End of year financial report 2005

The fourth quarter the strongest ever

Financial development for 2005

- Revenues increased with 55% to SEK 434.2 (280.5) million. The part of revenues from operations outside of Sweden increased to 46 (26)%
- Profit after tax increased with 73% to SEK 145.7 (84.0) million
- Profit per share (after tax) increased with 66% to SEK 0.88 (0.53)
- Profit before tax increased with 86% to SEK 200.1 (107.5) million
- A dividend of SEK 0.10 (0) per share is proposed

Financial development for the fourth quarter

- Revenues increased with 73% to SEK 132.0 (76.4) million. The part of revenues from operations outside of Sweden increased to 47 (40)%
- Profit after tax increased with 91% to SEK 51.1 (26.7) million
- Profit per share (after tax) increased with 94% to SEK 0.31 (0.16)
- Profit before tax increased with 176% to SEK 72.0 (26.1) million

Business development for 2005

- Number of trades from operations outside of Sweden amounted to 55 (38)%
- Number of trades per day increased with 80% to 22,100 (12,300)
- Number of accounts increased with 16% to 117,300 (101,400)
- Assets Under Management increased with 74% to SEK 36.3 (20.9) billion
- Cash deposits and managed client funds increased with 77% to SEK 4.6 (2.6) billion
- Margin lending increased with 73% to SEK 2.6 (1.5) billion
- Strong demand for the pension savings products. AUM by year end of SEK 1.0 billion

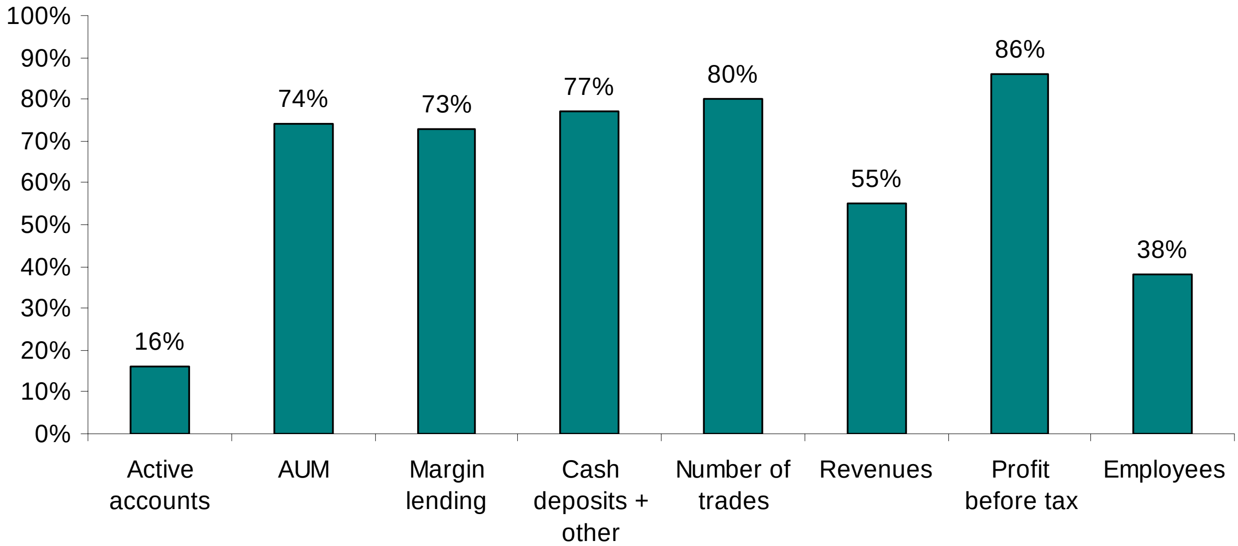
Figures for 2004 include the acquisition of the Internet broker Stocknet only for the fourth quarter. Stocknet was consolidated as of October 2004.

CEO Comment

Dear Shareholder,

Following three good quarters in an upward trend, the last quarter of the year was even better and the strongest quarter in our history. We are adding a year of fantastic growth to our accounts; a year during which we also expanded internationally and strategically launched pension services. Our operating margin for 2005 was an outstanding 46%. We are leaving 2005 and entering 2006 as an even stronger company in a market leading position.

Growth 2004-2005



Déja-vu. As I sit and write this text it feels as if I have written something similar about our development several times before. And I have. But this isn't so strange since we, for several years, have shown such strong growth. We are now the largest private client brokerage firm on the Nordic market. **"We are the challenger that is revolutionising the market for savings".** This is our mission and our guide for everything we do. Our strategy of providing services that cover the entire realm of investing, based on freedom of choice and low fees together with international expansion, have created our success. We will continue to focus on this path. Our strategy is called the Nordnet Model. The Nordnet Model is our scalable and geographically independent infrastructure which makes cost efficient expansion and growth possible.

Our way of working as a challenger requires innovation. The research service, the Experts, which was launched in June and our insurance and pension services that were launched in July are just a few examples of our significant innovations for 2005. Innovative services built on freedom of choice together with the best terms and conditions on the market, simplify and improve opportunities for our clients. Regarding terms and conditions, we recently made another break-through with a price bomb on the 14th of February that lowered Nordnets minimum commission to an all new low of only SEK/NOK/DKK 39. Customer focus steers our development. This brings me to our recently reworded and clarified business idea. **"Through innovation and service we aim to improve and simplify private savings in shares, mutual funds and pension products by providing freedom of choice and availability with the best possible terms and conditions".** Our business idea communicates what we do, how we do it and for who. It also explains what is unique about us - innovation.

