

INTERIM REPORT JANUARY 1 - SEPTEMBER 30 2006



CONSIDERABLY IMPROVED PROFITABILITY

THIRD QUARTER

- + OPERATING INCOME SEK 193 (100) MILLION
 - + OPERATING EARNINGS SEK 70 (18) MILLION
 - + EARNINGS AFTER TAX SEK 50 (13) MILLION
 - + EARNINGS PER SHARE SEK 3.7 (1.5)
 - + OPERATING MARGIN 36 (18) PERCENT
 - + ASSETS UNDER MANAGEMENT INCREASED SEK 5 BILLION IN THE THIRD QUARTER TO SEK 67 BILLION, OF WHICH NET INFLOW SEK 1.7 BILLION
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- + The third quarter is normally weaker than other quarters in terms of earnings due to natural seasonal variation in activity levels. HQ's long-term strategy is to achieve a broadened income base with a particular focus on repeat income, which is especially significant when there is a lower level of activity on the market. The level of risk has been reduced and operating earnings increased to SEK 70 (18) million. Earnings after tax increased to SEK 50 (13) million, corresponding to SEK 3.7 (1.5) per share.
- + Income increased by 93 percent to SEK 193 (100) million. Compared to 2005, pro forma including HQ Fonder, income increased by 56 percent. Net income from commissions and fees increased by 91 percent to SEK 132 (69) million. Of the net income from commissions and fees, asset management fees net less expenses from commissions and fees made up SEK 50 (14) million, an increase of 257 percent. Trading on the company's own account, comprising the net result of financial transactions including dividends, increased by 70 percent to SEK 51 (30) million.
- + Expenses increased by 50 percent to SEK 123 (82) million, partly explained by the merger with HQ Fonder, which resulted in higher expenses for personnel and administration. Pro forma including HQ Fonder expenses increased by SEK 32 million, a rise of 35 percent. This increase is mainly attributable to higher provisions for profit sharing, which increased by SEK 17 million as an effect of the positive earnings growth. The remainder of the increase, SEK 15 million, is directly attributable to HQ's expansion and is explained by higher marketing expenses associated with the launch of the new brand HQ Bank and new products, as well as higher personnel costs as a result of new recruitment to improve levels of expertise.
- + The operating margin doubled to 36 (18) percent.
- + Total assets under management increased by SEK 5.3 billion to SEK 67 billion during the quarter, an increase of 9 percent. The positive trend is explained by a net inflow of new client volumes of SEK 1.7 billion and a value change of SEK 3.6 billion.
- + The average income from assets under management in HQ Private Banking was 0.89 (0.97) percent during the quarter, which is lower than the average for the first half of the year. The decline is explained by natural seasonal variations on the financial markets. An average income of around 1.2 percent is expected for full-year 2006.
- + The level of activity within structured products has been high during the quarter. A total of 18 new capital-guarantee products have been launched and interest from the market has been substantial. However, most of the effect on earnings from these launches will not be apparent until the fourth quarter of 2006 since the subscription period in several cases extends into October.

MORE STABLE INCOME BASE AND CONTINUED GROWTH

JANUARY - SEPTEMBER

- + OPERATING INCOME SEK 651 (334) MILLION
- + OPERATING EARNINGS SEK 236 (71) MILLION
- + EARNINGS AFTER TAX SEK 168 (50) MILLION
- + EARNINGS PER SHARE SEK 12.4 (5.6)
- + OPERATING MARGIN 36 (21) PERCENT
- + ASSETS UNDER MANAGEMENT INCREASED BY SEK 13 BILLION SINCE THE START OF THE YEAR TO SEK 67 BILLION, OF WHICH NET INFLOW SEK 5.5 BILLION

