



LEDSTIERNAN

YEAR-END RELEASE 2000

- ★ On December 31, the aggregate holding amounted to MSEK 452 in 37 companies.
- ★ Sharper focus on mobile communication, with rising proportion of capital invested in the sector – 53 per cent at year-end.
- ★ Strong organisation with good strategic and technical competence.
- ★ Closing liquid funds of MSK 460.
- ★ Equity of SEK 7.14 per share. Equity ratio of 96%.
- ★ Loss for year of MSEK 72 before write-downs, but including proven losses.
- ★ Write-down of assets in portfolio by MSEK 100 to give a net loss of MSEK 172.
- ★ The market value of Ledstiernan's portfolio is considered to represent a healthy premium over its acquisition value.



IMPORTANT EVENTS IN 2000

STRONG ORGANISATION

The organisation was steadily expanded during the year in terms of technical and strategic competence, and Investment Management. Ledstiernan's organisation consists of 16 employees and nine Founding Partners.

OFFICES IN HELSINKI AND LONDON

Two branch offices were opened, one in Helsinki with the object of making investments within the focus area of mobile communication, and the other in London with the purpose of supporting portfolio companies' contacts with the international capital market in connection with financing in the future.

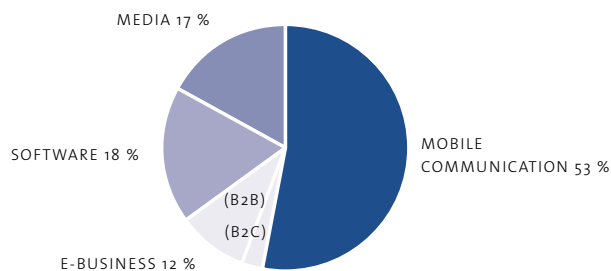
NORDIC VENTURE CAPITAL ALLIANCE

In April, Ledstiernan set up Global Venture Alliance GVA, together with the Norwegian Telenor Venture and Denmark's 2M Invest.

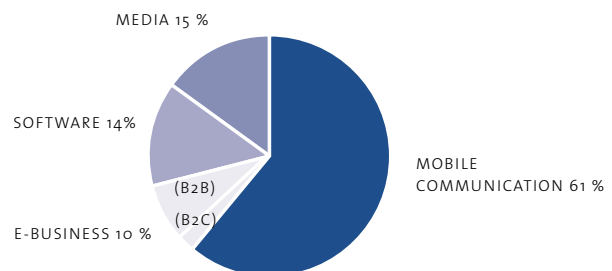
INVESTMENTS

At the end of the period, Ledstiernan had invested a sum of MSEK 452, of which MSEK 365 during the financial year, in 37 portfolio companies. 15 of the companies are in the focus area of mobile communication, which represents 53 per cent of the invested capital (including exercise of options: 61).

TOTAL ACQUISITION VALUE OF PORTFOLIO COMPANIES BY SECTOR



TOTAL ACQUISITION COST (INCLUDING EXERCISE OF OPTIONS) OF PORTFOLIO COMPANIES BY SECTOR



IMPORTANT EVENTS IN 2000

INVESTMENTS

Some small shareholdings were sold during the year for a capital gain of MSEK 5.1.

In December, Ledstiernan transferred the whole of its 10 % holding in Kimoda AB to Karl Stockman AB under the terms of a previously arranged option agreement. As the selling price corresponded to the acquisition value of MSEK 10, Ledstiernan's result was not affected by the transfer.

In January 2001, Ledstiernan sold its portfolio company e-respect to the company's founders for a symbolic sum. Ledstiernan has no longer any connections with the company. The total investment amounted to MSEK 15.1 and the loss was taken against the result for the year ending December 31, 2000.

FUTURE OUTLOOK

The venture capital industry in general has been affected by the falling prices of high-tech shares on the stock market and an unfavourable climate for flotations. The prices of new investments, and also the share prices of companies making stock issues later, have weakened. Certain segments of the venture capital market have been severely affected, such as internet /dot.coms, companies in e-business, and portals.

There is still a good venture capital available in the Nordic countries as well as on international markets, with great interest among financiers and leading high-tech companies in mobile communication, an area in which Sweden, Finland are global leaders.

Ledstiernan's portfolio, with its focus on mobile communication and limited exposure to these problem areas, has over all performed well during the year, and a growing proportion of the portfolio companies are judged not to need injections of additional risk capital from Ledstiernan. We expect to arrange more major external financing programs in 2001 for our portfolio companies. Ledstiernan is prepared to discontinue underperforming projects.

We believe Ledstiernan's financial and industrial networks to be among the best in the industry. Ledstiernan's strong financial position means that together with the founders and entrepreneurs, we can await the right time to exit or float our portfolio companies.

