



Carnegie – January-March 2007

24 April 2007

Net profit SEK 211 million (SEK 287 million)

- Carnegie's **net profit** for the first quarter 2007 was SEK 211 million (SEK 287 million), corresponding to **earnings per share** of SEK 2.95 (SEK 4.18), down by 26% from the first quarter 2006. Earnings per share, fully diluted were SEK 2.95 (SEK 4.10).
- **Total income** for the first quarter 2007 was down 16% Y/Y to SEK 1,039 million (SEK 1,239 million). Securities' income declined by 10% to SEK 574 million. Investment Banking income was SEK 119 million, down by 51% from the strong first quarter 2006. Asset Management income was down 5% to SEK 202 million, and Private Banking income was down by 2% to SEK 144 million.
- **Total expenses before profit-share** were SEK 455 million (SEK 428 million), an increase of 6% Y/Y. The cost range for 2007 is estimated at SEK 2,0 to SEK 2,1 billion (including Max Matthiessen's costs for three quarters).
- **Assets under management** amounted to SEK 121 billion, an increase of SEK 7 billion from the beginning of the year, of which net inflows were SEK 3.5 billion and asset values increased by SEK 3.5 billion.
- The acquisition of **Max Matthiessen** was completed at end of March and was consolidated in the Carnegie Group at 31 March 2007. Income from Max Matthiessen will be included in the Group for three quarters in 2007, starting in the second quarter.
- **The CAD-ratio** at 31 March was 12.6 per cent, above the minimum level of 12 per cent decided by the Board.
- The **AGM** 29 March approved a dividend of SEK 10.50 per share, which was distributed to shareholders on 10 April. All Board members were re-elected and Mai-Lill Ibsen was elected new Board member. The AGM also approved Carnegie Share programme 2008, an incentive programme directed to key employees (see www.carnegie.se/ir for a full presentation of the proposal).



Auditors' examination

This interim report has not been reviewed by the company's auditors.

Teleconference

Carnegie's CEO Stig Vilhelmson and Ulf Fredrixon (CFO) will present the first quarter results at a teleconference held 24 April at 4.00 PM (CET). It will be open to the public. In order to participate, please call +44 (0) 208 817 93 01. The conference call will also be accessible as an audio live web cast (including slide presentation) at www.carnegie.se/ir. For those unable to listen to the live web cast, a replay will be available at www.carnegie.se/ir approximately one hour after the event.

Contact persons

For further information, please contact Stig Vilhelmson (CEO) +46 8 676 86 01 or Ulf Fredrixon (CFO) +46 8 5886 90 12.

Financial calendar 2007

Interim report January-June	18 July
Interim report January-September	24 October

Additional information is available at www.carnegie.se/ir.

Carnegie is a leading independent investment bank with a Nordic focus. Carnegie provides value-adding services in securities broking, investment banking, asset management, private banking and pension advice, to institutions, corporations and private clients. Carnegie has around 1,100 employees in eight countries and is listed on the Nordic Exchange.



The Carnegie Group

<i>(SEK million)</i>	<i>Jan - Mar 2007</i>	<i>Jan - Mar 2006</i>	<i>Chg.</i>	<i>Jan - Dec 2006</i>
<i>Income statement</i>				
Securities	574	639	-10%	2,136
Investment Banking	119	241	-51%	885
Asset Management	202	212	-5%	891
Private Banking	144	147	-2%	563
Total income	1,039	1,239	-16%	4,475
Personnel expenses	-248	-243	2%	-952
Other expenses	-206	-186	11%	-708
Net provisions for credit losses	0	0		0
Total operating expenses excluding profit-share	-455	-428	6%	-1,659
Operating profit before profit-share	584	811	-28%	2,817
Allocation to profit-share system	-282	-400	-30%	-1,390
Total expenses	-737	-828	-11%	-3,048
Profit before taxes	302	411	-26%	1,427
Taxes	-91	-123	-26%	-414
Net profit	211	287	-26%	1,013
Earnings per share (SEK)	2.95	4.18		14.66
Earnings per share, fully diluted (SEK)	2.95	4.10		14.54

Market environment

Market conditions continued to be positive in the first quarter 2007, the Nordic index rose by around 6 per cent from year-end, outperforming the global indices, which showed an increase of 2 per cent. Aggregate turnover on the Nordic stock exchanges was strong in the first quarter and showed an increase of 22 per cent from the same period a year ago. A total of 6 (10) initial public offerings were launched in the Nordic markets during the first quarter 2007. The volume of announced M&A-transactions in the Nordic region amounted to USD 25 billion, significantly higher than the USD 13 billion recorded in the first quarter 2006. In Sweden, equity funds reported only a small inflow in the first quarter 2007 of SEK 2 billion (SEK 31 billion).

Market position

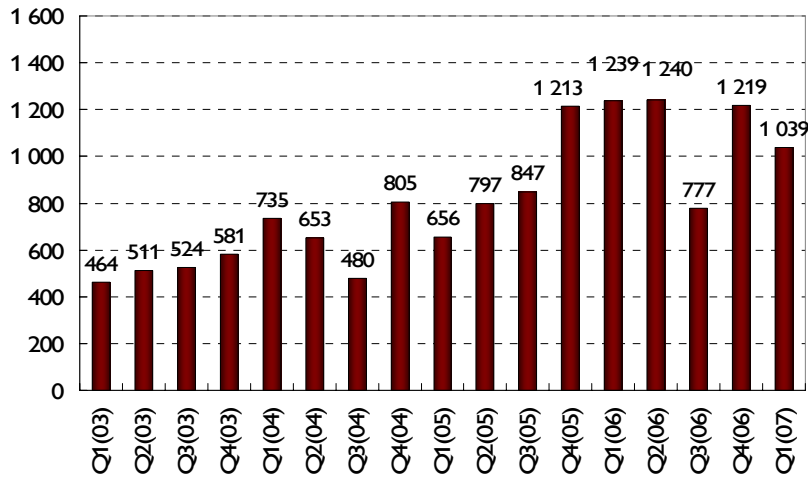
Based on client reviews and external rankings, Carnegie's overall market position was retained or improved during the period. Carnegie **Securities** were No 1 in the Institutional Investor ranking for Nordic Sales Team, and won the StarMine Analyst Awards for the Nordic region. In **Investment Banking**, Carnegie was ranked number 11 (1) by volume for the first quarter 2007, affected by the withdrawal of 2 larger deals, and achieved a second place (no 2) for number of transactions, with 9 deals (16 deals). Carnegie's top position in the Equity Capital Markets (ECM) segment remained. In **Asset Management** Carnegie funds representing about 95 per cent of the assets under management in rated equity funds presently hold 4- or 5-star rankings. In **Private Banking**, the client activities in the first quarter were intensified, helped by favourable market conditions.



