



Carnegie – January-June 2004

15 July 2004

Net profit SEK 203 million (SEK 66 million)

- Carnegie's **net profit** for the first half year of 2004 was SEK 203 million (SEK 66 million), corresponding to **earnings per share** of SEK 3.04 (SEK 0.99). The net profit for the second quarter was SEK 82 million (SEK 43 million), an increase of 91% Y/Y.
- **Total income** for the first six months 2004 was SEK 1,387 million (SEK 975 million), up 42% Y/Y. Income generated in the second quarter was SEK 653 million, up 28% Y/Y and 11% down from the previous quarter. In the first six months of 2004 Securities income increased by 49% to SEK 654 million. Securities income in the second quarter of SEK 284 million was down by 23 per cent from the previous quarter, in line with the turnover development on the Nordic stock exchanges. Income in Investment Banking was up 48% in the first half year to SEK 253 million, after a strong second quarter generating income of SEK 139 million. Asset Management & Private Banking income was up 32% to SEK 481 million in the first half year, mainly reflecting the value increase in mutual funds Y/Y and stronger private banking brokerage activity.
- **Total expenses before profit-share** for the first half year were SEK 797 million, (SEK 794 million), up 5% Y/Y excluding redundancy expenses. Total expenses before profit-share in the second quarter were SEK 409 million, up by 14% Y/Y excluding redundancy expenses, reflecting investments in IT-infrastructure and an underlying increase in personnel expenses of around 5%. Based on current market conditions, management's estimate of the cost range for 2004 is revised to SEK 1,500 – SEK 1,600 million.
- **Assets under management** amounted to SEK 63 billion at 30 June 2004, an increase of SEK 8 billion from year-end, due to an inflow of SEK 4 billion and increasing asset values of SEK 4 billion.

Quotations from Karin Forseke, CEO:

"The first six months' result is a significant improvement compared to last year with net profit close to the full year result for 2003. The year 2004 started with a strong market sentiment that during the second quarter subsided in connection with global concerns around development of interest rates, price of oil and other macro economic factors. However, year on year market sentiment has improved and we are operating at a higher level of market activity than 2003."

"Carnegie's firm market position enables us to continue to build our platform. I am pleased to see that this was evidenced during the second quarter by a number of important recruitments in all business areas."



Auditors' examination

This interim report has not been reviewed by the company's auditors.

Teleconference

Carnegie's CEO Karin Forseke will present the second quarter results at a teleconference held 15 July at 4.00 PM (CET). It will be open to the public. In order to participate, please call +44 (0)20 7162 0183. 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

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Financial calendar 2004-2005

Interim report January-September	21 October 2004
Year-end report 2004	3 February 2005
Annual General Meeting	17 March 2005
Interim report January-March	21 April 2005
Interim report January-June	14 July 2005
Interim report January-September	20 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 seven countries: Sweden, Denmark, Norway, Finland, Luxembourg, the UK and the US.



The Carnegie Group

(SEK million)	Apr-Jun 2004	Apr - Jun 2003	Jan - Jun 2004	Jan - Jun 2003	Chg.	Jan - Dec 2003
<i>Income statement</i>						
Securities	284	241	654	440	49%	915
Investment Banking	139	74	253	171	48%	368
Asset Management & Private Banking	229	196	481	364	32%	798
<i>Total income</i>	<i>653</i>	<i>511</i>	<i>1,387</i>	<i>975</i>	<i>42%</i>	<i>2,081</i>
Personnel expenses	-221	-196	-433	-418	4%	-779
Redundancy expenses	-	-31	-	-37		-61
Other expenses	-189	-163	-365	-340	7%	-634
Net provisions for credit losses	0	0	0	0		1
<i>Total operating expenses excluding profit-share</i>	<i>-409</i>	<i>-389</i>	<i>-797</i>	<i>-794</i>	<i>0%</i>	<i>-1,472</i>
<i>Operating profit before result from principal investments and profit-share</i>	<i>243</i>	<i>122</i>	<i>590</i>	<i>181</i>	<i>225%</i>	<i>608</i>
Result from principal investments	-6	-4	-7	-7		-6
<i>Operating profit before profit-share</i>	<i>237</i>	<i>118</i>	<i>583</i>	<i>174</i>	<i>235%</i>	<i>603</i>
Allocation to profit-share system	-119	-56	-288	-79	267%	-287
<i>Total expenses</i>	<i>-528</i>	<i>-445</i>	<i>-1,086</i>	<i>-872</i>	<i>24%</i>	<i>-1,760</i>
<i>Profit before taxes</i>	<i>118</i>	<i>62</i>	<i>294</i>	<i>95</i>	<i>209%</i>	<i>315</i>
Taxes	-37	-19	-91	-30	209%	-104
<i>Net profit</i>	<i>82</i>	<i>43</i>	<i>203</i>	<i>66</i>	<i>209%</i>	<i>211</i>
Earnings per share (SEK)	1.22	0.64	3.04	0.99		3.17
Earnings per share, fully diluted (SEK)	1.22	0.64	3.03	0.98		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 first quarter was replaced by a more cautious view on the stock market, mainly on the back of a higher bond yield. This could also be seen in the aggregate turnover in Nordic stock markets. While the first quarter saw a sharp increase to an average monthly turnover of EUR 73 billion, the average monthly turnover in the second quarter fell by 23 per cent to EUR 56 billion. However, compared to the second quarter 2003, the aggregate turnover in the second quarter was still up by 42 per cent. The local Nordic indices in Sweden, Denmark and Norway have increased by 10-20 per cent from year-end while the HEX index in Finland was down by 3 per cent. Total Nordic equity offerings in the first half year 2004 continued to increase substantially with a total volume of USD 10 billion compared to USD 2.8 billion for the full year 2003. Ten IPOs (initial public offerings) were launched in the Nordic markets in the first half year 2004, 7 of which in Norway. Only four IPOs had offer sizes exceeding USD 50 million, and the aggregate IPO volume in the Nordic region was still low at USD 1.7 billion. The announced M&A-transaction volume in the Nordic region declined by 22 per cent Y/Y to USD 23 billion in the first half year 2004. In Sweden, net flow to equity funds was close to zero in the second quarter 2004, after a sharp increase in the first quarter of SEK 19 billion, which may be compared with the net inflow for the full year 2003 of SEK 29 billion.