If I take a look into the crystal ball for 2006, what do I see? Well, I see a Nordnet that has shifted into a an even higher gear regarding growth initiatives since 2006 will be the first full year that includes businesses in six countries plus with pension savings products, and 2006 will be the year with the highest investments in marketing to date. 2006 will also be the year in which we begin to implement our mutual fund and pension services in more countries and 2006 will be the year that we launch a number of new services for clients who do not wish to make all of their own investment decisions. 2006 shall thereby be the year when we set new organic growth records regarding the number of new accounts.

2006 has started in a record pace regarding account growth, new savings and trading volumes. Our strategy and our initiatives are yielding returns and I do not see any clouds on the horizon indicating that our path will lead in any other direction than towards continued success and growth.

Set your money free!

Klas Danielsson, CEO

The Group´s revenues and profits

The year

Revenue increased by 55% to SEK 434.2 (280.5) million. SEK 278.2 (176.1) million was net commission income, SEK 124.0 (84.3) million equals net interest income, SEK 26.8 (23.3) million equals fees and other income and SEK 5.2 (-3.2) million is net income from financial transactions. Operating expenses before credit losses increased by 35% to SEK -232.6 (-172.8) million. Profit before tax amounted to SEK 200.1 (107.5) million. Operating margin amounted to 46 (41)%. Profit after tax equalled SEK 145.7 (84.0) million. Profit margin amounted to 34 (30)%. After the Administrative Court of Appeal within the fourth quarter rescinded the County Administrative Court’s decision regarding an unapproved allocation principle regarding VAT a VAT reserve of SEK 9.0 million was utilised with positive impact on operating expenses and profit. Approximately SEK -38.5 million of the period’s tax expense of SEK -54.4 million will affect liquidity. The remaining amount does not affect liquidity since this represents utilization of previously capitalized tax gains and excess depreciations. Earnings per share amounted to SEK 0.88 (0.53). Earnings per share after dilution amounted to SEK 0.87 (0.53). Operating cash flow from business activities amounted to SEK 182.4 (135.2) million. Operating cash flow per share equalled SEK 1.11 (0.82).

The fourth quarter

Revenue increased by 73% to SEK 132.0 (76.4) million. SEK 85.6 (50.1) million was net commission income, SEK 38.4 (24.1) million equals net interest income, SEK 7.0 (7.0) million equals fees and other income and SEK 1.0 (-4.8) million is net income from financial transact-tions. Operating expenses before credit losses increased by 19% to SEK -59.8 (-50.3) million. Profit before tax amounted to SEK 72.2 (26.1) million. Operating margin amounted to 55 (34)%. Profit after tax equalled SEK 51.1 (26.7) million. Profit margin amounted to 39 (35)%. After the Administrative Court of Appeal within the fourth quarter rescinded the County Administrative Court’s decision regarding an unapproved allocation principle regarding VAT a VAT reserve of SEK 9.0 million was utilised with positive impact on operating expenses and profit. The period’s tax expense of SEK -20.9 million will affect liquidity. Earnings per share amounted to SEK 0.31 (0.16). Earnings per share after dilution amounted to SEK 0.30 (0.16). Operating cash flow from business activities amounted to SEK 62.6 (43.4) million. Operating cash flow per share equalled SEK 0.38 (0.26).

Financial development per quarter (SEK mil	Q1 04	Q2 04	Q3 04	Q4 04	Q1 05	Q2 05	Q3 05	Q4 05
Revenues	87,2	59,5	57,4	76,4	89,7	93,2	119,3	132,0
Operating expenses	-33,0	-34,3	-34,6	-44,8	-49,7	-52,3	-53,7	-53,0 *
Depreciation and amortization	-4,2	-4,8	-4,8	-5,5	-5,7	-6,1	-6,6	-7,0
Profit before goodwill write-down and tax	**50,0**	**20,4**	**18,0**	**26,1**	**34,3**	**34,8**	**59,0**	**72,0**
Goodwill write-down	-	-	-7,1	-	-	-	-	-
Profit before tax	**50,0**	**20,4**	**10,9**	**26,1**	**34,3**	**34,8**	**59,0**	**72,0**

Statistics per quarter	Q1 04	Q2 04	Q3 04	Q4 04	Q1 05	Q2 05	Q3 05	Q4 05
Number of active accounts	67 100	70 000	72 200	101 400	105 100	106 900	110 900	117 300
Assets under management (SEK billion)	14,1	14,8	15,5	20,9	24,2	26,7	32,1	36,3
Average account value (SEK)	210 000	211 000	215 000	206 000	230 000	250 000	290 000	310 000
Number of transactions	1 033 000	564 000	508 000	1 028 000	1 232 000	1 201 000	1 548 000	1 660 000
Number of trading days	64	60	66	64	62	63	66	64
Number of transactions per trading day	16 100	9 400	7 700	16 100	19 900	19 100	23 500	25 900
# of transactions per account and month	5,3	2,7	2,4	3,9	4,0	3,8	4,7	4,9

The table shows a quarterly summary of the last eight quarters. The implementation of IFRS resulted in the recalculation of figures for 2004 in which Goodwill write-down and thereby also Operating profit & loss has changed compared to previous reports.

