

## Oslo Børs Holding ASA – third quarter 2002

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### Third quarter 2002 highlights:

- Continued thin trading in share and derivatives market
  - Decline in financial market data sales
  - Post-tax profit Q3: NOK 10.0m (17.1m)
  - Earnings per share Q3: NOK 1.99 (3.43)
  - Extraordinary dividend of NOK 70m or NOK 14 per share
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### Activity in the third quarter (3rd quarter 2001 figures in parenthesis)

#### General

Oslo Børs Holding ASA achieved a third-quarter post-tax profit of NOK 10.0 (17.1) million. Post-tax profit for the year to date is NOK 35.0 (41.9) million. The effective tax rate increased from 16 per cent in the third quarter of 2001 to 28 per cent in the third quarter of 2002. The increase comes to NOK 6.1 million. Oslo Børs became liable to tax upon privatisation in May 2001.

Oslo Børs is effected by the global downturn in securities market since the Winter of 2000. The Benchmark Index fell by 25.5 per cent in the third quarter, and in the year to date by 33.8 per cent.

Shares worth NOK 97.0 billion changed hands in the equity market in the third quarter compared with NOK 111.1 billion in the second quarter. Turnover figures include shares, primary capital certificates, warrants and subscription rights. Turnover of warrants came to NOK 97.0 million compared with NOK 20.0 million in the second quarter. New warrants from Kværner, Tomra, Nokia, Statoil and Norske Skogindustrier were admitted to quotation.

One company was admitted to listing in the period while two were delisted. After conversion to public limited company status, Gjensidige NOR was admitted to the financials index and the main list as from 13 September.

Transaction numbers were somewhat higher than in the second quarter but lower than in the same period of 2001. Reduced activity in the equity market has brought lower volumes and weaker profits in the derivatives market.

However, the reduced activity in the equity market entails higher activity and profits in the fixed income market. At the end of the third quarter 851 bonds were quoted. In the course of the quarter 30 new bonds were issued. Including enlargements of existing loans, bonds issued totalled NOK 38.1 billion in the quarter.

#### Revenues

Third quarter revenues totalled NOK 51.1 million. This is about NOK 4.2 million lower than in the same period last year. About NOK 4.5 million was taken to revenue under "Other revenues" in the third quarter of 2001 in connection with expenses refunded upon Oslo Børs's privatisation in 2001. Hence current operating revenues show little change on last year's third quarter.

Third quarter revenues from sale of market data are about NOK 2.8 million lower than in the second quarter and the same period of 2001. Double reporting from a distributor in 2002 was discovered in the third quarter, prompting a feedback of revenues worth NOK 1.2 million. When this is corrected for, revenues show a fall of about NOK 1 million or about 4 per cent in relation to this year's second quarter and about NOK 1.6 million or some 7 per cent in relation to the third quarter of 2001. In the full year 2002 market data were sold to a total value of NOK 69.8 million compared with NOK 70.3 million in 2001.

Thus far this year revenues total NOK 167.9 million compared with NOK 165.8 million in the same period last year.

**Costs**

Salary and staff costs for the second quarter are lower than in the preceding period, but are higher than in the same period last year. This is in part due to an increase in staff from 106 to 108 at the end of the third quarter of 2001, and to last year's third-quarter capitalisation of salary and staff costs to a value of NOK 2.9 million in respect of internal resources expended in projects.

Depreciation came to NOK 12.2 million in the first three quarters compared with NOK 33.5 million in 2001. The sizeable difference is due to last year's rapid write-down of the old trading system.

Other operating expenses show an increase of about NOK 4.5 million compared with the third quarter of 2001. The increase so far this year over the same period last year is about NOK 13.1 million. Maintenance costs of NOK 3.5 million were taken to expenses in the period in connection with Oslo Børs's refurbishment project; about NOK 13 million has been expensed so far in the current year. The project was largely completed by the end of the third quarter. The switch to an arrangement whereby Oslo Børs leases its trading system increased expenses in the third quarter of 2002 by about NOK 4.5 million in relation to the same period last year. The rise in "Other operating expenses" as from this year's second quarter is also essentially due to the leasing of the Saxess system.

Overall operating expenses totalled NOK 39.6 million in the third quarter compared with NOK 36.9 million in the same period of 2001. When refurbishing costs are excluded, total third-quarter costs come to NOK 36.1 million, i.e. NOK 0.8 million less than in the same period of 2001.

