Carnegie – January-September 2004 **21 October 2004**

Net profit SEK 239 million (SEK 135 million)

- Carnegie's **net profit** for the first nine months of 2004 increased by 77% from the same period last year to SEK 239 million (SEK135 million), corresponding to **earnings per share** of SEK 3.59 (SEK 2.02). The net profit for the third quarter was SEK 36 million (SEK 69 million).
- **Total income** for the first nine months 2004 was SEK 1,867 million (SEK 1,500 million), up 25% Y/Y. Total income generated in the third quarter was SEK 480 million, down by 8% Y/Y and 26% down from the previous quarter. **Securities income** for the first nine months increased by 29% Y/Y to SEK 862 million. Securities income in the third quarter of SEK 208 was, down by 9% Y/Y reflecting a zero result from the trading operations. **Investment Banking** income was up 25% in the first nine months to SEK 322 million, of which SEK 70 million was recorded in the third quarter. **Asset Management & Private Banking** income was up 19% to SEK 683 million in the first nine months of which SEK 202 million in the third quarter.
- **Total expenses before profit-share** for the first nine months were SEK 1,163 million, (SEK 1,124 million), up 4% Y/Y. Total expenses before profit-share in the third quarter were SEK 366 million, up 4% compared to the average quarterly expenses (excluding redundancy expenses) in 2003. Based on current market conditions, management's estimate of the cost range for 2004 SEK 1,500 – SEK 1,600 million remains unchanged.
- **Assets under management** (AUM) amounted to SEK 60 billion at 30 September 2004, an increase of SEK 5 billion from year-end, composed by a net inflow of SEK 3 billion and increasing asset values of SEK 2 billion.
- It is the Board's view that the principles behind Carnegie's **dividend policy** should remain intact also when the new regulatory framework described in Basel II is implemented at the end of 2006, i.e. that excess capital above a desired and prudent level of regulatory capital should be distributed as dividend. The Board's intention is to adjust to the new regulatory environment primarily through using subordinated debt.
- Carnegie's **nomination committee** for 2005 has been established and consists of Mats Lagerqvist (Robur), Anders Lannebo (Lannebo Fonder) and Mikael Nordberg (Firstnordic Fonder) .The Chairman of Carnegie's Board is co-opted to the nomination committee. The nomination committee will present its proposal for board members to be elected at the AGM 2005 in connection with the year-end report presented in February 2005.

Quotations from Karin Forseke, CEO:

"The result for the first nine months improved substantially, primarily due to the strong markets we experienced in the first quarter of the year. The third quarter income levels were low, but we are confident that we have a solid platform and we continue to improve our position with our clients."

Auditors' examination

This interim report has been reviewed by the company's auditors.

Teleconference

Carnegie's CEO Karin Forseke will present the third quarter results at a teleconference held 21 October at 4.00 PM (CET). It will be open to the public. In order to participate, please call +44 (0) 20 7162 0186. The conference call will also be accessible as an audio live web cast (including slide presentation) at www.carnegie.se/ir. For those unable to listen to the live web cast, a replay will be available at **www.carnegie.se/ir** approximately one hour after the event.

Contact persons

For further information, please contact Karin Forseke (CEO) +46 8 5886 90 10, Mats-Olof Ljungkvist (CFO) +46 8 5886 90 13 or Birgitta Henriksson (IR) +46 8 5886 86 39.

Financial calendar 2004-2005

Year-end report 2004	3 February 2005
Annual General Meeting	17 March 2005
Interim report January-March	27 April 2005
Interim report January-June	14 July 2005
Interim report January-September	26 October 2005

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

Carnegie is an independent Nordic investment bank operating in Securities, Investment Banking and Asset Management & Private Banking. Carnegie provides a wide array of financial products and services to Nordic and international clients from offices in eight countries: Sweden, Denmark, Norway, Finland, Luxembourg, Switzerland, the UK and the US.

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The Carnegie Group

(SEK million)	Jul - Sep 2004	Jul - Sep 2003	Jan - Sep 2004	Jan - Sep 2003	Chg.	Jan - Dec 2003
Income statement						
Securities	208	228	862	668	29%	915
Investment Banking	70	87	322	258	25%	368
Asset Management & Private Banking	202	210	683	574	19%	798
*Total income*1)	*480*	*524*	*1,867*	*1,500*	25%	*2,081*
Personnel expenses	-203	-174	-636	-592	7%	-779
Redundancy expenses	-	-9	-	-46		-61
Other expenses	-163	-147	-529	-486	9%	-634
Net provisions for credit losses	1	1	1	1		1
Total operating expenses excluding profit-share	*-366*	*-330*	*-1,163*	*-1,124*	4%	*-1,472*
Operating profit before result from principal investments and profit-share	*114*	*195*	*704*	*376*	87%	*608*
Result from principal investments	-7	0	-15	-7		-6
Operating profit before profit-share	*106*	*195*	*689*	*369*	87%	*603*
Allocation to profit-share system	-54	-95	-342	-173	97%	-287
Total expenses	*-420*	*-424*	*-1,506*	*-1,297*	16%	*-1,760*
Profit before taxes	*52*	*100*	*347*	*195*	77%	*315*
Taxes	-16	-31	-107	-61	77%	-104
Net profit	*36*	*69*	*239*	*135*	77%	*211*
Earnings per share (SEK)	0.54	1.04	3.59	2.02		3.17
Earnings per share, fully diluted (SEK)	0.54	1.03	3.57	2.00		3.14

1) Result from principal investments is not included in total income in the operational reporting. Income in the operational reporting may thus differ from total income as presented in the statutory income statement.

Market environment

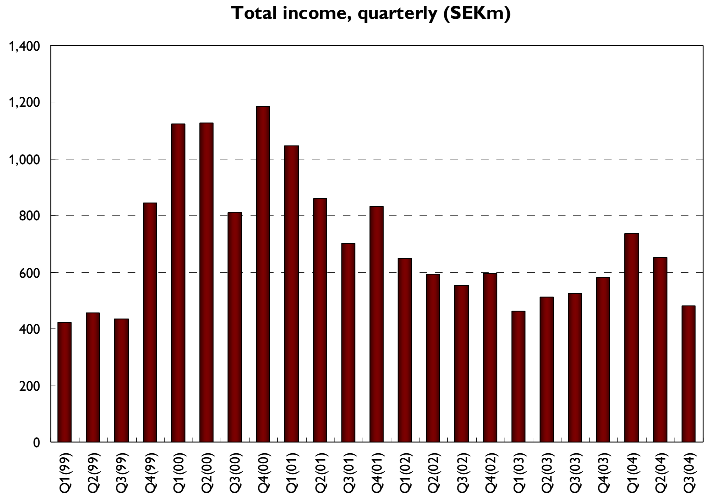
The positive market sentiment in the beginning of 2004 was replaced by a more cautious view on the stock market, mainly on the back of a higher bond yield and higher oil prices. During the third quarter, the Nordic indices had a flat development except for the Norwegian index. The equity turnover in the Nordic stock markets year-to-date is up 41 per cent from the same period last year, mainly due to the sharp increase in the first part of the year. In the third quarter Nordic turnover fell by 6 per cent from the previous quarter. The Nordic ECM volume increased to USD 12 billion for the nine months period, from USD 2.8 billion for the full year 2003, although the main part of the volume was generated in the first part of 2004. The transaction volume in the Nordic M&A-market was 11 per cent below the same period last year. The inflow to equity funds was modest, in Sweden the net inflow for the quarter was around SEK 0.5 billion.

