

**NASDAQ OMX Nordic Surveillance  
Annual Report 2008**

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# Introduction

Confidence in the capital market is one of the most important and necessary pillars for successful exchange activities. The surveillance entities at each of the NASDAQ OMX Nordic Exchanges in Stockholm, Helsinki, Copenhagen, Iceland, Tallinn, Vilnius and Riga are of great importance in upholding the market's confidence. This is achieved by acting in a professional manner, displaying credibility and independence, enforcing relevant actions as well as sustaining high qualitative processes for admittance to trading and listing.

NASDAQ OMX Surveillance constitutes three Surveillance departments; one at each of the NASDAQ OMX Exchanges in Stockholm, Helsinki and Copenhagen, and separate Surveillance functions at NASDAQ OMX Iceland and the respective Baltic Exchanges.

The basis for the activities is to be found in (1) legislation; (2) different kinds of self-regulation; and (3) sound practices on the markets.

The Surveillance responsibilities cover trading activities, members' behavior in different aspects, listed companies' activities, other market participants' adherence to market practice and the listing of equities, bonds, warrants, investment funds and other financial instruments.

The market conditions have during the fall of 2008 been extraordinary difficult. During these difficult times the Surveillance function has been truly tested and I can now in hindsight conclude that our surveillance of the markets have functioned extremely well under these extraordinary difficult circumstances during the fall of 2008.

During 2008 a major project regarding harmonized disclosure rules was finalized on the NASDAQ OMX Nordic exchanges in Stockholm, Helsinki, Copenhagen, and Iceland. This work means that the disclosure rules now are harmonized on these exchanges, which increases the transparency in the markets. The disclosure rules have been adjusted to the relevant EU-directives and entered into force on 1 July, 2008.

This Annual Report describes the main activities within the NASDAQ OMX Surveillance at the exchanges in Stockholm, Copenhagen, Helsinki and Iceland and gives a detailed account of the achievements during the year. To support the Annual Report, NASDAQ OMX Surveillance publishes monthly reports summarizing activities during the previous month. These reports are available on the web site of the Exchange  
*[www.nasdaqomx.com/listingcenter/nordicmarket/surveillance/reports](http://www.nasdaqomx.com/listingcenter/nordicmarket/surveillance/reports)*

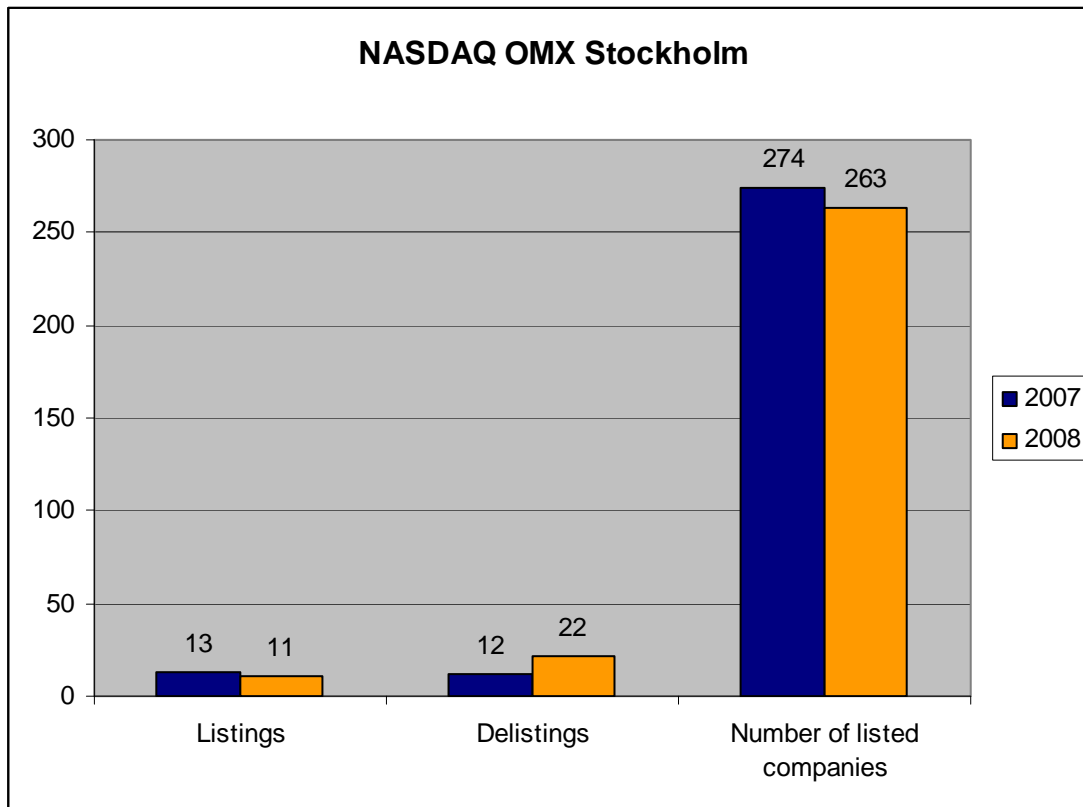
Stockholm 23 January 2009

Magnus Billing  
Acting Head of NASDAQ OMX Nordic Surveillance

# Stockholm

## Listings, Delistings and Takeovers

### Shares



11 (13) new companies were listed on NASDAQ OMX Stockholm main market. Nordic Service Partners Holding AB, Morphic Technologies AB, Swedol AB, ITAB Shop Concept AB and Nordic Mines AB were previously listed on First North. Global Health Partner AB moved from the AIM list.

There was one IPO in 2008. DGC One AB is a Swedish network operator focusing on IP-VPN based communication services. Their business concept is to develop and market cost effective communication solutions, including outsourcing and telephony services targeted towards corporations that value high quality service and personal commitment.

Loomis AB and Hexpol AB were divested from already listed companies. Carl Lamm Holding AB listed through a recapitalisation of Carl Lamm AB.

One company, PSI Group ASA, was secondary listed and has its primary listing at the Oslo stock exchange.

22 (12) companies was in 2008 delisted from the Main Market due to public offers, on request by the company or as a consequence of a bankruptcy.

Thalamus Networks AB and Human Care HC AB has on request by the company delisted from the main market and are now traded on First North.

13 companies were delisted due to a public offer. AB Lindex was acquired by Stockmann Sverige AB, Karolin Machine Tool AB by Nordstjernan Ventures Investment AB, Gant Company AB by Procastor SA, Boss Media Group AB by GEMed AB, Telelogic AB by Watchtower AB, OMX AB by Nasdaq Inc, XPonCard Group AB by Oberthur Technologies S.A., Carl Lamm AB by Carl Lamm Holding AB, Zodiak Television AB by Agostini Communications S.p.A., Gunnebo Industrier AB by Segulah Stellata Holding AB, Ballingslöv International AB by Stena Adactum, Securitas Direct AB by ESML Intressenter AB and Tanganyika Oil Company Ltd by Sinopec International.

Kaupthing Bank was delisted on request by the company due to financial reconstruction. SwitchCore AB, Nobel Biocare Holding AG and D. Carnegie & Co AB were delisted on request by the company.

CashGuard AB was delisted on request by the company due to amalgamation with PSI Group ASA.

Svithoid Tankers AB and Teligent AB were delisted by the Exchange due to that the companies were granted a bankruptcy petition.

The total number of listed companies on NASDAQ OMX Stockholm was at the end of the year 263 (274).

One company, Logica Plc, ceased trading on the Xternal list.

### **Bonds**

A total of 626 (533) new bonds were listed during 2008, of those 423 (416) on the Retail bond list, 164 (96) on the Corporate bond list, 8 (0) on the Tailor Made list, 13 (0) on the Issuing Yield list and 18 (18) on the Benchmark bond list. 5 (3), MTN-Programs and 13 (6) programs for corporate certificates were approved. During the period, five new issuers signed a bond listing agreement with the Exchange: Unibet Group plc, Egidaco Investments plc (Cyprus), JP Morgan Chase & Co., Credit Suisse (London Branch) and Russian Real Estate Investment Company AB (publ). Furthermore four new corporate certificate issuers have joined the Exchange: Sveriges Riksbank, Swedbank AB (publ), Skandinaviska Enskilda Banken AB (publ) and Kommuninvest i Sverige AB (publ). At the end of year 2008 a total of 1 972 (1 828) bonds were listed.

During the autumn some change to the Listing Agreement regarding bonds has been made. The major part of the changes is of structural character. This work resulted in that the current Listing Agreement for bonds will cease and be replaced by an Undertaking, in which the issuer undertakes to follow the Rule Book for Issuers, the section for issuers of interest-bearing fixed income instruments (Rule Book). The listing requirements as well as the disclosure rules can be found in the Rule Book.

The changes in the Rule Book are limited compared to the former listing requirements. However, upon request from the market some adjustments have been made, for example Issuers of interest-bearing instruments are no longer required to publish quarterly reports.

The Rule Book is effective as from January 1, 2009.

## **Warrants**

A total of 4,053 (2,155) new warrants were listed during the period, which is an increase of 88 % compared to 2007. A total of 781 (363) knock-out warrants were listed on the exchange during the period. Furthermore, a total of 65 (0) certificates were listed on the exchange.

At the end of the period, a total of 2,361 (1,491) warrants were listed.

## **Exchange Traded Funds (ETFs)**

No new ETF was listed in 2008. At the end of 2008 were a total of 7 (7) ETFs listed.

## **Takeovers**

During 2008 17 (17) tender offers were disclosed to the market. Nine of those have been completed and four has been withdrawn. At the year-end four offers still have acceptance periods that are running. The offer that has attracted the most attention is probably the bid for Q-Med AB. The offer was debated because the CEO and major owner of Q-Med participated in the bid and the independent part of the board of the company advised the shareholders not to accept the offer. The bid was later withdrawn after the bidder had not reached the intended acceptance level in the offer. During the year the heavily debated offer for OMX AB was concluded and the shares of OMX was delisted from the exchange.

## **Corporate Actions**

Corporate actions in the following text consist of different types of issues. For example issues of rights, bonus issues and issues of new shares. Also reductions of share capital or other changes concerning a company's shares for example share splits, reversed splits changed company names or ISIN codes.

