



LEDSTIERNAN

INTERIM REPORT JANUARY-JUNE 2002

- ▲ Ledstiernan has acquired Speed Ventures for MSEK 147 in shares and convertibles. The transaction represents an injection of MSEK 133 in liquid funds (after deduction of transaction costs) and brings 10 new portfolio companies in Ledstiernan's focus area into the Group for an acquisition value of MSEK 24.
- ▲ The half-year result after financial net was a loss of MSEK 58.5 (loss MSEK 162), of which write-downs in the value of Ledstiernan's portfolio, made necessary by the generally weak trend in company valuations during the year, account for MSEK 50 (150).
- ▲ Equity amounts to MSEK 653 (616) after the issue of MSEK 130 in connection with the acquisition of Speed Ventures, which corresponds to SEK 4.79 per share. The pro forma equity ratio is 94%.
- ▲ Investments in Ledstiernan's portfolio during the period amounted to MSEK 27, a significant reduction on the previous half-year's MSEK 114, due to the greater maturity of the portfolio companies.
- ▲ Liquid funds amount to MSEK 331, or SEK 2.43 per share, after the acquisition of Speed. Ledstiernan's coming second phase investments in its existing portfolio will represent less than half of these liquid funds.
- ▲ Sales breakthroughs by several portfolio companies, including Columbitech, which has entered into an OEM agreement with Symbol Technologies, the large US, NYSE-listed high-tech corporation. This agreement puts the company into a position of leadership in wireless data networks, known as WLAN.
- ▲ International interest in our portfolio companies such as ipUnplugged, Hotsip and SourceByNet, which has led to further financing in these companies.

Ledstiernan is building Europe's leading seed and venture capital company with a focus on mobile communication. Ledstiernan is listed on Stockholmsbörsen's "O" list.

FINANCIAL DEVELOPMENTS

Ledstiernan acquired 98% of the shares in Speed Ventures NV on June 27 in return for 27,405,308 shares having a value of MSEK 130 and an issue of convertible loan stock for MSEK 17.6. The transaction strengthened Ledstiernan's financial position as it brought liquid funds of MSEK 133 (after deduction of transaction costs) and a portfolio of ten promising companies in Ledstiernan's focus area into the Group. This cash injection alone is equivalent to SEK 4.38 per Ledstiernan share in the event of full conversion (SEK 4.21 in the event of repayment of the convertible loan) and a total value of SEK 6 per Ledstiernan share. The acquisition consolidates Ledstiernan's position as the leading venture capital company in mobile communication and is the first stage in the consolidation of the venture capital market, on which Ledstiernan intends to play a prominent role.

Ledstiernan's result after financial net for the first half of the year was a loss of MSEK 58.5 (loss 162). Write-downs of MSEK 50 (150) in the value of Ledstiernan's portfolio have been taken against the result, due to the generally weakness of company valuations during the year. This brings the accumulated write-downs in the value of Ledstiernan's portfolio to MSEK 184 in total. These are provisions against possible losses and not proven losses.

The book value of the acquired portfolio has been written down by MSEK 31 from MSEK 55, which makes the acquisition value in Ledstiernan's account MSEK 24. This adjustment is due to the negative goodwill arising as a result of the acquisition caused by Ledstiernan's acquiring Speed's assets at a lower value than the estimated total value of all its assets.

Ledstiernan does not plan to consolidate Speed Ventures as a group as no business was taken over as such other than assets in the form of net cash and a portfolio of equities. Speed Ventures NV and its subsidiaries will be discontinued or placed in liquidation and their assets transferred to Ledstiernan.

Ledstiernan's administrative costs have been brought down to the targeted lower annual level of MSEK 25 or below and amounted to MSEK 12.8 for the period. It is estimated that the amalgamated portfolio can be managed without any increase in administrative costs within the framework of Ledstiernan's existing organisation. This will be reflected in substantial cost synergies, which are estimated at some MSEK 10 per year.

