

Stockholm, 7 May 2003

NeoNet's Interim Report, 1 January – 31 March 2003

The Quarter

- The Group's transaction revenues for the period amounted to SEK 35.2 m compared to SEK 60.3 m last year. The reduction of 42% is due to the decrease in trading volumes.
- Personnel and other operating expenses are at present cut to approximately SEK 110 m, or by at least SEK 25 m on an annual basis compared to the levels in the end of the second quarter last year, at which time the cost-cutting measures were initiated.
- The measures to reduce the transaction expenses by SEK 10-15 m on an annual basis at present volumes, and thereby improve the gross margin, are implemented successively during the year.
- The operating earnings before depreciation and net financial items were negative at SEK -5.5 m (10.2 m). The pre-tax losses amounted to SEK -13.0 m (0.3 m).
- The number of new clients continues to be high, especially in the U.K., the U.S. and the Nordic countries.
- Investments were almost halved and amounted to SEK 6.5 m (11.9 m), which is equivalent to 19% (20%) of the transaction revenues.
- The consolidated shareholders' equity amounted to SEK 214.4 m (228.1 m on 31 December 2002) at the end of the period and the equity/assets ratio was 66% (59%). The Group's cash in hand, adjusted for items relating to the settlement of clients' equity transactions, amounted to SEK 141.9 m (164.5 m in the beginning of the period).

Events after the end of the period

- NeoNet has entered into an agreement with the New York Stock Exchange providing connectivity for international trading services.
- In the beginning of April, ten employees within the Swedish operation were given notice of termination. The ongoing program of measures to reduce costs by at least SEK 25 m and increase the cash flow by at least SEK 35 m on an annual basis is progressing according to plan.
- NeoNet's ambition to offer trading equivalent to at least 80% of the market capitalization of the world's exchanges still stands. In 2003 electronic trading will be offered at the Madrid and Swiss Virt-X exchanges. NeoNet will offer trading on the New York Stock Exchange through the trading desk in the second quarter and full electronic trading in the beginning of next year.

CEO's Statement

"Over the past three years the combined turnover on the exchanges to which NeoNet has connected its exchange network has fallen by 70%. In spite of this, we are able to report unchanged trading values for the first quarter of the year compared to three years ago due to an increase in the inflow of new clients and trading on an increasing number of major exchanges.

The ongoing program of measures is progressing according to plan, although it has not been able to compensate for the effect the fall in the markets has had on our first quarter revenues. Consequently, NeoNet is reporting a loss for the period. In the beginning of April, ten employees within the Swedish operation were given notice of termination as a further step in the program of measures launched in the middle of 2002.

The rate of investment compared to last year has been almost halved, a newly developed system platform will be launched this year and the two remaining sizeable European exchanges, the Swiss Virt-X and the Madrid Exchange, will be connected to NeoNet's exchange network. Trading on the New York Stock Exchange will also be offered soon and full electronic direct access will be available next year. This will mean that our clients will have access to 80% of the market capitalization of the world's exchanges. At the end of 2003, we will have completed a five-year period of extensive investment. We anticipate a much slower rate of investment over the next few years, which will have a favorable effect on both our cash flow and depreciation costs.

NeoNet's financial position continues to be strong with over SEK 140 m in cash, SEK 214 m in shareholders' equity and an equity/assets ratio of over 60%. Despite the market conditions, NeoNet strengthened its position as a recognized and established player in international equity trading. The resources for sales in Europe and the inflow of new clients are good. Our offering is cost-effective, of high quality and gives clients a powerful tool with which to execute transactions on the world's leading exchanges."

Since the inception in 1996 NeoNet has focused on efficient and neutral agency brokerage. NeoNet provides the institutional investor industry with execution services offering a single point of electronic access to multiple equity marketplaces worldwide. Clients have direct market access to one third of the world's equity market capitalization. Trading is also available over NeoNet's international trading desk. NeoNet has offices in Stockholm, New York and London, is listed on the Stockholm Stock Exchange (ticker NEO), and has clients in twelve countries globally.

THE GROUP

Operations

The high inflow of new clients has continued in both Europe and the U.S. and NeoNet currently has clients in twelve countries.

NeoNet's ambition to offer trading on 80% of the market capitalization of the world's exchanges still stands. This year a newly developed system platform will be launched and the two remaining sizeable European exchanges, the Swiss Virt-X and the Madrid Exchange, will be connected. Trading on the New York Stock Exchange will also be offered soon and full electronic direct access will be available next year.

