

Press Release

Stockholm, 28 October 2005

High return in a changing business environment

Alecta's total return was 11.5 per cent in the first nine months of 2005

Collective agreement parties the Confederation of Swedish Enterprise and the Federation of Salaried Employees in Industry and Services (PTK) have announced the commencement of new negotiations of the ITP agreement. The criteria are a competitive plan where the individual is given greater influence over the choice of pension provider.

Alecta's President, Tomas Nicolin, comments: "I believe that there are three factors that should prove decisive when individuals make their choice. These are the pension provider's ability to create returns, financial position and costs. A five-year return that is clearly above the industry average, strong funding and the lowest costs in the industry, put us in a good starting position."

Total return was 11.5 per cent in the first nine months of 2005. The industry's total return had not yet been published at the time of writing.

The funding base rate, the interest rate used for calculating collective funding, was reduced once again during the third quarter as a result of falling market interest rates. This time the reduction was 0.25 percentage points to 3.25 per cent. The reduction of the base rate had a 4 percentage points negative impact on funding while the return made a positive contribution. Taken overall, the funding ratio fell by two percentage points to 127 per cent compared with the end of the first half of the year.

You are welcome to access our interim report at www.alecta.com.

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Alecta offers the ITP occupational pension – a pension paid for by the employer. Alecta has assets under management of approximately SEK 380 billion. Our customers and owners are 27,000 companies and 1.6 million private individuals. Alecta's assignment comes from the Confederation of Swedish Enterprise and the Federation of Salaried Employees in Industry and Services (PTK). Our cost-effective solutions and service enable employers to provide their employees with financial security both while they are working and after retirement. Through the disability insurance included in ITP, we can also increase client companies' awareness of the correlation between health and profitability. We offer a financial security benefit that suits most people and we aim to set the standard for high returns and low costs.