

# Oslo Børs Holding ASA – first quarter 2007

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## First quarter highlights:

- **Continuing high level of market activity**
  - **Operating revenues: NOK 147.2 million (117.2)**
  - **Operating profit: NOK 88.2 million (68.3)**
  - **Earnings for the period: NOK 65.5 million (50.1)**
  - **Earnings per share: NOK 13.09 (10.03)**
  - **Proposal to Annual General Meeting 8 May of 1:5 share split**
  - **Proposed merger with VPS**
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## Business activities in the first quarter of 2007 (same period in 2006 in brackets)

### General

The first quarter of 2007, in common with recent quarters, was characterised by high levels of activity in all areas. The Benchmark Index (OSEBX) closed the quarter at 461.3, an increase of 4.8% since the start of the year.

Companies continue to show strong interest in applying for a stock exchange listing, and the first quarter saw twelve companies admitted to listing, while three companies were removed from listing. At the end of the first quarter 238 companies were listed. This is eighteen more than at the end of the first quarter of 2006.

The value of shares and primary capital certificates traded in the first quarter was NOK 852 billion (642), an increase of 33%. This represents an increase of 25% from the fourth quarter of 2006. The number of transactions in the equity market in the first quarter totalled 2,946,000 (2,122,000), an increase of 39%. This represents an increase of 33% from the fourth quarter of 2006. The value of new share issues reached NOK 19.3 (23.8) billion in the first quarter, a decrease from first quarter last year but a significant increase from the fourth quarter of 2006.

In total, 24 more fixed-income issues are now listed on Oslo Børs and on the ABM (Alternative Bond Market) than at the same time in 2006. The number of issues listed increased by 14 in total over the course of the first quarter. At the end of the first quarter, 710 (853) bond loans and other interest bearing securities were listed on the stock exchange. In addition, 230 (63) loans were listed on the ABM. The mandatory use of IFRS for issuers with securities listed on the stock exchange is assumed to have had influence on the number of issues listed on ABM.

The overall level of activity in the derivatives market in the first quarter was higher than in the same quarter of 2006. Turnover in options and forwards was lower, but turnover in index futures was significantly higher. The first quarter generally sees a higher level of activity than the fourth quarter of last year.

MP Investment Bank hf and Erik Penser Fondkommission AB started trading on Oslo Børs in the first quarter. The membership of Fokus Bank has been terminated in connection with the integration with Danske Bank. Oslo Børs had 53 members in total at the close of the first quarter, of which 21 are local members and 32 are remote members.

The number of end-users with access to market data from Oslo Børs was around 4% higher at the end of the first quarter than at the end of the previous quarter, and around 20% higher than at the same time in 2006. The strongest growth was seen in the number of private individual users without access to order depth information, with the slowest growth being in professional end-users. The price tariff for private end-users was significantly reduced with effect from the fourth quarter of 2006.

### Revenues

The level of activity in the first quarter of 2007 was higher than in both the same period of 2006 and the fourth quarter of 2006. Revenues totalled NOK 147.2 (117.2) million in the first quarter, an increase of NOK 30 million or 26%. Comparison with the fourth quarter of 2006 shows an increase in revenues of NOK 15 million, equivalent to approximately 14%.

## **Revenues, cont.**

Revenue from equity trading was NOK 18 million higher than in the same period in 2006, and was NOK 14 million higher than in the previous quarter.

Revenue from prospectus and listing fees was NOK 8 million higher than in the first quarter of 2006. This was mainly due to increases in the number of new listings and the number of prospectuses inspected and approved. After adjusting for non-

recurring items in the fourth quarter of 2006, revenue in this area was NOK 1 million higher than in the previous quarter.

Revenue from sales of market data showed an increase of NOK 4 million or 14% from the same period in 2006. Revenue was NOK 1 million or 4% higher than the previous quarter.

## **Costs**

First quarter operating costs amounted to NOK 59.0 (48.9) million, an increase of NOK 10 million or 20%.

