



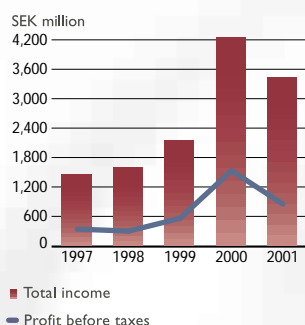
## Contents

Carnegie in brief	4
Carnegie 2001	5
The CEO's comments	6
Business idea and strategy	11
Economic overview	14
5-year financial overview, income statement and operating data	16
Definitions of key ratios	17
The Carnegie Group	18
Business areas	
Securities	20
Investment Banking	24
Asset Management & Private Banking	30
Board of Directors	36
Executive Officers	37
Compensation	38
Employees and incentive programme	39
Capitalisation and dividend policy	40
Share information and ownership structure	42
Risk management	44
Compliance	46
Carnegie and the environment	47
History	48
Administrative report	49
Statutory consolidated income statement	52
Statutory consolidated balance sheet	53
Statement of changes in financial position - Group and Parent Company	54
Income statement of Parent Company	55
Balance sheet of Parent Company	56
Accounting policies	58
Notes to financial statement - Group	61
Notes to financial statement - Parent Company	70
Auditors' report	73
Addresses	74
Financial calendar 2002	

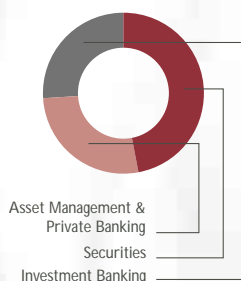
## Carnegie in brief

*Carnegie is the leading Nordic investment bank and asset management firm operating in three principal business areas; Securities, Investment Banking and Asset Management & Private Banking. Carnegie provides a wide array of services and products to Nordic and international clients from offices in seven countries: Sweden, Denmark, Norway, Finland, Luxembourg, UK and the US.*

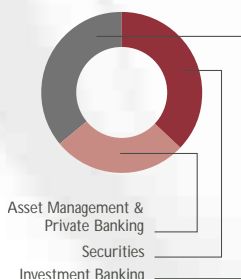
Income and profit



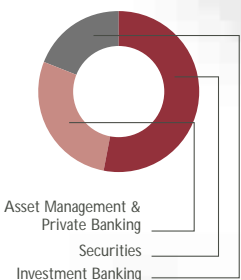
Income by business area 2001



Profit before taxes by business area 2001\*



Employees by business area 2001



SEK million

### D. Carnegie & Co AB

Total income 3,440

Profit before taxes 852\*

#### Securities

Denmark  
Finland  
Norway  
Sweden  
United Kingdom  
United States

##### Products and services

Equity research  
Equity securities  
brokerage  
Equity derivatives  
brokerage  
Equity trading  
Deposits and margin  
lending  
Fixed income sales and  
trading

**Total income** 1,615

**Profit before taxes** 329

#### Investment Banking

Denmark  
Finland  
Norway  
Sweden

##### Products and services

Equity capital markets  
services  
Mergers and acquisitions  
advisory services  
Structured finance  
products and services

**Total income** 901

**Profit before taxes** 323

#### Asset Management & Private Banking

Denmark  
Finland  
Luxembourg  
Norway  
Sweden

##### Products and services

Mutual funds  
Discretionary asset  
management  
Private banking  
Pension consulting

**Total income** 924

**Profit before taxes** 235

\*1) The result from principal investments and the bonus effect from the result (net effect SEK -35 million) are not allocated to the business areas.

## Carnegie 2001

- The Nordic stock market index closed 25 per cent down during 2001 after having been down by 40 per cent at its lowest point in September. Turnover in the Nordic equity markets was down by 14 per cent. Mergers & acquisition volumes were down by 49 per cent and equity offerings were down by 64 per cent.
- In these challenging markets, Carnegie managed to reinforce its position as the leading Nordic investment bank. Total income 2001 was SEK 3,440 million, down 19 per cent from 2000 (SEK 4,247 million). Income from business area Securities was SEK 1,615 million, down 29 per cent, Investment Banking income was SEK 901 million, down 6 per cent and Asset Management & Private Banking income was SEK 924 million, down 10 per cent. Total assets under management were SEK 73 billion, down by 8 per cent.
- Net profit for 2001 was SEK 572 million, down 48 per cent from 2000. The profit corresponds to a return on equity of 38 per cent (85 per cent). Earnings per share were SEK 8.76 (SEK 17.20) based on the average number of shares outstanding.
- The Tier 1 ratio excluding the profit for 2001 is 20 per cent, which well exceeds the target ratio of 15 per cent. The Board of Directors will therefore propose a dividend of SEK 8.57 per share, equivalent to 100 per cent of earnings per share, calculated on the number of shares outstanding at year-end.
- Total expenses for 2001 were down by 15 per cent to SEK 2,522 million, reflecting an increase in operating expenses excluding bonus of 20 per cent and a decline in bonus expenses of 48 per cent.
- The result from principal investments was SEK –65 million (SEK 251 million), mainly reflecting the mark-to-market valuation of Carnegie's holding in Orc Software.
- D. Carnegie & Co AB was listed on the O-list at Stockholmsbörsen (Stockholm Stock Exchange) on 1 June 2001. The offering, which comprised 18 per cent of the shares (19 per cent including over-allotment), was subscribed more than 30 times and the market capitalisation at the offering price SEK 115 was SEK 7.7 billion. Since January 2002, Carnegie's shares have been traded at Attract 40, a special section of the O-list of Stockholmsbörsen consisting of the 40 most actively traded shares on that list.
- At an extraordinary general meeting on 28 November 2001, the shareholders voted in favour of a warrant programme (Warrants 2002/2005) to Carnegie's employees. Full utilisation of the warrants will result in a dilution of 3.6 per cent of Carnegie's share capital.
- In February 2002 the Board of Directors decided to propose a warrant programme 2003/2006 to the AGM. Including the existing warrant programme and assuming that the programme is exercised in full, the dilution of the share capital would be 7.2 per cent.

# The CEO's comments

## Dear Shareholder,

We will all remember 11 September 2001. On a sunny day, our open society was hit out of the blue with its guard down. Innocent people were killed in thousands. People of many nationalities and many religions and of all ages. Many more people were left traumatised. Some of them had relatives and friends among the victims, and many more could otherwise relate to people they had met or heard about. Hundreds of millions of people were deeply shocked.

In this state of shock, however, a growing appreciation of core values emerged. Values which were taken for granted, but which we once again were reminded of. Values on which our open society is built.

Our leaders urged us to return to doing business as usual. Not mainly because of a wish to fend off a recession or to show that we don't fall back because of terror, but rather because business is one of those things that not only make our society prosper, but also help create relationships between people – across borders, nationalities and cultures. And it is relationships that will feed the foundations where good values will survive and grow, whilst the bad will be more and more marginalised.

You might reflect that who am I to paint these colours – Carnegie being the leading Nordic investment bank, but surely only a detail in the universe. But it is my firm view that businesses, cultures, values are built by many small pieces and from the bottom upwards. The events in September struck us all – but we have all now received one more important cause for our business agenda. Let's not shy away from that; instead let's proudly add it to our foundation, our *raison d'être*.

## Markets substantially down – and many investors badly hit

The effects of the events of 11 September only added to a year, which is one of the worst experienced by the financial markets for many years. The Carnegie Total Cap Index-Nordic declined by 25 per cent and turnover was down by 14 per cent. Also M&A volumes were down by 49 per cent. Worst hit, however, were equity offerings, which were down by 64 per cent. And flows to equity funds almost disappeared.

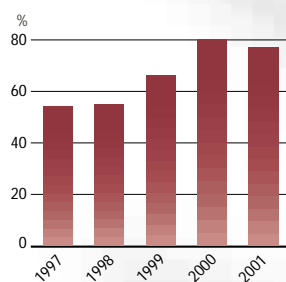
In these kinds of markets, there were many investors that took a lot of pain, both institutional and private investors. Some managed to partly protect themselves by real-locating to other assets than equities – mainly to fixed income products. But others (including Carnegie Asset Management) have seen reduced values of their portfolios and some have even been very badly exposed to some stocks in, for example, the IT-sector, which has taken substantial hits.

We now see indications that the reallocation tide is about to change again. Institutional investors have thus started to reallocate their portfolios back towards a higher proportion of stocks. But how about private investors? Nobody knows, but it is encouraging for markets and companies that benefit from equity markets in the Nordic region, that the share of the capital of private individuals in Sweden (i.e. the largest Nordic market), directly or indirectly (i.e. through funds) invested in the equity markets, has remained virtually unchanged during 2001 despite the fall in the equity markets. And the share of the population that owns stocks is almost 4 out of 5 individuals. It certainly indicates that the equity culture that has been built during the last decade among the general public has come to stay.

Carnegie Total Cap Index-Nordic, 1997–2001



Share of population owning shares, Sweden



The Swedish Association for Share  
Promotion, Feb 2002

### Delayed IPOs – but Carnegie went ahead

In addition to the pain to investors caused by the downturn in the equity markets, many companies have not been able to use the markets as planned to raise capital or to go public. This means that many companies have been forced to revise their plans on if, how and when to approach the markets. From the point of view of the investment banking industry, these changes of plans have of course meant that investment banking income has been substantially reduced. Normally, however, downturns in the equity markets cause companies to delay their agenda on approaching the market, not to scrap it altogether. So for the investment banking industry, potential improvement in the equity markets should also be accompanied by many companies realising the plans they have postponed during 2001. Any such pattern would of course be most rewarding for the investment banking industry.

The IPO of Carnegie which was successfully completed in June, was actually one of the few that went ahead as planned in 2001. In the final analysis, all parties concluded that we should go ahead despite the poor markets, since so much momentum had been built into the process – and despite the fairly limited liquidity that was created in the stock at the time of the float. Our experience from the floatation has been very positive and we are most delighted to have established relations with many new investors, especially in Europe and in the US.

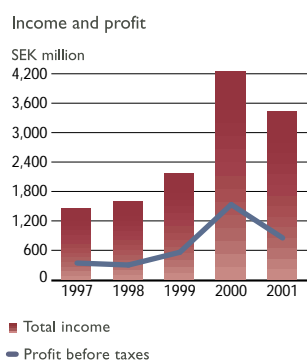
### Growing markets long term

Despite the downturn in the markets from spring 2000, it is my firm belief that the markets will continue to grow long term. They will have their ups and downs, but taken over many years, they will continue to grow. Several fundamental reasons lie behind this conclusion: demographic factors in the western world demand more savings than in the past (to put it simply: people get older); the old “pay as you go”-systems for supporting retired people can’t make it any longer (i.e. we can’t raise taxes any longer to pay for pensions) – instead people have to save; continuing privatisation of important parts of public sectors; continuing globalisation of industries will need investment banking services to continuously rewrite the corporate landscape; technical progress will continue – with needs for growing companies to tap the capital markets and with an ongoing restructuring of companies.

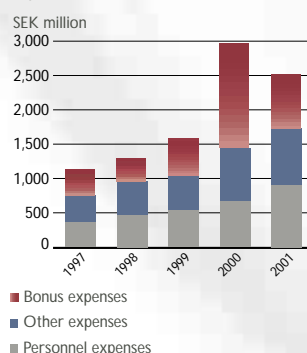
So the investment banking industry focused on equities will continue to prosper from growing markets in the long term. For sure, many companies have been forced to adjust their capacity in 2001, but long-term there is growth. The importance of the growth potential is present for each company in the industry because of the operating leverage that is so characteristic of our industry. The infrastructure we need in order to run the business – i.e. people, systems and reputation (but not excess capital; see below) – is there every day, whether there is business to be done or not. Therefore, if the business opportunities grow, the marginal cost to serve the increase in demand is fairly low – and the marginal profit very high.

### But short-term: 2001 was a difficult year – also for Carnegie

In the bad markets of 2001, Carnegie’s total income was SEK 3,440 million. This was down 19 per cent from the peak year of 2000, but is still very much in line with our long-term growth path. Total costs were SEK 2,522 million, down by 15 per cent from the year before. Together with a loss from principal investments (mainly our position in Orc Software), this produced a result before tax of SEK 852 million, down 44 per cent



Expenses 1997 – 2001



from 2000. Due to some non-recurring items, the tax cost was 33 per cent (rather than 30–31 per cent which is the norm), and the net profit therefore became SEK 572 million, down 48 per cent from the previous year. Needless to say, this represents a substantial reduction, but viewed in a long-term perspective, the net profit adds to a long-term trend of growing profits. The net profit corresponds to a return on equity of 38 per cent.

### Our business model

Our total income is a result of clients' decisions to do business with us. Nothing comes for free and we always have to focus on how to best serve our clients. Since the market is open to anyone, the key competitive tool is to try to be best in serving the client. Of course, you have to accept that the client sometimes appreciates someone else's service more, but you still have to try to be the best. Since you can't be best at everything, it is this ambition that has made us take the strategic decision to focus on being the leading Nordic investment bank – no more, no less.

The service we provide to clients is given by the Carnegie employees. They are the key reason why clients view our service as competitive. For sure, we need the infrastructure – physical, technological, regulatory, etc – but that's a restriction; at the end of the day it is through the efforts, knowledge, ambitions and commitment of Carnegie staff that we meet the client's needs and expectations.

When markets are down, and clients do less business and income for the company is down, it is the duty of any company to try to adjust its costs accordingly. But one has to remember that costs in the investment banking industry almost entirely, directly or indirectly, relate to staff. To simplify, costs are made up of three components: basic compensation to staff, costs for what staff need (i.e. facilities, IT, travel, offices, etc) and bonus costs to staff. So, in other words, if costs are to be adjusted to lower levels because of falling revenues, one has to reduce one or more of these components.

In Carnegie's case, the income for 2001 was down 19 per cent. The reduction in costs almost matched this decline – down 15 per cent. But the make-up of this reduction was an increase in basic compensation (mainly because of an increase in staff of 23 per cent) of 33 per cent (to SEK 906 million), an increase in other costs (which are in effect also mainly staff-related) of 8 per cent to SEK 829 million and a decrease in bonus costs of 48 per cent to SEK 784 million. So, in other words, our way of adjusting to the downturn in the markets has, on the one hand, been to try to continue to build our company by adding new staff to further improve our service to clients, and, on the other hand, almost halve the variable costs, i.e. bonus costs, as an effect of our strict bonus formula (bonus cost is 50 per cent of pre-bonus profit adjusted for a required return on equity). Our way of adjusting therefore reflects the belief that, long-term, our industry will continue to grow and that we therefore need to increase our capacity to serve clients rather than reducing the basic compensation by reducing our staff. Needless to say, when markets are down we need to be extra cautious with costs (and the increase in staff did actually level off during the year), but we will expand our capacity rather than reduce it as long as we believe that the markets, long-term, will grow. And this is precisely what we believe and on which our business model is built.

### Securities most badly hurt by the markets

The biggest contributor to our total income was our Securities business, SEK 1,615 million. This was, however, 29 per cent down from the year before (SEK 2,261 million)

and the operating profit for our business area Securities was therefore down 53 per cent to SEK 329 million (SEK 700 million) after a reduction of costs of 18 per cent. Despite these developments we have reasons to believe that we have continued to grow relative competition in this business area.

One of the key components of our service concept to our clients in our Securities business is the quality of our equity research product. We have about 70 analysts who regularly cover more than 400 companies and approximately 95 per cent of the aggregate market capitalisation of the Nordic markets. We are now acknowledged as the top research house in several polls, both internationally and locally. This is very encouraging.

Our position in all Nordic markets is now very strong. But it can improve further. One important component in this effort is to improve our position with non-Nordic institutional investors. During the year we have therefore substantially upgraded our service to European clients by growing the number of staff and concentrating our service base to London (rather than Stockholm and Copenhagen as before). During the year we have also substantially upgraded our service to US investors from our office in New York. Together with our team in London serving UK clients, which already has established a very good penetration of the market, we are now very well positioned to further improve our market shares in the important segment of non-Nordic institutional clients.

Another important area where we have lots more to do in improving our relative position is with private clients. However, 2001 was not a year where private clients prospered and the size of this market actually declined relative to the institutional market.

### **Strong Investment Banking activity despite weak markets**

Our Investment Banking business area reported income of SEK 901 million for 2001, which was 6 per cent down from the previous year (SEK 961 million). Since the costs were down 2 per cent – reflecting increased costs excluding bonus of 25 per cent on the back of an increased average staff level of 32 per cent, combined with reduced bonus costs of 19 per cent – the operating profit was down 13 per cent to SEK 323 million (SEK 370 million). This performance certainly corresponds to the notion of substantial growth relative to competition.

The most obvious area to find illustrations of improved market position is in the area of Mergers & Acquisitions (“M&A”). Whilst the overall transaction volumes were substantially down, our advisory fees, which primarily come from our M&A business were actually up 20 per cent to SEK 669 million (SEK 555 million). We were ranked #1 by Thomson Financial Securities Data in terms of numbers of M&A transactions, and #4 in terms of volume. We also had a very strong position within the area Equity Capital Market Services. Thus, in the Nordic IPO market during 2001 we were also ranked #1 in terms of number of transactions. But since the overall market was substantially down, our underwriting revenues were also down (by 44 per cent).

But even though we have improved our market position we still have a lot to do within Investment Banking. As a matter of fact, to grow relative to competition in larger transactions (either larger deals and/or more senior positions) is one of the key areas for relative growth that we have targeted. In a year like 2001, when especially the market for large deals was substantially reduced, we have not yet been properly tested in this ambition.



### **Moderate decline in Asset Management & Private Banking despite difficult markets**

In Asset Management & Private Banking our income for the year was SEK 924 million, down by 10 per cent (SEK 1,024 million). Since our market shares in this area are relatively small, this is the area where we have put the strong emphasis on growth. Total costs excluding bonus were therefore up 33 per cent following an increase in average headcount of 23 per cent. Operating profit declined by 30 per cent to SEK 235 million (SEK 336 million).

Our investment focus in Asset Management can be captured – although slightly simplified – by three dimensions: we almost only run equity products; we are “long only” (i.e. we don’t act like hedge funds); and we have a growth bias in our portfolios. With this focus it is inevitable that a year like 2001 must turn out very troublesome. And for sure, the overall performance of important segments of our product range has been negative, and has in some disciplines not met benchmarks.

Despite these developments, however, we have not suffered relative to competition during the year. On the contrary, our assets under management declined by only 8 per cent, from SEK 79 billion to SEK 73 billion. Behind this reduction of SEK 6 billion, there was a decrease in asset values of SEK 17 billion, but we had a net inflow of SEK 11 billion. We trust that this is based on an expectation from clients that our investment process will generate competitive returns at given risks over the long term.

Despite further improving our competitive position, however, there remains a lot to do in coming years. Especially in the market for private investors. But once again, 2001 was not really the year for the private investor in equities. However, it is encouraging that we continue to improve our market share in the equity mutual fund market.

### **A final word to our clients and staff**

To state the obvious: we are here because of our clients. I want to thank each and every one for the trust we have received during the year. 2001 turned out to be one of the most difficult in the financial markets for many years. Let us all wish that the markets will improve and, for sure, all the staff of Carnegie will do their utmost to assist also in the future.

The key asset of Carnegie is the staff. Together, we have achieved the goal of becoming the leading Nordic investment bank. Together, we will see to it that we serve our clients in such a professional way, that we may improve our lead further. Each and every one makes the difference. And I want to thank each and every one for their relentless efforts, commitment, focus and professionalism during difficult markets in 2001. We are well equipped to take advantage of any improvements in the markets.

Stockholm in February 2002



Lars Bertmar  
*Chief Executive Officer*

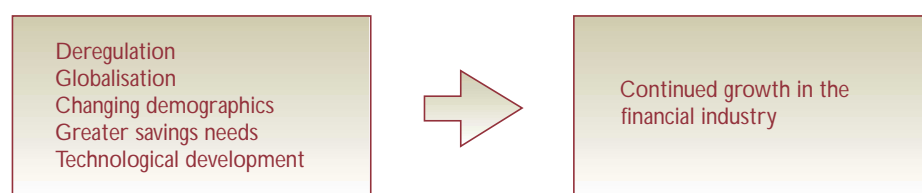
# Business idea and strategy

## Business idea

Carnegie's objective is to maximise shareholder value and long-term profitability through strong growth in all business areas, driven by continued emphasis on high quality products and services provided by creative, dedicated professionals. Carnegie is committed to being the investment bank and asset manager of choice in its targeted client segments.

