

# Oslo Børs Holding ASA – third quarter 2003

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## Third quarter highlights:

- **High market activity**
- **Lower operating expenses compared to 2002**
- **Profit: 3rd qtr NOK 16.3m (10.0m); year to date NOK 42.4m (35.0m)**
- **Earnings per share: 3rd qtr NOK 3.25 (1.99); year to date NOK 8.47 (7.01)**
- **Return on equity (ann.): 3qtr 26.0% (14.9%) ; year to date 18.3% (18.3%)**

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## Business activities in the third quarter of 2003 (3rd quarter 2002 figures in parenthesis)

### Introduction

Oslo Børs Holding ASA achieved post-tax profit of NOK 16.3 (10.0) million in the third quarter. So far this year post-tax profit comes to NOK 42.4 (35.0) million.

The increase in activity in the securities market in the second quarter continued in the third quarter. Index developments were also positive in the period: the Oslo Børs Benchmark Index measured 142.65 at the end of the third quarter, a rise of about 6.3% from 134.2 at the end of the second quarter. So far this year the Benchmark Index has risen by 23.8%.

Shares and primary capital certificates worth NOK 156 (97) billion changed hands in the third quarter. So far this year trading totals NOK 393 (337) billion. The number of transactions shows the same trend totalling about 666,000 (454,000) in the third quarter and about 1,662,000 (1,498,000) so far this year.

Activity in the business area Fixed Income Markets has stabilised. At quarter-end 835 (851) bonds were quoted. Trading in the derivatives market showed a positive trend compared with last year. In the third quarter traded contracts numbered about 1,062,000 (843,000) and in the year to date traded contracts totalled about 2,735,000 (2,380,000). Premium in the year to date averaged NOK 7.4 compared with NOK 7.5 in the same period of 2002.

Activity in the primary equity market remained low. Shares worth NOK 0.7 (1.1) billion were issued in the third quarter. At quarter-end 182 companies were listed on Oslo Børs. Seven companies were delisted in the third quarter. So far this year the net delisting of companies is 21.

The number of terminals with access to market data from Oslo Børs fell by about 2.7% in the third quarter and by 9.2% in the year to date.

### Revenues

Revenues totalled NOK 58.1 (51.1) million in the third quarter. The increase from last year's third quarter is largely due to increased trading. So far this year revenues total NOK 166.3 (167.6) million. Higher trading revenues make up for lower revenues from sales of market data and reduced income from listing fee receipts.

**Costs**

Oslo Børs's costs continued their positive trend. Total third-quarter operating expenses came to NOK 36.7 (39.6) million.

Salary and staff costs came to NOK 18.9 (16.1) million. In the third quarter the financial premises underlying the calculation of pension commitments were revised to take account of interest rate developments. This resulted in third-quarter pension expenses that are about NOK 2 million higher than the level expected to apply from the fourth quarter onwards. In addition an incentive scheme was drawn up for employees at Oslo Børs and Oslo Børs Information. A minor provision was made for estimated incentive pay based on profit achieved so far this year. Salary and staff costs in the year to end-September total NOK 55.9 (53.6) million.

Other operating expenses came to NOK 12.1 (19.4) million in the third quarter, NOK 7.3 million down on the same period last year. So far this year other operating expenses come to NOK 41.5 (60.0) million, down NOK 18.5 million.

Rehabilitation of the stock exchange building entailed higher expenses in 2002, about NOK 3 million in the third quarter and about NOK 13 million in the first three quarters. Expenses in 2003 are positively affected by one-time factors, amounting to about NOK 2 million in the third quarter and NOK 2.5 million so far this year.

**Extraordinary dividend**

The General Meeting of Oslo Børs Holding voted on 15 September to undertake a capital reduction of NOK 60 million and make a cash payment to shareholders. Payment, which will be made after expiry of the period of notice to creditors, is expected in the final week of December. Further information regarding last date of trading including right to dividend and the date of payment will be given in the beginning of December.

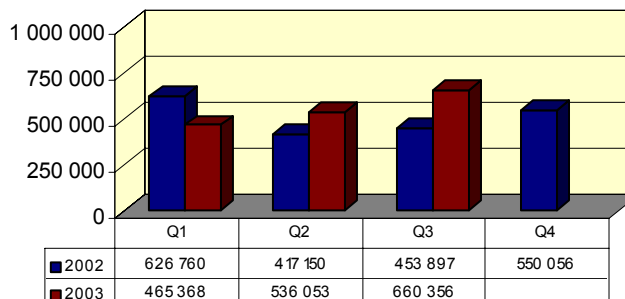
**Outlook**

The increased market activity is expected to produce somewhat higher revenues than were expected at the end of the second quarter. Operating expenses for the year as a whole are expected to total just under NOK 160 million.