19 (16) new share issues were carried out during 2008. Swedbank's issue of new preference shares was the largest one. SEK 12,4 billion was transferred to the company. The purpose of that new shares issue was to further strengthen the company's financial situation.

The number of share splits amounted to 12 (22) during the year. 5 (3) of which were amalgamations of shares.

Apart from the regular cash dividends, companies made distributions to their shareholders via redemption programs. 11 (19) companies had redemption programs during 2008. 8 of these were combined with share splits.

There were fewer spin-offs during 2008 than 2007. 5 (9) companies distributed subsidiaries or entities to the shareholders.

The above mentioned corporate actions resulted in trading with 18 (13) subscription rights/unit rights, 19 (15) paid subscription shares/units, 3 (4) redemption rights and 9 (23) redemption shares. The amount of all new shares issues was approximately SEK 19,5 billion (SEK 14 billion). Via the redemption programs an approximate amount of SEK 11 billion (SEK 73 billion) was transferred to the shareholders from the listed companies.

## **Breaches of the Rules by companies and members**

### **Criticism towards listed Companies and Members**

The exchange has during 2008 initiated 42 (41) written issues regarding breaches of the exchange rules on the Main Market by companies or members. 10 cases (8) were referred to the Disciplinary Committee, see the section regarding the Committee, and 21 (23) issues regarding listed companies and members resulted in written criticism. These latter cases concerned the following matters.

Companies were in three cases criticised for having breached the rules regarding general meetings. Two companies had not published the notice to attend the meeting in a correct manner and the other company had not published the decisions of the meeting immediately after the conclusion of the meeting.

Six companies were criticised for having treated price sensitive information in an incorrect manner. The first 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. The second company was criticized for having sent potential price sensitive information regarding the outcome of a medical study to an external party without simultaneously disclosing the information. The third case concerned a company that held an analyst meeting after having published its Q3 report and at the meeting presented non public information about the company's development during the start of the fourth quarter. The company was criticized since the exchange stated that the information was deemed to be of possible price sensitive nature and as such should have been published in accordance with the applicable rules, for instance in the Q3 report.

The fourth case concerned a situation where a company had informed journalists in advance that the company later the same day was going to publish information that could be deemed as being price sensitive. The company therefore was deemed to have breached the exchange rule that states that this kind of information has to be disclosed to the whole market at once. The fifth and the sixth case concerned companies that were criticized for having revealed price sensitive information to the shareholders at the AGM without simultaneously publishing the information to the market with a press release. In the first of these cases it was information regarding the company's revenues for the first quarter 2008 that was revealed and in the second case it was information regarding a new order that the company had received that was given at the AGM. The exchange decided not to take these cases to the Disciplinary Committee since in both cases the AGM was held after the close of the trading day and the information was sent out to the market the next day before the trading started.

Three companies were criticised regarding matters concerning profit warnings. The first 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. The second case concerned a company that was criticized for not having informed clearly enough about the underlying reasons behind the need for an adjustment to the company's forecast when the company published the updated forecast. The third case concerned a company that was criticized for not having informed the exchange before the company sent out a profit warning during trading hours. The lack of information made it impossible for the exchange to halt the trading in the company's shares in connection with the publication of the information, to ensure fair trading.

One company received criticism for not having had sufficient information in the bullets in its quarterly report regarding how the result had been impacted by items affecting comparability. The company was also criticized for not having acted fast enough when producing these items.

One company received criticism for not having informed the market about a transaction conducted with a closely related party. The transaction was decided upon at a board meeting in December 2006 but the company did not inform the market until in the annual report for 2007.

One company received criticism for not having, in accordance with the exchange rules, published a press release informing about the board of directors' decision to start a repurchase of the company's own shares in accordance with a decision taken at the annual general meeting before the repurchases started.

One company received criticism for, due to insufficient internal routines, not having published its annual financial statement within the two months deadline stated in the rules. The company also had smaller formal errors in several interim reports.

One company was criticized since it did not use a news distributor for dissemination of price sensitive information. The setup used by the company was regarded as a breach of the exchange rule that states that such information shall be published in a manner that ensures fast public access on a non-discriminatory basis. The company was also criticized because its web site did not include all relevant information required by the rules and for not having published its notice to the annual general meeting with a press release.

Written criticism has been issued towards three members. The first case concerned a situation where the member had quoted totally erroneous prices for warrants issued by the member and where the member first discovered this after an unreasonably long time had passed. The member claimed that the trades that had taken place should be cancelled. The exchange clarified the responsibilities of members and of the exchange respectively in such situations. The second case concerned a share repurchase that a member had executed on behalf of a listed company. The company had instructed the member that the repurchase should be done in compliance with the exchange's rules. The member executed the transactions by first buying the shares in the market in a principal capacity and subsequently completing trades against the listed company, at the average price of the market for the period that the trading had taken place. The procedures applied are not supported by the exchange's rules, since every transaction must be completed within the spread of the order book at the time of the trade. Furthermore, the discovery of the error was delayed by the fact that the member initially failed to report the transactions to the exchange in the prescribed manner. The last 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.

The Swedish Securities Counsel criticized Cyril Acquisition AB for having breached the exchange's takeover rules in connection with a public offer to the shareholders of Cision AB. The case was initiated by the exchange that was of the opinion that the bidder had breached the rules and therefore made a notification to the Securities Counsel.

### **Decisions by the Disciplinary Committee**

The role of the Disciplinary Committee ("DC") is to consider suspicions 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 DC. The exchange investigates the suspicions, and pursues the matter, and the DC issues a ruling regarding possible sanctions. Such sanctions towards listed companies are warnings, fines or delisting. The fines that may be imposed

range from one to 15 times the annual fee that the company has to pay to the exchange. The sanctions possible towards exchange members are warnings, fines or expelling, while brokers may be warned or have their brokerage license rescinded. The Committee's Chairman and Deputy Chairman must be lawyers with experience as judges. At least two of the other members of the Committee must have in-depth insight into the workings of the securities market.

The DC has during 2008 decided upon 13 (9) issues regarding suspected breaches of the rules conducted by members or listed companies. Three of these cases have concerned First North, for information regarding these matters; please see the section regarding First North at the end of this report. The issues that concerned the Main market referred to the following matters:

SSAB Svenskt Stål AB ("SSAB") was found to have contravened the exchange rules and the DC sentenced the company a fine of one annual fee, which corresponds to SEK 2,201,285. The background to the case is that SSAB on Monday, October 29, 2007 at 12:59 p.m., published its report on the third quarter of 2007. However, information from the report had been available from the news agency Ticker as early as 12:52 p.m. As the subsequent investigation had shown, this was a result of the report being made accessible externally via SSAB's website. This was possible because SSAB had placed a hidden draft of the quarterly report, on hold, on its website at 11:10 a.m. The first download by an external party occurred at 11:56 a.m. The DC stated that the listing agreement's ban on disclosing price-sensitive information in any manner other than through correct publication also encompasses unintentional disclosure.

Midelfart Sonesson AB ("Midelfart") had contravened the rules of the exchange and the company was sentenced to pay a fine corresponding to two annual fees, which corresponds to SEK 384,000. The background to the case is that a subsidiary of Midelfart in an arbitration ruling announced on July 20, 2007, was ordered to pay SEK 17 million. Midelfart, which was notified of the arbitration ruling on July 21, 2007, did not submit any public information regarding the transaction until August 23, 2007, when the company presented its interim report. The DC concluded that information concerning the arbitration ruling should have been disclosed immediately upon the company getting knowledge about the judgment. By failing to do so, Midelfart had contravened the rules and regulations of the listing agreement.

Sandvik AB was sentenced to a fine of one annual fee, corresponding to SEK 3 million. Sandvik had contravened generally acceptable practices in the securities market by circumventing the Swedish Companies Act's the 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.

Digital Vision AB 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.

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.

OMX AB was given a warning from the DC for failing to disclose information that is liable to affect the valuation of the company's listed securities in the correct manner.

The DC handled one case regarding a possible breach of the exchange rules by a company that was not concluded with a sanction. Telefonaktiebolaget L M Ericsson specified earlier disclosed information at an analyst meeting on November 20, 2007 about expected sales without disclosing the specification with a press release. The DC found that this action was inappropriate but it would have been excessive to classify this as a contravention of the listing agreement.

The DC handled one case regarding HQ Bankaktiebolag, and one of its employees. The member had placed buy orders during an opening call for H&M to such extent that the exchange argued that the equilibrium price disseminated during the call auction was rendered misleading. Before the call auction ended the member withdrew its orders and the exchange argued that the orders had never been intended to be traded upon. The DC concluded that the circumstances supported the arguing of the exchange, but that the explanations given by the member could not be disregarded. The DC decided not to impose any sanction.

The DC decided upon one case regarding the exchange member Lehman Brothers International and the Committee decided that the membership of the company should be terminated. The DC decides in matters regarding membership when it can be questioned whether the conditions for membership prevail but where the member has not applied to have its membership revoked. Lehman Brothers' trading rights had been suspended since 15 September due to not being able to meet the clearing & settlement requirements.

## **Issues regarding suspected market abuse reported to the authorities**

Following the national implementations of the Market Abuse Directive, the NASDAQ OMX Stockholm is obliged to report cases of suspected market abuse to the Swedish FSA (Finansinspektionen). On an overall level, the cases can be divided into:

- Suspected illegal insider trading: This concerns situations where trades in a security are based upon non-public price-sensitive information regarding that security.
- Suspected market manipulation: This refers to some kind of manipulative actions intended at misleading other market participants. There are numerous ways this can occur; e.g. by placing orders with no intention to trade, but aiming at influencing the pricing of other securities, and by entering into transactions without any economic involvement and with the intent to create a false picture of the trading in the security, and by trading with the intent to create a misleading price picture at a sensitive point of time.

During the year, 28 (59) cases have been handed over that concerned suspected illegal insider trading and 34 (12) cases have been handed over that concerned suspected market manipulation. Apart from that, 15 referrals have been made regarding cases where the levels of suspicion were lower.

## **Trading Halts**

An exchange will under certain circumstances impose a trading halt; often referred to as 'suspension of trading'. On the NASDAQ OMX Stockholm a trading halt is imposed when there is an obvious risk that trading will no longer be carried out on equal terms or will not be based upon sufficient information. Information is a key element on the financial markets, and in order for trading in financial instruments to take place in an orderly fashion, all investors must have equal access to

information about the instruments traded. Whenever an exchange encounters a situation where this is judged not to be the case, a trading halt is considered.