## Business environment

The financial sector is a growth industry. Growth is driven by the following key factors:



**Deregulation** – During the last decade, a variety of industries have been deregulated, including the telecommunications, financial services and power industries. This has created new business opportunities, heightened competition and increased demand for raising capital and other financial advisory services.

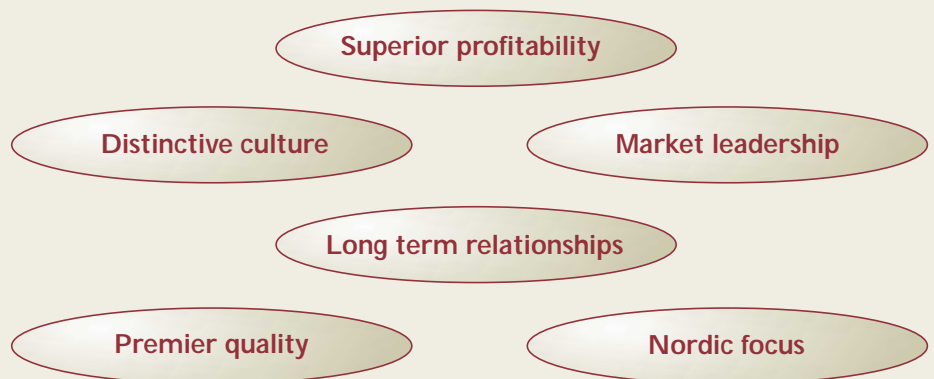
**Globalisation** – Heightened competition has created a need for international capabilities and scale, resulting in increased mergers & acquisitions and joint venture activity, a trend that is expected to continue. The globalisation trend has also brought a global perspective to the allocation of household savings.

**Changing demographics and greater savings needs** – The aging population has put pressure on existing national pension systems throughout most of the developed world, which has resulted in changes in these systems that may result in increasing investment flexibility for participants. Among individuals, this has created more awareness of the need to save for long-term retirement and increased demand for investment alternatives such as equity-related products and services. This has been pronounced in the Nordic region, where the national pension systems to a large degree are based on a “pay-as-you-go” philosophy. The working population will therefore have to support a growing number of pensioners, and there are growing doubts that sufficient funds will be available to cover adequate pension benefits in the future.

**Technological development** – The markets for telecommunication, information technology and biotechnology will continue to show growth. With a long history of technological expertise within these sectors, companies in the Nordic region are expected to stay at the forefront of these industries. The recent decline in technology share prices notwithstanding, this implies continued high demand in the Nordic region for capital from fast growing information technology, telecommunications and biotechnology companies and for mergers and acquisitions advisory services, as well as continued interest by investors in Nordic technology stocks.

## Business model

Carnegie's competitive strengths can be described in a business model, which has proven to be successful over a long period of time. By building on these competitive strengths, Carnegie will be able to capitalise on opportunities for growth.



## Competitive strengths

**Long-term client relationships** – By more fully understanding the clients' businesses and investment goals, Carnegie has developed deep client relationships, which in turn generate recurring business.

**Premier quality** – The focus on creating long-term client relationships has set high standards for Carnegie's products and services across all businesses. The quality of these products and services has helped to build and sustain Carnegie's brand name.

**Superior profitability** – Carnegie aims at maximising long-term profitability, which is in the interest of shareholders and employees. Good profitability is also in the interest of clients, as it allows the organisation to recruit and retain the best people.

**Market leadership** – Market leadership is often a prerequisite for superior profitability. Carnegie's position as the leading Nordic investment bank was reinforced during 2001.

**Nordic focus** – To remain a leading investment bank, Carnegie is pursuing a strategy of growth in the Nordic region, based on a strong sector focus, an international outlook, and a committed presence in each Nordic market.

**Distinctive culture** – Carnegie's growth is built on a distinctive corporate culture. The employee commitment is reinforced through a compensation philosophy that rewards teamwork and initiative.

## **Growth strategies**

In a market, which is expected to grow in the long term, Carnegie's strategy is to grow relative to competition. In addition to further improving the strong market positions with Nordic institutional clients, corporations and selected private clients, Carnegie will focus on three segments of special importance for the long-term growth prospects:

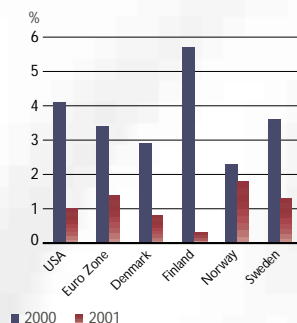
- further expand the market positions with non-Nordic institutional clients investing in Nordic securities,
- further improve the position with investment banking clients throughout the Nordic region with special emphasis on further expanding the share of larger transactions and senior positions, and
- further expand the business with selected groups of private clients.

## **Dividend policy**

Carnegie's business is characterised by low capital requirements. Over the long term, Carnegie intends to declare dividend amounts that will allow the company to maintain an acceptable Tier 1 ratio at the beginning of each fiscal year. An acceptable Tier 1 ratio is expected to be 15 per cent in the medium term.

In making the proposal of the yearly dividend, however, the Board of Directors will take into account other relevant matters such as the availability of funds for dividends, general business conditions, other capital requirements and such other factors as the Board of Directors may deem relevant. At 31 December 2001, the Tier 1 ratio was 20 per cent. The board has decided to propose a dividend of SEK 8.57 per share, which is equivalent to 100 per cent of the net profit for 2001.

Growth in GDP



Carnegie Economic research, estimate for 2001

## Economic overview

### Recession in the world economy

2001 was a dramatic year for the global economy and financial markets. After a long period of strong economic growth, there was a marked slowdown in the US in the beginning of the year. The economic situation was expected to weaken, but the force of the downturn was underestimated by most analysts. The ripple effect of the USA's weakened economy on other parts of the world economy led to a global recession. Hopes that the EU would survive the global recession better than other areas came to nothing. The downturn was particularly apparent in Germany, the EU's largest economy.

### Profit forecasts downgraded

Due to the global recession, growth forecasts for the various economic regions were downgraded considerably, as were profit estimates for listed companies. As a result, most of the stock exchanges around the world experienced a strong decline. Valuations of technology and telecom investments in particular had to be greatly revised. This led to a marked re-evaluation of market potential as well as the long-term prospects for profits in these sectors.

The terrorist attacks of 11 September strengthened the global recession and certain sectors were hard hit by the situation, particularly in the US, but with ripple effects on the world economy. Uncertainty about future prospects resulted in delayed investment decisions and a decline in consumer willingness to spend. Stock markets around the world also experienced an accelerated decline.

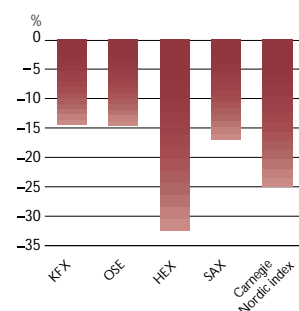
The negative trend in the stock markets was halted relatively quickly when it became clear that the USA and its allies were making considerable progress in the fight against terrorism. The subsequent upswing was helped by the improvement of important economic indicators, primarily in the USA, indicating that there would be a recovery in 2002. In addition, the year ended on a far more positive note bearing in mind the widespread pessimism that prevailed a few months earlier, a fact that inspires optimism for the new year.

### Markets in decline

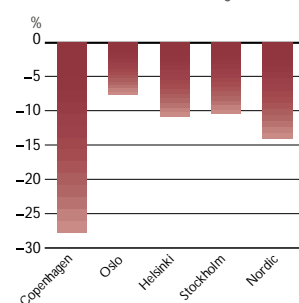
Despite the powerful upswing that started at the end of September, the 2001 stock market year ended with many of the world's stock markets in decline. Morgan Stanley's global index fell by slightly less than 16 per cent, Standard & Poor's 500 index was down 14 per cent, while FTSE Eurobloc 300 was down 20 per cent. The performance of the technology exchanges was even weaker. The NASDAQ fell by almost 24 per cent and Neue Markt in Germany fell by no less than 59 per cent.

The weak growth in the markets and the uncertain economic prospects caused a slowing of fund inflows to the stock markets in both the US and Europe, and the market for new listings largely disappeared during the second half of 2001. From a full-year perspective, USD 33 billion flowed in to mutual funds in the US compared to inflows of as much as USD 302 billion the previous year.

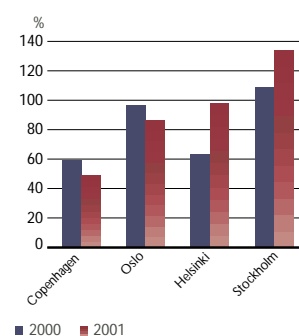
Share indices, change



Stock market turnover, change



Turnover rate



■ 2000 ■ 2001

## The Nordic countries were affected

The Nordic stock markets were clearly affected by the global recession after enjoying a number of good years. The slowdown was particularly evident in Finland and Sweden as these countries are heavily dependant on the telecom industry and a considerable portion of export-exposed cyclical industries. The Danish economy is less exposed to sectors that are sensitive to economic fluctuation, and was able to withstand the global recession relatively better than the other countries, while the Norwegian economy was helped by high oil prices. In terms of GDP growth, 2001 was the worst year since 1993 for Finland and Denmark, and since 1996 for Sweden.

## Weak year for Nordic exchanges

The Nordic stock markets had a tough year with indices declining in all of the countries. The biggest decline was in Finland, where global uncertainty in the telecom sector forced down the price of Nokia shares, and the HEX index fell by 32.4 per cent. The stock exchange in Sweden was also greatly affected by the telecom sector and the SAX index fell by 16.9 per cent. The Norwegian and Danish exchanges did somewhat better, although both the Norwegian OSE and the Danish KFX indices fell by 14.5 per cent.

In the wake of falling market values, turnover on the Nordic exchanges also fell, particularly on the Copenhagen Stock Exchange where it declined by almost 30 per cent compared to 2000 (partly reflecting a change in statistical reporting from July 2001). The Oslo Stock Exchange was the least affected with a decline of just under 8 per cent. In Helsinki and Stockholm, transaction volumes were maintained, as the turnover rate increased considerably in 2001. The turnover rate fell somewhat in Oslo, and relatively sharply in Copenhagen.

The flow of capital to the stock markets declined in all Nordic markets in 2001. The inflow to mutual funds continued, but was much lower than in 2000. In Sweden, which is the most developed of the Nordic markets in terms of investment in shares through mutual funds, the net investment increased by SEK 14.7 billion compared to a full SEK 68.7 billion in 2000. In Norway a net outflow of NOK 1 billion was registered in 2001, which compares with an inflow of NOK 12.3 billion in 2000.

## 5-year financial overview, income statement and operating data<sup>4)</sup>

### Income statement

Group (SEK million)	1997	1998	1999	2000	2001
Securities	864	870	1,131	2,261	1,615
Investment Banking	299	346	483	961	901
Asset Management & Private Banking	282	381	543	1,024	924
<b>Total income<sup>1)</sup></b>	<b>1,445</b>	<b>1,597</b>	<b>2,157</b>	<b>4,247</b>	<b>3,440</b>
Personnel expenses	-362	-469	-549	-680	-906
Other expenses	-375	-486	-499	-770	-829
Net provisions for credit losses	15	-5	-8	0	-3
<b>Total expenses excluding bonus</b>	<b>-722</b>	<b>-960</b>	<b>-1,055</b>	<b>-1,450</b>	<b>-1,738</b>
<b>Operating profit before result from principal investments and bonus<sup>2)</sup></b>	<b>723</b>	<b>637</b>	<b>1,101</b>	<b>2,796</b>	<b>1,702</b>
Results from principal investments	-	-	-	251	-65
<b>Operating profit before bonus</b>	<b>723</b>	<b>637</b>	<b>1,101</b>	<b>3,047</b>	<b>1,636</b>
Bonus expenses <sup>2)</sup>	-383	-337	-542	-1,514	-784
<b>Total expenses excl principal investments</b>	<b>-1,105</b>	<b>-1,297</b>	<b>-1,597</b>	<b>-2,964</b>	<b>-2,522</b>
<b>Profit before taxes</b>	<b>340</b>	<b>300</b>	<b>560</b>	<b>1,533</b>	<b>852</b>
Taxes	-94	-101	-155	-443	-280
<b>Net profit</b>	<b>246</b>	<b>199</b>	<b>405</b>	<b>1,090</b>	<b>572</b>

### Operating data and key ratios

Key data	1997	1998	1999	2000	2001
Earnings per share (SEK)				17.20	8.76
Book value per share (SEK)				25.32	28.18
Share price (SEK)					131.0
Price/earnings multiple					14.9
Price/book multiple					4.6
Number of shares at period-end				63,366,600	66,701,600
Average number of shares				63,366,600	65,267,093
Compensation/income ratio, %	51.6%	50.5%	50.6%	48.8%	50.1%
Cost/income ratio, %	76.5%	81.2%	74.0%	65.9%	74.7%
Operating margin, %	23.5%	18.8%	26.0%	34.1%	25.3%
Profit margin, %	17.0%	12.5%	18.8%	24.2%	16.9%
Return on equity, (12 mo) %	125%	45%	58%	85%	38%
Total assets (SEK million)	9,751	8,548	10,327	18,553	19,129
Margin lending (SEK million)	2,786	2,399	3,007	4,250	2,409
Deposits and borrowing from general public (SEK million)	3,506	3,740	4,358	6,469	5,561
Shareholders' equity (SEK million)	333	559	846	1,605	1,880
<b>Total regulatory capital base (SEK million)</b>	<b>328</b>	<b>608</b>	<b>610</b>	<b>973</b>	<b>1,308</b>
-Shareholders' equity	333	559	846	1,605	1,880
-Goodwill	-5	-5	-3	-2	-1
-Dividends	0	-96	-383	-860	-572 <sup>3)</sup>
-Subordinated loan	-	150	150	230	-
<b>Total risk-weighted assets (SEK million)</b>	<b>3,437</b>	<b>3,336</b>	<b>4,789</b>	<b>7,461</b>	<b>6,545</b>
Risk-weighted assets (Credit risks)	2,492	2,364	3,615	5,570	4,784
Risk-weighted assets (Market risks)	945	972	1,174	1,892	1,761
Tier I ratio, %	9.5%	13.7%	9.6%	10.0%	20.0%
Capital adequacy, %	9.5%	18.2%	12.7%	13.0%	20.0%
Number of employees, average	518	577	649	765	941
Number of employees, period-end	524	589	665	864	943
Period-end assets under management (SEK billion)	30	42	70	79	73

<sup>1)</sup> In order to improve the description of the business, the marked-to-market valuation of Carnegie's holding in Orc Software and the result from associated companies are included in the result from principal investments in the operational reporting. Thus, total income in the operational reporting may differ from total income as presented in the statutory income statement.

<sup>2)</sup> In the presentation, the result from principal investments and the bonus effect from the result are not allocated to business areas.

<sup>3)</sup> Proposed dividend.

<sup>4)</sup> Note that certain numerical information presented in millions may not sum due to rounding.

## Definitions of key ratios

<b>Earnings per share:</b>	Net profit for the period divided by the average number of shares.
<b>Book value per share:</b>	Shareholders' equity at period-end divided by total number of shares.
<b>Share price:</b>	Share price at 31 December 2001.
<b>Price/earnings multiple:</b>	Share price divided by earnings per share for the last 12-months-period.
<b>Price/book multiple:</b>	Share price at end of period divided by book value per share.
<b>Cost/income ratio:</b>	Total expenses, including bonus expenses, as a percentage of total income including result from principal investments.
<b>Compensation/income ratio:</b>	Personnel expenses plus bonus expense as a percentage of total income including result from principal investments.
<b>Operating margin:</b>	Operating profit before taxes as a percentage of total income including result from principal investments.
<b>Profit margin:</b>	Net profit as a percentage of total income including result from principal investments.
<b>Return on equity:</b>	Net profit for the last 12-months-period as a percentage of average shareholders' equity (including effect of new share issues etc).
<b>Regulatory capital base:</b>	Shareholders' equity plus minority interest in shareholders' equity minus goodwill, any proposed dividend and any repurchased shares.
<b>Tier 1 ratio:</b>	Regulatory capital base as a percentage of risk-weighted assets.
<b>Capital adequacy ratio:</b>	Total regulatory capital base (regulatory capital base plus eligible subordinated indebtedness) as a percentage of risk-weighted assets.
<b>Number of full-time equivalent employees, average:</b>	Aggregate number of paid working hours for all employees divided by a pre-defined number of working hours per employee for the entire period.
<b>Number of full-time equivalent employees at period-end:</b>	Aggregate number of paid working hours for all employees divided by a pre-defined number of working hours per employee at period-end.



# The Carnegie Group

## Comments on income and profit

Carnegie's total income for 2001 was down 19 per cent from the record year 2000. Difficult markets in 2001 affected the commission volume generated in the Securities business and income fell by 29 per cent. Carnegie's other business areas showed only a moderate decline in income; in Investment Banking, it fell by 6 per cent and in Asset Management & Private Banking by 10 per cent. The distribution of total income per business area was Securities 47 per cent (53 per cent), Investment Banking 26 per cent (23 per cent) and Asset Management & Private Banking 27 per cent (24 per cent).

## Cost development

The total expenses for 2001 dropped by 15 per cent to SEK 2,522 million, which is attributable to an increase in operating expenses excluding bonus of 20 per cent and bonus expenses declining by 48 per cent. The bonus expense is calculated as a fixed formula (see further under Bonus system, page 39), meaning that a decline in profits directly feeds through into lower bonus expenses.

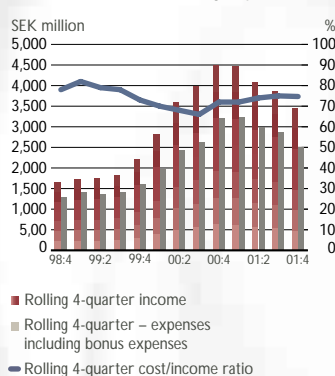
Total expenses excluding bonus costs mainly relate to staff. The personnel increase has levelled off during the second half of 2001, which is reflected in total expenses before bonus (SEK 869 million), which were unchanged from the first half of 2001 to the second half. Total expenses also include a one-off reduction of SEK 26 million related to refinancing of Carnegie's pension obligations.

The rolling 4-quarter cost/income ratio increased in line with the decline in income and was 75 per cent for the year 2001. The compensation/income ratio for 2001 remained stable at 50.1 per cent.

## Cost structure

There are three principal components to Carnegie's cost structure: personnel expenses (before bonus), administrative costs, and bonus expenses. Carnegie's operating cost base, excluding bonus expenses, is relatively fixed in the short to medium term. In 2001, personnel expenses were 52 per cent of the total operating costs. The key cost driver is the number of front-office employees. The number of administrative employees, (IT, accounting and human resources) has historically increased by 30 per cent of the increase in number of front-office employees. The other 48 per cent consists of IT, office, travel and other costs indirectly related to personnel.

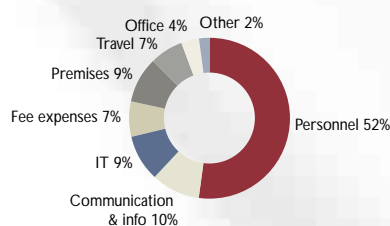
Income<sup>1)</sup> and costs – rolling 4 quarters



<sup>1)</sup>Including results from principal investments.

Head count driven cost base  
2001 pre-bonus breakdown

Total: SEK1,738 million



For definition of key ratios, see page 17.

## **Principal investments**

In order to facilitate the description of Carnegie's business, the result from Carnegie's holding in Orc Software and the result from associated companies are included in result from principal investments. The result from principal investments for 2001 was SEK –65 million (SEK 251 million), of which the total loss from marked-to-market valuation of Carnegie's holding in Orc Software was SEK –63 million and the result from associated companies (Capital C, Carnegie Portugal and Eldsjäl i Norden) was SEK –2 million.

Capital C was founded by Carnegie and Alfred Berg in 1999, and is developing Moonray, an after-trade management system. Carnegie Portugal is an advisory company based in Lisbon. Eldsjäl i Norden is a mutual fund management company, divested during 2001.

