

# Oslo Børs Holding ASA – fourth quarter 2004

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## Fourth quarter highlights:

- **Continuing very high level of market activity**
  - **Operating revenues NOK 70.4m (62.2m)**
  - **Profit NOK 20.5m (10.9m)**
  - **Earnings per share NOK 4.10 (2.19)**
  - **Proposed ordinary dividend of NOK 14 per share**
  - **Proposed extraordinary dividend of NOK 6 per share**
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## Business activities in the fourth quarter of 2004 (prior-year figures in brackets)

### General

Oslo Børs Holding ASA recorded post-tax profit of NOK 20.5 (10.9) million in the fourth quarter of 2004. Post-tax profit for the full year totalled NOK 74.7 (53.3) million.

The very high level of activity in the market continued in the fourth quarter, and the overall volume of trading recorded for the quarter was second only to the record level achieved in the first quarter of 2004. The Oslo Børs Benchmark Index (OSEBX) stood at 236.7 at year-end after an increase of around 8% over the quarter.

Shares and primary capital certificates worth NOK 272 (160) billion changed hands in the fourth quarter. The number of transactions in the equity market in the fourth quarter totalled approximately 970,000 (686,000).

At the end of the fourth quarter 861 (826) bonds and other interest bearing securities were quoted. Trading in the derivatives market again showed a positive trend compared with the previous year. Around 1,328,000 (1,089,000) contracts were traded in the fourth quarter. This gives a daily average of approx 21,200 (15,300) contracts. The average premium for 2004 was NOK 6.5 (7.0).

Shares worth NOK 2.7 (3.1) billion were issued in the fourth quarter. At end-2004 188 companies were listed on Oslo Børs, an increase of 10 companies from the close of 2004. Two companies were removed from listing in the fourth quarter.

The number of terminals with access to market data from Oslo Børs was somewhat higher in the fourth quarter than in the first three quarters of 2004. Revenues from sales of market data in 2004 were again affected by an increase in the number of distributors of real time information and of terminals with access to fundamental data in the period.

### Revenues

Revenues totalled NOK 70.4 (62.2) million in the fourth quarter. Revenues for the full year 2004 totalled NOK 268.7 (228.5) million. Most revenue items and revenue areas showed an increase compared with the same period last year. Revenues from trading, listing and prospectus control and admission to listing fees showed the largest increase.

### Costs

Fourth quarter operating expenses totalled NOK 45.2 (46.2) million.

Salary and staff costs totalled NOK 24.5 (24.4) million in the fourth quarter. For the year as a whole, salary and staff costs totalled NOK 87.7 (80.4) million. Costs for 2004 as a whole were affected by annual salary increases, higher variable salary payments in 2004 than in 2003 and an increase in provisions for some aspects of pension liabilities following a change in the estimates used for the time over which pension rights are accrued. On the other hand, the level of cost reimbursement from leave and from other Norex-exchanges increased from 2003 to 2004. The majority of the variable salary for 2003 was expensed in the fourth quarter of 2003. In 2004 the variable salary has been expensed over the year.

**Costs, cont.**

Other operating expenses totalled NOK 15.4 (16.7) million in the fourth quarter, a decrease of NOK 1.3 million from the same quarter of 2003. For the full year 2004 other operating expenses totalled NOK 60.9 (58.6) million, an increase of NOK 2.3 million from 2003. The expenses reported for 2003 were positively affected by non-recurring items that reduced other operating expenses by approximately NOK 2.6 million. After taking this into account, other operating expenses for 2004 were in line with 2003. The level of other operating expenses reported for the fourth quarter of 2004 was affected to some extent by a write-back of provisions made earlier in the year.

**Proposed dividend for 2004**

The Board of Directors intends to propose to the Annual General Meeting that the company should distribute an ordinary dividend of NOK 14 per share and an extraordinary dividend of NOK 6 per share.

These proposals will be considered by the Annual General Meeting due to be held on 9 May 2005. If the Annual General Meeting approves the proposals, payment is expected to take place at the end of May.

