

ANNUAL REPORT ★ 2001



LEDSTIERNAN

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Notice of Annual General Meeting

The Annual General Meeting will be held at 5.30 p.m. on April 25, 2002 at Näringslivets Hus, Storgatan 19, Stockholm, Sweden. Shareholders wishing to participate in the Meeting and be entitled to vote shall be registered in the register of shareholders maintained by VPC AB by April 15, 2002 at the latest and shall notify the company. Shareholders whose shares are registered in nominee names must have them temporarily re-registered in their own names by no later than April 15, 2002. Notification of intention to participate in the Annual General Meeting shall reach the company by no later than April 22, 2002 by telephone +46-8-545 035 00, by fax +46-8-545 035 35 or by e-mail: info@ledstiernan.se

Ledstiernan in brief

Ledstiernan's business was founded in 1994 when a number of private individuals, later to be known as Founding Partners, began to invest in and provide active support for the development of new, entrepreneurial ventures, preferably within IT and telecommunications. In July 1999, Ledstiernan set up a fund that was owned by the Founding Partners, Skandia and the Swedish Metalworkers' Union.

In April, Ledstiernan obtained a listing on Stockholmsbörsen's "O" list. The company manages invested capital of some MSEK 1,000, which is placed in a portfolio of unlisted entrepreneurial companies within the IT sector.

Ledstiernan is a venture capital company and makes early investments in new, developing companies, started by entrepreneurs. Our strategy has been developed according to the American model, where the venture capital industry has been shaped by more than 30 years of intense competition. The venture capital market is the sector in the free market economy where the highest risks are taken; history shows that it is also where the highest returns have been earned. The challenge is to pick and develop some real winners. Failures do occur, and this is a normal part of the business. Ledstiernan currently has holdings in 31 portfolio companies. Ledstiernan's investments are focused on mobile communication and wireless technology, in which 62 per cent of its capital is invested. The other sectors are Media, Software and E-business.

Ledstiernan is a long-term and active shareholder with strong finances. Ledstiernan's organisation consists of eleven employees with broad technical, strategic and financial competence, which is available to the portfolio companies along with that of the Founding Partners and a network of industrial and financial contacts of a very high international standard.

Financial reports

Annual General Meeting: April 25, 2002
Interim report January-March:
May 7, 2002
Interim report January-June:
August 15, 2002
Interim report January-September:
November 12, 2002

Service for shareholders

Ledstiernan's interim reports and annual reports are available on our homepage www.ledstiernan.se. They may also be requisitioned from our shareholder service department,
Ledstiernan AB,
Birger Jarlsgatan 14,
S-114 34 Stockholm,
Sweden,
telephone: +46-8-545 035 00
Fax: +46-8-545 035 35
www.ledstiernan.se

Highlights of the year – financial developments

Establishment of venture capital network

Ledstiernan has further developed its venture capital network, in Japan for instance, in the form of an alliance with NTT DoCoMo-controlled MIC.

Portfolio companies

A large number of our portfolio companies have had important commercial successes. In fall 2001, outside parties of high calibre injected new capital into some of the companies at levels that more than justify our acquisition values. Ledstiernan also wound up some companies during the fiscal year.

Lower administrative costs

During the year, Ledstiernan trimmed its organisation and concentrated its operations at the Stockholm office to adapt its cost base into line with the prevailing market climate. The office in London has been closed, and responsibility for contacts with the major venture capital investors in London has been transferred to the Stockholm office. The office in Helsinki has also been closed and we are engaged in discussions on the possibility of forging alliances with leading Finnish venture capital companies as we still regard the Finnish market as an important one. The company had eleven employees at the end of the year.

Incentive program

In order to create incentives for the employees and to stimulate exceptional effort at a time when market conditions are difficult, the Board of Ledstiernan AB has decided to set up a bonus program for the personnel. The bonus will be ten per cent of the income above a return of ten per cent on equity; there will be a cumulative effect whereby years of loss will be netted off against years of profit. The maximum bonus in any one year will be four times the year's payroll expense. Moreover, Skandia and the Founders have issued 995,000 call options to Ledstiernan's employees. The options have a duration of three years and entitle the holders to acquire shares at a price of SEK 20. The options were priced on market conditions at the time of issue.

The incentive program for the Founding Partners, hereinafter called the Founders, involving a right and an obligation to acquire call options on 5 per cent of Ledstiernan's holdings in portfolio companies, has been replaced, subsequent to a Board decision, by individual agreements providing for cash compensation based on the Founders' input in the various portfolio companies. The maximum amount payable on an annual basis is SEK 700,000 for all the Founders as a group.

Investments

Ledstiernan has holdings in 31 companies, having a total acquisition value of MSEK 503 at the end of 2001. Of these companies, 14 are in the mobile communication focus area and account for 62 per cent of the invested capital. During the year, investments of MSEK 210 were made, of which MSEK 200 in the existing portfolio and MSEK 10 in three new companies.

Results

The result for the period was a loss of MSEK 197, of which write-downs in the value of portfolio companies accounted for MSEK 160. Of the total, MSEK 167 does not have an effect on cash flow.

Ledstiernan's portfolio is still relatively young, and there have been no major exits. Ledstiernan does not plan any major exits in 2002 on account of the low values. We do not expect any major exits before 2003 and 2004. Given its strong financial position, Ledstiernan is able, together with the entrepreneurs, to wait for the right time before divesting or floating its portfolio companies. Ledstiernan's view is that the aggregate value of the portfolio is significantly in excess of its book value.

Liquid funds and financial position

Closing liquid funds amounted to MSEK 227. Ledstiernan has no interest-bearing liabilities. Further investments of MSEK 15 in portfolio companies had been approved but not implemented by the year-end. Ledstiernan has no other commitments.

Tax status

Ledstiernan AB applied for investment trust status, but the application was rejected in the fall. Ledstiernan has appealed to the Supreme Administrative Court against this decision and its decision is expected in the spring of 2002. However, the new tax bill that has been tabled in parliament, and which is expected to be enacted with effect from 2003, will obviate the need to apply for investment trust status. Ledstiernan's accumulated loss allowances amounted to some MSEK 255 at the year-end.

Dividend

Ledstiernan's Board proposes that no dividend be paid for 2001.

Ledstiernan's shares

Ledstiernan was floated on Stockholmsbörsen's "O" list on April 17, 2000.

Share capital and number of shares

On December 31, 2000, the share capital amounted to SEK 32,686,315, which was divided into 108,954,383 Series "B" shares, each having a par value of SEK 0.30. All the shares carry the same number of votes (1 each) and share equally in the company's assets and earnings.

In the event of the outstanding 1,150,000 options being fully exercised, dilution will correspond to a maximum of 1.1 per cent. The options may be exercised during the period August 1-29, 2003 at a subscription price of SEK 43.50.

Changes in share capital are shown in the table below.

Shareholders

At the end of 2001, Ledstiernan had 9,192 shareholders. At that time, the Founders and key individuals in Ledstiernan owned 62.1 per cent of the share capital and Swedish institutions some 17 per cent. The 16 largest shareholders accounted for some 80 per cent of the share capital at the end of 2001.

New sector index on stock market

Ledstiernan's shares are included in OM Stockholmsbörsen's new IT index (SX-45).

Price movements and turnover

Ledstiernan's shares reached their highest price for the year – SEK 15.85 – on January 25. The lowest price – SEK 2.46 – was noted on September 21. The closing price was SEK 6.45, which was 15 per cent below the opening price. The Stockholm All-Share Index fell by 17 per cent during the same period and the IT index by 47 per cent.

A total of 24,588,040 shares in Ledstiernan were traded during the year for an aggregate value of MSEK 185. This gives a turnover rate of 23 per cent; in other words, 23 per cent of the shares in issue changed hands during the year. The average

daily turnover amounted to SEK 739,000, and Ledstiernan's shares were traded on all 250 days the market was open.

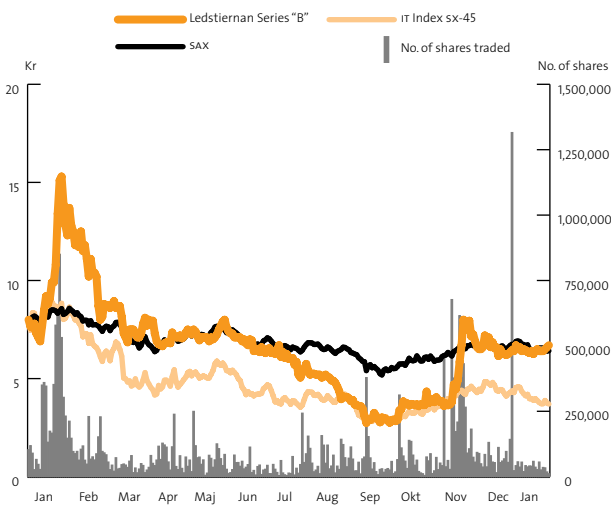
Ledstiernan takes regular steps to improve the liquidity of the shares.

Dividend policy

The Board's dividend policy will be restrictive, as the company's resources are mainly to be applied to investments in new projects. This means that dividends will for the most part be paid after capital growth by portfolio holdings has been realised. However, Ledstiernan may distribute shares in portfolio companies to its shareholders, provided available funds so permit, that its capital requirements so permit and that conditions on the market are deemed to be suitable.

In view of this dividend policy, Ledstiernan's Board proposes that no dividend be paid for 2001.

CHANGES IN SHARE PRICE 2001



CHANGES IN SHARE CAPITAL

REGISTRATION DATE	TRANSACTION	PAR VALUE	TOTAL SHARE CAPITAL	CHANGES IN NO. OF SHARES	TOTAL NO. OF "A" SHARES	TOTAL NO. OF "B" SHARES	TOTAL NO. OF SHARES
March 4, 1995	Share issue	5.00	9,501,000	600,000	299,000	1,601,200	1,900,200
April 13, 2000	Reduction in share capital	0.30	570,060	0	299,000	1,601,200	1,900,200
April 13, 2000	Share exchange	0.30	26,450,350	86,267,633	299,000	87,868,833	88,167,833
July 4, 2000	Share issue	0.30	32,663,350	20,710,000	299,000	108,578,833	108,877,833
July 27, 2000	Share issue	0.30	32,686,315	76,550	299,000	108,655,383	108,954,383
December 28, 2000	Re-classification of Series "A" shares as Series "B" shares	0.30	32,686,315	0	0	108,954,383	108,954,383

SHAREHOLDINGS BY SIZE

NO. OF SHARES	% OF SHAREHOLDERS	% OF SHARE CAPITAL
1-500	49.2	1.1
501-1,000	26.1	1.9
1,001-2,000	11.0	1.6
2,001-5,000	7.8	2.4
5,001-10,000	3.0	2.0
10,001-20,000	1.4	1.7
20,001-50,000	0.6	1.7
50,001-100,000	0.3	2.1
100,001-	0.6	85.5
TOTAL	100	100

FINANCIAL RATIOS

	2001	2000
Equity, MSEK	581	778
Equity per share, SEK	5.33	7.14
Equity ratio, %	98	96
Total invested capital, MSEK	503	452
Invested capital per share, SEK	4.62	4.14
Cash/share, SEK	2.09	4.23
Loss per share, SEK ¹⁾	-1.81	-1.75
Closing listed price, SEK	6.45	7.60
Market capitalisation, MSEK	703	828

¹⁾ According to the Swedish Financial Accounting Standards Council's recommendation RR18, the effect of dilution is calculated if "earnings per share" deteriorates. There is no dilution effect.

LARGEST SHAREHOLDERS DECEMBER 31, 2001

	NO. OF SHARES	% OF CAPITAL AND VOTES
Skandia	13,934,587	12.8
Olof Stenhammar, family and companies	8,360,432	7.7
Mikael Solberg and companies	7,477,543	6.9
Jan Carlzon, family and companies	7,181,791	6.6
Dan Walker, family and companies	6,539,356	6.0
Johan Wachtmeister and family	6,278,003	5.8
Leif Almstedt and companies	6,164,354	5.7
Hans Risberg and companies	6,123,211	5.6
Dag Bjurström and companies	6,123,208	5.6
Thomas Rosén, family and companies	5,973,208	5.5
Per Lundberg and companies	5,673,208	5.2
Swedish Metalworkers' Union	5,261,531	4.8
F+C New Economy/Aventures	643,800	0.6
Chase Manhattan, London	545,137	0.5
Lars Berg and companies	490,000	0.4
Bear Stearns	400,000	0.4
Total 16 shareholders	87,169,369	80.0
Other	21,785,014	20.0
TOTAL	108,954,383	100.0
Maximum dilution through exercise of options	1,150,000	

DEFINITIONS OF FINANCIAL RATIOS:

EQUITY PER SHARE

Equity divided by the closing number of shares in issue.

EQUITY RATIO

Equity as a percentage of balance sheet total.

INVESTED CAPITAL PER SHARE

Total investments in portfolio companies divided by number of shares.

CASH/SHARE

Liquid funds divided by number of shares.

LOSS/SHARE

Net result for the year divided by average number of shares in issue.

MARKET CAPITALISATION

Closing price on the stock market multiplied by number of shares in issue.

The portfolio begins to mature

–Ledstiernan's strength lies in the wide range of portfolio companies with high potential.



In Brief

Hard work was put in by our 31 portfolio companies during the year, as it was in Ledstiernan as a whole. Despite being young – two years old on average, – most portfolio companies have made great progress on their own markets. Others have had to cut costs sharply in order to achieve profitability, and in some cases have been forced to close down. Despite this, the overall trend for our portfolio is clearly positive and we look forward to 2002 with an increasingly mature portfolio. I hope that this annual report will convey some of the optimism that we feel.

In 2001, we pursued our strategy of prioritising the internal work on the portfolio companies and our financial resilience. A considerable amount of external financing was injected during the year with new, professional partners at levels that justify our acquisition values. This in combination with a lower level of investment in new enterprises and the companies' growing maturity, will enable Ledstiernan, without taking into account possible exits, to support its portfo-

lio companies and run its business up to the end of 2004.

Within Ledstiernan's focus area of mobile communication, the end markets in Japan and Korea have seized the initiative from other markets, including the Scandinavian. We are very pleased to see that our industrial network has continued to grow so that it now includes Japan via NTT DoCoMo-controlled MIC. We are confident that these networks will continue to generate concrete business for our portfolio companies in both Europe and Asia.

