



NASDAQ OMX Tallinn AS

CONSOLIDATED ANNUAL REPORT 2012

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Management Report	3
Structure of the Group.....	4
Personal.....	4
Primary Activities of NASDAQ OMX Tallinn in 2012	5
Securities Market	6
Registration of Companies.....	8
Funded Pension.....	9
Financial Results	10
Sponsorship and Charity	11
Activities for 2013	12
Financial Statement	14
Consolidated balance sheet	14
Consolidated income statement	15
Consolidated cash flow statement.....	16
Consolidated statement of changes in equity	17
Notes to the Financial Statement	18
Note 1 Accounting principles used in the preparation of the Financial Statements.....	18
Note 2 Cash	24
Note 3 Receivables and prepayments	24
Note 4 Tax prepayments and liabilities	25
Note 5 Non-current financial investments	25
Note 6 Shares of subsidiaries.....	25
Note 7 Property, plant and equipment	26
Note 8 Intangible assets.....	27
Note 9 Operating lease	27
Note 10 Loan commitments.....	28
Note 11 Payables and prepayments	28
Note 12 Provisions.....	29
Note 13 Share capital.....	29
Note 14 Net sales.....	29
Note 15 Miscellaneous operating expenses	30
Note 16 Labor expense	30
Note 17 Related parties.....	31
Note 18 Events after the balance sheet date.....	31
Note 19 Unconsolidated balance sheet of the parent company.....	32
Note 20 Unconsolidated income statement of the parent company	33
Note 21 Unconsolidated cash flow statement of the parent company	34
Note 22 Unconsolidated statement of changes in equity of the parent company.....	35
Note 23 Off-balance sheet items.....	35
Independent auditor's report	36
Profit distribution proposal.....	37
Division of sales revenue according to EMTAK (Classification of Economic Activities)	38
Signatures of the Management Board to the Annual Report 2012	39

Management Report

The mission of the companies of NASDAQ OMX Tallinn Group is to be the heart of the securities market!

In their activities, the companies of NASDAQ OMX Tallinn Group proceed from the following principles:

- **COOPERATION** - we understand that no one works alone. We are ready to assist and thus enhance the value of intra-organizational teamwork as well as cooperation with the state, market participants and all other cooperation partners.
- **OPENNESS** - we are open to new opportunities and ideas. We are the engine driving market development, always bringing the best ideas to life. We are aided by our open-mindedness and the agility of our thought process. We learn and help others learn from our experiences.
- **RELIABILITY** - we are responsible and intelligent in our work. We are honest to ourselves and others and we do not give promises we cannot keep. We cherish what we have achieved.
- **PROFESSIONALISM** - we have the skills, experience and will to do our job well. We are professionals in our field. The quality of our work is high. Our decisions are intelligent and well-thought-out. We have the courage to admit our mistakes.
- **DEDICATION** - being the heart of the securities market, we have an influence on the activity of people, organizations and the state. We sense our responsibility in all of the decisions we make and actions we take. We do our work with heart and we enjoy what we do.

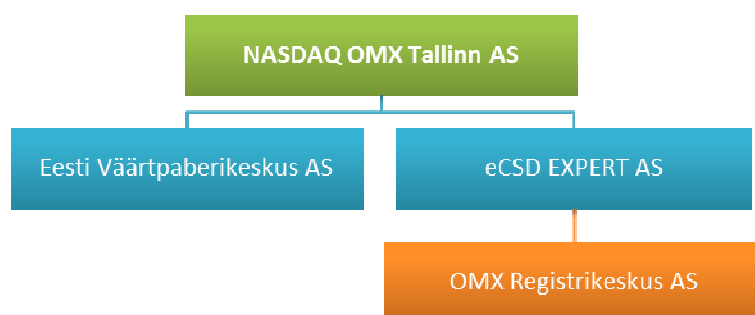
The Tallinn Stock Exchange is the only regulated securities market in Estonia. The Tallinn Stock Exchange began regular trading with 11 listed securities on June 3, 1996. Today, Tallinn stock exchange is part of the largest stock exchange company in the world, NASDAQ OMX Group, Inc., which offers services related to trading, stock exchange technologies and listed companies all over the world. The technological systems of NASDAQ OMX Group are in use in more than 60 stock exchanges, settlement organizations and depositories in more than 50 countries.

The business name of the Tallinn Stock Exchange is NASDAQ OMX Tallinn AS, which reflects belonging to the NASDAQ OMX stock exchange group and makes the local securities market more visible for international investors.

Since March 2010, the sole owner of NASDAQ OMX Tallinn AS is NASDAQ OMX Nordic OY.

Structure of the Group

NASDAQ OMX Tallinn AS has two subsidiaries: AS Eesti Väärtpaberikeskus (managing the Estonian Central Register of Securities and the funded pension register) and AS eCSD EXPERT (export of know-how and technological solutions for capital markets and the pension system). NASDAQ OMX Tallinn has 100% holding in both companies. At the end of the year 2012, AS OMX Registrikeskus that belonged to the Group of NASDAQ OMX Tallinn companies joined eCSD EXPERT, taking also over the service of organising general meetings of shareholders.



Personal

As on 31 December 2012, NASDAQ OMX Tallinn AS Group (together with the Estonian CSD) employed 38 employees, of them 4 were on maternity leave. As compared to the previous period, the number of group employees has decreased by five employees due to improvement reorganisation of work. The employees were divided into the following areas of activity: market services, register, settlements, pension and support services (public relations, IT, finance, administration and legal).

In 2012, the summarised gross salary of the employees of the group was 1.38 million euros (2011: 1.36 million euros), of which the gross salary of the employees of the parent undertaking was 437 thousand euros (2011: 451 thousand euros). The gross remunerations paid to the management of the group (members of the board) were 261 thousand euros (2011: 222 thousand euros), of which the gross remunerations of the members of the management of the parent undertaking were 99 thousand euros (2011: 68 thousand euros). Other benefits to the management in 2012 were 21 thousand euros (2011: 21 thousand euros), of which 7 thousand euros (2011: 8 thousand euros) were to the members of the management of the parent undertaking. Obligations related to the management are in the sum of 20 thousand euros (2011: 36 thousand euros). No payments were made to the members of the supervisory council of NASDAQ OMX Tallinn. In addition to other benefits, employees of the NASDAQ OMX Group have the cross-group stock program, based on which an employee can obtain stocks of NASDAQ OMX if the goals of the company and of the employee are achieved (including stock options).

One of the strategic aims of NASDAQ OMX Tallinn is sufficient, motivated and qualified staff. The company continues to value its employees who wish to develop and learn, providing them opportunities to take up degree studies, work-related trainings and career enrichment through various projects.

Primary Activities of NASDAQ OMX Tallinn in 2012

- For the seventh consecutive year, the Baltic stock exchanges of NASDAQ OMX recognised the best investor relations practices on the Baltic securities markets in 2012 within the framework of the Baltic Market Awards competition. TEO LT was awarded as the company with the best investor relations and LHV Pank won the title of the Stock Exchange Member of the Year. Tallinna Vesi received the most points among Estonian companies and the prize for the best investor relations at the NASDAQ OMX Tallinn Stock Exchange.
- The Master's Thesis of Tuuli Säärits titled The Principles For Keeping The Client's Securities And Money was recognized as the best at the competition for students on the topic of securities market organised within the framework of the investor education program.
- The Russian-language version of the Financial ABC explaining the organisation of finances was published in cooperation with the Financial Supervision Authority and the Estonian Banking Association.
- The affiliate of NASDAQ OMX Tallinn, eCSD EXPERT continued the planned preparations for creating the register of participants in the pension funds of the second pillar of the Republic of Armenia. The register should be launched on 1 January 2014.
- Investment fair *Money Compass 2012 (Rahakompass 2012)* was organised. At the fair top specialists from Estonia shared their experiences and discussed the situation of economy. There were more than 1,500 visitors at the one-day event.
- From 15 December 2012, the supervisory board of NASDAQ OMX Tallinn confirmed chairman of the board of NASDAQ OMX Riga Daiga Auzina-Melalksne as the member of the board. The aim is to integrate, in addition to the daily activities of the stock exchanges, also the management of the companies operating the stock exchanges.
- In cooperation with the Financial Supervisory Authority, Banking Association and the SINA youth, *My Money Day* was carried out in six Estonian schools. Organising finances and the main financial services were introduced to pupils through different quizzes, tests and problem solving.
- The Estonian CSD simplified submission of documents for companies by opening an e-processing environment.
- The Estonian CSD signed the accession agreement of the euro system pan-European securities settlement platform TARGET2-Securities, being among 23 depositories that have concluded the framework agreement. Furthermore, the Estonian CSD carried out a detailed cost analysis regarding joining TARGET2-Securities.