Salary and staff costs totalled NOK 30.0 (25.9) million in the first quarter, an increase of NOK 4 million or 16%. This reflects an increase in the number of employees, the annual salary increase on 1 January and higher pension costs following changes made at the end of 2006 to the assumptions used to calculate pension liabilities. In addition, contributions to costs from other exchanges were lower as a result of the termination of collaboration in the IT area.

Other operating expenses totalled NOK 24.6 (18.7) million in the first quarter, an increase of NOK 6 million from the same period in 2006. The increase principally reflects work on systems changes for the trading systems and variable trading system costs.

## **Operational matters**

A total of 7 instances of operational problems that reduced functionality, or restricted access to data for external users, were experienced in the first quarter in respect of the trading systems, financial market data systems or network connections. There were no instances of reduced systems availability in the quarter. 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 54 matters to Kredittilsynet (the Financial Supervisory Authority of Norway) in the quarter (25 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, and the main difference between the figures for the two quarters relates to primary insider reporting (an increase from 12 to 31). The area of possible illegal insider trading/leaks of information also saw a significant increase from 3 cases in the previous quarter to 15 in the first quarter of 2007. The number of cases referred per 1,000,000 trades (excluding primary insider reporting) was 7.8 in the first quarter of 2007 as compared to 5.9 in the fourth quarter of 2006. Oslo Børs applied the measures available to regulate share trading (suspension, matching halt and special observation) on 85 occasions in the first quarter (75 in the fourth quarter of 2006).

As announced earlier, Oslo Børs worked through the winter and spring on establishing a new authorised marketplace known as Oslo Axess. The new marketplace was launched on Wednesday 2 May 2007. Oslo Axess is an offer for companies that do not entirely satisfy the requirements for listing on Oslo Børs, but who wish to list their shares in a regulated market in order to access the benefits of listing.

## **Proposed merger with VPS Holding**

The boards of directors of VPS Holding ASA and Oslo Børs Holding ASA have agreed to recommend a merger of the two companies. The boards believe that a merger of the two companies will allow more efficient and coordinated use of their overall resources and expertise and so strengthen work on developing the entire value chain in the Norwegian securities market. A merger will also facilitate more unified and efficient development of products and services as well as efficient delivery of services to the companies' customers.

The merger plan was approved by the boards of directors of VPS Holding ASA and Oslo Børs ASA on 3 May 2007. Oslo Børs plans to hold an extraordinary general meeting on 11 June 2007. Notice, including the merger plan and the information memorandum will be sent to shareholders within 11 May.

**Seadrill Limited**

Oslo Børs was served in March with a writ for an annulment action by Seadrill Limited. The proceedings are issued against Oslo Børs ASA. The proceedings relate to the ruling by the Stock Exchange Appeals Committee in respect of Seadrill's duty to make a mandatory offer for Eastern Drilling ASA. Oslo Børs intends to defend these proceedings. No date has yet been set for the proceedings to be heard.

Seadrill Limited has indicated that the annulment proceedings may be extended or changed to action for damages directed at Oslo Børs and/or the Norwegian Government related to the company's losses caused by the company's duty to make a mandatory offer based on Carnegie ASA's purchase under the total return swap agreement. Oslo Børs considers the likelihood of the judiciary imposing the stock exchange to pay for damages to be low.

**Proposed new legislation**

On 23 March 2007 the Government tabled a proposal for new legislation on securities trading and regulated markets. When enacted, the Bill will implement the EU Markets in Financial Instruments Directive (MiFID), the Transparency Directive and the Takeovers Directive in keeping with Norway's obligations under the EEA Agreement.

The latter directive brings a number of changes, especially in regard to takeover bids. MiFID and the Transparency Directive set the stage for increased competition to offer services provided by the stock exchange, above all in terms of transactions and company disclosures but also trading.

The Government says it will be coming back with an assessment of the rules specifically regulating ownership of stock exchanges and other entities in the securities infrastructure in light of developments in Europe. The stock exchange's role as market surveillance body, enforcer of information requirements and overseer of mandatory and voluntary takeover bids in relation to listed companies will largely continue as at present.

