



LEDSTIERNAN

INTERIM REPORT JANUARY–MARCH 2002

- ▶ The result after financial net was a loss of MSEK 4.5.
- ▶ Equity of MSEK 576, or SEK 5.29 per share, equity ratio 98%.
- ▶ Investments during the period amounted to MSEK 13, a reduction of 80% on the same period in the previous year, mainly due to the greater maturity of the portfolio companies.
- ▶ Liquid funds amounted to MSEK 208, or SEK 1.91 per share.
- ▶ The cost base has been lowered to an annual level of no more than MSEK 25 which is a 50% cut-down compared to 2001.
- ▶ Sales breakthroughs by several portfolio companies, including **Columbitech**, which has entered into an OEM agreement with the global leader in mobile data transaction systems, Symbol Technologies Inc., listed on the New York Stock Exchange, positioning Columbitech as the leading company in security for wireless networks - WLAN.

Ledstiernan is building Europe's leading seed and venture capital company with a special focus on Mobile Communication. Ledstiernan is listed on Stockholm Stock Exchange's "O" list.

FINANCIAL DEVELOPMENTS

Ledstiernan's first quarter result after financial net was a loss of MSEK 4.5. No write-downs were made during the period. Administrative costs have been brought down to the targeted lower annual level of MSEK 25 or below as a result of the cost-adjustment programme that was started in 2001 and which means a 50 % cut-down compared to last year.

Accumulated write-downs in the value of the existing portfolio amount to MSEK 134 in total. These are provisions against possible losses and not proven losses.

LIQUIDITY AND FINANCIAL POSITION

Ledstiernan has a strong financial position with cash in hand of MSEK 208, or SEK 1.91 per share, as of March 31, 2002. Ledstiernan has no loan liabilities. The company's liquid funds are estimated to be adequate to see it through until 2005 without any investments in new companies and without taking into account possible revenue from exits or other capital injections. This is mainly due to the lower level of second-phase investments, which is turn due to the greater maturity of the portfolio, but also to Ledstiernan now having co-investors in 80% of the portfolio companies.

PORTFOLIO DEVELOPMENTS

INVESTMENTS AND SECOND-PHASE INVESTMENTS

At the end of the period Ledstiernan had holdings in 30 portfolio companies, in which it had invested a total amount of MSEK 505, or SEK 4.63 per share. As noted above, the value of the portfolio has been written down by MSEK 134 for reasons of prudence to a book value on March 31, 2002 of MSEK 371, or SEK 3.40 per share. All of the investments totalling MSEK 12.4 made during the period were phase-two or three investments.

In connection with the preparation of the quarterly accounts each portfolio company is assessed in order to determine any changes in value in relation to the acquisition value. The portfolio companies are booked at the lower of acquisition value and estimated market value. In the supplementary information, Ledstiernan also lists the portfolio at its acquisition value (equal to invested capital) and at transaction value in the case of companies for which significant third-party financing has been arranged or, if the company in question has a market listing, at the latest price paid as at March 31, 2002.

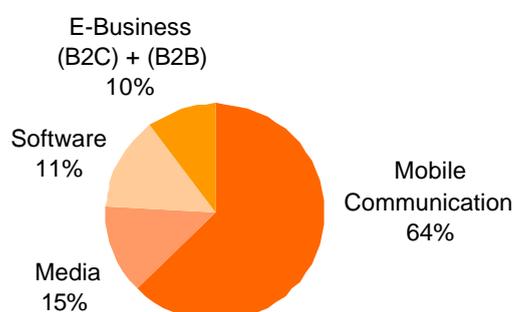
At the end of the period, there were 30 portfolio companies, of which 14 are in mobile communication, which corresponds to 64 per cent of the invested capital.

ACQUISITION VALUE PORTFOLIO COMPANIES MARCH 31, 2002

Acquisition value including loans and convertibles

Mobile Communication	318,274	64%
Media	76,555	15%
Software	57,157	11%
E-Business (B2C) + (B2B)	52,859	10%
Total acquisition value	504,845	100%

ACQUISITION VALUE OF PORTFOLIO COMPANIES BY SECTOR



Many of the portfolio companies achieved significant commercial advances during the period. Some of the more interesting of them are:

Ambio – mobile internet solutions for the property industry - has delivered and commissioned its system for several customers, including Vasakronan, BodenBo, the National Fortifications Administration and Sweden Post. The company has been awarded further orders by Norrporten and the Norrbotten County Council, which means that another Ledstiernan company will move into profit in 2002.

