

Interim Report January–June 2004





Restructuring completed on target

- ➔ Revenue was SEK 1,663 m (1,307), including SEK 108 m from sale of NGX and XACT
- ➔ Operating income amounted to SEK 424 m (neg: 513)
- ➔ Adjusted operating income was SEK 316 m (11)
- ➔ Income after financial items totaled SEK 406 m (neg: 521)
- ➔ Income after tax was SEK 267 m (neg: 457)
- ➔ Earnings per share at SEK 2.31 (neg: 5.44)
- ➔ Merger of APK and VPC proposed
- ➔ Full savings effect of cost-efficiency program achieved
- ➔ Cautious markets for both technology and exchange operations

CEO COMMENTS:

During the first six months of 2004, OMHEX had an operating income of SEK 424 m, compared to last year's loss of SEK 513 m. Adjusted operating income, that is income before restructuring costs and income from the sale of operations, was SEK 316 m compared to SEK 11 m during the same period last year. The main reason for this improvement is that we have now achieved full effect of the extensive cost-efficiency program carried out since the summer of 2003. This means that we can now put the considerable and difficult restructuring of OMHEX behind us. Since we initiated the program, the Group's comparable expenses have decreased by more than SEK 600 m year-on-year, which corresponds to a 26-percent reduction. This is fully in line with the goals we initially established.

Despite this turnaround, I would like to emphasize that Group profitability is not satisfactory. Activity on the markets for our technology operations continues to be cautious, even if we can see some signs of improvement. At the same time, turnover on our exchanges during the second quarter did not reach the high level of activity seen at the beginning of the year. OMHEX is, however, considerably more efficient and competitive today than it was a year ago, and we will not relent in

our efforts to achieve higher profitability and realize our visions.

As regards our vision of an integrated securities market in Northern Europe, we took a great step during the second quarter when the proposed merger of our Finnish subsidiary APK and the Swedish VPC was announced. We expect agreement negotiations to be finalized in the third quarter. The merger will form the foundation of a pan-Nordic central securities depository that will benefit our customers in and outside of the Nordic region, not least through the introduction of a common system platform. In this work, OM Technology will play a vital role. During the quarter, OM Technology's CLICK XT™ trading system was also introduced at Helsinki Exchanges for trading Finnish derivatives and in the autumn, SAXESS™ will be implemented for trading Finnish equities. During the quarter, we also acquired the stock exchange and part of the CSD in Lithuania.

With a considerably stronger OMHEX, we can now put all of our efforts into looking ahead.

Magnus Böcker
President and CEO

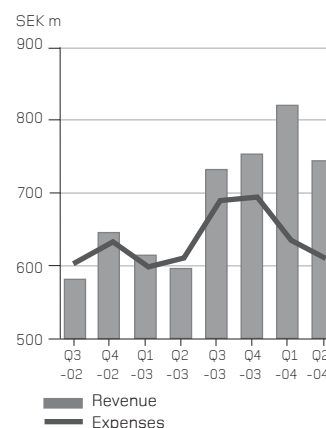
EARNINGS DEVELOPMENT BY QUARTER

SEK m	Apr-June 2004	Jan-March 2004	Oct-Dec 2003	July-Sept 2003	Apr-June 2003
Total revenue	756	907	750	729	695
Adjusted revenue ¹⁾	740	815	750	729	595
Total expenses	-611	-634	-733	-690	-1,235
Adjusted expenses ²⁾	-611	-634	-695	-690	-611
Operating income	146	278	19	45	-535
Adjusted operating income	130	186	57	45	-11
Income after financial items	136	270	10	39	-532
Earnings per share	0.71	1.60	0.08	0.14	-5.53

¹⁾ Adjusted revenue excludes income from the sale of XACT Fonder of SEK 16 m in April-June 2004, income from the sale of NGX of SEK 92 m during January-March 2004, and income from the creation of EDX London of SEK 100 m in April-June 2003.

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

ADJUSTED REVENUE AND EXPENSES



GROUP INCOME DEVELOPMENT DURING THE SECOND QUARTER

OMHEX is a leading provider of marketplace services and transaction technology. OMHEX has two divisions: HEX Integrated Markets and OM Technology.

The second quarter was characterized by cautious markets for both the Group's divisions. OMHEX's total revenue was SEK 756 m (SEK 695 m for the same period in 2003). Adjusted revenue totaled SEK 740 m (595). For comparable units* adjusted revenue fell 8 percent compared to the same period last year. The Group's decrease in revenue can be attributed to lower external revenue in OM Technology, in part due to the divestment of operations, product phase-out and the closing of offices. Comparable revenue in HEX Integrated Markets increased compared to the same period last year.