The Bill is expected to be considered by the Storting before summer and to come into force in autumn 2007. Draft regulations amplifying the new legislation in line with EU level 2 rules have been circulated for comment by the Ministry of Finance.

**Outlook for 2007**

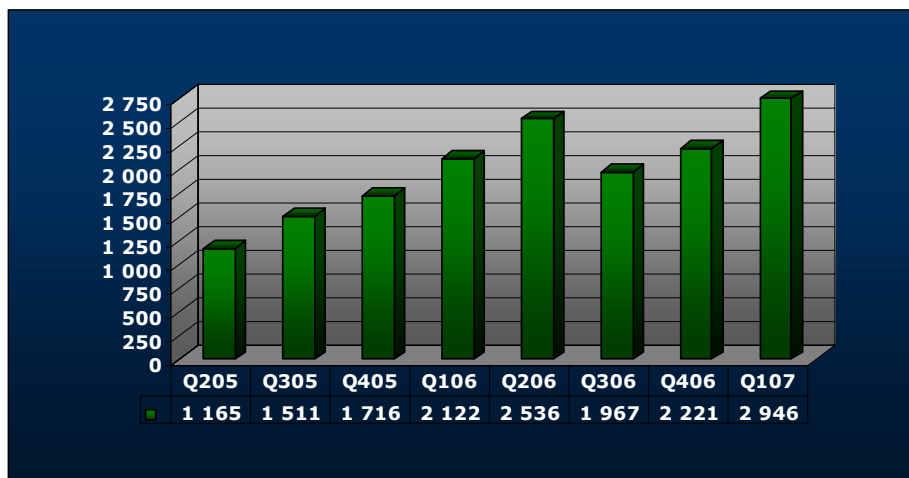
Oslo Børs' revenues vary in line with activity levels. Oslo Børs expects that its total operating costs for 2007 will approach NOK 240 million.

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## Market developments

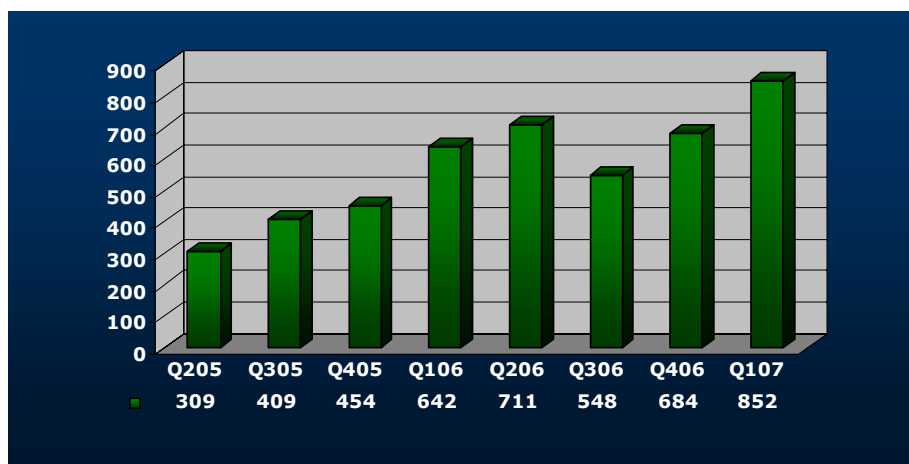
### Equity market – number of transactions (1,000)

Trading activity as measured by the number of transactions was some 33% higher than in the previous quarter and around 39% higher than in the first quarter of 2006.



