

## Interim Report January – March 2004





## A promising start to the year

- Total revenue was SEK 907 m (612), including SEK 92 m from the sale of NGX
- Operating income totaled SEK 278 m (22)
- Income after financial items was SEK 270 m (11)
- Income after tax totaled SEK 186 m (8)
- Earnings per share at SEK 1.60 (0.09)
- Several key steps taken in the creation of an integrated Nordic-Baltic market
- Cost-efficiency program initiated in 2003 completed
- High activity in exchange trading within HEX Integrated Markets

### CEO COMMENTS:

*The first quarter of 2004 has been a promising start to the year. Activity on our exchanges has exceeded expectations at the same time as we can see close to full effect of the cost-efficiency program that we carried out last year.*

*We have also taken key steps in our work to coordinate the platforms for trading and clearing on the Nordic and Baltic securities markets. The implementation of the SAXESS trading system and the introduction of harmonized trading rules for the exchanges are being carried out according to plan. At the end of the quarter, we were also able to announce that OMHEX was chosen as partner in the privatization process of the exchange and central securities depository in Lithuania.*

*We have achieved greater profitability within the Group and both divisions are now showing profits. An important reason for this is the extensive cost-efficiency program carried out within the Group. We have lowered comparable costs by more than 20 percent compared with the second quarter of 2003, when we initiated the program. At the same time, the identified cost synergies that arose as a result of the merger of OM and HEX have begun to take effect.*

*OMHEX's revenue increased strongly compared with the first quarter of 2003. This increase is mainly attri-*

*butable to the fact that HEX is now a part of the Group; however, the first quarter was also positive for comparable units in terms of revenue. Compared with the fourth quarter of 2003, adjusted revenue increased by close to 10 percent.*

*Activity on the exchanges within HEX Integrated Markets has been high. Compared with the preceding quarter, turnover in equity trading rose 50 percent, while the average number of derivative contracts traded increased by 53 percent. Rising share prices combined with higher turnover velocity have made the first quarter of 2004 one of the best quarters ever for our exchange operations. OM Technology's revenue was somewhat lower than in the fourth quarter, mainly due to the sale of a number of operations that were a part of the division. Even though we are getting some positive signals from our customers, we do not see any substantial increase in revenue for the OM Technology division in the immediate quarters.*

*We have now carried out necessary restructuring and thereby created the prerequisites for positive development.*

**Magnus Böcker**  
President and CEO

## EARNINGS DEVELOPEMENT BY QUARTER

SEK m	Jan-Mar 2004	Oct-Dec 2003	July-Sept 2003	Apr-June 2003	Jan-Mar 2003
Total revenues	907	750	729	695	612
Adjusted revenues <sup>1)</sup>	815	750	729	595	612
Total expenses	-634	-733	690	-1 235	-598
Adjusted expenses <sup>2)</sup>	-634	-695	690	-611	-598
Operating income	278	19	45	-535	22
Adjusted operating income	186	57	45	-11	22
Income after financial items	270	10	39	-532	11
Earnings per share	1.60	0.08	0.14	-5.53	0.09

<sup>1)</sup> Excluding other revenue. Consists of income from the sale of NGX for the period Jan-March 2004 of SEK 92 m, and for the period April-June 2003 includes income from the creation of EDX London of SEK 100 m.

<sup>2)</sup> Adjusted operating costs excluding expenses affecting comparability. For the period October-December 2003, adjustments include reservations for unutilized premises and write-downs related to product phase-out within OM Technology of SEK 38 m, and for the period April-June adjustments include restructuring costs of SEK 624 m.

## GROUP DEVELOPMENT DURING THE FIRST QUARTER

OMHEX is a leading provider of marketplace services and transaction technology. Within the HEX Integrated Markets division, OMHEX operates Northern Europe's largest securities market. OM Technology is a world-leading provider of technology to financial and energy markets.

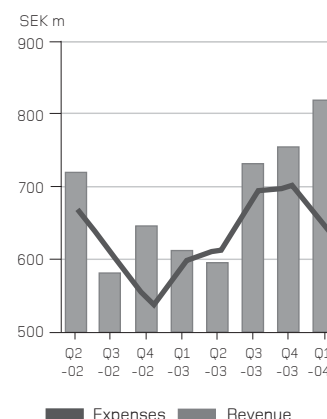
OMHEX's total revenue was SEK 907 m (SEK 612 m during the first quarter of 2003) during the first quarter. Adjusted revenue amounted to SEK 815 m. For comparable units (excluding HEX, which was consolidated in the Group from the third quarter of 2003, and the derivatives business of OM London Exchange, which was sold in June 2003), adjusted revenue increased 2 percent. This is mainly due to increased trading revenue in the company's exchange operations, while revenue from technology operations decreased. The Group's total expenses were SEK 634 m (598) during the quarter. For comparable units, expenses went down by approximately 16 percent compared to the first quarter of 2003. This reduction can be mainly attributed to the cost-efficiency program carried out in the Group during 2003, which has now

had close to full effect. The cost-efficiency program aimed to lower the Group's annual expenses by SEK 578 m on a yearly basis, calculated from levels of operation during the second quarter of 2003. For comparable units, the Group's adjusted expenses decreased by about SEK 130 m, or 22 percent, compared to the second quarter of 2003. This corresponds to SEK 520 m on an annual basis. Certain cost synergies related to the merger with HEX were also achieved during the quarter.