The Venture Capital industry

The venture capital industry has been struggling against headwinds for almost two years now, with many terminated or liquidated projects and fewer new investments. At the same time, investment conditions have improved in terms of value and otherwise. All the figures appear to indicate that there is still plenty of unhypothecated venture capital available in the venture capital industry, but that the investors' focus is shifting from seed companies to projects with a business concept that has been tried and tested on the market. One unfortunate outcome of this is the drop in pressure from new entrepreneurs, which has, for instance, greatly reduced the flow of business proposals into Ledstiernan from about 150 a month to around 20. On the other hand, there is still good investment potential in existing projects, often at very attractive values.

Even though the number of active venture capital companies has declined, there are still numerous players left. Ledstiernan is continually exploring the possibility of participating as a driving force in a process of consolidation in the sector. The recent levelling off on the market has prompted venture capital companies to review their portfolios and concentrate on their main investments. Commercially, therefore, much "covert" progress may have been made in the portfolio companies without the value of these companies rising on that account.

At this point it is important to point out that it is the winners in each venture capital company's portfolio that determine its total financial result, not the companies that have been wound up.

Only when the major industrial players have recovered their financial strength and once more begun to show an interest in acquiring small high-tech companies, will values in the venture capital sector start to rise. We believe that this will happen within the next two years. The largest players in the telecom sector realise that internal research and development alone will not be enough to enable them to build the next generation of products. There has been something of a trend in R&D – Research & Development – towards R&A – or Research and Acquisition. External acquisitions or the exclusive research partnerships between large and small players have acquired a natural role.

The Mobile Communication focus area

The dynamic telecom R&D environment created in Scandinavia by the presence of Ericsson and Nokia is unique and of fundamental significance for the new emergence of small, innovative companies in the region. Telecom is also the only growth area in which Scandinavia leads the world in technological development. These are important factors that convince Ledstiernan that it should continue to focus on technological developments in mobile communication.

Is this wise, bearing in mind all the recent talk in the press of the stagnation in the mobile communication sector? The industry in Europe is currently in a cautious phase in which a number of players, primarily the mobile operators, determine the pace of development – partly that of the expansion of the infrastructure (GPR, 3G) and partly that at which new services reach the consumer. In general, it can be said that, most recently, mobile operators have been giving priority to profitability and cash flow rather than rapid expansion. For example, the Scandinavian operators are only now ready to launch new technologies and services, more than a year after other markets. However, developments are moving ahead since the operators realise that it is not possible to be an attractively valued stock market company on the basis of the old “voice” products with falling margins. New sources of

revenue must also be developed, and that is best done by offering users new services based on new technologies, something to which the Japanese and Korean examples, such as NTT DoCoMo, clearly testify (see diagram).

Another very positive factor is the continued strong growth in traffic on the mobile communication networks on effectively all markets. For example, in 2001 China became the world’s largest mobile market in terms of the number of subscribers. However, like their Japanese and Korean counterparts, the European operators would benefit by opening up their networks to and sharing their additional revenues with external service companies, which should generate considerable revenue for both parties. All in all, our impression is that we are operating in a very exciting growth industry that promises to attract renewed interest.

Ledstiernan’s strategy

Our choice of sectors and our financial strength are the keys to our business. Only three new investments were made in 2001, and a similar number can be expected in 2002, and then in partnership with other co-investors. This co-investment in our portfolio companies is central to our business, and today, Ledstiernan has such partners in over 80 per cent of its portfolio companies.

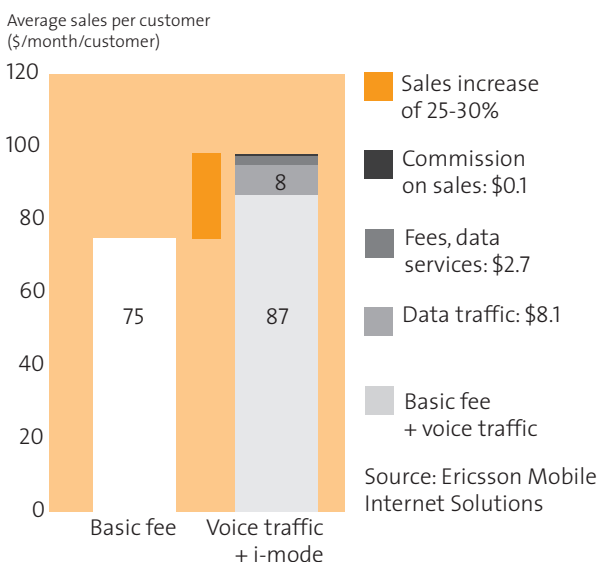
Faced with a very dull investor market, we can be encouraged by the fact that new external investments in six of our portfolio companies were made in the second half of 2001. Each financing was the result of company presentations to around 20–40 investors over a period of four to five months, often in the form of projects led by Ledstiernan. We expect many more external investments in 2002. Prominent among these investors are Siemens Mobile, the Swedish Industrial Development Fund, MIC (NTT DoCoMo), and Skandia.

As the exit market is currently very slow, we are not actively pursuing any divestments at present. We have the financial resilience to wait for the market to improve, which will hopefully happen in 2003. Nonetheless, there could still be some exits in 2002 if the conditions are right.

Ledstiernan has made relatively extensive cuts in its administrative cost base equivalent to an annual level of MSEK 25. Our organisation, which is concentrated at the Stockholm office, is still strong and consists of a sound mix of investment bankers, technical strategists and entrepreneurs with personal experience of starting and running a company. To this can be added robust industrial and financial networks.

Our focus is on supporting the existing portfolio companies, which involves developing business plans, harmonising the companies and their products with Ledstiernan’s networks, handling manning issues and capital procurement processes.

THE CASE OF I-MODE IN JAPAN



The pattern of I-mode revenue in Japan shows that new services are in demand, and that operators could have considerable interest in integrating and creating incentives to attract external service providers.

The portfolio companies

Ledstiernan continually reviews its attitude towards the portfolio companies. The portfolio consists predominantly of companies that we invest in and actively support, but also includes companies in which, for one reason or another, we have decided no longer to invest. This may be because we have lost confidence in the business concept or because Ledstiernan is a small shareholder with no plans for additional investment. We engage in a continual and open dialogue with our portfolio companies to enable them to plan for the future if and when we decide not to continue our financial support.

2002 will be the important third financial year for many of Ledstiernan's companies. Ledstiernan's strength lies in its wide range of portfolio companies with high potential.

Many of our seed companies have now become recognised companies with a firm footing on their markets, where they have met with a good response and been able to start generating a healthy and promising turnover. The portfolio has matured, and four of the companies have reached breakeven or profit and many more of them have budgeted for breakeven or better in 2002. This is discussed in more detail under "Development of portfolio companies" on page 11.

Future prospects

Our companies are soundly financed. All in all, half of them are fully financed for 2002 or fully financed in accordance with their current business plans. This means that Ledstiernan has provided capital at a phase when follow-up investments in existing portfolio companies will be much lower than in previous years.

The market capitalisation of the venture capital sector declined in 2001, even further, it is believed, than the stock market's technology index. I believe that the healthy performance of our portfolio companies did much to offset the generally bearish trend on the market during the year. I also believe that the market capitalisation of the portfolio companies is well in excess of their book values.

With annual costs of some MSEK 25 we need to successfully divest one small company if we are to generate a profit for the year. This could happen in 2002, but I believe that 2003 and 2004 will be major divestment years for Ledstiernan.

I look forward to the 2002 fiscal year and expect our portfolio companies to make great progress on their respective markets.



Johan Wachtmeister
President & CEO

Ledstiernan's business idea, goals and strategies

Business idea

Our business idea is to generate a high return on equity by investing in companies with development potential selected from a large pool, mainly in mobile communication. We will contribute to their development for two to five years by playing an active role as shareholders, and then exit them, preferably by divestment to an industrial partner, or by a flotation.

Ledstiernan's role is that of an investment trust. We therefore need to generate capital gains in excess of our administrative costs if we are to earn a profit and a positive return for our investors.

Our goals and strategies are:

Goals

Ledstiernan's goals are

- to earn an annual return on invested capital (IRR) that puts us in the upper quartile among ranked venture capital companies in Europe.
- to be the preferred partner for entrepreneurs and for the regular surveys carried out among our portfolio companies to show that we have succeeded in giving them the necessary support.
- to develop the venture capital industry's strongest industrial network in mobile communication and the strongest financial network among "middle capital" investors.
- to maintain a satisfactory level of liquid funds, without needing to raise secured loans.
- to contribute to the favourable development of the market for entrepreneurs and venture capital on our domestic markets.
- to provide consistent and reliable information to shareholders, market analysts and the media.

Strategies

- Focus on the mobile communication sector.
- Selection from the large "deal-flow" that is generated by our strong brand name.
- Proactive approach for identifying investment opportunities in the sectors we have identified as being particularly promising in mobile communication.
- Investment criteria that are systematically adhered to.
- Investment structures and agreements that control risk while creating potential to earn a healthy return.
- Acceptance of co-investments with partners we respect in the sector.
- Development of our companies by means of active ownership.
- Divestments/realisation of value, primarily by means of industrial exits.

- Forging strong links with the leading global players in mobile communication to bring us close to the technological cutting edge and to give the start-up enterprises a chance to benefit from the services offered by the industry and obtain greater exposure towards it.

- Broad, close and early interface of contacts with "middle capital" investors for financing our portfolio companies.

- Extensive internal experience, capacity and competence of employees in:

- corporate management, leadership and enterprise
- strategic technical competence in mobile communications and software development
- investment banking.

In view of the weakness of the market in 2000-2001, Ledstiernan gives priority to financial resilience, and operates in accordance with the following principles:

- Activities with existing portfolio companies have top priority.

- A selective approach towards new investments: In 2001 we invested in three new companies, and a similar number can be expected in 2002.

- Pause for active exit processes, pending a recovery in market conditions for exiting our portfolio companies.

- Lowering of administrative cost base into line with the above conditions. As of 2002, annual administrative costs will amount to approximately MSEK 25.

Adherence to this strategy, which applies until further notice, will mean that Ledstiernan's liquid funds will be adequate until the end of 2004, even without any cash injection.

Active ownership – key aspect of our strategy

We are closely involved in the development of our portfolio companies. We are represented on their boards, and our investment managers work regularly with these companies.

Normally, their boards are small, and they meet from six to twelve times a year. Ledstiernan is represented direct through one of our employees or one of our Founders, in which case he will act as a senior coach to the company's president and entrepreneurs. Ledstiernan is often engaged to find external board members whose experience and networks meet the needs of the company.

Regular contacts are maintained with the companies through our investment managers. This often leads to projects, such as the development of business plans and budgets, customer meetings at which the company is presented to companies within Ledstiernan's industrial network, recruitment, financing, exit processes, and such like.

All of this can be summed up in the term "active ownership". Two aspects are described on page 10: Industrial Network and Financial Network.

One key goal is to create the strongest networks in the industry

Industrial network

Ledstiernan has a very strong network in the mobile communication industry, including operators and infrastructure suppliers. This may be exemplified by Ledstiernan's membership of WIVA (Wireless Internet Venture Association), to which Ledstiernan was elected in 2001. Among the other members are industrial venture capital companies such as Innovacom (France Telecom), Ericsson Innova (Ericsson), MIC (NTT DoCoMo), Fintech (Telecom Italia) and Sonera Venture Partners. The Association provides a gateway for Ledstiernan and our portfolio companies into these organisations, and opportunities to agree on current agendas and priorities direct with the operators.

In November 2001, MIC (Mobile Internet Capital), which is controlled by NTT DoCoMo, arranged an industry meeting in Japan with prominent potential customers for our portfolio companies. They also set up contacts with local system integrators wishing to represent our portfolio companies on the Japanese market. MIC also arranged presentations for around thirty qualified technical investors in Japan. We hope that several of our portfolio companies will start deliveries to the Japanese market. In 2002, MIC will visit Scandinavia together with an industrial delegation.

By becoming a member of this large international sector network, we will be able to make regular presentations of our portfolio companies in different ways to leading players in the mobile communication sector, and give our portfolio companies concrete opportunities for internationalisation. Ledstiernan's Board also enjoy the very strong support of the mobile communication industry.

Financial network

Ledstiernan plays an active part in the projects and processes relating to our companies' financing. We have co-investors in 80 per cent of our portfolio companies, including Telenor Ventures, Telia, Zodiac, Servisen, and 2M Invest. In the fall of 2001, financing was arranged for six companies involving entirely new outside financiers such as Siemens MAC, MIC, Skandia, Scope Venture Capital, and the Swedish Industrial Development Fund. This is a clear sign that the markets appreciate our companies and are willing to take on risk, even when market conditions are difficult. The terms of these six rounds of financing are well in line with our acquisition values, which should be regarded as an indicator of strength. We canvass this financial network of professional investors continuously, and normally each financing is preceded by 20-40 presentations. Ledstiernan and its portfolio companies will benefit greatly from this financial network in the future.

Ledstiernan is also a member of Nordic Venture Alliance (NVA), an alliance of around fifteen leading Nordic venture capital companies, one aim of which is to develop co-operation among these companies. Ledstiernan also has a special relationship, known as GVA, with Telenor Ventures and 2M Invest, out of which have emanated three co-investments.

Ledstiernan recognises the importance of the Finnish market, and we are currently engaged in discussions on the possibility of working more closely with leading Finnish investors.

Development phases of portfolio companies

We have divided our portfolio into a number of development phases with the object of providing an overall picture of how Ledstiernan's portfolio companies and invested capital have developed.

Ledstiernan's portfolio has been built up successively beginning in June 1999. Ledstiernan invests in and develops portfolio companies for a period of two to five years with the object of reaching commercial maturity and profitability. The companies are then sold or floated on the stock market, or, if they are doing badly, wound up.

The rate of development of Ledstiernan's portfolio is illustrated below by means of a status profile of the portfolio, together with the updates that will be regularly made. The classification is not intended to indicate which part of the portfolio has a high or a low market value.

Group 1: (29%)¹

Growth companies (4 in number) that still have not reached the commercialisation phase, i.e. have not yet booked a commercial order. Cash flow is negative and they need financing – often immediately prior to the commercialisation phase. All the companies in this group consist of technical development projects within mobile communication. Theoretically, this section of the portfolio involves the highest risk, but this is an area where external financiers and industrial players show considerable international interest.