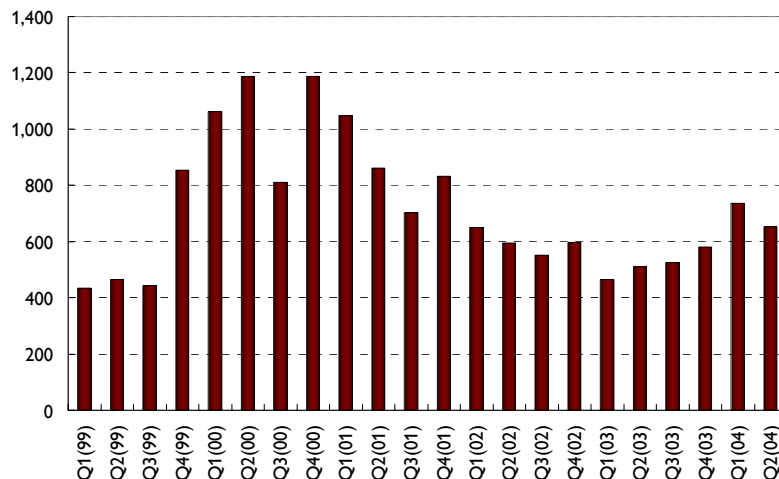
Market position

Carnegie's share of the aggregate turnover on the Nordic Stock Exchanges was 7.9 per cent in the first half 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 Investment Banking, Carnegie was joint global coordinator and bookrunner in the two largest IPOs in the region in the first half year, representing around 60 per cent of the total IPO volume. In Nordic M&A, Carnegie was ranked number one in terms of number of announced transactions in the first half year 2004. In terms of volume, Carnegie was ranked number 8 (2). In Asset Management & Private Banking, the upgrading of a number of the Carnegie fund products which could be seen in the first quarter continued in the second quarter and Carnegie funds representing about 70 per cent of the assets under management in equity mutual funds presently holds 4- or 5-star rankings.¹

Income

Total income in the first half year 2004 was SEK 1,387 million (SEK 975 million), an increase of 42 per cent Y/Y. Total income in the second quarter was SEK 653 million, up 28 per cent Y/Y and down by 11 per cent from the previous quarter, mainly reflecting the turnover decline in the equity markets. Income in Securities for the first half year was up 49 percent, following a sharp increase of 86 per cent Y/Y in the first quarter, and a moderate increase of 18 per cent Y/Y in the second quarter. Investment Banking income rose by 48% to SEK 253 million reflecting a strong second quarter. Asset Management & Private Banking income was up 32 per cent to SEK 481 million, mainly reflecting stronger Private banking brokerage activity and increased income from mutual funds.

Total income, quarterly (SEK million)



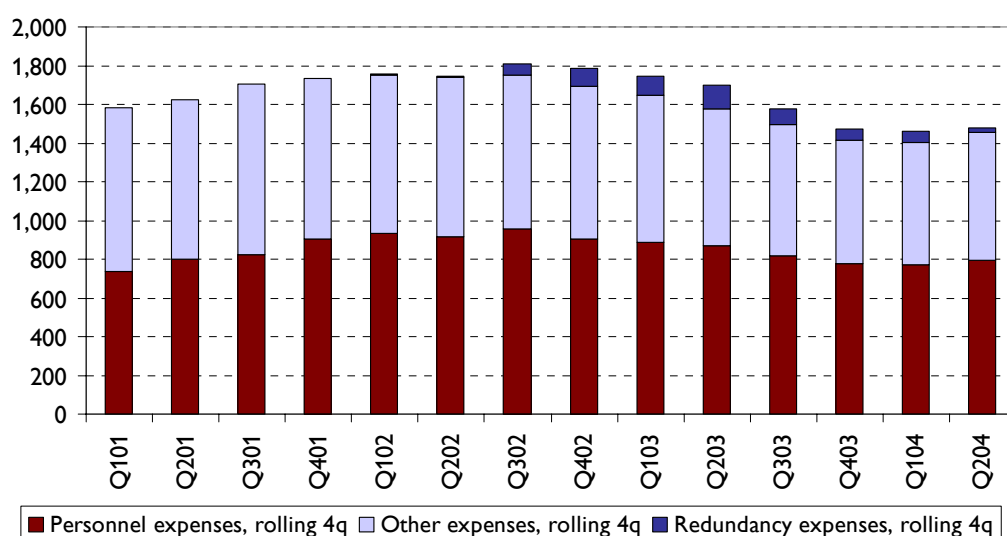
¹ Morningstar, Fondmarknaden and W-rating, July 2004.



Total expenses and estimated cost base for 2004

Total expenses before profit-share in the first half year 2004 was SEK 797 million (SEK 794 million), up 5 per cent Y/Y excluding redundancy expenses. Total expenses before profit-share in the second quarter were SEK 409 million, up by 14% Y/Y excluding redundancy expenses. Personnel expenses in the second quarter increased by 13 per cent Y/Y (excluding redundancy expenses), reflecting an underlying increase in personnel expenses of around 5 per cent. Other expenses in the second quarter increased by 16 per cent Y/Y, and were mainly related to investments in IT-infrastructure across the organisation to improve efficiency and enhance the service to clients. The increase mainly reflects that IT investments were temporarily put on hold during the groupwide IT review conducted in 2003. Based on current market conditions, effects from new recruitments and the initiated projects, **the total expenses before profit-share for the full year 2004 are estimated to SEK 1,500 - 1,600 million.**

Rolling 4-quarter expenses, SEK million



Result from principal investments includes Carnegie's share in result from associated companies and mainly reflects the result from Capital C, a software development company owned 50/50 by Carnegie and Alfred Berg ABN AMRO. Carnegie's 50 per cent share of the result in Capital C was SEK -7 million in the first half year 2004 and was affected by depreciation of the capitalised software expenses in Capital C.

Allocation to the profit-share system in the first half year 2004 was SEK 288 million (SEK 79 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.²

Cost/income ratio

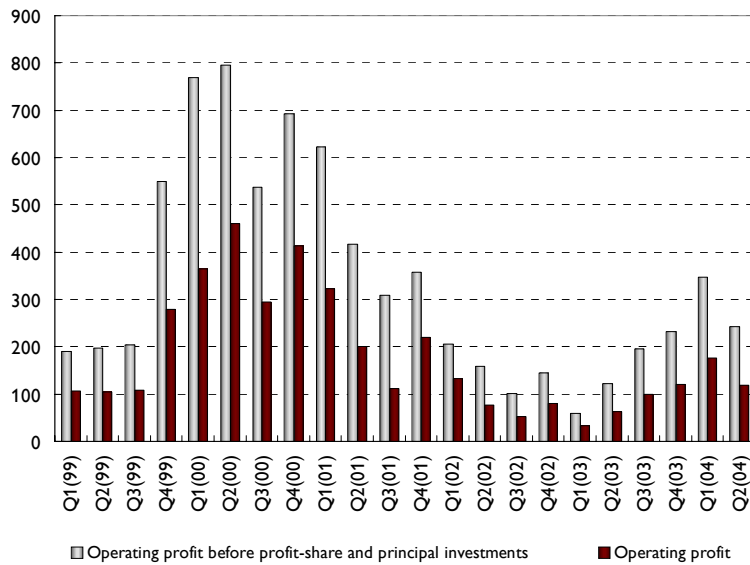
The cost/income ratio (including allocation to the profit-sharing system and result from principal investments) was 79 per cent in the first half year 2004, corresponding to an operating margin of 21 per cent.