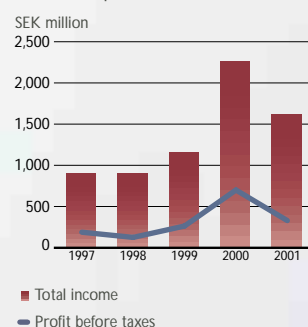
## **Orc Software**

An important part of the continued growth of Carnegie is the development of sales, execution and support services. Carnegie has therefore made strategic investments in information technology support such as the Orc System. The Orc System was developed by Orc Software and is an advanced trading system that is designed, among other things, to facilitate block trades while minimising risks related to trading. Carnegie has been a shareholder in Orc Software since 1994 and held approximately 6 per cent (894,825 shares) of Orc Software's capital stock outstanding at 31 December 2001, after the sale of 650,000 shares in connection with a secondary offering on 25 October 2001. Carnegie's net position in Orc Software at 31 December 2001 was equivalent to approximately 650,000 shares or 4 per cent of the shares outstanding.

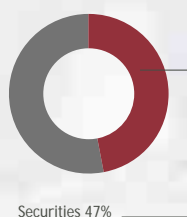
## **Operating profit**

The operating profit before taxes was SEK 852 million, down 44 per cent. Due to non-recurring tax costs, the total tax per cent was 33 per cent (29 per cent), leading to a net profit of SEK 572 million, a decrease of 48 per cent from 2000 (SEK 1,090 million).

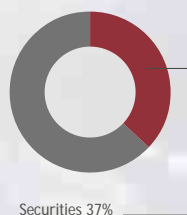
Income and profit



Share of income 2001



Share of profit before taxes 2001



Carnegie Total Cap Index-Nordic



## Securities

- Strengthened market position among non-Nordic institutional clients
- Carnegie's position as the top Nordic equity house was confirmed by several external surveys
- Key recruitments in targeted growth segments completed

## Business

Carnegie's prominent position in the Nordic stock markets rests on an experienced sales force with close to 100 professionals in the Nordic countries, London and New York. Equity sales are supported by a research organisation covering close to 400 companies in the Nordic region. The sector-based research teams cover 20 sectors, complemented by company analysts in the local markets. Carnegie's Securities business also covers market making and proprietary trading of equity securities and related products. Securities has operations in Sweden, Denmark, Norway and Finland, as well as sales and sales trading operations in London and New York.

## Business environment and market position

The Carnegie Total Cap Index-Nordic fell by 25 per cent in 2001, reaching its lowest point at -40 per cent in September. The aggregate turnover on the stock exchanges fell by 14 per cent. In such challenging market conditions, the key focus has been to stay close to clients and to maintain or improve service levels. Following this strategy, Carnegie continued to maintain or strengthen the market positions in all markets for Nordic equities. Carnegie's position as the top Nordic equity house was confirmed by external surveys. The target to be number one in Nordic equities is essential, as institutional clients are reducing the number of service providers.

Carnegie's market share of the total turnover on the Nordic stock exchanges was 7.8 per cent for 2001. Note that total turnover also includes the volume generated in trading activities, which affects the possibility to measure market shares of the underlying market flows.

Nordic stock exchanges, 2001 <sup>1)</sup>	Market cap (MEUR)	Turnover (MEUR)	Turnover rate (12 m)	Carnegie Mkt share	Carnegie Ranking
Denmark	130	74	49.1	9.0%	n.a.
Finland	217	203	98.1	5.7%	6
Norway	85	71	85.9	9.0%	2
Sweden	306	429	134.1	8.4%	2
Total Nordic	432	348	101.9	7.8%	-

The key focus for Carnegie Securities is to reinforce its institutional client relationships, which are particularly strong in Sweden and Denmark. The aim is to strengthen its positions among domestic institutions, especially in Norway and Finland, and to further develop the international institutional client relationships. US clients are serviced from the US office, and clients from the UK, Europe and from rest of the world are serviced from the UK office.

<sup>1)</sup> Source: The Nordic Securities market (Nordic Stock Exchange).

## Equity research

Research on Nordic companies is the foundation of Carnegie's strong position in the Nordic region, where its research team is one of the highest ranked in the world. At 31 December 2001, Securities had a team of over 70 analysts following approximately 400 Nordic companies in 20 sectors covering more than 95 per cent of total Nordic market capitalisation. The equity research analysts are locally based and provide in-depth research including economic forecasts, industry and company analyses and overall recommendations and strategic guidance. In addition, a team of five economists covers general economic conditions working closely with the analysts.

### External rankings 2001

Ranking institute	Position	Country	Description
Affärsvärlden	1	Sweden	Best investment bank
Finanstidningen	1	Sweden	Best investment bank
Institutional Investor	2	Nordic	Nordic research
Børsens Nyheds Magasin	1	Denmark	Best research
Prospera	1	Denmark	Overall performance
	3	Finland	Overall performance
	2	Norway	Overall performance
	2	Sweden	Overall performance
	1	Sweden	Best research
Reuters, European Smaller co. survey	2	Denmark, Sweden	Best research product and service
Thomson Extel Survey	1	Nordic	Nordic countries
Økonomisk Ugebrev	1	Denmark	Best research house

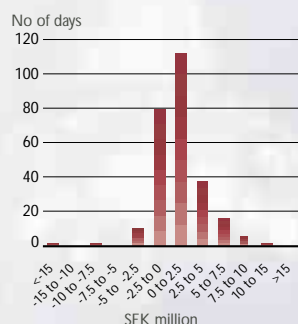
In 2001, Carnegie published over 2,000 research reports that were distributed to more than 1,600 clients, most of whom were institutional. Carnegie makes its research available through external electronic distributors such as Multex, Reuters, Bloomberg and Investext, as well as through proprietary services such as Carnegie Edge, a service provided to institutional clients, and Carnegie Pulse, a service recently introduced for private clients. Carnegie Edge contains over 5,000 research reports compiled by Carnegie and external sources. This service aggregates data on markets and sectors and provides information for about 400 companies. Carnegie Pulse provides similar services to private clients, but on a less extensive basis.

## Clients and key growth factors

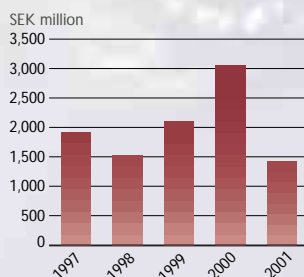
Carnegie's clients are Nordic institutional and private investors and international investors, most of which are institutional.

In order to further develop non-Nordic institutional client relationships, Carnegie moved the teams servicing European clients from Stockholm and Copenhagen to London in 2001. A number of key individuals have also been recruited to strengthen the teams in London and New York. The other targeted growth segment, private individuals, suffered from declining asset values in 2001.

Market making and proprietary trading



Margin lending



## Sales and sales trading

Carnegie is one of the leading Nordic brokers to institutions and private clients. In both sales and sales trading, the aim is to develop long-term relationships through a comprehensive understanding of client investment objectives, while ensuring smooth execution and liquidity in a wide range of Nordic equity securities and derivatives.

Institutional equity sales involve executing transactions in Nordic equity securities for Nordic and international clients, and providing these clients with research and investment advice, liquidity and trading expertise. Carnegie also serves the investment needs of private clients by providing them with Nordic equity and derivative products.

## Execution and support

Investments in support systems and skilled personnel have led to substantial improvements of quality and productivity. The number of handled contracts per employee and the percentage of equity trades electronically confirmed within a requested time have increased substantially.

## Market making and proprietary trading

Carnegie's trading activities cover market making and proprietary trading in Sweden, Norway and Finland. The objective is to identify and exploit market opportunities. The chart presents a summary of the daily income generated by the trading departments, reflecting a combination of realised profits, marked-to-market valuations of securities portfolios, dividend coupon income, as well as funding expenses, for 2001. The average daily trading income was SEK 1.25 million.

## Margin lending

Margin lending, which is closely related to market activity, decreased by 53 per cent to SEK 1,427 million (SEK 3,057 million). Net provisions for credit losses were SEK -3 million (0.1 per cent of average lending).

## Targeted growth segments

In Securities, Carnegie has targeted two main growth segments. Among institutional clients, Carnegie's aim is to strengthen the positions among domestic actors, especially in Norway and Finland. Carnegie's target for international institutional clients is to achieve a number one position with the prioritised non-Nordic clients in the UK, Europe, the US and in the rest of the world.

In the private client segment, Carnegie's long-term aim is to further develop the private client operations in all four Nordic markets and in the UK.

## Income statement data and key ratios

Securities (SEK million)	1998	1999	2000	2001
Net commission income	728	779	1,453	1,056
Underwriting fees	58	79	191	142
Net interest income	94	48	153	178
Proprietary trading and market making	-27	192	560	311 <sup>1)</sup>
Net interest income from financial positions	-82	-48	-121	-82
Other income from financial positions	51	74	-	0
Net income from financial positions	-58	218	439	229
Other fees	48	7	26	11
Total income <sup>2)</sup>	870	1,131	2,261	1,615
Personnel expenses	-278	-310	-389	-516
Other expenses	-326	-295	-480	-464
Net provisions for credit losses	-5	-8	0	-3
Total expenses excluding bonus	-609	-612	-869	-983
Operating profit before bonus	261	518	1,392	632
Bonus expenses <sup>3)</sup>	-136	-255	-692	-303
Total expenses	-745	-867	-1,561	-1,286
Profit before taxes	125	263	700	329
Cost income ratio, %	85.7%	76.7%	69.0%	79.6%
Operating margin, %	14.3%	23.3%	31.0%	20.4%
Lending (SEK million)	1,520	2,098	3,057	1,427
Deposits (SEK million)	1,543	2,482	3,228	3,012
Number of employees, average	330	350	430	518
Number of employees, period-end			468	517

<sup>1)</sup> Including a provision for a disputed error trade amounting to SEK -28 million.

<sup>2)</sup> In order to improve the description of the business, the marked-to-market valuation of Carnegie's holding in Orc Software and the result from associated companies are included in the result from principal investments in the operational reporting. Thus, total income in the operational reporting may differ from total income as presented in the statutory income statement.

<sup>3)</sup> In the presentation, the result from principal investments and the bonus effect from the result are not allocated to business areas.

## Income and operating profit

Income from Securities fell by 29 per cent to SEK 1,615 million in 2001 (SEK 2,261 million). The drop is primarily due to net commission income, and income from market making and proprietary trading. Net commission is the largest income component in Securities. It fell 27 per cent to SEK 1,056 million, partly reflecting lower commission income from private clients. Income from proprietary trading and market making is related to market turnover. It declined 44 per cent to SEK 311 million (SEK 560 million).

The total expenses decreased by 18 per cent, reflecting increasing operating expenses before bonus of 13 per cent and a decline of 56 per cent in bonus expenses. Operating profit before taxes was SEK 329 million, down by 53 per cent year on year.

For definition of key ratios, see page 17.

# Investment Banking

- Income moderately lower despite significant decline in overall market activity
- Carnegie had a dominant position in the Nordic IPO market with an advisory role in half of all transactions
- No. 1 in Nordic M&A, by total number of transactions

## Business

Carnegie provides a wide array of investment banking services, mainly in equity capital markets services, mergers & acquisitions and structured finance, to companies headquartered in the Nordic region and international companies engaged in transactions involving the Nordic region.

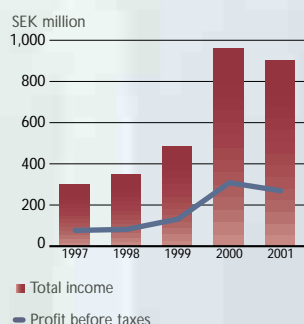
## Business environment and market position

Carnegie's strategy of being the leading Nordic investment bank continued to be successful in 2001, in the highly challenging market conditions which prevailed throughout the year.

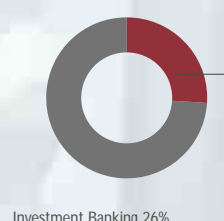
Nordic mergers & acquisitions (M&A) activity was 49 per cent lower in 2001 than in 2000, and Nordic equity offerings dropped by 64 per cent, measured in terms of transaction volume<sup>1</sup>. During the same period, Carnegie Investment Banking generated total income of SEK 901 million (SEK 961 million), which is 6 per cent lower than the previous year.

In 2001, Carnegie was ranked number one in the Nordic M&A market in terms of number of transactions with 42 announced transactions (31). The aggregate value, where disclosed, was USD 8 billion (USD 9.9 billion), leading to a ranking as number 4 (7)<sup>1</sup>.

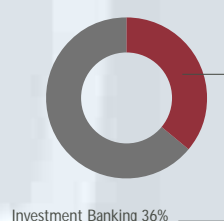
Income and profit



Share of income 2001



Share of profit before taxes 2001



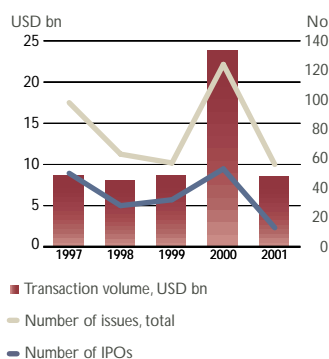
Nordic M&A market<sup>1)</sup>



Top 10 advisers 2001	No. of transactions	Top 10 advisers 2001 - volume	USDbn
1. Carnegie	42	1. Merrill Lynch	14.2
2. Enskilda Securities	36	2. Nordea Securities	9.9
3. Nordea Securities	28	3. Morgan Stanley	8.1
4. KPMG	26	4. Carnegie	8.0
5. SHB	23	5. Enskilda Securities	7.3
6. Morgan Stanley	21	6. Deutsche Bank	6.3
7. ABN Amro	17	7. Goldman Sachs	5.9
8. Deutsche Bank	16	8. CSFB	5.1
9. CSFB	15	9. ABG Sundal & Collier	3.7
10. Ernst & Young	15	10. Evercore Partners	3.6

<sup>1)</sup> Source: Thomson Financial Securities Data, February 2002.

Nordic equity offerings <sup>1)</sup>



The total number of equity offerings during 2001 was 56, including 13 IPOs<sup>1)</sup>. The aggregate transaction volume for Nordic IPOs during 2001 was EUR 4.0 billion (of which the IPO of Statoil in Norway represented EUR 3.3 billion). Carnegie participated in 7 (6 as lead manager) IPOs with an aggregate transaction value of EUR 3.7 billion, which put the company in the number one position in terms of number of advisory mandates<sup>2)</sup>.

## Clients and key growth factors

Over the past ten years, Carnegie Investment Banking has grown substantially and evolved into a full service financial advisor with strong execution teams, cross-border capabilities and sector expertise. A significant part of this has been achieved by focusing on small and mid-sized growth companies in a wide range of sectors, some of which have developed into large, core clients.

During this period Carnegie has built strong relationships with many clients, both Nordic and international companies, and today those relationships have developed into a strong network of Carnegie investment bankers and clients. Carnegie's local presence in each of the four Nordic countries has been important in this development as it has ensured a sustained high client awareness. Furthermore, when executing transactions the local presence is valuable as it also ensures heightened attention to deal preparation and easy logistics.

A strong network, Carnegie's leading position within both IPOs and mergers & acquisitions and its independence from industrial spheres of influence, make Carnegie a natural speaking partner for both local and international companies. Its enhanced reference list and top market rankings provide a powerful platform for continued business with existing clients, as well as for commencing business relationships with new target clients.

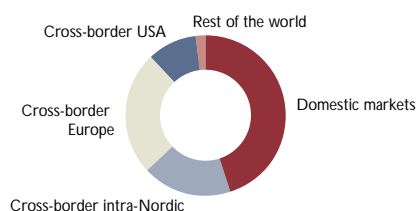
Carnegie's specific concentration on selected industry expertise has further contributed to the maintenance of long-term client relationships and the building of new ones. This puts the company in a strong position to obtain repeat business from existing clients and to obtain first time mandates.

## Mergers & Acquisitions

Carnegie has a dedicated specialist team of mergers & acquisitions professionals located throughout the Nordic region. Within advisory services, Carnegie focuses on providing clients with advice and support in privately negotiated acquisitions, mergers and divestments, as well as take-overs of publicly listed companies.

The distribution of Carnegie's M&A transactions in 2001 reflected closely the overall structure of Nordic M&A transactions<sup>3)</sup>, with 45 per cent of Carnegie transactions in the domestic markets, 25 per cent cross-border Europe, 18 per cent cross-border intra-Nordic and 10 per cent cross-border USA.

Distribution of M&A transactions 2001



<sup>1)</sup> Source: Thomson Financial Securities Data.

<sup>2)</sup> Carnegie estimates

<sup>3)</sup> Source: Thomson Financial Securities Data, announced transactions with advisor, Nordic target or acquirer, value over USD 25 million.



Examples of transactions in 2001 in which Carnegie acted as advisor include the following:

- Carnegie acted as advisor to Eniro, Sweden, in the acquisitions of the German companies Windhager Mediengruppe and Wer liefert was? and the Polish company Panorama Polska, for a total consideration in excess of SEK 3 billion.
- Carnegie was financial advisor to Outokumpu Steel, Finland, and manager of the exchange offer to the shareholders of Avesta Sheffield, Sweden, in the merger of Outokumpu Steel and Avesta Sheffield into AvestaPolarit.
- Carnegie acted as advisor to DSV, Denmark, in the DKK 1 billion sale of DSV's Nordic parcel activities and 50 per cent of DSV's Norwegian haulage company, DFDS Tollpost Globe AS, to Posten AB, Sweden.
- Carnegie advised AssiDomän, Sweden, in the strategic review of its operations and the subsequent spin-off of Billerud and asset divestment programmes. Carnegie also advised AssiDomän in respect of the public offer for the company by Sveaskog, a company owned by the Kingdom of Sweden.

### **Equity Capital Markets Services**

The types of equity capital markets transactions for which Carnegie provides services include initial public offerings, private placements of shares that are not listed on a stock exchange, rights and directed issues, spin-offs, secondary offerings and valuation assignments.

Examples of equity capital markets transactions conducted by Carnegie during 2001 include the following:

- Carnegie acted as joint global co-ordinator in the secondary offering of Sweden's Telia and Finland's Elisa Communications shareholdings in Eniro, transactions which totalled more than SEK 8 billion.
- In connection with the refinancing of Kvaerner ASA, Carnegie acted as joint lead manager in a new share issue directed towards Norwegian and international institutional investors with gross proceeds of NOK 2.0 billion, and in the NOK 3.6 billion merger with Aker Maritime's oil & gas operations.
- Carnegie was joint lead manager in the listing of Billerud on Stockholmsbörsen, following a distribution of shares by AssiDomän.

### **Structured Finance**

In Structured Finance, Carnegie advises corporations on financing and other issues in relation to capital structure optimisation and corporate incentive programmes, as well as structured financial products to financial investors. Structured Finance products are conducted both stand-alone and as an integrated part of other Investment Banking services such as acquisitions or IPOs.

Some examples of Structured Finance transactions arranged during 2001 include the following;

- Asset repackaged bonds issued by Blue Star Securities plc totalling DKK 650 million.
- Hedge fund linked instruments issued by Kommuninvest i Sverige AB (publ), totalling more than SEK 400 million.
- A stock option programme on the Karo Bio share to all employees of Karo Bio.
- Compound options on the Europolitan share to the management of Europolitan Vodafone.

### **Targeted growth segments**

Carnegie intends to continue its Nordic strategy, building on the local presence in each of the Nordic markets, which gives unparalleled access to key business individuals and information flows. For example, Carnegie's unique understanding of the Nordic markets and its clients' businesses enables it to be at the forefront of any sector restructuring.

The expert knowledge built up by Carnegie's personnel over many years gives the group the ability to offer clients better qualified advice and to compete for transactions of a more complex nature, comprising value added services which command a premium.

With its leading position in both Nordic mergers & acquisitions and IPOs, which during 2001 has further improved Carnegie's strong brand, Carnegie aims to further expand the share of larger transactions and senior positions, and to be prepared to take full advantage of the revival of the equity markets, as and when it happens.

