

Oslo Børs Holding ASA – 3rd quarter 2001

Third quarter highlights

- **Reduced marketplace activity**
 - **Continuing sound trend in sales of financial market data**
 - **Uncertainty about developments over next 6 - 12 months**
 - **Somewhat better figures expected for the year than forecast in March 2001**
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The 3rd quarter

In general

Oslo Børs Holding ASA achieved an operating profit of NOK 18.4 (6.3) million in the third quarter. The operating profit as at 30 September was NOK 40.3 (17.8) million, while the profit after tax for the same period was NOK 41.9 (20.7) million. The changes are partly due to increased revenues this year compared with the same period last year. The result is also affected by capitalisation of internal resources in investment projects, changes in the depreciation plan for the trading system and refunding of Oslo Børs's outlays in connection with the sale of shares of Oslo Børs Holding ASA.

In addition to the customary low level of activity in July, the share and derivatives markets in the third quarter were marked by a wait-and-see sentiment in August and by turbulence and fears after the attacks on the US in September. As a result, prices and trading activity have declined across the world. Oslo Børs has also been hit.

Specifically Norwegian events in the third quarter compounded the negative trend in the securities market.

Trading activity in the share market in terms of the number of transactions was more than 20% lower in the third quarter than in the same period last year. In terms of turnover activity was more than 30% lower than in last year's third quarter. As of the third quarter activity levels are just short of 5% lower than last year.

Sales of financial market data have so far not been affected by falling activity levels in securities markets, and have risen by 30% compared with the third quarter of last year. The drop in market activity creates some uncertainty about the prospects for this area.

Between end-2000 and the attacks on the USA in September, Oslo Børs showed an index trend slightly better than the average of the largest bourses in Europe and the Nordic countries. In the period between these events and end-September, however, Oslo Børs has performed below the average.

So far this year investments made total about NOK 40 million, of which NOK 33 million refers to systems investments.

Revenues

In the third quarter of 2001 Oslo Børs recorded operating revenues of NOK 55.3 million, an increase of 14% over the same period last year. Overall revenues so far this year come to NOK 165.8 million, also an increase of 14% over the same period last year.

Trading activity is customarily somewhat higher in the third quarter than the second quarter, but this year the opposite has been the case. In 2001 the second quarter brought higher activity than normal, while the third quarter level was lower than normal. Concurrently revenues from sales of financial market data have continued to rise.

Costs

Operating costs for the third quarter of 2001 come to NOK 36.9 million, a reduction of about 12% from the same period of 2000. Operating costs so far this year total NOK 125.4 million, i.e. about 1% lower than in the same period last year.

In the third quarter NOK 2.9 million was capitalised to cover the use of in-house resources instead of consultants in investment projects. So far this year NOK 4.9 million has been capitalised. Owing to a change in the depreciation plan, depreciation of the present trading system, ASTS, was NOK 3.2 million lower than in the same period last year.

When these two factors are adjusted for, operating costs for the third quarter of 2001 come to NOK 41.4 million, which is about 1% lower than in the same period of 2000. When costs for the first three quarter are adjusted for by the above factors, there is a rise of 5% compared with the same period of 2000. This is related to ongoing investment projects on the IT front, and the fact that extra costs are associated with running the existing trading system while at the same time preparing for the introduction of a new system.

Oslo Børs wound up

The self-owned institution Oslo Børs has been wound up. Oslo Børs ASA has been refunded the costs incurred by the bourse on preparing for and implementing the share offering on behalf of the institution Oslo Børs and on the winding up. In that connection NOK 4.5 million was taken to revenue in the third quarter under the item "other revenues", while NOK 1.3 million was entered as associated costs. The bulk of this is not assumed to be taxable revenue.

The NOREX-alliance

In November 2000 Oslo Børs signed the agreements on which participation in the Nordic stock exchange alliance NOREX is based. As a step in this collaboration, Oslo Børs will install the Saxess trading system in the first quarter of 2001. This is crucial to the vision of forming a joint marketplace for the Nordic countries. NOREX has conducted a number of other activities in the areas of marketing, rule harmonisation, collaboration in development and operation of IT systems etc., in the course of 2001.

Rule harmonisation is an important part of creating a joint marketplace. NOREX published joint trading rules in October. Harmonisation of other rules is in progress.