The introduction of MiFID (Market in Financial Instruments Directive) has also had an effect on these procedures. In Sweden, Finansinspektionen shall decide whether a trading halt shall prevail. If Finansinspektionen decides that the trading halt shall prevail, no trading is allowed in the shares of the halted company nor in any related instrument on any trading platform, including all different kinds of MTFs (Multilateral Trading Facilities).

During 2008 trading halts were implemented in the shares of 13 (17) companies. The most common reason for a trading halt was the publication of a public offer to the shareholders of a listed company. Trading was however also halted in connection with leakage of price sensitive information through media, in connection with publication of financial reconstruction or bankruptcy and the trading in Carnegie was halted before the Swedish FSA published its result of the investigation made regarding the company.

## **The Observation Segment**

In order to alert the securities market, a company's shares can temporarily be placed under special observation. The Observation Segment is a subset of the Main Market, and a placing under observation shall only take place for a limited period of time; usually no more than six months.

The purpose of the Observation Segment is to alert the market of specific events and circumstances or actions pertaining to the issuer or security in question. The most common reasons for transferring companies to the Observation Segment is acquisitions, tender offers, mergers, financial distress, waiting for delisting or awaiting clarification of the company's situation.

During 2008, the shares of 31 (21) companies were transferred to the Observation Segment of the Main Market of NASDAQ OMX Stockholm, and 8 (4) companies were transferred from the Observation Segment to their ordinary position.

The shares of 19 companies were transferred to the Observation Segment because they were subject to tender offers or because that they had announced plans to merge with another company. The shares in Scribona AB, Vostok Gas Ltd and Thalamus Networks AB were placed there as a consequence of a planned significant change in the company's line of business. Teligent AB, Kaupthing Bank AB, Svithoid Tankers AB, EpiCept Corporation, Digital Vision AB and Borås Wäfveri AB because the exchange concluded that there were material adverse uncertainties regarding the financial situation of the companies. Nobel Biocare Holding AG because the companies had applied for delisting. Lundin Mining Corporation because the company had breached the listing agreement by not publishing their report for the full year 2007 within the set deadline of two month after the end of the reporting period. Finally were the shares in A-Com AB placed there as a consequence of that the company did not fulfil the listing requirement regarding competence and experience needed to govern a listed company.

The shares in Sigma AB, Cision AB, Q-Med AB and TietoEnator AB were transferred back to their ordinary position after the tender offers to the shareholders of the companies had been withdrawn. The shares in IBS AB were transferred back after the public offer from Deccan Value Advisors Fund L.P had been finalized and an owner register in the company showed that the current listing requirements for free float and distribution of shares still were fulfilled. The shares in Lundin Mining Corporation were transferred back after the company had published their financial report for the full year of 2008. The shares in A-Com AB were returned to their ordinary position after the

company had published their report for the first quarter 2008 and the new board of the company had been active in the company for more than three months.

The shares in AcadeMedia AB were placed on the Observation Segment because the company was subject to a public offer from Bure Equity AB. After the public offer was finalized the shares of AcadeMedia continued to be traded on the Observation Segment due to the fact that the company did not fulfil the listing requirement regarding free float and distribution of shares. Bure Equity later decided to distribute its shares in AcadeMedia to its shareholders. After the transaction had been completed and an updated owner register in Academedmedia showed that the listing requirements regarding free float and distribution of shares were fulfilled, the shares in Academedmedia were transferred back to their ordinary position.

## **Corporate Governance**

In connection with the introduction of the new disclosure rules (1 July 2008) another change was made pertaining to the listing requirements regarding corporate governance. The former rules in the listing requirements about the Swedish Code of Corporate Governance were deleted. Since it is best practice behaviour at the Swedish Market to comply with the code there is no longer any need for the Exchange to regulate a company's obligations in this area.

It is the Swedish Corporate Governance Board who decides upon changes in the code. The Board has during the spring 2008 revised and updated the code and the changes entered into force 1 July 2008. The most significant change is that the code now is applicable for all companies. The other revisions mainly had the aim to shortening and simplifying the code.

The Surveillance function in Stockholm supervises to some aspects the companies' compliance with the Code. However, it is primarily the task of the market, not the Exchange, to evaluate the explanations regarding deviations from the rules of the Code.

## **Surveillance of Financial Reporting**

As from 1 July 2007 the NASDAQ OMX Stockholm became responsible for the surveillance of financial reporting according to Swedish legislation. The law requires that all annual reports, from companies listed at NASDAQ OMX Stockholm, must be surveyed within a five-year-period. The selection shall be done through a combination of risk- and random.

The exchange has during 2008 scrutinized around 60 companies, both stock- and bond issuers. Each case is finalized with a letter to the specific company unless the case is decided by the Disciplinary Committee. Approximately half of the selected companies have received a letter with the information that the Exchange has not found any material deviations in reference to IFRS and accounting legislation. The other half of the companies has received a letter with one or more remarks regarding some inconsistencies – mainly missing disclosure obligations, but they were not of the importance that the company was forced to make any immediate changes. However, if applicable, the comment made by the Exchange must be taken care in the future. A couple of companies have also received a remark with some criticism. By the time of this report one case was not closed.

Interim reports are subject to a continuous review. The review is essential in the risk based selection of annual reports. Approximately 20 companies have received feed-back regarding formal deficiencies in the interim reports.

In addition the Exchange also has published a report with information about the most relevant and most common deviations from relevant disclosure requirements in IFRS and other relevant legislation. The purpose of the report is to inform the companies, and their auditors, in what areas there are improvement possibilities in order to avoid unnecessary deviations in relation to IFRS and applicable law.

In order to create a European coordination regarding enforcement of IFRS a special body named EECS (European Enforcers' Coordination Sessions) has been established. The Exchange has during 2007 assisted the Swedish FSA in this work. The aim with EECS is to analyse and discuss important decisions and share practical experiences with each other.

Furthermore, the NASDAQ OMX Stockholm has also in 2008 arranged the competition "Best annual report" during 2007. Winner in each segment was; Large Cap *Trelleborg AB*, Mid Cap, *Home Properties AB*, and Small Cap *HL Display AB*.

# Helsinki

## Listings, Delistings and Takeovers

### Shares

The Listing Committee did not decide on any new listings of companies in 2008 compared to two companies last year. Four companies were delisted. The shares of Birka Line Oyj, Perlos Oyj and OMX AB were delisted after acquisition by other companies. Stromsdal Oyj was delisted after the company had filed for bankruptcy.

The total number of listed companies at the end of 2008 was 134 (136 and one on the Broker's List). Of these 134 companies, one company (Soprano) was listed on the Prelist. Also the K-shares of Raisio Oyj and the 1-share of Illkka-Yhtymä Oyj were listed on the Prelist.

### Warrants

A total of 1,446 (1,580) covered warrants were listed during the year. 1,485 (1,511) warrants were delisted in 2008. At the end of the year, a total of 369 (408) warrants were listed.

### Bonds

A total of 171 (140) bonds, including 63 (35) bank certificates, were listed. During the year, one new issuer made a bond listing agreement with the exchange when Svenska Handelsbanken started listing bank certificates. 104 (86) bonds were delisted during year 2008. In total 460 (393) bonds were listed at the end of the year.

### Exchange Traded Funds (ETFs)

No (-) new ETFs were listed during the year. In total, one (two) ETF was listed at the end of the year. The XACT OMXH25 index fund units of Handelsbanken Rahastoyhtiö Oy were delisted at the end of year 2008.

### Option Rights

A total of 13 (20) option rights and 0 (2) additional lots of option rights were listed. 23 option rights were delisted during the year. In total 44 (54) option rights were listed at the end of the year.

### Corporate Actions

37 new issues were processed, of which 24 were directed issues against payment, six directed issues without payment, two share issues against payment, one share issue without payment, two share

issues without payment in relation to a combination of share series and two share issues as merger consideration. Two subscription rights and two paid interim shares were traded. In addition, three new share series with different share holder rights were traded. New share issues amounted to EUR 250.4 million.

## **Breaches of the Rules by Companies and Members**

NASDAQ OMX Helsinki sent 29 (23) written requests for statements. During the year 24 (11) listed companies or members were criticized by the exchange; 2 (3) cases were forwarded to the secretary of the Disciplinary Committee and three (3) cases to the Disciplinary Committee.

### **Decisions by Disciplinary Committee**

The Disciplinary Committee (“DC”) of NASDAQ OMX Helsinki made one (3) decision during 2008 regarding listed companies. In addition, two decisions regarding members were made.

The 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 was also 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 DC issued a warning to Kaupthing Bank Oyj and its exchange trader for breaching paragraph 4.6.1 of the Norex Trading Rules on reporting manual warrant trades.

Lastly, the DC issued a warning to Danske Bank A/S and also a disciplinary fine of EUR 20,000 for breaching the Exchange Rules with respect to repurchase of a company's own shares. At the time of completing the repurchase of the company's own shares, Danske Bank A/S, acting as an agent of the listed company, failed to take into consideration the general principle of equal treatment of shareholders.

### **Decisions by the Secretary of the Disciplinary Committee**

The Secretary of the DC issued a reprimand to two (3) listed companies during 2008.

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.

Another company received a reprimand from the secretary of the DC, because the company did not disclose a profit warning without undue delay. The company was also criticized, because the company did not inform the exchange in advance before the information was disclosed.

## **Criticism towards listed Companies and Members**

Seven listed companies were criticized, because they did not disclose material information without undue delay. Two listed companies were criticized for not disclosing their profit warnings without undue delay. One company was criticized for not having disclosed a postponement of a project without undue delay. Another company was criticized for not having disclosed all proposals made by the Board of Directors to the AGM without undue delay. One company was criticized for not disclosing enough information regarding a business acquisition without undue delay. Another company was criticized for delays in publishing company's Board of Director's decision to acquire companies own shares also from a specific shareholder in addition to acquiring shares through public trading. Lastly, one company was criticized for not disclosing several matters of minor importance, which however required disclosures to be made, without undue delay. The company that was already placed on the Observation Segment was asked to pay attention to the listing requirements to maintain adequate procedures, controls and systems, including systems and procedures for financial reporting, to enable compliance with its obligation to provide the market with timely, reliable, accurate and up-to-date information as required by the rules of the Exchange.

