25 October 2006

Carnegie – January-September 2006

Net profit first nine months SEK 720 million (SEK 400 million)

- Carnegie's **net profit** for the first nine months 2006 was SEK 720 million (SEK 400 million), a Y/Y increase of 80%. The net profit generated in the third quarter was SEK 137 million (SEK 161 million). **Earnings per share** for the first nine months were SEK 10.44 (SEK 6.00), fully diluted SEK 10.31 (SEK 5.96).
- **Total income** for the first nine months 2006 increased by 42% to SEK 3,256 million (SEK 2,301 million). Income in the third quarter was SEK 777 million (SEK 847 million), a Y/Y decrease of 8%. In the third quarter, Securities' income was SEK 347 million, a decrease of 4%. Investment Banking generated SEK 158 million, 16% below income from the third quarter 2005. Asset Management income was SEK 158 million, down 13% Y/Y and Private Banking income was down by 2% to SEK 114 million.
- **Assets under management** amounted to SEK 102.5 billion, an increase of SEK 3.5 billion from the previous quarter, mainly reflecting increasing asset values of SEK 5 billion, a small net outflow and a reclassification of SEK 1 billion.
- **Total expenses before profit-share** were SEK 1,226 million (SEK 1,157 million), an increase of 6% Y/Y. Total expenses for the third quarter was SEK 396 million (SEK 384 million), a Y/Y increase of 3%. Total expenses for the full year are expected to be below SEK 1.7 billion.
- **Dividend policy** – 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 cash not necessary for the development of the business. Business requirements on risk capital shall be assessed through Carnegie's internal business planning process. The aim is to optimize the capital structure in terms of Tier 1 and Tier 2 capital. In the new regulatory environment, a CAD ratio of 12 per cent is considered prudent. In order to be able to explore future business opportunities in the Securities operations, and to address the increased need for liquidity, it is the Board's view that a certain increase of the total risk capital is required in the medium term, which will be addressed partly through retaining a portion of total earnings for 2006.
- The Board of Directors has decided to investigate further a **share-based long-term incentive programme** directed to key employees, aimed to be presented to the AGM on 29 March 2007.
- **Personnel changes:** Mats-Olof Ljungkvist, CFO and member of Group Management has decided to resign from Carnegie with effect from 1 March 2007. Ulf Fredrixon, currently Head of Credit and Finance at Carnegie, will take over the role as CFO. He will also join Group Management.

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Quotations from Stig Vilhelmson, CEO:

"This quarter was one of our best third quarters ever, even though the fantastic three previous quarters were tough benchmarks."

"We will relentlessly continue our quest to become world champions in all that we undertake. We strive always to be our clients' first choice."

Auditors' examination

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

Teleconference

Carnegie's CEO Stig Vilhelmson and Mats-Olof Ljungkvist (CFO) will present the first nine months results at a teleconference held 25 October 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

Year-end report, 1 February
Annual general meeting, 29 March, at 3 pm, at Nalen, Stockholm.
Last day for trading in the Carnegie share including dividend, 29 March
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)	Jul - Sep 2006	Jul - Sep 2005	Jan - Sep 2006	Jan - Sep 2005	Chg.	Jan - Dec 2005
Income statement						
Securities	347	363	1,600	1,076	49%	1,503
Investment Banking	158	187	680	446	52%	733
Asset Management	158	180	572	444	29%	791
Private Banking	114	116	405	335	21%	486
Total income	*777*	*847*	*3,256*	*2,301*	42%	*3,514*
Personnel expenses	-231	-210	-697	-623	12%	-870
Other expenses	-164	-173	-529	-533	-1%	-799
Net provisions for credit losses	0	-2	1	-1		-5
Total operating expenses excluding profit-share	*-396*	*-384*	*-1,226*	*-1,157*	6%	*-1,674*
Operating profit before profit-share	*382*	*463*	*2,031*	*1,144*	78%	*1,840*
Allocation to profit-share system	-186	-229	-1,002	-564	78%	-909
Total expenses	*-582*	*-614*	*-2,227*	*-1,721*	29%	*-2,583*
Profit before taxes	*195*	*234*	*1,029*	*580*	78%	*931*
Taxes	-59	-72	-309	-180	72%	-264
Net profit	*137*	*161*	*720*	*400*	80%	*667*
Earnings per share (SEK)	1.98	2.42	10.44	6.00		9.98
Earnings per share, fully diluted (SEK)	1.96	2.40	10.31	5.96		9.80

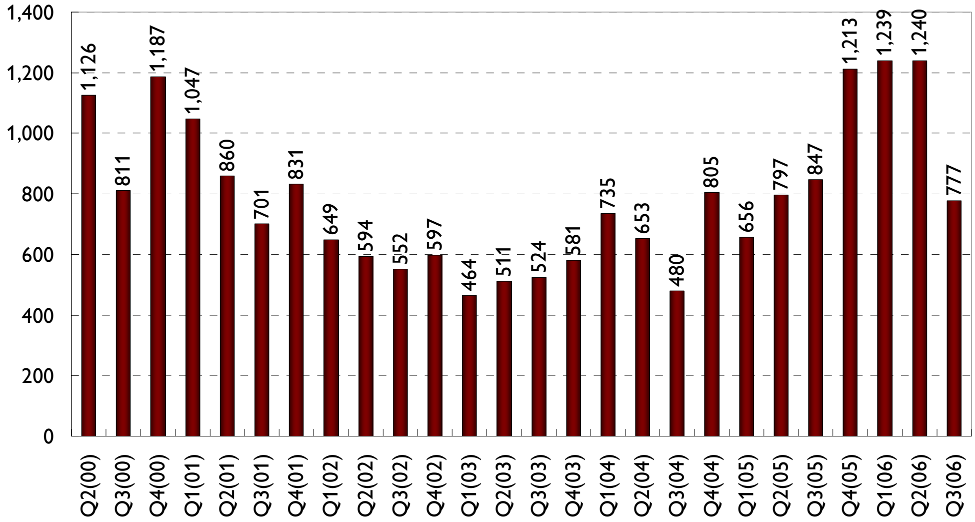
Market environment

The beginning of the third quarter was characterized by uncertainty but markets picked up in the latter part. Carnegie Nordic index was up 11 per cent during the first nine months and 6.7 per cent in the third quarter. Aggregate turnover on the Nordic stock exchanges in the first nine months showed record levels, up 49 per cent compared with the same period last year. Turnover in the third quarter was down 23 per cent from the previous quarter and up 20 per cent compared to the third quarter 2005.

Income

Total income in the first nine months 2006 was SEK 3,256 million (SEK 2,301 million), an increase of 42 per cent Y/Y. In the third quarter, **Securities** income was SEK 347 million, down 4 per cent Y/Y. Income was down 43 per cent from the second quarter mainly due to lower ECM-fees and lower income from trading activities. **Investment Banking** generated total income of SEK 158 million (SEK 187 million), down 16 per cent Y/Y. **Asset Management** income was SEK 158 million (SEK 180 million) down 13 per cent Y/Y, of which SEK 3 million (SEK 50 million) in performance fees. **Private Banking** income was SEK 114 million, 2 per cent down from the same period last year.