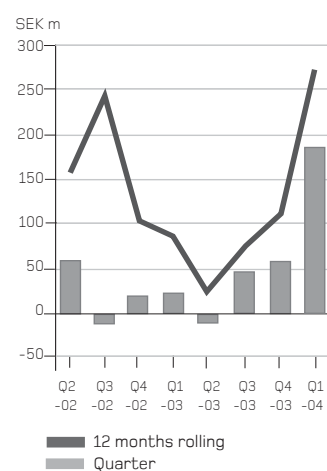
On March 1, 2004, OMHEX sold NGX to TSX Group. The agreement also contains a technology collaboration. The sale of NGX had a positive revenue effect of approximately SEK 92 m, which was reported under Other revenue during the first quarter (see page 10).

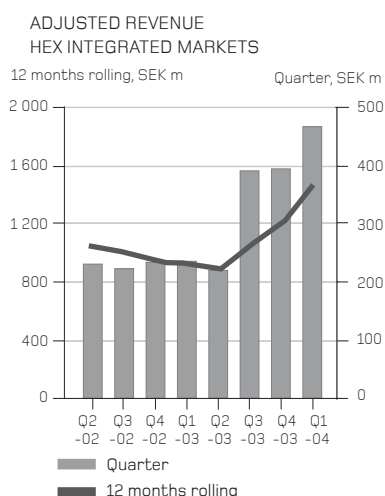
Operating income totaled SEK 278 m (22) during the first quarter. Adjusted operating income was SEK 186 m (22). Operating income excluding amortization of goodwill was SEK 324 m (55). Income after financial items was SEK 270 m (11), while income after tax was SEK 186 m (8). Earnings per share totaled SEK 1.60 (0.09).

## ADJUSTED REVENUE AND EXPENSES, 12 MONTHS ROLLING

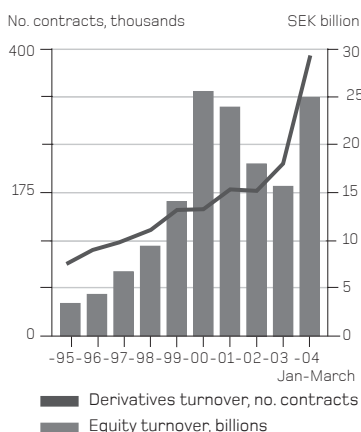


## ADJUSTED OPERATING INCOME





AVERAGE DAILY TRADING ON  
HEX INTEGRATED MARKETS'  
MARKETPLACES



## PERFORMANCE BY DIVISION DURING THE FIRST QUARTER

### REVENUES BY DIVISION

SEK m	Jan-Mar 2004	Oct-Dec 2003	July-Sept 2003	Apr-June 2003	Jan-Mar 2003
HEX Integrated Markets <sup>1)</sup>	463	392	387	263	234
OM Technology <sup>2)</sup>	519	453	416	466	417
Parent Company	24	30	33	40	41
Eliminations	-99	-125	-107	-74	-80
<b>Total revenues</b>	<b>907</b>	<b>750</b>	<b>729</b>	<b>695</b>	<b>612</b>

<sup>1)</sup> Including income from the formation of EDX London of SEK 46 m during April-June 2003.

<sup>2)</sup> Including income from the sale of NGX of SEK 92 m during January-March 2004 and income of SEK 54 m from the creation of EDX London.

### HEX Integrated Markets

*The division includes the stock and derivatives exchanges in Stockholm, Helsinki, Tallinn and Riga, as well as the central securities depositories in Finland, Estonia and Latvia.*

The division's total revenue increased to SEK 463 m (234) compared with the same period last year. For comparable units, revenue rose 28 percent, mainly due to increased trading revenue from exchange operations, both regarding equity and derivative trading. The division's expenses amounted to SEK 257 m (132). For comparable units, expenses remained unchanged compared with the first quarter of 2003. Operating income was SEK 206 m (102).

The statistical data by business area below are pro forma, that is, as if the division had existed in 2003. In revenue and income, however, HEX is only included from the third quarter of 2003.

**Cash Markets** comprises equity trading at Stockholmsbörsen and Helsinki Exchanges. The business area's revenue totaled SEK 247 m (133) during the first quarter. For comparable units, revenues went up by 23 percent year-on-year. Operating income amounted to SEK 129 m (65) during the quarter. The average number of transactions per day increased by 46 percent to 73 613 (50 391) compared with the same period in 2003. Equity turnover increased by 72 percent to SEK 24 759 m (14 373) per day on average. Tur-

nover velocity in equity trading increased to 151 (117) percent during the quarter. A new fee structure for equities traded at HEX Helsinki was introduced at the beginning of the year to harmonize fees between the exchanges in Helsinki and Stockholm.

**Derivatives Markets** comprises derivatives trading and clearing operations at Stockholmsbörsen and Helsinki Exchanges, as well as co-operations with mainly Eurex and EDX London. Revenue from the business area amounted to SEK 128 m (101) during the first quarter. For comparable units, revenue increased by 38 percent year-on-year. The business area's operating income was SEK 65 m (37). The total number of derivatives contracts traded daily on Stockholmsbörsen and Helsinki Exchanges increased by 70 percent to 488 461 (286 728) on average during the quarter, while the number of Finnish options contracts traded daily on Eurex increased to 63 337 (57 747). In order to stimulate trading, the fees for trading Finnish stock options on Eurex were lowered at the beginning of the year.

