

# OMX FINANCIAL YEAR-END REPORT 2006

## - earnings per share increased by 64 percent

### 2006

- Revenues amounted to SEK 3,610 m (3,136)
- Operating income rose to SEK 1,211 m (910)
- Income after financial items rose to SEK 1,151 m (846)
- Income after tax rose to SEK 911 m (543)
- Earnings per share rose to SEK 7.64 (4.66)
- Return on shareholders' equity rose to 20 percent (12)
- The Board proposes a dividend of SEK 6.50 (9.50) per share, of which SEK 2.00 (3.50+3.00) is an extra dividend

### Fourth quarter 2006

- Revenues amounted to SEK 1,025 m (847)
- Operating income rose to SEK 355 m (263)
- Income after financial items rose to SEK 339 m (255)
- Income after tax rose to SEK 296 m (187)
- Earnings per share amounted to SEK 2.47 (1.62)

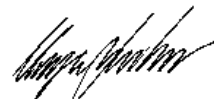
**CEO comments:** *In many ways, 2006 was a record-breaking year for OMX, in which we generated the highest revenues and the highest operating income in the company's history. Earnings per share rose by 64 percent compared with the preceding year and return on shareholders' equity amounted to 20 percent. After several years of structural and change activities, OMX is now well positioned in the global exchange industry, an industry characterized by strong structural growth.*

*We witnessed a substantial increase in activities in all of our business areas during the year. The development of the Nordic Exchange was in focus for the Nordic Marketplaces business area. The launch on October 2 was well received and integration work continues with our customers. As part of the Nordic Exchange's offering, First North was established during the year as one of Europe's leading alternative market places. Trading volumes in 2006 broke several records and we welcomed more than 100 new companies to the Nordic Exchange's main market and First North. The number of equity transactions on our exchanges amounted to 123,000 per day, representing an increase of 47 percent compared with 2005.*

*The Information Services & New Markets business area launched a Nordic offering for market data including all information from the Nordic Exchange. We are developing new communications services for launch in early 2007 to further facilitate communications for our listed companies and the media. In 2006, we worked intensely on integrating the Baltic stock exchanges, and we saw an increase in the rate of growth primarily toward the end of the year. Based on our experience with integrating regional exchanges, we also initiated a focus in Central and Eastern Europe, which partly has resulted in OMX submitting a bid on the stock exchange in Slovenia at the end of the year. The order intake for the Market Technology business area amounted to a total of SEK 1.9 billion in 2006, compared with SEK 1.2 billion in 2005. In addition to intensified activities in OMX, we also saw increased demand among existing customers such as ISE, Nordpool and Borsa Italiana, and from new customers such as Tadawul in Saudi Arabia and CASE in Egypt. We also saw how the rise in the order intake resulted in increased revenues toward the end of the year, and the highest priority is to ensure that this growth will also lead to increased profitability. An operating margin of 10 percent is a minimum for this business area.*

*With a highly successful 2006 behind us, I would like to emphasize that our work continues to further develop our efficiency. We have accelerated our positioning work for MiFID, the new EU Directive to be introduced in 2007. This Directive will lead to increased competition for European exchanges and it is extremely important that we ensure that we take advantage of the opportunities that will arise as well as take the necessary measures to handle potential risks. An important part of this is that we participate in the European Commission's work toward creating effective securities administration.*

*2006 was a record year for OMX and operating in a growth industry creates many opportunities. Accordingly, we are looking forward to 2007 with confidence and excitement.*



Maghus Böcker  
President and CEO

# Group income development

## Income development during 2006

For OMX, 2006 was characterized by high market activity and increased profitability, focus on new products and services, and the integration of completed acquisitions.

OMX's total revenues rose by 15 percent to SEK 3,610 m (3,136 in 2005) for 2006. The largest sources of the increase in revenues are rising trading revenues, information revenues and facility management services revenues in the technology operations. Total revenues also include SEK 22 m in earnings for the sale of shares in Norsk Oppgørssentral ASA (NOS) and SEK 83 m attributable to the sale of shares in VPC AB. The fourth quarter of 2005 included SEK 30 m in extra, nonrecurring, volume-based trading revenue from EDX London. The operations OMX acquired from Computershare were integrated in the Group effective February 1, 2006 and the Iceland Stock Exchange that was acquired at the end of November was included from December 1. The order intake in the technology business rose to SEK 1,913 m (1,215) during the year.

The Group's total expenses were SEK 2,445 m (2,241) during the year. Compared with the year-earlier period, the Group's expenses rose by 9 percent and by 6 percent excluding discontinuing operations. The rise in expenses is a result of increased market activity and new product and service drives during the year, in addition to acquisitions.

Operating income rose to SEK 1,211 m (910) during 2006, up 33 percent. Financial items amounted to an expense of SEK 60 m (expense: 64).

Participations in earnings of associated companies amounted to SEK 46 m (15). This increase is due to improved earnings in VPC AB (included in OMX until September), Orc Software and EDX London.

Income after financial items amounted to SEK 1,151 m (846), while income after tax was SEK 911 m (543). Earnings per share rose 64 percent to SEK 7.64 (4.66).

OMX's return on shareholder's equity was 20 percent for 2006. The Group's net debt/equity ratio amounted to 18 percent at year-end.

## SUMMARY EARNINGS, GROUP

SEK, m	Current period Okt-Dec		Current period Jan-Dec	
	2006	2005	2006	2005
Total revenue	1,025	847	3,610	3,136
Expenses	-674	-573	-2,445	-2,241
Participations in earnings of associated companies	4	-11	46	15
Operating income	355	263	1,211	910
Financial items	-16	-8	-60	-64
Income after financial items	339	255	1,151	846
Income after tax	296	187	911	543
Earnings per share, SEK	2.47	1.62	7.64	4.66
Return on shareholders' equity, % <sup>1)</sup>	20	12	20	12

<sup>1)</sup> 12-month rolling income before interest expenses and tax as a percentage of average shareholders' equity plus interest-bearing liabilities.

## Income development during fourth quarter 2006

During the fourth quarter of the year, OMX's total revenues rose to SEK 1,025 m (847), an increase of 21 percent compared with the year-earlier period. Total revenues include earnings of SEK 83 m, attributable to the sale of shares in VPC AB. The fourth quarter of 2005 included approximately SEK 30 m in extra, nonrecurring, volume-based trading revenue from EDX London. The primary reasons for the rise in total revenues were higher trading revenues, rising information sales and increased revenues in the technology operations. The order intake in the technology operations amounted to SEK 499 m (423) during the quarter.

The Group's total expenses were SEK 674 m (573) during the fourth quarter, an increase of 18 percent compared with the year-earlier period and 13 percent excluding discontinuing operations. The increase compared with the preceding year is primarily due to the one-off costs associated with the launch of the Nordic Exchange and increases in personnel and consultant costs related to the high market activities.

The Group's operating income rose to SEK 355 m (263) during the fourth quarter, an increase of 35 percent compared with the year-earlier period. Participations in earnings of associated companies amounted to SEK 4 m (loss: 11), mainly due to the improved earnings in Orc Software and EDX London, in which large impairment losses were reported in the preceding year. VPC AB is no longer included in associated companies during the fourth quarter 2006.

Operating income before depreciation amounted to SEK 411 m (318). Financial items amounted to an expense of SEK 16 m (expense: 8), a negative change that was primarily a result of the positive nonrecurring effects arising in the fourth quarter of 2005.

Income after financial items increased to SEK 339 m (255), while income after tax rose to SEK 296 m (187). Earnings per share increased by 52 percent to SEK 2.47 (1.62).

