



- Net profit for the first six months of 2006 was MSEK 8,1 equivalent to SEK 0,05 per share, as against a net loss for the same period in 2005 of MSEK 18,8 equivalent to SEK 0,13 per share.
- Equity at 30 June totalled MSEK 552 equivalent to SEK 1,93 per share, which includes the net proceeds of new share issue amounting to MSEK 186. If the proceeds of the new share issue were to be excluded, equity at 30 June would have totalled MSEK 366 equivalent to SEK 2,56 per share. Equity/assets ratio was 92 per cent.
- Gross investments during the first six months of the year totalled MSEK 108 (MSEK 41), of which further investment in **Metrima** accounted for MSEK 102.
- Proforma liquid assets at 30 June totalled MSEK 172,9 equivalent to SEK 0,60 per share.
- During the second quarter of 2006 Ledstiernan acquired 18 per cent of the issued share capital in a new company, **Soft Capital Investment AB** that has been formed with a view to engaging in gaming operations in the field of games-of-chance such as online bingo.
- Ledstiernan also increased its shareholding in **Voice Provider**, from 24 per cent to 48 per cent, through the acquisition of the shareholdings of Skandia Life Assurance and Telenor Ventures.
- **Metrima** completed a directed new share issue that raised a further MSEK 51 from existing shareholders, and also signed a framework agreement with Svenska Mätsamarbetet (SAMS).
- **Daydream Software** merged with **24hPoker**

Interim Report, January – June 2006

LEDSTIERNAN

OPERATIONS

Ledstiernan is a venture capital company whose shares are quoted on the Stockholm Stock Exchange. In historical terms its focus has been on IT and communications technology, but in the future this will be widened to include investments outside the technology sector and in companies that have reached a more mature stage in their development. As Ledstiernan is not subject to the same restrictions in terms of investment focus as other venture capital funds, there is scope for seizing suitable opportunities for investment as and when they arise.

Ledstiernan's investment portfolio currently comprises nine major investments, primarily in companies specializing in mobile communications and wireless technology. On average, shareholdings represent some 30 per cent of the issued share capital of portfolio companies.

FINANCIAL DEVELOPMENTS

Results, liquidity and financial position

- Net profit for the first six months of 2006 was MSEK 8,1 equivalent to SEK 0,05 per share, as against a net loss for the same period in 2005 of MSEK 18,8 equivalent to SEK 0,13 per share.
- Proforma liquid assets at 30 June, including new shares subscribed for but not yet paid for, less expenses incurred in connection with the new share issue and short-term interest-bearing liabilities, totalled MSEK 172,9 equivalent to SEK 0,60 per share.
- Net administrative costs for the first six months totalled MSEK 6,9 (2005: MSEK 13,1). The number of employees as at 30 June was 5 (2005: 7).

Investments

As at 30 June 2006 gross investments totalled MSEK 108, of which MSEK 102 was attributable to follow-up investments in **Metrima** which, as a result of the increase in orders booked, required a further capital injection. The proceeds of sale of Ledstiernan's holdings in **Hotsip** and **Interpeak** totalled SEK 47.

During the second quarter Ledstiernan made its first new investment of the year, in **Soft Capital Investment AB**, a new company that has been formed with a view to engaging in online gaming operations in the field of games-of-chance.

As at 30 June the acquisition cost of existing investments in portfolio companies totalled MSEK 509, and their book value was MSEK 377 equivalent to SEK 1,32 per share.

The focus of Ledstiernan's investment strategy is on the development and build-up of structures surrounding the Company's principal holdings with a view to creating larger and stronger units, but in the future this will be widened to include investments outside the technology sector and in companies that have reached a more mature stage in their development. The recently completed new share issue has created opportunities for doing so.

Write-downs

No write-downs were made during the period.

Divestments

Ledstiernan's sales during the period of its holdings in **Hotsip** and **Interpeak** generated liquid funds totalling MSEK 47.

EVENTS DURING THE SECOND QUARTER

The portfolio companies

Voice Provider

Together with **Voice Provider's** senior management and chairman, Ledstiernan has acquired the whole of the shareholdings of **Skandia Life Assurance** and **Telenor Ventures II** in the company. Ledstiernan's holding has thus increased to 48 per cent of the issued share capital. The acquisition was facilitated by the formation of a new holding company, **VP Holding AB** which then acquired the whole of the issued share capital in **Voice Provider Sweden AB**. The transaction was financed by a combination of equity and bank loans.