LIQUIDITY AND FINANCIAL POSITION

As a result of the above transaction, Ledstiernan has strengthened its financial position and had cash in hand of MSEK 331, or SEK 2.43 per share, as of June 30, 2002. Ledstiernan has no interest-bearing debt. An MSEK 17.6 convertible loan was issued in part payment for the acquisition of Speed Ventures. This loan stock will either be repaid or converted in December 2002 at a conversion price of SEK 6 per share. The loan does not carry interest.

PORTFOLIO DEVELOPMENTS

INVESTMENTS AND SECOND-PHASE INVESTMENTS

Following completion of the acquisition of Speed Ventures Ledstiernan had holdings in 40 portfolio companies at the end of the period, of which more than 60% of the capital had been invested in the mobile communication focus area.

Speed's portfolio of 10 companies had a book value of MSEK 55, but has been stated at an acquisition value of MSEK 24 in Ledstiernan's accounts. The control and development of these companies has now been fully taken over by Ledstiernan's organisation.

The total capital invested in the merged portfolio thus amounts to MSEK 545, or SEK 4.00 per share before conversions. The amount invested in the Speed portfolio has therefore been given an acquisition value of MSEK 24. However, the capital initially invested in these companies is considerably more than that.

The accumulated write-downs of MSEK 184 in Ledstiernan AB's portfolio are more provisions made on grounds of prudence rather than actual losses incurred. The total book value of the merged portfolio as on June 30, 2002 thus amounts to MSEK 361, or SEK 2.65 per share. All the investments of MSEK 27.6 made in Ledstiernan AB's portfolio during the first half of the year were second-phase investments.

Valuation principles

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. These valuations are made on the basis of developments on the market, how well each holding has performed in relation to plan and budget, and our assessment of the financial market's valuation of the companies. 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 June 30, 2002.

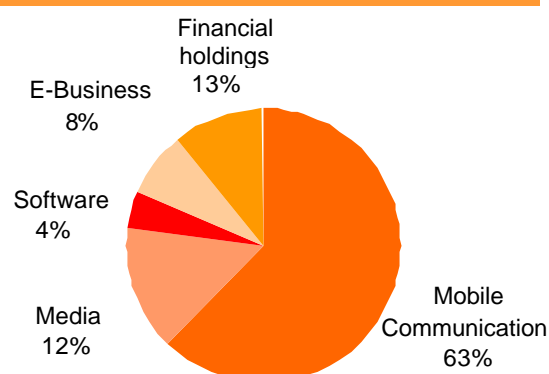
In contrast to earlier quarters, Ledstiernan has decided with effect from June 30, 2002 to show holdings representing interests of below 10%, or where Ledstiernan's role is passive, in a separate group under the heading "Financial holdings" in the specification of the portfolio.

ACQUISITION VALUE OF PORTFOLIO COMPANIES INCL. SPEED VENTURES JUNE 30, 2002

Acquisition value including loans and convertibles

Mobile Communication	339 507	63%
Media	66 709	12%
Software	24 130	4 %
E-Business (B2C) + (B2B)	42 287	8 %
Financial holdings	72 458	13 %
Total acquisition value	545 091	100%

ACQUISITION VALUE OF PORTFOLIO COMPANIES BY SECTOR



Development in portfolio during the second quarter of 2002

Ambio – mobile internet solutions for the property industry - has delivered and commissioned its Focuz system for customers including Vasakronan, BodenBo, the National Fortifications Administration and Sweden Post. The company has been awarded further orders by the Norrbotten County Council and Norrporten. It also entered into an alliance with ABB, the international industrial corporation, whereby ABB Building Systems will have commissioned Focuz for its 600 service technicians when fully implemented. This will reduce ABB's costs by MSEK 10-15 per year. The above order means that Ambio will move into profit towards the end of the year.