HQ IN BRIEF

COMMENTS FROM CEO PATRIK ENBLAD

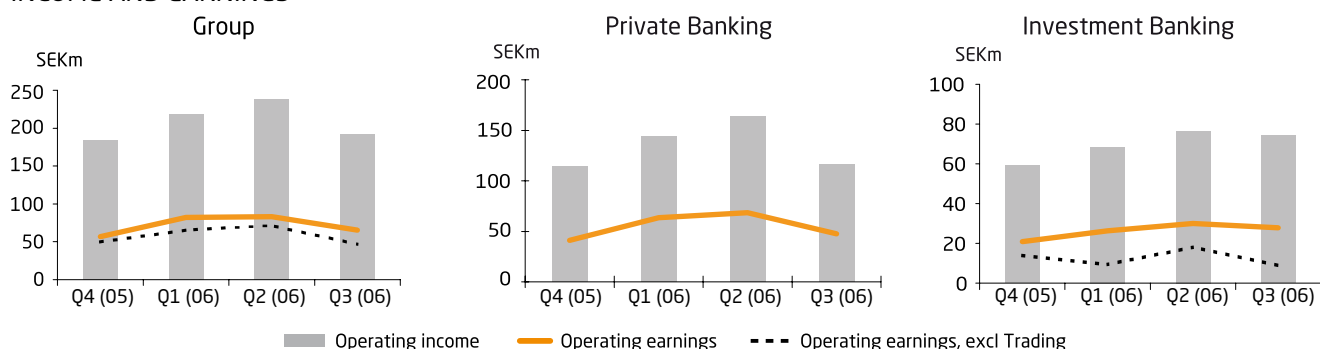
During the third quarter HQ again exceeded by a wide margin its financial targets for volume growth, profitability and capital adequacy. Despite continued rapid growth and the fact that the third quarter is seasonally weak, the operating margin rose to 36 (18) percent in the quarter.

We are now seeing the fruit of long-term and strategic efforts commenced in 2002, which placed a clear focus on added-value services and on HQ becoming a market leader in each of its niches.

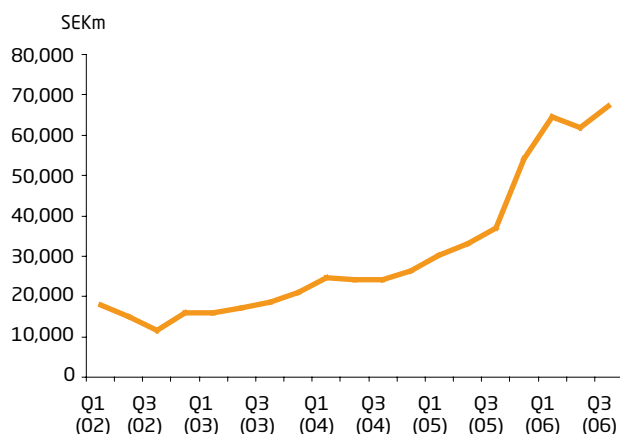
The net inflow also continued during the third quarter. Overall during the year the net inflow has amounted to SEK 5.5 billion, corresponding to annualised organic growth of 14 percent. During 2006, HQ has managed an average of SEK 62 billion, compared with an average of SEK 36 billion during 2005. Asset management fees and net interest income from custodian account clients increase the proportion of repeat income and contribute to more stable revenues, while the risk level is continuously lowered. This also means that 113 percent of HQ Private Banking's current expenses, excluding profit sharing, are today covered by repeat income.

So far this year earnings per share have more than doubled to SEK 12.4 (5.6). HQ's aim over time is to transfer at least 80 percent of net earnings to its shareholders.

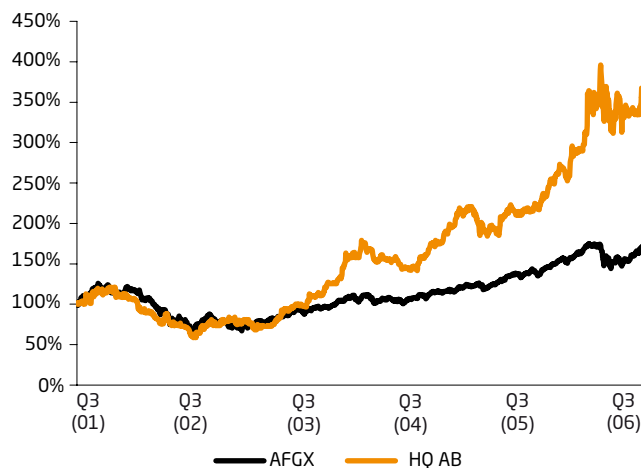
INCOME AND EARNINGS



GROWTH IN ASSETS UNDER MANAGEMENT



SHARE PRICE TREND AGAINST AFGX, 5 YEARS



THE GROUP - INTERIM PERIOD JANUARY 1 - SEPTEMBER 30, 2006

EARNINGS TREND REMAINS STRONG

Hagströmer & Qviberg AB (HQ) reports for the period January 1 until September 30 operating earnings of SEK 236 (71) million, and earnings after tax of SEK 168 (50) million, corresponding to SEK 12.4 (5.6) per share.

