

## INTERIM REPORT JANUARY 1 – MARCH 31, 2001

- OPERATING INCOME SEK 141 (329) MILLION
- PRE-TAX PROFIT SEK 1 (143) MILLION

### Performance and financial position Group

Hagströmer & Qviberg (H&Q) reports for the period January 1 to March 31, 2001 a pre-tax profit of SEK 1 (143) million. The low market activity in general, and for the IT and Telecom sector in particular, has contributed to decreasing income, which has had a negative effect on performance compared to the previous year.

In total operating income was SEK 141 (329) million, a decrease of 57 percent. H&Q Technology contributed with 44 (54) percent of the operating income and H&Q Private Banking contributed with 53 (45) percent. Other income contributed with 3 (1) percent.

Income from commissions and fees decreased by 58 percent to SEK 100 (237) million, of which SEK 20 (60) million was income from Corporate Finance.

Net income from financial transactions including dividends decreased by 60 percent to SEK 40 (101) million, of which corporate finance-related holdings gave a result of SEK -3 (12) million.

Operating expenses were SEK 140 (186) million, a decrease of 25 percent. Of the operating expenses, SEK 95 (147) million was attributable to personnel expenses and SEK 45 (39) million to other expenses. Fulfilled cost-savings have partially affected the cost level during the period. Personnel expenses decreased by 20 percent compared to the fourth quarter last year, primarily due to lower bonus allocations. Other expenses decreased by 20 percent compared to the fourth quarter last year. Additional effects from the ongoing reduction of the cost level are expected during the second and third quarters this year.

Earnings per share after dilution was SEK 0.2 (20). Shareholders' equity was SEK 482 (469 as per December 31, 2000) million, corresponding to SEK 93 (92 as per December 31, 2000) per share. Return on equity was 18 (97) percent. The group's liquid funds were SEK 355 (-469 as per December 31, 2000) million.

The number of employees in the group was 349 (294 as per March 31, 2000 and 336 as per December 31, 2000). The average number of employees during the first quarter was 331 (278).

### Parent company

The parent company reports a net turnover for the period of SEK 0 (0) million and a pre-tax result of SEK -4 (-4) million.

### H&Q Technology

Operating income for H&Q Technology decreased by 65 percent compared to the first quarter, but increased by 2 percent compared to the fourth quarter last year. Lower market activity, fewer advisory and underwriting assignments and the worsened conditions for arbitrage and market maker operations explain the decline compared to the first quarter last year. The result was break-even.

As per March 31, 2001 the booked value for the corporate finance-related holdings was SEK 79 million, distributed among shares, convertibles and options in a total of 14 companies. The four largest holdings - Genesis, IFS, Melody and MobileMedia - contributed with 81 percent of the booked value.

Group trends for H&Q Technology are tied to the performance of the IT and Telecom sector. The slump that this

sector has experienced has meant that many advisory and underwriting assignments have not been fulfilled; at the same time, activity on the second-hand market has been low.

The number of employees within H&Q Technology was 89 (65 as per March 31, 2000 and 84 as per December 31, 2000).

### H&Q Private Banking

The low market activity during the first quarter entailed lower income and earnings for H&Q Private Banking. Operating income decreased by 50 percent compared to the first quarter and decreased by 17 percent compared to the fourth quarter last year. Earnings were slightly positive.

The inflow of new clients and custody account volumes was positive during the period. As a result of the lower market value, total managed capital decreased to barely SEK 21 (24 as per December 31, 2000) billion. Around 80 percent of total managed capital is attributable to the target groups of entrepreneurs, companies and institutions.

During the period a partnership has been entered into with Union Bancaire Privée (UBP). The number of partnerships associated with H&Q Private Banking's operations within Financial Planning, Brokerage and Asset Management is now thus 16.

The number of employees within H&Q Private Banking was 155 (137 as per March 31, 2000 and 150 as per December 31, 2000).

### Miscellaneous

Since the end of the report period, an agreement has been made with GE Capital Bank AB regarding a transfer of premium bond operations that are managed under the secondary name PP Privata Placeringar. The purchase price is at least SEK 65 million. The transfer is expected to be completed at the end of the first half-year.

### Outlook

The outlook for the second quarter is tied to the continued market performance in general and the performance of the IT and Telecom sector in particular. A continued weak market performance may give rise to special reservations for a valuation undermining, primarily in corporate finance-related holdings. The divestment of PP Privata Placeringar, however, considering the possible reservations above, is expected to affect earnings positively by at least SEK 20 million during the second quarter.

Stockholm, April 23, 2001

Anders Böös, Chief Executive Officer,  
Telephone: +46 8-696 17 00

### Scheduled reports

Report	Jan - Mar 2001	Apr - Jun 2001	Jul - Sept 2001	Oct 1, 2001
Interim Report	1Q 01	2Q 01	3Q 01	4Q 01
Interim Report	1Q 01	2Q 01	3Q 01	4Q 01
Year-End Report	12	12	12	11 8

Oct. 2001  
Feb. 2002

Financial transactions including dividends, net	40	24	38	105	101
Other operating income	-	13	6	-	-
Share of profits in associated companies	1	1	3	1	1
Operating income	141	178	174	254	329
Operating expenses	-140	-175	-142	-182	-186
Profit before tax	1	3	32	72	143

<b>KEY RATIOS</b>	<b>Jan-Mar 01</b>	<b>Jan-Mar 00</b>	<b>Apr 00-Mar 01</b>	<b>Jan-Dec 00</b>	<b>Jan-Dec 99*</b>
Operating income, SEKm	141	329	747	935	1 065
Operating expenses, SEKm	-140	-186	-639	-685	-712
Profit before tax, SEKm	1	143	108	250	353
Earnings per share before dilution, SEK	0.2	21	15	36 49	
Earnings per share after dilution, SEK	0.2	20	15	35 47	
Return on equity per share, SEK	93	77	93	92	57
Operating margin, %	1%	43%	14%	27%33%	
Return on equity, %	18%	97%	18%	46%83%	
Capital adequacy, %	28%	-	-	24%	-

\* Comparison figures for 1999 are corresponding figures proforma.