**Miscellaneous**

The Board of Oslo Børs has revised its guidelines for use of revenues accruing from penalties imposed on issuers and members. Oslo Børs employs considerable human resources on following up and dealing with infractions. By enforcing compliance with securities market rules it aims to promote confidence in the securities market in Norway. Oslo Børs also finances the independent stock exchange appeals committee which reviews Oslo Børs's penalty rulings in the event that an appeal is made.

Costs incurred in implementing and following up sanctions come in addition to the costs of statutory supervision. Penalties imposed by the bourse in excess of these costs will from now on be devoted to purposes that will increase confidence in and the integrity of the Norwegian securities market. The Board of Oslo Børs will in the event decide what purposes are eligible. The bourse's annual costs on implementing and following up sanctions, over and above the costs of statutory supervision, are estimated at NOK 5 million. All such revenues previously accrued to Oslo Børs.

**Outlook**

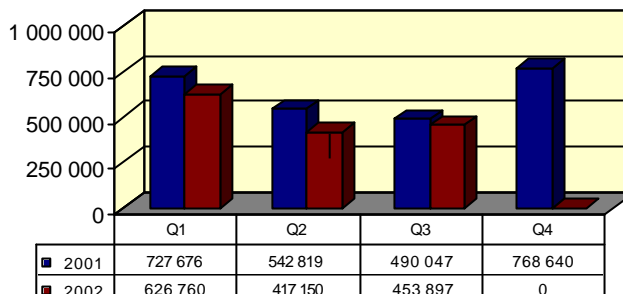
Should activity levels in the last three months of the year mirror the September level, the post-tax result for the full year is estimated to be about 20 per cent lower than in 2001. This estimate takes into account maintenance costs in connection with the bourse's refurbishment project. Maintenance costs are of the order of NOK 13 million, or about NOK 10 million higher in 2002 than in 2001. The effective tax rate increased from about 19 per cent in 2001 to 28 per cent in 2002 on a full-year basis.

Although activity has picked up somewhat in October, the outlook for activity levels in the bourse's market places in the periods ahead is highly uncertain. Oslo Børs is prepared for the current market situation to continue in 2003, which will entail lower revenues in 2003 than in 2002. Given the large element of fixed costs in the bourse's cost structure, a continual focus will be kept on costs to offset revenue reductions as far as possible.

## Market development

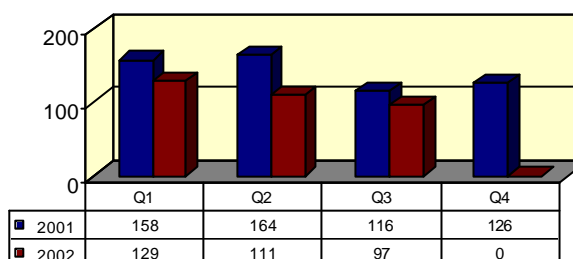
### Equity market - number of transactions

The number of share transactions was up on the previous quarter, but down on the same period of 2001.



### Equity market - value of trades Billion NOK

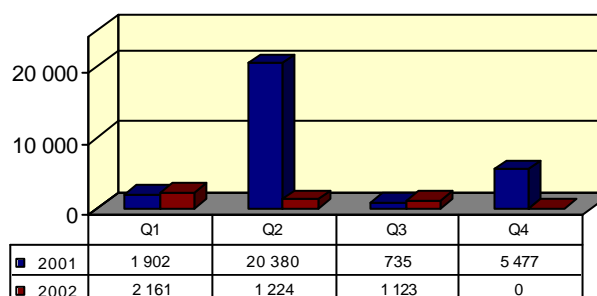
The value of equity market trades dropped further in the third quarter. The Benchmark Index dropped 25.5% in the same quarter.



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

Trading in the primary market for shares remains thin.

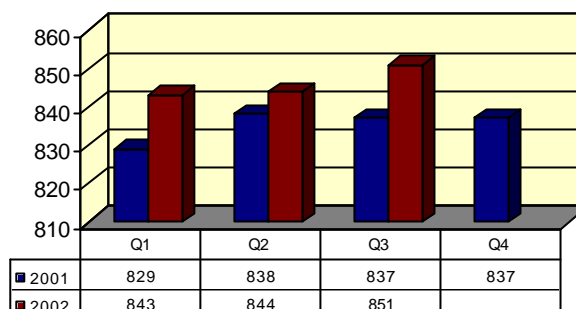
The third quarter saw new share issues worth NOK 1.1 billion



The fixed income market showed a positive trend in the number of listed issues. By the end of the third quarter 851 issues were listed.

