

HAGSTRÖMER & QVIBERG

YEAR-END REPORT JANUARY 1– DECEMBER 31, 2005

FOURTH QUARTER

- Operating income SEK 184 (140) million
- Operating earnings SEK 57 (37) million
- Operating earnings excluding trading SEK 51 (26) million
- Average earnings per share SEK 7.3 (6.1)

FULL YEAR

- Operating income SEK 518 (519) million
 - Operating earnings SEK 128 (142) million
 - Operating earnings excluding trading SEK 97 (73) million
 - Earnings after tax SEK 94 (107) million
 - Average earnings per share SEK 19.4 (21.2)
 - Assets under management SEK 54 (26) billion, of which net inflow SEK 7 billion
 - Proposed dividend SEK 12.00 (6.00) and a split 2:1
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COMMENTS ON THE FOURTH QUARTER

- The integration with HQ Fonder¹⁾ has been completed according to plan and has led to the formation of a leading and rapidly growing player in private banking including fund and asset management.
- The merger has led to much greater assets under management, efficient and broadened management and a greater proportion of repeat income with retained high profitability.
- Hagströmer & Qviberg (H&Q) reports for the fourth quarter operating earnings of SEK 57 (37) million and earnings after tax less minority share of SEK 44 (29) million, corresponding to SEK 7.3 (6.1) per share. HQ Fonder has since the merger on October 28 contributed operating earnings of SEK 11 (0) million.
- Income increased by 31 percent to SEK 184 (140) million. Excluding HQ Fonder, income increased by 18 percent. Net income from commissions and fees increased by 56 percent to SEK 134 (86) million while trading on the company's own account, comprising the net result of financial transactions including dividends, amounted to SEK 39 (40) million.
- Expenses increased by 23 percent to SEK 127 (103) million, which is explained mainly by the merger with HQ Fonder, which resulted in a higher cost for personnel and administration. Excluding HQ Fonder, expenses increased by 15 percent. In addition the quarter has been charged with higher bonus provisions linked to higher underlying earnings. Personnel expenses thus increased by 19 percent to SEK 92 (77) million. Other expenses increased by 35 percent to SEK 35 (26) million.
- As a result of the merger with HQ Fonder, assets under management increased during the fourth quarter by SEK 17 billion, to SEK 54 billion. The net inflow of new client volumes amounted to SEK 1.3 billion. Total assets under management pro forma including HQ Fonder increased by SEK 4 billion to SEK 54 billion.
- Development in Private Banking remains good with operating earnings of SEK 42 (17) million. The proportion of repeat income in Private Banking in the form of asset management fees and net interest income increased alongside the inflow of new volumes. During the fourth quarter, repeat income less expenses for commissions and fees in Private Banking amounted to SEK 52 (19) million.
- In Investment Banking, Corporate Finance ended the year strongly with a number of assignments, and the outlook for 2006 is good. Equities has successfully managed to redirect income flows to products with higher margins, which has led to a positive development. At the same time, trading on the company's own account is focused more on traditional market making.
- Subsequent to the end of the period H&Q has been awarded permission to conduct banking operations, which will make possible a broader offering of products and services that, together with establishment on new markets and a focus on added-value services, will contribute to continued growth.

¹⁾ HQ Fonder is consolidated into H&Q's income statement from October 28

THE GROUP – REPORT PERIOD JANUARY 1– DECEMBER 31

Earnings and comments on the year-end report

H&Q reports for 2005 operating earnings of SEK 128 (142) million, and earnings after tax less minority share of SEK 94 (107) million, corresponding to SEK 19.4 (21.2) per share. As a result of the merger, amortisation of intangible fixed assets of SEK 2 million has been charged to earnings.

On October 28, HQ Fonder was merged with H&Q AB, and is reported in accordance with IFRS 3. HQ Fonder is included in the consolidated accounts from October 28, and earnings accrued before this date have been eliminated. In order to clarify the effect of the merger, and to facilitate comparability between periods, the final page of this report shows pro forma accounts as if the merger had been completed on January 1, 2004.

During the second quarter H&Q entered into an agreement to divest its part-owned subsidiary H&Q Norden Fondsmeglerforretning ASA. In conjunction with this transaction, H&Q entered into an alliance with the new owners. The transaction has not had any material effect on earnings during the period. In order to facilitate comparability between the periods, the divested business is reported separately from other operations, in accordance with IFRS 5. As a result of this, all comparative figures have been recalculated.

