Carnegie

INTERIM REPORT 3:2007

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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.

July - September 2007

- **Total income** increased by 47% to SEK 1,067 million (727). Adjusted for income from Max Matthiessen, the increase amounted to 28%.
- **Total expenses** before profit sharing amounted to SEK 629 million (396). This figure includes items affecting comparability, see more on page 4.
- **Net profit** increased by 27% to SEK 151 million (119). Profit per share amounted to SEK 1.95 (1.72).

January - September 2007

- **Total income** amounted to SEK 2,958 million (3,076).
- **Total expenses** before profit sharing amounted to SEK 1,608 million (1,226).
- **Net profit** amounted to SEK 266 million (656), corresponding to **profit per share** of SEK 3.52 (9.50).

Important events during the third quarter

- The Swedish Financial Supervisory Authority (FSA) issued a warning to the subsidiary Carnegie Investment Bank AB[1] for deficiencies in the control of trading operations and a penalty fee of SEK 50 million was charged against earnings for the quarter.
- The CEO of Carnegie Investment Bank AB and D.Carnegie & Co Stig Vilhelmson resigned from his positions in conjunction with the FSA's ruling. Anders Onarheim was appointed new acting CEO. Matti Kinnuen was appointed acting deputy CEO.
- Per Axman was appointed new manager for the Asset Management and Private Banking business areas.
- Increased market shares in customer driven securities activities.

Subsequent events

- The Board of Directors has decided to appeal parts of the FSA ruling, see more on page 9.
- An Extraordinary General Meeting will be convened to elect a new Board of Directors.
- Bo Haglund was appointed acting CFO.

Earnings trend

	Jul-Sep			Jan-Sep		Full year
(SEKm)	2007	2006	%	2007	2006	2006
Total income	1 067	727	47%	2 958	3 076	4 225
Operating profit before profit share	438	332	32%	1 350	1 851	2 567
Profit before tax	232	170	36%	395	939	1 302
Net profit	151	119	27%	266	656	923
Earnings per share (SEK)	1.95	1.72	14%	3.52	9.50	13.35

1) Carnegie Investment Bank AB is a wholly owned subsidiary of D. Carnegie & Co AB, whose shares are listed on the OMX Nordic Exchange. In this report "Carnegie" means the listed company.

D.Carnegie & Co AB (publ), SE-103 38 Stockholm, Sweden
Västra Trädgårdsgatan 15, Tel +46 8 676 88 00, Fax +46 8 676 88 95
E-mail: ir@carnegie.se Org.nr. 556498-9449

CEO's Comments

It is with great pride I report that Carnegie's employees continued to deliver the highest value to our customers during a very difficult period. Carnegie's income rose by 28 per cent, excluding income from Max Matthiessen, compared with the corresponding period of the preceding year. Profit before tax increased by 21 per cent, excluding Max Matthiessen. The positive trend has continued into October and is a further testament of the great strength of our organization and the loyalty of our clients.

Naturally, the events following the overstatement of trading positions that were discovered in May, had an impact on the quarter. At the same time, the events of the quarter should mark an end of a period of uncertainty and the start of a new phase in Carnegie's development.

Securities showed very favorable growth driven by strong commission income. In Investment Banking, Carnegie reported acceptable income despite a significant softening of the market since the first half of the year. Asset Management reported yet another strong quarter driven by high income from mutual funds with a performance-based fee structure and an increase in asset under management. The Private Banking business area and Max Matthiessen showed stable growth in a seasonally weak quarter.

The Swedish Financial Supervisory Authority's criticism of Carnegie Investment Bank AB at the end of September was harsh. The FSA concluded that the risk management and control systems were insufficient. From late spring and ongoing, we have worked intensively to implement a comprehensive action programme. The FSA stated that the action programme was adequate and has good prospects of correcting the deficiencies.

The decisions by the supervisory authority meant that the former CEO was forced to resign and the Nomination Committee will propose a new Board of Directors at an upcoming Extraordinary General Meeting.

During this period, Carnegie's employees have worked tirelessly and proudly to deliver strong results. We also managed to recruit a number of top-quality people during the quarter. We continued to receive important proof of strong customer confidence in our operations, such as being ranked in first place in Prospera's Nordic summary within Investment Banking.

We also decided to relocate, together with Max Matthiessen, to new, more efficient and more modern office premises where we can gather all employees in Stockholm under one roof.

We look back with both insight and regret on what has been a very trying time for our shareholders and our employees. At the same time, it is gratifying that the results of the most recent quarter allow us to conclude that we continued to perform at a high level, despite harsh judgments and turbulent markets. With this as a starting point, we take Carnegie's customers and shareholders into a new phase on the back of our strong belief in the future, driven by a clear focus on delivering the very best performance.

Anders Onarheim
Acting CEO

CARNEGIE GROUP

Income statement

(SEKm)	Jul-Sep 2007	Jul-Sep 2006	%	Jan-Sep 2007	Jan-Sep 2006	Full year 2006
Securities	430	297	45%	1 095	1 420	1 886
Investment Banking	139	158	-12%	458	680	885
Asset Management	226	158	43%	709	572	891
Private Banking	138	114	21%	427	405	563
Max Matthiessen	133	-	-	269	-	-
Total income	**1 067**	**727**	**47%**	**2 958**	**3 076**	**4 225**
Personnel expenses	-325	-231	40%	-887	-697	-952
Other expenses	-254	-164	55%	-670	-529	-708
Net provisions for credit losses	-50	0	-	-50	1	0
Total operating expenses excluding profit share	**-629**	**-396**	**59%**	**-1 608**	**-1 226**	**-1 659**
Operating profit before profit share	**438**	**332**	**32%**	**1 350**	**1 851**	**2 567**
Costs of profit-share system	-206	-161	28%	-955	-912	-1 265
Total expenses	**-835**	**-557**	**50%**	**-2 563**	**-2 137**	**-2 923**
Profit before taxes	**232**	**170**	**36%**	**395**	**939**	**1 302**
Taxes	-80	-52	56%	-129	-284	-379
Net profit	**151**	**119**	**27%**	**266**	**656**	**923**
Earnings per share, SEK	1.95	1.72	14%	3.52	9.50	13.25
Earnings per share, fully diluted, SEK	1.95	1.70	15%	3.52	9.41	13.25

Income

Income during the **third quarter** of 2007 amounted to SEK 1,067 million. Excluding income from Max Matthiessen, income rose 28 per cent in relation to the corresponding period in 2006. **Securities'** income increased by 45 percent to SEK 430 million driven by higher commission income. **Investment Banking** generated income of SEK 139 million, a decline of 12 per cent. Lower income from equity capital market transactions (ECM) was partially offset by higher advisory income. **Asset Management** increased income by a full 43 per cent to SEK 226 million, driven by positive net inflows and increased income from earnings-based fund products. **Private Banking's** income for the third quarter amounted to SEK 138 million, an increase of 21 per cent in relation to the corresponding period in 2006. **Max Matthiessen**, which was consolidated in the second quarter of 2007, generated income of SEK 133 million.

Income during the **first nine months** of 2007 amounted to SEK 2,958 million (3,076), a decline of four per cent, compared with the first nine months of 2006. Excluding income from Max Matthiessen, income declined 13 per cent in relation to the corresponding period in 2006. In relation to the record-strong comparison period in 2006, income from Securities and Investment Banking declined, while income for the 2007 period was higher in both Asset Management and Private Banking.

Expenses and net profit

For the third quarter, expenses before profit sharing amounted to SEK 629 million (396). Expenses during the third quarter of 2007 includes costs of SEK 82 million for the new business area Max Matthiessen, a penalty fee of SEK 50 million from the supervisory authority and a credit provision of SEK 50 million. Adjusted for these items, expenses increased by some 13 per cent.

Total expenses before profit sharing for the first nine months of 2007 amounted to SEK 1,608 million (1,226). Expenses for 2007 include expenses of SEK 162 million in the new business area Max Matthiessen during two quarters, a provision of SEK 25 million made for client disputes in the first quarter, a fine of SEK 50 million from the Swedish Financial Supervisory Authority and a credit provision of SEK 50 million. Adjusted for these items, expenses increased by about 8 per cent in relation to the first nine months of 2006.

