



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.

## Focus on increased financial stability

### January - September 2008

- Total income decreased by 9 percent and amounted to SEK 2,693m (2,958).
- Total expenses before profit share amounted to SEK 2,908m (1,608), of which SEK 1,182m in credit provisions.
- Net profit amounted to SEK -150m (266), corresponding to a profit per share of SEK -1.94 (3.52).
- Net inflow of SEK 14 billion to Asset Management since year-end.

### Third quarter of 2008

- Total income decreased by 20 percent and amounted to SEK 852m (1,067).
- Total expenses before profit share amounted to SEK 1,604m (629). The third quarter includes SEK 40m (0) in restructuring costs and SEK 1,052m (50) in credit reserves, of which SEK 1,000m pertains to an individual credit commitment. This commitment comprises underlying collateral where the value cannot be estimated fully at present.
- Net profit amounted to SEK -362m (151), corresponding to a profit per share of SEK -4.66 (1.95).
- An action programme was initiated, reducing 40 positions in Sweden, and additional measures will be implemented during the fourth quarter.
- Assets under management of SEK 122 billion in Asset Management, net inflow of SEK 8 billion during the quarter.

## Earnings trend

(SEKm)	Jul-Sep			Jan-Sep		Full year
	2008	2007	%	2008	2007	2007
Total income	852	1,067	-20%	2,693	2,958	4,340
Operating profit before profit share	-752	438	-	-215	1,350	2,105
Profit before tax	-517	232	-	-215	395	854
Net profit	-362	151	-	-150	266	601
Profit per share (SEK)	-4.66	1.95	-	-1.94	3.52	7.90

All historical comparison are adjusted in accordance to what was communicated in the 2007 Annual Report related to the trading events.

## CEO'S COMMENTS

### Focus on increased financial stability

The global financial crisis has deepened in the recent period. Carnegie is naturally not unaffected. It is more difficult for companies to find financing for M&A transactions, asset values for our clients are declining and the value of the equities traded on the world's exchanges are decreasing in pace with the market decline.

Income during the third quarter was 9 percent lower than the preceding quarter and 20 percent lower compared to the corresponding period in the preceding year, primarily as a result of lower asset values and lower activity in corporate advisory services. Carnegie's operations in long-term savings in the Max Matthiessen business segment showed continued stable earnings. Similarly, the Asset Management business segment showed impressive stability driven by positive fund flows. During a year, where investors generally have reduced their exposure to the equity markets, Carnegie has managed to attract SEK 14 billion in new capital. In relative terms, development was weakest in the Investment Banking business segment. Activity is high, but transactions are not being completed in many cases due to the uncertainty in the credit markets. Income from the Securities business segment declined in line with the value decline on the Nordic exchanges.

In the preceding report, we addressed the need to reduce cost levels within Carnegie. During the latter part of the third quarter, we therefore began implementing an action programme, initially in Swedish operations. The programme is proceeding as planned. During the fourth quarter, the review will continue with operations outside Sweden. These measures are expected to gradually reduce costs starting in the fourth quarter of 2008.

In total, Carnegie's has posted SEK 1,052m for anticipated credit losses during the third quarter. Of this total, SEK 1,000m related to an individual credit commitment. In the assessment, Carnegie has considered the development since the end of the quarter. This commitment comprises underlying collateral, comprising of unlisted shares, whose value cannot be estimated fully at present. Although the objective is to settle the commitment as soon as possible without incurring any losses, funds are being reserved until further notice in order to cover potential deficit.

During the quarter, the risk level has been substantially reduced by lowering lending as well as downsizing proprietary trading. As a consequence, the balance sheet has been reduced by SEK 13 billion during the third quarter and is at present even lower.

Carnegie has a fundamentally strong core business, which we will focus on even more intently in the future, at the same time as we reduce risk exposures. Meanwhile, we will have to continue to focus on our various customer undertakings and on defending our strong position in the Nordic market.

**Mikael Ericson**

President and CEO

## CARNEGIE GROUP

### Income statement

(SEKm)	Jul-Sep			Jan-Sep		Full year
	2008	2007	%	2008	2007	2007
Securities	347	430	-19%	1,032	1,095	1,521
Investment Banking	76	139	-46%	293	458	683
Asset Management	185	226	-18%	602	709	1,126
Private Banking	107	138	-23%	339	427	581
Max Matthiessen	138	133	4%	427	269	428
<b>Total income</b>	<b>852</b>	<b>1,067</b>	<b>-20%</b>	<b>2,693</b>	<b>2,958</b>	<b>4,340</b>
Personnel expenses	-347	-325	7%	-1,057	-887	-1,227
Other expenses	-205	-254	-19%	-669	-670	-914
Net provisions for credit reserves	-1,052	-50	-	-1,182	-50	-95
<b>Total operating expenses excluding profit share</b>	<b>-1,604</b>	<b>-629</b>	<b>-</b>	<b>-2,908</b>	<b>-1,608</b>	<b>-2,235</b>
<b>Operating profit before profit share</b>	<b>-752</b>	<b>438</b>	<b>-</b>	<b>-215</b>	<b>1,350</b>	<b>2,105</b>
Costs of profit-share system	235	-206	-	-	-955	-1,250
<b>Total expenses</b>	<b>-1,369</b>	<b>-835</b>	<b>-</b>	<b>-2,908</b>	<b>-2,563</b>	<b>-3,485</b>
<b>Profit before taxes</b>	<b>-517</b>	<b>232</b>	<b>-</b>	<b>-215</b>	<b>395</b>	<b>854</b>
Taxes	155	-80	-	64	-129	-254
<b>Net profit</b>	<b>-362</b>	<b>151</b>	<b>-</b>	<b>-150</b>	<b>266</b>	<b>601</b>
Operating profit margin	-	22%		-	13%	20%
Profit per share, SEK	-4.66	1.95		-1.94	3.52	7.90
Profit per share, fully diluted, SEK	-4.66	1.95		-1.94	3.52	7.90
Number of employees, average	1,154	1,106		1,155	1,005	1,035
Number of employees, period-end	1,160	1,109		1,160	1,109	1,135

### Income

Income during the **third quarter** of 2008 amounted to SEK 852m (1,067), a decline of 20 percent in relation to the corresponding period of 2007. **Securities'** income declined by 19 percent to SEK 347m (430), although improved trading earnings partly compensated for lower commission and ECM income.

**Investment Banking** generated income of SEK 76m (139), a decline of 46 percent that was related to lower activity in M&A transactions. **Asset Management** reported income of SEK 185m (226). The difference was due to lower income from performance-based fees. **Private Banking's** income amounted to SEK 107m (138), a decline of 23 percent in relation to the third quarter of 2007 and a consequence of lower client activity. **Max Matthiessen** continued to show a stable trend, with income amounting to SEK 138m (133), an increase of 4 percent.

Income for the period from **January to September 2008** amounted to SEK 2,693m (2,958), which was 9 percent lower than the corresponding period in 2007. In the comparison figures for 2007, Max Matthiessen was only included for two quarters.

## Expenses and net profit

### Third quarter of 2008

During the third quarter of 2008, expenses before profit share amounted to SEK 1,604m (629). Costs for the third quarter of 2008 included the following extraordinary items: SEK 1,052m in credit reserves related to one major and some smaller credit engagements, SEK 40m related to costs for the action programme. For further information concerning the credit reserve, refer to page 5. The third quarter of 2007 included a penal charge of SEK 50m that was paid to the Financial Supervisory Authority, reported under Other expenses, and credit reserves of SEK 50m. Adjusted for these extraordinary items, costs decreased by 3 percent.

In addition, a change in the reporting method for vacation pay liabilities had a favourable impact of SEK 23m in relation to costs for the third quarter of the preceding year.

Profit before tax for the third quarter of 2008 amounted to SEK -517m (232).