Income

Total income in the first quarter 2006 was SEK 1,039 million (SEK 1,239 million), a decline of 16 per cent Y/Y from the strong first quarter 2006. **Securities** income decreased by 10 per cent to SEK 574 million. In **Investment Banking**, total income of SEK 119 million was halved from the exceptionally strong first quarter a year ago which reflected the activity in Norwegian market. **Asset Management** income declined by 5 per cent to SEK 202 million from the first quarter 2006, and included performance fees of SEK 11 million (SEK 43 million). **Private Banking** income was SEK 144 million, a slight decrease of 2 per cent from last year.

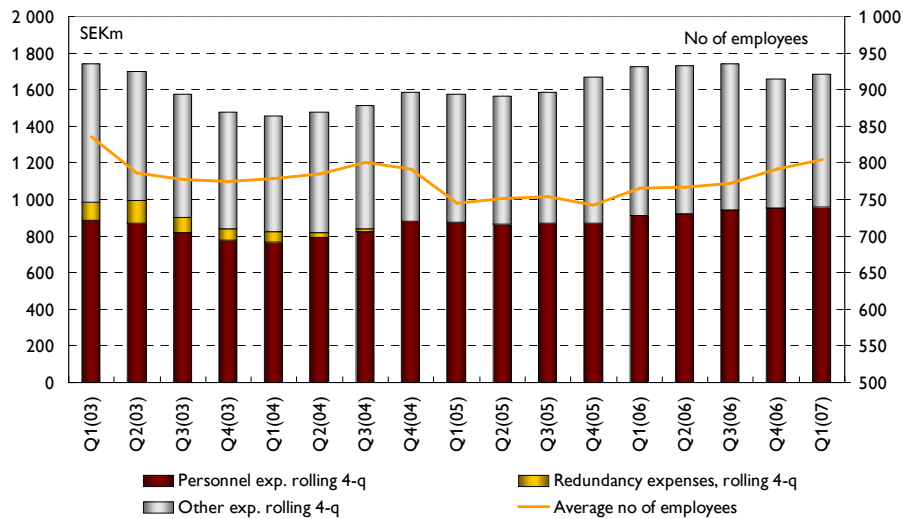
Quarterly income (SEK million)



Total expenses and estimated cost range for 2007

Total expenses before profit-share in the first quarter 2007 were SEK 455 million (SEK 428 million), up 6 per cent Y/Y, including a provision of SEK 25 million related to client disputes. Based on current market conditions, the estimated total cost range (excluding profit-share) in 2007 is **SEK 2.0 to 2.1 billion**. The total costs include Max Matthiessen's costs for three quarters.

Total expenses, rolling 4-quarter (SEK million)

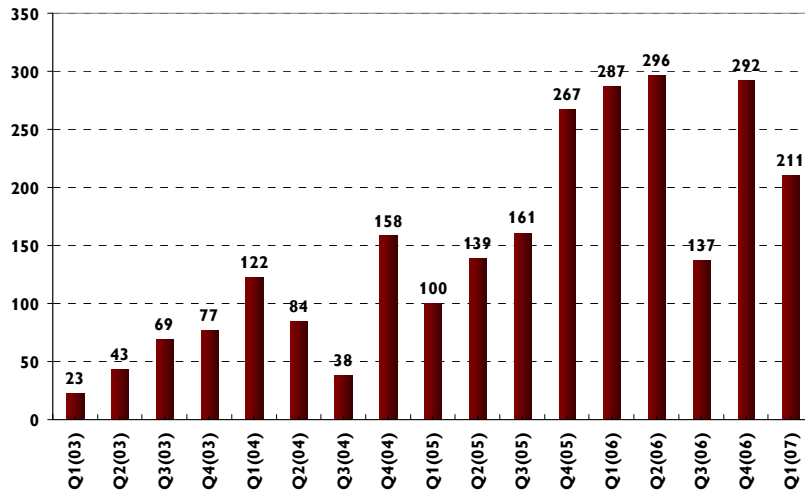




Allocation to profit-share in the first quarter 2007 was SEK 282 million (SEK 400 million), following the fixed formula for profit-share allocation: 50 per cent of the Group's operating profit before profit-share, after deduction of a STIBOR-related return on shareholders' equity.¹

The net profit for the first quarter 2006 was SEK 211 million (SEK 287 million), corresponding to a return on equity for the last 12-month-period of 54(55) per cent.

Net profit, quarterly (SEK million)



New business area Max Matthiessen

On 20 March Carnegie completed its acquisition of all of the shares and votes in Max Matthiessen (Max Matthiessen Holding AB), Sweden's leading independent advisor in pension insurance, in accordance with the agreement announced on 12 January 2007. The transaction was conditional on certain terms and regulatory approvals. All conditions have now been met.

The acquisition is financed through a new issue of shares in Carnegie with payment in kind to the holders of the Max Matthiessen shares. At a board meeting 20 March 2007, the Board of Directors in Carnegie resolved to increase the company's share capital with a maximum of SEK 12,084,712 through a new issue of a maximum of 6,042,356 shares. All new shares have now been subscribed for by the shareholders in Max Matthiessen, and paid for with non cash consideration in the form of all shares in Max Matthiessen. The acquisition value is based on 6,042,356 shares valued at the closing price of the Carnegie-share on 20 March 2007, plus SEK 10 million in transaction costs, in total the transaction value amounts to SEK 906 million.

Max Matthiessen is consolidated into Carnegie's accounts as from the acquisition date, which means that Max Matthiessen will be included in Carnegie's result from 1 April 2007. If the acquisition of Max Matthiessen had been completed at the beginning of 2007, this would have added SEK 132 million to the pro forma income, SEK 49 million to pro forma operating profit and SEK 20 million to pro forma net profit for the first quarter.

¹ Allocation to the profit-sharing system is accounted for in each business area on a fixed percentage basis, for the purpose of segmental analysis. Actual profit-share allocation is based on the full year results and distributed to individuals on a discretionary basis.



