



LEDSTIERNAN

INTERIM REPORT JANUARY-JUNE 2001

- ▲ The first half-year's result after net financial items was a loss of MSEK 162 after a write-down of 150 MSEK in the value of the portfolio (half of which is attributable to Digital Mobility).
- ▲ Equity of MSEK 616 or SEK 5.65 per share. Equity ratio of 99 per cent.
- ▲ Investments in portfolio companies amounted to MSEK 114.
- ▲ Closing liquid funds amounted to MSEK 323 or SEK 2.96 per share.
- ▲ Ledstiernan opts to plan its business to present market conditions:
 - concentrating on Ledstiernan's existing portfolio companies
 - gradually reduction in operating costs.

Ledstiernan has adequate financial resources to support this strategy, excluding any cash injections as a result of exits within 24-36 months.

- ▲ Alliance with MIC, Japanese venture capital company in which NTT DoCoMo, Japan's largest mobile telecom operator, is a large share holder.

FINANCIAL DEVELOPMENTS

Ledstiernan incurred a loss of MSEK 162 before net financial items for the first half of 2001. This figure includes write-downs of MSEK 150 in the value of the portfolio, of which Digital Mobility accounted for MSEK 74. During the second quarter, Digital Mobility Ltd, a portfolio company based in London, applied to a British court for “Administration”, a procedure prior to a possible financial reconstruction. In view of this, Ledstiernan has written off its entire holding of 54.3 per cent in this company.

Write-downs of MSEK 76 have been made in the value of other portfolio companies whose current market value is believed to be below their acquisition value. However, this should be seen more as a precaution and the provisions shall not to be regarded as proven losses. Accumulated write-downs in the value of the portfolio amount to MSEK 250, of which MSEK 172 are deemed to be transfers to valuation reserves.

The shareholding in Mobile Garden was divested during the second quarter, which resulted in a small capital gain of MSEK 1,7. Hotvision has signed a Letter of Intent with Kamera Interactive, whereby the businesses of Hotvision and Kamera will be merged into a new company in which Ledstiernan will own 6.5 per cent of the shares in return for its existing interest of 32.5 per cent in Hotvision.

Ledstiernan’s operating expenses consist primarily of personnel costs, rent, and direct costs associated with its investment activities. These have increased in relation to the same period last year, and amounted to MSEK 25 for the first half of the year. However, operating costs will be markedly lower in the future, and eventually fall to an annual level of below MSEK 30.

CHANGES IN PORTFOLIO

The company continued to focus on developing its existing portfolio. A new investment of MSEK 5 was made in North Node during the period.

During the period, the portfolio holdings in most cases developed as planned. Ledstiernan’s decision not to invest any more in Digital Mobility, which was based on a detailed analysis of the company and the markets it serves, resulted in the company applying for “Administration”, as mentioned above. Ledstiernan has opted to exercise its existing options to acquire shares in portfolio companies in those cases where they were attractively priced

Prior to the finalisation of the quarterly accounts, each company in the portfolio has been evaluated to determine whether it is overvalued or undervalued in relation to its acquisition value. The portfolio companies are stated in the books at the lower of acquisition value and estimated market value. Ledstiernan also presents the portfolio in the section entitled supplementary information at acquisition value, which is identical to invested capital. In those cases where a third party has provided a high level of financing or the company is listed on a stock market, the latest price paid for the shares as at June 30th 2001 is also shown, in accordance with the European Venture Capital Association’s standards.

At the end of the period Ledstiernan had interests in 36 portfolio companies, of which 15 are in the mobile communication focus area, which accounts for 53 per cent of the invested capital (after exercise of options: 58 per cent).

During the period, many of the portfolios made significant commercial advances. Interesting cases include the following:

Ambio Tech - mobile online solution for the property industry – has signed contracts and delivered its system to Vasakronan, BodenBo and the Swedish Armed Forces, etc.

CCNOX – security consultants. Customers now include Handelsbanken, Swedish Match, Expressen and Stora Enso.