* Including dissolved VAT reserve of SEK 9.0 million.

Revenues, costs and profit allocated to geographical markets

	Sweden		Norway		Denmark		Luxembourg		Germany		Finland		Other/Elim		Group	
The year	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Operating income	235,8	208,8	120,5	36,6	55,8	22,4	12,6	9,5	9,0	3,2	0,5	-	0,0	0,0	434,2	280,5
Operating costs	-114,5	-128,9	-61,4	-15,6	-22,8	-10,2	-6,8	-6,7	-20,1	-2,0	-8,4	-	-0,1	-2,5	-234,1	-165,9
Profit before goodwill	**121,3**	**79,9**	**59,1**	**21,0**	**33,0**	**12,2**	**5,8**	**2,8**	**-11,1**	**1,2**	**-7,9**	-	**-0,1**	**-2,5**	**200,1**	**114,6**
Goodwill write-down	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-7,1
Profit before tax	**121,3**	**72,8**	**59,1**	**21,0**	**33,0**	**12,2**	**5,8**	**2,8**	**-11,1**	**1,2**	**-7,9**	-	**-0,1**	**-2,5**	**200,1**	**107,5**
Operating margin	51%	38%	49%	57%	59%	54%	46%	29%	-	38%	-	-	-	-	46%	41%

The operating expenses and operating margin for 2005 for each geographical segment have been affected compared to the previous year since a new model for cost allocation within the Group was implemented as of 2005.

The share of operating revenue related to foreign businesses increased strongly in terms of organic growth and acquisitions to 46% (26%). The foreign portion of operating income increased to 39% (35%). The acquisition as of 1 October 2004 of the Norwegian Internet broker Stocknet, with clients in Norway, Denmark and Germany, became a success. The profit for 2005 for Nordnet Norway and Nordnet Denmark almost tripled compared to 2004. Swedens costs decreased compared to 2004 due to the high growth abroad.

Nordnet operates its business based on an integrated infrastructure and a central matrix organisation without any larger, separate country organisations, i.e. the Nordnet Model. Normally Nordnet does not establish local offices on the markets it operates in; instead Nordnet manages the entire business from the head office in Bromma, Stockholm, with two exceptions - the affiliate in Oslo with 6 employees and the subsidiary in Luxembourg with 5 employees. The cost allocation principle used between the various business areas is mainly based on the relative share of the number of clients and trades. Profitability and operating margin were good in Sweden, Norway, Denmark and Luxembourg. Nordnet Germanys account growth improved at the end of the year and in the beginning of 2006. The introductory offer to new clients in Finland will be strengthened further in the beginning of 2006. The aim is for Germany and Finland to become profitable as of the second half of 2006.

Business performance

Revenues, costs and breakeven

Operating revenue excluding trading related commissions for the period amounted to 72% of operating expenses excluding a one-off item during the fourth quarter related to the utilisation of a VAT provision, compared to 71% during 2004. During the first, second, third and fourth quarters the ratio, i.e. cost coverage, amounted to 67%, 68%, 74% respective 77%. The target for 2006 is cost coverage of 70-75%. The long-term target is 100% cost coverage.

Operating expenses per active account for 2005 decreased by -3% compared to the previous year and amounted to SEK -2,148 (-2,222). On the whole, operating expenses for the period increased by 42% compared to the previous year and amounted to SEK –19.4 (13.7) million per month. During the first, second, third and fourth quarters operating expenses amounted to SEK -18.5, -19.5, -19.7 respective -22.9 million per month excluding the one-off item during the fourth quarter for the utilised VAT provision. Excluding direct expenses for marketing and sales, operating expenses amounted to SEK 210.4 million excluding the utilised VAT provision. For 2006, operating expenses excluding direct costs for marketing and sales are expected to increase by around 20-30% to approximately SEK 250-270 million, due to the larger organisation and infrastructure. During the third quarter of 2006 the office in Bromma will move to new and better premises.

The breakeven level for the year compared with the previous year amounted to 5,800 (3,600) trades per day. During the first, second, third and fourth quarters the breakeven level equalled 6,900, 6,700, 4,700 respective 5,200, excluding the one-off item for the utilised VAT provision in the fourth quarter. Expansion within new service areas and on new markets as well as increased market investments, affected the breakeven level negatively in the short-term, but positively in the long-term in line with the non-commission related revenues such as net interest revenue, fees and other commissions that successively increase due to expansion. Given the current market conditions the breakeven level is therefore expected to decrease from the current levels in the long-term but variations will occur. For 2006 the breakeven level is expected to equal 4,000-8,000 trades per day. The long-term target is a breakeven level of zero trades per day.