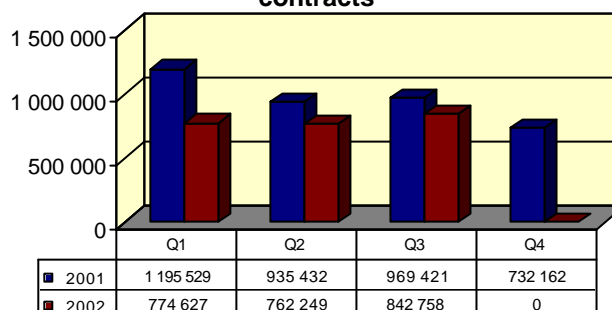
So far this year bond market issues total NOK 134 billion compared with NOK 96.3 billion in the same period last year.

### Bond market - number of listed issues



Activity in the derivatives market was somewhat higher than in the second quarter, but lower than in the same period of 2001.

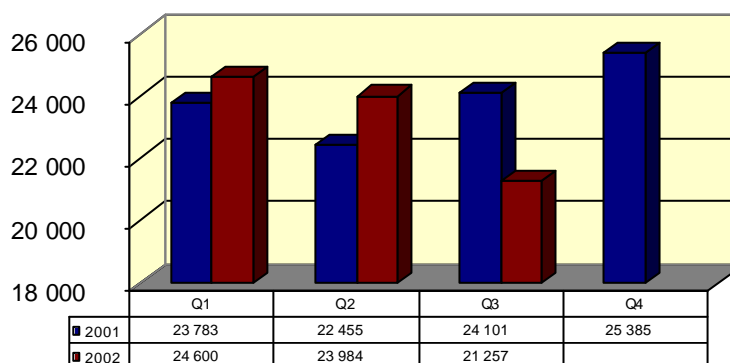
### Derivatives market - number of traded contracts



Revenues from sales of financial market data were down on previous quarters.

Double reporting from a distributor in 2002 was discovered, prompting a feedback of revenues worth NOK 1.2 million in the third quarter. Had reporting been correct, revenues in both the first and second quarter would have been NOK 0.6 million lower.

### 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 1000, 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 based on the same accounting principles as the annual accounts.

	<b>3rd Quarter 2002</b>	<b>3rd Quarter 2001</b>	<b>Sept 30 2002</b>	<b>Sept 30 2001</b>	<b>2001</b>
<b>Operating revenues</b>	<b>51 078</b>	<b>55 331</b>	<b>167 583</b>	<b>165 778</b>	<b>223 309</b>
<b>Operating costs</b>					
Salaries and related costs	16 057	11 344	53 561	45 014	61 838
Depreciation	4 118	10 665	12 150	33 511	44 317
Other operating costs	19 424	14 881	60 038	46 890	68 460
<b>Total operating costs</b>	<b>39 599</b>	<b>36 890</b>	<b>125 749</b>	<b>125 415</b>	<b>174 615</b>
<b>Operating profit</b>	<b>11 479</b>	<b>18 441</b>	<b>41 834</b>	<b>40 363</b>	<b>48 694</b>
Net financial items	2 368	3 261	6 840	9 429	12 634
<b>Ordinary pre-tax profit</b>	<b>13 847</b>	<b>21 703</b>	<b>48 674</b>	<b>49 792</b>	<b>61 328</b>
Tax	3 877	4 557	13 629	7 846	11 584
<b><u>Earnings for the period</u></b>	<b><u>9 970</u></b>	<b><u>17 146</u></b>	<b><u>35 045</u></b>	<b><u>41 946</u></b>	<b><u>49 744</u></b>
<b>Earnings per share (NOK)</b>	<b>1,99</b>	<b>3,43</b>	<b>7,01</b>	<b>8,39</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.

At quarter-end current liabilities totalled about NOK 62.8 million. Of this, about NOK 20 million refers to customers' advance payments of annual fees and charges.

