

OMX Surveillance Semi-Annual Report 2007

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Introduction

Confidence in the capital market is one of the most important and necessary bases for successful and profitable stock exchange activities. The Surveillance entities at each the seven exchanges within OMX (i.e. the exchanges in Stockholm, Helsinki, Copenhagen, Reykjavik, Tallinn, Vilnius and Riga) are to a large extent responsible for upholding the market's confidence in these exchanges. This shall be achieved by a professional, credible and independent surveillance, relevant enforcement actions and high qualitative listing processes.

OMX Surveillance consists partly of three Surveillance Departments - one at each of the OMX Nordic Exchanges in Stockholm, Helsinki and Copenhagen – and partly of separate Surveillance functions at the OMX Nordic Exchange Iceland and the respective Baltic exchanges. The Surveillance Departments are organized in two groups or functions – Trading Surveillance and Issuer Surveillance. In Iceland and the Baltics the surveillance activities are carried out by specially appointed persons.

The bases for the surveillance activities are to be found in legislation, different kinds of self regulation and sound practices on the markets. The Surveillance area covers trading as such, the members' behaviour in different aspects, the listed companies' activities, other market participants' adherence to market practice and listing of equities, bonds, warrants, investment funds and other financial instruments. In Sweden the exchange is also responsible for matters regarding Public Takeover Bids.

The purpose of this report is to give a survey of the main activities within OMX Surveillance during the first six months of 2007. Furthermore, at the beginning of each month OMX Surveillance publishes a report regarding its activities during that month. These reports together with previous Annual Reports and Semi-Annual Reports are available on the web sites of the respective exchanges, please see www.omxgroup.com/nordicexchange.

Stockholm 9 July 2007

Anders Acebo
Senior Vice President
Head of OMX Surveillance

Summary

New Rules and Regulations

In October 2006 the OMX Nordic Exchange introduced new harmonized listing requirements in connection with the creation of a common list for companies listed on the exchanges in Stockholm, Helsinki and Copenhagen. Those requirements became effective in Iceland as of 2 April 2007. Furthermore, a rearrangement of the list structure has been performed at the Baltic exchanges.

The Transparency Directive has been implemented at various dates in the seven countries. As a consequence it is no longer an obligation for the exchanges in Helsinki and Copenhagen to be the central point of distribution of price sensitive information from the listed companies. Instead, the companies themselves are responsible for proper disclosing of such information to the markets. The responsibility for supervising the companies in this respect lies on the Financial Supervisory Authorities, but the exchanges will also in the future monitor the companies in relation to the exchanges' own rules.

Listing and Delisting

23 new companies were listed during the period, and 12 were delisted. At the end of the period a total of 734 companies were listed on the exchanges within OMX. Warrants are listed only in Stockholm and in Helsinki. 1,655 new warrants were listed on these exchanges, which is an increase of 461. There was also an increase regarding the listing of bonds. Totally 486 new bonds were listed which is an increase of 75 bonds, compared to the same period last year. The increase was most remarkable at the Nordic Exchange Stockholm. In total 4,766 bonds were listed on the exchanges at the end of the period, half of which in Copenhagen. Funds are traded on the exchanges in Stockholm, Helsinki, Copenhagen, Reykjavik and Riga. In this context Copenhagen is the real leader with 201 (14) new funds listed. In total there were 495 funds listed at the said exchanges.

Issues Regarding Breach of Rules by Listed Companies, Members and Others

A number of written issues have been initiated regarding listed companies' and member firms' non-compliance with rules or market practices. 86 of these issues resulted in written criticism or warnings from the exchanges, three were transferred to the Disciplinary Committees at the exchanges in Stockholm and Helsinki, and two issues in Helsinki were handed over to the Secretary of the Disciplinary Committee, who issued reprimands to the companies in question. Disciplinary Boards only exist in Stockholm and Helsinki. With respect to the listed companies, the main part of the issues that resulted in written criticism concerned the companies' failure to comply with the exchanges' rules regarding dissemination of price sensitive information. In some cases such information had been made public in connection with interviews instead of being disclosed in accordance with the rules. The criticism towards the members concerned i.a. breaches of the rules in connection with automated trading or failure to supply equities in connection with the settlement of transactions

Decisions by the Disciplinary Committees

As mentioned above, Disciplinary Committees are established only at the Nordic Exchanges in Stockholm and Helsinki. In Copenhagen, the corresponding tasks are performed by the exchange itself with the exception of cases handled according to delegation from the Danish FSA that are of general public importance or have far-reaching ramifications. Such are decided on by the Danish Securities Council. At the Riga Stock Exchange disciplinary matters are handled by the Surveillance Committee, which was established in January 2007.

The Disciplinary Committee at the Nordic Exchange Stockholm has made decisions in four cases. Three of these concerned members. One member was fined SEK 300.000 because an employee had conducted a number of trades where the firm acted as both seller and buyer. A very large number of these trades were executed at prices that deviated from the prevailing latest paid prices, whereby they were potentially misleading. Another member firm was fined SEK 200.000 because of insufficient control regarding automatic order routing. Through this defectiveness the firm had on several occasions placed orders that deviated from the current market prices. The third member case resulted in the firm being sentenced to pay a fine of SEK 200.000. Also in this case the member had appeared both as seller and buyer of the shares. One listed company, a bank, was fined one annual fee corresponding to MSEK 3, because the bank had made a quarterly report available on the internet with an easily accessible address before it was published in the prescribed manner

The Helsinki Disciplinary Committee has handled two cases. In one case, the committee considered the case not to constitute a breach of the rules. In the other case, which regarded disclosure of information in connection with a takeover bid, the committee regarded the breach to be of a minor character, and therefore, decided not to impose any sanctions on the company.

The Surveillance Committee of the Riga Stock Exchange has fined two companies for repeatedly late submission of financial reports.

Issues Regarding Insider Trading and Market Abuse

50 issues regarding suspected illegal insider trading and market abuse have been handed over from the exchanges in Sweden, Finland, Iceland and Lithuania to the respective FSAs. 33 of these cases were handed over from the Nordic Exchange in Stockholm. As a comparison, it could be mentioned that the corresponding number for the whole 2006 amounted to 45 cases. Furthermore, the Nordic Exchange in Copenhagen has handed over a number of similar issues to the Danish FSA for further investigation.

Most of the cases concerned suspected illegal insider trading. There have also been suspected market abuse cases where a person has made transactions with himself through different legal entities with different tax situations.

Education and Other Confidence Building Measures

Education of board members and managers in the listed companies is one of the most fundamental activities that the exchanges undertake in order to create confidence in the market, both for the companies and for the exchanges themselves. According to new listing

requirements for the Nordic Exchanges as of 2 October 2006, all board members and the managements of the listed companies shall have adequate experience and competence to manage a listed company. For that purpose, the exchanges offer education regarding e.g. listing rules, disclosure rules and insider legislation to the employees and commissioners of the companies.

At the Nordic Exchange Stockholm this has been a listing requirement for the last 3 1/2 years, and during that period approximately 5,400 persons have participated in the training seminars. Similar kinds of seminars have also been arranged for other participants in the market. In addition to this, staff from the Surveillance Departments have participated in general annual meetings of listed companies.

Corporate Governance

Corporate Governance Codes or Guidelines are implemented on all seven markets that are operated by OMX. The Surveillance entities currently make examinations regarding the listed companies' adherence to the Codes.

Other Matters

Beside the above mentioned activities, the Surveillance entities have handled issues such as transfer of companies to the Observation Segment, different kinds of corporate actions, exchange notices and releases regarding disclosure of changes in holdings and trading halts. More information on these is to be found in the Report.

First North

First North is the common name of the alternative marketplace for small growth companies, and is operated by the exchanges in Stockholm, Copenhagen and Reykjavik. Every company on First North must have a Certified Adviser who has the primary responsibility for the surveillance of the company in question. Listings of companies, appointment and surveillance of Certified Advisers and sanction matters are the responsibility of Surveillance at each of said exchange.

During the first six months of 2007, 35 new companies were admitted to trading on First North and 15 Certified Advisers were approved. At the end of the period, First North comprised 111 companies and 51 Certified Advisers.