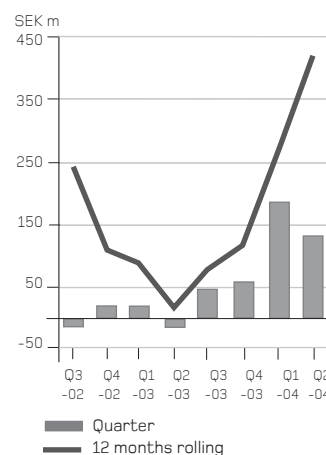
The Group's total expenses were 611 m (1,235) during the quarter. Adjusted expenses amounted to SEK 611 m (611). For comparable units, expenses dropped by approximately 26 percent compared to the same period last year. This decrease is mainly due to the cost-efficiency

program initiated at the end of the second quarter of 2003, which has now given full effect in line with the goals of the program. The program aimed to reduce Group expenses by SEK 578 m on a yearly basis, calculated from levels of operation in the second quarter of 2003. For comparable units, the Group's adjusted quarterly expenses went down by approximately SEK 153 m year-on-year, which corresponds to SEK 612 m on an annual basis. Certain cost synergies as a result of the merger of OM and HEX were achieved during the period.

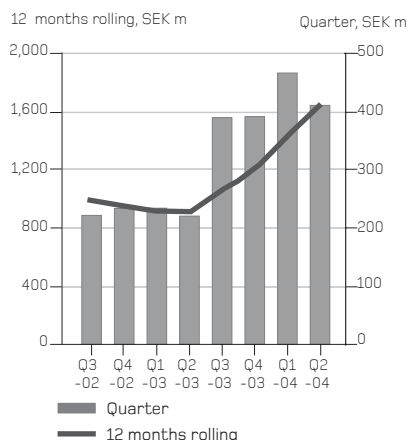
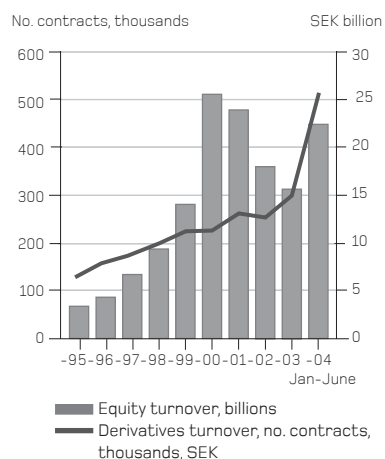
In June, XACT Fonder was sold to Handelsbanken. The sale had a positive income effect of approximately SEK 16 m, reported under *Other revenue* during the second quarter (see page 10).

Operating income amounted to SEK 146 m (neg: 535) during the second quarter. Adjusted operating income totaled SEK 130 m (neg:11). Operating income excluding amortization of goodwill totaled SEK 185 m (neg: 438). Income after financial items was SEK 136 m (neg: 532), while income after tax was SEK 81 m (neg: 465). Earnings per share was SEK 0.71 (neg: 5.53).

ADJUSTED OPERATING INCOME



*Comparable units refers to the Group 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
HEX INTEGRATED MARKETSAVERAGE DAILY TRADING ON
HEX INTEGRATED MARKETS'
MARKETPLACES

PERFORMANCE BY DIVISION DURING THE SECOND QUARTER

ADJUSTED REVENUES BY DIVISION

SEK m	Apr-June 2004	Jan-March 2004	Oct-Dec 2003	July-Sept 2003	Apr-June 2003
HEX Integrated Markets ¹⁾	408	463	392	387	217
OM Technology ²⁾	414	427	453	416	412
Parent Company ³⁾	18	24	30	33	40
Eliminations	-100	-99	-125	-107	-74
Total revenues	740	815	750	729	595

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

HEX Integrated Markets

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

The division's adjusted revenue increased to SEK 408 m (217) compared to the same period last year. For comparable units, revenue rose 19 percent, mainly due to increased revenue from exchange operations, both with regard to equity and derivatives trading. The division's adjusted expenses totaled SEK 257 m (141). For comparable units, expenses increased 5 percent compared to the same period in 2003. Operating income was SEK 148 m (76).

The statistical data by business area below are pro forma, that is, as if HEX had been a part of the Group during all of 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 225 m (131) during the second quarter. For comparable units, revenue increased 16 percent compared to the same period last year. Operating income totaled SEK 109 m (68) during the quarter. The average number of transactions per day increased by 14 percent to 54,935 (48,155) compared to the same period in 2003. Equity turnover increased by 42 percent to SEK 19,872 m (13,985) per day on average.

Turnover velocity in equity trading increased to 130 (112) percent during the quarter. A new fee structure for equity trading at Helsinki Exchanges was introduced at the beginning of the year to harmonize fees between the exchanges in Helsinki and Stockholm.