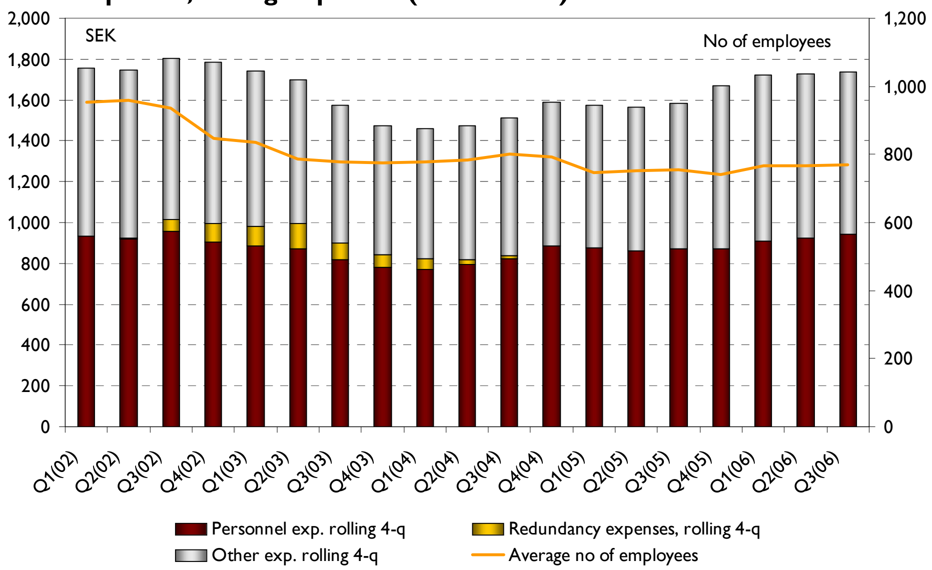
Quarterly income (SEK million)



Total expenses and estimated cost base for 2006

Total expenses before profit-share in the first nine months 2006 were SEK 1,226 million (SEK 1,157 million), up 6 per cent Y/Y. Personnel expenses increased by 12 per cent while other expenses were down by 1 per cent, reflecting a general increase in personnel expenses and the effects of the consolidation of Capital C. Total expenses excluding profit-share for the last four quarters were 1,679 million (excluding one-off expenses of SEK 64 million). Based on current market conditions, total expenses before profit-share in 2006 are expected to be below SEK 1.7 billion, i.e. lower than the estimated cost range of SEK 1.7 to 1.8 billion.

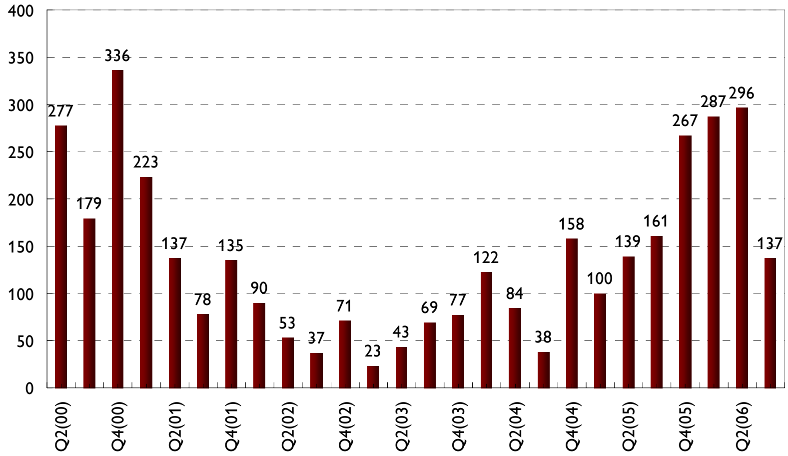
Total expenses, rolling 4-quarter (SEK million)



Allocation to profit-share** in the first nine months 2006 was SEK 1,002 million (SEK 564 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]

The net profit for the first nine months 2006 was SEK 720 million (SEK 400 million), corresponding to a return on equity for the last 12-month-period of 58 per cent. The net profit for the third quarter was SEK 137 million (SEK 161 million).

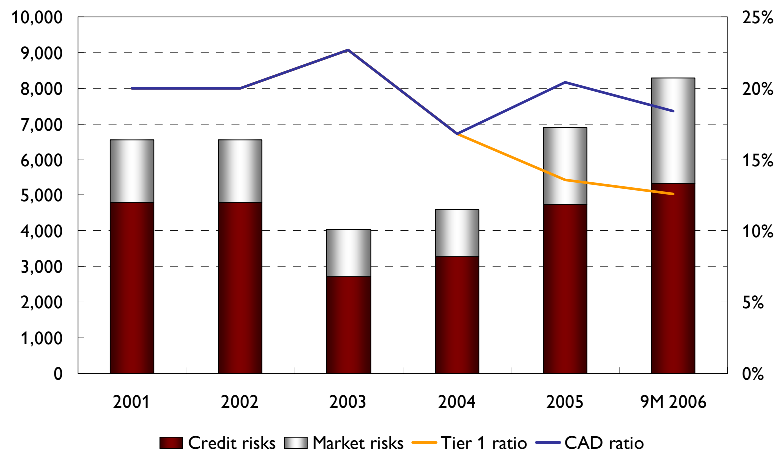
Net profit, quarterly (SEK million)



Risk-weighted assets and capital adequacy

Risk-weighted assets have increased by 20 per cent from year-end to SEK 8.3 billion due to credit risks increasing by 12 per cent to SEK 5.3 billion and market risks increasing by 38 per cent to SEK 2.9 billion. The increase in credit risk is related to increased margin lending to private clients and increased lending to other banks, while the market risk increase is related to increased trading activities and fixed income positions. Total risk-weighted assets, as defined by the Swedish FSA, are illustrated in the graph below.

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



[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 total regulatory capital base at 30 September 2006 amounted to SEK 1,524 million, including Tier 1 capital of SEK 1,042 million and Tier 2 capital of SEK 482 million. The corresponding Tier 1 ratio was 12.6 per cent, and the capital adequacy ratio was 18.4 per cent.

Dividend policy

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 cash not necessary for the development of the business. Business requirements on risk capital shall be assessed through Carnegie's internal business planning process. The aim is to optimize the capital structure in terms of Tier 1 and Tier 2 capital. In the new regulatory environment, a CAD ratio of 12 per cent is considered prudent.

In order to be able to explore future business opportunities in the Securities operations, and to address the increased need for liquidity, it is the Board's view that a certain increase of the total risk capital is required in the medium term, which will be addressed partly through retaining a portion of total earnings for 2006. If Carnegie's warrant programme 2004/2007 (strike price SEK 101) is exercised in full, the programme adds SEK 229 million to Tier 1 capital in the first quarter 2007. At 30 September 2006, 128,900 warrants had been exercised.