Group 2: (27%)¹

Companies (11 of them) that have moved into the commercialisation phase, but that, according to their budgets and business plans, will not achieve a balanced cash flow in 2002, and may need further financing. High risk associated with some projects in this group.

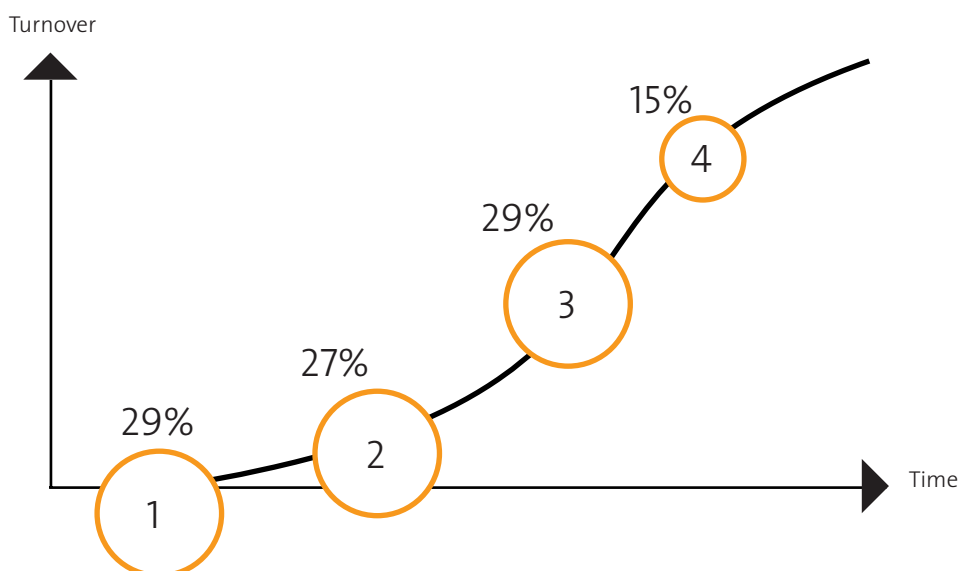
Group 3: (29%)¹

Companies (12) that are in the commercialisation phase and will reach breakeven or a balanced cash flow in 2002, according to their budgets or business plans. About half of them will require further financing. High and low risk in this segment of the portfolio.

Group 4: (15%)¹

Companies (4) that have reached their commercialisation phase and with a balanced cash flow, or earning a profit. Some of them may decide to broaden their business plan to include new markets or product areas, in which case they may require more capital for this purpose. The level of risk is low in this part of the portfolio.

¹ % of invested capital.



Mobility – growing need among individuals and on business market

By mobility we mean the ability to communicate freely from any place and at any time, to access information and to control all our technical aids. For individuals, this is very much a matter of personal efficiency, convenience and entertainment, while corporations wish to introduce mobile communication solutions into their business systems as a means of improving productivity. Surveys show, for instance, that businesses can radically improve their productivity and lower their costs by ensuring that the mobile employees have constant access to information on the company's intranet. The concept of mobility defines our primary investment focus, and includes a number of sub-sectors such as wireless technology, new service platforms or mobile operators and mobile applications for business and individual users.

Genuine user-friendly mobility possible as result of more effective integration of mobile telecommunication and the Internet

On the one hand, we have the Internet with its openness and immense collective creativity, which has developed countless new services, radically restructured value chains, and created entirely new markets. Unfortunately, the Internet has also opened the door to data viruses, manipulation of data, insecure communication and storage.

On the other hand, we have mobile telecommunication, which provides security and access. Even in the case of closed systems, unfortunately, each market is tightly controlled by a few operators and the level of creativity when it comes to new consumer and business services is still low. Mobile telephony, with its steady but decelerating growth, will be complemented in the years to come by a fast growing market for mobile data services. Interfaces and differences between the Internet market and the market for mobile telecommunication will be gradually eroded, and applications, technology, and system architectures will merge. A new open system in which different players can interact efficiently to provide new, valuable services for users will emerge. There will be a process of give and take between operators and service providers to produce systems that function efficiently for all parties.

The mobile operators' dilemma

New data services to provide a return on operators' investments in a new mobile infrastructure need to penetrate the

networks. Mobile operators who are accustomed to only a single service – mobile voice telephony – will not themselves be capable of developing and creating acceptance for all the data services that are needed to make GPRS and especially 3G investments profitable. This will require co-operation with others with an understanding of specific end-user groups, the ability to segment and to market cost-effectively to narrower market segments.

Unique competence in the Nordic region

The Nordic region is recognised throughout the world as the capital of the wireless universe, and known as Wireless Valley. The global crisis in IT and telecom, and the associated personnel cutbacks, have naturally also had short-term effects on our industry; the values of our portfolio companies have fallen, for instance. In the longer term, however, this crisis has created unique opportunities to invest in new and existing companies at very attractive prices, and to strengthen our portfolio by adding unique competence that used to be relatively immobile and reluctant to leave the major enterprises in our sector.

Ledstiernan well positioned for a new spring

Many of Ledstiernan's portfolio companies are already leading market players in the "grey zone" between the Internet and mobile communication, as providers of new applications, with service platforms that make possible cost-efficient co-operation between operators and third-party service providers, with new, lower-cost wireless technologies, with new security solutions that take into account the need for mobility, and with numerous other innovations. When looking for new companies to invest in, we focus on this "grey zone" out of which many new business opportunities will be emerging for many years to come.

We are convinced that we are moving into a new phase of growth and development within IT and telecom, and that the unique competence in mobility - and the opportunities and challenges it presents - possessed by our portfolio companies will make many of our companies winners on the global markets of tomorrow. We will continue to develop our own internal competence and our external networks so that we can provide the best possible support for Nordic entrepreneurs in their efforts to create globally leading enterprises in the mobile communication sector.

Organisation and networks

Some changes were made to Ledstiernan’s organisation in the fall of 2001. The company’s structure is shown in the chart below.

As of fall 2001, Ledstiernan’s Investment Committee, which is chaired by the President, consists of its employed Investment Managers. Formerly, it consisted of the Founders. In connection with this change, the Board rewrote the Investment Committee’s mandate to take decisions on investments where Ledstiernan’s accumulated investment is less than MSEK 30 (formerly MSEK 50). The President has his own investment mandate for decisions up to MSEK 5. The activities of the President and the Investment Committee are controlled by the Board, which also decides on investments in excess of MSEK 30 and on certain central policy matters relating to investments in the portfolio. Reports on all investment decisions made are regularly submitted to the Board. The former concept of Partner no longer exists. The incentive program for Founders (as the partners are now known) in their capacity as members of the boards of portfolio companies has been modified. The previous practise of issuing call options on shares in our portfolio companies on market terms has been cancelled and replaced by a system whereby the Founders are paid fees by the portfolio companies. The maximum cost to Ledstiernan of this system is MSEK 0.7 per year.

During the year, the business was all brought back to the Stockholm office and our local office in London has been closed. Responsibility for contacts with leading venture capital investors in London has been transferred to Stockholm. The office in Helsinki has also been closed, and we are cur-

rently engaged in discussions on joint ventures together with leading Finnish investors, given the importance we attach to the Finnish market.

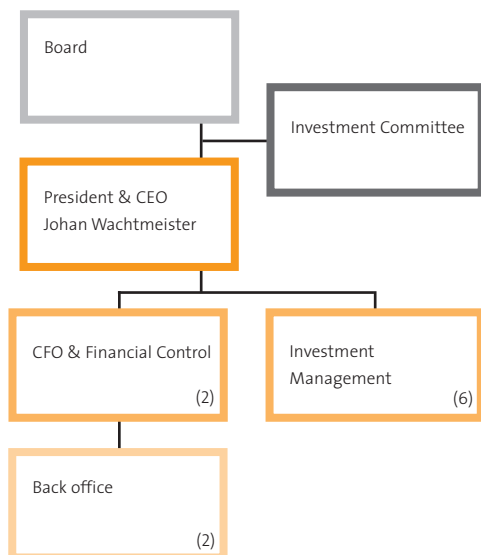
The networks of our Board members, and our financial and industrial networks have been described earlier in this report. A conceptual picture of Ledstiernan’s organisation is provided below.

Our internal organisation consists of the unique mix of individuals and areas of experience that a venture capital company requires:

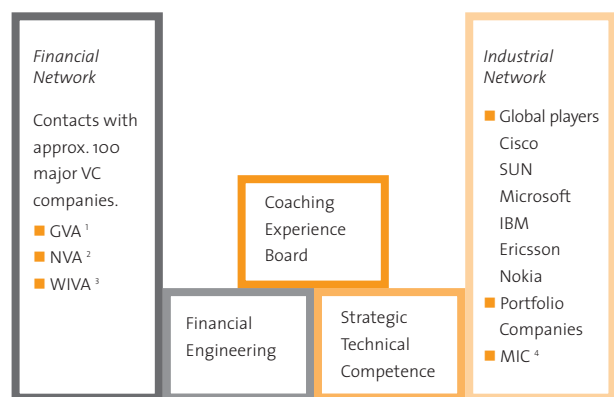
- Technical strategists with in-depth understanding of technical advances and the markets for and distribution of high-tech products in the mobile sector. They also possess experience of Silicon Valley and its vast networks.
- Investment bankers with long experience of investment and exit processes, financing, financial development of businesses and negotiating.
- Entrepreneurs’ who have “done-it-themselves” with decades of experience from the venture capital industry. Individuals who have run their own small businesses and invested successfully on many occasions.
- Our CFO with the back-office, who handle Ledstiernan’s financing and control functions, as well as organising follow-up and reporting from our portfolio companies.

In all there are eleven employees. Add to them the networks of our Board members, and Ledstiernan has at its disposal a knowledge bank that is very powerful in any comparison.

ORGANISATION CHART



CONCEPTUAL PICTURE OF ORGANISATION AND NETWORKS



¹ GVA: Global Venture Alliance
² NVA: Nordic Venture Alliance
³ WIVA: Wireless Internet Venture Association
⁴ MIC: Mobile Internet Capital

Personnel



Johan Wachtmeister
President

Born 1959. Graduate engineer, MBA IMD, President and Partner in Ledstiernan since 1999. Formerly Vice President of seb, head of Corporate Banking in Merchant Banking division, partner in Enskilda Strategy M&A Consulting. Board chairman: Columbitech and The Empire. Board member: Nordic Circle.



Jan Snygg
Investment Manager

Born 1954. Graduate engineer. Responsible for technical investment strategy. Joined the company from Ericsson, Silicon Valley, where he was vice President of Strategies and Business Development, Ericsson Datacom Networks and IP Services. Jan Snygg has considerable experience from Ericsson, both as a technical expert and later as general manager in Internet, broadband and mobile communications. Board chairman: Ticket-Anywhere.



Arne Nabseth
Investment Manager

Born 1963. Graduate economist. Former Senior Manager at KPMG Consulting, Line of Business High Tech, Silicon Valley. Prior to that he built up the Swedish consultants group at PCM Nordic/MAS within IBM and the Group's American company in San Francisco. Arne Nabseth was also formerly head of IT at Philips Norden.



Mikael Solberg
Investment Manager

Born 1962. Mikael is one of the founders of Ledstiernan. Joint owner with Jan Carlzon of the investment company Karl Stockman AB. Founder of Nordic Circle. Board Chairman: Retail and Brands. Board member: Nordic Circle, ipUnplugged, Pronyx, Angelstar, Stiftelsen Compare, etc.



Jonas Lindgren
Investment Manager

Born 1966. Graduate economist. Joined the company from Aros Securities, Corporate Finance. Before that he was a financial analyst at Industrivärden.



Thomas Rosén
Investment Manager

Born 1953. Thomas is one of the founders of Ledstiernan. Formerly sales manager at Electrolux. Founded Montague Företagsleasing and Optimum. Former owner of Scanifastigheter. Board member: Euroflorist, EuroFlower.net, Millennium Media Group and MGN.



Fredrik Linton
Investment Manager

Born 1966. Graduate economist. Fredrik has considerable experience in Corporate Finance from Enskilda Securities, SHB and Orkla Securities. He has also worked with industrial policy at the EU Commission in Brussels.



Britt-Marie Boije
Chief Financial Officer

Born 1952. Britt-Marie Boije joined the company from Sky Park AB, where she was finance director, before which she was administrative director at Next Stop Sweden.



Nina Johanneson
Controller

Born 1973. Nina Johanneson is responsible for accounting and reporting. She joined the company from Cell Network AB, where she worked as a controller and co-ordinator for international operations.



Anna Hammarberg
Administration

Born 1974. Anna Hammarberg is responsible for administration and is the assistant to the President and the Investment Managers.



Ann-Charlotte Björkman
Reception

Born 1951. Responsible for the reception.

Board, founders & auditors

Board

Members

Jan Carlzon

Born 1941. Graduate economist. Hon. LL.D. Partner in Ledstiernan since 1996. Former President and ceo of sas and before that President of Linjeflyg and Vingresor. Joint owner with Mikael Solberg of investment company Karl Stockman av. Chairman of Ledstiernan AB. Board member: Cell Network, Intenia, Merkantidata and E. Öhman J:or. Chairman of the Swedish Lawn Tennis Association and board member of the International Tennis Association.

Shareholding in Ledstiernan: 7,181,791 Series "B" shares

Lars Berg

Born 1947. Graduate economist. Member of the board since 2000. Until July 2000 head of Mannesman AG's telecom operations. Former President of Telia and member of LM Ericsson's group executive. Board member: Telefonica Moviles, Eniro, Carnegie, Schibsted, Ratos, Net Insight and C.Tech/Anoto.

Shareholding in Ledstiernan: 490,000 Series "B" shares

Warrants in Ledstiernan: 100,000

Birgitta Klasén

Born 1949. Graduate engineer. Member of the board since 2000. IT consultant with focus on Europe. Formerly responsible for Pharmacia Corporation's IT activities as Senior Vice President and Chief Information Officer. Prior to that Chief Information Officer with Telia. Before that, various senior positions with IBM. Board member: ipUnplugged, Föreningsparbanken and E.ON Energie bv in Holland.

Shareholding in Ledstiernan: 50,000 Series "B" shares

Warrants in Ledstiernan: 100,000

Tomas Isaksson

Born 1954. Member of the board since 2000. Manager of Vodafone Americas Region, San Francisco. Former President of Europolitan.