**Settlement & Depository** includes the Finnish central securities depository (APK), which provides clearing, settlement, and depository services for equities and fixed income products. During the first quarter, revenue was SEK 79 m. Operating income was SEK 11 m. The number of settled transactions rose by 27 percent year-on-year,



while the total market value of deposited securities grew 22 percent. The operations of the business area come entirely from HEX, which is why no comparison figures are provided.

**Baltic Operations** includes the stock exchanges, central securities depositories and the operation of the national pension account registers in Estonia and Latvia. Revenue from the business area totaled SEK 9 m during the quarter and operating income was SEK 1 m. Baltic Operations comes entirely from HEX. Equity turnover on the exchanges included in the business area amounted to SEK 27 m (10) per day on average during the quarter.

### OM Technology

*OM Technology provides technology, outsourcing and processing services to financial and energy markets.*

Revenue in the division was SEK 519 m (417) during the first quarter. Adjusted revenue, excluding income of SEK 92 m from the sale of NGX, amounted to SEK 427 m. For comparable units, adjusted revenues fell by 13 percent compared with the first quarter of 2003. This drop is mainly due to the divestment of operations and product phase-out. Internal sales to HEX Integrated Markets totaled SEK 63 m (46). The division's expenses totaled SEK 413 m (452). For comparable units, expenses dropped 20 percent. The adjusted operating income equaled SEK 14 m (-35). The reduction in costs and improvement in income is a result of the extensive cost-efficiency program carried out in the division. The adjusted operating margin was 3 (-8) percent.

Investments in R&D amounted to SEK 4 m (51), which corresponds to 1 (12) percent of revenue, of which SEK 4 m (33) was capitalized. Order intake during the first quarter totaled SEK 309 m (221), of which SEK 117 m relates to HEX Integrated Markets. At the end of the quarter, the order value amounted to SEK 2 911 m (2 944), of which orders for SEK 1 102 m (1 086) are

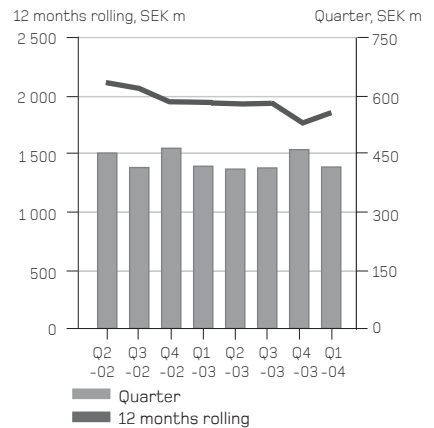
due for delivery within the next 12 months. HEX Integrated Markets accounts for SEK 1 009 m (742) of the order value, of which orders for SEK 335 m are due for delivery within the next 12 months. Currency effects had a negative impact on the total order value of approximately SEK 58 m on an annual basis. Common functions in OM Technology comprise mainly expenses for marketing and sales offices, expenses that are not included in the results by business area below.

**Banks & Brokers** provides back-office services and systems solutions to banks and brokerage firms. Revenue in the business area was SEK 102 (82) during the first quarter. For comparable units, revenue decreased by 10 percent year-on-year, mainly due to product phase-out, closing down of offices and a continued cautious market. The operating profit amounted to SEK 2 m (-9). During the quarter, OM Technology entered into an agreement with SEB regarding custody and clearing for the Finnish market.

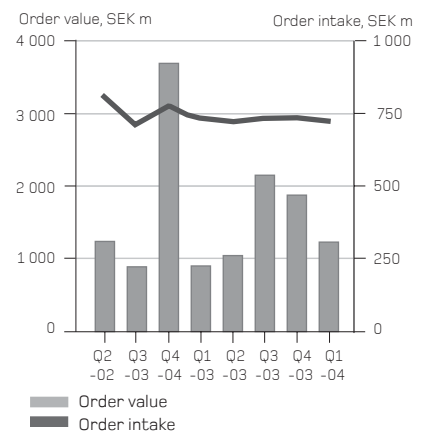
**Financial Markets** provides transaction technology for exchanges, clearing organizations and central securities depositories. Revenue was SEK 169 m (246) during the quarter. The decrease in revenue is mainly due to sale of NGX and UKPX, as well as the phase-out of the POMAX product portfolio. At the same time, demand for systems solutions among existing and prospective customers continued to be low. The operating profit was SEK 26 m (26). During the quarter, an agreement regarding the delivery of a trading and clearing system to MIBEL, the pan-Iberian Electricity market was announced, among other things.

**Global Services** offers outsourcing services to exchanges, clearing organizations, central securities depositories, banks and brokerage firms. Revenue within the business area totaled SEK 173 m (121) during the quarter. For comparable units, revenue rose 11 percent year-on-year, mainly because certain support revenue was moved from Financial Markets. Operating income was SEK 12 m (7).

### ADJUSTED REVENUE OM TECHNOLOGY



### ORDER VALUE AND ORDER INTAKE, OM TECHNOLOGY



## OTHER IMPORTANT INFORMATION

### Financial position

Total assets amounted to SEK 6 789 m at the period-end, compared to SEK 4 899 m at the end of the first quarter of 2003. The equity/assets ratio increased to 54 (40) percent. OMHEX's interest-bearing net debt was SEK 638 m (997) at the end of the quarter.