Liquidity, financing and investments

Carnegie's principal need for liquidity is to support day-to-day operations, through secured and unsecured short-term funding. The need for long-term funding is relatively low. The main part 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 -675 million (SEK 3,353 million). A more relevant measure of the liquidity is the cash flow from operations before changes in working capital, which was SEK 768 million in 2006 (SEK 434 million). Capital expenditure in 2006 amounted to SEK 30 million (SEK 21 million). See page 22 for further information.

KEY DATA	*Jul - Sep 2006*	*Jul - Sep 2005*	*Jan - Sep 2006*	*Jan - Sep 2005*	*Jan - Dec 2005*
Earnings per share (SEK)	1.98	2.42	10.44	6.00	9.98
Earnings per share, fully diluted (SEK)	1.96	2.40	10.31	5.96	9.80
Dividend per share					9.19
Book value per share (SEK)	-	-	27.2	20.7	25.4
Share price (SEK)	-	-	154.5	99.5	117.0
Price/earnings multiple	-	-	10.8	11.9	11.7
Number of shares at period-end	69,230,500	66,701,600	69,230,500	66,701,600	67,729,900
Average number of shares	69,144,287	66,701,600	69,022,184	66,701,600	66,799,944
Number of shares related to outstanding warrants	2,271,100	4,800,000	2,271,100	4,800,000	3,771,700
Total number of shares, incl effect of issued warrants	69,791,077	67,218,837	69,870,967	67,083,851	68,013,069
Cost/income ratio, %	75%	72%	68%	75%	74%
Profit margin, %	18%	19%	22%	17%	19%
Return on equity, (12 mo) %			58%	43%	49%
Total assets (SEK million)			38,677	23,510	30,859
Margin lending (SEK million)			5,652	4,176	4,428
Deposits and borrowing from general public (SEK million)			8,678	6,730	6,893
Total regulatory capital base (SEK million)			*1,524*	*763*	*1,408*
Tier I capital			*1,042*	*763*	*939*
-Shareholders' equity			1,886	1,379	1,721
-Goodwill			-8	-17	-8
-Intangible fixed assets			-12	-22	-20
-Deferred tax assets			-136	-131	-119
-Dividends					-634
-Profit after tax and foreign exchange differences			-688	-445	
Tier II capital					
-Subordinated loan			*482*		*469*
Total risk-weighted asset (SEK million)			*8,289*	*6,664*	*6,888*
Risk-weighted assets (Credit risks)			5,327	4,437	4,745
Risk-weighted assets (Market risks)			2,962	2,227	2,143
Tier I Ratio, %			12.6%	11.5%	13.6%
Capital adequacy, %			18.4%	11.5%	20.4%
Number of employees, average	772	749	769	748	747
Number of employees, period-end	778	754	778	754	741
Period-end assets under management (SEK billion)*			103	85	92

Key ratios	*2002*	*2003*	*2004*	*2005*	*9M(05)*	*9M(06)*
Net profit (SEK million)	250	211	401	667	400	720
Earnings per share (SEK)	3.75	3.17	6.01	9.98	6.00	10.44
Earnings per share, fully diluted (SEK)	3.75	3.14	5.94	9.80	5.96	10.31
Dividend per share (SEK)	8.93	3.16	5.93	9.19	-	-
Tier 1 ratio	20.4%	22.7%	16.8%	13.6%	11.5%	12.6%
Capital adequacy	20.4%	22.7%	16.8%	20.4%	11.5%	18.4%

Definitions of key ratios

Key ratios have been restated for 2004 according to IFRS. Key ratios regarding 2002-2003 have not been restated due to the transition 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 25). 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 for the first nine months of 2006 was SEK 0 million (SEK 0 million), and the company was showing a loss before financial items of SEK -15 million (SEK -10 million). The net loss before taxes was SEK -21 million (SEK -7 million). At 30 September 2006, cash and liquid assets amounted to SEK 651 million (SEK 20 million). No capital expenditure was made during the period (SEK 0 million). Shareholders' equity adjusted for the equity part (72%) of untaxed reserves at 30 September 2006 was SEK 906 million (SEK 717 million).

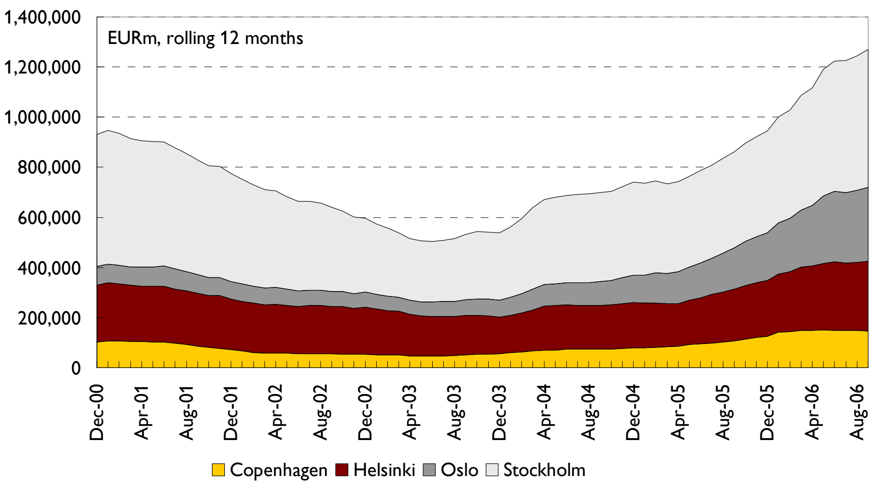
Securities

(SEK million)	Jul - Sep 2006	Jul - Sep 2005	Jan - Sep 2006	Jan - Sep 2005	Chg.	Jan - Dec 2005
Net commission income	*236*	*257*	*955*	*701*	36%	*982*
ECM fees	*31*	*25*	*227*	*86*	164%	*132*
Net interest income	*8*	*1*	*95*	*38*	150%	*61*
Proprietary trading and market making	73	84	392	305	29%	395
Net interest income from financial positions	-2	-4	-69	-53	30%	-66
Other income from financial positions	0	0	0	-1		-1
Net income from financial positions	*71*	*80*	*324*	*251*	29%	*329*
Total income	*347*	*363*	*1 600*	*1 076*	49%	*1 503*
Personnel expenses	-103	-89	-299	-263	14%	-376
Other expenses	-76	-77	-234	-234	0%	-349
Net provisions for credit losses	0	-2	-1	-2		-5
Total operating expenses excluding profit-share	*-179*	*-167*	*-534*	*-499*	7%	*-730*
Business area operating profit before profit-share	*168*	*196*	*1 066*	*577*	85%	*773*
Allocation to profit-share system	-82	-97	-526	-285	85%	-382
Total expenses	*-261*	*-265*	*-1 060*	*-783*	35%	*-1 112*
Business area profit before taxes	*86*	*99*	*540*	*293*	85%	*391*
Cost/income ratio, %	75%	73%	66%	73%		74%
Number of employees, average	340	317	333	313		313
Number of employees, period-end	342	319	342	319		317

Market development

Equity markets improved in the third quarter, boosted by strong M&A activity and falling bond yields. Aggregate turnover on the Nordic stock exchanges in the first nine months showed record levels, up 49 per cent compared with the same period last year. Turnover in the third quarter was down 23 per cent from the previous quarter and up 20 per cent compared to the third quarter 2005, reflecting the strong activity especially in the Norwegian and Swedish stock markets.