### January–September 2008

Expenses before profit share during the period January–September 2008 amounted to SEK 2,908m (1,608). Costs for the first nine months of 2008 included the following extraordinary items: SEK 40m related to costs for the action programme and credit reserves of SEK 1,182m. The third quarter of 2007 included a penal charge of SEK 50m that was paid to the Financial Supervisory Authority, a reserve of SEK 25m for client-related disputes and credit reserves of SEK 50. In the comparison figures for 2007, expenses for the new business area Max Matthiessen were included for only two quarters. Adjusted for these extraordinary items and for Max Matthiessen, costs increased by 4 percent.

Profit before tax for the period from January to September 2008 amounted to SEK -215m (395). Profit before tax for the period from January to September 2007 included SEK 280m for the effects on profit of the revaluation of the trading position and SEK 175m for the write-down of a claim on the profit-sharing system for the period 2005-2006.

## Risks and uncertainty factors - impact of the financial crisis

### Earnings capacity

The value of Nordic stock indices declined sharply during the third quarter and the early part of the fourth quarter of 2008. The stock market decline is having both direct and indirect effects on Carnegie's earnings. The Securities business area is affected directly, since a large part of its revenues is based on the value of the client transactions traded. Within the Private Banking and Max Matthiessen business segments, a high degree of recurring revenues is sought, which means that the direct impact of the crisis is more limited. Within Asset Management, revenues are based on the size of the assets managed. Investment Banking is affected indirectly, when transactions are not being completed as a consequence of uncertainty in the credit market.

### General information on risks and uncertainties

The business activities of the Carnegie Group expose Carnegie to market, credit, liquidity and operational risks. Market risk is defined as the risk of loss due to changes in market prices, e.g. changes in equity prices, interest rates, or currency exchange rates. Credit risk is defined as the risk of loss due to counterparty defaults on loans. Credit risk mainly arises as a consequence of loans to clients using shares as collateral. Liquidity risk is related to the need for liquidity in the day-to-day operations. Operational risk is the risk of loss resulting from inadequate or failed internal processes and systems, alternatively human error or external events. A more detailed description of the Carnegie Group's risk management is presented in the 2007 Annual Report on pages 25-27 and in Note 33 on pages 79-80.

### Market risks

Carnegie's market risks are primarily associated with the Securities business area, whose operations encompass proprietary trading. During the early part of the third quarter, determined efforts to reduce risks were made due to the turbulence prevailing in financial markets. Therefore, the balance sheet has been substantially reduced. In relation to year-end 2007, the balance sheet total has been reduced from SEK 45 billion to SEK 33 billion.

Carnegie's own exposure towards equities and equity-related instruments includes items both on the asset side of the balance sheet and the liability side. As of 30 September 2008, the gross value of such assets and liabilities amounted to SEK 16,786m (SEK 25,934m at 31 December 2007), of which SEK 11,753m consisted of shares and SEK 5,053m consisted of derivative instruments. Financial assets and liabilities are reported at fair value. The shareholdings consist of both short and long positions in shares listed in Sweden and on international markets. Derivative positions consisted of holdings of and issued forward contracts, call options, put options and warrants. Of the total position, 73 percent was valued at market prices and 27 percent based on theoretical values. Theoretical values are used if market prices are unavailable or of poor quality.

As of 30 September 2008, the maximum maturity period for derivative instruments included in the trading portfolio was 2012. Maturities were less than one year for 73 percent of the derivative instruments, between one and two years for 20 percent and more than two years for 7 percent. Carnegie's trading portfolio was valued by an external party during the quarter. The valuation supported Carnegie's valuations.

### Credit risk and credit reserves

Carnegie's exposure to credit risks primarily arises within the Securities and Private Banking businesses, as a result of lending for which equities are used as underlying collateral.

In total, Carnegie's has posted SEK 1,052m for anticipated credit losses during the third quarter. Of this total, SEK 1,000m related to an individual client commitment. This commitment comprises underlying collaterals where the value cannot be estimated fully at present. The remaining SEK 52m in credit reservations relates to a small number of trading-active clients where their ability to fulfill their undertakings to Carnegie is uncertain.

### Capital requirements and capital quotient

Capital requirements and the capital quotient are listed, in the table on the next page, in accordance with the Swedish Financial Supervisory Authority's regulations FFFS 2007:5 regarding disclosure of information about capital requirement. Capital quotient is calculated as the quotient between capital base and capital requirements. The capital quotient may not be less than 1. In spite the large credit provisions totaling SEK 1,182m during the period January-September 2008, the capital quotient is still 1.38, well above the legal requirement and close to Carnegie's own long-term objective.

A detailed description of the Carnegie Group's capital quotient is provided in the 2007 Annual Report on page 27 and in Note 33 on page 80, as well as at [carnegie.se/ir](http://carnegie.se/ir).

**Capital requirement and capital quotient**

(MSEK)	30 sep		31 dec
	2008	2007	2007
<b>Capital</b>			
Equity capital	2 434	2 621	2 975
Divident			-582
This years net profit	-150	-266	
Translation difference	-21	-30	
<b>Equity capital in the capital base</b>	<b>2 263</b>	<b>2 325</b>	<b>2 393</b>
Goodwill	-577	-581	
Intangible assets	-267	-377	-958
Deferred tax assets	-529	-224	-272
<b>Tier 1 capital</b>	<b>890</b>	<b>1 143</b>	<b>1 163</b>
Tier II capital (subordinated dept)	495	480	487
<b>Total capital base</b>	<b>1 385</b>	<b>1 623</b>	<b>1 650</b>
Deduction for large exposure			
<b>Total capital base for capital requirement</b>	<b>1 385</b>	<b>1 623</b>	<b>1 650</b>
<b>Capital requirement</b>			
Capital requirement for credit risk , standardized method	266	190	232
Capital requirement for equity- and interest rate risk	100	251	165
Capital requirement for currency risk	39	44	42
Capital requirement for operational risk, base method	599	516	599
<b>Total capital requirement</b>	<b>1 004</b>	<b>1 001</b>	<b>1 038</b>
Surplus capital	381	622	612
Tier I capital quotient	0.89	1.14	1.12
Capital quotient	1.38	1.62	1.59

**Liquidity**

Carnegie's liquidity needs result primarily from its daily operations and they are satisfied by means of short-term borrowing with or without collateral. The way the market is functioning is currently heavily impeded by the financial crisis and, for example, liquidity in the interbank market has been extremely limited during the latter part of the third quarter and in the fourth quarter. Due to such factors as sharply increased volatility in stock markets worldwide, both clearing institutions and counterparties in the marketplace have been placing increasing collateral requirements for chargeable assets. Carnegie has a fundamentally simple business model, whereby a major part of the assets comprises market-listed securities subject to short maturities. Due to this fact, combined with the recent downsizing of trading operations, Carnegie can adapt the operations' liquidity needs to prevailing conditions.

**Cash flow analysis**

Cash flows from operations before changes in working capital amounted to SEK -1,066m (1,054) for the first nine months of the year and consisted of profit before tax of SEK -215m (395), paid tax of SEK -231m (-319) and adjustment for expenses in the income statement not affecting cash flow in an amount of SEK -620m (977). Of these adjustments SEK -671m (928) relate to unrealized changes in value of financial instruments.

Since most of Carnegie's assets consist of stock of listed securities (long and short positions), lending/borrowing to/from the public and loans from credit institutions, the working capital fluctuates significantly between the reporting periods.

The change in working capital contributed positively to cash flow in an amount to SEK 1,017m (3,861) during the period. Investments in fixed assets amounted to SEK -34m (-28) during the nine-month period.

Cash flow from financing operations amounted to SEK -582m (-613) during the first nine months related to dividend paid, and for 2007 also for exercised warrants.

After adjustment for exchange-rate difference in cash and cash equivalents amounting to SEK 54m (147), the effect was that cash and cash equivalents decreased by SEK 665m (increase: 4,408) during the first nine months of the year.

The Group's deposits declined by SEK 562m (increase: 4,124) during the first nine months of the year, while lending during the corresponding period declined by SEK 4,270m (increase: 4,018).