² 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.



Quarterly operating profit

The operating profit before profit-share improved considerably to SEK 583 million in the first half year, an increase of 235 per cent.



Net profit and return on equity

The net profit for the first half year 2004 was SEK 203 million (SEK 66 million), corresponding to a return on equity for the last 12-months-period of 30 per cent (13 per cent).

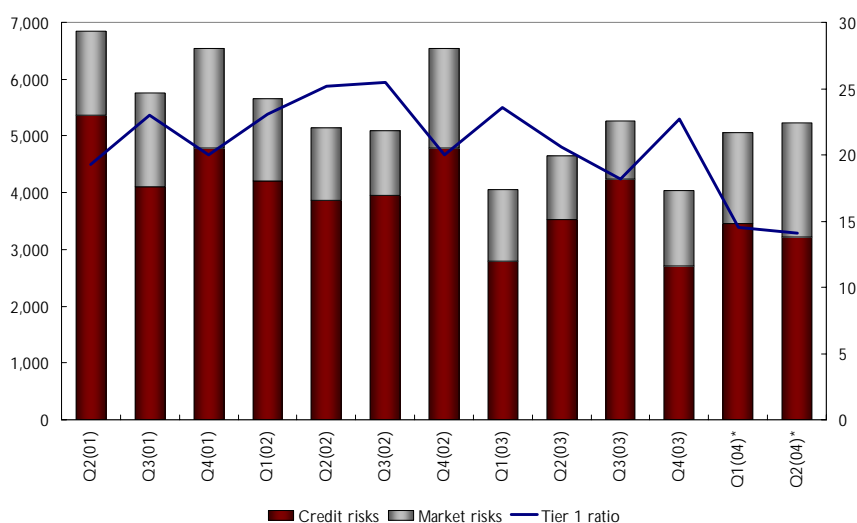


Risk-weighted assets and Tier 1 ratio

Risk-weighted assets increased by 3 per cent during the second quarter to SEK 5.2 billion. The regulatory capital base at 30 June 2004 was SEK 737 million, following the new Swedish regulation from 1 January 2004, which implies full deduction of deferred tax assets and of intangible assets. The Tier 1 ratio was 14.1 per cent at 30 June 2004.

During the second quarter, new regulation for calculation of capital adequacy was presented in the Basel II Accord, to be implemented in 2007. The Board of Directors is presently reviewing different alternatives for Carnegie's capital structure and dividend policy in the new regulatory environment. When deciding on the dividend proposal for 2004, the new regulatory environment as well as the future growth possibilities and capital requirements will be considered.

Risk-weighted assets and Tier 1 ratio



*) The Tier 1 ratio as been calculated according to new regulation from 1 January 2004.

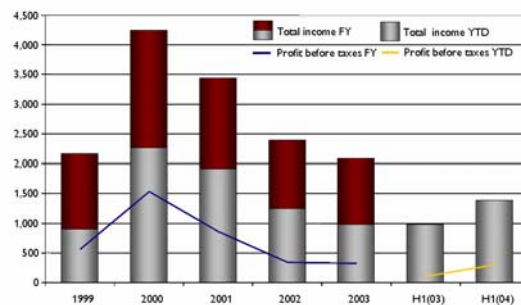
Liquidity, financing and investments

Carnegie's principal need for liquidity is to support the 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 half year 2004, the change in working capital was SEK -1,938 million (SEK 2,171 million). A more relevant measure of the liquidity is the cash flow from operations before changes in working capital, which was SEK 244 million in the first half year 2004 (SEK 80 million). Capital expenditure in the first quarter 2004 amounted to SEK 8 million (SEK 11 million). See page 19 for further information.



	Apr - Jun 2004	Apr - Jun 2003	Jan - Jun 2004	Jan - Jun 2003	Jan - Dec 2003
Earnings per share (SEK)	1.22	0.64	3.04	0.99	3.17
Earnings per share, fully diluted (SEK)	1.22	0.64	3.03	0.98	3.14
Book value per share (SEK)	-	-	17.1	15.2	17.2
Share price (SEK)	-	-	71.5	58.5	71.0
Price/earnings multiple	-	-	13.7	22.5	22.4
Price/book multiple	-	-	4.2	3.9	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	67,070,887	66,845,694	67,070,887	66,845,694	67,242,860
Compensation/income ratio, %	52%	50%	52%	51%	51%
Cost/income ratio, %	82%	88%	79%	90%	85%
Operating margin, %	18%	12%	21%	10%	15%
Profit margin, %	13%	8%	15%	7%	10%
Return on equity, (12 mo) %			30%	13%	17%
Total assets (SEK million)			17,450	13,846	14,618
Margin lending (SEK million)			3,227	2,206	3,120
Deposits and borrowing from general public (SEK million)			5,281	5,883	5,145
Shareholders' equity (SEK million)			1,141	1,012	1,145
<i>Total regulatory capital base (SEK million)</i>			<i>737</i>	<i>956</i>	<i>918</i>
-Shareholders' equity			1,141	1,012	1,145
-Goodwill			-15	-16	-17
-Intangible fixed assets			-35	-	-
-Deferred tax assets			-148	-	-
-Dividends			-	-	-211
-Profit after tax and foreign exchange differences			-206	-40	-
<i>Total risk-weighted asset (SEK million)</i>			<i>5,222</i>	<i>4,653</i>	<i>4,037</i>
Risk-weighted assets (Credit risks)			3,215	3,521	2,710
Risk-weighted assets (Market risks)			2,007	1,131	1,327
Tier I Ratio, %			14.1%	20.6%	22.7%
Capital adequacy, %			14.1%	20.6%	22.7%
Number of employees, average	791	786	785	810	793
Number of employees, period-end	794	778	794	778	774
Period-end assets under management (SEK billion)*			63	49	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 22). 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:	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 as a percentage of risk-weighted assets.
Capital adequacy ratio:	Total regulatory capital base (regulatory capital base 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 half year of 2004 was SEK 0 million (SEK 3 million), and the company was showing a loss before financial items of SEK -6 million (SEK -45 million). The net loss before taxes was SEK -4 million (SEK -35 million). At 30 June 2004, cash and liquid assets amounted to SEK 58 million (SEK 38 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 June 2004 was SEK 776 million (SEK 782 million).



