

OMX Surveillance

Monthly report April 2008

Stockholm

The Disciplinary Committee (DC) of the Nordic Exchange Stockholm has in April handled four cases regarding possible breaches of the exchange rules.

In the first case the DC ruled that Sandvik AB must pay a fine of one annual fee, corresponding to SEK 3 million. Sandvik contravened generally acceptable practices in the securities market by circumventing the Swedish Companies Act's so-called Lex Leo rules. According to these rules, an exchange-listed company may not transfer the shares of a subsidiary to its president without the approval of a general meeting of shareholders. In the case in question, Sandvik transferred the shares in the subsidiary to a holding company owned by the president's daughter without having the transaction approved by a general meeting of the shareholders.

The second and third cases concerned publication of financial reports. AB Ångpanneföreningen and Getinge AB were both given warnings after having contravened the exchange's rules by failing to disclose their financial statements in a correct manner. Both companies' financial statements for the full year 2007 were available on their websites prior to the report being published in accordance with the exchange rules. In contrast to recent incidents of similar character, these incidents haven't resulted from faulty procedures by the respective companies, but rather to accidental errors in handling. The DC found therefore that the breaches were less severe and it did only issue a warning to each of the companies.

The fourth case concerned Digital Vision AB. The company was found to have breached the rules of the exchange by not complying with the applicable accounting principles (IFRS) and by not immediately disclosing a qualified audit report. The DC decided that Digital Vision should pay a fine of three annual fees, corresponding to SEK 576,000.

One company received criticism for not having published a profit warning without undue delay when the company about three weeks prior to the publication of the financial statement realized that the result was going to be significantly lower than market expectations. The company had not published any own forecast but the exchange rules demands that a company in a certain situation still has to inform the market regarding an unexpected significant change in its financial results.

One company received criticism for having revealed in an interview that the losses for the fourth quarter would be larger than the market's expectations. These remarks were made a few days prior to the report being published in accordance with the rules and had a significant impact on the share price.

Written criticism has been issued towards one member during the month. The case concerned a situation where the member had sent a number of orders for execution in the closing call and where the price limits of those orders failed to reflect current market values of the instruments.

During the month, six cases have been handed over to the Swedish Financial Supervisory Authority, subsequent to the exchange's obligation according to Swedish law to report matters of suspected market abuse. Five of these cases concerned suspected illegal insider trading and the sixth case concerned suspected market manipulation. Apart from that, one referral has been made regarding a case where the level of suspicion was lower.

CashGuard AB was placed on the observation segment after the company had announced that an agreement had been signed to merge the company with PSI Group ASA. The agreement requires consent from the general meetings in both companies.

Borås Wäfveri AB was placed on the observation segment after the company published a press release which included information about that the company's auditors in their report of auditors had made a remark regarding the company's liquidity situation. The Exchange found for this reason that there was an adverse uncertainty regarding the company's financial situation.

Helsinki

The Disciplinary Committee (DC) issued Ruukki Group Oyj a warning for breaching the disclosure rules of the exchange.

The company disclosed an agreement between two shareholders regarding the ownership of the company on February 13, 2008 at 12.43 pm. The agreement also included strategic plans. The shareholders had by themselves published a press release regarding the agreement almost three hours before the company published the agreement by a stock exchange release. As one of the parties in the agreement also was a manager and a member of the Board of Directors of the company, the DC considered that this agreement was known by the company immediately after the agreement had been signed on February 12, 2008 and not from the moment the management discovered the information from the press release. Thus, the company had not disclosed the information promptly.

The secretary of the DC gave a reprimand to one company, because the decisions made by the general meeting were not disclosed until after the continuous trading had started on the day following the general meeting.

One company was criticized for not disclosing enough information without undue delay in a company notice regarding a business acquisition.

The exchange issued criticism towards a member for its often repeated failure to comply with the requirements set for liquidity providers in equity trading.

During the month one case of possible price manipulation was handed over to the Finnish Financial Supervision Authority.

Copenhagen

One company received a reprimand for not having sufficient internal reporting systems to ensure that the company was able to publish an announcement regarding a downward adjustment to the annual result at an earlier time.

Hedegaard A/S was transferred to the observation segment due to a voluntary offer from the company Lantmännen ek för.