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	<b>Sept 30</b>	<b>Sept 30</b>	<b>2001</b>
	<b>2002</b>	<b>2001</b>	
<b>Fixed assets</b>			
Intangible assets	58 763	32 511	44 718
Deferred tax assets	38 132	40 637	38 132
Tangible assets	35 824	28 668	23 460
Financial fixed assets	45 261	38 257	38 950
<b>Current assets</b>			
Receivables	40 407	43 872	27 221
Cash and liquid assets	95 750	163 061	174 922
<b>Assets</b>	<b>314 136</b>	<b>347 006</b>	<b>347 403</b>
<b>Equity</b>	<b>238 192</b>	<b>285 351</b>	<b>273 149</b>
<b>Liabilities</b>			
Provisions for liabilities	13 163	10 230	11 057
Current liabilities	62 783	51 425	63 197
<b>Equity and liabilities</b>	<b>314 136</b>	<b>347 006</b>	<b>347 403</b>

## Cash flow

The Oslo Børs Group recorded a negative cash flow of NOK 76 million in the third quarter. This was largely due to disbursement of NOK 70 million in extraordinary dividend and investments totalling NOK 9 million. Investments include NOK 4 million spent on improving the Oslo Børs building and an investment of NOK 3 million in a new web portal.

A further NOK 4 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 95.7 million. Extraordinary dividend of NOK 14 per share, totalling NOK 70 million, was disbursed on 12 September.

	3rd Quarter 2002	3rd Quarter 2001	Sept 30 2002	Sept 30 2001	2001
<b>Cash flow from</b>					
- operational activities	2 205	9 560	56 602	80 803	110 469
- investment activities	-8 604	-19 227	-45 771	-39 715	-57 520
- financing activities	-70 000	0	-90 000	0	0
<b>Cash and liquid assets at the start of the period</b>	172 149	172 727	174 922	121 973	121 973
Change in cash and liquid assets	-76 399	-9 666	-79 170	41 088	52 949
<b>Cash and liquid assets at the end of the period</b>	95 750	163 061	95 750	163 061	174 922
<b>Cash flow per share before dividend and capital reduction (NOK)</b>	-1,28	-1,93	2,17	8,22	10,59
<b>Cash flow per share (NOK)</b>	-15,28	-1,93	-15,83	8,22	10,59

## Equity

At the end of the quarter equity amounted to NOK 232.2 million, with the equity ratio at about 76 per cent.

	3rd Quarter 2002	3rd Quarter 2001	Sept 30 2002	Sept 30 2001	2001
<b>Equity at the start of the period</b>	298 222	268 205	273 149	195 927	195 927
Profit for the period	9 970	17 146	35 045	41 946	49 744
Dividend	0	0	0	0	-20 000
Reduction of capital	-70 000	0	-70 000	0	0
Deferred tax asset	0	0	0	47 478	47 478
<b>Equity at the end of the period</b>	238 192	285 351	238 192	285 351	273 149
<b>Equity ratio</b>	76 %	82 %	76 %	82 %	79 %

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**Segment information**

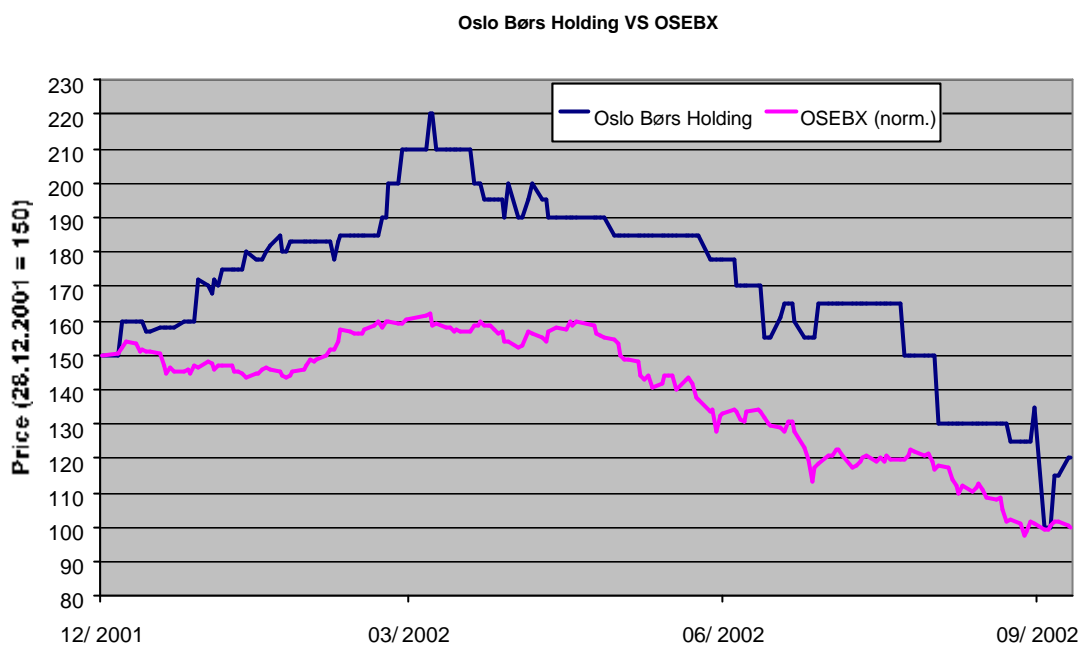
The segmental overview shows revenues from the bourse's business areas together with operating expenses distributed on the various areas. "Other" includes the bourse's course programmes (Oslo Børs Institute) and advertising on the bourse's website.