HQ Fonder was merged with HQ on October 28, 2005 and is subsequently included in the consolidated accounts. HQ Fonder is therefore not included in the comparative figures for the period January 1 until September 30, 2005. Pro forma including HQ Fonder, operating earnings have improved by 125 percent to SEK 236 (105) million. As a result of the merger, amortisation of intangible fixed assets has been charged to earnings at SEK 9 (0) million.

The earnings trend has remained strong in both HQ Private Banking and HQ Investment Banking. Asset management fees and net interest income from custodian account clients increased compared with the same period in the preceding year, which contributed to a greater proportion of repeat income and improved earnings. The average income on assets under management within HQ Private Banking declined slightly during the third quarter, which is a natural seasonal picture, but increased to 1.11 (1.07) percent for the interim period. Pro forma, including HQ Fonder, the average income has increased by 12 percent to 1.11 (0.98) percent.

Overall the operating margin increased to 36 (21) percent, which considerably exceeds HQ's financial target of an average 25 percent operating margin across the business cycle.

MORE STABLE INCOME BASE

In total operating income amounted to SEK 651 (334) million, an increase of 95 percent. Pro forma 2005 including HQ Fonder this increase was 63 percent. Net income from commissions and fees increased by 125 percent to SEK 474 (211) million. Of the net income from commissions and fees, SEK 588 (242) million was secondary, an increase of 143 percent. This increase is explained by the inflow of managed volumes, which generated a greater proportion of repeat income in the form of asset management fees. In addition, the level of activity on the stock market was higher. Net income from commissions and fees also includes income of SEK 79 (34) million from financial advisory services and underwriting, an increase of 132 percent. Trading on the company's own account, comprising the net result of financial transactions and dividends, increased by 31 percent to 152 (116) million of which Trading accounted for SEK 120 (89) million.

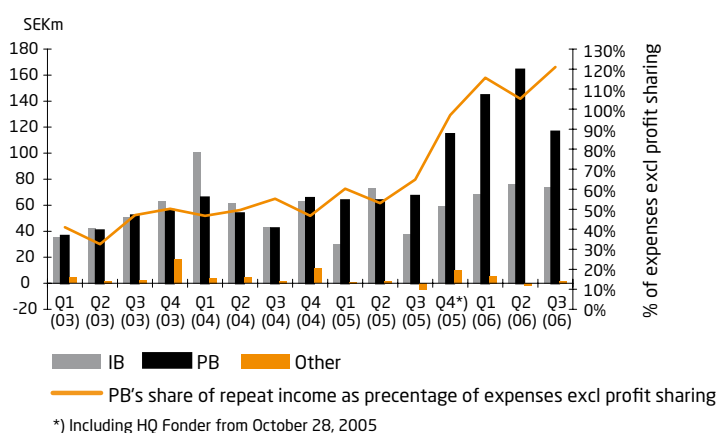
As the net inflow of new client volumes has risen, the proportion of repeat income has also risen. Repeat income includes asset management fees and net interest income from the public, less expenses for commissions and fees. Repeat income in HQ Private Banking increased by 184 percent to SEK 193 (68) million, which means that 113 (59) percent of HQ Private Banking's current expenses excluding profit sharing are covered by repeat income. At a consolidated level, 65 (32) percent of current expenses excluding profit sharing were covered by repeat income.