At the period-end, interest-bearing financial liabilities were SEK 2 050 m (2 272) of which SEK 400 m (256) are long-term. Available credit agreements totaled SEK 2 654 m (3 700), of which SEK 2 081 m (2 208) has been utilized. In addition to this OMHEX has a available credit agreements, intraday, of SEK 620 m.

Interest-bearing financial assets amounted to SEK 1 412 m (1 275), of which SEK 102 m (104) are financial fixed assets.

### OM HEX AB

Revenue within the legal entity OM HEX AB, the parent company, was SEK 112 m (18), including income from the sale of NGX. Revenue before appropriations and tax was SEK 49 m (-51). Liquid assets totaled SEK 0 m (0). Investments were SEK 31 m (0).

### Number of employees and consultants

The number employees and consultants decreased to 1 557 (1 737) at the period-end. For comparable units the number of employees and consultants decreased by 31 percent. Of these, 95 (100) were long-term leave takers (employees on sick leave, parental leave and leave of absence).

The number of employees was 1 514 (1 608) at the end of the period, of which 361 (194) worked within HEX Integrated Markets, 1 074 (1 311) within OM Technology and 79 (103) in the Parent Company (of which the expense for 33 employees has been allocated to the divisions).

### Integration work

The integration work initiated in conjunction with the merger of OM and HEX is progressing according to plan. In June, the CLICK XT™ trading system will be implemented for derivatives trading at Helsinki Exchanges, and in September the SAXESS™ trading system will be implemented for equity trading at Helsinki

Exchanges and the exchanges in Tallinn and Riga. At the same time, a harmonization of both trading rules of the exchanges within HEX Integrated Markets will take place, as well as the harmonization of opening hours between the exchanges in Helsinki and Stockholm.

The cost synergies that OMHEX expects to achieve through the integration work had an initial effect during the first quarter.

### Outlook

Cost-savings from the cost-efficiency program carried out by the company in 2003 have almost achieved full effect. Cost synergies related to the merger of OM and HEX are expected to have a continued effect during the latter part of 2004. Future revenue within HEX Integrated Markets is primarily dependent on market development and trading volumes at the exchanges in Stockholm and Helsinki. Revenue within OM Technology during the second quarter is expected to be somewhat lower than the first quarter, mainly due to operations that have been divested.

OM HEX AB (publ)

Stockholm, April 20, 2004



**Magnus Böcker**

*President and CEO*

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*This report has not been subject to an auditor's review.*

KEY RATIOS<sup>1)</sup>

	Jan-Mar 2004	Jan-Mar 2003	Jan-Mar 2002	Jan-Dec 2003
Earnings per share <sup>2)</sup>	1.60	0.09	0.23	-4.33
Share price at period-end, SEK	105.5	37.3	127	89.5
Average number of OMHEX shares traded daily, 000s	494	164	208	413
P/E ratio <sup>3)</sup>	Neg.	Neg.	Neg.	Neg.
Shareholders' equity per share, SEK	32	23	26	31
Share price/shareholders' equity per share	3.30	1.62	4.88	2.92
Return on shareholders' equity, % <sup>3)</sup>	-8	-4	-1	-16
Return on capital employed, % <sup>4)</sup>	-2	2	-7	-8
Equity/assets ratio, %	54	40	36	52
Number of employees at period-end	1 514	1 608	1 637	1 603
Average number of employees during period	1 530	1 620	1 614	1 682

<sup>1)</sup> After full conversion and tax. Key ratio definitions are presented on page 78 of OMHEX's Annual Report 2003.

<sup>2)</sup> During the period January-March 2004, earnings per share was affected by SEK 0.80 due to the income effect from the sale of NGX, and during the period January-December 2003 by SEK -5.73 due to restructuring costs and SEK 1.00 due to the formation of EDX London.

<sup>3)</sup> Calculated using 12 months rolling income.

<sup>4)</sup> 12 months rolling income before interest expenses and tax in relation to average shareholders' equity with the addition of interest-bearing liabilities.

## REVENUE AND OPERATING INCOME

Amounts in SEK m	Jan-March 2004	Jan-March 2003	Apr-March 2003/2004	Jan-Dec 2003
<b>Revenue</b>				
<b>HEX Integrated Markets</b>				
Trading revenue	254	147	748	641
Issuers' fees	48	39	186	177
Information sales	57	28	190	161
CSD revenue	76	-	217	141
Other revenue <sup>1)</sup>	28	20	164	156
<b>Total HEX Integrated Markets</b>	<b>463</b>	<b>234</b>	<b>1 505</b>	<b>1 276</b>
<b>OM Technology</b>				
License, support and project revenue	217	247	868	898
Facility Management Services	177	139	686	648
Other revenue <sup>2)</sup>	125	31	300	206
<b>Total OM Technology</b>	<b>519</b>	<b>417</b>	<b>1 854</b>	<b>1 752</b>
Parent Company and other functions <sup>3)</sup>	24	41	127	144
Group eliminations <sup>4)</sup>	-99	-80	-405	-386
<b>Total Group</b>	<b>907</b>	<b>612</b>	<b>3 081</b>	<b>2 786</b>
<b>Operating income</b>				
<b>HEX Integrated Markets</b>				
Operating income	206	102	567	463
Adjusted operating income <sup>5)</sup>	206	102	528	424
Adjusted operating margin, %	44	44	36	34
<b>OM Technology</b>				
Operating income	106	-35	-478	-619
Adjusted operating income <sup>5)</sup>	14	-35	-108	-157
Adjusted operating margin, %	3	-8	6	-9
Parent Company and other functions <sup>3)</sup>	-34	-45	-282	-293
<b>Total Group</b>	<b>278</b>	<b>22</b>	<b>-193</b>	<b>-449</b>

<sup>1)</sup> Including income from the formation of EDX London of SEK 46 m during April-June 2003.

