



Coaching people and ideas

Spray Ventures AB (publ) 556506-7997

Interim Report, January 1 – August 31, 2000

- Pro forma net asset value¹ (after the divestment of Spray Network) amounted to SEK 10,626 per share (Dec 31, 1999: SEK 7,954 per share)
- Pro forma profit after tax amounted to MSEK 3,933, corresponding to SEK 8,517 per share
- Profit after tax amounted to MSEK 141 (full-year 1999: MSEK 56), corresponding to SEK 306 per share
- Daniel Sachs became President and Chief Executive Officer on July 1, 2000. At the same date, the former CEO, Per Bystedt, became new Chairman of the Board. Casten Almqvist and Fabian Månsson were appointed Executive Vice Presidents. Approximately 6 million Razorfish shares were divested, following which Spray Ventures owns about 5.8 million Razorfish shares², corresponding to approximately 6 percent of the company

Significant events after the end of the report period

- **Spray Ventures' subsidiary Spray Network merges with Lycos Europe: On September 21, 2000, an agreement was reached whereby Lycos Europe acquired Spray Network for a total purchase consideration of 84.3 million Series B Lycos Europe shares, valued at MEUR 674. The value of Spray Ventures' share of the purchase consideration was MSEK 3,563 on September 21, 2000 and approximately MSEK 4,671 on October 20, when the transaction was completed. Following the merger and subscription for additional shares, Spray Ventures will be the second largest shareholder in Lycos Europe with 18.3 percent of the share capital**
- **Private placement of Domain Network shares: Omnicom is investing up to MSEK 65**

| Group in summary | 2000 | 2000 | 1999 |
|--|------------------------|-----------|------------------------|
| | Jan – Aug | Jan – Aug | Jan – Dec ³ |
| | Pro forma ¹ | | |
| Net sales, MSEK | 174 | 364 | 121 |
| Profit after financial items, MSEK | 4 227 | 166 | 25 |
| Profit after tax, MSEK | 3 933 | 141 | 56 |
| Total assets at end of period, MSEK | 5 587 | 2 697 | 1 078 |
| Shareholders' equity at end of period (incl. minority share), MSEK | 4 821 | 1 355 | 322 |
| Equity/assets ratio at end of period, % | 86.3% | 50.0% | 29.8% |
| Net asset value at end of period, SEK per share | 10 626 | | 7 954 |

¹ When preparing the pro forma accounts, the sale of Spray Network to Lycos Europe, which became effective on October 20, 2000, has been taken into account. In the pro forma accounts Spray Network was not consolidated during the period. Pro forma earnings include capital gains of MSEK 3 024, which represents the difference between the consolidated value of the net assets of Spray Network and the market value of Spray Ventures' holding in Lycos Europe on October 20, 2000.

² Excluding shares on which warrants have been issued (also see page 6).

³ Since Spray Ventures did not prepare any interim reports during 1999, comparisons are made with full-year 1999.

OPERATIONS

Spray Ventures' mission is to launch and develop innovative businesses through sensitivity to trends, style of communication and insights into new media.

The Spray Group's operations are divided into three units:

- *Spray Studios*, our new core business, operates companies in the media sector, such as Vision Media and Moby Wireless Services,
- *Spraylabs*, our newly started research and development environment, tests ideas that are generated within the Group and develops them into functional businesses within the core business, and
- *Spray Investments*, which focuses on holdings that generate learning and financial returns for the Spray Group. These investments include, among others, Razorfish, Lycos Europe and Carambole.

The Spray Group's strategy is to invest at least MSEK 250 every year in its core business and at least MSEK 50 in the development of new operations through Spraylabs.

Our objectives are:

- to be the natural choice for today's talent and
- to increase the Group's net asset value by at least 20 percent per year.

Spray Studios

Spray Studios aggregates, packages and sells interactive entertainment and information. The main sources of revenue are advertising, subscriptions and the sale of content to distributors, such as mobile phone operators, digital TV channels and Internet portals.

Spray Studios' goal is to be the content supplier that best meets consumers' demands for interactive services, regardless of the technological platform to which the user has access.

The aim is to be a majority owner in current and future core areas.

