1 February 2007

Carnegie: Year-end report 2006

Net profit 2006 of SEK 1,013 million (SEK 667 million)

- Carnegie's **net profit** for 2006 was SEK 1,013 million (SEK 667 million), an increase of 52% from last year. The net profit generated in the fourth quarter was SEK 292 million (SEK 267 million). **Earnings per share** for 2006 were SEK 14.66 (SEK 9.98), fully diluted SEK 14.54 (SEK 9.94).
- **Total income** for 2006 increased by 27% to SEK 4,475 million (SEK 3,514 million). Income in the fourth quarter was SEK 1,219 million (SEK 1,213 million). In the fourth quarter, Securities income was SEK 536 million, an increase of 25% Y/Y. Investment Banking generated SEK 206 million, a decrease of 28% Y/Y. Asset Management income was down 8% Y/Y to SEK 319 million and Private Banking generated income of SEK 159 million, up 5% Y/Y.
- On 12 January Carnegie announced the **acquisition of Max Matthiessen**, to be financed through a share issue of a maximum of 6,071,427 shares in Carnegie, corresponding to a transaction value of SEK 856 million based on the share price as of 10 January 2007. The EGM will take place on 13 February 2007.
- **Dividend proposal** – Carnegie's Board of Directors proposes a dividend of SEK 10.50 per share eligible for dividend at the AGM, corresponding to a total dividend amount of SEK 813 million, based on the total number of shares outstanding of 77,432,827, including the new shares issued to Max Matthiessen's shareholders and the new shares issued in January 2007 from Carnegie's warrant programme.
- **Capital structure** – Carnegie's current business volume, including the 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 acquisition of Max Matthiessen, and including exercised warrants in January 2007, and the dividend proposal, the regulatory capital amounts to SEK 1.9 billion. Based on risk-weighted assets pro forma according to Basel II of SEK 14.1 billion, this corresponds to a capital adequacy ratio of 13.7%, above the minimum level of 12 % decided by the Board.
- **Total expenses before profit-share** for 2006 were SEK 1,659 million (SEK 1,674 million), a decrease of 1% from last year, and lower than the previously communicated cost range. Management estimates a cost range for 2007 including Max Matthiessen of SEK 2.1 to 2.2 billion.
- **Changes from the preliminary results 12 January**: In connection with the announcement of the acquisition of Max Matthiessen, Carnegie presented its preliminary results for 2006. In this year-end report, actual taxes have been charged, resulting in a slightly higher net profit. Further, **the preliminary estimate of net income from financial positions in business area Securities has been restated** from SEK 229 million to SEK 156 million for the quarter, due to an error in classification of net interest income. Consequently, net interest income in Securities has increased by the same amount. Total income from business area Securities is unchanged. Corresponding changes have also been made in the Q1-Q3 figures.

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Quotations from Stig Vilhelmson, CEO:

"In favourable market conditions, we have been able to further strengthen our market positions in all business areas. Carnegie generated record income in 2006 and the net profit increased by over 50 per cent, proving the strength in Carnegie's business model. It is with great pleasure I can announce the Board's dividend proposal of SEK 10.50 per share for 2006, and I look forward to continue to develop our business in 2007."

Auditors' examination

This year-end and fourth-quarter report has been reviewed by the company's auditors.

Teleconference in English

Carnegie's CEO Stig Vilhelmson and Mats-Olof Ljungkvist (CFO) will present the year-end results at a teleconference held 1 February at 4.00 PM (CET). It will be open to the public. In order to participate, please call + 44 (0) 208 817 9301. 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 Stig Vilhelmson (CEO) +46 8 676 86 01, Mats-Olof Ljungkvist (CFO) +46 8 5886 90 13 or Birgitta Henriksson (IR) +46 8 5886 86 39.

Financial calendar 2007

Extra general Meeting, 13 February
Closing of acquisition, aimed at 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
Distribution of dividend, 10 April
Interim report January-March, 24 April
Interim report January-June, 18 July
Interim report January-September, 24 October

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

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.

The Carnegie Group

(SEK million)	Oct - Dec 2006	Oct - Dec 2005	Chg.	Jan - Dec 2006	Jan - Dec 2005	Chg.
Income statement						
Securities	536	427	25%	2,136	1,503	42%
Investment Banking	206	288	-28%	885	733	21%
Asset Management	319	347	-8%	891	791	13%
Private Banking	159	151	5%	563	486	16%
Total income	*1,219*	*1,213*	1%	*4,475*	*3,514*	27%
Personnel expenses	-254	-247	3%	-952	-870	9%
Other expenses	-179	-266	-33%	-708	-799	-11%
Net provisions for credit losses	0	-3		0	-5	
Total operating expenses excluding profit-share	*-433*	*-517*	-16%	*-1,659*	*-1,674*	-1%
Operating profit before profit-share	*786*	*696*	13%	*2,817*	*1,840*	53%
Allocation to profit-share system	-388	-345	12%	-1,390	-909	53%
Total expenses	*-821*	*-862*	-5%	*-3,048*	*-2,583*	18%
Profit before taxes	*398*	*351*	13%	*1,427*	*931*	53%
Taxes	-106	-84	26%	-414	-264	57%
Net profit	*292*	*267*	10%	*1,013*	*667*	52%
Earnings per share (SEK)	4.22	3.98		14.66	9.98	
Earnings per share, fully diluted (SEK)	4.18	3.95		14.54	9.94	

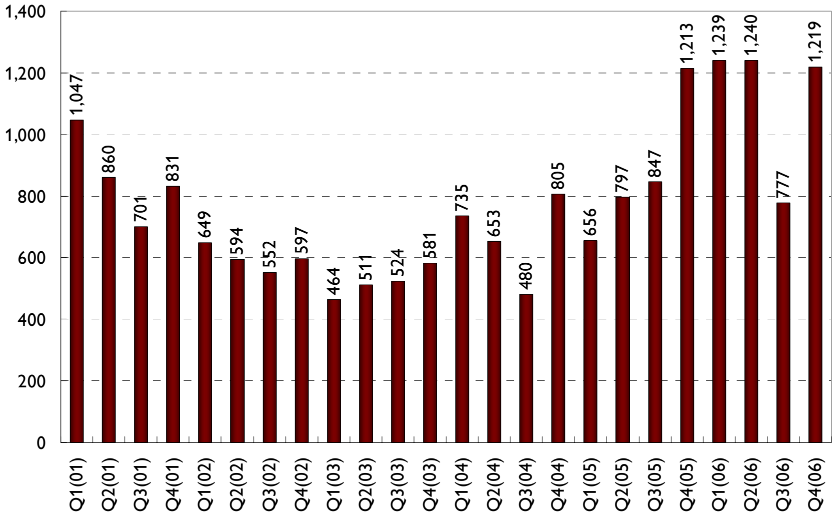
Market environment

The Nordic equity markets ended 2006 on a strong note, with the Carnegie Nordic index up 25 per cent, outperforming both Europe and the US. The key drivers for the strong performance were better than expected earnings, low bond yields and increased M&A activity amid strong local and global economic growth. In the fourth quarter, most markets had a very strong run and Carnegie Nordic index was up 14 per cent. Aggregate turnover on the Nordic stock exchanges in the fourth quarter was up 32 per cent compared to the same period last year, reflecting the strong activity especially in the Norwegian and Swedish stock markets. For the full year 2006 turnover on the Nordic stock exchanges was up 44 per cent from previous year.

