



LEDSTIERNAN

Year-end report 2007

- The Group's net sales for 2007 amounted to MSEK 564.1 (111.3).
- The Group's result after tax for 2007 was MSEK 34.0 (2.3), equivalent to SEK 0.12 (0.01) per share.
- The Group's net sales for the fourth quarter 2007 amounted to MSEK 176.1. The Group's result after tax for the fourth quarter 2007 was -3.9 MSEK, equivalent to SEK -0.01 per share.
- The Parent Company's result after tax for 2007 was MSEK -15.2 (-22.4) equivalent to SEK -0.05 (-0.10) per share.
- The Parent Company's result after tax for the fourth quarter 2007 was MSEK -21.4 (-27.1) equivalent to SEK -0.07 (-0.09) per share.
- Equity in the Parent Company as at 31 December 2007 amounted to MSEK 505.4 (520.7), equivalent to SEK 1.77 (1.82) per share. The equity ratio was 99 (99) percent.
- Ledstiernan has decided that a Group-internal restructuring of certain portfolio companies is done. This restructuring involves that certain portfolio companies are transferred to a newly formed wholly owned subsidiary, Ledstiernan Venture AB. The restructuring is made to further clarify Ledstiernan's investment focus and to make it easier to undertake future structural transactions regarding the companies transferred to Ledstiernan Venture AB.

Ledstiernan AB (publ) is a venture capital company with the business concept, as an active owner to help growth companies realize their potential with a view to attain maximum long-term value growth. The portfolio comprises 5 core investments. The Company's shares are listed on the OMX Nordic Exchange. www.ledstiernan.com



SIGNIFICANT EVENTS DURING THE PERIOD

In February Ledstiernan received a dividend of MSEK 10.3 from The Phone Pages. The Phone Pages no longer runs any operations since the company divested its entire patent portfolio. In connection with this dividend Ledstiernan wrote down the value of the shares in The Phone Pages by MSEK 5.4. After the write-down the book value in the Parent Company of the shares in The Phone Pages is MSEK 4.4, which corresponds to Ledstiernan's portion of the remaining net assets in The Phone Pages.

In April 2007 Ledstiernan invested in Katshing Netsales AB. Katshing sells mobile phones, accessories, mobile phone subscriptions and related services over the Internet. The company was founded in 2003 and is today the largest Internet-based company in mobile telephony in Sweden. Katshing's strategy is to be a leader in terms of price and to be the most cost-effective distribution channel for operators and mobile phone manufacturers vis-à-vis consumers. The company has expanded considerably since starting up and has shown profits each year in operation. The company has no debts. Sales for the financial year 1 May 2006 – 30 April 2007 totaled MSEK 114 (52), corresponding to an increase compared with the year before of 119 percent. Profit after net financial items for 2006/2007 amounted to MSEK 1.6 (0.0). Ledstiernan's investment was made by acquiring 20 percent of the shares in the company Wazoo Holding AB which owns 100 percent of the shares in Katshing. The purchase sum was MSEK 6.

In June Metrima made an issue of new shares with a preferential right to subscribe for the company's shareholders totaling approximately MSEK 103 before issue expenses. Due to the issue Metrima's debts were reduced considerably. Ledstiernan guaranteed the issue together with ONS Venture. Ledstiernan's subscription amounting to some MSEK 74 was set off against receivables from Metrima. Ledstiernan's holding in Metrima after the issue amounts to 71.2 percent and ONS Venture's to 25.3 percent.

In June Polstiernan Industri acquired 100 percent of the shares in R-man i Värnamo AB ("R-man"). R-man manufactures products primarily in bent tubing and welded components for manufacturing industries including heavy vehicles. The acquisition broadens Polstiernan's customer base and production know-how. R-man's turnover was MSEK 100.4 and operating profit was MSEK 11.3 in 2006. With this acquisition the Polstiernan group now has an annual turnover rate of about MSEK 600. The acquisition is part of Polstiernan's efforts to build a strong subcontractor group in the steel and aluminum industry. The purchase sum for the shares was MSEK 48.5. Interest-bearing liabilities in R-man at the time of the acquisition amounted to about MSEK 3 and refer to financial leasing. The investment was made without contribution of capital by Ledstiernan. In connection with the acquisition R-man's president Bengt Svensson acquired just over 1 percent of the shares in Polstiernan Industri AB. Ledstiernan has options to acquire shares in Polstiernan and Bengt Svensson has options to sell shares in Polstiernan in accordance with the rules applied to other minority share holders.

In August Metrima acquired rights and other assets regarding radio technology from the Swedish company Commet. The acquisition gives Metrima access to cutting-edge technology for radio communication of values collected in measuring energy consumption. This technology is an important complement to Metrima's own technology, which is primarily based on electric grid communication. By combining these two technologies Metrima can offer the most flexible and competitive alternative on the market. Commet's personnel have transferred to Metrima and Commet's existing customers are offered development of their collection systems and support services by Metrima.

In August Ledstiernan sold its entire holdings in Euroflorist Holding AB to Litorina Kapital. The divestment brought a capital gain amounting to MSEK 7.4 and a contribution to liquidity of some MSEK 9.4.

On 30 September Ledstiernan acquired 20 percent more of the shares in Wazoo Holding (Katshing). The purchase sum was MSEK 8.4. Ledstiernan's holding after the acquisition amounts to 40 percent. The acquisition was made in accordance with the option that Ledstiernan received in connection with the initial investment in Wazoo Holding.