Casten Almqvist is responsible for Spray Studios.

| Spray Studios' holdings on August 31, 2000 | Ownership interest, % of share capital before dilution | Description of holding |
|--|--|--|
| Moby Wireless Services | 100 | Production company for mobile services |
| Vision Media (Vision, 25timmar, Agent25, SIME) | 63 | Media house for "what's new in business" |

Moby Wireless Services

- *Shareholding: 100%*
- *Number of employees: 26*
- *For further information: www.moby.se*

Moby Wireless Services helps mobile carriers and portals to create new revenue streams by delivering unique mobile applications that enable users to discover new areas of application for mobile phones and other portable terminals. Moby launched its first services in May 2000 and currently has offices in Stockholm and Helsingborg.

Vision Media

- *Shareholding: 63%*
- *Sales, Jan–Aug 2000: MSEK 27*
- *Number of employees: 55*

Vision Media includes:

Vision – www.vision.se

Vision produces news and analyses about “what’s new in business.” Content is packaged and distributed through three different channels – a daily newspaper, a Web portal and a Web TV channel. Vision focuses on providing consumers with news and analyses around the clock, seven days a week. The aim is to become one of Sweden’s two largest daily business news sources, and to be the most important voice for “what’s new in business.”

25timmar and Agent25 – www.25timmar.com, www.agent25.com

25timmar is a consulting operation that sells tailor-made news content to corporate customers. Agent25, an Internet-based media-monitoring service, was founded within the 25timmar organization.

SIME – www.sime.nu

SIME arranges an annual conference about “what’s new in business.”

Spraylabs – ideas worth testing

Spraylabs is the Group’s newly started research and development environment, in which ideas generated within the Group are tested and developed into functional companies. The objective is to be able to add new companies to the Spray Group’s core business by using a structured process for developing projects into businesses within 12 months.

Gathering the Group’s new projects in Spraylabs enables us to capitalize on our experience of starting up new market-leading companies from square one. Examples of this include an Internet consultancy (Razorfish) and an Internet portal (Spray Network/Lycos Europe). We intend to have a shareholding of more than 90 percent in these operations.

Fabian Månsson is responsible for Spraylabs.

Spray Investments – earning and learning

The companies in which the Group plays more of an ownership role are held in Spray Investments, which supports the development of these companies by functioning as a committed and active owner. Spray Investments aims to gain both know-how as well as attractive financial returns via new investments that enhance the Group’s expertise in areas related to the core business, and simultaneously generate profits that can be invested in new development. Wireless services, broadband technology and intelligent homes are examples of the areas that are currently of interest to Spray Investments. The intention is to be a minority shareholder in the companies organized under Spray Investments.

Examples of Spray Investments’ holdings are the Group’s publicly traded shares in Razorfish and, after the end of the report period, Lycos Europe, as well as private companies such as Carambole, Domain Network, Mr Jet and Toga/Yatack.

During the period, the operations within E-lab, the Spray Group’s operational holding company in the e-commerce sector, were closed down. The holdings previously organized under E-lab are now handled by Spray Investments. The Spray Group’s aim in the e-commerce sector is to focus on activities in which information represents a substantial share of the product/service offering, such as Mr Jet and Parcelhouse.

Daniel Sachs is responsible for Spray Investments.

| Holdings organized under Spray Investments¹ As of August 31, 2000 | Shareholding, % of share capital before dilution of employee options | Description of holding |
|--|---|--|
| Carambole | 77 | An Internet Presence Provider that helps companies establish a presence on the Internet |
| City Navigator | 85 | An Internet tool that calculates the fastest route between two addresses |
| Dash | 6 | A service that improves the consumer's online shopping experience by offering discounts |
| Domain Network | 77 | A consulting company providing digital brand and rights management services |
| Elements | 11 | A U.S. based Internet community and emerging adult research company |
| Ingo | 43 | An e-commerce business selling computer and TV games directly to consumers |
| Insplanet ² | 43 | An independent online insurance broker |
| Mr Bid | 43 | An online auction site for consumer-to-consumer trading |
| Mr Jet | 85 | The largest online Internet travel agent in the Nordic region |
| Parcelhouse | 17 | A solutions provider for shipping and logistics |
| Razorfish | 6 | A consultancy providing strategic, creative and technology solutions for Internet and wireless application |
| Spray Network ³ | 74 | A portal with a market leadership position in Europe |
| Sumo | 27 | An Internet-based retailer of home electronics |
| Toga | 11 | A lifestyle department store on the Internet |