Preliminary acquisition analysis

Total no of shares offered	6,042
Carnegie share price, closing 20 March 2007	148,25
Purchase price (SEKm)	896
Expenses relating to the acquisition (SEKm)	10
Total purchase price (SEKm)	906
Net assets acquired (SEKm)	588
Goodwill (SEKm)	317

Net assets acquired (SEKm)	Carrying amount in Max M	Fair value adjustment	Net asset acquired (fair value)
Liquid funds	144		144
Other assets	463		463
Liabilities	-288		-288
Trademark		250	250
IT systems		25	25
Client stock		100	100
Less deferred tax liabilities		-105	-105
Net assets acquired (SEKm)	318	270	588
Goodwill			317
Total purchase price (SEKm)			906

	Total	Deferred tax	Net	Economic life	Annual amor.
Goodwill	317	-	317	-	-
Trademark	250	70	180	-	-
IT systems	25	7	18	5	5
Client stock	100	28	72	15	7
Total intangible assets (SEKm)	692	105	587		12

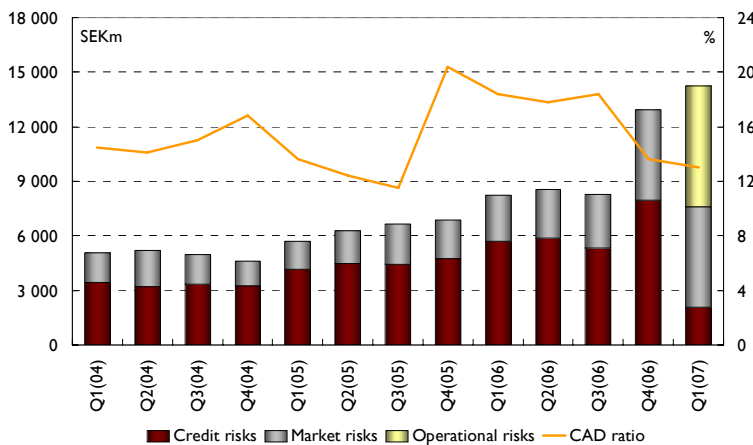
The preliminary acquisition analysis has been prepared in accordance with the purchase method of accounting. In the acquisition analysis intangible fixed assets that meet the requirements of IFRS 3 and IAS 38 have been identified in the form of trademark, IT system and client relationships with a total value of SEK 375 million. IT systems and client relationships have been estimated to have an economic life of 5 and 15 years respectively and are amortised over this period. The trademark has an indefinite life and is consequently not subject to annual amortisation. The trademark and the acquired goodwill will be impairment tested annually or in case there is an indication that the value has been reduced.

Risk-weighted assets and capital adequacy

In the new regulatory system for capital adequacy (Basel II), which is applied from 1 February 2007, the definition of risk-weighted assets has changed. The major effect for Carnegie is that risk-weighted assets referring to credit risks have decreased substantially, and that a new classification of risk-weighted assets regarding operational risk has been added to the total risk-weighted assets.

Risk weighted assets at 31 March 2007 amounted to SEK 14.2 billion (SEK 13.2 billion at year end, on a like-for-like basis) of which credit risks amounted to SEK 2 billion (SEK 2.5 billion), market risks amounted to SEK 5.5 billion (SEK 4.1 billion) and operational risks amounted to SEK 6.7 billion (SEK 6.7 billion). Max Matthiessen, being consolidated at the end of the quarter, is fully included in terms of balance sheet items, but is not reflected in the risk-weighted assets.

Risk-weighted assets and capital adequacy (SEK million, %)



The total regulatory capital base at 31 March 2007 amounted to SEK 1,790 million, including Tier 1 capital of SEK 1,307 million and Tier 2 capital of SEK 483 million. The corresponding Tier 1 ratio was 9.2 per cent, and the capital adequacy ratio was 12.6 per cent, above the minimum level established by the Board.

Liquidity, financing and investments

Carnegie's principal need for liquidity is to support the day-to-day operations, through secured and unsecured short-term funding. The need for long-term funding is relatively low. The majority of Carnegie's assets are marketable securities inventories (marked-to-market daily), margin lending and short-time deposits. As a consequence of this, Carnegie's working capital fluctuates significantly between the financial statement dates. In the first quarter 2007, the change in working capital was SEK -513 million (SEK 4,619 million). A more relevant measure of the liquidity is the cash flow from operations before changes in working capital, which was SEK 200 million in the first quarter 2007 (SEK 304 million). Capital expenditures in the first quarter 2007 were SEK 7 million (SEK 7 million). See page 20 for further information.



KEY DATA	<i>Jan - Mar 2007</i>	<i>Jan - Mar 2006</i>	<i>Jan - Dec 2006</i>
Earnings per share (SEK)	2.95	4.18	14.66
Earnings per share, fully diluted (SEK)	2.95	4.10	14.54
Book value per share (SEK)	34.5	21.3	31.2
Share price (SEK)	145.25	164.0	147.5
Price/earnings multiple	11.1	13.2	10.1
Number of shares at period-end	77,403,756	69,039,700	69,525,070
Average number of shares	71,718,167	68,821,400	69,074,691
Number of shares related to outstanding warrants	140,200	2,461,900	1,976,530
Total number of shares, incl effect of issued warrants	71,765,060	70,140,288	69,645,478
Cost/income ratio, %	71%	67%	68%
Profit margin, %	20%	23%	23%
Return on equity, (12 mo) %	54%	55%	58%
Total assets (SEK million)	58,400	43,333	41,588
Margin lending (SEK million)	6,118	5,662	8,403
Deposits and borrowing from general public (SEK million)	8,916	8,240	8,092
Total regulatory capital base (SEK million)	1,790	1,515	1,752
Tier I capital	1,307	1,030	1,276
-Shareholders' equity	2,668	1,472	2,168
-Goodwill	-581	-8	-9
-Intangible fixed assets	-388	-17	-10
-Deferred tax assets	-161	-126	-124
-Dividends			-749
-Profit after tax and foreign exchange differences	-232	-292	
Tier II capital			
-Subordinated loan	483	485	476
Total risk-weighted asset (SEK million) ¹⁾	14,253	8,239	12,925
Risk-weighted assets (Credit risks)	2,058	5,718	7,970
Risk-weighted assets (Market risks)	5,531	2,521	4,955
Risk-weighted assets (Operational risks)	6,663	-	-
Tier I Ratio, %	9.2%	12.5%	9.9%
Capital adequacy, % ¹⁾	12.6%	18.4%	13.6%
Number of employees, average	805	766	775
Number of employees, period-end	1,112	768	798
Period-end assets under management (SEK billion)	121	101	114

1) Capital adequacy is measured according to Basel II from the first quarter 2007.