In relation to the surveillance of First North, 10 written issues have been initiated. Seven of these have resulted in criticism against Certified Advisers. Six of these cases regarded lack of control of the companies' adherence of the First North rules regarding information on web sites. A trading halt was implemented at the beginning of March in a Swedish company because its subsidiary had filed for bankruptcy.

For more detailed information please see the report below. If you have any questions or comments you are most welcome to contact:

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OMX Nordic Exchange Stockholm

Listings and Delistings

Equities

During the first half-year period 6 (9) listings of new company shares took place on the Main List. Three of these companies, Tanganyika Oil Company Ltd, Björn Borg AB and West Siberian Resources Ltd, were already listed on First North, but chose to apply for introduction on the exchange. Tanganyika Oil Ltd is a Mid Cap company in the Energy sector, and is mainly engaged in conventional exploration and production activities with a focus on the Middle East. Björn Borg Group is a Mid Cap company comprising clothing, footwear and similar products. The company generates its profits by developing and exploiting the Björn Borg brand in the international fashion market. Nederman Holding AB is a Small Cap company that creates better working environments and thereby reduces environment-related health and production problems. West Siberian Resources Ltd is traded under Mid Cap in the Energy sector. NovaCast Technologies changed its listing from the Nordic Growth Market to the exchange and is located in the Small Cap's Industry sector. Aerocrine is the latest company being listed as a Small Cap company in the Health Care sector.

During the same period 5 (8) companies were delisted owing to either acquisitions or on own initiative. Nokia Abp requested that its depository receipts be delisted, and the depository receipts be converted into the underlying Nokia shares, which are listed on the OMX Nordic Exchange Helsinki. In Stockholm, Nokia is now traded on the Xternal list. 24hPoker Holding AB has been delisted from the Main List and transferred to First North on its own initiative. Sardus AB was delisted in connection with a tender offer by the Atria Koncern Abp. Atria published its tender offer 19 February 2007, and Sardus AB is now a subsidiary of Atria. The second company which has been a target for tender offer in the period is Pergo AB, and the offer was made by Pfeleiderer AG. Protect Data AB was delisted owing to an acquisition by Check Point Software Technologies Ltd.

The total number of listed companies at the end of the period was 273 (271)

Warrants

A total of 918 new warrants were listed during the period, which is an increase from the same period in 2006 when 764 warrants were listed. During the period the number of delisted warrants was 686 (744). A total of 156 (111) knock-out warrants were listed on the exchange during the period. At the end of the period, a total of 1,335 (1,132) warrants were listed.

Bonds

A total of 246 (198) new bonds were listed during the first six months of 2007, 176 (144) of those on the Retail bond list, 54 (41) on the Corporate bond list and 16 (13) on the Benchmark bond list. 1 (3) MTN-programme and 4 (7) programmes for corporate certificates were approved during the first six months of 2007. During the period three new issuers, Länsförsäkringar Hypotek AB, Balti Investeeringute Pank and International Real Estate Ltd listed bonds on the exchange. At the end of the period, a total of 1,677 bonds were listed.

Other Financial Instruments - Exchange Traded Funds and Subscription Options

One new ETF was listed during the period, XACT FTSE RAFI Fundamental Sweden. In total 6 (5) ETFs were listed at the end of the period and 1 (0) subscription option, Vostok Nafta Investment Ltd.

The Observation Segment

In order to alert the securities market, a company's shares can temporarily be placed under special observation. A placing under observation shall only take place for a limited period of time; usually no more than six months.

During the period, the exchange transferred the shares of 11 companies (11) to the Observation Segment, and three companies were transferred from the Observation Segment. TradeDoubler AB, Pergo AB, Invik & Co. AB, Sardus AB, OMX AB and Telelogic AB were placed on the Observation Segment because the companies were subject to tender offers; Wise Group AB as a consequence of a planned significant change in the company's line of business; Scanmining AB and SwitchCore AB because the exchange concluded that there was a material adverse uncertainty regarding the companies' financial situations; and Nokia Abp and Old Mutual Plc because the companies had applied for delisting from the exchange.

Din Bostad AB was transferred to the Observation Segment because the company had published plans for a significant change in its line of business, and was transferred from the segment after the listing review of the company was completed. Scania AB and TradeDoubler AB were transferred from the Observation Segment when the tender offers had been withdrawn.

Corporate Actions

8 (12) new share issues were carried out during the first six months. The number of splits and reversed splits added up to 20 (22) and 2 (1) respectively.

In addition to the general cash dividends, a record amount of companies distributed capital to shareholders via redemption procedures. The largest distribution was made by Volvo. A total amount of MSEK 10,128 was distributed to the Volvo shareholders. This amounted to a substantial portion of the total transfer of value to the shareholders. Scania and Electrolux also distributed large capital amounts to their shareholders via such procedures. 15 (7) redemption programmes, of which all were combined with a split, were carried out in total. This is a substantial increase compared to the same period for 2006. Totally 6 (3) companies

were distributed to the shareholders. In addition, 8 (5) companies changed their names. The corporate actions resulted in trading in 8 (13) subscription rights, 9 (13) paid subscription shares, 2 (6) redemption rights and 20 (10) redemption shares.

Takeovers

During the first half of the year six tender offers were disclosed to the market. Two of those have been completed and one has been withdrawn. At the half year-end three offers still have an acceptance period running. NASDAQ's bid for OMX AB has attracted most attention in the market. The withdrawal of MAN's bid for Scania was also a top line story in the media.

Exchange Notices and Releases Regarding Disclosure of Changes in Holdings

In connection with, among other things, listings and delistings regarding financial instruments, the Surveillance department has published 598 (684) exchange notices with reference to the instruments in question.

In order to facilitate the distribution of information regarding significant changes in holdings, the Surveillance department publishes exchange notices regarding disclosures in holdings to the market. Throughout the first six months of 2007, 307 (315) such releases were published. The disclosure obligations will be regulated in Swedish law from 1 July 2007, and the information will only be published by the Swedish FSA from that date.

Issues Regarding Breach of Rules by Listed Companies, Members and Others

The exchange has during the first half of 2007 initiated 22 (36) written issues regarding breaches of the exchange rules. One case was referred to the Disciplinary Committee, and 10 issues regarding listed companies resulted in written criticism. These latter cases concerned the following matters.

Two companies were criticized for having disclosed forward looking price sensitive information in conjunction with interviews, telephone conferences or capital market days. One of those companies was also criticized for having provided the exchange with incorrect information in connection with this matter.

Four companies were criticized because they did not comply with the exchange rules concerning either annual general meetings or extraordinary general meetings. The companies had not published a press release to convene the general meetings or had not immediately after the meetings published a press release with the most important resolutions from the meeting.

One company was criticized because it had announced that an investigation by the Swedish Medical Products Agency regarding the safety of the company's products had been closed, when in fact the investigation was still ongoing.

One company was criticized for a breach against the rules concerning benefits for senior executives.

One company was criticized because it had not immediately informed the market regarding the appointment of a new CEO. The company should have prepared a draft press release and informed the market immediately once the contract with the new CEO was signed.

One company was criticized that it did not publish a financial report within the two month deadline stated in the exchange rules.

Three foreign investment companies were criticized because they had not disclosed acquisitions of shares in accordance with the Swedish Industry and Commerce Stock Exchange Committee (NBK) rules concerning disclosure of acquisitions and transfers of shares.

The exchange issued formal criticism towards members on six occasions during the first half year of 2007. One local and three remote members received such criticism. One investigation resulted in the case being referred to the Disciplinary Committee, and three cases are still being processed at the end of the period.

One of the six cases that resulted in criticism concerned manual order entries by an employee of a member firm. The broker received repeated buy orders from a client in a relatively illiquid share. The instruction was to execute the orders at the end of the respective trading days, but the execution was not effected until the very end of the month. The exchange expressed that the broker should have been more careful in handling these orders, and that he should have questioned whether it was appropriate to act on the instructions from the client.