Securities

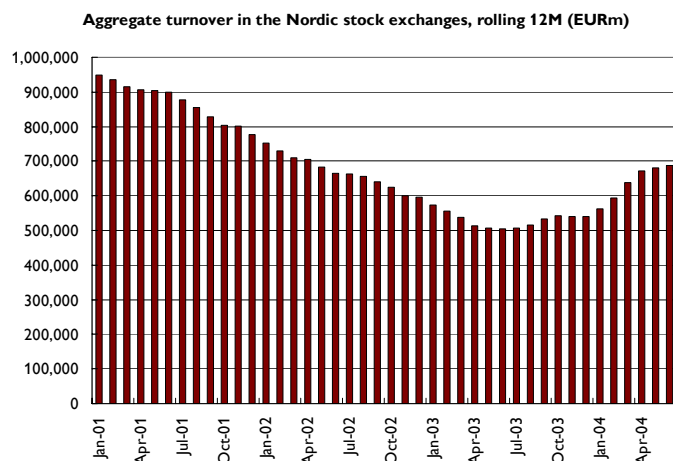
(SEK million)	Apr-Jun 2004	Apr - Jun 2003	Jan - Jun 2004	Jan - Jun 2003	Chg.	Jan - Dec 2003
Net commission income	186	172	449	319	41%	695
Underwriting fees	43	4	66	4		18
Net interest income	10	37	29	57	-50%	95
Proprietary trading and market making	56	47	132	94	40%	166
Net interest income from financial positions	-10	-28	-22	-42	-48%	-70
Other income from financial positions	0	9	0	8		10
<i>Net income from financial positions</i>	<i>46</i>	<i>28</i>	<i>110</i>	<i>60</i>	<i>83%</i>	<i>106</i>
Other fees	0	0	0	0		0
<i>Total income</i>	<i>284</i>	<i>241</i>	<i>654</i>	<i>440</i>	<i>49%</i>	<i>915</i>
Personnel expenses	-87	-81	-176	-171	3%	-319
Redundancy expenses	-	-13	-	-18		-25
Other expenses	-82	-56	-156	-131	19%	-262
Net provisions for credit losses	0	0	0	0		1
<i>Total operating expenses excluding profit-share</i>	<i>-169</i>	<i>-150</i>	<i>-331</i>	<i>-320</i>	<i>4%</i>	<i>-606</i>
<i>Business area operating profit before profit-share</i>	<i>115</i>	<i>91</i>	<i>323</i>	<i>120</i>	<i>169%</i>	<i>309</i>
Allocation to profit-share system	-58	-42	-160	-54		-147
<i>Total expenses</i>	<i>-227</i>	<i>-193</i>	<i>-491</i>	<i>-374</i>	<i>31%</i>	<i>-753</i>
<i>Business area profit before taxes</i>	<i>57</i>	<i>48</i>	<i>163</i>	<i>66</i>	<i>148%</i>	<i>162</i>
Cost/income ratio, %	80%	80%	75%	85%		82%
Operating margin, %	20%	20%	25%	15%		18%
Number of employees, average	320	317	319	328		322
Number of employees, period-end	321	316	321	316		318

Market environment

The development of the Nordic equity indices were in the first half year 2004 up 9-20 per cent except for HEX in Finland which fell by 3 per cent.

Share indices dev. (%) 1)	Q2(04)	YTD 2004
KFX Copenhagen - Denmark	4%	9%
Totalindeks Oslo - Norway	6%	20%
HEX General - Finland	-13%	-3%
SIX General - Sweden	0%	10%

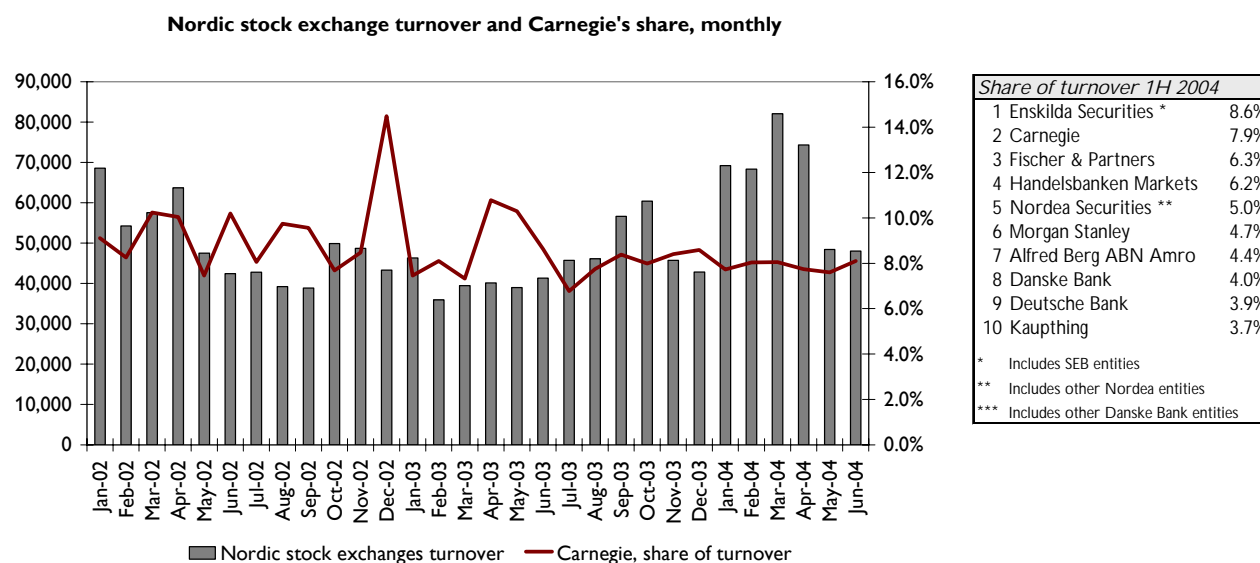
1) Source: SIX



The changed sentiment from the first quarter could be seen in the turnover in the Nordic stock markets. The first quarter saw a sharp increase and average monthly turnover of EUR 73 billion. In the second quarter average monthly turnover fell by 23 per cent to EUR 56 billion. However, compared to the second quarter 2003, the aggregate volume was still up by 42 per cent, and the increase for the first six months was 61 per cent compared to the first half year 2003.

Market position

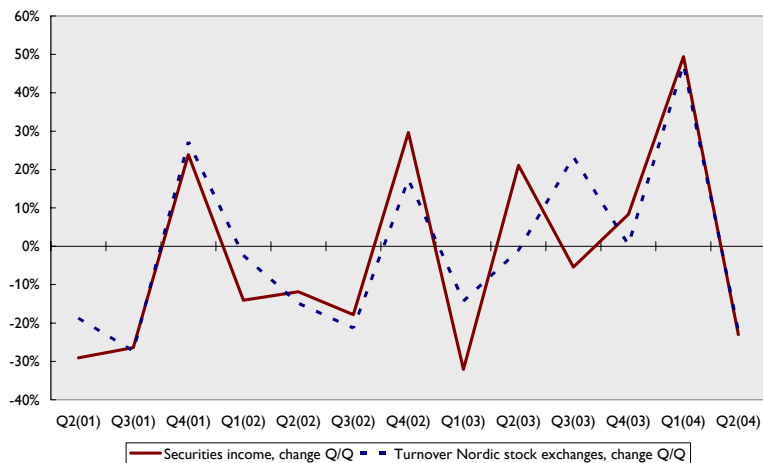
Total turnover in the Nordic stock exchanges is composed of client-related commission-generating volume and flows related to trading activities. Carnegie's share of the aggregate Nordic turnover was 7.9 per cent in the first half of 2004.



