



LEDSTIERNAN

YEAR-END REPORT 2001

- * Total investments at 31 December amounted to MSEK 503 in 31 companies.
- * Closing liquid funds amounted to MSEK 227.
- * Equity per share of SEK 5.33, equity ratio of 98 per cent.
- * A write-down of MSEK 160 in the portfolio results in a loss of MSEK 197.
- * A continued sharp focus on mobile communication and a growing proportion of the capital invested in that sector – 62 per cent at year end.
- * The portfolio is maturing. Four of the portfolio companies have now reached breakeven or are in profit. A further 12 companies are well placed to reach breakeven in 2002. The need for follow-up investments in the portfolio has declined markedly.
- * Ledstiernan's portfolio is judged to be worth considerably more than its book value.
- * Lower administrative overheads – the office in London has been closed, and discussions are underway in Helsinki with other venture capital companies.
- * Strengthening of industrial network through MIC of Japan, with NTT DoCoMo (and others) as shareholders, and membership of WIVA, an international association of investors in mobile communication.

Ledstiernan is building Europe's leading seed and venture capital company focusing specifically on mobile communication. The shares are listed on Stockholm Stock Exchange's "O" list.

SIGNIFICANT EVENTS DURING THE PERIOD

STRONGER INDUSTRIAL NETWORK

During the year, Ledstiernan further developed its industrial network in the mobile communication industry through its membership of WIVA (the Wireless Internet Venture Association), whose other members include Innovacom (France Telecom), Ericsson Innova, Fintech (Telecom Italia), 3i, Sonera Venture Partners and MIC (part-owned by NTT DoCoMo). Ledstiernan has also signed an agreement to cooperate with MIC (Mobile Internet Capital) during the year which led to that Ledstiernan's portfolio companies were invited to make a presentation during the autumn to thirty or so prominent hi-tech companies in Japan. MIC has also invested in Ledstiernan's portfolio companies.

EXTERNAL FINANCING

External financing was arranged for six companies in the portfolio during the autumn from new, professional partners at levels that well justify their book values. **ipUnplugged** raised MSEK 48 from the **Swedish Industrial Development Fund, Mobile Internet Capital (MIC)** of Japan and others. **FM Fondmarknaden** raised MSEK 20 from **Scope Venture Capital** and others. **Skandia** was involved in the injection of MSEK 20 into **Mint. the Phone Pages** raised some MSEK 10 from **Siemens Mobile Acceleration GmbH** and others, along with further guarantees from **Skanditek**. **The Swedish Industrial Development Fund** has invested MSEK 6 in **RoamInfo** and **New Ground Capital** has invested MSEK 20 in **Incomit**. Ledstiernan also participated in all the above investments.

ORGANISATION

Ledstiernan downsized its organisation during the year, reducing its administrative costs to an annual level of some MSEK 25. The London office has been closed. As it is important to systematically monitor the market in Finland, discussions on possible co-operation are currently taking place with companies on the Finnish venture capital market. At 31 December 2001, the number of employees was 11 (16 in 2000), all of whom were employed at the Stockholm office.

REVIEW OF LEDSTIERNAN'S DAY-TO-DAY OPERATING AND DECISION-MAKING PROCEDURES

Ledstiernan's investment committee has been gradually modified. The committee now consists of all the investment managers, the CFO and the president, who is also the chairman. The threshold level for Board decisions has been lowered from MSEK 50 per portfolio company to MSEK 30. The standardised role of Ledstiernan's Founding Partners that was laid down when the company was floated has been abolished and their role is now determined on an individual basis. The obligations of the Founding Partners with regard to personal outside investments and outside professional commitments, which are described in the flotation prospectus, will therefore formally cease to apply in February 2003.

In addition to this the incentive programme for the Founding Partners, which involves both a right and an obligation to acquire call options on 5 per cent of Ledstiernan's holdings in its portfolio companies, was replaced on 1 August 2001. One Founding Partner has left the partnership.