Fondmarknaden now has 35,000 customers (B2C) and has signed a contract to operate a market place for funds with its first foreign customer (B2B).

GoPro Landsteinar Group is ranked no. 16 among Europe's fastest growing companies.

Infomakers has signed a contract with SEB to operate a service that will enable SEB to improve its customer service at bank branches via Internet terminals. Other customers include ICA and Nordea.

MGON – one of the leading online computer games portals has reached a figure of 1.5 million unique visits per month and 50 million hits (Source: DoubleClick). This represents traffic growth of more than 100 per cent in the period.

Mint – the company that enables you to use your mobile phone to pay for your shopping – has entered into agreements with Stockholm Parkering for the payment of parking charges via the mobile phone, with GEAB The Phone House, the mobile phone chain, and with CEKAB, which processes electronic card transactions on behalf of banks and financial institutions. A contract (B2B) has also been signed with Unisys to distribute secure and cost-efficient systems for mobile payment services.

Nordic Circle has signed a contract with Mainspring, an American firm of strategy consultants covering the provision of in-depth strategic counselling for its clients.

RoamInfo will soon launch a unique access service for mobile internet for business travellers.

Voice Provider has entered into agreements to deliver its voice control services to Expressen, Aftonbladet, Svenska Spel and others.

The technically- and development-intensive companies **ipUnplugged**, **Columbitech**, **the Phone Pages** and **Incomit** are at present at their early development phase. These companies have considerable potential and are progressing as planned.

DIVESTMENTS AND EXIT PROFITS DURING FIRST HALF-YEAR.

The 48 per cent holding in **Mobile Garden**, an incubatorcompany, has been sold to Livförsäkrings AB Skandia for a capital gain of MSEK 1.7.

The 32.5 per cent holding in Hotvision will be exchanged for a 6.5 per cent interest in Kamera a new company that will be formed when leading online TV company Kamera acquires Hotvision on the basis of the Letter of Intent signed in June.

ALLIANCES

In May Ledstiernan entered into an alliance with Mobile Internet Capital (MIC), a Japanese seed and venture capital company, with the object of supporting those of Ledstiernan's portfolio companies that wish to enter the Japanese market, of handling joint investments in mobile communication in Japan and the Nordic region, and of exchanging information and experience. NTT DoCoMo, Japan's largest mobile telecom operator, has a 30 per cent interest in MIC.

INVESTMENTS AND SECOND PHASE INVESTMENTS

The flow of new business proposals has remained strong, although it slackened slightly towards the end of the period.

Among the total investments of MSEK 114, of which follow-up investments amounted to MSEK 109, made during the period, the following may be mentioned:

Ledstiernan, together with Denmark's 2M Invest and the Norwegian company Telenor Venture, has made a follow-up investment totalling MSEK 6 - MSEK 2 each - for an interest of 10 per cent each in **Voice Provider**, a company that is developing solutions for voice control services.

Ledstiernan has made a follow-up investment of just over MSEK 6 together with Telia Mobile in **TicketAnywhere** to give it 17.2 per cent of the votes and capital. TicketAnywhere is developing a platform for the mobile handling of documents of value, such as tickets, etc.

Ledstiernan, Purpose and NextGear have jointly invested MSEK 2 in **Ekonomi24**. The parties have also guaranteed MSEK 8, of which Ledstiernan has guaranteed MSEK 2.4, of an issue of up to MSEK 10 that is planned for September 2001.

In May, a new investment was made together with Telenor Ventures in **North Node**, one of the Nordic region's leading providers of hardware and software for intelligent homes and property. North Node's products and services are already being used by several major property owners. Ledstiernan and Telenor Ventures have each invested MSEK 5 to give them a combined 38.8 per cent interest in this company; they also have an option to invest a further MSEK 11 for a further 28.2 per cent in the company.

By the end of the period, Ledstiernan had interests in 36 portfolio companies, acquired at a total cost of MSEK 541 in. Of this capital investment in the existing portfolio, write-downs of MSEK 100 were made as of December 31st 2000 and of MSEK 150 as of June 30th 2001, of which MSEK 78 are to be regarded as losses, and MSEK 172 as provisions to cover holdings whose current market values are believed to be below the acquisition value. The book value of the portfolio at June 30th 2001 thus amounted to MSEK 291.