**Implementation of IFRS for Oslo Børs Holding**

As stated in the interim report for the third quarter of 2004, Oslo Børs Holding intends to adapt its financial reporting to meet the requirements of the International Financial Reporting Standards (IFRS) with effect from the 2005 accounting year.

The opening balance for 2004 restated in accordance with IFRS (balance sheet at 1 January 2004) will be affected by a number of factors. The most significant changes will affect the accounting treatment of pension commitments and provisions for dividend payments. The overall effect on equity at the start of 2004 is an increase of NOK 33 million from equity as reported at 31 December 2003 in accordance with Norwegian GAAP. (This estimated difference was reported as NOK 30 million in the interim report for the third quarter 2004). Profit for 2004 in accordance with IFRS is NOK 2 million higher and equity at 31 December 2004 increases by NOK 85 million relative to the equivalent figures reported in accordance with Norwegian GAAP.

The 2004 Annual Report will include further information on the opening balance for 2004 in accordance with IFRS.

**Stock exchange listing of Oslo Børs Holding ASA**

In connection with the offer of shares in Oslo Børs Holding ASA in May 2001, the Board of Directors at that time stated that it considered it natural that Oslo Børs should work over time towards a stock exchange listing for the company's shares.

Oslo Børs discussed the possibility of a stock exchange listing with a number of its shareholders during the course of 2004. In view of the marked concentration of ownership seen over the course of 2003 and 2004, the question of appropriate measures to help ensure satisfactory liquidity in the company's shares following a listing would represent a major challenge. The conclusion drawn from discussions with shareholders was that there is no basis for implementing such measures, and the Board of Oslo Børs Holding ASA has therefore concluded that it is not appropriate to seek a listing for the company's shares at the moment.

**IT collaboration with the Copenhagen Stock Exchange**

Over the last three years, Oslo Børs has collaborated with the Copenhagen Stock Exchange on IT, which has involved the joint development and operation of IT systems. Oslo Børs has been responsible for operating the systems developed. The merger announced between OMX and the Copenhagen Stock Exchange changes the basis for this collaboration, and the parties agreed in January 2005 that the current collaboration will be phased out over the course of 2005. Oslo Børs is currently considering the consequences of this, including the financial implications. It is assumed that these changes will cause some increase in operating costs with effect from 2006, but at the moment Oslo Børs does not expect any adverse effect on costs for 2005. It is possible that the collaboration will be replaced over time by other projects of similar nature and scope.

**Outlook**

The level of market activity was higher throughout 2004 than the normal level seen over recent years. The operating revenues generated by Oslo Børs vary in pace with the level of activity, and revenues for 2005 will therefore depend on the activity over the course of the current year. Oslo Børs has so far not increased its prices for 2005.

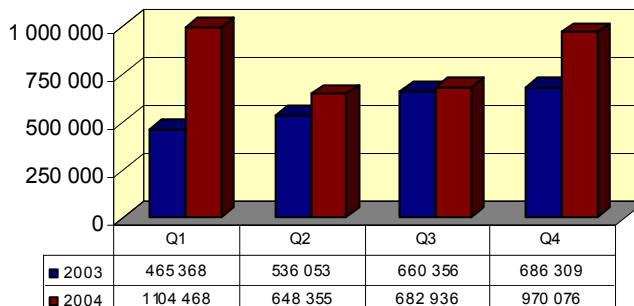
Oslo Børs expects no significant change in total operating costs for 2005.

Oslo Børs intends to accept the offer by OMX to purchase all shares in the Copenhagen Stock Exchange. If the bid is concluded, this will generate an accounting gain for Oslo Børs in the order of NOK 6 million in the first quarter of 2005.

## Market developments

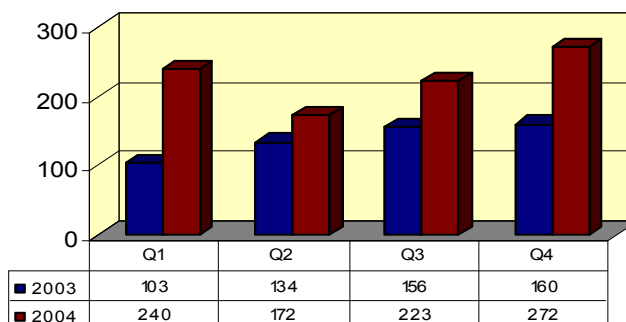
Trading activity was very strong in the fourth quarter. The number of transactions was around 42% higher than in both the previous quarter and in the fourth quarter of 2003.