Key ratios	2003	2004	2005	2006 Q1(06)	Q1(07)*
Net profit (SEK million)	211	401	667	1 013	287
Earnings per share (SEK)	3,17	6,01	9,98	14,66	4,18
Earnings per share, fully diluted (SEK)	3,14	5,94	9,94	14,54	4,10
Dividend per share (SEK)	3,16	5,93	9,19	10,50	-
Tier 1 ratio	22,7%	16,8%	13,6%	9,9%	12,5%
Capital adequacy	22,7%	16,8%	20,4%	13,6%	18,4%

*) From Q1(07) changed definition according to Basel II



Definitions of key data

Key ratios have been restated for 2004 according to IFRS. Key ratios regarding 2003 have not been restated due to the transition to IFRS. Should they have been restated, the impact would have been immaterial. Note that certain numerical information presented in millions may not add up due to rounding.

Earnings per share:	Net profit for the period divided by the average number of shares.
Earnings per share, fully diluted:	Net profit for the period divided by the average number of shares, fully diluted, including the effect of issued warrants (see page 22). The net profit is divided by the total number of shares including the number of shares to be issued corresponding to the calculated net present value (at current share price) of issued warrants.
Average number of shares:	Total number of shares, including any new share issues, as a weighted average over the period.
Number of shares entitled to dividend:	Total number of shares outstanding at the record date.
Total number of shares, incl effect of issued warrants:	Total number of shares including the number of shares to be issued corresponding to the calculated net present value of issued warrants.
Share price:	Share price (closing price) at period-end.
Price/earnings multiple (last 12 months):	Share price divided by earnings per share for the last 12-month-period.
Cost/income ratio:	Total expenses, including allocation to profit-share, as a percentage of total income including principal investments.
Profit margin:	Net profit as a percentage of total income including result from principal investments.
Return on equity:	Net profit for the last 12-months-period as a percentage of average shareholders' equity.
Total regulatory capital base:	Tier 1 capital + Tier 2 capital
Tier 1 capital:	Shareholders' equity plus equity portion of untaxed reserves, minus goodwill, any proposed dividend, deferred tax assets, intangible fixed assets and any repurchased shares.
Tier 2 capital:	Subordinated indebtedness, eligible up to 50% of Tier 1 capital
Risk-weighted assets:	Book value of assets valued in accordance with the capital adequacy rules of the Swedish FSA (Finansinspektionen)
Tier 1 ratio:	Tier 1 capital as a percentage of risk-weighted assets.
Capital adequacy ratio:	Total regulatory capital base (Tier 1 + Tier 2 capital) as a percentage of risk-weighted assets.
Number of employees, average:	Aggregate number of paid working hours for all employees divided by a pre-defined number of working hours per employee for the entire period.
Number of employees, period-end:	Number of full-time equivalent employees at period-end.

Accounting policies

This Interim report has been prepared in accordance with IAS 34, Interim Financial Reporting and RR 31 Interim Financial reporting for Groups. The accounting policies and calculation methods used in this report are the same as those used in the 2006 Annual Report.

The parent company in summary

Total income in the parent company D. Carnegie & Co AB in the first quarter 2007 was SEK 0 million (SEK 0 million), and the company was showing a loss before financial items of SEK 8 million (SEK -10 million). The net loss before taxes was SEK -15 million (SEK -13 million). At 31 March 2007, cash and liquid assets amounted to SEK 960 million. No capital expenditure was made during the period (SEK 0 million). Shareholders' equity on 31 March 2007 was SEK 1 798 million (SEK 897 million). The shareholders' equity is reduced by a dividend of SEK 813 million which was approved at the AGM meeting on 29 March and distributed to the shareholders on 10 April.



Securities

<i>(SEK million)</i>	<i>Jan - Mar 2007</i>	<i>Jan - Mar 2006</i>	<i>Chg.</i>	<i>Jan - Dec 2006</i>
Income from client activities 1)	471	537	-12%	1 730
Net interest income 2)	39	18		90
Trading result 3)	64	84	-23%	316
Total income	574	639	-10%	2 136
Personnel expenses	-116	-99	17%	-421
Other expenses	-112	-82	38%	-315
Net provisions for credit losses	0	0		-1
Total operating expenses excluding profit-share	-228	-181	26%	-737
Business area operating profit before profit-share	346	458	-25%	1 400
Allocation to profit-share system	-167	-226	-26%	-691
Total expenses	-395	-407	-3%	-1 427
Business area profit before taxes	179	232	-23%	709
Cost/income ratio, %	69%	64%		67%
Number of employees, average	358	329		336
Number of employees, period-end	360	327		349

1) Income from client activities includes commission, ECM-fees and Equity Finance income
 2) Net interest income includes client-related income
 3) Trading result includes the result from proprietary trading

Market development

The Nordic stock market indices outperformed the global stock markets again in the first quarter 2007, up 6 per cent vs 2 per cent in the global markets, following robust growth in fourth quarter

<u>Stockmarket turnover, Q1 2007</u>	<u>(SEKmillion)</u>	<u>Q107 Chg Y/Y</u>
Stockholm	3 478 616	24%
Helsinki	1 779 736	24%
Norway	1 855 562	26%
Denmark	1 024 589	6%
Aggregate Nordic turnover	8 138 503	22%

earnings. Aggregate equity turnover on the Nordic stock exchanges in the first quarter 2007 showed an increase of 22 per cent from the first quarter in 2006.

Market position

Carnegie continued to strengthen its position among the targeted client groups, confirmed by client reviews as well as external rankings. Carnegie is No 1 in the 2007 Institutional Investor Ranking for Nordic Sales Team, with a good No 1 position with US clients. For the second year Carnegie won the 6th Annual StarMine Analyst Awards (ranking based on estimate accuracy and performance in recommendations) with 14 awards received for Nordic region. Carnegie's share of the aggregate Nordic turnover was 6.1 per cent in the first quarter 2007, a decrease from 6.6 per cent for the full year 2006.

**Income**

From the first quarter 2007 the reporting has been changed in order to separate client related income and income from proprietary trading. Securities' income in the first quarter was SEK 574 million, down 10 per cent from the first quarter 2006. Income from client activities amounted to SEK 471 million (SEK 537 million) and included commission (of which 44 (47) per cent was generated from non-Nordic clients), income from ECM-fees and Equity Finance income. The trading result (proprietary trading) fell by 23 per cent to SEK 64 million in the first quarter 2007 (SEK 84 million).

Expenses and profit before taxes

Total expenses before profit-share amounted to SEK 228 million in the first quarter 2007, up 26 per cent from the first quarter 2006. The expenses included a provision of SEK 25 million for a client related dispute. Profit before taxes in the first quarter 2007 was down by 23 per cent Y/Y to SEK 179 million.