### **Parent company D. Carnegie & Co AB**

The Parent company D. Carnegie & Co AB had no income from operations during the first nine months of 2008. A loss before financial items of SEK 21m (loss: 21) was reported. The loss before tax was SEK 45m (loss: 34). At 30 September 2008, cash and cash equivalents amounted to SEK 1m (6). There were no investments in fixed assets during the period (0). Shareholders' equity amounted to SEK 1,507m (1,793) at 30 September 2008.

### **Important events during the period**

#### **Information regarding provisions to credit reserves**

A total provision of SEK 1,052m was charged against profit for the third quarter. Read more on page 5.

#### **Action programme to reduce the cost base**

In conjunction with the second-quarter report for 2008, Carnegie decided to initiate an action programme intended to reduce the cost base. The first portion of the programme has now been implemented and resulted in increased efficiency in business processes, a reduction of staffing and phasing out of trading in currencies and foreign equities (ADR) in Stockholm. Some 40 employees in Sweden were affected. Costs for this part of the programme amounted to SEK 40m and were charged against earnings for the third quarter. Continued review that also includes operations outside Sweden is in progress and will be completed during the fourth quarter. The goal is to reduce expenses to the level prevailing at the end of 2006, corresponding to a cost reduction of about 10 percent, adjusted for the acquisition of Max Matthiessen. The effects of cost savings generated by the programme are expected gradually as of the fourth quarter of 2008, with full impact as of the first quarter of 2009.

#### **Changes in Group Management**

Anders Onarheim, Head of the Securities/Investment Banking business area and Head of Carnegie ASA in Norway requested to step down from his position as business area manager and member of Carnegie's group management. His objective is to lead Carnegie's Norwegian Securities and Investment Banking operations. President and CEO Mikael Ericson will temporarily take over responsibility for the Securities/Investment Banking business area.

Kristina Schauman, CFO, and Anders Karlsson, CRO, joined the management group during the period.



## Important events after the closing date

### Nomination Committee

The Nomination Committee's assignment is to prepare proposals for the Annual General Meeting regarding composition of the Board of Directors etc. For the 2009 Annual General Meeting, the following persons comprise Carnegie's Nomination Committee:

- Carl Rosén, Second AP Fund (4.7% of the share capital)
- Jan Andersson, Swedbank Robur Funds (4.8% of the share capital)
- Greger Landstedt, Max Matthiessen, representing a group of employed shareholders (7.5% of the share capital)
- Anders Fällman, Chairman of D. Carnegie & Co AB, representing Moderna Finance AB (10.1% of the share capital)

### Carnegie Bank A/S to join the Danish guarantee fund

Carnegie Bank A/S has decided to contribute to the guarantee fund that the Danish government and the Danish banking sector's private contingency body, Det Private Beredskab, have established. The guarantee fund will be in operations for two years and is a supplement to the government's deposit insurance. The fund will protect the deposits in Danish banks and is being funded by contributions from banks in Denmark.

As payment for the state guarantee Carnegie Bank A/S will pay an estimated premium of DKK 8m over two years and may be obliged to pay an estimated further DKK 10m.

### Information about Carnegie's exposure towards Icelandic assets

Carnegie has an equity loan in Icelandic currency that is currently valued at SEK 40m. This loan is fully collateralized by Icelandic government bonds. In addition, Carnegie has business relations with institutions with links to Iceland. None of these positions includes assets in Icelandic securities, and Carnegie has no net exposure to Icelandic counterparties.

### Information about exposure towards Lehman Brothers

Carnegie has no exposure towards Lehman Brothers.

### Financial reporting in 2008

- Year-end Report 2008: 5 February 2009

### Press conference / Webcast

Mikael Ericson, Carnegie's President and CEO and Kristina Schauman, CFO, will present the interim report at a press conference on 24 October 2008 at 10:00 a.m. CET at Carnegie's head office at Västra Trädgårdsgatan 15 in Stockholm. The press conference will be broadcasted live on the web site [carnegie.se](http://carnegie.se). It is also possible to participate by telephone at +46 8-505 202 70 (Sweden) or +44 (0) 208 817 9301 (UK).

### Contact persons

For further information, please contact: Mikael Ericson, President and CEO, +46 8-676 88 00, Kristina Schauman, CFO, +46 8-676 88 00 or Andreas Koch, Head of Communications and Investor Relations, +46 8-676 86 39.

Further information is available at [carnegie.se/ir](http://carnegie.se/ir).

This information is such that D.Carnegie AB must disclose in accordance with the Securities and Clearing Operations Act. The information was submitted for publication on 24 October 2008 at 08:00 CET.



**Business Segment - Securities**

(SEKm)	Jul-Sep			Jan-Sep		Full-year
	2008	2007	%	2008	2007	2007
Income from client activities	267	395	-32%	940	1,301	1,729
Net interest income	22	54	-60%	97	100	110
Trading result	58	-19	-	-5	-307	-317
<b>Total income</b>	<b>347</b>	<b>430</b>	<b>-19%</b>	<b>1,032</b>	<b>1,095</b>	<b>1,521</b>
Personnel expenses	-127	-119	7%	-401	-354	-477
Other expenses	-83	-137	-39%	-277	-341	-454
Net provisions for credit reserves	-1,053	-50	-	-1,182	-50	-95
<b>Total operating expenses excluding profit share</b>	<b>-1,263</b>	<b>-306</b>	<b>-</b>	<b>-1,861</b>	<b>-745</b>	<b>-1,025</b>
<b>Operating profit before profit share</b>	<b>-916</b>	<b>125</b>	<b>-</b>	<b>-829</b>	<b>349</b>	<b>496</b>
Costs for profit-sharing system	38	-59	-	-	-481	-535
<b>Total expenses</b>	<b>-1,225</b>	<b>-364</b>	<b>-</b>	<b>-1,861</b>	<b>-1,226</b>	<b>-1,560</b>
<b>Business area profit before taxes</b>	<b>-878</b>	<b>66</b>	<b>-</b>	<b>-829</b>	<b>-131</b>	<b>-40</b>
Operating profit margin, %	-	15%	-	-	-	-
Number of employees, average	356	360		365	359	360
Number of employees, period-end	359	361		359	361	360

**Income**

Income during the third quarter of 2008 amounted to SEK 347m, a decline of 19 percent, compared with the corresponding period in 2007. Client-related income declined by 32 percent to SEK 267m due to lower income from commissions, ECM transactions and equity finance. Trading income improved and amounted to SEK 58m (loss: 19).

During the first nine months of 2008, Securities' income amounted to SEK 1,032m (1,095). Income from commissions, equity finance and ECM was lower during the first nine months of 2008, compared with 2007. The trading loss amounted to SEK 5m (loss: 307).

**Expenses and profit before tax**

For the third quarter, expenses before profit share amounted to SEK 1,263m (306). Credit reserves of SEK 1,053m (50) were charged in third-quarter. The decline in other expenses is due to a penal charge in the third quarter of 2007 to the Swedish Financial Supervisory Authority of SEK 50m. Increasing personnel costs during the third quarter of 2008 are attributable to a restructuring cost of SEK 18m related to the action programme. Profit before tax for the third quarter amounted to SEK -878m (66).

Expenses before profit share for the first nine months of 2008 amounted to SEK 1 861m (745). Expenses for 2008 include credit reserves totalling SEK 1 182m (50). Profit before tax for the first nine months of 2008 amounted to SEK -829m (-131). Profit before tax for the period of January to September 2007 included the effect on profit of the revaluation of trading income of SEK 280m and a write-off of a claim of SEK 175m on the profit-sharing system for the period from 2005 to 2006.

As part of the action programme that was initiated during the third quarter, proprietary trading was reduced by phasing out trading in currencies and foreign equity (ADRs) in Stockholm. This closure has a marginal effect on profit.

**Market and Carnegie's position**

The turbulence in global financial markets increased sharply during the third quarter and continued during the beginning of the fourth quarter and was driven by the global credit crisis and as a result of increased uncertainty regarding future economic trends. During the third quarter, the Nordic index declined by 18 percent, compared with a decline of 13 percent in the world market index. In relation to year-end, the Nordic index declined 34 percent, while the world market index fell by 25 percent. Of the Nordic exchanges, Oslo showed the weakest trend during the third quarter with a decline of 30 percent, while the relative trend was strongest in Stockholm, which declined by 12 percent.