Market position

Carnegie's share of the aggregate turnover on the Nordic Stock Exchanges was 7.9 per cent in the first three quarters of 2004, ranking Carnegie as the second largest market participant in the Nordic region, measured by share of turnover on the Nordic stock exchanges. In Nordic M&A, Carnegie was ranked number one in terms of number of announced transactions year-to-date 2004. In terms of volume, Carnegie was ranked number 4 (2). In Asset Management & Private Banking, Carnegie funds representing about 2/3 of the assets under management in rated equity mutual funds presently hold 4- or 5-star rankings.[1]

Income

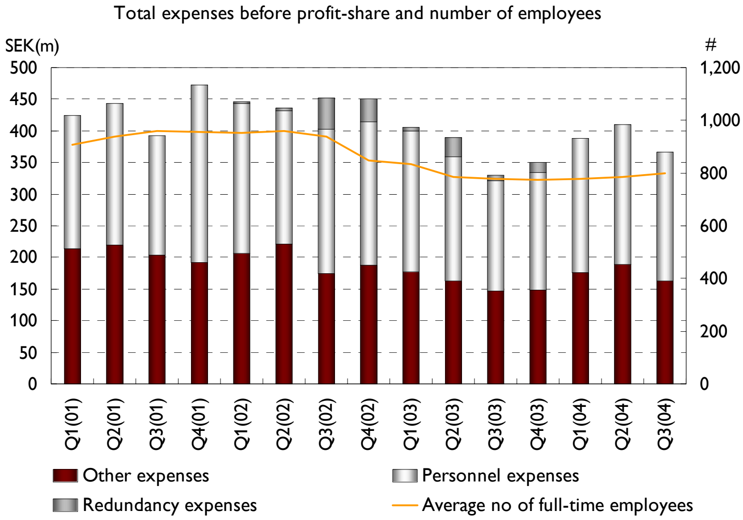
Total income in the first nine months 2004 was SEK 1,867 million (SEK 1,500 million), an increase of 25 per cent Y/Y. Total income in the third quarter was SEK 480 million, down 8 per cent Y/Y and down by 26 per cent from the previous quarter, mainly reflecting a decline in Investment Banking income recorded for the quarter and a zero trading result in Securities. Net commission income in Securities was down by 6 per cent from the previous quarter, in line with turnover development in the Nordic stock markets.



Total expenses and estimated cost base for 2004

Total expenses before profit-share in the first nine months 2004 was SEK 1,163 million (SEK 1,124 million), up 4 per cent Y/Y. Total expenses before profit-share in the third quarter were SEK 366 million, down by 11 per cent from the previous quarter, and up 4% compared to the average quarterly expenses excluding redundancy expenses in 2003. Personnel expenses for the first nine months were up by 7 per cent Y/Y, reflecting non-recurring costs in the first half year and an underlying increase in personnel expenses of about 5 per cent. In the third quarter personnel expenses were SEK 203 million, up 4 per cent from the average personnel expenses in 2003. Other expenses for the third quarter increased by 11 per cent Y/Y, and were mainly related to investments in IT-infrastructure across the organisation. The increase also reflects that IT investments were temporarily put on hold during the group wide IT review conducted in 2003, resulting in lower cost levels in the second half of 2003. Based on current market conditions, effects from new recruitments and the initiated projects, **the cost estimate for 2004 remains unchanged at SEK 1,500 - 1,600 million.**

[1] Morningstar, Fondmarknaden and W-rating, October 2004.



Result from principal investments includes Carnegie's share in result from associated companies and mainly reflects the result from Capital C[2]. Carnegie's 50 per cent share of the result in Capital C was SEK -13 million for the first nine months 2004. The negative result reflected redundancy expenses following the decision to develop a modified version of the after-trade system. During the period, Carnegie replaced the guarantee commitment with a loan to Capital C AB. Carnegie's total net commitment at 30 September 2004 amounts to SEK 109 million. The result from principal investments in the third quarter 2004 also included a write-off of SEK -2 million related to the divestment of Carnegie Investimentos, a partly-owned asset management company in Portugal.

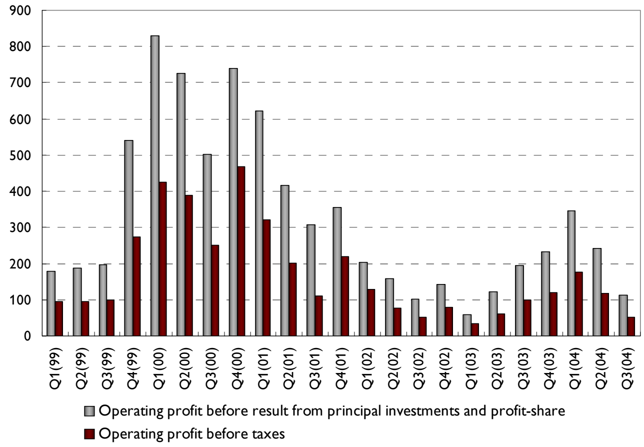
Allocation to the profit-share system for the first nine months 2004 was SEK 342 million (SEK 173 million), following the fixed formula for profit-share allocation.[3]

Quarterly operating profit

After four quarters of continuously improving operating profit, the two last quarters reversed the trend. The accumulated operating profit before profit-share improved considerably to SEK 689 million, a Y/Y increase of 87 per cent.

[2] Capital C is a software development company owned 50/50 by Carnegie and Alfred Berg ABN AMRO with the aim to develop securities post-trade processing systems for the Nordic markets.

[3] The formula states that 50 per cent of the Group's operating profit before profit-share, after deduction of a STIBOR-related return on shareholders' equity, is allocated to the profit-sharing system. Allocation to the profit-sharing system is accounted for in each business area on a fixed percentage basis, for the purpose of segmental analysis. Actual profit-share allocation is based on the full year results and distributed to individuals on a discretionary basis.



Net profit and return on equity
The net profit for the first nine months 2004 was SEK 239 million (SEK 135 million), corresponding to a return on equity for the last 12-months-period of 27 per cent (16 per cent).

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 majority of Carnegie's assets are marketable securities inventories (marked-to-market daily), margin lending and short-time deposits. As a consequence of this, Carnegie's working capital fluctuates significantly between the financial statement dates. In the first nine months 2004, the change in working capital was SEK -1,951 million (SEK +3,549 million). A more relevant measure of the liquidity is the cash flow from operations before changes in working capital, which was SEK 303 million in the first nine months 2004 (SEK 172 million). Capital expenditure for the first nine months 2004 amounted to SEK 13 million (SEK 15 million). See page 20 for further information.

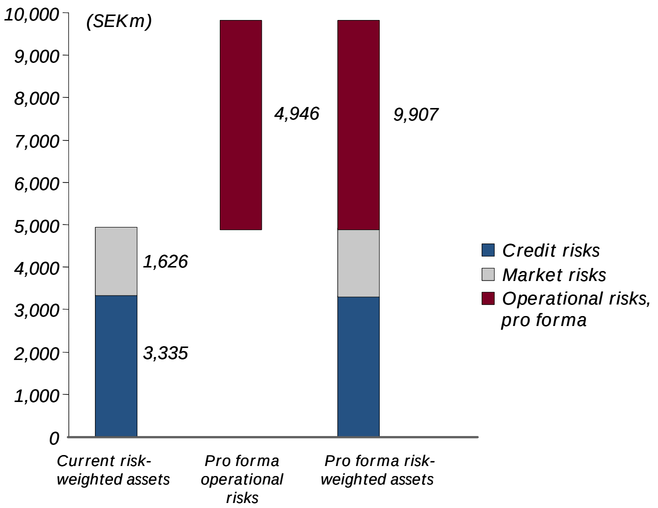
Risk-weighted assets and Tier 1 ratio
Risk-weighted assets decreased during the third quarter to SEK 5.0 billion. Credit risks amounted to SEK 3.3 billion and accounted for 2/3 of total risk-weighted assets. The regulatory capital base at 30 September 2004 was SEK 734 million, following the new Swedish regulation from 1 January 2004, which implies that deferred tax assets and intangible assets are to be deducted from the capital base. The Tier 1 ratio was 14.8 per cent at 30 September 2004.

