

# Oslo Børs Holding ASA – third quarter 2005

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## Third quarter highlights:

- **Trading activity, revenues and profits at a record high**
  - **6 new companies admitted to listing in the quarter**
  - **Operating revenues: NOK 91.2 (62.5) million**
  - **Operating profit: NOK 52.9 (23.5) million**
  - **Earnings for the period: NOK 38.8 (17.0) million**
  - **Earnings per share: NOK 7.77 (3.39)**
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## Activity in the third quarter of 2005 (same period last year in brackets)

### General

The high level of market activity seen in the equities market in the second quarter continued into the third quarter. The Benchmark Index (OSEBX) closed the third quarter at 328.16, up by around 16% since the close of the second quarter and all of 38.6% higher than at the start of the year. The energy index gained a further 25% in the third quarter, bringing its gain for the year to date to some 81%. The Benchmark Index has fallen sharply since the close of the third quarter, and was approximately 298 on 26 October.

Companies continue to show strong interest in seeking a listing on the Oslo market. Six new companies were admitted to listing in the quarter, and one company was deleted from listing. For the first nine months as a whole, 26 new companies have been admitted to listing and six have been deleted from listing.

Oslo Børs works continuously to promote greater activity in the Oslo market, and this includes attracting more participants, improving access to securities and generally improving marketplace quality. A particular focus on Swedish investors has led to some increase in trading from this market, and marketing to prospective remote members resulted in one new member in the third quarter, and a further new member is due to start trading in mid-October.

Shares and primary capital certificates worth NOK 409 (223) billion changed hands in the third quarter, representing an increase from the second quarter. Transactions in the equity market totalled 1,510,692 (682,936), an increase of around 120% from the third quarter of 2004. The average daily number of transactions has increased every month this year, and reached the highest ever in September with a daily average of over 25,000 transactions. A total of 208 companies were listed at the close of the third quarter. This represents an increase of 23 from the same time last year. New issues carried out during the third quarter raised around NOK 6.4 billion (1.8) in total.

837 (843) bonds and other fixed-income instruments were listed at the close of the third quarter. 19 issues were listed on the Alternative Bond Market (ABM).

The derivatives market saw a high level of activity in the third quarter. There was strong trading activity in certain contracts, accompanied by high average premiums. Trading activity was particularly strong in stock forward contracts. The number of contracts traded overall was 1,617,228 as compared to 1,122,466 in the third quarter of 2004. The average premium for derivatives contracts for the first nine months was NOK 6.6 (7.1). Oslo Børs' operating revenue from derivatives trading is affected by the number of contracts and premium levels.

The number of end-users with access to market data from Oslo Børs was some 3% higher at the close of the third quarter than at the end of the second quarter, and around 12% higher than at the same time last year.

### Revenues

Third quarter revenues totalled NOK 91.2 (62.5) million. Revenues for the year to date total NOK 256.9 (198.3) million. The increase in revenues came mainly from equity trading and new listings. Revenues from sales of market data were 3% higher than in the second quarter and 9% higher than in the third quarter of 2004. Changes to the product and price structure with effect from the third quarter of 2004 have caused growth in revenues to be lower than the growth in terminal numbers.

**Costs**

Third quarter operating costs amounted to NOK 38.3 (39.0) million. Operating costs for the year to date total NOK 124.4 (123.2) million.

Salary and staff costs totalled NOK 18.0 (18.8) million in the third quarter. Third quarter 2004 costs were affected by a change in the assumptions used for the calculation of pension liabilities (NOK 2 million). If this is taken into account, the increase from the third quarter of 2004 to the third quarter of 2005 is around NOK 1.2 million. This increase is principally due to annual salary increases applied on 1 January and an increase in employee numbers. Changes have been made in 2005 to the economic assumptions used for calculating pension liabilities. Under IFRS accounting, this will not affect pension costs for 2005. The changes will, however, cause a deviation from estimates which in accordance with the accounting principles applied will not be recognised to profit and loss.

Other third quarter operating expenses totalled NOK 14.8 million, and were in line with other expenses for the same quarter last year (14.7).

