

## INTERIM REPORT JANUARY 1 – JUNE 30 2002

- EARNINGS BEFORE TAX AND MINORITIES SEK -13 (2) MILLION
- NON-RECURRING EXPENSES SEK 21 MILLION
- UNDERLYING EARNINGS POSITIVE

### Performance and financial position

#### Group

Hagströmer & Qviberg (H&Q) reports for the first half of 2002 earnings before tax and minorities of SEK -13 (2) million. The earnings have been burdened by non-recurring expenses of SEK 21 million, comprising SEK 8 million for the closure of the New York office, SEK 4 million for staff redundancies, and operating earnings negatively affected by SEK 9 million for bad debt losses in Norway.

Total operating income was SEK 190 (282) million. Net income from commissions and fees decreased by 24 percent to SEK 131 (173) million. Income from financial advisory services and underwriting was unchanged compared to the same period in the previous year at SEK 49 (49) million. Net income from financial transactions including dividends and net interest increased by 18 percent compared to the same period in the previous year, to SEK 59 (50) million.

Operating expenses for the period amounted to SEK 203 (280) million, a decrease of 27 percent compared to the same period in the previous year. Staff expenses decreased by 35 percent to SEK 124 (192) million and other costs by 10 percent to SEK 79 (88) million.

The group's liquid funds amounted to SEK 765 (1,474 per December 31, 2001) million. Shareholders' equity amounted to SEK 353 (389 per December 31, 2001) million, corresponding to SEK 68 (75 per December 31, 2001) per share. With issued warrants fully exercised, shareholders' equity amounts to SEK 389 (425 per December 31, 2001) million, corresponding to SEK 71 (78 per December 31, 2001) per share. Capital adequacy for the group amounted to 32 (26 per December 31, 2001) percent.

The number of employees in the group on June 30 amounted to 229 (283 per June 30, 2001; 246 per December 31, 2001). The average number of employees during the period amounted to 233 (325).

#### Parent Company

The parent company reports for the period a net turnover amounting to SEK 0 (0) million and earnings before tax of SEK -56 (-18) million, with writedowns of subsidiaries accounting for SEK 46 million.

#### H&Q Investment Banking

Operating income for H&Q Investment Banking amounted to SEK 86 (83) million, an increase of 4 percent compared to the same period in the previous year. Earnings for the business unit, excluding the business in the USA, were positive.

The number of employees on June 30 was 55 (75 per June 30, 2001; 73 per December 31, 2001).

#### H&Q Private Banking

Operating income for H&Q Private Banking amounted to SEK 104 (145) million, a decrease of 28 percent in relation to the same period in the previous year. Earnings were positive for the business unit.

Total managed capital decreased to SEK 15 (18 per December 31, 2001) billion as a result of lower market values. The net inflow of new clients and volumes remained positive.

The number of employees on June 30 was 102 (124 per June 30, 2001; 102 per December 31, 2001).

#### Outlook

The level of activity in the financial sector is low, partly as a result of more than two years of stock market downturn. Hagströmer & Qviberg has met this with several cost-cutting programmes. Through this expenses have been reduced significantly. The measures taken during the year will achieve full effect from the fourth quarter. Current expenses, excluding bonuses, are estimated to amount to SEK 270 million on an annual basis, compared to SEK 335 million at the start of 2002 and SEK 460 million one year earlier. Hagströmer & Qviberg will therefore be able to present positive earnings in the future even if the level of activity remains low. Hagströmer & Qviberg will be well equipped when the climate changes for the financial sector.

