

# Oslo Børs Holding ASA – third quarter 2006

---

## Third quarter highlights:

- **Continuing high level of trading activity**
  - **Operating revenues: NOK 110.4 million (91.2)**
  - **Operating profit: NOK 53.6 million (52.9)**
  - **Earnings for the period: NOK 39.7 million (38.8)**
  - **Earnings per share: NOK 7.94 (7.77)**
- 

## Business activities in the third quarter of 2006 (same period last year in brackets)

### General

As in previous quarters, the third quarter was characterised by high activity in both the equity and derivatives markets. However, the level of activity in the third quarter was lower than in the second quarter. The Benchmark Index (OSEBX) closed the quarter at 371.59, a decline of 1% in the quarter but up by 12% since the start of the year.

Companies still show strong interest in applying for a stock exchange listing. The third quarter saw four companies admitted to listing, while eight companies were removed from listing. At the end of the third quarter 221 companies were listed, representing a net increase of two since the start of the year and a net increase of 13 from the same period last year.

The value of shares and primary capital certificates traded in the third quarter was NOK 548 billion (409), which was 34% higher than the third quarter of 2005, but 23% lower than the second quarter. The number of transactions in the equity market in the third quarter totalled 1,967,000 (1,511,000), which was 30% higher than in the same period of 2005, but 22% lower than in the second quarter. The value of new share issues reached NOK 4.6 (6.3) billion in the third quarter, representing a significant decline from the second quarter.

At the end of the third quarter, 786 (837) bond loans and other interest bearing securities were listed on the stock exchange. In addition, 135 (19) loans were listed on the ABM (Alternative Bond Market).

Total premium turnover in the derivatives market in the third quarter was NOK 29.9 million (NOK 18.8 million), an increase of 60%. Comparison with the second quarter shows a 24% decline. The revenue generated by derivatives trading was approximately 4% lower than in same period last year and 25% lower than in the second quarter. The decline relative to the third quarter of 2005 reflects reduced fees introduced from April 2006 and a higher proportion of foreign and market maker trading in 2006. The fees charged for foreign and market maker trading are lower than for other types of trading.

Sydbank AS and Nyenburgh Beheer B.V. started trading on Oslo Børs in the third quarter. Oslo Børs had 51 members in total at the close of the third quarter, of which 24 are local members and 27 are remote members.

The number of end-users with access to market data from Oslo Børs was around 5% higher at the end of the third quarter than at the end of the previous quarter, and around 27% higher than at the same time last year.

### Revenues

The level of activity in the third quarter of 2006 was higher than in the same period of 2005, but was lower than in the second quarter of this year. Revenues totalled NOK 110.4 (91.2) million in the third quarter, an increase of NOK 19 million or 21%. Comparison with the second quarter of 2006 shows a reduction in revenues of NOK 24 million, equivalent to approximately 18%.

Revenue from equity trading was NOK 10 million higher than in the same period last year, but was NOK 12 million lower than in the previous quarter.

A reduction in the number of admissions to listing and share issues caused a decline

in prospectus and listing fees of NOK 1 million from the third quarter of 2005 and of NOK 6 million from the second quarter of this year.

Revenue from sales of market data showed an increase of NOK 8 million from the same period last year, but was NOK 4 million lower than the previous quarter which included a non-recurring item of NOK 5 million caused by revised distributor figures for the number of end-users. After adjusting the figures for this item, revenue showed an increase of 3% from the previous quarter.

## **Costs**

Third quarter operating costs amounted to NOK 56.8 (38.3) million, an increase of NOK 18.5 million from the third quarter of 2005.

Salary and staff costs totalled NOK 32.6 (18.0) million in the third quarter, an increase of NOK 14.6 million or 81%. The increase includes a charge of NOK 12.3 million in connection with pension liabilities that Oslo Børs took on when appointing the new President & CEO. According to the employment contract of September 2005, the President & CEO shall have a full pension contribution period at Oslo Børs and full pension from Oslo Børs at retirement age (62 years). The President & CEO is therefore deemed to have 16 out of 30 years of contribution upon joining Oslo Børs. The estimated liability takes into account pension rights from previous employers and National Insurance. Aside from this provision, the year-on-year increase in salary and staff costs reflects the annual salary increase on 1 January and an increase in the number of employees.

