

YEAR-END REPORT 2004

- OPERATING EARNINGS FOR YEAR SEK 166 (90) MILLION +84%
- INCOME FOR YEAR SEK 575 (424) MILLION +36%
- EARNINGS AFTER TAX AND MINORITY SEK 107 (60) MILLION +78%
- EARNINGS PER SHARE SEK 21.2 (11.6) +83%
- PROPOSED DIVIDEND SEK 6.00 (5.00) AND REDEMPTION OF EVERY TENTH SHARE FOR SEK 250

Performance and Financial Position Group

Hagströmer & Qviberg (H&Q) reports for 2004 operating earnings of SEK 166 (90) million, and earnings after tax and minority of SEK 107 (60) million. Operating earnings have been positively influenced by non-recurring income of SEK 8 (13) million following recovery of value-added tax.

Total operating income was SEK 575 (424) million, an increase of 36 percent compared with the previous year. Net income from commissions and fees increased by 51 percent to SEK 338 (224) million. Of the income from commissions and fees, SEK 292 (209) million was from secondary commission, an increase of 40 percent. The income from commissions and fees also includes income from financial advisory services and underwriting of SEK 127 (61) million, an increase of 108 percent. Net income from financial transactions, including dividends, increased by 43 percent to SEK 201 (141) million.

Total operating expenses for the period amounted to SEK 409 (334) million, an increase compared to the previous year of 22 percent. The increase in expenses is explained mainly by higher personnel expenses as a result of higher bonus expenses in 2004. Bonus provisions are directly attributable to underlying earnings, which for the current year are considerably higher than in the previous year. Personnel expenses thus increased by 32 percent to SEK 308 (233) million. Writedowns decreased by 64 percent to SEK 5 (14) million, which is mainly attributable to fully written down goodwill. Other expenses increased by 10 percent to SEK 96 (87) million. This increase is attributable to the increased level of activity and primarily to marketing expenses related to new products.

The group's liquid funds amounted to SEK -396 (1,142 per December 31, 2003) million. The change in liquid funds is attributable to different positions in trading on the company's own account compared to the previous year. Shareholder equity amounted to SEK 390 (404 per December 31, 2003) million, corresponding to SEK 83 (78 per December 31, 2003) per share. Capital adequacy for the group amounted to 32 (35 per December 31, 2003) percent.

The number of employees in the group amounted to 187 (168 per December 31, 2003). The average number of employees during the year was 180 (171).

H&Q Investment Banking

Operating income for H&Q Investment Banking amounted to SEK 326 (213) million, an increase of 53 percent compared to the previous year. The increase in income is explained mainly by greater activity on the financial markets in general and for H&Q in particular. The market for Corporate Finance transactions has increased during the year and H&Q has initiated and participated in several transactions. Trading on the company's own account also increased during the period, mainly during the first half of the year. The business unit reports earnings before tax and minority of SEK 133 (57) million.

The number of employees was 62 (53 per December 31, 2003). The increase in the number of employees is mainly attributable to Corporate Finance and Institutional Stockbrokerage.

H&Q Private Banking

Operating income for H&Q Private Banking amounted to SEK 228 (183) million, an increase of 25 percent compared to the previous year. The increase in income is the effect of a continued focus on Asset Management and Financial Planning combined with the generally increased level of activity on Stockholmsbörsen.

H&Q Private Banking continues to build further on its strategy of an open architecture with external partnerships and distributors. Development continues of Structured Products, Financial Planning including Family Office, Absolute Asset Management, Emerging Markets and Pension Solutions, which during the forth quarter meant the launch of several new

services and products. In addition there is great interest in the various fund investments within the five funds of H&Q Fund of Funds, which overall during the period has resulted in a continued net inflow, that is to say continued growth.

Total assets under management have risen to SEK 26 (21 per December 31, 2003) billion, an increase of 24 percent compared to the start of the year. The inflow to the new products, Absolute Asset Management and H&Q Fund of Funds, is large. The net inflow of new client volumes during the year was SEK 2.9 billion, which represents organic growth of 14 percent. The net inflow to the funds company was SEK 1.3 billion. The funds company, which started business in April 2003, therefore manages more than SEK 2 billion.