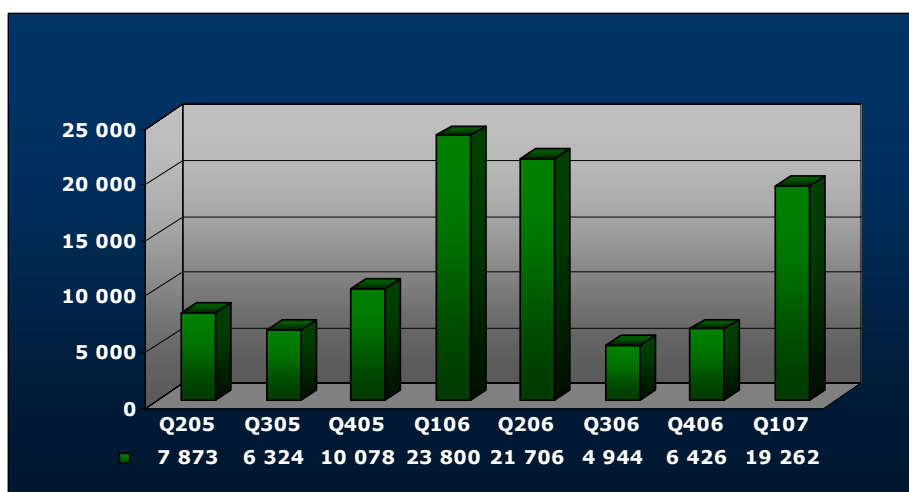
### Equity market – value of turnover (NOK billion)

Measured in terms of value, the level of trading activity in the first quarter was around 25% higher than in the previous quarter and some 33% higher than in the first quarter of 2006.



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

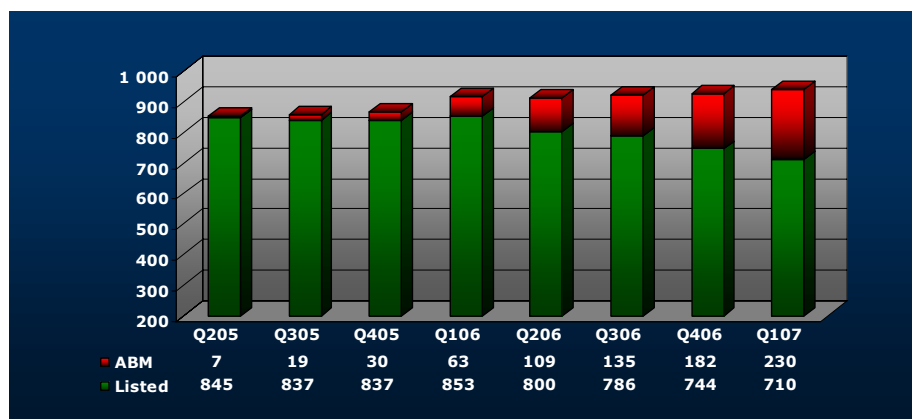
The total value of new issues in the first quarter was significantly higher than the previous quarter, but was somewhat lower than in the first quarter of 2006.



## Bond market – number of listed issues

In total, 24 more fixed-income issues are now listed on Oslo Børs and on the ABM than at the same time in 2006.

The number of issues listed increased by 14 in total over the course of the first quarter.

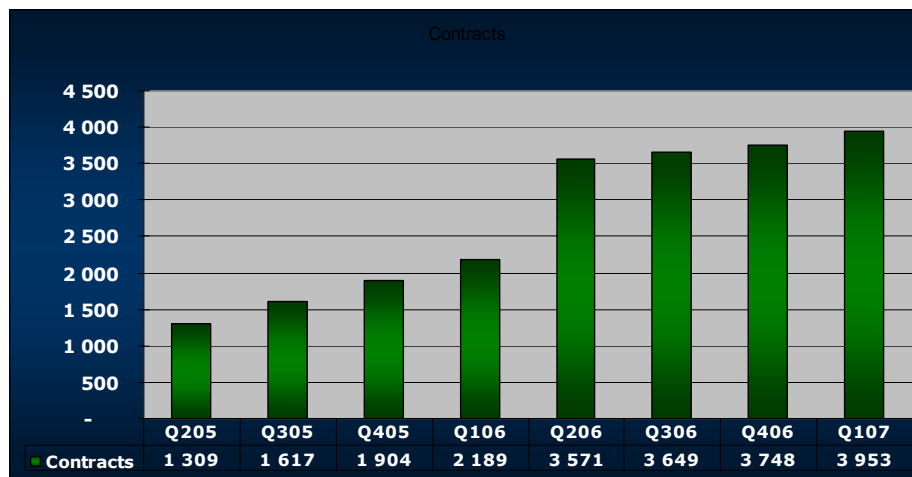


## Derivatives market – number of contracts (1,000)

The level of trading activity in the derivatives market as measured by the number of contracts was somewhat higher than in the previous quarter.