Shareholding in Ledstiernan: 0

Warrants in Ledstiernan: 100,000

Kaj-Erik Relander

Born 1962. Graduate economist, MBA. Partner in Accel Partners Ltd. Member of the board since 2000. Former President and ceo of Sonera. Also has experience of venture capital business. Chairman of Printing Network of Europe Oy. Board member: TietoEnator Oy, F-secure Oy, Helmet Capital Fund Management, A-Company, Kreatel AB, Tahoe Networks, Axiomlab and Maxtron Control Oy.

Shareholding in Ledstiernan: 52,400 Series "B" shares

Warrants in Ledstiernan: 100,000

Per Lundberg

Born 1943. Graduate economist. Partner in Ledstiernan since 1998. Former Group Credit Manager and head of Group Risk Control at seb. Previously President and ceo of Göta Bank and President of Förvaltnings AB Providentia. Board member: Billerud and Sophiahemmet (private hospital)(vice chairman). Holds various representative positions and board appointments, including the Stock Market Council and the Institute for Economic History Research at the Stockholm School of Economics.

Shareholding in Ledstiernan: 5,673, 208 Series "B" shares

Olof Stenhammar

Born 1941. Hon. PhD. MA. Partner in Ledstiernan since 1998. Founder and chairman of the OM AB. Chairman of AB Ratos, AB Basen, Hela Programmet International AB, Stiftelsen Mentor Sverige and Olympialaget Våga Vinna AB. Board member: Ljungberggruppen AB, Ekonomi24 AB and the Swedish Sea Rescue Association. Member of sns board of trustees and the Advisory Board of the Stockholm School of Economics.

Shareholding in Ledstiernan: 8,360,432 Series "B" shares

Deputy members

Leif Almstedt

Born 1948. MA. Partner in Ledstiernan since 1994. 1979–1984, President of Alerta, Ericsson Group's counterpurchasing company. 1984–1993, President of Essve Produkter. Carried out MBO of this company in 1984 from the Ericsson group, and floated it in 1988. Active in Switzerland with international assignments.

Shareholding in Ledstiernan: 6,164,354 Series "B" shares

Founders

Leif Almstedt

See Board.

Dag Bjurström

Born 1947. Mining engineer. Partner in Ledstiernan since 1995. Former President of LKAB International and Axel Johanson Resources. Since 1993 he has been a partner in and chairman of RPM Risk & Portfolio Management. Chairman of ESA, European SICAV Alliance and Voice Provider. Board member: Oresa Ventures and Trevis Bank.

Shareholding in Ledstiernan: 6,123,208 Series "B" shares

Jan Carlzon

See Board.

Per Lundberg

See Board.

Hans Risberg

Born 1948. Graduate economist. Partner in Ledstiernan since 1995. Former President of and partner in companies in international trading and distribution. Before that with ITR, Gränges Metallverken and strc. Board member: Euroflorist, EuroFlower.net, Mint, The PhonePages, North Node, Grupo Rodania and RnB.

Shareholding in Ledstiernan: 6,123,211 Series "B" shares

Thomas Rosén

See personnel.

Shareholding in Ledstiernan: 5,973,208 Series "B" shares

Mikael Solberg

See personnel.

Shareholding in Ledstiernan: 7,477,543 Series "B" shares

Olof Stenhammar

See Board.

Dan Walker

Born 1956. Dan is one of the founders of Ledstiernan. Formerly with Enator. Chairman of ccnox. Board member: Roaminfo. Dan left Ledstiernan for other business ventures in the fall of 2001.

Shareholding in Ledstiernan: 6,539,356 Series "B" shares

Auditors

Olof Cederberg

Born 1949. Authorised public accountant. Ernst & Young. Ledstiernan auditor since April 11, 2000.

Bertil Oppenheimer

Born 1950. Authorised public accountant. BDO Feinstein Revision. Ledstiernan auditor since April 11, 2000.

Deputy auditor

Thomas Forslund

Born 1965. Authorised public accountant. Ernst & Young. Ledstiernan deputy auditor since May 14, 2001.

Portfolio holdings

COMPANY	DATE OF ACQUISITION	CURRENT PARTICIPATING INTEREST	ACQUISITION VALUE SHARES	CONVERTIBLE LOANS/ LOANS	TOTAL INVESTMENT	POST-MONEY VALUE ¹⁾
Mobile Communication						
ipUnplugged	January 00	49.7%	72,351	–	72,351	88,466
Incomit	August 00	37.6%	36,775	10,000	46,775	37,600
Mint	May 00	39.5%	45,280	–	45,280	41,300
Nordic Circle	July 99	31.5%	41,399	3,580	44,979	
the PhonePages of Sweden	March 00	35.6%	24,332	–	24,332	42,000
RoamInfo	December 99	45.3%	14,769	500	15,269	12,458
Ambio Tech in Sweden ¹⁾	September 00	25.0%	6,000	6,000	12,000	
Repeatit	March 00	31.9%	11,749	–	11,749	
Columbitech	May 00	14.2%	11,630	–	11,630	
Grupo Rodania	October 00	40.0%	7,650	–	7,650	
TicketAnywhere ¹⁾	December 00	17.2%	7,085	–	7,085	
North Node ¹⁾	May 01	19.4%	5,000	350	5,350	
Voice Provider ¹⁾	November 00	13.0%	3,496	–	3,496	
ShortLink (f d EHS)	May 01	5.3%	1,614	–	1,614	
SUB-TOTAL MOBILE COMMUNICATION			289,130	20,430	309,560	
Media						
Millennium Media Group ²⁾	December 99	19.3%	21,787	700	22,487	
Ekonomi24	April 00	24.6%	13,359	–	13,359	
Infomakers	July 99	46.5%	12,659	–	12,659	
MGON International	February 00	47.0%	10,000	8,000	18,000	
Kamera	May 00/June 01	6.5%	7,800	–	7,800	
SUB-TOTAL MEDIA			65,605	8,700	74,305	

COMPANY	DATE OF ACQUISITION	CURRENT PARTICIPATING INTEREST	ACQUISITION VALUE SHARES	CONVERTIBLE LOANS/ LOANS	TOTAL INVESTMENT	POST-MONEY VALUE ¹⁾
Software						
GoPro Landsteinar Group	April 00	4.3 %	25,217	–	25,217	
Iquity Systems	January 00	2.0 %	9,711	1,269	10,980	
CCNOX	¹⁾ September 00	44.0 %	7,530	–	7,530	
Start and Run	January 00	38.5 %	7,500	1,500	9,000	
Ten Four	March 00	3.8 %	7,432	–	7,432	
InfoAccelerator	June 00	30.0 %	3,000	2,000	5,000	
VS Market	June 00	4.6 %	1,578	–	1,578	
SUB-TOTAL SOFTWARE			61,968	4,769	66,737	
E-business						
B2C/B2B						
FM Fondmarknaden	October 99	18.7 %	20,003	–	20,003	8,000
B2B						
Travis	February 00	11.3 %	14,840	–	14,840	
Euroflower.net	March 00	22.6 %	11,920	610	12,530	
Verktygshuset	¹⁾ November 00	33.3 %	4,000	–	4,000	
Chinsay	April 00	1.5 %	1,485	–	1,485	
SUB TOTAL E-BUSINESS			52,249	610	52,858	
TOTAL ACQUISITION VALUE SHARES AND CONVERTIBLES					503,460	
WRITE-DOWNS IN BOOK VALUES					-144,920	
BOOK VALUE					358,540	

¹⁾ Ledstiernan has issued call options of 5% of its total holdings to the Founders as an incentive.

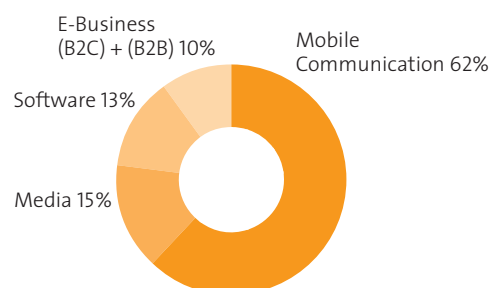
²⁾ Ledstiernan's equity interest will amount to a minimum of 28.5% in the event of conversion on March 31, 2002.

³⁾ Excluding convertible loans.

ACQUISITION VALUE OF PORTFOLIO COMPANIES PER DECEMBER 31, 2001

<i>Acquisition value including loans and convertibles</i>		
Mobile Communication	309,560	62%
Media	74,305	15%
Software	66,737	13%
E-business (B2C) + (B2B)	52,858	10%
TOTAL ACQUISITION VALUE	503,460	100%

ACQUISITION VALUE OF PORTFOLIO COMPANIES BY FOCUS AREA



PORTFOLIO COMPANIES

MOBILE COMMUNICATION
MEDIA
SOFTWARE
E-BUSINESS (B2B)
OTHER INVESTMENTS

Mobile Communication

Ambio Tech

Ambio offers real estate owners a means of improving the efficiency and assuring the quality of their management of their real estate holdings, installations, etc by employing a new technology based on mobile telephony.

Ambio has developed focuz, a real estate management program that gives the user in the field online access to fault reports and management instructions (jobs, extent and instructions) and reports (jobs completed and statistics). Operating personnel and suppliers can communicate with focuz via their mobile telephones and tenants can report faults direct to the system at any time of day or night.

By using focuz, existing customers have saved millions during the past year.

The focuz system is now in use with Norrporten, BodenBo, the Swedish Fortifications Administration and Sweden Post.

► Read more on www.ambio.se

FACTS ABOUT THE COMPANY

EQUITY INTEREST	25.0%
TOTAL INVESTED CAPITAL	MSEK 12.0
PRESIDENT (acting)	Lars Eriksson
FOUNDED	2000
NO. OF EMPLOYEES	4

Columbitech

Columbitech develops and markets software for secure wireless communication of data for the corporate market. Columbitech's products create an infrastructure that provides a unique combination of security with user-friendliness and high-speed transmission. This solves problems in such areas as security, scalability, reliability and performance. The company's latest product, Columbitech Wireless Virtual Private Network, which has been ready since October 2001, can be likened to an encrypted, wireless tunnel through the Internet that makes it unnecessary for users to log on again after an interrupted data transmission. The technique can also be used to automatically connect mobile networks with wireless networks, such as GPRS, 3G, wireless LAN, and Bluetooth. In the event of loss of coverage, the data connection is maintained. Columbitech's solution also provides an entirely new means of compressing data in GPRS by up to 50 per cent, which can substantially reduce costs for corporate users. The product has recently been demonstrated together with SAP and Compaq at Wayne's Coffee in Stockholm, and the company is currently working on a number of pilot installations together with SAP, Compaq and IBM. Columbitech's wireless VPN solution is already covered by two approved patents. Columbitech has previously developed a WAP connection, and applied to patent it, that is connected to the company's web server. This product, the Columbitech Wap Connector, which was launched in 2000, has been sold to several customers including the City of Göteborg, Vattenfall, TeleDanmark, Philips Electronics, and the Surrey Police Dept in Great Britain.

The co-investors include Servisen, T-bolaget and Pelago Ventures.

► Read more on www.colombitech.se

FACTS ABOUT THE COMPANY

EQUITY INTEREST	14.2%
TOTAL INVESTED CAPITAL	MSEK 11.6
PRESIDENT	Pontus Bergdahl
FOUNDED	2000
NO. OF EMPLOYEES	24

Grupo Rodania

Grupo Rodania is an incubator based in Madrid that specialises in supporting start-up enterprises in the earliest phases of their development. Grupo Rodania specialised in mobile communication and wireless applications. Through its incubator Rodania Solutions, the company also supports Scandinavian high-tech companies wishing to launch their proven business model on Spanish and Portuguese speaking markets. A typical company of the type the Grupo Rodania has invested in is Kubi Wireless, Spain's first wireless ISP company.

Grupo Rodania has so far operated with a limited amount of equity. As there has turned out to be great interest among Spanish investors in obtaining exposure to Swedish and Finnish IT and telecom companies, the company is now planning to set up a mutual fund. Its investment focus will be to make parallel investments together with Nordic venture capital companies in the best companies in mobile communication. The fund is expected to be established by the end of 2002.

► Read more on www.gruporodania.com

FACTS ABOUT THE COMPANY

EQUITY INTEREST	40.0%
TOTAL INVESTED CAPITAL	MSEK 7.6
PRESIDENT	Fredrik Groth
FOUNDED	2000
NO. OF EMPLOYEES	3

Incomit

Incomit is developing software products that open up the possibility for mobile Internet and combine Internet and telecommunication. The use of Incomit's platform will markedly reduce the time and cost of developing telecom services, and also allow third-party suppliers to develop telecom services independently of the network operator. The underlying technology supports standards developed within the Parlay/OSA industry forum, in which Incomit plays an active role, partly through its representation on Parlay's board. Parlay is an industrial forum that promotes the development and marketing of technology that enables operators, regardless of software developer and service supplier, to write telecom applications for existing and future networks and network technologies. Incomit is global leader in its niche, and was the first company in the world to offer a product that is available for commercial use. Incomit's products have been tested since last fall by a number of the world's leading telecom operators and ISPs. The company has offices in Karlstad and Stockholm. Incomit also has an industrial alliance with sun Microsystems, which provides support for marketing and international trade shows.

Edouard Mercier, who founded Senit, which was sold to Microsoft in 1999, became a major shareholder in and president of Incomit in December 2001.

► Read more on www.incomit.com

FACTS ABOUT THE COMPANY

EQUITY INTEREST	37.6%
TOTAL INVESTED CAPITAL	MSEK 46.8
PRESIDENT	Edouard Mercier
FOUNDED	2000
NO. OF EMPLOYEES	31

ipUnplugged

ipUnplugged develops, manufactures and markets a new type of network product and systems solution that enables companies to create mobility in and between all types of network – wired, wireless, Internet and mobile telecom, and broadband to the home or corporate networks. This is known as Seamless Roaming.

Seamless Roaming gives users the impression that they are always connected to one and the same network, regardless of place and type of internet connection. The connection is selected automatically with the result that the user always has access to the “best” available networks. Corporate users are the primary target group as they are becoming increasingly mobile in their day-to-day work, and therefore in great need of mobile data communication that can provide secure access to the company’s own networks.

The products, which comprise both hardware and software, consist of Mobile Service Routers (MSR), AAA (Authentication, Authorisation, Accounting) servers, and mobile-client software for Windows ME/2000/XP/PocketPC, and are totally and fully based on open standards for Internet Engineering Task Force (IETF), 3GPP and 3GPP2 (3rd Generation Partnership Projects 1 & 2).

