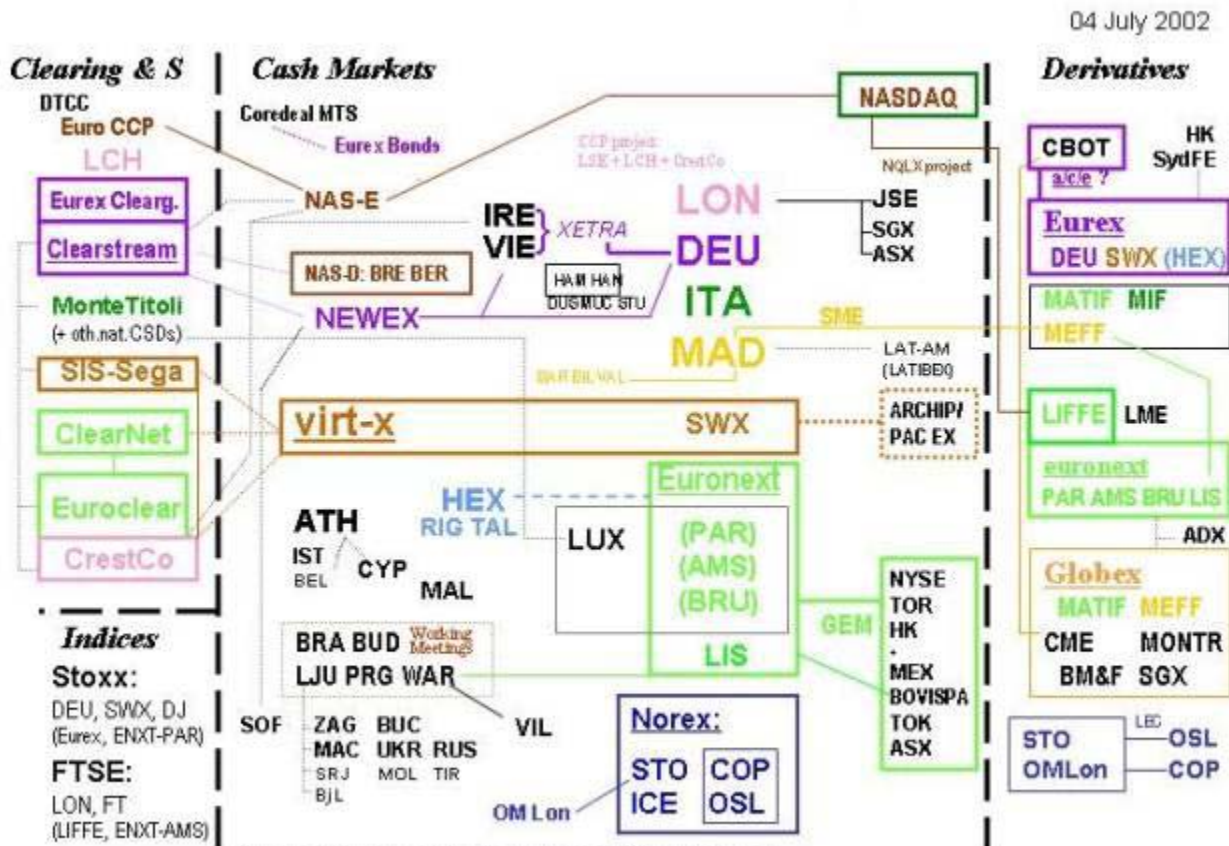




The Nordic Stock Market and NOREX

Sven Arild Andersen,
CEO Oslo Børs ASA
& Chairman Nordic
Exchanges A/S

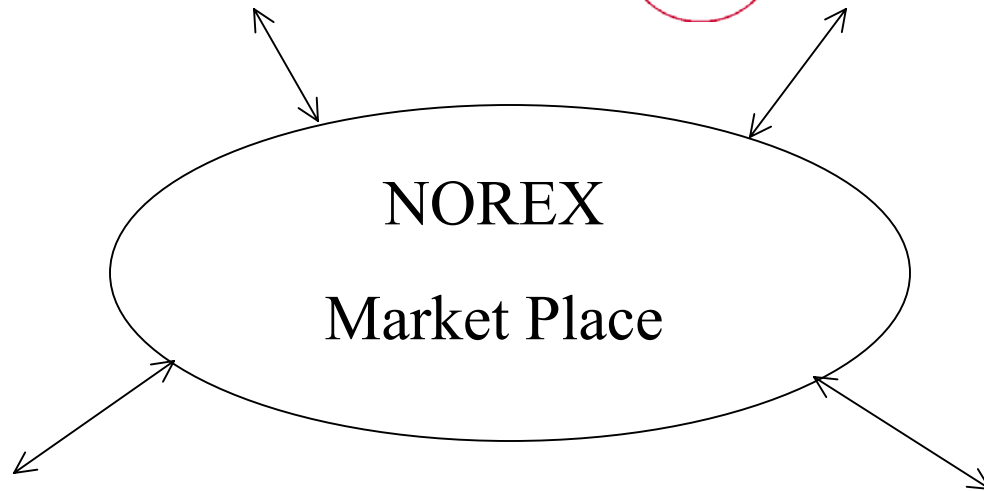
The European Exchange Landscape



Driving forces for consolidation

- Transparency
- Cost efficiency
- Build down barriers

NOREX alliance



Brief history of NOREX

- Jun '97 Letter of Intent between Copenhagen SE & Stockholmsbörsen