Turnover in the Nordic stock markets

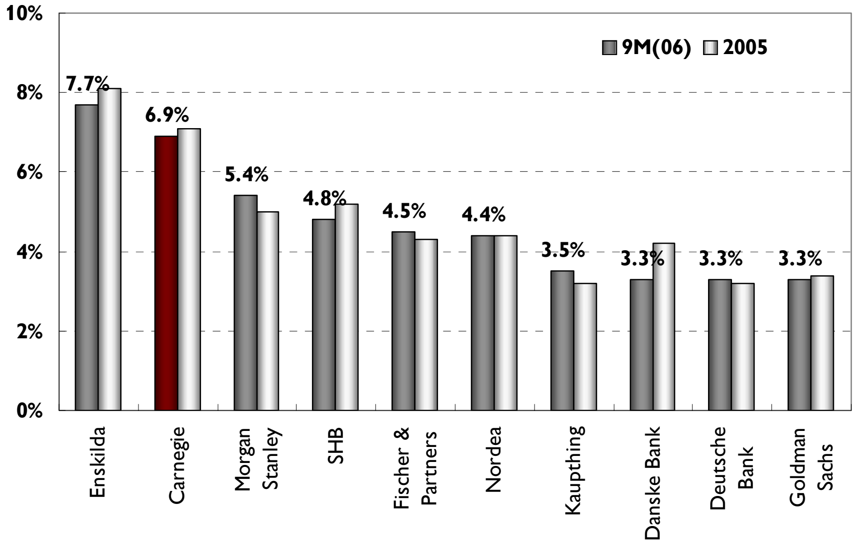


The geographical markets in the Nordic region all showed a turnover increase except for the Danish market that decreased by 8 per cent Y/Y, the Norwegian and Swedish markets saw a Y/Y increase of about 30 per cent, and in Finland turnover increased by 7 per cent Y/Y.

Stock mkt turnover, EURm	Q3(06), Y/Y chg	Q3(06) Q/Q chg	YTD chg
Stockholm	31%	-24%	50%
Helsinki	7%	-18%	33%
Copenhagen	-8%	-15%	25%
Oslo	30%	-25%	81%
Aggregate Nordic	20%	-23%	49%

Market position

Share of Nordic stock market turnover (%)



Carnegie's share of the aggregate Nordic turnover was 6.9 per cent in the first nine months 2006, a decrease from 7.1 per cent for the full year 2005, mainly due to larger activity from international investment banks.

Carnegie's activities in freight derivatives in the Norwegian market have brought greater levels of secondary business. During the past two quarters Carnegie accounted for 15 per cent of the transaction volume at Imarex (The International Maritime Exchange).

Income

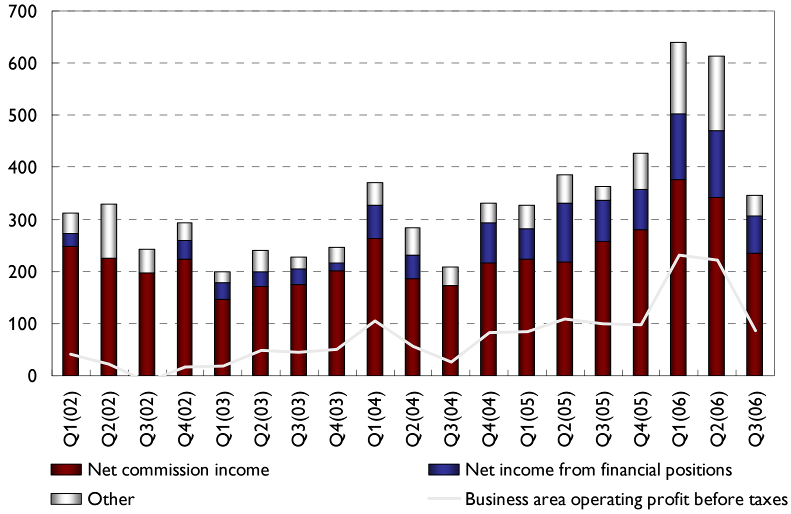
Securities' income in the first nine months was SEK 1,600 million, up 49 per cent Y/Y. Income for the third quarter was SEK 347 million, down 4 per cent Y/Y. Income was down 43 per cent from the second quarter mainly due to lower ECM-fees (income from Equity Capital Markets transactions) and lower income from trading activities. Commission income in the third quarter was SEK 236 million, down 31 per cent from the previous quarter, compared to the turnover decrease of 23 per cent. Net commission generated from non-Nordic clients in the first nine months represented 46 per cent (44 per cent) of the total commission volume from institutional clients.

Expenses and profit before taxes

Total expenses before profit-share amounted to SEK 534 million in the first nine months of 2006, up 7 per cent Y/Y. Profit before taxes was up 85 per cent Y/Y to SEK 540 million.

Quarterly development – Securities

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

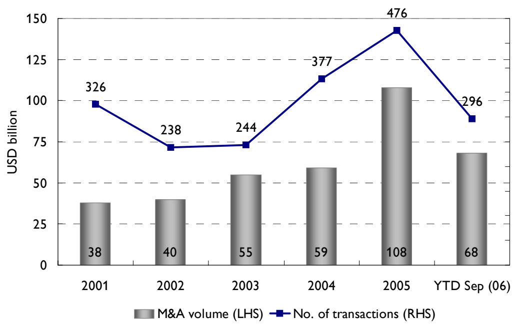


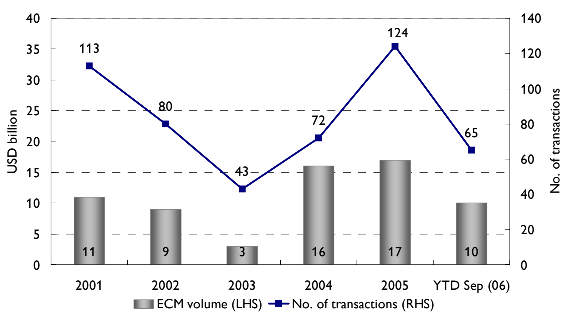
Investment Banking

(SEK million)	Jul - Sep 2006	Jul - Sep 2005	Jan - Sep 2006	Jan - Sep 2005	Chg.	Jan - Dec 2005
ECM fees	58	29	295	94	213%	137
Net income from financial positions	3	4	16	37	-58%	40
Advisory fees	97	153	369	315	17%	556
Total income	*158*	*187*	*680*	*446*	52%	*733*
Personnel expenses	-41	-38	-128	-113	14%	-156
Other expenses	-23	-29	-77	-82	-6%	-111
Total operating expenses excluding profit-share	*-64*	*-67*	*-206*	*-195*	6%	*-267*
Business area operating profit before profit-share	*94*	*121*	*474*	*251*	89%	*467*
Allocation to profit-share system	-46	-60	-234	-124	89%	-231
Total expenses	*-110*	*-126*	*-439*	*-319*	38%	*-497*
Business area profit before taxes	*48*	*61*	*240*	*127*	89%	*236*
Cost/income Ratio, %	70%	67%	65%	71%		68%
Number of employees, average	124	125	126	128		127
Number of employees, period-end	128	128	128	128		124

Market environment

Following on from a first half year which was significantly down on the record levels for the first half of 2005, though nonetheless still ahead of years 2001 to 2004 inclusive, the Nordic M&A (Mergers & Acquisitions) deal volume in Q3 2006 was significantly higher than Q3 for the previous year, boosted by MAN's USD 15.6 billion bid for Scania. For the first nine months of 2006 deal volume was USD 68 billion, 15 per cent lower than the same period last year, but still surpassing full year deal volumes for other recent years.