# Developments in OMX's business areas

## SUMMARY REVENUE AND INCOME BY BUSINESS AREA

SEK m	Oct-Dec		Jan-Dec	
	2006	2005	2006	2005
<b>Revenue</b>				
Nordic Marketplaces	474	433	1,778	1,510
Information Services & New Markets	186	132	625	512
Market Technology	390	307	1,300	1,155
<b>Operating income</b>				
Nordic Marketplaces	242	202	940	689
Information Services & New Markets	77	48	251	196
Market Technology	50	27	93	61

### Nordic Marketplaces

*Within the business area, OMX operates the equity and derivatives exchanges in Stockholm, Helsinki, Copenhagen and Iceland*

In 2006, Nordic Marketplaces was characterized by record high activity with regards to both trading and listings. The Nordic Exchange was launched on October 2, which involved the development of a new pan-Nordic presentation model for shares, new indexes and harmonized listing requirements. The Iceland Stock Exchange was acquired in November and was consolidated on December 1. As opposed to revenues and earnings, the statistical information below is pro forma, the Iceland Stock Exchange is therefore included in comparative figures.

The business area's revenues amounted to SEK 1,778 m (1,510) for 2006, an increase of 18 percent compared with the year-earlier period. Revenues for the fourth quarter increased by 9 percent to SEK 474 (433), an increase that is primarily due to rises in trading and issuers' revenue. The business area's costs were SEK 851 (831) m for the full-year and SEK 232 m (217) for the fourth quarter. The reason for the increase is primarily marketing costs for the launch of the Nordic Exchange. Operating income rose by 36 percent to SEK 940 m (689) for 2006, and by 20 percent to SEK 242 m (202) for the fourth quarter.

The Nordic Marketplaces business area has three main sources of income (see page 13): trading revenue, issuers' revenue and other revenue. Trading revenue amounted to SEK 1,286 m (1,106) for the full-year and SEK 328 m (329) for the fourth quarter. The fourth quarter of 2005 included approximately SEK 30 m in extra, nonrecurring, volume-based trading revenue from EDX London. During 2006, 65 percent of trading revenue came from trading in cash products, primarily equities, and 35 percent from trading and clearing in derivatives products. The corresponding figures for the fourth quarter were 70 percent and 30 percent, respectively. In 2006, the number of equity transactions increased by 47 percent to an average of 123,490 (83,764) per day. During the quarter, the number of equity transactions increased to an average of 139,018 (94,746) per day, a rise of 47 percent compared with the year-earlier period. Turnover in equities trading measured in value rose by 38 percent to a daily average of SEK 38,664 m (28,115) for 2006. During the fourth quarter, the increase was 23 percent to SEK 39,984 m (32,591). The turnover velocity in equities trading rose to 129 percent (117) for the full-year and to 127 percent (121) for the fourth quarter.

The total number of derivatives contracts traded per day for the full year averaged 553,793 (475,885), up 16 percent compared with the year-earlier period. For the fourth quarter, the increase was 2 percent to 544,856 (533,053) contracts. Of the total number of contracts per day in 2006, Finnish options contracts on Eurex accounted for 65,967 (63,358) and Nordic derivatives contracts on EDX London for 98,060 (73,678) per day. For the fourth quarter, the number of options contracts on the Eurex exchange was 61,464 (57,561) and the number of Nordic derivatives contracts on EDX London was 98,289 (79,911) per day. On January 1, 2006, OMX lowered its fees for certain customer segments mainly regarding trading in Swedish stock options. This reduction was implemented to offer more competitive fees, which will lead to an increase in trade and larger market shares.

Issuers' revenue was SEK 344 m (310) for 2006, representing an increase of 11 percent compared with the year-earlier period. Issuers' revenue for the fourth quarter amounted to SEK 89 m (82), an increase of 9 percent. The increase was mainly attributable to the higher market capitalization of the listed companies and a larger number of new listings. At year-end, the total number of companies was 693 (638), of which 614 (600) in the main market and 79 (38) at First North. In 2006, 97 (32) new companies joined the marketplace, including 45 on First North. A total of 41 (44) companies left the exchange during the year, three from First North. During the fourth quarter, 40 (eight) new companies joined the marketplace, including 16 on First North, and eight (nine) companies left the exchange, two from First North. The total market capitalization of all listed companies in the main market rose to SEK 8,306 billion (7,048) at year-end, an increase of 18 percent.

Other revenue amounted to SEK 148 m (94) for 2006 and SEK 57 m (22) for the fourth quarter. Other revenue for the fourth quarter includes SEK 33 m from the sale of shares in NCSD. Other revenue for the full-year also includes SEK 9 m from the sale of shares in NOS.

### Information Services & New Markets

*The business area combines all of OMX's information services within the Group's Nordic exchange offering, OMX's securities administration services and OMX's ownership and operation of exchanges and central securities depositories in Tallinn, Riga and Vilnius.*

For the business area, the year was characterized by high levels of

market activity. At the same time, a focus was directed toward the development of products and services and, as part of the Nordic Exchange, a pan-Nordic offering of real-time information was launched. Activity continued to increase during the fourth quarter.

The business area's revenue increased by 22% to SEK 625 m (512) for 2006 and to SEK 186 m (132) for the fourth quarter. Increased market activity and growing revenue from information services were the primary drivers behind the positive trends for both the full-year and the fourth quarter, compared to a year ago. An audit of the number of declared terminals was also conducted during the quarter resulting in a positive effect on revenues. Earnings from the sale of shares in VPC AB are included for the fourth quarter.

The business area's expenses were SEK 381 m (316) for 2006 and SEK 109 m (84) for the fourth quarter. For the full-year, this increase is mainly related to the rise in market activity and costs for product development associated with the Nordic Exchange. Costs for the fourth quarter were impacted by a major privatization over the exchange in Riga, in addition to increased market activity. Compared with the third quarter 2006, this is the single largest reason for the increase in costs. The business area's operating income improved to SEK 251 m (196) for 2006 and to SEK 77 m (48) for the fourth quarter.

In Information Services & New Markets, there are four main revenue sources (see page 13): information revenue, revenue from Baltic Markets, revenue from Broker Services and Other revenue. Information revenue amounted to SEK 441 m (365) for 2006, a rise of 21 percent compared with the year-earlier period. For the fourth quarter, the amount was SEK 121 m (95), representing an increase of 27 percent. This revenue is mainly based on the number of real-time terminals used and reported by the end users. The increase in revenue during the fourth quarter was partly due to the rise in the number of terminals ordered. In addition, an audit of the number of declared terminals was conducted resulting in a positive effect on revenue. At year-end, OMX had 92 (87) information vendors. Comparative figures are pro forma due to a change made to the calculation of the number of terminals

Revenue from Baltic Markets amounted to SEK 68 m (63) for 2006 and SEK 23 (17) m for the fourth quarter. This increase in revenue is primarily attributable to the privatization that was done over the exchange in Riga. The number of members of the Baltic exchanges was 32 (32). Of the total number, 15 are members of all three Baltic exchanges. Total equity turnover on the Baltic exchanges was SEK 91 m (95) per day for 2006 and SEK 230 m (49) during the fourth quarter. The main explanation to this growth was that a large trade was conducted on the exchange in Vilnius in December. The number of equity transactions for the full-year amounted to 996 (903) per day and to 1,401 (1,064) for the fourth quarter. Trading was negatively affected by the delisting of HansaBank, the most traded share on the Baltic exchanges, in June 2005.

During the year, Broker Services operations benefited from the growing trading volumes on the Nordic Exchange, with revenue rising to SEK 78 m (69) for 2006 and to SEK 19 m (16) for the fourth quarter.

Other revenue amounted to SEK 38 m (15) for 2006 and SEK 23 m (4) for the fourth quarter. Other revenue for 2006 and the fourth quarter includes SEK 17 m from the sale of shares in VPC AB. Other revenue for 2006 includes SEK 4 m from the sale of shares in NOS.

