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Carnegie's Board of Directors has decided on a write-off of the opening deficit in the profit-share system for 2007. The write-off of SEK 175 million before tax refers to profit-share disbursed in 2005 and 2006. The board has also decided to write off the deficit of SEK 140 million in the profit-share system that has accrued during the current year.

The management group has decided to forego its profit-share for 2007 for the benefit of shareholders, estimated to cover a significant part of the write-off.

With these decisions, the Board and management will enable Carnegie to continue to retain and attract the best employees, and thus continue to deliver quality services to clients and long-term value to shareholders.

On 24 May Carnegie reported overstatement of trading positions. This has led to overpayment of profit share. Three individuals who worked within the Swedish trading operations are suspected of fraudulent behavior in order to improve the department's results and have been reported to the police. The investigation team commissioned within Carnegie was able to verify overestimation of the trading results during the period 2005-2007, which caused the need for a revaluation of certain trading positions. The Board of Carnegie concluded that the negative effect on net profit (assuming 28 percent standard tax) totaled SEK -227 million for the years 2005-2007, of which SEK 126 million could be attributed to 2005-2006, and SEK 101 million to 2007.

Furthermore, it was announced that a downward adjustment of SEK 126 million will be made to the opening balance of total shareholders' equity for 2007, and that the remaining SEK 101 million will reduce the accumulated net profit for the first half-year 2007. From a profit-share perspective, the adjustment of trading results means that the employees' profit-share were too high in 2005 and 2006, resulting in a deficit of SEK 175 million at the start of 2007.

The Board's decision is based on the conviction that it is business-critical for Carnegie to attract and retain the best employees, and to be able to offer a competitive compensation system.

Carnegie has informed, and received the support of, the majority of its major shareholders of the Board's decision. An extra general meeting will however be called to confirm this.

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Therefore, the Board of Carnegie has decided to write off the deficit (SEK 175 million) that stems from the company's claim against previously disbursed profit-share. The write-off will impact Carnegie's result after profit-share for the first half-year of 2007. The allocation to the employees' profit-share for the current year will be calculated according to the established 50 percent profit-share principle described in Carnegie's annual report without regard to the write-off. The write-off is estimated to have an effect of SEK -126 million on the after-tax profits for 2007.

For the current year the Board has also decided to write off the profit-share deficit of SEK 140 million accrued during 2007.

The management group has decided to forego its profit-share for 2007 for the benefit of the shareholders which is estimated to cover a significant part of the write-off.

Carnegie's results for 2007 will reflect separately the part of the allocation to the profit-share system that stems from this year's profits calculated according to the established 50 percent principle, and the additional part that stems from write-offs. Separate results that are adjusted for the write-offs will also be reported.

In addition to this measure, Carnegie will seek to claim damages from the three people who have been reported to the police. Any compensation received will be credited directly to Carnegie's net profits without any portion being allocated to profit-share.

"Due to what has happened, Carnegie as a company has been put in a serious situation. Having the best employees is a key factor for Carnegie's business to ensure long-term success and value to shareholders. Therefore, it is crucial for our business that we can offer a competitive compensation program each year. By covering the deficit that has emerged with these measures, the Board has now found a solution that we are convinced will benefit Carnegie's clients and shareholders in the long run," says Christer Zetterberg, Chairman of Carnegie.

"With the Board's decision, we have created a foundation for upholding our strong market position, in this difficult situation. Carnegie must have the best employees in order to deliver the best results to our clients. This is also why we in the management group have decided to forego our entire profit share for 2007 which is estimated to cover a significant part of the write-off," says Stig Vilhelmson, CEO of Carnegie.

After the above measures Carnegie's CAD ratio remains above the Board's stated minimum of 12 percent.

Regarding Risk management and Control, Carnegie has taken, and is in the process of deciding on, a number of measures to prevent similar things from happening in the future.

Carnegie will hold a press conference today, Monday June 11 at CET 10.30 at Carnegie, Västra Trädgårdsgatan 15.

Christer Zetterberg, Chairman of the Board of Carnegie and Stig Vilhelmson, CEO of Carnegie, will be present at the press conference.

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Appendix; effects on results and profit share, including what was reported on May 24, 2007.

Result adjustment (SEK million)	2005	2006	2007Q1	2007Q2	Sum
Adjustment of the trading result	-100	-250	-220	-60	-630
Write-off of opening deficit in profit-share				-175	
Write-off of deficit in profit-share 2007				-140	
Effect on net profit,					
assuming 28% standard tax	-36	-90	-79	-248	-454
Effects on profit sharing (SEK million)	2005	2006	2007Q1	2007Q2	
Opening balance profit-share			-175		
Profit-share effect from revaluation			-110	-30	
Write-off opening balance in profit-share				+175	
Write-off deficit in profit-share accrued 2007				+140	
Closing balance profit-share				0	

The complete financial effects for 2007 can only be calculated at the end of the year when year-end results and profit-share allocation have been determined. However, the additional write-off will not amount to more than the difference between management's profit-share and this year's deficit of SEK 140 million.

In 2006, the management group's part of the profit-share amounted to 6.8 percent.