

**JOINT STOCK COMPANY
NASDAQ OMX Riga**

(UNIFIED REGISTRATION NUMBER 40003167049)

**CONSOLIDATED ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010**

(17 financial year)

**PREPARED IN ACCORDANCE WITH
THE LAW OF THE REPUBLIC OF LATVIA ON CONSOLIDATED ANNUAL REPORTS
TOGETHER WITH INDEPENDENT AUDITORS' REPORT**

Riga, 2011

INDEPENDENT AUDITORS' REPORT

To the shareholders of AS NASDAQ OMX Riga

Report on the financial statements

We have audited the accompanying consolidated financial statements of AS NASDAQ OMX Riga and its subsidiary (the "Group"), set out on pages 10 through 27 of the accompanying 2010 Annual Report, which comprise the consolidated balance sheet as at 31 December 2010, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Group's management is responsible for the preparation and fair presentation of these financial statements in accordance with the Law of the Republic of Latvia on Consolidated Annual Reports and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group as of 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with the Law of the Republic of Latvia on Consolidated Annual Reports.

Report on other legal and regulatory requirements

Furthermore, we have read the management report for the year ended 31 December 2010 (set out on pages 5 through 9 of the accompanying 2010 Annual Report) and have not noted any material inconsistencies between the financial information included in it and the financial statements for the year ended 31 December 2010.

SIA Ernst & Young Baltic
Licence No. 17



Diāna Krišjāne
Chairperson of the Board

Rīga,
30 March 2011



Mārtiņš Valters
Latvian Certified Auditor
Certificate No. 185

CONTENTS

| | |
|-----------------------------------|----|
| Independent auditors' report | 2 |
| General information | 4 |
| Management report | 5 |
| Income statement | 10 |
| Balance sheet | 11 |
| Cash flow statement | 13 |
| Statement of changes in equity | 14 |
| Notes to the financial statements | 15 |

General information

| | | |
|---|--|---|
| Name of the company | NASDAQ OMX Riga | |
| Legal status of the company | Joint Stock Company | |
| Unified registration number, place and date of registration | 40003167049 Riga, 7 December, 1993 | |
| Registered office | Vaļņu iela 1 Riga, Latvia, LV-1050 | |
| Shareholders | NASDAQ OMX Nordic Oy (92.98%) (the legal name was changed in 30, September, 2008) | |
| | AS Rietumu banka (7.02%) – since December 15 th , 2010 | |
| | AS Rietumu banka (3.51%) – until December 15 th , 2010 | |
| | AS RB Securities (3.51%) – until December 15 th , 2010 | |
| Management Board Members | | |
| | Daiga Auziņa-Melalksne | Chairperson of Management Board |
| | Indars Aščuks | Deputy Chairperson of Management Board |
| | Liene Dubava | Member of Management Board |
| Council Members | | |
| | Henrik Elfving | Chairman of Council |
| | Teuvo Rossi | Deputy Chairman of Council – since June 15 th , 2010 |
| | Jacob Kaplan | Deputy Chairman of Council – until June 15 th , 2010 |
| | Teuvo Rossi | Member of Council – until June 15 th , 2010 |
| | Catharina Hovemyr | Member of Council – since June 15 th , 2010 |
| | Kristaps Strazds | Member of Council |
| | Renārs Rūsis | Member of Council |
| Subsidiary | AS Latvijas Centrālais deponitārijs Vaļņu iela 1, Rīga, LV-1050 (100%) | |
| Financial year | 1 January – 31 December 2010 | |
| Auditors | Mārtiņš Valters Latvian Certified Auditor Certificate No. 185 | SIA Ernst & Young Baltic Muitas iela 1a, Rīga Latvia, LV – 1010 Licence No. 17 |

Management report

March 30, 2011

Core business activity

The main business operations of the NASDAQ OMX Riga Group – the joint stock company NASDAQ OMX Riga (NASDAQ OMX Riga) and AS Latvijas Centrālais Depozitārijs (LCD) (hereinafter jointly referred to as NASDAQ OMX Riga Group companies) are development and maintenance of the infrastructure for the financial instruments (securities) market. The main business services of NASDAQ OMX Riga are organization of a regulated market for financial instruments, provision of open and fair trading facilities for the financial instruments listed on NASDAQ OMX Riga, quotation of financial instruments (equities, debt securities and other financial instruments) on a regular basis, dissemination of market information, fulfillment of any other functions assigned to a regulated market organizer by the Law on Financial Instruments Market. In addition, NASDAQ OMX Riga actively takes part in the implementation of privatization projects as well as provides infrastructure for public offering for cash of state-owned property objects.

The main business services of LCD are provision of securities custody, clearance and settlement as well as development and maintenance of different data registers.

NASDAQ OMX Riga Group companies are fully integrated on all corporate levels in terms of personnel and structure; however, the entities maintain segregation of core business operations.

Financial performance of NASDAQ OMX Riga Group during the reporting year

The net profit of NASDAQ OMX Riga Group for 2010 is LVL 669 thousand, which is by 38% higher than in 2009, when NASDAQ OMX Riga Group's net profit was LVL 486 thousand.

The net turnover of NASDAQ OMX Riga Group in 2010 is LVL 1 852 thousand, which is by LVL 128 thousand or 7% more than in 2009. The cost of sales for the year amounted to LVL 769 thousand, which represents an increase by LVL 61 thousand or 9% over the previous year. Therefore, gross profit for 2010 increased by LVL 209 thousand or 36% compared to 2009.

In 2010, the NASDAQ OMX Riga Group companies continued their collaboration with professional asset manager IPAS Citadele Asset Management in order to secure top safety to the financial assets.

At the end of the reporting period, NASDAQ OMX Riga Group's consolidated equity was LVL 2 304 thousand or LVL 808.57 per share. In 2010, NASDAQ OMX Riga Group paid dividends for 2009 in amount of LVL 100 thousand (LVL 35.09 per share).

Investment

NASDAQ OMX Riga has made no investment towards acquisition or foundation of new companies. NASDAQ OMX Riga retains 100% control over LCD. The situation at the end of the year was as follows:

- NASDAQ OMX Riga owns 370 LCD shares;
- Nominal value per share is LVL 500;
- Total value of paid-in shares is LVL 185 000;
- Ownership interest in LCD is 100%.