**Extension of the contract with OMX for the use of SAXESS**

Oslo Børs entered into an agreement with OMX Technology in October 2005 to extend its right to use the SAXESS trading system to the end of 2010. Oslo Børs uses SAXESS for trading in the equity and bond markets.

The extension of this contract means that, in accordance with generally accepted accounting practice, the depreciation period for the costs of the implementation project carried out when SAXESS was first implemented should be extended to 2010. This change, which will apply from 1 January 2005, will be implemented in the accounts for the fourth quarter of 2005 and will reduce annual depreciation by NOK 5.4 million.

The accrual of the system connection fee will be held constant until the expiry of the original agreement in May 2007. Annual operating costs are otherwise virtually unchanged.

**Bente A. Landsnes to be President of Oslo Børs**

The Board of Oslo Børs has appointed Bente A. Landsnes as the new President and Chief Executive Officer of Oslo Børs. Bente A. Landsnes is currently Group Executive Vice President, IT and Payment Services at DNB NOR ASA, and is a member of the Group Executive Management. She also has experience as a non-executive director of Oslo Børs, VPS (the Norwegian Central Securities Depository) and NOS (formerly the Norwegian Futures and Options Clearing House). Bente A. Landsnes will take up her position as President of Oslo Børs on 1 January 2006 at which time the current President, Sven Arild Andersen, retires with pension.

**NS 7799 certification**

In the third quarter, Det norske Veritas granted Oslo Børs certification in accordance with the Norwegian standard NS 7799, which is based on the international standard BS 7799 for information security. Oslo Børs has defined its objective for information security as establishing and maintaining a system to manage information security that meets the needs and expectations of the exchange itself, the authorities, clients and business partners. The information security management system covers all areas of Oslo Børs' activity.

**Prospects**

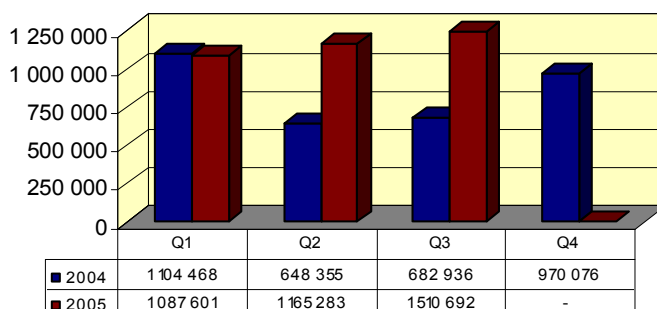
Oslo Børs' revenues varies in line with activity levels, above all with trading in the equity market and the trend in sales of financial market data as measured by the number of terminals.

Oslo Børs expects that its total operating costs for 2005 will be just under NOK 180 million.

## Market developments

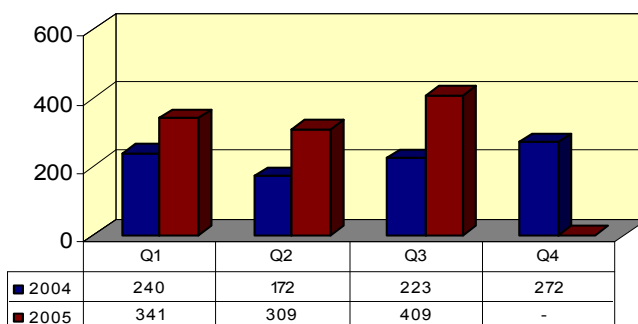
The third quarter saw a further increase in activity, with a 30% increase in the number of transactions from the previous quarter. The level of activity in the quarter was some 120% higher than in the same quarter last year.

**Equity market - number of transactions**



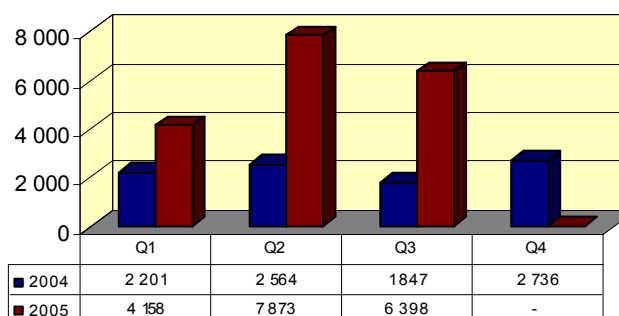
In terms of value, activity in the third quarter was around 32% higher than in the previous quarter and 83% higher than in the third quarter of last year.

