



FOR IMMEDIATE RELEASE

YEAR-END REPORT JULY 1, 2000 - JUNE 30, 2001
For AB Novestra (publ.), company reg. No. 556539-7709

RESULT AND FINANCIAL POSITION, the Group

Novestra's shareholders' equity amounted to KSEK 448,525 (661,799) which corresponds to a value of SEK 19.2 per share (28.5). Novestra's cash at hand amounted to KSEK 140,523 (141,943) which corresponds to a value of SEK 6.0 per share (6.1). Solidity was 97.7% (88.8).

Book value of financial assets amounted to KSEK 298,207 (540,770) of which interest-bearing investments constituted KSEK 0 (199,999). Investments in portfolio companies during the year amounted to KSEK 173,613 (365,587).

Novestra's result for the financial year was KSEK – 214,773 (88,176). This corresponds to a result per share of SEK – 9.2 (4.9). MSEK 152.3 of the result represents *unrealized write-downs* of which MSEK 29.3 pertains to liquidity management. The remaining MSEK 60 pertains to administration, share of earnings of associate companies and realized losses.

No dividend to the shareholders is proposed.

SIGNIFICANT EVENTS DURING THE YEAR

Due to the unfavourable market conditions, B2 Bredband AB did not succeed with its planned capitalization and IPO in October, 2000 which, if concluded, would have generated significant values for Novestra. Novestra and Ericsson Business Innovation AB completed and signed an agreement in May 2001 aiming at building a long-term relationship. Through this agreement, Novestra will have access and an opportunity to invest in ongoing businesses and projects developed within Ericsson Business Innovation.

Investments in portfolio companies

Novestra has made *additional investments in existing portfolio companies* totalling MSEK 92.5. In anticipation of the planned IPO of B2 Bredband, Novestra participated in the convertible issue of MSEK 46 in August 2000. Iquity Systems, Inc. successfully concluded a new share issue of MSEK 130 in December of 2000, whereby Novestra increased its ownership from 5.4 percent to 12 percent for MSEK 24.5. During the year, Novestra also made additional investments of MSEK 15 in Powernet AB.

Novestra has made five major *investments in new portfolio companies* with payment in cash, totalling MSEK 58, of which MSEK 14.5 was invested in Comintell Holding AB for a 37.7% ownership stake; MSEK 10.8 in Multilet, co-owned with Ericsson Business Innovation, for a 28.6% ownership stake; MSEK 14.9 in Strax Holdings, Inc. for a 7.8 % ownership stake at favourable terms in conjunction with Strax acquiring Novestra's shares in Mobilestop, Inc.; MSEK 12.5 for a 30% ownership stake in 34 Networks AB; and MSEK 5 in Blokks AB (formerly Globala Hårdvarubolaget AB) for a 22.2% ownership stake, an investment made together with Industrifonden which also invested MSEK 5 for a 22.2% stake.

Disposals and write-downs

Novestra's holding in Jupiter Communications, Inc. was divested against payment in shares in Jupiter Media Metrix, Inc. as a result of Media Metrix, Inc.'s purchase of Jupiter Communications, Inc. in September of 2000. Novestra completed its exit in E*TRADE Group, Inc. yielding a total profit of MSEK 39.1 over the period July 1998 to January 2001 of which MSEK - 0.5 affects the financial year 2000/2001 corresponding to a percentage gain exceeding 600 percent. Novestra has made partial write-downs in, *inter alia*, Iquity Systems, Inc. and a complete write-down of the holdings in Boxman.com plc (realized), Fanglobe, Inc., Delphi Finansanalys AB, NetCap AB and X2 Media Group AB. In addition, in view of the adverse market conditions and the consequent difficulties for companies to attract new funding, Novestra has decided to make a general reservation of approximately MSEK 71 of which the greater part is for Novestra's holding in B2.

Liquidity and financing

At the end of the period cash at hand amounted to MSEK 140 corresponding to SEK 6.0 per share. Novestra has no interest-bearing liabilities. The management of Novestra is of the opinion that the remaining commitment to invest MUS\$ 2.5 in Continuum, which was planned to take place in the summer of 2000, will not be called.

SIGNIFICANT DEVELOPMENTS AFTER THE END OF THE FINANCIAL YEAR

Novestra increased its ownership in Qbranch AB, Sweden's leading System Management company and one of Sweden's fastest growing companies, by 10% to 25% for a consideration of MSEK 30. During the first half of 2001, Qbranch had sales of about MSEK 93 with an income before tax of approximately MSEK 19. This is equivalent to an increase in sales of approximately 120% compared to the same period last year. Iquity Systems raised MUS\$ 1.5 from an industrial customer at a significantly higher valuation than Novestra's book value. In August, Novestra disposed of the shares in Delphi Finansanalys, NetCap and X2 Media Group without any effect on the result.

