

Interim Report

January-September 2004



Efficient Securities Transactions


Important steps toward an integrated Nordic and Baltic marketplace

- Revenue during the reporting period January–September amounted to SEK 2,319 m (2,036), including SEK 108 m from the sale of NGX and XACT.
- Operating income was SEK 541 m (loss: 468).
- Adjusted operating income was SEK 433 m (56).
- Income after financial items totaled SEK 502 m (loss: 482).
- Income after tax was SEK 321 m (loss: 441).
- Earnings per share at SEK 2.78 (loss: 4.67).
- Agreement on merger of APK and VPC signed.
- Common trading platform in entire Nordic region as of September 27.
- Continued cost savings and weak markets for technology solutions.

CEO comments: September 27 is a historic date in OMX's history. On this date, all exchanges in the Nordic region used a common trading system for the first time, following installation of the SAXESS™ system on the exchanges in Helsinki, Tallinn and Riga. At the end of the quarter we also signed an agreement covering the merger of our Finnish subsidiary APK and Swedish VPC. Consequently, we have created the foundation for a pan-Nordic central securities depository that will provide major benefits for the region and our customers. The agreement also involves a major undertaking for OMX, since we will deliver the common systems platform for securities settlement and depository to the new company. Combined, we have taken several important steps toward an integrated Nordic Baltic securities market.

OMX's operating income in the third quarter amounted to SEK 117 m (45). This is significantly better compared with the year-earlier period but lower than in the preceding quarter. With a focus on profitability, we have continued to work actively with reducing our costs through measures that unfortunately also affect revenues in the short term. In addition, the third quarter is always a weak quarter in terms of revenues due to the low market activity during the summer months. With regard to demand for technology solutions, we have not yet seen the tangible effects of the positive signals we received during the year from customers and we remain cautious in our market assessment for the next two quarters.

During the quarter we also launched a new brand structure. With the new name OMX, we want to capitalize on the value inherent in the OM name, while at the same time creating a brand that supports the vision of a common Nordic Baltic exchange.



Magnus Böcker
President and CEO

Group income development during the third quarter

OMX's total revenue during the third quarter was SEK 656 m (SEK 729 m in the corresponding period last year). Historically, the summer months are a period with weak demand in the markets in which OMX is active. Accordingly, income in OMX's both divisions declined during the third quarter of this year compared with the second quarter. Group revenue also declined compared with the corresponding period in the preceding year. In the OMX Technology division, year-on-year revenue declined due to the divestment of operations, product phase-out and the closing of offices as well as weak market demand. Revenue in OMX Exchanges was largely unchanged during the third quarter compared with the year-earlier period.

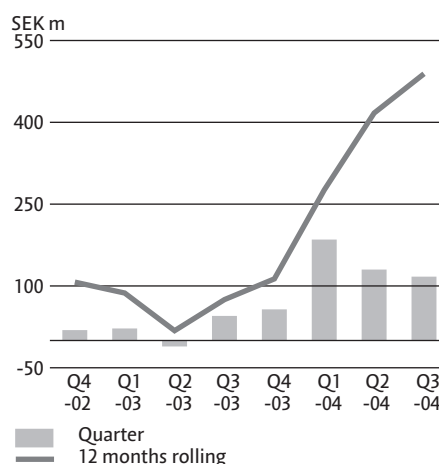
The Group's total expenses were SEK 539 m (690) during the quarter. The expense reduction compared with the year-earlier period is due mainly to the cost-efficiency program initiated in June 2003, which was concluded at the beginning of 2004. The cost reduction compared with the second quarter is attributable to further effects from cost savings, seasonal effects and lower activity in OMX Technology. Certain

cost reductions are also a result of synergies, from the merger of OM and HEX, which were achieved during the quarter. To date, cost savings of SEK 30 m have been achieved quarterly, corresponding to SEK 120 m on an annual basis.

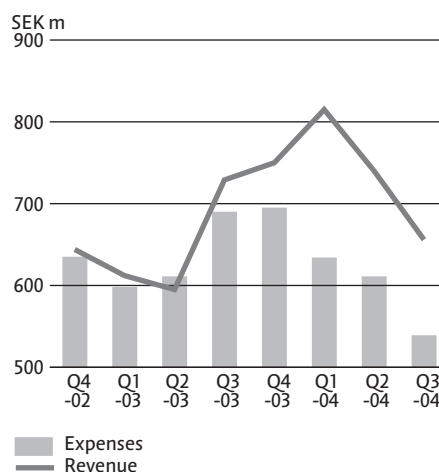
Operating income amounted to SEK 117 m (45) during the third quarter. Operating income excluding amortization of goodwill totaled SEK 152 m (96). Total depreciation and amortization amounted to SEK 70 m (111), of which SEK 35 m (51) was amortization of goodwill. The decline in depreciation and amortization is due to the effects of the cost savings programs. The decline in financial items to an expense of SEK 21 m (expense: 6) was due mainly to nonrecurring currency effects, relating to termination of hedging arrangements as a result of change from transaction to translation exposure.

Income after financial items was SEK 96 m (39), while income after tax was SEK 54 m (16).

ADJUSTED OPERATING INCOME



ADJUSTED REVENUE AND EXPENSES



EARNINGS DEVELOPMENT BY QUARTER

SEK m	July-Sept 2004	Apr-June 2004	Jan-March 2004	Oct-Dec 2003	July-Sept 2003
Total revenue	656	756	907	750	729
Adjusted revenue ¹⁾	656	740	815	750	729
Total expenses	-539	-611	-634	-733	-690
Adjusted expenses ²⁾	-539	-611	-634	-695	-690
Operating income	117	146	278	19	45
Adjusted operating income	117	130	186	57	45
Operating income excluding goodwill amortization	152	185	324	72	96
Financial items	-21	-10	-8	-9	-6
Income after financial items	96	136	270	10	39
Earnings per share, SEK	0.47	0.71	1.60	0.08	0.14

¹⁾ Adjusted revenue excludes other revenues, which comprises income from the sale of XACT Fonder of SEK 16 m for the period April-June, income from the sale of NGX of SEK 92 m during January-March 2004.