**Equity market - value of trades Billion NOK**



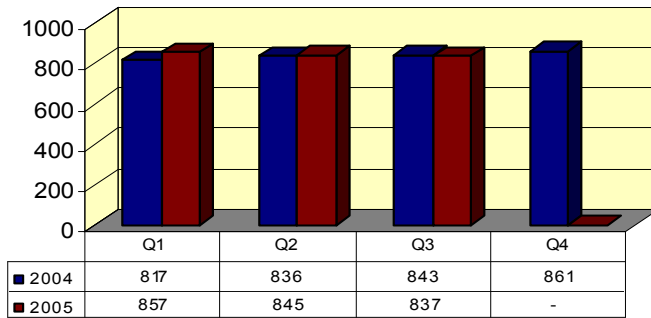
The total value of new issues in the third quarter was 19% lower than in the previous quarter, but the value of capital raised was still almost four times that achieved in the third quarter of 2004.

**Equity market - value of new issues Million NOK**



### Bond market - number of listed issues

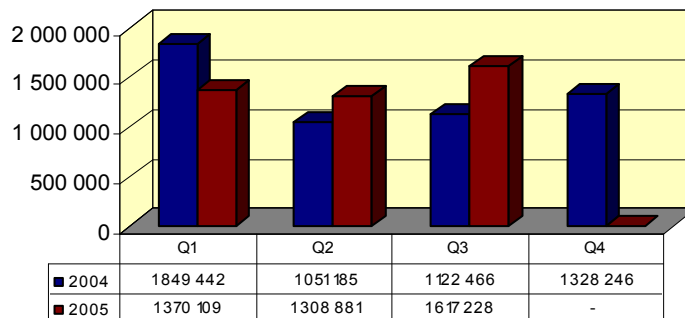
The number of listed issues in the fixed income market was slightly lower than in the previous quarter and the third quarter of 2004.



### Derivatives market - number of contracts traded

The level of activity in the derivatives market increased in the third quarter. Some 24% more contracts were traded than in the second quarter, and 44% more than in the third quarter of 2004.

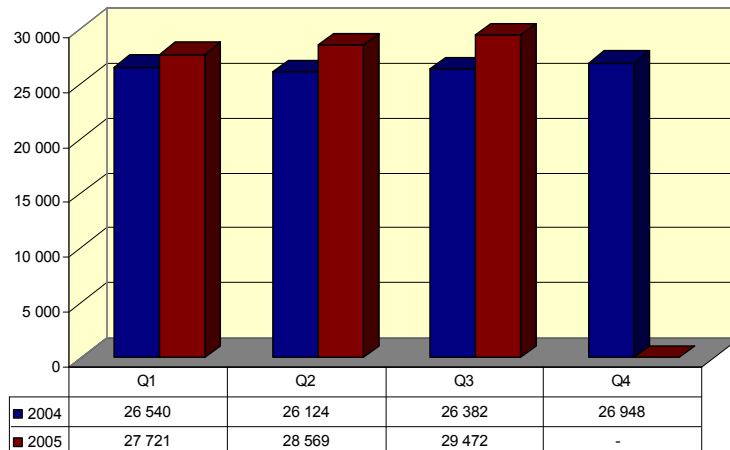
The average premium so far this year is NOK 6.6 as compared to NOK 7.1 at this stage last year.



### Financial Market Data - number of end-users

The number of end-users of market data from Oslo Børs was around 3% higher at the end of the third quarter than at the end of the second quarter. The comparison with the third quarter of 2004 shows an increase of 12%.

Some distributors report actual terminal numbers with a month's delay. The figure for the total number of terminals at the close of the third quarter is therefore an estimate that may be subject to subsequent revision.



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 Oslo Børs Holding ASA group unless otherwise stated. The group comprises Oslo Børs Holding ASA, Oslo Børs ASA and Oslo Børs Informasjon AS.