Income – Increased proportion of repeat income

In total operating income amounted to SEK 518 (519) million. Net income from commissions and fees increased by 22 percent to SEK 345 (283) million. Of net income from commissions and fees, SEK 388 (292) million was from commissions and fees from the secondary market, an increase of 33 percent. The increase is explained primarily by an increased level of activity on the stock market, in combination with an inflow of volumes under management that has generated a greater proportion of repeat income in the form of management fees. Net income from commissions and fees also includes income of SEK 64 (72) million from financial advisory services and underwriting, a decrease of 11 percent. Trading on the company's own account, comprising the net result of financial transactions and dividends, decreased by 23 percent to SEK 155 (201) million. The decline in trading on the company's own account is mainly attributable to the first quarter, which did not equal the earnings demonstrated in the first quarter of 2004. Trading on the company's own account during the fourth quarter amounted to SEK 39 (40) million. Trading on the company's own account is expected to continue to make up a lower proportion of the whole.

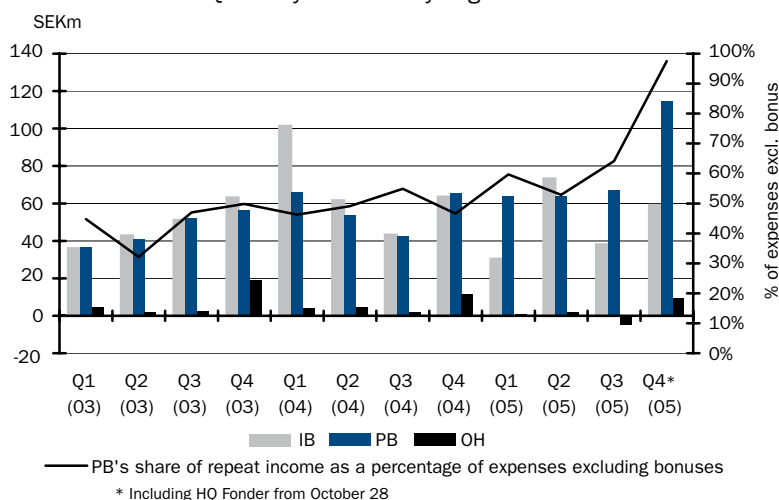
As the net inflow of new client volumes has risen, the proportion of repeat income has also risen. Repeat income includes asset management fees and net interest income from the public less expenses for commissions and fees. Repeat income in Private Banking increased by 69 percent to SEK 120 (71) million, which means that 71 (49) percent of Private Banking's current expenses excluding bonuses are covered by repeat income. Pro forma including HQ Fonder, repeat income amounted to SEK 194 (154) million, which means that 95 (85) percent of the current expenses of the merged Private Banking excluding bonuses are covered by repeat income.

Expenses – Continued good cost control

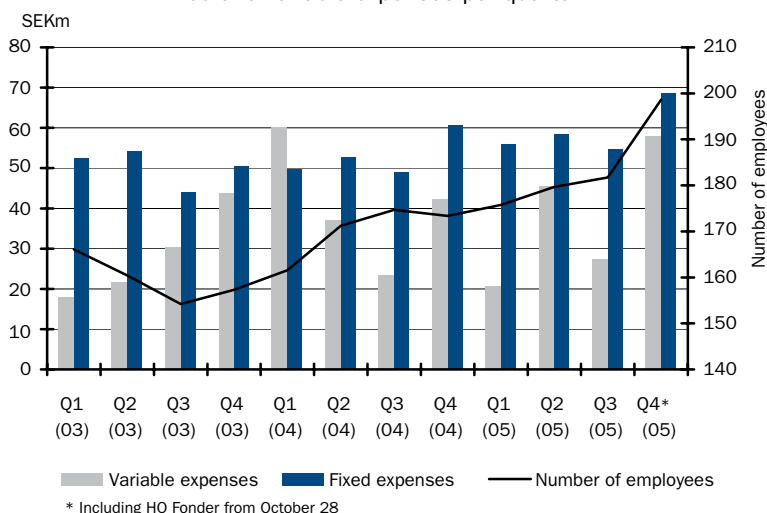
Operating expenses for the period amounted to SEK 390 (377) million, an increase compared to the preceding year of 3 percent. Fixed expenses increased by 11 percent to SEK 238 (214) million, which is mainly explained by the merger with HQ Fonder. Variable expenses decreased by 7 percent to SEK 152 (163) million, largely attributable to lower bonus expenses during 2005.