Ledstiernan as decided that a group internal restructuring regarding certain portfolio companies is done. This restructuring means that the Parent Company's holdings in Columbitech, Continuent, Easy Park, ipUnplugged, Repeatit, Soft Capital, Sourcebynet and Voice Provider are transferred to a newly formed company, Ledstiernan Venture AB. Ledstiernan Venture AB is a wholly owned subsidiary of Ledstiernan AB. The transaction is carried out through a sale of shares in and claims on the portfolio companies to Ledstiernan Venture AB, at fair value, by conducting a non-cash issue. Shares and claims are transferred with financial possession as of 31 December 2007 and give rise to a capital loss in the parent company of MSEK -17.3. In some portfolio companies shareholder's agreements and articles of association stipulates that other shareholders must approve a



transfer of shares before the transaction is finalized and Ledstiernan Venture takes legal possession of the shares. In the transaction fair value of Ledstiernan's holdings in Continuent and ipUnplugged are set at zero.

Continuent is in the process of developing a new generation of its main product. Ledstiernan estimates that the risk level in Continuent does not motivate further investments on Ledstiernan's behalf. During 2007 Continuent has made new share issues where Ledstiernan has chosen not to take part. Currently Continuent is initiating further share issues and Ledstiernan's ownership in Continuent will be less than 5 percent after this issue. On 30 September 2007, Ledstiernan wrote down shares in Continuent by MSEK 6.5.

Together with other shareholders of ipUnplugged, Ledstiernan has previously decided that the company's value best could be preserved by selling it to a buyer who could utilize the company's products in their own structure as well as selling the company's products through their established contacts. Early in 2007 the owners therefore decided to initiate a process to sell the company. Initial interest from buyers was considerable and, together with the other shareholders, Ledstiernan judged that it would be possible to sell the company at an acceptable price. During the divestment process several of the most probable buyers decided not to continue with an acquisition of ipUnplugged. The company has shown a weak financial development in 2007. The company's turnover for 2007 was MSEK 5.4 in comparison with MSEK 9.7 for 2006. As a result of the financial development, the company's Board of Directors in February 2008 decided to apply for a re-organization of the company. The purpose of this re-organization is to try to establish a structure that enables the company to finance its operations with the incomes generated.

PARENT COMPANY

Result

The Parent Company's result after tax for 2007 was MSEK -15.2 (-22.4), equivalent to SEK -0.05 (-0.10) per share. As at 31 December 2007 Ledstiernan had no outstanding warrants or similar instruments that could lead to an increase in the number of shares. The result includes a capital gain with regard to Euroflorist of MSEK 7.4, financial income amounting to MSEK 9.9 from conversion of an interest claim made on Metrima, a dividend amounting to MSEK 10.3 received from The Phone Pages and write-downs with regard to The Phone Pages and Continuent totaling about MSEK 12.0. The result includes further a capital loss of MSEK -17.3 attributed to the transfer of certain portfolio companies to Ledstiernan Venture AB. The result for 2006 includes a capital gain of about MSEK 17 from the sale of Interpeak.

The Parent Company's result after tax for the fourth quarter 2007 was MSEK -21.4 (-27.1).

Central costs and income

Administrative costs and depreciation for 2007 totaled MSEK 17.3 (16.1), of which personnel costs represented MSEK 7.9 (7.3). Other administrative costs and depreciation amounted to MSEK 9.4 (8.8). Other operating income amounted to MSEK 0.8 (1.0) and referred primarily to consulting services to the portfolio companies. Net financial items totaled MSEK 13.0 (2.7). The number of employees at the end of the period was 5 (5).

Financial standing

The Parent Company had as at 31 December 2007 bank balances amounting to MSEK 37.2 (82, 6). Of this MSEK 2.5 (9.3) was blocked as security for guarantees the Parent Company provided for the benefit of portfolio companies. The Parent Company has no interest-bearing liabilities. The equity ratio was 99 (99) percent.

Investments

Gross investments with respect to shares and loans during 2007 totaled MSEK 69.9 (191.2). Gross investments refer to investments in shares in and loans to portfolio companies less repayment of loans from existing portfolio companies. Investments during the period refer primarily to Metrima, Wazoo Holding (Katshing) and ipUnplugged. In addition, smaller investments were made in Repeatit, EasyPark and Voice Provider among others.

Divestments

In August all of Ledstiernan's shares in Euroflorist Holding AB were divested. The divestment brought a capital gain of about MSEK 7.4. In connection with the transaction Euroflorist also repaid loans, including accrued interest, totaling MSEK 1.9 to Ledstiernan. As described above, Ledstiernan has decided that a restructuring is done where certain shares are transferred from the parent company to a wholly owned subsidiary. This transfer generates a capital loss of MSEK -17.3 for the Parent Company.

Write-downs



Write-downs during 2007 totaled MSEK 12.0 (22.0) and refer primarily to Continuent and The Phone Pages.

Equity

As at 31 December 2007 the Parent Company's equity amounted to MSEK 505.4 (520, 7), equivalent to SEK 1.77 (1.82) per share.

