

## Oslo Børs Holding ASA – second quarter 2002

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### Second quarter 2002 highlights:

- **Thin trading in share and derivatives market – fixed income market making progress**
  - **Successful start-up for Norex's common trading system, Saxess**
  - **Pre-tax profit Q2 / 1st half: NOK 16.7m (16.3m) / NOK 34.8m (28.1m)**
  - **Earnings per share Q2 / 1st half: NOK 2.40 (2.74) / NOK 5.01 (4.96)**
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### Business activities in the first quarter of 2002 (1st quarter 2001 figures in parenthesis)

#### Introduction

In the second quarter Oslo Børs Holding ASA achieved a post-tax profit of NOK 12.0 (13.7) million. Post-tax profit for the year to date is NOK 25.1 (24.8) million. The tax rate increased from 12 per cent in the first half of 2001 to 28 per cent in the first half of 2002. Oslo Børs became liable to tax upon privatisation in May 2001.

Revenues were somewhat higher than in the same period last year. So far this year revenues are about NOK 6.0 million higher than in the same period last year.

The uncertainty afflicting share markets across the world is keenly felt in the Norwegian share market too, which saw a second quarter turnover of NOK 111.1 billion compared with NOK 129 billion in the first quarter. Turnover figures include shares, primary capital certificates, warrants and subscription rights. Turnover of warrants came to NOK 20.0 million in the second quarter compared with NOK 24 million in the first quarter. New warrants from DnB, Merkantildata, Storebrand, AstraZeneca, Ericsson, Hennes & Mauritz and Skandia were admitted for quotation.

Transaction numbers were lower than in the first quarter and the same period of 2001. Reduced activity in the share market has brought in its wake lower activity and weaker profits in the derivatives market.

The fixed income market has seen rising activity and profits in the same period. At the end of the second quarter 844 bonds were quoted. In the course of the quarter 38 new bonds were issued. Including enlargements of existing loans, bonds issued totalled NOK 41.4 billion in the quarter.

The Nordic stock exchange alliance's trading system, Saxess, went into operation in Oslo on 27 May. After a month's operation the switchover can be described as a success. The project was carried through as budgeted, but about two months later than scheduled.

Activity in the primary market for shares remains sluggish. The value of shares issued in the second quarter was just under NOK 1.4 billion. In the second quarter of 2001 shares worth NOK 20.4 billion were introduced to the market. This was mainly due to the market debut of Statoil in the second quarter of 2001.

The Benchmark Index declined by 17.1 per cent in the second quarter. So far this year the index has fallen 11.2 per cent.

**Revenues**

Second quarter revenues totalled NOK 56.9 million. This is about NOK 1.9 million higher than in the same period last year. Price changes effective as from New Year have compensated for the lower activity in the share market this year compared with last.

As expected, revenues from sales of financial market data have stabilised after the increase witnessed throughout 2001. Second quarter revenues are about 7 per cent higher than in the same period of 2001.

**Costs**

Operating expenses in the second quarter of 2002 came to NOK 41.7 million compared with NOK 42.2 million in the same period of 2001.

Salary and staff costs for the periods under review are affected by staff increases from 106 to 109 the last year, by extended use of overtime at the final stage of projects in the second quarter of the current year (about NOK 1.5 million), and by the effects of moving the salary adjustment date from 1 June to 1 January as from 2002. Since salary and staff costs of NOK 2.4 million in respect of internal resources expended in projects were capitalised in the first quarter, such costs rose from the first to the second quarter of 2002.

The previous trading system was fully depreciated by the end of this year's first quarter. Saxess ran for the first time on 27 May and depreciation of implementation and development of local systems was included as from that date. Depreciation and systems leasing amount to about NOK 2.7 million per month.

Other operating expenses show an increase of about NOK 2.1 million compared with the second quarter of 2001. Maintenance costs of NOK 4.1 million were taken to expenses in the period in connection with Oslo Børs's refurbishment project; NOK 9.8 million has been expensed so far in the current year. Disregarding this item, other operating expenses are lower than in the second quarter of 2001. A total of about NOK 15 million is expected to be expensed in 2002. The reduction in other operating expenses from the first quarter is partly attributable to lower building maintenance costs and to the assignment of a number of activities and projects to the first quarter. Leasing the Saxess system will raise operating expenses in coming periods.