Derivatives Markets includes derivatives trading and clearing operations at Stockholmsbörsen and Helsinki Exchanges, as well as cooperations with Eurex and EDX London. The business area's revenue was SEK 92 m (86) during the second quarter. For comparable units, revenue increased by 8 percent year-on-year. Operating income totaled SEK 24 m (8). The total number of derivatives contracts traded daily on Stockholmsbörsen and Helsinki Exchanges increased by 29 percent to 380,960 (295,703) on average during the quarter, while the number of Finnish options contracts traded daily on Eurex increased to 88,921 (47,899). In order to stimulate trading, the fees for trading Finnish stock options on Eurex were lowered at the beginning of 2004.

Settlement & Depository comprises the Finnish central securities depository (APK), which provides clearing, settlement and depository services for equities and fixed-income products. Revenue was SEK 79 m during the second quarter. Operating income was SEK 11 m. The number of settled transactions rose by 19 percent year-on-year, while the total market value of deposited securities grew 1 percent.



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 was SEK 12 m during the quarter and operating income was SEK 4 m. Equity turnover on the exchanges included in the business area amounted to SEK 33 m (33) per day on average during the quarter. During the quarter, the stock exchange and part of the CSD in Lithuania were acquired and are included in the business area from June 30.

OM Technology

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

The division's adjusted revenue was SEK 414 m (412) during the second quarter. For comparable units, adjusted revenue fell 16 percent year-on-year, mainly due to the divestment of operations and product phase-out. Internal sales to HEX Integrated Markets totaled SEK 74 m (42). The division's adjusted expenses equaled SEK 400 m (461). For comparable units, expenses dropped by 23 percent. The adjusted operating income was SEK 17 m (neg: 46) and the adjusted operating margin was 4 (neg: 11) percent. The reduction in costs and the improvement in income is a result of the extensive cost-efficiency program carried out in the division.

Investments in R&D amounted to SEK 7 m (58), which corresponds to 2 (14) percent of adjusted revenue, of which SEK 7 m (44) has been capitalized. OMHEX has estimated that investment levels in R&D over time should be around 10 percent of OM Technology's revenues. Order intake during the second quarter totaled SEK 291 m (259), of which SEK 9 m (17) relates to HEX Integrated Markets. At the end of the quarter, the order value amounted to SEK 2,802 m (2,882), of which orders for SEK 1,074 m (1,075) are due for delivery within 12 months. Orders to HEX Integrated Markets account for

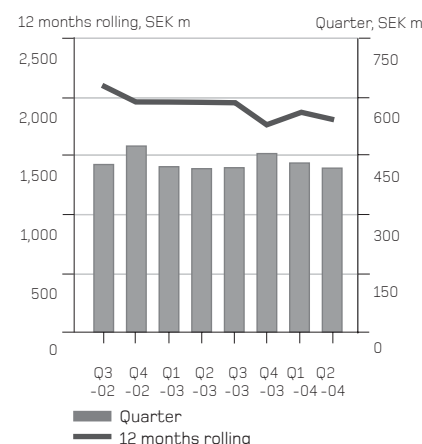
SEK 938 m (716) of the total order value, of which orders for SEK 302 (150) m are due for delivery within the next 12 months. Common functions in OM Technology comprise mainly expenses for marketing and sales offices, expenses that are not included in the results by business area below.

Banks & Brokers offers back-office services and systems solutions to banks and brokerage firms. Revenue was SEK 91 m (70) during the second quarter. For comparable units, revenue fell 9 percent year-on-year, mainly due to product phase-out, closing of offices and a continued cautious market. Operating income was SEK 3 m (neg: 23).

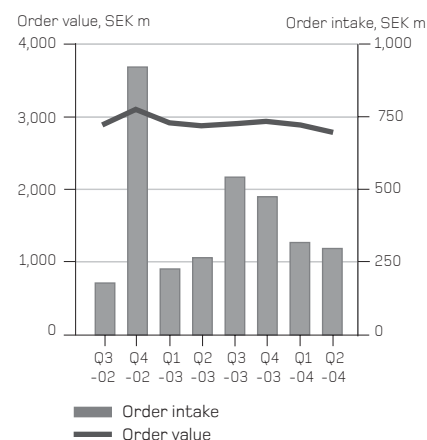
Financial Markets provides systems solutions to exchanges, clearing organizations and central securities depositories. Revenue was SEK 161 m (234) during the quarter. The decrease in revenue is mainly due to the sale of NGX and UKPX, as well as the phase-out of the POMAX product portfolio and the fact that certain support revenue has been moved to the Global Services business area. At the same time, demand for systems solutions from the market continued to be low. Operating income totaled SEK 21 m (12). During the quarter, OM Technology received an order from the Australian Stock Exchange for the delivery of the CLICK XT trading system, including a ten-year support agreement. In addition, OM Technology signed an extended five-year support agreement with the Korea Futures Exchange.