#### CONSOLIDATED INCOME STATEMENTS (SEK m)

	<b>Jan 1, 2001 Mar 31, 2001</b>	<b>Jan 1, 2000 Mar 31, 2000</b>
Income from commissions and fees	Note 1 100	237
Expenses from commissions and fees	-12	-18
Interest income	33	36
Interest expenses	-21	-28
Dividends received	2	-
Net result of financial transactions	38	101
Share of profits in associated companies	1	1
<b>Total operating income</b>	<b>141</b>	<b>329</b>
General administrative expenses	-128	-173
Depreciation and write-down of tangible and intangible fixed assets	-4	-5
Other operating expenses	-8	-8
Net credit losses	-	0
<b>Total operating expenses</b>	<b>-140</b>	<b>-186</b>
<b>Operating profit</b>	<b>1</b>	<b>143</b>
Tax	0	-39
<b>Period profit</b>	<b>1</b>	<b>104</b>
Earnings per share before dilution, SEK	0.2	21
Earnings per share after dilution, SEK	0.2	20
Average number of shares before dilution	5 149 724	5 017 374
Average number of shares after dilution	5 195 224	5 226 124

#### CONSOLIDATED BALANCE SHEETS (SEK m)

	<b>Mar 31, 2001</b>	<b>Dec 31, 2000</b>
Lending to credit institutions	355	106
Lending to the public	1 350	1 658
Shares and participations	1 363	2 084
Other assets	Note 2 761	690
<b>Total assets</b>	<b>3 829</b>	<b>4 538</b>
Liabilities to credit institutions	-	575
Deposits and borrowing from the public	1 880	1 714
Other liabilities	Note 2 1 467	1 780
Shareholders' equity	Note 3 482	469
<b>Total equity provisions and liabilities</b>	<b>3 829</b>	<b>4 538</b>
Number of shares before dilution	5 177 124	5 017 374
Number of shares after dilution	5 222 624	5 226 124

#### CASH FLOW STATEMENT (SEK m)

	<b>Jan 1, 2001 Mar 31, 2001</b>
Cash flow from continuing operations	2
Cash flow from continuing assets and liabilities	818
Cash flow from continuing operations	820
Cash flow from investing activities	-8
Cash flow from financing activities	12
Cash flow for the period	824
Liquid funds at beginning of period	-469
Liquid funds at end of period	355

The interim report was prepared in accordance with the Swedish Annual Accounts Act (1995:1559) governing credit institutions and securities companies (ÅRKL) and the regulations of the Swedish Financial Supervisory Authority (FFFS 2000:18). The group has applied reporting principles that are unchanged in relation to the reported comparative years.

## Definitions

Earnings per share after tax

Net profit after tax in relation to the average number of shares during the period. Outstanding warrants (45,500) with an exercise price of SEK 71 have been included in the calculation of the average number of shares after dilution. Consideration has been taken to buy-back of the company's own shares, 3,500.

Shareholders' equity per share

Shareholders' equity in relation to the number of shares on the closing day. Consideration has been taken to issue payments from warrants with exercise price SEK 71.

Operating margin

Operating profit in relation to operating income.

Return on equity

Profit after tax in relation to average shareholders' equity. In the calculation consideration has been taken to issue payments from warrants with exercise price SEK 71. Returns are calculated on a moving 12-month basis.

Capital adequacy

Capital base in relation to risk-weighted amount for market and credit risks.

## Notes (all amounts in SEKm)

Note 1– Income from commissions and fees

Income from commissions and fees includes brokerage fees of 90 (210).

Note 2 – Other assets/Other liabilities

Other assets includes derivative instruments with positive value in the amount of 206 (actual value). Other liabilities includes derivative instruments with negative value in the amount of 89 (actual value).

Note 3 – Shareholders' equity

Shareholders' equity includes preferential shares in the amount of 58. The terms and conditions for this are described in the prospectus to shareholders of Hagströmer & Qviberg AB (publ) as of September 21, 1999.

Group	Share capital	Restricted reserves	Unrestricted reserves	Profit/loss	Total
Balance at beginning of period	201	35	52	181469	
Profit/loss for previous year			181	-181-	
New issue, warrants	6	5		11	
Buy-back of own shares			0	0	
Translation differences etc		5	-4	1	
<u>Profit/loss for the period</u>				<u>1</u>	<u>1</u>
Balance at end of period	207	45	229	1	482

This interim report has not been subject to an auditor's review.

*Hagströmer & Qviberg AB (H&Q) is a leading investment bank with a focus on IT and Telecom.*

*H&Q finances IT and telecom companies and supports those who create, build and finance growth - entrepreneurs and also companies and foundations. The business involves mainly research, advisory services, trade in stocks and stock derivatives, asset management and financial planning, and is conducted within H&Q Technology and H&Q Private Banking. H&Q's attracts clients from many countries worldwide.*

*The company's head office is in Stockholm. Business is conducted in five Swedish municipalities and from Oslo, New York, San Francisco and Luxembourg. H&Q has 336 employees.*

*The company is listed on the OM Stockholm Stock Exchange (HAGQ.ST).*

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