Trading value, revenues and earnings

NeoNet's trading value for the period was on a par with the trading value for the first quarter of 2000. Since that time the turnover on the exchanges to which NeoNet is connected has fallen by a full 70%.

The average daily trading value for the first quarter was SEK 1,477 per day, a reduction of 42% compared to SEK 2,542 million for the same period last year, while the exchanges reported an average fall in turnover of over 30%. The first quarter of last year, similar to the fourth quarter of 2001, was highly transaction-intensive as a result of the events in the U.S. on 11 September 2001.

On the exchanges that are the most important for NeoNet, namely Stockholm and Helsinki, NeoNet's daily values fell by 36% and 57% respectively

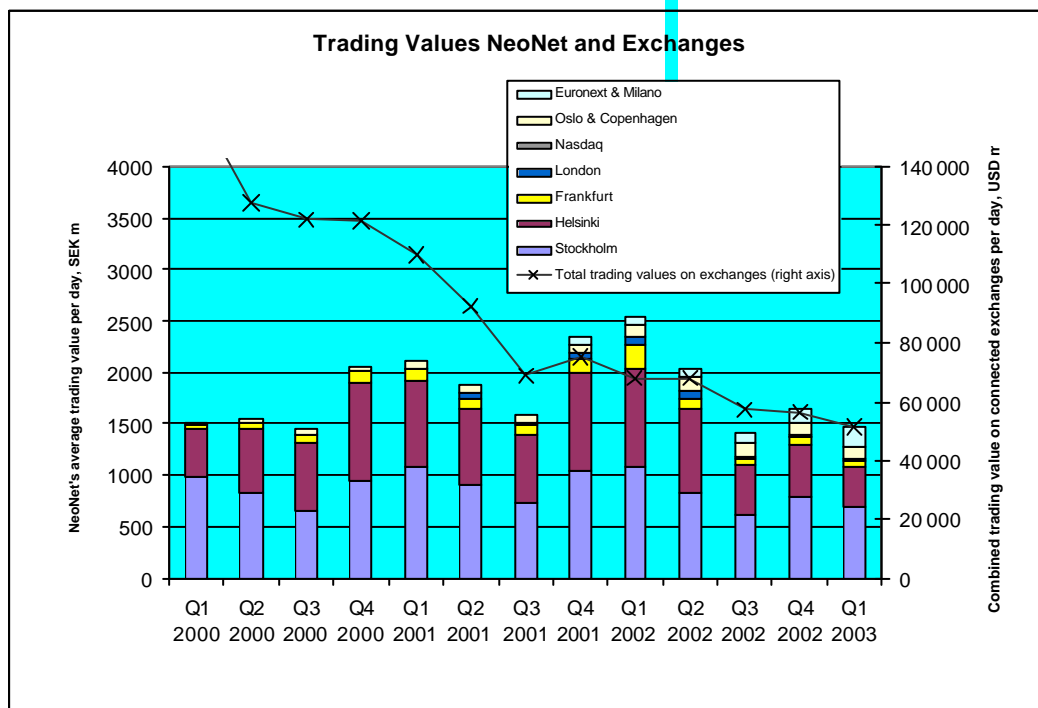
compared to the same period last year. At the same time, both of these exchanges reported a fall in overall trading of 39% and 28% respectively. The fact that the percentage decrease of NeoNet's trading values and earnings on the Helsinki Exchange was more than the decrease in overall trading, can largely be explained by a decrease in trading among U.S. clients.

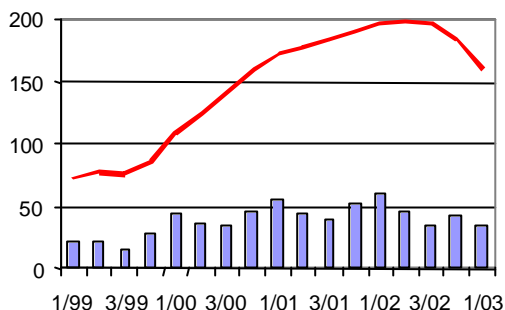
The first quarter of last year, similar to the fourth quarter of 2001, was highly transaction-intensive as a result of the events in the U.S. on 11 September 2001. Trading on the Euronext exchanges, which were connected at the beginning of 2002, and the Milan Exchange and Nasdaq, which were connected during the second half of 2002, has progressed well and in the first quarter reached 16% of the overall trading value. NeoNet's current 12-month daily trading value amounted to SEK 1,641 m, which was 21% lower than at the same time last year.

