

EFFICIENT SECURITIES TRANSACTIONS

# Contents

## COMPANY PRESENTATION

OMX 2006 .....	14
CEO's comments .....	16
Chairman's comments .....	18
Vision, business model and strategy .....	20
Global trends .....	22
OMX's operations and business areas .....	24
Nordic Marketplaces .....	25
Information Services & New Markets .....	30
Market Technology .....	34
Employees .....	38
The OMX share .....	40

## CORPORATE GOVERNANCE REPORT 2006

Bodies and sets of regulations .....	43
Work during the year .....	46
Internal control .....	48
Executive Management Team .....	50
Board of Directors .....	52

## ANNUAL REPORT 2006

Board of Directors' Report .....	56
Consolidated income statement .....	60
Notes to the consolidated income statement .....	61
Sources of revenue in OMX .....	63
Consolidated balance sheet .....	64
Changes in consolidated shareholders' equity .....	66
Consolidated cash-flow statement .....	67
Income statement – Parent Company .....	68
Balance sheet – Parent Company .....	69
Changes in shareholders' equity – Parent Company .....	70
Cash-flow statement – Parent Company .....	71
Accounting principles .....	72
Risk management .....	78
Notes to the financial statements .....	83
Audit report .....	101
Financial overview .....	102
Glossary .....	104
Addresses .....	

# This is OMX

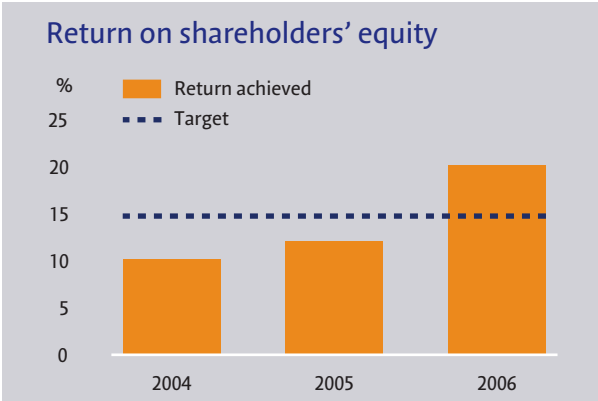
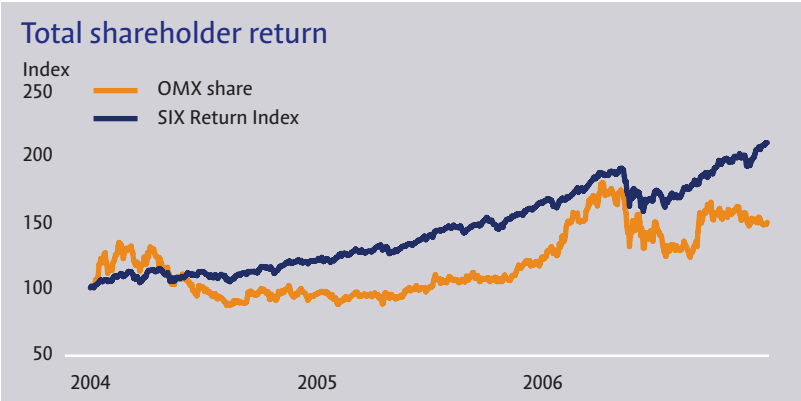
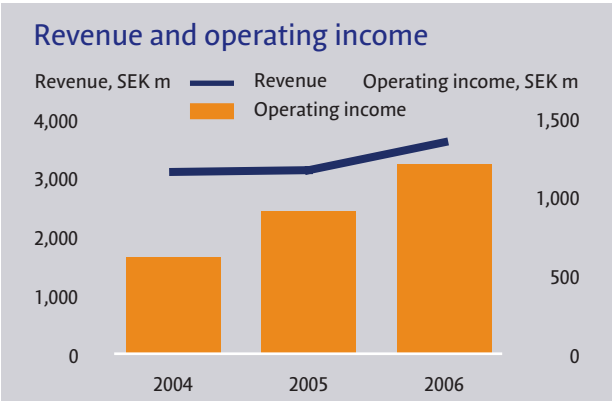
OMX is a leading expert in the exchange industry. OMX focuses on assisting its customers with the implementation of efficient securities transactions. OMX has two offerings: the Nordic Exchange and the global technology operations, and is organized in three business areas. OMX has been listed since 1987 and its share is today traded on the Nordic Exchange in Stockholm, Helsinki, Copenhagen and Iceland.

OMX's vision is to be regarded as the world's leading partner for more efficient securities transactions. OMX's business model is based on creating competitive advantage and building business from the network and experience that derive from the operation of the Nordic Exchange combined with the development of technology and systems operations for a global customer base.

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graph TD; A((Global customer base)) <--> B((Expertise in the exchange industry)); B <--> C((The Nordic Exchange)); C <--> D((Exchange technology)); D <--> A;
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	Nordic Marketplaces	Information Services & New Markets	Market Technology	
The Nordic Exchange	<p>The Nordic Exchange comprises exchange operations in Stockholm, Helsinki, Copenhagen, Iceland, Tallinn, Riga and Vilnius. In addition to trading in equities and derivatives, the company provides services to listed companies and information services to players in the financial market. In addition to the main market, the Nordic Exchange also encompasses the alternative marketplace First North, which is targeted toward growth companies.</p> <p>By developing and integrating the Nordic exchanges, competitiveness will be strengthened for OMX's customers, including banks, brokerages, listed companies and information vendors.</p> <ul style="list-style-type: none"><li>• The number of listed companies amounted to 791 (741) at year-end.</li><li>• Total market capitalization for all of the listed companies amounted to SEK 8,435 billion (7,163).</li><li>• The number of members amounted to 159 (166).</li></ul>			<p><b>Products and services</b></p> <p>Trading:</p> <ul style="list-style-type: none"><li>• Equities</li><li>• Derivatives products</li><li>• Bonds</li></ul> <p>Clearing:</p> <ul style="list-style-type: none"><li>• Derivatives products</li><li>• Bonds</li></ul> <p>Listing</p> <p>Information services</p>
Technology operations	<p>Within the global technology operations OMX offers systems and system support for trading in securities to exchanges and marketplaces worldwide. OMX is the world's largest supplier of such systems solutions. The offering also includes advisory services and the operation and support of all components included in a turnkey IT solution for a marketplace.</p> <p>Based on experience gained through the management of proprietary marketplaces and with the market's leading technology and operating environment, OMX helps customers enhance their competitiveness.</p> <ul style="list-style-type: none"><li>• Order value amounted to SEK 3,293 m (2,702) at year-end.</li><li>• OMX has more than 60 customers in over 50 countries.</li><li>• OMX operates 16 marketplaces throughout the world.</li></ul>			<p><b>Products and services</b></p> <p>Technology services for:</p> <ul style="list-style-type: none"><li>• Trading</li><li>• Clearing &amp; settlement</li><li>• Information dissemination</li></ul> <p>Integration and advisory services</p>

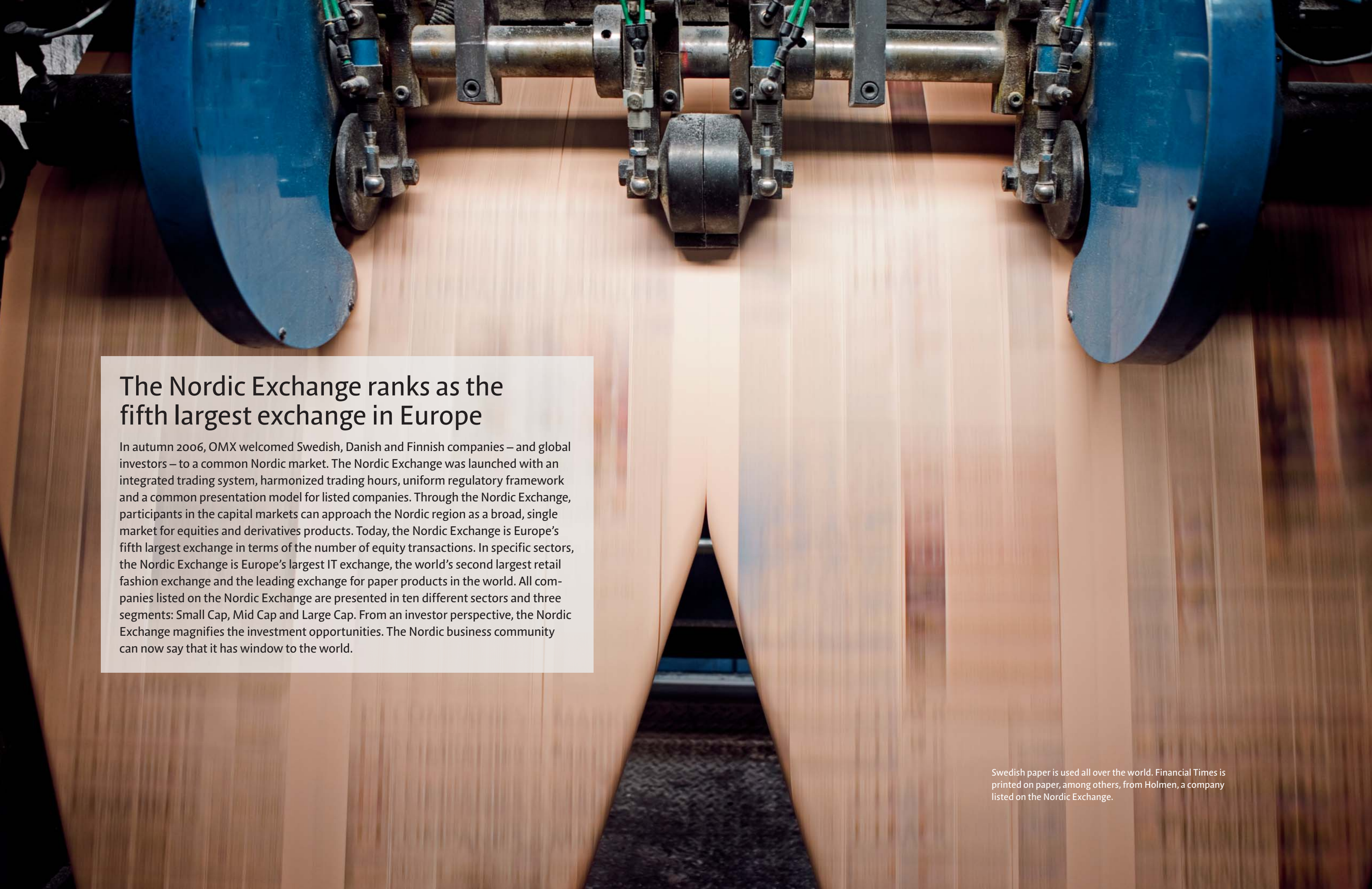
Key figures	2006	2005	Change %
Revenue, SEK m	3,610	3,136	15
Operating income, SEK m	1,211	910	33
Operating margin, %	34	29	
Earnings per share, SEK	7.64	4.66	64
Return on shareholders' equity, %	20	12	
Number of employees at year-end	1,402	1,288	9
Proposed dividend, SEK per share	4.50	3.00	50
Proposed extra dividend, SEK per share	2.00	3.50+3.00	





# Experts in the Exchange Industry





## The Nordic Exchange ranks as the fifth largest exchange in Europe

In autumn 2006, OMX welcomed Swedish, Danish and Finnish companies – and global investors – to a common Nordic market. The Nordic Exchange was launched with an integrated trading system, harmonized trading hours, uniform regulatory framework and a common presentation model for listed companies. Through the Nordic Exchange, participants in the capital markets can approach the Nordic region as a broad, single market for equities and derivatives products. Today, the Nordic Exchange is Europe's fifth largest exchange in terms of the number of equity transactions. In specific sectors, the Nordic Exchange is Europe's largest IT exchange, the world's second largest retail fashion exchange and the leading exchange for paper products in the world. All companies listed on the Nordic Exchange are presented in ten different sectors and three segments: Small Cap, Mid Cap and Large Cap. From an investor perspective, the Nordic Exchange magnifies the investment opportunities. The Nordic business community can now say that it has window to the world.

Swedish paper is used all over the world. Financial Times is printed on paper, among others, from Holmen, a company listed on the Nordic Exchange.





## First North – a new marketplace providing growth companies with greater opportunities

In 2006, OMX launched another innovation that will contribute to economic growth in the Nordic region. First North is the Nordic Exchange's alternative marketplace especially tailored to younger, smaller and rapidly expanding companies. Here, entrepreneurial business ideas meet investor capital without the constraints of the more comprehensive requirements of a traditional exchange listing. First North has quickly become the second largest exchange of its kind in Europe – only the London Stock Exchange's AIM could claim more companies by the end of 2006. The rapid growth can be explained in one word: quality. First North is a natural part of the Nordic Exchange and thereby provides companies with the same efficient trading system and exposure to investors as offered by the Nordic Exchange. Another success factor is that First North serves as a training ground for companies, prior to listing on the main market. Accordingly, when the company is ready for the main market, it is already well-known to OMX and the market participants. It can therefore be said with good reason that First North is a springboard to the main market.

Tripep is a biotech company focused on research, development and commercialization of drug candidates mainly within Hepatitis C and wound healing. The Tripep share is traded on First North.






## A customized information portfolio

Shared information products are an important part of the Nordic Exchange's cross-border activities. In 2006, OMX launched an information product portfolio that has been customized for trading in the Nordic region. This portfolio replaces the former, more country-specific information products and includes pan-Nordic real-time products with trading information (such as share prices) for private and professional investors and brokerage firms. An entirely new addition to the information services offered by OMX is Company News Service, which simplifies information distribution by listed companies to investors, media and other stakeholders. Viewed from the opposite direction, it can be said that OMX is expanding and improving the visibility into the entire Nordic securities market.

Information from OMX is distributed directly and through vendors to over 70,000 terminals worldwide.






Borsa Italiana was founded in 1997 following the privatization of the Italian Stock Exchange. The exchange building Palazzo Mezzanotte is located in Milan, and was inaugurated in 1932.

## The Italian derivatives market powered by a Swedish engine

Since 1994, OMX has provided systems for Borsa Italiana's derivatives market, IDEM. This partnership was further extended in 2006 to cover the operation of the Italian derivatives market. Under the new agreement, OMX provides core systems infrastructure, technical operation and systems surveillance - in other words, we guarantee that everything works. We view the fact that the Borsa Italiana has entrusted us with this task as further acknowledgement of OMX's position as an expert in the global exchange industry. We are now operating 16 of the world's exchanges, which makes OMX the leading supplier of outsourcing services in the industry internationally.



A low-angle, upward-looking photograph of a tall, modern skyscraper with a grid-like facade of windows and vertical structural elements. The building dominates the frame, reaching towards a clear blue sky. In the lower-left foreground, the dark silhouette of a statue, likely the Charging Bull, is visible. A yellow traffic light and a street sign for 'BROAD ST' are positioned in the lower center. Other buildings are visible in the background, creating a dense urban environment.

After only seven years, ISE is an established exchange. ISE's headquarters are located in the financial district of New York.

## World's largest equity options exchange grows with OMX

The International Securities Exchange (ISE) operates a family of innovative securities markets, including the world's largest equity options exchange. When ISE's options exchange launched in 2000, it redefined the US options industry by introducing electronic trading. Within three months, more than one million options contracts had traded on ISE's all-electronic platform. By 2006, ISE had grown to handle average daily volumes of approximately 2.4 million contracts.

ISE partnered with OMX to develop its options trading software platform. As ISE's trading volumes have grown, ISE and OMX have continued to work together. ISE is a very important reference for the capacity and value of OMX exchange technologies. During this year, the relationship between the companies deepened through a long-term licensing agreement where OMX will ensure the future reliability and scalability of ISE's architecture so that the ISE options platform can maintain its technological edge.



## Systems integrators in Saudi Arabia

We usually say that a well-functioning exchange is the oil in a country's economic engine. Saudi Stock Market (Tadawul) operates one of the world's largest equities markets and is the single largest stock exchange in the Middle East. In 2006, OMX signed an agreement with the Saudi Stock Market (Tadawul). The agreement was not only a major technology order for OMX but was also a development of our Market Technology business area since we served as total systems integrator for the first time. We are responsible to the Saudi Stock Market (Tadawul) for everything from design to implementation and infrastructure. In concrete terms, we develop and supply our own proprietary system-critical solutions and integrate these solutions with existing systems from other suppliers.



The headquarters of the Saudi Stock Market (Tadawul) are located in Riyadh.



# OMX 2006

Earnings per share rose by 64 percent compared with the preceding year, return on shareholders' equity increased to 20 percent.

For OMX, the year 2006 was characterized by increased profitability, new product and service drives and the integration of completed acquisitions. Market activities in all business areas increased compared with the preceding year.

For the business area Nordic Marketplaces, demand increased for both trading and listing services. The Nordic Exchange was launched in October, which involved the development of a new pan-Nordic presentation model for shares, new indexes and harmonized listing requirements. OMX supplemented its offering on the Nordic Exchange with an alternative marketplace, First North, which in 13 months has established itself as one of Europe's leading marketplaces for growth companies. The Iceland Stock Exchange was acquired at the end of November and was consolidated on December 1. The number of equity transactions increased by 47 percent compared with the year-earlier period, while the number of traded derivatives contracts rose by 16 percent. At year-end, the total number of companies listed on the Nordic Exchange in Stockholm, Helsinki, Copenhagen and Iceland was 693 (638).

The business area Information Services & New Markets focused on the development of products and services, and market growth was high during the year. In October, a pan-Nordic offering of real-time information was launched as part of the Nordic Exchange. Demand for information services increased during the year and the

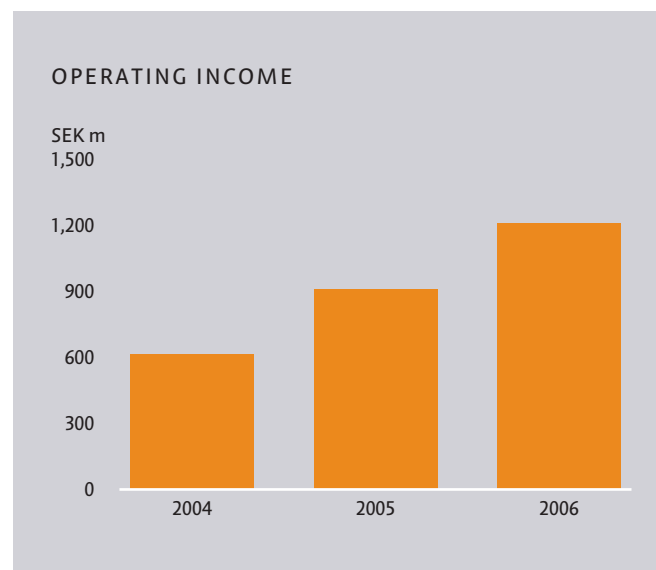
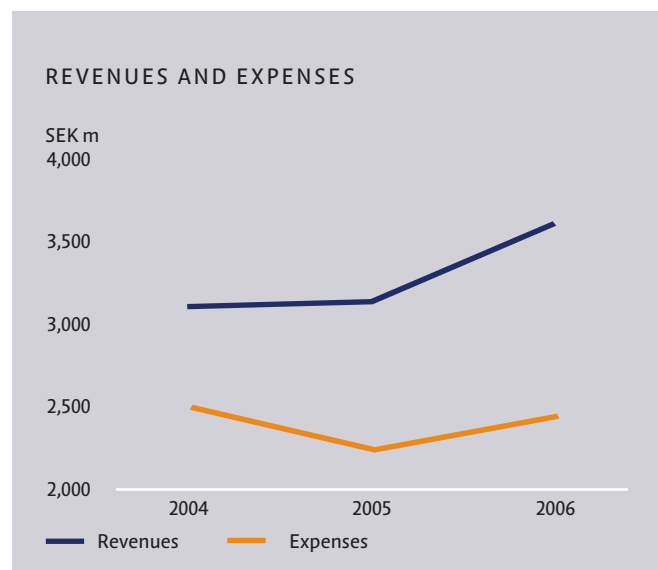
number of real-time terminals rose by 16 percent compared with the year-earlier period.

The integration of the Baltic exchanges in Tallinn, Riga and Vilnius continued and the number of members was 40 (39) at year-end. At the same time, the number of companies listed on the Baltic exchanges totaled 98 (103). The operations in Broker Services benefited from the growing trading volumes on the Nordic Exchange and demand for services in securities administration increased during the year.

The business area Market Technology benefited from the continued strengthening of the market for systems and services to the exchange industry during the year and through the contribution made to operations with the acquisition of part of Computershare. The order intake during the year rose to SEK 1,908 m (1,215), while the total order value at year-end was SEK 3,293 m (2,702), of which SEK 1,185 m (843) was scheduled for delivery within a year. During the year, OMX received orders from, among others, the Saudi Stock Market (Tadawul), Borsa Italiana, the International Securities Exchange (ISE), Nord Pool, ICAP, the Dubai Financial Market, Swiss Exchange, Wiener Börse, the Australian Stock Exchange and the Canadian Trading and Quotation System (CNQ).

## Earnings development

OMX's total revenues rose by 15 percent to SEK 3,610 m (3,136) in 2006.





The increase is mainly due to trading revenues, information revenues and facility management services revenues in the technology operations. Total revenues also include SEK 22 m in earnings from 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 non-recurring revenue from EDX London. The operations OMX acquired from Computershare were consolidated in the Group effective February 1, 2006 and the Iceland Stock Exchange was included from December 1.

The Group's total expenses were SEK 2,445 m (2,241) during the year. 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) in 2006, up 33 percent. Financial items amounted to an expense of SEK 60 m (expense: 64). Income after tax was SEK 911 m (543) and earnings per share rose 64 percent to SEK 7.64 (4.66).

## Financial position

Total assets at year-end amounted to SEK 12,528 m compared with SEK 10,612 m in the year-earlier period. Shareholders' equity amounted to SEK 4,614 m (4,749) at year-end, while the equity/assets ratio, excluding the market value of outstanding derivatives positions, was 57 percent (57). Net debt amounted to SEK 847 m (573) at year-end. During the second quarter of 2006, dividend of SEK 765 m were paid. During the fourth quarter, net debt was also affected by the SEK 575 m OMX received from the sale of shares in VPC AB, SEK 318 m that was paid out in conjunction with the acquisition of shares in Oslo Børs and SEK 355 m that was paid to shareholders as an extra dividend.

## Dividend and dividend policy

For the 2006 fiscal year, the Board intends to propose a dividend of SEK 6.50 (9.50) per share, comprising an ordinary dividend of SEK 4.50 (3.00) per share and an extra dividend of SEK 2.00 (3.50 + 3.00)

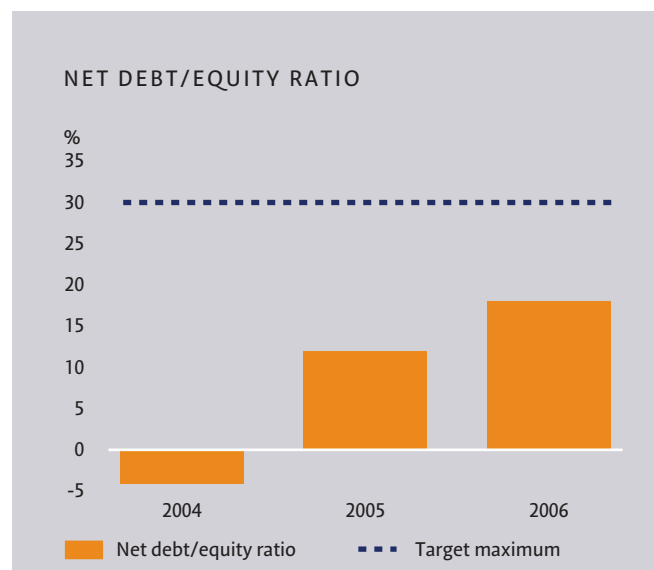
## An active year

- Increased order intake in the technology operations
- 103 new listed companies
- 10 new information vendors
- Launch of Nordic Exchange
- Acquisition of operations from Computershare
- Launch of Nordic index together with Oslo Børs
- Record turnover in trading in equities and derivatives on OMX exchanges
- Strategically important technology order from Saudi Stock Market (Tadawul)
- Launch of First North in Sweden
- Divestment of holdings in VPC
- Acquisition of 10 percent of Oslo Børs
- Acquisition and integration of Iceland Stock Exchange, ICEX

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.

## 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. In 2006, OMX's return on shareholders' equity amounted to 20 percent (12). The Group's net debt/equity ratio was 18 percent (12) at year-end.











Stockholm, February 2007

DEAR SHAREHOLDERS.

2006 was a record year for OMX, a year in which the company generated the highest revenues and the highest operating profit in its history. Earnings per share increased by 64 percent compared with the preceding year and with the return on shareholders' equity at 20 percent we attained our target of exceeding 15 percent. After several years of transition, OMX is now well-positioned in the global exchange industry, an industry characterized by strong structural growth.

But we did not only post record high profits – all of our business areas were also successful in strengthening their market positions for the future. On October 2, we launched the Nordic Exchange. The business area Nordic Marketplaces was fully prepared for the introduction of a new presentation model for shares throughout the Nordic region, new indexes and harmonized exchange regulations, all following international standards. During the year, we also began integrating the Iceland Stock Exchange. In addition, First North was established as part of the Nordic Exchange's offering. It has quickly become one of Europe's leading alternative marketplaces, and in 2007 First North will also be established in Finland and the Baltic States.

The launch of the Nordic Exchange has made the Nordic region more visible in the international arena. Listed companies, both large and small, get more exposure, members experience simpler and more efficient access procedures and investors can easily choose between numerous investment options. All in all, these advances generate increased trading, higher liquidity and greater visibility, paving the way for an even more dynamic and attractive marketplace.

The business area Information Services & New Markets encompasses the Nordic market data offering, that is, all information generated at the Nordic Exchange. We will develop many new communications services in the next few years to further support the needs of listed companies and the media. In addition, market data enhances openness and visibility for companies on the Nordic Exchange. We also offer members of the Nordic Exchange services in securities administration and from January 1, 2007, all operations in this area were concentrated into one business unit, which receives support through an extended partnership with HCL in India.

During 2006, we worked intensively to integrate the Baltic market, where we saw growth accelerate particularly toward the end of the year. Based on our experience of integrating regional exchanges, we also heightened our focus on Eastern Europe.

We saw increased activity in the business area Market Technology. Important driving forces are trading volumes in the global financial markets, new commercial initiatives from existing and new players, and amendments to legislation in Europe and the US. Interest in our systems and services is rising, a trend that is in line with developments in the financial industry in emerging markets. In addition, we saw higher demand from existing customers, for example, International Securities Exchange, Nord Pool and Borsa Italiana, and from new customers such as Tadawul in Saudi Arabia and CASE in Egypt. We also saw how increases in our order intake resulted in increased revenue toward the end of the year. Our highest priority is to ensure that this growth will also lead to improved profitability.



After several years in the development phase, we recently presented Genium, our new technology solution that brings new dimensions to managing the future challenges faced by the exchange industry. The system is designed based on OMX's knowledge derived from the Nordic and Baltic marketplaces, but not the least from the more than 60 exchanges in over 50 countries that OMX works with. Genium uniquely utilizes all of the knowledge found within OMX and through our work with partners worldwide. In addition, Genium will become the world's fastest trading system, and will uniquely combine innovative functionality, modular construction and standardized access to enable rapid business development. The Nordic Exchange will be one of the first to utilize Genium's new capabilities for more efficient trading. The new services offered by Genium will strengthen OMX's position as a driving force in the exchange industry.

Discussions in the industry continue around consolidation, partly against the backdrop of international deregulation and technological developments. OMX has integrated more exchanges than any other company in the world and our technology platform is well suited to marketplace consolidation. OMX is ready, whether the future brings a more active role in global consolidation or the continued development of our current position.

The European Union has succeeded in its initiative to increase openness, liquidity and securities trading across European borders. We believe that the implementation of the new EU Directive, including MiFID that comes into effect in 2007, will make the European financial markets even more efficient and enhance both trading and liquidity. OMX is prepared to take advantage of the opportunities that will be presented and to meet new competition. One issue that remains unresolved in the Nordic region and Europe, however, is how to increase the efficiency of the administration of securities transactions. In the Nordic region alone, we still have eight different securities depositories.

The exchange industry is currently experiencing major changes. In my view, this will be beneficial to OMX. We understand how marketplaces function and the complex infrastructure that drives them. I would like to take this opportunity to thank all of OMX's employees and partners for their efforts. OMX has an excellent foundation for taking full advantage of future developments in the exchange industry.



Magnus Böcker  
President and CEO







# Chairman's comments

What I feel most gratified about – in addition to our financial results – is that OMX has been a pioneer in changing the global financial markets.

It is time to sign off and go ashore. This will be my last Chairman's comments for OMX. The time to step down from the Board of OMX appears to be well chosen as now, after twenty-three years, we can report the best figures in the company's history. At the same time, the future looks positive and exciting.

Options broker OM AB was formed in March 1984. After the start of options trading in June 1985, we quickly became known colloquially as OM, and after the acquisition of the Helsinki Stock Exchange as OMX.

What I feel most gratified about – in addition to our financial result for 2006 – is that OMX has been a pioneer in changing the global financial markets. Our move to found the world's first privately owned, profit-making and electronic exchange was initially subjected to criticism both in Sweden and in the international community. Exchanges were meant to be non-profit-making, member-owned floor exchanges, often in the form of national monopolies.

Yet rapid developments at the end of the 1990s and at the beginning of this century have completely redrawn the international exchange map. Today, most major exchanges are operated by profit-making companies under intense competition and with a global presence. We can only guess how the map will look in five or ten years' time.

Personally, I am perhaps most proud of being elected to the US Futures Industry Association's Hall of Fame in 2005, for the significance and influence OMX has had on the change process in global marketplaces.

When I say that OMX is in an extremely strong position to meet future challenges, it is no standard Chairman's cliché. The willingness to compete and the search for efficiency are part of our nervous system. We are never satisfied and can always be better.



Based on the combination of our technological capabilities and our in-depth expertise in how marketplaces work, we have developed our own successful model – a model that has proven to be an attractive alternative in the current consolidation activities in the global securities markets.



However, consolidation is never an end in itself. In the midst of all the European consolidation eagerness, I believe that too high a level of significance is often attached to ownership issues. Who owns who is not the central issue. What's most important is to focus on efficiency in the markets. Our offering to our customers, whether they are investors, exchange members, listed companies or other parties, is what must govern our actions.

If we do this, we also achieve the best conditions for creating value for our shareholders and for all of our committed employees throughout the world. We have led the way through the consolidation in the Nordic and Baltic regions. A way that we hope will also be successful in other areas, such as Central and Eastern Europe.

Those who believe there will be only one exchange in Europe in the future are wrong. The market will never accept it. In a competitive industry, there will always be, and there must always be, other alternatives. OMX's major future opportunities are found in our unique combination of marketplace and technology expertise. With the introduction of the third generation of integrated marketplace systems, Genium, OMX will further assure its technological advancement.

OMX has experienced wonderfully successful periods for which I feel immense satisfaction and humility. But we have also had to handle difficult and troublesome periods when things did not go in our favor. People and organizations face a real test once they have survived such trying periods. That is when quality and stability are built, and it is one of the reasons that I have such confidence for the future.

Of course, on a personal note, it is sad for me to leave the active operations of OMX. The company has been part of me. The decision to leave has evolved over recent years and I believe that the time is personally right.

OMX is successful. We have a highly competent and committed management team characterized by an entrepreneurial spirit and a strong desire for growth, yet one that also sets

high standards to deliver results. We have an extremely qualified Board of Directors and many fantastic employees. So it is satisfying to know that I am now leaving "my" company in the best possible hands.

There is a Swedish saying that you should leave a party when it is at its best, but as that would require me to stay for many more years, I now leave the celebration to others.

However, as a shareholder, I will be following OMX closely and it may well be that I cannot resist expressing one or two opinions in the future.

Stockholm, February 2007

A handwritten signature in black ink, appearing to read 'Olof Stenhammar', with a stylized flourish at the end.

Olof Stenhammar

Founder of OM and Chairman of the Board of Directors

# Vision, business model and strategy

OMX is a leading expert in the global exchange industry. Through the use of its unique expertise, OMX aims to exceed the increasingly rigorous market demands for efficient securities transactions.

OMX is a leading company within the global exchange industry. OMX's business model is based on creating competitive advantage and building business from the network and experience that derive from the ownership and operation of exchanges combined with the development of technology and systems operations for a global customer base.

## Vision

OMX's vision is to be regarded as the leading global partner for more efficient securities transactions.

## Business model

OMX's business model is based on three cornerstones that together create expertise within the exchange industry:

### THE NORDIC EXCHANGE

Integrating OMX's Nordic and Baltic exchanges into a single offering makes it possible for the whole region to compete at a global level. The Nordic Exchange is also a reference market for the technology offering and underlines OMX's credibility and know-how in exchange technology. OMX's competence and expertise is sought after throughout the world.

### EXCHANGE TECHNOLOGY

Technology is central to the operations of marketplaces and other organizations in the exchange industry. A well-functioning technology solution

facilitates efficient operations and is a prerequisite for competitiveness. OMX is a world leader in developing, delivering, integrating, maintaining and operating technology solutions for exchanges and marketplaces, clearing organizations and central securities depositories.

### GLOBAL CUSTOMER BASE

A common feature in the technology operations and the Nordic Exchange is the global nature of the customer base. It includes leading international financial institutions and operators of infrastructure. These customers provide global insight and perspective as well as the scale required for OMX to maintain a leading market position.

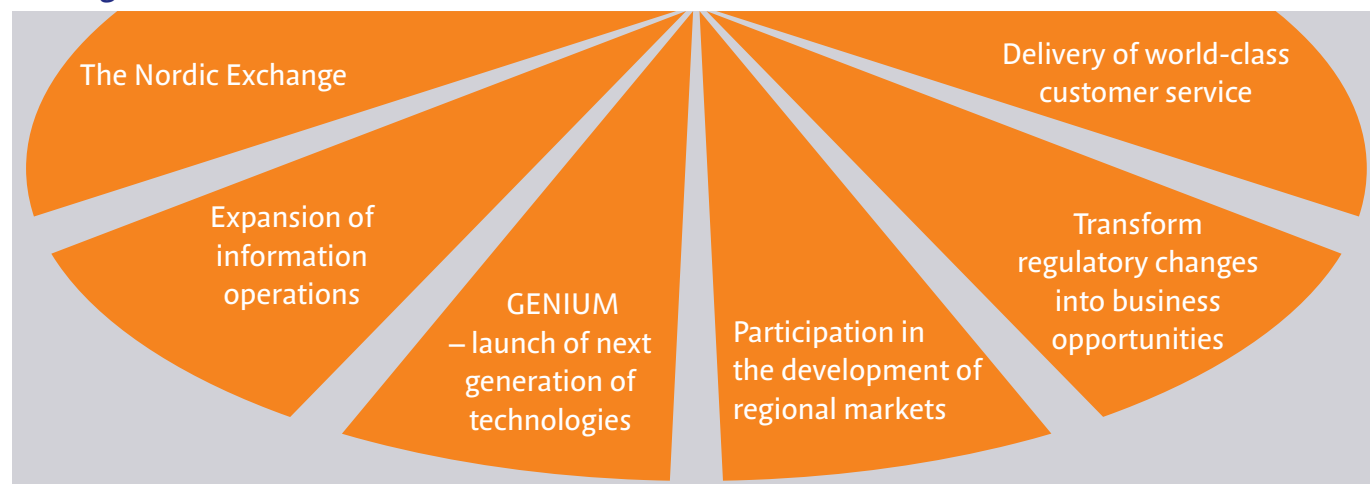
## Strategy

Utilizing the three cornerstones in the business model, OMX aims to exceed the increasingly rigorous market demands for efficient securities transactions. Specifically, this means that OMX works with strategic focus areas, a few of which are described below. The timeline for the different measures varies, but they will all be an integral part of OMX's operations over the next few years.

### THE NORDIC EXCHANGE

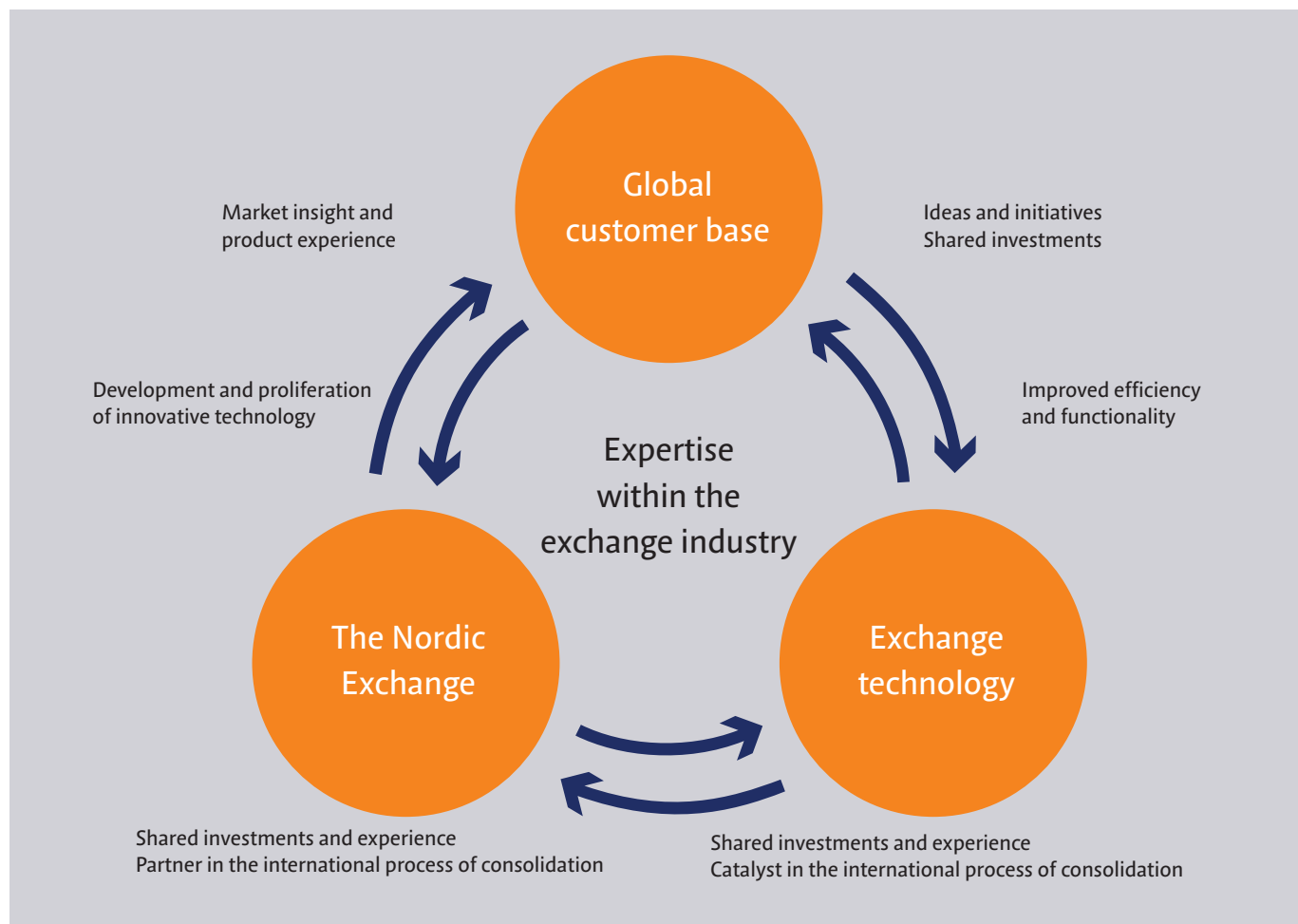
Through the development of the Nordic Exchange, the region's competitiveness is strengthened. The integration and development of the market is intended to make it more attractive for listings, investors and other players in the capital market by enabling lower total transaction costs, fewer systems and higher liquidity.

## Strategic focus areas





## Business model



### EXPANSION OF INFORMATION OPERATIONS

To meet the growing demand for information services and maintain a strong customer focus, OMX aims to expand its information operations. This will be achieved through the launch of new products and services, and through continuous work to enhance customer relations.

### LAUNCH OF GENIUM – NEXT GENERATION OF TECHNOLOGIES

In the future, the pace and complexity of trading will increase, requiring faster and more efficient systems for different types of marketplaces. Accordingly, OMX will introduce new technologies for the exchange industry - Genium. Through standardized access and modular building blocks, OMX also aims to meet the demands of the future as regards speed, security and adaptability, in a cost-efficient manner.

### PARTICIPATION IN THE DEVELOPMENT OF REGIONAL MARKETS

OMX will continue to develop the markets in the Baltic region so that they become a distinctive and attractive part of the OMX Nordic

Exchange offering. In Eastern Europe, many marketplaces are faced with numerous challenges in the form of consolidation, privatization and change of corporate structure. OMX's expertise within the exchange industry provides a firm base from which to participate in the transformation of these exchanges through advisory services, technology or other types of cooperation.

### TRANSFORMING CHANGES IN REGULATIONS INTO BUSINESS OPPORTUNITIES

Regulatory changes create opportunities and threats. OMX intends to use its strong position to create business and safeguard its role as the leading regional marketplace. This will be accomplished through product development, and by ensuring that OMX's marketplaces maintain favorable liquidity and offer efficient trading.

### DELIVERY OF WORLD-CLASS CUSTOMER SERVICE

To remain highly competitive and create value for shareholders, OMX works to continuously strengthen customer relations. Internal training and closer cooperation with customers are examples of measures employed to achieve this.

# Global trends

**Evolving trading patterns, rapidly developing technology, and the harmonization of markets – the global exchange industry is moving faster than ever before.**

The global exchange industry is undergoing immense change. A high rate of market growth and shifting trading patterns in conjunction with increasingly rapid technology development and the harmonization of markets creates new conditions for the world's exchanges and their participants. For OMX, as an exchange owner and provider of solutions to other exchanges and marketplaces, this gives rise to both threats and opportunities. OMX's strategy is based on the unique expertise that is derived from the ownership and operation of proprietary exchanges combined with the development of technology and systems operations for a global customer base. The strategy is continuously adapted to ensure that OMX is at the leading edge in a highly transitional business environment.

## Evolving trading patterns

Trading in equities and derivatives products are growth markets. In the most recent ten-year period, equities trading on the Nordic Exchange has grown on average by more than 20 percent annually, and trading in derivatives products by more than 14 percent.

The profitability of listed companies and increased market capitalization forms the basis for trading in equities and stock-related derivatives products. Trading in securities is impacted by fluctuations of the market and, to a certain extent, it is cyclical. However, the underlying and long-term volume growth in the equities market is largely driven by structural changes. The market is developing and becoming more sophisticated; new investment strategies and increasingly efficient technology create the conditions for enhanced trading. Proof of this trend can be seen in the proportion of the total market capitalization that is traded annually (turnover rate) on what is today called the Nordic Exchange – in 1996, it was 47 percent, ten years later, it has increased to 132 percent.

The structural growth is created by such factors as changes in demands on asset management and the market's required return rate. One driving force is a rising life expectancy of an aging population that is investing a larger share of pension savings in shares or mutual funds. The traditional focus among the majority of institutional investors has been to ensure that their own investment strategy is more profitable than a comparative index. Today, demand is instead directed toward more stable returns, measured in absolute terms over a longer period, for which a more active and transaction-intensive management is required. An increasing number of hedge funds have entered the industry to cater to this demand. Other participants, such as traditional pension funds, are adopting new investment strategies and are also becoming increasingly active in their management.

At the same time, the use of more advanced and innovative methods and technologies for securities trading is spreading, resulting in an increasing number of transactions and a higher turnover rate. One

example is the emergence of so-called program trading – pre-programmed trading of a portfolio of different equities over a limited period. One subset is called algorithmic trading, often involving the use of advanced mathematical models to trade in large blocks of shares by splitting them into smaller blocks and feeding them into the market as liquidity becomes available. Various forms of arbitrage trading, that is, trading based on systematically seeking and exploiting market imperfections, are also facilitated and enhanced using increasingly sophisticated programs and models.

## Technology development

Developments in technology have had a significant impact on securities trading. As the traditional exchange trading floor has essentially given way to electronic trading platforms, new opportunities have been created for automated trading. With efficient systems and more rapid communications, as well as with growing internet trading, accessibility in the market has increased both for institutional investors and for private individuals. Rapid trading growth and more extensive use of technologies requiring high transaction speed has led to increasing demands on capacity, security and performance in trading and information systems.

The significance of information services in the securities market is also growing in pace with technological development and increasingly active and event-driven trading. Automated systems that react quicker than a human trader require a higher level of information quality and rate of distribution.

Technology development also influences internationalization and competition in capital markets. Today an investor can invest throughout the world using electronic systems and open interfaces. A global market has also opened up competition for exchange listings. A company that is considering a listing can choose between numerous exchanges worldwide. This places higher demands on exchanges to safeguard their competitiveness on an international scale.

To meet growing competition, it is attractive for many exchanges and market participants to replace systems developed in-house with standardized products from external suppliers. The substantial investment requirements and demands for enhanced efficiency lie behind another trend in the exchange industry – consolidation. Since exchanges and other marketplaces have a high level of fixed costs and relatively homogeneous business models, they are well suited for integration. Efficient, scalable systems platforms and joint systems operations are the most important tools to achieve cost and income synergies in mergers in the securities market.

New participants are constantly emerging in the securities market. This creates competition for older, established marketplaces, as new





companies aim to take advantage of niches that would not have existed without technology development. One example of this in recent years is block-trading facilities – marketplaces that specialize in offering trading in large blocks of shares.

### Harmonization of markets

Competition between marketplaces is intensifying – not only because of market growth and technology development. Another important driving force is the transition of many of the world’s main exchanges from member-owned organizations to profit-generating and listed companies. In the race for higher returns, this transition has resulted in higher demands on cost efficiency and more intensive product and business development. Growing competition often entails a downward pressure on prices for exchanges and market participants, and accordingly, efforts to further reduce production costs.