<sup>2)</sup> Including income from the sale of NGX of SEK 92 m during January-March 2004 and income of SEK 54 m from the creation of EDX London during April-June 2003.

<sup>3)</sup> Parent Company and other functions includes primarily OM Treasury AB, OM Capital Insurance AG and XACT Fonder AB. Administration of all the Group's Swedish pre-mises is carried out within the Parent Company. Rent is invoiced per division.

<sup>4)</sup> Internal sales from the technology division to HEX Integrated Markets totaled SEK 63 (46) m.

<sup>5)</sup> Excluding items that affect comparability. (See page 10).

INCOME STATEMENT<sup>1)</sup>

	Jan-March 2004	Jan-March 2003	Apr-March 2003/2004 <sup>2)</sup>	Jan-Dec 2003 <sup>3)</sup>
<b>Amounts in SEK m</b>				
<b>Revenue</b>				
Net sales	815	612	2 889	2 686
of which own work capitalized	3	29	60	86
Other revenue <sup>2)</sup>	92	-	192	100
<b>Total revenue</b>	<b>907</b>	<b>612</b>	<b>3 081</b>	<b>2 786</b>
<b>Expenses</b>				
<b>External expenses</b>				
Premises	-52	-50	-343	-341
Marketing	-9	-9	-42	-42
Consultancy expenses	-60	-61	-262	-263
Operational and maintenance expenses, IT	-87	-54	-389	-356
Other external expenses	-47	-50	-254	-256
Personnel expenses	-279	-299	-1 402	-1 422
Depreciation and write-downs	-54	-42	-354	-342
Amortization and write-downs of goodwill	-46	-33	-247	-234
<b>Total expenses</b>	<b>-634</b>	<b>-598</b>	<b>-3 293</b>	<b>-3 256</b>
Participations in the earnings of associated companies	5	8	18	21
<b>Operating income</b>	<b>278</b>	<b>22</b>	<b>-193</b>	<b>-449</b>
Financial items	-8	-11	-20	-23
<b>Income after financial items</b>	<b>270</b>	<b>11</b>	<b>-213</b>	<b>-472</b>
Tax	-84	-3	-40	41
<b>Net income in reporting period</b>	<b>186</b>	<b>8</b>	<b>-253</b>	<b>-431</b>
Average number of shares during period, millions	115.547	84.041	107.614	99.738
Number of shares at period-end, millions	115.547	84.041	115.547	115.547
Average number of shares after full conversion, millions	116.640	84.819	108.707	100.645
Number of shares after full conversion, millions	116.640	84.819	116.640	116.635
Earnings per share, SEK <sup>3)</sup>	1.60	0.09	-2.82	-4.33
Earnings per share after full conversion, SEK <sup>3)</sup>	1.60	0.09	-2.82	-4.33

<sup>1)</sup> Expenses that were previously reported as items affecting comparability are now distributed according to the respective expense type and income are reported under Other revenue (see page 10).

<sup>2)</sup> For the period January-March 2004, refers to income from the sale of NGX of SEK 92 m and for the period January-December 2003 income from the formation of EDX London of SEK 100 m.

<sup>3)</sup> Earnings per share is calculated on a weighted average number of shares during the period.

## DEPRECIATION AND WRITE-DOWNS

SEK m (of which good will)	Jan-March 2004	Jan-March 2003	March-April 2003/2004	Jan-Dec 2003
<b>Depreciation</b>				
HEX Integrated Markets	41 (34)	13 (12)	136 (117)	108 (95)
OM Technology	45 (12)	48 (21)	203 (66)	206 (75)
Parent Company	14 (-)	14 (-)	60 (60)	60 (60)
<b>Total</b>	<b>100 (46)</b>	<b>75 (33)</b>	<b>399 (243)</b>	<b>374 (230)</b>
<b>Write-downs</b>				
HEX Integrated Markets	- (-)	- (-)	- (-)	- (-)
OM Technology	- (-)	- (-)	184 (64)	184 (64)
Parent Company	- (-)	- (-)	18 (-)	18 (-)
<b>Total</b>	<b>- (-)</b>	<b>- (-)</b>	<b>202 (64)</b>	<b>202 (64)</b>



## BALANCE SHEET

Amounts in SEK m	March 2004	March 2003	Dec 2003
Goodwill	2 379	862	2 410
Other intangible fixed assets	285	379	320
Tangible fixed assets	474	462	477
Financial fixed assets	993	845	968
Short-term receivables	1 349	1 183	1 209
Short-term investments	1 100	1 010	1 012
Cash and bank balances	209	158	350
<b>Total assets</b>	<b>6 789</b>	<b>4 899</b>	<b>6 746</b>
Shareholders' equity	3 696	1 938	3 533
Appropriations and minority interests	364	104	428
Long-term liabilities	405	258	401
Short-term liabilities	2 324	2 599	2 384
<b>Total liabilities and shareholders' equity</b>	<b>6 789</b>	<b>4 899</b>	<b>6 746</b>