**Equity market - number of transactions**



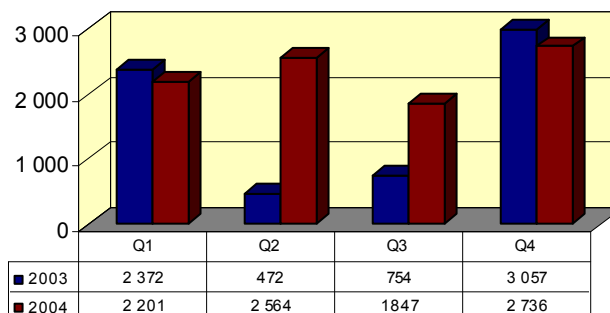
The value of equity market trades in the fourth quarter was around 21% higher than in the previous quarter, and a sizeable 70% higher than in the same period of 2003.

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



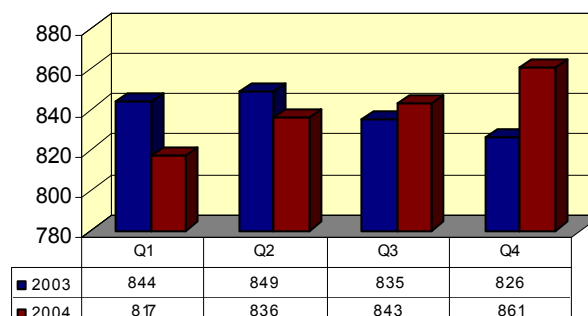
The supply of capital to listed companies in the third quarter was around 48% higher than in the preceding quarter but somewhat lower than in the same period last year.

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



### Bond market - number of listed issues

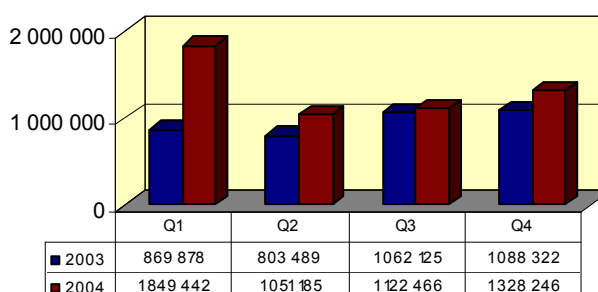
The number of listed issues in the fixed income market was higher than in the previous quarter and the same period of 2003.



### Derivatives market - number of contracts traded

The level of activity in the derivatives market followed the same pattern as the equity market, and was somewhat higher than in the third quarter of this year and the same period last year.

The average premium for derivatives contracts in 2004 was NOK 6.5 compared with NOK 7.0 in 2003.

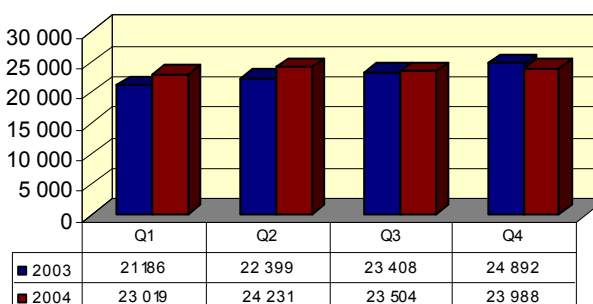


Revenues from sales of financial market data increased by around 2% from the previous quarter.

Some distributors report actual terminal numbers with a month's delay. The revenue reported for a single quarter is therefore affected by accruals from quarter to quarter.

The number of terminals accessing data from Oslo Børs increased by around 1% between the third and fourth quarters. Revenues from sales of market data in 2004 were also affected by an increase in the number of distributors of real time information and of terminals with access to fundamental data in the period.

