

Interim Report January–June 2003





Focus and streamlining

- Revenue totaled SEK 1 207 m (1 416)
- Loss after financial items amounted to SEK 521 m (+58)
- Operating loss amounted to SEK 513 m (+65)
- Loss after tax was SEK 457 m (+45)
- Earnings per share at SEK -5.44 (+ 0.54)
- Merger with HEX; completion expected in early September
- Focus and streamlining program; restructuring costs of SEK 624 m
- EDX London starts trading; SEK 100 m in capital gains

CEO COMMENTS:

OM HEX, EDX London, change of CEO, streamlining and focus - the second quarter has been an eventful one for OM.

The merger with HEX is an important step for OM and our subsidiary Stockholmsbörsen. Together we have the prerequisites for building a common Nordic market, which creates value for both our customers and shareholders. I am delighted that the reaction to the merger has been positive in both countries. Other good news during the quarter includes the start-up of operations at EDX London, in line with plans.

OM now needs to achieve sound profitability and reinforce market confidence in our operations. We expect no turnaround in our markets in the short term and we therefore decided in June to focus our operations

on the financial markets. OM will continue, however, to provide systems solutions to the energy markets.

The cost reduction measures that we are in the process of implementing will pave the way for a considerably stronger OM, with profitability in all business areas with effect from the first quarter 2004. Despite substantial restructuring costs, OM remains financially strong with an equity/assets ratio of 34 percent.

Finally, I would like to say that our view of the future is positive, a future which is both exciting and challenging. We are going to focus on what we do best - creating effective solutions in the financial markets.

Magnus Böcker

Acting president and CEO

SIGNIFICANT EVENTS:

Streamlining and focus on financial markets

To achieve sound profitability and create a stronger, more streamlined company ahead of the merger with HEX, OM presented a cost reduction program last month. On a yearly basis, this is expected to reduce OM's costs by SEK 578 m and lower revenues by SEK 105 m. The cost of implementing the measures was SEK 624 m in the second quarter and involves a restructuring of the Energy Markets business area and OM Technology's product portfolio as well as a concentration of operations to fewer offices.

OM HEX

On May 20 the Boards of Directors of OM and the Finnish exchange organization HEX announced plans to merge the two companies in order to create an integrated Nordic and Baltic market for listing, trading, clearing, settlement and depository of securities. Through the merger a leading provider of marketplace services and transaction technology, OM HEX, will be created. The merger will create value for shareholders and provide benefits for issuers, members and investors.

Weak markets continue during second quarter

Levels of activity on OM's markets during the second quarter were low. The value of equity trading on Stockholmsbörsen fell by 20 percent year-on-year, while equity options trading fell by 56 percent. At the same time demand for technology services remained weak on the world's financial markets. OM Technology's order intake during the second quarter was SEK 259 m (340) compared to SEK 221 m (121) in the first quarter of the year. At the period-end total order value was SEK 2 882 m (3 240).

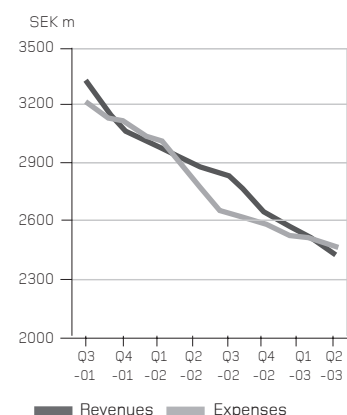
EDX London

On June 30, trading started on EDX London, a new equity derivatives operation jointly owned by London Stock Exchange and OM. EDX London has been approved as a Recognized Investment Exchange by the UK Financial Services Authority. The creation of EDX London has resulted in a capital gain of SEK 100 m for OM, which is reported as an item affecting comparability in the second quarter. A maximum of SEK 100 m in additional capital gains may arise in 2006, depending on how volumes develop.

GROUP EARNINGS DEVELOPMENT PER QUARTER

SEK m	Apr-June 2003	Jan-March 2003	Oct-Dec 2002	July-Sept 2002	Apr-June 2002
Revenues, of which*	595	612	644	580	713
OM Technology	412	417	464	417	526
Stockholmsbörsen	217	234	232	220	228
Parent Company	40	41	63	41	50
Koncernelimineringar	-74	-80	-115	-98	-91
Expenses excl. items affecting comparability	-611	-598	-635	-601	-664
Operating income excl. items affecting comp.	-11	22	19	-12	58
Items affecting comparability	-524	-	-75	-22	-35
Operating income	-535	22	-56	-34	23
Income after financial items	-532	11	-67	-47	32
Income after tax	-465	8	-69	-47	25

* The break-down of revenue per division is pro forma as per the organizational changes made in January 2003

REVENUES AND EXPENSES,
12 MONTHS ROLLING*

* Excluding items affecting comparability

GROUP FINANCIAL PERFORMANCE DURING THE SECOND QUARTER

In the second quarter OM's revenue fell to SEK 595 m (SEK 713 m in the same period last year), while operating costs excluding items affecting comparability decreased to SEK 611 m (664). Total operating costs of SEK 1 135 m (699), include items affecting comparability of SEK 524 m (35), which is the net of restructuring costs for the cost reduction program and SEK 100 m in capital gains from the creation of EDX London.