Cost control continues. Variable expenses, comprising bonuses, marketing activities, and variable asset management expenses, fluctuate over time and largely correlate with underlying earnings. The bonus system is directly linked to earnings and no bonuses are paid if earnings are negative for the particular department.

Quarterly revenues by segment



Fixed and variable expenses per quarter



Cash and cash equivalents, capital adequacy, net interest income and personnel

The group's cash and cash equivalents amounted to SEK 374 (123) million. Equity amounted to SEK 875 (390) million, corresponding to SEK 129 (83) per share. This increase is explained by the merger with HQ Fonder. During the period, an ordinary dividend of SEK 6 per share has been paid and in addition to this SEK 116 million has been distributed to shareholders through redemptions. As an effect of the merger, consolidated capital adequacy has increased to 42 (32 per December 31, 2004) percent. Capital adequacy for Hagströmer & Qviberg Fondkommission AB was 21 (27 per December 31, 2004) percent. The current level of capital adequacy exceeds both the legal requirement of at least 8 percent and H&Q's financial target of a minimum of 15 percent.

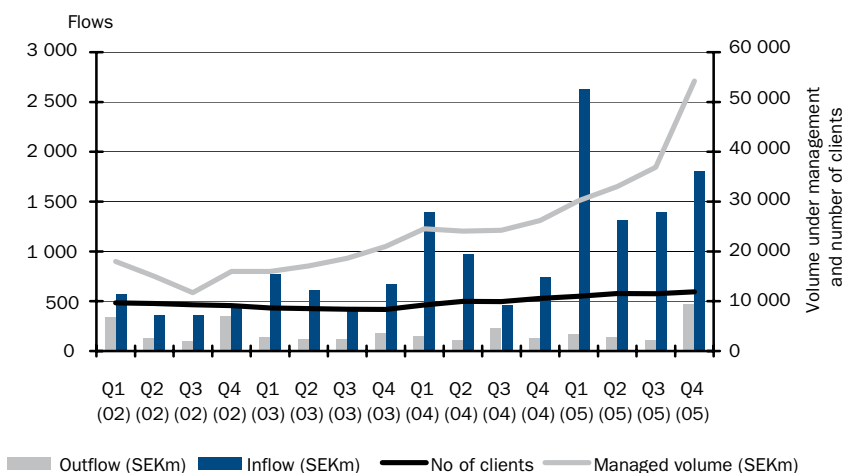
Average lending to the public has increased compared with the preceding year. Net interest income attributable to H&Q's custodian account clients has therefore increased by 12 percent to SEK 44 (39) million.

The number of employees in the group amounted to 199 (173 per December 31, 2004). The average number of employees during the period amounted to 182 (168).

Assets under management

Total assets under management have increased to SEK 54 (26) billion, an increase of 107 percent compared to the start of the year. The net inflow of new client volumes during the period amounted to SEK 7 billion, which represents growth of 27 percent. As the net inflow of new client volumes has risen, the proportion of repeat income has also risen. Asset management fees increased by 115 percent compared to 2004.

Pro forma, including HQ Fonder, total assets under management have increased to SEK 54 (36) billion, an increase of 50 percent compared to the start of the year. The pro forma net inflow of new client volumes during the period amounted to SEK 7 billion, which represents growth of 19 percent.



Financial targets – follow up

In conjunction with the merger with HQ Fonder, the board of directors of H&Q AB set the targets below for the merged business. Comparison with the pro forma merged company indicates that all financial targets have been met during 2005.

Financial targets	Outcome pro forma 2005
Assets under management - average +20 percent per year	50 percent
Operating margin – average 25 percent	26.2 percent
Capital adequacy – minimum 15 percent	42 percent
Long term dividend minimum 80 percent	86 percent

In addition H&Q is working with an operational target of achieving a managed volume of SEK 100 billion latest 2010, which once this is achieved will generate asset management fees of approximately SEK 1 billion given current margins.

