



OSLO BØRS VPS

# *Oslo Børs VPS Holding ASA*

## *2nd Quarter 2012*

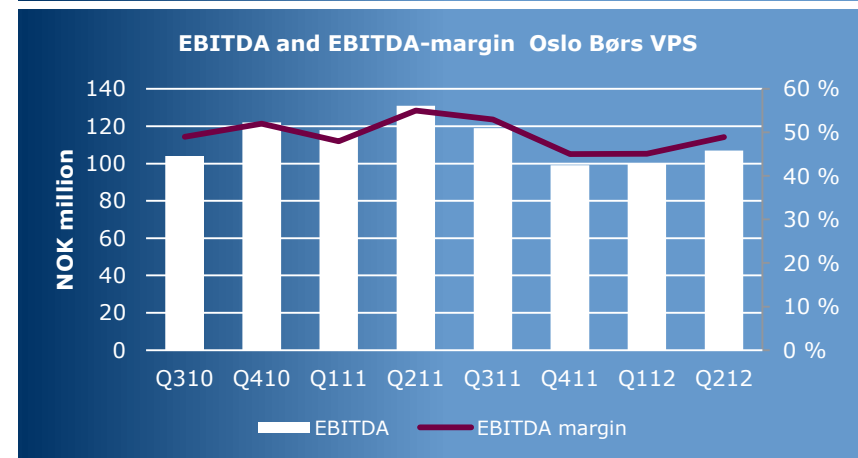
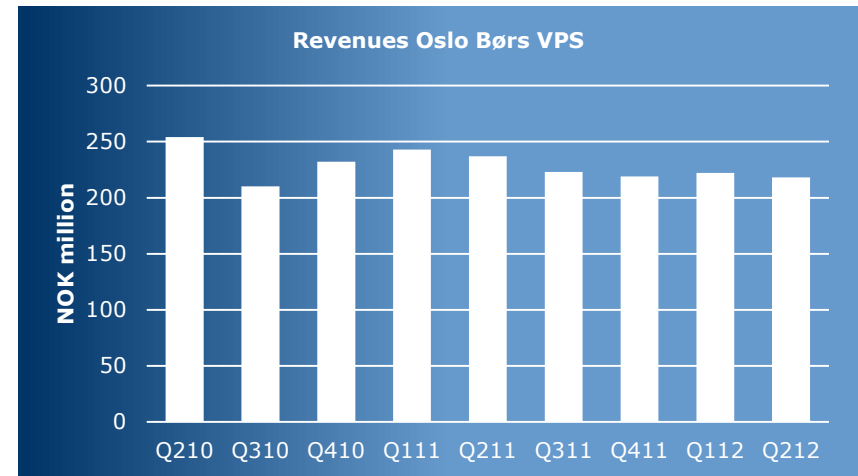
15 August 2012

## *2nd quarter at a glance*

- Continued good level of activity in the fixed income market
- Challenging conditions in the primary and secondary equities and derivatives market
- First phase of the mutual funds project delivered
- Work in progress on the new trading system (Millennium Exchange) and a more efficient clearing solution (Magica)
- Fast-track listing process now in place
- New opening hours with effect from 6 August

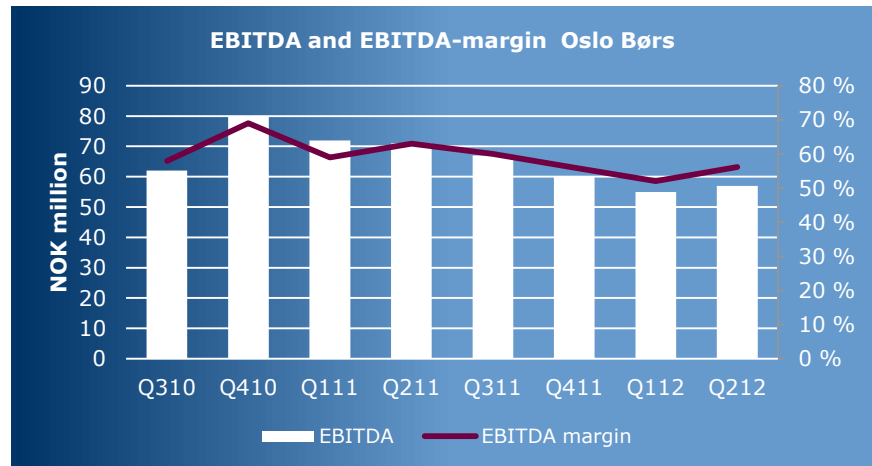
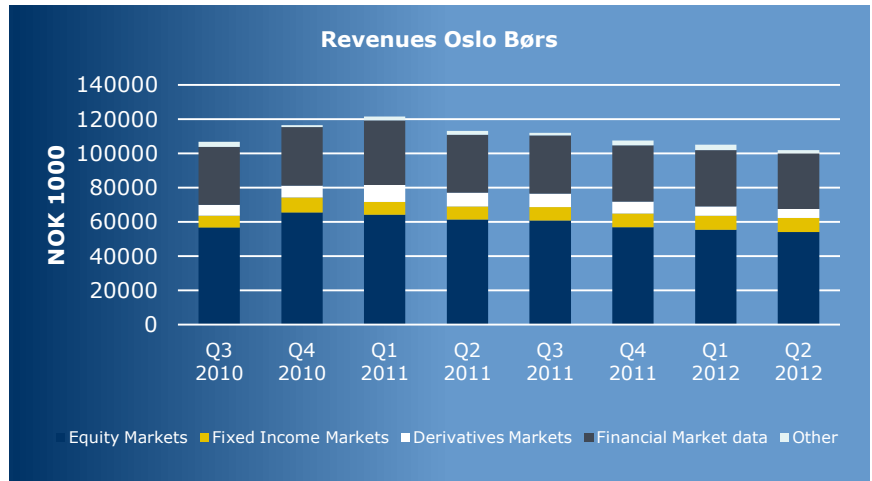
## 2nd quarter at a glance

- Revenues down 8% to NOK 218 million from Q211
- Operating expenses up from Q211. In line year to date.
- EBITDA down 18% to NOK 107 million from Q211
- EPS NOK 1.24 – down 23% from Q211