HIGHER PROFIT MEANS HIGHER EXPENSES - MAINLY PROFIT SHARING PROVISIONS

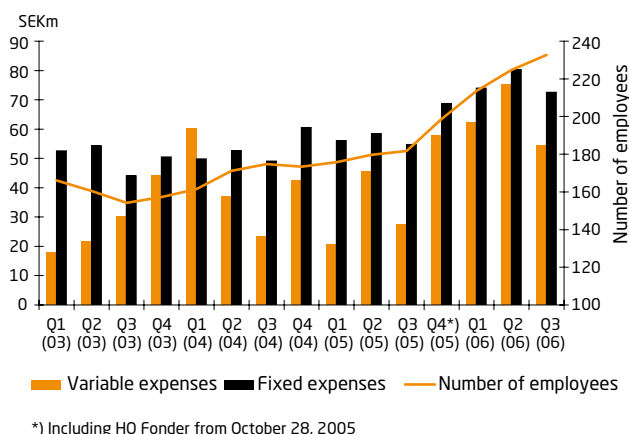
Operating expenses for the period amounted to SEK 415 (263) million, an increase compared to the preceding year of 58 percent. One contributing factor to the increase in expenses is the merger with HQ Fonder, the costs of which were not included in the earnings for the comparison period in 2005. Pro forma 2005 including HQ Fonder, the increase amounted to SEK 120 million, a rise of 41 percent. This increase is explained primarily by higher expenses for profit sharing provisions as a result of the positive earnings trend, which thereby increased by SEK 68 million to SEK 141 (73) million. The profit sharing system is directly linked to earnings and no profit share is paid if earnings are negative for the particular department.

Fixed expenses increased by 34 percent to SEK 227 (169) million, which is mainly explained by the merger with HQ Fonder and higher personnel expenses consequent upon new recruitment. Cost control remains good. Fixed expenses per employee have remained more or less constant over time.

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 1,119 (374 per December 31, 2005) million. Equity amounted to SEK 964 (875 per December 31, 2005) million, corresponding to SEK 71 (65 per December 31, 2005) per share. Consolidated capital adequacy amounted to 29 (42 per December 31, 2005) percent. The reduction compared with the start of the year is explained by new capital adequacy rules that came into force on July 1, 2006. The current level of capital adequacy exceeds both the legal requirement of at least 8 percent and HQ's financial target of a minimum of 15 percent.

Average deposits from and lending to the public have increased compared to the preceding year. Net interest income attributable to HQ's custodian account clients has thus increased by 25 percent to SEK 40 (32) million.

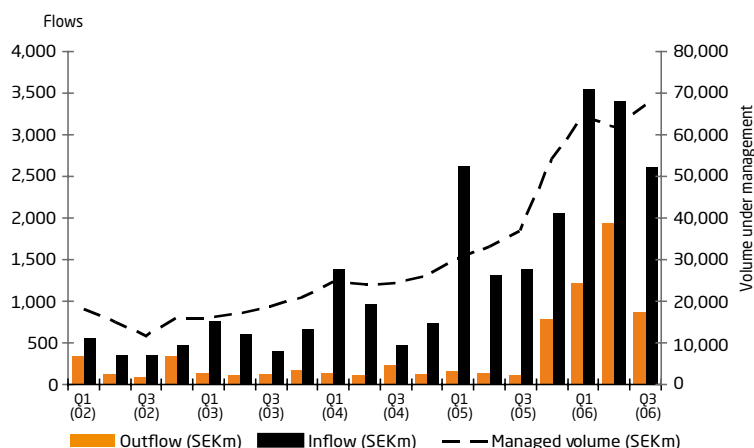
The number of employees in the group amounted to 233, compared with 199 at the start of the year. The average number of employees during the period was 217 (178).

ASSETS UNDER MANAGEMENT

Since the start of the year total assets under management have increased by SEK 13 billion to SEK 67 billion, a rise of 24 percent. The net inflow of assets under management during the period amounted to SEK 5.5 billion, which represents organic growth of 14 percent annualised.

During the year the Stockholm Stock Exchange's general index has risen by 10 percent. The value change in HQ's managed capital during the same period was 14 percent, which is proof of the successful management.

Since September 30, 2005 total assets under management pro forma including HQ Fonder have risen by SEK 17 billion, an increase of 34 percent, which considerably exceeds HQ's financial target of annual volume growth of 20 percent.



OUTLOOK

The third quarter of the year also demonstrated marked growth in turnover and earnings. The trend towards a higher proportion of repeat income in the form of asset management fees and net interest income continues, and means a stable revenue capacity while further lowering the level of risk. Today 65 percent of the group's expenses, excluding profit sharing, are covered by repeat income.

Despite a hot summer resulting in reduced interest in the financial markets, HQ even managed to attract new managed assets during the third quarter. Moreover, the start of the fourth quarter has demonstrated a tendency towards a strong inflow of new volumes. The net inflow, combined with successful asset management, means that growth in managed assets continues to exceed our target. In addition, HQ has during the year signed new strategic distribution agreements, which we expect to successively increase distribution power going forward. There is thus reason to believe that HQ's operating target of managing SEK 100 billion by 2010 at the latest may be achieved earlier.