VENTURE CAPITAL MARKET AND FUTURE PROSPECTS

The adverse effects of the economic downturn and the weakness especially of IT and telecom shares on the stock market on the venture capital market have continued at several levels. The potential number of exits in the form of flotations and divestments to industrial buyers has deteriorated, and price levels and risk propensity have moderated in connection with external corporate financing. General economic conditions have also had a serious impact on the consulting and advertising markets.

Notwithstanding these factors, since the seed and venture capital market is broadly unhypothecated and the funds involved are strongly capitalised, the venture capital market for high quality projects is still functioning effectively, although on poorer terms.

We believe there will be no general change of direction in the venture capital industry until industrial players have brought their costs and profitability back under control. The venture capital market is

now moving into a very difficult period and only players with a quality portfolio in combination with strong finances will get through it successfully.

However, there are definitely some bright spots in Ledstiernan's focus area of mobile communication, even though a market recovery will now be later than previously foreseen:

- experiences from Japan and Korea, where mobile Internet services have been offered extensively to customers since 2000/2001, indicate that mobile operators can generate considerable additional income and that there is a high level of demand for certain types of service.
- the new infrastructure (GPRS and UMTS) is presently being installed internationally.
- The main year in Europe for the launch of new mobile Internet services will be 2002, when mobile operators will be ready to put their weight behind a new range of mobile services.

Ledstiernan has excellent prospects:

- A strong portfolio and organisation with a large number of companies possessing considerable potential in different phases of development.
- Cash reserves that are more than adequate to support the portfolio financially, selective new investments, and the maintenance of a professional organisation in the long term (24-36 months). Exit activities will probably be lower in 2001 and 2002 than was previously foreseen.
- Ledstiernan will continue to focus on its existing portfolio companies, while limiting the pace of investments in new ventures. Operating costs are expected to be gradually reduced to a half-yearly level of below MSEK 30.

The market value of the portfolio declined during the period, despite sound progress within the portfolio companies. Despite the uncertainty on markets, Ledstiernan's view is that overall the market value of the portfolio is well in excess of its book value.

<h2>SIGNIFICANT EVENTS AFTER END OF PERIOD</h2>

Roam Info, which has received a capital injection from the Swedish Industrial Fund and Ledstiernan of some MSEK 10 in total, of which Ledstiernan has contributed MSEK 3.2, will in the near future be launching a new service known as RoamConnect, which is an access service for mobile Internet for business travellers. In total, Ledstiernan has invested MSEK 14.8 in Roam Info and now owns 36.9 % of the shares. After the issue and full dilution as the result of exercising its options, Ledstiernan will own some 33 per cent of the company, the Swedish Industrial Fund some 19 per cent and the founders and entrepreneurs the remaining 48 per cent.

In June, Partners in Ledstiernan and Skandia announced an offer to issue call options to employees of Ledstiernan, who were offered and have agreed to acquire a total of 1.2 million call options, corresponding to 1,200,000 shares in Ledstiernan AB. These options have a term of three years and may be exercised at a price of SEK 20. They are priced on market conditions.

LIQUID FUNDS AND FINANCIAL POSITION

Closing liquid funds amounted to MSEK 323. Ledstiernan has no interest-bearing loan liabilities. Ledstiernan is in a position via the exercise of warrants and options to increase its holdings in portfolio companies by a maximum amount of MSEK 160. Ledstiernan's view is that around one-half rights of these are attractively priced and will be exercised. Ledstiernan also has commitments to portfolio companies in the form of guarantees and loan promises amounting to a total of MSEK 22.7.

TAX

Ledstiernan's application for advance notice regarding its application for investment trust status has been received by the Supreme Administrative Court for decision in the autumn of 2001. The Corporate Taxation Committee of Enquiry's proposal for new corporate taxation is another important development being followed closely by Ledstiernan. Accumulated loss allowances amounted to MSEK 96 at December 31st 2000. With regard to the write-downs of MSEK 250 in the value of the portfolio, these may become deductible for tax purposes once the holdings are sold.