In 2010, NASDAQ OMX Riga disposed of its shares in AS Emerging Nordic Research. In 2009, NASDAQ OMX Riga, jointly with NASDAQ OMX Tallinn AS, AB NASDAQ OMX Vilnius and Ivars Bergmanis, founded a capital markets research company AS Emerging Nordic Research (registered in the Republic of Estonia).

Management report (continued)

Key events

In 2010 NASDAQ OMX Riga together with the LCD have been actively working at expanding the range of products and services jointly offered by the two companies as well as towards enhancement and further development thereof.

In 2010, NASDAQ OMX Riga Group companies have been operating in accordance with the development and operations which defines their strategic goals and key tasks and has been adopted by the Council and approved by the general meeting of shareholders.

Key activities and successes in 2010 were:

INET, a new trading platform for equities, launched

In February 2010, a new INET trading system was successfully launched in all seven NASDAQ OMX markets in the Baltics and the Nordics – Riga, Tallinn, Vilnius, Copenhagen, Helsinki, Reykjavik and Stockholm. Till then INET trading platform was operating in the US and London stock markets. NASDAQ OMX's INET technology is the most efficient and scalable trading platform in the world, with microsecond speeds, and high reliability and capacity. The INET system is capable of handling one million messages per second at sub-250 microsecond (microsecond is one millionths of a second) average speeds, the fastest of any exchange in the world.

A new release of software for trading platform I-Broker

Since February, a new release of the trading platform i-Broker has been made available. The new upgraded version offers its users a number of enhancements and advantages, e.g., the clients now are able to enter orders that are valid till cancellation. Simultaneous with the new release, the monthly i-Broker service fee for the Baltic markets has been reduced by 30%. I-Broker is an electronic and high-speed trading platform for equity trading allowing private investors connect to the Baltic market trading system on their own and buy or sell shares.

The first review in Latvia about state-owned enterprises and their financial performance compiled

The Baltic Institute of Corporate Governance in collaboration with key financial experts, including from NASDAQ OMX Riga, for the first time compiled and analyzed information on the Latvian state-owned enterprises (more than 140), their financial position and also compared their financial performance with that of peer companies in Europe and the Baltic countries. The conclusion: provided that the assets of state-owned companies are managed as efficiently as in comparable companies in Europe, their annual dividend contribution to the government budget would increase by 75 million LVL (last year, state-owned companies paid dividends in the amount of 185 million LVL). After studying the Report, Prime Minister Valdis Dombrovskis suggested to set up an intersectoral working group with the assignment to design a management policy for state-owned assets.

Guide to the Baltic Market 2010 published

Guide to the Baltic Market is an annual publication in the English language on the Baltic securities market. It comprises extensive information and provides insight to the Baltic companies, macroeconomic brief and summary of taxation systems of Estonia, Latvia and Lithuania. The digital version is available for downloading on the NASDAQ OMX Riga website.

Conference CEO Meets Investor 2010

The fifth annual conference CEO Meets Investor was organized and well attended. Investors had an opportunity to meet in person Chief Executive Officers of six Baltic-listed companies: SAF Tehnika, Olainfarm, Liepājas Metalurģs, TEO LT, Premia Foods un Tallinna Vesi. Within the framework of the conference an investor seminar took place on topical issues in equity trading.

15th anniversary of the Latvian securities market

In the summer of 2010, the Exchange and the Latvian Central Depository celebrated the 15th anniversary since the inception of securities market in Latvia. In 1995 trading in securities was launched on the Riga Stock Exchange and the first trade was settled by the Latvian Central Depository. Artis Kampars, Minister of Economics, expressed his appreciations to the progress made within those 15 years and confirmed his support to the NASDAQ OMX Riga initiatives in establishing a transparent business environment and principles of good corporate governance in Latvia.

Management report (continued)

Upgraded LCD website

With the structural changes implemented to the Baltic markets website www.nasdaqomxbaltic.com, in 2010 the LCD followed suite and upgraded the depository section. It was complemented with extensive information about the services offered by the LCD to the potential clients, as well as with useful information for the LCD existing customers – issuers and participants. LCD, while upgrading its website, was guided by the principles of good corporate governance. The most significant changes were related to the selection of LCD-registered securities from the LCD database – the selection was complemented with new features and now the selection can be saved more conveniently. Following the upgrades, the visitors of the webpage, apart from being able to pick their own selection criteria, now are able to save their own-selected list of securities.

LCD participation in the standing working group of Commercial Law

In 2010, LCD was invited to and actively participated in the standing working group of Commercial Law set up by the Ministry of Justice. The task of the working group is to draft concepts, laws, strategy and other documents related to the commercial law.

In the recent years, it has been discovered that in Latvia the legislation in the area of protection of shareholders' rights and the possibility to exercise these rights is not perfect and calls for improvement. Therefore, in 2010 the Commercial Law working group focused on drafting the necessary amendments to the Commercial Law towards a more efficient protection of shareholders' rights and on straightening out the issues concerning the keeping and maintenance of shareholder registers. Drafting laws in this crucial sphere is a serious and complicated process, therefore the work will continue also in 2011.

Access to the information from the Initial Register

LCD, as a lawful organizer of the Initial Register, in 2010 started a research project about the possible technical solutions so that individuals could access online information about their securities registered on the Initial Register. Within the framework of the study, target groups were identified that are eligible to request information from the Initial Register, as well as the potential cooperation partners who could provide online access to the LCD register information for natural persons and legal entities. In 2010 LCD had meetings with the Council of Sworn Notaries Council of Sworn Bailiffs, State agency Maksātnespējas administrācija, Latvian Association of Certified Insolvency Administrators and discussed the options of potential cooperation; also, during the meetings, the possibilities of linking the LCD information system with the information systems managed by said institutions were identified with the purpose to speed up the information receipt from the Initial Register. SIA Lursoft IT was selected the cooperation partner for providing registered users a possibility to access online information about the securities owned by it, and late in 2010 the LCD signed an agreement with regard to technical support of the service via www.lursoft.lv. The agreement stipulates that, via www.lursoft.lv, also competent institutions authorized by the law, including sworn notaries public, insolvency administrators and sworn bailiffs, would be able to obtain information from the Initial Register. The technical implementation of the project and launching of the service is scheduled for the first quarter of 2011.