Global Services offers outsourcing services to exchanges, clearing organizations, central securities depositories, banks and brokerage firms. Revenue totaled SEK 186 m (132) during the quarter. For comparable units, revenue rose 9 percent year-on-year, mainly because certain support revenue was moved from Financial Markets. Operating income was SEK 19 m (19).

ADJUSTED REVENUE OM TECHNOLOGY



ORDER VALUE AND ORDER INTAKE OM TECHNOLOGY



OTHER IMPORTANT INFORMATION

Financial position

Total assets were SEK 6,622 m at period-end, compared to SEK 4,414 m at the end of the same period last year. The equity/assets ratio rose to 57 (34) percent. OMHEX's interest-bearing net debt decreased to SEK 455 m (971), due to a positive cash flow from operations, sales of operations and cash obtained from the merger of OM and HEX. At period-end, interest-bearing financial liabilities were SEK 1,892 m (1,856), of which SEK 403 m (200) are long-term. OMHEX's available credit arrangement totaled SEK 2,600 m (3,700), of which SEK 1,984 m (1,794) has been utilized. OMHEX also has available credit arrangements of SEK 860 m for clearing operations. Interest-bearing financial assets were SEK 1,437 m (885), of which SEK 105 m (83) are fixed.

OM HEX AB

OM HEX AB is the Parent Company in the Group and handles group functions and holding operations for the Group's subsidiaries. Group revenue totaled SEK 34 m (37) during the quarter, including income from the sale of XACT Fonder. The loss before appropriations and tax was SEK 35 m (neg: 109). Liquid assets totaled SEK 1 m (0) and investments were SEK 16 m (4).

Number of employees and consultants

The number of employees and consultants fell to 1,555 (1,619) at period-end. For comparable units, the number of employees and consultants fell 27 percent. Of these, 126 (96) were long-term leave takers, mainly on parental leave. The number of employees totaled 1,511 (1,506) at period-end, of which 392 (153) worked within HEX Integrated Markets, 1,034 (1,257) within OM Technology and 84 (96) within the Parent Company.

Integration work

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

Riga. Furthermore, the trading rules within HEX Integrated Markets and the opening hours at the exchanges in Helsinki and Stockholm will be harmonized. Some of the expected cost synergies from the integration work had an effect during the quarter.

Proposed merger of APK and VPC

In April, OMHEX and VPC signed a Letter of Intent to merge OMHEX's Finnish subsidiary APK and Swedish VPC to build a strong group for securities handling in the Nordic countries. The transaction is expected to be completed during the third quarter of 2004, and to have a total value of SEK 1,020 m including the purchase price, licence revenue and around 20-percent shareholding in the new company.

Management changes

On June 23, Kristina Schauman was appointed new CFO of OMHEX, effective November 1 when the current CFO Per Nordberg will leave the company. In May, it was announced that Stockholmsbörsen's President Kerstin Hessius will leave the company on August 31. Henrik Paulsson has been appointed acting President until a new President is appointed.

Outlook

Revenue from HEX Integrated Markets is largely dependent on market development and trading volumes at the exchanges in Stockholm and Helsinki. During the third quarter, OM Technology's revenue are expected to be lower due to seasonal variations. Group expenses are also expected to be low due to seasonal variations. Cost synergies related to the merger of OM and HEX are expected to have a continued effect.

OM HEX AB (publ)

Stockholm, July 21, 2004

Magnus Böcker

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 21, 2004

Peter Clemedtson

Björn Fernström

Authorized Public Accountants

KEY RATIOS¹⁾

	Jan-June 2004	Jan-June 2003	Jan-June 2002	Jan-Dec 2003
Earnings per share	2.31	-5.44	0.54	-4.33
Share price at period-end, SEK	90	57	69	89.5
Average number of OMHEX shares traded per day, 000s	467	123	168	413
P/E ratio ²⁾	36	Neg.	Neg.	Neg.
Shareholders' equity per share, SEK	33	18	26	31
Share price/shareholders' equity per share	3	3	3	3
Return on shareholders' equity, % ²⁾	8	-30	-2	-16
Return on capital employed, % ³⁾	10	-13	2	-8
Equity/assets ratio, %	57	34	37	52
Number of employees at period-end	1,511	1,506	1,674	1,603
Average number of employees at period-end	1,516	1,577	1,651	1,682

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

²⁾ Calculated using 12 months rolling income.