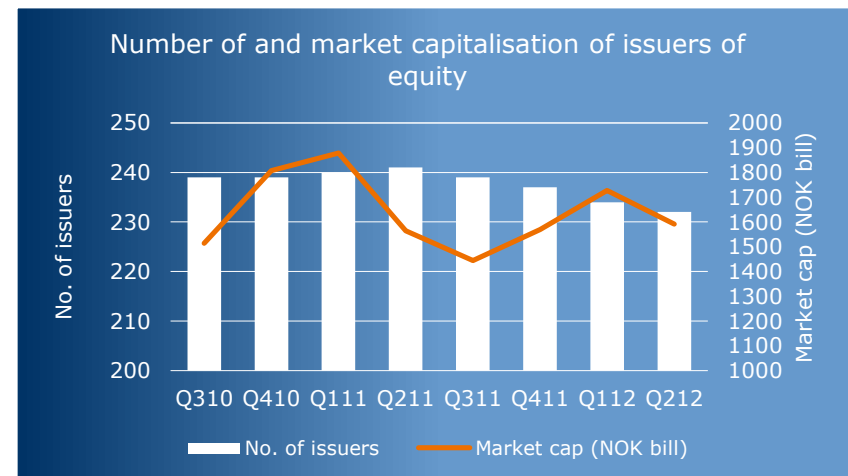
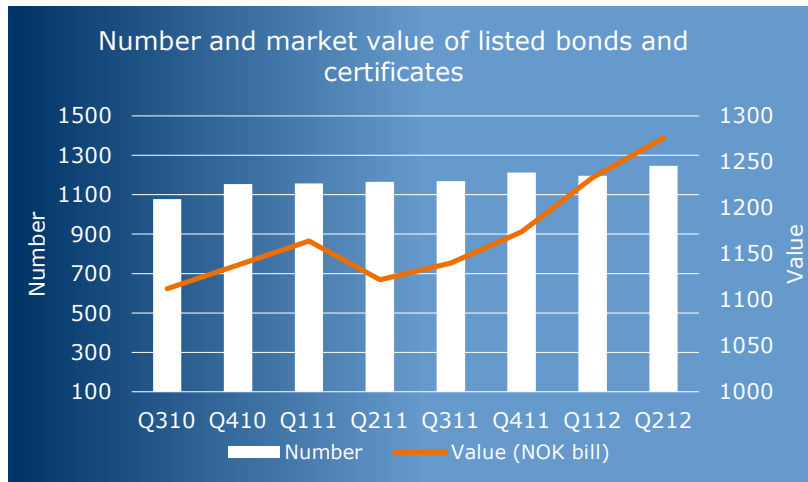
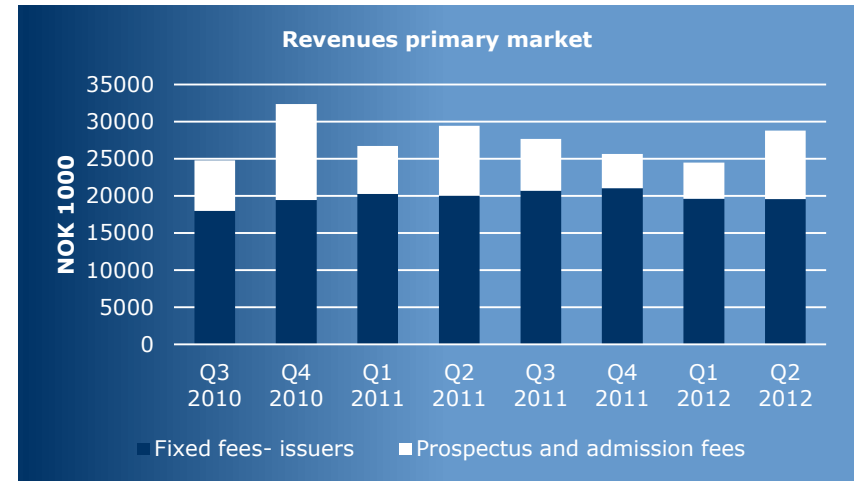
# Oslo Børs

- Revenues down 10% to NOK 102 million from Q211
- EBITDA down 19% to NOK 57 million from Q211
- Reduced activity in equities
- Increased activity in fixed income instruments
- Implementation of Millennium in November 2012



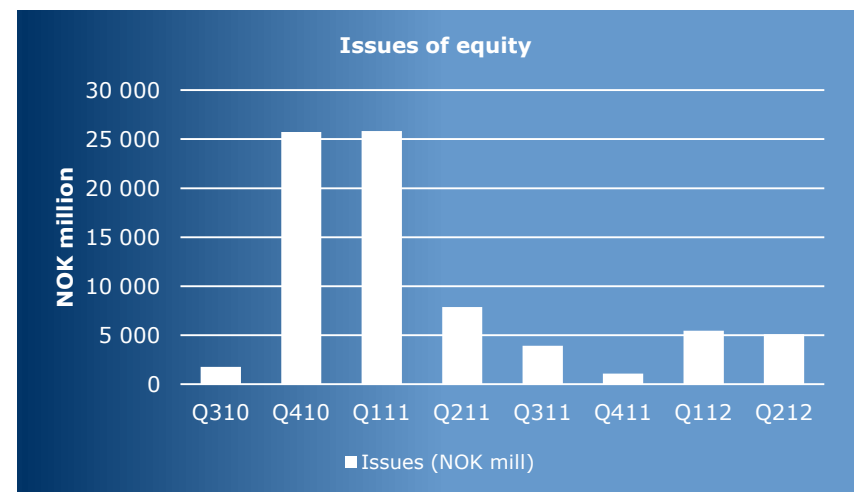
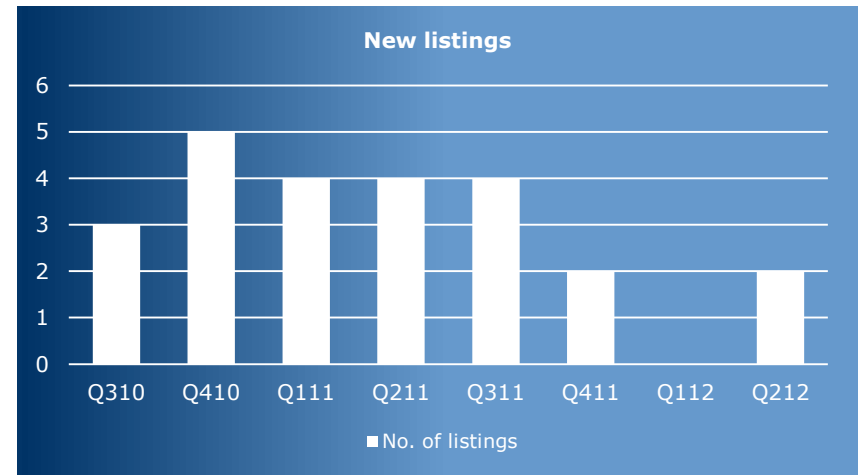
# Oslo Børs – primary market

- Steady increase in number of listed bonds and certificates
- Fixed fees from issuers down 2% from Q211
- Fixed fees driven by number of issuers and market capitalisation January 1
- Reduced market cap. 1 Jan 2012