Carnegie has a very strong position in institutional client-driven trading on the Nordic exchanges. During the first nine months of 2008, Carnegie was the fifth largest player in terms of trading volume with a total trading share of 4.9 (5.3) percent.

During the third quarter, Carnegie organized a large-cap seminar in Copenhagen and a small and mid cap seminar in Stockholm that attracted a large number of companies and investors. A total of 62 companies were presented for some 350 investors at these two seminars.

**Business Segment - Investment Banking**

(SEKm)	Jul-Sep			Jan-Sep		Full-year
	2008	2007	%	2008	2007	2007
ECM fees	30	15	93%	106	172	294
Net income from financial positions	0	0	-	0	0	0
Advisory fees	46	125	-63%	187	286	388
<b>Total income</b>	<b>76</b>	<b>139</b>	<b>-46%</b>	<b>293</b>	<b>458</b>	<b>683</b>
Personnel expenses	-43	-41	6%	-129	-122	-166
Other expenses	-24	-25	-6%	-84	-72	-102
<b>Total operating expenses excluding profit share</b>	<b>-67</b>	<b>-66</b>	<b>1%</b>	<b>-212</b>	<b>-194</b>	<b>-268</b>
<b>Operating profit before profit share</b>	<b>9</b>	<b>73</b>	<b>-88%</b>	<b>81</b>	<b>264</b>	<b>415</b>
Costs for profit-sharing system	32	-34	-	-	-125	-184
<b>Total expenses</b>	<b>-35</b>	<b>-101</b>	<b>-</b>	<b>-212</b>	<b>-319</b>	<b>-453</b>
<b>Business area profit before taxes</b>	<b>41</b>	<b>39</b>	<b>-</b>	<b>81</b>	<b>139</b>	<b>231</b>
Operating profit margin, %	54%	28%		28%	30%	34%
Number of employees, average	131	132		134	133	133
Number of employees, period-end	132	132		132	132	132

**Income**

During the third quarter, income amounted to SEK 76m (139), a decline of 46 percent, compared with the corresponding period in 2007. Compared with the preceding year, income from advisory services decreased sharply as a result of reduced business volumes largely attributable to turbulence in the credit markets. Income from equity capital market (ECM) transactions was higher in relation to the weak comparison quarter in 2007.

Income during the first nine months of 2008 amounted to SEK 293m (458), which was a decline of 36 percent, compared with the corresponding period in 2007.

**Expenses and profit before tax**

Total expenses for the third quarter of 2008 amounted to SEK 67m (66). Increasing personnel costs during the third quarter of 2008 are attributable to a restructuring cost of SEK 3m related to the action programme. As a consequence of the credit reserves, reversed costs for profit-sharing system affected the result positively by SEK 32m. Profit before tax for the third quarter amounted to SEK 41m (39).

Total expenses before profit share for the first nine months of 2008 amounted to SEK 212m (194), an increase of 9 percent, compared with the corresponding period in the preceding year. The business segment reported a profit before tax of SEK 81m (139) for the first nine months of 2008.

**Market**

The market for M&A transactions was weak in Europe and the Nordic region during 2008. In relation to the first nine months of 2007, the value of implemented transactions in the Nordic region declined by 7 percent to USD 77 billion. If the Swedish government's sales of Vin & Sprit and Vasakronan are excluded, the decrease in the underlying market for corporate transactions would be significantly higher. The number of implemented transactions decreased from approximately 500 during the first nine months of 2007 to 350 transactions during the corresponding period of 2008.

The Nordic market for ECM transactions remains very weak. The total transaction volume for the first nine months of 2008 was USD 12 billion, a decline of 37 percent in relation to the corresponding period in 2007. The number of transaction amounted to 12 (19). The market for IPO's is most negatively affected by the uncertain equities market, and no transactions of size were implemented in the Nordic region during the first nine months of 2008.

**Carnegie's transactions**

Carnegie was the advisor in 21 (28) publicly announced M&A transactions during the first nine months of 2008 with a total value of USD 4.4 billion (8.0). In terms of the number of transactions, this corresponded to fourth place in the entire Nordic market. Notable among Carnegie's transactions during the third quarter were the venture capital company Segulah's public offer for Gunnebo Industrier and advisory services to IBS in connection with the offer from Deccan Value Advisors.

The number of ECM transaction during the period amounted to 14 (23), corresponding to a value of SEK 1,146m (2,072). In terms of value and the number of transactions, this corresponded to first place in the entire Nordic market.

*Source for market and ranking statistics: ThomsonReuters*

**Business Segment - Asset Management**

(SEKm)	Jul-Sep			Jan-Sep		Full-year
	2008	2007	%	2008	2007	2007
Regular fees	128	149	-15%	391	443	581
Performance fees	0	23	-	0	118	188
<b>Total fees from mutual funds</b>	<b>128</b>	<b>173</b>	<b>-26%</b>	<b>391</b>	<b>561</b>	<b>769</b>
Regular fees	57	45	25%	168	129	180
Performance fees	0	8	-	43	19	177
<b>Total fees from discretionary fund management</b>	<b>57</b>	<b>53</b>	<b>7%</b>	<b>211</b>	<b>148</b>	<b>357</b>
<b>Total income</b>	<b>185</b>	<b>226</b>	<b>-18%</b>	<b>602</b>	<b>709</b>	<b>1,126</b>
Personnel expenses	-61	-54	13%	-165	-142	-199
Other expenses	-36	-36	2%	-120	-106	-144
<b>Total operating expenses excluding profit share</b>	<b>-98</b>	<b>-90</b>	<b>9%</b>	<b>-286</b>	<b>-248</b>	<b>-343</b>
<b>Operating profit before profit share</b>	<b>87</b>	<b>136</b>	<b>-36%</b>	<b>316</b>	<b>461</b>	<b>783</b>
Costs for profit-sharing system	100	-64	-	-	-219	-348
<b>Total expenses</b>	<b>3</b>	<b>-154</b>	<b>-</b>	<b>-286</b>	<b>-467</b>	<b>-691</b>
<b>Business area profit before taxes</b>	<b>187</b>	<b>72</b>	<b>-</b>	<b>316</b>	<b>243</b>	<b>435</b>
Operating profit margin, %	101%	32%		53%	34%	39%
Period-end assets under management (SEK bn)	122	136		122	136	139
- whereof mutual funds	57	62		57	62	64
- whereof discretionary fund management	65	74		65	74	75
Number of employees, average	154	137		151	137	138
Number of employees, period-end	154	138		154	138	143

**Income**

Income during the third quarter of 2008 amounted to SEK 185m (226), a decline of 18 percent in relation to the corresponding period in 2007. The change was largely due to the high level of performance-based income during the comparison period in 2007.

Income for Asset Management amounted to SEK 602m (709) during the first nine months of 2008, a decline of 15 percent, compared with the corresponding period in 2007. The decline was related to lower performance-based income.