In the second quarter 2004, Carnegie was ranked as the best Nordic research house in the StarMine survey (Sweden), with the largest number of analysts ranked among the top 10. Carnegie also scored its best sector results ever in the Financial Hearings survey in Sweden with a number one position in 10 out of total 19 sectors. During the period, Carnegie also made progress among a number of targeted Non-Nordic institutional investors.

Income

Securities' income in the first half year increased by 49 per cent Y/Y to SEK 654 million. Income was mainly generated from commission income, which accounted for SEK 449 million and represented an increase of 41 per cent (Y/Y). The graph below illustrates the change from the previous quarter in stock market turnover and Securities income. A correlation can be noted, although quarterly deviations may occur. In the second quarter 2003, the increase in Securities income was substantially higher than the turnover increase, which should be considered in the Y/Y comparison for the second quarter 2004.



Net commission generated from non-Nordic clients in the first half year accounted for around 43 per cent of the total commission volume from institutional clients. Underwriting fees increased substantially and amounted to SEK 66 million in the first half year (SEK 4 million), reflecting a number of successfully completed IPOs and secondary placings. Income from proprietary trading and market making increased due to improved market conditions to SEK 132 million in the first half year (SEK 94 million), of which about 10 per cent was generated in the fixed income operations in Denmark.

Expenses and profit before taxes

Total expenses before profit-share amounted to SEK 331 million in the first half year 2004, up 10 per cent Y/Y, excluding redundancy expenses. Operating profit before profit-share was SEK 323 million (SEK 120 million), of which SEK 115 million was generated in the second quarter. Following the substantial increase in income in the first half year, profit before taxes of SEK 163 million was generated, corresponding to 100 per cent of the profit for the full year 2003.



Investment Banking

<i>(SEK million)</i>	<i>Apr-Jun 2004</i>	<i>Apr - Jun 2003</i>	<i>Jan - Jun 2004</i>	<i>Jan - Jun 2003</i>	<i>Chg.</i>	<i>Jan - Dec 2003</i>
Underwriting fees	85	13	103	18	471%	67
Net income from financial positions	2	4	3	12		21
Advisory fees	53	57	147	141	4%	281
<i>Total income</i>	<i>139</i>	<i>74</i>	<i>253</i>	<i>171</i>	<i>48%</i>	<i>368</i>
Personnel expenses	-42	-36	-79	-79	-1%	-146
Redundancy expenses	-	-12	-	-12		-16
Other expenses	-25	-37	-52	-65	-20%	-104
<i>Total operating expenses excluding profit-share</i>	<i>-67</i>	<i>-84</i>	<i>-130</i>	<i>-156</i>	<i>-16%</i>	<i>-266</i>
<i>Business area operating profit before profit-share</i>	<i>72</i>	<i>-10</i>	<i>122</i>	<i>15</i>	<i>708%</i>	<i>102</i>
Allocation to profit-share system	-36	3	-60	-7		-49
<i>Total expenses</i>	<i>-103</i>	<i>-81</i>	<i>-191</i>	<i>-163</i>	<i>17%</i>	<i>-315</i>
<i>Business area profit before taxes</i>	<i>36</i>	<i>-7</i>	<i>62</i>	<i>8</i>		<i>53</i>
Cost/income Ratio, %	74%	109%	76%	95%		85%
Operating margin, %	26%	-9%	24%	5%		15%
Number of employees, average	137	144	137	154		148
Number of employees, period-end	137	141	137	141		141

Market environment

The Nordic Equity Capital Markets (ECM) activity has been lagging the global as well as the European activity. In the first half year 2004, the transaction volume of equity offerings in the Nordic region continued to increase to USD 10 billion, as compared to USD 2.8 billion for the full year 2003. In the first half year 10 IPOs reached the Nordic market, of which 6 in the second quarter. Seven of these IPOs were listed in Norway and three in Sweden. Notable for the period is that there were few sizeable IPOs, only three were larger than USD 50 million, and the total IPO transaction volume was USD 1.7 billion.

The improved volume of announced M&A-transactions in the first quarter did not continue in the second quarter and the first half year was down 23 per cent from last year. In total, 122 transactions were announced (with advisers) with a corresponding transaction value of USD 23 billion (USD 30 billion). Of these 122 transactions, only 15 were recorded with a transaction value exceeding USD 150 million.

Market position

In the ECM market, Carnegie acted joint global co-ordinator and bookrunner in the two largest IPOs in the first half year; Oriflame Cosmetics and Aker Kvaerner. Furthermore, Carnegie advised Volvo on the spin off and listing of Ainax as well as Millicom (in a joint mandate) on its Stockholm Stock Exchange listing. Carnegie also had a good market presence in terms of new share issues and secondary placings, and acted as bookrunner in about a third of the transactions completed during the second quarter.



In the Nordic M&A-market, Carnegie was in the first half year 2004 ranked as number 1 (1) in terms of number of announced M&A-transactions with 18 transactions corresponding to a transaction value of USD 2.4 billion (USD 6.8 billion). In terms of transaction value, Carnegie was ranked as No 8 (2).

Ranked by number of transactions, H1(04)			Ranked by volume, H1(04)		
Announced			Announced		
Adviser	USD billion	#	Adviser	USD billion	#
1. Carnegie	2.4	18	1. Morgan Stanley	7.3	5
2. Enskilda	1.0	17	2. JP Morgan Chase	6.2	11
3. KPMG	0.0	11	3. Goldman Sachs	5.6	5
4. JP Morgan Chase	6.2	11	4. Lehman Brothers	4.4	3
5. SHB	3.2	10	5. UBS	3.3	9
6. UBS	3.3	9	6. SHB	3.2	10
7. ABN Amro	1.9	9	7. Deutsche Bank	2.5	7
8. Deutsche Bank	2.5	7	8. Carnegie	2.4	18
9. Catella	1.6	5	9. Mandatum	1.9	4
10. Morgan Stanley	7.3	5	10. ABN Amro	1.9	9
Total market with advisers	23.1	122	Total market with advisers	23.1	122

Source: Thomson Financial Securities Data, July 2004.

Income

Income for the first half year 2004 was SEK 253 million, an increase of 48 per cent Y/Y. Income in the second quarter was SEK 139 million and included income related to the IPO of Oriflame, which was announced in the first quarter.

Expenses and profit before tax

Total expenses before profit-share in the first half year 2004 were SEK 130 million, down by 10 per cent Y/Y excluding redundancy expenses. The business area made a profit before taxes of SEK 62 million in the first half year, a substantial increase from SEK 8 million in the first half of 2003 and above the total profit before taxes generated in the full year 2003.



