**Press release, December 5, 2005**

# Stockholm Stock Exchange's Disciplinary Committee fines two listed companies and one member company

**Fastighets AB Balder (under its former name of Enlight AB) and NOTE AB have been fined for breaches of the companies' listing agreement with the Stockholm Stock Exchange. Balder failed to correctly disclose a forecast adjustment and NOTE issued price-sensitive information at a meeting with analysts. Fischer Partners Fondkommission AB has been fined for breaching the rules pertaining to the placement of orders by member companies.**

**Balder / Enlight**

According to the regulations contained in the listing agreement between the Exchange and the listed companies, an adjustment of a previously published forecast must be disclosed through a press release sent to a number of newspapers and news agencies. The information about the adjustment must contain details about what the change consists of.

In a year-end report published on January 31, 2005, Balder/Enlight disclosed that the company expected to report a profit and a positive cash flow for full-year 2005. In the printed annual report, which was available on the company's website in mid-April, it was stated that the company's ambition was to report a profit and a positive cash flow towards the end of 2005. The information presented in the annual report, which thus constituted a forecast adjustment, was not disclosed in the prescribed manner in the annual report but was instead first disclosed on April 22, 2005 in connection with publication of the interim report for the first quarter of 2005. However, in the first-quarter report, no information was provided about how the forecast had been changed in relation to the year-end report.

The Disciplinary Committee found that the company had breached the regulations specified above and fined the company one annual fee, corresponding to SEK 192,000.

## NOTE

It is stipulated in the listing agreement that any information that could significantly affect the valuation of a company's shares must be disclosed. Such disclosure is effected by presenting the information to a number of newspapers and news agencies.

In its report on the first six months of 2005, NOTE stated that the company's long-term profit-margin objective was 6%, without specifying when the objective was to be achieved. At an analysts meeting on September 7, 2005, the then president of the company stated, in response to a question, that it would be considered a failure if the margin objective was not achieved within six months. As a result of this information, the company's share price rose sharply during a period of substantial share turnover, which means that the information was of significance to the share's performance.

The Disciplinary Committee found that NOTE had breached the regulations by not disclosing the statement of September 7 in the stipulated manner and fined the company two annual fees, corresponding to a total of SEK 384,000.

## Fischer Partners

According to the regulations applying to Exchange Members, an order placed by a broker in the Exchange's trading system must reflect the current market value of the particular shares. When establishing the market value, such factors as changes in the share's price during the day in question and preceding days, the share's volatility, general changes in the pricing of equivalent instruments and other significant conditions that could arise must be taken into account. The member company has the same responsibility for orders placed by the member's customers via an Internet connection (automatic order brokering) as for orders brokered via a stockbroker.

On a number of occasions during February, March, April and June, customers of Fischer placed automatically brokered orders in several companies in a manner that, in varying degrees, resulted in a breach of a reasonable interpretation of the said rules concerning the placing of orders. According to the Disciplinary Committee, these rules are of considerable importance to the confidence placed in the Exchange's operations, whereby obvious deviations from the rules must be judged seriously. Despite explicit reminders from the Exchange regarding the breaches, Fischer's efforts to comply with the rules and regulations have not led to satisfactory results.

The Disciplinary Committee found that Fischer, as the company responsible for the order placement, had breached the regulations specified above and should therefore pay a fine of SEK 300,000.

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## Disciplinary Committee

The role of Stockholm Stock Exchange's Disciplinary Committee is to consider suspicions regarding whether Exchange Members, brokers or listed companies have breached the rules and regulations applying on the Exchange. If the Exchange suspects that a member, broker or listed company has acted in breach of the Exchange's rules and regulations, the matter is reported to the Disciplinary Committee. The Exchange investigates the suspicions and pursues the matter and the Disciplinary Committee issues a ruling regarding possible sanctions. The sanctions possible for listed companies are a warning, a fine or delisting. The fines that may be imposed range from one to 15 annual fees. The sanctions possible for Exchange Members are a warning, a fine or debarment, while brokers may be warned or have their brokerage license rescinded. 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 Mertzig (company director). Deputy Members: Hans Edenhammar (MBA), Claes Beyer (lawyer), Jack Junel (company director), Ragnar Boman (MBA) and Carl Johan Högbom (MBA).

## For more information, please contact

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