Average income on assets under management within HQ Private Banking declined during the third quarter, which is natural for this period. For full-year 2006 we expect the average income to amount to around 1.2 percent.

The general market outlook for the finance industry remains good. This means a risk of cost rises going forward in order to strengthen the level of expertise. HQ's business model is scalable which means we do not believe there is any considerable risk of cost increases related to the expansion of capacity.

Overall HQ has a strong offering, which is demonstrated not least by the increase in assets under management. This means there is potential for continued good growth and earnings, while the business model will contribute to increased stability.

In short HQ is experiencing good growth, in terms of both managed volumes and earnings, while stability is improving and risk is declining.

Stockholm, October 17, 2006

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

SCHEDULED REPORTS AND SHAREHOLDER MEETINGS

Year-end press release 2006

February 1, 2007

Annual report 2006

March 2007

AGM

March 30, 2007

CONSOLIDATED INCOME STATEMENT (SEKm)

	2006 Jul - Sep	2005 Jul - Sep	2006 Jan - Sep	2005 Jan - Sep
Income from commissions and fees	188	87	667	276
Expenses from commissions and fees	-56	-18	-193	-65
Interest income	23	9	57	31
Interest expense	-13	-8	-33	-26
Dividends received	0	8	65	70
Net result of financial transactions	51	22	87	46
Other operating income	0	0	1	2
Total operating income	193	100	651	334
Personnel expenses	-88	-58	-295	-192
General administrative expenses	-20	-16	-71	-49
Depreciation and amortisation of fixed assets	-5	-2	-14	-5
Other operating expenses	-10	-6	-36	-17
Credit losses and bad debt losses	0	0	1	0
Total operating expenses	-123	-82	-415	-263
Operating profit/loss	70	18	236	71
Tax on profit/loss for the period	-20	-5	-68	-21
Profit/loss for the period	50	13	168	50
Profit/loss per share before dilution, SEK	3.7	1.5	12.4	5.6
Profit/loss per share after dilution, SEK	3.7	1.5	12.4	5.6
Average number of shares before dilution	13,557,240	8,476,192	13,557,240	8,966,378
Average number of shares after dilution	13,963,940	8,476,192	13,738,162	8,966,378
Number of shares outstanding before dilution	13,557,240	8,476,192	13,557,240	8,476,192
Number of shares outstanding after dilution	13,963,940	8,476,192	13,963,940	8,476,192

CONSOLIDATED BALANCE SHEET (SEKm)

	30 Sep 2006	31 Dec 2005
Lending to credit institutions	1,119	374
Lending to the public	965	970
Shares and participations	2,641	2,916
Intangible fixed assets	590	601
Other assets	2,071	1,894
Total assets	7,386	6,755
Liabilities to credit institutions	152	453
Deposits and borrowing from the public	2,367	2,061
Other liabilities	3,903	3,366
Equity	964	875
Total equity and liabilities	7,386	6,755

CONSOLIDATED CHANGE IN EQUITY (SEKm)

	30 Sep 2006	30 Sep 2005	31 Dec 2005
Equity, start of period	875	390	390
Re-evaluation of trading inventory per IAS 39	-	-1	-1
Adjusted equity, start of period	875	389	389
Dividend	-81	-28	-28
Share redemption	-	-116	-116
Equity share convertible loan	2	-	-
Translation differences etc	0	-	0
Merger HQ Fonder	-	-	536
Profit/loss for the period	168	50	94
Equity, end of period	964	295	875

GROUP TRENDS PER QUARTER (SEKm)

	2006 Jul-Sep	2006 Apr-Jun	2006 Jan-Mar	2005 Oct-Dec	2005 Jul-Sep
Net income from commissions and fees	132	192	149	134	69
Net interest income	10	5	9	3	1
Financial transactions including dividends, net	51	41	61	39	30
Other operating income	0	1	0	8	0
Operating income	193	239	219	184	100
Operating expenses	-123	-156	-137	-127	-82
Operating profit/loss	70	83	82	57	18