Other operating expenses totalled NOK 20.1 (14.8) million in the third quarter, an increase of NOK 5.3 million from the same period last year. The increase principally reflects temporary resources for operational support and systems projects, recruitment and social security costs, variable trading system costs and marketing activities.

Depreciation was NOK 1.4 million lower than in the third quarter of 2005, mainly due to the extension of the depreciation period for the cost of the new trading system to reflect the extension of the contract with OMX.

## **Operational matters**

Operational stability in the third quarter was in line with the second quarter, but somewhat below the historical level. In all seven instances of operational problems that restricted access for external users were experienced in the third quarter in respect of the trading systems, financial market data systems or network connections. Oslo Børs maintains a continual high focus on operational stability, and has implemented measures to improve operational reliability.

The Market Surveillance Department referred a total of 67 matters to Kredittilsynet (the Financial Supervisory Authority of Norway) in the quarter (63 cases in the previous quarter). The majority of the cases referred in both quarters related to the information requirement for primary insiders and flagging major changes in shareholdings. The number of cases referred per 1,000,000 trades was lower than in the earlier quarters of this year and in 2005. Oslo Børs applied the measures available to regulate share trading (suspension, matching halt and special observation) on 86 occasions in the third quarter (107 in the second quarter of 2006).

## **Organisational changes**

Oslo Børs implemented a number of changes to its organisational structure in September.

The operational marketplaces Equities, Fixed Income and Derivatives were brought together into a single business area: Markets.

The departments Issuer Surveillance and Legal Affairs were merged to form a new section for Legal, Listing and Prospectuses.

A new Projects department was established as a support function for all the internal departments and the executive management of Oslo Børs. Projects will have overall responsibility for setting up and carrying out major projects and research tasks.

Oslo Børs Informasjon AS will in due course be merged with Oslo Børs ASA. The department will then be known as Information Services.

The Surveillance department is now separated even more distinctly from the commercial activities of Oslo Børs, and an internal board sets the guidelines for its activities. This change has been made to strengthen the department's independence and further underline its separate integrity.

**Organisational changes, cont.** Following these changes, the executive management team of Oslo Børs is:

- Bente A. Landsnes (CEO and President)
- P. Anders Brodin (Deputy CEO and Head of Markets)
- Harald Næss (SVP - Information Technology)
- Sverre Lilleng (SVP – Surveillance)
- Geir Heggem (SVP & CFO)
- Atle Degré (SVP – Legal Affairs)
- Oddleif Hatlem (SVP – Information Services)
- Per Eikrem (SVP- Corporate Communications)
- Bjørn Øiulfstad (SVP – Projects Department)

Bjørn Øiulfstad will take up his position in November. In addition the head of the Sales and Marketing department will join the executive management team when appointed.

**Purchase of shares in Fondsmeglernes Informasjonstjeneste AS and VPS Holding ASA**

As a part of a program to further develop its business and to strengthen its strategic position, Oslo Børs has acquired 50% of the share capital of Fondsmeglernes Informasjonstjeneste AS (Norwegian Stockbrokers Information Services) and 172,000 shares in VPS Holding ASA. This brings its total shareholding in VPS Holding ASA to approximately 10%. The holding in Fondsmeglernes Informasjonstjeneste AS, which owns and operates the Norwegian OTC-list, was acquired for NOK 15 million with up to NOK 5 million in addition depending on performance in specific areas in 2007. The price paid for the shares in VPS Holding ASA acquired in September was NOK 350 per share.

**New marketplace for shares to be established**

Oslo Børs has applied to the Ministry of Finance for permission to establish an authorised marketplace for shares and primary capital certificates. The principal intention is to offer a regulated market place for companies that do not meet the requirements for a normal stock exchange listing, and as such be an offer that in regulatory terms is between normal stock exchange listing and the OTC-list. Oslo Børs plans to launch the new marketplace early in 2007.

