Copenhagen Stock Exchange Decisions and Statements in 2005

January

There were no decisions and statements in January 2005

February

There were no decisions and statements in February 2005

March

1. Mandatory bid – one shareholder

A group of partners in a partnership, who held 20.69 per cent of the share capital and 73.02 per cent of the votes in a listed company, intended to buy out another group of partners in the partnership.

At the IPO the partnership held 83 per cent of the A shares in the company and now it held all the A shares in the company. The sole purpose of the partnership was to own the shares in the listed company.

The partnership shares were held by 3 groups, who held 37.6, 35.6 and 27.8 per cent, respectively. The group holding 37.6 per cent of the partnership intended to take over the 27.8 per cent held by one of the other groups in the partnership. In this connection the Copenhagen Stock Exchange was asked to consider whether this would trigger a mandatory bid pursuant to section 31 of the Danish Securities Trading Act.

The partnership was founded in 1966 and the owners of the partnership shares were all descendants of the founders of the listed company.

At the IPO in 1985 a shareholders' agreement and a partnership agreement existed regulating voting rights and pre-emption rights for the A shareholders in the listed company. These were mentioned in the prospectus. Now, those matters were only regulated by a partnership agreement. The partnership agreement contained provisions on pre-emption rights, voting rights and election of board members, which was disclosed in the annual reports. The specific contents of those provisions were not described in the accounts.

According to the partnership agreement the partners had agreed to act as a unit towards the listed company in questions regarding the election of the board of directors and other issues to be resolved by the company in general meeting.

At the partnership meeting resolutions were adopted by ordinary majority. However, each partnership group was entitled to appoint two members for the board of directors of the listed company, while the seventh board member was appoint jointly. The Exchange was informed that in practice there has always been agreement about all actions regarding the partnership. As documentary proof the Exchange has received copies of the minutes of the partnership for the last three years. They showed that no agenda items had been put to the vote during this period.

It was stated that it was not the intention that the partnership agreement should be changed in connection with the contemplated transfer. The acquiring partnership group thus entered into the selling partnership group's rights and obligations according to the partnership agreement.

Section 31(1) of the Danish Securities Trading Act provides that if a share holding in a listed company is transferred, directly or indirectly, the acquirer shall enable all the shareholders of the company to dispose of their shares on identical terms if such transfer involves that the acquirer

1) will hold the majority of voting rights in the company,
2) becomes entitled to appoint or dismiss a majority of the company's members of the Board of Directors,
3) obtains the right to exercise a controlling influence over the company according to the articles of association or otherwise in agreement with the company,
4) according to agreement with other shareholders will control the majority of voting rights in the company, or
5) will be able to exercise a controlling influence over the company and will hold more than one third of the voting rights.

Moreover, section 1, item 5, of the Danish Securities Council's Executive Order on mandatory bids provides that an acquirer as defined by section 31 of the Danish Securities Trading Act shall mean both a natural and a legal person and several of these who cooperate on obtaining controlling influence over a company.

The Copenhagen Stock Exchange found that the partners of the partnership should be considered as one shareholder as defined in section 31 of the Danish Securities Trading Act and the Copenhagen Stock Exchange based its decision on

- the fact that since the listing of the company, agreements had existed between the partners of the partnership on voting rights and pre-emption rights, among other things
- the fact that this was stated in the prospectus and the company's annual reports and the partnership was described as one unit
- the fact that under the partnership agreement the partners had undertaken to act as one unit towards the listed company in respect of resolutions passed at the general meeting, and
- the fact that since the flotation of the company the partners had voted, acted and behaved as one shareholder in relation to their ownership interest in the listed company.

As the partners were considered to be one shareholder as defined by section 31 of the Danish Securities Trading Act prior to the contemplated transfer, the transfer would be considered an internal transfer within a shareholder group. Such a transfer would not result in a switch in the control of the listed company since the partnership would continue to have control over the listed company.

Against this background the transfer of the partnership shares of one group to another group would not trigger a mandatory bid pursuant to section 31 of the Danish Securities Trading Act.

2. Mandatory bid – identical terms

A consortium published an offer document in connection with a mandatory bid to the shareholders in a listed company.

It appeared from the offer document that the listed company had planned to buy back a property from a bank and subsequently transfer the building to a property company. It had been agreed that a fund, which was a shareholder in the listed company, could become a majority shareholder in the

property company concerned on an arm's length basis provided that the fund would sell its shares in the listed company to the consortium at the price offered. It was announced that the listed company's acquisition and subsequent sale of the property would take place on an arm's length basis and, if the option was exercised, was expected to provide the company with a profit on the property in the region of DKK 150 million. The option allowed the fund to give up its ownership of the listed company and at the same time maintain an interest in the company and continue to support the company's activities in compliance with the objectives of the fund.

The Copenhagen Stock Exchange requested the consortium to explain whether there were any benefits connected with the agreement with the fund regarding the property in question, which would conflict with the requirement for identical terms, i.e. the acquirer shall enable all the shareholders of the company to dispose of their shares on identical terms – cf. section 31 of the Danish Securities Trading Act.