Securities Market

Last year, the stock prices started to rise at the Estonian securities market and the Tallinn stock exchange index OMXT increased by 38.2%. This was an expected recovery of the market after the decrease in 2011, which occurred due to the insecurity that influenced European financial markets. By months, the biggest increases of 2012 took place in February and December. The Baltic benchmark index OMX Baltic Benchmark Cap GI increased by 21.8% in the summary of the year.

By the number of transactions, the year 2012 at the NASDAQ OMX Tallinn stock exchange was quieter than the last - in total 52,382 securities transactions were concluded during the year and the turnover was 136.4 million euros. The number of transactions that decreased more than the turnover, increased the average value of the stock exchange transactions to approximately 2,600 euros (2,240 euros during the previous year).



In 2012, a new stock company was added to the I-List of NASDAQ OMX Tallinn stock exchange - since 23.11.2012 the stocks of AS Pro Kapital Grupp can be traded at the stock exchange. Additionally, the stocks of AS Trigon Property Development were transferred from the Main List to the I-List. As on 31.12.2012, stocks of in total 16 companies were traded at the NASDAQ OMX Tallinn stock exchange. There were no listed bonds at the stock exchange in 2012. The total market value of the stock exchange companies increased by 42.5% during the year, reaching 1.77 billion euros by the end of the year.

Company business name	Abbrevia tion	Number of transactions	Turnover (EUR)	Market value 31.12.2012
				(EUR)
Arco Vara	ARC1T	2 533	2 262 882	7 491 897
Baltika	BLT1T	3 002	1 748 736	20 510 449
Ekspress Grupp	EEG1T	1 037	1 302 650	31 584 651
Harju Elekter	HAE1T	1 125	1 881 700	45 936 000
Merko Ehitus	MRK1T	1 662	5 474 864	104 430 000
Nordecon	NCN1T	1 672	3 768 240	35 677 804
Olympic Entertainment Group	OEG1T	11 321	30 026 215	269 366 519
Premia Foods	PRF1T	1 388	965 131	24 757 030
Silvano Fashion Group	SFGAT	9 778	30 351 363	107 956 000
Skano Group	VSN1T	821	777 331	5 578 836
Tallink Grupp	TAL1T	9 120	27 772 981	582 177 923
Tallinna Kaubamaja	TKM1T	3 678	10 700 324	223 196 016
Tallinna Vesi	TVEAT	4 427	18 586 562	184 000 000
Järvevana	JRV1T	455	457 875	10 443 000
Pro Kapital Grupp	PKG1T	115	226 154	114 348 657
Trigon Property Development	TPD1T	248	51 630	1 327 223
TOTAL		52 382	136 354 638	1 768 782 006

In the summary of the year, the stock prices of the majority of Estonian stock exchange companies increased, for four of them the increase was more than 50%. The biggest increase was shown by Baltika (+91.0%) and Olympic Entertainment Group (+67.6%), the largest fall by Skano Group (-23.5%) and Arco Vara (-23.3%). Unlike the previous year, the number of shareholders in most stock exchange companies has decreased during 2012. Proportionally, Silvano Fashion Group (+12%) and Tallinna Vesi (+6%) have gained the most shareholders, the largest loss in shareholders was shown by Merko Ehitus (-10%) and Nordecon (-10%). The percentage of investors from Cayman Islands (from 2.5% to 7.5%), Italy (to 1.3%) and the USA (from 3.8% to 4.1%) increased among the stock exchange investors and the share of investors from the UK (from 3.9% to 1.4%), Monaco (from 2.2% to 1.2%) and Poland (from 2.1% to 1.1%) decreased. The percentage of Estonian investors decreased from 61.9% to 58.3%.

In 2012, five stock exchange companies decided to make dividend payments in the total sum of ca. 42.5 million euros. Two stock exchange companies decided to make payments related to the decreasing of the nominal value of the shares.

- Olympic Entertainment Group and Premia Foods and in total ca. 19 million euros were paid to shareholders.

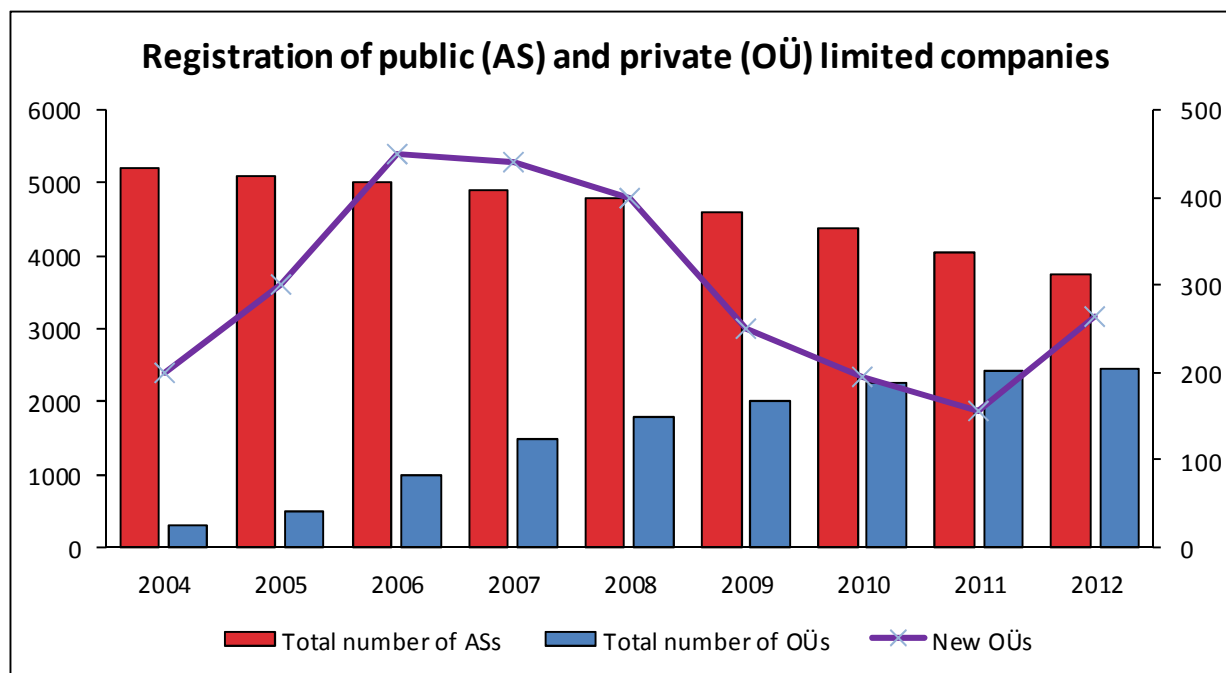
Last year, the number of the stock exchange members of NASDAQ OMX Tallinn did not change. As at the end of the year, the Tallinn stock exchange has in total 28 members.

At the alternative market First North, the advisor status of Aare Raigi Advokaadibüroo ended in 2012. As at the end of the year, the Tallinn alternative market had six contractual advisors.

Registration of Companies

As at the end of 2012, the value of the securities registered at the Estonian CSD was 7.24 billion euros. By the end of the year, 4,179 or 67% of the companies of the 6,204 companies registered at the Estonian CSD had converted their capital to euros. All public limited companies and private limited companies registered at the Estonian CSD were offered free personal consultations for transferring to the euro as well as on transactions related to the securities of the companies.

While the number of registered public limited companies has somewhat decreased (3,734 registered), the interest of private limited companies in registering their shares at the Estonian CSD is still growing (2,464 registered). Registering a private limited company gives the possibility to perform purchase and sale as well as pledging transactions in a more convenient and favourable manner without notarial deeds. Last year, withdrawal of private limited companies from the central register of securities was simplified. While earlier the law allowed deleting the shares of a private limited company only in the event of dissolution of a company with the end of the liquidation of bankruptcy proceedings, or dissolution of a company upon merger or division, now private limited companies have the opportunity to leave the register also on the basis of the decision of the shareholders, if there are no pledge entries.