Stockholm, July 16, 2002

Patrik Enblad, Chief Executive Officer,  
Telephone + 46 (0) 8 696 17 00

#### Scheduled Reports

Interim report Jan-Sep  
Year-end report

October 17, 2002  
February 2003

**GROUP TRENDS PER QUARTER (SEKm)**

	<b>Apr 1, 02</b>	<b>Jan 1, 02</b>	<b>Oct 1, 01</b>	<b>Jul 1, 01</b>	<b>Apr 1, 01</b>
	<b>Jun 30, 02</b>	<b>Mar 31, 02</b>	<b>Dec 31, 01</b>	<b>Sep 30, 01</b>	<b>Jun 30, 01</b>
Commissions and fees, net	63	68	94	63	85
Net interest income	7	8	14	8	14
Financial transactions including dividends, net	17	27	37	4	-16
Other operating income	-	-	3	-	58
Operating income	87	103	148	75	141
Operating expenses	-106	-97	-115	-100	-140
Profit before tax and minorities	-19	6	33	-25	1

**KEY RATIOS**

	<b>Apr 1, 02</b>	<b>Jan 1, 02</b>	<b>Jul 1, 01</b>	<b>Jan 1, 01</b>	<b>Jan 1, 00</b>
	<b>Jun 30, 02</b>	<b>Jun 30, 02</b>	<b>Jun 30, 02</b>	<b>Dec 31, 01</b>	<b>Dec 31, 00</b>
Operating income, SEKm	87	190	413	505	935
Operating expenses, SEKm	-106	-203	-418	-495	-685
Profit before tax and minorities, SEKm	-19	-13	-5	10	250
Earnings per share before dilution, SEK	-2.4	-2.0	-3.0	-0.8	36
Earnings per share after dilution, SEK	-2.3	-1.9	-2.9	-0.8	35
Shareholders' equity per share, SEK	68	68	68	75	93
Shareholders' equity per share after dilution, SEK	71	71	71	78	92
Operating margin, %	-22%	-7%	-1%	2%	27%
Return on equity, %	-4%	-4%	-4%	-1%	47%
Capital adequacy, %	32%	32%	32%	26%	24%

**CONSOLIDATED INCOME STATEMENT (SEKm)**

	<b>Apr 1, 2002</b>	<b>Apr 1, 2001</b>	<b>Jan 1, 2002</b>	<b>Jan 1, 2001</b>
	<b>Jun 30, 2002</b>	<b>Jun 30, 2001</b>	<b>Jun 30, 2002</b>	<b>Jun 30, 2001</b>
Income from commissions and fees	Note 1	71	101	151
Expenses from commissions and fees		-8	-15	-20
Interest income		22	31	44
Interest expenses		-15	-17	-29
Dividends received		24	22	25
Net result of financial transactions		-7	-38	19
Other operating income		-	57	-
<b>Total operating income</b>		<b>87</b>	<b>141</b>	<b>190</b>
General administrative expenses		-75	-124	-161
Depreciation and write-down of tangible and intangible fixed assets		-5	-5	-11
Other operating expenses		-5	-9	-10
Bad debt losses and credit losses		-13	-2	-13
Items affecting comparability		-8	-	-8
<b>Total operating expenses</b>		<b>-106</b>	<b>-140</b>	<b>-203</b>
<b>Operating profit</b>		<b>-19</b>	<b>1</b>	<b>-13</b>
Tax on profit /loss for the period		3	0	-1
Minority share of period's profit		4	-	4
<b>Profit/loss for the period</b>		<b>-12</b>	<b>1</b>	<b>-10</b>
Earnings per share before dilution, SEK		-2.4	0.1	-2.0
Earnings per share after dilution, SEK		-2.3	0.1	-1.9
Average number of shares before dilution		5,176,591	5,168,901	5,176,007
Average number of shares after dilution		5,458,624	5,214,173	5,458,624
Number of shares outstanding before dilution		5,177,724	5,170,524	5,177,724
Number of shares outstanding after dilution		5,458,624	5,213,624	5,458,624