Two of the cases referred to above concerned automated and semi-automated trading. In one case, the member had placed a whole basket of orders for execution in multiple order books. When dispatching the basket of orders, a generic price tolerance level was set, governing the differences between order limits and last traded prices. For most of the securities traded, the actual execution prices ended up being far from the order limits, because the liquidity of the order books absorbed the orders, but some of the least liquid shares were traded with strong market impact. The trading was criticized due to the lack of control and the inappropriate assignment of price limits. The second case in this category concerned fully automated trading, so-called algorithmic trading. The algorithm responded to a relatively large trade, and interpreted the sudden peak in turnover as a signal to aggressively sell shares. The result was a sudden and short lasting price movement for an otherwise liquid and stable share. The design and use of the algorithm was criticized because the member had no control of the prices at which it was trading, and the tools for preventing unwanted price impact were insufficient.

One case involved automatic order routing and trading that was conducted in a way that caused strong market impact. The member was criticized for not fulfilling its strict responsibilities in relation to the trading, which was found to be clearly inappropriate.

Two of the cases that resulted in formal criticism concerned settlement disturbances. When notified of market wide settlement disturbances, the exchange sometimes investigates the background of such situations, and examines whether exchange trading and the members' activities could be questioned in relation to the exchange rules. In two such situations, criticism has been issued. The first case concerned a situation in which a member had sold short in a principal capacity without being able to complete delivery in due time. Sometimes, when settlement disturbances arise, market participants argue that it is difficult for intermediaries to safeguard against involvement in such situations, because there is no practical way of ensuring a client's capacity to deliver prior to accepting an order. However, when selling short in a principal capacity, valid arguments for failing to deliver are difficult to find, and this is why the matter resulted in formal criticism towards the member. The other matter that resulted in criticism relating to settlement failure concerned sales that a member had conducted on behalf of a client. The basis for the criticism was the fact that the same client had once before failed to deliver the same share to such extent that a market wide disturbance occurred. In such a situation, the member is expected to take measures to prevent a repeated incident of the same kind. The failure to make sufficient measures and the repeated causing a serious disturbance with a similar background lead to the formal criticism.

In connection with the review of the quarterly reports the exchange has contacted 50 companies regarding various minor formal errors in the reports.

Decisions by the Disciplinary Committee

The role of the Disciplinary Committee is to consider suspicions whether exchange members, brokers or listed companies have breached the rules and regulations applying on the exchange. If the exchange suspects that a member, broker or listed company has acted in breach of the exchange's rules and regulations, the matter is reported to the Disciplinary Committee. The exchange investigates the suspicions, and pursues the matter, and the Disciplinary Committee issues a ruling regarding possible sanctions. Such sanctions towards listed companies are warnings, fines or delisting. The fines that may be imposed range from one to 15 times the annual fee that the company has to pay to the exchange. The sanctions possible towards exchange members are warnings, fines or expelling, while brokers may be warned or have their brokerage license rescinded. The Disciplinary Committee's Chairman and Deputy Chairman must be lawyers with experience as judges. At least two of the other members of the Committee must have in-depth insight into the workings of the securities market.

The Disciplinary Committee has during the first half of 2007 decided upon four issues. One of those concerned a listed company. Svenska Handelsbanken AB was fined one annual fee, corresponding to SEK 3 million because the bank was found to have contravened the listing agreement of the exchange by not handling price-sensitive information correctly.

The Disciplinary Committee established that the bank's report on the third quarter of 2006 became available externally about 15 minutes before being released in the prescribed manner. In similar cases from 2003, the Disciplinary Committee found that the clause in the listing agreement prohibiting the release of price-sensitive information in any manner other

than through correct disclosure also applies to the unintentional release of information. Because the report was made available on the internet with an address that was easy to work out, it was concluded that the bank had released the information.

The Disciplinary Committee has decided upon sanctions towards exchange members regarding three breaches of the rules. The first one, published in January, concerned Erik Penser Fondkommission AB. An employee of the firm had, on behalf of the firm in a principal capacity, conducted a large number of internal trades, i.e. trades where the member acted as both buyer and seller. The exchange rules state, in short, that a member shall not deliberately engage in transactions where the same party acts as both buyer and seller, and further, that it is not allowed to enter orders or trades that individually or in combination give a false or misleading impression of the terms of trading. A very large portion of these trades, which should never have taken place, were executed at prices that deviated from the prevailing latest paid prices, whereby they were potentially misleading. At the time of the decision by the Disciplinary Committee, the person that had been responsible for the trading was no longer employed by the member firm, and he had been given a warning by SwedSec AB, the licensing institute for the Swedish financial market, in relation to the same matter. Erik Penser Fondkommission AB was ordered to pay a fine of SEK 300,000.

The second and third cases decided by the Disciplinary Committee were communicated during April. One of these decisions concerned Timber Hill AG on a case of insufficient control regarding automatic order routing. Timber Hill had on several occasions placed orders that deviated from the current market price for the securities involved, and by doing so caused disturbances in the market. The procedures for accepting and forwarding orders were found to be inappropriate and not in accordance with the exchange rules regarding relevant levels of controls for ensuring compliance with the trading rules. The Committee agreed that the rules could be hard to implement, but considered that the breaches of the rules could not be seen as less serious because the exchange had made several remarks regarding similar matters prior to the final incident. Timber Hill was sentenced to pay a fine of SEK 200,000.

The third sanction concerned JP Morgan International Ltd., and related to trading in Nordea Bank AB. JP Morgan had during a period of two weeks been involved in a number of transactions in the share appearing as both buyer and seller. The trades were therefore not considered real transactions, and were made in conflict with the trading rules. JP Morgan admitted that the transactions constituted a breach of the rules, but claimed that the reason was the trader misunderstanding his assignment and not being aware of his action constituting a breach of the rules. The Disciplinary Committee stated that the trading rules had been breached, and that the breaches could not be considered minor. The trader received a warning, and JP Morgan was sentenced to pay a fine of SEK 200,000 based on their strict responsibility for their traders' actions.

To see the complete verdicts of the Disciplinary Committee, please visit the web page of the exchange at

www.omxgroup.com/nordicexchange/omhandeln/noteringochovervakningstockholm/disciplinamnd/

Trading Halts

The exchange shall according to the Exchange and Clearing Operations Act on certain conditions decide upon a trading halt. Such condition could be the case where the general public does not have access to equal information regarding a certain financial instrument, or does not have access to equal information regarding an issuer. A decision regarding a trading halt could also be implemented under some special circumstances, which could be the case when e.g. a company is going to publish materially price sensitive information during continuous trading. A trading halt shall only be effective during a short period of time, normally only a few hours. Trading halts that have lasted more than one day are rare.

During the first half of 2007, the exchange halted trading 8 (10) times in listed shares. Trading was halted in Pergo AB, Sardus AB and OMX AB in connection with public offers to the shareholders, in AcadeMedia AB, Lundin Mining Corporation and SSAB AB in connection with the publication of major acquisitions; and in Wise Group AB in connection with a corporate action until the company had published sufficient information regarding the matter. The trading was halted in Scanmining AB in connection with the board's decision to file for a financial reconstruction.

Issues Regarding Suspected Insider Trading and Market Abuse, Handed over to the FSA or to the Financial Crimes Bureau

During the first six months of 2007, 33 cases of suspected breach of law or regulation have been reported to the FSA and/or the Financial Crimes Bureau. For the whole of 2006, the corresponding number was 45 cases, and during 2005 there were 42 cases delivered.

The reported cases concerned suspected market abuse, and predominantly suspected illegal insider trading and illegal spreading of insider information. Seven cases concerned different forms of price manipulation, for example suspected so-called "window dressing" or "wash trading". Window dressing refers to a situation where relatively small volumes are traded in order to establish a price, which in turn will be used to define the value of a larger holding or position. Wash trading means transactions, normally pre-arranged, that are conducted between related parties and where the transactions are used for transferring wealth or economic gains/losses between separate legal bodies. Another kind of price manipulation, which is represented among the reported cases of suspected breaches of rules, relates to attempts to create a false and misleading impression of the relevant price for a security in order to be able to take advantage of that situation by executing trades in the opposite direction of the price movement created.

A number of reported cases have concerned situations where a market participant has represented different legal bodies with different tax statuses, and where transactions have been completed supposedly aiming at shifting the basis for taxation between the tax subjects.

Seminars for Senior Executives and Certified Advisors

During the first half of 2007, 19 (18) seminars on the topic of exchange rules and insider rules were held, and more than 400 people attended. At the exchange a listing requirement states that all board members, the senior management and the auditors of a listed company

must attend this training. The training became mandatory in July 2003, and since then more than 5,000 persons have participated in the training seminars.