With the objective of increasing harmonization and competition in the financial markets, considerable changes are also simultaneously taking place concerning legislation and self-regulation in Europe and North America. In 1999, the EU adopted a plan of action to develop a common competitive internal market for financial services. Most of the measures included in the plan have already been adopted. For example, new directives have been passed for financial

reporting (IAS/ IFRS), market abuse and information disclosure for listed companies. One of the most important directives from the EU is the Markets in Financial Instruments Directive (MiFID), which is expected to come into effect in 2007. This Directive will place significant demands on securities institutions in Europe, for example, regarding the obligation to report securities transactions and the obligation to publish order book information in connection with systematic internalized transactions. The latter gives banks and brokerages the opportunity to manage internal order flows on a greater scale, at the same time as it places higher demands on transparency.

In conjunction with the introduction of MiFID, brokers will also be required to deliver the best possible execution of each individual order, performed to the highest possible standards with regard to price, order size, speed, efficiency in settlement and delivery, as well as commissions and fees. A likely consequence of this is that trading will be directed toward those marketplaces that have the best efficiency and liquidity, and accordingly, the lowest transaction cost. MiFID will have a special significance for Europe’s exchanges in terms of their reporting obligations. Today, participants in the equities market are obligated to report their transactions to the local exchange in each country. With MiFID, the unique position of the exchanges in this regard will cease and alternative organizations will be established to register transactions conducted outside the exchange.

# OMX'S OPERATIONS

OMX is a leading expert in the global exchange industry. Customers meet OMX through two offerings – the Nordic Exchange and the technology operations. The organization has three business areas.



Through the Nordic Exchange, OMX offers access to securities trading in the Nordic financial market. Through its technology operations, OMX offers systems and operating solutions for exchanges and marketplaces worldwide.

OMX is organized in three business areas that support both of OMX's customer offerings. A prerequisite for the creation of the Nordic Exchange was that Nordic Marketplaces and Information Services & New Markets utilized the technology solutions from Market Technology. At the same time, experience and cooperation between the business areas is vital in the development and implementation of solutions and systems within the global technology operations.

## Two customer offerings

### THE NORDIC EXCHANGE

The Nordic Exchange comprises the exchange operations in Stockholm, Helsinki, Copenhagen, Iceland, Tallinn, Riga and Vilnius. In addition to trading in equities, bonds and derivatives, the offering also includes services to listed companies and information services to players in the financial market. As well as the main market, the Nordic Exchange also encompasses the alternative marketplace First North, which is offered for growth companies. The Nordic Exchange is currently Europe's fifth largest exchange, measured in the number of transactions.

## THE GLOBAL TECHNOLOGY OPERATIONS

OMX's global technology operations enable efficient securities transactions for more than 60 customers in over 50 countries. The offering consists of technology solutions for trading, clearing and settlement, as well as the distribution of market information. In addition to systems solutions, OMX offers advisory services, systems integration, and operation (facility management) and support of all components included in a turnkey IT solution for a marketplace. OMX currently manages operations for 16 marketplaces, and accordingly, it is the world's largest exchange operator measured in the number of operating hours.

## Three business areas

To best meet requirements for business development and control in various areas of OMX, the organization is divided into three business areas.

- Nordic Marketplaces (48 percent of Group revenue) comprises the exchange operations in Stockholm, Helsinki, Copenhagen and Iceland.
- Information Services & New Markets (17 percent of Group revenue) comprises OMX's information services, the exchanges in the Baltic states and Broker Services. The business area is also a base for future business opportunities into new markets.
- Market Technology (35 percent of Group revenue) comprises the delivery of technology and services to marketplaces throughout the world.



# Nordic Marketplaces

2006 was characterized by record high levels of activity both in trading and listings – core services of the Nordic Exchange.

The business area Nordic Marketplaces encompasses OMX's exchanges in Stockholm, Helsinki, Copenhagen and Iceland. The exchanges has one main market and an alternative marketplace called First North. The operations encompass products and services in trading, clearing and listing of securities. The joint offering of trading, listing and information services and the exchanges in Riga, Tallinn and Vilnius are marketed as the Nordic Exchange.

OMX's strategy is to continue integration in the Nordic market and to increase its range of services through the Nordic Exchange. This will create a strong Nordic market with simpler and more efficient trading across national borders. By enhancing visibility and access to Nordic companies internationally, OMX will contribute to enhancing trading and development of the region's financial market which will, in turn, strengthen the Nordic Exchange's competitiveness.

## The past year

For Nordic Marketplaces, 2006 was characterized by record high levels of activity in trading and listings. Major efforts in the business area during the year were devoted to the launch of the Nordic Exchange on October 2. In order to make it easier to find and compare companies in the Nordic Exchange's main market, Swedish, Danish and Finnish companies are now presented together, classified by market capitalization, sector and in alphabetical order. Icelandic companies will also be included in the same presentation model in 2007. Other important developments in the business area includes expanding First North to encompass Denmark, Sweden and Iceland; harmonizing listing requirements for the main markets in Sweden, Finland

and Denmark; the introduction of a common Nordic exchange membership, which enables members to trade on the Nordic Exchange in Stockholm, Copenhagen and Helsinki with a single membership fee. The Iceland Stock Exchange and Icelandic Securities Depository were acquired in November. With this acquisition, OMX has merged seven exchanges in three years. In December it was announced that trading fees for reported equity transactions would be harmonized and reduced by approximately 50 percent from April 2, 2007.

## Trading and clearing

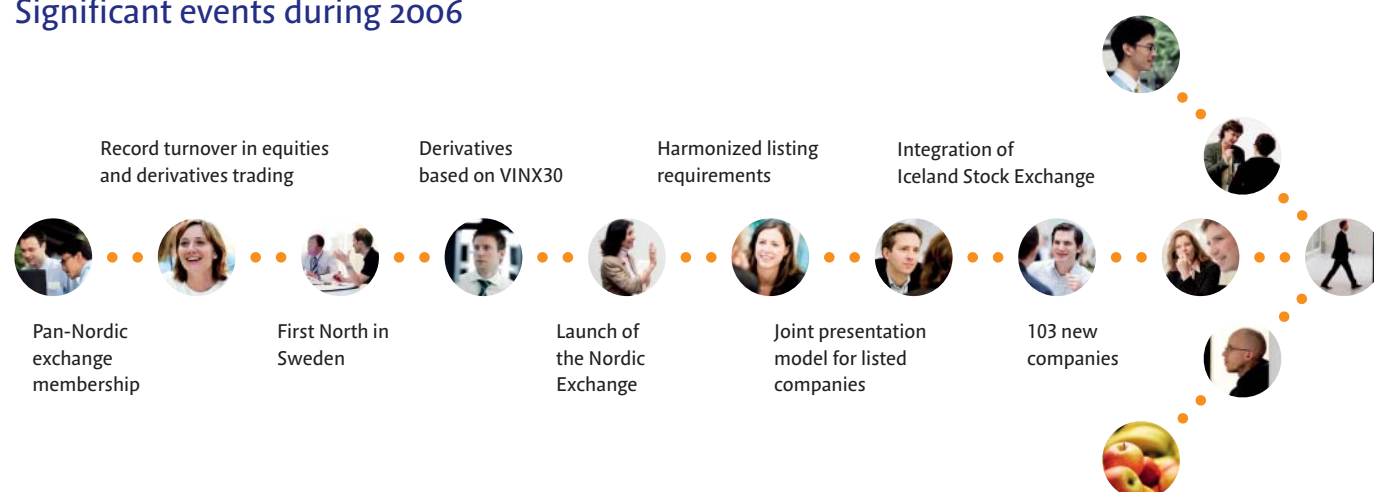
### PRODUCTS AND SERVICES

Trading on the Nordic Exchange takes place through members. These banks and securities brokers provide a broad distribution network that contributes to the liquidity of the traded financial instruments. Trades are made on behalf of the exchange members themselves and for the exchange members' customers, that is to say, investors in the form of institutions or private individuals.

OMX offers its members cash trading in Nordic securities such as equities and depository receipts, warrants, convertibles, rights, fund units, options, exchange-traded funds, bonds and other interest-related products. Settlement and registration of cash trading takes place in Sweden and Finland via the Nordic Central Securities Depository (NSCD), and in Denmark and Iceland via the VP and ISD securities depositories, respectively.

Members can also trade in derivatives, such as stock options and futures, index options and futures, fixed-income options and futures and stock loans. OMX offers clearing services in these products by

## Significant events during 2006



serving as the central counterparty. In doing so, OMX guarantees the completion of the transaction and market participants can thereby limit their counterparty risk. OMX also acts as the counterparty for certain transactions that take place outside the exchange, known as OTC trading. The transactions are reported electronically prior to central counterparty clearing and OMX thereby guarantees the completion of the transaction. Products included in this service are fixed-income options and futures, non-standardized stock options and futures and non-standardized index options and futures.

Following the completion of a transaction, settlement takes place between parties with the exchange of the securities and funds. The transfer of ownership is registered and the securities are stored on the owner's behalf.

## MARKET

The year 2006 saw a sharp increase in turnover in the securities market. Compared with the year-earlier period, the number of equity transactions on the Nordic Exchange increased by 46 percent and the total value of equity trading rose by 36 percent. The number of traded derivatives contracts increased during the same period by 15 percent.

Measured by number of transactions, the Nordic Exchange is the fifth largest exchange operation in Europe with a market share of 7 percent. In terms of trading in equity-related derivatives products, OMX operates Europe's third largest exchange with a market share of approximately 8 percent. Trading in equities or derivatives products tends to center on the marketplaces that offer the highest possible liquidity. In recent years, Ericsson and Nokia share prices have risen substantially on the Nordic Exchange compared with the other exchanges on which these companies are listed.

A method of measuring the efficiency of exchange operations is the turnover rate, meaning the portion of the exchange's total market capitalization that is traded over one year. The turnover rate for the Nordic Exchange during the year increased to 132 percent (117).

## CUSTOMERS

In terms of volume, OMX's largest equities trading customers, that is exchange members, are SEB, Carnegie, Svenska Handelsbanken, Morgan Stanley, Nordea and Fischer Partners. The largest derivatives trading customers are, in terms of volume, SEB, Hagströmer & Qviberg, Svenska Handelsbanken, Carnegie, Swedbank, Nordnet and Nordea.

During 2006, 21 members joined the Nordic Exchange in Stockholm, Helsinki, Copenhagen and Iceland. These exchanges have a total of 127 (124) members, of which 63 (53) are members of more than one exchange. Cooperation between the Nordic Exchange and exchange members is an innovation process, and during the year has led to an increasing number of members that have a standardized price list for trading in Nordic securities.

## COMPETITORS

Exchanges compete for trading and listings. Competition in trading relates mainly to equities, derivatives and bonds.

The largest exchanges in Europe are the London Stock Exchange, Euronext, Deutsche Börse, Borsa Italiana, OMX Nordic Exchange, the Spanish Exchanges (BME) and SWX Swiss Exchange. Other major exchanges around the world include the New York Stock Exchange (merging with Euronext), NASDAQ, the Tokyo Stock Exchange and the Korea Exchange. In Sweden, there is also NGM and Aktietorget. In bond trading, OMX competes with alternative marketplaces such as MTS.

For derivatives products, competition comes in the form of trading and clearing that takes place outside the exchange, known as OTC trading, usually through banks and brokerage firms or through trading and clearing with other exchanges. The largest derivatives exchanges in Europe are Eurex and Euronext.liffe, which together with the International Securities Exchange (ISE) and Chicago Board Options Exchange are the largest equity options exchanges in the world.

The implementation of the new EU Directive MiFID (2007) will facilitate the establishment of new marketplaces for trading and is therefore expected to contribute to increased competition.

## REVENUE MODEL

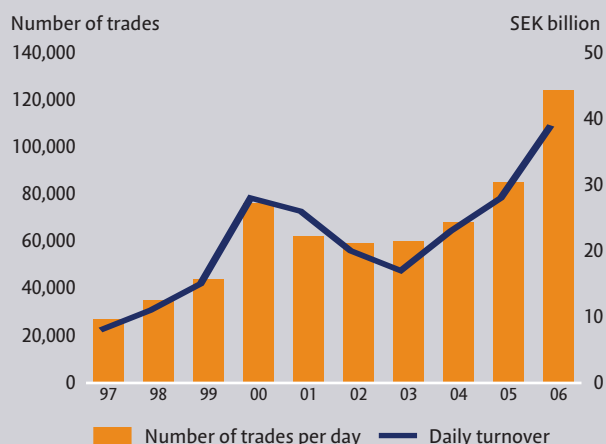
Trading revenues include revenue from trading in equities, bonds and derivatives, as well as from the clearing of derivatives and bonds. The size of trading fees is a function of both volume and value and these are charged to exchange members. The two most important parameters for revenue from equities trading are the value of equity turnover and the number of transactions. The most important parameter for trading and clearing of derivatives products is the number of traded contracts. The size of option premiums also has a certain degree of significance to revenues for trading and clearing in Swedish stock options.

## Nordic Marketplaces

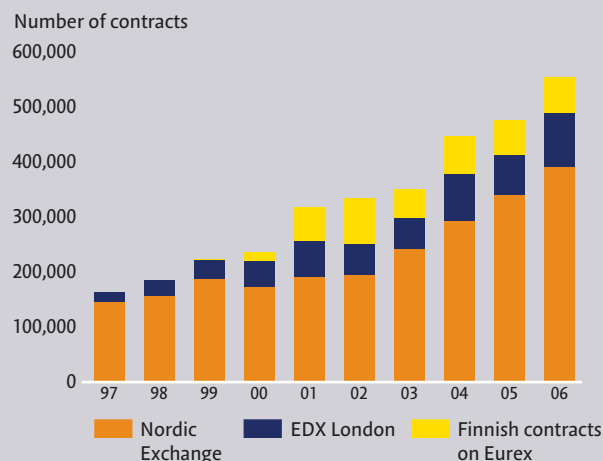
SERVICES AND PRODUCTS	CUSTOMERS	SOURCES OF REVENUE
<p>Trading:</p> <ul style="list-style-type: none"> <li>Equities</li> <li>Derivatives products</li> <li>Bonds</li> </ul> <p>Clearing:</p> <ul style="list-style-type: none"> <li>Derivatives products</li> <li>Bonds</li> </ul>	<p>Exchange members:</p> <ul style="list-style-type: none"> <li>Banks</li> <li>Brokerage firms</li> </ul>	<ul style="list-style-type: none"> <li>Volume and value-based revenue from equity trading</li> <li>Volume and value-based revenue from derivatives trading and clearing</li> </ul>
<p>Listings</p>	<p>Issuers of listed securities:</p> <ul style="list-style-type: none"> <li>Companies</li> <li>Funds</li> <li>Governments</li> </ul>	<ul style="list-style-type: none"> <li>Initial listing revenue</li> <li>Ongoing listing revenue based on market capitalization</li> </ul>



## EQUITIES – DAILY TURNOVER AND NUMBER OF TRADES PER DAY<sup>1)</sup>



## DERIVATIVES PRODUCTS – NUMBER OF CONTRACTS TRADED PER DAY



## Listing

### PRODUCTS AND SERVICES

OMX offers listings on the Nordic Exchange in Stockholm, Helsinki, Copenhagen and Iceland. The customers issue securities in the form of equities and depository receipts, warrants, fund units, exchange-traded funds, convertibles, rights, options, bonds and other interest-related products.

As an example of services to listed companies, the Nordic Exchange in Stockholm and Helsinki also offers a service guaranteeing liquidity for companies with a low level of trading. By engaging a liquidity provider, most often a bank or brokerage, companies can secure a better pricing scenario for their shares. At year-end, 127 companies on the Nordic Exchange had liquidity providers.

For growth companies, the Nordic Exchange offers access to the financial market through the alternative marketplace First North, with a simpler regulatory framework than OMX's main market.

### MARKET

The market for listing services is primarily dependent on the economy, access to and costs for alternative sources of financing as well as the perception of the attractiveness of exchange listing and financing. The total market capitalization for companies on the Nordic Exchange at year-end was SEK 8,306 billion, making it the sixth largest among Europe's marketplaces. At the same time, the Nordic Exchange is a world leader in certain sectors. Measured in terms of the market capitalization of listed companies, The Nordic Exchange is the largest in Europe for IT companies, the largest in the world for the paper industry, the second largest in the world for retail fashion and third largest in the world for industrial machinery.

### CUSTOMERS

OMX's customers are organizations such as companies, funds or governments that issue and list securities on the Nordic Exchange. One indicator of market activity is the number of new companies added during a year. In 2006 the number of new companies doubled compared with 2005. A total of 103 (42) new companies<sup>1)</sup> were listed, of which 58

(32) joined the main market and 45 (10) First North. Some of the largest customers among listed companies are Nokia, Ericsson, A.P Møller - Mærsk, Nordea, Hennes & Mauritz, TeliaSonera, Danske Bank and Volvo.

### COMPETITORS

Competition primarily relates to the exchange choices available to companies considering a new or secondary listing. The larger global exchanges include the London Stock Exchange, Euronext, Deutsche Börse, Borsa Italiana, the Spanish Exchanges, SWX Swiss Exchange, the New York Stock Exchange, NASDAQ, the Tokyo Stock Exchange and the Korea Exchange. In Sweden, there is also NGM and the regulated marketplace Aktietorget. International equivalents to First North are, for example, AIM on the London Stock Exchange and Alternext on Euronext. A well-functioning financial market also offers many different sources for raising capital in addition to the exchange, for example, through bank loans or financing via private equity.

### REVENUE MODEL

Revenues for listing services comprise the initial fee and the ongoing fees each company pays for being listed. The fee is determined by the market capitalization of the company. The revenue model for First North works in the same way as for the main market, although companies on First North are generally smaller, generating lower revenues.

## Cooperation and partnerships

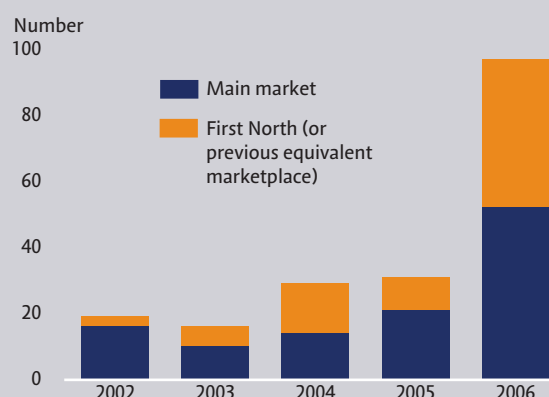
Through cooperation and partnerships, OMX participates actively in the development of both the national and international capital markets. LEC (Linked Exchanges and Clearing) is the trading and clearing link for derivatives products, established in London and Oslo. OMX is also part-owner of the EDX London derivatives exchange (jointly owned by the London Stock Exchange) which, via LEC, offers trading in Nordic and Russian equity-related derivatives with local clearing in the UK. Via EUREX, OMX cooperates on trading in the most traded Finnish derivatives contracts as well as in options and futures on OMXH25.

<sup>1)</sup> Including the exchanges in the Baltic states.

## LARGEST EXCHANGE MEMBERS 2006

Member	Percentage of equity turnover, %
SEB	7.6
Carnegie	6.3
Svenska Handelsbanken	5.8
Morgan Stanley	5.6
Nordea	4.6
Glitnir (formerly Fischer Partners)	4.6
Goldman Sachs International	4.0
Lehman Brothers International	3.6
Deutsche Bank	3.6
Merrill Lynch International	3.6
<b>Total, largest exchange members</b>	<b>49.4</b>
Others	50.6
<b>Total</b>	<b>100.0</b>

## NUMBER OF NEW COMPANIES PER YEAR



## Systems and technology

OMX's technology solutions were a prerequisite for creating the Nordic Exchange and ensuring efficient securities transactions. Given OMX's leading global expertise in exchange technology, The Nordic Exchange has been able to manage the substantial growth in volumes in recent years and today rates highly in technological stability, performance, capacity and functionality. Experiences gained through its global customer base ensure the continued development of both technology and services. The Nordic Exchange is one of OMX's most demanding and challenging technology customers and plays a distinct role as the driver of developments in existing and new systems.

## Market surveillance

Confidence in capital markets is paramount for trading to function properly. The Nordic Exchange carries out effective market surveillance, which is an independent unit and is clearly separated from the business operations. The surveillance department is responsible for the formal listing process of various financial instruments and for ensuring that listed companies and members follow the exchanges' rules. In Stockholm and Helsinki, decisions to list new companies are

made by the listing committees of the exchanges. In Copenhagen, listing decisions are made by the President of the exchange, a duty delegated by the Board of the Copenhagen Stock Exchange.

If there is suspicion that a listed company or member has acted in breach of exchange regulations, the matter is dealt with by market surveillance. Serious breaches are considered by the respective disciplinary committees in Stockholm and Helsinki. In Copenhagen, all matters are dealt with by market surveillance. Trading that is suspected to breach insider trading is reported to the appropriate authorities in each country.

The work of harmonizing the structure and processes for market surveillance in the Nordic region continues. When the Nordic Exchange was launched, the listing requirements for OMX's exchanges in Stockholm, Copenhagen and Helsinki were harmonized. There are plans for a company committee and disciplinary committee to be established in Copenhagen during 2007. In conjunction with this, the listing process will also be harmonized for the Nordic Exchange in Stockholm, Helsinki and Copenhagen. A harmonized set of regulations for listed companies is expected to come into effect in 2008.

## MOST-TRADED DERIVATIVES, 2006

Underlying instrument	Product	Turnover, number of contracts per day
Ericsson B	Put options	94,676
OMXS30	Futures	94,083
Ericsson B	Call options	61,118
OMXS30	Call options	29,040
OMXS30	Put options	25,013
Ericsson B	Futures	14,081
TeliaSonera	Put options	7,816
TeliaSonera	Call options	5,176
H&M B	Put options	3,661
AstraZeneca	Put options	3,569
<b>Total most-traded derivatives products</b>		<b>338,232</b>
Others		103,838
<b>Total</b>		<b>442,070</b>

## MOST-TRADED SHARES, 2006

Daily turnover Company	SEK m	Number of trades
Nokia	5,517	7,236
Ericsson	3,681	5,186
Atlas Copco	1,242	2,209
Nordea	1,212	2,385
Boliden	1,040	3,251
Volvo	1,033	2,252
TeliaSonera	885	1,993
H&M	863	1,671
AstraZeneca	841	1,495
Sandvik	736	1,703
<b>Total, most-traded shares</b>	<b>17,050</b>	<b>29,381</b>
Others	21,705	95,103
<b>Total</b>	<b>38,755</b>	<b>124,484</b>



## The Nordic Exchange

The launch of the Nordic Exchange is only the beginning. The creation of a common market involves the close cooperation of the exchange, banks, brokerages, risk capital managers, central security depositories and other interest groups over the long term. Step by step, OMX services and offering will be customized to meet even newer demands that emerge with the common exchange. And step by step, OMX will achieve a bigger, less costly and more effective way for providing Nordic companies with risk capital. The Iceland Stock Exchange was recently integrated and the expansion of First North in Finland and the Baltic states are the next areas of focus.

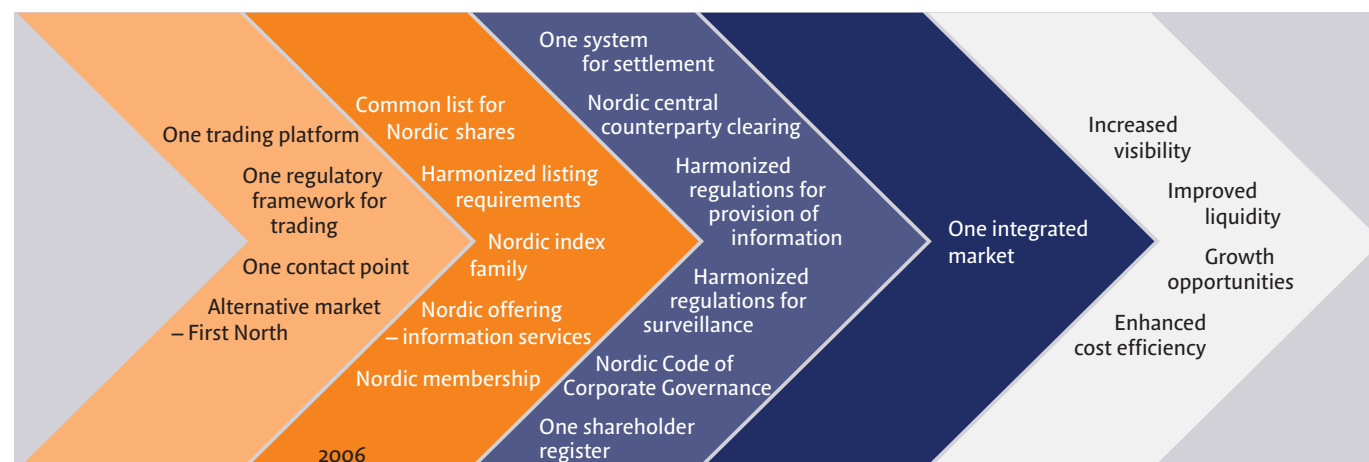
### TRADING STATISTICS<sup>1)</sup>

<b>Equity trading</b>	<b>2006</b>	<b>2005</b>
Turnover, SEK bn	9,731	7,136
Turnover per day, SEK bn	38,755	28,209
Number of trades per day	124,484	84,667
Market capitalization, SEK bn	8,435	7,163
Turnover rate, %	132	117
<b>Bond trading</b>		
Turnover, SEK m	21,987,563	22,345,849
Exchange traded	192,941	121,627
Reported	21,794,622	22,224,222
Daily turnover, SEK m	87,467	96,086
Exchange traded	769	523
Reported	86,698	95,563
<b>Derivatives trading</b>		
<i>Equity-related products<sup>2)</sup></i>		
Turnover, number of contracts	125,762,295	110,001,252
Turnover, number of contracts per day	501,045	438,252
<i>Fixed-income related products<sup>3)</sup></i>		
Turnover, number of contracts	13,239,748	9,445,883
Turnover, number of contracts per day	52,748	37,633
<b>Warrant trading</b>		
Turnover, SEK bn	31.2	13.6
Turnover per day, SEK 000s	165,289	53,855
Number of trades per day	3,677	1,566
Number of members	159	166

1) Includes the exchanges in the Baltic Market organized under Information Services & New Markets. 2) Includes trading in Nordic derivatives at EDX London and Finnish equity derivatives traded on Eurex. 3) Stockholm and EDX London.

## The route to Nordic integration

Creation of an integrated market leading to increased customer benefit and higher growth



# Information Services & New Markets

Information services comprise an important part of the Nordic Exchange. The Baltic exchanges that are included under the Nordic Exchange and OMX services in securities administration are also found in this business area.

The business area Information Services & New Markets contains Information Services, Baltic Market and OMX's service operations in securities administration, Broker Services. The latter was introduced to the business area in February 2006 and also comprises technology solutions from January 1, 2007. The business area also aims to identify business opportunities with a high level of growth, both in terms of products, services and geographic markets. The Nordic Exchange concept includes trading and listing services in the Baltic countries and information sales from all of OMX's marketplaces together with the exchange operations in the Nordic region (organized under Nordic Marketplaces).

## The past year

For the business area, the year was characterized by high levels of market activity and a focus on product and service development. Information operations in 2006 were primarily focused on the Nordic Exchange launch. Information products and communications services that were previously defined by specific countries have been replaced by pan-Nordic solutions. Combined with the harmonization of the contract structure, this ensures that all customers on the Nordic Exchange are offered the same conditions. In addition, these developments mean that individual customers now have only one point of contact and one contract with OMX. Important advances in the business area during the year include the launch of the Nordic index family, the introduction of Nordic real-time products and the launch of pan-Nordic and Baltic communications services.

In the Baltic Market, work to integrate and develop the Baltic market-

place continued. A new Baltic index family was introduced. In order to facilitate better investment decisions, the Baltic exchanges launched the web-based service Baltic Fund Center with a compilation of information on Baltic funds. Accordingly, investors have a better tool for comparing and evaluating investment opportunities. During the year, the time-frames for settlement were harmonized in the Baltic States.

In Broker Services, the year was characterized by an increased focus on sales and the development of internal processes. Danish securities services to Swedish members were also introduced. At the beginning of 2007, operations were expanded to include systems for securities administration in conjunction with an outsourcing systems development agreement with the Indian company HCL Technologies.

At the end of 2006, OMX announced its bid on all of the shares in the Ljubljana Stock Exchange in Slovenia.

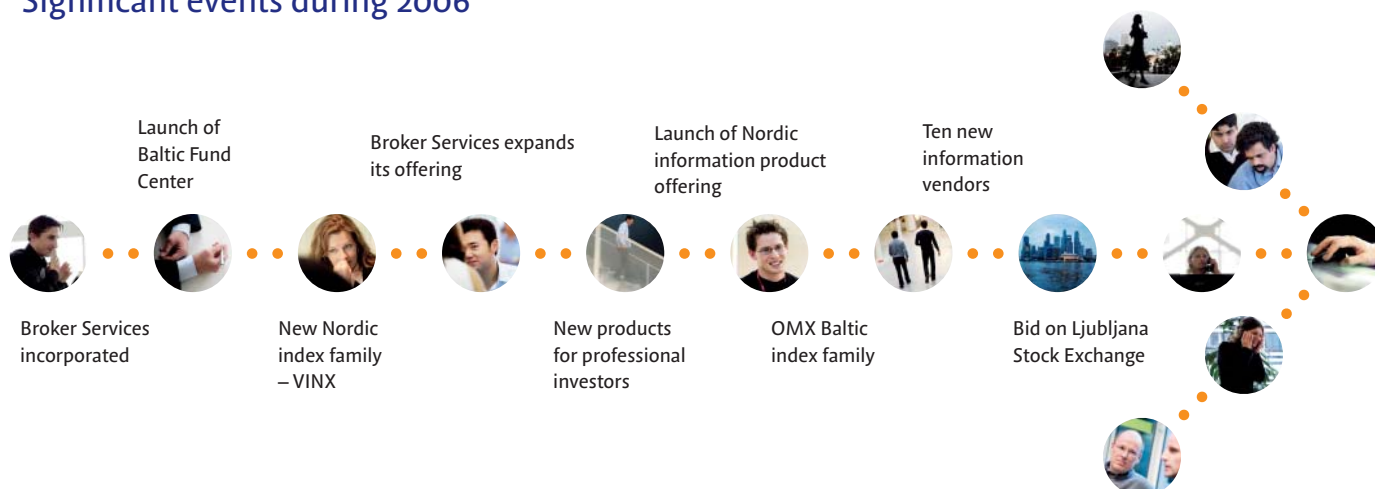
## Information Services

Information Services encompasses all of OMX's information products. Information is an increasingly important factor to participants on the Nordic Exchange. The business area develops the Nordic and Baltic range of products and services intended to enhance transparency and enable local investors to more easily ascertain the investment opportunities in the entire region and, at the same time, give international investors greater insight into the Nordic and Baltic securities market.

## PRODUCTS AND SERVICES

Information products and services are based on the trading informa-

## Significant events during 2006





tion from the Nordic Exchange on three classes of securities: equities, bonds and derivatives instruments. Based on raw and processed data, OMX provides information in real-time, with a time delay or in batches. The products and services are packaged for market professionals as well as for private individuals, and include real-time information on order books, specific transactions and share-price trends, the compilation and calculation of reference information such as indexes and the presentation of statistics. Information Services also helps listed companies to instantaneously distribute sensitive share-price information to the media, analysts, investors and other stakeholders. In 2006, the information-related products and services encompassed information from six exchanges, and as of 2007, the Iceland Stock Exchange is included.

The business area also includes OMX's training services for brokers and courses in equity and derivatives trading for professional and private investors.

The implementation of the forthcoming EU transparency Directive (2007) will expose the information operations to a higher level of competition. In light of this, OMX has developed a new comprehensive communications service for listed companies called Company News Service. This new service was launched during the first quarter of 2007.

### MARKET

The exchange industry is developing rapidly and the use of market information has increased substantially in recent years. There is extensive demand from investors to receive high quality information in order make as favorable an investment decision as possible. Since an increasingly large portion of trading today is automated and takes place at a rate that far exceeds human capacity, requirements for the speed of information delivery are also escalating. By raising the bar of information delivery, there are excellent opportunities to improve the quality of the marketplaces, increase volumes, increase revenues and generate competitive advantage.

Laws, regulations and increasing demand from investors for rapid and reliable information are forces driving the development of the market for communications tools. Companies use these tools to distribute information to the media, analysts, professional traders and private investors in an efficient manner. The market is subject to intense com-

petition with a number of large international companies and smaller, local niche players. OMX endeavors to be the first choice for these services in the Nordic and Baltic regions.

### CUSTOMERS

OMX supplies information to a large number of customers. The most important customers include exchange members (banks and securities brokers), information vendors and to a certain extent private investors for market and analyst information, and listed companies for communications services. Information vendors on the international market include Reuters, Bloomberg and Thomson Financial and in the Nordic market SIX and Kauppalehti.

In 2006, OMX attracted new vendors from the international investment banking segment and vendors targeting the Nordic investment market. Small and medium-sized local and regional banks have also indicated renewed interest.

### COMPETITORS

Information services are based to a large extent on the information originating on the Nordic Exchange. The more the information is refined, the more competition increases as other companies provide similar services. The main competitors for the Company News Service are Observer and Hugin (owned by Euronext).

### REVENUE MODEL

OMX's revenues from Information Services are generated primarily through sales and distribution of market information whereby revenues are based on the number of end-users. In addition, Information Services sells communications services to information vendors, exchange members, issuers and professional investors. Training is another source of revenue, which is based on the number of course participants.

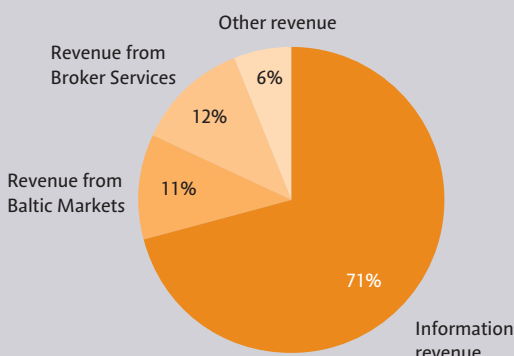
### Baltic Market

The Baltic Market operations comprise the Tallinn Stock Exchange (Estonia), Riga Stock Exchange (Latvia) and the Vilnius Stock Exchange (Lithuania). The exchanges in Riga and Vilnius are owned by OMX, while the ownership of the Tallinn Stock Exchange amounts to 62 percent. Furthermore, OMX owns the central securities depos-

## Information Services & New Markets

SERVICES AND PRODUCTS	CUSTOMERS	SOURCES OF REVENUE
Information Services (Information Services)	<ul style="list-style-type: none"> <li>Information vendors</li> <li>Exchange members and issuers</li> <li>Professional and private investors</li> </ul>	<ul style="list-style-type: none"> <li>Information revenue based on number of end-users</li> <li>Subscription revenue</li> <li>Training revenue</li> </ul>
Listing, trading, clearing and registration in the Baltic region (Baltic Market)	<ul style="list-style-type: none"> <li>Exchange members and issuers</li> <li>Fund managers and account operators</li> </ul>	<ul style="list-style-type: none"> <li>Volume and value-based revenue for trading, clearing and settlement</li> </ul>
Securities administration (Broker Services)	<ul style="list-style-type: none"> <li>Banks</li> <li>Securities brokers</li> </ul>	<ul style="list-style-type: none"> <li>Volume-based transaction revenue</li> <li>Fixed revenue per customer</li> </ul>

## SPECIFICATION OF REVENUE 2006



itories in Estonia and Latvia, and 40 percent of the central securities depository in Lithuania.

Through the Baltic Market, OMX aims to minimize the differences between these three national exchanges and to make these markets a distinctive and attractive part of the Nordic Exchange.

## PRODUCTS AND SERVICES

In the Baltic markets, OMX Nordic Exchange offers its members trading, clearing, payment and custody services. Issuers, primarily large companies, are offered listing and a distribution network for their various securities. The securities traded are mainly equities, bonds and treasury bills. Clearing, payment and custody services are offered through the wholly-owned central securities depositories in Estonia and Latvia, and part ownership of the central securities depository in Lithuania. In addition, in Estonia and Latvia, OMX provides registry maintenance of the fund units included in the obligatory pension funds, and in Estonia, the maintenance of shareholder registers for listed companies if desired.

The Baltic Market will strengthen its position by expanding its offering with a wider range of Baltic services and instruments to private and institutional customers. The launch of an alternative marketplace for growth companies will be prioritized as well as a new presentation model for listed companies by international standards.

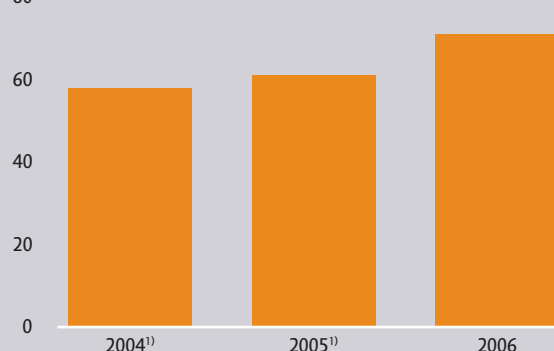
## MARKET

During 2006, the three Baltic States had the highest growth rate in the EU. Growth is based on continued strong domestic demand in all three countries, primarily in such areas as construction, property, business and trade. Strong growth in the financial sector is driven by increased trading in the region and an increased number of listed companies and educated investors. At the end of 2006, 98 (103) companies and 68 (80) bonds were listed on the Baltic Market exchanges. The number of equity transactions per day increased from 903 in 2005 to 996 in 2006. The total market capitalization of listed companies rose from SEK 113 billion in 2005 to SEK 129 billion in 2006.

## Information Services

### NUMBER OF REAL-TIME TERMINALS

Number (thousands)



1) Recalculated in accordance with new Nordic product structure for 2006

## CUSTOMERS

Baltic Market's customers include exchange members (banks and securities brokers), issuers, fund managers, account operators and information vendors. Baltic Market has a total of 40 members, of which 15 are members of all three Baltic exchanges. The largest customers are Hansabank (part of Swedbank), SEB and Suprema. In 2006, six companies were introduced on the Baltic exchanges.

## COMPETITORS

Exchanges compete with each other for trading and listings. There are also other options than the exchange for raising capital, such as through bank loans and private equity companies. The loan market has long been a competitive alternative in the Baltic States for companies wishing to finance growth and expansion. In recent years, private equity players have increased their presence and activities in the region.

## REVENUE MODEL

Similar to Nordic Marketplaces, OMX's revenues from the Baltic Market business unit are generated from trading, clearing and settlement, fees from issuers, membership fees, but also the sale of market information. Revenues also include income from the central securities depositories in Tallinn and Riga, in which the number of registered accounts and transactions are the most important parameters.

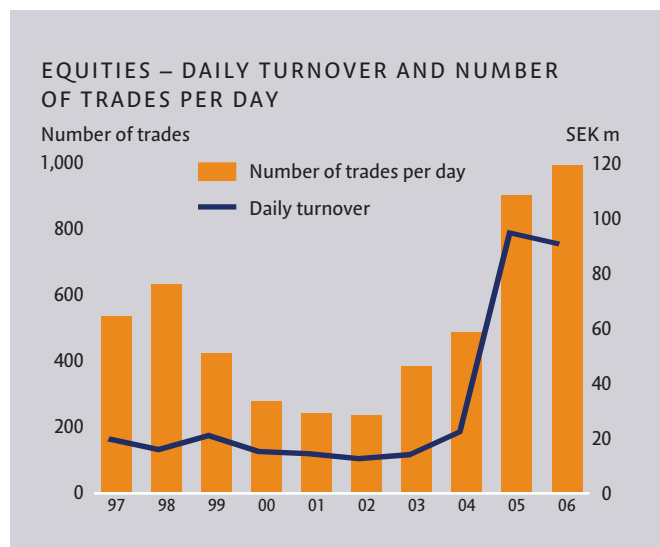
## Broker Services

From January 1, 2007, OMX has integrated its technology and service units in securities administration into one unit. The technology services were previously found in operations being discontinued, where only the UK operations for securities administration now remain. Through Broker Services, OMX simplifies the administration of securities required when trading on the Nordic Exchange.

To further develop administration systems solutions and services, OMX has signed an outsourcing agreement with HCL Technologies which will carry out a large part of the development work. Offering competitive back-office and custody services is part of OMX's strategy for the Nordic Exchange. Broker Services comes under the super-



## Baltic Market



vision of the Swedish Financial Supervisory Authority.

### PRODUCTS AND SERVICES

Services comprise a number of offerings. “Back Office for Hire” is targeted toward financial players who want to entirely or partly outsource their back-office securities administration. “Remote Member Service” offers remote members on the Nordic exchanges settlement and custody services. Through “Account Operator Service,” account handling services are provided for financial players holding accounts with the Nordic central securities depositories. “Corporate Finance Administration” offers financial players administrative services for exchange listings, share issues and registration with securities depositories. For financial participants with active operations in the Nordic market, “System Solutions” offers securities administration systems solutions for mid- and back-office and custody. Systems solutions are offered as either total solutions including operational services or as license services.

### MARKET

Many financial participants active in the Nordic market have chosen not to administer the settlement and depository of securities and/or operate their securities systems themselves. This may be due to insufficient volumes or strategic choices in resource allocation. Many players have operations throughout the Nordic region, which imposes certain demands on services and administration.

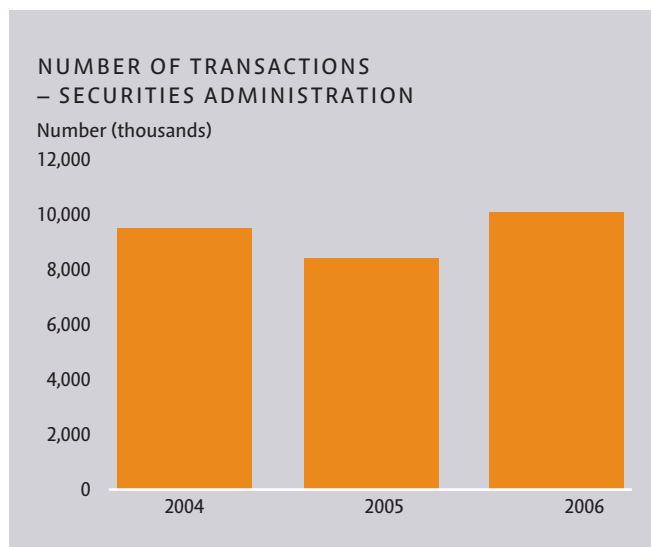
### CUSTOMERS

Broker Services’ customers comprise Nordic and international banks, securities brokers and asset managers with institutional trading operations, private banking and custody services in the Nordic region. Broker Services currently has some 50 customers in the Nordic countries.

### COMPETITORS

The primary alternative for back-office services is the customers’ own in-house operations. In addition, there are a number of smaller players who can undertake parts of the services. In systems solutions, there are a number of global as well as regional competitors.

## Broker Services



### REVENUE MODEL

Revenues in Broker Services are based on a fixed basic fee for administration or licensing, maintenance and operations, and a variable portion that depends on the number of transactions completed. For pure licensing services, a license fee and a monthly maintenance fee are charged.

### New Markets

OMX continues its focus on entirely new securities markets, primarily in Eastern Europe. Many exchanges are considering partnerships, upgrading technology solutions and taking other measures to further the development of their marketplaces. With its experience in developing the Nordic market and as a leading provider of exchange technology, OMX is in a strong position to take an active role in transforming these exchanges. Depending on the situation, activities could range from advisory services and technology partnerships to joint ventures and ownership.

### Cooperation and partnership

OMX is continuously expanding its offering through cooperation and partnerships. In 2006, the Nordic Exchange developed the VINX index together with Oslo Børs and the Iceland Stock Exchange. For Company News Service, OMX also works together with PR Newswire, a leading international company in news and information distribution services. Since January 2007, OMX has been working together with the prominent Indian software company HCL Technologies in the development and operation of securities administration systems.

### Systems and technology

OMX’s technology solutions were a prerequisite for creating the Nordic Exchange, and its world-leading expertise in exchange technology enables the development of new information services.

Experiences gained through OMX’s global customer base ensure the continued development of technology and services. Information Services & New Markets is an innovator in information services and therefore an important driver in the development of new functionality and products.

# Market Technology

OMX solutions facilitate efficient securities transactions for more than 60 exchanges and other marketplaces in over 50 countries.

OMX's technology operations are found in the Market Technology business area. OMX develops and delivers solutions for securities trading, clearing and settlement, and information dissemination. Today, OMX solutions enable efficient securities transactions for more than 60 customers – exchanges and other marketplaces – in over 50 countries. OMX is the world's largest supplier of technology solutions to the exchange industry. A central part of OMX's strategy is the development of next generation technology – Genium.

## The past year

During the year, the business area strengthened its focus on exchanges, clearing organizations and central securities depositories. Activities in the market intensified and widespread interest in OMX's solutions from existing and new customers resulted in an increase in order intake of 57 percent compared to 2005.

Several new agreements with existing and new customers were signed during the year. OMX's order intake includes orders from Dubai Financial Market for a new trading system and from the Saudi Stock Market Tadawul for the design, delivery and support of a complete trading and clearing system. Other examples of new orders: Borsa Italiana, for the total operation of its derivatives market; a long-term licensing agreement with International Securities Exchange (ISE); and the delivery of solutions to a number of alternative trading systems, such as the Italian company TLX.

The acquisition of Computershare's Markets Technology business was completed in January. Adding a large customer base and a considerably enlarged customer offering, the acquisition has also

strengthened OMX's positions in the Middle East and North Africa. In the spring 2006, a joint initiative was taken with Deutsche Börse to create a uniform communications standard for exchange trading and information dissemination.

