

NOVESTRA

YEAR-END REPORT FOR THE FINANCIAL YEAR 2004 JANUARY 1 – DECEMBER 31, 2004 (including interim report for Q4) for AB Novestra (publ.) corporate identity No. 556539-7709

- The net result for the year amounted to MSEK 45.7 (20.1) which corresponds to a result amounting to SEK 1.3 (0.8) per share. Shareholders' equity as at December 31, 2004 amounted to MSEK 420.0 (292.5) corresponding to SEK 11.3 (9.4) per share. Equity/assets ratio amounted to 92.6% (90.4).
 - Cash and cash equivalents, including investments made within the liquidity management and accounted for as current investments, amounted to MSEK 88.3 (46.0) corresponding to SEK 2.4 (1.5) per share. Together with the public holdings, liquid assets amounted to MSEK 235.1 (137.3) (including unrealised surplus values) as at December 31, 2004.
 - Revenue in the private portfolio has increased, on average, by 38%. All private portfolio companies showed improvements in results and at the year-end 2004 positive cash flows. Larger holdings have experienced further acceleration in revenue growth in the beginning of 2005.
 - For the full year 2004, the return in the public portfolio amounted to 26.6% and, since investments in public companies was initiated in the 4th quarter 2003, the return has amounted to 40.0%. At year-end 2004, unrealised results in the public portfolio amounted to MSEK 14.7 (11.3).
 - The proposed ordinary dividend to shareholders is SEK 1.00 (0.00) per share.
 - With current market conditions there are opportunities for improvements in results during 2005, even if none of the larger private holdings are divested during the year.
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All amounts are given in SEK thousands, unless otherwise indicated.

SIGNIFICANT EVENTS DURING THE YEAR

Private portfolio companies

During the year, revenue in the private portfolio companies has increased, on average, by 38% compared to the previous year. All directly and indirectly owned private portfolio companies showed improvements in results compared to the previous year and showed positive cash flows at the year-end 2004. In the beginning of 2005, the larger holdings have experienced further acceleration in revenue growth.

During the year, **Explorica, Inc.** has established itself as one of the leading players on the North American student travel market. During 2004, the company reported a growth of 43% with considerably improved profitability. The growth rate during 2005 is expected to be higher with continued substantial improvements in result.

MyPublisher, Inc. reported a growth during 2004 in excess of 61% with substantial improvements in result compared to the previous year. During the fourth quarter 2004 and in January 2005, the growth improved sharply and cash flow and result were positive. During 2004, the company successfully introduced a number of new products, more than doubled its production capacity and intensified its marketing. There are good reasons for expecting an even higher growth rate during 2005.

Netsurvey AB reported a growth of 18% during 2004 with an operational margin in excess of 16%. During the year, the company has increased its customer base and its range of services which is expected to result in continued strong positive development during 2005. In addition, the company has initiated an acquisition strategy in order to increase its growth rate and strengthen its market position.

Qbranch AB reported a growth of 21% and is included on the Growth List 2004, *Veckans Affärer's* list of Sweden's 500 largest IT companies as well as Growth Plus's list of Europe's 500 fastest growing companies. In addition, with a net margin of 13%, the company is one of the most profitable in its business sector. During 2004, the company has expanded its operations to Göteborg and Malmö and has secured contracts with a number of important customers, including *Dagens Nyheter* and *aftonbladet.se*. The company expects a continued strong development during 2005.

Speedera Networks, Inc., which is owned indirectly through the co-investment vehicle Continuum Group Ltd, showed a growth of approximately 70% during 2004. During the last six months of 2004, the growth rate strongly accelerated and profitability also substantially improved. During the year, the company expanded into new markets such as i.a. India. During the beginning of 2005, the development has continued to be very positive.

Strax, Inc. reported a growth in excess of 50% with continued improved profitability; in particular, the company's European operations showed strong development. In 2005, the company expects improved margins and a continued strong growth on all of its markets.