One company was criticized for not having delivered the financial statement to the central storage in accordance with the standards of the Finnish Financial Supervision Authority.

Three companies were criticized in relation to giving information to the media. One company was criticized for having delivered a stock exchange release to the exchange later than it was published on the company's web site and later than it was sent to media. The other company was criticized for giving information to media regarding some possible proposals to a general meeting, without publishing the information with a stock exchange release. The third company was criticized for not having delivered a stock exchange release regarding a regulatory approval of a business acquisition simultaneously to the exchange as it was disclosed to the media.

Moreover one company was criticized for not having disclosed information about two conveyances of the company's own shares. The conveyances were related to incentive programmes for the company's management and key persons.

One listed company was criticized for not having disclosed the previous forecast when disclosing a profit warning. In addition, the company was criticized for not having contacted the exchange in advance before the profit warning was disclosed.

Furthermore, the exchange issued criticism towards six exchange members on six different occasions in connection with breaches of exchange rules concerning repurchases of a listed company's own shares.

The exchange issued criticism towards five members for their repeated failure to comply with the requirements set for liquidity providers in equity trading.

## **Issues regarding suspected market abuse reported to the authorities**

12 (7) cases of suspected illegal insider trading and 19 (7) cases of suspected market manipulation have been reported to the Finnish Financial Supervision Authority.

## **Trading Halts**

In Helsinki the trading was suspended in altogether 7 (10) cases in 2008.

For example, the trading in the shares of Ruukki Group was suspended on the company's request. The trading continued after the company had issued several press releases, among others an invitation to an extraordinary general meeting including several proposals. One proposal was to acquire the chrome ore and ferrochrome businesses from Kermas Limited. It was also proposed that option rights would be granted to the new CEO and that the company's own shares should be acquired.

## **The Observation Segment**

The purpose of the Observation Segment is to alert the market of special facts and circumstances or actions pertaining to the subject issuer or security. The Observation Segment is a subset of the official list.

In total, the shares of six companies were transferred to the Observation Segment during year 2008. The shares of Turvatiimi Oyj, TietoEnator Oyj, Rocla Oyj, Cencorp Oyj were transferred to the Observation Segment because public tender offers were made in respect of these companies. The shares of Turvatiimi Oyj and TietoEnator Oyj were removed from the Observation Segment when the public tender offers were either withdrawn or ended.

The shares in Stromsdal Corporation were transferred to the Observation Segment, because the company had disclosed that the finance situation had become very stretched and that the company had started negotiations with its banks. Later the company filed for bankruptcy and was consequently delisted.

In addition, the shares of Evia Oyj were transferred to the Observation Segment, because the company announced that it acquires GSM Suomi Oyj.

The shares of Takoma Oyj were removed from the Observation Segment since the company no longer failed to fulfill the Listing Requirements regarding a reliable price formation process. The shares had been transferred to the Observation Segment in year 2007.

## **Corporate Governance**

The current Corporate Governance Recommendation for listed companies came into force in December 2003. The exchange has adopted the Recommendation as a part of the exchange self-regulation. The Recommendation is intended to be complied with by companies listed on NASDAQ OMX Helsinki, provided it is not in conflict with the compelling regulations applicable at the domicile of the company. The objective of the Corporate Governance Recommendation is to harmonize the practices of listed companies, improve transparency of their operations, harmonize the information given to investors and shareholders, and improve the quality of disclosure.

The Recommendation has been prepared in accordance with the comply-or-explain principle according to which a company should comply with the entire Recommendation. If, however, a company decides to deviate from the Recommendation, it should account for such deviation by explaining the reasons. The company must give information on compliance with the Recommendation both in its annual report and on its website.

The Corporate Governance Recommendation for Listed Companies issued in 2003 has been considered to work well and to meet high standards internationally. However, new regulation and

international developments created a need to update the recommendation. The Recommendation from year 2003 has been reviewed and updated by the corporate governance working group appointed by the Board of the Securities Market Association. The Board of the Securities Market Association approved this Finnish Corporate Governance Code in October 2008. The Code will replace the Corporate Governance Recommendation for Listed Companies issued in 2003. As a general rule The Code will enter into force on 1 January 2009.

## **Surveillance Measures and Studies Conducted by the Exchange**

The Surveillance function in Helsinki supervises the companies' compliance with the Corporate Governance Recommendation. A study concerning the listed companies' compliance with the Corporate Governance Recommendation was made during the summer of 2008. All listed companies had adopted the Recommendation, but at the time of the examination some companies did not provide all the required information.

The study showed that 83 companies complied with the Recommendation without deviations in comparison to 78 companies in the study made the previous year. 35 companies had deviations that were explained in accordance with the comply-or-explain principle. Nine companies had either deviations that were not explained, or had not disclosed all the required details about their compliance with the Recommendation. All companies, who did not provide all required information, were contacted by Surveillance.

# Copenhagen

## Listings, Delistings and Takeovers

### Shares

6 (17) new companies were listed in 2008.

In the segment Materials, one company was listed in 2008: NunaMinerals, a Greenlandic gold mining company.

In the segment Industrials, one company was listed in 2008: Atlantic Airways, a Faroese airline company which specialises in regular service between the Faroe Islands and a number of cities in Denmark plus other Nordic countries. The company was listed on Iceland in December 2007.

In the segment Financials, 4 new companies were listed. All are investment companies (FormueEvolution I, FormueEvolution II, Prime Office and Investea Sweden Properties). Prime Office and Investea Sweden Properties differ by investing in real estate in respectively Germany and Sweden.

During 2008, 10 (3) companies were delisted: Europeinvestment was delisted on a decision made by the exchange because the company did not comply with the exchange's rules. BioMar Holding was deleted due to the merged with Schouw & Co. The latter company' is the continuing company. Also Ringkjøbing Bank was deleted due to merger. The company was merged with Vestjysk Bank, with the latter name as the continuing company. National Bank of Greece was delisted on the company's own request. The last 6 companies were delisted as a result of compulsory redemptions (Hedegaard, bankTrelleborg, OMX, Lokalbanken i Nordsjælland, Forstædernes Bank and EDB Gruppen).

During 2008, there have been 5 (7) takeover attempts; 4 of those were successful and the companies were delisted.

Dan Agro Holding made a voluntary offer to shareholders in Hedegaard A/S. Following the offer Hedegaard was delisted.

Nykedit Realkredit made a voluntary offer to shareholders in Forstædernes Bank. Following the offer Forstædernes Bank was delisted. Helmsman Holding made a voluntary offer to shareholders in Andersen & Martini. Cidron IT made a voluntary followed by a mandatory offer to shareholders in EDB Gruppen. Following the offer, EDB Gruppen was delisted. Handelsbanken made a voluntary offer to shareholders in Lokalbanken i Nordsjælland. Following the offer, Lokalbanken i Nordsjælland was delisted.

Takeover offers were made to the shareholders in bankTrelleborg and OMX followed by compulsory redemptions and delisting of the companies.

By the end of 2008 200 (204) companies were listed.

## **Bonds**

During 2008, 2 (6) new issuers entered the bond market, and 172 (231) new bonds were listed. At the end of 2008, a total of 2329 (2340) bonds were listed on the bond market.

## **Collective Investment Undertakings**

In the beginning of 2008 474 (270) investment undertakings were admitted to trading. During the year 16 (225)<sup>1</sup> new funds were admitted to trading and 12 (21) were terminated from trading. By year end the total number of funds admitted to trading was 478 (474).

Additionally 92 (80) ex dividend units were admitted to trading at the beginning of the year and then delisted after their Annual General Meetings in March or April.

## **Covered warrants and certificates**

On December 3, 2008 NASDAQ OMX Copenhagen A/S launched the new market for covered warrants and certificates in Copenhagen. 12 certificates issued by Nordea Bank AB were listed, of which all were index certificates. By the year end 12 certificates were admitted to trading.

## **Corporate Actions**

During 2008 74 (121) new share issues of varying characteristics were processed. Of these there were 21 (25) directed issues, 8 (12) rights issues, 24 (41) issues following utilization of warrants etc., 4 (5) issues of new shares due to non-cash contributions, 6 (19) public offerings, 2 (6) bonus issues, 1 (1) issue of employee shares, 3 (1) amalgamations, 2 (0) mergers, and 2 (5) issues of new shares due to conversions of debt etc. New issues totaled DKK 35 (16) billion in 2008. Additionally issues of new G4S-shares amounted to GBP 282.5 billion.

The most significant corporate action in 2008 was carried through by Carlsberg A/S, who completed a rights issue resulting in proceeds of DKK 30.5 billion.

The number of reversed splits was 4 (12), the number of redemption cash programs 24 (28) and the number of traded subscription rights was 8 (12).

## **Breaches of the Rules by Companies and Members**

There has been a general wish for more openness about the decisions made by the NASDAQ OMX Copenhagen (“the Exchange”). For many years, it has been the Exchange practice to publish the decisions made in relation to the issuers. Every month, decisions in relation to issuers were prior to 1 July, 2008 made public in anonymous form on the Exchange’s website and, moreover, an annual publication called Decisions & Statements is published. In light of the general tendency towards more openness about decisions in the stock exchange field, the Exchange’s decisions regarding violations, for which sanctions are imposed, are, after 1 July, 2008 published with the identity of the issuer. The name of the issuer will be made public only if the issuer gets a reprimand. Thus, the Exchange may continue to voice its opinion and deplore the companies’ conduct without this leading

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<sup>1</sup> This relatively high number of new funds admitted to trading in 2007 was due to the launch of the new market place for funds established by NASDAQ OMX Copenhagen and the funds (represented by The Federation of Danish Investment Associations), which led to the admittance of 176 new funds of which 46 came from the XtraList, which was closed down in connection with the launch of the new market place.

to a publication of the issuer's name. Such cases will continue to be mentioned in Decisions & Statements in anonymous form.

In the event of less serious reprimands, or where certain considerations enter into the picture, the Exchange may choose not to disclose the identity of the issuer. This applies to both decisions in relation to companies admitted to trading on the main market and companies admitted to trading on First North and Certified Advisers on First North.