The Group's transaction revenues amounted to SEK 35.2 m during the period compared to SEK 60.3 m during the first quarter of last year, which is a reduction of 42%. The drop is fully related to the decrease in trading volume, whereas that the average price-level is unchanged.

Distribution of Transaction Revenues by Exchange, SEK m

	Jan.-March 2003		Jan.-March 2002		Oct.-Dec. 2002	
Stockholm	16.2	46%	25.5	42%	19.1	45%
Helsinki	7.6	22%	17.8	30%	9.6	23%
Copenhagen & Oslo	2.5	7%	2.4	4%	3.0	7%
Frankfurt	1.7	5%	7.0	12%	2.0	5%
London	0.9	2%	4.2	7%	0.8	2%
Euronext	4.2	12%	3.4	5%	6.5	16%
Milan & Nasdaq	2.1	6%	-	-	1.0	2%
Total	35.2	100%	60.3	100%	42.0	100%



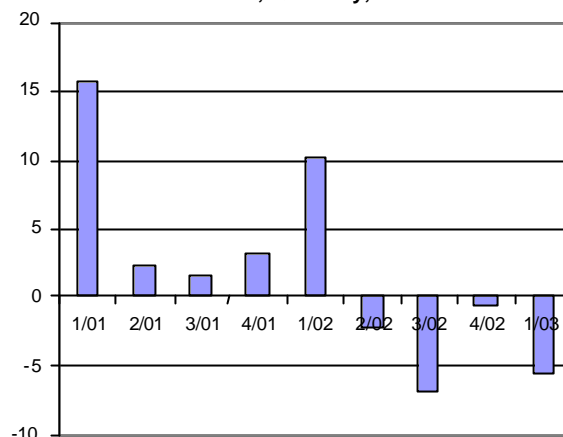
Total Transaction Revenues, Quarterly and Rolling Four Quarters, SEK m


The operating earnings before depreciation and net financial items for the quarter were negative at SEK –5.5 m compared to SEK 0.9 m the previous quarter and SEK 10.2 m for the first quarter last year.

The fall in earnings is mainly the result of lower revenues due to unfavorable market trends. At the same time, the variable costs increased as a percentage of revenues. For NeoNet, as for broker-dealers in general, falling stock prices have given rise to a significant increase in the number of transactions per client order. This has resulted in increased transaction costs, and for NeoNet and the rest of the industry, this means falling gross margins.

In order to improve the gross margins, a number of measures are being implemented to reduce the variable costs. These include renegotiation of contracts for clearing and settlement services. In the biggest markets, steps are being taken to eliminate the need for a middleman in the form of banks in the settlement process. The measures to reduce the transaction expenses by SEK 10-15 m on an annual basis at present volumes, and thereby improve the gross margin, are implemented successively during the year.

Personnel and other operating expenses are at present cut by at least SEK 25 m on an annual basis compared to the levels in the end of the second quarter last year, at which time the cost-cutting measures were initiated.

Earnings before Net Financial Items, Depreciation and Tax, Quarterly, SEK m

Income Statement in Summary

SEK m	Jan.- March 2003	Oct.- Dec. 2002	Jul.- Sept. 2002	April.- June 2002	Jan.- March 2002
Transaction revenues	35.2	42.0	35.6	46.9	60.3
Other operating income	1.4	1.7	1.6	1.9	1.8
Transaction expenses ¹	-14.2	-16.4	-13.9	-12.6	-18.2
Personnel expenses	-13.4	-13.2	-12.3	-13.8	-14.5
Other operating exp.	-14.5	-15.0	-18.0	-24.6	-19.2
Operating earnings/losses before depreciation (EBITDA)	-5.5	-0.9	-7.0	-2.2	10.2
Operating margin	-16%	-2%	-20%	-5%	17%
Depreciation	-7.0	-8.7	-7.9	-6.7	-6.4
Net financial items	-0.5	0.7	0.2	0.5	-3.5
Pre-tax earnings/losses	-13.0	-8.9	-14.7	-8.4	0.3

The Group reported a pre-tax loss for the quarter of SEK –13.0 m compared to SEK –8.9 m for the fourth quarter, and earnings of SEK 0.3 m for the first quarter the last year.