The lower, year-on-year revenues are largely due to the fact that proceeds from the sale of shares in Orc Software, SEK 75 m, were included in revenue last year. As a result of weaker markets, underlying revenue has also decreased.

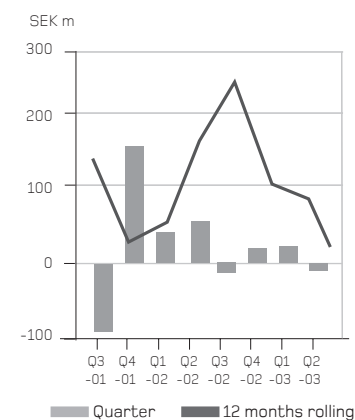
Compared to the first quarter, group revenue also fell during the second quarter primarily as a result of lower trading revenues on Stockholmsbörsen. Costs also increased somewhat compared to the first quarter, mainly due to work related to the merger with HEX and the creation of

EDX London.

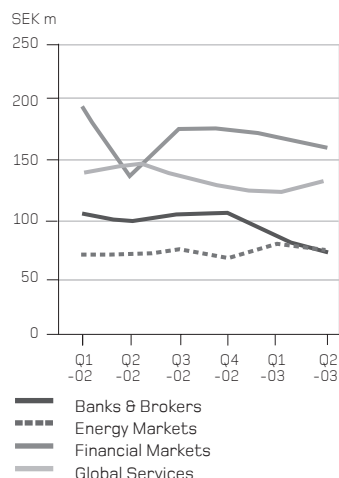
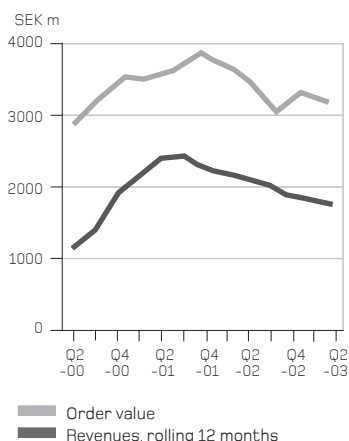
At the end of the quarter OM presented a cost reduction program which, calculated on operating levels during the second quarter 2003, is estimated to lower the company's annual costs by SEK 578 m while lowering revenues by SEK 105 m on a yearly basis. These savings include those savings of SEK 60 m which were presented in March 2003. Total costs for the implementation of these measures were SEK 624 m and were expensed during the second quarter as an item affecting comparability. The full effect of these savings is expected from the first quarter 2004.

Operating loss was SEK 535 (+23) during the second quarter, while the loss before depreciation and write-downs amounted to SEK 255 m (+106). The loss after financial items during the second quarter was SEK 532 m (+32), loss after tax amounted to SEK 465 m (+25) and earnings per share were SEK -5.53 (+0.30).

OPERATING INCOME



* Excluding items affecting comparability

REVENUES PER BUSINESS AREA
IN OM TECHNOLOGYORDER VALUE AND REVENUES
IN OM TECHNOLOGY

BUSINESS AREA PERFORMANCE DURING SECOND QUARTER

During the reporting period OM's operations were organized within five business areas: Banks & Brokers, Energy Markets, Financial Markets, Global Services and Stockholmsbörsen. The first four business areas constituted OM's technology operations, OM Technology. With effect from July 1, 2003 OM has been organized in two divisions: Stockholmsbörsen and OM Technology, which now comprises three business areas; Banks & Brokers, Financial Markets and Global Services.

OM Technology

OM Technology's revenue totaled SEK 412 m (526) during the second quarter. During the corresponding period in 2002, income included the proceeds from the sale of shares in Orc Software of SEK 75 m. Internal sales to Stockholmsbörsen amounted to SEK 42 m (62).

The reduction in revenue compared to the same period last year is mainly due to lower internal sales as well as lower transaction based revenue from operating services within the Banks & Brokers and Global Services business areas. In general the markets for systems solutions to financial companies are weak, the level of investment by many companies remains low. OM has not announced any major orders during the period, but believes that it has defended its market share in the generally weak markets.

The order intake during the second quarter was SEK 259 m (340), compared with SEK 221 m (121) during the first quarter. At period-end the order value was SEK 2 882 m (3 240), of which orders of SEK 1 075 m (981) are due for delivery in the coming 12 months. Currency effects have had a negative impact on the order value by approximately SEK 80 m year-on-year. The total order value includes orders to Stockholmsbörsen of SEK 716 m (825).