12 special training seminars have also been arranged for Certified Advisors of First North.

Other Confidence Building Measures

During the period, staff from the Surveillance department attended 12 (10) annual general meetings. Staff from the Surveillance department have also been active as speakers at several seminars.

In order to inform about its activities and to exchange experiences with its members, the Surveillance department conducted an information meeting. Compliance officers and heads of Trading were invited to this meeting. The Surveillance department has also conducted a number of visits to individual member firms.

Finally, the Surveillance department has participated as instructor at a number of training courses for new exchange traders.

First North

During the first half year period 25 (14) listings of new company shares took place on First North, Stockholm. During the same period 5 (1) companies were delisted owing to either acquisitions or on own initiative. At the end of June a total of 89 companies were listed.

Two new Certified Advisers were approved. and at the end of June the total number of Certified Advisers was 17.

The exchange has during the first half of 2007 initiated 10 written issues regarding possible breaches of the First North (FN) rules. One Certified Adviser (CA) was criticized because they had not informed the exchange about a corporate action in a company for which they had acted as CA. Six CAs received criticism for lack of control that the companies for which they acted as CA were following all of the FN rules regarding information on the web site of the company in question.

During the period, the exchange transferred the shares of four companies to the Observation Segment of the FN. El & Industrimontage AB was placed on the Observation Segment because the company was subject to a public offer; Enlight International AB because the company had decided to prepare a balance sheet for liquidation purposes; and TV4 because the company had applied for delisting of the company's shares. C.I.S.L Gruppen AB (C.I.S.L) has despite several requests from the exchange failed to publish an income statement and a balance sheet for the associated company "La Jolla Gaming". Because La Jolla Gaming by C.I.S.L. is considered an important part of the company the exchange has considered that there is a substantial uncertainty regarding the company and the pricing of the listed securities. C.I.S.L has also received criticism by its auditor in the annual report for 2006 regarding the valuation of another subsidiary. For these reasons C.I.S.L was placed on the FN Observation Segment.

Trading halts were during the period implemented on: FlyMe Europe AB when its subsidiary FlyMe Sweden AB had filed for bankruptcy; Opus Prodox AB in connection with the publication of a major transaction; and InWarehouse AB in connection with a public offer.

OMX Nordic Exchange Helsinki

Listings and Delistings

Equities

The listing committee has during the period decided to list two companies. The shares of Suomen Terveystalo Oyj and SRV Yhtiöt Oyj were listed on the Pre List and later on the Main List

Two companies were delisted. The shares of Kylpylääkasino Oyj and Puuharyhmä Oyj were delisted after acquisition by other companies.

The total number of listed companies end June 2007 was 136 (137). One company was listed on the BL Market (Broker's List).

Warrants

A total of 737 covered warrants were listed during the period. This is an increase in the number of listed warrants in comparison to the same period last year when 430 warrants were listed. The number of de-listed warrants was 650 (377).

The total number of listed warrants end June 2007 was 455.

Bonds

There was also an increase in the number of listed bonds. In addition, the listing of bank certificates started in May. A total of 61 (49) debt instruments were listed, of which six were bank certificates. 36 (34) debt instruments were delisted.

The total number of listed bonds end June 2007 was 364.

Exchange Traded Funds (ETFs)

No new ETFs were listed during the period. In total, two ETFs were listed at the end of the period.

Option rights

A total of 13 (14) option rights and 1 (11) additional lot of option rights were listed. 22 (20) option rights were de-listed.

The total number of listed option rights end June 2007 was 63.

The Observation Segment

The purpose of the Observation Segment is to alert the market of special facts and circumstances or actions pertaining to the subject issuer or security. The Observation Segment is a subset of the official list.

The shares of eQ Oyj, Aldata Solution Oyj, Puuharyhmä Oyj, Kemira GrowHow Oyj, FIM Group Oyj, Birka Line Abp and Suomen Helasto Oyj were transferred to the Observation Segment due to public offers to the shareholders in these companies.

Furthermore, Evox Rifa Group Oyj was subject to a tender offer. The shares, however, were already placed on the Observation Segment due to low share price, and thus, there is now an additional reason behind the observation status of the shares in Evox Rifa Group Oyj.

The shares of Birka Line Abp were later transferred back from the Observation Segment when the offering period of the public offer regarding the company had ended.

The shares of Finnlines Oyj were removed from the Observation Segment because the public tender offer regarding the company ended. The shares were registered on the Observation Segment last year.

Corporate Actions and Acquisitions of own Shares

Surveillance made 136 (148) decisions to admit to trading additional lots of shares. 20 of these related to directed issues, and two to a combination of share series. The remaining related to shares subscribed for with option rights or convertible bonds, and conversion of share series. In addition, four bonus issues were processed. In total 11 companies acquired their own shares during the period.

Exchange Notices

The exchange has prepared and published 672 exchange notices relating to the listing of new instruments, additional lots of shares and other instruments, liquidity providing, changes in names and changes in trading or broker codes. Half of these notices were written in Finnish and the other half in English.

Issues Regarding Breach of Rules by Listed Companies, Members and Others

The exchange has sent eleven written requests for statements. Eight of these resulted in criticism from the exchange, two of which have been forwarded to the secretary of the Disciplinary Committee, and one was forwarded to the Disciplinary Committee. The cases resulting in criticism from the exchange concerned the issues below.

The exchange has issued criticism to six listed companies and two members. Four companies were criticized for breaching the requirements of simultaneous disclosure: One company was criticized for giving comments about the future outlook for the year 2007 to a reporter without publishing a company release about the company's outlook. Another company was criticized for not disclosing information to the exchange and the media at the same time. A third company was criticized for giving previously undisclosed information during the annual general meeting. The company disclosed the information to the market by a company release the next trading day. The fourth company was criticized for breaches in the publishing of its financial statement release. The company disclosed the financial statement to mass media before it was filed with the exchange.

Two companies were criticized for breaching the requirements to publish information without undue delay: One company was criticized for not having delivered a company release regarding a disposal of the company's own shares without undue delay, and the other company was criticized for not having disclosed the proposals to the annual general meeting without undue delay.

A market maker was criticized of neglect to provide market making to a covered warrant during the last minutes of the continuous trading.

One member was criticized for breaching the rules regarding trade reporting. The member had to its own account acquired more than 5 % of the shares in a listed company after the trading day had ended. The reporting took place the next trading day a few hours after the continuous trading had started. At the same time the member published the transaction in which it had sold on the shares. The size of the trade was large enough for deferring the publication until the end of the day, and the member had the price risk. Because the trade was concluded during the previous trading day, the trade should have been reported during the pre-trading session, i.e. before the continuous trading began the next trading day. The member was also notified about its obligation to disclose its holding which should have taken place according to the Finnish Securities Market Act, and incorrect use of owner categories in reported trades.

Decisions by the Disciplinary Committee and by the Committee's Secretary

The Disciplinary Committee decided on two cases regarding a listed company, and the secretary of the Disciplinary Committee issued a reprimand to two listed companies during the first half of year 2007.

In the first case, the disciplinary committee found no breach of rules. In the other case a company (Listed Company) disclosed an offer for the acquisition of a non-listed company (Target Company). While the offer was still considered by the Target Company, the offer was enhanced by an additional offer by another non-listed company related to the Listed Company. The Listed Company did not disclose the additional offer immediately at the time it became aware of the enhanced offer. Information about the additional offer was disclosed after several days when both of these offers were accepted by the Target Company. The Disciplinary Committee evaluated that the additional offer in itself added value to the original offer even though it was not offered by the Listed Company itself, and thus, it had material effect. The Disciplinary Committee stated that this information which changed the previously disclosed information should have been disclosed according to the Exchange Rules. The Disciplinary Committee, however, decided that there was no need to sanction the Listed Company. The decision not to sanction the Listed Company was based on the breach being considered both minor and unintentional due to the circumstances in the case.

One company was given a reprimand by the secretary of the Disciplinary Committee, because the company at first only filed the financial statement release with the OAM (Official Appointed Mechanism) at the exchange. This action meant that the release was

only available on the web site of the exchange, and it was not until the next day the release was disclosed to mass media in accordance with the disclosure rules.