Olicom A/S was removed from the observation segment due to the fact that Olicom A/S had completed its rights issue and debt conversion.

Schouw & Co. A/S was removed from the observation segment due to the fact that the merger between Schouw & Co. A/S and BioMar Holding A/S had been approved at the annual general meetings of the companies. The company further announced that all necessary prerequisites were in place for carrying out the merger between the companies in accordance with the merger proposal dated March 12, 2008.

Iceland

The OMX Nordic Exchange Iceland (ICE) criticized one company for breaching the rules for issuers of financial instruments listed on ICE. According to the disclosure rules an issuer shall include, in its annual accounts, information on salaries to top executives of specific departments of the company, including executives of its subsidiaries, which are of significance for the company's administration or operations. The issuer in question disclosed information regarding the salaries of the company's Board members and the CEO but information regarding the salaries of the top executives was not published in accordance with the disclosure requirements and the company was therefore criticized.

Two bond issuers were criticized for late publishing of an announcement regarding their annual financial statements. According to the disclosure requirements an issuer shall immediately following the meeting of the Board of Directors where the financial statements of a company are formally approved, publish an announcement of its results. The issuers published announcements the day after the Board of Directors had approved the annual financial statements and were therefore considered to have breached the ICE disclosure requirements.

Trading halts were imposed in three companies, Teymi hf., FL Group hf. and 365 hf. until information regarding a big change in the ownership in the mentioned companies was disclosed to the market. Trading continued after the information had been made public.

Tallinn

Nothing to report

Riga

The Riga Stock Exchange (RSE) management board resolved on its meeting to impose warnings to two exchange members due to delayed settlement of trades conducted at the exchange. According to the RSE rules and the Cash Clearing and Financial Instrument Settlement Item, members shall monitor and ensure their settlements.

A trading halt was imposed in the shares of AS Latvijas tilti since the company had failed to comment on published tax fraud allegations through the RSE disclosure channel. According to the rules of the RSE a company is obliged to comment via RSE's official information disclosure channel on any third party publications that can be treated as price sensitive information. The trading was resumed immediately after the publication of the required information.

The management board of RSE has assigned Surveillance status to AS "Strenču MRS" since the company's AGM agenda included a proposition to transform the public listed company to a private company. According to the rules of the RSE, the management board has the right to assign Surveillance status to the listed companies in order to attract market participants' attention.

The RSE has informed the Financial and Capital Market Commission regarding the above mentioned surveillance cases.

Vilnius

The Vilnius Stock Exchange (VSE) has during April issued non public criticisms to four companies since the companies had failed to submit audited annual information for the year 2007 in accordance with the rules. The requirements of the Law on Companies and VSE trading rules state that companies have to disclose audited annual information 10 days prior to the annual general meeting of the shareholders.

The Lithuanian Securities Commission (LSC) was informed about these cases.

Gubernija AB has been put on Surveillance status since the company had disclosed that the shareholders' equity of the company had become less than half of the authorized capital indicated in the company's Articles of Association.

Linas AB has been put on Surveillance status after the audited annual information had been disclosed. It was the Auditor's opinion that there may be a future risk regarding Linas AB as a going concern due to the disclosure of an uncorrected post-balance event by the daughter company Linas Nordic UAB.

One suspected market manipulation case was reported to the FSA. A client entered orders to buy illiquid shares at a high price and immediately after that sold the same amount of shares at a lower price.

First North

One Swedish First North company received criticism for incorrect information in its annual financial statement. The EBITDA result of a subsidiary was in the report presented as if the number represented the EBIT result.

One Swedish First North company received criticism for not having published its notice to the annual general meeting as a press release.

One Danish First North company received a reprimand for not publishing the annual report on the announced date and for not informing the market that the annual report could not be published on the announced date.

A Danish Certified Adviser received a reprimand for not making sure that the company it acted as Certified Adviser for published the annual report on the announced date and for not making sure that the company informed the market that the annual report could not be published on the announced date.

The trading in the shares of Pilum AB was halted after the exchange had realized that information regarding a company acquisition had been revealed by the company without the information being published through a press release. The trading was resumed after the company had published the information in accordance with the First North rules.

Ancora Energispar AB was placed on First North's observation segment because the exchange is of the opinion that the company materially no longer meets the applicable admission requirements regarding organization and staff.