CCNOX – one of the leading consulting companies in Sweden in the IT security segment. After one and a half years, the business is profitable with stable, controlled growth.

ipUnplugged – jointly with Lucent Technologies, ipUnplugged successfully demonstrated seamless roaming between a CDMA 2000 network and a WLAN network at CTIA Wireless in Florida at the end of March. During the first quarter, ipUnplugged also raised additional financing from Mobile Internet Capital (MIC), the Japanese venture capital company in which NTT DoCoMo is a major shareholder. MIC invested a further MUS\$ 1.0, over and above the MUS\$ 1.0 invested in the autumn of 2001. The company has booked its first commercial order from a leading American company.

Nordic Circle – After the recent restructuring programme, Nordic Circle now consists of Fyrplus, a subsidiary, and Nordic Spring Management, an associated company in which Nordic Circle's interest is 45%. Nordic Circle reported continued stable and healthy profitability in the first quarter on a fiercely competitive market.

North Node – The company has developed products that make possible online home/property management in the Energy, Security and Home Care sectors. The company's newly developed GPRS solution aroused considerable interest when demonstrated by Sony Ericsson at international trade shows. The company has distribution and marketing agreements with leading companies on the market, such as ABB, Ericsson Networks, Momentum, JM, Skanska and Bravida in Sweden, and with Intelli in Norway. North Node has booked follow-up orders from Platzzer Bygg, JM and Mimer and its first order from Norway, where it will supply equipment through Sehlmer-Skanska for the rebuilding of Oslo's Rikshospitalet. The board has been strengthened by the appointment of a new chairman, Mats Cederholm, former president and CEO of Diligentia, and currently chairman of the Swedish Property Owners Confederation.

Mint – Mint's revenue is on a rising trend, mainly due to the success of Mint Marknad and its P-Mint parking service. The alliance with Stockholm Parkering was strengthened during the period, partly in response to the strong demand for this type of mobile service. Mint Teknik has successfully attracted several large corporate clients, for whom Mint supplies technical content.

MGON – one of the leading game-sites with 2.5 million unique visitors each month, has launched its first subscription service on "The Sims Resource", one of its large communities, at the end of January. More than 6,000 subscribers had joined by the end of March, and new ones were signing on at a rate of 80 a day. A joint venture has been started with Lunarstorm, one of Sweden's largest communities. Far-reaching negotiations relating to the "The Sims Resource" and "eSports", the game-server service, are in progress with Telenordia and Telia in Sweden, and SpeakEasy, AT&T and Bell in North America. Negotiations are also in progress with major ISPs via MGON's partner, Telia International Carrier AB.

the PhonePages – that develops and sells systems that make it possible to add pictures to an ordinary phone call, known as PhonePages, presented its concept live for the first time during Q1, and is launching a complete phonepage system for mobile operators. Its solution has been developed in co-operation with Siemens and Giesecke & Devrient. In addition, two of the PhonePages most important patent applications have been approved by Patent Co-operation Treaty (PCT, the international patent organisation).

Repeatit – has developed a family of products for fixed wireless broadband, R7S III. These products have been delivered and are in operation with Norrtälje Energi, Katrineholms Energi, and Strängnäs Energi, resulting in follow-up orders from these municipal electricity companies, and new orders from Vallentuna Energi, the Municipality of Tierp, and Växjö Energi. The company has also booked its first order from Norway. Repeatit's order from Växjö Energi was won against competition from Cisco.

Voice Provider has consolidated its position as number one on the Swedish market for voice technology and control systems. VoiceProvider has confirmed its competitiveness by winning most of the important orders placed on this growing market. New customers during the first quarter included Swebus Express, Säftebussen, SAS and Dagens Industri.

DIVESTMENTS DURING THE FIRST QUARTER

Iquity Systems was placed in bankruptcy in March. Ledstiernan's interest was some 2%. The holding had already been fully written off in the books. There were no other divestments during the period.

DEVELOPMENTS AND FUTURE PROSPECTS

Following the collapse in Ericsson's share price recently and other bearish reports from the telecom market, it is important to emphasise that Ledstiernan's portfolio companies are active in a variety of different underlying sectors, such as property, energy, finance, computer games, and retailing.

Ledstiernan's portfolio companies have reached encouraging levels of maturity. Ledstiernan estimates that ten or so of them will move into profit or achieve a balanced cash flow in 2002. In 2001 and 2002, in connection with its second-phase investments and stock issues, Ledstiernan has renegotiated most of its earlier investments to bring them into line with current market conditions.

According to Ledstiernan's latest estimates, the market value of its portfolio is still in excess of its book value.

More detailed comments on developments and future prospects are provided in the annual report for 2001, which may be downloaded from our website, www.ledstiernan.se. The printed version may be obtained from the company upon request.