Another listed company received a reprimand from the secretary of the disciplinary committee, because material for analysts about the interim report was available on the company's web site before the interim report was disclosed by a company release.

Trading Halts

According to the Securities Markets Act the exchange shall interrupt the trade in a security where this is necessary due to a procedure in violation of the provisions and regulations on the operations of the stock exchange, the stock exchange rules of proper practice, or for another reason with material effect on the price formation of a security.

During the first half of year 2007 trading in five different securities was suspended. The corresponding figure for year 2006 was two.

Trading in the Ramirent Oyj shares was suspended for one hour due to a corporate action that was not updated in the trading system, and hence, trading with a fair price was not possible.

Trading in four securities was suspended on the companies' own requests. It concerned the following cases:

Trading in the shares of Ruukki Group Oyj was suspended because the company suspected there might have been a leakage of information regarding a major project in Russia before the company could publish a company release.

Trading in the shares of Aldata Solution Oyj and Kemira GrowHow Oyj were suspended because public offers were made for their shares.

Trading in the shares of Affecto OYJ was suspended before the company disclosed that it will make a public offer for all shares in Component Software Group ASA.

Issues Regarding Suspected Insider Trading and Market Abuse Handed over to FSA

Three cases of possible abuse of insider information and three cases regarding possible market manipulation have been handed over to Finnish Financial Supervisory Authority.

Education

Surveillance has provided education to new listed companies and already listed companies.

Surveillance has also participated in the education of new traders, and prepared and corrected their exams on questions regarding Finnish Securities Market legislation and stock exchange regulation.

In addition, Surveillance has held education regarding the rules of First North for all new Certified Advisors.

Corporate Governance

A study concerning the listed companies' compliance with the Finnish Corporate Governance recommendation was made during spring 2007. The study was a follow-up of the study made in the spring 2006, which examined the Corporate Governance statements of listed companies on their web pages and annual reports. According to the study 78 companies complied with the CG-recommendation without deviations in comparison to 90 according to the previous study made in 2006. 36 companies had deviations that were explained in accordance with the "Comply or Explain" principle. 15 companies either had deviations which were not explained or had not disclosed all required details about their compliance with the CG-recommendation.

First North

First North Finland was established in June 2007. First North is an alternative market place for small growth companies. It is operated by OMX Nordic Exchange Stockholm, but Surveillance at the exchange in Helsinki provides surveillance. Surveillance has approved four Certified Advisers for First North Finland submarket.

OMX Nordic Exchange Copenhagen

Listings and Delistings

Equities

The equity market welcomed 7 (9) new companies in the first half of 2007. All companies supplied new shares prior to the listing with the exception of one who introduced existing shares.

In the sector Financials four new companies were listed: SPEAS raised DKK 1 billion, DK Trends Invest raised DKK 86 million, bankTrelleborg raised DKK 300 million and the sale of shares in Føroya Banki made DKK 1.2 billion; all figures in gross proceeds.

Exiqon was listed in the Health Care sector and raised DKK 400 million, Nordic Tankers in the Industrials sector raising DKK 177 million, and Euroinvestor.com was listed in the Information Technology sector raising DKK 17 million. Total gross proceeds amounted to DKK 3 billion (DKK 2.3 billion).

One company was delisted from the main market during the first half of 2007. At the end of first half 2007 the total number of companies on the main market was 195 (181).

Bonds

During the first half of 2007 four new issuers entered the bond market and 80 (90) new bonds were listed. At the end of June a total of 2,242 bonds were listed representing a circulating amount of DKK 2.618 billion. In comparison, 2.725 bonds were listed at the same time last year, representing a circulating amount of DKK 2.576 billion.

Collective Investment Funds

Negotiations between the exchange and IFR (the Danish industry association for UCITS funds) lead to the launch of a new market place for funds on 26 February. On that day the number of listed funds soared from 274 to 450. Of the 176 newcomers, 46 originated from the XtraList, which was closed down at the same time. As a new feature in the SAXESS system the funds are arranged according to their investment category: equities, bonds, balanced and hedge, and furthermore, according to their trading currency.

The above figures do not include ex dividend units of which 80 (38) were listed at the beginning of the year, and delisted in the period March/April in connection with their annual general meetings.

6 (3) funds were delisted in the half year period of which 5 (3) were due to mergers.

The total number of listed funds end June was 469 (318 including the XtraMarket and XtraList).

Corporate Actions

In the first half of 2007 new issues injected approximately DKK 6.4 billion (DKK 11.2 billion) into already listed companies. The injection of capital to the companies in the Financials sector amounted DKK 4.5 billion, while DKK 1.3 million respectively DKK 292 million were injected into companies in the Health Care and Industrials sectors. In total, the exchange carried through 68 (65) changes of share capital in listed companies during the first half of 2007 of which 11 were share buy backs.

On the fund market corporate actions in the half year period amounted to 15 (45), dispersed on mergers, name changes, a fund shifting from being a closed end one to becoming a UCITS, and a capital increase.

The Observation Segment

7 (8) companies were transferred to the Observation Segment in the first half of 2007. Of these two were under observation due to takeover bids, and the rest were transferred due to various issues; e.g. waiting for delisting, completion of important deals etc.

D/S Orion A/S was transferred due to the fact that the company announced that the board of directors had decided to investigate the possibility of selling or divesting the company and the group.

BioPorto was transferred because the group has negative equity. Furthermore, it was stated in the annual report that the management intended to carry out a direct placement for DKK 20 million by the end of April 2007 to ensure the necessary liquidity for the remainder of the year.

Gudme Raaschou Vision was transferred in March on the grounds that Gudme Raaschou Bank A/S made a mandatory public offer to the shareholders in Gudme Raaschou Vision A/S.

FLSmidth & Co. was transferred due to the fact that FLSmidth & Co. A/S had made a conditional offer to the shareholders in Groupe Laperrière & Verreault Inc.

Codan was transferred because Royal & Sun Alliance made a voluntary tender offer to the shareholders.

OMX was transferred because of an announcement from the boards of directors of the NASDAQ Stock Market, Inc. and OMX AB that they have entered into an agreement to combine the two companies.

Keops A/S has been transferred due to the fact that Fasteignafélagið Stoðir hf has made a conditional voluntary offer to the shareholders in Keops.

4 (14) companies were removed from the Observation Segment.

Danionics was removed from the Observation List due to the fact that the company announced that their rights issue was completed, and their nominal share capital had increased.

Gudme Raaschou Vision was removed from the observation segment in March when Gudme Raaschou Bank A/S published the results from the mandatory public offer to the shareholders in Gudme Raaschou Vision A/S.

BioPorto A/S was removed from the Observation List due to the fact that the planned direct placement was completed, and thereby the company re-established its equity.

TDC A/S was removed from the observation list due to the fact that the the company has announced that it will not appeal the verdict from Østre Landsret (the Eastern High Court) of 13 June 2007 in the cases filed by ATP against TDC A/S and Nordic Telephone Company ApS.

On the fund market 21 (0) sub-funds under Nordea Invest were placed on the Observation Segment for two days in April because of non-calculation of NAV due to technical problems.

Notices Regarding Disclosure of Changes in Holdings

174 (152) disclosures regarding changes in holdings from major shareholders were reported to the exchange during the first half of 2007.

Issues regarding Breaches of Rules by Listed Companies, Members and Others

At present there is no Disciplinary Committee in Copenhagen. This task is instead handled by the exchange itself.

During the first half of 2007, the exchange made 11 (5) decisions and statements regarding the behavior of listed companies.

One listed company got a reprimand for not publishing a company announcement with full information about an incentive scheme as required in the exchange rules.

One listed company received a reprimand for not publishing a company announcement about an incentive scheme at the time the decision was made.

Two listed companies provided an explanation for two articles in local papers regarding the companies' expectations for the future. The exchange took cognizance of their explanation.

One listed company got a reprimand for issuing a preliminary announcement regarding its annual results based on an annual report which was neither approved by the board nor by the accountants.

A listed company asked for the opinion of the exchange, because the company was criticized in the press for having announced changes in the management as part of its preliminary announcement of annual results instead of in a separate announcement. The exchange announced that the changes were sufficiently described in the announcement; the company, however, should have considered stating the change more clearly, especially as the accession of the management member the month before had a significant impact on the price of the company's shares.

