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Skandia Insurance Company Ltd
S-103 50 Stockholm
Telephone +46-8-788 10 00
Telefax +46-8-788 30 80
<http://www.skandia.se>

Office:
Sveavägen 44

The Advocate General of the European Court of Justice condemns the Swedish five per cent rule.

Advocate General of the European Court of Justice Dámaso Ruiz-Jarabo Colomer concludes in his Opinion that the Swedish five per cent rule is not in conformity with the EC Insurance Directives.

The matter has been brought before the European Court of Justice on Skandia's request.

According to the five per cent rule, Swedish insurance companies are for investment management purposes prohibited to own more than five per cent of the voting rights in a limited liability company. If the European Court of Justice follows the Opinion of the Advocate General, the five per cent rule will be set aside with immediate effect.

Skandia's general counsel Jan-Mikael Bexhed, who represents Skandia before the European Court of Justice, comments:

"It is very satisfying that the Advocate General's Opinion is in line with Skandia's argumentation. The Swedish insurers have during several years argued for the abolishment of the five per cent rule, as the rule limits the ability for Swedish insurers to compete with foreign insurers and, furthermore, restricts the flow of venture capital to small and medium sized limited liability companies. We will now await the judgement of the European Court of Justice".

For further information, please contact:
Birgitta Hammarström, Press Officer, tel.: +46-8-788 2755.