Spray Investments largest investments are presented below:

Carambole

- *Shareholding: 77%*
- *Sales, Jan–Aug 2000: MSEK 35*
- *Number of employees: 85*
- *Active in 11 countries in Europe*
- *For further information: www.carambole.se*

Carambole (formerly Domain Technology) is the result of a spin-off from Domain Network. Carambole is an IPP (Internet Presence Provider) that helps companies establish a presence on the Internet. Carambole sells products and services such as domain names, e-mail services, Web hosting and e-commerce solutions, as well as broadband connections. Carambole currently has 45,000 customers in Europe.

¹ For a more detailed description of the Group's legal structure, reference is made to Spray Venture's annual report for the 1999 fiscal year, which is available on www.bit.se.

² Following the end of the report period, the Insplanet holding was sold to the company's founders, in return for an option in the company.

³ Following the end of the report period, the Spray Network holding was sold in return for payment in the form of Lycos Europe shares.

Domain Network

- *Shareholding: 77%*
- *Sales, Jan–Aug 2000: MSEK 21*
- *Number of employees: 55*
- *For further information: www.domainnetwork.com*

Domain Network is a consulting company active in digital brand management. Domain Network works with large and midsize companies worldwide to help them protect, manage and develop their brands in a digital environment. The company currently has operations in Stockholm, London and Paris. After the end of the report period, Domain Network completed a private placement of shares to Omnicom Inc for an initial amount of MSEK 35, plus a further MSEK 30 depending on the company's performance in 2001.

Lycos Europe

- *Shareholding: approx. 18.3%, including the subscription for additional shares*
- *Sales, Jan-June 2000: MEUR 26.8; incl. Spray Network, June 1999-June 2000: MEUR 68.7*
- *Number of employees: approx. 220; incl. Spray Network: 921*
- *For further information: www.lycos.de*

Lycos Europe's acquisition of Spray Network has moved the company into a market-leading position in Europe, with nearly a billion page views per month, 8.7 million registered users and 19 million unique visitors in 12 countries. Lycos Europe's portals offer a broad selection of integrated services on the Internet, including access, search, editorial content and communities. Lycos Europe is listed on Germany's Neuer Markt.

Mr Jet

- *Shareholding: 85%*
- *Sales, Jan–Aug 2000: MSEK 84*
- *Number of employees: 60*
- *For further information: www.mrjet.se*

Mr Jet is the Nordic region's largest Internet travel agency, offering online booking of regular flights, rental cars and hotel accommodations worldwide. Using this site, customers can make simple price comparisons without incurring any extra booking fees. The company currently has nearly 350,000 unique visitors per month in the Nordic region. Earlier this year, Mr Jet acquired Travelware APS, a leading supplier of software systems to the Nordic travel sector.

Razorfish

- *Shareholding: approx. 6%, excluding shares on which warrants have been issued*
- *Sales, Jan-Sept 2000: MUSD 218*
- *Number of employees: approx. 2 100 in Europe and the U.S.*
- *For further information: www.razorfish.com*

Razorfish is a consulting company that helps its clients use digital technology to improve the depth of their operations. Razorfish provides strategic, creative and technical solutions in areas such as the Internet, wireless technology, and integration of back-end systems, broadband and hardware. Razorfish is quoted on NASDAQ in the U.S.

Toga

- *Shareholding: 11%*
- *Sales, Jan-June 2000: MSEK 11*
- *Number of employees: 25*
- *For further information: www.toga.se*

Toga is a lifestyle department store on the Internet. The company offers a broad selection of brand name products in the areas of fashion, interior design, cosmetics, sport and high-tech. Toga offers a total of about 2,000 products under slightly more than 115 brands. In the near future, Yatack of Norway will direct a public offer to all of the Toga's shareholders. Spray Ventures intends to accept this offer.

