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March sales SEK 13.7 billion¹⁾

Skandia's sales through March amounted to SEK 38.7 billion (61.0). In addition to sales of SEK 38.7 billion, paid-in premiums to Skandia Liv totalled SEK 4.2 billion (3.3), and discretionary management inflows for Skandia Asset Management totalled SEK 0.7 billion.

Of total sales, SEK 25.8 billion (40.1) pertain to unit linked assurance, SEK 10.7 billion (18.6) to mutual fund savings products, and SEK 1.5 billion (1.7) to direct sales of funds.

Worldwide new sales²⁾ of unit linked assurance – excluding the USA – increased, due to strong development for unit linked assurance with annual premium. The decline in total new sales, including the USA, was thereby limited to 18 per cent. Sales of single-premium unit linked assurance and mutual fund savings products fell considerably, mainly due to the continued stock market decline. Customer withdrawals of unit linked savings remained at a low level in relation to assets under management at the start of the year.

In the USA, sales of variable annuities amounted to USD 1.1 billion (2.7), and sales of mutual funds totalled USD 0.8 billion (1.6).

In the UK, sales totalled GBP 0.8 billion (1.0), and in Sweden, sales by SkandiaLink totalled SEK 3.4 billion (3.0). Sales in New Markets totalled SEK 4.1 billion (5.0). New sales of unit linked assurance increased by 3 per cent in the UK, by 20 per cent in Sweden, and by 11 per cent in New Markets.

Recalculated to average exchange rates, sales were favourably affected by currency movements in the amount of SEK 2.7 billion.

¹⁾ All comparison figures pertain to the corresponding period a year earlier, unless otherwise indicated.

²⁾ According to industry practice, new sales are defined as regular premiums recalculated to full-year figures plus 1/10 of single premiums during the period.

In order to achieve accurate recognition of income and expenses, Skandia has been using the embedded value method since 1989 for business control as well as for external reporting purposes according to the group overview.

Skandia's result measurement is described in the 2000 Annual Report, which also includes a sensitivity analysis describing the impact of various factors on the result. The trend in the stock markets is significant for the result. Since contracts in force span long periods of time, sharp swings in the financial markets during short periods of time have a major impact on the present value of future profits. The sensitivity analysis presented in the Annual Report shows that a one per cent increase or decrease in the stock market affects the result by +/- SEK 176 million, respectively. The negative trend in the stock markets during the first quarter entails that the trend for the indexes that are relevant for Skandia is expected to be in the range of minus 19-21 per cent, including assumed fund growth of 1.5 per cent.

The negative result effect of the above is an expression of the impact of the stock market during the first quarter in relation to Skandia's assumptions for fund growth, and will be permanent only under the condition that the stock market does not recover. According to Skandia's Annual Report, p. 11, Skandia's long-term assumption for fund growth is approximately 6 per cent per year.

On 23 March it was announced that Skandia is carrying out an operating expense reduction programme to better align its operating infrastructure in the USA with the current market situation. The planned cost reduction will exceed USD 38 million on a yearly basis, which will have a result impact starting with the second quarter. During the first quarter of 2001, the level of costs in the US operation exceeded the cost assumptions that applied for the price-setting of new sales during the quarter by slightly more than USD 20 million.

The interim report for the first quarter of 2001 will be released on 27 April 2001.

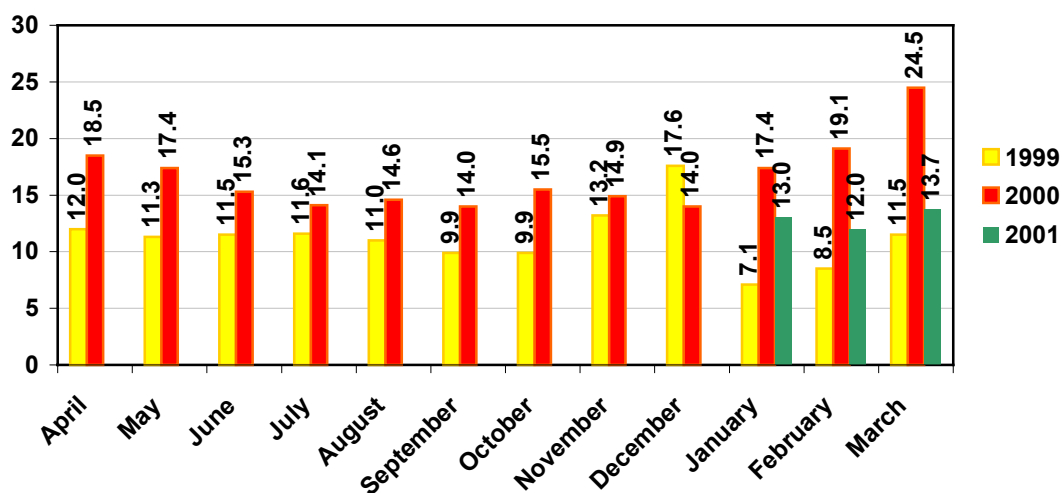
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Appendix: Sales per month and exchange rates in 2001 and 2000

Sales per month ¹⁾	2001	2000
(SEK billion)		
January:		
Insurance and mutual funds	12.3	16.7
Direct sales of funds	0.7	0.7
Total January	13.0	17.4
February:		
Insurance and mutual funds	11.6	18.7
Direct sales of funds	0.4	0.4
Total February	12.0	19.1
March:		
Insurance and mutual funds	13.3	23.9
Direct sales of funds	0.4	0.6
Total March	13.7	24.5
Insurance and mutual funds		
April		18.5
May		17.4
June		15.3
July		14.1
August		14.6
September		14.0
October		15.5
November		14.9
December		14.0

¹⁾ Sales pertain to paid-in premiums and deposits in funds from Skandia's customers. Therefore, sales also include direct sales of funds. The comparison figures for January, February and March 2000 have been adjusted for direct sales of funds.

Sales per month
SEK billion



Exchange rates		2001 31 Mar.	2001 28 Feb.	2001 31 Jan.	2000 31 Dec.	2000 31 Mar.	2000 28 Feb.	2000 31 Jan.
SEK								
EUR	Closing rate	9.15	9.07	8.85	8.86	8.30	8.42	8.58
EUR	Average rate	9.00	8.93	8.90	8.45	8.50	8.55	8.60
GBP	Closing rate	14.82	14.22	13.89	14.22	13.82	13.87	14.21
GBP	Average rate	14.22	14.08	14.01	13.86	13.82	13.87	13.89
USD	Closing rate	10.39	9.85	9.50	9.54	8.67	8.72	8.76
USD	Average rate	9.74	9.59	9.47	9.17	8.61	8.56	8.47
JPY	Closing rate	0.083	0.085	0.082	0.083	0.082	0.079	0.082
JPY	Average rate	0.083	0.082	0.081	0.085	0.080	0.080	0.081