The NOREX bourses are of the view that enhancing the efficiency of cross-border settlement routines in securities trading will be an important factor for success in the future. Foreign investors account for a substantial share of the activity on all the bourses in question. Achieving a reduction of these investors' settlement costs is therefore a priority task. As of the third quarter Oslo Børs's share of NOREX expenditure on developing a better settlement system is NOK 1 million.

Based on Saxess, the Copenhagen Stock Exchange and Oslo Børs are working together to develop support systems for stock exchange operation. Subsequent operation of the systems will also be on a joint basis, located in Oslo. The collaboration entails cost economies for both exchanges.

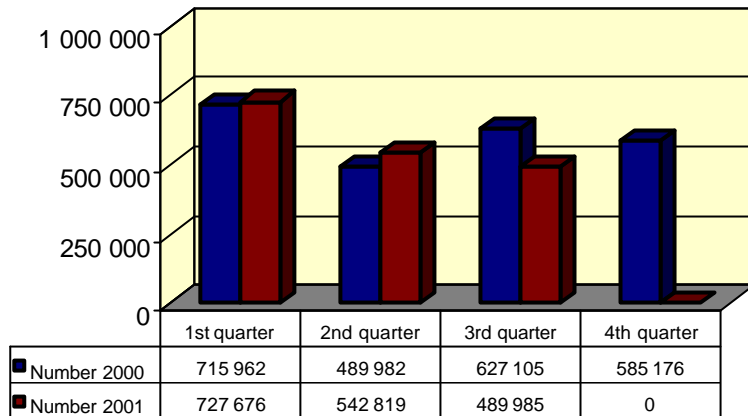
The transition to the Saxess trading system makes it simpler for members at the other NOREX bourses, where Saxess is already up and running, to join Oslo Børs. An increase in the number of members will make the Oslo Børs's products more accessible to more investors, which could generate greater trading at the exchange. Oslo Børs will in the near future start a marketing drive to attract new members.

Market conditions

Activity in the secondary market for shares was at times far lower in the third quarter compared with the same period last year and with previous periods in the current year.

As will be seen from the chart to the right, the number of transactions in the third quarter of 2001 was about 22% lower than in the same period last year and about 23% lower than the average for the first half of the current year. So far this year the number of transactions is about 4% lower than in the same period last year.

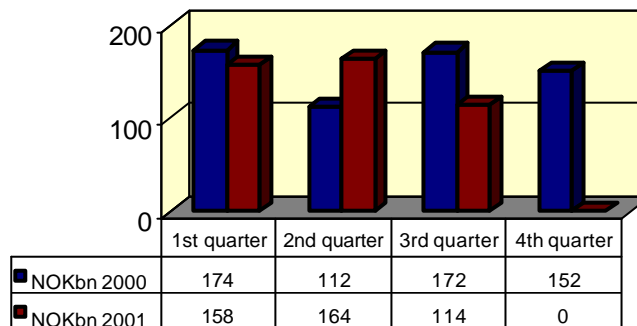
No. of transactions - equity



As a result of lower activity and lower value of the shares traded, overall turnover in value terms was appreciably lower than in previous periods.

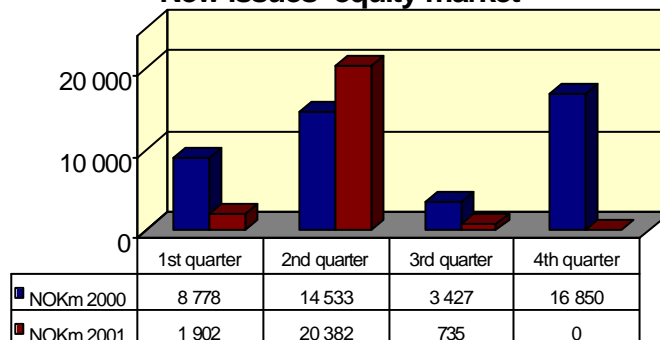
Turnover in the third quarter was 33% lower than in the same period last year and 29% lower than the average for the first half of the current year. So far this year the turnover value has been about 5% lower than in the same period last year.