IMPORTANT EVENTS SINCE THE END OF THE PERIOD

Columbitech has entered into a far-reaching commercial OEM agreement initially amounting to MSEK 4.6 with the global leader in mobile data transaction systems, Symbol Technologies Inc. listed on the New York Stock Exchange, positioning Columbitech as the leading company in security for the mobile Internet.

Ekonomi24, a portfolio company that publishes an online business journal with its focus on stock market and business news, was sold to Affärsvärlden at the end of April 2002, partly for cash, which will be paid on the completion date, and partly for a share of the new group's turnover during the coming five-year period. Ledstiernan had a 24.6% interest in Ekonomi24. As the book value of the holding had already been written down to zero, the transaction will give rise to a capital gain.

The Annual General Meeting held on April 25, 2002 resolved in favour of mandating the Board to increase the share capital on one or more occasions by up to MSEK15 by issuing up to 50,000,000 shares. The mandate also authorised the Board to issue convertible loan stock or loan stock with attached warrants within the same overall limit. The mandate empowers the Board to make decisions to carry out these issues without regard to shareholders' prior rights and/or including conditions for non-cash settlement and/or netting off. The mandate only applies to the issue of Series "B" shares. It will enable Ledstiernan to play an active role in connection with the process of consolidation that has begun in the Nordic venture capital industry.

The Board was re-elected in its entirety, except for Kaj-Erik Relander - a partner in Accel Partners and a former CEO of Sonera - who was elected a deputy member at his own request, instead of a full member. It was resolved that a total Board fee of MSEK 1.1 should be paid, which is a reduction of MSEK 0.9 on the previous year.

It was resolved that no dividend be paid for 2001.

TAX

Ledstiernan AB's application for an advance decision regarding its investment trust status was rejected by the Supreme Administrative Court in March 2002. However, the new tax bill proposed by the Corporate Taxation Commission, which is intended to come into legal effect during 2003, will obviate the need for such an advance decision as the proposal will mean that capital gains on sales of unlisted holdings and dividends will in the future be tax free. As of December 31, 2001, Ledstiernan's accumulated loss allowances amounted to some MSEK 260; these loss allowances will be available for utilisation under the new tax regime.

EMPLOYEES

The number of employees at the end of the period was 11.

Stockholm May 7, 2002

LEDSTIERNAN AB (publ)

Johan Wachtmeister
President and CEO

This report has not been examined by the company's auditors.

Financial reports

Half-yearly report as of June 30, 2002
Interim report, as of September 30, 2002

August 15, 2002
November 12, 2002

Portfolio at March 31, 2002

(ThSEK)

Unlisted portfolio companies			Acquisition			Value at External
Company	Date of	Current	value	Convertible	Total	transaktion
	Acquisition	Equity stake	shares	loans/loans	Investment	post-money 2)
Mobile Communication						
ipUnplugged	Jan-00	46.8%	72,351		72,351	88,466
Incomit	Aug-00	37.6%	47,038		47,038	37,600
Mint	May-00	39.5%	45,280		45,280	41,300
Nordic Circle	Jul-99	31.5%	41,399	3,580	44,979	
the Phone Pages of Sweden	Mar-00	35.6%	24,332		24,332	42,000
Roaminfo	Dec-99	45.3%	14,769	1,000	15,769	12,458
Repeat -It	Mar-00	31.9%	11,800	1,500	13,300	
Ambio Tech i Sverige 1)	Sep-00	25.0%	6,000	6,750	12,750	
Columbitech	May-00	14.2%	11,630		11,630	
North Node 1)	May-01	27.5%	10,000		10,000	
Grupo Rodania	Oct-00	40.0%	7,650	1,000	8,650	
TicketAnywhere 1)	Dec-00	17.2%	7,085		7,085	
Voice Provider 1)	Nov-00	13.0%	3,496		3,496	
EHS	May-01	5.3%	1,614		1,614	
Sub-total Mobile Communication			304,444	13,830	318,274	
Media						
Millennium Media Group	Dec-99	29.3%	21,787	700	22,487	
MGON International	Feb-00	47.0%	10,000	10,250	20,250	
Ekonomi24	Apr-00	24.6%	13,359		13,359	
Infomakers	Jul-99	46.5%	12,659		12,659	
Kamera Interactive	May-00/Jun-01	6.5%	7,800		7,800	
Sub-total Media			65,605	10,950	76,555	
Software						
GoPro Landsteinar Group	Apr-00	4.3%	25,217		25,217	
Start & Run	Jan-00	38.5%	7,500	1,500	9,000	
CCNOX 1)	Sep-00	44.0%	7,530		7,530	
Ten Four	Mar-00	3.8%	7,432		7,432	
InfoAccelerator	Jun-00	41.0%	4,400	2,000	6,400	
VsMarket	Jun-00	4.6%	1,578		1,578	
Sub-total Software			53,657	3,500	57,157	
E-business						
B2C/B2B						
FM Fondmarknaden	Oct-99	18.7%	20,004		20,004	8,000
B2B						
Travis	Feb-00	3.7%	14,840		14,840	
Euroflower.net	Mar-00	22.6%	11,920	610	12,530	
Verktygshuset 1)	Nov-00	33.3%	4,000		4,000	
Chinsay	Apr-00	1.5%	1,485		1,485	
Sub-total E-business			52,249	610	52,859	
TOTAL ACQUISITION VALUE SHARES AND CONVERTIBLES					504,845	
WRITE-DOWNS IN BOOK VALUES					-133,944	
BOOK VALUE					370,901	