During the year, the shareholders in **Strax** provided the company with expansion capital by restructuring the company's credits, and in connection therewith Novestra made an additional investment amounting to MSEK 6.8. Moreover, Novestra invested, indirectly through **C More Group AB**, MSEK 2.1 in C More Entertainment AB (previously Canal Plus Television AB). Investments of MSEK 5.0 were also made in **Bytek Systems AB** and associated companies (including **FLEXbridge Technologies, LLC**, USA).

During the year, revenues referring to dividends from **Continuum Group Ltd** amounted to MSEK 39.0. The dividends originate from i.a. Continuum's divestment of its entire holding in B2 Bredband AB.

Most of the other smaller holdings in the private portfolio showed positive operating results during 2004. No transactions of significance have been made in these companies.

Public portfolio companies

Investments in the public portfolio companies have developed very well during the year. For the full year 2004, the return in the public portfolio amounted to 26.6% calculated on the average capital invested. Since the fourth quarter 2003, when the new investment strategy involving an exposure toward the public stock market was initiated, the return in the public portfolio at the turn of the year 2004/2005 amounted to 40.0% calculated on the average capital invested. At year-end 2004, Novestra's unrealised result in the public portfolio amounted to MSEK 14.7 (11.3).

During the year, Novestra has made new and add-on investments in i.a. **Aldata Solutions Oy**, **Fly Me Europe AB**, **IBS AB**, **Karo Bio AB**, **Lagercrantz Group AB**, **Millicom International Cellular S.A.**, **Pergo AB** and **Wilh. Sonesson AB**.

During the year, Novestra disposed of its entire holdings in **Modul 1 Data AB** and **JC AB**. The result from these disposals amounted to, in total, MSEK 10.4. Additional transactions and partial disposals in the public portfolio have generated profits of, in total, MSEK 14.3.

Other

At Novestra's Annual General Meeting on May 6, 2004, it was resolved to approve the proposed bonus program for the Managing Director, Peter Ekelund, and the working Chairman, Theodor Dalenson.

It was also resolved to make minor amendments to the company's articles of association.

Furthermore, it was resolved to approve the Board of Directors' proposal to authorise the Board to resolve on an issue of a maximum of 6 000 000 new shares. (For further details, reference is made to the bulletin from the Annual General Meeting dated May 7, 2004). In order to be able to take advantage of attractive investment opportunities Novestra's Board of Directors decided in May 2004 to summon an Extraordinary General Meeting in order to resolve on a proposed directed new share issue. The Extraordinary General Meeting was held on June 18, 2004 and, at the meeting, it was resolved to implement a directed new share issue of 6 000 000 shares which provided the company with SEK 81 705 912, after transaction costs. Following the new share issue, Novestra's share capital amounts to SEK 37 187 973 distributed on an equal number of shares.

SIGNIFICANT EVENTS AFTER THE END OF THE YEAR

Novestra has acquired additional shares in **inWarehouse AB** after which its holding amounts to 18.7% of the company's capital and votes. Novestra has also acquired 807 600 shares in **Active Biotech AB** at a value of MSEK 27.8 corresponding to 2.4% of the company's capital and votes.

Furthermore, Novestra has disposed of its entire holding in **C More Group AB** which is expected to have a positive effect on Novestra's result for 2005 of approximately MSEK 10. In addition, Novestra has disposed of its entire holding in **Aldata Systems Oy**.

In January 2005, Novestra made a further investment of MSEK 2.0 in **Bytek Systems AB** after which Novestra's holding in the company amounts to 27.3% of capital and votes.

The Board of Directors has resolved to propose the Annual General Meeting on April 26, 2005 to, in addition to the bonus resolved by the Annual General Meeting on May 6, 2004, allot Peter Ekelund and Theodor Dalenson a discretionary bonus for the financial year 2004 of MSEK 1.5 each (including social security contributions).