Columbitech – During the second quarter, Columbitech received a breakthrough order worth an initial MSEK 4.6 from the NYSE-listed American technology giant Symbol Technologies Inc. As a result of this contract, which is expected to be worth an annual MSEK 20-40, the Swedish Columbitech Wireless VPN security solution will be integrated into Symbol's AirBEAM product for wireless WLAN network management. The order means that Columbitech's technology is now being marketed for millions of hand-held computers in manufacturing industry around the world.

North Node – The company has developed products that make possible online home/property management in the Energy, Security and Home Care sectors. The company has booked repeat orders from Platzzer Bygg, JM and the Mimer housing company and its first order from Norway, where it will supply equipment through Sehlmer-Skanska for the rebuilding of Oslo's Rikshospitalet. The company has distribution and marketing agreements with leading companies on the market, such as ABB, Ericsson Networks, JM, Skanska and Bravida in Sweden, and with Intelli in Norway. The board was strengthened in the second quarter by the appointment as chairman of Mats Cederholm, former president and CEO of Diligentia, and currently chairman of the Swedish Property Owners Confederation.

Nordic Circle – consultants in critical real-time systems, simulators and systems development in radio and communication, is now reporting stable profitability and growth on an otherwise weak market.

the PhonePages – which develops and sells systems allowing telephone calls to be complemented with the transmission of images (known as phonepages), completed its first major transaction in June with a leading directory service company. The deal is worth some MSEK 2.7, and the system will be fully implemented and in use during the autumn of 2002.

Repeatit – has developed a family of products for fixed wireless broadband, known as R7S III. These products have been delivered and are in operation with ten customers, including 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 and other suppliers.

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. One new customer during the second quarter was ATG, joining existing customers such as Swebus Express, Sjöfläbussen, SAS and Dagens Industri.

Companies acquired from Speed Ventures:

Hotsip – SIP and presence-based products – has booked a commercial order from Sonera, which is the leading broadband operator in Finland. This order will enable Sonera to launch IP telephony and presence services based on the new Session Initiation Protocol (SIP) in the Finnish broadband network.

DIVESTMENTS DURING THE FIRST QUARTER

Iquity Systems was placed in bankruptcy in March. Ledstiernan's interest was some 2%. As the book value of the holding had already been fully written off no loss has been incurred.

The assets and business of **Ekonomi24**, which is an online business journal focusing on stock market and business news, were sold to the Affärsvärlden business journal at the end of April 2002 for an initial payment and a share in the new group's turnover during the coming five-year period. Ledstiernan has a 24.6% interest in Ekonomi24. As the book value of the holding had already been written off the transaction could give rise to a capital gain in the future.

DEVELOPMENTS AND FUTURE PROSPECTS

There are far too many companies active on the Swedish venture capital market and their number will gradually decline as a result of mergers, where Ledstiernan is well placed, and of a slower process in which small players without a proper incentive structure and lacking financial resilience will successively go out of business, with the destruction of capital as a consequence.

In the wake of the recent bearish reports from the telecoms market, it is important to emphasise that Ledstiernan's portfolio companies are active in many different underlying sectors, such as property, energy, finance, computer games, and retailing. Ledstiernan thus has a soundly diversified portfolio and is not depending on the rapid development of 3G, for example.

Ledstiernan's portfolio companies have reached encouraging levels of maturity. Ledstiernan estimates that many 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.

IMPORTANT EVENTS SINCE THE END OF THE PERIOD

Hotsip in MSEK 41 share issue

Hotsip carried out an MSEK 41 share issue at the end of July, with an initial tranche of MSEK 29, followed by MSEK 12 in the second. The first tranche was issued in July 2002 and it is expected that the second, which is subject to "milestone" conditions, will be completed early in 2003. Ledstiernan will subscribe to MSEK 8.3 and MSEK 3.5 of these

tranches respectively. As a consequence of this transaction its existing shareholding (part of Speed's portfolio) will be converted into preference shares. Following the issue of the second tranche, Ledstiernan will have a 24% interest. Other investors include 3i and Argnor Wireless Ventures. Hotsip was the largest investment from Speed's portfolio.

ipUnplugged in alliance with Lucent

In July, **ipUnplugged** announced the formation of an alliance with Lucent Technologies and several other leading data companies.