Income

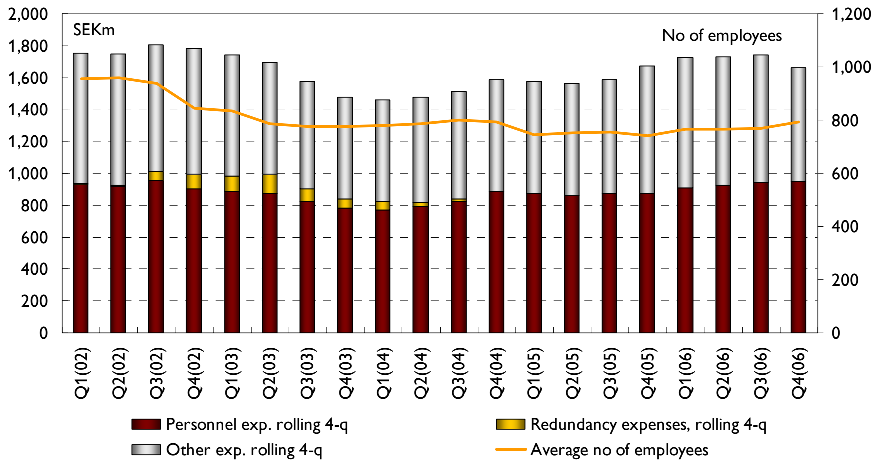
Total income in 2006 was SEK 4,475 million (SEK 3,514 million), an increase of 27 per cent Y/Y. In the fourth quarter, **Securities** income was SEK 536 million (SEK 427 million), up 25 per cent Y/Y. **Investment Banking** generated total income of SEK 206 million (SEK 288 million), down 28 per cent Y/Y. **Asset Management** income was SEK 319 million (SEK 347 million) down 8 per cent Y/Y, of which SEK 171 million (SEK 186 million) in performance fees. **Private Banking** income was SEK 159 million (SEK 151 million), 5 per cent up from the same period last year.

Quarterly income (SEK million)



Total expenses and estimated cost base for 2007
Total expenses before profit-share in 2006 were SEK 1,659 million (SEK 1,674 million), up 3 per cent from last year, excluding one-off expenses of SEK 64 million in 2005, and below management's estimated cost range of SEK 1.7 to 1.8 billion. Personnel expenses increased by 9 per cent while other expenses were down by 11 per cent, reflecting a general increase in personnel expenses and increased number of employees, and the effects of the consolidation of Capital C AB. Based on current market conditions, total expenses before profit-share in 2007, including the acquisition of Max Matthiessen, are expected to be SEK 2.1 to 2.2 billion.

Total expenses, rolling 4-quarter (SEK million)

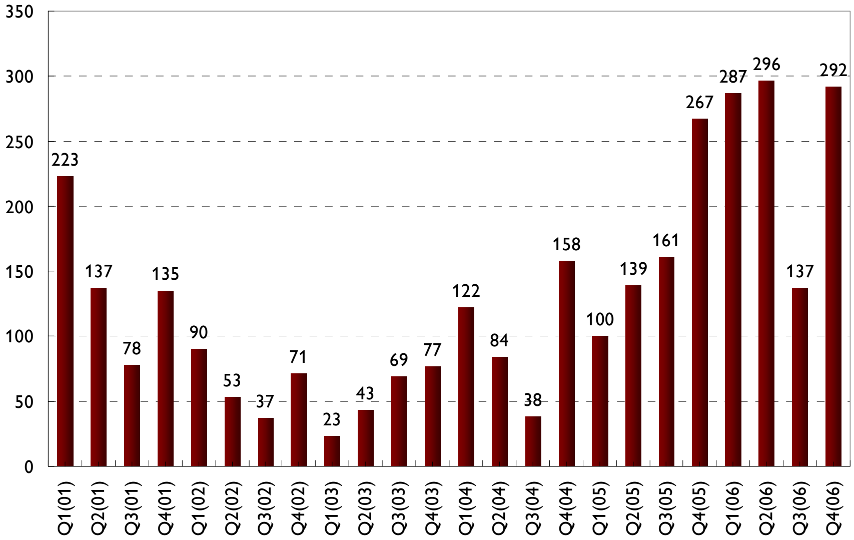


Allocation to profit-share in 2006 was SEK 1,390 million (SEK 909 million), following the fixed formula for profit-share allocation: 50 per cent of the Group's operating profit before profit-share, after deduction of a STIBOR-related return on shareholders' equity.[1]

[1] 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.

The net profit for 2006 was SEK 1,013 million (SEK 667 million), corresponding to a return on equity for the last 12-month-period of 58 per cent. The net profit ended up slightly above the previously announced preliminary figure due to an actual tax rate of 29 per cent, slightly below the standard tax rate of 30 per cent. The net profit for the fourth quarter was SEK 292 million (SEK 267 million).

Net profit, quarterly (SEK million)



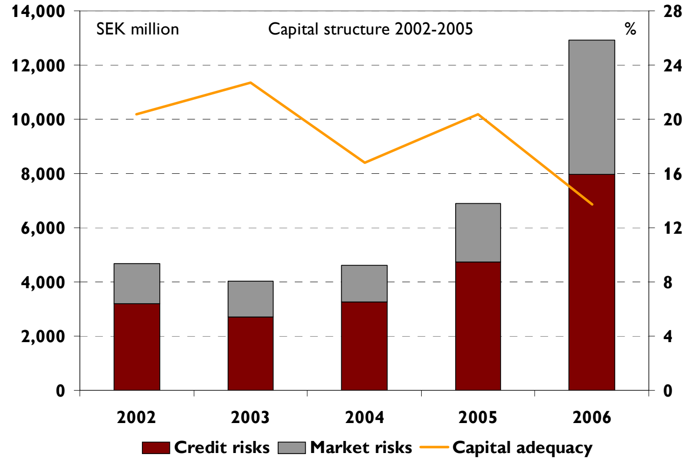
Acquisition of Max Matthiessen

On 12 January Carnegie announced the proposed acquisition of Max Matthiessen, Sweden's leading adviser in pension solutions. The acquisition is to be financed through a share issue of a maximum of 6,071,427 shares in Carnegie, corresponding to a transaction value of SEK 856 million, based on the share price as of 10 January 2007. The maximum dilution will be 7.8 per cent of the total number of shares outstanding of 77,432,827. The EGM will take place on 13 February 2007. Max Matthiessen's income for 2006 was around SEK 500 million. Based on pro forma consolidation, the acquisition would have added SEK 91 million to Carnegie's profit before taxes 2006. The effect on earnings per share is expected to be neutral in 2007 and 2008, and positive in 2009, due to income synergies estimated to add another SEK 80 million to the profit before taxes.

Risk-weighted assets and capital adequacy at year-end

Risk-weighted assets, as defined by the financial authorities in Basel I, increased substantially during 2006 and more than doubled from the beginning of the year to SEK 12.9 billion. Both credit and market risks showed large increases in the fourth quarter. Credit risks increased by 67 per cent from the beginning of the year to SEK 8 billion, mainly due to increased lending in Private Banking. Market risks have increased by 132 per cent from the beginning of the year to SEK 4.9 billion, following the increased trading activity, both in foreign and domestic markets. Total risk-weighted assets are illustrated in the graph below.

Risk-weighted assets and capital adequacy in Basel I (SEK million, %)



The total regulatory capital base at 31 December 2006 amounted to SEK 1,752 million, including Tier 1 capital of SEK 1,276 million and Tier 2 capital of SEK 476 million. The corresponding Tier 1 ratio was 9.9 per cent, and the capital adequacy ratio was 13.6 per cent.

Risk-weighted assets according to Basel II

In the new regulatory system for capital adequacy, which is applied from 1 January 2007, the definition of risk-weighted assets will change. The major effect for Carnegie is that risk-weighted assets referring to credit risks decrease substantially, and that a new classification of risk-weighted assets regarding operational risk is added to the total risk-weighted assets.

Carnegie estimates that, based on the risk-weighted assets as of 31 December 2006, the credit risks would be reduced to SEK 2.5 billion, market risks would be SEK 4.1 billion and an additional SEK 6.7 billion for operational risks would be added to risk-weighted assets, in total corresponding to risk-weighted assets of around SEK 13.2 billion. Risk-weighted assets, pro forma, including the effects from the acquisition of Max Matthiessen, amounts to a total of SEK 14.1 billion.

Risk-weighted assets and capital adequacy, pro forma 31 Dec 2006	Basel I Actual	Basel II Incl. issue from warrants	 Incl. Issue from warrants and pro forma acquisition
Risk-weighted assets, SEK bn	12.9	13.2	14.1
Tier 1 ratio	9.9%	11.0%	10.3%
CAD ratio*	13.6%	14.6%	13.7%

*) The minimum legal requirement on capital adequacy is 8 per cent.

