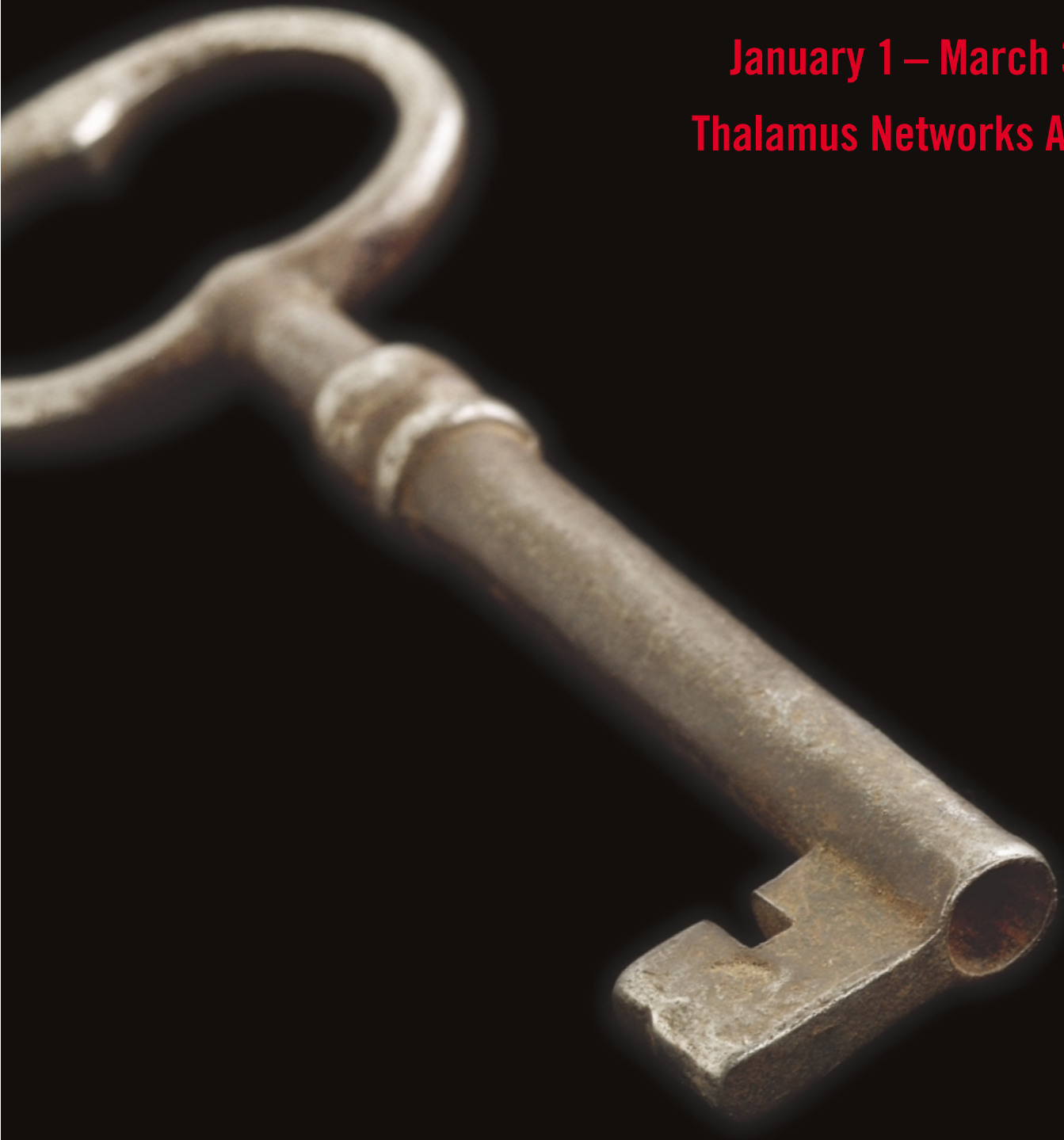


Interim Report

January 1 – March 31, 2002

Thalamus Networks AB (publ)



Interim Report for January 1 – March 31, 2002

The Period in Brief

- Net sales rose, from SEK 9.9 million to SEK 13.6 million, up 37%
- The Group reported a profit after financial items totaling SEK 0.4 million (2001 Q1: SEK 3.1 million loss), an improvement of SEK 3.5 million
- Jörgen Bladh resigned from the Board of Directors because of his involvement in ventures that compete with the Group
- Eslövsbostäder reaffirmed its satisfaction with Thalamus by signing an expanded three-year Internet services agreement
- An order was received to supply Internet equipment valued at approximately SEK 3 million to Telenor Avidi in Oslo
- Jan Norman was appointed CEO effective June 1

Thalamus offers tenants and owners of properties and networks broadband information technology services that serve as a foundation for efficient property management, reliable and fast communications, and value added in their properties or networks.