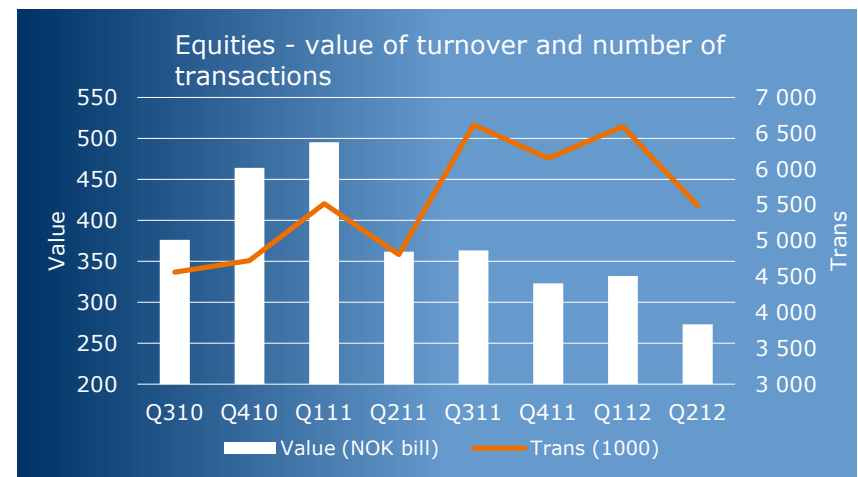
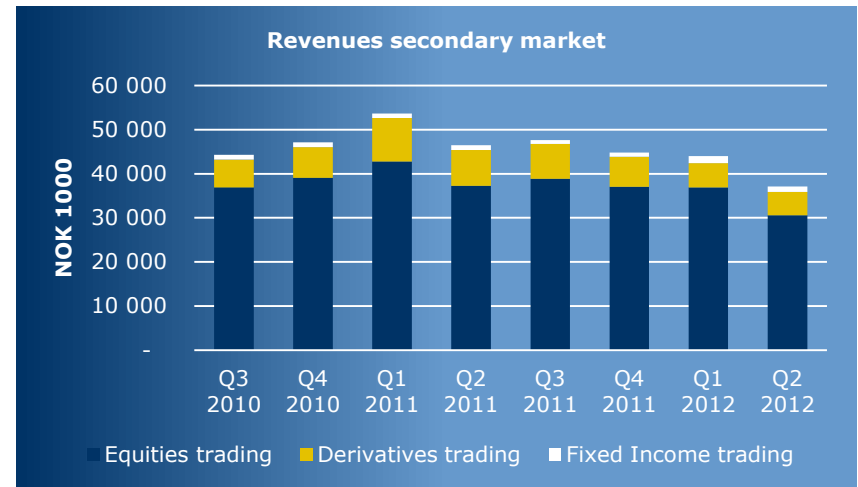
# Oslo Børs – primary market

- Prospectus and admission fees in line with Q211
- Revenues driven by number and size of IPOs and issues
- Two new listings in Q212
- Low level of issues of equity in Q212
- High level of issues of fixed income instruments



# Oslo Børs – secondary market

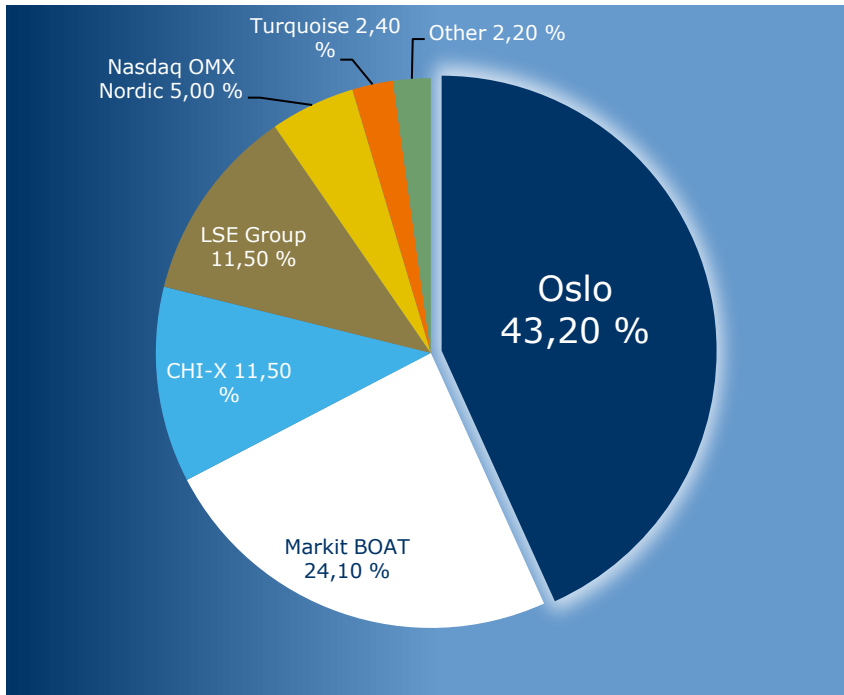
- Low market activity in Q212
- Revenues down 20% from Q211
- Equity revenues driven by trading activity and members choice of fee structures
- Derivatives revenues driven by activity level and composition of derivatives trading
  - No of contracts down 35% from Q211
  - Revenues down 34% from Q211



