



LEDSTIERNAN

INTERIM REPORT JANUARY-SEPTEMBER 2002

- ▲ The nine-month result after financial net was a loss of MSEK 76.9 (loss MSEK 176), of which write-downs in the value of Ledstiernan's portfolio account for MSEK 65 (150) of which MSEK 50 was already charged during the first half year. The write-downs were made necessary by the generally weak trend in company values during the year.
- ▲ In June, Ledstiernan 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 into the Group 10 portfolio companies in Ledstiernan's focus area with an acquisition value of MSEK 24.
- ▲ Equity amounted to MSEK 634 (602) including the acquisition of Speed Ventures. The equity ratio was 93%.
- ▲ Investments in Ledstiernan's portfolio during the period amounted to MSEK 70, a significant reduction on the previous nine-month period (MSEK 114), owing to the greater maturity of the portfolio companies. The need for second-phase investments is now expected to decline considerably.
- ▲ Liquid funds amounted to MSEK 273, or SEK 2.00 per share.
- ▲ Market breakthroughs by several portfolio companies, including Columbitech, which has entered into an OEM agreement with Symbol Technologies, the large American NYSE-listed high-tech corporation. This agreement puts the company into a position of leadership in security for wireless data networks (WLAN).
- ▲ The international interest in our portfolio companies has resulted in the arrangement of external financing from major sector players in ipUnplugged, Hotsip and SourceByNet.
- ▲ Many of the portfolio companies are expected to achieve a balanced cash flow in 2003.

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's result after financial net for the first nine months of the year was a loss of MSEK 76.9 (loss 176). Write-downs of MSEK 65 (150) in the value of Ledstiernan's portfolio, made in response to the general weakness of company values on the market during the year. This brings the accumulated write-downs in the value of Ledstiernan's portfolio to MSEK 185. These are provisions against possible losses, not a proven loss. Since the end of the period however, 4,5 MSEK of these provisions have been proved a loss through the filing of bankruptcy in Roaminfo and Info Accelerator.

On June 27, Ledstiernan acquired 98% of the shares in Speed Ventures NV in return for 27,405,308 shares worth MSEK 130 and an issue of convertible loan stock for MSEK 17.6. The transaction strengthened Ledstiernan's financial position as it brought in liquid funds of MSEK 133. This consolidates Ledstiernan's position as the leading venture capital company providing high-tech investments in the communication sector, and represents the first stage in the consolidation of the venture capital market, on which Ledstiernan intends to play a prominent role.

The acquisition of Speed Ventures brought into the Group ten companies that are well suited for Ledstiernan's portfolio. The acquisition value of these assets, which was MSEK 23.5, has been allotted to four of the companies. Considerably higher amounts have, however, already been invested in the Speed portfolio.

The discontinuation of Speed Venture's wholly owned subsidiary commenced in the third quarter and the assets were transferred to Ledstiernan AB, the cost of which was taken against the half-year result.

Ledstiernan's administrative costs have been reduced to the targeted lower annual level of MSEK 25 or below, and amounted to MSEK 17.8 for the period. The amalgamated portfolio is expected not to entail any increase in administrative costs and will be managed within the framework of Ledstiernan's existing organisation. Cost synergies, are estimated at some MSEK 10 per year through the merger. The annual cost base is expected to decline sharply in 2003.

LIQUIDITY AND FINANCIAL POSITION

As a result of the acquisition of Speed, Ledstiernan has strengthened its financial position and had liquid funds of MSEK 273, or SEK 2.00 per share, as of September 30, 2002. By way of part payment for the acquisition of Speed Ventures, a convertible loan of MSEK 17.6 was issued, which will either be repaid or converted in December 2002 at a conversion price of SEK 6 per share. The loan does not carry interest. Ledstiernan has no interest-bearing debt. Ledstiernan's second-phase investment requirements are now well below MSEK 100. The Group therefore has substantial liquid funds available for new investments, some of which may be used for a number of new, selective investments, preferably in more mature companies within Ledstiernan's investment focus.

PORTFOLIO DEVELOPMENTS

INVESTMENTS AND SECOND-PHASE INVESTMENTS

Following the acquisition of Speed Ventures, Ledstiernan had holdings in 40 portfolio companies at the end of the period; Ledstiernan is a major shareholder in 20 or so of these companies and takes an active role in their development. More than 60% of the invested capital is in the mobile communication focus area.