The products and system solution are sold to operators and the corporate market, where the first application of the technique/solution is integration of public WLAN (802.11b) hot-spots with 2.5G/3G (GPRS/UMTS/CDMA2000) mobile systems.

Partnerships have been established with globally leading companies, such as IBM and Solectron, for production, logistics and service (and, to some extent, sales). In the fall, the company successfully raised new capital, with the Swedish Industrial Development Fund and NTT DoCoMo-owned Mobile Internet Capital (MIC) becoming new shareholders. MIC is confident that IpUnplugged’s products have considerable potential on the Japanese market.

► Read more on www.ipunplugged.com

FACTS ABOUT THE COMPANY

EQUITY INTEREST	49.7%
TOTAL INVESTED CAPITAL	MSEK 72.4
PRESIDENT	Magnus Lengdell
FOUNDED	1999
NO. OF EMPLOYEES	45

Mint

Mint is a system for using the mobile telephone like a wallet, or to obtain access to offerings from associated retailers.

The customer, using Mint and the mobile telephone, can shop in conventional outlets or on the Internet, pay parking charges and transfer funds from his account to the accounts of other people affiliated to the system. Mint’s platform for mobile payments has been tested internally and under Mint’s own brand name for almost a year. To achieve the goal of a mobile wallet various loyalty and membership programs will be connected to the platform. Mint co-operates with partners such as the City of Stockholm’s Real Estate, Streets and Traffic Department, and Stockholm Parking. More partnerships will be launched in the spring of 2002. The model for future partnerships is based on Mint having responsibility for the development and operation of the system, while the partner handles marketing and CRM. At present, 7,500 Mint consumers can transact business at around 150 outlets, and pay parking charges for 30,000 parking spaces and 10 garages.

The co-investor is Skandia.

► Read more on www.mint.nu

FACTS ABOUT THE COMPANY

EQUITY INTEREST	39.5%
TOTAL INVESTED CAPITAL	MSEK 45.3
PRESIDENT	Patrik Mossberg
FOUNDED	2000
NO. OF EMPLOYEES	18

Repeatit

Repeatit develops and markets complete systems for radio-based transmission of Internet traffic (wireless broadband). The company’s System 3 rs/3 is quick for the operator to use, can be easily installed by the end-user, and also has low maintenance costs, thanks to license-free broadband transmission. It has three components: Software, Base station and the Client. Software: The rs/3 software helps the administrator to administer users, monitor the network and configure and administer support. rs/3 Base station: This has been developed for outdoor use and, together with the rs/3 Client, creates a wireless link between the home/office and the fixed broadband network. The rs/3 Client is a radio modem that communicates with the base station. The Client, which is connected to the end-user’s computer via USB, is very easy to install. No external source of current is required.

Repeatit’s customers include Norrtälje Energi, Utsikt Katrineholm, Strängnäs Energi and Vallentuna Energi. Repeatit’s products have also aroused considerable interest among other local energy suppliers in Sweden and Norway.

► Read more on www.repeatit.se

FACTS ABOUT THE COMPANY

EQUITY INTEREST	31.9%
TOTAL INVESTED CAPITAL	MSEK 11.7
PRESIDENT	Åsbjörn Frydenlund
FOUNDED	1999
NO. OF EMPLOYEES	7

Nordic Circle

Nordic Circle is the parent company of a group of consulting companies consisting of two wholly owned subsidiaries, Fyrplus and Advisec. Nordic Circle also owns 30 per cent of Nordic Spring Management.

Fyrplus, which is the largest business, is a consulting company with competence in systems development in radio and communications, critical real time systems, simulators and embedded systems. Nordic Spring Management provides consulting services in management and strategy, and Advisec provides technical consulting services in IT security.

During the year, Nordic Circle/Fyrplus was awarded a contract by Astra-Zeneca to develop a solution for authentication with electronic signatures. Another important contract was signed with the Swedish Postal & Telecom Agency (PTS) for evaluating license applications for fixed ground coverage radio; this contract involved several companies within Nordic Circle.

Nordic Circle noted strong pro forma profitability for 2001, and 2002 has also begun on a strong note.

Co-investors in the company include Zodiac Venture Capital.

► Read more on www.nordiccircle.com

FACTS ABOUT THE COMPANY

EQUITY INTEREST	31.5%
TOTAL INVESTED CAPITAL	MSEK 45.0
PRESIDENT	Lennart Olsson
FOUNDED	1999
NO. OF EMPLOYEES	22

RoamInfo

Roaminfo develops and markets personalised mobile information and communication services that are specifically designed for business travellers. Roaminfo also offers mobile Internet connections at very cheap local tariffs through another product known as Roam Connect.

Roaminfo sells its products to the corporate market via partners such as Europolitan/Vodafone, Zed for Business and Dustin. During the year, Roaminfo successfully tested its products together with several partners, among them SAS.

The co-investor in Roaminfo is the Swedish Industrial Development Fund.

► Read more on www.roaminfo.com

FACTS ABOUT THE COMPANY

EQUITY INTEREST	45.3%
TOTAL INVESTED CAPITAL	MSEK 15.5
PRESIDENT	Jörgen Hallin
FOUNDED	1999
NO. OF EMPLOYEES	14

North Node

North Node develops products for safer living, more cost-effective real estate management, and more efficient use of electricity, water and heating. North Node's products include everything from units in the home to the brightHome™ control program. The company's revenue comes from software licenses and hardware sales.

The basic brightHome™ package offers real estate owners individual meter reading of electricity, water and heat, monitoring of the building's fire alarm system, message handling, etc. An add-on feature for energy suppliers is a remote electricity meter reading function and load control, while other service providers can use the infrastructure to deliver services such as apartment alarms and home care services.

The units in the home are a base unit, which is connected to all components in the apartment or premises, and handles communication with brightHome™, and a display unit, which is a simple, all-purpose interface, where the occupier or tenant can collect messages or book times in the laundry.

The largest installations are in Örebro and Karlstad. New systems are being installed at the National Hospital in Norway, and at Byggnads AB Mimer and JM in Västerås, Sweden. North Node operates through partners and distributors such as ABB, Skanska, NCC, JM Bygg and Bravida. The company has orders in hand from Sweden and Norway primarily, with enquiries and tenders from elsewhere in Europe, Asia and the USA, where discussions are also being held with interested retailers and installation contractors.

The co-investor in North Node is Telenor Ventures.

► Read more on www.northnode.se

FACTS ABOUT THE COMPANY

EQUITY INTEREST	19.4%
TOTAL INVESTED CAPITAL	MSEK 5.4
PRESIDENT	Anders Tollsten
FOUNDED	1999
NO. OF EMPLOYEES	14

ShortLink (formerly EHS)

Shortlink develops and sells ASIC (Application Specific Integrated Circuit) and soc-based (System-on-a-Chip) solutions for short wave radio communication with a focus on extremely low electricity consumption and high sound quality. EHS has developed a proprietary concept named ShortLink, which is optimised for sound (voice and music) and the transmission of data at low to medium-high transmission speeds. In terms of functionality, the concept is like Bluetooth, but it has much lower electricity consumption than Bluetooth and better sound quality.

ShortLink has its origins in a consulting company, in which capacity it designed the electronics for numerous applications, such as headphones and hearing protectors, for customers such as Ericsson, 3M, GN Netcom and Sordin. As a production company, ShortLink has developed a second generation product, ShortLink II. With only modest marketing input, this product has aroused considerable interest on the market.

The co-investor in ShortLink is Mobile Garden (owned by Skandia).

► Read more on www.ehs.se

FACTS ABOUT THE COMPANY

EQUITY INTEREST	5.1%
TOTAL INVESTED CAPITAL	MSEK 3.6
PRESIDENT	Börje Gustafsson
FOUNDED	1995
NO. OF EMPLOYEES	11

the PhonePages

The PhonePages develops, markets and sells systems that make it possible to add pictures to an ordinary phone call, known as PhonePages. Phonepages are web sites that are linked to the phone number and that can be displayed on mobile telephones in a variety of formats (WAP, Pocketpc or I-mode). The company sells two system solutions. The operator solution provides data traffic on 2.5G and 3G networks and also gives the end user an attractive service. The wvrs (Wireless Yellow Pages System) directory system offers the directory publisher a new marketing channel and source of revenue. The company co-operates with Siemens, Ericsson and icl Invia on marketing and retailing of its solutions.

Siemens Mobile Acceleration has invested in the company and further guarantees have been provided by Skanditek. The PhonePages concept is unique and the company has a number of patents to protect its technology.

▶ Read more on www.thephonepages.com

FACTS ABOUT THE COMPANY

EQUITY INTEREST	35.6%
TOTAL INVESTED CAPITAL	MSEK 24.3
PRESIDENT	Carina Dreifelt
FOUNDED	2000
NO. OF EMPLOYEES	14

TicketAnywhere

TicketAnywhere markets and sells a proprietary platform for the distribution and control of documents of value. The platform offers the issuer of such documents - tickets, coupons and vouchers - fully automated, paperless and cost-effective handling to replace the cumbersome and expensive methods in current use. Using TicketAnywhere's system, ticket issuers can offer their customers a facility, regardless of time and place, to buy and use tickets with the aid of their mobile phones. This ticket solution can be used for cinemas, air travel, trains, ships, trade fairs and concerts, for instance.

Using the same platform, TicketAnywhere has also developed a solution that can be used for gift vouchers, luncheon vouchers, bridge or road tolls, and car washes, for example.

The company's ticket customers include Sandrews, Sollentuna Mässan, the Öresund Bridge, and its coupon and voucher customers include Telia Fördel, Telia Retail, Euroflorist, and AMC Cinemas.

The co-investor is Telia AB.

▶ Read more on www.ticketanywhere.se

FACTS ABOUT THE COMPANY

ÄEQUITY INTEREST	17.2%
TOTAL INVESTED CAPITAL	MSEK 2.1
PRESIDENT	Patrik Wahlström
FOUNDED	1999
NO. OF EMPLOYEES	7

Voice Provider

Voice Provider is an Application Service Provider (ASP) in the field of voice-controlled, telephony-based services. Voice Provider designs, develops, tests and evaluates voice-controlled services and handles operation and support. The target group includes companies and organisations wishing to improve their communication with customers by complementing their manual customer service with a telephony-based, voice-controlled interface. Voice Provider's accumulated experience and competence make it one of the best qualified groups in Sweden at present within the field of voice-controlled services. Recently, Voice Provider has signed a number of valuable reference contracts with Swebus, Svenska Spel, NordNet, etc. Voice Provider and sas's IT company Scandinavian IT Group (SIG) have signed an agreement for co-provision of voice-controlled services in the Nordic region. This grouping will be the leading Nordic provider of these services.

Among Ledstiernan's co-investors are Telenor Ventures.

▶ Read more on www.voiceprovider.com

FACTS ABOUT THE COMPANY

EQUITY INTEREST	13.0%
TOTAL INVESTED CAPITAL	MSEK 3.5
PRESIDENT	Bengt Persson
FOUNDED	2000
NO. OF EMPLOYEES	9

Media

Ekonomi24

Ekonomi24 is an online business magazine that focuses on the stock market and business news. The editorial staff produce their own news, interviews, comments and analyses regularly throughout the day. The site was launched in September 2000 and within a year was receiving more than 100,000 visits per day, and 160,000 unique visitors, which made Ekonomi24 Sweden's second largest business news site. In November the quality of Ekonomi24's journalism was confirmed when the company was awarded Bonniers' journalism prize in the New Media class. So far, the revenue has mainly been generated from advertising, but it is believed that subscriptions will soon account for the greater part of the revenue. On December 10, Ekonomi24 launched a payment service. During the first week, subscriptions corresponding to 4,000 users were taken out, and the flow of new subscribers has continued at a high level. Sweden's leading banks and brokerage houses were among the first to subscribe.

Co-investors: Next Gear/Purpose.

▶ Read more on www.ekonomi24.se

FACTS ABOUT THE COMPANY

EQUITY INTEREST	24.6%
TOTAL INVESTED CAPITAL	MSEK 13.4
PRESIDENT	Thomas Peterssohn
FOUNDED	2000
NO. OF EMPLOYEES	15

Infomakers

Infomakers develops and manages interactive media channels in the form of customer-oriented TV, radio and Internet services. Infomakers' unique service platform enables it to support chain stores, banks, and other chain companies to communicate more effectively with their customers, as a means of providing better service and more targeted, customised offers.

Infomakers is the leading company in its sector, with more than 2,200 customer terminals installed in Scandinavia with such customers as ICA, SEB, SJ, Sweden Post, Europolitan/Vodafone and Nordbanken. Infomakers has now begun to market and sell its solution, with its core of proprietary software, on selected European markets together with partners such as IBM, NCR and Wincor Nixdorf.

▶ Read more on www.infomakers.se

FACTS ABOUT THE COMPANY

EQUITY INTEREST	46.5%
TOTAL INVESTED CAPITAL	MSEK 32.7
PRESIDENT	Klaus Gottwald (from February 2002)
FOUNDED	1996
NO. OF EMPLOYEES	26

MGON

MGON has developed and runs one of the most popular online entertainment channels in the computer games segment on the Internet. The site offers visitors with an interest in games the latest products on the games market, reviews, chat-groups and "team-building" facilities. Recently MGON, as the result of a unique partnership with Telia International Carrier, also launched eSports, which offers attractive competitions and challenges. The focus is mainly on network games, i.e. games that are played competitively on the Internet. The eSports service was introduced in December, initially in Sweden, and will be expanded into Europe and North America during the first quarter of 2002. MGON also offers advertising and e-business sites directed towards specific audiences. Advertising/campaigns are sold either by MGON itself or through its partners.

The number of visitors has grown markedly to more than two million unique visitors and MGON's site now has more than two million unique visitors per month. In 2001, agreements were reached with Lunarstorm, Daydream and Fragzone. In February, payment became a required condition for full access to the SIMS site. Visitors are ready to pay and revenues amounted to SEK 400,000 during the first three weeks.

▶ Read more on www.mgon.com

FACTS ABOUT THE COMPANY

EQUITY INTEREST	47%
TOTAL INVESTED CAPITAL	MSEK 15.0
PRESIDENT	Jan Isacsson
FOUNDED	1999
NO. OF EMPLOYEES	21

MMG

MMG is a media company with its focus on the Nordic and Baltic markets. Since it was started in 1998, MMG has developed four lines of business: NonStop Television develops digital TV concepts in co-operation with international partners for establishment in the Nordic region.