## Market development

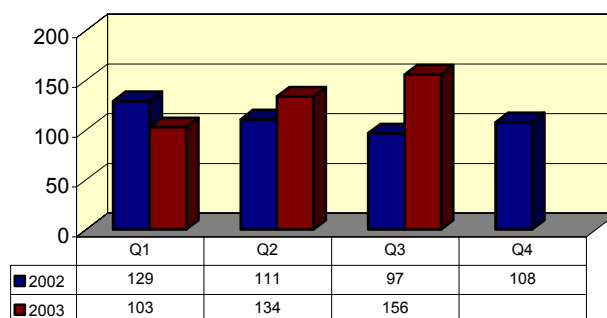
The number of share transactions was 23% higher in the third quarter than in the second quarter of 2003, and 45% up on the figure for last year's third quarter.

Equity market - number of transactions



The value of equity market trades was 16% higher than the previous quarter, and about 61% higher than in the same period last year.

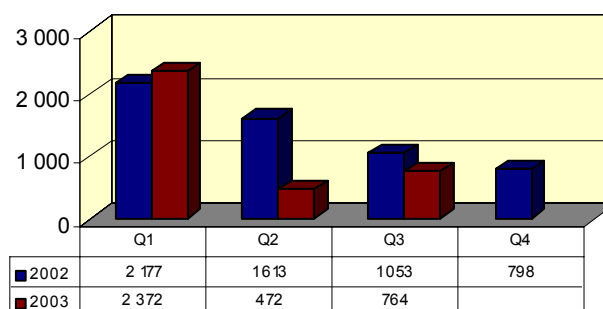
Equity market - value of trades Billion NOK



The primary equity market showed a slight improvement in activity on the previous quarter. New issues totalled NOK 0.8 billion in the third quarter of 2003 compared with NOK 0.4 billion in the second quarter.

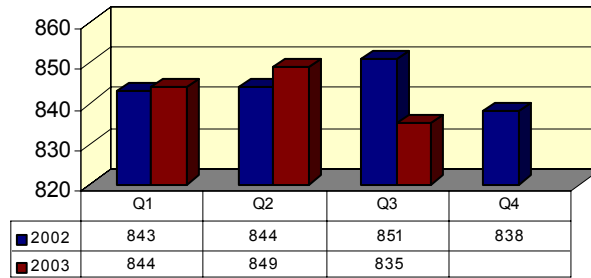
Volumes were lower than in the same period of last year which saw shares worth NOK 1.1 billion introduced to the market.

Equity market - value of new issues Million NOK



### Bond market - number of listed issues

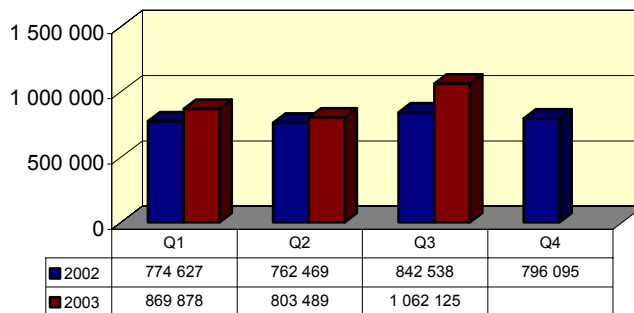
The number of listed issues in the fixed income market was down compared with the previous quarter and with the same period last year.



### Derivatives market - number of contracts traded

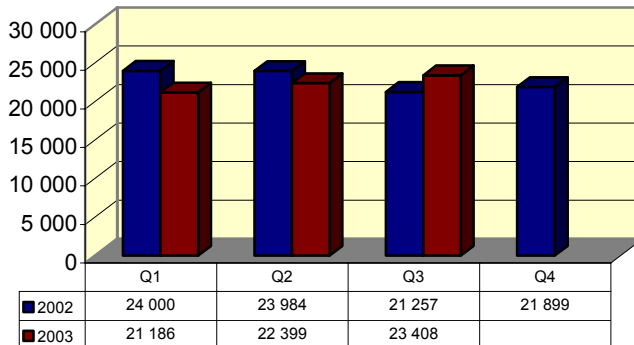
Activity in the derivative market was higher than in the previous quarter and compared with the same period last year. The number of traded contracts was 32% higher than in the previous period and 26% higher than in the same period last year.