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

REVENUE AND OPERATING INCOME

Amounts in SEK m	Apr-June 2004	Apr-June 2003	Jan-June 2004	Jan-June 2003	July-June 2003/2004	Jan-Dec 2003
Revenue						
HEX Integrated Markets						
Trading revenue	196	129	450	276	815	641
Issuers' fees	56	40	104	79	202	177
Information sales	55	25	112	53	220	161
CSD revenue	77	-	153	-	294	141
Other revenue ¹⁾	24	69	52	89	119	156
Total HEX Integrated Markets	408	263	871	497	1,650	1,276
OM Technology						
License, support and project revenue	218	229	435	476	857	898
Facility Management Services	184	129	361	268	741	648
Other revenue ²⁾	12	108	137	139	204	206
Total OM Technology	414	466	933	883	1,802	1,752
Parent Company and other functions ³⁾	34	40	58	81	121	144
Group eliminations ⁴⁾	-100	-74	-199	-154	-431	-386
Total Group	756	695	1,663	1,307	3,142	2,786
Operating income						
HEX Integrated Markets						
Operating income	148	115	354	217	600	463
Adjusted operating income ⁵⁾	148	76	354	178	600	424
Adjusted operating margin, %	36	35	41	39	36	34
OM Technology						
Operating income	17	-480	123	-515	19	-619
Adjusted operating income ⁵⁾	17	-46	31	-81	-45	-157
Adjusted operating margin, %	4	-11	4	-10	-3	-9
Parent Company and other functions ³⁾	-19	-170	-53	-215	-131	-293
Total Group	146	-535	424	-513	488	-449

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

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

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

⁴⁾ Internal sales from the technology division to HEX Integrated Markets totaled SEK 74 m [42].

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

INCOME STATEMENT¹⁾

Amounts in SEK m	Apr–June 2004	Apr–June 2003	Jan–June 2004	Jan–June 2003	July–June 2003/2004 ²⁾	Jan–Dec 2003 ³⁾
Revenue						
Net sales	740	595	1,555	1,207	3,034	2,686
of which own work capitalized	6	27	9	56	39	86
Other revenue ²⁾	16	100	108	100	108	100
Total revenue	756	695	1,663	1,307	3,142	2,786
Expenses						
External expenses						
Premises	-41	-157	-93	-207	-227	-341
Marketing	-14	-10	-23	-19	-46	-42
Consultancy expenses	-53	-82	-113	-143	-233	-263
Operation and maintenance, IT	-70	-133	-157	-187	-326	-356
Other external expenses	-74	-74	-121	-124	-253	-256
Personnel expenses	-272	-499	-551	-798	-1,175	-1,422
Depreciation and write-downs	-48	-183	-102	-225	-219	-342
Depreciation and write-downs of goodwill	-39	-97	-85	-130	-189	-234
Total expenses	-611	-1,235	-1,245	-1,833	-2,668	-3,256
Participations in the earnings of associated companies	1	5	6	13	14	21
Operating income	146	-535	424	-513	488	-449
Financial items	-10	3	-18	-8	-33	-23
Income after financial items	136	-532	406	-521	455	-472
Tax	-54	67	-138	64	-161	41
Minority interest	-1	0	-1	0	-1	0
Net income in reporting period	81	-465	267	-457	293	-431
Average number of shares, millions	115.547	84.041	115.547	84.041	115.491	99.738
Number of shares at period-end, millions	115.547	84.041	115.547	84.041	115.547	115.547
Average number of shares after full conversion, millions	115.837	84.819	115.837	84.819	115.660	100.645
Number of shares after full conversion at period-end, millions	115.837	84.819	115.837	84.819	115.837	116.635
Earnings per share, SEK ³⁾	0.71	-5.53	2.31	-5.44	2.54	-4.33
Earnings per share, SEK, after full conversion ³⁾	0.71	-5.53	2.31	-5.44	2.54	-4.33

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

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

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

DEPRECIATION AND WRITE-DOWNS

Amounts in SEK m (of which goodwill)	Apr–June 2004	Apr–June 2003	Jan–June 2004	Jan–June 2003	July–June 2003/2004	Jan–Dec 2003
Depreciation						
HEX Integrated Markets	40 (33)	13 (12)	81 (67)	26 (25)	163 (137)	108 (95)
OM Technology	37 (6)	51 (21)	82 (18)	99 (41)	189 (52)	206 (75)
Parent Company	10 (-)	14 (-)	24 (-)	28 (-)	56 (-)	60 (-)
Total	87 (39)	78 (33)	187 (85)	153 (66)	408 (189)	374 (170)
Write-downs						
HEX Integrated Markets	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
OM Technology	- (-)	184 (64)	- (-)	184 (64)	- (-)	184 (64)
Parent Company	- (-)	18 (-)	- (-)	18 (-)	- (-)	18 (-)
Total	- (-)	202 (64)	- (-)	202 (64)	- (-)	202 (64)