Dividend policy and effects from the Basel II Accord

The current dividend policy states that it is Carnegie's intention, in the long term, to pay dividends that allow for a conservative Tier 1 ratio at the beginning of each new financial year. A conservative Tier 1 ratio is considered to be 15 per cent in the medium term. When deciding the annual dividend, the Board also takes into account distributable funds, the market situation and other capital requirements, as well as any other factors it may consider relevant. This will remain unchanged until such time that the new regulation takes effect.

A new regulatory framework for capital adequacy has been presented in the Basel II Accord. The new regulation is expected to be implemented at the end of 2006, following new local directives from the Swedish Financial Supervisory Authority to be issued mid 2006. The new regulation suggests a wider definition of risk-weighted assets, which in addition to measuring credit risks and market risks would also measure operational risks[4]. Carnegie's existing target of 15 per cent Tier 1 ratio is based on the current definition of risk-weighted assets, and is set well above the regulatory requirement in order to capture not only credit risks and market risks but also the operational risks. A change of definition of risk-weighted assets will require a change of Carnegie's definition of the target for the regulatory capital, but it is the Board's current assessment that this will not have a material impact on dividends.

It is the Board's view that the principles behind Carnegie's dividend policy should remain intact, also when Basel II is implemented at the end of 2006, i.e. that excess capital above a desired and prudent level of regulatory capital should be distributed as dividend. With existing knowledge about the future regulatory framework and subject to changes following the local implementation it is the Board's intention to substitute the current Tier 1 target with a capital adequacy target, thus enabling supplementary capital[5] in addition to the primary capital. The capital adequacy target in the new regulatory environment is anticipated to be lower than 15 per cent, and it is the Board's intention to adjust to the new regulatory environment primarily through using subordinated debt.



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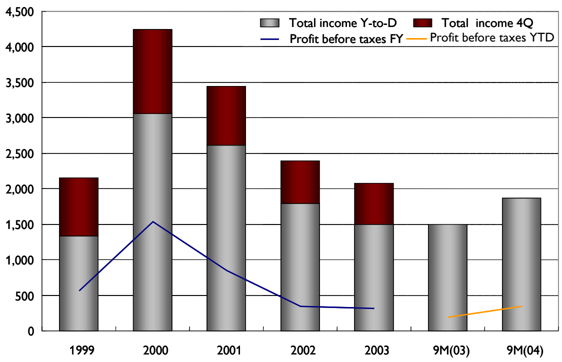
[4] The operational risk is calculated using a capital requirement of 8 per cent of an amount corresponding to 15 per cent of the average total income over the last three years. For Carnegie, this implies that risk-weighted assets at 30 September according to the new definition would increase by SEK 4.9 billion (0.15 * 2,638/0.08), i.e, risk-weighted assets would be doubled.

[5] According to existing regulation, dated subordinated debt can be included in the total regulatory capital up to a maximum of 50 per cent of the Tier 1 capital.

Carnegie

KEY DATA	*Jul - Sep 2004*	*Jul - Sep 2003*	*Jan - Sep 2004*	*Jan - Sep 2003*	*Jan - Dec 2003*
Earnings per share (SEK)	0.54	1.04	3.59	2.02	3.17
Earnings per share, fully diluted (SEK)	0.54	1.03	3.57	2.00	3.14
Book value per share (SEK)	-	-	17.5	16.0	17.2
Share price (SEK)	-	-	72.0	78.5	71.0
Price/earnings multiple	-	-	15.2	25.4	22.4
Price/book multiple	-	-	4.1	4.9	4.1
Number of shares at period-end	66,701,600	66,701,600	66,701,600	66,701,600	66,701,600
Average number of shares	66,701,600	66,701,600	66,701,600	66,701,600	66,701,600
Number of shares related to outstanding warrants	7,200,000	4,800,000	7,200,000	4,800,000	4,800,000
Total number of shares, incl effect of issued warrants	67,035,991	67,420,447	67,035,991	67,420,447	67,242,860
Compensation/income ratio, %	54%	51%	53%	51%	51%
Cost/income ratio, %	89%	81%	81%	87%	85%
Operating margin, %	11%	19%	19%	13%	15%
Profit margin, %	8%	13%	13%	9%	10%
Return on equity, (12 mo) %			27%	16%	17%
Total assets (SEK million)			18,194	14,411	14,618
Margin lending (SEK million)			3,222	1,969	3,120
Deposits and borrowing from general public (SEK million)			4,762	5,131	5,145
Shareholders' equity (SEK million)			1,170	1,065	1,145
Total regulatory capital base (SEK million)			*734*	*958*	*918*
-Shareholders' equity			1,170	1,065	1,145
-Goodwill			-13	-15	-17
-Intangible fixed assets			-31	-	-
-Deferred tax assets			-156	-	-
-Dividends			-	-	-211
-Profit after tax and foreign exchange differences			-236	-93	-
Total risk-weighted asset (SEK million)			*4,961*	*5,269*	*4,037*
Risk-weighted assets (Credit risks)			3,335	4,237	2,710
Risk-weighted assets (Market risks)			1,626	1,032	1,327
Tier I Ratio, %			14.8%	18.2%	22.7%
Capital adequacy, %			14.8%	18.2%	22.7%
Number of employees, average	800	777	790	799	793
Number of employees, period-end	802	782	802	782	774
Period-end assets under management (SEK billion)*			60	52	55

Key ratios 1999-2003	*1999*	*2000*	*2001*	*2002*	*2003*
Net profit (SEK million)	405	1,090	572	250	211
Earnings per share (SEK)	6.39	17.21	8.76	3.75	3.17
Earnings per share, fully diluted (SEK)	6.39	17.21	8.76	3.75	3.14
Tier 1 ratio, %	9.6%	10.0%	20.0%	20.4%	22.7%
Capital adequacy, %	12.7%	13.0%	20.0%	20.4%	22.7%



Definitions of key ratios

Earnings per share:	Net profit for the period divided by the average number of shares.
Earnings per share, fully diluted:	Net profit for the period divided by the average number of shares, fully diluted, including the effect of issued warrants (see page 23). The net profit is divided by the total number of shares including the number of shares to be issued corresponding to the calculated net present value (at current share price) of issued warrants.
Total number of shares, incl effect of issued warrants:	Total number of shares including the number of shares to be issued corresponding to the calculated net present value of issued warrants.
Book value per share:	Shareholders' equity at period-end divided by total number of shares.
Share price:	Share price (closing price) at period-end.
Price/earnings multiple (last 12 months):	Share price divided by earnings per share for the last 12-month-period.
Price/book multiple:	Share price end of period divided by book value per share.
Cost/income ratio:	Total expenses, including allocation to profit-share, as a percentage of total income including principal investments.
Compensation/income ratio:	Personnel expenses (excluding redundancy expenses) plus allocation to profit-sharing system as a percentage of total income including principal investments.
Operating margin:	Operating profit as a percentage of total income including principal investments.
Profit margin:	Net profit as a percentage of total income including principal investments.
Return on equity:	Net profit for the last 12-months-period as a percentage of average shareholders' equity.
Regulatory capital base (Tier 1 capital):	Shareholders' equity plus equity portion of untaxed reserves, minus goodwill, any proposed dividend, deferred tax assets, intangible fixed assets and any repurchased shares.
Tier 1 ratio:	Regulatory capital base (or Tier 1 capital) as a percentage of risk-weighted assets.
Capital adequacy ratio:	Total regulatory capital base (Tier 1 capital plus eligible subordinated indebtedness) as a percentage of risk-weighted assets.
Number of full-time equivalent employees, average:	Aggregate number of paid working hours for all employees divided by a pre-defined number of working hours per employee for the entire period.
Number of full-time equivalent employees, at period-end:	Aggregate number of paid working hours for all employees divided by a pre-defined number of working hours per employee at period-end.

Note that certain numerical information presented in millions may not add up due to rounding.