## Income statement data and key ratios

Investment banking (SEK million)	1998	1999	2000	2001
Underwriting fees	125	133	401	225
Net income from financial positions	-10	-1	5	7
Advisory fees	231	351	555	669
<b>Total income<sup>1)</sup></b>	<b>346</b>	<b>483</b>	<b>961</b>	<b>901</b>
Personnel expenses	-79	-98	-121	-155
Other expenses	-56	-75	-104	-126
<b>Total expenses excluding bonus</b>	<b>-135</b>	<b>-173</b>	<b>-225</b>	<b>-281</b>
<b>Operating profit before bonus</b>	<b>211</b>	<b>310</b>	<b>736</b>	<b>619</b>
Bonus expenses <sup>2)</sup>	-113	-152	-366	-297
<b>Total expenses</b>	<b>-248</b>	<b>-325</b>	<b>-591</b>	<b>-578</b>
<b>Profit before taxes</b>	<b>98</b>	<b>158</b>	<b>370</b>	<b>323</b>
Cost/income ratio, %	71.6%	67.3%	61.5%	64.2%
Operating margin, %	28.4%	32.7%	38.5%	35.8%
Number of employees, average	86	111	129	170
Number of employees, period-end			162	173

<sup>1)</sup> In order to improve the description of the business, the marked-to-market valuation of Carnegie's holding in Orc Software and the result from associated companies are included in the result from principal investments in the operational reporting. Thus, total income in the operational reporting may differ from total income as presented in the statutory income statement.







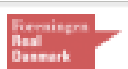













<sup>2)</sup> In the presentation, the result from principal investments and the bonus effect from the result are not allocated to business areas.

## Income and operating profit

Carnegie's advisory fees increased by 20 per cent in 2001. Underwriting fees declined by 44 per cent in the period, as the slowdown in global economic growth led to increasing uncertainty, lower equity valuations and consequently a significant reduction in the number and value of equity offerings. Total operating expenses declined by 2 per cent as a result of an increase in operating expenses excluding bonus by 25 per cent and a decrease in bonus expenses by 19 per cent. The increase in expenses excluding bonus is primarily attributable to the increase in personnel by 32 per cent. Profit before taxes was SEK 323 million (SEK 370 million), a decline of 13 per cent from 2000.

For definition of key ratios, see page 17.

## A selection of assignments completed in 2001

 <p>Merger of Outokumpu Steel and Avesta Sheffield and listing of AvestaPolarit SEK 12.5 billion</p> <p>Adviser to Outokumpu January 2001</p>	 <p>Sale to a consortium of institutional investors through a recommended public offer DKK 6.5 billion</p> <p>Adviser to the Board of Ejendomselskabet Norden February 2001</p>	 <p>Acquisition by Elkem of 32 per cent shareholding in Sapa SEK 1.7 billion</p> <p>Adviser to Elkem February 2001</p>	 <p>Public Offer to the shareholders of Segerström &amp; Svensson by Sanmina Corporation SEK 4.9 billion</p> <p>Adviser to Sanmina Corporation February 2001</p>
 <p>Divestment of AssiDomän Corrugated &amp; Containerboard to Kappa Holdings SEK 10.4 billion</p> <p>Adviser to AssiDomän March 2001</p>	 <p>Global Secondary Offering by the Government Bank Investment Fund NOK 4.3 billion</p> <p>Global Co-Lead Manager April 2001</p>	 <p>Secondary Offering of shares in Danske Bank A/S DKK 5 billion</p> <p>Adviser to Foreningen RealDanmark April 2001</p>	 <p>Spin-off from Atle and listing on Stockholmsbörsen SEK 377 million</p> <p>Adviser to Atle/Sole Manager May 2001</p>
 <p>Public Offer to the shareholders of Atle by Woodrose Invest SEK 8.3 billion</p> <p>Adviser to Atle May 2001</p>	 <p>Fjord Seafood ASA's acquisition of ContiSea LLC NOK 750 million</p> <p>Adviser to ContiGroup and Seaboard Corporation May 2001</p>	 <p>Public Offer to the shareholders of Perstorp by Industri Kapital SEK 6.4 billion</p> <p>Adviser to Industri Kapital June 2001</p>	 <p>Secondary Offerings of shares in Eniro SEK 7.3 billion</p> <p>Joint Global Co-ordinator June and December 2001</p>
 <p>Public Offer for Lindab by Ratos, Sixth AP Fund and Skandia Liv through Lindab Intressenter SEK 3.4 billion</p> <p>Adviser to Lindab Intressenter July 2001</p>	 <p>Spin-off from AssiDomän and listing on Stockholmsbörsen SEK 2.4 billion</p> <p>Adviser to AssiDomän/Joint Lead Manager November 2001</p>	 <p>Acquisition of Direktia Oy from Elisa Communications Oyj SEK 850 million</p> <p>Adviser to Eniro November 2001</p>	 <p>Acquisition of Bacon's Information, Inc. USD 90 million</p> <p>Adviser to Observer November 2001</p>
 <p>Public Offer to the shareholders of AssiDomän by Sveaskog SEK 21.9 billion</p> <p>Adviser to AssiDomän December 2001</p>	 <p>Divestment of DSV's Parcel division and a 50% holding in DFDS Tollpost Globe AS to Posten AB (Swedish Post) DKK 1 billion</p> <p>Adviser to DSV December 2001</p>	 <p>New share issue NOK 2 billion Merger with Aker Maritime ASA's Oil and gas NOK 3.6 billion</p> <p>Joint lead manager and adviser to Kvaerner December 2001</p>	 <p>Divestment of Orbiant Group to Flextronics SEK 3.4 billion</p> <p>Adviser to Telia December 2001</p>

## Asset Management & Private Banking

- Total income fell by 10 per cent to SEK 924 million
- Continued, but lower, inflows to Nordic equity funds – Carnegie's market share of inflow to equity funds improved
- Assets under management declined by SEK 6 billion, net inflows were offset by declining asset valuations

### Business

Carnegie's array of asset management and private banking products and services includes discretionary managed portfolios for institutions and private clients, mutual funds targeted at institutions, private clients and retail investors, as well as private banking and pension consulting services. Carnegie's asset management services are available throughout the Nordic region and in Luxembourg.

### Business environment and market position

The market for 2001 was characterised by continued inflows in pension schemes, but sharply lower inflows from non-pension linked savings. The overall flow to equity funds in the Nordic markets was positive, but substantially lower than during 2000, as new inflow shifted from equities to fixed income products. Carnegie's market share of the net inflow to Nordic equity mutual funds in 2001 was 8 per cent<sup>1)</sup> (6 per cent). Total income from Asset Management & Private Banking fell by 10 per cent to SEK 924 million in 2001 (SEK 1,024 million). Total income excluding performance fees increased by 4 per cent.

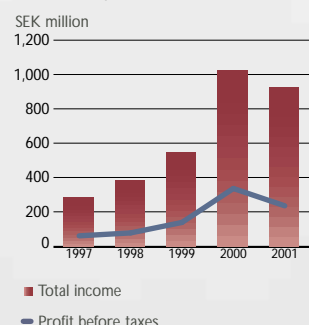
### Key factors for growth

Carnegie's aim is to provide a high-quality service based on a focused investment strategy. The investment strategy has proven to be successful both in terms of performance and in attracting clients. Carnegie's asset managers seek to identify long-term general market trends. Over the past years, Carnegie has established numerous close relationships with individuals well-positioned within various industries. They form the informal networks that can assist the asset management teams in identifying the sectors most likely to be affected by a given market trend. An example of this is the collaboration with the Swedish university for medicine, the Karolinska Institute.

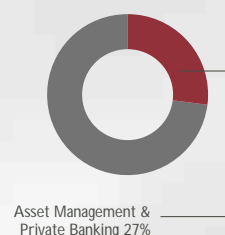
The strong growth in Carnegie's asset management business during the last five years (annual compound growth rate of 25 per cent) is a result of increased net inflows, both from existing and new clients, and increasing values in managed assets due to generally strong equity markets.

<sup>1)</sup> Source: Carnegie estimates

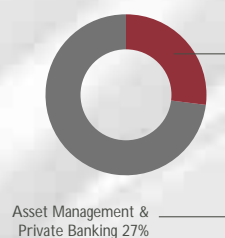
Income and profit



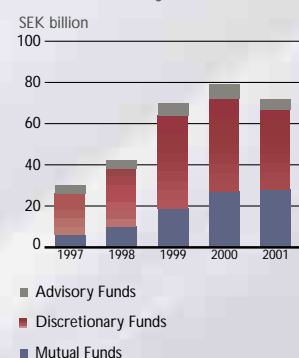
Share of income 2001



Share of profit before taxes 2001



Assets under management



## Assets under management

Assets managed by Carnegie are largely equities, comprising about 77 per cent of total assets under management at 31 December 2001. The remaining assets are fixed income products. Total assets under management fell by SEK 6 billion during 2001 to SEK 73 billion, reflecting net inflows of SEK 11 billion and an effect from declining asset valuations amounting to SEK 17 billion. The decline in discretionary assets mainly reflects a repositioning from equities to fixed income products among institutional investors. During the last quarter of 2001, total assets under management increased by SEK 7 billion, with net inflows around zero<sup>1)</sup>.

As of 31 December 2001, total assets under management (AUM) by investment discipline were:

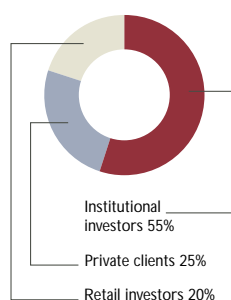
### Asset management investment disciplines

SEK billion	Mutual funds		Discretionary funds	
	AUM	%	AUM	%
Domestic equities	3	4%	15	21%
Nordic equities	2	3%	3	4%
European equities	1	1%	1	1%
Global equities	12	17%	12	17%
Healthcare equities	6	8%	0	0%
Technology equities	1	1%	0	0%
Fixed income	4	5%	13	18%
Total	29	39%	44	61%

## Clients

Asset Management clients generally fall within one of three categories: institutions, private clients or retail investors. About 500 institutional investors represent 55 per cent of assets under management. About 3,000 private clients, primarily in Stockholm and the private banking operations in Luxembourg, represent 25 per cent. About 40,000 retail investors investing directly in Carnegie products, together with clients reached through third-party-distribution networks, represent 20 per cent. External distribution networks include insurance brokers, unit-linked insurance companies (such as SkandiaLink) and the PPM-system<sup>2)</sup>. These networks are counted as single clients in Carnegie's statistics, but may in turn distribute Carnegie's fund products to a large number of individual investors, which is not reflected in the total number of retail investors.

Assets under management by client type



## Discretionary services for institutional and private clients

Discretionary asset management services include portfolio management in accordance with stated guidelines and Carnegie's investment strategy. Carnegie can also offer advice on tax planning related to securities or other assets and advice on endowment insurance.

<sup>1)</sup> During the last quarter, Carnegie has refined and recalculated changes to assets under management for the year 2001. This has led minor changes to earlier stated inflow figures for the first three quarters.

<sup>2)</sup> In accordance with the Swedish national pension system, 2.5% of an employee's salary is invested on his/her behalf as specified by the employee. Approximately 4 million individuals are currently eligible to participate in the new scheme, applied from 2000.

## Mutual funds

The management of Carnegie's mutual funds is based on the same investment strategy as for discretionary assets. Carnegie manages a variety of funds. Equity funds representing 80 per cent of equity funds marketed by Carnegie have outperformed market indices since their launch date.

### Relative performance of Carnegie mutual funds From launch date to 31 December 2001

	Base curr.	Launch date <sup>1)</sup>	Mutual fund	Index	Diff.
Carnegie Sweden	SEK	8 Oct. 1996	135%	85%	50%
Carnegie Small Cap	SEK	7 Nov. 1996	114%	53%	61%
Carnegie Norway	NOK	7 July 1995	176%	56%	120%
Carnegie Nordic Markets	USD	1 April 1996	143%	83%	60%
Carnegie European Equities	EUR	2 Aug. 1999	23%	-3%	26%
Carnegie Medical	EUR	15 Dec. 1998	177%	35%	142%
Carnegie WorldWide(Lux)	USD	15 Dec. 1995	98%	39%	59%
Carnegie WorldWide (Den)	DKK	1 July 1990	482%	155%	327%

<sup>1)</sup> Selected funds represent approximately 80 per cent of the capital in Carnegie's equity funds.

Carnegie's strategy is to be a provider of high-quality products, which is a prerequisite for successfully utilising third-party distribution channels.

## Private Banking

Carnegie provides, through Banque Carnegie Luxembourg S.A., a broad range of private banking services to private clients in Europe, principally Nordic expatriates. Banque Carnegie Luxembourg, with its specialists in equity, fixed income and derivative markets, provide discretionary asset management programmes adapted to the client's home currency, advice on securities and derivatives in major markets, tailor-made investment services, comprehensive banking services, cash management facilities, as well as custody and administrative services to the Luxembourg-based mutual funds.

## Pension Consulting

Pension Consulting offers a broad range of pension-related services in Sweden, including insurance policies, mutual fund investments and financial analysis of pension liabilities. Carnegie Pension Consulting has established itself as one of the leading participants in this segment of the asset management market in Sweden. Up until 2001, Carnegie has advised more than 400 companies on pension services. By creating relationships with these companies, Carnegie also gains access to additional business with their individual employees, opening a new market segment; the "individual clients", representing future potential for growth. Pension Consulting today services approximately 14,000 such individuals. Carnegie also engages in pension structuring for institutions in conjunction with the Investment Banking business, with an aggregate transaction value of SEK 34 billion during 1996-2001.

## **Targeted growth segments**

### **Mutual funds**

Carnegie has a market share of about 2 per cent of mutual fund stock in the Nordic market. Carnegie has targeted the mutual fund market as an area with clear potential to take market share. This opportunity is primarily given by a combination of having a top-quality product range and the continued break-up of the existing mutual fund distribution oligopoly.

### **Private clients**

Carnegie's penetration in the high net worth client market is low. Carnegie services some 3,000 high net worth clients in the business area, primarily in Sweden and Luxembourg, while the penetration in the other markets is low. Much attention is now paid to further developing the service given to this client segment, thus increasing Carnegie's presence in the market.

### **Institutional and "instividual" clients**

Institutional clients are core to the asset management business, and Carnegie's market penetration in this segment is high in the Nordic region. Servicing institutional clients demands top-quality services, that can be capitalised on in other market segments. As old structures and pension legislation change in the Nordic region, new market opportunities arise. It is Carnegie's strategy to capture a part of this growing market.

Through changing pension legislation, and greater focus on pension debt, the market for Pension Consulting business is growing rapidly. Carnegie's aim is to continue to take market share both in the institutional and "instividual" businesses.



## Income statement data and key ratios

<b>Asset Management &amp; Private Banking (SEK million)</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
Net commission income	110	162	271	276
Net interest income	51	51	70	78
Net income from financial positions	20	15	62	73
Regular fees	93	103	289	318
Performance fees	–	22	89	3
<b>Total fees from mutual funds</b>	<b>93</b>	<b>125</b>	<b>378</b>	<b>321</b>
Regular fees	77	87	118	108
Performance fees	7	46	55	4
<b>Total fees from discretionary fund management</b>	<b>84</b>	<b>133</b>	<b>173</b>	<b>112</b>
Advisory fees	23	57	70	64
<b>Total income<sup>1)</sup></b>	<b>381</b>	<b>543</b>	<b>1,024</b>	<b>924</b>
Personnel expenses	–112	–141	–170	–234
Other expenses	–104	–129	–185	–239
Net provisions for credit losses	0	0	–1	0
<b>Total expenses excluding bonus</b>	<b>–216</b>	<b>–270</b>	<b>–356</b>	<b>–473</b>
<b>Operating profit before bonus</b>	<b>165</b>	<b>273</b>	<b>668</b>	<b>451</b>
Bonus expenses <sup>2)</sup>	–88	–135	–332	–216
<b>Total expenses</b>	<b>–304</b>	<b>–405</b>	<b>–688</b>	<b>–689</b>
<b>Profit before taxes</b>	<b>77</b>	<b>138</b>	<b>336</b>	<b>235</b>
Cost/income ratio, %	79.8%	74.5%	67.2%	74.6%
Operating margin, %	20.2%	25.5%	32.8%	25.4%
Period-end assets under management (SEK billion)	42	70	79	73
– whereof mutual funds	10	19	27	28
– whereof discretionary fund management	28	45	45	39
– whereof advisory fund management	4	6	7	5
Lending (SEK million)	879	910	1,193	981
Deposits (SEK million)	2,197	1,877	3,241	2,549
Number of employees, average	161	188	206	253
Number of employees, period-end			234	253

<sup>1)</sup> In order to improve the description of the business, the marked-to-market valuation of Carnegie's holding in Orc Software and the result from associated companies are included in the result from principal investments in the operational reporting. Thus, total income in the operational reporting may differ from total income as presented in the statutory income statement.

<sup>2)</sup> In the presentation, the result from principal investments and the bonus effect from the result are not allocated to business areas.

For definition of key ratios, see page 17.

## Income and operating profit

Fees from discretionary asset management assignments fell by 36 per cent in 2001 including performance fees, or by 8 per cent excluding performance fees, due to lower average volume of managed assets. The decline in total fees from mutual funds by 15 per cent is primarily attributable to the drop in performance fees from SEK 89 million in 2000 to SEK 3 million in 2001. The fixed part of fees from mutual funds increased by 17 per cent during 2001, primarily due to increased average fund volume.

Discretionary asset management (SEK million)	2001	Chg, %	2000
Fixed fees	108	-8%	118
Performance fees	4	-93%	55
Total fees from discretionary asset management	112	-36%	173
Mutual fund management (SEK million)	2001	Chg, %	2000
Entry/exit fees	20	-40%	33
Fixed fees	298	17%	256
Performance fees	3	-96%	89
Total fees from mutual funds	321	-15%	378

Net commission income is earned when Carnegie engages in securities transactions, and is primarily generated in Luxembourg, Denmark and Sweden. Advisory fees are mainly generated in Pension Consulting.

Total operating expenses were unchanged from 2000, reflecting increased operating expenses before bonus by 33 per cent and a bonus decrease of 35 per cent. The increase is related to an increase in average number of employees (23 per cent) and costs for additional premises and IT systems, in line with the growth strategy of the business. The business area operating profit before taxes was SEK 235 million, a decline of 30 per cent from 2000 (SEK 336 million).

## Board of Directors

All of Carnegie's directors are elected by resolution of the AGM. Carnegie's directors serve terms that last until the next AGM, but may serve any number of consecutive terms. Shareholders may remove Carnegie's directors from office at a general meeting of shareholders at any time, and vacancies on the Board of Directors, except when filled by a deputy director, may only be filled by shareholder resolution. One director is elected Chairman of the Board of Directors by a resolution of the Board of Directors. Set forth below is information concerning the directors of Carnegie as of 31 December 2001.

**Lars Berg**, Director. Born 1947. Board Member since 2001. From 1999 to August 2000, Head of Mannesmann AG's telecom operations. Between 1994 and 1999, President and CEO of Telia AB. Between 1970 and 1994, held leading positions with Ericsson. Board Member of: Telefonica Moviles S.A., Eniro AB, Förvaltnings AB Ratos, Net Insight AB (Chairman), C. Technologies AB, Ledstiernan AB and Schibsted ASA. No. of shares in Carnegie, 2,000.

**Lars Bertmar**, Director. Born 1945. Chief Executive Officer of the Carnegie Group since 1990. Chairman of Carnegie subsidiaries in the Nordic countries. Chairman of The Swedish Association for Share Promotion 1999–2001. No. of shares in Carnegie, 300,000.

**M E S Gibbins**, Director. Born 1943. Board Member since 1999. Chief Operating Officer and Finance Director of S&F Group PLC. Appointed Finance Director of S&F Group PLC in 1998 and became its Chief Operating Officer in January 2000. Previously worked for KPMG and admitted to partnership in 1976. Appointed Comptroller to Diana, Princess of Wales, in 1996. No. of shares in Carnegie, –.

**John Hodson**, Director. Born 1946. Board Member since 1995. Chief Executive Officer of S&F Holdings since 1990. Chief Executive Officer of S&F Group PLC since 1992. Chairman of S&F Group PLC since 2000. Also a non-Executive Director of Miller Fishers Group PLC, Prestbury Group PLC and Intrinsic Value PLC. No. of shares in Carnegie, –.

**Matti Kinnunen**, Director. Born 1958. Board Member since 1994. Managing Director of D. Carnegie AB since 1992. Chairman of Carnegie subsidiaries in the Nordic countries and in the UK and the US. Board Member of Stockholmsbörsen, Chairman of the Swedish Association of Securities Dealers. No. of shares in Carnegie, 300,000.

