates cross-border transfers of securities. The number of transactions cleared during 2003 dropped by 11 percent with respect to equities and by 15 percent with respect to fixed-income products compared to 2002, while the total market value of deposited equities increased by 4 percent and by 3 percent for fixed-income products.

At the end of September 2004 an agreement was signed regarding the merger of Swedish VPC and OMX's Finnish subsidiary APK. The merger is intended to form a strong joint group for securities administration in the Nordic region, NCSD. After closing of the transaction, OMX, FöreningsSparbanken, Nordea Bank, Skandinaviska Enskilda Banken and Svenska Handelsbanken each owns about 20 percent of NCSD. The closing of the transaction took place on 30 November 2004. A consequence of this transaction is that the business area Settlement & Depository ceased to exist, and has been de-consolidated, with effect from 1 December 2004.

The creation of NCSD will further facilitate the harmonization of rules and settlement processes and promote the development of a common technology platform, which will accelerate the horizontal integration of the post-trade part of the securities transaction chain. This will increase the efficiency and thereby the competitiveness of the Nordic region as a financial market and provide benefits for issuers, market participants and investors. NCSD will cover approximately 75 percent of the total Nordic CSD activities, please see "Appendix A, Financial information – OMX – Interim Report for January–September 2004".

Baltic Operations

Revenues in Baltic Operations for the period January–September 2004 totalled SEK 34 m (SEK 11 m). Operating income after depreciation was SEK 6 m (SEK 2 m). During the six months in 2003 when Baltic Operations was included in the OMX group, revenues amounted to SEK 22 m. Operating income after depreciation in 2003 was SEK 3 m.

The OMX Exchanges division owns and operates the equity and derivatives exchanges in Tallinn, Riga and as from 2004 also Vilnius. In addition, OMX owns the CSDs in Estonia and Latvia and, to 40 percent, the CSD in Lithuania.

The business area's customers include banks and brokerage firms, listed companies, investors and information vendors in Estonia, Latvia and Lithuania.

Baltic Operations offers banks and brokerage firms trading, clearing, settlement and depository of Estonian, Latvian and Lithuanian equities, bonds and other financial instruments vis-à-vis Baltic and foreign investors and members. The business area is also responsible for the funded public pension account register systems in Estonia and Latvia as well as the company register for limited companies in Estonia.

OMX TECHNOLOGY DIVISION

Overview

OMX Technology helps customers sharpen their competitive edge. With a wide range of products and services, OMX Technology offers integrated solutions that enable an efficient handling of securities.

OMX Technology provides technology and outsourcing services to securities markets around the world. Customers are companies in financial markets: exchanges, clearing organizations, CSDs, banks and brokerage firms. OMX Technology also offers solutions to energy market participants.

OMX Technology's customers – a considerable number of world-leading companies within the financial, and financial infrastructural sectors – contribute indirectly to exchange operations within OMX Exchanges by helping them maintain their competitive functionality, cost efficiency and dependable operation. At the same time, the knowledge and experience from the marketplaces within OMX Exchanges guarantee that the technology and services in OMX Technology's offering are proven and competitive.

Leading technology and a network of customers and partners also enable successful co-operation and infrastructure agreements, such as the merger between OM and HEX or the establishment of EDX London and NOREX. Modern technology is an important prerequisite for consolidating and establishing new business models in the financial markets. OMX Technology has more than 100 customers in 20 countries. The division's operations are divided into three business areas: Banks & Brokers, Financial Markets and Global Services.

Revenue, income and order value

Revenues within OMX Technology for the period January–September 2004 amounted to SEK 1,279 m (SEK 1,299 m) and operating income after depreciation was SEK 129 m (loss: SEK 580 m). For the period January–September 2004 SEK 92 m from the sale of NGX is included. Order intake during January–September 2004 amounted to SEK 1,011 m (SEK 1,013 m), of which SEK 126 m (SEK 327 m) related to OMX Exchanges. Order value as of 30 September 2004 was SEK 2,871 m (SEK 2,932 m). Orders with a value of SEK 1,093 m (SEK 1,010 m) are due for delivery between 1 October 2004 and 30 September 2005.

Revenues in 2003 for OMX Technology amounted to SEK 1,752 m (SEK 1,860 m). In 2002, income of SEK 75 m from the sale of shares in Orc Software was included in revenues. The division's operating expenses totalled SEK 2,389 m (SEK 2,038 m). The operating loss after depreciation was SEK 619 m (loss: SEK 151 m) during 2003. Order intake during 2003 amounted to SEK 1,482 m (SEK 1,574 m), of which SEK 555 m (SEK 350 m) related to OMX Exchanges. At the end of 2003, the order value was SEK 2,974 m (SEK 3,118 m) with orders for SEK 1,173 m (SEK 1,135 m) due for delivery within 2004. For further information on development in 2003 see Section "OMX – Financial Summary – Comments on the financial development – Summary of the Board of Directors' reports for the financial years 2003, 2002 and 2001 – 2003 compared with 2002."

Product development

OMX's products form a "tool box" that creates business solutions to meet the requirements of individual customers. Each year, OMX invests in research and development to develop core competence within the company, securing its position as one of the market leaders. Development is as much about creating new products as it is about adding new functionality to existing platforms and products.

Investments in research and development within OMX Technology in 2004 (until 30 September) amounted to SEK 35 m, equivalent to 3 percent of OMX Technology's revenues. In 2003 investments in research and development in OMX Technology amounted to SEK 207 m (SEK 240 m) or 12 percent (13 percent) of OMX Technology's revenues. OMX has estimated that investment levels in research and development over time should be around 10 percent of OMX Technology's revenues.

Business model

OMX Technology's proven solutions, products and services are the building blocks that can be used to create customer specific solutions. When OMX Technology has developed and delivered a systems solution, the customer licenses the right to use the software. The *license fee* that OMX Technology receives is often fixed, but can also be volume-based, and is paid as long as the customer uses the platform in question. Each customer project comprises adaptations for customer-specific requirements related to functionality and capacity. This development and installation work generates *project revenue* that is usually invoiced continuously according to degree of completion. When a systems solution is delivered, OMX Technology undertakes to improve and develop the solution on an ongoing basis, for which it receives recurring *support revenue*. Within the Global Services and Banks & Brokers business areas, OMX Technology also provides processing and outsourcing services. An operational solution from OMX Technology generates annual recurring revenues that can be fixed or volume based, *facility management services revenue*.

Market and customers

The market for infrastructure within the area of securities can be broken down into the following categories: *marketplace operators* such as exchanges, *clearing organizations and CSDs* and *market participants* such as banks, brokerage firms, trustees and insurance companies.

The global market for securities has historically been characterized by strong growth and profitability, but has for the last few years been impacted by the global recession. Many market participants have focused on adapting the capacity levels of their operations to current market conditions and reducing their costs through consolidation and increased efficiency.

As a result of increased globalisation and continued deregulation of the financial markets, as well as ongoing gradual restructuring, companies are forced to adapt to new market opportunities and competitive situations. The demand for risk management is also increasing as new requirements for control and capital adequacy are being introduced in the industry.

In this process of adaptation, dependence on technology is great and a continual exchange of old technology for new is crucial to maintain a competitive edge. An increasing number of companies are also choosing to outsource parts of their operations to external partners to increase focus on their core operations, reduce costs and improve efficiency.

Competitive advantages – customer benefits

OMX Technology's solutions, services and products aim to make securities transactions more efficient for marketplace operators and participants in the securities markets. Through many years of operation in a sector with a high demand for industry knowledge, quality, availability and flexibility OMX Technology has secured a strong market position in several areas.

OMX Technology's solutions are based on systems with an open architecture and high performance to enable efficiency, flexibility and scalability. This means that OMX Technology can meet customers' demands for systems integration and connectivity – regardless of geographical and market boundaries – and can offer flexibility when it comes to functionality, capacity and the possibility to handle different types of financial products within the same system. This is reflected in the fact that OMX Technology's many customers can be found in various parts of the world, in areas with different financial infrastructure, market models and demands.

OMX Technology also offers outsourcing of systems solutions (as Application Service Provider – "ASP") and business processes (as Business Service Provider – "BSP") for the entire transaction chain, from front office to back office. OMX Technology's outsourcing solutions are proven and specially designed to meet the extremely high demand for dependability and security required by participants in the securities markets.

Competition

OMX Technology is a leading provider of solutions to marketplace operators. Competitors in this area are primarily companies such as AtosEuronext, Computershare, Deutsche Börse, Cinnober, Millennium, IBM and Accenture. Within the area of outsourcing, OMX Technology is unique due to its streamlined offering to the financial sector, which is made up of customers with extremely high demands. Examples of competitors in this area are IBM, EDS and Accenture. In the area of products and services targeted at market participants, competitors are generally small, local suppliers of systems and system components. Some examples of larger, international participants who compete with OMX Technology in this market are SunGard, GL Trade, Pershing and ADP Wilco.

Business areas

Banks & Brokers

Revenues within Banks & Brokers for the period January–September 2004 amounted to SEK 277 m (SEK 235 m) and operating income after depreciation was SEK 13 m (loss: SEK 51 m). The increase in revenues compared to the same period 2003 was mainly a consequence of HEX being part of the group from the third quarter 2003. Operating income after depreciation has improved as a result of restructuring and savings measures. In 2003, revenues in the business area were SEK 331 m (SEK 402 m). For comparable operations, excluding HEX, revenues decreased by 31 percent, mainly due to product phase-out, lower transaction-based revenues, closing of offices and reduced internal sales relating to Jiway, the operations of which were closed down during the first quarter of 2003. Operating income after depreciation in 2003 amounted to a loss of SEK 61 m (loss: SEK 26 m).

Within the Banks & Brokers business area, OMX Technology offers services and products that contribute to making internal infrastructure more efficient mainly for banks and brokerage firms. OMX Technology helps boost customers' businesses by providing modern and cost-efficient securities handling. During 2003, the product and service offering within the business area was streamlined, which also included closing offices and phasing out products.

The business area offers services for analysing and carrying out change processes aimed at developing customers' business operations and making them more efficient. Through Banks & Brokers, OMX Technology offers systems solutions that automate processes and operations within the areas of front office, order management and back office as well as operation and support of these areas. Banks & Brokers also offers outsourcing of systems solutions (as ASP) and operational processes such as "Back Office for Hire" (a BSP solution).

Financial Markets

Revenues within Financial Markets for the period January–September 2004 amounted to SEK 449 m (SEK 685 m) and operating income after depreciation totalled SEK 67 m (SEK 39 m). The decrease in revenues compared with the same period 2003 was due in part to the divestment of NGX, UKPX and the POMAX portfolio as well as the fact that certain support revenues have been moved to the Global Services business area. In 2003, revenues in the business area were SEK 889 m (SEK 955 m). This decrease year-on-year was due to the fact that the demand for and willingness to invest in systems solutions among existing and prospective customers was low as well as the fact that a part of the former Energy Markets business area, partly under closure, was included in Financial Markets. Operating income after depreciation in 2003 was SEK 63 m (SEK 75 m).

In the Financial Markets business area, OMX Technology develops systems solutions that make securities transactions more efficient for all types of financial instruments, including energy-related instruments. Customers include mainly exchanges, clearing organizations and CSDs.

Over the last decade, OMX Technology has established a market-leading position as a provider of systems solutions to exchanges, clearing organizations and CSDs around the world. OMX Technology's world leading exchange solutions CLICK™ and SAXESS™ have been delivered to 29 exchanges. OMX Technology's clearing solution SECUR™, for clearing derivatives, is used by ten exchanges and clearing organizations around the world. During 2003, two new products were launched – EXIGO CSD™ – a complete system for CSDs, and TARGIN™ – a system for collecting, processing and distributing market information in real-time.

Global Services

Revenues within Global Services for the period January–September 2004 amounted to SEK 533 m (SEK 411 m) and operating income after depreciation was SEK 50 m (SEK 36 m). Operating income after depreciation improved mainly as a result of cost-efficiency measures implemented in 2002. Revenues mainly increased as a consequence of HEX being a part of the group from the third quarter 2003. In 2003, revenues within the business area totalled SEK 580 m (SEK 547 m). For comparable operations, excluding HEX, revenues fell by 9 percent year-on-year, mainly due to lower internal sales regarding Jiway, the operations of which were closed down during the first quarter of 2003. Operating income after depreciation was SEK 48 m (SEK 41 m).

Through the Global Services business area, OMX Technology provides different types of IT-related outsourcing services. These services target mainly marketplace operators in the financial and energy markets who require mission-critical systems solutions and who have very high demands. OMX Technology assumes responsibility for an existing IT system, including personnel, and delivers increased customer value through more efficient processing and systems solutions. From operating hubs in Stockholm, Helsinki, London, New York and Sydney, Global Services offers operational services around the clock, seven days a week, 365 days a year.

To effectively meet the specific demands of the securities markets for high accessibility and security, the business area offers a multitude of services. OMX Technology provides tailor-made solutions, from inventory and analysis services to operation and outsourcing within data communication, hosting and applications as well as integration and transformation.

By letting OMX Technology take care of the operation and support of a system, customers are able to focus on their core operations and minimize their operational risk. At the same time, significant large-scale production advantages are achieved, and customers gain access to efficient technology and infrastructure for securities trading. All of OMX Technology's operating hubs work in parallel to guarantee surveillance, operations and disaster recovery management.

RISK MANAGEMENT

General

Risk management is a fundamental part of the systematic work to achieve the goals of OMX while at the same time minimizing damage and unexpected events. This means that risk management is also an important component of the continuous work to increase shareholder value.

OMX's business operations place great demands on risk management. The OMX Exchanges division exclusively includes operations that are the subject of legislation and external regulation. Similar conditions apply to a great extent to those parts of OMX Technology that provide systems solutions, systems operations and other services to exchanges, clearing organizations, CSDs and other types of supervisory regulated institutions in various countries. Decentralized risk-taking and risk management are coordinated and controlled at the group level.

OMX operations are run with controlled risk-taking and active management of undesirable risk exposure with the aim to increase financial results and profitability. In 2003, additional steps were taken to develop risk management, and the concept of Enterprise Risk Management was introduced. Enterprise Risk Management embeds risk management into all OMX activities through a systematic approach to comprehensively identify, evaluate, manage and report on risks throughout the entire organization.

OMX's risk management process

Risk management work is a uniform and continuous process that aims to identify, evaluate, manage and control all considerable risks within OMX. Risk management encompasses different types of risk prevention measures, damage limitation measures and risk financing measures. The focus of risk management work spans the area of market risks, business risks, operational risks and financial risks and includes all of the business operations and business support operations within the group.

The risk management process is to a great extent integrated in the continuous management work on different levels, but there are also additional activities connected to the reporting of risk exposure and control of risk management. Reporting is carried out on a quarterly and annual basis, from the responsible business unit to the Board of Directors, and is managed by a group function called "Risk Control and Reporting." In addition to this risk reporting, incident reporting is carried out in the different business units through the Group Security unit.

The risk management process at OMX includes the following roles and responsibilities:

- The Board of Directors has overall responsibility for OMX's risk management and risk exposure.
- The Management is responsible for all risks associated with responsibility for OMX business. The responsibility for risks includes all types of risks (market risk, business risk, operational risk and financial risk).
- Risk specialists within different areas (such as security, counterparty risk, IT risk, etc.) provide support to the Management and others responsible for the business, by identifying and managing risks within their areas of specialization.
- Internal and external auditing investigates the risk management process and practical work by minimizing risk exposure within different areas.

OMX Exchanges division

The OMX Exchanges division offers exchange trading, derivative clearing, listing, securities registration, training and market information services. These businesses face traditional business risks, as well as risks that are unique to providing derivatives clearing services.

The unique risks associated with the derivatives clearing business arise as a result of OMX Exchanges division (Stockholm Stock Exchange, EDX London, Helsinki Securities and Derivatives Exchange and Clearing House Ltd.) assuming the counterparty risk in all transactions that are cleared for their respective markets. In providing clearing services, these companies guarantee that their cleared contracts will be honoured.

The risks that are particularly associated with the derivatives clearing business include counterparty risks, market risks, settlement risks and concentration risks as well as operational risks. The most noteworthy risk associated with clearing operations is the risk that one or several clearing participants will default on their obligations. The ability to manage default risk is dependent upon several factors including the control of the clearing operations, control of the collateral that is provided, pro-active risk management, a sound legal foundation and financial strength. It is important to note that while each clearing counterparty has certain rights and benefits from the clearing services, they must also accept certain obligations and responsibilities. One of the primary obligations of clearing counterparties is to provide the required amount and type of eligible collateral in accordance with the respective exchange's rules and regulations to serve as security for the counterparty risks that are undertaken.

In addition to the collateral that is provided, there are established policies, instructions, rules and regulations as well as procedures that are specifically designed to ensure that these risks are adequately managed.

OMX Technology division

Business areas within OMX Technology provide systems solutions, systems operations and other services for exchanges, clearinghouses and other financial and energy market institutions. The specific risks contained within OMX Technology relate primarily to the different phases in providing a service. These are the sales phase, delivery and implementation phase and production phase. The sales phase includes risks such as loss of earnings and currency risks. Risks are managed by each business area although they are coordinated and supported by business controllers and centralized functions.

Operational risks, project risks, credit risks and quality aspects, are managed during the delivery and implementation phase, as well as in the production phase. As previously mentioned, risks are managed within each business area and unit, and coordinated and supported by the central function Group Security, as well as the project and business controller functions that monitor, measure and handle these risks appropriately.

EMPLOYEES

The number of employees and consultants in the OMX group amounted to 1,483 (1,781) as of 30 November 2004, of which 1,429 (1,709) were employed and 54 (72) were consultants. The decrease in the number of employees and consultants is due mainly to the personnel redundancies within the framework of the cost-efficiency program that has been implemented within the group. Of the total number of employees, 107 (97) were on long-term leave, mainly parental leave. As of 30 November 2004 378 (354) worked within OMX Exchanges, 968 (1,232) within OMX Technology and 83 (123) within the parent company.

On 30 November 2004 OMX had operations in 13 countries: Australia, China, Estonia, Finland, Hong Kong, Italy, Latvia, Lithuania, Norway, Singapore, Sweden, the UK and the US. The proportion of employees outside Sweden was 36 percent (45), equivalent to 509 (761) people. The proportion in Finland was 21 (22) percent, equivalent to 301 (368) people.

Employees

	30 November 2004	30 November 2003	31 December 2003	31 December 2002
OMX Technology	968	1,232	1,128	1,365
OMX Exchanges	378	354	352	237
Parent company	83	123	123	31
Total	1,429	1,709	1,603	1,633
of which				
in Sweden	920	948	941	1,142
in Finland	301	368	351	–
in the United States	55	86	79	90
in Estonia	37	36	35	–
in Australia	36	35	33	49
in other countries	80	236	164	352

In a fast-changing environment where new business opportunities continuously arise, managing the flow and development of expertise is vital. Knowledge enhancement and management development are therefore an integral part of OMX's operations and closely linked to the OMX's business objectives and strategic development.

During 2003, the focus was on implementing an effective process for knowledge enhancement closely linked to business plans. The process comprised goal and development discussions, individual development plans and analysis of expertise requirements.

During 2003 a number of different programs and activities were carried out to strengthen management skills and secure knowledge enhancement within OMX. In conjunction with the combination of OM and HEX, 20 senior managers underwent a Management Appraisal Program, an evaluation of existing managers' expertise and experience. To create an open management network a global leadership program was carried out. In Sweden, a mentorship program was run to support new managers in their roles.

In addition to these programs, each business area carried out a number of their own activities during the year. Both globally and locally employees have participated in business-specific training within IT, project management and language. Newly appointed managers have taken part in management education.

In order to integrate the merged companies' expertise a new common model for performance appraisals was developed for OMX.

Equal opportunities work

OMX has a stated ambition to promote equality and diversity within the workplace. Equal opportunity work is managed by a special Equal Opportunities Committee headed by the President and CEO of OMX. The committee develops the equal opportunities plan including objectives and implementation measures as well as managing and following up this work within OMX. The equal opportunities plan describes OMX's goals and activities on an overall level according to Swedish law. Local offices are thereafter responsible for implementing their own plans based on prevailing legislation and agreements, as well as the organization's internal conditions. The equality work and plan are characterized by clear management responsibility, where the ambition is that equal opportunities goals will be included in OMX's business plans.

Work environment

OMX puts high demands on employees. Being able to provide a comfortable and stimulating work environment, characterized by openness, affiliation and collaboration between management and employees as well as respect and confidence in the individual is important to OMX's competitiveness.

During 2003, investment in the work environment intensified in OMX. Among other things, a work environment handbook was implemented and extensive training measures for managers were carried out in Sweden.

Ethics

Financial markets are built on confidence and clear rules. OMX contributes to society by promoting growth and prosperity through enabling effective securities transactions. OMX also strives to be a premier workplace and a partner that customers and suppliers can be proud of.

During 2002 and 2003, OMX developed a Corporate Social Responsibility ("CSR") policy to support and assist in ethical issues. As a result of the merger between OM and HEX, the CSR policy has been adapted to fit the new company. During 2004, an updated CSR policy was adopted by the Board of Directors.

FINANCIAL SUMMARY

Key figures

For the complete financial statements and OMX annual report for the year 2003, please see "Appendix A, Financial information – OMX".

SEK m (unless otherwise stated)	Jan–Sept 2004	Jan–Dec 2003	Jan–Dec 2002	Jan–Dec 2001
Income statement				
Net sales	2,211	2,686	2,565	2,977
Other revenues	108	100	75	95
Total revenues	2,319	2,786	2,640	3,072
Operating expenses before depreciation	–1,527	–2,680	–2,374	–2,975
Depreciation and write-downs	–257	–576	–328	–585
Share in associated companies	6	21	38	33
Operating income	541	–449	–24	–453
Net financial items	–39	–23	–32	–16
Income after financial items	502	–472	–56	–469
Minority interest	–1	0	0	211
Net income	321	–431	–71	–25
Balance sheet				
Cash and short term investments	1,615	1,362	1,275	1,654
Total assets	6,787	6,746	4,920	5,985
Shareholders' equity	3,806	3,533	2,017	2,257
Interest–bearing financial liabilities	2,076	2,059	2,058	2,132
Non–interest-bearing liabilities	662	718	694	972
Capital employed	5,882	5,592	4,075	4,389
Interest–bearing net debt	364	612	669	119
Number of employees (average)	1,508	1,682	1,677	1,516
Investments and cash flow				
Total investments	194	2,262	391	1,041
– acquisition of goodwill	46	1,764	42	168
– investments in equipment	83	84	75	409
– investments in research and development	45	221	254	394
– of which expensed	6	76	146	289
– other investments in intangible assets	24	32	16	43
Investment acquired through acquisition	2	161	4	27
Cash flow from operations	309	169	89	–297
Ratios				
Operating margin before depreciation, percent	34	–3	10	3
Operating margin, percent	23	–16	–1	–15
Net margin, percent	14	–15	–3	–1
Return on capital employed, percent	10	–7	2	–8
Return on equity, percent	9	–16	–3	–1
Equity/assets ratio, percent	56	52	41	37
Interest cover, times	7.0	–2.7	0.6	–2.0
Net debt/equity ratio, percent	10	17	33	5
Investments in equipment/total revenues, percent	4	3	3	13
Investments in research and development/total revenues, percent	2	8	10	13
Value of orders	2,871	2,974	3,118	3,599

SEK m (unless otherwise stated)	Jan–Sept 2004	Jan–Dec 2003	Jan–Dec 2002	Jan–Dec 2001
Key figures per share				
Earnings per share, SEK	2.78	–4.33	–0.85	–0.30
Earnings per share after full conversion, SEK	2.78	–4.33	–0.85	–0.30
Cash flow per share, SEK	2.67	1.46	1.06	–3.53
Cash flow per share after full conversion, SEK	2.67	1.46	1.06	–3.50
Shareholders' equity per share, SEK	33	31	24	27
Shareholders' equity after full conversion per share, SEK	33	30	24	27
Dividend per share, SEK	N/A	–	1.00	1.00
Dividend as percent of net income, percent	N/A	–	–	–
Number of shares at end of period, m	115.55	115.55	84.04	84.04
Number of shares at end of period, after full conversion, m	115.83	116.61	84.82	84.82
Average number of shares, m	116.27	99.74	84.04	84.04
Price related data				
Share price at end of period, SEK	86.5	89.5	41.6	138
Highest share price during period, SEK	120.5	89.5	151.5	280
Lowest share price during period, SEK	76	32.1	24	65
Market value of shareholders' equity at end of period	9,995	10,341	3,496	11,598
Share price/Shareholders' equity per share, times	2.6	2.9	1.8	5.1
Direct yield, percent	N/A	–	2.4	0.7
Price/earnings multiple at end of period, times	30	–	–	–
Average number of OMX shares traded per day, 000s	411	413	204	166
– as percent of average number of shares	0.4	0.4	0.2	0.2
Average value of OMX shares traded per day	40.0	29.7	15.5	24.4

Definitions

- *Operating margin before depreciation*
  Total revenues less personnel expenses and other operating expenses as a percentage of total revenues.
- *Operating margin*
  Operating income as a percentage of total revenues.
- *Net margin*
  Net income as a percentage of total revenues.
- *Return on capital employed*
  Income after net financial items plus financial expenses for the period as a percentage of average capital employed. Capital employed is defined as shareholders' equity plus interest-bearing liabilities.
- *Return on equity*
  Net income for the period as a percentage of average shareholders' equity.
- *Equity/assets ratio*
  Shareholders' equity and minority interest as a percentage of total assets.
- *Interest cover*
  Income after net financial items plus financial expenses divided by financial expenses.
- *Net debt/equity ratio*
  Interest-bearing net debt as a percentage of shareholders' equity and minority interest.
- *Cash flow per share*
  Cash flow from operations divided by number of shares.
- *Earnings per share*
  Net income divided by number of shares.
- *Equity per share*
  Shareholders' equity divided by number of shares.

Comments on the financial development – Summary of the Board of Directors' reports for the financial years 2003, 2002 and 2001

2003 compared with 2002

2003 was an eventful year for OMX during which many strategically important measures were implemented and significant orders were won. Against a backdrop of weak markets and the need to streamline operations, a cost-efficiency program was implemented within the group. During the summer of 2003, OM and the Finnish exchange organization HEX merged to create OMX, and at that time a new corporate management was introduced. HEX was consolidated in the group from 1 July 2003.

OMX's total revenues in 2003 amounted to SEK 2,786 m (SEK 2,640 m). For comparable operations excluding HEX, OM London Exchange, income from the formation of EDX London and income from the sale of Orc Software shares in 2002, group revenues dropped 10 percent compared with 2002. The decrease was due to lower revenues within both of OMX's divisions. The operating loss for 2003 amounted to SEK 449 m (loss: SEK 24 m). In 2003 the operating income included restructuring costs of SEK 624 m for carrying out the cost-reduction program, reserves for unutilised premises and write-downs of SEK 38 m for products that were phased-out within OMX Technology, and a capital gain of SEK 100 m from the formation of EDX London. The operating income 2002 included expenses of SEK 57 m related to cost-reduction program and SEK 75 m due to the restructuring of Jiway. Return on capital employed amounted to –7 percent (2 percent).

On 20 May 2003, OM and HEX announced merger plans to create an integrated Nordic and Baltic market for listing, trading, clearing, settlement and registration of securities providing benefits for listed companies, members and investors. The merger terms stated that shareholders of HEX were offered 2.5 new OM shares for each HEX share held. The merger was expected to result in annual cost savings of up to SEK 220 m before tax, with full effect within three years. The acquisition contributed to consolidated goodwill of SEK 1,764 m.

During the second quarter of 2003, OMX introduced a cost-efficiency program aimed at streamlining operations and improving the group's profitability. The program was primarily targeted at OMX Technology's operations. The program was expected to reduce the group's annual expenses by SEK 578 m on a yearly basis. Operations that were closed or divested as part of the program, including NGX, had a total of SEK 150 m in revenues in 2003. The cost-efficiency program was concluded according to plan during January–March 2004. The total cost of implementing the cost-efficiency programme amounted to SEK 624 m before tax (consisting of write-downs of SEK 202 m and other costs of SEK 422 m), excluding any positive effects of divestments of operations.

On 30 June 2003, trading began on EDX London, a new equity derivatives exchange owned by London Stock Exchange (76 percent) and OMX (24 percent). EDX London was formed through EDX London paying OMX a consideration of up to GBP 24.0 m (SEK 327 m) for the Scandinavian equity derivatives business of OM London Exchange. An initial payment of GBP 12.8 m (SEK 180 m) was made in connection with the formation of EDX London in 2003, which resulted in a capital gain of SEK 100 m recognized as an item affecting comparability during the second quarter 2003. A supplement to the purchase price of GBP 11.2 m will be paid on achievement of certain revenue targets by EDX London by 31 December 2005. In addition to the portion of EDX London's future income that OMX will receive through its 24 percent ownership, as agreed, OMX Exchanges will receive an annual percentage of EDX London's future revenues from Swedish equity derivatives.

For OMX Exchanges, 2003 began with falling share prices and lower trading turnover and volumes. During the autumn of 2003, the market recovered slightly, and the OMX index increased 29 percent in total during the year, while the HEX25 index increased by 18 percent. Equity turnover and the number of equity trades decreased year-on-year, while the number of traded derivative contracts increased. The number of both listed companies and members fell during 2003. OMX Exchanges revenues increased in 2003 to SEK 1,276 m (SEK 965 m), including HEX as from 1 July 2003. For comparable operations, excluding HEX, OM London Exchange and the formation of EDX London, revenues decreased by 5 percent 2003 compared with 2002. OMX Exchanges operating income after depreciation increased in 2003 and amounted to SEK 463 m (SEK 287 m).

For OMX Technology 2003 was a challenging year. Demand for technology and technology-related services was low. Order intake decreased year-on-year, and sales were primarily add-on sales to existing customers, although there were some sales to new customers. During the year, OMX Technology strengthened business relationships with a number of strategic customers, such as ISE and NASD, and in the fourth quarter 2003, OMX Technology received a strategically important order from Singapore Exchange. Revenues in the division decreased to SEK 1,752 m (SEK 1,860 m) in 2003. For comparable operations, excluding HEX, the formation of EDX London and income from the sale of Orc Software shares in 2002, revenues decreased by 12 percent compared with the same period in 2002, partly explained by product phase-out as part of the cost-efficiency program. In part to address the lower market demand as well as to focus operations, a series of cost-reduction measures were implemented in OMX Technology in 2003 with full effect toward the end of the first quarter 2004. The operating income after depreciation in 2003 was SEK –619 m (loss: SEK 151 m). A total of SEK 207 m (SEK 240 m) was invested in research and development of which SEK 145 m (SEK 108 m) was capitalized. At the end of 2003, the order value was SEK 2,974 m (SEK 3,118 m) of which orders for SEK 1,173 m (SEK 1,135 m) were due for delivery within the coming twelve months. Currency effects had a negative impact on the total order value of approximately SEK 147 m (SEK 86 m) 2003 compared to 2002. The total order value from OMX Exchanges increased to SEK 1,072 m (SEK 782 m). Internal sales from OMX Technology to OMX Exchanges amounted to SEK 235 m (SEK 222 m) in 2003.

OMX's total assets increased to SEK 6,746 m (SEK 4,920 m) at year-end 2003, mainly explained by the HEX merger. The equity/assets ratio increased to 52 percent (41 percent). OMX's net debt decreased to SEK 612 m (SEK 669 m), with the HEX merger having a positive effect of SEK 198 m. At end of 2003, interest-bearing financial assets amounted to SEK 1,446 m (SEK 1,389 m), of which SEK 84 m (SEK 109 m) were financial fixed assets. Interest-bearing liabilities equalled SEK 2,059 m (SEK 2,058 m) at year-end 2003, of which SEK 400 m (SEK 256 m) related to long-term liabilities. Available credit facilities totalled SEK 2,654 m (SEK 3,700 m), of which SEK 2,054 m (SEK 2,049 m) had been utilized. Consolidated goodwill at year-end 2003 of SEK 2,410 m (SEK 903 m) referred mainly to the acquisitions of HEX (SEK 1,706 m) and Stockholm Stock Exchange (SEK 590 m).

In 2003, OMX reorganized its financing structure. In December 2003, OMX issued a SEK commercial paper certification program with an extendable multi-currency revolving credit facility of SEK 1,500 m for which it received a K-1 rating according to Standard & Poor's Nordic scale. At the same time, a revolving credit facility of SEK 2,100 m was signed, including customary covenants, with a syndicate of Nordic banks. The result of the new financing structure was somewhat lower financing expenses and refinancing risk for OMX. OMX Exchanges introduced a new calculation model for determining risk exposure within clearing operations in 2003, resulting in reduced capital requirements.

In 2003 an Extraordinary General Meeting of OMX resolved to issue a three-year debenture with three-year warrants to subscribe for new shares. During the autumn of 2003, 286,000 warrants were subscribed for at a price per warrant of SEK 7.80 with a subscription price at SEK 138.50.

In 2003, OMX Technology was involved in two legal disputes and Stockholm Stock Exchange in one. For further information, please see "Appendix A, Financial information – OMX – Annual Report 2003 – Legal Disputes".

On 4 September 2003, OMX announced a new corporate management. Magnus Böcker was appointed President and CEO of OMX, Jukka Ruuska was appointed Deputy CEO of OMX and Head of OMX Exchanges and Klas Ståhl was appointed Head of OMX Technology. Other members of the Management included CFO Per Nordberg and CSO (Chief Strategy Officer) Anders Reveman. Per E. Larsson resigned as President and CEO of OMX on 31 May 2003.

The number of people working in the group (employees and contracted consultants) decreased to 1,674 (1,722) at the end of 2003, of which 678 (514) were employed outside of Sweden. Of those employed, 352 (237) worked in OMX Exchanges, 1,128 (1,365) in OMX Technology and 123 (31) in the parent company. Some 426 employees came from HEX. For comparable operations, excluding HEX, the number of people employed and contracted fell by 236 during the fourth quarter 2003, compared with the third quarter 2003. The reduction was a result of OMX's cost-efficiency program from 30 June 2003.

No dividend was paid to shareholders for the financial year 2003.

2002 compared with 2001

2002 was characterized by considerable uncertainty surrounding the global economy. Against a backdrop of weakened demand within all of the markets on which it operates, OMX continued to adapt its operations through cost-reduction measures. However, despite weak market conditions, the last quarter in 2002 saw a number of positive business developments, including the announcement of OMX's plans to create EDX London together with London Stock Exchange. At the end of the quarter, OMX also won a major system and maintenance order from the world's leading electricity exchange, Nord Pool. To adapt OMX's operations to a lower level of market activity, OMX implemented a number of cost-reduction measures during the year. These included a group-wide cost-reduction program as well as the closure of Jiway. As a result, OMX's operating income increased in 2002, despite lower revenues than for 2001.

OMX's total revenues fell by 14 percent to SEK 2,640 m (SEK 3,072 m). Operating loss for 2002 totalled SEK 24 m (loss: SEK 453 m). This figure includes items affecting comparability – comprising total restructuring expenses of SEK 132 m (SEK 481 m), of which SEK 57 m (SEK 73 m) relates to the cost-reduction program and SEK 75 m (SEK 0 m) to the closure of Jiway. Income also included the gain on the sale of shares in Orc Software of SEK 75 m (SEK 95 m). Return on capital employed amounted to 2 percent (neg: 8 percent).

Weak markets, postponed investment decisions by customers and lower internal sales levels characterized OMX Technology's operations throughout 2002. Revenues for OMX Technology fell by 18 percent to SEK 1,860 m (SEK 2,265 m). In order to adapt operations, cost-reduction measures were implemented during the year and expenses fell by 13 percent to SEK 1,939 m (SEK 2,219 m), year-on-year. At the end of 2002 the order value was SEK 3,118 m (SEK 3,599 m), of which orders for SEK 1,135 m (SEK 1,220 m) were due for delivery in the coming 12 months. The total order value from Stockholm Stock Exchange decreased to SEK 782 m (SEK 957 m), primarily due to the closure of Jiway and the formation of EDX London. Operating income after depreciation within OMX Technology amounted to SEK –151 m (SEK 46 m), representing an operating margin after depreciation of –8 percent (2 percent). This includes SEK 75 m (SEK 95 m) in income from the sale of shares in Orc Software and SEK 64 m (SEK 34 m) from losses in UKPX. Internal sales from OMX Technology to Stockholm Stock Exchange fell to SEK 241 m (SEK 376 m) over the year, primarily due to the closure of Jiway.

The equity market was extremely turbulent throughout 2002. At the year-end, the Stockholm Stock Exchange's OMX index had fallen 42 percent (–20) over the year. Falling share prices led to considerably lower turnover levels in SEK terms year-on-year, despite the fact that trading activity levels continued to be relatively high. Stockholm Stock Exchange's revenues in 2002 totalled SEK 965 m (SEK 1,158 m). The fall in trading revenues was largely due to reduced equity trading turnover as well as lower option premiums, largely necessitated by falling share prices. Issuers' revenues, i.e. fees paid by companies listed on the exchange, increased during 2002 primarily due to the fee increase introduced at the start of the year. Revenues generated from information sales totalled SEK 117 m (SEK 131 m). Stockholm Stock Exchange's operating income after depreciation amounted to SEK 287 m (SEK 162 m) on which Jiway had a negative impact of SEK 75 m (neg: SEK 214 m). Stockholm Stock Exchange's expensed research and development investments during the year totalled SEK 14 m (SEK 27 m).

During 2002, Stockholm Stock Exchange changed its credit insurance structure.

In October 2002, a decision was taken to close down Jiway, which had been part of Stockholm Stock Exchange business area throughout 2002. The closure of Jiway was completed in January 2003.

OMX's total assets decreased by SEK 1,065 m to SEK 4,920 m at year-end 2002. The equity/assets ratio increased to 41 percent (37 percent). OMX's net debt increased to SEK 669 m in 2002 from SEK 119 m in 2001, due to the redistribution of collateral for OMX's employee stock option program, cash flow from operations and closure of Jiway. Despite weak profitability the financial position of OMX remained solid. Interest-bearing financial assets totalled SEK 1,389 m (SEK 2,013 m), of which SEK 109 m (SEK 359 m) were financial fixed assets. Interest-bearing financial liabilities amounted to SEK 2,058 m (SEK 2,132 m) of which SEK 256 m (SEK 55 m) were long-term. Available credit facilities totalled SEK 3,700 m (SEK 2,910 m) of which SEK 2,049 m (SEK 2,060 m) were utilized. The lifetime of the loan portfolio was extended through a long-term credit of SEK 200 m.

In December 2002, OMX and London Stock Exchange announced plans to form a new international marketplace for equity derivatives trading – EDX London. The new operation will be based on the derivatives business of OMX's subsidiary in London, OM London Exchange.

In May 2002, the Board of Directors of OMX introduced a new stock option program aimed at all group employees.

The number of employees in the group totalled 1,633 (1,583) at the year-end of which 491 (475) were employed outside of Sweden.

The dividend for 2002 to shareholders was SEK 1 per share, totalling SEK 84 m.

Investments including research and development

SEK m	Jan–Sept 2004	Jan–Dec 2003	Jan–Dec 2002	Jan–Dec 2001
Investments per division				
OMX Technology	110	270	368	796
OMX Exchanges	40	1,946	20	169
Jiway	–	–	–	58
Other	50	46	3	18
Total investments	200	2,262	391	1,041
– of which expensed	6	76	146	289
Investments per type				
Equipment	83	84	75	409
Research and development	45	221	254	394
– of which expensed	6	76	146	289
Goodwill	46	1,764	42	168
Other intangible	24	32	16	43
Investments acquired through acquisitions	2	161	4	27
Total investments	200	2,262	391	1,041
– of which expensed	6	76	146	289

January–September 2004

Investment during the period January–September 2004 totalled SEK 200 m, of which SEK 6 m was expensed in the income statement. Larger investments included investments in systems (EXIGO CSD™, CONDICO™ and SECUR™) of SEK 63 m, investments in equipment of SEK 83 m and goodwill from acquisition of Vilnius Stock Exchange (National Stock Exchange of Lithuania), Pallion and JHC. Of the total investment of SEK 200 m, investment in research and development amounted to SEK 45 m. Of the investment in research and development, SEK 35 m was allocated to OMX Technology and SEK 10 m was allocated to OMX Exchanges.

2003

Investments in 2003 totalled SEK 2,262 m, of which SEK 76 m was expensed in the income statement. Larger investments included EXIGO CSD™ and CLICK™ of SEK 89 m, investments in equipment of SEK 84 m and goodwill from the acquisition of HEX of SEK 1,764 m. Of the total investments of SEK 2,262 m, investments in research and development amounted to SEK 221 m. Of the investments in research and development, SEK 207 m was allocated to OMX Technology and SEK 14 m was allocated to OMX Exchanges. OMX financed its investments with cash flow from operations and borrowings. Of the non-expensed investments, 95 percent were booked in Sweden and the rest abroad.

2002

Investments in 2002 totalled SEK 391 m, of which SEK 146 m was expensed in the income statement. Larger investments included investments in systems (EXIGO CSD™ and CLICK™) of SEK 90 m, investments in equipment of SEK 75 m and goodwill from the acquisition of 50 percent of PCS AS of SEK 42 m. Of the total investments of

SEK 391 m, investments in research and development amounted to SEK 254 m. Of the investments in research and development, SEK 240 m was allocated to OMX Technology and SEK 14 m was allocated to Stockholm Stock Exchange. OMX financed its investments with cash flow from operations and borrowings. Of the non-expensed investments, 76 percent were booked in Sweden and the rest abroad.

2001

Investments in 2001 totalled SEK 1,041 m, of which SEK 289 m was expensed in the income statement. Larger investments included investments in equipment (property in New York and London) of SEK 230 m, goodwill from acquisitions of a minority stake in Energy Systems AS, PCS AS and Twobyfour Systems AB of SEK 162 m and investments in systems of SEK 144 m. Of the total investments of SEK 1,041 m, investments in research and development amounted to SEK 394 m, corresponding to 13 percent of total revenues. Of the investments in research and development, SEK 309 m was allocated to OMX Technology, SEK 27 m to Stockholm Stock Exchange and SEK 58 m to Jiway. OMX financed its investments with cash flow from operations and borrowings. Of the non-expensed investments, 60 percent were booked in Sweden and the rest abroad.

Sensitivity analysis

OMX Exchanges

Trading revenue

During the period January–September 2004, 55 percent of OMX Exchanges' trading revenue was from equity (cash) trading and 45 percent from trading and clearing derivative products. Trading revenue is generated primarily within the Cash Markets, Derivatives Markets and Baltic Operations business areas.

For trading revenue from equity trading, the two most important parameters are the value of equity turnover and the number of equity transactions. A 10-percent change in value of the average daily equity trading volume would, on an annual basis (assuming an unchanged number of transactions) have a SEK +/–4.5 m impact, calculated on trading levels during the period January–September 2004.

As regards revenue from trading and clearing derivative products, the two most important parameters are the number of derivative contracts traded and the size of option premiums. A change in the average daily derivatives turnover of 1,000 contracts would, on an annual basis (assuming an unchanged average option premium and product mix), have a SEK +/–1.1 m impact calculated on trading levels during the period January–September 2004.

Issuers' revenue

Issuers' revenue comes from fees paid by companies listed on the exchange and is directly related to the market capitalization of the companies. Issuers' revenue is generated in the Cash Markets and Baltic Operations business areas. A 10-percent change in the total market capitalization on OMX Exchanges would have a SEK +/–5.2 m impact on issuers' revenue, calculated on an annual basis from the 2004 level based on operations carried out during the year.

Information revenue

OMX Exchanges sells trading information to just over 100 companies that disseminate it to a large number of end users. Information revenue is generated within the Cash Markets and Baltic Operations business areas. Information dissemination is invoiced in arrears, and the size of fees varies according to the number of end users.

CSD revenue

CSD revenue is generated within the Settlement & Depository and Baltic Operations business units and is mainly derived from APK. The main sources of CSD revenue and their percentage of revenue during the period January–September 2004 are as follows:

- Clearing of equities (12 percent). The most important parameter is the number of equity transactions on Helsinki Stock Exchange.
- Equity settlement and depository (36 percent). The most important parameters are the market value of the securities held in custody and the number of book-entry accounts.

- Money market clearing and settlement (14 percent). The most important parameter is the market value of the securities held in custody.
- Ownership information maintenance and information sales (38 percent). The most important parameters are the number of customers, the number of book-entry accounts and the number of requests for information.

On 24 September 2004, VPC and OMX announced the merger between APK and VPC. The closing of the transaction took place on 30 November 2004.

Other revenue

Other revenue comprises mainly training revenue and internal sales from the Settlement & Depository business area to the Banks & Brokers business area including results from formation of EDX London of SEK 46 m during April–June 2003.

OMX Technology

License, support and project revenue

License, support and project revenue from the systems solutions developed and sold by OMX Technology arises primarily within the Financial Markets business area and to some extent in Banks & Brokers.

After OMX Technology has developed and sold a systems solution, the customer licenses the right to use the software. Each project involves individual adaptations to the specific requirements of the customer, for instance relating to functionality and capacity. This involves development, testing and installation work, all of which generate project revenue that is invoiced continually according to degree of completion. When OMX Technology provides a systems solution, it undertakes to continually upgrade, develop and maintain the solution for which it receives recurring support revenue.

With regard to major system solutions for customers such as exchanges and clearing organizations, license and project revenue is mostly fixed and recognized in relation to the degree of completion. Support revenue is mainly fixed and contracts usually extend for five years. A certain portion of license revenue is also recurring, and contracts run for a longer period. As regards systems solutions to market participants such as banks and brokerage firms, license fees are primarily variable and revenue is recognized on an ongoing basis while project revenue is recognized in relation to the degree of completion. Support revenue from this type of customer is mainly variable and recognized on an ongoing basis.

Revenue from facility management services

Facility management services are when OMX Technology is responsible for the continuous support of a systems platform for a customer, for which it receives recurring support revenue within the Global Services and Banks & Brokers business areas. Revenue from Facility Management Services can be both fixed and volume based. Contract times vary between one and seven years.

Other revenue

Other revenue from technology operations consists of trading and clearing revenue from the energy exchanges NGX and UKPX (both of which were sold during 2004) and some resale of third-party products as well as hosting revenue and other sales that cannot be classified together with the revenue sources above. It also includes income of SEK 92 m from the sale of NGX during January–March 2004 and income of SEK 54 m from the creation of EDX London during April–June 2003.

Events subsequent to the interim report 30 September 2004

Press release, 26 October 2004: The Stockholm Stock Exchange and 19 of its customers have today reached a settlement regarding VAT lawsuit

In connection with the privatization of the Stockholm Stock Exchange in 1993, the value added tax (VAT) status for the stock exchange was changed, so that its trading services in the SAX and SOX system would be subject to VAT.

In June 2000, the tax authorities decided that the exchange's trading services would be exempt from VAT and subsequently, SEK 144 m including interest was repaid to the stock exchange for the period 1993–2000.

In 2002, 19 banks and brokerage firms – members – filed a lawsuit against the Stockholm Stock Exchange, claiming repayment of the VAT that they paid to the stock exchange during the period. The Stockholm Stock Exchange rejected the lawsuit. Court hearings were to take place on 1 November 2004, but through today's settlement between the members and the stock exchange, the lawsuit will be revoked.

According to the settlement, the stock exchange will pay SEK 99 m plus interest to the banks and brokerage firms. A total payment of SEK 111 m will be expensed in OMX's results for the fourth quarter 2004.

In a joint statement, Lars O. Grönstedt, chairman of the Swedish Bankers' Association and President and CEO of Handelsbanken – one of the major creditors in the claim – and Magnus Böcker, President and CEO of OMX, said: "We are very pleased to have settled this matter. OMX has a vision of an integrated Nordic securities market, which the Swedish securities trading community should support. Therefore it has been important to reach this settlement to build ground for a future co-operation amongst all participants, based on mutual confidence, as exemplified in the merger of the Swedish and Finnish CSDs."

Press release, 8 November 2004: OMX AB's Nomination Committee

In accordance with a decision made at OMX's Annual General Meeting on March 25, 2004, a Nomination Committee, consisting of representatives from the four largest shareholders in OMX AB and the Chairman of the Board of Directors, is hereby announced. The Nomination Committee shall, among other things, develop a proposal for the composition of the Board of Directors, which will be presented for approval at the next Annual General Meeting.

The Nomination Committee consists of:
Eva Halvarsson, Director, Ministry of Industry, Employment, and Communications
KG Lindvall, Board member, Robur Fonder
Tom Ruud, Head of Corporate and Institutional Banking, Nordea
Olof Stenhammar, Chairman of the Board of Directors, OMX (convener)
Marcus Wallenberg, CEO, Investor

Should changes occur among OMX's major shareholders, the composition of the Nomination Committee will be changed to reflect this.

Press release, 12 November 2004: Jukka Ruuska appointed President of Stockholm Stock Exchange (extract – CV of Jukka Ruuska has not been included)

As of January 1, 2005, Jukka Ruuska will assume the position as President of the Stockholm Stock Exchange. At the same time, he will continue in his role as President of OMX Exchanges.

Jukka Ruuska became President of OMX Exchanges and Deputy CEO of OMX in 2003, following the merger of OM and HEX. Prior to that and from year 2000, he held the position as President and CEO of HEX. Between 1988–2000, he held various positions in companies such as HTC, Finnet Group, Prospectus Oy and Kansallis-Osake-Pankki. Jukka Ruuska, who currently lives in Helsinki, will move to Stockholm by year-end together with his family.

"We are working full speed towards an integrated Nordic Market. Jukka has been working towards the integration since the merger of the exchanges within OMX, and it was a natural choice to ask Jukka to take on the position as President of the Stockholm Stock Exchange. Jukka's competence and experience of the European and Finnish financial markets will enable us to smoothly continue the Nordic integration journey, " says Magnus Böcker, Chairman of the Stockholm Stock Exchange and President and CEO of OMX.

"This is an exciting time for me and my family. I consider it a very stimulating challenge to lead the Stockholm Stock Exchange and OMX Exchanges into a fully integrated Nordic and Baltic securities market," says Jukka Ruuska.

Henrik Paulsson, acting President of the Stockholm Stock Exchange, will continue his work as President of Derivatives Markets at OMX Exchanges. Jouni Torasvirta will continue as President of Cash Markets and Helsinki Stock Exchange.

Press release, 23 November 2004: OMX's financial targets

OMX has undergone a number of significant changes during the past year. The company has been restructured and merged with HEX. As a part of this process of change and in conjunction with its Capital Markets Day, OMX announces the following financial targets:

OMX's primary objective is to deliver long-term shareholder value through creating value for customers, employees and other interested parties. OMX aims to create profitable growth with returns exceeding the markets' required rate of return. To reach this objective in the medium term, a new set of financial targets has been established as guiding principles for OMX:

- Return on Equity (ROE) of at least 15 percent
- Net debt/equity ratio of maximum 30 percent

By reaching these targets OMX will be able to pay out increasing dividends to its shareholders while maintaining a sufficiently strong balance sheet considering its financial risk.

Joint press release, 30 November 2004: Completion of merger of APK and VPC

VPC AB and OMX AB (publ) today announce that the parties have fulfilled the terms and conditions of the agreements regarding the merger of the OMX-owned Finnish Central Securities Depository (APK) and VPC, the Swedish equivalent, thereby creating a strong joint central securities depository group within the Nordic region.

Following the completion of the merger, the business area Settlement & Depository will be deconsolidated and will no longer be a part of the OMX organization.

Other events

Except from what has been described in this Prospectus no material events have occurred since the publication of the latest interim report included in the Prospectus that may affect the Management's expectations for the performance of OMX.

CORPORATE GOVERNANCE

The Board of Directors

Composition of the Board of Directors

The Board of Directors of OMX consists of nine members who are elected at the Annual General Meeting. The Board holds regular meetings approximately six times a year.

The present members of the company's Board of Directors and their positions and year of appointment are included in Section "Board of Directors, Management and Auditors – Board of Directors".

Responsibilities of the Board of Directors

The Board of Directors is, in accordance with the Swedish Companies Act and the Rules of Procedure of the Board of Directors of OMX, responsible for establishing OMX's overall long-term strategies and goals, establishing the budget and business plans, reviewing and approving financial statements, adopting important policies and making decisions regarding investments and significant changes in OMX's organization and operations. The Board also appoints the President and CEO and ratifies instructions for the President and CEO as well as the Audit Committee and the Remuneration Committee. In addition, the Board also makes decisions regarding the President and CEO's salary and other remuneration.

Rules of Procedure of the Board of Directors

Following the Annual General Meeting every year, the Rules of Procedure of the Board of Directors of OMX are determined. The Rules of Procedure outline the principles of the work of the Board and the division of responsibility between the Board and the President and CEO. They also stipulate that the Board shall have an Audit Committee and a Remuneration Committee, and define the roll of the Chairman of the Board.

Chairman of the Board of Directors

The responsibility of the Chairman of the Board is to lead the work of the Board and to ensure that the Board fulfills its responsibilities in accordance with the Swedish Companies Act and the Rules of Procedure of the Board of OMX. Through continual contact with the President and CEO, the Chairman shall follow the development of the company and also ensure that the members of the Board are continually provided with the necessary information to follow and analyze the financial position, financial planning and development of the company. The Chairman shall also be responsible for communicating the opinions of shareholders to the Board of Directors.

Evaluation of the work of the Board of Directors

The Board of Directors evaluates its work regularly through open discussions and interviews between the Chairman of the Board and individual Board members. In addition, the Rules of Procedure of the Board prescribe that at one meeting of the Board of Directors each year, the Board shall among other things carry out an evaluation of the work of the Board.

Independence of the members of the Board of Directors

The issue of the independence of members of the Board of Directors has been assessed in such a way that Olof Stenhammar is not considered to be independent of the company due to a license agreement between OMX and a company related to Olof Stenhammar.[1)] Furthermore, Adine Grate Axén is not considered to be independent of a significant shareholder due to her relationship with Investor AB, which owns more than 10 percent of the votes and shares in OMX. All of the other members of the Board of Directors have been deemed to be independent.

1) The licence agreement has been terminated with effect from 1 January 2006.

Management

The President and CEO is responsible for the day-to-day management of the company and is appointed by and receives instructions from the Board of Directors.

The President and CEO, among other things, is responsible for ensuring that OMX complies with the rules regarding the disclosure of information for a company listed on Stockholm Stock Exchange and Helsinki Stock Exchange.

For information on the present President and CEO and the Management, please see Section "Board of Directors, Management and Auditors – Management".

Board Committees

Audit Committee

OMX has an Audit Committee, please see Section "Board of Directors, Management and Auditors – Audit Committee".

Remuneration Committee

OMX has a Remuneration Committee, please see Section "Board of Directors, Management and Auditors – Remuneration Committee".

Nomination Committee

For information on the Nomination Committee elected at the Annual General Meeting, please see Section "Board of Directors, Management and Auditors – Nomination Committee".

Auditors

For information on OMX's auditors, please see Section "Board of Directors, Management and Auditors – Auditors".

Internal control

OMX's internal control is a process carried out by the Board of Directors and the Management, in addition to other employees, to ensure the effectiveness and efficiency of operations (which includes safeguarding assets and resources and adequate performance measurements), the reliability of financial reporting (which includes the preparation of reliable financial statements in line with common company-wide accounting and reporting standards) and compliance with applicable laws and regulations.

Internal Audit

OMX has an Internal Audit unit. The Internal Audit unit is an independent, objective assurance and advisory function that systematically evaluates the adequacy and effectiveness of internal control and risk management and compliance with legal and statutory requirements in the OMX group.

Risk management

For information on OMX's risk management, please see Section "OMX – Risk management".

Internal trading rules

For information on OMX's internal trading rules, please see Section "Authorizations, supervision and regulatory framework – Internal trading rules".

BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

In accordance with the Swedish Companies Act and the company's Articles of Association, corporate governance and administration are divided among the shareholders represented at the General Meeting, the Board of Directors and the President. Listed below are the members of the company's Board of Directors and Management as well as their positions and year of appointment.

Board of Directors

Name	Year of birth	Member of the Board of directors since	Position in the Board of Directors
Olof Stenhammar	1941	1984	Chairman
Adine Grate Axén	1961	2002	Member
Gunnar Brock	1950	2001	Member
Thomas Franzén	1945	1997	Member
Bengt Halse	1943	2003	Member
Timo Ihamuotila	1966	2003	Member
Tarmo Korpela	1942	2003 1)	Member
Mikael Lilius	1949	2003	Member
Markku Pohjola	1948	2003	Member

1) Member of the HEX Board since 1986.

Olof Stenhammar

Born in 1941. Chairman of the OMX Board. Member of the Board since 1984. Dr. Econ. & Phil h.c. Chairman of the Board of AB Ratos, AB Basen, Olympialaget Våga Vinna, Åre 2007, Wilhelm Stenhammar MC Foundation and Mentor Foundation. Board member of Ledstiernan AB, Ljungberggruppen AB, the Swedish Sea Rescue Society and the Stockholm School of Economics Advisory Board. Member of SNS Board of Trustees and the Stockholm Chamber of Commerce.

Adine Grate Axén

Born in 1961. Member of the OMX Board since 2002. Managing Director of Investor AB. Board member of Gambro AB, Grand Hôtel Holdings and Hi3G Access AB. Member of the Security Council and the Industry and Commerce Stock Exchange Committee.

Gunnar Brock

Born in 1950. Member of the OMX Board since 2001. M.Sc. (Econ.). President and CEO of Atlas Copco AB. Board member of Atlas Copco AB and Lego AS. Member of the Royal Swedish Academy of Engineering Sciences (IVA).

Thomas Franzén

Born in 1945. Member of the OMX Board since 1997. Ph.D in Economics. Chairman of the Board of The Premium Pension Authority (PPM). Deputy chairman of the Board of OMX Exchanges and Stockholm Stock Exchange.

Bengt Halse

Born in 1943. Member of the OMX Board since 2003. Dr. Eng. h.c. from the University of Linköping. Member of the Board of TietoEnator. Chairman of the Board of Com Hem AB, FlexLink AB and ACARE (Advisory Council for Aeronautics Research in Europe). Member of the Royal Swedish Academy of Engineering Sciences (IVA) and the Royal Swedish Academy of War Sciences. Honorary Fellow of the Royal Aeronautical Society in Great Britain and Honorary Member of the Royal Academy of Naval Sciences.

Timo Ihamuotila

Born in 1966. Member of the OMX Board since 2003. M.Sc (L.Sc.). Senior Deputy President and General Manager, CDMA, Nokia Corporation.

Tarmo Korpela
Born in 1942. Member of the OMX Board since 2003. M.Sc. (Pol.). Deputy Director General of the Confederation of Finnish Industry and Employers. Member of the Finnvera Oy Board since 2003 and member of the Supervisory Board 1998–2003.

Mikael Lilius
Born in 1949. Member of the OMX Board since 2003. B.Sc. (Econ.). President and CEO of Fortum Corporation. Chairman of the Board of Sirona Dental Systems Beteiligungs- und Verwaltungs GmbH and Association of Finnish Energy Industries. Deputy Chairman of the Board of Ahlstrom Corporation, and RAO Lenenergo and Member of the Board of Hafslund ASA.

Markku Pohjola
Born in 1948. Member of the OMX Board since 2003. M.Sc. (Econ.). Deputy group CEO, Head of group Processing and Technology of Nordea Bank AB (publ). CEO of Nordea Bank Finland Plc. Member of group Executive Management of Nordea Bank AB (publ). Member of the Board of Directors of Nordea Bank Finland, Nordea Bank Denmark and Nordea Bank Norway. Member of the Board of the pension insurance company Varma. Member of the Board of the Finnish chapter of the International Chamber of Commerce (ICC). Member of the Finnish Business and Policy Forum, EVA.

The address of all board members is OMX AB (publ), SE-105 78 Stockholm, Sweden.

Board Committees

There are two committees specifically linked to the Board: the Audit Committee and the Remuneration Committee. These committees regularly present progress reports to the Board of Directors.

Audit Committee

The Audit Committee assists the Board in matters regarding external and internal audit. Its tasks include maintaining regular contacts with external and internal auditors as well as controllers within OMX, reviewing and approving internal auditing principles, monitoring compliance with recommendations, observations and making proposals of the external and internal auditors and controllers as well as ensuring that the independent position of the external auditors is maintained. The Audit Committee shall also review the accounting principles within OMX group and the financial information in the annual report, year-end financial statement, interim reports and prospectuses prior to publication. Other important tasks are to evaluate OMX group's risk situation and risk management routines, Finance and Treasury activities as well as tax situation and legal and tax disputes. The members of the Audit Committee are Adine Grate Axén (Chairman) and Timo Ihamuotila.

Remuneration Committee

The Remuneration Committee supports Board decisions regarding salaries and remuneration for the President and CEO and Deputy CEO among others, suggests remuneration for the Board members in the companies within the group that the Board has identified and makes recommendations regarding remuneration principles, benefits and other types of remuneration for OMX employees. The members of the Remuneration Committee are Olof Stenhammar (Chairman), Adine Grate Axén and Markku Pohjola.

Nomination Committee

The Nomination Committee is responsible for preparing and submitting to the General Meetings nominations for election to the Board of Directors and the auditors. The Nomination Committee is also responsible for proposing fees to be paid to the members of the Board and the auditors. Election of the Nomination Committee takes place during the fourth quarter each year, whereby representatives of the four largest shareholders who wish to participate in the process are appointed. The chairman of the Board of Directors of OMX convenes the Nomination Committee. As disclosed in a press release on 8 November 2004, the Nomination Committee consists of the following members: Eva Halvarsson, Director, Ministry of Industry, Employment and Communications, KG Lindvall, Board member, Robur Fonder, Tom Ruud, Head of Corporate and Industrial Banking, Nordea, Olof Stenhammar, Chairman of the Board of Directors, OMX (convener) and Marcus Wallenberg, CEO, Investor.

Management

The Management of OMX (normally referred to as the Executive Team) consists of:

Magnus Böcker
President and CEO of OMX. Born in 1961. Employed since 1986.

Jukka Ruuska
Deputy CEO of OMX, President of OMX Exchanges and Head of Stockholm Stock Exchange as from January 2005. Born in 1961. Employed since 2000.

Kristina Schauman [1)]
Chief Financial Officer (CFO) of OMX. Born in 1965. Employed since 2004.

Klas Ståhl
Head of OMX Technology. Born in 1953. Employed since 2003.

Anders Reveman
Chief Strategy Officer of OMX. Born in 1944. Employed since 2000.

Remuneration

OMX's remuneration program was first introduced in 2000 and was modified during the last calendar quarter 2003. The remuneration program comprises a number of components, the largest of which is fixed salary. In addition, there is a discretionary bonus to key contributors to reward individual performance and a long-term incentive scheme, which has comprised a global employee stock option program during the past three years. Payment of variable remuneration is based on the fulfilment of quantitative and qualitative targets. The targets for the President and CEO are set on an annual basis by the Remuneration Committee and are ratified by the Board of Directors. The President and CEO sets targets for the Management. Targets for other employees are set by each line manager. Decisions can be made to revise or terminate an existing program related to the remuneration structure according to the Board of Directors' discretion. For further information about incentive schemes, see Section "OMX – Shares, Share Capital and Shareholder Structure – Incentive schemes".

The total remuneration (including, where applicable, board fees, fixed salary, variable salary, employee stock options, pension and benefits in kind) paid by OMX to the members of the Board of Directors, the President and CEO and the Management for the financial year 2003 totalled SEK 35,304,582.

The board fees paid by OMX to members of subsidiary Board of Directors for the financial year 2003 totalled SEK 1,736,000.

1) Kristina Schauman took office as the new CFO of OMX on 13 September 2004, when the former CFO Per Nordberg left the Company.

The table below sets out the remuneration paid by OMX to the Board of Directors and the Management during 2002 and 2003.

(SEK)		Board fees	Fixed salary	Variable salary	Employee stock options	Pension	Benefits in kind	TOTAL
Olof Stenhammar	2003	718,750	–	–	–	–	716,498 [1)]	1,435,248
	2002	700,000	–	–	–	–	699,447	1,399,447
Per E. Larsson[2)]	2003	–	9,135,000	3,000,000	–	2,992,800	1,341,286	16,469,086
	2002	–	3,780,581	1,210,000	690,000	869,400	138,206	6,688,187
Magnus Böcker[3)]	2003	–	3,526,992	–	–	950,205	191,129	4,668,326
	2002	–	–	–	–	–	–	–
Management[4)]	2003	–	8,515,256	419,000	–	1,655,373	487,019	11,076,648
	2002	–	8,367,004	2,815,000	1,380,000	1,989,588	543,014	15,094,606
Gunnar Brock	2003	187,500	–	–	–	–	–	187,500
	2002	150,000	–	–	–	–	–	150,000
Jan Carendi	2003	37,500	–	–	–	–	–	37,500
	2002	150,000	–	–	–	–	–	150,000
Thomas Franzén	2003	197,917 [5)]	–	–	–	–	–	197,917
	2002	150,000	–	–	–	–	–	150,000
Nils-Fredrik Nyblaeus	2003	37,500	–	–	–	–	–	37,500
	2002	150,000	–	–	–	–	–	150,000
Sven Nyman	2003	–	–	–	–	–	–	–
	2002	37,500	–	–	–	–	–	37,500
Bengt Rydén	2003	83,333	442,773 [6)]	–	–	–	–	526,106
	2002	–	1,153,527	–	–	301,083	52,525	1,507,135
Adine Grate Axén	2003	225,000	–	–	–	–	–	225,000
	2002	112,500	–	–	–	–	–	112,500
Bengt Halse	2003	160,417	–	–	–	–	–	160,417
	2002	–	–	–	–	–	–	–
Timo Ihamuotila	2003	75,000	–	–	–	–	–	75,000
	2002	–	–	–	–	–	–	–
Tarmo Korpela	2003	66,667	–	–	–	–	–	66,667
	2002	–	–	–	–	–	–	–
Mikael Lilius	2003	66 ,667	–	–	–	–	–	66,667
	2002	–	–	–	–	–	–	–
Markku Pohjola	2003	75,000	–	–	–	–	–	75,000
	2002	–	–	–	–	–	–	–
Total	2003	1,931,250	21,620,021	3,419,000	–	5,598,378	2,735,932	35,304,582
	2002	1,450,000	13,301,112	4,025,000	2,070,000	3,160,071	1,433,192	25,439,375

1) Includes remuneration to one of Olof Stenhammar's companies comprising a fixed salary as well as a profit-related payment based on a license agreement. The profit-related portion represents 1 percent of OMX's income after financial items. The remuneration, which in its entirety is made up of a fixed amount, totals SEK 696,888 (680,947). The amount is paid out quarterly in arrears. The agreement, which was signed and stems from the founding of OMX in 1985, will continue until and including 2005 and has been terminated with effect from 1 January 2006. Other benefits amount to SEK 19,610.

2) Total remuneration for 2003 of SEK 16,469,086 includes, for the period from 1 January 2003 to 31 May 2003, the following: fixed salary of SEK 1,575,000, variable salary of SEK 3,000,000. Pension provisions totaled SEK 516,000, and benefits SEK 225,222. The remaining SEK 11,152,864 represents severance pay for 24 months, of which SEK 2,205,000 was paid out in 2003.

3) Magnus Böcker is included in the Management for 2002.

4) Management during 2003 included: Kerstin Hessius (until 3 September 2003), Jukka Ruuska (from 4 September 2003), Klas Ståhl (from 4 September 2003), Per Nordberg, and Anders Reveman.

5) In addition, Thomas Franzén received board fees of EUR 5,810 from OMX Exchanges for 2003.

6) Relates to final settlement for his position during 2002. In addition to the above remuneration, SEK 75,000 in consulting fees has been paid. The fees are based on a consulting agreement valid until 31 December 2004.

The following severance terms apply for the Management. The period of notice that applies between OMX and the President and CEO, Magnus Böcker, is 12 months from the company's side and six months from the President's side. In the event of a company initiative to terminate the employment contract of the President and CEO, remuneration will be paid to the President and CEO corresponding to the salary and other benefits (pension and insurance including health insurance) during the period of notice. In addition to this, the President and CEO will receive a severance payment of six months' fixed salary. Deduction of any salary received from a new employer will be made. Other Management employees have a period of notice of 12 months from the company's side and six months from the employee's side. Parts of the Management will receive a severance payment of six months, including deductions of salary received from a new employer. All Management employees have a non-competition clause of 12 months. A penalty is included in the clause.

Holdings of the Board of Directors and the Management

The following information on shareholdings and holdings of warrants, convertible debentures, and employee stock options are inclusive of holdings of closely related companies and immediate family.

Name	No. of shares in OMX	No of warrants[1] in OMX	No. of convertible debentures[1] in OMX	No. of employee stock options[1] in OMX
Olof Stenhammar, including companies [2]	2,737,590	–	–	–
Adine Grate Axén	–	–	–	–
Gunnar Brock	2,000	–	–	–
Thomas Franzén	–	–	–	–
Bengt Halse	5,000	–	–	–
Timo Ihamuotila	–	–	–	–
Tarmo Korpela	1,000	–	–	–
Mikael Lilius	–	–	–	–
Markku Pohjola	1,000	–	–	–
Magnus Böcker[2]	204,726	43,400	2,000	263,000
Jukka Ruuska[2]	75,000	8,000	–	–
Klas Ståhl[2]	65,200	8,000	–	–
Kristina Schauman	–	–	–	–
Anders Reveman	–	5,000	–	50,000

1) Convertible debentures, warrants and employee stock options all entitle holders to one share each.

2) On 7 May 2004, Magnus Böcker purchased 100,000 shares in OMX, Jukka Ruuska and Klas Ståhl (via companies) each purchased 60,000 shares, and former CFO Per Nordberg purchased 40,000 shares in OMX. All 260,000 shares were purchased from Olof Stenhammar (via companies), founder and Chairman of OMX, at market price. To facilitate financing of the share purchase for the Management, Olof Stenhammar issued put options corresponding to each individual's share purchase. The put options expire in May 2007 and have a strike price of SEK 87 per share, which will be reduced by future dividends. The premium for each put option has been calculated according to a market valuation.

As of the date of this Prospectus, the members of OMX's Board of Directors and the CEO own a total of 2,951,316 of OMX's shares and votes, corresponding to 2.6 percent of OMX's shares and the votes attached to the shares. The members of the Management (excluding the CEO) of OMX own a total of 140,200 of OMX's shares and votes, corresponding to 0.1 percent of OMX's shares and votes attached to the shares.

Further, members of OMX's Board of Directors and the CEO hold, as of the date of this Prospectus, a total of 43,400 warrants and 2,000 convertible debentures entitling their holders to 45,400 new shares in OMX and 263,000 employee stock options entitling their holders to 263,000 existing shares in OMX. These holdings correspond to 0.3 percent of OMX's shares and the votes attached to the shares, if fully exercised or converted. Members of the Management (excluding the CEO) hold a total of 21,000 warrants and no convertible debentures entitling their holders to 21,000 new shares in OMX, and 50,000 employee stock options entitling their holders to 50,000 existing shares in OMX. These holdings correspond to less than 0.1 percent of OMX's shares and the votes attached to the shares, if fully exercised.

Auditors

Pursuant to OMX's Articles of Association, OMX shall have one or two auditors together with no more than an equal number of deputy auditors, to be elected at the Annual General Meeting.

OMX's auditors are Peter Clemedtson (born in 1956), PricewaterhouseCoopers AB and Björn Fernström (born in 1950), Ernst & Young AB, since 2003 and 1984, respectively. Deputy auditors are Bo Hjalmarsson (born in 1960), PricewaterhouseCoopers AB and Per Hedström (born in 1964), Ernst & Young AB. The auditors, the deputy auditors and the auditing firms hold no shares or instruments entitling the holder to subscribe for shares in OMX.

The addresses of the auditors are the following: PricewaterhouseCoopers AB, Torsgatan 21, S-113 97 Stockholm, Sweden and Ernst & Young AB, Jakobsbergsgatan 24, S-103 99 Stockholm, Sweden.

Related party transactions

Neither OMX nor any of its subsidiaries has, as of the date of this Prospectus, granted any loans or given any guarantees or sureties for the benefit of any of the members of the Board of Directors, the Management or auditors of OMX.

Except as stated below, none of the members of the Board of Directors, the Management of OMX or its auditors have, since 2000 until the date of this Prospectus, either directly or indirectly, through closely held companies or immediate family, engaged in any business transaction with OMX. Under a license agreement entered into in connection with the founding of OM in 1985, a company related to Olof Stenhammar is entitled to 1 percent of OMX's income after financial items plus a fixed amount. The fixed amount is adjusted annually pursuant to the consumer price index. In 2003 the fixed amount was SEK 696,888. The license agreement has been terminated with effect as from 1 January 2006.

CERTAIN CORPORATE INFORMATION

The Articles of Association of OMX will be amended following, and subject to, completion of the Offer. Changes will be made in order for the Articles of Association not to include any provisions for the appointment of deputy board members. Furthermore, the clause with respect to the constitution of the Board of Directors will be amended to state that the maximum number of board members shall be eight instead of twelve. Finally, it will be added to clause regarding the publication of notices to General Meetings that notices shall be published in Berlingske Tidende, Børsen or another national daily newspaper in Denmark. For the proposed new wording of the Articles of Association of the Combined Company, see "Appendix D".

Company name and registered office

The name of the Company is OMX Aktiebolag. The Company is a public company (publ). The registered office of the Company shall be situated in Stockholm.

Objects

The Company's objectives shall be, directly or through wholly or partly owned companies, to develop and provide IT-based systems and services for, as well as to own or operate, exchanges and other marketplaces for the financial, energy and commodities markets, clearing organizations, CSDs, securities institutions and mutual fund companies, and to conduct operations compatible therewith. See clause 3 of the proposed new Articles of Association of the Combined Company (Appendix D).

Minimum and maximum share capital

The Company's share capital shall be not less than SEK 168 m and not more than SEK 672 m.

Composition and election of the Board of Directors

The Company's Board of Directors shall consist of not less than five and not more than twelve members, as well as not more than an equal number of deputy members.

The members and deputy members shall be elected each year at the Annual General Meeting for a term until the close of the next Annual General Meeting.

Financial year

The calendar year shall be the OMX's financial year.

Bank connections

The main bank used by OMX is Skandinaviska Enskilda Banken.

SHARES, SHARE CAPITAL AND SHAREHOLDER STRUCTURE

Shares and share capital

Pursuant to OMX's Articles of Association, the share capital shall amount to not less than SEK 168 m and not more than SEK 672 m. The issued share capital may be increased or decreased within these limits without amending the Articles of Association. Each share has a nominal value of SEK two (2) and entitles its holder to one vote at the General Meetings. All shares carry equal rights to participation in OMX's assets and earnings and there are no restrictions in the Articles of Association as regards the free transferability of the shares. As of the date of this Prospectus, OMX's issued and fully paid share capital amounts to SEK 231,094,030 divided into 115,547,015 shares. Neither OMX nor any of its subsidiaries own any OMX shares.

Incentive schemes

The long-term incentive component of OMX's remuneration program has during the past three years consisted of a global stock option program. During 2003, OMX decided not to continue to distribute employee stock options and instead offered warrants to key employees. Apart from the warrant program, which is described below, no long-term incentive scheme has been offered during 2003 and 2004.

Warrants issued to employees

On 20 November 2003, OMX offered warrants to 120 key employees. The issues were made on market terms whereby the employees paid a premium for the warrants. The table below shows key data for the warrants issued.

Warrants issued to employees on 20 November 2003

Subscription price, SEK	138.5
Number of shares upon full subscription	1,150,000
Dilution upon full subscription	1.00 percent
Subscribed as at 30 November 2004	286,000
Premium, SEK	7.80
New subscription of shares with effect from	1 July 2006
Maturity date	30 September 2006

Subscription for new shares in OMX may, according to the terms and conditions of the warrants, be made during the period 1 July 2006 up to and including 30 September 2006, at an exercise price of SEK 138.5. The terms and conditions of the warrants contain standard re-calculation provisions in the event of an issue of new shares, bonus issue, etc., the application of which may result in inter alia a re-calculated exercise price for the subscription of shares and the issuance of another maximum number of shares where the warrants are issued in full.

Employee stock option program

During 2003, OMX decided not to continue to distribute any employee stock options. OMX launched its first employee stock option program in 2000 and two additional programs followed in 2001 and 2002. To be allocated options, an employee must remain in service for a specific period of time. Options were granted to all employees at no additional cost and the holder is entitled to purchase shares in OMX AB at a fixed price (see table). One option corresponds to one share. The options may only be exercised after they are vested. The options are successively vested to the holder over a three-year period, by one-third per year. Each option has a seven-year lifetime. Options are non-transferable and must be exercised within a certain limited period if employment is terminated. The number of granted options will therefore be greater than the number of anticipated exercised options due to employee turnover. An option holder may not exercise options for less than 150 shares at any one time (unless fewer than 150 shares remain subject to the holder's vested options). Restrictions to ownership and usage rights mean that options are not considered to be financial instruments but are treated as employment income. As such the company becomes liable to pay social security contributions on this amount. In total, OMX's three options programs (2000, 2001 and 2002) correspond to 3,233,000 shares. On 30 November 2004, there were in total 1,930,747 options outstanding. The table below shows the key data for OMX's employee stock option program.

OMX's employee stock option program

	2 July 2002	15 June 2001	28 June 2000
Strike price, SEK	71	175	400
Theoretical value per option, SEK 1)	15	38	90
Number of allocated options	733,000	1,100,000	1,400,000
Outstanding options, 30 November 2004	542,068	679,761	708,918
Of which fully vested 30 November 2004	361,378	679,761	708,918
Redemption of shares with effect from	2 July 2003	15 June 2002	25 May 2001
Expiration date	2 July 2009	15 June 2008	28 June 2007

1) The theoretical value of granted options is fixed through an established option valuation model (Black & Scholes) at the time they are granted. This valuation takes into account the fact that the options are subject to restrictions (not for resale, non-transferable).

Valuation and costs related to employee stock option program

The International Accounting Standards Board (IASB) has issued the reporting standards IFRS 2, Share-based payments, which are effective as from 1 January 2005. The standards require that a payment to employees in the form of e.g. options for shares is measured at the fair value of the options issued and expensed over the vesting period. In OMX's situation, where the holder of the option has a choice to settle either in cash or shares, the option should be treated as a compound instrument, with both the liability and equity parts of the option being fair valued. This means that the liability will be remeasured on a continous basis with the changes in the fair value to be recorded in the income statement. OMX's analysis of the effects to the company's preliminary opening IFRS balance, as of the transition date 1 January 2004, shows an accumulated expense of SEK 12 m after tax. During the 9 month period ended 30 September 2004 there has not been any material effect.

Hedging the employee stock option program

To hedge future costs related to the employee stock option programs, OMX entered into a swap transaction with a third party for securing the delivery of OMX shares. This swap transaction covers a total of 1,400,000 shares and is expected to cover all options exercised under all three outstanding option programs (2000, 2001 and 2002), including the liquidity effect of any social security contributions that may arise. These expenses, as well as the interest expenses incurred through the transaction, are expensed continuously by OMX and during 2003 this figure totalled SEK 2,075,477 (SEK 24 m). The swap transaction means that OMX has hedged against the risk of an increase in the OMX share price, but OMX still bears the risk of a decrease. The fall in OMX's share price from SEK 371 in the summer of 2000 to SEK 41.60 on 31 December 2002 has resulted in a reduction in shareholders' equity of SEK 461 m. During 2002 OMX changed counterparty in its swap transaction, which led to the realization of part of this price decrease. The share price decrease was previously secured through a deposit, which means that this redistribution has increased financial net debt, by SEK 439 m.

The IASB have issued IAS 39, Financial instruments: Recognition and Measurement, which are effective from 1 January 2005. The standard requires all derivatives to be measured at fair value. This means that the fair value of the swap-contract will be remeasured on a continous basis with the changes in the fair value to be recorded in the income statement. The major effects of changes in fair value of the swap-contract will offset the changes in fair value of the employee stock options in the income statement.

Dilution

Since the options carry the right to acquire existing shares, the program does not have a dilution effect for OMX's shareholders. If on the other hand an option program were to require a new issue of shares, the (theoretical) dilution for 2002's option program (corresponding to 733,000 shares) would be less than 1 percent.