SALES AND EARNINGS

From January – August 2000, Spray Ventures made considerable investments in Spray Network N.V., the Group's portal operations. After the end of the report period, Spray Network merged with Lycos Europe N.V. and Spray Ventures received shares in Lycos Europe as consideration for their shares in Spray Network.

Investments during the year and capital gains had a substantial impact on earnings during the period and on the Group's current position. Accordingly, Spray Ventures is reporting its results on both an actual and a pro forma basis in this interim report.

The pro forma accounts show the Spray Ventures Group's earnings after the sale of Spray Network has been taken into account. In these accounts, earnings include a capital gain on Spray Network of MSEK 3,024, which represents the difference between the consolidated value of the net assets of Spray Network and the market value of Spray Ventures' holding in Lycos Europe as at October 20, 2000.

January – August 2000, pro forma

Pro forma operating revenues during the first eight months of the year rose by more than 45 percent compared with full-year 1999 to approximately MSEK 174. Profit after financial items amounted to MSEK 4,227. Profit for the period after tax amounted to MSEK 3,933 (equal to SEK 8,517 per share) compared with MSEK 56 for full-year 1999 (equal to SEK 121 per share).

January – August 2000, actual

Including the Group's shareholding in Spray Network, operating revenues during the first eight months of the year rose by 200 percent compared with full-year 1999 to more than MSEK 364. Due to the substantial amount of expensed investments, mainly in portal operations, an operating loss of MSEK 827 was reported before goodwill amortization. Profit after financial items amounted to MSEK 162, compared with MSEK 25 for full-year 1999. Profit for the period after tax amounted to MSEK 141 (equal to SEK 306 per share) compared with MSEK 56 for full-year 1999 (equal to SEK 121 per share).

BALANCE SHEET

Total assets at the end of the report period amounted to MSEK 2,697 (1,078) and shareholders' equity to MSEK 1,355 (322). The equity/assets ratio was 50 percent. On a pro forma basis, shareholders' equity amounted to MSEK 4,821 and the equity/assets ratio to 86.3 percent.

In February 1999, Spray Ventures issued warrants on slightly more than 20 percent of its holding in Razorfish Inc. to holders of shares and convertible debentures and options in the Company. The shareholders received one warrant per share, which carries the right to acquire eight Razorfish shares for a total of SEK 256. The warrants that have yet to be exercised will expire 45 days after the underlying shares have been registered with the Securities and Exchange Commission in the U.S. Razorfish must make a decision about registration of the underlying shares, although to the best of Spray Ventures' knowledge such a decision has yet to be taken. Holders of warrants who, under U.S. securities legislation, are not considered affiliated parties to Razorfish and who exercise their warrants after June 1, 2000 will, however, be entitled to divest the acquired Razorfish shares after January 5, 2001 on NASDAQ, without observing the restrictions to which sales of unregistered shares are normally subject. When calculating net asset value, it has been assumed that all of the warrants have been exercised.

NET ASSET VALUE

When calculating net asset value, Spray Ventures' holdings in unlisted companies have been entered at their book value in the consolidated accounts (i.e., the lower of either acquisition or market value) and holdings in listed companies have been entered at current market value.

Pro forma net asset value amounted to MSEK 4,907, or SEK 10,626 per share.

| Net asset value | August 31, 2000 ¹ | | December 31, 1999 | |
|--|------------------------------|---------------|-------------------|---------------|
| | MSEK | SEK/share | MSEK | SEK/share |
| Razorfish | 298 | 646 | 3 702 | 8 050 |
| Lycos Europe | 4 671 | 10 115 | - | - |
| Other assets | 710 | 1 537 | 713 | 1 552 |
| Total assets | 5 679 | 12 298 | 4 415 | 9 602 |
| Liabilities (incl. minority shares) | -772 | -1 672 | -758 | -1 648 |
| Net asset value | 4 907 | 10 626 | 3 657 | 7 954 |

Deferred tax at a rate of 28 percent has been taken into account when computing the surplus value of the Razorfish shares. The surplus value of the Lycos Europe shares is not expected to give rise to any capital gains tax because these shares are owned by a Dutch subsidiary of Spray Ventures. Net asset value per share is stated before full dilution (461,803 shares as at August 31, 2000; the number of shares at full dilution is 524,173). Total liabilities also include minority shares in shareholders' equity.