## Market Technology

*Within the business area, OMX develops and delivers systems solutions, IT services and advisory services for the global exchange industry.*

During the year, the market for systems and services for the exchange industry continued to be characterized by increased activity. Important driving forces are growing trading volumes in global markets, new commercial initiatives from existing and new players, and regulatory changes in Europe and the US. Interest in OMX's services is also rising in line with the development of the financial markets in emerging markets. Work towards increasing profitability is ongoing in the business area.

The business area's revenue grew by 13 percent to SEK 1,300 m (1,155) for the year and to SEK 390 m (307) for the fourth quarter. Costs rose at the same time to SEK 1,233 m (1,098) for the full-year and to SEK 344 (282) for the fourth quarter. This increase, in both revenue and expenses, was mainly due to the higher market activity and the acquisition of Computershare's Market Technology operations. The increase in the fourth quarter is due to a marked upswing in customer activity and earnings from the sale of shares in VPC AB. Operating income was SEK 93 m (61) for 2006 and SEK 50 m (27) for the fourth quarter.

Investments in R&D, including investments involving the next generation trading system for marketplaces, amounted to SEK 174 m (229) for the year, of which SEK 46 m (63) pertained to the fourth quarter. This corresponds to 13 (20) percent of the business area's revenue for the full-year and 11 (21) percent for the fourth quarter. Of the total investments in R&D, SEK 161 m (173) was capitalized during the year, of which SEK 44 m (53) was capitalized during the fourth quarter.

OMX's order intake for 2006 amounted to SEK 1,908 m (1,215), of which SEK 575 m (153) pertained to internal orders. The order intake for the fourth quarter amounted to SEK 499 m (423), of which 93 (34) was internal orders. The total order value at the end of the quarter was SEK 3,293 m (2,702), of which SEK 1,185 m (843) is scheduled for delivery within a year. The total order value includes internal orders of SEK 1,075 m (794), of which SEK 400 m (242) is scheduled for delivery within a year. All order statistics include discontinuing operations.

Orders signed during the year included one to the Saudi Stock Market Tadawul for the design, delivery and support of a complete trading and clearing system. An order was also signed with Borsa Italiana for the infrastructure, operation, systems monitoring and network services for Borsa Italiana's derivatives market (IDEM). OMX also signed a long-term licensing agreement with International Securities Exchange (ISE) to ensure that ISE is provided with reliable and scalable architecture.

There are three main sources of revenue within the Market Technology business area (see page 13): license, support and project revenue; revenue from Facility Management Services; and Other revenue. License, support and project revenue amounted to SEK 785 m (730) for the year and SEK 235 m (210) for the fourth quarter. This increase is due to the increased activities among existing customers and the acquisition of Computershare's Market Technology operations.

Revenue from Facility Management rose to SEK 432 m (375) for 2006 and SEK 113 m (89) for the fourth quarter, due to increased internal sales and increased activities among existing customers resulting in a rise in variable revenue.

Other revenue for 2006 totaled SEK 83 m (50) and SEK 42 m (8) for the fourth quarter. Other revenue for 2006 and the fourth quarter includes SEK 33 m from the sale of shares in VPC AB. Other revenue for 2006 includes SEK 9 m from the sale of shares in NOS.

# OMX 2006 – other important information

## Financial position

Total assets at the end of the reporting period amounted to SEK 12,528 m compared with SEK 10,612 m at the same time in 2005. The equity/assets ratio, excluding the market value of outstanding derivatives positions, was 57 percent (57).

OMX had an interest-bearing net debt of SEK 847 m (573) at period-end. During the second quarter total dividends of SEK 765 m was paid out. During the fourth quarter the net debt has also been affected by the SEK 575 m OMX received from the sale of shares in VPC AB, the SEK 318 m that was paid out in conjunction with the acquisition of Oslo Stock Exchange and the SEK 355 m that was paid to shareholders. The net debt/equity ratio amounted to 18 percent (12) at period-end.

At period-end, interest-bearing financial liabilities amounted to SEK 1,797 m (1,907), of which SEK 1,361 m (1,409) was long term. The Group's total approved credit facilities was SEK 3,741 m (3,033), of which SEK 30 m (0) was utilized. Interest-bearing financial assets totaled SEK 950 m (1,334), of which SEK 21 m (90) were financial fixed assets.

## New organization

Effective January 1, 2006, OMX has a new organization. The two former divisions, OMX Exchanges and OMX Technology, were replaced by three business areas: Nordic Marketplaces, Information Services & New Markets and Market Technology. Nordic Marketplaces comprises OMX's exchange operations in Denmark, Finland, Sweden and Iceland. Information Services & New Markets comprises exchange-related operations pertaining to information services, OMX's Baltic marketplaces in Estonia, Latvia and Lithuania, and the unit for securities administration, Broker Services. Market Technology is based on the recently re-organized OMX Technology division.

## Number of employees and contracted consultants

The number of employees and consultants in the Group was 1,550 (1,344) at the end of the reporting period. The increase in the number of employees and consultants was primarily due to increased activity within Information Services & New Markets and Market Technology. The number of employees was SEK 1,402 (1,288) at the close of the reporting period, of which 321 (300) were employed within Nordic Marketplaces, 218 (144) in Information Services & New Markets. Within Market Technology the number of employees was 863 (844) of which 91 (144) are attributable to operations being discontinued. Of the total number of employees, 80 (107) were on long-term leave, mainly parental leave.

## Legal disputes

On February 23, 2005, OMX announced that a court jury had rejected eSpeed's claim regarding patent infringement and declared eSpeed's patent invalid. eSpeed's claim was approximately USD 100 m on January 25, 2005. In December 2005, the court rejected eSpeed's motion to overturn the jury's ruling regarding invalidity. In April 2006, eSpeed appealed the court decision.

During the second quarter of 2004, OMX rejected a legal claim for

additional repayment of VAT amounting to approximately EUR 5 m, excluding interest. The Helsinki City Court announced an interim ruling on the case on June 9, 2006, in favor of OMX. The City Court also found that OMX was entitled to receive compensation for its legal costs. The court's ruling has been appealed by the plaintiffs.

A dispute regarding a system delivery is in progress in the Market Technology business area. In May 2006, OMX requested an arbitration process, which is expected to be concluded in the latter half of 2007.

The Stockholmsbörsen AB subsidiary received a ruling from the Swedish Tax Board in 2004 pursuant to which the company will be subject to a value added tax surcharge for the support and operation services it purchases from other companies within the group. Stockholmsbörsen AB does not share the Swedish Tax Board's assessment and will appeal against the ruling. Should the Swedish Tax Board's opinion ultimately be upheld, this would give rise to a cost for the Group of approximately SEK 90-110 m based on the situation as per December 31, 2006, and increase ongoing expenses by SEK 2 m per month.

OMX did not make any provisions for the disputes in progress or changes in contingent liabilities during the period.

## Nominating Committee

At the Annual General Meeting on April 6, 2006, it was decided that the company's four largest shareholders in consultation with the Chairman of the Board were to appoint a Nominating Committee. The composition of the Committee was announced in October 2006. The Nominating Committee consists of the following individuals: Malin Björkmo, (Director, Ministry of Industry, Employment and Communication), representing the Swedish government; Arne Liljedahl, (Group CFO, Nord-ea), representing Nordea; KG Lindvall (Board member, Robur Fonder), representing Robur Fonder; Olof Stenhammar (Chairman of the Board, OMX); and Jacob Wallenberg (Chairman of the Board, Investor AB), representing Investor AB.

## General meetings, share issue and dividends

OMX's Annual General Meeting on April 6, 2006 approved a dividend to shareholders of SEK 6.50 per share, comprising an ordinary dividend of SEK 3.00 and an extraordinary dividend of SEK 3.50. The dividend was distributed on April 18, 2006.