**Expenses and profit before tax**

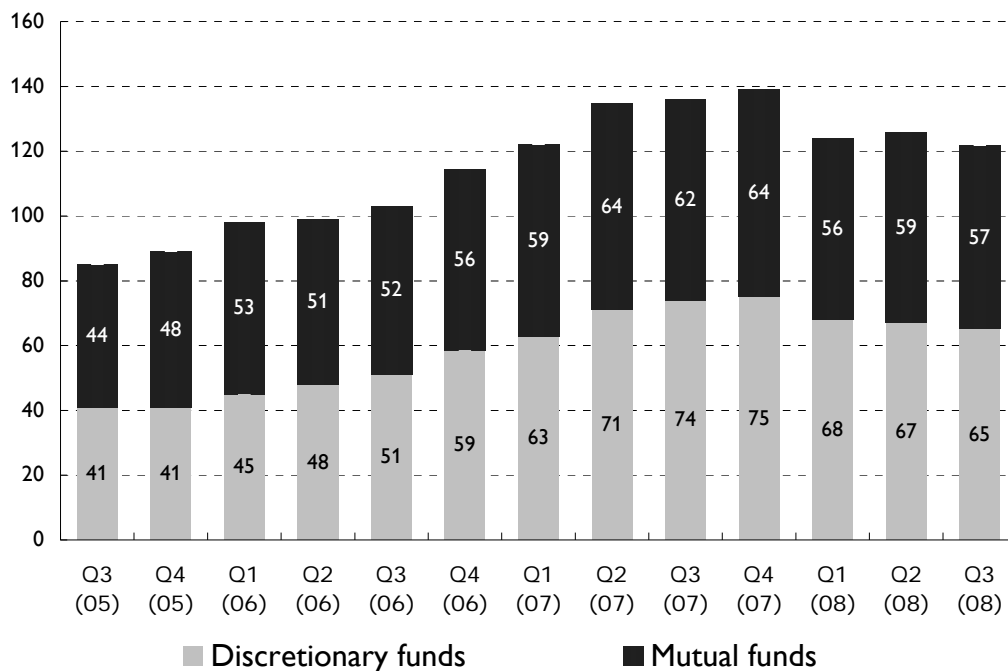
During the third quarter of 2008, expenses before profit share amounted to SEK 98m (90), an increase of 9 percent in relation to the corresponding period in 2007. The item Personnel expenses for 2008 includes costs related to the action programme totalling SEK 12m. As a consequence of the credit reserves, reversed costs for profit-sharing system affected the result positively by SEK 100m. Profit before tax amounted to SEK 187m (72).

Expenses before profit share during the first nine months of 2008 amounted to SEK 286m (248) and profit before tax amounted to SEK 316m (243).

## Assets under management

Assets under management include discretionary managed capital and mutual funds. At the end of the third quarter, assets under management amounted to SEK 122 billion, a decline of SEK 17 billion since year-end. The change in assets under management consisted of a decline in value of SEK 31 billion and a new inflow of SEK 14 billion. In relation to the second quarter of 2008, asset under management declined by SEK 4 billion. The decline in value of SEK 12 billion during the quarter was offset by a net inflow of a full SEK 8 billion.

### Assets under management, quarterly trend (SEK bn)



## Market

The global equity markets showed a very weak trend during 2008. Summed up to and including the third quarter, the world market index declined by 25 percent. As a consequence of the turbulence in the financial markets, many investors have reduced exposure to equity markets, resulting in negative fund flows. In contrast to the market as a whole, however, Carnegie succeeded in attracting new capital in a weak market.

### Carnegie's rating and product development

In line with the weak market conditions, many of Carnegie's funds declined in value during the first nine months of 2008. In external evaluations, some 85 percent of assets under management in Carnegie's ranked equity funds were rated with four or five star ratings<sup>1</sup>.

An additional strong mark of quality is that Standard & Poor ranked two of Carnegie's funds with the highest rank of AAA and one fund with the rank of AA. The Carnegie WorldWide fund is one of 13 global funds that received the highest rating of AAA in an evaluation of 1,119 funds.

During the quarter, Carnegie was noted as Best Finnish Asset Manager by the business magazine Arvopaperi. The award was based on evaluations by the two independent companies Morningstar and Eufex.

<sup>1</sup> Source: Morningstar and Fondmarknaden, October 2008. Five stars is the highest rating.

**Business Segment - Private Banking**

(SEKm)	Jul-Sep			Jan-Sep		Full-year
	2008	2007	%	2008	2007	2007
<b>Total income</b>	<b>107</b>	<b>138</b>	<b>-23%</b>	<b>339</b>	<b>427</b>	<b>581</b>
Personnel expenses	-57	-52	10%	-162	-149	-203
Other expenses	-32	-34	-5%	-110	-109	-148
Net provisions for credit losses	0	0		0	0	0
<b>Total operating expenses excluding profit share</b>	<b>-89</b>	<b>-86</b>	<b>4%</b>	<b>-272</b>	<b>-258</b>	<b>-351</b>
<b>Operating profit before profit share</b>	<b>18</b>	<b>53</b>	<b>-66%</b>	<b>67</b>	<b>169</b>	<b>230</b>
Costs for profit-sharing system	22	-25	-	-	-80	-102
<b>Total expenses</b>	<b>-67</b>	<b>-111</b>	<b>-</b>	<b>-272</b>	<b>-338</b>	<b>-453</b>
<b>Business area profit before taxes</b>	<b>39</b>	<b>28</b>	<b>-</b>	<b>67</b>	<b>89</b>	<b>128</b>
Operating profit margin, %	37%	20%		20%	21%	22%
Client volume (SEK bn)	44	55		44	55	54
Number of employees, average	182	169		178	174	173
Number of employees, period-end	176	167		176	167	175

**Income**

Private Banking's income derives from commissions, management fees, net interest income and insurance commissions generated within discretionary and advisory management assignments. Income during the third quarter amounted to SEK 107m (138), which was 23 percent lower than during the corresponding period of 2007, as a result of lower client activity and lower client volumes due to declining asset values.

Income for the first nine months of 2008 amounted to SEK 339m (427).

**Expenses and profit before tax**

For the third quarter, expenses before profit share amounted to SEK 89m (86). Personnel expenses for the third quarter of 2008 included SEK 7m related to personnel reductions. As a consequence of the credit reserves, reversed costs for profit-sharing system affected the result positively by SEK 22m. Profit before tax amounted to SEK 39m (28).

Expenses before profit sharing for the first nine months of 2008 amounted to SEK 272m (258). Profit before tax for the corresponding period amounted to SEK 67m (89).

**Market**

The market for private banking services was very weak during the third quarter as a result of lower asset values in several markets. Carnegie recommended a defensive strategy to its clients that favoured client portfolios but resulted in lower transaction-driven income. The number of clients choosing discretionary mandates is increasing, resulting in more stable income and less dependency on commissions.

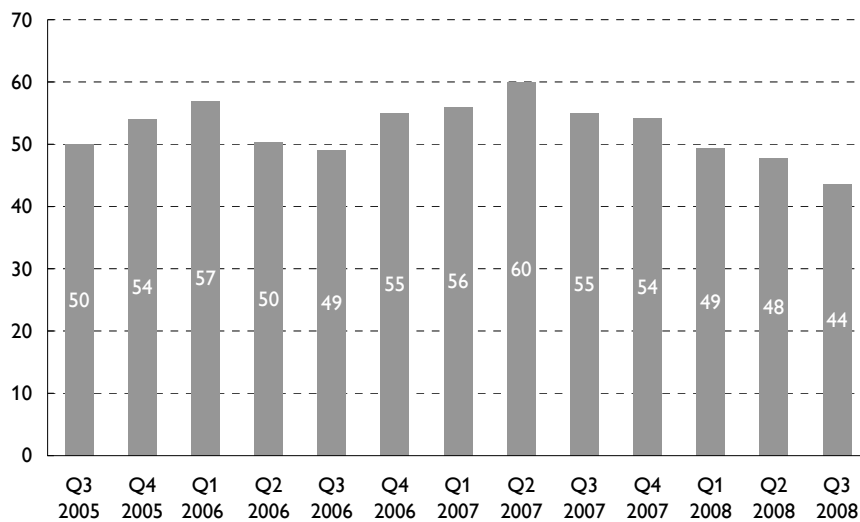


## Client volume

Private Banking's client volume consists of the gross value of all private client accounts, including all types of securities, equity funds, deposits and lending. At 30 September 2008, private client volume amounted to SEK 44 billion, SEK 4 billion lower in relation to the first quarter and SEK 10 billion lower in relation to year-end. The decline in client volume over the last nine months was attributable to value reduction as a consequence of the weak market trend. The inflow of capital to Carnegie Private Banking was positive, and the number of clients continued to increase during the third quarter.

Of the client volume, some SEK 1.5 billion is attributable to management assignments for which Carnegie Asset Management has the advisory assignment and is thus also included in assets under management in the Asset Management business area.