Breakeven analysis per month	Q1 04	Q2 04	Q3 04	Q4 04	Q1 05	Q2 05	Q3 05	Q4 05
Costs (SEK million)	12,3	13,0	13,1	16,8	18,5	19,5	19,7	22,9
Revenue excluding commissions (SEK millio	10,2	8,8	9,6	10,5	12,4	13,2	14,7	17,6
Cost coverage in percent	83%	68%	73%	63%	67%	68%	74%	77%
Required comission for breakeven (SEK mill	2,1	4,2	3,5	6,3	6,1	6,3	5,0	5,3
Net revenue per trade	55	59	57	44	43	44	49	48
Number of trades per day for breakeven	1 800	3 600	2 800	6 700	6 900	6 700	4 700	5 200
Number of trades done per day	16 100	9 400	7 700	16 100	19 900	19 100	23 500	25 900

The table accounts for the number of trades needed per day to reach a breakeven profit before credit losses, goodwill write-down and taxes for the last eight quarters.

Customer development

The net number of active accounts increased during the year by 15,900 to 117,300, or an increase of 16%. During the first, second, third and fourth quarters the number of active accounts increased by 3,700, 1,800, 4,000 respective 6,400. For 2006 the target is to increase the number of active accounts by at least 20%.

The market upswing with extra strong performance in the value of customers' assets as well as the strong new savings in the form of inflow of capital from new and existing clients of approximately 25%, resulted in total assets under management for the year increasing by SEK 15.4 billion to SEK 36.3 billion, which is equivalent to an increase of 74%. The target for 2006 regarding new savings is a minimum of 25%. Of the total assets under management of SEK 36.3 billion, SEK 3.6 (1.8) billion was invested in mutual funds. Assets under management in mutual funds have increased 100% in value during 2005 and it is expected to continue to increase significantly during the upcoming years due to the initiatives within the area of pensions and the coming implementation of the mutual fund supermarket in the rest of the Nordic region.

Nordnet Pensionsförsäkring AB started its business in the beginning of the third quarter by launching the savings products Kapitalpension, Kapitalförsäkring and Privatpension. The inflow of new customers was good with 1,800 new active pension and insurance accounts by the year-end and a total of SEK 1.0 billion in assets under management. The aim is to reach SEK 4 billion by the end of 2006. At the end of the third quarter Nordnet Private Banking was launched. The response was very positive and by year-end total assets under management amounted to SEK 1.3 billion. The intention is to launch Nordnet Private Banking in Norway during 2006.

Cash deposits and managed client funds increased during the year by SEK 2.0 billion, or 77%, to SEK 4.6 billion. Margin lending increased during the year by SEK 1.1 billion, or 73%, to SEK 2.6 billion. Growth in the number of accounts has a positive affect on borrowing and lending. A decent market climate and continued low interest rates have a positive affect on lending.

Nordnet's direct sales and marketing investments for the period equalled SEK -31.2 million compared to SEK -18.9 million for 2004. The acquisition cost for each new active net account for the period regarding direct marketing and sales expenses was on average SEK -1,956 which can be compared to the average annual net revenue per active account of SEK 3,990. During 2006 sales and marketing investments will increase as a result of increased growth in the number of accounts and investments for increasing trade mark recognition. The target is an acquisition cost per new active net account that does not exceed SEK 2,000; however, depending on the type of new client and account, a significantly higher acquisition cost may be motivated.

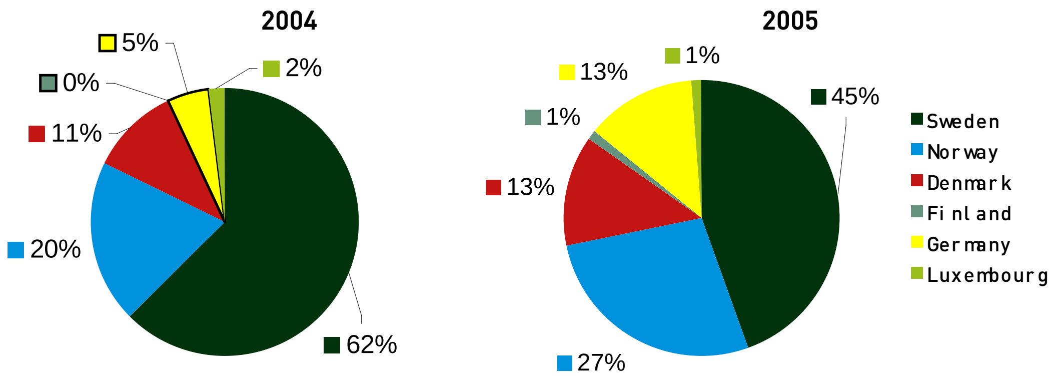
Trading

During the year Nordnet completed 5,641,000 trades, which equals on average 22,100 trades per trading day, an 80% increase compared to 2004. During the first, second, third and fourth quarters, the number of trades per trading day amounted to 19,900, 19,100, 23,500 respective 25,900. The number of trades per month and active account during the year amounted to 4.3, with 4.0 for the first quarter, 3.8 for the second quarter, 4.7 for the third quarter and 4.9 for the fourth quarter. The equivalent figure for 2004 was 3.5.

Interest in foreign equities increased during 2005. On average 8% of Nordnet's transactions were in foreign equities compared to 2% for 2004. Interest in foreign equities is expected to be a mega trend in today's ever more international market and the interest will be stimulated further by the OMX's Nordic initiative.