BALANCE SHEET

Amounts in SEK m	June 2004	June 2003	Dec 2003
Goodwill	2,347	760	2,410
Other intangible fixed assets	284	288	320
Tangible fixed assets	459	422	477
Financial fixed assets, non-interest-bearing	762	822	884
Financial fixed assets, interest-bearing	105	83	84
Short-term receivables, non-interest-bearing	1,333	1,174	859
Short-term receivables, interest-bearing	1,156	802	1,362
Cash and bank balances	176	63	350
Total assets	6,622	4,414	6,746
Shareholders' equity	3,761	1,521	3,533
Minority interests	30	0	2
Appropriations	258	424	426
Long-term liabilities, non-interest-bearing	14	2	1
Long-term liabilities, interest-bearing	403	200	400
Short-term liabilities, non-interest-bearing	667	611	725
Short-term liabilities, interest-bearing	1,489	1,656	1,659
Total liabilities and shareholders' equity	6,622	4,414	6,746

CHANGE IN SHAREHOLDERS' EQUITY

Amounts in SEK m	Jan-June 2004	Jan-June 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	-	22	29
Translation differences	-37	23	51
Other	0	0	-2
Net income in reporting period	267	-457	-431
Shareholders' equity - closing balance	3,761	1,521	3,533

CASH FLOW STATEMENT¹

Amounts in SEK m	Apr-June 2004	Apr-June 2003	Jan-June 2004	Jan-June 2003	July-June 2003/2004	Jan-Dec 2003
Cash flow from current operations before changes in working capital	117	-34	267	50	377	160
Changes in working capital ²⁾	97	-87	-70	-46	-15	9
Cash flow from current operations	214	-121	197	4	362	169
Cash flow from investment operations	-30	97	5	32	24	51
Cash flow from financing operations	-161	-345	-232	-512	147	-133
Changes in liquid funds³⁾	23	-369	-30	-476	533	87
Liquid funds - opening balance	1,309	1,168	1,362	-1,275	799	1,275
Liquid funds - closing balance	1,332	799	1,332	799	1,332	1,362

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

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

³⁾ Liquid funds comprises short-term investments and cash and bank balances. Liquid funds not available to the Group totaled SEK 83 m at the period-end.

NOTES AND OTHER INFORMATION

NOTES TO THE INCOME STATEMENT

Group revenue during the quarter amounted to SEK 756 m (695), including income of SEK 16 m from the sale of XACT Fonder during the second quarter of 2004 and income of SEK 100 m from the creation of EDX London during the second quarter of 2003. Group net sales totaled SEK 740 m (595), of which SEK 6 m was capitalized for own work and SEK 15 m relates to sales from OM Technology that have been capitalized within HEX Integrated Markets. For comparable units, Group net sales decreased by 8 percent year-on-year. The reduction is mainly due to lower license, support and project revenue as well as lower other revenue due to divested operations within OM Technology. Revenue from HEX Integrated Markets grew as a result of increased trading activity on the exchanges. Group expenses totaled SEK 611 m (1,235) during the second quarter. For comparable units, Group expenses fell 26 percent year-on-year. The decrease is mainly related to personnel costs, costs for premises and depreciation, and can primarily be attributed to the cost-efficiency program carried out.

Participations in the earnings of associated companies come from Orc Software, NLK and EDX London. Group net financial items totaled a negative amount of SEK 10 m (positive: 3). During the second quarter 2003, Group financial net included a dividend of SEK 19 from HEX. Tax expenses during the quarter amounted to SEK 54 m, while tax revenue during the same period last year was SEK 67 m.

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

ADJUSTED REVENUE AND EXPENSES

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

Adjusted amounts do not include items that affect comparability. For 2004, this relates to income of SEK 92 m from the sale of NGX and income of SEK 16 m from the sale of XACT Fonder. For 2003, revenue affecting comparability relates to income of SEK 100 m from the creation of EDX London. In 2003, expenses affecting comparability totaled SEK 662 m, which relates to restructuring, reserves for unutilized premises and write-downs related to product phase-out 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, or the derivatives business of OM London Exchange, which was sold in June 2003.

NOTES TO THE BALANCE SHEET

Consolidated goodwill of SEK 2,335 m (760) relates mainly to HEX and the Stockholm Stock Exchange. Goodwill related to the Stockholm Stock Exchange, which was acquired in 1998, amounts to SEK 569 m (611). Goodwill related to HEX, which was acquired in 2003, totals SEK 1,682 (-). Exchange rate fluctuations have had an impact on goodwill related to HEX of SEK 8 m since the beginning of the year. Other intangible assets of SEK 284 m (288) are primarily balanced development expenses for system products that are depreciated over 3-5 years and valued on an ongoing basis against current market conditions.

During the quarter, Group investments in intangible fixed assets amounted to SEK 64 m (39). Investments in equipment totaled SEK 29 m (21). The market value of OMHEX's holding in Orc Software (4.5 million shares) was SEK 303 m at the period-end, with a book value of SEK 89 m. In addition, a convertible loan of SEK 55 m was repaid during the period.

