

INTERIM REPORT JANUARY 1 – SEPTEMBER 30 2002

- OPERATING EARNINGS SEK 10 MILLION BEFORE RESTRUCTURING COSTS
- OPERATING EARNINGS SEK -16 (-23) MILLION, INCLUDING RESTRUCTURING COSTS OF SEK 26 (14) MILLION
- THIRD-QUARTER OPERATING EARNINGS SEK 4 MILLION BEFORE NON-RECURRING ITEMS

Performance and financial position Group

Hagströmer & Qviberg (H&Q) reports for the period January 1, 2002 until September 30, 2002 earnings before tax and minorities of SEK -16 (-23) million. The earnings during the period have been burdened by restructuring costs of SEK 26 million, of which SEK 15 million for the closure of offices in Luxembourg and New York, and SEK 11 million for staff redundancies.

Total operating income was SEK 272 (357) million. Adjusted for income of a non-recurring nature amounting to SEK 7 (58) million, income decreased by 11 percent. Net income from commissions and fees decreased by 25 percent to SEK 179 (238) million. Income from financial advisory services and underwriting decreased compared to the same period in the previous year by 5 percent to SEK 70 (74) million. Net income from financial transactions including dividends and net interest associated with operations amounted to SEK 47 (4) million. Adjusted for corporate finance-related holdings of SEK -4 (-47) million this corresponds to unchanged earnings compared to the same period in the previous year.

Operating expenses for the period amounted to SEK -288 (-380) million, a decrease compared to the same period in the previous year of 24 percent. Staff expenses decreased by 33 percent to SEK 171 (255) million. Other expenses, excluding bad debt, credit losses and items affecting comparability, decreased by 28 percent to SEK 89 (123) million.

The group's liquid funds amounted to SEK 438 (1,474 per December 31, 2001) million. Shareholders' equity amounted to SEK 345 (389 per December 31, 2001) million, corresponding to SEK 67 (75 per December 31, 2001) per share. Capital adequacy for the group amounted to 35 percent (26 percent per December 31, 2001).

The number of employees in the group on September 30 amounted to 178 (254 per September 30, 2001; 246 per December 31, 2001). The average number of employees during the period amounted to 232 (312).

H&Q Investment Banking

Operating income for H&Q Investment Banking amounted to SEK 128 (108) million, an increase of 19 percent compared to the same period in the previous year. Earnings for the business unit were positive.

The number of employees on September 30 was 49 (78 per September 30, 2001; 73 per December 31, 2001).

H&Q Private Banking

Operating income for H&Q Private Banking amounted to SEK 135 (190) million, a decrease of 29 percent in relation to the same period in the previous year. Earnings were negative for the business unit, which is explained by the closure of the office in Luxembourg.

H&Q Private Banking continues to build on its strategy of an open architecture with external partnerships. To further strengthen the services offering an alliance was created during September with Dexia Banque Internationale à Luxembourg, Luxembourg's leading private bank.

The third quarter showed a continued net inflow of clients and volumes, partly as a result of our focus on Financial Planning and absolute oriented asset management. Total managed capital decreased to SEK 12 (18 per December 31, 2001) billion as a consequence of lower market values.

The number of employees on September 30 was 70 (106 per September 30, 2001; 102 per December 31, 2001).

Outlook

The level of activity in the financial sector is very low, partly as a result of almost three years of stock market decline and structural changes in the industry.

Hagströmer & Qviberg has met this by focusing on our core areas; Private Banking including Financial Planning, and Investment Banking comprising Corporate Finance and automated share trading. In these areas we are seeing continued growth. In addition, several cost-cutting programmes have been implemented in the past 18 months. Current costs excluding bonuses have been significantly reduced, from an annual SEK 460 million to just over SEK 250 million. Hagströmer & Qviberg will therefore be able to demonstrate positive earnings in the future given that the level of activity remains no lower than that during the third quarter.

Stockholm, October 17, 2002

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

Scheduled Reports and Meetings

Year-end report 2002	January 30, 2003
Annual report 2002	March 2003
AGM	April 4, 2003

GROUP TRENDS PER QUARTER (SEKm)

	Jul 1, 02 Sep 30, 02	Apr 1, 02 Jun 30, 02	Jan 1, 02 Mar 31, 02	Oct 1, 01 Dec 31, 01	Jul 1, 01 Sep 30, 01
Commissions and fees, net	48	63	68	94	64
Net interest income	9	7	8	14	7
Financial transactions including dividends, net	18	17	27	37	4
Other operating income	7	-	-	3	-
Operating income	82	87	103	148	75
Operating expenses	-85	-106	-97	-115	-100
Profit before tax and minorities	-3	-19	6	33	-25

KEY RATIOS

	Jul 1, 02 Sep 30, 02	Jan 1, 02 Sep 30, 02	Oct 1, 01 Sep 30, 02	Jan 1, 01 Dec 31, 01	Jan 1, 00 Dec 31, 00
Operating income, SEKm	82	272	420	505	935
Operating expenses, SEKm	-85	-288	-403	-495	-685
Profit before tax and minorities, SEKm	-3	-16	17	10	250
Earnings per share, SEK	-1.6	-3.6	1.7	-0.8	36
Shareholders' equity per share, SEK	67	67	67	75	93
Operating margin, %	-4%	-6%	4%	2%	27%
Return on equity, %	2%	2%	2%	-1%	47%
Capital adequacy, %	35%	35%	35%	26%	24%

* Returns are calculated on moving 12-month basis.