The average net commission revenue per trade amounted to SEK 46 for the year. The figures for the first, second, third and fourth quarters amounted to SEK 43, SEK 44, SEK 49 respective

SEK 48. In a rising market the net commission revenue per trade may sometimes increase since the size of the trades often increase. No significant change in the level of net commission revenue per trade from the level at the end of the period is expected in the nearest future. Continued intensive price competition will prevail primarily on the Nordic markets where Nordnet aims to be the initiative-taker, and thus may result in a downward pressure on the net commission revenue per trade. One trade is a registered execution on an exchange or equivalent marketplace and thus not the same as an order, a deal or a contract note.



The share of the number of trades from clients outside of Sweden has increased during recent years due to growth and acquisitions. During 2005 this share amounted to 55%, an increase from 38% for 2004. The total growth outside of Sweden is expected henceforth to exceed the growth in Sweden which is why this trend is expected to continue.

Number of active accounts	31-dec-04	31-dec-05	Change	Change
Sweden	68 600	79 400	10 800	16%
Norway	21 500	23 700	2 200	10%
Denmark	5 300	7 000	1 700	32%
Finland		500	500	n/a
Germany	4 400	5 000	600	14%
Luxembourg	1 600	1 700	100	6%
Total	101 400	117 300	15 900	16%
AUM SEK billion	**31-dec-04**	**31-dec-05**	**Change**	**Change**
Sweden	13,9	23,7	9,8	71%
Norway	3,5	6,2	2,7	78%
Denmark	1,8	3,3	1,5	81%
Finland		0,2	0,2	n/a
Germany	0,6	0,9	0,3	55%
Luxembourg	1,1	2,0	0,9	82%
Total	20,9	36,3	15,4	74%
Number of trades	**2004**	**2005**	**Change**	**Change**
Sweden	1 976 000	2 462 000	486 000	25%
Norway	623 000	1 543 000	920 000	148%
Denmark	330 000	761 000	431 000	131%
Finland		78 000	78 000	n/a
Germany	148 000	714 000	566 000	382%
Luxembourg	56 000	83 000	27 000	48%
Total	3 133 000	5 641 000	2 508 000	80%

The table shows the distribution and change between the company's different geographical markets with regard to the number of active accounts, the value of assets under management and the number of trades between 2004 and 2005.

Market shares

Nordnet's market share development remained strong for the year as a whole, and in recent years Nordnet has strengthened its market share within most of the important Nordic market segments. Nordnet's market share of the number of trades for 2005 compared to the previous year was 8.6% and 8.8%, on the Stockholm Stock Exchange, 13.9 % and 8.4% on the Oslo Stock Exchange 6.38% and 4.0% on the Copenhagen Stock Exchange, 0.7% and 0.0% on the Helsinki Stock Exchange and 0.3% respective 0.1% on Xetra. On a Nordic basis, in which the market shares on the Stockholm, Oslo, Copenhagen and Helsinki exchanges are calculated together, Nordnet had 7.7% of the market share for the year and was the largest brokerage firm with regard to the number of trades.

	Broker	# trades 2005	Market share
1	Nordnet	4 356 154	7,7%
2	Nordea	3 660 124	6,4%
3	SEB	3 608 999	6,3%
5	Handelsbanken	2 752 130	4,8%
4	Fischer	2 600 461	4,6%
6	Avanza	2 408 649	4,2%
8	Morgan Stanley	2 377 889	4,2%
7	Danske Bank	2 354 497	4,1%
9	Carnegie	2 084 447	3,7%
10	E*Trade	1 692 130	3,0%

The table shows the number of trades and market share for the ten largest brokerage firms in the Nordic region with regard to the number of trades on the four largest Nordic exchanges (Stockholm Stock Exchange, Oslo Stock Exchange, Helsinki Stock Exchange and Copenhagen Stock Exchange) for 2005. Source: Nordnet's collected statistics from each exchange.

The Group and Parent company

The Group's liquid assets amounted to SEK 2,000 million at the end of the period, of which SEK 557 million represents blocked funds. Liquid assets do not include chargeable treasury bills, etc. of SEK 100 million since these have a remaining maturity of over 90 days. Shareholders' equity for the Group amounted to SEK 514 million. The shareholders' equity is based on 165,018,878 shares at SEK 3.12 per share.

The Group's capital adequacy ratio was 10.9% and 11.2% for Nordnet Bank AB. Until further notice the current target for capital adequacy remains at 10% for both the Group and Nordnet Bank AB but considerations will be taken to the new Basel II capital adequacy regulations. The new Basel II capital adequacy regulations that come into effect as of January 2007 are expected to have a very positive effect on the Group's capital adequacy ratio. The expected continuing expansion and growth requires a certain margin. In regard to Nordnet Pensionsförsäkring AB the solvency ratio should amount to at least 1.0. At year-end the equivalent figure was 1.4. Strong growth for the pension products and thereby for the insured's capital during 2006 is expected to make it necessary for the Group to increase shareholders equity in Nordnet Pensionsförsäkring AB during 2006 to keep the solvency ratio above 1.0. Such action will make the Group's capital adequacy ratio decrease.