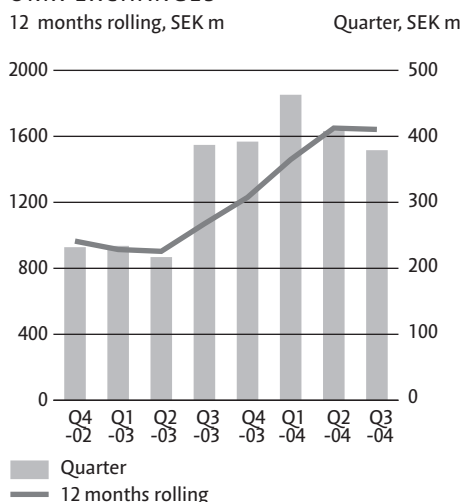
²⁾ Adjusted operating expenses excludes expenses affecting comparability. For the period October-December 2003, adjustments include reserves for unutilized premises and write-downs related to product phase-out within OMX Technology of SEK 38 m.

Performance by division during the third quarter

ADJUSTED REVENUE

OMX EXCHANGES

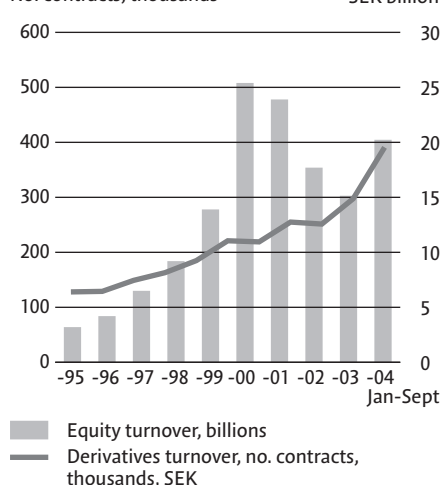
12 months rolling, SEK m



AVERAGE DAILY TRADING ON OMX EXCHANGES' MARKETPLACES

No. contracts, thousands

SEK billion



OMX EXCHANGES

The division's revenue was SEK 379 m (387) during the third quarter. The decline in revenue is due mainly to lower revenue in the Derivatives Markets business area. The decline in the division's expenses to SEK 232 m (249) is the result of the synergy effects from the merger of OM and HEX. The division's operating income was SEK 143 m (138).

Cash Markets comprises equity trading at the Stockholm Stock Exchange and Helsinki Stock Exchange. The business area's revenue totaled SEK 221 m (214) during the third quarter. Operating income improved to SEK 118 m (95) during the quarter, due mainly to cost synergies. The average number of transactions per day declined by 15 percent to 44,860 (52,994) compared with the year-earlier period. Equity turnover increased by 4 percent to SEK 16,149 m (15,526) per day on average, while turnover velocity in equity trading declined to 106 (113) percent. A new fee structure for equity trading at the Helsinki Stock Exchange was introduced at the beginning of the year to harmonize fees between the exchanges in Helsinki and Stockholm. Trading in the SAXESS system was started during the third quarter at the exchanges in Helsinki, Tallin and Riga. As a result, all Nordic and Baltic exchanges use SAXESS for their equity trading, except the exchange in Vilnius. At the same time, the trading hours were harmonized between the Stockholm Stock Exchange and the Helsinki Stock Exchange.

Derivatives Markets includes derivatives trading and clearing operations at the Stockholm Stock Exchange and Helsinki Stock Exchange, as well as the cooperation with Eurex and EDX London. The business area's revenue was SEK 74 m (93) in the third quarter. The decline in revenue is due in part to a reduction in fees for the Finnish stock options traded on Eurex that came into effect at the beginning of the year and the discontinued counterparty clearing operations at OM London Exchange after formation of EDX London. Operating income totaled SEK 12 m (28). The total average number of derivative contracts cleared daily during the quarter rose 7 percent to 372,951 (349,775),

including 66,126 (59,922) Finnish options contracts at Eurex and 69,421 (59,402) Scandinavian contracts at EDX London.

Settlement & Depository comprises the Finnish central securities depository (APK), which provides clearing, settlement and depository services for equities and fixed-income products. The business area's revenue was SEK 71 m (69) during the third quarter. Operating income was SEK 12 m (13). The number of settled transactions rose by 9 percent year-on-year, while the total market value of deposited securities grew 7 percent. At the end of the quarter, OMX signed agreements to merge APK and the Swedish VPC, whereby the Settlement & Depository business area will cease to exist (see pages 6 and 11).

Baltic Operations includes stock exchanges, central securities depositories and operation of the national pension account registers in Estonia, Latvia and Lithuania. The business area's revenue was SEK 13 m (11) during the third quarter and operating income was SEK 1 m (2). Average equity turnover on the exchanges included in the business unit amounted to SEK 27 m (21) per day. The increased turnover is due mainly to the stock exchange in Lithuania being included in the Group as of June 30, 2004.

OMX TECHNOLOGY

The division's adjusted revenue was SEK 346 m (416) during the third quarter. The decline in revenue compared to the same period last year is primarily due to lower sales in the Financial Markets business area, which was caused in part by the divestment of operations and products, the closing of offices, as well as low demand among customers. Internal sales to OMX Exchanges totaled SEK 65 m (76). The division's operating expenses amounted to SEK 342 m (485). Operating income improved to SEK 6 m (loss: 65), equivalent to an operating margin of 2 percent (neg: 16). The reduction in costs and the improvement in income is a result of the increased focus on profitability and the extensive cost-efficiency program carried out in the division during the past year.

Investments in R&D amounted to SEK

24 m (40) during the quarter, which corresponds to 7 percent (10) of the division's revenue, of which SEK 24 m (30) was capitalized. OMX has estimated that investment levels in R&D over time should be around 10 percent of OMX Technology's revenues. Order intake during the third quarter totaled SEK 411 m (533), of which SEK 0 m (300) relates to OMX Exchanges. Order intake includes SEK 370 m in order value to VPC relating to the agreement covering the merger of VPC and APK. At the end of the quarter, the total order value amounted to SEK 2,871 m (2,932), of which orders for SEK 1,093 m (1,010) are due for delivery within 12 months. Orders to OMX Exchanges account for SEK 896 m (784) of the total order value, of which orders for SEK 294 m (304) m are due for delivery within the next 12 months.

Common functions in OMX Technology comprise expenses for marketing and sales offices, expenses that are not included in the results by business area below.

The Banks & Brokers business area offers back-office services and systems solutions to banks and brokerage firms. Revenue was SEK 84 m (83) during the third quarter. Operating income was SEK 8 m (loss: 19). The cost reduction and earnings improvement are attributable mainly to the savings measures implemented in the business area.