Source: Thomson Financial Securities Data, October 2006

Nordic ECM volume in the first nine months of 2006 was 17 per cent lower than last year, with a total of 65 transactions and a transaction value of USD 10.4 billion. However, IPO activity continued steadily, volume being up over 50 per cent Y/Y, even though the number of transactions was slightly down, with 19 (22) in the first nine months.

Carnegie

Market position

Nordic Mergers & Acquisitions

Carnegie was joint number 1 in number of transactions and number 7 in terms of volume for the first nine months of 2006, with a total of 42 transactions corresponding to a total value of USD 13.9 billion. All top 5 advisers received "league table credit" of USD 15.6 billion for MAN's public bid for Scania.

Transactions in which Carnegie had an advisory role in Q3 included SeaDrill's mandatory public bid for Eastern Drilling, Eitzen Chemical's acquisition of Songa Shipholding, GE Healthcare's public bid for Biacore International, Segulah's public bid for Närkes Elektriska AB (NEA) and Bure Equity's divestment of Carl Bro to Grontmij in the Netherlands.

Nordic M&A ranked by volume, Jan-Sep 2006 Announced		
Adviser	USD million	#
1. Morgan Stanley	31,164	10
2. Deutsche Bank	28,227	13
3. Citigroup	24,095	13
4. SHB	16,075	9
5. Greenhill & Co, LLC	15,576	1
6. Enskilda	14,300	42
7. Carnegie	**13,949**	**42**
8. Goldman Sachs	10,975	4
9. ABN Amro	8,790	13
10. Lazard	6,492	10

Source: Thomson Financial Securities Data, October 2006

Nordic ECM transactions

In the Nordic Equity capital markets, Carnegie maintained its top position in the ECM league table during the first nine months of 2006, with 22 transactions, making a total value of USD 2.4 billion. Of the top 10 Nordic ECM transactions in the first nine months of 2006, Carnegie had a role in 7.

Transactions during Q3 in which Carnegie had a lead manager role include Bergesen Worldwide's stake increase in Prosafe, SeaDrill's USD 277 million new share issue and secondary placings in Oriflame and KappAhl.

Carnegie was global co-ordinator and/or bookrunner in 6 IPOs during the first nine months, of which Biovitrum AB (Sweden), Eitzen Chemical ASA and Clavis Pharma ASA (Norway) in the third quarter.

ECM

Nordic ECM ranked by volume, Jan-Sep 2006		
Adviser	USD million	#
1. Carnegie	**2,441**	**22**
2. Pareto Securities	1,844	13
3. Enskilda	1,390	19
4. Deutsche Bank	891	4
5. ABG Sundal Collier	675	6
6. UBS	616	3
7. DnB NOR	594	5
8. Merrill Lynch	315	3
9. Goldman Sachs	214	2
10. First Securities	167	1

IPO

Nordic IPO ranked by volume, Jan-Sep (06)		
Adviser	USD million	#
1. Enskilda	675	6
2. ABG Sundal Collier	665	5
3. UBS	577	2
4. Carnegie	**506**	**6**
5. Pareto Securities	343	3
6. Goldman Sachs	116	1
7. Mandatum Pankki	65	1
8. HQ Bank	62	1
9. Nomura	29	1

Source: Thomson Financial Securities Data, October 2006

Income

Income for the first nine months of 2006 increased by 52 per cent Y/Y, to SEK 680 million (SEK 446 million). Income in the third quarter amounted to SEK 158 million, down 16 per cent Y/Y.

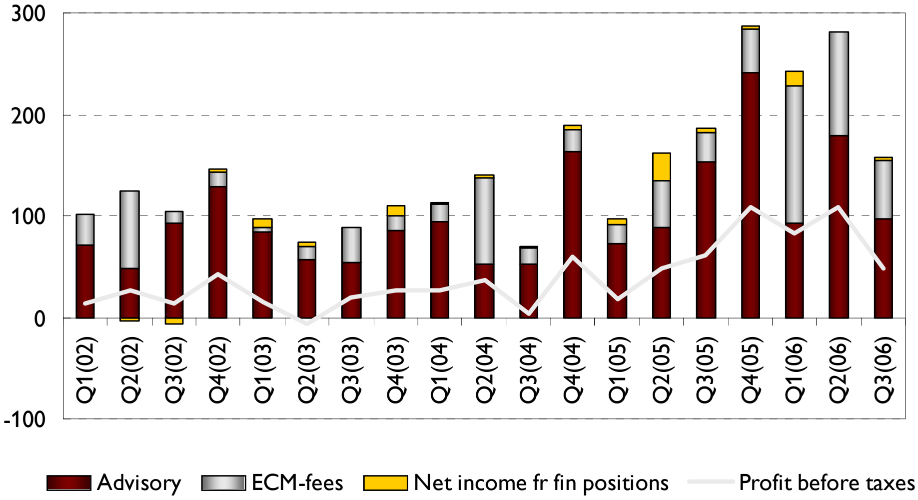
Expenses and profit before tax

Total expenses before profit-share for the first nine months of 2006 were SEK 206 million, up 6 per cent Y/Y. The business area made a profit before taxes of SEK 240 million for the period under review (SEK 127 million).

