Press Release

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Corporate Communications
S-103 50 Stockholm, Sweden
Telephone +46-8-788 10 00
Telefax +46-8-788 23 80
Www.skandia.com

Office:
Sveavägen 44

Publication of Shareholder Information Document in connection with Offer from Old Mutual

On 23 September 2005, Skandia's Board of Directors announced that the Board was of the opinion that Old Mutual's offer was not attractive for Skandia's shareholders and therefore advised the shareholders of Skandia to reject the offer from Old Mutual.

Skandia has today published a shareholder information document setting out in greater detail the standalone plans of Skandia, and why it believes that it is in Skandia shareholders' best interests to reject this offer and to allow Skandia's management team, led by Hans-Erik Andersson, to continue to deliver on the plans that will drive Skandia to create further shareholder value as an independent entity.

The Board of Skandia believes that the standalone plans for the company offer greater value, and that the offer represents an inadequate premium for Skandia shareholders.

Lennart Jeansson, Chairman of Skandia, commented:
"The Old Mutual offer is insufficient to compensate shareholders for surrendering control of a business with such compelling and attractive growth prospects to create shareholder value. We believe that Old Mutual's offer is inadequate and we advise shareholders to reject this offer and to support Skandia's management team in delivering their standalone plans."

Hans-Erik Andersson, President and CEO of Skandia, said:
"I strongly believe that Skandia has tremendous opportunities to create value in the years to come. We have a highly attractive and well performing group of businesses operating in growing markets, we have the plans to improve performance further, and we have the management team and dedicated employees to deliver on these plans."

"We have set out in our shareholder document further detail on our Turbo Plan, which we estimate will deliver SEK 1.2 billion of increased profits per year over the next five years. The Plan was approved by the Board in May. We have already started the implementation, which gives us the confidence that we can execute and deliver on the Plan."

"Skandia is a niche player in the long-term savings market, with a focus on customer service and product development. We are convinced that our compelling product portfolio and customer proposition will strengthen our position further in this market as a standalone company."

The shareholder information document is available in English on www.skandia.com and a Swedish version will be available shortly. Skandia will post a summary of the document to its shareholders in the coming days.

The key points of Skandia's document are summarised below.

Standalone Skandia is a Powerful Value Proposition

- **Skandia has a compelling standalone future driven by growth – this is the wrong time to sell**
  - Skandia has undergone significant change and has restored focus on profitability and improved governance
  - Skandia has delivered on an ambitious programme during 2002-2005 and continues to do so
  - Many of Skandia's growth businesses are reaching critical scale
  - We expect our plans to deliver strong EV growth and improving return on our embedded value
  - The next two years offer very promising opportunities

- **We believe the Old Mutual Offer does not reflect the exciting growth opportunities for our business**
  - The Nordic business has turned around and is delivering strong profit and sales growth
  - SkandiaBanken is an integral part of our value proposition to customers with exciting and largely untapped potential
  - Our UK, Asia Pacific & Offshore business continues to grow strongly, and the UK business should be a winner from local market reforms
  - The Europe & Latin America division has grown significantly in recent years, becoming a strong third pillar of our business
  - The mutual fund business should reach profitability on an IFRS basis in 2006
  - IFRS profitability and underlying operating cash flow are improving

- **Skandia has a strong balance sheet to fund growth**
  - Skandia has substantially reduced borrowings, delivering a strong balance sheet to fund growth
  - Skandia has a number of efficient funding options
  - Skandia's published embedded value does not fully incorporate all elements of value

- **The Turbo Plan sets out a clear path to increase the value of Skandia through internal cost and revenue synergies**
  - Changing the way the Skandia group is currently organised can generate significant internal synergies
  - The Turbo Plan was developed to increase efficiencies across the group, to build a solid platform for future growth and to enhance further our customer propositions in local markets - with estimated savings of SEK 1.2 billion p.a.
  - On 30 May 2005, the Board instructed management to press ahead with the implementation of all aspects of the Turbo Plan

The Old Mutual Offer is Inadequate and Unattractive

- **The premium being offered by Old Mutual is wholly unacceptable**
  - Old Mutual is offering only a 5.5 per cent premium to Skandia's share price adjusted for market movements
  - The 5.5% premium is unacceptable in the context of similar transactions where average premiums range from 25 to 40 per cent
  - Old Mutual is overstating the value of its offer by including in its calculations its interim dividend
  - 60 per cent of the Offer is in the form of Old Mutual shares which are subject to market risk and a long completion period, which could further reduce the premium

- **Old Mutual's shares are a different investment from Skandia shares with particular risks**
  - Old Mutual's shares are exposed to markets with a more uncertain outlook
  - Old Mutual may be subject to significant currency and other risks
  - Old Mutual's insurance business has various unattractive risk exposures which Skandia shareholders may want to avoid

- **The proposed combination lacks strategic logic for Skandia and may represent significant risk**
  - There is no industrial logic to the transaction proposed by Old Mutual
  - The acquisition will increase Old Mutual's indebtedness – we believe that the combined company will be financially stretched and will be forced to dispose of businesses
  - The synergy proposals may be overstated and in our view the tax synergies would be outweighed by tax inefficiencies and opportunity costs
  - There may be significant revenue and integration risks
  - We believe Old Mutual's strategic proposals are flawed – Old Mutual has proposed to sell SkandiaBanken, a core part of Skandia's Nordic franchise and an increasingly important channel for Skandia's savings and insurance products

- **A standalone Skandia can deliver the full benefits of the synergies claimed by Old Mutual**
  - We can achieve greater benefits ourselves
  - The benefits in the Turbo Plan should be allowed to accrue completely to Skandia shareholders – Old Mutual are not paying for these benefits

For further information, please contact:
Hans-Erik Andersson, President and CEO, tel: +46 8 788 25 00
Harry Vos, Head of Investor Relations, tel: +46 8 788 36 43
Jan Erik Back, CFO, tel: +46 8 788 25 00
Gunilla Svensson, Press Manager, tel: +46 8 788 42 97

Citigate Dewe Rogerson, tel: +44 20 7638 9571
Michael Berkeley, tel: +44 7713 509316

Legal disclaimer - Forward-looking statements

This press release includes forward-looking statements, among other things expectations concerning Skandia's results of operations and financial condition, competitive position, strategy and objective fulfilment, and assumptions regarding the market in which Skandia operates. Forward-looking statements are not guarantees of future performance.

By their nature, forward-looking statements involve large uncertainty and risk. Factors that could affect actual results in the future include failure to achieve business opportunities and planned efficiencies, adverse outcome in litigations and fluctuations in the market in which Skandia operates and in the capital markets in general.

Skandia undertakes no obligation to publicly update these forward-looking statements.

Certain statements in this press release reflect the views or opinions of Skandia’s Board and Management rather than verifiable facts.