**Anders Ljungh**, Director. Born 1942. Board Member since 2001. Until recently, served as senior adviser to Morgan Stanley Dean Witter. Between 1991 and 1994, CFO of the European Bank for Reconstruction and Development. Previously worked as CEO of Svenska Handelsbanken International in Stockholm. Board Member of SAS International Hotels and HiQ. No. of shares in Carnegie, 2,000.

**Christer Zetterberg**, Chairman of the Board. Born 1941. Chairman of the Board since 2001. Between 1990 and 1992, President and CEO of the Volvo Group. Between 1988 and 1990, CEO of PKbanken AB. 1983 to 1998 CEO of Holmens Bruk AB. Vice Chairman of Micronic Laser Systems. Board Member of a.o. the L E Lundberg Group, Holmen and Camfil. Vice Chairman of Royal Swedish Academy of Engineering Sciences (IVA). No. of shares in Carnegie, 2,000.

## Executive officers

Karin Forseke, born 1955, has been the Head of International Sales and Sales Trading since 1998. Prior to joining Carnegie, Ms. Forseke was COO of the London International Financial Futures Exchange, LIFFE, from 1993 to 1998. From 1992 through 1993 Ms. Forseke was responsible for client relations and sales/distributions in Westpac Banking Corporation's Financial Markets Group. From 1989 to 1992, Ms. Forseke was director of business development in establishing The OMLX exchange in London. No. of shares in Carnegie, 300,000. The shares are held indirectly.

Bertil Hult, born 1956, has been the Head of Asset Management & Private Banking since 1996. He joined Carnegie in 1992 and served as its CFO before taking over his current position. Prior to joining Carnegie, Mr. Hult held positions at Independent AB, Svenska Handelsbanken AB, Ovako Steel AB and Swedish Match AB. No. of shares in Carnegie, 300,000.

Mats-Olof Ljungkvist, born 1951, has served as Carnegie's CFO since 1998. Prior to joining Carnegie, Mr. Ljungkvist was MD of both Aragon Holding AB and Aragon Fondkommission AB from 1995 through 1997. From 1985 to 1995, Mr. Ljungkvist served as the CFO of Apoteksbolaget AB, a Swedish pharmacy company. No. of shares in Carnegie, 150,000.

Sonny Lundwall, born 1956, joined Carnegie as Head of Administration in 1997 from Nordbanken AB, where he had served since 1992 as the senior vice president in charge of Foreign Exchange, Money Market and Securities Operations. Mr. Lundwall has also held various executive positions at Skandinaviska Enskilda Banken during a period of over 15 years. He served as the Head of Foreign Securities of Skandinaviska Enskilda Banken until his resignation in 1991. No. of shares in Carnegie, 140,000.

Anders Onarheim, born 1959, has been MD of Carnegie ASA, Carnegie's Norwegian operating company, since 1996. Prior to joining Carnegie, Mr. Onarheim was the Head of Equities of Enskilda Securities Norway from 1994 to 1996. From 1990 through 1994, he was Executive Director in the Investment Banking division of Goldman Sachs in the UK and held a position as Vice President for institutional sales in Merrill Lynch in the US and the UK, from 1986 to 1990. Mr. Onarheim is a member of the Board of Directors of the Association of Norwegian Stockbroking Companies. No. of shares in Carnegie, 300,000.

Niels Roth, born 1957, was appointed Head of Investment Banking in 2000. He joined Carnegie in 1989, when Leif Jensen, a private stockbroking company of which he was a MD, co-founder and partner, was acquired by Carnegie. Since the acquisition, Mr. Roth has been the Managing Director of Carnegie Bank A/S, Carnegie's Danish operating company. Mr. Roth also serves as the Chairman of the Danish Securities Dealers Association and is a member of the Danish Securities Council. No. of shares in Carnegie, 300,000. The shares are held indirectly.

Stig Vilhelmson born 1956, joined Carnegie in 1991 and served in various positions within Securities before his appointment as Head of Securities in 1995. Prior to joining Carnegie, Mr. Vilhelmson was the Head of Securities at Öhman Fondkommission AB from 1984 to 1990. Mr. Vilhelmson is a member of the Board of Directors of Orc Software AB. No. of shares in Carnegie, 300,000.

## Compensation

At the Annual General Meeting held on 2 March 2001, it was resolved to pay SEK 1.75 million to board members not employed by Carnegie or Singer & Friedlander for 2001. No director's fee will be paid to members who are employees of Carnegie or Singer & Friedlander. The Chairman of the Board of Directors receives SEK 0.75 million and two other members of the board each receives SEK 0.5 million. For his services as senior adviser to Carnegie during 2000 and 2001, Mr Ljungh receives a remuneration of SEK 2.8 million per year.

In 2001, Carnegie's CEO received a salary of SEK 5.9 million (SEK 3.6 million), of which SEK 2.3 million is retroactive compensation. Other benefits, including a company car, amounted to SEK 0.1 million. The bonus expense for the operating year 2001 amounted to zero (SEK 15.8 million).

## Pensions

Carnegie makes compensation based premium payments for pension insurance in accordance with its internal pension plans. Carnegie has no pension obligations outstanding and makes no payments for pension insurance to the Chairman of the Board of Directors. In 2001, pension premiums of SEK 399,000 (SEK 367,000) were paid on behalf of the CEO. In 2001, an extra payment of SEK 19.3 million has been made relating to a pension insurance to the benefit of the CEO.

## Notice of termination and severance pay

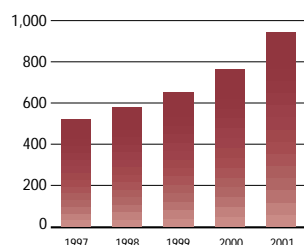
No agreement on severance pay has been made with any of the non-executive board members. The CEO must give twelve months notice to terminate his employment, Carnegie must give 24 months notice. In the event of a termination with immediate effect by Carnegie, the CEO will receive a severance pay amounting to 24 months' salary, as well as compensation for the loss of car and pension benefits for a 24-month period. Carnegie's executive officers must comply with notice periods for termination of employment that range from three to twelve months. There were no related party transactions in 2001.

# Employees and incentive programme

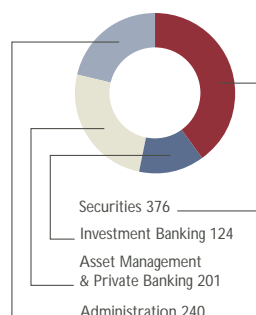
## Employees

One of Carnegie's strengths and the principal reason for the fast growth is the quality and dedication of the staff and the shared sense of being part of a team. Carnegie strives to maintain a work environment that fosters high ethical standards, mutual respect, honesty, professionalism and creativity. Carnegie seeks to reinforce employee commitment to culture and values through training and a fair compensation philosophy that rewards teamwork and initiative. Carnegie makes attracting, hiring, educating and retaining personnel a high priority. Carnegie takes a long-term, strategic approach to hiring its employees, seeking qualified people who bring skills or special knowledge to the company while also fitting within Carnegie's corporate culture. Improved position in recent rankings for Carnegie has strengthened the brand presence, which is an advantage in attracting new employees. Carnegie grew from 462 full-time average employees in 1996 to 941 full-time average employees in 2001. The employees are divided as follows: 376 were Securities employees, 124 Investment Banking employees, 201 Asset Management & Private Banking employees and 240 within Administration. The 240 administrative employees provide support for Carnegie's business areas. For the purpose of allocating expenses only, these employees are divided among the three business areas in the operational reporting.

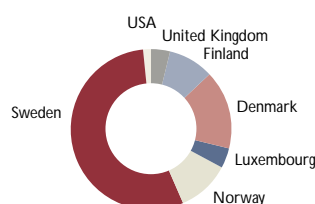
Average number of employees



Employees per business area  
— administration not allocated  
Total 941



Employees per country  
Total 941



## Bonus system

Carnegie's bonus system is designed to reward its employees by providing remuneration tied closely to its total operating profit before bonus expense, while at the same time rewarding the success of the entire business rather than teams or individuals. Carnegie's aggregate annual cost with respect to the bonus system is calculated as 50 per cent of operating profit before bonus expense, less an amount equal to 12-month STIBOR (Stockholm Interbank Offered Rate, the average of the daily quotation of the rate) on the opening balance of shareholders' equity for the year, adjusted for any dividends paid to shareholders for that year. The formula is fixed regardless of the amount of Carnegie's operating profit before bonus expense. In other words, if Carnegie's operating profit before bonus expense for the year were zero, or if Carnegie had an operating loss for the year, no bonus would be paid to employees.

## Employee shareholding

A large portion of Carnegie's employees (appr. 700) are also shareholders in Carnegie, together holding approximately 50 per cent of Carnegie's total outstanding ordinary shares. Carnegie believes that giving employees an equity interest in the company fosters commitment and personal interest in the success of the group as a whole.

## Warrant programme

At the EGM in November 2001, the shareholders voted in favour of a proposal to issue debt instruments up to a nominal amount of SEK 240,000, with a maximum of 2,400,000 detachable warrants; Warrant 2002/2005. Each warrant carries the right to acquire one new Carnegie share, for SEK 158. The right to acquire new shares will run from 1 April 2003 until 29 April 2005. Full utilisation of the warrants will result in a dilution of 3.6 per cent of Carnegie's current share capital, corresponding to a share capital increase of SEK 4,800,000. In February 2002 the Board of Directors decided to propose a warrant programme 2003/2006 to the AGM. Including the existing warrant programme and assuming that the programme is exercised in full the dilution of the share capital would be 7.2 per cent. Carnegie's costs for each programme (payroll taxes) are estimated to be less than SEK 10 million.

# Capitalisation and dividend policy

## Liquidity and capital resources

Carnegie's principal need for capital 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 capital adequacy is monitored in relation to the risk of the businesses, measured as a function of asset quality and liquidity.

Carnegie's balance sheet is relatively liquid and fluctuates significantly between financial statement dates. The majority of Carnegie's assets consist of marketable securities inventories (marked-to-market daily), margin lending (secured by marketable corporate equity securities) and loans to credit institutions (short-time deposits). In 2001 the cash flow from operations before changes in working capital was SEK 633 million (SEK 1,128 million).

## Capital expenditure

For the year 2001, capital expenditure was 4.4 per cent of total income (1.9 per cent). Capital expenditures for 2001 amounted to SEK 150 million (SEK 81 million), attributed to investments in rented premises (25 per cent), information systems (16 per cent) and office equipment (53 per cent).

## Capital adequacy

Swedish securities firms must satisfy the legal requirements on capital adequacy and large exposures. Capital is divided into two main categories: primary capital (Tier 1) and supplementary capital (Tier 2). Tier 1 consists primarily of shareholders' equity plus minority interest in shareholders' equity minus goodwill, any proposed dividends and any repurchased shares. Tier 2 capital primarily includes subordinated loans and preference shares, if any. The current minimum capital ratios are a capital adequacy of 8.0 per cent and a Tier 1 ratio of 4.0 per cent. On 31 December 2001, Carnegie's capital adequacy ratio and Tier 1 ratio were both 20.0 per cent.

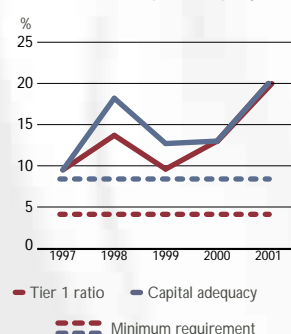
## Development of share capital

The shareholders' equity amounted to SEK 1,880 million at 31 December 2001. During 2001, additional capital of SEK 556 million was provided through the merger of D. Carnegie & Co AB and Carnegie Holding, which generated SEK 228 million, and the net proceeds of SEK 328 million from the new share issue in connection with the initial public offering. The proceeds were in part used for repayment of subordinated loans amounting to SEK 230 million.

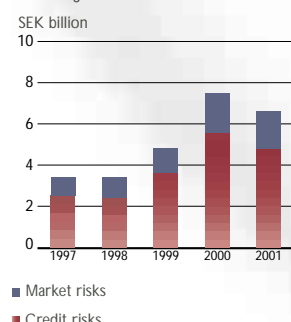
### Changes in shareholders' equity

SEK million	Dec 31 2001	Dec 31 2000
Shareholders' equity – opening balance	1,605	846
Effect of changes in accounting principles	–	–1
Dividend (Q1)	–861	–383
Additional capital through merger (Q2 & Q3)	228	–
New share issue, net (Q2 – Q4)	328	–
Foreign exchange difference	8	53
Net profit for the period	572	1,090
Shareholders' equity – closing balance	1,880	1,605

Tier 1 ratio and capital adequacy



Risk weighted assets



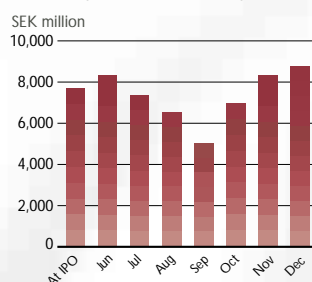
## **Dividend policy**

Carnegie's business is largely fee and commission based, with a relatively low proportion generated from market making and proprietary trading activities (7 per cent in 2001 after deduction of funding expenses). As a result of the focus on fee-based services, the business has been characterised by low capital requirements. Carnegie has adopted a dividend policy to the effect that, over the long term, Carnegie intends to declare dividends and determine dividend amounts that will allow the company to maintain an acceptable Tier 1 ratio at the beginning of each fiscal year. An acceptable Tier 1 ratio is expected to be 15 per cent in the medium term.

In making the proposal of the yearly dividend, however, the Board of Directors will take into account other relevant matters such as the availability of funds for dividends, general business conditions, other capital requirements and such other factors as the Board of Directors may deem relevant. At 31 December 2001, the Tier 1 ratio was 20 per cent. The board has decided to propose a dividend of SEK 8.57 per share, which is equivalent to 100 per cent of the net profit for 2001.



Market capitalisation 2001 (at period end)



#### Analysts covering Carnegie

ABG Sundal Collier  
Sigmund Håland  
+47 22 01 60 00

Cazenove  
Robert Sage  
+44 20 7588 28 28

Deutsche Bank  
Matt Spick  
+44 20 7545 78 95

Enskilda  
Thomas Johansson  
+46 8 52 22 95 00

Goldman Sachs International  
Christoffer Malmer  
+44 20 7774 10 00

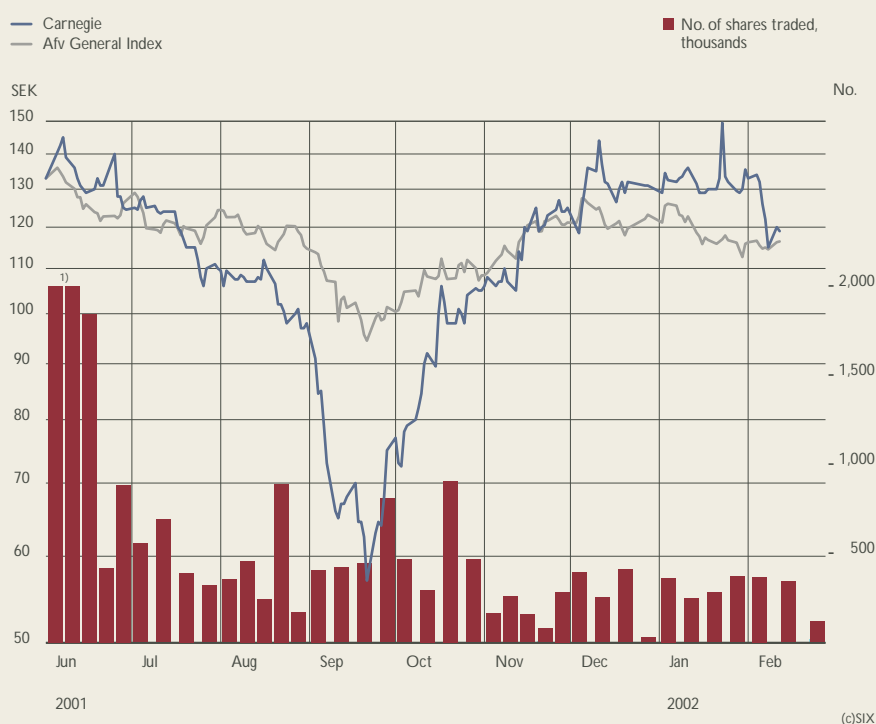
Schroder Salomon Smith Barney  
Ronit Ghose  
+44 20 7986 40 00

## Share information and ownership structure

#### Key data

	2001	2000
Earnings per share (SEK)	8.76	17.20
Book value per share (SEK)	28.18	25.32
Share price (SEK)	131.0	–
Price/earnings multiple	14.9	–
Price/book multiple	4.6	–
Number of shares at period-end	66,701,600	63,366,600
Average number of shares	65,267,093	63,366,600

### Shareprice 1 June 2001 – 12 February 2002



<sup>1)</sup> The turnover for the first two weeks after the initial public offering was 12.5 million shares.

Listing: Stockholmsbörsen, the O-list, Attract 40  
Listed since: 1 June 2001  
Trading lot: 100 shares  
Symbol: CAR

D. Carnegie & Co AB was listed on the O-list at Stockholmsbörsen (Stockholm Stock Exchange) on 1 June 2001. The offering, which comprised 18 per cent of the shares (19 per cent including over-allotment), was subscribed more than 30 times and the market capitalisation at the offering price SEK 115 was SEK 7.7 billion. Since January 2002, Carnegie's shares have been traded at Attract 40, a special section of the O-list of Stockholmsbörsen consisting of the 40 most actively traded shares on that list.

## Shareholder structure

31 December 2001	Number of shares	Votes and capital, %
<b>Transfer restricted shares<sup>1)</sup></b>		
Carnegie current and former personnel	32,735,000	49.1%
Singer & Friedlander Securities Ltd.	20,579,440	30.8%
Sub-total transfer restricted shares	53,314,440	79.9%
<b>Free float</b>		
Institutional investors		
– Non-Swedish	8,057,457	12.1%
– Swedish	4,676,057	7.0%
Private investors	653,646	1.0%
Sub-total free float	13,387,160	20.1%
Grand total	66,701,600	100.0%

<sup>1)</sup> Transfer restrictions refer to lock-in and lock-up agreements, see below.

## Certain relationships and related party transactions

### Lock-in agreement

D. Carnegie & Co AB became parent company of the Carnegie Group on 6 June, 2001, through a merger with Carnegie Holding AB. In August 2000, 200 key employees entered into a binding agreement to purchase 11 per cent of the shares in D. Carnegie & Co AB, leading to an ownership structure immediately prior to the initial public offering of 44 per cent owned by Singer & Friedlander, and 56 per cent owned by current and former employees. This 11 per cent interest is subject to certain restrictions according to a “lock-in-agreement”. The shares may not be transferred prior to 1 January 2004. In addition, these shares are subject to option agreements pursuant to which Carnegie Personal AB (wholly owned by the foundation “Stiftelsen D. Carnegie & Co”) has the right, upon the termination of employment of the employee, to purchase the shares at a price that equals the price originally paid by the employee.

### Lock-up agreement

Substantially all of Carnegie's current or former employees, who hold ordinary shares, or options to purchase ordinary shares, are included in a lock-up agreement. The lock-up provides that 25 per cent of the shares held by the employee will be released one day after the date for release of Carnegie's quarterly reports for the periods ended 31 March and 30 September 2002, and 31 March and 30 September 2003. The personnel will be offered a coordinated sale of shares.

Singer & Friedlander has also agreed not to transfer any of the shares held following the initial public offering up to and including one day after the date for release of Carnegie's quarterly report for the period ended 31 March 2002. From and after that time, Singer & Friedlander has agreed not to transfer any shares without the prior consent of Carnegie Personal AB, subject to certain exceptions.

# Risk management

## Overview

Carnegie's business activities by their nature expose Carnegie to significant market, credit and operational risks. The objective of the Carnegie risk management organisation is to remove risks that are not necessary for the business. As a result, comprehensive risk management policies and procedures are established to identify, control and monitor each major risk area.

Managing risk includes a combination of the expertise and experience of brokers, traders, investment bankers, asset managers and support staff. Employees in each department, from senior management through individual employees, have knowledge of the markets and activities in which they do business. Their experience and insight are supplemented by risk management policies and procedures intended to monitor and evaluate the risk profile and keep it within prescribed limits.

