



OMX – FINANCIAL YEAR-END REPORT 2005

2005 – 48-percent increase in operating income

- Revenues amounted to SEK 3,136 m (3,106)
- Operating income rose to SEK 910 m (616)
- Income after financial items rose to SEK 846 m (568)
- Income after tax rose to SEK 543 m (383)
- Earnings per share rose to SEK 4.65 (3.31)
- The Board proposes a dividend of SEK 6.50 (0) per share, of which SEK 3.50 is an extra dividend
- Merger with the Copenhagen Stock Exchange
- Increased trading within OMX Exchanges
- Improved operating income within OMX Technology
- Restructuring of the Banks & Brokers business area
- Acquisition of Computershare Markets Technology completed after the reporting period

Fourth quarter 2005

- Revenues amounted to SEK 847 m (776)
- Operating income was SEK 263 m (loss: 54)
- Income after financial items was SEK 255 m (loss: 76)
- Income after tax amounted to SEK 187 m (loss: 81)
- Earnings per share amounted to SEK 1.62 (loss: 0.70)

CEO comments on the year-end report 2005:

It is with great pleasure that I am able to announce that operating income for 2005 of SEK 910 m was 48 percent higher than last year and the best result in OMX's history. In many ways, 2005 was an eventful and positive year for OMX. In exchange operations, the year got off to a flying start with the merger with the Copenhagen Stock Exchange, after which several further steps were taken towards our vision of a joint Nordic exchange. This included the launch of a joint Nordic stock exchange list and a concept for an alternative marketplace in the Nordic region. It was also a very strong year on the exchanges, in terms of both share prices and trading activity. Trading volumes, which are so important for us, rose gradually over the year, with share trading turnover increasing 22 percent compared with 2004.

Within our technology operations, the process of focusing and streamlining that has been in progress for two years continued. When, in the autumn, we announced the sale of the operations previously forming the Banks & Brokers business area, the extensive savings and restructuring process entered its final phase. With a couple of very laborious years now mainly behind us, it was therefore positive, in November, to be able to announce the acquisition of Computershare Markets Technology, operations well-suited to our focused drive in systems and services for the world's marketplaces. A factor that will also help us benefit from our opportunities as a leading player in the exchanges sector is the new organization that was implemented effective January 1, 2006.

At OMX, we are naturally pleased by and proud of the turnaround in income achieved over the past two years. However, I would like to stress that further measures remain regarding efficiency, profitability and sales growth for OMX. Guided by our financial targets, it is our ambition to continue to deliver increased profits in the years to come.

Magnus Böcker, President and CEO
OMX

Group revenue and income development

Revenue and income development during 2005

For OMX, 2005 was characterized by increased profitability, considerably higher exchange activity and continued strategic focusing through measures including the disposal and acquisition of operations. OMX's total revenues rose to SEK 3,136 m (3,106 in the year-earlier period) for 2005. The Group's adjusted revenues rose 8 percent compared with the preceding year; 2004 included revenues affecting comparability of SEK 200 m. The increase in revenues was attributable to higher revenues in OMX Exchanges, which can partly be explained by increased trading activity and the fact that the Copenhagen Stock Exchange (CSE) has been part of the Group since January 1, 2005. At the same time, APK is no longer part of the Group since December 1, 2004. The fourth quarter of 2005 included approximately SEK 30 m (0) as an extra, nonrecurring, volume-based trading revenue from EDX London. The reduction in revenues in the OMX Technology division was primarily attributable to the winding-up and divestment of operations.

The Group's total expenses decreased to SEK 2,241 m (2,499) during the year. The Group's adjusted expenses remained largely unchanged compared with the previous year – 2004 included expenses affecting comparability of SEK 229 m. The group's total expenses for 2005 included integration expenses of SEK 44 m (0) for the merger of OMX and CSE. In total, integration expenses are estimated at approximately SEK 60 m. Certain cost synergies resulting from the merger appeared for the first time during the fourth quarter of 2005.

Operating income rose to SEK 910 m (616) during 2005 and adjusted operating income was SEK 910 m (645). Operating income before depreciation amounted to SEK 1,136 m (859). Financial items amounted to an expense of SEK 64 m (expense: 48), the cause for this weakening primarily being the decline in market interest rates in 2004, which resulted in an additional return on financial assets during that year. Income after financial items amounted to SEK 846 m (568), while income after tax was SEK 543 m (383). Earnings per share amounted to SEK 4.65 (3.31).

EARNINGS DEVELOPMENT

| Amounts in SEK m | Oct-Dec 2005 | July-Sept 2005 | Apr-June 2005 | Jan-Mar 2005 | Oct-Dec 2004 | Full year 2005 | Full year 2004 |
|---------------------------------|-----------------|-------------------|------------------|-----------------|-----------------|-------------------|-------------------|
| Total revenue | 847 | 776 | 771 | 742 | 776 | 3,136 | 3,106 |
| Adjusted revenue ¹⁾ | 847 | 776 | 771 | 742 | 695 | 3,136 | 2,906 |
| Total expenses | -573 | -551 | -576 | -541 | -833 | -2,241 | -2,499 |
| Adjusted expenses ²⁾ | -573 | -551 | -576 | -541 | -604 | -2,241 | -2,270 |
| Operating income | 263 | 232 | 208 | 207 | -54 | 910 | 616 |
| Adjusted operating income | 263 | 232 | 208 | 207 | 94 | 910 | 645 |
| Financial items ³⁾ | -8 | -23 | -16 | -17 | -22 | -64 | -48 |
| Income after financial items | 255 | 209 | 192 | 190 | -76 | 846 | 568 |
| Earnings per share, SEK | 1.62 | 1.27 | 0.61 | 1.15 | -0.70 | 4.65 | 3.31 |

1) Adjusted revenue excludes other revenue, which for the period Jan-March 2004 comprised income from the sale of NGX of SEK 103 m, income from the sale of XACT Fonder of SEK 16 m during Apr-June 2004 and for the period Oct-Dec 2004 income from the sale of APK of SEK 81 m. No adjustments were made for 2005.

2) Adjusted operating expenses exclude expenses affecting comparability. For the period Oct-Dec 2004, adjustments included SEK 99 m in repayment of VAT and SEK 130 m for impairment of premises. No adjustments were made for 2005.

3) Net financial items for the period Oct-Dec 2004 included SEK 12 m in expense for accrued interest on recovered VAT. No adjustments were made for 2005.

Revenue and income development during fourth quarter 2005

During the fourth quarter of the year, OMX's total revenues rose to SEK 847 m (776), an increase of 9 percent compared with the preceding year. The increase in revenues was attributable to higher revenues in OMX Exchanges, primarily attributable to increased trading activity at the division's exchanges. The fourth quarter of 2005 included approximately SEK 30 m (0) as an extra, non-recurring, volume-based



trading revenue from EDX London. Revenues within OMX Technology were largely unchanged compared with the fourth quarter of 2004.

The Group's total expenses were SEK 573 m (833) during the fourth quarter. Adjusted expenses decreased by 5 percent compared with the year-earlier period; the fourth quarter of 2004 included expenses affecting comparability of SEK 229 m. The decline in expenses compared with the equivalent period in 2004 was primarily due to the synergies achieved through the mergers with HEX and CSE. Total expenses for the quarter included integration costs of SEK 4 m (0) for the merger between OMX and CSE. Certain cost synergies generated by the merger appeared for the first time during the fourth quarter. The increase in expenses compared with the third quarter, when expenses amounted to SEK 551 m, was primarily attributable to the lower level of activity during the summer months.

Operating income rose to SEK 263 m (loss: 54) during the fourth quarter, while adjusted operating income rose from SEK 94 m to SEK 263 m. Operating income before depreciation amounted to SEK 318 m (52). Financial items amounted to an expense of SEK 8 m (expense: 22), the improvement compared with the fourth quarter of 2004 being primarily attributable to positive nonrecurring effects from the reassessment of financial assets during the fourth quarter of 2005 and a negative nonrecurring effect in the form of accrued interest on the repayment of VAT in the fourth quarter of the preceding year. Income after financial items amounted to SEK 255 m (loss: 76), while income after tax was SEK 187 m (loss: 81). Earnings per share amounted to SEK 1.62 (loss: 0.70).

OMX 2005 – significant events

Merger of OMX and CSE

On December 1, 2004, an agreement was signed regarding a merger of OMX and the Copenhagen Stock Exchange (CSE). The merger is an additional step in realizing the vision of an integrated Nordic and Baltic securities market. It was proposed that the merger be effected through an offer by OMX to CSE's shareholders to acquire all outstanding shares in CSE. OMX offered 42.7448 newly issued shares in OMX in exchange for each CSE share or a cash consideration of DKK 3,050 per CSE share or a combination thereof. The offer was based on a value of all issued shares in CSE of DKK 1,220 m, including net cash of DKK 258 m on September 30, 2004.

By the end of the acceptance period on February 7, 2005, 383,914 CSE shares had been tendered, which combined with the 8,000 shares that OMX already held, corresponded to an acceptance level of about 99.4 percent of the total number of shares and votes in CSE, excluding own shares held by CSE. The Board of Directors of OMX therefore decided to complete the offer. OMX has acquired about 18 percent of the submitted shares in CSE in exchange for newly issued OMX shares and about 82 percent for a cash payment. Following authorization granted by OMX's Extraordinary General Meeting on February 3, 2005, the Company's share capital was increased by SEK 5,845,584 through the issue of 2,927,292 new shares. The total number of shares thereby increased to 118,474,307. CSE is consolidated within the Group effective January 1, 2005, when it became clear that the offer would be accepted and the integration process had begun. Newly issued shares in OMX, used in the acquisition of CSE (see page 22), were valued at the market price on February 7, which amounted to SEK 79.

Through increased operational efficiency, the merger is expected to result in annual cost savings of about SEK 30 m before tax. These cost savings are expected to attain full effect within three years, with the greatest portion already occurring within two years after completion of the transaction. In addition to cost savings, revenue synergies are expected to arise, in part through increased attractiveness of the marketplaces, cross-selling opportunities and the launch of new products. At the same time, certain negative synergies may arise through the harmonization of fee structures, for example. Transaction costs are estimated at about SEK 39 m before tax, while restructuring costs are expected to amount to some SEK 60 m before tax.



Integration activities

Integration activities that commenced in connection with the merger of OM and HEX were completed during the first quarter. Total cost synergies of more than SEK 150 m on a yearly basis have been attained, as planned. Integration activities involving the merger of OMX and CSE started in the first quarter. Of the integration cost, which is expected to total SEK 60 m, SEK 44 m arose during 2005. Remaining integration costs are expected to arise during the first quarter of 2006. Integration costs are expensed on an ongoing basis in OMX's operating expenses. In total, the merger of OMX and CSE is expected to result in annual cost synergies equivalent to SEK 30 m. Certain synergies from the merger were realized for the first time during the fourth quarter.

Acquisition of Computershare Markets Technology completed after the reporting period

In November, OMX signed a letter of intent with Computershare Ltd to acquire its Markets Technology operations for about SEK 250 m, to be paid over a period of five years. A definitive acquisition contract was signed by OMX and Computershare on January 31, 2006, following the close of the financial year. The operations will be consolidated within OMX effective February 1, 2006.