With all things being considered regarding; capital adequacy, the situation for earnings development and growth prospects, it has made it possible for the Board of Directors to propose a dividend of SEK 0.10 per share for 2005.

On 8 November 2005 the Administrative Court of Appeal rescinded the County Administrative Court's decision of 4 February 2004 regarding an unapproved allocation principle for joint businesses regarding VAT. Thereby Nordnet has the right to deductions for incoming VAT in accordance with submitted tax returns. Given that no reserves were established due to the County Administrative Court's decision, the decision by the Administrative Court of Appeal did not have any effect on earnings for the relevant year.

On the other hand, following the decision by the County Administrative Court, Nordnet has followed the prudence concept with regard to the continuous deductions for VAT. The prudence concept was used in such a way that provisions were made for part of the continuous deductions for VAT. This reserve amounted to SEK 7.9 million as of 30 September 2005 and was utilised due to the Administrative Court of Appeal's decision during the fourth quarter and had a positive effect on operating expenses and earnings to an equal degree. At the same time another VAT reserve equal to SEK 1.1 million was utilised.

The Norwegian Internet Broker Stocknet Securities ASA was acquired as of 1 October 2004. A final and complete acquisition analysis was prepared during the third quarter which resulted in an adjustment of the identified a goodwill post to NOK 92.4 million or SEK 100.1 million. Comparable figures with an impact on the balance sheet have been adjusted as of the time of the acquisition.

The Parent Company's net interest income for the year amounted to SEK –9.2 million. This figure includes the Group's internal interest rate expense of SEK –1.1 million. The Parent Company's profit/loss before tax for the year equalled SEK -15.5 million. The Parent Company is a holding company without any business activity. The Parent Company's liquid assets equalled SEK 7.8 million. The Parent Company's equity amounted to SEK 446.3 million.

The number of permanent employees at the end of the year equalled 164 (119). The number does not include employees on leave of absence or parental leave. The increase in the number of employees is due to strong growth, expansion to several geographical markets, acquisitions, new products and service areas as well as the general organisational development which is required to create conditions for long-term growth and quality within a larger international business. The number of employees is expected to increase by approximately 20% during 2006 given good overall business development.

Future report releases

Interim report for January-March 2006 will be released on 26 April 2006
Annual general meeting will be held on 26 April 2006. The annual report for 2005 in English will be available on www.nordnet.se no later than two weeks before the general meeting.
Interim report for January-June 2006 will be released on 20 July 2006
Interim report for January-September 2006 will be released on 26 October 2006

Bromma
23 February 2006

Klas Danielsson
CEO

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Lunch presentation

CEO Klas Danielsson will be presenting the report in Swedish for media and analysts on Thursday 23 February at a lunch presentation in cooperation with Financial Hearings at Operaterassen, Stockholm, starting at 12:00. For more information please visit www.financialhearings.com .

Web Conference

CEO Klas Danielsson will answer questions about this report, Nordnets business development and the future via a live-hearing on www.vcw.se, Friday 24 February 2006, starting at 10:00 Swedish time. A live hearing is a form of chat where you may ask questions and the CEO answers. All questions and answers will be published directly for everyone to read during the live hearing at www.vcw.se.

Company information

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Auditors' report

We have reviewed the interim report for Nordnet AB's (publ) for the twelve month period ended 31 December 2005. We conducted our review in accordance with the recommendation issued by FAR.

A review is limited primarily to enquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim report does not comply with the requirements for interim reports in the Annual Accounts Act, Swedish legislation governing the annual reporting of credit institutions and securities companies and IAS 34.

Stockholm, 23 February 2006

Ernst & Young AB

Björn Fernström
Authorized Public Accountant

Consolidated Income Statement SEK million		12 months jan-dec 2005	3 months oct-dec 2005	12 months jan-dec 2004	3 months oct-dec 2004
Interest income		150,1	45,3	97,7	29,1
Interest expenses		-26,1	-6,9	-13,4	-5,0
Commission income		473,2	139,1	260,5	87,0
Commission expenses		-195,0	-53,5	-84,4	-36,9
Net result of financial transactions		5,2	1,0	-3,2	-4,8
Other operating income		26,8	7,0	23,3	7,0
Total operating income		**434,2**	**132,0**	**280,5**	**76,4**
General administrative costs	Note 1	-173,5	-38,1	-124,8	-36,3
Deprec. of tangible and amortiz. of intangible fix.ass	Note 2	-25,4	-7,0	-26,4	-5,5
Other operating expenses	Note 3	-33,7	-14,7	-21,5	-8,5
Total operating expenses		**-232,6**	**-59,8**	**-172,7**	**-50,3**
Operating income before credit losses		**201,6**	**72,2**	**107,8**	**26,1**
Net credit losses		-1,5	-0,2	-0,3	0,0
Profit before tax		200,1	72,0	107,5	26,1
Tax		-54,4	-20,9	-23,5	0,6
Profit		**145,7**	**51,1**	**84,0**	**26,7**
Average number of shares before dilution		165 018 878	165 018 878	158 063 701	165 018 878
Earnings per share before dilution		0,88	0,31	0,53	0,16
Average number of shares after dilution		167 907 214	170 491 514	158 063 701	165 018 878
Earnings per share after dilution		0,87	0,30	0,53	0,16
Earnings per share calculated in accordance with IAS 33					
Note 1					
Personnel expenses		-90,7	-23,0	-59,9	-15,4
Other expenses		-82,8	-15,1	-64,9	-20,9
		-173,5	-38,1	-124,8	-36,3
Note 2					
Goodwill amortization		-	-	-7,1	-
Other depreciation		-25,4	-7,0	-19,3	-5,5
		-25,4	-7,0	-26,4	-5,5
Note 3					
Marketing expenses		-31,2	-14,1	-18,8	-7,1
Other		-2,5	-0,6	-2,7	-1,4
		-33,7	-14,7	-21,5	-8,5