Players in the market for high-speed Internet recently have shown a stronger drive to establish broadband as part of our everyday infrastructure. Current price levels in the market allow financially sound, long-term relationships to grow between vendors and customers.

The broadband market is entering a consolidation phase, which we can follow each week in the media. Many minor players are looking to establish alliances, for financial as well as operational reasons. Several major organizations for whom Internet access is not their primary business have also begun to reconsider their involvement in broadband operations. Prices on companies are approaching more realistic levels, as valuations are now based on actual revenues and expenses from commercial activity.

Taken together, these factors indicate that Thalamus is being offered many interesting business opportunities, for organic growth and acquisitions.

The business segment Consulting, which offers qualified consulting services for network communications to operators and owners of private and municipal networks, achieved its goals, resulting in high and steady capacity utilization.

The business segment Thalamus Operations, providing cable-TV and Internet services to businesses, organizations, and households, continued to develop favorably.

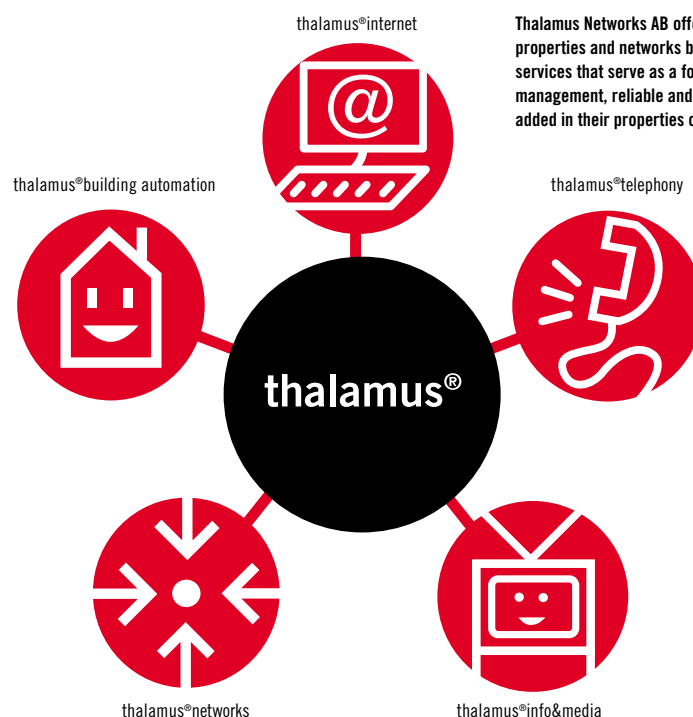
Thalamus's concentration of operations in southern and western Sweden yielded the desired results as the Group reported a profit for the period.

Efforts to develop new business continue, and the influx of business opportunities allows us to look to the future with confidence.

Thalamus maintained its healthy cash position (SEK 204 million), so the Company is well prepared to expand existing operations and to participate in consolidation of the industry.

Net Sales and Earnings

Net sales advanced 37%, to SEK 13.6 million (9.9), from the same quarter the preceding year, and 27% from the preceding quarter. The operations acquired in EKTv (now Thalamus Operations AB) have been consolidated in the accounts since February 2001, so the acquisition's impact on recent sales growth is not significant. During the quarter, the building automation operations in Stockholm were divested, and the Ängelholm office recruited a number of new people. The operating loss totaled SEK 1.4 million (5.3), while income after financial items totaled SEK 0.4 million (2001 Q1: 3.1 loss). The Group posted substantially better operating earnings primarily thanks to cost-cutting



Thalamus Networks AB offers tenants and owners of properties and networks broadband information technology services that serve as a foundation for efficient property management, reliable and fast communications, and value added in their properties or networks.

measures and an increase in business volume. The increase in business volume was partly attributable to hardware deliveries totaling SEK 4.2 million (3.1). Net income/expense on financial items deteriorated as a result of lower interest rates and a reduction in short-term investments.

Significant Events during the Period

A new three-year agreement was signed with Eslövsbostäder for Internet services. The agreement will expand the current range of services, for which subscription penetration has reached roughly 50% of households in properties connected.

During the period, an order was received for the delivery of Internet equipment to Telenor Avidi in Oslo, the cable-TV business of Telenor, Norway's incumbent telecom operator. Deliveries scheduled for the second quarter of 2002 have an order value of about SEK 3 million.