With more than 30 customers among the world's exchanges and securities depositories, Computershare Markets Technology is one of the major players in the market for exchange technology. The acquisition forms an important stage in the implementation of OMX's strategy to focus on growth in the increasingly international and rapidly changing marketplace segment, which comprises exchanges, clearing organizations and central securities depositories.

OMX acquires the operations by paying approximately SEK 250 m to Computershare, in the form of purchase price and license payments, of which, SEK 90 m is to be paid upon the implementation of the transaction and the remainder evenly distributed over a period of five years. For the 12-month period July 2004 through June 2005, the operation reported revenues of approximately SEK 100 m. Based on the level of operations in 2005, OMX estimates that the acquisition will add approximately SEK 25 m in operating income on a yearly basis, including immediately realized cost synergies but excluding transaction-related depreciation. The transaction is expected to generate cost and revenue synergies and an immediate positive contribution to earnings.

In November 2005, OMX and Computershare also agreed to establish a strategic partnership, initially with the purpose of providing services for issuers in the Nordic markets and to cooperate in offering consultancy services on market-infrastructure matters.

Restructuring of the Banks & Brokers business area within OMX Technology

In August 2005, OMX announced that it would be focusing its technology operations by divesting operations within its Banks & Brokers business area. The business area primarily comprises four parts. In November, it was announced that the Australian part of the operations, corresponding to approximately 5 percent of revenues in the business area, would be sold to GBST Holdings Ltd, effective January 1, 2006.

With regard to the Swedish part of the operations that offers development and maintenance of back office systems, and which is responsible for approximately 60 percent of the business area's revenues, plans were presented in December to establish, in cooperation with TietoEnator, a new leading supplier of solutions for securities handling in Northern Europe. According to the plans, the new company will have annual sales of approximately SEK 300 m and more than 200 employees. It is expected that this transaction will be concluded during the first quarter of 2006.

OMX has decided to retain the Swedish part of the operations that provides securities-administration services (back office for hire) within the Group. These operations, which accounted for 20 percent of the business area's revenues, were restructured during 2005 and are expected to generate a positive result during the second quarter of 2006.

The part of the operations based in the UK that targets banks and brokerages consists mainly of service sales in the area of securities administration. These operations, which represent approximately 15



percent of the business area's sales, grew during 2005 and are expected to generate a profit in the second quarter of 2006. OMX has decided to retain these operations until further notice.

Revenues in the Banks & Brokers business area amounted to approximately SEK 310 m during the 2005 full year, and SEK 63 m during the fourth quarter. The operating loss during the full year amounted to SEK 69 m and during the fourth quarter to SEK 21 m, of which SEK 13 m involved the allocation of Group expenses. The loss reported by the business area is primarily attributable to the Swedish part of operations, which offers development and maintenance of systems for back office. According to OMX, the divestment of these operations and other restructuring measures in the business area will entail an improvement in OMX Technology's operating income of approximately SEK 10 m on a quarterly basis, calculated on the level of operations in the fourth quarter of 2005.

Cooperation with Orc Software

In September, OMX Technology and Orc Software signed an agreement regarding the joint development of a new front-office product for trade in shares and derivatives in several electronic markets. The agreement entailed 12 individuals employed in the development of the front-office product at OMX Technology being transferred to Orc Software effective October 1, 2005. Orc Software has thereby assumed responsibility for the continued development of the product. During an initial period extending until the end of 2006, OMX will be responsible for the costs for the development and commercialization of the new product; sales revenues will be shared between the partners once OMX has been reimbursed for its costs during the initial period. The launch of the new product is expected to take place in early 2006. The agreement also means that OMX Technology will obtain global distribution rights for Orc Software products, giving OMX Technology a complete front-office range and enhancing Orc Software's opportunities to secure additional sales.

New organization introduced on January 1, 2006

In November, a new and simplified organizational structure for OMX was presented. The current two divisions, OMX Exchanges and OMX Technology have been replaced by three business areas: Nordic Marketplaces, Information Services & New Markets, and Market Technology. Nordic Marketplaces will focus on realizing the vision of an integrated Nordic securities market. Operations will comprise OMX's exchange operations in Denmark, Finland and Sweden. Information Services & New Markets will initially comprise exchange-related information operations and OMX's Baltic markets in Estonia, Latvia and Lithuania. Market Technology will be based on the recently reorganized division OMX Technology and will continue to focus on providing world-leading market systems and services.

New legal structure and future tax rates

As part of the work to create an integrated marketplace in Stockholm, Copenhagen, Helsinki, Tallinn, Riga and Vilnius, OMX has grouped the ownership in these exchanges under the Finnish holding company OMX Exchanges Ltd which already owned the Helsinki exchange. In connection with this, OMX has made the treasury function more efficient by centralizing it for all exchanges. An effect of this new structure is that the OMX Group's tax rates are estimated to amount to approximately 25 percent from 2006.

Management changes

OMX's Group management consists of Magnus Böcker, Markus Gerdien, Hans-Ole Jochumsen, Jukka Ruuska, Kristina Schauman and Bo Svejfors. During the third quarter, it was announced that Markus Gerdien had succeeded Klas Ståhl as the new President of OMX Technology effective October 24. As of February 14, 2005, Hans-Ole Jochumsen, President of the Information Services & New Markets business area, and Bo Svejfors, Senior Vice President Marketing & Communications, are included in Group management. Effective May 1, 2005, Anders Reveman resigned from his position as Chief Strategy Officer and consequently also from Group management. He remains in the Group in an advisory capacity.



Ruling in tax case involving NLK

NLK, an OMX associated company that leases machinery and equipment, has been involved in a tax case regarding the possibility to claim loss carryforwards for the 2000 tax year. The administrative court of appeal announced its ruling during the second quarter, which was not in NLK's favor. The ruling entailed a tax expense of SEK 67 m for OMX plus interest expense of SEK 10 m. These costs were charged to OMX's second-quarter earnings but did not affect OMX's cash flow.

Other disputes

OMX continues to oppose the patent infringement claim brought by eSpeed against OMX. On February 23, 2005, OMX announced that the court had rejected eSpeed's claim for damages, which amounted to some USD 100 m on January 25, 2005. In December 2005, the court rejected e-Speed's claim to declare the court's ruling from February 2005 null and void. OMX has made no provisions for ongoing disputes or changes in contingent liabilities during the period.

Extraordinary General Meeting

In accordance with the proposal by the Nomination Committee, the Extraordinary General Meeting of OMX on August 19, 2005 elected Hans Munk Nielsen as a Board member to replace Henrik Normann who left the Board on June 1, 2005.

OMX 2005 - other important information

Financial position at year-end

Total assets at year-end amounted to SEK 10,612 m, compared with SEK 6,620 m in 2004. The increase in total assets was attributable primarily to the acquisition of CSE and reporting of the market value of derivative positions within OMX Exchanges (see page 28, Appendix). The equity/assets ratio, excluding the market value of outstanding derivative positions, was 57 percent (58). At year-end, OMX had interest-bearing net debt of SEK 573 m (-155). The increase in net debt compared with the close of the year-earlier period is primarily attributable to increased borrowing in connection with the acquisition of CSE. The decrease in net debt compared with the end of the third quarter is due to the period's positive cash flow from continuing operations, see page 16. The net debt/equity ratio was 12 percent (negative: 4) at the end of the period.

At the close of the period, interest-bearing financial liabilities totaled SEK 1,907 m (1,362), of which SEK 1,409 m (700) was long term. At December 31, 2005, the Group's total approved credit facilities amounted to SEK 3,033 m (3,067), of which SEK 0 m (14) was utilized. Interest-bearing financial assets amounted to SEK 1,334 m (1,517), of which SEK 90 m (131) were financial fixed assets.

Adjusted revenues and expenses

Previously, OMX has reported items that impeded comparisons over time as items affecting comparability in the income statement. As of 2004, these items are distributed among the respective income and expense items. In the adjusted amounts, items affecting comparability have been eliminated. For 2004, these revenue items pertained to capital gains from the sale of NGX and XACT Fonder, amounting to SEK 103 m and SEK 16 m respectively, and a gain of SEK 81 m from the sale of APK. Expense items affecting comparability in 2004 were SEK 99 m in repayment of VAT by OMX and SEK 130 m in provisions for unutilized premises.

Operations being discontinued

Since a decision has been made to discontinue operations within Banks & Brokers, these operations are reported as discontinued effective from the fourth quarter of 2005, although the discontinuation has yet to be implemented and OMX has decided to retain certain parts of the business until further notice. The



OMX subsidiary APK, which was equivalent to the Settlement & Depository business area, was divested during the fourth quarter of 2004.

Credit rating

In February, OMX's long-term rating from Standard & Poor's was downgraded from A+ with a negative outlook to A with a stable outlook. The short-term rating of A-1 and the Nordic scale K1 remained unchanged. Standard & Poor's motivation was primarily increased goodwill in conjunction with the acquisition of CSE.

Financing

During the first quarter of 2005, OMX refinanced its syndicated bank loan of SEK 2,100 m, which was extended to a five-year commitment from the banks included in the syndicate. This resulted in reduced financing expenses and lower refinancing risk. Financial covenants of SEK 2,100 m linked to the credit facility have been eliminated, but will be reapplied if OMX receives a credit rating of BBB or lower. An eight-year bond was issued during the second quarter and a three-year bond was issued in the first quarter, thereby extending and diversifying the Group's overall debt maturity structure in the loan portfolio.

OMX AB

The legal entity OMX AB, the Group's Parent Company, comprises the Group's corporate functions and conducts holding company operations on behalf of Group subsidiaries. Revenue totaled SEK 2,267 m (260) for the reporting period. Income before appropriations and tax was SEK 1,999 m (loss: 680). Liquid assets totaled SEK 1 m (1). Investments amounted to SEK 59 m (51). The high revenues and earnings during the reporting period pertain to the internal sale of Stockholmsbörsen AB to OMX Exchanges Ltd.

Number of employees

The number of employees and contracted consultants in the Group was 1,344 (1,355) at year-end. The number of employees was 1,288 (1,300) at the close of the reporting period, of whom 390 (305) were employed at OMX Exchanges, 805 (915) at OMX Technology and 93 (80) at the Parent Company and other functions. The increase in the number of employees within OMX Exchanges was primarily due to the inclusion of CSE as of January 1, 2005. The decrease in the number of employees in OMX Technology was primarily due to continued synergy gains and efficiency-improvement measures. Of the total number of employees, 107 (104) were on long-term leave, mainly parental leave.

Accounting principles

Effective January 1, 2005, the OMX Group applies the IFRS accounting principles. For further information regarding the transition, see Appendix 1. This interim report was prepared in accordance with IAS 34, Interim Financial Reporting, and IFRS 1, First-time Adoption of International Financial Reporting Standards. The interim report was prepared in accordance with prevailing IFRS standards and IFRIC interpretations adopted by the European Commission at the end of December 2005. OMX's consolidated accounts were prepared in accordance with Swedish GAAP until the end of 2004. Previously applied Swedish accounting principles differ from IFRS in certain areas. In preparing this report, OMX therefore supplemented previously applied valuation and accounting principles and the principles for preparing the consolidated accounts to comply with IFRS. Comparison figures for 2004 were adjusted in accordance with IFRS, with the exception of recognition and measurement of financial instruments. OMX has used the exception in IFRS 1 that allows IAS 32 and IAS 39 to be applied as of January 1, 2005. With respect to participations in the earnings of associated companies, these are reported in operating income, since these holdings are of a strategic nature and supplement the Group's other operations.