PORTFOLIO DEVELOPMENTS

Ledstiernan's portfolio companies fall into four relatively distinct categories:

1. Companies at the development phase or whose market results are measured in terms of test orders (4 companies).
2. Companies that have booked commercial orders but not budgeting to reach breakeven during the current financial year 2002 (11 companies).

3. Companies that have received commercial orders and expect to reach breakeven during the current year 2002 (12 companies).
4. Companies that already reached breakeven (at an annual rate) in 2001 and will continue at that level or better (4 companies).

Ledstiernan's portfolio companies, which matured noticeably during the year, can report several encouraging events during the period.

Ambiotech has signed agreements and delivered its mobile internet solution for quality assured operation and management in the property industry to several clients, including Vasakronan/Norrporten, Boden Bo, Fortifikationsverket and Swedish Post.

Columbitech has recently launched its Columbitech Wireless VPN product with Pocket PC 2002 support, which was successfully demonstrated with SAP at the Comdex Nordic fair. The demonstration was a further development of the successful project carried out by Columbitech, SAP and Compaq at Wayne's Coffee in Stockholm to demonstrate the ease with an ERP (Enterprise Resource Planning) system can be accessed from any location. Columbitech also launched, in partnership with Compaq, the Columbitech Wireless VPN with Windows XP support.

EuroFlower.net has continued with its planned establishment of a marketplace for the florist sector, with its unique system for direct transactions. Shops in Sweden, Denmark and England can now use the EuroFlower.net system, and additional countries are in the process of affiliation. EuroFlower.net has been in profit since September 2001, and growth continues with healthy profitability.

FM Fondmarknaden had its international breakthrough with the delivery and operation of its IT platform to FundCoach, a company owned by the Dutch SNS Bank.

MINT launched its mobile phone-based system for roadside parking fees and person-to-person payments in the autumn, complementing previous functions such as mobile payments in stores and restaurants.

MMG launched the Style TV channel in Sweden, Denmark, Finland and Norway in 2001, and also established NonStop Services during the year. Two more new TV channels are planned for launching in 2002 and further strong growth is expected in all other business areas. The largest of these areas, Non Stop Entertainment, reports a clear profit for 2001.

MGON launched eSports, a unique concept giving computer games players around the world the chance to compete with each other online. The company now has two million unique visitors a month and 50 million hits (source: Double-Click), which means a growth in traffic of more than 100 per cent over the past 6 months.

Nordic Circle successfully restructured its business during the year, which led, however, to considerable losses in 2001. Nordic Circle now consists of three subsidiaries, Fyrplus, Nordic Spring Management and Advisec. The remaining businesses noted good profitability in 2001, and the strong performance has continued into 2002.

North Node received new orders from JM Byggnads AB and Mimer in January 2002, and the first order from Norway for Oslo's Rikshospitalet (university hospital), an order that was signed with Intelli. North Node's customer list already included property companies Karlstads Bostadsbolag, Örebro Bostäder and Frontyard. North Node foresees considerable demand for its products for the smart home.

See also "Events during the 4th quarter" (p.4) for additional comments on portfolio developments.

INVESTMENTS

At the close of the period, Ledstiernan had invested a total of MSEK 503 in 31 portfolio companies. 14 of these companies are in the focus area, namely Mobile Communication, and account for 62 per cent of invested capital. A total of MSEK 210 was invested during the year, of which MSEK 200 was attributable to second phase investments in the existing portfolio and some MSEK 10 new to new investments in three companies, namely Voice Provider, ShortLink (formerly EHS) and North Node.