KEY DATA

| Key data | 2000 | 2000 | 1999 |
|---|------------------------|-----------|-----------|
| | Jan – Aug Pro forma | Jan – Aug | Jan – Dec |
| Shareholders' equity, MSEK (incl. minority share) | 4 821 | 1 355 | 322 |
| Equity/assets ratio, % | 86,3 | 50,0 | 29,8 |
| Shareholders' equity per share | 10 440 | 2 934 | 700 |
| Earnings per share, SEK | 8 517 | 306 | 121 |
| Net asset value per share, SEK | 10 626 | | 7 954 |

FINANCIAL POSITION - GROUP

Investments

The Group made considerable investments during the period, primarily in Spray Network's portal operations. The acquisition of companies within Spray Network gave rise to goodwill of

¹ The Razorfish and Lycos Europe holdings are reported at the closing prices on October 20, 2000 (Razorfish: USD 4.813; Lycos Europe: EUR 10.35). Warrants (SVWARRANT RF 991122) have been issued on slightly more than 20 percent of the Razorfish holding. The portion of the holding has been valued at the exercise price of the warrants.

MSEK 1,142 before amortization. Investments in new companies in other parts of the Group resulted in a further MSEK 112 of goodwill before amortization.

In January, a convertible debenture amounting to nearly MUS\$ 2 (approx. MSEK 17) was converted into Spray Network shares. In addition, Spray Ventures participated in Spray Network's two share issues during the summer, which resulted in Spray Ventures making investments of approximately MSEK 721.

Other investments in tangible and intangible fixed assets amounted to slightly more than MSEK 83; these investments are mainly attributable to investments in computer equipment. Spray Network accounted for about 75 percent of the MSEK 83 total.

About six million Razorfish Inc shares were sold, generating capital gains of approximately MSEK 1,340. The divested shares had a book value of about MSEK 158.

Financing

At the end of the period, the Group's other liabilities amounted to MSEK 1,295, related mainly to liabilities in the Spray Network subsidiary. The Group's financing liabilities, that is liabilities arising from the financing of operations, rose by approximately MSEK 389 to MSEK 635 during the period. The changes were mainly attributable to company acquisitions within Spray Network and Carambole in an amount of about MSEK 434.

On a pro forma basis, the Group's other liabilities amounted to MSEK 766, of which MSEK 330 related to tax liabilities in the Parent Company and nearly MSEK 189 to a liability to the former owners of Massmarket, a subsidiary of Spray Network. According to an agreement, this debt will be settled through payment in the form of Lycos Europe shares (see page 9).

Liquidity

At the end of the period, the Group's liquid assets amounted to MSEK 571, up MSEK 423 compared with the end of 1999. Spray Network accounts for about MSEK 280 of the Group's liquid assets.

In view of the surplus value currently represented by the Group's holdings, the Board of Directors and Executive Management are of the opinion that Spray Ventures' capacity for financing its operations is favorable in both a short-term and long-term perspective.

FINANCIAL POSITION - PARENT COMPANY

The Parent Company, which is responsible for the Group's strategies and operational development, generated no revenues during the period. The Parent Company reports a profit of MSEK 1,378 after financial items (1999: 382). Profit for the period after tax amounted to MSEK 1,048 (382). Total assets amounted to MSEK 1,713 (547).

Investments

During the period, the Parent Company completed a few minor acquisitions of tangible fixed assets, mainly computer equipment, which amounted to MSEK 1.6.

The Parent Company also invested MSEK 26 in cash in a minority interest in Dash Inc and MSEK 39 in Spray Ventures' own shares. In addition, new subscriptions and capital contributions in subsidiaries were implemented amounting to MSEK 66. About six million Razorfish Inc shares were sold, generating capital gains of approximately MSEK 1,340. The divested shares had a book value of about MSEK 158.