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## Profit and loss account

With effect from 1 January 2005, all financial information is reported in accordance with the current International Financial Reporting Standards (IFRS). Further information on the transition to IFRS can be found on page 61 of the 2004 annual report.

	<b>3rd Quarter 2005</b>	<b>3rd Quarter 2004</b>	<b>30 Sept 2005</b>	<b>30 Sept 2004</b>	<b>2004</b>
<b>Operating revenues</b>	<b>91 219</b>	<b>62 490</b>	<b>256 851</b>	<b>198 279</b>	<b>268 680</b>
<b>Operating expenses</b>					
Salary and other personnel expenses	18 035	18 784	62 097	61 251	85 141
Depreciation	5 446	5 445	16 373	16 451	21 969
Other operating expenses	14 823	14 725	45 909	45 484	60 910
<b>Total operating expenses</b>	<b>38 304</b>	<b>38 954</b>	<b>124 379</b>	<b>123 186</b>	<b>168 020</b>
<b>Operating profit</b>	<b>52 915</b>	<b>23 536</b>	<b>132 472</b>	<b>75 093</b>	<b>100 660</b>
Net financial items	511	670	8 742	3 446	4 108
<b>Ordinary pre-tax profit</b>	<b>53 426</b>	<b>24 206</b>	<b>141 214</b>	<b>78 539</b>	<b>104 768</b>
Tax	14 586	7 254	36 683	23 540	29 024
<b>Earnings for the period</b>	<b>38 840</b>	<b>16 951</b>	<b>104 531</b>	<b>54 999</b>	<b>75 744</b>
<b>Earnings per share (NOK)</b>	<b>7,77</b>	<b>3,39</b>	<b>20,91</b>	<b>11,00</b>	<b>15,15</b>
<b>Diluted earnings per share (NOK)</b>	<b>7,77</b>	<b>3,39</b>	<b>20,91</b>	<b>11,00</b>	<b>15,15</b>

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## Operating revenues by area and category

The year-on-year increase in revenues seen in the third quarter came mainly from the equity markets area, where trading and admissions to listing showed the strongest increases. Revenue from sales of financial market data also showed a sound increase.

Oslo Børs introduced changes to fees for admission to listing and inspection of prospectuses with effect from the start of 2005. The prospectus fee has been reduced to a fixed payment of NOK 50,000. At the same time an introduction and registration fee has been introduced, which is calculated on the market value of the capital to be listed.

	<b>3rd Quarter 2005</b>	<b>3rd Quarter 2004</b>	<b>30 Sept 2005</b>	<b>30 Sept 2004</b>	<b>2004</b>
Equity Markets	53 248	29 477	146 417	94 665	130 846
Fixed Income Markets	6 262	6 113	20 404	19 460	26 012
Derivatives Markets	4 778	2 510	11 304	9 805	12 520
Financial Market data	25 621	23 504	74 985	70 755	94 743
Other	1 309	887	3 741	3 595	4 559
<b>Total operating revenues</b>	<b>91 219</b>	<b>62 490</b>	<b>256 851</b>	<b>198 279</b>	<b>268 680</b>

	<b>3rd Quarter 2005</b>	<b>3rd Quarter 2004</b>	<b>30 Sept 2005</b>	<b>30 Sept 2004</b>	<b>2004</b>
Fixed fees- issuers	14 764	12 659	44 151	38 319	50 772
Fixed fees - members	2 391	2 305	6 809	6 905	9 200
Trading fees	39 477	19 770	99 642	65 102	90 120
Prospectus and admission fees	7 656	2 425	26 561	12 546	17 688
Financial market data	25 621	23 504	74 985	70 755	94 743
Income from courses/seminars	455	311	2 005	2 022	2 467
Other income	854	1 516	2 697	2 631	3 691
<b>Total operating revenues</b>	<b>91 219</b>	<b>62 490</b>	<b>256 851</b>	<b>198 279</b>	<b>268 681</b>

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## Balance sheet

Financial assets principally comprise shares in VPS Holding ASA. The cost price of the shareholding is NOK 150 per share. Fair value at the close of the third quarter of 2005 was estimated to be NOK 260 per share. In accordance with IFRS, the difference between cost price and estimated fair value (NOK 36 million) has been applied directly to equity.