The earnings per share for the period amounted to SEK –0.30 (-0.02).

The number of employees at the end of the period was 81 (78).

Clients

The number of clients increased during the period primarily in the U.S., the U.K. and the Nordic countries.

20% of the clients accounted for 82% of the transaction revenues. No client accounts for more than 9% (15%).

¹ Variable costs for settlement and variable exchange and clearing costs.

**Distribution of Transaction Revenues by Client Location
SEK m**

	Jan.-March 2003		Jan. -March 2002	
Sweden	19.9	56%	29.4	49%
Rest of Europe	6.6	19%	10.6	17%
U.S.	8.7	25%	20.3	34%
Total	35.2	100%	60.3	100%

Investments

Investments decreased to SEK 6.5 m (11.9 m). Of this amount, SEK 5.1 m (9.3 m) was used to enhance NeoNet's electronic trading system. The investments correspond to 19% (20%) of transaction revenues.

Liquidity and financial position

The Group had current liquid assets as of 31 March of SEK 141.9 m (164.5 m at the beginning of the year). Of this amount, SEK 118.7 m consisted of a net claim (compared to a net debt of SEK 37.0 m at the beginning of the year) in settlement positions, temporary settlement loans and deposits with clearing houses. The reported liquid assets in the balance sheet amounted to SEK 23.2 m as of 31 March, compared to SEK 201.5 m at the beginning of the year. Fluctuations in reported liquid assets in the balance sheet are normal for this kind of business.

The Group had no interest-bearing liabilities except for intra-day settlement loans, which are raised from day to day to cover delays in clients' payments or deliveries of securities. The duration of such loans is from the settlement date until settlement of the underlying transaction has taken place, normally less than three days.

The consolidated shareholders' equity amounted to SEK 214.1 m at the beginning of the period (228.1 m at the beginning of the year). The capital adequacy ratio amounted to 90% (92%). The consolidated equity/assets ratio improved to 66% (59%) and the shareholders equity per share amounted to SEK 4.91 (5.22).

The subsidiary, NeoNet Securities AB, joined other exchange members in taking legal action against the Stockholm Stock Exchange in a dispute over repayment of value added tax. NeoNet's share of the total claim amounts to a nominal amount of SEK 4.3 m. This amount has not been entered as an asset in the balance sheet.

The Group has a disputed claim of a nominal amount of SEK 10.2 m (EUR 1.1 m). At present no provisions are deemed necessary.

Financial objectives

The long-term financial goals are to be able to report annual revenue growth of at least 50% and in the long term, earnings before depreciation and net financial items of at least 25% of transaction revenues.

Outlook

NeoNet works exclusively with equity transactions on the major exchanges on behalf of institutional clients. Revenues are sourced from commissions based on the value of the transactions executed. NeoNet does not conduct any proprietary equity trading and accordingly,

revenues and earnings over a given period are influenced by client activity and quoted stock prices. As a result, the daily trading values, and consequently also the revenues and earnings, exhibit fluctuations. Revenues and earnings are also subject to clear seasonal variations.

The market volumes for stock trading have fallen sharply over a three-year period and there is uncertainty about future trends, especially in the short term. Despite growth in the number of clients and in many cases, increased trading by existing clients, it has been necessary to step up the cost reduction program launched in fall 2002 and reduce the workforce by 10 during the period. This represents a reduction of 12% in the number of employees. Additional measures over and above those planned may be necessary depending on market trends.

Based on NeoNet's earlier development, NeoNet believes that the long-term financial objectives are entirely realistic and can be achieved in a market that is demonstrating a positive trend.

PARENT COMPANY

The parent company, which is not an operating company, carries out group-wide functions such as Group management, financial management, business development, investor relations and communication.

The parent company reported pre-tax earnings for the period of SEK 0.2 m (0.3 m).

Equity in the parent company amounted to SEK 239.7 m (239.9 m) at the end of the period. The liquid assets as of 31 March amounted to SEK 4.7 m compared to SEK 2.9 m at the beginning of the year.