Given the prevailing market conditions, total expenses before profit sharing for the full year 2007 are expected to range from SEK 2.1 to 2.2 billion. This estimate includes Max Matthiessen's expenses starting with the second quarter of 2007.

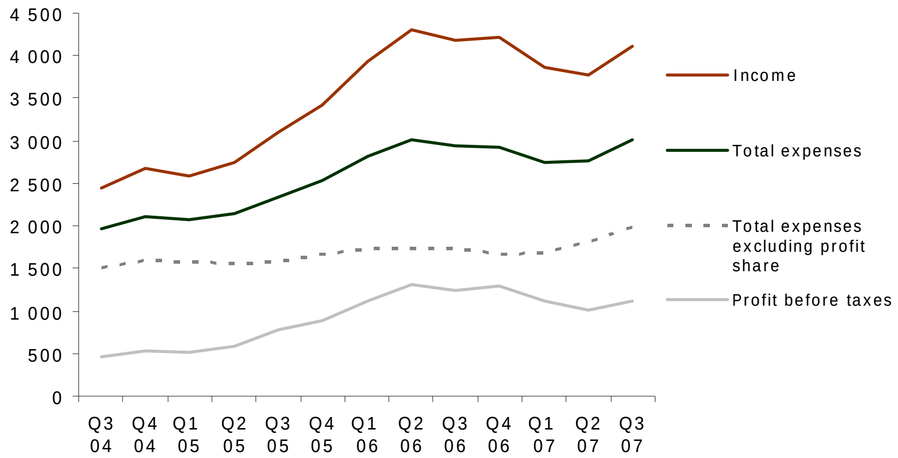
Net profit for the first nine months amounted to SEK 266 million (656). Profit during 2007 was affected by the expenses affecting comparability described above and a non-recurring write-off of the deficit of SEK 315 million before tax in the profit sharing system.

Net profit for the third quarter of 2007 amounted to SEK 151 million (119).

Allocation to employees according to the profit-sharing system amounted to SEK 955 million (912) for the first nine months of 2007, of which SEK 315 million was attributable to the write-off of the deficit in the profit sharing system from 2005 to 2007[1].

Income, expenses and profit before taxes[2]

Rolling four-quarter figures (SEK m)



[1] The effects of Group Managements' decision to forego profit-share will impact Q4 2007.

[2] Excluding non-recurring write-off in the second quarter of 2007 amounting to SEK 315 million and SEK 50 million for penalty fee from Swedish FSA.

Market

After a strong first six months, the stock market trend was significantly weaker and more volatile in most markets during the third quarter, which was a result of increased concern in credit markets in combination with increased uncertainty regarding economic trends in the US. During the third quarter, the Nordic index rose by 2 per cent, which was in line with the world market index. The value of the Stockholm Stock Exchange declined by 4 per cent, while the Helsinki Stock Exchange rose by a full 8 per cent.

The market for mergers and acquisitions (M&A) weakened during the third quarter, following a very strong first half of 2007. Viewed over the first nine months of the year, the value of publicly announced deals in the Nordic region increased by 20 per cent in relation to the corresponding period in 2006. Growth in the market for equity capital market (ECM) transactions weakened during the third quarter, but viewed over the first three quarters, growth was a full 48 per cent in relation to the corresponding period in 2006.

Carnegie's market position

Customer surveys and external evaluations show that Carnegie generally retained or improved its market positions during the first nine months of 2007. When the market research company Prospera summarised results for the Nordic countries during 2007, Carnegie was ranked as tied for first place in the area of investment banking (corporate finance). Institutions are continuously evaluating Carnegie's brokerage operation. During the third quarter, several major institutions awarded Carnegie the highest ranking, which strengthens Carnegie's share of customer-driven equity trading in the Nordic region. Within Asset Management, about 95 per cent of the capital under management in Carnegie's ranked mutual funds had a 4 or 5-star rating (with 5 as the highest), and a clear majority of the funds outperformed benchmark indices during the first nine months of the year.

Capital requirements and capital coverage ratio

New capital requirement rules (Basel II)

On February 1, 2007, new capital requirement rules, Basel II, were introduced in Sweden. These rules are based on the Basel Accord and are being introduced throughout the EU according to the regulations of the EU's Bank Directive and Capital Coverage Directive. According to the new rules the capital requirement will be linked to a higher degree than previously to the institution's risk profile. Another significant change is that a special capital requirement has been added for operational risks in addition to the already existing capital requirements for credit risks and market risks.
Credit risks in Basel II may be calculated either according to the institution's own internal model (IRB-model), which must be approved by the Swedish Financial Supervisory Authority, or according to a simpler standardised method. Carnegie employs the standardised method. This method allows, to a substantially greater extent than before, the subtraction of securities posted as collateral in the calculation of the capital requirement for credit risks, leading to a reduced capital requirement.

The rules for market risk are largely unchanged in Basel II with the exception that counterparty risks in the trading portfolio are now reported as a credit risk. Carnegie uses the standardised method to calculate capital requirement for market risk.

Carnegie has chosen to calculate the capital requirement for the operational risks by using the basic indicator approach.

Capital requirements and capital quotient

Capital requirements and the capital quotient are listed below in accordance with the Swedish Financial Supervisory Authority's regulations FFFS 2007:5 regarding disclosure of information about capital requirement and in accordance with the new capital coverage rules in Basel II. One difference compared with the previous Basel I rules is that risks associated with operations are now calculated as a capital requirement instead of as risk-weighted assets. Capital coverage is calculated as the quotient of the capital base divided by the sum of capital requirements and not as a percentage as previously. The capital quotient may not be less than 1.

Capital requirements and capital quotient (SEK thousands)	30 September 2007	31 December 2006	30 September 2006
Tier I capital*	2 324 642	1 292 679	1 097 075
Tier II capital	480 288	476 250	481 663
Deducted items			
Intangible assets	-958 744	-19 048	-19 859
Deferred tax assets	-223 678	-123 743	-135 634
Total capital	1 622 508	1 626 138	1 423 245
Capital requirement for credit risk according to standardized method	190 238	702 983	468 717
Capital requirement for market risk	294 946	331 014	194 426
Capital requirement for operational risk	515 608	0	0
Total minimum capital requirement	1 000 882	1 033 997	663 143
Surplus capital	621 626	592 140	760 103
Capital quotient according to new rules (Basel II)	1,62	1,57	2,15
Capital ratio according to old rules (Basel I)	12,97%	12,58%	17,17%

*In the Tier I capital, the reported earnings may be included, after the deduction of anticipated dividends. Based on Carnegie's historical dividend pay-out ratio, Carnegie has not included the reported earnings in the Tier I capital.

Liquidity, financing and investments

Carnegie's principal need for liquidity is to support day-to-day operations, through secured and unsecured short-term funding. The need for long-term funding is relatively low. The main part of Carnegie's assets are marketable securities inventories (marked-to-market or at theoretical values), margin lending and short-time deposits. As a consequence of this, Carnegie's working capital fluctuates significantly between the financial statement dates. In 2007, the change in working capital was SEK 5,253 million (-524). A more relevant measure of the liquidity is the cash flow from operations before changes in working capital, which was SEK 253 million in 2007 (678). Capital expenditure in 2007 amounted to SEK 80 million (30).

Parent Company D. Carnegie & Co AB

Total income in the parent company D. Carnegie & Co AB for the first nine months of 2007 was SEK 0 million (0), and the company was showing a loss before financial items of SEK 21 million (-18). The net loss before taxes was SEK 34 million (-22). At 30 September 2007, cash and liquid assets amounted to SEK 6 million (16). No capital expenditure was made during the period (0). Shareholders' equity at 30 September 2007 was SEK 1,793 million (906).

Risks and uncertainty factors

The business activities of the Carnegie Group, by their nature, expose Carnegie to market, credit, funding 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 is derived from lending to clients with shares as collateral. Funding risk is related to the need for liquidity in the day-to-day operations. Operational risk is the risk of loss resulting from inadequate and/or failed internal processes, people, systems, human error or external events.

