

Press release, September 2, 2004

Skandia fined for breach of Stockholm Stock Exchange's listing agreement

Skandia has contravened its disclosure obligation under the company's listing agreement with Stockholm Stock Exchange. Accordingly, the Exchange's Disciplinary Committee has decided to fine Skandia. The Committee has found that the information provided by Skandia in its annual report for 2000 about the benefits to the company's president was misleading and incomplete, and that the information provided in the annual report about the Sharetracker and Wealthbuilder bonus programs was misleading and incorrect.

Information about benefits paid to the president

In accordance with a recommendation issued by Näringslivets Börskommitté (the Swedish Industry and Commerce Stock Exchange Committee, NBK) in 1993 – which formed part of the listing agreement – Skandia was obliged to provide information in its annual report about the benefits to its senior executives. In accordance with this, Skandia provided information in its annual report for 2000 about the benefits to Lars-Eric Petersson, including Petersson's portion of the Sharetracker option program, which was in effect up to May 15, 2000. Skandia reported Petersson's general pension terms but did not provide information showing that the pension benefits represented a substantial improvement compared to prior years and constituted compensation for the fact that Petersson had relinquished most of the bonus of SEK 103 million that he should have received from Sharetracker for the year 2000. Nor did Skandia disclose that additional compensation of SEK 36 million had been paid to Petersson for the nonpayment of a bonus from Sharetracker. The Disciplinary Committee found that Skandia's information in these two respects was incomplete and represented a breach of the listing agreement.

Information about the bonus programs

The annual report also contained information that profit for 2000 had been charged with SEK 261 million for the Sharetracker program and SEK 339 million for a bonus program called Wealthbuilder. However, additional undisclosed commitments from Skandia regarding both Sharetracker and Wealthbuilder were found. The undisclosed amount for Sharetracker was SEK 358 million and the amount for Wealthbuilder slightly exceeded SEK 1 billion. The Disciplinary Committee found that Skandia's information about both of these bonus programs was misleading and incorrect and that, accordingly, the company was guilty of breaching the listing agreement.

The Disciplinary Committee established that Skandia should pay a fine of two annual fees, making a total of SEK 2,670,296 million. One member of the Committee disagreed with the ruling and wanted to establish a fine of one annual fee for shortcomings in the reporting of Wealthbuilder.

OMX Exchanges

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EFFICIENT SECURITIES TRANSACTIONS

Disciplinary Committee

Stockholm Stock Exchange's Disciplinary Committee consists of five independent members. The role of the Disciplinary Committee is to consider suspicions regarding whether Exchange Members (i.e. banks and brokerage firms) or listed companies have breached the rules and regulations applying on the Exchange. If Stockholm Stock Exchange suspects that a member or a listed company has acted in breach of Stockholm Stock Exchange's rules and regulations, the matter is reported to the Disciplinary Committee. Stockholm Stock Exchange investigates the suspicions and pursues the matter and the Disciplinary Committee issues a ruling regarding possible sanctions. The Swedish Financial Supervisory Authority is entitled to request the Disciplinary Committee's deliberation if the matter involves a company that owns the Exchange. The sanctions possible for listed companies are a warning, a fine or delisting. The fines that may be imposed range from one to ten annual fees. The sanctions possible for Exchange Members are a warning, a fine or debarment. The Disciplinary Committee's Chairman and Deputy Chairman must be lawyers with experience of serving as judges. At least two of the other members of the Committee must have in-depth insight into the workings of the securities market.

Members: Supreme Court Justice Johan Munck (Chairman), Supreme Court Justice Marianne Lundius (Deputy Chairman), Madeleine Leijonhufvud (professor), Stefan Erneholm (company director) and Hans Mertz (company director). Deputy Members: Hans Edénhammar (MBA), Claes Beyer (lawyer), Jack Junell (company director), Lars Östman (professor) and Ragnar Boman (MBA).

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