Funded Pension

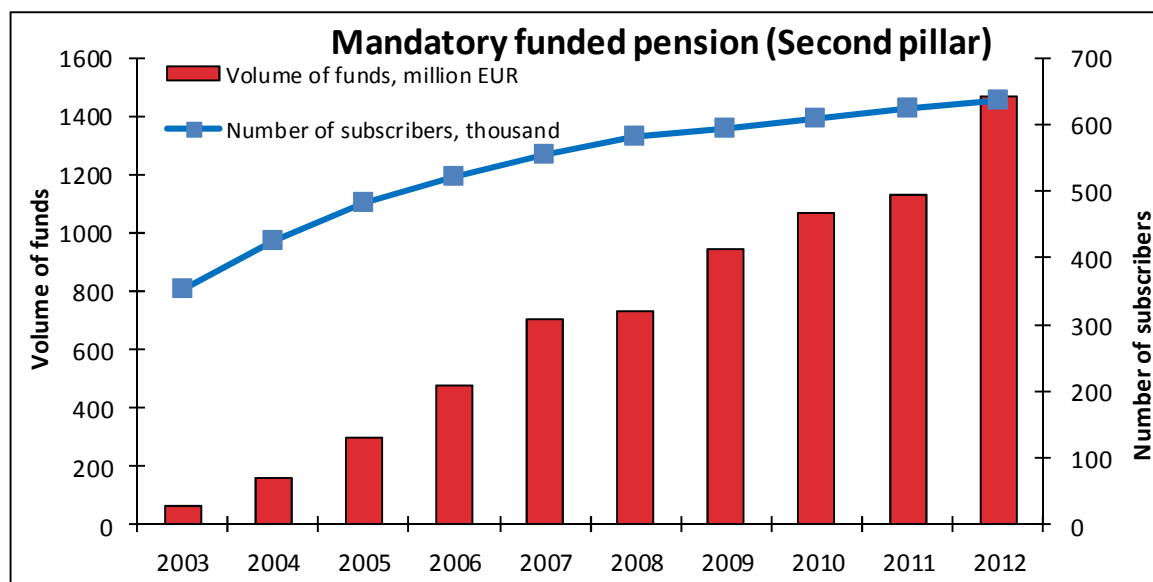
In 2012, regular payments to the mandatory funded pension funds were restored for all persons subscribed to the mandatory funded pension, i.e. an individual paid 2% of his or her gross salary and the state added 4% from the social tax to it.

In 2012, the number of subscribers increased to 635,893 persons, which is 13,170 more than at the end of 2011. The total volume of the mandatory funded pension funds was 1.46 billion euros at the end of the year 2012, which is 29.7% more than in 2011. The EPI index that measures the average rate of return of the funded pension funds, increased by 9.51% to 151.03 points in 2012.

As compared to the year 2011, the number of applications for changing the pension funds decreased by 12,797 last year. While in 2011, 115,720 applications were submitted for changing the second pillar funded pension fund then in 2012, the number of applications for changing fell to 102,923. Remarkably, more than 22% of the transactions concerned transferring less than 100 pension fund units from one fund to another. Active changing of pension funds was facilitated by the amendment that entered into force at the beginning of the year 2011, which allows changing the pension fund also if less than 500 fund units have been collected.

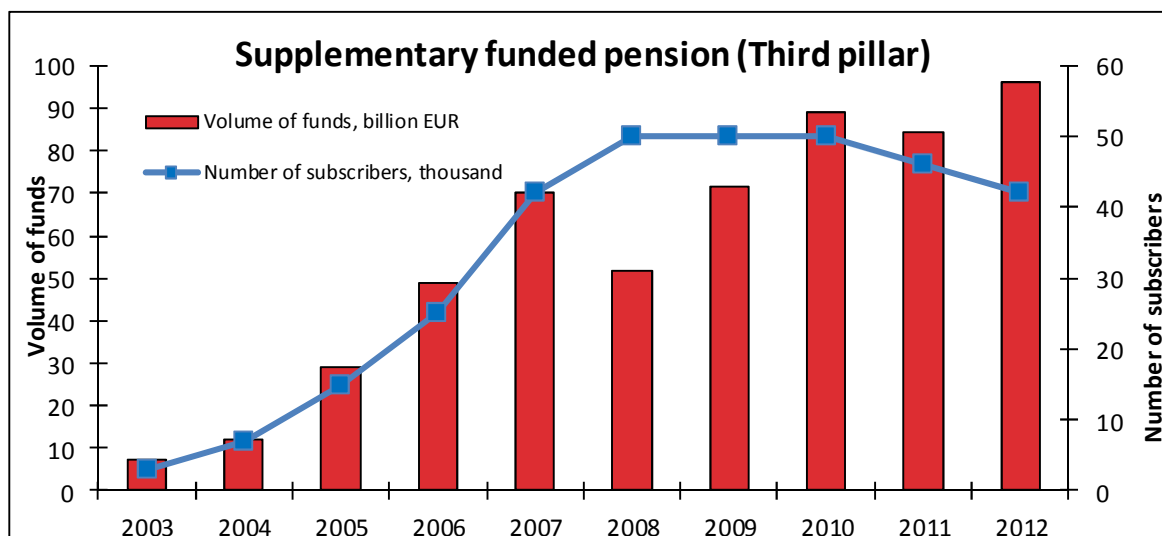
Since autumn 2011, the state has significantly expanded the opportunities people have for changing their funded pensions and directing their payments. People who have joined a funded pension can change their pension fund three times a year, instead of once, as was the case earlier. Additionally, all or only a portion (e.g. 25%, 50% or 75%) of the assets collected in the old pension fund can be transferred from one pension fund to another. People who are collecting pension already can direct their payments to a new pension fund during the entire year. The desired change will enter into force immediately and already the next payment will be directed to the selected pension fund.

More than 13,104 persons have submitted an application for receiving pension payments from the second pillar since the year 2009. Nearly 5,300 persons, who have the right to receive funded pensions, have not submitted an application and have postponed receiving their payments. In 2013, 4,446 persons who have the right to receive pension from the second pillar will be added.



In 2012, the volumes of the supplementary funded pension (third pillar) increased by 12.4% to 95.5 million euros. The number of the clients of the supplementary funded pension decreased from 46,213 investors at the end of 2011 to 42,326 investors at the end of 2012. As at the end of 2012, there were in total 13 supplementary funded pension funds in Estonia.

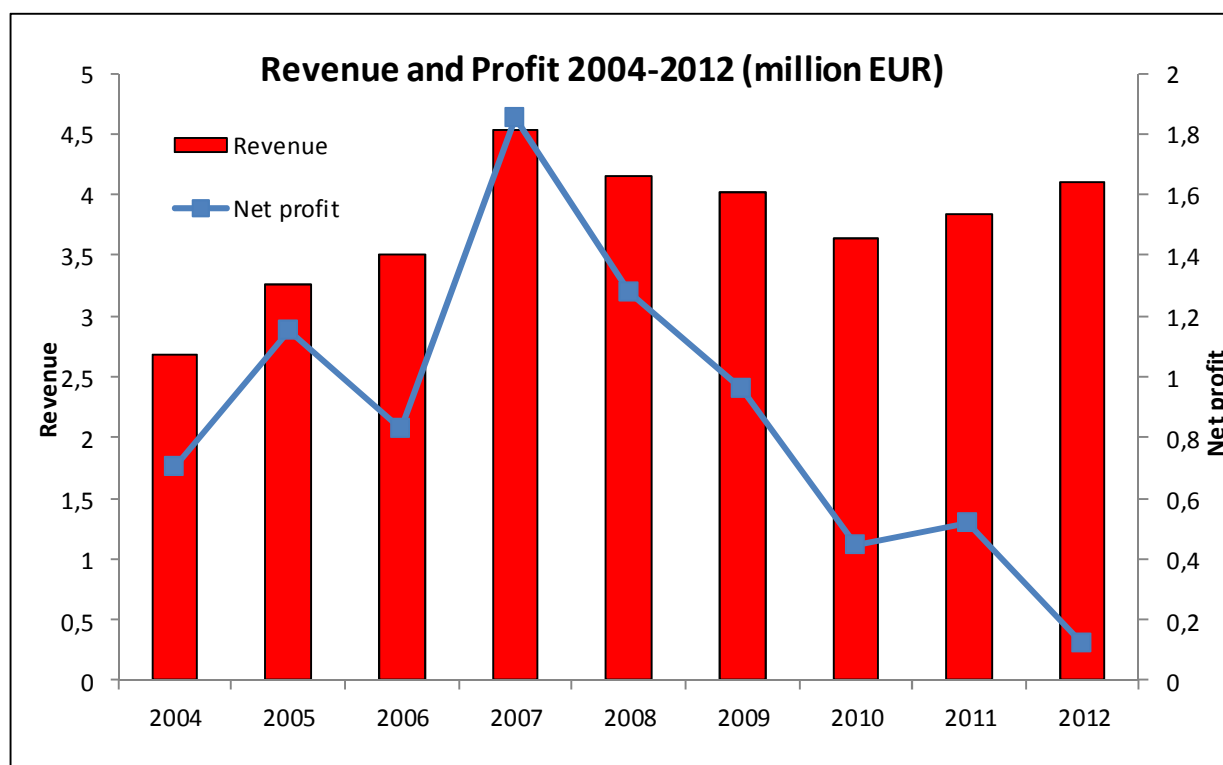
From 2012, the employers can make income tax free payments to the third pillar contracts of their employees. Up to 15% of the taxable income can be paid to the third pillar income tax free, the maximum limit being 6,000 euros per year.