Dividend policy and dividend proposal for 2006

The Board of Directors have discussed the dividend policy in light of the new rules for capital adequacy, effective from 1 January 2007. The overall policy remains, Carnegie shall distribute as dividend all excess capital not necessary for the development of the business. Business requirements on risk capital shall be assessed through Carnegie's internal business planning process. According to pillar II of the Basel II regulation it is also a formal requirement to present to the local financial authorities an internal assessment of risk capital requirements. According to Carnegie's capital policy, the aim is to optimize the capital structure in terms of Tier 1 and Tier 2 capital. It is the board's assessment that a CAD ratio of 12 per cent in the new regulatory environment is a minimum level.

Carnegie's current business volume, including the effects from the acquisition of Max Matthiessen, is estimated to require a risk capital corresponding to a regulatory capital base of approximately SEK 1.9

billion. Carnegie's Board of Directors propose a dividend of SEK 10.50 per share, corresponding to a dividend amount of SEK 749 million, based on the total number of 71,361,400 shares outstanding in January 2007 (including issue of new shares from exercised warrants). Including the new share issue to Max Matthiessen's shareholders to be decided by the EGM 13 February, the number of shares eligible for dividend at the AGM would amount to 77,432,827. The total dividend amount would then increase to SEK 813 million[2]. The dividend proposal would imply a regulatory capital base of SEK 1.9 billion. The capital adequacy ratio at year-end, pro forma[3], according to Basel II is estimated to 13.7 per cent, above the minimum level of 12 per cent decided by the Board.

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 has been addressed through the issue of a subordinated loan during 2005. 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 2006, the change in working capital was SEK -1 484 million (SEK 5,253 million). A more relevant measure of the liquidity is the cash flow from operations before changes in working capital, which was SEK 1 098 million in 2006 (SEK 675 million). Capital expenditure in 2006 amounted to SEK 40 million (SEK 85 million). See page 23 for further information.

[2] The maximum dividend amount is SEK 813 million, of which SEK 730 million refers the number of shares outstanding at year-end, SEK 19 million refers to the new share issue from exercised warrants in January 2007 of 1,836,330, and SEK 64 million refers to the proposed new share issue of 6,071,427 shares in connection with the acquisition of Max Matthiessen.

[3] Based on the risk-weighted assets at year-end according to Basel II and including the effects of the acquisition of Max Matthiessen as well as the new share issue from exercised warrants, in total corresponding to risk-weighted assets of SEK 14.1 billion.

KEY DATA	*Oct - Dec 2006*	*Oct - Dec 2005*	*Jan - Dec 2006*	*Jan - Dec 2005*
Earnings per share (SEK)	4.22	3.98	14.66	9.98
Earnings per share, fully diluted (SEK)	4.18	3.95	14.54	9.94
Book value per share (SEK)	-	-	31.2	25.4
Share price (SEK)	-	-	147.5	117.0
Price/earnings multiple	-	-	10.1	11.7
Number of shares at period-end	69,525,070	67,729,900	69,525,070	67,729,900
Average number of shares	69,291,335	67,091,771	69,074,691	66,799,944
Number of shares related to outstanding warrants	1,976,530	3,771,700	1,976,530	3,771,700
Total number of shares, incl effect of issued warrants	69,902,877	67,530,165	69,645,478	67,083,113
New shares issued in January 2007			1,836,330	
New shares from proposed acquisition of MaxMatthiessen			6,071,427	
Total no of shares eligible for dividend at AGM 2007			77,432,827	
Cost/income ratio, %	67%	71%	68%	74%
Profit margin, %	24%	22%	23%	19%
Return on equity, (12 mo) %			58%	49%
Total assets (SEK million)			41,588	30,859
Margin lending (SEK million)			8,403	4,428
Deposits and borrowing from general public (SEK million)			8,092	6,893
Total regulatory capital base (SEK million)			*1,752*	*1,408*
Tier I capital			*1,276*	*939*
-Shareholders' equity			2,168	1,721
-Goodwill			-9	-8
-Intangible fixed assets			-10	-20
-Deferred tax assets			-124	-119
-Dividends (proposed for 2006)			-749	-634
-Profit after tax and foreign exchange differences				
Tier II capital				
-Subordinated loan			*476*	*469*
Total risk-weighted asset (SEK million)			*12,925*	*6,888*
Risk-weighted assets (Credit risks)			7,970	4,745
Risk-weighted assets (Market risks)			4,955	2,143
Tier I Ratio, %			9.9%	13.6%
Capital adequacy, %			13.6%	20.4%
Number of employees, average	792	742	775	747
Number of employees, period-end	798	741	798	741
Period-end assets under management (SEK billion)			114	89

Key ratios	*2002*	*2003*	*2004*	*2005*	*2006*
Net profit (SEK million)	250	211	401	667	1,013
Earnings per share (SEK)	3.75	3.17	6.01	9.98	14.66
Earnings per share, fully diluted (SEK)	3.75	3.14	5.94	9.94	14.54
Dividend per share (SEK)*	8.93	3.16	5.93	9.19	10.50
Tier 1 ratio	20.4%	22.7%	16.8%	13.6%	9.9%
Capital adequacy	20.4%	22.7%	16.8%	20.4%	13.6%

*Proposed dividend for 2006

Definitions of key ratios

Key ratios have been restated for 2004 according to IFRS. Key ratios regarding 2002-2003 have not been restated to IFRS. Should they have been restated, the impact would have been immaterial. Note that certain numerical information presented in millions may not add up due to rounding.

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 26). The net profit is divided by the total number of shares including the number of shares to be issued corresponding to the calculated value (at average share price) of issued warrants.
Average number of shares:	Total number of shares, including any new share issues, as a weighted average over the period.
Number of shares entitled to dividend:	Total number of shares outstanding at the record date.
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 value of issued warrants.
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.
Cost/income ratio:	Total expenses, including allocation to profit-share, as a percentage of total income.
Profit margin:	Net profit as a percentage of total income.
Return on equity:	Net profit for the last 12-months-period as a percentage of average shareholders' equity.
Total regulatory capital base:	Tier 1 capital + Tier 2 capital
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 2 capital:	Subordinated indebtedness, eligible up to 50% of Tier 1 capital
Risk-weighted assets:	Book value of assets valued in accordance with the capital adequacy rules of the Swedish FSA (Finansinspektionen)
Tier 1 ratio:	Tier 1 capital as a percentage of risk-weighted assets.
Capital adequacy ratio:	Total regulatory capital base (Tier 1 + Tier 2 capital) 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.

Accounting policies

This Interim report has been prepared in accordance with IAS 34, Interim Financial Reporting and RR 31 Interim Financial reporting for Groups. In accordance with the IAS regulation adopted by the European Union (EU) in 2002, listed companies throughout the EU shall apply International Financial Reporting Standards, IFRS, when preparing their consolidated financial statements. This Interim report 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 in this report are the same as those used in the 2005 Annual Report.

The parent company in summary

Total income in the parent company D. Carnegie & Co AB in 2006 was SEK 0 million (SEK 0 million), and the company was showing a loss before financial items of SEK -27 million (SEK -13 million). Including an anticipated dividend of SEK 600 million (SEK 660 million), the profit before taxes was SEK 575 million (SEK 827 million). At 31 December 2006, cash and liquid assets amounted to SEK 43 million (SEK 25 million). No capital expenditure was made during the period (SEK 0 million). Shareholders' equity was at 31 December 2006 SEK 1 544 million (SEK 1 450 million).