The Financial Markets business area provides systems solutions to exchanges, clearing organizations and central securities depositories. Revenue was SEK 119 m (205) during the quarter. The decrease in revenue compared with the year-earlier period is due in part to the divestment NGX, UKPX and the POMAX product portfolio as well as the fact that certain support revenue has been moved to the Global Services business area. At the same

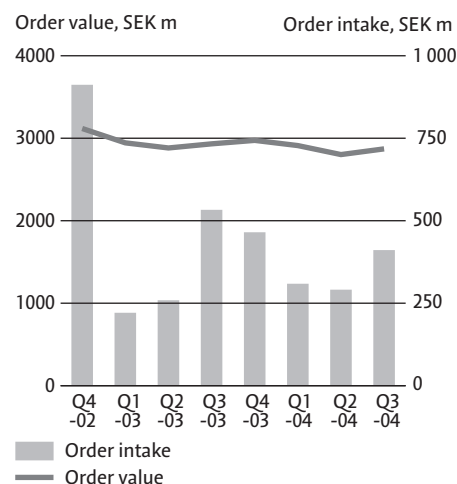
time, demand for systems solutions from the market continued to be weak, with a number of postponed investment decisions among existing and potential customers. This resulted in declining project revenue since a number of projects were concluded in the second quarter. Operating income improved to SEK 20 m (1), mainly due to the cost-savings program carried out in the business area. During the quarter OMX Technology successfully delivered the SAXESS trading system to the exchange in Helsinki, Tallinn and Riga, the TARGIN™ system to Copenhagen Stock Exchange as well as the CLICK XT™ trading system to the Singapore Exchange. OMX Technology has also signed a five-year strategic partnership agreement with HCL Technologies in India involving, among other items, outsourcing, development and maintenance of certain OMX system solutions. During the quarter, OMX Technology secured an order with VPC within the framework of the forthcoming merger of VPC and OMX's subsidiary APK. The total value of the technology contract amounts to about SEK 370 m, of which SEK 270 m is a license for use of OMX Technology's EXIGO CSD™ system platform in the Nordic region. The order also includes SEK 100 m for a development project in the Swedish and Finnish markets related to Exigo CSD. The order, including the license, will be recognized over a period of four years.

Global Services business area offers outsourcing services to exchanges, clearing organizations, central securities depositories, banks and brokerage firms. Revenue totaled SEK 174 m (158) during the quarter. The increase in revenue compared with the year-earlier period is mainly because certain support revenue was moved from Financial Markets. Operating income was SEK 19 m (10).

ADJUSTED REVENUE OMX TECHNOLOGY



ORDER VALUE AND ORDER INTAKE OMX TECHNOLOGY



ADJUSTED REVENUES BY DIVISION¹

SEK m	July-Sept 2004	Apr-June 2004	Jan-March 2004	Oct-Dec 2003	July-Sept 2003
OMX Exchanges	379	408	463	392	387
OMX Technology	346	414	427	453	416
Parent Company	20	18	24	30	33
Eliminations	-89	-100	-99	-125	-107
Total adjusted revenues	656	740	815	750	729

¹⁾ Adjusted revenue excludes revenue affecting comparability such as income from the sale of operations.

Other important information during the reporting period

FINANCIAL POSITION

Total assets amounted to SEK 6,787 m at period-end, compared with SEK 6,891 m at September 30, 2003. The equity/assets ratio rose to 56 (51) percent. OMX's interest-bearing net debt decreased to SEK 364 m (720), due to a positive cash flow from operations and sale of operations. At period-end, interest-bearing financial liabilities totaled SEK 2,076 m (2,115), of which SEK 303 m (200) are long-term. The Group's available credit arrangement totaled SEK 2,600 m (3,700), of which SEK 2,084 m (1,851) had been utilized. OMX also has available credit arrangements totaling SEK 860 m for clearing operations. Interest-bearing financial assets amounted to SEK 1,712 m (1 395), of which fixed assets accounted for SEK 97 m (90).

OMX AB

The legal entity OMX AB is the Parent Company in the Group and handles Group functions and holding operations for the Group's subsidiaries. Revenue totaled SEK 18 m (56). OMX AB reported a loss of SEK 62 m (loss: 115) before appropriations and tax. Liquid assets totaled SEK 1 m (0) and investments SEK 3 m (5).

NUMBER OF EMPLOYEES AND CONSULTANTS

The number of employees and consultants amounted to 1,509 (1,912) at period-end. The decrease in the number of employees and consultants was due mainly to the person-

nel redundancies within the framework of the cost-efficiency program that has been implemented within the Group. Of the total number of employees, 104 (107) were on long-term leave, mainly parental leave. The number of employees totaled 1,460 (1,840) at period-end, including 376 (367) who worked within OMX Exchanges, 1,001 (1,349) within OMX Technology and 83 (124) within the Parent Company.

INTEGRATION WORK

The integration work initiated in conjunction with the merger of OM and HEX is proceeding as planned. In June, the CLICK XT trading system for derivatives trading was implemented at the Helsinki Stock Exchange, and in September, the SAXESS trading system for cash equity trading was installed at the exchanges in Helsinki, Tallinn and Riga. At the same time, the trading rules at the exchanges within OMX Exchanges as well as the opening hours at the exchanges in Helsinki and Stockholm were harmonized. Some of the expected cost synergies from the integration work had an effect during the quarter. To date during 2004, cost synergies corresponding to a level of SEK 120 m on an annualized basis have been realized.

MERGER OF APK AND VPC

At the end of September, the agreement covering the merger of Swedish VPC with OMX's Finnish subsidiary APK were signed, with the aim of forming a strong group for securities

handling in the Nordic countries. The agreement also included an order received by OMX Technology for the EXIGO CSD platform. For further information, see page 11.

MANAGEMENT CHANGES

Kristina Schauman took office as the new CFO of OMX on September 13, when the former CFO Per Nordberg left the company.

Stockholm Stock Exchange's former President and Chief Executive Officer, Kerstin Hessius, left the company on August 31, whereby Henrik Paulsson was appointed acting President and CEO. A new President and CEO has yet to be appointed.

OUTLOOK

OMX Exchanges' revenue is largely dependent on market development and trading volumes at the exchanges in Stockholm and Helsinki. During the fourth quarter, OMX Technology's revenue is expected to be slightly higher than in the third quarter. Group expenses are also expected to be slightly higher during the fourth quarter.