KEY FIGURES

	2006 Jan-Sep	2005 Jan-Sep	2005 - 2006 Oct-Sep	2005	2004	2003
Operating income, SEKm	651	334	835	518	519	406
Operating expenses, SEKm	-415	-263	-543	-390	-377	-320
Operating profit/loss, SEKm	236	71	292	128	142	86
Earnings per share before dilution, SEK	12.4	5.6	17.8	9.7	10.6	5.8
Equity per share, SEK	71	35	71	65	42	39
Operating margin, %	36%	21%	35%	25%	28%	21%
Return on equity, % *	34%	26%	34%	15%	27%	15%
Capital adequacy, %	29%	20%	29%	42%	32%	35%

* Returns are calculated on a rolling 12 months basis

INFORMATION BY SEGMENT (SEKm)

	HQ Investment Banking		HQ Private Banking		Other/Eliminations		Total	
	2006 Jan-Sep	2005 Jan-Sep	2006 Jan-Sep	2005 Jan-Sep	2006 Jan-Sep	2005 Jan-Sep	2006 Jan-Sep	2005 Jan-Sep
Operating income	220	142	425	194	6	-2	651	334
Operating expenses	-135	-97	-246	-146	-34	-20	-415	-263
Operating profit/loss by segment	85	45	179	48	-28	-22	236	71
Tax	-	-	-	-	-68	-21	-68	-21
Profit/loss for the period	85	45	179	48	-96	-43	168	50

CONSOLIDATED CASH FLOW STATEMENT (SEKm)

	2006 Jan-Sep	2005 Jan-Sep
Cash flow from operating activities	180	32
Cash flow from assets and liabilities of operating activities	572	686
Cash flow from operating activities	752	718
Cash flow from investing activities	-4	-8
Cash flow from financing activities	-3	-144
Cash flow for the period	745	566
Cash and cash equivalents at start of the period	374	123
Cash and cash equivalents at end of the period	1,119	689

ACCOUNTING POLICIES

Hagströmer & Qviberg's interim 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 and general advice of the Swedish Financial Supervisory Authority regarding annual reporting for credit institutions and securities companies (FFFS 2002:22), and RR 31 Interim Financial Reporting for Groups. The accounting policies and methods of calculation are unchanged from those applied in the annual report for 2005.

NOTES (ALL AMOUNTS IN SEKm)

Note 1 – Income from commissions and fees

Income from commissions and fees includes brokerage fees of 303 (192) for the nine-month period.

Note 2 – Intangible fixed assets

In conjunction with the merger with HQ Fonder 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. 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 arose of SEK 227 million.

Note 3 – Other assets/Other liabilities

Other assets includes stock-related derivative instruments with positive value in the amount of 998 (fair value), as well as currency-related derivative instruments with positive value in the amount of 22 (fair value). Other liabilities includes stock-related derivative instruments with negative value in the amount of 1,674 (fair value) as well as currency-related derivative instruments with negative values in the amount of 9 (fair value).

DEFINITIONS

Earnings per share after tax

Net profit for the period in relation to the average number of shares during the period. In calculating the average number of shares after dilution, outstanding convertibles with a conversion price of SEK 192 have been included.

Equity per share

Equity in relation to the number of shares outstanding on the balance sheet day.

Operating margin

Operating profit/loss in relation to operating income.

Return on equity

Net profit for the period in relation to average equity. 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.

HQ INVESTMENT BANKING

HQ Investment Banking conducts business in research, trade in stocks and derivatives on behalf of clients and on the company's own account, 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)	2006 Jul-Sep	2005 Jul-Sep	2006 Jan-Sep	2005 Jan-Sep
Brokerage income	27	19	90	59
Income from financial advisory services and underwriting	9	5	31	21
Transaction expenses	-7	-5	-22	-23
Net interest income/expense	-1	-2	-3	-5
Net result of financial transactions, including dividends	46	20	120	86
Other operating income	1	1	4	4
Total operating income	75	38	220	142
Personnel expenses	-33	-19	-100	-69
General administrative expenses	-5	-6	-17	-15
Depreciation and amortisation of fixed assets	0	-1	-1	-3
Other operating expenses	-8	-2	-17	-10
Credit losses and bad debt losses	0	0	0	0
Total operating expenses	-46	-28	-135	-97
Operating profit/loss	29	10	85	45
Average number of employees	51	46	49	47
Operating margin	39%	28%	39%	32%
Assets under management at end of period			12,192	7,994

RESULTS AND POSITION

Operating income for HQ Investment Banking amounted to SEK 220 (142) million, an increase of 55 percent compared to the same period in the preceding year. This increase is primarily attributable to the Equities service area, which continues to develop in a positive direction and exhibited better earnings than previously. The strategy of focusing on case-driven research is proving to be successful and is confirmed not only by the improved earnings, but also by the quality of the underlying brokerage fees.