Operating income totaled SEK -46 m (40) during the second quarter. Income before depreciation totaled SEK 5 m (84), representing

a profit margin of SEK 3 percent (21) excluding internal sales. Investments in R & D were SEK 58 m (56), corresponding to 14 (12) percent of net sales of which SEK 44 m (24) has been capitalized. Common functions within OM Technology comprise mainly marketing and business development, expenses that are not included in the results per business area below:

Revenue in **Banks & Brokers** was SEK 70 m (96) in the second quarter, while the loss before depreciation was SEK 17 m (+1). Lower transaction-based revenue from back-office-for-hire and product phase-out explain this decrease.

Revenue in **Energy Markets** was SEK 73 m (68), while the loss before depreciation was SEK 7 m (18). These year-on-year improvements are largely due to increased systems sales in the Nordic region and Germany as well as increased trading levels on the gas exchange, NGX.

Revenue in **Financial Markets** was SEK 161 m (158) in the second quarter with income before depreciation at SEK 29 m (34). Investments in systems solutions by exchanges, clearing organizations and CSDs continue to be weak.

Revenue in **Global Services** was SEK 132 m (147) with income before depreciation at SEK 25 m (8). The fall in revenue is attributed to lower internal sales as well as lower transaction based revenue from facility management of exchanges. Income has increased as a result of the implementation of rationalization measures.

Stockholmsbörsen

Developments on Stockholmsbörsen have been mixed during the second quarter, compared with the same period last year. Turnover velocity in equity trading and the number of derivatives contracts traded remained high, while the value of equity derivatives trading fell dramatically, primarily due to the increased proportion of trading in low-premium options. Equity trading value has also fallen, primarily due to lower market values. Average daily equity trading on



Stockholmsbörsen fell by 20 percent to SEK 9.1 billion (11.4), compared to the same period 2002. Turnover velocity of equity trading was 127 percent (117). The average number of equity transactions was 34 258 (33 798) per day. The number of derivatives contracts traded on Stockholmsbörsen and OM London Exchange increased to 283 318 (207 919) per day, while the average premium paid for equity options fell to SEK 214 (653) per contract.

During the reporting period Stockholmsbörsen's revenue totaled SEK 217 m (228). Stockholmsbörsen's operating income totaled SEK 76 m (67), with income before depreciation at SEK 89 m (82). The improvement is largely due to the closure of Jiway. Stockholmsbörsen's expensed investments in R&D amounted to SEK 3 m (4) during the second quarter.

Stockholmsbörsen has implemented a new model to calculate risk exposure and capital requirements in its clearing operations, which means that the balance sheet total has been reduced. The funds that have thereby been released have been used to reduce the group's borrowing. These changes have been approved by both the Swedish and UK financial authorities.

OTHER IMPORTANT INFORMATION

Financial position

Total assets fell to SEK 4 414 m (5 850) on June 30. The equity/assets ratio fell to 34 percent (37). OM's interest-bearing net liabilities were SEK 971 m (355). The change compared to the first quarter is due to the net effect of income from the creation of EDX London, and a temporary increase in receivables in Stockholmsbörsen's clearing operations of about SEK 200 m on closing day. Interest-bearing financial assets were SEK 885 m (1 836), of which SEK 83 m (479) are financial fixed assets. Interest-bearing liabilities were SEK 1 856 m (2 191) of which SEK 200 m (56) are long-term. Available credit agreements were SEK 3 700 m (3 530), of which SEK 1 794 m (2 134) have been utilized.

Parent Company

OM AB's operations comprise group management. Net sales during the reporting period were SEK 37 m (42). The loss before appropriations and tax amounted to SEK 109 m (109). Liquid assets were SEK 0 (2) m. Parent Company investments were SEK 4 m (0).

Number of employees and consultants

The number of employees in the group at the period-end was 1 506 (1 674) of which 1 257 (1 324) were in OM Technology, 153 (235) in Stockholmsbörsen and 96 (115) in the parent company. The number of consultants employed by OM totaled 113 (107).

Per E. Larsson resigned as CEO on May 30

Per E. Larsson resigned as president and CEO on May 30. Magnus Böcker, formerly deputy CEO has been appointed as acting president and CEO.

Outlook

Assuming continued weak markets during the third quarter of the year, OM Technology's revenues are expected to be lower than the second quarter due to seasonal variations.

OM AB (publ)

Stockholm July 16, 2003

Magnus Böcker

Acting president and CEO

We have performed a review of this interim report and thereby followed the recommendations set out by the Swedish Institute of Authorized Public Accountants, FAR. A review is significantly limited in scope compared to an audit. We have found nothing to suggest that this interim report does not comply with the requirements set out in the Exchange and Companies Acts.