Asset Management & Private Banking

(SEK million)	Apr-Jun 2004	Apr - Jun 2003	Jan - Jun 2004	Jan - Jun 2003	Chg.	Jan - Dec 2003
Net commission income	69	63	159	116	37%	265
Net interest income	35	21	58	40	45%	86
Net income from financial positions	6	12	22	22	0%	42
Total fees from mutual funds	72	54	149	105	41%	240
Total fees from discretionary fund management	21	18	43	36	20%	78
Advisory fees	26	27	51	46	11%	88
<i>Total income</i>	<i>229</i>	<i>196</i>	<i>481</i>	<i>364</i>	<i>32%</i>	<i>798</i>
Personnel expenses	-92	-79	-178	-167	7%	-314
Redundancy expenses	-	-6	-	-7		-19
Other expenses	-81	-70	-158	-144	9%	-268
Net provisions for credit losses	0	0	0	0		0
<i>Total operating expenses excluding profit-share</i>	<i>-173</i>	<i>-154</i>	<i>-336</i>	<i>-318</i>	<i>5%</i>	<i>-601</i>
<i>Business area operating profit before profit-share</i>	<i>56</i>	<i>42</i>	<i>145</i>	<i>46</i>	<i>216%</i>	<i>197</i>
Allocation to profit-share system	-28	-19	-72	-21		-94
<i>Total expenses</i>	<i>-201</i>	<i>-173</i>	<i>-408</i>	<i>-339</i>	<i>20%</i>	<i>-695</i>
<i>Business area profit before taxes</i>	<i>28</i>	<i>23</i>	<i>73</i>	<i>25</i>	<i>191%</i>	<i>103</i>
Cost/income ratio, %	88%	88%	85%	93%		87%
Operating margin, %	12%	12%	15%	7%		13%
Period-end assets under management (SEK billion)*			63	49		55
- whereof mutual funds			30	22		25
- whereof discretionary fund management			33	27		30
Number of employees, average	334	325	329	328		323
Number of employees, period-end	336	321	336	321		315

Market environment

Focus on strong fundamentals and earnings growth in the first quarter increased the appetite for risk, but was in the second quarter replaced by an increased focus on interest rate increases and oil prices. In Sweden, net flow to equity funds was close to zero in the second 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. The upgrading of a number of Carnegie's mutual fund products in the rating systems continued in the second quarter 2004. At the end of the period, mutual funds representing 70 per cent of Carnegie's total assets under management in equity funds held 4- or 5-star ratings.³

Development of services and products

Banque Carnegie Luxembourg has for a number of years offered private banking services to international clients with a Nordic background. In order to continue to grow in this segment a decision has been taken to set up a subsidiary in Switzerland, in order to in the long term be able to offer the same type of services there. The Swiss subsidiary will apply for membership in a Swiss asset management association.

³ Source: Morningstar, Fondmarknaden and W-rating, July 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 63 billion at 30 June 2004, an increase of SEK 8 billion from year-end, due to net inflow of SEK 4 billion and increasing asset value of SEK 4 billion. In the second quarter, the increase in AUM of SEK 1 billion reflected a net inflow of SEK 2 billion and a value decline of SEK 1 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 June 2004, of which SEK 6 billion represents Carnegie's discretionary mandates or mutual funds, included in the AUM figure above.

Income

Total income for the business area in the first six months 2004 was SEK 481 million, up 32 per cent Y/Y, mainly reflecting increased fees from mutual funds and increased net commission from private banking brokerage activity. In the second quarter total income amounted to SEK 229 million, up 17 per cent Y/Y and down 9 per cent from the previous quarter, reflecting lower net commission from private banking brokerage in line with the declining turnover in the equity markets.

Mutual fund fees for the first six months amounted to SEK 149 million (SEK 105 million) and included performance fees of SEK 7 million (0). Fees from discretionary fund management were SEK 43 million, up 20 per cent Y/Y, and included performance fees of SEK 3 million (0).

Out of total income in the first half year 2004, Private Banking (including the operations in Sweden, Denmark, UK and Luxembourg) accounted for SEK 224 million (SEK 157 million), of which SEK 108 million was generated in the second quarter (SEK 87 million).

Expenses and profit before taxes

Total expenses before profit-share for the first half year 2004 amounted to SEK 336 million, up 8 per cent Y/Y, excluding redundancy expenses. Private Banking accounted for SEK 143 million of the total expenses before profit-share in the first half year (SEK 135 million), of which SEK 77 million in the second quarter (SEK 66 million).

Profit before allocation of profit-share for the first half year 2004 was SEK 145 million, a considerable improvement from SEK 46 million for the first half year 2003. The profit before taxes was SEK 73 million (SEK 25 million).

D. Carnegie & Co AB (publ)

Stockholm, 15 July 2004

Karin Forseke
Chief Executive Officer



Quarterly summary (SEK in millions)	Jan-Mar 2002	Apr-Jun 2002	Jul-Sep 2002	Oct-Dec 2002	Jan-Mar 2003	Apr-Jun 2003	Jul-Sep 2003	Oct-Dec 2003	Jan-Mar 2004	Apr-Jun 2004
Consolidated Income Statement Data:										
Securities income 1)	312	275	226	293	199	241	228	247	369	284
Investment Banking income	101	122	99	145	97	74	87	110	114	139
Asset Management & Private Banking income	236	197	227	159	169	196	210	224	252	229
Total income	649	594	552	597	464	511	524	581	735	653
Personnel expenses	-238	-210	-227	-227	-222	-196	-174	-187	-212	-221
Redundancy expenses	-2	-5	-50	-36	-6	-31	-9	-15	-	-
Other expenses	-206	-221	-175	-187	-177	-163	-147	-148	-176	-189
Net credit losses	0	-1	1	-3	0	0	1	0	0	0
Total expenses before profit-share	-446	-436	-450	-454	-405	-389	-330	-349	-388	-409
Op pr bef res fr pr inv and prof-share	204	158	102	143	59	122	195	232	347	243
Result from principal investments	38	-21	-9	1	-3	-4	0	1	-1	-6
Operating profit before profit-share	242	137	93	144	56	118	195	234	346	237
Allocation to profit-share system	-111	-61	-40	-65	-23	-56	-95	-114	-170	-119
Total expenses excl principal inv	-557	-497	-490	-519	-428	-445	-424	-463	-558	-528
Profit before taxes	130	76	53	79	33	62	100	120	176	118
Taxes	-40	-24	-17	-8	-10	-19	-31	-43	-55	-37
Net profit	90	53	37	71	23	43	69	77	121	82

Consolidated Balance Sheet Data:										
Loans to general public 2)	2,567	2,207	1,895	2,820	1,594	2,206	1,969	3,120	3,286	3,227
Total assets	15,549	12,789	11,940	12,444	11,177	13,846	14,411	14,618	15,817	17,450
Deposits and borrowing from general public	5,143	5,117	4,711	5,016	4,614	5,883	5,131	5,145	5,403	5,281
Shareholders' equity	1,388	1,452	1,492	1,568	982	1,012	1,065	1,145	1,067	1,141