The aim is to supply complete operator solutions for simple and secure seamless roaming for corporate users, regardless of the employee's location. The new alliance's product offering is known as Lucent Secure Mobile Data Solutions for Enterprises. Other companies contributing to the total solution from Lucent include Agere Systems, HP, iPass and Sierra Wireless.

The above two companies are included in TIME Magazine's list of the most promising high-tech companies in Europe.

SourceByNet, which provides a global purchasing function for domestic interior products and decorative building materials, including an online system, has raised MUS\$ 1 in financing from an American venture capital company, with Ledstiernan and MVI contributing MUS\$ 0.2. The company has 50 employees and its turnover for 2002 is estimated at MUS\$ 12.

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 at the beginning of 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. The acquisition of Speed Ventures does not affect Ledstiernan's tax status.

MISCELLANEOUS

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 the issue of up to 50,000,000 Series "B" shares. The mandate also authorised the Board to issue convertible loan stock or loan stock with attached warrants within the same overall limit. Within this mandate, some 27.4 million shares were used for the acquisition of Speed Ventures, and a further three million could be issued in the event of the loan stock of a nominal MSEK 17.6 issued in connection with the Speed acquisition being converted.

The Board was re-elected in its entirety, except that Kaj-Erik Relander, who is a partner in Accel Partners and a former CEO of Sonera, 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.

EMPLOYEES

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

Stockholm August 15, 2002

LEDSTIERNAN AB (publ)

Johan Wachtmeister
President and CEO

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

Financial reports

Interim report, as of September 30, 2002 November 12, 2002

PORTFOLIO LEDSTIERNAN AS AT JUNE 30, 2002

(ThSEK) Company		Date of acquisition	Current equity stake	Acquisition value	Convertible Loans/loans	Total investment	Value at external transaction post-money
Mobile Communication							
ipUnplugged		jan-00	46,8%	72 351		72 351	88 466
Incomit		aug-00	37,8%	47 038		47 038	
Mint		maj-00	39,5%	45 280		45 280	39 500
Nordic Circle		jul-99	31,5%	41 399	3 500	44 899	
the Phone Pages of Sweden		mar-00	35,6%	24 332		24 332	35 600
Roaminfo		dec-99	45,3%	14 770	1 500	16 270	
Repeat -It		mar-00	42,1%	15 847		15 847	
Ambio Tech i Sverige	1)	sep-00	49,9%	6 999	8 001	15 000	
Columbitech		maj-00	14,2%	11 630		11 630	
North Node	1)	maj-02	27,1%	10 000		10 000	
Grupo Rodania		okt-00	40,0%	7 650	2 000	9 650	
TicketAnywhere	1)	dec-00	17,2%	7 085		7 085	
Voice Provider	1)	nov-00	19,5%	4 996		4 996	
EHS/Shortlink		maj-01	9,0%	3 129		3 129	
Sub-total Mobile Communication				312 506	15 001	327 507	
Media							
Millennium Media Group		dec-99	29,3%	21 787	700	22 487	
MGON International		feb-00	47,0%	10 000	15 000	25 000	
Infomakers		jul-99	46,5%	12 659	800	13 459	
Sub-total Media				44 446	16 500	60 946	
Software							
Start & Run		jan-00	38,5%	7 500	1 500	9 000	
CCNOX	1)	sep-00	44,1%	8 730		8 730	
InfoAccelerator		jun-00	41,0%	6 360	40	6 400	
Sub-total Software				22 590	1 540	24 130	
E-business							
B2C/B2B							
FM Fondmarknaden		okt-99	18,7%	20 004		20 004	
B2C/B2B							
Euroflower.net		mar-00	22,6%	11 920	600	12 520	
Verktygshuset	1)	nov-00	33,3%	4 000		4 000	
Subtotal E-business				35 924	600	36 524	
Finansiella holdings							
Chinsay		apr-00	1,5%	1 485		1 485	
Ekonomi24		apr-00	24,6%	13 359		13 359	
GoPro Landsteinar Group		apr-00	4,3%	25 217		25 217	
Kamera Interactive	maj-00/jun-01		8,5%	8 547		8 547	
Ten Four		mar-00	3,8%	7 432		7 432	
Travis		feb-00	3,7%	14 840		14 840	
VsMarket		jun-00	4,6%	1 578		1 578	
Sub-total Financial holdings				72 458	0	72 458	
Acquisition value Shares and Convertible loans/loans						521 565	
Write-downs in book value						-183 944	
Book value						337 621	