Value of turnover - equity

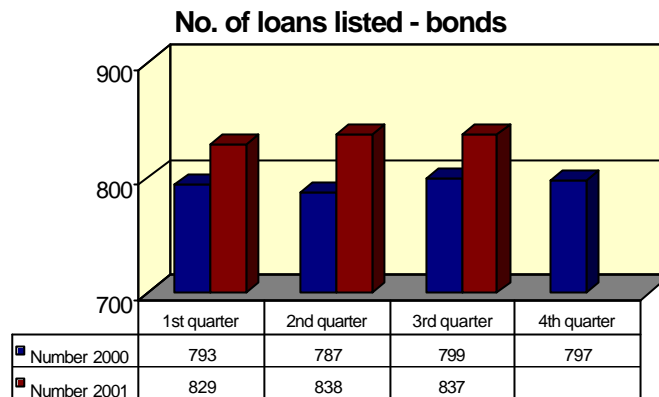


Activity in the new-issue market was very low in the period. This affects the bourse's revenues associated with admission of new companies and issues etc.

New issues- equity market

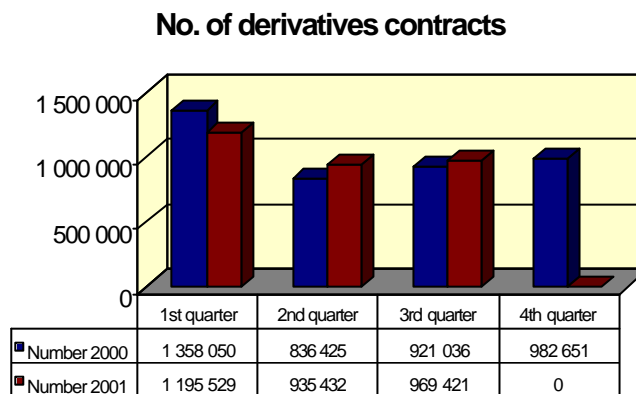


The number of listed bonds and certificates has exceeded year 2000 levels throughout the current year. This is reflected in higher revenues in the business area Fixed Income Markets in 2001.



Activity in the derivatives market rose from month to month in the third quarter. The turbulence in financial markets in September brought, naturally enough, increased activity through the month.

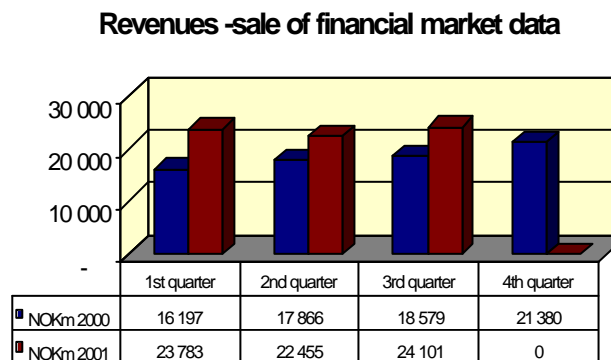
Average premium per contract has varied over the quarter, but rose in September. While premium in the first half-year averaged NOK 8.1, by end-quarter it had risen to NOK 8.6. This compares with an average of NOK 9.6 at the end of the same quarter last year.



Revenues from sales of financial market data are still on an upward trend.

Revenues have increased by about 33% so far in 2001 compared with the same period last year.

The reduced activity in the securities market makes for some uncertainty as regards market data sales in the periods ahead.



Se www.ose.no/ir for further operational main figures

Segment reporting

		3rd quarter 2001	3rd quarter 2000	Sept 30 2001	Sept 30 2000	2000
With the exception of Derivatives, all business areas have achieved positive operating results.	Equity Markets					
	Operating revenues	18 717	21 631	61 922	65 254	84 401
	Operating profit	2 570	2 006	6 248	7 851	-4 585
Segment information shows all Oslo Børs's operating costs distributed by business area. Derivatives have recorded an approximately break-even result so far this year when only directly identifiable costs are taken into account.	Fixed Income Markets					
	Operating revenues	5 349	5 330	16 672	14 861	19 567
	Operating profit	1 853	1 051	4 967	2 310	2 029
	Derivatives Markets					
	Operating revenues	2 269	3 179	8 409	10 818	14 010
	Operating profit	-1 481	-2 152	-5 084	-3 834	-6 323
One of the management team's objectives for 2002 is to achieve satisfactory profit in each business area in relation to the capital tied up in the respective areas.	Financial Market data					
	Operating revenues	24 101	17 342	70 339	52 642	76 497
	Operating profit	11 241	4 471	28 216	9 834	21 936
	Other					
	Operating revenues	4 895	916	8 436	1 692	2 352
	Operating profit	4 258	916	6 016	1 692	2 235
	Total operating revenues	55 331	48 397	165 778	145 266	196 827
	Total operating profit	18 441	6 292	40 363	17 854	15 292

Cash-flow analysis and investment

The Oslo Børs Group recorded a net negative cash flow of NOK 9.7 million in the third quarter compared with a negative NOK 10.9 million in the same period of 2000. The net cash flow so far in 2001 comes to NOK 41.1 million compared with NOK 43.5 million in the same period last year.