**Financial items**

Outlays on leasing the trading system are paid in foreign currency. In order to establish a ceiling for leasing expenses in the two years ahead, Oslo Børs entered into forward exchange contracts in Swedish kronor for leasing payments due in 2002 and 2003. The forward rates are higher than the daily rate at the end of the quarter. In accordance with generally accepted accounting principles, foreign currency holdings and forward contracts are valued at the rate in effect on the balance sheet date. About NOK 2 million has been expensed on exchange rate losses so far this year.

**Miscellaneous**

In the second quarter Oslo Børs ASA purchased 1 per cent of the shares of The Copenhagen Stock Exchange. The purchase amount was NOK 7.2 million.

As announced in a press release dated 3 April, Nord Pool and Oslo Børs have teamed up to jointly review their relationship with the Norwegian Futures and Options Clearing House (NOS), and an offer to take over all the latter's shares is likely. NOS has responded to the two parties' request for further information on the company, and the process is expected to proceed in the third quarter.

Henning Dokset (36) succeeds Håvard S. Abrahamsen as director of Oslo Børs's Equities Department as from 1 September 2002. Mr Dokset was previously managing director of Oslo Børs's subsidiary, Oslo Børs Informasjon AS (OBI). Oddleif Hatlem (36) takes over the top job at OBI.

## Outlook

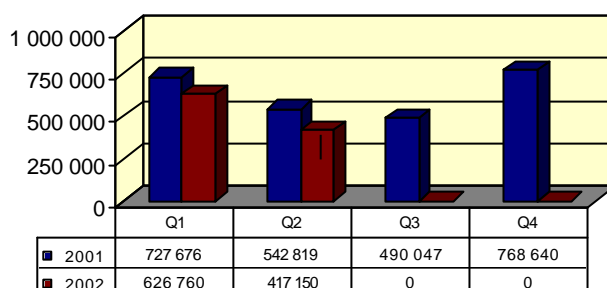
Prospects for Oslo Børs's market places in the periods ahead are uncertain. Since the bourse's cost structure features a large element of fixed costs, the management will maintain a focus on costs in the periods ahead with a view to making up for any fall in revenues.

Should the tendency witnessed in the second quarter continue into the second half-year, the after-tax profit is expected to be 15-20 per cent lower than in 2001. Maintenance costs in connection with the bourse's refurbishment project are expected to be of the order of NOK 12 million higher than in 2001. These costs are taken into account. Moreover, the tax rate increased from about 19 per cent in 2001 to 28 per cent in 2002.

## Market development

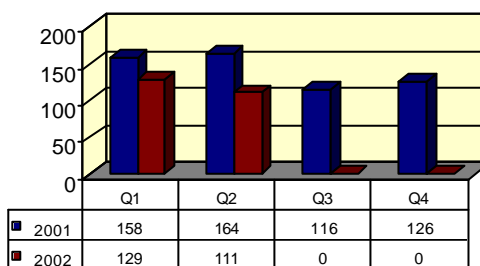
The number of share transactions was down on the previous quarter and the same period of 2001. Transactions were substantially lower in May and June, due to recent months' financial market turbulence.

**Equity market - number of transactions**



The value of equity market trades dropped further in the second quarter. The second quarter of 2001 saw Statoil's market debut.

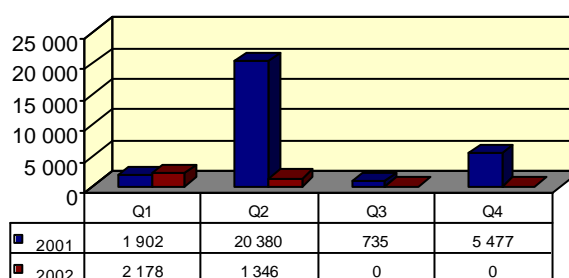
**Equity market - value of trades  
Billion NOK**



Trading in the primary market for shares remains thin.

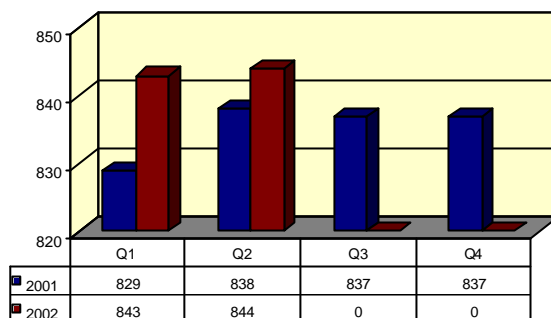
New shares issued in the second quarter totalled a mere NOK 1.3 billion. The second quarter of 2001 saw Statoil's market debut, accompanied by an issue worth about NOK 13 billion.