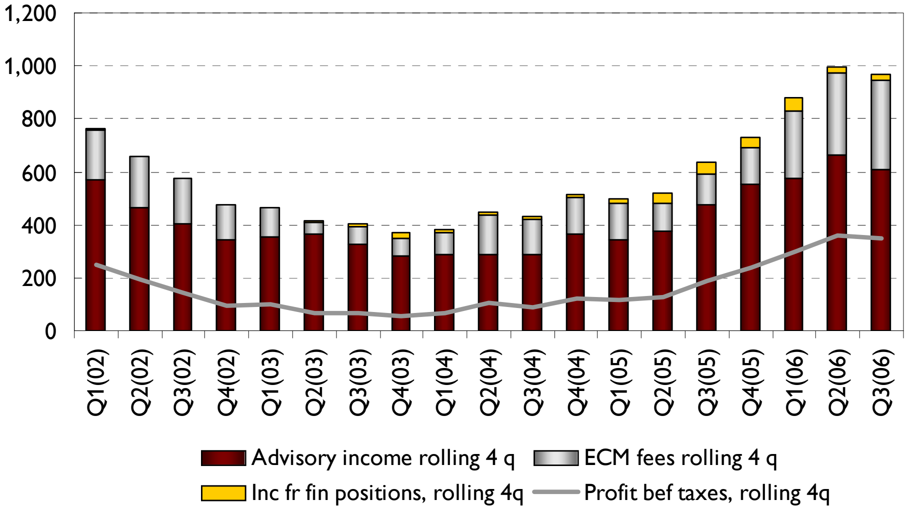
Quarterly development

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)	Jul - Sep 2006	Jul - Sep 2005	Jan - Sep 2006	Jan - Sep 2005	Chg.	Jan - Dec 2005
Regular fees	123	101	408	281	45%	401
Performance fees	2	51	45	80		209
Total income from mutual funds	*125*	*152*	*453*	*362*	25%	*610*
Regular fees	26	25	94	73	28%	103
Performance fees	1	-1	5	1		59
Total income from discretionary fund managemer	*27*	*24*	*99*	*74*	34%	*162*
Advisory fees	*5*	*5*	*19*	*8*	146%	*20*
Total income	*158*	*180*	*572*	*444*	29%	*791*
Personnel expenses	-40	-39	-127	-117	8%	-165
Other expenses	-31	-32	-106	-102	4%	-162
Total operating expenses excluding profit-share	*-71*	*-71*	*-233*	*-219*	6%	*-327*
Business area operating profit before profit-share	*87*	*109*	*339*	*225*	51%	*464*
Allocation to profit-share system	-43	-54	-167	-111	51%	-229
Total expenses	*-113*	*-125*	*-400*	*-330*	21%	*-556*
Business area profit before taxes	*44*	*55*	*172*	*114*	51%	*235*
Cost/income ratio, %	72%	69%	70%	74%		70%
Period-end assets under management (SEK billion)*			*103*	*85*		*92*
- whereof mutual funds			52	44		48
- whereof discretionary fund management			51	41		44
Number of employees, average	131	135	133	135		135
Number of employees, period-end	133	137	133	137		133

*) The AUM figure 30 September has been revised by SEK 1 billion due to a reclassification of the real estate product.

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 the third quarter markets recovered somewhat, and in Sweden, net inflow to equity funds was SEK 11 billion[2].

Rating and product performance

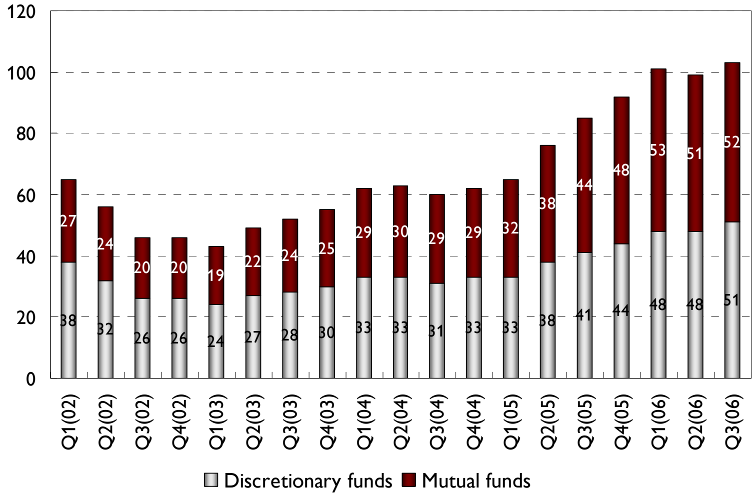
During the first nine months 85 per cent of the assets under management in rated equity funds outperformed their relevant benchmark indices. In terms of external rating, 97 per cent of Carnegie's total assets under management in rated equity funds held 4- or 5-star ratings.[3]

Assets under management

Assets under management (AUM) include discretionary managed portfolios and mutual funds and amounted to SEK 102.5 billion at 30 September 2006, an increase of SEK 10.5 billion from year-end. From the beginning of the year the total inflow amounts to SEK 8.5 billion, mainly reflecting strong progress with respect to international clients and third party inflow from retail clients as well as good institutional inflows in the domestic markets. During the third quarter, total AUM increased by SEK 3.5 billion, mainly reflecting increased asset values and a small net outflow and the reclassification of SEK 1 billion due to the real estate product being removed from AUM. About SEK 6 billion of AUM represents advisory mandates relating to discretionary assignments for Private Banking clients.

[2] Source: Fondbolagens förening, October 2006
[3] Rating 4 or 5 in any of the rating systems Morningstar, Fondmarknaden or W-rating, October 2006. Five stars is the maximum ranking.

Quarterly development of AUM (SEKbn)



Income

Total income in Asset Management in the first nine months 2006 was SEK 572 million (SEK 444 million), an increase of 29 per cent, reflecting the Y/Y increase in assets under management of 20 per cent and the shift towards high-margin products. Income in the third quarter was SEK 158 million (SEK 180 million), a decrease of 13 per cent Y/Y, mainly reflecting lower income from performance fees. Income from **mutual fund products** was SEK 125 million (SEK 152 million) and income from **discretionary mandates** was SEK 27 million (SEK 24 million).

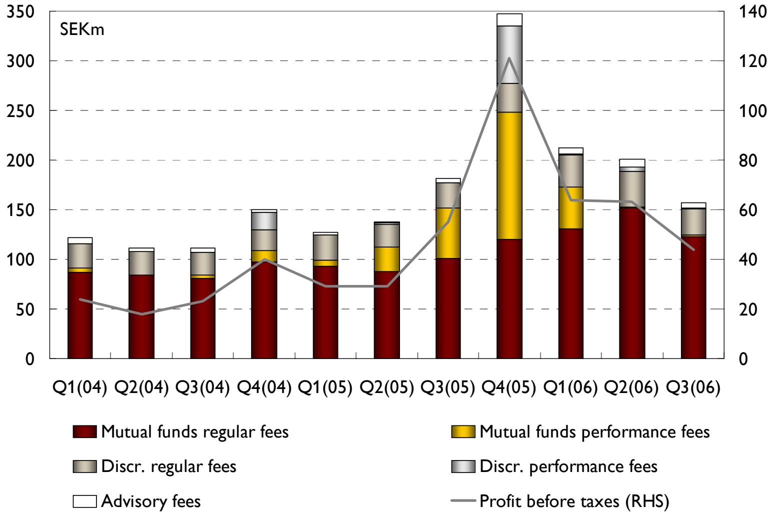
About 23 per cent of the total assets under management (discretionary mandates as well as mutual funds) had a **performance-related fee structure** at 30 September 2006, compared to 16 per cent of AUM at 30 September 2005. The increased share of AUM in performance-related fee structures increases volatility in income. 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 the first nine months 2006, total performance fees amounted to SEK 50 million (SEK 81 million), of which SEK 3 million (SEK 50 million) in the third quarter.

Expenses and profit before taxes

Total expenses before profit-share for the first nine months was SEK 233 million (SEK 219 million), an increase by 6 per cent Y/Y, and the profit before taxes improved by 51 per cent Y/Y to SEK 172 million (SEK 114 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.