Accounting principles

All employees were allocated employee stock options during 2000, 2001 and 2002. The strike price has been set at 110 percent of the applicable share price. OMX has not received any premiums for these options and the market value of the options granted has not been taken up in the accounts. Upon exercise, options will primarily be delivered from a third party, which has undertaken to provide existing shares (no dilution). OMX therefore receives no part of the strike price when these options are exercised. The effects of the agreement aimed at limiting dilution, securing the provision of shares upon exercise of these options and, in the event of a price increase, limiting the outflow of liquidity due to social security contributions, are reported as a deduction from shareholders' equity. The financing expenses are treated as financial expenditure. When the share price exceeds the strike price of the option, provisions are made for the anticipated social security contributions, which are also expensed, on an ongoing basis.

Amendments in the share capital

During 2001–2003, the following changes were made to OMX's share capital.

In relation to the merger between OM and HEX, OMX carried out two new issues of shares, by which the share capital increased by a total of SEK 63,011,794, with a total of 31,505,897 new shares issued.

Further, the share capital of OMX was increased during the years 2001 and 2002 due to conversion of convertible debentures issued in December 1998 (with maturity date in May 2004) by SEK 3,000 and SEK 2,000 respectively, which corresponds to an increase of the number of shares by 1,500 and 1,000 for the respective years. No conversions took place during 2003. Due to exercise of warrants issued in December 1998 (with maturity date in May 2004) the share capital of OMX increased during 2001 by SEK 8,000, which corresponds to an increase in the number of shares of 4,000. No warrants were exercised in 2002 and 2003.

At an Extraordinary General Meeting held on 18 August 2003 the meeting resolved to issue 1,150,000 warrants to be offered to key employees at OMX in November 2003. Each warrant is equivalent to one share and conversion is possible to July 2006. For further information, see above under "OMX – Shares, Share Capital and Shareholder Structure – Incentive Schemes". As of 30 November 2004, warrants corresponding to 286,000 OMX shares, if fully converted or exercised, are outstanding. Thus, fully converted and fully exercised, the warrants may result in an increase in the share capital of SEK 572,000 to SEK 231,666,030, and an increase in outstanding shares of 286,000 shares to 115,833,015 shares, equivalent to a dilution of 0.2 percent.

Apart from what is stated above, neither the share capital nor the number of shares has been changed during the past three financial years.

Board authorizations

The Board of Directors of OMX has no current authorization to issue new shares or other instruments that may result in an increase of the share capital, nor has it any current authorization to purchase or dispose of OMX's own shares.

Shareholders

The table below shows the principal owners of OMX as per 30 November 2004.

Name	Share capital and voting rights, percent	Number of shares
Investor	11.2%	12,950,507
Robur Funds	8.3%	9,594,252
Swedish State	6.9%	7,993,466
Nordea Bank	5.7%	6,595,161
AMF Pension	3.5%	4,010,000
FöreningsSparbanken	3.2%	3,736,456
Didner & Gerge Fund	3.2%	3,708,400
Nordea Funds	2.8%	3,226,355
AMF Pension Funds	2.8%	3,186,600
SEB Funds	2.6%	3,045,400
Svenska Handelsbanken	2.5%	2,893,598
SHB/SPP Funds	2.5%	2,874,639
Olof Stenhammar & company	2.4%	2,737,590
Fidelity Funds	1.8%	2,079,400
Skandia Funds	1.8%	2,067,899
First Swedish National Pension Fund	1.6%	1,830,050
OKO-Group	1.5%	1,703,190
Finnish State	1.3%	1,508,500
Skandia	1.2%	1,351,300
Third Swedish National Pension Fund	1.0%	1,169,800
Summary of others	32.3%	37,284,452
Summary of shares		115,547,015

Source: SIS Ägarservice AB and VPC AB's public share register as of 30 November 2004

As of 30 November 2004, there were 17,940 shareholders in OMX. The table below shows the distribution of shareholdings per the said date.

Shareholding	Shareholders, percent	Share capital and voting rights, percent
1–100	35.8	0.3
101–200	15.1	0.4
201–300	7.3	0.3
301–400	5.4	0.3
401–500	5.7	0.4
501–1,000	15.6	2.0
1,001–2,000	7.1	1.8
2,001–5,000	4.1	2.2
5,001–10,000	1.4	1.7
10,001–20,000	0.9	1.9
20,001–50,000	0.6	3.0
50,001–100,000	0.4	4.0
100,001–500,000	0.4	14.4
500,001–1,000,000	0.2	16.4
1,000,001–5,000,000	<0.1	26.8
5,000,001–10,000,000	<0.1	12.6
10,000,001–50,000,000	<0.1	11.2
Total	100.0	100.0
Total number of shareholders and shares	17,940	115,547,015

Source: SIS Ägarservice AB and VPC AB's public share register as of 30 November 2004

Listing

The OMX shares are traded on the A-list of Stockholm Stock Exchange and on Helsinki Stock Exchange's Main List. OMX has been listed on Stockholm Stock Exchange since 1987 under ISIN code SE0000110165. The table below shows price related data from 1999 until 30 September 2004.

Price-related data	Jan–Sept 2004 SEK	2003 SEK	2002 SEK	2001 SEK	2000 SEK	1999 SEK
Share price at end of period	86.5	89.5	41.6	138	233	185
Highest share price during period	120.5	89.5	151.5	280	519	195
Lowest share price during period	76.0	32.1	24	65	173	83
Market value of shareholders' equity at end of period, m	9,995	10,341	3,496	11,598	19,580	15,493
Share price/Shareholders' equity per share	2.6	2.9	1.8	5.1	6.7	5.6
Direct yield, percent	–	0	2.4	0.7	2.6	2.7
Price/earnings multiple at end of period	30	–	–	–	27	35
Average number of OMX shares traded per day, 000s	411	413	204	166	182	154
Average value of OMX shares traded per day, m	40.0	29.7	15.5	24.4	67.6	17.1

OMX share price development 2003 and 2004

During 2003, the OMX share price increased 115 percent, compared to Stockholm Stock Exchange's OMX index, which went up 29 percent during the same period. At year-end 2003, the OMX share hit an annual high of SEK 89.5, equivalent to a market capitalization of SEK 10,300 m. The lowest price of 2003 occurred on 7 February when the OMX share was traded at SEK 32.1, equivalent to a market capitalization of about SEK 2,748 m. The average total annual return (price change and reinvested dividend) for the OMX share during the past 10 years is 18 percent. The corresponding development for the Swedish SIX Return Index (SIXRX) was 11 percent during the same period.

During the period January–September 2004, the OMX share decreased by 3.4 percent, compared to Stockholm Stock Exchange's OMX index, which increased by 10.9 percent during the same period. On 17 February 2004 the share hit its highest quotation during the period January–September 2004 of SEK 120.5, equivalent to a market capitalization of SEK 13,923 m. The lowest price during the same period occurred on 27 August 2004 when the OMX share was traded at SEK 76.0.

In conjunction with the merger between OM and HEX, the OMX share was listed on Helsinki Stock Exchange's Main List on 4 September 2003 under ISIN code SE0000110165. From 4 September 2003 to 31 December 2003 the OMX share price increased 12.6 percent on the Helsinki Stock Exchange. During the same period the HEX All-share price index went down by 2.1 percent. During the period from January–September 2004 the OMX share price decreased by 2.1 percent on the Helsinki Stock Exchange, compared to the HEX All-Share Price Index which decreased by 4.1 percent. During the period January–September 2004 the OMX share price reached its highest quotation on the Helsinki Stock Exchange 20 April 2004 of EUR 13.80. The lowest price occurred on 16 August 2004 of EUR 8.18.

OMX share turnover 2003 and 2004

During 2003, total turnover in the OMX share on Stockholm Stock Exchange and Helsinki Stock Exchange (from 4 September) went up 102 percent, from 51 to 102 m OMX shares, including transactions post-reported. On average, 412,654 OMX shares per day were traded, with a daily average of 335,267 shares on Stockholm Stock Exchange and 237,895 shares on Helsinki Stock Exchange. Turnover was highest on 5 September 2003 when a total of 5.3 m shares were traded.

During the period January–September 2004, on average, 411,000 OMX shares per day were traded, with a daily average of 399,000 shares on Stockholm Stock Exchange and 12,000 shares on Helsinki Stock Exchange. Turnover was highest on 22 April 2004 when a total of 1.9 m shares were traded.

OMX share price volatility 2003 and 2004

Volatility is a measure of risk that demonstrates the extent of share price fluctuations over a certain period. Volatility is expressed as a percentage and measured using the standard deviation of changes in a share price. The 250-days' volatility of the OMX share as at 30 September 2004 was 33 percent; corresponding figures as at year-end 2003 and year-end 2002 were 47 percent and 71 percent, respectively.

The beta coefficient is another measure of risk that demonstrates a share's sensitivity to market fluctuations compared with the stock market as a whole during a particular period. A beta value greater than one means that the share is more sensitive than the market average. A value of less than one means that the share is less sensitive than the market as a whole. Stockholm Stock Exchange's calculation for the beta coefficient of the OMX share over a rolling 60-month period ending 30 September 2004 is 2.2, measured against the OMX index, compared to 1.59 as of 31 December 2003 and 1.80 as of 31 December 2002.

Shareholder agreements

To the knowledge of the Board of Directors of OMX, there are no agreements between major shareholders relating to the ownership of shares and exercise of voting rights in OMX. Nor has OMX, with the exception of the license agreement with a company related to Olof Stenhammar (please see Section "OMX – Board of Directors, Management and Auditors – Related party transactions") entered into any agreements with any of its shareholders, other than in the ordinary course of business.

Ownership control

An acquisition of shares in OMX may be restricted due to the nature of the operations conducted by OMX's subsidiaries, i.e. securities exchange-, clearing- and securities operations. An acquisition of shares representing 10 percent or more of the share capital or votes, or which otherwise enables a significant influence, in OMX (a "Qualified Holding") requires the authorization of the Swedish Financial Supervisory Authority ("SFSA"). The same applies if a shareholder increases its Qualified Holding to 20, 33 or 50 percent or more of the share capital or votes in OMX, or if OMX becomes a subsidiary of the acquirer. Authorizations for acquisitions mentioned above shall be granted where it can be assumed that the acquirer will not act against the sound development of the business operations and the acquirer otherwise is suitable to exercise a significant influence over the management of OMX. Authorization may not be granted where the acquirer has, to a material degree, breached its obligations in its business operations or in other financial matters, or is otherwise guilty of a serious crime. An owner with a Qualified Holding who intends to sell such a holding or a portion thereof whereby the holding falls below any of the thresholds mentioned above, must notify the SFSA of this intention. Furthermore, the SFSA may under certain specific circumstances, among other things order an owner of a Qualified Holding to sell such a portion of the shares that the holding thereafter no longer constitutes a Qualified Holding.

SHAREHOLDERS' RIGHTS

Set forth below is a summary of certain shareholders' rights pursuant to OMX's Articles of Association, Swedish law and Finnish law (where applicable) in effect on the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by reference to OMX's Articles of Association and applicable laws. With reference to OMX shares to be registered in the Danish book-entry system, see Section "Listing of Combined Company Shares on Copenhagen Stock Exchange".

General Meetings of Shareholders

OMX is required to hold its Annual General Meeting in Stockholm, before the end of June each year. Notice of this Meeting must be given no earlier than six weeks before and no later than four weeks before the Meeting. OMX's most recent Annual General Meeting was held on 25 March 2004.

Under Swedish law, Extraordinary General Meetings of Shareholders are held when the Board of Directors considers such a meeting appropriate or when either the auditor(s) or shareholders representing at least one-tenth of all issued shares demand in writing that such a Meeting be convened for a specified purpose. OMX must give notice of an Extraordinary General Meeting within two weeks of its receipt of a request for the Meeting. This notice must be given no earlier than six weeks before and no later than two weeks before the Meeting, unless a resolution amending the Articles of Association is proposed, in which case notice of the Meeting must be given no earlier than six weeks before the meeting and no later than four weeks before the Meeting.

OMX's Articles of Association provide that notice of a General Meeting must be given through public announcement in the Swedish Official Gazette *(Post-och Inrikes Tidningar)* as well as in the daily newspapers *Dagens Nyheter or Svenska Dagbladet* or another daily national newspaper in Sweden as well as in *Helsingin Sanomat or Kauppalehti* or another national daily newspaper in Finland. Under the Swedish Companies Act, OMX must, in certain cases, mail notice of a General Meeting to all shareholders for whom OMX has addresses.

Under Swedish law, there are no quorum requirements to hold a General Meeting.

As a general rule, resolutions are passed by a majority of the votes cast, except in certain circumstances, when, among other things, the number of shares represented at the Meeting and voting for or against the resolution will also be taken into account.

Voting rights

OMX shares confer one vote per share. A shareholder may exercise its rights at a General Meeting personally or by a representative in possession of a written and dated proxy. A proxy is not valid for more than one year from the date of issue. There are no restrictions in OMX's Articles of Association regarding the number of votes that a shareholder may cast and, therefore, each shareholder may vote using all of the shares owned or otherwise represented by that shareholder at a General Meeting. However, under certain specific circumstances, the SFSA may decide that a person possessing a Qualified Holding (as defined above in "OMX – Shares, share capital and shareholder structure – Ownership control") may only represent less than 10 percent of the share capital or voting rights in OMX.

To attend and vote at a General Meeting, a shareholder must be registered in its own name ten days before the General Meeting (the record day) in the register of shareholders, which is kept by VPC, and give OMX notice of its intention to attend the Meeting no later than 4:00 p.m. on the date set out in the notice of the Meeting. Shareholders that have their shares registered in the name of a nominee must register the shares in their own name by the record day in order to be able to attend the General Meeting. The notice of the Meeting will also specify the record day.

Transfer of shares

As a general rule under Swedish company law, shares are freely transferable and, with respect to OMX's Articles of Association, there are no restrictions on the transferability of OMX shares. For certain provisions regulating ownership of a Qualified Holding in OMX, please see Section "OMX – Shares, share capital and shareholder structure – Ownership control".

Changes in the share capital

Changes to OMX's share capital require, as a general rule, a resolution passed at a General Meeting. The Board of Directors of OMX may, within certain limits, be granted authority (limited in time until the next Annual General Meeting) to resolve upon an issuance of new shares. The Board of Directors may also take such a resolution subject to subsequent approval by the shareholders. A resolution to deviate from pre-emptive shareholder rights in connection with a new issue of shares, to change the share capital in such a way as requires an amendment to the Articles of Association or to reduce share capital is valid only if shareholders representing two-thirds of the votes cast and the shares represented at the General Meeting vote in favour of the resolution.

Amendments to the Articles of Association

Amendments to the Articles of Association must be made through resolutions passed at a General Meeting. Most such resolutions can be passed by an affirmative vote of two-thirds of the votes cast and the shares represented at the General Meeting.

A resolution to amend the Articles of Association that, in relation to the issued share capital, reduces the shareholders' rights to OMX's profits or other assets or restricts the transferability of OMX shares or alters the legal relationship between shares, normally requires the unanimous consent of all shareholders present at the General Meeting and representing at least nine-tenths of all issued shares.

A resolution to amend OMX's Articles of Association in any of the following ways is normally valid only if shareholders representing two-thirds of the votes cast and nine-tenths of the OMX shares represented at OMX's General Meeting are in favour thereof:

- a resolution limiting the number of shares in relation to which one shareholder can vote;
- a resolution requiring a larger amount of the profit for the financial year, than is otherwise required, to be allocated to the statutory reserve or otherwise retained in OMX; or
- a resolution providing for the distribution of profits or remaining assets in connection with the winding up of OMX that departs from that prescribed by the Swedish Companies Act.

Amendments to OMX's Articles of Association regarding the matters described above are nevertheless valid if passed by a two-thirds majority of the votes cast and two-thirds of the shares represented at the General Meeting, if (i) the amendments are to the detriment of only some shareholders and all of these shareholders represented at the General Meeting so consent (provided they represent at least nine-tenths of all such shares so affected) or (ii) the amendments are to the detriment of all shares of one class and owners of at least 50 percent of all such shares, as well as at least nine-tenths of such shares that are represented at the General Meeting, so consent (although OMX currently has only one class of shares outstanding).

Minority rights, including mandatory offers

Under the Swedish Companies Act, minority shareholders have certain rights to protect them from detrimental actions by the majority shareholders. The exercise of most rights presupposes the control or collaboration of shareholders representing at least 10 percent of the shares. An auditor may be appointed by the County Administrative Board (*länsstyrelsen*) upon request by the owners of one-tenth of all shares, or one-third of the shares represented at the relevant General Meeting. Where a parent company individually or together with one or more subsidiaries owns more than 90 percent of the shares of a company representing more than 90 percent of the votes of that company, the owners of the remaining shares have a right to have their shares acquired by the parent company. Shareholders holding at least 10 percent of the shares of OMX have the right to request that an Extraordinary General Meeting be convened for a specified purpose. In addition, each shareholder may request an item to be placed on the agenda for a General Meeting, provided that the request is made in time for it to be included in the notice of the Meeting.

In addition, pursuant to rules issued by the Swedish Industry and Commerce Stock Exchange Committee (the "NBK"), any acquirer who either alone or together with a concerted party acquires 30 percent or more of the total number of votes in a Swedish company (the target company), which is listed on a securities exchange or authorized market-place in Sweden, must make a public offer for the acquisition of all the remaining shares issued by the target company (a mandatory offer). The offer must also be addressed to holders of securities other than shares issued by the target company, if the price of those securities could be substantially affected as a result of the cessation of quotation of the target company's shares.

As a general rule, neither the OMX Board of Directors or other representatives of OMX nor a voting majority at a General Meeting of OMX's shareholders may enter into transactions or undertake other measures that are likely to give an undue advantage to a shareholder or a third-party to the detriment of OMX or any other shareholder.

Dividends

All of OMX's shares carry equal dividend rights. Under the Swedish Companies Act, only an Annual General Meeting may authorize the payment of dividends, which may not exceed the amount recommended by the Board of Directors (except to a limited extent in the event of a demand by holders of at least 10 percent of the total number of issued shares) and which may be paid only from funds available for dividends. Dividends to the OMX shareholders may not exceed net income for the most recent fiscal year, retained profits and non-restricted reserves less the sum of:

- the amount of reported losses;
- the amount that OMX is required to allocate to restricted equity or the amount which, according to the annual reports submitted by group entities, will be transferred from group non-restricted equity to restricted equity; and
- the amount, if any, which, according to OMX's Articles of Association, must be used for a purpose other than for dividends to the shareholders. OMX's Articles of Association currently contain no such provisions.

Under the Swedish Companies Act, OMX cannot pay dividends in respect of a financial period for which audited financial statements have not been adopted by the OMX shareholders at an Annual General Meeting. The normal practice in Sweden is for dividends to be paid only annually.

In addition, OMX may not declare a dividend in an amount that would be contrary to generally accepted business practices in light of OMX's or the OMX group's financial needs, liquidity or financial position in other respects.

VPC handles all payments of dividends to OMX shareholders on OMX's behalf. The shareholders' right to dividend is limited in time to ten years after the record date of the dividend, where after VPC transfers the dividend to the company. For further information, please see Section "Securities markets – The Swedish securities market – registration process".

Dividends paid by OMX may be subject to Swedish or other taxation. For a further discussion of the possible tax consequences, please see Section "Taxation".

Rights of redemption and repurchase of shares

Under Swedish law, OMX may not subscribe for its own shares, or receive its own shares as security. OMX may, however, redeem its own shares through a statutory redemption procedure pursuant to the Swedish Companies Act after a resolution by the shareholders normally requiring a two-thirds majority of the votes cast and the shares represented at the General Meeting. Redemption of shares for the purpose of repayment of paid-up capital to shareholders requires a proposal from or approval by the Board of Directors and may only take place to the extent that the restricted equity of OMX or the OMX group is not impaired. In addition, the redemption procedure normally requires (among other things) court approval when such a redemption would result in the repayment of paid-up capital to shareholders.

Swedish listed companies may buy and sell their own shares. A resolution authorizing a company to repurchase its own shares must be passed by the General Meeting of the company, or, following authorization by the General Meeting, by the Board of Directors. The resolution by the shareholders must be passed by a two-thirds majority of the votes cast and the shares represented at the General Meeting.

Share repurchases by a Swedish listed company may only take place on the securities market or pursuant to an offer to all shareholders (or all shareholders of a specified class of shares). OMX may not repurchase its own shares by way of direct negotiations with any of its shareholders. In the event that OMX wishes to buy its own shares on a securities exchange or other regulated marketplace outside of the European Economic Area, it must be granted permission by the SFSA.

Share buy-backs may only take place to the extent they do not impair the restricted equity of OMX or the OMX group after the buy-back. OMX may not record its own shares as assets on the balance sheet. Furthermore, the proportions of a share buyback may not be so great as to violate sound business practices taking into account OMX's or the OMX group's financial needs, liquidity or financial position in other respects. OMX may not hold more than one-tenth of all of its issued shares. In this context, shares held by any of OMX's subsidiaries are deemed to be held by OMX.

OMX may hold repurchased shares for an unlimited period of time. There are no voting rights attached to the shares, and the shares do not carry the right to dividends or preferential rights to new shares in connection with an issue of new shares. However, if OMX holds its own shares, OMX may receive new shares by way of a bonus issue.

As a public company, if OMX holds its own shares, OMX may either reduce the share capital and cancel the shares or sell the shares on the terms adopted by the General Meeting. If OMX decides to buy or sell its own shares, OMX must make public such a decision and notify Stockholm Stock Exchange.

Pre-emptive rights

Under the Swedish Companies Act, existing shareholders have pre-emptive rights to subscribe, on a pro rata basis, for new shares, convertible debt instruments or similar instruments issued for cash unless the company's Articles of Association provide otherwise or the General Meeting resolves that the shareholders shall not have such preferential rights. Such resolution requires the approval of shareholders representing at least two-thirds of the votes cast and the shares represented at the Meeting. Because OMX is a listed company, a decision to issue securities to directors and employees (or certain related parties to such persons) of OMX or other companies within the same group requires the approval of shareholders representing at least nine-tenths of the votes cast and the shares represented at the General Meeting. OMX's Articles of Association do not limit shareholders' pre-emptive rights.

Shareholders' votes on certain reorganizations

Under the Swedish Companies Act, when a Swedish parent company, alone or together with one or more subsidiaries, owns more than 90 percent of the shares in a subsidiary and these shares represent more than 90 percent of the votes in the subsidiary, that parent company is entitled to purchase the remaining outstanding shares from the other shareholders of the subsidiary (through a compulsory, or minority, "squeeze-out" proceeding), and those shareholders may require the parent company to purchase their shares. In the absence of an agreement regarding the price for these shares, an arbitration tribunal will determine a fair price. In the case of a compulsory redemption initiated promptly or within a reasonable period of time following a public offer to a substantial number of shareholders pursuant to which the offeror (or its affiliates) acquired a majority of the shares held by the offeror, the price will normally be the same as the price paid in such offer.

A legal merger of a Swedish (merging) company with another Swedish (acquiring) company pursuant to Chapter 14 of the Swedish Companies Act requires the approval of the merging company's shareholders by a majority of at least two-thirds of the votes cast and the shares represented at a General Meeting. A legal merger where a Swedish public company, such as OMX, is merged into a Swedish private company must be approved by all of the public company's shareholders present at the Meeting and these shareholders must represent at least 90 percent of all issued shares in the public company. Certain majority requirements also apply where the merger adversely affects certain shares or classes of shares.

In the case of companies listed on Stockholm Stock Exchange, shareholder approval is required for transactions such as a disposal of shares in a subsidiary of the listed company, if such shares are acquired by directors or employees (or certain related parties to such persons) of the listed company or companies within the same group. This type of disposal requires the approval of the shareholders through a majority of at least nine-tenths of the votes cast and the shares represented at a General Meeting of the listed company. In addition, companies listed on Stockholm Stock Exchange must refer material transactions, such as a disposal of a business, to a General Meeting if the business is acquired by (*inter alia*) the persons referred to above. This type of disposal requires the approval of the shareholders through a majority of more than 50 percent of the votes cast.

Voting restrictions regarding HEX (now part of OMX Exchanges)

Pursuant to the Finnish Securities Markets Act and the Finnish Act on Trading in Standardized Options and Futures no one may vote with more than one-twentieth of the votes represented at a General Meeting of a stock exchange, a clearing entity or an option corporation (the "voting restrictions"). According to the Finnish Securities Markets Act and the Act on Trading in Standardized Options and Futures, the same restriction shall apply to any controlling entity. Prior to the combination of HEX and OM in 2003 the FFSA gave a statement on 30 April 2003 regarding the interpretation of the voting restriction in relation to foreign companies. According to the statement, the FFSA was of the opinion that the control restriction shall apply to resolutions of the General Meeting of OM, but only to the extent the resolutions will be enforced in Finland and relate to HEX. However, the FFSA pointed out that only courts have the authority to finally resolve upon the interpretation of the regulation applicable to the control restriction in a specific matter. Furthermore, the FFSA held that its competence would extend to resolutions, implementation of planned activities and other acts undertaken by HEX, a Finnish stock exchange, clearing entity or option corporation in cases where such resolutions or other measures were based on resolutions of a General Meeting of OM HEX (now OMX) that would be in breach of the rules on voting restriction under the Finnish Securities Markets Act.

Distribution of assets on liquidation

On the winding-up of a Swedish company, the liquidator must distribute the net assets equally among the shareholders in proportion to their respective holdings, unless the Articles of Association provide for another distribution among the shareholders. OMX's Articles of Association do not contain any such provision.

OTHER INFORMATION

Significant agreements

No single agreement is of significant importance to OMX's commercial operations, financial position or net income and no customer of OMX represents more than five percent of OMX's total turnover.

OMX Technology has entered into agreements with a large number of customers around the world. Many of these agreements relate to OMX Technology's delivery of systems solutions as well as support or operational services. These agreements normally have a term of at least five years. Among the major customer agreements of OMX Technology are those entered into with ICAP, ISE (International Securities Exchange), SEB and SFE Corporation (Sydney Futures Exchange).

OMX Exchanges has a large number of customer agreements with issuers and members, some of which are more important than others, such as the agreements with SEB, Svenska Handelsbanken, Reuters, Bloomberg, Nokia and Ericsson. Furthermore, OMX Exchanges has a number of partnership agreements of strategic importance, such as the agreement with Eurex regarding trading in Finnish equity derivatives, the agreement with London Stock Exchange regarding EDX London and the agreement with FöreningsSparbanken, Nordea Bank, SEB and Svenska Handelsbanken regarding NCSD (Nordic Central Securities Depository).

No agreements have been concluded between OMX and Lenner & Partners Corporate Finance AB that may influence investor assessments of OMX.

Real property and principal places of operations

OMX does not own any real property, but leases its offices. OMX's principal places of operations are located in Stockholm, Helsinki, Halden, New York, London and Sydney. OMX operates securities exchanges and conducts clearing operations in Stockholm, Helsinki, Tallinn, Riga and Vilnius. Stockholm is the principal place of OMX's operations.

Significant shareholdings and investments

OMX has (excluding dormant companies), directly or indirectly, 33 wholly owned subsidiaries and 14 partly owned subsidiaries. In addition, OMX holds (excluding dormant companies) interests in five associated companies or joint ventures. The most important subsidiaries, associated companies and joint ventures are listed in notes 10 and 14 to the financial statements, please see "Appendix A, Financial Information – OMX".

In March 2004, NGX (Natural Gas Exchange) was divested to the Canadian TSX Group for about SEK 211 m. In June 2004, as part of OMX's continued focus on core operations, XACT Fonder AB (that manages Sweden's first exchange-traded funds, XACT OMX and XACT SBX) was sold to Handelsbanken. Further, as a result of a privatization process in Lithuania, OMX owns since May 2004 80 percent of the stock exchange (NSEL) and 40 percent of the CSD (CSDL) in Lithuania.

The subsidiaries, associated companies and joint ventures within the OMX group that are listed in the table below could have a significant effect on the assessment of OMX's assets and liabilities as well as its financial position or result.

Name	Domicile	Field of activity	Equity shares and votes held by OMX, percent	Turnover incl. internal 2003 (SEK m)
Stockholm Stock Exchange AB	Stockholm	Listing, trading, clearing	100	811
OMX Exchanges Oy	Helsinki	Listing, trading, clearing	100	191
OMX Technology AB	Stockholm	System provider for financial markets	100	1,340
OMX Technology Energy Systems AS	Halden, Norway	System provider for energy markets	100	64
OMX Broker Services AB	Stockholm	Back office services	100	81
OMX Technology Ltd	London	System provider for financial markets	100	191
OMX Technology Inc	New York	System provider for financial markets	100	130
ORC Software AB	Stockholm	System provider for financial markets	30	249
EDX London Ltd	London	Trading, clearing	24	40

For information on the main investments made during the years 2001–2004, as well as the main investments that are ongoing or planned, please see Section "OMX – Financial summary – Investments including research and development". Other than set forth in said Section, OMX has no ongoing investments and has not resolved on any future investment, which are likely to materially affect OMX's situation or otherwise affect the valuation of the OMX share.

Pension schemes

In Sweden, OMX has a standard pension scheme for all employees. OMX's scheme is based on the principles of a market-based occupational pension scheme. The premium is fixed percentages of salary in three different intervals up to 30 basic amounts (prisbasbelopp) for different age intervals. The premium provision increases with age and fixed salary. Each pension holder has discretion over how his or her pension fund is to be managed. Pension commitments are fulfilled through premium payments to independent insurers. A pension expense corresponding to the premiums paid is charged to revenue on an ongoing basis for these premium-based pension schemes.

OMX employees in Finland have, according to Finnish labour market regulations, at the age of 65 the right to receive a pension level equivalent to a maximum of 60 percent of their final salary. Maximum benefits require a period of service of 40 years. Premiums are based on the total yearly income, including variable and fixed salary as well as other benefits.

In addition to OMX's premium based standard pension scheme, with effect from 2002, CEO Magnus Böcker has premium-based pension benefits that aim to provide an old-age pension corresponding to 60 percent of base salary at age 60. The total premium provision amounts to 23 percent of his base salary. The portion of the pension that is deductible will be treated as occupational pension insurance. Those premium portions that due to their size cannot be treated as occupational pension will therefore be treated as direct pension commitments.

Deputy CEO Jukka Ruuska is included in the pension plan stipulated by the Finnish labour market regulations described above. Current premiums for the Deputy CEO are equivalent to a pension provision of 16.4 percent of total remuneration.

Insurance

OMX maintains an insurance program that the Board of Directors considers satisfactory in view of the risks arising in the operations. No part of the operations is considered to be of such a nature that insurance coverage cannot be procured on reasonable terms. The program covers inter alia property and business interruption insurance, general liability insurance, directors and officers liability insurance, professional indemnity insurance, crime insurance, employment practices liability insurance and pension trustee liability insurance.

Intellectual property

OMX claims copyright to the software products developed by the group. Moreover, OMX holds a number of patents, patent applications and licenses. The Board of Directors does not consider the business of OMX to be dependent on any single patent/patent application or license. Apart from the name OMX and the names Stockholm Stock Exchange, OMX Exchange and Helsinki Stock Exchange, no trademark is of significant importance for OMX's commercial operations, financial position or net income. OMX has also registered a number of domain names.

Legal disputes

In July 2003, it was announced that OMX Technology, BrokerTec USA and its parent company ICAP were among those being sued by eSpeed in a US court for the alleged infringement of a patent. OMX Technology is being sued in its capacity as a systems provider to BrokerTec USA. OMX Technology has rejected the claim of up to USD 64 m and denies any patent infringement. In January 2004 the court denied eSpeed's request for a preliminary injunction that would prevent BrokerTec USA from continuing to operate as earlier. During the third calendar quarter 2004, OMX once again rejected the patent infringement lawsuit and damage claim from eSpeed. OMX does not believe that the outcome of the dispute would have a material adverse effect on OMX's financial position and OMX has therefore not made any provision for the claim.

OMX Technology is currently involved in a legal dispute relating to a systems delivery in respect of which the customer has raised a claim against OMX, which OMX has contested. OMX has brought a claim against the customer, which the customer has contested. OMX does not believe that the outcome of the dispute would have a material adverse effect on OMX's financial position and OMX has therefore not made any provision for the claim.

With regard to Stockholm Stock Exchange, a dispute has been settled with a number of members concerning a demand for the repayment of value added tax in a total amount of SEK 180 m plus substantial interest. Under the settlement Stockholm Stock Exchange is to pay SEK 111 m to the members. The amount will be expensed in OMX's results for the fourth quarter 2004, please see press release in Section "OMX – Financial Summary – Events subsequent to the interim report".

On 18 June 2004 in total 22 bank and brokerage firms filed lawsuits against OMX Exchanges Oy and APK in the Helsinki District Court. The lawsuits concern VAT paid by the banks and brokerage firms to OMX Exchanges Oy, Helsinki Stock Exchange and APK during 1995–2000 in their trading and clearing invoices. The total amount of the claims is EUR 5.1 million. Of the 22 plaintiffs, 20 banks and brokerage firms have previously been parties to arbitration proceedings with OMX Exchanges Oy, Helsinki Stock Exchange and APK. The arbitration proceedings were based on an arbitration agreement between OMX Exchanges Oy, Helsinki Stock Exchange and APK and the 20 banks and brokerage firms, executed on 8–11 March 2002. Pursuant to the arbitration agreement an award was rendered on 18 December 2002. In the award the Arbitration Tribunal decided among other things that OMX Exchanges Oy, Helsinki Stock Exchange and APK should pay to the banks and brokerage firms their respective proportion of the VAT reimbursement, which had been refunded to OMX Exchanges Oy, Helsinki Stock Exchange and APK by the Finnish Tax Authority. This reimbursement consisted of refunded VAT of EUR 9.9 m and interest thereon, in total EUR 11.3 m. In the lawsuits in the Helsinki District Court the 20 banks and brokerage firms and two other banks and brokerage firms claim to receive from the OMX Exchanges Oy and APK each plaintiff's respective proportion of the total amount of EUR 5.1 m which is the difference between the total amount of VAT paid by all trading and clearing members in the trading and clearing invoices during 1995–2000 and the previous reimbursement. OMX Exchanges Oy and APK have rejected the lawsuits. OMX does not believe that the outcome of the dispute would have a material adverse effect on OMX's financial position and OMX has therefore not made any provision for the claim.

During the third quarter, ACH Securities filed a lawsuit against Stockholm Stock Exchange regarding the decision by the Board of Stockholm Stock Exchange to terminate ACH Securities' exchange membership. The lawsuit includes a claim for damages. However, the amount of the damages claim has not been specified by ACH Securities. Stockholm Stock Exchange has rejected the lawsuit. OMX does not believe that the outcome of the dispute would have a material adverse effect on OMX's financial position and OMX has therefore not made any provision for the claim.

OMX is not involved in any legal disputes, which either individually or collectively are considered to have a material adverse effect on the group's commercial operations, its financial position or its net income.

Tax disputes

In 2002, an expense provision of SEK 18 m was made relating to two ongoing tax disputes. The County Administrative Court ruled on one of the cases, resulting in some success for the company. A SEK 3 m reserve for expenses was required to cover expenses arising from the ruling. The provision of SEK 15 m remains for the other tax dispute.

During 2002, OMX's associated company NLK lost a tax dispute in the County Administrative Court. NLK has appealed the decision in the Administrative Court of Appeal. No provision has been made, since OMX expects the Administrative Court of Appeal to rule in the favour of NLK. If NLK should lose the case, this would have a negative effect on OMX of approximately SEK 70 m.

OMX has received a decision from the Swedish Tax Agency in which the Tax Agency levied VAT in the amount of SEK 20.7 m on Facility Management Services bought by Stockholm Stock Exchange from OMX Technology during the period October 2002 to March 2003. Stockholm Stock Exchange may deduct 41 percent of the amount as input VAT, thus, the non-deductible amount for the period is SEK 12.2 m. Since the Tax Agency's decision only included the period up to and including March 2003, it can be assumed that the Tax Agency will also consider levying VAT on the Facility Management Services after this date. The accumulated exposure on 30 September 2004 is approximately SEK 46 m including the already decided amount. OMX will appeal the decisions by the Tax Agency. OMX has not made any reservations for the cost. In the event of a ruling against OMX, the cost of the Facility Management Services bought by Stockholm Stock Exchange would be increased by approximately SEK 2 m per month.

The Swedish Tax Agency has during 2004 performed a tax audit of OMX. The Swedish Tax Agency has in a tax audit memorandum challenged a claim for loss of approximately SEK 433 m of which OMX Technology has utilized approximately SEK 47 m as a tax-deductible capital loss for the income year 2002. OMX Technology has received a consideration of review from the Tax Agency regarding the deduction of the capital loss. The Tax Agency has also challenged OMX's claim for the right to deduct the interest payments of SEK 53 m all related to the hedging of future cost for the employees stock option programs, which was closed in 2002. OMX has in response to the Tax Agency contested the consideration. The effect on the OMX group would be a tax cost of approximately SEK 28 m. No reservations have been made since the Tax Agency has not yet presented a final consideration. OMX has made deductions for interest payments of approximately SEK 2 m on a similar hedging arrangement during 2003. The interest payments during 1 January to 30 September 2004 amounts to approximately SEK 2 m. If these costs will not be tax deductible, OMX will have a tax cost of approximately SEK 1 m.

Except as set forth above, OMX is not involved in any tax disputes, which either individually or collectively are considered to have a material adverse effect on the group's commercial operations, its financial position or its net income.

AUTHORIZATIONS, SUPERVISION AND REGULATORY FRAMEWORK

Set forth below is a summary of certain rules on authorizations and supervision pursuant to Swedish law and Finnish law that are relevant with respect to the business operations of OMX and in effect on the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by reference to applicable laws.

Sweden

Authorizations

OMX's securities exchange operations

Stockholm Stock Exchange is an authorized securities exchange. Pursuant to the Swedish Securities Exchange and Clearing Operations Act (*lag (1992:543) om börs- och clearingverksamhet)* (the "Exchange and Clearing Act"), a securities exchange shall conduct its business in such a manner that public confidence is maintained in the securities markets and so as to ensure that the capital investments of individuals are not unduly placed at risk and otherwise in such a manner that the business can be deemed to be sound.

For the purpose of maintaining public confidence in the securities markets, Stockholm Stock Exchange shall supervise trading and price information on the exchange and shall ensure that trading is carried out in compliance with applicable legislation and in accordance with sound trading practices for securities markets. Stockholm Stock Exchange is also required to have a disciplinary committee charged with the task of handling breaches of its rules and regulations by members and issuers.

OMX's clearing operations

Stockholm Stock Exchange is licensed as a clearing organization under the Exchange and Clearing Act and shall conduct its business in such a manner that public confidence is maintained in the securities markets and so as to ensure that the capital investments of individuals are not unduly placed at risk and otherwise in such a manner that the business can be deemed to be sound. It shall further fulfil the security requirements associated with the operations it conducts. As a clearing organization, Stockholm Stock Exchange shall, through its capital, guarantees or insurance, or in some other similar manner, possess sufficient resources to fulfil any obligation that it may incur as a consequence of the clearing operations.

OMX's securities operations

OMX Broker Services AB ("OMX Broker Services"), a subsidiary of OMX Technology, is licensed to conduct securities business pursuant to the Swedish Securities Business Act with respect to intermediation between buyers and sellers of financial instruments or other assistance in transactions regarding such instruments and underwriting or other participation in the issuance of securities or offers to purchase or sell financial instruments directed to the public. Furthermore, as ancillary operations, OMX Broker Services is authorized to accept securities for safe custody and customers' funds on account.

The securities business shall be conducted in such a manner that public confidence is maintained in the securities market and so as to ensure that the capital investments of individuals are not unduly placed at risk and otherwise in such a manner that the business operations may be deemed to be sound.

Supervision

In conducting its securities exchange and clearing operations and securities business, Stockholm Stock Exchange and OMX Broker Services, respectively, are subject to the supervision of the SFSA. Thus, Stockholm Stock Exchange and OMX Broker Services are under the obligation to provide the SFSA with any information regarding their respective operations and related circumstances as requested by the SFSA.

The authorization to conduct securities exchange operations, the license to conduct clearing operations and the license to conduct securities business may be revoked by the SFSA if, inter alia, Stockholm Stock Exchange or OMX Broker Services should, through contraventions of the Exchange and Clearing Act, the SBA, other regulations adopted pursuant to the Exchange and Clearing Act or the SBA, or in some other manner demonstrate that they are not suitable to carry out their respective operations under their authorization or license. Where sufficient, the SFSA may instead issue a warning. Orders or injunctions issued by the SFSA pursuant to the Exchange and Clearing Act and the Swedish Securities Business Act may be issued in conjunction with a conditional fine.

Since OMX has a qualified holding in, and is listed on, Stockholm Stock Exchange, certain specific rules apply to OMX as a listed company, and Stockholm Stock Exchange's supervision of OMX, by comparison with other companies listed on Stockholm Stock Exchange. Under such rules, OMX is having such qualified holding under the supervision of the SFSA and shall provide the SFSA with any information regarding its operations that the SFSA requests.

The Exchange and Clearing Act and the Swedish Securities Business Act also contain rules on ownership control, please see Section "OMX – Shares, share capital and shareholder structure – ownership control".

Reporting obligations

An employee of a securities company, a stock exchange or an authorized marketplace, who normally could be deemed to have access to non-public information regarding such matters that may affect the market price of financial instruments must, in writing, report its holdings of financial instruments, and changes in such holdings, to his or her employer. In this regard, financial instruments held by certain closely related persons are to be treated as the employees' own financial instruments. The securities company, stock exchange or authorized marketplace shall keep a register for such holdings of financial instruments. For further information on disclosure of interest in general, please see Section "Securities Markets – The Swedish Securities Market – Disclosures of interests and insider regulations".

Internal trading rules

OMX has adopted internal trading rules for employees' transactions in securities and foreign currencies that comply with the rules of Swedish Securities Dealers Association. In addition, OMX has adopted certain OMX-specific rules regarding OMX shares and securities listed on Stockholm Stock Exchange. Under the rules, every employee is prohibited, either for his or her own, or for a third party's benefit, from executing transactions in securities or foreign currencies by making use of any form of price-sensitive information which has not, as yet, been disseminated in the market, or been made public. Nor is it permissible to recommend to closely associated persons that they execute, or refrain from executing, such transactions. OMX's trading rules for employees include rules on trading in the OMX share during certain time periods, specific rules on the minimum holding period, notification requirements for transactions and rules regarding discretionary management, savings in securities funds and pension savings.

Please see Section "Securities Markets – The Swedish Securities Market – Disclosures of interests and insider regulations" for further information on Swedish rules.

Following the combination between OM and HEX, OMX is currently preparing new internal trading rules harmonizing the OMX trading rules described above with the internal trading rules, which are currently applied within the OMX entities in Finland in the Baltic states. The new harmonized rules will include OMX-specific rules covering OMX share and related derivatives, applicable within the whole OMX group. Further, the new harmonized trading rules will include specific rules applicable in the regulated market places operated within the OMX Exchange's division and cover securities listed on Copenhagen Stock Exchange, Helsinki Stock Exchange and the Baltic Exchanges.

Finland

Authorizations and supervision

Helsinki Stock Exchange

Helsinki Stock Exchange operates in the areas of stock exchange, option corporation and clearing of options transactions based on a license granted by the Ministry of Finance. Helsinki Stock Exchange arranges public trading of securities on the Main List, I List, NM List, Pre-List and on the Brokers' List Market in accordance with rules ratified by the Ministry of Finance. The Main List is a stock exchange list that may only be maintained by a stock exchange. Other public trading as set forth in the Finnish Securities Markets Act may also be arranged by the securities intermediaries such as credit institutions and investment firms. Securities traded on the stock exchange list may also be subject to other public trading. Helsinki Stock Exchange also arranges other professional trading on the Swedish Shares list. The said trading is not public trading.

The activity of Helsinki Stock Exchange is governed by the Finnish Securities Markets Act and the option corporation activity by the Act on Trading in Standardized Options and Futures. Preconditions for granting a license to operate a stock exchange and an option corporation include that the company in question is a Finnish limited company with reliable administration, sufficient economic operating conditions and whose organization of operation as well as the rules to be complied with in its operation provide sufficient protection to investors. Commencement of the operation may not be contrary to public interest. Public trading shall be arranged reliably and impartially. The license to operate as an option corporation may also include the right to carry out option trade clearing.

Pursuant to the provisions of the Act on Trading in Standardized Options and Futures and its rules and regulations as an option corporation, Helsinki Stock Exchange acts as a counterparty in each derivative transaction carried out on the stock exchange. After a derivative transaction has been accepted for clearing, the option corporation is responsible for the rights of a derivative account holder based on his or her option or futures contract. Consequently, a derivative account holder is responsible for fulfilling the obligation attached to an option or a futures contract to an option corporation. An intermediary, who has carried out the derivative transaction shall further be responsible for the obligations based on the customer's derivative contracts to an option corporation. In addition, an intermediary and a market maker shall be responsible for their own transactions to the option corporation. Helsinki Stock Exchange has managed its aforementioned responsibility through agreements with market participants, collateral arrangements related to derivative transactions and liability insurance for its operations.

A stock exchange and an option corporation shall among other things make sure that sufficient and reliable supervision is organised in order to ensure that the rules and regulations concerning stock exchange and option corporation activity and the rules of the stock exchange and option corporation and the code of conduct within in the stock exchange activity are complied with.

OMX Securities Services Ltd Oy

OMX Securities Services Ltd Oy operates as an account operator, as described in the Act on the Book-Entry System, which has been given the right to make entries in the book-entry register and to have authorized representatives as described in the said act. Based on the Act on the Book-Entry System, OMX Securities Services Ltd Oy as an account operator has a strict liability (also on behalf of its authorized representatives) for damages related to book-entry accounts, and resulting, *inter alia*, from a decision concerning an incorrect entry, an incorrect entry made in the book-entry account or an incorrect statement of account or any other similar incorrectness or deficiency in the registration operations; from a technical error or the interruption in the handling of information regarding book-entries or holders of book-entries or due to the failure of the company to settle a payment based on a book-entry.

Liabilities related to the operations of the OMX Securities Services Ltd Oy have been covered by, inter alia, extending the liability insurance of the company to cover damages resulting from the strict liability and by transferring the liability of the authorized representatives to themselves in the representative agreements. Furthermore, the liability of OMX Securities Services Ltd Oy has been limited in the agreements to the extent that limitations have been possible.

Market supervision

Market Supervision in Helsinki Stock Exchange and APK

Pursuant to law, Helsinki Stock Exchange and APK shall perform market supervision on their issuers, brokers, account operators and organizations and other parties acting on the stock exchange or in APK. Helsinki Stock Exchange and APK's objective in market supervision is to enhance the transparency and reliability of marketplace operations.

The disciplinary powers of Helsinki Stock Exchange and APK are exercised by the Disciplinary Board and its Secretary. The Disciplinary Board may impose a sanction for an infringement, which can be a reprimand or caution. The Disciplinary Board may also issue a temporary suspension of the rights of a member or a broker of Helsinki Stock Exchange or propose to the Board of Helsinki Stock Exchange or APK the permanent cancellation of such rights or the delisting of a security.

As a sanction in connection with a reprimand or a caution, the Disciplinary Board may order the party in question to pay a disciplinary charge to Helsinki Stock Exchange or APK. The disciplinary charge imposed on an organization shall be not less than EUR 10,000 and not more than EUR 200,000 if ordered for a breach of APK's rules, and EUR 500,000 if ordered for a breach of Helsinki Stock Exchange's rules. For a physical person the minimum and maximum charges are EUR 1,000 and EUR 10,000 respectively as a result of a breach of APK's rules. The decisions taken by the Disciplinary Board are generally available to the public.

Those subject to enforcement by the Disciplinary Board and its Secretary include Helsinki Stock Exchange's rules, securities and derivatives brokers, market makers and brokers employed by them, issuers and, regarding APK, clearing parties and account operators as well as their authorized representatives.

Supervision of OMX by the FFSA

The above-mentioned Finnish activities of OMX that require a license are also under the supervision of the FFSA. The FFSA also supervises the holding company of the licensed entities. The rules of a stock exchange, clearing organization, CSD and option corporation shall be approved and ratified by the Ministry of Finance. The FFSA performs among other things its duty by requesting information that it deems necessary to perform supervision and the relevant entity in the OMX group under supervision is obligated to provide such information. Furthermore, the FFSA may attend the meetings of the decision-making bodies of the supervised entities, inspect the supervised entities and issue regulations and guidelines to them subject to specific delegation provisions set out in legislation. The FFSA may prohibit the execution of a decision or other planned measure of a decision-making or administrative body of a supervised entity if such decisions, measures or actions do not comply with Acts or decrees or any provisions based on the Acts, or decrees, or if they do not comply with the Articles of Association, confirmed regulations or bylaws of the supervised entity. If the supervised entity has essentially violated the conditions of the authorization granted by the FFSA or the Ministry of Finance, or if there has been a fundamental change in circumstances from those that prevailed at the time that the authorization was granted, the FFSA may amend the authorization or withdraw it or propose to the Ministry of Finance that it amend or withdraw a license granted by it.

Ownership control by the FFSA

According to the Securities Markets Act, if anyone proposes to acquire a holding of a Finnish stock exchange, option corporation, clearing organization or CSD that would be equal to at least one-twentieth of the share capital or voting rights of the said entity, the FFSA shall be notified of the acquisition well in advance. If the purpose is to increase the holding so that it would reach or exceed one-tenth, one-fifth, one-third or half of the share capital or voting rights of the entity, the FFSA shall also be notified of this acquisition in advance. The corresponding duty to notify shall be applied when the holding would fall below the referred thresholds.

A stock exchange, an option corporation, a clearing organization and a CSD shall at least once a year provide the FFSA with the names of the holders of the holdings referred to above, as well as their portions of the share capital and voting rights of the entity if they are known to it. The said entities shall immediately notify the FFSA of any changes in the holdings that have come to their knowledge.

The provisions of this Section on the said entities and on the notification of a portion to be acquired thereof shall also apply to an organization that has control over them in the manner provided for in the SMA.

OMX internal trading rules in Finland

OMX' internal trading rules in Finland contain rules concerning the Board of Directors, the personnel and other persons with the duty to declare ("personnel"). The rules describe the prohibition against insider trading and the duty to declare holdings in shares and related derivatives, as stipulated in the Finnish law. In addition, the rules contain extensions to the legislative requirements concerning the scope of persons and procedures.

The OMX internal insider rules in Finland state that the personnel have the duty to declare all acquisitions and transfers of such securities and related derivatives listed at Helsinki Stock Exchange. In addition, the personnel are subject to a so-called short-term trading ban of three months. This regulation is also applicable to closely affiliated person, as defined in the internal trading rules. Further, following the merger of OM and HEX, rules regarding OMX share and related derivatives, in accordance with the OMX internal trading rules in Sweden, are also applicable in Finland.

Information about personnel holdings in accordance with the marketplace insider rules is available in the NetSire system of APK as far as Finnish book-entry securities are concerned.

The second part of the insider instructions contains the insider regulations of former HEX. The procedures and administration of the insider regulations of former HEX correspond to the insider rules given to the listed companies by Helsinki Stock Exchange. The scope of the rules includes the permanent insiders and per-project insiders of OMX in Finland. Permanent insiders include persons who, in their duties, regularly possess information affecting the value of securities and derivatives issued by OMX. Any acquisitions or transfers of securities and derivative agreements issued by OMX by a permanent insider are subject to permission from the person in charge of insider issues.

Other jurisdictions

EDX London in the UK has authorization to conduct its operations and is under the supervision of UK regulatory authorities. Tallinn Stock Exchange, Riga Stock Exchange and Vilnius Stock Exchange are authorized to conduct its operations and are under the supervision of the respective authorities in Estonia, Latvia and Lithuania.

Copenhagen Stock Exchange

The information provided in the following Section regarding Copenhagen Stock Exchange on a stand-alone basis does not take into account the combination between OMX and Copenhagen Stock Exchange. The most important risks related to Copenhagen Stock Exchange's business operations, which can have a material effect on Copenhagen Stock Exchange's operations and financial position, are not presented in this Section but under "Risk Factors".

BUSINESS DESCRIPTION

Introduction

The vision of Copenhagen Stock Exchange is to be the Danish marketplace in a global network. The strategy is based on Copenhagen Stock Exchange's function as a marketplace for shares, investment certificates, equity derivatives and bonds.

The mission of Copenhagen Stock Exchange is to be the natural centre of choice for trading in Danish securities.

The central element of Copenhagen Stock Exchange's activities is thus to ensure that the Danish marketplace is supported in the best possible way.

History in brief

The history of Copenhagen Stock Exchange traces back to the 17th century.

In 1919, Denmark got its first proper law regulating securities trading and at the same time, Copenhagen Stock Exchange was turned into an independent non-profit organization. Up to 1987/1988, listed securities were traded via open outcry and floor trading, which was replaced by trading via an electronic trading system. This enhanced the transparency and capacity in the market as trading was continuous. In 1983, Danish listed bonds were dematerialised and electronically registered with VP and five years later, the shares were dematerialised as well. Thus, the Danish securities market got a fully computerised infrastructure. Up to 1996, Copenhagen Stock Exchange had a monopoly of stock exchange activities in Denmark.

In 1996, the EC Investment Services Directive was implemented into Danish law. At the same time, Copenhagen Stock Exchange was converted into a limited company. The shares of Copenhagen Stock Exchange A/S were distributed to three shareholder groups: member firms (60 percent), share issuers (20 percent) and bond issuers (20 percent).

To create a better strategic platform for the future challenges in the securities market and to benefit from the advantages of synergy and large-scale operations, Copenhagen Stock Exchange and the FUTOP Clearing Centre combined their activities on 1 January 1997. In connection with the combination the FUTOP Clearing Centre was converted into a limited company. FUTOP Clearing Centre is today a wholly owned subsidiary of Copenhagen Stock Exchange.

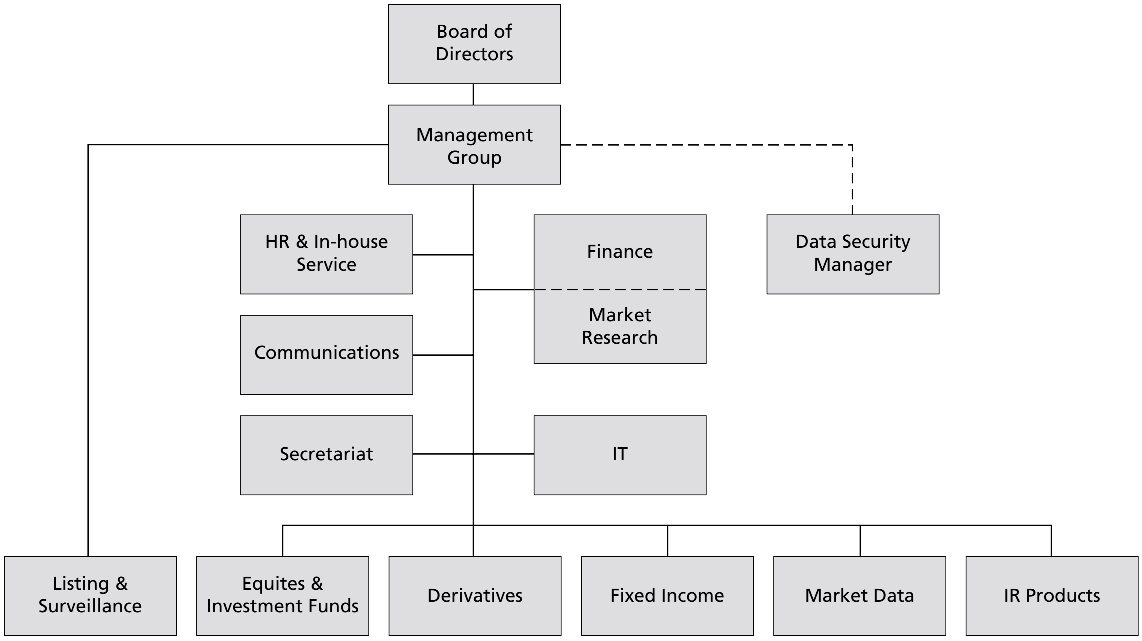
Organization

The day-to-day management is undertaken by Copenhagen Stock Exchange's six main divisions: Listing & Surveillance, Equities & Investment Funds, Derivatives, Fixed Income, Market Data and IR Products. Each division is responsible for their business strategies and initiation of and contribution to marketing activities.

The current organization was implemented as per 1 April 2004. Before then, the main divisions were the following: Listing & Company Affairs, Trading and Information & Marketing.

FUTOP Clearing Centre has no staff of its own. The functions are outsourced to Copenhagen Stock Exchange and the trading and clearing systems to the OMX group.

Organizational chart



Listing & Surveillance is responsible for market surveillance and for relations to issuers in connection with the listing of securities and new issues as well as members or non-members with a reporting obligation. Listing & Surveillance has the contact to legislators and authorities in connection with the regulation of the activities of Copenhagen Stock Exchange.

Equities & Investment Funds serves, retains and attracts members, issuers and investors and is responsible for the development of the Danish equity and investment funds market including the IT systems supporting the two markets.

Derivatives is responsible for the operation of the derivatives market and the clearing centre, including the rules and regulations. Derivatives serves, retains and attracts new members and investors and is responsible for the development of the Danish derivatives market, including the IT systems that support it.

Fixed Income serves, retains and attracts issuers, members and investors to the Danish bond market and is responsible for the development of the Danish bond market including the IT systems that support it.

Market Data is responsible for the sale of market information products to existing as well as new customers.

IR Products contributes to the sale, operation and development of investor relations products, supporting the development of the equity, investment funds, fixed income and the derivatives markets.

Corporate form

Copenhagen Stock Exchange A/S is the parent company of the wholly owned subsidiary FUTOP Clearing Centre A/S. Moreover, Nordic Exchanges A/S is an associated company to Copenhagen Stock Exchange, of which Copenhagen Stock Exchange owns 23 percent of the shares and votes.

Objectives and strategy

Copenhagen Stock Exchange is managed in accordance with commercial principles with the aim of achieving an above market return on investments. Copenhagen Stock Exchange bases its activities on long-term customer relations. Sale of electronic market data is the largest business area of Copenhagen Stock Exchange. The sale of electronic market information is based upon the listing and trading of equities, investment funds, bonds and derivatives.

The central element of the activities of Copenhagen Stock Exchange is to ensure that all activities support the Danish marketplace in the best possible way. This, for example, concerns the formulation of rules and the procedures for issuance of and trading in securities. In general, Copenhagen Stock Exchange shall be instrumental in ensuring a good market quality.

The primary objectives of the subsidiary, FUTOP Clearing Centre, are to guarantee and clear the contracts, to lay down rules regulating issuance, clearing and settlement of derivatives and to develop the derivatives market.

In 1997, Copenhagen Stock Exchange formed the NOREX together with Stockholm Stock Exchange. The vision of the alliance is a common Nordic securities market.

Mission

The choice for Danish securities

Copenhagen Stock Exchange is the natural center of choice for trading in Danish securities. Copenhagen Stock Exchange will maintain and develop this position for the benefit of listed companies, investors, traders and society as a whole.

Vision

Copenhagen Stock Exchange is the Danish marketplace in a global network

Copenhagen Stock Exchange will endeavour to increase the exchange's attraction nationally as well as internationally and consolidate its position as the marketplace for Danish securities. Copenhagen Stock Exchange does this by developing relations with stakeholders and co-operation partners and by being the Danish constituent of a global network.

Values

The core values of Copenhagen Stock Exchange are:

- Catalyst
- Integrity
- Enthusiasm & Drive.

Catalyst

In a network of stakeholders, Copenhagen Stock Exchange is the catalyst ensuring an efficient marketplace. Copenhagen Stock Exchange does this by creating transparency, accessibility, dialogue and relations. In this way Copenhagen Stock Exchange generates the increased value, which makes the exchange attractive, and a good co-operation partner.

Integrity

Confidence and trustworthiness are fundamental qualities in Copenhagen Stock Exchange. Copenhagen Stock Exchange has independent standpoints and communicates clearly and openly with insight and understanding. Copenhagen Stock Exchange ensures fair play.

Enthusiasm drive

Copenhagen Stock Exchange is dynamic, innovation-oriented and firmly anchored in professional standards and knowledge.

Business objectives

The objective of Copenhagen Stock Exchange is that income from all business areas shall grow through development of better and more efficient products. Copenhagen Stock Exchange's ambition is to maintain the good relations with its customers by being able to offer high-quality products and services.

OPERATIONS AND BUSINESS DIVISIONS

General

Copenhagen Stock Exchange offers Danish and foreign investors and exchange members access to trading in shares, investment certificates, bonds, futures and options as well as other financial instruments. As a NOREX partner, Copenhagen Stock Exchange uses the same trading system as the other partners from six different countries in the Nordic and Baltic region. This means that it has become much easier to attract new members from abroad to the equity market. The influx of remote members and thus foreign investors to the Danish securities market is a prerequisite for a continuous increase in trading via Copenhagen Stock Exchange.

Copenhagen Stock Exchange offers the listed companies an electronic system, through which they can easily have their announcements distributed to the market.

The primary revenue areas of Copenhagen Stock Exchange are: Equities & Investment Funds, Fixed Income, Derivatives, Market Data and IR Products.

Revenues per business division

DKKm	Jan–Sept 2004[1]	2003	2002	2001
Equities and Investment Funds				
– Issues and introductions	7.3	5.2	11.4	12.6
– Listing	25.1	30.5	33.6	36.1
– Trading and other	42.4	44.9	39.1	36.5
Total Equities and Investment Funds	74.8	80.6	84.1	85.2
Fixed Income				
– Issues and introductions	1.3	3.8	3.5	2.0
– Listing	16.5	22.2	21.3	19.9
– Trading	7.5	11.4	10.6	12.5
Total Fixed Income	25.3	37.4	35.4	34.4
Derivatives	2.1	2.7	1.8	1.6
Market Data, incl. IR Products	84.0	108.5	114.9	116.7
Total	186.2	229.2	236.2	237.9

1) Unaudited figures

Source: Copenhagen Stock Exchange, interim report after the first nine months 2004, annual reports 2003 and 2002.

Equities & Investment Funds

In 2003, total revenues from the equity & investment funds area amounted to DKK 80.6 m (DKK 84.1 m in 2002) and DKK 74.8 m in January–September 2004, a growth of 27 percent compared with the corresponding period in 2003.

During the period of January–September 2004, revenues from listings and issues on the equity market amounted to DKK 32.4 m which is an increase of 20 percent compared with the same period in 2003. The annual fee for being listed is based on the market capitalization of the companies at the end of the previous year.

In the period January–September 2004, the listed companies raised proceeds of more than DKK 10.0 bn by increasing the share capital via Copenhagen Stock Exchange. This is the second highest amount in Denmark on an annual basis.

At the end of September 2004, a total of 187 companies, of which six were foreign, were listed on Copenhagen Stock Exchange. The total market capitalization of these companies was DKK 833 bn.

The Danish industrial structure is characterised by many small and medium-sized companies. This structure is reflected on Copenhagen Stock Exchange, where the number of companies is relatively high compared with the size of Denmark.

Like other stock markets, Copenhagen Stock Exchange has in recent years seen many delistings, while the number of new entrants has been low. Thus, the total number of listed companies on Copenhagen Stock Exchange has fallen from 235 at the end of 2000 to 187 at the end of September 2004.

Many Danes have invested in investment certificates. At the end of September 2004, a total of 157 funds worth DKK 70 bn were listed on Copenhagen Stock Exchange, while 62 funds worth DKK 67 bn were admitted to Copenhagen Stock Exchange's XtraMarked for non-exchange listed certificates. The XtraMarked is formally organised as an authorised marketplace pursuant to the provisions of the Danish Securities Trading Act.

Revenues from trading on the equity market are based partly on the turnover in market value, partly on the number of trades. In 2003, trading in shares and investment certificates (listed as well as unlisted on the XtraMarked) including other revenues generated a total revenue of DKK 44.9 m (DKK 39.1 m) and in the period January–September 2004, trading revenues totalled DKK 42.4 m, corresponding to a rise of 32 percent compared with the corresponding period in 2003.

In the period January–September 2004, share trading totalled DKK 432 bn, and 2004 will thus top the all-time high recorded in 2000 (adjusted pursuant to the new reporting rules) when turnover reached DKK 455 bn. The establishment of the MidCap+ and SmallCap+ segments in April 2003 means that trading in the companies that qualified for the two segments has increased more than trading in the KFX constituents.

In the period January–September 2004, trading in listed investment certificates came to a total of DKK 29 bn. Thus, the value of trading in listed investment certificates has outstripped the entire 2003-turnover of about DKK 28 bn. Trading in the non-exchange listed investment certificates on the XtraMarked has fallen. In the period January–September 2004, the value of trading on the XtraMarked totalled DKK 26 bn, which is 4 percent less than in the corresponding period 2003.

At the end of end 2003, there were 42 members of the equity market of which 30 also had access to the XtraMarked to trade non-exchange listed investment certificates. Equity members do not pay any extra fee for access to the XtraMarked. Revenues from trading in investment certificates are based on a transaction fee, only.

Fixed Income

The Danish market for fixed income ranks among the fourth/fifth largest in Europe in terms of turnover and market value of the listed bonds. At the end of 2003, a total of 2,320 bonds were admitted to listing and the value of the listed bond volume in circulation amounted to about DKK 2,559 bn. The largest bond group in terms of volume as well as value is the mortgage credit bonds. The dominant part of the mortgage credit market has at least one internationally recognised rating.

In 2003, total revenues from the bond issuer fees and trading in bonds amounted to DKK 37.4 m, an increase of 6 percent in relation to 2002. The annual listing fee payable by bond issuers is calculated on the basis of the nominal value of the bonds.

In the period January–September 2004, trading in listed bonds (fixed income products) amounted to DKK 4,234 bn, some 15 percent lower than in the year-ago period. Thus, the revenue from trading in listed bonds decreased from DKK 8.7 m in January–September 2003 to DKK 7.5 m in the corresponding period in 2004. Revenues from trading on the market for fixed income totalled DKK 11.4 m in 2003 as against DKK 10.6 m in 2002. Revenue from trading in fixed income products is based on a fixed annual membership fee and a fee per transaction.

In November 2003, gross trading in government bonds was transferred to the Italian-based electronic trading system, MTS, which is the predominant trading platform for European government bonds. Members of Copenhagen Stock Exchange that trade via this system shall report their trades to Copenhagen Stock Exchange like the procedure for trading via the telephone market. Trading in Danish listed government bonds effected via MTS is thus included in the trading volume on Copenhagen Stock Exchange.

Since December 2003, real-time data from the trading system has been enhanced with pre-trading information on government bonds in continuation of the opening of the special sub-market for listed government bonds, which are now traded in the same way as shares. Throughout the day, a market maker scheme arranges for two-way prices in the nine leading government bonds. This market maker agreement has been concluded by Danmarks Nationalbank and the market makers.

At the end of 2003, there were 24 members of the market for fixed income. Furthermore, there were two mortgage members. Mortgage members can issue bonds in the trading system's special issue sub-market, which has been established for this purpose. Here the mortgage members sell their mortgage bonds through auctions, typically in connection with the refinancing of adjustable loans.

Derivatives

Trading in Danish equity derivatives is at a very low level compared with markets in countries with which Denmark is normally compared. On the Danish derivatives market there are listed options and futures on certain shares and on the KFX Index. Swedish forwards and options are also tradable on Copenhagen Stock Exchange.

Revenues from trading in derivatives, which are the only source of revenue from the derivatives market amounted to DKK 2.7 m in 2003, up from DKK 1.8 m in 2002. In the period January–September 2004, revenues from the derivatives market totalled DKK 2.1 m, a 4 percent decrease on the corresponding period in 2003.

Copenhagen Stock Exchange, Stockholm Stock Exchange, Oslo Børs and EDX London and their respective clearinghouses have set up a joint order book for Danish, Swedish and Norwegian derivatives.

Market data

Copenhagen Stock Exchange continuously develops the range of electronic products so that both professional and private investors may benefit more from receiving trading data, data about corporate actions as well as actual master data.

The sale of market data is the single largest source of revenue for Copenhagen Stock Exchange and it accounted for 45 percent of total income in January–September 2004.

In 2003, revenues from the sale of market information, including IR products, amounted to DKK 108.5 m against DKK 114.9 m in 2002. In January–September 2004, revenues from the sale of market information generated DKK 84.0 m, which was slightly above the level for the corresponding period of 2003.

IR Products

IR Products is a new business division at Copenhagen Stock Exchange. The division is in the process of developing new products that may support the listed companies' investor relations activities. Moreover, the listed companies have access to Copenhagen Stock Exchange webcasting studio, from which they can broadcast live presentations of accounts with, or without, a teleconference via the internet and thus reach both Danish and international investors. In addition, the companies can have current trading information about the company's shares displayed on their own websites in the layout of their choice. Revenue from investor relations products is included in the revenue from market information.

Business outlook

As expressed in the interim report for the period January–September 2004, the profit for the year 2004 after tax is expected to be in the region of DKK 60–70 m.

OPERATION ENVIRONMENT

Key Data Copenhagen Stock Exchange

(DKK)	Jan–Nov 2004	2003
Shares		
Market capitalization (bn), end period	844	718
Turnover (bn)	539	416
Daily average turnover (bn)	2.3	1.7
Turnover velocity (percent)	70	58
Number of listed companies, end period	186	194
Number of cash members, end period	42	42
Investments certificates		
Market capitalization (bn), end period	72	58
Turnover (bn)	36	28
Number of funds listed, end period	158	155
XtraMarked		
Market capitalization (bn), end period	71	40
Turnover (bn)	34	36
Number of funds listed, end period	62	65
Bonds		
Volume in circulation, market value (bn), end period	2,490	2,559
Turnover, market value (bn)	5,367	6,877
Daily average turnover (bn)	23	28
Number of bond members, end period	24	24
Number of mortgage bond members, end period	2	2
Derivatives market		
Number of traded contracts (m)	0.6	0.8
Number of derivative members, end period	6	5

Source: Copenhagen Stock Exchange

Top ten companies by value of turnover, Jan–Nov 2004

	Percent of total
1 A.P. Møller-Mærsk	16.7
2 TDC	14.3
3 Danske Bank	11.4
4 Novo Nordisk	11.2
5 Vestas Wind Systems	4.6
6 Carlsberg	3.4
7 GN Store Nord	3.1
8 Falck	2.9
9 Danisco	2.7
10 H. Lundbeck	2.5
Total top ten companies by turnover	72.9

Source: Copenhagen Stock Exchange

Following a positive period on the Danish and the international equity markets in the late 1990s, the Danish equity market developed negatively in 2001 and 2002. A development that was also seen on Copenhagen Stock Exchange's benchmark markets. The trend reversed in 2003, and the KAX All-share Index closed the year at 216.59, which was 30 percent higher than at end-2002. At the end of November 2004, the KAX All-share Index closed at 259.0, an increase of about 20 percent compared with end-2003. The capitalization of shares listed on Copenhagen Stock Exchange was DKK 718 bn at the end of 2003, up from DKK 564 bn at end-2002. On 30 November 2004, the share capitalization had increased to DKK 844 bn.

Following a decline in turnover in 2001 and 2002, share trading picked up in 2003 and amounted to DKK 416 bn, an increase of 6 percent on 2002. The trading activity is on the rise and the year 2004 will reach a new all-time high both in terms of turnover and trading volume, when taking into account the new reporting rules, which were changed in July 2001.

Copenhagen Stock Exchange has attracted more international equity members in recent years. The number of member firms on the equity market was 42 at end-2003, of which 16 were remote members.

In 2002, bond trading totalled DKK 5,907 bn and in 2003 it totalled DKK 6,877 bn. In January–November 2004, turnover in listed bonds amounted to DKK 5,367 bn, a decrease of 10 percent compared with the corresponding period in 2003. Trading in mortgage credit bonds depends, among other things, on the general interest rate level and, consequently, on to what extent the homeowners refinance their loans.

ENSURING A HIGH MARKET QUALITY

Copenhagen Stock Exchange is the central marketplace for Danish listed securities and the only Danish stock exchange. The aim of Copenhagen Stock Exchange is to create the best possible market quality and the best framework for trading in Danish securities.

Copenhagen Stock Exchange makes a state-of-the-art and efficient trading system available to the members and ensures an efficient and broad distribution of trading information. Information from the issuers is also distributed electronically to the market via the StockWise system.

Copenhagen Stock Exchange has established a reliable marketplace by making an efficient trading system available to local member firms as well as remote members. Among other things, the trading system has a functionality, which allows investors to have their orders automatically routed to the electronic order book via an exchange member. This functionality helps increase liquidity in Danish shares and allows investors to place their orders directly on the open stock market.

The listed companies shall continuously, via Copenhagen Stock Exchange, inform the market about potentially price-sensitive events. The disclosure requirements ensure that investors are always able to make informed investment decisions on the basis of accurate and timely company news.

Copenhagen Stock Exchange releases trading data including both pre-trade and post-trade information and company announcements in real-time to its redistributors and to other subscribers of these information services. Moreover, Copenhagen Stock Exchange makes this information available free of charge on its own website, though at a short delay of 15 minutes. This helps to ensure that the Danish stock market has an openness and transparency that characterises 'best practice' internationally.

To generate more openness about insiders' private transactions in their respective listed companies, individuals who by virtue of their position or work must be assumed to have access to inside information about a listed company are obliged immediately to notify the company concerned of their holdings and changes therein. The company shall inter alia continuously update a list of the individuals who have access to inside information.

When a company holds 2 percent of its own share capital, the company must notify the market via Copenhagen Stock Exchange. Subsequent changes in the shareholding shall also be notified to the market if such change accounts for 2 percent or more of the share capital.

Shareholders whose shareholding increases to at least 5 percent of the voting capital shall notify the market thereof. Subsequent changes in the shareholding shall also be notified to the market every time a limit, which is placed at 5 percent intervals, is crossed.

Also, pre-trade and post-trade information on bonds and derivatives listed on Copenhagen Stock Exchange is available free of charge at the Copenhagen Stock Exchange website, though at a delay of 15 minutes.

The bond market is split up into five main segments: Government Loans, International Organizations, Mortgage Credit & Special Institutions, Asset Backed Securities and Corporate Bonds.

The structured bond products are based on many different types of indices. The bonds are linked to shares, hedge funds, credit risk as well as fixed-income and currency. The far majority of the structured bonds are, however, linked up to the development in shares.

In 2003, Copenhagen Stock Exchange amended its rules and guidelines for the admission of bonds to listing. The amendments have simplified the procedures and shortened the processing period considerably for having a bond loan admitted to listing, down to as low as two days. It is thus very easy for existing issuers of bonds to have a bond prospectus approved and very easy to use bond programmes already approved by a stock exchange within the EU. The amendments have supported the positive development of bonds that require a prospectus, including corporate bonds and structured bonds.

Copenhagen Stock Exchange distributes key figures on the composition of the debtors and early redemptions of mortgage loans primarily to the professional market. This information contributes to ensuring a precise pricing of Danish mortgage credit bonds.

INTERNAL CONTROL AND RISK MANAGEMENT

Copenhagen Stock Exchange's internal control and risk management methods are intended to ensure efficient and profitable operations, reliable information and compliance with the rules, regulations and operating principles.

The results and balance sheets of Copenhagen Stock Exchange and FUTOP Clearing Centre are exposed to a limited number of financial risks.

The investment strategy and the use of financial instruments are regulated via the risk instructions approved by the Board of Directors of Copenhagen Stock Exchange and FUTOP Clearing Centre. The risk instructions stipulate what financial instruments may be used for hedging, the counterparties with whom transactions may be concluded as well as the risk profile. At the end of each quarter, the Board of Directors receives separate reports that follow up on the risk instructions for Copenhagen Stock Exchange and FUTOP Clearing Centre.

The foreign exchange risk is primarily composed of payments for the development and operation of the SAXESS trading system, which are invoiced in SEK and payments in NOK in connection with the IT co-operation with the Oslo Børs.

The budgeted payments are in general hedged by forward exchange contracts. For 2004, payments of SEK 25 m and NOK 8 m have been hedged.

The FUTOP Clearing Centre guarantees the performance of derivatives contracts and thus assumes the counterparty risk in the Danish derivatives market. To meet this risk, clearing members must maintain margin by way of collateral for financial commitments towards the Clearing Centre. Margin is calculated and charged each day by the FUTOP Clearing Centre.

IT security is in focus at Copenhagen Stock Exchange. Organizationally, the Management is responsible for data security. This responsibility is further embedded in the divisions of Copenhagen Stock Exchange. The data security manager and the head of the IT Department are in charge of the procedures relating to data security.

In addition to the internal functions, the security is also monitored by public authorities and an external systems auditor, who reviews data security on an annual basis. The external system auditor is reporting to the Board of Directors.

EMPLOYEES

An essential condition for Copenhagen Stock Exchange's success is the ability of the employees to have innovative thinking skills, professional expertise and drive.

Throughout 2003, Copenhagen Stock Exchange further embedded 'Our Values', which were developed and implemented in 2002, in the organization. This embeddedness of the values is a continuous process, which creates the corporate culture that retains and attracts skilled employees.

The average number of full-time employees in 2003 was 83 and for the period January–September 2004 the average number of full-time employees was 81. By the end of September 2004 the number of employees (headcount) was 86 and at the end of November 2004 the number of employees (headcount) was 90.

Skills development and employee satisfaction

The motivation of the employees depends to a high degree on the possibilities of skills development offered. Consequently, focus is on a structured and targeted development of the employees.

At the beginning of 2003, Copenhagen Stock Exchange implemented a new human resources system. Copenhagen Stock Exchange now registers skills and other information, which serve as the basis for the further efforts to render visible Copenhagen Stock Exchange's intellectual resources and the development hereof.

Surveys of the employees' satisfaction with the working conditions at Copenhagen Stock Exchange show a very positive attitude.

Management development and training

Managerial staff is offered structured management training organised in such a way that the managers acquire qualifications in the areas that support Copenhagen Stock Exchange's values and the development of the individual leader within defined areas.

Bonus schemes

In 2001, Copenhagen Stock Exchange introduced two cash bonus schemes. A general scheme, which covers the permanent staff, and a special scheme, which covers the Management, management employees on all levels and selected specialists. These schemes continued in 2004.

The two schemes combined released a total bonus cost of DKK 3.3 m, corresponding to 7 percent of the total costs relating to wages and salaries in 2003.

FINANCIAL SUMMARY FOR COPENHAGEN STOCK EXCHANGE GROUP

DKK m (unless otherwise stated)	Jan–Sept 2004 1)	2003	2002	2001
Income statement				
Total revenues	186	229	236	238
Operating expenses before depreciation	91	127	130	134
Depreciation	21	29	25	21
Operating income	74	73	81	83
Share in associated company	0	0	0	0
Net financial items	4	7	10	10
Income after financial items, before tax	78	80	91	93
Allocated (to)/from undistributable reserves	1	0	–1	–1
Net income	56	56	63	64
Balance				
Cash and short term investments	267	270	232	230
Total assets	396	480	441	426
Shareholders' equity	253	280	240	200
Undistributable reserves	55	56	56	55
Non-interest-bearing liabilities	67	123	125	155
Capital employed	253	280	240	200
Number of employees (full-time equivalent)	81	83	84	81
Investments and cash flow				
Total investments	23	30	41	38
It projects	21	29	35	34
Other investments	2	3	6	4
Capital reduction in associate	0	–2	0	0
Cash flow from operating activities	102	82	92	68
Ratios				
Operating margin before depreciation, percent	51	44	45	43
Operating margin, percent	40	32	34	35
Net margin, percent	30	24	27	27
Return on capital employed, percent	39	31	41	62
Return on equity incl. undistributable reserves, percent	23	18	23	29
Return on equity excl. undistributable reserves, percent	27	21	29	36
Equity excl. undistributable reserves/assets ratio, percent	64	58	54	47
Equity incl. undistributable reserves/assets ratio, percent	78	70	67	60
Key figures per share				
Earnings per share, DKK	185	140	157	160
Cash flow per share, DKK	255	206	230	169
Shareholders equity per share, DKK	634	701	601	500
Dividend per share, DKK	–	210	40	30
Number of shares	400,000	400,000	400,000	400,000

1) Unaudited figures

Source: Copenhagen Stock Exchange, annual reports 2003 and 2002

Definitions

- *Capital employed*
  Shareholders equity
- *Operating margin before depreciation*
  Total revenues less personnel expenses and other operating expenses as a percentage of revenues.
- *Operating margin*
  Operating income as a percentage of revenues.
- *Net margin*
  Net income as a percentage of revenues.
- *Return on capital employed*
  Income after net financial items, pre tax, plus financial expenses translated to reflect a full year as a percentage of average capital employed.
- *Return on equity excl. undistributable reserves*
  Net income translated to reflect a full year as a percentage of average shareholders' equity.
- *Return on equity incl. undistributable reserves*
  Net income translated to reflect a full year as a percentage of average shareholders' equity and average undistributable reserves.
- *Equity excl. undistributable reserves/assets ratio*
  Shareholders' equity as a percentage of total assets.
- *Equity incl. undistributable reserves/assets ratio.*
  Shareholders' equity and undistributable reserves as a percentage of total assets.
- *Cash flow per share*
  Cash flow from operations divided by number of shares.
- *Earnings per share*
  Net income translated to reflect a full year divided by number of shares.
- *Shareholders equity per share*
  Shareholders' equity divided by number of shares.