Operating Data and Key Ratios:										
Earnings per share 3)	1.35	0.79	0.55	1.06	0.34	0.64	1.04	1.15	1.82	1.22
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	66,701,600
Total no of shares incl effect of outst warrants	66,701,600	66,701,600	66,701,600	66,701,600	66,701,600	66,845,694	67,420,447	67,242,860	67,749,690	67,070,887
Cost/income ratio, %	81.0	87.0	90.0	87.0	93.0	88.0	81.0	79.0	76.0	82.0
Compensation/income ratio, %	51.0	48.0	58.0	55.0	53.0	50.0	51.0	52.0	52.0	52.0
Operating margin, %	19.0	13.0	10.0	14.0	7.0	12.0	19.0	21.0	24.0	18.0
Tier 1 ratio, %	23.1	25.2	25.5	20.4	23.6	20.6	18.2	22.7	14.5	14.1
Capital adequacy, %	23.1	25.2	25.5	20.4	23.6	20.6	18.2	22.7	14.5	14.1
Regulatory capital base (SEK bn)	1,308	1,297	1,298	956	955	956	958	918	732	737
Average no of full-time employees	954	959	937	846	835	786	777	775	779	785
No of full-time equiv empl at period-end	962	954	890	835	836	778	782	774	781	794
Total income per employee	0.7	1.3	0.6	0.7	0.6	0.6	0.7	0.8	0.9	0.8
Period-end assets under management (SEK bn)	65	65	46	47	44	49	52	55	62	63
- Mutual funds	27	24	20	20	19	22	24	25	29	30
- Discretionary fund management	38	32	26	26	24	27	28	30	33	33

Segmental reporting (SEK million)	Total		Securities		Investment Banking		Asset Management & Private Banking		Principal Investments	
	H1(04)	H1(03)	H1(04)	H1(03)	H1(04)	H1(03)	H1(04)	H1(03)	H1(04)	H1(03)
<i>Income statement</i>										
Net commission income	608	435	449	319	-	-	159	116	-	-
Underwriting fees	169	22	66	4	103	18	-	-	-	-
Net interest income	87	97	29	57	-	-	58	40	-	-
Net income from financial positions	135	94	110	60	3	12	22	22	-	-
Fees from mutual funds	149	105	-	-	-	-	149	105	-	-
Fees from discretionary fund management	43	36	-	-	-	-	43	36	-	-
Advisory fees	198	187	-	-	147	141	51	46	-	-
Other fees	0	0	0	0	-	-	-	-	-	-
Total income	1 387	975	654	440	253	171	481	364	-	-
Personnel expenses	-433	-418	-176	-171	-79	-79	-178	-167	-	-
Redundancy expenses	-	-37	-	-18	-	-12	-	-7	-	-
Other expenses	-365	-340	-156	-131	-52	-65	-158	-144	-	-
Net provisions for credit losses	0	0	0	0	-	-	0	0	-	-
Total operating expenses excluding profit	-797	-794	-331	-320	-130	-156	-336	-318	-	-
Operating profit before result from principal investments and profit-share	590	181	323	120	122	15	145	46	-	-
Result from principal investments	-7	-7	-	-	-	-	-	-	-7	-7
Operating profit before profit-share	583	174	323	120	122	15	145	46	-7	-7
Allocation to profit-share system	-288	-79	-160	-54	-60	-7	-72	-21	4	3
Total expenses	-1 086	-872	-491	-374	-191	-163	-408	-339	4	3
Profit before taxes	294	95	163	66	62	8	73	25	-4	-4
Taxes	-91	-30	-	-	-	-	-	-	-	-
Net profit	203	66	-	-	-	-	-	-	-	-

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)

	Apr - Jun 2004	Apr - Jun 2003	Jan - Jun 2004	Jan - Jun 2003	Jan - Dec 2003
<i>Commission income</i>	554	409	1 166	784	1 731
Interest income	86	80	159	153	296
Interest expenses	-52	-51	-97	-100	-189
<i>Net interest income</i>	34	29	62	53	107
Dividends received	4	1	5	1	1
Net profit from financial transactions	60	70	154	134	244
Other income	0	0	0	0	0
<i>Total income</i>	653	509	1 387	972	2 083
General administrative expenses	-513	-427	-1 053	-834	-1 683
Depreciation of tangible and amortisation of intangible fixed assets	-16	-18	-33	-39	-78
<i>Total expenses</i>	-529	-445	-1 086	-873	-1 761
<i>Operating profit before provisions for credit losses</i>	124	64	301	99	322
Provisions for credit losses, net	0	0	0	0	1
<i>Operating profit</i>	125	64	302	99	323
Result from associated companies	-6	-2	-7	-4	-8
<i>Profit before taxes</i>	118	62	294	95	315
Taxes	-37	-19	-91	-30	-104
<i>Net profit</i>	82	43	203	66	211
Earnings per share (SEK)	1,22	0,64	3,04	0,99	3,17
Earnings per share, fully diluted (SEK)	1,22	0,64	3,03	0,98	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	67 070 887	66 845 694	67 070 887	66 845 694	67 242 860



*Statutory consolidated balance sheet
(SEK millions)*

	<i>June 30 2004</i>	<i>June 30 2003</i>	<i>Dec 31 2003</i>
<i>Assets</i>			
Cash and bank deposits in central banks	106	132	226
Loan to credit institutions	3 180	4 528	4 964
Loans to general public	3 227	2 206	3 120
Bonds and other interest bearing securities	1 243	863	1 027
Shares and participations	5 041	2 416	3 338
Shares and participations in associated companies	3	6	5
Intangible fixed assets	49	51	59
Tangible fixed assets	91	132	108
Other assets	2 071	3 145	1 529
Prepaid expenses and accrued income	2 439	368	243
<i>Total assets</i>	<i>17 450</i>	<i>13 846</i>	<i>14 618</i>

Liabilities and shareholders' equity

Liabilities to credit institutions	4 238	3 198	3 208
Deposits and borrowing from general public	5 281	5 883	5 145
Other liabilities	5 860	3 118	4 330
Accrued expenses and prepaid income	657	374	536
Provisions	273	260	254
Shareholders' equity	1 141	1 012	1 145
<i>Total liabilities and shareholders' equity</i>	<i>17 450</i>	<i>13 846</i>	<i>14 618</i>

*Changes in shareholders' equity
(SEK millions)*

	<i>June 30 2004</i>	<i>June 30 2003</i>	<i>Dec 31 2003</i>
Shareholders' equity - opening balance	1 145	1 568	1 568
Dividend (Q1)	-211	-596	-596
Translation differences	3	-26	-39
Net profit for the period	203	66	211
<i>Shareholders' equity - closing balance</i>	<i>1 141</i>	<i>1 012</i>	<i>1 145</i>