OMX AB (publ)

Stockholm, October 20, 2004

Board of Directors

This report has not been the subject of a comprehensive auditor's examination

KEY RATIOS ¹⁾				
	Jan-Sept 2004	Jan-Sept 2003	Jan-Sept 2002	Jan-Dec 2003
Earnings per share	2.78	-4.67	-0.02	-4.33
Share price at period-end, SEK	86.5	77	32	89.5
Average number of OMX shares traded per day, 000s	411	376	113	413
P/E ratio ²⁾	30	Neg.	26	Neg.
Shareholders' equity per share, SEK	33	30	25	31
Share price/shareholders' equity per share	3	3	1	3
Return on shareholders' equity, % ²⁾	9	-23	5	-16
Return on capital employed, % ³⁾	10	-10	7	-8
Equity/assets ratio, %	56	51	38	52
Number of employees at period-end	1 460	1 840	1 660	1 603
Average number of employees at period-end	1 508	1 736	1 662	1 682

¹⁾ Definitions of key ratios can be found in OMX's Annual Report for 2003, page 78.

²⁾ Calculated using 12 months rolling income.

³⁾ 12 months rolling income before interest expenses and tax in relation to average shareholders' equity with the addition of interest-bearing liabilities.

REVENUE AND OPERATING INCOME						
Amounts in SEK m	July-Sept 2004	July-Sept 2003	Jan-Sept 2004	Jan-Sept 2003	Oct-Sept 2003/2004	Jan-Dec 2003
REVENUE						
OMX Exchanges						
Trading revenue	170	184	620	460	801	641
Issuers' fees	55	46	159	125	211	177
Information sales	61	56	173	109	225	161
CSD revenue	71	68	224	68	297	141
Other revenue ¹⁾	22	33	74	122	108	156
Total OMX Exchanges	379	387	1 250	884	1 642	1 276
OMX Technology						
License, support and project revenue	172	196	607	672	833	898
Facility Management Services	165	189	526	457	717	648
Other revenue ²⁾	9	31	146	170	182	206
Total OMX Technology	346	416	1 279	1 299	1 732	1 752
Parent Company and other functions ³⁾	20	33	78	114	108	144
Group eliminations ⁴⁾	-89	-107	-288	-261	-413	-386
Total Group	656	729	2 319	2 036	3 069	2 786
OPERATING INCOME						
OMX Exchanges						
Operating income	143	138	497	355	605	463
Adjusted operating income ⁵⁾	143	138	497	316	605	424
Adjusted operating margin, %	38	36	40	38	37	34
OMX Technology						
Operating income	6	-65	129	-580	90	-619
Adjusted operating income ⁵⁾	6	-65	37	-146	26	-157
Adjusted operating margin, %	2	-16	3	-12	2	-9
Parent Company and other functions ³⁾	-32	-28	-85	-243	-135	-293
Total Group	117	45	541	-468	560	-449

¹⁾ Income from the creation of EDX London of SEK 46 m is included during January-September 2003 and January-December 2003.

²⁾ Income from the sale of NGX of SEK 92 m is included during January-September 2003, and income from the formation of EDX London of SEK 54 m is included during January-September 2003 and January-December 2003.

³⁾ Parent Company and other functions includes, in addition to the Parent Company, primarily OMX Treasury AB and OM Capital Insurance AG. Administration of all of the Group's Swedish premises is carried out within the Parent Company, for which rent is invoiced per division. Includes income of SEK 16 m from the sale of XACT Fonder during January-September 2004.

⁴⁾ Internal sales from the technology division to OMX Exchanges totaled SEK 65 m (76) .

⁵⁾ Excluding items affecting comparability (see page 10).

INCOME STATEMENT ¹⁾						
Amounts in SEK m	July-Sept 2004	July-Sept 2003	Jan-Sept 2004	Jan-Sept 2003	Oct-Sept 2003/2004	Jan-Dec 2003
REVENUE						
Net sales	656	729	2 211	1 936	2 961	2 686
of which own work capitalized	31	22	40	78	48	86
Other revenue ²⁾	-	-	108	100	108	100
Total revenue	656	729	2 319	2 036	3 069	2 786
EXPENSES						
External expenses						
Premises	-48	-52	-141	-259	-223	-341
Marketing	-6	-9	-29	-28	-43	-42
Consultancy expenses	-46	-55	-159	-198	-224	-263
Operation and maintenance, IT	-82	-85	-239	-272	-323	-356
Other external expenses	-51	-67	-172	-191	-237	-256
Personnel expenses	-236	-311	-787	-1 109	-1 100	-1 422
Depreciation and write-downs	-35	-60	-137	-285	-194	-342
Amortization and write-downs of goodwill	-35	-51	-120	-181	-173	-234
Total expenses	-539	-690	-1 784	-2 523	-2 517	-3 256
Participations in the earnings of associated companies	0	6	6	19	8	21
Operating income	117	45	541	-468	560	-449
Financial items	-21	-6	-39	-14	-48	-23
Income after financial items	96	39	502	-482	512	-472
Tax	-42	-23	-180	41	-180	41
Minority interest	0	0	-1	0	-1	0
Net income in reporting period	54	16	321	-441	331	-431
Average number of shares, millions	115.547	115.321	115.547	94.468	115.547	99.738
Number of shares at period-end, millions	115.547	115.321	115.547	115.321	115.547	115.547
Average number of shares after full conversion, millions	115.837	116.099	116.197	95.246	116.307	100.645
Number of shares after full conversion at period-end, millions	115.837	116.099	115.837	116.099	115.837	116.635
Earnings per share, SEK ³⁾	0.47	0.14	2.78	-4.67	2.86	-4.33
Earnings per share, SEK, after full conversion ³⁾	0.47	0.14	2.78	-4.67	2.86	-4.33

¹⁾ Expenses that were previously reported as items affecting comparability are now distributed according to the respective expense type and revenue and are reported under other revenue, see page 10.

²⁾ For the period January-September 2004, refers to income from the sale of XACT Fonder of SEK 16 m, for the period January-September 2004 to income from the sale of NGX of SEK 92 m, and for the periods of January- September 2003 and January-December 2003 to income from the formation of EDX London of SEK 100 m.

³⁾ Earnings per share based on average number of shares during the period.