Comments on the financial development – Summary of the Board of Director's reports for the financial years 2003 and 2002

Financial performance in 2003

- The consolidated accounts for 2003 showed a profit after tax of DKK 55.5 m as against DKK 63.5 m in 2002, corresponding to a fall of 13 percent.
- Return on equity including undistributable reserves was 18 percent in 2003, down from 23 percent in 2002.
- In 2003, the operating margin before depreciation and amortisation was 44 percent, 1 percentage point lower than in 2002.
- Total revenues in 2003 amounted to DKK 229.2 m, a 3 percent reduction on 2002. Operating costs increased by 1 percent and came to a total of DKK 156.2 m in 2003.
- Total trading in shares and bonds, including trading in investment certificates on the stock market and the XtraMarked, amounted to DKK 7,357 bn, a rise of 16 percent on 2002. Turnover in futures and options increased by 43 percent to 769,000 contracts in 2003.
- In 2003, three major international finance houses became members of the equity market on Copenhagen Stock Exchange. The remote members, i.e. foreign members, increased their market share on the equity market from 15 percent in 2002 to 20 percent in 2003. Five members, based in Denmark, England, Finland and Sweden, chose to terminate their membership of Copenhagen Stock Exchange.

Financial performance in 2002

- The consolidated accounts for 2002 showed a profit after tax of DKK 63.5 m, down from DKK 64.9 m in 2001, corresponding to a fall of 2 percent.
- The profit was relatively unchanged compared with 2001, which is a consequence of a largely unchanged revenue and unchanged costs.
- Return on equity including undistributable reserves was 23 percent in 2002 compared with 29 percent in 2001. The operating margin before depreciation and amortisation rose from 43 percent to 45 percent in 2002.
- Total revenue came to DKK 236.2 m, a decrease of 1 percent on 2001. Total operating costs in 2002 amounted to an unchanged DKK 155.0 m, which shall be seen in the light of the change in accounting policies.
- Trading in securities grew by 3 percent compared with 2001 and amounted to DKK 6,340 bn, including trading in investment certificates on both the stock market and the XtraMarked. Furthermore, the number of traded derivatives contracts rose by 9 percent to just under 537,000. 16 companies were delisted in 2002 as opposed to 23 in 2001. By the end of 2002, a total of 201 companies were listed on Copenhagen Stock Exchange, of which eight were foreign.

Due to the adoption of a new Danish Financial Statements Act in 2002, financial figures for 2001 have been restated in accordance with the new standards. However, previous years have not been restated, consequently, financial performance for 2001 compared with 2000 has not been included here.

In 2001 the accumulated impact of the change in accounting policies for both the parent and the group implied an increase of the net profit for the year before tax of DKK 17.4 m. The year's tax on the change in policies amount to DKK 5.2 m, and the profit for the year after tax is increased by DKK 12.2 m. In 2001 the balance sheet total is increased by DKK 59.6 m while equity at 31 December 2001 is increased by DKK 56.9 m. There is a section in the annual report 2002 which describes the effect of the changes in accounting policy in 2002.

Fixed assets

The consolidated balance sheet totalled DKK 480 m as at 31 December 2003 (DKK 441 m in 2002). Copenhagen Stock Exchange's equity (including undistribuable reserve)/assets ratio increased to 70 percent, up from 67 percent in 2002.

Total book value of fixed assets as of end period (DKKm)	Jan–Sept 2004[1)]	2003	2002	2001
Intangible assets				
Rights	1.9	5.2	11.4	17.6
Completed IT projects	40.4	49.7	44.6	40.3
IT projects in progress	40.2	25.7	21.7	5.6
Property, plant and equipment				
Leasehold improvements	5.3	4.0	3.0	1.8
Fixtures and fittings, tools and equipment	2.0	2.7	4.0	3.4
Deposits	1.2	1.1	1.1	1.1
Investments in associates	0.3	0.5	2.3	2.3
Total	91.3	88.9	88.1	72.1

Source: Copenhagen Stock Exchange, interim report after the first nine monts 2004, annual reports 2003 and 2002
1) Unaudited figures

IT projects includes a few major projects. The increase in IT investment shall be seen in the light of the comprehensive renewal of the system portfolio. Furthermore, the intensified IT security level has resulted in increased costs for IT operation previously expensed as incurred.

Sensitivity analysis

Copenhagen Stock Exchange's profit fluctuations are, on a short-term basis, primarily dependent on the development of revenues since most of the overall costs are fixed costs or costs related to the security trading. Therefore, in the following sensitivity analysis, the sensitivity of profits has been analyzed solely through the sensitivity of revenues.

Copenhagen Stock Exchange's revenues primarily derive from listings and issues, trading and the sale of information products.

Revenues from listings, issues and trading

In January–September 2004, revenues from listings and issues accounted for 27 percent of the total revenues. The companies' issuance activities fluctuate over time. The listed companies' incentive to raise capital via the issuance of new shares is, among other things, affected by the level of interest rates. Revenue from the listing of companies is related to the market capitalization of the listed companies. A 10 percent change in the market capitalization has an impact of DKK +/– 0.7 m, calculated on the market capitalization at the beginning of 2004. Revenue from listed bonds is in a whole unaffected by the level of interest rates and thus the level of prices, but is primarily affected by the public sector borrowing requirement and the borrowing requirement of the issuers of mortgage credit bonds. However, the demand for issuance of new bond series is closely connected with the level of interest rates, among other things, as a consequence of the Danish tax rules. The volume of refinancing on the mortgage credit market is closely connected with changes in the level of interest rates, and refinancing results in new issues and trading.

In January–September 2004, revenues from trading activities accounted for 28 percent of Copenhagen Stock Exchange's total revenues. The majority derives from trading in shares and investment certificates. Those revenues are affected by the number of trades as well as the value of the trades. A 10 percent change in number of transactions has a 5 percent impact, calculated on transactions during third quarter 2004. A 10 percent change in value of the average daily equity trading volume would, on an annual basis (assuming an unchanged number of transactions) have a +/– approximately 8 percent impact, calculated on trading levels during third quarter 2004. Revenues from the bond market are only affected by the number of trades and by the number of members, who pay a fixed annual fee. Thus, revenues are, of course, dependent on the general trading activity on the securities market.

Revenues from market information
In third quarter 2004, revenues from the sale of market information accounted for 45 percent of total revenues. The sale of electronic real-time information to the professional market segment is the largest source of revenue, and this revenue is generated by relatively few customers.

The sale of electronic market information correlates, to a large extend, with the activity on the equity market in Denmark and the other European countries and the USA. However, any movements in the sale of electronic market information are seen at a certain time lag compared with movements in the equity markets.

The sale of services via the Internet and the sale of services related to the listed companies' investor relations activities together with StockWise products accounted for 13 percent of the sale of market information in third quarter 2004.

Events subsequent to the interim report for January–September 2004
Except from what has been described in this Prospectus, no material events have occurred since the publication of the latest interim report included in the Prospectus that may affect the Management's expectations for the performance of Copenhagen Stock Exchange.

BOARD OF DIRECTORS, MANAGEMENT AND STATUTORY AUDIT
To the extent possible, Copenhagen Stock Exchange observes the rules applicable to listed companies even though Copenhagen Stock Exchange is not a listed company.

This also applies to the recommendation to address the Nørby Committee's recommendations for corporate governance. The Nørby Committee's recommendations constitute a voluntary code for good corporate governance in Denmark.

Moreover, it is an ambition of Copenhagen Stock Exchange to live up to 'best practice' for stock exchanges in Europe. Therefore, Copenhagen Stock Exchange is currently compared with a number of selected European exchanges, both in terms of financial highlights, rules and regulations as well as liquidity.

Composition of the Board of Directors
The Board of Directors is composed of 11 members, of which four are elected by the employees of Copenhagen Stock Exchange. At the Annual General Meeting, the chairman of the board and the six members elected by the shareholders are elected for a period of one year, i.e. until the following Annual General Meeting. The chairman has been elected by the three main shareholder groups, e.g. members, issuers of bonds and issuers of shares.

The Board of Directors has not appointed any special committees.

The Board of Directors is not independent as the majority of the Board of Directors members have a significant strategic interest in Copenhagen Stock Exchange in addition to the shareholder interest. Six of the seven members elected by the General Meeting thus hold leading positions with major shareholders. Four are employed by member firms and two by issuers.

The Board of Directors is constantly aware of the potential conflict that may arise between the stakeholders' acts as customers on the one hand and as Board members elected by the shareholders on the other. Aspects of competence are especially in focus. Specific situations involving members and issuers are usually considered and decided by the Management. Significant questions of principle shall, however, be discussed with the chairman, who may decide that they shall be submitted to the whole Board of Directors.

Apart from the Board of Directors members elected by the employees there is no person-to-person dependence between the Board of Directors and the Management.

There is no dependence between those in charge of the day-to-day management of the company and external stakeholders.

FUTOP Clearing Centre is a wholly owned subsidiary of Copenhagen Stock Exchange. The Board of Directors of FUTOP Clearing Centre is identical to the Board of Directors of Copenhagen Stock Exchange, and the same management principles are applied by both companies.

Members of the Board of Directors of Copenhagen Stock Exchange

Hans Ejvind Hansen
Chairman of the Board
Born in 1942. Joined the Board in 1996 and to this date re-elected each year. Chairman of the boards of Freja Ejendomme A/S (Statens Ejendomssalg A/S), Copenhagen Capacity, Nykredit Invest and Specialforeningen ATP Invest. Deputy chairman of the board of Danmarks Statistik. Member of the Board of Directors of FIH Erhvervsbank A/S, Lønmodtagernes Dyrtidsfond and Novo Nordisk Fonden. Holds two shares in Copenhagen Stock Exchange.

Christian Clausen
Nordea AB, Head of Asset Management & Life and Member of Group Executive Management
Born in 1955. Deputy Chairman of Copenhagen Stock Exchange Board. Joined the Board in 1996 and to this date re-elected each year. Chairman of Nordea Life Holding A/S, Nordea Bank S.A. and Nordea Investment Management Bank A/S. Member of the Board of Directors of Værdipapircentralen A/S, Nordea Asset Management AB, Nordea Bank Sweden, Nordea Bank Denmark and Nordea Bank Finland.

Knud Christensen
Amagerbanken A/S, Managing Director and CEO
Born in 1947. Joined the Board in 2001 and to this date re-elected each year. Chairman of the Board of Directors of Bankernes EDB Central, BI Holding A/S, AB Finans A/S, Ejendomsselskabet AMAK A/S and Amager Øst Holding A/S and its subsidiaries. Deputy chairman of BI Management A/S, BI Asset Management Fondsmæglerselskab A/S, BI Technology A/S and Regionale Bankers Forening. Member of the board of Finanssektorens uddannelsescenter.

Carsten Heinild
Alfred Berg Bank A/S, Managing Director
Born in 1962. Joined the Board in 2002 and to this date re-elected each year. Member of the board of Børsmæglerforeningen.

Carsten Tirsbæk Madsen
BRFkredit a/s, Senior Executive Vice President and CFO
Born in 1962. Joined the Board in 2003 and re-elected in 2004. Member of the Board of Directors of BRFbank a/s and Ejendomsselskabet Nørreport 26 A/S.

Hans Munk Nielsen
TDC A/S, Senior Executive Vice President and CFO
Born in 1946. Joined the Board in 2000 and to this date re-elected each year. Chairman of the board of CMO-Fonden and its subsidiaries. Member of the board of Nordea Invest.

Henrik Normann
Danske Bank A/S, Member of the Executive Committee
Born in 1953. Joined the Board in 2004. Chairman of the Board of Directors of Danske Private Equities A/S and Danske Capital. Deputy Chairman of ISMA (International Securities Markets Association). Member of the Board of Directors of Fokus Bank A/S and Børsmæglerforeningen.

Poul Erik Egeberg
Copenhagen Stock Exchange A/S, Chief Advisor
Elected by the employees of Copenhagen Stock Exchange. Born in 1954. Joined the Board in 2003. Holds two shares in Copenhagen Stock Exchange.

Henning Kruse
Copenhagen Stock Exchange A/S, Account Manager
Elected by the employees of Copenhagen Stock Exchange Born in 1966. Joined the Board in 2003. Holds three shares in Copenhagen Stock Exchange.

Torben Olsen
Copenhagen Stock Exchange A/S, Senior Operations Manager
Elected by the employees of Copenhagen Stock Exchange Born in 1955. Joined the Board in 1999 and re-elected in 2003. Holds three shares in Copenhagen Stock Exchange.

Ellen-Margrethe Soelberg
Copenhagen Stock Exchange A/S, Communications Manager
Elected by the employees of Copenhagen Stock Exchange Born in 1952. Joined the Board in 2003. Holds three shares in Copenhagen Stock Exchange.

Management of Copenhagen Stock Exchange

Hans-Ole Jochumsen
President and CEO, Master of Economics
Born in 1957. Member of the Board of Nordic Exchanges A/S.
Holds three shares in Copenhagen Stock Exchange.

Jan Ovesen
CFO, Master of Economics, with special responsibility for Financial Control and Management Services, Fixed Income, Derivatives and Market Research.
Born in 1958. Holds three shares in Copenhagen Stock Exchange.

Senior Officers

Poul Erik Skaanning-Jørgensen
Senior Vice President, Master of Laws
Secretariat.
Born in 1946. Holds three shares in Copenhagen Stock Exchange.

Erik Bruun Hansen
Senior Vice President, Master of Laws
Listing & Surveillance.
Born in 1953. Holds three shares in Copenhagen Stock Exchange.

Peter Belling
Senior Vice President, Master of Economics
Equities & Investment Funds and Market Data.
Born in 1958. Holds three shares in Copenhagen Stock Exchange.

Claus Bjerg
Senior Vice President, Executive MBA
IR Products and IT.
Born in 1961. Holds three shares in Copenhagen Stock Exchange.

Linda Rath-Michaelsen
Senior Vice President, Master of Laws
Human Resources, Marketing, Communications and In-house Services.
Born in 1958. Holds three shares in Copenhagen Stock Exchange.

Remuneration

In addition to a fixed annual salary, which is deemed to be at an appropriate level, the day-to-day management may obtain a bonus according to a bonus scheme, which was introduced in 2001. The scheme covers management employees at all levels, including the Management. The size of the bonus depends on several criteria: the profit for the year, interpersonal skills as well as the achievement of personal goals.

In 2003, the scheme to the Management released DKK 584,000.

No incentive schemes have been introduced to the Board of Directors, whose remuneration is at an appropriate level considering its duties and performance.

The service contracts of the Management comprise the usual provisions on severance pay and term of notice.

Auditors

KPMG C.Jespersen Statsautoriseret Revisionsinteressentskab has audited the latest annual reports of Copenhagen Stock Exchange as well as FUTOP Clearing Centre.

The Board of Directors and the Management are responsible for the annual report. The auditing firm KPMG C.Jespersen Statsautoriseret Revisionsinteressentskab, represented by State-authorised Public Accountant Birger Kjerri Hansen and State-authorised Public Accountant Søren Thorup Sørensen shall express their opinion on the annual report based on their audit.

Related party transactions

As of the date of this prospectus, no transactions, except for inter-company transactions, which have been eliminated on consolidation, ordinary remuneration to the management and employee shares as well as general bank transactions were made with the Board of Directors and the Management, management employees, major shareholders or other related parties.

Regarding transactions between Copenhagen Stock Exchange and FUTOP Clearing Centre reference is made to "Appendix B, Financial Information – Copenhagen Stock Exchange – Annual Report 2003".

Copenhagen Stock Exchange manages all administrative functions for the associated company, NOREX, which does not have its own employees or own offices. As consideration the Nordic Exchanges pays the actual costs borne by Copenhagen Stock Exchange in connection with the performance of the administrative functions. The consideration payable for 2003 amounted to DKK 82,000 (2002: DKK 115,000).

CERTAIN CORPORATE INFORMATION

Company name

The name of the company is Københavns Fondsbørs A/S, in English Copenhagen Stock Exchange A/S.

Registered office

The registered office of the company is the Municipality of Copenhagen.

Objects

According to article 3 of the company's Articles of Association, the object of the company's operations is to engage in stock exchange activities and other related activities. Such securities as are at all times governed by the Danish Securities Trading Act and which qualify for listing may be admitted to listing by the company.

Share capital

The share capital of the company is DKK 40,000,000, divided into 400,000 shares of DKK 100 each or multiples thereof.

Undistributable reserves

The undistributable reserves of Copenhagen Stock Exchange and FUTOP Clearing Centre were established in connection with the conversion into limited companies in 1996 and 1997 respectively. They correspond to the value of the net assets of the two entities at the time of conversion plus the annual allocation since then.

The establishment and the purpose of the reserves including the distribution of funds to the reserves and the use of the reserves are regulated in the Danish Security Trading Act section 101 to 103.

For each of the companies, 10 percent of the profit for the year which is not applied to cover losses from prior years shall be transferred to the reserve. However, such transfer shall not exceed the interest on the reserve which corresponds to the minimum interest rate fixed by the Minister for Taxation less a pro rata share of the corporate tax for that year.

The undistributable reserves may be applied to absorb losses which are not covered by amounts which may be distributed by way of dividend.

In case of the winding up of the company, the undistributable reserves shall go to stock exchange business related purposes or clearing business related purposes respectively.

By transfer of the limited company's assets and liabilities to one or more limited companies which carry on stock exchange business, securities clearing business or registration (book-entry) business, the continuing company shall take over the fund reserve on the same terms as applied until such transfer.

Board of Directors

The Board of Directors comprises seven members elected by the General Meeting. The General Meeting elects one of the members of the Board of Directors as chairman. The board elects a vice chairman from among their number.

Board of Directors members elected by the Annual General Meeting shall retire at the following Annual General Meeting, but are eligible for re-election.

Under the provisions of the Danish Companies Act, the employees of the company are entitled to elect four employee board members.

Financial year

The financial year of the company is the calendar year.

Other information

The company is incorporated as a limited liability company subject to Danish law.

The company's Articles of Association were last amended at the Ordinary General Meeting on 16 April 2002.

The company's shares are registered with the VP.

The registered company address is Nikolaj Plads 6, PO Box 1040, 1007 Copenhagen K, Denmark.

SHARES, SHARE CAPITAL AND SHAREHOLDER STRUCTURE

Copenhagen Stock Exchange is an unlisted limited company. The share capital amounts to DKK 40 m. There is one share class, in which 400,000 shares of DKK 100 have been issued. All shares enjoy the same rights.

The shares are negotiable securities with the limitations that follow from not being a listed company.

In connection with the conversion of Copenhagen Stock Exchange into a limited company three shareholders' agreements were concluded:

- a main shareholders' agreement covering all shareholders (the group I shareholders' agreement)
- a shareholders' agreement covering the bond issuing shareholders (the group II shareholders' agreement)
- a shareholders' agreement covering the majority of the share issuing shareholders (the group III shareholders' agreement).

In 1998 the three shareholder groups concluded an amendment to the main shareholders' agreement.

All three shareholders' agreements are binding and interminable until otherwise agreed by a majority of shareholders. The majority requirement for amending or cancelling all three shareholders' agreements is (i) more than 50 percent of group I shareholders, (ii) more than two thirds of group II shareholders, and (iii) more than 50 percent of three sub-groups of group III shareholders.

On 10 December 2004 and with the majority indicated above, the shareholders have agreed to cancel all three shareholder agreements subject only to the combination of Copenhagen Stock Exchange and OMX.

At 30 November 2004, Copenhagen Stock Exchange had 265 shareholders registered.

At 30 November 2004, the following shareholders, stated on group basis, held more than 5 percent of the share capital in Copenhagen Stock Exchange:

Shareholder	Ownership interest, percent
Danske Bank Aktieselskab	13.9
Nordea AB	11.4
Nykredit A/S	11.2
ABN AMRO Bank NV	6.9
A.P. Møller-Mærsk A/S	6.4
Sydbank A/S	5.5

Own shares

In 2003, Copenhagen Stock Exchange acquired a total of 29 of its own shares of nominal value of DKK 100 as against 5,859 in 2002. At the end of 2003, Copenhagen Stock Exchange held 1.4 percent of the total share capital corresponding to 5,700 shares. As of the date of this Prospectus, Copenhagen Stock Exchange holds 5,645 own shares.

At the Annual General Meeting in April 2004, the company was empowered to acquire own shares corresponding to up to 10 percent of the share capital within the following year. The empowerment to acquire own shares is based on a number of factors. Acquisitions of own shares will facilitate trading in the company's shares and will also make it possible for the company to hold a portfolio which may be used in connection with a potential take-over or consolidation and in connection with any allotment of employee shares or to cover share-based incentive schemes.

Dividend policy and dividend payment

In 2001, the company adopted a dividend policy based on a pay-out ratio in the region of 20–30 percent of the shareholders' share of the profit for the year. In 2003, an analysis of the company's capital requirements and structure resulted in a review of this policy.

Thus, in April 2004, the Board of Directors recommended that DKK 84 m be paid in dividend for 2003, corresponding to DKK 210 per share compared with DKK 40 per share in 2002.

The dividend for 2003 comprised an ordinary distribution of dividend as well as a one-off payment. In accordance with the revised dividend policy an ordinary dividend of DKK 85 per share, or DKK 34 m in total, was distributed for

2003. This corresponds to a pay-out ratio of 61 percent. The Board of Directors, moreover, recommended that a one-off dividend of DKK 125 per share, or DKK 50 m in total, be paid. The proposal was adopted by the Annual General Meeting in April 2004.

Investor relations

Copenhagen Stock Exchange provides open, objective and detailed information about the group's financial results and strategic initiatives. A central goal of the information policy is to ensure all stakeholders equal and simultaneous access to all published information. The website, www.cse.dk, is the shareholders' primary source of information. The Annual General Meeting 2003 was thus webcast live in sound and picture at www.cse.dk.

Through an open dialogue with the shareholders and other stakeholders, Copenhagen Stock Exchange seeks to create the best possible organization of the marketplace Copenhagen Stock Exchange.

Since 1996, all stakeholders have been able to download all annual reports, and since 2000 also all interim reports from Copenhagen Stock Exchange website.

Press releases for the last five years are also available at www.cse.dk. All investor-relevant information is published in Danish as well as in English. The annual report is sent by mail to all registered shareholders.

OTHER INFORMATION

Significant agreements

Copenhagen Stock Exchange has several information technology service and licence agreements with different providers that are important for the current business operations.

The most significant agreements of Copenhagen Stock Exchange are entered into with OMX Technology on different systems, e.g. operation and development of the SAXESS trading system. Moreover, Copenhagen Stock Exchange has two significant agreements with the Oslo Børs on operation and development of the Copenhagen Stock Exchange website, DWH (datawarehouse) and index calculation. For the latter agreements notice of termination has been given from Copenhagen Stock Exchange.

In its business operations, Copenhagen Stock Exchange uses third party licences and other intellectual property rights owned by third parties in accordance with the respective agreements concerning their use.

Real property and principal place of operations

Copenhagen Stock Exchange does not own any real property. The office premises, which are located in the heart of Copenhagen, are leased and the tenancy may be terminated on the giving of 24 months' written notice.

Significant shareholdings and investments

Please see Section "Copenhagen Stock Exchange – Shares, Share Capital and Shareholder Structure".

Pension schemes

Pension payments and benefits of Copenhagen Stock Exchange are based on collective agreements. Copenhagen Stock Exchange has arranged pension insurance coverage through an insurance company for its personnel. The company does not have any significant additional pension arrangements.

Insurance

Copenhagen Stock Exchange has insurance coverage that is adequate with respect to the risks arising from its operations. The programme covers professional indemnity insurance, crime insurance and an insurance policy covering management's liability. The insurance policies also cover the company's delegated duties. For further information on the delegated duties, please see Section "Copenhagen Stock Exchange – Authorizations, supervision and regulatory framework – Delegation from the Danish Securities Council". Moreover, the company has taken out the customary insurance policies for businesses operating within the financial sector in Denmark, viz. employee and health insurance policies, etc.

Intellectual property rights

In its business operations, Copenhagen Stock Exchange owns licences, which enable the company to use intellectual property rights owned by third parties, in accordance with respective agreements concerning their use.

Copenhagen Stock Exchange also holds certain intellectual property rights such as registered names and trademarks, including logos.

Legal disputes

Copenhagen Stock Exchange is not involved in any legal disputes or arbitration proceedings, which have, or have lately had, a significant effect on the financial position.

AUTHORISATIONS, SUPERVISION AND REGULATORY FRAMEWORK

Copenhagen Stock Exchange is authorised to carry on stock exchange business and is under the supervision of the Danish Financial Supervisory Authority. Stock exchange business is regulated under the Danish Securities Trading Act.

Copenhagen Stock Exchange regulates and monitors the markets and the market players pursuant to the provisions of the Danish Securities Trading Act and the Executive Orders. Moreover, Copenhagen Stock Exchange issues supplementary rules detailing the said provisions governing the operation of the market, e.g. reporting rules and disclosure requirements.

Delegation from the Danish Securities Council

In 2003, a number of duties as laid down in the Danish Securities Trading Act and the Executive Orders, which have previously been performed by Copenhagen Stock Exchange, were transferred to the Danish Securities Council, an independent collegiate council which shall be instrumental in promoting a smooth and efficient Danish securities market.

The duties include

- Approval of prospectuses
- Observing that the disclosure requirements are met by the issuers of securities and the already listed companies
- Observing that the takeover rules are obeyed by the already listed companies
- Observing that members and non-members comply with the reporting obligation regarding off-exchange trading

However, an executive order delegated the duties back to Copenhagen Stock Exchange.

An agreement between Copenhagen Stock Exchange and the Danish Securities Council lays down the guidelines for the delegation.

In practice, Copenhagen Stock Exchange performs the same duties as before, only now on behalf of the Danish Securities Council. The delegation means that Copenhagen Stock Exchange is subject to the current rules of the administrative law regulating instructions, representation etc., access to information, consultation procedure, reasons and complaints procedures as well as the provisions of the Danish Act on Public Access to Documents in Administrative Files in force from time to time.

Supervision

Copenhagen Stock Exchange and the FUTOP Clearing Centre are subject to the Danish Securities Trading Act, which lays down a number of requirements as to the operation of stock exchange and clearing business. Copenhagen Stock Exchange and the Clearing Centre are under the supervision of the Danish Securities Council and the Danish Financial Supervisory Authority.

The Securities Council regulates the marketplace. The Financial Supervisory Authority is responsible for the supervision of solvency and the companies on the securities market, including Copenhagen Stock Exchange and the FUTOP Clearing Centre.

Securities markets

Set forth below is a summary of certain information concerning the Swedish and Danish securities markets and certain provisions of Swedish laws and Danish laws as well as Swedish and Danish securities market regulations, respectively, in effect on the date of this Prospectus. Such summary is qualified in its entirety by reference to Swedish and Danish laws and Swedish and Danish securities market regulations, respectively.

THE SWEDISH SECURITES MARKET

Trading system

Stockholm Stock Exchange is an authorized securities exchange in accordance with the Swedish Securities Exchange and Clearing Operations Act and is subject to regulation by the SFSA. The Swedish Securities Exchange and Clearing Operations Act regulates the Swedish securities markets and the SFSA implements this regulation and supervision. Please see Section "OMX – Authorizations, supervision and regulatory framework – Sweden – Authorizations".

During 1990, Stockholm Stock Exchange became a fully electronic marketplace since trading on the SAX (Stockholm Automated Exchange System, a computerized order-matching system, renamed SAXESS™) was extended to comprise all of the Swedish shares traded on Stockholm Stock Exchange and the new paperless account-based security system, administered by VPC, was introduced in full scale. Member firms of Stockholm Stock Exchange are able to operate from an optional geographic location via advanced data communications. Brokers' representatives are able to trade via network stations that have been developed by Stockholm Stock Exchange or via their own electronic data processing systems that are linked to SAXESS™.

Trading in shares on Stockholm Stock Exchange is conducted on behalf of clients by banks and brokerage firms. While banks and brokers are permitted to act as principals in trading both on and off Stockholm Stock Exchange, they generally engage in transactions as agents.

Each trading day on Stockholm Stock Exchange begins with an open morning call and ends with an open closing call. At 8:45 a.m. (CET) an open call procedure begins for all shares simultaneously, preceding the commencement of trading at 9:00 a.m., when the first share is assigned its opening price and then becomes subject to continuous trading. After approximately eight minutes, at 9:08 a.m., the opening prices for all of the shares have been established and trading continues at prices based on market demand until closing call at 5:20 p.m. The closing call ends at 5:30 p.m., which is the official closing time of Stockholm Stock Exchange. Buy and sell orders are registered in SAXESS™ in round lots corresponding to SEK 10,000 on the O-list and SEK 20,000 on the A-list and odd lots are matched separately at the last price for round lots.

In addition to official trading on Stockholm Stock Exchange, there is also trading off Stockholm Stock Exchange during and after official trading hours. Trades of 20 round lots or less shall be made in the SAXESS system. Trades exceeding 20 round lots can be made as manual trades outside the SAXESS system. Trades in excess of 250 round lots do not need to be made within the spread (for units in Funds 500 round lots). Trades after the official trading hours of Stockholm Stock Exchange must normally be carried out at a transaction price that lies within the spread that appears in SAXESS™ at the time of the closing. If there are no orders in SAXESS™ at that time, the trade may be effected at a price that otherwise reflects the market situation at that time. If the market situation changes after the closing of SAXESS™, trades may be effected outside the spread, provided that it can be shown that the transaction price reflected the market situation prevailing at the time of the trade. Trading on Stockholm Stock Exchange tends to involve a higher percentage of retail clients, while trading off exchange often involves larger Swedish institutions, banks arbitrating between the Swedish market and foreign markets and foreign buyers and sellers purchasing shares from or selling shares to Swedish institutions.

The regulatory system governing trading on and off Stockholm Stock Exchange is intended to provide transparency and equality of treatment. All trades on Stockholm Stock Exchange are made through SAXESS™ to Stockholm Stock Exchange, which records information on the banks and the brokers involved, the issuer, the number of shares and the price and the time of the transaction. Each bank or broker is required to maintain records indicating trades carried out as agent or as principal. All trades off Stockholm Stock Exchange by or through members of Stockholm Stock Exchange must be reported to Stockholm Stock Exchange within five minutes, unless they are effected after 5:20 p.m.

Trades after 5:20 p.m. must be reported no later than 15 minutes prior to the opening of the next trading day. All trading information reported on Stockholm Stock Exchange is publicly available. Stockholm Stock Exchange also maintains a Market Surveillance Department with a specific group that reviews trading during the day on a "real time" basis, as described below.

The Market Surveillance Department continually examines information disseminated by listed companies. Accordingly, information such as earnings reports, acquisitions and other investment plans, and changes in ownership structure, is reviewed on a daily basis. The listed companies are obliged to reveal non-public price sensitive information to the Market Surveillance Department. When the Department has received such information it monitors trading in the shares concerned to ascertain if unusual trading activity develops that indicates that individuals may be trading on such information. If this is the case, the Department contacts the issuer to ensure that the information is made public as soon as possible. In some cases there could also be reasons to refer the matter to the SFSA for further investigation.

Disclosure of interests and insider regulations

Pursuant to rules from the NBK, any seller or purchaser of shares, convertible debt instruments, certain other financial instruments, options, futures and certain other non-standardized instruments of a Swedish company listed on Stockholm Stock Exchange (or any other Swedish securities exchange or authorized marketplace) is required to report to the company and to Stockholm Stock Exchange (or other relevant securities exchange or authorized marketplace) transactions as a result of which the purchaser becomes the owner of 5 percent or more of either the voting rights or the number of shares in the company, or if the seller's holding falls below this threshold. The same requirement applies for each multiple of 5 percent of the votes or shares that the purchaser or seller reaches, exceeds or falls below, i.e. 10, 15, 20 percent etc., up to and including 90 percent. In addition, these changes in ownership must be publicly disclosed by the purchaser or seller by notifying a recognized news agency and a nationally published daily newspaper. Pursuant to the NBK rules, such notifications must be made at the latest by 9:00 a.m. on the next business (securities exchange) day after the transaction was made.[1)] For the purpose of the NBK rules, transactions in shares and other relevant instruments made by certain related individuals or enterprises or certain parties acting in concert must be included when calculating the relevant holding of the purchaser or seller.

Under the Financial Instruments Trading Act *(lagen (1991:980) om handel med finansiella instrument)*, any person who has acquired or transferred shares in a Swedish company that has issued shares which are listed on a securities exchange situated or operating in a country within the European Economic Area or which, although not listed, are quoted on a securities exchange or an authorized marketplace in Sweden, must within seven days of the acquisition or transfer report the transaction in writing to the company and to Stockholm Stock Exchange or other relevant securities exchange or authorized marketplace where shares in the company are quoted (or, if the shares are listed on an exchange outside Sweden, to the SFSA) if the acquisition results in the purchaser's percentage of the voting rights for all shares in the company reaching or exceeding any of the thresholds of 10, 20, 33 1/3, 50 and 66 2/3 percent or if the transfer results in the seller's percentage of the voting rights for all of the shares in the company falling below any of the above-mentioned thresholds. For the purpose of the Financial Instruments Trading Act, transactions in shares made by certain related individuals or enterprises or certain parties acting in concert must be included when calculating the relevant holding of the purchaser or seller.

The Swedish Act on Reporting Obligations for Certain Holdings of Financial Instruments *(lagen (2000:1087) om anmälningsskyldighet för vissa innehav av finansiella instrument)* requires individuals who own shares representing ten percent or more of the outstanding share capital or voting rights in a Swedish company quoted on Stockholm Stock Exchange or any other Swedish securities exchange or authorized marketplace, to report such ownership and changes in such ownership to the SFSA, which keeps a public register based on the information contained in such reports. In this regard, shares held by certain closely related persons and by certain entities are to be treated as the purchaser's or

1) The opening time of Stockholm Stock Exchange recently changed from 9:30 to 9:00 a.m. Disclosures with respect to shares listed on Stockholm Stock Exchange should therefore be made no later than 8:30 a.m.

the seller's own shares. In addition, individuals who hold an insider position in such a company are required to file corresponding reports. For further information on reporting obligations applicable to certain of OMX's employees, please see Section "OMX – Authorizations, supervision and regulatory framework – Sweden – Reporting obligations".

The Swedish Insider Penal Act *(insiderstrafflagen (2000:1086))* provides sanctions against insider trading. The insider trading rules are enforced by the SFSA, and the Market Supervision Unit of Stockholm Stock Exchange reviews trading data for indications of unusual market activity or trading behaviour.

Certain types of agreements in connection with financial instruments trading, such as fictitious transactions or transactions aiming to withdraw financial instruments from public trading, if entered into with the intention of improperly influencing the market price of these instruments, constitute a criminal offence under the Insider Penal Act. Similarly, other measures taken with a view to improperly influence the market price constitute a criminal offence. Market manipulation may also constitute fraud or swindle under Swedish law. However, as previously described, trading data is recorded as to all securities and derivative transactions relating to listed securities and data related to trading activity is subject to supervisory review by the SFSA. This provides an enforcement mechanism for reducing market manipulation. The SFSA may cause the operating license of a bank or brokerage firm to be revoked if the bank or broker has engaged in improper conduct. Improper conduct can also include behaviour constituting market manipulation.

Registration process

The shares of OMX are registered in the account based security system of VPC, and the register of shareholders of OMX is kept by VPC. VPC is an authorized CSD under the Swedish Act on Registration of Financial Instruments *(lag (1998:1479) om kontoföring av finansiella instrument)* and carries out, among other things, the duties of registrar for Swedish companies listed on Stockholm Stock Exchange.

VPC keeps a paperless share registration system. Share certificates in OMX are not issued. Title to shares is ensured only through registration with VPC.

In accordance with Swedish law and practice and the regulations of VPC:

- Only one person is normally registered as the holder of a share. Joint holders are not usually recorded in the VPC register. Shareholders may be entered in the register in the name of the beneficial owner or in the name of the person designated as nominee for the beneficial owner. In the latter case, a notation is made in the register to the effect that the nominee is holding the share(s) in such capacity. There is also a separate register maintained by VPC to record the names of persons who have other interests in respect of shares, such as the interest of a pledge.
- Where the registered holder is a nominee, the nominee receives, on behalf of the beneficial owner, dividends and, on capital increases, shares as well as rights in respect of shares such as in relation to a rights issue or a bonus issue. Dividends are remitted in a single payment to the nominee. That nominee is then responsible for the distribution of such dividends to the beneficial owners. A similar procedure is used for share issues.
- Specific authority to act as a nominee must be granted by VPC.
- A nominee is required to file a report with VPC with regard to any holding on behalf of a single beneficial owner in excess of 500 shares in one company. A list containing this information must be open to public inspection and must reveal the name of the beneficial owner but need not reveal the name of the nominee in whose name the shares have been registered. The beneficial owner must reveal its name if it wishes to vote at a General Meeting, since a holder must have its nominee-held shares re-registered in its own name on the tenth day prior to the General Meeting (the record day).
- The rights attached to shares that are eligible for dividends, rights issues or bonus issues accrue to those persons whose names are recorded in the register of shareholders on a particular day (the record day). Dividends are paid to an account designated by the shareholder or, in the absence of an account, sent to the shareholder at the address registered with VPC.

THE DANISH SECURITIES MARKET

Copenhagen Stock Exchange is the only stock exchange in Denmark. As of 30 November 2004, 186 companies, with a total market capitalization of DKK 844 bn, were listed on Copenhagen Stock Exchange, compared to a total market capitalization of DKK 718 bn as of end 2003.

Total share trading volume during the period January–November 2004 was DKK 539 bn, equivalent to a daily average of DKK 2.3 bn. In 2003 total share trading volume was DKK 416 bn, equivalent to a daily average of DKK 1.7 bn.

Regulation of the Danish securities market

The Danish Securities Trading Act provides for the regulation and supervision of the Danish securities market and market participants.

The Danish Securities Trading Act prescribes that all securities transactions must be carried out fairly and in conformity with good securities trading practices and contains specific regulations with respect to company and shareholder disclosure obligations, admission to listing and trading of listed securities, public takeovers and insider registers, and prohibitions against abuse of inside information and price manipulation, among other things.

The Danish Securities Trading Act specifies minimum disclosure requirements for companies applying for listing on Copenhagen Stock Exchange or making a public offering of securities in Denmark. The information provided must be sufficient to enable investors to make a sound evaluation of the security being offered and the company issuing the security. Companies listed in Denmark have a continuing obligation to publish regular financial information, and to inform the market of any matters likely to have a material impact on the value of their securities. With respect to OMX's disclosure obligations in Denmark, please see Section "Listing of OMX's shares on Copenhagen Stock Exchange".

Pursuant to the Danish Securities Trading Act, the Securities Council establishes the general overall regulation of the market and monitors the market's functioning. The DFSA functions as secretariat for the Securities Council.

Ongoing disclosure obligations

Listed companies shall immediately publish any information regarding essential aspects that are likely to lead to movements in the prices of their securities. In order to ensure that all users of the market have simultaneous access to essential information about the company and thus a basis on which to make an informed assessment of the listed securities, all information shall immediately, and at least simultaneously with any other publication, be communicated to Copenhagen Stock Exchange. The company is responsible for the observance of the disclosure requirements.

All companies must publish a preliminary announcement of the annual results and/or an annual report. All companies must also publish an interim report concerning the activities and results for the first six months of each financial year. Moreover, Copenhagen Stock Exchange considers it best practice that the companies publish interim reports for the first three and nine months, respectively, of each financial year. In addition, the companies must inform the market of the outcome of their General Meetings. Finally, the companies must publish a financial calendar each year containing the expected dates of publication of preliminary announcements of results and the holding of General Meetings.

Disclosure of interests

A person who holds shares in companies listed on Copenhagen Stock Exchange has an obligation to notify the Exchange when a shareholding constitutes at least 5 percent of the voting capital or when the face value of the shares amounts to at least 5 percent of the total share capital of the company. Subsequent changes in a shareholding shall also be notified to the market every time a limit, which is placed at 5 percent intervals from 10 percent to 100 percent, is crossed. If a shareholder ceases to hold at least 5 percent of the votes/capital, he must equally notify the market thereof. Announcements of major holdings shall be reported immediately, i.e. on the trading day or the day on which an ownership is changed or established.

Transfer of a controlling interest

If a shareholding in a company that has one or more share classes admitted to listing on Copenhagen Stock Exchange is transferred, the transferee must not later than four weeks after the transfer give all shareholders a chance to dispose of all their shares on identical terms, if the transferee

- will be holding the majority of votes
- will be entitled to appoint and remove the majority of the members of Board of Directors
- will acquire a controlling interest due to the Articles of Association or other agreements
- will be holding the majority of votes due to a shareholders' agreement or
- will acquire a controlling interest and will be holding more than a third of the voting rights.

The transferee must prepare and publish an offer document with information on the financial, etc terms of the offer, including the deadline for the acceptance of the offer and other material information necessary for the shareholders to make an informed assessment of the offer. An offer document containing the same type of information must be prepared in situations where a voluntary bid is submitted.

Trading and settlement on Copenhagen Stock Exchange

Trading on Copenhagen Stock Exchange is conducted by authorised firms, consisting of major Danish and foreign banks and other securities brokers, as well as certain mortgage credit institutions and the Danish Central Bank.

In 1998, the Copenhagen and Stockholm stock exchanges entered into an agreement concerning a joint trading system for equities, SAXESS, which was introduced 21 June 1999.

SAXESS is an order-driven trading system. Bids and offers are automatically matched to generate trades when price, volume and order conditions are met. SAXESS continuously broadcasts every change in the market. The information is displayed in real time in the form of order books, market summaries, concluded trades, index information and reports of different kinds. Most of the trading occurs in the so-called round lot market. In order to maintain an efficient market also for small orders, a specific odd lot market has been developed in SAXESS. With few exceptions, the odd lot market has the same functions as the round lot market. The two markets are integrated in such a way that the remaining odd lot portion of a larger order is automatically moved to the odd lot market if orders volume should reach below that of a round lot. Trades can also be generated between round lot orders and odd lot orders. The SAXESS system for equities trading operates in Denmark between 9.00 a.m. and 5.00 p.m. weekdays. Before the continuous trading begins, there is an opening call session for the purpose of fair opening prices. After the opening prices have been presented, the continuous trading begins.

Market surveillance

Market Surveillance on Copenhagen Stock Exchange is responsible for oversight of all trading activities on Copenhagen Stock Exchange. Market Surveillance ensures that market principles, best execution rules and insider rules, etc are being fairly observed. In the case of abusive and manipulative trading practices, or suspicion of violative trading patterns, the Market Surveillance unit takes the necessary steps to investigate the particular case and, if need be, to stop the activity. If it cannot be ruled out that the statutory regulations or the rules of the Exchange have been violated, the case may be referred to the Danish Financial Supervisory Authority, which may subsequently report the violation to the police.

The Danish book-entry securities system

Danish financial institutions, such as banks ("account-holding banks"), are authorized to keep accounts for each specific investor at VP. All Danish shares listed on Copenhagen Stock Exchange are "non-certificated" and registered by computer at VP. The account is held through the account holding bank. The "account-holding bank" has the exclusive right to make transactions and registrations on these accounts. Registration of new shares issued is free of charge to the investor.

Shares may be registered in the name of the holder through the "account-holding bank". Anonymity may be retained under this system by appointing a nominee as account-holder.

Settlement in connection with trading on Copenhagen Stock Exchange normally takes place on the third business day after effecting a sale or purchase transaction. Unless otherwise arranged, VP or the "account-holding bank" sends a statement to the name and address recorded in VP showing the amount of shares held by it, which provides the holder with evidence of his/her rights. The shares may also be settled through the clearing facilities of Cedel Bank and Euroclear.

Listing of OMX shares on Copenhagen Stock Exchange

Subject to the completion of the Offer, an application will be made to Copenhagen Stock Exchange to list the OMX shares on Copenhagen Stock Exchange. The listing of the OMX shares on Copenhagen Stock Exchange is subject to the approval of the DFSA and the intention is that trading in OMX shares on Copenhagen Stock Exchange shall begin on or about 16 February 2005. The OMX shares to be issued as consideration for the tendered Copenhagen Stock Exchange shares will be traded on Copenhagen Stock Exchange.

General Meetings

In order to be entitled under Swedish law to participate in and vote at a General Meeting in OMX, the shareholder must be registered in the shareholder's own name in OMX's share register maintained by VPC on the record date for the General Meeting. The record date for the General Meeting is the date that is ten calendar days before the General Meeting. Consequently, in order to be entitled to participate in and vote at the General Meeting, holders of VP-registered OMX shares must on the record date for the General Meeting be temporarily registered in OMX's share register maintained by VPC. OMX's notice convening a General Meeting will include general information on these matters. In addition to registration for voting purposes, a notification by the shareholder regarding its participation in the General Meeting shall also be made pursuant to the instructions given by OMX in the notice convening such a General Meeting. Please see also Section "OMX – Shareholders' rights – General Meetings of shareholders".

Corporate actions

With respect to a corporate action relating to OMX securities (such as a share split or a share issue) the time schedule and method of execution thereof is carried out by VPC in accordance with Swedish law and practice.

Danske Bank A/S maintains a share register in respect of the identities of the beneficial shareholders registered in VP and their beneficial interest with respect to the OMX shares, not including those beneficial shareholders who have elected to be anonymous.

To the extent possible under Danish law and practice, Danske Bank A/S carries out corporate actions with respect to VP-registered OMX securities as VPC carries out corporate actions with respect to VPC-registered OMX securities. As a result, the processing of corporate actions for holders of VP-registered OMX securities may deviate from that of holders of VPC-registered OMX securities.

Dividends

In case of VP-registered OMX shares, the holder of such shares that is registered in the Danish book-entry system on the dividend record date will be entitled to any cash dividend payments made.

Payment of cash dividends on VP-registered OMX shares will be received in SEK by Danske Bank A/S as nominee holder of the VP registered OMX shares. Danske Bank A/S will exchange the payments in the foreign exchange markets and forward the payments in DKK to VP. VP shall distribute the dividend payments to the respective holders of VP-registered OMX shares. The OMX shareholders that have VP-registered OMX shares will receive any cash dividends at the same date as the OMX shareholders that have their shares directly registered at VPC.

Dividends paid by OMX may be subject to Swedish or other taxation. For a further discussion of the possible tax consequences, please see Section "Taxation".

Taxation

The following contains a general description of the tax consequences of the exchange of shares, disposal of shares and the subsequent ownership or disposition of OMX shares. The description that is intended as general information only is based on the tax laws of Denmark and Sweden and the Nordic tax treaty for the avoidance of double taxation in effect on the date of this Prospectus, and may be subject to changes in Danish and Swedish law or the above mentioned treaty, with a possible retroactive effect. Holders of shares should consult a professional advisor as to the tax consequences of the Offer and the subsequent ownership and disposition of OMX shares, including, in particular, the effect of tax laws of any other jurisdiction. The following does not contain an exhaustive description of all tax rules, which may be applicable to each individual investor. Holders of shares that are tax residents outside of Denmark are especially urged to consult their own tax advisor as to the tax consequences resulting from the Offer.

DANISH TAX CONSIDERATIONS

In general

The Prospectus contains an Exchange Offer, which entails that shares in Copenhagen Stock Exchange can be exchanged to shares in OMX, and a Cash Offer, which entails that shares in Copenhagen Stock Exchange can be sold against cash consideration.

Exchange Offer

Tax-exempt exchange of shares

Under Danish tax law, exchange of shares from shares in Copenhagen Stock Exchange to shares in OMX will for Danish investors as a point of departure be considered as a taxable disposal of shares in Copenhagen Stock Exchange and a subsequent acquisition of shares in OMX. However, Danish investors holding shares in Copenhagen Stock Exchange will be eligible for tax-exemption on the exchange of shares and the acceptance of the Exchange Offer will thus not trigger Danish taxation. Under the tax-exemption regime, the new shares in OMX will then for Danish tax purposes be considered as being acquired at the same time at the same price as Copenhagen Stock Exchange shares. In effect, taxation will therefore be postponed until the shares in OMX are disposed of. Upon subsequent disposal of the OMX shares, the rules outlined under "Cash Offer" below, will apply. Non-Danish shareholders of Copenhagen Stock Exchange will be subject to taxation only according to the tax legislation in their country of residence.

An approval of tax-exemption of exchange of shares has been obtained from the Danish tax authorities on behalf of all Danish shareholders in Copenhagen Stock Exchange. The approval is conditional upon that certain transactions relating to the shares in Copenhagen Stock Exchange must be notified to the Danish Tax Authorities during the first three years following the Exchange. Accordingly, no further action on behalf of the Danish shareholders preferring tax-exemption of transfer is required to ensure tax-exemption of the exchange. Danish shareholders preferring to consider the exchange as a taxable disposal of shares must include any gain or loss in their tax return according to the rules outlined below under Cash Offer. It is advisable for each investor to check with the relevant tax authorities for the investor whether further information or documentation should be filed.

Cash Offer

(i) Corporate investors-non-pension funds, non-professionals

The following applies to corporate investors, which are not governed by the Danish act on taxation of yield on pension funds ("Pensionsafkastbeskatningsloven") and which are not considered as professional traders with regard to their Copenhagen Stock Exchange share portfolio for Danish tax purposes ("næringsdrivende").

Danish corporate investors which have held the shares in Copenhagen Stock Exchange for three years or more will not be subject to taxation of capital gains when accepting the Cash Offer. Any loss realised on acceptance will not be tax-deductible and cannot be set off in capital gain on other shares.

Danish corporate investors, which have held the shares in Copenhagen Stock Exchange for less than three years will be subject to taxation of capital gains when accepting the Cash Offer, as this will be considered as a taxable sale. Gains are calculated according to an average method and will be subject to Danish tax at the corporate tax rate of 30 percent (may be reduced to 28 percent in 2005 or later). Loss realised upon acceptance of the Cash Offer can be carried forward indefinitely and set off in gains realised on other shares held for less than three years, subject to certain limitations.

(ii) Professional traders ("næringsdrivende")

Investors (both corporate and individuals), which are considered as professional traders for Danish tax purposes with regard to their Copenhagen Stock Exchange share portfolio will be taxable on gains realised upon acceptance of the Cash Offer, irrespective of duration of holding period. The gains are taxable at the corporate tax rate of 30 percent (individuals will be taxed on a gain as personal income with up to 63 percent). Any loss can be set off in other taxable income.

(iii) Institutional investors–pension funds

Investors which are governed by the Danish act on taxation of yield on pension funds ("Pensionsafkastbeskatningsloven") must include gain or loss realised upon acceptance of the Cash Offer in their taxable income. Income is calculated according to a mark-to-market principle on an annual basis ("lagerbeskatning") and will be subject to income tax at a rate of 15 percent.

(iv) Individuals-non professionals

When accepting the Cash Offer, Danish individuals which have held the shares in Copenhagen Stock Exchange for three years or more must include any gains realised upon acceptance of the Cash Offer in taxable income as share income. Share income is taxed at a rate of 28 percent up to DKK 43,300 (in 2005) (for married couples an aggregate of DKK 86,600 (in 2005)), and then at a rate of 43 percent of exceeding amounts. The gain is calculated as the difference between the average acquisition sum of all shares in Copenhagen Stock Exchange and the cash consideration.

Danish individuals, who have held their shares in Copenhagen Stock Exchange for less than three years will be subject to taxation of capital gains when accepting the Cash Offer. Gains are calculated according to an average method and will be included in taxable income as capital income, i.e. at a marginal tax rate of 59 percent. Loss realised upon acceptance of the Cash Offer can be carried forward indefinitely and set off in gains realised on other shares held for less than three years.

In order to allow employee shareholders with shares that are subject to a lock-up period under section 7A of the Tax Assessment Act to participate in the exchange of shares, a binding ruling has been requested from the National Assessment Board.

Furthermore, the National Assessment Board has been asked to approve that a cash consideration received by the employee shareholders in Copenhagen Stock Exchange due to differences in the nominal value of the shares exchanged (difference in the nominal value of the Copenhagen Stock Exchange shares and OMX shares) will be allowed.

Such a cash consideration will be taxed in accordance with the Act on Taxation of Capital Gains on Shares.

It is expected that the National Assessment Board will grant the necessary approval on 25 January 2005.

If such an approval is not granted, the value of employee shares with a lock-up period may be subject to taxation as personal income at the time of grant for the shareholders who participate in the exchange of shares.

(v) Non-Danish tax residents

Investors, which are not residents in Denmark for Danish tax purposes and which do not hold Copenhagen Stock Exchange shares through a permanent establishment in Denmark or an intermediary in Denmark will not be subject to Danish taxation on gains realised by accepting the Cash Offer.

Dividends

Future dividends on OMX shares will be subject to the Swedish rules on withholding taxation of dividends, cf. See further below "Swedish tax consideration". Under Danish tax law, investors subject to Danish taxation on dividend received on the OMX shares will be eligible for a reduction of Danish dividend tax (which is described in further detail below) to the extent such dividends have been taxed in Sweden in accordance with the tax treaty in force between the Nordic countries.

Danish investors mentioned under Cash Offer (i) – Corporate investors-non-pension funds, non-professionals, which hold 20 percent or more of the shares in OMX will be tax exempt on dividends received under Danish tax law if such shareholding is maintained for 12 months or more during which period such dividends are being distributed. If the shareholding is less than 20 percent, dividends will be subject to Danish dividend tax at a rate of 19.8 percent. A Swedish withholding tax can be credited against Danish tax payable on the dividend.

Danish investors mentioned under Cash Offer (ii) – professional traders (”næringsdrivende”), will be subject to tax at a rate of 30 percent on dividends received, irrespective of the duration of the holding period. A Swedish withholding tax can be credited against Danish tax payable on the dividend.

Danish investors mentioned under Cash Offer (iii) – Institutional investors–pension funds, will be subject to tax at a rate of 15 percent on dividends received, irrespective of the duration of the holding period. A Swedish withholding tax can be credited against Danish tax payable on the dividend.

Danish investors mentioned under Cash Offer (iv) – Individuals-non-professionals, will be taxable of dividends received as share income. Share income is taxed at a rate of 28 percent up to DKK 43,300 (in 2005) (for married couples an aggregate of DKK 86,600 (in 2005)), and then at a rate of 43 percent of exceeding amounts. A Swedish withholding tax can be credited against the Danish tax paid on dividends received.

Investors mentioned under Cash Offer (v) – Non-Danish tax residents, will not be subject to Danish taxation on dividends.

SWEDISH TAX CONSIDERATIONS

The following is a description of the material Swedish income tax consequences with respect to the Offer (and the subsequent ownership and disposition of OMX shares) for shareholders that are non-residents of Sweden for tax purposes. This Section applies only to holders of shares representing less than 10 percent of the capital and/or votes in Copenhagen Stock Exchange and OMX, respectively, and is not applicable if the shares pertain to a permanent establishment or fixed base of business in Sweden. Holders of shares should consult their own tax advisors regarding the Swedish and other tax consequences of acquiring, owning and disposing of shares.

Taxation of capital gains

Generally, the Offer may be accepted by non-residents of Sweden and corporations not domiciled in Sweden without any Swedish tax consequences. Non-residents of Sweden are generally not liable for Swedish capital gains taxation with respect to the sale of shares, unless the shares pertain to a permanent establishment in Sweden.

Under Swedish tax law, capital gains from the sale of certain Swedish securities, such as the OMX shares or fractional entitlements of OMX shares, by private individuals may be taxed in Sweden at a rate of 30 percent if such individuals have been residents of Sweden or have lived permanently in Sweden at any time during the year of the sale or the ten calendar years preceding the year of the sale. This provision may, however, be limited by tax treaties that Sweden has concluded with other countries. The Nordic tax treaty currently in force reduces this period to the five years following the year during which the individual became a non-resident of Sweden.

Taxation of dividends

A Swedish dividend withholding tax at a rate of 30 percent is imposed on dividends paid by a Swedish company, such as OMX, to non-residents of Sweden.[1] The same applies to certain other payments made by a Swedish company,

1) Dividends made to foreign corporate shareholders, which are subject to a taxation similar to the Swedish taxation, may be exempt from withholding tax if the shares are deemed to be held for business purposes. Shares in listed companies are deemed to be held for business purposes if, among other things, the holding comprises a capital asset for the holder and represents at least 10 percent of the voting rights in the company. The company must also have held the shares for a consecutive period of at least one year prior to the sale.

including payments as a result of the redemption of shares and the repurchase of shares through an offer directed to its shareholders. Exemption from the withholding tax or a lower tax rate may apply by virtue of Swedish tax provisions or pursuant to a tax treaty. Under the current Nordic tax treaty the withholding tax on dividends paid on shares representing less than 10 percent of the capital to eligible Danish holders is generally capped at 15 percent.

Under all Swedish tax treaties, with the exception of the tax treaty currently in force between Sweden and Switzerland, the withholding tax at the applicable treaty rate should be withheld by the payer of the dividends. With regard to dividends paid on shares in companies registered with VPC (such as the OMX shares), a reduced rate of dividend withholding tax under a tax treaty is generally applied at the source by VPC or, if the shares are registered with a nominee, the nominee, as long as the person entitled to the dividend is registered as a non-resident and sufficient information regarding the tax residency of the beneficial owner is available to VPC or the nominee (i.e. no restitution procedure is generally necessary).

However, it should be noted that due to technical issues, a Swedish withholding tax of 30 percent may also be withheld for dividends and similar payments to non-Danish shareholders, including Swedish tax residents, on the VP-registered OMX shares.

In those cases where Swedish tax is withheld at the rate of 30 percent and the person that received the dividends is entitled to an exemption or to a reduced rate of withholding tax, a refund may be claimed from the Swedish Tax Agency not later than at the end of the fifth calendar year after the distribution.

The Swedish withholding tax provisions are currently under review, and new or amended provisions may be introduced as a result of this review.

Net wealth taxation

OMX shares are not subject to Swedish net wealth taxation if the holder is not resident in Sweden for tax purposes.

Transfer taxes

There are no Swedish transfer taxes on a sale of Swedish shares.

Appendices

A. Financial Information – OMX

INTERIM REPORT FOR JANUARY-SEPTEMBER 2004

Important steps toward an integrated Nordic and Baltic marketplace

- Revenue during the reporting period January–September amounted to SEK 2,319 m (2,036), including SEK 108 m from the sale of NGX and XACT.
- Operating income was SEK 541 m (loss: 468).
- Adjusted operating income was SEK 433 m (56).
- Income after financial items totaled SEK 502 m (loss: 482).
- Income after tax was SEK 321 m (loss: 441).
- Earnings per share at SEK 2.78 (loss: 4.67).
- Agreement on merger of APK and VPC signed.
- Common trading platform in entire Nordic region as of September 27.
- Continued cost savings and weak markets for technology solutions.

CEO comments: September 27 is a historic date in OMX's history. On this date, all exchanges in the Nordic region used a common trading system for the first time, following installation of the SAXESS™ system on the exchanges in Helsinki, Tallinn and Riga. At the end of the quarter we also signed an agreement covering the merger of our Finnish subsidiary APK and Swedish VPC. Consequently, we have created the foundation for a pan-Nordic central securities depository that will provide major benefits for the region and our customers. The agreement also involves a major undertaking for OMX, since we will deliver the common systems platform for securities settlement and depository to the new company. Combined, we have taken several important steps toward an integrated Nordic Baltic securities market.

OMX's operating income in the third quarter amounted to SEK 117 m (45). This is significantly better compared with the year-earlier period but lower than in the preceding quarter. With a focus on profitability, we have continued to work actively with reducing our costs through measures that unfortunately also affect revenues in the short term. In addition, the third quarter is always a weak quarter in terms of revenues due to the low market activity during the summer months. With regard to demand for technology solutions, we have not yet seen the tangible effects of the positive signals we received during the year from customers and we remain cautious in our market assessment for the next two quarters.

During the quarter we also launched a new brand structure. With the new name OMX, we want to capitalize on the value inherent in the OM name, while at the same time creating a brand that supports the vision of a common Nordic Baltic exchange.

Magnus Böcker
President and CEO

Group income development during the third quarter

OMX's total revenue during the third quarter was SEK 656 m (SEK 729 m in the corresponding period last year). Historically, the summer months are a period with weak demand in the markets in which OMX is active. Accordingly, income in OMX's both divisions declined during the third quarter of this year compared with the second quarter. Group revenue also declined compared with the corresponding period in the preceding year. In the OMX Technology division, year-on-year revenue declined due to the divestment of operations, product phase-out and the closing of offices as well as weak market demand. Revenue in OMX Exchanges was largely unchanged during the third quarter compared with the year-earlier period.

The Group's total expenses were SEK 539 m (690) during the quarter. The expense reduction compared with the year-earlier period is due mainly to the cost-efficiency program initiated in June 2003, which was concluded at the beginning of 2004. The cost reduction compared with the second quarter is attributable to further effects from cost savings, seasonal effects and lower activity in OMX Technology. Certain cost reductions are also a result of synergies, from the merger of OM and HEX, which were achieved during the quarter. To date, cost savings of SEK 30 m have been achieved quarterly, corresponding to SEK 120 m on an annual basis.

Operating income amounted to SEK 117 m (45) during the third quarter. Operating income excluding amortization of goodwill totaled SEK 152 m (96). Total depreciation and amortization amounted to SEK 70 m (111), of which SEK 35 m (51) was amortization of goodwill. The decline in depreciation and amortization is due to the effects of the cost savings programs. The decline in financial items to an expense of SEK 21 m (expense: 6) was due mainly to nonrecurring currency effects, relating to termination of hedging arrangements as a result of change from transaction to translation exposure. Income after financial items was SEK 96 m (39), while income after tax was SEK 54 m (16).

Earnings development by quarter

SEK m	July–Sept 2004	Apr–June 2004	Jan–March 2004	Oct–Dec 2003	July–Sept 2003
Total revenue	656	756	907	750	729
Adjusted revenue[1)]	656	740	815	750	729
Total expenses	–539	–611	–634	–733	–690
Adjusted expenses[2)]	–539	–611	–634	–695	–690
Operating income	117	146	278	19	45
Adjusted operating income	117	130	186	57	45
Operating income excluding goodwill amortization	152	185	324	72	96
Financial items	–21	–10	–8	–9	–6
Income after financial items	96	136	270	10	39
Earnings per share, SEK	0.47	0.71	1.60	0.08	0.14

1) Adjusted revenue excludes other revenues, which comprises income from the sale of XACT Fonder of SEK 16 m for the period April–June, income from the sale of NGX of SEK 92 m during January–March 2004.

2) Adjusted operating expenses excludes expenses affecting comparability. For the period October–December 2003, adjustments include reserves for unutilized premises and write-downs related to product phase-out within OMX Technology of SEK 38 m.

Performance by division during the third quarter

OMX exchanges

The division's revenue was SEK 379 m (387) during the third quarter. The decline in revenue is due mainly to lower revenue in the Derivatives Markets business area. The decline in the division's expenses to SEK 232 m (249) is the result of the synergy effects from the merger of OM and HEX. The division's operating income was SEK 143 m (138).

Cash Markets comprises equity trading at the Stockholm Stock Exchange and Helsinki Stock Exchange. The business area's revenue totaled SEK 221 m (214) during the third quarter. Operating income improved to SEK 118 m (95) during the quarter, due mainly to cost synergies. The average number of transactions per day declined by 15 percent to 44,860 (52,994) compared with the year-earlier period. Equity turnover increased by 4 percent to SEK 16,149 m (15,526) per day on average, while turnover velocity in equity trading declined to 106 (113) percent. A new fee structure for equity trading at the Helsinki Stock Exchange was introduced at the beginning of the year to harmonize fees between the exchanges in Helsinki and Stockholm. Trading in the SAXESS™ system was started during the third quarter at the exchanges in Helsinki, Tallin and Riga. As a result, all Nordic and Baltic exchanges use SAXESS for their equity trading, except the exchange in Vilnius. At the same time, the trading hours were harmonized between the Stockholm Stock Exchange and the Helsinki Stock Exchange.

Derivatives Markets includes derivatives trading and clearing operations at the Stockholm Stock Exchange and Helsinki Stock Exchange, as well as the cooperation with Eurex and EDX London. The business area's revenue was SEK 74 m (93) in the third quarter. The decline in revenue is due in part to a reduction in fees for the Finnish stock options traded on Eurex that came into effect at the beginning of the year and the discontinued counterparty clearing operations at OM London Exchange after formation of EDX London. Operating income totaled SEK 12 m (28). The total average number of derivative contracts cleared daily during the quarter rose 7 percent to 372,951 (349,775), including 66,126 (59,922) Finnish options contracts at Eurex and 69,421 (59,402) Scandinavian contracts at EDX London.

Settlement & Depository comprises the Finnish central securities depository (APK), which provides clearing, settlement and depository services for equities and fixed-income products. The business area's revenue was SEK 71 m (69) during the third quarter. Operating income was SEK 12 m (13). The number of settled transactions rose by 9 percent year-on-year, while the total market value of deposited securities grew 7 percent. At the end of the quarter, OMX signed agreements to merge APK and the Swedish VPC, whereby the Settlement & Depository business area will cease to exist.

Baltic Operations includes stock exchanges, central securities depositories and operation of the national pension account registers in Estonia, Latvia and Lithuania. The business area's revenue was SEK 13 m (11) during the third quarter and operating income was SEK 1 m (2). Average equity turnover on the exchanges included in the business unit amounted to SEK 27 m (21) per day. The increased turnover is due mainly to the stock exchange in Lithuania being included in the Group as of June 30, 2004.

OMX Technology

The division's adjusted revenue was SEK 346 m (416) during the third quarter. The decline in revenue compared to the same period last year is primarily due to lower sales in the Financial Markets business area, which was caused in part by the divestment of operations and products, and the closing of offices, as well as low demand among customers. Internal sales to OMX Exchanges totaled SEK 65 m (76). The division's operating expenses amounted to SEK 342 m (485). Operating income improved to SEK 6 m (loss: 65), equivalent to an operating margin of 2 percent (neg: 16). The reduction in costs and the improvement in income is a result of the increased focus on profitability and the extensive costefficiency program carried out in the division during the past year.

Investments in R&D amounted to SEK 24 m (40) during the quarter, which corresponds to 7 percent (10) of the division's revenue, of which SEK 24 m (30) was capitalized. OMX has estimated that investment levels in R&D over time should be around 10 percent of OMX Technology's revenues. Order intake during the third quarter totaled SEK 411 m (533), of which SEK 0 m (300) relates to OMX Exchanges. Order intake includes SEK 370 m in order value to VPC relating to the agreement covering the merger of VPC and APK. At the end of the quarter, the total order value amounted to SEK 2,871 m (2,932), of which orders for SEK 1,093 m (1,010) are due for delivery within 12 months. Orders to OMX Exchanges account for SEK 896 m (784) of the total order value, of which orders for SEK 294 m (304) m are due for delivery within the next 12 months. Common functions in OMX Technology comprise expenses for marketing and sales offices, expenses that are not included in the results by business area below.

The Banks & Brokers business area offers back-office services and systems solutions to banks and brokerage firms. Revenue was SEK 84 m (83) during the third quarter. Operating income was SEK 8 m (loss: 19). The cost reduction and earnings improvement are attributable mainly to the savings measures implemented in the business area.

The Financial Markets business area provides systems solutions to exchanges, clearing organizations and central securities depositories. Revenue was SEK 119 m (205) during the quarter. The decrease in revenue compared with the year-earlier period is due in part to the divestment NGX, UKPX and the POMAX product portfolio as well as the fact that certain support revenue has been moved to the Global Services business area. At the same time, demand for systems solutions from the market continued to be weak, with a number of postponed investment decisions among existing and potential customers. This resulted in declining project revenue since a number of projects were concluded in the second quarter. Operating income improved to SEK 20 m (1), mainly due to the cost savings program carried out in the business area. During the quarter OMX Technology successfully delivered the SAXESS trading system to the exchange in Helsinki, Tallinn and Riga, the TARGIN system to Copenhagen Stock Exchange as well as the CLICK XT™ trading system to the Singapore Exchange. OMX Technology has also signed a five-year strategic partnership agreement with HCL Technologies in India involving, among other items, outsourcing, development and maintenance of certain OMX system solutions. During the quarter, OMX Technology secured an order with VPC within the framework of the forthcoming merger of VPC and OMX's subsidiary APK. The total value of the technology contract amounts to about SEK 370 m, of which SEK 270 m is a license for use of OMX Technology's EXIGO CSD™ system platform in the Nordic region. The order also includes SEK100 m for a development project in the Swedish and Finnish markets related to EXIGO CSD™. The order, including the licence, will be recognized over a period of four years.

Global Services business area offers outsourcing services to exchanges, clearing organizations, central securities depositories, banks and brokerage firms. Revenue totaled SEK 174 m (158) during the quarter. The increase in revenue compared with the year-earlier period is mainly because certain support revenue was moved from Financial Markets. Operating income was SEK 19 m (10).

Adjusted revenues by division[1)]

SEK m	July–Sept 2004	Apr–June 2004	Jan–March 2004	Oct–Dec 2003	July–Sept 2003
OMX Exchanges	379	408	463	392	387
OMX Technology	346	414	427	453	416
Parent Company	20	18	24	30	33
Eliminations	–89	–100	–99	–125	–107
Total adjusted revenues	656	740	815	750	729

1) Adjusted revenue excludes revenue affecting comparability such as income from the sale of operations.

Other important information during the reporting period

Financial position

Total assets amounted to SEK 6,787 m at period-end, compared with SEK 6,891 m at September 30, 2003. The equity/assets ratio rose to 56 (51) percent. OMX's interest-bearing net debt decreased to SEK 364 m (720), due to a positive cash flow from operations and sale of operations. At period-end, interest-bearing financial liabilities totaled SEK 2,076 m (2,115), of which SEK 303 m (200) are long-term. The Group's available credit arrangement totaled SEK 2,600 m (3,700), of which SEK 2,084 m (1,851) had been utilized. OMX also has available credit arrangements totaling SEK 860 m for clearing operations. Interest-bearing financial assets amounted to SEK 1,712 m (1 395), of which fixed assets accounted for SEK 97 m (90).

OMX AB

The legal entity OMX AB is the Parent Company in the Group and handles Group functions and holding operations for the Group's subsidiaries. Revenue totaled SEK 18 m (56). OMX AB reported a loss of SEK 62 m (loss: 115) before appropriations and tax. Liquid assets totaled SEK 1 m (0) and investments SEK 3 m (5).

Number of employees and consultants

The number of employees and consultants amounted to 1,509 (1,912) at period-end. The decrease in the number of employees and consultants was due mainly to the personnel redundancies within the framework of the cost-efficiency program that has been implemented within the Group. Of the total number of employees, 104 (107) were on long-term leave, mainly parental leave. The number of employees totaled 1,460 (1,840) at period-end, including 376 (367) who worked within OMX Exchanges, 1,001 (1,349) within OMX Technology and 83 (124) within the Parent Company.

Integration work

The integration work initiated in conjunction with the merger of OM and HEX is proceeding as planned. In June, the CLICK XT trading system for derivatives trading was implemented at the Helsinki Stock Exchange, and in September, the SAXESS trading system for cash equity trading was installed at the exchanges in Helsinki, Tallinn and Riga. At the same time, the trading rules at the exchanges within OMX Exchanges as well as the opening hours at the exchanges in Helsinki and Stockholm were harmonized. Some of the expected cost synergies from the integration work had an effect during the quarter. To date during 2004, cost synergies corresponding to a level of SEK 120 m on an annualized basis have been realized.

Merger of APK and VPC

At the end of September, the agreement covering the merger of Swedish VPC with OMX's Finnish subsidiary APK were signed, with the aim of forming a strong group for securities handling in the Nordic countries. The agreement also included an order received by OMX Technology for the EXIGO CSD™ platform.

Management changes

Kristina Schauman took office as the new CFO of OMX on September 13, when the former CFO Per Nordberg left the company.

Stockholm Stock Exchange's former President and Chief Executive Officer, Kerstin Hessius, left the company on August 31, whereby Henrik Paulsson was appointed acting President and CEO. A new President and CEO has yet to be appointed.

Outlook

OMX Exchanges' revenue is largely dependent on market development and trading volumes at the exchanges in Stockholm and Helsinki. During the fourth quarter, OMX Technology's revenue is expected to be slightly higher than in the third quarter. Group expenses are also expected to be slightly higher during the fourth quarter.

Stockholm, October 20, 2004

OMX AB (publ)
Board of Directors

This report has not been the subject of a comprehensive auditor's examination.

Appendices

A. Financial Information – OMX

Interim Report for January – September 2004

Key ratios[1)]

SEK m	Jan–Sept 2004	Jan–Sept 2003	Jan–Sept 2002	Jan–Dec 2003
Earnings per share	2.78	–4.67	–0.02	–4.33
Share price at period-end, SEK	86.5	77	32	89.5
Average number of OMX shares traded per day, 000s	411	376	113	413
P/E ratio[2)]	30	Neg.	26	Neg.
Shareholders' equity per share, SEK	33	30	25	31
Share price/shareholders' equity per share	3	3	1	3
Return on shareholders' equity, %[2)]	9	–23	5	–16
Return on capital employed, %[3)]	10	–10	7	–8
Equity/assets ratio, %	56	51	38	52
Number of employees at period-end	1,460	1,840	1,660	1,603
Average number of employees at period-end	1,508	1,736	1,662	1,682

1) Definitions of key ratios can be found in OMX's Annual Report for 2003.
2) Calculated using 12 months rolling income.
3) 12 months rolling income before interest expenses and tax in relation to average shareholders' equity with the addition of interest-bearing liabilities.

Revenue and operating income

Amounts in SEK m	July–Sept 2004	July–Sept 2003	Jan–Sept 2004	Jan–Sept 2003	Oct–Sept 2003/2004	Jan–Dec 2003
Revenue						
OMX Exchanges						
Trading revenue	170	184	620	460	801	641
Issuers' fees	55	46	159	125	211	177
Information sales	61	56	173	109	225	161
CSD revenue	71	68	224	68	297	141
Other revenue[1)]	22	33	74	122	108	156
Total OMX Exchanges	379	387	1,250	884	1,642	1,276
OMX Technology						
License, support and project revenue	172	196	607	672	833	898
Facility Management Services	165	189	526	457	717	648
Other revenue[2)]	9	31	146	170	182	206
Total OMX Technology	346	416	1,279	1,299	1,732	1,752
Parent Company and other functions[3)]	20	33	78	114	108	144
Group eliminations[4)]	–89	–107	–288	–261	–413	–386
Total Group	656	729	2,319	2,036	3,069	2,786
Operating income						
OMX Exchanges						
Operating income	143	138	497	355	605	463
Adjusted operating income[5)]	143	138	497	316	605	424
Adjusted operating margin, %	38	36	40	38	37	34
OMX Technology						
Operating income	6	–65	129	–580	90	–619
Adjusted operating income[5)]	6	–65	37	–146	26	–157
Adjusted operating margin, %	2	–16	3	–12	2	–9
Parent Company and other functions[3)]	–32	–28	–85	–243	–135	–293
Total Group	117	45	541	–468	560	–449

1) Income from the creation of EDX London of SEK 46 m is included during, January–September 2003 and January–December 2003.
2) Income from the sale of NGX of SEK 92 m is included during January–September 2003, and income from the formation of EDX London of SEK 54 m is included during January–September 2003 and January–December 2003.
3) Parent Company and other functions includes, in addition to the Parent Company, primarily OMX Treasury AB and OM Capital Insurance AG. Administration of all of the Group's Swedish premises is carried out within the Parent Company, for which rent is invoiced per division. Includes income of SEK 16 m from the sale of XACT Fonder during January–September 2004.
4) Internal sales from the technology division to OMX Exchanges totaled SEK 65 m (76).
5) Excluding items affecting comparability.

Income statement[1)]

Amounts in SEK m	July–Sept 2004	July–Sept 2003	Jan–Sept 2004	Jan–Sept 2003	Oct–Sept 2003/2004	Jan–Dec 2003
Revenue						
Net sales	656	729	2,211	1,936	2,961	2,686
of which own work capitalized	31	22	40	78	48	86
Other revenue[2)]	–	–	108	100	108	100
Total revenue	656	729	2,319	2,036	3,069	2,786
Expenses						
External expenses						
Premises	–48	–52	–141	–259	–223	–341
Marketing	–6	–9	–29	–28	–43	–42
Consultancy expenses	–46	–55	–159	–198	–224	–263
Operation and maintenance. IT	–82	–85	–239	–272	–323	–356
Other external expenses	–51	–67	–172	–191	–237	–256
Personnel expenses	–236	–311	–787	–1109	–1100	–1422
Depreciation and write-downs	–35	–60	–137	–285	–194	–342
Amortisation and write-downs of goodwill	–35	–51	–120	–181	–173	–234
Total expenses	–539	–690	–1,784	–2,523	–2,517	–3,256
Participations in the earnings of associated companies	0	6	6	19	8	21
Operating income	117	45	541	–468	560	–449
Financial items	–21	–6	–39	–14	–48	–23
Income after financial items	96	39	502	–482	512	–472
Tax	–42	–23	–180	41	–180	41
Minority interest	0	0	–1	0	–1	0
Net income in reporting period	54	16	321	–441	331	–431
Average number of shares, millions	115.547	115.321	115.547	94.468	115.547	99.738
Number of shares at period-end, millions	115.547	115.321	115.547	115.321	115.547	115.547
Average number of shares after full conversion, millions	115.837	116.099	116.197	95.246	116.307	100.645
Number of shares after full conversion at period-end, millions	115.837	116.099	115.837	116.099	115.837	116.635
Earnings per share, SEK[3)]	0.47	0.14	2.78	–4.67	2.86	–4.33
Earnings per share, SEK, after full conversion[3)]	0.47	0.14	2.78	–4.67	2.86	–4.33

1) Expenses that were previously reported as items affecting comparability are now distributed according to the respective expense type and revenue and are reported under other revenue.

2) For the period January–September 2004, refers to income from the sale of XACT Fonder of SEK 16 m, for the period January–September 2004 to income from the sale of NGX of SEK 92 m, and for the periods of January– September 2003 and January–December 2003 to income from the formation of EDX London of SEK 100 m.

3) Earnings per share based on average number of shares during the period.