Events after the end of the period

On January 25, H&Q received authorisation from the Swedish Financial Supervisory Authority to conduct banking operations. This authorisation provides increased opportunities to improve wealth. Among other things, H&Q will offer payment settlements and increased credit.

Outlook

The development in Private Banking was satisfactory, particularly during the second half of the year, with strong earnings growth. The volume of assets under management, pro forma including HQ Fonder, increased by 50 percent to SEK 54 (36) billion, which means an increasingly large proportion of repeat income and a stable basis for continued growth.

Profitability, pro forma, in the merged company exceeded the target of an operating margin of 25 percent, which is largely explained by an increased proportion of repeat income. H&Q continuously generating added value for its clients increases the prospect of stable income and a continued inflow of new volumes. The coming year has the prospect of being better than 2005, despite an expectation of weaker stock market growth in 2006.

Annual general meeting and dividend

The annual general meeting of shareholders will be held on Thursday, March 30, 2006 at 11 am at the Royal Swedish Opera (Kungliga Operan)/Rotundan, Jakobs torget 2, Stockholm, Sweden.

The board of directors proposes that the annual general meeting approve a dividend of SEK 12.00 (6.00) per share as well as a split 2:1. The proposed dividend corresponds to 86 percent of earnings for the year and a dividend yield of 4.6 percent based on the share price on December 31.

Annual report

The complete annual report will be available at H&Q's head office from the middle of March, at which time it will also be sent to shareholders. The annual report will also be available at www.hq.se.

Stockholm, February 2, 2006

Hagströmer & Qviberg AB
Board of Directors

Please address question to Patrik Enblad, Chief Executive Officer, Telephone +46 8 696 17 00

Forthcoming reports and meetings

Annual general meeting
Interim report Jan-Mar 2006

March 30, 2006
April 19, 2006

CONSOLIDATED INCOME STATEMENT (SEKm)

	2005 Oct - Dec	2004 Oct - Dec	2005 Jan - Dec	2004 Jan - Dec
Income from commissions and fees	176	112	452	364
Expenses from commissions and fees	-42	-26	-107	-81
Interest income	11	11	43	52
Interest expense	-8	-8	-34	-33
Dividends received	3	0	73	58
Net result of financial transactions	36	40	82	143
Other operating income	8	11	9	16
Total operating income	184	140	518	519
Personnel expenses	-92	-77	-284	-278
General administrative expenses	-22	-18	-72	-67
Depreciation and amortisation of fixed assets	-4	-2	-9	-5
Other operating expenses	-9	-6	-25	-27
Credit losses and bad debt losses	0	0	0	0
Total operating expenses	-127	-103	-390	-377
Operating earnings	57	37	128	142
Tax on earnings for the period	-13	-11	-34	-42
Earnings for the period from remaining businesses	44	26	94	100
Net earnings from divested businesses	-	6	-	18
Earnings for the period	44	32	94	118
Of which minority share of earnings for the period	-	3	-	11
Earnings per share before dilution, SEK	7.3	6.1	19.4	21.2
Earnings per share after dilution, SEK	7.3	6.1	19.4	21.2
Average number of shares before dilution	6,024,838	4,701,050	4,867,928	5,052,843
Average number of shares after dilution	6,024,838	4,701,050	4,867,928	5,052,843
Number of shares outstanding before dilution	6,778,620	4,701,050	6,778,620	4,701,050
Number of shares outstanding after dilution	6,778,620	4,701,050	6,778,620	4,701,050

CONSOLIDATED BALANCE SHEET (SEKm)

	31 Dec 2005	31 Dec 2004
Lending to credit institutions	374	123
Lending to the public	970	809
Shares and participations	2,916	3,609
Intangible fixed assets	601	3
Other assets	1,894	1,321
Total assets	6,755	5,865
Liabilities to credit institutions	453	556
Deposits and borrowing from the public	2,061	1,438
Other liabilities	3,366	3,481
Equity	875	390
Total equity and liabilities	6,755	5,865

CONSOLIDATED CHANGE IN EQUITY (SEKm)

	31 Dec 2005	31 Dec 2004
Equity per adopted balance sheet, start of period	390	404
Re-valuation of trading inventory per IAS 39	-1	-
Adjusted equity, start of period	389	404
Purchases/sales of own shares	-	7
Dividend	-28	-26
Share redemption	-116	-102
Merger HQ Fonder	536	-
Earnings for the period	94	107
Equity, end of period	875	390