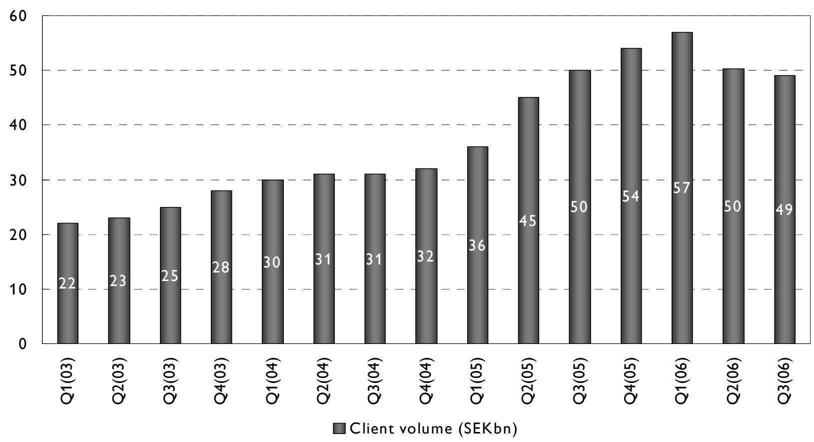


Private Banking

(SEK million)	Jul - Sep 2006	Jul - Sep 2005	Jan - Sep 2006	Jan - Sep 2005	Chg.	Jan - Dec 2005
Total income	*114*	*116*	*405*	*335*	21%	*486*
Personnel expenses	-48	-44	-143	-130	10%	-174
Other expenses	-34	-34	-111	-115	-3%	-177
Net provisions for credit losses	0	0	1	0		0
Total operating expenses excluding profit-share	*-82*	*-79*	*-253*	*-245*	3%	*-350*
Business area operating profit before profit-share	*32*	*37*	*152*	*91*	68%	*136*
Allocation to profit-share system	-16	-19	-75	-45	68%	-67
Total expenses	*-98*	*-97*	*-328*	*-289*	13%	*-417*
Business area profit before taxes	*16*	*19*	*77*	*46*	68%	*69*
Cost/income ratio, %	86%	84%	81%	86%		86%
Client volume (SEK billion)*			49	50		54
Number of employees, average	176	172	176	172		171
Number of employees, period-end	175	170	175	170		168

Market environment
After the correction in the end of the second quarter, market conditions in Q3 picked up in the latter part. The remaining uncertainty resulted in a defensive private banking market and activity stayed on a lower level than during the beginning of the year.

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 49 billion at 30 September 2006, down SEK 5 billion from the beginning of the year. About SEK 6 billion of the client volume relates to discretionary assignments for which Asset Management have advisory mandates, and is also included in the AUM presented by business area Asset Management.



Income

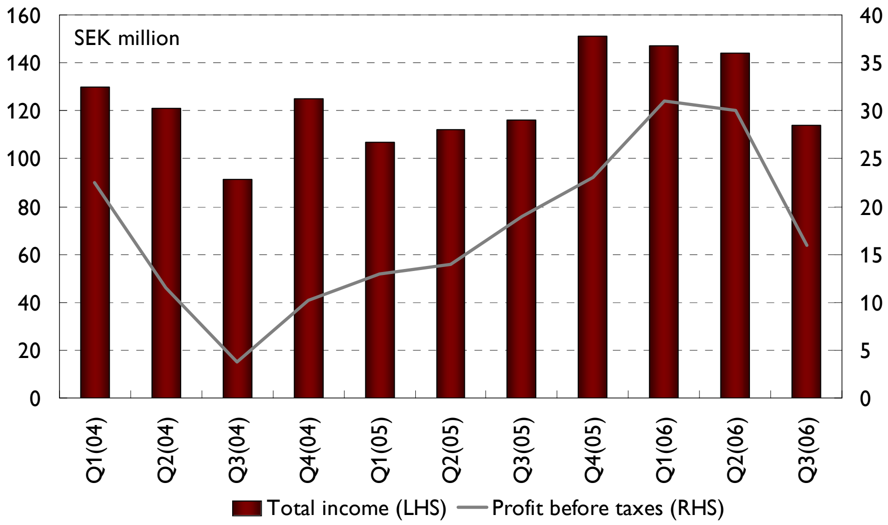
Private Banking income is generated as fees from discretionary asset management and mutual fund management, brokerage commission from advisory accounts, sales provision from distribution of Carnegie's and external mutual funds, interest net from lending and deposits and advisory fees from legal and insurance advice. Total income in the first nine months 2006 was SEK 405 million (SEK 335 million), an increase of 21 per cent from the previous year. Fees from mutual fund management, discretionary portfolios, advisory services and net interest income accounted for over half of total income and covered 75 per cent of total operating expenses excluding profit share.

Expenses and profit before taxes

Total expenses for the first nine months was SEK 328 million, up 13 per cent Y/Y. Profit before taxes in the first nine months 2006 was up by 68 per cent Y/Y to SEK 77 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, 25 October 2006

Stig Vilhelmson
Chief Executive Officer

Review Report

Introduction

We have reviewed the interim report for D. Carnegie & Co AB (publ), reg. No. 556498-9449 for the period from January 1, 2006 until September 30, 2006. 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 this interim report has not, in every significant respect, been prepared in accordance with IAS 34 and the provisions of the Swedish Annual Accounts Act.

Stockholm, October 25, 2006

KPMG Bohlins AB

Anders Ivdal
Authorised Public Accountant

Segmental reporting

Segmental reporting (SEK million)	Total 9M(06)	Total 9M(05)	Securities 9M(06)	Securities 9M(05)	Investment Banking 9M(06)	Investment Banking 9M(05)	Asset Management 9M(06)	Asset Management 9M(05)	Private Banking 9M(06)	Private Banking 9M(05)
Total income	*3,256*	*2,301*	*1,600*	*1,076*	*680*	*446*	*572*	*444*	*405*	*335*
Personnel expenses	-697	-623	-299	-263	-128	-113	-127	-117	-143	-130
Other expenses	-529	-533	-234	-234	-77	-82	-106	-102	-111	-115
Net provisions for credit losses	1	-1	-1	-2	-	-	0	0	1	0
Total operating expenses excluding profit-s	*-1,226*	*-1,157*	*-534*	*-499*	*-206*	*-195*	*-233*	*-219*	*-253*	*-245*
Operating profit before profit-share	*2,031*	*1,143*	*1,066*	*577*	*474*	*251*	*339*	*225*	*152*	*91*
Allocation to profit-share system	-1,002	-564	-526	-285	-234	-124	-167	-111	-75	-45
Total expenses	*-2,227*	*-1,721*	*-1,060*	*-783*	*-439*	*-319*	*-400*	*-330*	*-328*	*-289*
Profit before taxes	*1,029*	*580*	*540*	*293*	*240*	*127*	*172*	*114*	*77*	*46*
Taxes	-309	-180								
Net profit	*720*	*400*								

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)