Oslo Børs has divided its premises assets into constituent components and has applied different depreciation rates in accordance with the relevant expected commercial life of the components. This has caused an increase in depreciation of tangible fixed assets.

Short-term receivables totalled NOK 56 million at the end of the third quarter. Of this, trade receivables totalled NOK 32 million. Other current receivables were NOK 23 million, including prepaid expenses of NOK 17 million and income accrued but not yet invoiced of some NOK 6 million.

Cash and cash equivalents totalled NOK 142 million at the end of the third quarter. In addition, NOK 7 million of liquid assets are classified as financial fixed assets.

Current liabilities amounted to approximately NOK 80 million at the end of the third quarter. This includes NOK 21 million for accrual accounting of listing fees and other annual fees. Accrual for costs incurred accounts for NOK 5 million, and tax payable amounts to approximately NOK 37 million.

	<b>30. Sept 2005</b>	<b>30. Sept 2004</b>	<b>2004</b>
<b>Fixed assets</b>			
IT systems	20 656	34 907	31 345
Deferred tax assets	29 354	29 821	29 354
Tangible assets	37 794	36 167	37 877
Financial fixed assets	93 976	68 387	65 051
<b>Current assets</b>			
Receivables	55 546	44 404	39 096
Cash and liquid assets	141 555	86 286	110 894
<b>Assets</b>	<b>378 881</b>	<b>299 973</b>	<b>313 617</b>
<b>Equity</b>			
Contributed equity	113 405	113 405	113 405
Earned equity	145 570	84 155	104 900
Total equity	258 976	197 560	218 305
<b>Liabilities</b>			
Provisions for liabilities	39 483	30 547	38 589
Current liabilities	80 423	71 866	56 723
<b>Equity and liabilities</b>	<b>378 881</b>	<b>299 973</b>	<b>313 617</b>

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## Cash flow

The Oslo Børs Group recorded an increase of NOK 30 million in its cash holding in the third quarter. Cash from operations is traditionally high in the first quarter of the year when Oslo Børs receives payments of annual fees from issuers, members and distributors of financial market data.

Cash and cash equivalents totalled NOK 142 million at the close of the third quarter. In addition, NOK 7 million of liquid assets are classified as financial fixed assets.

	<b>3rd Quarter 2005</b>	<b>3rd Quarter 2004</b>	<b>30 Sept 2005</b>	<b>30 Sept 2004</b>	<b>2004</b>
<b>Cash flow from</b>					
- operational activities	33 042	18 942	122 817	94 212	122 486
- investment activities	-3 488	-896	7 843	-51 938	-55 604
- financing activities	0	0	-100 000	-50 000	-50 000
<b>Cash and cash equivalents at period's start</b>	<b>112 001</b>	<b>68 240</b>	<b>110 894</b>	<b>94 012</b>	<b>94 012</b>
Change in cash and cash equivalents	29 554	18 046	30 661	-7 726	16 882
<b>Cash and cash equivalents at period's end</b>	<b>141 555</b>	<b>86 286</b>	<b>141 555</b>	<b>86 286</b>	<b>110 894</b>
<b>Cash flow per share before financing activities (NOK)</b>	<b>5,91</b>	<b>3,61</b>	<b>26,13</b>	<b>8,45</b>	<b>13,38</b>
<b>Cash flow per share (NOK)</b>	<b>5,91</b>	<b>3,61</b>	<b>6,13</b>	<b>-1,55</b>	<b>3,38</b>

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## Equity

Equity amounted to NOK 259 million at the end of the third quarter, and the equity ratio was approximately 68%.