One listed company received a reprimand according to section 27 in the Danish Securities Trading Act, and according to sections 16 and 22 in the Disclosure Requirements for issuers of shares listed on the exchange. The reason being that the company did not publish a company announcement about an increase in the company's share capital, when the board of directors made the decision about the increase in the share capital.

One listed company received a reprimand according to section 14 in the Disclosure Requirements for issuers of shares listed on the OMX Nordic Exchange Copenhagen A/S because the company had not clearly stated that the prospectus announcement contained altered expectations for the 2006 financial year (the annual report has not yet been published).

One listed company received a reprimand according to section 27 in the Danish Securities Trading Act because the company did not publish a stock exchange announcement about a new joint venture at the same time as their partner published an announcement about the same joint venture.

Matching Halts/Trading Halts

Historically, five minute matching halts in shares have been affected as a routine prior to disclosures containing potential price-sensitive information. As of 1 June the exchange will no longer perform such routine matching halts in relation to potential price sensitive information. This is a consequence of the implementation of the transparency directive.

On the equity market 707 (812) routine matching halts were initiated up until 1 June.

On the fund market matching halts were placed on 9 (0) funds. Five of those were on the grounds of mergers and lasted from one day to several days, and one was due to an organisational conversion. The remaining three were funds investing in index bonds for which it was not possible to calculate NAV due to the Danish Ministry of Taxation publishing a press release about *possible* consequences on taxation on such bonds. This latter matching halt was effective from 24 April until 1 June when trading was resumed.

Trading halt (suspension) was affected on two companies in the first six months of 2007, and both companies have been delisted.

Issues Regarding Suspected Insider Trading, and Market Abuse Handed over to the FSA

The Surveillance department investigates cases of suspicious insider dealings and market manipulation. The exchange continuously carries out market surveillance on a real time basis which may lead on to more thorough investigations. In a number of cases the results of such investigations have been handed over to the Danish Financial Supervisory Authority (FSA) for further provisions.

Failure to Adhere to Trading Rules, and Rules for Trade Reporting

The Surveillance department has not issued any written reprimands for breaches of Norex Member Rules in the first six months of 2007. In the same period last year two reprimands were issued. Surveillance has criticized a member's behaviour in relation to rules for trade reporting. The member failed to report in time, and the exchange expressed criticism for the behaviour. The case has been handed over to the Danish FSA.

Education

In the first half of 2007 Surveillance carried out two training sessions on Disclosure Requirements for members of listed companies as well as auditors. In addition to these open seminars a number of ad hoc activities and presentations for managers and board members in specific listed companies have been carried out. Two seminars aimed at traders and compliance officers were held to cover the trading rules and separate trading issues.

Corporate Governance

The exchange is studying the 2006 annual reports from the listed companies to ascertain how well they have implemented the Corporate Governance recommendations. As of the 2006 annual reports the companies have to state their positions to the "comply-or-explain" principle from the Corporate Governance recommendations.

Rules and Regulations

On 1 June the Transparency Directive was implemented in Denmark.

On 1 June three new Executive Orders were implemented: nr. 172 on the conditions for securities listing on an exchange, nr. 226 on Issuer's Disclosure Requirements and nr. 274 on major shareholders.

The exchange rules governing listing and disclosure requirements for the fund market were updated to comprise the new market place launched 26 February. At the same time the rules were subject to a complete restructuring making them logic and easy to use.

First North

9 (5) companies were admitted to trading on First North in the period. Total gross proceeds amounted to DKK 278,8 million (DKK 199 million), and average proceeds amounted to DKK 30 million (DKK 39 million). No companies were delisted from First North during the period. The total number of companies traded end June was 19 (6).

Seven new Certified Advisers were approved making the total number end June 28.

OMX Nordic Exchange Iceland

Listings and Delistings

Equities

The shares of P/F Føroya Banki were listed on the main list.

The total number of listed companies at the end of June 2007 was 29 (25).

Warrants

No warrants are listed on the exchange.

Bonds

85 (64) bonds were listed, 79 (4) delisted* and 78 (66) matured. The total number of listed fixed income securities at the end of June 2007 was 412 (442).

*Delisted because of an exercise of a call/put option, bankruptcy or with an agreement from owners to delist.

Exchange Traded Funds (ETFs)

One (1) exchange traded fund is listed on the exchange.

Options Rights

No options are listed on the exchange.

The Observation Segment

If a situation arises concerning an issuer that price formation for some reason becomes uncertain, e.g. because specific information is not available and/or violation of disclosure requirements is involved, the exchange may decide to temporarily place the securities of the issuer concerned on the Observation Segment for investigation.

Three companies were transferred to the Observation Segment during the first six months of 2007.

The shares of Actavis Group hf. and OMX AB were placed on the segment due to a voluntary takeover bid. The shares of Mosaic Fashion were placed on the segment due to a non-binding indicative offer.

Corporate Actions and Acquisitions of Own Shares

Five companies have made a private placement of shares, and one of those also had a rights issue. At the end of June there were take over bids in three of the listed companies. Seven companies acquired own shares during the period.

Exchange Notices

The exchange prepared and published 65 exchanges notices relating to the listing and delisting of new instruments, additional lots of shares and other instruments.

Issues Regarding Breach of Rules by Listed Companies, Members and Others

The exchange has sent 24 written requests for statements. 12 of those resulted in criticism from the exchange, three cases were disallowed after the exchange had reviewed the explanations from the issuers, and two listed companies were reprimanded. Seven cases are still in process. Moreover, the exchange has criticized 13 issuers without requesting statements or asking for explanations.

One listed company was criticized for not disclosing to the market in a timely manner a decision made by its board to increase the company's share capital.

One listed company was criticized for not publishing a company release without delay when it was discovered that the issuer had to remake the annual accounts for the year 2005. The exchange also pointed out to the issuer that contrary to its actions it could not make a confidential agreement about the remake with a third party, or negotiate how the information would be presented in an announcement to the market.

One listed company and member who acted as a co-ordinator when the issuer's securities were listed was criticized because of a discrepancy between the prospectus and the annual accounts of the issuer. The exchange also informed the FSA about the case.

One listed company was criticized due to a long and poor process of changing the debtor of the issuer's bonds, and due to the fact that the issuer did not publish the annual accounts immediately following the board of the directors' approval of such as required of an issuer of listed securities.

One listed company was criticized for not publishing a company release on its annual accounts until the day after the board's approval of the accounts, and for repeated corrections of the announcement.

One issuer was reprimanded for a substantial delay in publishing an announcement regarding its annual accounts following the board of directors' approval of the accounts.

One listed company was criticized because an announcement from the issuer about a certain transaction did not contain sufficient information on some aspects of the transaction, such as financing and the effect on the issuer.

One company was criticized for failing to send to the exchange information on AGM proceedings immediately upon the conclusion of said meeting. Trading in the company's shares was suspended from just before the commencement of the AGM until an announcement of its results was sent to the exchange. The exchange pointed out that information on the results of the company's AGM could be considered price-sensitive

information, and in accordance with the rules on the issuer's disclosure obligations, the company must send to the exchange information on its AGM proceedings immediately upon the conclusion of the meeting.

The exchange criticized a company because it did not publish a company release on a ratings update without delay. In fact, the announcement was published in the exchange's News System the day after the publication of the ratings update by the ratings agency.

One company was criticized for not publishing its annual accounts within the time limits in the exchange's Rules.

One member was strongly criticized for matching its own orders on four occasions in a single day, and for reporting two trades which reflected transfer within the member so that the member was in effect both the buyer and seller. Late last year the exchange criticized the same member for matching its own orders on numerous occasions. The exchange urged the member to prevent breaches of this nature in the future, and warned that if it did not the member could face more severe sanctions.

One issuer was criticized for not mentioning in an announcement on the sale of an asset that the sale was subject to conditions. The sale was eventually terminated. The exchange decided not to take any further action against the issuer because the amount involved was small.

One issuer was criticized for failing to send information to the exchange without delay. The exchange decided not to take any further action against the issuer as there were extenuating circumstances, i.e. a third party involved in the case did not realize that they had to send an announcement to the exchange. When the mistake was discovered, the announcement was sent without delay.

The exchange criticized a member for failing to report a trade on time. The member reported the trade on the date the securities were delivered and not on the date when the trade was finalized.