Carnegie's exposure towards shares and share derivatives include items on the asset side of the balance sheet as well as on the liability side. As of 30 September 2007, the total value of such assets and liabilities amounted to SEK 24,145 million, of which SEK 16,891 million consisted of shares and SEK 7,255 million consisted of derivative instruments. Book values of assets and liabilities correspond to market values. The shareholdings consist of both short and long positions in shares mainly listed in Sweden and on international markets. Of the total position, 84 per cent was valued based on market values, while 16 per cent was valued based on theoretical values. Theoretical values are used if market prices are unavailable or of poor data quality.

As of 30 September 2007 none of the derivative instruments included in the portfolio of shares and derivatives have a maturity beyond 2011. Maturities were less than one year for 50 per cent of the positions, between one and two years for 27 per cent and more than two years for 23 per cent.

The financial risk in the trading position has been sharply reduced since May 2007.

Adjustment of financial data

In consideration of the overstatement of the value of the trading position during the years from 2005 to 2007, income statements and balance sheets were adjusted in accordance with the information communicated on 24 May and on 11 June 2007. In this report, historic data is adjusted so that earnings will reflect the actual development. The adjustments relate exclusively to the Securities business area. A complete file with adjusted financial data by year and by quarter is available on the Carnegie web site www.carnegie.se under Investor Relations.

Events during the quarter with reference to overstatement of the trading portfolio

In May 2007, the Board of Directors announced that the value of certain trading positions had been overstated during the years 2005 to 2007 in a total amount of SEK 630 million. As a result of the downward adjustment of trading income, a deficit arose in the profit-sharing system. On 11 June 2007, the Board of Directors announced a decision to write-off the deficit in the profit-sharing system on the opening date, which resulted in a deviation from the previously applied principle (the 50-per cent principle). In conjunction with the decision regarding the write-off in the above mentioned deficit in the profit-sharing system, it was announced that the management group at that time would forego all profit shares for 2007. The decision was referred by the Board of Directors to an Extraordinary General Meeting in August for approval.

Extraordinary General Meeting

At an Extraordinary General Meeting on 23 August 2007, the Board of Directors' motion to deviate from the 50-per cent principle in the profit-sharing system during 2007 was approved. More than 90 per cent of the votes exercised at the Meeting were in favour of the Board's motion.

The Swedish Financial Supervisory Authority's decision
In conjunction with Carnegie's announcement of the downward adjustment of values, the Swedish Financial Supervisory Authority initiated an investigation of risk management within Carnegie Investment Bank AB[3]. On 28 September, the supervisory authority announced its decision after completing its investigation. The supervisory authority ruled that

- a warning shall be issued to Carnegie Investment Bank AB
- the Board of Directors in Carnegie Investment Bank AB shall convene an Extraordinary General Meeting at which the matter of election to the Board of Directors shall be addressed
- the CEO of Carnegie Investment Bank AB shall resign from his position within three months following the announcement of the ruling
- Carnegie Investment Bank AB was assigned a penalty fee of SEK 50 million
- Carnegie Investment Bank AB's former auditor, as well as the auditor formerly appointed by the Swedish Financial Supervisory Authority shall be reported to the Committee for the Authorization of Public Accountants.

As a consequence of the supervisory authority's ruling, Stig Vilhemson resigned from the position as CEO of Carnegie Investment Bank and D. Carnegie & Co with immediate effect. Anders Onarheim, Head of Investment Banking and President of Carnegie ASA (Norge), was appointed acting CEO. Matti Kinnunen was appointed as acting deputy CEO for D. Carnegie & Co and Carnegie Investment Bank.

The Swedish Financial Supervisory Authority directed serious criticism against Carnegie Investment Bank's risk management and control systems, but stated that the action programme is adequate and has good prospects of correcting the deficiencies.

Carnegie's action programme
The action programme that Carnegie initiated in late spring is in large portions already implemented. It comprises among other a comprehensive review of the internal organization, routines and relevant written instructions to strengthen the internal governance and internal control functions.
Among other key measures is a strengthening of the entire trading process with a revised trading policy and limit instruction for the trading department, additional resources within Middle Office, which now more clearly consolidates such functions as reconciliations, control and validation, as well as profit calculation relating to trading. Positions and valuation of trading portfolios will also be validated each quarter using independent external expertise. Furthermore, Risk Management has been divided into the two areas of Risk Management and Operational Risk Management, with a director for each. Resources are being added to the Corporate Compliance function, ensuring that the organization has processing routines that in every way comply with prevailing regulations and internally established requirements. Resources have been increased within the Internal Audit function, and its scope of review revised. The action programme that Carnegie initiated in early summer is in large portions already implemented. It comprises a comprehensive review of the internal organization, routines and all written instructions to strengthen the internal control.

[3] Carnegie Investment Bank AB is a wholly owned subsidiary of D. Carnegie & Co AB, whose shares are listed on the OMX Nordic Exchange.

Events after the closing date

Carnegie withdrew from its assignments for the Swedish government
On 2 October, Carnegie informed the Ministry of Finance that Carnegie wished to withdraw from the assignment to assist the government in the sales processes for OMX and SBAB. The primarily motive was to facilitate the Swedish government's sales processes. The financial effects from this withdrawal are limited.

OMX Nordic Exchange's investigation submitted to the Disciplinary Committee
On 2 October, the OMX Nordic Exchange submitted its investigation of Carnegie to the Disciplinary Committee related to the adjusted values of the trading portfolio. The investigation refers to Carnegie Investment Bank AB, in its capacity as an exchange member, for suspected manipulation of market prices of certain instruments and to D. Carnegie & Co. AB, in its capacity as a listed company, for incorrect information during the years 2005 to 2007.

New acting CFO
On 3 October, Ulf Fredrixon, CFO at Carnegie since 1 March 2007, decided to leave the company. Bo Haglund was appointed as acting CFO in Carnegie Investment Bank AB and D. Carnegie & Co AB. Bo has worked at Carnegie for more than ten years, most recently as the co-manager for the acquisition and integration of Max Matthiessen.

The Board will convene an Extraordinary General Meeting of D. Carnegie & Co AB
Carnegie's Nomination Committee, whose members jointly represent more than ten per cent of the capital and voting rights in Carnegie, submitted a request to the Board of Directors on 28 September 2007 that an Extraordinary General Meeting of the listed company D. Carnegie & Co AB shall be convened.

Information regarding appeal of the Financial Supervisory Authority's decision regarding Carnegie Investment Bank AB
On September 28, 2007, the Swedish Financial Supervisory Authority (FSA) announced its decision (dnr 07-6125) following its review of Carnegie Investment Bank AB. Parts of the FSA's decision can be appealed to the County Administrative Court, which was done on October 19, 2007.

The work to produce a full detailed appeal is extensive and takes time, and Carnegie's Board of Directors is working with this issue. Therefore, Carnegie's Board of Directors has asked for a deferral in filing the detailed appeal until November 19, 2007, at the latest.

Financial reporting in 2007

Year-end report 2007	8 February 2008

Press conference / Webcast

Anders Onarheim, Carnegie's acting CEO and Bo Haglund, acting CFO, will present the interim report at a press conference on 24 October 2007 at 10:00 a.m. at Carnegie's head office at Västra Trädgårdsgatan 15 in Stockholm.

The press conference will be broadcasted live on the web at www.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: Anders Onarheim (acting CEO) +46 8-676 88 00, Bo Haglund (acting CFO) +46 8-5886 90 03 or Andreas Koch (Information and IR) +46 8-676 86 39. Further information is available at www.carnegie.se/ir.