	<b>3rd Quarter 2005</b>	<b>3rd Quarter 2004</b>	<b>30 Sept 2005</b>	<b>30 Sept 2004</b>	<b>2004</b>
<b>Equity at period's start</b>	<b>197 244</b>	<b>180 609</b>	<b>218 305</b>	<b>192 561</b>	<b>192 561</b>
Profit for the period	38 840	16 951	104 531	54 999	75 744
Dividends	0	0	-100 000	-50 000	-50 000
Capital reduction	0	0	0	0	0
Increase in value of financial instruments	22 890	0	36 138	0	0
<b>Equity at period's end</b>	<b>258 976</b>	<b>197 560</b>	<b>258 976</b>	<b>197 560</b>	<b>218 305</b>
<b>Equity ratio</b>	<b>68 %</b>	<b>66 %</b>	<b>68 %</b>	<b>66 %</b>	<b>70 %</b>

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## Reconciliation between IFRS and N GAAP

Interim reports for 2004 were based on generally accepted Norwegian accounting practice. The corresponding figures in interim reports for 2005 are converted to IFRS. The following table shows the difference between IFRS and generally accepted Norwegian accounting practice (N GAAP) for profit and loss and balance sheet items. Further information can be found in the 2004 annual report.

	<b>Result 3rd Quarter 2004</b>	<b>30 Sept 2004</b>	<b>Equity as of 31 March 2004</b>
<b>N GAAP</b>	<b>16 691</b>	<b>54 219</b>	<b>213 674</b>
Pensioncost/pension liabilities	629	1 887	-20 250
Depreciation/Building	-268	-804	-2 132
Tax effect of change in profit	-101	-303	6 267
<b>IFRS</b>	<b>16 951</b>	<b>54 999</b>	<b>197 560</b>

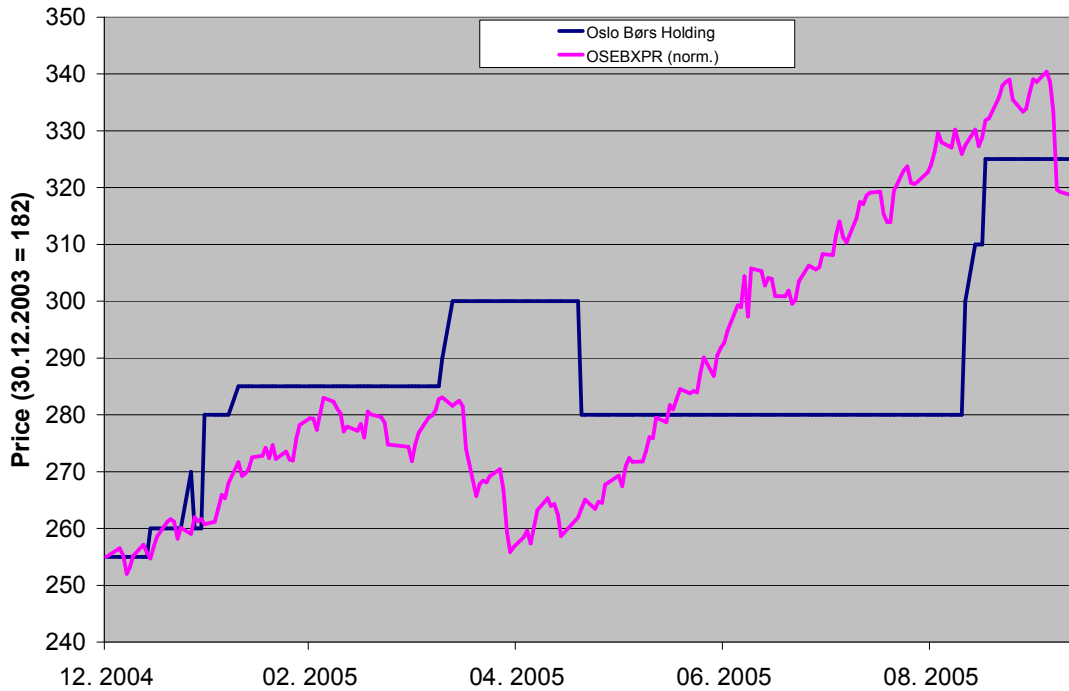
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## Shareholder information

### Oslo Børs Holding ASA share price:

The graph shows movements in the share price of Oslo Børs Holding ASA from May 2001 to September 2005, not adjusted for disbursed dividends or reduction of capital. The share price is compared with the OSEBX price index, also not adjusted for dividends. Since May 2001, Oslo Børs Holding ASA has distributed dividends and made a payment to shareholders in respect of a reduction in its share capital. These payments total NOK 66 per share.