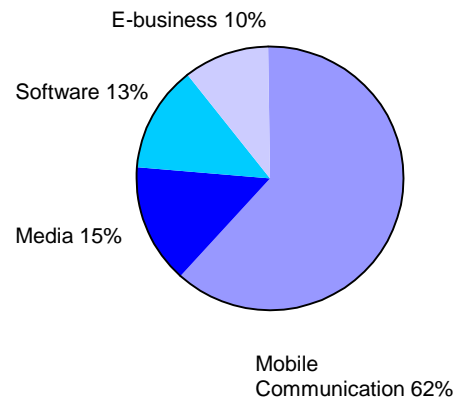
ACQUISITION VALUE PORTFOLIO COMPANIES DECEMBER 31, 2001

(SEK '000)

Acquisition value, including loans and convertibles

Mobile Communication	309 560	62 %
Media	74 305	15 %
Software	66 737	13 %
<u>E-Business (B2C) + (B2B)</u>	<u>52 858</u>	<u>10 %</u>
Total acquisition value	503 460	100 %

BREAKDOWN OF ACQUISITION VALUE OF PORTFOLIO COMPANIES



DIVESTMENTS

Digital Mobility Ltd was placed in liquidation during the year. This resulted in a loss of MSEK 74, which was included in write-downs earlier in 2001. Avisator AB, following the sale of its Swedish unit to Provisa AB, was sold to the company's founders and shareholders for a symbolic sum, with an option for Ledstiernan to acquire shares during the coming 3-year period. The loss amounted to MSEK 26, of which MSEK 22 had already been written down and MSEK 4 is stated under exit-losses in portfolio companies. Infonation, the consultancy company, discharged all its employees at the end of December, and negotiations have been taking place to sell some parts of the company or to liquidate it. The value of the company had already been written off. Ledstiernan's holding in Mobile Garden was sold to Skandia for a book profit of MSEK 1.7.

EVENTS DURING THE FOURTH QUARTER

The result for the fourth quarter was a loss of MSEK 21, half of which is attributable to write-downs in the portfolio. Investments during the period amounted to MSEK 33, and comprised second phase investments in the existing portfolio.

In November, Ledstiernan was elected to WIVA (Wireless Internet Venture Association), an association of eight international, operator-level venture capital companies with a focus on mobile Internet.

Infomakers signed an agreement with ICA Handlarnas AB worth an initial MSEK 13. This order further strengthens Infomakers' position as the leading company in its niche. Similar solutions have previously been delivered to Skandinaviska Enskilda Banken, the Swedish State Railways (SJ), SwedenPost and Nordbanken.

Repeatit received several new orders from a number of companies, including Katrineholms Energi, Norrtälje Energi and Vallentuna Energi, all municipal electricity companies. Ledstiernan and Mobile Garden have invested a further MSEK 6 in this company. Great interest has been shown in Repeatit's products by small companies and

consumers in Sweden and abroad as well as by electricity companies and international telecom and Internet operators.

FM Fondmarknaden received financing of MSEK 20 for continued expansion from Scope Venture Capital and Ledstiernan. These funds have been earmarked to strengthen the development of the company's rapidly expanding B2B business MFEX (Mutual Funds Exchange), which is a turnkey fund market containing thousands of funds.

Voice Provider has signed agreements with Swebus and Nordnet on voice-operated services. A co-operation agreement has also been signed with Scandinavian IT Group, the IT subsidiary of SAS.

Incomit has raised additional financing of MSEK 20 and has appointed a new president from Sendit, which itself has invested a considerable amount of capital in the company. Incomit has been selected from among several competitors for a pilot project to be conducted at a number of major international telecom operators.

FUTURE PROSPECTS

Our companies are well financed, and a total of 16 are fully financed on the basis of their current business plans. This means that Ledstiernan has moved into a phase where the level of second phase investments in existing portfolio companies will be lower than in previous years and well below the MSEK 33 invested in Q4/2001.

Market values in the venture capital industry probably fell at least as much as the technology index on the stock market in 2001. Despite the favourable operational development of our portfolio companies, we still believe that market values fell slightly during the year. However, we also believe that the market value of the portfolio is well in excess of book value.

Our considered opinion is that many of Ledstiernan's portfolio companies will make considerable progress on their respective markets in 2002, when the portfolio, on average, enters its third financial year.