CONSOLIDATED INCOME STATEMENT (SEKm)

	Jul 1, 2002 Sep 30, 2002	Jul 1, 2001 Sep 30, 2001	Jan 1, 2002 Sep 30, 2002	Jan 1, 2001 Sep 30, 2001
Income from commissions and fees	Note 1 55	79	206	279
Expenses from commissions and fees	-7	-15	-27	-41
Interest income	22	25	66	89
Interest expenses	-13	-18	-42	-56
Dividends received	0	0	26	24
Net result of financial transactions	18	4	36	4
Other operating income	7	0	7	58
Total operating income	82	75	272	357
General administrative expenses	-70	-87	-232	-340
Depreciation and write-down of tangible and intangible fixed assets	-5	-7	-16	-15
Other operating expenses	-3	-6	-12	-23
Bad debt losses and credit losses	-	-	-13	-2
Items affecting comparability	-7	-	-15	-
Total operating expenses	-85	-100	-288	-380
Operating profit	-3	-25	-16	-23
Tax on profit /loss for the period	-4	-3	-5	-3
Minority share of period's profit	-1	-5	3	-5
Profit/loss for the period	-8	-33	-18	-31
Earnings per share before dilution, SEK	-1.6	-6.3	-3.6	-6,0
Earnings per share after dilution, SEK	-1.6	-6.3	-3.4	-6,0
Average number of shares before dilution	5,177,724	5,170,694	5,176,588	5,132,256
Average number of shares after dilution	5,377,591	5,218,227	5,431,216	5,220,950
Number of shares outstanding before dilution	5,177,724	5,171,724	5,177,724	5,171,724
Number of shares outstanding after dilution	5,210,124	5,458,624	5,210,124	5,458,624

CONSOLIDATED BALANCE SHEET (SEKm)

	Sep 30, 2002	Dec 31, 2001
Lending to credit institutions	438	1,474
Lending to the public	639	782
Shares and participations	1,090	1,948
Other assets	Note 2 637	544
Total assets	2,804	4,748
Deposits and borrowing from the public	1,113	1,529
Other liabilities	Note 2 1,337	2,819
Minority share of equity	9	11
Shareholder's equity	Note 3 345	389
Total equity and liabilities	2,804	4,748

CONSOLIDATED CASH FLOW STATEMENT (SEKm)

	Jan 1, 2002 Sep 30, 2002	Jan 1, 2001 Sep 30, 2001
Cash flow from continuing operations	8	-138
Cash flow from operative assets and liabilities	-1,012	1,712
Cash flow from continuing operations	-1,004	1,574
Cash flow from investing activities	-3	66
Cash flow from financing activities	-29	-77
Cash flow for the period	-1,036	1,563
Liquid funds at beginning of period	1,474	-469
Liquid funds at end of period	438	1,094

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.

Notes (all amounts in SEKm)

Note 1– Income from commissions and fees

Income from commissions and fees includes brokerage fees of 162 (231) for the nine-month period.

Note 2 – Other assets/Other liabilities

Other assets includes stock-related derivative instruments with positive value in the amount of 330 (actual value). Other liabilities includes stock-related derivative instruments with negative value in the amount of 138 (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 1,413,631.

Group	Sep 30, 2002	Sep 30, 2001
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	-18	-31
Balance at end of period	345	362

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. During the third quarter of 2002 outstanding warrants with an exercise price of SEK 133 have been excluded.

Shareholders' equity per share

Shareholders' equity in relation to the number of shares on the closing day.

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.

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, October 17, 2002

KPMG, Caj Nackstad, Authorised Public Accountant

Hagströmer & Qviberg is a leading securities brokerage company focusing on investment banking and private banking.

Business in the Investment Banking unit includes corporate finance, institutional trade in stocks and derivatives, and trading. The Private Banking unit focuses on trade in stocks and derivatives, asset management with an emphasis on absolute return, and financial planning for private individuals, companies and foundations.

The company's head office is located in Stockholm, Sweden, and business is conducted from a further four cities in Sweden, and from Oslo in Norway.

Hagströmer & Qviberg has around 175 employees and is listed on the O list of the Stockholm exchange, Stockholmsbörsen (HAGQ).

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