An Extraordinary General Meeting was held on October 23, 2006. The Meeting decided in favor of a new share issue in conjunction with the acquisition of the Iceland Stock Exchange, and approved an extra dividend to shareholders of SEK 3 per share, that was paid on October 31, 2006.

## Share Match Program – decision by AGM of OMX

OMX's Annual General Meeting on April 6, 2006 resolved to approve the proposed Share Match Program 2006 regarding approximately 30 senior executives and key individuals in OMX. The program runs over a period of three years and is based on the employee's long-term confidence in OMX and provides an incentive to continue to work for a successful OMX. Participants in the program invest in OMX shares and, given

that OMX achieves performance targets related to earnings per share and how the OMX share performs in comparison to its competitors, after three years, participants may obtain a maximum of five matching shares per invested share. The number of shares that the participant may buy in the program is limited.

At period-end, the number of shares invested totaled 26,855. OMX AB has signed a share-swap agreement amounting to 57,000 shares, as a result of the program that is reported as a shareholders' equity instrument in accordance with IAS 32. The cost of the program for the period amounted to SEK 3 m, including social security expenses, and the cost of the program's entire term is estimated at SEK 12 m.

## Discontinuing operations

In August 2005, OMX announced the focusing of its technology operations through the divestment of operations targeting banks and brokerages within the former Banks & Brokers business area. The continuing operations not yet divested have during 2006 been included among discontinuing operations. These primarily comprise the Nordic portion of the operations targeting banks and brokerages, which offer development and maintenance of systems for securities management, and UK operations in securities administration services.

Revenue from discontinuing operations amounted to SEK 289 m (241) during the year, while expenses amounted to SEK 362 m (278). The operating loss was SEK 73 m (loss: 37). The weakening in earnings compared with the year-earlier period is mainly attributable to building up of operations in the UK as well as organizational changes.

After the end of the report period OMX has signed an agreement with HCL Technologies, the global IT-services provider, regarding an extended partnership which means that OMX no longer have any discontinued operations in the Nordic region.

The partnership means that HCL Technologies will take on the responsibility for development of systems for securities management targeting banks and brokers and that the remaining part of the Nordic operations, will be moved to Business Area Information Services & New Markets, and be included in the unit Broker Services. A number of employees' work tasks will be within Business Area Market Technology to replace consultants and minimize new recruitments.

The business that is to be moved had sales of SEK 160 million and costs of SEK 195 million in 2006. It is expected to reach a profit during 2007. For the fourth quarter 2006, the business' revenue was SEK 43 million while costs were SEK 49 million – levels expected to remain in the first quarter of 2007. The changes will be implemented in OMX accounting as per January 1, 2007.

In March 2006, OMX and TietoEnator agreed to cooperate on IT operations related to the former business area Banks & Brokers. As part of the cooperation, TietoEnator acquired an IT operation unit with 21 employees. The unit was divested on April 1, 2006.

OMX's aim is to identify a long-term solution with clear advantages for the remaining parts of the discontinued operations. Discussions are currently in progress with potential partners.

## Acquisition of operations from Computershare

On January 31, OMX agreed to acquire Computershare Ltd's Market Technology operations. The operations are consolidated within OMX

effective February 1, 2006. OMX acquired the operations by paying around SEK 250 m to Computershare in the form of purchase price and license payments, of which SEK 85 m was paid on implementation of the transaction and the remainder evenly distributed over a five-year period. Discounted to net present value, the acquisition price is SEK 244 m (see preliminary acquisition calculation on page 16). For the 12-month period July 2004 through June 2005, the operations reported revenues of approximately SEK 100 m. The operations provided a positive contribution to OMX's operating income during the reporting period.

## Sale of shares in NOS

In February, OMX sold its entire shareholding in Norsk Oppgørsentral ASA (NOS), totaling 1,749,700 shares. The gain from the sale amounted to SEK 22 m, which has been reported among other revenue for the first quarter of 2006.

## Acquisition of the Iceland Stock Exchange - ICEX

At the beginning of September, it was announced that a Letter of Intent had been signed with Eignarhaldsfelagid Verdbrefathing hf (EV), the owner of the Iceland Stock Exchange ICEX, and the Icelandic Securities Depository (ISD) regarding the acquisition of EV. In November the acquisition was finalized and EV is consolidated into OMX's accounts from December 1, 2006. See preliminary acquisition calculation on page 16. The consideration to EV's shareholders comprised an issue of approximately 2.07 million new OMX shares. OMX's shares have been listed on the Iceland Stock Exchange since December 1, 2006.

## Sale of shares in VPC AB

At the beginning of October, OMX announced that its entire holding of 443,700 shares in VPC AB (the Swedish Central Securities Depository) had been sold for a total of SEK 575 m. Operating profit of SEK 83 m from this transaction was reported as other revenue for the fourth quarter. In addition, a joint development project concerning a shared Nordic platform for the custody of securities was discontinued, which is expected to have only minor effects on OMX's operating activities.

## Acquisition of 10% of in Oslo Stock Exchange

On October 6, it was announced that OMX had acquired 10 percent of the shares in the Oslo Stock Exchange. The price for 500,000 shares was SEK 318 m.

## Bid on Ljubljana Stock Exchange in Slovenia

At the end of November, OMX announced an initiative to investigate expanded commercial activities in Eastern Europe. On December 12, it was announced that OMX had submitted a bid on all issued shares in the Ljubljana Stock Exchange in Slovenia. The bid amounted to EUR 125.19 per share, corresponding to a total value of approximately EUR 4.2 m. The bid expired on January 22, 2007 at which no owners had yet taken up a final position.

## Reduction of fees for exchange members

With the aim to increase the attractiveness of the OMX exchange offering, OMX will reduce fees related to reporting of cash equity trades at the Nordic Exchange in Stockholm, Copenhagen and Helsinki from April 2, 2007. The fee reduction is a first step in introducing products for

trade reporting according to MiFID. Based on trading revenues during the 12 months up to September 2006, the fee reduction would have had a negative effect on OMX revenues of approximately SEK 50 million on an annual basis.

## 2007 Annual General Meeting

OMX's Annual General Meeting will be held on Thursday, April 12, 2007, at 5:00 p.m. at OMX's headquarters in Stockholm.

The Annual Report will be distributed to shareholders requesting the report and will be available to the general public on OMX's website at [www.omxgroup.com](http://www.omxgroup.com) from March 28.

## Proposal for authorization on repurchase of shares

The OMX Board has decided to propose to the 2007 Annual General Meeting to authorize the Board to repurchase shares corresponding to a maximum of 10 percent of the remaining number of shares. The repurchase could take place through trading on the stock exchange or a directed offering to shareholders. OMX does not currently own any treasury shares. This mandate shall apply until the 2008 Annual General Meeting. The purpose of the proposal is to be able to continuously adapt the capital structure to the company's needs, and thereby increase value for shareholders and repurchase shares that could be used for the execution of OMX's Share Match Program. The details of the proposal will be communicated when notice of the 2007 Annual General Meeting is made.

## Financial targets

OMX endeavors to generate profitable growth with a return exceeding the market's return requirement. To achieve this target in a medium-term perspective, the following financial targets have been established as a guide for OMX: return on shareholders' equity shall amount to at least 15 percent annually, while the net debt/equity ratio shall not exceed 30 percent over time.

## Outlook for the first quarter 2007

Revenues in OMX's exchange operations are largely dependent on trading performance and trading volumes on the exchanges in Stockholm, Helsinki and Copenhagen. Due to lower project activity in the beginning of the year, revenue in the business area Market Technology is estimated to be slightly lower in the first quarter of 2007 compared to the fourth quarter of 2006, excluding result from selling shares in VPC AB. Group expenses during the first quarter of 2007 are expected to be in line with those of the fourth quarter 2006.