If we are to earn a profit for the year, with annual costs of some MSEK 25, one small company will need to be divested. This could take place in 2002. We believe that 2003 and 2004 will be important years for Ledstiernan in terms of divestments.

FINANCIAL DEVELOPMENTS

RESULT

The result for the period was a loss of MSEK 197, of which MSEK 160 was attributable to write-downs in the value of portfolio companies. MSEK 167 of the result represented items not having an effect on cash flow.

Ledstiernan still has a relatively young portfolio and no major divestments have yet been made. Ledstiernan will not be actively seeking divestments in 2002 because of a weak exit and capital market. We expect 2003 and 2004 to be more important in terms of exits. Given its strong financial position, Ledstiernan is well able to wait, together with the entrepreneurs, for the right moment to divest or float a portfolio company. Ledstiernan's

liquid resources are adequate, even without exits, to see the company through until 2004, including operational and second phase investments.

BOOK VALUE OF PORTFOLIO COMPANIES

Ledstiernan states its investments at acquisition value. Each company is assessed ahead of the quarterly and annual reports to determine whether it is undervalued or overvalued in relation to its acquisition value. If it is judged to be overvalued, the book value is left unchanged and the income statement remains unaffected. If, however, it is judged to be undervalued in relation to its book value, this is written down to the assessed value. The full effect of this write-down is taken into the income statement in the form of a cost equal to the write-down. However, this does not affect the company's cash flow.

MARKET CAPITALISATION OF PORTFOLIO COMPANIES

Ledstiernan has presented its portfolio in a separate table in accordance with the valuation standards of the European Venture Capital Association, which requires the value of any company that has raised a significant amount of external financing to be stated at its value at the time of the latest issue (see table, p.7). Otherwise, portfolio companies are stated at their acquisition value and information about write-downs in book value. Some more portfolio companies will raise external financing in 2002. However, Ledstiernan currently considers the portfolio as a whole to be of a higher value than the book value.

LIQUID FUNDS AND FINANCIAL POSITION

Ledstiernan's closing liquid funds amounted to MSEK 227. Ledstiernan has no interest-bearing loan liabilities. Investments in portfolio companies that were approved but not paid out by 1 January amounted to MSEK 15. Ledstiernan has no other financial commitments.

INCENTIVE PROGRAMME

Ledstiernan's Board has decided to set up a bonus programme for the company's employees in order to provide an incentive for the personnel and to stimulate exceptional efforts at a time when market conditions are particularly difficult. The bonus will amount to 10 per cent of any profit in excess of a return of 10 per cent on equity, with a cumulative effect in which years of loss offset years of profit. Skandia and the Founding Partners have also issued 995,000 call options to all Ledstiernan employees. The options have a term of three years and an exercise price of SEK 20, and are valued on market terms.

TAX STATUS

Ledstiernan AB's application for investment trust status was rejected in the autumn. Ledstiernan has appealed against this decision to the Supreme Administrative Court, whose decision is expected in the spring of 2002. However, the new tax bill, which is expected to become law at the beginning of 2003 will obviate the need to apply for investment trust status. At the turn of the year, Ledstiernan's accumulated loss allowances amounted to some MSEK 245.

PORTFOLIO HOLDINGS AT DECEMBER 31, 2001

(SEK '000)