As the net inflow of new client volumes has risen, the proportion of repeat income has also risen. Management fees increased by 78 percent. The business unit reports earnings before tax and minority of SEK 49 (27) million. The number of employees was 67 (59 per December 31, 2003).

Outlook

Activity on the financial markets was high during 2004, although there were large fluctuations during the year.

H&Q works systematically and with a goal-driven approach. The brand has been strengthened continuously and this has increased the number of prospective and completed transactions. H&Q remains profitable in all of the company's departments and is demonstrating considerable growth. The business is scalable and could manage significant volume growth.

The positive trend for H&Q, with a high level of activity and low costs is expected to continue. The product and services offering has been broadened, which further increases business opportunities. Given a continued high level of activity in the market, the good earnings trend can be expected to continue.

Annual General Meeting, Dividend and Redemption

The annual general meeting of shareholders will be held on Tuesday, March 22, 2005 at 3 pm in the Auditorium, Moderna Museet, Skeppsholmen, Stockholm.

The board of directors proposes that the annual general meeting approve a dividend of SEK 6.00 (5.00) per share. The board also intends to propose redemption of every tenth share for cash payment of SEK 250 per share. If the redemption offering is fully accepted, around 470,000 shares will be redeemed and approximately SEK 118 million will be transferred to shareholders of Hagströmer & Qviberg AB. The record day for the receipt of redemption rights is proposed as April 5, 2005. It is proposed that applications for the redemption be made during the period from April 14, 2005 until May 3, 2005. Cash payment is expected to take place at the end of May 2005.

Stockholm, January 28, 2005

Hagströmer & Qviberg AB
Board of directors

For further information please contact Patrik Enblad,
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Forthcoming Reports

Annual Report 2004

March 2005

Interim Report Q1

April 14, 2005

CONSOLIDATED INCOME STATEMENT (SEKm)

		2004	2003	2004	2003
		Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec
Income from commissions and fees	Note 1	129	91	419	270
Expenses from commissions and fees		-26	-13	-81	-46
Interest income		12	20	53	76
Interest expense		-8	-10	-33	-38
Dividends received		0	1	58	27
Net result of financial transactions		40	38	143	114
Other operating income		12	19	16	21
Total operating income		159	146	575	424
General administrative expenses		-105	-91	-380	-299
Depreciation and amortisation of fixed assets		-2	-3	-5	-14
Other operating expenses		-7	-6	-28	-21
Credit and bad debt losses		0	-0	4	-0
Total operating expenses		-114	-100	-409	-334
Operating earnings		45	46	166	90
Tax on earnings for the period		-13	-14	-48	-28
Minority share of earnings for the period		-3	-2	-11	-2
Earnings for the period		29	30	107	60
Earnings per share before dilution, SEK		6.1	5.9	21.2	11.6
Earnings per share after dilution, SEK		6.1	5.9	21.2	11.6
Average number of shares before dilution		4,701,050	5,188,512	5,052,843	5,182,371
Average number of shares after dilution		4,701,050	5,188,512	5,052,843	5,198,482
Number of shares outstanding before dilution		4,701,050	5,188,512	4,701,050	5,188,512
Number of shares outstanding after dilution		4,701,050	5,188,512	4,701,050	5,188,512

CONSOLIDATED BALANCE SHEET (SEKm)

	Note 2		Dec 31, 2004	Dec 31, 2003
Lending to credit institutions			160	1,142
Lending to the public			809	590
Shares and participations			3,609	1,986
Other assets	Note 3		1,343	1,125
Total assets			5,921	4,843
Liabilities to credit institutions			556	-
Deposits and borrowing from the public			1,438	1,297
Other liabilities	Note 3		3,523	3,136
Minority share of equity			14	6
Shareholder equity	Note 4		390	404
Total equity and liabilities			5,921	4,843

CONSOLIDATED CHANGE IN SHAREHOLDER EQUITY (SEKm)

		Dec 31, 2004	Dec 31, 2003
Shareholder equity at beginning of the period		404	373
Purchases/sales of own shares		7	-3
Dividend		-26	-26
New issue (exercised warrants)		-	1
Share redemption		-102	-
Translation differences		0	-1
Earnings for the period		107	60
Shareholder equity at end of the period		390	404