Business Area - Securities

(SEKm)	Jul-Sep 2007	Jul-Sep 2006	%	Jan-Sep 2007	Jan-Sep 2006	Full year 2006
Income from client activities	395	299	32%	1 301	1 295	1 730
Net interest income	54	26	108%	100	72	90
Trading result	-19	-28	34%	-307	54	66
Total income	**430**	**297**	**45%**	**1 095**	**1 420**	**1 886**
Personnel expenses	-119	-103	15%	-354	-299	-421
Other expenses	-137	-76	81%	-341	-234	-315
Net provisions for credit losses	-50	0		-50	-1	-1
Total operating expenses excluding profit share	**-306**	**-179**	**71%**	**-745**	**-534**	**-737**
Operating profit before profit share	**125**	**118**	**5%**	**349**	**886**	**1 150**
Costs of profit-share system	-59	-57	3%	-481	-436	-566
Total expenses	**-364**	**-236**	**55%**	**-1 226**	**-970**	**-1 302**
Business area profit before taxes	**66**	**61**	**7%**	**-131**	**450**	**584**
Operating profit margin, %	15%	21%		-12%	32%	31%
Number of employees, average	360	340		359	333	336
Number of employees, period-end	361	342		361	342	349

Income

Income during the third quarter of 2007 amounted to SEK 430 million, up 45 per cent in relation to the corresponding period of 2006. Customer-related income increased by 32 per cent to SEK 395 million. Lower income from ECM transactions was offset by higher commission. Commission income was 19 per cent higher in the Swedish market during the third quarter 2007 in relation to same period 2006. Risks in the trading portfolio have been substantially reduced since May 2007. After a negative trend at the beginning of the quarter, the portfolio developed more favourably in September and into the first weeks of the fourth quarter. For the third quarter, the loss amounted to SEK 19 million (-28).

Securities' income during the first nine months of 2007 amounted to SEK 1,095 million, down 23 per cent, compared with the first nine months of 2006. The decline was related to the loss in trading operations.

Expenses and profit before tax

For the third quarter of 2007, total expenses before profit sharing amounted to SEK 306 million (179). The increase was related to higher average number of employees, a penalty fee from the financial authority of SEK 50 million and a credit provision of SEK 50 million. Profit before tax for the third quarter amounted to SEK 66 million (61).

Total expenses before profit sharing amounted to SEK 745 million (534) for the first nine months of 2007. The cost increase was primarily related to a provision of SEK 25 million for client disputes, a penalty fee of SEK 50 million to the Swedish Financial Supervisory Authority, a greater average number of employees in the business area and a credit provision of SEK 50 million.

The loss before tax for the first nine months of 2007 amounted to SEK 131 million (profit: 450). This loss includes a non-recurring write-off of SEK 315 million related to the deficit in the profit share system resulting from the incorrectly valued trading positions. Excluding this write-off, net profit amounted to SEK 184 million (450).

Market and Carnegie's position

The equity markets were volatile during the third quarter as a consequence of concern over increasing credit risks and lower growth in the US. The Nordic equity market increased by two per cent, measured from the closing of the second quarter and compared with the world market index, which rose by one per cent. Trading in the Nordic markets has been high during the quarter and total turnover increased by some 50 per cent in comparison to corresponding period 2006.

Carnegie has a very strong position in institutional customer driven activities on the Nordic exchanges. During the first nine months of 2007, Carnegie was the third largest player in terms of turnover volume, with a 5.3 per cent share of total volume. In terms of market share, the first two months of the third quarter were weak, while market share increased in September. This trend continued in October. Securities experienced positive growth in terms of number of customers, and about twenty new institutional customers were added during the quarter.

Carnegie's strong positions were confirmed by both customer surveys and external evaluations. In Sweden, Carnegie was ranked first by several institutions during the third quarter (12 out of 16 institutions ranked Carnegie #1), meaning that these institutions are increasing the share of their commission via Carnegie. During the third quarter, Carnegie organized a small and mid cap seminar in Stockholm which attracted a record number of companies and investors. In total, some 30 companies were presented to 350 investors.

Business Area - Investment Banking

(SEKm)	Jul-Sep 2007	Jul-Sep 2006	%	Jan-Sep 2007	Jan-Sep 2006	Full year 2006
ECM fees	35	58	-40%	172	295	398
Net income from financial positions	0	2		0	2	3
Advisory fees	104	98	6%	286	383	484
Total income	**139**	**158**	**-12%**	**458**	**680**	**885**
Personnel expenses	-41	-41	0%	-122	-128	-167
Other expenses	-25	-23	9%	-72	-77	-102
Total operating expenses excluding profit share	**-66**	**-64**	**4%**	**-194**	**-206**	**-269**
Operating profit before profit share	**73**	**94**	**-22%**	**264**	**474**	**616**
Costs of profit-share system	-34	-46	-25%	-125	-234	-304
Total expenses	**-101**	**-110**	**-8%**	**-319**	**-439**	**-573**
Business area profit before taxes	**39**	**48**	**-19%**	**139**	**240**	**312**
Operating profit margin, %	28%	30%		30%	35%	35%
Number of employees, average	132	124		133	126	128
Number of employees, period-end	132	128		132	128	132

Income

For the third quarter, income amounted to SEK 139 million, a reduction of 12 per cent in relation to the corresponding period in 2006. Higher fees from M&A transactions and structured products were counteracted by lower income from ECM transactions.

Income during the first nine months of the year amounted to SEK 458 million (680), a decline of 33 per cent, compared with the record-strong first nine months of 2006.

Expenses and net profit

Total costs for the third quarter 2007 amounted to SEK 66 million, an increase by four per cent compared with corresponding period in 2006. Profit before tax amounted to SEK 39 million (48).

Total expenses before profit sharing amounted to SEK 194 million for the first nine months of 2007, a decline of 6 per cent, compared with the corresponding period in the preceding year. The business area reported a net profit of SEK 139 million (240) for the nine-month period.

Market

The value of publicly announced Nordic M&A transactions declined during the third quarter both in relation to the third quarter of 2006 and to the second quarter of 2007. In total, however, the transaction volume was higher in the first nine months of 2007 than in the corresponding period in 2006. The value of completed transactions in the Nordic markets during the period from January to September 2007 amounted to USD 96 billion, an increase of 20 per cent in relation to the corresponding period of 2006.

The Nordic market for equity capital market (ECM) transactions was at a lower level during the third quarter, following a record-strong first half of 2007. Viewed over the first nine months of the year, transaction volume totalled USD 14.5 billion in 93 transactions, corresponding to increases of 48 and 58 per cent, respectively, compared with the corresponding period in 2006. The value of IPOs during the first nine months of 2007 amounted to USD 2.9 billion (3.0), while the number of transactions totalled to 33 (21).

Carnegie's market position

Carnegie continued to strengthen its position according to external customer surveys. In the year's Nordic summary from Prospera, Carnegie was tied for shared first place.

Acquisitions, mergers and divestments (M&A)

Carnegie has been advisor in a total of 25 public M&A transactions during the first nine months of 2007, giving Carnegie fourth place in the Nordic region in terms of quantity. Measured in value, these transactions amounted to USD 5.4 billion (14.1), giving Carnegie a 15th place (4th). At the beginning of the fourth quarter of 2007, Carnegie elected to withdraw from assignments for the Swedish government to sell SBAB and OMX. The reason was primarily to facilitate the Swedish government's sales processes.

9M 2007		
Adviser	USD million	#
1. Morgan Stanley	14,591	14
2. SHB	14,056	28
3. Goldman Sachs	13,415	10
4. JP Morgan Chase	10,249	14
5. RBC Capital Markets	10,172	2
6. Enskilda	9,695	36
7. Greenhill & Co, LLC	8,211	1
8. Deutsche Bank	7,295	8
9. Credit Suisse	7,138	6
10. PWC	6,902	29
Total market with advisers	76,044	370
Total market w/o advisers	19,937	1,361
Total market	**95,981**	**1,731**
15. Carnegie	**5,416**	**25**

9M 2006		
Adviser	USD million	#
1. Enskilda	22,675	46
2. Morgan Stanley	16,120	9
3. Deutsche Bank	14,193	13
4. Carnegie	**14,052**	**43**
5. Goldman Sachs	10,899	5
6. ABN Amro	10,211	18
7. Citi	8,519	12
8. Lehman Brothers	8,367	3
9. Rothschild	7,637	11
10. Lazard	6,387	10
Total market with advisers	68,378	420
Total market w/o advisers	11,403	1,027
Total market	**79,781**	**1,447**

2006		
Adviser	USD million	#
1. Morgan Stanley	56,819	14
2. Goldman Sachs	45,201	9
3. Lehman Brothers	42,071	7
4. Enskilda	27,455	65
5. Deutsche Bank	15,825	15
6. Citi	14,460	18
7. Carnegie	**14,052**	**43**
8. ABN Amro	10,695	21
9. JP Morgan Chase	10,141	15
10. Credit Suisse	9,152	9
Total market with advisers	126,951	564
Total market w/o advisers	18,109	1,421
Total market	**145,060**	**1,985**

Equity capital market (ECM) transactions

In the Nordic market for equity capital market transactions, measured in terms of the number of transactions, Carnegie was ranked second (first) with 22 (22) transactions. Carnegie was ranked second (first) in terms of value during the first nine months of 2007, with a transaction value corresponding to USD 2.0 billion (2.4).