## Technology solutions for trading

### PRODUCTS AND SERVICES

OMX's technology solutions are sold throughout the world and are utilized by exchanges, alternative trading venues, and by banks and securities brokers with marketplace offerings of their own. The systems support many types of instruments, ranging from cash equities trading to complex derivatives products. Furthermore, the systems can handle all asset classes, for example currencies, different types of interest-bearing securities and energy.

### MARKET

The market for the exchanges is characterized by an accelerating rate of change. The ability to quickly manage change has become a highly significant success factor to exchanges across the world. Particular focus during the year was on industry consolidation, the effects of new laws and regulations, capacity and performance.

Today, OMX's solutions are mainly purchased by established exchanges. Trading and information volumes are continuously increasing, through such developments as consolidation, new trading patterns, algorithmic trading, growing direct market access, etc. Upgrading or replacing existing systems to meet growing demands for flexibility and efficiency are often the primary driving forces for

## Significant events in 2006





investment decisions. Many exchanges have traditionally developed their own systems internally. However, the current trend is clearly toward standardized systems that can be adapted to the customer's specific situation to meet all requirements. At the same time, there is a trend in establishing new exchanges, particularly in developing countries, which have immense needs for support in creating and developing a functioning financial market. From a systems perspective, proven solutions that can quickly be put into operation without the need for extensive adaptations are desirable.

New legislation and regulations that aim to stimulate competition and enhance transparency in exchange trading are becoming increasingly important. Such regulations also permit new, less regulated marketplaces that can function in parallel with the main exchanges. These new marketplaces are launched by established exchanges, banks and securities brokers and by brand new players. Characteristic of this market segment is a high demand for turnkey solutions, whereby performance and costs are largely governed by investment decisions.

### CUSTOMERS

In addition to OMX Nordic Exchange, OMX's trading solutions are utilized by, among others, the Australian Securities Exchange, Borsa Italiana, Hong Kong Exchanges and Clearing, ISE (International Securities Exchange), SWX Swiss Exchange, Singapore Exchange and Wiener Börse. Customers among alternative marketplaces include TLX in Italy. OMX also supplies solutions to ICAP for its interest-rate and swap markets.

### COMPETITORS

Many exchanges have traditionally developed their own systems internally, often assisted by consulting companies and local suppliers of components. Competitors who provide trading solutions include Atos Euronext Market Solutions and Accenture. Examples of competitors in the market for the operation of exchange systems are Accenture, HP and IBM.

## Technology solutions for clearing & settlement

### PRODUCTS AND SERVICES

In the post trade area, OMX offers integrated systems solutions for clearing (risk management) and settlement (settlement and delivery) of both cash equities and derivatives. OMX also offers the systems for handling the administration of securities in securities depositories. These systems

have been designed to be able to communicate with various trading systems and with other clearing or securities systems. They can handle the administration of all classes of assets such as currencies, different types of interest-bearing securities or energy.

### MARKET

The market for clearing, settlement and central custody of securities is today characterized by rigorous demands for efficiency from customers, since the costs for clearing and settlement, expressed as a percentage of the total transaction costs, remain very high.

OMX's solutions are mainly purchased by established exchange organizations that also offer clearing and settlement services. An increasingly important factor for the investment decision is the possibility of being able to easily integrate clearing, settlement and custody services with trading systems.

Legislative and regulatory initiatives are currently underway with the aim of strengthening post trade competition. Growing cross-border trading also increases the need for system functionality that supports different currencies and foreign securities. Many clearing organizations and securities depositories are continuing to develop their own systems solutions. As demands for efficiency grows so does the need for standardized systems solutions adapted to the demands of a majority of customers.

### CUSTOMERS

OMX currently has an international customer base comprising more than 20 clearing organizations and securities depositories. Customers are primarily exchanges offering these services as part of their operations. In addition to OMX Nordic Exchange and the Icelandic Central Securities Depository, the solutions are utilized by, among others, Abu Dhabi Securities Market, the Australian Securities Exchange, the Dubai Financial Market, Hong Kong Exchanges and Clearing, the Korea Exchange, Nord Pool and Wiener Börse.

### COMPETITORS

The majority of exchanges, clearing houses and securities depositories have traditionally developed their own systems internally, often assisted by consulting companies and local suppliers of components. Competitors who provide clearing and settlement solutions include Atos Euronext Market Solutions, Tata Consultancy Services and Clearstream.

## Market Technology

SERVICES AND PRODUCTS	CUSTOMERS	SOURCES OF REVENUE
Technology solutions for trading	<ul style="list-style-type: none"> <li>Exchanges and marketplaces</li> </ul>	<ul style="list-style-type: none"> <li>Sale of systems licenses</li> <li>Revenue from technology projects</li> <li>Revenue from support of installed systems</li> </ul>
Technology solutions for clearing & settlement	<ul style="list-style-type: none"> <li>Clearing organizations and securities depositories</li> </ul>	
Technology solutions for information dissemination	<ul style="list-style-type: none"> <li>Exchanges and marketplaces</li> <li>Information vendors</li> </ul>	
Facility management, integration and advisory services	<ul style="list-style-type: none"> <li>All customer categories</li> </ul>	<ul style="list-style-type: none"> <li>Revenue from facility management services, integration and advisory services</li> </ul>

## Technology solutions for information dissemination

### PRODUCTS AND SERVICES

Exchanges have an extensive need to distribute the data generated by trading. OMX offers standardized systems for disseminating raw data, for example concerning prices, trades and order amounts and also refined data such as indexes.

### MARKET

Market data has become an increasingly important source of revenue for exchanges and plays a central role in a well-functioning marketplace. To further grow these operations, many companies are now faced with the challenge of creating new information products.

Today, OMX's solutions are purchased primarily by established exchanges in Europe and the US. Demands in the speed of information transfers are increasing in line with the growth in automated and algorithmic trading. New regulations, such as the EU's Transparency Directive, also promote intensified competition in this area. Accordingly, this leads to a greater need for flexible systems and substantially higher requirements on capacity and performance.

### CUSTOMERS

In addition to OMX Nordic Exchange, information dissemination solutions are currently utilized by such companies as ICAP, the International Securities Exchange (ISE), the Singapore Exchange (SGX) and Wiener Börse.

### COMPETITORS

Many exchanges and other marketplaces have traditionally developed their own systems for information dissemination, often assisted by consulting companies and local suppliers of components. Apart from that, there are a number of companies delivering general information systems than can be used by marketplaces.

## Facility management, integration and advisory services

### PRODUCTS AND SERVICES

OMX offers operation and support for the applications, systems platforms, networks and other components included in a turnkey IT solution. By transferring the operation and support of systems to OMX, the customer can focus on its core operations and reduce its operational risk level. At the same time, substantial economies of scale are achieved, whereby the customer gains access to existing, effective technology and infrastructure.

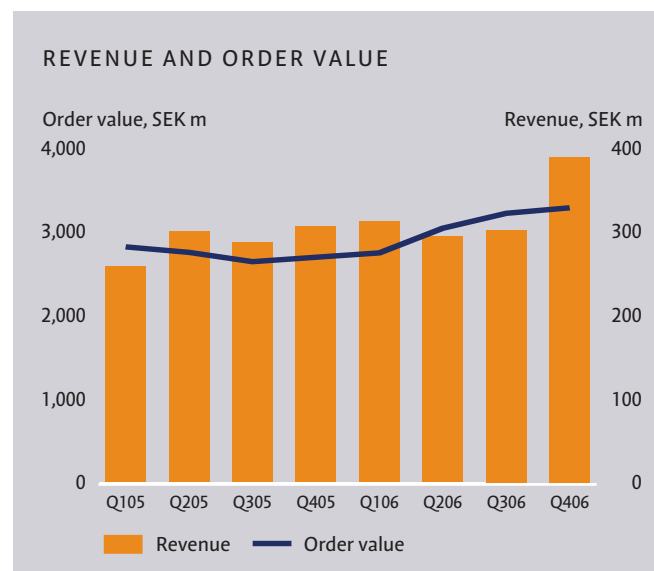
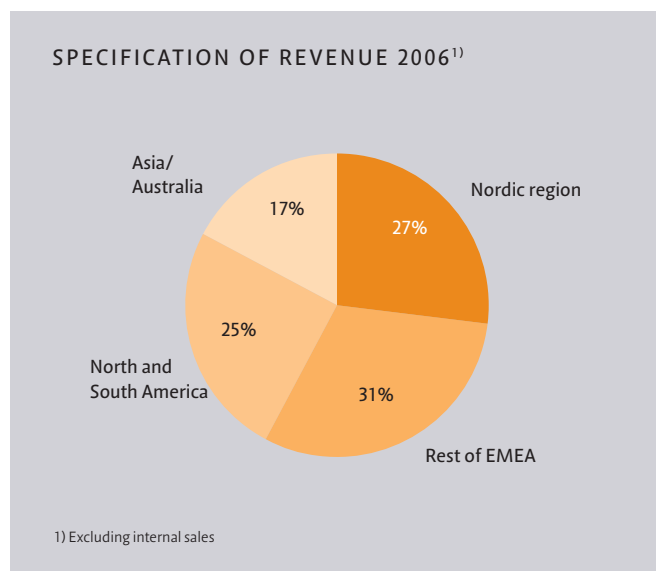
A central part of many projects is integration and advisory services. These services are based on OMX's many years of experience in operating and implementing change projects involving both technical infrastructure and ongoing operations. Through its integration services, OMX can assume total responsibility for projects involving migration to a new system and the establishment of entirely new marketplaces. Through its advisory services, OMX can contribute to a client's business development process by assisting in identifying new opportunities.

### Revenue model

There are three primary sources of revenues in the Market Technology business area: license, project and support revenues, facility management revenues and other revenues. The customer licenses the right to utilize a systems solution from OMX. The license revenue OMX receives is often fixed, but may also be transaction-based.

Development and integration work for making adaptations to customers' specific functionality and capacity requirements generates project revenue that is invoiced continuously according to the degree of completion. Most projects are initiated by OMX to prepare customer-specific solutions, based on the company's expertise and intellectual assets, in the form of systems and services. When a systems solution has been delivered, OMX undertakes to maintain and develop it for a number of years, for which it receives ongoing support revenue. License, support and project revenue comprised a total of approximately 61 percent of revenues for the business area in 2006.

## Market Technology





## In the technology operations, OMX has more than 60 customers in over 50 countries. Some examples of customers:

### AMERICA

Canadian Trading & Quotation System  
ICAP  
ISE (International Securities Exchange)  
NASDAQ

### MIDDLE EAST & AFRICA

Abu Dhabi Securities Market  
Bahrain Stock Exchange  
Cairo & Alexandria Stock Exchanges  
Doha Securities Market  
Dubai Financial Market  
Tadawul (Saudi Arabia)

### EUROPE

Borsa Italiana  
Istanbul Stock Exchange  
MICEX (Russia)  
Nord Pool  
OMX Nordic Exchange  
Oslo Børs  
Polish Power Exchange  
SWX Swiss Exchange  
TLX (Italy)  
Turkish Derivatives Exchange  
Wiener Börse

### ASIA & AUSTRALIA

Australian Securities Exchange  
Hong Kong Exchanges and Clearing  
Jakarta Stock Exchange  
Korea Exchanges  
Philippine Dealing and Exchange Corp.  
Singapore Exchange  
Thailand Futures Exchange

OMX Facility Management Services generates annual recurring revenue that can be both fixed and volume based. Outsourcing services accounted for approximately 33 percent of revenues in the business area during the year. Other revenues, including advisory services, represented approximately 6 percent of the business area's revenues.

## Cooperation and partnerships

OMX supports and supplements its technology operations through cooperation and partnerships. OMX is the largest owner, holding 30 percent, of Orc Software, which is listed on the Nordic Exchange in Stockholm. Orc Software is a software company that develops and sells trading solutions to banks and securities brokers. OMX and Orc Software initiated an active partnership during the year regarding the development and sale of systems solutions for securities trading and handling orders for market players. OMX has also signed a strategic partnership agreement with HCL Technologies, one of India's leading IT companies focused on technology and outsourcing for research and development. The partnership involves the outsourcing, development and maintenance of certain OMX systems solutions.

## The Nordic Exchange

OMX's technology solutions were a prerequisite for creating the Nordic Exchange and ensuring efficient securities transactions. The Nordic Exchange operations, and related services for the provision of information, is one of OMX's most demanding and challenging technology customers. This fact contributes to the world leading position

of the technology offering.

The Nordic Exchange was launched in record time due to OMX's technical expertise. Since OMX is a pioneer in integrating marketplaces, its unique experience can now be applied to other exchanges worldwide. High internal efficiency demands, technical stability, performance and capability combined with technical expertise have made OMX the world's leading supplier of exchange technology.

## Research and development

OMX invests continuously in the development of new and existing products to ensure its position as a market leader and driving force in the exchange industry. Investment decisions are made based on customer need and general market trends.

During the year, OMX conducted research and development activities in next generation technology – Genium (see below). The objective has been to create solutions that can meet future demands for flexibility, efficiency, stability and performance. Key efforts were also focused on contributing to the continued standardization of protocols and interfaces in the securities market.

Investments in research and development for the year totaled SEK 174 m (229), corresponding to 13 percent (20) of the business area's revenue, of which SEK 13 m (56) was expensed. OMX estimates that investments in research and development over time should be maintained at a level of about 10 percent of revenue in the business area.

## Next generation technology – GENIUM

The exchange industry is experiencing rapid change. Increased openness, competition, cross-border trading and evolving trading models impose new demands on speed, accessibility and flexibility. OMX has an important role as an innovator and driver in the development of the exchange industry. Therefore, at the beginning of 2007, OMX introduced Genium, new technologies for trading, post-trade and information services. Genium has been developed based on OMX's experience of operating the Nordic Exchange and supplying technology to more than 60 exchanges throughout the world.

Genium brings entirely new dimensions to the challenges of the exchange industry. Genium has been designed not only to be the world's fastest trading system, but also to combine innovative functionality with a modular

approach to rapidly and efficiently manage change and create new advantages for end-customers. Genium offers competitive advantages to existing and new customers. The work in developing the next generation trading system is a highly significant part of Genium. The first deliveries will encompass standardized access for trading and market data and solutions for the distribution and processing of market data. These solutions will function with existing products found in OMX's offering.

The Nordic Exchange will be the first to implement Genium with standardized access to market data and trading. Thereafter, the Nordic Exchange plans to transfer equity, derivatives and other trading to a Genium-based solution.

# Employees

OMX's employee index increased during the year from 77 to 81. The main areas of improvement were management by objectives and the organization's efficiency in the implementation of change.

OMX is an international knowledge-based company with customers worldwide. The operations are managed through offices in Australia, Canada, China, Denmark, Estonia, Finland, Hong Kong, Iceland, Italy, Latvia, Lithuania, Norway, Singapore, Sweden, the UK, the United Arab Emirates and the US.

During the year, the number of people working at OMX increased to 1,550 (1,344), of which 1,402 (1,288) were employed and 148 (56) were consultants on long-term contracts. The distribution among OMX's business areas is 321 (300) persons employed within Nordic Marketplaces, 218 (144) within Information Services & New Markets, and 772 (844) within Market Technology. At year-end, 91 persons were employed in operations being discontinued. The number of managers at year-end was 212 (167). The average age within the company was 38 (38). The proportion of women was 35 percent (36) and the proportion of women in managerial positions was 31 percent (31).

## Organizational changes

On January 1, 2006, OMX's new organization came into effect. The operations in OMX's two former divisions were transferred to three business areas: Nordic Marketplaces, Information Services & New Markets, and Market Technology. The new organization has created better conditions to meet current and future customer requirements.

During the year, OMX acquired and integrated Computershare's technology operation, as well as the Iceland Stock Exchange and Ice-

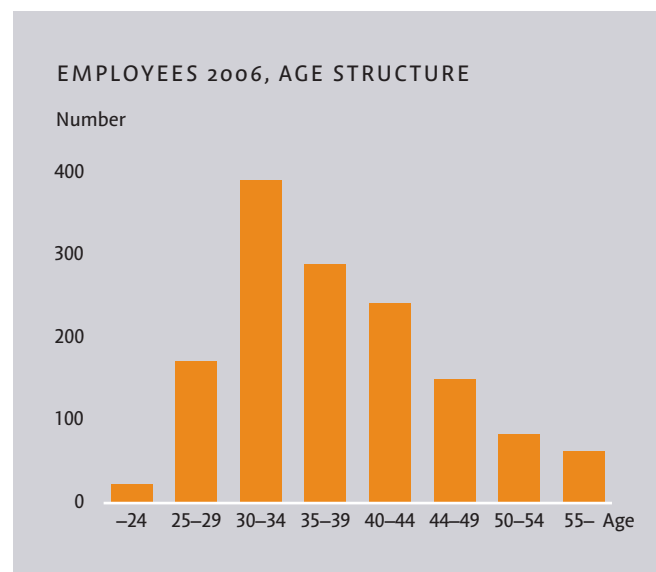
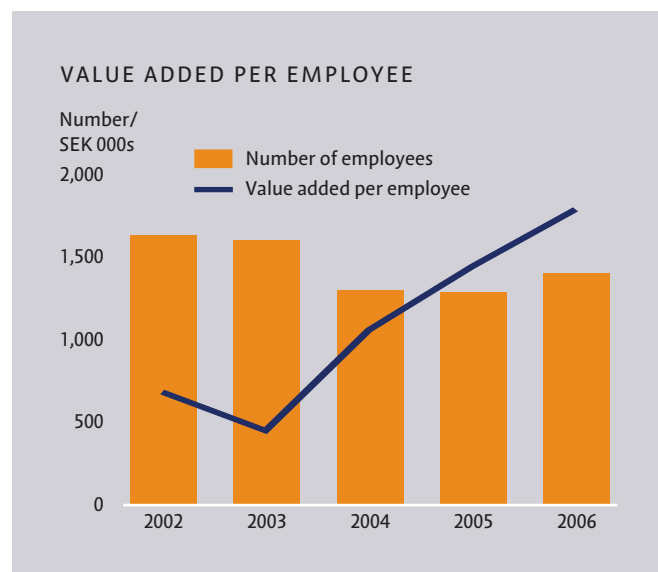
landic Securities Depository. Since January 1, 2007, the Nordic part of the operations formerly included in the Banks & Brokers business area is no longer included in operations being discontinued. Efforts to find a solution for the remaining part will continue in 2007. The integration work with the Nordic Exchange continued throughout 2006.

## Recruitment

Employee recruitment increased during the year. The increase was attributable to growth within existing operational areas and investments in new product and service drives. During the year, internal employee shifts also increased from 6.5 to 9.4 percent. The average employee turnover was 11.8 percent (8.6).

## Work environment and health

The annual employee satisfaction survey demonstrated a considerable interest among OMX employees to express their opinions on the working climate – more than nine out of ten employees participated in the survey. The result from the survey, known as the employee satisfaction index, increased from 77 in 2005 to 81 in 2006. The main areas of improvement since the last survey were OMX's positive development work with regard to management by objectives and the enhancement of OMX's efficiency in the implementation of change. The company's substantial investment in seminars conducted in 2005



#### DATA PER EMPLOYEE

SEK 000s	2006	2005	2004	2003	2002
Revenue per employee	2,675	2,198	1,966	1,597	1,574
Value added per employee	1,791	1,445	1,060	450	684
Income before financial items per employee	915	664	406	-267	-14
Personnel cost per employee	876	780	706	717	698

and which addressed the subject of objectives, contributed to the ability to work toward established targets.

A global work environment policy was launched during the year. The policy stipulates guidelines for how work with the work environment should be conducted by all operations within OMX, regardless of country.

Healthy employees are important to OMX. A stimulating work environment contributes to a productive workplace and is an important competitive tool for OMX. During the year, all managers in Sweden were offered training on the impact of the individual's health and fitness on productivity. The aim of the training was to inspire managers to pursue keep-fit activities in their groups. Absence due to illness amounted to 2.0 percent, compared with 2.5 percent in 2005.

The number of employees on long-term leave, including parental leave, leave of absence or sick leave for at least three months, decreased during the year to 80 (107) people. Most of these were on parental leave. Further information concerning absence due to illness can be found in Note 7 of the Annual Report.

### Competence development

OMX's employees and continuous sharing of knowledge are OMX's most valuable assets. OMX has broad experience in constantly developing its knowledge base and winning the confidence and trust of its customers. The ability to offer accumulated expertise is an important element for achieving success, and it is essential to be able to share and disseminate knowledge within the company to create value for customers.

OMX's employees are encouraged to continuously change and expand work assignments within the company in order to develop. OMX's procedure for performance appraisals is an important tool for attaining set targets, evaluating results and providing mutual feedback. All employees have a personal career development plan and targets that are reviewed and followed up every six months.

In addition to all the individual training activities, the company also conducted joint training activities, principally within the areas

of project management, negotiation techniques, communication and languages. A major activity during the year involved offering all employees online IT and finance courses.

### Leadership

To successfully execute the company's strategy and achieve set goals, it is crucial to have managers with the right leadership skills and to continuously develop them. Leadership within OMX involves the ability to identify opportunity in challenges and changes, and to be able to lead employees toward common goals.

To enhance understanding of cultural differences, a number of cultural seminars were held during the year. For senior executives, a special development program was initiated. The program is based on the needs of the individual and his or her situation, goals and challenges.

For the fourth consecutive year, the popular mentor program was implemented as a basis for career development for managers and project managers. All business areas in the Nordic region and Baltic countries take part in the program, which provides the participants with a more in-depth understanding of the various parts in OMX's operation and insight into different cultures and management styles.

As part of our work to develop existing and potential managers within the company, they were offered Management Assessment, with the aim of evaluating and developing leadership skills. To enhance commitment and understanding of the company's business model and strategy, a global management conference was also held.

During the year, the OMX Leadership Concept was implemented and involved 150 key people within the company. The purpose is to attract, develop, retain and reward successful work and, in this manner, achieve OMX's strategic goals. The program comprises various incentives, development activities, evaluations of managers and continuous activities to further involve participants in the company's development. The OMX Leadership Concept is viewed as part of the work to safeguard management capacity in the long term. The 150 participants are continuously developed and prepared for the next step in their careers, irrespective of where in the company the need exists.



# The OMX share

Trading in the OMX share rose sharply in 2006. The turnover rate increased to 157 percent compared with 70 percent in the preceding year.

The average total annual return (price change and reinvested dividend) for the OMX share during the past ten years reached 9 percent. During the same period, the corresponding development of the Swedish SIX Return Index (SIXRX) was 13 percent annually.

During 2006, the price of the OMX share increased by 14 percent, compared with the OMX Nordic Large Cap index which increased by 18 percent in the same period. The highest price paid was SEK 167 on April 6, corresponding to a total market capitalization of approximately SEK 19.8 billion. The lowest price paid was SEK 104, noted on July 18, equivalent to a market capitalization of SEK 12.3 billion. At year-end, the price of the OMX share was SEK 126, corresponding to a total market capitalization of approximately SEK 15.2 billion. The OMX share is listed on the Nordic Exchange in Stockholm, Helsinki and Copenhagen, and since December 1, 2006, in Iceland.

## OMX share

The turnover rate of the OMX share was 157 (70) percent compared with the average turnover rate of 147 (124) percent on the Nordic Exchange in Stockholm in total. In 2006, total turnover of the OMX share was 126

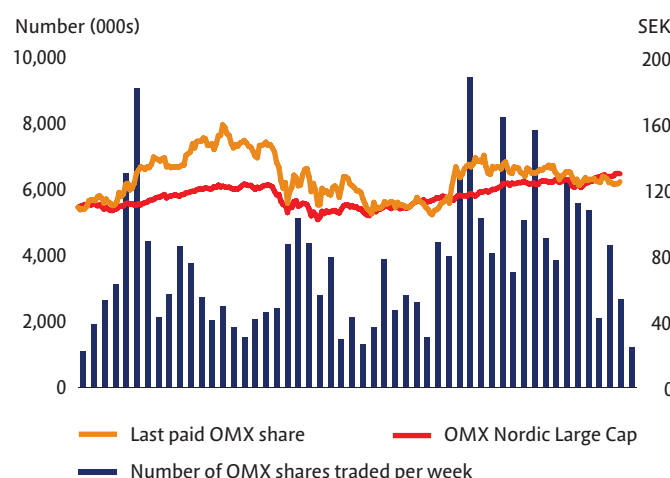
(101) million shares, including post-reported transactions, corresponding to a total value of SEK 24,922 m. On average 501,026 shares were traded per day, of which 472,306 were traded on the Nordic Exchange in Stockholm, 4,928 in Helsinki and 23,792 in Copenhagen. Turnover was highest on October 27 with a total of 4.3 million shares traded. OMX has an agreement with Remium as liquidity provider to increase turnover and improve liquidity in the OMX share on the Copenhagen and Helsinki Stock Exchanges.

## Volatility in the OMX share

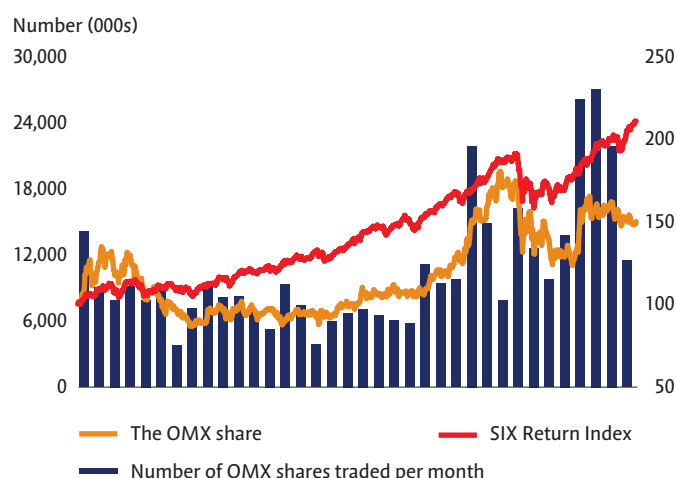
Volatility is a measurement of risk that shows the extent of changes in the price of a share over a defined period. The volatility of the OMX share for the most recent 250-day period on December 31, 2006, was 39 percent, compared with 22 percent at the end of 2005.

Beta value is another measurement of risk that shows the sensitivity of a share to market fluctuations compared with a certain index over a certain period of time. A beta value greater than 1 indicates that the share price varies more than the average. At year-end, the adjusted beta value of the OMX share in the most recent 60-month period

THE OMX SHARE, PRICE TREND 2006



THE OMX SHARE TOTAL SHAREHOLDER RETURN 2004-2006



## SHARE CAPITAL DEVELOPMENT

Year	Event	Change in share capital, SEK	Change in number of shares	Total number of shares	Total share capital, SEK	Ratio value of the share, SEK
2005	New issue	5,854,584	2,927,292	118,474,307	236,948,614	2
2006	Redemption of warrants	197,200	98,600	118,572,907	237,145,814	2
2006	New issue	4,135,120	2,067,560	120,640,467	241,280,934	2

amounted to 1.38<sup>1)</sup> measured against the OMXS30. This means that the price of the OMX share varied 38 percent more than the index during the period measured.

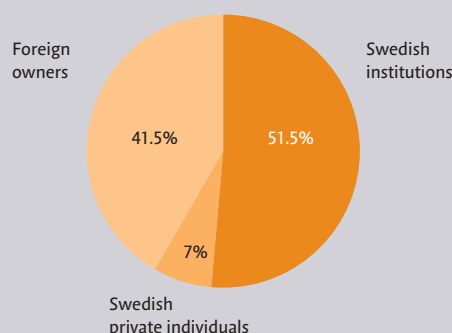
## Dividend and dividend policy

For 2006, the Board of Directors proposes a dividend in the total amount of SEK 6.50 per share, comprising an ordinary dividend of SEK 4.50 and an extra dividend of SEK 2 per share. The Board's ambition is that the amount of OMX's ordinary dividend shall grow in pace with the company's earnings per share, taking OMX's long-term capital requirements into account. Should the Annual General Meeting decide in favor of the Board's recommendation, the dividend is expected to be paid out by VPC, the Swedish central securities depository, on April 20, 2007.

### BROKERAGE FIRMS THAT ANALYZED THE OMX SHARE IN 2006

ABG Sundal Collier	Carnegie
Cheuvreux	SEB Enskilda
Keefe Bruyette & Woods	Standard&Poor's Equity Research
Svenska Handelsbanken	UBS
WestLB	

### OWNER GROUPS, DECEMBER 31, 2006



### PRINCIPAL OWNERS, DECEMBER 31, 2006

	Number of shares	Share capital and votes, %
Investor AB	12,950,507	10.7
Swedish government	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>100.0</b>

## Number of shareholders

The number of shareholders fell during the year from 13,091 to 12,597. Swedish institutional ownership decreased. At year-end, 51.5 percent (72.7) of OMX's share capital was held by Swedish institutions. Ownership among Swedish private individuals also fell from 8.8 to 7.0 percent. The total percentage of foreign ownership increased sharply during the year from 18.5 to 41.5 percent. At the same time, total foreign ownership on the Stockholm Stock Exchange was 37 (35) percent of the total market capitalization.

## Financial calendar 2007

Annual General Meeting 2007: April 12  
First date of listing, excl. dividend: April 13  
Payment of dividend: April 20

Interim report for:  
January – March: April 24  
January – June: July 18  
January – September: October 24

### DISTRIBUTION OF OWNERSHIP IN THE OMX SHARE

Number of shares	Number of shares	Percentage of number of shareholders	Number of shares	Percentage of share capital and votes
1-1,000	10,950	86.8	2,625,170	2.2
1,001-10,000	1,272	10.1	3,713,972	3.1
10,001-100,000	245	2.0	7,796,219	6.5
100,001-1,000,000	101	0.8	33,148,693	27.5
1,000,001-	29	0.2	73,356,413	60.8
<b>Total</b>	<b>12,597</b>	<b>100.0</b>	<b>120,640,467</b>	<b>100.0</b>

### KEY FIGURES PER SHARE

SEK, unless otherwise stated	2006	2005	2004	2003	2002
Earnings	7.64	4.66	2.39	-4.33	-0.85
Dividend as a percentage thereof (prop.)	85	140	0	0	100
Earnings after full conversion	7.64	4.66	2.39	-4.33	-0.85
Dividend (proposed)	4.50	3.00	0	0	1
Extra dividend (proposed)	2.00	3.50+3.00	0	0	0
Shareholders' equity, SEK	38	40	32	31	24
Shareholders' equity after full conv.	38	40	32	30	24
Cash flow	8.55	4.05	5.29	1.46	1.05
Number of shares, 000s	120,640	118,474	115,547	115,547	84,041
Number of new shares after full conversion, 000s	2,166	2,927	778	1,928	778

### PRICE-RELATED DATA

	2006	2005	2004	2003	2002
Share price at year-end, SEK	126	110	85	90	42
Share price, annual high, SEK	167	110	120	90	152
Share price, annual low, SEK	104	78	76	32	24
Share price/shareholders' equity per share	3.3	2.8	2.6	2.9	1.8
Direct yield %	5.2	5.9	0	0	2.4
P/E ratio at year-end, times	16	23	26	-	-
Beta (60 months) at year-end, last paid <sup>1)</sup>	1.4	1.3	1.3	1.3	1.2
Volatility (250 days) at year-end, %	39	22	32	48	71
Average number of OMX shares traded daily, 000s	501	335	399	413	204
Average value of OMX shares traded daily, SEK m	99.3	30.9	37.7	29.7	15.5
The share's turnover rate, %	157	70	86	72	61

<sup>1)</sup> Source: Bloomberg, adjusted beta value is calculated in accordance with 0.67\* unadjusted beta+0.33\*1



# Corporate Governance Report 2006

Bodies and sets of regulations .....	43
Work during the year .....	46
Internal control .....	48
Executive Management Team .....	50
Board of Directors .....	52



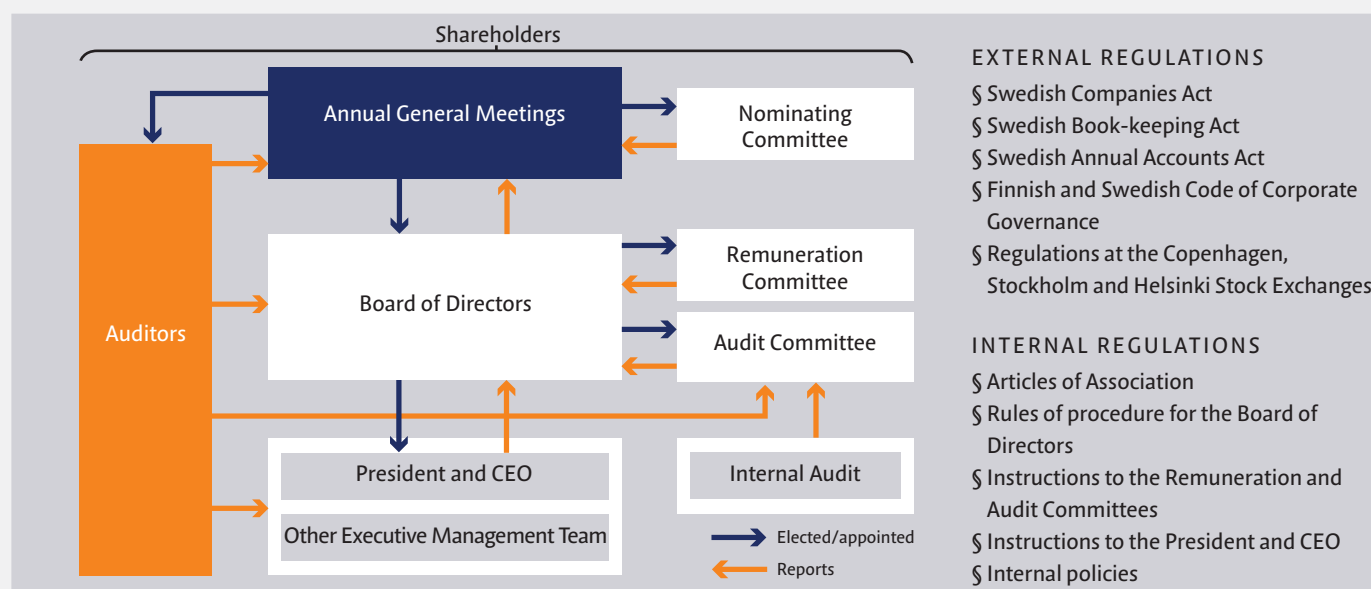
# Corporate Governance Report 2006

The Corporate Governance Report describes how the owners of OMX directly and indirectly governed the OMX Group in 2006 and how OMX's corporate governance systems relate to the corporate governance codes applied by OMX.

Corporate governance refers to the decision-making process, through which the owners of a company directly or indirectly control the company. OMX strives to ensure the highest quality of its information to owners and the capital market in order to render the decision-making system as efficient as possible and to allow the various groups of owners an optimal overview of the company's operations. OMX's shares are listed on the stock exchanges in Stockholm, Helsinki and Copenhagen. The OMX share was also listed on the Iceland Stock Exchange on December 1, 2006 in conjunction with OMX acquiring the shares in the Iceland Stock Exchange and Icelandic Securities Depository. OMX follows the rules that apply to each exchange. All of the exchanges' rules include the particular country's national corporate governance code, however, the Danish Code is not applicable to foreign companies such as OMX. OMX will apply the Corporate Governance Code for the Iceland Stock Exchange from the fiscal year 2007. Also in 2007, OMX will adhere to the corporate governance regulations and demands stipulated in the EU Directive on Markets in Financial Instruments (MiFID). OMX currently fulfills all of these requirements in principle. OMX follows

the Swedish and Finnish Codes of Corporate Governance and these are applied in the Corporate Governance Report for 2006. OMX does not deviate from the Finnish or Swedish Codes of Corporate Governance. However, the Finnish Code differs from the Swedish Code to the extent that the Nominating Committee is considered to be a Board committee. In this case, OMX has opted to follow the rules of the Swedish Code of Corporate Governance since OMX is a Swedish company, refer to "Nominating Committee". OMX wishes to promote foreign ownership in the company and accordingly it seeks to follow the Institutional Shareholder International Corporate Governance Policy (ISS). Prior to the OMX Annual General Meeting in 2006, ISS issued recommendations on voting on matters discussed at annual general meetings. ISS recommended that OMX shareholders vote in favor of all proposals presented by the Board and Nominating Committee. The Corporate Governance Report 2006 has not been audited and this year contains, in accordance with the Swedish Corporate Governance Board's instructions (no. 1 2006), a report on the organization of the internal control of the company's financial reporting.

## Bodies and sets of regulations



The illustration above describes the relationship and interaction between OMX's central bodies. More detailed descriptions of each body and its role in the context of corporate governance are provided on the following pages. The basis for governance of OMX and its Group is contained in the external and internal sets of regulations that are also presented in the illustration above. The company's Articles of Association are available at [www.omxgroup.com](http://www.omxgroup.com).

## General Meetings

The shareholders' right to decide on OMX's business is exercised at the General Meeting, which is a company's highest decision-making body. The General Meeting elects the members of the Board of Directors and auditors, and also makes decisions regarding amendments to the Articles of Association and changes to share capital. It is the

intent of OMX, in accordance with the provisions of the Articles of Association, to hold General Meetings in such a way that promotes shareholder participation and facilitates discussions and decision-making at these meetings.

## Nominating Committee

The Nominating Committee is responsible for preparing and submitting nominations for election of the Chairman of General Meetings, the Board of Directors and Chairman of the Board of Directors, for proposing remuneration to the Board, the nominating process, remuneration to auditors, and, when appropriate, election of auditors. According to a decision from the Annual General Meeting held on April 6, 2006 (for the minutes of this meeting, see [www.omxgroup.com](http://www.omxgroup.com)), the Nominating Committee shall be appointed by the four largest shareholders wishing to participate, each appointing one representative not later than six months prior to the Annual General Meeting. The members of the Nominating Committee may not be Board members of the company. This decision by the General Meeting concurs with the regulations in the Swedish Code of Corporate Governance. As a result, OMX utilizes a different solution than prescribed under the Finnish Code of Corporate Governance which defines a Nominating Committee as a Board committee. The Chairman of the OMX Board convenes the first meeting. The Chairman of the Nominating Committee was Jacob Wallenberg.

### COMPOSITION OF THE NOMINATING COMMITTEE

Prior to the 2007 Annual General Meeting, the Nominating Committee comprised the following individuals:

Name	Title/area of responsibility	Representing	Shareholding OMX <sup>1)</sup> , %
Jacob Wallenberg, Chairman	Board Chairman, Investor AB	Investor AB	10.7
Malin Björkmo	Ministry of Industry, Employment and Communications	Swedish government	6.6
Arne Liljedahl	Group CFO Nordea	Nordea	5.4
KG Lindvall	Board member, Swedbank Robur	Swedbank Robur	3.6
Olof Stenhammar, convenor	Board Chairman OMX		1.8
<b>Total</b>			<b>28.2</b>

1) As per December 31, 2006

The Nominating Committee's secretary was Hans Berggren. For information on the work of the Nominating Committee prior to the Annual General Meeting in 2006, refer to the Corporate Governance Report 2005 available at [www.omxgroup.com](http://www.omxgroup.com).

The Nominating Committee's proposals are found in the Notice of the Annual General Meeting and further information is available at [www.omxgroup.com](http://www.omxgroup.com).

## Board of Directors

### THE RESPONSIBILITY OF THE BOARD OF DIRECTORS

In accordance with the Swedish Companies Act and the Rules of Procedure of the Board of Directors, the Board is responsible for establishing OMX's overall long-term strategies and objectives, establishing the

budget and business plans, reviewing and approving financial statements, adopting important policies and making decisions regarding investments and significant changes in OMX's organization and operations. The Board also appoints the President and CEO and ratifies instructions for the President and CEO, as well as the composition of the Audit Committee and the Remuneration Committee. In addition, the Board makes decisions regarding salary and other remuneration to the President and CEO. One of the Board's duties is ensuring the quality assurance of OMX's financial reporting. This is achieved by the Board's Audit Committee reviewing the company's financial reporting and the Board of Director's consideration of interim reports and year-end reports. In addition, the Board regularly considers other issues related to the company's financial reporting, for example, valuation issues, changes in estimates and assessments and other, if any, circumstances that affect the quality of reporting as required.

### CHAIRMAN OF THE BOARD

The responsibility of the Chairman of the Board is to lead the work of the Board and to ensure that the Board fulfills its responsibilities in accordance with the Swedish Companies Act and the Rules of Procedure of the Board. Through continual contact with the President and CEO, the Chairman shall follow the development of the company and ensure that the members of the Board have continuous access to information necessary to follow and analyze the financial position, financial planning and development of the company. The Chairman shall also be responsible for communicating the opinions of shareholders to the Board of Directors. The Chairman of the Board of Directors is Olof Stenhammar.

### COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors of OMX is made up of eight members who are normally elected at the Annual General Meeting. The Board holds six regular meetings a year. For information on the Board members elected on April 6, 2006, refer to "Board of Directors" on page 52.

### INDEPENDENCE OF THE BOARD OF DIRECTORS

The Board's assessment, which is also shared by the Nominating Committee, of the independence of the Board members in relation to the company and shareholders is described in the following table.

THE BOARD'S ASSESSMENT		
Board member	in relation to the company	in relation to the owners
Olof Stenhammar <sup>1)</sup>	Dependent	Independent
Adine Grate Axén <sup>2)</sup>	Independent	Dependent
Urban Bäckström	Independent	Independent
Bengt Halse	Independent	Independent
Birgitta Klasén	Independent	Independent
Tarmo Korpela	Independent	Independent
Hans Munk Nielsen	Independent	Independent
Markku Pohjola	Independent	Independent

Dependent Independent

1) Olof Stenhammar is not considered to be independent of the company due his membership of the Board of Directors of OMX for more than 12 years. 2) Adine Grate Axén is not considered to be independent in relation to the major shareholders due to her employment at Investor AB, which owns more than 10 percent of the votes and shares in OMX.

## RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS, ETC.

The Rules of Procedure of the Board of Directors are determined each year by the Board after the Annual General Meeting and outline the principles of the Board's work and the division of responsibility between the Board and the President and CEO. The Rules of Procedure also stipulate that the Board shall have an Audit Committee and a Remuneration Committee, and define the role of the Chairman of the Board. The Committees act essentially as the preparatory bodies for the Board. The Board also decides annually regarding rules for decision-making within the Group. The secretary to the Board of Directors in 2006 was Hans Berggren.

## EVALUATION OF THE WORK OF THE BOARD OF DIRECTORS

The Board of Directors evaluates its work continuously through open discussions and interviews between the Chairman of the Board and individual Board members. In addition, the Rules of Procedure of the Board prescribe that the Board of Directors, at one meeting during the year, shall carry out an evaluation of its work. With regard to the evaluation of the work of the Board in 2006, OMX engaged Alumni AB.

## Audit Committee

The Audit Committee is appointed annually by the Board of Directors and its purpose is to support the Board in issues regarding internal and external control as well as financing and financial targets. Their tasks include maintaining continuous contact with external and internal auditors. The external and internal auditors participate in all Audit Committee meetings and also conduct regular discussions with the Committee members. In addition, the Committee establishes procedures for the internal audit and ensures that auditors' recommendations and observations are followed. Furthermore, the Audit Committee examines the accounting principles and the Group's financial reporting, evaluates the Group's financial activities and monitors the maintenance of the independence of external auditors. In April 2006, the Board of Directors appointed Adine Grate Axén (Chairman), Urban Bäckström and Hans Munk Nielsen as members of the Audit Committee. The Chairman of the Audit Committee reported to the Board meetings on the matters addressed at the meetings of the Audit Committee. The secretary of the Audit Committee was Magnus Billing, OMX's General Counsel. For information on the members of the Audit Committee before the 2006 Annual General Meeting, refer to the Corporate Governance Report 2005, available at [www.omxgroup.com](http://www.omxgroup.com).

## Remuneration Committee

The Remuneration Committee is appointed annually by the Board of Directors and prepares issues for Board decisions regarding salaries and remuneration for the President and CEO. The Committee also approves salaries and other types of remuneration for members of the Executive Management Team, subsequently reported to the Board, and approves the targets for the Executive Management Team established by the President and CEO. The Committee also proposes remuneration for Board members in the subsidiaries within the Group that have external Board members and makes recommendations regarding principles for salaries, benefits and other types of remuneration to employees in the OMX Group. In April 2006, the Board of Directors appointed Olof Stenhammar (Chairman), Adine Grate Axén and Bengt Halse as members of the Remuneration Committee. The Committee's secretary was Pernilla Gladh, Senior Vice President of Corporate Functions & Human Resources.

## President/CEO and Executive Management Team

The President and CEO is appointed by and receives instructions from the Board of Directors and is responsible for the day-to-day operations of the company, which entails assuming operational responsibility for the company's activities. The President and CEO is, among other things, also responsible for ensuring that OMX complies with the rules regarding the disclosure of information for a company listed on the Stockholm Stock Exchange, the Helsinki Stock Exchange and the Copenhagen Stock Exchange as well as the Iceland Stock Exchange from December 1, 2006. The President and CEO is Magnus Böcker. To support him in his work, the President and CEO has established an Executive Management Team. For its composition, refer to "Executive Management Team" on page 50. The Executive Management Team holds weekly meetings and discusses issues of significance to the Group, such as the company's finances and accounting issues, acquisitions, important customer relations, budget, strategies, the planning of operations and human resources. The Executive Management Team is not a collegial decision forum. The President and CEO makes decisions on the basis of the discussions and considerations made by Executive Management Team. The secretary to the Executive Management Team was OMX's General Counsel Magnus Billing.