Financial Results

The activities of NASDAQ OMX Tallinn AS have no seasonal impact, but it does depend on the cyclic nature of general economic activities. The financial results of the stock exchange are significantly influenced by the change in the market value of companies listed at the stock exchange and activeness in trading. In 2012, one new issuer was added and the market value of most listed companies increased. At the same time, last year was characterised by the significant decrease in turnover as well as number of transactions. The results of the Estonian CSD are influenced by the change in the number of companies in the register as well as the volume of the funded pension.

The operating revenue of the Group grew by 7% in 2012, to 4.1 million euros (2011: 3.8 million euros), of which the operating revenue of NASDAQ OMX Tallinn was 1.3 million euros (2011: 1.0 million euros). At the end of the period, the equity capital of the Group totalled 2.2 million euros (2011: 2.8 million euros) and the consolidated net profit of 2012 was 0.1 million euros (2011: 0.5 million euros). Although the majority of costs decreased or remained the same as compared to the year before, decrease in the profit resulted from the decision to write off some of the software development investments of previous years.



In 2012, revenue per employee was 108.1 thousand Euros (in 2011: 89,3 thousand Euros), profit per employee was 3.1 thousand Euros (in 2011: 12.0 thousand Euros). The net profit margin for the year 2012 was 3% (in 2011: 13%).

Key financial ratios of the group:	2006	2007	2008	2009	2010	2011	2012
Net profit margin (net profit/net turnover)	23%	41%	31%	24%	12%	13%	3%
Return of Equity (net profit/average equity)	23%	40%	24%	18%	10%	20%	5%
Return on Assets (net profit/total assets)	18%	32%	19%	15%	8%	16%	4%
Revenue growth	8%	29%	-8%	-3%	-10%	6%	8%

Sponsorship and Charity

The goal of the companies of NASDAQ OMX Tallinn AS is to promote Estonian investor culture - to increase awareness of people with respect to the functioning of the securities market so that they would have the wisdom necessary for an investor and courage necessary for an entrepreneur. Thereby the securities market will function better and will be more attractive and transparent.

Sponsorship

We support endeavours that facilitate development of investor culture. Such activities include information events, publishing of educational materials, events aimed at students etc.

The aim of the NASDAQ OMX Tallinn investor education program (www.rahakompass.ee) is to educate rationally thinking investors who could manage their money reasonably and ensure their future. For that purpose, we have:

- organised annual competition for student papers on securities markets;
- carried out an investment fair *Rahakompass (Money Compass)* together with market participants;
- published Estonian language investment literature and made them available free of charge for high schools, universities and libraries (incl. *Finantsaabits (Financial ABC)* (since 2012 also in Russian), *Kuidas ma investeerin börsiaktisatesse (How I Invest Into Listed Stocks)* (S. Saario), *Väärtpaberite teejuht (Guide to Securities)*, *Investeerimise teejuht (Guide to Investing)*);
- supported carrying out games that teach investing (AHHAA centre) with the aim of facilitating generating interest in investing in pupils and encouraging them to educate themselves in this field. Furthermore, we have supported the conference series TEDxTartu that has inspiring presenters and developing topics.
- contributed to the development of educational programs that concern saving and investing (Financial Literacy Development Strategy) and preparing teaching materials (Methodological Guidelines and Teaching Materials for Teaching Financial Literacy, Jussi cartoons).

Charity

The joy of small good deeds has been the motto of NASDAQ OMX Tallinn's co-operation with the Palivere Children's Home (which in 2012 joined with Haapsalu Welfare Services Centre).

We favour sustainable lifestyle and we no longer give impersonal and expensive presents; instead, we organise a memorable skiing trip for the children. At that, we consider important the clear goal of our small contribution – its developing value for children and its continuity. Co-operation with the Palivere Children's Home started in 2002.

Activities for 2013

Similarly to previous years, in 2013 our main challenge will be finding new companies for the stock exchange. We will also continue explanatory work for bringing state companies to the stock exchange. For that purpose, we are actively cooperating with the members of Finance Estonia in order to accelerate the entire Estonian capital market.

The Baltic securities market has been developed as a common market in order to provide the investors as convenient and favourable trading and settling services as possible. Because from 2012, the Lithuanian depository is also 100% owned by NASDAQ OMX, we would be analysing the possibilities of integrating the market further.

From the beginning of the year 2011, the euro can be used for trading and settlements at the Tallinn as well as Vilnius securities markets. Together with the Baltic colleagues, we will be analysing the possibilities of transferring to trading and settlements in the euro in Riga no later than from the beginning of the year 2014. In our activities, we rely on the goal set by the Latvian government to join the euro zone from 2014.

The aim of the Estonian CSD is to continue providing high-level registry services to the existing and new clients. The future of the register business largely also depends on the decisions of the state. In the summer of 2012, the Supreme Court decided that some of the provisions concerning keeping the register are in contravention with the Constitution. The Government and the Parliament must decide during 2013 on how to eliminate such controversies.

We will continue preparations for joining the pan-European securities settlement platform TARGET2-Securities, involving the market participants, Bank of Estonia, Ministry of Finance and Financial Inspectorate into the discussion.

In 2013, we will also continue exporting pension-related knowledge to Armenia. In 2011, we concluded a contract with the Government and Central Bank of the Republic of Armenia for establishing a central pension register. The register is set to launch at the beginning of 2014.

Financial Statement

Consolidated balance sheet

(in euros)

	31.12.2012	31.12.2011	Note
ASSETS			
Current assets			
Cash	1 446 054	1 325 924	2
Receivables and prepayments	335 873	407 893	3
Total current assets	1 781 927	1 733 817	
Non-current assets			
Financial investments	1 249	1 249	5
Property, plant and equipment	62 152	76 838	7
Intangible assets	919 198	1 636 450	8
Total non-current assets	982 599	1 714 537	
TOTAL ASSETS	2 764 526	3 448 354	
LIABILITIES AND EQUITY			
Current liabilities			
Payables and prepayments	464 915	464 604	11
Total current liabilities	464 915	464 604	
Non-current liabilities			
Loan liabilities	99 419	116 176	10
Provisions	0	10 926	12
Total non-current liabilities	99 419	127 102	
TOTAL LIABILITIES	564 334	591 706	
Equity			
Issued capital	700 000	700 000	13
Mandatory reserve	174 862	174 862	
Retained earnings	1 206 786	1 465 978	
Profit for the financial year	118 544	515 808	
Total equity held by shareholders and partners in parent company	2 200 192	2 856 648	
Total equity	2 200 192	2 856 648	
TOTAL LIABILITIES AND EQUITY	2 764 526	3 448 354	

Consolidated income statement

(in euros)

	2012	2011	Note
Revenue	4 088 690	3 805 380	14
Other income	18 731	33 861	
Other operating expenses	-1 404 785	-1 357 332	15
Employee expenses	-1 376 489	-1 355 724	16
Depreciation, amortisation and impairments	-372 454	-378 387	7,8
Other expenses	-633 860	-39 222	
Operating profit	319 833	708 576	
Financial income and expense	4 724	10 520	
Profit before income tax	324 557	719 096	
Income tax	-206 013	-203 288	
Profit for the financial year	118 544	515 808	
Profit from shareholders and partners in parent company	118 544	515 808	

Consolidated cash flow statement

(in euros)

	2012	2011	Note
Cash flows from operating activities			
Receipts of sales of goods and rendering of services	4 502 255	4 080 909	
Payments to suppliers for goods and services	-1 350 246	-1 488 547	
Payments to employees	-785 572	-768 087	
Proceeds from government grants	0	5 492	
Other cash flows from operating activities	-958 046	-899 715	
Total cash flows from operating activities	1 408 391	930 052	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-290 469	-1 080 323	
Other cash receipts from sales of other financial investments	0	1 508 466	
Repayments of loans granted	0	6 649	
Interest received	5 737	17 076	
Total cash flows from investing activities	-284 732	451 868	
Cash flows from financing activities			
Dividends paid	-775 000	-1 600 000	13
Corporate income tax paid	-206 013	-203 288	
Other cash inflows from financing activities	6 656	20 317	
Other cash outflows from financing activities	-29 172	-37 771	
Total cash flows from financing activities	-1 003 529	-1 820 742	
Total cash flows	120 130	-438 822	
Cash and cash equivalents at the beginning of the period	1 325 924	1 764 746	2
Change in cash and cash equivalents	120 130	-438 822	
Cash and cash equivalents at the end of the period	1 446 054	1 325 924	2

Consolidated statement of changes in equity

(in euros)

	Issued capital	Mandatory reserve	Retained earnings	Total
Balance as at 31.12.2010	699 449	174 862	3 066 529	3 940 840
Profit for the financial year	0	0	515 808	515 808
Issue of equity	551	0	-551	0
Dividends paid	0	0	-1 600 000	-1 600 000
Balance as at 31.12.2011	700 000	174 862	1 981 786	2 856 648
Profit for the financial year	0	0	118 544	118 544
Dividends paid	0	0	-775 000	-775 000
Balance as at 31.12.2012	700 000	174 862	1 325 330	2 200 192

Additional information on the owner's equity of the group companies is set forth in Note 13.