Systems investments so far this year amount to about NOK 32.5 million. Total investment so far in 2001 is about NOK 40 million, i.e. about NOK 31 million higher than in the same period of 2000. The projects in question will continue to year-end. At the same time other projects, such as alterations to the Oslo Børs building, will start in the fourth quarter of 2001. Total provision for alterations is about NOK 44 million. Part of this figure represents postponed maintenance which will be taken to costs.

	3rd quarter 2001	3rd quarter 2000	Sept 30 2001	Sept 30 2000	2000
Cash flow from					
- operational activities	9 560	-7 710	80 803	52 293	71 858
- investment activities	-19 227	-3 293	-39 715	-8 779	-16 908
- financing activities	0	0	0	0	0
Cash and liquid assets at the start of the period	172 727	121 481	121 973	67 023	67 023
Change in cash and liquid assets	-9 666	-10 943	41 088	43 514	54 950
Cash and liquid assets at the end of the period	163 061	110 538	163 061	110 538	121 973
Change in cash per. share	-1,93	-2,19	8,22	8,70	10,99

Equity

Equity totalled NOK 285 million at end-quarter. The equity ratio was about 82%.

	3rd quarter 2001	3rd quarter 2000	Sept 30 2001	Sept 30 2000	2000
Equity at the start of the period	268 205	167 712	195 927	174 811	174 811
Profit for the period	17 146	7 802	41 946	20 702	20 654
Deferred tax asset	0	0	47 478	0	0
Effect of changes in accounting princip	0	0	0	0	462
Equity at the end of the period	285 351	195 514	285 351	195 514	196 927
Equity ratio			82 %	82 %	83 %

Outlook

The turbulence and uncertainty currently affecting securities markets is expected to dampen profit performance in the fourth quarter. Even so the result for the year is expected to be somewhat better than the forecast of just over NOK 40 million before tax that was prepared this June. A weak result is anticipated for the fourth quarter, due to lower revenues and higher costs than in other quarters of the year. Part of the cost increase refers to maintenance of the Oslo Børs building in the fourth quarter.

Income statement and balance sheet

This interim report has been prepared in keeping with the same accounting principles as those employed in the annual financial statement.

(NOK 1000)	3. Quarter 2001	3. Quarter 2000	Sept 30 2001	Sept 30 2000	2000
Operating revenues	55 331	48 397	165 778	145 266	196 827
Operating costs					
Salaries and related costs	11 344	15 726	45 014	45 747	61 300
Depreciation	10 665	12 649	33 511	37 508	49 543
Other operating costs	14 881	13 731	46 890	44 158	70 692
Total operating costs	36 890	42 105	125 415	127 412	181 535
Operating profit	18 441	6 292	40 363	17 854	15 292
Net financial items	3 261	2 113	9 429	4 649	7 809
Ordinary pre-tax profit	21 703	8 405	49 792	22 503	23 101
Tax	4 557	603	7 846	1 801	2 447
Profit for the period	17 146	7 802	41 946	20 702	20 654
Profit per share	3,43	1,56	8,39	4,14	4,13
Fixed assets					
Intangible assets			32 511		-
Deferred tax assets			40 637	723	1 006
Tangible assets			28 668	67 908	57 370
Financial fixed assets			38 257	26 036	36 925
Current assets					
Receivables			43 872	32 177	20 111
Cash and liquid assets			163 061	110 538	121 973
Assets			347 006	237 382	237 385
Equity			285 351	195 514	195 927
Liabilities					
Provisions for liabilities			10 230	8 455	9 313
Current liabilities			51 425	33 413	32 145
Equity and liabilities			347006	237382	237385

Board of Directors
Oslo Børs Holding ASA/Oslo Børs ASA

24 October 2001