## Dividend policy & proposed distribution of earnings

For the 2006 financial year, the Board intends to propose that a dividend totaling SEK 6.50 per share be paid, comprising an ordinary dividend of SEK 4.50 per share and an extra dividend of SEK 2.00 per share. The Board's ambition is that OMX's ordinary dividend shall, in the future, grow in pace with the company's earnings per share, taking OMX's long-term capital requirements into account.

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

Income brought forward	1,934,968,916
Income for the year	-76,007,786
<b>TOTAL</b>	<b>1,858,961,130</b>

The Board proposes that the earnings be distributed as follows:

To the shareholders, ordinary dividend of SEK 4.50 per share	542,882,102
To the shareholders, extra dividend of SEK 2.00 per share	241,280,934
<b>To the shareholders, a total dividend of SEK 6.50 per share</b>	<b>784,163,036</b>
To be carried forward	1,074,798,094
<b>TOTAL</b>	<b>1,858,961,130</b>

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

## INCOME STATEMENT OCTOBER-DECEMBER

SEK m	October - December					
	2006			2005		
	Continuing operations	Operations being discontinued	Total OMX	Continuing operations	Operations being discontinued	Total OMX
<b>REVENUE</b>						
Net sales	856	84	940	772	46	818
Own work capitalized	2	-	2	28	1	29
Other revenue <sup>1)</sup>	83	-	83	-	-	-
<b>Total revenue</b>	<b>941</b>	<b>84</b>	<b>1 025</b>	<b>800</b>	<b>47</b>	<b>847</b>
<b>EXPENSES</b>						
External expenses						
Premises	-52	-4	-56	-43	-3	-46
Marketing expenses	-31	-	-31	-12	-	-12
Consultancy expenses	-72	-12	-84	-60	-4	-64
Operations and maintenance, IT	-44	-18	-62	-38	-21	-59
Other external expenses	-51	-26	-77	-55	-1	-56
Personnel expenses	-272	-36	-308	-248	-33	-281
Depreciation and impairment	-54	-2	-56	-55	-	-55
<b>Total expenses</b>	<b>-576</b>	<b>-98</b>	<b>-674</b>	<b>-511</b>	<b>-62</b>	<b>-573</b>
Participation in earnings of associated companies	4	-	4	-11	-	-11
<b>Operating income</b>	<b>369</b>	<b>-14</b>	<b>355</b>	<b>278</b>	<b>-15</b>	<b>263</b>
Financial items	-16	-	-16	-8	-	-8
<b>Income/loss after financial items</b>	<b>353</b>	<b>-14</b>	<b>339</b>	<b>270</b>	<b>-15</b>	<b>255</b>
Tax	-37	-6	-43	-72	4	-68
<b>Net income/loss for the period</b>	<b>316</b>	<b>-20</b>	<b>296</b>	<b>198</b>	<b>-11</b>	<b>187</b>
of which attributable to shareholders in OMX AB	315	-20	295	197	-5	192
of which attributable to minority interests	1	-	1	1	-6	-5
Average number of shares, millions			119.262			118.474
Number of shares at period end, millions			120.640			118.474
Average number of shares after full conversion, millions			119.262			118.760
Number of shares after full conversion at period end, millions			120.640			118.760
Earnings per share, SEK <sup>2)</sup>	2.64		2.47	1.66		1.62
Earnings per share, SEK after full conversion <sup>2)</sup>	2.64		2.47	1.66		1.62

<sup>1)</sup> Other revenue refers to earnings attributable to the sale of shares in VPC AB during the periods October – December 2006.

<sup>2)</sup> Earnings per share are calculated on the basis of the weighted average number of shares during the period. This is based on OMX AB shareholders' share of earnings for the period.



INCOME STATEMENT 2006

SEK m	2006			2005		
	Continuing operations	Operations being discontinued	Total OMX	Continuing operations	Operations being discontinued <sup>3)</sup>	Total OMX
<b>REVENUE</b>						
Net sales	3,148	289	3,437	2,803	208	3,011
Own work capitalized	68	-	68	92	33	125
Other revenue <sup>1)</sup>	105	-	105	-	-	-
<b>Total revenue</b>	<b>3,321</b>	<b>289</b>	<b>3,610</b>	<b>2,895</b>	<b>241</b>	<b>3,136</b>
<b>EXPENSES</b>						
External expenses						
Premises	-196	-14	-210	-178	-13	-191
Marketing expenses	-63	-	-63	-40	-	-40
Consultancy expenses	-276	-34	-310	-228	-25	-253
Operations and maintenance, IT	-177	-78	-255	-157	-75	-232
Other external expenses	-156	-67	-223	-206	-24	-230
Personnel expenses	-999	-161	-1 160	-931	-138	-1 069
Depreciation and impairment	-216	-8	-224	-223	-3	-226
<b>Total expenses</b>	<b>-2,083</b>	<b>-362</b>	<b>-2,445</b>	<b>-1,963</b>	<b>-278</b>	<b>-2,241</b>
Participation in earnings of associated companies	46	-	46	15	-	15
<b>Operating income</b>	<b>1,284</b>	<b>-73</b>	<b>1,211</b>	<b>947</b>	<b>-37</b>	<b>910</b>
Financial items	-53	-7	-60	-64	-	-64
<b>Income/loss after financial items</b>	<b>1,231</b>	<b>-80</b>	<b>1,151</b>	<b>883</b>	<b>-37</b>	<b>846</b>
Tax	-252	12	-240	-313	10	-303
<b>Net income/loss for the period</b>	<b>979</b>	<b>-68</b>	<b>911</b>	<b>570</b>	<b>-27</b>	<b>543</b>
of which attributable to shareholders in OMX AB	975	-68	907	565	-15	550
of which attributable to minority interests	4	-	4	5	-12	-7
Average number of shares, millions			118.671			118.108
Number of shares at period end, millions			120.640			118.474
Average number of shares after full conversion, millions			118.886			118.394
Number of shares after full conversion at period end, millions			120.640			118.760
Earnings per share, SEK <sup>2)</sup>	8.22		7.64	4.78		4.66
Earnings per share, SEK after full conversion <sup>2)</sup>	8.22		7.64	4.78		4.66

<sup>1)</sup> Other revenue refers to earnings attributable to the sale of shares in NOS ASA during the period January – December 2006 and earnings attributable to the sale of shares in VPC AB during the periods October – December 2006 and January – December 2006.

<sup>2)</sup> Earnings per share are calculated on the basis of the weighted average number of shares during the period. This is based on OMX AB shareholders' share of earnings for the period.

<sup>3)</sup> The income statement for discontinuing operations has been adjusted as compared with the Annual Report as a result of organizational changes where certain parts of the business area have been retained.

## Notes to the income statement for the fourth quarter 2006

Total revenue amounted to SEK 1,025 m (847), including SEK 83 m from the sale of shares in VPC AB. Consolidated net sales amounted to SEK 940 m (818). Own work capitalized amounted to SEK 2 m (29) during the period, primarily referring to systems development. The calculation of own work capitalized was corrected in the amount of SEK 19 m for the full-year, which is the reason for the low amount in the fourth quarter. Refer to pages 3-4 for revenue per business area.

The Group's total expenses amounted to SEK 674 m (573) for the reporting period. The increase in costs is primarily due to increased marketing costs related to the launch of the Nordic Exchange and rises in personnel and consultant costs as a result of increased market activity.

The Group's share in the earnings of associated companies amounted to SEK 4 m (loss: 11) and is attributable to EDX London, Orc Software and the Lithuanian securities depository CSDL. The main reason for this increase was improved earnings for Orc Software and EDX London.