Ledstiernan considers that four of five of the acquired Speed companies possess worthwhile development potential. Hotsip and IP Unplugged, for example, were named as two of Europe's most promising high-tech companies by TIME magazine.

The total amount of capital invested in the merged portfolio is MSEK 572, or SEK 4.19 per share (before conversions).

The accumulated write-downs of MSEK 185 in Ledstiernan AB's portfolio are to be seen as provisions rather than actual losses incurred. The total book value of the merged portfolio as of September 30, 2002 thus amounts to MSEK 387, or SEK 2.85 per share (before conversions). The total investment of MSEK 70 made in Ledstiernan AB's portfolio during the first nine months of the year was attributable entirely to second-phase investments (this does not include the above-mentioned MSEK 24 for the Speed portfolio). Of this MSEK 70, MSEK 44 relates to investments made in the third quarter.

Valuation principles

In connection with the preparation of the quarterly accounts each portfolio company is assessed in order to determine any shortfall or excess value in relation to its 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 transaction price as of September 30, 2002.

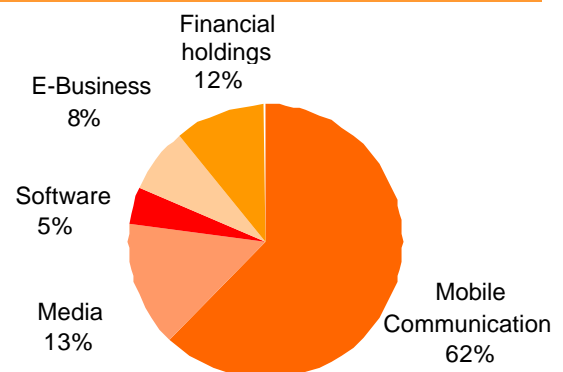
Holdings representing equity stakes of below 10% or where Ledstiernan's role is passive are listed in a separate group under the heading "Financial holdings".

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

Acquisition value including loans and convertibles

Mobile Communication	355 557	62%
Media	74 745	13%
Software	25 885	5 %
E-Business (B2C) + (B2B)	43 234	8 %
Financial holdings	72 458	12 %
Total acquisition value	571 879	100%

ACQUISITION VALUE OF PORTFOLIO COMPANIES BY SECTOR



Events at portfolio companies during the third quarter

Ambiotech – mobile internet solutions for the property and service technology industry - has delivered and commissioned its system for pilot users at ABB Building Systems. A further order has also been received from Telge Energi. A marketing agreement has been signed with Orange for the joint development of the solution provided for Orange's customers in the European property and service market. The two companies are also to develop a joint solution for utilising 3G technology for services such as photographing, downloading drawings and documents, and positioning.

Columbitech – has established a subsidiary in the USA to enable it, in collaboration with the American technology giant Symbol Technologies, to canvass the American market under the current OEM agreement. The agreement makes Columbitech's Wireless VPN an integral part of Symbol's AirBEAM product for wireless WLAN network management. Columbitech and Symbol have launched several joint projects with customers, including one of the USA's leading retail chains. Joint selling activities have also been launched in Europe. The company has also signed new agreements with Diversinet and with customers in Italy, Finland and Korea.

IpUnplugged – received an order from leading European and Asian mobile operators during the period. The company exhibited at the CTIA Wireless fair in the USA in October and, together with Sierre Wireless, demonstrated the integration between WLAN and CDMA 2000 ("seamless roaming"). IpUnplugged's products were also shown in Lucent's stand. Two pilot tests have been launched for corporate customers in the USA along with retailers in the IT security sector.

It's Alive – achieved further successes during the past quarter with its game "Botfighters". Vodafone (Ireland) is among those who have launched the game, and Sonic Duo, a Russian mobile operator, is to launch it in Moscow. It's Alive's new game, Supafly, has been successfully test-run and marketing activities are now in full swing. In collaboration with Endemol, It's Alive has also designed an interactive game involving the use of TV, mobile phones and the internet.

Hotsip – which develops SIP (Session Initiation Protocol) and presence-based products, entered into a distribution agreement in September with Bell Net in Japan for the launch of SIP and Presence applications on the Japanese market.

Mint – has signed further agreements with car park operators around the country for its proprietary service for paying parking fees via mobile phones. The system will soon be in operation in ten cities. The number of car parks signed up is increasing by about 25 per cent a month. Mint has received a capital injection of MSEK 10 from Skandia, which is already a shareholder, to a value of MSEK 80. This gives Mint a sound financial base for future ventures, primarily in the focus area of mobile parking and mobile betting.