See Appendix 1 for descriptions of the new accounting principles and the effects of the transition to IFRS. The application of IFRS did not otherwise result in any significant changes in the Group's accounting principles. For a description of the Group's other accounting principles, see the 2004 Annual Report and the coming Annual Report for 2005.

During 2005, a new standard, IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, was adopted. The implementation of the standard had no effect on the Group regarding revenues or financial positions.

In addition, the Parent Company applies the Swedish Financial Accounting Standards Council's new Recommendation 32 from January 1, 2005.

Outlook – first quarter 2006

During the first quarter of 2006, OMX Technology's revenues are expected to match the level reported in the fourth quarter of 2005. OMX Exchanges' revenue is largely dependent on stock market trends and trading volumes on the exchanges in Copenhagen, Helsinki and Stockholm. The Group's expenses are expected to match the level reported in the fourth quarter of 2005.

Future development

OMX is a leading expert in the global exchanges sector. OMX's business model is based on generating competitive advantages and business from the network and experiences derived from owning and operating proprietary exchanges, combined with the development of technology and systems operation for customers throughout the world. OMX's vision is to be considered the world's leading partner for more efficient securities transactions.

At the end of 2005, OMX implemented a new organization. The previous two divisions, OMX Exchanges and OMX Technology were replaced by three business areas: Nordic Marketplaces, Information Services & New Markets and Market Technology. The purpose of the new structure is to create the best possible conditions for meeting customers' future needs and to facilitate the realization of the company's vision. The new organization shall enhance cost-efficiency, provide improved support for the integration of the Nordic market, further raise the level of service and increase focus on generating growth.

A streamlined unit for the operation of the Nordic marketplaces facilitates the realization of the vision of a Nordic exchange. The integration of the three Nordic exchanges, Copenhagen, Helsinki and Stockholm, has made extensive progress and the harmonization taking place makes the Nordic marketplaces increasingly attractive for international investors. During 2006, measures including the introduction of a joint exchange membership and the launch of a joint Nordic exchange list will help generate further interest in the region.

By separating Information Services from the Nordic exchange operations, it is expected that these operations will develop better by more quickly being able to benefit from various business opportunities and by participating in partnerships and alliances. The establishment of the new business area will also increase focus on the Baltic marketplaces with their specific market requirements and pace of change. The business area will identify business opportunities with a high level of growth, both in terms of products and services. Among other developments, it will be possible to invest in completely new markets, such as in Central and Eastern Europe.

OMX's technology operations have undergone major changes during the past two years. Operations have been streamlined and extensive cost savings have been implemented. During 2005, the strategic focus on the marketplaces segment (exchanges, clearing organizations and securities depositories) continued, partly through the initiation of the divestment of operations targeting banks and brokerages and, partly, through the signing of an agreement with Computershare regarding the acquisition of its Markets Technology operations. Plans for 2006 include the integration of Computershare Markets Technology and an extended drive on markets in the Middle East and Africa. In addition, efforts to further develop the product and services portfolio will be intensified.



OMX's strategy and operational objectives shall result in OMX being able to meet its financial targets, meaning that OMX shall achieve a return on shareholders' equity of at least 15 percent and that the debt/equity ratio shall not be more than 30 percent.

Nominating Committee

At the Annual General Meeting on April 7, 2005, it was decided that the company's four largest shareholders in consultation with the Chairman of the Board were to appoint a Nominating Committee. The composition of the Committee was announced in September 2005. It consists of the following individuals: Ramsey Brufer (Head of Corporate Governance at Alecta), representing Alecta, Eva Halvarsson, (Director, Ministry of Industry, Employment and Communication) representing the Swedish government, KG Lindvall, (Board member Robur Fonder) representing Robur Fonder, Olof Stenhammar, Chairman of the Board, OMX (convening) and Jacob Wallenberg, (Chairman of the board, Investor AB) representing Investor AB. Effective December 9, 2005, Eva Halvarsson was replaced by Lars Johan Cederlund (Undersecretary, Ministry of Industry, Employment and Communication), representing the Swedish government.

Annual General Meeting

The Annual General Meeting will be held on Thursday, April 6, 2006, at 5.00 p.m., CET, at OMX's headquarters in Stockholm.

Dividend policy and proposed distribution of earnings

For the 2005 financial year, the Board intends to propose that a dividend totaling SEK 6.50 per share be paid, comprising an ordinary dividend of SEK 3.00 per share and an extra dividend of SEK 3.50 per share. The Board's ambition is that OMX's ordinary dividend shall, in the future, grow in pace with the company's earnings per share, taking OMX's long-term capital requirements into account.

The following earnings are at the disposal of the Annual General Meeting:

| | |
|---------------------------|----------------------|
| Income brought forward | 484 055 438 |
| Income for the year | 2 043 788 893 |
| Accumulated income | 2 527 844 331 |

The Board proposes that the earnings be distributed as follows:

| | |
|--|----------------------|
| To the shareholders, ordinary dividend of SEK 3.00 per share | 355 422 921 |
| To the shareholders, extra dividend of SEK 3.50 per share | 414 660 075 |
| To the shareholders, a total dividend of SEK 6.50 per share | 770 082 996 |
| To be carried forward | 1 757 761 335 |
| | 2 527 844 331 |

The proposed distribution of earnings and proposed income statement and balance sheet shall be approved at the Annual General Meeting.

OMX AB (publ)

Stockholm, February 1, 2006

Board of Directors

ADJUSTED REVENUE PER DIVISION

| Amounts in SEK m | Oct-Dec 2005 | July-Sept 2005 | Apr- June 2005 | Jan- March 2005 | Oct-Dec 2004 ¹⁾ | 2005 | 2004 ¹⁾ |
|--------------------------------|-----------------|-------------------|----------------------|-----------------------|-------------------------------|--------------|--------------------|
| OMX Exchanges | 549 | 476 | 470 | 458 | 384 | 1 953 | 1 634 |
| OMX Technology | 370 | 362 | 379 | 354 | 376 | 1 465 | 1 563 |
| Eliminations | -72 | -62 | -78 | -70 | -65 | -282 | -275 |
| ADJUSTED REVENUE, TOTAL | 847 | 776 | 771 | 742 | 695 | 3 136 | 2 922 |

1) Revenues for 2004 exclude income items affecting comparability such as gains on sales of operations.

OMX EXCHANGES

For OMX Exchanges, 2005 was characterized by high trading activity, the integration of the Copenhagen Stock Exchange (CSE) and the creation of a common Nordic exchange. Examples of initiatives regarding the creation of the Nordic exchange include the proposal for a common Nordic exchange list, which is scheduled to be launched in October 2006 and is aimed at increasing the visibility of and interest in the listed companies. A common Nordic index family will also be launched during 2006. In January 2006, a common Nordic exchange membership was introduced, whereby a member company can transact business on the three Nordic exchanges through the same membership. Trading on the exchanges in the division was considerably more active during 2005 than in the preceding year, in terms of both share and derivative trading.

APK is no longer part of the division as of December 1, 2004, while CSE has been part of the division as of January 1, 2005. In contrast to revenue and income, the statistical data below are pro forma, meaning that they include CSE in the comparative figures.

The division's adjusted revenue increased 20 percent to SEK 1,953 m (1,634) during the year. The division's adjusted revenue for the *fourth quarter* increased by 43 percent to SEK 549 m (384) compared with the year-earlier period. The increase – for both the full year and the fourth quarter – was primarily due to higher trading revenue on the stock exchanges in Copenhagen, Helsinki and Stockholm.

The division's adjusted expenses for 2005 amounted to SEK 1,062 m (929). The division's adjusted expenses for the *fourth quarter* amounted to SEK 282 m (238). The increased expenditure compared with the preceding year was due to the merger with CSE and the resulting integration costs. The results from associated companies for the *fourth quarter* include a negative amount of SEK 21 m due to a impairment in EDX London, in which OMX has a 24-percent interest.

The division's adjusted operating income was SEK 901 m (693), while return on capital employed was 17 percent. Adjusted operating income before distribution of the results for the Parent Company and other functions was SEK 958 m (764). The corresponding figure for the *fourth quarter* was SEK 266 m (165).

The division's trading revenue includes cash (primarily equities) and derivatives trading as well as clearing at OMX's exchanges in Copenhagen, Stockholm, Helsinki, Riga, Tallinn and Vilnius, along with the joint operations with Eurex and EDX London in derivatives trading. Trading revenue amounted to SEK 1,120 m (810) for the full year and SEK 333 m (189) for the *fourth quarter*, of which 55 percent derived from cash products and 45 percent from derivatives trading and clearing. Revenue for the *fourth quarter* of 2005 included approximately SEK 30 m (0) in the form of volume-based, nonrecurring revenue from derivatives trading and clearing from EDX London. Final settlement regarding these revenues will occur during the first quarter of 2006. The rise in trading revenue compared with the previous year is primarily attributable to the fact that CSE is now part of the Group and that trading activity has risen on all of the division's exchanges. The number of members on OMX's exchanges had increased to 148 (142) compared to 2004. During 2005, the average number of equity transactions per

day rose 24 percent to 84,357 (68,093), compared with 2004. The corresponding figure for the *fourth quarter* increased by 39 percent to an average of 95,445 (68,871) transactions per day. Equity turnover rose 22 percent to an average of SEK 27,782 m (22,814) per day. The corresponding figure for the *fourth quarter* increased by 45 percent to SEK 31,847 m (22,014). The turnover velocity in equity trading rose to 115 percent (114) during 2005.

During the year, the average total number of traded derivative contracts per day rose during the quarter by 7 percent to 478,240 (449,024), of which Finnish options contracts on Eurex accounted for 63,358 (69,984) per day and Nordic derivatives contracts on EDX London for 75,980 (83,701) per day. During the *fourth quarter*, the average total number of traded derivative contracts per day rose by 34 percent to 533,053 (397,531), of which Finnish options contracts on Eurex accounted for 57,561 (61,763) per day and Nordic derivatives contracts on EDX London for 79,911 (64,917) per day. At the end of the quarter, it was announced that OMX's derivative markets would, effective January 1, 2006, reduce fees for certain customer segments regarding trading in primarily Swedish stock options. The purpose of the reduction is to be able to offer more competitive fees with the aim of increasing trading.

Issuers' revenue derives from fees paid by listed companies and is related to the market capitalization of the listed companies. The increase in issuers' revenue to SEK 322 m (211) during 2005, and to SEK 85 m (52) for the *fourth quarter* is partly due to the inclusion of CSE in the Group and partly to increased market values. During 2005, 30 new companies were listed, while 36 companies were delisted, with the result that the total number of companies listed on the exchanges within OMX Exchanges declined to SEK 679 m (687) compared with 2004. At the same time, the total market capitalization of all listed companies rose 33 percent, from SEK 5,272 billion to SEK 7,012 billion.

Information revenue derives from the revenue OMX receives from the sale of trading information. The increase in information revenue to SEK 370 m (236) during 2005, and to SEK 97 m (63) for the *fourth quarter*, was mainly due to CSE now being part of the Group. At the end of the quarter, OMX Exchanges had 169 (156) information vendors.