It appeared from the consortium's account to the Exchange that when negotiating with the fund about the property in question, the consortium and its legal and financial advisers had been aware that the property as an element of the agreement to buy shares in the listed company could be transferred only if no financial benefits were bestowed on the acquirer. A requirement of the option to buy was that the fund should not be offered an ownership share in the property at a price below the market price.

In connection with the consideration of whether to buy the listed company the consortium had taken soundings of a fair market value of the property. Thus, a valuation of the property had been prepared to be used by a potential financing source in connection with a possible purchase of the property. The sale of the property from the listed company to a property company owned jointly by the fund and the consortium would take place at a price somewhat above this valuation.

If an acquirer will be able to exercise a controlling influence the acquirer shall submit an offer to the remaining shareholders allowing them to dispose of their shares on identical terms, cf. section 31 of the Danish Securities Trading Act.

Moreover, section 4 of the Executive Order on bids, which applies to both voluntary and mandatory bids, provides that shareholders within the same share class shall be accorded equal treatment.

An element of the equality of treatment is found in section 4(2), which provides that during the offer period, the offeror may not enter into agreements concerning the purchase and sale of the shares covered by the takeover bid, if the agreements are entered into on more favourable terms than those mentioned in the offer document.

The fact that the offeror cannot offer one shareholder better terms than the remaining shareholders in the target company is a consequence of the requirement for identical terms and the equality of treatment principle.

However, provided that it has been ensured that the individual shareholder does not get better terms than the remaining shareholders the requirement for identical terms and the equality of treatment principle do not obstruct agreements between the offeror and a single shareholder.

It was the intention that the listed company would sell the property to a property company owned by the consortium and the fund at a price fixed on the basis of market conditions. To the extent that this was a sale on market terms the fund did not achieve more favourable conditions than included in the mandatory takeover bid to the shareholders of the company.

3. statement at investor meeting

At an investor meeting, the CEO of a listed company stated that the company had an organic growth goal of 6 per cent and this goal was well within reach. The CEO's statement could be conceived in such a way that the company's organic growth had increased compared with previous announcements about an organic growth of 5 per cent so that the company's organic growth was now closer to 6 per cent. The following day, the share price rose by approx. 3 per cent on the Copenhagen Stock Exchange.

12 days after the investor meeting, the company issued an announcement in the form of a so-called trading update from which it appeared that the company's organic growth was approx. 6 per cent for the first ten months of the year compared with 5 per cent for the first six months of the year, and that the integration of the two organisations was ahead of schedule. That day, the share gained approx. 4.5 per cent on the Copenhagen Stock Exchange.

All matters subject to the disclosure requirements must immediately be communicated to the Copenhagen Stock Exchange, and publication via the Copenhagen Stock Exchange shall take place not later than simultaneously with the publication of the same information to other parties. Matters subject to the disclosure requirements must be communicated to the Copenhagen Stock Exchange as soon as an actual decision has been made. This is provided by Rule 11 of the disclosure requirements for issuers of shares on the Copenhagen Stock Exchange.

In the event of significant changes in the outlook in relation to the information published, such changes shall be communicated immediately to the Copenhagen Stock Exchange. This obligation is imposed even though it is not possible to calculate the expected results precisely at the time in question. This is provided by Rule 31 of the disclosure requirements for issuers of shares on the Copenhagen Stock Exchange.

The company informed the Copenhagen Stock Exchange that the company's CEO had stated that the organic growth goal was 6 per cent and that the statement about the company being close to the goal did not reflect a significant change compared with the company's previously announced expectations.

The company also said that the management reports for the first 10 months of the year indicated that full-year financial results were estimated to be in line with the analysts' expectations. Against this background the company had assessed that it was not necessary to issue a company announcement pursuant to Rule 31 of the disclosure requirements for issuers of shares.

The fact that the company's outlook is in line with that of the analysts does not in itself mean that a company may postpone an upward or downward adjustment of its expectations until a scheduled publication of an announcement via the Copenhagen Stock Exchange.

Based on the company's account the Copenhagen Stock Exchange did not find any reason to assume that non-published price-sensitive information had been passed on at the investor meeting. Moreover, the Copenhagen Stock Exchange did not find any reason to assume that the company had previously published information that the organic growth was now 6 per cent since the market's reaction in trading in the company's share was probably caused by the overall contents of the announcement. However, the Exchange did find reasons to point out that communication at investor meeting shall be so that there can be no doubt as to whether non-published, price-sensitive information has been passed on.

The Copenhagen Stock Exchange called the company's attention to the fact that it would be appropriate if the time of publication of trading updates would appear from the company's financial calendar, which shall be published via the Copenhagen Stock Exchange, if the time has been decided beforehand.