### Client volume, quarterly trend (SEK billion)



**Business Segment - Max Matthiessen**

(SEKm)	Jul-Sep			Proforma <sup>1</sup>		Proforma <sup>1</sup>
				Jan-Sep	Jan-Sep	Full year
	2008	2007	%	2008	2007	2007
Commission	113	109	4%	350		
Other fund and asset-based income	25	24	4%	77		
<b>Total income</b>	<b>138</b>	<b>133</b>	<b>4%</b>	<b>427</b>	<b>403</b>	<b>562</b>
Personnel expenses	-59	-60	-3%	-199		
Other expenses	-29	-22	34%	-78		
<b>Total operating expenses excluding profit share</b>	<b>-87</b>	<b>-82</b>	<b>7%</b>	<b>-277</b>	<b>-245</b>	<b>-330</b>
<b>Operating profit before profit share</b>	<b>51</b>	<b>51</b>	<b>-1%</b>	<b>150</b>	<b>158</b>	<b>232</b>
Costs for profit-sharing system	43	-24	-	-		
<b>Total expenses</b>	<b>-44</b>	<b>-106</b>	<b>-</b>	<b>-277</b>		
<b>Profit before taxes</b>	<b>94</b>	<b>27</b>	<b>-</b>	<b>150</b>		
Operating profit margin, %	68%	20%		35%		
Number of employees, average	330	308		327		
Number of employees, period-end	340	311		340		

**Income**

Max Matthiessen's income consists of advisory fees for brokered insurance and savings solutions, as well as direct management income. This income is based on insurance premiums, capital and commission income. Income with long duration is generally prioritized to create a sustainable profitability. This includes income that derives from underlying capital or recurring premiums. Max Matthiessen was consolidated in Carnegie as of the second quarter of 2007. During the third quarter of 2008, income amounted to SEK 138m (133), an increase of 4 percent, compared with the corresponding period in 2007. During the first nine months of 2008, income amounted to SEK 427m (pro forma 403)

**Expenses and profit before tax**

Max Matthiessen's total expenses before profit share amounted to SEK 87m (82) for the third quarter of 2008. The increase over the preceding year was primarily due to an increase in personnel and changed internal allocation of amortization of intangible assets. Due to a change in the reporting method for vacation pay liabilities, personnel costs were SEK 9m lower than they would otherwise have been in relation to the third quarter of 2007. As a consequence of the credit reserves, reversed costs for profit-sharing system affected the result positively by SEK 43m. Profit before tax for the third quarter amounted to SEK 94m (27).

**Market**

Max Matthiessen has a market-leading position as an advisor in the area of company-financed pension and life insurance in Sweden. The total saving volume showed a weak trend during the first nine months of 2008 as a consequence of declining asset values. The ambition is also to increase Max Matthiessen's market share and advisory income in such privately financed savings as mutual fund savings, structured products and within the Swedish PPA system.

**Client volume**

Max Matthiessen has about 12,000 ongoing company-based assignments in which it acts as an advisor to the companies and all or portions of their personnel on issues relating to pensions, life insurance and security savings. These relations are normally of a long-term and relatively stable nature. In total, the insurance capital that Max Matthiessen administers amounts to approximately SEK 80 billion. The inflow of capital to Max Matthiessen's own services – the allocation service Navigera, the Maxservice.se fund service and the new PPA service – was favourable during the third quarter, although total assets were lower due to declining asset values. Total assets under management in Max Matthiessen's own services amounted to SEK 13.0 billion at 30 September 2008, compared with SEK 15.1 billion at 1 January.

1) Pro forma figures were prepared with consideration taken to the legal changes that occurred in conjunction with the acquisition.

## Reporting by segment

Carnegie reports by segment in accordance with IAS 14. Carnegie defines the company as having three business areas (Securities/Investment Banking, Asset Management and Private Banking/Max Matthiessen) and five segments. In interim reports, information is reported according as shown below. The annual report presents information relating to assets, shares in associated companies, liabilities, investments and amortization attributable to primary segments, as well as information on secondary segments, defined here as geographic areas, relating to income, assets and investments.

During the period January-September 2007, no comparative figures are available for Max Matthiessen, since the business area was not consolidated until the second quarter of 2007.

(SEKm)	Total		Securities		Investment Banking		Asset Management		Private Banking		Max Matthiessen
	9 M (08)	9 M (07)	9 M (08)	9 M (07)	9 M (08)	9 M (07)	9 M (08)	9 M (07)	9 M (08)	9 M (07)	9 M (08)
<b>Total income</b>	<b>2,693</b>	<b>2,958</b>	<b>1,032</b>	<b>1,095</b>	<b>293</b>	<b>458</b>	<b>602</b>	<b>709</b>	<b>339</b>	<b>427</b>	<b>427</b>
Personnel expenses	-1,057	-887	-401	-354	-129	-122	-165	-142	-162	-149	-199
Other expenses	-669	-670	-277	-341	-84	-72	-120	-106	-110	-109	-78
Net provisions for credit reserves	-1,182	-50	-1,182	-50	-	0	-	-	-	0	-
<b>Total operating expenses excluding profit share</b>	<b>-2,908</b>	<b>-1,608</b>	<b>-1,861</b>	<b>-745</b>	<b>-212</b>	<b>-194</b>	<b>-286</b>	<b>-248</b>	<b>-272</b>	<b>-258</b>	<b>-277</b>
<b>Operating profit before profit share</b>	<b>-215</b>	<b>1,350</b>	<b>-829</b>	<b>349</b>	<b>81</b>	<b>264</b>	<b>316</b>	<b>461</b>	<b>67</b>	<b>169</b>	<b>150</b>
Costs for profit-sharing system	-	-955	-	-481	-	-125	-	-219	-	-80	-
<b>Total expenses</b>	<b>-2,908</b>	<b>-2,563</b>	<b>-1,861</b>	<b>-1,226</b>	<b>-212</b>	<b>-319</b>	<b>-286</b>	<b>-467</b>	<b>-272</b>	<b>-338</b>	<b>-277</b>
<b>Profit before taxes</b>	<b>-215</b>	<b>395</b>	<b>-829</b>	<b>-131</b>	<b>81</b>	<b>139</b>	<b>316</b>	<b>243</b>	<b>67</b>	<b>89</b>	<b>150</b>
Taxes	64	-129	-	-	-	-	-	-	-	-	-
<b>Net profit</b>	<b>-150</b>	<b>266</b>									

## Statutory consolidated income statement

(SEKm)	Jul-Sep		Jan-Sep		Full-year
	2008	2007	2008	2007	2007
Commission income	790	1,054	2,590	3,076	4,447
Commission expenses	-89	-77	-236	-224	-285
<b>Net commission income</b>	<b>701</b>	<b>977</b>	<b>2,355</b>	<b>2,853</b>	<b>4,161</b>
Interest income	211	260	689	703	967
Interest expenses	-199	-299	-600	-767	-1,033
<b>Net interest income</b>	<b>12</b>	<b>-39</b>	<b>89</b>	<b>-64</b>	<b>-66</b>
Other dividend income	0	0	1	1	1
Net profit financial items at fair value	139	129	249	168	243
<b>Total income</b>	<b>852</b>	<b>1,067</b>	<b>2,693</b>	<b>2,958</b>	<b>4,340</b>
Personnel expenses	-111	-530	-1,055	-1,841	-2,477
Other administrative expenses	-192	-237	-631	-618	-845
Depreciation of tangible fixed and amortization of intangible assets	-13	-18	-40	-54	-68
<b>Total expenses</b>	<b>-316</b>	<b>-785</b>	<b>-1,726</b>	<b>-2,513</b>	<b>-3,391</b>
<b>Profit before provisions for credit reserves</b>	<b>536</b>	<b>282</b>	<b>967</b>	<b>445</b>	<b>949</b>
Provisions for credit reserves, net	-1,052	-50	-1,182	-50	-95
<b>Profit before taxes</b>	<b>-517</b>	<b>232</b>	<b>-215</b>	<b>395</b>	<b>854</b>
Taxes	155	-80	64	-129	-254
<b>Profit for the period</b>	<b>-362</b>	<b>151</b>	<b>-150</b>	<b>266</b>	<b>601</b>
Profit per share (SEK)	-4.66	1.95	-1.94	3.52	7.90
Profit per share after dilution (SEK)	-4.66	1.95	-1.94	3.52	7.90
Average number of shares	77,543,956	77,543,956	77,543,956	75,602,824	76,092,096
Total number of shares incl effect of issued warrants	77,543,956	77,543,956	77,543,956	75,602,824	76,092,096