Premiums so far this year average NOK 7.4 compared with NOK 7.5 in the same period of 2002.



### Revenues from sales of financial market data

Revenues from sales of financial market data are broadly on a par with the previous quarter and about 9% higher than in the third-quarter of 2002. This is largely due to a change in the price structure with effect from the second quarter of the current year.



Please see [www.oslobors.no/ob/ir](http://www.oslobors.no/ob/ir) for further operational key figures. All figures are in thousands of Norwegian kroner and apply to the group Oslo Børs Holding ASA unless otherwise stated. The Group comprises Oslo Børs Holding ASA, Oslo Børs ASA and Oslo Børs Informasjon AS.

The interim report has been drawn up based on the same principles as the annual accounts and in accordance with NRS 11 - Interim Reporting.

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## Profit and loss account

	<b>3rd Quarter 2003</b>	<b>3rd Quarter 2002</b>	<b>30 Sept 2003</b>	<b>30 Sept 2002</b>	<b>2002</b>
<b>Operating revenues</b>	<b>58 094</b>	<b>51 078</b>	<b>166 267</b>	<b>167 583</b>	<b>222 296</b>
<b>Operating expenses</b>					
Salary and other personnel expenses	18 873	16 057	55 942	53 561	73 187
Depreciation	5 235	4 118	14 990	12 150	16 439
Other operating expenses	12 640	19 424	42 020	60 038	80 179
<b>Total operating expenses</b>	<b>36 748</b>	<b>39 599</b>	<b>112 951</b>	<b>125 749</b>	<b>169 806</b>
<b>Operating profit</b>	<b>21 346</b>	<b>11 479</b>	<b>53 316</b>	<b>41 834</b>	<b>52 490</b>
Net financial items	1 253	2 368	5 534	6 840	8 670
<b>Ordinary pre-tax profit</b>	<b>22 599</b>	<b>13 848</b>	<b>58 851</b>	<b>48 674</b>	<b>61 160</b>
Tax	6 328	3 877	16 478	13 629	18 168
<b>Earnings for the period</b>	<b>16 271</b>	<b>9 970</b>	<b>42 372</b>	<b>35 045</b>	<b>42 992</b>
<b>Earnings per share (NOK)</b>	<b>3,25</b>	<b>1,99</b>	<b>8,47</b>	<b>7,01</b>	<b>8,60</b>

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## Balance sheet

At the end of the third quarter short-term receivables totalled NOK 40.0 million. Of this, prepaid expenses totalled NOK 16.2 million of which fees paid to OMT accounted for just under NOK 12.9 million.

Cash and cash equivalents totalled NOK 148.8 million at quarter end.

Short-term liabilities totalled about NOK 55.9 million at quarter end. NOK 18.3 million refers to accrual accounting of listing fees and annual licence fees. A tax charge of NOK 17.6 million is included.

Revision of the financial premises underlying the calculation of pension commitments have an effect that is not recognised to the profit and loss account. At the end of 2002 "effect of changes in assumptions not recognised to profit and loss account" amounted to NOK 5,7 million. Estimate for corresponding number at the end of 2003 is NOK 22,2 million.

	<b>30 Sept 2 003</b>	<b>30 Sept 2 002</b>	<b>2 002</b>
<b>Fixed assets</b>			
IT systems	49 340	58 763	57 857
Deferred tax assets	30 363	38 132	30 363
Tangible assets	40 884	35 824	44 350
Financial fixed assets	20 466	45 262	23 738
<b>Current assets</b>			
Receivables	40 039	40 407	35 848
Cash and liquid assets	148 754	95 750	112 766
<b>Assets</b>	<b>329 845</b>	<b>314 138</b>	<b>304 922</b>
<b>Equity</b>			
Paid in capital	173 405	173 405	173 405
Retained earnings	85 106	64 787	42 734
<b>Liabilities</b>			
Provisions for liabilities	15 473	13 163	13 484
Current liabilities	55 861	62 783	75 300
<b>Equity and liabilities</b>	<b>329 845</b>	<b>314 138</b>	<b>304 922</b>

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## Cash flow

The Oslo Børs Group recorded a net change in cash flow of NOK 13.3 million in the third quarter. There have been no major investments in systems in 2003 and cash flows from investment activities are therefore substantially lower than in 2002 when the implementation of Saxess and development of a new website were ongoing projects.