Notes to the Financial Statement

Note 1 Accounting principles used in the preparation of the Financial Statements

The consolidated financial statements 2012 of NASDAQ OMX Tallinn AS have been prepared in accordance with the generally accepted accounting principles of the Republic of Estonia. The main requirements of the generally accepted accounting principles of the Republic of Estonia have been stipulated in the Accounting Act of the Republic of Estonia, and supplemented by the guidelines issued by the Accounting Standards Board of the Republic of Estonia.

The financial statements have been prepared on historical cost basis, except in cases set forth in the accounting principles below.

The financial statements have been prepared in euros.

Basis of consolidation

The financial statements of all subsidiaries controlled by the parent company have been consolidated on a line by line basis. All intra-group receivables and liabilities, transactions between group companies and the related unrealised profit and losses have been eliminated.

The consolidated financial statements 2012 reflect the financial statements of NASDAQ OMX Tallinn AS (parent company) and its subsidiaries AS Eesti Väärtpaberikeskus, AS eCSD Expert, as well as AS eCSD Expert's subsidiary AS OMX Registrikeskus.

Investments in subsidiaries are recognised at acquisition value (less any accumulated impairment losses) in the parent company's unconsolidated financial statements, which are set forth in the notes to the consolidated financial statements.

Financial assets

The company's financial assets include cash and cash equivalents, accounts receivable and other receivables, as well as short-term and long-term financial investments.

All financial assets are initially recognised at their acquisition cost, being the fair value of the consideration given. The initial acquisition cost also includes all expenditures directly related to the purchase of the financial asset, including service charges payable to brokers and advisors, non-refundable taxes related to the transaction and other similar expenditures, except for expenses related to the acquisition of financial assets recorded at fair value with change in the income statement.

All regular way purchases and sales of financial assets under regular market conditions are recorded on the transaction date—i.e. the day when the group commits (e.g. concludes a contract) to purchase or sell the particular financial asset, except for short-term and long-term financial investments, which are recorded on the value date – i.e. the date when the company acquires or transfers ownership of the financial asset. Transactions under regular market conditions are purchases and sales transactions in the case of which the transfer of the purchased or sold financial assets from the seller to the buyer is carried out within the period established for the market of required with the relevant market regulations.

When accounting for purchases and sales of financial assets recognised on value date, any changes in the value of assets between the trade date and the balance sheet date are charged to profit or loss, similarly with comparable financial assets owned by the company.

Subsequent to the initial recording, financial assets are measured at their fair value, except for:

- receivables, which the company has not purchased for resale and financial investments held until maturity are recorded at adjusted acquisition cost;

- investments in shares and other equity instruments the fair value of which cannot be reliably measured (incl. derivative instruments related to such assets) are recorded at acquisition cost.

Financial assets at fair value

Financial assets are measured at fair value are revaluated on each balance sheet date, whereas the possible transaction costs related to the disposal of the asset are not deducted. The fair value of listed securities is based on the closing price of the security, as well as the official exchange rate of the Bank of Estonia on the balance sheet date. Unlisted securities are recorded at their fair value, which is found on the basis of the information on the value of the investment available to the group.

Gains and losses from the changes in fair value are recorded under "Financial income and expenses" in the income statement. Profit and loss from disposals of financial assets measured at fair value, as well as interests and dividends on the respective securities, are recognised under "Financial income and expenses" in the income statement.

Financial assets recorded at acquisition cost

Financial assets recorded at acquisition cost are written down to their recoverable amount, if the recoverable amount has fallen below the carrying amount. The recoverable amount of financial assets recorded at cost consists of the estimated future cash flows from the financial asset, discounted with the average rate of return from similar financial assets on the market. The amount of write-down is charged to the financial expenses of the period. The write-down of financial assets recorded at acquisition cost will not be subject to later reversal.

Financial assets are derecognized when the group no longer controls the rights arising from the financial assets, or when all the cash flows attributable to the asset, and a majority of the risks and benefits related to the financial asset are transferred to a third party.

Cash and cash equivalents

Cash at bank, demand deposits, deposits with a maturity of up to 3 months, money market fund shares and shares of other highly liquid funds are recorded as cash and cash equivalents under "Cash" in the balance sheet and cash flow statements.

Foreign currency transactions

Any currency other than the euro is considered foreign currency. Foreign currency transactions are recorded on the basis of the foreign currency exchange rates of the European Central bank officially applicable on the transaction date. Monetary assets and liabilities denominated in foreign currency are revaluated into euro on the basis of the currency exchange rates of the European central Bank officially applicable on the balance sheet date. Foreign exchange and losses arising from revaluation are presented in the income statement of the period. Non-monetary assets and liabilities which are denominated in foreign currency and measured at fair value, are revaluated into foreign currency on the basis of the currency exchange rates of the European Central Bank officially applicable on the date of establishment of the fair value. Non-monetary assets and liabilities which are not measured at fair value are not translated on the balance sheet, but recorded on the basis of the exchange rate of the European Central Bank on the transaction date.

Subsidiaries

Subsidiaries are companies controlled by the parent company. A subsidiary is considered to be controlled by the parent company, if the parent company directly or indirectly holds over 50% of the voting shares of the subsidiary, or is otherwise able to control the operating or financial policies of the subsidiary.

In cases where the parent company gained or waived control over the subsidiary during the period, the respective subsidiary has been consolidated from the day when the subsidiary was acquired until the day the subsidiary was sold.

The acquisition of subsidiaries is recorded on the basis of purchase method (except for mergers under joint control, which are recorded at adjusted cost method). Pursuant to this method, the assets, liabilities and contingent liabilities (i.e. the net assets acquired) of the acquired subsidiary are recognised at their fair value, whereas the difference between the cost of acquisition and the fair value of the net assets acquired is recorded as goodwill or negative goodwill.

Receivables and prepayments

Receivables, which the group has not purchased for resale and financial assets held until maturity are recorded at adjusted acquisition cost, using the effective interest rate method. The adjusted acquisition cost is calculated for the entire holding period by taking into account any discount or premium on acquisition, as well as expenses directly related to the transaction.

Financial assets measured at adjusted acquisition cost will be written down, if it is probable that their recoverable amount is lower than their carrying amount. The recoverable amount of a financial asset measured at adjusted acquisition cost is the net present value of future cash flows from the financial asset, discounted with the effective interest rate fixed at the initial recognition. The write-down of financial assets related to operating activities is charged to expenses in the income statement under "Other operating expenses", while the write-down of financial assets related to investing activities is charged to financial expenses in the income statement.

Impairment of trade receivables is recorded according to the applicable policy for impairments. The circumstances indicating an impairment loss may include the bankruptcy or major financial difficulties of the debtor, and the default or delinquency in payments. If possible, accounts receivable are evaluated on individual basis. If the evaluation of the receivables on individual basis proves impossible, only the material receivables will be evaluated. Other receivables are evaluated as groups on the basis of the policies for impairment of receivables established in the group, which have been compiled on the basis of the experiences of previous years regarding overdue payments. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement under other operating expenses. When a receivable is deemed uncollectible, it is written off from trade receivables and the allowance account for trade receivables. Collection of receivables, which have been previously expensed as doubtful receivables, is recorded as an adjustment to doubtful receivables. In case of collection of receivables previously written down, or other events indicating that the write-down is no longer justifiable, the previous write-down will be reversed in the income statement as a reduction of the expense item to which the write-down was initially charged.

Interest income from receivables is recorded under "Other financial income and expenses" in the income statement.

Property, plant and equipment

Assets with a useful life of over 1 year and an acquisition cost of over 650 euros are considered to be property, plant and equipment (PPE). Assets with a useful life of over 1 year, but an acquisition cost of less than 650 euros, are fully expensed upon acquisition, regardless of their useful life.

PPE are initially recorded at acquisition cost, consisting of the purchase price (incl. customs duties and other non-refundable taxes) and expenses directly related to the acquisition, incurred upon bringing the assets to their present operating condition and location. An item of PPE is carried in the balance sheet at its cost, less accumulated depreciation and any accumulated impairment losses.

Expenses incurred on a PPE item are recorded under PPE, if future economic benefits are expected to arise from the asset item, and the acquisition cost of the asset item can be reliably measured. Other costs on maintenance and repairs are expensed when incurred.

Depreciation is calculated on the basis of the straight-line method. Depreciation rates are determined for each PPE item individually, depending on its estimated useful life. In case of asset items with a significant final value, only the depreciable difference between the acquisition cost and the final value shall be charged to expenses over the useful life of the item. A PPE item will no longer be depreciated, if the final value of the asset rises above its carrying amount.