Amounts in MSEK 31 December 2007	Holding	Shares	Book value		Total
			Loans		
Metrima AB	71.2%	161.7	67.8		229.6
Millennium Media Group AB	36.2%	18.9	4.0		22.9
Polstiernan Industri AB	69.0%	49.2	6.0		55.2
Wazoo Holding AB (Katshing)	40.0%	14.7	0.0		14.7
Ledstiernan Venture AB	100.0%	147.2	0.0		147.2
Book value core holdings		391.7	77.8		469.5
Other holdings		4.4	0.0		4.4
Book value portfolio companies		396.1	77.8		473.9
Other assets					1.9
Bank balances					37.2
Deducted: Liabilities					-7.6
Total equity					505.4
Total equity per share, SEK					1.77

Pledged assets and contingent liabilities

Metrima generally gives certain guarantees regarding equipment and systems from the time when a project has been finalized. These types of guarantees are customary in Metrima's line of business. The customers often demands bank guarantees or similar arrangements as a security for the suppliers' possibilities to fulfill their undertakings under the guarantee. Metrima has entered into contracts with two credit insurance companies regarding insurance for Metrima's undertakings. Ledstiernan has entered into a guarantee regarding Metrima's insurance with these companies. During 2007 Metrima has finalized some larger projects, which has led to an increased need for securities for guarantees. Ledstiernan's pledged assets and contingent liabilities as per 31 December 2007 amounted to MSEK 39.1 (9.3), of which the major part pertains to Metrima.

Ledstiernan Venture

During 2005 Ledstiernan decided to change its investment strategy. The new strategy meant that Ledstiernan widened its focus with regard to business sectors and that Ledstiernan would concentrate on finding investments that were further developed than those chosen previously. During 2006 and 2007 Ledstiernan has acted in accordance with the new line of strategy. Amongst other things this has led to the formation of Polstiernan Industri, investment in Wazoo Holding (Katshing) and continued investment in Metrima. These investments, together with a strong development for MMG, have led to Ledstiernan's portfolio becoming more focused around these four companies. With regard to turnover and value, the four companies constitute an overwhelming majority of Ledstiernan's portfolio. In view of this, Ledstiernan has decided that a transfer of the other companies to a newly formed subsidiary, Ledstiernan Venture AB is made. This restructuring is made to further clarify Ledstiernan's investment focus and to make it easier to undertake future structural transactions regarding the companies transferred to Ledstiernan Venture AB.

The transaction is carried out through a sale of shares in and claims on the portfolio companies to Ledstiernan Venture AB at fair value by conducting a non-cash issue. Shares and claims are transferred with financial possession as of 31 December 2007 and give rise to a capital loss in the parent company of MSEK -17.3. In some portfolio companies shareholder's agreements and articles of association stipulates that other shareholders must approve a transfer of shares before the transaction is finalized and Ledstiernan Venture takes legal possession of the shares. In the transaction fair value of Ledstiernan's holdings in Continuent and ipUnplugged are set at zero.

**Information about the portfolio companies**

Turnover and results in the table below are preliminary and in accordance with the portfolio companies' accounting principles, which may be different from Ledstierman's.

Amounts in MSEK	Turnover		Result after financial items	
	2007 prel.	2006	2007 prel.	2006
Polstierman ¹⁾	564.1	379.9	33.9	21.2
Metrima	268.8	331.1	-62.9	-138.6
Millennium Media Group	140.8	105.2	22.1	10.9
Wazoo (Katshing) ²⁾	114.0	52.0	1.6	0.0
Venture				
Columbitech	23.9	24.1	0.0	3.3
Continuent	6.8	11.5	-13.3	-24.6
EasyPark	47.8	33.6	5.4	-2.5
ipUnplugged	5.4	9.7	-14.1	-9.0
Repeatit	10.0	12.4	-3.5	-4.9
Soft Capital ³⁾	27.3	-	-3.2	-
Voice Provider	19.7	16.9	0.9	0.2

¹⁾ Turnover and result for Polstierman for 2006 are pro forma

²⁾ Wazoo's financial year is from 1 May to 30 April. 2007 in the table above refers to the financial year 2006/2007

³⁾ Soft Capital started its operations in October 2006

INDUSTRY**Polstierman**

- Turnover for 2007 amounted to MSEK 564.1. Turnover for 2006 (pro forma) amounted to MSEK 379.9.
- The organic growth (excluding the acquisition of R-man) was approximately 36 percent for 2007. The growth is mainly attributed to increased sales to existing customers. R-man, acquired in June 2007, has contributed with approximately MSEK 47 to the Group's turnover during 2007.
- The result after financial items for 2007 was MSEK 33.9. The result after financial items for 2006 (pro forma) was MSEK 21.2
- The improved profit is mainly due to the increased turnover.
- During the spring and summer of 2007 Polstierman's subsidiary Pallco increased its production capacity. This was achieved through investing in more machinery and by moving part of its production to new premises.
- In June 2007 R-man i Värnamo AB was acquired. R-man's turnover was MSEK 100.4 with an operating profit of MSEK 11.3 for 2006.
- Polstierman estimates a continued high demand from existing customers. Polstierman can also envisage more opportunity to broaden its customer base during the next few years. Revenue growth during 2008 is however expected to be significantly lower compared to 2007.

Polstierman operates through its subsidiaries Pallco and R-man manufacturing and finishing products in steel and aluminium plus products based on bent tubing and welded components. Its customers are found primarily in the furniture, telecom, automotive and home appliance industries. Polstierman takes on complete orders, which can include anything from participating in designing, drafting and producing prototypes to production quality and logistics.