1) Ledstiernan 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.

2) Excluding convertible loans

INCOME STATEMENT

Amounts in SEK thousands

	Q 1 2002	Q 1 2001	Year 2001
<u>Income from portfolio holdings</u>			
Capital gains on exits	0	0	1,720
Capital losses on exits	0	0	-4,064
Write-downs in asset values	0	0	<u>-160,000</u>
Total result portfolio holdings	0	0	-162,344
<u>Other expense</u>			
Administrative expense	-6,272	-11,676	-52,935
Depreciation	-194	-200	-846
<u>Operating loss</u>	-6,466	-11,876	-216,125
Financial items	1,917	7,290	18,740
<u>Loss before tax</u>	-4,549	-4,586	-197,385
Tax	0	0	0
<u>Net loss for the period</u>	-4,549	-4,586	-197,385
Loss per share ¹⁾ SEK	-0.04	-0.04	-1.81
Average number of shares	108,954,383	108,954,383	108,954,383
Number of shares at the end of the period	108,954,383	108,954,383	108,954,383

1) According to the Swedish Financial Accounting Standards Council's Recommendation RR18 the effect of dilution shall be calculated if "Earnings per share" deteriorates. There is no dilution effect.

BALANCE SHEET

Amounts in SEK thousands

	March 2002	March 2001	December 2001
ASSETS			
Tangible fixed assets	2,379	2,745	2,605
Interests in associate companies	1) 314,296	313,886	275,872
Other shares and interests	1) 56,605	73,887	82,668
Total financial fixed assets	370,901	387,773	358,540
Total fixed assets	373,280	390,518	361,145
Current receivables	4,057	5,829	4,475
Short-term placements - commercial paper	98,826	298,403	188,571
Cash and bank	109,279	87,365	38,866
Total current assets	212,162	391,597	231,912
TOTAL ASSETS	585,442	782,115	593,057
EQUITY AND LIABILITIES			
Equity	576,391	773,595	580,940
Interest-bearing liabilities	-	-	-
Interest-free liabilities	9,051	8,520	12,117
TOTAL EQUITY AND LIABILITIES	585,442	782,115	593,057
1) Interest and receivables in portfolio companies			
Change in equity			
	Jan-March 2002	Jan-March 2001	Jan-Dec 2001
Opening amount	580,940	778,094	778,094
Translation differences	-	87	231
Loss for the period	-4,549	-4,586	-197,385
Closing amount	576,391	773,595	580,940

CASH FLOW ANALYSIS

Amounts in SEK thousands

	Jan-March 2002	Jan-March 2001	Jan-Dec 2001
Current operations			
Cash flow from operations	-4,923	-5,569	-29,570
Adjustment for working capital	<u>-1,713</u>	<u>5,776</u>	<u>7,223</u>
Cash flow from current operations	-6,636	207	-22,347
Cash flow from investment activities	-12,696	-74,803	-210,580
Financing activities			
Cash flow from financing activities	0	0	0
Cash flow for the period	-19,332	-74,596	-232,927
Opening liquid funds	227,437	460,364	460,364
Closing liquid funds	208,105	385,768	227,437

FINANCIAL RATIOS

	Jan-March 2002	Jan-March 2001	Jan-Dec 2001
Equity, MSEK	576	774	581
Equity per share, SEK	5.29	7.10	5.33
Equity ratio, %	98	99	98
Total invested capital, MSEK	505	493	503
Invested capital/share, SEK	4.63	4.52	4.62
Cash/share, SEK	1.91	3.54	2.09
Market capitalisation, MSEK	708	850	708
Closing listed price, SEK	6.50	7.80	6.50

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 2001.

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.