NOTES TO THE CHANGE IN SHAREHOLDERS' EQUITY

Shareholders' equity was SEK 3,761 m (1,521). Compared to the second quarter of 2003, the increase is largely due to the acquisition of HEX and the new share issue carried out at the time of the acquisition. For comparable units, excluding HEX, shareholders' equity decreased compared to the first quarter of 2003, mainly because of the previous year's negative results. During 2004, shareholders' equity rose due to the period's positive result and the sale of NGX and XACT Fonder. The employee stock option programs that OMHEX distributed in 2000, 2001 and 2002 had no effect on shareholders' equity during the quarter.

NOTES TO THE CASH FLOW STATEMENT

Cash flow from current operations comprises operating income with depreciation and capital gains added back after financial items and paid tax. Certain restructuring expenses and integration expenses from 2003 had an impact on cash flow from current operations during the period. Positive cash flow from the sale of XACT Fonder is shown under *Investment operations*. The significant decrease in working capital is mainly due to the fact that the remaining portion of the purchase price from the sale of NGX was received during the period. Since the fourth quarter of 2003, changes in liquid funds are reported under *Cash flow from financing operations*. Previously, this item was reported under *Changes in working capital*. Comparative figures for earlier periods have been revised to reflect this new classification.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with the Swedish Financial Accounting Standards Council's Recommendations on Interim Reporting (RR 20). From January 1, 2004, OMHEX has applied the Swedish Financial Accounting Standards Council's Recommendation regarding employee benefits (RR 29), among other elements, for accounting of Group pension obligations. 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 was entered as a liability and has reduced shareholders' equity during the first quarter.

With these exceptions, the same accounting principles outlined in OMHEX's most recent Annual Report have been applied.

SALE OF XACT FONDER

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

ACQUISITION OF EXCHANGE AND CENTRAL SECURITIES DEPOSITORY IN LITHUANIA

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

LEGAL DISPUTES

OMHEX again rejected the patent infringement lawsuit and damage claim from eSpeed of up to USD 64 m. During the quarter, OMHEX also rejected a lawsuit regarding the additional repayment of value added tax in Finland of a maximum amount of EUR 5 m. OMHEX did not make any reserves for ongoing legal disputes during the quarter.

REVENUE AND INCOME BY DIVISION AND BUSINESS AREA

Amounts in SEK m	Apr-June 2004	Apr-June 2003	Jan-June 2004	Jan-June 2003	July-June 2003/2004	Jan-Dec 2003
Revenue						
HEX Integrated Markets						
Cash Markets	225	131	472	264	903	695
Derivatives Markets	92	86	220	187	400	367
Settlement & Depository	79	-	158	-	304	146
Baltic Operations	12	-	21	-	43	22
Other revenue ¹⁾	-	46	-	46	-	46
Total HEX Integrated Markets	408	263	871	497	1,650	1,276
OM Technology						
Banks & Brokers	91	70	193	152	372	331
Financial Markets	161	234	330	480	739	889
Global Services	186	132	359	253	686	580
Other revenue ²⁾	7	61	114	64	132	82
Eliminations	-31	-31	-63	-66	-127	-130
Total OM Technology	414	466	933	883	1,802	1,752
Parent Company and other functions ³⁾	34	40	58	81	121	144
Group eliminations	-100	-74	-199	-154	-431	-386
Total Group	756	695	1,663	1,307	3,142	2,786
Operating income						
HEX Integrated Markets						
Cash Markets	109	68	238	133	423	318
Derivatives Markets	24	8	89	45	128	84
Settlement & Depository	11	-	22	-	41	19
Baltic Operations	4	-	5	-	8	3
Other revenue ¹⁾	-	46	-	46	-	46
Other expenses ⁴⁾	-	-7	-	-7	-	-7
Total HEX Integrated Markets	148	115	354	217	600	463
OM Technology						
Banks & Brokers	3	-23	5	-32	-24	-61
Financial Markets	21	12	47	38	72	63
Global Services	19	19	31	26	53	48
Common functions ⁵⁾	-26	-54	-52	-113	-146	-207
Other revenue ²⁾	-	54	92	54	92	54
Other expenses ⁶⁾	-	-488	-	-488	-28	-516
Total OM Technology	17	-480	123	-515	19	-619
Parent Company and other functions ⁷⁾	-19	-170	-53	-215	-131	-293
Total Group	146	-535	424	-513	488	-449

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

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

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

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

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

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

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

SENSITIVITY ANALYSIS AND REVENUE SOURCES

HEX INTEGRATED MARKETS

Trading revenue

During the second quarter of 2004, 69 percent of HEX Integrated Markets' trading revenue was derived from equity (cash) trading and 31 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 ten 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 +/- 40 m impact, calculated on trading levels during the second quarter of 2004.