Daydream Software

The two gaming companies **Daydream Software AB** and **24hPoker AB** merged following a public offer by **Daydream** to acquire the whole of the issued share capital in **24hPoker**. This created an offering that includes online gaming products for cash and games-of-skill that are distributed via a number of digital channels. Following the merger, former shareholders in **24hPoker** now hold some 90 per cent of the issued share capital, and Ledstiernan's shareholding has been reduced to 0,6 per cent, as a result of which it is no longer regarded as a core investment.

Metrima

The tremendous expansion in the company's operations during 2005, and the fact that businesses acquired were not fully integrated, resulted in deliveries to certain of its customers not being of satisfactory quality. Consequently, early in 2006 its shareholders decided to replace **Metrima's** board of directors and senior management. The new board and management immediately implemented an extensive package of measures designed to ensure quality of deliveries and also enhance efficiency and marketing in all business areas.

Soft Capital Investment

(new investment)

Soft Capital Investment AB is a new company that has been formed with a view to operating online gaming activities in the field of games-of-chance. Independent analysts assess that online bingo has the greatest potential for rapid growth in this field, and the global market for it is expected to grow from MUSD 160 in 2004 to MUSD 900 by 2008 in terms of net worth¹. **Soft Capital Investment's** two founders, Björn W Ericsson and Christina Andersson, both have many years' experience of gaming and the Internet, including involvement in Svenska Spel AB's business development and digital operations. Jointly with Ekstranda AB, Ledstiernan is investing MSEK 13 in the new venture, in the form of share capital and loans, with each company holding 18 per cent of the issued share capital in **Soft Capital Investment**.

New share issue

During June 2006 Ledstiernan made a directed new share issue to its existing shareholders in the sum of MSEK 200 before ancillary expenses. The new issue was guaranteed by the Company's major existing shareholders and by a guarantee consortium. As a result of the new share issue, the Company's issued share capital was increased by MSEK 42,9 to MSEK 85,8. The number of shares in issue increased from approx 143 million to approx 286 million, each with a nominal value of SEK 0,30. The subscription price was SEK 1,40 per share. Costs incurred in connection with the transaction totalled MSEK 14, and the Company's advisors were E Öhman Junior Fondkommission AB. Approximately half the costs incurred were accounted for by commission payable to the guarantors. The proceeds of the new share issue are to be used first and foremost to implement new investments outside the technology sector and in companies that have reached a more mature stage in their development.

FUTURE PROSPECTS

The further increase in commercial activity, the first signs of which were reported earlier in the year, has resulted in most of Ledstiernan's holdings showing an improvement in terms of both turnover and profitability, and this improvement can be expected to continue during the remainder of 2006. As a result of the new share issue completed in June, Ledstiernan now has greater scope for financial operations, and this has created opportunities for taking active steps to identify new and interesting potential investments, both within the technology sector and outside it, in line with the Company's new strategy.

¹ The Business of Gambling, Dresdner Kleinwort Wasserstein, March 2005

Operations and financials

With effect from the beginning of its current financial year Ledstiernan intends to expand its reporting of the operations of its portfolio companies. Thus the present Interim Report includes information about developments in turnover and profitability for those of its portfolio companies that have secured themselves an established position on markets that are assessed as having attained a sufficient degree of maturity to offer reasonable prospects of satisfactory development in the future. The portfolio companies concerned are EasyPark, Metrima, MMG and Voice Provider. Ledstiernan plans to gradually expand reporting of these financial developments, but at the same time due account will be taken of the maturity of the companies in question, of Ledstiernan's position as a shareholder, and of any discussions as to corporate structure that may be taking place.

Columbitech

Columbitech has been developing well during the first six months of 2006, with turnover increasing by just under 40 per cent. The company is in the black and cash flow is positive. Prospects for future growth are assessed as promising.

Continuent

Sales are developing according to plan and the company has a satisfactory level of tenders submitted, indicating prospects for future growth.

EasyPark

The company is reinforcing its position as the Scandinavian market leader in its sector, and is expanding its operations on selected markets in the rest of Europe.

ipUnplugged

Sales during the first six months of 2006 were in line with those for the same period in 2005. The company has made significant investments in preparation for further product development, with a view to launching solutions designed to meet the convergence between static and mobile communications.