4. Discussion of consensus estimates with analysts

The Copenhagen Stock Exchange learned that a listed company had indicated to a number of analysts that their estimates for 2004 for the company in question were too optimistic. Later that day, the Copenhagen Stock Exchange was contacted again about the same issue.

At the same time, the Exchange noted that the share concerned had a negative performance record, especially since the market had opened that day.

The Exchange immediately contacted the company by phone and letter, and the company stated that consensus had been discussed with analysts on the basis of already published information. The company emphasised that in connection with the contact with equity analysts about the consensus no statements had been made about the company's financial results for 2004 or outlook for 2005.

On the basis of the company's account the Copenhagen Stock Exchange found no reason to assume that non-published, price-sensitive information had been passed on. However, in connection with the case the Exchange found reasons to point out that it is of utmost importance that the companies are aware that in connection with discussions about the consensus with equity analysts they should not make statements that may be conceived as statements about non-published expectations.

5. Outlook for 2005

The Copenhagen Stock Exchange learned that a listed company in connection with the presentation of the company's accounts had indicated to a number of analysts that the company outlook for 2005 was too conservative in the annual report.

At the same time, the Exchange noted that the share concerned had a positive performance record, especially since the market had opened that day.

The Exchange immediately contacted the company by phone and letter, and the company stated that they had only discussed already published information. The company emphasised that in connection with the contact with equity analysts about the outlook for 2005 no statements had been made about the expected turnover or the company's financial results, which had not already been included in the annual report for 2004.

On the basis of the company's account the Copenhagen Stock Exchange found no reason to assume that the company had passed on new information to the market. However, the Exchange found reasons to point out that companies should carefully consider the information disclosed to individual equity analysts, investors or other stakeholders about the company's previously published expectations for turnover and financial results as such information is price-sensitive and there is a risk that already published information may be considered as new information, though this is not the case.

6. Reporting of net asset value

A listed company had undertaken to disclose the net asset value in a company announcement as early in the day as administratively possible. That day, the company issued two announcements about the company's net asset value and no explanation why.

After having been in contact with the company, the Copenhagen Stock Exchange realised that there had been an error in the first published announcement with information about the net asset value. The Exchange then asked the company to specify when the company became aware that the first published net asset value was incorrect and the reason why the correct net asset value was not published promptly in a company announcement.

The company explained that in the morning prior to the publication of the company's usual announcement about the net asset value the net asset value of the shares had been calculated at approx. one price point higher than the day before. This made them examine the calculation closely, however, they did not discover any errors in the data.

Later that day, it became clear that a transaction had been registered incorrectly, which meant that the previously issued announcement about the company's net asset value was incorrect. Following recalculations of the company's net asset value, the correct net asset value was published in a company announcement.

The Exchange took note of the company's account, but found reason to point out to the company that it is of utmost importance to the market and the market's confidence in listed companies that such companies meet the disclosure requirements and are able to provide precise and accurate information to the market.

Listed companies are thus presumed to have reporting systems and internal control systems, which are adequate to ensure that the company is able to meet the obligations imposed on listed companies.

Moreover, the Exchange complained to the company that they had published an announcement containing an erroneous calculation of the company's net asset value, especially in the light of the fact that the change in the company's net asset value was relatively dramatic compared with the previous day.

Also, the Exchange complained to the company that the announcement published later that day did not contain any explanation of why the company had departed from the usual practice by issuing two company announcements on the same day about the company's net asset value.

7. Elaboration of future outlook

The Copenhagen Stock Exchange learned that a company at a teleconference, in connection with the publication of the company's annual report for 2004, had specified the company's future outlook. The Exchange saw that there was confusion in the market about whether new information had been provided on the company's future outlook.

Irrespective of what information a listed company has provided about the company's expectations for the future, the company shall not elaborate on them as regards contents without simultaneously publishing the information in an announcement.

Against this background the Copenhagen Stock Exchange requested the company to give an account of the exact information given about the company's expectations for the future, including of the elaboration, which was carried out at the teleconference, and whether such information could be the conclusion of the already published information.

It appeared from the company's account that the elaboration of the expectations for the future, which was carried out, could be calculated by the market players via published information and good knowledge of the company.

The Copenhagen Stock Exchange found reasons to point out that companies should carefully consider the information disclosed at analyst and investor meetings about the company's previously published expectations for turnover and financial results, directly as well as indirectly. Such information is price-sensitive and there is a risk that already published information may be considered as new information, though this is not the case, especially by market players without in-depth knowledge of the company.

April

1. Loss on investment

A listed company published an announcement stating that the company had set aside DKK 10 million since the company expected a loss on an investment in an investment services company. The announcement said that the company did not expect the provision to affect the annual results for 2005.

Over the telephone the company said that the provision was made by the company on the day before the publication. Three days before the company's announcement of the loss, the Danish Financial Supervisory Authority had issued an announcement from which it appeared that the investment services company was insolvent and that insolvency proceedings had been commenced against the company the day before.