Establishing corresponding relations with Clearstream Banking Luxembourg

In 2010, LCD embarked on establishing corresponding relations with Clearstream Banking Luxembourg, an international securities depository. Opening an account with this securities settlement system will allow the LCD participants a seamless and safe purchase of Clearstream-eligible securities and transfer them to their own financial instrument accounts with the LCD. The investors will not need to bother about the custody risks and legal issues, because these securities will be on their securities accounts together with Latvian government bonds, shares and other Latvian securities.

Implementation of a new data exchange service between LCD and participants

As the 2009 Annual Report has it, pursuant to the joint NASDAQ OMX Baltic strategy, in the second half of 2009 Latvian and Estonian central depositories launched a joint project for providing common technical communication (Message Hub) between the depositories of both countries and their participants.

In 2010, at a meeting with participants, the Latvian Central Depository presented its intention to launch a new data exchange service between the LCD and its participants in 2011. Consequently, in 2010 LCD and its participants started preparations towards implementation of a new data exchange service in their IS in the first half of the next year.

Management report (continued)

Risk management

Considering the main business of NASDAQ OMX Riga companies, efficient risk management with the purpose to ensure the continuity and quality of main business functions, is one of the key components of strategies of NASDAQ OMX Riga companies. To minimize the possible damages caused by operation failures, NASDAQ OMX Riga companies have developed their risk management model with a focus on crisis management and the continuity of their key business functions.

Risk management is a structured, coordinated and continuous process at all levels of NASDAQ OMX Riga companies in order to be able to identify, assess and report on any possible risks and circumstances that might affect achieving the goals set by NASDAQ OMX Riga companies and to take decisions on required actions to mitigate or prevent the risks.

Risk management increases the probability of achieving success and essentially reduces the probability of losses as well as minimizes uncertainty in relation to achieving the objectives set by NASDAQ OMX Riga companies. It is an ongoing process that permeates the strategy of NASDAQ OMX Riga companies and the implementation thereof. In risk management, any potential risks that might affect the operation of NASDAQ OMX Riga companies are identified. In the risk management process, various possible risks in connection with the main business functions and the probability and consequences thereof are identified, analyzed and controlled, considering at the same time any past, current and, most importantly, future activities.

The objective of risk management is to ensure secure and efficient achievement of the goals set by NASDAQ OMX Riga companies by minimizing any risks that could cause financial and any other types of damage to the shareholders, customers or employees.

Risk management organization and control

The Management Board of NASDAQ OMX Riga group is responsible for appropriate and efficient organization of risk management. In the risk management process, annual management reports are drawn up to describe all the risks connected with the main business activities of NASDAQ OMX Riga companies, their possible impact, probability and the current or planned activities for the mitigation or prevention and elimination thereof. Each member of the Management Board of NASDAQ OMX Riga companies is responsible for appropriate risk management in the business area he or she is in charge of. Risks are grouped into short-term and long-term risks. Risks are classified according to their impact: sector-specific risk, business risks and operational risks. Risk management reports are reviewed two times a year, at the same time ensuring continuous monitoring and control of risks in all the main business areas.

Business risks

Reputation risk is one of the major business risks that can occur in situations where it is impossible to deliver quality services to the customers in a prompt manner due to some other factors. In this case, it is of great importance to have employees that are highly qualified and competent in their fields. To this end, NASDAQ OMX Riga companies are very thorough in personnel selection; furthermore, a wide range of opportunities for further training both in Latvia and abroad are offered to the employees, as well as consultations with employees of other stock exchanges of NASDAQ OMX Group. Every employee has a job description and instructions and procedures they need in their daily work; these documents are revised and updated annually. NASDAQ OMX Group carries out annual customer satisfaction surveys; results of these surveys clearly show the level of overall customer satisfaction with the services provided as well as point out any possible flaws in the work of individual units or in the provision of certain services.

Operational risks

One of the major operational risks for NASDAQ OMX Riga companies is the risk of technical systems that might occur if the provision of a specific service in good quality is suspended or failed. To minimize the occurrence of the said type of risks to maximum, NASDAQ OMX Riga companies have developed a business continuity plan, which is aimed to ensure uninterrupted provision of basic services, at the same time providing efficient communication among all the relevant counterparties involved. To ensure business continuity, remote work places have been created to be used in the event if the access to daily work places is impossible or hindered. At the same time, also technical solutions have been designed for different situations where operations would be impossible or hindered when using the regular system solutions.

Management report (continued)

Future prospects

The following priorities have been set for 2011:

- To implement a new trading system for debt instrument trading Genium INET.
- An active work with the government with regard to raising growth capital for SOEs via capital market.
- Implementation of the Investor Education Program.
- To provide trading and settlement services for Baltic-listed companies in the euro currency.
- Active communication with existing clients, improvement of service quality and maintaining the client satisfaction.
- Development of new and alternative services depending on the situation in financial markets.
- LCD strategy and plans are largely connected with implementing the securities settlement system TARGET2-Securities in Latvia, as well as launching the new data Exchange services between the LCD and its participants, scheduled for April 2011.



Daiga Auziņa-Melalksne
Chairperson of the Board



Indars Aščuks
Deputy Chairperson of the
Board



Liene Dubava
Member of the Board

The annual consolidated report was approved by the general shareholders' meeting on _____ 2011.


Income statement

| | Notes | 2010 Ls | 2009 Ls |
|---|-------|------------------|------------------|
| Net sales | 3 | 1 852 430 | 1 724 259 |
| Costs of sales | 4 | (768 757) | (707 283) |
| Gross profit | | 1 083 673 | 1 016 976 |
| Administrative expenses | 5 | (445 834) | (491 125) |
| Other operating income | 6 | 33 270 | 30 244 |
| Other operating expenses | 7 | (8 672) | (49 139) |
| Interest receivable and similar income | 8 | 71 736 | 70 262 |
| Write-offs of the value on non-current financial assets and short-term securities | 9 | 51 373 | 2 967 |
| Interest payable and similar expenses | 10 | (3 522) | (7 270) |
| Profit before taxes | | 782 024 | 572 915 |
| Corporate income tax | 11 | (112 688) | (95 948) |
| Deferred income tax | 11 | (158) | 9 132 |
| Current year's profit | | 669 178 | 486 099 |

The accompanying notes form an integral part of these financial statements.