Oslo Børs plans to structure the new authorised marketplace to offer more relaxed requirements for admission to listing than currently apply to the normal stock exchange market, but to otherwise use the same solutions as currently apply for the normal Oslo market with just a few specific exemptions. This means that the new marketplace will, for example, use the same trading system, the same member rules and trading rules and the same rules on the continuing responsibilities of issuers, as well as using the same company message system and market surveillance system. However, Oslo Børs intends to ensure that the normal stock exchange market and the new marketplace are clearly differentiated, and this will include separate web sites and different visual profiles.

Oslo Børs has not yet decided on a name for the new marketplace.

**Price reductions for market data products**

Oslo Børs is committed to stimulating greater interest in the securities market and making the market more accessible, and has therefore reduced the prices charged to private investors for access to real-time information.

The changes introduced with effect from 2 October can be summarised as follows:

- The prices charged to private investors for access to real-time information have been reduced significantly, and this applies to subscriptions both with and without information on order depth. Real-time access for private investors now costs NOK 10 per month without order depth information, rising to NOK 100 if order depth information is included.
- Improved access to key information from Oslo Børs about listed companies and securities for private investors, with lower prices.
- Investment firms that are members of Oslo Børs now pay significantly less for share price enquiries. An entirely new pricing model has been introduced in this area, which will also offer lower prices for private investors.

In addition to the changes outlined above, the annual licence fee for distributing information with a 15-minute delay will be reduced from NOK 78,000 to NOK 45,000 with effect from the year-end. This change is intended to make it possible for more Internet sites and other news suppliers to provide this type of information for their users.

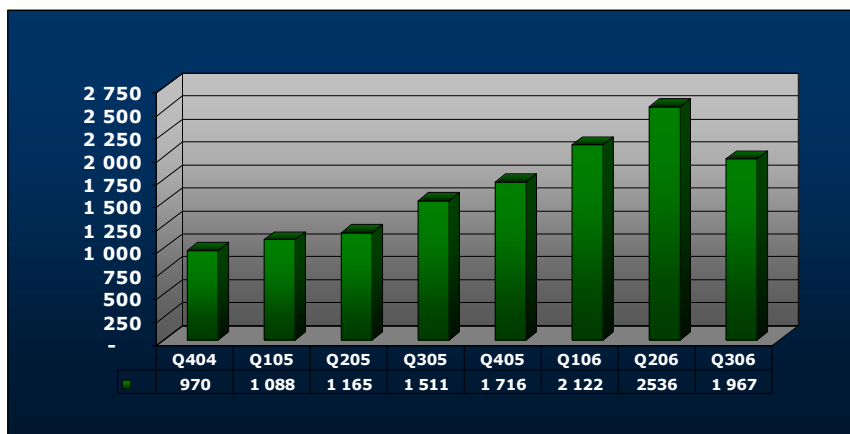
**Outlook**

Oslo Børs' revenues vary in line with activity levels. Oslo Børs expects that its total operating costs for 2006 will be in the order of NOK 215 million.

## Market developments

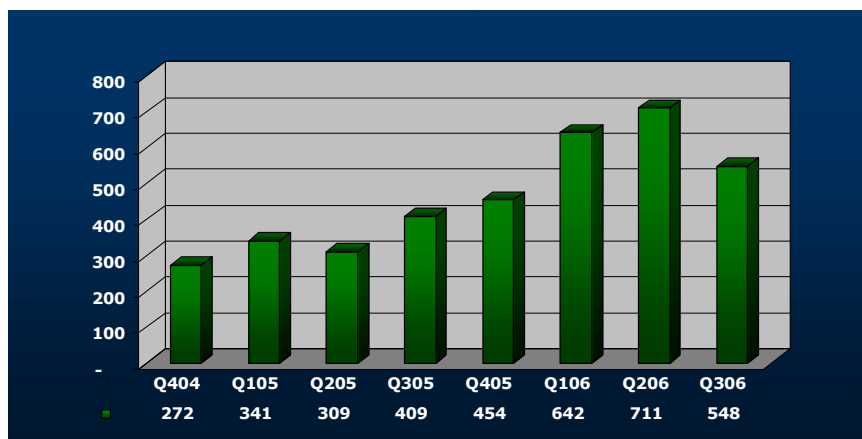
Trading activity as measured by the number of transactions was some 22% lower than in the previous quarter but around 30% higher than in the third quarter of 2005.