The risk managers are independent of the business areas and report directly to the senior management, group risk managers and respective Board of Directors. The goals of the risk managers are to understand the risk profile of each instrument and trading portfolio and make relevant risk assessments for the business. In addition, the risk managers are also providing assistance relating to the technical and regulatory aspects of the trading activities.

For the purpose of control and management of risk, the different risks are divided into market, credit and operational risks.

## Market risk

Market risk is defined as the risk of loss due to changes in market prices and interest rates. Market risk generally represents the risk of loss that may result from the potential change in the value of a financial instrument as a result of fluctuations in prices of equity securities or derivatives of equity securities and, to some extent, interest and foreign exchange rates. The exposure to market risk is directly related to the role as a financial intermediary in client-related transactions and to market making and proprietary trading activities.

The local Board of Directors establishes limits for market risks. The local capitalisation is thus one important factor for the local risk level. The local risk management functions measure the market risks, apply the limits, as set up by the Board or the Managing Director, and report regularly to senior management and at each board meeting.

## Credit risk

Credit risk is defined as the risk of loss due to counterparty default on loans or other counterparty exposure. Carnegie is subject to credit risk mainly in its margin lending business, but also in its sales and trading activities, particularly as a counterparty in its over-the-counter derivatives business. Policies and procedures have been adopted to manage these risks.

The local treasury and finance functions and its local risk managers administer the local credit risk management functions. This includes reviewing and reporting on concentrations of credit risk and establishing documentation and credit support standards. Carnegie's group risk management monitors the volume of credit extended to Carnegie's counterparties. The local treasury and finance functions, in conjunction with local risk management, assess the quality and acceptability of collateral, measure potential credit exposures associated with certain clients, monitor compliance with credit limits, obtain appropriate legal documentation and provide comprehensive credit risk reporting for senior management.

### **Operational risk**

Operational risk is the risk of loss resulting from inadequate and/or failed processes and systems, human error or external events. Operational risk also includes the risk of loss due to lack of knowledge, or intentional disregard, of rules and regulations, market practices and business ethics, any of which could cause significant harm to Carnegie's reputation among its clients and prospective clients.

Operational risks are less direct than market and credit risk, but managing them is critical, particularly in a rapidly changing environment with high transaction volumes. In order to reduce or mitigate these risks, an internal control environment has been established, which incorporates various control mechanisms at different levels throughout the organisation and within such departments as finance, accounting, operations, compliance, legal and internal audit. These control mechanisms are designed to help ensure that operational policies and procedures are being followed.

The local management, together with senior group management, has the responsibility for all operational and other matters that affect day-to-day activities. New products and businesses are reviewed by relevant internal personnel, including the control functions, so that risk management policies and procedures are established and in place prior to doing business.

### **Other risks**

Other risks encountered include political, regulatory and tax risks. These risks reflect the potential impact that changes in local laws, regulatory requirements or tax statutes have on the economics and viability of current or future transactions. In an effort to mitigate these risks, new and pending regulations and legislation are reviewed.

## Compliance

The goal of Carnegie's compliance function is to ensure that business operations are conducted in compliance with all relevant rules and regulations and to ensure that a high standard of business conduct, integrity and ethics is maintained throughout the company. Carnegie works actively with compliance related issues and pursues a variety of methods for controlling and measuring its risk exposure in this area. The key objectives are the avoidance of financial losses relating to compliance, as well as legal and reputational harm.

The group-wide compliance organisation is managed by the group compliance officer, who coordinates with local compliance officers in each separate country where Carnegie does business. The compliance officer's tasks include informing and advising staff, management and the Board of Directors of Carnegie on relevant external regulations, market practice and internal rules. Local compliance officers are appointed by, and report to, the Board of Directors at the subsidiary level and are responsible for controlling and overseeing compliance matters locally. The group compliance function reports to Carnegie's Board of Directors.

## Carnegie and the environment

Carnegie's goal is to promote a sustainable environment that will create conditions for a better society for future generations. Carnegie pursues its environmental aims through the continuous adaptation of the activities, improvement of the methods and constant updating of the way knowledge and information is managed with regard to environmental issues.

Carnegie's core activities themselves do not have a direct effect on the environment, but the operations do give rise to certain activities that affect the environment. For example, the staff requires office premises and IT equipment, and consumes various goods, resources and energy.

Carnegie's environmental activities have a long-term perspective. Each little step towards a better environment only has a discernable effect once all the steps are added together.

In Denmark and Norway the Asset Management activities moved to a newly built office facility during 2001. The advantages of this new building reflect the fact that those responsible for its construction had to take account of the environmental legislation in each country right from the start, and thus insist that contractors working on the building met these laws and regulations. The new building has flexible room dividers, which will minimise future renovation requirements, and it consumes less energy.

During 2001 Carnegie's environmental considerations included the rebuilding work on the office in Stockholm. All contractors have had to ensure that demolition and renovation work has been carried out with satisfactory levels of environmental awareness. In addition, the fire extinguisher system has been substituted for one which uses material with a less harmful effect on the environment.

## History

Carnegie's history dates back to 1803 when David Carnegie founded D. Carnegie & Co, which engaged primarily in shipping and trading. The company entered the finance industry in the 1960s through the acquisition of Bankirfirman Langenskiöld, a Swedish stockbroking firm founded in 1932.

The volume of the business was relatively insignificant until the early 1980s, when tax favourable savings instruments became popular, thus stimulating interest and activity in the stock market. During the early 1990s, there was a significant increase in foreign investment in the Swedish stock market.

In 1988, the business was sold by its then parent Nobel Industri AB to PKbanken, which subsequently was renamed Nordbanken (now Nordea). During the 1980s and early 1990s, as financial markets were deregulating, Carnegie expanded its businesses into Denmark, southern Europe, London and New York. In the early 1990s, Carnegie expanded into Finland and Norway and established its private banking business in Luxembourg. It also expanded beyond its Securities activities to include Investment Banking and Asset Management as core activities.

At the end of 1994, Carnegie's operations were transferred to a newly created company, Carnegie Holding, pursuant to an agreement under which Carnegie Holding purchased all of Nordbanken's holdings in Carnegie's subsidiaries. At the time of the acquisition, Singer & Friedlander, an independent financial services group listed on the London Stock Exchange, owned 55 per cent of the outstanding ordinary shares of Carnegie Holding, and D. Carnegie & Co owned the remaining 45 per cent.

In the mid-1990s, Carnegie's Board of Directors made the strategic decision to narrow its geographic focus to the Nordic region, and between 1996 and 1997 Carnegie disposed of its southern European holdings.

D. Carnegie & Co AB became parent company of the Carnegie Group on 6 June , 2001, through a merger with Carnegie Holding AB. In August 2000, 200 key employees entered into a binding agreement to purchase 11 per cent of the shares in D. Carnegie & Co AB, leading to an ownership structure of 44 per cent owned by Singer & Friedlander, and 56 per cent owned by current and former employees. As from 1 June, 2001, the shares of D. Carnegie & Co AB are listed on the O-list of the Stockholm Stock Exchange.

# Administrative report

The Board of Directors and the CEO submit herewith the Annual Report for D. Carnegie & Co AB (company registration number 556498-9449) for the 2001 financial year.

Carnegie is the leading Nordic investment bank with a strong position in the following business areas: Securities, Investment Banking and Asset Management.

## Group structure

The Group's parent company is D. Carnegie & Co AB (publ), which is listed on the Stockholm Exchange's O-list. The Group includes a number of wholly owned subsidiaries and their subsidiaries in Denmark, Finland, Norway, Sweden, Luxembourg and the United States, as well as branches in Finland, Norway and Great Britain. The companies in the Group and the ownership structure of these companies are described in Note 26. For comparative figures for the Group, Carnegie Holding AB is reported in the financial statements as the Parent Company before the merger (see below) while the Parent Company's comparative figures pertain to D. Carnegie & Co AB (publ).

## Board of Directors

The Board of Directors has seven members. The Board held 13 meetings during the year.

## Business activities in 2001

Despite a difficult market, Carnegie strengthened its position in 2001 as the leading Nordic investment bank. The total income for 2001 was SEK 3,376 million (SEK 4,497 million). Income from the Securities business area was SEK 1,615 million, down 29 per cent. Income from Investment Banking was SEK 901 million, down 6 per cent. Income from Asset Management & Private Banking was SEK 924 million, down 10 per cent. Total managed assets amounted to SEK 73 billion, down 8 per cent.

Net profit for 2001 was SEK 572 million, down 48 per cent from 2000. This result represents a return on equity of 38 per cent (85 per cent). The earnings per share amounted to SEK 8.76 based on an average number of shares (SEK 17.20).

## Significant events in 2001

On 1 June 2001 D. Carnegie & Co AB (publ) was listed on the Stockholm Exchange's O-list. The offer to acquire 18 per cent of the total number of shares was subscribed for more than 30 times and the market value amounted to a total of SEK 7,7 million at an issue price of SEK 115. The offering included a new issue of a total of 3,3 million shares. The funds raised from the share issue after deductions for costs amounted to SEK 328 million. Of this amount, SEK 230 million was used to repay subordinated loans.



In connection with the listing, D. Carnegie & Co AB (publ) merged with Carnegie Holding AB. The merger was effected through absorption whereby D. Carnegie & Co AB is the acquiring company and Carnegie Holding AB is the conveying company. As a result of the merger, D. Carnegie & Co AB became the new parent company in the Carnegie Group. In connection with the merger, the Group received about SEK 228 million in additional shareholders' equity.

The company's holding in Orc Software AB resulted in a loss of SEK –63 million (SEK 250 million). On 25 October 650,000 shares in Orc Software were sold in a secondary offering. The company's holding after the sale is about 6 per cent of Orc Software's total share capital.

### **Parent Company in brief**

Operating income in D Carnegie & Company AB was SEK 8 million, and the company was showing a loss before financial items of SEK 74 million. The net profit before taxes was SEK 276 million, including anticipated dividends from subsidiaries. At 31 December, 2001, cash and liquid assets were SEK 197 million and capital expenditure during the year amounted to SEK 4 million. Shareholders' equity was SEK 1,490 million. Due to the merger on 6 June, 2001 there are no relevant comparative figures.

### **Transactions with related parties**

There have been no transactions with related parties.

### **Events after the end of the financial year**

Since January 2002, Carnegie's shares have been traded on Attract 40, a special section of the O-list of the Stockholm Exchange consisting of the forty most traded companies.

At an extraordinary general meeting on 28 November, a decision was taken to issue 2,400,000 warrants. Upon full subscription, the company's share capital will be increased by SEK 4.8 million. The subscription period is 1 April 2003 – 29 April 2005. The issue was executed in January 2002. In the beginning of February the warrants were distributed among the employees of the Carnegie Group and the subscription price has been set at SEK 158.

### **Personnel and salaries**

The average number of employees and the average salaries and remuneration levels within the Group and Parent Company are described in Note 6 and Note 22 respectively.

### **Income and financial position**

For more information on the company's income and financial position, please refer to the profit and loss accounts and balance sheets.

## Capital base

The Group's equity, including the profit from 2001, after taking into account the proposal for the appropriation of profits, is SEK 1,308 million.

The Group's capital adequacy ratio at the end of 2001 was 20.0 per cent compared to 13.0 per cent at the end of the previous year, see also Note 21.

## Appropriation of profit

As shown in the consolidated balance sheet, the Group's unrestricted shareholders' equity amounts to SEK 1,062,748,000. A transfer of SEK 10,000,000 to restricted reserves is proposed.

### At the disposal of the Annual General Meeting (SEK):

Unrestricted shareholders' equity	897,958,497
-----------------------------------	-------------

### The Board of Directors and the CEO propose that the profits be allocated as follows (SEK):

A dividend of SEK 8.57 per share, total	571,632,712
To be carried forward	326,325,785
Total	897,958,497

## Statutory consolidated income statement

(SEK thousands)	Note	2001	2000
Commission income	1, 2	2,863,509	3,514,726
Interest income		492,928	462,956
Interest expenses		-320,778	-361,762
<b>Net interest income</b>	3	<b>172,150</b>	<b>101,194</b>
Dividends received	4	3,712	22,353
Net profit from financial transactions	5	325,926	856,807
Other income		10,909	2,392
<b>Total income</b>		<b>3,376,206</b>	<b>4,497,472</b>
General administrative expenses	6	-2,458,262	-2,925,842
Depreciation of tangible and amortisation of intangible fixed assets	7	-60,824	-37,902
<b>Total expenses</b>		<b>-2,519,086</b>	<b>-2,963,744</b>
<b>Operating profit before provisions for credit losses</b>		<b>857,120</b>	<b>1,533,728</b>
Provisions for credit losses, net	8	-2,985	-341
<b>Operating profit</b>		<b>854,135</b>	<b>1,533,387</b>
Result from associated companies		-1,795	-294
<b>Profit before taxes</b>		<b>852,340</b>	<b>1,533,093</b>
Taxes	9	-280,381	-442,840
<b>Net profit</b>		<b>571,959</b>	<b>1,090,253</b>

## Statutory consolidated balance sheet

Assets (SEK thousands)	Note	31 Dec 2001	31 Dec 2000
Cash and bank deposits in central banks		124,147	306,555
Negotiable Government securities	10, 11	–	19,052
Loans to credit institutions	12	5,952,317	5,995,387
Loans to general public	12, 13	2,408,704	4,249,784
Bonds and other interest bearing securities	10, 11	959,533	1,030,641
Shares and participations	10	2,817,376	4,136,866
Shares and participations in associated companies	14	7,463	8,492
Tangible fixed assets	15	199,296	139,542
Intangible fixed assets	16	21,065	1,842
Other assets	10, 17	6,409,356	2,401,270
Prepaid expenses and accrued income		229,738	263,935
<b>Total assets</b>		<b>19,128,995</b>	<b>18,553,366</b>
<b>Collateral pledged for own liabilities</b>			
Securities		4,210,047	3,747,428
Securities owned by customers		1,598,110	2,385,994
Other assets		1,419,650	731,158
<b>Standardized options</b>			
Blocked assets in customer accounts		350,089	249,466
<b>Securities loaned</b>			
		1,271,029	602,622
<b>Liabilities and shareholders' equity</b>			
(SEK thousands)	Note	31 Dec 2001	31 Dec 2000
Liabilities to credit institutions	12	1,256,124	2,515,806
Deposits and borrowing from general public	12	5,561,004	6,469,298
Other liabilities	10, 18	8,721,773	5,743,867
Accrued expenses and prepaid income		1,445,277	1,905,956
<b>Total liabilities</b>		<b>16,984,178</b>	<b>16,634,927</b>
<b>Provision</b>			
Deferred taxes		154,814	83,862
Pension obligation		110,219	–
<b>Total provision</b>		<b>265,033</b>	<b>83,862</b>
<b>Subordinated loan</b>	30	–	230,000
<b>Shareholders' equity</b>			
	19		
Share capital		133,403	61,200
Restricted reserves		683,633	291,276
Unrestricted reserves		490,789	161,848
Net profit		571,959	1,090,253
<b>Total shareholders' equity</b>		<b>1,879,784</b>	<b>1,604,577</b>
<b>Total liabilities and shareholders' equity</b>		<b>19,128,995</b>	<b>18,553,366</b>
<b>Contingent liabilities</b>			
Guarantees		5,989	6,002
Guarantee of liabilities in associated companies		89,271	73,267
		32,756	7,587
<b>Securities borrowed</b>			
		4,537,490	3,038,038

## Statement of changes in financial position, Group and Parent Company

(SEK thousands)	Group		Parent	
	2001	2000 <sup>1)</sup>	2001	2000 <sup>1)</sup>
<b>Current operations</b>				
Operating profit	854,135	1,533,387	338,531	388,685
Adjustment for items not included in cash flow				
Result from associated companies	-1,795	-294	-	-
Depreciation and amortisation	60,824	37,902	1,398	-
Other taxes	-15,046	-18,564	5,461	-
Current taxes	-265,335	-424,276	-52,737	-490
	-221,352	-405,232	-45,878	-490
<b>Cash flow from operations before changes in working capital</b>	<b>632,783</b>	<b>1,128,155</b>	<b>292,653</b>	<b>388,195</b>
<b>Increase (-)/decrease (+) in operational assets</b>				
Loans to general public	1,841,080	-1,242,299	-	-
Securities inventory	1,409,650	-1,966,024	-	-
Current receivables	-3,973,886	-930,700	-514,250	-213,865
<b>Increase (+)/decrease (-) in operational liabilities</b>				
Borrowing from general public	-908,294	2,111,010	-	-
Liabilities to credit institutions	-1,259,682	316,771	-	-
Current liabilities	2,517,224	4,907,975	104,213	10,029
	-373,908	3,196,733	-410,037	-203,836
<b>Cash flow from operations</b>	<b>258,875</b>	<b>4,324,888</b>	<b>-117,384</b>	<b>184,359</b>
<b>Investment activities</b>				
Sale of fixed assets	10,271	7,006	41	-
Investment/Acquisition of associated and other companies	1,029	-48,964	-676,663	-
Acquisition of fixed assets	-150,072	-80,939	-10,118	-
<b>Cash flow from investment activities</b>	<b>-138,772</b>	<b>-122,897</b>	<b>-686,740</b>	<b>0</b>
<b>Financing activities</b>				
Additional capital through merger	227,706	-	633,429	-
New share issue, net	328,340	-	328,340	18,758
Group contribution	-	-	314,641	-
Redemption	-	-	140,035	-86
Change in long-term liabilities	-48,829	132,218	60,000	-
Change in long-term receivable	-	-	-369,830	-
Distributed dividend	-860,979	-383,112	-388,056	-172,477
<b>Cash flow from financing activities</b>	<b>-353,762</b>	<b>-250,894</b>	<b>718,559</b>	<b>-153,805</b>
<b>Cash flow for the year</b>	<b>-233,659</b>	<b>3,951,097</b>	<b>-85,565</b>	<b>30,554</b>
<b>Liquid funds at the beginning of the year</b>	<b>6,301,942</b>	<b>2,298,230</b>	<b>98,036</b>	<b>67,482</b>
Exchange differences in liquid funds	8,181	52,615	-	-
<b>Liquid funds at the end of the year</b>	<b>6,076,464</b>	<b>6,301,942</b>	<b>12,471</b>	<b>98,036</b>

<sup>1)</sup> Information about comparative figures see Administrative report – Group structure

## Income statement of Parent Company

(SEK thousands)	Note	2001	2000
Operating income		8,278	–
Administrative expenses	22, 25	–81,953	–356
<b>Operating profit</b>		<b>–73,675</b>	<b>–356</b>
<b>Financial items</b>			
Anticipated dividend from Group companies		422,815	–
Anticipated dividend		–	386,937
Interest income from Group companies		26,558	–
Other interest income		680	2,104
Interest expenses on subordinated loan		–7,435	–
Interest expenses to Group companies		–	–
Other interest expenses		–29,574	0
Foreign exchange differences		–837	–
<b>Profit after financial items</b>		<b>338,531</b>	<b>388,685</b>
Appropriations	23	–62,940	–
<b>Profit before taxes</b>		<b>275,592</b>	<b>388,685</b>
Taxes	24	40,823	–490
<b>Net profit</b>		<b>316,415</b>	<b>388,195</b>

## Balance sheet of Parent Company

Assets (SEK thousands)	Note	31 Dec 2001	31 Dec 2000
<b>Fixed assets</b>			
<b>Tangible assets</b>			
IT equipment and other machinery	25	8,679	–
<b>Financial assets</b>			
Shares in Group companies	26	627,784	–
Receivables from Group companies		365,830	–
Shares in associated companies	14	5,050	2,820
Other shares and participations	27	43,829	–
Receivables from associated companies		4,000	–
<b>Total financial assets</b>		<b>1,046,493</b>	<b>2,820</b>
<b>Total fixed assets</b>		<b>1,055,172</b>	<b>2,820</b>
<b>Current assets</b>			
<b>Current receivables</b>			
Receivables from Group companies		874,456	–
Deferred taxes recoverable		5,461	–
Prepaid tax		886	–
Other receivables		19,506	386,937
Prepaid expenses and accrued income		879	–
<b>Total current receivables</b>		<b>901,188</b>	<b>386,937</b>
Cash and bank		12,471	98,036
<b>Total current assets</b>		<b>913,659</b>	<b>484,973</b>
<b>Total assets</b>		<b>1,968,831</b>	<b>487,793</b>
Asset pledged		None	None
Contingent liabilities		None	None

Shareholders' equity and liabilities (SEK thousands)	Note	31 Dec 2001	31 Dec 2000
<b>Shareholders' equity</b>	28		
<b>Restricted equity</b>			
Share capital (66,701,600 shares, par value SEK 2 /601,000 shares, par value SEK 1)		133,403	601
Statutory reserve		579	121
Premium reserve		458,191	85,150
<b>Unrestricted equity</b>			
Retained earnings		581,544	3,360
Net profit		316 415	388,195
<b>Total shareholders' equity</b>		<b>1,490,132</b>	<b>477,427</b>
<b>Provision</b>			
Pension obligation		19,503	–
Tax allocation reserve	29	304,121	–
<b>Total provision</b>		<b>323,624</b>	<b>0</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Long-term loan		60,000	–
<b>Total long-term liabilities</b>		<b>60,000</b>	<b>0</b>
<b>Current liabilities</b>			
Accounts payable		3,475	–
Loans to Group companies		433	–
Tax liabilities		13,197	489
Other liabilities		1,116	9,701
Accrued expenses and prepaid income		76,854	175
<b>Total current liabilities</b>		<b>95,075</b>	<b>10,366</b>
<b>Total liabilities</b>		<b>155,075</b>	<b>10,366</b>
<b>Total shareholders' equity and liabilities</b>		<b>1,968,831</b>	<b>487,793</b>
Guarantee of liabilities in associated companies		32,756	None



# Accounting policies

## Applicable to legislation and accounting standards

The consolidated income statement and balance sheet and the notes relating to these have been drawn up in accordance with the regulations in the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) regarding financial holding companies that exclusively, or principally, manage holdings in subsidiaries that are credit institutions, securities companies or foreign companies of a comparable type.