 Daiga Auziņa-Melalksne
 Chairperson of the Board



 Indars Aščuks
 Deputy Chairperson of the
 Board



 Liene Dubava
 Member of the Board

Balance sheet


ASSETS

| | Notes | 31.12.2010. Ls | 31.12.2009. Ls |
|---|-------|-------------------|-------------------|
| NON-CURRENT ASSETS | | | |
| Intangible assets | | | |
| Concessions, patents, licences and similar rights | 13 | 22 973 | 8 006 |
| Goodwill | | 38 368 | 38 368 |
| TOTAL | | 61 341 | 46 374 |
| Property, plant and equipment | | | |
| Property, plant and equipment | 13 | 35 976 | 61 384 |
| TOTAL | | 35 976 | 61 384 |
| Non-current financial assets | | | |
| Investments in associates | | - | 15 717 |
| Other investments | | 810 | 810 |
| Other receivables | 14 | 182 818 | 182 818 |
| Deferred income tax assets | 11 | 5 805 | 5 963 |
| TOTAL | | 189 433 | 205 308 |
| TOTAL NON-CURRENT ASSETS | | 286 750 | 313 066 |
| CURRENT ASSETS | | | |
| Non-current assets held for sale | 15 | 1 658 052 | 1 534 259 |
| Trade receivables | | | |
| Trade receivables | 16 | 172 256 | 133 000 |
| Receivables from related companies | 24 | 11 283 | 1 799 |
| Other receivables | 17 | 10 225 | 48 391 |
| Prepaid expenses | 18 | 43 066 | 34 561 |
| Accrued incomes | | - | 10 299 |
| TOTAL | | 236 830 | 228 050 |
| Cash and cash equivalents | 19 | 2 074 636 | 1 588 428 |
| TOTAL CURRENT ASSETS | | 3 969 518 | 3 350 737 |
| TOTAL ASSETS | | 4 256 268 | 3 663 803 |

The accompanying notes form an integral part of these financial statements.



 Daiga Auziņa-Melalksne
 Chairperson of the Board



 Indars Aščuks
 Deputy Chairperson of the
 Board



 Liene Dubava
 Member of the Board

Balance sheet


EQUITY AND LIABILITIES

| | Notes | 31.12.2010. Ls | 31.12.2009. Ls |
|-------------------------------------|-------|-------------------|-------------------|
| EQUITY | | | |
| Share capital | 20 | 712 500 | 712 500 |
| Retained earnings: | | | |
| brought forward | | 922 739 | 536 640 |
| for the period | | 669 178 | 486 099 |
| TOTAL EQUITY | | 2 304 417 | 1 735 239 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 21 | 1 851 062 | 1 834 027 |
| Payables to related companies | 24 | 2 073 | 78 |
| Taxes payable | | 12 949 | 3 946 |
| Deferred income | 22 | 3 870 | 4 278 |
| Accrued liabilities | 23 | 81 897 | 86 235 |
| TOTAL LIABILITIES | | 1 951 851 | 1 928 564 |
| TOTAL EQUITY AND LIABILITIES | | 4 256 268 | 3 663 803 |

The accompanying notes form an integral part of these financial statements.



 Daiga Auziņa-Melalksne
 Chairperson of the Board



 Indars Aščuks
 Deputy Chairperson of the Board



 Liene Dubava
 Member of the Board

Cash flow statement

| | 2010 Ls | 2009 Ls |
|---|-----------------------|-----------------------|
| Cash flows to/from operating activities | | |
| Profit before tax | 782 024 | 572 915 |
| Adjustments for: | | |
| Depreciation of tangible assets | 42 087 | 49 467 |
| Amortisation of intangible assets | 8 598 | 7 772 |
| Increase in provisions | 4 440 | 36 988 |
| Unrealised loss from fluctuations of currency exchange rates | 2 569 | 4 920 |
| Interest income | (59 804) | (70 262) |
| Loss or gain on changes in fair value of financial instruments | (75 694) | (2 967) |
| <i>Operating profit or loss before working capital changes</i> | <i>704 220</i> | <i>598 833</i> |
| Increase in receivables | (211 035) | (172 929) |
| Increase in payables | 52 596 | 334 042 |
| <i>Cash generated from operations</i> | <i>545 781</i> | <i>759 946</i> |
| Corporate income tax paid | (75 566) | (78 625) |
| Net cash flows to/ from operating activities | 470 215 | 681 321 |
| Cash flows to/ from investing activities | | |
| Purchase of property, plant and equipment | 40 244 | (7 916) |
| Purchase of financial assets | (532 774) | (2 573 928) |
| Proceeds from disposal of financial assets | 484 855 | 2 688 911 |
| Interest received | (41 119) | 3 833 |
| Purchase of "Emerging Nordic Research" | - | (15 717) |
| Loan to "Emerging Nordic Research" | (15 462) | |
| Net cash flows to/ from investing activities | (64 256) | 95 183 |
| Cash flows to/ from financing activities | | |
| Dividends paid | (100 000) | (300 000) |
| Net cash flows to/ from financing activities | (100 000) | (300 000) |
| Change in cash | 488 777 | 659 322 |
| Net foreign exchange difference | (2 569) | (4 920) |
| Cash at the beginning of the year | 1 588 428 | 934 026 |
| Cash at the end of the year | 2 074 636 | 1 588 428 |

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity

| | Share capital | Non-current asset revaluation reserve | Retained earnings | Total |
|---|----------------|--|----------------------|------------------|
| Balance as at 31 December 2008 | 712 500 | 6 992 | 836 640 | 1 556 132 |
| Dividends paid | - | - | (300 000) | (300 000) |
| Fair value gains on available-for-sale financial assets | - | (6 992) | - | (6 992) |
| Profit for the reporting year | - | - | 486 099 | 486 099 |
| Balance as at 31 December 2009 | 712 500 | - | 1 022 739 | 1 735 239 |
| Dividends paid | - | - | (100 000) | (100 000) |
| Profit for the reporting year | - | - | 669 178 | 669 178 |
| Balance as at 31 December 2010 | 712 500 | - | 1 591 917 | 2 304 417 |

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

1. Corporate information

The registered office of the joint stock company NASDAQ OMX Riga is at Valņu iela 1, Riga. The Parent Company was registered with the Commercial Register under unified registration number 40003167049. The major shareholder of the Parent Company is its parent NASDAQ OMX Nordic Oy, which owns 92.98% of the Parent Company's shares, another shareholder is AS Rietumu bank which owns 7.02% of the Parent Company's shares. The Board of the Parent Company includes Daiga Auziņa-Melalksne (Chairperson of the Board), Indars Aščuks (Deputy Chairman of the Board), and Liene Dubava (Board Member). The auditor of the Parent Company is the commercial company of certified auditors SIA Ernst & Young Baltic.