## Auditors

Auditors are elected at the Annual General Meeting. OMX has two permanent auditors and two deputy auditors. The present auditors were elected at the Annual General Meeting in 2003 for a mandate period of four years. Therefore, new elections of auditors will take place at the Annual General Meeting in 2007. Neither the auditors (including deputy auditors) nor the auditing firms may hold any shares, or instruments entitling the holder to subscribe for shares, in OMX. Present permanent auditors are Peter Clemedtson (Authorized Public Accountant, ÖhrlingsPricewaterhouseCoopers AB, born 1956) and Björn Fernström (Authorized Public Accountant, Ernst & Young, born 1950). Peter Clemedtson has been auditor of OMX since 2003 and his other assignments include Ericsson, SinterCast, Gambro, Electrolux, Medivir, KMT and SEB. Björn Fernström has been auditor of OMX since 1984, and his other assignments include ElektronikGruppen BK, Klöver, Munters, Nordnet, Orc Software, Protect Data, Saab and AMF Pension. Present deputies are Bo Hjalmarsson (Authorized Public Accountant, ÖhrlingsPricewaterhouseCoopers AB, born 1960) and Per Hedström (Authorized Public Accountant, Ernst & Young AB, born 1964).

## Internal audit

The Internal Audit unit is an independent function within OMX that systematically evaluates the adequacy and efficiency of internal control and risk management, and compliance with legal and statutory requirements in the entire Group. The Internal Audit unit reports directly to the Audit Committee. The operating principles for the Internal Audit unit are reviewed and approved annually by the Audit Committee and audits are carried out according to the Annual Plan approved by OMX's Board of Directors. The Internal Audit unit is currently made up of three auditors, two of which have CISA certification. In carrying out its duties, the Internal Audit unit applies the internationally approved Standards for the Professional Practice of Internal Auditing published by The Institute of Internal Auditors (IIA) and the Information Systems Audit Control Association, as well as internal control frameworks such as COSO and COBIT.



# Work during the year

## General Meetings

OMX held two General Meetings during the fiscal year 2006.

### ANNUAL GENERAL MEETING, APRIL 6, 2006

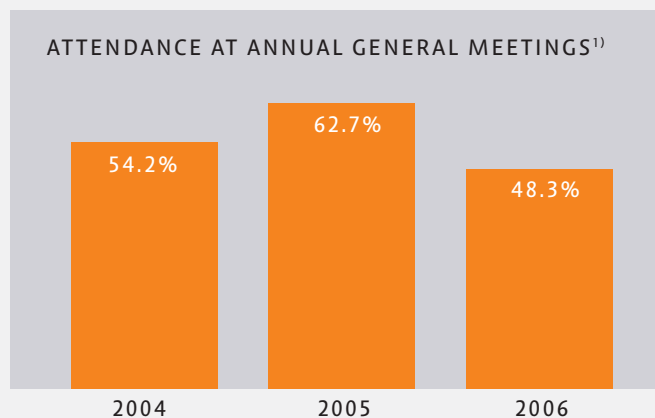
OMX's 2006 Annual General Meeting was held on April 6, 2006. The Chairman of the meeting was Olof Stenhammar.

#### The Annual General Meeting:

- resolved to adopt the accounts for 2005
- discharged the Board of Directors and the President and CEO from liability for fiscal year 2005
- resolved that a dividend of SEK 6.50 per share would be distributed to the shareholders, of which SEK 3.50 is an extraordinary dividend
- resolved that remuneration to members of the Board of Directors elected by the General Meeting would amount to SEK 2,500,000, refer to "Board of Directors" on page 52
- decided that the auditors' fees shall be paid in accordance with approved invoicing, which shall be based on an audit plan presented in advance
- decided that the number of Board members would be eight
- elected members of the Board, refer to "Board of Directors" on page 52
- resolved that the Board's mandate period would be until the next Annual General Meeting
- elected Olof Stenhammar as Chairman of the Board of Directors for the Board's mandate period. If the Chairman leaves his position during the mandate period, the Board shall elect a Chairman among its members for the remainder of the mandate period
- resolved to adopt principles for the nominating process
- approved the structure for remuneration and resources for the Nominating Committee
- approved the Share Match Program for senior executives
- approved the remuneration principles for senior executives
- resolved to amend the Articles of Association with respect to the new Swedish Companies Act that came into force on January 1, 2006.

For the minutes of the Annual General Meeting held on April 6, 2006, see [www.omxgroup.com](http://www.omxgroup.com).

Shareholder attendance at meetings for the past three years is described in the graph below.



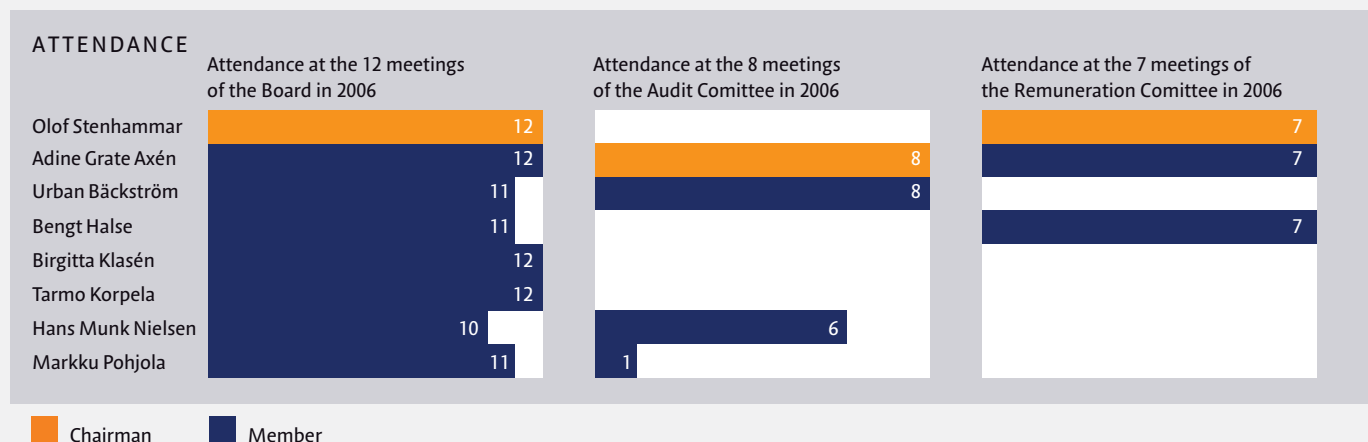
1) The percentage of attendance refers to the company's total number of shares and votes.

### EXTRAORDINARY GENERAL MEETING, OCTOBER 23, 2006

At OMX's Extraordinary General Meeting held on October 23, the shareholders:

- authorized the Board of Directors to decide on an increase in the company's share capital of not more than SEK 4,140,000 through the new issue of not more than 2,070,000 shares. This non-cash share issue was to be implemented as a result of the acquisition of Eignarhaldsfelagid Verdbrefathing HE, which owns the Iceland Stock Exchange and the Icelandic Securities Depository.
- resolved that a bonus dividend of SEK 3 per share will be paid, totaling SEK 355,718,721.

For the minutes of the Extraordinary General Meeting held on October 23, 2006, see [www.omxgroup.com](http://www.omxgroup.com).



## Nominating Committee

In 2006, the Nominating Committee held three meetings at which minutes were taken. The main focus of this work related to nominations to the Board of Directors prior to OMX's Annual General Meeting in April 2006. No remuneration was paid to the members of the Nominating Committee. Only expenses for the Committee's secretary were charged to OMX.

## Board of Directors

The Board held 12 meetings during the year and average attendance was 95 percent. During the year, the Board of Directors assessed the Group's financial situation and ensured that its finances had been organized such that controls of the accounting records, the management of assets and the company's other financial circumstances could be performed in a satisfactory manner. The table above describes attendance per Board member.

During 2006, the Board paid special attention to the following issues:

- the strategic position of OMX
- budget
- the acquisition of the Iceland Stock Exchange and the Icelandic Securities Depository
- dissolution of the cooperation with VPC AB
- the integration of exchange trading and the creation of the Nordic Exchange
- auditing and accounting issues
- internal control
- financial reporting
- governance of the Group
- remuneration and incentive issues
- capital and financing issues.

Also during the year, the Board focused in particular on the operations of the Market Technology business area within the framework of the purpose of establishing a Technology Working Group. The Group comprised representatives from Market Technology and the Executive Management Team and all Board members. The Group held its first meeting at the end of 2005 and two meetings were held in 2006.

## Remuneration Committee

In 2006, the Remuneration Committee held seven meetings at which minutes were taken. During 2006, the Committee had a particular focus on the following issues:

- program for variable salary, the Short Term Incentive 2006 and 2007.
- the Share Match Program for senior executives 2006 and 2007.
- remuneration to the President and CEO and proposals regarding the principles for remuneration and other terms of employment for the Executive Management Team.

For the actual outcome of remuneration paid and the incentive programs in 2006, refer to "Board of Directors" on page 52.

## Audit Committee

In 2006, the Audit Committee held eight meetings at which minutes were taken. During the year, the Committee had a particular focus on the following issues:

- management and control practices
- the provision of support to the Nominating Committee regarding proposals for auditors to be elected at the Annual General Meeting in 2007
- internal control
- the Group's internal audit
- accounting issues
- supervising the independence of auditors
- principles for financial information and financial objectives
- financing issues and issues regarding taxes and internal price setting.

## Audit and auditors

As already stated, the Annual General Meeting held in April 2006 decided that the auditors' fees shall be paid in accordance with approved invoicing, which shall be based on an audit plan presented in advance. The amount of remuneration received by auditors during the fiscal year 2006 is described in the table below and presented in more detail in note 6 in the OMX Annual Report 2006 on page 85. This section also describes remuneration paid for auditing and audit-related services required by law as well as for advice and other assistance arising from observations made during the course of the auditing process. Remuneration was also paid for additional independent advice. Services regarding independent advice were conducted in accordance with the Company's adopted policy (Non Audit Services Policy) that stipulates the manner in which the procurement of such services is to take place.

REMUNERATION TO THE GROUP'S AUDITORS						
(SEK 000s)	GROUP			PARENT COMPANY		
	2006	2005	2004	2006	2005	2004
<b>PricewaterhouseCoopers</b>						
Auditing assignments	10,729	9,022	6,907	4,069	3,050	280
Other assignments <sup>1)</sup>	2,337	11,548	4,874	552	7,713	3,934
<b>Ernst &amp; Young</b>						
Auditing assignments	488	713	1,358	300	282	694
Other assignments <sup>2)</sup>	918	3,452	2,608	445	2,381	650
<b>KPMG</b>						
Auditing assignments	335	422	-	-	-	-
Other assignments	378	730	-	-	-	-
<b>BDO Feinstein</b>						
Auditing assignments	36	118	65	-	-	-
Other assignments	-	21	23	-	-	-
<b>Other auditors</b>						
Auditing assignments	780	315	117	-	-	-
Other assignments	310	1,605	201	-	-	-
<b>TOTAL</b>	<b>16,311</b>	<b>27,946</b>	<b>16,153</b>	<b>5,366</b>	<b>13,426</b>	<b>7,958</b>

1) For 2006, refers to other assignments, primarily tax consultations. For 2005, includes SEK 1,334,000 related to IFRS and costs in connection with the acquisition of CSE and Computershare of SEK 4,612,000. Otherwise, other assignments in 2005 pertains primarily to tax consultations.

2) For 2006, refers to other assignments, primarily tax consultations and IT studies. For 2005, other assignments pertains primarily to IFRS, tax consultation and IT studies.

## Internal control

Internal control is a process carried out by the Board of Directors and the executive management, in addition to other employees, to ensure efficiency of operations, which includes safeguarding assets and resources, and effectively monitoring and controlling the operations.

OMX endeavors to maintain a high level of awareness of internal-control issues through such activities as ensuring that responsibility and authorities are clearly defined and that employees have the competencies required for their specific positions. The annual planning process comprises the basis for the governance of the operations during which the objectives of the operations are determined and communicated to the organization. A central part of the internal control is the risk-management process ERM (Enterprise Risk Management) that has previously been established by OMX. OMX's risk-management process is described in more detail under Risk management in the OMX Annual Report 2006, page 78. Control activities are integrated into the various processes of the operations and the aim is that these activities shall be adapted to the prevailing risk situation. For important areas, the Board prepares policies that serve as control documents describing the manner in which the internal control is to be designed. A number of functions and forums have been established whose duties include monitoring the effectiveness of the internal control. These functions are also significant communication channels that enable information to be efficiently distributed throughout the organization. The monitoring procedure of internal control is an ongoing process. All internal-control deficiencies that are uncovered shall be reported to the immediate manager, and serious matters shall be reported to the Executive Management Team and the Board. A formalized process for the ongoing evaluation of the internal control over financial reporting (ICR process) was implemented in 2006 based on the internal-control project initiated in 2005. This process includes risk identification, documentation of processes, identification of controls and assessments of how well processes and existing controls manage identified risks. OMX's system of internal control is designed to manage rather than to eliminate the risk of failure in achieving business objectives and can provide only reasonable and not absolute assurance against material misstatements.

### Internal control over financial reporting

The following description has been prepared in accordance with the Swedish Code of Corporate Governance and the applicable application instructions. The description follows the structure of the widespread and acknowledged COSO framework, Internal Control – Integrated Framework, where internal control is described in five main components: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring. The description has not been examined by the company's auditors.

#### CONTROL ENVIRONMENT

OMX strives to maintain and develop a culture and attitude characterized by high integrity and ethical practice, and strong control awareness. The Board determines the overall organizational structure and

financial targets and also assesses the performance and results of the President and CEO. The President and CEO is responsible for ensuring that OMX has a well-functioning system to secure the supply of skills and competencies. The Board issues policies and control documents in areas important for the governance and control of the operations. OMX has procedures and policies in place, such as Rules of Procedure for the Board of Directors, Instructions for the President and CEO, Instructions for the Audit Committee, Communication Policy and Financial Policy, and approval rules regarding the level at which individuals are authorized to make decisions concerning among others expenses, investments, legal agreements. OMX has a HR policy to ensure that employees possess the competencies necessary for their positions, and that procedures and processes for recruiting, training, evaluating, promoting, compensation and position descriptions are in place. There is also a policy that describes the OMX Code of Conduct and ethical values. Refer also to "Employees" on page 38–39.

#### RISK ASSESSMENT

The periodic overall ERM process also encompasses the subarea of financial reporting. The targets established for financial reporting form the basis of the risk assessment. The targets for internal control over the financial reporting are documented in a separate framework that comprises a control document for the internal control of financial matters. The overall risk assessment, which is based on self-assessment, involves the identification and reporting of material risks and required actions to the Audit Committee and Board. This self-assessment is conducted at unit and process level within the framework of the ICR process. The results of this more detailed evaluation form an important basis for the overall risk-assessment process ERM and a basis for the design and choice of controls. The status and results of this process are regularly reported to the Audit Committee. Examples of important areas encompassed by the risk assessment, that is, areas in which the risks of material misstatement in the financial reporting are relatively high due to their complexity and significance, are revenue recognition, compliance with laws and accounting principles, valuations of intangible assets, year-end closing and the consolidation process, IT and risks of fraud. Identified and prioritized risks also comprise a basis for the planning process whereby the needs for improvement activities are taken into consideration in operational planning and budgeting.

#### CONTROL ACTIVITIES

Control activities occur throughout the organization, at all levels and in all functions. They are incorporated in the various processes of the operations to manage material risks that may have an impact on the financial reporting. The controls also include financial applications that are important to the financial reporting. The design and choice of controls is based on the targets for the internal control of the operations and the results of completed risk analyses. OMX's accounting principles, which are based on IFRS, are described in OMX's Finance Manual. This manual shall ensure the uniformity of the Group's financial reporting in order that the same principles are applied to all units and that



these principles are interpreted correctly and in a standardized manner. Analytical control activities are also performed by business and financial controllers including outcome analyses, earnings forecasts, examination of assessments and assumptions, participation in the forum of meetings, such as controller and management meetings. Other important control activities inherent in the processes are approvals, granting of permits, reconciliations, monitoring results, the segregation of duties and responsibilities, and general IT controls. The purpose of these controls is to ensure that only correct and approved information is utilized, that the information has been correctly processed, that the information is correctly presented and that the risk of fraud is minimized. Public reports shall be subject to quality assurance checks in addition to the ongoing control activities performed by a separate reporting group comprising the President and CEO, the CFO and representatives from the Investor Relations department and Group Finance. The reports shall also be examined by the Executive Management Team, the Audit Committee and the Board of Directors prior to publication.

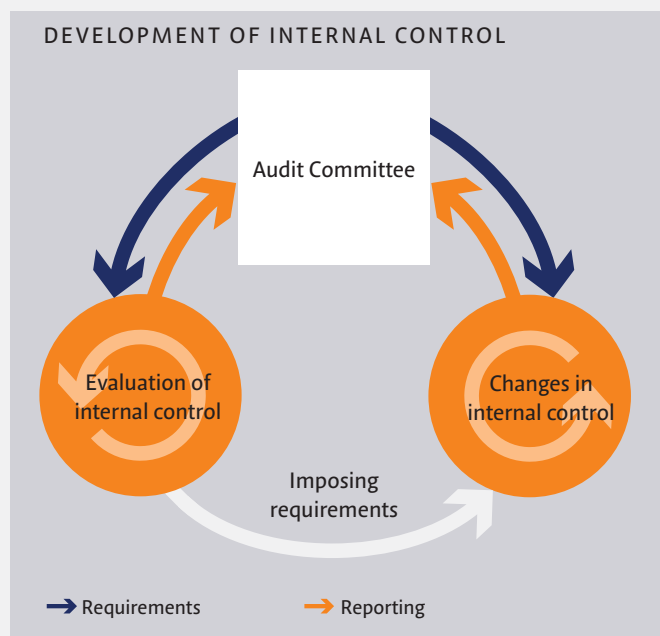
#### INFORMATION AND COMMUNICATION

OMX has established communication channels in the Group to enable employees to fulfill their responsibilities as effectively as possible. These communication channels also ensure that management has the means to take timely and appropriate action based on information received from the organization. These channels are primarily based on a structure of different forums and departmental meetings such as Executive Management Team meetings, management meetings, Audit Committee meetings, year-end account meetings, forecast meetings, controller meetings and reporting meetings. Meetings are held according to an established time schedule and are attended by a range of participants

who will ensure that information is communicated both upward and downward throughout the organization. Overall strategic directives are communicated throughout the entire organization for the purpose of instilling a sense of fundamental understanding among all employees. This takes place via planning and budget processes and also through general information meetings. Important documents such as policies, instructions, guidelines, manuals and internal-control frameworks are communicated via the OMX intranet. Reporting structures are established to support the implementation and control of the operations. These systems not only handle internally generated information, but also information on external events, activities and circumstances that are of importance to decision-makers and external reporting. Information to external recipients is regulated in the OMX Corporate Communication Policy which stipulates the information that may be published, the individuals authorized to release information and the method of publication.

#### MONITORING

Monitoring is a process that assesses the quality of the internal control system's performance as an integrated part of the ongoing operations. Monitoring is included in regular management activities and other actions personnel take in performing their duties. All internal control deficiencies shall be reported to the immediate manager, and serious matters shall be reported to the Executive Management Team and the Board. The Audit Committee has a central role in the evaluation of the internal control. In addition to monitoring external and internal audit reports and examining the Group's financial reporting and accounting principles, the Audit Committee also monitors the work that takes place within the ERM work pertaining to the financial reporting and the work conducted in the ICR process. Based on self-assessments, the ICR process reports on how well existing controls and processes manage identified risks. Identified weaknesses and improvement requirements are compiled to form the basis of action plans that are subject to ongoing review by the Audit Committee. The Audit Committee initiates, when needed, separate evaluations. Furthermore, OMX staff regularly presents areas of particular internal control interest to the Audit Committee. In addition to the self-assessment, the most important controls and management of the major risks are tested on a two-year cycle. The Audit Committee makes decisions on testing and utilizes OMX's internal audit function to perform the testing. This function is independent from the operational activities and reports directly to the Audit Committee and Board. The ICR process itself is also evaluated by the Internal Audit function.



## Executive Management Team

### **Magnus Böcker.** President and CEO of OMX AB.

Born in 1961. Studies in business at the University of Stockholm. Chairman of the Board of Orc Software. Board member of World Federation of Exchanges, Dustin Group and the International Council of Swedish Industry (NIR). Employed by OMX since 1986. President and CEO since 2003. Previous positions within OMX: 1996–2003, Vice President and President of the technology operations; 1989–1996, Chief Financial Officer and member of Executive Management.

Holdings in OMX: 140,812 shares and 226,000 employee stock options.

### **Bo Svefors.** Senior Vice President Marketing & Communications.

Born in 1951. M.Sc. in Business Administration, Stockholm School of Economics. Employed by OMX since 2003. Previous positions: 1985–1989, CEO Brindfors Advertising.

Holdings in OMX: 709 shares and 0 employee stock options.

### **Markus Gerdien.** President Market Technology.

Born in 1960. Studies in Computer Science at the University of Stockholm. Employed by OMX since 2005. Previous positions: 2002–2005, Observer Group AB: EVP Market & Business Development and EVP Communication Tools Division. 2000–2002 Common Agenda Venture Management AB: partner and Co-founder. 1988–2000 Front Capital Systems AB: Managing Director, Member of the Company Management Group and Sales and Marketing Manager.

Holdings in OMX: 1,331 shares and 0 employee stock options.

### **Kristina Schauman.** Chief Financial Officer.

Born in 1965. M.Sc. in Accounting and Finance, Stockholm School of Economics. Employed by OMX since 2004. Previous positions: 2001–2004, VP Corporate Finance, Investor AB; 1996–2001, Group Treasurer, Investor AB; 1995–1996, Financial Advisor, ABB Financial Services, 1989–1995 Stora Financial Services.

Holdings in OMX: 6,274 shares and 0 employee stock options.

### **Jukka Ruuska.** President Nordic Marketplaces.

Born in 1961. Master of Law (LL.M) and Master of Business Administration (MBA). Chairman of Federation of European Securities Exchanges. Employed by OMX since 2000. Previous positions: 1997–2000, Director, Corporate Planning, HTC (Telecommunication); 1996–1997, Director, Corporate Planning, Finnet Group (Telecommunication); 1994–1996, Executive Vice President, Prospectus Oy (investment banking).

Holdings in OMX: 30,070 shares and 0 employee stock options.

### **Hans-Ole Jochumsen.** President Information Services & New Markets.

Born in 1957. M.Sc. (Econ), University of Copenhagen. Employed since 1998. Previous employment: 1996–1998, President and member of Executive Management of BG Bank; 1994–1996, President and member of Executive Management of Girobank; 1990–1994, President and member of the Executive Management of BRFkredit.

Holdings in OMX: 2,240 shares and 0 employee stock options.

## REMUNERATION TO THE EXECUTIVE MANAGEMENT TEAM

(SEK)		Fixed salary	Variable salary	Pension	Benefits	TOTAL
CEO Magnus Böcker	2006	4,646,117	1,665,000	1,007,400	1,969,353	9,287,870
	2005	4,636,230	1,498,000	1,007,400	95,190	7,236,820
Executive Management, others	2006	12,260,008	4,955,000	2,459,845	128,787	19,803,640
	2005	13,908,558	3,888,040	2,453,046	636,117	20,885,761

OMX's remuneration structure comprises (i) fixed salary, (ii) variable salary (Short Term Incentive), (iii) OMX Share Match Program, (iv) pension and (v) other remuneration and severance pay. More detailed information on the various components in the remuneration package is presented in Note 7 in the OMX Annual Report 2006 on page 85.





Hans-Ole Jochumsen



Kristina Schauman



Markus Gerdien



# Board of Directors

According to the Annual General Meeting held on April 6, 2006, the OMX Board of Directors has eight members. The background and share and employee stock options holdings of these members are presented below.

## Olof Stenhammar, Chairman

Born in 1941. Chairman of the OMX Board. Founder of OMX in 1984. Dr. Econ. & Phil h.c. Chairman of the Board of AB Ratos, AB Basen, Åre 2007, Wilhelm Stenhammar Foundation and Mentor Foundation. Member of the Board of the Swedish Sea Rescue Society. Member of SNS Board of Trustees and the Stockholm Chamber of Commerce.

Holdings in OMX: 1,987,590 shares (including companies).

## Adine Grate Axén

Born in 1961. Member of the Board since 2002. M.Sc. (Econ.). Director of Investor AB. Member of the Boards of Hi3G Access AB and Enskilda Gymnasiet Upper Secondary School. Member of the Securities Council and the Industry and Commerce Stock Exchange Committee.

Holdings in OMX: 2,190 shares.

## Urban Bäckström

Born in 1954. Board member since 2005. M.Sc. (Econ.). Director General of the Confederation of Swedish Enterprise; Board member of AMF Pension, Research Institute of Industrial Economics and Ratio Institute. 1994–2002 Governor of the Swedish Riksbank (Central Bank).

Holdings in OMX: 1,300 shares.

## Bengt Halse

Born in 1943. Member of the Board since 2003. Doctor of Technology h.c. Member of the Boards of TietoEnator Oyj, Denel (Pty) Ltd, ISD Technologies AB and Golf Engineers AB. Member of the Royal Swedish Academy of Engineering Sciences and the Royal Swedish Academy of War Sciences. Honorary member of the Royal Swedish Society of Naval Sciences and The Royal Aeronautical Society of the UK.

Holdings in OMX: 5,500 shares.

## Birgitta Klasén

Born in 1949. Member of the Board since 2005. M.Sc. (Engineering). Member of the Boards of Telelogic and Bisnode, and independent consultant (Senior IT Advisor). 2004–2005 Chief Information Officer (CIO) and Head of Information Management at EADS (European Aeronautics Defence and Space Company). 2002–2003 Independent Consultant. 1996–2001 CIO and Senior Vice President at Pharmacia and prior to that, CIO at Telia. 1976–1994 various positions at IBM.

Holdings in OMX: 2,200 shares.

## Tarmo Korpela

Born in 1942. Member of the Board since 2003. B.A. (Political Science). 1985–2004, Senior Vice President, Confederation of Finnish Industries and Employers. Chairman of Invest in Finland.

Holding in OMX: 1,400 shares.

## Hans Munk Nielsen

Born in 1946. Member of the Board since 2005. M.Sc. (Econ.). Senior Vice President and CFO of the Danish company TDC A/S; Chairman of the Board of Collateralized Mortgaged Obligations Fonden and Deputy Chairman of a number of companies within the TDC group. Vice Chairman of the Board of Nordea Invest. Various earlier positions in Storebæltsforbindelsen, Carl Bro Gruppen, Danske Bank and the Danish Ministry of Finance.

Holdings in OMX: 1,500 shares.

## Markku Pohjola

Born in 1948. Member of the Board since 2003. M.Sc. (Econ.). Deputy Group CEO and Head of Group Processing and Technology of Nordea Bank AB (publ). CEO of Nordea Bank Finland Plc. Member of the Board of Directors of Nordea Bank Finland, Nordea Bank Denmark and Nordea Bank Norway. Member of the Boards of the Pension insurance company Varma, the Finnish Chamber of Commerce and the Confederation of Finnish Industries, EK. Chairman of the Federation of Finnish Financial Services and the Finnish department of the International Chamber of Commerce. Member of the Supervisory Board of the Finnish Business and Policy Forum, EVA and the Research Institute of the Finnish Economy and Luottokunta.

Holdings in OMX: 1,350 shares.

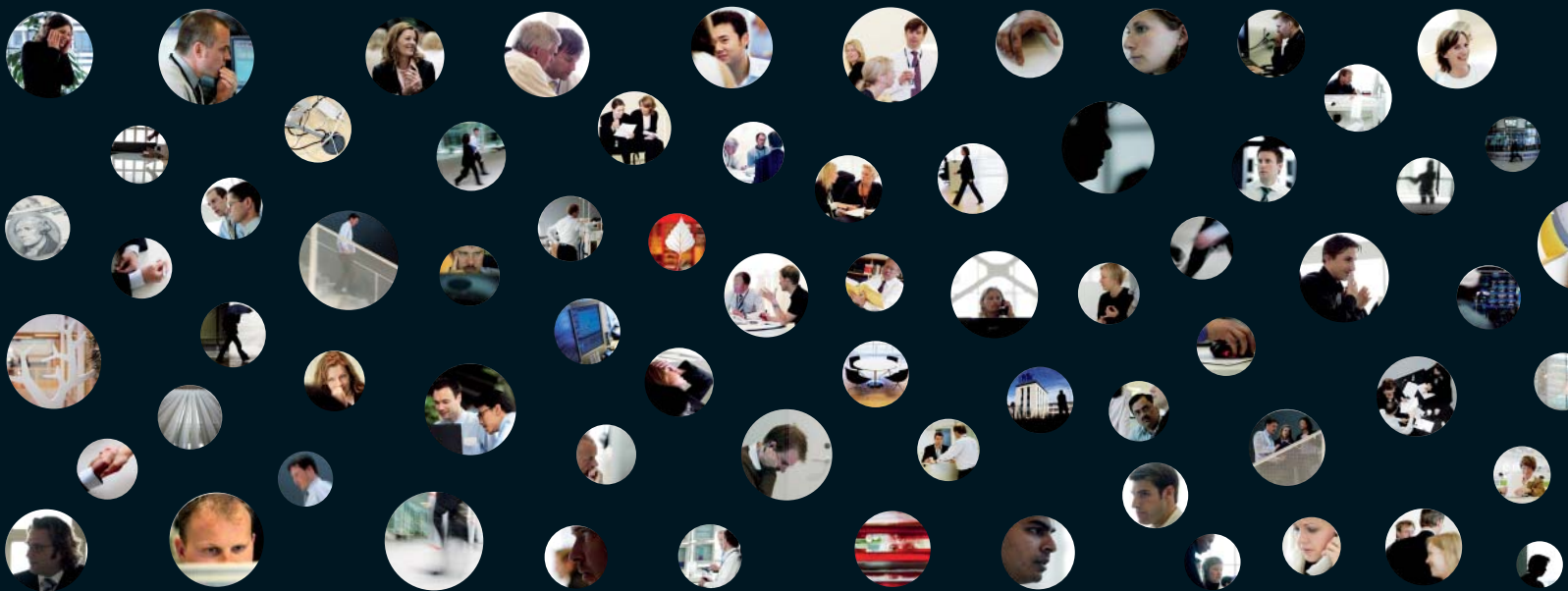
## REMUNERATION

As stated above, the Annual General Meeting held in April 2006 resolved that the following amounts of remuneration would be paid to the members of the Board of Directors for 2006.

REMUNERATION PAID TO THE BOARD OF DIRECTORS						
(SEK)	Board and committee fees		Benefits		TOTAL	
	2006	2005	2006	2005	2006	2005
Olof Stenhammar	800,000	750,000	543	9,197,314 <sup>1)</sup>	800,543	9,947,314
Adine Grate Axén	400,000	300,000			400,000	300,000
Urban Bäckström	325,000	250,000			325,000	250,000
Bengt Halse	300,000	250,000			300,000	250,000
Birgitta Klasén	250,000	200,000			250,000	200,000
Tarmo Korpela	250,000	200,000			250,000	200,000
Hans Munk Nielsen	325,000	133,333			325,000	133,333
Markku Pohjola	250,000	250,000			250,000	250,000
<b>Totalt</b>	<b>2,900,000</b>	<b>2,333,333</b>	<b>543</b>	<b>9,197,314</b>	<b>2,900,543</b>	<b>11,530,647</b>

1) For 2005, includes remuneration to a company in which Olof Stenhammar owns a majority holding, comprising a fixed amount and a profit-based amount based on a licensing agreement. The profit-related portion comprises 1 percent of OMX's earnings after financial items. The remuneration for 2005 amounts to SEK 9,172,298. The amount is paid quarterly in arrears. The contract, which was signed and is based on the formation of OM in 1985, ceased to apply effective January 1, 2006.









# Annual Report 2006

OMX AB (publ), 556243-8001

Board of Directors' Report .....	56
Consolidated income statement .....	60
Notes to the consolidated income statement .....	61
Sources of revenue in OMX .....	63
Consolidated balance sheet .....	64
Changes in consolidated shareholders' equity .....	66
Consolidated cash-flow statement .....	67
Consolidated income statement – Parent Company .....	68
Consolidated balance sheet – Parent Company .....	69
Changes in consolidated shareholders' equity – Parent Company .....	70
Consolidated cash-flow statement – Parent Company .....	71
Accounting principles .....	72
Risk management .....	78
Notes to the financial statements .....	83
Audit report .....	101

# Board of Directors' Report

The Board of Directors and the President of OMX AB (publ), Corporate Registration Number 556243-8001, hereby submit the annual report and the consolidated accounts for 2006.

OMX owns and operates exchanges and clearing organizations in the Nordic-Baltic region and develops, operates and maintains technology solutions for companies in the global financial markets.

Amounts are in millions of Swedish kronor (SEK m) unless otherwise stated. Amounts in parentheses denote figures for 2005. OMX denotes the OMX Group, that is, OMX AB and its subsidiaries.

## The 2006 year of operations for the Group

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) 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 operations that OMX acquired from Computershare were integrated in the Group effective February 1, 2006 while the Iceland Stock Exchange which was acquired at the end of November is included from December 1, 2006. 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).

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

Total assets at year-end amounted to SEK 12,528 m compared with SEK 10,612 m in the year-earlier period. The equity/assets ratio, excluding the market value of outstanding derivative positions, was 57 percent (57).

OMX had an interest-bearing net debt of SEK 847 m (573) at year-end. During the second quarter total dividends of SEK 765 m were paid out. Net debt was also affected during the fourth quarter 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 the shares in Oslo Børs and the SEK 355 m that was paid to shareholders. The net debt/equity ratio amounted to 18 percent (12) at year-end.

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

## Key events during the fiscal year

### 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 OMX Technology division.

## ACQUISITIONS AND SALES OF OPERATIONS

### 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 in Note 5. 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 year.

### SALE OF SHARES IN NOS

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

### ACQUISITION OF THE ICELAND STOCK EXCHANGE - ICEX

In 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 in Note 5. 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. During the year, EV contributed SEK 11 m to the Group's revenues and SEK 5 m to net profit.

### 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 revenues 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 PERCENT OF SHARES IN OSLO BØRS

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

### BID FOR 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 for 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 of increasing 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 in accordance with 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 m on an annual basis.

## 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. At the end of 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 amounting to approximately USD 9.5 m 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 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, Nordea), representing Nordea; KG Lindvall (Board member, Swedbank 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 extra 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 2006 AGM

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, provided that OMX achieves performance targets related to earnings per share and how OMX's shares perform 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.

## Other information

### 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. During 2006, the continuing operations not yet divested were 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.

Revenues 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 operations in the UK as well as organizational changes.

After the end of the reporting period, OMX signed an agreement with HCL Technologies, the global IT services provider, regarding an extended partnership which means that OMX no longer has any discontinued operations in the Nordic region, see "Significant events after the end of the year."

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 discontinuing operations. Discussions are currently in progress with potential partners.

### 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, while the net debt/equity ratio shall not exceed 30 percent over time.

### FINANCING

A two-year bond of SEK 300 m and an eight-year bond of SEK 250 m were issued during the year. This has resulted in the expansion and diversification of the Group's total maturity structure of its liability portfolio. The average term of liabilities as per December 31, 2006 was 3.4 years (3.1). There are five bond loans totaling SEK 1,350 m (see table: Interest-bearing assets and liabilities, Group).

### CREDIT RATING

OMX's credit rating from Standard & Poor's remained unchanged during the year. The long-term rating is A with a stable outlook, the short-term rating is A-1 and the Nordic scale is K1.

### DEVELOPMENT

Each year, substantial investments are made in development efforts within the Group to create the optimum business solution for the needs of each individual customer and to secure OMX's position as market leader. Development efforts entail both developing new products and adding new functionality to existing products and platforms. During the fiscal year, the Group's total expenditure for development was SEK 208 m (263), of which SEK 185 m (200) was capitalized.

### BRANCHES

Three companies within the OMX Group have foreign branches, meaning branch offices with independent management. The Parent Company, OMX AB, and OMX Broker Services AB have affiliates in Finland. OMX Technology AB has branches in the UK, Finland and Thailand. The Dutch company, OMX Netherlands BV, has a branch in Sweden.

### ENVIRONMENTAL ISSUES

OMX's operations comprise the provision of services and products that have a limited effect on the external environment. OMX's greatest direct impact on the environment is, instead, through recycling different office products, from paper to different types of hardware. When making purchases, environmentally friendly material and products are always selected.



## Future development

OMX is a leading company in the global exchanges sector. OMX's business model is based on generating competitive advantages and business from the expertise derived from owning and operating proprietary exchanges, combined with the development of technology and systems operation for a global customer base. By utilizing such expertise, OMX endeavors to attain the increasingly high market demands for efficiency in securities transactions. In specific terms, this means that OMX works with strategic focus areas, a number of which are described below.

### STRATEGIC FOCUS AREAS

#### THE NORDIC EXCHANGE

Through the development of the Nordic Exchange, the region's competitiveness is strengthened. The integration and development of the market is intended to make it more attractive for listings, investors and other players in the capital market by enabling lower total transaction costs, fewer systems and higher liquidity.

#### EXPANSION OF INFORMATION OPERATIONS

To meet the growing demand for information services and maintain a strong customer focus, OMX aims to expand its information operations. This will be achieved through the launch of new products and services, and through continuous work to enhance customer relations.

#### LAUNCH OF GENIUM – NEXT GENERATION OF SYSTEM PLATFORMS

In the future, the pace and complexity of trading will increase, requiring faster and more efficient systems for different types of marketplaces. Accordingly, OMX will introduce new technologies for the exchange industry - Genium. Through standardized access and modular building blocks, OMX also aims to meet the demands of the future as regards speed, security and adaptability, in a cost-efficient manner.

#### PARTICIPATE IN DEVELOPMENT OF REGIONAL MARKETS

OMX will continue to develop the markets in the Baltic region so that they become a distinctive and attractive part of the OMX Nordic Exchange offering. In Eastern Europe, many marketplaces are faced with numerous challenges in the form of consolidation, privatization and change of corporate structure. OMX's expertise within the exchange industry provides a firm base from which to participate in the transformation of these exchanges through advisory services, technology or other types of cooperation.

#### CONVERTING CHANGES IN REGULATIONS TO BUSINESS OPPORTUNITIES

Regulatory changes create opportunities and threats. OMX intends to use its strong position to create business and safeguard its role as the leading regional marketplace. This will be accomplished through product development, and by ensuring that OMX's marketplaces maintain favorable liquidity and offer efficient trading.

#### OUTLOOK FOR THE FIRST QUARTER OF 2007

Revenues in OMX's exchange operations are largely dependent on trading performance and trading volumes on the exchanges in Stockholm, Helsinki, Copenhagen and in Iceland. Due to lower project activity at the beginning of the year, revenues in the Market Technology business area are estimated to be slightly lower than in the fourth quarter of 2006, excluding the 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 of 2006.

## Accounting principles

Effective January 1, 2005, the OMX Group applies IFRS adopted by the European Commission. The Parent Company, OMX AB, also primarily applies IFRS. Certain exceptions and additions are made in accordance with the Swedish Financial Accounting Standards Council's recommendation RR 32, as a consequence of legislative stipulations, primarily in the Swedish Annual Accounts Acts and as a consequence of the connection between accounting and taxation. For further information, see the section on OMX's accounting principles.

## Significant events after the end of the year

### DISCONTINUING OPERATIONS

After the end of the reporting period, OMX signed an agreement with HCL Technologies, a global IT services provider, regarding an extended partnership, which means that OMX no longer has any discontinuing operations in the Nordic region. As a result of the partnership, HCL Technologies will assume responsibility for the development

and maintenance of systems for securities management targeted at banks and brokers and the remaining part of the Nordic operations will be moved to the Information Services & New Markets business area, and will be included in the Broker Services unit. A number of employees' work tasks will be within the Market Technology business area to replace consultants and minimize new recruitments.

The transferred unit had sales of SEK 160 m and costs of SEK 195 m in 2006. The unit is expected to report a profit in 2007. For the fourth quarter of 2006, the unit's revenue was SEK 43 m while costs were SEK 49 m. These are levels that are expected to remain in the first quarter of 2007. The changes will be implemented in OMX's financial statements as per January 1, 2007.

### SHARE MATCH PROGRAM 2007

Provided that the Annual General Meeting approves the proposal, the OMX Board has decided to continue and expand the Share Match Program for senior executives for a second year. The program is targeted at approximately 95 senior executives and key individuals in OMX. The duration of the program is three years and requires employees to invest their own funds in OMX shares. Participants in the program invest in OMX shares and, provided that OMX achieves performance targets related to earnings per share and how OMX's shares perform in comparison to its competitors, after three years, participants may obtain a maximum of five matching shares per invested share. President and CEO Magnus Böcker may receive a maximum of eight matching shares per invested OMX share. The number of shares that the participant may buy in the program is limited.

Costs for OMX's Share Match Program for 2007 involve administrative expenses, compensation costs and social security contributions which the Board expects to amount to approximately SEK 25 m over the period 2007–2009.

### PROPOSAL FOR AUTHORIZATION ON REPURCHASE OF SHARES

After the reporting period, the OMX Board 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 total number of shares outstanding. 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.

## 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.

Revenues totaled SEK 149 m (2,267) for the year. Income before appropriations and tax totaled a negative amount of SEK 141 m (positive: 1,999). Cash equivalents totaled SEK 1 m (1). Investments amounted to SEK 17 m (59). The high revenues and earnings in the preceding year pertain to the internal sale of Stockholmsbörsen AB to OMX Exchanges Ltd.

## Ownership structure

At year-end, the number of shareholders amounted to 12,597 (13,189). The total share of foreign ownership increased during the year from 18.5 percent to 41.5 percent. Swedish institutional ownership decreased during the year. At the end of 2006, Swedish institutions owned 51.5 percent (72.7) of the share capital.

## 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.

## Proposed distribution of earnings

For 2006, the Board proposes 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 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
Net loss 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 dividend to shareholders reduces OMX AB's equity/assets ratio from 53 percent to 48 percent and the consolidated equity/assets ratio to 52 percent. Provided that the Group's operations continue to be conducted profitably, this equity/assets ratio is satisfactory. It is deemed possible to maintain the solvency of the company and the Group at a similarly satisfactory level.

The Board has presented a proposal to the Annual General Meeting to continue and expand the Share Match Program for senior executives. Costs for OMX's Share Match Program for 2007 involve administrative expenses, compensation costs and social security contributions which the Board expects to amount to approximately SEK 25 m over the period 2007–2009.

Shareholders' equity in the company includes unrealized losses resulting from the reporting of financial instruments at market value in the amount of SEK 15 m.

It is the view of the Board that the proposed dividend will not prevent the company or the companies within the Group from meeting their short and long-term obligations, nor from completing necessary investments. Consequently, the proposed dividend is justifiable with regard to the stipulations of Chapter 17, section 3, paragraphs 2–3 of the Swedish Companies Act (the "prudence principle"). The proposed distribution of earnings and proposed income statement and balance sheet shall be adopted at the Annual General Meeting.

Concerning the earnings and position of the Group and the Parent Company in other respects, see the income statements and balance sheets below.

# Consolidated income statement

(SEK m)	Note	Jan 1, 2006 – Dec 31, 2006			Jan 1, 2005 – Dec 31, 2005		
		Continuing <sup>1)</sup> operations	Discontinuing <sup>2)</sup> operations	OMX <sup>3)</sup>	Continuing <sup>1)</sup> operations	Discontinuing <sup>2)</sup> operations	OMX <sup>3)</sup>
<b>REVENUES</b>	2, 3						
Net sales		3,148	289	3,437	2,803	208	3,011
Own work capitalized		68	-	68	92	33	125
Other revenues		105	-	105	-	-	-
<b>Total revenues, etc</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>							
Premises expenses	12	-196	-14	-210	-178	-13	-191
Marketing expenses		-63	-	-63	-40	-	-40
Consultancy expenses	6	-276	-34	-310	-228	-25	-253
Operations and maintenance, IT	12	-177	-78	-255	-157	-75	-232
Other external expenses	6	-156	-67	-223	-206	-24	-230
Personnel expenses	7	-999	-161	-1,160	-931	-138	-1,069
Depreciation and impairment	13,14	-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	10	46	-	46	15	-	15
<b>OPERATING INCOME</b>	<b>3</b>	<b>1,284</b>	<b>-73</b>	<b>1,211</b>	<b>947</b>	<b>-37</b>	<b>910</b>
<b>FINANCIAL ITEMS</b>	9						
Financial revenues		48	7	55	50	-	50
Financial expenses		-101	-14	-115	-114	-	-114
<b>Total financial items</b>		<b>-53</b>	<b>-7</b>	<b>-60</b>	<b>-64</b>	<b>-</b>	<b>-64</b>
<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 for the year	11	-252	12	-240	-313	10	-303
<b>NET PROFIT/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, millions				120.640			118.474
Average number of shares after dilution, millions			118.886			118.394	
Number of shares after dilution, millions				120.640			118.760
Earnings per share, SEK <sup>4)</sup>	33	8.22		7.64	4.78		4.66
Earnings per share after dilution, SEK <sup>4)</sup>	33	8.22		7.64	4.78		4.66
Proposed dividend per share, SEK				6.50			6.50

1) This column, combined with income/loss for the year for discontinuing operations forms the income statement in accordance with IFRS 5.

2) The income statement for discontinuing operations has been adjusted compared with the 2005 Annual Report as a result of organizational changes which led to certain parts of the business being retained. Events after the end of the fiscal year did not affect the classification. For more information regarding discontinuing operations, see Note 4.

3) The Board of Directors' Report refers to OMX including discontinuing operations, since management is responsible for such discontinuing operations has been completed.

4) Earnings per share are calculated on the basis of the weighted average number of shares during the year. The amount is based on OMX AB shareholders' portion of net profit/loss for the period.



# Notes to the consolidated income statement

## REVENUES

OMX's total revenues amounted to SEK 3,610 m (3,136) during 2006, including SEK 22 m from the sale of shares in NOS and SEK 83 m from the sale of shares in VPC AB. The increase in revenues is primarily attributable to rising trading revenues, information revenues and facility management services revenues in the technology operations.