9m 2007		
Adviser	USD million	#
1. Enskilda	2,454	31
2. Carnegie	**2,041**	**22**
3. UBS	2,004	3
4. ABG Sundal Collier	1,348	17
5. Deutsche Bank	1,331	1
6. Pareto Securities	1,036	16
7. JP Morgan	788	2
8. Goldman Sachs	623	5
9. Credit Suisse	463	1
10. Lehman Brothers	373	2
Total	**14,450**	**93**

9m 2006		
Adviser	USD million	#
1. Carnegie	**2,441**	**22**
2. Pareto Securities	1,844	13
3. Enskilda	1,390	19
4. Deutsche Bank	891	4
5. ABG Sundal Collier	675	6
6. UBS	616	3
7. DnB NOR	594	5
8. Merrill Lynch	315	3
9. Goldman Sachs	214	2
10. First Securities	167	1
Total Market	**9,751**	**59**

2006		
Adviser	USD million	#
1. Carnegie	**2,977**	**30**
2. Enskilda	2,336	34
3. Pareto Securities	2,303	23
4. Morgan Stanley	1,667	4
5. Danske Markets	1,464	3
6. UBS	1,215	5
7. Deutsche Bank	938	5
8. ABG Sundal Collier	749	10
9. DnB NOR	594	5
10. Handelsbanken	553	3
Total	**17,308**	**107**

Sources: Thomson Financial

Business Area - Asset Management

	Jul-Sep			Jan-Sep		Full year
(SEKm)	2007	2006	%	2007	2006	2006
Regular fees	149	118	27%	443	404	512
Performance fees	23	2		118	45	150
Total fees from mutual funds	**173**	**120**	**45%**	**561**	**450**	**662**
Regular fees	45	37	21%	129	117	157
Performance fees	8	1		19	5	71
Total fees from discretionary fund management	**53**	**38**	**40%**	**148**	**122**	**228**
Total income	**226**	**158**	43%	**709**	**572**	**891**
Personnel expenses	-54	-40	35%	-142	-127	-173
Other expenses	-36	-31	17%	-106	-106	-139
Total operating expenses excluding profit share	**-90**	**-71**	**27%**	**-248**	**-233**	**-312**
Operating profit before profit share	**136**	**87**	**56%**	**461**	**339**	**579**
Costs of profit-share system	-64	-43	50%	-219	-167	-286
Total expenses	**-154**	**-113**	**36%**	**-467**	**-400**	**-597**
Business area profit before taxes	**72**	**44**	**62%**	**243**	**172**	**293**
Operating profit margin, %	32%	28%		34%	30%	33%
Period-end assets under management (SEK bn)	136	103		136	103	114
- whereof mutual funds	62	52		62	52	56
- whereof discretionary fund managememer	74	51		74	51	59
Number of employees, average	137	131		137	133	134
Number of employees, period-end	138	133		138	133	137

Income

Income during the third quarter of 2007 increased to SEK 226 million, or 43 per cent in relation to the corresponding period of 2006. Income from asset management with income, entirely or partly, based on performance, increased from SEK 2 million in 2006 to SEK 23 million in the third quarter of 2007. The major share of such performance-based income during the quarter was related to the Carnegie WW Long/Short hedge fund, which showed very favourable returns. Some 25 per cent of assets under management (both discretionary and in mutual funds) have a performance-based fee structure.

Income within Asset Management amounted to SEK 709 million during the first nine months of 2007, an increase of 24 per cent, compared with the corresponding period of 2006. The increase was driven by high performance-based income as well as increased assets under management.

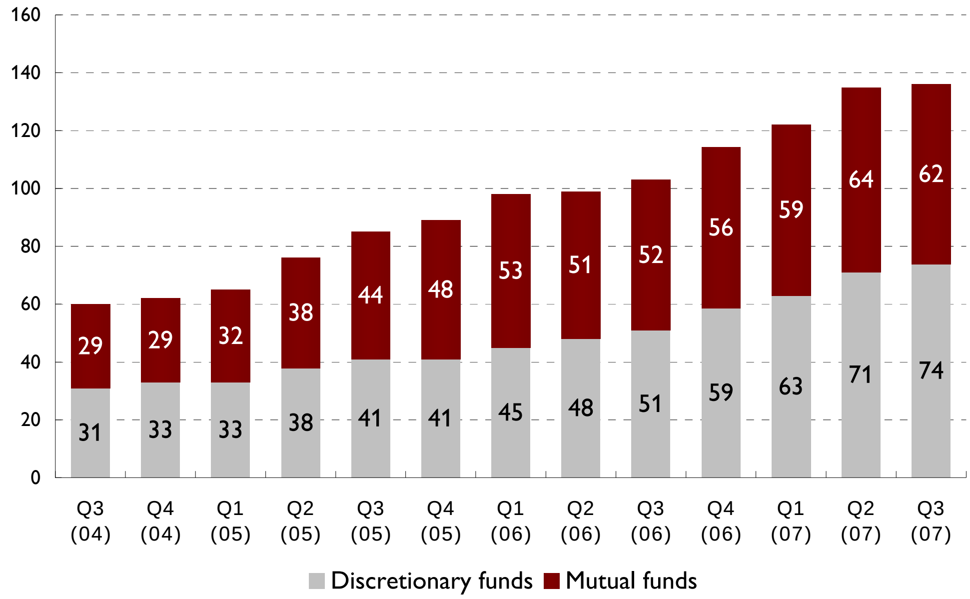
Expenses and net profit

For the third quarter of 2007, total expenses before profit sharing amounted to SEK 90 million (71), while profit before tax amounted to SEK 72 million (44). Total expenses before profit sharing increased by 6 per cent to SEK 248 million during the first nine months of the year, compared with the corresponding period in 2006. Profit before tax increased by 41 per cent to SEK 243 million.

Assets under management

Assets under management include discretionary managed portfolios and mutual funds. At the end of the third quarter, assets under management amounted to SEK 136 billion, an increase of SEK 22 billion since 1 January and an increase with one billion since end of second quarter. The increase since year-end consisted of an inflow of SEK 10 billion and an increase in value of SEK 12 billion.

Assets under management, quarterly trend (SEK bn)



Market

After a strong first half of the year, the trend in the global equity market was significantly weaker during the third quarter. The world market index rose by 2 per cent measured from the end of the second quarter, while the growth since the beginning of the year was 8 per cent. The turbulence in equity markets in combination with concern in the credit market had a negative impact on the flow to mutual fund products during the quarter, which affected both private individuals and institutions. Viewed over the first nine months of the year, however, the net inflow to mutual fund products was positive.

Carnegie's rating and product development

Carnegie's mutual funds continued to perform well relative to indices, and more than two thirds of the funds showed better return than the relevant benchmark indices. Carnegie's single largest mutual fund, Carnegie World Wide (Lux) has generated a return of 22 percent since the beginning of the year or fully 10 percentage points higher than the benchmark index. The Carnegie Long/Short hedge fund has exceeded the benchmark index by 7 percentage points since 1 January. Similarly, emerging markets mutual funds showed favourable growth, with Carnegie East European (Lux), for example, increasing by 22 per cent since the beginning of the year compared to benchmark index that increased 14 per cent.

According to external valuations, more than 95 per cent of assets under management in Carnegie's rated equity funds were rated with four or five stars.[4]

[4] Source: Morningstar and Fondmarknaden, June 2007. Five stars is the highest rating.