At present, there is no Disciplinary Committee in Copenhagen. This task is instead handled by the exchange.

During 2008, the exchange gave 23 (9) reprimands to listed companies. These cases concerned the following matters.

Greentech Energy Systems A/S received a reprimand because the company did not publish a company announcement concerning the halt of the production machinery at the time when it became clear to the company's management that the halt of the machinery would be of long duration, see Rules for issuers of shares rule 3.1.1 and rule 3.1.3.

Tower Group A/S and Comendo A/S received reprimands for not publishing annual financial statements, which were based on an audited financial statement, within three months from the end of the financial year in accordance with rule 3.2.2 in the Rules for issuers of shares.

Nordic Tankers A/S received a reprimand for not publishing the sale price of a ship, at the time when the sale was finalized and announced to the market. The price was announced in a company announcement first after the exchange had contacted the company and requested complementary information.

One company received a reprimand because the company's third quarterly report did not contain adequate information concerning the company's economical situation. In addition, the exchange gave a reprimand to the company's board of directors and management, because the capital loss was not mentioned clearly in the company's third quarterly report.

One company received a reprimand because the company did not publish an announcement at the time that it was clear for the company that information, regarding planned negotiations with the workers committee regarding closing down the production, was known by external parties.

One company received a reprimand because the company had not published information as a company announcement regarding partly a new strategy and partly organizational changes in a significant subsidiary that affected the price of the company's shares.

One company published an announcement regarding financial difficulties and a merger with another company. The company received a reprimand for not having published the information regarding the financial difficulties at the time when the company had become aware of this some months before.

One company received a reprimand for not immediately publishing information regarding a merger after an agreement was made. In the case a listed company had made an agreement with another company admitted to trading. The latter company immediately published information regarding the merger, but the listed company did not.

One company received a reprimand for not publishing the notice convening the annual general meeting and all proposed resolutions.

One company received a reprimand for not publishing an announcement regarding a downward adjustment to the annual result when the company realized that the estimates for the result had to be adjusted.

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.

One company received a reprimand for not publishing the annual report 8 days before the annual general meeting, for not publishing the notice convening the annual general meeting and for publishing the resolutions of the annual general meeting too late.

One company received a reprimand for not publishing a stock exchange announcement regarding a significant sale of assets immediately after the information was available in the market from other news sources.

One company received a reprimand for not including a Corporate Governance statement in the annual report 2007.

Two companies have received reprimands for not immediately publishing information when there were rumours in the media that were deemed as price sensitive for the companies' shares. One of the companies also failed to include sufficient information in the announcement that was later sent out.

One company received a reprimand for not publishing a company announcement regarding a change in the company's senior management, at the same time as the information regarding the change in the senior management was sent to media.

One company received a reprimand for not publishing the notice to convene an extraordinary general meeting, before publishing the notice in a newspaper.

One company received a reprimand for not publishing an announcement regarding the annual general meeting immediately after the end of the annual general meeting in accordance with rule 3.3.3 and 3.1.3 in the Rules for issuers of shares.

One company received a reprimand for not publishing an announcement regarding a significant event at the same time as its partner in the event published their announcement in the market, in accordance with rule 3.1.1 in the Rules for issuers of shares.

One company received a reprimand for not publishing an announcement regarding the extraordinary general meeting immediately after the end of the general meeting accordance with rule 3.3.3 and rule 3.1.3 in the Rules for issuers of shares.

### **Issues regarding suspected market abuse reported to the authorities**

In 2008 16 (12) cases of suspected illegal insider trading, 22 (19) cases of suspected market manipulation and 1 (7) other case were reported to the Danish FSA.

### **Trading Halts**

During the autumn of 2008, matching halts were imposed in a number of UCITS Funds on the Fund Market due to the fact that it was no longer possible for the funds to calculate prices as local Russian stock exchanges had been closed down due to a decline in prices. Matching halts were imposed until the exchanges opened again. Following the opening of the exchanges it was again necessary to impose matching halts on the funds due to fast increasing prices.

Matching halts were also initiated on a large number of UCITS funds due to general disruptions in the capital markets, which led the funds to ask for discontinued trading in the funds.

## **The Observation Segment**

In order to alert the securities market, a company's shares can temporarily be placed under special observation. The Observation Segment is a subset of the Official List, and a placing under observation shall only take place for a limited period of time; usually no more than six months.

The purpose of the Observation Segment is to alert the market of specific events and circumstances or actions pertaining to the issuer or security in question. The most common reasons for transferring companies to the Observation Segment is acquisitions, tender offers, mergers, financial distress, waiting for delisting or awaiting clarification of the company's situation.

28 (20) companies were transferred to the Observation Segment during 2008  
17 companies were removed from the Observation Segment during 2008  
5 bonds were transferred to the Observation Segment during 2008  
4 UCITS funds were transferred to the Observation Segment during 2008

**The following companies were transferred to the Observation Segment because the company was subject to a public offer or a bidder has disclosed its intention to raise such a bid in respect of the company:**

Hedegaard A/S – later delisted  
Andersen & Martini A/S – later removed from the Observation Segment  
Forstædernes Bank A/S – later delisted  
Lokalbanken i Nordsjælland A/S – later delisted

**The following companies were transferred to the Observation Segment because the company was subject to a reverse take-over or otherwise planned to make or was subject to an extensive change in its business or organization so that the company upon an overall assessment appears to be an entirely new company:**

BankTrelleborg A/S – later delisted  
Schouw & Co A/S and BioMar A/S – BioMar was later delisted  
Mondo A/S – later removed from Observation Segment  
Ringkjøbing Bank A/S – later delisted  
Vestjysk Bank A/S – later removed

**The following companies were transferred to the Observation Segment because there was a material adverse uncertainty in respect of the company's financial position:**

Roskilde Bank A/S and the company's bonds (3,72% Roskilde Bank 2013 and 5,31% Roskilde Bank uamort.) – the shares and the bonds were later suspended  
Ebh Bank A/S – later suspended  
Landic Property Bonds IX – later removed  
Curalogic A/S – still on Observation Segment  
Formue Evolution II A/S – still on Observation Segment

**The following companies were transferred to the Observation Segment because any other circumstance existed that resulted in substantial uncertainty regarding the company or the pricing of the listed securities:**

Danisco A/S – still on Observation Segment  
EDBGruppen A/S – later removed from Observation Segment  
Danware A/S – later removed from Observation Segment  
DSV A/S – later removed from Observation Segment

Topsl Semiconductor Materials A/S – later removed from Observation Segment  
Mols-Linien A/S – still on Observation Segment  
Tower Group A/S, Griffin III Berlin and Griffin IV Berlin and a bond issued by Tower Group –  
Griffin Bonds II NRW and Griffin IV Berlin was later removed  
Bonusbanken A/S – still on Observation Segment

**The following companies were transferred to the Observation Segment before 2008 and were removed from the Observation Segment during 2008:**

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.

The shares in Brødrene A. og O. Johansen A/S were removed from the Observation Segment due to the fact that the company had announced that the Danish Competition Authority did not approve the sale of the majority of shares in Brødrene A. og O. Johansen and the parties had decided not to appeal against the decision.

The shares in Carlsberg A/S were removed from the Observation Segment due to the fact that the company had announced that their rights issue was fully subscribed.

The shares in Silkeborg IF Invest A/S were removed from the Observation Segment due to the announcement of the company's result of their public capital increase.

The shares in Dicentia A/S have been removed from the Observation Segment due to the fact that the company had announced that it had concluded an issue of convertible bonds.

The shares in Olicom A/S have been removed from the Observation Segment due to the fact that Olicom announced that they have entered into a final agreement for the acquisition of a portfolio of real-estate projects from Aktivgruppen.

The shares in Green Wind Energy A/S were removed from the Observation Segment due to the fact that the acquisition of Green Wind A/S and the share issue connected hereto were carried through.

The shares in Rovsing A/S were removed from the Observation list due to the fact that there were no longer considerations regarding the strategically opportunities for the company.

The shares in Søndagsavisen A/S were removed from the Observation Segment due to the fact that Søndagsavisen announced that their sale of Gratistidningar i Sverige AB had been approved by the Swedish Competition Authority. Thereby the transaction was completed and the sales process of both Norsk Avisdrift and Gratistidningar i Sverige AB was concluded.

The Landic Property Bonds IX were removed from the Observation Segment after the issuer had announced that it had received confirmation that the non compliance with a certain undertaking under the facility agreement had been waived.

### **Suspension of trading**

The trading in the shares of Roskilde Bank A/S and two of the bank's bonds were suspended after the bank had announced that it was no longer able to meet the individually assessed solvency and that the FSA had determined a deadline for the reestablishment of the bank's capital base. Furthermore, it was announced that the sale process launched had been completed without any offers to buy the bank in whole or in part. Therefore a new bank partly established by the Danish National Bank had offered to buy all assets and assume all debts and other liabilities of the bank except hybrid core capital and subordinated loan capital. Furthermore, it was stated that after the sale to this bank had been completed, Roskilde bank will have a

considerable negative equity, there will be no operations of any kind in the bank, and the bank will hand in its license to operate as a bank and suspend its payments.

On request from the FSA, the trading in the shares in Europeinvestment was suspended. The FSA informed the Exchange that the decision to suspend the trading was available on the FSA's website.

The trading in the shares of Bonusbanken A/S was suspended due to the fact that the bank announced that the board since publication of the latest company announcement had realized a need to make further write downs on the banks engagements meaning that the equity was lost. Bonusbanken contacted Vestjysk Bank concerning a takeover of the banking business according to section 246 in *Lov om finansiel virksomhed*.

The trading in the shares in Bonusbanken A/S was resumed and the shares were transferred to the Observation Segment due to the fact that the company had announced that the extraordinary general meeting had approved the transfer of the banking activities to Vestjysk Bank A/S. The company that had formerly operated the banking activities was thereby changed to a company in a run-off state.

The trading in the shares of Ebh Bank A/S was suspended due to the fact that the bank had announced that the bank's solvency was significantly below the minimum requirement in the Financial Business Act.