## EXPENSES

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

## DISCONTINUING OPERATIONS

Since a decision has been made to discontinue operations within Banks & Brokers, these operations are reported as discontinuing for 2006, although the discontinuation has yet to be implemented and OMX has decided to retain certain parts of the business, see the Board of Directors' Report.

## PARTICIPATIONS IN THE EARNINGS OF ASSOCIATED COMPANIES

The Group's share in the earnings of associated companies amounted to SEK 46 m (15) and is attributable to the following associated companies: Orc Software, NLK, EDX London, VPC AB (until September 2006) and the Lithuanian securities depository CSDL. The main reason for this increase was improved earnings for Orc Software and EDX London.

## NET FINANCIAL ITEMS

Net financial items for the Group amounted to an expense of SEK 60 m (expense: 64).

## TAX

Tax expenses for 2006 amounted to SEK 240 m (303). The deviation for the Group from the nominal Swedish tax rate of 28 percent in 2006 is primarily due to tax-exempt capital gains from the sale of the shares in VPC AB and NOS AS. The deviation in 2005 was primarily due to an extra tax cost of SEK 67 m pertaining to NLK.

## CURRENCY EFFECTS

Currency effects had a marginal impact on the Group's operating revenue and operating income during the reporting period.

## SEGMENT REPORTING: PERFORMANCE PER BUSINESS AREA 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 regard 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 at the end of 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. The business area's costs were SEK 851 (831) m for the full-year. 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) in 2006.

The Nordic Marketplaces business area has three main sources of income: trading

revenues; issuers' revenues; and other revenues. Trading revenues amounted to SEK 1,286 m (1,106) in 2006. During 2006, 65 percent of trading revenues came from trading in cash products, primarily equities, and 35 percent from trading and clearing in derivatives products. The number of equity transactions increased to 123,490 (83,764) on average per day, an increase by 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. The turnover rate in equities trading rose to 129 percent (117) in 2006.

The total number of derivatives contracts traded per day in 2006 averaged 553,793 (475,885), up 16 percent compared with the year-earlier period. 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. 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 trading and larger market shares.

Issuers' revenues amounted to SEK 344 m (310) for 2006, representing an increase of 11 percent compared with the year-earlier period. 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) were in the main market and 79 (38) in the alternative market, First North. In 2006, 97 (32) new companies joined the marketplace, including 45 in First North. A total of 41 (44) companies left the exchange during the year, three 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 revenues in the business area amounted to SEK 148 m (94) for 2006. Other revenues in 2006 also include SEK 33 m from the sale of shares in VPC AB and 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, with focus 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 in October.

The business area's revenue increased by 22 percent to SEK 625 m (512) in 2006. Increased market activity and growing revenue from information services were the primary drivers behind the positive trends. An audit of the number of declared terminals was also conducted during the quarter resulting in a positive effect on revenues.

The business area's expenses were SEK 381 m (316) in 2006. This increase is mainly related to the rise in market activity and costs for product development associated with the Nordic Exchange. The business area's operating income improved to SEK 251 m (196) in 2006.

In Information Services & New Markets, there are four main revenue sources: information revenues; revenues from Baltic Markets; revenues from Broker Services; and other revenues. Information revenues amounted to SEK 441 m (365) in 2006, a rise of 21 percent compared with the year-earlier period. These revenues are mainly based on the number of real-time terminals used and reported by the end users. The increase in revenues was partly due to the rise in the number of terminals ordered and the completed audits. At year-end, OMX had 92 (87) information vendors. Comparative figures are pro forma due to a change made in the calculation of the number of terminals. Terminals and vendors were previously calculated by country, but in the new Nordic structure each terminal and vendor is calculated only once.

Revenues from Baltic Markets amounted to SEK 68 m (63) in 2006. This increase in

revenues is primarily attributable to the privatization that took place via the exchange in Riga during the fourth quarter. The number of members of the Baltic exchanges was 40 (39). Of the total number, 15 are members of all three Baltic exchanges. Total share turnover on the Baltic exchanges was SEK 91 m (95) per day in 2006. The number of equity transactions in 2006 amounted to 996 (903) per day. Trading was negatively affected by the delisting of HansaBank, the most heavily 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 revenues rising to SEK 78 m (69) in 2006.

Other revenues amounted to SEK 38 m (15) in 2006. Other revenues in 2006 include SEK 17 m from the sale of shares in VPC AB and 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 rapidly emerging markets. Work towards increasing profitability is ongoing in the business area.

The business area's revenues grew by 13 percent to SEK 1,300 m (1,155) during the year. Costs rose at the same time to SEK 1,233 m (1,098) for the full-year. This increase in both revenues and expenses was mainly due to the higher market activity and the acquisition of operations from Computershare. Operating income for the business area was SEK 93 m (61) in 2006.

Investments in R&D, including investments involving the next generation trading system for marketplaces, amounted to SEK 174 m (229) during the year. This corresponds to 13 (20) percent of the business area's revenues. Of the total investments in R&D, SEK 161 m (173) was capitalized during the year.

OMX's order intake in 2006 amounted to SEK 1,908 m (1,215), of which SEK 575 m (153) pertained to internal orders. The total order value at the year-end 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: license, support and project revenues; revenues from Facility Management Services; and other revenues. License, support and project revenues amounted to SEK 785 m (730) during the year. This increase is due to the increased activities among existing customers and the acquisition of operations from Computershare.

Revenues from Facility Management rose to SEK 432 m (375) in 2006, due to increased internal sales and increased activities among existing customers resulting in a rise in variable revenues.

Other revenues in 2006 totaled SEK 83 m (50). Other revenues in 2006 include SEK 9 m from the sale of shares in NOS and SEK 33 m from the sale of shares in VPC AB.

#### REVENUES AND OPERATING INCOME BY REVENUE CLASS AND BUSINESS AREA (SEK m)

	2006	2005
<b>REVENUES</b>		
Trading revenues	1,286	1,106
Issuers' revenues	344	310
Other revenues	148	94
<b>Total Nordic Marketplaces</b>	<b>1,778</b>	<b>1,510</b>
Information sales	441	365
Revenues from Baltic Markets	68	63
Revenues from Broker Services	78	69
Other revenues	38	15
<b>Total Information Services &amp; New Markets</b>	<b>625</b>	<b>512</b>
License, support and project revenues	785	730
Facility Management Services	432	375
Other revenues	83	50
<b>Total Market Technology</b>	<b>1,300</b>	<b>1,155</b>
Discontinuing operations	289	241
Group eliminations	-382	-282
<b>TOTAL REVENUES, GROUP</b>	<b>3,610</b>	<b>3,136</b>
<b>OPERATING INCOME</b>		
<b>Nordic Marketplaces</b>		
Operating income <sup>1)</sup>	940	689
Operating margin, %	53	46
<b>Information Services &amp; New Markets</b>		
Operating income <sup>1)</sup>	251	196
Operating margin, %	40	38
<b>Market Technology</b>		
Operating income <sup>1)</sup>	93	61
Operating margin, %	7	5
<b>TOTAL OPERATING INCOME, GROUP <sup>2)</sup></b>	<b>1,211</b>	<b>910</b>

1) Includes distribution of income for the Parent Company and other functions totaling SEK 15 m (loss: 117).

2) Includes losses attributable to discontinuing operations of SEK 73 m for 2006 and SEK 37 m for 2005. Includes income from associated companies attributable to the Parent Company and other functions amounting to SEK 1 m for 2005.

# Sources of revenue in OMX

## NORDIC MARKETPLACES

### TRADING REVENUES

Trading revenues comprise trading and clearing revenues from the spot and derivatives products traded on the exchanges included in Nordic Marketplaces.

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 8.5 m, calculated on the basis of trading during 2006.

With respect to revenues 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 revenues by +/- SEK 0.9 m, calculated on the basis of trading during 2006.

### ISSUERS' REVENUES

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' revenues by +/- SEK 6.3 m, calculated on an annual basis from 2006 levels and based on the business conducted during the year.

### OTHER REVENUES

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

## INFORMATION SERVICES & NEW MARKETS

### INFORMATION REVENUES

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.

### REVENUES FROM BALTIC MARKETS

Revenues from the Baltic Markets comprise trading revenues and issuers' revenues 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 where the number of register accounts, as well as cleared and settled accounts, are the most important parameters.

### REVENUES FROM BROKER SERVICES

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

### OTHER REVENUES

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 REVENUES

License, support and project revenues derive from the system solutions developed and sold by OMX. After OMX 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 revenues that are invoiced continuously according to degree of completion. When Market Technology provides a system solution, it undertakes to continuously 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 revenues are mostly fixed and are recognized in relation to the degree of completion. Support revenues are mainly fixed, and contracts usually extend for five years. A certain portion of license revenues can also be recurring, and contracts can extend for a longer period.

### FACILITY MANAGEMENT SERVICES REVENUES

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 revenues. Revenues from Facility Management Services can be both fixed and volume-based. Contract periods vary between one and seven years.

### OTHER REVENUES

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



# Consolidated balance sheet

(SEK m)	Note	December 31, 2006	December 31, 2005
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible assets	13		
Goodwill		3,124	2,924
Capitalized expenditure for R&D		480	355
Other intangible assets		665	498
Tangible fixed assets	14		
Equipment		321	354
Financial fixed assets	29		
Participations in associated companies	10	186	623
Other investments held as fixed assets	16	363	56
Deferred tax assets	11	125	237
Receivables from associated companies	8	6	15
Other long-term receivables	17, 28	40	163
<b>Total fixed assets</b>		<b>5,310</b>	<b>5,225</b>
<b>Current assets</b>			
Short-term receivables	29		
Accounts receivable – trade	19, 28	425	367
Market value, outstanding derivative positions	18	4,401	2,312
Receivables from associated companies	8	1	39
Tax receivables	11, 28	6	37
Other receivables	20, 28	888	684
Prepaid expenses and accrued income	21, 28	418	587
Financial assets available for sale	22, 29	519	328
Cash equivalents	34, 29	409	915
Assets held for sale	4, 28	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>

(SEK m)	Note	December 31, 2006	December 31, 2005
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>	23		
Share capital (120,640,467 shares, ratio value SEK 2)		241	237
Other capital contributions		3,536	3,271
Reserves		-103	100
Profit brought forward		923	1,127
<b>Equity attributable to shareholders in Parent Company</b>		<b>4,597</b>	<b>4,735</b>
Minority interest		17	14
<b>Total shareholders' equity</b>		<b>4,614</b>	<b>4,749</b>
<b>Long-term liabilities</b>	29		
Interest-bearing long-term liabilities	24	1,360	1,409
Deferred tax liability	11	15	26
Other long-term liabilities	24, 28	123	19
Provisions	25, 28	121	154
<b>Total long-term liabilities</b>		<b>1,619</b>	<b>1,608</b>
<b>Short-term liabilities</b>	29		
Liabilities to credit institutions	28	398	498
Accounts payable – trade	28	109	137
Tax liabilities	11, 28	54	20
Market value, outstanding derivative positions	18	4,401	2,312
Other liabilities	26, 28	836	701
Accrued expenses and deferred income	27, 28	473	546
Provisions	25, 28	24	41
<b>Total short-term liabilities</b>		<b>6,295</b>	<b>4,255</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>12,528</b>	<b>10,612</b>

For information on the Group's pledged assets and contingent liabilities, see Notes 30, 31 and 32.

## COMMENTS ON THE BALANCE SHEET

Consolidated goodwill amounted to SEK 3,170 m (2,955) at year-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. Other intangible assets of SEK 1,241 m (932), including assets held for sale of SEK 96 m (79), 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 CSE and the acquisition of EV. Assessment to ascertain possible impairment of intangible fixed assets is conducted on an ongoing basis. At year-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 year. The Group's investments in other intangible assets during the period were SEK 229 m (296), of which SEK 185 m (200) refers to development work. 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 year-end was SEK 524 m (398), while the carrying amount was SEK 76 m (62).

Each year, substantial investments in research and development are made within the Group, aimed at creating the optimal business solution for OMX's customers. Development work involves both developing new products and adding new functionality to existing products and platforms.

TOTAL INVESTMENTS IN R&D (SEK m) (of which, expensed)	2006		2005	
Nordic Marketplaces	17	(8)	25	(3)
Information Services & New Markets	17	(2)	9	(4)
Market Technology	174	(13)	229	(56)
<b>TOTAL GROUP</b>	<b>208</b>	<b>(23)</b>	<b>263</b>	<b>(63)</b>

# Changes in consolidated shareholders' equity See Note 23

(SEK m)	Note	Attributable to shareholders in the Parent Company				Minority interest	Total shareholders equity
		Share capital	Other capital contributions	Reserves	Profit/loss brought forward		
<b>OPENING BALANCE, JANUARY 1, 2005</b>		<b>231</b>	<b>3,045</b>	<b>-37</b>	<b>590</b>	<b>30</b>	<b>3,859</b>
New share issue, net after transaction costs of SEK 0		6	226				232
Minority interest						-23	-23
Translation differences				125			125
Financial assets available for sale;							
Reassessments reported directly against shareholders' equity			20			20	
Tax attributable to items reported directly against shareholders' equity	11			-8			-8
Change in associated companies' shareholders' equity					-6		-6
Profit for 2005					543	7	550
<b>OPENING BALANCE, JANUARY 1, 2006</b>		<b>237</b>	<b>3,271</b>	<b>100</b>	<b>1,127</b>	<b>14</b>	<b>4,749</b>
New share issue, net after transaction costs of SEK 0		4	265				269
Minority interest						-1	-1
Dividend to shareholders					-1,120		-1,120
Equity swap for Share Match Program					-8		-8
Share Match Program					2		2
Cash-flow hedging							
Gain/loss attributable to shareholders' equity				-9			-9
Carried forward/transferred to income				-9			-9
Exchange-rate differences							
Hedging of shareholders' equity				25			25
Translation differences				-198			-198
Financial assets available for sale							
Carried forward/transferred to income				-12			-12
Change in associated companies' shareholders' equity					15		15
Profit for 2006					907	4	911
<b>CLOSING BALANCE, DECEMBER 31, 2006</b>		<b>241</b>	<b>3,536</b>	<b>-103</b>	<b>923</b>	<b>17</b>	<b>4,614</b>



# Consolidated cash flow statement

(in accordance with the indirect method) See Note 34

(SEK m)	Note	Jan 1, 2006 – Dec 31, 2006	Jan 1, 2005 – Dec 31, 2005
<b>OPERATING ACTIVITIES</b>			
Operating income from continuing operations		1,284	979
Operating income from discontinuing operations		-73	-69
<b>Total operating income</b>		<b>1,211</b>	<b>910</b>
Adjustments for items not included in cash flow			
Depreciation/amortization	13,14	216	216
Impairment	13,14	8	10
Utilization of provisions	25	-41	-144
Participations in earnings of associated companies	10	-46	-14
Capital loss		-109	-
Other adjustments		-93	-1
Financial items	9	-62	-56
Income tax paid	11	-82	-113
<b>Total cash flow from operating activities before changes in working capital</b>		<b>1,002</b>	<b>808</b>
<b>Changes in working capital</b>			
Operating receivables		144	56
Operating liabilities		-114	-384
<b>Total changes in working capital</b>		<b>30</b>	<b>-328</b>
<b>Cash flow from operating activities</b>		<b>1,032</b>	<b>480</b>
<b>INVESTING ACTIVITIES</b>			
Investments in intangible assets	13	-390	-312
Sale of intangible assets	13	4	-
Investments in tangible assets	14	-77	-85
Sale of tangible assets	14	9	-
Cash flow from associated companies	10	34	-13
Acquisitions of subsidiaries	5	-19	-937
Sale of associated companies	10	575	-
Sale of operations in Group companies		-	29
Change in other shares and participations		-304	-
Change in long-term receivables	17	60	-11
Change in long-term liabilities	24	14	-20
Change in short-term investments of more than three months		-190	210
<b>Cash flow from investing activities</b>		<b>-284</b>	<b>-1,139</b>
<b>FINANCING ACTIVITIES</b>			
Dividend		-1,120	-
New share issue		13	-
Change in financial receivables		70	76
Loans raised		-	553
Amortization of loans		-119	-
Change in current trading account		-81	69
<b>Cash flow from financing activities</b>		<b>-1,237</b>	<b>698</b>
<b>CHANGE IN CASH EQUIVALENTS</b>		<b>-489</b>	<b>39</b>
Cash equivalents – opening balance		915	833
Exchange-rate difference in cash equivalents		-17	43
Cash equivalents – closing balance		409	915

# Income statement – Parent Company

(SEK m)	Note	Jan 1, 2006 – Dec 31, 2006	Jan 1, 2005 – Dec 31, 2005
<b>REVENUES</b>			
Net sales		127	112
Other revenues	2	22	2,155
<b>Total revenues</b>		<b>149</b>	<b>2,267</b>
<b>EXPENSES</b>			
Premises expenses		-94	-109
Marketing expenses		-29	-14
Consultancy expenses	6	-33	-36
Operations and maintenance, IT		-14	-1
Other external expenses	6	-29	-26
Personnel expenses	7	-50	-32
Depreciation/amortization and impairment	13,14	-28	-25
<b>Total expenses</b>		<b>-277</b>	<b>-243</b>
<b>OPERATING INCOME</b>		<b>-128</b>	<b>2,024</b>
<b>FINANCIAL ITEMS</b>	9		
Income from shares in Group companies		56	-
Loss from other securities and receivables that are fixed assets		-1	-1
Other interest revenues and similar revenues		46	52
Interest expense and similar expenses		-114	-76
<b>Total financial items</b>		<b>-13</b>	<b>-25</b>
<b>INCOME/LOSS AFTER FINANCIAL ITEMS</b>		<b>-141</b>	<b>1,999</b>
Tax for the year	11	65	45
<b>NET INCOME/LOSS FOR THE PERIOD</b>		<b>-76</b>	<b>2,044</b>

# Balance sheet – Parent Company

(SEK m)	Note	December 31, 2006	December 31, 2005
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible fixed assets	13		
Capitalized expenditure for R&D		16	8
Tangible fixed assets	14		
Equipment		90	109
Financial fixed assets	29		
Shares in Group companies	15	7,831	7,852
Other securities held as fixed assets	16	321	4
Deferred tax assets	11	6	46
Other long-term receivables	17, 28	10	83
<b>Total fixed assets</b>		<b>8,274</b>	<b>8,102</b>
<b>Current assets</b>			
Short-term receivables	28, 29		
Accounts receivable – trade	19	0	0
Receivables from Group companies		404	356
Other receivables	20	15	21
Prepaid expenses and accrued income	21	28	38
Short-term investments	22	-	-
Cash and bank balances	34	1	1
<b>Total current assets</b>		<b>448</b>	<b>416</b>
<b>TOTAL ASSETS</b>		<b>8,722</b>	<b>8,518</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
	23		
Share capital (120,640,467 shares, ratio value SEK 2)		241	237
Statutory reserve		2,503	2,503
Profit brought forward		1,935	484
Net profit/loss for the year		-76	2,044
<b>Total shareholders' equity</b>		<b>4,603</b>	<b>5,268</b>
<b>Long-term liabilities</b>			
	24, 29		
Interest-bearing long-term liabilities	28	1,360	1,409
Other long-term liabilities	28	15	18
<b>Total long-term liabilities</b>		<b>1,375</b>	<b>1,427</b>
<b>Short-term liabilities</b>			
	28, 29		
Liabilities to credit institutions		398	498
Accounts payable – trade		2	38
Liabilities to Group companies		2,280	1,227
Tax liabilities	11	18	21
Other liabilities	26	-	1
Accrued expenses and deferred income	27	46	38
<b>Total short-term liabilities</b>		<b>2,744</b>	<b>1,823</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>8,722</b>	<b>8,518</b>
Pledged assets	31	-	-
Contingent liabilities	32	3,194	1,483



# Changes in shareholders' equity – Parent Company

Changes in shareholders' equity, see Note 23

(SEK m)	Share capital	Statutory reserve	Non-restricted equity	Total
<b>OPENING BALANCE, JANUARY 1, 2005</b>	<b>231</b>	<b>3,069</b>	<b>-578</b>	<b>2,722</b>
Adjustment for change in accounting principles			32	32
<b>ADJUSTED SHAREHOLDERS' EQUITY, JANUARY 1, 2005</b>	<b>231</b>	<b>3,069</b>	<b>-546</b>	<b>2,754</b>
New share issue	6		226	232
Changes between restricted and non-restricted shareholders' equity		-566	566	0
Profit for 2005			2,044	2,044
Other			-10	-10
Group contributions			344	344
Tax on Group contributions			-96	-96
<b>OPENING BALANCE, JANUARY 1, 2006</b>	<b>237</b>	<b>2,503</b>	<b>2,528</b>	<b>5,268</b>
New share issue	4		265	269
Dividend to shareholders			-1,120	-1,120
Share swap for Share Match Program			-8	-8
Share Match Program			2	2
Profit for 2006			-76	-76
Group contributions			372	372
Tax on Group contributions			-104	-104
<b>CLOSING BALANCE, DECEMBER 31, 2006</b>	<b>241</b>	<b>2,503</b>	<b>1,859</b>	<b>4,603</b>

# Cash flow statement – Parent Company

## Cash flow statement (in accordance with the indirect method), see Note 34

(SEK m)	Jan 1, 2006 – Dec 31, 2006	Jan 1, 2005 – Dec 31, 2005
<b>OPERATING ACTIVITIES</b>		
Operating income	-128	2,044
Adjustments for items not included in cash flow		
Depreciation	28	25
Capital loss	-22	-2,155
Financial items	2	-25
Other items	-10	-17
Income tax paid	-	0
<b>Total cash flow from operating activities before changes in working capital</b>	<b>-130</b>	<b>-128</b>
<b>Changes in working capital</b>		
Operating receivables	259	-337
Operating liabilities	-25	-195
<b>Total changes in working capital</b>	<b>234</b>	<b>-532</b>
<b>Cash flow from operating activities</b>	<b>104</b>	<b>-660</b>
<b>INVESTING ACTIVITIES</b>		
Change in intangible fixed assets	-10	-7
Change in tangible assets	-5	-52
Acquisitions of and new share issues in subsidiaries	-52	-440
Sale of subsidiaries	314	-
Change in other shares and participations	-286	-
Change in long-term receivables	68	-8
Change in long-term liabilities	-3	7
<b>Cash flow from investing activities</b>	<b>26</b>	<b>-500</b>
<b>FINANCING ACTIVITIES</b>		
Dividend	-1,120	-
New share issue	13	-
Change in financial receivables	6	-3
Change in financial liabilities	971	1,162
<b>Cash flow from financing activities</b>	<b>-130</b>	<b>1,159</b>
<b>CHANGE IN CASH EQUIVALENTS</b>	<b>0</b>	<b>-1</b>
Cash equivalents – opening balance	1	2
Cash equivalents – closing balance	1	1

# Accounting principles

OMX AB (publ), Corporate Registration Number, 556243-8001 is a limited liability company registered in Sweden. The Parent Company has its registered office in Stockholm and is listed on the Stockholm Stock Exchange, the Copenhagen Stock Exchange, the Helsinki Stock Exchange and the Iceland Stock Exchange. OMX pertains to the OMX Group, comprising OMX AB and subsidiaries.

The consolidated accounts were approved for publication by the Board on February 15, 2007 and will be presented to the Annual General Meeting on April 12, 2007 for approval. Amounts are in SEK millions (SEK m) unless otherwise stated. Amounts in parentheses indicate values for 2005.

## SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The most central accounting principles applied in the preparation of the consolidated accounts are described below. These principles have been applied consistently for all of the years presented unless otherwise stated.

The following standards and statements came into effect in 2006

- IAS 19 Amendment - Actuarial Gains and Losses, Group Plans and Disclosures (January 1, 2006)
- IAS 21 Amendment - Net investment in Foreign Operation (January 1, 2006)
- IAS 39 Amendment - Cash Flow Hedge Accounting of Forecast Intragroup Transactions (January 1, 2006)
- IAS 39 Amendment - The Fair Value Option (January 1, 2006)
- IAS 39 and IFRS 4 Amendment Financial Guarantee Contracts (January 1, 2006)
- IFRS 1 First-time Adoption of IFRS, IFRS 4 and IFRS 6 Amendment (before January 1, 2006)
- IFRS 6 Exploration for and Evaluation of Mineral Resources (January 1, 2006)
- IFRIC 4 Determining whether an Arrangement contains a Lease (January 1, 2006)
- IFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (January 1, 2006)
- IFRIC 6 Liabilities arising from Participating in a Specific Market: Waste Electrical and Electronic Equipment (December 1, 2005).

The new/amended IFRSs that came into effect from January 1, 2006 impact the OMX Group's income statement, balance sheet, cash-flow statement and shareholders' equity only as regards cash-flow hedging (IAS 39 Amendment - Cash flow Hedge Accounting of Forecast Intragroup Transactions). From January 1, 2006, OMX applies hedge accounting of hedging of internally forecast flows in foreign currency. Income from cash-flow hedges are reported against shareholders' equity.

Regarding IFRIC 4, the Group has a number of large outsourcing contracts in which it assumes responsibility for operations for its customers. In management's opinion, these contracts do not contain a leasing component since the OMX fixed assets involved are not utilized exclusively by one single customer.

## COMPLIANCE WITH STANDARDS AND LEGISLATION

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) approved by the European Commission for application within the EU and the Swedish Annual Accounts Act. The consolidated accounts also include additional information provided in accordance with the Swedish Financial Accounting Standards Council's recommendation RR 30 Supplementary Accounting Regulations for Groups.

The Annual Report of the Parent Company was prepared in accordance with the Annual Accounts Act and the Swedish Financial Accounting Standards Council's recommendation RR 32 Accounting for Legal Entities. RR 32 entails that in the Annual Report for the legal entity, the Parent Company shall apply all IFRSs and statements approved by the EU as far as possible within the framework of the Annual Accounts Act and with

respect for the connection between accounting and taxation. The recommendation states which exceptions and additions may be made in relation to IFRS. The Parent Company applies the same accounting principles as the Group except where the applicability of IFRS in the Parent Company is limited as a consequence of the Annual Accounts Act and the law on the safeguarding of pension commitments. The differences in the reporting of the Parent Company and the Group are described below under "Parent Company's accounting principles."

## BASIS FOR THE PREPARATION OF THE REPORTS

The Parent Company's functional currency is SEK, which is also the reporting currency for the Parent Company and the Group. This means that the financial statements are presented in SEK. Unless otherwise indicated, all amounts are rounded off to the nearest thousand. Assets and liabilities are stated at their historical cost, except for certain financial assets and liabilities that are stated at fair value. Financial assets and liabilities stated at fair value comprise derivative instruments, financial assets classed as financial assets stated at fair value in the income statement or as financial assets available for sale.

Fixed assets and disposal groups held for sale are stated at the lower of their previous carrying amount or their fair value after deductions for sales costs.

Preparing financial statements in accordance with IFRS requires that management make evaluations, estimations and assumptions that affect the application of the accounting principles and the stated amounts of assets, liabilities, revenues and costs. Estimations and assumptions are based on historical experience and a number of other factors that may be considered reasonable under prevailing conditions. The results of these estimations and assumptions are then used to evaluate the carrying amounts of assets and liabilities not otherwise clear from other sources. The actual outcome may deviate from these estimations and assumptions.

Estimations and assumptions are regularly reviewed. Changes in estimations are reported in the period in which the change is made, if the change affects only that period, or in the period in which the change is made and subsequent periods if the change affects both the period concerned and subsequent periods.

Evaluations made by management in the implementation of IFRS that have a significant effect on financial statements and the estimations made that may entail material adjustments in subsequent years' financial statements are described in greater detail in Note 1.

## Consolidated accounts

### SUBSIDIARIES

Subsidiaries are all companies in which OMX has the right to devise financial and operative strategies in a manner normally associated with a shareholding amounting to more than half of voting rights. Subsidiaries are included in the consolidated accounts from the date on which the Group gains this controlling influence. Subsidiaries are excluded from the consolidated accounts from the date on which the controlling influence ceases.

The purchase accounting method is used for the reporting of the Group's acquisitions of subsidiaries. The acquisition cost of an acquisition comprises the fair value of assets transferred in payment, issued equity instruments and liabilities arising or assumed on the date of transfer, plus costs directly attributable to the acquisition. The identifiable acquired assets, assumed liabilities and contingent liabilities associated with an acquisition are initially valued at fair value on the date of acquisition, regardless of the extent of any minority interests. The surplus consisting of the difference between the acquisition cost and the fair value of the Group's share of identifiable acquired net assets is reported as goodwill. If the acquisition cost is less than the fair value of the acquired subsidiary's net assets, the difference is reported directly in the income statement.

Inter-company transactions, balance sheet items and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated, unless the transaction is evidence of the need for impairment to be recognized in the trans-



ferred asset. The accounting principles for subsidiaries have been changed, where necessary, to guarantee the consistent application of Group principles.

#### ASSOCIATED COMPANIES

An associated company is an operation that is neither a subsidiary nor a joint venture, usually on the basis of holdings of between 20 and 50 percent of the voting rights, but in which OMX exercises a significant influence over its management. Associated companies are accounted for using the equity method and are initially valued at cost. The carrying amount of the Group's holdings in associated companies includes goodwill (net after any impairment) identified on acquisition.

The Group's share of the associated company's earnings after tax generated following the acquisition is reported in the operating income and its share of changes in provisions following the acquisition is reported among provisions. The share of earnings is reported in operating income for cases in which the operations of the associated companies are similar to OMX's own operations. Accumulated changes following the acquisition are reported as changes in the carrying amount of the holding. If the Group's participations in an associated company's losses amounts to or exceeds its holding in the associated company, including any unsecured receivables, the Group will not report further losses unless it has assumed obligations or made payments on behalf of the associated company. Any dilution gains or losses in associated companies are reported directly in shareholders' equity.

Unrealized gains on transactions between the Group and its associated companies are eliminated in relation to the Group's holding in the associated company. Unrealized losses are also eliminated, unless the transaction is evidence of the need for impairment to be recognized in the transferred asset. The accounting principles for associated companies have been changed, where necessary, to guarantee the consistent application of principles within the Group.

#### SEGMENT REPORTING

A business segment is a group of assets and operations providing products or services exposed to risks and opportunities that differ from those applicable to other business segments. Geographic segments provide products and services within an economic environment exposed to risks and opportunities that differ from those applicable to other economic environments.

From January 1, 2006, OMX has been divided into three divisions – Nordic Marketplaces, Information Services & New Markets and Market Technology. Geographically, OMX is divided into four regions: Nordic Countries, Rest of Europe, North America and Asia/Australia. The geographic grouping corresponds to regions where the company's operations have relatively similar system solutions, rules and regulations and customer behavior. Comparative figures have been adjusted according to the new organization.

## Currency translation

#### FUNCTIONAL CURRENCY AND REPORTING CURRENCY

Items included in the financial statements of the various units within the Group are valued in the currency used in the economic environment in which each company mainly operates (functional currency). In the consolidated accounts, SEK is used, which is the Parent Company's functional and reporting currency.

#### TRANSACTIONS AND BALANCE SHEET ITEMS

Transactions in foreign currencies are translated into the functional currency according to the exchange rates applicable on the transaction date. Exchange-rate gains and losses arising through the payment of such transactions and on the translation of monetary assets and liabilities in foreign currencies at the exchange rate applicable on the closing date are reported in the income statement. The exception is where transactions represent hedges meeting the requirements for hedge accounting of cash flows or net investments where gains and losses are reported against shareholders' equity. Translation differences for non-monetary items, such as shares classed as financial assets available for sale, are entered in the reserves in shareholders' equity.

#### GROUP COMPANIES

The earnings and financial position of all Group companies (of which none uses a high-inflation currency), which use a functional currency other than the reporting currency, are translated into the Group's reporting currency in accordance with the following:

a) assets and liabilities for each balance sheet are translated at the closing date exchange rate,

b) revenues and expenses for each income statement are translated at the average exchange rate, and

c) all exchange-rate differences that arise are reported as a separate item in shareholders' equity.

In consolidation, exchange-rate differences arising as a consequence of the translation of net investments in foreign operations, borrowing and other currency instruments identified as hedges for such investments are allocated to shareholders' equity. In the divestment of foreign operations, such exchange-rate differences are reported in the income statement as part of the capital gain/loss. Goodwill and adjustments of fair value arising in the acquisition of foreign operations are treated as assets and liabilities associated with those operations and are translated at the closing date exchange rate.

## Tangible fixed assets

Tangible fixed assets are reported at their acquisition cost with deductions for depreciation and possible impairment. The acquisition cost includes expenses directly attributable to the acquisition of the asset. Depending on which alternative is suitable, additional expenses are added to the carrying amount of the asset or are reported as a separate asset only if it is probable that future financial advantages associated with the asset will benefit the Group and if the acquisition cost of the asset can be ascertained in a reliable manner. All other forms of repairs and maintenance shall be reported as costs in the income statement during the period in which they are incurred. Straight-line depreciation is conducted over three to ten years, which is estimated to be the asset's useful life. Assets' residual value and useful life are tested and adjusted as necessary. An asset's carrying amount is immediately written down to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount. On divestment, gains and losses are determined by comparing the sales proceeds and the carrying amount and are reported in the income statement.

## Intangible fixed assets

Intangible fixed assets are reported at their acquisition cost with deductions for amortization and possible impairment. The acquisition cost includes expenses directly attributable to the acquisition of the asset. Depending on which alternative is suitable, additional expenses are added to the carrying amount of the asset or are reported as a separate asset only if it is probable that future financial advantages associated with the asset will benefit the Group and if the acquisition cost of the asset can be ascertained in a reliable manner.

#### GOODWILL

Goodwill comprises the amount by which the acquisition cost exceeds the identifiable fair value of the Group's share of the net assets of the acquired subsidiary/associated company at the time of acquisition. Goodwill on the acquisition of subsidiaries is reported as an intangible asset. On the acquisition of associated companies, goodwill is included in the holding in the associated company. Goodwill is deemed to have an indeterminate useful life and is divided among cash-generating units at as detailed a level as possible and is tested annually to identify possible impairment. The Group's goodwill values are attributable mainly to the acquisitions of the Nordic exchanges within the Nordic Marketplaces division, where each legal company represents a cash-generating unit. The carrying amount is the acquisition cost less accumulated impairment. Gains or losses on the divestment of a unit include the remaining carrying amount of the goodwill attributable to the divested unit.

#### OTHER INTANGIBLE FIXED ASSETS

Other intangible fixed assets are amortized on a straight-line basis over an expected useful life of three to 20 years. All other intangible fixed assets are tested annually to identify possible impairment needs.

#### Capitalized expenditure for research and development

All expenditures for research are charged as an expense when they arise. Expenses relating to the development of new products are treated as intangible assets when they fulfill the following criteria: it is likely that the asset will provide future financial benefit to the Group (contribute a positive cash flow), the acquisition cost can be calculated in a reliable manner, the company intends to take the asset to completion, and that the company has the technical, financial and other resources to complete development, use or sell the asset. Important documentation for the verification of such capitalization includes business plans, budgets, outcomes and external evaluations. In certain cases, capitalization is based on the company's estimation of future outcome, such as prevail-

ing market conditions. The acquisition cost of an internally developed intangible asset is the total of those expenses incurred from the time when the intangible asset first fulfils the criteria set out by generally accepted accounting principles (see criteria above). Internally developed intangible assets are reported at acquisition cost with deductions for accumulated impairment losses and any write-downs. Revenue from in-house work carried out during the fiscal year on company assets that have been carried forward as fixed assets is reported in the income statement under the heading "Own work capitalized." The item relates only to capitalized personnel expenses. No reduction of personnel expenses has been made for work that relates to capitalized assets. Instead, these expenses have been met by the reported revenue. Own work capitalized has therefore no impact on income but does have a negative impact on the operating margin.

#### Customer contacts

Customer agreements that have been identified in conjunction with acquisitions have been valued on the basis of expected cash flow and reported as intangible assets. Reported customer agreements are entirely attributable to the acquisitions of the Copenhagen Stock Exchange (CSE) and Eignarhaldsfelagid Verdbrefathing hf (EV). Straight-line amortization is applied to these agreements over their estimated useful lives (20 years).

#### Brands and licenses

Brands and licenses are reported at their acquisition cost. Brands and licenses have indeterminable useful lives and are reported at acquisition cost less accumulated amortization. Straight-line amortization is applied to distribute the cost of brands and licenses over their estimated useful lives (five to 20 years).

#### Software

Acquired software licenses are capitalized on the basis of the costs arising when the software concerned is acquired and brought into use. These costs are amortized over the estimated useful life (three to five years). Costs for the development or maintenance of software are expensed as they arise. Costs closely associated with the production of identifiable and unique software controlled by the Group, which generates probable financial benefit for more than a year and exceeds the costs, are reported as intangible assets. Costs closely associated with the production of software include personnel costs for software development and a reasonable portion of attributable indirect costs. Development costs for software reported as assets are amortized over their estimated useful lives.

## Impairment

Assets with an indeterminable useful life are not depreciated/amortized but tested annually for impairment. Depreciated/amortized assets are assessed for a reduction in value whenever events or changes in conditions indicate that the carrying amount may not be recoverable. Impairment is recognized in the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less sale costs and its value in use. In assessing the need for impairment, assets are grouped at the lowest level at which separately identifiable cash flows exist (cash-generating units). On the closing date, a test is performed on other assets than financial assets and goodwill that have previously been depreciated/amortized to ascertain whether the asset should be reversed.

## Financial instruments

The Group classifies its financial instruments according to the following categories:

- financial assets stated at fair value in the income statement
- loan receivables and accounts receivable
- financial instruments held to maturity
- financial assets available for sale
- financial liabilities stated at fair value in the income statement
- financial liabilities carried at amortized cost.

The classification depends on the purpose for which the instruments were acquired. Management determines the classification of instruments on the first occasion on which they are reported and reassesses their classification on each report occasion.

A financial asset or liability is entered in the balance sheet when the company becomes a party to the contractual conditions of the instrument. Accounts receivable are recognized in the balance sheet once the invoice has been sent. Liabilities are recognized when the corresponding party has performed its undertaking and the company is liable for payment, even if the invoice has not yet been received. Accounts payable

are recognized when invoices are received.

A financial asset is derecognized in the balance sheet when the rights conveyed by the agreement are realized, when they mature or when the company loses control over them. The same applies to part of a financial asset. A financial liability is derecognized in the balance sheet when the obligations of the contract have been met or otherwise concluded. The same applies to part of a financial liability.

Acquisitions and disposals of financial assets are recognized on the date of the transaction, the date on which the Group undertakes to acquire or divest the assets, except in cases where the company acquires or divests listed securities, in which case settlement date accounting is applied.

Financial instruments are initially stated at fair value plus transaction costs, which applies to all financial assets that are not valued at fair value in the income statement.

#### Financial assets stated at fair value in the income statement

This category has two subordinate categories: financial assets held for trading and those initially categorized as stated at fair value in the income statement. A financial asset is classified in this category if it is primarily acquired with the purpose of being sold within a short period of time or if this classification is determined by management. Derivative instruments are also categorized as held for trading if not identified as hedges. Assets in this category are classified as current assets if held for trading or expected to be sold within 12 months from the closing date. Assets in this category are continuously reported at fair value and changes in value are reported in the income statement.

#### Loan receivables and accounts receivable

Loan receivables and accounts receivable are non-derivative financial assets with fixed or determinable payments that are not listed in an active market. They are characterized by the fact that they arise when the Group makes funds, goods or services available directly to a customer without intending to trade the resulting receivable. They are included among current assets with the exception of items maturing more than 12 months after the closing date, which are classified as fixed assets. Loan receivables and accounts receivable are included under the heading accounts receivable and other receivables in the balance sheet. Accounts receivable are reported at the amount expected to be received less deductions for doubtful receivables judged on an individual basis. Because accounts receivable are expected to have a short maturity period, values are reported at a nominal amount without discounting. Impairment losses on accounts receivable are reported among operating expenses. Loan receivables are stated at amortized cost applying the effective interest method.

#### Financial instruments held to maturity

Financial instruments that are held to maturity are non-derivative financial assets with fixed or determinable payments and with specified terms, which the Group's management intends and has the ability to hold until maturity. Assets in this category are stated at amortized cost applying the effective interest method.

#### Financial assets available for sale

Financial assets available for sale are non-derivative assets that are either attributable to this category or have not been classified in any of the other categories. They are included in fixed assets if management does not intend to divest the asset within 12 months after the balance sheet date. Assets in this category are continuously valued at fair value and the change in value is reported in shareholders' equity. Exchange-rate fluctuations in monetary securities are reported in the income statement while exchange-rate fluctuations in non-monetary securities are reported against shareholders' equity. When instruments classified as instruments available for sale are divested or when impairment losses are to be made on the instruments, accumulated adjustments in fair value are recognized in the income statement as gains and losses from financial instruments. Interest on securities available for sale that have been calculated by applying the effective interest method are reported in the income statement under other revenue. Dividends on equity instruments available for sale are reported in the income statement under other revenue when the Group's right to receive payment has been established.

#### Financial liabilities stated at fair value in the income statement

Financial liabilities valued at fair value in the income statement are derivatives with negative fair values unless identified as hedges.

#### Financial liabilities carried at amortized cost

Financial liabilities carried at amortized cost denotes financial liabilities other than those included in the category financial liabilities stated at fair value in the income statement.

Borrowing is included among other financial liabilities, initially at fair value, net after transaction costs. Borrowing is subsequently reported at accrued acquisition cost and any difference between the amount received (net) and the repayment amount is distributed over the term of the loan as interest expense applying the effective interest method.

## Cash equivalents

Cash equivalents include cash and bank balances and other short-term investments maturing within three months from the acquisition date and that can easily be converted into cash.

## Share capital

Transaction costs directly attributable to the issuing of new shares or options are reported net after tax in shareholders' equity as a deduction from the proceeds of the new share issue. In the event that a Group company acquires shares in the Parent Company (repurchase of treasury shares), the purchase price paid, including any directly attributable transaction costs (net after tax) reduces that part of shareholders' equity that relates to shareholders in the Parent Company until the shares have been canceled, reissued or divested. If these shares are subsequently sold or reissued, the amount received, net after directly attributable transaction costs and income tax effects, is reported in that portion of shareholders' equity that relates to shareholders in the Parent Company.

## Deferred tax

Current and deferred income tax for Swedish and foreign Group companies is reported under the heading Taxes in the income statement. The companies are liable to pay taxes according to applicable legislation in each country. National income tax for the Parent Company amounted to 28 percent and is calculated on nominally entered earnings with additions for non-deductible items, deductions for non-taxable revenues and other deductions, primarily untaxed dividends from subsidiaries. In the balance sheet, deferred tax liabilities and assets are calculated and reported on the basis of temporary differences between the carrying amounts and taxable values of assets and liabilities, as well as other tax-related deductions or deficits. Deferred tax assets are reported at a value considered true and fair and only when it is likely that it will be possible to realize the underlying loss carryforwards within the foreseeable future. The reported values are reviewed at each closing date. Deferred income tax is calculated by applying the tax rates and laws that have been decided or announced on the closing date and that are expected to apply when the deferred tax asset in question is realized or when the deferred tax liability is settled. The effects of changes in applicable tax rates are recognized in income in the period in which the change becomes law. See Note 11.

## Employee benefits

### PENSION COMMITMENTS

According to IAS 19, pension obligations are classified as defined-contribution plans or defined-benefit plans. The defined-contribution plans are mainly accounted for at the cost (premium/ contribution) incurred during the fiscal year for securing employee pension benefits. In these cases, there is no need to perform an actuarial evaluation of the pension plan from an insurance perspective and the Group's earnings are charged for expenses in pace with the benefits being earned. Defined-benefit plans must be established according to the present value of defined-benefit obligations and the fair value of any plan assets. In that case, the "Projected Unit Credit Method" is used to calculate obligations and costs, in which consideration is also given to future salary increases. OMX has only defined-contribution pension obligations and in the event that companies with defined-benefit plans are acquired, management will determine whether there is cause and opportunity to replace the defined-benefit plan with a defined-contribution plan.

### EMPLOYEE STOCK OPTION PROGRAM

OMX issued employee stock options during the years 2000, 2001 and 2002.

If the share price exceeds the redemption price when the options are redeemed, the employee is entitled to receive shares or compensation in cash for the difference between the share price and the redemption price. This is known as a "cash-settled plan." The options were allocated free of charge, and their fair value was reported as a liability as of January 1, 2004, when the transition to IFRS 2 took place. The valuation of the liability is affected by changes in the fair value of the options and by personnel turnover, and this is reported as changes in personnel costs in the income statement. When employees leave the company, the liability is reduced by the corresponding

amount of the employee's share. In order to limit the costs for the program (including social security contributions) in the event of a price increase, limit dilution and secure the provision of shares upon exercise of these options, an agreement was signed earlier with an external party to provide OMX shares at a fixed price (share swap). As described under "Financial instruments," above, the share swap will be stated at fair value on an ongoing basis. Changes in fair value are transferred to the income statement and reported as changes in personnel costs, and thus limit the effect of changes in the fair value of the employee stock options as described above. The financing costs for the share swap are reported as a financial expense. For OMX employees in countries where social security contributions are payable for share-based benefits, the social security contributions are expensed on an ongoing basis for the benefit of the employee. The benefit consists of the fair value of the options as described above.

### SHARE MATCH PROGRAM

A Share Match Program was introduced in 2006. The Share Match Program is a long-term program for approximately 30 senior executives and key individuals in OMX and runs over a period of three years.