Cash and cash equivalents held at the end of the quarter came to NOK 148.8 million. Due to substantial prepayments from the bourse's customers at the start of the year, cash flow was highest in the first quarter.

	<b>3rd Quarter 2003</b>	<b>3rd Quarter 2002</b>	<b>30 Sept 2 003</b>	<b>30 Sept 2 002</b>	<b>2 002</b>
<b>Cash flow from</b>					
- operational activities	13 574	2 205	68 993	56 602	65 528
- investment activities	-237	-8 604	-3 007	-45 771	-37 684
- financing activities	0	-70 000	-30 000	-90 000	-90 000
<b>Cash and liquid assets at the start of the period</b>	135 410	172 149	112 766	174 922	174 922
Change in cash and liquid assets	13 337	-76 399	35 986	-79 170	-62 156
<b>Cash and liquid assets at the end of the period</b>	148 754	95 750	148 754	95 750	112 766 0
<b>Cash flow per share before financing activities (NOK)</b>	<b>2,67</b>	<b>-1,28</b>	<b>13,20</b>	<b>2,17</b>	<b>5,57</b>
<b>Cash flow per share (NOK)</b>	<b>2,67</b>	<b>-15,28</b>	<b>7,20</b>	<b>-15,83</b>	<b>-12,43</b>

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## Equity

At quarter-end equity amounted to NOK 258.5 million, and the equity ratio was approximately 78%.

	<b>3rd Quarter 2003</b>	<b>3rd Quarter 2002</b>	<b>30 Sept 2 003</b>	<b>30 Sept 2 002</b>	<b>2 002</b>
<b>Equity at the start of the period</b>	242 239	298 222	216 139	273 149	273 149
Profit for the period	16 271	9 970	42 372	35 043	42 992
Dividend	0	0	0	0	-30 000
Reduction of capital	0	-70 000	0	-70 000	-70 000
<b>Equity at the end of the period</b>	258 511	238 192	258 511	238 192	216 139
<b>Equity ratio</b>	78 %	76 %	78 %	76 %	71 %

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## Segment information

The segmental overview shows revenues from the bourse's business areas together with operating expenses distributed on the respective areas. "Other" includes the bourse's course programmes (Oslo Børs Institute).

Revenues from derivatives cover direct costs and to some extent overheads.

	<b>3rd Quarter 2003</b>	<b>3rd Quarter 2002</b>	<b>30 Sept 2 003</b>	<b>30 Sept 2 002</b>	<b>2 002</b>
<b>Equity Markets</b>					
Operating revenues	24 687	21 470	69 643	70 991	94 270
Operating profit	8 045	2 721	17 825	13 494	13 069
<b>Fixed Income Markets</b>					
Operating revenues	5 896	5 882	19 245	18 188	24 045
Operating profit	2 090	2 037	8 076	7 317	8 515
<b>Derivatives Markets</b>					
Operating revenues	2 340	1 664	6 849	4 665	6 243
Operating profit	-1 807	-2 600	-6 424	-9 255	-12 464
<b>Financial Market data</b>					
Operating revenues	23 408	21 257	66 993	69 841	91 741
Operating profit	12 475	9 392	33 837	29 487	41 709
<b>Other</b>					
Operating revenues	1 763	806	3 538	3 897	5 997
Operating profit	543	-71	3	794	1 661
<b>Total operating revenues</b>	<b>58 094</b>	<b>51 078</b>	<b>166 267</b>	<b>167 583</b>	<b>222 296</b>
<b>Total operating profit</b>	<b>21 346</b>	<b>11 479</b>	<b>53 316</b>	<b>41 836</b>	<b>52 490</b>