Consolidated balance sheet SEK million	2005-12-31	2004-12-31
Chargeable treasury bills	996,0	629,1
Loans to credit institutions	1 103,7	222,3
Loans to the public	2 597,3	1 485,4
Financial assets at fair value through profit and loss	10,4	2,9
Available-for-sale financial asstets	3,5	2,0
Intangible fixed assets	281,0	255,4
Tangible assets	20,4	14,6
Other assets	183,5	149,5
Prepaid expenses and accrued income	22,0	21,8
Total assets	**5 217,8**	**2 785,9**
Deposits by credit institutions	20,0	20,0
Lending and borrowing from the public	4 138,5	2 193,9
Other liabilities	383,3	106,0
Accrued expenses and deferred income	41,1	36,5
Subordinated liabilities	120,5	85,0
Shareholders' equity	514,4	341,5
Total liabilities and shareholders' equity	**5 217,8**	**2 785,9**
Memorandum items		
Pledged assets	557,1	328,3
Contingent liabilities	422,1	433,8

Changes to shareholders' equity	12 months jan-dec 2005	12 months jan-dec 2004
Opening shareholders' equity	341,5	189,8
Profit for the period	145,7	84,0
New share issue	-	67,4
Convertible debt	10,0	-
Translation difference	16,6	-
Other	0,6	0,3
Closing shareholders' equity	514,4	341,5

Accounting principles

This report for the Group has been prepared in accordance with IAS 34, which coincides with the requirements stated in the Swedish Financial Standards Council's recommendation RR 31, interim reports for groups. In addition, Nordnet complies with ÅRKL (Annual Accounts Act for accounting in Credit Institutes and Securities Institutions) and the Swedish Financial Supervisory Authority directives (FFFS 2004:20). Accounting principles applied in this report coincide with Nordnet's annual report for 2004, Note 1; section "Revised and new accounting principles." It states, among other things, that International Reporting Standards (IFRS) will be adopted as of 2005 and comparative figures for 2004 will be recalculated in accordance with new principles.

According to IFRS 1, the accounting shall be prepared according to IFRS applicable as of December 31, 2005. Moreover, the accounting standards must be approved by the EU. Starting 2004, according to IFRS, goodwill will not be amortised. Instead, it will be subject to impairment test where book value is tested for possible write-down. Only acquisitions subsequent to January 1, 2004 have been recalculated according to IFRS 3.

Recalculation of comparable numbers: Recalculation according to IFRS gives a positive effect of SEK 6.6 million on the result and shareholders equity for the comparable period January – December 2004. The increase is due to the non existent amortisation of goodwill in accordance with new accounting principles which decrease amortisation by SEK 7.5 milllion. At the same time, however, intangible assets are amortised by SEK -0.9 million, which thereby increases the result and shareholders equity by SEK 6.6 million. The comparable figures for the equivalent period 2004 include write-downs of SEK -7.1 million for Nordnet Försäkringsförmedling AB. Information regarding the whole year 2004 and shareholders' equity at the beginning of 2004 is stated in Nordnet's annual report, note 1, section, "Revised and new accounting principles." All financial reports and tables pertaining to 2004 and 2005 are prepared according to IFRS. 2003 has been reported according to previous accounting principles.

Cash flow analysis SEK million Group		12 months jan-dec 2005	3 months oct-dec 2005	12 months jan-dec 2004	3 months oct-dec 2004
Cashflow from change in working capital					
Cash flow from current operations before changes in working capital		252,8	77,3	140,5	32,0
Cash flow from changes in working capital		894,8	525,2	-163,6	19,2
Cash flow from current operations		1 147,6	602,5	-23,1	51,2
Investment activities					
Acquisitions and disposals of intangible and fixed assets		-43,4	-11,9	-33,1	-8,3
Acquisitions and disposals of financial		0,0	0,0	0,0	0,0
fixed assets		-1,4	1,1	15,6	-
Acquisition of a subsidiary		-	-	-110,5	-107,3
Cash flow from investment operations		-44,8	-10,8	-128,0	-115,6
Financing activities					
Cash flow from financial operations		45,5	-	87,5	85,0
Cash flow from the period		**1 148,3**	**591,7**	**-63,6**	**20,6**
Liquid assets at the start of the period		**851,4**	**1 408,0**	**915,0**	**830,8**
Liquid assets at the end of the period	Note 4	**1 999,7**	**1 999,7**	**851,4**	**851,4**