In its account to the Exchange the company explained that it was of the opinion that the company, which was operating in the banking business, should not publish information on individual events regarding provisions or reversal of provisions as long as they did not exceed the net expectations for total provisions and this did not affect the forecast expectations for the annual results.

Listed companies shall immediately publish information on essential aspects concerning the company which may be assumed to be of significance to the price formation of the securities.

The fact that there is a close timely connection between a loss and a profit does not in itself rule out the issuance of an announcement about the loss. This depends on whether the information about the loss may be assumed to be price-sensitive.

Firstly, the loss was of a considerable size compared with the financial results of the listed company.

Secondly, the company's investment in the investment services company was mentioned specifically in the accounts. Consequently, the listed company had to foresee that the market would be uncertain about how the listed company would be affected by the insolvency. Due to the situation the company had an obligation to clarify the uncertainty in the market by immediately issuing an announce-

ment about the impact of the investment services company's insolvency at the time the information was known via the announcement issued by the Danish Financial Supervisory Authority.

Against this background and in pursuance of section 27 of the Danish Securities Trading Act the Copenhagen Stock Exchange reprimanded the company for having failed to publish an announcement about the impact of the insolvency at the time the information was known via the announcement issued by the Danish Financial Supervisory Authority.

May

1. Outcome of court hearing – Publication to the market

A listed company published an announcement from which it appeared that insolvency proceedings against the company's subsidiary had been commenced at a bankruptcy court hearing earlier that day. The Exchange noticed that the announcement was published more than three hours after the hearing had ended. The announcement had a negative effect on the company's shares.

In this connection the Exchange asked the executive board to account for the space of time from the end of the bankruptcy court hearing to the publication of the announcement. According to the company the delay was due to a combination of long case handling time and technical problems. The company began the publication procedure approx. two hours after the outcome of the hearing was known and the announcement was not published until one hour later due to technical problems.

The Exchange did not find reasons to reprimand the company. However, the Exchange found it regrettable that the publication of the announcement was not initiated until two hours after the outcome was known. Since the company knew that a ruling would be issued, which would have an effect on the pricing of the shares, the company would have been able to prepare an announcement for publication immediately after the closing of the bankruptcy court hearing.

At the same time, the Exchange had asked the executive board to explain why the company had not stated what impact the bankruptcy would have on the company's earnings expectations in the announcement. The executive board replied that the bankruptcy did not give rise to any forecast changes, consequently, this was not mentioned in the announcement.

The Exchange found no reasons to reprimand the company, but emphasized that it should have been stated in the announcement that the earnings expectations remained unchanged as the market should be given an opportunity to assess the financial consequences of the information.

Against this background the Exchange asked the company to reconsider its procedures for publication of price-sensitive information so that such information would be available to the market without undue delay. Moreover, the company was asked to state the impact of the changes on the company's earnings expectations when publishing announcements containing price-sensitive information.

2. Conclusion of contracts of millions of kroner – positive language in company announcements and coherence between the company's messages

A listed company published an announcement from which it appeared that the company had landed new contracts of millions of kroner and had an option on other contracts. The company's forecast of

the financial results for 2005 was also included in the announcement. Immediately after the announcement was published, the price of the company's shares rose.

The million kroner contract had previously been mentioned in the company's annual report, which was published a few months earlier. However, it was stated in the annual report that the contract was subject to final signature.

The Exchange found that the announcement was written in a positive language as the heading said "New million scale contracts", and it was not stated that this was an already expected contract which had been signed or that the contract had previously been mentioned in an announcement – the annual report. At the same time, the positive formulation seemed to clash with the fact that the company's previous forecast was higher than the new forecast of the financial results for the year.

The Exchange asked the company to specify when the company had concluded the transaction in question as the transaction was apparently mentioned in the company's annual report and to specify the company's outlook for the future as the announcement was in a positive language in spite of the fact that this was actually a downward adjustment compared with previous messages.

The company explained that this was a new million kroner contract as it was mentioned in the annual report that the contract was not signed at that time, consequently, this was a new contract. As regards the outlook the company found that it was only natural that the announcement was in a positive language because this was an important contract for the company. The fact that this was actually a downward adjustment of the expectations for the future was a consequence of the fact that it is cost consuming to launch major projects.

The Exchange took note of the company's account and found no reason to take further steps in the matter.

However, the Exchange did point out to the company that it is of utmost importance that companies carefully consider the choice of words and tone of their communication with the market as misunderstandings may otherwise occur. Information included in company announcements is price-sensitive and there is always a risk that already published information may be thought of as new information even though this may not be the case – especially by market players with no in-depth knowledge of the company. Thus, it is important that company announcements may be read independently and that information about the same or related events is linked together in the announcements.