GROUP TRENDS PER QUARTER (SEKm)

	2005 Oct - Dec	2005 Jul - Sep	2005 Apr - Jun	2005 Jan - Mar	2004 Oct - Dec
Net income from commissions and fees	134	69	73	69	86
Net interest income	3	1	3	1	2
Financial transactions including dividends, net	39	30	62	25	40
Other operating income	8	0	1	0	12
Operating income	184	100	139	95	140
Operating expenses	-127	-82	-104	-77	-103
Operating earnings	57	18	35	18	37

KEY FIGURES

	2005 Oct - Dec	2004 Oct - Dec	2005	2004	2003	2002
Operating income, SEKm	184	140	518	519	406	365
Operating expenses, SEKm	-127	-103	-390	-377	-320	-359
Operating earnings, SEKm	57	37	128	142	86	6
Earnings per share before dilution, SEK	7.3	6.1	19.4	21.2	11.6	2.4
Equity per share, SEK	129	83	129	83	78	72
Operating margin, %	31%	27%	25%	28%	21%	2%
Return on equity, %*	15%	27%	15%	27%	15%	3%
Capital adequacy, %	42%	32%	42%	32%	35%	42%

* Returns are calculated on a rolling 12 month basis

INFORMATION BY SEGMENT (SEKm)

	Investment Banking		Private Banking		Other/Eliminations		Total	
	2005	2004	2005	2004	2005	2004	2005	2004
	Jan - Dec	Jan - Dec	Jan - Dec	Jan - Dec	Jan - Dec	Jan - Dec	Jan - Dec	Jan - Dec
Operating income	201	270	309	228	8	21	518	519
Operating expenses	-135	-161	-219	-179	-36	-37	-390	-377
Operating earnings by segment	66	109	90	49	-28	-16	128	142
Tax	-	-	-	-	-34	-42	-34	-42
Earnings for the period	66	109	90	49	-62	-58	94	100

CONSOLIDATED CASH FLOW STATEMENT (SEKm)

	2005	2004
	Jan - Dec	Jan - Dec
Cash flow from operating activities	332	-939
Cash flow from investing activities	63	-8
Cash flow from financing activities	-144	-72
Cash flow for the period	251	-1,019
Cash and cash equivalents at start of the period	123	1,142
Cash and cash equivalents at end of the period	374	123

Accounting policies

In accordance with the IAS regulations adopted by the EU in 2002, market-listed companies throughout the European Union must from 2005 apply the International Financial Reporting Standards (IFRS) in their consolidated accounts. Therefore Hagströmer & Qviberg's report is presented in accordance with the IFRS standards adopted by the EU, and the interpretations of these standards adopted by the EU, IFRIC. This report is presented in accordance with IAS 34, Interim Financial Reporting, and the regulations of the Swedish Financial Supervisory Authority (FFFS 2002:22).

Hagströmer & Qviberg has in a special press release provided a description of which accounting policies are affected by the transition to IFRS. The IFRS standards that affect Hagströmer & Qviberg are IAS 27 (Consolidated Financial Statements) and those standards that affect financial instruments, IAS 32 and IAS 39. For a complete description, please refer to the company's website at www.hq.se.

Notes (all amounts in SEKm)

Note 1 – Income from commissions and fees

Income from commissions and fees includes brokerage fees of 284 (249) for the year.

Note 2 – Intangible assets

In conjunction with the merger with HQ Fonder intangible assets that meet the requirements of IFRS 3 and IAS 38 have been identified in the form of client relationships, distribution agreements and brands with a total value of 370. Client relationships are estimated to have an economic lifetime of 20 years and are therefore written down over this period. In conjunction with the merger goodwill arises of 226.

Note 3 – Other assets/Other liabilities

Other assets includes stock-related derivative instruments with positive value in the amount of 1,307 (actual value), as well as currency-related derivative instruments with positive value in the amount of 24 (actual value). Other liabilities includes stock-related derivative instruments with negative value in the amount of 1,535 (actual value) as well as currency-related derivative instruments with negative values in the amount of 16 (actual value).

Definitions

Earnings per share after tax

Net profit for the period attributable to the parent company's shareholders in relation to the average number of shares before dilution during the period.