Investment Banking

<i>(SEK million)</i>	<i>Jan - Mar 2007</i>	<i>Jan - Mar 2006</i>	<i>Chg.</i>	<i>Jan - Dec 2006</i>
ECM fees	62	135	-54%	398
Net income from financial positions	1	1		3
Advisory fees	56	105	-47%	484
<i>Total income</i>	<i>119</i>	<i>241</i>	<i>-51%</i>	<i>885</i>
Personnel expenses	-41	-50	-17%	-167
Other expenses	-22	-28	-21%	-102
<i>Total operating expenses excluding profit-share</i>	<i>-63</i>	<i>-78</i>	<i>-19%</i>	<i>-269</i>
<i>Business area operating profit before profit-share</i>	<i>56</i>	<i>164</i>	<i>-66%</i>	<i>616</i>
Allocation to profit-share system	-27	-81	-66%	-304
<i>Total expenses</i>	<i>-90</i>	<i>-158</i>	<i>-43%</i>	<i>-573</i>
<i>Business area profit before taxes</i>	<i>29</i>	<i>83</i>	<i>-65%</i>	<i>312</i>
Cost/income Ratio, %	76%	66%		65%
Number of employees, average	133	128		128
Number of employees, period-end	133	130		132

Market environment

Nordic M&A volumes in the first quarter 2007 were slightly higher than the first quarter a year ago, though the number of announced deals was reduced. The deal volume was USD 14.7 billion, 9 per cent up on the first quarter 2006. The number of deals was, however, 25 per cent down, at 91 (122). The deal pattern mirrors the first quarter 2006, with a single transaction of over USD 3 billion (in 2007 Mölnlycke Heath Care) followed by a number of assignments in the region of USD 1 billion. In general, average assignment sizes were larger, compensating in volume for the smaller number of transactions.

ECM activity in the Nordic Region showed a similar ECM pattern to Europe, with deal volumes at USD 7.8 billion, up some 45 per cent compared to the first quarter 2006, almost equalling the previous highest opening volume in 2000. The number of deals was unchanged Y/Y at around 40. The 5 largest transactions were all in the range USD 500 to 800 million. Nordic IPO volumes and numbers were similar to the first quarter 2006. In the first quarter 2007 the IPO volume was USD 902 million and 10 transactions compared with USD 921 and 9 transactions in the same period 2006.

Market position

Nordic Mergers & Acquisitions

For the first quarter 2007, which included the withdrawal of 2 larger deals, Carnegie was ranked number 11 (number 1) by volume, with USD 930 million, though achieving a second place for number of transactions, with 9 deals (number 2 with 16 deals).



Q1 2007			Q1 2006			2006		
Adviser	USD million	#	Adviser	USD million	#	Adviser	USD million	#
1. Deutsche Bank AG	6,127	7	1. Carnegie	5,878	16	1. Morgan Stanley	56,819	14
2. Goldman Sachs & Co	4,593	6	2. Enskilda	4,554	18	2. Goldman Sachs & Co	47,839	9
3. Morgan Stanley	4,110	3	3. Pareto Securities	3,064	1	3. Lehman Brothers	42,071	7
4. Enskilda	1,697	10	4. Fondfinans AS	3,064	1	4. Enskilda	27,091	66
5. Credit Suisse	1,300	1	5. ABN AMRO	1,790	6	5. Deutsche Bank AG	15,825	15
6. Lehman Brothers	1,287	1	6. ABG Sundal Collier	1,682	3	6. Carnegie	13,940	43
7. CIBC World Markets Inc	1,165	2	7. Citigroup	1,082	4	7. Citigroup	13,497	17
8. KPMG Corporate Finance	1,098	2	8. Danske Markets	1,039	5	8. JP Morgan	11,817	15
9. Citigroup	1,098	2	9. JP Morgan	665	2	9. Credit Suisse	11,790	10
10. Svenska Handelsbanken AB	1,098	2	10. Deutsche Bank AG	600	2	10. ABN AMRO	10,695	21
Total market with advisers	15,812	94	Total market with advisers	11,001	119	Total market with advisers	126,424	529
Total market w/o advisers	9,413	479	Total market w/o advisers	2,013	303	Total market w/o advisers	19,092	1,437
Total market	25,225	573	Total market	13,014	422	Total market	145,515	1,966
11. Carnegie	931	9						

Source: Thomson Financial Securities Data, April 2007

Nordic ECM transactions

Carnegie was ranked number 3 (number 1) by volume, with USD 985 million (USD 1 268 million), and number 2 (number 1) by number of transactions, with 9 (13) deals. Of the largest transactions in the Nordic region, Carnegie had a lead manager role in the NOK 4.5 billion directed share issue for BW Offshore, Norway and was also co-lead manager in the 7th largest transaction, the IPO of ElectroMagnetic GeoService AS, Norway.

Q1 2007			Q1 2006			2006		
Adviser	USD million	#	Adviser	USD million	#	Adviser	USD million	#
1. SEB Enskilda	1,604	13	1. Carnegie	1,268	13	1. Carnegie	3,021	31
2. ABG Sundal Collier	991	8	2. SEB Enskilda	946	12	2. SEB Enskilda	2,336	34
3. Carnegie	985	9	3. Pareto Securities	889	5	3. Pareto Securities	2,303	23
4. UBS	674	2	4. DnB NOR	422	3	4. Morgan Stanley	1,667	4
5. Pareto Securities	586	5	5. Deutsche Bank	420	2	5. Danske Markets	1,464	3
6. Goldman Sachs & Co	541	4	6. Merrill Lynch	315	3	6. UBS	1,215	5
7. Credit Suisse	463	1	7. First Securities	167	1	7. Deutsche Bank	938	5
8. JP Morgan	371	1	8. Goldman Sachs & Co	116	1	8. ABG Sundal Collier	749	10
9. FIH Partners	358	1	9. Nordea	115	1	9. DnB NOR	594	5
10. Lehman Brothers	159	1	10. Dresdner Kleinwort	115	1	10. Handelsbanken	553	3
Total	7,037	34	Total	5,188	37	Total	17,316	104

Source: Thomson Financial Securities Data, April 2007

Income

Income for the first quarter 2007 of SEK 119 million (SEK 241 million) was 51 down from the strong first quarter 2006. In comparison, the first quarter 2007 was stronger than the first quarter in 2005 and 2004.

Expenses and profit before tax

Total expenses before profit-share in the first quarter 2007 were SEK 63 million, down 19 per cent Y/Y, due to one-off expenses in 2006. The business area made a profit before taxes of SEK 29 million for the first quarter (SEK 83 million).