The income statements and balance sheet and related notes for the parent company have been drawn up in accordance with the Annual Accounts Act (1995:1554).

The financial statements comply with the accounting standards and recommendations issued by the Swedish Financial Accounting Standards Council, The Swedish Accounting Standards Board, The Swedish Institute of Authorised Public Accountants (FAR) and the Swedish Financial Supervisory Authority.

## The Group

### Consolidated financial statements

The consolidated financial statements include the parent and the subsidiaries where, directly or indirectly, the Group owns more than a 50 per cent of the equity or the voting power. The Swedish Financial Accounting Standards Council's standard concerning the acquisitions method has been applied.

Foreign subsidiaries' assets and liabilities have been translated at the closing rate. The income statement has been translated at the average rate for the accounting year. The resulting exchange differences have been classified as equity.

### Associated companies

In the consolidated financial statements investments in associates, i.e. investments where the Group owns a minimum of 20 per cent and a maximum of 50 per cent of the voting power, have been accounted for under the equity method. Thus, the investment is carried at an amount equal to the ownership interest in the associate's equity adjusted for un-amortised positive or negative differences between the cost of acquisition and the fair value of the net assets acquired. In the consolidated income statement the Group's share of the associate's results of operations and net finance income/cost is accounted for as "result from associated companies". The Group's share of the associates' tax expense is included in the tax expense accounted for in the consolidated income statement. Post acquisition changes in associates' net assets that have not been realized through dividends received have been classified as restricted equity.

### Untaxed reserves

In the consolidated balance sheet the untaxed reserves accounted for in the legal entities' balance sheets have been recognized as deferred tax liability and restricted equity. The deferred tax liability has been calculated using the tax rate applicable in the jurisdictions involved.

### **Revenue recognition**

All purchases and sales are recognised using trade date accounting. Commissions include commission income, underwriting fees and advisory fees and are recognized on a continuous basis. Performance fees and fixed fees regarding the Investment Banking and Asset Management & Private Banking business have been recognized as they are invoiced in accordance with the terms of the client agreements. Net profit from financial transactions includes realized gains and losses and unrealized gains arising from changes in fair values of shares, bonds and other securities whereby unrealized gains have been recognized as restricted equity.

### **Pension obligations**

The Group recognizes the obligations and expenses for pension obligations as determined by the assessment made by insurance who insures the pension benefits in accordance with established actuarial conventions and regulation. The Group recognises certain individual pension obligations as Provisions. These obligations are covered by capital insurances recognised among Other assets. The pensions obligations are valued at the market value of the capital insurances.

### **Allocation to bonus system**

Allocation to bonus system is expensed in the same period that it has accrued.

### **Taxes**

The tax expenses in the income statement consist of current tax and deferred tax. The tax effect from capitalized loss carry forwards are capitalized to the extent they are related to deductions, approved by the tax authorities, and are deemed to be used and deducted from the group tax cost. Deferred tax is reported for all positive and negative (temporary) differences between reported and fiscal values, with the exception of deferred tax on investments in group companies, where no disposals are predicted in the foreseeable future.

### **Measurement policies applied**

#### **Receivables and liabilities**

Foreign currency monetary items have been translated using the closing rate in accordance with the Swedish Financial Accounting Standards Council's standard RR 8. Loans to general public have been assessed for impairment and uncollectability individually. Reserves for uncollectability have been recognised when the pledges, undertaking or other guarantees are estimated not to cover the amounts due. The item write-down of confirmed credit losses specified in Note 8, includes losses confirmed due to bankruptcy or arrangement of composition.

#### **Tangible and intangible fixed assets**

The intangible asset accounted for is goodwill and capitalized expenses regarding system development in accordance with the Swedish Financial Accounting Standards Council's standard RR 15. Tangible assets consist of balanced refurbishment costs, IT equipment and other office equipment.

Depreciation and amortisation charges are calculated so as to allocate historic cost over the estimated useful life.

Balanced refurbishment costs are depreciated at 5–10 per cent per year. IT equipment and other office equipment is depreciated at 20–33 per cent year. Goodwill is amortised at 20 per cent per year. Capitalized expenses regarding system development are amortised at 20–33 per cent per year.

### **Group contributions and shareholders' contributions**

As from the accounting year 2000 the accounting for Group and shareholders' contributions has been changed so as to comply with the recommendations issued by the Swedish Financial Accounting Standards Council's Emerging Issues Task Force. The recommended policy is applied in the consolidated financial statements as well as in the legal entities accounts. Thus, capital transactions (including their tax effects) between Group entities are accounted for in accordance with their economic substance, i.e. as changes in equity. Previously, Group contributions were reported as income and expense. Shareholders' contributions are accounted for as increases in carrying amount of the parent company's investment.

# Notes to financial statement – Group

(Note 1 in SEK millions, other notes in SEK thousands)

## Note 1 — Income statement per business area

	Total		Resultat from principal investments		Securities		Investment Banking		Asset Management & Private Banking	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
Net commission income	1,331	1,724	–	–	1,056	1,453	–	–	276	271
Underwriting fees	366	592	–	–	142	191	225	401	–	–
Net interest income	256	223	–	–	178	153	–	–	78	70
Net income from financial positions	309	506	–	–	229	439	7	5	73	62
Fees from mutual funds	321	378	–	–	–	–	–	–	321	378
Fees from discretionary fund management	112	173	–	–	–	–	–	–	112	173
Advisory fees	733	626	–	–	–	–	669	555	64	70
Other fees	11	26	–	–	11	26	–	–	–	–
Result from principal investments	–63	251	–63	251	–	–	–	–	–	–
<b>Total income</b>	<b>3,376</b>	<b>4,497</b>	<b>–63</b>	<b>251</b>	<b>1,615</b>	<b>2,261</b>	<b>901</b>	<b>961</b>	<b>924</b>	<b>1,024</b>
Personnel expenses	–906	–680	–	–	–516	–389	–155	–121	–234	–170
Other expenses	–829	–769	–	–	–464	–480	–126	–104	–239	–185
Net provisions for credit losses	–3	0	–	–	–3	0	–	–	0	–1
<b>Total operating expenses excluding bonus</b>	<b>–1,738</b>	<b>–1,450</b>	<b>0</b>	<b>0</b>	<b>–983</b>	<b>–869</b>	<b>–281</b>	<b>–225</b>	<b>–473</b>	<b>–356</b>
<b>Operating profit before result from principal investments and bonus</b>	<b>1,638</b>	<b>3,047</b>	<b>–63</b>	<b>251</b>	<b>632</b>	<b>1,392</b>	<b>619</b>	<b>736</b>	<b>451</b>	<b>668</b>
Result from principal investments	–2	0	–2	0	–	–	–	–	–	–
<b>Operating profit before bonus</b>	<b>1,636</b>	<b>3,047</b>	<b>–2</b>	<b>0</b>	<b>632</b>	<b>1,392</b>	<b>619</b>	<b>736</b>	<b>451</b>	<b>668</b>
Bonus expense	–784	–1,514	31	–125	–303	–692	–297	–366	–216	–332
<b>Total expenses excl principal investments</b>	<b>–2,522</b>	<b>–2,964</b>	<b>–</b>	<b>–</b>	<b>–1,286</b>	<b>–1,561</b>	<b>–578</b>	<b>–591</b>	<b>–689</b>	<b>–688</b>
<b>Operating profit before taxes</b>	<b>852</b>	<b>1,533</b>	<b>–36</b>	<b>126</b>	<b>329</b>	<b>700</b>	<b>323</b>	<b>370</b>	<b>235</b>	<b>336</b>
Taxes	–280	–443								
<b>Net profit</b>	<b>572</b>	<b>1,090</b>								
No. of full-time equivalent employees, average	941	765	–	–	518	430	170	129	253	206

Note that certain numerical information presented in millions may not sum due to rounding.

## Note 2 — Commission income

	2001	2000
<b>Commission income</b>		
Commission equities	1,743,915	2,109,272
Other commission income	1,176,561	1,473,606
Market fees	-56,967	-68,152
<b>Total commission income</b>	<b>2,863,509</b>	<b>3,514,726</b>

## Note 3 — Net interest income

	2001	2000
<b>Interest income</b>		
Interest on loans to credit institutions	195,442	126,472
Interest on loans to general public	155,538	237,896
Interest on interest-bearing securities	49,153	38,492
Other interest income	92,795	60,096
	<b>492,928</b>	<b>462,956</b>
<b>Interest expenses</b>		
Interest on liabilities to credit institutions	-88,125	-139,681
Interest expenses for deposits and borrowing from general public	-181,009	-169,208
Other interest expenses	-51,644	-52,873
	<b>-320,778</b>	<b>-361,762</b>
<b>Total net interest income</b>	<b>172,150</b>	<b>101,194</b>

## Note 4 — Dividends received

	2001	2000
Dividends on shares and participations	3,632	21,782
Dividends on shares and participations – long-term investments	80	571
<b>Total dividends received</b>	<b>3,712</b>	<b>22,353</b>

## Note 5 — Net profit from financial transactions

	2001	2000
<b>Capital gains/losses on securities</b>		
Shares and participations	291,589	839,313
Interest-bearing securities	59,168	33,121
Other financial instruments	-63,734	-
<b>Unrealised gains/losses on securities</b>		
Shares and participations	-45,530	-26,828
Interest-bearing securities	1,382	179
Other financial instruments	-5,627	-
<b>Changes in foreign exchange rates</b>	<b>88,678</b>	<b>11,022</b>
<b>Total net profit from financial transactions</b>	<b>325,926</b>	<b>856,807</b>

In 2000, shares in Orc Software AB were reclassified from investments to trading assets, as they are listed on the stock exchange and this holding is no longer of strategic importance to the Group. The improvement of the result due to the reclassification was SEK 250 million.

## Note 6 — General administrative expenses

	2001	2000
<b>Salaries and other remuneration paid to Boards of Directors and Managing Directors in;</b>		
Denmark	-6,774	-5,723
Finland	-2,798	-3,223
Luxembourg	-2,390	-1,543
Norway	-3,588	-3,732
Sweden	-13,554	-12,545
United Kingdom	-	-
United States	-3,896	-2,960
 <b>Salaries and other remuneration paid to other employees in;</b>		
Denmark	-111,447	-71,786
Finland	-46,214	-33,471
Luxembourg	-21,290	-17,759
Norway	-70,997	-45,188
Sweden	-267,375	-212,629
United Kingdom	-47,140	-34,447
United States	-20,276	-17,322
Payroll overheads	-129,679	-100,691
Pension premium costs for Boards of Directors and Managing Directors	-3,980	-2,751
Pension premium costs for other employees	-62,428	-56,558
Allocation to bonus	-783,957	-1,514,074
Remuneration to KPMG for audit services of which 3,292 refers to examination of IPO prospectus	-6,256	-2,240
Remuneration to Grant Thornton for audit services	-2,157	-2,439
Remuneration to Deloitte & Touche for audit services	-1,590	-768
Remuneration to KRBZ for audit services	-309	-256
Other remuneration to KPMG	-3,516	-859
Other remuneration to Grant Thornton	-523	-445
Other remuneration to Deloitte & Touche	-134	-1,348
Other remuneration to KRBZ	-864	-839
Other administrative expenses	-845,130	-780,246
<b>Total general administrative expenses</b>	<b>-2,458,262</b>	<b>-2,925,842</b>

### Terms of employment and remuneration to Board of Directors and Group management

At the Annual General meeting in 2000 a decision was taken to pay a total of 1,750 in 2001 to Board members who are not employed by Carnegie or Singer & Friedlander. The Chairman of the Board will receive 750 and the other two Board members will each receive 500. For his work as senior advisor to Carnegie, Anders Ljungh will receive 2,800 per year for 2001 and 2002.

The CEO received remuneration in the amount of 5,863 (3,592) of which 2,271 was retroactive pay. Other benefits, including a company car, amounted to 100. Bonuses amounted to 0 (15,811).

The Chairman of the Board does not have a pension agreement. Pension premiums for the CEO amounted to 399 (367). Other members of top management are covered by the Carnegie Group's general pension plan. In 2001 an extra pension insurance payment was made for the benefit of the CEO. The amount was 19,314.

No agreement exists regarding redundancy pay for the Chairman of the Board. A period of notice of twelve months applies from the CEO's side. From Carnegie's side, the period of notice is 24 months. In the event Carnegie terminates the CEO's employment without notice, the CEO will receive redundancy pay in the amount of 24 monthly salaries as well as compensation for loss of the company car and pension benefits for a 24-month period. For other members of top management, a period of notice of between three and twelve months applies, while the company must provide a period of notice of between 3 and 24 months.

<b>Average number of employees (of whom women)</b>	<b>2001</b>	<b>2000</b>
Denmark	149 (47)	120 (35)
Finland	86 (34)	71 (27)
Luxembourg	38 (15)	36 (15)
Norway	100 (29)	84 (27)
Sweden	517 (185)	410 (145)
United Kingdom	36 (11)	30 (10)
United States	15 (3)	14 (3)
<b>Total</b>	<b>941 (324)</b>	<b>765 (262)</b>

## Note 7 — Depreciation of tangible and amortisation of intangible fixed assets

	2001	2000
IT equipment and other machinery	-47,480	-33,875
Leasehold improvements	-8,307	-2,824
Goodwill	-3,719	-
Other intangible fixed assets	-1,318	-1,203
<b>Total depreciation of tangible and amortisation of intangible fixed assets</b>	<b>-60,824</b>	<b>-37,902</b>

## Note 8 — Provisions for credit losses, net

	2001	2000
<b>Net credit losses</b>		
Write-down of confirmed credit losses	-1,247	-5,106
Reversals of previous provisions for anticipated credit losses	1,092	5,291
Provisions for anticipated credit losses	-2,830	-3,124
Funds recovered from earlier confirmed credit losses	-	24
Reversals no longer required for anticipated credit losses	-	2,574
<b>Result of individually assessed credits</b>	<b>-2,985</b>	<b>-341</b>

Write-downs of confirmed credit losses and reversals are attributable to loans to general public.

## Note 9 — Taxes

	2001	2000
<b>Current taxes</b>		
Income tax	-252,501	-423,605
<b>Other taxes</b>		
Tax on result from associated companies	-2,446	-216
Deferred taxes	-12,600	-18,348
Tax from previous years' assessments	-12,834	-671
<b>Total taxes</b>	<b>-280,381</b>	<b>-442,840</b>
<b>Tax assets</b>		
Prepaid taxes included in Other assets	128,958	69,800
<i>of which deferred tax assets</i>	<i>70,075</i>	<i>35,357</i>
<b>Tax liabilities</b>		
Tax liabilities included in Other liabilities	188,229	314,588
<b>Provision for deferred tax liability</b> (refers to untaxed reserves)	154,814	83,862

Deferred tax assets 18,473 (3,576) have been recognized on capitalized loss carryforwards to the extent that it is probable they will be utilized in future periods.

The average tax rate for the group is 32.9% (28.9). The difference between the applicable tax rate in Sweden of 28 per cent and the actual tax rate of 32.9 per cent, is due to foreign taxes in countries where the tax rate is higher than in Sweden and also due to tax on non-deductible costs and tax on non-taxable income.

No group disposals are expected in the foreseeable future which is why no taxable temporary differences and no deferred tax assets have been included.

## Note 10 — Portfolio of shares, options and fixed income instruments

	31 Dec 2001	31 Dec 2000
<b>Current assets</b>		
Treasury bills	–	19,052
<b>Bonds</b>		
Listed bonds	956,176	986,887
Unlisted bonds	3,357	43,754
	<b>959,533</b>	<b>1,030,641</b>
<b>Shares</b>		
Shares, warrants – listed	2,742,650	4,068,567
Shares, warrants – unlisted	15,185	68,299
	<b>2,757,835</b>	<b>4,136,866</b>
<b>Other assets</b>		
Derivative instruments	698,059	349,220
	<b>698,059</b>	<b>349,220</b>
<b>Other liabilities</b>		
Derivative instruments	–297,052	–2,026
Short positions in shares	–3,625,729	–2,592,959
	<b>–3,922,781</b>	<b>–2,594,985</b>
<b>Total securities, current assets</b>	<b>492,646</b>	<b>2,940,794</b>
<b>Fixed financial assets</b>		
Shares, warrants – listed	8,693	–
Shares, warrants – unlisted	7,020	–
Shares in Startupfactory B.V., unlisted	43,829	43,829
<b>Total securities, fixed financial assets</b>	<b>59,542</b>	<b>43,829</b>
<b>Total securities</b>	<b>552,188</b>	<b>2,984,623</b>

## Note 11 — Maturities

	31 Dec 2001	31 Dec 2000
<b>Negotiable government securities</b>		
Remaining maturities not exceeding one year	–	19,052
	<b>0</b>	<b>19,052</b>
<b>Bonds and other interest-bearing securities</b>		
Remaining maturities not exceeding one year	195,437	200,446
Remaining maturities exceeding one year but not exceeding five years	307,515	195,931
Remaining maturities exceeding five years	456,581	634,264
	<b>959,533</b>	<b>1,030,641</b>



## Note 12 — Maturities

	31 Dec 2001	31 Dec 2000
<b>Loans to credit institutions</b>		
Payable on demand	3,262,655	809,496
Remaining maturities not exceeding three months	2,689,662	5,185,891
	<b>5,952,317</b>	<b>5,995,387</b>
Of which, repo transactions	551,898	2,701
<b>Loans to general public</b>		
Payable on demand	2,109,845	4,067,642
Remaining maturities not exceeding three months	212,534	82,681
Remaining maturities exceeding three months but not exceeding one year	49,332	49,327
Remaining securities exceeding one year but not exceeding five years	36,993	41,211
Remaining maturities exceeding five years	–	8,923
	<b>2,408,704</b>	<b>4,249,784</b>
Of which, repo transactions	0	0
<b>Liabilities to credit institutions</b>		
Payable on demand	194,163	1,326,442
Remaining maturities not exceeding three months	954,867	935,269
Remaining maturities exceeding three months but not exceeding one year	–	84,212
Remaining maturities exceeding five years	107,094	169,883
	<b>1,256,124</b>	<b>2,515,806</b>
Of which, repo transactions	673,432	859,449
<b>Deposits and borrowing from general public</b>		
Payable on demand	5,540,868	6,469,298
Remaining maturities not exceeding three months	20,136	–
	<b>5,561,004</b>	<b>6,469,298</b>
Of which, repo transactions	0	0

## Note 13 — Unsettled receivables and non-performing credits

	31 Dec 2001	31 Dec 2000
Doubtful receivables for which interest is not credited prior to actual payment	40,385	50,333
Provisions for anticipated credit losses on doubtful receivables	–40,385	–49,741
<b>Estimated value on non-performing credits after write-down from anticipated credit losses</b>	<b>0</b>	<b>592</b>

## Note 14 — Shares and participations in associated companies

	Corporate/ identity number / Reg. Office	Number of shares	Proportion of equity (share of votes), %	Share of profit 2001	Share of profit 2000	Share of equity 2001	Share of equity 2000	Book value in parent company
Eldsäl Norden AB <sup>1)</sup>	556528-7520 Stockholm	7,350	29.4%	387	-893	-	114	-
Carnegie Investimentos - Gestao de Patrimonios, S.A. <sup>2)</sup>	502116188 Lissabon	75,000	50.0%	-	17	-	2,917	-
Carnegie Portugal - Sociedade Gestora de Participações Sociais, S.A. <sup>2)</sup>	502961368 Lissabon	75,000	50.0%	-1,461	-	2,865	-	-
Capital C AB	556560-7677 Stockholm	2,550	50.0%	-863	366	4,598	5,461	5,050
<b>Total book value</b>				<b>-1,937</b>		<b>7,463</b>	<b>8,492</b>	<b>5,050</b>

From year 2000, accounting principles apply for associated companies.