- Mar '99 Swedish market live on Saxess
- Jun '99 Danish market live on Saxess
- Nov '99 Letter of Intent with Oslo Børs
- Mar '00 Letter of Intent with Iceland SE
- Oct '00 Icelandic market live on Saxess
- May '02 Norwegian market live on Saxess

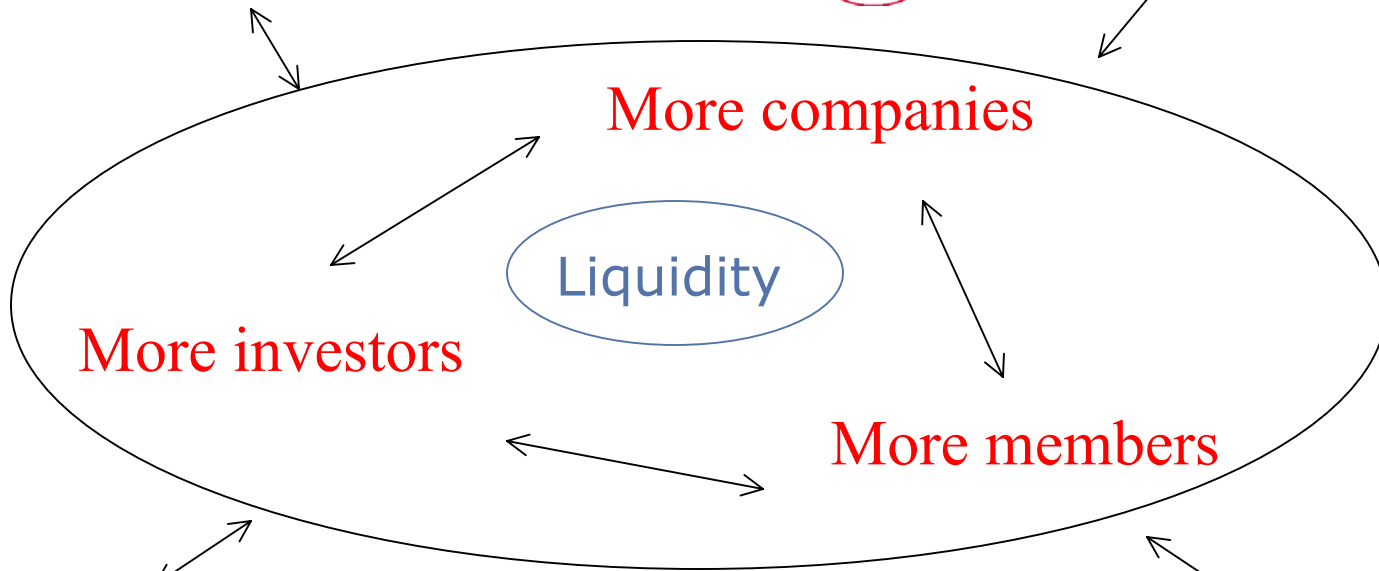
NOREX facts – equity market YTD August 2002

- Listed Companies: 772
- Market Capitalization: 370 bn euro
- Turnover: 282 bn euro
- Members: 140

Why NOREX?