CLEAN TECH**Metrima**

- Turnover for 2007 was MSEK 268.1 (331.1).
- Turnover for 2007 was considerably lower than what was estimated at the beginning of the year. The fourth quarter of 2007 showed a weak turnover in all three business areas. In the business area Energy installation of some large projects has been delayed, causing the turnover from these projects to be moved forward to 2008. The business area Real Estate received fewer orders than expected in the second half of 2007. Combined with the fact that the installation process in some existing projects has taken longer time, growth in sales has been lower than expected. Also in the business area District Heat growth during the end of 2007 has been somewhat weaker than anticipated.
- Result after financial items for 2007 was preliminary MSEK -62.9 (-138.6).
- Metrima had aimed at showing a positive result for the full year 2007. The operation developed more or less according to plan during the first half of 2007. The result was weakened during the second half of 2007 largely because of weak turnover in the fourth quarter of 2007.
- In June Metrima made a new share issue which brought MSEK 103 before issue expenses to the company. Due to the issue Metrima's debts were reduced considerably.
- In August Metrima acquired rights and other assets regarding radio-based communication technology from the Swedish company Commet. The acquisition gives Metrima access to cutting-edge technology for radio transfer of values collected in measuring energy consumption.
- At the present time Metrima holds a strong position on the Swedish market regarding systems for remote metering of electricity. Metrima estimates that the possibilities to attain a positive result in 2008 are good.

Metrima develops, manufactures and markets products and systems for multiple-type metering, that is, measurement of electricity, district heating, district cooling, water and gas. Metrima's organization comprises three business areas: Energy, District Heat and Real Estate. Their common denominator is that they are all concerned with measuring different kinds of energy. Metrima's products and systems make it possible to charge customers for the exact amount used and individual customers can check how much they consume. Being able to check one's energy consumption and pay for the electricity, heating or water actually consumed increases awareness, creating an incentive to save considerable amounts of energy and reducing effects on the environment. Customers are found primarily among network companies, district heating companies and real estate and housing companies throughout Sweden including some thirty other countries.



MEDIA & ENTERTAINMENT

Millennium Media Group

- Turnover for 2007 amounted to MSEK 140.8 (105.2).
- Growth in turnover amounted to 34 percent and is attributable to a strong development within all business areas, especially NonStop Television.
- Result after financial items for 2007 was preliminary MSEK 22.1 (10.9).
- During the year MMG has closed a number of agreements regarding, among other, the channels Silver and Voom with cable-TV companies and other operators in the Nordic countries, Benelux and the Baltic states. In the beginning of May 2007 Silver was launched through Canal Digital to more than 900.000 customers in the Nordic countries and on 1 September 2007 Silver HD was launched through Canal Digital and leading cable-TV companies.
- MMG's channels are now distributed to over 6 million households in 9 countries.
- MMG has also reached an agreement with the mobile phone companies 3 and Telenor regarding distribution of Silver via mobile phones. Silver is one of the first TV channels which are transmitted continuously to mobile phones and that also can be purchased for a specific episode (video on demand).
- MMG's prospects for 2008 are judged to be very favourable.

Millennium Media Group ("MMG") is a fast-growing media group whose primary operations include acquiring and distributing film and TV rights and developing and operating TV channels. With Sweden as its base MMG operates internationally through the group's four wholly-owned subsidiaries NonStop Television AB, NonStop Entertainment AB, NonStop Sales AB and PrimeText International AB.

TRADE & DISTRIBUTION

Wazoo Holding (Katshing)

- Turnover for 2006/2007 amounted to MSEK 114.0 (52.0). Turnover for 1 January – 31 December 2007 amounted to approximately MSEK 118.4 (97.3).
- Katshing has increased marketing activities during 2007. These efforts has significantly increased the knowledge about the company and made the strong growth possible.
- Result after financial items for 2006/2007 amounted to MSEK 1.6 (0.0). Result after financial items for 1 January – 31 December 2007 amounted to approximately MSEK 1.0 (0.8).
- The increased result is primarily a result of the increased turnover. The business model means that the company can handle a large increase in volumes, without having to increase the administrative resources at the same degree.
- During 2007 Katshing has signed an agreement with the mobile operator 3 and thereby now can offer all the major network-owning operators.
- Katshing has continued to develop functions and design on the site during 2007 in order to make it even more user friendly for customers. The company has, for instance, launched a chat function where customers can have direct contact with customer service via the Internet and a mobile guide that simplifies customers' decision-making in connection with purchases.
- During 2007 Katshing receives three different prestigious awards. The company was named "E-retailer of the year" in a vote held by Pricerunner, was awarded "Best online store" by Nokia Awards and received "Guldmobilen" – online store of the year – by the readers of Mobil Magazine as well as Best-in-Test in Mobil Magazine.
- Katshing is the leading pure Internet based retailer in mobile telephony in Sweden and is judged to have increased its market share regarding mobile telephones, mobile phone subscriptions, services and accessories during 2007. The company judges that the possibilities to continue to increase the market share during 2008 are good.

Wazoo Holding sells, through its wholly-owned subsidiary Katshing Netsales AB, mobile phones, accessories, mobile phone subscriptions and related services over the Internet. Katshing's strategy is to be a leader in terms of price and to be the most cost-effective distribution channel for operators and mobile phone manufacturers vis-à-vis consumers.