Oslo Børs Holding VS OSEBX Priceindex



### Oslo Børs Holding ASA – 20 largest shareholders at 5 October 2005:

20 largest as of 5 October 2005:

Name	Nationality	Holding in numbers	Holding in percent
1. DNB NOR BANK ASA	NOR	983 404	19,67 %
2. FIDELITY FUNDS-EUROPE	LUX	500 000	10,00 %
3. ORKLA ASA	NOR	499 500	9,99 %
4. NORSK HYDROS PENSJONSKASSE	NOR	432 106	8,64 %
5. THIRD AVENUE INTL.	USA	351 700	7,03 %
6. STATE STREET BANK (nominee)	USA	249 150	4,98 %
7. JPMORGAN SECURITIES	GBR	245 000	4,90 %
8. MORGAN STANLEY (nominee)	GBR	234 262	4,69 %
9. KLP FORSIKRING	NOR	200 000	4,00 %
10. DANSKE BANK	NOR	150 000	3,00 %
11. PARETO AS	NOR	131 100	2,62 %
12. NORDEA LIV ASA	NOR	116 100	2,32 %
13. PARETO SECURITIES AS	NOR	100 028	2,00 %
14. FONDSFINANS FORVALTNING	NOR	68 824	1,38 %
15. NORDEA BANK	FIN	57 500	1,15 %
16. TELENOR PENSJONSKASSE	NOR	52 960	1,06 %
17. SPAREBANK 1	NOR	50 000	1,00 %
18. THE NORTHERN TRUST (nominee)	GBR	47 000	0,94 %
19. ABG SUNDAL COLLIER	NOR	45 000	0,90 %
20. UBS AG (nominee)	GBR	43 200	0,86 %
<b>Sum 20 largest</b>		<b>4 556 834</b>	<b>91,13 %</b>

## Key figures

	3rd Quarter 2005	3rd Quarter 2004	30. Sept 2005	30. Sept 2004	2004
<b>Financial</b>					
Earnings per share (NOK)	7,77	3,39	20,91	11,00	15,15
Diluted earnings per share (NOK)	7,77	3,39	20,91	11,00	15,15
Cash flow per share before dividends and capital reduction (NOK)	5,91	3,61	26,13	8,45	13,38
Change in cash per share (NOK)	5,91	3,61	6,13	-1,55	3,38
Return on equity	68,1 %	35,9 %	58,4 %	38,8 %	36,9 %
Return on total capital	60,1 %	32,6 %	54,4 %	37,1 %	36,2 %
Net operating margin	58,0 %	37,7 %	51,6 %	37,9 %	37,5 %
<b>Operational</b>					
Benchmark index at period's end	328,16	219,31	328,16	219,31	236,70
Change in period	15,8 %	7,2 %	38,6 %	28,3 %	38,4 %
Equities - no. of transactions (1000s)	1 511	683	3 764	2 436	3 406
Equities - value of turnover (NOKbnl)	409	223	1 059	635	907
Equities - market value listed companies (NOKbn)			1 361	874	932
No. of companies listed			208	185	188
Change in period			20	7	10
Bonds - no. of listed issues			837	843	861
ABM - no. of listed issues			19		
Derivatives - no. of contracts traded (1000s)	1 617	1 122	4 296	4 023	5 352
Financial market data - number of end-users			29 472	26 382	26 948

Resultat pr. aksje:

Kontantstrøm pr. aksje før utbytte:

Kontantstrøm pr. aksje:

Egenkapitalrentabilitet

Totalkapitalrentabilitet

Netto driftsmargin

Periodens resultat/antall aksjer

Netto endring i kontanter og kontantekvivalenter tillagt utbetalt utbytte/antall aksjer

Netto endring i kontanter og kontantekvivalenter/antall aksjer

Periodens resultat (annualisert)/gjennomsnitt av bokført egenkapital ved inngangen og utgangen av perioden

Resultat før skatt (annualisert)/gjennomsnitt av sum eiendeler ved inngangen og utgangen av perioden

Driftsresultat/drifsinntekter

The Board of Directors of Oslo Børs Holding ASA/Oslo Børs ASA

26 October 2005