North Node – The company has developed products that enable online home/property management in the Energy, Security and Home Care sectors. The company has booked new orders in Norway for 112 apartments and follow-up orders for Karlstad and Örebro. The company's products can also satisfy the forthcoming law concerning automatic meter reading for electricity consumers using more than 8,000 KWh (i.e. domestic users). This has resulted in a breakthrough with Affärsverken in Karlskrona, which initially involves 72 houses with a plan for the remaining 6,000 or so houses in the portfolio. Vattenfall has recently announced that it intends to invest no less than MSEK 600 in the area in the next few years.

Repeatit – has developed a family of products, known as R/S III, for wireless broadband connections for homes. These products have continued to be delivered to existing customers, including Norrtälje Energi, Växjö Energi, Vallentuna Energi, Katerineholms Energi, Tierp municipality and Strängnäs Energi, and new orders have been booked from Hudiksvall municipality and Falbygden Energi. The company has also

entered into a partnership with Telenordia, which is responsible for the sale, distribution and support of client equipment and internet subscriptions.

The Phone Pages – had its commercial breakthrough in the summer and autumn via a delivery of a system to Eniro in Finland. More than 20,000 companies in Finland now have “Mobilli-info” (i.e. a phonepage). The Phone Pages, in partnership with Siemens Business Solution, have also sold a test system to an Italian operator.

The Phone Pages has been awarded the “European 1st Prize” in competition with 437 other European companies. This prize is organised by the European Council of Applied Sciences and Engineering (Euro-CASE), with sponsorship and support from the Information Society Technology Programme in the European Commission.

DIVESTMENTS DURING THE JANUARY-SEPTEMBER PERIOD

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 was 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 of 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 was later written off the transaction could give rise to a capital gain in the future.

Digital Mobility Ltd’s liquidation is expected to be completed during the year and Ledstiernan expects to receive some MSEK 1.

Indycon – a Speed Ventures company has been placed in liquidation and Ledstiernan expects to receive some SEK 200,000.

Lifix – which was also acquired through the Speed transaction, has been sold to its management for a symbolic sum. Ledstiernan has an option to buy back 22% of the company for SEK 1.

Linkpool – was placed in liquidation last December. Ledstiernan expects to receive some SEK 550,000.

Ticket Anywhere – has sold the bulk of its assets and business to BlueGrid AB in return for an option to acquire shares in BlueGrid. As the holding had been written off, the transaction could give rise to a capital gain in the future.

RoamInfo – has been sold to its founders. The company filed for bankruptcy in November 2002.

InfoAccelerator – has filed for bankruptcy on November 11, 2002. The book value was 0.

The above liquidation revenues are not included among receivables in Ledstiernan’s balance sheet.

DEVELOPMENTS AND FUTURE PROSPECTS

There are far too many companies active on the Swedish venture capital market and their number will gradually be reduced as a result of mergers, for which Ledstiernan is well placed, and a slower process in which too 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.

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, for example, dependent on the rapid development of 3G.

Ledstiernan's portfolio companies are reaching encouraging levels of maturity. Ledstiernan estimates that many of them will move into profit or achieve a balanced cash flow by 2003, which on average will be the important fourth year in business for these companies.

Ledstiernan's strength lies in its wide range of high-potential companies and its strong financial position. A number of the high-potential companies in the technology sector achieved profitability during the year by winning important commercial orders against fierce competition. This applies to date to companies such as IP Unplugged, Columbitech, North Node and Hot Sip.

In 2001 and 2002, in connection with its second-phase investments and new stock issues, Ledstiernan renegotiated most of its earlier investments to bring them into line with current market conditions. This means that Ledstiernan's potential equity interest (without additional capital injections) in many companies is higher than that stated in the table on page 8.

Ledstiernan still estimates that the market value of its portfolio is in excess of its book value.

IMPORTANT EVENTS SINCE THE END OF THE PERIOD

A second closing regarding the remaining shares in Speed Ventures was made in early November. This means that Ledstiernan now owns 99.7% of the company. All its assets have been transferred to Ledstiernan AB, and Speed Ventures N.V. and its subsidiaries will be wound up or placed into liquidation.

In November, Ledstiernan's Board decided to launch a major package of stock market-oriented measures designed to consolidate Ledstiernan's reputation as the leading venture capital company. Ledstiernan will also enter a Market-Maker Agreement with one or two stockbrokers.