If PPE item consists of distinguishable components with different useful lives, these components are recorded as separate asset items, and their depreciation rates specified separately in accordance with their useful lives.

The following annual depreciation rates are applied for the PPE groups:

Other equipment and IT equipment 20%-40%

Other machinery and equipment 20%-40%

Depreciation is calculated from the moment an asset can be used for the purposes established by the management, until the final value of the assets exceeds its carrying amount, or until the assets' classification into "fixed assets held for sale", or removal from use. The depreciation rates, depreciation methods and final values are evaluated on each balance sheet date. If the recoverable amount of the fixed assets item (i.e. higher of the net selling price or the value of asset in utilization) is lower than its carrying amount, the fixed assets item will be written down to its recoverable amount.

Intangible assets

Intangible assets (development costs, patents, licenses, trademarks, software) are recorded on the balance sheet if the assets are controlled by the company, if future economic benefits are expected to arise from the assets and if the acquisition cost of the assets can be reliably measured. Intangible assets are initially recorded at acquisition cost, consisting of the purchase price and expenses directly related to the acquisition. An intangible asset item is recorded on the balance sheet at its cost, less accumulated amortisation and any accumulated impairment losses. Intangible assets with an indefinite useful life are not amortised. On each balance sheet date, however, these assets are tested for impairment and the asset will be written down to its recoverable amount, if the recoverable amount has dropped below the carrying amount. Intangible assets with a definite useful life are amortised on a straight-line basis. Depending on the area of use of the intangible asset item, the annual amortisation rate is 20% to 40%.

Development costs are expenses incurred on the implementation of the research results for the development, design or testing of new products, services, processes or systems. Development costs are capitalised, if there is a plan for the execution of the project, and the cost amount as well as future economic benefits from the intangible assets can be reliably measured.

Finance lease and operating lease

Lease transactions, where all material risks and rewards from ownership of an asset are transferred to the lessee, are recorded as finance lease. All other lease transactions are recorded as operating lease.

Company as the lessee

Assets acquired under finance lease are recognised in the balance sheet as assets and liabilities at their fair value or the net present value of the minimum lease payments, whichever is smaller. Lease payments are divided into financial expenses (interest expenses) and reduction of the net book value of the liability. Financial expenses are divided over the lease period so that the interest rate of the net book value of the liability would be the same at any given moment. Assets leased under finance lease terms are depreciated similarly to the acquired fixed assets, whereas the depreciation period is the estimated useful life of the asset item, or the lease period, whichever is shorter. Initial direct expenses incurred by the lessee upon conclusion of the finance lease contract are charged to the acquisition cost of the leased assets. Operating lease payments are recorded in the income statement during the rental period as expenses based on the straight-line method.

Financial liabilities

All financial liabilities (accounts payable, accrued expenses, and other short-term and long-term borrowings) are initially accounted for at their acquisition cost, which includes all expenses directly related to the acquisition. Subsequently, financial liabilities are recorded on the basis of the amortised cost method.

Generally, the amortised cost of short-term financial liabilities equals to their nominal value due to which short-term financial liabilities are recorded in the balance sheet at the payable amount. The adjusted acquisition cost of long-term liabilities is calculated on the basis of the effective interest rate method.

Financial liabilities are recorded as short-term liabilities, if the liability is due within less than 12 months after the balance sheet date, or if the company has no unconditional right to delay payment for more than 12 months after the balance sheet date. Borrowings which are due for repayment within 12 months after the balance sheet date, but which are refinanced into long-term borrowings after the balance sheet date but before the approval of the Annual Report, are recorded as short-term borrowings. Furthermore, borrowings the immediate repayment of which can be demanded by the creditor due to the violation of a provision of the loan agreement are also recorded under short-term borrowings.

Corporate income tax

Pursuant to the Income Tax Act of the Republic of Estonia, companies are not subjected to income tax on the profit for the financial year in Estonia. Income tax is imposed on dividends, fringe benefits, gifts, costs of entertaining guests, non-operating expenses and transfer price adjustments. The established tax rate is 21/79 on the net dividend paid. Under certain conditions, the dividends received may be redistributed without incurring further income tax expense. Corporate income tax on the payment of dividends is recorded under liabilities and under income tax expense in the income statement at the moment of announcing the dividends, irrespective of the period for which the dividends were announced or when the dividends are actually paid. The income tax payment obligation arises on the 10th day of the month following the dividend payment.

Due to the peculiarity of the taxation system, there are no differences between the taxation and carrying values of the assets for companies registered in Estonia and due to that there are no deferred income tax payables or liabilities. The contingent income tax liability related to the payment of dividends from retained profit is not recorded in the balance sheet. The maximum income tax liability related to the distribution of retained earnings as dividends has been disclosed in the notes to the financial statements.

Related Parties

For the purposes of the financial statements of NASDAQ OMX, the following are considered related parties:

- owners (parent company and owners of the parent company, and other shareholders);
- subsidiaries and other companies belonging to the OMX consolidation group ;
- management board and senior management;
- family members of the persons listed above, and the companies under their control or significant influence.

Revenues

Revenue from sales of services is recorded upon rendering of the service, or based on the stage-of-completion method, if the service is rendered during a longer period of time.

I Revenue from stock exchange services

- Transaction fees. Revenue from transaction fees is recorded upon conclusion of the securities transaction.
- Listing fee. Revenue is recorded upon listing.
- Membership fees. Membership fees, which do not grant additional benefits to members, are charged to income on a straight-line basis, over the period for which the fees are paid.
- Annual fee for securities. Revenue from annual fees is divided into management fees and maintenance fees. Revenue is recorded on a straight-line basis, over the agreed period.
- Information forwarding fees. Revenue from data forwarding is recorded on a straight-line basis, over the agreed period.

II Revenue from registry services

- Registration fees. Revenue is recorded upon the registration operation.
- Management fee. Revenue from management fees is recorded on a straight-line basis, over the management period set forth in the public price list of the ECSD.
- Securities account administration fees. Revenue from administration fees is recorded on a straight-line basis over the administration period set forth in the public price list of ECSD.
- Transfer fees. Revenue is recorded upon transfer or on a straight-line basis in accordance with the public price list of ECSD.
- Transaction fees. Revenue is recorded after the conclusion of the securities transaction.
- Information forwarding fees. Revenue is recorded after the processing of inquiries.
- Funded pension information system user fees. Revenue is recorded on a straight-line basis over the period of use set forth in the public price list of ECSD.
- Project-based services. Revenue is recorded based on stages in accordance with the agreed project plan and established payment schedule.

Interest income and dividend income is recorded when collection of the revenue is probable and the amount of the revenue can be reliably measured. Interest income is recognised based on the effective interest rate method, except if the receipt of the interest is doubtful. In this case, interest income is recorded on cash basis. Dividend income is recognised when the owner is granted a legal right to receive dividends.

Mandatory reserve

The company has set up a mandatory reserve in accordance with the Commercial Code of the Republic of Estonia. The mandatory reserve is set up of the annual allocations of net profit. Pursuant to the Commercial Code at least 1/20 of the net profit must be transferred to the legal reserve until the mandatory reserve amounts to 1/10 of the share capital.

Reserve capital can be used for covering the loss or for increasing the share capital of the company. The mandatory reserve cannot be paid out as dividends.

Guarantee fund

The guarantee fund is made up of the guarantees paid by the stock exchange members to NASDAQ OMX Tallinn AS for guaranteeing the stock exchange transactions, the management and use of which is regulated by the Regulation No. 48 of the Ministry of Finance dated 14 August 2003, in accordance with the Tallinn Stock Exchange rules and the resolutions of the Management Board. The funds within the guarantee fund are recorded on the balance sheet under cash, with the corresponding liability recorded under the guarantee fund line under long-term payables.

Pursuant to the decision of the council, any fines paid to NASDAQ OMX Tallinn AS for violation of the stock exchange rules are separated from profit and recorded under liabilities as provisions for ensuring investments into investor education.

Events after the balance sheet date

Material circumstances that have an effect on the valuation of assets and liabilities and became evident between the balance sheet date and the date of preparing the financial statements, but are related to transactions that took place in the reporting period or earlier periods, are recorded in the financial statements.

Subsequent events that have not been taken into consideration when assessing the assets and liabilities but have a material effect on the result of the next financial year, are recorded in the financial statements.