DEPRECIATION/AMORTIZATION AND WRITE-DOWNS						
Amounts in SEK m (of which goodwill)	July-Sept 2004	July-Sept 2003	Jan-Sept 2004	Jan-Sept 2003	Oct-Sept 2003/2004	Jan-Dec 2003
DEPRECIATION						
OMX Exchanges	42 (33)	39 (34)	123 (100)	65 (59)	166 (136)	108 (95)
OMX Technology	20 (2)	56 (17)	102 (20)	155 (58)	153 (37)	206 (75)
Parent Company	8 (0)	16 (0)	32 (0)	44 (-)	48 (0)	60 (-)
Total	70 (35)	111 (51)	257 (120)	264 (117)	367 (173)	374 (170)
WRITE-DOWNS						
OMX Exchanges	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
OMX Technology	- (-)	- (-)	- (-)	184 (64)	- (-)	184 (64)
Parent Company	- (-)	- (-)	- (-)	18 (-)	- (-)	18 (-)
Total	- (-)	- (-)	- (-)	202 (64)	- (-)	202 (64)

BALANCE SHEET			
Amounts in SEK m	Sept 2004	Sept 2003	Dec 2003
Goodwill	2 297	2 443	2 410
Other intangible fixed assets	370	363	320
Tangible fixed assets	431	462	477
Financial fixed assets, non-interest-bearing	781	845	884
Financial fixed assets, interest-bearing	97	90	84
Short-term receivables, non-interest-bearing	1 196	1 383	1 209
Short-term receivables, interest-bearing	1 342	948	1 012
Cash and bank balances	273	357	350
Total assets	6 787	6 891	6 746
Shareholders' equity	3 806	3 490	3 533
Minority interests	30	3	2
Appropriations	213	597	426
Long-term liabilities, non-interest-bearing	26	3	1
Long-term liabilities, interest-bearing	303	200	400
Short-term liabilities, non-interest-bearing	636	683	725
Short-term liabilities, interest-bearing	1 773	1 915	1 659
Total liabilities and shareholders' equity	6 787	6 891	6 746

CHANGE IN SHAREHOLDERS' EQUITY			
Amounts in SEK m	Jan-Sept 2004	Jan-Sept 2003	Jan-Dec 2003
Shareholders' equity - opening balance	3 533	2 017	2 017
Adjustments for changes in accounting principles, see page 10	-2	-	-
Dividend	-	-84	-84
New share issue	-	1 954	1 953
Hedge for employee stock options	-	29	29
Translation differences	-14	15	51
Other	-32	0	-2
Net income in reporting period	321	-441	-431
Shareholders' equity - closing balance	3 806	3 490	3 533

CASH-FLOW STATEMENT ¹⁾						
Amounts in SEK m	July-Sept 2004	July-Sept 2003	Jan-Sept 2004	Jan-Sept 2003	Oct-Sept 2003/2004	Jan-Dec 2003
Shareholders' equity - opening balance						
before change in working capital	37	104	304	154	310	160
Change in working capital ²⁾	76	-45	5	-92	106	9
Cash flow from current operations	113	59	309	62	416	169
Cash flow from investing activities	-24	104	-19	136	-104	51
Cash flow from financing activities	-47	341	-278	-170	-241	-133
Change in liquid funds	42	504	12	28	71	87
Liquid funds - opening balance	1 332	799	1 362	1 275	1 303	1 275
Liquid funds - closing balance	1 374	1 303	1 374	1 303	1 374	1 362

¹⁾ Since the fourth quarter of 2003, changes in liquid funds are reported under Cash flow from financing operations. Earlier, this item was reported under Changes in working capital. Comparative figures for earlier periods have been revised to reflect this new classification.

²⁾ Liquid funds comprise short-term investments and cash and bank balances. Liquid funds not available to the Group totaled SEK 55 m at the end of the period.

Notes and other information for the reporting period

NOTES TO THE INCOME STATEMENT DURING THE REPORTING PERIOD JANUARY-SEPTEMBER

Total revenue during the reporting period January-September 2004 amounted to SEK 2,319 m (2,036), including other income of SEK 108 m (100) consisting of SEK 16 m from the sale of XACT Fonder during the second quarter of 2004 and the gain of SEK 92 m on the sale of NGX in the first quarter (gain of SEK 100 m from the formation of EDX London during the second quarter of 2003). Group net sales totaled SEK 2,211 m (1,936), of which SEK 40 m (78) was capitalized for own work and SEK 49 m relates to sales from OMX Technology that have been capitalized within OMX Exchanges. For comparable units, Group expense fell 4 per cent year-on-year. The revenue decline is mainly due to lower license, support and project revenue as well as lower other revenue due to divested operations within OMX Technology. Group expenses totaled SEK 1,784 m (2,523) during the reporting period, including other expenses of SEK 0 m (624). For comparable units, Group expenses fell 17 percent year-on-year. The decrease is related mainly to personnel costs, consultant costs, costs for premises and depreciation/amortization, and is attributable mainly to the cost-efficiency program carried out.

Participations in the earnings of associated companies are from Orc Software, NLK and EDX London. Group net financial items amounted to an expense of SEK 39 m (expense: 14). Negative nonrecurring currency effects of SEK 10 m are included in the third quarter 2004, while during the second quarter of 2003 Group financial net included a dividend of SEK 19 m from HEX.

Tax expense during the reporting period was SEK 180 m, while tax revenue during the same period in the preceding year was SEK 41 m. Currency effects had a marginal impact on Group operating revenue and operating income during the reporting period.

ADJUSTED REVENUE AND EXPENSES

Previously, OMX reported items that made comparison difficult over time as items affecting comparability in the income statement. From 2004, these items have been distributed according to revenue and expense

type. Adjusted amounts do not include items that affect comparability. For 2004, this relates to income of SEK 92 m from the sale of NGX and income of SEK 16 m from the sale of XACT Fonder. For 2003, revenue affecting comparability relates to income of SEK 100 m from the formation of EDX London. In 2003, expenses affecting comparability totaled SEK 624 m, which relates to restructuring, reserves for unutilized premises and write-downs related to product phase-out within OMX Technology. A detailed description of these items is provided in the table on page 14.

COMPARABLE UNITS

Comparable units do not include HEX, which was consolidated in the Group from the third quarter of 2003, or the derivatives business of OM London Exchange, which was sold in June 2003.

OPERATIONS BEING DIVESTED

Operations being divested relate to the OMX subsidiary APK, which corresponds to the Settlement & Depository business area. APK will be divested during the fourth quarter of 2004. See text on page 11 and more information on page 15.