Equity per share

Equity, less minority share of equity, in relation to the number of shares outstanding before dilution on the balance sheet date.

Operating margin

Operating earnings in relation to operating income.

Return on equity

Net profit for the period attributable to the parent company's shareholders in relation to average equity attributable to the parent company's shareholders. Returns are calculated on a rolling twelve-month basis.

Cash and cash equivalents

Cash and cash equivalents includes cash and balances with central banks as well as lending 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 year-end 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 year-end report does not fulfil the requirements of the Swedish Stock Exchange Act and the Swedish Annual Accounts Act.

Stockholm, February 2, 2006

KPMG Bohlins AB

Caj Nackstad, Authorised Public Accountant

INVESTMENT BANKING

The Investment Banking unit conducts business in research, trade in stocks and derivatives both on behalf of clients and on the company's own account as well as capital market transactions, and advice in connection with acquisitions and mergers. The business focuses on providing advice and ideas that offer clients added value.

(SEKm)	2005 Oct - Dec	2004 Oct - Dec	2005 Jan - Dec	2004 Jan - Dec
Brokerage income	26	19	85	79
Income from financial advisory services and underwriting	16	18	37	45
Net interest income/expense	-2	-2	-7	-10
Net result of financial transactions, including dividends	24	33	110	180
Transaction expenses	-6	-6	-29	-27
Other operating income	1	1	5	3
Total operating income	59	63	201	270
Personnel expenses	-28	-29	-97	-120
General administrative expenses	-6	-5	-21	-21
Depreciation and amortisation of fixed assets	-1	-1	-4	-3
Other operating expenses	-3	-4	-13	-17
Credit losses and bad debt losses	0	0	0	0
Total operating expenses	-38	-39	-135	-161
Operating earnings	21	24	66	109
Average number of employees	45	46	46	45
Cost income ratio	0.65	0.62	0.67	0.60
Operating margin	35%	38%	33%	40%
Assets under management at end of period			9,319	6,923

Results and position

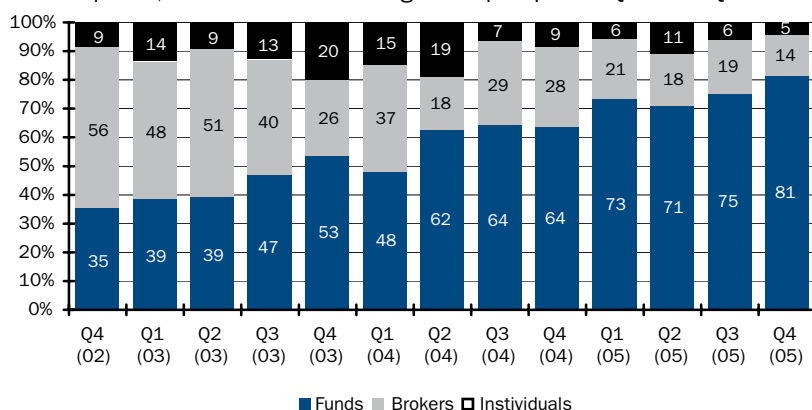
Operating income for H&Q Investment Banking amounted to SEK 201 (270) million, a decrease of 26 percent compared to the preceding year. The decrease is explained mainly by trading on the company's own account, which demonstrated weaker earnings, mainly attributable to the first quarter. The Equities service unit is developing in a positive direction, and the outlook for further business in Corporate Finance is believed to be good. The business unit reports operating earnings of SEK 66 (109) million.

Trends and strategy

Historically, H&Q Investment Banking has received a large proportion of its income from trading on the company's own account. Operating earnings for trading on the company's own account have been significant over time, with a strong contribution to the consolidated cash flow. Operating earnings for trading on the company's own account in 2005 amounted to SEK 31 million. The trend in the market for trading on the company's own account is headed towards increased competition and therefore increased exposure to risk. H&Q has chosen not to increase its risk mandate, and to instead focus more on traditional market making, which is associated with lower risk. This also means that opportunities to generate income have somewhat decreased.

Within the Equities service unit, there is intense price pressure on simple services. To counter this trend whilst maintaining good profitability, the strategy is to focus on increased added value in services provided to clients, thus increasing the prospect of a greater proportion of income within other client segments. This strategy has been successful. The broker share has decreased from 56 percent in the fourth quarter of 2002 to 14 percent in the fourth quarter of 2005, while the proportion of research-driven brokerage fees for the same period has increased from 35 percent in the fourth quarter of 2002 to 81 percent in the fourth quarter of 2005.