- NonStop Online develops and runs online activities to complement the digital TV channels.
- NonStop Entertainment acquires and distributes film and TV rights on the Nordic and Baltic markets.
- NonStop Sales concentrates on the sale of Nordic film and TV rights on the international market and represents some 700 films for distribution in established and new media.

In 2000, MMG launched the E! TV channel, and the E!online entertainment site in Sweden, Denmark, Norway and Finland. In 2001, the Style TV channel was launched in the same countries. MMG plans to launch two more TV channels in 2002, and foresees further strong growth for the established lines of business. The largest of these, Non Stop Entertainment, reports a profit for 2001.

Co-investors: T-bolaget.

▶ Read more on www.millenniumgroup.se

FACTS ABOUT THE COMPANY

EQUITY INTEREST	19.3%
TOTAL INVESTED CAPITAL	MSEK 22.5
PRESIDENT	CG Anderson
VICE PRESIDENT	Ignas Scheyniut
FOUNDED	1998
NO. OF EMPLOYEES	16

Software

CCNOX

ccnox is a consultant in information security. The company's goal is to become the leading player in information security in digital environments. ccnox focuses on needs analysis and the design of security systems for complex environments, Internet security and management systems for information security. The company also provides training in security through its ccnox Academy. ccnox's main strength is this particular combination of strategic and technical competence. ccnox is an independent company and not tied to any individual supplier or product, which guarantees that each client obtains a customised security solution. ccnox has customers in both the new and the old economies with the emphasis on large international enterprises. In 2001, ccnox built up its organisation and established a high quality customer base as well as bringing the business into profit.

▶ Read more on www.ccnox.com

FACTS ABOUT THE COMPANY

EQUITY INTEREST	44.0%
TOTAL INVESTED CAPITAL	MSEK 7.5
PRESIDENT	Emil Gullers
FOUNDED	2000
NO. OF EMPLOYEES	16

InfoAccelerator

InfoAccelerator has established InfoArena, the market leading network service that enables small and large enterprises to co-operate effectively online in connection with joint product development projects, for example. By company leading software and hardware in the service platform together with unique competence in 3D visualisation, InfoAccelerator is developing and providing a service that makes it possible to integrate customers' existing CAD, product data and business systems. Also via the service platform, hitherto inaccessible and abstract data, such as that in in-house development departments, sub-contractors, and so on, can be integrated and displayed early in the development process as animated three dimensional prototypes. This saves customers a great deal of expense and improves the speed and efficiency of the product development process. The company has quite a few customers and expects its real market breakthrough in 2002.

▶ Read more on www.infoaccelerator.com

FACTS ABOUT THE COMPANY

EQUITY INTEREST	30.0%
TOTAL INVESTED CAPITAL	MSEK 5.0
PRESIDENT	Peter Wallin
FOUNDED	2000
NO. OF EMPLOYEES	10

Start and Run

Start and Run is a complete virtual office for small enterprises. It contains all the tools and information needed to start and run a company, including bookkeeping and invoicing tools, contact register and calendar. Start and Run has about a dozen independent sources of income that finance the services provided free for users. To supplement the fixed fees paid by the company's partners and other players, Start and Run has also begun to rent out the tools available at the work-place. Start and Run currently has around 15 partners, including Microsoft, KPMG and Förenings-Sparbanken.

▶ Read more on www.startandrun.com

FACTS ABOUT THE COMPANY

EQUITY INTEREST	38.5%
TOTAL INVESTED CAPITAL	MSEK 9.0
PRESIDENT	Leif Billion
FOUNDED	1996
NO. OF EMPLOYEES	2

E-business (B2B)

Euroflower.net

EuroFlower.net has continued with its plans to build up an online B2B market place for florists based on its unique system for doing business without intermediaries. Florists in Sweden, Denmark and England can already use the Euroflower.net system, and several more countries will soon be able to do so.

Euroflower.net's business idea is to organise and administer an online market place (B2B) for florists where growers and retailers can communicate direct. With an efficient packaging centre and logistics, deliveries to retailers can be made within 48 hours, or up to four times faster than via conventional channels. Euroflower.net has well established relations with EuroFlorist and ti, which together reach some 70,000 florists around the world. The company also has a close relationship with vBA in Holland, which accounts for some 40 per cent of all flower production in the world. In 2001, Euroflower.net expanded its activities in Sweden, Holland, Denmark and Great Britain. The number of affiliated florists and sales have increased markedly.

Euroflower.net reached breakeven in September 2001, and its profitable growth is continuing.

► Read more on www.euroflower.net

FACTS ABOUT THE COMPANY

EQUITY INTEREST	22.6%
TOTAL INVESTED CAPITAL	MSEK 12.5
PRESIDENT	Ulf Hagman
FOUNDED	1998
NO. OF EMPLOYEES	12

FM Fondmarknaden¹⁾

MFEX, Mutual Funds Exchange provides a trading and information platform for financial players within the EU, such as SalusAnsvar AB, SNS Reaal in Holland, and its own market place Fondmarknaden.se. At present, the platform offers online trading in more than 2,000 funds managed by 70 Swedish and foreign mutual fund companies. MFEX also provides information and ratings on all the funds on the market for media players, including Svenska Dagbladet and Standard & Poor's. The MFEX™ and Fondmarknaden.se brand names are owned by FM Fondmarknaden AB. The main business, MFEX, reached breakeven in 2001. FM Fondmarknaden AB has a licence to engage in securities activities within the EU and in pension investment in Sweden.

In the autumn of 2001, Fondmarknaden received additional financing from Scope Venture Capital via an issue in which Ledstjärnan also participated.

¹⁾ Fondmarknaden.se's business is B2C.

► Read more on www.fondmarknaden.se

FACTS ABOUT THE COMPANY

EQUITY INTEREST	18.7%
TOTAL INVESTED CAPITAL	MSEK 20.0
PRESIDENT	Stellan Forsberg
FOUNDED	1999
NO. OF EMPLOYEES	13

Verktgshuset (formerly Tools4use)

Verktgshuset is an online store selling tools, electrical machines, working apparel, and industrial supplies from the leading suppliers on the market. The store's primary target group is small and medium-sized firms. Verktgshuset.se's goal is to become one of the largest suppliers on the market by offering an extensive range of high quality products at the lowest price on the market.

In May, the company entered into a logistics and product procurement agreement, which enables it to deliver more than 15,000 articles from stock to customer within 24 hours. The Internet store was ready to open in September and pilot customer tests took place between October and December. The company booked its first commercial order in December.

► Read more on www.verktgshuset.se

FACTS ABOUT THE COMPANY

EQUITY INTEREST	33.3%
TOTAL INVESTED CAPITAL	MSEK 4.0
PRESIDENT	Bengt Svängård
FOUNDED	2000
NO. OF EMPLOYEES	2

Other investments

Chinsay

Chinsay has developed a system for bulk and other freight contracts on the Internet.

Ledstiernan's interest in the company is 1.5 %.

▶ Read more on www.chinsay.com

TenFour

TenFour is a consulting company that designs and implements secure and effective e-mail solutions.

Ledstiernan's interest in the company is 3.8 %.

▶ Read more on www.tenfour.com

GoPro Landsteinar

GoPro Landsteinar Group develops, sells and implements standardised e-business systems based on Navision/Damgaard, group software solutions based on Lotus Domino and Microsoft, and portals based on IBM WebSphere. The company has some 400 employees.

Ledstiernan's interest in the company is 4.3 %.

▶ Read more on www.goprogroup.com

Travis

Travis is an independent European supplier of online travel bookings via its highly specialised business travel portal on the Internet.

Ledstiernan's interest in the company is 11.32 % (will be reduced to 3.9 % at the beginning of 2002).

▶ Read more on www.travis.com

Iquity Systems

Iquity Systems is a leading player in mobile media solutions. The company's unique software platform, Iquity Mobile Media Suite™, enables mobile operators to offer subscribers subsidised telecom services in return for listening to short advertising messages.

Ledstiernan's interest in the company is 2.0 %.

▶ Read more on www.iquity.com

AB VS Market

VS Market has developed a new type of online game focusing on share prices on some of the world's leading stock markets.

Ledstiernan's interest in the company is 4.6 %.

▶ Read more on www.vsmarket.com

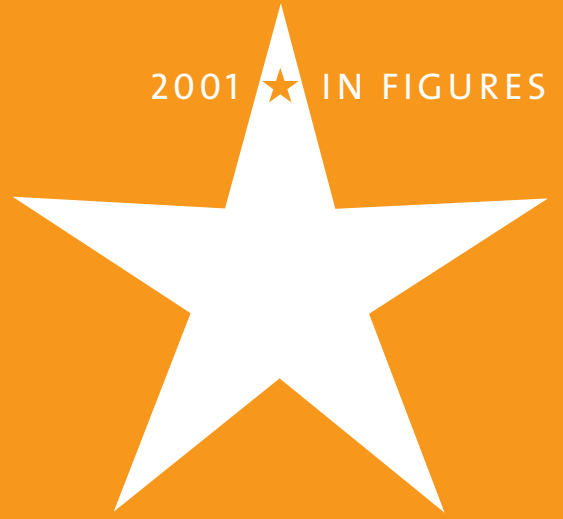
Kamera

Kamera supplies media applications, platforms and customised solutions for new and traditional media organisations and companies active in the media sector.

Ledstiernan's interest in the company is 6.5 %.

▶ Read more on www.kamera.se

2001 ★ IN FIGURES



Report of the directors

The Board and the President of Ledstiernan AB (publ) herewith submit the following annual report for the 2001 fiscal year.

Report of the directors

Results

Ledstiernan's business is based on the investment and sale of shares and other holdings in portfolio companies. Ledstiernan is now entering its third fiscal year, when the majority of the companies will have moved into their commercialisation phase and some have reached, or expect to reach breakeven. As more of the companies develop and become ready for divestment, capital gains are expected to be a significant item in the future. However, Ledstiernan's operating income will fluctuate depending on when and how the various portfolio companies are exited.

Ledstiernan incurred a loss of MSEK 197 after financial net for the period. This includes write-downs of MSEK 160 in the value of portfolio companies as Ledstiernan considers that the market value of some holdings is below their acquisition value. Six companies were either divested or wound up during the year, with Digital Mobility Ltd causing Ledstiernan the largest individual loss, of MSEK 74. This amount is included in the above-mentioned write-downs. The other companies that have been divested or wound up at a loss are Avisator AB, Infonation AB and Linkpool AB, upon which a total loss of MSEK 45 was incurred, of which MSEK 41 is included in the above write-downs. Cellpoint, which is listed on Nasdaq, has been sold for a small loss (MSEK 0.1). Mobile Garden has been sold to Skandia for a book profit of MSEK 1.7.

Liquid funds and financial position

Ledstiernan has a strong financial position. Liquid funds, including short-term placements with durations of no longer than three months amounted to MSEK 227.4 at December 31, 2001. There were no interest-bearing liabilities at the end of either 2000 or 2001. The liquid funds are estimated to last until the end of 2004 given the current administrative cost base of some MSEK 25 per year, and not taking revenue from exits into account. Closing equity amounted to MSEK 581 (778). The company's year-end equity ratio was 98 per cent (96).

Financial risks

Interest rate risk

Ledstiernan's closing liquid funds amounted to MSEK 227.4, of which MSEK 188.6 consisted of placements in commercial paper paying a fixed rate of interest and with durations of between one and three months, and MSEK 38.8 of money at the bank. The interest rate received on the liquid placements in 2001 varied between 3.8 and 4.1 per cent, depending on duration and amount.

Counterparty risk

The company's liquid funds are only placed in liquid assets with a low credit risk, mainly highly rated deposit certificates and commercial papers issued by banks.

Currency risk

Apart from a couple of foreign investments, Ledstiernan has no exposure to currency risks. However, the weakness of the krona has pushed up administrative costs in London and Helsinki by some MSEK 0.5 above budget.

Investments and exits

Follow-up investments in existing portfolio companies amounted to MSEK 200 in 2001. Total investments of MSEK 10 were made in three new companies. Ledstiernan had interests in 31 portfolio companies at the year-end, representing a total investment of MSEK 503. At the year-end, Ledstiernan had approved follow-up investments for an amount of MSEK 15 in existing portfolio companies, which had not been disbursed by December 31, 2001. Over and above this, there were no other commitments. Follow-up investments in the existing portfolio will decline significantly in the future in relation to earlier years.

Organisation

A number of measures have been taken which reduced administrative costs during the year to a total budgeted level of some MSEK 25 for 2002, mainly as a result of concentrating the business at the Stockholm office. The number of employees at the end of the year was eleven. The office in London and the branch office in Helsinki were closed during the year. The Founders continue to be available to Ledstiernan but draw no salaries. In future, individual agreements will be signed with the Founders on cash compensation for input on behalf of portfolio companies. The maximum total cost of this new arrangement will be MSEK 0.7 per year. In connection with this, the incentive program giving the Founders the right and obligation to acquire call options on five per cent of Ledstiernan's holdings in portfolio companies has been cancelled.

The Founder's obligations regarding private investments and outside employment, which were described in the flotation prospectus, will thus formally cease to apply as of February 2003. Following a decision by the Board, the Founders are no longer members of the Investment Committee, which will now consist instead of all of Ledstiernan's Investment Managers, the CFO and the President (Chairman). The level for decisions on investments in portfolio companies has thus been lowered from MSEK 50 to MSEK 30, above which level decisions shall be made by Ledstiernan's Board.

Incentive program

In order to create incentive for the employees at a time when market conditions are difficult, and to stimulate exceptional effort, the Board of Ledstiernan AB has decided to introduce a bonus program for the employees. The bonus will be ten per cent of the income above a return of ten per cent on equity; there will be a cumulative effect whereby years of loss will be netted off against years of profit. The maximum annual bonus is four times the year's payroll expense. The plan will come into effect as of 2002.

In June 2001, the Founders and Skandia issued a total of 995,000 call options to the employees. They may be exercised in 2004 at a price of SEK 20, and they are priced on market terms.