**Statutory consolidated balance sheet**

(SEKm)	<u>30 sep</u> <u>2008</u>	<u>30 sep</u> <u>2007</u>	<u>31 Dec</u> <u>2007</u>
<b>Assets</b>			
Cash and bank deposits in central banks	880	681	457
Loans to credit institutions <sup>1)</sup>	10,853	12,673	12,557
Loans to general public	5,331	7,501	7,897
Bonds and other interest bearing securities	604	1,683	984
Shares and participations	7,820	13,968	10,939
Derivative instruments	2,466	2,339	2,083
Intangible assets	948	959	958
Tangible fixed assets	99	98	99
Current tax assets	165	197	173
Deferred tax assets	529	224	273
Trade and client receivables	3,112	6,226	7,865
Other assets	283	70	178
Prepaid expenses and accrued income	303	1,592	626
<b>Total assets</b>	<b>33,391</b>	<b>48,210</b>	<b>45,089</b>
<b>Liabilities and shareholders' equity</b>			
Liabilities to credit institutions <sup>1)</sup>	13,340	18,796	12,547
Deposits and borrowing from general public	8,563	9,182	9,918
Bonds and other interest-bearing securities	-	-	471
Short positions, equities	3,942	7,058	6,969
Derivative instruments	2,567	7,260	5,944
Current tax liabilities	146	162	185
Deferred tax liabilities	130	132	139
Trade and client payables	1,162	208	3,312
Other liabilities	232	180	549
Accrued expenses and prepaid income	478	2,070	1,527
Provisions	74	61	68
Subordinated loans	494	480	487
Shareholders' equity	2,264	2,621	2,975
<b>Total liabilities and shareholders' equity</b>	<b>33,391</b>	<b>48,210</b>	<b>45,089</b>
<b>Pledged assets and contingent liabilities</b>			
Assets pledged for own debt	18,109	33,421	24,029
Contingent liabilities	240	178	290

<sup>1)</sup> Per September 30, 2008 an amount of 3 908 SEKm is presented gross, in previous quarter the impact has been immaterial.

**Changes in shareholders' equity**

<b>(SEKm)</b>	<b>30 Sep</b>	<b>30 Sep</b>	<b>Full-year</b>
	<b>2008</b>	<b>2007</b>	<b>2007</b>
Shareholders' equity - opening balance	2,975	2,042	2,042
Dividend	-582	-813	-813
Translation differenses	21	30	49
New share issue - acquisition of Max Mattiessen	-	896	896
Exercised warrants	-	200	200
Net profit for the period	-150	266	601
<b>Shareholders' equity - closing balance</b>	<b>2,264</b>	<b>2,621</b>	<b>2,975</b>

**Statutory statement of consolidated cash flows**

<b>(SEKm)</b>	<b>30 Sep</b>	<b>30 Sep</b>	<b>Full year</b>
	<b>2008</b>	<b>2007<sup>1</sup></b>	<b>2007<sup>1</sup></b>
Profit before tax	-215	395	854
Adjustments for items not included in cash flow	-620	977	204
Paid taxes	-231	-319	-438
<b>Cash flow from operations before changes in working capital</b>	<b>-1,066</b>	<b>1,054</b>	<b>620</b>
Changes in working capital	1,017	3,861	3,451
<b>Cash flows from operating activities</b>	<b>-49</b>	<b>4,915</b>	<b>4,071</b>
Acquisition of subsidiary	-	134	134
Sale of subsidiary	-	-	10
Acquisition of tangible fixed and intangible assets	-34	-28	-66
<b>Cash flows from investing activities</b>	<b>-34</b>	<b>106</b>	<b>78</b>
Excercised warrants	-	200	200
Dividend paid	-582	-813	-813
<b>Cash flows from financing activities</b>	<b>-582</b>	<b>-613</b>	<b>-613</b>
<b>Cash flows for the period</b>	<b>-665</b>	<b>4,408</b>	<b>3,536</b>
Cash and cash equivalents on the opening date	9,683	5,882	5,882
Effects of exchange rate differences on cash/cash equivalents	54	147	265
<b>Cash and cash equivalents on the closing date</b>	<b>9,071</b>	<b>10,437</b>	<b>9,683</b>

1) Financial data for the previous year has been adjusted in respect of a reduction from cash and cash equivalents on the opening date 2007 for cash classified as "not on demand". The adjustment effects cash flows from operating activities.

## Income statement of Parent company

(SEKm)	Jul-Sep		Jan-Sep		Full-year
	2008	2007	2008	2007	2007
Administrative expenses	-5	-11	-21	-21	-39
<b>Operating income</b>	<b>-5</b>	<b>-11</b>	<b>-21</b>	<b>-21</b>	<b>-39</b>
<b>Financial items</b>					
Anticipated dividends from Group companies	-	-	-	-	582
Interest income from Group companies	1	1	3	10	11
Interest expenses on subordinated loan	-7	-6	-20	-18	-24
Other interest expenses	-	0	-	-1	0
Exchange rate differences	-8	1	-7	-4	-11
<b>Profit before taxes</b>	<b>-18</b>	<b>-15</b>	<b>-45</b>	<b>-34</b>	<b>518</b>
Taxes	-	-	-	-	17
<b>Profit for the period</b>	<b>-18</b>	<b>-15</b>	<b>-45</b>	<b>-34</b>	<b>535</b>



**Balance sheet of Parent company**

(SEKm)	<b>30 Sep</b>	<b>30 Sep</b>	<b>31 Dec</b>
	<b>2008</b>	<b>2007</b>	<b>2007</b>
<b>ASSETS</b>			
<b>Fixed assets</b>			
Financial fixed assets			
Shares in Group companies	2,138	2,130	2,130
Deferred tax assets	120	14	13
<b>Total financial fixed assets</b>	<b>2,258</b>	<b>2,144</b>	<b>2,143</b>
<b>Total fixed assets</b>	<b>2,258</b>	<b>2,144</b>	<b>2,143</b>
<b>Current assets</b>			
Current receivables			
Receivables from Group companies	68	141	762
Other receivables	115	1	49
Prepaid expenses and accrued income	3	6	5
<b>Total current receivables</b>	<b>185</b>	<b>148</b>	<b>816</b>
Cash and bank balances	1	6	5
<b>Total current assets</b>	<b>186</b>	<b>154</b>	<b>821</b>
<b>Total assets</b>	<b>2,443</b>	<b>2,298</b>	<b>2,964</b>
<b>LIABILITIES and SHAREHOLDERS' EQUITY</b>			
Shareholders' equity			
Restricted equity			
Share capital	155	155	155
Statutory reserve	531	531	531
Unrestricted equity			
Share premium reserve	866	1,141	1,217
Retained earnings	-45	-34	504
<b>Total shareholders' equity</b>	<b>1,507</b>	<b>1,793</b>	<b>2,407</b>
<b>Subordinated loans</b>	<b>494</b>	<b>480</b>	<b>487</b>
<b>Provisions</b>	<b>39</b>	<b>-</b>	<b>48</b>
Current liabilities			
Accounts payable	0	6	4
Other liabilities	380	0	0
Accrued expenses and prepaid income	22	19	18
<b>Total current liabilities</b>	<b>402</b>	<b>25</b>	<b>22</b>
<b>Total liabilities</b>	<b>402</b>	<b>25</b>	<b>22</b>
<b>Total shareholders' equity and liabilities</b>	<b>2,443</b>	<b>2,298</b>	<b>2,964</b>