The degree of maturity and natural logic of each company determines the most appropriate time to exit. We believe there will be some divestments in 2001, and that in 2002 and 2003, when the portfolio has moved into its third and fourth financial years respectively, there will be a higher level of exit activity.

All in all, we view the future with confidence.



INCOME STATEMENT

AMOUNTS IN SEK THOUSAND

	2000 Jan – Dec	1999 Pro forma June – Dec
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Income from portfolio holding		
Exit profits	5 120	0
Write-downs	-120 000	0
Total loss from portfolio holding	-114 880	0
Other expense		
Administration expense	-38 679	-8 365
OPERATING LOSS	-153 559	-8 365
Loss on interests in Group companies	-30 432	0
Interest revenue and similar income statement items	11 963	222
Interest expense and similar income statement items	-329	0
LOSS BEFORE TAX	-172 357	-8 143
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Tax	0	0
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NET LOSS FOR THE YEAR	-172 357	-8 143

1) As the business commenced in June 1999, the comparative figures relate to seven months.

BALANCE SHEET

AMOUNTS IN SEK THOUSANDS

ASSETS	December 31, 2000	Pro forma December 31, 1999
Capital subscribed but not paid up	-	2 625
FIXED ASSETS		
Tangible fixed assets		
Equipment	2 360	765
Total tangible fixed assets	2 360	765
FINANCIAL FIXED ASSETS		
Interests in associate companies	219 836	71 840
Receivable from associate companies	25 018	0
Other long-term securities portfolios	80 271	14 237
Other long-term receivables	6 680	0
Total financial fixed assets	331 805	86 077
TOTAL FIXED ASSETS	334 165	86 842
CURRENT ASSETS		
Other current receivables	10 848	1 150
Prepaid expense and accrued income	4 467	979
Total current receivables	15 315	2 129
Short-term placements -commercial paper	199 486	0
Cash and bank	260 878	48 061
TOTAL CURRENT ASSETS	475 679	50 190
TOTAL ASSETS	809 844	139 657

BALANCE SHEET CONT'D

EQUITY AND LIABILITIES

	December 31, 2000	Pro forma December 31, 1999
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Restricted equity		
Share capital	32 686	144 125
Share premium reserve	882 760	0
Total restricted equity	915 446	144 125
Accumulated loss		
Retained earnings	35 005	975
Loss for the year	-172 357	-8 143
Total accumulated loss	-137 352	-7 168
TOTAL EQUITY	778 094	136 957
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CURRENT LIABILITIES		
Liabilities to suppliers	3 609	1 399
Other current liabilities	24 287	418
Accrued expense	3 854	883
Total current liabilities	31 750	2 700
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TOTAL EQUITY AND LIABILITIES	809 844	139 657
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MEMORANDUM ITEMS		
Pledged assets	-	-
Guarantees	65 827	-

ACCOUNTING PRINCIPLES

As Ledstiernan commenced operations in June 1999, the comparative figures are for seven months only. The balance sheet, income statement and cash flow analysis for 1999 are pro forma, as the business was not reorganised as a single company until 2000.

Issue costs of MSEK 77.6 in connection with the share issue flotation on OM Stockholm Stock Exchange's "O" list are stated as issue expense and reduce the proceeds of the issue that were taken to equity.

During the fourth quarter of 2000, the operations of New World Technology Ventures AB and Mobile Laboratories AB were transferred to Ledstiernan AB, and a decision had already been made on a merger with other companies. The merger was registered at the Swedish Patent and Registration Office at the beginning of January 2001. Following this merger, Ledstiernan AB has no subsidiaries. In the financial statements as at December 31, 2000, the merger is treated as having been completed.

CASH FLOW ANALYSIS

AMOUNTS IN SEK THOUSAND

		Pro forma January-December, June-December
	2000	1999
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Funds provided from operations		
Loss after financial net	-172 357	-8 143
Adjustment for items not included in cash flow	147 156	65
CASH FLOW FROM CURRENT OPERATIONS BEFORE CHANGES IN WORKING CAPITAL	-25 201	-8 078
Cash flow from changes in working capital		
Increase in receivables	-13 186	-2 129
Increase of current liabilities	5 301	2 700
CASH FLOW FROM CURRENT OPERATIONS	-33 086	-7 507
Investment activities		
Acquisition of tangible fixed assets	-1 925	-830
Acquisition of associate companies	-243 413	-78 840
Acquisition of other shares and participations	-115 134	-7 237
Sales of other shares and participations	18 679	0
Acquisition of subsidiaries	-26 900	0
CASH FLOW FROM INVESTMENT ACTIVITIES	-368 693	-86 907
Financing activities		
Stockholders' contribution	162 420	141 575
Rights issues and issue of options ²⁾	651 662	900
CASH FLOW FROM FINANCING ACTIVITIES	814 082	142 475
CASH FLOW FOR THE YEAR	412 303	48 061
Opening liquid funds	48 061	0
CLOSING LIQUID FUNDS	460 364	48 061

1) Verksamheten påbörjades i juni 1999, varför jämförelsesiffror endast avser 7 månader

2) Emissionslikvider 729,2 MSEK med avdrag för emissionskostnader 77,6 MSEK.