VENTURE

Columbitech

- Turnover for 2007 amounted to MSEK 23.9 (24.1).
- Turnover is to a large extent affected by when larger projects can be revenue recognized. Inflow of orders was weaker than expected during the first half of 2007. As a result turnover for 2007 was lower than expected. At the end of 2007 the company signed several important contracts. These contracts will be implemented and lead to revenue during 2008.
- Result after financial items for 2007 amounted to MSEK 0.0 (3.3).
- As a result of the relatively weak order inflow at the beginning of 2007 the result for 2007 decreased compared to 2006.
- In April Columbitech received an order for software licenses and support at an initial value of about MSEK 17.5 from a leading American retail company.
- In the third quarter Columbitech launched a service for mobile data access together with a leading telecom operator. The agreement is the result of long-term telecom market follow-up and can lead to further business opportunities within the strategically important operator segment.
- During 2007 the company has improved its position considerably within several customer segments and especially on the US market. During the later part of 2007 the company has strengthened its sales organization in the US. The outlook for 2008 is judged to be very good.

Columbitech is a global supplier of software for high-performance, secure wireless access. The company is a market leader in the retail and public sectors globally with more than 1.4 million installed licenses, which includes installations in three of the largest retail chains in the US.

Continuent

- Turnover for 2007 amounted to MSEK 6.8 (11.5).
- Result after financial items for 2007 amounted to MSEK -13.3 (-24.6).
- During 2007 the company as taken measures to reduce costs, among other things by reducing the staff in France.
- Continuent has obtained new financing in 2007. Ledstiernan chose not to participate on this occasion and its holding has therefore decreased.
- Development of a new version of the company's main product in order to improve functionality and simplify implementation by customers continues according to plan.
- The prospects for 2008 are difficult to assess as a result of the uncertainty around the development and launch of the new version of Continuent's main product.

Continuent develops and markets solutions for database accessibility. They ensure that customers' data systems and it-supported business processes function without interruption around the clock.

**EasyPark**

- Turnover for 2007 amounted to MSEK 47.8 (33.6).
- EasyPark showed a very strong development during 2007 in the Nordic market, where the company as an established operation since several years. During 2006 the company increased its sales resources, which has contributed to the growth in 2007 to a high degree.
- Result after financial items amounted to MSEK 5.4 (-2.5).
- The increased turnover has led to the fact that the company shows a substantial positive result for the first year since the operations started.
- The market conditions for 2008 are judged to be favourable. Growth and profitability on the established markets continue to be good. EasyPark has signed an agreement to take over a competitor's operations in Berlin. This is expected to lead to a considerably faster expansion in Germany.

EasyPark offers customers simpler, safer, more convenient and more cost-efficient payment and administration of parking and other related fees. EasyPark makes it possible for parking operators to offer better service and at the same time reduce costs for coin and card transactions by eliminating in the long run expensive and outmoded parking meters.

ipUnplugged

- Turnover for 2007 amounted to MSEK 5.4 (9.7).
- During 2007 the company has focused on developing sales channels, primarily in Europe and the US. Sales through these channels have, however, not developed as planned. ipUnplugged has also developed a solution within the Wimax-segment that was deemed to be able to generate revenue during 2007. Demand within this area has however developed slower than expected.
- Result after financial items amounted to MSEK -14.1 (9.0).
- In February 2008 the Board of Directors of ipUnplugged AB decided to apply for a re-organization of the company.

ipUnplugged develops network software for operators and companies, allowing users to move safely and without interruption between different types of wireless and fixed networks.

Repeatit

- Turnover for 2007 amounted to MSEK 10.0 (12.4).
- During 2007 Repeatit has transferred purchasing and manufacturing to a sub-supplier. This transfer has taken longer time than expected, which together with delays regarding tests for the certification of some of Repeatit's products has led to the fact that Repeatit has not achieved the sales growth that was originally planned for 2007.
- Result after financial items amounted to MSEK -3.5 (-4.9).
- The transfer of purchasing and manufacturing to a sub-supplier has led to reduced production costs. This together with an improved sales mix has led to a reduced loss compared to 2006, despite the lower turnover.
- Repeatit has a relatively narrow customer base and is as a result a relatively high degree of dependence on single customers. Repeatit works in close cooperation with the larger customers to plan production and delivery. Several of the company's larger customers plan to increase their purchases for Repeatit during 2008.

Repeatit develops and markets a radio-based solution for fixed wireless broadband which has quickly established itself in the growing market for broadband outside city centers. Applications that use the products are, above all, fixed wireless networks, security and supervision, hotspot solutions, reading electricity meters and building up temporary networks for trade fairs, construction sites and the like.

Soft Capital

- Turnover for 2007 amounted to MSEK 27.3.
- The company has shown a very strong development during its first year of operation. During the fourth quarter 2007 the company showed a positive result after financial items.
- Result after financial items amounted to MSEK -3.2.
- Since the launch of the bingo site Bertil the number of bingo sites on the Swedish market has increased. This brings an increase in competition to win customers. Bertil strives to offer a unique and entertaining site and therefore continually works to develop the site.
- At the end of December 2007 the number of registered members was 76,000, equivalent to an increase by more than 10 percent since September 2007.
- The company judges that the conditions for a continued positive development during 2008 are good.