Accounting policies
This interim report has been prepared in accordance with recommendation RR 20, Interim Reports, of the Swedish Financial Accounting Standards Council and complies with the regulations of the Swedish Financial Supervisory Authority. The accounting principles and calculation methods used in this report are the same as those used in the 2003 Annual Report, except for the introduction of the Employee Benefit Standard, which had no impact on the accounts. Other new recommendations from the Swedish Financial Accounting Standards Council have had no impact on the accounts for 2004.

Adoption to IAS/IFRS standards
The adopting of the accounts to the IAS/IFRS standards is proceeding according to plan. As the EC has not yet adopted all recommendations, it is difficult to foresee the impacts on the accounts. The recommendations currently adopted by the EC are not expected to have any material effect on the company's income statement or shareholders' equity.

The parent company in summary
Total income in the parent company D. Carnegie & Co AB in the first nine months of 2004 was SEK 0 million (SEK 3 million), and the company was showing a loss before financial items of SEK -8 million (SEK -46 million). The net loss before taxes was SEK -5 million (SEK -32 million). At 30 September 2004, cash and liquid assets amounted to SEK 32 million (SEK 220 million). No capital expenditure was made during the period (SEK 0.4 million). Shareholders' equity adjusted for the equity part (72%) of untaxed reserves at 30 September 2004 was SEK 775 million (SEK 785 million).

Securities

(SEK million)	Jul - Sep 2004	Jul - Sep 2003	Jan - Sep 2004	Jan - Sep 2003	Chg.	Jan - Dec 2003
Net commission income	174	175	624	494	26%	695
Underwriting fees	13	5	79	9		18
Net interest income	21	17	49	74	-33%	95
Proprietary trading and market making	14	39	146	133	10%	166
Net interest income from financial positions	-14	-14	-36	-56	-35%	-70
Other income from financial positions	0	7	0	14		10
Net income from financial positions	*0*	*31*	*110*	*91*	21%	*106*
Other fees	0	0	0	0		0
Total income	*208*	*228*	*862*	*668*	29%	*915*
Personnel expenses	-84	-71	-259	-242	7%	-319
Redundancy expenses	-	0	-	-18		-25
Other expenses	-69	-66	-225	-197	14%	-262
Net provisions for credit losses	0	1	0	1		1
Total operating expenses excluding profit-share	*-153*	*-136*	*-484*	*-456*	6%	*-606*
Business area operating profit before profit-share	*55*	*91*	*378*	*211*	79%	*309*
Allocation to profit-share system	-28	-45	-188	-99		-147
Total expenses	*-181*	*-182*	*-672*	*-556*	21%	*-753*
Business area profit before taxes	*27*	*46*	*190*	*112*	70%	*162*
Cost/income ratio, %	87%	80%	78%	83%		82%
Operating margin, %	13%	20%	22%	17%		18%
Number of employees, average	323	315	320	324		322
Number of employees, period-end	323	313	323	313		318

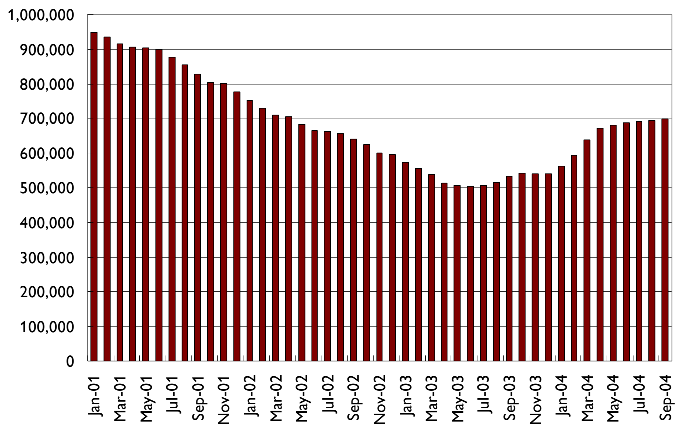
Market environment

All leading Nordic market indices except for HEX in Finland developed positively in the first nine months. In the third quarter the local indices were almost flat, except from the Norwegian index, which was up 6 per cent.

Share indices dev. (%) 1)	Q3(04)	YTD 2004
KFX Copenhagen - Denmark	-1%	15%
Totalindeks Oslo - Norway	6%	28%
HEX General - Finland	-2%	-5%
SAX - Sweden	1%	10%

1) Source: SIX

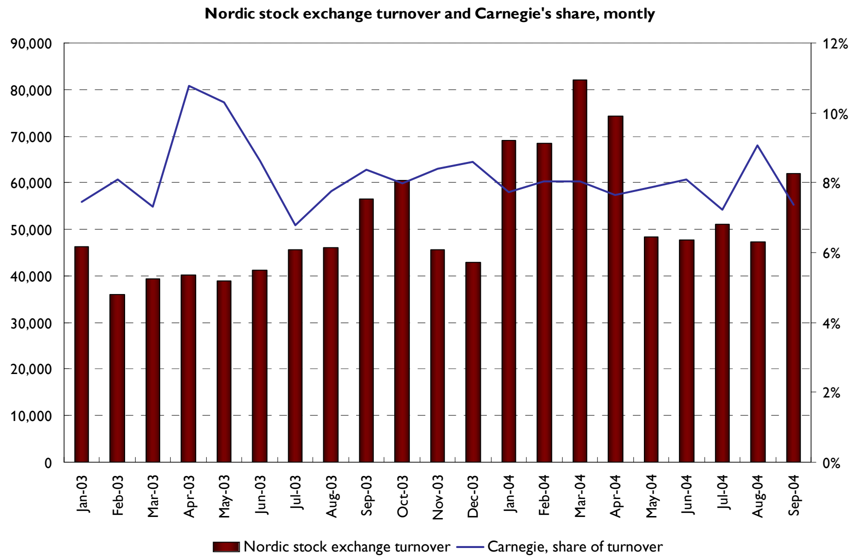
Turnover in the Nordic stock exchanges, rolling 4-quarters



Equity turnover in the Nordic stock markets year-to-date is up 41 per cent from the same period last year, mainly due to the sharp increase in the first part of the year. Turnover in the third quarter was up 8 per cent Y/Y but down by 6 per cent from the previous quarter.

Market position

Total turnover in the Nordic stock exchanges is composed of client-related commission-generating volume and flows related to trading activities. Carnegie's share of the aggregate Nordic turnover was 7.9 per cent in the first nine months of 2004.



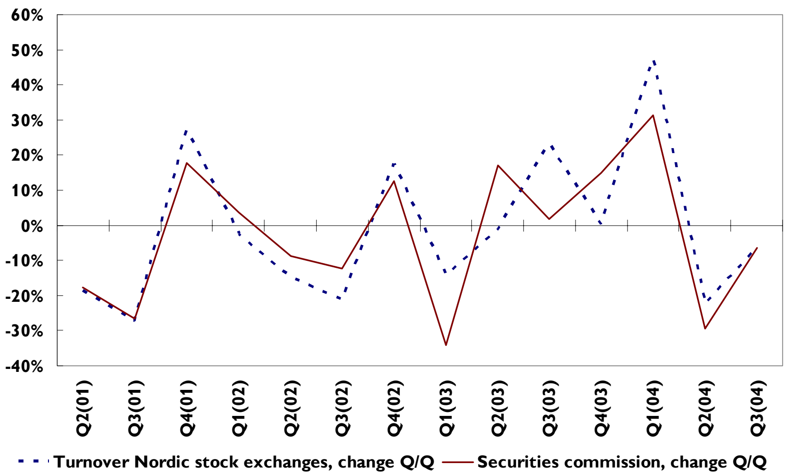
Share of turnover 9M(04)	
1 Enskilda Securities *	8.4%
2 Carnegie	7.9%
3 Fischer & Partners	6.4%
4 Handelsbanken Markets	5.9%
5 Nordea Securities **	4.9%
6 Morgan Stanley	4.8%
7 Alfred Berg ABN Amro	4.4%
8 Danske Bank	4.0%
9 Deutsche Bank	3.7%
10 Kaupthing	3.7%

* Includes SEB entities
** Includes other Nordea entities

Income

Securities income in the first nine months increased by 29 per cent Y/Y to SEK 862 million. Income was mainly generated in commission income, which accounted for SEK 624 million and increased by 26 per cent (Y/Y).