The trading in Dicientia and the company's bonds was suspended due to the fact that the company announced that Dicientia had filed for bankruptcy to the Copenhagen Maritime and Commercial Court.

## **Corporate Governance**

The Committee of Corporate Governance, which is anchored as an independent body supplemented by the Secretary from the Ministry of Economic and Business Affairs, has made changes to the Recommendations for Corporate Governance in February regarding remuneration of the management and in December regarding diversity with regards to gender and age. The changes to the Recommendations for Corporate Governance have been implemented in the Exchange's rules.

## **Changed opening hours on the fund market**

On 29 September 2008 NASDAQ OMX Copenhagen changed the opening hours on the fund market, which means that the market opens 15 minutes later, at 9.45 am. The reason for the change is that trading in the funds is based on the funds' continuous filing of net asset values that help investors trade at correct prices. As the part of foreign securities in the funds' portfolios has increased it has become increasingly difficult for some funds to calculate and publish net asset value by 9.30 am. Therefore it was decided to push the opening hours to 9.45 am - 17.00 am. This is implemented in the Rules for issuers of investment undertakings.

# Iceland

## Listings, Delistings and Takeovers

### Shares

1 (5) new company was admitted to trading during 2008. The shares of Skipti hf. were admitted to trading on the 19<sup>th</sup> of March.

13 (3) companies were removed from trading during 2008. Three companies were removed from trading in connection with tender offers. OMX AB was acquired by NASDAQ, Skipti hf. was acquired by Exista hf., Tryggingamidstodin hf. was acquired by FL Group hf.

The shares of eight companies were removed from trading in accordance with their request thereon. Flaga Group hf., Icelandic Group hf., 365 hf., Teymi hf., Atorka Group hf., Exista hf. FL Group hf. and Vinlustodin applied for removal from trading on their own initiative and were subsequently delisted.

Landsbanki hf. and Glitnir banki hf. were removed from trading after the Icelandic government took over the companies' operation.

The total number of companies admitted to trading at the end of 2008 was 15 (27).

### Bonds

102 (161) bonds were admitted to trading during 2008. The total number of fixed income securities being traded at the end of 2008 was 314 (362).

### Exchange Traded Funds (ETFs)

1 (1) exchange traded fund is admitted to trading.

### Takeovers

During 2008, tender offers for the shares of 2 listed companies were announced publicly. The same day Skipti hf. was admitted to trading Exista hf. disclosed its takeover offer for all of the company's shares. In the end of May Exista hf. announced that it had acquired more than 99% of Skipti hf.'s shares. The company's shares were subsequently delisted.

In December, Exista hf. published an announcement stating that BBR ehf., a company fully owned by Exista hf.'s two largest shareholders, had acquired a controlling stake of the company's share capital so that it was obliged to make a mandatory takeover bid to the other shareholders of Exista hf. At the year end the offer had not been completed. Exista hf.'s request for removal from trading had been approved before the announcement was published and the company's shares were delisted after the mandatory takeover bid was disclosed.

## Corporate Actions

8 new issues were processed in 2008. Five companies increased their share capital in a private placement. One share issue was processed in connection with an employee stock option plan. One company increased its share capital partly in a private placement and partly by a rights issue to existing shareholders of the company. Landsbanki hf. cancelled its treasury shares and subsequently performed a bonus issue for the same share amount.

Teymi hf. decreased its share capital in connection with the company's offer to shareholders for the acquisition of own shares. The company decreased its share capital, in accordance with the Company Act, so that the total number of own shares would amount to less than 10% of the company's share capital.

## **Breaches of the Rules by Companies and Members**

The NASDAQ OMX Iceland ("the Exchange") has sent 65 formal requests for statements. 11 cases were discontinued after the Exchange had reviewed the explanations and eleven cases had not been closed before year end. 26 cases resulted in criticism from the exchange, eight cases resulted in non-public reprimands, three cases ended with a public reprimand and three cases were resolved with a monetary sanction. The exchange has issued 16 criticisms without requesting statements or asking for explanations. Three cases were forwarded to the FSA after being reviewed by the Exchange.

### **Decisions by the Enforcement Committee**

The Exchange publicly reprimanded FL Group hf. in relation to two events where the company was found to have infringed provisions of the Exchange's rules. Both of the events concerned disclosure of information regarding the sale of the company's shareholdings in other companies. Information regarding the sales, which was considered to have a significant impact on the market price of FL Group, had not been made public without delay and the company was therefore considered to have breached the Exchange's rules.

The Exchange publicly reprimanded and imposed a monetary sanction on a bond issuer, Nysir hf. The issuer had failed to make public the company's poor financial position and intended restructuring as soon as it was clear that payments on the issuer's securities would be delayed. The Exchange concluded that information of such major importance must be disclosed in a public announcement. The Exchange also criticized that price-sensitive information regarding the issuer's intended refinancing and restructuring of the company's finances, including information concerning defaulting payment on the company's securities, had been made available in the media before it was published in accordance with the Exchange's rules.

A monetary sanction was issued towards Exista hf. on the grounds that the company had increased its share capital without applying for admission to trading of the shares. According to the Exchange's rules all shares in the same category shall be admitted to trading and following that a company is obliged to apply for admission for trading for all shares as soon as they can be traded. By not doing so Exista hf. seriously breached the Exchange's rules.

Combined with the abovementioned case against Exista hf., the sanction considered the company's breach of rules regarding publication of price-sensitive information, especially information on its finances. The chairman of Exista's board had disclosed in the media that the company had large claims on the Icelandic banks. The chairman further stated that doubt concerned those assets and if the claims were resolved the company would survive but that the situation was unclear. No direct financial information was made public by the company until a few weeks after the initial disclosure in the media although the Exchange had expressed the necessity of further publication of information on the company's financial situation and what possible effect it could have on the company if the claims would not be paid to full extent by the debtors.

Kaupthing banki hf. was publicly reprimanded for infringing the Exchange's disclosure rules. Information on the company's decision to cancel its employees' personal guarantees for loans for the purchase of shares in the company had been distributed in the media. In the media report it was stated that the board had concluded that it had been faced with two options. Either the staff would

have had to sell their shares and pay up the loans or the bank would have to cancel the remainder of the employees' guarantees. Had key employees begun a major sell-off of their shares it would, in light of the sensitive state of the financial markets, have compromised the company's position substantially. The cancellation of the employees' guarantees was regarded as constituting the company's preferential treatment of closely related parties. Furthermore, in light of the likely price impact had the information been known, the information was considered to be price sensitive.

One company was reprimanded in relation to three events where the company was found to have infringed provisions of the Exchange's rules. The first event concerned the admission of newly issued shares to trading on the Exchange. As stipulated in the rules a company must deliver a final prospectus to the Exchange no later than six weeks after a shareholders' meeting has approved an increase in the share capital, or the Board decides to utilize an authorization to increase the share capital (note that the rules no longer include a delaying period of six weeks - the admission to trading must take place as soon as the shares can be traded). The company increased its share capital and did not deliver its final prospectus until a few months later and was therefore considered to have breached the mentioned provision of the rules. The other two events concerned publication of information that was considered to have a significant impact on the market price of the company's shares. In the first of these events the Exchange found that the disclosure of information regarding the sale of the company's shareholdings in other companies had been substantially insufficient and it had not been published without delay. In the second case the company was reprimanded for leakage of information that had been available in the media before it was published in the appropriate manner.

A company was reprimanded for not publishing information on its decision to cancel its employees' personal guarantees for loans for the purchase of shares in the company. The cancellation of employees' personal guarantees was regarded as constituting the company's preferential treatment of closely related parties, e.g. senior officers and other management staff. By not disclosing the information in a timely manner the company was considered to have been in breach of the Exchange's disclosure rules.

One company was reprimanded because information regarding an extension of its loan guarantee had not been published without delay and had also been available in the media before it was published in accordance with the Exchange's rules and Icelandic law.

The exchange reprimanded one company in relation to leakage of information on a stock offering to the media. The Exchange contacted the issuer and requested that the company publish a statement regarding the stock offering. The issuer refused and was therefore reprimanded for not reacting to the leakage.

A company received a reprimand for infringing the Exchange's disclosure rules relating to publication of highly price sensitive information concerning the company's operations. The company's operational partner had published the information thirty minutes before it was made public by the company itself and in the meantime the company's share price increased considerably.

A bond issuer was reprimanded for breaching the Exchange's rules regarding publication of annual statements. The company's financial statement was not published immediately after the meeting of the Board of Directors when the financial statement of the company was formally approved as required in the Exchange's rules. The issuer had repeatedly received criticism for the same behaviour.

### **Criticism towards Listed Companies and Members**

One issuer was criticized for leakage of information. There had been a rumor regarding an organizational change in the company. The issuer did not react to the leakage despite the fact that the Exchange had advised that it was necessary to react in some way.

An issuer was criticized for a substantial delay in publishing an announcement regarding a change of its subsidiary's ratings. The information regarding the new rating was not published until fifteen days after it had originally been issued.

The Exchange criticized an issuer for failing to notify the Exchange of redemption of its bonds. The issuer did not request delisting of the bonds until after redemption and payment had been effected. As stated in the rules for issuers of securities, an issuer shall notify the Exchange of all decisions or events concerning the rights of bond owners, and shall send information to the exchange before making a decision regarding redemption and payment of its bonds.

The Exchange criticized one company for not making its annual report public as soon as it had been finalized. The report had been available to shareholders at the company's annual general meeting before it was made public in accordance with the Exchange's disclosure requirements.

One company was criticized for late publication of information regarding its annual general meeting.

One company received criticism because the company's staff had been informed about the appointment of a new CEO before this information had been published. The Exchange criticized that the information had not been published without further delay or as soon as possible, i.e. as soon as the Board of Directors had made the decision to appoint a new CEO.

The Exchange issued criticism towards one company for publishing the same information repeatedly in the News Distribution System. According to the Exchange's disclosure rules an issuer shall only publish previously unpublished information. Information that has already been published through the news system can not be considered to have a significant impact on the company's shares.

The Exchange criticized one company for breaching the Exchange's rules on the disclosure of remuneration of top executives. 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 other top executives was not published in accordance with the disclosure requirements and the company was therefore criticized.