Several bond issuers were criticized for failing to publish their annual accounts in accordance with the time limits set forth in the exchange rules.

Trading Halts

According to the Exchange Act, the exchange shall under certain conditions decide upon a trading halt. Such conditions could be the case where the general public does not have access to equal information regarding a specific financial instrument, or does not have access to equal information regarding an issuer. A decision regarding a trading halt could also be implemented where a company is going to publish substantial price sensitive information during continuous trading. A trading halt shall only be effective during a short period of time, normally only a few hours. Trading halts lasting more than one day are rare.

During January through June 2007, the exchange halted trading twice in shares listed on the exchange.

Issues Regarding Suspected Insider Trading and Market Abuse Handed over to the FSA

Three cases of possible abuse of insider information and one case regarding possible market manipulation have been handed over to the Icelandic Financial Supervisory Authority. One case of suspected violation of best execution rules was handed over to the FSA.

Education

The Surveillance held several courses to train new SAXESS brokers.

Corporate Governance

Guidelines regarding Corporate Governance were issued in 2004 as an outcome of co-operative efforts by the exchange, the Icelandic Chamber of commerce and the Confederation of Icelandic Employers. The Guidelines are not binding for the companies, but exchange rules demand that issuers declare whether the company complies, in full or partly.

All companies have declared their compliance with the Guidelines on Corporate Governance.

Rules and Regulations

New Nordic Exchanges rules regarding listing requirements entered into force on 2 April. The exchange also participates in projects to harmonise listing process rules and disclosure rules.

First North

In the half year period the shares of Century Aluminium have been listed. The total number of companies at the end of June was three.

Two Certified Advisers were approved of in the period.

Vilnius Stock Exchange

Listings and Delistings

Equities

During the first half of 2007, after a public offering of shares, the company AB City Service was admitted to the Main List. The company AB Rytų skirstomieji tinklai was moved from the Secondary List to the Main List. During the first half of 2007, after the public offering of shares, one company was admitted to the Secondary List, and one company was moved from the Main List to the Secondary List.

The company AB DFDS Lisco was delisted from the Secondary List on the basis of the issuer's application, which was received by the exchange as early as 2005. The minority investors, however, appealed against such a decision. The execution of the decision was postponed, and the procedure of delisting the shares temporarily suspended. In April this year, the court ruling rejected the complaint, and the exchange decision came into effect. The issuer was delisted from the Secondary list. In the first half of 2006 one company was delisted from the Main List.

At the end of the first half of 2007, a total of 42 (43) issuers were listed on the exchange trading lists: 13 (8) on the Main List and 29 (35) on the Secondary List.

Seeking to implement the Markets in Financial Instruments Directive, a new law, the Law on Markets in Financial Instruments, was passed in February, which created favourable legal conditions for the development of the alternative marketplace First North. The project of the alternative marketplace was launched in cooperation with other Baltic exchanges.

Bonds

All in all, in the first half of 2007 7 (8) new bond issues were admitted to the Fixed Income Market, namely: 4 (5) issues of government bonds and 3 (3) issues of corporate debentures of commercial banks and companies. Furthermore, the Government of the Republic of Lithuania issued 10 (10) supplementary issues of debt securities. At the end of the first half of the year, the list contained 29 (34) bond issues, the total nominal value of which was EUR 973 (1,109) million.

The Observation Segment

In order to attract investors' attention to important circumstances with regard to the issuers' activities and shares, an issuer may temporarily be transferred to the Observation Segment. The order of transfer of an issuer is regulated by the exchange trading rules. Usually, an issuer is given the status 'issuer under observation' for a particular period.

During the reporting period, the shares of two companies were on the Observation Segment, i.e. those of Alytaus Tekstilė AB and Mažeikių Nafta AB. The shares of Alytaus Tekstilė AB were on the Observation List because the Government was discussing the future prospects of the company; one of the possible scenarios being its privatization. Later, after

the Government had announced its resolution to privatize the company, the period of observation was prolonged.

Mažeikių Nafta AB was placed under observation after one of its major shareholders had announced a mandatory squeeze-out.

Corporate Actions and Purchase and Sale of own Shares

In total, 4 (6) new share issues were launched during the first half of the year 2007. The company DnB Nord Bankas AB and the company Snaigė AB issued 2 share issues paid up from supplementary contributions of the shareholders. Šiaulių Bankas AB issued a bonus issue while increasing its authorized capital from own funds. Bankas Snoras AB also issued a bonus issue from own funds with a view to increasing the share liquidity, at the same time splitting the nominal value of its shares. Some time later, Bankas Snoras AB increased the free float of the listed shares by adding a previously unlisted share issue to the listed securities.

Because the major shareholders acquired more than 40 % of Bankas Snoras AB shares and votes, a mandatory tender offer was announced to buy up shares.

The authorized capital of Mažeikių Nafta AB was increased after a merger with the previously listed company Mažeikių Elektrinė AB.

One of the main shareholders of Stumbras AB publicly offered the investors to acquire 5 % of the company's shares.

In an attempt to maintain and increase the price of its shares, the shareholders' meeting of the company Rokiskio Suris AB resolved to buy-up up to 7.8 % of its outstanding shares by making a voluntary tender offer. As an outcome of the resolution, Rokiskio Suris filed a voluntary tender offer with the exchange.

Takeovers

Nothing to report.

Exchanges Notices and Releases Regarding Disclosure of Changes in Holdings

As regards listing and delisting of securities, the exchange made 16 notices in Lithuanian and English.

Exchange notices stating events of the week ahead were published 23 times.

20 notices were made through the information system of the exchange regarding disclosure of changes in holdings.

Issues Regarding Breaches of Rules by Listed Companies, Members and Others

The trading rules provide that where an issuer anticipates or it becomes clear that a company's performance will differ from previously made projections by more than 10 %, the issuer must make adjustments to the projections without delay, and explain the causes of the changed projections or the actual result to the exchange. Failure to comply with this requirement was registered five times, and the exchange demanded that the issuers immediately disclose information about the changed performance projections or the results achieved.

The exchange issued a warning in writing to a company after the information concerning the company's financial results was made public in the press prior to its announcement through the information system of the exchange. The company was instructed to disclose the information through the information system of the exchange without delay.

Furthermore, the trading rules provide that an issuer must disclose all financial statements through the information system of the exchange at least 10 days before the annual general shareholders' meeting (AGM). One company was issued a warning for breaching this rule.

One company was warned because of its failure to comment on the information made public by a news agency concerning the fact that it had suffered a loss of LTL 90 million during the first quarter of 2007. The exchange rules provide that an issuer must comment on material information disclosed about an issuer by other persons, irrespective of this information being right or wrong if said information is likely to have an effect on the market price of the securities and not yet made public through the information system of the exchange.

The trading rules also provide that a member when placing an order must specify the client's identification code. Two members of the exchange were issued a warning due to a breach of this requirement twice.

Warnings regarding failure to meet the requirement of the minimum amount of contract and block trades were given to two members three times.

Due to members' failure to ensure a sufficient amount of securities and (or) funds for settlement of the concluded trades as required by the exchange trading rules, penalties were imposed 11 times to six members.

Trading Halts

The Law on Companies defines the persons to whom shares issued out of the company's funds are to be allocated. Furthermore, the law provides which shareholders hold pre-emptive rights to acquire the shares of a new issue if they are issued from supplementary contributions. In both cases, the day when to allocation and rights are effected is the day of the AGM. With a view to enforcing this provision of the law, the exchange halts trading in the issuer's shares on the third day preceding the AGM. This procedure ensures a fixed list of shareholders on the AGM day. Because of this trading halts were effected 8 (9) times.

The trading rules provide that trading in securities may be halted if a company fails to comply with the requirements, or a halt is motioned by a supervisory institution, or a company fails to comply with the rules or to perform its duties.

All in all, trading in securities was halted 46 times. Most often, 37 times, trading was halted on the day of the AGM before the announcement of the AGM resolutions, so that all investors had equal chances to become aware of the resolutions of the meeting.

There was one instance when trading was halted at a company's request prior to the announcement of the information which was likely to have an effect on the market price of the shares.

