



Stockholm, 12 January 2007

## Carnegie acquires Max Matthiessen

- Carnegie acquires Max Matthiessen, Sweden's leading independent advisor in pension insurance. Carnegie and Max Matthiessen have had an exclusive co-operation agreement since 2004.
- The acquisition is to be financed through a new issue maximised to 6,071,427 shares in Carnegie, equating to SEK 856 million<sup>1</sup>.
- Following the announcement of the acquisition of Max Matthiessen, Carnegie has today presented its preliminary results and dividend proposal for the full year 2006 in a separate press release.
- Carnegie and Max Matthiessen intend to launch jointly a unique offering made possible by the combined expertise and market positions of Carnegie and Max Matthiessen. Carnegie contributes its cutting-edge expertise in financial advice and Max Matthiessen its leading expertise and market position in pension advisory services.
- Carnegie's profit before tax pro forma 2006 increases by SEK 91 million. Income synergies are expected to add another SEK 80 million to profit before tax from 2009.
- The effect on earnings per share is neutral in 2007 and 2008, and positive from 2009 (based on consensus estimates for Carnegie).
- Carnegie's Board of Directors will propose applicable resolutions to an EGM to be held on 13 February, 2007.
- Carnegie's CEO Stig Vilhelmson and Max Matthiessen's CEO Christoffer Folkebo will present the transaction in a teleconference today at 10.00 AM (CET).

Max Matthiessen is Sweden's leading independent advisor in pension insurance. Max Matthiessen's clients consist primarily of medium-sized and large companies and organisations and their employees. Max Matthiessen has 148,000 clients through 12,000 client companies for which Max Matthiessen manages a pension capital of around SEK 86 billion. The annual premium flow amounts to SEK 11 billion. Max Matthiessen's pro forma net income for 2006 amounted to SEK 516 million and profit before tax amounted to SEK 84 million. Max Matthiessen has around 350 employees.

"Carnegie's strategy is to be the leading player in the areas in which we operate. We take extreme care in deciding which sectors, products and market segments to work with. The existing co-operation between Carnegie and Max Matthiessen has, in a short period of time, proven that there is a large synergy potential, one example of which is that Max Matthiessen's clients have SEK 10 billion in Carnegie's fund-of-funds product. We will now join forces and together we will develop a concept that will be market-leading.

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<sup>1</sup> The transaction value is calculated on Carnegie's share price 10 January, 2007.

The pension and long-term savings market is growing, and demand for qualified and independent advice is increasing. Independent consulting and an open architecture will therefore be key factors for success in the future savings market. The acquisition of Max Matthiessen puts us in the perfect position in a very attractive and growing market. Our joint private client offering will be unique and cannot be compared with anything on the market today. We will be the first choice for Swedish companies and their employees when it comes to pension solutions and long term savings,” says Stig Vilhelmson, CEO of Carnegie.

“Carnegie and Max Matthiessen share a common view on client relations. We are both convinced that the key to success is to offer independent advice and superior products to the market – and this can only be achieved in a so-called open architecture. Max Matthiessen operates at the heart of a growing market – our future pension is something which concerns us all. I am convinced that Max Matthiessen’s strong sales force with in-depth knowledge in pension advice, combined with Carnegie’s competence in financial advice, will create a very competitive client offering,” says Christoffer Folkebo, CEO of Max Matthiessen.

### **Fast track to growing savings market**

Carnegie’s overall goal is to create long-term profitability by being the clients’ first choice. The strategy is to operate in areas where Carnegie is, or has the potential to become, market leader. Carnegie’s acquisition of Max Matthiessen is a fast track to a leading position in the growing pension and long-term savings market in Sweden.

During the last ten years, the compound annual growth rate in the Swedish savings market (excluding real estate) has been 9 per cent, while the compound annual growth rate for pension-related savings has been 15 per cent <sup>2</sup>. The market is expected to demonstrate good long-term growth, due in part to the demographic changes and the structure of the national pension system. Max Matthiessen has a leading market position, in-depth knowledge of pensions, a high-quality client base and a powerful distribution organisation.

### **Creating a unique client offering**

Together Carnegie and Max Matthiessen will create a unique offering for private clients and thereby become Sweden’s leading independent advisor within pension insurance and long-term savings. The offering is based on Carnegie’s knowledge of financial advisory and savings products and Max Matthiessen’s expertise in pension advice, and includes tailored solutions based on asset allocation, mutual fund products, structured products and online services. The aim is to further strengthen the relations with Max Matthiessen’s 148,000 existing clients (high-wage earners) and to take advantage of the growth potential which exists in the form of the additional 460,000 employees at Max Matthiessen’s client companies. The operations will be conducted under the Max Matthiessen brand.

### **Compelling synergy potential**

The acquisition of Max Matthiessen increases Carnegie’s profit before tax pro forma 2006 by SEK 91 million. From 2009 the positive effect on pre-tax earnings from synergies is expected to add another SEK 80 million per year. The acquisition of Max Matthiessen is expected to have a neutral effect on Carnegie’s earnings per share for 2007 and 2008, and a positive effect in subsequent years. Expected synergies will mainly be achieved through increased income, while cost synergies are limited.