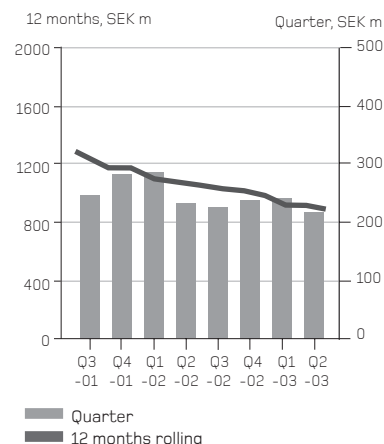
Stockholm July 16, 2003

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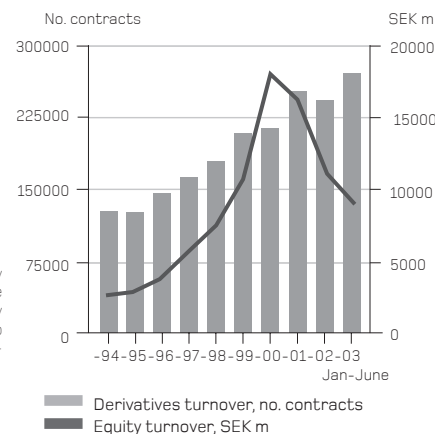
Peter Clemedtson

Authorized Public Accountants

STOCKHOLMSBÖRSEN'S REVENUES



AVERAGE DAILY TRADING ON STOCKHOLMSBÖRSEN AND OM LONDON EXCHANGE



REVENUE AND INCOME DIVIDED BETWEEN OM TECHNOLOGY AND STOCKHOLMSBÖRSEN*

Amounts in SEK m	April–June 2003	April–June 2002	Jan–June 2003	Jan–June 2002	July–june 2002/2003	Jan–Dec 2002
OM Technology, of which	412	526	829	979	1 710	1 860
License-, support- and project revenue	229	260	476	549	984	1 057
Facility Management Services	129	150	268	299	553	584
Other revenue	54	116	85	131	173	219
Stockholmsbörsen, of which	217	228	451	513	903	965
Trading revenue	129	135	276	314	545	583
Issuers' revenue	40	45	79	88	165	174
Information sales	25	39	53	71	99	117
Other revenue	23	9	43	40	94	91
Parent company***	40	50	81	101	185	205
Group eliminations****	-74	-91	-154	-177	-367	-390
Group total	595	713	1 207	1 416	2 431	2 640
Operating income before depreciation (EBITDA)						
OM Technology	5	84	18	112	67	161
Stockholmsbörsen	89	82	204	198	354	348
Parent company and other functions	-27	-25	-58	-50	-86	-78
Items affecting comparability**	-322	-35	-322	-35	-414	-127
Group total	-255	106	-158	225	-79	304
Operating income after depreciation						
OM Technology	-46	40	-81	25	-125	-19
Stockholmsbörsen	76	67	178	165	300	287
Parent company and other functions	-41	-49	-86	-90	-156	-160
Items affecting comparability**	-524	-35	-524	-35	-621	-132
Group total	-535	23	-513	65	-602	-24

* All figures up to the introduction of the new organization, January 2003, are pro forma.

** Net restructuring costs for executed cost-reduction measures before and after write-downs as well as capital gains from creation of EDX London.

*** The parent company and other functions include, in addition to the parent company, primarily OM Treasury AB, OM Capital Insurance AG and XACT Fonder AB.

**** Internal sales from OM's technology operations, mainly to OM's exchanges, totaled SEK 43 m (66).

REVENUE SOURCES OM TECHNOLOGY

License, support and project revenue

License, support and project revenue from systems solutions developed and sold by OM arises primarily within Financial Markets and Energy Markets, and to some extent also Banks & Brokers.

After OM has developed and sold a systems solution, the customer licenses the right to use the software. Each customer project involves individual adaptations to their specific requirements, relating to functionality and capacity. This entails development, testing and installation work, all of which generate project revenue that is invoiced continuously according to degree of completion. When OM provides a systems solution, OM undertakes to continuously upgrade, develop and maintain the solution for which it receives recurring support revenue.

With regards to major systems solutions, for customers such as exchanges and clearing organizations, license and project revenue is mostly fixed and is paid in relation to the degree of completion. Support revenue is mainly fixed and contracts usually run for five years. A certain portion of license revenue is also recurring, and contract periods run for longer.

As for systems solutions to market participants such as banks and brokerage firms, license fees are mainly variable and revenue is recognized on an ongoing basis while project revenue is recognized in relation to

the degree of completion. Support revenue from this type of customer is mainly variable and recognized on an ongoing basis.