FINANCIAL RATIOS 2000

	2000	
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Loss per share, SEK ¹⁾	- 1,75	
Equity, MSEK	778	
Equity per share, SEK ²⁾	7,14	
Equity ratio, %	96	
Total invested capital, MSEK	452	
Invested capital per share, SEK ²⁾	4,14	
Market capitalisation, MSEK	828	1 144 at Feb 14, 2001
Closing listed price, SEK	7,60	10,50 at Feb 14, 2001

1) Loss for year in relation to average number of shares, 98,561,107.

As the calculation of earnings per share after full dilution only has a marginal effect it has been omitted.

2) No. of shares: 108,954,383. In the event of full exercise of all options, up to 1,200,000 more shares may be issued, which corresponds to dilution of up to 1.1%.

PORTFOLIO AT DECEMBER 31 2000

SEK thousand

LISTED COMPANIES

Company	List	Acquisition date	Current interest	Interest after exercise of options ¹⁾	Acquisition value	Market value
Cellpoint	Nasdaq	dec-99	0,2%	0,2%	294	1 948

UNLISTED COS

Company	Acquisition date	Current interest	Interest after exercise of options ¹⁾	Acquisition value	Value in external transaction
Nordic Circle ab	July-99	38,1%	31,3%	41 399	65 719
AB VsMarket	June-00	4,6%	4,6%	1 578	
Adventagon	March-00	20,0%	20,0%	0	
Ambio Tech i Sverige	Sept-00	25,0%	34,0%	6 000	
Avisator	July-99	39,6%	39,6%	26 003	
CCNOX ²⁾	Sept-00	37,8%	44,0%	5 030	
Chinsay	April -00	1,5%	1,5%	1 485	
Columbitech	May-00	8,1%	8,0%	9 000	
Digital Mobility Ltd ³⁾	Oct-99	54,3%	39,0%	59 775	
Ekonomiz4	April-00	11,4%	10,1%	10 000	
e-respect ⁴⁾	Dec-99	23,8%	27,1%	15 100	
Euroflower.net	March-00	15,0%	18,4%	10 000	
FM Fondmarknaden	Oct-99	24,5%	22,9%	17 460	
Grupo Rodania	Oct-00	49,0%	49,0%	7 650	
Hotvision	April-00	32,5%	36,4%	7 800	
Incomit	Aug-00	16,6%	34,9%	15 050	
InfoAccelerator	June-00	30,0%	21,3%	3 000	
Infomakers	July-99	25,0%	33,5%	5 401	
Infonation	March-00	12,5%	12,0%	15 000	
ipUnplugged	Jan-00	42,0%	47,0%	30 091	
Iquity Systems	Jan-00	1,5%	1,3%	10 978	
GoPro Landsteinar Group	Aug-00	5,1%	4,8%	24 931	
LinkPool	July-00	49,9%	47,7%	3 978	
Millennium Media Group	Dec-99	18,0%	32,4%	15 487	
Mint	May-00	27,5%	45,8%	25 033	
MGON International	Feb-00	38,0%	47,0%	7 000	
the Phone Pages of Sweden	March-00	28,3%	38,2%	13 035	
RoamInfo	Dec-99	36,9%	51,7%	11 619	
Start & Run	Jan-00	33,3%	30,0%	6 500	
TicketAnywhere	Dec-00	12,9%	27,6%	4 085	
Ten Four	March-00	3,3%	3,1%	7 432	
Tools4u.se	Nov-00	33,3%	33,3%	4 000	
Travis	Feb-00	22,2%	19,1%	14 840	
INCUBATORS					
Mobile Garden AB	March-00	48,0%	48,0%	10 000	
* Repeat It ⁵⁾	March-00	27,5%	25,9%	5 500	
* Voice Provider ⁶⁾	Nov-00	20,0%	23,7%	20	

TOTAL INVESTMENT PORTFOLIO COMPANIES DECEMBER

451 554

1) After the exercise by Ledstiernan of all its outstanding options.

2) Ledstiernan has issued call options on 5% of its holding in CCNox AB to Founding Partners.

3) The reclassification of "A" shares as "B" shares as one stage in arranging external financing has resulted in Ledstiernan's voting interest exceeding 50%.

However, since after the planned financing, Ledstiernan's interest will fall below 50%, the holding is stated as an associate company.