CSD revenue consists of revenue for clearing, settlement and deposit of equities and interest-bearing securities at the central securities depositories owned by OMX in Tallinn and Riga. The decrease in CSD revenue to SEK 32 m (279) for the full year and to SEK 9 m (54) for the *fourth quarter*, is due to APK no longer being part of the Group as of December 1, 2004.

Adjusted other revenue in the division was SEK 109 m (98) for the full year and SEK 25 m (26) for the *fourth quarter*. Other revenue consists primarily of training revenues, sales of information materials, line-connection revenue from members and certain license revenues related to OMX indexes.

OMX TECHNOLOGY

For OMX Technology, the year was characterized by a cautious market and continued efficiency enhancement efforts aimed at improving profitability. The total order value from external customers was essentially unchanged by the end of the reporting period, compared with the corresponding time in 2004.

The division's adjusted revenue for the year was SEK 1,465 m (1,563). The decrease in revenue compared with the preceding year was primarily due to the discontinuation and divestment of operations within the framework of the streamlining and savings program implemented in the division. The division's adjusted revenue for the *fourth quarter* amounted to SEK 370 m (376).

The division's adjusted operating expenses amounted to SEK 1,461 m (1,616) for the full year and SEK 363 m (431) for the *fourth quarter* of 2005. The decrease in expenses was primarily due to the synergies from the merger with HEX and other efficiency-enhancement and savings measures.

The division's adjusted operating income was SEK 8 m (loss: 54), while return on capital employed was 1 percent. Adjusted operating income before allocation of the Parent Company's and other functions' results was SEK 65 m (17) during 2005, corresponding to an operating margin of 4.4 percent (1.1). For the *fourth quarter*, adjusted operating income before division of the Parent Company's and other

functions' results was SEK 22 m (loss: 36), corresponding to an operating margin of 5.9 percent (negative: 10.0).

Investments in R&D, involving, among other projects, the next-generation trading system for marketplaces, totaled SEK 226 m (91) during the year, corresponding to 15 percent (6) of the division's revenue. SEK 170 m (81) of total investments in R&D for 2005 was capitalized. During the *fourth quarter*, investments in R&D totaled SEK 62 m (56), corresponding to 17 percent (15) of the division's revenue. SEK 51 m (46) of investments in R&D during the *fourth quarter* was capitalized. OMX considers that investments in R&D over time should remain at about 10 percent of the division's revenue.

Order intake during 2005 amounted to SEK 1,215 m (1,379), of which SEK 153 m (217) related to orders from OMX Exchanges. Order intake during the *fourth quarter* increased to SEK 423 m (368), of which SEK 34 m (91) related to orders from OMX Exchanges. The total order value at year-end was SEK 2,702 m (2,812), of which orders for SEK 843 m (936) are to be delivered during the next 12 months. Total order value includes orders for OMX Exchanges to a value of SEK 794 m (915), of which orders for SEK 242 m (250) are due for delivery within a year.

License, project and support revenues rose compared with the preceding year, totaling SEK 875 m (820). Revenue from these sources during the *fourth quarter* increased to SEK 225 m (212). The increase in revenue compared with the year-earlier period is mainly attributable to increased sales to the marketplaces customer segment, primarily as a consequence of increased activity by existing customers. The marketplaces customer segment (exchanges, clearing organizations, and central securities depositories) accounted for 85 percent of license, project and support revenue. During the year, agreements were signed with, among other customers, the Thailand Futures Exchange for delivery of the CLICK XT trading system and the SECUR clearing system, with the Polish Power Exchange for delivery of the CONDICO trading system, NOS for delivery of SECUR, including ten years of support, and with TLX for delivery of CLICK XT. Revenue from the market participants customer segment (banks and brokerage firms) accounted for 15 percent of license, project and support revenue during the quarter. During the full year, agreements were signed with Kaupthing Bank for delivery of back-office services, and with Abbey and Killik for delivery of back-office services in the UK. In addition, an agreement regarding a strategic partnership for the development of the next generation of front-office products was signed with Orc Software during the year. The partnership is expected to provide a positive impact on earnings during 2006.

Facility management revenue amounted to SEK 543 m (683) during the year and SEK 137 m (157) during the *fourth quarter*. The decline in revenue compared with the preceding year was mainly due to lower internal sales resulting from the integration of HEX and CSE and the disposal of custody operations in Finland. The marketplaces segment and other customers accounted for 71 percent of revenue, and market participants for 29 percent. During the year, OMX Technology signed agreements with, among others, Nymex Europe for delivery of support services, with the Oslo Stock Exchange for a five-year extension of its facility management and support agreement, and with TLX for facility management and support over five years.

Other revenue, adjusted, amounted to SEK 47 m (60) for the full year and SEK 8 m (7) during the *fourth quarter*. This revenue mainly derived from consulting revenues, internal IT and the valuation of forward contracts to which hedge accounting is not applicable. In 2005, the effect of forward contracts amounted to a gain of SEK 10 m and during the fourth quarter the effect was negative in an amount of SEK 7 m. During the year, OMX Technology signed about ten agreements for benchmarking studies with stock exchanges in various parts of the world. The participating exchanges gain access to a unique industry database containing comparative analyses in areas such as business revenue and cost-efficiency.

INCOME STATEMENT, BY QUARTER ⁵⁾

| | Retained operations | Divested operations | OMX totalt Oct- Dec 2005 | Retained operations | Divested operations | OMX Total |
|--|------------------------|------------------------|--------------------------------------|------------------------|------------------------|-----------------|
| | Oct-Dec 2005 | Oct-Dec 2005 | | Oct-Dec 2004 | Oct-Dec 2004 | Oct-Dec 2004 |
| Amounts in SEK m | | | | | | |
| Revenue | | | | | | |
| Net sales | 784 | 63 | 847 | 548 | 147 | 695 |
| Of which own work capitalized | 28 | 1 | 29 | 19 | 15 | 34 |
| Other revenue ¹⁾ | - | - | - | 81 | - | 81 |
| Total revenue | 784 | 63 | 847 | 629 | 147 | 776 |
| Expenses ²⁾ | | | | | | |
| Premises | -44 | -2 | -46 | -169 | -8 | -177 |
| Marketing expenses | -12 | 0 | -12 | -13 | -3 | -16 |
| Consultancy expenses | -57 | -7 | -64 | -39 | -9 | -48 |
| Operations and maintenance, IT | -40 | -19 | -59 | -33 | -45 | -78 |
| Other external expenses | -51 | -5 | -56 | -143 | -14 | -157 |
| Personnel expenses | -229 | -52 | -281 | -205 | -46 | -251 |
| Depreciation and write-downs | -54 | -1 | -55 | -70 | -36 | -106 |
| Total expenses | -487 | -86 | -573 | -672 | -161 | -833 |
| Participation in earnings of associated companies | -13 | 2 | -11 | 2 | 1 | 3 |
| Operating income | 284 | -21 | 263 | -41 | -13 | -54 |
| Financial items ³⁾ | -7 | -1 | -8 | -22 | 0 | -22 |
| Income/loss after financial items | 277 | -22 | 255 | -63 | -13 | -76 |
| Tax | -72 | 4 | -68 | -11 | 6 | -5 |
| Net income/loss for the period | 205 | -18 | 187 | -74 | -7 | -81 |
| of which attributable to shareholders in OMX AB | 203 | -11 | 192 | -74 | -7 | -81 |
| of which attributable to minority interests | 2 | -7 | -5 | 0 | - | 0 |
| Average number of shares, millions | | | 118.474 | | | 115.547 |
| Number of shares, millions | | | 118.474 | | | 115.547 |
| Average number of shares after full conversion, millions | | | 118.760 | | | 115.833 |
| Number of shares after full conversion, millions | | | 118.760 | | | 115.833 |
| Earnings per share, SEK ⁴⁾ | 1.71 | -0,09 | 1.62 | -0.64 | -0.06 | -0.70 |
| Earnings per share, SEK, after full conversion ⁴⁾ | 1.71 | -0,09 | 1.62 | -0.64 | -0.06 | -0.70 |

1) Includes a gain of SEK 81 m from the sale of APK during the fourth quarter 2004.

2) Includes, during the fourth quarter of 2004, other costs of SEK 130 m for provisions pertaining to premises and costs for the repayment of VAT amounting to SEK 99 m.

3) Includes, during the fourth quarter of 2004, SEK 12 m in accrued interest related to VAT repayment.

4) Earnings per share are calculated on the basis of the weighted average number of shares during the period. This is based on OMX AB shareholders' share of earnings for the period.

5) Discontinued operations for 2004 include APK, which was divested during the fourth quarter of 2004, and Banks & Brokers, which has been in the process of discontinuation since August 2005. Only Banks & Brokers is included for 2005.

INCOME STATEMENT, FULL-YEAR ⁵⁾

| Amounts in SEK m | Retained operations 2005 | Divested operations 2005 | OMX total 2005 | Retained operations 2004 | Divested operations 2004 | OMX total 2004 |
|--|--------------------------------|--------------------------------|----------------------|--------------------------------|--------------------------------|----------------------|
| Revenue | | | | | | |
| Net sales | 2 826 | 310 | 3 136 | 2 253 | 653 | 2 906 |
| Of which own work capitalized | 92 | 33 | 125 | 53 | 21 | 74 |
| Other revenue ¹⁾ | - | - | - | 200 | - | 200 |
| Total revenue | 2 826 | 310 | 3 136 | 2 453 | 653 | 3 106 |
| Expenses ²⁾ | | | | | | |
| Premises | -175 | -16 | -191 | -281 | -37 | -318 |
| Marketing expenses | -37 | -3 | -40 | -34 | -11 | -45 |
| Consultancy expenses | -213 | -40 | -253 | -173 | -34 | -207 |
| Operations and maintenance, IT | -148 | -84 | -232 | -111 | -206 | -317 |
| Other external expenses | -192 | -38 | -230 | -256 | -73 | -329 |
| Personnel expenses | -876 | -193 | -1 069 | -842 | -198 | -1 040 |
| Depreciation and write-downs | -217 | -9 | -226 | -181 | -62 | -243 |
| Total expenses | -1 858 | -383 | -2 241 | -1 878 | -621 | -2 499 |
| Participation in earnings of associated companies | 11 | 4 | 15 | 1 | 8 | 9 |
| Operating income | 979 | -69 | 910 | 576 | 40 | 616 |
| Financial items ³⁾ | -63 | -1 | -64 | -51 | 3 | -48 |
| Income/loss after financial items | 916 | -70 | 846 | 525 | 43 | 568 |
| Tax | -317 | 14 | -303 | -175 | -10 | -185 |
| Net income/loss for the period | 599 | -56 | 543 | 350 | 33 | 383 |
| of which attributable to shareholders in OMX AB | 592 | -42 | 550 | 349 | 33 | 382 |
| of which attributable to minority interests | 7 | -14 | -7 | 1 | - | 1 |
| Average number of shares | | | 118.108 | | | 115,547 |
| Number of shares | | | 118.474 | | | 115,547 |
| Average number of shares after full conversion | | | 118.394 | | | 115,833 |
| Number of shares after full conversion | | | 118.760 | | | 115,833 |
| Earnings per share | 5.01 | -0.36 | 4.65 | 3.02 | 0.29 | 3,31 |
| Earnings per share | 5.01 | -0.36 | 4.65 | 3.02 | 0.29 | 3,31 |
| Proposed dividend per share | | | 6.50 | | | 0 |

1) Pertains to gain during 2004 of SEK 16 m from the sale of XACT Fonder, gain of SEK 103 m from the sale of NGX and a gain of SEK 81 m from the sale of APK.