Net financial items for the Group amounted to an expense of SEK 16 m (expense: 8), a negative change primarily due to the positive nonrecurring effects arising in the fourth quarter of 2005. Tax expenses for the reporting period amounted to SEK 43 m (68), corresponding to a tax rate of 13 (27) percent. One main reason for the low tax rate was the tax free result from the divestment of the shares in VPC AB.

## Notes to the income statement for 2006

Total revenue amounted to SEK 3,610 m (3,136), including SEK 22 m from the sale of shares in NOS during the first quarter and SEK 83 m from the sale of shares in VPC AB during the fourth quarter. Consolidated net sales amounted to SEK 3,437 m (3,011). Own work capitalized amounted to SEK 68 m (125) during the period, primarily referring to systems development. Refer to pages 3-4 for revenue per business area.

The Group's total expenses amounted to SEK 2,445 m (2,241) for the reporting period. The increase in costs is primarily due to rises in personnel and consultant costs as a result of increased market activity.

The Group's share in the earnings of associated companies amounted to SEK 46 m (15) and is attributable to VPC AB (NCSD), EDX London, Orc Software and the Lithuanian securities depository CSDL. The main reason for this increase was improved earnings for Orc Software and EDX London.

Net financial items for the Group amounted to an expense of SEK 60 m (expense: 64). Tax expenses for the reporting period amounted to SEK 240 m (303), corresponding to a tax rate of 21 (36) percent. An extra tax cost of SEK 67 m pertaining to NLK was included in the second quarter of 2005.

## BALANCE SHEET

SEK m	Dec 2006	Dec 2005
Goodwill	3,124	2,924
Other intangible fixed assets	1,145	853
Tangible fixed assets	321	354
Financial fixed assets, non-interest-bearing	699	1,004
Financial fixed assets, interest-bearing	21	90
<b>Total fixed assets</b>	<b>5,310</b>	<b>5,225</b>
Market value outstanding derivative positions	4,401	2,312
Current receivables <sup>1)</sup>	1,738	1,714
Financial assets available for sale	519	328
Liquid assets	409	915
Assets held for sale	151	118
<b>Total current assets</b>	<b>7,218</b>	<b>5,387</b>
<b>Total assets</b>	<b>12,528</b>	<b>10,612</b>
Shareholders' equity	4,614	4,749
Long-term liabilities, non-interest-bearing	282	199
Long-term liabilities, interest-bearing	1,361	1,409
<b>Total long-term liabilities</b>	<b>1,643</b>	<b>1,608</b>
Market value outstanding derivative positions	4,401	2,312
Current liabilities, non-interest-bearing	1,434	1,445
Current liabilities, interest-bearing	436	498
<b>Total current liabilities</b>	<b>6,271</b>	<b>4,255</b>
<b>Total liabilities and shareholders' equity</b>	<b>12,528</b>	<b>10,612</b>

In addition to assets and liabilities reported in the balance sheet, OMX has deposits on a client funds account that totaled SEK 2,604 m at December 31, 2006 and SEK 0 m at December 31, 2005.

1) Of which interest-bearing receivables accounted for SEK 1 m as at December 31, 2006 and SEK 1 m as at December 31, 2005.

## Notes to the balance sheet

Consolidated goodwill amounted to SEK 3,170 m (2,955) at period-end, including assets held for sale of SEK 46 m (31). Consolidated goodwill pertains primarily to the Nordic Marketplace business area, and refers to strategic acquisitions of operations with a long history and stable and strong cash flow. During the period, investments in goodwill amounted to SEK 326 m, of which SEK 180 m was attributable to the acquisition of the operations from Computershare and SEK 130 m was attributable to the acquisition of Eignarhaldsvelagid Verdbrefathing (EV). The value of goodwill pertaining to EV was negatively impacted by exchange-rate fluctuations in the amount of SEK 5 m since the acquisition date.

Other intangible assets of SEK 1,241 m (932), including assets held for sale, consist mainly of capitalized development costs for system products that are amortized over a period of 3-10 years and valued on

a current basis against prevailing market conditions, as well as intangible assets attributable to the acquisition of Copenhagen Stock Exchange and the acquisition of EV. Assessment to ascertain possible impairment of intangible fixed assets is conducted on an ongoing basis. At period-end, the Group's deferred tax assets amounted to SEK 125 m (237). Provisions were utilized in an amount of SEK 49 m (133) during the period.

The Group's investments in other intangible assets during the period were SEK 229 m (312) plus assets of SEK 75 m identified on the acquisition of operations from Computershare and SEK 135 m identified on the acquisition of EV. The other intangible assets identified on the acquisition of EV were negatively impacted by exchange-rate fluctuations in the amount of SEK 5 m since the acquisition date. Investments in tangible fixed assets amounted to SEK 77 m (85). The market value of OMX's holding in the associated company Orc Software (4.5 million shares) at period-end was SEK 524 m (398), while the carrying amount was SEK 76 m (62).

## CHANGE IN SHAREHOLDERS' EQUITY

SEK m	Jan-Dec 2006	Jan-Dec 2005
<b>Shareholders' equity – opening balance</b>	<b>4,749</b>	<b>3,859</b>
Minority interests	-1	-16
New issue	269	232
Dividend to shareholders	-1,120	-
Share swap for share-investment program	-8	-
Share-investment program	2	-
Cash-flow hedging	-18	-
Translation differences	-173	125
Reassessments reported against shareholders' equity	-12	12
Changes in shareholders' equity of associated company	15	-6
Net income in reporting period <sup>1)</sup>	911	543
<b>Shareholders' equity – closing balance</b>	<b>4,614</b>	<b>4,749</b>

<sup>1)</sup> Of which, the minority share was SEK 4 m for January-December 2006, a negative amount of SEK 7 m for January-December 2005.

## CASH-FLOW STATEMENT

SEK m	Oct-Dec		Jan-Dec	
	2006	2005	2006	2005
Cash flow from current operations before changes in working capital	242	341	1,002	808
Change in working capital	42	50	30	-328
<b>Cash flow from current operations</b>	<b>284</b>	<b>391</b>	<b>1,032</b>	<b>480</b>
Cash flow from investing activities	427	-17	-284	-1,139
Dividend to shareholders	-355	-	-1,120	-
Cash flow from financing activities	-176	-460	-133	741
<b>Change in liquid assets</b>	<b>180</b>	<b>-86</b>	<b>-505</b>	<b>82</b>
Liquid assets – opening balance <sup>1)2)</sup>	230	1,001	915	833
Liquid assets – closing balance <sup>1)2)</sup>	410	915	410	915

<sup>1)</sup> Cash and cash equivalents comprise cash and bank balances, as well as financial investments with a term of less than three months. Short-term investments with a term of more than three months are reported as cash flow from investing activities.

<sup>2)</sup> Cash and cash equivalents not available to the Group amounted to SEK 21 m at period-end. Funds earmarked for operations under supervision amounted to SEK 750 m.

### Notes to changes in shareholders' equity

Shareholders' equity amounted to SEK 4,614 m (4,749), of which the minority share was 17 (14) at period-end. This change in shareholders' equity compared with the year-earlier period is mainly due to the positive earnings for the period and the dividends to shareholders paid in April and October 2006.

### Notes to the cash-flow statement

Cash flow from operating activities before changes in working capital comprises operating income with depreciation and capital gains (other revenue) reversed, plus adjustments for financial items and paid tax. During the report period January – December, investments in intangible assets affecting the cash flow amounted to SEK 390 m (312), of which the acquisition of operations from Computershare represented SEK 113 m. The change in liquid funds previously included in the cash flow from operating activities is now included in cash flow from financing activities. Comparative figures have been adjusted correspondingly.

During the fourth quarter, the cash flow from investing activities was impacted by the sale of the associated company VPC AB in the amount of SEK 575 m and the investment in the Oslo Stock Exchange in the amount of SEK 318 m.