Depreciation/Amortization and write-downs

Amounts in SEK m (of which goodwill)	July–Sept 2004		July–Sept 2003		Jan–Sept 2004		Jan–Sept 2003		Oct–Sept 2003/2004		Jan–Dec 2003	
Depreciation												
OMX Exchanges	42	(33)	39	(34)	123	(100)	65	(59)	166	(136)	108	(95)
OMX Technology	20	(2)	56	(17)	102	(20)	155	(58)	153	(37)	206	(75)
Parent Company	8	(0)	16	(0)	32	(0)	44	(–)	48	(0)	60	(–)
Total	70	(35)	111	(51)	257	(120)	264	(117)	367	(173)	374	(170)
Write-downs												
OMX Exchanges	–	(–)	–	(–)	–	(–)	–	(–)	–	(–)	–	(–)
OMX Technology	–	(–)	–	(–)	–	(–)	184	(64)	–	(–)	184	(64)
Parent Company	–	(–)	–	(–)	–	(–)	18	(–)	–	(–)	18	(–)
Total	–	(–)	–	(–)	–	(–)	202	(64)	–	(–)	202	(64)

A. Financial Information – OMX

Interim Report for January – September 2004

Balance sheet

Amounts in SEK m	Sept 2004	Sept 2003	Dec 2003
Goodwill	2,297	2,443	2,410
Other intangible fixed assets	370	363	320
Tangible fixed assets	431	462	477
Financial fixed assets, non-interest-bearing	781	845	884
Financial fixed assets, interest-bearing	97	90	84
Short-term receivables, non-interest-bearing	1,196	1,383	1,209
Short-term receivables, interest-bearing	1,342	948	1,012
Cash and bank balances	273	357	350
Total assets	6,787	6,891	6,746
Shareholders' equity	3,806	3,490	3,533
Minority interests	30	3	2
Appropriations	213	597	426
Long-term liabilities, non-interest-bearing	26	3	1
Long-term liabilities, interest-bearing	303	200	400
Short-term liabilities, non-interest-bearing	636	683	725
Short-term liabilities, interest-bearing	1,773	1,915	1,659
Total liabilities and shareholders' equity	6,787	6,891	6,746

Change in shareholders' equity

Amounts in SEK m	Jan–Sept 2004	Jan–Sept 2003	Jan–Dec 2003
Shareholders' equity – opening balance	3,533	2,017	2,017
Adjustments for changes in accounting principles	–2	–	–
Dividend	–	–84	–84
New share issue	–	1,954	1,953
Hedge for employee stock options	–	29	29
Translation differences	–14	15	51
Other	–32	0	–2
Net income in reporting period	321	–441	–431
Shareholders' equity – closing balance	3,806	3,490	3,533

Cash-flow statement1)

Amounts in SEK m	July–Sept 2004	July–Sept 2003	Jan–Sept 2004	Jan–Sept 2003	Oct–Sept 2003/2004	Jan–Dec 2003
Shareholders' equity – opening balance before change in working capital	37	104	304	154	310	160
Change in working capital2)	76	–45	5	–92	106	9
Cash flow from current operations	113	59	309	62	416	169
Cash flow from investing activities	–24	104	–19	136	–104	51
Cash flow from financing activities	–47	341	–278	–170	–241	–133
Change in liquid funds	42	504	12	28	71	87
Liquid funds – opening balance	1,332	799	1,362	1,275	1,303	1,275
Liquid funds – closing balance	1,374	1,303	1,374	1,303	1,374	1,362

1) Since the fourth quarter of 2003, changes in liquid funds are reported under Cash flow from financing operations. Earlier, this item was reported under Changes in working capital. Comparative figures for earlier periods have been revised to reflect this new classification.

2) Liquid funds comprise short-term investments and cash and bank balances. Liquid funds not available to the Group totaled SEK 55 m at the end of the period.

Notes and other information for the reporting period

Notes to the income statement during the reporting period January–September

Total revenue during the reporting period January–September 2004 amounted to SEK 2,319 m (2,036), including other income of SEK 108 m (100) consisting of SEK 16 m from the sale of XACT Fonder during the second quarter of 2004 and the gain of SEK 92 m on the sale of NGX in the first quarter (gain of SEK 100 m from the formation of EDX London during the second quarter of 2003). Group net sales totaled SEK 2,211 m (1,936), of which SEK 40 m (78) was capitalized for own work and SEK 49 m relates to sales from OMX Technology that have been capitalized within OMX Exchanges. For comparable units, Group expense fell 4 percent year-on-year. The revenue decline is mainly due to lower license, support and project revenue as well as lower other revenue due to divested operations within OMX Technology. Group expenses totaled SEK 1,784 m (2,523) during the reporting period, including other expenses of 0 SEK (624) m. For comparable units, Group expenses fell 17 percent year-on-year. The decrease is related mainly to personnel costs, consultant costs, costs for premises and depreciation/amortization, and is attributable mainly to the cost-efficiency program carried out.

Participations in the earnings of associated companies are from Orc Software, NLK and EDX London. Group net financial items amounted to an expense of SEK 39 m (expense: 14). Negative nonrecurring currency effects of SEK 10 m are included in the third quarter 2004, while during the second quarter of 2003 Group financial net included a dividend of SEK 19 m from HEX.

Tax expense during the reporting period was SEK 180 m, while tax revenue during the same period in the preceding year was SEK 41 m. Currency effects had a marginal impact on Group operating revenue and operating income during the reporting period.

Adjusted revenue and expenses

Previously, OMX reported items that made comparison difficult over time as items affecting comparability in the income statement. From 2004, these items have been distributed according to revenue and expense type. Adjusted amounts do not include items that affect comparability. For 2004, this relates to income of SEK 92 m from the sale of NGX and income of SEK 16 m from the sale of XACT Fonder. For 2003, revenue affecting comparability relates to income of SEK 100 m from the formation of EDX London. In 2003, expenses affecting comparability totaled SEK 624 m, which relates to restructuring, reserves for unutilized premises and write-downs related to product phase-out within OMX Technology.

Comparable units

Comparable units do not include HEX, which was consolidated in the Group from the third quarter of 2003, or the derivatives business of OM London Exchange, which was sold in June 2003.

Operations being divested

Operations being divested relate to the OMX subsidiary APK, which corresponds to the Settlement & Depository business area. APK will be divested during the fourth quarter of 2004.

Notes to the balance sheet

Consolidated goodwill was SEK 2,297 m (2,443). Goodwill related to the Stockholm Stock Exchange, which was acquired in 1998, amounts to SEK 559 m (600). Goodwill related to HEX, which was acquired in 2003, totals SEK 1,650 m (1,699). Exchange rate fluctuations have had a negative impact on goodwill related to HEX of SEK 5 m since the beginning of the year. Other intangible assets of SEK 370 m (363) comprise mainly capitalized expenses for system products that are amortized over 3–10 years and valued on an ongoing basis against current market conditions.

During the quarter, Group investments in intangible fixed assets amounted to SEK 38 m (66). Investments in equipment totaled SEK 13 m (0). The market value of OMX's holding in Orc Software (4.5 million shares) was SEK 305 m at the period-end, with a book value of SEK 78 m.

Notes to the change in shareholders' equity

Shareholders' equity was SEK 3,806 m (3,490). Compared with the third quarter of 2003, the increase is largely due to the positive result during the period, including income from sale of operations. The employee stock option programs that OMX distributed in 2000, 2001 and 2002 had no effect on shareholders' equity during the quarter.

Notes to the cash-flow statement during third quarter

Cash flow from current operations comprises operating income with depreciation and capital gains added back after financial items and paid tax. Certain restructuring expenses and integration expenses from 2003 had an impact on cash flow from current operations during the period. The decrease in working capital is mainly due to decline in accounts receivable. Since the fourth quarter of 2003, changes in liquid funds are reported under Cash flow from financing operations. Previously, this item was reported under changes in working capital. Comparative figures for prior periods have been revised to reflect this new classification.

Appendices

A. Financial Information – OMX

Interim Report for January – September 2004

Accounting principles

This interim report has been prepared in accordance with the Swedish Financial Accounting Standards Council's Recommendations on Interim Reports (RR 20). From January 1, 2004, OMX has applied the Swedish Financial Accounting Standards Council's Recommendation regarding Employee Benefits (RR 29), for among other things accounting for Group pension obligation. The application of RR 29 has resulted in a pension obligation of SEK 2 m, which was entered as a liability and reduced shareholders' equity during the first quarter of 2004. Comparative figures have not been calculated. With these exceptions, the same accounting principles outlined in OMX's most recent Annual Report have been applied.

Sale of NGX

In March, NGX (Natural Gas Exchange) was divested to the Canadian TSX Group for about SEK 211 m. In total the transaction resulted in a positive earnings effect for OMX of SEK 92 m, which was reported as other revenue in OMX Technology during the first quarter of 2004.

Sale of XACT Fonder

As part of OMX's continued focus on core operations, XACT Fonder AB was sold to Handelsbanken on June 30. XACT Fonder manages Sweden's first exchangetraded funds, XACT OMX and XACT SBX. The sale had a positive impact on income of SEK 16 m during the second quarter, which was reported as other revenue under Parent Company and other functions.

Acquisition of the exchange and CSD in Lithuania

As a result of a privatization process in Lithuania, OMX was chosen at the end of March as a partner and buyer of the stock exchange (NSEL) and the central securities depository (CSDL) in Lithuania. The privatization agreement was signed in May, after which OMX owns more than 80 percent of NSEL and 40 percent of CSDL. NSEL was consolidated in the Group on June 30, 2004, at which time 27 employees were added to the Group.

Legal disputes

OMX once again rejected the patent infringement lawsuit and damage claim from eSpeed of up to USD 64 m. During the second quarter, OMX also rejected a lawsuit regarding the additional repayment of value added tax (VAT) in Finland of a maximum amount of EUR 5 m. A dispute has been under way in Sweden since 2002 with the members of the Stockholm Stock Exchange regarding repayment of VAT funds. During the third quarter, ACH Securities filed a lawsuit against the Stockholm Stock Exchange regarding the Stockholm Stock Exchange Board's decision to terminate ACH Securities' exchange membership, a claim that the Stockholm Stock Exchange has rejected. OMX did not make any provisions for ongoing legal disputes during the quarter.

Merger of VPC and APK

An agreement was signed at the end of September covering the merger of Swedish VPC and OMX's Finnish subsidiary APK. The merger is intended to form a strong joint group for securities administration in the Nordic region, NCSD. After the transaction, OMX and VPC's other four owners – FöreningsSparbanken, Nordea Bank, Skandinaviska Enskilda Banken and Svenska Handelsbanken – will each own about 19.8 percent each of NCSD. The closing of the transaction is expected to take place before the end of 2004.

VPC is offering OMX about SEK 750 m in newly issued shares and cash as consideration for all outstanding shares in the OMX subsidiary APK. The sale of APK will result in a capital gain of SEK 20 m, which will be reported as other revenue in the OMX Exchanges division in the fourth quarter. This capital gain will not result in any tax expenses.

OMX holds an option to purchase shares in VPC from the four main owners in VPC, corresponding to an ownership interest of 11 percent. The main owners of VPC have reached an agreement with OMX to compensate OMX for this option in cash amounting to about SEK 67 m before tax. This capital gain will be reported as other revenue in the fourth quarter of 2004. The transaction, including the redemption of the option, is expected to generate a positive cash-flow effect of about SEK 450 m during the fourth quarter of 2004. OMX's ownership in NCSD will be reported as an associated company.

The agreement also cover an order to OMX Technology for delivery of the EXIGO CSD™ systems platform. The value of the technology contract amounts to about SEK 370 m, of which SEK 270 m pertains to a license for use of OMX Technology's EXIGO CSD™ systems platform in the Nordic region. The order also involves SEK 100 m for development projects for the Finnish and Swedish markets regarding EXIGO CSD. The order including license will be distributed over a four-year period.

Investments

Amounts in SEK m	July–Sept 2004	July–Sept 2003	Jan–Sept 2004	Jan–Sept 2003	Oct–Sept 2003/2004	Jan–Dec 2003
Goodwill	–	1,764	46	1,764	46	1,764
Other intangible assets	38	66	63	154	86	177
Tangible assets	13	0	83	33	134	84
Assets acquired through acquisitions	–	161	2	161	2	161
Total	51	1,991	194	2,112	268	2,186

Investments in R&D

Amounts in SEK m (of which expensed)	July–Sept 2004	July–Sept 2003	Jan–Sept 2004	Jan–Sept 2003	Oct–Sept 2003/2004	Jan–Dec 2003
OMX Exchanges	2 (1)	2 (2)	10 (6)	8 (8)	16 (12)	14 (14)
OMX Technology	24 (0)	40 (10)	35 (0)	149 (42)	93 (20)	207 (62)
Total Group	26 (1)	42 (12)	45 (6)	157 (50)	109 (32)	221 (76)

Revenue and income by division and business area

Amounts in SEK m	July–Sept 2004	July–Sept 2003	Jan–Sept 2004	Jan–Sept 2003	Oct–Sept 2003/2004	Jan–Dec 2003
Revenue						
OMX Exchanges						
Cash Markets	221	214	693	478	910	695
Derivatives Markets	74	93	294	280	381	367
Settlement & Depository	71	69	229	69	306	146
Baltic Operations	13	11	34	11	45	22
Other revenue[1)]	–	–	–	46	–	46
Total OMX Exchanges	379	387	1,250	884	1,642	1,276
OMX Technology						
Banks & Brokers	84	83	277	235	373	331
Financial Markets	119	205	449	685	653	889
Global Services	174	158	533	411	702	580
Other revenue[2)]	–3	4	111	68	125	82
Eliminations	–28	–34	–91	–100	–121	–130
Totalt OMX Technology	346	416	1,279	1,299	1,732	1,752
Parent Company and other functions[3)]	20	33	78	114	108	144
Group eliminations	–89	–107	–288	–261	–413	–386
Total group	656	729	2,319	2,036	3,069	2,786
Operating income						
OMX Exchanges						
Cash Markets	118	95	356	228	446	318
Derivatives Markets	12	28	101	73	112	84
Settlement & Depository	12	13	34	13	40	19
Baltic Operations	1	2	6	2	7	3
Other revenue[1)]	–	–	–	46	–	46
Other expenses[4)]	–	–	–	–7	–	–7
Total OMX Exchanges	143	138	497	355	605	463
OMX Technology						
Banks & Brokers	8	–19	13	–51	3	–61
Financial Markets	20	1	67	39	91	63
Global Services	19	10	50	36	62	48
Common functions[5)]	–41	–57	–93	–170	–130	–207
Other revenue[2)]	–	–	92	54	92	54
Other expenses[6)]	–	–	–	–488	–28	–516
Total OMX Technology	6	–65	129	–580	90	–619
Parent Company and other functions[7)]	–32	–28	–85	–243	–135	–293
Total group	117	45	541	–468	560	–449

1) Income from the creation of EDX London of SEK 46 m is included during, January–September 2003 and January–December 2003.
2) Income from the sale of NGX of SEK 92 m is included during January–September 2004. Income from the formation of EDX London of SEK 54 m is included during January–September 2003 and January–December 2003
3) Income from the sale of XACT Fonder of SEK 16 m is included during January–September 2004.
4) Includes restructuring expenses of SEK 7 m for the period January–September 2003 and January–December 2003.
5) Common functions comprises mainly expenses for common marketing and sales offices, expenses that are not included in income by business area.
6) Includes restructuring expenses of SEK 488 m for the period, January–September 2003 and January–December 2003 as well as reserves for unutilized premises and write-downs related to product phase-out of SEK 28 m for the period January–December 2003.
7) Includes restructuring expenses of SEK 129 m for the period January–September 2003 and January–December 2003, as well as reserves for unutilized premises of SEK 10 m for the period January–December 2003.

Sensitivity analysis and revenue sources

OMX Exchanges

Trading revenue

During the third quarter of 2004, 60 percent of OMX Exchanges' trading revenue was from equity (cash) trading and 40 percent from trading and clearing derivative products. Trading revenue is generated primarily within the Cash Markets, Derivatives Markets and Baltic Operations business areas.

For trading revenue from equity trading, the two most important parameters are the value of equity turnover and the number of equity transactions. A 10-percent change in value of the average daily equity trading volume would, on an annual basis (assuming an unchanged number of transactions) have a SEK +/– 4.5 m impact, calculated on trading levels during the third quarter of 2004.

As regards revenue from trading and clearing derivative products, the two most important parameters are the number of derivative contracts traded and the size of option premiums. A change in the average daily derivatives turnover of 1,000 contracts would, on an annual basis (assuming an unchanged average option premium and product mix), have a SEK +/– 1.1 m impact calculated on trading levels during the third quarter of 2004.

Issuers' revenue

Issuers' revenue comes from fees paid by companies listed on the exchange and is directly related to the market capitalization of the companies. Issuers' revenue is generated in the Cash Markets and Baltic Operations business areas. A ten percent change in the total market capitalization on OMX Exchanges would have a SEK +/– 5.2 m impact on issuers' revenue, calculated on an annual basis from the 2004 level based on operations carried out during the year.

Information revenue

OMX Exchanges' sells trading information to just over 100 companies that disseminate it to a large number of end users. Information revenue is generated within the Cash Markets and Baltic Operations business areas. Information dissemination is invoiced in arrears, and the size of fees varies according to the number of end users.

CSD revenue

CSD revenue is mainly derived from APK (the Finnish central securities depository) and is generated within the Settlement & Depository and Baltic Operations business units. The main sources of CSD revenue and their percentage of revenue are as follows:

- Clearing of equities (12 percent). The most important parameter is the number of equity transactions on Helsinki Stock Exchange.
- Equity settlement and depository (36 percent). The most important parameters are the market value of the securities held in custody and the number of book-entry accounts.
- Money market clearing and settlement (14 percent). The most important parameter is the market value of the securities held in custody.
- Ownership information maintenance and information sales (38 percent). The most important parameters are the number of customers, the number of book-entry accounts and the number of requests for information.

Other revenue

Other revenue comprises mainly training revenue and internal sales from the Settlement & Depository business area to the Banks & Brokers business area. Includes results from formation of EDX London of SEK 46 m during April–June 2003.

OMX Technology

License, support and project revenue

License, support and project revenue from the systems solutions developed and sold by OMX Technology arises primarily within the Financial Markets business area and to some extent in Banks & Brokers.

After OMX Technology has developed and sold a systems solution, the customer licenses the right to use the software. Each project involves individual adaptations to the specific requirements of the customer, for instance, relating to functionality and capacity. This involves development, testing and installation work, all of which generate project revenue that is invoiced continually according to degree of completion. When OMX Technology provides a systems solution, it undertakes to continually upgrade, develop and maintain the solution for which it receives recurring support revenue.

With regard to major system solutions for customers such as exchanges and clearing organizations, license and project revenue is mostly fixed and recognized in relation to the degree of completion. Support revenue is mainly fixed and contracts usually extend for five years. A certain portion of license revenue is also recurring, and contracts run for a longer period. As regards systems solutions to market participants such as banks and brokerage firms, license fees are primarily variable and revenue is recognized on an ongoing basis while project revenue is recognized in relation to the degree of completion. Support revenue from this type of customer is mainly variable and recognized on an ongoing basis.

Revenue from facility management services

Facility Management Services are where OMX Technology is responsible for the continuous support of a systems platform for a customer, for which it receives recurring support revenue within the Global Services and Banks & Brokers business areas. Revenue from Facility Management Services can be both fixed and volume based. Contract times vary between one and seven years.

Other revenue

Other revenue from technology operations consists of trading and clearing revenue from the energy exchanges NGX and UKPX (both of which were sold during 2004) and some resale of third-party products as well as hosting revenue and other sales that cannot be classified together with the revenue sources above. It also includes income of SEK 92 m from the sale of NGX during January–March 2004 and income of SEK 54 m from the creation of EDX London during April–June 2003.

Adjusted income statement

Amounts in SEK m	Acc. to income statement Jan–Dec 2003	Adjustments Jan–Dec 2003	Adjusted Jan–Dec 2003
Total revenue	2,786	–100	2,686
Expenses			
External expenses			
Premises	–341	133	–208
Marketing	–42	–	–42
Consultancy expenses	–263	21	–242
Operation and maintenance, IT	–356	72	–284
Other external expenses	–256	18	–238
Personnel expenses	–1,422	216	–1,206
Depreciation and write–downs	–342	138	–204
Amortisation and write–downs of goodwill	–234	64	–170
Total operating expenses	–3,256	662	–2,594
Participations in the earnings of associated companies	21	–	21
Operating income	–449	562	113

Major shareholders as at September 30, 2004

	Number of shares	Share capital and votes %
Investor AB	12,950,507	11.2
Robur funds	8,522,122	7.4
Swedish State	7,993,466	6.9
AMF Pension/AMF Pension funds	7,096,600	6.1
Nordea	6,595,078	5.7
Handelsbanken/SPP funds	4,823,911	4.2
FöreningsSparbanken	4,539,277	3.9
Didner & Gerge fund	3,450,000	3.0
SEB funds	3,447,100	3.0
Handelsbanken	2,848,105	2.5
Other Swedish owners	37,864,405	32.8
Non-Swedish owners	15,416,444	13.3
Total number of shares	115,547,015	100.0

Source: SIS Ägarservice

Operations under divestment (refers to APK)

Amounts in SEK m	July–Sept 2004	July–Sept 2003	Jan–Sept 2004	Jan–Sept[1] 2003	Oct–Sept 2003/2004	Jan–Dec[1] 2003
Revenue						
Net sales	71	69	229	69	306	146
Total revenue	71	69	229	69	306	146
Expenses						
External expenses						
Premises	–2	0	–8	0	–9	–1
Marketing	–2	0	–6	0	–6	0
Consultancy expenses	–3	–2	–10	–2	–13	–5
Operation and maintenance, IT	–27	–15	–87	–15	–107	–35
Other external expenses	–4	–19	–22	–19	–48	–45
Personnel expenses	–5	–7	–19	–7	–28	–16
Depreciation/amortization and write-downs	–5	–1	–12	–1	–16	–5
Total expenses	–48	–44	–164	–44	–227	–107
Operating income	23	25	65	25	79	39
Financial items	0	6	2	6	3	7
Income after financial items	23	31	67	31	82	46
Tax	–7	–9	–20	–9	–24	–13
Net income in reporting period	16	22	47	22	58	33

Balance sheet

Amounts in SEK m	Sept 2004	Sept 2003	Dec 2003
Other intangible fixed assets	61	75	70
Tangible fixed assets	9	5	12
Financial fixed assets, non-interest-bearing	70	122	117
Financial fixed assets, interest-bearing	143	35	47
Cash and bank balances	1	0	1
Total assets	284	237	247
Shareholders' equity	254	199	207
Short-term liabilities, non-interest-bearing	30	38	40
Total liabilities and shareholders' equity	284	237	247

Cash-flow statement

Amounts in SEK m	July–Sept 2004	July–Sept 2003	Jan–Sept 2004	Jan–Sept[1] 2003	Oct–Sept 2003/2004	Jan–Dec[1] 2003
Cash flow from current operations	13	–2	51	–2	68	15
Cash flow from investing operations	0	–5	–1	–5	–5	–9
Cash flow from financing operations	17	–80	46	–80	45	–81
Changes in liquid funds	30	–87	96	–87	108	–75
Liquid funds – opening balance	114	122	48	122	36	123
Liquid funds – closing balance	144	35	144	35	144	48

1) Figures pertain solely to the period from July 2003, that is, from the date when HEX was consolidated in the OMX Group.

ANNUAL REPORT 2003

The Board of Directors and President and CEO of OM HEX AB (publ), corporate identity number 556243-8001, hereby submit the annual accounts and consolidated accounts for 2003.

OMHEX develops, operates and maintains technology solutions for companies in the financial, energy and commodities markets, and also owns and operates exchanges and clearing organizations.

OMHEX 2003 – Group performance during the year

A year characterized by restructuring and integration

For OMHEX, 2003 was an eventful year during which many strategically important measures were implemented and significant orders were won. Against a backdrop of weak markets and the need to streamline operations, a cost-efficiency program was implemented within the Group. During the summer, OM and the Finnish exchange organization HEX merged to create OMHEX, and at that time a new corporate management was introduced.

Merger with HEX

On May 20, 2003, it was announced that OM and HEX would merge to create an integrated Nordic and Baltic market for listing, trading, clearing, settlement and registration of securities. Customers within the HEX Integrated Markets division will benefit from harmonized markets, lower costs for connecting to the Nordic markets, a wider range of services and increased trading. OMHEX will be a more profitable company with higher earnings through synergies on both the cost and revenue sides. The merger is expected to result in annual cost savings of up to SEK 220 m before tax, with full effect within three years. These advantages and synergies build on the need for new technology and more efficient systems operations at HEX as regards trading, clearing, settlement and depository of securities. In this respect, OMHEX's technology operations are a prerequisite.

Shareholders of HEX were offered 2.5 new OM shares for each HEX share held. OM already owned shares corresponding to a holding of 15.6 percent in HEX, which is why these shares were not included in the offer. HEX was consolidated in the Group from July 1, 2003. Following the resolution of a General Meeting, OM's company name was changed to OM HEX AB, and on September 4, the OMHEX share was listed on the Main List of Helsinki Exchanges. In accordance with a resolution taken by OM's Extraordinary General Meeting held on August 18, 2003, the company's share capital was increased on two occasions by a total of SEK 63,011,794 and 31,505,897 new shares were issued. As a result, the total number of shares increased to 115,547,015.

The creation of OMHEX is expected to provide benefits for listed companies, members and investors. Consolidation was carried out with effect from July 1, and the acquisition price amounted to SEK 62 per OM share. HEX is therefore only included in the Group's accounting from the third quarter. The acquisition has contributed consolidated goodwill amounting to up to SEK 1 764 m, which will be depreciated over 20 years. The increase in goodwill from the end of the third quarter is due mainly to higher transaction costs and the significant need for write-downs in the acquired entity. Expenses for the transaction – restructuring, redundancies and technology harmonization – are estimated at SEK 430 m before tax, of which the main part affects the goodwill that resulted from the merger. Minor adjustments to the acquisition calculation may occur subsequent to this report. As a result of the acquisition, the company's balance sheet total has increased by approximately SEK 2,300 m.

Earnings trend – summary

SEK m	Jan–Mar 2003	Apr–June 2003	July–Sept 2003	Oct–Dec 2003	2003	2002
Revenues	612	595	729	750	2,686	2,640
Expenses, excluding items affecting comparability	–598	–611	–690	–695	–2,594	–2,570
Operating income, excluding items affecting comparability	22	–11	45	57	113	108
Operating income	22	–535	45	19	–449	–24
Income after financial items	11	–532	39	10	–472	–56
Earnings per share	0.09	–5.53	0.14	0.08	–4.33	–0.85

Cost-efficiency program 2003

During the second quarter, OM introduced a cost-efficiency program aimed at streamlining operations and improving the company's profitability. The program, which primarily targets OM Technology, includes restructuring the former Energy Markets business area and OM Technology's product portfolio, as well as concentrating operations in fewer offices and taking a number of measures within Stockholmsbörsen and the Parent Company. The total cost of implementing these measures amounts to SEK 624 m before tax (consisting of write-downs of SEK 202 m and other costs of SEK 422 m). Expenses after tax totaled SEK 544 m and are reported under items affecting comparability in the second quarter. Other expenses include redundancy costs, reserves for unused office space and termination of contracts with subcontractors. Total costs are given in gross terms and do not include positive effects of divestments of operations. The negative cash flow effect is expected to be about SEK 200 m, excluding any positive effects from planned divestments and expenditures for unused premises.

The cost-efficiency program was concluded according to plan in January 2004. Cost-reduction measures took effect during the third and fourth quarters 2003. Full effect is expected toward the end of the first quarter 2004, for example total quarterly expenses will reach the expected level in the second quarter. The cost-efficiency program is expected to reduce the Group's annual expenses by SEK 578 m on a yearly basis. Operations that were closed or divested as part of the program, including NGX, had a total of SEK 150 m in revenues in 2003.

Creation of EDX London

On June 30, trading began on EDX London, a new equity derivatives exchange owned by London Stock Exchange (76 percent) and OMHEX (24 percent). EDX London has been authorized by the British Financial Services Authority as a Recognized Investment Exchange. EDX London was formed through EDX London paying OMHEX a consideration of up to GBP 24.0 m (SEK 327 m) for the Scandinavian equity derivatives business of OM London Exchange. An initial payment of GBP 12.8 m (SEK 180 m) was made in connection with the formation of EDX London, which resulted in a capital gain of SEK 100 m and was recognized as an item affecting comparability during the second quarter 2003. A supplement to the purchase price of GBP 11.2 m will be paid on achievement of certain revenue targets by EDX London by December 31, 2005.

Market development

For HEX Integrated Markets, the year began on a weak note with both falling share prices and lower turnover. During the autumn, the market recovered slightly, and stock indexes in Sweden and Finland increased overall during the year. Equity turnover and the number of equity trades decreased year-on-year, while the number of traded derivative contracts increased. For OM Technology, 2003 was a challenging year. Demand for technology and technology-related services was low. A certain increase in interest from the market, however, was discernable during the fourth quarter. Order bookings decreased year-on-year, and sales were primarily add-on sales to existing customers, although there were some sales to new customers. During the year, OM Technology strengthened business relationships with a number of strategic customers, such as ISE and NASD, and in the fourth quarter, OM Technology received a strategically important order from Singapore Exchange.

Employees

The number of people working in the Group (employees and contracted consultants) was 1,674 (1,722) at the end of the year. Excluding people made redundant and operations under closure or divestiture as part of the cost-efficiency program initiated in 2003, the number of people working in the company was 1 602 at the end of January 2004, a reduction of 401 since the merger between OM and HEX.

Parent Company

OM HEX AB, the legal entity, comprises Group management. Net sales during 2003 totaled SEK 75 m (81). The loss before appropriations and tax amounted to SEK 143 m (loss: 85). Liquid assets were SEK 1 m (0). Investments were SEK 53 m (10).

Revenue and operating income by division

SEK m	Jan–Mar 2003	Apr–June 2003	July–Sept 2003	Oct–Dec 2003	2003	2002
Revenue						
HEX Integrated Markets	234	217	387	392	1,230	965
OM Technology	417	412	416	453	1,698	1,860
Parent Company	41	40	33	30	144	205
Eliminations	–80	–74	–107	–125	–386	–390
Total revenue	612	595	729	750	2,686	2,640
Operating income (after depreciation)						
HEX Integrated Markets	102	76	138	108	424	287
OM Technology	–35	–46	–65	–11	–157	–19
Parent Company and other functions	–45	–41	–28	–40	–154	–160
Items affecting comparability	–	–524	–	–38	–562	–132
Total operating income	22	–535	45	19	–449	–24

HEX integrated markets division

The HEX Integrated Markets division was created through the merger of OM and HEX. The division includes the equity and derivatives exchanges in Stockholm (Stockholmsbörsen), Helsinki, Tallinn and Riga and the central securities depositories in Finland, Estonia and Latvia. The division has four business areas: Cash Markets, Derivatives Markets, Settlement & Depository and Baltic Operations.

For the HEX Integrated Markets division, the year began with falling share prices and lower trading turnover and volumes. During the autumn, the market recovered slightly, and the OMX index increased 29 percent in total during the year, while the HEX25 index increased by 18 percent. Equity turnover and the number of equity trades decreased year-on-year, while the number of traded derivative contracts increased. The number of both listed companies and members fell during the year.

During 2003, HEX Integrated Markets' revenue amounted to SEK 1,230 m (965). HEX was consolidated in the Group from July 1 and is only included during the last two quarters of the year. For comparable operations, excluding HEX and OM London Exchange, revenue dropped 5 percent compared with 2002.

The division's expenses totaled SEK 806 m (678) during the year. For comparable operations, excluding HEX and OM London Exchange, expenses were 15 percent lower. Expenses were higher during the fourth quarter due to integration work and system upgrades. Operating income was SEK 424 m (287).

During the year, comprehensive integration work was carried out within the division, which was formed by combining the operations of Stockholmsbörsen, Helsinki Exchanges, HEX Tallinn and HEX Riga. Among other measures, a new organizational structure was created and a divisional Board of Directors was introduced. To start to harmonize fees for trading on Stockholmsbörsen and Helsinki Exchanges, a reduction in fees for Finnish stocks from the beginning of 2004 was made public in 2003. At the same time, a fee adjustment for market data from Helsinki Exchanges, effective January 1, 2004, was announced. At the end of the year, Eurex announced plans, in cooperation with HEX Integrated Markets, to lower fees for Finnish equity derivatives from the beginning of 2004.

The statistical data – the turnover of derivatives contracts and shares – given below are pro forma, that is, as if HEX Integrated Markets had existed during 2003. In revenue and income, however, HEX is only included from the third quarter 2003.

Cash Markets comprises equity trading, including information sales and listing operations, at Stockholmsbörsen and Helsinki Exchanges. The business area's revenue totaled SEK 695 m (584) during the year. For comparable operations, excluding HEX, revenue decreased by 5 percent compared with 2002. Operating income increased to SEK 318 m (265) during the year. The number of transactions amounted to 52,497 (53,281) on average per day during the year. The average daily equity turnover went down to SEK 15,145 m (17,699). Turnover velocity in equity trading was 113 (118) percent during the year. At year-end, there were 100 (73) members and 497 (522) listed companies.

Derivatives Markets comprises derivatives trading and clearing operations at Stockholmsbörsen and Helsinki Exchanges, as well as cooperation with mainly Eurex and EDX London. Revenue from the business area amounted to SEK 367 m (378) during the year. For comparable operations, excluding HEX and OM London Exchange, revenue decreased by 3 percent year-on-year. The business area's operating income was SEK 84 m (101). The total number of derivatives contracts traded daily on Stockholmsbörsen and Helsinki Exchanges increased to 350,431 (334,144) on average during the year, while the number of Finnish options contracts traded daily on Eurex decreased to 52,850 (82,735). The number of derivatives members at Stockholmsbörsen and HEX was 50 (41).

Settlement & Depository includes the Finnish central securities depository (APK), which provides clearing, settlement and depository services for equities and fixed-income products. During 2003, revenue in the business area was SEK 146 m during the six months that Settlement & Depository was included in the Group. Operating income was SEK 19 m. The number of cleared transactions fell 11 percent year-on-year for equities and by 15 percent for fixed-income products, while the total market value of deposited equities grew 4 percent and the market value of fixed income products rose 3 percent. The operations of the business area come entirely from HEX, which is why no figures are provided for the purpose of comparison.

Baltic Operations includes the stock exchanges, central securities depositories and operation of the national funded pension account registers in Estonia and Latvia. Revenue in the business area totaled SEK 22 m during the six months that the business unit was included in the Group and operating income was SEK 3 m. Baltic Operations comes entirely from HEX, which is why no figures are provided for the purpose of comparison.

OM Technology Division

The OM Technology division includes OM's former technology operations as well as HEX's previous IT-related operations. The division has three business areas: Banks & Brokers, Financial Markets and Global Services.

For OM Technology, 2003 was a demanding year. The demand for transaction technology and technology-related services was low; however, a certain increase in market activity was discernable during the fourth quarter. Sales were mainly add-on sales to existing customers and OM Technology broadened business relationships with a number of strategic customers such as ISE and NASD. During the fourth quarter, OM Technology received a strategically important order from Singapore Exchange. The order strengthens OMHEX's position in Asia, where financial marketplaces are in a significant period of development. In addition, OM Technology launched a new platform for settlement and depository – EXIGO CSD™ – and a new integrated trading platform for equity and derivatives trading – CLICK XT™.

Revenue in the division amounted to SEK 1,698 m (1,860) during 2003. In 2002, income of SEK 75 m from the sale of shares in Orc Software was included in revenue. For comparable operations, excluding HEX and income from the sale of shares, revenue decreased by 12 percent compared with the same period in 2002. Product phase-out as part of the cost-efficiency program that was carried out during the year also had a negative effect on the division's revenue. Internal sales amounted to SEK 235 m (222), of which SEK 62 m (0) relates to HEX.

A series of cost-reduction measures was implemented in OM Technology during the year, in part to address the lower market demand as well as to focus operations. During the fourth quarter, the divestment of the UKPX energy exchange and the POMAX Wholesale™ and POMAX Retail™ products was announced, which will be completed during 2004. Earlier in the year, a number of products for banks and brokerage firms within Securities Finance, Settlement and Corporate Actions were phased out or divested. In addition, OM Technology's offices in Frankfurt, Copenhagen, Edinburgh and Toronto were closed or divested. After the end of the reporting period in January, the divestment of the energy exchange NGX was announced.

The division's operating expenses totaled SEK 1,861 m (1,879). For comparable operations, excluding HEX, expenses decreased by 8 percent. Work to improve cost-efficiency and focus operations within the framework of the cost-efficiency program that was initiated in 2003 was concluded in January 2004. The program will have full effect toward the end of the first quarter 2004.

The operating loss was SEK 157 m (loss: 19) during 2003. A total of SEK 207 m (240) was invested in R&D, which corresponds to 11 (13) percent of revenue, of which SEK 145 m (108) was capitalized.

Order bookings during 2003 amounted to SEK 1,482 m (1,574), of which SEK 555 m (350) relates to HEX Integrated Markets. During the fourth quarter, order bookings amounted to SEK 465 m (912), of which SEK 238 m (23) relates to HEX Integrated Markets. At the end of the year, the order value was SEK 2,974 m (3,118) with orders for SEK 1,173 m (1,135) due for delivery within the next year. HEX Integrated Markets accounts for SEK 1,072 m (782) of the total order value. Currency effects had a negative impact of approximately SEK 147 m (86) year-on-year. Excluding internal orders and currency effects, the order value decreased by 18 percent compared with year-end 2002.

Common functions in OM Technology comprise mainly marketing and business development, expenses that are not included in the results per business area below.

Banks & Brokers sells transaction technology and provides processing services to banks and brokerage firms. Revenue in the business area was SEK 331 m (402) during the year. For comparable operations, excluding HEX, revenue decreased by 31 percent, mainly due to product phase-out, lower transaction-based revenue, closing of offices and reduced internal sales relating to Jiway, the operations of which were closed down during the first quarter of 2003. Operating loss amounted to SEK 79 m (loss: 26).

Financial Markets develops transaction technology for exchanges, clearing organizations and central securities depositories. The business area includes operations that were part of the former Energy Markets business area. No operations from HEX are included in Financial Markets. Revenue in the business area was SEK 889 m (955) during the year. This decrease is due to the fact that the demand for and willingness to invest in systems solutions among existing and prospective customers has been low as well as the fact that a part of the former Energy Markets business area, partly under closure, is now included in Financial Markets. Operating income was SEK 63 m (75).

Global Services offers outsourcing of systems operations to exchanges, clearing organizations, CSDs, banks and brokerage firms. Revenue within the business area totaled SEK 580 m (547) in 2003. For comparable operations, excluding HEX, revenue fell by 9 percent year-on-year, mainly due to lower internal sales regarding Jiway, the operations of which were closed down during the first quarter of 2003. Operating income was SEK 48 m (41).

Revenue and income by division and business area

SEK m	2003	2002
Revenue		
Cash Markets	695	584
Derivatives Markets	367	378
Settlement & Depository	146	0
Baltic Operations	22	0
Jiway1)	–	3
Total HEX Integrated Markets	1,230	965
Banks & Brokers	331	402
Financial Markets	889	955
Global Services	580	547
Other items	28	156
Eliminations	–130	–200
Total OM Technology	1,698	1,860
Parent Company	144	205
Group eliminations	–386	–390
Total Group	2,686	2,640
Operating income before depreciation		
Cash Markets	404	322
Derivatives Markets	89	101
Settlement & Depository	34	0
Baltic Operations	5	0
Jiway1)	–	–75
Total HEX Integrated Markets	532	348
Banks & Brokers	–47	–15
Financial Markets	99	122
Global Services	96	66
Common functions2)	–117	–114
Other items3)	18	102
Total OM Technology	49	161
Parent Company and other functions	–94	–78
Items affecting comparability	–360	–127
Total Group	127	304
Operating income after depreicaiton		
Cash Markets	318	265
Derivatives Markets	84	101
Settlement & Depository	19	0
Baltic Operations	3	0
Jiway1)	–	–79
Total HEX Integrated Markets	424	287
Banks & Brokers	–79	–26
Financial Markets	63	75
Global Services	48	41
Common functions2)	–207	–211
Other items3)	18	102
Total OM Technology	–157	–19
Parent Company and other functions	–154	–160
Items affecting comparability	–562	–132
Total Group	–449	–24

1) Jiway was closed down completely during the first quarter 2003.
2) Common functions comprise primarily marketing and business development expenses. The common functions within OM Technology worked to support all business areas as well as with projects that are not business area specific. Since allocation of these expenses gives a distorted view of the business area's utilization of these resources the expenses remain centrally with OM Technology.
3) Includes income from associated company ORC Software, as well as the sale of shares in ORC Software during the second quarter 2002.

Income statement[1)]

SEK m	2003	Group 2002	2001	2003	Parent Company 2002	2001
Net sales, Note 1, 2, 3	2,686	2,640	3 072	75	81	4
of which own work capitalised	86	80	–	–	–	–
Total revenue	2,686	2,640	3 072	75	81	4
External expenses, Note 4, 12						
Premises	–208	–220	–227	–78	–83	–8
Marketing expenses	–42	–54	–89	–5	–6	–11
Consultancy expenses, Note 5	–242	–289	–495	–38	–39	–67
Operational and maintenance expenses, IT	–284	–272	–440	–3	–7	–2
Other expenses	–238	–241	–319	–16	–10	–36
Personnel expenses, Note 6	–1,206	–1,171	–1,148	–66	–62	–76
Depreciation and write-downs, Note 13	–204	–194	–241	–2	–3	–26
Amortization of goodwill, Note13	–170	–129	–118	–	–	–
Items affecting comparability, Note 8	–562	–132	–481	–24	–	–538
Total operating expenses	–3,156	–2,702	–3,558	–232	–210	–764
Participations in the earnings of associated companies, Note 10	21	38	33	–	–	–
Operating income	–449	–24	–453	–157	–129	–760
Financial items, Note 9, 24						
Revenue from other securities and receivables that are fixed assets	21	26	35	63	101	221
Other interest income and similar income	84	89	103	5	10	6
Other interest expenses and related expenses	–128	–147	–154	–54	–67	–94
Total financial items	–23	–32	–16	14	44	133
Income after financial items	–472	–56	–469	–143	–85	–627
Appropriations	–	–	–	–	82	–
Tax, Note 11	41	–15	233	50	42	225
Minority interest	0	0	211	–	–	–
Profit/Loss for period	–431	–71	–25	–93	39	–402
Number of shares, millions	115,547	84,041	84,040	115,547	84,041	84,040
Number of shares after full conversion, millions	116,325	84,819	84,819	116,325	84,819	84,819
Earnings per share, SEK2), Note 31	–4.33	–0.85	–0.30	–	–	–
Earnings per share, SEK, after full conversion[2)]	–4.33	–0.85	–0.30	–	–	–
Proposed dividend per share, SEK	–	–	–	0	1.0	1.0

1) The amount for 2002 includes operations being discontinued, see note 4.
2) Earnings per share is calculated by the weighted average of the number of shares during the period.

Comments to the income statement

HEX was consolidated in the Group from July 1, 2003, and is thus included in the Group's income statement and balance sheet from the third quarter 2003.

Group net sales amounted to SEK 2,686 m (2,640) during 2003, of which SEK 86 m (80) was capitalized for own work, mainly with regard to OM Technology. In 2002, revenue included income of SEK 75 from the sale of shares in Orc Software. For comparable operations excluding HEX, OM London Exchange, and income from the sale of shares, Group income dropped 10 percent compared with 2002. The decrease is due to lower revenue within both of OMHEX's divisions.

Group operating expenses totaled SEK 3,156 m (2,702), including items affecting comparability in a negative amount of SEK 562 m (negative: 132). For comparable operations, excluding HEX, OM London Exchange and items affecting comparability, operating expenses fell 12 percent compared with the same period last year. The cost-efficiency program initiated in the Group during the summer was concluded and resulted in lower expenses during the latter part of 2003. Full effect is expected towards the end of the first quarter 2004, and total quarterly expenses are estimated to reach the expected level in the second quarter. The cost-efficiency program was announced in June and was expected to lower the Group's annual expenses by SEK 578 m and at the same time reduce revenue on an annual basis by approximately SEK 105 m, based on levels of operation during the second quarter 2003. Operations that were closed or divested as part of the cost-efficiency program, including NGX, had total revenues of SEK 150 m during 2003.

Items affecting comparability were an expense of SEK 562 m (expense: 132) during the year and comprised restructuring costs of SEK 624 m for carrying out the cost-reduction program, reserves for unutilized premises and write-downs of SEK 38 m for products that were phased out within OM Technology, and a capital gain of SEK 100 m from the formation of EDX London.

Items affecting comparability during 2002 included restructuring expenses for cost-efficiency programs.

Participations in associated companies' income derive from Orc Software and NLK as well as EDX London. Group net financial expense totaled SEK 23 m (32). Net financial items were affected positively by the effects from HEX that arose during the third quarter prior to the extra dividend paid by HEX in September. The tax income was SEK 41 m (expense: 15). The year's low tax revenue, with regard to reported losses, is partly explained by the fact that set-offs cannot be carried out between countries where OMHEX has operations and the company has not been able to utilize losses fully in certain countries, and partly by the increased non-deductible amortization in goodwill due to the acquisition of HEX.

Income before depreciation and write-downs was SEK 127 m (304). Operating expenses amounted to SEK 449 m (24) during 2003, while operating income, excluding items affecting comparability, totaled SEK 113 m (108). The loss after financial items was SEK 472 m (loss: 56) and the loss after tax amounted to SEK 431 m (loss: 71). The loss per share equaled SEK 4.33 (0.85). Currency effects had a marginal effect on Group income during 2003.

Write-downs and reserves during the fourth quarter

Items affecting comparability in a negative amount of SEK 38 m (negative: 75) during the fourth quarter include reserves primarily for premises and write-downs regarding products that were phased out within OM Technology. The item affecting comparability in the fourth quarter 2004 is related to the closure of Jiway.

Research and development

Every year, extensive investments are made in research and development within the Group to create the optimal solutions for each individual customer's needs and to reinforce a market-leading position. Development work encompasses the creation of new products and the addition of new functionality to existing products and platforms.

Total investments in R&D

SEK m (of which expensed)	2003		2002	
HEX Integrated Markets	14	(14)	14	(14)
OM Technology	207	(62)	240	(132)
Total Group	221	(76)	254	(146)

Revenue and income per division

SEK m	2003	2002
Revenue		
Trading revenue	641	583
Issuers' revenue	177	174
Information sales	161	117
CSD revenue	141	0
Other revenue	110	91
Total HEX Integrated Markets	1,230	965
License, support and project revenue	898	1,057
Facility Management Services	648	584
Other revenue	152	219
Total OM Technology	1,698	1,860
Parent Company[1)]	144	205
Group eliminations[2)]	–386	–390
Total Group	2,686	2,640
Operating income (before depreciation)		
HEX Integrated Markets	532	348
OM Technology	49	161
Parent Company and other functions	–94	–78
Items affecting comparability[3)]	–360	–127
Total Group	127	304
Operating income (after depreciation)		
HEX Integrated Markets	424	287
OM Technology	–157	–19
Parent Company and other functions	–154	–160
Items affecting comparability[3)]	–562	–132
Total Group	–449	–24

1) Parent Company and other functions includes, in addition to the Parent Company, primarily OM Treasury AB, OM Capital Insurance AG and XACT Fonder AB. The Parent Company also administers all of the Group's offices in Sweden, for which rent is invoiced to the respective divisions.
2) Internal sales from Technology operations, mainly to HEX Integrated Markets, totaled SEK 235 m (222).
3) Net restructuring costs for executed cost-reduction measures before and after write-downs and capital gains from the creation of EDX London.

Balance sheet

	Group			Parent Company		
SEK m	2003	2002	2001	2003	2002	2001
Assets, Note 26, 27						
Fixed assets						
Intangible fixed assets, Note 13						
Goodwill	2,410	903	982	–	–	–
Capitalized expenditure for R&D	299	311	299	–	–	–
Other intangible fixed assets	21	33	36	7	2	67
Tangible fixed assets, Note13						
Equipment	477	475	521	47	0	0
Financial fixed assets						
Participations in Group companies, Note 14	–	–	–	5,008	2,669	2,594
Participations in associated companies, Note 7, 10	251	263	542	–	–	–
Other long–term securities holdings, Note 15	35	93	77	4	4	4
Deferred tax receivable, Note 11	411	253	315	51	–	76
Receivables from associated companies	44	–	–	–	–	–
Other long-term receivables, Note 16	227	243	540	–	14	308
Total fixed assets	4,175	2,574	3,312	5,117	2,689	3,049
Current assets						
Current receivables						
Accounts receivable	335	359	507	0	0	0
Receivables from Group companies	–	–	–	546	566	776
Other receivables	184	208	137	18	5	21
Prepaid expenses and accrued income, Note 17	690	504	375	32	35	31
Short-term investments	1,012	993	1,263	–	–	–
Cash and bank balances, Note 1	350	282	391	1	0	2
Total current assets	2,571	2,346	2,673	597	606	830
Total assets	6,746	4,920	5,985	5,714	3,295	3,879
Shareholders' equity and liabilities, Note 26, 27						
Shareholders' equity, Note 19						
Share capital (115,547,015 shares par value SEK 2)	231	168	168	231	168	168
Restricted reserves	3,654	1,633	1,847	3,068	1,169	1,169
Retained earnings	79	287	267	163	179	490
Net profit/loss for the year	–431	–71	–25	–93	39	–402
Total shareholders' equity	3,533	2,017	2,257	3,369	1,555	1,425
Minority interest	2	–	–	–	–	–
Untaxed reserves, Note 20	–	–	–	–	–	82
Provisions						
Deferred tax liability, Note 11, 20	–	51	109	–	–	–
Restructuring reserve, Note 21	249	71	149	12	–	–
Other appropriations, Note 22	177	29	366	–	29	326
Total provisions	426	151	624	12	29	326
Long-term liabilities						
Convertible subordinated debenture, Note 6	–	55	55	–	55	55
Other interest-bearing long-term liabilities	400	200	–	400	200	–
Other long-term liabilities, Note 23	1	3	11	–	–	–
Total long-term liabilities	401	258	66	400	255	55
Current liabilities						
Liabilities to credit institutions, Note 24	1,600	1,802	2,077	1,389	–	–
Convertible subordinated debenture, Note 6	55	–	–	55	–	–
Accounts payable	120	215	156	4	2	13
Liabilities to Group companies	–	–	–	421	1,372	1,626
Tax liabilities, Note 11	12	1	31	27	0	–
Other liabilities	106	60	382	0	35	331
Accrued expenses and prepaid income, Note 25	491	416	392	37	47	21
Total short-term liabilities	2,384	2,494	3,038	1,933	1,456	1,991
Total shareholders' equity and liabilities	6,746	4,920	5,985	5,714	3,295	3,879
Collateral pledged, Note 29	125	61	389	–	14	308
Contingent liabilities, Note 30	738	911	360	738	874	359

Shareholders equity, Note 19

Group SEK m	Share capital	Restricted reserves	Unrestricted shareholders' equity	Total
Opening balance January 1, 2001	168	1,919	899	2,986
Hedge for employee stock options	–	–	–133	–133
Translation differences	–	–53	–1	–54
Net loss, 2001	–	–	–25	–25
Total of changes in shareholders' equity, excluding dividend payments and capital transactions with the company's shareholders	–	–53	–159	–212
Dividend for fiscal year 2000	–	–	–504	–504
Changes between restricted and unrestricted shareholders' equity	–	–20	20	0
Exercise of convertibles and warrants	0	1	–	1
Other	–	–	–14	–14
Opening balance January 1, 2002	168	1,847	242	2,257
Hedge for employee stock options	–	–	–142	–142
Translation differences	–	–1	51	50
Net income, 2002	–	–	–71	–71
Total of changes in shareholders' equity, excluding dividend payments and capital transactions with the company's shareholders	–	–1	–162	–163
Dividend for fiscal year 2001	–	–	–84	–84
Changes between restricted and unrestricted shareholders' equity	–	–213	213	0
Exercise of convertibles and warrants	0	0	–	–
Other	–	–	7	7
Opening balance January 1, 2003	168	1,633	216	2,017
Hedge for employee stock options		–	29	29
Warrant premiums	–	2	–	2
Translation differences	–	–16	67	51
Net income, 2003	–	–	–431	–431
Total of changes in shareholders' equity, excluding dividend payments and capital transactions with the company's shareholders	–	–14	–335	–349
Dividend for fiscal year 2002	–	–	–84	–84
New issue	63	1,890	–	1,953
Changes between restricted and unrestricted shareholders' equity	–	145	–145	–
Other	–	–	–4	–4
Closing balance December 31, 2003	231	3,654	–352	3,533

Parent Company SEK m	Share capital	Restricted reserves	Unrestricted share-holders' equity	Total
Opening balance January 1, 2001	168	1,169	725	2,062
Hedge for employee stock options	–	–	–133	–133
Net loss, 2001	–	–	–402	–402
Total of changes in shareholders' equity, excluding dividend payments and capital transactions with the company's shareholders	–	–	–535	–535
Exercise of convertibles and warrants	0	–	–	0
Dividend for fiscal year 2000	–	–	–504	–504
Group contribution	–	–	558	558
Tax on Group contribution	–	–	–156	–156
Opening balance January 1, 2002	168	1,169	88	1,425
Hedge for employee stock options	–	–	–142	–142
Net profit, 2002	–	–	39	39
Total of changes in shareholders' equity, excluding dividend payments and capital transactions with the company's shareholders	–	–	–103	–103
Exercise of convertibles and warrants	0	0	–	–
Dividend for fiscal year 2001	–	–	–84	–84
Group contribution, non-deductible	–	–	16	16
Group contribution	–	–	418	418
Tax on Group contribution	–	–	–117	–117
Opening balance January 1, 2003	168	1,169	218	1,555
Hedge for employee stock options	–	–	29	29
Warrant premiums	–	9	–	9
Net profit, 2003	–	–	–93	–93
Total of changes in shareholders' equity, excluding dividend payments and capital transactions with the company's shareholders	–	9	–64	–55
Dividend for fiscal year 2002	–	–	–84	–84
New Issue	63	1,890	–	1,953
Closing balance December 31, 2003	231	3,068	70	3,369

Cash flow statement (in accordance with the direct method), Note 32

SEK m	Group 2003	Group 2002	Group 2001	Parent Company 2003	Parent Company 2002	Parent Company 2001
Current operations						
Operating income	–449	–25	–453	–157	–129	–760
Adjustments for items not included in cash flow						
Depreciation	374	323	359	2	3	26
Write-downs	202	5	196	–	–	538
Cash flow effect from restructuring	175	–108	149	12	–	–
Participations in earnings associated companies	–21	–38	–33	–	–	–
Capital loss	–100	–79	–23	–	–	–
Other adjustments	28	–28	–9	–	–	–
Financial items	–46	–38	–27	–49	–56	–67
Income tax paid	–3	–35	–150	0	–2	–82
Total cash flow from current operations before changes in working capital	160	–23	9	–192	–184	–345
Changes in working capital						
Operating receivables	61	108	66	12	322	886
Operating liabilities	–52	4	–372	–972	–535	–514
Total changes in working capital	9	112	–306	–960	–213	372
Cash flow from current operations	169	89	–297	–1,152	–397	27
Investment activities						
Change in intangible assets	–177	–130	–127	–7	62	–90
Change in tangible assets1)	–84	–75	–328	–46	1	–
Cash flow from associated companies	–15	95	–24	–	–	–
Acquisitions of and new issues in subsidiaries	160	–43	–166	–393	–75	–92
Sale of subsidiaries	0	0	–156	51	1	25
Sale of operations within subsidiaries	146	–	–	–	–	–
Change in other shares and participations	21	0	115	21	–	–
Change in long-term receivables	0	20	–42	–	–	–
Other	0	–25	10	–	1	–
Cash flow from investment activities	51	–158	–718	–374	–10	–157
Financing activities						
Dividend	–84	–84	–504	–84	–84	–504
Group contribution	–	–	–	–	434	558
Change in financial receivables and liabilities	–8	–294	1 205	1,611	55	–308
Change in current trading account2)	–41	–68	–24	–	–	–
Cash flow from financing activities	–133	–310	677	1,527	405	–254
Change in liquid assets3)	87	–379	–338	1	–2	–384
Liquid assets – opening balance	1,275	1,654	1,992	0	2	386
Liquid assets – closing balance	1,362	1,275	1,654	1	0	2

1) During the fourth quarter 2003, SEK 47 m in previously booked prepaid expenses was reclassified as an investment.
2) During the year, current trading account was reclassified. Earlier, this item was included under change in operating capital. Comparative figures for earlier periods have been adjusted to reflect the change.
3) Liquid funds comprises short-term investments and cash and bank balances. Liquid funds not available to the group equal SEK 79 m as on December 31, 2003.

Comments to the balance sheet and cash-flow statement

Comments to the balance sheet

Consolidated goodwill of SEK 2,410 m (903) refers mainly to the acquisition of HEX and Stockholm Stock Exchange. Goodwill related to Stockholm Stock Exchange, which was acquired in 1998, totaled SEK 590 m (632). Goodwill related to HEX, which was acquired in 2003, amounted to SEK 1,706 m (0). Group investments in intangible fixed assets amounted to SEK 177 m (130). Investments in equipment totaled SEK 83 m (75). The increase in financial fixed assets to SEK 1 032 m (852) is due primarily to the increase in deferred tax receivables. In conjunction with the acquisition of HEX, OMHEX's previous book value of SEK 72 m relating to the minority interest in HEX was eliminated. The book value of OMHEX's holding in Orc Software (4.5 million shares) was SEK 85 m at the end of 2003, while the market value of this holding was SEK 379 m. OMHEX's employee stock option program had a positive SEK 29 m impact on shareholders' equity during the year. In March, a dividend of SEK 84 m was paid out to shareholders. Short-term investments and cash and bank balances increased by SEK 87 m primarily due to the acquisition of HEX.

Financial position at year-end

Total assets amounted to SEK 6,746 m (4 920) at the end of the year. The equity/assets ratio increased to 52 (41) percent. OMHEX's interest-bearing net liabilities totaled SEK 612 m (669) at the end of the fourth quarter. The merger with HEX had a positive effect of SEK 198 m on the Group's net liabilities.

During the fourth quarter, OMHEX received an A+ rating from Standard & Poor's for long-term counterparty credit and an A-1 rating for short-term counterparty credit. In light of this, OMHEX reorganized its financing structure. In December, OMHEX issued a Swedish kronor commercial paper certification program with an extendable multi-currency revolving credit facility of SEK 1,500 m for which it received a K-1 rating according to Standard & Poor's Nordic scale. At the same time, a revolving credit facility of SEK 2,100 m was signed, including customary covenants, with a syndicate of Nordic banks. The result is somewhat lower financing expenses and refinancing risk for OMHEX.

During the year, Stockholmsbörsen introduced a new calculation model for determining risk exposure within clearing operations. As a result, capital requirements have been reduced and consequently a company internal subordinated debenture of SEK 750 m has been amortized and at the same time Stockholmsbörsen's equity has increased by SEK 250 m through a new capital stock issue. Funds that earlier were included in clearing capital have thereby been released and have been used to reduce the Group's borrowing and balance sheet total.

At the end of the year, interest-bearing liabilities equaled SEK 2,059 m (2,058), of which SEK 400 m (256) related to long-term liabilities. Available credit facilities totaled SEK 2654 m (3,700), of which SEK 2,054 m (2,049) has been utilized. Interest-bearing financial assets amounted to SEK 1,446 m (1,389), of which SEK 84 m (109) are financial fixed assets.

Comments to changes in Group shareholders' equity

Shareholders' equity of SEK 3,533 m (2,017) increased mainly due to the acquisition of HEX and the new share issue carried out in conjunction with the acquisition. For comparable operations, excluding HEX, shareholders' equity decreased year-on-year, largely due to the negative financial result during the period and the dividend paid to shareholders. The employee stock option program that OMHEX issued during 2000, 2001 and 2002 had a positive effect of SEK 29 m (negative: 142) on shareholders' equity during the year.

Comments to the cash-flow statement

Cash flow from current operations, consisting of income after net financial items with depreciation added back, totaled SEK 169 m (89) in 2003. Certain restructuring expenses incurred in 2002 had an effect on cash flow in 2003. A portion of the year's restructuring costs will impact cash flow in 2004. During the first quarter 2003, a dividend of SEK 84 m was paid to shareholders, which is reported under financing operations. Positive cash flow from the formation of EDX London and liquid assets acquired through the acquisition of HEX are reported under investment activities.

Other significant information

Issue of warrants 2003

In accordance with the press release dated August 19, 2003, the Extraordinary General Meeting of OM resolved to issue a three year debenture with three-year warrants to subscribe for new shares. The decision was taken in accordance with a proposal from the Board of Directors, which was published in a press release (including warrant terms and conditions) on July 11, 2003, and which is available on OMHEX's website at www.omhex.com. During the autumn, about 120 key employees at OMHEX were offered the possibility to acquire warrants. Of a total of 1,150,000 warrants, which carry entitlement to subscribe for 1,150,000 new shares in OMHEX, 310,000 warrants were subscribed for. According to the market valuation carried out by Handelsbanken, the price per warrant was set at SEK 7.80 and the subscription price was set at SEK 138.50.

Number of employees and contracted consultants
The total number of employees and contracted consultants in the Group on December 31, 2003 was 1,674 (1,722), of whom 1,603 (1,633) were employed and 71 (89) were contracted consultants. Excluding employees who have been made redundant and operations under closure or divestiture as part of the cost-efficiency program initiated in 2003, the number of people working in the company was 1 602 at the end of January 2004, or 401 fewer since the merger between OM and HEX. Of those employed, 352 (237) work in HEX Integrated Markets, 1,128 (1,365) in OM Technology and 123 (31) in the Parent Company. Some 426 employees come from HEX. For comparable operations, excluding HEX, the number of people employed and contracted fell by 236 during the fourth quarter, compared with the third quarter 2003. The reduction is a result of OM's cost-efficiency program from June 30, 2003. As part of the work to achieve organizational synergies in connection with the merger with HEX, 70 positions will be eliminated during the first quarter 2004, of which ten in Sweden and 60 in Finland.

New Corporate Management
On September 4, Magnus Böcker was appointed President and CEO of OMHEX. Jukka Ruuska was appointed as Deputy CEO of OMHEX and Head of the HEX Integrated Markets division and Klas Ståhl as Head of the OM Technology division. Other members of the executive management include CFO Per Nordberg and CSO (Chief Strategy Officer) Anders Reveman. On May 31, Per E. Larsson resigned as President and CEO of OM.

Legal disputes
In July, it was announced that OM Technology, BrokerTec USA and its Parent Company ICAP were among those being sued by eSpeed in a US court for the alleged infringement of a patent. OM Technology is being sued in its capacity as a systems provider to BrokerTec USA. OM Technology has rejected the claim and denies any patent infringement. On January 14, 2004 the court denied eSpeed's request for a preliminary injunction that would prevent BrokerTec USA from continuing to operate as earlier.

Within OM Technology there is one other dispute regarding a systems delivery.

Stockholmsbörsen is currently involved in a legal dispute involving a number of members concerning a demand for the repayment of VAT. Stockholmsbörsen has rejected the claim.

No reserves have been made for the above disputes and deliberations. For additional information about tax disputes see Note 11.

Accounting principles
In 2003, the following new recommendations came into effect: Presentation of financial statements (RR22); Segment reporting, (RR25); Events after the balance sheet date (RR26) and Financial instruments: disclosure and presentation (RR27). The application of these recommendations has not had a material effect on the accounts. Additional recommendations from the Swedish Financial Accounting Standards Council also came into effect during the year. These recommendations do not apply to the operations of OMHEX and therefore do not impact OMHEX's financial reporting.

Transition to IFRS 2005
According to an EU directive, all public companies within the EU must prepare financial statements in accordance with International Financial Reporting Standards by 2005. The transition to IFRS in 2005 also means that comparative figures for 2004 must be accounted for according to IFRS, with the exception of financial instruments. In order to facilitate and secure the transition to IFRS, OMHEX has appointed a special project group comprising employees from the Finance department, the Treasury department and Human Resources. The project group reports to the Audit Committee and the CFO regarding the project's progress on a regular basis. The project will be completed in 2004.

Work regarding the transition to IFRS has begun and encompasses the identification and analysis of the differences between generally accepted accounting practices (GAAP) in Sweden for listed companies and IFRS, establishment of an implementation plan for IFRS in the company, and a review of the systems and processes that are affected by the transition. Accounting and reporting according to the IFRS will affect OMHEX's reported income and financial position. The significant differences between Swedish GAAP and IFRS practices in effect today that will have an affect on OMHEX are reporting of financial instruments and reporting of defined-benefit pension plans. Significant differences between Swedish GAAP and IFRS practices are expected regarding reporting of intangible assets (economic life of goodwill) and share-related remuneration (employee stock option program). Increased information requirements will also affect the design of the annual report.

Environmental issues
OMHEX offers products and services that use limited resources both in the production process and the end product, and therefore have a limited effect on the environment. OMHEX's greatest direct impact on the environment is through recycling different office products, from paper to various types of hardware. When making purchases, environmentally friendly materials and products are always selected.

Events after the close of the reporting period

In January 2004, OMHEX divested Natural Gas Exchange (NGX) to the TSX Group. The agreement between OMHEX and TSX also includes a five-year license agreement for CLICK XT™ and the parties will look for areas to work together on future business development. The sale of NGX will have a positive effect on income of approximately SEK 105 m, which will be recognized as an item affecting comparability during the first quarter 2004.

Dividend policy

OMHEX follows a dividend distribution policy whereby dividends are paid in line with the company's long-term earnings trend and capital requirements.

Future development and proposed distribution of earnings

Future development

OMHEX is a company with two closely collaborating divisions. OMHEX's main strength is the combination of expertise and experience from owning and operating marketplaces and at the same time developing technology and technology-related services for marketplaces and market participants. One of the most vital tasks for the future is to continue to develop and benefit from this competitive edge. Four areas of focus in the near future have been identified within OMHEX:

- Continued work to achieve satisfactory profitability within OMHEX, through both continued cost control and creating better conditions for increased revenue.
- Together with market participants, OMHEX will work actively to create a fully integrated securities market for the Nordic and Baltic countries for exchange trading, clearing, settlement and depository.
- Integration between OM and HEX began in 2003 and during the year a new organizational structure was established within the Group. The integration will be completed by 2006 at the latest and includes the creation of an integrated market for exchange trading between Sweden and Finland. During 2004, OM Technology's trading platform SAXESS™ will be implemented at Helsinki Exchanges. OMHEX will also work for the establishment of a common Nordic central counterparty clearing system for the stock market. In accordance with the integration plan, OMHEX will also work for the establishment of a common Nordic systems platform for settlement and depository of securities; the intention is to use OM Technology's EXIGO CSD™ system.
- Continued and intensified systematic work to strengthen and improve relations with customers and other stakeholders.

Outlook 2004

Revenue in the OM Technology division during the first part of 2004 is expected to be in line with revenue from the latter part of 2003. Full effect from the cost-reduction program initiated in 2003 is expected toward the end of the first quarter 2004, for example total quarterly expenses will reach the expected level in the second quarter. Synergies from the integration of OM and HEX are expected to take effect initially during 2004.

Proposed distribution of earnings

As shown in the consolidated balance sheet, the funds available for distribution by the Group amount to a loss of SEK 354 m (profit: 216). No allocation to restricted reserves is required. The Board proposes that the retained earnings of SEK 70 m (218) at its disposal in the Parent Company be distributed as follows:

Distribution of retained earnings	
Dividend to shareholders, SEK 0 per share	0
To be carried forward	SEK 69,648,006
Total	SEK 69,648,006

The proposed distribution of earnings as well as adoption of the balance sheets and consolidated income statements will be approved at the Annual General Meeting.

Notes to the financial statement

OM HEX AB (publ), with the corporate registration number 556243-8001, is a limited (liability) company registered in Sweden. The registered office of the Parent Company is in Stockholm. Amounts are in SEK millions (SEK m) unless otherwise stated. Amounts in parentheses indicate values for 2002.

Note 1. Accounting principles

The Annual Report has been prepared in accordance with the Annual Accounts Act and the recommendations issued by the Swedish Financial Accounting Standards Council. Appraisal of items has been made according to the acquisition value.

New recommendations came into effect during 2003 regarding the presentation of financial statements (RR22), segment reporting (RR25), events after the balance sheet date (RR26) and disclosure and presentation of financial instruments (RR27). The application of these recommendations has had no material effect on the accounts, with the exception of increased disclosure requirements.

In addition to the recommendations mentioned above, further recommendations from the Swedish Financial Accounting Standards Council came into effect during 2003, but since they address areas outside OMHEX's operations, they have no effect on the formulation of OMHEX's financial reports.

Consolidation principles

Consolidated financial accounts include the Parent Company and all companies in which the Parent Company, through either direct or indirect ownership via subsidiaries, has a controlling influence. The consolidated financial accounts have been prepared in accordance with the acquisition accounting method. This means, inter alia, that the book value of shares in subsidiaries is set-off in the first instance against restricted shareholder's equity in each subsidiary and thereafter against unrestricted shareholder's equity. Only that part of the subsidiary's unrestricted shareholder's equity that can be distributed to the Parent Company without the need for writing down the share is included in the Group's unrestricted shareholder's equity. The consolidated income statement includes companies that have been acquired or sold during the year, with values relating only to the period during which the companies have been owned by the Group. The Group's income comprises income from the Parent Company and subsidiaries after deduction of any internal profit as well as goodwill write-downs or other acquired surplus value.

Associated companies

An associated company is an operation that is neither a subsidiary nor a joint venture, but one in which OMHEX exercises a significant influence over its management and where OMHEX's ownership is of a permanent nature. Associated companies are accounted for using the equity method. OMHEX's share in the associated companies' income is reported net of tax. See note 10.

Joint ventures

A joint venture is a company in which two or more parties have a joint controlling influence over operations. Joint ventures are accounted for using the proportional method, whereby the Group's share of assets, liabilities, revenue and expenses relating to joint ventures is reported line by line together with similar items. See Note 10.

Translation of foreign subsidiaries' balance sheets and income statements

Subsidiaries whose operations are integrated with the Parent Company's and whose transactions are mainly internal, such as OM Technology Ltd. (Hong Kong) and OM Italy Srl., are classified as dependent. For recalculation of the financial statements of dependent subsidiaries the monetary method has been used. According to this method, monetary assets and liabilities are shown in the report currency recalculated at the closing day rate. Non-monetary assets and liabilities are reported in the report currency recalculated at the currency rate on the date of acquisition. For subsidiaries classified as independent, the current method has been used, which means that items in the balance sheet have been recalculated at the closing-day rate, with the exception of shareholders' equity, which has been recalculated using the historic rate, while items on the income statement have been recalculated at an average exchange rate for the period. Recalculation differences that consequently arise are not reported in the income statement but are posted directly against shareholders' equity.

Discontinuing operations

The reporting of operations that are being discontinued assists investors, lenders and other users of the financial statements in forecasting OMHEX's future cash flows, profitability levels and financial position. During 2002, a decision was made to close Jiway. In Note 4 there is a table showing revenues and expenses related to Jiway. Information on the cash flow effect of the closure of Jiway is reported separately in Note 4.

Cash-flow statement

The cash-flow statement was prepared in accordance with the indirect method.

Revenue recognition

The Group's reported net sales relate primarily to trading revenue and the sale of systems and services. An item of revenue is posted to the income statement when delivery of a product or service has been made in accordance with the applicable terms of delivery, when it is likely that the company will receive its future financial benefits, and that these benefits can be calculated in a reliable way.

Interest income is recognized on a time proportion basis that takes into account the effective yield on the asset.

Dividends are recognized in the income statement when the shareholder's right to receive payment is established.

Income received in the form of assets (for example shares), is valued at actual value on the transaction date.

HEX Integrated Markets

Revenues within this division comprise, in addition to trading revenues, premium revenues for options written and payments for futures sold. Premium revenue and expenses as well as futures payments made and received are shown as net figures in the income statement. Consequently, current-account assets and liabilities are reported according to the net accounting principle in the balance sheet item accounts receivable.

Revenue from new issues, information sales and CSD operations is recognized on a continuous basis.

OM Technology

OMHEX applies the percentage-of-completion method to its technology sales, license and project revenues. In applying the percentage-of-completion method, income is recognized in line with the completion (development) of a project. An anticipated loss on a project is immediately treated as an expense. The fundamental premise of the percentage-of-completion method is that project revenue and expenditure can be accurately assessed and that the degree of development can be reliably established. At OMHEX the degree of development is established through the relationship between the hours that have been worked by the year-end and the estimated number of project hours in total. The occasional project arises for which an accurate assessment of project revenue and expenditure cannot be made when the yearend accounts are prepared. In such cases, revenue is instead determined using zero-settlement. In these cases the rule is that the project revenue is reported as expenditure incurred to date, for example income is reported as zero until such time as it can be accurately calculated. Thereafter, the percentage-of-completion method is applied as soon as possible. A present-value calculation has been performed for those project receivables that do not fall due within 12 months.

Income from support and facility management services is recognized on a continuous basis.

Internal sales

The main principle for transactions between companies within the Group is that the price is determined according to market price. Market price is the price an external customer is willing to pay or the price an external supplier would charge for providing the service.

In cases where comparable market prices cannot be established, the price of the transaction is determined according to the cost-coverage method with a margin. The cost-coverage method entails remuneration for direct costs and a reasonable part of the indirect costs that the company has accumulated while providing the service. Any internal profit that arises as a result is eliminated within the Group.

Common functions, such as premise-leasing expenses and office services, are invoiced between companies within the Group according to the cost-coverage method.

Goodwill

Goodwill is reported at acquisition value with deductions made for accumulated amortization and any write-downs. Goodwill represents that portion of the acquisition cost that, on the day of acquisition, is in excess of the actual value of any identifiable net assets contained in the acquired subsidiary, associated company or joint venture. Goodwill is amortized straight-line over its economic life, which is assumed to be a maximum of 20 years. See Note 13. In the case of the disposal of a subsidiary, associated company or joint venture, any remaining unamortized goodwill is included in the calculation of the disposal revenues.

The value of goodwill is assessed to ascertain whether any write-downs are necessary, when events or other prerequisites indicate that the reported value may not be recoverable.

Goodwill derived from the acquisition of foreign entities is treated as an asset in the acquired company and reported according to the local currency and translated according to the transaction-day rate of exchange.

Tangible and other intangible fixed assets

Fixed assets are reported at acquisition value with deductions made for accumulated depreciation and any write-downs while adding back any appreciation. Straight-line depreciation is applied over the assets' economic life. See Note 13.

The term *investments in fixed assets* includes investments in equipment and intangible fixed assets. The Group's cash-flow statement only includes investments that have impacted Group liquid assets.

Write-downs

The book values of fixed assets are continuously monitored through analyses. If an analysis indicates that a value may be too high, the asset's recovery value is established, which is the highest of net sale value and economic lifetime value. The economic life value is measured as the expected future discounted cash flow. The write-down figure is then the difference between the book value and the recovery value. Write-downs are accounted for as an expense in the income statement.

If it is not possible to establish a recovery value for the asset, the company has to calculate a recovery value for the cash-generating unit to which the asset belongs. A cash-generating unit is made up of the smallest group of assets to which a specific asset belongs and which gives rise to payments from continuous operations that are significantly independent of payments from other assets or groups of assets.

If any changes are made to the assumptions that led to the decision regarding the write-down, a cancellation of the write-down must be made. The cancellation may not cause the reported value to exceed what would have been reported if no write-down had been made by the company. Cancellations are reported as revenue in the income statement.

Systems development expenses

All expenditures for research are charged as an expense when they arise. During the fiscal year SEK 2 m (2) was charged against revenue for investment in research.

Expenses relating to the development of new products are treated as intangible assets when they fulfill the following criteria: it is likely that the asset will provide future financial benefit to the Group (for example contribute a positive cash flow); the acquisition value can be calculated in a reliable way; the company intends to take the asset to completion; and the company has technical, financial and other resources to complete development, use or sell the asset. Important documentation for the verification of such capitalization includes business plans, budgets, outcomes and external evaluations. In certain cases, capitalization is based, out of necessity, on the company's estimation of future outcome, such as prevailing market conditions.

The acquisition value of an internally developed intangible asset is the total of those expenses incurred from the time when the intangible asset first fulfills the criteria set out by generally accepted accounting principles. (See criteria above.) Internally developed intangible assets are reported at acquisition value with deductions for accumulated depreciation and any write-downs.

Revenue from work carried out during the financial year on company assets that has been carried forward as fixed assets is reported in the income statement under the heading Own work capitalized. The item relates only to capitalized personnel expenses. No reduction of personnel expenses has been made for work that relates to capitalized assets. The expenses have been met by the reported revenue. Own work capitalized has therefore no impact on income but does have a negative impact on the operating margin.

During the fiscal year, total research and development expenses for the Group amounted to SEK 221 m (254), of which SEK 145 m (108) was activated.

Leasing expenses

Leasing is classified as either financial or operational leasing. Financial leasing is when the financial risks and benefits linked to the ownership of an asset are to all intents and purposes transferred from the lessor to the lessee. If this is not the case, then leasing is operational.

In the case of financial leasing agreements, the lessee must report the asset as a fixed asset in the balance sheet. Future leasing payment obligations are reported as a liability. Assets are depreciated based on economic life, while both the interest payments and the capital repayments are disclosed for the leasing payments.

In the case of operational leasing, leasing fees are expensed over the life of the lease, which commences when usage starts.

OMHEX only has operational leasing commitments. See Note 12.

Borrowing expenses

Expenses related to borrowing are capitalized and expensed during the period in which they arise.

Pension expenses

The Swedish Financial Accounting Standards Council recommendation regarding employee remuneration and reporting of pension plans came into effect on January 1, 2004 and has had no effect on OMHEX's accounts during 2003. According to current practice, local principles in the respective countries apply.

Financial instruments

Liquid assets comprise, in addition to cash and bank balances, short-term investments that have a life of three months or less and can easily be converted into cash resources.

Short-term investments consist of discount securities, bonds and securities issued by the state, municipality, Swedish banks and Swedish mortgage institutions with a life of three to twelve months. Investments that have a longer life than three months and high liquidity are included if these securities can easily be converted into cash resources. All short-term investments are reported in the balance sheet at the transaction day and are valued at the lowest of either the acquisition value or the actual value on closing day. Return on investment is reported continuously against net interest income/expenses.

Long-term financial assets primarily consist of deposits, long-term securities and long-term project receivables. The items are reported in the balance sheet according to their acquisition value on settlement day, including the accrued return on investments. Long-term financial asset revenues are reported continuously together with currency translations in the income statement.

Financial liabilities consist of debts to credit institutions, issued commercial papers and bonds and issued convertible loans. The items are reported in the balance sheet according to the acquisition value on settlement day, including accrued interest. Any excess/ discount is included in the acquisition value according to the accrual accounting method over the life of the liability. Interest costs are reported on a continuous basis on the income statement.

Financial derivative instruments consist of currency forwards, currency swaps, currency options, interest futures contracts and interest swaps.

Currency forwards and currency swaps are used to hedge against currency exposure in future cash flows. Currency derivatives used for this purpose are reported according to the hedge accounting method, that is to say the currency rate effect pertaining to derivative instruments is reported in the income statement at the same time as the currency rate effects of the underlying cash flows are realized. The interest component (futures premium) is reported according to the accrual accounting method over the life of the contract against net interest income/expenses. Outstanding currency derivatives that do not fulfill the criteria for hedge accounting are valued according to the lower of cost or market principle. Unrealized losses are transferred to net interest income/expenses.

Currency derivatives used for hedging purposes are reported in the income statement in the same way as the currency forward contracts above. Option premiums are balanced and reported in the report upon maturation.

Interest-rate futures used to achieve the desired duration of interest-bearing assets and liabilities are realized continuously and accounted for within net financial items.

Interest-rate swaps used for the purpose of changing the interest structure of underlying financial assets and liabilities are reported according to the hedge-accounting method, for example the effect of the derivative is reported on the income statement at the same time as the effect of the underlying item. Interest derivatives that do not fulfill the criteria for hedge accounting are valued according to the lower of cost or market principle. Unrealized losses are transferred to net interest income/expenses. The share of outstanding fixed-income derivatives at the year-end is stated in Note 24.

Actual value

The actual value presented in the report is based on market price and generally accepted methods. In the case of valuation, official quotations on the closing date were applied. Translation into SEK was at the year-end rate.

Receivables

Receivables are reported as the amount expected to be received.

Receivables and liabilities in foreign currencies

Receivables and liabilities in foreign currencies have been valued at the year-end rates quoted for each currency. Where receivables and liabilities have been hedged with currency derivatives, valuation has been carried out at the rates set in the hedging contracts. Exchange-rate differences relating to operating receivables and liabilities are reported as part of operating income, while exchange-rate differences relating to financial assets and liabilities have been reported as financial items.

Current trading account

Current trading accounts assets and liabilities in OMHEX's exchange operations have been reported according to the net accounting principle within the respective clearing operations. See Revenue recognition – HEX Integrated Markets.

Overview current trading account

Gross amount SEK m	Receivables	Liabilities
Stockholmsbörsen AB	107	138
OM London Exchange Ltd	9	0
Natural Gas Exchange Inc	2,221	2,225

Taxes

Under the Taxes heading in the income statement, OMHEX has reported current and deferred income tax for its Swedish and foreign Group companies. Group companies are liable to pay tax in accordance with the applicable tax legislation in the countries in question. The Swedish State corporate tax for the Parent Company was 28 percent, calculated on nominal reported income, adding non-deductible items and deducting non-taxable revenue as well as other deductions, primarily tax-free dividends from subsidiaries. Deferred tax is reported in accordance with the balance-sheet method, which means that deferred tax liabilities and receivables are calculated and reported in the balance sheet on temporary differences between book and taxable values for assets and liabilities as well as for other tax deductibles or deficits.