The Share Match Program is a program regulated/settled on the basis of shareholders' equity. Payroll costs for the Share Match Program are reported during the vesting period for matching shares based on the fair value of the shares on allotment date. The fair value is based on the share price when the investment is made, adjusted to ensure that no dividend is paid prior to the matching and adjusted to the market conditions included in the program. This date is the date of the offering. Amounts corresponding to the costs for the Share Match Program are reported in the balance sheet as shareholders' equity. The vesting conditions affect the number of shares that OMX will match. We estimate the probability of achieving performance targets for shares under performance-based programs when personnel expenses are calculated for these shares. Costs are calculated based on the number of shares that is expected to be matched at the end of the vesting period. Non-market related conditions for vesting are considered in the assumptions regarding the number of options expected to be vested. When purchased and vested shares are matched, social security contributions shall be paid on the value of the employee benefit in certain countries. The employee benefit is generally based on the market value on matching date. Provisions for estimated social security contributions are established during the vesting period.

### COMPENSATION UPON TERMINATION OF EMPLOYMENT

Compensation is payable upon termination of employment when an employee is given notice of termination of employment before the normal pension time, or when an employee voluntarily resigns in exchange for such compensation. The Group reports severance pay when it is demonstrably obliged either to lay off employees irrevocably in accordance with a detailed formal plan, or to pay compensation upon termination of employment resulting from an offer made to encourage voluntary resignation.

### VARIABLE SALARY

The Group reports a liability and an expense for variable salary, based on a Group-wide program, "Short-term Incentive 2006," see Note 7. The Group reports a provision when there is a legal obligation to do so, or an informal obligation based on prior practice.

## Provisions

Provisions are reported in the balance sheet when the Group has an existing legal or informal obligation in this regard due to the occurrence of an event that can be expected to result in an outflow of financial benefits that can reasonably be estimated. Provisions for restructuring costs are reported when the Group has presented a detailed plan for implementing the measures, the plan has been communicated to the parties concerned, and a well-founded expectation has been created. See Note 25.

## Derivative instruments and hedging measures

Derivative instruments comprise, among others, futures, options and swaps that are used to cover the risk of exchange-rate fluctuations or exposure to interest-rate risks. Derivative instruments are first reported at fair value on the date on which the contract was signed and the fair value is subsequently reassessed on each reporting occasion. The method for reporting gains or losses depends on whether the derivative instrument is classified as a hedging instrument and in such a case the nature of the hedged item. In the Group, derivative instruments are classified as either hedging of fair value of reported assets or liability or of a binding commitment (hedging of fair value), hedging of forecasted transactions (cash-flow hedging) or as hedging of net investments in foreign operations.

Whenever hedging is entered into, the relationship between the hedging instrument and the hedged items, and the company's risk-management targets and strategy for hedging is documented in the Group. The Group also documents, whenever hedging is entered into, its assessment of whether the derivatives used in conjunction with hedging transactions are expected to be effective in achieving counteracting effects in fair value or the cash flow that are attributable to the hedged risk. The Group continuously documents the effectiveness of the hedging transactions.

#### **Hedging of fair value**

Changes in the fair value of derivative instruments classified as hedging of fair value are reported on the same line of the income statement as the change in value of the hedged item. Gains and losses pertaining to hedging are reported in the income statement on the same date as when gains and losses are reported for items that have been hedged. Since the entire change in value of the derivative instrument is reported directly in the income statement, any ineffective portion of the derivative instrument is recognized in the income statement. In the case that the conditions for hedge accounting are no longer fulfilled, the derivative instrument is reported at fair value including any change in value in the income statement in accordance with the principle described above.

#### **Cash-flow hedging**

Changes in value of cash-flow hedging are reported in shareholders' equity and re-entered in the income statement in line with the hedged cash flow impacting the income statement. Any ineffective portion of the change in value is reported directly in the income statement. If the forecasted cash flow forming the basis of the hedging transaction is no longer deemed to be probable, the accumulated result reported in shareholders' equity is transferred directly to the income statement.

#### **Hedging of foreign net investments**

Changes in value of exchange-rate differences attributable to derivative instruments intended to hedge net investments in foreign operations are reported in shareholders' equity. Any ineffective portion of gains or losses is reported directly in the income statement as a financial item. The accumulated result in shareholders' equity is re-entered in the income statement in the event that the foreign operations are divested.

#### **Derivatives to which hedge accounting is not applied**

If hedge accounting is not applied, increases or decreases in the value of the derivative are reported as income or expense in Operating profit/loss or in Net financial income/expense, depending on the purpose for which the derivative instrument is being used and whether its use relates to an operating item or a financial item. If hedge accounting is not applied when interest swaps are used, the interest coupon is reported as interest and any other value change of the interest swap is reported as other financial income or other financial expense.

## **Derivative positions at Nordic Marketplaces**

By virtue of their clearing operations in the derivatives markets, Nordic Marketplaces is formally the counterparty in all derivative positions traded via the exchanges. However, the derivatives are not used by the exchanges for the purpose of trading on their own behalf but should be seen as a way of documenting the counterparty guarantees given in clearing operations. The counterparty risks are measured using models that are agreed with the financial inspection authority of the country in question. The risk situation in regard to the risks involved in liquidating positions is unchanged compared with before. Collateral for liquidating outstanding derivative instruments is pledged in the same manner as before. According to IAS 39/IAS 32, the market value of the abovementioned derivative positions must be reported gross in the balance sheet after netting by customer where an offset possibility exists.

## **Calculation of fair value**

The fair value of financial instruments that are traded in an active market (such as market-listed derivative instruments, financial assets held for trading and financial assets available for sale) is based on quoted market prices on the closing date. The shares in Oslo Børs Holding ASA are listed on the Norwegian Securities Dealers Association's OTC list. The market for the share is characterized by a low number of settlements and high volatility. The value of the shareholding is based on the volume-weighted average of transactions in the most recent quarter.

The fair value of financial instruments that are not traded in an active market (such as OTC derivatives) is determined by applying generally accepted valuation techniques. The

Group uses a number of different methods and makes assumptions based on the market conditions that prevail on the closing date. Quoted market prices or quotes by brokers for similar instruments are used for long-term liabilities. Other techniques, such as calculation of discounted cash flows, are used to determine the fair value of the remaining financial instruments. The fair value of interest swaps is calculated as the present value of the estimated future cash flows. The fair value of currency futures is determined based on market prices for currency futures on the closing date. The par value of accounts receivable and accounts payable, less any perceived credits, is assumed to correspond to their fair value. The fair value of financial liabilities is calculated, for clarification in notes, by discounting the future contracted cash flow to the current market rate of interest available to the Group for similar financial instruments.

## **Collateral pledged to OMX's exchange operations**

Through their clearing operations, OMX's exchanges enter as the counterparty into each options and futures contract, thereby guaranteeing the fulfillment of each contract. Customers, who either through an option or futures contract, incur a financial obligation towards OMX's exchanges, must pledge collateral against this obligation in accordance with the specific rules regulating this area. Most of the collateral pledged comprises cash and securities issued by the Swedish State. For other collateral pledged, see Note 31.

## **Contingencies**

A contingency relates to a possible commitment arising from events that have occurred but where the actual commitment can only be confirmed by the occurrence of one or more uncertain future events that are not fully within the company's control, or a commitment that arises from events that have occurred but are not reported as liabilities or provisions due to the fact that it is unlikely that an outflow of resources will be required to regulate the commitment, or that the size of the commitment cannot be calculated with sufficient accuracy.

## **Revenue recognition**

The Group's reported net sales relate primarily to trading revenue and the sale of systems and services. Revenue is recognized in the income statement when the product or service has been delivered in accordance with the applicable terms and conditions for delivery and it is probable that future financial benefits will flow to the company and these benefits can be measured reliably. Interest income is recognized on a time proportion basis that is calculated on the basis of the yield on the underlying asset. Dividends are recognized in the income statement when the shareholders' right to receive payment is established. Income received in the form of assets (for example shares) is valued at fair value on the transaction date.

#### **NORDIC MARKETPLACES**

Revenues within this business area comprise, in addition to trading revenues, premium revenues for options written and payments for futures sold. Premium revenue and expenses as well as futures payments made and received are shown as net figures in the income statement. Consequently, current account assets and liabilities are reported according to the net accounting principle in the balance sheet where right of offset applies. Issuers' revenues are recognized on a continuous basis as services are rendered.

#### **INFORMATION SERVICES & NEW MARKETS**

Revenues within this business area comprise, in addition to trading revenues from Baltic Markets, information revenue, revenues from the central securities depositories in Tallinn and Riga and revenue from services in securities administration. These revenues are recognized on a continuous basis as services are rendered.

#### **MARKET TECHNOLOGY**

OMX applies the percentage-of-completion method to its technology sales, license and project revenues. In applying the percentage-of-completion method, income is recognized in line with the completion (development) of a project. An anticipated loss on a project is immediately treated as an expense. The fundamental premise of the percentage-of-completion method is that project revenue and expenditure can be accurately assessed and that the degree of development can be reliably established. At OMX, the degree of development is established through the relationship between the hours that have been worked by closing date and the estimated number of project hours in total. The occasional project arises for which an accurate assessment of project revenue and expenditure cannot be made when the year-end accounts are prepared. In these cases,



no profit is reported for the project. The percentage-of-completion method is applied as soon as possible. A present-value calculation has been performed for those project receivables that do not fall due within 12 months. Income from support and facility management services is recognized on a continuous basis as services are rendered and over the contract period.

## Internal sales

The main principle for transactions between companies within the Group is that the price is determined according to market price. Market price is the price an external customer is willing to pay or the price an external supplier would charge for providing the service. In cases where comparable market prices cannot be established, the price of the transaction is determined according to the cost-coverage method plus a margin. The cost-coverage method entails remuneration for direct costs as well as a reasonable portion of the indirect costs that the company has accumulated while providing the service. Any internal profit that arises as a result is eliminated within the Group. Common functions, such as premises-leasing expenses and office services, are invoiced between companies within the Group according to the cost-coverage method.

## Leasing

In the consolidated accounts, leasing is classified as financial or operational leasing. Financial leasing applies where the financial risks and benefits associated with ownership are, in all material aspects, transferred to the lessee. Where this is not the case, operational leasing applies. In the case of operational leasing, leasing fees are expensed over the period of the lease, which commences when usage starts. OMX only has operational leasing commitments.

## Dividends

Dividends to the Parent Company's shareholders are reported as a liability in the Group's financial statements in the period when the dividend is approved by the Parent Company's shareholders.

## Fixed assets held for sale and discontinued operations

When a decision has been made to discontinue an asset or cash-generating unit by selling it, the asset or unit in question is classified as being held for sale.

Assets classified as held for sale are reported separately in the balance sheet at the lower of carrying amount and fair value, with a deduction made for selling costs. Earnings of discontinued operations and operations in the process of being discontinued are reported in a separate column in the income statement.

Losses resulting from decreases in value when assets are classified for sale are included in the income statement.

## Cash-flow statement

The cash-flow statement was prepared in accordance with the indirect method. Financial investments with a duration in excess of three months are not included in cash equivalents. Accordingly, cash equivalents may fluctuate when there are changes in the duration of investments.

## Current trading account

The current trading account's assets and liabilities in OMX's exchange operations have been reported according to the net accounting principle within the respective clearing operations in cases where a right of offset exists.

## Clarification concerning future standards

When the consolidated financial statements were prepared as at December 31, 2006, the following standards and interpretations had been published but had not yet come into effect:

- IAS 1 Amendment – Capital Disclosures (January 1, 2007)\*
- IFRS 7 Financial Instruments: Disclosures (January 1, 2007)\*
- IFRS 8 Operating Segments (January 1, 2009)\*
- IFRIC 7 Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies (March 1, 2006)\*

- IFRIC 8 Scope of IFRS 2 (May 1, 2006)\*
- IFRIC 9 Reassessment of Embedded Derivatives (June 1, 2006)\*
- IFRIC 10 Interim Financial Reporting & Impairment (November 1, 2006)\*
- IFRIC 11 Group and Treasury Share Transactions (March 1, 2007)\*
- IFRIC 12 Service Concession Arrangements (January 1, 2008)\*.

\*Earlier application encouraged.

Of the above-listed standards and interpretations, IFRS 8, IFRIC 10, IFRIC 11 and IFRIC 12 had not been adopted by the EU at January 1, 2007. In the management's view, none of these new standards or changes to standards is expected to have any influence on the Group's earnings or financial position at present.

## Parent Company's accounting principles

The Parent Company has prepared its Annual Report in accordance with the Swedish Annual Accounts Act and the Swedish Financial Accounting Standards Council's recommendations RR 32 Accounting for legal entities. The effect of RR 32 is that the Parent Company shall, in the Annual Report for the legal entity, apply all of the IFRS standards and opinions approved by the EU, as far as this is possible within the framework of the Annual Accounts Act and in consideration of the connection between accounting and taxation. The recommendation states which exceptions and additions may be made in relation to IFRS. The differences between the Group's and the Parent Company's accounting principles are explained below.

### PARTICIPATIONS IN SUBSIDIARIES AND ASSOCIATED COMPANIES

Participations in subsidiaries are reported at acquisition cost after any impairment losses. Participations in associated companies are reported in the Parent Company in accordance with the cost method. Only dividends received are reported as income, provided they derive from profits earned after the acquisition. Dividends in excess of these earned profits are regarded as a repayment of the investment and reduce the reported value of the participation.

### DIVIDENDS

Dividend income is reported when the right to receive payment is deemed secure.

### GROUP CONTRIBUTIONS AND SHAREHOLDERS' CONTRIBUTIONS

The company reports Group contributions and shareholders' contributions in accordance with the opinion from the Swedish Financial Accounting Standards Council's Emerging Issues Task Force. Shareholders' contributions are transferred directly to the recipient's shareholders' equity and capitalized in shares and participations in the case of the donor, to the extent that an impairment loss is not required. Group contributions are reported in accordance with their economic reality. This means that a Group contribution provided with the aim of reducing the Group's total tax is reported directly as profit/loss brought forward after a deduction for its current tax effect.

A Group contribution that is equivalent to a dividend is reported as a dividend. This means that a received Group contribution and its current tax effect are reported in the income statement. The Group contribution provided and its current tax effect are reported directly in profit/loss brought forward.

A Group contribution that is equivalent to a shareholders' contribution is reported directly in the recipient's profit/loss brought forward, taking account of the current tax effect. The donor reports the Group contribution and its current tax effect as an investment in participations in Group companies, to the extent that an impairment loss is not required.

### TAXES

Untaxed reserves are reported at their full cost.

### SHARE-BASED PAYMENT

The Parent Company has set up options programs that also include personnel employed at other companies within the Group. Only the cost for employees of the Parent Company is charged against the Parent Company's income statement. The amount relating to the costs for personnel employed at subsidiaries is booked as shares in subsidiaries.

# Risk management

## RISK MANAGEMENT AT OMX

OMX's business operations place high demands on effective risk management which comprise a fundamental part of the Group's strategic and systematic efforts to achieve operational goals while minimizing potential disruptions. Units in OMX are directly or indirectly subject to special regulation and supervision. The conditions for an efficient process and controlled risk for the purpose of optimizing business value are created through a business adapted and integrated risk management model. There is particular focus at Group and business area levels to maintain high levels of capability in crisis management, business-related continuity and incident management, as well as business intelligence.

The aim of risk management is to increase value for our shareholders, customers, employees and other stakeholders by maintaining an adequate level of protection of the Group's prioritized assets. This is achieved by eliminating or minimizing risks and disruptions to our business operations that would otherwise generate financial losses or other undesired costs.

## OMX'S RISK MANAGEMENT ORGANIZATION

The following roles and responsibilities are included in OMX's risk management in order to ensure compliance with laws and regulations, governance, coordination and the development of methodology, as well as operational risk management activities:

- The Board of Directors is ultimately responsible for adequate and efficient risk management.
- The President is ultimately responsible for ensuring that risk management is applied in accordance with the Board's directions.
- The Group Risk Management & Control (GRMC) staff function has the task of governing and coordinating risk management with regard to organization, roles and responsibilities, framework including methodology, reporting and control. GRMC includes governance of Security, Risk Management, Insurance and Internal Control including coordination and support in the event of crises and major incidents.
- Management (at executive, business area and business support level) is responsible for identifying, assessing, managing and reporting the risks found within their respective areas of responsibility.
- Specialists in various security areas, such as operational and financial risk management and insurance, support management and others in the line organization with analyses and management of risks and incidents.
- All employees and contracted personnel are, to a certain extent, included in risk management in their roles and respective areas of responsibility.
- Internal Audit is responsible for the independent audit of risk management, regarding both observance of governance, control activities and reporting.

## OMX'S RISK MANAGEMENT PROCESS

OMX's risk management is an business-integrated process that covers both business and support units at various levels in the organization. The methodology applied is partially based on the international ERM-standard (Enterprise Risk Management standard) in accordance with COSO (the Committee of Sponsoring Organizations of the Treadway Commission) with additional methodology for the areas of Security, Insurance and Internal Control. The risk management process is integrated in the operations conducting business activities, such as strategic management and development work, and is directly linked to the company's business planning and follow-up.

Risk management is a standardized and continuous process which aims to identify, evaluate, manage, control and report significant risks to which OMX may be exposed. Risk management employs different forms of preventative measures and strategies, such as risk prevention, damage limitation and risk financing, in order to safeguard the Group's objectives and the majority of goals set at business area and operational levels.

OMX's risk management not only includes risks in the day-to-day business operations but also risks arising in conjunction with forward-looking strategic investments in order to optimize the company's business opportunities.

Risk management including control activities is decentralized to each business area and support function. As a result, all business areas, support functions and Group staff functions work with the management of financial, operational and strategic risks. Risks are divided into short-term and long-term risks.

The business areas and central support functions periodically report on risks to GRMC which presents consolidated risk reports to the Risk Steering Group. The CEO is the Chairman of the Risk Steering Group and periodically reports on risks in OMX to the OMX Board.

## RISK MANAGEMENT IN OMX'S BUSINESS AREAS

The Nordic Marketplaces business area and its units comprise operations that are subject to special regulation. Corresponding requirements apply to the Information Services & New Markets business area which comprises trading information, the Baltic exchange operations and central securities depositories. Finally, the Market Technology business area provides system solutions, systems operation and other services to exchanges, clearing organizations, central securities depositories and other types of authorized companies in the financial markets in a number of different countries. All business areas manage operational and strategic risks particularly those that fall under their respective areas of focus and responsibility.

### Nordic Marketplaces

Nordic Marketplaces primarily manages risks attributable to the clearing operations for derivatives instruments. These risks arise as a result of the clearing organization serving as the counterparty in those transactions that are subject to counterparty clearing in different markets, entailing issuing a guarantee for ensuring that a clearing contract will be fulfilled. The clearing operations' risks include counterparty risks, settlement risks and liquidity risks, of which the significant risk is that one or more clearing counterparties will fail to fulfill its commitments. One of the primary obligations of clearing counterparties is to pledge the requisite collateral as required by the applicable rules as protection against the counterparty risk assumed. In addition, netting is applied which facilitates risk management in the clearing operations by decreasing the value of the payments to be made, thereby reducing the need for liquidity facilities. Furthermore, netting implies that the counterparty risk is reduced to the net exposure of outstanding positions vis-à-vis respective counterparties.

### Market Technology

The special risks associated with the Market Technology business area are attributable mainly to the various phases in the provision of a service: the sales phase, the delivery and implementation phase and the production phase. The sales phase involves the risk of the absence of profitability and foreign exchange risk. Operational risks are managed in the other phases. Significant emphasis is also placed on managing IT security and continuity operations.

## FINANCIAL RISK MANAGEMENT IN 2006

OMX is exposed to various kinds of financial risks through its international operations.

## ORGANIZATION AND OPERATION

The Group's financial operations and financial risk management are centered around OMX's internal bank, OMX Treasury. The goal of OMX Treasury is, within given risk limitations, to manage the Group's financial risk exposure, to optimize net financial

income and generate value for business operations through financial services. Significant economies of scale, lower financial costs and better oversight and management of the Group's financial risks are achieved through centralized financial operations. Operations are conducted according to a Financial Policy, which forms the framework and specifies guidelines and limitations. The Financial Policy is determined by OMX AB's Board of Directors and revised continuously.

The Policy deals with the following risks:

- Currency risks (transaction and translation exposure)
- Interest-rate risks
- Financing risks
- Credit and counterparty risks.

#### Currency risks

A significant portion of the Group's sales are attributable to operations outside Sweden, which means that changes in currency exchange rates have an impact on the Group's income statement and balance sheet. Currency risk exposure occurs during the sale and purchase of foreign currencies (transaction exposure) and during the translation of foreign subsidiaries' balance sheets and income statements to SEK (translation exposure).

In accordance with the Group's Financial Policy, 100 percent of contracted flows and 0–100 percent of forecast flows up to 12 months shall be hedged. Deviations from the prescribed hedge levels can occur within specified guidelines. Hedging of transaction exposure is carried out through currency forwards and options or loans in foreign currencies. Currency forwards that hedge contracted flows fulfill the conditions for hedge accounting. These forwards have been defined as hedging of fair value and are reported in the income statement together with changes in fair value of the asset which gave rise to the hedged risk, see the Hedge relations table. The forward contracts that hedge forecasted flows fulfill the requirements for hedge accounting. These forward contracts have been defined as cash-flow hedging. Changes in fair value of these hedges are reported directly against shareholders' equity, while the portion of the hedge that is not effective is reported directly in the income statement.

Transaction exposure originating from financial cash flows is eliminated by the subsidiaries raising borrowings and making investments in local currency or by hedging these flows by using currency forwards. Translation exposure occurs in conjunction with the translation of OMX's foreign subsidiaries' balance sheets and income statements and in the recalculation of consolidated goodwill relating to foreign subsidiaries into SEK. In accordance with the Financial Policy, portions of the translation exposure are hedged in order to reduce the volatility of OMX's financial key ratios (see table: Translation exposure).

#### Interest-rate risks

The Group is exposed to interest-rate risks that can impact the Group's earnings due to changing market rates. Both the Group's interest-bearing assets, consisting primarily of regulatory capital for counterparty risks within the exchange and clearing operations, and interest-bearing liabilities are exposed to interest-rate risks. The speed with which a permanent change in interest rates can impact the Group's net financial income depends on the fixed-interest terms of investments and loans.

Fixed-interest terms for Group liabilities are short as stipulated in the Financial Policy. According to the Financial Policy, interest swaps and standardized interest futures are used to change the length of fixed-interest terms, thereby minimizing interest-rate risk.

According to OMX's Financial Policy, the average fixed-interest term for regulatory capital for exchange and clearing operations is a maximum of three years. As a rule, other surplus liquidity is placed in investments with short fixed-interest terms. At year-end, net financial debt amounted to SEK 847 m (net debt: SEK 572 m). Financial assets as per December 31, 2006 amounted to SEK 950 m (1,334) and the average effective rate of interest for these assets was 3.70 percent, while the fixed-interest term was approximately 1.2 years. Interest-bearing securities that are retained are booked at fair value. At year-end, interest-bearing financial liabilities amounted to SEK 1,797 m (1,906), of which SEK 1,350 m (1,400) are long-term (see table: Interest-bearing assets and liabilities, Group). During the year, the average fixed-interest term for liabilities varied between two and four months. As per December 31, the fixed-interest term for borrowings was three months and the effective rate was 3.33 percent. The interest-bearing financial liabilities are not booked at fair value since the liabilities are to be held until maturity. The exceptions are bonds which have been hedged by using fixed-income derivatives. These fixed-income derivatives are defined as

hedging of fair value and fulfill the requirements for hedge accounting. The fixed-income derivative agreements are reported in the income statement together with changes in fair value of the asset or liability that gave rise to the hedged risk, see the Hedge relations table.

In the event of a parallel shift in the Swedish and foreign yield curves upward by one percentage point, the Group's earnings would be negatively affected in an amount of SEK 23 m on an annualized basis, given the nominal amount and the fixed-interest terms prevailing on December 31, 2006.

#### Financing risks

Financing risk refers to the risk that costs will be higher and financing possibilities limited when a loan is to be refinanced, and that it will not be possible to fulfill payment obligations due to insufficient liquidity or difficulties in obtaining financing. The Financial Policy specifies that unutilized credit facilities of sufficient size must exist to guarantee access to adequate funds. Financing risk is also dealt with by endeavoring to find a suitable balance between short and long-term financing and a diversification between various forms of financing and markets. OMX's total granted credit facilities as per December 31, 2006 amounted to SEK 3,741 m (3,033), of which SEK 30 m (0) has been utilized (see table: Credit facilities).

Of OMX's credit facilities, SEK 2,100 m is a syndicated credit facility with a three-year term. One portion, SEK 1,500 m, is linked to the company's commercial paper program for the same amount and, if OMX is unable to issue the commercial papers, entitles the company to borrow capital in the amount of SEK 1,500 m. There is also a credit facility for approximately a year of SEK 1,200 m which is dedicated to liquidity requirements linked to the Stockholm Stock Exchange's clearing operations. Financial conditions linked to these credit facilities will be applied if OMX receives a credit rating from Standard & Poor's of BBB or below.

OMX's rating with Standard & Poor's remained unchanged during the year (with a long-term counterparty rating of "A with a stable outlook," a short-term counterparty rating of A-1, and a rating of K1 on the Nordic scale).

During the year, a two-year bond of SEK 300 m was repaid and an eight-year bond of SEK 250 m was issued. This has resulted in the expansion and diversification of the Group's total maturity structure of its liability portfolio. The average term of liabilities as per December 31, 2006 was 3.4 years (3.1). There are five bond loans totaling SEK 1,350 m (see table: Interest-bearing assets and liabilities, Group).

#### Credit and counterparty risks

The Group's financial transactions give rise to credit risks towards financial counterparties. Credit risk or counterparty risk refers to the risk of loss if the counterparty does not fulfill its obligations. There are credit risks when investing in cash equivalents. In accordance with the Financial Policy, in the interest of limiting risk exposure, only investments in highly creditworthy securities with high liquidity are permitted.

A majority of the Group's outstanding investments at year-end were in securities issued by the Swedish Government. The Group has no significant concentration of credit exposure to any other individual counterparty.

The derivative instruments that OMX uses involve a counterparty risk, that is, that the counterparty will not fulfill its portion of the agreement relating to futures or options. In order to limit counterparty risk, only counterparties with a high degree of creditworthiness according to the adopted Financial Policy are accepted. OMX also uses an ISDA agreement to minimize counterparty risk. The total counterparty risk related to financial transactions amounted to SEK 409 m as per December 31, 2006, including bank balances but excluding counterparty risk attributable to the Stockholm Stock Exchange's clearing operations (see below) and collateral funds invested in Swedish Government securities. The largest exposure to an individual institution amounted to SEK 97 m.

No single OMX customer was responsible for more than 20 percent of invoicing as of December 31, 2006. Counterparty risk arises by the Stockholm Stock Exchange providing clearing services and thereby acts as the central counterparty in all contracts subject to counterparty clearing. For the purpose of minimizing this counterparty risk, the Stockholm Stock Exchange requires that the counterparties pledge collateral to guarantee fulfillment of their commitments to the Stockholm Stock Exchange. Pledged collateral amounts to SEK 15,458 m (11,533) (see Note 30 Collateral received by OMX's exchange operations). None of the members of the Stockholm Stock Exchange accounted for more than 15 percent of the total exposure on December 31, 2006.

#### HEDGING OF EMPLOYEE STOCK OPTION PROGRAM

In order to limit costs for the programs if the share price were to increase, limit dilution and ensure that shares can be provided when options are exercised, an agreement

has previously been made with an external party regarding the provision of OMX shares, known as an equity swap. The agreement is valid until June 30, 2009 and corresponds to approximately 400,000 shares at an agreed price of SEK 126 per share. The equity swap agreement covers the portion of outstanding employee stock options that are currently deemed to be exercised. The amount of the equity swap will be continuously adjusted so that it corresponds to the number of employee stock options that are expected to be utilized.

OMX continuously pays interest compensation to the counterparty in exchange for the counterparty undertaking to provide the shares. Interest compensation in the agreement corresponds to the net amount of interest expenses on the underlying value of the shares when the agreement was signed and the dividend on the underlying shares (approximately 400,000). Interest expenses are based on a STIBOR of 90 days.

Changes in OMX's share price affect the value of the equity swap. These changes in fair value are reported in the income statement.

#### HEDGING OF SHARE MATCH PROGRAM

In order to limit expenses for the program in the event of an increase in the share price and to ensure that shares can be provided when shares are matched in the Share Match Program, OMX has signed an equity-swap agreement amounting to approximately 57,000 shares at a predetermined price of SEK 146 per share. The equity swap covers the portion of shares that are expected to be allotted at the end of the program and will be continuously adjusted so that it corresponds to the number of shares that are expected to be allotted. The share swap is reported as an equity instrument in accordance with IAS 32.

OMX has also signed an equity-swap agreement amounting to 18,000 shares at a predetermined price of SEK 123.50 in order to limit the expenses for the social security contributions arising in conjunction with the Share Match Program. Changes in the price of OMX's shares affect the value of the share swap. These changes in fair

value are reported in the income statement.

OMX continuously pays interest compensation to the counterparty in exchange for the counterparty undertaking to provide the shares. Interest compensation in the agreement corresponds to the net amount of interest expenses on the underlying value of the shares when the agreement was signed and the dividend on the underlying shares. Interest expenses are based on a STIBOR of 90 days.

Should the Annual General Meeting approve the Board's proposal regarding authorization to repurchase shares, OMX intends to replace the equity swap utilized for hedging the Share Match program with the purchase of own shares.

#### CALCULATION OF FAIR VALUE

The fair value of financial instruments that are traded in an active market is based on quoted market prices on the closing date.

The fair value of financial instruments that are not traded in an active market is determined by applying generally accepted valuation techniques. The Group uses a number of different methods and makes assumptions based on the market conditions that prevail on the closing date. Quoted market prices or quotes by brokers for similar instruments are used for long-term liabilities. Other techniques, such as calculation of discounted cash flows, are used to determine the fair value of the remaining financial instruments. The fair value of interest swaps is calculated as the present value of the estimated future cash flows. The fair value of currency forwards is determined based on market prices for currency forwards on the closing date.

The par value of accounts receivable and accounts payable, less any estimated credits, is assumed to correspond to their fair value. The fair value of financial liabilities is calculated by discounting the future contracted cash flow to the current market rate of interest available to the Group for similar financial instruments.

## Currency exposure

#### TRANSACTION EXPOSURE

The table shows the Group's commercial future net flows and net exposure as at December 31, 2006. A sensitivity analysis shows the effect on earnings of a +/- 5 percent change in the value of the SEK.

Currency	Net flow in each base currency (m)	Future net flow December 31, 2006 (SEK m)	Net exposure after hedging (SEK m)	Sensitivity base (SEK m)
AUD/SEK	7.5	40.6	-48.6	-2.4
EUR/SEK	21.7	195.8	0.0	0.0
GBP/SEK	1.1	15.2	-2.3	-0.1
NOK/SEK	121.6	133.5	3.4	-0.2
SGD/SEK	4.9	22.0	0.0	0.0
USD/SEK	27.2	187.0	-24.8	-1.2
<b>TOTAL</b>		<b>594.1</b>	<b>-72.3</b>	<b>-3.9</b>

#### HEDGING OF TRANSACTION EXPOSURE

The table shows a summary of outstanding futures as per December 31, 2006 pertaining to all hedges for commercial flows and transaction exposure. The purpose of the hedges is to safeguard the value of contracted future flows and to increase forecastability. In accordance with the Group's Financial Policy, 100 percent of the contracted flows and 0–100 percent of estimated flows of up to 12 months shall be hedged. Deviations from the prescribed degree of hedging are permitted within the established guidelines. Currency hedging is undertaken in the market through currency futures, option contracts or loans in foreign currencies.

Currency	Hedged in each base currency (m)	Nominal value at year-end rate (SEK m)	Nominal value at forward rate (SEK m)	Unrealized forward result (SEK m)	Average forward rate <sup>1)</sup>	Date of maturity
AUD/SEK	-16.5	-89.2	-89.5	0.3	5.4350	<12 months
EUR/SEK	-21.7	-195.9	-199.5	3.6	9.2080	<12 months
GBP/SEK	-1.3	-17.5	-17.5	0.0	13.4252	<12 months
NOK/SEK	-118.6	-130.1	-130.4	0.3	1.0997	<12 months
SGD/SEK	-4.9	-22.0	-22.3	0.3	4.5415	<12 months
USD/SEK	-30.8	-211.7	-218.5	6.8	7.0843	<12 months
<b>TOTAL</b>		<b>-666.4</b>	<b>-677.7</b>	<b>11.3</b>		

<sup>1)</sup> The average forward rate is based on the spot rate in the forward contracts entered into. Thus, the forward premium is excluded.



## TRANSLATION EXPOSURE – NET INVESTMENTS IN FOREIGN SUBSIDIARIES

The table shows foreign subsidiaries' net assets in foreign operations and goodwill denominated in foreign currencies. Translation exposure is hedged in order to reduce the volatility in OMX's key ratios. A sensitivity analysis shows the effect on results in the event of a +/- 5-percent change in the value of SEK.

Currency	Equity (SEK m)	Goodwill (SEK m)	Hedging of net investment (SEK m)	Total (SEK m)	Sensitivity (SEK m)
AUD	14.5	0.0	0.0	14.5	0.7
CAD	2.0	0.0	0.0	2.0	0.1
DKK	788.1	1,126.5	0.0	1,914.6	95.7
EUR	1,746.5	1,304.2	-1,446.5	1,604.3	80.2
EEK	27.8	2.2	0.0	30.0	1.5
GBP	-204.5	0.0	0.0	-204.5	10.2
HKD	-2.2	0.0	0.0	-2.2	0.1
ISK	35.6	280.3	0.0	315.9	15.8
LTL	-0.8	11.1	0.0	10.3	0.5
LVL	9.4	1.0	0.0	10.4	0.5
NOK	43.4	20.7	0.0	64.1	3.2
SGD	4.3	0.0	0.0	4.3	0.2
USD	-129.3	8.9	0.0	-120.4	6.0
<b>Total</b>	<b>2,334.8</b>	<b>2,754.9</b>	<b>-1,446.5</b>	<b>3,643.3</b>	<b>214.7</b>

## HEDGING RELATIONS

The table summarizes the hedging relations reported by the Group for which hedge accounting are applied. The type of hedging entered into is specified in the table. All currency hedges expire within 12 months. The hedging relation for interest swaps expires in December 2008.

Hedging instrument	Type of hedging	Hedged item	Currency	Hedged amount in base currency (m)	Nominal value at year-end rate, (SEK m)	Nominal value at forward rate, (SEK m)	Unrealized forward rate, (SEK m)	Average forward rate <sup>1)</sup>
Currency future	Fair value hedge	Contracted currency flows	AUD/SEK	-43.4	-234.8	-235.7	0.9	5.44
Currency future	Cash-flow hedge	Forecast currency flows	AUD/SEK	26.9	145.6	146.2	-0.6	5.44
Currency future	Fair value hedge	Contracted currency flows	EUR/SEK	-21.7	-195.9	-199.5	3.6	9.21
Currency future	Hedge of net investment	Shareholders' equity in subsidiary	EUR/SEK	-160.0	-1,446.5	-1,446.4	-0.1	9.04
Currency future	Fair value hedge	Contracted currency flows	GBP/SEK	-2.0	-27.2	-27.1	-0.1	13.42
Currency future	Cash-flow hedge	Forecast currency flows	GBP/SEK	0.7	9.7	9.7	0.0	13.42
Currency future	Fair value hedge	Contracted currency flows	NOK/SEK	-57.8	-63.4	-63.6	0.1	1.10
Currency future	Cash-flow hedge	Forecast currency flows	NOK/SEK	-60.8	-66.7	-66.8	0.2	1.10
Currency future	Fair value hedge	Contracted currency flows	SGD/SEK	-4.9	-22.0	-22.3	0.3	4.54
Currency future	Fair value hedge	Contracted currency flows	USD/SEK	-45.2	-310.6	-320.4	9.8	7.08
Currency future	Cash-flow hedge	Forecast currency flows	USD/SEK	14.4	98.8	101.9	-3.0	7.08
Ränteswap	Fair value hedge	Issued bonds	SEK	200.0	200.0	N/A	2.7	N/A

1) The average forward rate is based on the spot rate in the forward contracts entered into. Thus, the forward premium is excluded.

## HEDGING OF FINANCIAL LOANS AND ASSETS

The table shows a summary of the Group's currency futures for hedging of financial assets and loans as at December 31, 2006.

Currency	Hedged in each base currency (m)	Nominal value at year-end rate (SEK m)	Nominal value at forward rate (SEK m)	Unrealized forward result (SEK m)	Average forward rate <sup>1)</sup>	Date of maturity
AUD/SEK	21.2	114.8	115.2	-0.3	5.43	< 12 months
CAD/SEK	-0.8	-4.6	-4.6	0.0	5.96	< 12 months
DKK/SEK	385.7	467.6	467.7	-0.1	1.21	< 12 months
EUR/SEK	54.0	487.7	487.6	0.1	9.04	< 12 months
GBP/SEK	-12.6	-169.4	-168.4	-1.1	13.38	< 12 months
HKD/SEK	-4.0	-3.5	-3.5	0.0	0.88	< 12 months
NOK/SEK	4.9	5.4	5.6	-0.2	1.13	< 12 months
SGD/SEK	0.9	3.8	3.8	0.0	4.47	< 12 months
THB/SEK	-8.0	-1.5	-1.5	0.0	0.19	< 12 months
USD/SEK	7.5	51.5	51.1	0.4	6.82	< 12 months
<b>Total</b>		<b>951.8</b>	<b>953.0</b>	<b>-1.2</b>		

1) The average forward rate is based on the spot rate in the forward contracts entered into. Thus, the forward premium is excluded.

## Interest-bearing assets and liabilities, Group

The table shows interest-bearing assets and liabilities as per December 31, 2006 and shows average remaining terms, fixed-interest terms and average interest.

	Outstanding amount	Remaining term, months	Remaining fixed-interest term, months	Average interest rate, %
<b>Assets</b>				
Current assets	182	<12	<12	3.93
Long-term assets	21	>12	<12	4.40
Regulatory capital	747	>12	>12	3.63
<b>TOTAL ASSETS</b>	<b>950</b>			<b>3.70</b>
<b>Liabilities</b>				
Commercial paper	398	1	1	3.00
Bond loans				
OMX PP March 2008	300	15	2	3.29
OMX PP December 2008 <sup>1)</sup>	200	24	3	4.00
OMX PP December 2009	200	36	3	3.45
OMX PP May 2013	400	77	4	3.51
OMX PP Nov 2014	250	96	5	3.65
<i>Bond loans, total</i>	<i>1,350</i>	<i>53</i>	<i>3.5</i>	<i>3.55</i>
Bank loans	39	0	0	
Other	10	0	0	
<b>TOTAL LIABILITIES</b>	<b>1,797</b>	<b>40</b>	<b>3.0</b>	<b>3.33</b>

1) The issued bond has been swapped from a fixed to a variable interest rate. The swapped interest rate is applied when calculating the average interest rate.

## Credit facilities

The table shows the Group's total credit facilities and those that had been utilized as at December 31, 2006.

(SEK m)	Contracted facilities	Utilized facilities
Syndicated bank loan/commercial paper program	1,500 <sup>1)</sup>	0
Syndicated bank loan	600	0
Overdraft facility	171	4
Credit facility	135	0
Contracted facilities for exchange and clearing operations		
Sweden (SEK)	1,200	0
Norway (NOK)	44	0
Denmark (DKK)	24	0
UK (GBP)	67	26
<b>Total</b>	<b>3,741</b>	<b>30</b>

1) Since the credit facility is linked to the commercial paper program and is to function as a credit facility if OMX is unable to issue a commercial paper program, the unutilized credit facility shall be reduced by the outstanding commercial paper. The outstanding commercial paper as per December 31, 2006 amounted to SEK 400 m, implying that OMX can utilize only SEK 1,100 m of the current credit facility.

# Notes to the financial statements

Amounts are in SEK millions (SEK m) unless otherwise stated. Amounts in parentheses indicate values for 2005. "OMX" refers to the OMX Group, that is OMX AB and its subsidiaries.

## Note 1. Application of assessments

In order to prepare the accounting in accordance with generally accepted accounting principles, company management and the Board of Directors are required to make assessments and assumptions that affect asset and liability items, income and expense items, and other information reported in the accounts, for example contingent liabilities. These assessments are based on historical experience and the various assumptions that management and the Board deem to be reasonable under the prevailing circumstances. Consequently, such conclusions form the basis of decisions concerning reported values of assets and liabilities in the case that it is not possible to determine such values based on information from other sources. Actual outcomes may differ from these assessments if different assumptions are made or if different circumstances prevail. The areas of revenue recognition and doubtful receivables, the valuation of goodwill and capitalized development projects, taxes, provisions for expenses for premises and other restructuring measures, legal disputes and contingent liabilities in particular may entail a significant impact on OMX's results and financial position (see the respective following Notes for further information).

## Note 2. Classification of revenue

The classification of revenue is based on a number of assessments and assumptions concerning revenue recognition in delivery projects in the Technology operations. These are reported as "License, support and project revenue" below. The uncertainty inherent in these assessments primarily refers to the forecast time of completion.

### REVENUE PER SIGNIFICANT TYPE OF REVENUE (SEK m)

	2006	2005
<b>Net sales:</b>		
Trading revenue	1,291	1,108
Issuers' revenue	343	309
Information revenue	443	367
Revenue from Baltic Markets	68	63
Revenue from Broker Services	78	69
License, support and project revenue	814	854
Facility Management Services	384	319
Other revenue	189	47
<b>Total</b>	<b>3,610</b>	<b>3,136</b>

### OTHER REVENUES

Group	2006	2005
Capital gains, sale of NOS ASA	22	-
Capital gains, sale of VPC AB	83	-
<b>Total</b>	<b>105</b>	<b>-</b>

Parent Company	2006	2005
Capital gains, sale of Stockholm Stock Exchange	-	2,155
Capital gains, sale of NOS ASA	22	-
<b>Total</b>	<b>22</b>	<b>2,155</b>

### CURRENCY EFFECTS

The Group's total revenue includes exchange-rate differences totaling negative SEK 7 m (positive: 17). Exchange-rate differences also had an effect on operating expenses of SEK 0 m (0).

### PARENT COMPANY INTERNAL SALES

OMX AB's internal sales to other companies within the Group amounted to SEK 94 m (108). During the year, the Parent Company made purchases from other companies in the Group in an amount of SEK 40 m (13).

## Note 3. Business areas and geographic segments

Internal reporting and follow-up within OMX is organized based on the business areas Nordic Marketplaces, Information Services & New Markets and Market Technology.

These business areas make up OMX's primary reporting segments while the geographic divisions make up the secondary reporting segment. OMX is divided into four geographic regions: Nordic countries, Rest of Europe, North America and Asia/Australia. This geographic division is based on the areas in which the Group's operations have relatively similar systems solutions, frameworks of regulations and customer behavior.

### REVENUE AND EARNINGS BY DIVISION (SEK m)

	2006	2005
<b>Revenue</b>		
Nordic Marketplaces	1,778	1,510
Information Services & New Markets	625	512
Market Technology	1,300	1,155
Operations being discontinued	289	241
Group eliminations	-382	-282
<b>TOTAL GROUP</b>	<b>3,610</b>	<b>3,136</b>
<b>Operating income</b>		
Nordic Marketplaces <sup>1)</sup>	940	689
Information Services & New Markets <sup>1)</sup>	251	196
Market Technology <sup>1)</sup>	93	61
Operations being discontinued	-73	-37
Result from participations in associated companies attributable to the Parent Company and other functions	-	1
<b>TOTAL GROUP</b>	<b>1,211</b>	<b>910</b>

1) Including distribution of income for the Parent Company and other functions by SEK 15 m (loss: 117).

## ASSETS AND LIABILITIES PER BUSINESS AREA

(SEK m)	2006		2005	
	Assets	Liabilities	Assets	Liabilities
Nordic Marketplaces	8,439	5,099	6,310	2,723
Information Services & New Markets	336	72	246	135
Market Technology	2,655	1,128	2,000	907
Operations being discontinued	151	-	118	-
Unallocated items	947	1,615	1,938	2,098
<b>TOTAL GROUP</b>	<b>12,528</b>	<b>7,914</b>	<b>10,612</b>	<b>5,863</b>

Items per business area are tangible assets, intangible assets, external operating receivables, external operating liabilities and goodwill. Other items are not allocated in the Group and are reported as unallocated items. Unallocated items also include all eliminations of internal business dealings between the various business areas and all interest-bearing liabilities. Assets and liabilities that could be affected by the business areas are allocated in accordance with OMX's business control model, which does not support a full distribution of balance-sheet items.

## INVESTMENTS, DEPRECIATION AND IMPAIRMENT PER BUSINESS AREA

(SEK m)	2006		2005	
	Invest.	Deprec./ impairment	Invest.	Deprec./ impairment
Nordic Marketplaces	294	-70	1,389	-83
Information Services & New Markets	19	-22	12	-21
Market Technology	529	-132	318	-122
<b>TOTAL GROUP</b>	<b>842</b>	<b>-224</b>	<b>1,719</b>	<b>-226</b>

Investments refer to acquisitions of tangible and intangible fixed assets. For further information on acquisitions, depreciation and impairment, see Notes 13 and 14.

## INFORMATION REGARDING SECONDARY SEGMENTS (GEOGRAPHIC AREAS)

### EXTERNAL REVENUE PER GEOGRAPHIC AREA<sup>1)</sup>

(SEK m)	2006	2005
Nordic countries	2,134	2,005
Rest of Europe	990	642
North America	146	186
Asia/Australia	340	303
<b>TOTAL GROUP</b>	<b>3,610</b>	<b>3,136</b>

1) Based on the location of customers.

## ASSETS AND INVESTMENTS PER GEOGRAPHIC AREA

(SEK m)	2006		2005	
	Assets	Invest.	Assets	Invest.
Nordic countries	5,581	788	3,620	1,673
Rest of Europe	1,269	45	1,128	43
North America	103	5	152	0
Asia/Australia	26	4	22	3
Group eliminations and unallocated items <sup>1)</sup>	5,549	-	5,690	-
<b>TOTAL GROUP</b>	<b>12,528</b>	<b>842</b>	<b>10,612</b>	<b>1,719</b>

1) Group eliminations and unallocated items include goodwill in the amount of SEK 2,967 m (2,944).