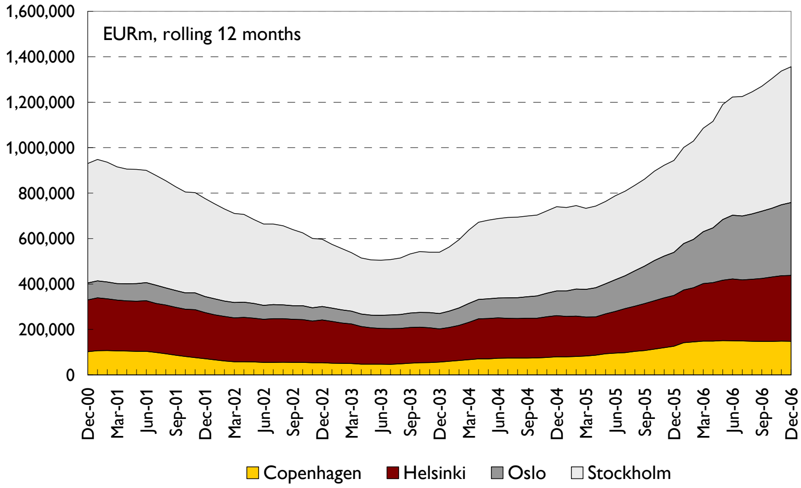
Securities

(SEK million)	Oct - Dec 2006	Oct - Dec 2005	Chg.	Jan - Dec 2006	Jan - Dec 2005	Chg.
Net commission income	*302*	*281*	7%	*1,256*	*982*	28%
ECM fees	*60*	*46*	31%	*287*	*132*	118%
Net interest income	*18*	*23*	-21%	*90*	*61*	48%
Proprietary trading and market making	201	90	124%	594	395	50%
Net interest income from financial positions	-46	-13	264%	-92	-66	40%
Other income from financial positions	0	0		0	-1	
Net income from financial positions	*156*	*77*	102%	*502*	*329*	53%
Other fees	*0*	*0*		*0*	*0*	
Total income	*536*	*427*	25%	*2,136*	*1,503*	42%
Personnel expenses	-121	-113	8%	-421	-376	12%
Other expenses	-81	-115	-30%	-315	-349	-10%
Net provisions for credit losses	0	-4		-1	-5	
Total operating expenses excluding profit-share	*-203*	*-232*	-12%	*-737*	*-730*	1%
Business area operating profit before profit-share	*333*	*196*	70%	*1,400*	*773*	81%
Allocation to profit-share system	-165	-97	69%	-691	-382	81%
Total expenses	*-367*	*-329*	12%	*-1,427*	*-1,112*	28%
Business area profit before taxes	*169*	*98*	72%	*709*	*391*	81%
Cost/income ratio, %	69%	77%		67%	74%	
Number of employees, average	344	315		336	313	
Number of employees, period-end	349	317		349	317	

Market development

The Nordic equity markets ended 2006 on a strong note, with the Carnegie Nordic index up 25 per cent, outperforming both Europe and the US. The key drivers for the strong performance were better than expected earnings, low bond yields and increased M&A activity amid strong local and global economic growth. In the fourth quarter, most markets had a very strong run and Carnegie Nordic index was up 14 per cent. Turnover in the fourth quarter was up 32 per cent compared to the same period last year, reflecting the strong activity especially in the Norwegian and Swedish stock markets.

Turnover in the Nordic stock markets



All Nordic stock markets have shown turnover increases in 2006. The Norwegian market showed the highest turnover increase with 69 per cent mainly due to high activity in corporate transactions.

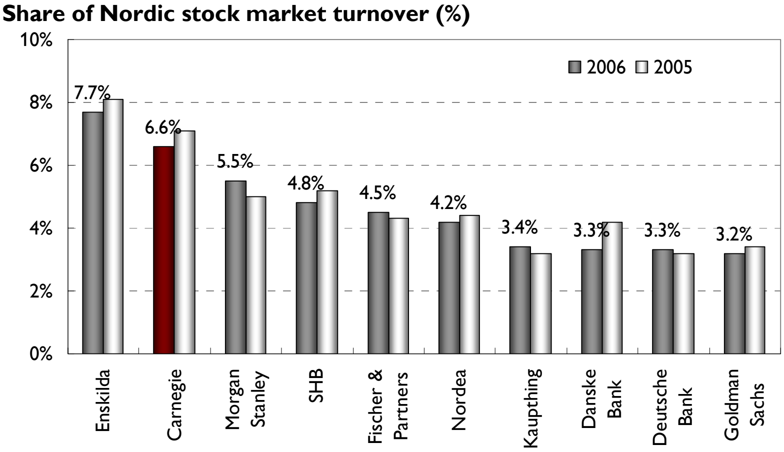
Stock mkt turnover, EURm	Q4(06), Y/Y chg	Q4(06) Q/Q chg	YTD chg
Stockholm	42%	31%	8%
Helsinki	20%	17%	29%
Copenhagen	2%	51%	18%
Oslo	44%	22%	69%
Aggregate Nordic	32%	28%	44%

Market position

In the recent Prospera ranking of Nordic equity houses Carnegie was ranked number 1 in the targeted Tier 1 client segment. Carnegie's market share of the Nordic commission pool was around 11 per cent in the Tier 1 segment and 15 per cent in the Tier 2 segment. In Sweden Carnegie achieved its best result ever.

The share of the aggregate Nordic turnover was 6.6 per cent in 2006, a decrease from 7.1 per cent for the full year 2005.

Share of Nordic stock market turnover (%)



Income

Securities' income in 2006 was SEK 2,136 million, up 42 per cent Y/Y. Income for the fourth quarter was SEK 536 million, up 25 per cent Y/Y. Commission income in the fourth quarter was up by 28 per cent from the previous quarter to SEK 302 million, compared to the turnover increase of 28 per cent Q/Q. Net commission generated from non-Nordic clients 2006 represented 46 per cent (44 per cent) of the total commission volume from institutional clients.

Restated net income from financial positions

Income from trading activities includes income from Carnegie's proprietary trading activities as well as income from client-driven activities, and is reflected in the income statement as net income from financial positions, after deduction of funding costs.

The preliminary results presented on 12 January in connection with the proposed acquisition of Max Matthiessen have been restated for business area Securities. Net income from financial positions for the fourth quarter has been restated from SEK 229 million to SEK 156 million, due to an error in classification of net interest income from financial positions. Consequently, net interest income in Securities has increased by the same amount. Net income from financial positions for the full year amounted to SEK 502 million (SEK 329 million). Total income from business area Securities is unchanged.

The classification error also affects previous quarters during 2006 and corresponds to a total effect of SEK 50 million for the full year. The correct figures for the four quarters 2006 are described in the table below.

Net interest income	Q1	Q2	Q3	Q4	FY 2006
As presented during 2006	20	66	8	-54	40
Correct	18	28	26	18	90
Difference	-2	-39	18	73	50

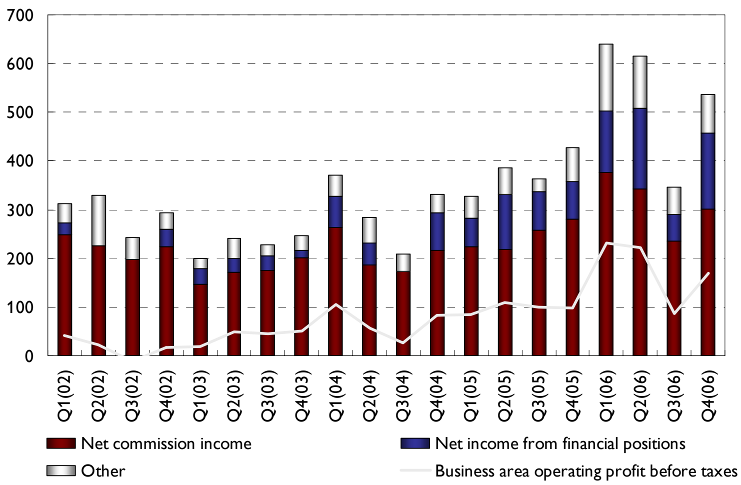
Net income from financial positions	Q1	Q2	Q3	Q4	FY 2006
As presented during 2006	125	128	71	229	553
Correct	126	167	53	156	502
Difference	2	39	-18	-73	-50

Expenses and profit before taxes

Total expenses before profit-share amounted to SEK 737 million in 2006, which was only slightly up Y/Y. Profit before taxes was up 81 per cent Y/Y to SEK 709 million.