Within Trading the focus is on risk arbitrage and traditional market making, which are associated with lower risk. In addition the climate for conducting trade on the company's own account has been relatively favourable during the period, which means the net result of financial transactions including dividends within Trading increased by 35 percent to SEK 120 (89) million.

The level of activity within Corporate Finance is high. During the period several advisory assignments and structured placements were completed, and it is expected that further assignments will be completed during the fourth quarter.

The business unit reports earnings before tax of SEK 85 (45) million.

HQ PRIVATE BANKING

HQ Private Banking is a leading player in the field of private banking and asset management. Business is conducted in the following service areas – 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 HQ's and HQ Private Banking's consolidated earnings

(SEKm)	2006 Jul-Sep	2005 Jul-Sep	2006 Jan-Sep	2005 Jan-Sep
Income from commission and fees	57	45	249	145
Asset management fees	94	20	293	53
Expenses from transactions and commission	-49	-12	-171	-42
Net interest income/expense	12	9	35	28
Net result of financial transactions, including dividends	2	5	19	9
Other operating income	1	0	0	1
Total operating income	117	67	425	194
Personnel expenses	-41	-27	-147	-81
General administrative expenses	-10	-8	-39	-23
Depreciation and amortisation of fixed assets	-1	-1	-3	-2
Other operating expenses	-17	-13	-57	-40
Credit losses and bad debt losses	0	0	0	0
Total operating expenses	-69	-49	-246	-146
Operating profit/loss	48	18	179	48
Average number of employees	100	73	96	70
Operating margin	41%	27%	42%	25%
Assets under management at end of period	54,923	28,895	54,923	28,895
Total income/average assets under management	0.89%	0.97%	1.11%	1.07%

RESULTS AND POSITION

Operating income for HQ Private Banking amounted to SEK 425 (194) million, an increase of 119 percent compared with the same period in the preceding year. This business unit has expanded since 2005, partly through the merger with HQ Fonder, 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 interim period there was also a launch of an African fund, the HQ Afrikafond.

Brokerage fees and other sales commissions increased by 72 percent to SEK 249 (145) million. This increase is largely explained by successful launches of a number of new capital-guarantee products, but is also attributable to the generally high level of activity on the market. However, the third quarter has exhibited a slightly lower level of activity than the first half of the year, which is a natural seasonal pattern.

The net inflow of assets under management within HQ Private Banking amounted during the period to SEK 5.5 billion, representing annualised organic growth of 16 percent. As the inflow of new volumes has increased, so repeat income in the form of asset management fees and net interest income less expenses for commissions and fees, has increased by 184 percent to SEK 193 (68) million, which corresponds to 45 (35) percent of HQ Private Banking's total income. Meanwhile this means that 113 (59) percent of HQ Private Banking's current expenses excluding profit sharing are covered by repeat income.

The business unit reports earnings before tax of SEK 179 (48) million.

TRENDS AND STRATEGY

Interest in HQ's capital-guarantee products has remained substantial. Even during the third quarter, normally a period of somewhat less activity, 18 new capital-guarantee products have been launched. However, the main effect on earnings of these launches will not become apparent until during the fourth quarter of 2006, since the subscription period in several cases runs into October.

HQ now has around 120 capital-guarantee products on the market. As the offering becomes larger, the distribution force becomes increasingly important. We anticipate that HQ's ability to reach out to a wider public for these products will be considerably improved through new distribution agreements with Länsförsäkringar Bank and Skandia. HQ will open a branch in Visby during November in alliance with Länsförsäkringar Gotland. During the period, an agreement has also been signed with Länsförsäkringar Kalmar to establish a branch in Kalmar. These new establishments will have a positive effect on HQ Private Banking's current income capacity from 2007.

During the year, the positive trend of net inflow each month has continued, which means that HQ Private Banking has experienced a net inflow of managed volumes for 93 consecutive months. In addition, HQ is attracting increasingly wealthy clients. During the year new clients with average managed assets 16 percent higher than existing clients have opened custodian accounts with HQ.

REVIEW REPORT

This report has not been the subject of review by the company's auditors.



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