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<sup>2</sup> SEB Sparbarometern, Q3 2006

## The acquisition's implementation, terms and financing

Carnegie has entered into an agreement regarding the acquisition of all of the outstanding shares in Max Matthiessen. Carnegie acquires Max Matthiessen for approximately SEK 856 million paid in Carnegie shares (based on the share price 10 January 2007). The shares will be subject to a lock-in programme of 3 years. The new shares issued are eligible to receive dividends for the 2006 financial year.

Carnegie's Board of Directors will propose to receive authorisation from an EGM, planned to take place on 13 February, 2007, to issue up to 6,071,427 new shares to be directed to Max Matthiessen's shareholders. The issue will correspond to a maximum of 7.827 per cent of the 77,573,027 shares outstanding in Carnegie after the new share issue (assuming full exercise of the warrant programme expiring in April 2007).

Neither Carnegie nor any senior executive or major shareholder in Carnegie owned shares in Max Matthiessen at the time the acquisition agreement was entered into.

Carnegie's acquisition of Max Matthiessen must also be approved by the relevant authorities.

## Share capital and ownership structure

In connection with the acquisition, Carnegie's ownership structure will change. Shareholders in Max Matthiessen will receive 6,071,427 shares in Carnegie and will thereby become owners of around 7.8 per cent of the capital and votes in Carnegie. Max Matthiessen has around 80 shareholders. The table below shows Carnegie's future ownership structure.

<b>Larger shareholders 1 January 2007, pro forma</b>	<b>Votes and capital%</b>
Max Matthiessen shareholders	7.8%
Carnegie employees <sup>1,2</sup>	7.5%
Barclays Global Investors	5.0%
Robur fonder	4.7%
Franklin-Templeton Funds	3.2%
SHB/SPP fonder	2.6%
Catella fonder	2.5%
Nordea fonder	2.3%
Andra AP-fonden	1.9%
Abu Dhabi Investment	1.4%
Skandia Liv	1.4%
Danske fonder	1.4%
Other	58.3%
<b>Total</b>	<b>100.0%</b>

1) Shares held by employees are individual holdings. Group management: Lars Bjerrek, Peter Bäärnhielm, Jim Cirenza, Niklas Ekvall, Matti Kinnunen, Mats-Olof Ljungkvist, and Stig Vilhelmson represent a total of 910,000 shares, corresponding to 1.3 per cent of the shares outstanding, included in the total employee shareholding.

2) Source: Carnegie Q3(06)

## Capital structure and dividend

The acquisition of Max Matthiessen has slightly negative impact on Carnegie's capital adequacy, calculated in accordance with Basel II:

- Shareholders' equity in Carnegie will increase by around SEK 856 million after the new share issue.
- Goodwill and intangible assets resulting from the consolidation of Max Matthiessen are expected to amount to around SEK 814 million.
- Risk-weighted assets (operating risks) following the acquisition will increase by a total of around SEK 900 million.

Carnegie's Board of Directors will propose a dividend of SEK 815 million corresponding to SEK 10.50 per share (including new shares issued to Max Matthiessen's shareholders and assuming the warrant programme 2004/2007 is exercised in full). Carnegie's current business volume, including the proposed acquisition of Max Matthiessen, is estimated to require a risk capital corresponding to a regulatory capital base of approx. SEK 1.9 billion. Assuming the proposed dividend of SEK 815 million, retained earnings for 2006 would be around SEK 185 million. The capital adequacy ratio according to Basel II at 31 December 2006 is expected to be well above 12%, the minimum level decided by the Board.

## Financial effects

General pro forma financial information for the new group is shown in the table below. All data are preliminary for both the accounts and the acquisition analysis. The preliminary financial information from Carnegie has also been presented in a separate press release today. The key figures below are based on the issue of 6,071,427 shares in Carnegie, and Max Matthiessen becoming a wholly-owned subsidiary as a result. The financial pro forma information for Max Matthiessen is based on the incorporation of all sales agents into Max Matthiessen and the application of Carnegie's profit share model.

<b>Income statement (SEK million)</b>					
<b>2006 Preliminary</b>	<b>Carnegie</b>	<b>Max M adj</b>	<b>Acq.</b>	<b>Elim.</b>	<b>Pro forma</b>
Securities	2,136	-			2,136
Investment Banking	885	-			885
Asset Management	891	-		-7	884
Private Banking	563	-			563
Max Matthiessen	-	516			516
<b>Total income</b>	<b>4,475</b>	<b>516</b>	<b>0</b>	<b>-7</b>	<b>4,984</b>
Personnel expenses	-952	-235			-1,186
Depreciation of tangible and amortisation of intangible fixed assets	-64	-11		-12	-86
Other expenses	-644	-105		7	-742
Net provisions for credit losses	0	-			0
<b>Total operating expenses excluding profit-share</b>	<b>-1,659</b>	<b>-351</b>	<b>0</b>	<b>-5</b>	<b>-2,015</b>
<b>Operating profit before profit-share</b>	<b>2,817</b>	<b>164</b>	<b>0</b>	<b>-12</b>	<b>2,969</b>
Allocation to profit-share system	-1,390	-81		19	-1,451
<b>Total expenses</b>	<b>-3,048</b>	<b>-432</b>	<b>0</b>	<b>14</b>	<b>-3,466</b>
<b>Profit before taxes</b>	<b>1,427</b>	<b>84</b>	<b>0</b>	<b>7</b>	<b>1,518</b>
Taxes (standard tax rate)	-428	-25		-2	-455
<b>Net profit</b>	<b>999</b>	<b>59</b>	<b>0</b>	<b>5</b>	<b>1,063</b>