Business Area - Private Banking

	Jul-Sep			Jan-Sep		Full year
(SEKm)	2007	2006	%	2007	2006	2006
Total income	**138**	**114**	**21%**	**427**	**405**	**563**
Personnel expenses	-52	-48	8%	-149	-143	-191
Other expenses	-34	-34	-1%	-109	-111	-152
Net provisions for credit losses	0	0		0	1	1
Total operating expenses excluding profit share	**-86**	**-82**	**4%**	**-258**	**-253**	**-341**
Operating profit before profit share	**53**	**32**	**65%**	**169**	**152**	**222**
Costs of profit-share system	-25	-16	59%	-80	-75	-109
Total expenses	**-111**	**-98**	**13%**	**-338**	**-328**	**-451**
Business area profit before taxes	**28**	**16**	**70%**	**89**	**77**	**112**
Operating profit margin, %	20%	14%		21%	19%	20%
Client volume (SEK bn)	55	49		55	49	55
Number of employees, average	169	176		174	176	177
Number of employees, period-end	167	175		167	175	180

Income

Private Banking's income is derived from discretionary management and, advisory assignments, commissions from the sale of Carnegie's own and external equity funds and from net interest income and advisory services in legal affairs and insurance.

Income during the third quarter of 2007 amounted to SEK 138 million, 21 per cent higher than in the corresponding period in 2006. The improvement in profits was primarily attributable to Sweden and Denmark.

Total income during the first nine months of 2007 amounted to SEK 427 million, which was 6 per cent higher than in the corresponding period in 2006.

Expenses and net profit

Total expenses before profit sharing amounted to SEK 86 million (82) for the third quarter and the profit before tax increased by 75 per cent to SEK 28 million (16) in relation to third quarter 2006.

Total expenses before profit sharing amounted to SEK 258 million for the first nine months of 2007, which was a marginal increase over the corresponding period in the preceding year. Profit before tax increased by 15 per cent and totalled SEK 89 million (77) during the first nine months of the year.

Market

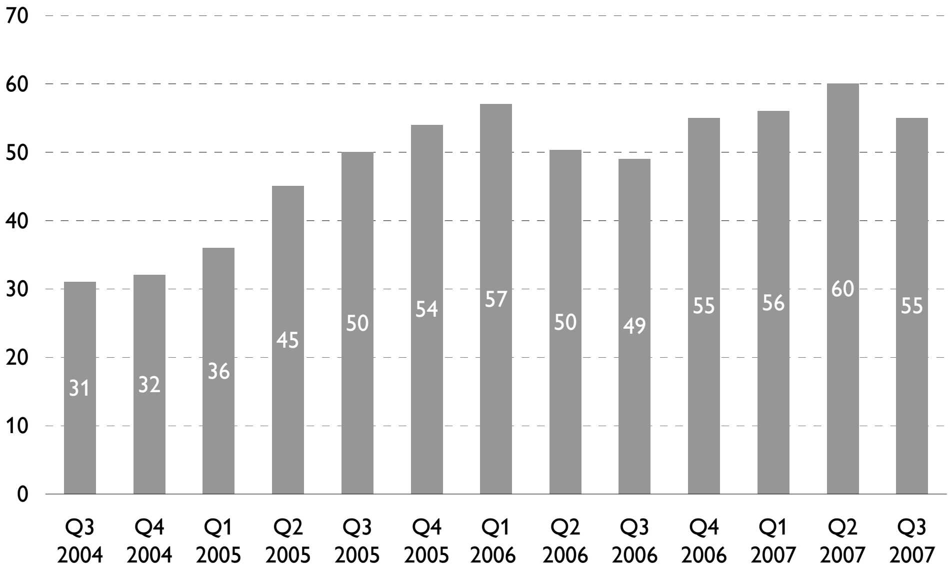
The Private Banking market is seasonally weak during the third quarter. At the same time, the volatile market trend resulted in many private individuals reducing exposure to equity markets in favour of short-term fixed-income investments. Carnegie's clients continued to be very active during the period, and the client portfolios developed favourably in relation to the market.

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 2007, the private client volume amounted to SEK 55 billion, unchanged since 1 January but SEK 5 billion lower than at the end of the second quarter. The decline in client volume during the quarter was due to lower deposits and borrowing and a weak share-price trend in the Swedish market. The net change in the number of clients was neutral.

Of the client volume, approximately SEK 5,9 billion is attributable to management assignments for which Asset Management has the advisory assignment and are thus also included in assets under management in the Asset Management business area.

Client volume, quarterly trend (SEK bn)



Business Area - Max Matthiessen

(SEKm)	Jul-Sep 2007	Apr-Sep 2007	Pro forma[1] Full year 2006
Commission	109	219	
Other fund and asset-based income	24	50	
Total income	**133**	**269**	**516**
Personnel expenses	-60	-120	
Other expenses	-22	-42	
Net provisions for credit losses	0	0	
Total operating expenses excluding profit share	**-82**	**-162**	**-351**
Operating profit before profit share	**51**	**107**	**165**
Costs of profit-share system	-24	-51	
Total expenses	**-106**	**-213**	
Profit before taxes	**27**	**56**	
Operating profit margin, %	20%	21%	
Number of employees, average	308	303	
Number of employees, period-end	311	311	

Income
Max Matthiessen's income consists of advisory fees for brokered insurance and savings solutions, as well as management income. This income is a combination of premium-related income, sales-based income, commission income and capital-based income. Income bases of long duration are prioritized to create sustainable profitability. This includes income that derives from underlying capital or recurring premiums. Max Matthiessen was consolidated in Carnegie during the second quarter. For the third quarter of 2007, income amounted to SEK 133 million, compared with SEK 136 million in the second quarter of 2007.

Expenses and net profit
Max Matthiessen's total expenses before profit sharing amounted to SEK 82 million in the third quarter of 2007. Net profit amounted to SEK 27 million, compared with net profit of SEK 29 million in the second quarter of 2007.

Market
Following strong growth during the first half of the year driven by increased asset value, the total value of savings showed a weaker trend during the third quarter. Max Matthiessen has a market-leading position as an advisor in the area of company-financed pension and life insurance solutions in Sweden. The ambition is to also increase Max Matthiessen's market shares and advisory income within such privately financed savings as mutual fund savings, structured products and the Swedish PPA system.

1) The pro forma figures were prepared with consideration taken to the legal changes that occurred in conjunction with the acquisition. Pro forma figures are only available for the full year 2006.

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 and life insurance. These relations are normally of a long-term and relatively stable nature. In total, the insurance capital that Max Matthiessen administers amounts to about SEK 86 billion. The inflow of capital within Max Matthiessen's own services; the allocation service Navigera, the mutual fund service Maxfonder.se and the new PPA service is strong, and the assets within these services amounted to about SEK 14.5 billion at the end of the third quarter, an increase of slightly more than SEK 3 billion since 1 January and SEK 500 million since the end of the second quarter. During the quarter, SPP has been included into Max Matthiessen's new pension service, Maxplan. Max Matthiessen has also developed a new web-based ITP1 service for salaried employees born in 1979 or later.

As of the second quarter, Max Matthiessen has an own registered securities company, Max Matthiessen Värdepapper AB, which is a prerequisite for being able to fulfill the requirement of the new European MiFid regulations and also allows Max Matthiessen to offer its customers significantly more products and services. As part of efforts to create a complete advisory service for private individuals, several systems were integrated between Carnegie and Max Matthiessen during the quarter, and the number of joint customer activities is increasing continuously.

Segmental reporting

(SEKm)	Total 9M (07)	Total 9M (06)	Securities 9M (07)	Securities 9M (06)	Investment Banking 9M (07)	Investment Banking 9M (06)	Asset Management 9M (07)	Asset Management 9M (06)	Private Banking 9M (07)	Private Banking 9M (06)	Max Matthiessen Q2-Q3 (07)
Total income	**2 958**	**3 076**	**1 095**	**1 420**	**458**	**680**	**709**	**572**	**427**	**405**	**269**
Personnel expenses	-887	-697	-354	-299	-122	-128	-142	-127	-149	-143	-120
Other expenses	-670	-529	-341	-234	-72	-77	-106	-106	-109	-111	-42
Net provisions for credit losses	-50	1	-50	-1	-	-	0	0	0	1	0
Total operating expenses excluding profit share	**-1 608**	**-1 226**	**-745**	**-534**	**-194**	**-206**	**-248**	**-233**	**-258**	**-253**	**-162**
Operating profit before profit share	**1 350**	**1 851**	**349**	**886**	**264**	**474**	**461**	**339**	**169**	**152**	**107**
Costs of profit-share system	-955	-912	-481	-436	-125	-234	-219	-167	-80	-75	-51
Total expenses	**-2 563**	**-2 137**	**-1 226**	**-970**	**-319**	**-439**	**-467**	**-400**	**-338**	**-328**	**-213**
Profit before taxes	**395**	**939**	**-131**	**450**	**139**	**240**	**243**	**172**	**89**	**77**	**56**
Taxes	-129	-284									
Net profit	**266**	**656**									

Reporting by segment

Carnegie reports by segment in accordance with IAS 14. Carnegie defines the company's business areas as segments. In interim reports, information is reported according to the above. 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.