Deferred tax receivables are reported with caution and only when it is deemed probable that the underlying tax receivable will be realized during the foreseeable future. At each balance-sheet date an assessment is made of the reported values.

Deferred tax liabilities and receivables are calculated using the anticipated tax rate at the time the reversal of the temporary difference is due to take place. The effects of the changes to applicable tax rates are reported during the period in which the changes become statutory. See Note 11.

Items affecting comparability

Items affecting comparability relate to events and transactions that have an impact on income and are of significance when income for that period is compared with other accounting periods and other companies.

OMHEX reports revenue and expenses of a non-recurring nature as items affecting comparability. These are revenues and expenses that are not part of the company's current operations and should not be taken into account in comparison with prior periods or other companies, or when establishing forecasts. Revenue from the sale of EDX London during 2003 has been classified as an item affecting comparability. During the year, expenses related to the cost-efficiency program that was introduced in June, as well as the measures presented in December, have also been classified as an item affecting comparability. For additional information regarding items affecting comparability, see Note 8.

Provisions

Provisions are reported in the balance sheet when the Group is set to experience future commitments as a consequence of an event that has already happened and is likely to cause a loss of financial benefits, the size of which can be anticipated with a reasonable degree of certainty.

Provisions for restructuring expenses are reported when the Group has presented a detailed plan for the implementation of the planned action and this plan has been communicated to all the parties involved. See Note 21.

Using OMHEX's previous accounting principles, a provision for structural measures was reported in conjunction with the Board of Directors' decision with regard to this matter. Since the changeover to the Swedish Financial Accounting Standards Council's recommendation relating to provisions (RR16) in 2002, no retroactive recalculations have been made regarding previous provisions.

Collateral pledged to OMHEX's exchange operations

Through their clearing operations, OMHEX's exchanges enter as the counterparty in each options and futures contract, thereby guaranteeing the fulfillment of each contract. Customers who, through either an option or futures contract, incur a financial obligation toward OMHEX's exchanges, must pledge collateral against this obligation in accordance with the specific rules regulating this area. Most of the collateral pledged comprises cash and securities issued by the Swedish State. See Note 28. For other collateral pledged, see Note 29.

Contingent liabilities

A contingent liability relates to a potential commitment arising from events that have occurred but where the actual commitment can only be confirmed through the occurrence of one or more uncertain future events that lie outside the control of the company.

In order for a company not to be required to report a contingent liability as a provision in the balance sheet, it must either be unlikely that an outflow of resources will be required to regulate any upcoming commitments, or be the case that the size of the commitment cannot be calculated with sufficient accuracy.

Description and definition of business areas and geographic regions

OMHEX is made up of two divisions: HEX Integrated Markets and OM Technology.

HEX Integrated Markets consists of four business areas: Cash Markets, Derivatives Markets, Settlement & Depository and Baltic Operations.

Cash Markets comprises equity trading at Stockholmsbörsen and HEX Helsinki.

Derivatives Markets comprises derivative trading and clearing operations at Stockholmsbörsen and HEX Helsinki, as well as cooperative dealings with mainly EUREX and EDX London.

Settlement & Depository comprises the Finnish central securities depository (APK), which provides clearing, settlement and depository services for equities and fixed-income products.

Baltic Operations comprises the stock exchanges, central securities depositories and the national funded pension account registers in Estonia and Latvia.

OM Technology is made up of three business areas: Banks & Brokers, Financial Markets and Global Services.

Banks & Brokers sells transaction technology and provides processing and outsourcing services to banks and brokerage firms.

Financial Markets develops transaction technology solutions for exchanges, clearing organizations and central securities depositories. The business area also includes operations that were part of the former Energy Markets business area.

Global Services offers outsourcing of systems operations to exchanges, clearing organizations, central securities depositories, banks and brokerage firms.

Geographically, OMHEX has operations in four regions: the Nordic Region, Europe, North America and Asia/Australia. The geographic grouping corresponds to regions where the company's operations have relatively similar system solutions, rules and regulations and customers.

Employee stock option program

All employees were allocated employee stock options during 2000, 2001 and 2002. The strike price has been set at 10 percent of the applicable share price. OMHEX has not received any premiums for these options and the market value of the options granted has not been taken up in the accounts. Upon exercise, options will primarily be delivered from a third party which has undertaken to provide existing shares (no dilution). OMHEX therefore receives no part of the strike price when these options are exercised. The effects of the agreement aimed at limiting dilution, securing the provision of shares upon exercise of these options and, in the event of a price increase, limiting the outflow of liquidity due to social security contributions, are reported as a deduction from shareholders' equity in accordance with the rules governing buying back own shares. The financing expenses are treated as financial expenditure.

When the share price exceeds the strike price of the option, provisions are made for the anticipated social security contributions, which are also expensed, on an ongoing basis. See Note 24.

Finnish accounting principles

This information is presented according to the Finnish Financial Supervisory Authority's decision number 28/269/2003. As stated this Annual Report has been presented according to the Annual Accounts Act and the Swedish Financial Accounting Standards Council's current directives. The main difference between the Finnish accounting principles and the applied Swedish principles for OMHEX concerns acquisition through new issue of own shares. In the case of acquisition through new issue of own shares, Finnish accounting norms do not stipulate that purchase price must be calculated according to market value of the issued shares. Swedish accounting principles stipulate that the purchase price must be calculated according to market value of the issued shares, which often entails that goodwill and other company surplus value and future amortization of these will be reported.

New directives from the Swedish financial accounting standards council

From January 1, 2004, OMHEX will incorporate the Swedish Financial Accounting Standards Council's recommendation (RR29) regarding employee remuneration. OMHEX previously reported pension obligations in line with Swedish accounting standards. According to the Swedish accounting standards, pension obligations are reported with the pension liability that is accrued per accounting year.

According to RR29/IAS 19, pension obligations are classified as defined-contribution plans or defined-benefit plans. The reported pension obligations comprise all existing pension plans within the company.

The defined-contribution plans are mainly accounted for at the cost (premium/contribution) incurred by OMHEX during the period for securing employee pension benefits. In these cases, there is no need to perform an evaluation of the pension plan from an insurance perspective.

Under defined-benefit plans, OMHEX is exposed to demographic and financial risk. The demographic risk is that employees could live longer than calculated and therefore expenses could be higher than calculated for the lifelong pension paid by OMHEX. The financial risk is in the case that collateral pledged for financial benefits (insurance/pension assets) might not be sufficient. In such cases OMHEX may be forced to contribute additional collateral so that the pensions can be paid.

Defined-benefit plans must be established according to the present value of all defined-benefit obligations and the actual value of any assets under management. In that case the *Protected Unit Credit Method* is used to calculate obligations and costs, in doing which consideration will be given to future salary increases.

During 2003, OMHEX carried out an inventory of all pension plans that are active within the company and started a valuation and calculation of these plans. In the first quarter 2004, OMHEX will report any effects that may arise related to these pension plans.

Transition to international reporting standards (IFRS) in 2005

According to an EU directive, all public companies within the EU must prepare financial statements in accordance with IFRS from and including 2005. The transition to IFRS 2005 also means that comparative figures for 2004 are to be reported according to IFRS, with the exception of financial instruments which will be applied from 2005. In order to facilitate and secure the transition to IFRS, OMHEX has appointed a special project group made up of employees from the Finance department, the Treasury department and the Human Resources department. The project group reports to the Audit Committee and the CFO, who keep executive management and the Board of Directors updated. The work will be completed in 2004.

Work regarding the transition to IFRS has begun and encompasses the identification and analysis of the differences between Swedish GAAP for listed companies and IFRS, establishment of an implementation plan for IFRS within the company and a review of the systems and processes that are affected by the transition. Accounting and reporting in accordance with IFRS will affect OMHEX's reported income and financial position. Furthermore, formulation of the annual report will also be affected due to enhanced disclosure requirements.

The significant differences between Swedish GAAP and IFRS practices in effect today that will have an affect on OMHEX are in the following areas:

Financial instruments: according to IAS 39, all financial assets and liabilities, including freestanding and embedded derivatives, are to be reported in the balance sheet, which will lead to an increase in the balance sheet total, and current valuation adjustments will have an effect on the company's results. Classification of financial instruments steers the current valuation where the valuation norm is the actual value. Together with any hedge accounting, as well as the occurrence of embedded derivatives in contracts that are to be reported, the implementation of recommendations will have an effect on the company's results, shareholders' equity and key ratios. It has yet to be determined how the effects described above will be reported in the company's accounts.

Significant differences between accepted accounting practices in Sweden and IFRS practices in effect today that are expected to be adopted during the first quarter 2004 and that will have an effect on OMHEX are:

Intangible assets (goodwill) with an unlimited economic life: the draft of the recommendations regarding reporting of goodwill states that goodwill is no longer an object for amortization according to plan. Instead, the company must carry out a write-down test of the reported value on a yearly basis. During 2003 the Group's amortization of goodwill totaled SEK 170 m (129).

Share-related remuneration (for example, the employee stock option program): the draft of recommendations regarding the reporting of share-related remuneration states, for example, that the employee stock option program is reported at actual value at the time of allocation. The value of the employee stock option program is reported as an increase in shareholders' equity and as an asset (prepaid expense), which is expensed during the earning period. OMHEX has not yet calculated what impact the above described differences between Swedish GAAP and IFRS will have on the company's accounts. The calculation of effects during the transition to IFRS will be completed during 2004 and reported during the first quarter of 2005.

Exchange rates

The year-end rate is used in consolidation of foreign subsidiaries' balance sheet items. The average exchange rate for the period is applied for income items.

Exchange rates		2003		2002
	Year-end rate	Average rate during period	Year-end rate	Average rate during period
AUD	5.43	5.26	4.97	5.26
CAD	5.56	5.77	5.63	6.16
CHF	5.83	6.00	6.33	6.24
DKK	1.22	1.23	1.24	1.23
EEK	0.58	0.58	–	–
EUR	9.10	9.13	9.20	9.15
GBP	12.92	13.21	14.15	14.53
HKD	0.94	1.03	1.13	1.24
LVL	13.6	14.20	–	–
NOK	1.08	1.14	1.26	1.22
USD	7.27	8.04	8.83	9.66

Note 2. Revenue

Reported revenue divided between different revenue types

SEK m	2003	2002
License-, support- and project revenue1)	898	1,057
Facility Management Services	648	584
Other revenue2)	152	258
Total OM Technology	1,698	1,899
Trading revenue	641	583
Issuers' revenue	177	173
Information sales	161	117
CSD revenue	141	0
Other revenue	110	92
Total HEX Integrated Markets	1,230	965
Parent Company and other functions3)	144	150
Group eliminations (see below)	–386	–374
Total	2,686	2,640

1) Of which revenue derived from assignment revenue SEK 314 m (328).
2) Of which SEK (75) m relates to the sale of shares in ORC Software.
3) Parent Company and other functions includes, in addition to the Parent Company, primarily OM Treasury AB, OM Capital Insurance AG and XACT Fonder AB. The Parent Company also administers all of the Group's offices in Sweden, for which premise leasing expenses are invoiced to the respective divisions.

Currency effects
Revenue includes positive exchange-rate differences amounting to SEK 20 m (30), of which SEK 34 m (36) is unrealized. Exchange-rate differences had a negative effect on operating expenses of SEK –5 (negative: 5), of which SEK 4 m (negative: 2) is unrealized.

Parent Company internal sales
OM HEX AB's internal sales to other companies within the Group were SEK 73 m (75). During the year the Parent Company made purchases from other companies in the Group at an amount of SEK 10 m (negative: 15).

Note 3. Business areas and geographical segments

Internal reporting and follow-up within OMHEX is organized in two divisions, HEX Integrated Markets and OM Technology.

Business areas by division

HEX Integrated Markets	OM Technology
Cash Markets	Banks & Brokers
Derivatives Markets	Financial Markets
Settlement & Depository	Global Services
Baltic Operations	

Operations and products within the respective business areas are described in this report. During 2002 the HEX Integrated Markets division also included the Jiway business area and OM Technology included the Energy Solutions business area. The Jiway business area was closed down effective January 1, 2003. Energy Solutions is today a part of Financial Markets. Comparative figures for the 2002 business areas have been adjusted to create comparable units. Divisions and business areas make up OMHEX's primary reporting segments, while the geographic divisions make up the secondary reporting segments. The composition of geographic areas is described in Note 1.

Revenue per division and business area[1)]

SEK m	2003		2002	
Cash Markets	695	(–)	584	(–)
Derivatives Markets	367	(–)	378	(–)
Settlement & Depository	146	(–)	–	(–)
Baltic Operations	22	(–)	–	(–)
Jiway	–	(–)	3	(–)
Total HEX Integrated Markets	1,230	(–)	965	(–)
Banks & Brokers	331	(1)	402	(3)
Financial Markets	889	(13)	955	(14)
Global Services	580	(106)	547	(128)
Other items	28	(10)	156	(55)
Eliminations	–130		–200	
Total OM Technology	1,698		1,860	
Parent Company and other functions	144		205	
Group eliminations[2)]	–386		–390	
Total Group	2,686		2,640	

1) Internal sales within division in parentheses.
2) Internal sales between divisions are broken down as follows: HEX Integrated Markets SEK 23 m (2), OM Technology SEK 235 m (222) and Parent Company and other functions SEK 128 m (170).

Operating income per division and business area

SEK m	2003	2002
Cash Markets	318	265
Derivatives Markets	84	101
Settlement & Depository	19	–
Baltic Operations	3	–
Jiway	–	–79
Total HEX Integrated Markets	424	287
Banks & Brokers	–79	–26
Financial Markets	63	75
Global Services	48	41
Common functions[1)]	–207	–211
Other items[2)]	18	102
Total OM Technology	–157	–19
Parent Company and other functions	–154	–160
Items affecting comparability[3)]	–562	–132
Total Group	–449	–24

1) Common functions comprise primarily marketing and business development.
2) Includes income from associated company ORC Software, as well as sale of shares in ORC Software during 2002.
3) Not allocated between business areas. In 2003, SEK –463 m relates to OM Technology, SEK 39 m relates to HEX Integrated Markets and SEK –138 m relates to Parent Company and other functions.

Assets and liabilities per division and business area 2003

	2003	
SEK m	Assets	Liabilities
Cash Markets	2,190	82
Derivatives Markets	20	7
Settlement & Depository	382	23
Baltic Operations	7	7
Unallocated items in HEX Integrated markets	238	136
Banks & Brokers	108	41
Financial Markets	563	115
Global Services	397	47
Unallocated items within OM Technology	549	593
Parent Company and other functions	818	521
Unallocated items	1,474	1,639
Total Group	6,746	3,211

Items per business area are tangible assets, intangible assets, external operating receivables, external operating liabilities and goodwill from the acquisition of HEX Integrated Markets. Goodwill related to OM Technology is reported above as an unallocated item within OM Technology. Other items are not allocated in the Group and are reported as unallocated items. Unallocated items also include all internal business dealings. Assets and liabilities that could be affected by the business areas are allocated in accordance with OMHEX's business control model. The business control model does not support a full distribution of balance-sheet items.

Assets and liabilities have only been distributed per division from 2003. Since it proved impracticable to create a balance sheet per division with sufficient accuracy, no balance sheets were created per division and business area for 2002.

Investments, depreciations and write-downs per division and business area

	2003			2002		
SEK m	Investments	Depreciations	(write-downs)	Investments	Depreciations	(write-downs)
Cash Markets	14	–86	(–)	3	–45	(–)
Derivatives Markets	1	–5	(–)	10	–16	(–)
Settlement & Depository	9	–15	(–)	–	–	(–)
Baltic Operations	10	–2	(–)	–	–	(–)
Jiway	–	–	(–)	–	–	(–58)
Total HEX Integrated Markets	34	–108	(–)	13	–61	(–58)
Banks & Brokers	11	–32	(–67)	9	–14	(–)
Financial Markets	116	–36	(–35)	136	–47	(–)
Global Services	44	–48	(–)	36	–17	(–)
Common functions	18	–90	(–82)	8	–104	(–)
Total OM Technology	189	–206	(–184)	189	–182	(–)
Parent Company and other functions	38	–60	(–18)	3	–80	(–)
Total Group	261	–374	(–202)	205	–323	(–58)

Investments refer to acquisitions of tangible and intangible fixed assets.

For information on write-downs during the year, see Note 13. Write-downs during the year relate to the cost-efficiency program presented in June and to further measures in December and are reported as items affecting comparability in the income statement.

Information regarding secondary segments (geographic areas)

External revenue per geographical area[1)]

SEK m	2003	2002
Nordic countries	1,891	1,427
Rest of Europe	265	379
North America	418	644
Asia/Australia	112	190
Total Group	2,686	2,640

1) Division is based on the location of our customers.

Assets and investments per geographical area[1)]

	2003		2002	
SEK m	Assets	Investments	Assets	Investments
Nordic countries	5,923	246	7,807	155
Rest of Europe	2,625	5	2,597	19
North America	295	4	233	21
Asia/Australia	47	6	54	10
Group eliminations and unallocated items[2)]	–2,143	–	–5,771	–
Total Group	6,746	261	4,920	205

1) Division is based on the location of our customers.
2) Group adjustments and unallocated items include goodwill of SEK 2410 m (903).

Investments refer to acquisitions of tangible and intangible fixed assets.

The Parent Company is located in the Nordic region and does not have any income, assets or investments in any other geographic areas.

Note 4. Discontinuing operations

The table below shows the income statement relating to Jiway, which is part of the Group's income statement and of the HEX Integrated Markets division. The closure of Jiway had no material impact on the consolidated balance sheet. During 2003, Jiway had a negative effect on Group cash flow from operations in an amount of SEK 59 m.

During 2002, Jiway had a negative effect on Group cash flow from operations in an amount of SEK 176 m. No investments took place during 2002.

Discontinuing operations, related to Jiway

SEK m	2003	2002
Net sales, of which	–	3
Own work capitalized	–	–
Total revenue	–	3
Rent for premises	–	–6
Marketing costs	–	–1
Consultancy costs	–	–16
Operational and maintenance costs, IT	–	–28
Other external costs	–	–10
Personnel costs	–	–17
Depreciation	–	–4
Items affecting comparability	–	–75
Total operating expenses	–	–157
Share in earnings of associated companies	–	–
Operating expenses	–	–154
Financial items	–	–1
Loss after financial items	–	–155
Tax	–	0
Total	–	–155

Note 5. Auditors' remuneration

The following remuneration was paid to auditors and accounting firms for auditing and audit-related services required by law as well as for advice and other assistance arising from observations made during the course of the auditing process.

Remuneration was also paid for additional independent advice, mostly pertaining to audit-related consultations on accounting and taxation issues in conjunction with company acquisitions and restructuring.

Remuneration to Group auditors

	Group		Parent Company	
SEK 000s	2003	2002	2003	2002
PricewaterhouseCoopers				
Auditing assignments[1)]	7,558	342	5340	342
Other assignments	1,212	628	166	35
Ernst & Young				
Auditing assignments[2)]	11,582	8,573	5,671	1,921
Other assignments[3)]	6,991	8,282	1,355	851
BDO Feinstein				
Auditing assignments	23	290	–	–
Other assignments	63	155	–	–
Other auditors				
Auditing assignments	–	64	–	–
Other assignments	216	285	–	–
Total	27,645	18,619	12,532	3,149

1) For 2003, includes SEK 3,891 m in costs related to the acquisition of HEX.
2) For 2003, includes SEK 4,067 m in costs related to the acquisition of HEX.
3) Relates mainly to tax and IT consulting.

Note 6. Personnel

Personnel expenses and benefits paid to Senior Executives

This note has been prepared in accordance with current legislation, rules and recommendations. The reporting of senior executive benefits has been carried out in accordance with the recommendations of the Industry and Commerce Stock Exchange Committee (NBK).

Senior Management

As recommended by NBK, senior management should be divided into *top management* and *other executives in senior management*.

Top management within OMHEX is defined as:

- Chairman of the Board (Olof Stenhammar)
- President and Chief Executive Officer (CEO) (Per E. Larsson until May 31, 2003 and Magnus Böcker from September 4, 2003)

Other executives in senior management relates to other people in the Parent Company and subsidiaries who report to the President and CEO of the named company.

Executive management relates to other people in the company's management than those who make up the *top management*. In OMHEX's case this relates to four employees, who together with the President and CEO make up the executive management team, namely:

The President and CEO of Stockholmsbörsen, Kerstin Hessius (until September 3, 2003), Deputy CEO OMHEX and President of HEX Integrated Markets Jukka Ruuska (from September 4, 2003), President of OM Technology Klas Ståhl (from September 4, 2003), Chief Financial Officer (CFO) Per Nordberg and Chief Strategy Officer (CSO) Anders Reveman.

OMHEX's remuneration committee

The Remuneration Committee is appointed on an annual basis by the Board of Directors. During the period January to February 2003, the Remuneration Committee include Olof Stenhammar (chairman), Bengt Rydén and Adine Grate Axén. Following the Annual General Meeting held on March 19, Bengt Rydén was replaced by Bengt Halse, who was replaced by Markku Pohjola in September. The Remuneration Committee's task is to prepare remuneration matters for Board decisions on issues relating to the salary and remuneration paid to the executive management, including the President and CEO, to propose remuneration for the Board members in the companies within the Group that the Board has identified, and to make recommendations regarding remuneration principles, benefits and other types of remuneration for OMHEX employees. The committee had a particular focus on the following issues: the harmonization and creation of a new remuneration scheme for senior management within OMHEX, the development of a new program for variable salary called Short-Term Incentive 2004 and offer of a new employee warrant program. During 2003, the Remuneration Committee had 13 meetings.

OMHEX's remuneration policy

The aim of OMHEX's remuneration policy is to offer remuneration that promotes a situation whereby senior management and other employees alike can be recruited and retained, in addition to motivating them to do their best while working for OMHEX. Its fundamental principles for 2003 were:

To work toward a consensus between employees and shareholders as regards the long-term perspective of the company.

To establish a clear relationship between remuneration and long-term development of OMHEX and OMHEX's financial results.

To ensure that employees within OMHEX's different organizations receive remuneration that is reflective of the market and is competitive.

To offer a salary scale based on results achieved, work duties, experience and position held, which also means a neutral stance in relation to gender, ethnic background, disability, sexual orientation, etc.

Remuneration structure

OMHEX's employee remuneration comprises the following parts:

- Fixed salary and variable salary (bonus)
- Long-term incentive program (employee stock options)
- Pension
- Other remuneration and severance pay

According to the Board of Directors' discretion, decisions can be made to revise or terminate an existing program related to the remuneration structure.

New remuneration structure for Senior Management

During 2003, a new remuneration policy was developed for the President and CEO and the executive management. Work on a new remuneration structure, which revised the terms regarding fixed salary, variable salary and benefits, was carried out. For the President and CEO the revised terms came in effect on September 4, 2003. New terms for the executive management came into effect during the last quarter of 2003.

The maximum variable salary for the President and CEO was reduced from 12 months' fixed salary to 6 months' fixed salary and benefits valued at SEK 184,600 were removed. As compensation, the President and CEO's fixed salary was increased by 2.8 percent. For executive management employees, the maximum variable salary varied previously between 6-12 months' fixed salary. The maximum variable salary for the executive management was set at six months' fixed salary. Domestic help, family health care insurance and life insurance benefits were removed.

Fixed salary

Every OMHEX employee has an annual salary review, with the exception of the President and Chief Executive Officer, for whom a review takes place every second year. The review considers salary levels in the market, employee performance and any changes to responsibilities as well as the company's development and local rules and agreements.

Variable salary

In addition to the fixed salary, OM also paid a discretionary, variable salary to key contributors in 2003. Key contributors are defined as employees whose performance has exceeded expectations and who have made a positive contribution to OM's long-term development. OM's variable salary for 2003 comprised a quantitative part up to a maximum of 70 percent and a qualitative part up to a maximum of 30 percent. The total variable salary was a maximum of 3 percent of OM's total payroll expenses and the total allocated variable salary for 2003 was SEK 6 m, excluding the integration bonus of SEK 5 m (see section on Variable Salary 2003 – Integration Bonus OMHEX).

President and CEO and executive management

Quantitative and qualitative targets are set for the President and CEO on an annual basis by the Remuneration Committee and are ratified by the Board of Directors. The President and CEO sets targets for the executive management team. Targets for other employees are set by each line manager according to the grandfather principle.

The quantitative part of the 2003 variable salary for the Executive Committee was not fulfilled. Regarding the qualitative part of a maximum of 30 percent, the President and CEO and two other people in the executive management elected to forgo any possible reward.

Variable salary 2003 – HEX

The executive management makes decisions regarding the variable salary on a yearly basis. HEX's variable salary, called the *Incentive Reward System*, is divided into two different models.

Model 1 consists of a quantitative and a qualitative part up to a maximum of 30 percent of total remuneration. The quantitative part is up to a maximum of 20 percent and the qualitative part up to a maximum of 10 percent. Approximately 83 percent of HEX employees are included in this model. Model 2 consists of a variable salary up to a maximum of 10 percent of total remuneration; approximately 12 percent of employees are included in this model.

The total variable salary for 2003 was approximately SEK 22 m of which SEK 16 m was paid out in 2003.

Variable salary 2003 – Integration Bonus OMHEX

At the end of the third quarter, expenses for the integration bonus were estimated at SEK 50 m according to the prospectus in conjunction with the merger between OM and HEX. Only SEK 5 m was utilized and taken from OMHEX's total variable salary reserves for 2003. The integration bonus was awarded to employees who made extraordinary work contributions during the integration phase. This variable salary was distributed to 56 employees within OMHEX and the maximum variable salary was SEK 150 000 per employee. The President and CEO and the executive management were not awarded an integration bonus. Payment of the integration bonus has hereby been completed and from 2004 is a part of the variable salary package *Short-Term Incentive 2004*.

Variable salary 2004 – OMHEX

During the first quarter 2004, OMHEX introduced a new common program regarding variable salary, called *Short-Term Incentive 2004*. The program is made up of quantitative and qualitative goals, 70 percent being quantitative and 30 percent qualitative. The goals and conditions are evaluated on a yearly basis. For 2004, the quantitative goals have been tied to an estimated operating profit/loss. In order for the 70-percent quantitative part to be distributed, it is stipulated that OMHEX must achieve its stated goals. The total amount is prorated and maximum distribution of the quantitative variable part will occur at a goal-fulfillment level of 130 percent.

OMHEX's variable salary for 2004, *Short-Term Incentive 2004*, will comprise approximately 150 key employees in total. The total variable part to be distributed in 2004 will be up to a maximum of SEK 34 m, excluding social security costs. Goals are set up by the respective line manager according to the grandfather principle. Of the 70 percent quantitative goal, 60 percent must reflect superior results and 40 percent own operations. Qualitative goals are evaluated in conjunction with performance appraisals every six months.

President and CEO and executive management

According to the Short-Term Incentive 2004 program, up to a maximum of 6 months' fixed salary will be distributed to the executive management, including the President and CEO.

Long-term incentive programs
The goal of long-term incentive programs is to increase the attractiveness of OMHEX as an employer and to sharpen employees' focus on shareholder value related to growth and profitability.

Long-term incentive programs 2003
In accordance with the resolution passed at an Extraordinary General Meeting of OM shareholders on August 18, 2003, OMHEX offered approximately 120 key employees the possibility to purchase three-year warrants at market price. Of a total of 1,150,000 warrants, of which one warrant carries the right to purchase one share, 310,000 were subscribed. The market valuation was carried out by Handelsbanken. Warrants that were not subscribed are held by OM Treasury and can be offered to future key employees at market price in accordance with the directions of the Board of Directors. Since earlier programs had concluded, HEX did not offer a long-term incentive program in 2003 apart from the above-mentioned warrant program. During 2003, OMHEX decided not to continue to distribute employee stock options.

Long-term incentive program 2004
According to the company's discretion, a new long-term variable incentive program will be implemented in 2005 at the earliest.

Pensions

OMHEX's pension plan for employees in Sweden has been created to provide employees with a market-competitive work pension. The premium is made up of fixed percentages in three different salary intervals up to a maximum fixed salary level of 30 basis points. The plan is also divided between different age intervals. The premium allocations increase according to age and fixed salary. Pension commitments are fulfilled through premium payments to independent insurers. A pension expense corresponding to the premiums paid is charged to revenue on an ongoing basis for these premium-based pension schemes.

According to Finnish labor market regulations, OMHEX employees in Finland at the age of 65 have the right to receive a pension level equivalent to a maximum of 60 percent of their final salary. Maximum benefits require a period of service of 40 years. Premiums are based on the total yearly income, including variable and fixed salary as well as other benefits.

President and CEO and executive management
From 2002, during the period of notice for the previous President and CEO Per E. Larsson and the current President and CEO Magnus Böcker, a premium-based pension benefit has been allocated. The total premium provision is up to 23 percent of fixed salary. The portion of the pension that is within the deductibility limits, as stated by the Income Tax Act's principal rule, will be treated as occupational pension insurance. Those premium portions that cannot be treated as occupational pension are treated by OMHEX as a direct pension commitment, which is secured by capital insurance.

Deputy CEO Jukka Ruuska is also included in the pension plan stipulated by the Finnish labor market regulations clarified above. Current premiums for the Deputy CEO are equivalent to a pension provision of 16.4 percent of total remuneration. Other members of the executive management are included in the OMHEX pension plan, with the exception of one individual premium-based pension solution. Retirement age for employees, including the President and CEO and the executive management is 65 years.

Other remuneration (other benefits and severance terms)

Other benefits
In addition to the occupational pension premiums detailed above, OMHEX also pays for health insurance, occupational group life insurance (TGL) and accident-at-work insurance (TFA). Employees may also supplement their insurance cover through OMHEX's optional group insurance. Employees in Finland have equivalent benefits that are stipulated in the collective agreement for the financial sector. In addition the executive management is entitled to health insurance.

Severance terms
The period of notice that applies between OMHEX and the President and CEO is 12 months from the company's side and six months from the President's side. In the event of a company initiative to terminate the employment contract of the President and CEO, remuneration will be paid to the President and CEO corresponding to the salary and other benefits (pension and insurance including health insurance) during the period of notice. In addition to this, the President and CEO will receive a severance payment of 6 months' fixed salary. Deduction of any salary received from a new employer will be made. Other executive management employees have a period of notice of 12 months from the company's side and 6 months from the employee's side. Parts of the executive management will receive a severance payment of 6 months, including deductions of salary received from a new employer. All executive management employees have a non-competition clause of 12 months. A penalty is included in the clause.

Remuneration to the board of directors and the president and CEO

(SEK)		Board fees	Fixed salary	Variable salary	Employee Stock options	Pension	Benefits in kind	Total
Olof Stenhammar	2003	718,750	–	–	–	–	716,498[1)]	1,435,248
	2002	700,000	–	–	–	–	699,447	1,399,447
Per E. Larsson[2)]	2003	–	9,135,000	3,000,000	–	2,992,800	1,341,286	16,469,086
	2002	–	3,780,581	1,210,000	690,000	869,400	138,206	6,688,187
Magnus Böcker[3)]	2003	–	3,526,992	–	–	950,205	191,129	4,668,326
	2002	–	–	–	–	–	–	–
Executive management[4)]	2003	–	8,515,256	419,000	–	1,655,373	487,019	11,076,648
	2002	–	8,367,004	2,815,000	1,380,000	1,989,588	543,014	15,094,606
Gunnar Brock	2003	187,500	–	–	–	–	–	187,500
	2002	150,000	–	–	–	–	–	150,000
Jan Carendi	2003	37,500	–	–	–	–	–	37,500
	2002	150,000	–	–	–	–	–	150,000
Thomas Franzén	2003	197,917	–	–	–	–	–	197,917
	2002	150,000	–	–	–	–	–	150,000
Nils–Fredrik Nyblaeus	2003	37,500	–	–	–	–	–	37,500
	2002	150,000	–	–	–	–	–	150,000
Sven Nyman	2003	–	–	–	–	–	–	–
	2002	37,500	–	–	–	–	–	37,500
Bengt Rydén	2003	83,333	442,773[5)]	–	–	–	–	526,106
	2002	–	1,153,527	–	–	301,083	52,525	1,507,135
Adine Grate Axén	2003	225,000	–	–	–	–	–	225,000
	2002	112,500	–	–	–	–	–	112,500
Bengt Halse	2003	160,417	–	–	–	–	–	160,417
	2002	–	–	–	–	–	–	–
Timo Ihamuotila	2003	75,000	–	–	–	–	–	75,000
	2002	–	–	–	–	–	–	–
Tarmo Korpela	2003	66,667	–	–	–	–	–	66,667
	2002	–	–	–	–	–	–	–
Mikael Lilius	2003	66,667	–	–	–	–	–	66,667
	2002	–	–	–	–	–	–	–
Markku Pohjola	2003	75,000	–	–	–	–	–	75,000
	2002	–	–	–	–	–	–	–
Total	2003	1,931,250	21,620,021	3,419,000	–	5,598,378	2,735,932	35,304,582
	2002	1,450,000	13,301,112	4,025,000	2,070,000	3,160,071	1,433,192	25,439,375

1) Includes remuneration to one of Olof Stenhammar's companies comprising a fixed salary as well as a profit-related payment based on a license agreement. The profit-related portion represents 1 percent of OM's income after financial items. The remuneration, which in its entirety is made up of a fixed amount, totals SEK 696,888 (680,947). The amount is paid out quarterly in arrears. The agreement, which was signed and stems from the founding of OM in 1995, will continue until and including 2005 and thereafter is subject to notice. Other benefits amount to SEK 19,610.
2) Total remuneration for 2003 of SEK 16,469,086 includes, for the period from January 1, 2003 to May 31, 2003, the following: fixed salary of SEK 1,575,000, variable salary of SEK 3,000,000. Pension provisions totaled SEK 516,000, and benefits SEK 225,222. The remaining SEK 11,152,864 represents severance pay for 24 months, of which SEK 2,205,000 was paid out in 2003.
3) Magnus Böcker is included in the executive management for 2002.
4) Executive management includes: Kerstin Hessius, President of Stockholmsbörsen (until September 3, 2003), Jukka Ruuska, head of HEX Integrated (from September 4, 2003), Klas Ståhl, head of OM Technology (from September 4, 2003), Per Nordberg, Chief Financial Officer, and Anders Reveman, Chief Strategy Officer.
5) Relates to final settlement for his position during 2002. In addition to the above remuneration, SEK 75,000 in consulting fees has been paid. The fees are based on a consulting agreement valid until December 31, 2004.

Board fees have not been paid to Board members who are employees of the Group. In addition to the above Board fees, Board fees totaling SEK 1,736,000 (1,314,000) were paid during the year to subsidiary Board members. These fees have only been paid to persons who are not employees of the Group.

Financial instruments

	Programs from prior years				This year's program
	Employee stock option[1] (number)			Warrants[2]	Warrants[2]
	2002	2001	2000	Number	Number
Magnus Böcker	37,000	76,000	150,000	33,400	10,000
Per E. Larsson[3]	46,000	86,000	150,000	33,400	–
Executive management[4]	30,000	30,000	24,000	–	26,000
TOTAL	113,000	192,000	324,000	66,800	36,000

1) For employee stock options, no consideration has been paid by employees who received options. For the theoretical value of the options at the time of issue, refer to the table below.
2) For warrants, consideration has been paid against the market value of the options (option premium) at the time of issue. For this reason, warrants are not considered benefits.
3) Last date for exercise of all distributed employee stock options is March 31, 2007.
4) Refers to persons included in the executive management at December 31, 2003.

Information on each year's employee stock option program

	2002	2001	2000
Strike price, SEK	71	175	400
Redemption of shares with effect from	2003-07-02	2002-06-15	2001-05-25
Expiry date	2009-07-02	2008-06-15	2007-06-28
Number of allocated options	733,000	1,100,000	1,400,000
Opening balance	714,000	926,000	1,003,000
Allotted options	–	–	–
Exercised options	–3,000	–	–
Expired and obsolete	–35,000	–117,000	–166,000
Closing balance	676,000	809,000	837,000
Of which, fully vested (guaranteed) Dec. 31, 2003	319,000	585,000	837,000
Theoretical value, SEK m[1]	11	42	126
Theoretical value per option, SEK[1]	15	38	90
Theoretical dilution	0.6%	0.7%	0.7%

1) The theoretical value of granted options is fixed through an established options valuation model (Black & Scholes) at the time they are granted. The volatility parameters have been adjusted to take account of the options' specific conditions relating to the vesting period and lifetime.

Amounts relating to the employee stock option program included in income statement and balance sheet

SEK m	2003	2002	2001
Income statement			
Social security contribution expenses related to employee stock options	2	–	–
Interest related to the synthetic stock repurchase[1]	2	24	17
Balance sheet			
Provision for social security expenses	2	–	–
Provision for loss risk regarding contract for synthetic buyback of own shares[2]	–	29	326

1) See Note 24.
2) See Note 24.

Convertible debentures and warrants

In addition to the employee stock option program issued in 1998 detailed above, convertible debentures and warrants were issued to employees in 1998 and 2003 respectively. The issues were made on market terms, whereby the employees paid a premium for the warrants.

Convertible debentures issued to employees

	Dec.23, 1998
Original nominal amount, SEK	76,531,350
Conversion 2003	0
Outstanding liability at Dec. 31, 2003	54,804,400
Nominal interest rate, % (12-month Stibor less 0.5%)	3.43
Conversion rate, SEK	161
Number of shares on full conversion of outstanding liability	340,400
Dilution upon full conversion	0.29%
Conversion with effect from	April 30,1999
Maturity date	May 31,2004

The value of shareholders' equity instruments in the convertible loan is not material, which is why no disclosure is made.

Warrants issued to employees

	2003-11-20	1998-12-23
Subscription price, SEK	138.5	161
Number of shares upon full subscription	1,150,000	600,000
Dilution at full subscription	1.00%	0.52%
Subscribed as at Dec. 31, 2003	310,000	162,700
Premium, SEK	7.80	15.3
New subscription of shares with effect from	2006-07-01	1999-04-30
Maturity date	2006-09-30	2004-05-31

Average number of employees

	2003		2002	
	Number of employees	Of which, men	Number of employees	Of which, men
Parent Company				
Sweden	37	12	28	13
Total Parent Company	37	12	28	13
Subsidiaries				
Sweden	1,049	683	1,150	766
Australia	46	33	32	23
Canada	29	22	29	20
Denmark	13	12	19	15
Germany	17	14	18	14
Hong Kong	6	4	10	6
Italy	4	4	4	4
Norway	94	68	93	69
UK	98	72	201	142
USA	89	63	93	66
Finland[1)]	170	92	–	–
Estonia[1)]	18	8	–	–
Latvia[1)]	13	6	–	–
Total subsidiaries	1,645	1,080	1,649	1,125
Joint ventures[2)]				
Sweden	0	0	3	2
Total joint ventures	0	0	3	2
Group total	1,682	1,092	1,680	1,140

1) The average number of employees in Finland, Estonia and Latvia has been calculated from July 1, 2003.
2) Refers only to companies that have been consolidated using the proportional method. Financial information relates to the percentile portion of the average number of employees in the company.

Absence due to illness

In accordance with changes to the Annual Accounts Act as per July 1, 2003, the number of employees on absence due to illness during the reporting period is accounted for as a percentage of the employees total ordinary working hours for the Parent Company for 2003. Long-term absence due to illness is absence for 60 days or more in a row.

Absence due to illness

Parent Company	2003
Total absences due to illness	2.1%
– Absences due to long-term illness (portion of total illness)	21.0%
– Absences due to illness, men	0.5%
– Absences due to illness, women	3.2%
– Absences due to illness, employees under age 29	0.3%
– Absences due to illness, employees age 30–49	2.5%
– Absences due to illness, employees age 50 and above	0.9%

Distribution according to gender within the Board of Directors, CEO and other Senior Management

In accordance with changes to the Annual Accounts Act as per January 1, 2004, the distribution by gender within the Board of Directors and executive management in the Parent Company and subsidiaries for the reporting periods 2003 and 2002 is shown below.

Distribution by gender within the board of directors and executive management

	2003		2002	
	Number of employees	Of which, men	Number of employees	Of which, men
Board of Directors (excl. CEO) [1]				
Parent Company	9	8	8	7
Subsidiaries	128	115	95	88
Group total	137	123	103	95
Executive management (incl. CEO) [2]				
Parent Company	5	4	5	4
Subsidiaries	100	63	74	47
Group total	105	67	79	51

1) Refers to the number of seats on the Board of Directors, for example a Board member can be counted more than once.
2) Executive management includes all Presidents of Group companies as well as persons in management positions who report directly to any of the Group Presidents.

Salaries, other remuneration and social contributions[1]

	2003			2002		
SEK m	Salaries and other remuneration	Social expenses (of which pensions expenses)		Salaries and other remuneration	Social expenses (of which pensions expenses)	
Parent Company	41	21	(5)	27	17	(5)
Subsidiaries	872	279	(92)	775	259	(81)
Joint ventures[1]	1	0	(0)	2	1	(0)
Group total	914	300	(97)	804	277	(86)

1) Relates only to companies that have been consolidated using the proportional method. Expense information relates to the percentile portion of these companies' expenses for salaries, other remuneration and social security expenses.

Salaries and other remuneration distributed per country and between board members et al and employees[1]

	2003			2002			
SEK m	Board of Directors and CEO (of which bonus and similar remuneration)		Other employees	Board of Directors and CEO (of which bonus and similar remuneration)		Other employees	
Parent Company							
Sweden	9	(3)	32	11	(2)	16	
Total Parent Company	9	(3)	32	11	(2)	16	
Subsidiaries							
Sweden	14	(1)	542	8	(1)	429	
Australia	1	(0)	21	–	(–)	17	
Canada	–	(–)	22	2	(–)	18	
Denmark	1	(–)	7	1	(–)	9	
Germany	–	(–)	11	–	(–)	12	
Hong Kong	0	(–)	2	–	(–)	5	
Italy	1	(0)	2	–	(–)	3	
Norway	3	(0)	41	3	(–)	52	
Switzerland	–	(–)	0	–	(–)	2	
UK	10	(2)	60	2	(–)	109	
USA	5	(1)	74	–	(–)	103	
Finland	6	(1)	44	–	(–)	–	(–)
Estonia	0	(0)	2	–	(–)	–	(–)
Latvia	1	(0)	2	–	(–)	–	(–)
Total subsidiaries	42	(6)	830	16	(1)	759	
Joint ventures[2]	0	(–)	1	–	(–)	2	
Sweden	–	(–)	–	–	(–)	–	
Total joint ventures	0	(–)	1	–	(–)	2	
Group total	51	(9)	863	27	(3)	777	

1) Does not include salaries and other remuneration such as severance pay and similar items related to restructuring measures. Reported as items affecting comparability in the balance sheet.
2) Relates only to companies that have been consolidated using the proportional method. Information relates to the percentile portion of these companies' expenses for salaries and other remuneration.

Information on related parties

A member of the Board in a Norwegian subsidiary is a partner in a company that leases out premises to the Norwegian subsidiary. During the year, SEK 1.92 m was paid to the company in leasing expenses. The lease is in accordance with accepted market rates.

Note 7. Transactions with related parties

Related parties refers to companies and individuals on whom OMHEX is in a position to exercise considerable, though not controlling, influence.

When transactions with associated companies reported in accordance with the equity method are not eliminated in the consolidated financial statements, separate information is shown in the table below to disclose the transactions that took place between OMHEX and these companies. Information relating to joint ventures covers that portion of transactions that are not eliminated in the consolidated financial statements.

Information relating to transactions with individuals in close proximity (Board of Directors) is set out in Note 6.

Transactions with related parties, Group, 2003

SEK m	Sales	Purchase	Receivables	Liabilities
Associated companies				
Clearing Control. CCAB	–	3.3	0.5	–
EDX London Ltd	11.8	–	52.9 [1)]	4.2
ENITA AS	6.8	–	0.7	–
Nordic Exchanges A/S	–	–	–	–
Näringslivskredit. NLK AB	–	61.8 [2)]	79.4 [3)]	–
Orc Software AB	0.6 [4)]	–	–	–
Joint ventures				
Net Circle	–	–	–	–

1) Of which, loans SEK 43.7 m and accounts receivable SEK 9.2 m.
2) Leasing.
3) Net receivables related to the dividend in connection with a reduction in capital.
4) Relates to outstanding currency futures equivalent to USD 5 m.

Sales and purchases from related parties occur at market price.

Note 8. Items affecting comparability

Group income has been affected by transactions and events that make comparisons difficult over time. To facilitate comparisons these expenses have been separately disclosed in the income statement.

On June 20, 2003, OM announced a cost-efficiency program that is expected to lower the Group's annual expenses by SEK 578 m and at the same time reduce revenue on an annual basis by SEK 105 m. The cost-efficiency program was completed according to plan and produced effects during the third and fourth quarters 2003. Full effect is expected toward the end of the first quarter 2004. Other costs include redundancy costs, reserves for unused office space and termination of contracts with sub-contractors. Total costs are given in gross terms and do not include positive effects of divestments of operations or tax receivables. The negative cash flow effect is expected to be about SEK 200 m, excluding any positive effects from planned divestments and expenditures for unused premises. Expenses for the cost reduction program for 2003 included restructuring costs of SEK 624 m to implement the program, as well as provisions of SEK 38 m for premises and write-downs related to product phase-out within OM Technology.

The formation of EDX London resulted in a capital gain of SEK 100 m. The capital gain was recognized as income when the derivatives business of the OM London Exchange was sold to EDX London.

Items affecting comparability, Group

SEK m	2003	2002
Expenses for cost-efficiency program	662	57
Of which, write-downs	202	–
Closing/restructuring of Jiway	0	75
Of which, write-downs	–	5
Capital gains from the creation of EDX London	–100	0
Group total	562	132

Note 9. Financial items

Income from other securities and receivables that are fixed assets

	Group		Parent Company	
SEK m	2003	2002	2003	2002
Income from share in earnings of Group companies				
Dividends	–	–	42	–
Anticipated dividend	–	–	–	100
Capital gains/losses from disposals	–	0	–	–
Recalculation of dependent subsidiaries	1	4	–	–
Total	1	4	42	100
Income from share in earnings of associated companies				
Dividends	21	1	21	–
Total	21	1	21	0
Income from other securities and receivables that are fixed assets				
Dividends	0	21	–	1
Other	–1	–	–	–
Total	–1	21	0	1
Total	21	26	63	101
Other interest income and similar income				
Interest	84	86	4	5
Exchange rate differences	–	–	1	5
Capital gains	0	3	–	–
Total	84	89	5	10
Interest expenses and similar expenses				
Interest	–126	–135	–21	–26
Interest – Group	–	–	–	–41
Exchange rate differences	–3	–12	–33	–
Other	1	0	–	–
Total	–128	–147	–54	–67
Total financial items	–23	–32	14	44

Note 10. Associated companies and joint ventures

Share in earnings of associated companies

			Group	
SEK m	Registered office	Corporate reg.no	2003	2002
EDX London Ltd	London. England	4567917	–4	–
ENITA AS	Trondheim. Norway		0	0
Nordic Exchanges A/S	Copenhagen. Denmark	A/S243773	0	0
Näringslivskredit NLK AB	Stockholm	556270-1432	7	10
Orc Software AB	Stockholm	556313-4583	18	28
Total			21	38

Equity shares in associated companies

	Votes and equity shares%	Number of shares	Group 2003	Group 2002	Market value in SEK m Dec 31, 2003
EDX London Ltd	24	48,000,000	–16	–	–
ENITA AS	34	3,100	22	26	–
Nordic Exchanges A/S	32	1,600	0	2	–
Näringslivskredit NLK AB	48[1)]	1,600,374	160	153	–
Orc Software AB	30	4,488,075	85	81	379
Total			251	262	379

1) Equity portion amounts to 90 percent.

None of the companies above are owned by the Parent Company.

EDX London

On June 30, trading began on EDX London, a new equity derivatives exchange owned by London Stock Exchange (76 percent) and OMHEX (24 percent). EDX London was formed through EDX London paying OMHEX a consideration of approximately SEK 340 m for the Scandinavian equity derivatives business of OM London Exchange.OMHEX and London Stock Exchange capitalized the new company in proportion to their respective percentage of ownership. The reported value of OMHEX's share of EDX London is equivalent to the company's share of shareholders' equity at December 31, 2003 less the company's internal profit of SEK 31 m, which occurred with the divestment of OM London Exchange's derivative trading to the newly formed company.

Joint ventures

	Registered office	Corporate reg.no	Votes and equity shares.%
Net Circle	Stockholm	556606-5420	50

EDX London

Income statement	SEK m	**Balance sheet**	SEK m
Revenue	0	Fixed assets	0
Expenses	–1	Current assets	1
Operating loss	–1	Total assets	1
Net financial net	0	Shareholders' equity	1
Tax	0	Long-term liabilities	0
		Short-term liabilities	0
Net loss for the year	–1	Total shareholders' equity and liabilities	1

The summarized balance sheet and income statement above show the total amounts that pertain to OMHEX's participation in joint ventures. For information on the average number of employees and personnel costs, see Note 6.

Note 11. Taxes

Both current and deferred income tax are reported for Swedish and foreign Group entities under Taxes in the income statement. Companies in the Group are liable to pay tax in accordance with relevant taxation legislation in the respective countries. The Swedish State corporate tax rate for the Parent Company (in Sweden) was 28 percent and was calculated on nominal reported income adding non-deductible items and deducting non-taxable revenue.

Distribution of income before tax

	Group		Parent Company	
SEK m	2003	2002	2003	2002
Sweden	–379	77	–143	–3
Other companies	–114	–171	–	–
Share in earnings of associated companies	21	38	–	–
Total	–472	–56	–143	–3

Distribution of tax for the year

	Group		Parent Company	
SEK m	2003	2002	2003	2002
Current tax				
Sweden	–12	–94	–2	42
Other countries	–69	–1	–	–
Total current tax	–81	–95	–2	42
Deferred tax				
Sweden	125	12	52	–
Other countries	–3	68	–	–
Total deferred tax	122	80	52	0
Total tax	41	–15	50	42
Tax rate	9%	–27%	35%	–1,400%

The Group and the Parent Company report tax revenue for 2003 (positive tax rate), since a loss was reported for the fiscal year. As shown in the table below, "Reconciliation of effective tax," the difference between the nominal Swedish rate of 28 percent and the Group and the Parent Company's positive tax rate is attributable primarily to the fact that set-offs cannot be made against taxable earnings between countries in which OMHEX has operations. It is also due to the fact that the Group could not to utilize losses fully in certain countries, in part due to increased goodwill amortization, which is non-deductible that arose from the acquisition of HEX. The Parent Company's tax revenue was attributable to the fact that the year's loss is greater than the above stated results after financial items due to tax-free revenue and non-deductible expenses. The large percentage changes are explained by the fact that income before tax is approximately zero and that the tax rate changed from negative to positive or from positive to negative because of the items that impact the effective tax.

Reconciliation of effective tax, %

	Group		Parent Company	
SEK m	2003	2002	2003	2002
Swedish income tax rate	28	28	28	28
Difference between different countries' tax rates	3	–100	–	–
Depreciation of prior capitalized losses	–4	–	–	–
Deficit for which deferred taxes have not been observed	–20	–176	–	–
Net permanent differences	10	306	7	1,372
Amortizations of goodwill	–10	–65	–	–
Other net	2	–20	–	–
Effective tax	9	–27	35	1,400

Accumulated tax-deductible loss carryforwards corresponding to tax receivables

	Group		Parent Company	
SEK m	2003	2002	2003	2002
Sweden	861	452	180	–
Other countries	1,050	870		
Total tax-deductible loss carryforwards	1,911	1,322	180	–
Sweden	861	452	180	
Other countries	596	392		
Total tax-deductible loss carryforwards that correspond to tax receivables.	1,457	844	180	–

Of the company's total tax loss carried forward, which is approximately SEK 1,911 m, only SEK 1,475 m is considered in the calculation of deferred tax. The tax loss carried forward that is considered in the calculation of deferred tax is reported to the extent that it is probable that it will be used against future taxable surplus.

Losses in Swedish companies can be utilized at any time, with no time restrictions. For foreign subsidiaries, the utilization of losses is, in some cases, time-restricted. Certain foreign losses must be utilized within ten years.

Utilization of year-end losses

	Group		Parent Company	
SEK m	2003	2002	2003	2002
Latest utilization year				
2003	-	-		-
2004	-	-		-
2005	-	-		-
2006	-	-		-
2007	-	-		-
2008	157	157		-
Unlimited	1,754	1,165	180	-
Total	1,911	1,322	180	-

Distribution of deferred tax receivables and tax liabilities

	Group		Parent Company	
SEK m	2003	2002	2003	2002
Deferred tax receivables				
Deficit allowances	293	244	51	–
Provisions for restructuring measures	98	3		
Depreciations of fixed assets	29			
Other	–9	6		
Total deferred tax receivables	411	253	51	0
Deferred tax liabilities				
Untaxed reserves		–51		–
Total deferred tax receivables	0	–51	0	0
Deferred tax receivables, net	411	202	51	0

Untaxed reserves and appropriations

Stockholmsbörsen and OM London Exchange obtained credit insurance related to clearing participants' default on obligations. The insurance is intended to hedge losses arising within the clearing operations, which are normally only hedged by the respective company's shareholders' equity. The insurance policy has been taken out by OMHEX's wholly owned subsidiary OM Capital Insurance AG in Switzerland, which to some extent has taken out a reinsurance policy at Radian Asset Assurance in the US. With reference to the change in capital structure at Stockholmsbörsen the preceding year's untaxed reserves were reversed to taxation. A large portion has been transferred to unrestricted reserves. The portion of the unrestricted reserves that is required to hedge OM Capital Insurance AG's risks is therefore reported as restricted reserves in the Group's consolidated accounts.

Ongoing tax disputes

In the 2002 financial statements, SEK 18 m was allocated as provisions for two ongoing tax disputes. The county administrative court has ruled on one of the cases, resulting in some success for the company. A SEK 3 m reserve for expenses was required to cover expenses arising from the ruling.

The associated company NLK has an ongoing tax dispute at the administrative court of appeal, and the Swedish Tax Authority has questioned Stockholmsbörsen's handling of VAT related to the purchase of internal services. No provisions have been made for these disputes or deliberations.

Other ongoing current disputes, either individually or collectively, are not considered to pose any material threat to the Group's business operations, its financial position or its earnings.

Note 12. Operational leasing

Group

OMHEX has no financial leasing obligations. The company's operational leasing obligations are as follows.

Leasing fees for the period

SEK m	2003	2002
Equipment[1)]	70	47
Computer operation	13	14
Premises	166	196
Total	249	257

Contracted leasing fees

SEK m	2004	2005	2006	2007	2008	2009-14
Equipment[1)]	78	30	9	4	4	15
Computer operation	14	13	7	0	0	0
Premises	187	146	129	118	70	352
Total	279	189	145	122	74	367

1) Of which, SEK 67 m in 2003, SEK 22 m contracted for 2004 and SEK 5 m for 2005 relate to leasing of equipment from associated company Näringslivskredit, NLK AB.

At year-end, the total amount of future minimum leasing fees pertaining to non-terminable contracts for subcontracted items totaled SEK 7 m (0).

Contracts entered into in 2003

During 2003 a number of new contracts were entered into.

Annually contracted minimum leasing fees for contracts entered into during 2003

SEK m	2003	2004	From 2005
Premises[1)]	46	85	479
Computer operation	1	2	4
Other	2	5	8
Total	49	92	491

1) Mainly relates to OMHEX's new premises at Frihamnen.

In addition to minimal leasing fees, index-linked variable fees and property tax are included.

Parent Company

The Parent Company has no financial leasing commitments. Set out below are the operational leasing commitments of the Parent Company.

Leasing fees for the period

SEK m	2003	2002
Premises[1)]	77	82

Contracted leasing fees

SEK m	2004	2005	2006	2007	2008	2009-14
Premises[1)]	101	112	94	86	40	200
Of which, subletting to group companies	34	67	67	67	34	168

1) With effect from 2004, figures include a contract for SEK 519 m relating to OMHEX's new premises in Frihamnen, Stockholm. The premises house all Swedish operations. Figures for premises-leasing contracts in 2003 comprise only a portion of the total premises-leasing contracts for Swedish operations.

Note 13. Goodwill, intangible assets and equipment

Goodwill, intangible assets and equipment, Group

SEK m	Goodwill	Capitalized expenditure for research and development	Other intangible assets	Equipment
Acquisition value brought forward	1,339	637	67	983
Assets acquired through acquisitions	17	100	0	44
Assets acquired during year	1,764	170	7	84
Reclassifications	0	–27	0	27
Disposals	0	–77	0	0
Exchange-rate differences	–28	–3	0	–3
Acquisition value carried forward	3,092	800	74	1,135
Depreciation/amortization brought forward	436	276	34	508
Depreciation/amortization for the year	170	59	14	132
Exchange-rate differences	12	1	0	0
Depreciation/amortization carried forward	618	336	48	640
Write-downs brought forward	–	50	–	–
Write-downs for the year	64	115	5	18
Write-downs carried forward	64	165	5	18
Book value	2,410	299	21	477

Goodwill, intangible assets and equipment, Parent Company

SEK m	Other intangible assets	Equipment
Acquisition value brought forward	4	–
Assets acquired through acquisitions	0	–
Assets acquired during year	7	47
Reclassifications	0	–
Disposals	0	–
Acquisition value carried forward	11	47
Amortization brought forward	2	–
Amortization for the year	2	–
Amortization carried forward	4	–
Write-downs brought forward	–	–
Write-downs for the year	–	–
Write-downs carried forward	–	–
Book value	7	47

Changes in goodwill compared with the preceding year are mainly related to the acquisition of HEX. The acquisition price including earlier holdings (SEK 72 m) totaled SEK 2,135 m. Acquired shareholders' equity totaled SEK 512 m. Provisions made for restructuring costs were SEK 199 m, of which SEK 141 m was adjusted for tax. Goodwill from the acquisition totaled SEK 1,764 m. Consolidation was carried out on July 1, 2003.

Other intangible assets

	Group		Parent Company	
SEK m	2003	2002	2003	2002
Licenses	14	19	1	2
Other	7	14	6	–
Total	21	33	7	2

Capitalized expenditures for research and development

This item relates to OMHEX's systems solutions. The major components are the new development of EXIGO CSD™ (a new system for settlement and other CSD financial services), CLICK XT™ (next generation of CLICK™), STP (systems solution for banks and brokerage firms) and CONDICO™ (systems platform for energy trading).

Until 2001 all development costs were expensed as incurred. Thereafter, the main principle has been to capitalize development costs that fulfill the requirements described in Note 1. This means that technology and systems platforms such as SAXESS™, CLICK™ and SECUR™ etc. are not reported in the balance sheet.

Amortisation

Intangible assets, utilization period

SEK m	Acquisition value	Book value
Development in progress	26	26
3 years	65	24
5 years	1,027	216
10 years	234	155
20 years	2,616	2,309
Total	3,968	2,730

The utilization period for intangible assets at the Parent Company is five years.

Amortization of assets under development is estimated to begin in 2004. Assets with a utilization period greater than five years comprise mainly goodwill. Amortization is reviewed continuously.

Assets of SEK 143 m with a utilization period of ten years consist of the product EXIGO CSD™, which is a central system in OMHEX's systems platform. The expected period of utilization is up to ten years. Goodwill relating to Technology UK and Technology US of SEK 42 m has been written down in the cost-efficiency program. The remaining goodwill of up to SEK 15 m relates to OMHEX's expected utilization period, which is calculated with a discount factor of 15 percent. According to the current plan, goodwill will be completely amortized during 2005.

The utilization period of 20 years encompasses goodwill from the acquisition of the Stockholm Stock Exchange of SEK 590 m and from the acquisition of HEX of SEK 1,706 m. The expected utilization period is up to 20 years against the background of the company's long history, with a stable and strong cash flow. The acquisition is of great strategic importance for OMHEX, having created a larger market and increased liquidity. Cost efficiency and thereby competitiveness is increased through the integration of the technical infrastructure. OMHEX's technology operations benefit from the larger home market that has been created.

Equipment

The period of utilization for equipment, including activated expenses for reconstruction, is up to 5 years.

Write-downs

The cost-efficiency program presented in June comprises extensive restructuring, primarily of the Energy Markets business area. The remaining parts of this business area became part of the Financial Markets business area following the restructuring.

The measures also included the divestment and phase-out of products and offices. In total, these write-downs were SEK 202 m. Write-downs related to products were SEK 120 m. As a result of write-downs, goodwill has also been written-down in the respective units at a sum of SEK 63 m equivalent to lost cash flows. In addition, premises have been also been written down on the grounds of underutilization following the employee redundancies.

Note 14. Shares in Group companies

Shares in group companies, Parent Company

SEK m	2003	2002
Acquisition value brought forward	2,669	2,594
Acquisition during the year[1)]	2,141	56
New issues	250	–
Shareholders' contribution	–	19
Disposal	–52	–
Acquisition value carried forward	5,008	2,669

1) Including reclassifications of SEK 72 m, see Note 15.

Shares in group companies, Parent Company

	Registered office	Corporate ID number	Votes and equity shares, %	Book value
Bond Connect Europe	London. England	–	50	3
OM Räntebörsen AB	Stockholm	556352-5574	100	47
Stockholmsbörsen AB	Stockholm	556383-9058	100	1,345
OM Broker Services AB	Stockholm	556405-0127	100	56
OM Technology AB	Stockholm	556314-8138	100	200
OM Transaction Development AB	Stockholm	556547-6834	100	0
OM Treasury AB	Stockholm	556211-6854	100	770
HEX Integrated Markets Ltd	Helsinki, Finland	–	100	2,135
Natural Gas Exchange Inc.	Calgary, Canada	–	100	117
Risk Management Stockholm AB	Stockholm	556355-0036	100	3
Stockholms Fondbörs AB	Stockholm	556420-8394	100	306
XACT Fonder AB	Stockholm	556582-4504	100	6
Nordex Securities Trading AB	Stockholm	556525-6830	100	20
Total				5,008

Acquisitions, 2003

	Operations	Acquisition value	Date of acquisition
HEX Integrated Markets Plc	Exchange & clearing	2,135	July 2003
XACT Fonder AB[1)]	Fund management	6	September 2003
Total		2,141	

1) XACT Fonder AB was previously owned by the wholly owned subsidiary Nordex Securities Trading AB.

New Issues, 2003

	Operations	New issue amount	Date of new issue
Stockholmsbörsen AB	Exchange	250	June 2003
Total		250	

See in the Board of Directors' report.

Disposal, 2003

	Operations	Market value (SEK m)	Date of disposal
OM Treasury AG	Treasury	52	June 2003
Total		52	

Shares in OM Treasury AG have been transferred to the wholly owned subsidiary OM Treasury AB.

Note 15. Other long-term securities holdings

Other long-term securities holding, Group

SEK m	2003	2002
Acquisition value brought forward	93	77
Acquisitions during year	15	17
Reclassification	–73	–1
Acquisition value carried forward	35	93

The year's reclassification refers to the acquisition of HEX Integrated Markets Ltd. From July 1, 2003, the company is a wholly owned subsidiary of OM HEX AB, see Note 14.

Other long-term securities holding

	Votes and equity shares, %	Number of shares	Book value SEK m 2003	Book value SEK m 2002
Parent Company				
NOS AS	12	1,749,700	4	4
Total			4	4
Subsidiaries				
HEX Integrated Markets Ltd	–	–	–	72
Adirondack LLC	1	3	26	17
Ostfold Innovasjon AS	2	1	0	0
Cinnober Financial AB	1	96,128	4	–
Other			1	–
Total			31	89
Total Group			35	93

Note 16. Other long-term receivables

Other long-term receivables, Group

	2003		2002	
SEK m	Book value	Actual value	Book value	Actual value
Group				
Collateral, employee stock option program	0	0	14	14
Other deposit	60	60	70	70
Long-term project receivables	114	114	131	131
Other	53	53	28	28
Total	227	227	243	243
Parent Company				
Collateral, employee stock option program	–	–	14	14
Other deposits	–	–	–	–
Long-term project receivables	–	–	–	–
Other	–	–	–	–
Total	–	–	14	14

Note 17. Prepaid expenses and accrued income

Prepaid expenses and accrued income

	Group		Parent Company	
SEK m	2003	2002	2003	2002
Premises, leasing expenses	26	96	15	21
System sales, Facility Management[1)]	371	229	–	–
Information sales	33	18	–	–
Transaction revenues	45	23	–	–
Insurance	18	4	9	1
Other	197	134	8	13
Total	690	504	32	35

1) The item includes project revenue reported in accordance with the principle of ongoing income recognition.

Note 18. Short-term investments

Short-term investments

	Group		Parent Company	
SEK m	2003	2002	2003	2002
Government securities	726	993	–	–
Bank and financial institutions	286	–	–	–
Total	1,012	993	–	-

The actual values of the above items correspond to the book values.

Note 19. Shareholders' equity

Shareholders' equity is divided into non-distributable (restricted) and distributable (unrestricted) earnings. In a group of companies, shareholders can only receive a dividend that is the lowest of the Parent Company or Group's distributable earnings

Share capital and the share premium reserve/statutory reserve comprises restricted shareholders' equity. In the Group's unrestricted equity includes only that portion of the subsidiaries' unrestricted shareholders' equity that can be distributed to the Parent Company without necessitating a write-down of shares in the subsidiary.

In the consolidated balance sheet, the shareholders' equity portion of untaxed reserves is reported as restricted shareholders' equity. Income that is not paid out as a dividend in associated companies is recorded in the Group's shareholders' equity among restricted reserves.

During the year, a new share issue was carried out in connection with the acquisition of HEX, whereby the number of shares increased by 31,505,897 to 115,547,015 (84,041,118) shares with a nominal value of SEK 2. Group shareholders' equity amounted to SEK 31 (24) per share.

Restricted reserves, Group

SEK m	2003	2002
Share premium reserve	2,975	1,084
Shareholders' equity portion of untaxed reserves	0	51
Translation differences	51	50
Other restricted reserves	628	448
Total	3,654	1,633

In order to limit dilution, to secure the provision of shares when exercise of shares is requested and, in the event of a price increase, to limit the outflow of liquidity due to social security contributions, a contract was entered into with a third party for the provision of OMHEX shares. The contract, which is effective through June 30, 2007, corresponds to 1.4 million shares at an agreed price of SEK 62 per share. These measures, which have resulted in a reduction in shareholders' equity, correspond to the difference between the agreed share price and the share price as at December 31, 2003. Since the rate at December 31, 2003 exceeded the agreed rate, the undertaking has not been reported in the balance sheet. Accordingly, compared with the preceding year, shareholders' equity was affected positively in an amount of SEK 29 m (negative: 29).

The application of the equity method of accounting for associated companies means that the value of shareholders' equity in the Group is reported at SEK 72 m (65) higher than if the acquisition value method had been used.

At the beginning of the fiscal year, accumulated loss in translation differences posted directly against shareholders' equity amounted to SEK 80 m. At year-end, the accumulated losses in translation differences were SEK 29 m.

Note 20. Untaxed reserves

Tax allocation reserve

From the 1994 financial year, it became possible to balance profit/loss between different years through tax allocation reserves. Until 1996, provisions to the tax allocation reserves were allowed to a maximum of 25 percent of taxable income, from 1997–2000 up to a maximum of 20 percent of taxable income, and from 2001 again up to a maximum of 25 percent of taxable income. The respective years' provisions will be reversed to taxation after six years. The Parent Company's tax allocation reserves are SEK 0 m (0).

Note 21. Restructuring reserve

Restructuring reserve

	Group		Parent Company	
SEK m	2003	2002	2003	2002
Opening balance	71	149	–	–
Provisions made during the period	662	132	33	–
Utilized reserves	–484	–210	–21	–
Total	249	71	12	–

Remaining reserves from 2002 total SEK 0 m, which relates to the cost-efficiency program initiated in 2002. During 2003, further provisions of SEK 662 m were made. All remaining reserves will be utilized during 2004.

Note 22. Other provisions

Other provisions

	Group		Parent Company	
SEK m	2003	2002	2003	2002
Opening balance	29	326	29	326
Provisions made during the period	199	–	–	–
Utilized reserves	–51	–297	–29	–297
Total	177	29	0	29

The opening balance is fully attributable to hedging of the employee stock option program and was reversed in its entirety during the year, see Note 19. During 2003, a reserve of up to SEK 199 m was allocated for the integration of OM and HEX. SEK 22 m of the integration reserve was utilized during the year. In total, SEK 51 m of the reserves was utilized. All remaining reserves will be utilized during 2004. The reserves mainly relate to costs for the phase-out of systems and release of personnel.

Note 23. Other long-term liabilities

Division of other long-term liabilities

	Group		Parent Company	
SEK m	2003	2002	2003	2002
Bond loan	400	200	400	200
Other	1	3	0	–
Total	401	203	400	200

In December 2003, OMHEX issued a commercial paper program with an extendable multi-currency revolving credit facility of SEK 1,500 m. At the same time, a revolving credit facility of SEK 2,100 m was signed. At the end of the year interest-bearing financial liabilities totaled SEK 2,059 (2,058) m, of which SEK 400 (256) m are long-term.

Note 24. Financial instruments and risks

OMHEX is exposed to various types of financial risks through its operations. The management of these risks and transactions is centralized within OMHEX's internal bank, OMHEX Treasury.

By centralizing its finance operations, OMHEX achieves considerable economies of scale and lowers financing costs, in addition to gaining better control and management of the Group's financial risks. A finance policy adopted by the Board of Directors forms the regulatory framework for financial risk management and financing operations as a whole. OMHEX Treasury's goal is to manage the Group's financial risk exposure and to maximize net finances within given risk limits.

Currency risks

A considerable proportion of OMHEX's sales is derived from operations outside Sweden. As a result, exchange rate fluctuations have an impact on the Group's income statement and balance sheet. Currency risks arise in sale and purchase transactions in foreign currency (transaction exposure) and when translating the income statements and balance sheets of subsidiaries into SEK (translation risks).

Transaction exposure

OMHEX's policy is to fully hedge 12 months' estimated currency flows (including contracted flows) with forward contracts, 75 percent of contracted flows between one to two years and 50 percent of contracted flows two years and beyond. Deviations from the hedging level prescribed by this policy may take place within given limitations. Exchange-rate hedging is carried out in the market through FX futures contracts, option contracts or short-term loans using forward constructions. The income effect of the currency hedging for 2003 was SEK 29 m.

Currency hedging

Currency	Secured in the respective base currency	Nominal value at year-end exchange rate, SEK m	Nominal value at forward rate, SEK m	Unrealized forward gain/loss, SEK m	Average forward rate, SEK m
USD/SEK	–33	–237	–265	28	8.11
NOK/SEK	–286	–309	–315	6	1.10
GBP/SEK	–4	–48	–50	2	13.53
AUD/SEK	–5	–26	–24	–2	5.08
SGD/SEK	–13	–56	–57	1	4.31
Other		7	8	–1	
Total		–669	–703	34	

The average duration of a forward contract for all currencies is less than 12 months.

Net flow exposure

Currency	Net flow SEK m	Net exposure[1)] SEK m	Sensitivity[2)] SEK m
USD/SEK	325	88	4
NOK/SEK	462	152	7
GBP/SEK	120	72	4
AUD/SEK	43	18	1
SGD/SEK	67	12	1
Other	0	6	0
Total	1,017	348	17

1) After currency hedge.
2) In the case of a change in currency rate of +5 percent.

The nominal value of currency hedging at December 31 was SEK 703 m. The actual value of currency hedging was SEK 34 m at December 31, see table above.

Translation exposure

Translation exposure arises in connection with revaluations of OMHEX's foreign subsidiaries' balance sheets and income statements as well as in the translation of company goodwill related to foreign subsidiaries into Swedish kronor. Changes in exchange rates can impact the Group's balance sheet and income statement where valuation of the dependent subsidiary is posted against the income statement and revaluation of the independent subsidiary is posted against shareholders' equity. At December 31, translation exposure for dependent subsidiaries amounted to SEK 585 and for independent subsidiaries SEK 757 m. A change in the foreign subsidiary's currency compared with SEK by 5 percent would mean +/– SEK 9 m. Goodwill related to the merger between OM and HEX totaled SEK 1,706 m at December 31, 2003.A change in the SEK/EUR ratio of +/–5 percent would mean a +/– SEK 85 m change in shareholders' equity. None of the translation exposures are exchange-rate hedged at the moment.

Interest-rate risks

Interest-rate risks refer to the risk of the negative impact on Group income arising from changes in market interest rates. Both the company's interest-bearing assets, which mainly consist of collateral for counterparty risk within the exchange and clearing operations, and interest-bearing liabilities are exposed to interest-rate risks. The speed at which an enduring interest-rate change can impact on the company's net interest income depends on the duration of the company's investment and borrowing.

According to OMHEX's finance policy, the average duration of a fixed-interest term for collateral for exchange and clearing operations is a maximum of four years. Excess liquidity as a rule is placed with the short fixed-interest term. The duration for collateral for exchange and clearing operations was 1.9 years at December 31 and a change of 1 percent in Swedish bond interest rates gives rise to a one-time effect on the portfolio value of SEK 12 m. At the end of the year the company's financial assets totaled SEK 1,446 m, of which SEK 84 m comprised financial fixed assets. For financial fixed income the reported value is equivalent to actual value.

The duration of liabilities is normally short but can be extended to limit the negative impact of an interest-rate increase. According to the financial policy, interest-rate swaps and standardized interest-rate forward contracts are used to change the fixed-interest term and in that way manage interest rate risk. During the year the average fixed-interest term varied between three and ten months. At December 31, the fixed-interest term for borrowing was six months. The effective interest rate at December 31 was 3.2 percent for short-term liabilities and 5.2 percent for long-term liabilities. The corresponding effective interest rate for assets was 3.2 percent for collateral capital for exchange and clearing operations, 3.4 percent for long-term investments and 1.9 percent for short-term investments.

Fixed-interest structure of group interest-bearing assets and liabilities (realized value if not specified otherwise)

	Within 12 months		Within 2–5 years		After 5 years	
SEK m	Float interest	Fixed interest	Float interest	Fixed interest	Float interest	Fixed interest
Financial assets						
Long-term investments	–	–	84	–	–	–
Short-term investments	282	–	–	–	–	–
Collateral capital	457	–	–	202	–	68
Financial liabilities						
Commercial paper	1,389	–	–		–	–
Bond loan	–	–	–	400	–	–
Liabilities to credit institutions	200	–	–		–	–
Convertible loan	55	–	–	–	–	–
Off-Balance-sheet-items						
Interest-rate swaps (nominal value)	350	–	–	350	–	–
Group total	2,733	–	84	952	–	68

The above table does not include cash, bank balances, accounts receivable or accounts payable – trade. Interest-rate swaps of SEK 200 m are the hedge for the bond that matures in December 2008 and are therefore reported applying the hedge accounting method. The remaining SEK 150 m is therefore not reported applying the hedge accounting method.

In the event of an immediate parallel shift of the Swedish yield curve upward by 1 percent, the company's earnings would be negatively affected by SEK 13 m on an annual basis, given the nominal amount and fixed-interest agreements that were in place at December 31, 2003.

Financing risks

Financing risks relate to the risk of higher expenses and limited financing opportunities when renewing loans, and to the risk that insufficient liquidity or difficulties in obtaining financing will lead to failure in fulfilling payment obligations. The finance policy states that in order to guarantee good current liquidity, the company must have adequate unutilized credit facilities. The refinancing risk is also managed by aiming to find an appropriate balance between short- and long-term financing, as well as diversifying among different financing forms and markets.

During the fourth quarter, OMHEX issued a commercial paper program in the Swedish market, which received a K-1 rating according to Standard and Poor's Nordic scale. The commercial paper program is for short-term borrowing and has an extendable multi-currency revolving credit facility of SEK 1,500 m. At December 31, SEK 1,400 m had been utilized. At the same time, a revolving credit facility of SEK 2,100 m was signed with a syndicate of Nordic banks, comprising a SEK 600 m five-year revolving credit tranche and a SEK 1,500 m 364-day extendable multi-currency revolving credit facility at accepted loan terms. At the end of the year SEK 200 m had been utilized. OMHEX also issued private-placement bonds of SEK 400 m, of which SEK 200 m mature in June 2005 and SEK 200 m in December 2008.

At the end of the year, interest-bearing financial liabilities totaled SEK 2,059 m (2,058), of which SEK 400 m (256) is long-term. Total available credit amounted to SEK 2,654 (3,700), of which SEK 2,054 m (2,049) had been utilized. In addition, HEX has available intraday credit facilities of SEK 620 m. Interest-bearing financial assets totaled SEK 1,446 m (1,389) of which SEK 84 (109) comprised financial fixed-income assets.

Group interest-bearing financing at December 31, 2003

	2003		2002	
SEK m	Book value	Actual value	Book value	Actual value
Commercial paper	1,389	1,389	–	–
Bond loan	400	407	200	209
Bank loan	215	215	1,802	1,802
Convertible loan	55	55	56	56
Interest-rate swaps	–8	–8	–	–
TOTAL	2,051	2,058	2,058	2,067

The calculation of actual value is based on market competitive quotations and generally accepted valuation methods.

The company's clearing operations must secure a high payment capacity and has its own credit framework for that reason. At December 31, this totaled SEK 775 m of which SEK (0) m had been utilized. The company's borrowings totaled SEK 2,059 m at year-end.

Securing the employee stock option program

In order to limit dilution, to ensure that shares can be made available if and when exercise is requested and to minimize the liquidity effect of social security expenses in the event of a share price increase, an agreement was made earlier with a third party who will provide OMHEX shares on request. The contract, which runs until June 30, 2007, is equivalent to 1.4 m shares at an agreed price of SEK 62 per share. Of the total commitment of SEK 87 m, SEK 0 m is charged against shareholders' equity in the balance sheet as provisions and reduction of shareholders' equity since the share price exceeded the agreed share price on December 31, 2002. OMHEX pays interest to its counterparties on a continual basis for undertaking to provide shares. The buy-back contract covers part of the outstanding options that are currently expected to be exercised. In the event that it is decided at a later date that more options than the number of shares covered by the third party are to be exercised, a decision will be made regarding how delivery of additional shares will be made.

Interest related to an agreement regarding the synthetic buyback of shares corresponds to the net of the interest expense on the underlying share value at the time of signing as well as the dividend on the underlying shares (1.4 million shares).

Credit and counterparty risks

The Group's financial transactions give rise to credit risks in relation to financial counterparties. Credit or counterparty risk is the risk of loss in the event that a counterparty does not fulfill its obligations. Investing liquid assets involves a credit risk. To limit risk exposure, OMHEX's policy only allows investments in securities with high credit ratings and high liquidity.

The main portion of the Group's outstanding investments at year-end was in Swedish government securities. The Group does not have any significant concentration of credit risk exposure toward any other individual counterparty.

The derivative instruments that OMHEX uses involve a counterparty risk, that is, the risk that the counterparty will not fulfill the obligations inherent in a futures or option contract. To mitigate counterparty risk, only counterparties with a high credit rating in accordance with an established financial policy are accepted. OMHEX also uses what is known as an ISDA agreement to minimize the counterparty risk.

None of OMHEX's customers corresponds to more than 20 percent of invoicing at December 31, 2003.

Commercial risks

OMHEX's work relating to operational risks aims to protect Group assets and create the prerequisites for achieving established commercial objectives. The objective is to minimize operational risks and disruptions and maintain an adequate level of protection founded on the needs of internal and external players such as OM's owners, customers, authorities and other interested parties.

OMHEX has a management system for security and operational risks consisting of an independent security organization, framework and reporting structure. The Group Security unit manages and coordinates this work, as well as the Group's crisis management. The Head of Group Security reports periodically to OMHEX's Security Management Committee on the Group's consolidated risks.

Operational risk management, as well as continuity planning and incident management, is carried out within each business area and company in its role as risk owner. The risk-management process consists of four sub-processes: risk analysis, risk prevention measures, damage-limitation measures and risk-financing measures.

HEX Integrated Markets

The HEX Integrated Markets division provides services for trading, derivatives clearing, listing, registration, training and distribution of market information. These services are exposed to traditional operational risks and the special form of risk that relates to the provision of clearing services.

Stockholmsbörsen, OM London Exchange and Helsinki Securities & Derivatives Exchange Clearing House Ltd. enter as a counterparty into transactions that are subject to counterparty clearing in the respective markets and are thereby subject to unique risks related to clearing of derivatives. By providing his service, fulfillment of all contracts that are subject to clearing is guaranteed.