Unlisted companies	Acquisition					Value of Ledstiernan's
Company	Date of	Current	value	Convertible	Total	Equity stake on
	acquisition	Equity stake	of shares	loans/loans	investment	external transaction
						post-money 3)
Mobile Communication						
ipUnplugged	Jan-00	49.7%	72,351	-	72,351	88,466
Incomit	Aug-00	37.6%	36,775	10,000	46,775	37,600
Mint	May-00	39.5%	45,280	-	45,280	41,300
Nordic Circle	Jul-99	31.5%	41,399	3,580	44,979	
the Phone Pages of Sweden	Mar-00	35.6%	24,332	-	24,332	42,000
Roaminfo	Dec-99	45.3%	14,769	500	15,269	12,458
Ambio Tech i Sverige 1)	Sep-00	25.0%	6,000	6,000	12,000	
Repeat -It	Mar-00	31.9%	11,749	-	11,749	
Columbitech	May-00	14.2%	11,630	-	11,630	
Grupo Rodania	Oct-00	40.0%	7,650	-	7,650	
TicketAnywhere 1)	Dec-00	17.2%	7,085	-	7,085	
North Node 1)	May-01	19.4%	5,000	350	5,350	
Voice Provider 1)	Nov-00	13.0%	3,496	-	3,496	
EHS	May-01	5.3%	1,614	-	1,614	
Subtotal Mobile Communication			289,130	20,430	309,560	
Media						
Millennium Media Group 2)	Dec-99	19.3%	21,787	700	22,487	
Ekonomi24	Apr-00	24.6%	13,359	-	13,359	
Infomakers	Jul-99	46.5%	12,659	-	12,659	
MGON International	Feb-00	47.0%	10,000	8,000	18,000	
Kamera Interactive	May-00/Jun-01	6.5%	7,800	-	7,800	
Subtotal Media			65,605	8,700	74,305	
Software						
GoPro Landsteinar Group	Apr-00	4.3%	25,217	-	25,217	
Iquity Systems	Jan-00	2.0%	9,711	1,269	10,980	
CCNOX 1)	Sep-00	44.0%	7,530	-	7,530	
Start & Run	Jan-00	38.5%	7,500	1,500	9,000	
Ten Four	Mar-00	3.8%	7,432	-	7,432	
InfoAccelerator	Jun-00	30.0%	3,000	2,000	5,000	
VsMarket	Jun-00	4.6%	1,578	-	1,578	
Subtotal Software			61,968	4,769	66,737	
E-business						
B2C/B2B						
FM Fondmarknaden	Oct-99	18.7%	20,004	-	20,004	8,000
B2C/B2B						
Travis	Feb-00	11.3%	14,840	-	14,840	
Euroflower.net	Mar-00	22.6%	11,920	610	12,530	
Verktygshuset 1)	Nov-00	33.3%	4,000	-	4,000	
Chinsay	Apr-00	1.5%	1,485	-	1,485	
Subtotal E-business			52,249	610	52,859	
TOTAL ACQUISITION VALUE OF SHARES AND CONVERTIBLES					503,460	
WRITE-DOWNS IN BOOK VALUE					-144,920	
BOOK VALUE					358,540	

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

2) Following conversion, Ledstiernan's interest will amount to no less than 29,5% without any further capital contribution.

3) Excluding convertible loans.

INCOME STATEMENT

(SEK '000)

	Q4 2001	Q4 2000	Full year 2001	Full year 2000
<u>Income from portfolio holdings</u>				
Exit profits	-	-	1,720	5,120
Exit losses	-4,064	-734	-4,064	-
Write downs	<u>-10,000</u>	<u>-116,022</u>	<u>-160,000</u>	<u>-120,000</u>
Total income from portfolio holdings	-14,064	-116,756	-162,344	-114,880
<u>Other expense</u>				
Administrative expense	-10,996	-14,110	-53,781	-38,679
				-
Operating loss	-25,060	-130,866	-216,125	153,559
Interest in earnings of Group companies	-	-30,432	-	-30,432
Interest revenue and similar income statement items	3,959	6,504	15,657	11,963
Other financial revenue	90	-	3,090	-
Interest expense and similar income statement items	-4	-	-7	-329
				-
Loss before tax	-21,015	-154,794	-197,385	172,357
Tax	0	0	0	0
				-
NET LOSS FOR THE YEAR	-21,015	-154,794	-197,385	172,357
Loss per share before dilution	-0.19 kr	-1.42 kr	-1.81 kr	-1.75 kr
Loss per share after dilution	-0.19 kr	-1.42 kr	-1.81 kr	-1.75 kr
Average number of shares before and after dilution	108,954,383	108,954,383	108,954,383	98,561,107
Closing number of shares before and after dilution	108,954,383	108,954,383	108,954,383	108,954,383