Measured in terms of value, trading in forwards was lower but trading in index futures was significantly higher.

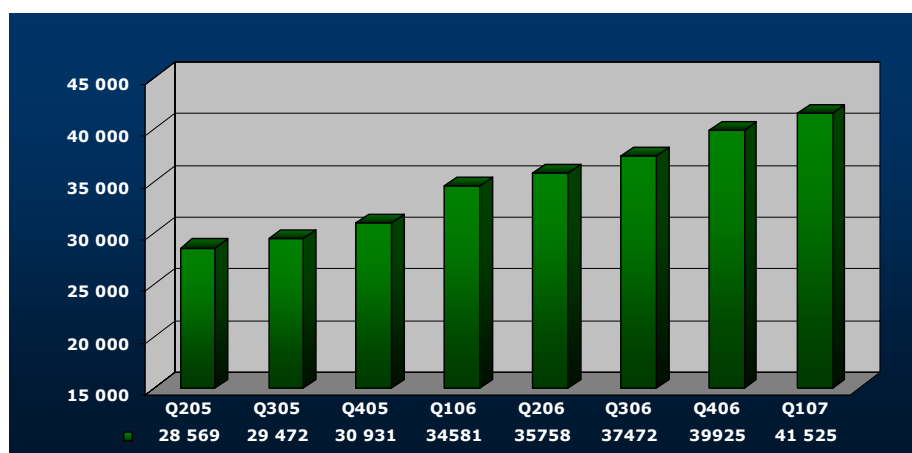
Relative to the first quarter of 2006, turnover in options and forwards was lower, but turnover in index futures was significantly higher.



## Financial market data – number of end-users

The number of end-users of market data from Oslo Børs was around 4% higher at the end of the first quarter than at the end of the previous quarter. The comparison with the first quarter of 2006 shows an increase of 20%.

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

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

	<b>1st Quarter 2007</b>	<b>1st Quarter 2006</b>	<b>2006</b>
<b>Operating revenues</b>	<b>147 232</b>	<b>117 161</b>	<b>494 631</b>
<b>Operating expenses</b>			
Salary and other personnel expenses	29 995	25 929	102 531
Other operating expenses	24 625	18 672	82 027
<b>Operating expenses before depreciation</b>	<b>54 620</b>	<b>44 600</b>	<b>184 558</b>
Depreciation	4 394	4 295	16 929
<b>Total operating expenses</b>	<b>59 013</b>	<b>48 895</b>	<b>201 487</b>
<b>Operating profit</b>	<b>88 218</b>	<b>68 266</b>	<b>293 144</b>
Net financial items	2 700	1 380	11 875
<b>Ordinary pre-tax profit</b>	<b>90 918</b>	<b>69 646</b>	<b>305 019</b>
Tax	25 457	19 501	84 815
<b>Earnings for the period</b>	<b>65 461</b>	<b>50 145</b>	<b>220 205</b>
<b>Earnings per share (NOK)</b>	<b>13,09</b>	<b>10,03</b>	<b>44,04</b>
<b>Diluted earnings per share (NOK)</b>	<b>13,09</b>	<b>10,03</b>	<b>44,04</b>

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## Segment information and operating revenues by area and category

Following the reorganisation implemented at the end of September 2006, Oslo Børs Holding has two segments; Markets and Information Services. Markets comprises the marketplaces for listing and trading of shares, fixed-income securities and derivatives. Information Services comprises sales of financial market data and is carried out through Oslo Børs Informasjon AS.

Fees from equity market trading represented the largest increase in revenue relative to the first quarter of 2006. Revenue from prospectus and listing fees in the equity area was also significantly higher. First quarter revenues from the fixed-income area and derivatives area were in line with the same quarter of 2006. The number of terminals with access to market data from Oslo Børs was around 20% higher than in the first quarter of 2006.