Issues Regarding Suspected Insider Trading and Market Abuse Handed over to the FSA

Regular consultations are carried out with the Lithuanian Securities Commission (LSC) regarding suspected insider trading and market manipulation (market abuse). Information about any unusual trading activity is reported to the LSC without delay. During the first half of the year, 6 (6) cases of suspected market manipulation were reported to the LSC.

In one case a member was suspected of market manipulation because he placed orders at the closing auction of the trading session causing considerable price fluctuations.

Four instances of potential market abuse were detected when a member's clients' trading volumes constituted a major part of the day's turnover, and had a significant effect on the market price of the shares. Later the market price of the shares came back to the usual level.

In one case a member placed orders to buy and sell shares in such a way and order that the buyer and seller in the transaction was the one and same person. This was possible because for a moment the member's automated order placement system could not ensure sufficient control of the orders placed, and thus, orders placed via the internet by a client was concluded with himself. The exchange issued a warning to the member, and demanded to ensure control of the orders.

Education

The exchange regularly consults company managers and persons responsible for the disclosure of information on different issues. Some meetings with the issuers' managers were devoted to the importance of the information which is likely to affect the market price of the shares and issues of its disclosures. A seminar was held for the managers in order to review the guidelines of the Code of Corporate Governance, and to provide explanation as to the manner in which companies are supposed to disclose how they comply with these guidelines. As a means of promotion of the alternative marketplace under way, the exchange organized a seminar for advisors of the alternative marketplace and prepared materials on these issues.

The Surveillance department working hand-in-hand with the Market Operations department prepared technical guidelines and tests as well as organized training for the new financial brokers willing to obtain a right to trade in the SAXESS trading system.

Other Confidence Building Measures

The Surveillance department has arranged one training course for new exchange traders. One employee from the department participated as a speaker at an international conference regarding MiFID implementation issues.

Corporate Governance

The Corporate Governance Code was adopted in 2006. This year the companies had to disclose information of their compliance with the guidelines of the Code in their Annual Reports for the first time.

Rules and Regulations

During the period, the Surveillance department focused on several of the most urgent activities. One such activity concerns the drafting of amendments to the trading rules that will provide for the establishment of a Market Surveillance Committee. Simultaneously, the other OMX exchanges were consulted in respect of the implementation of the trading surveillance system SMARTS on the Baltic exchanges.

Riga Stock Exchange

Listings and Delistings

3 (1) new companies were listed, and 2 (3) were delisted during the first half of the year 2007. During the same period 6 (2) new fixed income instruments were listed on the Main list, and 3 (0) new investment funds listed on the fund list. In total, there were 42 equities, 37 debt securities and 17 funds listed at the end of June 2007.

The Observation Segment

In 9 (6) cases companies were transferred to the Observation Segment. On six occasions the companies were transferred to the Observation Segment for failure to disclose 12-month financial reports within the deadlines set by the exchange. The companies were Olainfarm, Rīgas Farmaceutiskā fabrika, VEF Radiotehnika RRR, Latvijas Gāze, Baloži and Latvijas Zoovetapgāde. The companies were transferred back from the segment by a decision of the exchange management board after the companies submitted their financial reports. In 3 (2) cases companies (Laima, Protezēšanas un ortopēdijas centrs) are still placed under observation because the issuers plan to be delisted in less than six months.

Corporate Actions

There were 3 (0) additional issues of listed shares over the first half of the year 2007. No splits were scheduled or carried out for listed financial instruments on RSE.

Exchange Notices Regarding Disclosures of Listing/Delisting and Changes in Holdings

All together the exchange has published 189 (131) exchange notices over the first half of 2007.

Of these three were listing notices, six regarded changes in observation status notices, and 19 (3) were with respect to index notices.

Issues Regarding Breach of Rules by Listed Companies and Members

In all, 20 cases of breaches of the exchange listing rules were registered over the first six months of 2007. Of these 7 warnings were issued, 4 cases of suspended trading were registered, and 2 cases were forwarded to the Surveillance Committee. One warning to a member was issued. Surveillance officers have communicated insufficiencies in disclosures or financial reports in 30 cases.

No market abuse cases were registered during the first half of 2007.

Decisions Made by the Surveillance Committee

The exchange independent Surveillance Committee was established on 2 January 2007.

Two of the breaches of the exchange listing rules were forwarded to the Surveillance Committee and the at the meeting held on March 29, 2007 it was decided to fine both of the companies for repeatedly late submission of financial reports.

Education of Issuers, Members and Other Market Participants

Surveillance officers have had individual meetings with the issuers where necessary. Furthermore, training sessions regarding the new reporting system Company News Service were organized for all issuers, and an educational meeting with brokers have been held.

Corporate Governance

As of the financial year 2006 all of the Official List companies and prior-merger I-list companies have had to prepare a statement regarding “comply-or-explain” of the Corporate Governance recommendations. All of the issuers have complied with the requirement and submitted their statements. Statements are available online.

First North Baltic

The exchange has launched its alternative market segment on 1 June, 2007. No listing of companies registered, yet. Four Letters of Intent have been signed by potential Certified Advisers.

Tallinn Stock Exchange

Listings and Delistings

Equities

The Listing Committee decided on listing 2 (2) companies during the first half-year 2007. The shares of AS Ekspress Grupp and Arco Vara AS were listed on the Main List.

The Listing Committee decided on delisting the company AS Tallinna Farmaatsiatehase, because a major shareholder acquired all shares according to takeover bid.

The total number of listed companies at the end of June 2007 was 17.

Bonds

There was no change in the number of listed bonds. One bond was listed and one delisted. At the end of June 2007 the total number of Bonds listed was 5, the total nominal value of which was EUR 313 million.

The Observation Segment

Tallinna Farmaatsiatehase AS was transferred back from the Observation Segment in connection with delisting.

Corporate Actions

During first half year of 2007 four bonus issues were processed. Baltika AS, Olympic Entertainment Group AS, AS Tallink Grupp and Eesti Ehitus AS all used bonus issues to increase the share liquidity.

A mandatory takeover bid to 11,536,144 PTA Grupp AS (PTA) shares was made after the biggest shareholder of the company increased his stake to 66.6 % of PTA-s shares. In the course of the mandatory bid 485,468 shares were sold.

Takeovers

Nothing to report.

Exchange Notices

The exchange prepared and published 237 exchange notices relating to the listing and delisting of instruments, liquidity providing and changes in trading. All notices were published in Estonian and English.

Issues Regarding Breaches of Rules by Listed Companies, Members and Others

The exchange has sent 14 written requests for statements. 10 of those resulted in criticism from. The cases that resulted in criticism concerned the below mentioned issues.

One member firm was criticized regarding the fulfillment of its Market Maker obligations. The Market Maker's orders did not cover the whole of the trading time, and the orders were placed up to 20 minutes after the continuous trade had started.

Three members were criticized in cases, where manual trades were concluded for less than the established minimum volume of the shares.

Three cases were handled that concerned minor breaches of the information disclosure rules. One issuer published the total amount of dividend payable and did not disclose dividend payable per share as required by the exchange rules. Another issuer failed to publish the date when new shares were to be transferred to the relevant securities accounts and the record date for participation in a bonus issue. One company was criticized because information concerning a permission granted by the Estonian Competition Board for acquisition of a holding in a company was released to media before appropriate company announcement was published.

One member was criticized concerning a case where a block trade was concluded for less than the established minimum volume of the shares.

Two members were criticized due to a breach of the order book priority rule when the members reported manual trades with an amount of shares less than the established minimum volume.

Decisions by the Tallinn Stock Exchange's Listing and Surveillance Committee

Nothing to report.

Trading Halts

Nothing to report.

Issues regarding Suspected Insider Trading and Market Abuse, handed over to the FSA

Nothing to report.

Education

The exchange has provided education to new listed companies. Two seminars have been held regarding information disclosure requirements.

The Market Services department has also participated in the education of new traders and prepared and corrected their exams on questions regarding Estonian Securities Market legislation and exchange regulation.

Corporate Governance

The Corporate Governance Code is enforced at the exchange starting 2007. Further examination on how the issuers comply with the Code shall be carried out in the second half of 2007.

Rules and Regulations

The List structure of the exchange and other Baltic exchanges has been rearranged during first half of 2007. Merging current Baltic I-List with Free List in Riga created a new list - Baltic Secondary List. All issuers from I-List were transferred to Main List.