### Equity market – number of transactions (1,000)



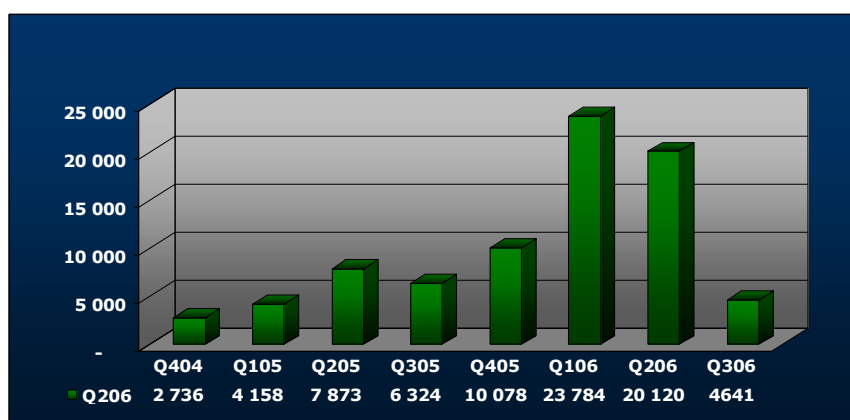
### Equity market – value of turnover (NOK billion)

Measured in terms of value, the level of trading activity in the third quarter was around 23% lower than in the previous quarter but was some 34% higher than in the third quarter of 2005.



### Equity market – new issues (NOK million)

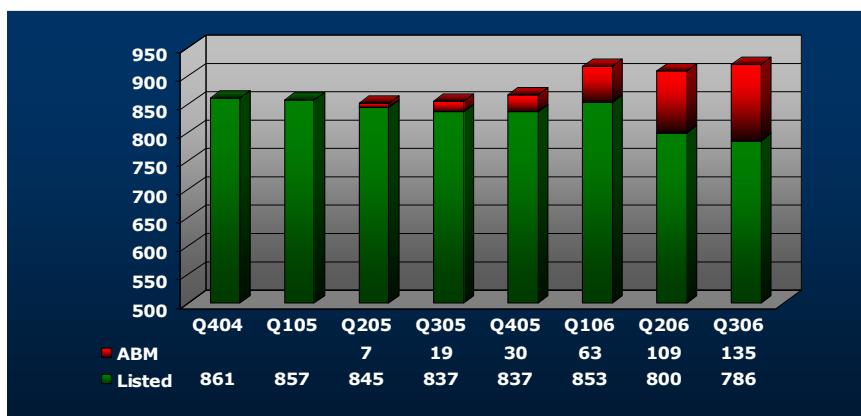
The total value of new issues in the third quarter was significantly lower than the previous quarter. Issue volume was also lower than in the third quarter of last year.



### Bond market and ABM – number of listed issues

In total, 65 more fixed-income issues are now listed on Oslo Børs and on the ABM than at the same time last year.

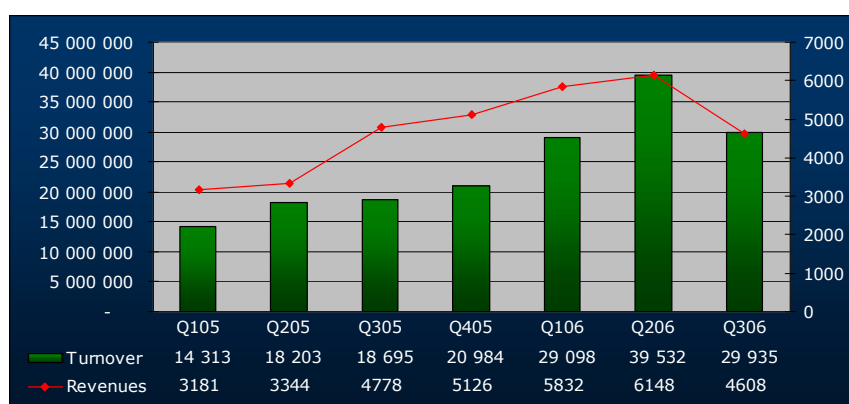
The number of issues listed increased by 12 in total over the course of the third quarter.