Risks that are associated in particular with the clearing of derivatives include counterparty risk, market risk, settlement risk and concentration risk, as well as operational risk.

These specific clearing-related risks are managed within the Clearing Operations and Risk Management functions through surveillance, measuring and other suitable means.

The greatest risk within clearing operations is the risk that one or more clearing counterparties will not fulfill their obligations. The ability to manage this risk depends on several factors, such as control of the clearing operations, control that collateral is pledged, proactive risk management, a solid legal framework and financial strength.

It is important to note that even if each clearing counterparty has rights to and receives benefits from the clearing services, they also shoulder counterparty responsibility for liabilities. One of the clearing counterparties' primary obligations is to provide the required collateral, both in regard to amount and type, in agreement with the respective rules and regulations, as a safeguard for the counterparty risk that has been taken.

In addition to the collateral that is provided, a policy, instructions, rules and regulations and routines have also been established in order to ensure that these risks are adequately managed.

For more information on operating risks, see the sensitivity analysis below.

OM Technology

Business areas within the OM Technology division provide systems solutions, systems operations and other services for exchanges, clearing organizations and other financial and energy market institutions. The specific risks contained within OM Technology relate primarily to the different phases in providing a service. These are the sales phase, delivery and implementation phase and production phase.

The sales phase includes risks such as loss of earnings and exchange rate risks. Risks are managed by each business area although they are coordinated and supported by business controllers and centralized functions.

Operational risks, credit risks and quality aspects are managed during the implementation and delivery phases, as well as in the production phase. As mentioned above, risks are managed within each business area and unit, and coordinated centrally, as well as credit risks related to business controller functions that monitor, measure and handle such risks.

For more information on the operational risks in OM Technology's operations, see the sensitivity analysis below.

Sensitivity analysis

HEX Integrated Markets

Trading revenue

During the fourth quarter 2003, 57 percent of HEX Integrated Markets' trading revenue derived from equity (cash) trading and 43 percent from trading and clearing of derivative products. Trading revenue is generated primarily within the Cash Markets, Derivatives Markets and Baltic Operations business areas.

For trading revenue from equity trading, the two most important parameters are the value of equity turnover and the number of equity transactions. A 1 percent change in value of the average daily equity trading volume would, on an annual basis (assuming an unchanged number of transactions) have an SEK +/– 3.2 m effect, calculated on trading levels in 2003.

As regards revenue from trading and clearing derivative products, the two most important parameters are the number of derivative contracts traded and the size of option premiums. A change in the average daily derivatives turnover of 1 000 contracts would, on an annual basis (assuming an unchanged average option premium and product mix), have an SEK +/– 2.3 m effect calculated based on trading levels in 2003.

Issuers' revenue

Issuers' revenue is derived from fees paid by companies listed on the exchange and is directly related to the market capitalization of the companies. Issuer's revenue is generated in the Cash Markets and Baltic Operations business areas. A ten-percent change in the total market capitalization on HEX Integrated Markets would have a SEK +/– 4.7 m effect on issuers' revenue, calculated on an annual basis from the 2003 level based on operations carried out during the year.

Information revenue

HEX Integrated Markets sells trading information to just over 100 companies that disseminate it to a large number of end users. Information revenue is generated within the Cash Markets and Baltic Operations business areas. Information dissemination is invoiced in arrears, and the size of fees varies according to the number of end users.

CSD revenue

CSD revenue is mainly derived from APK (the Finnish Central Securities Depository) and is generated within the Settlement & Depository and Baltic Operations business units. The main sources of CSD revenue and their percentage of revenue are as follows:

- Clearing (13 percent). The most important parameter is the number of equity transactions on Helsinki Exchanges.
- Equity settlement and depository (36 percent). The most important parameters are the market value of the securities held in custody and the number of book-entry accounts.

- Money-market clearing and settlement (14 percent). The most important parameter is the market value of the securities held in custody.
- Ownership information maintenance and information sales (37 percent). The most important parameters are the number of customers, the number of book-entry accounts and the number of requests for information.

Other revenue
Other revenue includes mainly training revenue and interest on collateral pledged by members of OM London Exchange.

OM Technology – Revenue sources
License, support and project revenue
License, support and project revenue from the systems solutions developed and sold by OM Technology arises primarily within the Financial Markets business area and to some extent in Banks & Brokers.

After OM Technology has developed and sold a systems solution, the customer licenses the right to use the software. Each project involves individual adaptations to the specific requirements of the customer relating to functionality and capacity. This involves development, testing and installation work, all of which generate project revenue that is invoiced continually according to the degree of completion. When OM Technology provides a systems solution, it undertakes to continually upgrade, develop and maintain the solution, for which it receives recurring support revenue.

With regard to major system solutions for market participants such as exchanges and clearing organizations, license and project revenue is mostly fixed and is paid in relation to the degree of completion. Support revenue is mainly fixed and contracts usually run for five years. A certain portion of license revenue is also recurring, and contracts run for a longer period. As regards systems solutions for market participants such as banks and brokerage firms, license fees are primarily variable and revenue is recognized on an ongoing basis, while project revenue is recognized in relation to the degree of completion. Support revenue from this type of customer is mainly variable and recognized on an ongoing basis.

Revenue from Facility Management Services
Facility Management services are those where OM Technology is responsible for the continuous support of a systems platform for a customer, for which it receives recurring support revenue within its Global Services and Banks & Brokers business areas. Revenue from Facility Management Services can be both fixed and volume-based. Contract times vary between one and seven years.

Other revenue
Other revenue from technology operations consists primarily of trading and clearing revenue from the energy exchanges NGX and UKPX, as well as some resale of third-party products and hosting revenue and other sales that cannot be classified together with the revenue sources above.

Note 25. Accrued expenses and prepaid income

	Group		Parent Company	
SEK m	2003	2002	2003	2002
Personnel expenses	135	67	12	8
Systems sales[1)]	55	97	–	–
Facility Management[1)]	16	23	–	–
Issuers' fees[2)]	53	48	–	–
Other prepaid income	42	2	–	–
Other	190	179	25	39
TOTAL	491	416	37	47

1) Customer invoicing terms for projects are usually set within a contract and it is not uncommon that payments do not correspond to work carried out at a given time. Work that has been invoiced, but not yet carried out, is treated as a liability to the customer. During the period when the work to which the invoice relates is carried out, this liability is re-booked as revenue.
2) Relates to listing fees paid by companies listed on Stockholmsbörsen. These fees are paid quarterly in advance and are based on the average market capitalization of a company over the preceding 12-month period.

Note 26. Due dates for receivables and liabilities

SEK m	Within 12 months	Within 2–5 years	After 5 years	Total
Group				
Other long-term receivables	0	164	63	227
Accounts receivable	335	–	–	335
Receivables from associated companies	–	44	–	44
Other receivables	177	7	–	184
Prepaid expenses and accrued income	563	127	–	690
Convertible debentures	–55	–	–	–55
Other long–term liabilities	–	–400	–	–400
Liabilities to credit institutions[1)]	–1,600	–	–	–1,600
Accounts payable	–120	–	–	–120
Tax liabilities	–12	–	–	–12
Other liabilities	–91	–	–15	–106
Accrued expenses and prepaid income	–490	–	–1	–491
Total	–1,293	–58	47	–1,304
Parent Company				
Other long-term receivables	–	–	–	0
Receivables from Group companies	507	39	–	546
Receivables from associated companies	–	–	–	0
Other receivables	18	–	–	18
Prepaid expenses and accrued income	24	8	–	32
Convertible debentures	–55	–	–	–55
Other long-term liabilities	–	–400	–	–400
Liabilities to credit institutions[2)]	–1,389	–	–	–1,389
Accounts payable	–4	–	–	–4
Liabilities to Group companies	–3	–418	–	–421
Tax liabilities	–27	–	–	–27
Other liabilities	0	–	–	0
Accrued expenses and prepaid income	–37	–	–	–37
Total	–966	–771	–	–1,737

1) Of which SEK 1,389 m relates to the distribution of the commercial paper certification program.
2) Refers to the commercial paper certification program.

Note 27. Other interest-bearing and non-interest-bearing receivables and liabilities

Other interest-bearing and non-interest-bearing receivables and liabilities

	Group 2003			Parent Company 2003		
SEK m	Interest-bearing	Non interest-bearing	Total	Interest-bearing	Non interest-bearing	Total
Financial fixed assets	–	741	741	–	5,063	5,063
Other long-term receivables	83	144	227	–	–	–
Short-term receivables	1	1,208	1,209	–	596	596
Short-term investments	1,012	–	1,012	–	–	–
Cash and bank	350	–	350	1	–	1
Long-term liabilities	–400	–1	–401	–400	–	–400
Short-term liabilities	–1,659	–725	–2,384	–1,444	–489	–1,933
Receivables and liabilities, net	–613	1,367	754	–1,843	5,170	3,327

Note 28. Collateral pledged to OMHEX's exchange operations

Through its clearing operations, the company below is a counterparty in every options and futures contract and thereby guarantees the fulfillment of each contract. Customers who, through an options or futures contract, take on an obligation toward OMHEX, must pledge collateral for the obligation according to special rules for this.

Pledged collateral to exchange operations, Group

Company	2003	2002
Stockholmsbörsen	5,990	5,116
OM London Exchange	2,882	1,669
Helsinki Securities and Derivatives Exchange. Clearing House Ltd	1,901	–
A/s Rigas Fondu Birza	1	–
AS Tallinna Börs	3	–
Total	10,777	6,785

Note 29. Pledged collateral

Pledged collateral, Group

Company	2003	2002	
OM HEX AB	–	14	Hedging of employee stock option program
OM Treasury AB	42	47	Leasehold deposit
OM Technology Pty Ltd	3	–	Leasehold deposit
OM Technology Ltd (Hong-Kong)	1	–	Leasehold deposit
Helsinki Securities and Derivatives Exchange. Clearing House Ltd	10	–	Liquidity guarantee HEX Clearing
HEX Securities Services Ltd OY[1)]	33	–	Liquid assets pledged as collateral
HEX Back Office and Custody Services OY[1)]	21	–	Liquid assets pledged as collateral
Finnish Central Securities Depository Ltd[1)]	15	–	Liquid assets pledged as collateral
Total	125	61	

1) Relates to pledged collateral for the right to act as the Swedish equivalent of the account-operating institution.

Note 30. Contingent liabilities

Contingent liabilities. Group

Company	2003	2002
OM HEX AB[1)]	528	874
OM Technology AB	–	37
TOTAL	528	911

1) Through its clearing operations. OMHEX's exchange operations act as a counterparty in each transaction and thereby guarantee the fulfilment of each contract. As collateral for these obligations, the operations have obtained a bank guarantee, which in turn is guaranteed by OM HEX AB. In addition to this, guarantees have been pledged for the fulfilment of obligations for leasing contracts.

In addition to the items above, there are general Parent Company guarantees for wholly owned subsidiaries of OM HEX AB, of which SEK 200 m had been utilized at December 31, 2003.

Note 31. Earnings per share

SEK m	2003	2002	2001
Earnings per share before dilution			
Net income/loss for the year	–431	–71	–25
Average number of shares outstanding	99,737,658	84,040,868	84,037,865
Earnings per share	–4.33	–0.85	–0.30
Earnings per share after dilution			
Net income/loss for the year	–431	–71	–25
Interest on convertible debentures after tax	1.4	1.5	1
Net income/loss for the year after full conversion	–430	–69.5	–24
Average number of shares after full conversion and with full utilization of options[1)]	100,644,536	84,818,818	84,818,818
Earnings per share	–4.33	–0.85	–0.30

1) Potential ordinary shares do not have a dilution effect when their conversion into ordinary shares increases the profit or loss per share. or if the average share price during the year has been lower that the current subscription price. Calculation of the average share price is based on the price on the last trading day of every month. For additional information regarding OM's employee stock options (no dilution), convertible loans and warrants. See Note 6.

During 2003, earnings per share were affected negatively by restructuring costs of SEK 5.73 m as well as the impact, amounting to SEK 1.00, of the creation of EDX London. Excluding items affecting comparability, earnings per share came to SEK 0.40.

Changes in the average number of shares

	2003	2002	2001
Number of shares outstanding at start of year	84,041,118	84,040,118	84,034,618
New issues	31,505,897	–	–
Conversion of convertibles	–	1,000	1,500
Exercise of options	–	–	4,000
Number of shares outstanding at year-end	115,547,015	84,041,118	84,040,118

Note 32. Cash flow

Financial items with an impact on cash flow

	Group		Parent Company	
SEK m	2003	2002	2003	2002
Other interest income and similar income items				
Dividends	0	22	0	1
Interest	84	86	4	5
Exchange-rate differences	0	–	1	5
Total	84	108	5	11
Interest expenses and similar income items				
Interest	–126	–135	–21	–26
Interest – Group	–	–	0	–41
Exchange-rate differences	–3	–11	–33	–
Other	1	0	–	–
Total	–128	–146	–54	–67
Total financial items	–44	–38	–49	–56

Cash flows from acquisition and disposals

During the year, the acquisition of HEX Integrated Markets Ltd. took place. Acquisitions from previous years relate to the acquisition of Energy Point AS and the remaining 50 percent of Power Clearing System AS.

Cash flows from acquisitions

	Group	
SEK m	2003	2002
Intangible fixed assets	1,791	56
Tangible fixed assets	73	1
Financial fixed assets	111	0
Receivables	209	2
Liquid assets	271	59
Long-term liabilities	–200	0
Short-term liabilities	–109	–16
Minority interests	–10	–
Total purchase sum	2,136	102
Less: liquid assets in acquired companies	–72	–
Less: payment with own shares	–1,954	–
Total of settled purchase price	–110	–102
Liquid assets in acquired companies	270	59
CASH FLOW FROM ACQUISITION	160	–43

During 2003, OM Kapital AB was divested. The divestment price for the company totaled SEK 283,000. Shareholders' equity in the company totaled SEK 303,000.

Items not affecting cash flow

In the table above regarding cash flow from acquisitions and divestments, changes in the company's asset structure related to acquisition are accounted for. Other transactions related to investment and financing operations that do not give rise to payments, despite the fact that they impact the company's capital and asset structure, are listed in the table below.

Other transactions related to investment and financing operations

	Group		Parent Company	
SEK m	2003	2002	2003	2002
Investment operations				
Depreciation	374	323	2	3
Write-downs of other tangible assets	202	50	–	–
Write-downs of tangible assets	25	8	–	–
Increase in deferred tax receivables	158	–62	51	–76
Increase in deferred tax liabilities	51	58	–	–
Write-down of shareholders' equity in NLK AB	–	300	–	–
Change in the provision for loss risks related to hedging of OMHEX's employee stock option program	–	294	–	294

Liquidity and financing

Interest-bearing net assets had a deficit value of SEK 613 m (negative: 669) at the end of the reporting period. OM's interest-bearing financial assets totaled SEK 1,446 m (1,389), of which SEK 84 m (109) represented financial fixed assets.

Interest-bearing financial liabilities totaled SEK 2,059 m (2,058), of which SEK 400 m (256) was long-term.

Agreed credit facilities amounted to SEK 2,654 m (3,700), of which SEK 2,054 m (2,049) was utilized. Liquid assets equaled SEK 1,362 m (1,275) and consisted of short-term investments and cash and bank balances. SEK are not available to the Group. Liquid assets comprise short-term investments, in addition to cash and bank balances. Investments with high liquidity and lifetimes longer than three months are included, since these securities can be readily turned into cash.

Note 33. Events subsequent to accounting year-end

Neither the Group nor the Parent Company has received information after the balance sheet date regarding conditions that existed at the balance sheet date and that had a significant impact on income and the financial position in 2003.

B. Financial Information – Copenhagen Stock Exchange

INTERIM REPORT FOR JANUARY–SEPTEMBER 2004

First nine months of 2004 in brief

- Consolidated profit after tax amounted to DKK 54.5 million as against DKK 44.8 million for the corresponding period in 2003, a rise of 22 per cent.
- Operating profit for the 3rd quarter totalled DKK 26.2 million compared with DKK 22.2 million for the 2nd quarter of 2004 and DKK 25.3 million for the 1st quarter of 2004. The improvement is attributable to higher income from listings, issues and the sale of market information as well as lower costs primarily associated with depreciation/amortisation and staff.
- Return on equity including undistributable reserves was 23 per cent p.a., up from 19 per cent p.a. during the same period in 2003. The higher return on equity is attributable to the improved profit performance as well as the reduction in equity resulting from the extraordinarily large dividend payment for 2003.
- Operating margin before depreciation/amortisation amounted to 51 per cent, up from 47 per cent in the corresponding period last year. Operating margin after depreciation/amortisation amounted to 40 per cent as against 34 per cent in the first nine months of 2003.
- Profit for the year 2004 after tax is expected to be in the region of DKK 60–70 million, which is slightly higher than the 55–65 million forecast in the interim report for the 1st half of 2004.
- The value of share trading amounted to DKK 432.5 billion in market value, 45 per cent up on the corresponding period in 2003. The share trading volume was also quite handsome with 1.8 million trades, a 35 per cent increase on the first nine months of 2003. Thus, it can already be concluded that the year 2004 will close as the best performing equity trading year ever.
- Trading in listed investment certificates totalled DKK 29.0 billion in the first nine months of 2004, and thus it has already exceeded the entire 2003 trading volume, which came to DKK 27.7 billion. Trading in the non-exchange listed certificates on the XtraMarked totalled DKK 26.0 billion, a decline of 4 per cent compared with the corresponding period last year.
- On the derivatives market some 527,000 contracts changed hands, corresponding to a 12 per cent fall compared with the corresponding period last year.
- Bond trading amounted to DKK 4,234 billion in market value, which is a 15 per cent fall on the corresponding period in 2003. The number of bond trades fell by 27 per cent compared with the same period in 2003 and amounted to just under 730,000.
- On 27 September, the exchanges in Finland, Estonia and Latvia began using the SAXESS trading system, which means that securities listed in Denmark, Sweden, Norway, Iceland, Finland, Estonia and Latvia are now traded in one and the same trading system.
- The publication date of the annual report for 2004 has been changed from 7 February to 2 February 2005.
- We have commenced negotiations with OMX for a closer cooperation.

Hans Ejvind Hansen	*Hans-Ole Jochumsen*
Chairman	President and CEO

Group financial highlights

(DKK'000)	Q3 2004	Q3 2003	Group Q1–Q3 2004	Q1–Q3 2003	Full year 2003
Income statement					
Net revenue	61,097	58,015	186,160	169,808	229,162
Operating costs	(34,889)	(37,047)	(112,430)	(111,266)	(156,151)
Operating profit/(loss)	26,208	20,968	73,730	58,542	73,011
Net financials	1,220	1,275	4,066	5,468	6,587
Profit/(loss) before tax	27,428	22,243	77,796	64,010	79,598
Tax on profit from ordinary activities	(8,229)	(6,674)	(23,339)	(19,235)	(24,091)
Profit/(loss) for the period	19,199	15,569	54,457	44,775	55,507
Shareholders' share of profit for the period	20,143	16,053	55,534	44,432	55,950
Balance sheet					
Fixed assets			91,312	85,591	88,903
Current assets			304,668	379,371	391,005
Total assets			395,980	464,962	479,908
Equity excluding undistributable reserves			253,435	269,162	280,383
Undistributable reserves			54,812	56,675	55,889
Total equity			308,247	325,837	336,272
Provisions and short-term debt			87,733	139,125	143,636
Total liabilities and equity			395,980	464,962	479,908
Cash flow					
Cash flow from operating activities			101,859	71,052	82,286
Cash flow from investing activities			(22,923)	(18,760)	(29,772)
Cash flow from financing activities			(82,715)	(15,824)	(15,824)
Net cash flow			(3,779)	36,468	36,690
Investments					
IT projects			20,646	20,492	29,210
Other investments			2,425	206	2,402
Capital reduction in associate			(132)	0	(1,840)
Total investments			22,939	20,698	29,772
Financial ratios and key figures translated into full-year figures					
Operating margin 1			40	34	32
Operating margin 2			51	47	44
Return on net assets			24	19	17
Return on equity including undistributable reserves			23	19	18
Net asset value per share			634	673	701
Earnings per share in DKK			185	148	140
Average number of full-time employees			81	83	83

Report of the supervisory board

Results for the first nine months of 2004

Consolidated profit after tax for the first nine months of the year was realised at DKK 54.5 million compared with DKK 44.8 million for the corresponding period last year.

The improvement in earnings was attributable to an increase in revenue of 10 per cent to DKK 186.2 million as against DKK 169.8 million in the first nine months of 2003.

The increase in revenue is primarily related to income from share trading, but activities in the listing and issuance areas and the sale of market information products have also increased compared with the same period last year.

Listing and issuance activities

Total income from listings and issues amounted to DKK 50.1 million, which corresponds to a 9 per cent increase on the first nine months of 2003.

Income from company and investment fund listings and issues increased by 20 per cent compared with the same period last year and totalled DKK 32.4 million.

Income from listings and issues on the bond market fell. Total income from listings of and issues in bonds amounted to DKK 17.8 billion, corresponding to a fall of 6 per cent on the same period last year.

Trading activities

Income from securities trading amounted to DKK 51.7 million, an improvement of 21 per cent compared with the first nine months of 2003.

The equity market

In the first nine months of 2004, trading in Danish shares totalled DKK 432.5 billion, a rise of 45 per cent compared with the corresponding period in 2003. Investment certificates on the stock market reached a turnover of DKK 29 billion, which is already above the level for the whole of 2003.

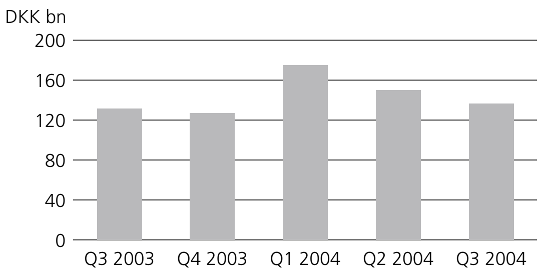
A total of 2.1 million transactions in shares and listed investment certificates were concluded, an increase of 38 per cent compared with the same period the year before.

The number of member firms on the equity market remains unchanged at 43, of which 17 are remote members.

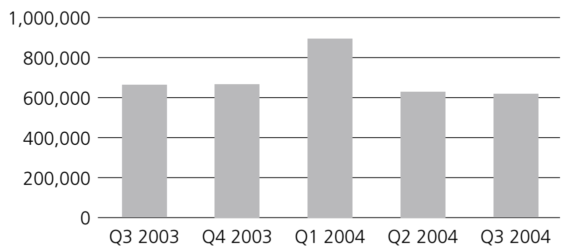
The increase in turnover on the equity market and the growing trading volume meant that income from trading in shares and investment certificates increased by 35 per cent to DKK 38.7 million compared with the corresponding period last year.

In the 3rd quarter, activities on the equity market were slightly slower than in the 2nd quarter of the year, but still 3 per cent above the year-ago quarter.

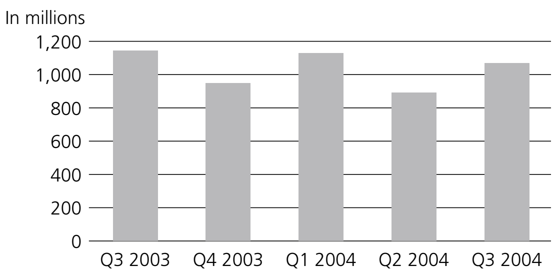
Equity market – Turnover in shares and investment certificates



Equity market – Number of transactions in shares and investment certificates



Equity market – Volume of shares and investment certificates traded

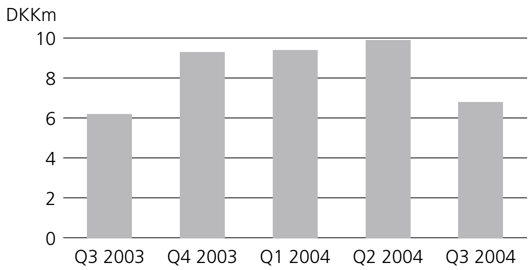


The XtraMarked

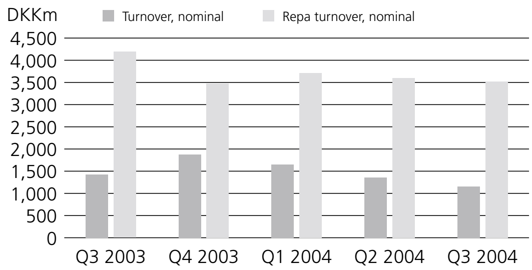
Trading in non-exchange listed investment certificates admitted to the XtraMarked fell by 4 per cent compared with the first nine months of 2003 to DKK 26.0 billion, whereas the trading volume has increased by 17 per cent to approx. 153,000 trades.

The number of members of the XtraMarked remains unchanged at 31.

XtraMarkedet – Turnover in non-exchange listed investment certificates



Bond market – Turnover in bonds, etc.



The bond market

Activities on the bond market slowed compared with the corresponding period of 2003 both in terms of turnover and trading volume.

In the first nine months of the year, nominal bond trading came to DKK 4,167 billion, which is a 15 per cent fall on the same period last year. The trading volume decreased by 27 per cent compared with the corresponding period last year and totalled just under 730,000 trades in the first nine months of 2004.

Repo trading fell 18 per cent compared with the same period in 2003 and came to DKK 10,833 billion.

The number of members of the bond market remains unchanged at 24.

Income from trading on the bond market amounted to DKK 7.5 million in the first nine months of the year, a fall of 14 per cent compared with the same period last year.

The market for share derivatives

In the first nine months of 2004, trading in derivative contracts fell 12 per cent compared with the same period in 2003. A total of 527,000 contracts changed hands – 417,000 contracts on the KFX Index and 110,000 contracts on single shares.

The falling trading volume is due to a 13 per cent fall in trading in contracts issued on the KFX Index and a 7 per cent fall in trading in futures and options issued on single shares. The slowing activity in the 3rd quarter, which is also seen on international derivatives markets, is primarily attributable to a slowdown in trading due to the low volatility in the equity markets.

Income from trading in derivative instruments amounted to DKK 2.1 million in the first nine months of the year as against DKK 2.2 million in the same period in 2003, which corresponds to a fall of 4 per cent.

Market information products

In the first nine months of the year, the sale of market information products was above the level of last year. The improvement in income is attributable to the introduction of the Plus Portalen – which is, however, neutralised by a rise in information and marketing costs – and a small increase in the sale of electronic market information.

The number of real-time terminals continued to develop positively in the 3rd quarter of 2004.

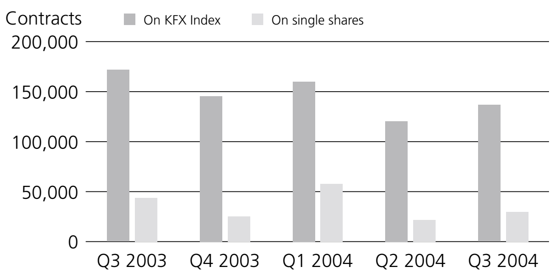
Development in costs

The consolidated operating costs amounted to DKK 112.4 million, which is DKK 1.2 million (1 per cent) more than in the corresponding period last year.

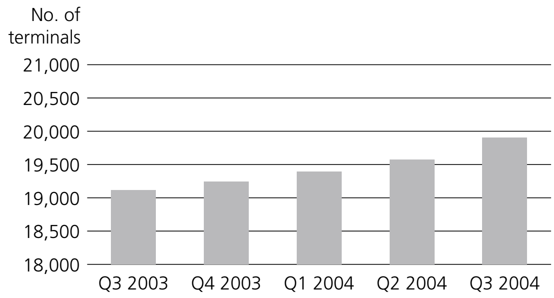
The increase in costs is not least attributable to the bustling trading activities, which resulted in an increase in the costs for IT operation of the trading systems of DKK 1.8 million (11 per cent).

To this should be added an increase in other operating costs of DKK 1.0 million (7 per cent), which is derived from higher expenses for insurance and trips.

Derivatives market – Turnover in futures and options



Development in real-time terminals



In the 3rd quarter, depreciation/amortisation was realised DKK 2.1 million lower than in the year-ago quarter. This is due to the fact that more IT systems have been fully depreciated.

Net financials

Net financials yielded a net income of DKK 4.1 million, which is DKK 1.4 million below the 2003 level. The lower financial income in 2004 is primarily attributable to the low level of interest rates.

Balance sheet

The group's balance sheet was reduced by DKK 159.6 million; cf. also the interim reports for the 1st quarter and 1st half of 2004, which is due to partly an amendment to the rules of the FUTOP Clearing Centre A/S regarding variable subordinated capital, which reduced the balance sheet by DKK 76.8 million in the 1st quarter, partly dividend payouts in the 2nd quarter, which reduced the balance sheet by DKK 82.8 million.

Cash flow

Cash generated from operations amounted to DKK 101.9 million in the first nine months of 2004. During that same period, DKK 22.9 million were invested and DKK 82.8 million were distributed to the shareholders as dividend for 2003, consequently, the net cash flow for the period was DKK -3.8 million. In the first nine months of 2003, the net cash flow was DKK 36.5 million because of the lower dividend pay-out (DKK 15.8 million) for 2002.

Subsidiary

The wholly owned subsidiary, the FUTOP Clearing Centre A/S, reported a loss of DKK 2,059 thousand, down from a loss of DKK 296 thousand for the first nine months of 2003. The development in the result should primarily be seen in the light of the fact that more resources were allocated to the FUTOP Clearing Centre A/S in 2004, which has meant that the administrative agreement between the FUTOP Clearing Centre A/S and the Copenhagen Stock Exchange A/S has been changed so that the payment has been raised by DKK 1.1 million from 2003 to 2004.

Derivatives trading continued to fall in the 3rd quarter of 2004. In the first nine months, the trading volume fell by 12 per cent compared with the corresponding period in 2003.

Outlook for 2004

As stated in the interim report for the 1st half of 2004, revenue is expected to be realised in the region of DKK 240-260 million.

Costs are expected to be slightly lower than we had expected after the 1st half of 2004, and they are expected to be realised in the region of DKK 155-165 million.

Operating profit is thus expected to be in the region of DKK 85 and 95 million, and the net profit is estimated to amount to somewhere between DKK 60 and 70 million, which is slightly above the DKK 55 to 65 million forecast in the interim report for the 1st half of 2004.

Accounting policies

General

The interim report of the Copenhagen Stock Exchange A/S group has been prepared and presented in accordance with the provisions of the Danish Financial Statements Act governing class D companies and Danish accounting standards.

The accounting policies have been consistently applied.

Group income statement for the nine months ending 30 September 2004

		Group				
Note	(DKK'000)	Q3 2004	Q3 2003	Q1–Q3 2004	Q1–Q3 2003	Full year 2003
1	Listing and issuance fees	17,055	14,974	50,149	45,861	61,730
2	Trading fees	15,866	15,836	51,678	42,711	58,558
3	Sale of information	28,093	27,121	83,997	80,999	108,481
	Other operating income	83	84	336	237	393
	Net revenue	61,097	58,015	186,160	169,808	229,162
	Staff costs	(12,354)	(13,477)	(37,486)	(39,043)	(55,189)
	Depreciation/amortisation	(5,523)	(7,624)	(20,513)	(21,289)	(28,964)
	IT operation of the trading systems	(5,129)	(5,395)	(18,068)	(16,265)	(22,270)
	Other expenses for computer hardware and software	(6,281)	(5,838)	(17,374)	(16,861)	(24,393)
	Information and marketing	(870)	(975)	(4,103)	(3,948)	(5,607)
	Other operating costs	(4,732)	(3,738)	(14,886)	(13,860)	(19,728)
	Operating costs	(34,889)	(37,047)	(112,430)	(111,266)	(156,151)
	Operating profit	26,208	20,968	73,730	58,542	73,011
	Share of profit in associate before tax	0	10	0	41	15
	Net financials	1,220	1,265	4,066	5,427	6,572
	Profit before tax	27,428	22,243	77,796	64,010	79,598
	Tax on profit from ordinary activities	(8,229)	(6,674)	(23,339)	(19,235)	(24,091)
	Profit for the period	19,199	15,569	54,457	44,775	55,507
	Allocated (to) / from undistributable reserves pursuant to the Securities Trading Act:					
	Copenhagen Stock Exchange A/S	(2)	327	(982)	(639)	(642)
	FUTOP Clearing Centre A/S	946	157	2 059	296	1,085
	Shareholders' share of profit for the period	20,143	16,053	55,534	44,432	55,950

Group balance sheet

		Group		
		At 30/9	At 30/9	At 31/12
Note	(DKK'000)	2004	2003	2003
	Assets			
	Fixed assets			
	Rights	1,947	6,745	5,189
	Completed IT projects	40,373	53,361	49,670
	IT projects in progress	40,223	18,922	25,692
	Intangible assets	82,543	79,028	80,551
	Leasehold improvements	5,248	2,398	4,050
	Fixtures and fittings, tools and equipment	2,027	2,541	2,702
	Property, plant and equipment	7,275	4,939	6,752
	Deposits	1,158	1,132	1,132
	Investments in associate	336	492	468
	Total investments	1,494	1,624	1,600
	Total fixed assets	91,312	85,591	88,903
	Current assets			
	Trade receivables	12,139	15,205	26,607
	Receivables from associate	132	54	32
	Income taxes receivable	0	9,417	2,504
	Other receivables	2,120	5,126	6,504
	Prepayments	4,027	3,046	8,544
	Value of the FUTOP margin accounts	19,613	3,750	3,750
4	Value of variable subordinated capital deposited by clearing members	0	77,495	76,971
	Total receivables	38,031	114,093	124,912
	Portfolio of securities	65,485	150,450	149,739
	Portfolio of options	0	0	0
	Total portfolio of securities	65,485	150,450	149,739
	Cash and cash equivalents	192,117	112,293	112,119
	Cash deposits of variable subordinated capital	2,000	1,500	2,000
	Cash deposits in the FUTOP margin accounts	7,035	1,035	2,235
	Cash	201,152	114,828	116,354
	Total current assets	304,668	379,371	391,005
	Total assets	395,980	464,962	479,908

Group balance sheet

		Group		
Note	(DKK'000)	At 30/9 2004	At 30/9 2003	At 31/12 2003
	Liabilities and equity			
	Equity			
	Share capital	40,000	40,000	40,000
	Share premium account	1,997	1,997	1,997
	Net revaluation according to the equity method	248	272	248
	Retained earnings	211,190	226,893	154,138
	Proposed dividend	0	0	84,000
	Equity excluding undistributable reserves	253,435	269,162	280,383
	Total undistributable reserves	54,812	56,675	55,889
	Equity including undistributable reserves	308,247	325,837	336,272
	Provisions			
	Deferred tax	20,532	19,919	20,533
	Total provisions	20,532	19,919	20,533
	Liabilities other than provisions			
	Short-term debt			
	Trade accounts payable	8,889	10,227	16,577
	Income taxes	3,604	0	0
	Other payables	6,025	6,698	10,175
	Deferred income	20,035	18,501	11,395
	Cash deposits of variable subordinated capital	2,000	1,500	2,000
4	Value of variable subordinated capital deposited by clearing members	0	77,495	76,971
	Margin deposited by clearing members	26,648	4,785	5,985
	Total liabilities other than provisions	67,201	119,206	123,103
	Total liabilities and equity	395,980	464,962	479,908

Group statement of changes in equity

	Group		
(DKK'000)	At 30/9 2004	At 30/9 2003	At 31/12 2003
Share capital at beginning of period	40,000	40,000	40,000
Share capital at end of period	40,000	40,000	40,000
Share premium account at beginning of period	1,997	1,997	1,997
Share premium account at end of period	1,997	1,997	1,997
Net revaluation according to the equity method			
Balance at beginning of period	248	243	243
Retained earnings in associate	0	29	5
Net revaluation according to the equity method at end of period	248	272	248
Retained earnings			
Balance at beginning of period	154,138	182,090	182,090
Profit/(loss) carried forward	55,534	44,403	(28,055)
Revaluation of hedging instruments, end of period	233	224	(73)
Dividend own shares	1,186	228	228
(Payments to acquire)/receipts from sale of own shares	99	(52)	(52)
Retained earnings at end of period	211,190	226,893	154,138
Proposed dividend			
Balance at beginning of period	84,000	16,000	16,000
Distributed dividend	(82,814)	(15,772)	(15,772)
Dividend own shares	(1,186)	(228)	(228)
Proposed dividend	0	0	84,000
Proposed dividend at end of period	0	0	84,000
Equity before undistributable reserves at end of period	253,435	269,162	280,383
Undistributable reserves			
Balance at beginning of period	55,889	56,332	56,332
Profit/(loss) carried forward	(1,077)	343	(443)
Undistributable reserves at end of period	54,812	56,675	55,889
Equity including undistributable reserves at end of period	308,247	325,837	336,272

Group cash flow statement

	Group		
(DKK'000)	Q1–Q3 2004	Q1–Q3 2003	Full year 2003
Operating activities			
Profit for the period according to the income statement	54,457	44,775	55,507
Adjustments (depreciation/amortisation, interest and tax, etc.)	39,786	35,056	46,468
Changes in working capital	16,035	7,690	(6,338)
Cash flow from operating activities before net financials	110,278	87,521	95,637
Interest received	9,191	7,630	7,710
Interest paid	(377)	(1,099)	(730)
Cash flow from ordinary activities	119,092	94,052	102,617
Income taxes paid	(17,233)	(23,000)	(20,331)
Cash flow from operating activities	101,859	71,052	82,286
Investing activities			
Payments to acquire fixed assets			
IT projects	(20,646)	(20,492)	(29,210)
Tools and equipment	(409)	(124)	(821)
Leasehold improvements	(1,990)	0	(1,837)
Deposits	(26)	(33)	(33)
Receipts from sale of fixed assets	16	49	289
Reduction of share capital of associate	132	1,840	1,840
Cash flow from investing activities	(22,923)	(18,760)	(29,772)
Financing activities			
Distributed dividend	(82,814)	(15,772)	(15,772)
(Payments to acquire)/receipts from sale of own shares	99	(52)	(52)
Cash flow from financing activities	(82,715)	(15,824)	(15,824)
Net cash flows	(3,779)	36,468	36,690
Cash and cash equivalents at beginning of period	261,381	226,275	225,168
Cash and cash equivalents at end of period	257,602	262,743	261,858

Notes to the income statement

		Group				
Note	(DKK'000)	Q3 2004	Q3 2003	Q1–Q3 2004	Q1–Q3 2003	Full year 2003
1	**Listing and issuance fees**					
	Listing:					
	Companies and investment funds	8,583	7,539	25,124	22,922	30,523
	Bond issuers	5,525	5,536	16,507	16,582	22,269
	Total	14,108	13,075	41,631	39,504	52,792
	Issues and introductions:					
	Companies and investment funds	2,587	759	7,238	3,997	5,178
	Bond issuers	360	1,140	1,280	2,360	3,760
	Total	2,947	1,899	8,518	6,357	8,938
	Total listing and issuance fees	17,055	14,974	50,149	45,861	61,730
2	**Trading fees**					
	Shares and investment certificates	11,793	11,302	38,703	28,770	40,430
	Bonds	2,349	2,661	7,514	8,729	11,386
	Derivative instruments	553	826	2,075	2,171	2,658
	Others	1,171	1,047	3,386	3,041	4,084
	Total	15,866	15,836	51,678	42,711	58,558
3	**Sale of information**					
	Electronic market information	25,353	24,278	73,357	72,339	96,793
	StockWise, fax	937	1,103	2,913	3,167	4,251
	Advertising profit, etc.	774	597	4,666	2,178	3,057
	Official List, etc.	1,029	1,143	3,061	3,315	4,380
	Total	28,093	27,121	83,997	80,999	108,481

Notes to the balance sheet

		Group		
Note	(DKK'000)	At 30/9 2004	At 30/9 2003	At 31/12 2003
4	**Variable subordinated capital**			
	Variable subordinated capital requirements at 30 September	5,100	5,300	5,800
	Met by:			
	Cash deposits of variable subordinated capital	2,000	1,500	2,000
	Market value of members' deposit accounts for variable subordinated capital charged to the FUTOP Clearing Centre A/S (75 per cent of the nominal value, DKK 102,824 thousand; market value at 30 September DKK 103,407 thousand)	0	0	0
	Value of the FUTOP Clearing Centre A/S' deposit accounts	77,118	77,495	76,971
	Total variable subordinated capital and deposit accounts and clearing members' charged deposit accounts	79,118	78,995	78,971

The group's balance sheet was reduced by DKK 76.8 million in the 1st quarter of 2004; cf. also the interim report for the 1st half of 2004, which corresponds to the value of the variable subordinated capital deposits. The change is a result of the specification of the FUTOP rules governing variable subordinated capital, according to which securities posted as collateral for variable subordinated capital will in future be pledged and thus not be included in the balance sheet. The change has no real impact on the cash position of the Clearing Centre in relation to its function.

Calculation of financial ratios and key figures

The ratios and key figures have been calculated in accordance with the standards laid down by the Danish Society of Investment Professionals.

Operating margin 1:	(Operating profit/net revenue)*100
Operating margin 2:	(Operating profit before depreciation and amortisation/net revenue)*100
Return on net assets:	(Operating profit+ net financials) translated to reflect a full year/average balance sheet)*100
Return on equity:	(Net profit for the period translated to reflect a full year/average equity including undistributable reserves)*100
Net asset value:	Equity excluding undistributable reserves/no. of shares, end of period
Earnings per share:	Shareholders' share of profit for the period translated to reflect a full year/average number of shares

The following is a reproduction of the Annual Report for 2003 of the Copenhagen Stock Exchange (only lay-out changes have been made), which is available from the Copenhagen Stock Exchange, Nikolaj Plads 6, P.O. box 1040, DK-1007 Copnehagen K.

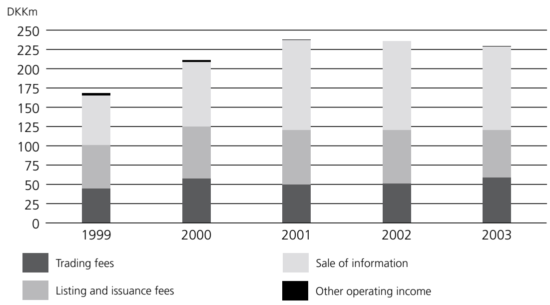
ANNUAL REPORT 2003

Key facts for 2003

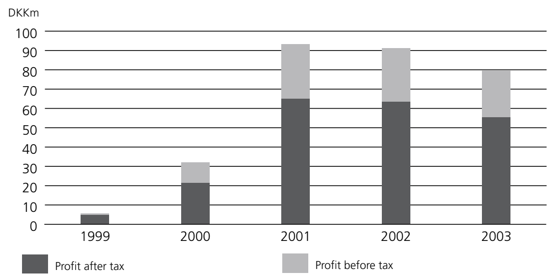
- The consolidated accounts for 2003 show a profit after tax of DKK 55.5 million as against 63.5 million in 2002, corresponding to a fall of 13 per cent.
- Return on equity including undistributable reserves was 18 per cent in 2003, down from 23 per cent in 2002.
- In 2003, the operating margin before depreciation and amortisation was 44 per cent, 1 percentage point lower than in 2002.
- Total revenue in 2003 amounted to DKK 229.2 million, a 3 per cent fall on 2002. Operating costs increased by 1 per cent and came to a total of DKK 156.2 million in 2003.
- Given the current market situation, the supervisory board expresses satisfaction with the results.
- The supervisory board recommends that a total of DKK 84 million be paid in dividend corresponding to DKK 210 per share as against DKK 40 in 2002. The dividend payment is composed of an ordinary payment of DKK 34 million, or DKK 85 per share, and a one-off payment of DKK 50 million, or a further DKK 125 per share. The ordinary dividend corresponds to a pay-out ratio of 61 per cent, which is the result of the revised dividend policy adopted in 2003.
- The consolidated revenue for 2004 is estimated to be in the region of DKK 230 million to DKK 250 million. Costs are expected to amount to between DKK 165 million and DKK 175 million. Consequently, the operating profit is expected to amount to between DKK 65 million and DKK 75 million and the net profit for the year between DKK 50 million and DKK 60 million.
- Total trading in shares and bonds, including trading in investment certificates on the stock market and the XtraMarked, amounted to DKK 7,357 billion, a rise of 16 per cent on 2002. Turnover in futures and options increased by 43 per cent to 769,000 contracts in 2003.
- At the end of 2003, 194 companies, seven of them foreign, were listed on the Copenhagen Stock Exchange, a fall of seven companies. Two finance companies floated in 2003. Nine companies were delisted – the smallest outflow since 1998.
- In 2003, three major international finance houses became members of the equity market on the Copenhagen Stock Exchange. The remote members, i.e. foreign members, increased their market share on the equity market from 15 per cent in 2002 to 20 per cent in 2003. Five members, located in Denmark, England, Finland and Sweden, chose to terminate their membership of the Exchange.
- In April, the Exchange introduced two new segments, MidCap+ and SmallCap+, both of which have improved liquidity: the spread has narrowed by more than 50 per cent, there are two-way prices in the trading system throughout the trading day, and the order book depth has increased.
- At the initiative of the companies included in MidCap+ and Small-Cap+, the Copenhagen Stock Exchange will set up a news portal www.plus-portal.dk. Here the investors can obtain comprehensive price information and facts about the plus companies, including current articles about what goes on in the companies.
- In August, the overall structure of the bond market presentation was changed in the official lists, etc, so that the investors are given a more differentiated picture of the bond market and will find it easier to compare the bonds.
- A new market for government bonds was introduced on 1 December. It thus became possible to trade all Danish government bonds via the electronic trading system using automatic matching also used for trading in shares and investment certificates. There is market making in the most actively traded government bonds.
- In 2003, the Copenhagen Stock Exchange developed several new information products among them 'corporate actions' and 'free float data', which in 2004 will be distributed via e-mail and later via the Exchange's electronic distribution system.
- In December, the exchanges in Finland, Estonia and Latvia decided to join the NOREX Alliance, and in the second half of 2004 these markets will be transferred to the common SAXESS trading system.

Group financial highlights 1999–2003

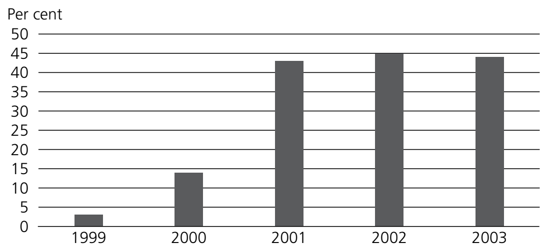
Revenue 1999–2003



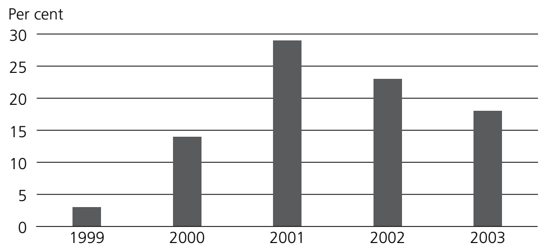
Profit before and after taxes 1999–2003



Operating margin 2 1999–2003



Return on equity 1999–2003



Group financial highlights 1999–2003

Please note that key figures and ratios for 2001 are stated according to both the previous and the existing accounting policies. Key figures for 1999–2000 have not been restated to reflect the changed accounting policies.

	Previous accounting policies			Existing accounting policies		
(DKK'000)	1999	2000	2001	2001	2002	2003
Income statement						
Revenue	168,192	211,028	237,877	237,878	236,163	229,162
Operating costs	(169,202)	(185,936)	(172,935)	(155,333)	(155,030)	(156,151)
Operating profit/(loss)	(1,010)	25,092	64,942	82,545	81,133	73,011
Net financials, etc	6,544	6,984	10,945	10,792	10,031	6,587
Profit before tax	5,534	32,076	75,887	93,337	91,164	79,598
Tax on profit from ordinary activities	(748)	(10,769)	(23,206)	(28,440)	(27,633)	(24,091)
Net profit for the year	4,786	21,307	52,681	64,897	63,531	55,507
Shareholders' share of profit for the year	4,207	28,205	51,604	63,820	62,695	55,950
Balance sheet						
Fixed assets	12,094	9,453	8,566	72,072	88,091	88,903
Current assets	345,527	319,720	357,394	353,436	353,053	391,005
Total assets	357,621	329,173	365,960	425,508	441,144	479,908
Equity excluding undistributable reserves	79,258	103,413	143,017	199,825	240,330	280,383
Undistributable reserves	61,317	54,419	55,496	55,496	56,332	55,889
Total equity	140,575	157,832	198,513	255,321	296,662	336,272
Provisions and short-term debt	217,046	171,341	167,447	170,187	144,482	143,636
Total liabilities and equity	357,621	329,173	365,960	425,508	441,144	479,908
Financial ratios						
Operating margin 1	(1)	12	27	35	34	32
Operating margin 2	3	14	29	43	45	44
Return on net assets	1	9	22	23	21	17
Return on equity	3	14	30	29	23	18
Net asset value per share	198	259	358	500	601	701
Earnings per share in DKK	11	71	129	160	157	140
Dividend per share in DKK	10	10	30	30	40	210
Average number of full-time employees	67	74	81	81	84	83

The ratios and key figures have been calculated in accordance with the standards laid down by the Danish Society of Investment Professionals,

Operating margin 1: (Operating profit/revenue)*100
Operating margin 2: (Operating profit before depreciation and amortisation/revenue)*100
Return on net assets: (Operating profit + net financials)/average balance sheet)*100
Return on equity: (Net profit for the year/average equity including undistributable reserves)*100

Net asset value: Equity excluding undistributable reserves/no. of shares, end of year
Earnings per share: Shareholders' share of profit for the year/average number of shares
Dividend per share: Dividend/number of shares at year-end

More energy to the Danish securities market

Revenue and results

In 2003, the consolidated accounts of the Copenhagen Stock Exchange reached a revenue of DKK 229.2 million, down from DKK 236.2 million in 2002, corresponding to a fall of 3 per cent. This is in accordance with the expectations announced in the interim report for the first three months of 2003. The net profit amounted to DKK 55.5 million as against DKK 63.5 million in 2002. The consolidated net profit also meets the expectations announced in the interim report for the first three months of 2003.

Income from trading in shares, investment certificates, bonds and derivatives totalled DKK 58.6 million, a rise of 15 per cent on 2003.

Income from listing and issuance activities dropped DKK 8.1 million (12 per cent) to DKK 61.7 million.

Income from the sale of market information fell for the third consecutive year and came to DKK 108.5 million, a reduction of DKK 6.4 million, or 6 per cent compared with 2002.

Total operating costs in 2003 were DKK 156.2 million, or 1 per cent more than the year before. Depreciation and amortisation grew by 14 per cent to DKK 29.0 million as a result of the increase in capitalised IT development costs. Other costs decreased by 2 per cent.

The international development

In 2003, consolidation continued within all links of the securities market chain.

The most interesting event for the Copenhagen Stock Exchange was the merger between OM, the owner of the Stockholmsbörsen, and HEX, the owner of the Finnish exchange. The parent company is now called OMHEX AB, and the subsidiary that runs the stock exchange, clearing and settlement activities is called HEX Integrated Markets.

The announcement to merge was accompanied by an invitation to the other Nordic players, including the Copenhagen Stock Exchange, to form a closer alliance, which in the longer term could result in participation in the merger.

Towards the end of 2003, HEX Integrated Markets announced that the Finnish, Estonian and Latvian markets would join the NOREX Alliance. NOREX already comprises the Copenhagen Stock Exchange, the Stockholmsbörsen, the Oslo Børs and the Iceland Stock Exchange.

The use of the same trading system is an important element of the NOREX Alliance. According to schedule, the Finnish, Estonian and Latvian markets will switch to the common SAXESS trading system during the course of 2004.

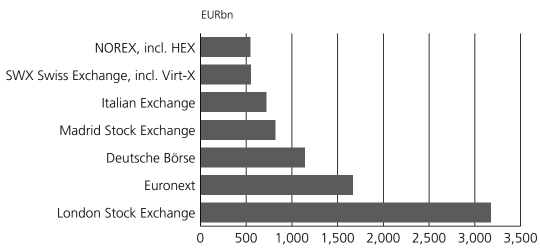
The idea of a Nordic securities market thus becomes a reality on the trading side. This means that the exchanges' development costs and costs for operating the trading system will be reduced and also that the brokers who are members of two or more NOREX Exchanges will experience cost savings by trading on the Nordic markets, as they only need to link up to one trading system.

The Copenhagen Stock Exchange welcomes the OM-HEX merger and has expressed a positive stance towards the merged entity on the idea of closer cooperation. The speed at which and manner in which such cooperation can be realised highly depend on the resources that will need to be allocated for the practical implementation of the cross-border OM-HEX merger.

Unfortunately, the Nordic region has not achieved the same objectives on the settlement side. There is still one securities centre with its own special system in each country. This complicates and increases the costs of crossborder trading. The Copenhagen Stock Exchange considers it one of the biggest barriers to a further internationalisation of the Copenhagen Stock Exchange that there still are no prospects of a common Nordic settlement system in the same way as there now is a common Nordic trading system.

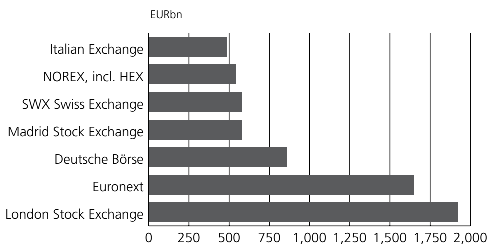
Nor has the issue of a central counterparty (CCP) seen any progress in 2003. A CCP eliminates the counterparty risk when members trade with each other, and it allows netting, which means lower capital requirements and thus cheaper trading for the members. Finally, a CCP facilitates and lowers the costs of cross-border trading. In Europe, the Nordic region is practically the only entity not to have introduced a CCP or a similar arrangement. This exerts a great influence on the competition between exchanges.

Turnover on selected European stock exchanges in 2003



Source: www.fese.org

Market cap of national companies in 2003



Source: www.fese.org

In 2003, the turnover on the NOREX Exchanges, including Helsinki Stock Exchange, was the seventh highest in Europe. The total market capitalisation of the national companies listed on the NOREX Exchanges, including Helsinki, was the sixth highest in Europe at end-2003.

Strategy

The vision of the Copenhagen Stock Exchange is to be the Danish marketplace in a global network. The strategy is based on our function to serve as the marketplace for shares, investment certificates, derivatives and bonds.

The pivotal element of the activities of the Copenhagen Stock Exchange is therefore to ensure that we support the Danish marketplace in the best possible way in all areas. This, for example, concerns the formulation of rules and the practice in relation to issuance of and trading in securities, and in general we have to be instrumental in ensuring good conditions for our issuers, traders and the investors.

Discussions among the owners confirm that an orderly marketplace is the most important factor to the Copenhagen Stock Exchange's shareholders, regardless of whether they are traders or issuers of securities.

A Nordic strategy

Through the NOREX Alliance, the Stockholmsbörsen, the Oslo Børs, the Iceland Stock Exchange and the Copenhagen Stock Exchange operate a common trading system, SAXESS.

The costs incurred by a stock exchange first and foremost derive from IT and employees. This is why sharing trading system costs and other trading-related costs is an important strategic element.

The four exchanges have also harmonised their trading rules on the equity market and have adopted a common application concept for new members wishing to trade on one, more or all of the exchanges in the alliance.

The Exchange's Nordic strategy has been very important to the Danish equity market. One consequence is assessed to be that trading in Danish shares has increased considerably more than the average of the European equity markets. Several foreign equity dealers have become members of the Copenhagen Stock Exchange, which has raised the remote member market share of equity trading to as high as 20 per cent in 2003.

As mentioned, not only the Finnish market but also the Estonian and Latvian markets will be linked up to the common trading system in 2004. A fully integrated Nordic stock market will thus be established.

It is only natural that the Copenhagen Stock Exchange continues to pursue a Nordic strategy. In the longer term, it is a matter of course that the Nordic markets will also tie cooperation relations to other European exchanges.

The equity market

There are still development fields on the Danish equity market.

The interest of foreign investors in the Danish equity market is conditional upon the terms and conditions regarding settlement of trades, among other things.

The way in which capital gains of Danish private investors are taxed is still unnecessarily complicated. The Exchange therefore still wishes to simplify the tax rules that apply to shareholdings held by private investors. By simplifying the tax rules that govern investments in shares, the share investment culture will genuinely be brought in line with the other countries that we typically compare Denmark with.

In recent years, hedge funds have gained more and more ground internationally, and it is estimated that their count is now approx. 7,000 globally. So far, Danish investors have not had the possibility of investing in hedge funds registered in Denmark, since the regulatory regime has not yet paved the way for that type of financial istruments in Denmark. A political solution is in the melting pot at present, and the Exchange supports the efforts made so that 'genuine' hedge funds can be listed on the Copenhagen Stock Exchange within the foreseeable future, as they may help boost liquidity on both the equity and the derivatives markets.

In April 2003, the new plus segments, MidCap+ and SmallCap+, for small and mediumsized companies, became a reality. The plus companies go beyond the Exchange's minimum requirements in relation to disclosure obligations and have good liquidity in their shares. The establishment of the two segments has primarily implied two things. The plus companies get more attention from the investors while serving as a model for many other small and medium-sized companies, which therefore also seek to qualify for the MidCap+ and SmallCap+ segments and belonging indices.

The Exchange is also analysing how the situation for the other small and medium-sized companies with weak liquidity can be improved. We are examining different models and hope that we may launch new initiatives in 2004.

The derivatives market

The infrastructure for trading Danish equity derivatives is in place. Danish derivatives are listed on the Stockholmsbörsen and EDX London and are traded in a common order book and cleared locally. On the derivatives market we have thus established a system based on cross listing of derivatives contracts; by comparison the equity market is based on so-called cross memberships.

As a result of cross listing of derivatives among other things, Danish members of the FUTOP Clearing Centre have been able to trade Swedish derivatives on the Copenhagen Stock Exchange in a common order book since October 2003.

In the coming year, we will make further efforts to develop the Danish derivatives market since an efficient derivatives market is a significant factor that may help improve the price fixing and liquidity of the underlying Danish equity market.

Unfavourable and complicated tax rules still hamper the derivatives trading by private investors.

The Copenhagen Stock Exchange will therefore continue the work to simplify the tax rules applicable to investments in derivatives. At the same time we will endeavour to increase access to stock lending as it is a prerequisite for an efficient derivatives market, which also benefits the underlying equity market. We will still work to disseminate the knowledge of derivatives through courses and seminars for both private and professional investors.

The bond market

In November 2003, the professional trading in Danish government bonds was transferred from the telephone market to the international electronic trading system MTS (Mercato dei Titoli di Stato), which has become standard for trading in European government bonds.

The fact that professional trading in Danish government bonds has moved to MTS has paved the way for the Danmarks Nationalbank, the traders and the Copenhagen Stock Exchange to create an electronic marketplace for trading principally small sums in Danish government bonds, which is a unique possibility in an international context. From 1 December 2003, private investors, among others, have thus been able to trade Danish government bonds in the Exchange's trading system in exactly the same way as they trade shares and investment certificates.

The investors have been ensured that they can trade the biggest and most actively traded government bonds at sharp prices, as six members have entered into market maker agreements with the Danmarks Nationalbank, which thus supports that also small sums may be traded in a cost-efficient way.

It is natural that the changes to trading in government bonds give rise to considerations as to how the Copenhagen Stock Exchange in cooperation with the issuers and the brokers may set up an even better framework for trading in mortgage credit bonds. The market for mortgage credit bonds highly differs from the market for government bonds, which makes special demands on the development of the mortgage credit market.

More EU regulation

The EU Financial Action Plan comprising 42 proposed measures in the area of legislation was launched in 1999 with a deadline of 2005, and it is thus coming to an end. Many of the measures have been implemented, however, some difficult areas still remain.

The remainder of the plan is pressed for time. On 1 May 2004, 10 new countries will enter the EU, in June the parliamentary election will begin. The legislative work will therefore come to a standstill from April, and after the summer recess, time will be spent on acquainting the new countries, the new members of the Parliament and the commissioners with their duties. In practice, the deadline for the implementation of the Financial Action Plan is 1 April 2004.

Nationally, the next few years will be characterised by the work involving the implementation of already adopted directives. Consequently, many changes will be made to the regulations that govern the Danish capital market.

In 2002, the firsts steps of the EU regulation were taken by the adoption of amendments to the Securities Trading Act that concern the Exchange's authority. Formerly, the Copenhagen Stock Exchange was the competent authority in a number of areas, e.g. approval of prospectuses and the checking that the disclosure requirements are met and that the takeover rules are observed.

These duties were formally moved from the Exchange to the Danish Securities Council, however, with the possibility that the Securities Council could redelegate the duties to the Exchange. In 2003, this was arranged through an agreement between the Securities Council and the Exchange, and the Exchange practically performs the same duties as before.

The directives adopted by the EU in 2003 included the market abuse directive, which regulates insider trading, price manipulation and disclosure requirements, and the prospectus directive, which regulates the requirements to prospectuses in connection with listing, trading and offering. The market abuse directive shall be integrated in Danish law by the end of October 2004 and the prospectus directive not later than June 2005.

As of 1 January 2005, the listed companies shall present their consolidated accounts in compliance with the International Financial Reporting Standards – IFRS. The first IFRS annual report must include comparative figures from at least one year according to IFRS. The conversion to IFRS also requires that an IFRS opening balance sheet is presented. This means that the listed companies must already now consider and assess the consequences of the transition to IFRS.

In May 2003, the EU Commission published an action plan to modernise company law and improve corporate governance in Europe. The initiative forms part of the considerations in the Exchange's Corporate Governance Committee.

IT

The objective of utmost importance to the Copenhagen Stock Exchange as regards the application of IT is to constantly support the market, our customers and our own business.

The most essential systems are the trading systems, SAXESS and CLICK. SAXESS is used for trading in shares, investment certificates and bonds, whereas CLICK is used for derivatives trading. OM Technology has delivered and operates both systems for the exchanges in the NOREX Alliance. During 2003, the Exchange has introduced two new versions of SAXESS.

We currently ensure the operation stability of our systems, and the central SAXESS trading system had an uptime of 100 per cent in 2003 – which is the highest since the system was launched on the Copenhagen Stock Exchange. Trades have thus been effected throughout the opening hours of the Exchange in 2003.

The network has, however, seen a few breakdowns – lasting from a few minutes to four hours. The breakdowns meant that single members or groups of members were not able to trade throughout the openings hours. We are working to design solutions to minimise breakdowns, and for that purpose we are also establishing a more secure setup for the telecommunication lines from the members to Stockholm. The implementation began in late 2003 and will finish at the beginning of 2004. Apart from producing a more secure solution, it will also mean that the members will find it easier to link up to the systems in the future and at lower costs.

This also means that the Exchange's new system for the dissemination of information products will be connected to the same network. The new system, TARGIN, is developed by OM Technology and will be implemented on all NOREX Exchanges with the exception of the Oslo Børs. TARGIN combines the Exchange's present two data feeds in one, which can be obtained in Copenhagen and also in combination with the link-up to SAXESS/CLICK in Copenhagen. In addition, the new system gives both customers and exchanges a number of business-related advantages. The development of TARGIN is progressing favourably, and a number of customers are presently testing the system together with the exchanges. TARGIN will be implemented in mid-2004.

In general, IT constitutes the Exchange's 'production plant'. We can reach our goals by cooperating broadly and by exploiting qualifications across the organization. But we also exploit qualifications outside the Exchange – particularly the cooperation within the NOREX Alliance is rewarding, the common trading system and rules being fundamental.

The NOREX Exchanges are all cooperating on the market surveillance system, which is used to monitor the equity and bond markets. The system, which is supplied by the Oslo Børs, has been developed further in 2003.

The Exchange also cooperates with the Oslo Børs in the IT area concerning Data Warehouse and operation and development of index calculation and website.

In 2003, Data Warehouse has been expanded with significantly improved possibilities of analysing the various markets. An entirely new website has also become a reality in cooperation with the Oslo Børs, which has been responsible for the technical development and day-to-day operation.

Towards the end of 2003, the Iceland Stock Exchange joined the cooperation on Data Warehouse, index calculation and website. We expect the exchange in Reykjavik to implement the common systems in the beginning of 2004. The objective is still that the cooperation on IT will comprise a larger part of the NOREX Alliance.

The Exchange's internal systems are currently renewed. In 2003, many resources were spent on developing the central part of the internal system complex, the Master data Information System (SIS). SIS will be implemented in mid-2004.

Organization

The employees of the Copenhagen Stock Exchange are assessed to be innovative, experts within their field, dynamic, and they are crucial to the Exchange's success as a business.

Throughout 2003, we continued to embed Our Values, which were implemented in 2002, in our organization. We will continue to embed these values, which will help define our corporate culture, which retains and attracts competent employees.

Our focus is therefore to work with a structured and goal-oriented human resource development, e.g. based on the skills profile of the individual employee.

The average number of full-time employees in 2003 was 83, a fall of one person compared with 2002. The average age is approx. 39 years.

Our values

In 2003, we have further embedded our values, which together with our mission, vision and strategy shall help us create the best development of the marketplace the Copenhagen Stock Exchange. The better a marketplace we can offer, the more listed companies and other issuers, brokers and investors and society as a whole will benefit from our activities.

Serving as a catalyst, the Exchange will create value through its integrity, enthusiasm and drive, which is why our core values are:

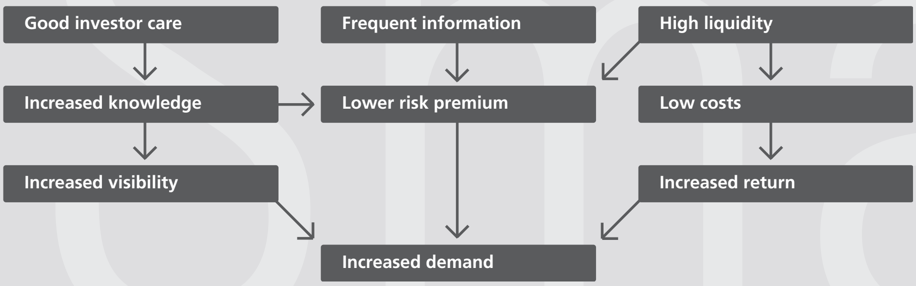
Catalyst
Integrity
Enthusiasm & Drive

MidCap+ and SmallCap+

MidCap+ and SmallCap+ – an informative label
Many small and medium-sized companies spare no efforts to live up to the many requirements that must be met before the modern, but also demanding, investor will invest his or her savings in a given company.

With the introduction of MidCap+ and SmallCap+ the investors can easily access the companies that meet many of their main criteria: High liquidity, two-way prices throughout the trading day and comprehensive investor-related information also on the companies' own websites.

From core values to demand – core values for MidCap+ and SmallCap+



Joint investor events
The task of the plus companies' marketing group is to develop ideas to how the investors may pick out the plus companies from among the many investment openings offered by the Danish and foreign markets. The marketing group has organised several events where the investors had the opportunity to meet a selection of the plus companies in the provinces and the greater Copenhagen area. Nearly 1000 private investors participated in these events.

Moreover, the marketing group has headed the development of a joint website – www.plus-portal.dk, where the investors may obtain a wealth of information, price data and stories about the MidCap+ and SmallCap+ companies. Plus-portal.dk goes on the air in February 2004.

Outlook for 2004

The outlook for 2004 is based on the assumption that the positive mood which captured the international markets in the second half of 2003 is maintained. However, there are a number of uncertain factors, including the stability of the international political situation in the light of terrorist threats as well as the development in the global real economy.

Total income from listing and issuance activities is expected to rise moderately, as we expect that the companies in 2004 will choose the equity market as a source of finance to a higher degree than in 2003 at the same time as we estimate the number of new introductions to see a slight increase.

Income from trading is expected to rise as a result of a positive development in the trading volume on the equity and equity derivatives markets.

Income from the sale of market information is expected to reach the same level as in 2003, since we expect the drop in the sale of realtime terminals, which took place throughout 2003, to come to a halt. The positive trend concerning the trading activities must have a long duration before it will influence the income from sale of market information.

Consequently, the consolidated revenue for 2004 is expected to be realised at a slightly higher level compared with 2003.

Costs are expected to rise to some degree, particularly in response to an increase in depreciation and amortisation, higher costs for IT operation of the trading systems as a result of an increased activity as well as a projected marketing effort. The estimated rise in depreciation and amortisation is due to the fact that the value of capitalised IT costs will continue to grow in 2004, despite a decrease in IT investments.

The development in costs implies that the operating profit and net profit will be on a par with 2003.

The consolidated revenue for 2004 for the Copenhagen Stock Exchange is expected to amount to between DKK 230 million and DKK 250 million. Costs are expected to be realised in the region of DKK 165 million to DKK 175 million. Operating profit is estimated to total between DKK 65 million and DKK 75 million. Net profit after tax for 2004 is estimated to amount to between DKK 50 million and DKK 60 million.

The Copenhagen Stock Exchange in an international perspective

Trading is concentrated in the major companies – an international phenomenon

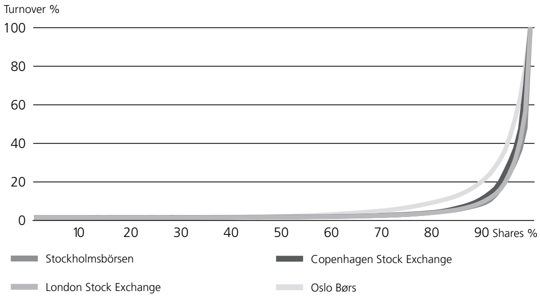
The trading activity on stock exchanges is concentrated in a few large companies. Approx. 10 per cent of the companies account for 90 per cent of the total turnover, regardless of whether the exchange is located in London, Stockholm, Oslo or Copenhagen.

Homogeneous price formation in Copenhagen, Oslo and Stockholm

Since the implementation of the SAXESS trading system in 1999, the spread, i.e. the difference between the best bid and ask prices in the trading system, has narrowed. Generally, the spread becomes narrower the larger a company is.

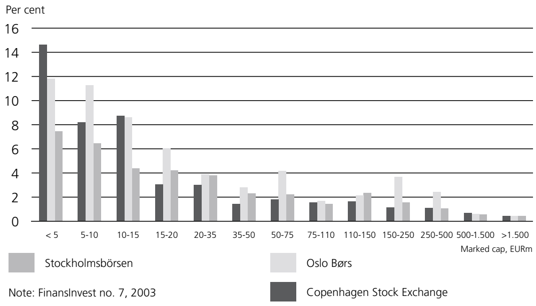
The spread may be regarded as the direct costs involved when trading frequently. In Copenhagen, the size of the spread, based on the companies' market cap, corresponds to that on the exchanges in Oslo and Stockholm.

Turnover distribution, 2001



Note: FinansInvest no. 8, 2002

Relative spread in Q2 2003



Note: FinansInvest no. 7, 2003

MidCap+ and SmallCap+

Liquidity and the plus companies
To qualify for the MidCap+ and the SmallCap+ indices the share must be highly liquid. The constituent shares of the MidCap+ and SmallCap+ indices are elected biannually at the beginning of June and December, respectively.

The liquidity requirements are:

	MidCap+	SmallCap+
Market value in free float:	More than DKK 600 million	Less than DKK 600 million
Average turnover per day:	Not less than DKK 800,000 *	Not less than DKK 80,000 *
Average spread:	Not more than 2%	Not more than 4%
Buy and sell orders in the opening hours of the trading system	Not less than 90%	Not less than 90%

* The turnover is adjusted in relation to the value of the KFMX Index, which comprises all Danish companies that are not included in the KFX Index. The figures refer to the election in December 2003.

The keyword is communication

Claus Mejlby Nielsen, IR Manager, DLH group:
"The Copenhagen Stock Exchange serves as a catalyst for the communication between the listed companies and the surrounding world. This is for example reflected in the fact that the plus companies now have a marketing group, whose task is to come up with initiatives that put focus on the SmallCap+ and MidCap+ companies on the Exchange. 8 to 10 plus companies are represented in the marketing group. I represent DLH, which is part of the SmallCap+ index.

The marketing group has arranged several meetings for private investors and also took the initiative to introduce a new news media 'the Plus Portal' on the Internet. The Plus Portal will open during the first quarter of 2004. It will contain news and data about the plus companies.

The keyword is communication. Generally speaking it is about building and maintaining relations with investors, analysts, journalists and other stakeholders. I believe that the Plus Portal will help us achieve this!

Finally, I would like to add that the work in the plus companies' marketing group has given us an added bonus as we have been able to establish a network to other listed companies from which DLH gains a lot of experience."

See video with Claus Mejlby Nielsen in the web version of the Annual Report for 2003.

The Exchange and the issuers of listed securities

Listing and issuance activities

Total income from listing and issuance activities amounted to DKK 61.7 million in 2003, down from DKK 69.8 million in 2002. DKK 35.7 million came from the listing and issuance activities on the equity market, which corresponds to a drop of DKK 9.3 million compared with 2002. For the third consecutive year, income from bond listing and issuance activities advanced and amounted to DKK 26.0 million, up from DKK 24.8 million in 2002.

The slowdown in the activity on the equity market, both in terms of issues and introductions of companies and investments funds, influenced income negatively, and compared with 2002 the income fell by 55 per cent to DKK 5.2 million. The issuance fees are fixed on the basis of the companies' market value at the previous year-end, and this was the primary reason why income from listing activities fell for the second year in a row to DKK 30.5 million as against DKK 33.6 million in 2002. The decline in the number of listed companies may have a negative impact on the income from listing activities in the future. The markets for investment certificates developed positively – both the stock market and the XtraMarked for non-stock exchange listed investment funds.

Income from the listing of bonds rose by 4 per cent compared with 2002 to DKK 22.3 million. The bustling activity on the bond market as regards introductions and issues primarily came from the mortgage credit side, but also the increase in the range of structured bond products contributed considerably. In the aggregate, income from listing and issuance activities on the bond market advanced 8 percent to DKK 3.8 million.

Income from listing activities broken down by shares & investment certificates and bonds

DKK m	2002	2003
Listing		
Shares & investment certificates	33.6	30.5
Bonds	21.3	22.3
Issues and introductions		
Shares & investment certificates	11.4	5.2
Bonds	3.5	3.8
Total	69.8	61.7

The equity market

The issuance activities in 2003 have been low, one of the contributing factors being the low interest rate level. The loan market has therefore been an attractive financing alternative to the issue of new shares for listed companies with a need to raise capital.

In 2003, already listed companies raised proceeds of DKK 756 million through issues via the Copenhagen Stock Exchange, down from no less than DKK 4.7 billion the year before.

In 2003, the Copenhagen Stock Exchange welcomed two new finance companies. In connection with the introduction the two companies raised total proceeds of DKK 289 million through issues and the sale of existing shares.

In 2003, nine companies were delisted from the Copenhagen Stock Exchange. This is the smallest outflow since 1998. As in 2002, there were many reasons why companies chose to be delisted in 2003.

Two companies merged with already listed companies. One of the mergers was nothing less than the biggest merger in Danish history. It was implemented in June 2003 when Dampskibsselskabet af 1912 merged with Dampskibsselskabet Svendborg, which as the continuing company changed its name to A.P. Møller – Mærsk A/S. The merger meant that the Copenhagen Stock Exchange got a company of high international standing. With a market cap of DKK 182 billion at end-2003, A.P. Møller – Mærsk is almost double the size of Danske Bank, the second largest listed company in Denmark. There is hardly any doubt that the formation of A.P. Møller – Mærsk A/S has aroused foreign investors' interest in the Danish equity market. Because of its size A.P. Møller – Mærsk helps support the Danish equity market in general and strengthens the Copenhagen Stock Exchange's position as a marketplace for Danish limited companies.

Three companies were delisted as a result of financial takeovers, four companies were delisted by their respective majority shareholders after they had published takeover bids and effected compulsory redemption, and a Swedish company gave up its secondary listing on the Copenhagen Stock Exchange, since most of the trading in the company's shares is concentrated on the Stockholmsbörsen, which is the company's primary place of listing.

As such, the outflow is still relatively large, and the number of new companies joining the CSE market is moderate. This tendency has also characterised the other equity markets that we normally compare ourselves with. To illustrate this the number of delistings within the NOREX Alliance, including Helsinki, was 72, of which nine were from the Copenhagen Stock Exchange. By contrast, the number of new companies was a mere 14 of which two joined the Copenhagen Stock Exchange.

Several factors have led potential stock exchange candidates to stand by or to give up their plans to go public for the time being. Among the causes are an extremely low interest rate level, which makes debt financing attractive, uncertainty about the international trends and the movements in share prices, high requirements from institutional investors to the size of companies ready to go public as well as high requirements to listed companies for current reporting in general.

The home stock exchange becomes more important

Within the past couple of years, many Danish companies have chosen to opt out of dual listings abroad, mainly because liquidity is concentrated on the home stock exchange.

This recently happened in August 2003, when ISS – a KFX company – chose to delist its shares from the London Stock Exchange, where the shares were dual listed. The reason why the shares were removed from London – the international financial centre – was that the pricing and the great majority of the turnover are concentrated on the Copenhagen Stock Exchange.

Relatively many companies on the Exchange

Considering the size of Denmark and the country's gross domestic product there are many listed companies in Denmark. At the end of 2003, 187 Danish and seven foreign companies were listed on the Copenhagen Stock Exchange. The market capitalisation of Danish companies totalled DKK 698 billion, DKK 150 billion more than at end-2002.

MidCap+ and SmallCap+

On 1 April 2003, the two new plus segments, MidCap+ and SmallCap+ and belonging indices were introduced on the Danish equity market as planned. It is the first time that the Exchange establishes segments for companies that meet a number of requirements to liquidity and investor care that go decisively beyond what is otherwise required of a listed company. The companies are selected biannually in June and December, respectively.

At the time of implementation, 49 companies had qualified for MidCap+ and SmallCap+. There is a keen desire to qualify for the two plus segments, and many companies have worked determinedly to qualify. The result of these efforts is that 60 companies are included in the plus segments as of 1 January 2004.

Listed companies and corporate governance

A number of countries have voluntary corporate governance codes. The Nørby Committee's report from 2001 also gave Denmark such a code. Consequently, the companies, the investors and other stakeholders got a common frame of reference to discuss managerial principles.

In an international context, the driving force behind the corporate governance development in both the USA and Europe in recent years has been the reactions to the breakdown of a number of major American businesses and the scandals that followed in their wake. The legislative reaction in the USA was the extensive Sarbanes-Oxley Act.

The development in the USA has rubbed off on Europe, and as a result the key words of the corporate governance debate are control, reliability, risk management, independence and transparency. The initiatives reflect that the emphasis is on the aim to avoid that such problems are repeated in the future, however, the extreme regulatory approach as it is shaped in the USA has not found its way to Europe.

The European Commission's Action plan of modernising company law and enhancing corporate governance in the EU from the spring 2003 suggests that the use of non-binding recommendations and codes should be contemplated both at EU level and national level, since such codes already exist and work in a large number of countries. The Commission will therefore not prepare a common set of European recommendations.

The Exchange recommends the listed companies to address the Nørby Committee's recommendations from 2001. In 2003, 72 per cent of the listed companies had addressed the issue of corporate governance. The vast majority of KFX, MidCap+ and SmallCap+ companies has addressed the issue of sound corporate governance. They have done so in many different ways, which reflect a varied approach to the subject. Since these are recommendations only, it is gratifying that so many companies have taken note of the recommendations from the beginning.

In 2002, the Copenhagen Stock Exchange set up a Corporate Governance Committee whose efforts are concentrated on the development of corporate governance in Denmark and abroad. Furthermore, the Committee has gathered information, views and experience about corporate governance from the listed companies and a limited number of their majority shareholders via e.g. questionnaire studies about the Nørby Committee's recommendations. The results of the study show that the recommendations are considered relevant and that there is wide support to discuss them. The study also showed that the companies and the investors find it important that the recommendations are voluntary.

In the beginning of 2004, the Committee published a report, which takes stock of the international and national trends within corporate governance and gathers the experience and views from the debate in Denmark.

The outset has been the Nørby Committee's recommendations, which the Committee considers expedient. The Committee's work has therefore focused on adjusting and enhancing the existing recommendations.

One of the topics discussed by the Committee was the balance between the independence, control and insight of the supervisory board. These issues are heavy in the international debate on sound corporate governance. The Committee assesses that the supervisory board's supervisory role is important, however, the efforts made to strengthen this role must not be made at the expense of the supervisory board's value-creating role and strategy work. It must therefore be ensured that the supervisory corporate body in an expedient manner.