Asset Management

<i>(SEK million)</i>	<i>Jan - Mar 2007</i>	<i>Jan - Mar 2006</i>	<i>Chg.</i>	<i>Jan - Dec 2006</i>
Regular fees	142	133	6%	512
Performance fees	11	42	-73%	150
<i>Total income from mutual funds</i>	153	176	-13%	662
Regular fees	49	36	37%	157
Performance fees	0	1		71
<i>Total income from discretionary fund management</i>	49	36	35%	228
<i>Total income</i>	202	212	-5%	891
Personnel expenses	-43	-45	-6%	-173
Other expenses	-34	-39	-14%	-139
<i>Total operating expenses excluding profit-share</i>	-76	-85	-10%	-312
<i>Business area operating profit before profit-share</i>	126	127		579
Allocation to profit-share system	-61	-63	-3%	-286
<i>Total expenses</i>	-137	-147	-7%	-597
<i>Business area profit before taxes</i>	65	64		293
Cost/income ratio, %	68%	70%		67%
Period-end assets under management (SEK billion)	121	101		114
- whereof mutual funds	59	53		56
- whereof discretionary fund management	63	48		59
Number of employees, average	138	135		134
Number of employees, period-end	139	135		137

Market environment

The global equity markets was up in the first quarter, and Nordic indices (up by 6 per cent) outperformed the global indices (up 2 per cent). The quarter showed small inflows or outflows to equity funds in the retail segment. In Sweden, the fact that PPM (the Swedish National Pension system) has moved their yearly inflow from the month of January to December, has had an impact on total flows to equity funds. The inflow was SEK 2 billion in the first quarter, as compared to an inflow of 31 billion in the first quarter 2006.

Rating and product performance

Some of the larger products have had a difficult start of the year, e.g. the World Wide funds, representing about half of the AUM in rated equity funds. In terms of external rating, over 95 per cent of Carnegie's total assets under management in rated equity funds held 4- or 5-star ratings.²

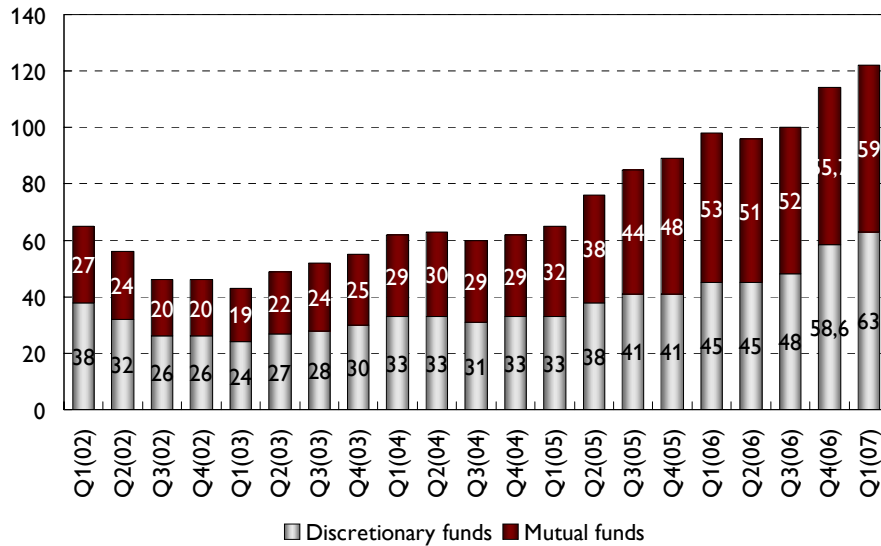
Assets under management

Assets under management (AUM) include discretionary managed portfolios and mutual funds. During the first quarter 2007, AUM grew to SEK 121 billion at 31 March 2007. The total increase of SEK 7 billion from the beginning of the year reflected an inflow of SEK 3.5 billion and an increase of SEK 3.5 billion in asset values. About SEK 7.5 billion of AUM represents mandates and funds for Private

² Source: Morningstar, Fondmarknaden and W-rating, April 2007. Five stars is the maximum ranking.

Banking clients.

Quarterly development of AUM (SEKbn)



Income

Total income in Asset Management in the first quarter 2007 was SEK 202 million (SEK 212 million), a decline of 5 per cent. Excluding performance fees, the underlying increase in income was 13 per cent. Income from **mutual fund products** was down 13 per cent to SEK 153 million (SEK 176 million). Mutual funds are distributed through external networks, and generate a net fee after distribution costs. Income from **discretionary mandates** was SEK 49 million (SEK 36 million).

About 22 per cent of the total assets under management (discretionary mandates as well as mutual funds) have a **performance-related fee structure**. The performance fees are realised and accounted for partly at year-end and partly on a quarterly basis, according to the terms of the client agreements. In the first quarter 2007, total performance fees amounted to SEK 11 million (SEK 43 million), in total generated in mutual fund products.

Expenses and profit before taxes

Total expenses before profit-share of SEK 76 million was down by 10 per cent Y/Y, and the profit before taxes improved slightly Y/Y to SEK 65 million.



Private Banking

<i>(SEK million)</i>	<i>Jan - Mar 2007</i>	<i>Jan - Mar 2006</i>	<i>Chg.</i>	<i>Jan - Dec 2006</i>
<i>Total income</i>	144	147	-2%	563
Personnel expenses	-49	-48	1%	-191
Other expenses	-39	-37	4%	-152
Net provisions for credit losses	0	0		1
<i>Total operating expenses excluding profit-share</i>	<i>-87</i>	<i>-85</i>	3%	<i>-341</i>
<i>Business area operating profit before profit-share</i>	<i>56</i>	<i>61</i>	-8%	<i>222</i>
Allocation to profit-share system	-27	-30	-10%	-109
<i>Total expenses</i>	<i>-115</i>	<i>-116</i>	-1%	<i>-451</i>
<i>Business area profit before taxes</i>	<i>29</i>	<i>31</i>	-6%	<i>112</i>
Cost/income ratio, %	80%	79%		80%
Operating margin, %	20%	21%		20%
Client volume (SEK billion)	56	57		55
Number of employees, average	176	174		177
Number of employees, period-end	177	176		180

*) The Private Banking client volume represents the gross value of all private client accounts, including discretionary and advisory accounts, as well as all types of securities, mutual funds, deposits and lending.