Note 2 Cash

(in euros)

	31.12.2012	31.12.2011
Settlement accounts	1 446 054	917 984
Term-deposit accounts	0	407 940
Total cash	1 446 054	1 325 924

Note 3 Receivables and prepayments

(in euros)

	31.12.2012	Within 12 months	Note
Accounts receivable	183 700	183 700	
Receivables from customers	273 788	273 788	
Allowance for doubtful receivables	-90 088	-90 088	
Tax prepayments and receivables	64 718	64 718	4
Other receivables	26 796	26 796	
Accrued income	26 796	26 796	
Prepayments	60 659	60 659	
Prepaid expenses	60 659	60 659	
Total receivables and prepayments	335 873	335 873	

	31.12.2011	Within 12 months	Note
Accounts receivable	197 844	197 844	
Receivables from customers	292 342	292 342	
Allowance for doubtful receivables	-94 497	-94 497	
Tax prepayments and receivables	40 236	40 236	4
Other receivables	87 758	87 758	
Interest receivables	1 013	1013	
Accrued income	86 745	86 745	
Prepayments	82 055	82 055	
Prepaid expenses	82 055	82 055	
Total receivables and prepayments	407 893	407 893	

Note 4 Tax prepayments and liabilities

(in euros)

	31.12.2012		31.12.2011	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
Value added tax	64 718	0	40 236	0
Personal income tax	0	33 231	0	29 452
Fringe benefit income tax	0	992	0	2 012
Social tax	0	59 095	0	55 149
Contributions to mandatory funded pension	0	3 370	0	2 714
Unemployment insurance tax	0	5 221	0	6 007
Total tax prepayments and liabilities	64 718	101 909	40 236	95 334

Tax prepayments are described on balance sheet "Receivables and prepayments" (note 3) and tax payables on balance sheet "Payables and prepayments" (note 11).

Note 5 Non-current financial investments

(in euros)

	31.12.2012	31.12.2011
Other non-current financial investments *	1 249	1 249
Total non-current financial investments	1 249	13 749

* The share of the Association of National Numbering Agencies (hereinafter ANNA) has been acquired by the group company AS Eesti Väärtpaberikeskus with the goal of obtaining the rights of the national securities numbering agency. Only an ANNA member may serve as the national securities numbering agency. Pursuant to the Statutes of ANNA, membership requires that the member holds one share in ANNA.

Note 6 Shares of subsidiaries

(in euros)

Shares of subsidiaries, general information

Subsidiary's registry code	Name of subsidiary	Country of incorporation	Principal activity	Ownership interest (%)	
				31.12.2012	31.12.2011
10111982	AS Eesti Väärtpaberikeskus	Estonia	Financial services activities auxiliary	100	100
10758689	AS eCSD EXPERT	Estonia	Financial consulting	100	100

Note 7 Property, plant and equipment

(in euros)

	Computers and computer systems	Other tangible fixed assets	Total
Balance as of 31.12.2010			
Acquisition cost	284 658	291 172	575 830
Accumulated depreciation	-257 599	-283 329	-40 928
Residual cost	27 059	7 843	34 902
Acquisitions and additions	67 445	1 998	69 443
Other acquisitions and additions	67 445	1 998	69 443
Depreciation	-22 922	-4 585	-27 507
Balance as of 31.12.2011			
Acquisition cost	352 103	293 170	645 273
Accumulated depreciation	-280 521	-287 914	-568 435
Residual cost	71 582	5 256	76 838
Acquisitions and additions	7 230	21 685	28 915
Other acquisitions and additions	7 230	21 685	28 915
Depreciation	-37 712	-5 889	-43 601
Balance as of 31.12.2012			
Acquisition cost	359 333	311 722	671 055
Accumulated depreciation	-318 233	-290 670	-608 903
Residual cost	41 100	21 052	62 152

Disposed property, plant and equipment at selling price

	2012	2011
Other property, plant and equipment	749	0
Total	749	0

Note 8 Intangible assets

(in euros)

	Software	Unfinished projects and prepayments *	Total
Balance as of 31.12.2010	1559 718	976 969	2 536 687
Acquisition cost	-1 186 863	0	-1 186 863
Accumulated depreciation	372 855	976 969	1 349 824
Residual cost			
Acquisitions and additions	1 498 013	-860 507	637 506
Depreciation	-350 880	0	-350 880
Balance as of 31.12.2011			
Acquisition cost	2 788 332	116 462	2 904 794
Accumulated depreciation	-1 268 344	0	-1 268 344
Residual cost	1 519 988	116 462	1 636 450
Acquisitions and additions	111 884	-93 475	18 409
Depreciation	-328 853	0	-328 853
Write off	-406 808	0	-406 808
Balance as of 31.12.2012			
Acquisition cost	2 445 166	22 987	2 468 153
Accumulated depreciation	-1 548 955	0	-1 548 955
Residual cost	896 211	22 987	919 198

* The sum of prepayment includes payment and registration systems development charges.

Due to deteriorated market conditions, consequently no customer willingness to invest to the fund and portfolio management system Portfolio3000, the council decided to write off the product and terminate all related agreements.

Note 9 Operating lease

(in euros)

Accounting entity as lessee

	2012	2011
Operating lease expenses	161 648	160 497
Future lease expense under non-cancellable lease contracts	31.12.2012	31.12.2011
Within 12 months	956	15 166
1 – 5 years	0	31 791

Operating lease consists the premises rental in the amount of 144,086 euros and cars rental in the amount of 17,562 euros (2011: premises rental 138,939 euros and cars rental 21,558 euros).

The premises lease contract (concluded on 17.11.2003) is cancellable with an advance notice of 6 months. Under a justified proposal, the lessor shall have the right to adjust the rent in accordance with the market prices.

Under the vehicle operating lease agreements, the lessee shall have the option of exercising the right of buyout but the company is not planning to use the option.

Note 10 Loan commitments

(in euros)

	31.12.2012	Allocation by remaining maturity
		1-5 years
Other loan commitments		
Long-term liabilities	99 419	99 419
Other loan commitments total	99 419	99 419
Loan commitments total	99 419	99 419

	31.12.2011	Allocation by remaining maturity
		1-5 years
Other loan commitments		
Long-term liabilities	116 176	116 176
Other loan commitments total	116 176	116 176
Loan commitments total	116 176	116 176

The stock exchange guarantee fund in the amount of 99,419 euros (2011: 116,176 euros) contains the guarantee fund payments made by the Tallinn Stock Exchange members. The use of the guarantee fund is governed by the rules and regulations of the Tallinn Stock Exchange.

Note 11 Payables and prepayments

(in euros)

	31.12.2012	Within 12 months	Note
Trade payables	53 646	53 646	
Employee payables	204 120	204 120	
Tax payables	101 909	101 909	4
Other payables	90 625	90 625	
Other accrued expenses	90 625	90 625	
Prepayments received	14 615	14 615	
Deferred income	14 615	14 615	
Total payables and prepayments	464 915	464 915	

	31.12.2011	Within 12 months	Note
Trade payables	93 703	93 703	
Employee payables	241 220	241 220	
Tax payables	95 334	95 334	4
Other payables	33 915	33 915	
Other accrued expenses	33 915	33 915	
Prepayments received	432	432	
Deferred income	432	432	
Total payables and prepayments	464 604	464 604	

Note 12 Provisions

(in euros)

	31.12.2010	Provision used	31.12.2011
Provision for investor education*	39 889	-28 963	10 926
Total provisions	39 889	-28 963	10 926
	31.12.2011	Provision used	31.12.2012
Provision for investor education*	10 926	-10 926	0
Total	10 926	-10 926	0

*Starting from 2009, the guarantee fund part (guarantee fund reserve) composed of the fines of the members of NASDAQ OMX Tallinn is recorded under non-current liabilities as a special-purpose provision for investor education. The provision is used based on the annual investor education budget approved by the supervisory council of NASDAQ OMX Tallinn.

Note 13 Share capital

(in euros)

	31.12.2012	31.12.2011
Share capital	700 000	700 000
Number of shares (pcs)	700 000	700 000
Nominal value of shares	1	1

According to the statute maximum share capital is 2,000,000 euros.

In 2012 775,000 euros were announced and paid to the shareholders as dividends. (in 2011 1,600,000 euros were paid out as dividends). The income tax of dividends was 158,165 euros (in 2011 123,542 euros).

The retained profit of NASDAQ OMX Tallinn AS as of 31.12.2012 amounted to 1,325,330 euros (2011: 1,981,786 euros).

Dividend payment to owners incurs an income tax expense in the amount of 21/79 of the net dividend paid. Thus, as at the balance sheet date, a total of 1,047,011 euros can be paid to the owners as dividends from the retained profit, with the respective income tax expenses amounting to 278,319 euros.