Investments in tangible assets amounted to SEK 77 m (85) for the reporting period. Cash flow from investing activities also includes changes in financial investments with a term of more than three months in the amount of SEK 190 m which have been transferred from cash and cash equivalents.

## REVENUES, EXPENSES AND OPERATING INCOME BY BUSINESS AREA

SEK m	Oct-Dec		Jan-Dec	
	2006	2005	2006	2005
<b>Nordic Marketplaces</b>				
Trading revenue	328	329	1,286	1,106
Issuers' revenue	89	82	344	310
Other revenue	57	22	148	94
<b>Total revenues</b>	<b>474</b>	<b>433</b>	<b>1,778</b>	<b>1,510</b>
<b>Total expenses</b>	<b>-232</b>	<b>-217</b>	<b>-851</b>	<b>-831</b>
Participation in earnings of associated companies	0	-14	13	10
<b>Operating income</b>	<b>242</b>	<b>202</b>	<b>940</b>	<b>689</b>
<i>Operating margin, %</i>	51	47	53	46
<b>Information Services &amp; New Markets</b>				
Information sales	121	95	441	365
Revenues from Baltic Markets <sup>1)</sup>	23	17	68	63
Revenue from Broker Services	19	16	78	69
Other revenue	23	4	38	15
<b>Total revenue</b>	<b>186</b>	<b>132</b>	<b>625</b>	<b>512</b>
<b>Total expenses</b>	<b>-109</b>	<b>-84</b>	<b>-381</b>	<b>-316</b>
Participation in earnings of associated companies	0	0	7	0
<b>Operating income</b>	<b>77</b>	<b>48</b>	<b>251</b>	<b>196</b>
<i>Operating margin, %</i>	41	36	40	38
<b>Market Technology</b>				
License-, support- and project revenue	235	210	785	730
Facility Management Services	113	89	432	375
Other revenue	42	8	83	50
<b>Total revenue</b>	<b>390</b>	<b>307</b>	<b>1,300</b>	<b>1,155</b>
<b>Total expenses</b>	<b>-344</b>	<b>-282</b>	<b>-1,233</b>	<b>-1,098</b>
Participation in earnings of associated companies	4	2	26	4
<b>Operating income</b>	<b>50</b>	<b>27</b>	<b>93</b>	<b>61</b>
<i>Operating margin, %</i>	13	9	7	5
<b>Operations being discontinued</b>				
<b>Total revenue</b>	84	47	289	241
<b>Total expenses</b>	-98	-62	-362	-278
<b>Operating income</b>	-14	-15	-73	-37
Group eliminations	109	72	382	282
<b>Total Group</b>				
Revenue	1,025	847	3,610	3,136
Expenses	-674	-573	-2,445	-2,241
Participation in earnings of associated companies	4	-11	46	15
<b>Operating income</b>	<b>355</b>	<b>263</b>	<b>1,211</b>	<b>910</b>

Earlier periods are reported pro forma in accordance with the new organization that came into operation on January 1, 2006.

<sup>1)</sup> Comprises trading revenues, issuers' revenue and revenues from the central securities depositories in Tallinn and Riga.

# Sources of revenue in OMX

## **NORDIC MARKETPLACES**

### **TRADING REVENUE**

Trading revenues comprise trading and clearing revenues from the spot and derivatives products traded on the exchanges included in Nordic Marketplaces. Of the trading revenues during the fourth quarter, 70 percent was from spot trading (mainly equities) and 30 percent was from trading and clearing related to derivatives products.

With respect to trading revenues from share trading, the two most important parameters are the value of the share turnover and the number of share transactions. A change in value of the average trading volume of 1 percent on an annual basis (assuming an unchanged number of transactions) will affect trading revenues by +/- SEK 9.2 m, calculated on the basis of trading during the fourth quarter of 2006.

With respect to revenue from trading and clearing related to derivatives products, the two most important parameters are the number of derivatives contracts and the size of the options premiums. A change of the average daily derivatives turnover of 1,000 contracts on an annual basis (assuming unchanged options premiums and product mix) will affect trading revenue by +/- SEK 0.8 m, calculated on the basis of trading during the fourth quarter of 2006.

### **ISSUERS' REVENUE**

Issuers' revenues derive from the fees that listed companies pay and are directly related to the listed companies' market capitalization. A 10 percent change in the total market capitalization of Nordic Marketplaces will affect issuers' revenue by +/- SEK 6.3 m, calculated on an annual basis from 2006 levels and based on the business conducted during the year.

### **OTHER REVENUE**

Other revenues consist primarily of line connection fees for members and operation reimbursement fees regarding the derivatives clearing link with the Oslo Stock Exchange. Other revenues also include possible capital gains from the sale of operations.

## **INFORMATION SERVICES & NEW MARKETS**

### **INFORMATION REVENUE**

Information revenues are generated through the sale and distribution of trading information based on the data generated through trading on OMX's exchanges. Customers comprise information vendors, exchange members and private individuals.

Trading information, which is the largest source of revenue, is sold to nearly one hundred companies that distribute the information to a large number of end users. These information vendors are invoiced in arrears. The size of the fee depends on the number of end users.

### **REVENUE FROM BALTIC MARKETS**

Revenues from the Baltic Markets comprise trading revenues and issuers' revenue from the exchanges owned by OMX in Tallinn, Riga and Vilnius. The revenue model is similar to that within Nordic Marketplaces. Also included are revenues from the central securities depositories in Tallinn and

Riga – the number of register accounts as well as cleared and settled accounts are the most important parameters.

### **REVENUE FROM BROKER SERVICES**

Revenues from Broker Services derive from securities administration, mainly back-office services related to share trading in the Nordic region. Revenue is based on fixed revenue per customer and variable revenue governed by the number of transactions carried out.

### **OTHER REVENUE**

Other revenues consist primarily of training revenues, sales of information materials and line connection fees for members. Other revenues also include possible capital gains from the sale of operations.

## **MARKET TECHNOLOGY**

### **LICENSE, SUPPORT AND PROJECT REVENUE**

License, support and project revenue derive from the system solutions developed and sold by OMX. After Market Technology has developed and sold a system solution, the customer licenses the right to use the software. Each project involves individual adaptations to the specific requirements of the customer, for instance, relating to functionality and capacity. This development, testing and installation work generates project revenue that is invoiced continually according to degree of completion. When Market Technology provides a system solution, it undertakes to continually upgrade, develop and maintain the system and receives regular support revenues for this work.

With regard to major system solutions for customers such as exchanges and clearing organizations, license and project revenue is mostly fixed and recognized in relation to the degree of completion. Support revenue is mainly fixed and contracts usually extend for five years. A certain portion of license revenue can also be recurring, and contracts can extend for a longer period.

### **FACILITY MANAGEMENT SERVICES REVENUE**

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

### **OTHER REVENUE**

Other revenues comprise mainly revenue from consulting services and exchange-rate differences. Other revenues also include possible capital gains from the sale of operations.

## DEPRECIATION AND IMPAIRMENT BY BUSINESS AREA

SEK m	Oct-Dec		Jan-Dec	
	2006	2005	2006	2005
Nordic Marketplaces	17	22	70	83
Information Services & New Markets	6	5	22	21
Market Technology <sup>1)</sup>	33	28	132	122
<b>Total</b>	<b>56</b>	<b>55</b>	<b>224</b>	<b>226</b>

<sup>1)</sup> The period January – December 2006 includes writedowns in discontinuing operations in the amount of 8. The period January – December 2005 includes writedowns of discontinuing operations in the amount of 3.

## INVESTMENTS

SEK m	Oct-Dec		Jan-Dec	
	2006	2005	2006	2005
Goodwill	136	-5	326	924
Other intangible assets	53	125	229	312
Tangible assets	43	15	77	85
Assets acquired through acquisitions <sup>1)</sup>	135	39	210	398
<b>Total</b>	<b>367</b>	<b>174</b>	<b>842</b>	<b>1,719</b>

<sup>1)</sup> Concerns other intangible assets.