2) Includes, during the fourth quarter of 2004, other costs of SEK 130 m for provisions pertaining to premises and costs for the repayment of VAT amounting to SEK 99 m.

3) Includes, during 2004, SEK 12 m in accrued interest related to VAT repayment.

4) Earnings per share are calculated on the basis of the weighted average number of shares during the period. This is based on OMX AB shareholders' share of earnings for the period.

5) Discontinued operations for 2004 include APK, which was divested during the fourth quarter of 2004, and Banks & Brokers, which has been in the process of discontinuation since August 2005. Only Banks & Brokers is included for 2005.

Notes to the income statement for 2005

Total revenue amounted to SEK 3,136 m (3,106) during the year. Total revenue in 2004 included a gain of SEK 103 m on the sale of NGX, a gain of SEK 16 m from the sale of XACT Fonder, and a gain of SEK 81 from the sale of APK, all reported as other revenue. Consolidated net sales amounted to SEK 3,136 (2,906), of which SEK 125 m (74) related to work that was capitalized on own account and SEK 27 m related to sales from OMX Technology that were capitalized within OMX Exchanges and the Parent Company. APK is no longer included in the Group as of December 1, 2004, while CSE is consolidated as of January 1, 2005.

The Group's total expenses amounted to SEK 2,241 m (2,499) during the year. Expenses during 2004 included SEK 99 m in repayment of VAT and SEK 130 m in provisions for unused premises. The Group's share in the earnings of associated companies was SEK 15 m (9) and derived from NCSD, EDX London, Orc Software, NLK and the Lithuanian securities depository CSDL. The results from associated companies include the effects of the impairment in EDX in an amount of SEK 21 m.

Net financial items for the Group amounted to an expense of SEK 64 m (expense: 48). The decline in net financial items compared with 2004 was primarily the result of the declining interest rates during 2004, resulting in an additional return on financial assets.

Tax expenses for 2005 amounted to SEK 303 m (185). The deviation for the Group from the nominal Swedish tax rate of 28 percent is primarily due to the inclusion of SEK 67 m in additional tax expenses relating to NLK (see page 6). Currency effects had a minimal impact on the Group's operating revenue and operating income during the reporting period.

Notes to the income statement for the fourth quarter of 2005

Total revenue amounted to SEK 847 m (776) during the fourth quarter. Revenue for the year-earlier period included a gain of SEK 81 from the sale of APK, reported as other revenue. Consolidated net sales amounted to SEK 847 (695), of which SEK 29 m (34) related to work that was capitalized on own account and SEK 5 m related to sales from OMX Technology that were capitalized within OMX Exchanges and the Parent Company. APK is no longer included in the Group as of December 1, 2004, while CSE is consolidated as of January 1, 2005. The Group's total expenses amounted to SEK 573 m (833) during the quarter. Expenses during the year-earlier period included SEK 99 m in repayment of VAT and SEK 130 m in provisions for unused premises.

The Group's share in the earnings of associated companies amounted to a loss of SEK 11 m (gain: 3) and derived from NCSD, EDX London, Orc Software, NLK and the Lithuanian securities depository CSDL. Impairment in EDX London accounted for a loss of SEK 21 m.

Net financial items for the Group amounted to an expense of SEK 8 m (expense: 22). The improvement in net financial items compared with the fourth quarter of 2004 was primarily the result of positive nonrecurring effects from the revaluation of financial assets during the fourth quarter of 2005, combined with a negative nonrecurring effect in the form of accrued interest relating to repayment of VAT during the fourth quarter of 2004. Tax expenses for the fourth quarter amounted to SEK 68 m (5). Currency effects had a minimal impact on the Group's operating revenue and operating income during the reporting period.

BALANCE SHEET

| Amounts in SEK m | 2005 | 2004 |
|---|---------------|--------------|
| Goodwill | 2 955 | 1 947 |
| Other intangible fixed assets | 853 | 438 |
| Tangible fixed assets | 354 | 366 |
| Financial fixed assets, non-interest-bearing | 1 004 | 1 097 |
| Financial fixed assets, interest-bearing | 90 | 131 |
| Market value of derivative positions outstanding | 2 312 | - |
| Current receivables, non-interest-bearing | 1 712 | 1 255 |
| Current receivables, interest-bearing | 929 | 1 034 |
| Cash and bank balances | 316 | 352 |
| Assets held for sale | 87 | - |
| Total assets | 10 612 | 6 620 |
| Shareholders' equity | 4 749 | 3 835 |
| Long-term liabilities, non-interest-bearing | 166 | 108 |
| Long-term liabilities, interest-bearing | 1 409 | 700 |
| Market value of derivative positions outstanding | 2 312 | - |
| Current liabilities, non-interest-bearing | 1 478 | 1 315 |
| Current liabilities, interest-bearing | 498 | 662 |
| Liabilities attributable to assets held for sale | - | - |
| Total liabilities and shareholders' equity | 10 612 | 6 620 |

CASH-FLOW STATEMENT

| Amounts in SEK m | GROUP | | | |
|--|-----------------|-----------------|------------|------------|
| | Oct-Dec 2005 | Oct-Dec 2004 | 2005 | 2004 |
| Cash flow from current operations | 341 | -144 | 808 | 160 |
| before changes in working capital | -75 | 445 | -253 | 451 |
| Cash flow from current operations | 266 | 301 | 555 | 611 |
| Cash flow from investing activities | -17 | -18 | -1139 | 100 |
| of which the acquisition of CSE | - | - | -900 | - |
| Cash flow from financing activities | -335 | -506 | 666 | -785 |
| Change in liquid assets ¹⁾ | -86 | -223 | 82 | -74 |
| Liquid assets – opening balance | 1001 | 1 056 | 833 | 907 |
| Liquid assets – closing balance | 915 | 833 | 915 | 833 |

1) Liquid assets comprise cash and bank balances, as well as financial investments with a term of less than three months. Short-term investments with a term of more than three months are reported as cash flow from investing activities in accordance with IFRS. Previously, all short-term investments were reported as liquid assets. Liquid assets not available to the Group amounted to SEK 45 m (43) at December 31, 2005. Funds earmarked for clearing operations amounted to SEK 938 m.

CHANGE IN SHAREHOLDERS' EQUITY

| Amounts in SEK m | Jan-Dec 2005 | Jan-Dec 2004 |
|---|-----------------|-----------------|
| Shareholders' equity – opening balance | 3 835 | 3 483 |
| Adjusted for changes in accounting principles, IAS 39 | 24 | - |
| Adjusted shareholders' equity - opening balance | 3 859 | 3 483 |
| Minority interests | 14 | 29 |
| Effects of IAS 39 2005 | 9 | - |
| New share issue | 232 | - |
| Translation differences | 106 | -44 |
| Other | - | -16 |
| Net income/loss for reporting period ¹⁾ | 543 | 383 |
| Shareholders' equity – closing balance | 4 749 | 3 835 |

1) Of which, minority share of SEK 7 m for Jan-Dec 2005 and SEK 1 m for Jan-Dec 2004 .

Notes to the balance sheet

Consolidated goodwill amounted to SEK 2,955 m (1,947) at year-end. Consolidated goodwill pertains primarily to OMX Exchanges, and refers to strategic acquisitions of operations with a long history and stable and strong cash flow. Goodwill relating to the Stockholm Stock Exchange, which was acquired in 1998, was SEK 590 m (590). Goodwill related to HEX, which was acquired in 2003, amounted to SEK 1,361 m (1,297). Goodwill related to the acquisition of the Copenhagen Stock Exchange in 2005 amounts to SEK 924 m. Exchange-rate fluctuations have had a positive effect of about SEK 64 m on goodwill relating to HEX since the end of 2004, and have affected goodwill relating to CSE positively by about SEK 37 m since the acquisition. During the fourth quarter, a test relating to the possible need to write down goodwill was conducted, resulting in a write-down of SEK 2 m.

Other intangible assets of SEK 853 m (438) consist mainly of capitalized development costs for system products that are amortized over a period of 3-10 years and valued on an ongoing basis against current market conditions, as well as intangible assets attributable to the acquisition of CSE. The increase compared with the preceding year is due mainly to the acquisition of the Copenhagen Stock Exchange. At year-end, the Group's deferred tax assets amounted to SEK 237 m (399). During the year, provisions were utilized in an amount of SEK 142 m, and during the fourth quarter in an amount of SEK 37 m.

The Group's investments in other intangible assets were SEK 312 m (220). Investments in tangible fixed assets amounted to SEK 85 m (105). The market value of OMX's holding in the associated company Orc Software (4.5 million shares) was SEK 398 m (259) at year-end, while the book value was SEK 62 m (78).

Notes to changes in shareholders' equity

Shareholders' equity was SEK 4,749 m (3,835) on the closing date. The increase compared with the end of 2004 is mainly due to the positive earnings for the period and the new share issue implemented in conjunction with the acquisition of CSE. Translation differences affected shareholders' equity positively in an amount of SEK 106 m during the year.

Notes to the cash-flow statement for the period

Cash flow from current operations before changes in working capital comprises operating income with depreciation and capital gains (other income) reversed, plus adjustments for financial items and paid tax. The decrease in working capital of SEK 75 m during the fourth quarter was primarily due to an increase in accrued revenues related to EDX London. During the year, investments in other intangible assets amounted to SEK 312 m, including SEK 124 m during the fourth quarter. Investments in tangible assets amounted to SEK 85 m, including SEK 15 m during the fourth quarter. Cash flow from acquisitions amounted to SEK 937 m, of which SEK 900 m pertained to the acquisition of CSE. The Group's increased borrowing in connection with the acquisition had a positive effect on cash flow from financing operations. Cash flow from investing activities also includes changes in financial investments with a term of more than three months.

Investments and R&D

INVESTERINGAR

| Amounts in SEK m | Oct-Dec | | Oct-Dec | | | |
|--------------------------------------|---------|------------|---------|------------|------|------------|
| | 2005 | | 2004 | | 2004 | |
| Goodwill | | -5 | | - | | 46 |
| Other intangible assets | | 124 | | 157 | | 220 |
| Tangible assets | | 15 | | 22 | | 105 |
| Assets acquired through acquisitions | | 39 | | 0 | | 2 |
| Total Group | | 173 | | 179 | | 373 |

Each year, substantial investments in research and development are made within the Group, aimed at creating the optimal business solution for each individual customer's needs and securing our market-leading position. Development work involves both developing new products and adding new functionality to existing products and platforms.