Tax status

Ledstiernan has applied for an advance decision on its application to be classed as an investment trust for tax purposes. If this is favourable, capital gains on sales of shares will not be liable to tax, and capital losses will not be deductible in the company's tax return. Ledstiernan will instead be taxed at a standard rate of 1.5 per cent of its net asset value. The application was rejected in the early summer. However, the company has appealed against this decision to the Supreme Administrative Court. As a new company tax law is due soon, this will, however, obviate the need for investment trust status. The report (SOU 2000:11) of the commission of enquiry proposes that capital gains on unlisted shares that are owned as part of the business should be tax free. The proposals are expected to be tabled as a parliamentary bill in March 2002 and enacted in the fall, with the new act coming into effect in 2003. By December 31, 2001, Ledstiernan had accumulated loss allowances of some MSEK 255.

Significant events after year-end

Follow-up investments in portfolio companies of MSEK 9.7 had been made between the year-end and February 2002.

Board

Experience and international contact networks, especially in IT, telecom and mobile communication, are of great importance for a listed venture capital company such as Ledstiernan, whose focus is on mobile communication, as is experience of company management within listed companies. Ledstiernan's Board collectively possesses considerable experience in these areas. The composition of the Board, the past experience of its members, their main type of employment, and other major board appointments, and shareholdings in Ledstiernan are presented on page 15.

Ledstiernan's Board held eleven meetings in 2001. Permanent items on the agenda include reviewing the progress of the portfolio companies, and the liquidity and financial position of the company. The Board has become more closely involved in investment decisions since the level requiring a board decision was lowered to MSEK 30. Minutes of meetings of the Investment Committee, which are held weekly, are submitted to the Board regularly during the year. All investment decisions are minuted. Ledstiernan's Investment Policy, Financing Policy, Communication Policy, Procedures for the Board and the President are re-adopted each year. During the year, a decision was made to modify the composition of the Investment Committee. (See above under Organisation.)

The auditors report annually at a meeting of the Board on their observations from their audit.

Future outlook

All in all, Ledstiernan's portfolio has developed favourably during the year. As more and more of the portfolio companies are expected to be able to stand on their own feet in the future, without the need for further venture capital from Ledstiernan, follow-up investments in portfolio companies will be significantly lower in 2002 compared to 2001. Despite the positive development of our portfolio companies at operative level, we foresee a slight decline in their market capitalisation during the current year. However, our considered opinion is that the market value of the portfolio is well in excess of its book value. Ledstiernan's view is that in 2002 we will be able to report further marketing successes by many of our portfolio companies since the portfolio, on average, is now into its third year. However, Ledstiernan does not foresee any major exits before 2003 and 2004. Ledstiernan is willing to wind up projects that are seriously underperforming.

We believe that Ledstiernan's industrial and financial networks are the best in the venture capital industry. Given Ledstiernan's current strong financial position, the company and the entrepreneurs it supports can await the right occasion to divest or float portfolio companies.

Proposed treatment of unappropriated earnings

At the disposal of the Annual General Meeting are:

- Retained earnings (SEK)	362,878,508
- Net loss for the year (SEK)	-197,384,987
TOTAL (SEK)	165,493,521

The Board and the President propose that the unappropriated earnings at the disposal of the Annual General Meeting be carried forward into the new account.

Further information concerning the company's results and its financial position is provided in the following financial statements.

Stockholm, February 27, 2002

Jan Carlzon
Chairman

Lars Berg

Tomas Isaksson

Birgitta Klasén

Johan Wachtmeister
President & CEO

Per Lundberg

Kaj-Erik Relander

Olof Stenhammar

Our audit report was submitted on March 4, 2002

Olof Cederberg
Authorised public accountant
Ernst & Young AB

Bertil Oppenheimer
Authorised public accountant
BDO Feinstein Revision AB

Income statement

Amounts in SEK thousand	Notes	2001	2000
RESULT PORTFOLIO HOLDINGS			
Capital gains on exits		1,720	5,120
Capital losses on exits		-4,064	-
Write-downs in asset values		-160,000	-120,000
Total result portfolio holdings		-162,344	-114,880
OTHER EXPENSE			
Administrative expense	2, 3, 4	-53,781	-38,679
OPERATING LOSS		-216,125	-153,559
Divestment of subsidiaries	5	-	-30,432
Interest revenue and similar income statement items	6	18,747	11,955
Interest expense and similar income statement items		-7	-321
LOSS BEFORE TAX		-197,385	-172,357
Tax	7	0	0
NET LOSS FOR THE YEAR		-197,385	-172,357
Loss per share ¹⁾ SEK		-1.81	-1.75
Average no. of shares		108,954,383	98,561,107
No. of shares at year-end		108,954,383	108,954,383

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

Balance sheet

Amounts in SEK thousand	Notes	011231	001231
ASSETS			
FIXED ASSETS			
Tangible fixed assets			
Equipment	8	2,605	2,360
TOTAL TANGIBLE FIXED ASSETS		2,605	2,360
FINANCIAL FIXED ASSETS			
Interests in associate companies	9 10	252,954	219,836
Receivable from associate companies		22,918	25,018
Other long-term holdings of securities	11	81,615	80,271
Other long-term receivables		1,053	6,680
TOTAL FINANCIAL FIXED ASSETS		358,540	331,805
TOTAL FIXED ASSETS		361,145	334,165
CURRENT ASSETS			
Current receivables			
Other current receivables		959	10,848
Prepaid expense and accrued revenue	12	3,516	4,467
Total current receivables		4,475	15,315
Short-term placements			
– Commercial paper		188,571	199,486
Cash and bank		38,866	260,878
TOTAL CURRENT ASSETS		231,912	475,679
TOTAL ASSETS		593,057	809,844

Balance sheet

Amounts in SEK thousand	Notes	011231	001231
EQUITY AND LIABILITIES			
EQUITY			
	13		
Restricted equity			
Share capital		32,686	32,686
Share premium reserve		382,760	882,760
Total restricted equity		415,446	915,446
Non-restricted equity			
Retained earnings		362,879	35,005
Net loss for the year		-197,385	-172,357
Total non-restricted equity		165,494	-137,352
TOTAL EQUITY		580,940	778,094
CURRENT LIABILITIES			
Liabilities to suppliers		1,282	3,609
Other current liabilities		1,623	24,287
Accrued expenses	14	9,212	3,854
TOTAL CURRENT LIABILITIES		12,117	31,750
TOTAL EQUITY AND LIABILITIES		593,057	809,844
MEMORANDUM ITEMS			
Pledged assets		–	–
Contingent liabilities			
Follow-up investment commitments	15	15,000	65,827

Cash flow analysis

Amounts in SEK thousand	Notes	2001	2000
CURRENT OPERATIONS			
Loss after financial net		-197,385	-172,357
Adjustment for items not included in cash flow	16	167,815	147,156
Cash flow from current operations before change in working capital		-29,570	-25,201
CASH FLOW FROM CHANGE IN WORKING CAPITAL			
Increase/decrease in current receivables		11,240	-13,186
Increase/decrease in current liabilities		-4,017	5,301
CASH FLOW FROM CURRENT OPERATIONS		-22,347	-33,086
INVESTMENT ACTIVITIES			
Acquisition of tangible fixed assets		-1,085	-1,925
Acquisition of associate companies		-180,795	-243,413
Acquisition of other shares and participations		-35,652	-115,134
Sale of associate companies		6,720	-
Sale of other shares and participations		232	18,679
Sale of subsidiaries		-	-26,900
CASH FLOW FROM INVESTMENT ACTIVITIES		-210,580	-368,693
FINANCING ACTIVITIES			
Shareholder contribution		0	162,420
Share issue and issue of warrants		0	651,662
CASH FLOW FROM FINANCING ACTIVITIES		0	814,082
NET CASH FLOW FOR THE YEAR		-232,927	412,303
Opening liquid funds		460,364	48,061
CLOSING LIQUID FUNDS		227,437	460,364

Accounting principles

Accounting and valuation principles

Ledstiernan's accounts are made up in accordance with the Swedish Financial Accounting Standards Council's recommendations and generally accepted accounting practice in Sweden.

Short-term placements

Placements of liquid funds in securities are stated as short-term placements in the balance sheet. Short-term fixed-income placements are valued at acquisition value including accrued interest at the closing date. Balances on bank accounts and fixed-income placements with durations of three months or less are included in liquid funds in the cash flow analysis.

Shares and holdings of others securities, fixed assets

The object of Ledstiernan's investments in portfolio companies is that they should be owned during a development phase, after which the value should be realised. Investments in portfolio companies are stated at acquisition value after deductions for write-downs in those cases where it is considered that the value cannot be recovered. Most of the portfolio companies are at their start-up phase and assessments of the need for write-downs are made if their technical and commercial prospects, time schedules and use of resources have changed in relation to the investment date. The need for write-downs is assessed individually for each holding.

Holdings in which Ledstiernan controls 20 per cent or more of the votes are stated as "Interests in associate companies". Details of these companies' equity and results are excluded as their accounts for 2001 have not been published and the figures for 2000 are of little significance for a fair and true picture. Led-

stiernan does not provide information on write-downs in the book value of interests in associate companies as it is believed that such information could harm the interests of the companies in question.

In those cases where Ledstiernan controls less than 20 per cent of the votes, the holding is stated as "Other long-term holdings of securities" in the balance sheet.

Convertibles and other receivables from portfolio companies are stated as "Receivable from associate companies" and "Other long-term receivables". Capital gains/losses on divestments and write-downs are stated in the operating result as "Income from portfolio holdings".

Receivables and liabilities in foreign currencies

Receivables and liabilities denominated in foreign currencies are valued at closing date rates.

Depreciation principles for tangible fixed assets

Depreciation is provided according to plan on the basis of estimated economic lives of three years in the case of computers and five years for other equipment.

Options

In those cases where Ledstiernan has issued call options on its own holdings in portfolio companies, the premiums received are stated as a liability until the option is exercised or has expired.

Taxes

The loss incurred during 2001 is not given a value in the balance sheet, in view of the results stated for 2000 and 2001.

Notes

Amounts in SEK thousand, except where otherwise stated.

NOTE 1 AVERAGE NO. OF EMPLOYEES

	2001		2000	
	No. of employees	Of which male	No. of employees	Of which male
Sweden	14	8	9	4
England	2	1	–	–
Finland	1	1	–	–
TOTAL	17	10	9	4

NOTE 4 REMUNERATION OF AUDITORS

	2001	2000
BDO FEINSTEIN REVISION AB		
Audit fee	190	275
Other contracts	73	13
ERNST & YOUNG AB		
Audit fee	204	261
Other contracts	693	71
TOTAL	1,160	620

By audit fee is meant the fee paid for examining the annual report, the bookkeeping and the administration by the Board and the President, other tasks that are incumbent on a company's auditors, as well as for providing advice and other support arising out of observations made in such an examination or the performance of other such tasks. Any other work is stated under Other contracts.

NOTE 2 WAGES, SALARIES AND OTHER REMUNERATION AND SOCIAL SECURITY CHARGES

	SWEDEN		ENGLAND		FINLAND		TOTAL	
	2001	2000	2001	2000	2001	2000	2001	2000
SALARIES AND OTHER REMUNERATION								
Board and president	3,693	2,603	0	0	0	0	3,693	2,603
Other employees	11,082	5,487	4,180	0	3,672	0	18,934	5,487
TOTAL	14,775	8,090	4,180	0	3,672	0	22,627	8,090
PENSION COSTS								
Boards and presidents	220	183	0	0	0	0	220	183
Other employees	1,207	559	0	0	19	0	1,226	559
TOTAL	1,427	742	0	0	19	0	1,446	742
STATUTORY AND CONTRACTUAL SOCIAL SECURITY CHARGES	4,899	2,630	242	0	957	0	6,098	2,630
TOTAL WAGES, SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY CHARGES	21,101	11,462	4,422	0	4,648	0	30,171	11,462

Severance pay in respect of 2002 accounted for SEK 4,222,000 of the labour costs.

Board fees of SEK 1,900,000 (888,000) were paid in 2001, of which SEK 450,000 (0) to the chairman.

The President's salary and other benefits amounted to SEK 2,053,000 for the year (2,086,000). The President has a premium-based pension, for which the premium amounted to SEK 220,000 (183,000). In the event of the President's employment being terminated, he is entitled to salary for a twelve-month period.

WARRANT PROGRAM FOR EXTERNAL MEMBERS OF THE BOARD AND KEY EXECUTIVES

On August 15, 2000 an Extraordinary General Meeting resolved in favour of a warrant program for key employees and external members of the Board. A total of 1,150,000 warrants entitling the holders to subscribe to the same number of Series "B" shares was subscribed to. The warrants may be exercised between August 1, 2003 and August 29, 2003 at an exercise price of SEK 43.50. The maximum dilution effect in the event of full exercise of the warrants is 1 per cent.

CALL OPTIONS ON SHARES IN PORTFOLIO COMPANIES

The General Meeting held in August 2000 resolved in favour of the Board's proposal to issue by way of incentive to the founders (formerly known as Founding Partners) in Ledstiernan

call options on up to 5 per cent of the shares in portfolio companies that Ledstiernan will own in investments made after the General Meeting's decision on August 15. A decision was made in August 2001 to cancel this program, which has been replaced by individual agreements entitling the founders as a group to an aggregate amount of up to SEK 700,000 per year for their input. Before the program was cancelled, options had been issued on shares in Ambiotech, CCNOX, North Node, Ticket Anywhere, Verkytygshuset and Voice Provider.

BONUS PROGRAM

Ledstiernan's Board has decided to introduce a bonus program for the employees. The bonus will amount to 10 per cent of the profit above a return of 10 per cent on equity, including an accumulation effect whereby loss-making years are netted off against years of profit. The maximum bonus that may be paid in any year is four times the annual payroll expense. It will come into effect as of 2002.

WARRANT PROGRAM FOR EMPLOYEES

Skandia and the Founders have jointly issued 995,000 warrants to acquire the same number of Series "B" shares to employees of Ledstiernan AB. The warrants are for three years and may be exercised in May 2004 at a subscription price of SEK 20. All the warrants are priced on market conditions.

NOTE 3 ADMINISTRATIVE EXPENSE

This item includes depreciation of SEK 846,000 (127,000) on equipment.

RENTAL CONTRACT FOR PREMISES

Ledstiernan AB rents premises from outside parties. The cost for 2001 amounted to SEK 4,164,000 (2,753,000). The contractually agreed rent for the coming years that applied at December 31, 2001 amounts to:

Year	Amount, SEK x 1,000
2002	1,754
2003	0
2004	0

There are no other rental contracts over and above that for premises.