Consulting and Internet operations continued to focus on the Company's principal geographic markets of southern and western Sweden, where recruitment of new staff is ongoing.

In September, operations in Stockholm were scaled back to reduce expenses. These actions produced the desired results in the Group's cost base, and the current quarter shows a noticeable

improvement in performance compared to the preceding quarter and the same period the preceding year.

Efforts to augment the Company's operations through strategic partnerships continue unabated.

Markets

Players in the market for high-speed Internet recently have shown a stronger drive to establish broadband as part of our everyday infrastructure. Current price levels in the market allow financially sound, long-term relationships to grow between vendors and customers.

Prices for operations are approaching more realistic levels, as valuations are now based on actual revenues and expenses using traditional models.

Market Communications and PR

During the period, Thalamus communicated through trade magazines and participated in trade fairs. The Swedish business daily FinansVision will arrange an analysts' meeting on May 8.

New CEO

Jan Tideliu has decided to resign as CEO in order to work on a private project outside Sweden.

He notified the Company that he will also resign from the Board. Tidelius will remain with Thalamus Networks AB until the end of July.

Jan Norman, CFO since April 2000, will become CEO at June 1. Jan Norman has previous experience as a CFO in listed companies and will work primarily on overall business issues, investor relations, matters related to the stock market, and acquisitions.

Pär-Ola Andersson, one of the Company's founders and currently Technology Manager, will take operational responsibility for the Ängelholm operations.

Investments

Investments in fixed assets ended at SEK 1.4 million (2.4), and investments in businesses SEK 0 million (4.4).

Employees

The average number of employees was 25 (38).

Accounting Principles

This interim report was prepared in compliance with recommendation RR20, on interim reports, from the Swedish Financial Accounting Standards Council.

Accounting policies were altered to comply with the Council's recommendations that took effect at January 1, 2001. Tax-loss carryforwards of SEK 48 million have not been assigned any value. The recommendation on financial leases was not applied, as the amounts in contracts are not material.

Calculations of earnings per share with full dilution do not include options with a strike price higher than the current market price of the share.

Financial Information

GROUP			
	2002		2001
SEK thousand	Q 1		Q 1
Quarterly Net Sales	13,619		9,920
	2002		2001
SEK thousand	Q 1		Q 1
Quarterly income/loss after financial items	372		-3,115

CONSOLIDATED INCOME STATEMENT

SEK thousand	Jan-Mar 2002	Jan-Mar 2001	12 Months 2001	12 Months 2000
Invoicing	13,527	11,875	47,203	25,735
Change in work on contract	92	-1,955	-7,211	2,009
Net sales	13,619	9,920	39,992	27,744
Merchandise	-6,925	-3,776	-16,558	-18,282
Other external expenses	-2,147	-4,715	-18,378	-14,586
External expenses for downsizing operations	-	-	-1,723	-
Personnel costs	-3,409	-4,978	-19,600	-17,113
Personnel costs for downsizing operations	-	-	-1,777	-
Depreciation, amortization, and write-downs on tangible and intangible assets	-2,504	-1,736	-8,005	-1,890
Operating loss	-1,366	-5,285	-26,049	-24,127
Income/Loss on financial investments				
Interest income and similar revenue from financial investments	1,954	2,519	9,300	8,656
Interest expense and similar costs for financial investments	-216	-349	-1,023	-376
Income/Loss after financial items	372	-3,115	-17,772	-15,847
Minority share of earnings	-	-	-	85
Taxes paid	16	9	52	19
Net income/loss for the period/year	388	-3,106	-17,720	-15,743
Earnings per share	0.04	-0.34	-1.91	-1.77
No. of shares at end of period	9,271,456	9,271,456	9,271,456	9,271,456
Average number of shares	9,271,456	9,271,456	9,271,456	8,897,386

CONSOLIDATED BALANCE SHEET

SEK thousand	Mar 31, 2002	Mar 31, 2002	Dec 31, 2001
Assets			
Goodwill	2,472	3,142	2,640
Other fixed assets	46,011	43,788	46,926
Inventory	1,059	3,591	740
Current receivables	13,604	14,774	10,238
Cash and cash equivalents	204,113	221,390	207,593
Total assets	267,259	286,685	268,137
Shareholders' equity and liabilities			
Shareholders' equity*	236,378	250,605	235,990
Interest-bearing liabilities and provisions	12,861	17,348	13,866
Non-interest-bearing liabilities and provisions	18,020	18,732	18,281
Total shareholders' equity and liabilities	267,259	286,685	268,137

*) The entire change in equity is attributable to the loss for the period.