	Jul - Sep 2006	*Jul - Sep 2005*	*Jan - Sep 2006*	*Jan - Sep 2005*	*Jan - Dec 2005*
Commission income	697	774	2,839	1,996	3,122
Commision expense	-40	-44	-127	-111	-163
Net commission income	*657*	*731*	*2,712*	*1,885*	*2,959*
Interest income	189	83	465	258	364
Interest expenses	-158	-69	-366	-214	-288
Net interest income	*31*	*14*	*99*	*45*	*76*
Dividends received	0	0	1	2	2
Net profit from financial transactions	89	102	444	370	478
Total income	*777*	*847*	*3,256*	*2,301*	*3,515*
General administrative expenses	-566	-601	-2,180	-1,686	-2,523
Depreciation of tangible and amortisation of intangible fixed assets	-15	-11	-48	-34	-55
Total expenses	*-582*	*-612*	*-2,228*	*-1,720*	*-2,579*
Operating profit before provisions for credit losses	*195*	*235*	*1,029*	*581*	*936*
Provisions for credit losses, net	0	-2	1	-1	-5
Write-down of financial fixed assets	-	-	-	-	-1
Profit before taxes	*195*	*234*	*1,029*	*580*	*931*
Taxes	-59	-72	-309	-180	-264
Net profit	*137*	*161*	*720*	*400*	*667*
Earnings per share (SEK)	1.98	2.42	10.44	6.00	9.98
Earnings per share, fully diluted (SEK)	1.96	2.40	10.31	5.96	9.80
Average number of shares	69,144,287	66,701,600	69,022,184	66,701,600	66,799,944
Number of shares related to outstanding warrants	2,271,100	4,800,000	2,271,100	4,800,000	3,771,700
Total number of shares, incl effect of issued warrants	69,791,077	67,218,837	69,870,967	67,083,851	68,013,069

Statements of changes in financial position
(SEK millions)

	Group		
Current operations	*Jan - Sep 2006*	*Jan - Sep 2005*	*Jan - Dec 2005*
Cash flow from operations before changes in working capital	768	434	675
Changes in working capital	-675	3,353	5,253
Cash flow from current operations	*93*	*3,787*	*5,928*
Cash flow from investment activities	-27	-23	-80
Change in long-term liabilities	-4	-	486
Exercised warrants	112	-	74
Distributed dividend	-634	-396	-396
Cash flow from financing activities	*-526*	*-396*	*164*
Cash flow for the period	*-460*	*3,368*	*6,013*
Liquid funds at the beginning of the year	9,244	3,088	3,088
Exchange differences in liquid funds	-92	130	143
Liquid funds at the end of the period	*8,691*	*6,586*	*9,244*

Statutory consolidated balance sheet
(SEK millions)

Assets	*Sep 30 2006*	*Sep 30 2005*	*Dec 31 2005*
Cash and bank deposits in central banks	486	325	316
Loan to credit institutions	8,267	6,260	8,968
Loans to general public	5,652	4,176	4,428
Bonds and other interest bearing securities	2,000	1,533	1,828
Shares and participations	12,665	5,641	7,096
Shares and participations in associated companies	-	5	-
Intangible fixed assets	56	40	85
Tangible fixed assets	73	68	66
Other assets	8,968	4,294	7,619
Prepaid expenses and accrued income	510	1,169	454
Total assets	*38,677*	*23,510*	*30,859*
Liabilities and shareholders' equity			
Liabilities to credit institutions	11,457	5,928	8,830
Deposits and borrowing from general public	8,678	6,730	6,893
Other liabilities	14,806	7,125	11,708
Accrued expenses and prepaid income	1,368	2,348	1,222
Subordinated loan	482	-	486
Shareholders' equity	1,886	1,379	1,721
Total liabilities and shareholders' equity	*38,677*	*23,510*	*30,859*

Changes in shareholders' equity
(SEK millions)

	Sep 30 2006	*Sep 30 2005*	*Dec 31 2005*
Shareholders' equity - opening balance	1,721	1,330	1,330
Dividend (Q1)	-634	-396	-396
Translation differences	-32	44	49
Write-down of Goodwill	-	-	-4
Exercised warrants	112	-	74
Net profit for the period	720	400	667
Shareholders' equity - closing balance	*1,886*	*1,379*	*1,721*

Ownership structure

Larger shareholders 30 September 2006	Votes and capital%
Carnegie employees[1]	7.5%
Barclays Global Investors	5.1%
Robur fonder	4.8%
Firstnordic fonder	2.1%
Nordea fonder	2.1%
Catella fonder	1.9%
SHB/SPP fonder	1.8%
Franklin-Tempelton Funds	1.7%
SEB fonder	1.4%
Skandia Liv	1.4%
Abu Dhabi Investment	1.3%
Other	68.9%
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 910,000 shares, corresponding to 1.3 per cent of the shares outstanding, included in the total employee shareholding.

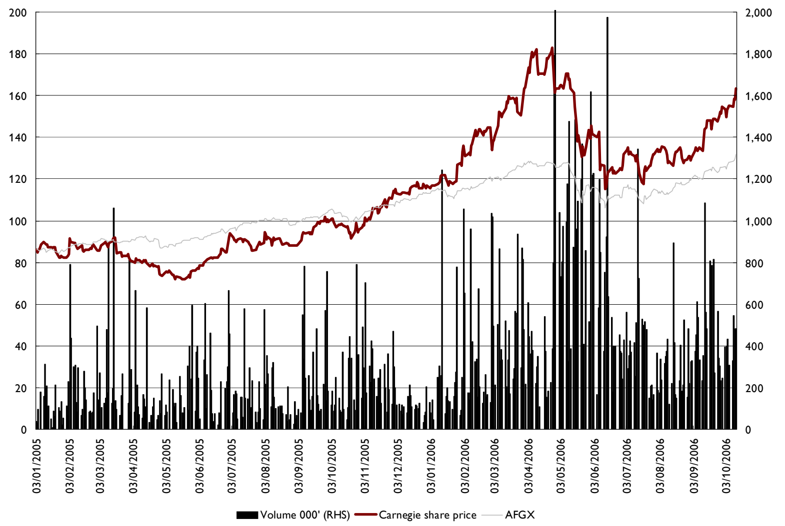
Employee shareholding

Total shareholding by employees is estimated at 7.5 per cent of the total number of shares outstanding at 30 September 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.

Remaining open period 2006 and open periods in 2007, all dates inclusive:

26 October – 30 November, 2006
2 February -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 – 12 October 2006



Share information (SEK)	
Market value 30 September 2006 (SEKm)	10,696
Share price 30 September 2006	154.5
Share price 31 Dec. 2005	117
Share price at the IPO	115
Year high 2006	188.0
Year low 2006	112.5
All time high	188.0
All time high date	25 April 2006

Listing: Stockholmsbörsen (SWE), List O
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 30 September 2006	Increased equity if fully subscribed (SEKm)	Corresponding share of capital
2004/2007	2,400,000	101	1 Apr 2005-27 Apr 2007	2,271,100	242	3.5%

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

At 30 September 2006 there was one warrant programme outstanding, distributed to Carnegie employees in 2004. The strike price is SEK 101 and the programme adds SEK 229 million to equity in the first quarter 2007 if exercised in full. At 30 September 2006, 128,900 warrants had been exercised.

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 in the first nine months.