Quarterly development – Securities

The graph below shows the quarterly development of income and profit before taxes.

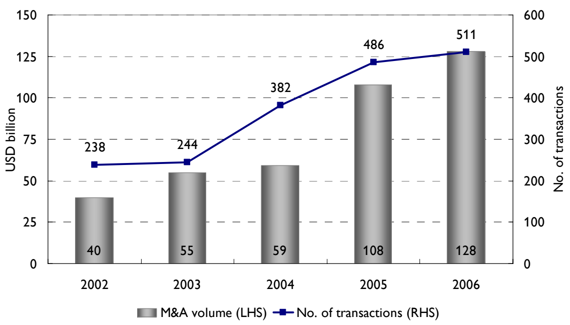


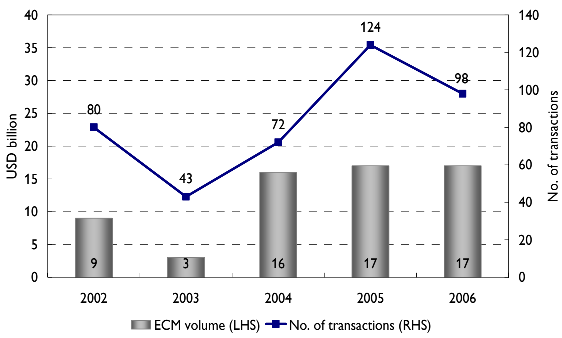
Investment Banking

(SEK million)	Oct - Dec 2006	Oct - Dec 2005	Chg.	Jan - Dec 2006	Jan - Dec 2005	Chg.
ECM fees	*103*	*43*	*139%*	*398*	*137*	*190%*
Net income from financial positions	*4*	*3*	*6%*	*19*	*40*	*-52%*
Advisory fees	*99*	*241*	*-59%*	*468*	*556*	*-16%*
Total income	*206*	*288*	-28%	*885*	*733*	21%
Personnel expenses	-39	-43	-10%	-167	-156	7%
Other expenses	-25	-29	-14%	-102	-111	-8%
Total operating expenses excluding profit-share	*-63*	*-72*	-12%	*-269*	*-267*	1%
Business area operating profit before profit-share	*142*	*216*	-34%	*616*	*467*	32%
Allocation to profit-share system	-70	-107	-34%	-304	-231	32%
Total expenses	*-134*	*-179*	-25%	*-573*	*-497*	15%
Business area profit before taxes	*72*	*109*	-34%	*312*	*236*	32%
Cost/income Ratio, %	65%	62%		65%	68%	
Number of employees, average	131	124		128	127	
Number of employees, period-end	132	124		132	124	

Market environment

Nordic Merger & Acquisitions, M&A, activity continued to break records, achieving a volume of USD 128 billion, an increase of some 19 per cent over 2005, the previous record year. Volume figures were bolstered in particular by the USD 32 billion announced merger of Hydro's oil and gas activities with Statoil. The number of M&A transactions announced during the year also managed to break the previous year's record, increasing marginally to more than 500 transactions.





Source: Thomson Financial Securities Data, January 2007

Transaction volumes in the Nordic Equity Capital Markets, ECM, showed a marginal increase from 2005, at USD 16.6 billion, the third successive year of relatively stable volumes. As with 2005, the Norwegian market was the most active, accounting for half of the 15 largest Nordic ECM transactions. The overall number of transactions, however, was down some 20 per cent, at just below 100. In 2006, according to statistics maintained by Thomson Financial Securities Data, 35 initial public offerings were completed in the Nordic region, with an aggregate value approaching USD 6 billion; again the Norwegian market was the most active, accounting for half of all transactions by volume and more than half by number.

Market position

Nordic Mergers & Acquisitions

In the Nordic M&A league table, Carnegie was ranked No. 7 (No. 10) by volume and No. 2 (No. 2) by number of transactions, with a total of 44 transactions corresponding to a total value of USD 14 billion. The withdrawn Scania-MAN transaction is not included in the table below.

Nordic M&A ranked by volume 2006 Announced		
Adviser	USD million	#
1. Morgan Stanley	56,819	14
2. Goldman Sachs	47,839	9
3. Lehman Brothers	41,071	7
4. SEB Enskilda	26,462	65
5. Deutsche Bank	15,825	16
6. Citigroup	14,460	18
7. Carnegie	**13,970**	**44**
8. JP Morgan	12,779	16
9. Credit Suisse	11,790	10
10. ABN AMRO	10,586	20

Source: Thomson Financial Securities Data, January 2007

Nordic ECM transactions

In the Nordic ECM market, Carnegie achieved the No. 1 placing by volume for the second successive year and was ranked No.2 (No.1) by number of transactions. In the Nordic IPO market Carnegie was ranked No.2 (No.1) by volume and No.3 (No.2) by number of transactions.

Carnegie was global co-ordinator and/or bookrunner in 8 IPO's in 2006, of which Aker Biomarine (Norway) was conducted in the last quarter.

ECM

Nordic ECM ranked by volume 2006		
Adviser	USD million	#
1. Carnegie	**2,778**	**28**
2. Pareto Securities	2,253	22
3. SEB Enskilda	1,944	30
4. Morgan Stanley	1,630	3
5. Danske Markets	1,464	3
6. UBS	995	4
7. Deutsche Bank	938	5
8. ABG Sundal Collier	720	8
9. DnB NOR	594	5
10. Handelsbanken	553	3

IPO

Nordic IPO ranked by volume 2006		
Adviser	USD million	#
1. SEB Enskilda	1,091	11
2. Carnegie	**721**	**8**
3. Pareto Securities	685	9
4. ABG Sundal Collier	665	5
5. UBS	577	2
6. Handelsbanken	542	2
7. Morgan Stanley	368	2
8. Lehman Brothers	265	1
8. Nordea	265	1
10. Danske Markets	201	2

Source: Thomson Financial Securities Data, January 2007

Income

Income for 2006 increased by 21 per cent Y/Y, to SEK 885 million (SEK 733 million). Income in the fourth quarter amounted to SEK 206 million, down 28 per cent Y/Y.

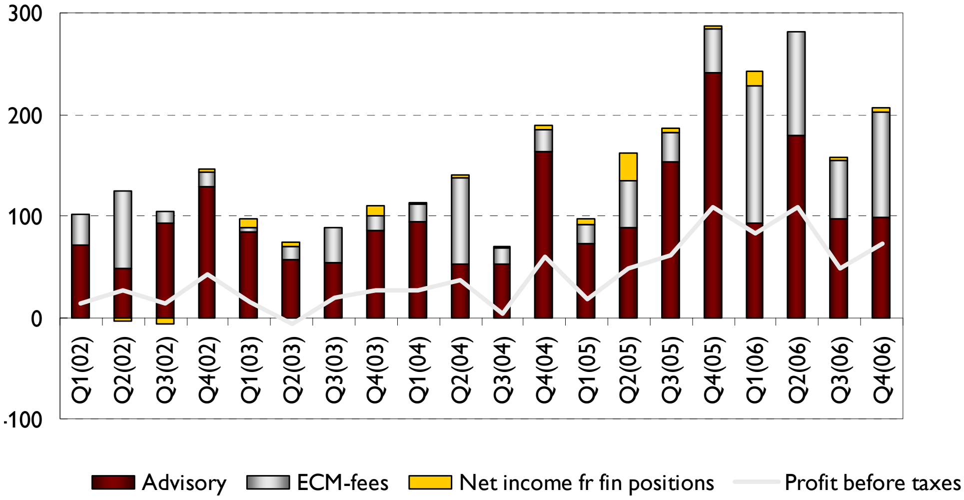
Expenses and profit before tax

Total expenses before profit-share for 2006 were SEK 616 million, up 32 per cent Y/Y. The business area made a profit before taxes of SEK 312 million for 2006, an increase of 32 per cent Y/Y.