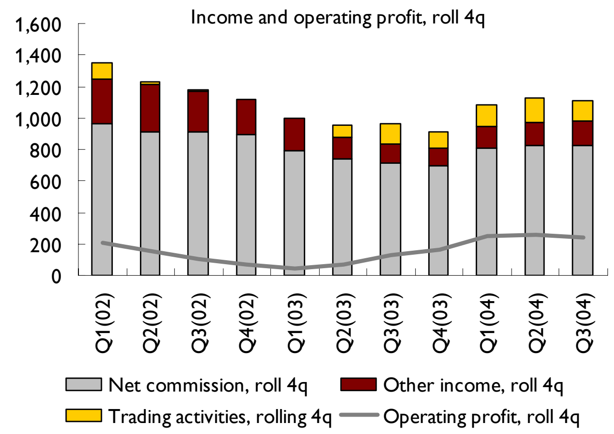
Quarterly change (Q/Q), Nordic stock market turnover and Carnegie's net commission



The graph illustrates the change from the previous quarter in Nordic stock market turnover and Securities net commission. Carnegie's net commission in the third quarter was SEK 174 million, down by 6 per cent from the previous quarter, in line with the overall turnover development at the Nordic stock exchanges. Net commission generated from non-Nordic clients in the first nine months accounted for around 46 per cent of the total commission volume from institutional clients.

Income from proprietary trading and market making was SEK 110 million for the first nine months (SEK 91 million), after a zero-result in the third quarter (SEK 31 million).

Underwriting fees increased substantially in the first nine months and amounted to SEK 79 million (SEK 9 million), reflecting completed IPOs and secondary placings mainly in the first half of the year.



Expenses and profit before taxes

Total expenses before profit-share amounted to SEK 484 million in the first nine months 2004, up 11 per cent Y/Y, excluding redundancy expenses. Operating profit before profit-share was SEK 378 million (SEK 211 million), of which SEK 55 million was generated in the third quarter. The business area generated profit before taxes of SEK 190 million in the first nine months 2004, a 70 per cent increase Y/Y, following the substantial increase in commission income in the first part of the year.

Investment Banking

(SEK million)	Jul - Sep 2004	Jul - Sep 2003	Jan - Sep 2004	Jan - Sep 2003	Chg.	Jan - Dec 2003
Underwriting fees	16	34	119	52	130%	67
Net income from financial positions	1	-1	4	11		21
Advisory fees	53	54	199	195	2%	281
Total income	*70*	*87*	*322*	*258*	25%	*368*
Personnel expenses	-38	-35	-116	-114	2%	-146
Redundancy expenses	-	0	-	-12		-16
Other expenses	-25	-17	-77	-81	-5%	-104
Total operating expenses excluding profit-share	*-63*	*-51*	*-193*	*-207*	-7%	*-266*
Business area operating profit before profit-share	*7*	*36*	*129*	*51*	154%	*102*
Allocation to profit-share system	-4	-17	-64	-24		-49
Total expenses	*-67*	*-69*	*-257*	*-231*	11%	*-315*
Business area profit before taxes	*3*	*19*	*65*	*27*	141%	*53*
Cost/income Ratio, %	95%	79%	80%	90%		85%
Operating margin, %	5%	21%	20%	10%		15%
Number of employees, average	139	142	138	150		148
Number of employees, period-end	141	145	141	145		141

Market environment

In the first nine months 2004, the transaction volume of equity offerings in the Nordic region increased to USD 12 billion, as compared to USD 2.8 billion for the full year 2003. The IPO-activity, with 10 IPOs in the first half of the year, was on hold in the third quarter. The improved volume of announced M&A-transactions which could be seen in the first quarter did not continue in the following quarters and the transaction volume for the first nine months was down 11 per cent from last year. In total, 192 (142) transactions were announced (with advisers) with a corresponding transaction value of USD 32 billion (USD 36 billion).

Market position

In the Nordic M&A-market, Carnegie was in the first nine months 2004 ranked as number 1 (1) in terms of number of announced M&A-transactions with 29 transactions corresponding to a transaction value of USD 5 billion (USD 8.5 billion). In terms of transaction value, Carnegie was ranked as No 4 (2).

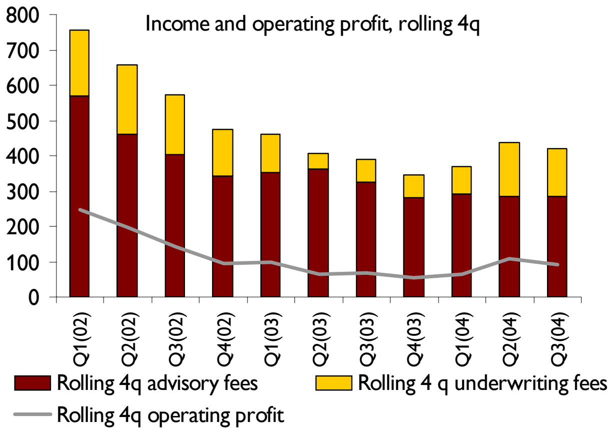
Ranked by number of transactions, 9M(04) Announced Adviser	USD million	#
1. Carnegie	**5,019**	**29**
2. Enskilda	1,742	24
3. SHB	3,435	15
4. KPMG	113	14
5. JP Morgan Chase	6,753	14
6. ABN Amro	2,287	13
7. Nordea	2,446	12
8. UBS	4,672	11
8. Ernst & Young	77	11
10. ABG Sundal Collier	1,036	10
Total market with advisers	31,866	192

Ranked by volume, 9M(04) Announced Adviser	USD million	#
1. Morgan Stanley	7,367	6
2. JP Morgan Chase	6,753	14
3. Goldman Sachs	5,968	6
4. Carnegie	**5,019**	**29**
5. UBS	4,672	11
6. Lehman Brothers	4,381	3
7. SHB	3,435	15
8. Deutsche Bank	2,897	8
9. Nordea	2,446	12
10. ABN Amro	2,287	13
Total market with advisers	31,866	192

Source: Thomson Financial Securities Data, October 2004.

Income

Income for the first nine months 2004 increased by 25 per cent Y/Y to SEK 322 million. Income in the third quarter amounted to SEK 70 million, halved from the previous quarter. Quarterly income in investment banking varies substantially due to the fact that the assignments vary considerably in size and duration. There can also be substantial lags between announcement, completion and recording of income. In the third quarter 12 transactions were announced with Carnegie as adviser, to be compared to 8 transactions in the previous quarter.



Expenses and profit before tax

Total expenses before profit-share in the first nine months 2004 were SEK 193 million, down by 1 per cent Y/Y excluding redundancy expenses. The business area increased profit before taxes by 141 per cent Y/Y to SEK 65 million in the first nine months reflecting mainly a substantial increase in the first half of 2004. The third quarter added SEK 3 million to profit before taxes (SEK 19 million).