Metrima

The technical problems reported earlier, and delays in deliveries to customers, resulted in figures for the first six months of the year being weaker than expected. The technical problems have now been resolved, following which all current project technology has been approved by customers. As a result the company's future prospects look to be excellent.

MMG

Sales and profitability have increased sharply over those for 2005. The company has been granted the concession/licence for a new TV channel, Silver, and over the past year has established itself as a major player in the market for commercial TV. **MMG** has every prospect of continuing to expand, and profitably.

Repeatit

During the first half of 2006 the company's sales were up by 253 per cent, and demand continues to be at a high level. Operations were considerably improved but were still loss-making, first and foremost as a result of investments in product development, logistics, sales and product adaptation.

Voice Provider

Figures for the first six months of the year were offset by one-off costs. The company has established itself as the Scandinavian leader in the field of voice-controlled services. Prospects for the future look rosy.

COMPANY	%	TURNOVER				RESULT AFTER FINANCIAL ITEMS			
		2004	2005	H1/2005	H1/2006	2004	2005	H1/2005	H1/2006
EasyPark	27,9	6 115	29 790	14 309	15 908	-10 013	-2 992	-1 005	-726
Metrima	60,6	125 782	181 300	76 528	145 020	-15 570	-38 622	-14 441	-45 026
MMG	36,2	59 239	88 746	43 952	50 496	1 457	4 830	710	7 695
Voice Provider	47,6	13 307	16 872	8 333	7 974	415	131	-299	-342
Summa		204 443	316 708	143 122	219 398	-23 711	-36 653	-15 035	-38 399

LEDSTIERNAN'S SHARES

Remium Securities is Ledstiernan's market maker. During the first six months of the year shares were traded on all business days, with 95 million shares changing hands for a total of MSEK 264, giving an average price of SEK 2,77. As at 30 June the share price was SEK 1,55 equivalent to a market value of MSEK 443.

ACCOUNTING PRINCIPLES

Ledstiernan is not a group of companies for the purposes of the International Financial Reporting Standards (IFRS), and will continue to apply the Swedish Financial Accounting Standards Council's recommendations.

This Interim Report has been drawn up in accordance with recommendation RR32. In accordance with the interim provisions of RR32, with effect from 1 January 2006 certain financial instruments are reported at actual value. In Ledstiernan's case, this means that holdings in portfolio companies in which Ledstiernan controls less than 20 per cent of the share capital and voting rights have been reported at actual value where this can be determined.

Holdings in portfolio companies in which Ledstiernan controls more than 20 per cent of the share capital and voting rights, referred to as associated companies, have been reported at acquisition cost less deductions in respect of write-downs in those cases in which it is not expected that amounts written down can be recovered, in accordance with IAS 36. An assessment of each individual company is made at balance sheet date with a view to establishing whether the actual value of the holding is above or below acquisition cost. If it is above, no change is made to the book value. If it is below, the book value is written down to the assessed value. This is done at rates of 25, 50, 75 and 100 per cent of acquisition cost.

As Ledstiernan's portfolio for the most part comprises investments in unlisted companies that are still at a

relatively early stage in their development, Ledstiernan has decided to assess their value on the basis of the "Consultation Document: Valuation Guidelines for Private Equity and Venture Capital" published jointly by EVCA, BVCA and AFIC.

In all other respects the accounting principles applied are the same as those applied in the preparation of the Annual Report for 2005.

ANNUAL GENERAL MEETING AND EXTRAORDINARY GENERAL MEETING

Ledstiernan's Annual General Meeting was held on Tuesday 2 May 2006, when Jan Carlzon (Chairman), Leif Almstedt, Alf Blomqvist (President) and Märtha Josefsson were re-elected to the Board of Directors; and Mats Lönnqvist and Hans Risberg were elected to serve as directors.

At an Extraordinary General Meeting held on 18 May 2006, a resolution was passed authorizing a new share issue directed to existing shareholders. The new share issue had been guaranteed, and raised MSEK 186 net after deduction of expenses totalling MSEK 14. The share issue price was SEK 1,40, and a total of 142 984 105 new shares were issued. The total number of shares in issue is now 285 968 210.