### Derivatives market – premium turnover and revenues (1,000)

Measured in terms of value, the level of trading activity in the derivatives market was lower in the third quarter than in the second quarter. However, third quarter activity was significantly higher than in the same period of 2005.

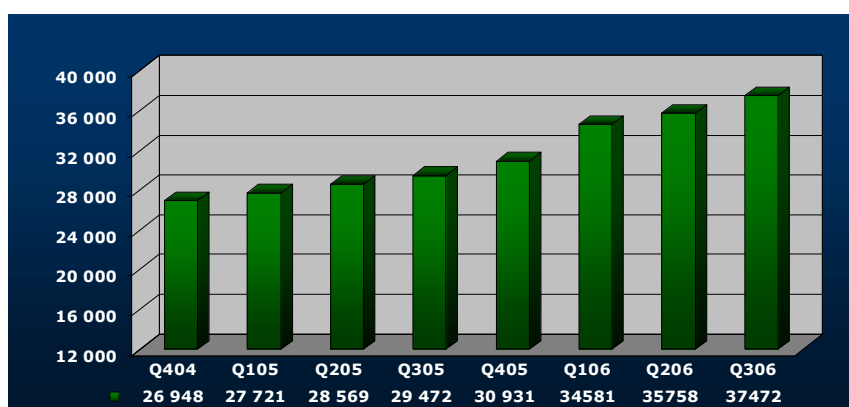
Third quarter revenue showed an equivalent fall relative to the second quarter. Revenue was also somewhat lower than in the third quarter of 2005. This is due to reductions in the fees charged for trading in index products that came into force in April 2006. In addition, market makers accounted for a higher share of overall trading in the third quarter. Market makers pay lower trading fees.



### Financial market data – number of end-users

The number of end-users of market data from Oslo Børs was around 5% higher at the end of the third quarter than at the end of the second quarter. The comparison with the third quarter of 2005 shows an increase of 27%.

Some distributors report actual terminal numbers with a month's delay. The figure for the total number of end-users at the close of the 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.

---

## 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 in Note 17 (page 63) of the 2005 annual report.

	<b>3rd Quarter 2006</b>	<b>3rd Quarter 2005</b>	<b>30 Sept 2006</b>	<b>30 Sept 2005</b>	<b>2005</b>
<b>Operating revenues</b>	<b>110 427</b>	<b>91 219</b>	<b>361 992</b>	<b>256 851</b>	<b>361 386</b>
<b>Operating expenses</b>					
Salary and other personnel expenses	32 576	18 036	80 912	62 098	91 391
Other operating expenses	20 058	14 823	60 344	45 909	65 995
<b>Operating expenses before depreciation</b>	<b>52 634</b>	<b>32 858</b>	<b>141 256</b>	<b>108 007</b>	<b>157 386</b>
Depreciation	4 165	5 446	12 544	16 373	16 623
<b>Total operating expenses</b>	<b>56 799</b>	<b>38 305</b>	<b>153 799</b>	<b>124 379</b>	<b>174 009</b>
<b>Operating profit</b>	<b>53 628</b>	<b>52 914</b>	<b>208 192</b>	<b>132 471</b>	<b>187 377</b>
Net financial items	1 523	511	9 747	8 742	9 781
<b>Ordinary pre-tax profit</b>	<b>55 151</b>	<b>53 426</b>	<b>217 940</b>	<b>141 213</b>	<b>197 158</b>
Tax	15 442	14 586	59 558	36 683	53 061
<b>Earnings for the period</b>	<b>39 709</b>	<b>38 840</b>	<b>158 382</b>	<b>104 531</b>	<b>144 098</b>
<b>Earnings per share (NOK)</b>	<b>7,94</b>	<b>7,77</b>	<b>31,68</b>	<b>20,91</b>	<b>28,82</b>
<b>Diluted earnings per share (NOK)</b>	<b>7,94</b>	<b>7,77</b>	<b>31,68</b>	<b>20,91</b>	<b>28,82</b>

---

---

## Operating revenues by area and category

Fees from equity market trading represented the largest increase in revenue relative to the third quarter of 2005, while the fixed income market reported a drop in revenue due in part to the reduction in listing fees from 1 January and the restructuring of prospectus fees implemented in July last year. Revenue from the derivatives market was somewhat lower than last year. The number of terminals with access to market data from Oslo Børs was around 27% higher than in the third quarter of 2005.