PERSONNEL

Number of employees at the end of the period was 16 (11), of whom three were abroad.

Stockholm, August 21st 2001
LEDSTIERNAN AB (publ)

Johan Wachtmeister
President

AUDITORS' EXAMINATION

We have made a general examination of this interim report in accordance with the recommendation issued by the Association of Swedish Authorised Public Accountants (FAR). A general examination is considerably more limited than an audit. Nothing has emerged which indicates that the interim report does not comply with the requirements of the Stock Exchange Act and the Annual Accounts Acts.

Stockholm, August 21st 2001

Olof Cederberg
Authorised Public Accountant

Bertil Oppenheimer
Authorised Public Accountant

Financial Information

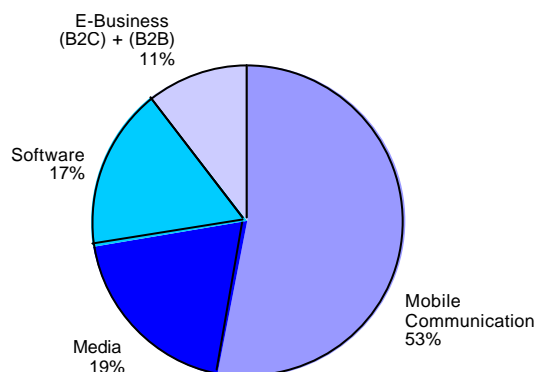
Interim report September 30th 2001
Year-end Release 2001

November 12th 2001
February 2002

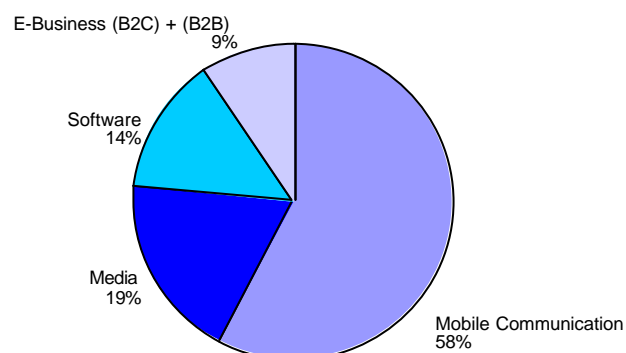
PORTFOLIO HOLDING BY INVESTMENT SECTOR ¹⁾

Mobile Communication	Media	Software	E-Business
Ambio Tech	Avisator	CCNOX	B2C/B2B Fondmarknaden
CellPoint	Ekonomi24	GoPro Landsteinar Group	B2B Chinsay
Columbitech	Hotvision/Kamera	InfoAccelerator	B2B EuroFlower.net
EHS	Infomakers	Infonation	B2B Travis
Grupo Rodania	Millenium Media Group	Iquity Systems	B2B Verktgshuset
Incomit	MGON International	Start & Run	
ipUnplugged		TenFour	
Mint		AB VsMarket	
Nordic Circle			
North Node			
The Phone Pages			
Repeat-IT			
RoamInfo			
Ticket Anywhere			
Voice Provider			

Breakdown of acquisition value of portfolio companies including options



Breakdown of acquisition value of portfolio companies



1) Excluding companies in liquidation.