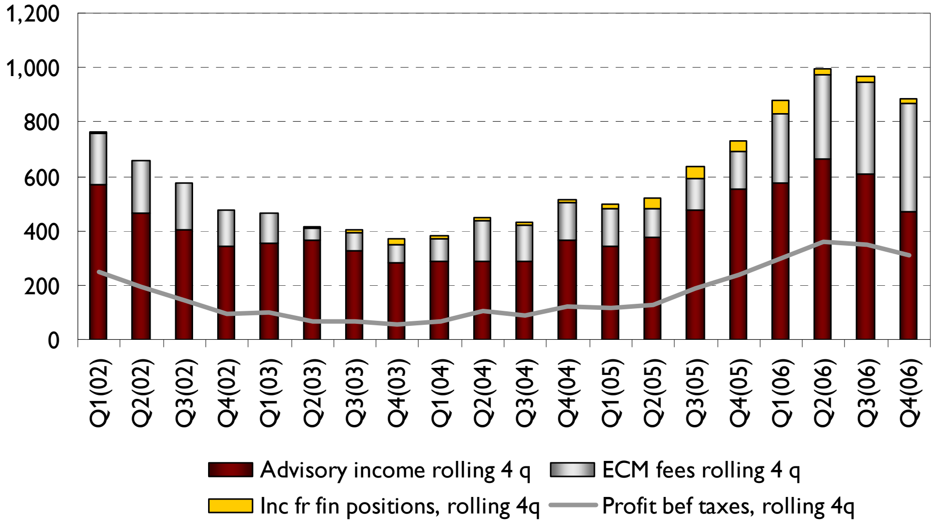
Quarterly development

The graphs below show the quarterly and the rolling 4-quarter development of income and profit before taxes for business area Investment Banking.

Income and profit before taxes, quarters (SEKm)



Income and profit before taxes, rolling 4 quarters (SEKm)



Asset Management

(SEK million)	Oct - Dec 2006	Oct - Dec 2005	Chg.	Jan - Dec 2006	Jan - Dec 2005	Chg.
Regular fees	111	120	-8%	518	401	29%
Performance fees	105	128	-18%	150	209	-28%
Total income from mutual funds	*216*	*248*	-13%	*668*	*610*	10%
Regular fees	31	29	5%	125	103	22%
Performance fees	66	58	14%	71	59	21%
Total income from discretionary fund managemer	*97*	*87*	11%	*196*	*162*	21%
Advisory fees	*6*	*12*	-46%	*26*	*20*	30%
Total income	*319*	*347*	-8%	*891*	*791*	13%
Personnel expenses	-46	-48	-3%	-173	-165	5%
Other expenses	-32	-60	-46%	-139	-162	-14%
Total operating expenses excluding profit-share	*-79*	*-108*	-27%	*-312*	*-327*	-5%
Business area operating profit before profit-share	*240*	*239*	0%	*579*	*464*	25%
Allocation to profit-share system	-119	-119	0%	-286	-229	25%
Total expenses	*-197*	*-226*	-13%	*-597*	*-556*	7%
Business area profit before taxes	*122*	*121*	1%	*293*	*235*	25%
Cost/income ratio, %	62%	65%		67%	70%	
Period-end assets under management (SEK billion)*				*114*	*89*	
- whereof mutual funds				56	48	
- whereof discretionary fund management				59	41	
Number of employees, average	137	135		134	135	
Number of employees, period-end	137	133		137	133	

*) The AUM figure 31 December 2006 has been restated by SEK 3 billion due to transfer of discretionary mandates to Private Banking and to reclassification of the Real Estate fund.

Market environment

The favourable market conditions for equity products during the first part of 2006 were followed by the quick change to negative and volatile market conditions during the second quarter, resulting in fairly large outflows from equity oriented mutual funds in the market overall. In Sweden, the fund market in October and November were characterized by net outflows. In December, subscriptions from PPM lead to fairly large inflows and net inflow to equity fund in Sweden was SEK 20 billion[4].

Rating and product performance

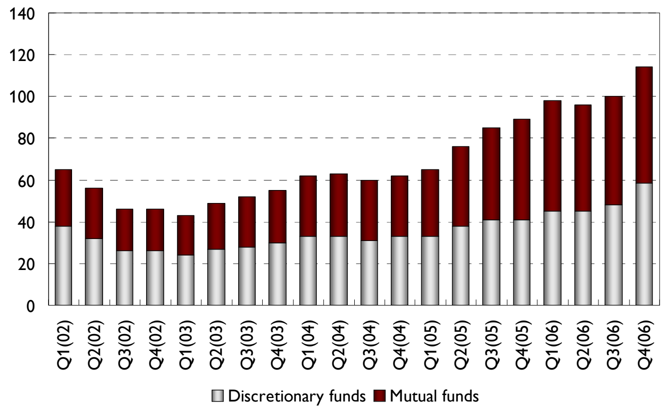
In 2006, 94 per cent of the assets under management in rated equity funds outperformed their relevant benchmark indices. The Biotechnology fund outperformed its relative index with over 40 per cent making it one of the best performing funds in the world in its category. In terms of external rating, 95 per cent of Carnegie's total assets under management in rated equity funds held 4- or 5-star ratings.[5] In addition to this, Carnegie Asset Management was awarded a number of prizes for fund management. The fund European Equity was awarded best European fund manager by Fondmarknaden.se and Carnegie World Wide received, for the second consecutive year, the silver medal in its category by Morningstar and Dagens Industri.

[4] Source: Fondbolagens förening, January 2007
[5] Rating 4 or 5 in any of the rating systems Morningstar, Fondmarknaden or W-rating, January 2007. Five stars is the maximum ranking.

Assets under management

Assets under management (AUM) include discretionary managed portfolios and mutual funds and amounted to SEK 114 billion at 31 December 2006, an increase of SEK 26 billion from the beginning of the year. The AUM increase comes from a strong net inflow of SEK 19 billion and an increase in asset values of SEK 7 billion. Note that the AUM figure has been restated during 2006 to sort out an overlap with Private Banking with respect to discretionary mandates, and Real Estate holdings in Sweden. The restated year end 2005 AUM figure is consequently SEK 89 billion, to be compared to the earlier reported year-end figure of SEK 92 billion.

Quarterly development of AUM (SEKbn)



Income

Total income in Asset Management in 2006 was SEK 891 million (SEK 791 million), an increase of 13 per cent, reflecting the Y/Y increase in assets under management of 29 per cent and the shift towards high-margin products. Income in the fourth quarter was SEK 319 million (SEK 347 million), a decrease of 8 per cent Y/Y, mainly reflecting lower income from performance fees. Income from **mutual fund products** was SEK 216 million (SEK 248 million) and income from **discretionary mandates** was SEK 97 million (SEK 87 million).

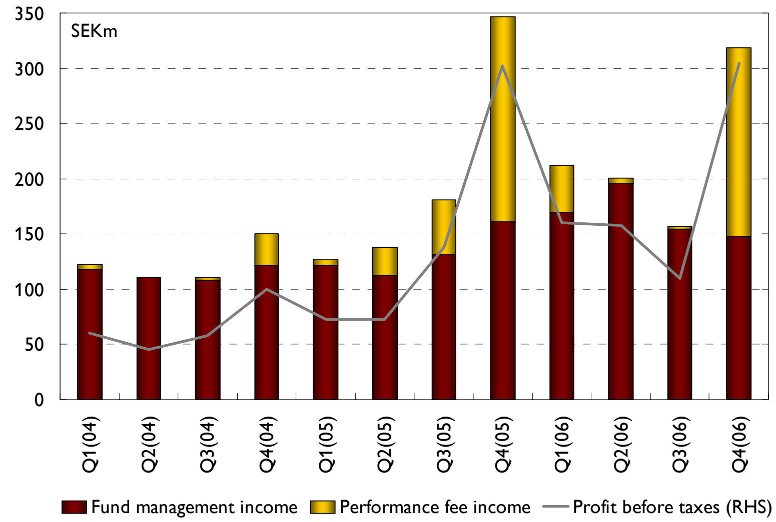
Over the last two years, the share of AUM in performance-related fee structures has increased, which also increases volatility in income. The share has increased from around 12 per cent in 2004 to about 22 per cent of the total assets under management (discretionary mandates as well as mutual funds) at 31 December 2006. Some of the performance fees are realised and accounted for at year-end and some on a quarterly basis, according to the terms of the client agreements. In 2006, total performance fees amounted to SEK 221 million (SEK 268 million), of which SEK 171 million (SEK 186 million) in the fourth quarter.