Soft Capital Investment AB is a holding company with, at present, one wholly-owned subsidiary, Bertil in Malta Ltd ("Bertil"). Bertil has received a gaming license from the Lotteries and Gaming Authority on Malta which permits Bertil, among other things, to run bingo on the Internet. Bertil will offer on select markets in Europe a niched site that focuses on bingo in a modern, entertaining and innovative version.

Sourcebynet

- During 2007 the company has seen a continued strong growth. Turnover increased by approximately 50 percent in local currency. The company has closed agreements with several new suppliers in countries where it has not been present previously.
- The company has shown a positive result for both 2007 and 2006.
- The outlook for 2008 is deemed to be good. Demand from existing customers continues to be strong. The company continues its expansion both in terms of introducing new products and suppliers as well as expanding sales to new markets.

Sourcebynet's business includes that the company supplies products including furniture, home decoration, textile and building supply from primarily South East Asia, China, India and Brazil to retailers primarily in Europe and the US. The company has generally no products in stock, but instead supplies the products directly from the manufacturer to the customer.

Voice Provider

- Turnover for 2007 amounted to MSEK 19.7 (16.9).
- The company showed a strong development during 2007. New customers during 2007 include Bilprovningen in cooperation with Addici and Comhem.
- Result after financial items amounted to MSEK 0.9 (0.2).
- In December 2007 Voice Provider acquired parts of the Swedish company Speechcraft. The acquisition included customer contracts with, among others, SL, Samtrafik and Statoil.
- Voice Provider has continuously increased its customer base during the last few years. Customer contracts usually extend over several years and generate steady income throughout the contract period.
- The company is judged to have good possibilities for a strong growth and improved profitability during 2008.

Voice Provider is the leading supplier of voice-controlled telephony services on the Scandinavian market. Voice Provider's products are built on open standards and have been developed to be scalable, stable and developable. The target group is companies and organizations who want to improve and to render more efficient their services to customers. Voice Provider's customers include SAS, Sweden's postal service, Svenska Golfbundet, Ergo/Norway's postal service, NSB in Norway, DSB-Rejseplanen in Denmark, ATG, Svenska Spel, Swebus Express and BGC.

**GROUP**

Polstiernan Industri and Ledstiernan Venture are the only portfolio companies that are consolidated in the Group's accounts. Other portfolio companies (including Ledstiernan Venture's holdings) are included in the consolidated accounts as associated companies or financial instruments. This makes analysis of the consolidated accounts difficult and for an appropriate analysis an examination of the development and standing of each individual company should be made.

Comparative numbers

In connection with the conversion to reporting, according to IFRS, Ledstiernan drew up comparative numbers for the entire year 2005 in the Group accounts. Ledstiernan did not establish fair value in accordance with IAS 39 regarding the portfolio companies on a quarterly basis in 2006, and therefore comparative figures per quarter cannot be given for 2006.

Fair value

Ledstiernan reports shares in and receivables from the portfolio companies that are not subsidiaries at fair value in the Group balance sheet and changes in value regarding the portfolio companies are reported in the Group income statement. Fair value is established in accordance with the methods stated in the annual report for 2006.

The fair value of shares and receivables with respect to associated companies and financial instruments in the Group amounted as per 31 December 2007 to MSEK 510.7. Polstiernan Industri is reported in the Group accounts as a subsidiary and thus is not included in the calculation of fair value.

Turnover

The Group's sales during 2007 amounted to MSEK 564.1 (111.3). Turnover for 2006 primarily includes Pallco, which is included in the accounts during three months in 2006. The acquisition of R-man in June 2007 has contributed to the Group's turnover with around MSEK 47 in 2007.

Result

The operating result was MSEK 34.3 (3.3) and the result after tax was MSEK 34.0 (2.3), corresponding to SEK 0.12 (0.01) per share. As at 31 December 2007 Ledstiernan had no outstanding warrants or similar instruments that could lead to an increase in the number of shares. The result includes an adjustment of the value of financial instruments and associated companies totaling MSEK 3.2. The change in value is due to a decrease in the value of Ledstiernan's holdings in Continuent, ipUnplugged and The Phone Pages totaling MSEK 73.5 and an increase in the value of other holdings totaling MSEK 76.7. The increase in fair value includes a change in Ledstiernan's assessment of fair value of existing associated companies and financial investments totaling MSEK 69.3, as well as a change in fair value regarding Euroflorist of MSEK 7.4 as a result of the divestment of the shares in this company.

Financial Standing

Bank balances at 31 December 2007 totaled MSEK 37.5 (86.6). Of this MSEK 2.5 (9.4) was blocked as security for guarantees Ledstiernan provided for the benefit of portfolio companies. Interest-bearing liabilities amounted to MSEK 85.4 (46, 6). The Group's interest-bearing liabilities refer primarily to liabilities in Polstiernan Industri AB, which were raised as part of the financing of the acquisition of Pallco and R-man and checking accounts in Pallco and R-man. Non-interest bearing long-term liabilities amounted to MSEK 108.7 (76.9) and includes the presumed price for the remaining 31 percent of the shares in Polstiernan Industri. Ledstiernan has an option to purchase, and the other shareholders in Polstiernan Industri have an option to sell, the remaining 31 percent of the shares in Polstiernan Industri. Based on available forecasts with regard to Polstiernan, Ledstiernan assess the purchase sum to amount to around MSEK 80. The equity ratio was 67 (75) per cent.