<b>Segment reporting</b>	<b>1st Quarter 2007</b>	<b>1st Quarter 2006</b>	<b>2006</b>
<b>Markets</b>			
Operating revenues	131 503	104 252	432 093
Operating expenses	52 937	43 070	176 627
Operating profit	78 566	61 182	255 466
Net operating margin	60 %	59 %	59 %
<b>Information Services</b>			
Operating revenues	36 012	31 644	140 489
Operating expenses	26 348	24 527	102 782
Operating profit	9 664	7 117	37 707
Net operating margin	27 %	22 %	27 %
<b>Other/eliminations</b>			
Operating revenues	-20 283	-18 735	-77 951
Operating expenses	-20 271	-18 702	-77 921
Operating profit	-12	-33	-30
<b>Total operating revenues</b>	<b>147 232</b>	<b>117 161</b>	<b>494 631</b>
<b>Total operating expenses</b>	<b>59 014</b>	<b>48 895</b>	<b>201 488</b>
<b>Total operating profit</b>	<b>88 218</b>	<b>68 266</b>	<b>293 143</b>

<b>Revenues per area</b>	<b>1st Quarter 2007</b>	<b>1st Quarter 2006</b>	<b>2006</b>
Equity Markets	100 325	73 434	212 826
Fixed Income Markets	6 463	6 427	26 281
Derivatives Markets	4 930	5 832	16 430
Financial Market data	34 663	30 295	101 436
Other	851	1 172	4 414
<b>Total operating revenues</b>	<b>147 232</b>	<b>117 161</b>	<b>361 386</b>

<b>Revenues per category</b>	<b>1st Quarter 2007</b>	<b>1st Quarter 2006</b>	<b>2006</b>
Fixed fees- issuers	19 891	18 204	59 824
Fixed fees - members	2 995	2 484	9 250
Trading fees	72 135	55 309	143 559
Prospectus and admission fees	16 697	8 567	41 442
Financial market data	34 663	30 295	101 436
Income from courses/seminars	523	715	2 396
Other income	328	1 587	3 478
<b>Total operating revenues</b>	<b>147 232</b>	<b>117 161</b>	<b>361 386</b>

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## 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 31 March 2007 was estimated to be NOK 450 per share. In accordance with IFRS, the difference of NOK 115 million between cost price and estimated fair value is applied directly to equity.

Short-term receivables totalled NOK 85 million at the end of the first quarter. Of this, trade receivables totalled NOK 67 million. Other current receivables were NOK 17 million, including prepaid expenses of NOK 9 million and income accrued but not yet invoiced of some NOK 8 million.

Cash and cash equivalents totalled NOK 368 million at the end of the first quarter. In addition, NOK 7 million of liquid assets are classified as financial fixed assets.

Provisions for liabilities relate to pension liabilities. Current liabilities amounted to approximately NOK 200 million at the end of the first quarter, of which pre-payments from customers amounted to approximately NOK 83 million and tax payable accounts for approximately NOK 83 million.

	<b>31 March 2007</b>	<b>31 March 2006</b>	<b>2006</b>
<b>Fixed assets</b>			
IT systems	14 488	20 503	15 570
Deferred tax assets	41 360	31 867	41 338
Tangible assets	43 578	43 404	43 944
Financial fixed assets	250 391	94 120	200 441
<b>Current assets</b>			
Receivables	84 729	61 612	75 113
Cash and liquid assets	368 237	300 207	226 840
<b>Assets</b>	<b>802 783</b>	<b>551 712</b>	<b>603 246</b>
<b>Equity</b>			
Contributed equity	113 405	113 405	113 405
Earned equity	374 829	218 977	259 420
Total equity	488 234	332 382	372 825
<b>Liabilities</b>			
Provisions for liabilities	114 840	67 758	113 916
Current liabilities	199 709	151 572	116 505
<b>Equity and liabilities</b>	<b>802 783</b>	<b>551 712</b>	<b>603 246</b>

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## Cash flow

The Oslo Børs group recorded an increase of NOK 141 million in its cash and cash equivalents in the first quarter. Cash and cash equivalents held at the end of the quarter totalled NOK 368 million. In addition, NOK 7 million of liquid assets are classified as financial fixed assets.