The Committee has invited stakeholders to give their comments to the report until 1 April 2004. On the basis of these comments the Committee will publish a final set of recommendations during the first half of 2004.

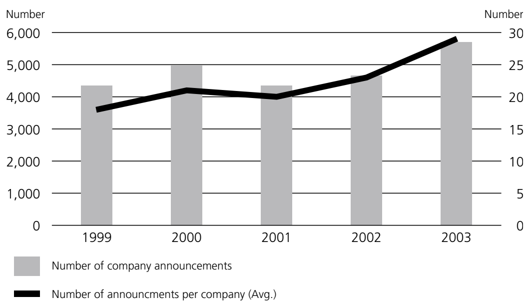
The Exchange's Corporate Governance Committee

Lars Nørby Johansen (chairman), President and CEO of Group 4 Falck A/S
Mads Øvlisen, chairman of the supervisory board in Novo Nordisk A/S, etc.
Sten Scheibye, CEO of Coloplast A/S
Peter L. Ravn, CEO of SimCorp A/S
Henrik Stenbjerre, Attorney and partner of Kromann Reumert
Finn L. Meyer, State-authorised public accountant and senior partner of KPMG
Lars Rohde, CEO of ATP

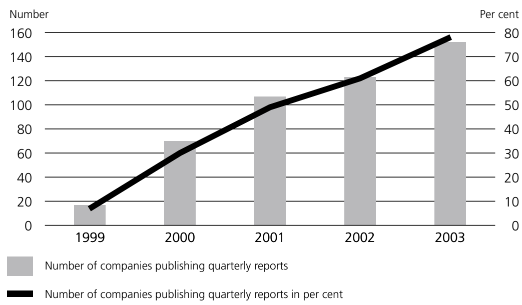
The companies disclose more information

The listed companies publish more and more company announcements, and in 2003 the companies each released an average of 29 company announcements. A total of 5,707 company announcements were released via StockWise against 4,663 in 2002.

Company announcements 1999–2003



Quarterly reports 1999–2003



MidCap+ and SmallCap+

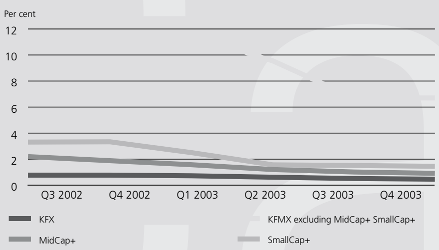
The requirements to the website of a plus company
The Copenhagen Stock Exchange has established the following requirements to the website contents of plus companies:

- The company's company announcements from the past 3 years
- The company's investor relations policy
- An e-mail contact to the company's investor relations officer
- Price and turnover information or link to www.cse.dk
- Internet presentations in sound or sound and picture
  Streamed teleconference or webcast twice a year*

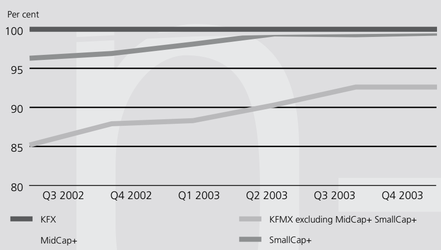
* For the MidCap+ companies, this criteria must be met by 1 June 2004 and for the SmallCap+ companies by 1 December 2004

Upbeat development

Narrower spread



Increased order coverage



Investors trade at better prices

	4th quarter 2002	4th quarter 2003
Spread[1]		
MidCap+	1.67%	0.81%
SmallCap+	3.05%	1.39%
Order coverage[2]		
MidCap+	99%	100%
SmallCap+	94%	100%
Depth at best prices in DKK 1.000[3]		
MidCap+	149.6	185.1
SmallCap+	74.8	104.3

1 The spread is the difference between the best bid price and best ask price of a share
2 The order coverage is an expression of the time length in percentage during which there are two-way prices available in the opening hours of the trading system, i.e. possibility of trading
3 Depth at the best price indicates the maximum sum of money tradable at the best price

General note: Figures are averages

Investment funds

At the end of 2003, there were 155 investment funds listed on the stock market with a volume in circulation of DKK 58.0 billion, corresponding to a rise of 29 per cent compared with 2002. The funds listed on the stock market are primarily share-based.

The XtraMarked for non-stock exchange listed investment funds, which opened on 1 March 2002, has developed positively. The reason why the Exchange established the XtraMarked was several years' rising interest to invest in investment funds. The funds listed on the XtraMarked are primarily bond-based. Compared with 2002, 11 funds, of which several are foreign, have been admitted to the XtraMarked. The volume in circulation of the 65 investment funds on the XtraMarked has increased by more than 31 per cent to DKK 39.9 billion at end-2003.

In August, the Copenhagen Stock Exchange established the XtraList for non-listed investment funds. The XtraList is a distribution service via e.g. the website www.xtralist.dk, which comprises price information from investment funds on the XtraList. Investment funds on the XtraList are neither stock exchange listed nor admitted to trading on the Exchange's XtraMarked for non-stock exchange listed investment funds. At the end of 2003, 61 funds were included on the XtraList.

When the XtraList was introduced our hope was that some funds on the XtraList along the road would choose a stock exchange listing or an admission to the XtraMarked, where trading takes place in the same electronic system as the shares, investment certificates and bonds listed on the stock market. In January 2004, this hope was realised as four investment funds which had so far been included on the XtraList were admitted to trading on the XtraMarked.

The Copenhagen Stock Exchange continues to encourage those investment funds that provide access to trading in their certificates exclusively under the auspices of their own funds to let their non-stock exchange listed funds be a part of the bigger and more open XtraMarked.

The bond market

The Danish bond market saw many changes in 2003. Within the past couple of years, a number of new products have arrived, and for this reason, among others, there was a need to give both professional and private investors a more differentiated picture of the bond market as a whole.

The overall structure has been changed to five main types: Government Loans, International Organizations, Mortgage Credit and Special Institutions, Asset Backed Securities and Corporate Bonds.

The changes imply that the bonds are presented in a more accessible way on the Exchange's website, www.cse.dk, in the 'Official List' and several national newspapers.

More than 2,300 bonds with a nominal value in circulation of DKK 2,512 billion were listed on the Copenhagen Stock Exchange at the end of 2003.

2003 was a great year for issues in mortgage bonds, even better than 2002. The volume of mortgage bonds in circulation in nominal terms was up 9 per cent, from DKK 1,627 billion in 2002 to DKK 1,775 billion in 2003.

In response to the raising of the minimum coupon rate from 2% to 3% as of 1 January 2004, the year saw a small increase in new bonds with a nominal rate of 2%. This is due to the fact the window which was open until the turn of the year to issue bonds with a low coupon rate, which are interesting to private investors for tax reasons, was used.

The new, structured bond products are based on many different types of indices. The bonds are linked to shares, hedge funds, credit risk as well as fixed-income and currency. The far majority of the structured bonds are, however, linked up to the development in shares.

In August 2003, the Copenhagen Stock Exchange amended its rules and guidelines for the admission of bonds to listing. The amendments have resulted in less tight rules and have shortened the processing period considerably for having a bond loan admitted to listing, down to as low as two days. It has thus become easier for existing issuers of bonds to have a bond prospectus approved and easier to use bond programmes already approved by a stock exchange within the EU. The amendments have helped support the positive development regarding bonds for which a prospectus must be published, including corporate bonds and structured bonds.

MidCap+ and SmallCap+

Good investor care
The concept of 'good investor care' is about the frequency at which and the way in which the companies approach the investors. The plus companies pay attention to the investors' demands, and they therefore provide frequent information, including quarterly reports, to the market. It is also habitual of the plus companies that they have an investor zone on their website which gathers investor-relevant information.

The plus companies make an extra effort

Chief financial officer Leif Nørgaard, Chr. Hansen:
"In recent years, the Copenhagen Stock Exchange has launched a number of initiatives with the objective of promoting the Danish share investment culture and improving liquidity in small and medium-sized companies. The initiative of the greatest importance to Chr. Hansen has no doubt been the establishment of the MidCap+ and SmallCap+ segments for companies outside KFX. The companies of the plus segments provide frequent information to the market, present activities to build investor goodwill and meet a number of liquidity requirements.

To be eligible as a MidCap+ constituent, the Chr. Hansen share must meet certain requirements in terms of market cap, daily turnover, spread and order coverage. We shall, among other things, report information in Danish and English and publish quarterly reports. Moreover, we are required to list certain investor-relevant information on our website and to communicate with investors in a certain way. As a MidCap+ company, we make an extra effort to ensure that our share leads an active life on the stock exchange, and this has also meant that the Chr. Hansen share has seen a handsome rise in turnover."

See video with Leif Nørgaard in the web version of the Annual Report for 2003.

Securities trading on the Copenhagen Stock Exchange

Trading activities

Total income from trading in securities was up 15 per cent on 2002 and amounted to DKK 58.6 million in 2003.

Like the previous years, the majority of the income came from trading in shares and investment certificates, since 69 per cent, or DKK 40.4 million, was generated by these activities. Bond trading yielded DKK 11.4 million (DKK 10.6 million in 2002), corresponding to 19 per cent of the total income from trading activities, as against 21 per cent in 2002. Income from trading in derivatives rose for the second consecutive year and came to a total of DKK 2.7 million, which accounted for 5 per cent of the trading income in 2003.

Income from trading

DKK m	2002	2003
Shares and investment certificates	34.4	40.4
Bonds	10.6	11.4
Derivatives	1.8	2.7
Other	4.0	4.1
Total	**50.9**	**58.6**

The market for shares and investment certificates

In the aggregate, the activity level in 2003 increased despite a weak beginning in the first half of 2003. Share trading reached DKK 416.5 billion, thus progressing by 6 per cent compared with 2002 and only second to the record-breaking trading volume in 2000.

The volume of share trades effected in the trading system – the socalled on-exchange trades – reached an all-time high with 1.3 million trades. A total of 1.9 million share trades were concluded, corresponding to a daily average of 7,712 trades – a 26 per cent rise on 2002. At the same time, the average value of a share trade fell from DKK 255,000 to DKK 217,000.

Share prices rose by an average of 30 per cent compared with the closing level of 2002. The KFX Index comprising the 20 most-active shares gained 22 per cent. SmallCap+ and MidCap+, the new indices for small and medium-sized shares, increased by 56 per cent and 60 per cent, respectively.

Trading in investment certificates listed on the stock market was up 7 per cent compared with 2002 and amounted to DKK 27.7 billion. Trading in investment certificates admitted to the XtraMarked, which opened on 1 March 2002, reached DKK 36.3 billion. The average daily trading in 2003 in investment certificates on the XtraMarked totalled DKK 146 million, up from DKK 78 million in 2002. Total trading in investment certificates in 2003 amounted to DKK 64 billion, an increase of 51 per cent compared with 2002.

The bond market

Bond trading amounted to DKK 6,877 billion in market value, corresponding to a rise of 16 per cent relative to 2002. The average daily bond trading volume increased by 23 per cent to 5,109, as against 4,154 in 2002. The average value of a bond trade has thus gone from DKK 5.8 million to DKK 5.4 million.

Previously, trading in government bonds took place via the telephone market with subsequent reporting to the Copenhagen Stock Exchange. As from November 2003, gross trading was transferred to the Italian-based electronic trading system, MTS, which has now become the predominant trading platform for European government bonds. Members of the Copenhagen Stock Exchange that trade via this system shall report their trades to the Copenhagen Stock Exchange like the procedure for trading via the telephone market. Trading in Danish listed government bonds effected by our bond members via MTS is thus included in the trading volume on the Copenhagen Stock Exchange. The reporting duty has been changed from immediately upon registration of the trade in the trading system to after the close of the bond market. The time of publication has been changed to ensure that members of the bond market on the Copenhagen Stock Exchange are not put in a disadvantageous situation compared with the other international bond traders who are not subject to the same reporting duty with subsequent publication as applies to the Danish members.

Market makers in government bonds

Amtssparekassen Fyn	Nordea
Danske Bank	Nykredit
Jyske Bank	Sydbank

As from December 2003, private investors got the opportunity to trade government bonds on the Exchange via an Exchange member, just like share trading. From an international point of view, this is a unique possibility.

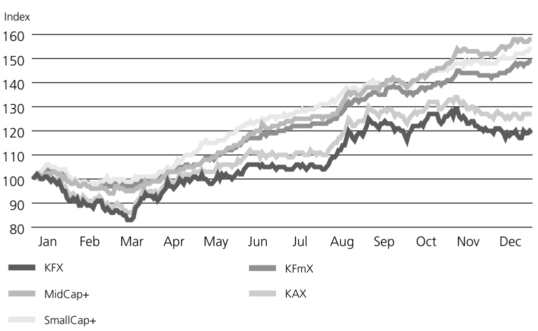
The new market with order book trading means that investors via the automatic trading system may place orders in government bonds for quite small sums, down to as little as DKK 1,000, and they may thus help set the price of a bond. An order is effected fully or partly when an opposite order at the same or a better price is available in the system. The trades are concluded using automatic matching, which is also used on the equity market. Bonds may be traded from 8:30 to 17:00, when the trading system is open.

With a view to ensuring an effective price formation with a narrow spread (the spread is the difference between the best bid price and ask price) and thus sharp prices, the Danmarks Nationalbank (the Danish central bank) has entered into agreements with six members regarding the quoting of two-way prices in the most common government bonds in the Exchange's trading system from 9:00 to 16:30.

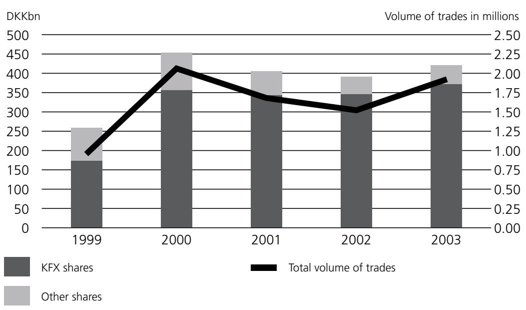
Each market maker quotes prices for a minimum of DKK 3 million in nominal terms, hence prices worth at least DKK 18 million will be available in the trading system.

The market for Danish government bonds got off to a flying start. For the first time ever, two-way prices are quoted in the benchmark government bonds in the Exchange's trading system throughout the day. The investors have thus been given a unique benchmark in the most liquid Danish government bonds, since they now receive current pretrading information.

Index performance 2003

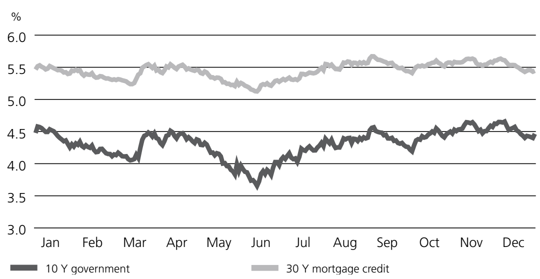


Share trading (adjusted) and volume of trades[1)]

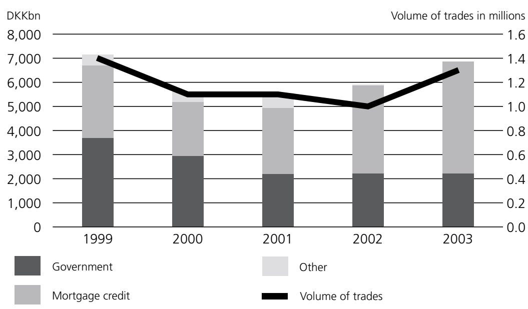


The reporting requirements were amended with effect from 1 July 2001 and the share trading for 1999, 2000 and first half of 2001 has been adjusted in accordance with the new requirements.

True yields of benchmark bonds 2003



Bond trading (market value) and volume of trades



1) The reporting rules were amended on 1 July 2001 and the volumes of share trading of 1999, 2000 and the first half of 2001 have been adjusted to reflect the new rules.

Members

At the end of 2003, there were 42 share members as against 44 the year before. Three of the major international stock brokers chose to become members of the Copenhagen Stock Exchange in 2003: Deutsche Bank (UK), Merrill Lynch (UK) and Lehman Brothers (UK). Danske Securities terminated its membership since its activities were transferred to Danske Bank, which is already a share member. Further, one English, one Swedish, one Finnish and one Danish member chose to terminate their share memberships of the Copenhagen Stock Exchange.

Top 10 share members

Market shares	2002 %	Market shares	2003 %
Danske Securities AB[1)]	15.14	Danske Bank A/S	17.34
Nordea Securities AB	12.62	Alfred Berg Bank A/S	10.98
Carnegie Bank A/S	9.29	Nordea Securities AB	10.74
Alfred Berg Bank A/S	8.90	Carnegie Bank A/S	7.13
Enskilda Securities AB	7.98	Enskilda Securities AB	6.90
Handelsbanken[2)]	6.70	Handelsbanken	5.43
Danske Bank A/S[3)]	6.37	Morgan Stanley & Co. International Ltd.	4.83
Morgan Stanley & Co. International Ltd.[4)]	3.22	Jyske Bank A/S	2.71
NeoNet Securities AB	2.18	Fischer Partners Fondkommission AB	2.66
Jyske Bank A/S	2.11	Sydbank A/S	2.39
Top 10 total	74.53	Top 10 total	71.11
Others	25.47	Others	28.89

1) From December 2002 Danske Securities AB is part of Danske Bank A/S and trades concluded in December are included in the market shares of Danske Bank
2) Handelsbanken has acquired Midtbank, so that trades concluded by the former Midtbank are included in the market shares of Svenska Handelsbanken from the second half of 2002
3) From December the market share of Danske Securities is included
4) Morgan Stanley & Co. became a member in mid-March 2002.

More and more private and institutional investors place orders directly in the Exchange’s trading system, e.g. through netbanking. In 2003, the number of trades effected as on-exchange trades – i.e. trading via the Exchange’s trading system – thus peaked at 1.3 million, up from 924,000 in 2002. This is the first time that the number of on-exchange trades exceeds 1 million.

At end-2003, there were 24 bond members, as against 25 the year before.

Number of bond members broken down by market shares

Market share in per cent	2002	2003
Below 1	12	10
Between 1–5	7	8
More than 5	6	6

The FUTOP Clearing Centre A/S

The FUTOP Clearing Centre reported a loss after tax of DKK 1.1 million, up from a loss of DKK 1.7 million in 2002.

The activity on the derivatives market increased considerably in 2003, however, it still is not on a satisfactory level. Derivatives trading increased by a total of 43 per cent to just under 769,000 contracts.

In round figures, a total of 618,000 futures and 151,000 option contracts were traded in 2003 thus progressing by 42 per cent and 49 per cent, respectively, compared with 2002. The underlying value of the contracts traded in 2003 corresponds to DKK 16.2 billion.

The increase in derivatives trading was primarily driven by a keener interest from national members, which have seen a greater inflow of Danish private customers.

The inexpedient tax rules still prevent private investors from playing the derivatives market actively, as we see it from e.g. Sweden and Norway. Also the lack of an efficient share lending scheme constrains the incentive to use Danish derivatives.

As an element of our strategy, we were able to improve our product range for members of the FUTOP Clearing Centre in 2003. In August, the Clearing Centre introduced futures and options on the A.P. Møller – Mærsk B share on the Copenhagen Stock Exchange. More than 6,000 option contracts have been traded on this share, which must be considered a nice debut.

In October, the FUTOP Clearing Centre for the fist time issued contracts on underlying shares and indices listed on a foreign exchange. The Copenhagen Stock Exchange thus admitted futures and options on Swedish single shares and the Swedish OMX Index. Consequently, a total of 50 single shares – an increase of 37 Swedish shares, including Nokia and Ericsson B – could be traded on the Exchange at the end of 2003.

The Swedish futures and options listed on the Copenhagen Stock Exchange are traded on the same platform and in the same order book as is used by members of the Stockholmsbörsen, Oslo Børs and EDX London. The FUTOP Clearing Centre clears and guarantees contracts concluded via the Copenhagen Stock Exchange.

In 2003, the Exchange saw that the popularity of derivatives courses increased. The courses are primarily targeted at advisers and investment officers who are to work with share derivatives and private investors wanting to acquire in-depth knowledge about derivatives.

In 2004, we will continue to disseminate the knowledge of derivatives among both private and professional investors. We expect to hold a number of courses and seminars and will also speak at customer seminars hosted by our members.

The investors get more information from the market

Sale of information

The year 2003 was characterised by the Danish and international financial groups' continued focus on cost cutting. The reduction of staff resulted in a decline in the sale of real-time information. This is an international trend. From a sale of real-time information of some 23,000 terminals at the end of 2002, sales fell to approx. 21,000 terminals at the end of 2003, when we had 51 market data customers/vendors.

Income from the sale of information amounted to DKK 108.5 million in 2003, down from DKK 114.9 million in 2002, a fall of 6 per cent. Income from the sale of electronic information fell by 7 per cent to DKK 96.8 million in 2003 and accounted for 89 per cent of total income from the sale of information as against 91 per cent the year before.

The fall slowed down in the second half of 2003, and the upward trends on the equity market late in the year indicate that the fall might have been reversed.

Another bright spot is that the Exchange is again welcoming new redistributors as customers. The interest comes from especially foreign members wishing to offer real-time information to clients who via them have direct access to the CSE markets.

In 2003, we carried out audits of both Danish and foreign customers. The result of the audits was an additional payment of DKK 2.2 million. We are going to continue the audits in 2004.

In 2003, the Exchange developed several new information products. Among them 'Corporate Actions' and 'free float data', which are aimed at banks and professional investors. As from 2004, these products will be distributed via e-mail, but they will also be distributed via the Exchange's electronic distribution system at a later date.

In 2003, we began developing a new data distribution system. The Exchange and the exchanges in Stockholm, Helsinki and Reykjavik have ordered the system TARGIN from OM Technology. With the new system we will be able to perfect our distribution service for the benefit of the customers. Thanks to the Nordic alliance the individual customer need only link up to one exchange to receive data from the exchanges in Copenhagen, Stockholm, Reykjavik and Helsinki. expect to be able to implement the new distribution system in the first half of 2004.

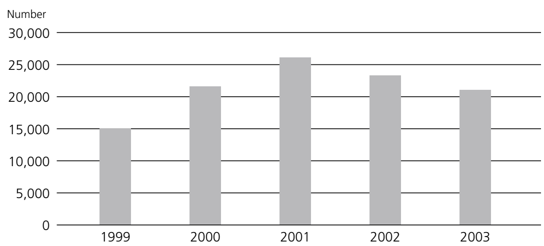
As from January 2004, we were able to offer a new real-time product – market prices with order depth at five levels. This means that banks and other redistributors of market information may offer the new real-time product to private investors, who may thus track the five best prices of buy as well as sell orders in the trading system and at the same time get information about the total trading volume at each level.

The fee that redistributors pay in royalty to the Exchange for private investors is one third of what they pay for professional investors. We have decided on this relatively low price in order to encourage private investors to invest in the Danish securities market. The product, like the other CSE market information products, covers: shares, share derivatives, bonds and investment funds listed on the stock market and the XtraMarked.

More service to the investment funds

In August, the Copenhagen Stock Exchange launched the XtraList for unlisted investment funds and thus increased its distribution service. Like the listed funds and the funds on the XtraMarked, the funds on the XtraList have the volume in circulation, net asset value and other price information distributed via the electronic information system to vendors, in the Official List and via the website www.xtralist.dk.

Number of real-time terminals



The Exchange's XtraList helps ensure that information about the unlisted investment funds reaches a wider audience. The Exchange thus becomes the meeting-place for investors in both listed and unlisted investment funds.

The StockWise products

The sale of StockWise products is on a par with the 2002 level. To boost the sale of products to members and vendors, we have developed several new StockWise products, which are going to be launched in 2004. The new products make it possible to show company announcements at a 15-minute delay as well as the ten latest company announcements on financial websites and in on-line banks. This way, more investors will have access to company announcements offered by their usual supplier of price information.

At the close of 2003, the Copenhagen Stock Exchange had 109 StockWise customers.

StockWise.tv

The Exchange's TV studio and services are used more frequently by the listed companies, and today the transmitted webcasts are viewed by investors and analysts to a much higher degree.

In 2003, the Exchange helped 32 companies reach the investors. 76 webcasts (TV via the Internet) and 28 teleconferences via the Internet were produced. This is a 38 per cent increase in webcasts compared with 2002.

The rising demand has caused the Exchange to enlarge and enhance its services.

Website traffic reports show a 40 per cent increase in hits and visitors compared with 2002, and the number of unique visitors rose by more than 60 per cent.

The presentations had more than 1,400 visitors and were played more than 3,800 times.

StockWise.tv – traffic data

	2002	2003	Change
Hits	58,098	80,337	38%
Visitors	20,275	28,098	39%
Unique visitors	10,722	17,612	64%

www.cse.dk

In mid-2003, the Exchange launched a new website in a new and lighter design with even more information about the individual companies and the various market segments and with improved navigation tools.

With approx. 1 million page impressions a week, a great many private and professional investors have got even more ways to track the stock market in detail. A number of new features have been introduced and at the same time we have ensured the right basis for the future upgrading of the website.

New features at www.cse.dk in 2003 include:

- Indices in real-time on the homepage
- Bids and offers at five levels on the specific pages for each individual company
- Interactive price graphs with indication of e.g. company announcements
- Improved portfolio system for users of My Page
- Norwegian shares, like Swedish shares, may now be included in the users' own portfolios

IR modules

The Copenhagen Stock Exchange wants to support the listed companies' investor relations activities.

With the new Internet technology we are now able to introduce processed market data on the website of a listed company so that investors also here will be able to follow the performance of the company on the Exchange. 16 listed companies have purchased our new product enabling them to present current market information about their company for the benefit of their existing and potential investors.

SMS service

In January 2004, the Copenhagen Stock Exchange introduced a new price service via SMS. Mobile phone users may now receive the prices of any Danish listed share.

An investor with at mobile phone located in Denmark may quickly and easily receive the current buying and selling prices of any share included in the Exchange's KAX All-Share Index. In addition to the best buying and selling prices, the investor will also get the price of the latest transaction as well as the day's turnover in the share. Like the prices available on the Exchange's website, the SMS prices are delayed by 15 minutes.

The Copenhagen Stock Exchange and corporate governance

The Exchange follows the rules to be met by listed companies

To the extent possible, the Copenhagen Stock Exchange meets the requirements applicable to listed companies even though the Exchange is not a listed company.

This also applies to the recommendation that listed companies should address the recommendations of the Nørby Committee.

The Copenhagen Stock Exchange for the first time explained its approach to good corporate governance in the annual report 2002.

The Copenhagen Stock Exchange's approach to good corporate governance is described in detail on our website www.cse.dk. We are currently going to update the contents; at least once a year in connection with the publication of our annual report.

In the annual report we focus purely on an elaboration of the description on our website.

It is also the Copenhagen Stock Exchange's ambition to live up to best practice for exchanges in Europe. Therefore, we currently compare ourselves to a number of selected European exchanges both in terms of financial highlights and rules and regulations.

The Exchange's function and structure

The Copenhagen Stock Exchange is the central marketplace for Danish listed securities and the only Danish stock exchange.

The Copenhagen Stock Exchange is authorised to carry on stock exchange business and is under the supervision of the Danish Financial Supervisory Authority. Stock exchange business is regulated under the Danish Securities Trading, etc Act.

It is the Exchange's objective to ensure the best possible quality of the market.

We make a state-of-the-art and efficient trading system available to our member firms and ensure an efficient and broad distribution of trading information and information about and from the issuers of listed securities.

Also, the Copenhagen Stock Exchange regulates and monitors the markets and the market players.

These tasks are performed pursuant to partly the Danish Securities Trading Act and the accompanying Executive Orders, partly the Exchange's own rules.

Delegation from the Danish Securities Council

In 2003, a number of duties of the Danish Securities Trading Act and the Executive Orders, which have previously been performed by the Copenhagen Stock Exchange, were transferred to the Danish Securities Council: approval of prospectuses, checking that the disclosure requirements are met, checking that the takeover rules are observed as well as the reporting obligation. However, through an executive order the duties were delegated back to the Copenhagen Stock Exchange. An agreement between the Copenhagen Stock Exchange and the Danish Securities Council lays down the guidelines for the delegation. In practice, the Copenhagen Stock Exchange performs the same duties as before, only now on behalf of the Danish Securities Council. The delegation means that the Copenhagen Stock Exchange is subject to the current rules of the administrative law regulating instructions, representation etc, access to information, consultation procedure, reasons and complaints procedures as well as the provisions of the Danish Act on Public Access to Documents in Administrative Files in force from time to time.

Shareholders' agreements

In connection with the conversion of the Copenhagen Stock Exchange into a limited company three shareholders' agreements were concluded: a main shareholders' agreement covering all shareholders, a shareholders' agreement covering the bond issuing shareholders (the group II shareholders' agreement) and a shareholders' agreement covering the majority of the share issuing shareholders (the group III shareholders' agreement). All three shareholders' agreements are binding until otherwise agreed by the shareholders and are interminable.

A common feature of all the shareholders' agreements was the pre-emption rights. The pre-emption rights of the main shareholders' agreement expired on 1 January 2002. 33 per cent of the shares are still subject to provisions of pre-emption rights. This applies to shares held by the issuers of bonds as well as certain share issuing shareholders.

Buyers of shares from portfolios that are not subject to the provisions of pre-emption rights are not subject to any shareholders' agreements.

The supervisory board and its duties

The supervisory board is composed of 11 members, of which four have been elected by the employees of the Exchange.

The chairman has been elected by all three shareholder groups. He is also the chairman of a listed company and holds the chairmanship of the boards of a number of investment funds with funds listed on the stock market.

The supervisory board is not independent as the majority of the supervisory board members have a significant strategic interest in the Copenhagen Stock Exchange in addition to the shareholder interest. Six of the seven members elected by the general meeting thus hold leading positions with major shareholders. Four are employed by member firms and two by issuers.

The supervisory board is constantly aware of the potential conflict that may arise between the stakeholders' acts as customers on the one hand and as supervisory board members elected by the shareholders on the other. Aspects of competence are especially in focus. Specific situations involving members and issuers are usually considered and decided by the executive board. Significant questions of principle shall, however, be discussed with the chairman, who may decide that they shall be submitted to the whole supervisory board.

Apart from the supervisory board members elected by the employees there is no person-to-person dependence between the supervisory board and the executive board.

There is no dependence between those in charge of the day-to-day management of the company and external stakeholders.

According to the shareholders' agreement certain board resolutions regarding e.g. price structure, rules of stock exchange ethics and supplementary disclosure requirements may only be adopted at a board meeting where all three shareholder groups are represented. The resolutions may be demanded proposed at a general meeting.

The FUTOP Clearing Centre is a wholly owned subsidiary of the Copenhagen Stock Exchange. The supervisory board of the FUTOP Clearing Centre is identical to the supervisory board of the Copenhagen Stock Exchange, and the same management principles are applied by both companies.

Remuneration

In addition to a fixed annual salary, which is deemed to be at a reasonable level, the day-to-day management may obtain a bonus according to a bonus scheme, which was introduced in 2001. The scheme covers management employees at all levels, including the executive board. The size of the bonus depends on several criteria: the profit for the year, interpersonal skills as well as the achievement of personal goals.

Moreover, a general bonus scheme exists, which is based on the overall financial results. This scheme covers all employees except the executive board.

The two schemes released 7 per cent of the total payroll costs in 2003.

No incentive schemes have been introduced to the supervisory board, whose remuneration is at a reasonable level considering its duties and performance.

For further information on the remuneration of the supervisory board and the executive board, including bonus scheme and pension, please see note 5 of the income statement.

The service contracts of the executive board comprise the usual provisions on severance pay and term of notice.

Risks

Financial risks

The results and balance sheets of the Copenhagen Stock Exchange A/S and the FUTOP Clearing Centre A/S are exposed to a number of financial risks.

The use of financial instruments is regulated via the risk instructions approved by the supervisory board of the Copenhagen Stock Exchange and the FUTOP Clearing Centre. The risk instructions stipulate what financial instruments may be used for hedging, the counterparties with whom transactions may be concluded as well as the risk profile. At the end of each quarter, the supervisory board receives separate reports on whether the risk instructions for the Copenhagen Stock Exchange and the FUTOP Clearing Centre have been followed.

Foreign exchange risk

The foreign exchange risk is primarily composed of payments for the development and operation of the SAXESS trading system, which are invoiced in Swedish kronor and payments in Norwegian kroner in connection with the IT cooperation with the Oslo Børs.

The operating profit is most sensitive towards changes in Swedish kronor. A change of 1 percentage point in SEK will, all things being equal, result in a change in the operating profit of approx. DKK 0.3 million, whereas a change in Norwegian kroner of 1 percentage point will result in a change in the region of DKK 0.1 million.

The budgeted payments in foreign currencies in 2003 have been partly hedged by forward exchange contracts. For 2004, payments of SEK 25 million and NOK 8 million have been hedged. The positions in which definite agreements have been made have been hedged.

Interest rate risk

The interest rate risk arises in connection with interest-bearing assets and relates primarily to the group's investment portfolio. A change of 1 percentage point in the short money market rates will have an impact on the profit before tax of DKK 0.9 million.

We pursue a prudent investment policy, and we solely invest in Danish listed krone bonds. The investment portfolios have a short duration.

Moreover, additional liquidity is placed in the money market with a maximum life of six months.

Counterparty risk

The counterparty risk is met by trading exclusively in financial instruments and placing deposits in a limited number of banks which have a satisfactory credit rating with one or more respected credit rating agencies. To spread the risk, a limited amount is deposited in each bank.

Commercial risk

The Copenhagen Stock Exchange is still the natural choice for companies registered in Denmark that want to go public.

In the long term, the continued globalisation of the capital markets is expected to increase competition with exchanges in other countries to become the preferred listing place of major companies.

On the bond side, the competition differs somewhat. Internationally, there is not the same tradition for trading bonds on a stock exchange, and one of the distinct features of the Danish market is that a large part of the trading volume is effected via the telephone market outside the trading system.

On an international level a number of electronic marketplaces are transferring this trading by telephone into electronic trading systems. In November 2003, trading between professional market players in Danish government bonds was transferred to MTS (Mercato dei Titoli di Stato), which is a leading system for trading in European government bonds. Thus, the Exchange's systems primarily contain trading in government bonds aimed at small investors. Since members must still report their transactions outside our trading systems, including trading via MTS and in the telephone market, to the Exchange, the earnings situation of the Copenhagen Stock Exchange has not been affected by the transfer.

The FUTOP Clearing Centre guarantees the performance of derivatives contracts and thus assumes the counterparty risk. To meet this risk, clearing members must maintain margin by way of collateral for financial commitments towards the Clearing Centre. Margin is calculated and charged each day by the FUTOP Clearing Centre.

Income from trading activities is affected by the general development in the share and bond trading volumes, consequently, to a large extent, this is beyond the Exchange's control. This also applies to the income from issues. However, payments for the operation of the trading systems are to some extent related to the trading volumes on the share, bond and derivatives markets, therefore, a general decline in market activities will partly be offset by a fall in costs.

Income from the sale of market information primarily originates from the sale of real-time information. However, this area will be extended by income from the sale of services via the Internet and the sale of services related to the listed companies' investor relations activities.

The main part of the sale of market information is, moreover, concentrated on relatively few redistributors/suppliers of market information. This is due to the basic construction of the international financial information environment, consequently, it also applies to the Exchange's competitors in other countries.

Operational risks

On the systems side, i.e. SAXESS, CLICK and the SECUR clearing system, the Exchange works with the Swedish software house OM Technology, which is also the supplier of trading systems to a number of other stock exchanges worldwide. The performance of the SAXESS system has improved since 2001 and 2002, and in 2003 the system had an uptime of 100 per cent.

IT security is in focus at the Copenhagen Stock Exchange.

In the event that OM Technology is not able to handle the operation of the trading systems, codes, etc will be handed over to us so that we will be able to guarantee the operation of the trading system in another way.

Organizationally, the executive board is responsible for data security. This responsibility follows – and is further embedded in – the line organization on the Exchange. The data security manager and the head of the IT Department are in charge of the procedures relating to data security.

The fact that the responsibility lies with the line and is embedded in the executive board ensures that the organization and its activities are interwoven with data security. We have written procedures for the work with data security, just as written procedures are part of the Exchange's preparedness. The procedures are currently reviewed and updated, just as they are tested from time to time.

Throughout the last five years, the Exchange has had a data security manager, who reports to the executive board.

In addition to the internal functions, the security is also monitored by public authorities and an external systems auditor, who reviews data security on an annual basis. He is reporting to the supervisory board.

To ensure maximum operating efficiency, agreements have been made with OM Technology and the Oslo Børs – which are our primary cooperation partners in this area – so that they may take over the entire operation of the relevant systems. Moreover, it has been agreed that they may also take over certain business functions relating to the markets for a short period of time, if required.

Finally, OM Technology and the Oslo Børs, in their capacity of main suppliers of IT to the Exchange, are also reviewed by an external security auditor. The Copenhagen Stock Exchange receives annual audit reports to ensure that data security is at the desired level.

Organization – qualifications and intellectual resources

Employees

An essential condition for the Exchange's success is the ability of our employees to have innovative thinking skills, professional expertise and drive.

The CSE employees have a level of education and profound knowledge of the financial sector, which make them attractive to this and other parts of the labour market. Therefore, we are going to focus on a continued profiling that makes the Copenhagen Stock Exchange an attractive place of work.

Throughout 2003, we further embedded Our Values, which were developed and implemented in 2002, in the organization. This embeddedness of the values is a continuous process, which helps us create the corporate culture that retains and attracts skilled employees.

The average number of full-time employees in 2003 was 83, which is a fall of one person compared with the year before. The average age is approx. 39 years.

In the period 1999/2001 the staff turnover was high, and there was a considerable influx of new employees. The last two years, the staff turnover has been at a low level. We have thus succeeded in establishing continuity while at the same time having had a certain renewal to an extent that we find appropriate.

Skills development

The motivation of our employees to a high degree depends on the possibilities of skills development offered. Consequently, we focus on a structured and targeted development of our employees.

At the beginning of 2003, the Exchange implemented a new human resources system. We now register skills and other information, which serve as the basis for the further efforts to render visible the Exchange's intellectual resources and the development hereof.

One of the tools in this connection is our skills profiles, which were defined and formulated for all types of jobs at the Exchange in 2002. The annual progress reviews are based on the skills profiles describing the personal and professional job requirements so that we can discuss the employee's personal development needs.

Employee satisfaction

Surveys in 2002 and 2003 of the employees' satisfaction with the working conditions at the Exchange showed a very positive attitude. The current surveys allow us to focus on the primary areas that need improvement.

The Copenhagen Stock Exchange offers our permanent staff a home computer, which in addition to the computer includes a printer and Internet access.

Training

In 2003, each employee had five course days on average, and we expect this number to rise in 2004.

At the beginning of 2004, the plan to provide all employees with a new computer was executed.

Management development and training

We offer our managerial staff a structured management training organised in such a way that the managers acquire qualifications in the areas that support the Exchange's values and the development of the individual leader within defined areas. Our management development will continue in 2004.

Bonus schemes

In 2001, the Exchange introduced two bonus schemes. A general scheme which covers the permanent staff, with the exception of the executive board, and a special scheme which covers the executive board, management employees on all levels and selected specialists. These schemes continued in 2003.

The two schemes combined released a total of DKK 3.3 million, corresponding to 7 per cent of the total costs relating to wages and salaries in 2003. The schemes for the executive board released a total of DKK 0.6 million.

Workplace assessment

After a workplace assessment we have decided to invest in a ventilating system, which shall increase job satisfaction.

MidCap+ and SmallCap+

MIDCAP+

Aarhus United
Alm. Brand
Amagerbanken
Auriga Industries B
Bang & Olufsen B
Bryggerigruppen
Chr. Hansen Holding B
Codan
D/S Torm
FLS Industries B
FORAS Holding
Forstædernes Bank
Genmab
H+H International
NKT Holding
Københavns Lufthavne
Nordisk Solar Co. B
Radiometer B
Ringkjøbing Landbobank
Rockwool International B
Roskilde Bank
SimCorp
Spar Nord Bank
Sydbank
Vestjysk Bank
Østasiatiske Kompagni

SMALLCAP+

Brdr. Hartmann B
Danionics
Danware
DLH B
EDB Gruppen
Flügger B
GPV Industri B
Greentech Energy Systems
GrønlandsBANKEN
Harboes Bryggeri B
Hedegaard
Højgaard Holding A
Højgaard Holding B
Haandværkerbanken
IC Companys
Jeudan
Kompan B
Maconomy
Monberg & Thorsen B
Nordicom
Nowaco Group
NTR Holding B
Olicom
PARKEN Sport & Entertainment
Per Aarsleff B
Pharmexa
Ringkjøbing Bank
Sanistål B
Satair
Skjern Bank
Small Cap Danmark
Sparbank Vest
Thrane & Thrane
Treka
U.I.E.

The Copenhagen Stock Exchange's permanent staff that works with the MidCap+ and SmallCap+ companies.

Investor information

The Copenhagen Stock Exchange share

The Copenhagen Stock Exchange A/S is an unlisted limited company. The share capital amounts to DKK 40 million. There is one share class, in which 400,000 shares of DKK 100 have been issued. All shares enjoy the same rights.

The shares are negotiable securities with the limitations that follow from not being a listed company. Since 1 January 2002, only shares held by shareholders covered by the separate shareholders' agreements for issuers of bonds (group II shareholders) and certain issuers of shares (group III shareholders) are subject to selling restrictions. These two groups hold 33 per cent of the share capital.

Distribution of shareholders according to the shareholders' aggrements

	Number	Ownership interest
Group I shareholders	34	60.4%
Group II shareholders	20	18.6%
Group III shareholders	72	14.4%
Outside the original group III	27	1.3%
Outside shareholders' aggrements	105	5.3%
Total	258	100%

At the general meeting in April 2003, the company was empowered to acquire own shares corresponding to up to 10 per cent of the share capital within the following year. The empowerment to acquire own shares is based on a number of factors. It will facilitate trading in the company's shares. It will also make it possible for the company to hold a portfolio which may be used in connection with a potential take-over or consolidation and in connection with any allotment of employee shares or to cover share-based incentive schemes.

Ownership structure

At end-2003, the following shareholders, stated on group basis, held more than 5 per cent of the share capital in the Copenhagen Stock Exchange A/S:

Ownership structure	Per cent
Danske Bank Aktieselskab, Copenhagen	13.9
Nordea AB, Stockholm	11.4
Nykredit A/S, Copenhagen	10.8
A.P. Møller-Mærsk A/S, Copenhagen	6.4
Sydbank A/S, Aabenraa	5.5

Own shares

Throughout the year, the Copenhagen Stock Exchange has acquired a total of 29 of its own shares of nominal DKK 100 as against 5,859 shares in 2002. At the end of 2003, the Copenhagen Stock Exchange held 1.4 per cent of the total share capital.

Dividend policy and dividend payment in 2003

In 2001, the company adopted a dividend policy based on a pay-out ratio in the region of 20–30 per cent of the shareholders' share of the profit for the year. An analysis of the company's existing capital requirements and structure has resulted in a review of this policy.

The dividend policy will, in future, be based on a pay-out ratio in the region of 60–70 per cent of the shareholders' share of the profit for the year.

The supervisory board recommends that DKK 84 million be paid in dividend, corresponding to DKK 210 per share compared with DKK 40 in 2002.

The dividend for 2003 comprises an ordinary distribution of dividend as well as a one-off payment. In accordance with the revised dividend policy an ordinary dividend of DKK 85 per share, or DKK 34 million, will be distributed for 2003. This corresponds to a pay-out ratio of 61 per cent. With a view to adjusting the company's capital structure, the supervisory board, moreover, recommends that a one-off dividend of DKK 125 per share, or DKK 50 million, be paid.

Financial calendar 2004

Monday 26 April	Annual general meeting
Monday 10 May	Interim report for Q1 2004
Monday 19 August	Interim report for the first half of 2004
Monday 8 November	Interim report for Q3 2004

Financial calendar 2005

Monday 7 February	Annual report for 2004

Investor relations

We provide open, objective and detailed information about the group's financial results and strategic initiatives. A central goal of our information policy is to ensure all stakeholders uniform and simultaneous access to all published information. The website, www.cse.dk, is the shareholders' primary source of information.

The next annual general meeting will thus be webcast live in sound and picture at www.cse.dk.

Through an open dialogue with our shareholders and other stakeholders we seek to create the best possible organization of the marketplace the Copenhagen Stock Exchange.

All stakeholders have been able to download all annual reports from 1996, and all interim reports from 2000 from the Exchange's website.

Press releases for the last five years are also available at www.cse.dk. All investor-relevant information is published in Danish as well as in English.

Supervisory board and management

Supervisory board

In 2003, the supervisory board convened 10 times.

Composition of the supervisory board

Managing Director **Hans Ejvind Hansen** (b. 1942) *Chairman*
Chairman of the boards of Dalhoff Larsen & Horneman A/S, Freja Ejendomme A/S (Statens Ejendomssalg A/S), Copenhagen Capacity, Nykredit Invest and ATP Invest. Deputy chairman of the board of Danmarks Statistik. Member of the supervisory boards of FIH Erhvervsbank A/S, Lønmodtagernes Dyrtidsfond and Novo Nordisk Fonden. Holds two shares in the Copenhagen Stock Exchange.
Joined the supervisory board in 1996 and to this date re-elected each year.

Head of Asset Management & Member and Group Management **Christian Clausen** (b. 1955) *Deputy Chairman*
Nordea AB
Chairman of Nordea Life Holding A/S, Nordea Bank S.A. and Nordea Investment Management Bank A/S. Member of the supervisory boards of Værdipapircentralen A/S, Nordea Asset Management AB, Nordea Bank Sweden, Nordea Bank Denmark and Nordea Bank Finland.
Joined the supervisory board in 1996 and to this date re-elected each year.

Managing Director and CEO **Knud Christensen** (b. 1947)
Amagerbanken A/S
Chairman of the supervisory boards of Bankernes EDB Central, BI Holding A/S, AB Finans A/S, Ejendomsselskabet AMAK A/S and Amager Øst Holding A/S and its subsidiaries. Deputy chairman of BI Management A/S, BI Asset Management Fondsmæglerselskab A/S, BI Technology A/S and Regionale Bankers Forening. Member of the board of Finanssektorens uddannelsescenter.
Joined the supervisory board in 2001 and to this date re-elected each year.

Associate Member of the Executive Committee **Jeppe Christiansen** (b. 1959)
Danske Bank A/S
Chairman of the supervisory board of Danske Private Equity A/S. Member of the supervisory boards of Danske Bank International S.A. and Investeringskomiteen for Polaris.
Joined the supervisory board in 2003.

Managing Director **Carsten Heinild** (b. 1962)
Alfred Berg Bank A/S
Member of the board of the Danish Securities Dealers' Association.
Joined the supervisory board in 2002 and re-elected in 2003.

President and Senior Executive Officer **Carsten Tirsbæk Madsen** (b. 1962)
BRFkredit a/s
Member of the supervisory boards of BRFbank a/s and Ejendomsselskabet Nørreport 26 A/S
Joined the supervisory board in 2003.

Senior Executive Vice President and CFO **Hans Munk Nielsen** (b. 1946)
TDC A/S
Chairman of the board of CMO-Fonden and its subsidiaries. Member of the board of Nordea Invest.
Joined the supervisory board in 2000 and to this date re-elected each year.

Supervisory board members elected by the employees of the Copenhagen Stock Exchange

Chief Analyst **Poul Erik Egeberg** (b. 1954)
Copenhagen Stock Exchange A/S
Holds two shares in the Copenhagen Stock Exchange.
Joined the supervisory board in 2003.

Technical Application Manager **Henning Kruse** (b. 1966)
Copenhagen Stock Exchange A/S. Holds two shares in the Copenhagen Stock Exchange.
Joined the supervisory board in 2003.

Operations Manager **Torben Olsen** (b. 1955)
Copenhagen Stock Exchange A/S. Holds two shares in the Copenhagen Stock Exchange.
Joined the supervisory board in 1999 and re-elected in 2003.

Communications Manager **Ellen-Margrethe Soelberg** (b. 1952)
Copenhagen Stock Exchange A/S. Holds two shares in the Copenhagen Stock Exchange.
Joined the supervisory board in 2003.

Changes in the composition of the supervisory board

In 2003, the supervisory board of the Copenhagen Stock Exchange A/S was changed as follows:

At the general meeting on 28 April 2003, Managing Director **Karsten Knudsen**, Danske Bank A/S, Group Managing Director **Peter Engberg Jensen**, Nykredit A/S and the supervisory board members elected by the employees IT Architect **Bent Axel Andersen** and Operations Manager **Kirsten Thaarup**, resigned from the supervisory board.

On the same occasion, Associate Member of the Executive Committee **Jeppe Christiansen**, Danske Bank A/S, President and Senior Executive Officer **Carsten Tirsbæk Madsen**, BRFkredit a/s and the supervisory board members elected by the employees Chief Analyst **Poul Erik Egeberg**, Technical Application Manager **Henning Kruse** and Communications Manager **Ellen-Margrethe Soelberg**, were elected to the supervisory board.

Executive board

President and CEO **Hans-Ole Jochumsen**, Master of Economics (b. 1957)
Member of the board of Nordic Exchanges A/S. Holds two shares in the Copenhagen Stock Exchange.

CFO **Jan Ovesen**, Master of Economics (b. 1958)
With special responsibility for Trading and Finance. Holds two shares in the Copenhagen Stock Exchange.

Senior Officers

Senior Vice President **Poul Erik Skaanning-Jørgensen**, Master of Laws
Secretariat
Holds two shares in the Copenhagen Stock Exchange.

Senior Vice President **Peter Belling**, Master of Economics
Information & Marketing
Holds two shares in the Copenhagen Stock Exchange.

Senior Vice President **Claus Bjerg**
IT
Holds two shares in the Copenhagen Stock Exchange.

Senior Adviser **Linda Rath-Michaelsen**, Master of Laws
Human Resources and In-house Services
Holds two shares in the Copenhagen Stock Exchange.

First Vice President **Erik Bruun Hansen**, Master of Laws
Listing and Company Affairs
Holds two shares in the Copenhagen Stock Exchange.

Supervision

The Copenhagen Stock Exchange A/S and the FUTOP Clearing Centre A/S are subject to the Danish Securities Trading Act, which lays down a number of requirements as to the operation of stock exchange and clearing business. The Exchange and the Clearing Centre are under the supervision of the Danish Securities Council and the Danish Financial Supervisory Authority: The Securities Council regulates the marketplace. The Financial Supervisory Authority is responsible for the supervision of solvency and the companies on the securities market, including the Copenhagen Stock Exchange A/S and the FUTOP Clearing Centre A/S.

Financial review

Income statement and balance sheet

Group profit after tax amounted to DKK 55.5 million, down from DKK 63.5 million in 2002. The profit is thus on level with the downgraded expectations published in the interim report for the first quarter of 2003 and restated in the interim reports for the first half of 2003 and first nine months of 2003.

Revenue

Group revenue fell by DKK 7.0 million (3 per cent) to DKK 229.2 million as against DKK 236.2 million in 2002.

The development in group revenue is a combination of an increase in income from trading, a fall in income from listing and issuance activities together with a decline in the income from the sale of market information.

Trading

In 2003, income from trading activities rose by a total of DKK 7.7 million (15 per cent) to DKK 58.6 million.

Share trading saw an increase of DKK 6.0 million (17 per cent) to DKK 40.4 million, which may be ascribed to bustling activity on the Danish equity market in the second half of 2003.

Income from bond trading rose by DKK 0.8 million (7 per cent) to DKK 11.4 million. The increase may be attributed to a very active bond market as a result of the development in interest rates in 2003.

The market for share derivatives is still developing positively, however, it is rising from a very low level. In 2003, income from the derivatives market thus increased by DKK 0.9 million (48 per cent) to a total of DKK 2.7 million.

Listing and issues

Income from listing and issuance activities fell by a total of DKK 8.1 million (12 per cent) to DKK 61.7 million.

Income from the listing of limited companies and investment funds fell by DKK 3.1 million (9 per cent) to DKK 30.5 million. The price level at end-2002, which provides the basis for the listing fees in 2003, was lower compared with the level at end-2001. Income from bond listing activities increased by DKK 0.9 million (4 per cent) to DKK 22.3 million, which is due to an increase in the number of listed mortgage credit bonds. The total income from listing activities was thus realised at DKK 2.1 million (4 per cent) below the level in 2002.

Income from the issuance of shares fell by DKK 6.3 million (55 per cent) to DKK 5.2 million, which is partly due to the introduction of the XtraMarked in 2002, which meant that income from issuance activities in 2002 was relatively high and partly due to lower issuance activity among the listed companies in 2003. Income from the issuance of bonds rose by DKK 0.3 million (8 per cent) to DKK 3.8 million, partly as a result of new mortgage credit bonds and partly due to increased activity in the other listed bonds. The total income from issuance activities was thus realised at DKK 6.0 million (40 per cent) below the level in 2002.

Information products

The fall in income from the sale of market information of DKK 6.4 million (6 per cent) to DKK 108.5 may primarily be ascribed to the fact that the setback in the international financial sector continued to influence the sale of electronic real-time information products in 2003.

The fall slowed down in the second half of 2003, and the positive development at the end of the year indicates that the downward trend might have been broken.

Costs

The consolidated operating costs in 2003 were realised at DKK 156.2 million, a rise of DKK 1.1 million (1 per cent) on 2002. When disregarding depreciation and amortisation, costs in 2003 were down 2 per cent compared with 2002.

Based on a long-term view, the group has decided to maintain the number of employees, despite the decline in income.

In the aggregate, the level of expenses, which is almost unchanged, is a result of tight cost management of items that provide an immediate reduction in costs.

Staff

Wages and salaries, pension premiums and other social security costs increased by a total of DKK 3.0 million (6 per cent). The increase may be ascribed to seniority allowances and pay increases obtained through collective agreement as well as severance pay. Training and other staff costs decreased by DKK 2.0 million. Total staff costs show a gross increase of DKK 1.0 million (2 per cent).

When subtracting the value of IT development projects performed for own account, which are capitalised, staff costs increased by DKK 2.1 million (4 per cent) to a total of DKK 55.2 million. The reason that staff costs increased at a higher rate is that the work performed for own account is DKK 1.1 million less compared with 2002.

Depreciation and amortisation

The increase in depreciation and amortisation of DKK 3.5 million (14 per cent) to DKK 29.0 million may be attributed to a higher level of capitalised IT development costs. After the implementation of the Financial Statements Act of 2001, own and acquired IT development projects as well as acquired rights are capitalised with effect from 1 January 2001. Even at an unchanged investment level, this change of policies would result in an increase in depreciation and amortisation over a 3 to 5 year period.

The development in depreciation and amortisation is at the same time marked by the fact that for a number of years the most vital IT systems have been replaced by a more future-oriented technology together with the fact that the IT security level has been enhanced. IT-related investments have therefore so far been realised at a relatively high level.

The IT-related investments decreased, however, by DKK 6.0 million (17 per cent) to DKK 29.2 million in 2003. The lower investment level will feed through to depreciation and amortisation at a lag.

IT costs

The fall in the costs for IT operation of the trading systems of DKK 1.5 million (6 per cent) to DKK 22.3 million is due to the operation agreement's provisions, which trigger a discount when the volume of transactions increases.

The increase in other expenses for computer hardware and software of DKK 2.1 million (10 per cent) to DKK 24.4 million shall be seen in the light of the comprehensive renewal of the system portfolio, which implies double operation of systems for a period. Furthermore, the intensified IT security level has resulted in increased costs for IT operation.

Information and marketing and other operating costs

In 2003, information and marketing costs and other operating costs decreased by DKK 5.1 million (17 per cent) to DKK 25.3 million. Furthermore, administrative expenses were reduced by DKK 3.7 million (21 per cent) to DKK 14.1 million.

Operating profit

In the aggregate, the effect of the development in income and expenses is a drop in the operating profit of DKK 8.1 million (10 per cent) to DKK 73.0 million. The result is slightly below the outlook expressed in the annual report 2002, which estimated an operating profit between DKK 75-85 million. However, the profit corresponds to the expectations stated in the Q1-Q3 interim reports of an operating profit in the region of DKK 64-75 million. The group's operating margin fell by 2 percentage points to 32 per cent.

Net financials

Income from financial items in 2003 decreased by DKK 3.4 million (34 per cent) to DKK 6.6 million. The development is a consequence of the drop in short rates. The refinancing of the group's portfolio of bonds at the beginning of 2003 was thus realised at much lower yields compared with the beginning of 2002.

Cash flow

The group's cash flow from operating activities in 2003 amounted to DKK 82.3 million, a fall of DKK 9.8 million. The drop in earnings, the fact that funds were freezed in receivables for a period as well as the lower financial income resulted in a drop in the cash flows from ordinary activities of a total of DKK 16.0 million. The drop in income taxes is due to a refund of overpaid taxes in 2002 of more than DKK 5.6 million.

In 2003, a total of DKK 29.8 million were applied on investing activities and DKK 15.8 million to finance dividend etc, which in the aggregate is DKK 18.4 million less compared with 2002. The reduction derives from a fall in IT investments and the fact that the Exchange has acquired own shares to a very limited extent in 2003.

Proposed distribution of profits

DKK 0.6 million of the profit reported by the parent company is allocated to the Copenhagen Stock Exchange's undistributable reserves. The loss in the subsidiary, the FUTOP Clearing Centre A/S, of DKK 1.1 million is transferred from the undistributable reserves in the subsidiary, since the subsidiary has no distributable reserves to set off against in 2003.

The supervisory board recommends that DKK 84.0 million of the profit reported by the parent company be paid in dividend, corresponding to DKK 210 per share as against DKK 40 per share in 2002.

The dividend payment has been raised with a view to adjusting the company's capital structure, cf. the section on Investor information.

The dividend for 2003 comprises DKK 34.0 million, which accounts for 61 per cent of the shareholders' share of the profit for the year and a one-off dividend of DKK 50.0 million. The transactions imply that DKK 28.1 million of the profit from previous years is applied.

Assets

The consolidated balance sheet as at 31 December 2003 totalled DKK 479.9 million as against DKK 441.1 million at end-2002. The assets predominantly comprise current assets amounting to DKK 391.0 million compared with DKK 353.1 million in 2002. The majority hereof are made up of the group's cash and portfolio of securities, which in 2003 amounted to DKK 261.9 million up from DKK 226.7 million in 2002 as well as variable subordinated capital and margin accounts totalling DKK 85.0 million compared with DKK 84.9 million in 2002.

Furthermore, the Copenhagen Stock Exchange's own development of IT systems and rights to IT systems are recognised in the balance sheet at the value of DKK 54.9 million in 2003, down from DKK 56.0 million in 2002. Rights concern the SAXESS trading platform.

In 2003, the implemented IT systems represented a value of DKK 25.3 million, an increase of DKK 6.3 million compared with 2002, and amortisation of IT rights and projects totalled DKK 25.9 million in 2003. The IT systems that were implemented in 2003 are related to index calculation, IT security, new web and a new release concerning the SAXESS trading platform.

At the end of 2003, the IT projects in progress amounted to DKK 25.7 million up from DKK 21.7 million at end-2002. The IT projects in progress primarily concern the development of systems that support the information data feed and the SAXESS trading platform.

Liabilities and equity

Equity

The consolidated equity including undistributable reserves amounted to DKK 336.3 million at end-2003, up from DKK 296.7 million at end-2002. The group's undistributable reserves amount to DKK 55.9 million at end-2003 as against 56.3 million at end-2002.

Other

The Association of Local Banks in Denmark had lodged a complaint against the Copenhagen Stock Exchange with the Danish Competition Authority regarding its pricing of the redistribution of real-time prices, delayed information, transaction reporting and share listing. The Danish Competition Authority has rejected the complaint.

Transition to IAS/IFRS accounts from 2005

All listed companies within the EU shall from 2005 present consolidated accounts in compliance with the International Financial Reporting Standards (IFRS) as a result of the IAS/IFRS regulation. The Copenhagen Stock Exchange has decided to follow the requirements that apply to listed companies and will therefore present its company accounts and consolidated accounts according to IFRS as from 2005.

In this connection, the Copenhagen Stock Exchange has prepared an overall plan for the implementation of IFRS into the group. The implementation has commenced and is progressing as planned. The transition to IFRS is not expected to imply significant changes to the accounting policies of the group or to the assets, liabilities and equity, financial position of the group or the parent company as well as the result of the group and the parent company's activities and cash flows. However, the presentation and information are expected to change.

Subsidiary

The wholly owned subsidiary, the FUTOP Clearing Centre A/S, reported a loss of DKK 1.1 million, up from a loss of 1.7 million in 2002. The reported loss corresponds to the most recent downward adjustment stated in the interim report for the first nine months of 2003.

Income from clearing increased by just under DKK 0.9 million from DKK 1.8 million in 2002 to DKK 2.7 million in 2003 as a result of a continued rise in the activity on the Danish derivatives market.

Costs grew by DKK 0.2 million to DKK 5.0 million, which may primarily be ascribed to an intensified marketing effort to spread the knowledge of the Danish derivatives market.

To cover the reported loss, DKK 1.1 million is transferred from the undistributable reserves.

Equity excluding the undistributable reserves subsequently amounts to DKK 35.0 million, and the undistributable reserves drop to DKK 9.6 million, bringing the total variable subordinated capital, equity including the undistributable reserves, to DKK 44.6 million, as against DKK 45.7 million in 2002.

The balance sheet as at 31 December 2003 totalled DKK 132.6 million as against DKK 133.8 million at end-2002. As in 2002, the assets comprise current assets. The majority hereof consist of excess deposits by clearing members and margin deposit accounts, variable subordinated capital and margin accounts which in the aggregate account for DKK 85.0 million compared with DKK 84.9 million in 2002. Cash and the portfolio of securities amounted to DKK 46.5 million at end-2003, which is DKK 1.4 million lower than at end-2002.

Capital resources

Capital resources as at 31 December 2003 are stated as follows:

DKK'000	Group	Parent company
Cash	112,119	92,443
Portfolio of securities	149,739	122,891
Undrawn borrowing facilities	40,000	20,000
	301,858	235,334

Proposed distribution of profits

The supervisory board recommends that the profit for the year of DKK 55,507 thousand be distributed as follows:

DKK'000	Parent company
Allocated to undistributable reserves in the Copenhagen Stock Exchange A/S	642
Transferred from undistributable reserves in the FUTOP Clearing Centre A/S	(1,085)
Net revaluation according to the equity method	5
Dividend	84,000
Profit brought forward from previous years	(28,055)
	55,507

Statement by the supervisory and executive boards

On this day, the supervisory board and executive board have adopted the annual report of the Copenhagen Stock Exchange A/S.

The annual report has been prepared in accordance with the Danish Financial Statements Act and Danish accounting standards.

In our opinion the accounting policies applied are appropriate, and the annual report provides a true and fair view of the group's and parent company's assets, liabilities and equity, financial position and results of the activities and cash flows of the group and parent company.

The supervisory board and the executive board recommend that the annual report be adopted at the general meeting.

Copenhagen, 16 February 2004

Executive board

Hans-Ole Jochumsen
President and CEO

Jan Ovesen
CFO

Supervisory board

Hans Ejvind Hansen
Chairman

Christian Clausen
Deputy chairman

Knud Christensen

Jeppe Christiansen

Poul Erik Egeberg
Employee board member

Carsten Heinild

Henning Kruse
Employee board member

Carsten Tirsbæk Madsen

Hans Munk Nielsen

Torben Olsen
Employee board member

Ellen-Margrethe Soelberg
Employee board member

Auditor's report

To the shareholders of the Copenhagen Stock Exchange A/S

We have audited the annual report of the Copenhagen Stock Exchange A/S for the financial year ended 31 December 2003.

This annual report is the responsibility of the company's management. Our responsibility is to express an opinion on this annual report based on our audit.

The audit

We have audited the annual report in accordance with Danish auditing standards. These standards require that we plan and perform our audit so as to obtain reasonable assurance that the annual report is free of material misstatements. An audit includes examination, on a test basis, of evidence supporting the amounts and disclosures in the annual report.

An audit also includes an assessment of the accounting policies applied and significant estimates made by the management, as well as an evaluation of the overall presentation of the annual report. We believe our audit provides a reasonable basis for our opinion.

Our audit did not give rise to any qualification of opinion.

Opinion

In our opinion the annual report gives a true and fair view of the group's and parent company's assets, liabilities and equity and financial position as at 31 December 2003 as well as the results of the group's and parent company's activities, and the cash flows of the group for the financial year ended 31 December 2003 in accordance with the Danish Financial Statements Act and Danish accounting standards.

Copenhagen, 16 February 2004

KPMG C.Jespersen
Statsautoriseret Revisionsinteressentskab

Birger Kjerri Hansen
State-authorised Public Accountant

Søren Thorup Sørensen
State-authorised Public Accountant

Accounting policies

General

The annual report of the Copenhagen Stock Exchange A/S has been prepared and presented in accordance with the provisions of the Danish Financial Statements Act governing class D companies and Danish accounting standards.

The accounting policies have been consistently applied.

Reclassification of items

In the annual report, the excess value of deposits by clearing members and margin deposit accounts have been reclassified from cash to receivables.

Accounting treatment of obligations regarding options sold, etc pursuant to section 11 (3) of the Danish Financial Statements Act

As permitted by section 11 (3) of the Danish Financial Statements Act, the group and the FUTOP Clearing Centre A/S have offset the open positions on options bought against obligations regarding open positions on options sold.

The reason is that options are bought and sold on identical terms, and that pursuant to the rules and regulations of the FUTOP Clearing Centre A/S, any obligation relating to options sold will incorporate a corresponding right to a contract regarding which an affiliated securities broker has provided collateral pursuant to requirements calculated by the FUTOP Clearing Centre A/S.

Consequently, the FUTOP Clearing Centre A/S bears no risk for neither loss nor gain regarding such options; the risk on the debtor is covered by margin and variable subordinated capital. In the opinion of the management, gross positions for options bought and sold on identical terms will not give a true and fair view of the company's or the group's assets, liabilities and equity.

Gross positions would increase the group's assets, liabilities and equity by DKK 24,986 thousand as at 31 December 2003 (31 December 2002: DKK 18,426 thousand). The netting does not affect the group's profit or equity.

Transactions with related parties

The Copenhagen Stock Exchange A/S manages all administrative functions for the FUTOP Clearing Centre A/S, which does not have its own salaried employees or own offices. As consideration the FUTOP Clearing Centre A/S pays DKK 1.5 million on an annual basis to the Copenhagen Stock Exchange A/S (2002: DKK 1.5 million).

The FUTOP Clearing Centre A/S pays all expenses for the operation and development of the computer software necessary to enable the Clearing Centre to handle its clearing and guarantee functions.

The Copenhagen Stock Exchange A/S manages all administrative functions for the associated company NOREX Exchanges A/S, which does not have its own salaried employees or own offices. As consideration the Nordic Exchanges A/S pays the actual costs borne by the Copenhagen Stock Exchange A/S in connection with the performance of the administrative functions. The consideration payable for 2003 amounted to DKK 82 thousand (2002: DKK 115 thousand).

General comments on recognition and measurement

Income is recognised in the income statement as earned. Expenses that are incurred to achieve the year's earnings, including amortisation, depreciation, impairment losses and provisions are recognised in the income statement.

Value adjustment of financial assets and liabilities measured at fair value or amortised cost are included in the income statement, except for value adjustments of derivative financial instruments concluded to hedge future cash flows, which are recognised directly in equity.

Reversals arising out of a changed accounting estimate of amounts previously recognised in the income statement are also recognised in the income statement.

Assets are recognised in the balance sheet if it is probable that future economic benefits will flow to the company or the group, respectively, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet if it is probable that future economic benefits will flow out of the company or the group, respectively, and the value of the liability can be measured reliably.

Assets and liabilities are measured at cost on initial recognition. Assets and liabilities are subsequently measured as described for each item below. On recognition and measurement any profits, losses or risks arising before the time when the annual report is presented and proving or disproving matters existing on the balance sheet date are taken into consideration.

Consolidation

The consolidated accounts include the parent company, the Copenhagen Stock Exchange A/S, and the wholly owned subsidiary, the FUTOP Clearing Centre A/S.

Nordic Exchanges A/S, in which the parent company holds 32 per cent of the voting rights and exercises a significant influence, but does not control the company, is considered an associate.

The group accounts consolidate the audited accounts of the parent company and its subsidiary, which have both been prepared in accordance with the group's accounting policies.

Intercompany income and expenses, shareholdings, intercompany balances, dividends and profit and loss from intercompany transactions have been eliminated on consolidation.

The parent company's investment in the subsidiary is eliminated with the proportionate share of the carrying amount of the subsidiary, excluding the undistributable reserves, which are separated prior to consolidation. The undistributable reserves are thus treated as a minority interest.

Foreign currency translation

Transactions in foreign currencies are translated into Danish kroner on initial recognition at the exchange rate ruling at the day of the transaction. Any differences in exchange rates arising between the rate of exchange ruling at the day of the transaction and the rate of exchange ruling at the date of payment are recognised as a financial item in the income statement.

Receivables, payables and other monetary items in foreign currencies are translated at the exchange rate ruling at the balance sheet date. The difference between the exchange rate ruling on the balance sheet date and the exchange rate ruling at the time when the receivables or the payables either arose or were recognised in the previous annual accounts is recognised in the income statement under financial income and expenses.

Derivative financial instruments

On initial recognition, derivative financial instruments are measured at cost and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and other payables, respectively.

Changes in fair values of derivative financial instruments that are classified as and meet the criteria for hedging the fair value of a recognised asset or recognised liability are recognised in the income statement together with changes in the value of the hedged asset or hedged liability.

Changes in fair values of derivative financial instruments that are classified as and meet the criteria for hedging future cash flows are recognised directly in equity.

Income and expenses regarding such hedging transactions are transferred from equity through realisation of the hedged item and are recognised in the same entry as the item hedged.

Any changes in the fair value of derivative financial instruments that do not meet the criteria for being classified as hedging instruments are currently recognised in the income statement under net financials.

Income statement

Revenue

Income from the sale of products and services is included in the income statement if delivery took place before the year-end and provided that the income can be stated reliably and payment is expected to be made. The income primarily comprises *trading fees, listing and issuance fees* and *sale of market information.*

Trading fees comprise income from trading in shares, investment certificates, bonds and derivatives as well as income from the clearing of trades in the derivatives products of the FUTOP Clearing Centre.

Listing fees comprise the annual fees paid by companies, investment funds and issuers of bonds for being listed on the Copenhagen Stock Exchange.

Issuance fees comprise income from new listings or issues made by already listed companies, etc.

Sale of market information primarily comprises sale of electronic real-time information regarding the price formation of the securities listed on the Copenhagen Stock Exchange, etc, which is redistributed via information vendors such as Reuters and Bloomberg, etc.

Operating costs

Operating costs comprise *staff costs, amortisation/depreciation, IT operation of the trading systems, other expenses for computer hardware and software, information* and *marketing and other operating costs.*

IT operation of the trading systems comprises costs for the operation of the trading systems and clearing systems used by the Copenhagen Stock Exchange A/S and the FUTOP Clearing Centre A/S.

Other expenses for computer hardware and software comprise IT operating costs, exclusive of IT operation of the trading systems as well as expenses for the IT development projects that do not meet the criteria for recognition as an asset in the balance sheet.

Results in subsidiary and associate

The proportionately owned share of profits/losses in the subsidiary before tax is recognised in the income statement of the parent company. The share of the tax payable by the subsidiary is recognised under tax on profit from ordinary activities.

The proportionately owned share of profits/losses in the associate before tax is entered in the income statements of the parent company and the group. The proportionately owned share of tax of the year's profit or loss in the associated company is recognised under tax on profit from ordinary activities.

Net financials

Net financials comprise accrued interest receivable and payable, realised and unrealised exchange gains and losses regarding amounts receivable, securities, debt and transactions in foreign currencies, value adjustments of derivative financial instruments that do not meet the criteria for treatment as hedging instruments as well as additions and tax allowances under the on-account tax scheme.

Tax on net profit/(loss) for the year

The parent company is taxed jointly with its wholly owned subsidiary the FUTOP Clearing Centre A/S. The parent company recognises and pays the group's total taxation charge, just as deferred tax is recognised in the parent company. The jointly taxed companies have adopted the on-account tax scheme.

Tax on profit for the year, which comprises current tax and changes in deferred tax, is recognised in the income statement with the share related to the profit for the year and directly in the equity with the share related to items entered directly in the equity.

Balance sheet

Intangible assets

IT development projects and rights

IT development projects comprise expenses, wages, depreciation and amortisation that are directly and indirectly related to the development activities of the company.

IT development projects that are clearly defined and identifiable, and where the technical capacity rate, adequate resources and future potentiality exist, and where the intention is to utilise the project, are recognised as intangible assets provided that the costs may be stated reliably and it may be adequately assessed that the future economic benefits may cover the production and development expenses.

Other development expenses are recognised in the income statement as incurred.

Capitalised IT development projects are measured at the lower of cost less accumulated amortisation and impairment losses and the recoverable amount.

Upon completion of the IT development work, development projects are amortised by the straight-line method over the estimated economic life. The amortisation period is usually 3-5 years.

Any acquired rights are measured at cost less accumulated amortisation and impairment losses. Rights are amortised by the straightline method over the estimated economic life, which is usually 5 years.

Property, plant and equipment

Leasehold improvements, fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The cost covers the acquisition price and any expenses directly related to the acquisition until the time when the asset is ready for use.

Straight-line depreciation is made over the expected economic life of the assets, which is estimated at 3–5 years.

Profits or losses derived from the realisation of property, plant and equipment are stated as the difference between the selling price less selling expenses and the carrying amount at the time of selling. Profits or losses are recognised in the income statement under depreciation.

Investments

Deposits

Deposits comprise lessee deposits, which are adjusted in connection with deposit regulations.

Investments in subsidiary

Investments in the subsidiary the FUTOP Clearing Centre A/S are measured in the parent company according to the equity method.

Investments in the subsidiary the FUTOP Clearing Centre A/S are measured in the balance sheet at the proportionate share of the company's equity value in accordance with the accounting policies of the parent company less the statutory undistributable reserves in the subsidiary since the undistributable reserves are considered a minority interest.

Net revaluation of investments in the FUTOP Clearing Centre A/S is transferred to equity as reserve according to the equity method to the extent that the carrying amount exceeds the cost.

Investments in associate

The associate company is Nordic Exchanges A/S, in which the group exercises a significant but not a controlling influence.

Investments in Nordic Exchanges A/S are measured in the consolidated accounts and the accounts of the parent company according to the equity method. Investments in Nordic Exchanges A/S are measured in the balance sheet at the proportionate share of the associate's equity value stated according to the accounting policies of the parent company.

Net revaluation of investments in Nordic Exchanges A/S are transferred to equity as reserve according to the equity method to the extent that the carrying amount exceeds the cost.

Impairment of assets

The carrying amounts of the group's intangible assets, property, plant and equipment and investments are reviewed annually to determine potential impairment.

If there is any indication that an asset may be impaired, the recoverable amount of the asset is estimated. The recoverable amount is the higher of its net selling price and its value in use. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in the income statement.

Receivables

Receivables are valued at amortised cost less impairment losses to counter estimated losses.

Variable subordinated capital and margin deposited by clearing members

The members of the FUTOP Clearing Centre A/S have placed cash on deposit with the Clearing Centre's accounts and charged own deposit accounts to the Clearing Centre.

The deposit accounts are recognised in the accounts at 75 per cent of the nominal value in accordance with the rules of the FUTOP Clearing Centre A/S.

Securities

Securities, which exclusively comprise bonds, are measured at market price on the balance sheet date.

Prepayments

Prepayments comprise paid-up expenses relating to subsequent financial years.

Equity

The equity of the Copenhagen Stock Exchange A/S and the FUTOP Clearing Centre A/S consists partly of *equity excluding undistributable reserves* and partly of *undistributable reserves*. Equity excluding undistributable reserves is paid-up share capital, including share premium account, net revaluation according to the equity method, distributable reserves and proposed dividend.

Share premium account

The share premium account comprises amounts paid as premiums in connection with the subscription for shares less expenses relating to capital increases implemented.

Share premiums may be used to eliminate losses, which cannot be eliminated otherwise, as well as for issuance of bonus shares. Moreover, the share premium account may be released according to the rules regulating reduction of capital after a notice to creditors has been published.

Reserves for net revaluation according to the equity method

Reserves for net revaluation according to the equity method comprise the parent company's share of retained earnings in the FUTOP Clearing Centre A/S (subsidiary) and Nordic Exchanges A/S (associate), which are measured according to the equity method less the share of any losses in these companies.

Other movements in the net asset value of the above companies, which are taken directly to equity, are also recognised in reserves.

Net revaluation may be used to eliminate losses in the parent company and for issuance of bonus shares.

Own participating interests

Acquisition and disposal amounts as well as dividend from own participating interests are taken directly to equity under retained earnings. Capital gains or losses in connection with the disposal of own participating interests are thus not recognised in the income statement.

Dividend

Proposed dividend is recognised as a liability when it is adopted at the ordinary general meeting (time of declaration). Proposed dividend for the year appears in a separate item under equity.

Undistributable reserves

The undistributable reserves comprise the equity of the Copenhagen Stock Exchange and the FUTOP Clearing Centre from before the conversion into limited companies and the subsequent years' allocation to reserves. The undistributable reserves are included in the companies' capital resources pursuant to section 15 of the Danish Securities Trading Act.

Pursuant to section 103 of the Danish Securities Trading Act, 10 per cent of the profit for the year not applied to cover any losses from prior years shall be transferred to undistributable reserves each year. However, such transfers shall not exceed the minimum coupon rate fixed by the Danish Minister of Taxation less a pro rata share of the year's income taxes.

Undistributable reserves may be applied to cover any losses following coverage by other reserves of the company, but cannot be distributed. In the case of the winding up of the company the undistributable reserves shall go to stock exchange or clearing related purposes.

Income taxes and deferred tax

Current tax payable and receivable are recognised in the balance sheet as computed tax on the year's taxable income adjusted for tax on previous years' taxable income and tax paid on account.

Current tax payable by the jointly taxed subsidiary is recognised in the accounts of the parent company.

Provision for deferred tax is made using the balance sheet liability method of all temporary differences between the carrying amount and the value for tax purposes regarding assets and liabilities.

Deferred tax assets are recognised at the value at which they are expected to be used either by set-off against tax on future earnings, or by set-off against deferred tax liability within the same legal tax entity.

Deferred tax is measured using the enacted tax laws and rates that will be in effect as at the balance sheet date when the deferred tax is expected to arise. Any changes in deferred tax resulting from a change in the tax rate are recognised in the income statement.

Deferred tax as at 31 December 2003 is calculated at a rate of 30 per cent (31 December 2002: 30 per cent).

Financial liabilities other than provisions

Financial liabilities other than provisions comprise trade accounts payable, payables to associate and other payables and are measured at amortised cost.

Deferred income

Deferred income comprises received payments concerning income in the subsequent year.

Cash flow statement

The cash flow statement shows the group's and the parent company's cash flows from operating, investing and financing activities for the year as well as the group's and the parent company's cash and cash equivalents, including the portfolio of securities at the beginning and end of the year.

Cash flow from operating activities

Cash flows from operating activities are stated in accordance with the indirect method and are prepared as net profit for the year and adjusted for non-cash operating items, changes in working capital, financial items paid and income taxes paid.

Cash flow from investing activities

Cash flows from investing activities include payments in connection with the purchase and disposal of intangible assets, property, plant and equipment and investments.

Cash flow from financing activities

Cash flows from financing comprise changes in the size or composition of the group's share capital and expenses related hereto, the purchase and disposal of own shares as well as dividend payments to the shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and securities readily convertible into cash involving an insignificant risk of changes in value.

Segment reporting

Information is disclosed on the primary business segments of the group. Information regarding geographical segments is not provided since the group operates on the Danish market only. The segmental information complies with the group's accounting policies, risks and internal financial management.

Fixed assets in the segment comprise the fixed assets that are used directly in the operation of the segment, including intangible assets, property, plant and equipment and investments in associates.

Current assets in the segment comprise the current assets that are used directly in the operation of the segment, including trade receivables, other receivables, prepayments, cash and cash equivalents.

Segmental liabilities comprise liabilities derived from the operation of the segment, including trade accounts payable and other payables.