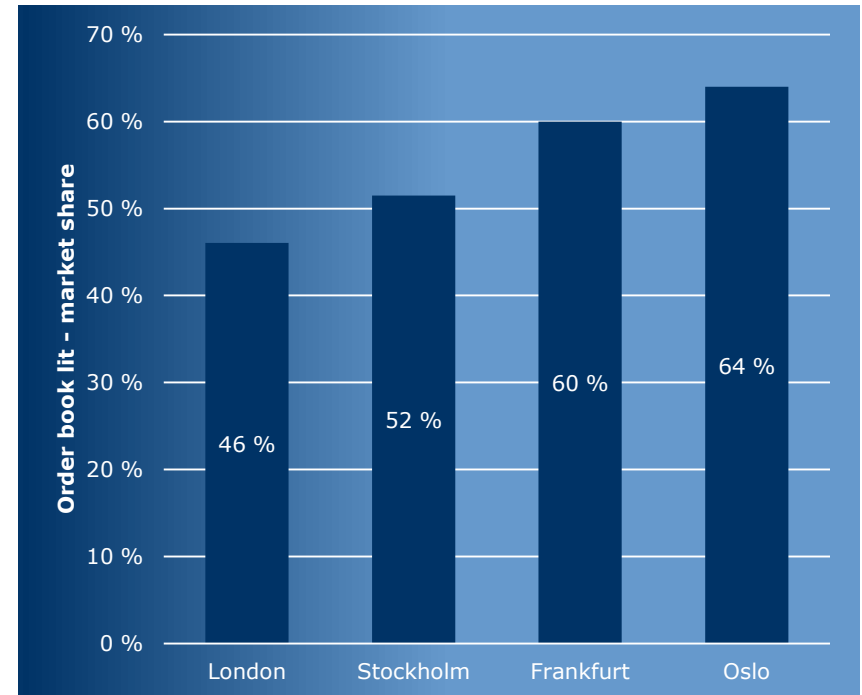


# Market share - equities trading

Total YTD 2012



On-exchange trading June 2012

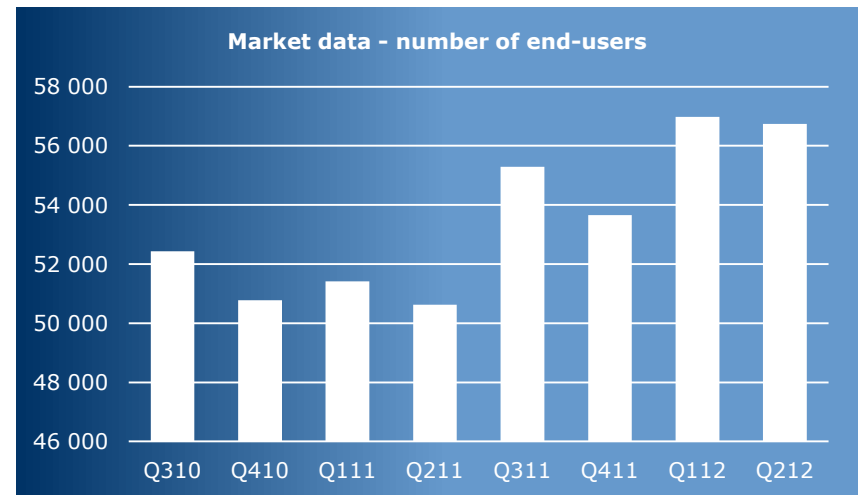
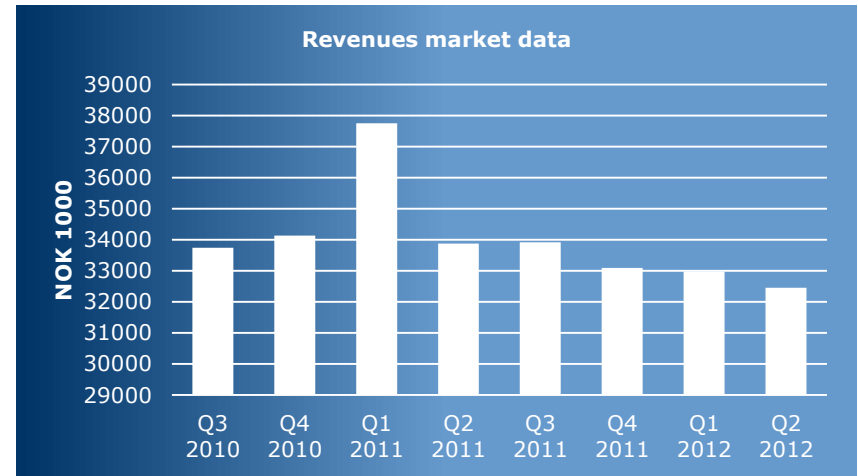


- Increased use of Smart Order Routers
- Increased internalisation in Europe

(Source: Thomson Reuters)

# Oslo Børs – market data

- Revenues down 4% from Q111
- Revenues primarily driven by number of professional end users of data from Oslo Børs
- Professional users down 7% from Q211
- Increase in private users
- One-off items in Q111
  - Customer audits



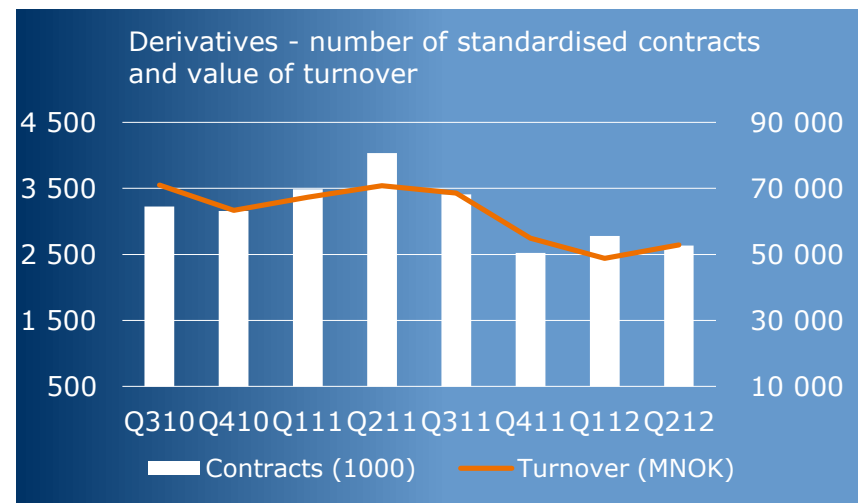
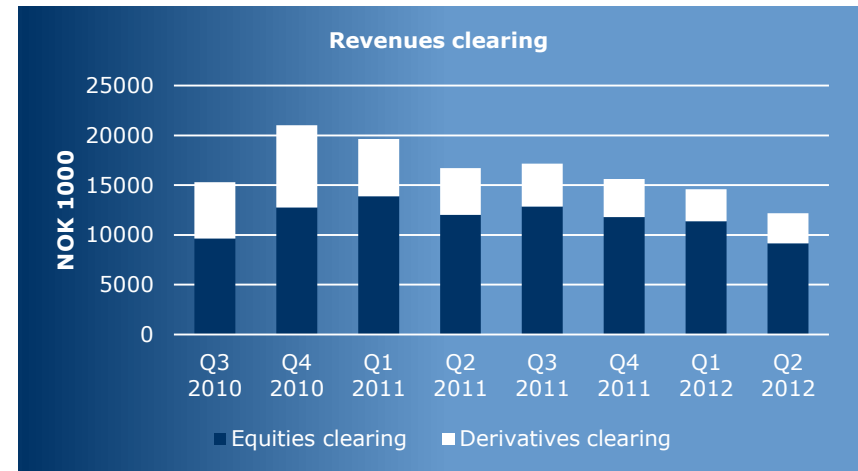
# Key market activities

- Millennium to be implemented in November 2012
  - Owned and used by London Stock Exchange Group
  - One of the world's fastest trading system
  - A flexible system
  - Attract new members and trading volume
- Continuous development of microstructure
  - Marketplace rules, pricing structure, technology, networks and products
  - New opening hours
  - New tariffs for high frequency trading
- Efficient post trade
  - Interoperability
- Fast track procedure for listing