NOTES TO THE BALANCE SHEET

Consolidated goodwill was SEK 2,297 m (2,443). Goodwill related to the Stockholm Stock Exchange, which was acquired in 1998, amounts to SEK 559 m (600). Goodwill related to HEX, which was acquired in 2003, totals SEK 1,650 m (1,699). Exchange rate fluctuations have had a negative impact on goodwill related to HEX of SEK 5 m since the beginning of the year. Other intangible assets of SEK 370 m (363) comprise mainly capitalized expenses for system products that are amortized over 3-10 years and valued on an ongoing basis against current market conditions.

During the quarter, Group investments in intangible fixed assets amounted to SEK 38 m (66). Investments in equipment totaled SEK 13 m (0). The market value of OMX's holding in Orc Software (4.5 million shares) was SEK 305 m at the period-end, with a book value of SEK 78 m.

NOTES TO THE CHANGE IN SHAREHOLDERS' EQUITY

Shareholders' equity was SEK 3,806 m (3,490). Compared with the third quarter of 2003, the increase is largely due to the positive result during the period, including income from sale of operations. The employee stock option programs that OMX distributed in 2000, 2001 and 2002 had no effect on shareholders' equity during the quarter.

NOTES TO THE CASH-FLOW STATEMENT DURING THIRD QUARTER

Cash flow from current operations comprises operating income with depreciation and capital gains added back after financial items and paid tax. Certain restructuring expenses and integration expenses from 2003 had an impact on cash flow from current operations during the period. The decrease in working capital is mainly due to decline in accounts receivable. Since the fourth quarter of 2003, changes in liquid funds are reported under Cash flow from financing operations. Previously, this item was reported under changes in working capital. Comparative figures for prior periods have been revised to reflect this new classification.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with the Swedish Financial Accounting Standards Council's Recommendations on Interim Reports (RR 20). From January 1, 2004, OMX has applied the Swedish Financial Accounting Standards Council's Recommendation regarding Employee Benefits (RR 29), for among other things accounting for Group pension obligations. The application of RR 29 has resulted in a pension obligation of SEK 2 m, which was entered as a liability and reduced shareholders' equity during the first quarter of 2004. Comparative figures have not been calculated. With these exceptions, the same accounting principles outlined in OMX's most recent Annual Report have been applied.

SALE OF NGX

In March, NGX (Natural Gas Exchange) was divested to the Canadian TSX Group for about SEK 211 m. In total the transaction resulted in a positive earnings effect for OMX of SEK 92 m, which was reported as other revenue in OMX Technology during the first quarter of 2004.

SALE OF XACT FONDER

As part of OMX's continued focus on core operations, XACT Fonder AB was sold to Handelsbanken on June 30. XACT Fonder manages Sweden's first exchange-traded funds, XACT OMX and XACT SBX. The sale had a positive impact on income of SEK 16 m during the second quarter, which was reported as other revenue under Parent Company and other functions.

ACQUISITION OF THE EXCHANGE AND CSD IN LITHUANIA

As a result of a privatization process in Lithuania, OMX was chosen at the end of March as a partner and buyer of the stock exchange (NSEL) and the central securities depository (CSDL) in Lithuania. The privatization agreement was signed in May, after which OMX owns more than 80 percent of NSEL and 40 percent of CSDL. NSEL was consolidated in the Group on June 30, 2004, at which time 27 employees were added to the Group.

LEGAL DISPUTES

OMX once again rejected the patent infringement lawsuit and damage claim from eSpeed of up to USD 64 m. During the second quarter, OMX also rejected a lawsuit regarding the additional repayment of value added tax (VAT) in Finland of a maximum amount of EUR 5 m. A dispute has been under way in Sweden since 2002 with the members of the Stockholm Stock Exchange regarding repayment of VAT funds. During the third quarter, ACH Securities filed a lawsuit against the Stockholm Stock Exchange regarding the Stockholm Stock Exchange Board's decision to terminate ACH Securities' exchange membership, a claim that the Stockholm Stock Exchange has rejected.

OMX did not make any provisions for ongoing legal disputes during the quarter.

MERGER OF VPC AND APK

An agreement was signed at the end of September covering the merger of Swedish VPC and OMX's Finnish subsidiary APK. The merger is intended to form a strong joint group for securities administration in the Nordic region, NCSD. After the transaction, OMX and VPC's other four owners – FöreningsSparbanken, Nordea Bank, Skandinaviska Enskilda Banken and Svenska Handelsbanken – will each own about 19.8 percent each of NCSD. The closing of the transaction is expected take place before the end of 2004.

VPC is offering OMX about SEK 750 m in newly issued shares and cash as consideration for all outstanding shares in the OMX subsidiary APK. The sale of APK will result in a capital gain of SEK 20 m, which will be reported as other revenue in the OMX Exchanges division in the fourth quarter. This capital gain will not result in any tax expenses.

OMX holds an option to purchase shares in VPC from the four main owners in VPC, corresponding to an ownership interest of 11 percent. The main owners of VPC have reached an agreement with OMX to compensate OMX for this option in cash amounting to about SEK 67 m before tax. This capital gain will be reported as other revenue in the fourth quarter of 2004. The transaction, including the redemption of the option, is expected to generate a positive cash-flow effect of about SEK 450 m during the fourth quarter of 2004. OMX's ownership in NCSD will be reported as an associated company.

The agreement also cover an order to OMX Technology for delivery of the EXIGO CSD™ systems platform. The value of the technology contract amounts to about SEK 370 m, of which SEK 270 m pertains to a license for use of OMX Technology's EXIGO CSD systems platform in the Nordic region. The order also involves SEK 100 m for development projects for the Finnish and Swedish markets regarding EXIGO CSD. The order including license will be distributed over a four-year period.