Revenue from Facility Management services

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

Other revenue

Other revenue in OM's technology operations consists primarily of trading and clearing revenue from the energy exchanges NGX and UKPX, as well as internal sales to OM's other units (non-technology operations) relating to common services. Other revenue also includes some re-sale of third party products as well as hosting revenue and other sales that cannot be classified together with the revenue sources above. During the second quarter 2003, other revenue included proceeds from the sale of shares in associated company Orc Software.

INCOME STATEMENT*

	April–June 2003	April–June 2002	Jan–June 2003	Jan–June 2002	July–June 2002/2003	Jan–Dec 2002
Amounts in SEK m						
Revenue						
Net sales, of which	595	713	1 207	1 416	2 431	2 640
Own work capitalized	27	22	56	28	108	80
Total revenue	595	713	1 207	1 416	2 431	2 640
Expenses						
External expenses						
Premises	-52	-49	-102	-107	-215	-220
Marketing expenses	-10	-13	-19	-28	-45	-54
Consultancy expenses	-61	-71	-122	-165	-246	-289
Operational and maintenance expenses, IT	-61	-75	-115	-151	-236	-272
Other operating expenses	-56	-69	-106	-129	-218	-241
Personnel expenses	-293	-305	-592	-595	-1 168	-1 171
Depreciation	-45	-50	-87	-96	-185	-194
Depreciation goodwill	-33	-32	-66	-64	-131	-129
Items affecting comparability	-524	-35	-524	-35	-621	-132
Total operating expenses	-1 135	-699	-1 733	-1 370	-3 065	-2 702
Participations in associated companies' income	5	9	13	18	32	38
Operating income	-535	23	-513	65	-602	-24
Financial items	3	9	-8	-7	-33	-32
Income after financial items	-532	32	-521	58	-635	-56
Tax on net income	67	-7	64	-13	62	-15
Net income in reporting period	-465	25	-457	45	-573	-71
Number of shares, millions	84.041	84.041	84.041	84.041	84.041	84.041
Number of shares after full conversion, millions	84.819	84.819	84.819	84.819	84.819	84.819
Earnings per share, SEK	-5.53	0.30	-5.44	0.54	-6.83	-0.85
Earnings per share after full conversion, SEK	-5.53	0.30	-5.44	0.54	-6.83	-0.85

**Figures for 2002 include operations under closure, see information on page 10.

SENSITIVITY ANALYSIS STOCKHOLMSBÖRSEN

Trading revenue

During the second quarter 2003, 43 percent of Stockholmsbörsen's trading revenue was derived from equity (cash) trading and 57 percent from trading and clearing derivative products.

For trading revenue from equities, the two most important parameters are the value in equity turnover and the number of equity transactions. A one percent change in value of the average daily equity trading volume would, on an annual basis and assuming an unchanged number of transactions, have a SEK +/-2.0 m impact on trading revenue, calculated on trading levels in 2002.

For revenue from trading and clearing derivative products, the two most important parameters are the number of derivative contracts traded and the size of the option premiums. A change in the average daily derivatives turnover of 1 000 contracts would, on an annual basis and assuming an unchanged average option premium and product mix, have a SEK +/-1.1 m impact on trading revenue, calculated on trading levels in 2002.

Issuers' revenue

Issuers' revenue is derived from fees paid by companies listed on the exchange and is directly related to the market capitalization of the companies. A ten percent change in total market capitalization would have a SEK +/-2 percent impact on issuers' fees, which is the equivalent of SEK 4 m on an annual basis, calculated on trading levels in 2002.

Information revenue

Stockholmsbörsen sells trading information to over 50 Swedish and international companies who disseminate it to a large number of end-users. Information dissemination is invoiced in arrears, and charges vary according to the number of end-users.

Other revenue

Other revenue includes primarily training revenue and interest on collateral pledged by members of OM London Exchange.

BALANCE SHEET

Amounts in SEK m	June 2003	June 2002	Dec 2002
Intangible fixed assets	1 048	1 268	1 247
Tangible fixed assets	422	508	475
Financial fixed assets	905	1 510	852
Short-term receivables	1 240	1 218	1 071
Short-term investments	736	1 111	993
Cash and bank balances	63	235	282
Total assets	4 414	5 850	4 920
Shareholders' equity	1 521	2 175	2 017
Appropriations	423	569	151
Long-term liabilities	202	60	258
Short-term liabilities	2 268	3 046	2 494
Total liabilities and shareholders' equity	4 414	5 850	4 920

CHANGE IN SHAREHOLDERS' EQUITY

Amounts in SEK m	Jan–June 2003	Jan–June 2002	Jan–Dec 2002
Shareholders' equity – opening balance	2 017	2 257	2 257
Dividend	-84	-84	-84
Conversion of debenture and exercise of warrants	-	0	0
Hedge for employee stock options	22	-97	-142
Translation differences	23	54	50
Other	0	0	7
Net income in reporting period	-457	45	-71
Shareholders' equity – closing balance	1 521	2 175	2 017