FUTURE DEVELOPMENTS

During the year, the development in the private portfolio has been very positive and there are reasons to expect that the strong growth continue during 2005. The possibilities for disposals and structural transactions in the next two to three years are thereby increased. At the Annual General Meeting on April 26, 2005, Novestra's Board of Directors will therefore propose a gradual divestment of the private portfolio to take place until the year-end 2007. Revenues from these divestments are to be distributed to the company's shareholders. At the end of the three-year period, Novestra shall consist of two or three consolidated holdings.

Furthermore, the Board will propose the Annual General Meeting that Novestra's future investments in public companies be made through a fund structure with a larger capital base, which will include other investors. This will enable larger investments and thereby increased influence in the companies in which investments have been made. Novestra's shares in the new fund structure, or the cash equivalent thereof, are also proposed to be distributed to shareholders within a maximum of three years.

With current market conditions there are opportunities for improvements in results during 2005, even if none of the larger private holdings are divested during the year.

RESULT AND FINANCIAL POSITION JANUARY 1 – DECEMBER 31, 2004

The company's net result for the year amounted to 45 738 (20 136). The result includes gross profit from investment activities amounting to 66 645 (29 184), gross profit from other operations of - (3 018), administration expenses of -20 292 (-12 276) and net financial items of -615 (210). Total assets as at December 31, 2004 amounted to 453 350 (323 588), of which shareholders' equity was 419 968 (292 525) corresponding to an equity/assets ratio of 92.6% (90.4). Current liabilities to credit institutes amounted to 24 851 (25 035).

Investments

During the year, investments in tangible fixed assets amounted to 724 (457) and investments in financial fixed assets amounted to 153 990 (115 432).

Liquidity management

As at December 31, 2004, cash amounted to MSEK 78.6 (11.0) and, together with various investments (accounted for as current investments), with an availability of between three days and three months, cash and cash equivalents amounted to MSEK 88.3 (46.0). Novestra's portfolio of public holdings means that an additional approximately MSEK 147 (including unrealised surplus values) of Novestra's assets are possible to convert into liquid assets within a relatively short period of time. Novestra has unutilised credit facilities amounting to MSEK 15.

DIVIDEND

The Board of Directors and the Managing Director propose an ordinary dividend to shareholders of SEK 1.00 per share for the financial year 2004. The proposal exceeds the previously communicated dividend policy due to the company's proposed strategy of a gradual divestment of its private portfolio during the next three years and to distribute revenues from these divestments to shareholders. The total dividend amounts to SEK 37 187 973. For the financial year 2003, no dividend was declared.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with the Swedish Financial Accounting Standards Council's Recommendation No. 20. The same accounting principles and methods of calculation have been used in the interim report as in the last annual report. As of January 1, 2004, Novestra applies the Swedish Financial Accounting Standards Council's Recommendation No. 29; this has not had any essential impact on the company's result and financial position.

IFRS

Novestra is not a group company and IFRS will therefore not be applied in the company's accounting and reporting. The intention is to adapt the company's accounting to IFRS as soon as Swedish legislation enables the adoption of the full set of rules and regulations in the accounting for legal entities that do not prepare consolidated accounts.

NOMINATION COMMITTEE FOR AB NOVESTRA'S ANNUAL GENERAL MEETING 2005

In accordance with the decision made by Novestra's Annual General Meeting on May 6, 2004, it is hereby announced that the following representatives for the company's three largest shareholders, together with the Chairman, will prepare a proposal for the composition of the Board of Directors to be presented at the Annual General Meeting for approval.

The representatives are:

Lars Bader, QVT Financial LP

Roger Buehler, Laxey Partners Ltd

Ward Davenport, representing W. Thorpe McKenzie

Shareholders who wish to suggest representatives for Novestra's Board can contact Novestra's Chairman at the following e-mail address: info@novestra.com. A proposed board composition will be announced in connection with the notice of the Annual General Meeting.

OTHER INFORMATION

The total number of shareholders as at December 31, 2004 was approx. 3,600 (3,600).