SIGNIFICANT EVENTS AFTER 30 JUNE 2006

With effect from 1 October 2006 Fredrik Lindgren will become CFO of Ledstiernan. Aged 36, he has a B Sc (Econ) from the Stockholm School of Economics and a law degree from Stockholm University. Fredrik Lindgren joins Ledstiernan from Proffice, where he was also CFO. He was previously employed at Carnegie Investment Banking, where he was a corporate advisor on structural affairs and raising of capital.

Stockholm, 23 August 2006
The Board of Directors
Ledstiernan AB (publ)

This Interim Report has not been examined by the Company's auditors

Financials 2006

Interim Report Jan-Sept: 31 October 2006
Publication of unaudited annual earnings figures for 2006 - February 2007

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Portfolio holdings at 30 June 2006 figures in SEK 000s

Company	Acquisition date	Shareholding ¹⁾	Acquisition cost	Convertible loans	Other loans	Total investment	Market price of quoted holdings
Columbitech AB	May-00	17,4%	18 630			18 630	
Continuent Inc	Jun-02	20,5%	12 917			12 917	
EasyPark ASA	May-05	27,9%	58 540			58 540	
ipUnplugged AB	Jan-00	35,6%	87 251			87 251	
Metrima AB	May-01	60,6%	99 855		82 580	182 435	
Millennium Media Group AB	Dec-99	36,2%	21 079		1 819	22 898	
Repeatit AB	Mar-00	52,0%	35 148		681	35 829	
Soft Capital Investment AB	Jun-06	18,0%	31		2 500	2 531	
Voice Provider Holding AB	Nov-00	47,6%	7 761			7 761	
Acquisition cost of core holdings			341 212	0	87 580	428 792	
Daydream Software AB	Jun-02	0,6%	10 361			10 361	3 596
World Television Group Plc	May-00	0,3%	566			566	246
Acquisition cost of quoted holdings			10 927	0	0	10 927	
Acquisition cost of other holdings			65 054	0	4 054	69 108	
			417 193	0	91 634	508 827	
Total acquisition cost						508 827	
Total write-downs						-125 180	
Adjustment for financial instruments (holdings of less than 20%)						-7 086	
Book value						376 561	

¹⁾Excluding convertible loans

Income statement figures in SEK 000s

	2006 Apr-June	2005 Apr-June	2006 Jan-June	2005 Jan-June	2005 Jan-Dec
INCOME FROM PORTFOLIO HOLDINGS					
Exit profits	354	404	17 846	4 752	10 028
Write-downs	0	-18 726	0	-18 726	-63 970
Reversals of write-downs	0	0	0	680	636
Adjustment in values of financial instruments ¹⁾	-7 457	0	-4 211	0	0
OTHER OPERATING INCOME	316	470	801	825	1 234
OPERATING COSTS					
Administrative costs	-4 023	-9 186	-7 631	-13 773	-25 538
Depreciation	-51	-47	-108	-130	-314
OPERATING PROFIT/LOSS	-10 861	-27 085	6 715	-26 372	-77 924
Income/Expense from financial investments	3 697	5 700	1 424	7 599	6 942
PROFIT/LOSS AFTER FINANCIAL ITEMS	-7 164	-21 385	8 139	-18 773	-70 982
Tax	0	0	0	0	0
NET PROFIT/LOSS	-7 164	-21 385	8 139	-18 773	-70 982
Average no of shares in issue	190 645 473	140 398 647	166 814 789	140 829 560	141 907 414
No of shares in issue at end of quarter/year	285 968 210	142 984 105	285 968 210	142 984 105	142 984 105
Profit/loss per share ²⁾	-0,04	-0,15	0,05	-0,13	-0,50

¹⁾ Resulting from reporting at actual value of holdings in portfolio companies in which Ledstiernan controls less than 20 per cent of shares and voting rights

²⁾ Outstanding call options will not result in any dilution. If outstanding option warrants were to be exercised in full, 3 666 000 new shares would be issued. The option warrants scheme was adopted at an Extraordinary General Meeting held on 6 July 2005, and warrants mature on 31 December 2007.