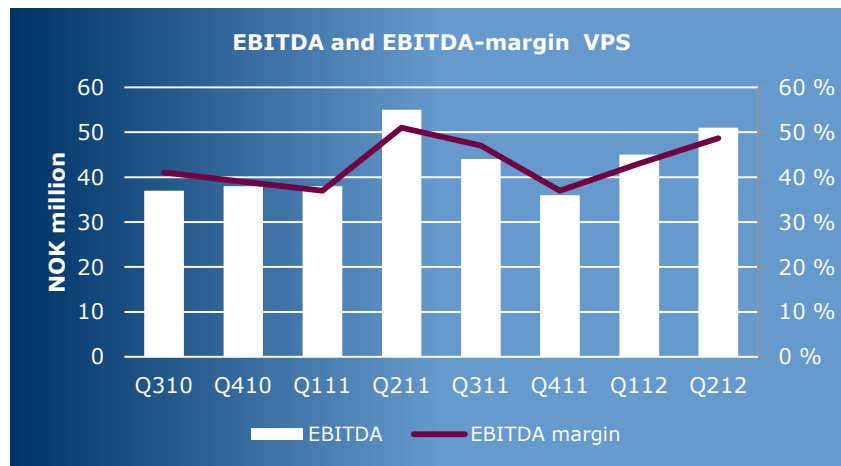
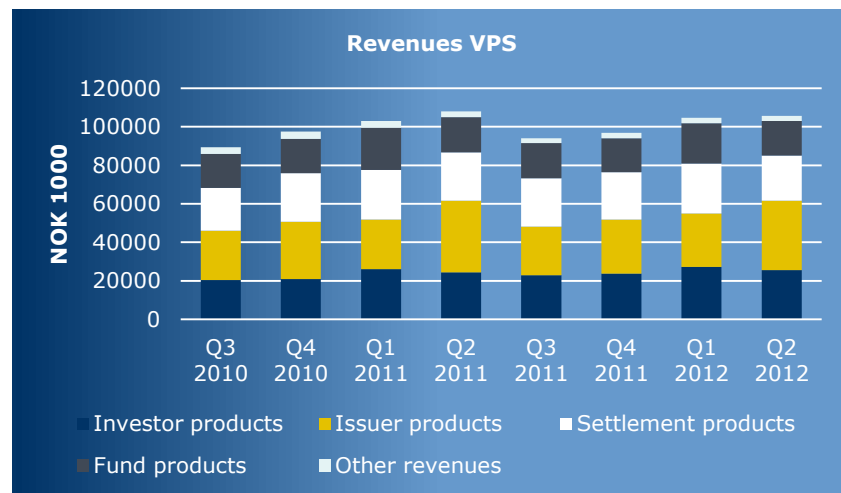
# Oslo Clearing

- Revenues down 27% from Q211
- Shift from transaction to value based fee-schedules
- Derivatives activity down 35% from Q211
- Clearing revenues driven by
  - trading activity and members choice of fee structures
  - activity level and composition of derivatives trading
- Interoperability with LCH Q412
- Magica – increased competitiveness in clearing



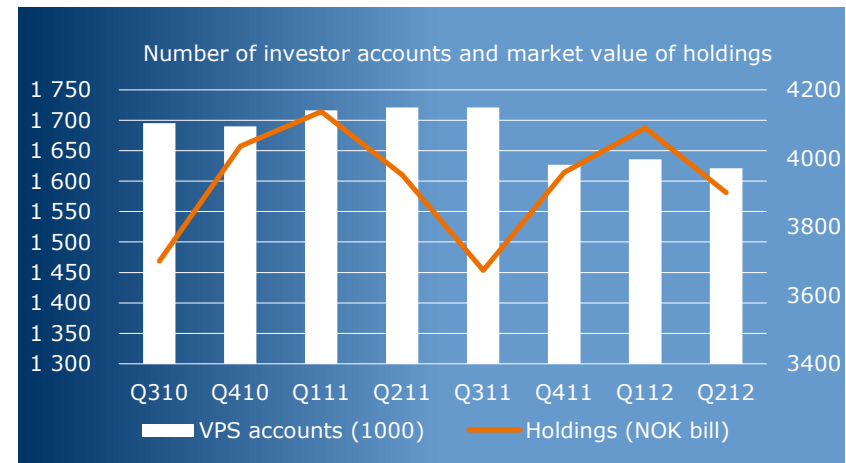
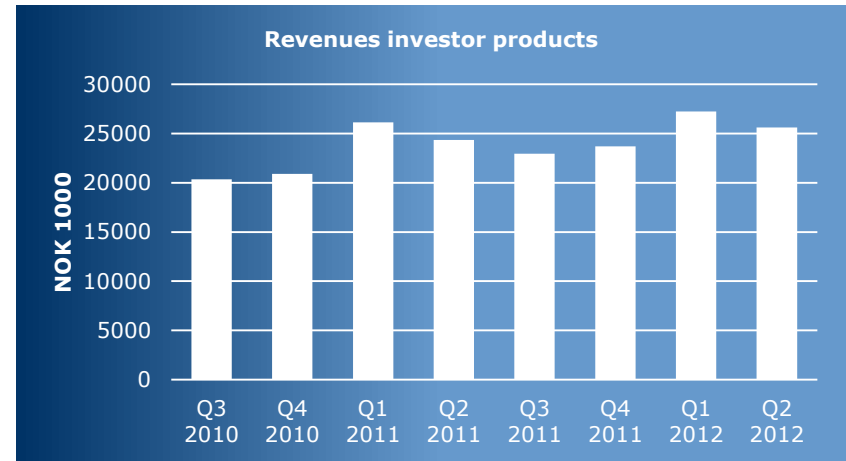
# VPS

- Revenues down 2% to NOK 106 million from Q211
- EBITDA down 7% to NOK 51 million from Q211
- Reduced revenues in all areas except for investor
- Fund system released in June