Market position and product development

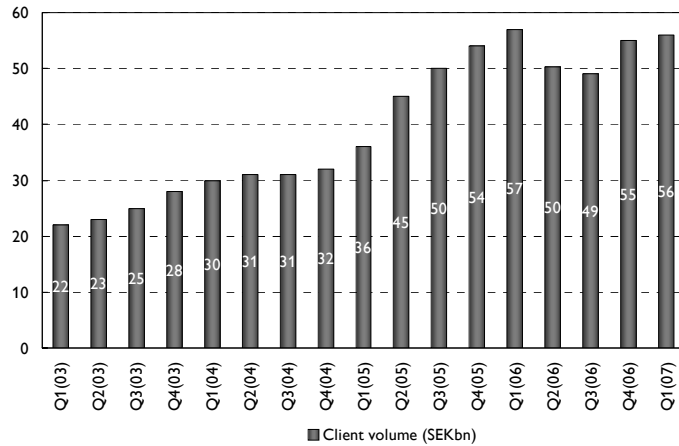
Private Banking has started the year in a promising way, helped by positive market conditions and encouraged by intense activities towards existing and potential clients. Following the acquisition of Max Matthiessen, completed at the end of the first quarter, the co-operation is being enhanced further and the client offering, based on Carnegie's solid asset allocation capability, is developed accordingly. A strong focus is also put on improving co-operation, especially on product development, 3rd party providers and cross-border IT projects.

Client volume

The Private Banking client volume amounted to SEK 56 billion at 31 March 2007, up SEK 1 billion from the beginning of the year. About SEK 7.5 billion of the client volume relates to discretionary assignments for which Asset Management have advisory mandates, and is also included in the AUM presented by business area Asset Management.



Client volume (SEK billion)



Income

Private Banking income is generated as fees from discretionary asset management and mutual fund management, brokerage commission from advisory accounts, sales provision from distribution of Carnegie's and external mutual funds, net interest from lending and deposits and advisory fees from legal and insurance advice. Total income in the first quarter 2007 was SEK 144 million (SEK 147 million), of which the main part was generated from advisory accounts and fees from discretionary asset management and mutual fund management. Both advisory fees, commission and net interest were in line or better than the first quarter 2006.

Expenses and profit before taxes

Total expenses before profit-share was SEK 87 million, up 3 per cent Y/Y. Profit before taxes in the first quarter 2007 was down by 6 per cent Y/Y to SEK 29 million.

D. Carnegie & Co AB (publ)

Stockholm, 24 April 2007

Stig Vilhelmson
Chief Executive Officer



Segmental reporting

<i>Segmental reporting</i> <i>(SEK million)</i>	<i>Total</i>		<i>Securities</i>		<i>Investment Banking</i>		<i>Asset Management</i>		<i>Private Banking</i>	
	<i>3m(07)</i>	<i>3m(06)</i>	<i>3m(07)</i>	<i>3m(06)</i>	<i>3m(07)</i>	<i>3m(06)</i>	<i>3m(07)</i>	<i>3m(06)</i>	<i>3m(07)</i>	<i>3m(06)</i>
<i>Income statement</i>										
<i>Total income</i>	1,039	1,239	574	639	119	241	202	212	144	147
Personnel expenses	-248	-243	-116	-99	-41	-50	-43	-45	-49	-48
Other expenses	-206	-186	-112	-82	-22	-28	-34	-39	-39	-37
Net provisions for credit losses	0	0	0	0	-	-	0	0	0	0
<i>Total operating exp excl profit-share</i>	<i>-455</i>	<i>-428</i>	<i>-228</i>	<i>-181</i>	<i>-63</i>	<i>-78</i>	<i>-76</i>	<i>-85</i>	<i>-87</i>	<i>-85</i>
<i>Operating profit before profit-share</i>	<i>584</i>	<i>811</i>	<i>346</i>	<i>458</i>	<i>56</i>	<i>164</i>	<i>126</i>	<i>127</i>	<i>56</i>	<i>61</i>
Allocation to profit-share system	-282	-400	-167	-226	-27	-81	-61	-63	-27	-30
<i>Total expenses</i>	<i>-737</i>	<i>-828</i>	<i>-395</i>	<i>-407</i>	<i>-90</i>	<i>-158</i>	<i>-137</i>	<i>-147</i>	<i>-115</i>	<i>-116</i>
<i>Profit before taxes</i>	<i>302</i>	<i>411</i>	<i>179</i>	<i>232</i>	<i>29</i>	<i>83</i>	<i>65</i>	<i>64</i>	<i>29</i>	<i>31</i>
Taxes	-91	-123								
<i>Net profit</i>	<i>211</i>	<i>287</i>								

Carnegie presents segmental reporting in accordance with IAS 14. Carnegie has defined the existing business areas as primary segments. Information in the interim report is presented as above. Information regarding assets, investments in associates, liabilities, investments and depreciations related to the primary segments is presented the annual report. In addition to this, information for the secondary segments, defined as geographical area, regarding income, assets and investments, is also presented in the annual report.



*Statutory consolidated income statement
(SEK millions)*

	<i>Jan - Mar 2007</i>	<i>Jan - Mar 2006</i>	<i>Jan - Dec 2006</i>
Commission income	859	1,092	3,894
Commission expenses	-51	-44	-182
<i>Net Commission income</i>	<i>809</i>	<i>1,048</i>	<i>3,712</i>
Interest income	202	114	666
Interest expenses	-203	-86	-617
<i>Net interest income</i>	<i>-2</i>	<i>28</i>	<i>49</i>
Dividends received	0	0	1
Net profit from financial transactions	232	162	714
<i>Total income</i>	<i>1,039</i>	<i>1,239</i>	<i>4,475</i>
General administrative expenses	-721	-812	-2,985
Depreciation of tangible and amortisation of intangible fixed assets	-15	-16	-64
<i>Total expenses</i>	<i>-737</i>	<i>-829</i>	<i>-3,049</i>
<i>Operating profit before provisions for credit losses</i>	<i>302</i>	<i>410</i>	<i>1,427</i>
Provisions for credit losses, net	0	0	0
<i>Profit before taxes</i>	<i>302</i>	<i>411</i>	<i>1,427</i>
Taxes	-91	-123	-414
<i>Net profit</i>	<i>211</i>	<i>287</i>	<i>1,013</i>
Earnings per share (SEK)	2.95	4.18	14.66
Earnings per share, fully diluted (SEK)	2.95	4.10	14.54
Average number of shares	71,718,167	68,821,400	69,074,691
Number of shares related to outstanding warrants	140,200	2,461,900	1,976,530
Total number of shares, incl effect of issued warrants	71,765,060	70,140,288	69,645,478



*Statutory consolidated balance sheet
(SEK millions)*

	<i>Mar 31</i>	<i>Mar 31</i>	<i>Dec 31</i>
	<i>2007</i>	<i>2006</i>	<i>2006</i>
Assets			
Cash and bank deposits in central banks	229	764	480
Loan to credit institutions	9 194	13 041	7 753
Loans to general public	6 118	5 662	8 403
Bonds and other interest bearing securities	1 972	1 275	1 915
Shares and participations	21 841	18 023	14 173
Intangible assets	988	75	48
Tangible fixed assets	89	65	75
Other assets	17 061	4 000	8 180
Prepaid expenses and accrued income	908	428	562
Total assets	58 400	43 333	41 588