## CHANGE IN SHAREHOLDERS' EQUITY

Amounts in SEK m	Jan-March 2004	Jan-March 2003	Jan-Dec 2003
Shareholders' equity – opening balance	3 533	2 017	2 017
Adjustments for changes in accounting principles. See page 10.	-2	-	-
Dividend	-	-84	-84
New share issue	-	-	1 953
Hedge for employee stock options	-	-6	29
Translation differences	-21	3	51
Other	-	-	-2
Net income in reporting period	186	8	-431
Shareholders' equity – closing balance	3 696	1 938	3 533

CASH FLOW STATEMENT<sup>1</sup>

Amounts in SEK m	Jan-March 2004	Jan-March 2003	Apr-March 2003/2004	Jan-Dec 2003
Cash flow from current operations before changes in working capital	150	84	226	160
Changes in working capital <sup>2)</sup>	-167	41	-199	9
<b>Cash flow from current operations</b>	<b>-17</b>	<b>125</b>	<b>27</b>	<b>169</b>
Cash flow from investment operations	35	-65	151	51
Cash flow from financing operations	-71	-167	-37	-133
<b>Change in liquid funds<sup>3)</sup></b>	<b>-53</b>	<b>-107</b>	<b>141</b>	<b>87</b>
Liquid funds – opening balance	1 362	1 275	1 168	1 275
Liquid funds – closing balance	1 309	1 168	1 309	1 362

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

<sup>2)</sup> Changes in short-term liabilities to credit institutions are reported under Cash flow from financing operations.

<sup>3)</sup> Liquid funds comprises short-term investments and cash and bank. Liquid funds not available to the Group totaled SEK 77 m at the period-end.

## NOTES AND OTHER INFORMATION

### NOTES TO THE INCOME STATEMENT

Group net sales amounted to 907 (612), including income from the sale of NGX of SEK 92 m. The company's net sales were SEK 815 (612) m during the first quarter, of which SEK 3 m was capitalized for own work. For comparable units, Group net sales increased by 2 percent compared to the same period last year. The increase can primarily be attributed to increased trading revenues within HEX Integrated Markets, while revenue from OM Technology decreased. Group operating expenses totaled SEK 634 m (598) during the first quarter. For comparable units, Group operating expenses fell by 16 percent compared to the same period in 2003. The decrease is mainly related to reduced personnel expenses, costs for premises and depreciation and can mainly be attributed to the cost-efficiency program.

Participations in the earnings of associated companies comes from Orc Software, NLK and EDX London. Group net financial items was a negative amount of SEK 8 m (-11). Tax expenses totaled SEK 84 m (3).

Currency effects had a marginal impact on Group revenue and income during the period.

### ADJUSTED INCOME STATEMENT

Previously, OMHEX reported items that made comparison difficult over time as items affecting comparability in the income statement. From 2004, these items will be distributed according to the expense type and income.

Adjusted amounts do not include items that affect comparability. For 2004, there is one item that affects comparability relating to the sale of NGX for SEK 92 m, which is reported under Other revenue in the income statement. For 2003, revenue affecting comparability is related to income from the creation of EDX London of SEK 100 m. In 2003, expenses affecting comparability amounted to SEK 662 m, which relates to restructuring, reserves for unutilized premises and write-downs related to the phase-out of products within OM Technology. A detailed description of these items is provided in the chart on page 13.

### COMPARABLE UNITS

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

### NOTES TO THE BALANCE SHEET

Consolidated goodwill of SEK 2 379 m (862) refers mainly to HEX and Stockholm Stock Exchange. Goodwill related to Stockholm Stock Exchange, which was acquired in 1998, was SEK 580 m (622). Goodwill related to HEX, which was acquired in 2003, amounted to SEK 1 715 m (-). Exchange rate fluctuations have increased goodwill related to HEX by SEK 32 m since the year end. Other intangible assets of SEK 285 m (379) are primarily balanced development expenses for system 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 7 m (49). Investments in equipment totaled SEK 41 m (12). The market value of OMHEX's holding in Orc Software (4.5 million shares) was SEK 381 m at the period-end, with a book value of SEK 89 m.

### NOTES TO THE CHANGE IN SHAREHOLDERS' EQUITY

Shareholders' equity was SEK 3 696 m (1 938). Compared to the first quarter of 2003, the increase is largely due to the acquisition of HEX and the new share issue that was carried out at the time of acquisition. For comparable units, excluding HEX, shareholders' equity decreased compared with the first quarter last year, mainly due to the previous year's negative results. During the reporting period shareholders' equity increased as a result of the period's positive results. The employee stock option programs that OMHEX distributed in 2000, 2001 and 2002, had no effect on shareholders' equity during the reporting period.

### NOTES TO THE CASH-FLOW STATEMENT

Cash flow from current operations consists of income after net financial items with depreciation added back and after paid tax. Certain restructuring costs from 2003 had an effect on the cash flow from current operations during the period. Positive cash flow from the sale of NGX is shown under Investment operations. The significant increase in working capital is partly because a portion of the purchase price from the sale of NGX will be paid after the end of the reporting period. Since the fourth quarter of 2003, changes in liquid funds are reported under Cash flow from financing operations. Previously, the item was reported under Change in working capital. Comparative figures for earlier periods have been revised according to this new classification.

### ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with the Swedish Financial Accounting Standards Council's Recommendations on Interim Reporting (RR 20).