	<b>3rd Quarter 2006</b>	<b>3rd Quarter 2005</b>	<b>30 Sept 2006</b>	<b>30 Sept 2005</b>	<b>2005</b>
Equity Markets	65 597	53 248	222 380	146 417	212 826
Fixed Income Markets	5 660	6 262	17 874	20 404	26 281
Derivatives Markets	4 608	4 778	16 589	11 304	16 430
Financial Market data	33 897	25 621	101 822	74 985	101 436
Other	664	1 309	3 328	3 741	4 414
<b>Total operating revenues</b>	<b>110 427</b>	<b>91 219</b>	<b>361 992</b>	<b>256 851</b>	<b>361 386</b>

	<b>3rd Quarter 2006</b>	<b>3rd Quarter 2004</b>	<b>30 Sept 2006</b>	<b>30 Sept 2004</b>	<b>2005</b>
Fixed fees- issuers	17 303	14 764	53 158	44 151	59 824
Fixed fees - members	2 949	2 391	8 163	6 809	9 250
Trading fees	49 237	39 477	167 183	99 642	143 559
Prospectus and admission fees	6 477	7 656	27 209	26 561	41 442
Financial market data	33 897	25 621	101 822	74 985	101 436
Income from courses/seminars	332	455	1 888	2 005	2 396
Other income	232	854	2 570	2 697	3 478
<b>Total operating revenues</b>	<b>110 427</b>	<b>91 219</b>	<b>361 992</b>	<b>256 851</b>	<b>361 386</b>

---

---

## Balance sheet

Financial fixed assets principally comprise shares in VPS Holding ASA. The average cost price of the shareholding is NOK 219 per share. Fair value at 30 September 2006 was estimated to be NOK 350 per share. In accordance with IFRS, the difference between cost price and estimated fair value, NOK 65 million, is applied directly to equity.

Short-term receivables totalled NOK 68 million at the end of the third quarter. Of this, trade receivables totalled NOK 44 million. Other current receivables were NOK 24 million, including prepaid expenses of NOK 17 million and income accrued but not yet invoiced of some NOK 7 million.

Cash and cash equivalents totalled NOK 170 million at the end of the third quarter. In addition, NOK 7 million of liquid assets are classified as financial fixed assets.

The provision for liabilities relates to pension liabilities.

Current liabilities amounted to approximately NOK 111 million at the end of the third quarter. NOK 25 million relates to accruals of listing fees and other annual fees, while tax payable accounts for approximately NOK 63 million.

	<b>30 Sept 2006</b>	<b>30 Sept 2005</b>	<b>2005</b>
<b>Fixed assets</b>			
IT systems	17 192	20 656	22 511
Deferred tax assets	31 699	29 354	31 936
Tangible assets	43 305	37 794	43 786
Financial fixed assets	198 566	93 976	94 120
<b>Current assets</b>			
Receivables	68 149	55 545	57 710
Cash and liquid assets	170 358	141 555	185 893
<b>Assets</b>	<b>529 269</b>	<b>378 880</b>	<b>435 956</b>
<b>Equity</b>			
Contributed equity	113 375	113 405	113 405
Earned equity	224 607	145 570	168 832
Total equity	337 982	258 975	282 237
<b>Liabilities</b>			
Provisions for liabilities	80 240	39 483	67 696
Current liabilities	111 047	80 422	86 023
<b>Equity and liabilities</b>	<b>529 269</b>	<b>378 880</b>	<b>435 956</b>

---

---

## Cash flow

The Oslo Børs group recorded a reduction of NOK 34 million in its cash and cash equivalents in the third quarter. This reflects the investments made in Fondsmeglernes Informasjonstjeneste AS and VPS Holding ASA. Cash and cash equivalents held at the end of the quarter totalled NOK 170 million. In addition, NOK 7 million of liquid assets are classified as financial fixed assets.