Asset Management & Private Banking[6]

(SEK million)	Jul - Sep 2004	Jul - Sep 2003	Jan - Sep 2004	Jan - Sep 2003	Chg.	Jan - Dec 2003
Net commission income	58	73	217	189	15%	265
Net interest income	24	26	82	66	23%	86
Net income from financial positions	6	9	28	31	-10%	42
Total fees from mutual funds	71	63	219	168	31%	240
Total fees from discretionary fund management	22	20	65	55	17%	78
Advisory fees	22	19	73	65	12%	88
Total income	*202*	*210*	*683*	*574*	19%	*798*
Personnel expenses	-82	-69	-260	-236	10%	-314
Redundancy expenses	-	-9	-	-16		-19
Other expenses	-69	-64	-227	-208	9%	-268
Net provisions for credit losses	1	0	1	0		0
Total operating expenses excluding profit-share	*-150*	*-142*	*-486*	*-460*	6%	*-601*
Business area operating profit before profit-share	*52*	*68*	*197*	*114*		*197*
Allocation to profit-share system	-26	-33	-98	-54		-94
Total expenses	*-176*	*-174*	*-584*	*-513*	14%	*-695*
Business area profit before taxes	*26*	*35*	*99*	*60*	64%	*103*
Cost/income ratio, %	87%	83%	85%	89%		87%
Operating margin, %	13%	17%	15%	11%		13%
Period-end assets under management (SEK billion)*			*60*	*52*		*55*
- whereof mutual funds			29	24		25
- whereof discretionary fund management			31	28		30
Number of employees, average	338	320	332	325		323
Number of employees, period-end	338	324	338	324		315

Market environment

Focus on strong fundamentals and earnings growth in the first quarter increased the market appetite for risk, but was in the second quarter replaced by an increased focus on increases in interest rate and oil prices. In Sweden, net flow to equity funds was close to zero in the third quarter 2004, after a sharp increase in the first quarter with net inflow to equity funds of close to SEK 20 billion, which may be compared with the net inflow for the full year 2003 of SEK 29 billion.

Market position

The market position is closely connected to the performance of the products. At the end of the period, mutual funds representing approximately 2/3 of Carnegie's total assets under management in rated equity funds held 4- or 5-star ratings.[7] Measured for the latest three-year period, performance was better or equal to benchmark for about 60 per cent of the assets under management in Carnegie's mutual funds.

Development of services and products

During the third quarter, a team was recruited for the development of a long-term real estate-oriented investment product, adding a new asset class in Carnegie's client offering. The new team, which will be organised within the business area Asset Management, brings extensive experience from the Nordic real estate sector as well as from the financial markets.

[6] The new business areas Private Banking and Asset Management will be reported separately from the first quarter 2005

[7] Source: Morningstar, Fondmarknaden and W-rating, October 2004. Five stars is the maximum ranking.

Assets under management and Private Banking client volume
Assets under management (AUM) includes discretionary managed portfolios and mutual funds, and amounted to SEK 60 billion at 30 September 2004, a decline of SEK 3 billion from 30 June 2004, due to a net outflow of approximately SEK 1 billion and declining asset value of SEK 2 billion. From the beginning of the year, the increase in AUM of SEK 5 billion reflected a net inflow of SEK 2 billion and a value increase of SEK 3 billion.

The Private Banking client volume represents the gross value of all portfolios managed on behalf of private clients, both discretionary and advisory accounts, and also includes all types of securities, mutual funds, borrowing and lending. The Private Banking client volume amounted to SEK 31 billion at 30 September 2004, up 3 billion from year-end, and included SEK 6 billion in Carnegie's discretionary mandates or mutual funds, included in the AUM figure above.

Income
Total income for the business area in the first nine months 2004 was SEK 683 million, up 19 per cent Y/Y, mainly reflecting the increase in assets under management in equity funds of 15 per cent during the period, and increased net commission from private banking brokerage activity, mainly in the first quarter of the year. In the third quarter total income amounted to SEK 202 million, down 4 per cent Y/Y and down 12 per cent from the previous quarter, following lower activity among private banking clients.

Mutual fund fees for the first nine months increased by 31 per cent to SEK 219 million (SEK 168 million) and included performance fees of SEK 10 million (0). Fees from discretionary fund management were SEK 65 million, up 17 per cent Y/Y, and included performance fees of SEK 4 million (0).

Expenses and profit before taxes
Total expenses before profit-share for the first nine months 2004 amounted to SEK 486 million, up 9 per cent Y/Y excluding redundancy expenses. Profit before taxes for the first nine months 2004 was SEK 99 million, up by 64 per cent Y/Y, of which SEK 26 million was generated in the third quarter.

D. Carnegie & Co AB (publ)

Stockholm, 21 October 2004

Karin Forseke
Chief Executive Officer

Auditor's examination

We have reviewed the interim report January-September 2004 in accordance with Swedish generally accepted standards for such reviews. A review is significantly less in scope than an examination in accordance with generally accepted auditing standards. During our review nothing came to our attention to indicate that the interim report does not comply with the requirements pertaining to listed companies and the Annual Accounts Act.

Stockholm, 21 October 2004

KPMG Bohlins AB

Anders Ivdal
Authorised Public Accountant

Quarterly summary (SEK in millions)	Jul-Sep 2002	Oct-Dec 2002	Jan-Mar 2003	Apr-Jun 2003	Jul-Sep 2003	Oct-Dec 2003	Jan-Mar 2004	Apr-Jun 2004	Jul - Sep 2004
Consolidated Income Statement Data:									
Securities income	226	293	199	241	228	247	369	284	208
Investment Banking income	99	145	97	74	87	110	114	139	70
Asset Management & Private Banking income	227	159	169	196	210	224	252	229	202
Total income	**552**	**597**	**464**	**511**	**524**	**581**	**735**	**653**	**480**
Personnel expenses	-227	-227	-222	-196	-174	-187	-212	-221	-203
Redundancy expenses	-50	-36	-6	-31	-9	-15	-	-	-
Other expenses	-175	-187	-177	-163	-147	-148	-176	-189	-163
Net credit losses	1	-3	0	0	1	0	0	0	1
Total expenses before profit-share	**-450**	**-454**	**-405**	**-389**	**-330**	**-349**	**-388**	**-409**	**-366**
Operating profit before result from principal inv	**102**	**143**	**59**	**122**	**195**	**232**	**347**	**243**	**114**
Result from principal investments	-9	1	-3	-4	0	1	-1	-6	-7
Operating profit before profit-share	**93**	**144**	**56**	**118**	**195**	**234**	**346**	**237**	**106**
Allocation to profit-share system	-40	-65	-23	-56	-95	-114	-170	-119	-54
Total expenses excl principal investment	**-490**	**-519**	**-428**	**-445**	**-424**	**-463**	**-558**	**-528**	**-420**
Operating profit before taxes	**53**	**79**	**33**	**62**	**100**	**120**	**176**	**118**	**52**
Taxes	-17	-8	-10	-19	-31	-43	-55	-37	-16
Net profit	**37**	**71**	**23**	**43**	**69**	**77**	**121**	**82**	**36**
Consolidated Balance Sheet Data:									
Loans to general public	1,895	2,820	1,594	2,206	1,969	3,120	3,286	3,227	3,222
Total assets	11,940	12,444	11,177	13,846	14,411	14,618	15,817	17,450	18,194
Deposits and borrowing from general public	4,711	5,016	4,614	5,883	5,131	5,145	5,403	5,281	4,762
Shareholders' equity	1,492	1,568	982	1,012	1,065	1,145	1,067	1,141	1,170
Operating Data and Key Ratios:									
Earnings per share	0.55	1.06	0.34	0.64	1.04	1.15	1.82	1.22	0.54
Average number of shares	66,701,600	66,701,600	66,701,600	66,701,600	66,701,600	66,701,600	66,701,600	66,701,600	66,701,600
Cost/income ratio, %	90	87	93	88	81	79	76	82	89
Compensation/income ratio, %	58	55	53	50	51	52	52	52	54
Operating margin, %	10	14	7	12	19	21	24	18	11
Tier 1 ratio, %	25.5	20.4	23.6	20.6	18.2	22.7	14.5	14.1	14.8
Capital adequacy, %	25.5	20.4	23.6	20.6	18.2	22.7	14.5	14.1	14.8
Average no of full-time employees	937	846	835	786	777	775	779	785	800
Number of full-time equivalent employees	890	835	836	778	782	774	781	794	802
Total income per employee	0.6	0.7	0.6	0.6	0.7	0.8	0.9	0.8	0.6
Period-end assets under management (SEK billions)	47	46	44	49	52	55	62	63	60