Operative cash flow analysis SEK million Group	12 months jan-dec 2005	3 months oct-dec 2005	12 months jan-dec 2004	3 months oct-dec 2004
The current operation				
Profit before tax	200,1	72,1	107,4	21,8
Adjustment items	34,8	8,4	26,4	9,7
Taxes paid	-	-	-	-
Cash flow from current operations before changes in working capital	**234,9**	**80,5**	**133,8**	**31,5**
Cash flow from changes in working capital				
Increase (-) / Decrease (+) in other assets	1,4	1,8	-1,0	-9,5
Increase (+) / Decrease (-) in liabilities	-9,1	-8,9	33,9	30,3
Cash flow from current operations	**-7,7**	**-7,1**	**32,9**	**20,8**
Investment activities				
Acquisitions and disposals of intangible and fixed assets	-43,4	-11,9	-33,1	-8,9
Acquisitions and disposals of financial fixed assets	-1,4	1,1	1,6	-
Operative cashflow from the business	**182,4**	**62,6**	**135,2**	**43,4**
Financing activities				
Amortization	-	-	-17,5	-
New loan	45,5	-	105,0	85,0
Acquisition of a subsidiary	-	-	-110,5	-110,5
Operative cashflow after financing	**227,9**	**62,6**	**112,2**	**17,9**
Liquid assets at the start of the period	**176,9**	**342,2**	**64,7**	**159,0**
Liquid assets at the end of the period	**404,8**	**404,8**	**176,9**	**176,9**

The operating cash flow analysis has been prepared in order to report the cash flow generated by the business. The operating cash flow analysis excludes the cash flow related to client funds. As a financial group with banking activities the normal cash flow analysis includes client funds. Therefore it is not possible to obtain information about the actual business's cash flow from the cash flow analysis.

Note 4 Liquid assets including loans to credit institutions of SEK 1,103.7 million and chargeable treasury bills, etc. of SEK 896 million, which have a maturity of less than 90 days.

Key financial figures for the Group	2005-12-31	2004-12-31
Operating margin	46%	41%
Profit margin	34%	30%
Average number of shares before dilution	165 018 878	158 063 701
Average number of shares after dilution	167 907 214	158 063 701
Earnings per share before dilution, SEK	0,88	0,53
Earnings per share after dilution, SEK	0,87	0,53
Shareholders' equity per share, SEK	3,12	2,16
Closing share price, SEK	21,10	7,75
Number of shares at end of period	165 018 878	165 018 878
Market capitalization, SEK	3 481 898	1 278 896
Numbers of shares after full dilution	170 491 515	165 018 878
Shareholders' equity, SEK million	514,4	341,5
Capital base, SEK million	317,7	174,8
Capital adequacy ratio	11%	11%
Return on equity	34%	30%
Investments in fixed assets, SEK million	13,7	8,5
Investment in development, SEK million	28,2	24,7
Thereof internal development, SEK million	9,3	6,2
Capitalized development investments, SEK million	28,2	24,7
Thereof internal capitalized development investments	9,3	6,2
Marketing costs, SEK million	31,2	18,9
Number of employees at end of period	164	119
Customer related key financial figures:		
Number of active accounts at end of the period	117 300	101 400
AUM at end of period, SEK million	36,3	20,9
Average value per active account at end of period, SEK	309 762	206 319
Deposits incl managed client funds, SEK million	4 560,5	2 642,9
Lending and margin lending to the public, SEK million	2 597,3	1 485,4
LB (lending/borrowing)	57%	56%
Number of trades done	5 641 024	3 133 029
Number of trades done per day	22 122	12 335
Number of trades done per active account	52,1	42,0
Number of trades done per active account and month	4,3	3,5
Average net commission revenue per trade, SEK	46	52
DART (Daily Average Revenue from Trading), SEK	1 730 000	975 000
ROA (Revenues On Assets)	1,5%	1,8%
Average yearly revenues per client, SEK	3 990	4 039
Average yearly operating expenses per client, SEK	-2 119	-2 389
Average yearly operating profit per client, SEK	1 871	1 650

Definitions:

AUM (Asset Under Management): The total market value of all accounts, meaning the sum of all cash and the market value of all shares.

Average number of shares after dilution: The weighted average of the outstanding number of shares over the period according to IAS 33.

Breakeven level: the average number of trades needed per day to reach a +/- profit before write down of goodwill and taxes.

Capital adequacy ratio: The total capital base in relation to the total risk-weighted capital regarding the capital requirement for credit risks, interest rate risks, share price risk and liquidation risks.

Capital base: The Group's equity for the companies within the financial group, Nordnet AB (publ) and the subsidiaries Nordnet Family AB, Nordnet Holding AB, Nordnet Bank AB and Nordnet Securities Luxembourg S.A. The definition for capital base is found in the Swedish Financial Supervisory Authority's regulation FFFS 2003:10.

Development expense: Internal as well externally financed development expenses for trading systems and other applications that will generate income in the long-term.

Earnings per share before and after dilution: The period's profit after tax in relation to the average number of shares before and after dilution.

Number of active accounts: An active account is an account holding assets or cash.

Operating expenses: Operating expenses excluding write down of goodwill.

Operating margin: Operating profit/loss excluding goodwill write-down in relation to operating income.

Profit margin: The period's profit in relation to operating revenue.

Return on equity: Profit/loss after tax in relation to the average shareholder's equity over the period.