FUTURE DEVELOPMENTS

Novestra will continue to provide active support to a focused portfolio comprised of a limited number of investments. Novestra has maintained a conservative focus during the last year and will now progressively sharpen its focus further through a period of further consolidation. From a portfolio containing some 15 major holdings, the ambition is to have six to eight core holdings with an ownership stake of 20 - 40 percent. Fewer companies means more management time available per investment, better possibilities to build larger companies with critical size and also extend possibilities for Novestra to increase ownership stakes in those companies where the most attractive future returns can be found. It is Novestra's goal to complete this consolidation phase by the end of 2002.

Novestra's management believes that the current portfolio companies constitutes a promising base for consolidating into fewer, larger and stronger investments. New investments will be made only very selectively and it is the intention to conclude such transactions mainly, but not only, in the form of mergers and acquisitions through the existing portfolio companies and within the framework of Novestra's partnerships with large industrial corporations such as Ericsson Business Innovation.

Novestra continues to operate with a good liquidity base and has funds available to take advantage of the low valuations and increase ownership in some of its existing holdings as well as participate in new investments whenever an exceptional opportunity occurs.

Novestra will continue to run a cost efficient organization with administration costs expected to be below MSEK 18 per year.

Novestra is well positioned to benefit when the technology sector recovers and is confident in its ability to deliver good returns to shareholders long-term. Substantial write-downs and reservations have been made. During the summer, Iquity Systems received a capital injection from an industrial customer at a considerably higher valuation than Novestra's book value. A number of Novestra's portfolio companies have managed to perform very well in spite of a depressed market for technology products and services (Qbranch, Strax and Netsurvey). In addition, several companies seem to be close to a commercial break-through which could result in a significant value potential for Novestra (Iquity, Multilet, and Recollections). At the same time, Novestra's management anticipates that especially in the current environment some disappointments are also likely to happen.

Novestra's performance in the near and medium-term is dependent, not only on its own skills and efforts, but also on the general economic climate. Although Novestra only has a few companies with immediate capital needs in its portfolio, capital market conditions are going to be critical for Novestra's ability to support and further develop these companies.

PARENT COMPANY

The Parent company reported a result amounting to KSEK – 193,852 (86,709).

Investments during the year amounted to KSEK 777,352 (567,879) of which the greater part, KSEK 776,547 (567,197), consisted of investments in fixed financial assets. Investments in tangible fixed assets amounted to KSEK 805 (682).

DIVIDEND

The Board and the President propose that no dividend is declared for the financial year 2000/2001.

OTHER INFORMATION

The total number of shareholders as of June 30, 2001 was approx. 4,100 (3,300).

The Annual Report will be sent by mail to the shareholders and is available at the offices of AB Novestra, Norrlandsgatan 16, Stockholm, Sweden as from September 20, 2001.

The Annual General Meeting will be held on October 4, 2001 at 4.00 p.m. at Berns' Salonger, Stockholm, Sweden.

This report has not been subject to any audit by the company's auditors.

Stockholm August 27, 2001

Thomas Åkerman
President

NOVESTRA'S PORTFOLIO COMPANIES

BOOK VALUE

as of August 27, 2001

Ownership, Book value,

(Purchase method)

%

MSEK

MAJOR INVESTMENTS

34 Networks AB	30.0	12.5
B2 Bredband AB	4.9	102.3
Blokks AB	22.2	5.0
Comintell Holding AB	37.7	14.3
Continuum Group Ltd	11.9	72.9
Dallas sthlm DDG AB	40.0	5.6
DCM, Digital Communication Media AB	5.7	13.5
Evestra Venture Management AB	19.7	1.5
Iquity Systems, Inc.	12.0	28.2
Multifilet AB	28.6	10.8
Netsurvey AB	38.0	22.0
Powernet AB	49.5	20.2
Qbranch AB	25.0	56.0
Recollections, Inc.	13.4	17.4
Strax Holdings, Inc.	7.8	14.9
Total		397.1