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



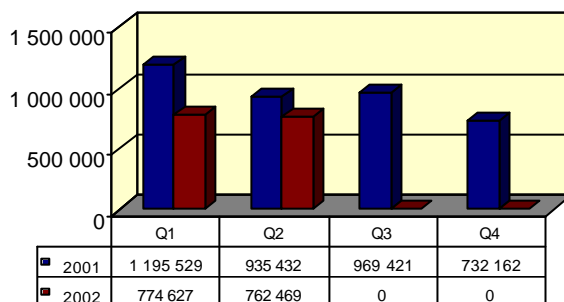
The fixed income market showed a positive trend in the number of listed issues. By the end of the fourth quarter 844 issues were listed.

**Bond market - number of listed issues**



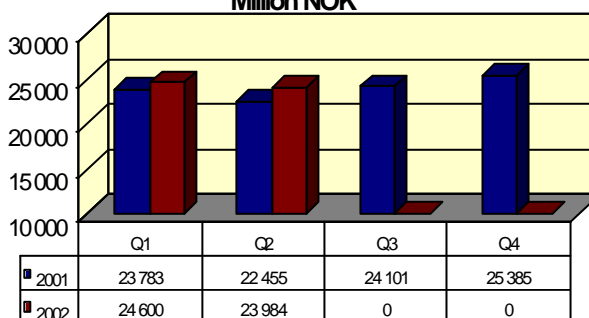
Activity in the derivatives market was roughly on a par with the first quarter, but lower than in the same period of 2001.

**Derivatives market - number of traded contracts**



Revenues from sales of financial market data have stabilised in recent quarters.

**Revenues - sale of financial market data**  
Million NOK



Please see [www.ose.no/ir](http://www.ose.no/ir) for additional key operating figures. All figures are in NOK 1,000, and concerns the Oslo Børs Holding ASA Group unless otherwise specified. The Group consist of Oslo Børs Holding ASA, Oslo Børs ASA and Oslo Børs Informasjon AS.

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**Profit and loss account**

The profit and loss account has been prepared using the same accounting principles used to prepare the annual accounts.

	<b>2nd Quarter 2002</b>	<b>2nd Quarter 2001</b>	<b>June 30 2002</b>	<b>June 30 2001</b>	<b>2001</b>
<b>Operating revenues</b>	<b>56 894</b>	<b>54 949</b>	<b>116 505</b>	<b>110 446</b>	<b>223 309</b>
<b>Operating costs</b>					
Salaries and related costs	20 573	16 225	37 504	33 670	61 838
Depreciation	3 455	10 419	8 032	22 846	44 317
Other operating costs	17 665	15 510	40 617	32 009	68 460
<b>Total operating costs</b>	<b>41 694</b>	<b>42 154</b>	<b>86 153</b>	<b>88 525</b>	<b>174 615</b>
<b>Operating profit</b>	<b>15 201</b>	<b>12 796</b>	<b>30 352</b>	<b>21 922</b>	<b>48 694</b>
Net financial items	1 459	3 544	4 471	6 168	12 634
<b>Ordinary pre-tax profit</b>	<b>16 660</b>	<b>16 340</b>	<b>34 823</b>	<b>28 090</b>	<b>61 328</b>
Tax	4 665	2 637	9 750	3 290	11 584
<b>Earnings for the period</b>	<b>11 995</b>	<b>13 703</b>	<b>25 073</b>	<b>24 800</b>	<b>49 744</b>
<b>Earnings per share (NOK)</b>	<b>2,40</b>	<b>2,74</b>	<b>5,01</b>	<b>4,96</b>	<b>9,95</b>

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**Balance sheet**

The balance sheet has been prepared based on the same accounting principles as the annual accounts.

Intangible assets refer to the switchover to a new trading system and joint Norex projects.

At the end of the quarter current liabilities totalled NOK 80 million. Of this, about NOK 40 million refers to customers' advance payments of annual fees and charges.