Expenses and profit before taxes

Total expenses before profit-share for 2006 was SEK 312 million (SEK 327 million), a decrease of 5 per cent Y/Y, and the profit before taxes improved by 25 per cent Y/Y to SEK 293 million (SEK 235 million).

Quarterly development

The graph below presents the quarterly development in 2004-2006 of the Asset Management operations. The financial information for 2004 is based on pro forma calculations.



Private Banking

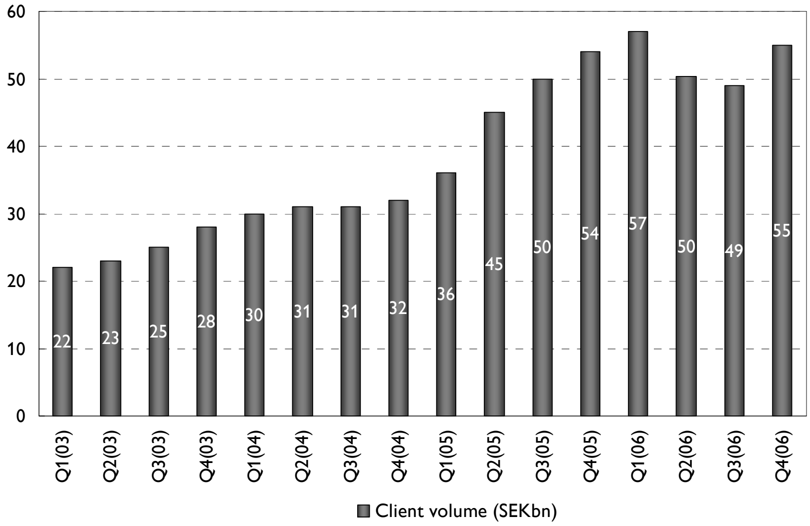
(SEK million)	Oct - Dec 2006	Oct - Dec 2005	Chg.	Jan - Dec 2006	Jan - Dec 2005	Chg.
Total income	*159*	*151*	5%	*563*	*486*	16%
Personnel expenses	-48	-43	11%	-191	-174	10%
Other expenses	-41	-62	-35%	-152	-177	-14%
Net provisions for credit losses	0	0		1	0	
Total operating expenses excluding profit-share	*-89*	*-106*	-16%	*-341*	*-350*	-3%
Business area operating profit before profit-share	*70*	*45*	55%	*222*	*136*	63%
Allocation to profit-share system	-35	-22	54%	-109	-67	63%
Total expenses	*-123*	*-128*	-4%	*-451*	*-417*	8%
Business area profit before taxes	*35*	*23*	55%	*112*	*69*	64%
Cost/income ratio, %	78%	85%		80%	86%	
Client volume (SEK billion)*				55	54	
Number of employees, average	180	168		177	171	
Number of employees, period-end	180	168		180	168	

Market environment
Market conditions in the fourth quarter were good and 2006 ended up as a generally strong year for the Nordic stock markets. After the uncertainty during summer Q3 and Q4 picked up strong, resulting in both increased volumes and higher activity in the private banking market.

Market position
In the annual ranking by the business magazine Euromoney, Carnegie was voted Best Overall Private Banking firm in Sweden. Second place was taken by SEB, while HQ Bank came in third, followed by Nordea and Swedbank. In addition, Carnegie has taken the top spot in subcategories such as 'best in serving clients with a fortune of >USD 1 million', 'best in equity management' and 'best supplier to entrepreneurs'.

Client volume
The Private Banking client volume represents the gross value of all private client accounts, including discretionary and advisory accounts, as well as all types of securities, mutual funds, deposits and lending. The Private Banking client volume amounted to SEK 55 billion at 31 December 2006, up SEK 1 billion during 2006. The net flow for 2006 included a reclassification of SEK 4 billion from Private Banking to business area Securities. About SEK 6.5 billion of the client volume relates to discretionary assignments for which Asset Management has advisory mandates, and is also included in the AUM presented by business area Asset Management.

During the fourth quarter, Carnegie Private Banking as the only private bank in the region launched a possibility to invest in one of private equity firm EQT's funds.



Income

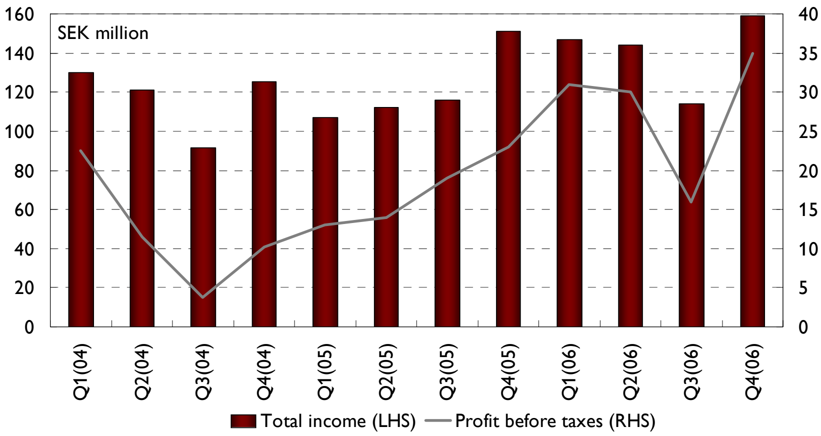
Private Banking income is generated as fees from discretionary asset management and mutual fund management, brokerage commission from advisory accounts, sales provision from distribution of Carnegie's and external mutual funds, interest net from lending and deposits and advisory fees from legal and insurance advice. Total income in 2006 was SEK 563 million (SEK 486 million), an increase of 16 per cent from the previous year.

Expenses and profit before taxes

Total expenses for 2006 was SEK 451 million, up 8 per cent Y/Y, and profit before taxes was up by 64 per cent Y/Y to SEK 112 million.

Quarterly development

The graph below presents quarterly income and profit before taxes for Private Banking for 2004-2006.



D. Carnegie & Co AB (publ)

Stockholm, 1 February 2007

Stig Vilhelmson
Chief Executive Officer

Review Report

Introduction
We have reviewed the Year-end Report for 2006 and Interim Report for the fourth quarter of 2006 for D. Carnegie & Co AB (publ), reg. No. 556498-9449. 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 Year-end Report and the Interim Report have not, in every significant respect, been prepared in accordance with IAS 34 and the provisions of the Swedish Annual Accounts Act.

Stockholm, 1 February 2007
KPMG Bohlins AB

Anders Ivdal
Authorised Public Accountant

Segmental reporting

Segmental reporting	Total		Securities		Investment Banking		Asset Management		Private Banking	
(SEK million)	*12m(06)*	*12m(05)*	*12m(06)*	*12m(05)*	*12m(06)*	*12m(05)*	*12m(06)*	*12m(05)*	*12m(06)*	*12m(05)*
Income statement										
Total income	*4,475*	*3,514*	*2,136*	*1,503*	*885*	*733*	*891*	*791*	*563*	*486*
Personnel expenses	-952	-870	-421	-376	-167	-156	-173	-165	-191	-174
Other expenses	-708	-799	-315	-349	-102	-111	-139	-162	-152	-177
Net provisions for credit losses	0	-5	-1	-5	-	-	0	0	1	0
Total operating expenses excluding profit-s	*-1,659*	*-1,674*	*-737*	*-730*	*-269*	*-267*	*-312*	*-327*	*-341*	*-350*
Operating profit before profit-share	*2,817*	*1,840*	*1,400*	*773*	*616*	*467*	*579*	*464*	*222*	*136*
Allocation to profit-share system	-1,390	-909	-691	-382	-304	-231	-286	-229	-109	-67
Total expenses	*-3,048*	*-2,583*	*-1,427*	*-1,112*	*-573*	*-497*	*-597*	*-556*	*-451*	*-417*
Profit before taxes	*1,427*	*931*	*709*	*391*	*312*	*236*	*293*	*235*	*112*	*69*
Taxes	-414	-264								
Net profit	*1,013*	*667*								