2. Summary of significant accounting policies

Basis of preparation

The consolidated financial statements have been prepared in accordance with the Laws of the Republic of Latvia on Accounting, on Consolidated Annual Reports, and on Annual Reports as well as Latvian Accounting Standards issued by the Accounting Council of the Republic of Latvia Ministry of Finance applicable in the reporting year.

The financial statements are prepared on a historical cost basis. The monetary unit used in the financial statements is lat (LVL), the monetary unit of the Republic of Latvia. The financial statements cover the period 1 January 2010 through 31 December 2010.

The income statement has been prepared in accordance with the function of expense method.

The cash flow statement has been prepared in accordance with the indirect method.

The accounting and measurements methods applied by the Group are consistent with those of the prior year.

Basis of consolidation

Subsidiaries, which are all entities over which the Group has the power to govern the financial and operating policies directly or indirectly, are consolidated in these financial statements.

Subsidiaries are consolidated from the date on which the Group obtains control until the date that such control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The excess of the fair value of the net assets of the subsidiary acquired over the cost of acquisition is recorded as goodwill. Intra-group transactions, balances and unrealised gains on intra-group transactions are eliminated in full. Unrealised losses are also eliminated except when such losses cannot be recovered. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Revenue and net sales

Net sales comprise the total value of services provided during the year, less any discounts granted and value added tax. Revenue from provision of services is recognised in the period when the services are provided. Revenue from penalties and late payment charges is recognised when received.

2. Summary of significant accounting policies (cont'd)

Foreign currency translation

The accounting currency of the Group is Latvian lats. All transactions in foreign currencies are translated into Latvian lats at the official currency rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into Latvian lats applying the official exchange rate established by the Bank of Latvia at the last day of the reporting year. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

| | 31/12/2010 | 31/12/2009 |
|-------|------------|------------|
| | LVL | LVL |
| USD 1 | 0.535 | 0.489 |
| EUR 1 | 0.702804 | 0.702804 |

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are stated at cost value less accumulated amortisation/ depreciation and any impairment in value. Cost value includes costs directly attributable to the acquisition of assets. The cost value of software licences includes the costs incurred to acquire and bring to use the specific software. Amortisation/ depreciation is calculated on a straight-line basis over the estimated useful life of the asset to write the cost value of the relevant asset down to the residual value at the end of the useful life, applying the following rates as established by the management:

| | |
|-----------------------|-------------|
| Office equipment | 3 - 5 years |
| EDP | 3 - 5 years |
| Cars | 5 years |
| Licences and software | 3 - 5 years |

Where the carrying value of any asset exceeds its recoverable amount, the asset is immediately written down to its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Such costs are depreciated over the remaining useful life of the related asset.

Expenses such as repair and maintenance costs are normally charged to the income statement in the period when incurred.

The gain or loss arising from the derecognition of the asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is included in profit or loss when the item is derecognised.

Receivables and term deposits

Receivables and term deposits (hereinafter – receivables) are stated in the balance sheet at amortised cost less provisions for impairment. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying value and the recoverable amount of a receivable. The provision is recognised in the income statement.

2. Summary of significant accounting policies (cont'd)

Operating lease – the Group as lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments and prepayments (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Financial instruments

The Group classifies its financial assets in the following categories: held-for-trading financial assets, available-for-sale financial assets, and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the balance sheet.

Held-for-trading financial assets

Financial assets are classified as held-for-trading if they are acquired mainly for the purpose of selling in the near term. Such assets are stated at fair value as current assets. Any gain or loss on revaluation and trading is recognised in the income statement.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any other category. They are stated as non-current assets, except for those assets that the management has an intention to sell during 12 months after the balance sheet date.

All purchases and sales of financial assets are recognised on the trade date, i.e. the date that the Group commits to purchasing the asset. All assets not at fair value through profit or loss are recognised initially at fair value plus directly attributable transaction costs. Financial assets at fair value through profit or loss are initially recognised at fair value, with all directly attributable transaction costs being charged to the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss and available-for-sale financial assets are subsequently measured at fair value. Loans and borrowings are stated at amortised cost using the effective interest rate method.

Any gain or loss from the changes in the fair values of held-for-trading financial assets, including interest and dividend income, is recognised in the income statement in the period when occurred.

The changes in the value of monetary and non-monetary assets classified as available-for-sale are taken to equity. The fair value of traded investments is determined by reference to market quotations.

When available-for-sale financial assets are derecognised or determined to be impaired, the cumulative gain or loss previously recorded in equity is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

Available-for-sale financial assets (cont'd)

Interest income from available-for-sale securities is calculated using the effective interest rate method and recognised in profit or loss. Dividends from available-for-sale securities are recognised in the income statement when the right to receive the payment is established.

The Group assesses at each reporting date whether objective evidence of impairment exists for financial assets individually or collectively for those assets that are not individually significant. If there is objective evidence that an impairment loss has been incurred, the impairment loss is recognised in the income statement.

Taxation

Corporate income tax charge is disclosed in the consolidated financial statements based on the calculations performed by the management in accordance with the Republic of Latvia tax legislation for each Group's entity individually.

Deferred corporate income tax arising from temporary differences between the tax base of assets or liabilities and their carrying amount in these financial statements is calculated using the liability method. Deferred income tax is determined using tax rates that have been enacted by the balance sheet date and are expected to apply when the deferred income tax asset is realised or the deferred income tax liability is settled. The principal temporary timing differences arise from differing rates for depreciation on property, plant and equipment, vacation pay reserve and other accrued liabilities. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Vacation pay reserve

The vacation pay reserve is estimated by multiplying the average daily remuneration expense over the last six months of the reporting year by the total number of vacation days earned but not taken as at the year end.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at bank and other short-term highly liquid investments with original maturities of 90 days or less.