Financing

During the period, the Parent Company's financing liabilities declined by approximately MSEK 62 to MSEK 43. The changes resulted from a repayment of approximately MSEK 65 for shareholder loans and an increase of MSEK 3 due to exchange-rate effects.

Liquidity

At the end of the period, the Parent Company's liquid assets amounted to MSEK 220, up MSEK 154 compared with the end of 1999.

PERSONNEL

On August 31, the Parent Company had 24 employees (year-end 1999: 10), of whom 45 percent were women. The total number of employees in the Group on August 31 was approximately 1,000.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORT PERIOD

Sale of Spray Network

Spray Ventures worked determinedly to establish a portal network with broad European coverage. To accelerate this expansion and to create a network offering both reach and attractive content, an agreement was concluded with Lycos Europe on September 21, 2000 regarding the divestment of Spray Network. This transaction results in the creation of a company with a leading market position in Europe, delivering nearly a billion page views per month.

Lycos Europe acquired all of the shares in Spray Network in return for 84.3 million Series B Lycos Europe shares, corresponding to 27 percent of the share capital. When the agreement was entered into, the value of the shares, based on the closing price on Neuer Markt on September 20, was MEUR 674. When the transaction was concluded on October 20, the market value of Spray Ventures' holding in Lycos Europe was MSEK 4,671, corresponding to a capital gain of MSEK 3,024 compared to the consolidated book value of Spray Ventures' holding of Spray Network shares.

As part of the transaction, Spray Ventures will subscribe for an additional 7.9 million Series B shares and Investor will subscribe for an additional 2.1 million Series B shares in Lycos Europe during the next two years, at a price of EUR 10 per share. This corresponds to a capital contribution of MEUR 100, which will be used to finance the future development of the merged company.

Following the transaction and the subscription for additional shares, Spray Ventures will own approximately 58.8 million Series B shares in Lycos Europe, which corresponds to 18.3 percent of Lycos Europe's share capital. As a result, Spray Ventures will become the second largest individual owner in Lycos Europe, after Terra Lycos.

In conjunction with the implementation of the transaction with Lycos Europe, slightly more than 2.2 million of Spray Ventures' shares in Lycos Europe were allocated to the former owners of one of the subsidiaries in the Spray Network Group (Massmarket AS). These persons have issued a demand that the allocation of shares be increased.

As a result of the agreement concluded in connection with Spray Network's acquisition of Caramail in January 2000, the former owners of this company hold a put option in relation to Spray Ventures regarding slightly more than 8.5 million shares in Lycos Europe. The option has an exercise price of MEUR 81.56, corresponding to EUR 9.31 per share, and may be exercised during a limited period of time up to the date when the newly issued Lycos Europe shares are formally registered on the Neuer Markt.

SHARE CAPITAL

Spray Ventures AB's share capital is divided into two series of shares; A and B. Both series have a par value of SEK 5 per share and entitle holders to equal shares in the Company's assets and earnings. Series A shares carry ten voting rights each and Series B shares carry one voting right each. As of August 31, 2000, the total number of shares was 461,803, of which 258,493 were A shares and 203,310 were B shares. Spray Ventures has slightly more than 6,000 shareholders.

In the event that all of the options and convertible debentures that have been issued are exercised, a further 62,370 B shares will be issued.

FINANCIAL INFORMATION AND NEXT REPORT

This interim report and the Annual Report for the 1999 fiscal year are available via www.bit.se and can also be ordered via tverin@spray.se or by telephone +46-8-527 90 682.

Spray Ventures' year-end report on operations in 2000 will be published on March 31, 2000 and the intention is to publish quarterly reports after that date.