Statutory consolidated income statement

(SEKm)	Jul-Sep 2007	Jul-Sep 2006	Jan-Sep 2007	Jan-Sep 2006	Full year 2006
Commission income	1 054	697	3 076	2 839	3 894
Commission expenses	-77	-40	-224	-127	-182
Net Commission income	**977**	**657**	**2 853**	**2 712**	**3 712**
Interest income	260	189	703	465	666
Interest expenses	-299	-158	-767	-366	-617
Net interest income	**-39**	**31**	**-64**	**99**	**49**
Dividends received	0	0	1	1	1
Net profit from financial transactions	129	39	168	264	464
Total income	**1 067**	**727**	**2 958**	**3 076**	**4 225**
General administrative expenses	-767	-541	-2 458	-2 090	-2 860
Depreciation of tangible and amortisation of intangible fixed assets	-18	-15	-54	-48	-64
Total expenses	**-785**	**-557**	**-2 513**	**-2 138**	**-2 924**
Operating profit before provisions for credit losses	**282**	**170**	**445**	**939**	**1 302**
Provisions for credit losses, net	-50	0	-50	1	0
Profit before taxes	**232**	**170**	**395**	**939**	**1 302**
Taxes	-80	-52	-129	-284	-379
Net profit	**151**	**119**	**266**	**656**	**923**
Earnings per share (SEK)	1,95	1,72	3,52	9,50	13,35
Earnings per share, fully diluted (SEK)	1,95	1,70	3,52	9,41	13.25
Average number of shares	77 543 956	69 144 287	75 602 824	69 022 184	69 090 025
Number of shares related to outstanding warrants	-	2 271 100	-	2 271 100	1 976 530
Total number of shares, incl effect of issued warrants	77 543 956	69 705 757	75 602 824	69 661 492	69 645 478

Statutory consolidated balance sheet

(SEKm)	30 September 2007	30 September 2006	31 December 2006
Assets			
Cash and bank deposits in central banks	681	486	480
Loan to credit institutions	12 673	8 267	7 753
Loans to general public	7 501	5 652	8 403
Bonds and other interest bearing securities	1 683	2 000	1 915
Shares and participations	10 946	11 128	12 999
Intangible fixed assets	959	56	48
Tangible fixed assets	98	73	75
Other assets	9 041	9 255	8 044
Prepaid expenses and accrued income	1 592	510	562
Total assets	**45 174**	**37 427**	**40 279**
Liabilities and shareholders' equity			
Liabilities to credit institutions	18 796	11 457	15 762
Deposits and borrowing from general public	9 182	8 678	8 092
Other liabilities	11 968	13 798	12 261
Accrued expenses and prepaid income	2 070	1 228	1 646
Pension obligation	56	-	-
Subordinated loan	480	482	476
Shareholders' equity	2 621	1 785	2 042
Total liabilities and shareholders' equity	**45 174**	**37 427**	**40 279**

Changes in shareholders' equity

(SEKm)	30 September 2007	30 September 2006	31 December 2006
Shareholders' equity - opening balance, previously reported	2 042	1 721	1 721
Restated equity related to 2005	-	-36	-36
Dividend (Q1)	-813	-634	-634
Translation differences	30	-32	-72
New share issue - acquisition of Max Mattiessen	896	-	-
Exercised warrants	200	112	142
Net profit for the period	266	656	923
Shareholders' equity - closing balance	**2 621**	**1 785**	**2 042**

Statements of changes in financial position

(SEKm)	Jan-Sep 2007	Jan-Sep 2006	Full year 2006
Cash flow from operations before changes in working capital	252	678	973
Changes in working capital	5 254	-524	-1 358
Cash flow from current operations	**5 507**	**155**	**-386**
Cash flow from investment activities	**76**	**-27**	**-33**
Change in long-term liabilities	4	-4	-10
Excercised warrants	200	112	142
Distributed dividend	-813	-634	-634
Cash flow from financing activities	**-609**	**-526**	**-502**
Cash flow for the period	4 973	-398	-921
Liquid funds at the beginning of the period	8 233	9 244	9 244
Exchange differences in foreign subsidiaries	147	-92	-90
Liquid funds at the end of the period	**13 353**	**8 753**	**8 233**

Income statement of parent company

(SEKm)	Jul-Sep 2007	Jul-Sep 2006	Jan-Sep 2007	Jan-Sep 2006	Full year 2006
Administrative expenses	-11	-3	-21	-18	-27
Operating profit	**-11**	**-3**	**-21**	**-18**	**-27**
Financial items					
Anticipated dividend from Group companies	-	-	-	-	600
Interest income from Group companies	1	4	10	11	15
Other interest income	0	0	0	0	0
Sale/write-down of financial fixed assets	0	0	-	-3	-2
Interest expenses on subordinated loan	-6	-5	-18	-16	-22
Other interest expenses	0	0	-1	-1	0
Foreign exchange differences	1	-1	-4	4	9
Profit before taxes	**-15**	**-6**	**-34**	**-21**	**575**
Taxes	0	0	0	0	-5
Net profit	**-15**	**-6**	**-34**	**-22**	**570**

Balance sheet of parent company

(SEKm)	30 September 2007	30 September 2006	31 December 2006
ASSETS			
Fixed assets			
Financial assets			
Shares in Group companies	2 130	724	1 224
Other shares and participations			
Deferred tax assets	14	25	14
Total financial assets	**2 144**	**749**	**1 238**
Total fixed assets			
Current assets			
Current receivables			
Receivables from Group companies	141	635	750
Tax receivable		-	-
Other receivables	1	48	1
Prepaid expenses and accrued income	6	6	5
Total current receivables	**148**	**689**	**756**
Cash and bank	6	16	43
Total current assets	**154**	**705**	**799**
TOTAL ASSETS	**2 298**	**1 454**	**2 037**
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Restricted equity			
Share capital *	155	138	139
Statutory reserve	531	531	531
Unrestricted equity			
Retained earnings	1 141	258	304
Net profit	-34	-22	570
TOTAL SHAREHOLDERS' EQUITY	**1 793**	**906**	**1 544**
SUBORDINATED LOAN	**480**	**482**	**476**
Current liabilities			
Accounts payable	6	1	1
Tax liabilities	-	48	1
Other liabilities	0	0	0
Accrued expenses and prepaid income	19	18	15
Total current liabilities	**25**	**66**	**16**
TOTAL LIABILITIES	**25**	**66**	**16**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**2 298**	**1 454**	**2 037**

*Number of shares 77 543 956/69 230 500/69 525 070 as per Q3 2007/Q3 2006/Q4 2006

Key financial data

	Jul-Sep		Jan-Sep		Full year
	2007	2006	2007	2006	2006
Earnings per share (SEK)	1,95	1,72	3,52	9,50	13.35
Earnings per share, fully diluted (SEK)	1,95	1,70	3,52	9,41	13.25
Dividend per share					10.50
Book value per share (SEK)	33,8	25,8	33,8	25,8	29.37
Share price (SEK)	135,50	154,50	135,50	154,50	147.50
Price/earnings multiple	18,8	11,9	18,8	11,9	10.1
Number of shares at period-end[1]	77 543 956	69 230 500	77 543 956	69 230 500	69 525 070
Average number of shares[1]	77 543 956	69 144 287	75 602 824	69 022 184	69 090 025
Number of shares related to outstanding warrants	-	2 271 100	-	2 271 100	1 976 530
Total number of shares, incl effect of issued warrants	77 543 956	69 705 757	75 602 824	69 661 492	69 645 478
Profit margin, %	14%	16%	9%	21%	22%
Return on equity, (12 month) %			21%	55%	55%
Total assets (SEK million)	45 174	37 427	45 174	37 427	40 279
Margin lending (SEK million)	7 501	5 652	7 501	5 652	8 403
Deposits and borrowing from general public (SEK million)	9 182	8 678	9 182	8 678	8 092
Tier I Ratio, %	-	11,4%	-	11,4%	8,9%
Solvency ratio, % [2]	-	17,2%	-	17,2%	12,6%
Capital adequacy ratio[3]	1,62	2,15	1,62	2,15	1,57
Number of employees, average	1 106	770	1005	769	775
Number of employees, period-end	1 109	774	1109	778	798
Period-end assets under management (SEK billion)	136	103	136	103	114

1) In line with the decision on the AGM in March 29, 2007 Carnegie issued 935,000 limited preference shares. The shares may be converted into common shares for the use in Carnegie's Long Term Share Programme 2008/2011. If shares are allocated to employees according to this programme, the value of such shares will be charged as a cost to the 2008 income statement. Up until such time, preference shares, which are held by Carnegie, represents no dilution for Carnegie shareholders.