*Statements of changes in financial position
(SEK millions)*

	<i>Group</i>		
	<i>Jan - Jun 2004</i>	<i>Jan - Jun 2003</i>	<i>Jan - Dec 2003</i>
<i>Current operations</i>			
Cash flow from operations before changes in working capital	244	80	210
Changes in working capital	-1 938	2 171	2 627
<i>Cash flow from current operations</i>	<i>-1 694</i>	<i>2 251</i>	<i>2 838</i>
Cash flow from investment activities	-13	-7	-37
Distributed dividend	-211	-596	-596
<i>Cash flow for the period</i>	<i>-1 918</i>	<i>1 649</i>	<i>2 204</i>
<i>Liquid funds at the beginning of the year</i>	<i>5 189</i>	<i>3 037</i>	<i>3 037</i>
Exchange differences in liquid funds	15	-26	-52
<i>Liquid funds at the end of the period</i>	<i>3 286</i>	<i>4 660</i>	<i>5 189</i>



Ownership structure

<i>Owner structure, 30 June 2004</i>	<i>No of shares</i>	<i>Votes and capital</i>
Employees 1)	12,120,000	18%
Foreign institutions	26,268,963	39%
Swedish institutions	19,786,759	30%
Private individuals, excluding employees	8,525,878	13%
Total	66,701,600	100%
<i>Foreign shareholders, total</i>	<i>34,485,797</i>	<i>52%</i>
<i>Swedish shareholders, total</i>	<i>32,215,803</i>	<i>48%</i>
<i>Larger shareholders, 30 June 2004</i>	<i>No of shares</i>	<i>Votes and capital</i>
Fidelity funds	4,885,110	7.3%
Didner & Gerge aktiefonder	2,777,300	4.2%
Robur fonder	2,570,379	3.9%
Schroder Investment Management Ltd	2,500,000	3.7%
Andra AP-fonden	2,232,900	3.3%
SHB/SPP Fonder & Livförsäkringar	1,839,361	2.8%
Group management 2)	1,495,000	2.2%
Carnegie Personal AB 3)	1,422,761	2.1%
Lannebo fonder	1,333,300	2.0%
FirstNordic fonder	1,199,268	1.8%
Pensioenfonds PGGM (Netherl.)	758,400	1.1%
Första AP-fonden	744,300	1.1%
Skandia	663,900	1.0%
Hermes Investment Mangement	490,467	0.7%
Länsförsäkringar	449,450	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	394,340	0.6%
Sub-total	27,031,236	40.5%
Other	39,670,364	59.5%
Total	66,701,600	100.0%

1) Shares held by employees are individual holdings.

2) Group Management includes Mats Bremberg, Karin Forseke, Matti Kinnunen, Mats-Olof Ljungkvist, Anders Onarheim, Stig Vilhelmson and Mark Walker. Lars Bjerrek and Niklas Ekvall will be included as from August 2004.

3) The number of shares reflects the net position held by Carnegie Personal AB.

Employee shareholding

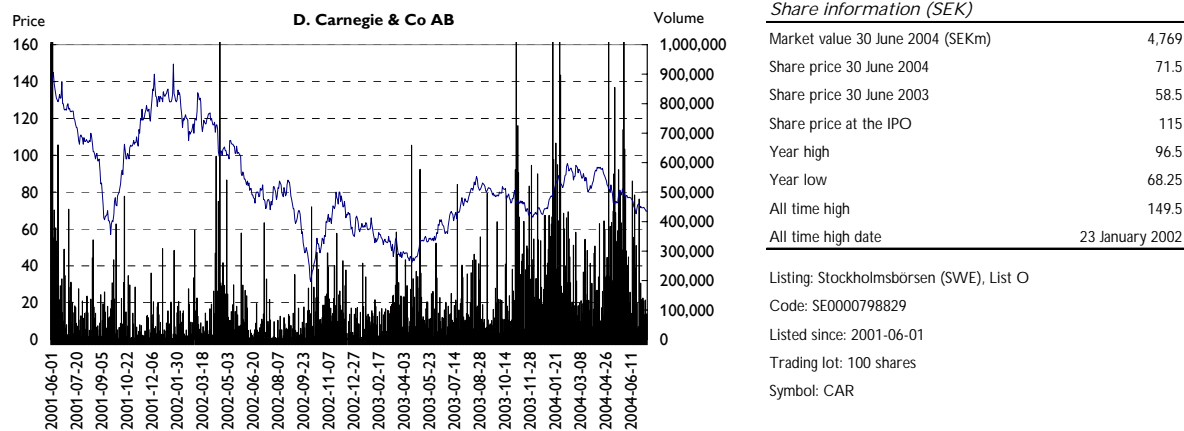
Employee shareholding in Carnegie has been included in one or both of two agreements concerning transfer restrictions, lock-up and lock-in shares. The **lock-up agreement** included about 40 per cent of the total shares outstanding and was released in four equal portions, in April and October 2002 and 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 18 per cent of the total number of shares outstanding at end of June 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 June 2004 and opens 16 July 2004.



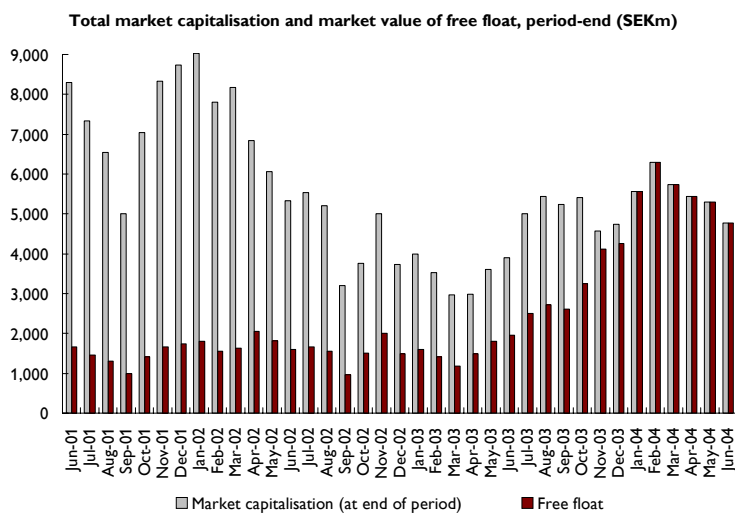
Share price development and turnover 1 June 2001 – 13 July 2004*



*) 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 first half year 2004 was SEK 545 million (SEK 114 million), which ranked Carnegie as number 47 (61) in terms of turnover for all companies listed at Stockholmsbörsen. The turnover corresponded to 326,000 shares per day (108,000 shares per day). 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 the free float. Carnegie's turnover rate in relation to free float in the first half year 2004 was 118 per cent (87 per cent). During the quarter, Carnegie was added to the Morgan Stanley Standard Country Index, designed to capture 85 per cent of the free float adjusted market capitalisation of each industry group in each country. Carnegie's weight is estimated at 0.3 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)	Corresponding 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 June 2004 (SEK 71,50).