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

Stockholm, October 31, 2000

Daniel Sachs

President and Chief Executive Officer

CONTACT-PERSON

Daniel Sachs (Telephone: +46-8-527 90 682)

Spray Ventures AB (publ)

All amounts in SEK thousands unless otherwise stated

| Consolidated income statement | 2000 | 2000 | 1999 |
|--|------------------------|-------------------|-----------------|
| | Jan-Aug | Jan-Aug | Jan-Dec |
| | Pro forma ¹ | | |
| Operating revenues | 174,239 | 364,095 | 120,688 |
| Operating expenses, excl. goodwill amortization | -396,676 | -1,190,800 | -505,994 |
| Operating loss before goodwill amortization | -222,437 | -826,705 | -385,306 |
| Goodwill amortization | -12,837 | -180,578 | -27,917 |
| Operating loss | -235,274 | -1,007,283 | -413,223 |
| Net financial items | 4,461,986 | 1,169,334 | 438,314 |
| Profit after financial items | 4,226,712 | 162,051 | 25,091 |
| Minority share in profit | 38,343 | 279,029 | 14,625 |
| Profit earned by subsidiaries prior to acquisition | -1,686 | -1,686 | 6,481 |
| Taxes | -330,000 | -298,063 | 9,472 |
| Profit for the period | 3,933,369 | 141,331 | 55,669 |
| Earnings per share, SEK | 8,517 | 306 | 121 |
| Earnings per share after full dilution, SEK | 7,504 | 270 | 110 |

The number of shares before full dilution amounts to 461,803 (459,803). The number of shares after full dilution amounts to 524,173 (504,238), a figure computed on August 31, 2000, following the full exercise of all outstanding options and convertible rights.

¹When preparing the pro forma accounts, the sale of Spray Network to Lycos Europe, which became effective on October 20, 2000, has been taken into account. In the pro forma accounts Spray Network was not consolidated in any way during the period. Pro forma earnings include capital gains of MSEK 3 024, which represents the difference between the consolidated value of the net assets of Spray Network and the market value of Spray Ventures' holding in Lycos Europe on October 20, 2000.

| Consolidated balance sheet | Aug 31, 2000 | Aug 31, 2000 | Dec 31, 1999 |
|---|------------------|------------------|------------------|
| | Pro forma | | |
| Assets | | | |
| Intangible fixed assets | 159,746 | 1,480,249 | 404,240 |
| Tangible fixed assets | 26,436 | 102,176 | 40,880 |
| Financial fixed assets | 4,994,081 | 325,673 | 372,266 |
| Current assets | 115,598 | 218,204 | 113,556 |
| Liquid assets | 291,373 | 570,641 | 147,364 |
| Total assets | 5,587,234 | 2,696,943 | 1,078,306 |
| Shareholders' equity and liabilities | | | |
| Shareholders' equity | 4,815,052 | 1,087,715 | 320,411 |
| Minority share in shareholders' equity | 6,423 | 267,177 | 1,146 |
| Provisions | 160 | 47,448 | 108,588 |
| Other liabilities | 765,599 | 1,294,603 | 648,161 |
| Total liabilities and shareholders' equity | 5,587,234 | 2,696,943 | 1,078,306 |

| Parent Company income statement | 2000 | 1999 |
|--|------------------|----------------|
| | Jan-Aug | Jan-Dec |
| Operating revenues | 0 | 0 |
| Operating expenses, excl. goodwill amortization | -40,433 | -30,403 |
| Operating loss before goodwill amortization | -40,433 | -30,403 |
| Goodwill amortization | 0 | 0 |
| Operating loss | -40,433 | -30,403 |
| Net financial items | 1,418,041 | 412,226 |
| Profit after financial items | 1,377,608 | 381,823 |
| Taxes | -330,000 | 3 |
| Profit for the period | 1,047,608 | 381,826 |
| Earnings per share, SEK | 2,268 | 830 |
| Earnings per share after full dilution, SEK | 1,999 | 757 |

| Parent Company balance sheet | Aug 31, 2000 | Dec 31, 1999 |
|---|------------------|----------------|
| Assets | | |
| Intangible fixed assets | 90 | 90 |
| Tangible fixed assets | 12,478 | 12,441 |
| Financial fixed assets | 376,715 | 405,017 |
| Current assets | 1,103,787 | 62,822 |
| Liquid assets | 220,162 | 66,337 |
| Total assets | 1,713,232 | 546,707 |
| Shareholders' equity and liabilities | | |
| Shareholders' equity | 1,319,254 | 232,439 |
| Provisions | 0 | 0 |
| Other liabilities | 393,978 | 314,268 |
| Total liabilities and shareholders' equity | 1,713,232 | 546,707 |