Balance sheet figures in SEK 000s

	30 June 06	30 June 05	31 Dec 05
ASSETS			
FIXED ASSETS			
<i>Tangible fixed assets</i>			
Equipment	306	577	414
<i>Financial fixed assets</i>			
Participation in associated companies ¹⁾	342 234	248 709	234 417
Other shares and participations ¹⁾	34 327	74 303	67 993
TOTAL FIXED ASSETS	376 867	323 589	302 824
CURRENT ASSETS			
<i>Short-term receivables</i>			
Capital subscribed but not yet paid for	200 178	0	0
Other short-term receivables	5 097	2 262	4 262
<i>Short-term placements</i>	1 129	59 680	35 332
<i>Cash in hand and at the bank</i>	15 745	35 708	22 457
TOTAL CURRENT ASSETS	222 149	97 650	62 051
TOTAL ASSETS	599 016	421 239	364 875
EQUITY AND LIABILITIES			
EQUITY			
<i>Restricted equity</i>	118 195	73 760	75 299
<i>Non-restricted equity</i>	433 546	334 423	282 215
TOTAL EQUITY	551 741	408 183	357 514
CURRENT LIABILITIES			
Short-term interest bearing liabilities	30 000	0	0
Short-term non-interest bearing liabilities	17 275	13 056	7 361
TOTAL CURRENT LIABILITIES	47 275	13 056	7 361
TOTAL EQUITY AND LIABILITIES	599 016	421 239	364 875
¹⁾ Including shares and loans.			
	2006	2005	2005
CHANGES IN EQUITY	Jan-June	Jan-June	Jan-Dec
As at 1 January	357 514	416 537	416 537
New share issue ¹⁾	186 088	10 419	10 419
Consideration for option warrants	0	0	1 540
Profit/loss for the period	8 139	-18 773	-70 982
As at 30 Jun	551 741	408 183	357 514

¹⁾At an Extraordinary General Meeting held on 18 May 2006 it was resolved to issue 142 984 105 new shares in the Company at SEK 1,40 per share. Of the total consideration received of SEK 200 178 000, SEK 42 895 000 has been assigned to the Company's issued share capital and the remaining SEK 157 283 000 has been assigned to non-restricted equity. Expenses in connection with the share issue totalling SEK 14 089 000 have been deducted from non-restricted equity

Cash flow analysis/Key ratios

Cash flow analysis figures in SEK 000s

	2006 Jan-June	2005 Jan-June	2005 Jan-Dec
CURRENT OPERATIONS			
Cash utilized by current operations	-4 889	-5 311	-17 359
Changes i working capital	9 079	1 137	-768
CASH UTILIZED BY CURRENT OPERATIONS	4 190	-4 174	-18 127
CASH UTILIZED BY INVESTMENT ACTIVITIES	-61 016	-14 858	-38 504
CASH UTILIZED BY FINANCING ACTIVITIES	15 911	0	0
CASH FLOW FOR THE PERIOD	-40 915	-19 032	-56 631
Liquid assets at 1 Jan	57 789	114 420	114 420
LIQUID ASSETS AT END OF PERIOD	16 874	95 388	57 789

Key ratios

	30 Jun 06	31 Dec 05	31 Dec 04	31 Dec 03	31 Dec 02	31 Dec 01
Profit/loss for the period, MSEK	8	-71	-53	-128	-130	-197
Profit/loss per share, SEK	0,05	-0,50	-0,38	-0,93	-1,06	-1,81
Equity, MSEK	552	358	417	456	583	581
Equity per share before new share issue, SEK	2,56	2,50	2,97	3,33	4,26	5,33
Equity per share after new share issue, SEK	1,93	-	-	-	-	-
Equity/assets ratio	92	98	98	99	96	98
Capital invested in existing portfolio, MSEK	509	443	426	547	576	503
Capital invested per share, SEK	1,78	3,10	3,03	3,99	4,21	4,62
Book value of portfolio	377	302	308	313	357	358
Book value of portfolio per share	1,32	2,11	2,19	2,29	2,61	3,29
Liquid assets per share, SEK ¹⁾	0,06	0,40	0,81	1,04	1,69	2,09
Administrative costs/average equity, % ²⁾	4,59	6,61	3,86	3,54	4,14	7,79
Shares in issue, 000s	285 968	142 984	140 399	136 834	136 834	108 954
Dividend per share, SEK	0	0	0	0	0	0
Share price at end of period, SEK	1,55	4,05	3,23	2,80	3,10	6,45
Market value, MSEK	443	579	453	383	424	703
No. of employees at end of period	5	5	7	9	9	11

¹⁾ Proforma figure after receipt of net proceeds of share issue is SEK 0,60.

²⁾ Calculated over a twelve-month period year-on-year.