CONSOLIDATED CASH-FLOW STATEMENTS

SEK thousand	Three Months 2002	Three Months 2001	12 Months 2001
Cash flow from operating activities	2,892	- 2,579	- 9,715
Change in working capital	- 2,563	1,736	7,807
Acquisitions of businesses	–	- 4,391 *	- 4,391 *
Investment in fixed assets	- 1,421	- 2,443	- 11,693
Cash flow before financing activities	- 1,092	- 7,677	- 17,992
Financing activities	- 2,388	- 12,519 **	- 16,001 **
Cash flow for the year	- 3,480	- 20,196	- 33,993
Cash and cash equivalents at beginning of year	207,593	241,586	241,586
Cash and cash equivalents at end of period	204,113	221,390	207,593

*) Refers to Engelholms Kabel-TV AB

**) Refers primarily to Engelholms Kabel-TV AB

QUARTERLY FIGURES – INCOME STATEMENT

SEK thousand	Actual Q1-2002	Actual Q4-2001	Actual Q3-2001	Actual Q2-2001	Actual Q1-2001
Operating revenue					
Invoicing	13,527	19,254	6,958	9,116	11,875
Change in work on contract	92	- 8,517	3,891	- 630	- 1,955
Net sales	13,619	10,737	10,849	8,486	9,920
Operating expenses					
Merchandise	- 6,925	- 2,231	- 6,589	- 3,962	- 3,776
Other external expenses	- 2,147	- 5,871	- 4,384	- 3,408	- 4,715
External expenses for downsizing operations	–	–	- 1,723	–	–
Personnel costs	- 3,409	- 4,284	- 4,616	- 5,722	- 4,978
Personnel costs for downsizing operations	–	–	- 1,777	–	–
Depreciation, amortization, and write-downs on tangible and intangible assets	- 2,504	- 2,129	- 1,936	- 2,204	- 1,736
	- 14,985	- 14,515	- 21,025	- 15,296	- 15,205
Operating loss	- 1,366	- 3,778	- 10,176	- 6,810	- 5,285
Income/Loss on financial investments					
Interest income and similar revenue from financial investments	1,954	1,988	2,278	2,515	2,519
Interest expense and similar costs for financial investments	- 216	- 258	- 208	- 208	- 349
Income/Loss on shares in Group companies	–	–	–	–	–
	1,738	1,730	2,070	2,307	2,170
Income/Loss after financial items	372	- 2,048	- 8,106	- 4,503	- 3,115
Minority shares	–	–	–	–	–
Tax on net income/loss for the year	16	11	15	17	9
Quarterly income/loss	388	- 2,037	- 8,091	- 4,486	- 3,106

BUSINESS RATIOS

	Mar 31, 2002	Mar 31, 2001	Dec 31, 2001
Sales growth	37.3%	9.9%	44.1%
Capital employed	249,239	267,953	249,856
Capital employed excluding short-term investments	49,239	57,953	44,856
Net financial assets	191,267	204,057	193,742
Average number of employees	25	38	39
Equity/assets ratio	88.0%	87.0%	88.0%
No. of shares at end of period	9,271,456	9,271,456	9,271,456
Shareholders' equity per share (SEK)	25.50	27.03	25.45

A total of 661,391 stock options are outstanding. If exercised, they would result in dilution of 7.1% of capital and 3.6% of votes. Of the total outstanding, 61,391 options have a strike price of SEK 25 per share. The remaining options specify substantially higher strike prices.

Definitions

The equity/assets ratio equals shareholders' equity, including minority shares, divided by total assets.

The average number of shares is calculated taking into account when the proceeds from an issue, or the capital contributed in kind for an issue, become available to the Company.

Earnings per share refers to the income or loss after full tax divided by the average number of shares.

Shareholders' equity per share is derived by dividing shareholders' equity by the number of shares at the end of the period.

Additional information is available from:

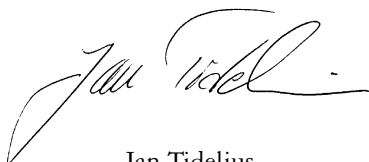
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This interim report has not been audited by the Company's auditors.

You can download this report from our website (address above).

The interim report for the period January 1–June 30, 2002, will be published at August 15, 2002.

Stockholm, May 8, 2002



Jan Tidelius

CHIEF EXECUTIVE OFFICER



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The Thalamus Networks Group includes the subsidiaries Thalamus Operations AB and Thalamus Consulting AB