- Offering listed companies the ultimate exposure
 - International investors regard Nordic markets as one
- Easy access and lower transaction costs
 - Bringing networks of investors and members together by simplifying access
- Economies of scale
 - Large investments in technology systems

Building liquidity by networking



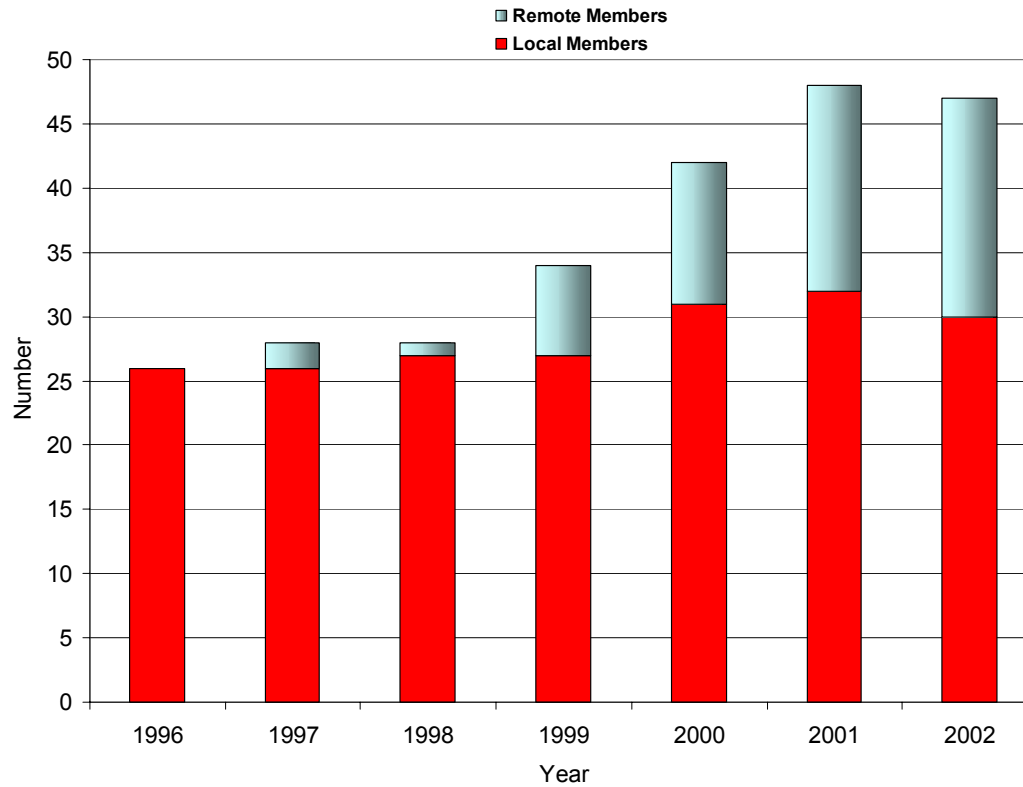
Benefits for members -

Easy Access & New Business Opportunities

- A common trading system
 - Removing entry barriers by reducing connection costs
- A common regulatory framework
 - Simplifying and saving time by joint Norex-authorization of brokers
- Cross membership
 - Harmonising membership criteria and simplifying joint applications to the Norex Exchanges