INVESTMENTS

Amounts in SEK m	July-Sept 2004	July-Sept 2003	Jan-Sept 2004	Jan-Sept 2003	Oct-Sept 2003/2004	Jan-Dec 2003
Goodwill	-	1 764	46	1 764	46	1 764
Other intangible assets	38	66	63	154	86	177
Tangible assets	13	0	83	33	134	84
Assets acquired through acquisitions	-	161	2	161	2	161
Total	51	1 991	194	2 112	268	2 186

INVESTMENTS IN R&D

Amounts in SEK m (of which expensed)	July-Sept 2004	July-Sept 2003	Jan-Sept 2004	Jan-Sept 2003	Oct-Sept 2003/2004	Jan-Dec 2003
OMX Exchanges	2 (1)	2 (2)	10 (6)	8 (8)	16 (12)	14 (14)
OMX Technology	24 (0)	40 (10)	35 (0)	149 (42)	93 (20)	207 (62)
Total Group	26 (1)	42 (12)	45 (6)	157 (50)	109 (32)	221 (76)

REVENUE AND INCOME BY DIVISION AND BUSINESS AREA						
Amounts in SEK m	July-Sept 2004	July-Sept 2003	Jan-Sept 2004	Jan-Sept 2003	Oct-Sept 2003/2004	Jan-Dec 2003
REVENUE						
OMX Exchanges						
Cash Markets	221	214	693	478	910	695
Derivatives Markets	74	93	294	280	381	367
Settlement & Depository	71	69	229	69	306	146
Baltic Operations	13	11	34	11	45	22
Other revenue ¹⁾	-	-	-	46	-	46
Total OMX Exchanges	379	387	1 250	884	1 642	1 276
OMX Technology						
Banks & Brokers	84	83	277	235	373	331
Financial Markets	119	205	449	685	653	889
Global Services	174	158	533	411	702	580
Other revenue ²⁾	-3	4	111	68	125	82
Eliminations	-28	-34	-91	-100	-121	-130
Total OMX Technology	346	416	1 279	1 299	1 732	1 752
Parent Company and other functions ³⁾	20	33	78	114	108	144
Group eliminations	-89	-107	-288	-261	-413	-386
Total Group	656	729	2 319	2 036	3 069	2 786
OPERATING INCOME						
OMX Exchanges						
Cash Markets	118	95	356	228	446	318
Derivatives Markets	12	28	101	73	112	84
Settlement & Depository	12	13	34	13	40	19
Baltic Operations	1	2	6	2	7	3
Other revenue ¹⁾	-	-	-	46	-	46
Other expenses ⁴⁾	-	-	-	-7	-	-7
Total OMX Exchanges	143	138	497	355	605	463
OMX Technology						
Banks & Brokers	8	-19	13	-51	3	-61
Financial Markets	20	1	67	39	91	63
Global Services	19	10	50	36	62	48
Common functions ⁵⁾	-41	-57	-93	-170	-130	-207
Other revenue ²⁾	-	-	92	54	92	54
Other expenses ⁶⁾	-	-	-	-488	-28	-516
Total OMX Technology	6	-65	129	-580	90	-619
Parent Company and other functions ⁷⁾	-32	-28	-85	-243	-135	-293
Total group	117	45	541	-468	560	-449

¹⁾ Income from the creation of EDX London of SEK 46 m is included during January-September 2003 and January-December 2003.

²⁾ Income from the sale of NGX of SEK 92 m is included during January-September 2004. Income from the formation of EDX London of SEK 54 m is included during January-September 2003 and January-December 2003

³⁾ Income from the sale of XACT Fonder of SEK 16 m is included during January-September 2004.

⁴⁾ Includes restructuring expenses of SEK 7 m for the period January-September 2003 and January-December 2003.

⁵⁾ Common functions comprises mainly expenses for common marketing and sales offices, expenses that are not included in income by business area.

⁶⁾ Includes restructuring expenses of SEK 488 m for the period, January-September 2003 and January-December 2003 as well as reserves for unutilized premises and write-downs related to product phase-out of SEK 28 m for the period January-December 2003.

⁷⁾ Includes restructuring expenses of SEK 129 m for the period January-September 2003 and January-December 2003, as well as reserves for unutilized premises of SEK 10 m for the period January-December 2003.

Sensitivity analysis and revenue sources

OMX EXCHANGES

TRADING REVENUE

During the third quarter of 2004, 60 percent of OMX Exchanges' trading revenue was from equity (cash) trading and 40 percent from trading and clearing derivative products. Trading revenue is generated primarily within the Cash Markets, Derivatives Markets and Baltic Operations business areas.

For trading revenue from equity trading, the two most important parameters are the value of equity turnover and the number of equity transactions. A 10-percent change in value of the average daily equity trading volume would, on an annual basis (assuming an unchanged number of transactions) have a SEK +/- 4.5 m impact, calculated on trading levels during the third quarter of 2004.

As regards revenue from trading and clearing derivative products, the two most important parameters are the number of derivative contracts traded and the size of option premiums. A change in the average daily derivatives turnover of 1,000 contracts would, on an annual basis (assuming an unchanged average option premium and product mix), have a SEK +/- 1.1 m impact calculated on trading levels during the third quarter of 2004.

ISSUERS' REVENUE

Issuers' revenue comes from fees paid by companies listed on the exchange and is directly related to the market capitalization of the companies. Issuers' revenue is generated in the Cash Markets and Baltic Operations business areas. A ten percent change in the total market capitalization on OMX Exchanges would have a SEK +/- 5.2 m impact on issuers' revenue, calculated on an annual basis from the 2004 level based on operations carried out during the year.

INFORMATION REVENUE

OMX Exchanges' sells trading information to just over 100 companies that disseminate it to a large number of end users. Information revenue is generated within the Cash Markets and Baltic Operations business areas. Information dissemination is invoiced in ar-

rears, and the size of fees varies according to the number of end users.

CSD REVENUE

CSD revenue is mainly derived from APK (the Finnish central securities depository) and is generated within the Settlement & Depository and Baltic Operations business units. The main sources of CSD revenue and their percentage of revenue are as follows:

- Clearing of equities (12 percent). The most important parameter is the number of equity transactions on Helsinki Stock Exchange.
- Equity settlement and depository (36 percent). The most important parameters are the market value of the securities held in custody and the number of book-entry accounts.
- Money market clearing and settlement (14 percent). The most important parameter is the market value of the securities held in custody.
- Ownership information maintenance and information sales (38 percent). The most important parameters are the number of customers, the number of book-entry accounts and the number of requests for information.

OTHER REVENUE

Other revenue comprises mainly training revenue and internal sales from the Settlement & Depository business area to the Banks & Brokers business area. Includes results from formation of EDX London of SEK 46 m during April-June 2003.

OMX TECHNOLOGY

LICENSE, SUPPORT AND PROJECT REVENUE

License, support and project revenue from the systems solutions developed and sold by OMX Technology arises primarily within the Financial Markets business area and to some extent in Banks & Brokers.