## INVESTMENTS IN R&D

SEK m (of which expensed)	Oct-dec		Jan-Dec	
	2006	2005	2006	2005
Nordic Marketplaces	6(4)	10(-)	17(8)	25(3)
Information Services & New Markets	4(1)	4(-)	17(2)	9(4)
Market Technology <sup>1)</sup>	46(2)	63(10)	174(13)	229(56)
<b>Total</b>	<b>56(7)</b>	<b>77(10)</b>	<b>208(23)</b>	<b>263(63)</b>

<sup>1)</sup> The period January – December 2006 includes investments in discontinuing operations in the amount of 5 (0). The period January – December 2005 includes impairment of discontinuing operations in the amount of 45 (5).

## PRELIMINARY ACQUISITION CALCULATION REGARDING EIGNARHALDSVELAGID VERDBREFATHING

SEK m	
Cash	41
Acquisition costs	17
New share issue	256
<b>Acquisition price</b>	<b>314</b>
Fair value of acquired net assets	179
Goodwill	135

## ACQUIRED ASSETS AND LIABILITIES

	Fair value	Carrying value
Fixed assets <sup>1)</sup>	149	9
Current assets	19	19
Cash and bank balance	33	33
Current liabilities	-22	-22
<b>Acquired net assets</b>	<b>179</b>	<b>39</b>

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

Eignarhaldsvelagid Verdbrefathing (EV) is included in Nordic Marketplaces. EV was consolidated in the Group's income statement and balance sheet on December 1, 2006. EV is included in the Group's revenues in the amount of SEK 11 m and in net income in the amount of SEK 5 m. Goodwill is attributable to the company's positive profitability and expected revenue synergies in conjunction with the continued integration of the Nordic-Baltic securities market.

The cash-flow effect of the acquisition amounts to SEK 25 m, comprising a cash payment of SEK 41 m, acquisition costs of SEK 17 m, minus received cash balances of SEK 33 m. Of the total amount of acquisition costs of SEK 17 m, only SEK 11 m had an effect on cash flow in 2006. The remaining SEK 6 m will impact cash flow in 2007. The new shares issued are valued at market value on the acquisition date.

## PRELIMINARY ACQUISITION CALCULATION REGARDING COMPUTERSHARE

SEK m	
Cash <sup>1)</sup>	244
Acquisition costs	5
<b>Acquisition price</b>	<b>249</b>
Fair value of acquired net assets <sup>2)</sup>	69
Goodwill	180

1) Payment will be made over a period of five years. The acquisition price is discounted to net present value.

2) Acquired net assets comprise marketplace systems.

## Other important information

### ACCOUNTING PRINCIPLES

This interim report was prepared in accordance with IAS 34 Interim Financial Reporting, and recommendation RR 31 Interim Reporting for Groups issued by the Swedish Financial Accounting Standards Council. The same accounting principles and methods of calculation were applied as in the 2005 Annual Report, which was prepared in accordance with IFRS as adopted by the EU, and RR32 for the Parent Company. The new/ revised IFRS that came into effect from January 1, 2006 affected only the hedging of cash flows in the OMX Group's income statements, balance sheet, cash-flow statements and shareholders' equity. Effective January 1, 2006, OMX applies hedge accounting of hedging of internally forecast flows in foreign currencies. Earnings from these cash-flow hedges are reported in shareholders' equity.

Since a decision was made in August 2005 to discontinue operations within Banks & Brokers, these operations are reported as discontinued although the discontinuation has yet to be implemented. In the balance sheet, assets attributable to Banks & Brokers are reported separately through December 31, 2005. The balance sheet for the comparison period is not affected in accordance with IFRS 5.

In preparing this report in accordance with generally accepted accounting principles, the Board and senior management make assessments and assumptions affecting the company's income and position, as well as other information disclosed. These assessments and assumptions are based on historic experience and are reviewed at regular intervals.

### OMX AB

The legal entity OMX AB, the Group's Parent Company, comprises the Group's corporate functions and conducts holding company operations on behalf of Group subsidiaries. Revenue totaled SEK 149 m (2,267) for the reporting period. The loss before appropriations and tax was SEK 141 m (1,999). Cash and cash equivalents totaled SEK 1 m (1). Investments amounted to SEK 17 m (59). The high revenues and earnings during the preceding year pertain to the internal sale of Stockholmsbörsen AB to OMX Exchanges Ltd.

OMX AB (publ)

Stockholm, February 1, 2007

Board of Directors



## KEY RATIOS<sup>1)</sup>

	Jan-dec 2006	Jan-dec 2005
Earnings per share, SEK <sup>2)</sup>	7.64	4.66
Share price at period-end, SEK	126	110.5
Average number of OMX shares traded daily, thousands	772	335
P/E ratio <sup>3)</sup>	16	23
Shareholders' equity per share, SEK	38	40
Share price/Shareholders' equity per share, SEK	3.3	2.75
Return on equity, % <sup>3)</sup>	20	12
Return on capital employed, % <sup>4)</sup>	20	14
Net debt/equity, %	18	12
Equity/assets ratio, % <sup>5)</sup>	57	57
Number of employees at period-end	1,402	1,288
Average number of employees during the period	1,324	1,370
Personnel expenses, SEK m	1,160	1,069

<sup>1)</sup> Definitions of key ratios are given in the OMX Annual Report 2005, page 93. Net debt/equity ratio is calculated on the basis of interest-bearing net debt divided by shareholders' equity.

<sup>2)</sup> Based on OMX AB shareholders' share of earnings for the period.

<sup>3)</sup> Based on 12-month rolling income.

<sup>4)</sup> 12-month rolling income before interest expenses and tax as a percentage of average shareholders' equity plus interest-bearing liabilities.

<sup>5)</sup> Calculated excluding market value of outstanding derivative positions.

## MAJOR SHAREHOLDERS AS OF DECEMBER 31 2006

	Number of shares	Share capital and votes, %
Investor AB	12,950,507	10.7
The Swedish state	7,993,466	6.6
Nordea Bank	6,484,943	5.4
Swedbank Robur funds	4,362,719	3.6
Didner & Gerge aktiefond	4,000,000	3.3
Fidelity funds	3,906,500	3.2
Franklin-Templeton funds	3,584,270	3.0
Svenska Handelsbanken	3,099,888	2.6
SHB/SPP funds	2,458,714	2.0
SEB funds	2,396,723	2.0
Other Swedish owners	26,879,671	22.3
Other foreign owners	42,523,066	35.3
<b>Total number of shares</b>	<b>120,640,467</b>	<b>100</b>

Source: SIS Ägarservice

## OMX – FINANCIAL REPORTS DURING 2007

April 12 – Annual General Meeting

April 24 – Interim report for January-March 2007

July 18 – Interim report for January-June 2007

October 24 – Interim report for January-September 2007

OMX is a leading expert in the exchange industry. Through the Nordic Exchange, OMX offers access to approximately 80 percent of the Nordic and Baltic securities market. The Nordic Exchange is a term used for marketing purposes and is not a legal entity. It describes the common offering from the Helsinki Stock Exchange, Copenhagen Stock Exchange, Stockholm Stock Exchange, Iceland Stock Exchange, Tallinn Stock Exchange, Riga Stock Exchange and Vilnius Stock Exchange. OMX integrated technology solutions cross the transaction chain enabling efficient securities transactions for over 60 exchange organizations in more than 50 countries. OMX is a Nordic Large Cap company in the Financials sector on the OMX Nordic Exchange. For more information, please visit [www.omxgroup.com](http://www.omxgroup.com).

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