Note 14 Net sales

(in euros)

	2012	2011
Net sales by geographical location		
Net sales in European Union		
Estonia	2 950 428	3 023 081
Other European Union net sales	886 286	494 977
Total net sales in European Union	3 836 714	3 518 058
Net sales outside of European Union		
Armenia	251 966	287 110
Other net sales outside of European Union	10	212
Total net sales outside of European Union	251 976	287 322
Total net sales	4 088 690	3 805 380

	2012	2011
Net sales by operating activities		
Issuer fees	1 487 336	1 534 248
Participants fees	628 833	663 657
Registration fees	607 595	566 722
Transaction fees	63 386	90 933
Members fees	151 346	154 719
Information forwarding fees	751 503	340 346
Meeting services	17 642	16 538
Other revenues	381 049	438 217
Total net sales	4 088 690	3 805 380

Note 15 Miscellaneous operating expenses

(in euros)

	2012	2011
Office rent & maintenance	186 877	176 519
Miscellaneous office expenses	21 375	24 170
Travel expense	39 723	61 122
Allowance for doubtful receivables	20 592	14 035
Marketing expenses	56 803	103 167
Personnel expenses	144 592	184 128
Postal expenses	21 265	19 363
Other services purchased	298 029	162 963
IT expenses	414 967	419 925
Insurance	26 190	25 449
Group management expenses	71 777	60 236
Other expenses	102 595	106 255
Total other operating expense	1 404 785	1 357 332

Note 16 Labor expense

(in euros)

	2012	2011
Wage and salary expense	1 046 377	1 036 981
Social security taxes	330 112	318 743
Total labor expense	1 376 489	1 355 724
Average number of employees in full time equivalent units	38	43

Note 17 Related parties

(in euros)

Parent company	NASDAQ OMX Nordic OY
Country where parent company is registered	Finland
Group's name	The NASDAQ OMX Group Inc
Country where group is registered	USA

Related party balances according to groups

2012	Purchases	Sales
Parent company	0	30 000
Other entities belonging into same consolidation group	261 237	788 076
2011	Purchases	Sales
Parent company	0	30 000
Other entities belonging into same consolidation group	217 606	374 476

Remuneration and other significant benefits calculated for members of management and highest supervisory body		
	2012	2011
Remuneration	260 756	221 533
Other benefits	21 042	20 648

According to the management of the company, the prices used for transactions with related parties do not significantly differ from the market prices. No write-downs have been made with respect to receivables from related parties in 2012, or in 2011.

In total 261 thousand euros (2011: 222 thousand euros) was paid in remuneration to the Management of the group, including remuneration paid to the Management of the parent company were 99 thousand euros (2011: 68 thousand euros). Other benefits to the Management amounted to 21 thousand euros in 2012 (2011: 21 thousand euros), including to the members of the Management of the parent company 7 thousand euros (2011: 8 thousand euros). Contingent liabilities to members of the Management are 20 thousand euros.

In addition to other benefits, the employees of the NASDAQ OMX Group can participate in the cross-group shares programme, on the basis of which shares (including share options) of NASDAQ OMX can be obtained in the event a company or an employee achieves the set goals.

Note 18 Events after the balance sheet date

(in euros)

NASDAQ OMX Group has decided to close the companies which are not economically maintain as separate company. Due to this in 01.01.2013 AS OMX Registrikeskus joined with the same group belongs AS eCSD expert, which will deal with shareholders meetings as well.

Note 19 Unconsolidated balance sheet of the parent company
(in euros)

	31.12.2012	31.12.2011
ASSETS		
Current assets		
Cash	534 003	832 115
Receivables and prepayments	60 499	67 652
Total current assets	594 502	899 767
Non-current assets		
Financial investments	446 745	446 745
Property, plant and equipment	21 876	27 596
Intangible assets	9 602	13 357
Total non-current assets	478 223	487 698
TOTAL ASSETS	1 072 725	1 387 465
LIABILITIES AND EQUITY		
Current liabilities		
Payables and prepayments	131 473	154 190
Total current liabilities	131 473	154 190
Non-current liabilities		
Loan liabilities	99 419	116 175
Provision	0	10 926
Total non-current liabilities	99 419	127 101
TOTAL LIABILITIES	230 892	281 291
Equity		
Issued capital	700 000	700 000
Mandatory reserve	174 862	174 862
Retained earnings (loss)	-543 688	-15 161
Profit for the financial year	510 659	246 473
Total equity	841 833	1 106 174
TOTAL LIABILITIES AND EQUITY	1 072 725	1 387 465

Note 20 Unconsolidated income statement of the parent company

(in euros)

	2012	2011
Revenue	1 335 185	983 225
Other income	233	184
Other operating expenses	-383 637	-446 699
Employee expense	-436 864	-450 501
Depreciation and impairment loss	-18 079	-11 774
Other expenses	-12 012	-11 457
Total operating profit (loss)	484 826	62 978
Financial income and expense	183 998	307 037
Profit before income tax	668 824	370 015
Income tax	-158 165	-123 542
Profit for the financial year	510 659	246 473

Note 21 Unconsolidated cash flow statement of the parent company

(in euros)

	2012	2011
Cash flows from operating activities		
Receipts of sales of goods and rendering of services	1 319 889	1 013 773
Payment to suppliers for goods and services	-327 488	-455 459
Payments to employees	-247 906	-243 608
Proceeds from government grants	0	1 591
Other cash flows from operating activities	-253 866	-279 166
Total cash flows from operating activities	490 629	37 131
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-18 071	-38 335
Other cash payments to acquire subsidiaries	0	-35
Other cash receipts from sales of other financial investments	0	1 125 196
Repayment of loans given	0	6 649
Interest received	5 011	12 985
Dividends received	180 000	300 000
Total cash flows from investing activities	166 940	1 406 460
Cash flows from financing activities		
Dividends paid	-775 000	-1 600 000
Corporate income tax paid	-158 165	-123 542
Other cash inflows from financing activities	6 656	20 317
Other cash outflows from financing activities	-29 172	-37 771
Total cash flows from financing activities	-955 681	-1 740 996
Total cash flows	-298 112	-297 405
Cash and cash equivalents at the beginning of the period	832 115	1 129 520
Change in cash and cash equivalents	-298 112	-297 405
Cash and cash equivalents at the end of the period	534 003	832 115

Note 22 Unconsolidated statement of changes in equity of the parent company

(in euros)

	Issued capital	Mandatory reserve	Retained profit (loss)	Total
Balance as of 31.12.2010	699 449	174 862	1 585 390	2 459 701
Profit for the financial year	0	0	246 473	246 473
Issue of equity	551	0	-551	0
Dividends paid	0	0	-1 600 000	-1 600 000
Balance as of 31.12.2011	700 000	174 862	231 312	1 106 174
Acquisition cost of investments under control or under significant influence	0	0	-446 745	-446 745
Carrying amount of investments under control or significant influence according to the equity method	0	0	2 197 219	2 197 219
Adjusted non-consolidated equity as of 31.12.2011	700 000	174 862	1 981 786	2 856 648
Profit or the financial year	0	0	510 659	510 659
Dividends paid	0	0	-775 000	-775 000
Balance as of 31.12.2012	700 000	174 862	-33 029	841 833
Acquisition cost of investments under control or under significant influence	0	0	-446 745	-446 745
Carrying amount of investments under control or significant influence according to the equity method	0	0	1 805 104	1 805 104
Adjusted non-consolidated equity as of 31.12.2012	700 000	174 862	1 325 330	2 200 192

Note 23 Off-balance sheet items

(in euros)

Eesti Väärtpaberikeskus is operating as the sender of the payments related to funded pension, investment funds and securities. Sums not disbursed to the payees are deposited in the Bank of Estonia in the name of Eesti Väärtpaberikeskus and the mentioned sums are recorded as off-balance sheet items.

	31.12.2012	31.12.2011
2 nd pillar *	1 291 775	80 331
Other funds **	89 277	205 557
Interest and dividend funds***	83 764	82 889
Total	1 464 816	368 777

* Mandatory funded pension payments for which no shares have been issued yet.

** Other investment fund subscription fees, for which no shares have been issued yet, or for which shares have been issued but no money has been transferred to the fund.

*** Payments for securities (interest, redemption, compensation and dividend payment) subject to disbursement to investors. All amounts are to be transferred within a month. Returned payments are processed on a daily basis.

Independent auditor's report

Profit distribution proposal

The Management Board of NASDAQ OMX Tallinna AS proposes the General Meeting of Shareholders to distribute the net profit of 2012 in the amount of 118,544 as follows:

Transfer to the retained earnings	118,544 euro
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Furthermore, the Management Board proposes paying the shareholders dividends in the amount of 200,000 euro (0.2857 euro per share) from the retained earnings as of 31.12.2012.

Rauno Klettenberg
Chairman of the Management Board

15 April 2013

Division of sales revenue according to EMTAK (Classification of Economic Activities)

Pursuant to the Classification of Economic Activities NASDAQ OMX Tallinn AS classifies the sales revenue of 2012 as follows:

	2012
66111-administration of financial markets	3 836 714
Total sales revenue	3 836 714

Signatures of the Management Board to the Annual Report 2012

Hereby we approve the Annual Report 2012 of NASDAQ OMX Tallinn AS .

Rauno Klettenberg
Member of the Management Board

15 April 2013