Consolidated Income Statement*

SEK m	3 month Jan.- March 2003	3 month Jan.- March 2002	12 month April- March 2003	12 month April- March 2002	12 month Jan.- Dec. 2002
Transaction revenues	35.2	60.3	159.6	195.6	184.7
Commission expenses	-7.3	-8.1	-26.9	-25.7	-27.6
Interest income	0.9	2.5	6.5	8.7	8.1
Interest expenses	-1.0	-2.2	-6.0	-7.1	-7.2
Net earnings from financial transactions	-0.4	-3.8	0.3	-3.5	-3.2
Other operating revenues	1.4	1.8	6.7	6.7	7.0
Total operating revenues, net	28.8	50.5	140.2	174.7	161.8
Other operating expenses	-21.4	-29.3	-102.0	-103.6	-109.9
Personnel expenses	-13.4	-14.5	-52.7	-55.8	-53.8
Depreciation	-7.0	-6.4	-30.4	-24.2	-29.8
Total operating costs	-41.8	-50.2	-185.1	-183.6	-193.5
Operating earnings/losses	-13.0	0.3	-44.9	-8.9	-31.7
Tax	-0.2	-1.2	0.6	6.1	-0.3
Losses for the period	-13.2	-0.9	-44.3	-2.8	-32.0
Earnings per share, SEK	-0.30	-0.02	-1.02	-0.07	-0.73
Earnings per share after full dilution, SEK	-0.30	-0.02	-1.02	-0.07	-0.73
No. of shares, 000	43,665	42,655	43,665	42,655	43,665
Average no. of shares, 000	43,665	42,655	43,593	42,436	43,344
Average no. of shares after full dilution, 000	43,665	43,212	43,629	43,811	44,656

Consolidated Balance Sheet

SEK m	31 March 2003	31 March 2002	31 Dec. 2002
ASSETS			
Cash and lending to credit institutions	23.2	247.2	201.5
Intangible fixed assets	58.4	55.8	58.3
Goodwill	0.6	0.8	0.6
Tangible fixed assets	15.1	16.4	15.7
Contract settlement receivables, net	168.1	77.1	69.0
Other assets	53.8	30.7	32.3
Prepaid expenses and accrued income	7.5	8.7	7.1
Total assets	326.7	436.7	384.5
LIABILITIES, PROVISIONS AND SHAREHOLDERS' EQUITY			
Liabilities to credit institutions	62.8	37.7	35.8
Securities loans	24.6	110.6	87.8
Other liabilities	8.8	13.9	16.3
Accrued expenses and deferred income	14.6	16.7	15.2
Subordinated debt	-	0.4	-
Provisions	1.5	3.4	1.3
Shareholders' equity			
Share capital	2.2	2.1	2.2
Restricted reserves	240.6	227.2	241.5
Earnings/losses carried forward	-15.2	25.6	16.4
Losses for the period	-13.2	-0.9	-32.0
Total liabilities, provisions and shareholders' equity	326.7	436.7	384.5
Memorandum items			
Blocked funds, credit institutions	62.6	207.8	133.3
Blocked funds, clearing houses (other assets)	30.3	16.1	15.8
Floating charge	15.0	16.0	15.0
Shares in subsidiaries	-	22.0	-

Consolidated Cash-Flow Statement

SEK m	Jan.- Mar. 2003	Jan.- Mar. 2002	Jan.- Dec. 2002
Cash flow from ongoing operations excluding settlement of executed equity transactions	-13.5	15.4	5.6
Cash flow from ongoing operations attributable to settlement of executed equity transactions**	-157.6	-349.2	-365.5
Cash flow from investment activity	-6.5	-11.9	-36.9
Cash flow from financing activity	-0.4	-0.7	4.1
Cash flow for the period	-178.0	-346.4	-392.7
Liquid assets, opening balance	201.5	597.4	597.4
Liquid assets, translation difference	-0.3	-3.8	-3.2
Liquid assets, closing balance	23.2	247.2	201.5

* The Income Statement is drawn up according to Swedish legislation governing financial statements for credit institutions and securities corporations.

**The cash flow attributable to settlement of equity transactions executed on behalf of clients varies considerably from day to day because of delays in clients' delivery of or payment for securities.

Change in Consolidated Shareholders' Equity

SEK m	Jan.-Mar.	Jan.-Mar.	Jan.-Dec.
	2003	2002	2002
Shareholders' equity, opening balance	228.1	255.6	255.6
New issue of shares coincident with utilization of warrants			8.1
Premium, warrants			0.2
Translation difference	-0.5	-0.7	-3.8
Losses for the period	-13.2	-0.9	-32.0
Shareholders' equity, closing balance	214.4	254.0	228.1

The restricted equity was SEK 242.8 m (229.3 m) at the end of the period. The non-restricted equity was SEK – 28.4 m (24.7 m).