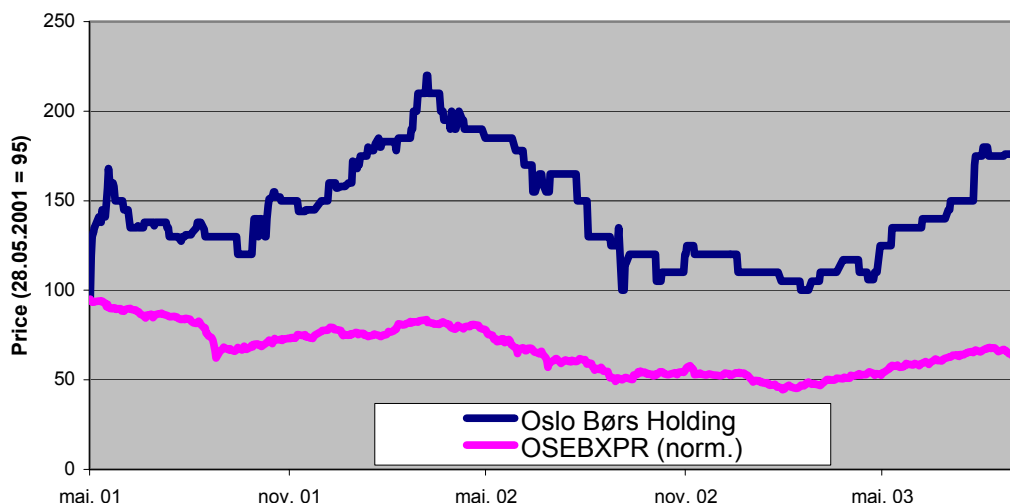
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## Shareholder information

### Price trend Oslo Børs Holding ASA:

The graph shows the price trend for Oslo Børs Holding ASA, unadjusted for disbursed dividends and capital reduction. The price trend is compared with the OSEBX price index, also unadjusted for dividends. Since May 2001 dividends and capital reduction comprising NOK 24.- per share have been paid out to shareholders.

Oslo Børs Holding VS OSEBX Priceindex



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### Oslo Børs Holding ASA - 20 largest shareholders as of 8 October 2003:

Name	Nationality	No. of shares held	Holding as %
1. FIDELITY FUND EUROPE	LUX	500 000	10,00
2. ORKLA ASA	NOR	499 500	9,99
3. GJENSIDIGE NOR	NOR	483 512	9,67
4. MORGAN STANLEY (nominee account)	GBR	479 262	9,58
5. DEN NORSKE BANK ASA	NOR	433 213	8,66
6. NORSK HYDROS PENSJONSKASSE	NOR	355 206	7,10
7. DANSKE BANK A/S (nominee account)	DNK	200 000	4,00
8. KLP FORSIKRING	NOR	200 000	4,00
9. STATE STREET BANK (nominee account)	USA	156 000	3,12
10. INDUSTRIFORSIKRING	NOR	130 000	2,60
11. NORDEA LIV NORGE AS	NOR	116 100	2,32
12. PARETO AS	NOR	100 000	2,00
13. PARETO SECURITIES AS	NOR	100 000	2,00
14. BRAGANZA	NOR	85 920	1,71
15. THIRD AVENUE INTL. CITYBANK (nominee account)	USA	85 000	1,70
16. ERIK MUST A/S	NOR	68 824	1,37
17. VITAL FORSIKRING ASA	NOR	66 667	1,33
18. EINAR M. HANASAND	NOR	53 805	1,07
19. THE NORTHERN TRUST (nominee account)	GBR	47 000	0,94
20. TELENOR PENSJONSKASSE	NOR	45 300	0,90
<b>Total 20 largest</b>		<b>4 205 309</b>	<b>84,06</b>

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## Key figures

	<b>3rd Quarter 2003</b>	<b>3rd Quarter 2002</b>	<b>30 Sept 2003</b>	<b>30 Sept 2002</b>	<b>2 002</b>
<b>Financial</b>					
Earnings per share (NOK)	3,25	1,99	8,47	7,01	8,60
Cash flow per share before dividends and capital reduction (NOK)	2,67	-1,28	13,20	2,17	5,57
Net cash flow per share (NOK)	2,67	-15,28	7,20	-15,83	-12,43
Return on equity	26,0 %	14,9 %	23,8 %	18,3 %	17,6 %
Return on total capital	27,6 %	15,7 %	24,7 %	19,6 %	18,8 %
Net operating margin	36,7 %	22,5 %	32,1 %	25,0 %	23,6 %
<b>Operational</b>					
Benchmark index at end of period	142,65	110,62	142,65	110,62	115,21
Change in period	6,3 %	-38,2 %	23,8 %	-0,11	-0,31
Equities - no. of transactions (1000)	660	454	1 662	1 498	2 048
Equities - value of turnover (NOK bill)	156	97	393	337	444
Market capitalisation of listed companies (NOK bn)			573	482	503
No. of companies listed			182	204	204
Change in period			-22	-8	-8
Bonds - no. of listed issues			835	851	838
Derivatives - no. of contracts traded (1000)	1 062	843	2 735	2 380	3 176

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Styret i Oslo Børs Holding ASA/Oslo Børs ASA

22 October 2003