### Revenues from sales of financial market data



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.

The interim report has been prepared on the basis of the same principles as the annual accounts and in accordance with NRS 11 - Interim Reporting.

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## Profit and loss account

The profit and loss account has been prepared on the basis of the same accounting principles as the annual accounts.

	<b>4th Quarter 2004</b>	<b>4th Quarter 2003</b>	<b>2004</b>	<b>2003</b>
<b>Operating revenues</b>	<b>70 401</b>	<b>62 225</b>	<b>268 680</b>	<b>228 493</b>
<b>Operating expenses</b>				
Salary and other personnel expenses	24 519	24 432	87 657	80 375
Depreciation	5 250	5 249	20 897	20 238
Other operating expenses	15 426	16 741	60 910	58 762
<b>Total operating expenses</b>	<b>45 194</b>	<b>46 422</b>	<b>169 464</b>	<b>159 375</b>
<b>Operating profit</b>	<b>25 206</b>	<b>15 803</b>	<b>99 215</b>	<b>69 117</b>
Net financial items	<b>663</b>	<b>943</b>	<b>4 109</b>	<b>6 477</b>
<b>Ordinary pre-tax profit</b>	<b>25 869</b>	<b>16 746</b>	<b>103 324</b>	<b>75 595</b>
Tax	<b>5 383</b>	<b>5 801</b>	<b>28 620</b>	<b>22 279</b>
<b>Earnings for the period</b>	<b>20 486</b>	<b>10 945</b>	<b>74 704</b>	<b>53 316</b>
<b>Earnings per share (NOK)</b>	<b>4,10</b>	<b>2,19</b>	<b>14,94</b>	<b>10,66</b>
<b>Diluted earnings per share (NOK)</b>	<b>4,10</b>	<b>2,19</b>	<b>14,94</b>	<b>10,66</b>

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## Operating revenues by area and category

Most revenue items and revenue areas show an increase compared with the same period last year. Revenues from equity trading show the largest increase.

	<b>4th Quarter 2004</b>	<b>4th Quarter 2003</b>	<b>2004</b>	<b>2003</b>
Equity Markets	36 181	27 757	130 846	97 400
Fixed Income Markets	6 552	6 320	26 012	25 565
Derivatives Markets	2 716	2 259	12 520	9 108
Financial Market data	23 988	24 892	94 743	91 885
Other	964	997	4 559	4 535
<b>Total operating revenues</b>	<b>70 401</b>	<b>62 225</b>	<b>268 680</b>	<b>228 493</b>

	<b>4th Quarter 2004</b>	<b>4th Quarter 2003</b>	<b>2004</b>	<b>2003</b>
Fixed fees- issuers	12 453	11 574	50 772	48 279
Fixed fees - members	2 295	2 531	9 200	9 450
Trading fees	25 018	17 295	90 120	61 132
Prospectus and admission fees	5 143	4 166	17 688	11 862
Financial market data	23 988	24 893	94 743	91 885
Income from courses/seminars	444	612	2 467	3 335
Other income	1 060	1 155	3 691	2 550
<b>Total operating revenues</b>	<b>70 401</b>	<b>62 225</b>	<b>268 680</b>	<b>228 493</b>

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## Balance sheet

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

Financial fixed assets increased by about NOK 49 million with the acquisition of shares in VPS Holding ASA. Other significant financial fixed assets are pension assets (NOK 6 million) and shares in the Copenhagen Stock Exchange (NOK 7 million).

Short-term receivables totalled NOK 39 million at the end of the fourth quarter. Of this, trade receivables totalled NOK 21 million and other short-term receivables total NOK 18 million, of which prepaid expenses totalled approximately NOK 4 million and fees paid to OM Technology accounted for about NOK 9 million.

Cash and cash equivalents totalled NOK 118 million at quarter end.

Current liabilities amounted to about NOK 157 million at the end of the fourth quarter. This includes provision for dividend payments of NOK 100 million and provision for tax payable of NOK 28 million.