June

1. Negotiations – Publication to the market

Following information in the media that a listed company had commenced negotiations for the sale of certain activities, a representative of the company was quoted as confirming the negotiations and indicating a minimum price for the activities in question. The Exchange contacted the company, which immediately published an announcement. The company also informed the Exchange that the company representative had confirmed to the media that the company had been invited to negotiations regarding the sale of certain activities, but that the representative had been incorrectly quoted on several points.
The Exchange took note of the company's explanation, but pointed out that companies should carefully consider the choice of words and tone of the company's communication to the public as mis-

understandings may easily occur. At the same time, the Exchange pointed out to the company that price-sensitive information must always be disseminated in the form of a company announcement, irrespective that certain media have already been able to communicate the information in question in whole or in part.

2. Prospectus requirements in connection with a demerger and possible mandatory bid

A listed company held 45.49 per cent of the capital and 61.11 per cent of the votes in another listed company, X, while that company held 20.1 per cent of the capital and votes in a third listed company, Y. All the companies were listed on the Copenhagen Stock Exchange.

In connection with the considerations of whether to carry out a planned tax-exempt, asymmetrical demerger of one company into three new companies the Copenhagen Stock Exchange was asked to consider the following three issues:

- Disclosure requirements/prospectus requirements in connection with the listing of two newly established companies (companies A and B)
- Delisting/no listing of a third newly established company (C), and
- Mandatory bid to the remaining shareholders of the listed company X.

As regards the question that company C should not be listed considering the company owners, the Exchange stated that it had no objections since the shareholders of this company would be the existing A shareholders of the existing listed company and that public interest would thus be limited. However, the Exchange pointed out that the new shareholders of company C should agree that the company should not be admitted to listing on the Copenhagen Stock Exchange.

The Exchange found it problematic if the shares of the two newly established companies A and B would not continue to be listed in continuation of the demerger. Moreover, the Exchange found that no prospectuses would have to be drawn up in connection with the listing of the two companies, but a company announcement should be written and published and accompanied by the company law documents, including the demerger documents.

At the same time, the Exchange listed the information to be included in the company announcement and referred to the section on mergers in the Exchange's guidelines on securities listing on the Copenhagen Stock Exchange.

Listing of the newly established companies A and B would thus be possible on the basis of the company announcement and accompanying demerger documents, if the demerger was carried out.

As regards the question of whether a mandatory bid would be required in respect of the shareholders of company X, the Exchange was informed that no changes would be made in the group of shareholders of the existing listed company and the newly established company A.

Against this background the Exchange found that a controlling shareholding would not be transferred, consequently, this would not trigger a mandatory bid to the remaining shareholders of company A.

July

There were no decisions and statements in July 2005

August

There were no decisions and statements in August 2005

September

1. Non-publication of company announcements on a company's website

A listed company published a number of company announcements during a week. After some time these announcements were not available on the company's website.

One particular company announcement was not available on the company's website a week after the publication of the announcement.

From Section 27 (5) of the Danish Securities Trading Act it appears that an issuers of securities shall without undue delay and for an appropriate period after inside information has been disclosed post all such information on his website.

The Copenhagen Stock Exchange therefore requested the company to explain why the announcements were not available on the company's website.

In this connection, the CEO of the company explained that there had been a number of organizational and technical factors which prevented the announcements from being published immediately on the company's website.

The Copenhagen Stock Exchange therefore reprimanded the company's management for the company's failure to publish the announcements on the company's website immediately.

October

There were no decisions and statements in October 2005

November

1. Missing stock exchange announcement

It appeared from the website of a Danish news magazine that a company had landed an order worth approx. DKK 150 million. According to the website the CEO of the company stated that no announcement would be released as the client had called a press conference and the company had not had time to issue an announcement via the Exchange. Moreover, the CEO was quoted for having said that the order would not affect the company's expectations for the full year and, consequently, the news was not price-sensitive.

The company had previously published announcements about conclusion of orders of similar size. Consequently, it was assumed that the company has previously been of the opinion that the market should be informed of orders of that size.

Pursuant to section 27 of the Danish Securities Trading Act listed companies shall publish inside information on significant contracts made at the time of publication. However, under section 27(6) of the Danish Securities Trading Act an issuer may under his own responsibility delay the public disclosure of inside information such as not to prejudice his legitimate interests provided that such delay would not be likely to mislead the public and the issuer is able to ensure the confidentiality of that information.

A listed company shall immediately publish information on essential aspects concerning the company which may be assumed to be of significance to the pricing of the securities. Publication via the Copenhagen Stock Exchange shall take place at least simultaneously with any other publication. This is provided by Rule 11 of the disclosure requirements for issuers of shares on the Copenhagen Stock Exchange and section 27 of the Danish Securities Trading Act.

Moreover, a company is required to ensure that everybody has equal access to price-sensitive information and that no unauthorised party gets access to such information before it is published via the Copenhagen Stock Exchange. This is provided by Rule 4 of the disclosure requirements for issuers of shares on the Copenhagen Stock Exchange.

Based on the above information the Exchange asked the company to explain why information on the order was not published as a company announcement via the Exchange.