Carnegie presents segmental reporting in accordance with IAS 14. 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 in the annual report. In addition to this, 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)

	Oct - Dec 2006	Oct - Dec 2005	Jan - Dec 2006	Jan - Dec 2005
Commission income	1,055	1,126	3,894	3,122
Commission expense	-55	-52	-182	-163
Net commission income	*1,000*	*1,074*	*3,712*	*2,959*
Interest income	200	106	666	364
Interest expenses	-251	-75	-617	-288
Net interest income	*-51*	*31*	*49*	*76*
Dividends received	0	0	1	2
Net profit from financial transactions	270	108	714	478
Total income	*1,219*	*1,214*	*4,475*	*3,515*
General administrative expenses	-806	-838	-2,985	-2,523
Depreciation of tangible and amortisation of intangible fixed assets	-15	-21	-64	-55
Total expenses	*-821*	*-859*	*-3,049*	*-2,579*
Operating profit before provisions for credit losses	*398*	*355*	*1,427*	*936*
Provisions for credit losses, net	0	-3	0	-5
Write-down of financial fixed assets	-	-	-	-1
Profit before taxes	*398*	*351*	*1,427*	*931*
Taxes	-106	-84	-414	-264
Net profit	*292*	*267*	*1,013*	*667*
Earnings per share (SEK)	4.22	3.98	14.66	9.98
Earnings per share, fully diluted (SEK)	4.18	3.95	14.54	9.94
Average number of shares	69,291,335	67,091,771	69,074,691	66,799,944
Number of shares related to outstanding warrants	1,976,530	3,771,700	1,976,530	3,771,700
Total number of shares, incl effect of issued warrants	69,902,877	67,530,165	69,645,478	67,083,113

Statements of changes in financial position
(SEK millions)

	Group	
Current operations	Jan - Dec 2006	Jan - Dec 2005
Cash flow from operations before changes in working capital	1 098	675
Changes in working capital	-1 484	5 253
Cash flow from current operations	*-386*	*5 928*
Cash flow from investment activities	-33	-80
Change in long-term liabilities	-10	486
Exercised warrants	142	74
Distributed dividend	-634	-396
Cash flow from financing activities	*-502*	*164*
Cash flow for the period	*-921*	*6 013*
Liquid funds at the beginning of the year	9 244	3 088
Exchange differences in liquid funds	-90	143
Liquid funds at the end of the period	*8 233*	*9 244*

Statutory consolidated balance sheet
(SEK millions)

Assets	*Dec 31 2006*	*Dec 31 2005*
Cash and bank deposits in central banks	480	316
Loan to credit institutions	7 753	8 968
Loans to general public	8 403	4 428
Bonds and other interest bearing securities	1 915	1 828
Shares and participations	14 173	7 096
Intangible fixed assets	48	85
Tangible fixed assets	75	66
Other assets	8 180	7 619
Prepaid expenses and accrued income	562	454
Total assets	*41 588*	*30 859*
Liabilities and shareholders' equity		
Liabilities to credit institutions	15 762	8 830
Deposits and borrowing from general public	8 092	6 893
Other liabilities	13 269	11 708
Accrued expenses and prepaid income	1 821	1 222
Subordinated loan	476	486
Shareholders' equity	2 168	1 721
Total liabilities and shareholders' equity	*41 588*	*30 859*

Changes in shareholders' equity
(SEK millions)

	Dec 31 2 006	*Dec 31 2005*
Shareholders' equity - opening balance	1 721	1 330
Dividend (Q1)	-634	-396
Translation differences	-72	49
Write-down of Goodwill	-	-4
Exercised warrants	142	74
Net profit for the period	1 013	667
Shareholders' equity - closing balance	*2 168*	*1 721*

Ownership structure

Larger shareholders 31 December 2006	Votes and capital%
Carnegie employees[1]	7.3%
Barclays Global Investors	5.0%
Swedbank Robur fonder	4.7%
Franklin-Tempelton 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%
SEB fonder	1.3%
Other	65.0%
Total	**100.0%**

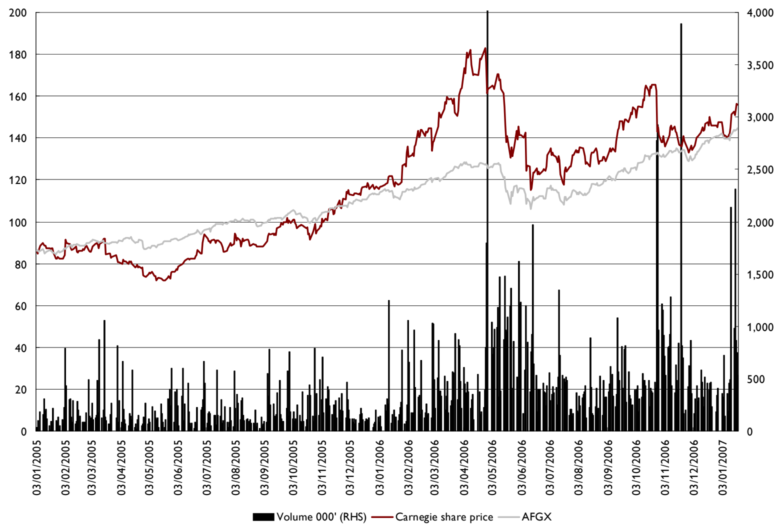
1) Shares held by employees are individual holdings. Group management: Lars Bjerrek, Peter Bäärnhielm, Jim Cirenza, Niklas Ekvall, Matti Kinnunen, Mats-Olof Ljungkvist, and Stig Vilhelmson represent a total of 880,000 shares, corresponding to 1.3 per cent of the shares outstanding, included in the total employee shareholding.

Employee shareholding

Total shareholding by employees is estimated at 7.3 per cent of the total number of shares outstanding at 31 December 2006. 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 day before the first day of the reporting month.

Open periods in 2007, all dates inclusive:
12 January (5.30 pm CET) - 28 February, 2007
25 April – 31 May, 2007
19 July – 31 August, 2007
25 October – 30 November, 2007

Share price development and turnover 1 January 2005 – 19 January 2007



Share information (SEK)	
Market value 31 December 2006 (SEKm)	10,255
Share price 31 December 2006	147.5
Share price 31 Dec. 2005	117
Share price at the IPO	115
Year high 2006	188.0
Year low 2006	115.0
All time high	188.0
All time high date	25 April 2006

Listing: OMX The Nordic stock exchange, large cap, financials
Code: SE0000798829
Listed since: 2001-06-01
Trading lot: 100 shares
Symbol: CAR

Warrant programmes

Warrant programme	No. of warrants	Exercise price[1] (SEK)	Subscription period	No. of warrants outstanding at 31 December 2006	Increased equity if fully subscribed (SEKm)	Corresponding share of capital
2004/2007	2,400,000	101	1 Apr 2005-27 Apr 2007	1,976,530	200	2.8%

1) The exercise price was set at 120% of the average share price the week after the publication of the year-end report.

At 31 December 2006 there was one warrant programme outstanding, comprising 2.4 million warrants distributed to Carnegie employees in 2004. At year-end, 423,470 warrants had been exercised. In January 2007, another 1,836,330 warrants in the same programme were exercised at SEK 101 per share, adding SEK 185 million to equity. According to the terms and conditions of the warrant programme, the remaining 140,200 warrants may not be exercised from 15 January up until the AGM 29 March. Thus, the remaining warrants will not be exercised to receive shares eligible for dividend for 2006.

The aggregate dilution effect in terms of profit per share is calculated in accordance with IAS 33. The net profit is divided by the total number of shares including the number of shares to be issued corresponding to the calculated value (at average share price) of issued warrants. The aggregate dilution effect in terms of profit per share of the remaining issued warrants is 1 per cent, based on the average share price.