1) Ledstiernan has issued options amounting to 5% of the total holdings shown above.

PORTFOLIO SPEED VENTURES AS AT JUNE 30, 2002

(ThSEK)

Company	Date of acquisition	Current equity stake	Acquisition value shares ¹⁾	Convertible Loans/loans	Total investment
Hotsip (<i>mobile communication</i>)	jun-02	35,6%	12 000	0	12 000
It's Alive (<i>media</i>)	jun-02	30,4%	5 763	0	5 763
Code Factory (<i>software</i>)	jun-02	29,7%	0	0	0
Emic Networks (<i>software</i>)	jun-02	35,3%	0	0	0
Source by Net (<i>e-business</i>)	jun-02	14,4%	5 763	0	5 763
Lifix Systems (<i>financial holding</i>)	jun-02	43,0%	0	0	0
Goyada (<i>financial holding</i>)	jun-02	8,8%	0	0	0
Indycon (<i>financial holding</i>)	jun-02	30,0%	0	0	0
Insite (<i>financial holding</i>)	jun-02	3,2%	0	0	0
Spreadskill (<i>financial holding</i>)	jun-02	16,6%	0	0	0
			23 526	0	23 526
Acquisition value Shares and Convertible loans/loans					23 526
TOTAL LEDSTIERNAN INCLUDING SPEED VENTURES					
Acquisition value Shares and Convertible loans/loans					545 091
Write-downs in book values					-183 944
Book value					361 147

1) Ledstiernan has opted to allot the acquisition value of the three largest holdings in Speed Ventures' portfolio.

INCOME STATEMENT

(ThSEK)

	Q 2 2002	Q2 2001	Jan-June 2002	Jan-June 2001	Year 2001
<u>Profit/loss from portfolio holdings</u>					
Capital gains on exits	0	1 720	0	1 720	1 720
Capital losses on exits	0	0	0	0	-4 064
Write-downs in asset values	<u>-50 000</u>	<u>-150 000</u>	<u>-50 000</u>	<u>-150 000</u>	<u>-160 000</u>
Total result from portfolio holdings	-50 000	-148 280	-50 000	-148 280	-162 344
<u>Other expense</u>					
Administrative expenses	-6 139	-12 994	-12 413	-24 670	-52 935
Depreciation	-273	-198	-464	-398	-846
Operating loss	-56 412	-161 472	-62 877	-173 348	-216 125
Financial items	2 434	3 832	4 350	11 122	18 740
Loss before taxes	-53 978	-157 640	-58 527	-162 226	-197 385
Tax on profit for the year	0	0	0	0	0
Net loss for the period	-53 978	-157 640	-58 527	-162 226	-197 385
Loss per share ¹⁾ SEK	-0,50 kr	-1,45 kr	-0,54 kr	-1,49 kr	-1,81 kr
Average number of shares	108 954 383	108 954 383	108 954 383	108 954 383	108 954 383
Number of shares at end period	136 359 691	108 954 383	136 359 691	108 954 383	108 954 383

1) According to the Swedish Financial Accounting Standards Council's Recommendation, RR 18, the effect of dilution should be calculated if "Earnings per share" deteriorates. There is no dilution effect.