PORTFOLIO AT JUNE 30, 2001

(ThSEK)							Market
Company	List	Date of Investment	Current Equity stake	Equity stake using all options	Acquisition value shares	Convertible loan/loan	value/Value at External trans-action in accordance with EVCA
Listed portfolio companies							
Cellpoint	Nasdaq	Dec-99	0.2%	0.2%	294		616
Unlisted portfolio companies							
<i>Mobile Communication</i>							
Mint		May-00	45.4%	45.8%	45,280		
ipUnplugged		Jan-00	42.0%	47.6%	30,091	15,000	
Nordic Circle		Jul-99	31.5%	28.8%	41,399		
Incomit		Aug-00	24.9%	29.9%	25,050		
the Phone Pages of Sweden		Mar-00	42.0%	40.2%	24,332		
Roaminfo		Dec-99	36.9%	41.9%	11,619	3,310	
Repeat -IT		Mar-00	25.6%	25.6%	10,249		
Columbitech		May-00	9.3%	9.2%	9,117		
GrupoRodania		Oct-00	49.0%	49.0%	7,650		
TicketAnywhere	2)	Dec-00	17.2%	27.8%	7,085		
Ambio Tech i Sverige	2)	Sep-00	25.0%	34.0%	6,000		
North Node	2)	May-01	19.4%	33.5%	5,000		
Voice Provider	2)	Nov-00	10.0%	17.0%	1,996		
EHS		May-01	5.5%	9.0%	1,682		
<i>Media</i>							
Avisator		Jul-99	40.0%	40.0%	26,003		
Millennium Media Group		Dec-99	19.3%	32.4%	15,487	7,000	
MGON International		Feb-00	47.0%	53.0%	10,000	2,000	
Ekonomi24		Apr-00	23.5%	21.5%	11,000		
Infomakers		Jul-99	35.8%	45.9%	9,659		
Kamera	1)	May-00/Jun-01	6.5%	8.1%	7,800		
<i>Software</i>							
GoPro Landsteinar Group		Apr-00	4.2%	4.1%	24,931	286	
Infonation		Mar-00	12.5%	12.0%	15,000		
Iquity Systems		Jan-00	2.0%	1.9%	9,711	1,269	
Start & Run		Jan-00	33.3%	30.0%	5,500	3,500	
CCNOX	2)	Sep-00	44.0%	44.0%	7,530		
Ten Four		Mar-00	3.8%	3.3%	7,432		
InfoAccelerator		Jun-00	30.0%	36.0%	3,000		
VsMarket		Jun-00	4.6%	4.6%	1,578		
<i>E-Business</i>							
FM Fondmarknaden 2B/B2C)		Oct-99	24.5%	22.9%	17,460	1,294	
B2B							
Travis		Feb-00	22.2%	19.1%	14,840		
Euroflower.net		Mar-00	15.0%	18.4%	10,000		
Verktygshuset	2)	Nov-00	33.3%	32.3%	4,000		
Chinsay		Apr-00	1.5%	1.4%	1,485		
Companies in liquidation							
Digital Mobility Ltd		Oct-99	54.3%	39.0%	41,757	32,243	
LinkPool		Jul-00	49.9%	47.7%	1,206	2,772	
Total Investment					472,223	68,674	

1) In June Ledstjernans holding in Hotvision was merged with Kamera into a new company where Ledstjernan received 6.5% of the shares for its 32.5% holding in Hotvision.

2) Ledstjernan has issued call options in the amount of 5% of its holding in these companies in accordance with a decision on a Shareholders Meeting in August 2000.

INCOME STATEMENT

Amounts in SEK thousands

	Q 2 2001	Pro forma Q 2 2000	Jan-Jun 2001	Pro forma Jan-Jun 2 000	Year 2000
<u>Income from portfolio holdings</u>					
Exit profits	1,720	0	1,720	669	5,120
Write-downs	<u>-150,000</u>	<u>0</u>	<u>-150,000</u>	<u>0</u>	<u>-120,000</u>
Total profit/loss from portfolio holding	-148,280	0	-148,280	669	-114,880
<u>Other expense</u>					
Administration expense	-13,192	-8,527	-25,068	-11,818	-38,679
<u>Operating loss</u>	-161,472	-8,527	-173,348	-11,149	-153,559
Financial items	3,832	-48	11,122	-42	-18,798 ¹⁾
<u>Loss before tax</u>	-157,640	-8,575	-162,226	-11,191	-172,357
Tax	0	0	0	0	0
<u>Net loss for the period</u>	-157,640	-8,575	-162,226	-11,191	-172,357
1) MSEK 30.4 concerns the loss of subsidiaries.					
Loss per share before dilution	SKr -1.45	SKr -0.10	SKr -1.49	SKr -0.13	SKr -1.75
Loss per share after dilution	SKr -1.45	SKr -0.10	SKr -1.49	SKr -0.13	SKr -1.75
Average number of shares before and after dilution	108,954,383	88,167,833	108,954,383	88,167,833	98,561,107
Number of shares at the end of the period before and after dilution	108,954,383	88,167,833	108,954,383	88,167,833	108,954,383