Fourth quarter 2007

The Group's sales in the fourth quarter 2007 totaled MSEK 176.1. The Group's result after tax for the fourth quarter 2007 was MSEK -3.9.

RISKS AND UNCERTAINTIES

Risks and uncertainties in Ledstiernan's business operations mainly involve risks related to companies partially owned by Ledstiernan and their potential development falling short of expectations. No considerable changes have taken place during 2007 with regard to the Parent Company's or the Group's risks and uncertainties. For a detailed description of these factors see the Administration Report in the annual report for 2006.

DIVIDEND

The Board of Directors proposes that no dividend is distributed for the financial year 2007.



LEDSTIERNAN

ANNUAL GENERAL MEETING

Ledstiernan's Annual General Meeting will be held on 15 May 2008 at Berns in Stockholm. A special press announcement will be made during the week beginning Monday 14 April 2008.

A Nomination Committee constituted from larger shareholders has been summoned by the Chairman of Ledstiernan's Board of Directors, Leif Almstedt. The Committee Members will be Martin Bjäringer, Olof Stenhammar, Jan Andersson (Robur Fonder), Jan Carlzon together with Leif Almstedt. The duties of the Committee include nomination of board members at the Annual General Meeting.

The annual report for 2007 is estimated for distribution to shareholders who have asked for a copy during the week beginning Monday 28 April 2008, when the report will also be available on the web www.ledstiernan.com.

ACCOUNTING PRINCIPLES

This year-end report has been prepared in accordance with IAS 34, "Interim Financial Reporting". The Parent Company's accounts are prepared in accordance with RR 32 "Reporting for legal entities". The same accounting principles have been applied as those for the annual report for 2006.

EVENTS AFTER THE END OF THE PERIOD

On 12 February 2008, The Board of Directors of Ledstiernan's portfolio company ipUnplugged AB applied for a re-organization. IpUnplugged AB is included in Ledstiernan's accounts as per 31 December 2007 at a value of zero.

The Board of Directors and the President declare that this year-end report gives a true and fair overview of the Parent Company's and the Group's operations, their financial position and performance and describes material risks and uncertainties facing the Parent Company and the other companies included in the Group.

Stockholm, 21 February 2008

Leif Almstedt
Chairman

Thomas Blitz
Member of the Board

Alf Blomqvist
President
Member of the board

Adam Gillberg
Member of the Board

Mats Lönnqvist
Member of the Board

Hans Risberg
Member of the Board

This year-end report has not been examined by the Company's auditors.

For further information contact:

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Fredrik Lindgren, Chief Financial Officer, +46 8 545 035 00, +46 708 54 44 20

Future financial information

Interim report January – March 2008
Annual General Meeting 2008

15 May 2008, 8.00 AM
15 May 2008, 5.00 PM

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The information is such that Ledstiernan is obligated to disclose in accordance with the Swedish Securities and Clearing Operations Act or the Financial Instruments Trading Act. The information was submitted for publication on 21 February 2008 at 08:00 CET.



LEDSTIERNAN

INCOME STATEMENT, PARENT COMPANY		2007	2006	2007	2006
Amounts in SEK thousands		Oct – Dec	Oct – Dec	Jan – Dec	Jan – Dec
Profit/loss portfolio holdings					
Exit profit		-17,319	-975	-9,908	17,123
Dividend		0	-	10,358	-
Write-downs		0	-21,976	-12,044	-22,041
Adjustment in value of financial instruments		0	-88	-	-5,087
Other operating income		295	164	750	1,001
Operating costs					
Administrative costs		-5,225	-4,809	-17,107	-15,902
Depreciation		-51	-29	-230	-189
Operating profit/loss		-22,300	-27,713	-28,181	-25,095
Financial items		920	611	12,969	2,655
Profit/loss after financial items		-21,380	-27,102	-15,212	-22,440
Tax		-	-	-	-
Profit/loss for the period		-21,380	-27,102	-15,212	-22,440
Average number of shares		285,968,210	285,968,210	285,968,210	226,391,500
Number of shares at end of period		285,968,210	285,968,210	285,968,210	285,968,210
Profit/loss per share, SEK ¹⁾		-0.07	-0.09	-0.05	-0.10

¹⁾ Ledstierman had as per 31 December 2007 no outstanding warrants or similar instruments that could lead to an increase in the number of shares.

BALANCE SHEET, PARENT COMPANY		2007	2006
Amounts in SEK thousands		31 Dec	31 Dec
Tangible fixed assets		134	268
Financial fixed assets		473,929	433,824
Short-term receivables		1,805	8,524
Bank balances and short-term investments		37,152	82,577
Total assets		513,020	525,193
Equity		505,446	520,657
Non-interest bearing short-term liabilities		7,574	4,536
Total equity and liabilities		513,020	525,193

CASH FLOW ANALYSIS, PARENT COMPANY		2007	2006
Amounts in SEK thousands		Jan – Dec	Jan – Dec
Profit after financial items		-15,212	-22,440
Items not included in cash flow		22,256	10,727
Paid taxes		-	-
Cash flow from current operations before change in net working capital		7 044	-11 713
Change in net working capital		-7,889	-7,288
Cash flow from current operations		-845	-19,001
Cash flow from investment operations		-44,580	-141,795
Cash flow from financing operations		-	185,584
Cash flow for the period		-45,425	24,788
Liquid funds at beginning of period		82,577	57,789
Liquid funds at end of period		37,152	82,577