NOTE 5 INTEREST IN EARNINGS OF GROUP COMPANIES

	2001	2000
Capital gains/losses on sale of subsidiaries	0	-30,432

NOTE 6 OTHER INTEREST REVENUE AND SIMILAR INCOME STATEMENT ITEMS

	2001	2000
Interest revenue	15,657	11,226
Discounting in connection with redemption of loan	3,000	–
Interest in earnings of partnerships	–	718
Capital losses on sales of assets	–	11
Other	90	–
TOTAL	18,747	11,955

NOTE 7 TAXES

The difference between the company's tax expense and the tax cost based on the applicable tax rate is made up of the following components:

	2001	2000
Stated loss before tax	–197,385	–172,357
Tax at applicable tax rate of 28%	55,268	48,260
Tax effect of non-deductible costs:		
Capital loss on divestment of subsidiary		–8,520
Other non-deductible costs	–44	–886
Tax effect of losses for which deferred tax receivable has not been calculated	–55,224	–38,854
STATED TAX COST	0	0
Unutilised loss allowances (msek)	255	98
Write-down in value of portfolio companies for which tax relief has not yet been obtained (msek) ¹⁾	160	120
TOTAL UNUTILISED LOSS ALLOWANCES	415	218

No tax receivable is stated in respect of the above loss allowances and other items for which tax relief will be granted in the future, in view of the stated result. There is no time limit for the above mentioned allowances. As explained in the Report of the Directors, Ledstiernan has applied for a preliminary decision on its application for investment trust status. In the event of this being approved, Ledstiernan will not be taxed on the basis of its stated income.

¹⁾ The sum of msek 160 relates to the write-down in the book value of the portfolio, and it does not relate to realised capital losses. Of the total accumulated write-downs of msek 280, a sum of msek 120 has been realised.

NOTE 8 TANGIBLE FIXED ASSETS

	2001	2000
Equipment		
Opening acquisition value	2,552	830
Purchases	1,091	1,722
Closing accumulated acquisition value	3,643	2,552
Opening depreciation	–192	–65
Depreciation during the year	–846	–127
Closing accumulated depreciation	1,038	–192
NET BOOK VALUE	2,605	2,360

Depreciation of fixed assets is provided according to plans based on the estimated economic lives of the assets.

Type of asset	Economic life, years
Computers	3
Vehicles	5
Other equipment	5

NOTE 9 FINANCIAL FIXED ASSETS

	Interests in associate companies		Receivable from associate companies		Other long-term holdings of securities		Other long-term receivables		Total	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
Opening acquisition value	281,825	71,840	32,790	–	129,242	14,237	7,948	–	451,805	86,077
Acquisitions	147,585	205,871	34,416	32,790	19,658	132,383	–5,627	7,948	196,032	378,992
Reclassification	–5,071	4,114	–	–	5,071	–4,114	–	–	0	0
Sales	–51,103	–	–	–	–293	–13,264	–	–	–51,396	–13,264
Wound-up companies	–42,963	–	–35,016	–	–15,000	–	–	–	–92,979	0
Closing accumulated acquisition value	330,273	281,825	32,190	32,790	138,678	129,242	2,321	7,948	503,462	451,805
Opening write-downs	–61,989	–	–7,772	–	–48,971	–	–1,268	–	–120,000	0
Write-downs during the year	–103,165	–61,989	–33,743	–7,772	–23,092	–48,971	–	–1,268	–160,000	–120,000
Write-downs re-entered due to winding up	87,835	–	32,243	–	15,000	–	–	–	135,078	0
Closing accumulated write-downs	–77,319	–61,989	–9,272	–7,772	–57,063	–48,971	–1,268	–1,268	–144,922	–120,000
BOOK VALUE	252,954	219,836	22,918	25,018	81,615	80,271	1,053	6,680	358,540	331,805

NOTE 10 INTERESTS IN ASSOCIATE COMPANIES

Company		Co. Reg. No.	Registered office	% of capital & votes	No. of shares	Acquisition value
Ambio Tech i Sverige	)	556585-8148	Boden	25.0%	133,333	6,000
CCNOX Security Management & Technology AB	)	556594-9061	Stockholm	44.0%	54,921	7,530
Ekonomi24		556579-1141	Stockholm	24.6%	3,858,974	13,359
Euroflower.net Aktiebolag		556555-8789	Malmö	22.6%	814	11,920
Grupo Rodania		82 72 97 99	Madrid	40.0%	3,075	7,650
Incomit AB		556583-7548	Karlstad	37.6%	1,219,940	36,775
InfoAccelerator AB		556595-4509	Kalmar	30.0%	3,000,001	3,000
Infomakers Sweden AB		556498-6338	Stockholm	46.5%	326,401	12,659
Interactive People Unplugged AB		556581-8019	Stockholm	49.7%	14,137,851	72,351
Mint AB		556582-9644	Stockholm	39.5%	101,869	45,280
MGON International AB		556435-6094	Söderhamn	47.0%	887	10,000
Nordic Circle AB		556574-2391	Karlstad	31.5%	10,953,167	41,399
Repeatit Aktiebolag		556572-5800	Stockholm	31.9%	3,226	11,749
Roaminfo Aktiebolag		556569-1929	Gothenburg	36.9%	1,526	14,769
Start and Run AB		556566-5881	Stockholm	38.5%	377,523	7,500
the Phone Pages of Sweden Aktiebolag		556583-5997	Gothenburg	35.6%	724,140	24,332
Verktgshuset i Sverige AB	)	556588-8517	Stockholm	33.3%	40,000	4,000
TOTAL ACQUISITION VALUE						330,273
Write-downs						-77,319
TOTAL BOOK VALUE						252,954

) Ledstierman has issued call options on 5% of its total holding to the Founders.

COMMENT ON NOTE 10

As the Note indicates, Ledstierman has omitted information on write-downs in the value of individual companies, and on their equity and results. This decision is based on the view that the disclosure of information on write-downs could cause serious harm to the companies in question. The information concerning the company's equity and results has been omitted as the accounts for 2001 have not been published and the information for 2000 is of negligible importance in so far as it no longer provides a true and fair picture.

NOTE 11 OTHER LONG-TERM HOLDINGS OF SECURITIES

Company		Co. Reg. No.	Registered office	% of capital & votes	No. of shares	Acquisition value
Chinsay AB		556587-6017	Stockholm	1.5%	2,490	1,485
Columbitech AB		556591-1699	Stockholm	14.2%	3,055	11,630
ShortLink AB (f d EHS)		556580-2799	Säffle	5.3%	64	1,614
FM Fondmarknaden AB		556559-0634	Stockholm	18.7% / 5.3%	71,642	20,004
GoPro Landsteinar Group		580293 2399	Reykjavik	4.3%	15,773,627	25,217
Kamera Holding Aktiebolag		556574-8299	Stockholm	6.5%	7,473,258	7,800
Iquity Systems Inc		13-4091755	New York	2.0%	919,331	9,711
Millennium Media Group AB	)	556560-9848	Stockholm	19.3%	21,214	21,787
North Node AB	)	556578-7008	Stockholm	19.4%	71,075	5,000
Ten Four Sweden AB		556435-2952	Stockholm	3.8%	68,171	7,432
TicketAnywhere Europe AB	)	556589-6692	Stockholm	17.2%	23,444	7,085
Travis A/S		252303	Copenhagen	11.3%	1845,455	14,840
Voice Provider Sweden AB	)	556598-3276	Stockholm	13.0%	18,572	3,496
AB VsMarket		556569-5979	Stockholm	4.6%	611,190	1,578
TOTAL ACQUISITION VALUE						138,678
Write-downs						-57,063
TOTAL BOOK VALUE						81,615

) Ledstierman has issued incentives to the Founders in the form of call options on 5% of its total holding.

) In the event of conversion on March 31, 2002, Ledstierman's equity interest will amount to a minimum of 28.5%.

NOTE 12 PREPAID EXPENSE AND ACCRUED REVENUE

	2001	2000
Prepaid rent	764	3,329
Accrued interest revenue	1,996	659
Other items	756	479
TOTAL	3,516	4,467

NOTE 17 CLOSING LIQUID FUNDS

	2001	2000
Cash and bank	38,866	260,878
Short-term placements	188,571	199,486
CLOSING BALANCE	227,437	460,364

Short-term placements at the end of the year amounted to SEK 188,571,000 (199,486,000) and consisted of commercial paper with durations of up to three months.

NOTE 13 CHANGE IN EQUITY

(The share capital is divided into 108,954,383 Series "B" shares, each having a par value of SEK 0.30).

	Share capital	Share premium reserve	Legal reserve	Retained earnings	Net loss for the year	Total
Opening balance	32,686	882,760	0	35,005	-172,357	778,094
Treatment of unappropriated earnings				-172,357	172,357	0
Write-down in share premium reserve		-500,000		500,000		0
Translation differences				231		231
Loss for the year					-197,385	-197,385
CLOSING BALANCE	32,686	382,760	0	362,879	-197,385	580,940

In the event of full exercise of warrants, a maximum of 1,150,000 more shares may be issued.

NOTE 14 ACCRUED EXPENSE

	2001	2000
Accrued holiday pay	523	489
Accrued social security charges	497	702
Accrued Board fees	1,100	–
Winding-up costs	4,801	–
Other items	2,291	2,663
TOTAL	9,212	3,854

NOTE 15 CONTINGENT LIABILITIES

Ledstierman AB has undertaken to make follow-up investments of MSEK 15 in 2002 in eight of the portfolio companies.

NOTE 16 ADJUSTMENT FOR ITEMS NOT INCLUDED IN CASH FLOW

	2001	2000
Write-downs	160,000	120,000
Capital gains/losses on interests in group companies	–	30,432
Capital gains/losses on interests in portfolio companies	2,344	-5,120
Other	5,471	1,844
TOTAL	167,815	147,156

Interest received during the period amounted to SEK 13,661,000 (9,095,000). Interest paid during the period amounted to SEK 7,000 (321,000). The interest is attributable to current operations.

Report of the auditors

To the Annual General Meeting of Ledstiernan AB (publ)
Co. reg. no. 556122-2158

We have examined the annual report, the accounting records and the administration by the Board and the President of Ledstiernan AB (publ) for the 2001 fiscal year. The Board and the President have responsibility for the accounting records and the administration. Our responsibility is to express our opinion on the annual report and the administration on the basis of our audit.

Our audit has been carried out in accordance with generally accepted auditing standards in Sweden. This means that we have planned and performed the audit in order to assure ourselves to a reasonable extent that the annual report contains no material error. An audit involves examining a selection of the information in the accounting records for amounts and other factual information. An audit also includes testing the accounting principles and their application by the Board and the President and assessing the totality of the information in the annual report. As grounds for our statement on discharging the Board and the President from liability, we have examined significant decisions, measures and conditions in the company in order to determine whether any member of the Board or the President is liable to pay compensation to the company. We have also examined whether any member of the Board or the President has acted in any other way in contravention of the Swedish Companies Act, the Annual Accounts Act or the company's articles. We consider that our audit gives us reasonable grounds for the comments made below.

The annual report is made up in accordance with the Annual Accounts Act and therefore provides a true and fair picture of the result and financial position of the company in accordance with generally accepted accounting standards in Sweden.

We recommend that the income statement and balance sheet be adopted, that the unappropriated earnings be dealt with in accordance with the proposal in the report of the directors and that the members of the Board and the President be discharged from liability for the fiscal year.

Stockholm, March 4, 2002

Olof Cederberg
Authorised Public Accountant

Bertil Oppenheimer
Authorised Public Accountant

Glossary

3G

(Third Generation Mobile Telecommunications)
Third Generation Mobile Telecommunication systems capable of handling voice, data and multimedia communication.

ASP

(Application Service Provider)
Network based service for renting of computer software over the Internet.

Bluetooth

Radio wave technology for encrypted transmission over short distances, which provides wireless communication between different units, such as mobile telephones, computers and printers.

B2B

(business-to-business)
Electronic business between companies.

B2C

(business-to-consumer)
Electronic business between companies and individual consumers.

CAD

(Computer aided design)
Technology used for computer aided construction and design activities.

CDMA

(Code Division Multiple Access)
A technology for digital transmission of radio signals between a mobile telephone and a radio base station, for instance.

CRM

(Customer Relationship Management)
Systematised management of relations with customers.

EDGE

(Enhanced Data Rates for GSM Evolution)
Further development of GSM. The enhanced version increases network capacity and transmission speeds, enabling more, and more advanced multimedia services to be provided via mobile telephones.

ERP-system

(Enterprise Resource Planning)
Business systems that administer a company's total commercial flows.

Exit

Divestment, via flotation or sale of a company to an industrial or financial buyer in exchange for cash or shares.

GPRS

(General Packet Radio Service)
Wireless protocol for mobile network services. Transmits data across mobile networks using the IP Internet Protocol. GPRS enables the user to be continuously connected, but only pay for the packaged data that are transmitted. It is also possible to accept phone calls while connected to the net.

GPS

(Global Positioning System)
Global satellite-based positioning and navigation system providing high precision. Used for navigation on land and at sea.

GSM

(Global System for Mobile Communication)
Digital system for mobile telephony. The most common standard used in Europe and large parts of Asia. GSM is also known as the second generation network (2G). Standard GSM does not support data services, unlike 2.5G and 3G networks.

IP

(Internet Protocol)
Communication protocol used by all units that are connected to the Internet.

ISP

(Internet Service Provider)
Retailer of internet services.

LAN

(Local Area Network)
Locally connected networks of computers, printers and servers.

Middle capital

Financing prior to exit or stock market flotation.

PDA

(Personal Digital Assistant)
Handheld terminal for storing and processing data.

Post-money

The post-money value is the value after an injection of capital.

Pre-money

The pre-money value is the value before an injection of capital.

Protocol

Standardised format used for communication or interchange of information between two communication units.

Roaming

Service that enables users to use their mobile telephones via another network operator outside the coverage area of the network to which the user subscribes.

Seed capital

Early financing of start-up projects.

UMTS

(Universal Mobile Telecommunications System)
Third generation mobile telephony standard in Europe intended to give users access to a wireless Internet capable of communicating speech, data and multimedia.

VPN

(Virtual private network)
Protected and secure "tunnel" built within the Internet. A way of using the Internet as a private and secure distribution/communication network.

WLAN

Wireless Local Area Network.

WAP

(Wireless Application Protocol)
Protocol for wireless communication that provides access to the Internet from a mobile telephone or other wireless units.

Venture capital

Also known as risk capital.

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