In 2001 revenues from derivatives covered direct costs and to some extent overheads. In 2002 these revenues cover only the direct costs.

	<b>3rd Quarter 2002</b>	<b>3rd Quarter 2001</b>	<b>Sept 30 2002</b>	<b>Sept 30 2001</b>	<b>2001</b>
<b>Equity Markets</b>					
Operating revenues	21 470	18 717	70 991	61 922	85 367
Operating profit	2 721	2 570	13 493	6 248	4 369
<b>Fixed Income Markets</b>					
Operating revenues	5 882	5 349	18 188	16 672	22 317
Operating profit	2 037	1 853	7 316	4 967	6 042
<b>Derivatives Markets</b>					
Operating revenues	1 664	2 269	4 665	8 409	10 301
Operating profit	-2 600	-1 481	-9 255	-5 084	-8 303
<b>Financial Market data</b>					
Operating revenues	21 257	24 101	69 841	70 339	95 674
Operating profit	9 392	11 241	29 486	28 216	40 208
<b>Other</b>					
Operating revenues	806	4 895	3 897	8 436	9 650
Operating profit	-72	4 259	792	6 016	6 379
<b>Total operating revenues</b>	<b>51 078</b>	<b>55 331</b>	<b>167 583</b>	<b>165 778</b>	<b>223 309</b>
<b>Total operating profit</b>	<b>11 479</b>	<b>18 441</b>	<b>41 834</b>	<b>40 363</b>	<b>48 694</b>

## Shareholder information

### Price trend - Oslo Børs Holding ASA:



### 10 largest shareholders as of 10 October 2002:

Name	Nationality	No. of shares held	Ownership in %
1. Gjensidige Nor	NOR	483 512	9.67
2. Morgan Stanley (nominee account)	GBR	479 262	9.58
3. ORKLA ASA	NOR	450 000	9.00
4. Den norske Bank ASA	NOR	430 333	8.60
5. Norsk Hydros Pensjonskasse	NOR	355 206	7.10
6. Fidelity Funds	LUX	327 100	6.54
7. Danske Bank A/S	DNK	200 000	4.00
8. KLP Forsikring	NOR	200 000	4.00
9. JP Morgan (nominee account)	GBR	172 900	3.45
10. Industriforsikring	NOR	130 000	2.60

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**Key figures**

	<b>3rd Quarter 2002</b>	<b>3rd Quarter 2001</b>	<b>Sept 30 2002</b>	<b>Sept 30 2001</b>	<b>2001</b>
<b>Financial</b>					
Profit per share (NOK)	1,99	3,43	7,01	8,39	9,95
Cash flow per share before dividend and capital reduction (NOK)	-1,28	-1,93	2,17	8,22	10,59
Cash flow per share (NOK)	-15,28	-1,93	-15,83	8,22	10,59
Return on equity	15,6 %	28,5 %	18,3 %	23,2 %	21,2 %
Return on total capital	16,7 %	25,0 %	19,6 %	22,7 %	21,0 %
Net operating margin	22,5 %	33,3 %	25,0 %	24,3 %	21,8 %
<b>Operational</b>					
Benchmark index - end of period	110,62	147,08	110,62	147,08	167,18
Change in period	-25,5 %	-23,4 %	-33,8 %	-24,9 %	-14,6 %
Equities - no. of transactions (1000)	454	490	1 498	2 010	2 529
Equities - value of turnover (NOK bill)	97	116	337	479	566
Equities - market value listed companies (NOK bill)			482	603	677
No. of companies listed			204	219	212
Change in period			-8	5	-2
Bonds - no. of listed issues			851	837	837
Derivatives - no. of contracts traded (1000)	843	969	2 380	3 100	3 833

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

23 October 2002