From January 1, 2004, OMHEX has applied the Swedish Financial Accounting Standards Council's Recommendation regarding employee benefits (RR 29) for accounting of Group pension obligations, among other elements. In accordance with RR 29, pension obligations are classified as defined-contribution plans or defined-benefit plans. Comparative figures have not been calculated. The application of RR 29 has resulted in a pension obligation of SEK 2 m, which has been entered as a liability and has reduced shareholders' equity.

Considerable defined-benefit plans also exist in Norway and Finland. In certain countries, there are defined-benefit plans that are less significant. In others, defined-contribution plans are applied.

The defined-benefit obligations in Finland follow what is known as the TEL plan, which is a multi-employer plan. At present, the insurance company is unable to provide necessary information for OMHEX to be able to account for its share of obligations and assets under management with regard to pension obligations, which are a significant part of the plan. Local Finnish experts are expected to determine how to account for the TEL plan. Until such a decision is made, pension obligations in Finland will be accounted for as defined-contribution plans.

In general, the same accounting principles outlined in OMHEX's most recent annual report have been applied.

### SALE OF NGX

In January it was reported that TSX Group (Toronto Stock Exchange) acquired the NGX (Natural Gas Exchange) Canada Inc. from OMHEX for approximately CAD 38 m (SEK 211 m). The deal was carried out on March 1 and NGX was included in OMHEX until the end of February 2004. In addition, the agreement includes a five year technology contract. The parties also intend to look for areas in which to collaborate. The agreement also includes an exclusivity agreement regarding the POMAX series of products and services for the North American energy market for two years, which is why OMHEX carried out write-downs of intangible assets of SEK 13 m in conjunction with the transaction. In total, the sale of NGX had a positive effect of SEK 92 m on OMHEX's revenue during the first quarter, reported under Other revenue in OM Technology.

### ACQUISITION OF THE EXCHANGE AND CENTRAL SECURITIES DEPOSITORY OF LITHUANIA

Due to the privatization process in Lithuania, OMHEX was chosen as partner and buyer of 54.5 percent of the stock exchange (NSEL) and 32 percent of the central securities depository in Lithuania. Together with previously acquired shares in the Lithuanian exchange and after final negotiations and fulfilment of the share acquisition agreement, which is expected to take place during the second quarter of 2004, OMHEX will own 85 percent of NSEL.

## REVENUE AND INCOME BY DIVISION AND BUSINESS AREA

Amounts in SEK m	Jan-March 2004	Jan-March 2003	Apr-March 2003/2004	Jan-Dec 2003
<b>Revenue</b>				
<b>HEX Integrated Markets</b>				
Cash Markets	247	133	809	695
Derivatives Markets	128	101	394	367
Settlement & Depository	79	-	225	146
Baltic Operations	9	-	31	22
Other revenue <sup>1)</sup>	-	-	46	46
<b>Total HEX Integrated Markets</b>	<b>463</b>	<b>234</b>	<b>1 505</b>	<b>1 276</b>
<b>OM Technology</b>				
Banks & Brokers	102	82	351	331
Financial Markets	169	246	812	889
Global Services	173	121	632	580
Other revenue <sup>2)</sup>	107	3	186	82
Eliminations	-32	-35	-127	-130
<b>Total OM Technology</b>	<b>519</b>	<b>417</b>	<b>1 854</b>	<b>1 752</b>
Parent company and other functions	24	41	127	144
Group eliminations	-99	-80	-405	-386
<b>Total group</b>	<b>907</b>	<b>612</b>	<b>3 081</b>	<b>2 786</b>
<b>Operating income</b>				
<b>HEX Integrated Markets</b>				
Cash Markets	129	65	382	318
Derivatives Markets	65	37	112	84
Settlement & Depository	11	-	30	19
Baltic Operations	1	-	4	3
Other revenue <sup>1)</sup>	-	-	46	46
Other expenses <sup>4)</sup>	-	-	-7	-7
<b>Total HEX Integrated Markets</b>	<b>206</b>	<b>102</b>	<b>567</b>	<b>463</b>
<b>OM Technology</b>				
Banks & Brokers	2	-9	-50	-61
Financial Markets	26	26	63	63
Global Services	12	7	53	48
Common functions <sup>3)</sup>	-26	-59	-174	-207
Other revenue <sup>2)</sup>	92	-	146	54
Other expenses <sup>5)</sup>	-	-	-516	-516
<b>Total OM Technology</b>	<b>106</b>	<b>-35</b>	<b>-478</b>	<b>-619</b>
Parent company and other functions <sup>6)</sup>	-34	-45	-282	-293
<b>Total group</b>	<b>278</b>	<b>22</b>	<b>-193</b>	<b>-449</b>

<sup>1)</sup> Includes income from the formation of EDX London of SEK 46 m during April-June 2003.

<sup>2)</sup> Includes income from the sale of NGX of SEK 92 m during January-March 2004, as well as income of SEK 54 m from the formation of EDX London during April-June 2003.

<sup>3)</sup> Common functions comprises primarily expenses for common marketing and sales offices, expenses that are not included in income by business area.

<sup>4)</sup> Includes restructuring expenses of SEK 7 m for the period January-December 2003.

<sup>5)</sup> Includes restructuring costs of SEK 488 m as well as reserves for unutilized premises and write-downs of SEK 28 m related to product phase-out.

<sup>6)</sup> Include expenses of SEK 129 m as well as reserves for unutilized premises of SEK 10 m.