After OMX Technology has developed and sold a systems solution, the customer licenses the right to use the software. Each project involves individual adaptations to the specific requirements of the customer, for instance, relating to functionality and capacity. This involves development, testing and installation work, all of which generate project revenue

that is invoiced continually according to degree of completion. When OMX Technology provides a systems solution, it undertakes to continually upgrade, develop and maintain the solution for which it receives recurring support revenue.

With regard to major system solutions for customers such as exchanges and clearing organizations, license and project revenue is mostly fixed and recognized in relation to the degree of completion. Support revenue is mainly fixed and contracts usually extend for five years. A certain portion of license revenue is also recurring, and contracts run for a longer period. As regards systems solutions to market participants such as banks and brokerage firms, license fees are primarily variable and revenue is recognized on an ongoing basis while project revenue is recognized in relation to the degree of completion. Support revenue from this type of customer is mainly variable and recognized on an ongoing basis.

REVENUE FROM FACILITY MANAGEMENT SERVICES

Facility Management Services are where OMX Technology is responsible for the continuous support of a systems platform for a customer, for which it receives recurring support revenue within the Global Services and Banks & Brokers business areas. Revenue from Facility Management Services can be both fixed and volume based. Contract times vary between one and seven years.

OTHER REVENUE

Other revenue from technology operations consists of trading and clearing revenue from the energy exchanges NGX and UKPX (both of which were sold during 2004) and some resale of third-party products as well as hosting revenue and other sales that cannot be classified together with the revenue sources above. It also includes income of SEK 92 m from the sale of NGX during January-March 2004 and income of SEK 54 m from the creation of EDX London during April-June 2003.

ADJUSTED INCOME STATEMENT

	Acc. to income statement	Adjustments	Adjusted
Amounts in SEK m	Jan-Dec 2003	Jan-Dec 2003	Jan-Dec 2003
Total revenue	2 786	-100	2 686
Expenses			
External expenses			
Premises	-341	133	-208
Marketing	-42	-	-42
Consultancy expenses	-263	21	-242
Operation and maintenance, IT	-356	72	-284
Other external expenses	-256	18	-238
Personnel expenses	-1 422	216	-1 206
Depreciation and write-downs	-342	138	-204
Amortization and write-downs of goodwill	-234	64	-170
Total operating expenses	-3 256	662	-2 594
Participations in the earnings of associated companies	21	-	21
Operating income	-449	562	113

MAJOR SHAREHOLDERS AS AT SEPTEMBER 30, 2004

	Number of shares	Share capital and votes, %
Investor AB	12 950 507	11.2
Robur funds	8 522 122	7.4
Swedish State	7 993 466	6.9
AMF Pension/AMF Pension funds	7 096 600	6.1
Nordea	6 595 078	5.7
Handelsbanken/SPP funds	4 823 911	4.2
FöreningsSparbanken	4 539 277	3.9
Didner & Gerge fund	3 450 000	3.0
SEB funds	3 447 100	3.0
Handelsbanken	2 848 105	2.5
Other Swedish owners	37 864 405	32.8
Non-Swedish owners	15 416 444	13.3
Total number of shares	115 547 015	100

Source: SIS Ägarservice

Operations under divestment (refers to APK, see page 11)

INCOME STATEMENT						
Amounts in SEK m	July-Sept 2004	July-Sept 2003	Jan-Sept 2004	Jan-Sept ¹⁾ 2003	Oct-Sept 2003/2004	Jan-Dec ¹⁾ 2003
REVENUE						
Net sales	71	69	229	69	306	146
Total revenue	71	69	229	69	306	146
EXPENSES						
External expenses						
Premises	-2	0	-8	0	-9	-1
Marketing	-2	0	-6	0	-6	0
Consultancy expenses	-3	-2	-10	-2	-13	-5
Operation and maintenance, IT	-27	-15	-87	-15	-107	-35
Other external expenses	-4	-19	-22	-19	-48	-45
Personnel expenses	-5	-7	-19	-7	-28	-16
Depreciation/amortization and write-downs	-5	-1	-12	-1	-16	-5
Total expenses	-48	-44	-164	-44	-227	-107
Operating income	23	25	65	25	79	39
Financial items	0	6	2	6	3	7
Income after financial items	23	31	67	31	82	46
Tax	-7	-9	-20	-9	-24	-13
Net income in reporting period	16	22	47	22	58	33

BALANCE SHEET			
Amounts in SEK m	Sept 2004	Sept 2003	Dec 2003
Other intangible fixed assets	61	75	70
Tangible fixed assets	9	5	12
Financial fixed assets, non-interest-bearing	70	122	117
Financial fixed assets, interest-bearing	143	35	47
Cash and bank balances	1	0	1
Total assets	284	237	247
Shareholders' equity	254	199	207
Short-term liabilities, non-interest-bearing	30	38	40
Total liabilities and shareholders' equity	284	237	247

CASH-FLOW STATEMENT						
Amounts in SEK m	July-Sept 2004	July-Sept 2003	Jan-Sept 2004	Jan-Sept ¹⁾ 2003	Oct-Sept 2003/2004	Jan-Dec ¹⁾ 2003
Cash flow from current operations	13	-2	51	-2	68	15
Cash flow from investing operations	0	-5	-1	-5	-5	-9
Cash flow from financing operations	17	-80	46	-80	45	-81
Changes in liquid funds	30	-87	96	-87	108	-75
Liquid funds - opening balance	114	122	48	122	36	123
Liquid funds - closing balance	144	35	144	35	144	48

¹⁾ Figures pertain solely to the period from July 2003, that is, from the date when HEX was consolidated in the OMX Group.



OMX owns and operates the largest securities market in the Northern Europe and is a leading provider of marketplace services and solutions for the financial and energy markets. OMX consists of two divisions: OMX Exchanges and OMX Technology. OMX Exchanges owns and operates the stock exchanges in Stockholm, Helsinki, Tallinn, Riga and Vilnius as well as the central securities depositories in Finland, Estonia and Latvia. Through OMX Exchanges OMX offers access to 80 per cent of the Nordic and Baltic securities market. OMX Technology is a world-leading provider of solutions and services – transaction technology, processing and outsourcing – based on proven technology. OMX is listed on the Stockholm Stock Exchange and the Helsinki Stock Exchange. For more information please visit www.omxgroup.com.

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