CASH FLOW ANALYSIS

Amounts in SEK m	Apr–June 2003	Apr–June 2002	Jan–June 2003	Jan–June 2002	Jan–Dec 2002
Cash flow from current operations in working capital before changes in working capital	-34	-32	50	-10	-23
Changes in working capital*	-88	-138	-255	-190	112
Cash flow from current operations	-122	-170	-205	-200	89
Cash flow from investment operations	97	11	32	-27	-158
Cash flow from financing operations	-344	-231	-303	-81	-310
Change in liquid funds **	-369	-390	-476	-308	-379
Liquid funds – opening balance	1 168	1 736	1 275	1 654	1 654
Liquid funds – closing balance	799	1 346	799	1 346	1 275

* Changes in short-term liabilities to credit institutions are reported under "Financing operations".

**Liquid funds comprise short-term investments and cash and bank balances.

INVESTMENTS IN R&D

Amounts in SEK m (of which expensed)	Apr–June 2003	Apr–June 2002	Jan–June 2003	Jan–June 2002	July–June 2002/2003	Jan–Dec 2002
OM Technology	58 (14)	56(32)	109(32)	116 (82)	233 (82)	240 (132)
Stockholmsbörsen	3 (3)	4(4)	6 (6)	8 (8)	12 (12)	14 (14)
Group total	61 (17)	60 (36)	115 (38)	124 (90)	245 (94)	254 (146)

NOTES AND OTHER INFORMATION

NOTES TO THE INCOME STATEMENT

Group net sales totaled SEK 595 m during the second quarter, of which SEK 27 m was capitalized for own work.

Group operating expenses excluding items affecting comparability fell by 8 percent compared to the same period in 2002. Items affecting comparability include capital gains from the creation of EDX London during the second quarter 2003, restructuring expenses for cost-efficiency programs in the second quarter 2002 and 2003 as well as closure expenses for Jiway during the fourth quarter 2002. The reduction in marketing expenses, consultancy expenses, other external expenses as well as operational and maintenance expenses IT, were the result of implemented cost-efficiency programs. Participations in associated companies' income is from Orc Software and NLK. Group net financial items totaled SEK 3 m (9). The positive tax expense arises from the expenses involved in the cost-reduction program.

NOTES TO THE BALANCE SHEET

Intangible fixed assets of SEK 1 048 m (1 268) includes SEK 760 m (928) of consolidated goodwill, most of which relates to the acquisition of Stockholm Stock Exchange. The remaining intangible fixed assets of SEK 288 m (340) are development expenses carried forward for systems products which are depreciated over 3-5 years and are valued on an ongoing basis against current market conditions.

Group investments in intangible fixed assets totaled SEK 88 m (55). Investments in equipment totaled SEK 33 m (42). The reduction in financial fixed assets to SEK 905 m (1 510) compared with the end of the first quarter 2002 was due primarily to deposits made for the employee option program as well as to the increase in deferred tax receivables.

The market value of OM's holding in Orc Software (4.5 million shares) was SEK 227 m at the period end with the book value of this holding at SEK 77 m. OM owns 16 percent of the share capital of HEX, with the book value of this holding at SEK 72 m. OM's employee option program has had a SEK 22 m impact on shareholders' equity during the reporting period, see below. A dividend of SEK 84 m was paid out to shareholders during the reporting period. Short-term investments and cash and bank balances are lower following a reduction of Stockholmsbörsen's clearing capital, which also means that short-term liabilities have been reduced.

NOTES TO THE CHANGE IN SHAREHOLDERS' EQUITY

The reduction in shareholders' equity since December 31, 2002 was primarily due to the loss during the period and dividend to shareholders.

NOTES TO THE CASH FLOW ANALYSIS

Cash flow from current operations consisted of income after net financial items with depreciation added back. Certain restructuring expenses incurred in 2002 impacted cash flow in 2003. The change in working capital was mainly due to a temporary increase in receivables within Stockholmsbörsen's clearing operations of about 200 SEK m on closing day. During the period a dividend of SEK 84 m was paid to shareholders, reported under financing operations. Positive cash flow from the creation of EDX London is reported under investment operations.

COST-REDUCTION PROGRAM 2003 – FINANCIAL EFFECTS

On June 30 OM presented a series of measures which is expected to reduced the group's annual expenses by SEK 578 m before tax and will also result in lower revenues of SEK 105 m on a yearly basis. These measures involve restructuring the Energy Markets business area and OM Technology's product portfolio, concentrating operations in a smaller number of offices as well as a number of changes to Stockholmsbörsen and the parent company. The measures are expected to result in around 240 positions being made redundant of which 100 redundancies were communicated earlier. The total cost of implementing these measures will be SEK 624 m before tax (consisting of write-downs of SEK 202 m and other costs of 422) and SEK 544 m after tax. Other costs include redundancy costs, reserves for unutilized office space and termination of contracts with sub-contractors. The total costs are given in gross terms and do not include any positive effects of planned divestments of operations or tax receivables. The negative cash flow effect is expected to be around SEK 193 m, excluding any positive effects from planned divestments of operations and expenditures for unused premises.