Related parties

Related parties are defined as shareholders of the Parent Company, Members of the Board and the Council, their close members of the families, and entities over which these persons exercise significant influence or control.

Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the assets of the acquired subsidiary at the acquisition date. Goodwill is carried as an intangible asset and stated at acquisition cost less any impairment losses. Goodwill is tested for impairment annually. If goodwill is determined to have been impaired, the loss from impairment is calculated on the basis of the recoverable amount of goodwill. The impairment loss is determined using the management's judgment, including assumptions regarding future cash flows arising from business plans of the respective cash-generating unit's management, discounted applying the respective discount rate. Identifiable intangible assets arising upon acquisition and for which the fair value may be determined reliably are recognised separately from goodwill and amortised over their useful lives on a straight-line basis. Management's judgment and, where appropriate, estimates of attributable costs or future cash flows from the asset owned by the Group discounted applying the respective discount rate are used to identify such assets and measure them at fair value.

3. Net sales

| | 2010 | 2009 |
|---|------------------|------------------|
| Income for servicing of securities accounts | 510 710 | 439 459 |
| Income from maintenance of registers | 413 035 | 363 747 |
| Income from securities issuers | 295 594 | 323 345 |
| Income from services related to securities emissions | 177 379 | 190 902 |
| Income from stock exchange members | 135 023 | 119 377 |
| Income from sale of information | 180 366 | 156 325 |
| Commission income from transactions on stock exchange | 87 965 | 72 248 |
| Income from operations with securities | 29 035 | 35 025 |
| Annual membership fee for Latvian Central depository | 18 000 | 18 000 |
| Other income | 5 323 | 5 831 |
| TOTAL: | 1 852 430 | 1 724 259 |

4. Costs of sales

| | 2010 | 2009 |
|-------------------------------|----------------|----------------|
| Wages and salaries | 267 699 | 209 307 |
| IT systems maintenance | 168 570 | 180 746 |
| Rental expenses | 71 102 | 82 577 |
| Social security contributions | 65 118 | 50 237 |
| Amortisation and depreciation | 50 685 | 57 238 |
| Undeductable VAT | 49 596 | 41 407 |
| Other expenses | 95 987 | 85 771 |
| TOTAL: | 768 757 | 707 283 |

5. Administrative expenses

| | 2010 | 2009 |
|--|----------------|----------------|
| Wages and salaries | 207 990 | 267 728 |
| Social security contributions | 45 282 | 61 945 |
| Transportation expenses | 37 387 | 37 333 |
| Bank services | 23 083 | 22 591 |
| Insurance | 11 488 | 21 950 |
| Business trips expenses | 21 185 | 20 633 |
| Representation expenses | 21 066 | 13 342 |
| Audit expenses* | 9 101 | 9 664 |
| Office equipment maintenance, stationary | 8 668 | 10 300 |
| Communication expenses | 8 545 | 8 645 |
| Purchase of information | 5 416 | 6 411 |
| Educational expenses | 3 264 | 1 399 |
| Other expenses of administration | 43 359 | 9 184 |
| TOTAL: | 445 834 | 491 125 |

5. Administrative expenses (cont'd)

* The total costs for provided audit services from the commercial company of certified auditors SIA Ernst & Young Baltic in 2010 are LVL 9 101 (in 2009: LVL 8 974)

6. Other operating income

| | 2010 | 2009 |
|----------------------------------|---------------|---------------|
| Compensated labour costs | 21 084 | 21 084 |
| Decrease of accruals of bad debt | 8 200 | - |
| Other income | 3 986 | 9 160 |
| TOTAL: | 33 270 | 30 244 |

7. Other operating expenses

| | 2010 | 2009 |
|----------------------------|--------------|---------------|
| Employee entertainment | 5 962 | 6 365 |
| Accruals for doubtful debt | 2 654 | 22 138 |
| Other expenses | 56 | 20 636 |
| TOTAL: | 8 672 | 49 139 |

8. Interest receivable and similar income

| | 2010 | 2009 |
|-----------------------|---------------|---------------|
| Interest income | 59 808 | 44 585 |
| Other interest income | 11 928 | 25 677 |
| TOTAL: | 71 736 | 70 262 |

9. Write-offs of the value of non-current financial assets and short-term securities

| | 2010 | 2009 |
|--|---------------|--------------|
| Loss on revaluation of financial assets at fair value through profit or loss | 51 373 | 2 967 |
| TOTAL: | 51 373 | 2 967 |

10. Interest payable and similar expenses

| | 2010 | 2009 |
|------------------------------|--------------|--------------|
| Net loss on foreign exchange | 2 569 | 6 150 |
| Penalties paid | 953 | 1 120 |
| TOTAL: | 3 522 | 7 270 |

11. Corporate income tax

| | 2010 | 2009 |
|---|----------------|---------------|
| Current corporate income tax charge for the reporting year | 112 688 | 95 948 |
| Deferred corporate income tax due to changes in temporary differences | 158 | (9 132) |
| Corporate income tax charged to the income statement: | <u>112 846</u> | <u>86 816</u> |

Deferred corporate income tax:

| | Balance sheet | | Income statement | |
|--|----------------|----------------|------------------|----------------|
| | 31.12.2010. | 31.12.2009. | 2010 | 2009 |
| Deferred corporate income tax liability | | | | |
| Accelerated depreciation for tax purposes | (3 572) | (6 972) | (3 401) | (3 585) |
| Gross deferred tax liability | <u>(3 572)</u> | <u>(6 972)</u> | <u>(3 401)</u> | <u>(3 585)</u> |
| Deferred corporate income tax asset | | | | |
| Vacation pay reserve | 1 305 | 1 545 | 240 | 4 372 |
| Other | 8 072 | 11 390 | 3 319 | (9 919) |
| Gross deferred tax asset | <u>9 377</u> | <u>12 935</u> | <u>3 559</u> | <u>(5 547)</u> |
| Net deferred tax liability/ asset | <u>5 805</u> | <u>5 963</u> | <u>158</u> | <u>(9 132)</u> |

Actual corporate income tax charge for the reporting year, if compared with theoretical calculations:

| | 2010 | 2009 |
|---|----------------|---------------|
| Profit before tax | 782 024 | 572 915 |
| Tax at the applicable tax rate of 15% | 117 304 | 85 937 |
| Permanent differences | (4 203) | 1 508 |
| Tax rebate on donations | (255) | (629) |
| Actual corporate income tax for the reporting year: | <u>112 846</u> | <u>86 816</u> |