Equities, distribution of brokerage fees per quarter Q4 2002-Q4 2005



Definition of client categories

- Funds** Funds, hedge funds, pension funds, large institutions
- Brokers** Investment banks executing transactions through H&Q
- Individuals** Large private clients, often through companies

PRIVATE BANKING

The Private Banking unit is a leading player in the field of private banking and asset management. Business is conducted in the following service areas – Mutual Funds, Asset Management and Financial Planning, Pensions, Emerging Markets and External Distribution of Structured Products and Funds. Since October 28, 2005, HQ Fonder is included in H&Q and Private Banking's consolidated earnings.

(SEKm)	2005 Oct - Dec	2004 Oct - Dec	2005 Jan - Dec	2004 Jan - Dec
Income from commissions and fees	67	59	212	189
Management fees	66	14	119	48
Transaction and commission expenses	-36	-20	-77	-53
Net interest income	10	9	37	32
Net result of financial transactions, including dividends	8	2	17	6
Other operating income	0	2	1	6
Total operating income	115	66	309	228
Personnel expenses	-42	-26	-123	-92
General administrative expenses	-12	-9	-36	-31
Depreciation and amortisation of fixed assets	-1	0	-2	-1
Other operating expenses	-18	-14	-58	-55
Credit losses and bad debt losses	0	0	0	0
Total operating expenses	-73	-49	-219	-179
Operating earnings	42	17	90	49
Average number of employees	77	66	75	66
Cost income ratio	0.64	0.74	0.71	0.79
Operating margin	37%	26%	29%	21%
Assets under management at end of period			44,891	19,302
Total income/average assets under management			1.10%	1.26%

Results and position

Operating income for H&Q Private Banking amounted to SEK 309 (228) million, an increase of 36 percent compared with the preceding year. The business unit has grown during the year, partly through the merger with HQ Fonder and the acquisitions of Alfred Berg's Privatismäkleri and Alterum's operations, and partly through a broadened offering of products and services such as pensions, entrepreneur services and a number of new asset management services. During the spring H&Q received authorisation to conduct insurance brokerage through H&Q Pension AB and the business is developing according to plan.

The level of activity was high during the year, which contributed to fees increasing by 12 percent to SEK 212 (189) million. This increase is mainly attributable to the second half of the year, when fees increased by 27 percent to SEK 112 (88) million. Total assets under management by H&Q have increased to SEK 54 (26) billion, an increase of 107 percent compared to the start of the year. The net inflow of new client volumes during the period amounted to SEK 7 billion, representing growth of 27 percent. Alongside the inflow of new volumes, repeat income in the form of asset management fees less deduction for commission expenses and net interest income, has increased by 69 percent to SEK 120 (71) million, which corresponds to 39 (31) percent of Private Banking's total income. Pro forma, including HQ Fonder, repeat income amounts to SEK 194 (154) million, which means that 95 (85) percent of the merged Private Banking's current expenses excluding bonuses are covered by repeat income.

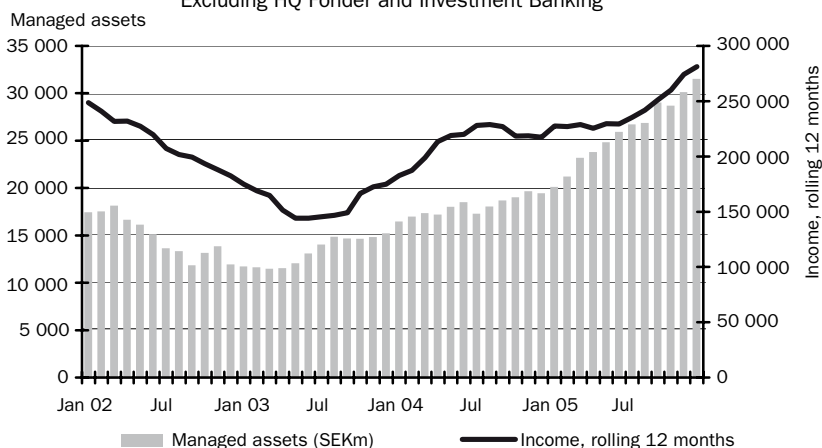
The business unit reports operating earnings of SEK 90 (49) million.