<b>Balance sheet (SEK million)</b>					
<b>31 Dec 2006 Preliminary</b>	<b>Carnegie</b>	<b>Max M adj</b>	<b>Acq.</b>	<b>Elim.</b>	<b>Pro forma</b>
Cash and bank deposits in central banks	480	197			676
Lending to credit institutions	7,753	-			7,753
Lending to general public	8,403	-			8,403
Securities	16,088	-			16,088
Goodwill	9	259		264	532
Intangible fixed assets	39	2		375	416
Tangible fixed assets	75	11			86
Shares in subsidiaries	-	-	864	-864	0
Other assets	8,817	96			8,914
<b>Total assets</b>	<b>41,663</b>	<b>565</b>	<b>864</b>	<b>-225</b>	<b>42,868</b>
Liabilities to credit institutions	15,762	-			15,762
Deposits and borrowing from general public	8,092	-			8,092
Other liabilities	15,184	236	8	105	15,532
Subordinated Loans	476	-			476
Proposed dividend	815				815
Shareholders' equity	1,334	330	856	-330	2,190
<b>Total liabilities and shareholders' equity</b>	<b>41,663</b>	<b>565</b>	<b>864</b>	<b>-225</b>	<b>42,868</b>

<b>Key data</b>					
<b>Preliminary</b>	<b>Carnegie</b>	<b>Max M adj</b>	<b>Acq.</b>	<b>Elim.</b>	<b>Pro forma</b>
Earnings per share (SEK)	14.46				14.14
Earnings per share, fully diluted (SEK)	14.34				14.03
Book value per share (SEK)	30.9				39.8
Average number of shares	69,074,691		6,071,427		75,146,118
Number of shares at period-end	69,525,070		6,071,427		75,596,497
Number of shares related to outstanding warrants	1,976,530				1,976,530
Total number of shares, incl effect of issued warrants	69,645,478		6,071,427		75,716,905
Total number of shares after new share issue and assuming full exercise of the warrant programme					77,573,027
Number of employees, average	775	350			1,125
Number of employees, period-end	798	350			1,148

The pro forma accounts have been prepared merely to serve a descriptive purpose and are not intended to show the financial position or results that the operations would actually have achieved. Nor is the purpose of the pro forma accounts to show the financial position at any future point in time or the results of operations at any time in the future.

On condition that the acquisition takes place according to the current schedule, Carnegie plans to consolidate Max Matthiessen with effect from 1 April 2007.

### Accounting policies

Pro forma financial information has been prepared in accordance with all IFRS Standards endorsed by the EU Commission and all interpretations of those standards, IFRIC. The accounting policies and calculation methods used when preparing pro forma financial information are the same as those used in the 2005 Annual Report.



### **Teleconference in English**

Carnegie's CEO SV and Max Matthiessen's CEO CF will present the transaction in a teleconference today at **10.00 AM (CET)**. In order to participate, please call + 44 (0) 208 817 9301. The conference call will also be accessible as an audio web cast (including slide presentation) at <http://www.mamato.se/clients/fine/carnegie/070112/>. It will be possible to ask questions via e-mail during the audio web cast. For those unable to listen to the live broadcast, a replay will be available at [www.carnegie.se/ir](http://www.carnegie.se/ir) approximately one hour after the event.

### **Press conference in Swedish**

Carnegie's CEO SV and Max Matthiessen's CEO CF will also present the transaction at a press conference in Swedish, at **12.00 (CET)** today. The press conference will be held at Carnegie's offices at Västra Trädgårdsgatan 15, 1<sup>st</sup> floor, Stockholm.

Stockholm, 12 January 2007

The Board of Directors

### **Process going forward and financial calendar 2007**

Year-end report 2006, 1 February

Extraordinary general meeting, 13 February 2007 at 3 pm, at Nalen, Regeringsgatan 74 in Stockholm. Notice to attend is published today in a separate press release.

Closing of acquisition, aimed for 20 March

Annual general meeting, 29 March, at 2 pm, at Nalen, Stockholm.

Last day for trading in the Carnegie share including dividend, 29 March

Carnegie Investment Bank AB has been acting as advisor to Carnegie.

### **For more information, please contact:**

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*Carnegie is an independent Nordic investment bank operating in Securities, Investment Banking, Asset Management and 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.*

*Max Matthiessen is Sweden's leading independent advisor within the area of pension insurance and long-term savings. Max Matthiessen's offering consists of expert advice and management of personal investment solutions, often in the form of insurance and long-term savings. Max Matthiessen has 350 employees and a national network of branches that reach around 148,000 clients in Sweden.*