LEDSTIERNAN

INCOME STATEMENT, GROUP Amounts in SEK thousands	2007	2007	2006
	Oct – Dec	Jan – Dec	Jan – Dec
Net sales	176,108	564,059	111,277
Adjustment in value of financial instruments and associated companies	-5,965	3,178	10,111
Dividend	-	10,358	-
Other operating income	1,133	3,020	1,001
Other operating costs	-162,004	-517,759	-115,297
Depreciation	-10,552	-28,556	-3,810
Operating profit	-1,280	34,300	3,282
Financial items	338	9,468	1,477
Profit after financial items	-942	43,768	4,760
Tax	-2,956	-9,784	-2,418
Net profit	-3,898	33,984	2,342
Average number of shares	285,968,210	285,968,210	226,391,500
Number of shares at end of period	285,968,210	285,968,210	285,968,210
Profit per share, SEK ¹⁾	-0.01	0.12	0.01

¹⁾ Ledstierman had as per 31 December 2007 no outstanding warrants or similar instruments that could lead to an increase in the number of shares.

BALANCE SHEET, GROUP Amounts in SEK thousands	2007	2006
	31 Dec	31 Dec
Goodwill	89,169	69,304
Other intangible fixed assets	13,994	11,400
Tangible fixed assets	134,681	80,851
Financial fixed assets	510,696	444,913
Short-term receivables	144,417	94,745
Bank balances and short-term investments	37,505	86,594
Total assets	930,462	787,807
Equity	626,167	592,103
Non-interest bearing long-term liabilities	108,684	76,939
Interest-bearing liabilities	85,414	47,600
Non-interest bearing short-term liabilities	110,197	71,165
Total equity and liabilities	930,462	787,807
CASH FLOW ANALYSIS, GROUP Amounts in SEK thousands	2007	2006
	Jan – Dec	Jan – Dec
Profit after financial items	43,768	4,760
Items not included in cash flow	10,183	-5,455
Paid taxes	-9,812	477
Cash flow from current operations before change in net working capital	44,139	-218
Change in net working capital	3,951	-8,000
Cash flow from current operations	48,090	-8,218
Cash flow from investment operations	-132,421	-188,975
Cash flow from financing operations	35,242	225,998
Cash flow for the period	-49,089	28,805
Liquid funds at beginning of period	86,594	57,789
Liquid funds at end of period	37,505	86,594



LEDSTIERNAN

CHANGES IN EQUITY, PARENT COMPANY

Amounts in SEK thousands	2007	2006
	Jan – Dec	Jan – Dec
Amount at 1 January	520,658	357,514
Issue of new shares	-	185,583
Profit/loss for the period	-15,212	-22,440
Amount at end of period	505,446	520,657

CHANGES IN EQUITY, GROUP

Amounts in SEK thousands	2007	2006
	Jan – Dec	Jan – Dec
Amount at 1 January	592,103	404,179
Issue of new shares	-	185,583
Other	80	-
Profit/loss for the period	33,984	2,342
Amount at end of period	626,167	592,103

KEY RATIOS

KEY RATIOS	2007	2006	2005	2004	2003	2002
	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec
Data per share						
Equity/share in Parent Company, SEK	1.77	1.82	2.50	2.97	3.33	4.26
Equity/share in Group, SEK	2.19	2.07	2.83	-	-	-
Profit/loss per share in Parent Company, SEK	-0.05	-0.10	-0.50	-0.38	-0.93	-1.06
Profit/loss per share in Group, SEK	0.12	0.01	-0.88	-	-	-
Number of shares, thousands	285,968	285,968	142,984	140,399	136,834	136,834
Average number of shares, thousands	285,968	226,391	141,907	139,804	136,834	122,822
Outstanding warrants, thousands	-	3,984	3,666	-	-	-
Share price at end of period, SEK	1.43	1.83	4.05	3.23	2.80	3.10
Market value at end of period, MSEK	409	523	579	453	383	424
Dividend/share, SEK	0	0	0	0	0	0
Profit and standing, Parent Company						
Profit/loss in portfolio holdings, MSEK	-12	-10	-53	-46	-115	-114
Operating profit/loss, MSEK	-28	-25	-78	-61	-134	-140
Profit/loss after tax, MSEK	-15	-22	-71	-53	-128	-130
Equity, MSEK	505	521	358	417	456	583
Equity ratio, %	99	99	98	98	99	96
Capital invested in existing portfolio, MSEK	542	582	443	426	547	576
Capital invested / share, SEK	1.9	2.03	3.10	3.03	3.99	4.21
Book value of portfolio, MSEK	474	434	302	308	313	357
Book value of portfolio / share, SEK	1.66	1.52	2.11	2.19	2.29	2.61
Administrative costs / average equity, %	3.29	3.19	6.61	3.86	3.54	4.14
Cash/share, SEK	0.13	0.29	0.40	0.81	1.04	1.69
Number of employees at end of period	5	5	5	7	9	9
Profit and standing, Group						
Net sales, MSEK	564	111	-	-	-	-
Operating profit/loss, MSEK	34	3	-	-	-	-
Profit/loss after tax, MSEK	34	2	-	-	-	-
Equity, MSEK	626	592	-	-	-	-
Equity ratio, %	67	75	-	-	-	-
Number of employees at end of period	261	180	-	-	-	-