	<b>3rd Quarter 2006</b>	<b>3rd Quarter 2005</b>	<b>30 Sept 2006</b>	<b>30 Sept 2005</b>	<b>2005</b>
<b>Cash flow from</b>					
- operational activities	46 403	33 042	198 424	122 818	175 252
- investment activities	-80 695	-3 488	-83 960	7 843	-254
- financing activities	0	0	-130 000	-100 000	-100 000
<b>Cash and cash equivalents at period's start</b>	<b>204 650</b>	<b>112 001</b>	<b>185 893</b>	<b>110 894</b>	<b>110 894</b>
Change in cash and cash equivalents	-34 292	29 554	-15 535	30 661	74 999
<b>Cash and cash equivalents at period's end</b>	<b>170 358</b>	<b>141 555</b>	<b>170 358</b>	<b>141 555</b>	<b>185 893</b>
<b>Cash flow per share before financing activities (NOK)</b>	<b>-6,86</b>	<b>5,91</b>	<b>22,89</b>	<b>26,13</b>	<b>35,00</b>
<b>Cash flow per share (NOK)</b>	<b>-6,86</b>	<b>5,91</b>	<b>-3,11</b>	<b>6,13</b>	<b>15,00</b>

---

## Equity

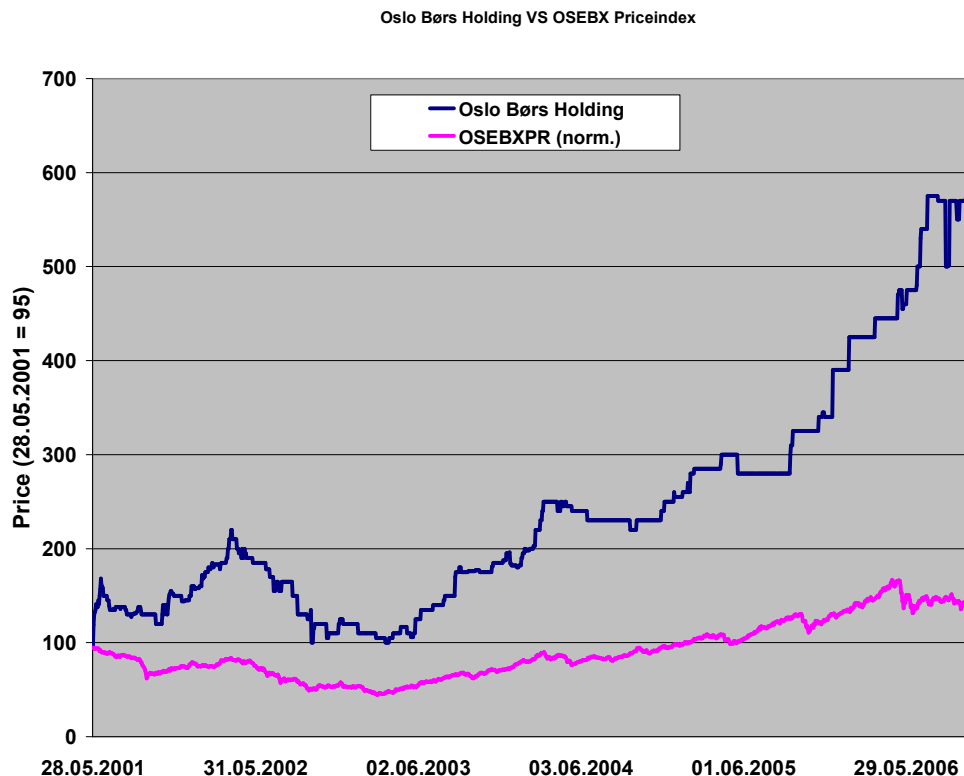
Equity amounted to NOK 338 million at the end of the third quarter, and the equity ratio was approximately 64%.

	<b>3rd Quarter 2006</b>	<b>3rd Quarter 2005</b>	<b>30 Sept 2006</b>	<b>30 Sept 2005</b>	<b>2005</b>
<b>Equity at period's start</b>	<b>287 259</b>	<b>197 244</b>	<b>282 237</b>	<b>218 305</b>	<b>218 305</b>
Profit for the period	39 709	38 840	158 382	104 531	144 098
Dividends	0	0	-130 000	-100 000	-100 000
Increase in value of financial instruments	12 730	22 890	29 079	36 138	36 138
Actuarial gains/losses in the period	0	0	0	0	-16 302
<b>Equity at period's end</b>	<b>337 982</b>	<b>258 975</b>	<b>337 982</b>	<b>258 975</b>	<b>282 237</b>
<b>Equity ratio</b>	<b>64 %</b>	<b>68 %</b>	<b>64 %</b>	<b>68 %</b>	<b>65 %</b>

## 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 2006, 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 92 per share.