Income statement

		Group		Parent company	
Note	(DKK'000)	2003	2002	2003	2002
1+2	Trading fees	58,558	50,852	55,900	49,050
3	Listing and issuance fees	61,730	69,836	61,730	69,836
4	Sale of information	108,481	114,905	108,481	114,905
	Other operating income	393	570	1,840	2,067
	Revenue	229,162	236,163	227,951	235,858
5	Staff costs	(55,189)	(53,101)	(55,189)	(53,101)
6	Depreciation/amortisation	(28,964)	(25,452)	(28,964)	(25,452)
	IT operation of the trading systems	(22,270)	(23,763)	(19,490)	(21,039)
7	Other expenses for computer hardware and software	(24,393)	(22,276)	(24,278)	(22,112)
	Information and marketing	(5,607)	(7,488)	(5,454)	(7,488)
8	Other operating costs	(19,728)	(22,950)	(19,274)	(22,519)
	Operating costs	(156,151)	(155,030)	(152,649)	(151,711)
	Operating profit	73,011	81,133	75,302	84,147
	Share of profit in subsidiary before tax	–	–	(1,085)	(1,679)
	Share of profit in associate before tax	15	69	15	69
9	Net financials	6,572	9,962	5,366	8,627
	Profit before tax	79,598	91,164	79,598	91,164
10	Tax on profit for the year	(24,091)	(27,633)	(24,091)	(27,633)
	Net profit for the year	55,507	63,531	55,507	63,531
	Allocated (to)/from undistributable reserves pursuant to the Securities Trading Act:				
	Copenhagen Stock Exchange A/S	(642)	(1,019)	(642)	(1,019)
	FUTOP Clearing Centre A/S	1,085	183	1,085	183
	Shareholders' share of the net profit for the year	55,950	62,695	55,950	62,695

Proposed distribution of profits

	Parent company	
(DKK'000)	2003	2002
Allocation to undistributable reserves of the Copenhagen Stock Exchange A/S	642	1,019
Allocation from undistributable reserves of the FUTOP Clearing Centre A/S	(1,085)	(183)
Allocation to/(transfer from) reserves for net revaluation according to the equity method	5	(1,449)
Dividend	84,000	16,000
Profit brought forward from previous years	(28,055)	48,144
Net profit for the year	55,507	63,531

Balance sheet

		Group		Parent company	
Note	(DKK'000)	2003	2002	2003	2002
	Assets				
	Fixed assets				
	Rights	5,189	11,413	5,189	11,413
	Completed IT projects	49,670	44,597	49,670	44,597
	IT projects in progress	25,692	21,685	25,692	21,685
12	Intangible assets	80,551	77,695	80,551	77,695
	Leasehold improvements	4,050	2,954	4,050	2,954
	Fixtures and fittings, tools and equipment	2,702	4,040	2,702	4,040
12	Property, plant and equipment	6,752	6,994	6,752	6,994
	Deposits	1,132	1,099	1,132	1,099
	Investments in subsidiary	–	–	34,950	34,950
	Investments in associate	468	2,303	468	2,303
12	Total investments	1,600	3,402	36,550	38,352
	Total fixed assets	88,903	88,091	123,853	123,041
	Current assets				
	Trade receivables	26,607	22,204	26,607	22,204
	Receivables from subsidiary	0	0	68	125
	Receivables from associate	32	55	32	55
10	Income taxes receivable	2,504	5,640	2,504	5,640
	Other receivables	6,504	5,171	5,389	4,196
	Prepayments	8,544	8,424	8,544	8,424
15+16	Excess value of deposits by clearing members and margin accounts	76,921	79,722	0	0
	Total receivables	121,112	121,216	43,144	40,644
18+20	Portfolio of securities	149,739	121,328	122,891	101,232
13	Portfolio of options	0	0	0	0
	Total portfolio of securities	149,739	121,328	122,891	101,232
18+20	Cash and cash equivalents	112,119	105,324	92,443	77,542
15	Variable subordinated capital	5,800	4,150	0	0
16	Margin accounts	2,235	1,035	0	0
	Cash	120,154	110,509	92,443	77,542
	Total current assets	391,005	353,053	258,478	219,418
	Total assets	479,908	441,144	382,331	342,459

		Group		Parent company	
Note	(DKK'000)	2003	2002	2003	2002
	Liabilities and equity				
	Equity				
14	Share capital	40,000	40,000	40,000	40,000
	Share premium account	1,997	1,997	1,997	1,997
	Net revaluation according to the equity method	248	243	198	193
	Retained earnings	154,138	182,090	154,188	182,140
	Proposed dividend	84,000	16,000	84,000	16,000
	Equity excluding undistributable reserves	280,383	240,330	280,383	240,330
	Undistributable reserves	55,889	56,332	46,243	45,601
	Equity including undistributable reserves	336,272	296,662	326,626	285,931
	Provisions				
11	Deferred tax	20,533	19,919	20,533	19,919
	Total provisions	20,533	19,919	20,533	19,919
	Liabilities other than provisions				
	Short-term debt				
	Trade accounts payable	16,557	19,606	13,602	16,559
	Other payables	10,175	8,553	10,175	8,553
	Deferred income	11,395	11,497	11,395	11,497
15	Variable subordinated capital	5,800	4,150	0	0
15	Excess value of deposits by clearing members	73,171	75,972	0	0
16	Margin deposited by clearing members	5,985	4,785	0	0
	Total liabilities other than provisions	123,103	124,563	35,172	36,609
	Total liabilities and equity	479,908	441,144	382,331	342,459

17 Contingent liabilities
18 Charges and collateral
19 Information on related parties and transactions with such parties
20 Financial instruments and financial risks

Statement of changes in equity

Note	(DKK'000)	Group 2003	Group 2002	Parent company 2003	Parent company 2002
	Share capital at the beginning of the year	40,000	40,000	40,000	40,000
	Share capital at year-end	40,000	40,000	40,000	40,000
	Share premium account at the beginning of the year	1,997	1,997	1,997	1,997
	Share premium account at year-end	1,997	1,997	1,997	1,997
	Net revaluation according to the equity method				
	Balance at the beginning of the year	243	196	193	1,642
	Profit/(loss) of subsidiary carried forward	0	0	0	(1,496)
	Profit/(loss) of associate carried forward	5	47	5	47
	Net revaluation according to the equity method at year-end	248	243	198	193
	Retained earnings				
	Balance at the beginning of the year	182,090	145,631	182,140	144,185
	Profit/(loss) carried forward	(28,055)	46,648	(28,055)	48,144
	Revaluation of hedging instruments	(73)	19	(73)	19
	Dividend own shares	228	0	228	0
	Acquisition of own shares	(52)	(10,208)	(52)	(10,208)
	Retained earnings at year-end	154,138	182,090	154,188	182,140
	Proposed dividend				
	Balance at the beginning of the year	16,000	12,000	16,000	12,000
	Distributed dividend	(15,772)	(12,000)	(15,772)	(12,000)
	Dividend own shares	(228)	0	(228)	0
	Proposed dividend	84,000	16,000	84,000	16,000
	Proposed dividend at year-end	84,000	16,000	84,000	16,000
	Equity before undistributable reserves at year-end	280,383	240,330	280,383	240,330
	Undistributable reserves				
	Balance at the beginning of the year	56,332	55,496	45,601	44,582
	Profit/(loss) carried forward	(443)	836	642	1,019
	Undistributable reserves at year-end	55,889	56,332	46,243	45,601
	Equity including undistributable reserves at year-end	336,272	296,662	326,626	285,931

Cash flow statement

		Group		Parent company	
Note	(DKK'000)	2003	2002	2003	2002
	Operating activities				
	Profit for the year according to the income statement	55,507	63,531	55,507	63,531
21	Reversal of entries without liquidity effect	46,468	43,392	48,759	46,406
22	Changes in working capital	(6,338)	1,661	(6,243)	3,486
	Cash flow from activities before net financials	95,637	108,584	98,023	113,423
23	Interest received	7,710	10,504	6,400	8,104
24	Interest paid	(730)	(443)	(698)	(428)
	Cash flow from ordinary activities	102,617	118,645	103,725	121,099
	Income taxes paid	(20,331)	(26,587)	(20,331)	(26,587)
	Cash flow from operating activities	82,286	92,058	83,394	94,512
	Investing activities				
	Payments to acquire fixed assets				
	IT projects	(29,210)	(35,171)	(29,210)	(35,171)
	Tools and equipment	(821)	(3,541)	(821)	(3,541)
	Leasehold improvements	(1,837)	(2,686)	(1,837)	(2,686)
	Deposits	(33)	(33)	(33)	(33)
	Receipts from sale of fixed assets	289	7	289	7
	Reduction of share capital of associate	1,840	0	1,840	0
	Cash flow from investing activities	(29,772)	(41,424)	(29,772)	(41,424)
	Financing activities				
	Distributed dividend	(15,772)	(12,000)	(15,772)	(12,000)
	Acquisition of own shares	(52)	(10,546)	(52)	(10,546)
	Cash flow from financing activities	(15,824)	(22,546)	(15,824)	(22,546)
	Net cash flow	36,690	28,088	37,798	30,542
25	Cash and cash equivalents as at 1 January	225,168	198,564	177,536	148,232
	Cash and cash equivalents as at 31 December	261,858	226,652	215,334	178,774

Notes

Income Statement

Note	(DKK '000)	CSE	FUTOP	Group total
1	**Segment reporting Primary segment 2003**			
	Gross revenue	227,951	2,713	230,662
	Intercompany revenue	(1,500)	0	(1,500)
	Revenue	226,451	2,713	229,162
	Operating profit	75,302	(2,291)	73,011
	Profit/(loss) before tax	80,683	(1,085)	79,598
	Net profit/(loss) for the year	56,592	(1,085)	55,507
	Fixed assets	88,903	0	88,903
	Current assets	258,410	132,595	391,005
	Segment assets	347,313	132,595	479,908
	Provisions	20,533	0	20,533
	Liabilities other than provisions	35,172	87,931	123,103
	Segment liabilities	55,705	87,931	143,636
	Operating margin 1	33	(84)	32
	Operating margin 2	46	(84)	44
	Return on net assets	25	(1)	17
	Return on equity	21	(2)	18

The group's primary segment is to operate a securities market, where shares, bonds, investment certificates and derivatives are listed and traded and to run a clearing centre for derivatives.

Expenses relating to the overall operation of the Exchange are primarily fixed costs of which a significant share relates to purchase and operation of computer systems.

It is not possible to make an objective expense allocation on the individual business areas and products. This may be illustrated by looking at the value chain of the Exchange's activities. There are three elements (1) listing of securities, including supervision of issuers (2) trading and regulation, including supervision of traders and (3) distribution of information about trading and issuers.

The individual elements are inseparably bound up. Trading is dependent on the presence of listed securities and on supervision and surveillance and access to market data via distribution facilities.The distribution of information is dependent on a trading and reporting system, just as the quality of the information depends on the supervision and surveillance function. Consequently, the individual elements of the value chain cannot be priced independently, and the allocation of the total expenses for the operation of the Exchange cannot be made on the individual elements of the value chain.

The clearing centre for financial derivative instruments is based on another IT platform than the Exchange and is hived off into a separate subsidiary.

Note	(DKK '000)	CSE	FUTOP	Group total
1	**Segment reporting Primary segment 2002**			
	Gross revenue	235,858	1,805	237,663
	Intercompany revenue	(1,500)	0	(1,500)
	Revenue	234,358	1,805	236,163
	Operating profit/(loss)	84,147	(3,014)	81,133
	Profit/(loss) before tax	92,843	(1,679)	91,164
	Net profit/(loss) for the year	65,210	(1,679)	63,531
	Fixed assets	88,091	0	88,091
	Current assets	219,294	133,759	353,053
	Segment assets	307,385	133,759	441,144
	Provisions	19,919	0	19,919
	Liabilities other than provisions	36,609	87,954	124,563
	Segment liabilities	56,528	87,954	144,482
	Operating margin 1	36	(167)	34
	Operating margin 2	47	(167)	45
	Return on net assets	33	(1)	21
	Return on equity	28	(4)	23

Note	(DKK'000)	Group 2003	Group 2002	Parent company 2003	Parent company 2002
2	**Trading fees**				
	Shares and investment certificates	40,430	34,434	40,430	34,434
	Bonds	11,386	10,596	11,386	10,596
	Derivative financial instruments	2,658	1,802	0	0
	Other	4,084	4,020	4,084	4,020
	Total	58,558	50,852	55,900	49,050
3	**Listing and issuance fees**				
	Listing:				
	Companies and investment funds	30,523	33,576	30,523	33,576
	Bond issuers	22,269	21,340	22,269	21,340
	Total	52,792	54,916	52,792	54,916
	Issues and introductions:				
	Companies and investment funds	5,178	11,440	5,178	11,440
	Bond issuers	3,760	3,480	3,760	3,480
	Total	8,938	14,920	8,938	14,920
	Total listing and issuance fees	61,730	69,836	61,730	69,836
4	**Sale of market information**				
	Electronic market information	96,793	104,352	96,793	104,352
	StockWise, fax service	4,251	3,585	4,251	3,585
	Advertising profit	3,057	2,085	3,057	2,085
	Official List, etc.	4,380	4,883	4,380	4,883
	Total	108,481	114,905	108,481	114,905
5	**Staff costs**				
	Wages and salaries	46,031	43,558	46,031	43,558
	Pension premiums	3,893	3,715	3,893	3,715
	Other social security costs	4,927	4,575	4,927	4,575
	Training	1,889	3,114	1,889	3,114
	Other staff costs	1,634	2,456	1,634	2,456
	IT projects performed for own account and capitalised	(3,185)	(4,317)	(3,185)	(4,317)
	Total	55,189	53,101	55,189	53,101
	Of which:				
	Emoluments to members of the CSE supervisory board	1,206	1,163	1,206	1,163
	Remuneration to the CSE executive board	4,520	4,214	4,520	4,214
	Of which:				
	Wages	3,250	3,100	3,250	3,100
	Pension premiums	498	475	498	475
	Bonus	584	450	584	450
	Average number of full-time employees	83	84	83	84
6	**Depreciation/amortisation**				
	Rights	6,224	6,224	6,224	6,224
	IT projects	19,684	14,758	19,684	14,758
	Tools and equipment	2,159	2,943	2,159	2,943
	Leasehold improvements	741	1,534	741	1,534
	Loss/(gain) on sale of tools and equipment	156	(7)	156	(7)
	Total	28,964	25,452	28,964	25,452
7	**Other expenses for computer hardware and software**				
	Operation of computer systems	21,198	17,315	21,083	17,151
	Development of computer hardware and software	3,195	4,961	3,195	4,961
	Total	24,393	22,276	24,278	22,112

		Group		Parent company	
Note	(DKK'000)	2003	2002	2003	2002
8	**Other operating costs**				
	Property	6,619	6,470	6,619	6,470
	Administrative expenses	14,115	17,843	13,661	17,412
	IT projects performed for own account and capitalised	(1,006)	(1,363)	(1,006)	(1,363)
	Total	19,728	22,950	19,274	22,519
	Of which remuneration to auditors appointed by the general meeting:				
	KPMG C,Jespersen, auditing	639	536	420	362
	Other services (systems audit, etc.)	555	1,146	626	1,146
	Total	1,194	1,682	1,046	1,508
9	**Net financials**				
	Financial income				
	Interest receivable, bonds	5,983	4,743	4,911	3,913
	Interest receivable, banks	2,469	3,855	2,057	3,384
	Other interest receivable	214	97	214	97
	Realised and unrealised capital gains, bonds	0	1,223	0	1,174
	Realised and unrealised exchange gains	47	487	47	487
	Total	8,713	10,405	7,229	9,055
	Financial expenses				
	Interest payable	391	115	359	115
	Realised and unrealised capital gains, bonds	1,422	319	1,176	304
	Realised and unrealised exchange gains	328	9	328	9
	Total	2,141	443	1,863	428
	Total net financials	6,572	9,962	5,366	8,627
10	**Tax on profit for the year**				
	Current tax for the year	23,407	22,218	23,407	22,218
	Adjustment of deferred tax	614	5,180	614	5,180
	Adjustment for previous years	60	213	60	213
	Associate	10	22	10	22
	Tax on profit for the year	24,091	27,633	24,091	27,633
	Tax on profit for the year can be explained as follows:				
	Computed tax at a rate of 30 per cent on the profit for the year before tax	23,885	27,349	23,885	27,349
	Effect of tax:				
	Non-deductible operating items	146	71	146	71
	Adjustment for previous years	60	213	60	213
		24,091	27,633	24,091	27,633
	Income taxes receivable at 1 January	(5,640)	(1,484)	(5,640)	(1,484)
	Tax on taxable income for the year	23,407	22,218	23,407	22,218
	Adjustment for previous years	60	213	60	213
	Income taxes paid during the year	(20,331)	(26,587)	(20,331)	(26,587)
	Income taxes receivable at 31 December	(2,504)	(5,640)	(2,504)	(5,640)
11	**Deferred tax**				
	Deferred tax at 1 January	19,919	14,739	19,919	14,739
	Year's adjustment of deferred tax	614	5,180	614	5,180
	Deferred tax at 31 December	20,533	19,919	20,533	19,919
	Deferred tax asset relates to:				
	Intangible assets	24,166	23,309	24,166	23,309
	Property, plant and equipment	(3,641)	(3,796)	(3,641)	(3,796)
	Current assets	8	406	8	406
		20,533	19,919	20,533	19,919

Balance sheet

Note	(DKK'000)	Group 2003	Parent company 2003
12	**Fixed assets**	Rights	Rights
	Intangible assets		
	Cost at 1 January	31,122	31,122
	Cost at 31 December	31,122	31,122
	Amortisation at 1 January	19,709	19,709
	Amortisation for the year	6,224	6,224
	Amortisation at 31 December	25,933	25,933
	Carrying amount at 31 December 2003	5,189	5,189
	Carrying amount at 31 December 2002	11,413	11,413

	Completed IT projects	IT Projects in progress	Completed IT projects	IT progress in progress
Cost at 1 January	80,636	21,685	80,636	21,685
Additions during the year	0	29,210	0	29,210
Carried forward	25,203	(25,203)	25,203	(25,203)
Disposals during the year	(914)	0	(914)	0
Cost at 31 December	104,925	25,692	104,925	25,692
Amortisation at 1 January	36,039	0	36,039	0
Amortisation for disposals of the year	(468)	0	(468)	0
Amortisation for the year	19,684	0	19,684	0
Amortisation at 31 December	55,255	0	55,255	0
Carrying amount at 31 December 2003	49,670	25,692	49,670	25,692
Carrying amount at 31 December 2002	44,597	21,685	44,597	21,685

	Leasehold improve-ments	Fixtures and fittings, tools and equipment	Leasehold improve-ments	Fixtures and fittings, tools and equipment
Property, plant and equipment				
Cost at 1 January	10,754	21,454	10,754	21,454
Additions during the year	1,837	821	1,837	821
Disposals during the year	(6,431)	(6,590)	(6,431)	(6,590)
Cost at 31 December	6,160	15,685	6,160	15,685
Depreciation at 1 January	7,800	17,414	7,800	17,414
Depreciation for disposals of the year	(6,431)	(6,590)	(6,431)	(6,590)
Depreciation for the year	741	2,159	741	2,159
Depreciation at 31 December	2,110	12,983	2,110	12,983
Carrying amount at 31 December 2003	4,050	2,702	4,050	2,702
Carrying amount at 31 December 2002	2,954	4,040	2,954	4,040

Note 12 cont.

Note	(DKK'000)	Group 2003		Parent company 2003		
		Deposits	Investments in associate	Deposits	Investments in subsidiary	Investments in associate
	Investments					
	Cost at 1 January	1,099	2,060	1,099	35,000	2,060
	Additions/(disposals) during the year	33	(1,840)	33	0	(1,840)
	Cost at 31 December	1,132	220	1,132	35,000	220
	Adjustments at 1 January	0	243	0	(50)	243
	Profit/(loss) for the year before tax	0	15	0	(1,085)	15
	Allocation from the undistributable reserves	0	0	0	1,085	0
	Tax on profit/(loss) for the year	0	(10)	0	0	(10)
	Adjustments at 31 December	0	248	0	(50)	248
	Carrying amount at 31 December 2003	1,132	468	1,132	34,950	468
	Carrying amount at 31 December 2002	1,099	2,303	1,099	34,950	2,303

Name	Nordic Exchange A/S	Associate	Associate
Registered office	*Copenhagen*		
Ownership interest	*32%*		
Share capital	*500*		
Equity	1,462	468	468
Profit before tax	48	15	15
Profit after tax	16	5	5
Name	FUTOP Clearing Centre A/S		Subsidiary
Registered office	*Copenhagen*		
Ownership interest	*100%*		
Share capital	*26,000*		
Equity excluding undistributable reserves	34,950		34,950
Equity including undistributable reserves	44,596		
Loss after tax	(1,085)		(1,085)
Profit/(loss) after allocation to undistributable reserves	0		0

Note	(DKK'000)	Group 2003	Group 2002	Parent company 2003	Parent company 2002
13	**Portfolio of options**				
	Portfolio of options bought	24,986	18,426	0	0
	Net of obligations relating to options sold	(24,986)	(18,426)	0	0
	Total, net	0	0	0	0

Options are sold and bought on identical terms. Pursuant to the rules and regulations of the FUTOP Clearing Centre A/S, any obligation relating to options sold will incorporate a corresponding right to a contract regarding which an affiliated securities broker has provided collateral pursuant to requirements calculated by the FUTOP Clearing Centre A/S.

Against this background, options held and obligations relating to options sold have been offset in the balance sheet even though the contracts do not have the same counterparty.

14 **Equity**

The share capital of the parent company has been divided into shareholder groups. Special shareholders' agreements have been concluded. The share capital amounts to 400,000 shares of nom. DKK 100.

The undistributable reserves may be applied in order to cover any losses following application of other reserves of the company, but cannot be distributed. In case of the winding up of the company, the undistributable reserves shall go to stock exchange or clearing related purposes.

Own shares

At the ordinary general meeting in April 2003 the Copenhagen Stock Exchange A/S was empowered to acquire up to 10 per cent of the share capital. Own shares are acquired partly with a view to facilitating turnover in the company's shares, partly to hold a portfolio which may be used in connection with a takeover or consolidation and finally to be used in connection with any allotment of employee shares or to cover share-based incentive schemes.

Throughout the year, the Copenhagen Stock Exchange acquired a total of 29 own shares of nom. DKK 100 at a value of DKK 52 thousand. At the end of 2003, the Copenhagen Stock Exchange A/S' portfolio of own shares totalled 5,700 shares of nom. DKK 100, corresponding to 1.4 per cent of the total share capital.

		Group		Parent company	
Note	(DKK'000)	2003	2002	2003	2002
15	**Variable subordinated capital and excess deposits by clearing members**				
	Variable subordinated capital				
	Variable subordinated capital requirements as at 31 December:				
	Deposits in the FUTOP Clearing Centre A/S' variable subordinated capital accounts	2,000	1,500	0	0
	Value of the FUTOP Clearing Centre A/S'deposit accounts	3,800	2,650	0	0
	Variable subordinated capital requirements at 31 December	5,800	4,150	0	0
	Excess deposits by clearing members				
	Excess value of the FUTOP Clearing Centre A/S' deposit accounts for variable subordinated capital	73,171	75,972	0	0
	Excess variable subordinated capital deposited at 31 December	73,171	75,972	0	0

Variable subordinated capital is currently adjusted in pursuance of the rules of the FUTOP Clearing Centre A/S.

According to the general terms of operation of the FUTOP Clearing Centre A/S, the deposit accounts have been calculated at 75 per cent of the nominal value, DKK 102,628 thousand. The market value of deposit accounts amounted to DKK 104,341 thousand at end-2003.

According to the general terms of operation of the FUTOP Clearing Centre A/S, the following securities have been approved as collateral: Danish, listed Treasury notes, floating rate notes, Treasury bills, government bonds and bonds having the characteristics of mortgage bonds. The securities shall be denominated in Danish kroner and have a coupon rate corresponding to not less than the current minimum coupon rate. Moreover, certain Swedish government bonds, denominated in Swedish kronor, may be used as collateral.

The Clearing Centre is entitled to payments of interest on cash on deposit in the Clearing Centre, however, the amount is passed on to the clearing members. Clearing members are entitled to payment of interest on securities in charged deposit accounts.

16	**Margin deposited by clearing members**				
	The total margin amount is composed of:				
	Deposits in the FUTOP Clearing Centre A/S' margin accounts with Danmarks Nationalbank	2,235	1,035	0	0
	Total	2,235	1,035	0	0
	Value of the FUTOP Clearing Centre A/S' margin deposit accounts (75 per cent of the nominal value of DKK 5,000 thousand; market value at 31 December DKK 5,075 thousand)	3,750	3,750	0	0
	Total	3,750	3,750	0	0
	Total margin deposited by clearing members	5,985	4,785	0	0
	Market value of members' margin deposit accounts charged to the FUTOP Clearing Centre A/S	208,477	227,914	0	0
	Total	214,462	232,699	0	0
	Margin requirements at 31 December	91,327	52,817	0	0
	Excess margin deposited at 31 December	123,135	179,882	0	0

For information on terms and conditions, etc., please see note 15.

17 **Contingent liabilities**

Parent company

The Copenhagen Stock Exchange A/S has made an agreement with OM HEX AB on the SAXESS trading system. In addition to a fixed connection fee, a current transaction fee is payable. The maximum liability is SEK 30 million (2002: SEK 30 million).

Moreover, two new agreements were made with OM HEX AB on the operation of the internal operational system SIS and the TARGIN information distribution system. The maximum liabilities are SEK 2 million and SEK 3 million, respectively.

The Copenhagen Stock Exchange A/S has made an agreement with the Oslo Børs on the operation and development of stock exchange systems (calculation of indices and data warehouse). The maximum liability is NOK 12 million (2002: NOK 18 million). Moreover, a new agreement was made in 2003 on the operation of the SMARTS market surveillance system. The maximum liability is NOK 3 million.

Moreover, the Copenhagen Stock Exchange A/S has made a lease agreement with A. Fonnesbech A/S. The maximum lease payment is DKK 11 million (2002: DKK 7 million).

Other rental and lease commitments do not exceed DKK 13 million (2002: DKK 18 million).

The group is not involved in legal disputes or arbitration proceedings which may be deemed to have an effect on the financial position.

The Copenhagen Stock Exchange A/S is taxed jointly with the FUTOP Clearing Centre A/S and is jointly and severally liable for tax payable on consolidated taxable income.

The Copenhagen Stock Exchange A/S and the FUTOP Clearing Centre A/S are registered jointly in respect of payroll tax and VAT, and the companies are jointly and severally liable for payment hereof.

Subsidiary

The FUTOP Clearing Centre A/S guarantees due performance of option and futures contracts listed on the Copenhagen Stock Exchange A/S. In doing so, the FUTOP Clearing Centre A/S requires clients and affiliated members to provide collateral in accordance with the margin requirements, cf. note 16. In the opinion of the FUTOP Clearing Centre A/S the calculated margin requirements exceed the guarantee obligation exposure. The FUTOP Clearing Centre A/S has prepared a detailed table covering guaranteed contracts shown for each securities ID code as at 31 December 2003.

As an account controller linked up to VP Securities Services, the FUTOP Clearing Centre A/S has issued guarantees of max. DKK 150 thousand (2002: DKK 150 thousand).

The FUTOP Clearing Centre A/S has made an agreement with the Stockholmsbörsen AB on the clearing system SECUR. The maximum liability is DKK 5 million (2002: DKK 5 million).

The FUTOP Clearing Centre A/S does not have other significant liabilities relating to rental and lease commitments.

18 **Charges and collateral**

Subsidiary

The FUTOP Clearing Centre A/S and the Stockholmsbörsen AB shall provide to each other collateral for the fulfilment of the derivatives contracts that they have made with each other as a counterparty.

As collateral the FUTOP Clearing Centre A/S has charged DKK 5 million (2002: DKK 15 million) in cash and listed Danish bonds at a market value of DKK 26.8 million (2002: DKK 10.1 million) to the Stockholmsbörsen AB. The collateral requirement at 31 December 2003 amounted to DKK 25.1 million (2002: DKK 2.0 million).

The collateral that the Stockholmsbörsen AB shall provide to the FUTOP Clearing Centre A/S has been changed in 2003 so that the Stockholmsbörsen AB must provide collateral when the margin requirement exceeds DKK 30 million. The collateral requirement at 31 December 2003 amounted to DKK 10.5 million, of which 0.9 million were in SEK (2002: DKK 2.3 million), consequently, collateral amounts to DKK 0.0 million. (In 2002, collateral was provided in the form of listed bonds at a market value of SEK 31.8 million).

19 **Information on related parties and transactions with such parties**

The Copenhagen Stock Exchange A/S has no related parties with a controlling influence.

Related parties in the Copenhagen Stock Exchange A/S comprise the supervisory board, the executive board and the management employees and their families. Related parties also comprise companies in which the above-mentioned persons have significant interests.

No transactions, except for intercompany transactions, which have been eliminated on consolidation, ordinary remuneration to the management and employee shares as well as general bank transactions were made with the supervisory and executive boards, management employees, major shareholders or other related parties.

20 **Financial instruments and financial risks**

For a description of interest rate, foreign exchange and counterparty exposures, please see the section about risks.

Financial assets and liabilities at 31 December 2003

About the group's financial assets and liabilities at 31 December 2003, the following contractual dates of revaluation and maturity may be stated whichever date comes first:

Date of revaluation/maturity (in DKKm)	0–1 year	1–5 years	>5 years	Average duration	Of which fixed-rate	Yield to maturity in%
Receivables	33.1	0.0	0.0	0.0	0.0	0.0
Securities (bonds)	149.5	0.0	0.2	0.0	149.7	4.69 *
Cash and cash equivalents	112.1	0.0	0.0	0.0	0.0	1.9
Short-term debt	(32.7)	0.0	0.0	0.0	0.0	0.0

* DKK 149.4 million matures on 2 January 2004

All material balance sheet items have been recognised at estimated fair values.

The Copenhagen Stock Exchange A/S hedges against expected foreign exchange risk exposures within the next year using forward exchange contracts.

(DKK'000)	Contractual value 2003	Contractual value 2002	Deferred recognition in the income statement of gains/(losses) expected to be realised after the balance sheet date 2003	Deferred recognition in the income statement of gains/(losses) expected to be realised after the balance sheet date 2002
Forward exchange contracts 0-12 months	29,609	14,717	(73)	19
Total	29,609	14,717	(73)	19

Forward exchange contracts relate to hedging of purchase of goods, cf. the group's risk instructions.

Derivative financial instruments

As an element of the activities of the FUTOP Clearing Centre A/S, the company is a party to futures and forward contracts and has acquired and issued options. These instruments have been acquired and issued on identical terms, and any obligation relating to such an instrument will incorporate a corresponding right to a contract regarding which an affiliated securities broker has provided collateral pursuant to requirements calculated by the FUTOP Clearing Centre A/S.

For information on the accounting presentation of derivative financial instruments, please see 'Accounting policies'.

Cash flow statement

Note	(DKK'000)	Group 2003	Group 2002	Parent company 2003	Parent company 2002
21	**Reversal of entries without liquidity effect**				
	Depreciation/amortisation	28,964	25,452	28,964	25,452
	Value of employee shares	0	338	0	338
	Interest received and value adjustments	(8,713)	(10,405)	(7,229)	(9,055)
	Interest payable and value adjustments	2,141	443	1,863	428
	Pre-tax profit of associate	(15)	(69)	(15)	(69)
	Pre-tax profit of subsidiary	0	0	1,085	1,679
	Tax on profit for the year	24,091	27,633	24,091	27,633
		46,468	43,392	48,759	46,406
22	**Changes in working capital**				
	Change in receivables excluding interest	(4,710)	6,312	(4,687)	7,857
	Change in prepayments	(217)	8	(217)	8
	Change in short-term debt excluding tax	(1,411)	(4,659)	(1,339)	(4,379)
		(6,338)	1,661	(6,243)	3,486
23	**Interest received**				
	Interest receivable	8,713	9,181	7,229	7,880
	Accrued interest at the beginning of the year	4,980	6,303	4,080	4,303
	Accrued interest at year-end	(5,983)	(4,980)	(4,909)	(4,079)
		7,710	10,504	6,400	8,104

Cash flow statement cont.

		Group		Parent company	
Note	(DKK'000)	2003	2002	2003	2002
24	**Interest paid**				
	Interest payable	(730)	(443)	(698)	(428)
		(730)	(443)	(698)	(428)
25	**Cash and cash equivalents**				
	Cash and cash equivalents at 1 January	226,652	197,322	178,774	147,039
	The year's unrealised value adjustments	(1,484)	1,242	(1,238)	1,193
	Restated cash and cash equivalents at 1 January	225,168	198,564	177,536	148,232
	Cash and cash equivalents at 31 December comprise:				
	Securities	149,739	121,328	122,891	101,232
	Cash	112,119	105,324	92,443	77,542
		261,858	226,652	215,334	178,774

FUTOP Clearing Centre A/S financial highlights 1999–2003

Please note that the key figures and ratios for 2001 are stated according to both the previous and the existing accounting policies. Key figures for 1999–2000 have not been restated to reflect the changed accounting policies.

	Previous accounting policies			Existing accounting policies		
(DKK'000)	1999	2000	2001	2001	2002	2003
Income statement						
Revenue	10,786	6,250	3,145	3,145	1,805	2,713
Operating costs	(12,694)	(16,187)	(4,397)	(4,397)	(4,819)	(5,004)
Operating profit/(loss)	(1,908)	(9,937)	(1,252)	(1,252)	(3,014)	(2,291)
Net financials	1,827	1,753	2,771	2,677	1,335	1,206
Profit/(loss) before tax	(81)	(8,184)	1,519	1,425	(1,679)	(1,085)
Tax on profit or loss from ordinary activities	0	0	0	0	0	0
Net profit/(loss) for the period	(81)	(8,184)	1,519	1,425	(1,679)	(1,085)
Balance sheet						
Fixed assets	0	0	0	0	0	0
Current assets	214,556	166,674	167,904	168,033	133,759	132,595
Total assets	214,556	166,674	167,904	168,033	133,759	132,595
Equity excluding undistributable reserves	25,000	34,950	36,317	36,446	34,950	34,950
Undistributable reserves	18,946	10,762	10,914	10,914	10,731	9,646
Total equity	43,946	45,712	47,231	47,360	45,681	44,596
Liabilities other than provisions	170,610	120,962	120,673	120,673	88,078	87,999
Total liabilities and equity	214,556	166,674	167,904	168,033	133,759	132,595
Financial ratios						
Operating margin 1	(18)	(159)	(40)	(40)	(167)	(84)
Return on net assets	(0)	(4)	1	1	(1)	(1)
Return on equity	(0)	(18)	3	3	(4)	(2)
Net asset value	96	134	140	140	134	134

The ratios have been calculated in accordance with the standards laid down by the Danish Society of Investment Professionals.

Operating margin 1: (Operating profit or loss /revenue)*100
Return on net assets: (Operating profit + net financials)/average balance sheet)*100
Return on equity: (Net profit or loss for the year/average equity including undistributable reserves)*100

Net asset value: Equity excluding undistributable reserves/number of shares, at year-end

The financial data about the FUTOP Clearing Centre A/S is an extract from the company's official annual accounts. The official annual accounts are downloadable at the Copenhagen Stock Exchange's website www.cse.dk.

Members

A : Member of the equity market
O : Member of the bond market
X : Member of the XtraMarked

ABG Sundal Collier Norge ASA A
www.abgsc.com

ABN AMRO N.V. Copenhagen Branch O
www.abnamro.dk

Alfred Berg Bank A/S A X
www.alfredberg.dk

Alm. Brand Bank A/S A O X
www.almbrand-bank.dk

Amagerbanken Aktieselskab A O X
www.amagerbanken.dk

Amtssparekassen Fyn A/S A O X
www.amtssparekassen.dk

A/S Arbejdernes Landsbank A O X
www.al-bank.dk

Carnegie Bank A/S A O X
www.carnegie.dk

Crédit Agricole Indosuez Cheuvreux Nordic AB A
www.caicheuvreux.com

Credit Suisse First Boston (Europe) Ltd A
www.csfb.com

Danmarks Nationalbank A O X
www.nationalbanken.dk

Danske Bank A/S A O X
www.danskebank.dk

Deutsche Bank AG London A
www.db.com

Dexia P-H Private Bank
Denmark A/S A O X
www.dexia.dk

Dresdner Kleinwort Wasserstein Sec. A
www.drkw.com

E*Trade A/S A O X
www.etrade.dk

Enskilda Securities AB A
www.enskilda.dk

Fischer Partners Fondkommission AB A X
www.fischerpartners.com

Forstædernes Bank A/S A O X
www.forbank.dk

GP Børsmæglerselskab A/S A O X
www.gpb.dk

Gudme Raaschou Bankaktieselskab A X
www.gr.dk

Handelsbanken A O X
www.handelsbanken.dk

Henton Børsmæglerselskab A/S A O X
www.henton.dk

HSH Nordbank AG, Copenhagen Branch A O X
www.hsh-nordbank.com

Íslandsbanki-FBA hf. A X
www.isb.is

Jyske Bank A/S A O X
www.jyskebank.dk

Kaupthing Bank A/S A O X
www.kaupthing.is

Lehman Brothers International A
www.lehman.com

Lån & Spar Bank A/S A O X
www.lsp.dk

Merrill Lynch International A X
www.ml.com

Morgan Stanley & Co. International Limited A
www.morganstanley.com

NeoNet Securities AB A
www.neoret.se

Nordea Bank Danmark A/S A O X
www.nordea.dk

Nordea Securities AB A X
www.nordeasecurities.com

NordNet AB A X
www.nordnet.dk

Nykredit Bank A/S A O X
www.nykredit.dk

SEB Merchant Bank O
www.sebank.se

Skandinaviska Enskilda
Banken A/S (SEB) A O X
www.seb.dk

Société Générale A
www.socgen.com

Spar Nord Bank A/S A O X
www.sparnord.dk

StockNet-Aston Securities ASA A X
www.stocknet.dk

Sydbank A/S A O X
www.sydbank.dk

Tullett Liberty (Equities) Ltd. A X
www.tullett.com

UBS AG Switzerland, Stockholm branch A
www.ubs.com

C. Combination agreement

The schedules referred to in the Combination Agreement are not included in the prospectus.

THIS COMBINATION AGREEMENT (the "*Agreement*") is made and entered into as of 1 December 2004 by and among:

(i) OMX AB (publ), a public limited liability company incorporated and existing under the laws of Sweden, corporate registration number 556243-8001, (hereinafter referred to as "*OMX*");

(ii) OMX Exchanges Oy, a public limited liability company incorporated and existing under the laws of Finland, corporate registration number 1110552-9, (hereinafter referred to as "*OMX Exchanges*"); and

(ii) Københavns Fondsbørs A/S, a limited liability company incorporated and existing under the laws of Denmark, corporate registration number 19042677, (hereinafter referred to as "*CSE*").

Hereinafter, OMX and CSE are jointly referred to as the "*Parties*" and individually as a "*Party*".

1. Background

1.1 The Parties have agreed upon the vision statements set forth in the Business Plan in Schedule 1.9. The Parties are of the opinion that it is of utmost importance that the Nordic marketplace is an attractive and lucrative listing place for local and international issuers and an interesting market for local and international market participants, and that this can only be realized by forming a strong and sizeable regional Nordic entity, with required critical mass and capability to offer cost effective services at a competitive fee level.

1.2 The Parties will therefore strive for further consolidation of the Nordic cash and derivatives exchanges and clearing houses.

1.3 Further Nordic consolidation shall be taken into account in the structure of OMX and the design of the OMX market.

1.4 The Parties believe that the key success elements of the vision are on the one hand to keep and develop the Nordic market model and on the other hand to meet the global market participants' needs for cost effective cross border services and thereby obtain critical mass through one unified service interface.

1.5 The Boards of Directors of CSE and OMX have determined to create a competitive pan-Nordic infrastructure for securities and derivatives market trading by combining their business and by inviting other Nordic stock exchanges and clearing houses to join the Combined Group through a merger or other form of co-operation, with a view to preserve and secure a sufficient influence and decision-making power on the national level and the availability of competitive and fair-priced trading and clearing services, in each participating country.

1.6 In order to achieve a competitive infrastructure, to facilitate its strategic potential to engage in further consolidation and to secure the equal treatment of all entities belonging to the Combined Group, OMX is currently structured into two operational divisions, OMX Exchanges division and OMX Technology division, which are both controlled by OMX with as efficient organization and as few operations as practicable. All services provided within the OMX Group are priced transparently on an arm's length basis.

1.7 The Combined Group's primary objective is to deliver long-term shareholder value through creating value for customers, employees and other interested parties of the Combined Group. The Combined Group aims to create profitable growth with returns exceeding the markets' required rate of return.

1.8 On the basis of the aforementioned, the Parties' have agreed to combine the operations of OMX and CSE (the "*Combination*"). The Combination will be effected through a public offer by OMX to all shareholders of CSE, to acquire all issued and outstanding shares in CSE.

1.9 The Parties have agreed on the Business Plan set forth in Schedule 1.9.

1.10 OMX and CSE have entered into a confidentiality agreement on 30 September 2004 (the "*Confidentiality Agreement*") and a letter of intent on 15 November 2004.

2. Definitions

In addition to the capitalized terms defined above in this Agreement and unless otherwise defined in this Agreement, capitalized terms shall have the following meanings, all of which terms shall be equally applicable to the singular and plural forms of such terms:

"*Agreement*"	means this Combination Agreement, including the schedules hereto, as amended from time to time, in accordance with the terms hereof.
"*Business*"	means all past, current and planned activities, affairs, businesses and practices of each Group.

"*Cash Offer*"	is defined in Section 3.3.
"*Closing" or "Closing Date*"	means the event or date when the Offer is declared unconditional by OMX through a press release.
"*Combined Group*"	means OMX AB (publ) and its Subsidiaries after the consummation of the Combination, i.e. including CSE as a subsidiary of OMX.
"*CSE Shares*"	means the three-hundred-eighty-six-thousand-three-hundred-fifty-five (386,355) issued and outstanding votes and shares in CSE with a nominal value of DKK one-hundred (100) each (i.e. four-hundred-thousand (400,000) shares less five-thousand-six-hundred-forty-five (5,645) shares and votes held by CSE and less eight-thousand (8,000) shares and votes held by OMX Group).
"*CSE Shareholders*"	means the shareholders of CSE from time to time, except for CSE and the OMX Group.
"*Exchange Offe*r"	is defined in Section 3.1.
"*Group*"	means, in respect of each Party, a Party and its Subsidiaries from time to time.
"*Group Company*"	means, in respect of each Party, the Party and each of its Subsidiaries.
"*Issue Resolution*"	means the authorisation by the shareholders in OMX to the Board of Directors of OMX to issue the OMX Shares.
"*Offer*"	means the Exchange Offer and the Cash Offer.
"*Offer Conditions*"	is defined in Section 4.
"*Offer Period*"	means 21 December 2004 – 7 February 2005, or such other period as agreed between the Parties.
"*OMX Shares*"	means the maximum of 7,007,347 ordinary shares in OMX with a nominal value of SEK two (2) each, ranking pari passu in all respects with the existing issued and outstanding shares in OMX, to be issued by OMX as consideration in the Exchange Offer.
"*Regulatory Approvals*"	means the regulatory approvals set forth in Schedule 6.2.
"*Signing Date*"	means the date of this Agreement.
"*Subsidiary*"	means, in respect of each Party, a company over which a Party holds the majority of the voting power or otherwise a company over which a Party has control.

3. Terms of the Offer

The Offer has been based on a total value of all issued CSE shares of DKK 1,220 million, including net cash of DKK 258 million in CSE as of 30 September 2004. The Parties agree that the Offer shall be made on the terms set forth below.

3.1 *Offer alternatives*

The CSE Shareholders shall have the possibility to, as consideration for the CSE shares tendered in the Offer, elect to receive either newly issued shares in OMX (the "Exchange Offer") or cash (the "Cash Offer"), or a combination thereof.

3.2 *Exchange Offer*

3.2.1 OMX shall offer to acquire from the CSE Shareholders the CSE Shares in exchange for newly issued OMX Shares whereby:

OMX shall offer 42.7448 OMX shares, with a nominal value of SEK two (2) each, ranking *pari passu* in all respects with the existing OMX shares, in exchange for each CSE share validly tendered (the "Exchange Offer").

3.2.2 The consideration to be paid in the Exchange Offer shall be limited to a maximum number of 7,007,347 newly issued OMX shares in case of full acceptance of the Offer, or a corresponding lower number of newly issued OMX shares in case of a lower acceptance level of the Offer. Save as set forth in Section 3.2.3 below, a proportionate reduction of the CSE shares tendered in the Exchange Offer will be made in the event that the above threshold has been exceeded, and any surplus CSE shares shall then be deemed tendered in the Cash Offer.

3.2.3 CSE shareholders holding five (5) or less than five (5) shares in CSE (together representing approximately 0.05 percent of all issued shares in CSE) shall have the right to tender all their shares in the Exchange Offer without being subject to any proportionate reduction thereof. Thus, any proportionate reduction pursuant to Section 3.2.2 shall be made amongst all other CSE shareholders tendering their CSE shares in the Exchange Offer to the extent the threshold set forth in Section 3.2.2 has been exceeded.

3.2.4 The CSE Shareholders participating in the Exchange Offer shall only receive whole OMX shares. Thus, fractional entitlements to OMX shares shall not be delivered to the CSE Shareholders in the Exchange Offer. Instead, fractional entitlements to OMX shares shall subsequently be combined and sold on the Stockholm Stock Exchange on behalf of the CSE Shareholders that have tendered their shares in the Exchange Offer. The proceeds of the sale shall be distributed pro rata to the CSE Shareholders that are entitled to fractional entitlements.

3.2.5 The OMX Shares shall entitle to dividends and other shareholder rights from the registration of the increase of OMX's share capital with the Swedish Companies Office.

3.3 *Cash Offer*
As an alternative to the CSE Shareholders, OMX shall offer to acquire the CSE Shares for cash consideration whereby: OMX shall offer DKK three-thousand-fifty (3,050) in exchange for each CSE Share validly tendered (the "*Cash Offer*").

3.4 *Other terms*

3.4.1 In case of an extension of the Offer by OMX after the Closing Date, OMX shall have the right, but not an obligation, to offer as consideration for any CSE Shares tendered during such an extension cash only.

3.4.2 The Parties agree that the consideration offered in the Offer shall be reduced with an amount corresponding to any paid out dividend by CSE prior to Closing Date. An equivalent reduction shall be made in case CSE pays out dividend following Closing Date but during an extension period of the Offer or during a redemption procedure initiated by OMX in connection with the Combination.

4. Offer Conditions

4.1 The obligation of OMX to consummate the Offer is conditional upon the satisfaction of the following conditions (the "*Offer Conditions*"):

(i) The Offer is accepted to such an extent that OMX becomes the owner of more than ninety (90) percent of all issued shares and votes in CSE;

(ii) The extraordinary general meeting of shareholders in OMX resolves to (a) authorise the issue of the OMX Shares (b) elect the persons set forth in Schedule 5.2. (ii) to the Board of Directors of OMX, effective as of the Closing Date, and (c) amend the articles of association of OMX as required on account of the Combination, in accordance with Schedule 4.1 (ii);

(iii) All necessary approvals from public authorities are obtained without any conditions or on conditions that, in the reasonable opinion of OMX, do not materially and adversely affect the Offer or the Combination;

(iv) The Offer is not, in the reasonable opinion of OMX, wholly or in part made impossible or significantly impaired as a result of legislation, court decision, action of a public authority, or similar events in any relevant jurisdiction, which has occurred or is expected to occur, or as a consequence of any other circumstance beyond OMX's control; and

(v) The main shareholders' agreement covering all CSE Shareholders, the shareholders agreement covering the bond issuing CSE Shareholders (the Group II shareholders' agreement) and the shareholders' agreement covering the majority of the share issuing CSE Shareholders (the Group III shareholders' agreement) have all been terminated prior to the Closing Date.

(vi) This Agreement has not been terminated in accordance with its terms.

4.2 OMX shall have the right, subject to applicable law, to waive any of the Offer Conditions set forth in the above Section 4.1, (i), (iii), (iv) and (v) and consummate the Offer. However, if the acceptance level as set forth in Section 4.1 (i) above is lower than 66.7 percent, OMX may not complete the Offer without the written consent from CSE's Board of Directors.

5 Combination

5.1 *Time table*
The Parties have agreed to use their respective best efforts to complete the Offer in accordance with the tentative timetable set forth in Schedule 5.1. Should for whatever reason the Parties be unable to keep to the timetable, the Parties agree that they shall jointly strive for a consummation of the Offer within the shortest reasonable time period.

5.2 *OMX extraordinary general meeting*
OMX shall cause an extraordinary general meeting of its shareholders to be held on or about 3 February 2005, at which the shareholders shall be asked, conditional upon the consummation of the Offer, to:

(i) Adopt the Issue Resolution;

(ii) Elect as members of the Board of Directors of OMX, effective as of the Closing Date, the persons nominated by each of the Parties as set forth in Schedule 5.2 (ii); and

(iii) Adopt the necessary amendments of the articles of association of OMX in accordance with Schedule 4.1 (ii).

5.3 *Prospectus*

5.3.1 The Parties agree that OMX shall be responsible for preparing an offer document for the Offer to be distributed or otherwise made available to the CSE Shareholders in order for such shareholders to consider the Offer. It is intended that the offer document also shall serve as a listing prospectus for the listing of the OMX shares on the CSE (collectively the "Prospectus"). The Prospectus shall comply in all material respects with applicable requirements of relevant jurisdictions and shall be approved by the Danish Financial Supervisory Authority.

5.3.2 CSE undertakes to provide OMX with all necessary information regarding CSE and its Business and other operations as is required for OMX to prepare and complete the Prospectus.

5.3.3 The Board of Directors of OMX shall be responsible for the accuracy and completeness of the information on OMX and the Combined Group in the Prospectus. CSE's Board of Directors shall be responsible for the accuracy and completeness of the information on CSE provided in the sections of the Prospectus regarding CSE.

5.4 *Recommendation to accept the Offer and shareholders' support*

5.4.1 The Board of Directors of OMX has unanimously and unconditionally decided to support the Offer and the transactions contemplated hereunder and to recommend the shareholders of OMX to vote in favour of the resolutions set forth in Section 5.2 above. The Board of Directors of CSE has unanimously and unconditionally decided to support the Offer and the transactions contemplated hereunder and to recommend the CSE Shareholders to accept the Offer. The two said recommendations shall be included in the Prospectus.

5.4.2 The Board of Directors of CSE shall publish its views on the Offer to its shareholders in connection with the publication of the Offer.

5.4.3 OMX and CSE undertake to continue to use all reasonable endeavours to procure the public support of their respective principle shareholders for the Combination on the terms of the Offer. As of the date of this Agreement, support has been obtained from the shareholders as set forth in Schedule 5.4.3.

6. Covenants

6.1 *Best Efforts*
Subject to the terms and conditions of this Agreement, each Party will use its best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under applicable laws and regulations to consummate the transactions contemplated by this Agreement.

6.2 *Regulatory Approvals*
The Parties agree that, to the best knowledge of each Party, the Regulatory Approvals set forth in Schedule 6.2 constitute the regulatory approvals necessary to consummate the transactions contemplated by this Agreement. The Parties shall cooperate in order to timely obtain such Regulatory Approvals from the relevant authorities.

6.3 *Conduct of business prior to Closing*

6.3.1 Subject to the written consent of the other Party, such consent not to be unreasonably withheld or delayed, each Party shall, during the period between the Signing Date and through the Closing, in respect of its Group:

(i) cause the Business to be conducted diligently and in the ordinary course consistent with past practice;

(ii) maintain and preserve each Group Company's business organization intact and maintain and preserve each Group Company's business relationships with third parties;

(iii) procure that no Group Company shall borrow any additional funds from financial institutions or other external sources, other than under those facilities existing at the Signing Date and required in the ordinary course of business consistent with past practice and except as required to finance this Combination;

(iv) not propose, induce or support an adoption or changes in the articles of association of any Group Company, except as required or allowed by this Agreement;

(v) procure that no Group Company merges or consolidates with any other person or entity, or acquires a material amount of assets or properties from any other person or entity;

(vi) procure that no Group Company sells, leases, licences or otherwise disposes of any asset or property of material importance for the Business (including the CSE shares held by CSE), except pursuant to existing and/or potential contracts in the ordinary course of business consistent with past practice;

(vii) not propose, induce or support any Group Company's declaration or payment of any dividend or any other distribution to its shareholders or the acquisition, purchase or redemption of any of its capital of stock, or the issuance of any new shares, convertible debentures, options or any other equity or non-equity securities, except as required by this Agreement; and

(viii) maintain, and procure that each of their respective Subsidiaries maintain, all authorizations as are necessary in order to enable it or the Subsidiaries, as the case may be, to own and conduct its business as presently conducted.

6.4 *Notice of certain events*
Each Party undertakes to give prompt notice to the other Party if there occurs, or if a Party has reason to believe that there will occur, an event or circumstance that would constitute a breach of any covenant or other undertaking by such Party under this Agreement.

6.5 *Non-solicitation – exclusivity*
Each Party agrees to not actively induce, solicit, initiate or negotiate any transaction that would constitute, or reasonably could be expected to constitute, or lead to, any competing transaction or otherwise hinder or obstruct the completion of the transactions contemplated by this Agreement.

6.6 *Stock exchange listing*
OMX shall, as soon as practically possible after the Closing Date, use its best efforts to:

(i) cause the OMX Shares to be approved for listing on the Stockholm Stock Exchange and the Helsinki Stock Exchange; and

(ii) cause the OMX shares to be approved for secondary listing on the CSE.

6.7 *Announcements*
6.7.1 The Combination shall be announced by a joint press release substantially in the form set forth in Schedule 6.7.1.

6.7.2 No other announcement concerning the transactions contemplated herein or any ancillary matter shall be made by either Party, without the prior written consent of the other Party, provided that nothing herein shall prevent either Party from making, in consultation with the other Party, any announcement or filing required by any law or regulations or by the rules and regulations of any stock exchange on which it is listed.

6.8 *Board of Directors of OMX Exchanges Oy*
OMX undertakes to take all reasonable and necessary measures to appoint the Directors set forth in Schedule 5.2 (ii) for the OMX Exchanges' Board of Directors. Such appointment shall take place no later than ten (10) days following the Closing.

6.9 *Board of Directors of CSE*
OMX undertakes to adopt the governance structure for CSE as set forth in Schedule 5.2 (ii).

6.10 *Future conduct*
6.10.1 OMX shall, at the following annual shareholders' meeting of CSE, vote for a complete discharge from liability of each current Directors of CSE's Board of Directors, as regards the period of his/her office until the date of his/her resignation, provided that the concerned Director has not acted negligent when performing his duties as a Director of CSE.

6.10.2 As from Signing Date and to the extent permitted by applicable competition laws, OMX and CSE shall work together, take decisions on, and device their future business plans towards, maintaining, preserving and developing the existing financial markets in the Nordic countries and in the Baltic states. In particular, OMX acknowledges and agrees, as from Signing Date, to keep CSE informed of, and treat CSE as equal partner in any plans and prospects for further consolidation of the financial markets in Europe.

6.10.3 OMX and CSE shall secure equal treatment of investors and other market participants in the Nordic countries, and fair and equal treatment of all entities belonging to the OMX Group.

6.11 *Termination of the shareholders' agreement among the CSE's shareholders*

In connection with the conversion of CSE into a limited liability company three shareholders' agreements were concluded: a main shareholders' agreement covering all shareholders, one covering the bond issuing shareholders and one covering the majority of the share issuing shareholders. Pre-emption rights are included in the two latter shareholders' agreements. CSE undertakes to use its best efforts to ensure that the aforementioned shareholders' agreements are terminated prior to Closing.

6.12 *Advisory Committee*

The Parties have agreed to insert in the Articles of Association of CSE the wording proposed in Schedule 6.12 as well as establish an Advisory Committee within two (2) months following Closing Date.

6.13 *Branding*

The Parties have agreed to assess the branding principles for OMX Exchanges' division as set forth in Schedule 6.13.

6.14 *Confidentiality*

The Parties shall each comply with all of their respective obligations in the Confidentiality Agreement. All information provided hereunder to the other Party shall be covered by the Confidentiality Agreement, which shall survive the termination or expiration of this Agreement.

7. Miscellaneous

7.1 *Waiver*

The failure of any Party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of any right hereunder, nor shall it deprive that Party of the right thereafter to insist upon the strict adherence to that term or any other terms of this Agreement.

7.2 *Assignment*

No Party may assign, delegate, sub-contract or otherwise transfer or pledge or grant any other security interest in or over any of its rights or obligations under this Agreement without the prior written consent of the other Party.

7.3 *Compliance with law*

This Agreement shall not impose obligations on any Party to the extent that such obligations would involve a breach of any fiduciary duties of the directors of such Party or be unlawful on any other basis or involve a breach of any rules or regulations of any stock exchange on which it is listed.

7.4 *Costs*

Each Party shall bear its own fees and expenses incurred in connection with the negotiations, preparation and execution of this Agreement and the transactions contemplated hereby.

7.5 *Previous Agreements*

Except for the Confidentiality Agreement, all agreements prior to the Signing Date between the Parties regarding the subject matter hereof, whether written or oral, have been superseded by this Agreement.

7.6 *Amendments*

No modifications, amendments or alterations of this Agreement may be made except in writing (containing a specific reference to this Agreement) and signed by each of the Parties to this Agreement.

7.7 *Termination*

7.7.1 This Agreement may be terminated as follows:

(i) by OMX and CSE before the Closing by mutual written consent; and

(ii) by either Party:

a) if the Closing Date shall not have occurred on or before 30 June 2005, provided, however, that this right to terminate shall not be available to the Party whose failure to fulfil any of its covenants or other undertakings under this Agreement shall have resulted in the failure of the Closing Date to occur on or before such date; or

b) before the Closing, if any order preventing the consummation of the Offer shall have been issued by any authority or court of competent jurisdiction; or

c) before the Closing, if the other Party is in material breach of any of its covenants or other undertakings under this Agreement; and

(iii) by OMX

a) if the Danish Financial Supervisory Authority, the Finnish Supervisory Authority, the Stockholm Stock Exchange or the Helsinki Stock Exchange, as the case may be, shall have failed within the stipulated time to approve the Prospectus for the purpose of the Offer and listing with substantially the same terms and conditions as set forth in Sections 3 and 4 above; or

b) if the Board of Directors of CSE has cancelled, modified or amended its recommendation for the Offer referred to in Section 5.4.1, expressly or by expressing its support of a competing transaction.

7.7.2 In the event of termination of this Agreement pursuant to Section 7.7.1 above, this Agreement shall forthwith become void and there shall be no liability for either Party or any of their directors under this Agreement and all rights and obligations of each Party shall cease, provided, however, that nothing herein shall relieve any Party from liability for the wilful or grossly negligent breach of any of its covenants or other undertakings set forth in this Agreement.

7.8 *Notices*

Any notice, request or other communication with respect to this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally, sent by reputable international overnight courier, facsimile or E-mail (with return or delivery receipt obtained) or five (5) Business Days after sent by registered or certified mail, return or delivery receipt requested, postage prepaid to the Parties at the respective addresses set forth below:

If to OMX and OMX Exchanges: OMX AB (publ)
Attn: General Counsel
Tullvaktsvägen 15
SE-105 78 Stockholm, Sweden
Fax: +46 8 405 60 01
E-mail: hans.berggren@omxgroup.com

If to CSE: Københavns Fondsbørs A/S:
Attn: P.E. Skaaning-Jørgensen
Nikolaj Plads 6
DK-1007 Copenhagen, Denmark
Fax: +45 33 93 2413
E-mail: ps@cse.dk

or to such other addresses that a Party shall specify in writing to the other Party in accordance with the provisions of this Section 7.8. All communication between the Parties shall be in English, unless otherwise agreed.

8. Governing law and arbitration

8.1 *Governing law*

This Agreement shall be governed by and construed in accordance with the laws of Denmark, without giving effect to the choice of law principles thereof.

8.2 *Arbitration*

Any dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the Rules of the Danish Institute of Arbitration. The arbitral tribunal shall be composed of three arbitrators. One shall be appointed by OMX and OMX Exchanges jointly and the other by CSE and the third by the Institute. The place of arbitration shall be Copenhagen. The language to be used in the arbitral proceedings shall be English.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in three originals, of which the Parties have taken one each, on and as of the day and year first above written.

Date: 1 December 2004	Date: 1 December 2004
OMX AB (publ)	**Købehavns Fondsbørs A/S**

D. Proposed articles of association of combined company

(556243-8001)

Article 1.
The Company's name is OMX Aktiebolag. The company is a public company (publ).

Article 2.
The Company's registered office shall be situated in Stockholm.

Article 3.
The Company's objectives shall be, directly or through wholly or partially owned companies, to develop and provide IT-based systems and services for, as well as to own or operate, exchanges, and other marketplaces for the finance, energy, and commodities markets, clearing organizations, central securities depositories, securities institutions, and mutual fund companies, and to engage in operations compatible therewith.

Article 4.
The Company's share capital shall be not less than one hundred and sixty eight million kronor (SEK 168,000,000) and not more than six hundred and seventy two million kronor (SEK 672,000,000).

Article 5.
Each share shall have a par value of two kronor (SEK 2).

Article 6.
The Company's Board of Directors shall consist of not less than five and not more than eight members.

Members shall be elected each year at the Annual General Meeting for a term until the close of the next Annual General Meeting.

Article 7.
One or two auditors, as well as not more than an equal number of alternate auditors, shall be elected at Annual General Meetings.

Article 8.
The calendar year shall be the Company's financial year.

Article 9.
General meetings shall be held in Stockholm.

Article 10.
The following matters shall be addressed at Annual General Meetings:

1. election of a Chairman of the meeting;
2. preparation and approval of a voting register;
3. approval of the agenda;
4. election of one or two persons to attest the minutes;
5. determination whether the meeting has been duly convened;
6. presentation of the annual report and audit report and, where applicable, the consolidated financial statements and audit report for the Group;
7. resolutions
   a) regarding adoption of the profit and loss statement and balance sheet and, where applicable, the consolidated profit and loss statement and consolidated balance sheet;
   b) release from liability for members of the Board of Directors and the President,
   c) allocation of the Company's earnings or losses in accordance with the adopted balance sheet;
8. determination of the number of members of the Board of Directors and, where applicable, auditors and alternate auditors to be elected at the meeting;
9. determination of fees for the Board of Directors and, where applicable, auditors fees;
10. election of the Board of Directors and, where applicable, auditor or auditors and any alternate auditors;
11. other matters incumbent on the General Meeting pursuant to the Swedish Companies Act or the Articles of Association.

Article 11.

Notices to attend General Meetings shall be published through announcements in the Official Gazette *(Post- och Inrikes Tidningar)* as well as *Dagens Nyheter* or *Svenska Dagbladet* or another national daily newspaper in Sweden as well as in *Helsingin Sanomat* or *Kauppalehti* or another national daily newspaper in Finland and in *Berlingske Tidende* or *Børsen* or another national daily newspaper in Denmark.

Shareholders who wish to participate in the proceedings at General Meetings must be included in a print-out of the entire share register regarding circumstances ten days prior to the meeting and must notify the Company not later than 4pm on the day stated in the notice to attend the meeting. The aforementioned day may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve, and may not occur earlier than five week days prior to the meeting.

Shareholders may be accompanied at General Meetings by one or two assistants, however only where the shareholder has given notice thereof in accordance with the preceding paragraph.

Article 12.

Persons who, on the adopted record date, are recorded in the share register or in a list in accordance with Chapter 3, section 12 of the Swedish Companies Act, shall be authorized to receive dividends, issue certificates and, in the event of bonus issues, new shares which inure to shareholders.

E. Fairness opinion

1 December, 2004

The Board of Directors
Copenhagen Stock Exchange A/S
Nikolaj Plads 6
DK-1007 Copenhagen K

Ladies and Gentlemen:

You have requested that J.P. Morgan plc (“JP Morgan”) provide an opinion as to the fairness, from a financial point of view, to the shareholders of Copenhagen Stock Exchange A/S (“CSE”) taken as a whole, of the Total Consideration (as defined below) to be received by CSE’s shareholders from OMX AB (publ) (“OMX”) with respect to the offer by OMX for all of the issued and outstanding share capital of CSE (the “Transaction”). Pursuant to the Combination Agreement, entered into on 1 December, 2004 between CSE and OMX (the “Agreement”), OMX has agreed to pay CSE’s shareholders a consideration reflecting a total value of all issued CSE shares of DKK 1,220 million (the “Total Consideration”). Under the terms of the offer, OMX will offer 42.7448 newly issued shares in OMX in exchange for each CSE share (the “Exchange Offer”) or a cash payment of DKK 3,050 per CSE share (the “Cash Offer”) or a combination thereof. The consideration to be paid in the Exchange Offer shall be limited to a maximum number of 7,007,347 newly issued OMX shares in case of full acceptance of the Offer, or a corresponding lower number of newly issued OMX shares in case of a lower acceptance level of the Offer. With the exception of CSE shareholders holding five or less than five shares in CSE (together representing approximately 0.05 percent of all issued shares in CSE), a proportionate reduction of the CSE shares tendered in the Exchange Offer will be made in the event that the above threshold has been exceeded, and any surplus CSE shares shall then be deemed tendered in the Cash Offer.

Please be advised that while certain provisions of the Transaction are summarised above, the terms of the Transaction are more fully described in the Agreement. As a result, the description of the Transaction and certain other information contained herein is qualified in its entirety by reference to the more detailed information appearing or incorporated by reference in the Agreement.

In arriving at our opinion, we have reviewed (i) the Agreement; (ii) certain publicly available information concerning the business of CSE and OMX and of certain other companies engaged in businesses comparable to CSE and OMX, and the reported market prices for certain other companies' securities deemed comparable; (iii) certain reports regarding OMX and other companies engaged in businesses comparable to CSE produced by third party equity research analysts; (iv) historical transactions in the common stock of CSE; (v) publicly available terms of certain transactions involving companies comparable to CSE and the consideration received for such companies; and (vi) certain internal financial analyses and forecasts prepared by CSE and OMX and their respective managements.

In addition, we have held discussions with certain members of the management of CSE and OMX with respect to certain aspects of the Transaction, and the past and current business operations of CSE and OMX, the financial condition and future prospects and operations of CSE and OMX, and certain other matters we believed necessary or appropriate to our inquiry. We have also reviewed such other financial studies and analyses and considered such other information as we deemed appropriate for the purposes of this opinion.

In performing such analysis, we have used such valuation methodologies as we have deemed necessary or appropriate for the purposes of this opinion. Our view is based on (i) our consideration of the information CSE and OMX have supplied to us to date, (ii) our understanding of the terms upon which CSE and OMX intend to consummate the Transaction, (iii) the currently contemplated capital structures of the two companies upon consummation of the Transaction, (iv) our application of sound investment banking analysis premised on analyzing the long-term value of CSE upon consummation of the Transaction, and (v) the cooperation of all parties at interest to consummate the Transaction on a timely basis.

In giving our opinion, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information that was publicly available or was furnished to us by CSE and OMX or otherwise reviewed by us. We have not verified the accuracy or completeness of any such information and we have not conducted any evaluation or appraisal of any assets or liabilities, nor have any such evaluations or appraisals been provided to us. In relying on financial analyses and forecasts provided to us, we have assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of CSE to which such analyses or forecasts relate. We have also assumed that the Transaction will have the tax consequences described in discussions with, and materials furnished to us by, representatives and advisers of CSE.

JP Morgan has assumed that the due diligence process has been properly carried out by OMX, CSE and their respective advisers and that any material issues arising from such process have been notified to JP Morgan. We cannot take into account any material issues that may arise from such process after the date of this letter.

Our opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect this opinion and that we do not have any obligation to update, revise, or reaffirm this opinion.

We are expressing no opinion herein as to the price at which the combined entity will trade at any future time. As a result, other factors after the date hereof may affect the value of the businesses of CSE and OMX after consummation of the Transaction, including but not limited to (i) the total or partial disposition of the share capital of the combined entity by its shareholders within a short period of time after the effective date of the Transaction, (ii) changes in prevailing interest rates and other factors which generally influence the price of securities, (iii) adverse changes in the current capital markets, (iv) the occurrence of adverse changes in the financial condition, business, assets, results of operations or prospects of CSE or of OMX, (v) any necessary actions by or restrictions of any governmental agencies or regulatory authorities, and (vi) timely execution of all necessary agreements to complete the Transaction on terms and conditions that are acceptable to all parties at interest.

JP Morgan was not authorised to and did not solicit any expressions of interest from any other parties with respect to the sale of all or any part of CSE. Accordingly, no opinion is expressed whether any such alternative transaction might produce consideration for holders of CSE's ordinary shares in an amount in excess of that contemplated in the Transaction.

We have acted as financial adviser to CSE with respect to the proposed Transaction and will receive a fee from CSE for our services. We will also receive an additional fee if the proposed Transaction is consummated. JP Morgan may, from time to time, provide or have provided investment banking services to CSE, OMX and their respective affiliates for which it may receive or have received compensation. In the ordinary course of their businesses, affiliates of JP Morgan may actively trade the debt and equity securities of OMX, for their own accounts, or for the accounts of customers, and accordingly, may at any time hold a long or short position in such securities.

On the basis of and subject to the foregoing, it is our opinion as of the date hereof that the Total Consideration to be received by CSE's shareholders in the proposed Transaction is fair, from a financial point of view, to the shareholders of CSE taken as a whole.

This letter is provided solely for the benefit of the Board of Directors of CSE in connection with and for the purposes of, their consideration of the Transaction, and is not on behalf of, and shall not confer rights or remedies upon, any shareholder of CSE, or OMX, or any other person other than the Board of Directors of CSE or be used for any other purpose. This opinion may not be used or relied upon by, or disclosed, referred to or communicated by you (in whole or in part) to any third party for any purpose whatsoever except with our prior written consent in each instance. This opinion may be reproduced in full in any proxy or information statement mailed to shareholders of CSE but may not otherwise be disclosed publicly in any manner without our prior written approval and must be treated as confidential.

Very truly yours,

J.P. MORGAN PLC

F. Definitions

Acceptance Shares	The shares in Copenhagen Stock Exchange which upon acceptance of the Offer, will be given to a new ISIN-code in the Shareholder's custody account with VP
APK	Finnish Central Securities Depository (Suomen Arvopaperikeskus Oy)
Bn	Billion
Cash Offer	OMX's voluntary and recommended offer to the Shareholders to acquire all the shares in Copenhagen Stock Exchange for cash payment pursuant to this Prospectus
CCP	Central Counterparty Clearing
Closing Date	The date when OMX declares that the Offer will be completed
Combination Agreement	The combination agreement between OMX and Copenhagen Stock Exchange dated 1 December 2004
Combined Company	OMX and its subsidiaries, including Copenhagen Stock Exchange, following completion of the Offer
Copenhagen Stock Exchange	Københavns Fondsbørs A/S
CSD	Central Securities Depository
Danish Companies Act	Consolidated Act No 1001 of 8 October 2004
Danish Securities Trading Act	Consolidated Act No. 1269 of 19 December 2003 as subsequently amended by Act. No. 491 of 9 June 2004
DFSA	Danish Financial Supervisory Authority (Finanstilsynet)
DKK	Danish Kroner, the lawful currency of Denmark
Exchange Offer	OMX's voluntary and recommended offer to the Shareholders to acquire all the shares in Copenhagen Stock Exchange for newly issued shares in OMX pursuant to this Prospectus
FFSA	Finnish Financial Supervisory Authority
Finnish Securities Market Act	Finnish Securities Market Act (26.5.1989/495, as amended)
Helsinki Stock Exchange	Helsinki Stock Exchange Ltd
Iceland Stock Exchange	Iceland Stock Exchange
IFRS	International Financial Reporting Standards
LEC	Linked Exchange Clearing
M	Million
NBK	Swedish Industry and Commerce Stock Exchange Committee (Näringslivets Börskommité)
NCSD	APK and VPC, including their subsidiary undertakings, following their merger

NOREX	An alliance between the Nordic and Baltic Exchanges in Denmark, Finland, Estonia, Iceland, Norway, Latvia and Sweden
Offer	OMX's voluntary and recommended offer to the Shareholders to acquire all the shares in Copenhagen Stock Exchange pursuant to the terms and conditions set forth in this Prospectus
Offer Period	The period during which the Offer is valid, i.e. from Wednesday 22 December 2004 until 5:00 p.m. (Danish Time) on Monday 7 February 2005, and, in the event the Offer is extended pursuant to this Prospectus, such revised period
OMX	OMX AB, or, where the context permits, OMX AB including its subsidiary undertakings
OMX Broker Services	OMX Broker Services AB, a subsidiary of OMX Technology
Oslo Børs	Oslo Børs ASA
OTC	Over the counter
Prospectus	This offer document dated 15 December 2004
Riga Stock Exchange	Riga Stock Exchange a/s
Swedish Companies Act	Swedish Companies Act (lag 1975:1385)
Swedish Securities Business Act	Lag (1991:981) om värdepappersrörelse
SEK	Swedish kronor, the lawful currency of Sweden
SFSA	Swedish Financial Supervisory Authority (Finansinspektionen)
Shareholders	The shareholders of Copenhagen Stock Exchange
Stockholm Stock Exchange	Stockholmsbörsen AB
Tallinn Stock Exchange	Tallinn Stock Exchange AS
VP	Danish Central Securities Depository (Værdipapircentralen A/S)
VPC	Swedish Central Securities Depository (VPC AB)

G. Advisors

FINANCIAL ADVISORS

Financial advisor to OMX
Lenner & Partners Corporate Finance AB
Jakobsbergsgatan 7
111 44 Stockholm
Sweden

Financial advisor to Copenhagen Stock Exchange
JP Morgan
10 Aldermanbury
London
EC2V 7RF
United Kingdom

Securities advisor to OMX AB
Danske Markets (Division of Danske Bank A/S)
Holmens Kanal 2-12
1092 Copenhagen K.
Denmark

LEGAL ADVISORS

Legal advisors to OMX

In Denmark
Gorrissen Federspiel Kierkegaard
H.C. Andersens Boulevard 12
1553 Copenhagen V
Denmark

In Sweden
Mannheimer Swartling Advokatbyrå AB
Norrmalmstorg 4, Box 1711
111 87 Stockholm
Sweden

Legal advisors to Copenhagen Stock Exchange

In Denmark
Kromann Reumert
Sundkrogsgade 5
2100 Copenhagen Ø
Denmark

In Sweden
Advokatfirman Vinge KB
Smålandsgatan 20
111 87 Stockholm
Sweden

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Acceptance form

OFFER TO THE SHAREHOLDERS IN COPENHAGEN STOCK EXCHANGE A/S

The acceptance form must be submitted duly filled in and signed to your account holding institution. The acceptance form must be submitted in sufficient time to allow your account holding institution to process and communicate the acceptance to Danske Bank A/S no later than 7 February 2005 at 5 p.m. (Danish time).

Pursuant to the offer made by OMX AB to acquire all shares in Copenhagen Stock Exchange (the "Offer"), I/we hereby accept to receive either:

a) 42.7448 shares in OMX AB with a nominal value of SEK 2 for each share in Copenhagen Stock Exchange A/S with a nominal value of DKK 100 (the "Exchange Offer"), **or**
b) DKK 3,050 in cash for each share in Copenhagen Stock Exchange A/S with a nominal value of DKK 100 (the "Cash Offer"), **or**
c) a combination of the Exchange Offer and the Cash Offer as specified here below

on the terms set forth in the Prospectus prepared by OMX AB in relation to the Offer, and I/we hereby irrevocably accept the Offer and in accordance with the terms of the Offer, as set forth in the Prospectus, I/we wish to:

tender ____________ (indicate number) Copenhagen Stock Exchange A/S shares (ISIN code DK0015916738) each **for 42.7448 shares in OMX AB.**	tender ____________ (indicate number) Copenhagen Stock Exchange A/S shares (ISIN code DK0015916738) each **for DKK 3,050 in cash.**

I represent that the shares tendered in accordance with the above are free from any encumbrances.

The consideration to be paid in the Exchange Offer shall be limited to a maximum number of 7,007,347 newly issued OMX shares in case of full acceptance of the Offer, or a corresponding lower number of newly issued OMX shares in case of a lower acceptance level of the Offer. A proportionate reduction of the Copenhagen Stock Exchange shares tendered in the Exchange Offer will be made in the event that the above threshold has been exceeded, and any surplus Copenhagen Stock Exchange shares shall then be deemed tendered in the Cash Offer. Shareholders holding five or less than five shares in Copenhagen Stock Exchange shall have the right to tender all their shares in the Exchange Offer without being subject to any proportionate reduction thereof.

In connection with tendering the Copenhagen Stock Exchange A/S shares as set forth above, I/we accept that such shares are temporarily exchanged for a corresponding number of interim Acceptance Shares as follows: (i) to the extent the shares are tendered in the Exchange Offer: for "Copenhagen Stock Exchange A/S Acceptance EXCHANGE" shares of DKK 100 each, (ii) to the extent the shares are tendered in the Cash Offer: for "Copenhagen Stock Exchange A/S Acceptance CASH" shares of DKK 100, and, provided that I/we hold five or less than five shares in Copenhagen Stock Exchange, for "Copenhagen Stock Exchange A/S Acceptance EXCHANGE LESS THAN 5", all of which carry the same shareholder rights as the tendered Copenhagen Stock Exchange A/S shares. In the event of a transfer of the Acceptance Shares by me/us the transferee will assume my/our legal position and will be regarded as having tendered its shares in the Offer.

I/we hold five or less than five shares in Copenhagen Stock Exchange (tick box)	

At the same time I/we give permission for the sale/exchange of my/our Copenhagen Stock Exchange shares tendered, as set forth above, to be effected via my/our custody account with:

Account holding (custody) bank	Custody account no.

Note that any incomplete or incorrect acceptance form may be disregarded.

Shareholders who accept consideration in form of new OMX shares hereby authorise Danske Bank A/S to subscribe for and accept delivery of such a number of OMX AB shares on my/our behalf, which corresponds to the consideration for my/our shares in Copenhagen Stock Exchange A/S tendered as set forth above, and to take such other actions which Danske Bank A/S considers necessary or appropriate to complete the Offer.

We acknowledge that, to the extent that any Copenhagen Stock Exchange A/S shareholder will be entitled to a number of shares in OMX AB which is not divisible by 1, such number of shares in OMX AB will be rounded down to the nearest whole number. Fractional entitlements to OMX shares will not be delivered to the Shareholders in the Exchange Offer. Instead, fractional entitlements to OMX shares will subsequently be combined and sold by Danske Bank A/S on the Stockholm Stock Exchange on behalf of the Shareholders and the proceeds will be remitted in DKK to Shareholders so entitled. By accepting the Exchange Offer, the Shareholder appoints Danske Bank A/S to execute the sale on behalf of the Shareholder of such excess fractions of new OMX shares to which the Shareholder is entitled. The proceeds of the sale will be distributed pro rata to the Shareholders that are entitled to fractional entitlements. No commission will be charged. Payment is expected to be made no later than 21 February 2005, and the proceeds will be deposited in the yield account linked to the VP Account.

By signing this acceptance form I/we represent and warrant that I/we have not sent this form from the United States, Canada, Japan, Australia or any other jurisdiction where acceptance would require that further offer documents be published or other measures taken, other than those required under Danish law, that I/we are not U.S. Canadian, Japanese or Australian citizens and that I/we are not acting on the account or for the benefit of any person located in or citizen of the United States, Canada, Japan or Australia.

Information about the shareholder and signature:

Name:	CPR No./ Company Reg. No.
Address:	Date:
Postal code and city:	Signature:
Telephone number:	

The undersigned custody bank agrees to transfer the Copenhagen Stock Exchange A/S shares tendered as set forth above, for consideration of new OMX shares or cash, or a combination thereof.

Name:	
Registration No.	CD-ident.
Company stamp and binding signature:	

The custody bank must forward the acceptance form to Danske Bank A/S, Corporate Actions, Holmens Kanal 2-12, DK-1092 Copenhagen K, Fax: +45 4339 4954, to be received by Danske Bank A/S by 7 February 2005 at 5 p.m. at the latest (Danish time).

Tryckindustri / Finanstryck 0415872