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	<b>June 30 2002</b>	<b>June 30 2001</b>	<b>2 001</b>
<b>Fixed assets</b>			
Intangible assets	58 749	14 170	44 718
Deferred tax assets	38 132	45 194	38 132
Tangible assets	31 355	38 447	23 460
Financial fixed assets	48 565	38 399	38 950
<b>Current assets</b>			
Receivables	41 555	39 542	27 221
Cash and liquid assets	172 149	172 727	174 922
<b>Assets</b>	<b>390 506</b>	<b>348 479</b>	<b>347 403</b>
<b>Equity</b>	298 222	268 205	273 149
<b>Liabilities</b>			
Provisions for liabilities	12 494	9 805	11 057
Current liabilities	79 790	70 469	63 197
<b>Equity and liabilities</b>	<b>390 506</b>	<b>348 479</b>	<b>347 403</b>

## Cash flow

The Oslo Børs Group recorded a negative cash flow of NOK 50 million in the second quarter. This was largely due to a reduction of NOK 20 million in current liabilities, investments totalling NOK 22 million in the period and the disbursement of NOK 20 million in ordinary dividend. Investments include the purchase of shares of The Copenhagen Stock Exchange worth NOK 7 million, NOK 8 million spent on improving the Oslo Børs building and investments totalling NOK 4 million in the trading system and surrounding systems. Depreciation are NOK 7 million lower in the second quarter of 2002 than the same period last year.

A further NOK 13 million has yet to be disbursed on improvements to the Oslo Børs building.

Cash and cash equivalents held at the end of the quarter came to NOK 172.1 million. Disbursement of extraordinary dividend of NOK 14 per share, totalling NOK 70 million, is expected at the end of August.

	2nd Quarter 2002	2nd Quarter 2001	June 30 2002	June 30 2001	2001
<b>Cash flow from</b>					
- operational activities	-7 440	17 342	54 398	71 241	110 469
- investment activities	-21 864	-12 806	-37 170	-20 488	-57 520
- financing activities	-20 000	0	-20 000	0	0
<b>Cash and liquid assets at the start of the period</b>	221 450	168 191	174 922	121 973	121 973
Change in cash and liquid assets	-49 301	4 536	-2 769	50 753	52 949
<b>Cash and liquid assets at the end of the period</b>	172 149	172 727	172 153	172 727	174 922
<b>Net cash flow per share (NOK)</b>	<b>-9,86</b>	<b>0,91</b>	<b>-0,55</b>	<b>10,15</b>	<b>10,59</b>

## Equity

At the end of the quarter equity amounted to NOK 298.2 million, with the equity ratio at about 76 per cent. On 7 May the general meeting decided to pay dividend of NOK 70 million by means of a decrease of capital. If this dividend is taken into account in the balance sheet at end-quarter, the equity ratio falls to about 71 per cent.

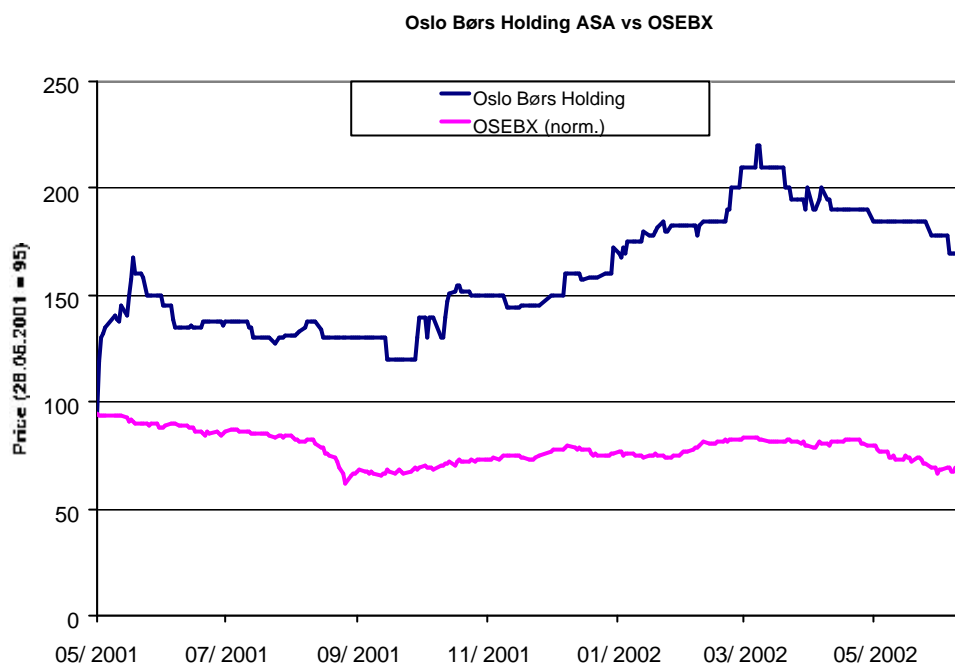
	2nd Quarter 2002	2nd Quarter 2001	June 30 2002	June 30 2001	2001
<b>Equity at the start of the period</b>	286 227	207 024	273 149	195 927	195 927
Profit for the period	11 995	13 703	25 073	24 800	49 744
Proposed dividend	0	0	0	0	-20 000
Deferred tax asset	0	47 478	0	47 478	47 478
Effect of changes in accounting principles	0	0	0	0	0
<b>Equity at the end of the period</b>	298 222	268 205	298 222	268 205	273 149
<b>Equity ratio</b>	76 %	77 %	76 %	77 %	79 %