TOTAL INVESTMENTS IN R&D

| Amounts in SEK m (of which, expensed) | Oct-Dec | | Oct-Dec | | | |
|---------------------------------------|-----------|-------------|-----------|-------------|------------|-------------|
| | 2005 | | 2004 | | 2004 | |
| OMX Exchanges | 13 | (0) | 19 | (2) | 29 | (8) |
| OMX Technology | 62 | (11) | 56 | (10) | 226 | (56) |
| Parent company and other functions | 0 | (0) | - | (-) | 8 | (0) |
| Total Group | 75 | (11) | 75 | (12) | 263 | (63) |
| | | | | | 120 | (18) |

Depreciation

DEPRECIATION AND WRITE-DOWNS BY DIVISION

| Amounts in SEK m (of which, expensed) | Oct-Dec | | Oct-Dec | | | |
|---------------------------------------|-----------|------------|------------|------------|------------|------------|
| | 2005 | | 2004 | | 2004 | |
| OMX Exchanges | 18 | (-) | 14 | (-) | 79 | (-) |
| OMX Technology | 40 | (2) | 82 | (3) | 122 | (2) |
| Undivided | -3 | (-) | 10 | (-) | 25 | (-) |
| Total | 55 | (2) | 106 | (3) | 226 | (2) |
| | | | | | 243 | (3) |

REVENUE, EXPENSES AND OPERATING INCOME BY DIVISION AND REVENUE TYPE

| Amounts in SEK m | Oct-Dec 2005 | Oct-Dec 2004 | Jan-Dec 2005 | Jan-Dec 2004 |
|---|-----------------|-----------------|-----------------|-----------------|
| OMX EXCHANGES¹⁾ | | | | |
| Trading revenue | 333 | 189 | 1 120 | 810 |
| Issuers' fees | 85 | 52 | 322 | 211 |
| Information sales | 97 | 63 | 370 | 236 |
| CSD revenue | 9 | 54 | 32 | 279 |
| Other revenue ²⁾ | 25 | 107 | 109 | 179 |
| Total revenues OMX Exchanges | 549 | 465 | 1 953 | 1715 |
| External expenses ³⁾ | -169 | -254 | -641 | -714 |
| Personnel expenses | -79 | -50 | -282 | -215 |
| Depreciation and write-downs | -21 | -14 | -82 | -36 |
| Distribution of the results of the Parent | -13 | -84 | -57 | -128 |
| Total expenses OMX Exchanges | -282 | -402 | -1 062 | -1 093 |
| Participation in earnings of associated companies | -14 | - | 10 | -4 |
| Operating income | 253 | 63 | 901 | 618 |
| Adjusted operating income | 253 | 146 | 901 | 693 |
| Adjusted operating margin, % | 46 | 31 | 46 | 40 |
| OMX TECHNOLOGY | | | | |
| License, support and project revenue | 225 | 212 | 875 | 820 |
| Facility Management Services | 137 | 157 | 543 | 683 |
| Other revenue ⁵⁾ | 8 | 7 | 47 | 163 |
| Total revenue OMX Technology | 370 | 376 | 1 465 | 1 666 |
| External expenses | -136 | -149 | -568 | -634 |
| Personnel expenses | -188 | -181 | -728 | -753 |
| Depreciation and write-downs | -26 | -82 | -108 | -166 |
| Distribution of the results of the Parent | -13 | -84 | -57 | -128 |
| Total expenses OMX Technology | -363 | -496 | -1 461 | -1 681 |
| Participation in earnings of associated companies | 2 | 1 | 4 | 8 |
| Operating income | 9 | -119 | 8 | -7 |
| Adjusted operating income | 9 | -55 | 8 | -54 |
| Adjusted operating margin, % | 2 | -15 | 1 | -3 |
| Group eliminations | 72 | 65 | 282 | 275 |
| Group eliminations | | | | |
| Revenue | 847 | 776 | 3 136 | 3 106 |
| Expenses | -573 | -833 | -2 241 | -2 499 |
| Operating income ⁶⁾ | 263 | -54 | 910 | 616 |
| Adjusted operating income | 263 | 94 | 910 | 645 |

1) During 2004, APK was included for the period Jan-Nov.

2) Other revenue includes the gain of SEK 81 m from the sale of APK for the periods Oct-Dec and Jan-Dec 2004.

3) External costs include SEK 99 m in VAT repayments for the periods Oct-Dec and Jan-Dec 2004.

4) Includes result from the sale of XACT Fonder of SEK 8 m in each division for the period Jan-Dec 2004 and includes other costs for premises of SEK 65 m in each division during the periods Oct-Dec and Jan-Dec 2004.

5) Includes the result from the sale of NGX in the amount of SEK 103 m for the period Jan-Dec 2004.

6) Includes result from associated companies attributable to the Parent Company and other functions, amounting to SEK 1 m for the period Jan-Dec 2005, and SEK 5 m for the period Jan-Dec 2004.



Sensitivity analysis and revenue sources

OMX Exchanges

Trading revenue

During the fourth quarter of 2005, 55 percent of OMX Exchanges' trading revenues derived from share trading (spot) and 45 percent from trading and clearing related to derivative products. The fourth quarter included approximately SEK 30 m (0) in extra, nonrecurring, volume-based trading income from EDX London.

With respect to trading revenues from share trading, the two most important parameters are the value of the share turnover and the number of share transactions. A change in value of the average trading volume of 1 percent on an annual basis (assuming an unchanged number of transactions) will affect trading revenues by +/- SEK 7.4 m, calculated on the basis of trading during the fourth quarter of 2005.

With respect to revenue from trading and clearing related to derivative products, the two most important parameters are the number of derivative contracts and the magnitude of the option premiums. A change of the average daily derivative turnover of 1,000 contracts on an annual basis (assuming unchanged option premiums and product mix) will affect trading revenue by +/- SEK 0.8 m, calculated on the basis of trading during the fourth quarter of 2005.

Issuers' revenues

Issuers' revenues derive from the fees that listed companies pay and are directly related to the listed companies' market value. A ten-percent change in the total market value of OMX Exchanges will affect issuers' revenue by +/- SEK 5.4 m, calculated on an annual basis from 2005 levels and based on the business conducted during the year.

Information revenues

OMX Exchanges sells trading information to just over 100 companies that distribute the information to a large number of end users. Information vendors are invoiced in arrears. The size of the fee depends on the number of end users.

Other revenues

Other revenues consists primarily of training revenues, the sale of information material, line connection fees for members and certain license revenues related to OMX indexes.

CSD revenues

CSD revenues consist of revenues from clearing, settlement and deposit of equities and interest-bearing securities at securities depositories owned by OMX in Tallinn and Riga.



OMX Technology

License, support and project revenues

License, support and project revenue from the system solutions developed and sold by OMX Technology arise primarily in the Financial Markets business area and, to a certain extent in Banks & Brokers. After OMX Technology has developed and sold a system 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 development, testing and installation work generates project revenue that is invoiced continually according to degree of completion. When OMX Technology provides a system solution, it undertakes to continually upgrade, develop and maintain the system and receives regular support revenues for this work.

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 system 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 as income on an ongoing basis.

Revenues from facility-management services

Facility Management Services involve OMX Technology assuming responsibility for the continuous support of a system platform for a customer, for which OMX Technology receives recurring support revenue. Revenue from Facility Management Services can be both fixed and volume based. Contract times vary between one and seven years.

Other revenues

Other revenue consists mainly of consulting revenues, internal IT and the effect of the valuation of forward contracts not applicable for hedge accounting.

Acquisition calculation (pertains to CSE, see page 3)

Acquisition

CSE forms part of the OMX Exchanges division. Effective January 1, 2005, CSE is consolidated in the Group's income statement and balance sheet. The Copenhagen Stock Exchange contributed SEK 377 m in revenues to consolidated revenues for the year and SEK 131 m towards net income. Goodwill is attributable to the company's favorable profitability and expected revenue synergies in connection with the continued integration of the Nordic and Baltic securities markets.

The acquisition's effect on cash flow amounts to SEK 900 m, comprising a cash payment of SEK 1,174 m, acquisition costs of SEK 33 m, less received cash equivalents of SEK 307 m. Newly-issued shares are valued at market value at the time of acquisition.

ACQUISITION CALCULATION

| Amounts in SEK m | |
|-----------------------------------|--------------|
| Cash | 1 174 |
| Acquisition costs | 33 |
| New share issue | 232 |
| Existing holding | 18 |
| Acquisition price | 1 457 |
| Fair value of acquired net assets | 550 |
| Goodwill | 907 |

ACQUIRED ASSETS AND LIABILITIES

| Amounts in SEK m | Fair value | Book value |
|----------------------------|------------|------------|
| Fixed assets 1) | 350 | 107 |
| Current assets | 80 | 80 |
| Cash | 307 | 307 |
| Short-term liabilities | -187 | -187 |
| Acquired net assets | 550 | 307 |

1) The difference between fair value and book value is primarily attributable to the valuation of acquired contracts.

KEY RATIOS¹⁾

| | 2005 | 2004 | 2003 |
|--|-------|-------|-------|
| Earnings per share, SEK ²⁾ | 4,65 | 3,31 | -4,33 |
| Share price at period-end, SEK | 110,5 | 85 | 89,5 |
| Average number of OMX shares traded daily, thousands | 335 | 399 | 413 |
| P/E ratio | 40 | 33 | 31 |
| Shareholders' equity per share, SEK | 23 | 26 | N.A |
| Share price/equity per share, SEK | 2,75 | 2,6 | 2,92 |
| Return on equity, % | 12 | 10 | N.A |
| Return on capital employed, % ³⁾ | 14 | 12 | N.A |
| Net debt/equity ratio, % | 12 | -4 | 17 |
| Equity/assets ratio, % ⁴⁾ | 57 | 58 | 52 |
| Number of employees at year-end | 1 288 | 1 300 | 1 603 |
| Average number of employees during the year | 1 370 | 1 478 | 1 682 |

1) Definitions of key ratios are given in OMX's 2004 Annual Report, page 97. Net debt/equity ratio is calculated on the basis of interest-bearing net debt divided by shareholders' equity. Key ratios for 2003 have not been adjusted to IFRS.

2) Based on OMX AB shareholders' share of earnings for the period.

3) Earnings before interest expenses and tax in relation to average shareholders' equity plus interest-bearing liabilities.

4) Calculated excluding market value of outstanding derivative positions.

MAJOR SHAREHOLDERS AS AT DECEMBER 31, 2005

| | Number of shares | Share capital and votes, % |
|-------------------------------|--------------------|----------------------------|
| Investor AB | 12 950 507 | 10,9% |
| Robur Funds | 8 037 639 | 6,8% |
| Swedish government | 7 993 466 | 6,8% |
| Alecta | 7 295 110 | 6,2% |
| Nordea Funds | 7 225 695 | 6,1% |
| Nordea Bank | 6 003 369 | 5,1% |
| Didner & Gerge aktiefond | 5 000 000 | 4,2% |
| AMF Pension | 3 250 000 | 2,7% |
| Svenska Handelsbanken | 3 019 580 | 2,6% |
| Olof Stenhammar | 2 737 590 | 2,3% |
| Other Swedish owners | 33 028 171 | 27,9% |
| Foreign owners | 21 933 180 | 18,5% |
| Total number of shares | 118 474 307 | 100,0% |

Source: SIS Ägarservice

OMX – Financial reports during 2006

April 6 – Annual General Meeting

April 26 – Interim report for January-March 2006

July 19 – Interim report for January-June 2006

October 19 – Interim report for January-September 2006

Appendix.

