

# Surveillance and Enforcement

**May 2007**

## **Stockholm Stock Exchange**

During May, the Stockholm Stock Exchange (SSE) has criticized one company for having disclosed previously undisclosed forward looking information at a telephone conference.

The SSE has criticized one company since the company did not publish a notice to convene the Annual general meeting. The company did not either publish a notice with the resolutions of the meeting. The rules of the exchange state that this kind of information has to be published with a press release.

One company was criticized for not having published a financial report within the two month deadline stated in the rules of the exchange.

One company was criticized for breaching the exchange rule that state that a company immediately after the end of the annual general meeting should send out a press release with the resolutions of the meeting. The company sent out the release more than 26 hours after the meeting had ended.

The SSE has issued criticism towards three exchange members, in connection with breaches of exchange rules. The first matter concerned a situation where a member had executed orders received by a client and where the execution lead to a varying degree of price impact on different occasions. It was concluded that the member should have taken greater care when executing the transactions.

The other two cases concerned situations where two members, irrespective of each other, failed to settle sales in due time and where those failures generated general disturbances for the deliveries of those shares. In one of these cases, the member had sold shares in a principal capacity without being able to fulfill timely deliveries and in the other case the member had on repeated occasions accepted sell orders from a client where the client had failed to deliver shares in due time. The circumstances in both of these cases were considered serious and resulted in the members being criticized.

During the month, seven cases of suspected market abuse have been handed over to the Swedish Financial Supervisory Authority. Four of these cases have concerned suspected illegal insider trading in different types of situations and the remaining three cases concerned suspected market manipulation.

A trading halt was implemented in OMX AB on the exchanges in Stockholm, Helsinki, Copenhagen and Reykjavik in connection with the public offer from the NASDAQ Stock Market, Inc. to the shareholders of OMX. The shares in OMX were subsequently placed on the observation segment as a result of the offer.

The shares in Din Bostad AB that has been traded on the observation segment due to a significant change in the company's line of business was returned to its ordinary position after the company had undergone a new listing review.

## **Helsinki Stock Exchange**

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

The trading in the shares of Ruukki Group Oyj was suspended because the company suspected that there might have been a leakage of information regarding a major project in Russia before the company could publish a stock exchange release.

The trading in the shares of Aldata Solution Oyj (Aldata) was suspended before Sauna Acquisition LLC (Sauna), and Aldata announced that they had entered into a combination agreement whereby Sauna, or a directly or indirectly owned subsidiary of Sauna, will make a voluntary public tender offer to acquire all of the shares and corporate warrants in Aldata.

The trading in the shares of Kemira GrowHow Oyj (Kemira GrowHow) was suspended before Yara International ASA (Yara) announced that it had acquired 30.05 percent of all shares and votes in Kemira GrowHow from the State of Finland. As a result Yara will launch a mandatory tender offer for the remaining shares in the company.

The shares of eQ Oyj, Aldata, Kemira GrowHow and Suomen Helasto Oyj were transferred to the observation segment due to public offers to the shareholders in these companies.

The shares of Birka Line Abp was transferred back from the observation segment, because the offering period of the public offer regarding the company had ended.

## **Copenhagen Stock Exchange**

Codan A/S was transferred to the observation segment due to the fact that Royal & Sun Alliance had made a voluntary tender offer to the shareholders in Codan.

## **Icelandic Stock Exchange**

The Icelandic Stock Exchange (ICEX) has criticized an issuer for not mentioning in an announcement on the sale of an asset that the sale was subject to conditions. The sale was eventually terminated. The Exchange decided not to take any further action against the issuer as the amount involved was small.

An issuer was criticized for failing to send information to ICEX without delay. The Exchange decided not to take any further action against the issuer as there were extenuating circumstances, i.e. a third party involved in the case did not realize that they had to send an announcement to the Exchange. When the mistake was discovered, the announcement was sent without delay.

ICEX criticized a member for failing to report a trade on time. The member reported the trade on the date when the securities were delivered, not on the date when the trade was finalized.

ICEX handed one case of suspected insider trading to the FSA.

Actavis Group hf. was placed on the observation segment since the company is subject to a voluntary offer from Novator.

### **Tallinn Stock Exchange**

Tallinn Stock Exchange (TSE) has handled two cases that concerned minor breaches of the information disclosure rules. One issuer published the total amount of dividend payable and did not disclose dividend payable per share as required by the TSE rules. Another issuer failed to publish the date when new shares were to be transferred into securities accounts and the record date for participation in a bonus issue.

The TSE has issued criticism to one exchange member concerning a case where a block trade was concluded for less than the established minimum volume of the shares.

Two members of the TSE were criticized due to a breach of the order book priority rule when the members reported manual trades with an amount of shares less than the established minimum volume.

### **Riga Stock Exchange**

Nothing to report

### **Vilnius Stock Exchange**

The Vilnius Stock Exchange (VSE) has issued criticism towards one company since the company did not immediately correct the information from an information agency that stated that the company had suffered a loss of LTL 90 million for the first quarter 2007. The VSE rules state that an issuer is obligated to comment on any information about the issuer being disseminated by other persons, true or false, which contains information that is likely to have an effect on the price of its securities.

The VSE has issued criticism towards one company due to the fact, that consolidated result of the company for the first quarter of 2007 was announced in the press 52 minutes earlier than it was published through the information system of Vilnius Stock Exchange (CNS system).

The VSE has informed the Lithuanian Securities Commission about the above mentioned cases.

### **First North**

C.I.S.L Gruppen AB (C.I.S.L) has despite several requests from the SSE failed to publish an income statement and a balance sheet for the associated company "La Jolla Gaming". Since La Jolla Gaming is considered by C.I.S.L as an important part of the company the SSE means that there is a substantial uncertainty regarding the company and the pricing of the listed securities. C.I.S.L has also received criticism by the auditor in the annual report for 2006 regarding the valuation of another subsidiary. C.I.S.L was for these reasons placed on the observation segment of the SSE