BALANCE SHEET

(SEK '000)

ASSETS

	December 31st, 2001	December 31st, 2000
FIXED ASSETS		
Tangible fixed assets		
Equipment	2,605	2,360
Total tangible fixed assets	2,605	2,360
Financial fixed assets		
Interests in associate companies	242,404	219,836
Receivable from associate companies	31,690	25,018
Other securities held as fixed assets	83,394	80,271
Other long-term receivables	1,052	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	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 cont.

LIABILITIES AND EQUITY	December 31st, 2001	December 31st, 2000
EQUITY		
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
LIABILITIES		
Current liabilities		
Liabilities to suppliers	1,282	3,609
Other current liabilities	1,623	24,287
Accrued expense	9,212	3,854
Total current liabilities	12,117	31,750
TOTAL LIABILITIES	12,117	31,750
TOTAL LIABILITIES AND EQUITY	593,057	809,844
MEMORANDUM ITEMS		
Pledged assets	-	-
Contingent liabilities	15,000	65,827
Change in equity		
	2001	2000
	Jan-Dec	Jan-Dec
Opening balance	778,094	35,193
Distribution of previous operations		-33,193
Non-cash issue		230,000
Profit on merger		64,110
Share issue		649,956
Proceeds from sale of warrants		4,385
Translation differences	231	-
Net loss for the year	-197,385	-172,357
Closing balance	580,940	778,094

Accounting principles

This year-end release is made up in accordance with the recommendations of the Swedish Financial Accounting Standards Council RR20 (Interim Reports). The accounting principles applied remain unchanged from those used for the 2000 annual report.

The loss per share before and after dilution has been calculated on the basis of the result stated in the income statement. Outstanding warrants give no dilution effect for any of the periods. In the event of all outstanding warrants being exercised, 1,150,000 new shares will be issued.

CASH FLOW ANALYSIS

(SEK '000)

	2001 Jan-Dec	2000 Jan-Dec
Funds provided from current operations		
Loss after financial items	-197,385	-172,357
Adjustment for items not included in cash flow	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 receivables	11,240	-13,186
Increase / decrease in current liabilities	-4,017	5,301
CASH FLOW FROM CURRENT OPERATIONS AFTER CHANGE IN WORKING CAPITAL	-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
Cash flow for the year	-232,927	412,303
Opening liquid funds	460,364	48,061
CLOSING LIQUID FUNDS	227,437	460,364

KEY RATIOS

	31/12/2001	31/12/2000
Equity, MSEK	581	778
Equity/share, SEK	5.33	7.14
Equity ratio, %	98	96
Total invested capital in existing portfolio, MSEK	503	452
Invested capital/share, SEK	4.62	4.14
Cash/share, SEK	2.09	4.23
Market capitalisation, MSEK	708	828

Closing listed price, SEK

6.50

7.60

DIVIDEND

The Board of Ledstiernan will propose that no dividend be paid for 2001.

ANNUAL GENERAL MEETING

- * Ledstiernan AB's Annual General Meeting will be held at 5.30 p.m. on Thursday, 25 April 2002.
- * The annual report for 2001 will be distributed during the last week of March to all shareholders who have asked to receive it, after which it will be available on www.ledstiernan.se.

OTHER REPORTING DATES

- | | |
|--|-------------------|
| * Annual General Meeting | 25 April, 2002 |
| * First quarter report, 30 March, 2002 | 7 May, 2002 |
| * Half-yearly report, 30 June, 2002 | 15 August, 2002 |
| * Third quarter report, 30 September, 2002 | 12 November, 2002 |

Johan Wachtmeister
President, Ledstiernan AB
Stockholm, 12 February, 2002

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

For further information, please contact
Johan Wachtmeister, President & CEO: +46 8 545 035 00
Britt-Marie Boije, CFO: +46 8 545 035 00