Investments refer to acquisitions of tangible and intangible fixed assets. The Parent Company is located in the Nordic countries and has no revenues, assets or investments in any other geographic areas.

## Note 4. 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. During 2006, the continuing operations not yet divested were 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 the UK operations in securities administration services.

After the end of the reporting period, OMX signed an agreement with HCL Technologies, the global IT services provider, regarding an extended partnership, which means that OMX no longer has any discontinuing operations in the Nordic region. The partnership means that HCL Technologies will assume the responsibility for the development of systems for securities management targeting banks and brokers and that the remaining part of the Nordic operations, will be moved to the Information Services & New Markets business area, and will be included in the Broker Services unit. A number of employees' work tasks will be within the Market Technology business area to replace consultants and minimize new recruitments. The business that is to be moved had sales of SEK 160 m and costs of SEK 195 m in 2006. The unit is expected to achieve a profit during 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 Banks & Brokers business area. 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 discontinuing operations. Discussions are currently in progress with potential partners.

Due to the decision to divest the operations within the Banks & Brokers business unit, these operations are reported as discontinuing operations, although the divestment has not yet been completed.

### Assets classified as holdings held for sale

(SEK m)	2006	2005
<b>Group</b>		
Intangible assets	142	110
Tangible fixed assets	9	8
<b>Total fixed assets held for sale</b>	<b>151</b>	<b>118</b>

## Note 5. Acquired operations

### COMPUTERSHARE

On January 31, 2006, OMX signed a contract with Computershare Ltd regarding the acquisition of Computershare's Market Technology operations in the amount of SEK 249 m. Payment will be paid in cash over a period of five years. The acquisition price has been discounted to present value. Acquisition costs amounted to SEK 5 m. The acquired operations are consolidated within OMX effective February 1, 2006.

(SEK m)	Fair value	Book value
Acquired net assets	69	75
Goodwill	180	

### ACQUISITION PRICE

249

The acquired net assets comprise marketplace systems. Goodwill is attributable to the revenue and cost synergies that arose in conjunction with the integration with Market Technology. It is not possible in practical terms to provide disclosure regarding Computershare's revenues and net income during the period since the operations have been fully consolidated with Market Technology's operations since February 1.

### EIGNARHALDSFELAGID VERDBREFATHING

On November 30, 2006, OMX acquired 100 percent of Eignarhaldsfelagid Verdbrefathing (EV) for a total amount of SEK 314 m, of which SEK 41 m was paid in cash and SEK 256 m was paid by 2,067,560 newly issued shares. The acquisition cost totaled SEK 17 m.

EV is consolidated into OMX's income statement and balance sheet from December 1, 2006. The price of the new shares issued by OMX, which were utilized in the acquisition of EV, was SEK 123.75 on November 30.



## ACQUIRED ASSETS AND LIABILITIES

(SEK m)	Fair value	Book value
Fixed assets	149	9
Current assets	19	19
Cash and bank balances	33	33
Current liabilities	-22	-22
<b>ACQUIRED NET ASSETS</b>	<b>179</b>	<b>39</b>
<b>Goodwill</b>	<b>135</b>	
<b>ACQUISITION PRICE</b>	<b>314</b>	

The difference between fair value and the carrying amount of fixed assets is primarily attributable to the valuation of acquired contracts.

Goodwill is attributable to the high level of profitability in the company and expected revenue synergies arising from 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, less 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.

During the year, EV contributed SEK 11 m to the Group's revenue and SEK 5 m to net profit. EV's revenue for the full-year 2006 amounts to SEK 102 m and net profit to SEK 26 m.

## Note 6. Auditors' fees

The following remuneration was paid to auditors and accounting firms for auditing and audit-related services required by law as well as for advice and other assistance arising from observations made during the course of the auditing process.

Remuneration was also paid for additional independent advice, mostly pertaining to audit-related consultations on accounting and taxation issues.

### REMUNERATION TO THE GROUP'S AUDITORS

(SEK 000s)	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
<b>PricewaterhouseCoopers</b>				
Auditing assignments	10,729	9,022	4,069	3,050
Other assignments <sup>1)</sup>	2,337	11,548	552	7,713
<b>Ernst &amp; Young</b>				
Auditing assignments	488	713	300	282
Other assignments <sup>2)</sup>	918	3,452	445	2,381
<b>KPMG</b>				
Auditing assignments	335	422	-	-
Other assignments	378	730	-	-
<b>BDO Feinstein</b>				
Auditing assignments	36	118	-	-
Other assignments	-	21	-	-
<b>Other auditors</b>				
Auditing assignments	780	315	-	-
Other assignments	310	1,605	-	-
<b>TOTAL</b>	<b>16,311</b>	<b>27,946</b>	<b>5,366</b>	<b>13,426</b>

1) For 2006, other assignments refer primarily to tax consultations. For 2005, includes SEK 1,334,000 related to IFRS and costs in connection with the acquisition of CSE and Computershare of SEK 4,612,000. Otherwise, other assignments in 2005 pertain primarily to tax consultation.

2) For 2006, other assignments refer primarily to tax consultations and IT reviews. For 2005, other assignments refer mainly to IFRS, tax consultation and IT studies.

## Note 7. Personnel

### PERSONNEL EXPENSES AND BENEFITS PAID TO SENIOR EXECUTIVES

The reporting of senior executive benefits has been carried out in accordance with the recommendations of the Swedish Industry and Commerce Stock Exchange Committee (NBK).

### SENIOR MANAGEMENT

NBK divides senior management into two categories: "top management" and "other senior management." Top management comprises: the Chairman of the Board, any Board members receiving remuneration in addition to Board fees and the President and Chief Executive Officer (CEO). Other senior management normally relates to members of the executive management team.

Top management at OMX is defined as:

- Olof Stenhammar (Chairman of the Board)
- Magnus Böcker (CEO of OMX and President of OMX AB).

Other senior management at OMX is defined as the Group's Executive Management Team and comprises the following five individuals:

- Jukka Ruuska (President of Nordic Marketplaces)
- Hans-Ole Jochumsen (President of Information Services and New Markets)
- Markus Gerdien (President of Market Technology)
- Kristina Schauman (Chief Financial Officer)
- Bo Svefors (Senior Vice President Marketing & Communications).

The Secretary to the Executive Management Team was OMX's General Counsel Magnus Billing.

### OMX'S REMUNERATION COMMITTEE

The Remuneration Committee is appointed on an annual basis by the Board of Directors. The Remuneration Committee's task is to prepare remuneration matters for Board decisions on issues relating to the salary and remuneration paid to the President and CEO, and to approve salaries and other remuneration to Executive Management Team which is subsequently reported to the Board. The Committee also approves the targets for the Executive Management Team established by the President. In addition, the Remuneration Committee's task is to propose remuneration for the Board members in the subsidiaries within the OMX Group that have external Board members, and to make recommendations regarding remuneration principles, benefits and other types of remuneration for OMX employees. The Board appointed the following people as members of the Remuneration Committee: Olof Stenhammar (Chairman), Adine Grate Axén and Bengt Halse. The Committee's secretary until April 2006 was Ulrika Wahllöf, acting Head of Human Resources. The Committee's secretary during the remainder of the year was Pernilla Gladh, Senior Vice President of Corporate Functions & Human Resources. During 2006, the Remuneration Committee held a total of seven meetings at which minutes were taken. Among other matters during the year, the Committee had a particular focus on the following issues: programs for variable salaries 2006 and 2007 (Short Term Incentive), the Share Match Program 2006 and 2007 for senior executives (Long Term Incentive Scheme), remuneration to the President and proposals for principles for remuneration and other conditions of employment for the Executive Management Team.

### OMX'S REMUNERATION POLICY

The aim of OMX's remuneration policy is to offer market-based remuneration that is competitive and that promotes a situation whereby qualified expertise can be recruited to and retained within OMX.

The fundamental principles are:

- To work towards a consensus between employees and shareholders regarding the long-term perspective of operations.
- To ensure that employees within OMX's different organizations receive remuneration that reflects market conditions and is competitive.
- To offer a salary scale based on results achieved, work duties, skills, experience and position held, which also means adopting a neutral stance in relation to gender, ethnic background, disability, sexual orientation, etc.

## REMUNERATION STRUCTURE 2006

OMX's employee remuneration comprises the following parts:

- Fixed salary
- Variable salary
  - Short Term Incentive Program
  - Long Term Incentive Scheme (OMX Share Match Program 2006 and 2007)
- Pension
- Severance pay and other benefits.

At the discretion of the Board of Directors, decisions can be made to revise or terminate an existing program related to the remuneration structure.

### FIXED SALARY

Every OMX employee has an annual salary review, with the exception of the members of the Executive Management Team, for whom a review takes place every second year and the President, for whom a review takes place every third year. The review considers employee performance, salary levels in the market and any changes to responsibilities as well as the company's development and local rules and agreements.

### VARIABLE SALARY

#### Short Term Incentive Program

OMX has had a Group-wide program for variable salary called OMX Short Term Incentive Program since 2004. The program consists of quantitative (financial) and qualitative (individual) goals. The prerequisite for achieving the quantitative goal is that OMX attained its established targets. The maximum dividend of the quantitative portion occurs at 130-percent fulfillment of the company's goals. The qualitative goals are individual and are determined by an employee's immediate superior during the first quarter of the year. The immediate superior also evaluates whether these goals have been achieved one year later.

#### Short Term Incentive 2006

The program for variable salary, Short Term Incentive 2006, comprised approximately 150 managers and key employees. The total maximum variable portion that can be paid out for 2006 is SEK 35 m, excluding social security contributions. The program comprised quantitative and qualitative targets, of which 60 percent were quantitative and 40 percent were qualitative. The quantitative goal for 2006 was connected to achievement of the budgeted operating income for OMX. Of the maximum SEK 21 m representing the quantitative portion, SEK 11.5 m will be paid out. The estimated payment for the qualitative portion is calculated at 75 percent of the maximum of SEK 14 m, excluding social security contributions for 2006.

#### Short Term Incentive 2007

Variable salary 2007 follows the same structure for 2006. The program comprises quantitative and qualitative targets, of which 60 percent are quantitative and 40 percent are qualitative. The quantitative goal for 2007 is also connected to achievement of the budgeted operating income for OMX. OMX Short Term Incentive 2007 has been expanded to encompass 200 managers and key employees, compared with 150 employees in 2006. The total maximum variable portion that can be paid out for 2007 is SEK 43 m, excluding social security contributions. The prerequisites for the payment of bonuses follow the same guidelines as for 2005 and 2006.

The maximum bonus to senior executives for variable salary for 2004–2007 is 50 percent of fixed salary. The quantitative goals are linked to OMX's return on capital employed and budgeted operating profit.

#### Long Term Incentive Scheme

##### OMX Share Match Program 2006

OMX's Annual General Meeting in April 2006 approved the OMX Share Match Program 2006. The program for 2006 was directed to 30 senior executives and key individuals in OMX. Participants in the program are required to invest in OMX shares at a maximum of 7.5 percent of their fixed salary on an annual basis before tax or the maximum amount earned under the Short Term Incentive program in 2005 after tax. Under the prerequisite that employment is not terminated, the participants in the program will receive up to five OMX shares, known as matching shares, in 2009, for each invested OMX share, if the following conditions have been fulfilled:

- (i) The average percentage increase in earnings per share between January 1, 2006 and December 31, 2008 is equal to or exceeds twenty five (25) percent, and
- (ii) the total annual return to shareholders is equal to or exceeds an index determined by the Board, plus 10 percentage points.

No matching shares will be issued if the average annual percentage increase in earnings per share falls below two percent per year or if the total annual return to shareholders has not improved on the comparative index.

##### OMX Share Match Program 2007

Under the condition that the Annual General Meeting to be held in April 2007 approves the proposal, the OMX Board decided on January 31, 2007 to implement OMX Share Match Program 2007. The program for 2007 is targeted at 95 senior executives and key individuals in OMX. Participants in the program are required to invest in OMX shares at a maximum of 7.5 percent of their fixed salary on an annual basis before tax or the maximum amount earned under the Short Term Incentive program in 2006 after tax. Approximately 30 of the 95 participants may invest in OMX shares at a maximum of 15 percent of their fixed salary on an annual basis before tax or the maximum amount earned under the Short Term Incentive program in 2006 after tax. Under the prerequisite that employment is not terminated, the participants in the program will receive in 2010 up to five OMX shares, known as matching shares, for each invested OMX share. President and CEO Magnus Böcker may invest a maximum of 10,000 OMX shares with a maximum matching level of eight OMX shares. For maximum matching, the following conditions must be fulfilled:

- (i) The average percentage increase in earnings per share between January 1, 2007 and December 31, 2009 is equal to or exceeds twenty percent, and
- (ii) the total annual return to shareholders is equal to or exceeds an index determined by the Board, plus 10 percent.

No matching shares will be issued if the average annual percentage increase in earnings per share falls below two percent per year or if the total annual return to shareholders has not improved on the comparative index.

### PENSIONS

OMX offers its employees a defined-contribution occupational pension unless otherwise regulated in local agreements or other regulations. OMX's pension plan for employees in Sweden has been created to provide employees with a market-competitive occupational pension. The age of retirement is 65 years. OMX's President and CEO Magnus Böcker receives a defined-contribution pension benefit. The total premium provision amounts to 23 percent of fixed salary. For 2007, the pension premium is up to 30 percent of fixed salary.

Other members of the Executive Management Team are included in the OMX pension plan, with the exception of Jukka Ruuska and Hans-Ole Jochumsen. Jukka Ruuska is included in the pension plan stipulated by the Finnish labor market regulations. Current premiums for Jukka Ruuska are equivalent to a pension provision of 17 percent of total remuneration. Hans-Ole Jochumsen, is included in the pension plan stipulated by Danish labor market practice. Current premiums for Hans-Ole Jochumsen are equivalent to a pension provision of 20 percent of fixed remuneration.

The retirement age for employees, including the President and CEO and the Executive Management Team is 65 years.

### SEVERANCE PAY AND OTHER BENEFITS

#### Severance Terms/Period of Notice

The period of notice that applies between OMX and the President and CEO is 12 months from the company's side and six months from the employee's side. In the event of a company initiative to terminate the employment contract of the President and CEO, remuneration will be paid to the President and CEO corresponding to the fixed salary and other benefits (occupational pension and insurance including health insurance) during the period of notice. In addition to this, the President and CEO will receive a severance payment of six months' fixed salary. Other members of the Executive Management Team have a period of notice of 12 months from the company's side and six months from the employee's side. The President and CEO and other senior executives have a non-competition clause of 12 months. A penalty is included in the clause.

#### Other Benefits

In addition to the occupational pension premiums detailed above, OMX also pays for long-term disability insurance, occupational group life insurance (TGL) and workers' compensation insurance (TFA). Employees may also complement their insurance coverage through OMX's optional group insurance. Employees in Finland and Denmark have equivalent benefits that are stipulated in the collective agreement for the financial sector. Also, the Executive Management Team is entitled to health insurance.

### ABSENCE DUE TO ILLNESS

The number of employees on absence due to illness during the fiscal year is accounted for as a percentage of the employees' total ordinary working hours in Sweden. Long-term absence due to illness is absence for 60 or more consecutive days.

ABSENCE DUE TO ILLNESS, SWEDEN, %	2006	2005
Total Absence due to illness	2.3	2.4
Absence due to long-term illness (portion of total illness)	41.7	46.8
Absence due to illness, men	1.7	1.8
Absence due to illness, women	3.6	3.2
Absence due to illness, employees under the age of 29	1.5	1.4
Absence due to illness, employees aged between 30 and 49	2.4	2.4
Absence due to illness, employees aged 50 and above	2.3	2.3

## DISTRIBUTION ACCORDING TO GENDER

	2006		2005	
	Number	of whom men	Number	of whom men
<b>Board of Directors (excl. CEO) <sup>1)</sup></b>				
Parent Company	8	6	9	7
Subsidiaries	85	76	71	66
<b>TOTAL GROUP</b>	<b>93</b>	<b>82</b>	<b>80</b>	<b>73</b>

1) Pertains to the number of Board members in the Group's operating companies.

## DISTRIBUTION ACCORDING TO GENDER (CONTIN.)

	2006		2005	
	Number	of whom men	Number	of whom men
<b>Group management (incl. CEO) <sup>2)</sup></b>				
Parent Company	6	5	7	6
Subsidiaries	62	46	53	40
<b>TOTAL GROUP</b>	<b>68</b>	<b>51</b>	<b>60</b>	<b>46</b>

2) Group management is defined as all presidents in the Group's operating companies, persons who are members of the Executive Management Team and persons in the management groups within the OMX business areas.

	2006		2005	
	Number	of whom men	Number	of whom men
<b>Other employees</b>				
Parent Company	28	12	20	5
Subsidiaries	1,284	837	1,229	772
<b>TOTAL GROUP</b>	<b>1,312</b>	<b>849</b>	<b>1,249</b>	<b>777</b>

## REMUNERATION TO THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT TEAM

### EXPENSED REMUNERATION

Board fees have not been paid to Board members who are employees of the Group. In addition to the Board fees below, Board fees totaling SEK 7 m (5) were paid during the year to subsidiary Board members. These fees have only been paid to persons who are not employees of the Group.

(SEK)		Board fees	Fixed salary	Variable salary	Pension	Benefits	TOTAL
Olof Stenhammar	2006	800,000	-	-	-	543	800,543
	2005	750,000	-	-	-	9,197,314 <sup>1)</sup>	9,947,314
Magnus Böcker	2006	-	4,646,117	1,665,000	1,007,400	1,969,353 <sup>3)</sup>	9,287,870
	2005	-	4,636,230	1,498,000	1,007,400	95,190	7,236,820
Executive Management, others <sup>2)</sup>	2006	-	12,260,008	4,955,000	2,459,845	128,787	19,803,640
	2005	-	13,908,558	3,888,040	2,453,046	636,117	20,885,761
Adine Grate Axén	2006	400,000	-	-	-	-	400,000
	2005	300,000	-	-	-	-	300,000
Urban Bäckström	2006	325,000	-	-	-	-	325,000
	2005	250,000	-	-	-	-	250,000
Bengt Halse	2006	300,000	-	-	-	-	300,000
	2005	250,000	-	-	-	-	250,000
Birgitta Klasén	2006	250,000	-	-	-	-	250,000
	2005	200,000	-	-	-	-	200,000
Tarmo Korpela	2006	250,000	-	-	-	-	250,000
	2005	200,000	-	-	-	-	200,000
Henrik Normann	2006	-	-	-	-	-	-
	2005	33,333	-	-	-	-	33,333
Markku Pohjola	2006	250,000	-	-	-	-	250,000
	2005	250,000	-	-	-	-	250,000
Timo Ihamuotila	2006	-	-	-	-	-	-
	2005	166,667	-	-	-	-	166,667
Mikael Lilius	2006	-	-	-	-	-	-
	2005	166,667	-	-	-	-	166,667
Hans Munk Nielsen	2006	325,000	-	-	-	-	325,000
	2005	133,333	-	-	-	-	133,333
<b>TOTAL</b>	<b>2006</b>	<b>2,900,000</b>	<b>16,906,125</b>	<b>6,620,000</b>	<b>3,467,245</b>	<b>2,098,683</b>	<b>31,992,053</b>
<b>TOTAL</b>	<b>2005</b>	<b>2,700,000</b>	<b>18,544,788</b>	<b>5,386,040</b>	<b>3,460,446</b>	<b>9,928,621</b>	<b>40,019,895</b>

1) Includes remuneration to one of Olof Stenhammar's majority-owned companies comprising a fixed salary as well as a profit-related payment based on a license agreement. The profit-related portion represents 1 percent of OMX's income after financial items. Remuneration for 2005 amounts to SEK 9,172,298. The amounts are paid out quarterly in arrears. The agreement, which was signed and stems from the founding of OM in 1985, has been terminated and expired on December 31, 2005.

2) The other members of the Executive Management Team for 2006 includes: Jukka Ruuska, Kristina Schau-man, Bo Svefors, Hans-Ole Jochumsen and Markus Gerdien.

3) Refers primarily to the divestment of 37,000 employee stock options.

## FINANCIAL INSTRUMENTS

(Quantity)	2002	Employee stock options <sup>1)</sup> 2001	2000	Share Match Program <sup>2)</sup>
Magnus Böcker	0	76,000	150,000	4,615
Executive Management, others <sup>3)</sup>	0	0	0	10,023
<b>TOTAL</b>	<b>0</b>	<b>76,000</b>	<b>150,000</b>	<b>14,638</b>

1) For employee stock options, no consideration has been paid by employees who received options. For the theoretical value of the options at the time of issue, refer to the table below.

2) Refers to the Share Match Program 2006.

3) Refers to persons included in the Executive Management Team at December 31, 2006.

### INFORMATION ON EACH YEAR'S EMPLOYEE STOCK OPTION PROGRAM

	2002	2001	2000
Strike price, SEK	71	175	400
Redemption of shares with effect from	July 2, 2003	June 15, 2002	May 25, 2001
Expiry date	July 2, 2009	June 15, 2008	June 28, 2007
Number of allotted options	733,000	1,100,000	1 400,000
Opening balance	356,000	513,000	666,000
Exercised options	155,000	-	-
Expired and obsolete	6,000	164,000	212,000
Closing balance	195,000	349,000	454,000
Of which fully vested (guaranteed) (guaranteed) Dec 31, 2006	195,000	349,000	454,000
Theoretical value, SEK m <sup>1)</sup>	11	4	0
Theoretical value per option at issue <sup>1)</sup> , SEK	15	38	90
Theoretical value per option, SEK, as at Dec 31, 2006	59	11	0
Theoretical dilution <sup>2)</sup> , %	0.2	0.3	0.4
Weighted average share price for redeemed employee stock options during the year	131.66	-	-

1) The theoretical value of allotted options is fixed through an established options valuation model (Black & Scholes) at the time they are allotted. As at December 31, 2006, a volatility of 40 percent has been utilized.

2) Theoretical dilution refers to the maximum number of shares that could be issued were it decided, on execution of redemption, to allot shares through a new share issue. However, to limit such dilution, hedging has been arranged through a "share swap," meaning that no such dilution will occur.

### OPENING AMOUNT OF NON-REDEEMED PORTION OF THE EMPLOYEE STOCK OPTIONS PROGRAM IN THE INCOME STATEMENT (SEK m)

	2006	2005
<b>Income statement</b>		
Social security expenses attributable to personnel expenses	1	-1
Interest attributable to agreements on synthetic share buy-back	-2	-2
Change in value, employee stock options	3	-6
Change in value, share swap	15	35
<b>Balance sheet</b>		
Liability pertaining to employee stock options program	15	19
Liability, social security expenses, employee stock options program	4	5
Receivable pertaining to share swap <sup>1)</sup>	1	68

1) The opening balance for 2005, recalculated in accordance with IAS 39, amounted to SEK 33 m.

In accordance with IFRS 2, the expenses for the stock options program are reported on an ongoing basis as personnel expenses in the income statement.

In order to limit costs for the programs (including social security contributions) if the share price were to increase, limit dilution and ensure that shares can be provided when redemption is requested, an agreement has previously been made with an external party regarding the provision of OMX shares if redemption were to be requested, known as a share swap. The agreement is valid until June 30, 2009 and corresponds to approximately 400,000 shares at an agreed price of SEK 126 per share. The buy-back agreement covers the portion of outstanding employee stock options

that are currently deemed to be exercised. In the case that it is deemed probable that a number of employee stock options will be exercised over time, the number of shares in the agreement with the third-party will be amended. OMX continuously pays interest compensation to the counter-party in exchange for the counter-party undertaking to provide the shares. OMX receives the share dividend paid during the term of the agreement. Changes in the share price of OMX's shares affect the value of the share swap and the result is reported against personnel expenses in the income statement. The share swap had a positive impact of SEK 15 m on personnel expenses for 2006.

### SHARE MATCH PROGRAM 2006

Start date	April 6, 2006
Matching date	April 30, 2009
Number of invested shares	26,855
Maximum number of matching shares	134,275
Estimated number of matching shares	57,000
Total estimated expense, SEK m	12
Expenses for the year, SEK m	3

Participants in the Share Match Program 2006 invest in OMX shares and, depending on whether OMX achieves performance targets related to earnings per share and how OMX's shares perform in comparison to its competitors, participants may obtain a maximum of five matching shares per invested OMX share after three years. The number of shares that the participant may buy in the program is limited.

In order to limit expenses for the program in the event of an increase in the share price and to ensure that shares can be provided when shares are matched in the Share Match Program, OMX has signed a share-swap agreement amounting to approximately 57,000 shares at a predetermined price of SEK 146 per share. The share swap covers the portion of shares that are expected to be allotted at the end of the program. The share swap is reported as an equity instrument in accordance with IAS 32. OMX has also signed a share-swap agreement amounting to 18,000 shares at a predetermined price of SEK 123.50 to limit the expenses for the social security contributions arising in conjunction with the Share Match Program. Changes in the price of OMX's shares affect the value of the share swap. These changes in fair value are reported in the income statement. OMX continuously pays interest compensation to the counterparty in exchange for the counterparty undertaking to provide the shares. Interest compensation in the agreement corresponds to the net amount of interest expenses on the underlying value of the shares when the agreement was signed and the dividend on the underlying shares. Interest expenses are based on a STIBOR of 90 days.

### WARRANTS ISSUED TO EMPLOYEES

Subscription date	Nov 20, 2003
Subscription price, SEK	138.5
Number of shares upon full subscription	1,150,000
Dilution upon full subscription, %	1.0
Subscribed as at September 30, 2006	286,000
Premium, SEK	7.80
New subscription of shares with effect from	July 1, 2006
Maturity date	Sept 30, 2006

The warrants expired on September 30, 2006. Of the total number of 286,000 subscribed warrants, 98,600 warrants were utilized. Each warrant entitles the holder to one share and 98,600 new shares were issued.



## AVERAGE NUMBER OF EMPLOYEES

	2006		2005	
	Number of employees	of whom men	Number of employees	of whom men
<b>Parent Company</b>				
Sweden	33	17	31	13
<b>Total Parent Company</b>	<b>33</b>	<b>17</b>	<b>31</b>	<b>13</b>
<b>Subsidiaries</b>				
Sweden	821	555	896	590
Australia	66	54	37	29
Denmark	90	55	83	54
Estonia	38	10	33	10
Finland	107	58	164	92
Hong Kong	5	2	4	3
Iceland	29	23	-	-
Italy	2	2	3	3
Canada	16	11	-	-
Latvia	25	9	24	10
Lithuania	19	7	18	9
Norway	9	9	11	10
Singapore	5	5	3	3
UK	17	13	17	11
USA	42	35	46	37
<b>Total subsidiaries</b>	<b>1,291</b>	<b>848</b>	<b>1,339</b>	<b>861</b>
<b>TOTAL GROUP</b>	<b>1,324</b>	<b>865</b>	<b>1,370</b>	<b>874</b>

## SALARIES AND REMUNERATION

### SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY EXPENSES

(SEK m)	2006		2005	
	Salaries and other remuneration	Social security expenses (of which pension expenses)	Salaries and other remuneration	Social security expenses (of which pension expenses)
Parent Company	34	19 (6)	37	16 (6)
Subsidiaries	797	268 (99)	755	265 (98)
<b>TOTAL GROUP</b>	<b>831</b>	<b>287 (105)</b>	<b>792</b>	<b>281 (104)</b>

### SALARIES AND OTHER REMUNERATION DISTRIBUTED PER COUNTRY AND BETWEEN BOARD MEMBERS AND EMPLOYEES

(SEK m)	2006		2005	
	Board of Directors and CEO (of which variable remuneration and similar)	Other employees	Board of Directors and CEO (of which variable remuneration and similar)	Other employees
<b>Parent Company</b>	<b>9 (2)</b>	<b>25</b>	<b>9 (1)</b>	<b>27</b>
<b>Subsidiaries</b>				
Sweden	9 (3)	455	9 (2)	476
Australia	4 (0)	38	1 (0)	23
Canada	- (-)	9	- (-)	-
Denmark	4 (1)	57	4 (1)	55
Iceland	1 (-)	19	- (-)	-
Hong Kong	2 (0)	3	2 (-)	3
Singapore	1 (0)	4	1 (-)	2
Italy	2 (1)	1	1 (0)	1
Norway	- (-)	6	1 (-)	8
UK	3 (0)	72	5 (0)	30
USA	- (-)	43	- (-)	45
Finland	4 (0)	47	4 (1)	72
Estonia	1 (0)	5	1 (0)	5
Latvia	2 (-)	2	1 (0)	3
Lithuania	0 (0)	3	0 (0)	3
<b>Total subsidiaries</b>	<b>33 (5)</b>	<b>764</b>	<b>30 (4)</b>	<b>726</b>
<b>TOTAL GROUP</b>	<b>42 (7)</b>	<b>789</b>	<b>39 (5)</b>	<b>753</b>

## PENSIONS

OMX's defined-contribution pension obligations are mainly accounted for at the cost (premium/contribution) incurred during the fiscal year for securing employee pension benefits. In these cases, there is no need to perform an actuarial valuation of the pension plan and the Group's earnings are charged for expenses in pace with the benefits being earned.

## INFORMATION ABOUT RELATED PARTIES

During 2005, one of Board Chairman Olof Stenhammar's majority-owned subsidiaries received remuneration based on a license agreement related to the formation of OM in 1985. The payment comprises a fixed and a profit-related amount. The profit-related amount is 1 percent of OMX's profit after financial items. The remuneration for 2005 amounts to SEK 9.2 m. The agreement has been terminated and expired on December 31, 2005.

### Note 8. Transactions with related parties

"Related parties" refers to companies and individuals on whom OMX is in a position to exercise significant, though not controlling, influence. When transactions with associated companies reported in accordance with the equity method are not eliminated in the consolidated financial statements, separate information is shown in the table below to disclose those transactions that took place between OMX and these companies. Information relating to transactions with individuals in close proximity (Board of Directors and senior executives) is set out in Note 7.

### TRANSACTIONS WITH RELATED PARTIES, GROUP, 2006

(SEK m)	Sales	Purchases	Receivables	Liabilities
<b>Associated companies</b>				
EDX London Ltd	36	-	7 <sup>1)</sup>	-
VPC AB	19	1	-	-
Näringslivskredit, NLK AB	-	13	-	-
Orc Software AB	-	10	-	-

1) Of which SEK 6 m is a long-term receivable.

Sales and purchases from related parties occur at market prices.

### Note 9. Financial items

(SEK m)	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
<b>FINANCIAL REVENUE</b>				
Interest revenue	48	34	12	50
Interest revenue, Group companies	-	-	-	-
Dividends	-	-	72	-
Other investments including derivatives	5	16	-	-
Exchange-rate differences				
On derivatives intended for protection of shareholders' equity in subsidiaries	-	-	34	-
On other loans and derivatives	2	-	-	2
<b>Total financial revenue</b>	<b>55</b>	<b>50</b>	<b>118</b>	<b>52</b>
<b>FINANCIAL EXPENSES</b>				
Interest expenses	-99	-74	-114	-76
Other investments including derivatives				
Net loss attributable to divestment of financial assets available for sale	-11	-1	-	-
Exchange-rate differences				
On other loans and derivatives	-	-11	0	-
Refinancing of subsidiaries	-	-	-	-
Impairment loss on shares in subsidiaries	-	-	-16	-
Other <sup>1)</sup>	-5	-28	-1	-1
<b>Total financial expenses</b>	<b>-115</b>	<b>-114</b>	<b>-131</b>	<b>-77</b>
<b>TOTAL FINANCIAL ITEMS</b>	<b>-60</b>	<b>-64</b>	<b>-13</b>	<b>-25</b>

1) For 2005, this item included impairment of external receivables of SEK 11 m and accrued interest for the repayment of VAT in the negative amount of SEK 3.5 m.

## Note 10. Associated companies

### SHARES IN ASSOCIATED COMPANIES CONSOLIDATED IN ACCORDANCE WITH THE EQUITY METHOD

(SEK m)	GROUP	
	2006	2005
Reported value at beginning of year	623	633
Acquisition of associated companies and capital contribution	-	67
Sale of associated companies	-459	0
Share in earnings of associated companies <sup>1)</sup>	46	15
Dividends and Group contributions received from associated companies	-34	-15
Translation differences	-3	4
Other changes in associated companies' equity	13	-81
<b>Reported value at year-end</b>	<b>186</b>	<b>623</b>

1) Share in earnings of associated companies includes VPC AB in the amount of SEK 24 m in 2006.

(SEK m)	Country	Revenue	Income/loss	Assets	Liabilities	Shareh. equity	Ownership in %
<i>Associated companies, 2006</i>							
Central Securities Depositories of Lithuania	Lithuania	5	2	11	0	11	40
EDX London Ltd	UK	26	3	31	6	25	24
Näringslivskredit NLK AB	Sweden	1	1	99	27	72	48 <sup>2)</sup>
ORC Software AB	Sweden	123	16	140	64	76	30

#### *Associated companies, 2005*

Central Securities Depositories of Lithuania	Lithuania	5	2	13	1	12	40
EDX London Ltd	UK	55	-23	28	6	22	24
VPC AB	Sweden	137	32	293	53	240	20
Näringslivskredit NLK AB	Sweden	3	0	140	69	71	48 <sup>2)</sup>
ORC Software AB	Sweden	86	4	100	40	60	31

2) Share of equity amounts to 90 percent

None of the above participations in associated companies are owned by the Parent Company. At December 31, 2006, participations in associated companies included goodwill amounting to SEK 2 m (217).

## Note 11. Taxes

Both current and deferred income tax are reported for Swedish and foreign Group entities under "Taxes" in the income statement. Companies in the Group are liable to pay tax in accordance with relevant taxation legislation in the respective countries. The corporate tax rate for the Parent Company (in Sweden) was 28 percent during the year and was calculated on nominal reported income adding non-deductible items and deducting non-taxable revenue. Assessments and assumptions have been made when calculating the amounts and percentages presented in this Note. All assessments and assumptions involve a certain degree of uncertainty.

### DISTRIBUTION OF INCOME BEFORE TAX

(SEK m)	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Sweden	334	381	-144	2,008
Other countries	771	450	3	-9
Share in earnings of associated companies	46	15	-	-
<b>TOTAL</b>	<b>1,151</b>	<b>846</b>	<b>-141</b>	<b>1,999</b>

The "Distribution of tax for the year" table reports how tax is specified between Sweden and other countries and the division of current and deferred taxes. The positive earnings in the Swedish portion of the operations led to a dissolution of tax loss carryforwards equivalent to tax assets. The Group's operations in other countries resulted in mostly current tax and, to a lesser extent, utilized loss carryforwards. The Parent Company's negative earnings resulted in tax income for the year.

The consolidated value of owned shares in income, earnings, assets and liabilities are specified below.

The market value of the holding in Orc Software (4.5 million shares) was SEK 524 m (398) as per December 31, 2006. The book value was SEK 76 m (62). Other holdings are not listed. For these amounts the fair value is deemed to be the same as book value.

At the beginning of October, OMX announced that it had sold its entire holding of 443,700 shares in VPC AB for a total of 575 m. The gain of SEK 83 m from this transaction was reported as other revenue.

### DISTRIBUTION OF TAX FOR THE YEAR

(SEK m)	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
<b>Current tax</b>				
Sweden	-3	-79	-	-
Other countries	-112	-40	-	-
<b>Total</b>	<b>-115</b>	<b>-119</b>	<b>-</b>	<b>-</b>
<b>Deferred tax</b>				
Sweden	-97	-109	65	45
Other countries	-28	-75	0	-
<b>Total</b>	<b>-125</b>	<b>-184</b>	<b>65</b>	<b>45</b>
<b>TOTAL</b>	<b>-240</b>	<b>-303</b>	<b>65</b>	<b>45</b>
Tax rate, %	21	36	-45	-2

The Group's positive deviation from the nominal Swedish tax rate of 28 percent is primarily due to tax-exempt capital gains arising from the sale of shares in VPC AB and NOS AS, and other tax-exempt revenue. The fact that the Group conducts operations in several countries with a lower tax rate than Sweden also has a positive impact on the tax rate. The fact that operations are conducted in countries with lower tax rates than the nominal Swedish tax rate and that the company receives tax-exempt revenues will continue to entail that the Group's tax rate will amount to approximately 25 percent. The Parent Company's low tax rate deviates from the nominal Swedish tax rate of 28 percent, which is primarily due to the fact that the company received tax-exempt capital gains from the sale of shares in NOS AS and that the company received tax-exempt dividends from Group subsidiaries.

## RECONCILIATION OF EFFECTIVE TAX

(%)	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Swedish income tax rate	28	28	-28	28
Difference between different countries' tax rates	-1	-1	0	-
Deficit for which tax loss carryforwards have not been observed	1	2	-	-
Utilization of previously non-capitalized deficits	-	-1	-	-
Capital gains	-4	-	-6	-30
Tax-exempt revenues	-5	-1	-15	-
Non-deductible expenses	1	-	4	-
Earnings from associated companies	-1	0	-	-
Adjustments for previous year	-	9	-	-
Other	2	0	-	-
<b>EFFECTIVE TAX RATE</b>	<b>21</b>	<b>36</b>	<b>-45</b>	<b>-2</b>

Of the Group's total tax loss carryforwards, which is approximately SEK 897 m, only SEK 433 m is considered in the calculation of deferred tax. The tax loss carryforwards that are considered in the calculation of deferred tax are reported to the extent that it is probable that it will be utilized against future taxable surplus. It is not deemed possible for those tax loss carryforwards not considered in the calculation to be utilized against in the foreseeable future since these loss carryforwards are attributable to countries in which the Group has limited revenues. The Parent Company's accumulated tax loss carryforwards have, despite the fiscal loss, reduced with SEK 104 m due to the Group contribution received in the amount of SEK 371 m.

## DISTRIBUTION OF ACCUMULATED TAX LOSS CARRYFORWARDS

(SEK m)	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Sweden	369	699	21	162
Other countries	528	617	0	2
<b>TOTAL</b>	<b>897</b>	<b>1,316</b>	<b>21</b>	<b>164</b>

## TOTAL TAX LOSS CARRYFORWARDS THAT CORRESPOND TO TAX ASSETS

(SEK m)	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Sweden	369	699	21	162
Other countries	64	108	-	-
<b>TOTAL</b>	<b>433</b>	<b>807</b>	<b>21</b>	<b>162</b>

The Group's deferred tax assets attributable to Sweden are deemed to be consumed within the forthcoming two years. The largest portion of foreign loss carryforwards that correspond to tax assets should be utilized within the same time period. Deferred tax assets referring to restructuring will be utilized at the same rate as the utilization of restructuring provisions and other provisions.

## DEFERRED TAX ASSETS AND TAX LIABILITIES

(SEK m)	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
<b>Deferred tax assets</b>				
Loss carryforwards	115	217	6	46
Provisions for restructuring measures	10	20	-	-
<b>Total deferred tax assets</b>	<b>125</b>	<b>237</b>	<b>6</b>	<b>46</b>
<b>Deferred tax liabilities</b>				
Untaxed reserves	-39	-26	-	-
<b>Total deferred tax liabilities</b>	<b>39</b>	<b>-26</b>	<b>-</b>	<b>-</b>
<b>DEFERRED TAX ASSETS, NET</b>	<b>86</b>	<b>211</b>	<b>6</b>	<b>46</b>

Losses in Swedish companies can be utilized for an unlimited amount of time. For foreign subsidiaries, the useful life of the loss is limited in certain cases. The minimum time period within which foreign losses can be utilized is 16 years. Of the losses that can be utilized for a limited amount of time (2019-2024), SEK 28 m are tax loss carryforwards that correspond to tax assets.

## UTILIZATION OF TOTAL LOSSES AT YEAR-END

(SEK m)	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
<b>Last utilization year</b>				
2019-2024	128	147	-	-
Unlimited	769	1,169	21	164
<b>TOTAL</b>	<b>897</b>	<b>1,316</b>	<b>21</b>	<b>164</b>

## UNTAXED RESERVES

Stockholmsbörsen AB signed a credit insurance related to clearing participants' default. The insurance is intended to cover losses arising in clearing operations and which normally are covered solely by the company's shareholders' equity. The insurance has been signed by OMX's wholly owned insurance company OMX Capital Insurance AG in Switzerland, which for part of the risk has secured reinsurance from Radian Asset Assurance Inc. in the US. OMX Capital Insurance AG has reserved funds in an insurance provision. At the Group level, the provision is distributed between unrestricted funds and deferred tax.

## TAX ITEM REPORTED DIRECTLY AGAINST SHAREHOLDERS' EQUITY

(SEK m)	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Deferred tax attributable to changed accounting principles	-	10	-	-
Deferred tax attributable to revaluation of financial instruments	7	8	0	-
Current tax in Group contribution received	-	-	-104	-96
<b>TOTAL</b>	<b>7</b>	<b>18</b>	<b>-104</b>	<b>-96</b>

## ONGOING TAX DISPUTES

OMX's associated company, NLK, is party to a tax case concerning the possibility of loss carryforwards for which an appeal has been lodged with the Swedish Supreme Administrative Court. Since NLK has paid the tax expenses, the dispute will not have any further negative impact on the Group.

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 facility management services it purchases from other companies in 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 SEK 90-110 m based on the situation on December 31, 2006 and increase ongoing expenses by SEK 2 m per month.

Other ongoing current disputes, either individually or collectively, are not considered to pose any material threat to the Group's business operations, its financial position or its earnings.

## Note 12. Operational leasing

### GROUP

The Group has no financial leasing commitments. Set out below are the operational leasing commitments of the Group.

#### LEASING FEES FOR THE PERIOD

(SEK m)	2006	2005
Equipment	2	1
Computer operations	57	76
Premises	190	209
<b>TOTAL</b>	<b>249</b>	<b>286</b>

#### CONTRACTED LEASING FEES

(SEK m)	2007	2008	2009	2010	2011	2012–17
Equipment <sup>1)</sup>	18	2	2	-	-	-
Computer operations	18	15	7	-	-	-
Premises	175	165	168	170	167	890
of which, premises sublet	25	25	25	22	22	71
of which, provisions made	24	17	12	6	5	15
<b>TOTAL</b>	<b>211</b>	<b>182</b>	<b>177</b>	<b>170</b>	<b>167</b>	<b>890</b>

1) Of which SEK 16 m contracted for 2007 relates to leasing of computer equipment from the associated company, Näringslivskredit, NLK AB.

### PARENT COMPANY

The Parent Company has no financial leasing commitments. Set out below are the operational leasing commitments of the Parent Company.

#### LEASING FEES FOR THE PERIOD

(SEK m)	2006	2005
Premises	93	105

#### CONTRACTED LEASING FEES

(SEK m)	2007	2008	2009	2010	2011	2012–17
Premises	86	86	91	96	96	570
of which, premises sublet to Group companies	37	37	37	37	37	219

## Note 13. Intangible assets

GROUP, (SEK m)	Good-will	Capitalized expenditure for development	Other intangible assets
Acquisition cost brought forward, Jan 1, 2005	1,950	879	199
Assets acquired through acquisitions	917	-	350
Assets acquired during the year	-	200	96
Reclassifications	-	-20	-
Exchange-rate differences	93	-	-5
<b>Acquisition cost carried forward, Dec 31, 2005</b>	<b>2,960</b>	<b>1,059</b>	<b>640</b>
Amortization brought forward, Jan 1, 2005	-	383	67
Amortization for the year	-	73	43
<b>Amortization carried forward, Dec 31, 2005</b>	<b>-</b>	<b>456</b>	<b>110</b>
Impairment brought forward, Jan 1, 2005	3	185	5
Impairment for the year	2	9	2
<b>Impairment carried forward, Dec 31, 2005</b>	<b>5</b>	<b>194</b>	<b>7</b>
<b>BOOK VALUE, DEC 31, 2005</b>	<b>2,955</b>	<b>409</b>	<b>523</b>
Of which assets held for sale	31	54	25
Acquisition cost brought forward, Jan 1, 2006	2,960	1,059	640
Assets acquired through acquisitions	335	-	244
Assets acquired during the year	-	185	26
Reclassifications	-	-	18
Exchange-rate differences	-120	-	-10
<b>Acquisition cost carried forward, Dec 31, 2006</b>	<b>3,175</b>	<b>1,244</b>	<b>918</b>
Amortization brought forward, Jan 1, 2006	-	456	110
Amortization for the year	-	51	78
<b>Amortization carried forward, Dec 31, 2006</b>	<b>-</b>	<b>507</b>	<b>188</b>
Impairment brought forward, Jan 1, 2006	5	194	7
Impairment for the year	-	21 <sup>1)</sup>	4
<b>Impairment carried forward, Dec 31, 2006</b>	<b>5</b>	<b>215</b>	<b>11</b>
<b>BOOK VALUE, DEC 31, 2006</b>	<b>3,170</b>	<b>522</b>	<b>719</b>
Of which assets held for sale	46	42	54

1) Of which SEK 20 m relates to the impairment of intangible assets that took place in conjunction with the sale of shares in VPC AB.

PARENT COMPANY, (SEK m)	2006	2005
<b>Capitalized expenditure for development</b>		
Acquisition cost brought forward	11	4
Capitalized expenses for the year	11	7
Divested assets	-	-
<b>Acquisition cost carried forward</b>	<b>22</b>	<b>11</b>
Amortization brought forward	3	2
Divested assets	-	-
Amortization for the year	3	1
<b>Amortization carried forward</b>	<b>6</b>	<b>3</b>
<b>BOOK VALUE</b>	<b>16</b>	<b>8</b>



## TOTAL INTANGIBLE ASSETS, USEFUL LIFE

(SEK m)	Acquisition cost	Book value
Development in progress	294	269
3 years	22	4
5 years	1,019	313
10 years	390	250
20 years	435	405
<b>TOTAL</b>	<b>2,160</b>	<b>1,241</b>

The useful life for intangible assets found in the Parent Company is five years.