Segmental reporting (SEK million)	Total 9M(04)	Total 9M(03)	Securities 9M(04)	Securities 9M(03)	Investment Banking 9M(04)	Investment Banking 9M(03)	Asset Management & Private Banking 9M(04)	Asset Management & Private Banking 9M(03)	Principal investments 9M(04)	Principal investments 9M(03)
Income statement										
Net commission income	841	683	624	494	-	-	217	189	-	-
Underwriting fees	198	60	79	9	119	52	-	-	-	-
Net interest income	131	140	49	74	-	-	82	66	-	-
Net income from financial positions	142	133	110	91	4	11	28	31	-	-
Fees from mutual funds	219	168	-	-	-	-	219	168	-	-
Fees from discretionary fund management	65	55	-	-	-	-	65	55	-	-
Advisory fees	272	260	-	-	199	195	73	65	-	-
Other fees	0	0	0	0	-	-	-	-	-	-
Total income	*1,867*	*1,500*	*862*	*668*	*322*	*258*	*683*	*574*	-	-
Personnel expenses	-636	-592	-259	-242	-116	-114	-260	-236	-	-
Redundancy expenses	-	-46	-	-18	-	-12	-	-16	-	-
Other expenses	-529	-486	-225	-197	-77	-81	-227	-208	-	-
Net provisions for credit losses	1	1	0	1	-	-	1	0	-	-
Total operating expenses excluding profit-s	*-1,163*	*-1,124*	*-484*	*-456*	*-193*	*-207*	*-486*	*-460*	-	-
Operating profit before result from principal investments and profit-share	*704*	*376*	*378*	*211*	*129*	*51*	*197*	*114*	-	-
Result from principal investments	-15	-7	-	-	-	-	-	-	-15	-7
Operating profit before profit-share	*689*	*369*	*378*	*211*	*129*	*51*	*197*	*114*	*-15*	*-7*
Allocation to profit-share system	-342	-173	-188	-99	-64	-24	-98	-54	7	3
Total expenses	*-1,506*	*-1,297*	*-672*	*-556*	*-257*	*-231*	*-584*	*-513*	*7*	*3*
Profit before taxes	*347*	*195*	*190*	*112*	*65*	*27*	*99*	*60*	*-7*	*-4*
Taxes	-107	-61								
Net profit	*239*	*135*								

Segmental reporting

Carnegie presents segmental reporting according to the recommendation, RR 25, from the Swedish Financial Accounting Standards Council. Carnegie has defined the existing business areas as primary segments. Information in the interim report is presented as above. Information regarding assets, investments in associates, liabilities, investments and depreciations related to the primary segments is presented the annual report. Information for the secondary segments, defined as geographical area, regarding income, assets and investments, is also presented in the annual report.

Statutory consolidated income statement
(SEK millions)

	Jul - Sep 2004	*Jul - Sep 2003*	*Jan - Sep 2004*	*Jan - Sep 2003*	*Jan - Dec 2003*
Commission income	*428*	*442*	*1,594*	*1,227*	*1,731*
Interest income	78	71	237	223	296
Interest expenses	-49	-43	-146	-142	-189
Net interest income	*28*	*28*	*91*	*81*	*107*
Dividends received	0	0	5	1	1
Net profit from financial transactions	23	56	177	190	244
Other income	0	0	0	0	0
Total income	*480*	*527*	*1,867*	*1,498*	*2,083*
General administrative expenses	-405	-406	-1,458	-1,240	-1,683
Depreciation of tangible and amortisation of intangible fixed assets	-15	-19	-48	-57	-78
Total expenses	*-421*	*-425*	*-1,507*	*-1,298*	*-1,761*
Operating profit before provisions for credit losses	*59*	*102*	*360*	*200*	*322*
Provisions for credit losses, net	1	1	1	1	1
Operating profit	*60*	*102*	*362*	*201*	*323*
Result from associated companies	-7	-2	-15	-6	-8
Profit before taxes	*52*	*100*	*347*	*195*	*315*
Taxes	-16	-31	-107	-61	-104
Net profit	*36*	*69*	*239*	*135*	*211*
Earnings per share (SEK)	0.54	1.04	3.59	2.02	3.17
Earnings per share, fully diluted (SEK)	0.54	1.03	3.57	2.00	3.14
Average number of shares	66,701,600	66,701,600	66,701,600	66,701,600	66,701,600
Number of shares related to outstanding warrants	7,200,000	4,800,000	7,200,000	4,800,000	4,800,000
Total number of shares, incl effect of issued warrants	67,035,991	67,420,447	67,035,991	67,420,447	67,242,860

Statutory consolidated balance sheet
(SEK millions)

Assets	*Sep 30 2004*	*Sep 30 2003*	*Dec 31 2003*
Cash and bank deposits in central banks	261	187	226
Loan to credit institutions	3,045	5,856	4,964
Loans to general public	3,222	1,969	3,120
Bonds and other interest bearing securities	1,087	728	1,027
Shares and participations	5,232	2,488	3,338
Shares and participations in associated companies	5	6	5
Intangible fixed assets	45	46	59
Tangible fixed assets	83	118	108
Other assets	3,769	2,506	1,529
Prepaid expenses and accrued income	1,446	506	243
Total assets	*18,194*	*14,411*	*14,618*
Liabilities and shareholders' equity			
Liabilities to credit institutions	5,211	2,438	3,208
Deposits and borrowing from general public	4,762	5,131	5,145
Other liabilities	6,180	4,664	4,330
Accrued expenses and prepaid income	604	849	536
Provisions	267	264	254
Shareholders' equity	1,170	1,065	1,145
Total liabilities and shareholders' equity	*18,194*	*14,411*	*14,618*

Changes in shareholders' equity
(SEK millions)

	Sep 30 2004	*Sep 30 2003*	*Dec 31 2003*
Shareholders' equity - opening balance	1,145	1,568	1,568
Dividend (Q1)	-211	-596	-596
Translation differences	-4	-42	-39
Net profit for the period	239	135	211
Shareholders' equity - closing balance	*1,170*	*1,065*	*1,145*

Statements of changes in financial position
(SEK millions)

	Group		
Current operations	*Jan - Sep 2004*	*Jan - Sep 2003*	*Jan - Dec 2003*
Cash flow from operations before changes in working capital	303	172	210
Changes in working capital	-1,951	3,549	2,627
Cash flow from current operations	*-1,648*	*3,721*	*2,838*
Cash flow from investment activities	-23	-10	-37
Distributed dividend	-211	-596	-596
Cash flow for the period	-1,881	3,115	2,204
Liquid funds at the beginning of the year	5,189	3,037	3,037
Exchange differences in liquid funds	-2	-109	-52
Liquid funds at the end of the period	*3,306*	*6,043*	*5,189*

Ownership structure

Owner structure, 30 September 2004		*No of shares*	*Votes and capital*
Employees	*1)*	11,339,272	17%
Foreign institutions		28,974,071	43%
Swedish institutions		19,508,166	29%
Private individuals, excluding employees		6,880,091	10%
Total		*66,701,600*	*100%*
Foreign shareholders, total		*35,465,673*	*53%*
Swedish shareholders, total		*31,235,927*	*47%*

Larger shareholders, 30 September 2004		*No of shares*	*Votes and capital*
Fidelity funds		4,889,185	7.3%
Didner & Gerge aktiefonder		2,840,000	4.3%
Robur fonder		2,573,774	3.9%
Schroder Investment Management Ltd		2,500,000	3.7%
Andra AP-fonden		1,714,571	2.6%
Group management	2)	1,495,000	2.2%
SHB/SPP Fonder & Livförsäkringar		1,487,944	2.2%
FirstNordic fonder		1,487,668	2.2%
Carnegie Personal AB	3)	1,422,761	2.1%
Lannebo fonder		1,275,800	1.9%
Första AP-fonden		967,000	1.4%
Pensioenfonds PGGM (Netherl.)		758,400	1.1%
Skandia		663,900	1.0%
Hermes Investment Mangement		570,567	0.9%
Länsförsäkringar		439,750	0.7%
T Rowe Price		426,000	0.6%
United National Joint Staff Pension Fund		426,000	0.6%
Baillie Gifford European Small Cap Fund		423,000	0.6%
Länsförsäkringar Fonder		410,340	0.6%
Banco Fonder		343,190	0.5%
Svolder		290,000	0.4%
Sub-total		*27,404,850*	*41.1%*
Other		39,296,750	58.9%
Total		*66,701,600*	*100.0%*

1) Shares held by employees are individual holdings.
2) Group Management includes Lars Bjerrek, Mats Bremberg, Niklas Ekvall, Karin Forseke, Matti Kinnunen, Mats-Olof Ljungkvist, Anders Onarheim, Stig Vilhelmson and Mark Walker.
3) The number of shares reflects the net position held by Carnegie Personal AB.