## Key financial data

	Jul-Sep		Jan-Sep		Full year
	2008	2007	2008	2007	2007
Profit per share (SEK)	-4.66	1.95	-1.94	3.52	7.90
Profit per share, fully diluted (SEK)	-4.66	1.95	-1.94	3.52	7.90
Dividend per share	-	-	-	-	7.50
Book value per share (SEK)	29.19	33.80	29.19	33.80	38.36
Share price (SEK)	50.00	135.50	50.00	135.50	125.50
Price/earnings multiple	21.0	18.8	21.0	18.8	15.9
Number of shares at period-end <sup>1</sup>	77,543,956	77,543,956	77,543,956	77,543,956	77,543,956
Average number of shares <sup>1</sup>	77,543,956	77,543,956	77,543,956	75,602,824	76,092,096
Number of shares related to outstanding warrants	-	-	-	-	-
Total number of shares, incl effect of issued warrants	77,543,956	77,543,956	77,543,956	75,602,824	76,092,096
Operating profit margin	-	22%	-	13%	20%
Profit margin	-	14%	-	9%	14%
Return on equity, (12 month)	7%	21%	7%	21%	22%
Total assets (SEKm)	33,391	48,210	33,391	48,210	45,089
Margin lending (SEKm)	5,331	7,501	5,331	7,501	7,897
Deposits and borrowing from general public (SEKm)	8,563	9,182	8,563	9,182	9,918
Tier I capital ratio <sup>2</sup>	1.38	1.62	1.38	1.62	1.59
Number of employees, average	1,154	1,106	1,155	1,005	1,035
Number of employees, period-end	1,160	1,109	1,160	1,109	1,135
Period-end assets under management (SEK billion)	122	136	122	136	139

1) In line with the decision at the AGM on March 29, 2007 Carnegie issued 935,000 limited preference shares. The shares which are held by Carnegie, represents no dilution for Carnegie shareholders.

2) Read more on page 5.

## Definition of key data

<b>Average number of employees:</b>	Total number of paid working hours for all employees divided by the normal number of working hours per employee for the entire period.
<b>Average number of shares:</b>	The total number of shares, including any new issues, as a weighted average during the period.
<b>Capital quotient:</b>	Total regulatory capital (Tier I plus Tier II capital) divided by the total capital requirement for credit risk, market risk and operational risk.
<b>Earnings per share:</b>	Profit for the period divided by the average number of shares.
<b>Earnings per share after dilution:</b>	Profit for the period divided by the average number of shares, including full dilution effect of issued warrants. The profit for the period is divided by the total number of shares, including the number of issued shares corresponding to the estimated current value (at the current share price) of issued subscription warrants.
<b>Number of employees on closing date:</b>	The number of annual employees (full-time equivalents) on the closing date.
<b>Operating profit margin:</b>	Profit before taxes as a percentage of total income (including income from associated companies and other significant holdings).
<b>P/E ratio:</b>	Share price divided by earning per share for the most recent 12 months.
<b>Profit margin:</b>	Profit after taxes as a percentage of total income (including income from associated companies and other significant holdings).
<b>Return on equity:</b>	Profit for the most recent 12 months as a percentage of average shareholders' equity.
<b>Share price:</b>	Share price (closing price) on the closing date.
<b>Tier I capital:</b>	Shareholders' equity plus the equity portion of untaxed reserves less goodwill, any proposed dividend, deferred tax assets, intangible assets and any repurchased shares.
<b>Tier II capital:</b>	Subordinated loans up to 50 percent of Tier I capital.

Note that rounding effects can result in amounts in SEK millions not adding up correctly.

**OTHER****Accounting principles**

This report is prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act for Credit Institutions and Securities Companies. The Parent Company's accounts are prepared according to the Annual Accounts Act and RFR 2.1 Accounting for legal entities. The accounting principles and calculation methods applied in this report are the same as those used in the 2007 Annual Report.

**CERTIFICATION**

The Board of Directors and the CEO hereby certify that this interim report presents a fair overview of the operations, financial position and earnings of the Parent Company and the Group and that it describes significant risks and uncertainties that the Parent Company and the companies included in the Group face.

D. Carnegie & Co AB (publ)

Stockholm 24 October 2008

**Anders Fällman**  
Chairman of the Board

**Jan Kvarnström**  
Vice Chairman of the Board

**Mai-Lill Ibsen**  
Board member

**Björn C. Andersson**  
Board member

**Catharina Lagerstam**  
Board member

**John Shakeshaft**  
Board member

**Mikael Ericson**  
President and CEO

## Review report

### Introduction

We have reviewed the interim report for D. Carnegie & Co AB (publ), reg. No. 556498-9449 for the period from 1 January 2008 until 30 September 2008. The preparation and presentation of these accounts in accordance with IAS 34 and the provisions of the Swedish Annual Accounts Act is the responsibility of the Board of Directors and the Chief Executive Officer. Our responsibility is to express a conclusion on this interim report, based on our review.

### Scope of the review

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, *Review of Interim Financial Information Performed by the Appointed Auditor of the Entity* issued by FAR. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information, in all essential respects, has not been prepared for the Group's part in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies and for the Parent Company's part in accordance with the Annual Accounts Act.

Stockholm den 24 October 2008

Deloitte AB

Jan Palmqvist

Authorised public accountant

## CARNEGIE SHARE

Larger shareholders 30 September 2008	Votes and capital,%
Moderna Finance AB <sup>1</sup>	10.1%
Franklin-Templeton funds	8.3%
Harris Associates funds	5.3%
ABG Sundal Collier ASA	5.0%
Swedbank Robur funds	4.8%
Second AP fund	4.7%
SEB	3.3%
SEB funds	1.5%
First AP fund	1.0%
Handelsbanken funds	1.0%
Other	55.0%
<b>Total</b>	<b>100.0%</b>

Source: SIS-Ågarservice

1) Moderna Finance AB controls 10,1 percent according to the disclosure notice dated 8 October 2008.

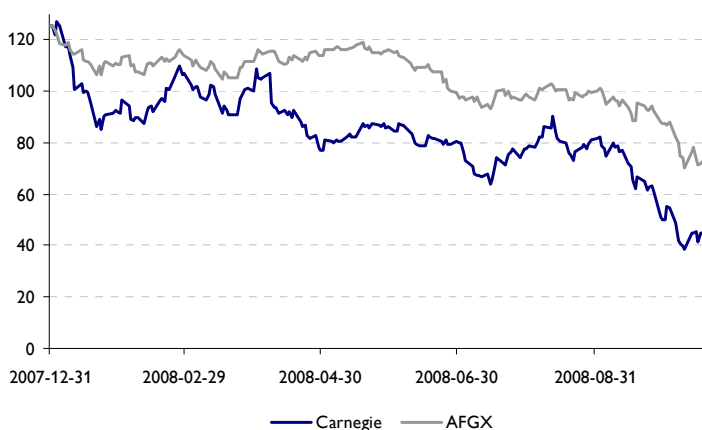
### Employee shareholdings

Employee shareholdings, including the holdings of former Max Matthiessen employees, are estimated at 8 percent of the total number of outstanding shares at 30 September 2008. Employees at Carnegie must follow external and internal rules for trading. Trading in the Carnegie share is only permitted during open periods, which begin the day after publication of Carnegie's interim reports and end the day before the last month in the reporting period.

### Remaining open periods in 2008:

- 25 October – 30 November

### Share price development 1 January – 20 October 2008 (SEK)



### Share information (SEK)

Market value 30 September 2008 (SE)	3 877
Share price 30 September 2008 (SEK)	50.00
Year high 2008 (Jan-17 okt)	127.00
Year low 2008 (Jan-17 okt)	38.50
All time high	188.00
All time high date	25 April 2006

Listing: OMX The Nordic stock exchange, mid cap

Code: SE0000798829

Listed since: 2001-06-01

Trading lot: 100 shares

Symbol: CAR