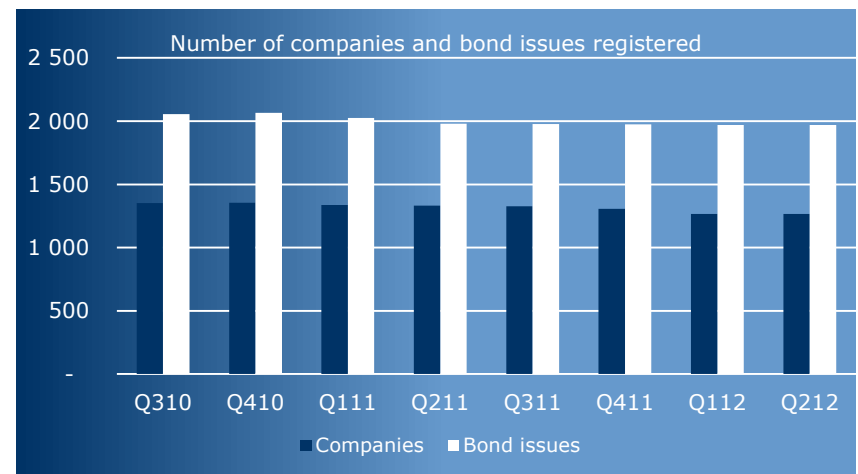
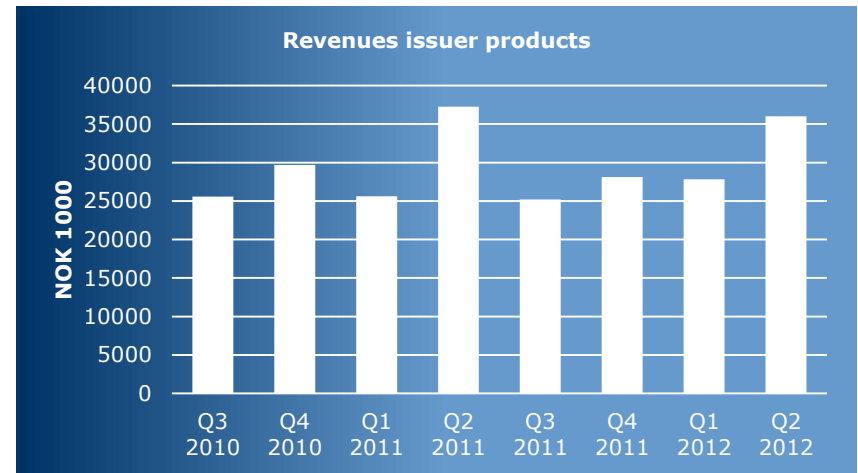
# VPS – investor products

- Revenues up 5% from Q211
- Revenues primarily driven by number of VPS accounts and market value of holdings January 1



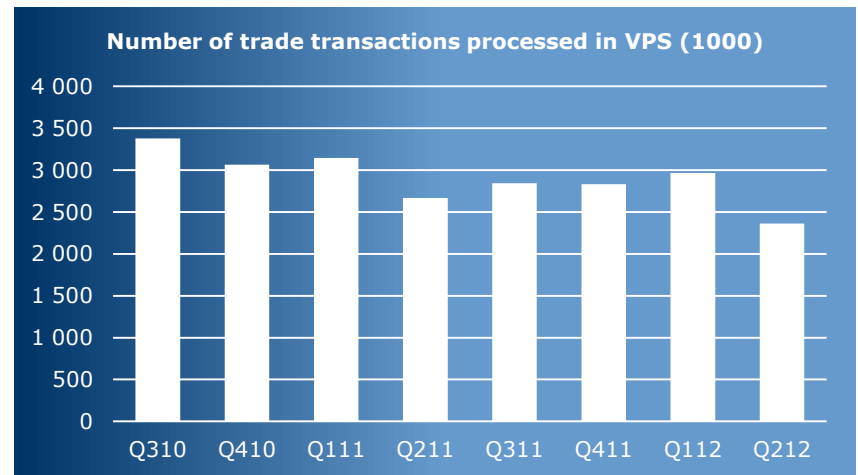
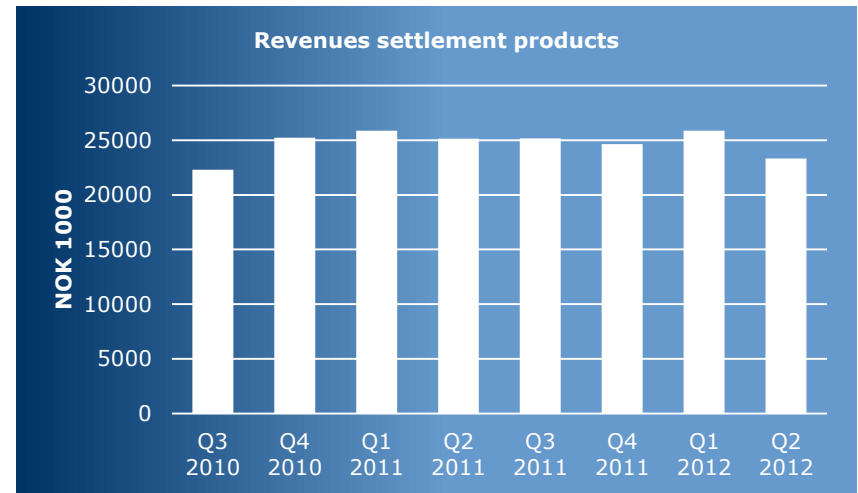
# VPS – issuer products

- Revenues down 3% from Q211
- Revenues driven by number and composition of issuers and level and composition of corporate activity
  - AGM-season in Q2
- Additional revenue from value added products
  - AGM-services
  - Stock purchase programs
  - Nominee-ID



# VPS – settlement products

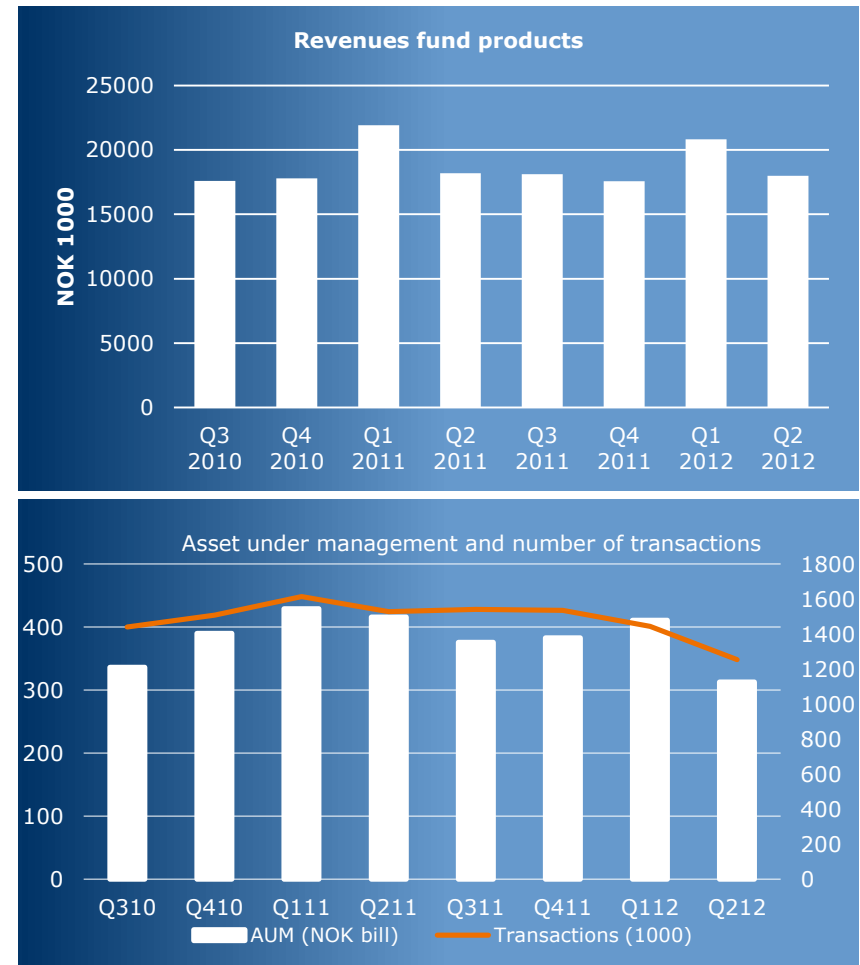
- Revenues down 7% from Q211
- Revenues driven by number of participants and number of settlement transactions