The company explained to the Exchange that an order like the one in question would not affect the company's outlook and that in future the company had decided to raise the limit for orders that were to be disclosed in company announcements via the Exchange to approx. DKK 200 million. The Exchange had no specific comments to that, but made it a condition that the company always assesses to what extent such agreements will affect prices and when the agreements are of such a nature that they shall be announced under the rules in force from time to time.

In these circumstances the Exchange did not find that the company had violated section 27 of the Danish Securities Trading Act. The Exchange pointed out to the company that it is of utmost importance that everybody has equal access to such information and that publication via the Copenhagen Stock Exchange always takes place at least simultaneously with any other publication. Publication of conclusion of agreements must be able to await payment, provided that this is a significant condition of the agreement becoming a reality.

2. Stock announcements on a companys website

A listed company contacted the Exchange and asked about interpretation and practice in relation to section 27(5) of the Danish Securities Trading Act, which provides that an issuer of securities shall, without undue delay and for an appropriate period after inside information has been disclosed, publish such information on his website. The obligation to publish such information on the company's website only applies when the company has a website.

The Exchange confirmed its opinion that section 27(5) shall be so construed that the company's announcements shall be available at the company's own website and that a link to the Exchange's website is not sufficient to meet the requirements of the Danish Securities Trading Act.

Against this background the Exchange requested the company to reorganise its website so as to comply with section 27(5) of the Danish Securities Trading Act.

3. Information to the press

The CEO of a listed company gave a public company presentation. Subsequently, the press wrote that the CEO had commented on future projects which had not previously been published and which may have an effect on the pricing of the securities.

Consequently, the Copenhagen Stock Exchange contacted the company and asked for an explanation of what had been said at the company presentation.

The company responded that no news had been revealed at the investor meeting and that the company maintained the expectations for the events that were already described in a previously published prospectus. The company enclosed the sheets that the CEO had used at the presentation. Moreover, the company stated that against this background it did not find that it had commented on any expected projects in such a way that this should have been disclosed via the Copenhagen Stock Exchange.

The reason why the Exchange had contacted the company was that a listed company must immediately publish information about significant price-sensitive matters. Moreover, the company shall ensure that everybody has equal access to such information and that publication via the Copenhagen Stock Exchange always takes place at least simultaneously with any other publication.

The expectations that a listed company has for future projects are important to the market's assessment of the company in question, consequently, analysts, investors and others attach great important to such expectations. Information on major projects will generally always be considered price-sensitive.

Based on the company's statement and enclosed sheets the Exchange had no grounds for assuming that information had been disclosed on the equity fair which should have been published in a company announcement. However, the Exchange pointed out to the company that it is of the utmost importance that the companies carefully consider the wording and tone when they communicate with the market as misunderstandings may otherwise arise. The information of company announcements is price-sensitive and there is always a risk that already published information may be considered as new information, though it is not new – especially by market players with no in-depth knowledge about the company. Thus, it is important that company announcements may be read independently and that information about the same or related events is linked together in the announcements.

4. Delisting from Copenhagen Stock Exchange

A company contacted the Copenhagen Stock Exchange and asked to have its shares delisted from the Copenhagen Stock Exchange.

It appeared from the request that the company had three majority shareholders who held a total of 98.83 per cent of the share capital. The supervisory board of the company had at a previously held general meeting submitted a proposal to delist the company from the Exchange. The proposal had been adopted. Prior to the general meeting, the company and the company's majority shareholder

had submitted a voluntary bid to the shareholders of the company. This was accepted by 70 per cent of the shareholders, whose shares were subsequently redeemed at the end of April 2005.

The reason why delisting was requested was that the company's existing majority shareholders were not entitled to or wished to sell their shares to investors outside the group of majority shareholders. One of the three majority shareholders offered to buy the remaining minority. The company stated that this would be announced in an advertisement in a national newspaper with an acceptance deadline of 3 weeks, however, the Exchange recommend a minimum period of 6 weeks.

In connection with delisting the Copenhagen Stock Exchange attaches great weight to securing the interests of the shareholders in the best possible way. In connection with the delisting of a company from the Copenhagen Stock Exchange the conditions under which the shareholders have acquired their shares in the company change. Consequently, the company's shareholders should for a period of time prior to delisting be given a chance to dispose of their shares at the market price under the same conditions as before. Thus, a delisting is based on the condition that the company ensures that the shareholders may sell their shares at the market price during the period of time leading up to the delisting from the Copenhagen Stock Exchange. The Exchange finds that this period should be not less than six weeks.

The Copenhagen Stock Exchange granted the request for delisting provided that the company would publish an announcement informing the market about the delisting, including in what position the shareholders of the company would be after a delisting from the Copenhagen Stock Exchange and the possibility of disposing of their shares in the company at market price until the delisting.

The last day of listing of the company's shares on the Copenhagen Stock Exchange would be six weeks after the publication of the company announcement. Immediately after the company had published the announcement, the Copenhagen Stock Exchange issued an announcement from which it appeared when the company in question would be removed from listing. The company had previously been transferred to the observation list and the shares of the company would remain on the observation list until delisting.

