



Press release

24 May 2007

Investigation for revaluation of trading positions now complete – resulting in a total negative effect of SEK 227 million for Carnegie’s net profit. Carnegie reports the suspects to the police.

An investigation begun by Carnegie on 8 May 2007 shows that the trading result has been overestimated during 2005-2007. This has resulted in the need to reevaluate certain trading positions, which negatively affects Carnegie’s net profit by a total of SEK 227 million for the whole period, of which SEK 101 million refers to 2007. The total amount includes the estimated effect of SEK 128 million that was communicated on 8 May 2007. Carnegie now reports the three individuals within the Swedish trading operations to the police, all of whom are suspected of fraudulent behaviour and overestimation of the result of the trading department.

On 8 May, Carnegie’s management communicated that violations of the prescribed valuation principles had occurred in the trading department, and that the trading result for 2007 had been overestimated. The investigation team that was formed has included external expertise and has cooperated with the company’s auditors in reviewing historical documentation and the applicable principles for valuation when determining the results from the trading operations. The team has been able to verify overestimation of the trading results during the period 2005 to 2007. Carnegie believes that there are grounds to suspect fraudulent behaviour, and it will report three individuals who have been working in the trading department to the police.

Carnegie’s Board of Directors and management have set the total adjustment of the trading result at SEK 630 million for the period 2005 to 2007. The adjustment of the trading result brings a total change in net profit (assuming 28 percent standard tax) amounting to SEK -227 million for the period 2005-2007. Of this sum, SEK 126 million refers to 2005-2006 and SEK 101 million refers to 2007. An adjustment of SEK 126 million will be made to the opening balance of total shareholders’ equity, and the remaining SEK 101 million will reduce the accumulated net profit for the first half year 2007.

The capital adequacy ratio, calculated pro forma as of 31 March, 2007 will, after the revaluation, amount to 13.6 percent, which is above the minimum level of 12 percent set by the Board, and above the legal requirement of 8 percent. (See appendix for further information.)

The result of the team’s investigation regarding improvement of the internal control environment and the risk management system will be presented to relevant authorities.

For further information, please contact Stig Vilhelmson, CEO, +46 8 676 86 01.

<u>Result adjustment (SEK million):</u>	<u>2005</u>	<u>2006</u>	<u>Q1(07)</u>	<u>Q2(07)</u>	<u>Total</u>
Adjustment of the trading result	-100	-250	-220	-60	-630
Effect on net profit assuming 28% standard tax	-36	-90	-79	-22	-227

<u>SEK million/per share data in SEK</u>	<u>2005</u>	<u>2006</u>	<u>Q1(07)</u>
Net profit, previously reported	667	1,013	211
Net profit, adjusted	631	923	132
Earnings per share, previously reported	9.98	14.66	2.95
Earnings per share, adjusted	9.44	13.36	1.84
Earnings per share, fully diluted, previously reported	9.94	14.54	2.95
Earnings per share, fully diluted, adjusted	9.41	13.25	1.84
Shareholders' equity, previously reported	1,721	2,168	2,668
Shareholders' equity, adjusted	1,685	2,042	2,463
Return on equity, previously reported	49%	58%	54%
Return on equity, adjusted	47%	55%	49%

The quarterly distribution of the adjustments above will be presented at www.carnegie.se/ir. Carnegie's interim report for the first half year 2007 will be reviewed by the company's auditors.

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