	<b>1st Quarter 2007</b>	<b>1st Quarter 2006</b>	<b>2006</b>
<b>Cash flow from</b>			
- operational activities	144 343	116 219	258 019
- investment activities	-2 946	-1 905	-87 072
- financing activities	0	0	-130 000
<b>Cash and cash equivalents at period's start</b>	<b>226 840</b>	<b>185 893</b>	<b>185 893</b>
Change in cash and cash equivalents	141 397	114 314	40 947
<b>Cash and cash equivalents at period's end</b>	<b>368 237</b>	<b>300 207</b>	<b>226 840</b>
<b>Cash flow per share before financing activities (NOK)</b>	<b>28,28</b>	<b>22,86</b>	<b>34,19</b>
<b>Cash flow per share (NOK)</b>	<b>28,28</b>	<b>22,86</b>	<b>8,19</b>

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## Equity

Equity amounted to NOK 488 million at the end of the first quarter, and the equity ratio was approximately 61%. In accordance with IFRS, no provision has been made in the accounts for the proposed dividend.

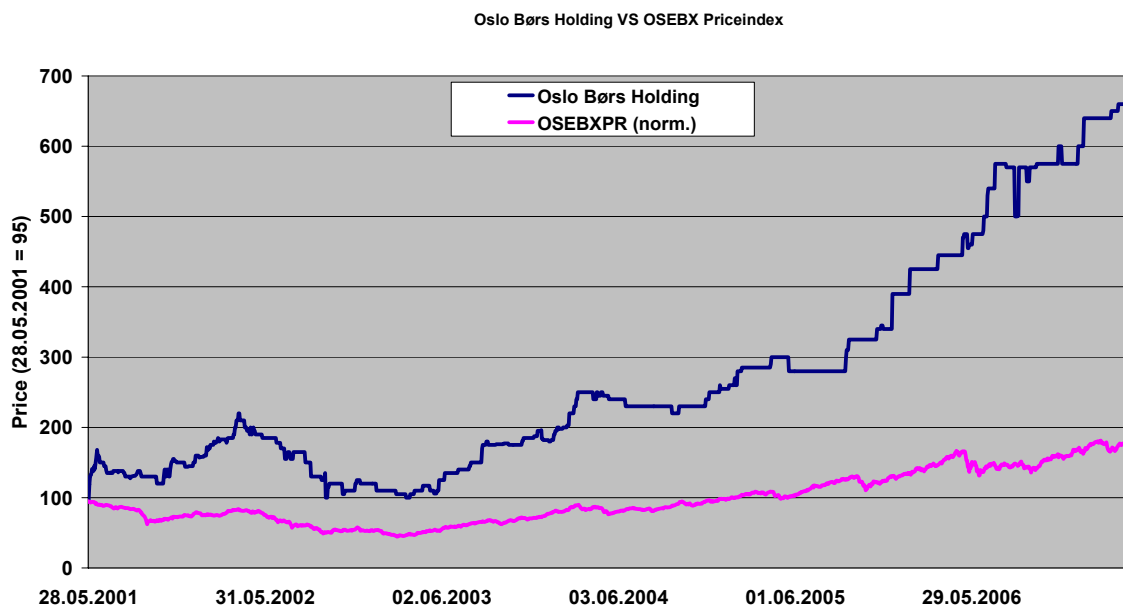
	<b>31 March 2007</b>	<b>31 March 2006</b>	<b>2006</b>
<b>Equity at period's start</b>	<b>372 825</b>	<b>282 237</b>	<b>282 237</b>
Profit for the period	65 461	50 145	220 205
Dividends	0	0	-130 000
Increase in value of financial instruments	49 950	0	29 079
Purchase of own shares	0	0	-3
Actuarial gains/losses in the period	0	0	-28 694
<b>Equity at period's end</b>	<b>488 234</b>	<b>332 382</b>	<b>372 825</b>
<b>Equity ratio</b>	<b>61 %</b>	<b>60 %</b>	<b>62 %</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 mid-April 2007, not adjusted for disbursed dividends or reduction of capital. The share price is compared with the OSEBX price index, also not adjusted for dividends. During the period, approximately 450.000 shares have been traded with prices from NOK 640 to NOK 660. The last registered trade was at NOK 650. The last registered trade in 2006 was at NOK 600. 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. In addition, a dividend of NOK 30 per share for 2006 has been proposed. The Board of Directors has recommended that the Annual General Meeting, that is to held 8 May 2007, approves a 1:5 share split. If the share split is approved, the share will be traded with the new nominal value after the split and excluding dividend from and including 9 May 2007.