As regards revenue from trading and clearing derivative products, the two most important parameters are the number of derivative contracts traded and the size of option premiums. A change in the average daily derivatives turnover of 1,000 contracts would, on an annual basis (assuming an unchanged average option premium and product mix), have a SEK +/- 1.7 m impact calculated on trading levels during the second quarter of 2004.

Issuers' revenue

Issuers' revenue comes from fees paid by companies listed on the exchange and is directly related to the market capitalization of the companies. Issuers' revenue is generated in the Cash Markets and Baltic Operations business areas. A ten percent change in the total market capitalization on HEX Integrated Markets would have a SEK +/- 5.0 m impact 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 of equities (12 percent). The most important parameter is the number of equity transactions on Helsinki Exchanges.
- Equity settlement and depository (34 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 (41 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 mainly revenue from training services and internal sales from the Settlement & Depository business area to the Banks & Brokers business area. It also includes income of SEK 46 m from the formation of EDX London during April-June 2003.

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, for instance, relating to functionality and capacity. This involves development, testing and installation work, all of which generate project revenue that is invoiced continually according to degree of completion. When 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 customers such as exchanges and clearing organizations, license and project revenue is mostly fixed and recognized in relation to the degree of completion. Support revenue is mainly fixed and contracts usually 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 (both of which were sold during 2004) and some resale of third party products as well as hosting revenue and other sales that cannot be classified together with the revenue sources above. It also includes income of SEK 92 m from the sale of NGX during January-March 2004 and income of SEK 54 m from the creation of EDX London during April-June 2003.

INVESTMENTS

	Apr-June 2004	Apr-June 2003	Jan-June 2004	Jan-June 2003	July-June 2003/2004	Jan-Dec 2003
Amounts in SEK m						
Goodwill	46	-	46	-	1,810	1,764
Other intangible assets	18	39	25	88	114	177
Tangible assets	29	21	70	33	121	84
Assets acquired through acquisitions	2	-	2	-	163	161
Total	95	60	149	121	2,208	2,186

INVESTMENTS IN R&D

	Apr-June 2004	Apr-June 2003	Jan-June 2004	Jan-June 2003	July-June 2003/2004	Jan-Dec 2003
Amounts in SEK m (of which expensed)						
HEX Integrated Markets	4 (2)	3 (3)	8 (5)	6 (6)	16 (13)	14 (14)
OM Technology	7 (0)	58 (14)	11 (0)	109 (32)	109 (30)	207 (62)
Total Group	11 (2)	61 (17)	19 (5)	115 (38)	125 (43)	221 (76)

ADJUSTED INCOME STATEMENT

	Acc. to income statement Apr-June 2003	Adjustments Apr-June 2003	Adjusted Apr-June 2003	Acc. to income statement Jan-Dec 2003	Adjustments Jan-Dec 2003	Adjusted Jan-Dec 2003
Amounts in SEK m						
Total revenue	695	-100	595	2,786	-100	2,686
Expenses						
External expenses						
Premises	-157	105	-52	-341	133	-208
Marketing	-10	-	-10	-42	-	-42
Consultancy expenses	-82	21	-61	-263	21	-242
Operation and maintenance, IT	-133	72	-61	-356	72	-284
Other external expenses	-74	18	-56	-256	18	-238
Personnel expenses	-499	206	-293	-1,422	216	-1,206
Depreciation and write-downs	-183	138	-45	-342	138	-204
Depreciation and write-downs of goodwill	-97	64	-33	-234	64	-170
Total operating expenses	-1,235	624	-611	-3,256	662	-2,594
Participations in the earnings of associated companies	5	-	5	21	-	21
Operating income	-535	524	-11	-449	562	113

MAJOR SHAREHOLDERS AS AT 2004-06-30

	Number of shares	Share capital and votes, %
Investor AB	12,950,507	11.2
Swedish State	7,993,466	6.9
Handelsbanken/SPP funds	7,570,875	6.6
Robur funds	7,048,601	6.1
Nordea	6,632,078	5.7
AMF Pension/AMF Pension funds	6,294,400	5.4
Fidelity funds	5,041,409	4.4
FöreningsSparbanken	3,739,275	3.2
Didner & Gerge fund	3,450,000	3.0
Handelsbanken	3,066,279	2.7
Other Swedish owners	35,700,273	30.9
Other non-Swedish owners	16,059,852	13.9
Total number of shares	115,547,015	100.0

Source: SIS Ägarservice

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OMHEX – Financial calendar for 2004

July 21, 2004 – Interim Report January-June 2004

October 20, 2004 – Interim Report January-September 2004