Transition to International Financial Reporting Standards (IFRS)

Effective January 1, 2005 OMX will report in accordance with International Financial Reporting Standards (IFRS). In the transition to IFRS, IFRS 1 (First-time Adoption of International Financial Reporting Standards) will be applied and a description of the effects arising from the transition to IFRS is provided below. The description covers the periods July-September 2004, January-September 2004 and the entire fiscal year 2004. Recalculation of comparison figures was made for 2004 in respect of all standards, except for IAS 39 (Financial instruments), which was applied for the first time in the interim report for the first quarter of 2005. In 2005, OMX will report recalculated comparison figures in interim reports for the particular period in 2004. The IFRS standards will be obligatory for listed European companies in pace with the approval of such standards by the European Commission. The transition rules could change, which may mean that the transition effects described below can change during 2005.

In the 2004 Annual Report, the preliminary effects of the transition to IFRS on earnings for 2004 were presented. At this time, the amount was SEK 156 m, but has been adjusted thereafter and now totals SEK 107 m. The adjustment pertains mainly to goodwill and capital gains. The corresponding amount for October-December 2004 is a negative SEK 36 m.

Differences in accounting principles

IFRS standards

Given OMX's current operations, the following IFRS standards have a significant effect compared with the accounting principles applied prior to the introduction of IFRS:

IAS 1 – Presentation of Financial Statements

IFRS 2 – Share-based Payment

IFRS 3 – Business Combinations

IAS 21 – Exchange Rates

IAS 32 – Financial Instruments: Disclosure and Presentation

IAS 38 – Intangible Assets

IAS 39 – Financial Instruments

All the above standards affect OMX's accounting principles as of 2005. Moreover, IAS 1, IFRS 2, IFRS 3 and IAS 21 have also had an impact during the transition to IFRS and affect the income statement and balance sheet in 2004. IAS 39 has not had any effects on the income statement and balance for 2004, since the comparison figures related to IAS are not recalculated.

The application of IFRS did not result in any significant changes in the Group's accounting principles. For a description of the Group's other accounting principles, see the 2004 Annual Report.

Voluntary exceptions

IFRS 1 (First-time Adoption of International Financial Reporting Standards) offers the possibility to apply eleven exceptions during the introduction of IFRS. OMX has elected to use three of these exceptions:

- Only corporate acquisitions and mergers conducted from January 1, 2004 are recalculated in line with IFRS 3.
- Accumulated differences in the translation of foreign subsidiaries are set at zero on the transition date (January 1, 2004).
- Comparison figures for 2004 regarding financial instruments are not recalculated in accordance with IAS 39.

Presentation of financial statements (IAS 1) Description of accounting principles

The standard stipulates the basis on which financial statements shall be formulated. The standard contains general requirements regarding the formulation of financial statements, guidelines on structure and minimum standards for their content.

Description of effects on OMX

Provisions for restructuring reserves have been divided between long and short-term parts, depending on when the reserves will be utilized. Of OMX's remaining provisions of SEK 234 m at December 31, 2004, SEK 142 m was utilized during 2005. Of the remaining portion of the provisions at December 31, 2005, SEK 57 m referred to long-term and SEK 35 m referred to short-term provisions.

Minority interests have been entered in shareholders' equity in the balance sheet. In the income statement, minority interests are included in earnings for the period and subsequently reported separately as the minority share in earnings for the period.

Share-based payment (IFRS 2) Description of new accounting principle

The standard describes how to report share-related remunerations in which payment is made with equity instruments or liquid assets. OMX's undertaking will be paid with liquid assets. Reporting of such an undertaking is carried out by the undertaking being valued to market value at the date of the agreement. The undertaking is revalued continuously and any changes in value are reported in the income statement.

Description of effects on OMX

During 2000, 2001 and 2002, OMX issued employee stock options. If the share price exceeds the strike price when the options are exercised, the employee is entitled to payment of the difference between the share price and the strike price in the form of shares or cash, referred to as a cash-settled plan. The options were issued free of charge and the fair value of the options is reported as a liability as of January 1, 2004 on transition to IFRS 2. Changes in the fair value of the options and personnel turnover that affect the valuation of the liability are reported as changes in personnel costs in the income statement.

To limit dilution and to ensure that the shares can be provided when exercise is requested, as well as to minimize the liquidity effects of social security payments in the event of a rise in the share price, agreements were previously made with external parties covering the provision of OMX shares in the event of a request for exercise (share swap). As described under Financial instruments below, the share swap will be continually valued at fair value. Changes in fair value will be reported via the income statement as changes in personnel costs, thus limiting the effects of changes in the fair value of the employee options as above. The financing costs for the share swaps are reported as previously as financial expenses.

For OMX's employees in those countries in which social security costs are paid on share-related benefits, social security costs are charged continually on the benefit for the employee. The benefit consists of the fair value of the options, as above. This entails no change in principle in transition to IFRS 2.

Warrants issued to OMX's personnel during 2003 were issued at their fair value and payment has since then been booked as shareholders' equity. Therefore, no liability should be reported and IFRS 2 will not affect accounting of the warrants.

On transition to IFRS 2, shareholders' equity at January 1, 2004 is affected by a negative SEK 12 m, and earnings for 2004 are affected positively by SEK 3 m after tax in respect of share-based payments. The total effect on shareholders' equity at December 31, 2004 amounted to a negative SEK 12 m.

The corresponding effect on earnings for October-December 2004 is a negative SEK 10 m.

Business combinations (IFRS 3) Description of new accounting principle

The standard describes how company acquisitions should be reported. In the case of corporate acquisitions, IFRS 3 imposes more stringent demands than earlier regarding the breakdown of the purchase price among intangible assets that can be identified and measured in connection with acquisitions, and thus the residual goodwill may be lower. There is no amortization of goodwill.

Description of effects on OMX

OMX has elected to only recalculate acquisitions completed after December 31, 2003. During 2004, the Lithuanian Stock Exchange and certain operations in Australia (net asset acquisition) were acquired. In both cases, the acquisition gave rise to goodwill (SEK 11 m and SEK 27 m, respectively). An allocation of the goodwill value among other intangible assets was not carried out in connection with the acquisition of the Lithuanian Stock Exchange, since these values were assessed to be insignificant. In the acquisition of operations in Australia, most of the goodwill was distributed among other intangible assets.

IFRS transition rules also stipulate that any allocation of goodwill values should be carried out in previously acquired companies retroactively if any added or conveyed assets and liabilities would have been identified if IFRS had been applied at the acquisition. OMX has not identified any such assets or liabilities in acquired companies.

In accordance with IFRS 1, badwill shall be transferred directly to shareholders' equity in the transition to IFRS. During 2004, badwill arose in OMX as a result of the definitive acquisition calculation regarding the merger of OM and HEX, which is adjusted in accordance with IFRS 1.

Of OMX's total goodwill at December 31, 2004, SEK 25 m is reclassified as other intangible assets in line with IFRS 3. The amortization period for these other intangible assets will correspond to the original goodwill item. Thus, reclassification does not give rise to any effect on earnings.

In accordance with IFRS 3, goodwill shall no longer be written off. Impairment tests shall instead be conducted regularly, defined as at least once annually. In recalculating in accordance with IFRS 3, amortization for 2004 was positively affected in the amount of SEK 97 m, of which SEK 174 m was attributable to the cessation of write-downs, a negative SEK 34 m to write-downs of reversed goodwill amortization, and a negative SEK 43 m due to the elimination of badwill. The corresponding effect on earnings for October-December 2004 is a negative SEK 23 m.

Effects on changes in foreign exchange rates (IAS 21) Description of new accounting principle

In accordance with IAS 21, the functional currency in a foreign subsidiary shall determine how the subsidiary's income statement and balance sheet are translated to the Group's reporting currency in consolidation of subsidiaries. Former classification of subsidiaries as independent and dependent ceases in conjunction with the transition to IAS 21.

Description of effects on OMX

In applying IAS 21, the balance sheets of all of OMX's foreign subsidiaries are translated at the closing rate and income statements are translated at the average rate for the period. The translation differences arising as a result are posted to shareholders' equity. This means that the translation of foreign subsidiaries no longer gives rise to any effects on earnings, until the subsidiary is divested. The accumulated translation difference is calculated from January 1, 2004, refer to "Voluntary exceptions" above. On transition to IAS 21, shareholders' equity at January 1, 2004 declines by a negative SEK 40 m and financial items for 2004 are affected by SEK 14 m because the translation of 2004's earnings effects from the translation of dependent subsidiaries and sale of foreign subsidiaries is reversed. The total effect on shareholders' equity at December 31, 2004 amounts to a negative SEK 37 m. The corresponding effect on financial items for October- December 2004 is SEK 1 m and for the full year is SEK 14 m.

Intangible assets (IAS 38) Description of new accounting principle

IAS 38 provides criteria about how reporting and valuation shall be carried out and what information shall be reported regarding intangible assets.

Description of effects on OMX

There is a difference between IAS 38 and previous accounting principles regarding the criteria for the capitalization of intangible assets. In accordance with IFRS 1, a review has been conducted retroactively to identify any intangible assets that shall be capitalized in accordance with IAS 38 but that were previously expensed in accordance with earlier accounting principles. Additional intangible assets, above and beyond those reported in accordance with current accounting principles and that meet the criteria in line with IAS 38 for capitalization, have not been identified.

Thus, IFRS has not affected OMX as regards intangible assets during 2004.

Financial instruments (IAS 39/IAS 32) Description of new accounting principle

IAS 39 describes reporting of financial assets and liabilities, including independent and embedded derivatives. All assets and liabilities shall be reported in the balance sheet. Classification of financial instruments guides the continuous valuation, in which the valuation standard is fair value.

Description of classification of OMX financial instruments

The Group classifies its financial instruments in the following categories: financial assets valued at fair value in the income statement, loan receivables and accounts receivable, financial assets held to maturity, financial assets that can be sold and financial liabilities valued at fair value in the income statement. The classification depends on the purpose for which the instruments are acquired. Management determines the classification of instruments in the first reporting and reconsiders this decision at each reporting occasion.

(a) Financial assets valued at fair value in the income statement

This category has two sub-categories: financial assets held for trading and those that from the beginning are attributed to this category valued at fair value in the income statement. A financial asset is classified in this category if the main purpose of the acquisition was to be sold in the near future or if this classification is assigned by management. Derivative instruments are also classified as held for trading if they are not identified as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realized within 12 months from the balance sheet date.

(b) Loan receivables and accounts receivable

Loan receivables and accounts receivable are non-derivative financial assets with payments that are set or can be set and which are not listed on an active market. What characterizes them is that they arise when the Group provides money, goods or services directly to a customer without the intent of trading in the claim that arises. They are included in current assets, with the exception of items with maturities

that are more than 12 months after the balance sheet date, which are classified as fixed assets. Loan receivables and accounts receivable are included in the item Accounts receivable and other receivables in the balance sheet.

(c) Financial instruments held to maturity

Financial instruments that are held to maturity are non-derivative financial assets, with payments that are set or can be set and with specified terms, which the Group's management intends and has the ability to hold until maturity. During the fiscal year the Group has not had any instruments in this category.

(d) Financial assets that can be sold

Financial assets that can be sold are non-derivative assets that are either attributable to this category or have not been classified in any of the other categories. They are included in fixed assets if management does not intend to divest the asset within 12 months after the balance sheet date.