One company was criticized for not disclosing information regarding a decision from Icelandic authorities to fine the company for breaching Icelandic law. The Exchange found that the information could have had a significant impact on the market price of the company's financial instruments and should therefore have been publicly disclosed in accordance with the Exchange's rules.

One company was criticized because information regarding a significant change in the company's financing had not been made public. The information had been made available in the company's first quarter financial statement. The Exchange concluded that the company should have published an announcement as soon as a decision had been taken regarding the change.

One company was criticized for lack of information regarding the company's acquisition of shares in other companies.

One company was criticized for not publishing an announcement regarding its proposal for payment of dividends and for not providing clear information regarding the time when the dividend was to be allocated. According to the Exchange's rules, this information has to be provided as soon as the information becomes available and not later than at the beginning of the company's Annual General Meeting.

A bond issuer was criticized for infringing the Exchange's rules regarding the language of announcements. The company's annual report had not been published in English or Icelandic which is the requirement set by the rules.

One company received criticism for not publishing an audit report that was subject to conditions, as soon as possible and in its entirety, as required by the Exchange's rules.

One company was criticized because its disclosure of information regarding a decrease in the value of the company's Contract for Difference in shares in another company did not fulfill the requirements set forth in the Exchange's rules. The information on the contract was first made public more than half a year after the agreement was first signed and the value of the contract had at that time decreased substantially

A bond issuer received criticism for deferred publication of information on the effect a margin call would have on its financial position. The Exchange concluded that the information could have had a price sensitive impact on the issuer's securities and should therefore have been published without delay.

The Exchange criticised a bond issuer for late publication of a merger plan and information on the shareholders approval of the merger.

In seven cases the exchange criticized a company for distributing price sensitive information in the media before it was made public. Five of the cases concerned information on a company's organizational change, e.g. the closure of a factory, an intended merger with another company, acquisition of another company and a company's sale of a subsidiary. One company was criticized because information about the company's financial situation had been available in the media before it was made public and another company received a criticism because a notice to attend the company's general shareholders meeting had not been published until after it had been made available in the media.

Fifteen bond issuers were criticized for breaching the Exchange's rules regarding the publication of 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. Furthermore an issuer must publish interim financial statements for the first six months of its operating year, as promptly as possible following the conclusion of the period and no later than two months after its conclusion. The issuers in question infringed either or both of the aforementioned articles in the Exchange's rules and were therefore criticized.

A member was criticized for reporting the same trade twice. By doing so the member breached the Norex Member Rules which state that, Manual Trades must constitute genuine Trades.

Two members received criticism for matching their own orders on numerous occasions over a period of a few months.

## **Issues regarding suspected market abuse reported to the authorities**

The Exchange sent 11 cases to the Icelandic FSA for further investigation where there was a suspicion of market manipulation.

Eight cases were reported to the FSA regarding a suspicion of illegal insider trading or breach of rules regarding publication of insider information.

Two cases were reported where there was a suspicion of a breach of rules regarding conflict of interest between a member and its client.

Two cases concerning best execution of orders were reported to the FSA.

## **Trading Halts**

During 2008, trading halts were imposed in the financial instruments of 13 (13) companies. Furthermore, on October 9, due to unusual market conditions, the Exchange decided to temporarily suspend trading in all shares on its equity markets. Trading was resumed on October 14<sup>th</sup>, except for those financial instruments that were subject to the FSA's suspension from October 6<sup>th</sup>,

Trading halts were imposed in Exista hf. and Skipti hf. before Exista hf. announced its voluntary takeover bid for all shares of Skipti hf. Trading was resumed after the announcement had been made public. In April, trading halts were imposed in three companies, Teymi hf., FL Group hf. and 365 hf. until information regarding a big change in the ownership of these companies was disclosed to the market. Trading continued after the information had been made public.

On September 29<sup>th</sup> the Icelandic FSA decided to temporarily suspend trading in all financial instruments issued by Glitnir banki hf. (Glitnir). The decision was made in order to safeguard the equality of investors while awaiting an announcement from the company. The suspension was lifted on September 30<sup>th</sup> and the company was subsequently moved to the Observation Segment.

On October 6<sup>th</sup> the Icelandic FSA decided to temporarily suspend trading in all financial instruments issued by Exista hf., Glitnir bank hf., Kaupthing bank hf. (Kaupthing), Landsbanki hf., Straumur-Burðaras Investments bank hf. (Straumur) and Sparisjóður Reykjavíkur og nágrennis hf. (SPRON). The decision was made in order to safeguard the equality of investors. The shares of Landsbanki hf. and Glitnir were removed from trading on 14<sup>th</sup> October. Fixed income securities issued by Glitnir and Landsbanki hf. remain suspended. On the 8<sup>th</sup> of December trading in the financial instruments issued by Exista hf. and Straumur was resumed. All financial instruments issued by Kaupthing and SPRON remain suspended.

The Exchange halted trading in the unit certificates of ICEQ ETF, as trading had been halted in 6 of the fund's constituents.

## **The Observation Segment**

During the period, the shares of 16 companies and the bonds of 5 companies were transferred to the Observation Segment, and the financial instruments of 2 companies were transferred from the Observation Segment. 6 companies were placed on the Observation Segment with reference to a request for removal from trading. Skipti hf. was moved to the Observation Segment due to a voluntary takeover bid, and the shares of Sparisjóður Reykjavíkur og Nágrennis (SPRON) were

moved to the Observation Segment due to an intended merger with Kaupthing bank hf. The financial instruments of 6 companies in the financial sector were moved to the Observation Segment in consideration of the uncertainty regarding the companies and the pricing of their financial instruments, in the wake of the collapse of the three largest Icelandic banks. Hf. Eimskipafélag Íslands hf. and Bakkavör Group hf. were placed on the Observation Segment because of a substantial uncertainty regarding the pricing of the listed securities and a possibility of inequality between investors.

The bonds of Nysir hf., Milestone hf., Samson eignarhaldsfélag hf. and Stoðir hf. were moved to the Observation Segment due to uncertainty concerning the future of the issuers, after the companies had announced that they were having payment difficulties or had requested moratorium.

The shares of Hf. Eimskipafélag Íslands were removed from the Observation Segment after the company had announced that a claim, which was due to a loan which the company had guaranteed in 2006, was to be taken over by a group of significant investors. The financial instruments of Straumur-Burðarás Fjárfestingarbanki hf. were removed from the Observation Segment after the Icelandic FSA had concluded that the shares were eligible for trading.

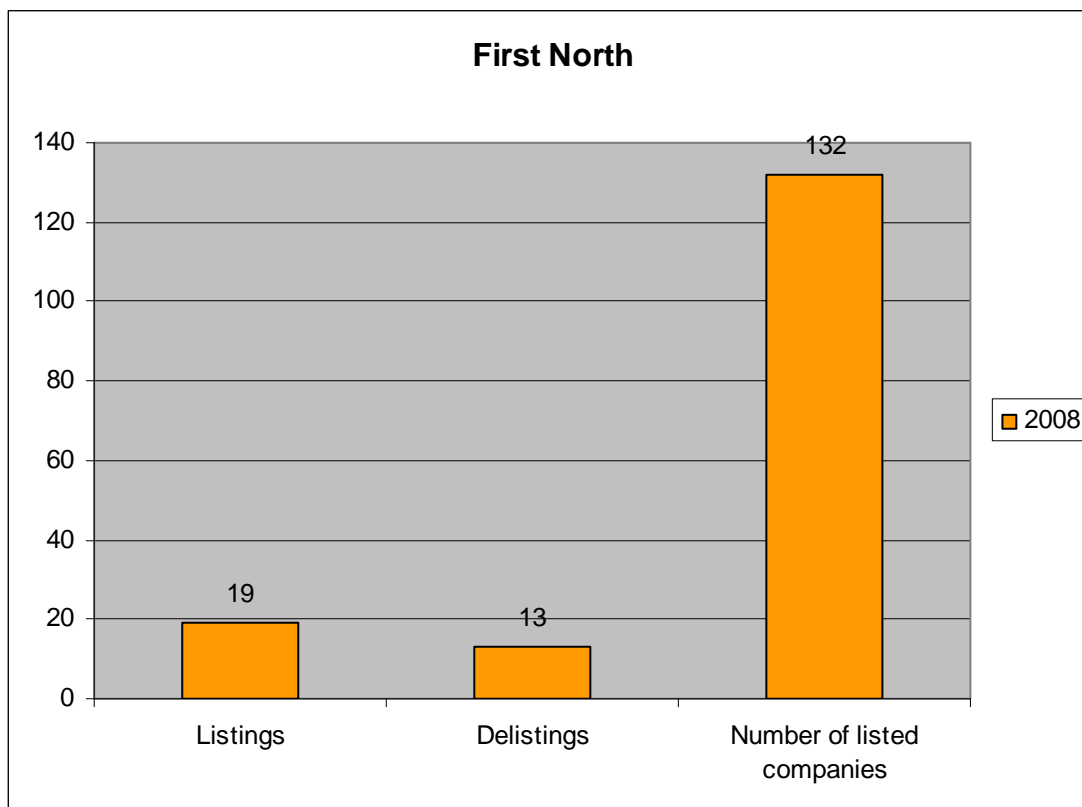
### **Corporate Governance**

Guidelines regarding Corporate Governance were issued in 2004 as an outcome of cooperative efforts by the exchange, the Icelandic Chamber of Commerce, and the Confederation of Icelandic Employers. The Guidelines are not binding for the companies, but The Exchange's rules demand that issuers declare whether the company complies in full or partly.

All companies have declared their compliance with the *Guidelines on Corporate Governance*.

# First North

## Listings and Delistings



14 (39) companies was in 2008 admitted to trading on First North Stockholm and 13 (8) companies was delisted (5 was delisted due to a listing on the NASDAQ OMX Stockholm Main Market). At the end of the year were 100 companies listed on First North Stockholm.

2 (1) companies were listed on First North Helsinki, PowerFlute Oyj and SAV-Rahoitus Oyj. 3 (1) companies were listed at the end of the year on First North Helsinki. No company was delisted from First North Helsinki in 2008.

Three companies were listed on First North in Copenhagen during 2008: Danfold, a manufacturer of foil-drawers for different furniture, ProtektorINVEST, an investment company and EgnsINVEST Ejd, Tyskland, also an investment company with a specialisation in real estate investments in Germany.