	<b>2004</b>	<b>2003</b>
<b>Fixed assets</b>		
IT systems	31 344	45 571
Deferred tax assets	23 189	23 543
Tangible assets	40 277	40 443
Financial fixed assets	64 384	23 075
<b>Current assets</b>		
Receivables	39 097	37 216
Cash and liquid assets	118 078	101 058
<b>Assets</b>	<b>316 369</b>	<b>270 905</b>
<b>Equity</b>		
Contributed equity	113 405	113 405
Earned equity	20 754	46 051
	134 159	159 456
<b>Liabilities</b>		
Provisions for liabilities	25 485	16 504
Current liabilities	156 724	94 945
<b>Equity and liabilities</b>	<b>316 369</b>	<b>270 905</b>

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## Cash flow

The Oslo Børs Group recorded an increase of NOK 24 million in its cash and cash equivalents in the fourth quarter. For the year as a whole, cash and cash equivalents increased by NOK 17 million. Dividend payments to shareholders totalled NOK 50 million in 2004. Cash flow from/for investment activities principally comprises NOK 49 million for the purchase of shares in VPS, NOK 4 million from the redemption of investments in fund units and NOK 7 million for investment in tangible fixed assets.

Cash and cash equivalents held at the end of the quarter totalled NOK 118.1 million.

	<b>4th Quarter 2004</b>	<b>4th Quarter 2003</b>	<b>2004</b>	<b>2003</b>
<b>Cash flow from</b>				
- operational activities	25 114	13 349	119 326	82 337
- investment activities	-368	-1 043	-52 306	-4 045
- financing activities	0	-60 000	-50 000	-90 000
<b>Cash and cash equivalents at period's start</b>	<b>93 332</b>	<b>148 754</b>	<b>101 058</b>	<b>112 766</b>
Change in cash and cash equivalents	24 746	-47 696	17 020	-11 708
<b>Cash and cash equivalents at period's end</b>	<b>118 078</b>	<b>101 058</b>	<b>118 078</b>	<b>101 058</b>
<b>Cash flow per share before financing activities (NOK)</b>	<b>4,95</b>	<b>2,46</b>	<b>13,40</b>	<b>15,66</b>
<b>Cash flow per share (NOK)</b>	<b>4,95</b>	<b>-9,54</b>	<b>3,40</b>	<b>-2,34</b>

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## Equity

Equity amounted to NOK 134 million at the end of the fourth quarter, and the equity ratio was approximately 42%.

	<b>4th Quarter 2004</b>	<b>4th Quarter 2003</b>	<b>2004</b>	<b>2003</b>
<b>Equity at period's start</b>	<b>213 674</b>	<b>258 511</b>	<b>159 456</b>	<b>216 139</b>
Profit for the period	20 486	10 945	74 704	53 316
Dividends	-100 000	-50 000	-100 000	-50 000
Capital reduction	0	-60 000	0	-60 000
<b>Equity at period's end</b>	<b>134 159</b>	<b>159 456</b>	<b>134 159</b>	<b>159 456</b>
<b>Equity ratio</b>	<b>42 %</b>	<b>59 %</b>	<b>42 %</b>	<b>59 %</b>