BALANCE SHEET

Amounts in SEK thousands

	June 2001	Pro forma June 2000	Dec 2000
ASSETS			
Subscribed capital not yet paid up		724,850	
Tangible fixed assets	2,738	1,034	2,360
Shares in subsidiary companies		38,850	
Interests in associate companies 1)	223,916	224,232	244,854
Other shares and interests 1)	67,081	78,617	86,951
Total financial fixed assets	290,997	341,699	331,805
Total fixed assets	293,735	342,733	334,165
Current receivables	5,785	5,554	15,315
Short-term placements –commercial paper	198,942	0	199,486
Cash and bank	124,435	6,477	260,878
Total current assets	329,162	12,031	475,679
TOTAL ASSETS	622,897	1,079,614	809,844
EQUITY AND LIABILITIES			
Equity	615,993	932,121	778,094
Interest-bearing liabilities	0	50,086	0
Interest-free liabilities	6,904	97,407	31,750
TOTAL EQUITY AND LIABILITIES	622,897	1,079,614	809,844
1) Interests and receivables in portfolio companies			
Change in equity			
	Jan-June 2 001	Pro forma Jan-June 2 000	Jan-Dec 2 000
Opening amount	778,094	136,957	35,193
Dividend from former operations	-	-	-33,193
Non-cash issue	-	-	230,000
Profit from merger	-	-	64,110
Rights issue	-	644,853	649,956
Liquid options	-	-	4,385
Stockholders' contribution	-	161,502	-
Translation differences	125	-	-
Loss for the period	-162,226	-11,191	-172,357
Closing amount	615,993	932,121	778,094

CASH FLOW ANALYSIS

Amounts in SEK thousands

	Jan-June 2 001	Pro forma Jan-June 2 000	Jan-Dec 2000
Current operations			
Cash flow from operations	-15,524	-10,994	-25,201
Adjustment for working capital	<u>7,786</u>	<u>4,461</u>	<u>-7,885</u>
Cash flow from current operations	-7,738	-6,533	-33,086
Cash flow from investment activities	-129,249	-217,878	-368,693
Financing activities			
Stockholders' contribution	-	132,741	162,420
Rights issues and issue of options	-	-	651,662
Borrowing	-	<u>50,086</u>	<u>-</u>
Cash flow from financing activities	-	182,827	814,082
Cash flow for the period	-136,987	-41,584	412,303
Opening liquid funds	460,364	48,061	48,061
Closing liquid funds	323,377	6,477	460,364

FINANCIAL RATIOS

	2001-06-30	2000-06-30	2000-12-31
Equity, MSEK	616	932	778
Equity per share, SEK	5,65	8,56 1)	7,14
Equity ratio,%	99	86	96
Total invested capital, MSEK	541	302	452
Invested capital/share, SEK	4,97	2,77 1)	4,14
Cash/share, SEK	2,96	5,98 1)2)	4,23
Market capitalisation, MSEK	692	3,811	828
Closing listed price, SEK	6,35	35,00	7,60

1) No of shares after issue: 108,877,833

2) Including subscribed but not paid-up capital with deduction for costs

Accounting principles

This interim report has been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation RR 20: Interim Reports. The accounting principles applied are the same as those used in the annual report for 2000. Comparative figures for January – June 2000 and the balance sheet at June 2000 are pro forma and refer to the operations that were taken up by Ledstjernan following the non-cash issue in April 2000.

Earnings per share before and after dilution have been calculated on the income stated in the consolidated income statement. Warrants in issue have not caused a dilution effect for any of the periods. In the event of full exercise of all warrants, 1,150,000 shares will be added.