(e) Financial liabilities valued at fair value in the income statement

Financial liabilities valued at fair value in the income statement are derivatives with negative fair value if they are not identified as hedges.

(f) Other financial liabilities

Other financial liabilities are all financial liabilities apart from those that are included in the category financial liabilities valued at fair value in the income statement.

Description of new accounting principle for Reporting derivative instruments and hedging measures

Derivative instruments are reported in the balance sheet at the contract date and are valued at fair value, initially and in subsequent valuations. The method for reporting the gain or loss that arises in revaluation depends on whether the derivative is identified as a hedging instrument and, if such is the case, the character of the item that is hedged. The Group identifies certain derivatives as a hedge of the fair value of an identified asset or liability or a binding commitment, so-called fair value hedging.

When transactions are entered into, the Group documents the relationship between the hedging instrument and the hedged position, as well as the aim of the risk management and strategy for taking various hedging actions. The Group also documents its assessment, at the beginning of the hedge and continuously, about whether the derivative instruments used in hedging transactions are effective with regard to offsetting changes in fair value or cash flow of the hedged items

Changes in fair value of derivatives identified as hedging of fair value, and which fulfill the conditions for hedge accounting, are reported in the income statement with the changes in fair value of the asset or liability for which the hedged risk arose.

Certain derivative instruments do not fulfill the conditions for hedge accounting. Changes in fair value for such derivative instruments that do not fulfill the conditions for hedge accounting are reported immediately in the income statement.

Description of transition effects on OMX

The principles for hedge accounting and the resulting effects are shown below. No embedded derivatives that are subject to special reporting have been identified as of December 31, 2004.

Comparison figures for 2004 will not be restated in accordance with IAS 39. Instead the transition effects will be reported as an adjustment of the opening balance in 2005.

In accordance with IFRS, all derivative instruments shall be valued at fair value. The fair value of OMX's derivative instruments at December 31, 2004, which were not already reported in the balance sheet, amounted to about SEK 66 m, excluding derivative positions within the Stockholm Stock Exchange, see below, of which about SEK 36 m pertains to derivatives that are reported as hedge accounting. For derivative instruments for which hedge accounting is applied (fair value hedging), the value change of the derivative instruments is related to the corresponding value change in the underlying hedged item. Both the fair value of the derivative instrument as well as the value change in the hedged

item are reported as items in the balance sheet. In such case, the hedge relationship is reported gross. The aim is that these value changes shall not cause any earnings effect.

For derivative instruments for which hedge accounting is not applied, the fair value has been reported against shareholders' equity in transition to IAS 39 amounting to SEK 30 m. Most of the SEK 30 m pertains to a share swap signed earlier to hedge OMX's employee stock options program (see Share-based payment above). The value changes pertaining to derivative instruments not used for hedging are reported in the income statement as of January 1, 2005.

In accordance with IAS 39, in addition to derivative instruments, certain categories of other financial instruments, for example, interest-bearing investments, shall be valued at fair value, which means that unrealized gains must also be recognized as income. At December 31, 2004, unrealized gains on financial instruments amounted to SEK 4 m, which is reported as an adjustment of shareholders' equity in the transition to IAS 39.

The total effect on shareholders' equity at transition to IAS 39 is positive and amounts to approximately SEK 24 m, which includes tax effects. The corresponding effects on the balance sheet are on current receivables and deferred taxes.

Derivate positions on OMX Exchanges

In its clearing operations in derivative markets, OMX Exchanges is formally the counterparty in all derivative positions traded on the exchanges. However, the exchanges do not use derivatives for the purpose of trading on their own account, but they should be viewed as a method to document the counterparty guarantees pledged in clearing operations. The counterparty risk is measured through models agreed with the respective country's financial inspection authority. The risk situation with regard to risks in settling positions is unchanged compared with earlier. Collateral for settling outstanding derivative instruments is pledged as earlier. According to IAS 39/IAS 32, the market values of the above-mentioned derivative positions are reported in the balance sheet gross after netting by customer. Market value at December 31 amounted to SEK 2,312 m, which almost exclusively pertained to the derivative positions of the Stockholm Stock Exchange.

Cash-flow statement

In accordance with IAS 7, Cash-flow statements, financial investments with a term exceeding three months shall not be included in liquid assets. This means that liquid assets may fluctuate in the cash-flow statement as a result of changes in the term of investments. In other respects, the transition to IFRS has no effect on the Group's cash flow. However, operating income will change with regard to items not affecting cash flow, which results in a shift between lines in the cash-flow statement since it is prepared in accordance with the indirect method.

Swedish Financial Accounting Standards Council's recommendation 32 Description of new accounting principle

The recommendation means that legal entities whose securities are listed on a Swedish exchange or authorized marketplace on the balance sheet date as a general rule shall apply the IFRS/IAS applied in the Group's consolidated accounts.

Income statement

The effects on the income statement for the year 2004 if IFRS had been applied are shown in the tables below.

INCOME STATEMENT – 2004

| Amounts in SEK m | Former accounting principles | Share-based payment | Business combinations | Exchange rates | Reclassification of minority interest | Total effect of IFRS | IFRS accounting principles |
|-------------------------------------|------------------------------|---------------------|-----------------------|----------------|---------------------------------------|----------------------|----------------------------|
| Total revenues | 3 115 | | -9 | | | -9 | 3 106 |
| External costs | -1 216 | | | | | - | -1 216 |
| Personnel costs | -1 043 | 3 | | | | 3 | -1 040 |
| Depreciation/amortization | -340 | | 97 | | | 97 | -243 |
| Revenue from associated companies | 8 | | 1 | | | 1 | 9 |
| Operating income | 524 | 3 | 89 | | | 92 | 616 |
| Financial net | -62 | | | 14 | | 14 | -48 |
| Income after financial items | 462 | 3 | 89 | 14 | | 106 | 568 |
| Taxes | -185 | 0 | | | | 0 | -185 |
| Minority interest | -1 | | | | 1 | 1 | - |
| Income for the period | 276 | 3 | 89 | 14 | 1 | 107 | 383 |

Balance Sheet

The effects on the opening and closing balance sheet for 2004 if IFRS had been applied are shown in the tables below.

BALANCE SHEET – JANUARY 1, 2004

| Amounts in SEK m | Former accounting principles | Share-based payment | Business combinations | Exchange rates | Provisions | Reclassification of minority interest | Total effect of IFRS | IFRS accounting principles |
|-------------------------------------|------------------------------|---------------------|-----------------------|----------------|------------|---------------------------------------|----------------------|----------------------------|
| Fixed assets | 4 175 | 5 | | -40 | | | -35 | 4 140 |
| Current assets | 2 571 | | | | | | - | 2 571 |
| Total assets | 6 746 | 5 | - | -40 | - | | -35 | 6 711 |
| Shareholders' equity | 3 533 | -12 | | -40 | | 2 | -50 | 3 483 |
| Minority interest | 2 | | | | | -2 | -2 | - |
| Provisions | 426 | | | | -426 | | -426 | - |
| Long-term liabilities | 401 | 17 | | | 183 | | 200 | 601 |
| Current liabilities | 2 384 | | | | 243 | | 243 | 2 627 |
| Total equity and liabilities | 6 746 | 5 | - | -40 | - | - | -35 | 6 711 |

BALANCE SHEET – JANUARY 31, 2004

| Amounts in SEK m | Former accounting principles | Share-based payment | Business combinations | Exchange rates | Provisions | Reclassification of minority interest | Total effect of IFRS | IFRS accounting principles |
|-------------------------------------|------------------------------|---------------------|-----------------------|----------------|------------|---------------------------------------|----------------------|----------------------------|
| Fixed assets | 3 893 | 4 | 119 | -37 | | | 86 | 3 979 |
| Current assets | 2 641 | | | | | | - | 2 641 |
| Total assets | 6 534 | 4 | 119 | -37 | - | | 86 | 6 620 |
| Shareholders' equity | | | | | | 30 | | |
| Minority interest | 3 735 | -12 | 119 | -37 | | -30 | 100 | 3 835 |
| Provisions | 30 | | | | | | -30 | - |
| Long-term liabilities | 234 | | | | -234 | | -234 | - |
| Current liabilities | 714 | 16 | | | 78 | | 94 | 808 |
| Shareholders' equity | 1 821 | | | | 156 | | 156 | 1 977 |
| Total equity and liabilities | 6 534 | 4 | 119 | -37 | - | - | 86 | 6 620 |

Income statement

The effects on the income statement if IFRS had been applied.

INCOME STATEMENT OCTOBER – DECEMBER 2004

| Amounts in SEK m | Former accounting principles | Share-based payment | Business combinations | Exchange rates | Reclassification of minority interest | Total effect of IFRS | IFRS accounting principles |
|-------------------------------------|------------------------------|---------------------|-----------------------|----------------|---------------------------------------|----------------------|----------------------------|
| Total revenues | 796 | | | -7 | -13 | -20 | 776 |
| External costs | -476 | | | | | - | -476 |
| Personnel costs | -256 | 5 | | | | 5 | -251 |
| Depreciation/amortization | -83 | | -23 | | | -23 | -106 |
| Revenue from associated companies | 2 | | 1 | | | 1 | 3 |
| Operating income | -17 | 5 | -29 | -13 | | -37 | -54 |
| Financial net | -23 | | | 1 | | 1 | -22 |
| Income after financial items | -40 | 5 | -29 | -12 | | -36 | -76 |
| Taxes | -5 | 0 | | | | 0 | -5 |
| Minority interest | 0 | | | | 0 | 0 | - |
| Income for the period | 45 | 5 | -29 | -12 | 0 | -36 | 81 |



EQUITY JANUARY 1, 2004

| Amounts in SEK m | Former accounting principles | Classification of equity according to IFRS | | | | | | |
|--------------------------------|------------------------------|--|--------------------------|---------------|----------------------|------------|--------------------------------|-------------------|
| | | Effect of IFRS transition | Equity according to IFRS | Share capital | Other funds provided | Reserves | Profit or loss brought forward | Minority interest |
| Share capital | 231 | | 231 | 231 | | | | |
| Restricted reserves | 3 654 | | 3 654 | | 3 045 | 3 | 606 | |
| Profit or loss brought forward | -352 | -52 | -404 | | | -29 | -375 | |
| Minority interest | 2 | | 2 | | | | | 2 |
| Total equity | 3 535 | -52 | 3 483 | 231 | 3 045 | -26 | 231 | 2 |

EQUITY JANUARY 31, 2004

| Amounts in SEK m | Former accounting principles | Classification of equity according to IFRS | | | | | | |
|--------------------------------|------------------------------|--|--------------------------|---------------|----------------------|------------|--------------------------------|-------------------|
| | | Effect of IFRS transition | Equity according to IFRS | Share capital | Other funds provided | Reserves | Profit or loss brought forward | Minority interest |
| Share capital | 231 | | 231 | 231 | | | | |
| Restricted reserves | 3 692 | | 3 692 | | 3 120 | -34 | 606 | |
| Profit or loss brought forward | -464 | -36 | -500 | | | -8 | -492 | |
| Minority interest | - | 30 | 30 | | | | | 30 |
| Income for the period | 276 | 106 | 382 | | | | 382 | |
| Total equity | 3 735 | 100 | 3 835 | 231 | 3 120 | -42 | 496 | 30 |

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