OTHER INVESTMENTS

6.7

GENERAL RESERVE

- 71.3

TOTAL BOOK VALUE

332.5

INCOME STATEMENT, KSEK (Equity method)	Consolidated		Parent company	
	July 1, 2000	July 1, 1999	July 1, 2000	July 1, 1999
	June 30, 2001	June 30, 2000	June 30, 2001	June 30, 2000
Capital gains, investment activity	-10 994	110 191	-12 128	110 191
Write-downs	-152 276	-6 800	-144 932	-6 800
Share of earnings of associated companies	-18 644	-2 379	-	-
Income from other operations	18 493	56 647	1 210	1 825
Cost of goods sold, other operations	-35 339	-48 037	-	-
Gross Profit	-198 760	109 622	-155 850	105 216
Administrative expenses	-21 876	-23 521	-21 876	-20 307
Operating income	-220 636	86 101	-177 726	84 909
RESULT FROM FINANCIAL INVESTMENTS				
Result from participation in group companies	-	-	-21 400	-1 300
Interest and similar income	3 617	3 270	3 882	3 458
Interest expense and similar charges	- 19	-366	- 2	-223
Income after financial items	-217 038	89 005	-195 246	86 844
Appropriations	-	-	-32	-135
Income taxes	2 265	-1 789	1 426	-
Minority interests	-	960	-	-
Income for the period	-214 773	88 176	-193 852	86 709
BALANCE SHEETS, KSEK	June 30, 2001	June 30, 2000	June 30, 2001	June 30, 2000
ASSETS				
Intangible fixed assets	-	2 969	-	-
Tangible fixed assets, equipment	1 095	731	1 095	637
Investment in group companies	-	-	210	2 010
Investment in associated companies	43 994	29 664	64 892	32 312
Other long-term assets	2 560	-	2 560	-
Shares and participations	251 653	511 106	251 653	511 106
Total fixed assets	299 302	544 470	320 410	546 065
Stock securities	11 038	47 995	-	-
Current receivables:				
Receivables from group companies	-	-	6 930	46 563
Other receivables	7 518	9 724	7 318	9 379
Prepaid expenses and accrued income	880	724	871	467
	19 436	58 443	15 119	56 409
Cash and bank	140 523	141 943	140 221	134 412
Total current assets	159 959	200 386	155 340	190 821
TOTAL ASSETS	459 261	744 856	475 750	736 886

BALANCE SHEETS, KSEK (cont.)

	Consolidated		Parent company	
	June 30, 2001	June 30, 2000	June 30, 2001	June 30, 2000
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' Equity				
<i>Restricted equity:</i>				
Share capital	23 391	23 241	23 391	23 241
Restricted reserves	547 940	549 373	547 530	546 180
	571 331	572 614	570 921	569 421
<i>Unrestricted equity:</i>				
Unrestricted reserves	91 967	1 009	88 939	2 230
Income for the year	-214 773	88 176	-193 852	86 709
	-122 806	89 185	-104 913	88 939
Total shareholders' equity	448 525	661 799	466 008	658 360
Minority interests	-	1 155	-	-
Provisions for deferred income taxes	47	2 318	-	1 426
Untaxed reserves	-	-	167	135
<i>Long-term liabilities:</i>				
Other liabilities	-	700	-	-
<i>Current liabilities:</i>				
Accounts payable	4 870	4 718	4 870	4 504
Income tax liability	1 029	1 292	-	-
Other liabilities	2 322	60 174	2 237	60 067
Accrued expenses and deferred income	2 468	12 700	2 468	12 394
	10 689	78 884	9 575	76 965
Total liabilities	10 689	79 584	9 575	76 965
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	459 261	744 856	475 750	736 886

FUNDS STATEMENTS, KSEK	Consolidated		Parent company	
	July 1, 2000	July 1, 1999	July 1, 2000	July 1, 1999
	June 30, 2001	June 30, 2000	June 30, 2001	June 30, 2000
Funds provided from operations	- 71 796	-48 768	- 73 160	-54 364
Funds from investing activities	68 876	-327 127	77 469	-328 425
Funds from financial activities	1 500	517 198	1 500	517 198
Total cash flow	-1 420	141 303	5 809	134 409
Cash and bank at the beginning of period	141 943	640	134 412	3
Cash and bank at the end of period	140 523	141 943	140 221	134 412

Other information

The number of outstanding shares as per June 30, 2001 is 23,390,980 (23,240,980). Profit per share has been calculated on the basis of an average number of 23,363,857 (17,997,535) shares. There are no convertible loans or warrants outstanding.

Accounting principles

This year-end report has been prepared in accordance with Sweden's Annual Accounts Act. Applied accounting principles are unchanged and Novestra's holdings, meeting the criteria for associated companies, have been reported in accordance with the equity method.

Financial Calendar 2001/2002

October 4, 2001	Annual General Meeting in Stockholm at 4,00 p.m.
October 23, 2001	Interim Report July – September 2001
January 22, 2002	Interim Report July – December 2001
April 23, 2002	Interim Report July 2001 – March 2002