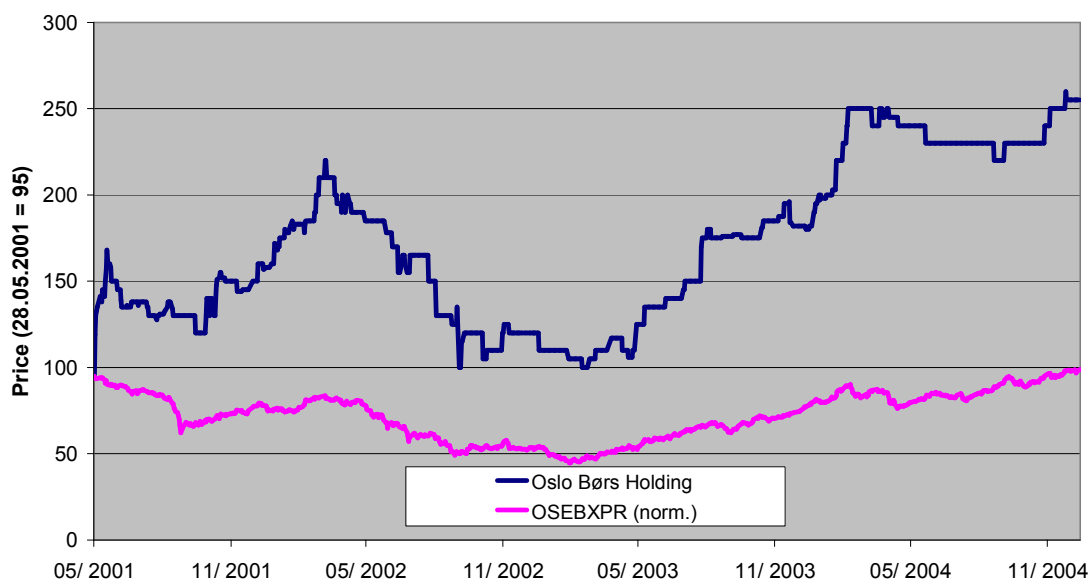
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## Shareholder information

### Oslo Børs Holding ASA share price:

The graph shows movements in the share price of Oslo Børs Holding ASA for the period May 2001 through December 2004, 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 46 per share.

Oslo Børs Holding VS OSEBX Priceindex



### Oslo Børs Holding ASA – 20 largest shareholders at 12 January 2005:

#### 20 largest as of 12 January 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	435 206	8,70 %
5. THIRD AVENUE	USA	351 700	7,03 %
6. JPMORGAN SECURITIES EQUITIES	GBR	245 000	4,90 %
7. MORGAN STANLEY (nominee account)	GBR	234 262	4,69 %
8. STATE STREET BANK (nominee account)	USA	218 500	4,37 %
9. KLP FORSIKRING	NOR	200 000	4,00 %
10. DANSKE BANK	NOR	192 200	3,84 %
11. NORDEA LIV ASA	NOR	116 100	2,32 %
12. PARETO SECURITIES AS	NOR	100 000	2,00 %
13. PARETO AS	NOR	100 000	2,00 %
14. ERIK MUST A/S	NOR	68 824	1,38 %
15. NORDEA BANK	FIN	57 500	1,15 %
16. TELENOR PENSJONSKASSE	NOR	52 960	1,06 %
17. SPAREBANK 1 LIVSFORSIKRING	NOR	50 000	1,00 %
18. THE NORTHERN TRUST (nominee account)	GBR	47 000	0,94 %
19. ABG SUNDAL COLLIER	NOR	45 000	0,90 %
20. TONSENHAGEN FORRETNINGSSENTER	NOR	35 273	0,71 %
<b>Sum 20 largest</b>		<b>4 532 429</b>	<b>90,65 %</b>

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## Key figures

	4th Quarter 2004	4th Quarter 2003	2004	2003
<b>Financial</b>				
Earnings per share (NOK)	4,10	2,19	14,94	10,66
Diluted earnings per share (NOK)	4,10	2,19	14,94	10,66
Cash flow per share before dividends and capital reduction (NOK)	4,95	2,46	13,40	15,66
Change in cash per share (NOK)	4,95	-9,54	3,40	-2,34
Return on equity	47,1 %	20,9 %	50,9 %	28,4 %
Return on total capital	33,2 %	22,3 %	35,2 %	26,3 %
Net operating margin	35,8 %	25,4 %	36,9 %	30,2 %
<b>Operational</b>				
Benchmark index at period's end	236,70	170,97	236,70	170,97
Change in period	7,9 %	19,9 %	38,4 %	48,4 %
Equities - no. of transactions (1000s)	970	686	3 406	2 348
Equities - value of turnover (NOKbnl)	272	159	907	552
Equities - market value listed companies (NOKbn)			932	690
No. of companies listed			188	178
Change in period			10	-26
Bonds - no. of listed issues			861	826
Derivatives - no. of contracts traded (1000s)	1 328	1 089	5 352	3 824

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

27 January 2005