20 February 2007

Carnegie's Board of Directors to propose share programme to the AGM

Carnegie's Board of Directors has resolved to propose to the Annual General Meeting a share programme to around 100 key employees. The programme is performance-based and includes a vesting period of three years.

An attractive incentive system is an important component to be able to recruit and retain key individuals and increase shareholder value. In connection with the Initial Public Offering of Carnegie in 2001, the need for long-term incentive programmes in addition to Carnegie's profit-share system was communicated, and three warrant programmes were issued during 2002-2004. The last of the three warrant programmes issued expires in April 2007.

- The key factor in being a leading player in the areas we operate is the ability to attract and retain the best people. A performance-based, long-term incentive programme is an important component to achieve maximum performance and shareholder value, says Christer Zetterberg, chairman of the Board of Carnegie.

The Remuneration Committee, consisting of Christer Zetterberg (chairman), Niclas Gabrán and Anders Ljungh, has reviewed the programme and in addition, Christer Zetterberg has consulted some of the major shareholders.

The Share Programme 2008 in brief

The programme is a performance-based share-programme, granted to around 100 key employees in Carnegie. In the beginning of 2008, part of the participating employees' profit-share for 2007 will be invested in rights in the share programme, at a value corresponding to the market value of the Carnegie share. At full participation, employees will have invested in rights corresponding to approximately 250,000 shares. Assuming continued employment after three years, the rights in the share programme are transferred to investment shares. The rights will not be eligible for dividend during the three-year period.

For every investment share, the employees will receive:

- one half (0.5) matching share;
- a maximum of 3.5 performance shares, provided that the growth in earnings per share between 2007 and 2008 is 25 per cent or higher. No allocation of performance shares will be made if the increase in earnings per share between 2007 and 2008 is less than 10 per cent.

Provided full participation in the Share Programme 2008, and that the maximum performance targets are met, not more than 790,000 shares in Carnegie may be transferred to the participants free of charge. In addition, shares will be issued to cover social security charges applicable on the matching- and performance shares. This means that in total a maximum of 935,000 shares, equalling approximately 1.2 per cent of the total number of outstanding shares in Carnegie will be issued.

Expenses

Non-cash expenses

Under IFRS 2, the fair value of a performance based incentive program must be recognised as an expense in the income statement over the vesting period. Since the benefit is paid by means of equity instruments, the equity will increase by a corresponding amount, resulting in an unchanged equity position.

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Based on historic growth in earnings per share, the expected pre-tax expenses for the Share Programme 2008 would amount to approximately SEK 25 million per year for the period 2008 to 2010. The maximum expenses, based on current share price, full participation and maximum performance, would amount to approximately SEK 50 million per year.

The total effect on the income statement of Share Programme 2008 will differ as a result of the development of the share price, allocation of rights to investment shares, matching shares and performance shares, size of the social security charges and Carnegie's tax rate, and, above all, the level of participation in the programme.

Expenses affecting the cash flow
Administration expenses have been estimated to approx. SEK 2 million for the Share Programme 2008.

Decisions concerning the Share Programme 2008
For a decision to be adopted, as proposed by the Board of Directors, the Share Programme 2008 requires support from 9/10 of the votes cast and votes represented at the Annual General Meeting.

The AGM notice will be published on 23 February 2007 and will include the full details of the programme.

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