No company was delisted from First North Copenhagen in 2008. By the end of 2008 26 (23) companies were listed on First North Copenhagen.

No company was listed or delisted on First North Iceland in 2008. By the end of 2008 3 (3) companies were listed on First North Iceland.

4 (0) subscription options were listed on the First North Stockholm 2008: issued by Diamyd Medical AB, Tethys Oil AB, Tripep AB and Wedins Skor & Accessoarer AB.

## **Changes of Certified Advisers**

Planet Capital, Clal Finance Global Markets Ltd, Libertas Capital and Eyer Corporate Finance AB were approved as Certified Advisers on First North in Stockholm.

Pohjola Corporate Finance Oy, ProMan Oy Ab and PwC Corporate Finance Oy were approved as Certified Advisers on First North in Helsinki.

Nordea Corporate Finance, Danske Bank, SES Advokatfirma, Atrium Partners, Dansk Merchant Capital, RG RevisionsGruppen, Nordic Corporate Finance, Breinholt Consulting and Lucas & Partnere resigned as Certified Advisers on First North in Copenhagen.

Føroya Banki and Lucas & Partnere were approved as Certified Advisers on First North in Copenhagen and P/F Føroya Banki was also approved as a Certified Adviser on First North Iceland.

## **Breaches of the Rules**

### **Criticism towards Listed Companies and Certified Advisers**

The exchange has during 2008 initiated 56 (26) written issues regarding possible breaches of the First North (FN) rules. Three cases was referred to the Disciplinary Committee, see the section below regarding the Committee. 47 (10) issues regarding companies or Certified Advisers (CA) resulted in written criticism. These latter cases concerned the following matters.

In 14 cases companies were criticised for having breached the First North rules regarding general meetings. The companies had either not published the notice to attend the meeting in a correct manner or had not published the decisions of the meeting immediately after the conclusion of the meeting. Two of these cases were considered severe since the notices contained previously undisclosed price sensitive information. Four CA's were in connection with these cases criticised for not making sure that the companies that they acted as CA for had sufficient knowledge about the rules that apply on First North.

NanoCover A/S, Wannakey A/S, Danventures A/S and Deadline Games A/S received reprimands for not publishing adequate semi annual reports in accordance with rule 4.6, in the First North Rulebook. The Certified Advisers (CA) Korral Partners A/S and Philip & Partnere A/S received reprimands for not adequately ensuring, that the companies that they acted as CA for were familiar with the rules in the First North Rulebook as described above.

Three Swedish First North companies received criticism since they had not kept an updated insider register on their web sites as prescribed in the First North rules.

One Swedish First North company received criticism from the Exchange for not informing the market about changes in the company's revenue forecast in time. The Exchange was under the impression that the company must have known that the revenue forecast was to fail long before the company informed the market about the changes in the revenue forecast.

One Danish First North company got a reprimand for not publishing a Stock Exchange announcement containing revised forecast for the company's situation, as it had changed significantly from what had previously been published.

One Swedish First North company received criticism for having published a press release where the most important information was presented at the end of the message. The demand in the rules for

correct, relevant and reliable information means that the most important information has to be clearly presented in the beginning of the message and reflected in the headline.

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 having revealed price sensitive information regarding the number of its customers to the shareholders at the AGM without the information simultaneously being released to the market with a press release.

One Swedish First North company received criticism for having published a quarterly report that lacked a number of information required by the First North rules. The report did for instance not include a summary of changes regarding cash flow and equity and there was no information on the number of outstanding shares in the company.

One Swedish First North company received criticism after having released information by mistake in the footnote of a press release regarding a major transaction that the company was negotiating. The company was criticised for not having sufficient routines to ensure that mistakes of that kind could not happen.

One Swedish First North company was criticized for not having disclosed that the company had received a negative tax decision from the Swedish tax authorities.

One Swedish First North company was criticized for insufficient information regarding an acquisition of a company.

One Swedish First North company received criticism for not having published any information about the record date for the dividend. The failure to publish this information resulted in that the shares of the company were traded at an incorrect price for several days.

One Swedish First North company was criticized for several breaches against the First North rules. The most severe breach concerned how the company had informed about a new issue of shares that it had made. The information stated that the issue had been over-subscribed and that the total payment had been delivered to the company when in fact the majority of the payment of the new shares had not been received by the company. The company's CA was also criticized since the exchange concluded that the CA had not performed its surveillance activities in line with the rules in regard to the information given by the company. The exchange should for instance have been informed at a much earlier stage regarding the breaches of the rules that the company had made.

One Swedish First North company was criticized since its method for publication of price sensitive information did not fulfil the First North requirement regarding publication of such information. The company was also criticized for its handling of information on the company's web site and for having several minor formal errors in its quarterly reports. The Swedish Certified Adviser of this company was criticized for not having performed its surveillance duties in regards to this company as required by the First North rules.

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. The company's CA was also criticized for not making sure that the company informed the market that the annual report could not be published on the announced date.

One Danish First North company had a key person with a criminal record working for the company at management level but without being a part of the management. The company received a reprimand for not having adequately described this person's role in the company. The company also received a reprimand for not having told the market earlier that it had problems with the liquidity. The company's CA received a reprimand for not having properly ensured that the market got adequate information regarding the situation described above.

One Finnish Certified Adviser (CA) was criticized for having neglected their duty to monitor the disclosure of information regarding a First North company. The First North company had disclosed an insufficient financial statement release and the decisions made by the annual general meeting were not disclosed without undue delay. The CA was however not given a warning, because the breaches to some extent were explained by the fact that the First North company had received incorrect information from external legal advisers. The CA had reasons to believe that the legal advisers should have had knowledge about the rules.

### **Decisions by the Disciplinary Committee**

The Disciplinary Committee (DC) of the NASDAQ OMX Stockholm has during the year handled three cases regarding possible breaches regarding the rules that apply on First North.

The DC decided that the shares in C.I.S.L.Gruppen AB (CISL) should be delisted from First North since the company had given the market misleading information. The DC stated that CISL during 2006 and 2007 at several occasions had left excessively positive information regarding the company and that negative information had been withheld from the market.

Pilum AB had violated the Exchange's regulations by not handling price-sensitive information correctly. The DC ruled that Pilum should pay a penalty of two annual fees, corresponding to SEK 100,000. The company had not, as required by the rules, immediately informed the market about a large acquisition that the company had made.

The DC had on one occasion decided upon a matter regarding a member. The matter concerned a situation where a broker at Avanza Bank AB (Avanza) had received a client order to buy shares in Mediaprovider Scandinavia AB, a Swedish company traded on First North. The order was submitted to the market and had a significant price impact, approximately 40% compared to the previously last paid price. The trade was later judged not to comply with the exchange rules and was subsequently cancelled. The DC ruled that the order that Avanza had submitted failed to reflect the current market value of Mediaprovider and ordered Avanza to pay a fine corresponding to SEK 100 000. The broker was given a warning.

### **Trading Halts**

During 2008 trading halts were implemented in the shares of five companies traded on First North.

The trading in the shares of C.I.S.L. Gruppen AB:s were suspended in connection with the publication of the decision from the Disciplinary committee as described in the section regarding the Committee.

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.

The trading in the shares of Axlon Group AB was halted in connection with the publication of an announcement regarding the sale of one of the company's major business areas.

The trading in the shares of DTG Sweden AB was halted due to the increased uncertainty regarding the company's situation. The shares of the company were already traded on the Observation Segment of First North, see the section below.

The trading in the shares of Century Aluminum Company was halted while waiting for an announcement from the company regarding its planned stock offering. Trading was halted to secure simultaneous publication on First North and the NASDAQ Stock Market where the company is primary listed.

## **First North Observation Segment**

During 2008, the shares in 26 (7) companies were transferred to the Observation Segment of the First North, and the shares in 11 (1) companies were transferred back from the Observation Segment to their ordinary position.

The shares of seven companies were transferred to the Observation Segment after the Swedish FSA decided to withdraw the license of the companies' Certified Adviser, Stockholm Corporate Finance, to act as an investment firm. The shares in those companies were later transferred back to their ordinary position after the companies have signed agreements with new CA's. The shares in Kontakt East Holding AB, Strand Interconnect AB and SIX AB were transferred because they were subject to tender offers. The shares in Enlight International AB, 360 Holding AB and Ikast-Bording Elite Håndbold A/S were transferred as a consequence of a planned significant change in the company's line of business.

The shares in Labs2 Group AB, Värmekyl Grossisten Scandinavia AB, NanoCover A/S, Amago Capital AB, Wannakey A/S, Tripep AB, Dacke Group Nordic AB, Precomp Solutions AB, Aresa A/S and Allokton AB were transferred because the exchange concluded that there were material adverse uncertainties regarding the financial situation of the companies. The Bond loan with the ISIN-code DK0030005913, issued by Allokton Properties AB was for the same reason transferred to the Observation Segment. The shares in Ancora Energispar AB and DTG Sweden AB were transferred because the exchange was of the opinion that the companies materially no longer fulfilled the applicable admission requirements regarding organization and staff. Finally, the shares in VLT AB were transferred because the company did no longer fulfil the listing requirement applicable to companies on First North that state that at least 10 per cent of the shares in a company on First North have to be owned by the general public.

The shares of Svensk Internetrekrytering AB were in October, 2007 placed on the Observation Segment of First North after the CEO had resigned from the company, the chairman of the board of the company had announced that he will resign from the board and another board member resigned. The shares of the company were in January, 2008 transferred back to their ordinary position after the company had announced that a new CEO had been appointed and that the board worked efficient and that the Certified Adviser of Svensk Internetrekrytering AB, Avanza AB had confirmed this information to the Exchange.

The shares of Labs2 Group AB that had been traded on the Observation Segment due to financial uncertainty were transferred back to their ordinary position after the company had closed its new issue of shares and published its financial statement.

The shares in VärmeKyl Grossisten Scandinavia AB were transferred back to their ordinary position after the Attunda District Court had ruled that the corporate reconstruction should be cancelled and the company had published its half-year report for 2008.

The shares in Enlight International AB were transferred back to their ordinary position after the company had published a company description regarding the new company's structure after the acquisition of Caperio AB that fulfilled the requirements in the First North Rulebook.