Liabilities and shareholders' equity

Liabilities to credit institutions	20 724	14 080	15 762
Deposits and borrowing from general public	8 916	8 240	8 092
Other liabilities	24 421	18 228	13 269
Accrued expenses and prepaid income	1 187	828	1 821
Subordinated loan	483	485	476
Shareholders' equity	2 668	1 472	2 168
Total liabilities and shareholders' equity	58 400	43 333	41 588

*Changes in shareholders' equity
(SEK millions)*

	<i>Mar 31</i>	<i>Mar 31</i>	<i>Dec 31</i>
	<i>2007</i>	<i>2006</i>	<i>2006</i>
Shareholders' equity - opening balance	2 168	1 721	1 721
Dividend (Q1)	-813 *	-634	-634
Translation differences	20	5	-72
New share issue - acquisition of Max Mattiessen	896	-	-
Exercised warrants	185	94	142
Net profit for the period	211	287	1 013
Shareholders' equity - closing balance	2 668	1 472	2 168

* The AGM 29 March 2007 approved a dividend of SEK 10.50 per share, which was distributed to shareholders on 10 April 2007.



*Statements of changes in financial position
(SEK millions)*

<i>Current operations</i>	<i>Group</i>		
	<i>Jan - Mar 2007</i>	<i>Jan - Mar 2006</i>	<i>Jan - Dec 2006</i>
Cash flow from operations before changes in working capital	200	304	1,098
Changes in working capital	-513	4,619	-1,484
<i>Cash flow from current operations</i>	<i>-313</i>	<i>4,923</i>	<i>-386</i>
Cash flow from investment activities	130	-6	-33
Change in long-term liabilities	-	-	-10
Exercised warrants	185	94	142
Distributed dividend	-	-634	-634
<i>Cash flow from financing activities</i>	<i>185</i>	<i>-540</i>	<i>-502</i>
<i>Cash flow for the period</i>	<i>3</i>	<i>4,377</i>	<i>-921</i>
Liquid funds at the beginning of the year	9,244	9,244	9,244
Exchange differences in liquid funds	127	37	-90
<i>Liquid funds at the end of the period *</i>	<i>9,373</i>	<i>13,658</i>	<i>8,233</i>

* IAS 7, 49,9 MSEK (147,3) with a duration longer than 3 months has reduced the cashflow.



Ownership structure

Larger shareholders 31 March 2007	Votes and capital%
Carnegie employees ¹	14,0%
Barclays Global Investors	9,4%
Franklin-Templeton Funds	4,4%
Swedbank Robur funds	3,7%
Canadian pension funds	3,5%
SHB/SPP funds	3,4%
Catella funds	2,8%
SEB	2,1%
SHB	1,8%
Danske Capital funds	2,3%
SEB funds	1,7%
Other	60,3%
Total	100,0%

1) Including management's holdings. Employee shareholdings are individual holdings.

Employee shareholding

Total shareholding by employees is estimated at 14 per cent of the total number of shares outstanding at 31 March 2007, including the shares held by former Max Matthiessen employees. Employee trading in the Carnegie share is only allowed during open periods, starting the day after the announcement of an interim report and closing the day before the first day of the reporting month.

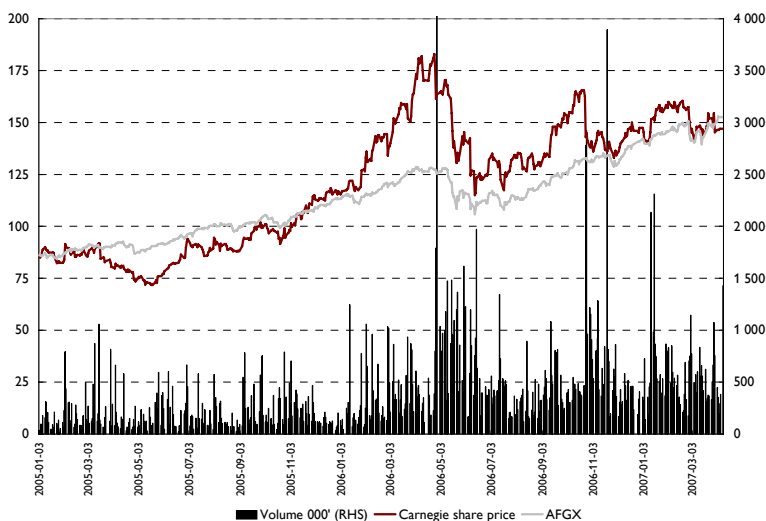
Remaining open periods 2007, all dates inclusive:

25 April – 31 May

19 July – 31 August

24 October – 30 November

Share price development and turnover 1 January 2005 – 9 April 2007



Share information (SEK)

Market value 31 March 2007 (SEKm)	11 475
Share price 31 March 2007	145,0
Share price 31 Dec. 2006	147,5
Year high 2007	162,0
Year low 2007	138,0
All time high	188,0
All time high date	25 April 2006

Listing: OMX The Nordic stock exchange, large cap, fin.

Code: SE0000798829

Listed since: 2001-06-01

Trading lot: 100 shares

Symbol: CAR



Warrant programmes

Warrant programme	No. of warrants	Of which exercised as per 31 Mar 2007	Exercise price ¹ (SEK)	Subscription period	No. of warrants outstanding at 31 Mar 2007	Increased equity if fully subscribed (SEKm)	Corresponding share of capital
2004/2007	2,400,000	2,259,800	101	1 Apr 2005-27 Apr 2007	140,200	242	2.8%

¹ The exercise prices have been set to 120% of the average share price the week after publication of the year-end reports.

At 31 March 2007 there was one remaining warrant programme outstanding, distributed to Carnegie employees in 2004. Under the 2004/2007 programme 2,259,800 shares has been subscribed for at the exercise price of SEK 101, which has increased the total equity by SEK 228 million in total. The remaining 140,200 warrants expire 27 April 2007.

The aggregate dilution effect in terms of profit per share is calculated in accordance with IAS 33. The net profit is divided by the total number of shares including the number of shares to be issued corresponding to the calculated net present value (at current share price) of issued warrants. The aggregate dilution effect in terms of profit per share of the remaining issued warrants is below 2 per cent, based on the share price at 31 March 2007 (SEK 145).