Copenhagen experience after Norex

Number of Remote and Local Members



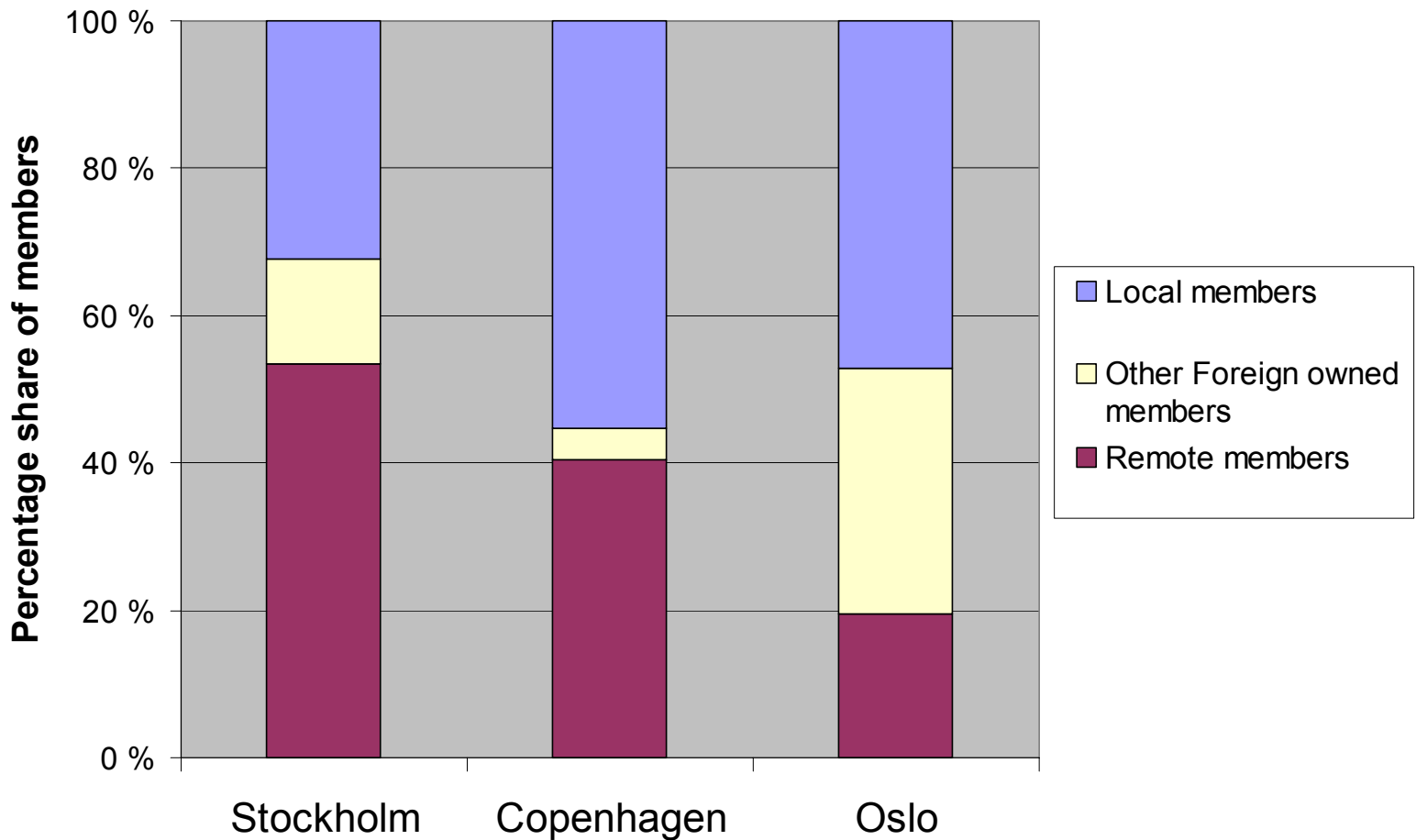
Copenhagen SE - Improved liquidity

KFX-stocks	Electra	Saxess
Percentage of time with active orders	32.69%	93.65%
Bid-ask spread (%)	1.57%	1.09%
Depth (DKK mill.)	0.89/0.61	14.30/3.89