**CONSOLIDATED BALANCE SHEET (SEKm)**

		<b>Jun 30, 2002</b>	<b>Dec 31, 2001</b>
Lending to credit institutions		765	1,474
Lending to the public		711	782
Shares and participations		1,320	1,948
Other assets	Note 2	758	544
<b>Total assets</b>		<b>3,554</b>	<b>4,748</b>
Deposits and borrowing from the public		1,441	1,529
Other liabilities	Note 2	1,752	2,819
Minority share of equity		8	11
Shareholder's equity	Note 3	353	389
<b>Total equity and liabilities</b>		<b>3,554</b>	<b>4,748</b>

**CONSOLIDATED CASH FLOW STATEMENT (SEKm)**

	<b>Jan 1, 2002 Jun 30, 2002</b>	<b>Jan 1, 2001 Jun 30, 2001</b>
Cash flow from continuing operations	7	-43
Cash flow from operative assets and liabilities	-685	931
Cash flow from continuing operations	-678	888
Cash flow from investing activities	-3	-22
Cash flow from financing activities	-28	-78
Cash flow for the period	-709	788
Liquid funds at beginning of period	-1,474	-469
Liquid funds at end of period	765	319

**Accounting principles**

This interim report has been prepared in accordance with the recommendations of the Swedish Financial Accounting Standards Council for interim reports (RR20), and the regulations of the Swedish Financial Supervisory Authority 2001:19. The accounting principles and methods of calculation are unchanged from those used in the annual report for 2001. New recommendations have had no effect on the accounts for the first half-year.

**Definitions**

Earnings per share after tax

Net profit after tax in relation to the average number of shares during the period. In the calculation of the average number of shares after dilution, outstanding warrants with exercise prices of SEK 71 and 133 have been included.

Shareholders' equity per share

Shareholders' equity in relation to the number of shares on the closing day. In the calculation of shareholders' equity after dilution consideration has been taken to issue payments from warrants with exercise prices of SEK 71 and SEK 133.

Operating margin

Operating profit in relation to operating income.

Return on equity

Profit after tax in relation to average shareholders' equity. Returns are calculated on a moving 12-month basis.

Liquid funds

Liquid funds include cash and central bank balances, lending to credit institutions and liabilities to credit institutions.

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 118 (176).

Note 2 – Other assets/Other liabilities

Other assets includes stock-related derivative instruments with positive value in the amount of 457 (actual value). Other liabilities includes stock-related derivative instruments with negative value in the amount of 318 (actual value).

Note 3 – Shareholders' equity

Shareholders' equity includes preferential share capital in the amount of 57. The number of outstanding preferred shares amounts, after conversion, to 1,418,331.

<b>Group</b>	<b>Jun 30, 2002</b>	<b>Jun 30, 2001</b>
Balance at beginning of period	389	469
Dividends paid	-26	-88
New issue of warrants	0	11
Buyback of own shares/warrants	-	-2
Translation differences etc.	0	3
Profit/loss for the year	-10	2
Balance at end of period	353	395

**Auditor's report for Hagströmer & Qviberg AB (Publ.)**

We have reviewed this interim report in accordance with the recommendations issued by the Swedish Institute of Authorised Public Accountants (FAR). A review is considerably limited compared to an audit. Nothing has come to our attention that indicates that the interim report does not fulfill the requirements of the Swedish Stock Exchange Act and the Swedish Annual Accounts Act.

Stockholm, July 16, 2002

KPMG, Caj Nackstad, Authorised Public Accountant

*Hagströmer & Qviberg (H&Q) is a leading investment bank with a focus on Growth.*

*H&Q finances Growth companies and supports those who create, build and finance Growth – entrepreneurs and also companies and foundations. The business involves mainly advisory services, equities and derivatives trading, asset management and financial planning, and is conducted within the business units H&Q Investment Banking and H&Q Private Banking.*

*The company's head office is in Stockholm. Business is also conducted in five further Swedish cities and from Oslo and Luxembourg. H&Q has around 215 employees.*

*The company is listed on the Stockholm Stock Exchange O-list (HAGQ.ST).*

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