Development in progress relates to various components in the marketplace system. Their values are reviewed continuously and amortization is initiated when the respective part has been completed. Of the book value per December 31, 2006, SEK 97 m refers to the Banks & Brokers operation which is being discontinued.

Assets with a useful life of 10 years mainly consist of the product EXIGO CSD, which is a central system in OMX's systems platform.

Assets with a useful life of 20 years comprise surplus values in customer contracts attributable to the acquisition of CSE and EV.

The review of the value of all intangible assets takes place on an ongoing basis throughout the year by using a risk-adjusted discounted cash flow. This review is based on assumptions and assessments, which entail a certain degree of uncertainty. OMX's WACC has been utilized as the discount factor, which is 10 percent for the Technology operations and 9 percent for the Exchange operations. The lifetime is assumed to be the same as the amortization period.

During 2006, impairment of SEK 21 m was recognized since it was not possible to justify the book value of these assets with the value of the future cash flow and that the book value exceeded fair value. The cost has been booked as an impairment in the income statement.

## CAPITALIZED EXPENDITURE FOR RESEARCH AND DEVELOPMENT

This item relates to OMX's systems solutions. The major components are the new development of OMX's platform for future systems solutions – GENIUM, a new system for settlement, registration and custody of securities – EXIGO CSD, the next generation of CLICK™ – CLICK XT, a systems solution for banks and brokerage firms – STP, and a systems platform for energy trading – CONDICO™.

## OTHER INTANGIBLE ASSETS

(SEK m)	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Software	120	119	-	-
Licenses	1	2	-	-
Surpluses in acquired customer contracts	405	285	-	-
Other	193	117	-	-
<b>TOTAL</b>	<b>719</b>	<b>523</b>	<b>-</b>	<b>-</b>

## GOODWILL

Goodwill is divided between the Group's cash-generating units, primarily within the Nordic Marketplaces business area:

(SEK m)	2006	2005
<b>Nordic Marketplaces</b>		
Stockholm Stock Exchange	590	590
Helsinki Stock Exchange	1,304	1,362
Copenhagen Stock Exchange	876	924
Iceland Stock Exchange	130	-
<b>Total Nordic Marketplaces</b>	<b>2,900</b>	<b>2,876</b>
<b>Information Services &amp; New Markets</b>		
Other exchanges	14	15
<b>Market Technology</b>		
Computershare	180	-
Other	76	64
<b>Total Market Technology</b>	<b>256</b>	<b>64</b>
<b>TOTAL</b>	<b>3,170</b>	<b>2,955</b>

An impairment test of goodwill was performed at the end of 2006. It is necessary to make a number of assessments and assumptions that entail a certain degree of uncertainty for this test.

The value in use of goodwill attributable to exchange operations was calculated based on the discounted eternal cash flow with a growth rate of 0 percent and a discount rate of 9 percent which corresponds to the company's WACC for the Exchange operations.

The eternal useful life was applied against the background of the company's long history of a stable and strong cash flow. The acquisitions are of great strategic importance to OMX. A larger market and increased liquidity were achieved through these acquisitions. Cost-efficiency, and thereby competitiveness are increased by integrating the technical infrastructure. OMX's technology operations also benefit from the large home market that was created. A growth rate of 0 percent based on expected outcome for 2006 was applied by way of precaution due to the difficulty in assessing the market of the exchange operations. The value in use was calculated at a discount rate (WACC) of 10 percent corresponding to the company's average cost of capital for the Technology operations. No impairment requirements were identified.

A sensitivity analysis in which the discount rate was increased by 10 percent and the cash flow was decreased by 10 percent did not give rise to any further impairment requirements.

## Note 14. Tangible fixed assets

(SEK m)	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
<b>Equipment</b>				
Acquisition cost brought forward	1,091	1,111	148	98
Assets acquired through acquisitions	1	10	-	50
Acquisitions for the year	77	85	5	-
Disposals	-36	-144	-	-
Sales	-23	-6	-	-
Exchange-rate differences	-22	35	-	-
<b>Acquisition cost carried forward</b>	<b>1,088</b>	<b>1,091</b>	<b>153</b>	<b>148</b>
Depreciation brought forward	711	727	39	15
Depreciation for the year	87	97	24	24
Disposals	-28	-137	-	-
Sales	-15	-2	-	-
Exchange-rate differences	-18	26	-	-
<b>Depreciation carried forward</b>	<b>737</b>	<b>711</b>	<b>63</b>	<b>39</b>
Impairment brought forward	18	18	-	-
Impairment for the year	4	-	-	-
<b>Impairment carried forward</b>	<b>22</b>	<b>18</b>	<b>-</b>	<b>-</b>
<b>BOOK VALUE</b>	<b>329</b>	<b>362</b>	<b>90</b>	<b>109</b>
Of which assets held for sale	8	8	-	-

The useful life for computers amounts to three years, for reconstructions to ten years and for other equipment to five years.

## Note 15. Shares in Group companies, Parent Company

(SEK m)	2006	2005
Acquisition cost brought forward	7,852	4,759
Acquisitions during the year	314	5,203
Shareholders' contribution	-	4,433
Disposals	-317	-6,548
Impairment	-16	-
Outstanding employee stock options	-2	5
<b>Acquisition cost carried forward</b>	<b>7,831</b>	<b>7,852</b>

### SHARES IN GROUP COMPANIES, DETAILED SCHEDULE

	Registered offices	Corporate Registration Number	Number of shares	Share of voting power and equity, %	Book value SEK m	
					2006	2005
OMX Technology AB	Stockholm	556314-8138	1,000,000	100	200	200
OMX Exchanges Ltd	Helsinki	1110552-9	14,706,503	100	2,135	2,135
OMX Netherlands Holding BV	Amsterdam	34229751	180	100	5,203	5,203
Risk Management Stockholm AB	Stockholm	556355-0036	1,000	100	-	3
Stockholms Fondbörs AB	Stockholm	556420-8394	4,417,092	17 <sup>1)</sup>	290	306
Outstanding employee stock options for employees in subsidiaries					3	5
<b>TOTAL</b>					<b>7,831</b>	<b>7,852</b>

1) The remaining share of voting power and equity is held by other companies in the OMX Group.

## Note 16. Other investments held as fixed assets

GROUP (SEK m)	2006	2005
<b>Financial assets valued at fair value via the income statement</b>		
Shares and participations	-	4
<b>Financial assets available for sale</b>		
Shares and participations	363	52
<b>TOTAL</b>	<b>363</b>	<b>56</b>
(SEK m)	2006	2005
Acquisition cost brought forward	56	50
Acquisitions during the year	363	4
Divestments during the year	-56	-15
Revaluation of shareholders' equity	-	20
Reclassification	-	-3
<b>ACQUISITION COST CARRIED FORWARD</b>	<b>363</b>	<b>56</b>

PARENT COMPANY (SEK m)	2006	2005
Acquisition cost brought forward	4	4
Acquisitions during the year	321	-
Divestments during the year	-4	-
<b>ACQUISITION COST CARRIED FORWARD</b>	<b>321</b>	<b>4</b>

## DIVESTMENTS, 2006

(SEK m)	Operations	Realizable value	Date of divestment
Risk Management i Stockholm AB	Dormant	3	April
Eignarhaldsfelagid Verdbrefathing	Holding company	314	December
<b>TOTAL</b>		<b>317</b>	

The shares in Risk Management i Stockholm AB were transferred to the wholly owned Group company OMX Treasury AB. The shares in Eignarhaldsfelagid Verdbrefathing were transferred to the wholly owned subsidiary OMX Exchanges Ltd.

## Note 17. Other long-term receivables

	2006		2005	
GROUP (SEK m)	Reported value	Fair value	Reported value	Fair value
Other deposits	17	17	53	53
Long-term project receivables	-	-	-	-
Hedge employee stock options	-	-	68	68
Other long-term receivables	23	23	42	42
<b>TOTAL</b>	<b>40</b>	<b>40</b>	<b>163</b>	<b>163</b>
	2006		2005	
PARENT COMPANY (SEK m)	Reported value	Fair value	Reported value	Fair value
Other deposits	7	7	7	7
Long-term project receivables	-	-	-	-
Hedge employee stock options	-	-	68	68
Other long-term receivables	3	3	8	8
<b>TOTAL</b>	<b>10</b>	<b>10</b>	<b>83</b>	<b>83</b>

## Note 18. Market value, outstanding derivative positions

Through its clearing operations in the derivative markets, Nordic Marketplaces is the formal counterparty in all derivative positions traded via the exchanges. However, the exchanges do not utilize the derivatives for purpose of conducting their own trading, instead these derivatives are to be seen as a method of documenting the counterparty guarantees established in the clearing operations. Counterparty risks are measured by models that have been agreed upon with the financial supervisory authority in the respective countries. The risk situation associated with the divestment of positions remains unchanged compared with prior years. Collateral for the divestment of outstanding derivative instruments is provided as previously. According to IAS 39/32, the market value of the above-mentioned derivative positions is reported in the balance sheet.

Receivables and liabilities attributable to outstanding derivative positions have been netted to the extent that such a legal offset right exists and, at the same time, that it is OMX's intention to settle these items. The market value as per December 31, 2006 was SEK 4,401 m, which almost exclusively refers to the Stockholm Stock Exchange's derivative positions.

## Note 19. Accounts receivable – trade

(SEK m)	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Accounts receivable	426	372	-	-
Less doubtful receivables	-1	-5	-	-
<b>TOTAL</b>	<b>425</b>	<b>367</b>	<b>-</b>	<b>-</b>

## Note 20. Other receivables

(SEK m)	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Current account assets	748	556	-	-
Other non interest-bearing receivables	139	126	15	21
Other interest bearing receivables	1	2	-	-
<b>TOTAL</b>	<b>888</b>	<b>684</b>	<b>15</b>	<b>21</b>

## Note 21. Prepaid expenses and accrued income

(SEK m)	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Premises, rent	34	43	21	27
Systems sales, facility management <sup>1)</sup>	216	304	-	-
Information sales	97	59	-	-
Transaction revenue	25	109	-	1
Insurance	14	12	1	1
Unrealized exchange-rate gains	23	39	-	-
Other	9	21	6	9
<b>TOTAL</b>	<b>418</b>	<b>587</b>	<b>28</b>	<b>38</b>

1) The item includes project revenue reported in accordance with the percentage-of-completion principle.

## Note 22. Financial assets available for sale

(SEK m)	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Government securities	519	328	-	-
Bank and financial institutions	-	-	-	-
<b>TOTAL</b>	<b>519</b>	<b>328</b>	<b>-</b>	<b>-</b>

The fair values of the above items correspond to the reported values.

## Note 23. Shareholders' equity

A new share issue took place in October in conjunction with the expiry of the employee warrants program, entailing that the number of shares increased by 98,600 to 118,572,907. In November, a new share issue took place in conjunction with the acquisition of Eignarhaldsfelagid Verdbrefathing, entailing that the number of shares increased by 2,067,560 to 120,640,467, with a ratio value of SEK 2 with one vote per share. Consolidated shareholders' equity amounted to SEK 38 (40) per share.

### ASSOCIATED COMPANIES

Income that is not paid out as a dividend in associated companies is recorded in the Group's shareholders' equity among profit/loss brought forward. The application of the equity method of accounting for associated companies means that the value of shareholders' equity in the Group is reported at SEK 76 m (64) higher than if the acquisition cost method had been used.

### SHAREHOLDERS' EQUITY, GROUP (SEK m)

	2006	2005
Share capital	241	237
Other contributed funds	3,536	3,271
Other reserves		
Fair value reserve	-	12
Hedging reserve	-18	-
Translation reserve	-85	88
Profit/loss brought forward	16	584
Net income for the year	907	543
Minority interests	17	14
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>4,614</b>	<b>4,749</b>

### OTHER RESERVES, GROUP

(SEK m)	Fair value reserve	Hedging reserve	Translation reserve	Total
Opening balance, 2005	-	-	-37	-37
Revaluation of shares available for sale	12	-	-	12
Translation differences	-	-	125	125
<b>Closing balance 2005</b>	<b>12</b>	<b>-</b>	<b>88</b>	<b>100</b>
Cash-flow hedging				
Gain/loss to shareholders' equity	-	-9	-	-9
Transferred to income statement	-	-9	-	-9
Exchange-rate differences				
Hedging of equity	-	-	25	25
Translation differences	-	-	-198	-198
Financial assets available for sale				
Transferred to income statement	-12	-	-	-12
<b>Closing balance 2006</b>	<b>-</b>	<b>-18</b>	<b>-85</b>	<b>-103</b>

Items are reported net after tax.

### FAIR VALUE RESERVE

The fair value reserve includes the accumulated net change in fair value of financial assets available for sale until the asset is eliminated from the balance sheet.

### HEDGING RESERVE

The hedging reserve includes the change in value of cash-flow hedges. The change in value is re-entered in the income statement in line with the hedged cash flow impacting the income statement.

### TRANSLATION RESERVE

The translation reserve includes all exchange-rate differences arising in conjunction with the translation of financial statements from foreign operations that have prepared their financial statements in a currency other than the currency in which the consolidated financial statements are presented. The Parent Company and Group present their financial statements in Swedish kronor (SEK). The translation reserve also comprises exchange-rate differences arising in conjunction with the translation of liabilities reported as hedging instruments of a net investment in a foreign operation.

### SHAREHOLDERS' EQUITY, PARENT COMPANY (SEK m)

	2006	2005
Restricted shareholders' equity		
Share capital	241	237
Statutory reserve	2,503	2,503
<b>Total restricted shareholders' equity</b>	<b>2,744</b>	<b>2,740</b>
Non-restricted shareholders' equity		
Profit/loss brought forward	1,935	484
Net income for the year	-76	2,044
<b>Total non-restricted shareholders' equity</b>	<b>1,859</b>	<b>2,528</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>4,603</b>	<b>5,268</b>

Premiums from new share issues are reported under "Profit/loss brought forward" during 2006. Earlier premiums were transferred from the share premium reserve to the statutory reserve.

## Note 24. Long-term liabilities

This Note contains information on the Group's and Parent Company's long-term liabilities. For information regarding dates of maturity for the long-term liabilities, refer to Note 28 and for information regarding the Group's exposure to interest rate risks and risk of exchange-rate fluctuations, refer to the section entitled Risk management on page 78.

For information regarding the reporting of employee stock options, refer to the section entitled Accounting principles.

Division of long-term liabilities.

(SEK m)	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
<b>Interest-bearing long-term liabilities</b>				
Bond loans (interest-bearing)	1,360	1,409	1,360	1,409
<b>Other long-term liabilities</b>				
Liabilities, employee stock options	15	18	15	18
Liabilities Computershare	97	-	-	-
Rent deposit	9	-	-	-
Other long-term liabilities	2	1	-	-
<b>TOTAL</b>	<b>1,483</b>	<b>1,428</b>	<b>1,375</b>	<b>1,427</b>

## Note 25. Provisions

RESTRUCTURING RESERVE

(SEK m)	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Opening balance	-	26	-	-
Provisions made during the period	-	-	-	-
Utilized reserves	-	-26	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Refers to savings program in 2003. All remaining reserves were utilized in 2005.

OTHER PROVISIONS

(SEK m)	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Opening balance	128	208	-	-
Reclassifications	-	27	-	-
Provisions made during the period	-	-	-	-
Utilized reserves	-44	-113	-	-
Exchange-rate effects	-5	6	-	-
<b>TOTAL</b>	<b>79</b>	<b>128</b>	<b>-</b>	<b>-</b>

The opening balance comprises the reserve of SEK 10 m for the integration of OM and HEX, and provisions for expenses for unutilized premises of SEK 118 m. The integration reserve was utilized during the year in the amount of SEK 10 m and has thereby been utilized in its entirety. The provision for premises was utilized in the amount of SEK 39 m including exchange-rate effects.

The provision for expenses for unutilized premises is based on management's assumptions and assessments and is associated with a certain degree of uncertainty. These expenses refer primarily to OMX's offices in London and New York. The provision was established in 2004 as a result of the reduction in personnel associated with the focus on cost-savings and efficiency-enhancement measures in the operations which OMX has worked with in recent years, and a decline in market conditions for the lease of premises, leading to certain areas being leased at a lower rent than OMX's lease conditions. See Note 12 regarding the cash-flow dates. For leasing contracts invoicing sub-lets, a reserve has been established for known losses for five years in the future. The leasing contract will expire during the period 2009-2015.

RESTRICTED RESERVE, CSE

The total amount of provisions presented below also includes a reserve attributable to the operations in the Copenhagen Stock Exchange, CSE. This reserve may not be distributed and may only be used to cover losses in CSE in accordance with the Danish Security Trading Act. The reserve amounts to SEK 66 m as per December 31, 2006 and is classified in its entirety as long term.

TOTAL PROVISIONS

(SEK m)	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Long-term portion	121	154	-	-
Short-term portion	24	41	-	-
<b>TOTAL</b>	<b>145</b>	<b>195</b>	<b>-</b>	<b>-</b>

## Note 26. Other liabilities

(SEK m)	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Current account liabilities	650	613	-	-
Other non interest-bearing liabilities	148	88	-	1
Other interest-bearing liabilities	38	-	-	-
<b>TOTAL</b>	<b>836</b>	<b>701</b>	<b>-</b>	<b>1</b>

## Note 27. Accrued expenses and deferred income

(SEK m)	GROUP		PARENT COMPANY	
	2006	2005	2006	2005
Personnel expenses	187	182	22	21
Systems sales <sup>1)</sup>	8	11	-	-
Support revenue	26	-	-	-
Facility Management <sup>1)</sup>	15	12	-	-
Trading revenue	10	-	-	-
Issuers' revenue <sup>2)</sup>	60	53	-	-
Commission revenue	22	-	-	-
Other deferred income	27	53	-	-
Unrealized exchange-rate losses	13	106	-	-
Accrued interest	30	-	7	-
Other	75	129	17	17
<b>TOTAL</b>	<b>473</b>	<b>546</b>	<b>46</b>	<b>38</b>

1) Customer invoicing terms for projects are usually set within a contract and it is not uncommon that payments do not correspond to work carried out at a given time. Work that has been invoiced, but not yet carried out, is treated as a liability to the customer. During the period when the work to which the invoice relates is carried out, this liability is re-booked as revenue.

2) Relates to listing fees paid by companies listed on the exchanges within OMX's exchanges. These fees are paid quarterly in advance and are based on the average market capitalization of a company over the preceding 12-month period.



## Note 28. Due dates for receivables and liabilities

GROUP (SEK m)	Within 12 months	Within 2–5 years	After 5 years	TOTAL
Other long-term receivables	-	29	11	40
Accounts receivable	425	-	-	425
Tax assets	6	-	-	6
Other receivables	888	-	-	888
Prepaid expenses and accrued income	397	20	1	418
Assets available for sale	151	-	-	151
Interest-bearing long-term liabilities	-	1,360	-	1,360
Other long-term liabilities	-	122	1	123
Provisions	24	40	81	145
Liabilities to credit institutions <sup>1)</sup>	398	-	-	398
Accounts payable	109	-	-	109
Tax liabilities	54	-	-	54
Other liabilities	836	-	-	836
Accrued expenses and deferred income	458	15	-	473
<b>NET RECEIVABLE (+)/NET LIABILITY (-)</b>	<b>-12</b>	<b>-1,488</b>	<b>-70</b>	<b>-1,570</b>

1) Refers to the commercial paper program.

PARENT COMPANY (SEK m)	Within 12 months	Within 2–5 years	After 5 years	TOTAL
Other long-term receivables	-	10	-	10
Receivables from Group companies	404	-	-	404
Accounts receivable	0	-	-	0
Other receivables	15	-	-	15
Prepaid expenses and accrued income	25	2	1	28
Interest-bearing long-term liabilities	-	1,360	-	1,360
Other long-term liabilities	-	15	-	15
Liabilities to credit institutions <sup>1)</sup>	398	-	-	398
Accounts payable	2	-	-	2
Liabilities to Group companies	2,280	-	-	2,280
Tax liabilities	18	-	-	18
Other liabilities	-	-	-	-
Accrued expenses and deferred income	39	7	-	46
<b>NET RECEIVABLE (+)/NET LIABILITY (-)</b>	<b>-2,293</b>	<b>-1,370</b>	<b>1</b>	<b>-3,662</b>

1) Refers to the commercial paper program.

## Note 29. Other interest-bearing and non interest-bearing receivables and liabilities

This Note contains information on the classification between interest-bearing and non interest-bearing items in the balance sheet. For information regarding dates of maturity, fixed-interest periods and the average weighted interest of interest-bearing items, refer to the section entitled Risk management on page 78.

(SEK m)	GROUP			PARENT COMPANY		
	Interest-bearing	Non interest-bearing	Total	Interest-bearing	Non interest-bearing	Total
Financial fixed assets	21	699	720	3	8,165	8,168
Current receivables	1	6,138	6,139	-	447	447
Financial assets available for sale	519	-	519	-	-	-
Cash equivalents	409	-	409	1	-	1
Long-term liabilities	1,361	258	1,619	1,360	15	1,375
Short-term liabilities	436	5,859	6,295	398	2,346	2,744
<b>RECEIVABLES AND LIABILITIES, NET</b>	<b>-847</b>	<b>720</b>	<b>-127</b>	<b>-1,754</b>	<b>6,251</b>	<b>4,497</b>

## Note 30. Collateral received by OMX's exchange operations

Through its clearing operations, the Stockholm Stock Exchange is a counterparty in every options and futures contract and thereby guarantees the fulfillment of each contract. Customers, who through an options or futures contract, assume an obligation to the Stockholm Stock Exchange, must pledge collateral for the obligation according to special rules for this.

GROUP (SEK m)	2006	2005
Stockholm Stock Exchange	15,458	11,533
<b>TOTAL</b>	<b>15,458</b>	<b>11,533</b>

## Note 31. Pledged collateral

GROUP (SEK m)	2006	2005	
OMX Treasury AB	-	45	Lease deposit
OMX Technology Pty Ltd	3	2	Lease deposit
OMX Technology Ltd (Hong-Kong)	-	1	Lease deposit
HEX Securities Services Ltd OY <sup>1)</sup>	32	44	Liquidity guarantee
<b>TOTAL</b>	<b>35</b>	<b>92</b>	

1) Relates to pledged collateral for the right to act as the Swedish equivalent of the account-handling institution.

## Note 32. Contingent liabilities

GROUP (SEK m)	2006	2005
Guarantees issued for clearing operations (OMX AB) <sup>1)</sup>	3,020	1,414
Other guarantees (OMX AB) <sup>2)</sup>	174	69
<b>Total</b>	<b>3,194</b>	<b>1,483</b>

1) Through its clearing operations, OMX AB's exchange operations act as a counterparty in each transaction and thereby guarantees the fulfillment of each contract. OMX's exchange operations are to pledge collateral for commitments with other clearing houses. The amount of these commitments is calculated on the gross exposure between the clearing houses. As collateral for these obligations, the operations have obtained bank guarantees, which are guaranteed by OMX AB through counterparty agreements.

2) Primarily obligations for leasing contracts and in conjunction with the systems sales in Market Technology. In addition to the items above, there are general Parent Company guarantees for wholly owned subsidiaries of OMX AB.

OMX is party to a number of cases and disputes for which no provisions have been established since it is the opinion of management that all cases will be found in favor of OMX. There is naturally a certain degree of uncertainty associated with this opinion.

## Note 33. Earnings per share

### CHANGE IN NUMBER OF SHARES

After authorization was received at OMX's Extraordinary General Meeting of shareholders on October 23, 2006, the company's share capital was increased by SEK 4,135,120 by a new share issue of 2,067,560. The newly-issued shares were utilized as part payment for the acquisition of Eignarhaldsfelagid Verdbrefathing (the holding company for the Iceland Stock Exchange and central securities depository). A new share issue took place in October in conjunction with the expiry of the employee warrants program, entailing that the company's share capital increased by SEK 197,200 and the number of shares increased by 98,600.

	2006	2005
Outstanding shares at beginning of the period	118,474,307	115,547,015
New share issue	2,166,160	2,927,292
<b>Outstanding shares at the end of the period</b>	<b>120,640,467</b>	<b>118,474,307</b>

### EARNINGS PER SHARE BEFORE DILUTION

Earnings per share are based on net income/loss for the year attributable to the Parent Company's owners:

	2006	2005
Net income/loss for the year, SEK m, attributable to the shareholders in OMX AB	907	550
Average number of shares outstanding	118,671,254	118,108,396
<b>EARNINGS PER SHARE, SEK</b>	<b>7.64</b>	<b>4.66</b>
Of which attributable to continuing operations	8.22	4.78
Of which attributable to discontinued operations	-0.58	-0.12

### EARNINGS PER SHARE AFTER DILUTION

Earnings per share are based on net income/loss for the year attributable to the Parent Company's owners:

	2006	2005
Net income/loss for the year, SEK m, attributable to the shareholders in OMX AB	907	550
Average number of shares after dilution and with full utilization of options <sup>1)</sup>	118,885,754	118,394,396
<b>EARNINGS PER SHARE, SEK <sup>2)</sup></b>	<b>7.64</b>	<b>4.66</b>

1) For information relating to OMX's employee stock options (no dilution), see Note 7.

2) Earnings per share after dilution corresponds to earnings per share before dilution since it has not been deemed probable that the warrants will be utilized due to the fact that the issue price was higher than the share price in 2005 and 2006.

## Note 34. Cash flow

### CASH EQUIVALENTS

The following sub-components are included in cash equivalents:

	GROUP		PARENT COMPANY	
(SEK m)	2006	2005	2006	2005
Cash and bank balances	257	359	1	1
Financial assets available for sale	671	884	-	-
<b>Total cash equivalents</b>	<b>928</b>	<b>1 243</b>	<b>1</b>	<b>1</b>
Financial assets available for sale with tenures of > 3 months	-519	-328	-	-
<b>Total according to balance sheet</b>	<b>409</b>	<b>915</b>	<b>1</b>	<b>1</b>

Financial assets available for sale are short-term investments that comprise discounting instruments, bonds and securities issued by the government, local authority, a Swedish limited liability company and a Swedish housing finance institution. All short-term investments entail an insignificant risk of fluctuations in value and can readily be converted to cash funds. However, only those investments with a maximum tenure of three months are included in the item "Cash equivalents" in the balance sheet and in the cash-flow statement. Other short-term investments are reported as "Cash flow from investing activities".

Cash equivalents that were not available to the Group amounted to SEK 21 m at the end of the period. Blocked funds primarily refer to cash equivalents utilized as hedging in clearing activities. The Group's total hedges in interest-bearing assets relating to clearing activities amount to approximately SEK 750 m, the majority of which are investments with tenures exceeding three months.

### FINANCIAL ITEMS

The following financial items reported in the income statement affect the cash flow:

	GROUP		PARENT COMPANY	
(SEK m)	2006	2005	2006	2005
<b>Other interest income and similar profit/loss items</b>				
Dividends	-	-	72	-
Interest	48	34	12	50
Exchange-rate differences	0	-	34	2
Other	5	4	-	-
<b>Total</b>	<b>53</b>	<b>38</b>	<b>118</b>	<b>52</b>
<b>Interest expense and similar profit/loss items</b>				
Interest	-99	-74	-114	-67
Interest, Group	-	-	-	-9
Exchange-rate differences	-	-11	-	-
Other	-16	-9	-2	-1
<b>Total</b>	<b>-115</b>	<b>-94</b>	<b>-116</b>	<b>-77</b>
<b>TOTAL</b>	<b>-62</b>	<b>-56</b>	<b>2</b>	<b>-25</b>

### CASH FLOW FROM ACQUISITIONS AND DIVESTMENTS OF GROUP COMPANIES

#### Cash flow from acquisitions

During 2006, Eignarhaldsfelagid Verdbrefathing (EV) was acquired and in 2005 the Copenhagen Stock Exchange (CSE) was acquired. The cash flow from these acquisitions is described in the table below:

	GROUP	
(SEK m)	2006	2005
Intangible assets	275	1,224
Tangible fixed assets	1	12
Financial fixed assets	8	21
Receivables	19	80
Cash equivalents	33	307
Long-term liabilities	-	-
Current liabilities	-22	-187
Minority interests	-	-
<b>Total purchase price</b>	<b>314</b>	<b>1,457</b>
<b>Total purchase price paid</b>	<b>-314</b>	<b>-1,457</b>
Less earlier holding in acquired company	-	18
Less payment with treasury shares	256	232
<b>Purchase price paid</b>	<b>-58</b>	<b>-1,207</b>
Cash equivalents in acquired Group company	33	307
<b>CASH FLOW FROM ACQUISITIONS</b>	<b>-25</b>	<b>-900</b>
Acquisition costs affecting cash flow in the forthcoming year	6	-
<b>TOTAL CASH FLOW FROM ACQUISITIONS DURING THE FISCAL YEAR</b>	<b>-19</b>	<b>-900</b>

### Cash flow from divestments

During 2005, the operations within Banks & Brokers in Australia were divested. The cash flow from these divestments is described in the table below;

(SEK m)	GROUP	
	2006	2005
Intangible assets	-	29
Tangible fixed assets	-	-
Receivables	-	-
Cash equivalents	-	-
Long-term liabilities	-	-
Current liabilities	-	-
<b>Total purchase price</b>	<b>-</b>	<b>29</b>
Capital gains/losses	-	-
<b>Total of purchase price received</b>	<b>-</b>	<b>29</b>
Less cash equivalents in divested companies	-	-
Restructuring reserve	-	-
Cash and cash equivalents in divested Group companies	-	-
<b>CASH FLOW FROM DIVESTMENTS</b>	<b>-</b>	<b>29</b>

### ITEMS NOT AFFECTING CASH FLOW

Changes in the company's asset structure related to acquisition are accounted for in the tables above "Cash flow from acquisitions" and "Cash flow from divestments." Other transactions related to investment and financing operations that do not give rise to payments, despite the fact that they impact the company's capital and asset structure, encompass depreciation/amortization and impairment, utilization of reserves, share in earnings of associated companies and capital gains/losses.

### LIQUIDITY AND FINANCING

Interest-bearing net liabilities amounted to SEK 847 m (572) at the end of the reporting period. OMX's interest-bearing financial assets totaled SEK 950 m (1,334), of which SEK 21 m (90) represented financial fixed assets.

Interest-bearing financial liabilities totaled SEK 1,797 m (1,906), of which SEK 1,360 m (1,400) was long-term.

Agreed credit facilities amounted to SEK 3,741 m (3,033), of which SEK 30 m (0) was utilized. Of the granted credit facilities, SEK 1,335 m (823) refers to clearing operations. Cash equivalents equaled SEK 409 m (915) and consisted of short-term investments and cash and bank balances. Investments with lifetimes shorter than three months are included in the item "Cash equivalents", since these securities are exposed to an insignificant level of risk and can be readily turned into cash.

## Note 35. Information regarding the Parent Company

OMX AB (publ) is a limited liability company registered in Sweden, with its registered office in Stockholm. The Parent Company's shares are listed on the stock exchanges in Stockholm, Helsinki, Copenhagen and Iceland. The address of the headquarters is: OMX AB, 105 78 Stockholm, Sweden.

The consolidated accounts for 2006 comprise the Parent Company and its subsidiaries, referred to collectively as the Group. The Group also includes shareholdings in associated companies.

## Note 36. Significant events after the end of the reporting period

### DISCONTINUING OPERATIONS

After the end of the reporting period, OMX signed an agreement with HCL Technologies, the global IT services provider, regarding an extended partnership which means that OMX no longer has any discontinuing operations in the Nordic region. The partnership means that HCL Technologies will assume responsibility for the development and maintenance of systems for securities management targeted to banks and brokers and that the remaining part of the Nordic operations will be moved to Information Services & New Markets business area, and will be included in the Broker Services unit. A number of employees' work tasks will be within the Market Technology business area to replace consultants and minimize new recruitments. The transferred unit had sales of SEK 160 m and costs of SEK 195 m in 2006. The unit expects to report a profit in 2007. The changes will be implemented in OMX's financial statements as per January 1, 2007.

### SHARE MATCH PROGRAM 2007

Provided that the Annual General Meeting approves the proposal, the OMX Board has decided to continue and expand the share match program for senior executives for a second year. The program is targeted at approximately 95 senior executives and key individuals in OMX. The duration of the program is three years and requires employees to invest their own funds in OMX shares. Participants in the program invest in OMX shares and, provided that OMX achieves performance targets related to earnings per share and how the OMX's shares perform in comparison to its competitors, after three years, participants may obtain a maximum of five matching shares per invested share. President and CEO Magnus Böcker may receive a maximum of eight matching shares per invested OMX share. The number of shares that the participant may buy in the program is limited.

Costs for OMX's Share Match Program for 2007 involve administrative expenses, compensation costs and social security contributions which the Board expects to amount to approximately SEK 25 m over the period 2007-2009.

### PROPOSAL FOR AUTHORIZATION ON REPURCHASE OF SHARES

After the reporting period, the OMX Board decided to propose to the 2007 Annual General Meeting that it authorize the Board to repurchase shares corresponding to a maximum of 10 percent of the number of shares outstanding. 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.

In accordance with item 3.6.2 of the Swedish Code of Corporate Governance, the Board of Directors and President affirm that, to the best of their knowledge, the Annual Report has been prepared in accordance with the generally accepted accounting principles for listed companies in Sweden, the information presented agrees with actual conditions and nothing of significance has been omitted that could affect the perception of OMX conveyed by the Annual Report.

Stockholm, February 15, 2007



**Olof Stenhammar**  
(Chairman)



**Adine Grate Axén**



**Bengt Halse**



**Tarmo Korpela**



**Hans Munk Nielsen**



**Magnus Böcker**  
(President and CEO)



**Urban Bäckström**




**Birgitta Klasén**



**Markku Pohjola**

Our audit report was presented on February 15, 2007.



**Peter Clemédtsen**  
Authorized Public Accountant



**Björn Fernström**  
Authorized Public Accountant



# Audit report

TO THE ANNUAL MEETING OF THE SHAREHOLDERS OF OMX AB (PUBL) CORPORATE IDENTITY NUMBER 556243-8001

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the President of OMX AB (publ) for the year 2006. The annual accounts of the company and the consolidated accounts are included on pages 56–100 of this document. The Board of Directors and the President are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRS as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the President and significant estimates made by the Board of Directors and the President when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any Board member or the President. We also examined whether any Board member or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with international financial reporting standards IFRS as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group's financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the Board of Directors and the President be discharged from liability for the financial year.

Our audit report was presented on February 15, 2007



**Peter Clemetson**  
Authorised Public Accountant



**Björn Fernström**  
Authorised Public Accountant

# Financial overview

## 10-YEAR OVERVIEW<sup>1)</sup>

SEK m	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<b>INCOME STATEMENT</b>										
Net sales	3,505	3,136	2,906	2,686	2,640	3,072	3,152	1,954	1,567	991
of which, own work capitalized	68	125	74	86	80	-	-	-	-	-
Other revenue	105	-	200	-	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>3,610</b>	<b>3,136</b>	<b>3,106</b>	<b>2,686</b>	<b>2,640</b>	<b>3,072</b>	<b>3,152</b>	<b>1,954</b>	<b>1,567</b>	<b>991</b>
Revenue growth per year, %	15	1	16	2	-14	-3	61	25	58	62
Operating expenses before depreciation	-2,221	-2,015	-2,256	-2,782	-2,379	-3,199	-2,230	-1,265	-1,087	-650
Depreciation and impairment	-224	-226	-243	-374	-323	-359	-229	-169	-105	-37
of which, goodwill	-	-	-	-170	-129	-118	-98	-85	-70	-17
Participations in associated companies' income	46	15	9	21	38	33	10	3	-	34
<b>OPERATING INCOME</b>	<b>1,211</b>	<b>910</b>	<b>616</b>	<b>-449</b>	<b>-24</b>	<b>-453</b>	<b>703</b>	<b>523</b>	<b>375</b>	<b>338</b>
Operating margin, %	34	29	20	-16	-1	-15	22	27	24	34
Financial items	-60	-64	-48	-23	-32	-16	40	80	105	84
<b>INCOME AFTER FINANCIAL ITEMS</b>	<b>1,151</b>	<b>846</b>	<b>568</b>	<b>-472</b>	<b>-56</b>	<b>-469</b>	<b>743</b>	<b>603</b>	<b>480</b>	<b>422</b>
Tax	-240	-303	-185	41	-15	233	-127	-151	-94	-85
<b>INCOME FOR THE PERIOD</b>	<b>911</b>	<b>543</b>	<b>383</b>	<b>-431</b>	<b>-71</b>	<b>-236</b>	<b>616</b>	<b>452</b>	<b>386</b>	<b>337</b>
of which, attributable to shareholders in OMX AB	907	550	382	-431	-71	-25	730	444	381	334
of which, attributable to minority interest	4	-7	1	0	0	-211	-114	8	5	3
Earnings per share, SEK	7.64	4.66	3.31	-4.33	-0.85	-0.3	8.69	5.3	4.55	14.2
<b>BALANCE SHEET</b>										
Total assets	12,528	10,612	6,620	6,746	4,920	5,985	5,505	4,123	3,486	2,309
Capital employed	6,411	6,656	5,197	5,588	4,075	4,389	3,811	3,337	2,837	1,636
Shareholders' equity	4,614	4,749	3,835	3,533	2,017	2,257	2,986	2,808	2,740	1,613
<b>KEY FIGURES</b>										
Equity/assets ratio, %	57	57	58	52	41	37	55	68	79	70
Return on shareholders' equity, %	20	12	10	-16	-3	-1	25	16	14	20
Return on capital employed, %	20	14	12	-7	2	-8	25	20	22	27
Net debt/equity ratio	18	12	-4	17	33	6	-45	-39	-57	-91
Investments in equipment	77	85	105	84	75	409	336	100	79	44
Investments in research and development	208	263	120	221	254	394	608	248	133	83
of which, expensed	23	63	18	76	146	289	287	175	87	83
Average number of employees	1,324	1,370	1,478	1,682	1,677	1,516	1,242	805	507	303
Personnel expenses	1,160	1,069	1,040	1,422	1,171	1,148	909	544	352	224

1) IFRS applied only for 2004, 2005 and 2006.

## INCOME STATEMENT – LAST EIGHT QUARTERS

### QUARTERLY DATA

	2006				2005			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>INCOME STATEMENT</b>								
Net sales	942	817	865	881	847	776	771	742
of which, own work capitalized	2	18	25	23	29	28	33	35
Other revenue	83	-	-	22	-	-	-	-
<b>TOTAL REVENUE</b>	<b>1,025</b>	<b>817</b>	<b>865</b>	<b>903</b>	<b>847</b>	<b>776</b>	<b>771</b>	<b>742</b>
External expenses								
Premises	-56	-50	-52	-52	-46	-46	-47	-52
Marketing expenses	-31	-9	-11	-12	-12	-9	-12	-7
Consultancy expenses	-84	-76	-73	-77	-64	-71	-61	-57
Operation and maintenance expenses, IT	-62	-81	-64	-48	-59	-57	-61	-55
Other external expenses	-77	-46	-50	-50	-56	-59	-66	-49
Personnel expenses	-308	-272	-295	-285	-281	-253	-271	-264
Depreciation and impairment	-56	-58	-54	-56	-55	-56	-58	-57
<b>TOTAL OPERATING EXPENSES</b>	<b>-674</b>	<b>-592</b>	<b>-599</b>	<b>-580</b>	<b>-573</b>	<b>-551</b>	<b>-576</b>	<b>-541</b>
Participations in associated companies' income	4	13	18	11	-11	7	13	6
<b>OPERATING INCOME</b>	<b>355</b>	<b>238</b>	<b>284</b>	<b>334</b>	<b>263</b>	<b>232</b>	<b>208</b>	<b>207</b>
Financial items	-16	-11	-18	-15	-8	-23	-16	-17
<b>INCOME AFTER FINANCIAL ITEMS</b>	<b>339</b>	<b>227</b>	<b>266</b>	<b>319</b>	<b>255</b>	<b>209</b>	<b>192</b>	<b>190</b>
Tax	-43	-56	-66	-75	-68	-58	-119	-58
<b>INCOME FOR THE PERIOD</b>	<b>296</b>	<b>171</b>	<b>200</b>	<b>244</b>	<b>187</b>	<b>151</b>	<b>73</b>	<b>132</b>
Of which, attributable to shareholders in OMX AB	295	170	199	243	192	151	72	135
Of which, attributable to minority share	1	1	1	1	-5	0	1	-3
Number of shares, millions	120.640	118.474	118.474	118.474	118.474	118.474	118.474	118.474
Number of shares after full conversion, millions	120.640	118.760	118.760	118.760	118.760	118.760	118.760	118.760
Earnings/loss per share, SEK	2.47	1.43	1.68	2.05	1.62	1.27	0.61	1.15
Earnings/loss per share after full conversion, SEK	2.47	1.43	1.68	2.05	1.62	1.27	0.61	1.15

### DEFINITIONS OF FINANCIAL TERMS

Capital employed	Total assets less non-interest-bearing liabilities including deferred tax liabilities.
Cash flow per share	Cash flow from operating activities divided by the average number of shares.
Earnings per share	Net profit (income after tax) divided by average number of shares.
Equity/assets ratio	Shareholders' equity as a percentage of total assets.
Net debt/equity ratio	Interest-bearing net debt as a percentage of shareholders' equity.
Operating margin	Operating income as a percentage of operating revenue.
P/E ratio	Market price in relation to earnings per share.
Return on capital employed	Income after financial net items plus financial expenses as a percentage of average capital employed.
Return on shareholders' equity	Net profit (income after tax) as a percentage of average shareholders' equity.
Total return	The price trend of a share and reinvested dividends.
Turnover rate	The number of shares traded in a listed company during a year divided by the number of outstanding shares.
Value added per employee	Value added divided by the average number of employees. Value added is the sum of operating income before financial items and personnel expenses (adjusted).
Volatility	A measurement of risk that shows the extent of changes in the price of a share over a certain period. Volatility is expressed in percent and measured using the standard deviation of a price change in a share.

# Glossary

**Back office.** Administration, custody and settlement of securities.

**Clearing/Central Counterparty Clearing (CCP).** Clearing typically includes compiling and offsetting claims and counter-claims between buyers and sellers. At OMX exchanges and clearing organizations, it also includes entering as a counterparty in a securities transaction, whereby the clearing organization becomes the new buyer vis-à-vis the original seller and the new seller vis-à-vis the original buyer. The term central counterparty clearing, or CCP, is usually used to distinguish this type of clearing. Clearing operations are normally subject to legal authorization.

**COBIT.** Generally applicable standard for IT security and control procedures, based on 34 main processors and 318 control points (Control Objectives for Information and Related Technology).

**Convertibles.** Interest-bearing debentures that can be converted, that is, exchanged for shares at a pre-determined price.

**COSO.** Umbrella organization for five auditors' organizations in the US, with the objective of improving quality in auditing through business ethics, effective internal audits and corporate governance (Committee of Sponsoring Organizations of the Treadway Commission).

**Counterparty risk/default risk.** The risk that a counterparty in a transaction will be unable to fulfill his/her obligations.

**Derivatives.** A security or financial instrument the value of which is dependent on the performance of an underlying asset, for example, an equity. The most common examples are futures, options and forwards, but swaps and warrants are usually included in this category.

**EMEA.** Abbreviation for Europe, Middle East and Africa.

**Facility Management Services (FMS).** Outsourcing of functions and operational services, for example, to an exchange. In an FMS contract, OMX assumes responsibility for operations, which means that the customer does not have to develop IT expertise.

**First North.** An alternative marketplace with a simpler set of regulations than OMX's main market, targeted toward growth companies. First North is part of the Nordic Exchange offering.

**Futures and forwards.** A contract between two parties to purchase an asset with delivery and payment fixed on a future date. The difference between futures and forwards is that the market value of futures contracts is normally adjusted daily. The term forwards is often used to describe instruments traded off exchange. See also Derivatives.

**IAS/IFRS.** International Accounting Standards/International Financial Reporting Standards. For European parent companies, accounting principles introduced in 2005 and based on, among other elements, market valuation in the balance sheet.

**Integrated solutions.** Technical solutions that bring transaction processes and participants together.

**Liquidity.** The name for the level of trading, or the availability of buyers and sellers of a security such as an equity.

**MiFID.** Markets in Financial Instruments Directive. EU directive replacing the investment service directive. Adopted by the EU on April 21, 2004 and to become law in Sweden in 2007.

**Nordic Exchange.** The Nordic Exchange encompasses exchange operations in Stockholm, Helsinki, Copenhagen, Iceland, Tallinn, Riga and Vilnius. The operations include trading in equities and derivatives, services provided to listed companies and information services provided to players in the financial market. In addition to the main market, the Nordic Exchange also comprises the alternative marketplace First North, which is targeted toward growth companies.

**Option.** A financial instrument that gives the option holder the right, but not the obligation, to purchase (call option) or sell (put option) an underlying asset for a predetermined price at a certain point in time. The writer of an option has the corresponding obligation to sell or buy the asset in question. See Derivatives.

**Rights.** The right to subscribe for a new equity or other security at a predetermined price.

**Settlement.** The name of the series of administrative processes that must be carried out to complete a transaction, such as delivery of securities and payment, as well as documentation.

**SIX Return Index.** The SIX Return Index is the leading index for the total shareholder return for Nordic equities, comprising the equity price trend and reinvested dividends (Scandinavian Information Exchange).

**Spot transaction.** A securities transaction where securities are paid for and delivered immediately. The most common form is an equity trade.

**Trade.** When a buyer and a seller agree on a transaction and price and other conditions for the transaction. All trading in OMX's systems solutions and at OMX's exchanges is carried out electronically.

**Transparency Directive.** Directive 2004/109/EC of the European Parliament and Council on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.

**Warrants.** Normally, covered warrants, issued by banks. See also Derivatives.



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