### Oslo Børs Holding ASA – 20 largest shareholders as of 13 October 2006:

Name	Nationality	Holding in numbers	Holding in percent
1. DNB NOR BANK ASA	NOR	983 404	19,67 %
2. OMX AB	SWE	500 000	10,00 %
3. FIDELITY FUNDS-EUROPE	LUX	500 000	10,00 %
4. ORKLA ASA	NOR	499 500	9,99 %
5. NORSK HYDROS PENSJONSKASSE	NOR	422 106	8,44 %
6. THIRD AVENUE INTL.	USA	351 700	7,03 %
7. STATE STREET BANK (NOMINEE)	USA	208 252	4,17 %
8. KLP FORSIKRING	NOR	200 000	4,00 %
9. PARETO AS	NOR	163 100	3,26 %
10. DANSKE BANK	NOR	150 000	3,00 %
11. NORDEA BANK (NOMINEE)	FIN	125 126	2,50 %
12. PARETO SECURITIES AS	NOR	100 028	2,00 %
13. SPAREBANK 1 LIVSFORSIKRING	NOR	90 000	1,80 %
14. FONDSAVANSE AS	NOR	68 824	1,38 %
15. UBS AG (NOMINEE)	GBR	68 200	1,36 %
16. TELENOR PENSJONSKASSE	NOR	43 760	0,88 %
17. NORDEA LIV	NOR	39 100	0,78 %
18. TONSENHAGEN FORRETNINGSSENTER	NOR	35 273	0,71 %
19. SPAREBANKEN VEST	NOR	30 081	0,60 %
20. MP PENSJON	NOR	28 125	0,56 %
<b>Sum 20 largest</b>		<b>4.606.579</b>	<b>92,13 %</b>

## Key figures

	3rd Quarter 2006	3rd Quarter 2005	30 Sept 2006	30 Sept 2005	2005
<b>Financial</b>					
Earnings per share (NOK)	7,94	7,77	31,68	20,91	28,82
Diluted earnings per share (NOK)	7,94	7,77	31,68	20,91	28,82
Change in cash per share (NOK)	-6,86	5,91	-3,11	6,13	15,00
Return on equity	50,8 %	68,1 %	68,1 %	58,4 %	57,6 %
Return on total capital	43,6 %	60,1 %	60,2 %	54,4 %	52,6 %
Net operating margin	48,6 %	58,0 %	57,5 %	51,6 %	51,8 %
<b>Operational</b>					
Benchmark index at period's end	371,59	328,16	371,59	328,16	332,51
Change in period	-1,3 %	15,8 %	11,8 %	38,6 %	40,5 %
Equities - no. of transactions (1000s)	1 967	1 511	6 625	3 764	5 480
Equities - value of turnover (NOKbnl)	548	409	1 901	1 059	1 513
Equities - market value listed companies (NOKbn)			1 608	1 361	1 402
No. of companies listed			221	208	219
Change in period			2	19	31
Bonds - no. of listed issues			786	837	837
ABM - no. of listed issues			135	19	30
Derivatives - no. of contracts traded (1000s)	3 649	1 617	9 409	4 296	6 200
Turnover premium derivatives (1000)	29 935	18 695	98 566	51 212	72 197
Financial market data - number of end-users			37 472	29 472	30 931

Earnings per share:	Profit for the period/number of shares
Cash flow per share before dividend:	Net change in cash and cash equivalents before unpaid dividend/number of shares
Cash flow per share:	Net change in cash and cash equivalents/number of shares
Return on equity:	Profit for the period (annualised)/average book value of equity at the beginning and the end of the period
Return on total capital:	Pre-tax profit (annualised)/average book value of assets at the beginning and the end of the period
Net operating margin	Operating profit/operating revenues

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

25 October 2006