<sup>1)</sup> Shares in Eldsäl Norden AB were sold during 2001.

<sup>2)</sup> Restructuring has occurred in Portugal.

## Note 15 — Tangible fixed assets

	31 Dec 2001	31 Dec 2000
<b>IT equipment and other machinery</b>		
Acquisition value, 1 January	285,042	264,188
Changes in foreign exchange rates	14,504	-3,535
Acquisitions during year	88,990	79,721
Disposals during year	-20,924	-55,332
Acquisition value, 31 December	367,612	285,042
Accumulated depreciation disposals during the year	11,225	48,326
Accumulated straight-line depreciation	-221,952	-208,138
<b>Book value</b>	<b>156,885</b>	<b>125,230</b>
<b>Buildings</b>		
Acquisition value, 1 January	-	2,186
Change in foreign exchange rates	-	69
Disposals during year	-	-2,255
<b>Book value</b>	<b>0</b>	<b>0</b>
<b>Leasehold improvements</b>		
Acquisition value, 1 January	31,077	28,063
Acquisitions during year	36,406	3,014
Acquisition value, 31 December	67,483	31,077
Accumulated straight-line depreciation	-25,072	-16,765
<b>Book value</b>	<b>42,411</b>	<b>14,312</b>
<b>Total book value tangible fixed assets</b>	<b>199,296</b>	<b>139,542</b>

Depreciation for 2001 is shown in note 7.

## Note 16 — Intangible fixed assets

	31 Dec 2001	31 Dec 2000
<b>Goodwill</b>		
Acquisition value	6,307	6,307
Change in foreign exchange rates	117	-59
Accumulated straight-line amortisation	-5,782	-4,406
<b>Total book value</b>	<b>642</b>	<b>1,842</b>
<b>Other intangible fixed assets</b>		
Acquisition value, 1 January	-	-
Acquisitions during year	23,862	-
Acquisition value, 31 December	23,862	-
Change in foreign exchange rates	280	-
Accumulated straight-line amortisation	-3,719	-
<b>Total book value</b>	<b>20,423</b>	<b>-</b>
<b>Total book value intangible fixed assets</b>	<b>21,065</b>	<b>1,842</b>

Goodwill arising in connection with a subsidiary's acquisition of a Finnish fund company in 1997. Amortisation for 2001 is shown in note 7.

## Note 17 — Other assets

	31 Dec 2001	31 Dec 2000
Derivative instruments	698,059	349,220
Securities settlement receivables <sup>1)</sup>	4,443,351	1,705,577
Endowment insurance	110,219	-
Other assets	1,157,727	346,473
<b>Total other assets</b>	<b>6,409,356</b>	<b>2,401,270</b>

Other assets includes claims on associated companies of SEK 4,000 (4,000)

## Note 18 — Other liabilities

	31 Dec 2001	31 Dec 2000
Derivative instruments	297,052	2,026
Securities settlement liabilities <sup>1)</sup>	3,854,427	1,918,619
Short positions in shares	3,625,729	2,592,959
Tax liability	188,229	314,588
Other liabilities	756,336	915,675
<b>Total other liabilities</b>	<b>8,721,773</b>	<b>5,743,867</b>

<sup>1)</sup> Accounted for net gross amount:

Securities settlement receivables	18,024,312	12,882,803
Securities settlement liabilities	-17,435,388	-13,095,845

## Note 19 — Changes in shareholders' equity

	Restricted reserves			Unrestricted reserves		
	Share-capital	Restricted reserves <sup>1)</sup>	Translation-differences	Translation-differences	Unrestricted reserves including net profit	Total
Amount, 1 January according to last year balance sheet	61,200	287,588	3,688	52,337	1,199,764	1,604,577
Dividend					–860,979	–860,979
Additional capital through merger	126,733	99,174			1,799	227,706
New share issue, net	6,670	321,670				328,340
Effect of merger	–61,200	–12,240			73,440	–
Transfer to equity method reserve		–1,461			1,461	–
Transfers between restricted and unrestricted reserves		–30,887			30,887	–
Foreign exchange difference			16,101	–7,920		8,181
Net profit					571,959	571,959
<b>Amount, 31 December</b>	<b>133,403</b>	<b>663,844</b>	<b>19,789</b>	<b>44,417</b>	<b>1,018,331</b>	<b>1,879,784</b>

<sup>1)</sup> Proportion of equity in associated companies is included in restricted reserves with SEK 3,065 (0). Fund for unrealised gains SEK 0 (0).

## Note 20 — Operating lease commitments

	31 Dec 2001	31 Dec 2000
<b>Agreed payments, land and building</b>		
Within one year	90,000	77,670
Between one to five years	345,814	190,382
Five years or more	296,198	167,244
<b>Other agreed payments</b>		
Within one year	9,557	–
Between one to five years	8,726	–
Five years or more	–	–

The amounts in the summary relate mainly to rental of premises. Rental agreements are indexlinked. The Agreement is not net present value.

## Note 21 — Capital adequacy ratio

	31 Dec 2001	31 Dec 2000
<b>Regulatory capital base</b>	<b>1,307,509</b>	<b>972,875</b>
<b>Risk-weighted amount for credit risks</b>	<b>4,783,910</b>	<b>5,569,674</b>
Interest-rate risk	221,885	390,448
Share-price risk	524,895	813,715
Divestment-price risk	52,945	165,488
Counterparty risk and other risks	361,898	207,572
Foreign exchange risk	599,658	314,420
<b>Total risk-weighted amount for market risks</b>	<b>1,761,281</b>	<b>1,891,643</b>
<b>Total risk-weighted amount for credit risks and market risks</b>	<b>6,545,191</b>	<b>7,461,317</b>
<b>Capital adequacy ratio</b>	<b>19.98%</b>	<b>13.04%</b>

# Notes to financial statement - Parent Company

(SEK Thousands)

## Note 22 — Administrative expenses

	2001	2000
Salaries and other remuneration paid to		
Board of Directors and Managing Director	-10,413	-
Salaries and remuneration paid to other employees	-9,064	-
Payroll overheads	-4,908	-
Pension premium costs for Board of Directors and Managing Director	-399	-
Pension premium costs for other employees	-2,428	-
Allocation to bonus	-9,435	-
Remuneration for audit services	-270	-18
Other remuneration for public accountant	-4,015	-
Other administrative expenses	-41,021	-338
<b>Total administrative expenses</b>	<b>-81,953</b>	<b>-356</b>
Average number of employees (of whom women)	19 (10)	-

See Note 6 for Terms of employment and remuneration to Board of Directors and Group management

## Note 23 — Appropriations

	2001	2000
Transfer to tax allocation reserve	-62,940	-
<b>Total appropriations</b>	<b>-62,940</b>	<b>-</b>

## Note 24 — Taxes

	2001	2000
Taxes on Group contribution	88,100	-
Income tax	-52,869	-490
Tax from previous years' assessments	132	-
Deferred taxes	5,461	-
<b>Total taxes</b>	<b>40,823</b>	<b>-490</b>

The difference between the applicable tax rate in Sweden of 28 per cent and the company actual tax rate, is due to foreign taxes in countries where the tax rate is higher than in Sweden and also due to tax on non-deductible costs and on non-taxable income.

No Group disposals are expected in the foreseeable future which is why no taxable temporary differences arise and no deferred taxes

## Note 25 — IT equipment and other machinery

	31 Dec 2001	31 Dec 2000
Acquisition value, 1 January	7,994	-
Acquisition during the year	4,265	-
Disposals during the year	-41	-
<b>Acquisition value, 31 December</b>	<b>12,218</b>	<b>-</b>
Accumulated depreciation disposals during the year	17	-
Accumulated straight-line depreciation	-3,556	-
<b>Total book value</b>	<b>8,679</b>	<b>-</b>

Depreciation for 2001 was SEK 1,398 (1,162).

## Note 26 — Shares in Group companies

	Corporate identity number/Reg. Office	No. of shares	Proportion of equity (share- of votes) %	Book value	Share- holders' Equity <sup>1)</sup>
<b>Carnegie Asset Management Holding AB</b>	556527–9691 Stockholm	100,000	100%	75,000	167,505
<i>Subsidiaries of Carnegie Asset Management Holding AB</i>					
Carnegie Fond AB					
Carnegie Pension Consulting AB					
Carnegie Kapitalförvaltning AB					
Carnegie Asset Management Finland Ab					
Carnegie Fondbolag Ab					
Carnegie Asset Management Danmark Holding A/S					
Carnegie Asset Management Fondsmæglerselskab A/S					
Carnegie Asset Administration A/S					
Carnegie Asset Management Holding Norge AS					
Carnegie Forvaltning ASA					
Carnegie Fondsforvaltning AS					
Carnegie Fondsforsikring ASA					
<b>Carnegie Bank A/S</b>	109.861 Copenhagen	1	100%	144,894	161,191
<i>Subsidiaries of Carnegie Bank A/S</i>					
Banque Carnegie Luxembourg S.A.					
Carnegie Fund Management Company S.A.					
Carnegie Global Healthcare Management Company S.A.					
Carnegie Fund II Management Company S.A.					
<b>D. Carnegie AB</b>	556031–4576 Stockholm	400,000	100%	407,140	467,369
<i>Subsidiaries of D. Carnegie AB</i>					
Carnegie Fondkommission Finland Ab					
Carnegie, Inc.					
Carnegie ASA					
Carnegie Ltd					
<b>Carnegie Going Forward AB</b>	556616–8018 Stockholm	1 000	100%	350	342
<b>Gallerie Gustaf Adolf AB</b>	556047–2069 Stockholm	1 000	100%	400	408
<b>Total</b>				<b>627,784</b>	<b>796,815</b>

<sup>1)</sup> Equity in subsidiaries is reported excluding dividends distributed during the year to the Parent Company.

## Note 27 — Other shares and participations

	Number of Shares	Proportion of equity (share of votes) %	Book value
Startupfactory B.V	995,054	3,8%	43,829
<b>Total</b>			<b>43,829</b>

## Note 28 — Changes in shareholders' equity

	Restricted reserves Share capital	Restricted reserve	Unrestricted reserves Retained earnings	Net profit	Total
Amount, 1 January according to last year balance sheet	601	85,271	3,360	388,195	477,427
Adjusted appropriation of profit			388,195	-388,195	-
Dividend			-388,056		-388,056
Redemption preference shares	-424	140,459			140,035
Additional capital through merger	187,756	-114,316	318,808		392,248
New share issue, net	6,670	321,670			328,340
Effect of merger	-61,200	-12,240	70,620		-2,820
Group contribution received			314,641		314,641
Group contribution's tax effect			-88,100		-88,100
Transfers between restricted and unrestricted reserves		37,925	-37,925		-
Net profit				316,415	316,415
Amount, 31 December	133,403	458,770	581,544	316,415	1,490,132

## Note 29 — Untaxed reserves

	31 Dec 2001	31 Dec 2000
Tax allocation reserve 98	11,235	-
Tax allocation reserve 99	26,871	-
Tax allocation reserve 00	34,810	-
Tax allocation reserve 01	168,266	-
Tax allocation reserve 02	62,940	-
	304,121	-

## Note 30 — Subordinated loan

The loan meets the requirements from the Swedish Financial Supervisory Authority regarding subordinated loans.

Interest terms STIBOR 90 days plus 2.5 percentage points per year.

The subordinated loan was repaid at 29 of June 2001.

Stockholm, 13 February 2002

Christer Zetterberg  
*Chairman*

Lars Berg

Michael Gibbins

John Hodson

Matti Kinnunen

Anders Ljungh

Lars Bertmar  
*Chief Executive Officer*

Our auditors' report was rendered on 13 February 2002

KPMG Bohlins AB

Per-Olof Akteus  
*Authorized Public Accountant*

# Auditors' report

## To the general meeting of the shareholders of D. Carnegie & Co AB

### Corporate identity number 556498-9449

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the Managing Director of D. Carnegie & Co AB for the year 2001. These accounts and the administration of the Company are the responsibility of the Board of Directors and the Managing Director. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the Company in order to be able to determine the liability, if any, to the Company of any Board member or the Managing Director. We also examined whether any Board member or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act, the Annual Accounts Act for Credit Institutions and Securities Companies, or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and the consolidated accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and, thereby, give a true and fair view of the Company's and the Group's financial position and results of operations in accordance with generally accepted accounting principles in Sweden.

We recommend the general meeting of shareholders that the income statements and balance sheets of the Parent Company and the Group be adopted, that the profit for the Parent Company be dealt with in accordance with the proposal in the Administration Report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm, 13 February 2002  
KPMG Bohlins AB

Per-Olof Akteus  
*Authorized Public Accountant*



# Addresses

## The Carnegie Group

### D. Carnegie & Co AB

SE-103 38 Stockholm, Sweden  
Västra Trädgårdsgatan 15  
Tel +46 8 676 88 00 Fax +46 8 20 57 83  
www.carnegie.se

## Securities & Investment Banking

### Carnegie Bank A/S

PO Box 1935  
DK-1023 Copenhagen K, Denmark  
Overgaden neden Vandet 9 B  
Tel +45 32 88 02 00 Fax +45 32 96 10 22

### D. Carnegie AB, Finland Branch

PO Box 36  
FI-00131 Helsinki, Finland  
Södra Esplanaden 12  
Tel +358 9 61 87 11 Fax +358 9 61 87 1720

### Carnegie ASA

PO Box 684 Sentrum  
NO-0106 Oslo, Norway  
Stranden 1 Aker Brygge  
Tel +47 22 00 93 00 Fax +47 22 00 94 00

### D. Carnegie AB, Norway Branch

PO Box 684 Sentrum  
NO-0106 Oslo, Norway  
Stranden 1 Aker Brygge  
Tel +47 22 00 93 10 Fax +47 22 00 94 00

### D. Carnegie AB, UK Branch

24 Chiswell Street  
London EC1Y 4UE, UK  
Tel +44 20 7216 40 00 Fax +44 20 7417 94 24/26

### Carnegie, Inc.

20 West 55th Street  
New York N.Y. 10019, USA  
Tel +1 212 262 58 00 Fax +1 212 265 39 46

### D. Carnegie AB

SE-103 38 Stockholm, Sweden  
Gustav Adolfs Torg 18  
Tel +46 8 676 88 00 Fax +46 8 676 88 95

### D. Carnegie AB

Västra Hamngatan 6  
SE-411 17 Göteborg, Sweden  
Tel +46 31 711 34 00 Fax +46 31 10 11 80

### D. Carnegie AB

Stortorget 9  
SE-211 22 Malmö, Sweden  
Tel +46 40 12 00 00 Fax +46 40 12 48 00

## Asset Management & Private Banking

### Carnegie Asset Management Holding AB

SE-103 38 Stockholm, Sweden  
Västra Trädgårdsgatan 15  
Tel +46 8 676 88 00  
Fax +46 8 20 57 83

### Carnegie Asset Management Fondsmoeglerselskab A/S

Dampfærgevej 26  
DK-2100 Copenhagen, Denmark  
Tel +45 35 46 35 00 Fax +45 35 46 36 00

### Carnegie Asset Management Finland Ab

PO Box 46  
FI-00100 Helsinki, Finland  
Keskuskatu 1b, 4 krs 12  
Tel +358 9 61 87 11 Fax +358 9 61 87 14 01

### Carnegie Fondbolag Ab

PO Box 46  
FI-00131 Helsinki, Finland 00100  
Keskuskatu 1b, 4 krs 12  
Tel +358 9 61 87 11 Fax +358 9 61 87 14 01

### Banque Carnegie Luxembourg S.A.

PO Box 1141  
LU-1011 Luxembourg  
Centre Europe, 5 Place de la Gare  
Tel +352 40 40 30-1 Fax +352 49 18 02

### Carnegie Asset Management Holding Norway AS

PO Box 1434 Vikka  
NO-0115 Oslo, Norway  
Fjordalleen 16, Aker Brygge  
Tel +47 22 00 98 00 Fax +47 22 00 98 11

### Carnegie Forvaltning ASA

PO Box 1434 Vikka  
NO-0115 Oslo, Norway  
Fjordalleen 16, Aker Brygge  
Tel +47 22 00 98 00 Fax +47 22 00 98 11

### Carnegie Fondforvaltning AS

PO Box 1434 Vikka  
NO-0115 Oslo, Norway  
Fjordalleen 16, Aker Brygge  
Tel +47 22 00 98 00 Fax +47 22 00 98 11

### Carnegie Fondforsikring ASA

PO Box 1434 Vikka  
NO-0115 Oslo, Norway  
Fjordalleen 16, Aker Brygge  
Tel +47 22 00 98 00 Fax +47 22 00 98 11

### Carnegie Fond AB

SE-103 38 Stockholm, Sweden  
Västra Trädgårdsgatan 15  
Tel +46 8 676 88 00 Fax +46 8 676 87 71

### Carnegie Kapitalförvaltning AB

SE-103 38 Stockholm, Sweden  
Västra Trädgårdsgatan 15  
Tel +46 8 676 88 40 Fax +46 8 676 88 39

### Carnegie Kapitalförvaltning AB

Västra Hamngatan 6  
SE-411 17 Göteborg, Sweden  
Tel +46 31 743 08 80 Fax +46 31 13 54 02

### Carnegie Kapitalförvaltning AB

Stortorget 9  
SE-211 22 Malmö, Sweden  
Tel +46 40 665 52 00 Fax +46 40 12 45 22

### Carnegie Pension Consulting AB

SE-103 38 Stockholm, Sweden  
Västra Trädgårdsgatan 15  
Tel +46 8 676 88 00 Fax +46 8 676 87 95

### Carnegie Pension Consulting AB

Västra Hamngatan 6  
SE-411 17 Göteborg, Sweden  
Tel +46 31 743 08 50 Fax +46 31 743 08 79

### Carnegie Pension Consulting AB

Stortorget 9  
SE-211 22 Malmö, Sweden  
Tel +46 40 10 24 40 Fax +46 40 10 24 45

### **Financial calendar 2002**

Capital markets day	7 March
Last day for trading in the Carnegie share including dividend	14 March
Annual General Meeting	14 March
Distribution of dividend	22 March
Interim report January–March	17 April
Interim report January–June	17 July
Interim report January–September	16 October

Additional information is available at [www.carnegie.se/ir](http://www.carnegie.se/ir)

### **Annual General Meeting**

The Annual General Meeting is held 14 March at 3.00 PM at Berns, Berzili Park.  
The AGM will also be accessible as a live audio webcast at [www.carnegie.se/ir](http://www.carnegie.se/ir)

### **Capital markets day**

Carnegie's Capital markets day will be held at Carnegie's offices at Västra Trädgårdsgatan 15, Stockholm, Thursday 7 March at 12.00 PM. For participation, please contact Birgitta Henriksson, Investor Relations, +46 8 676 86 39, e-mail [birhen@carnegie.se](mailto:birhen@carnegie.se)

### **D. Carnegie & Co AB (publ)**

Company reg. no. 556498-9449  
SE-103 38 Stockholm, Sweden  
Västra Trädgårdsgatan 15  
Tel +46 8 676 88 00  
Fax +46 8 20 57 83  
[www.carnegie.se](http://www.carnegie.se)