**SENSITIVITY ANALYSIS HEX INTEGRATED MARKETS****Trading revenue**

During the first quarter of 2004, 29 percent of HEX Integrated Markets' trading revenue was derived from equity (cash) trading and 26 percent from trading and clearing derivative products. Trading revenue is generated primarily within the Cash Markets, Derivatives Markets and Baltic Operations business areas.

For trading revenue from equity trading, the two most important parameters are the value of equity turnover and the number of equity transactions. A one percent change in value of the average daily equity trading volume would, on an annual basis (assuming an unchanged number of transactions) have a SEK +/- 4.6 m effect, calculated on trading levels in 2004.

As regards revenue from trading and clearing derivative products, the two most important parameters are the number of derivative contracts traded and the size of option premiums. A change in the average daily derivatives turnover of 1 000 contracts would, on an annual basis (assuming an unchanged average option premium and product mix), have a SEK +/- 1.2 m effect calculated on trading levels in 2004.

**Issuers' revenue**

Issuers' revenue comes from fees paid by companies listed on the exchange and is directly related to the market capitalization of the companies. Issuers' revenue is generated in the Cash Markets and Baltic Operations business areas. A ten percent change in the total market capitalization on HEX Integrated Markets would have a SEK +/- 5.0 m effect on issuers' revenue, calculated on an annual basis from the 2004 level based on operations carried out during the year.

**Information revenue**

HEX Integrated Markets sells trading information to just over 100 companies that disseminate it to a large number of end-users. Information revenue is generated within the Cash Markets and Baltic Operations business areas. Information dissemination is invoiced in arrears, and the size of fees varies according to the number of end-users.

**CSD revenue**

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

- Clearing (13 percent). The most important parameter is the number of equity transactions on Helsinki Exchanges.
- Equity settlement and depository (36 percent). The most important parameters are the market value of the securities held in custody and the number of book-entry accounts.
- Money market clearing and settlement (13 percent). The most important parameter is the market value of the securities held in custody.
- Ownership information maintenance and information sales (38 percent). The most important parameters are the number of customers, the number of book-entry accounts and the number of requests for information.

**Other revenue**

Other revenue includes revenue from training services. It also includes income from the formation of EDX London of SEK 46 m during April-June 2003.

**REVENUE SOURCES OM TECHNOLOGY****License, support and project revenue**

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

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

With regard to major system solutions for market participants 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 contracts run for a longer period. As regards systems solutions to market participants such as banks and brokerage firms, license fees are primarily variable and revenue is recognized on an ongoing basis while project revenue is recognized in relation to the degree of completion. Support revenue from this type of customer is mainly variable and recognized on an ongoing basis.

**Revenue from Facility Management Services**

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

**Other revenue**

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

## INVESTMENTS IN R &amp; D

	Jan-March 2004	Jan-March 2003	March-April 2003/2004	Jan-Dec 2003
Amounts in SEK m (of which expensed)				
HEX Integrated Markets	4 (3)	3 (3)	15 (14)	14 (14)
QM Technology	4 (0)	51 (18)	160 (44)	207 (62)
<b>Group total</b>	<b>8 (3)</b>	<b>54 (21)</b>	<b>175 (58)</b>	<b>221 (76)</b>

## INVESTMENTS

	Jan-March 2004	Jan-March 2003	March-April 2003/2004	Jan-Dec 2003
Amounts in SEK m				
Goodwill	-	-	1 764	1 764
Other intangible assets	7	49	135	177
Tangible assets	41	12	113	84
Assets acquired through acquisitions	-	-	161	161
<b>Total</b>	<b>48</b>	<b>61</b>	<b>2 173</b>	<b>2 186</b>

## ADJUSTED INCOME STATEMENT

	According to income statement Jan-Dec 2003	Adjusted Jan-Dec 2003	Adjusted Jan-Dec 2003
Amounts in SEK m			
<b>Total revenue</b>	<b>2 786</b>	<b>-100</b>	<b>2 886</b>
<b>Expenses</b>			
External expenses			
Premises	-341	133	-208
Marketing expenses	-42	-	-42
Consultancy expenses	-263	21	-242
Operational and maintenance expenses, IT	-356	72	-284
Other operating expenses	-256	18	-238
Personnel expenses	-1 422	216	-1 206
Depreciation and write-downs	-342	138	-204
Goodwill and write-downs of goodwill	-234	64	-170
<b>Total external expenses</b>	<b>-3 256</b>	<b>662</b>	<b>2 594</b>
Participations in the earnings of associated companies	21	-	21
<b>Operating income</b>	<b>-449</b>	<b>562</b>	<b>113</b>

## MAJOR SHAREHOLDERS AS PER 2004-03-31

	Number of shares	Share capital and votes, %
Investor AB	12 950 507	11.2
Swedish State	7 993 466	6.9
Robur funds	7 272 059	6.3
Nordea	6 595 078	5.7
Handelsbanken/SPP funds	6 402 726	5.5
Fidelity funds	6 011 102	5.2
FöreningsSparbanken	3 737 257	3.2
AMF Pension	3 600 000	3.1
Didner & Gerge fund	3 390 000	2.9
Olof Stenhammar & companies	3 017 590	2.6
Other Swedish owners	20 798 332	18.0
Other non-Swedish owners	33 778 898	29.2
Total number of shares	115 547 015	100.00

Source: SIS Ägarservice



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**OMHEX – Financial Calendar for 2004**

April 20, 2004 – Interim Report January-March 2004

July 21, 2004 – Interim Report January-June 2004

October 20, 2004 – Interim Report January-September 2004