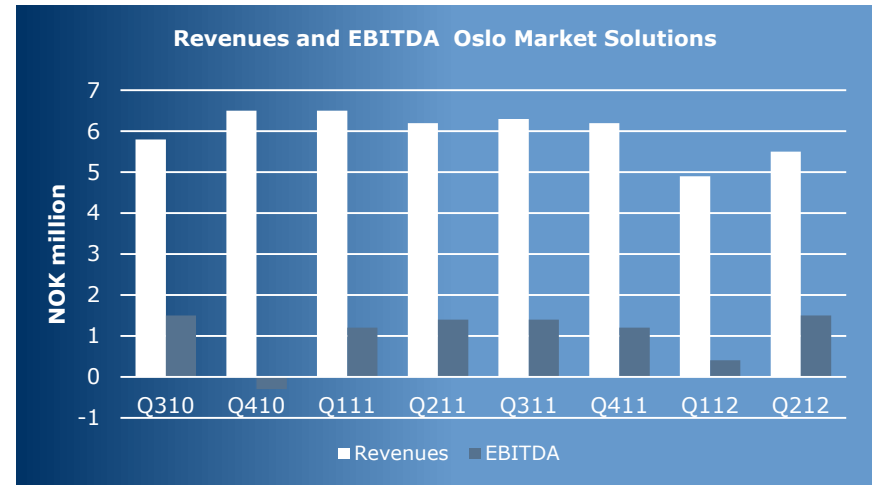
# VPS – fund products

- Revenues down 1% from Q211
- Reduction in volumes from Q212
- Revenues primarily driven by assets under management and number of transactions
- First part of new fund system released in June
- Program extended with development of new functionality



# Oslo Market Solutions

- Revenues down 12% from Q211
- EBITDA up 12% from Q211
- Transfer of revenue stream to VPS as of 2012



# *European regulation - implications*

- MiFID II and MiFIR
  - More level playing field and increased transparency
- EMIR
  - Opportunity for CCPs in mandatory clearing
  - Requirements for CCPs – organisation, capital and access and interoperability
- CSD-legislation
  - Increased competition – opportunity and threat
- Financial transactions tax?

# Largest shareholders 30 July 2012

Investor	Antall aksjer	% av 20 største	% av total	Type	Land
DNB LIVSFORSIKRING ASA	8 522 045	23,85%	19,82%	Sels.	NOR
KOMMUNAL LANDSPENSJONSKASSE	4 300 200	12,03%	10,00%	Sels.	NOR
PARETO AS	3 662 230	10,25%	8,52%	Sels.	NOR
ORKLA ASA	3 510 700	9,82%	8,16%	Sels.	NOR
LANDSBANKINN HF	2 812 930	7,87%	6,54%	Nom.	ISL
ARENDALS FOSSEKOMPANI ASA	1 996 000	5,59%	4,64%	Sels.	NOR
JP MORGAN CLEARING CORP.	1 984 575	5,55%	4,61%	Nom.	USA
NORSK HYDROS PENSJONSKASSE	1 900 000	5,32%	4,42%	Sels.	NOR
STATE STREET BANK AND TRUST CO.	959 355	2,68%	2,23%	Nom.	USA
MSF-MUTUAL FINANCIAL SERVI FD	911 000	2,55%	2,12%	Sels.	USA
MORGAN STANLEY & CO INTERNAT. PLC	725 700	2,03%	1,69%	Nom.	GBR
NORDEA NORDIC SMALL CAP FUND	718 841	2,01%	1,67%	Sels.	FIN
MUST INVEST AS	708 520	1,98%	1,65%	Sels.	NOR
SUNDT AS	657 500	1,84%	1,53%	Sels.	NOR
FRANKLIN TEMPLETON EXCLUSIVE	622 000	1,74%	1,45%	Sels.	LUX
STATE STREET BANK AND TRUST CO.	447 895	1,25%	1,04%	Nom.	USA
BANQUE DE LUXEMBURG S.A	347 960	0,97%	0,81%	Nom.	LUX
MSF-MUTUAL EUROPEAN FUND	340 000	0,95%	0,79%	Sels.	USA
MP PENSJON PK	306 394	0,86%	0,71%	Sels.	NOR
CLEARSTREAM BANKING S.A.	303 250	0,85%	0,71%	Nom.	LUX
<b>Antall aksjer hos de 20 største</b>	<b>35 737 095</b>	<b>100%</b>	<b>83,10%</b>		
<b>Totalt antall aksjer</b>	<b>43 004 000</b>		<b>100%</b>		

# Summary

- Revenues affected by European downturn in trading and listing activities
- Underlying operating costs in line with 2011 year to date
- Focus forward
  - Attract new listings/registrations and members
  - Increased sale to existing customers
  - Strengthen competitive position in secondary market
    - Trading, clearing and settlement
  - Successful execution of projects
    - Millennium, Magica, Fund project, modernisation of VPS IT
  - Consider opportunities to increase scale in post trade, e.g. share technology



# *Appendix*

# P&L

	2nd Quarter 2012	2nd Quarter 2011	Change in %	30. June 2012	30. June 2011	Change in %	2011
<b>Operating revenues</b>	<b>217 820</b>	<b>237 089</b>	<b>-8 %</b>	<b>439 647</b>	<b>480 129</b>	<b>-8 %</b>	<b>921 894</b>
<b>Operating expenses</b>							
Capitalisation of internal resources	-1 977	-2 320		-3 719	-4 996		-9 016
Salary and other personnel expenses	61 414	60 316		134 916	138 172		272 804
Other operating expenses	49 785	45 323		96 041	92 993		181 828
Depreciations and write-downs	17 021	16 046		34 224	32 183		71 217
Amortisations	23 441	27 265		46 883	54 530		109 061
<b>Operating expenses before capitalisation of internal resources, depreciations and amortisations</b>	<b>111 199</b>	<b>105 639</b>	<b>5 %</b>	<b>230 957</b>	<b>231 165</b>	<b>0 %</b>	
<b>Total operating expenses</b>	<b>149 684</b>	<b>146 630</b>	<b>2 %</b>	<b>308 344</b>	<b>312 882</b>	<b>-1 %</b>	<b>625 894</b>
<b>EBITDA</b>	<b>106 621</b>	<b>131 450</b>	<b>-19 %</b>	<b>208 690</b>	<b>248 964</b>	<b>-16 %</b>	
<b>Operating profit (EBIT)</b>	<b>68 136</b>	<b>90 459</b>	<b>-25 %</b>	<b>131 304</b>	<b>167 247</b>	<b>-21 %</b>	<b>296 001</b>
Net financial items	6 146	6 183		11 801	12 231		24 817
<b>Ordinary pre-tax profit</b>	<b>74 281</b>	<b>96 642</b>		<b>143 105</b>	<b>179 478</b>		<b>320 818</b>
Tax	20 848	27 114		40 159	50 345		87 773
<b>Earnings for the period</b>	<b>53 433</b>	<b>69 528</b>	<b>-23 %</b>	<b>102 946</b>	<b>129 133</b>	<b>-20 %</b>	<b>233 045</b>
Actuarial gains/losses							
defined benefit pension plans	0	0		0	0		-19 135
Tax-effect	0	0		0	0		5 358
<b>Total comprehensive income</b>	<b>53 433</b>	<b>69 528</b>	<b>-23 %</b>	<b>102 946</b>	<b>129 133</b>	<b>-20 %</b>	<b>219 268</b>
Earnings per share (NOK)	1,24	1,62	-23 %	2,39	3,00	-20 %	5,42
Diluted earnings per share (NOK)	1,24	1,62	-23 %	2,39	3,00	-20 %	5,42