ORGANIZATIONAL CHANGES

In January 2003 OM decided to form a new business area, Banks & Brokers, largely based on the operations previously contained within the Broker Services business area as well as certain operations within the Financial Market Solutions business area. As a result of the new organization, certain staff functions were moved from these business areas to the parent company and other functions. Comparative figures in this report are pro forma, i.e. are historically comparable from the perspective of the new organization's composition.

As part of the process of restructuring and streamlining OM's operations, the Energy Markets business area ceased to exist as an independent business area with effect from July 1. OM will continue to be a systems provider to the energy markets but those operations will in the future be contained in the Financial Markets business area.

EMPLOYEE STOCK OPTION PROGRAM

The three employee stock option programs issued by OM in 2000, 2001 and 2002 have exercise prices of SEK 400, 175 and 71 respectively. In total, outstanding option programs comprise a maximum of 2.5 million shares.

To provide a hedge for its stock option program, OM entered into a swap transaction in 2000 with a third party for the delivery of existing shares. The transaction, which can be described as a synthetic repurchase of its own shares, means that OM has hedged against the risk of an increase in the OM share price but not a decrease. The fall in OM's share price from SEK 371 m in the summer of 2000 to SEK 57 on June 30, 2003 has resulted in OM reporting a reduction in shareholders' equity of SEK 440 m. The effect during the reporting period has been positive by SEK 22 m. During 2002 OM changed counterparty in its swap transaction, which led to the realization of this price decrease. As the share price decrease had been previously secured through a deposit, this redistribution increased financial net debt by SEK 439 m during 2002.

REMUNERATION TO PRESIDENT AND CEO

Per E. Larsson resigned from his position as president and CEO on May 30, 2003. As stipulated in his employment contract, Per E. Larsson will receive severance pay for two years at a total value of SEK 11.2 m. He will also receive a bonus of SEK 3 m for among other things, his contribution in initiating the merger with HEX. All of the employee stock options allocated to him can be exercised within three years from his last day of employment. The total cost of SEK 18 m, including social welfare contributions, has been treated as an item affecting comparability.

OM's former deputy CEO Magnus Böcker was appointed acting president and CEO with effect from June 1, 2003. His remuneration comprises a fixed annual salary of SEK 3.6 m as well as a variable salary equivalent to a maximum of twelve months salary calculated from a 70 percent quantitative, 30 percent qualitative goal. In addition to this he receives benefits in kind including healthcare, medical insurance, domestic help and reduced interest rates on loans. The acting CEO has a retirement pension equivalent to 60 percent of basic salary at the age of 60. The total premium payments made amount to 23 percent of the monthly salary. A mutual period of notice of six months applies between OM and the acting CEO. In the event of the company giving notice, salary and other benefits will be paid for 12 months and salary only for a further 6-month period. Deduction of any salary from a new employer will be made during the last 6 months. The contract also entails a competition restriction for 12 months following termination of employment. Magnus Böcker's terms of employment as acting CEO remain basically unchanged from his employment as deputy CEO.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with the Swedish Financial Accounting Standard's Council's Recommendation on Interim Reporting (RR20). OM has applied the same accounting principles that were detailed in its most recent Annual Report.

EVENTS FOLLOWING REPORTING PERIOD-END

On July 2, it was announced that OM, its subsidiaries OM Technology, BrokerTec Global and its Parent Company ICAP, are among those being sued by eSpeed for the alleged infringement of US patent 6,560,580 B1. OM is being sued in its capacity as a systems provider to BrokerTec. OM has rejected the claim and denies patent infringement.

OPERATIONS UNDER CLOSURE*

Amounts in SEK m	Apr-June 2003	Apr-June 2002	Jan-June 2003	Jan-June 2002	July-June 2002/2003	Jan-dec 2002
Revenue						
Net sales, of which	-	2	-	2	1	3
Own work capitalized	-	-	-	-	-	-
Total revenue	-	2	-	2	1	3
External expenses						
Premises	-	-2	-	-3	-3	-6
Marketing expenses	-	0	-	-1	0	-1
Consultancy expenses	-	-3	-	-9	-7	-16
Operational and maintenance expenses, IT	-	-7	-	-12	-16	-28
Other operating expenses	-	-2	-	-4	-6	-10
Personnel expenses	-	-5	-	-10	-7	-17
Depreciation	-	-1	-	-3	-1	-4
Depreciation, goodwill	-	-	-	-	-	-
Items affecting comparability	-	-	-	-	-75	-75
Total operating expenses	-	-20	-	-42	-115	-157
Participations in associated companies' income	-	-	-	-	-	-
Operating income	-	-18	-	-40	-114	-154
Financial items	-	-1	-	0	-1	-1
Income after financial items	-	-19	-	-40	-115	-155
Tax	-	-	-	0	0	0
Net income in reporting period	-	-19	-	-40	-115	-155