### Oslo Børs Holding ASA – 20 largest shareholders as of 7 May 2007:

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. KLP FORSIKRING	NOR	488 100	9,76 %
5. NORSK HYDROS PENSJONSKASSE	NOR	415 358	8,31 %
6. ORKLA ASA	NOR	250 500	5,01 %
7. NORDEA BANK PLC FINL (NOM)	FIN	220 646	4,41 %
8. SMALLCAP WORLD FUND	USA	200 467	4,01 %
9. MSF- MUTUAL	USA	182 200	3,64 %
10. PARETO AS	NOR	163 100	3,26 %
11. FOKUS BANK	NOR	150 000	3,00 %
12. FRANKLIN TEMPLETON	LUX	101 500	2,03 %
13. PARETO SECURITIES AS	NOR	100 028	2,00 %
14. FONDSAVANSE AS	NOR	68 824	1,38 %
15. MSF- MUTUAL	USA	68 000	1,36 %
16. TONSENHAGEN FORRETNINGSSENTER	NOR	35 273	0,71 %
17. SISU CAPITAL	GBR	32 214	0,64 %
18. STATOILS PENSJONSKASSE	NOR	28 277	0,57 %
19. MP PENSJON	NOR	28 125	0,56 %
20. SISU CAPITAL	GBR	22 529	0,45 %
<b>Sum 20 largest</b>		<b>4.538.545</b>	<b>90,77 %</b>

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## Key figures

	<b>1st Quarter 2007</b>	<b>1st Quarter 2006</b>	<b>2006</b>
<b>Financial</b>			
Earnings per share (NOK)	13,09	10,03	44,04
Diluted earnings per share (NOK)	13,09	10,03	44,04
Cash flow per share before dividends and capital reduction (NOK)	28,28	22,86	34,19
Change in cash per share (NOK)	28,28	22,86	8,19
Return on equity	60,8 %	65,3 %	67,2 %
Return on total capital	51,7 %	56,4 %	58,7 %
Net operating margin	59,9 %	58,3 %	59,3 %
<b>Operational</b>			
Benchmark index at period's end	461,30	396,30	440,36
Change in period	4,8 %	19,2 %	32,4 %
Equities - no. of transactions (1000s)	2 946	2 122	8 846
Equities - value of turnover (NOKbn)	852	642	2 585
Equities - market value listed companies (NOKbn)	2 009	1 695	1 916
No. of companies listed	238	220	229
Change in period	9	1	10
Bonds - no. of listed issues	710	853	744
ABM - no. of listed issues	230	63	172
Derivatives - no. of contracts traded (1000s)	3 953	2 189	13 157
Turnover derivatives (NOK million)	40 771	29 099	126 293
Financial market data - number of end-users	41 525	34 581	39 925
Earnings per share:	Profit for the period divided by the no. of shares		
Cash flow per share before dividends:	Net change in cash and cash equivalents plus dividends paid divided by the no. of shares		
Net cash flow per share:	Net change in cash and cash equivalents divided by the no. of shares		
Return on equity:	Profit for the period (annualised) divided by the average of book equity at the start and end of the period		
Return on total capital:	Profit before tax for the period (annualised) divided by the average of total assets at the start and end of the period		
Net operating margin:	Operating profit divided by operating revenues		

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

7 May 2007