4) In January 2001, the founders purchased all of the largest shareholder's stock for a symbolic sum.

5) Direct interest of 27,5%, indirect interest through Mobile Garden of 9,0%.

6) Direct interest of 20,0%, indirect interest through Mobile Garden of 7,5%.

7) Ledstiernan has undertaken to make follow-up investments providing our milestones of MSEK have been reached. It also has options to invest a further MSEK 152, via warrants and call options, in the portfolio companies.

FINANCIAL PERFORMANCE IN 2000

Ledstiernan invested a total of MSEK 365 in 2000, bringing its aggregate invested capital to MSEK 452. The portfolio consists for the most part of start-ups, most of which have not yet earned a positive operating result.

Only minor sales were made during the period, which has resulted in a capital gain of MSEK 5.1. The portfolio as presented includes information on invested capital and, wherever there has been a share issue or flotation, the latest share price paid at December 31 2000. (Table a)

Ledstiernan's result for 2000, after financial net and including write-downs in asset values, was a loss of MSK 172. Some MSEK 120 of the loss was due to write-downs in the value of portfolio holdings, and MSEK 30 to the dissolution of the wholly owned incubator New World Technology Ventures and the transfer of its business to Ledstiernan AB, which was stated in the accounts among financial expense. MSEK 147 of the result has no effect on cash flow.

Ledstiernan's operating costs consist mainly of personnel costs and rent, which have increased on the previous year as planned as a result of the expansion of the organisation. As of December 31, the company had 16 employees, and nine Founding Partners who do not draw salaries.

BOOK VALUATION OF PORTFOLIO COMPANIES

Ledstiernan states its investments at their acquisition value.

An assessment is made of each portfolio company in connection with the quarterly and annual reports to ascertain if there is any premium or discount in relation to the company's acquisition value. If the market value is higher than this value, the book value is not changed and the income statement is not affected. If the value of a portfolio company is below the book value, the book value must be written down to the estimated amount. This write-down is included in the income statement in its entirety, i.e. with a loss equivalent to the write-down value. This does not, however, affect the company's cash flow.

MARKET VALUE OF PORTFOLIO COMPANIES

Ledstiernan shows its portfolio in a separate table in accordance with EVCA's valuation standard, which means that in the case of companies that have arranged finance from outside parties the value of the company is stated at the latest issue. Listed shares are stated at their listed prices (Table a). Otherwise, the portfolio is valued at acquisition value.

Ledstiernan's assessment is, however, that the aggregate value of the portfolio is considerably higher than the book value following the write-down in asset values.

INVESTMENT COMPANY STATUS

Ledstiernan has applied for investment company status, which, if granted, would mean that capital gains are no longer liable to taxation, and capital losses no longer deductible. Ledstiernan would be taxed instead on standardised revenue of 2% of its opening asset value. A decision on the application is expected in the spring of 2001.

LIQUID FUNDS AND FINANCING

Closing liquid funds amounted to MSEK 460. Ledstiernan has no interest-bearing debts. By exercising its warrants and call options, Ledstiernan is entitled to increase its holdings in its portfolio companies to MSEK 217.

RESTRUCTURING OF THE LEDSTIERNAN GROUP INTO SINGLE LEGAL ENTITY

As one of the measures being taken to enable Ledstiernan to be granted investment company status for all its investment activities, the operations and portfolio holdings of subsidiaries have been transferred to Ledstiernan AB, after which Ledstiernan AB has no subsidiaries.

The financial information included in the interim reports and in prospectuses published in 2000 was provided when Ledstiernan AB was a group. As Ledstiernan is no longer a group the equity interest method, which includes the parent company's interest in the earnings of associate companies, neither can nor may be used.

If the structure had not been changed the result would have been a loss of MSEK 245.

DIVIDEND

Ledstiernan's Board will propose that no dividend be paid for 2000

ANNUAL GENERAL MEETING

- ★ Ledstiernan AB's Annual General Meeting will be held at 5.00 p.m. on Monday May 14, 2001. A special notice will be published in the daily newspapers during the week commencing April 9.
- ★ The annual report and accounts for 2000 will be distributed to stockholders during the week commencing March 12. The annual report and accounts will also be available on the home page as of the week commencing April 9. www.ledstiernan.se

INFORMATION DATES

- | | |
|-------------------------------------|-------------------|
| ★ Interim report March 31, 2001 | May 10, 2001 |
| ★ Annual General Meeting | May 14, 2001 |
| ★ Interim report June 20, 2001 | August 15, 2001 |
| ★ Interim report September 30, 2001 | November 12, 2001 |
| ★ Year-end release for 2001 | February, 2002 |

Johan Wachtmeister
President/Ledstiernan AB
Stockholm, February 15, 2001

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