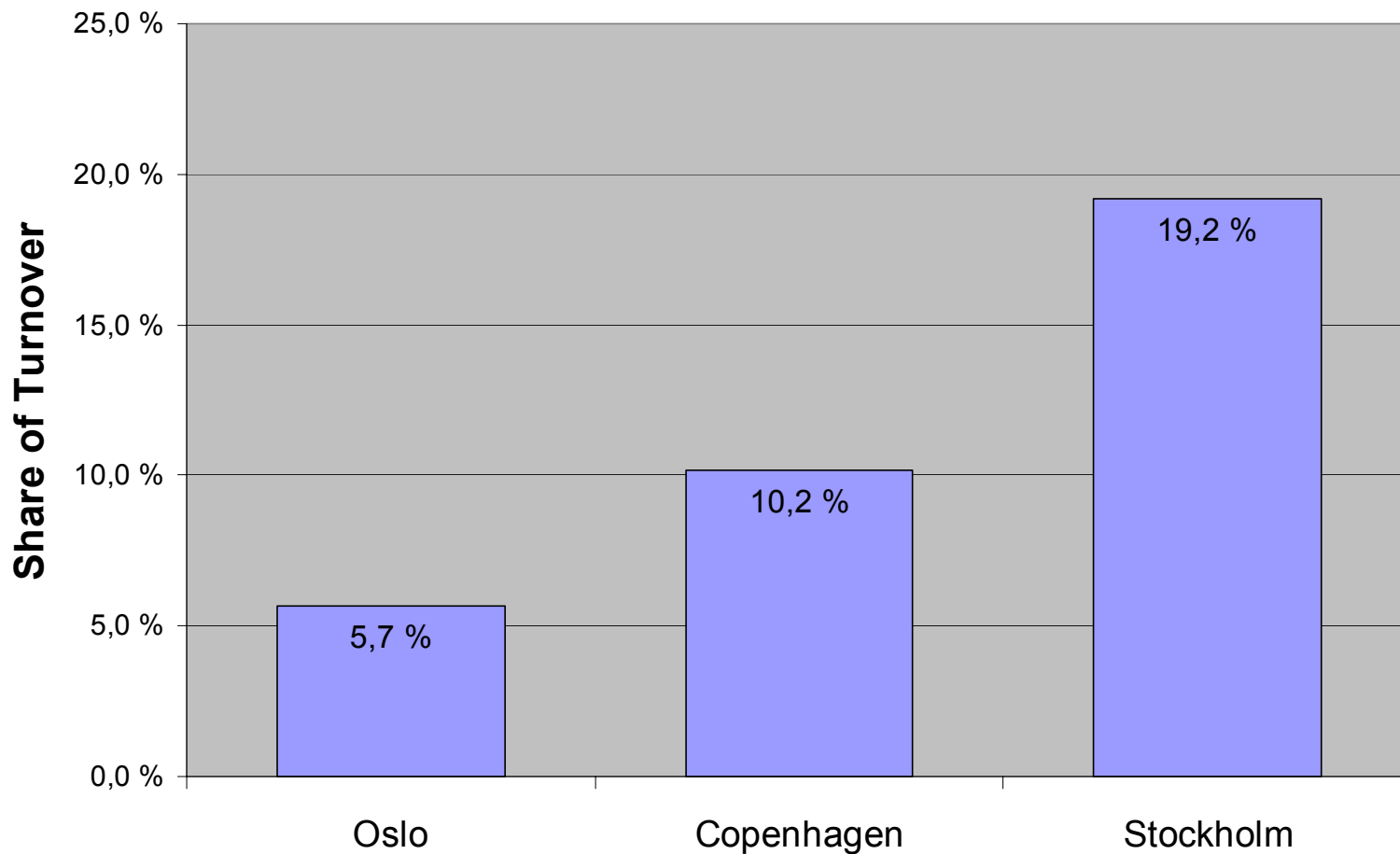
1h 1999 vs 2h 1999

Source: Carsten Tanggaard, Handelshøjskolen Århus

Members by category



Remote members' market share

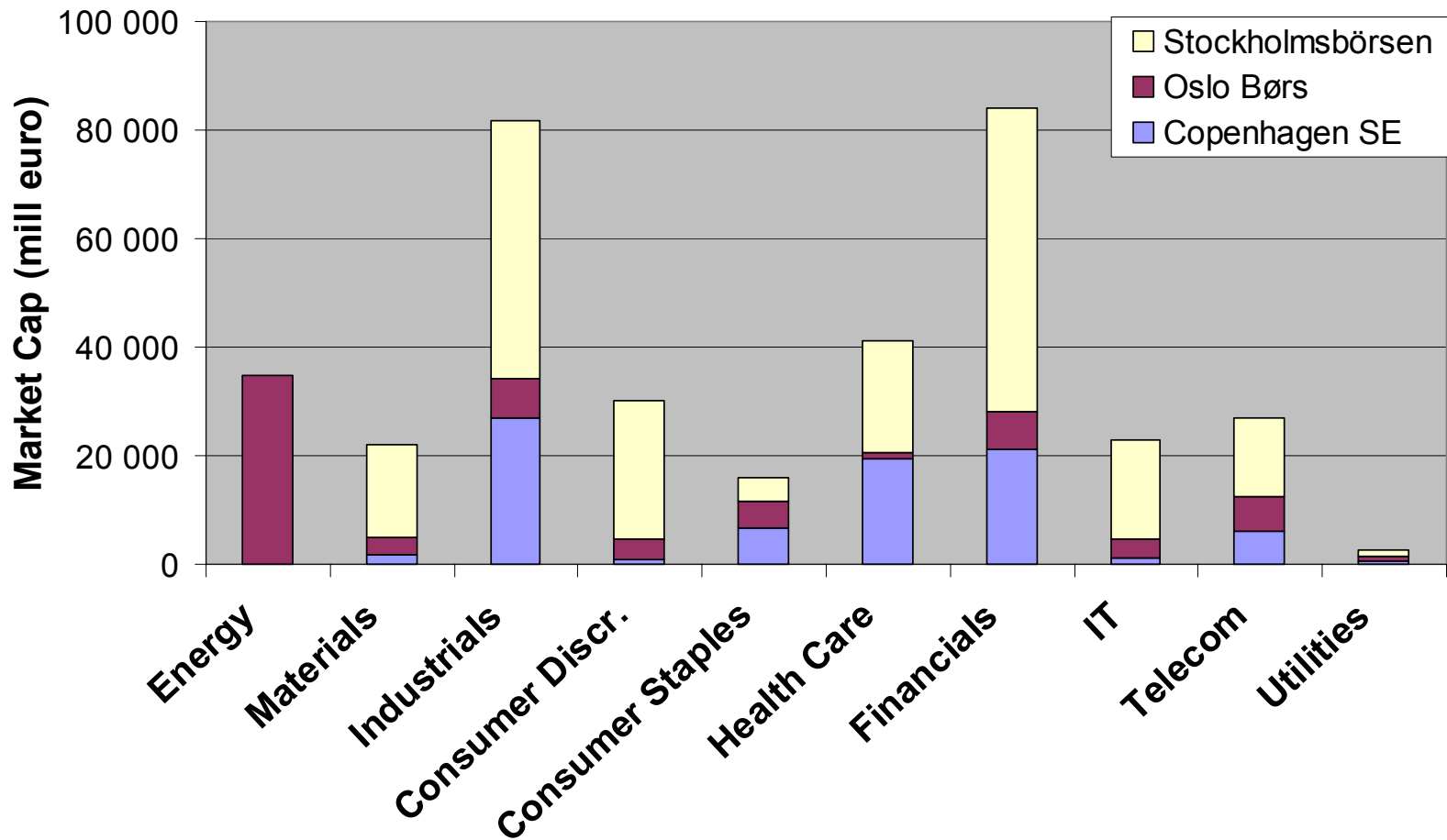


Benefits for Investors -

Improved Liquidity & Product Range

- Improved liquidity
 - Reducing transaction costs
- Norex provides access to 80% of the Nordic equity market
 - Easy access to all markets through cross members
- Improved Transparency
 - Harmonisation of rules and common industry classification of listed companies
- Increased Product Range
 - 4 markets offering different strong sectors

NOREX – Offering a diversified Nordic portfolio



Benefits for Companies - *Reduced Capital Costs*

- **Single Point of Liquidity**
 - A company needs only to be listed on one of the exchanges, hereby improving the price formation
- **Increased Exposure**
 - Exposed to a large number of investors through NOREX' extensive member network
- **Increased Liquidity**
 - Reducing cost of capital

What have NOREX accomplished so far?

- **Market Harmonisation**
 - Common Trading system - Saxess
 - Common Surveillance system - SMARTS
 - Common Industry Classification - GICS
 - Common Principles for Index Calculation
- **Legal Harmonisation**
 - Norex Member Rules - A complete rulebook on membership conditions and trading rules
- **Reducing Costs**
 - Cost synergies
 - Creating cost-effective access to a larger market

NOREX - strategic position

- We believe in one European securities **market**
- We don't believe in one European **exchange** but **regional exchange networks** connected to each other
- Norex is such a regional network
- NOREX has the most modern trading system

NOREX is well positioned to serve its regional clients in the future

NOREX - way forward

- European consolidation will continue
- Global inter-linkage will take place
- Economy of scale is huge in our business
- NOREX has some size, but not enough

... therefore NOREX is dedicated to develop future European solutions in order to continuously serve its clients better

What else is on the agenda?

- **Clearing & Settlement**
 - Establishing a cost-effective solution that supports both local and international needs will have priority
- **Legal Harmonisation**
 - The NOREX Exchanges will consider common standards for rules relating to issuers
- **Cost Reductions**
 - Exploit further cost synergies through joint development and operating of systems

Norex alliance - 2005



ICELAND STOCK EXCHANGE



HEX ?



Global trading – increased focus on IR

Due to:

- True globalization – a fight among sizes
- Increased competitiveness among issuers
- Nordic market under pressure
- Focus on IR closes geographical gap
- IR and CG together – main tools to create investor comfort