In November two of the portfolio companies filed for bankruptcy. Roaminfo and Info Accelerator. The bookvalue at 2002-09-30 was 0.

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 through the issue of up to 50,000,000 Series "B" shares. The mandate also authorised the Board to issue convertible debentures or subscription rights within the same overall limit. Within this mandate, some 27.9 million shares were used for the acquisition of 99.7% of the shares in Speed Ventures.

EMPLOYEES

The number of employees at the end of the period was 11 (14).

Stockholm, November 12, 2002

LEDSTIERNAN AB (publ)

Johan Wachtmeister
President and CEO

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

Forthcoming reports

2002 year-end release

February 12, 2003

PORTFOLIO LEDSTIERNAN AS AT SEPTEMBER 30, 2002

(ThSEK)							Value at external transaction post-money ²⁾
Company		Date of aquisition	Current equity stake	Acquisition value shares	Convertible loans/loans	Total investment	
Mobile Communication							
Ambio Tech i Sverige	1)	sep-00	49,9%	6 999	8 601	15 600	
Columbitech		maj-00	21,4%	19 130		19 130	
Grupo Rodania		okt-00	40,0%	7 650	2 000	9 650	
Hotsip		jun-02	25,3%	20 624		20 624	
Incomit		aug-00	37,8%	47 038	5 000	52 038	
ipUnplugged		jan-00	42,6%	72 351		72 351	88 466
Mint		maj-00	30,2%	45 280		45 280	24 200
Nordic Circle		jul-99	31,5%	41 399	3 500	44 899	
North Node	1)	maj-01	34,5%	13 955		13 955	
Repeatit		mar-00	43,4%	15 846		15 846	
Roaminfo		dec-99	5)	0	2 300	2 300	
Shortlink (f d EHS)		maj-01	9,0%	3 129		3 129	
the Phone Pages of Sweden		mar-00	35,6%	28 332		28 332	20 600
TicketAnywhere	1)	dec-00	4)	7 427		7 427	
Voice Provider	1)	nov-00	19,5%	4 996		4 996	
Sub-total Mobile Communication				334 156	21 401	355 557	
Media							
Infomakers		jul-99	49,9%	12 708	4 600	17 308	
It's Alive Mobile Games		jun-02	30,4%	5 763	1 087	6 850	
MGON International		feb-00	47,0%	10 000	18 100	28 100	
Millennium Media Group		dec-99	29,3%	21 787	700	22 487	
Sub-total Media				50 258	24 487	74 745	
Software							
CCNOX	1)	sep-00	49,1%	8 854		8 854	
Code Factory	3)	jun-02	29,7%	0	0	0	
Emic Networks Oy	3)	jun-02	35,3%	0	1 461	1 461	
InfoAccelerator		jun-00	41,0%	6 530	40	6 570	
Start & Run		jan-00	38,5%	7 500	1 500	9 000	
Sub-total Software				22 884	3 001	25 885	
E-business							
B2C/B2B							
FM Fondmarknaden		okt-99	19,6%	20 004		20 004	
B2C/B2B							
Euroflower.net		mar-00	22,6%	11 920	600	12 520	
SourcebyNet PTE Ltd		jun-02	11,9%	6 710		6 710	8 100
Verkttygshuset	1)	nov-00	33,3%	4 000		4 000	
Sub-total E-business				42 634	600	43 234	
Financial holdings							
Chinsay		apr-00	0,8%	1 485		1 485	
Ekonomi24		apr-00	24,6%	13 359		13 359	
GoPro Landsteinar Group		apr-00	4,3%	25 217		25 217	
Goyada	3)	jun-02	8,8%	0		0	
INSITE	3)	jun-02	3,0%	0		0	
Kamera Interactive		maj-00	8,5%	8 547		8 547	
Spreadskill	3)	jun-02	16,6%	0		0	
Ten Four		mar-00	3,8%	7 432		7 432	
Travis		feb-00	2,6%	14 840		14 840	
VsMarket		jun-00	4,4%	1 578		1 578	
Sub-total financial holdings				72 458	0	72 458	
Aquisition value Shares and Convertible loans/loans						571 879	
Write-downs						-184 977	
Book value						386 902	

1) Ledstiernan has issued options amounting to 5 % of its total holdings as shown above. following a decision at a Shareholders' Meeting in August, 2000