December 2005

1. Announcement of outcome of issue – use of the wording "fully subscribed"

After the close of an issue with pre-emption rights, a company published an announcement about the outcome of the issue. The heading of the announcement used the wording "… fully subscribed". Moreover, it appeared from the text of the announcement that the issue with pre-emption rights was fully subscribed. Finally, the announcement disclosed the share capital of the company after the issue.

In connection with the admission of the new shares to listing the Exchange found a small variation in the amount stated in the prospectus in the case of a fully subscribed issue and the amount stated in the documentation from the Danish Commerce and Companies Agency.

The Exchange expressed disapproval of the use of the wording "fully subscribed" about an issue that was not actually fully subscribed in the announcement that was published with information on the outcome of the issue.

Even though the company might have assessed that it was merely a small amount that was not subscribed considering the size of the issue, the Exchange finds that companies in announcements about the outcome of issues should disclose the specific amount subscribed. If you wish to use the wording ”fully subscribed” about an issue which is not actually fully subscribed from a materiality concept, the Exchange finds it important that the announcement discloses the number of shares subscribed for in the issue in question as well as the share capital of the company before and after the issue.

2. Company to stay listed after commencement of compulsory redemption

The majority shareholder of a company made a voluntary bid to the remaining shareholders in the company. From the offer document it appeared that following the acquisition of all the shares in the company, possibly as a result of a compulsory redemption, the majority shareholder would delist the company from the Copenhagen Stock Exchange. This with a view to implementing, in the long term, an ownership succession plan for the remaining activities within the framework of the majority shareholder’s family. At an extraordinary general meeting in the company a resolution was passed to insert a provision into the articles of association of the company providing that the majority shareholder could commence compulsory redemption of the remaining shares in the company just as the supervisory board of the company was authorised to request a delisting from the Copenhagen Stock Exchange.

The majority shareholder subsequently announced that it had been decided to exercise the right of redemption stipulated in the articles of association of the listed company and in compliance with the articles of association asked the minority shareholders to have their shares in the company redeemed by the majority shareholder. However, the announcement did not state that the company would request to be delisted from the Copenhagen Stock Exchange. The Exchange therefore contacted the company’s adviser as it is practice in connection with compulsory redemption that companies are delisted from the Copenhagen Stock Exchange either before a compulsory redemption is commenced or immediately after the compulsory redemption period closes.

The Copenhagen Stock Exchange subsequently received a request by the company from which it appeared that the reason for the wish to stay listed was that the majority shareholder wanted to discuss the possibility of using a public listing on the Copenhagen Stock Exchange for other activities than the existing activities and that the time frame for such discussions would be up to six months.

Section 25 of the Danish Securities Trading Act provides that a stock exchange may decide that a security shall be delisted from the stock exchange in question if it finds that the listing is no longer in the interests of the investors, the borrowers or the securities market.

Also, section 28 of the Danish Securities Council’s Executive Order no. 331 of 23 April 1996 provides that where an issuer fails to meet the obligations resulting from admission to listing, a stock exchange may pursuant to section 30 of said Executive Order decide to delist such company.

In principle the Exchange finds that based on the said provisions a company cannot stay listed if the company has only one shareholder, which would be the result of a compulsory redemption. This is also in line with past practice on the Exchange.

Since the compulsory redemption process was already initiated and the compulsory redemption would result in only one shareholder in the company and the Exchange found that the request did not include aspects justifying a departure from the rule requiring delisting in the case of compulsory redemption, the Copenhagen Stock Exchange could not comply with the company’s request to stay listed.

Consequently, the company was delisted and the last day of listing would be the last day of the compulsory redemption period.

3. Statements to the press

The CEO of a listed company made a statement in a webcast interview about the company's outlook. Moreover, the CEO said that he was going to make a statement and this should not be considered a company announcement.

A listed company shall as soon as possible publish information on essential aspects concerning the company which may be assumed to be of significance to the pricing of the securities. Publication via the Copenhagen Stock Exchange shall take place at least simultaneously with any other publication. This is provided by Rule 11 of the disclosure requirements for issuers of shares on the Copenhagen Stock Exchange and section 27 of the Danish Securities Trading Act.

Moreover, a company is required to ensure that everybody has equal access to price-sensitive information and that no unauthorised party gets access to such information before it is published via the Copenhagen Stock Exchange. This is provided by Rule 4 of the disclosure requirements for issuers of shares on the Copenhagen Stock Exchange.

Against this background the Exchange asked the company to explain when the CEO's statements had previously been published in a company announcement. And if the statements in question had not previously been published, the reason for this should be stated.

The company explained in a letter that the interview was not properly represented and that the interview had been edited, thus distorting the message. Moreover, it was stated in the letter that the CEO did not believe that he had commented on the outlook in such a way that this should have been announced in a new company announcement.

The reason why the Exchange had contacted the company was that a listed company must publish information about significant price-sensitive matters as soon as possible. Moreover, the company shall ensure that everybody has equal access to such information and that publication via the Copenhagen Stock Exchange always takes place at least simultaneously with any other publication.