## Segment information

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

	2nd Quarter 2002	2nd Quarter 2001	June 30 2002	June 30 2001	2001
<b>Equity Markets</b>					
Operating revenues	24 309	22 390	49 521	43 205	85 367
Operating profit	6 010	4 044	10 793	3 737	4 369
<b>Fixed Income Markets</b>					
Operating revenues	5 941	5 394	12 306	11 324	22 317
Operating profit	2 420	1 617	5 282	3 107	6 042
<b>Derivatives Markets</b>					
Operating revenues	1 364	2 643	3 002	6 139	10 301
Operating profit	-2 982	-2 238	-6 650	-3 622	-8 303
<b>Financial Market data</b>					
Operating revenues	23 984	22 455	48 584	46 238	95 674
Operating profit	9 605	8 448	20 103	16 943	40 208
<b>Other</b>					
Operating revenues	1 297	2 068	3 091	3 541	9 650
Operating profit	147	924	824	1 756	6 379
<b>Total operating revenues</b>	<b>56 894</b>	<b>54 949</b>	<b>116 505</b>	<b>110 446</b>	<b>223 309</b>
<b>Total operating profit</b>	<b>15 201</b>	<b>12 795</b>	<b>30 352</b>	<b>21 921</b>	<b>48 694</b>

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**Shareholder information**
**Price trend - Oslo Børs Holding ASA**



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**10 largest shareholders as of 8 July 2002:**

Name	Nationality	No. of	Ownership
		shares held	in %
1. Morgan Stanley (nominee)	GBR	467 512	9,35
2. Den norske Bank ASA	NOR	430 333	8,61
3. Gjensidige NOR	NOR	408 512	8,17
4. Orkla ASA	NOR	400 000	8,00
5. Norsk Hydros Pensjon	NOR	355 206	7,10
6. State Street Bank (nominee)	USA	200 000	4,00
7. Danske Bank AS (nominee)	DNK	200 000	4,00
8. KLP Forsikring	NOR	200 000	4,00
9. Fidelity Funds	LUX	174 000	3,48
10. Braganza AS	NOR	150 000	3,00
Sum		2 985 563	59,71

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## Key figures

The figures for profitability/rate of return do not take into account the extraordinary dividend adopted by the general meeting.

	<b>2nd Quarter 2002</b>	<b>2nd Quarter 2001</b>	<b>June 30 2002</b>	<b>June 30 2001</b>	<b>2001</b>
<b>Financial</b>					
Profit per share (NOK)	2,40	2,74	5,01	4,96	9,95
Change in cash per share (NOK)	-9,86	0,91	-0,55	10,15	10,59
Return on equity	16,8 %	23,6 %	17,6 %	21,4 %	21,2 %
Return on total capital	18,1 %	20,4 %	18,9 %	19,2 %	21,0 %
Net operating margin	26,7 %	23,3 %	26,1 %	19,8 %	21,8 %
<b>Operational</b>					
Benchmark index - end of period	148,45	192,04	148,45	192,04	167,18
Change in period	-17,1 %	4,3 %	-11,2 %	-1,9 %	-14,6 %
Equities - no. of transactions (1000)	417	543	1 044	1 271	2 529
Equities - value of turnover (NOK bill)	111	164	240	324	566
Equities - market value listed companies (NOK bill)			610	840	677
No. of companies listed			205	219	212
Change in period			-7	5	-2
Bonds - no. of listed issues			844	839	837
Derivatives - no. of contracts traded (1000)	762	935	1 537	1 877	3 833

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

12 July 2002