2) Exclusive of convertible loans

3) Included in the Speed Ventures aquisition at value SEK 0:-

4) Assets and liabilities in the Company have been sold with options in Blue Grid as compensation

5) The Company has been sold to the entrepreneurs. Ledstiernan holds a convertible loan of 2,3 Msek due December 02

INCOME STATEMENT

(ThSEK)

	Q 3 2002	Q 3 2001	Jan-Sept 2002	Jan-Sept 2001	Year 2001
<u>Profit/loss from portfolio holdings</u>					
Capital gains on exits	0	0	0	1 720	1 720
Capital losses on exits	0	0	0	0	-4 064
Write-downs in asset values	-15 000	0	-65 000	-150 000	-160 000
Total result from portfolio holdings	0	0	-50 000	-148 280	-162 344
<u>Other expenses</u>					
Administrative expenses	-5 373	-17 319	-17 786	-42 169	-52 935
Depreciation	-227	-398	-691	-616	-846
Operating loss	-20 600	-17 717	-83 477	-191 065	-216 125
Financial items	2 227	3 573	6 577	14 695	18 740
Loss before taxes	-18 373	-14 144	-76 900	-176 370	-197 385
Tax on profit for the year	0	0	0	0	0
Net loss for the period	-18 373	-14 144	-76 900	-176 370	-197 385
Loss per share ¹⁾	-0,13 kr	-0,13 kr	-0,65 kr	-1,62 kr	-1,81 kr
Average number of shares	136 359 691	108 954 383	118 189 486	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 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)

		September 2002	September 2001	December 2001
ASSETS				
Tangible Assets		1 944	2 621	2 605
Financial Assets				
Participation in associated companies	1)	368 394	282 566	275 872
Other securities held as fixed assets	1)	18 508	57 081	82 668
Total financial assets		386 902	339 647	358 540
Total Fixed Assets		388 846	342 268	361 145
Current Assets				
Current receivables		6 703	6 678	4 475
Commercial papers		147 914	184 546	188 571
Cash and bank balances		125 242	82 482	38 866
Total Current Assets		279 859	273 706	231 912
TOTAL ASSETS		668 705	615 974	593 057
EQUITY AND LIABILITIES				
Equity		634 215	601 995	580 940
Interest free liabilities				
- Subordinated loan		17 664	-	-
- Other short term liabilities		16 826	13 979	12 117
TOTAL EQUITY AND LIABILITIES		668 705	615 974	593 057
1) Includes shares and convertible loans				
CHANGE IN EQUITY				
		Jan-Sept 2002	Jan-Sept 2001	Jan-Dec 2001
Opening balance		580 940	778 094	778 094
New share issue		130 175		
Translation difference		-	271	231
Loss for the period		-76 900	-176 370	-197 385
Closing balance		634 215	601 995	580 940

CASH FLOW ANALYSIS

(ThSEK)

	Jan-Sept 2002	Jan-Sept 2001	Jan-Dec 2001
Current operations			
Cash flow from operations	-12 845	-22 756	-29 570
Adjustment for working capital	-8 897	7 420	7 223
Cash flow from current operations	-21 742	-15 336	-22 347
Cash flow from investment activities	-66 152	-178 000	-210 580
Financing activities			
New share issue	133 613	-	-
Cash flow from financing activities	133 613	0	0
Cash flow for the period	45 719	-193 336	-232 927
Opening liquid assets	227 437	460 364	460 364
Closing liquid assets	273 156	267 028	227 437

FINANCIAL RATIOS

	2002-09-30	2001-09-30	2001-12-31
Equity, MSEK	634	602	581
Equity per share, SEK	4,65	5,53	5,33
Equity ratio, %	93	98	98
Total investments, MSEK	572	590	503
Investments/share, SEK	4,19	5,42	4,62
Cash/share, SEK	2,00	2,45	2,09
Market capitalization, MSEK	416	316	708
Closing quotation, SEK	3,05	2,90	6,50

Accounting principles

The Interim Report has been prepared in accordance with the Swedish Financial Standards Council's Recommendation, RR 20, "Interim Reports". The accounting principles applied remain unchanged compared to the Annual Report 2001.

Loss per share before and after dilution has been calculated on the result as stated in the Income Statement. Warrants in issue have not caused a dilution effect for any of the reported periods. In the event of full exercise of all warrants 1.150.000 shares should be added.

New share issue in the Cash flow Analysis represents the liquid resources transferred to Ledstiernan in connection with the Speed Ventures acquisition.