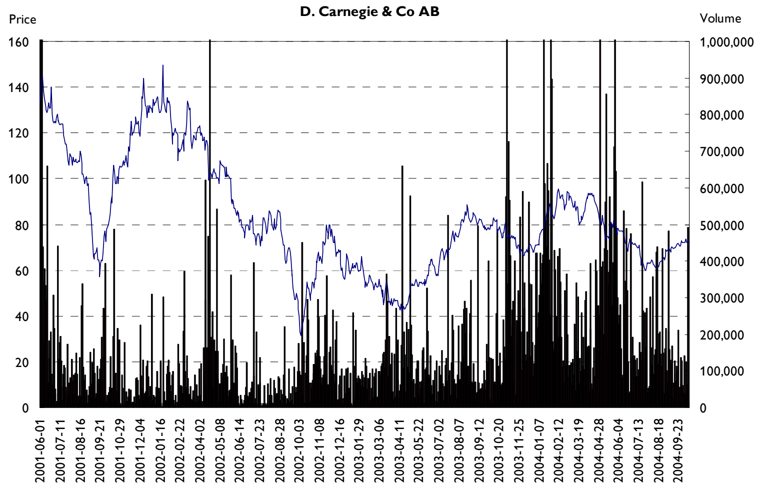
Employee shareholding

Employee shareholding in Carnegie has been included in one or both of two agreements concerning transfer restrictions, lock-up and lock-in shares. The **lock-up agreement** included about 40 per cent of the total shares outstanding and was released in four equal portions, in April and October 2002 and 2003. The **lock-in programme** comprised holdings of around 10 per cent of the shares outstanding, held by 200 key individuals in Carnegie. The lock-in shares have been subject to option agreements, according to which Carnegie Personal AB, an affiliate administrating the employee holdings, has had the right to purchase the shares at a price that equals the price originally paid by the employee, should the employee decide to terminate his/her employment at Carnegie. All lock-in shares were released 1 January 2004. The total shareholding by employees was estimated to about 17 per cent of the total number of shares outstanding at end of September 2004.

Open and closed periods and personal account trading rules

After the release of the lock-up and lock-in agreements, 100 per cent of Carnegie's shares are defined as free float. Employee shareholding in Carnegie complies with internal rules for trading, including rules for open and closed periods. Employee trading in the Carnegie share is only allowed during open periods, starting the day after the announcement of an interim report and closing the first day of the last month of a reporting quarter, e g the most recent closed period started 1 September 2004 and opens 22 October 2004.

Share price development and turnover 1 June 2001 – 13 October 2004*



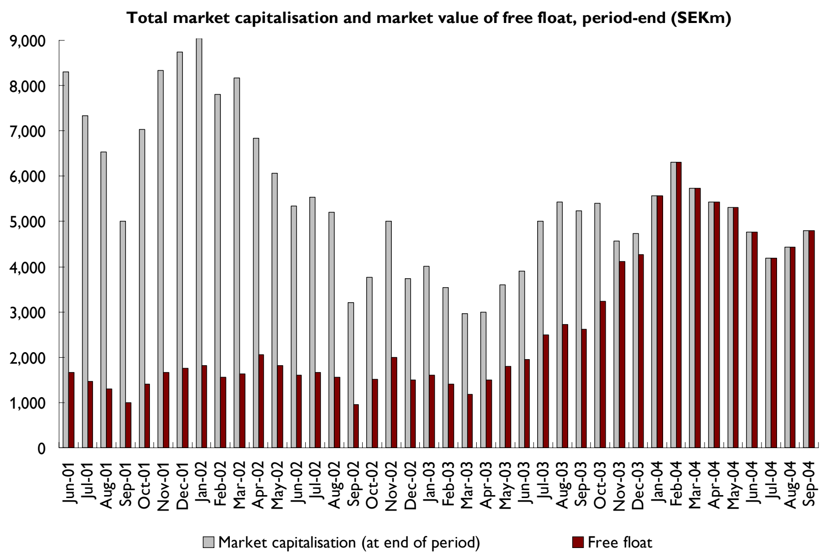
Share information (SEK)	
Market value 30 September 2004 (SEKm)	4,803
Share price 30 September 2004	72.0
Share price 30 September 2003	78.5
Share price at the IPO	115
Year high	96.5
Year low	59.5
All time high	149.5
All time high date	23 January 2002

Listing: Stockholmsbörsen (SWE), List O
Code: SE0000798829
Listed since: 2001-06-01
Trading lot: 100 shares
Symbol: CAR

*) Average turnover is affected by a number of larger placings. On 30 April 2004, Singer & Friedlander divested the remaining part of its Carnegie shares in a placing of about 3 million shares and on 4 November 2003, Singer & Friedlander divested 17.5 million shares in a secondary placing to institutional investors. On 19 April 2002, a placing of 3.5 million shares was made of employee holdings. The aggregate turnover in the first two weeks after the initial public offering in June 2001 amounted to 12.5 million shares.

Turnover and market capitalisation of free float

The average monthly turnover in the Carnegie share for the nine months 2004 was SEK 520 million (SEK 147 million). The increase includes the divestment of the remaining shares held by Singer & Friedlander in April this year, and also reflects the release of transfer restricted employee shares in January 2004, which have resulted in a free float of 100 per cent of total number of shares outstanding.



The turnover rate shows the total turnover in relation to market capitalisation of free float. Carnegie's turnover rate in relation to free float for the first nine months 2004 was 121 per cent (92 per cent).

Warrant programmes

In order to achieve a long-term commitment, it is of great importance that Carnegie's employees also are shareholders. The three-year warrant programme, introduced 2001, is evaluated during 2004 and no new incentive programme was proposed to shareholders at the AGM in 2004.

Warrant programme	No of warrants	Strike price[1)] (SEK)	Subscription period	Increased equity (MSEK)	Correspon-ding share of capital
2002/2005	2,400,000	158	1 April 2003 - 29 April 2005	379	3.6%
2003/2006	2,400,000	72	1 April 2004 - 28 April 2006	173	3.6%
2004/2007	2,400,000	101	1 April 2005 - 27 April 2007	242	3.6%

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

At present there are three programmes outstanding – Warrant programme 2002-2005, which was approved by the EGM the 28 November 2001, and Warrant programme 2003-2006, approved by the AGM 14 March 2002 and Warrant programme 2004-2007, approved by the AGM 13 March 2003. The warrants have been offered to personnel without charge.

The aggregate dilution effect in terms of profit per share is calculated in accordance with the Swedish Financial Accounting Standards Council's recommendation (RR18). The net profit is divided by the total number of shares including the number of shares to be issued corresponding to the calculated net present value (at current share price) of issued warrants. The aggregate dilution effect in terms of profit per share of issued warrants was below 1 per cent, based on the share price at 30 September 2004 (SEK 72).