12. Staff costs and number of employees

| | 2010 | 2009 |
|--|----------------|----------------|
| Wages and salaries | 475 689 | 477 035 |
| Statutory social insurance contributions | 110 400 | 112 182 |
| TOTAL: | <u>586 089</u> | <u>589 217</u> |

12. Staff costs and number of employees (cont'd)

Key management personnel compensation

| | 2010 | 2009 |
|--|----------------|----------------|
| Board Members | | |
| Wages and salaries | 178 761 | 156 437 |
| Statutory social insurance contributions | 43 064 | 37 686 |
| TOTAL: | <u>221 825</u> | <u>194 123</u> |

Council members do not receive compensation.

| | 2010 | 2009 |
|---|-----------|-----------|
| Average number of employees during the reporting year | 27 | 25 |
| TOTAL: | <u>27</u> | <u>25</u> |

The total staff costs are included in the following income statement captions:

| | 31.12.2010. | 31.12.2009. |
|------------------------|----------------|----------------|
| Administrative expense | 253 272 | 329 673 |
| Costs of sales | 332 817 | 259 544 |
| TOTAL: | <u>586 089</u> | <u>589 217</u> |

13. Intangible and tangible assets

| | Licenses | Goodwill | Office equipment and furniture | Vehicles | Total |
|---|---------------|---------------|-----------------------------------|---------------|----------------|
| As at 1 January 2009 | | | | | |
| Cost | 155 228 | 38 368 | 327 944 | 34 923 | 556 463 |
| Accumulated amortisation and depreciation | (141 636) | - | (240 248) | (17 018) | (398 902) |
| Carrying amount as at 31 December | <u>13 592</u> | <u>38 368</u> | <u>87 696</u> | <u>17 905</u> | <u>157 561</u> |
| Year 2009 | | | | | |
| Carrying amount as at 1 January | 13 592 | 38 368 | 87 696 | 17 905 | 157 561 |
| Additions | 2 186 | - | 5 730 | - | 7 916 |
| Disposals | - | - | (1 080) | - | (1 080) |
| Accumulated depreciation of disposals | - | - | 600 | - | 600 |
| Depreciation charge | (7 772) | - | (42 482) | (6 985) | (57 239) |
| Carrying amount as at 31 December | <u>8 006</u> | <u>38 368</u> | <u>50 464</u> | <u>10 920</u> | <u>107 758</u> |
| As at 31 December 2009 | | | | | |
| Cost | 157 414 | 38 368 | 332 594 | 34 923 | 563 299 |
| Accumulated amortisation and depreciation | (149 408) | - | (282 130) | (24 003) | (455 541) |
| Carrying amount as at 31 December | <u>8 006</u> | <u>38 368</u> | <u>50 464</u> | <u>10 920</u> | <u>107 758</u> |
| Year 2010 | | | | | |
| Carrying amount as at 1 January | 8 006 | 38 368 | 50 464 | 10 920 | 107 758 |
| Additions | 23 565 | - | 16 679 | - | 40 244 |
| Disposals | - | - | - | - | - |
| Accumulated depreciation of disposals | - | - | - | - | - |
| Depreciation charge | (8 598) | - | (35 540) | (6 547) | (50 685) |
| Carrying amount as at 31 December | <u>22 973</u> | <u>38 368</u> | <u>31 603</u> | <u>4 373</u> | <u>97 317</u> |
| As at 31 December 2010 | | | | | |
| Cost | 180 979 | 38 368 | 349 273 | 34 923 | 603 543 |
| Accumulated amortisation and depreciation | (158 006) | - | (317 670) | (30 550) | (506 226) |
| Carrying amount as at 31 December | <u>22 973</u> | <u>38 368</u> | <u>31 603</u> | <u>4 373</u> | <u>97 317</u> |

Fully depreciated assets

A number of assets that have been fully depreciated are still in active use. The total original cost value of these assets as at the end of the year was Ls 394 689 (2009: LVL: Ls 319 162).

Depreciation

The total depreciation costs are included in the following income statement captions:

| | 31.12.2010. | 31.12.2009. |
|---------------|---------------|---------------|
| Costs of sale | 50 685 | 57 238 |
| TOTAL: | <u>50 685</u> | <u>57 238</u> |

14. Other receivables

On 14 December 2007 LCD prolonged its collaboration with State Social Insurance Agency by signing an agreement for rendering of accounts administration services to the state-funded pension scheme participants starting 1 January 2008. In order to meet legal obligations, LCD entered a guarantee agreement with AS Citadele bank and pledged its cash in carrying amount of Ls 182 818.

15. Financial assets

Financial assets at fair value through profit or loss:

| | 2010 | 2009 |
|--|-----------|-------------|
| At beginning of year | 1 534 260 | 1 608 682 |
| Additions | 532 774 | 2 573 928 |
| Annulment and coupons received | (544 660) | (2 688 910) |
| Fair value changes and accumulated interest recognised in the income statement | 135 678 | 40 559 |
| At end of year | 1 658 052 | 1 534 259 |
| Including | | |
| – long term | 1 226 691 | 1 061 070 |
| – short term | 431 361 | 473 189 |

Financial assets at fair value through profit or loss include the following:

| | 2010 | 2009 |
|---|------------------|------------------|
| Listed securities: | | |
| Debentures with fixed interest of 4.500% and maturity date of 5 November 2014 | 470 397 | - |
| Debentures with fixed interest of 2.625% and maturity date of 23 March 2011 | 431 361 | 436 126 |
| Debentures with fixed interest of 5.125% p.a. and maturity date of 14 February 2013 | 403 374 | 327 891 |
| Debentures with fixed interest of 5.875% and maturity date of 10 May 2012 | 303 618 | 297 040 |
| Debentures with fixed interest of 6.000% and maturity date of 26 February 2012 | 38 336 | - |
| Debentures with maturity date of 26 February 2012 | 10 953 | - |
| JSC Staburadze – 20 shares | 13 | 13 |
| Debentures with maturity date of 16 June 2010 | - | 354 171 |
| Debentures with maturity date of 20 May 2010 | - | 102 552 |
| Debentures with maturity date of 26 March 2010 | - | 16 466 |
| TOTAL: | 1 658 052 | 1 534 259 |