Trends and strategy

During 2005 the positive trend continued with a net inflow each month, which means that H&Q Private Banking has experienced a net inflow of volumes under management every month since January 1999. Continuity in the business model, with a focus on delivering added value, creates a natural structure for increasing the level of service provided to clients, and therefore increased opportunities for continued volume growth.

During the fourth quarter resources were invested in the integration of HQ Fonder, with a particular focus on sales. There have been further launches of funds a clearer positioning of existing funds. In addition, applications have been submitted to the Swedish Financial Supervisory Authority to start two new funds, HQ Afrika (Africa) and HQ Turkiet (Turkey).

Growth in assets under management and income, rolling 12 months
Excluding HQ Fonder and Investment Banking



PRO FORMA ACCOUNTS, HAGSTRÖMER & QVIBERG AFTER THE MERGER WITH HQ FONDER

The pro forma accounts reproduced below have been compiled in order to illustrate the merged group's earnings after the completed merger. The pro forma consolidated have been compiled based on the assumption that the merger became effective on January 1, 2004. The pro forma accounts are based on Hagströmer & Qviberg's and HQ Fonder's year-end reports for the period January 1, 2004 – December 31, 2004 and the consolidated accounts for 2005. Adjustment has been made 2005 of HQ Fonder's earnings until October 28, which in the pro forma accounts are included in the income statement and in the consolidated accounts are eliminated. The pro forma accounts have been compiled in accordance with International Financial Reporting Standards.

The merger has been reported in accordance with the acquisition method and Hagströmer & Qviberg has been identified as the acquiring company. In conjunction with the merger an acquisition analysis was drawn up, and is reported in the table below. In the acquisition analysis intangible fixed assets that meet the requirements of IFRS 3 and IAS 38 have been identified in the form of client relationships, distribution agreements and brands with a total value of SEK 370 million. Client relationships have been estimated to have an economic life of 20 years and are amortised over this period. Annual amortisation as a result of the merger has been estimated as SEK 12 million. In conjunction with the merger goodwill of SEK 226 million arises, which is mainly attributable to future synergy and human resources.

ACQUISITION ANALYSIS HQ FONDER

Acquisition price	549
<u>Acquired assets</u>	
Equity	57
Client relationships	235
Distribution agreements	71
Brands	64
<u>Less tax liability</u>	<u>-104</u>
Net	323
Goodwill	226

PRO FORMA INCOME STATEMENT (SEKm)

	2005 Oct - Dec	2004 Oct - Dec	2005 Jan - Dec	2004 Jan - Dec
Income from commissions and fees	192	146	591	505
Expenses from commissions and fees	-50	-40	-173	-141
Interest income	11	11	43	52
Interest expense	-8	-8	-34	-32
Dividends received	3	0	74	58
Net result of financial transactions	36	41	82	143
Other operating income	8	11	9	16
Total operating income	192	161	592	601
Personnel expenses	-94	-80	-298	-293
General administrative expenses	-23	-21	-79	-75
Depreciation and amortisation of fixed assets	-4	-3	-19	-17
Other operating expenses	-11	-11	-41	-41
Credit losses and bad debt losses	0	0	0	0
Total operating expenses	-132	-115	-437	-426
Operating earnings	60	46	155	175
Tax on earnings for the period	-14	-13	-42	-51
Earnings for the period	46	33	113	124

PRO FORMA KEY FIGURES

	2005 Jan - Dec	2004 Jan - Dec
Earnings per share, SEK	16.7	16.9
Equity per share, SEK	129.1	134.6
Return on equity, %	12.9%	12.6%
Operating margin, %	26.2%	29.1%
Capital adequacy, %	42%	32%
Number of shares outstanding	6,778,620	7,303,757
Number of employees	199	191

Definitions:

Earnings per share	Earnings for the period, less minority share of earnings for the period, in relation to the number of shares outstanding on the balance sheet date
Equity per share	Equity, less minority share of equity, in relation to the number of shares outstanding on the balance sheet date
Return on equity	Earnings for the period, less minority share of earnings for the period, in relation to equity on the balance sheet date
Operating margin	Operating earnings in relation to operating income
Capital adequacy	Capital base in relation to risk-weighted amount for market and credit risks

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