2) Solvency ratio calculated according to Basel II from first quarter of 2007.

3) Read more on page 5-6.

Definition of key data

Earnings per share:	Profit for the period divided by the average number of shares.
Earnings per share after dilution:	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.
Average number of shares:	The total number of shares, included any new issues, as a weighted average during the period.
Number of shares entitled to dividend:	Total number of outstanding shares on the record date.
Total number of shares, including effects of subscription warrants:	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.
Share price:	Share price (closing price) on the closing date.
P/E ratio (most recent 12 months):	Share price divided by earning per share for the most recent 12 months.
C/I ratio:	Total expenses (including allocation to the profit-sharing system) as a percentage of total income (including income from associated companies and other significant holdings).
Profit margin:	Profit before taxes as a percentage of total income (including income from associated companies and other significant holdings).
Return on equity:	Profit for the most recent 12 months as a percentage of average shareholders' equity.
Regulatory capital base:	Tier I plus Tier II capital.
Tier I capital:	Shareholders' equity plus the equity portion of untaxed reserves less goodwill, any proposed dividend, deferred tax assets, intangible assets and any repurchased shares.
Tier II capital:	Subordinated loans up to 50 per cent of Tier I capital.
Risk-weighted assets:	Book value of assets valued in accordance with the Swedish Financial Supervisory Authority's capital adequacy rules.
Tier I ratio:	Tier I capital as a percentage of risk-weighted assets.
Capital adequacy ratio:	Total regulatory capital base (Tier I plus Tier II capital) as a percentage of risk-weighted assets.
Capital quotient	Total regulatory capital (Tier I plus Tier II capital) divided by the total capital requirement for credit risk, market risk and operational risk.
Average number of employees	Total number of paid working hours for all employees divided by the normal number of working hours per employee for the entire period.
Number of employees on closing date:	The number of annual employees (full-time equivalents) on the closing date.

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

OTHER

Accounting principles

The report is prepared in accordance with IAS 34 Interim Reporting, RR 31 Interim Reporting for Corporate Groups issued by the Swedish Financial Accounting Standards Council and the Annual Accounts Act for Credit Institutions and Securities Companies. The Parent Company reports according to the Annual Accounts Act and RR 32:06. The accounting principles and calculation methods applied in this report are the same as those used in the 2006 Annual Report.

As of January 1, 2007, Carnegie applies IFRS 7 Financial Instruments: Disclosure and IAS 1 Presentation of Financial Statements. IFRS 7 does not result in any change with respect to reporting of financial instruments. On the other hand, disclosure requirements for financial instruments were increased. In respect of IFRS 7, the disclosure requirements in IAS 1 were also increased. Descriptions must include information about the capital base, external capital requirements and the extent to which these requirements are fulfilled. The extended requirements according to IFRS 7 and IAS 1 will affect Carnegie's annual report for 2007.

In consideration of the acquisition of Max Matthiessen, the accounting principles presented in the 2006 Annual Report were supplemented with the principles presented below.

Income

Commission income includes commissions for brokering personal insurance and security products. This income is received from insurance companies when insurance premiums are paid by the client company. Earned but not yet received commission income is calculated and recognized as revenue in the closing accounts for each period. For new insurance sales, the company receives a sales bonus or commission income. Normally, the company has annulment liability in the case that the client terminates the insurance. Accordingly, repayment claims pertaining to received commission income due to annulment of insurance policies is reported. Commission income that relates to income for insurance counselling and similar services are reported in the income statement when the services have been performed and it is probable that the future economic benefits will accrue to the company and these benefits can be calculated in a reliable manner.

Reserves for annulment risk relating to commission income and contingent liabilities

A sales bonus is received for new insurance sales. Normally, there is an annulment liability in cases where the client terminates the insurance. The insurance companies have the right to reduce commission payments to Max Matthiessen for annulments occurring in the period, regardless of whether the broker is an employee of Max Matthiessen or an independent agent. For own employees, provisions are allocated for this annulment liability based on the estimated repayment claims pertaining to received commission income due to annulment of insurance. With respect to free agents, Max Matthiessen has a right of recourse, which is a contracted right to charge the agents for its costs for annulments deriving from their business. If Max Matthiessen cannot utilize this right of recourse, Max Matthiessen incurs the annulment expense. The company's annulment liability with respect to independent agents is calculated according to the same principles as for employees and reported as a contingent liability.

Certification

The Board of Directors and the President 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 2007

Christer Zetterberg
Chairman of the Board

Hugo Andersen
Board member

Niclas Gabrán
Board member

Anders Ljungh
Vice Chairman of the Board

Dag Sehlin
Board member

Fields Wicker-Miurin
Board member

Anders Onarheim
CEO

Mai-Lill Ibsen
Board member

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 2007 until 30 September 2007. 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 24 October 2007

Deloitte AB

Jan Palmqvist

Authorised Public Accountant

CARNEGIE SHARE

Larger shareholders 30 September 2007	Votes and capital, %
Carnegie employees[1]	12.0%
Franklin-Tempelton Funds	5.0%
Moderna fonder	4.9%
Swedbank Robur funds	4.7%
Catella funds	4.1%
Första AP-fonden	2.1%
SEB funds	1.8%
Radar fund	1.8%
Andra AP-fonden	1.3%
Skandia Liv	1.3%
SHB/SPP	1.0%
Danske funds	1.0%
Other	60.0%
Total	**100%**

1) Employee shareholdings are individual holdings.

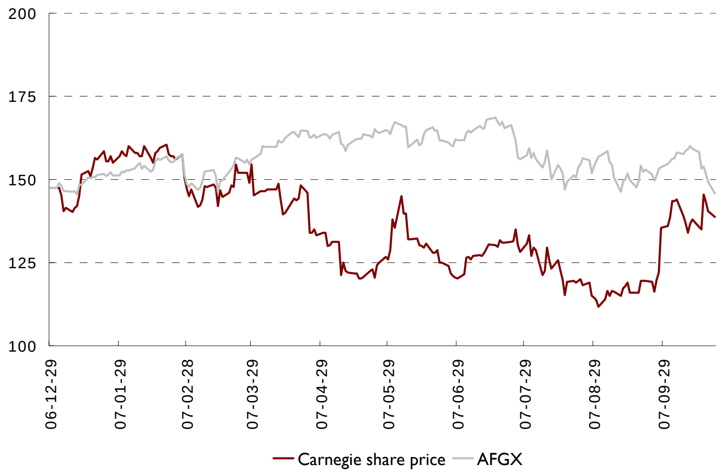
Employee shareholdings

Employee shareholdings, including the holdings of former Max Matthiessen employees, are estimated at 12 per cent of the total number of outstanding shares at 30 September 2007. 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 2007:

25 October – 30 November

Share price development 1 Jan - 22 Oct 2007



Share information (SEK)	
Market value 30 September 2007 (SEKm)	10 507
Share price 30 September 2007	135,5
Share price 31 December 2006	147.5
Year high 2007	160.5
Year low 2007	1111.8
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