GROUP TRENDS PER QUARTER (SEKm)

	2004	2004	2004	2004	2003
	Oct - Dec	Jul - Sep	Apr - Jun	Jan - Mar	Oct - Dec
Net income from commissions and fees	103	53	107	75	78
Net interest income	4	4	4	8	10
Financial transactions including dividends, net	40	37	36	88	39
Other operating income	12	0	4	0	19
Operating income	159	94	151	171	146
Operating expenses	-114	-74	-107	-114	-100
Earnings before tax and minority	45	20	44	57	46

KEY RATIOS

	2004	2003	2004	2003	2002	2001
	Oct - Dec	Oct - Dec				
Operating income, SEKm	159	146	575	424	379	505
Operating expenses, SEKm	-114	-100	-409	-334	-382	-495
Earnings before tax and minority, SEKm	45	46	166	90	-3	10
Earnings per share before dilution, SEK	6.1	5.9	21.2	11.6	2.4	-0.8
Shareholder equity per share, SEK	83	78	83	78	72	75
Operating margin, %	28%	32%	29%	21%	-1%	2%
Return on equity, %*	27%	15%	27%	15%	3%	-1%
Capital adequacy, %	32%	35%	32%	35%	42%	26%

* Returns are calculated on moving 12-month basis

INFORMATION BY SEGMENT (SEKm)

	Investment Banking		Private Banking		Other		Total	
	2004 Jan - Dec	2003 Jan - Dec	2004 Jan - Dec	2003 Jan - Dec	2004 Jan - Dec	2003 Jan - Dec	2004 Jan - Dec	2003 Jan - Dec
Operating income	326	213	228	183	21	28	575	424
Operating expenses	-193	-156	-179	-156	-37	-22	-409	-334
Operating earnings by segment	133	57	49	27	-16	6	166	90
Minority share and tax	-17	-2	-	-	-42	-28	-59	-30
Earnings for the period	116	55	49	27	-58	-22	107	60

CONSOLIDATED CASH FLOW STATEMENT (SEKm)

	2004 Jan - Dec	2003 Jan - Dec
Cash flow from continuing operations	-1,455	1,344
Cash flow from investing activities	-8	-2
Cash flow from financing activities	-75	-25
Cash flow for the period	-1,538	1,317
Liquid funds at beginning of the period	1,142	-175
Liquid funds at end of the period	-396	1,142

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 FFPS 2002:22. The accounting principles and methods of calculation are unchanged from those used in the annual report for 2003. New recommendations from the Swedish Financial Accounting Standards Council have had no effect on the accounts for 2004.

IFRS Information

The preliminary assessment of the Board of Directors is that the transition to IFRS will not have any considerable effect on Hagströmer & Qviberg's reporting. Complete information will be presented before April 14, 2005. Hagströmer & Qviberg's first financial report in compliance with IFRS will be the interim report for the first quarter of 2005.

Notes (all amounts in SEKm)

Note 1 – Income from commissions and fees

Income from commissions and fees includes brokerage fees of SEK 249 (192) for the full year.

Note 2 - The change in total assets from December 31, 2003 is mainly attributable to trade in stock index arbitrage.

Note 3 – Other assets/Other liabilities

Other assets includes stock-related derivative instruments with positive value in the amount of 494 (actual value) as well as currency-related derivative instruments with positive value in the amount of 7 (actual value). Other liabilities includes stock-related derivative instruments with negative value in the amount of 423 (actual value) as well as currency-related derivative instruments with negative values in the amount of 27 (actual value).

Note 4 – Shareholder equity

Of the total number of shares outstanding in the amount of 4,701,050, preference shares account for 866,960.

Definitions

Earnings per share after tax

Earnings 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 an exercise price of SEK 71 have been included. From the third quarter of 2003 there are no outstanding warrants.

Shareholder equity per share

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

Operating margin

Operating earnings in relation to operating income.

Return on equity

Earnings after tax in relation to average shareholder 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 fulfil the requirements of the Swedish Stock Exchange Act and the Swedish Annual Accounts Act.

Stockholm, January 28, 2005

KPMG Bohlins AB

Caj Nackstad, Authorised Public Accountant

**HAGSTRÖMER
& QVIBERG**

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