Financial assets at fair value through profit or loss are denominated in the following currencies:

| | 31.12.2010. | 31.12.2009. |
|---------------|------------------|------------------|
| Latvian lats | 452 676 | 344 357 |
| Euros | 1 205 376 | 1 189 902 |
| TOTAL: | 1 658 052 | 1 534 259 |

16. Trade receivable

| | 31.12.2010. | 31.12.2009. |
|---|----------------|----------------|
| Receivables from Latvian Central Depository members | 64 650 | 38 063 |
| Receivables from issuers | 59 885 | 45 603 |
| Receivables from Riga Stock exchange members | 23 316 | 25 146 |
| Other receivables | 38 616 | 45 587 |
| Provisions for impairment of receivables | (14 211) | (21 399) |
| TOTAL: | 172 256 | 133 000 |

17. Other receivable

| | 31.12.2010. | 31.12.2009. |
|----------------------|---------------|---------------|
| Overpayment of taxes | 2 186 | 31 352 |
| Other receivables | 8 039 | 17 039 |
| TOTAL: | 10 225 | 48 391 |

18. Prepaid expenses

| | 31.12.2010. | 31.12.2009. |
|-----------------------|---------------|---------------|
| Insurance | 24 624 | 18 808 |
| VSAA project expenses | 6 825 | 7 192 |
| IT maintenance | 6 072 | 5 700 |
| Other | 5 545 | 2 861 |
| TOTAL: | 43 066 | 34 561 |

19. Cash and cash equivalents

| | 31.12.2010. | 31.12.2009. |
|---------------|------------------|------------------|
| Cash at bank | 2 074 636 | 1 588 428 |
| TOTAL: | 2 074 636 | 1 588 428 |

20. Share capital

The Parent Company's fully paid share capital is LVL 712 500 and consists of 2 850 ordinary shares. The par value of each share is LVL 250. In 2010 the Company paid dividends in amount of Ls 100,000 (Ls 35.09 per share), in 2009 – Ls 300,000 (Ls 105.26 per share).

21. Trade and other payables

| | 31.12.2010. | 31.12.2009. |
|----------------------------------|------------------|------------------|
| Payables to owners of securities | 1 837 218 | 1 818 469 |
| Other | 13 844 | 15 558 |
| TOTAL: | 1 851 062 | 1 834 027 |

22. Deferred income

| | 31.12.2010. | 31.12.2009. |
|---------------------------------|--------------|--------------|
| Income from sale of information | 2 017 | 3 458 |
| Income from securities issuers | 1 853 | 820 |
| TOTAL: | 3 870 | 4 278 |

All deferred revenues will be received at 2011.

23. Accrued liabilities

| | 31.12.2010. | 31.12.2009. |
|-------------------------|---------------|---------------|
| Accruals for bonuses | 50 615 | 68 282 |
| Vacation pay reserve | 8 698 | 10 297 |
| Provisions for payables | 22 584 | 7 656 |
| TOTAL: | 81 897 | 86 235 |

24. Related party disclosures

The Group is 92.98% owned by NASDAQ OMX Nordic Oy incorporated in Finland.

The following transactions were carried out with these parties: NASDAQ OMX Nordic Oy, The NASDAQ OMX Group Inc., NASDAQ OMX Helsinki Oy, NASDAQ OMX Stockholm AB, OMX AB, OMX Technology AB, NASDAQ OMX Tallinna AS, Eesti Väärtpaberikeskus AS, NASDAQ OMX Vilnius AS.

| Related party | | Sales to related parties | Purchases from related parties | Amounts owed by related parties | Amounts owed to related parties |
|-----------------------|------|--------------------------|--------------------------------|---------------------------------|---------------------------------|
| Parent company | 2010 | 21 084 | - | - | - |
| | 2009 | 21 084 | - | - | - |
| Other related parties | 2010 | 166 220 | 81 517 | 11 283 | 2 073 |
| | 2009 | 153 447 | 72 359 | 1 799 | 78 |
| TOTAL 2010: | | 187 304 | 81 517 | 11 283 | 2 073 |
| TOTAL 2009: | | 174 531 | 72 359 | 1 799 | 78 |

25. Commitments and contingencies

Operating leases

The Company as a lessee has entered into vehicle lease agreements:

| | 2010 | 2009 |
|--------------------|---------------|---------------|
| Less than one year | 11 502 | 9 316 |
| 1 – 5 years | 10 824 | 12 837 |
| TOTAL: | 22 326 | 22 153 |

26. Financial risk management

Major financial instruments of the Group are money, long-term financial investments and short-term deposits. The main purpose of these financial instruments is to provide for finance for the business operation of the Group. The Group also deals with several other financial instruments, e.g. accounts receivable from buyers and customers and other debtors, accounts payable to suppliers and contractors and other creditors in direct connection with its business operation.

Financial risks

Main financial risks related to the financial instruments of the Group are: currency risks, liquidity risk and credit risk.

Currency risk

Group's financial assets and liabilities that are exposed to the currency risk comprise money and money equivalents, accounts receivable from buyers and customers, accounts payable to suppliers and contractors.

On 1 January 2005 the Bank of Latvia pegged the lats to the euro, and the fixed official rate is 0.702804. From that day, the Bank of Latvia also has maintained the market rate within a 1% limit over/under the official rate. Consequently, any profit or loss from euro rate fluctuations for the Group will not be material as long as the Bank of Latvia maintains the said fixed exchange rate.

Liquidity risk

The company controls its liquidity risk by maintaining a respective amount of money and money equivalents.

Credit risk

The Group is exposed to credit risk in connection with its accounts receivable from buyers and customers, long-term investments held for sale, money and money equivalents. The Group controls its credit risk by continuously evaluating the debt repayment records of the customers and defining terms and conditions of lending per every customer individually. Furthermore, the Group continuously monitors balances of accounts receivable to minimise the possibility of irrecoverable debts. Investments have been made ensuring a high level of security of money assets.

As at 31 December 2010, the Group did not have any material concentration of credit risk in relation to the one counterparty or a group of counterparties of similar characteristics.

27. Events after balance sheet date

There are no subsequent events, which would have a significant effect on the financial position of the Group or its operations as of 31 December 2010.