*Relates to Jiway. As per December 31, 2001, following its reconstruction, Jiway's net assets totaled SEK 5 m, which have been disposed of successively. During 2003, Jiway's closure is expected to have a negative impact on cash flow of approximately SEK 59 m.

KEY FIGURES*

	Jan-June 2003	Jan-June 2002	Jan-June 2001	Jan-Dec 2002
Earnings per share**	-5.44	0.54	0.72	-0.85
Share price (30-06-2003), SEK	57	69	138	41.6
Average number of OM shares traded per day, thousands	123	168	140	204
P/E ratio***	N.A	N.A	32	N.A
Shareholders' equity per share, SEK	18.09	26	28	24
Share price (30-06-2003)/shareholders equity, per share, SEK	3	3	5	1.73
Return on shareholders' equity, % ***	N.A	N.A	14	N.A
Return on capital employed, % ****	N.A	2	11	2.1
Equity/asset ratio, %	34	37	39	41
Number of employees at period-end	1 506	1 674	1 575	1 633
Average number of employees	1 557	1 651	1 478	1 677

* After full conversion and tax. Definitions of all key ratios are given on page 84 of OM's Annual Report 2002.

** During the reporting period January-June 2003, earnings per share have been affected by restructuring costs (SEK -6.47) as well as the impact of the creation of EDX London (SEK 1.19). Excluding items affecting comparability, earnings per share were SEK -0.16.

*** Calculation performed on a rolling basis on 12-months' income.

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

PRINCIPAL OWNERS, 30-06-2003

	Number of shares	Number of shares and votes, %
Investor AB	14 350 507	17.1
The Swedish state	7 993 466	9.5
AMF Pension	5 840 000	7.0
Fidelity Funds	4 557 680	5.4
Robur Fonder	4 067 743	4.8
Föreningssparbanken	3 727 936	4.4
Alecta	3 577 844	4.3
Olof Stenhammar and companies	3 417 590	4.1
Didner & George aktiefond	3 380 000	4.0
Svenska Handelsbanken	2 879 154	3.4
Nordea	2 838 021	3.4
Other foreign owners	6 872 190	8.2
Other Swedish owners	20 538 987	24.4
Totalt number of shares	84 041 118	100

Source: SIS Ågarservice

REVENUE AND INCOME PER BUSINESS AREA IN OM TECHNOLOGY*

Revenue in SEK m	Apr-June 2003	Apr-June 2002	Jan-June 2003	Jan-June 2002	June-July 2002/2003	Jan-Dec 2002
Banks & Brokers	70	96	152	199	355	402
Energy Markets	73	68	150	136	288	274
Financial Markets	161	158	330	358	653	681
Global Services	132	147	253	286	514	547
Other items	7	81 **	10	88 **	78	156 **
Eliminations***	-31	-24	-66	-88	-178	-200
Total OM Technology	412	526	829	979	1 710	1 860

OPERATING INCOME BEFORE DEPRECIATION (EBITDA)

Banks & Brokers	-17	1	-25	-27	-13	-15
Energy Markets	-7	-18	-12	-28	-63	-79
Financial Markets	29	34	69	110	160	201
Global Services	25	8	40	19	87	66
Common functions****	-28	-23	-63	-51	-126	-114
Other items*****	3	82	9	89	22	102
Total OM Technology	5	84	18	112	67	161

* All figures up to the introduction of the new organization, January 2003, are pro forma.

** Includes income from the sale of shares in Orc Software of SEK 75 m during the second quarter 2002.

*** The increase in eliminations in the pro-forma figures are a result of OM's internal IT support in the new organization is now part of Global Services.

**** Common functions comprise primarily marketing and business development.

***** Includes income from the share in associated company Orc Software.

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OM – Financial Calendar 2003

16 July 2003 – Interim Report January-June
15 October 2003 – Interim Report January-September

OM HEX – Preliminary time schedule

11 July – 25 August – Acceptance period
5 August 2003 – HEX results for the financial period January-June 2003
18 august 2003 – OM Extraordinary General Meeting of Shareholders
21 August 2003 – HEX Annual General Meeting of Shareholders
27 August 2003 – Announcement of acceptance level
4 September 2003 – Listing of OM HEX shares on Helsinki Exchanges