The expectations that a listed company has for the future are important to the market's assessment of the company in question, consequently, analysts, investors and others attach great important to such expectations. Information on expectations for the future will generally always be considered price-sensitive. Consequently, the management of listed companies shall always keep the disclosure requirements in mind when making statements to the press.

Based on the company's account the Copenhagen Stock Exchange did not find reason to believe that the CEO had intentionally made a statement about matters that should have been disclosed in a company announcement, thus revealing price-sensitive information in the interview which had not been published via the Copenhagen Stock Exchange. However, the Exchange pointed out to the company that it is of the utmost importance that the companies carefully consider the wording and tone when they communicate with the market as misunderstandings may otherwise arise. However, the Copenhagen Stock Exchange assumed that it was not the company's intention to disclose anything that had not previously been published.

In this connection the Exchange pointed out that it was regrettable that the statements and the participation in the interview had caused uncertainty about the situation of the company.

4. Information in the press

The Copenhagen Stock Exchange contacted a listed company as it appeared from a news site that the company was about to sell a major shareholding in another company via. The following day, early in the morning, the company announced that the company would sell the shareholding.

A listed company shall immediately publish information on essential aspects concerning the company which may be assumed to be of significance to the pricing of the securities. Publication via the Copenhagen Stock Exchange shall take place at least simultaneously with any other publication. This is provided by Rules 11 and 16 of the disclosure requirements for issuers of shares on the Copenhagen Stock Exchange and section 27 of the Danish Securities Trading Act. Moreover, a listed company is required to ensure that everybody has equal access to price-sensitive information and that no unauthorised party gets access to such information before it is published via the Copenhagen Stock Exchange. This is provided by Rule 4 of the disclosure requirements for issuers of shares on the Copenhagen Stock Exchange.

Consequently, the Exchange asked the company to specify the considerations of the company in connection with the timing of the publication of the announcement and to comment on the fact that information on the sale of the shareholding had reached the market already the day before the announcement was published.

The company stated in its letter that a Stock Exchange member conducted a sales process. The company published an announcement about the sale after the price offered had been disclosed by the Stock Exchange member and accepted by the company.

The company explained that no announcement had been published due to the preliminary character of the transactions. Irrespective of whether an agreement is final or not it may be necessary to publish a company announcement via the Exchange if such agreement is price-sensitive. However, an issuer may under his own responsibility delay the public disclosure of inside information such as not to prejudice his legitimate interests provided that such delay would not be likely to mislead the public and the issuer is able to ensure the confidentiality of that information.

Based on an overall assessment of the factors of the case, including the short time frame, the Exchange took note of the company's explanation. However, the Exchange found it regrettable that the information on the sale could not be kept confidential, but considering the short time frame, the Exchange found that the company had published an announcement sufficiently quickly. The Exchange pointed out to the company that it is of utmost importance that everybody has equal access to price-sensitive information and that publication via the Copenhagen Stock Exchange always takes place at least simultaneously with any other publication. Consequently, it is important that the parties involved in a sales process ensure confidentiality so that confidential information is not leaked to the market.

5. Miscalculation of net asset value

One afternoon, the Copenhagen Stock Exchange received an announcement from a company that issues investment certificates which stated that the net asset value that was published earlier that day was erroneous and that the correct net asset value was slightly higher.

Moreover, the Exchange noticed that the company's market maker, who quotes two-way prices in the company throughout most of the opening hours of the Exchange, that same day deleted the ask price of a number of shares from the order book.

The Exchange called the company and was informed that orders entered into the system had been deleted when the company received word that the calculated net asset value was erroneous.

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The Exchange asked the company to explain the course of events in relation to the detection and handling of the error, including when the company's market maker was informed of the error as well as the reason why the market maker was informed about the error prior to the publication of the company's announcement in the afternoon.

It appeared from the company's letter that the company's investment management company that day had asked questions about the net asset value of the shares, consequently, the investment management company had contacted the company's manager. Though no error was detected right away the manager ordered a recalculation of the net asset value as a matter of precaution. The company was informed of this decision in the morning. The company then informed the market maker that the net asset value may be erroneous and asked the market maker to keep an eye on any new calculations of the net asset value in case the first calculation turned out to be erroneous. The market maker chose to remove the prices, which was not dictated by the company.

Later that afternoon, the company was informed by the manager that an error had been detected in an operating item. The company asked the manager to immediately submit a new company announcement containing the correct net asset value and an explanation of the error.

The Exchange was of the opinion that the company should have issued an announcement when uncertainty occurred about the correctness of the previously published net asset value.

Based on the company's account the Exchange found that the announcement should have been issued in the morning of the day in question.

Pursuant to section 27 of the Danish Securities Trading Act the Copenhagen Stock Exchange reprimanded the company for having failed to publish an announcement about the suspected error in the calculation of the net asset value at the time when information hereon was communicated to the company's market maker.