BALANCE SHEET

(ThSEK)		Proforma incl Speed Ventures			
		June 2002	June 2002	June 2001	December 2001
ASSETS					
Tangible assets		2 106	2 106	2 738	2 605
Participations in group companies		154 907	-	-	-
Participation in associated companies	1)	312 532	336 058	223 916	275 872
Other securities held as fixed assets	1)	25 089	25 089	67 081	82 668
Total financial assets		492 528	361 147	290 997	358 540
Total fixed assets		494 634	363 253	293 735	361 145
Current assets		3 177	4 296	5 785	4 475
Current investment – commercial papers		115 324	115 324	198 942	188 571
Cash and bank balances		207 803	215 245	124 435	38 866
Total current assets		326 304	334 865	329 162	231 912
TOTAL ASSETS		820 938	698 118	622 897	593 057
EQUITY AND LIABILITIES					
Equity		652 588	652 588	615 993	580 940
Interest-free liabilities					
- Loan Speed Ventures		133 614	-	-	-
- Subordinated loan		17 664	17 664	-	-
- Other liabilities		17 072	27 866	6 904	12 117
TOTAL EQUITY AND LIABILITIES		820 938	698 118	622 897	593 057

1) Securities and receivables from portfolio companies.

Change in Equity

		Proforma incl Speed Ventures			
		Jan- June 2002	Jan- June 2002	Jan-June 2001	Jan- Dec 2001
Opening balance		580 940	580 940	778 094	778 094
New share issue		130 175	130 175		
Translation difference		-	-	125	231
Loss for the period		-58 527	-58 527	-162 226	-197 385
Closing balance		652 588	652 588	615 993	580 940

CASH FLOW ANALYSIS

(ThSEK)	Jan- June	Jan- June	Jan- Dec
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	2002	2001	2001
Current operations			
Cash flow from operations	-8 875	-15 524	-29 570
Adjustment for working capital	-1 133	<u>7 786</u>	<u>7 223</u>
Cash flow from current operations	-10 008	-7 738	-22 347
Cash flow from investment activities	-27 915	-129 249	-210 580
Financing activities			
New share issue	133 613		
Cash flow from financing activities	133 613	0	0
Cash flow for the period	95 690	-136 987	-232 927
Opening liquid assets	227 437	460 364	460 364
Closing liquid assets	323 127	323 377	227 437

FINANCIAL RATIOS

	2002-06-30 ¹⁾	Proforma incl Speed Ventures 2002-06-30	2001-06-30	2001-12-31
Equity, MSEK	522	653	616	581
Equity per share, SEK	4,79	4,79	5,65	5,33
Equity ratio, %	98	94	99	98
Total investments, MSEK	522	545	541	503
Investment/share, SEK	4,79	4,00	4,97	4,62
Cash/share, SEK	1,74	2,42	2,96	2,09
Market capitalization, MSEK	588	736	692	708
Closing quotation, SEK	5,40	5,40	6,35	6,50

1) The Financial Ratios are calculated on a Balance Sheet excluding transaction related to the Speed Ventures acquisition.

Accounting principles

No consolidated accounts have been made up as Speed's assets will be transferred in their entirety to Ledstiernan AB, and Speed Ventures and its subsidiaries will be divested or placed in liquidation.

The pro forma balance sheet including Speed Ventures shows Ledstiernan's position as if Speed had been divested/wound up as of June 30, 2002.

This interim report is made up on the basis of the Swedish Financial Accounting Standards Council's Recommendation RR20 Interim Reports. The accounting principles applied are unchanged in relation to those used for the annual report for 2001.

Earnings per share before and after dilution are calculated on the basis of the result stated in the income statement. Outstanding warrants have no dilution effect for any of the periods. In the event of full exercise of all outstanding warrants 1,150,000 new shares would be issued.

In the cash flow analysis, the liquid funds transferred to Ledstiernan in connection with the acquisition are stated as a share issue.