# Breakdown revenues – Oslo Børs segment

<b>Revenues per area</b>	<b>Q2 2012</b>	<b>Q2 2011</b>	<b>30.06.2012</b>	<b>30.06.2011</b>	<b>2011</b>
Equity Markets	54 144	61 371	109 556	125 488	243 177
Fixed Income Markets	8 093	7 628	16 210	15 240	31 152
Derivatives Markets	5 312	8 096	10 829	17 954	32 675
Financial Market data	32 456	33 876	65 437	71 631	138 648
Other	1 918	2 192	5 115	4 492	8 687
<b>Total Oslo Børs</b>	<b>101 923</b>	<b>113 162</b>	<b>207 147</b>	<b>234 805</b>	<b>454 339</b>
<b>Revenues per category</b>	<b>Q2 2012</b>	<b>Q2 2011</b>	<b>30.06.2012</b>	<b>30.06.2011</b>	<b>2011</b>
Fixed fees- issuers	19 561	20 036	39 187	40 312	82 041
Trading fees	37 142	46 462	80 720	100 102	192 577
Prospectus and admission fees	9 238	9 410	14 091	15 879	27 485
Financial market data	32 456	33 876	65 437	71 631	138 648
Other income	3 526	3 379	7 712	6 881	13 589
<b>Total Oslo Børs</b>	<b>101 923</b>	<b>113 162</b>	<b>207 147</b>	<b>234 805</b>	<b>454 339</b>



## *Breakdown revenues – VPS segment*

<b>VPS</b>	<b>Q2 2012</b>	<b>Q2 2011</b>	<b>30.06.2012</b>	<b>30.06.2011</b>	<b>2011</b>
Investor products	25 625	24 338	52 867	50 474	97 124
Issuer products	36 027	37 242	63 832	62 854	116 180
Settlement products	23 325	25 156	49 215	51 041	100 883
Fund products	18 000	18 197	38 821	40 108	75 797
Other revenues	2 695	3 097	5 638	6 617	11 949
<b>Total VPS</b>	<b>105 672</b>	<b>108 030</b>	<b>210 373</b>	<b>211 094</b>	<b>401 933</b>

# Balance sheet

	30. June 2012	30. June 2011	31. Dec 2011
<b>Fixed assets</b>			
IT-systems	300 600	403 471	345 997
Customer relations	38 715	54 207	46 461
Registrations	10 000	10 000	10 000
Goodwill	464 233	464 233	464 233
Deferred tax assets	89 043	73 483	88 770
Tangible assets	59 520	56 871	51 337
Financial fixed assets	73 756	45 845	75 389
<b>Current assets</b>			
Market value of outstanding derivatives positions	511 328	761 470	380 055
Receivables	89 343	97 662	81 555
Investments	-	14 892	-
Cash and cash equivalents	771 086	746 155	892 870
<b>Assets</b>	<b>2 407 624</b>	<b>2 728 288</b>	<b>2 436 667</b>
<b>Equity</b>			
Contributed equity	1 346 390	1 411 311	1 501 325
Earned equity	-	-	-
Total equity	1 346 390	1 411 311	1 501 325
<b>Liabilities</b>			
Pension liabilities	224 448	186 762	218 698
Deferred tax liabilities	62 252	90 649	75 379
Cash collateral	-	30 154	33 096
Market value of outstanding derivatives positions	511 328	761 470	380 055
Current liabilities	263 206	247 941	228 114
<b>Equity and liabilities</b>	<b>2 407 624</b>	<b>2 728 287</b>	<b>2 436 667</b>

# Cash flow

	<b>2nd Quarter 2012</b>	<b>2nd Quarter 2011</b>	<b>30. June 2012</b>	<b>30. June 2011</b>	<b>2011</b>
<b>Cash flow from</b>					
- operational activities	36 855	49 893	160 585	197 119	368 373
- investment activities	-17 876	-1 433	-23 962	-5 130	-28 981
- financing activities	-258 106	-344 302	-258 407	-344 561	-345 247
<b>Cash and cash equivalents at period's start</b>	<b>1 010 212</b>	<b>1 041 996</b>	<b>892 870</b>	<b>898 726</b>	<b>898 726</b>
Change in cash and cash equivalents	-239 126	-295 842	-121 784	-152 572	-5 856
<b>Cash and cash equivalents at period's end</b>	<b>771 086</b>	<b>746 155</b>	<b>771 086</b>	<b>746 155</b>	<b>892 870</b>
<b>Cash flow per share (NOK)</b>	<b>-5,56</b>	<b>-6,88</b>	<b>-2,83</b>	<b>-3,55</b>	<b>-0,14</b>

# Equity

	2nd Quarter 2 012	2nd Quarter 2011	30. June 2012	30. June 2011	2011
<b>Equity at period's start</b>	1 550 834	1 685 623	<b>1 501 325</b>	<b>1 626 019</b>	<b>1 626 019</b>
Total comprehensive income	53 433	69 528	102 946	129 133	233 045
Dividends			-257 878	-343 838	-343 838
Purchase of own shares			0	0	-122
Actuarial gains/losses in the period					-13 777
<b>Equity at period's end</b>	<b>1 346 390</b>	<b>1 411 311</b>	<b>1 346 390</b>	<b>1 411 311</b>	<b>1 501 325</b>
<b>Equity ratio</b>	<b>56 %</b>	<b>59 %</b>	<b>56 %</b>	<b>59 %</b>	<b>55 %</b>

# Share price Oslo Børs VPS Holding ASA