The accumulated translation difference as of 31 March 2003 was SEK –2.1 m (1.4 m).

Consolidated key figures

SEK m	Jan.-Mar.	Jan.-Mar.	Jan.-Dec.
	2003	2002	2002
Earnings/losses in summary			
Operating earnings/losses before net financial items and depreciation	-5.5	10.2	0.4
Operating earnings/losses before net financial items	-12.5	3.8	-29.4
Margins			
Gross margin	59%	63%	61%
Operating margin	Neg.	17%	0%
Net margin	Neg.	6%	Neg.
Profit margin	Neg.	Neg.	Neg.
Yield			
Average capital employed	329.3	509.5	427.2
Return on equity	Neg.	0%	Neg.
Return on capital employed	Neg.	0%	Neg.
Operational key figures			
Average no. of trading days on connected exchanges	63	61	252
Average daily trading value	1,477	2,541	1,918
Financial position			
Equity/assets ratio	66%	58%	59%
Interest cover	Neg.	112%	Neg.
Debt/equity ratio	0.4	0.6	0.5
Capital adequacy ratio	90%	100%	92%
Share data			
No. of shares, 000	43,665	42,655	43,665
Average no. of shares, 000	43,665	42,655	43,344
Earnings per share, SEK	-0.30	-0.02	-0.73
Equity per share, SEK	4.91	5.96	5.22
No. of shares after full dilution, 000	43,665	43,212	43,665
Average no. of shares after full dilution, 000	43,665	43,212	43,656
Earnings per share after full dilution, SEK	-0.30	-0.02	-0.73
Equity per share after full dilution, SEK	4.91	6.05	5.22

	Jan.-Mar.	Jan.-Mar.	Jan.-Dec.
	2003	2002	2002
No. of employees at end of period	81	78	78
Average no. of employees	80	78	79

Definitions, key financial ratios
Gross margin

Gross earnings, i.e. revenues less transaction expenses and costs of services purchased and charged to clients, as a percentage of transaction revenues.

Operating margin

Operating earnings before net financial items (*) and depreciation as a percentage of transaction revenues.

Net margin

Operating earnings before net financial items (*) and tax as a percentage of transaction revenues.

Profit margin

Earnings after tax as a percentage of transaction revenues.

Average capital employed

Average total assets less average interest-free liabilities including deferred tax liability.

Return on equity

Net earnings for the period as a percentage of the average shareholders' equity for the period.

Return on capital employed

Earnings for the year after net financial items plus interest costs in relation to the average capital employed.

Equity/assets ratio

Closing shareholders' equity as a percentage of the closing balance of total assets.

Interest cover

Operating earnings for the period plus interest expenses, divided by interest expenses.

Debt/equity ratio

Closing balance of interest-bearing provisions and liabilities in relation to the closing balance of shareholders' equity.

Capital adequacy ratio

Total capital base divided by the total risk-weighted amount of capital requirements for credit and market risk (Swedish Financial Supervisory Authority stipulation FFFS 2000:6).

Earnings per share

Earnings after tax in relation to the average number of shares for the period.

Equity per share

The closing balance of shareholders' equity in relation to the number of shares in the end of the period.

Equity per share after full dilution

Closing shareholders' equity plus the upcoming issue of shares in relation to the number of shares after the issue of shares.

*Net financial items include realized and unrealized exchange rate differences on funds tied up in foreign currencies.

Accounting principles

The consolidated accounts have been prepared in accordance with Swedish legislation governing the annual reports of credit institutions and securities corporations (ÅRKL) and the Swedish Financial Supervisory Authority's stipulation FFFS 2002:22, applicable because the parent company is a financial holding company.

This interim report has been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation RR20 on interim reports.

All other accounting principles are the same as those applied in the preparation of the most recent annual report.

Stockholm, 7 May 2003

NeoNet AB (publ)

Torvald Bohlin
CEO

Auditors' review report

(translation of the Swedish original)

We have reviewed this interim report in accordance with the recommendation issued by the Swedish Institute of Authorized Public Accountants.

A review is significantly limited in scope compared to an audit.

We have not discovered anything that would indicate that this interim report does not meet the requirements of Swedish legislation governing stock exchanges and annual reports.

Stockholm, 7 May 2003

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Future financial reports

Interim report Q2 2003, 21 August 2003
Interim report 2003, 23 October 2003
Year-end report 2003, 29 January 2004