The Annual General Meeting will be held on April 26, 2005 at 4.00 p.m. in Stockholm, Sweden. Information regarding the venue will be announced in conjunction with the notice.

Financial calendar:

Annual Report 2004	April 2005
Annual General Meeting as well as Interim Report for the 1 st quarter 2005 (January 1 – March 31, 2005)	April 26, 2005
Bulletin from the Annual General Meeting	April 27, 2005
Interim Report for the 2 nd quarter 2005 (January 1 – June 30, 2005)	August 25, 2005
Interim Report for the 3 rd quarter 2005 (January 1 – September 30, 2005)	October 24, 2005

The Annual Report will be sent by post to all of Novestra's shareholders in April 2005. The annual report as well as other reports released during the year will be available at AB Novestra, Norrlandsgatan 16, Stockholm, Sweden and can be ordered from the company. All reports can also be found on the company's own website www.novestra.com.

This year-end report has not been subject to any audit by the company's auditor.

Stockholm February 16, 2005

Peter Ekelund
Managing Director

For further information please contact:

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Company information:

Corporate identity number: 556539-7709
Registered Office: Stockholm, Sweden

THIS INTERIM REPORT HAS BEEN PREPARED IN SWEDISH AND TRANSLATED INTO ENGLISH. IN THE EVENT OF ANY DISCREPANCIES BETWEEN THE SWEDISH AND THE TRANSLATION, THE FORMER SHALL HAVE PRECEDENCE.

NOVESTRA'S HOLDINGS AS AT DECEMBER 31, 2004, MSEK

PORTFOLIO COMPANIES

	Bal. b/f July 1, 2001	INVESTED	DIVESTED	WRITE-DOWNS	CARRYING VALUE bal. c/f	OWNER- SHIP, % ¹
NON-PUBLIC COMPANIES						
CONTINUUM GROUP LTD	35.1	-	-	-	35.1	12.3
C MORE GROUP AB (CANAL PLUS)	-	2.1	-	-	2.1	0.3
DALLAS STHLM DDG AB	0.4	-	-	-	0.4	7.0
DCM AB	8.5	-	-	-	8.5	5.7
EXPLORICA, INC.	12.6	-	-	-	12.6	13.6
FLEXBRIDGE TECHNOLOGIES, LLC	-	5.0	-	-	5.0	-
MYPUBLISHER, INC.	45.9	-	-	-	45.9	28.0
NETSURVEY BOLINDER AB	12.8	-	-	-	12.8	45.3
QBRANCH AB	53.8	-	-	-	53.8	25.0
STRAX HOLDINGS, INC.	18.7	6.9	-	-	25.6	19.1
OTHER	0.2	-	-	-	0.2	n/a
TOTAL NON-PUBLIC COMPANIES	188.0	14.0	-	-	202.0	
PUBLIC COMPANIES						
ALDATA SOLUTIONS OY	-	7.3	-	-	7.3	0.9
FLY ME EUROPE AB	-	12.7	-3.0	-	9.7	1.7
IBS AB (publ)	13.1	8.3	-5.0	-	16.4	2.0
INWAREHOUSE AB (publ)	7.8	0.1	-2.5	-	5.4	8.2
JC AB (publ)	19.0	5.9	-24.9	-	-	-
KARO BIO AB (publ)	-	9.2	-2.1	-	7.1	2.1
LAGERCANTZ GROUP AB (publ)	8.1	7.0	-	-	15.1	2.3
MILLICOM INTERNATIONAL CELLULAR S.A.	-	47.6	-15.8	-	31.8	0.4
MODUL 1 DATA AB (publ)	7.2	-	-7.2	-	-	-
PERGO AB (publ)	16.9	25.4	-15.3	-	27.0	3.2
WILH. SONESSON AB (publ)	-	9.3	-0.9	-	8.4	1.1
OTHER	7.9	7.1	-11.1	-	3.9	n/a
TOTAL PUBLIC COMPANIES	80.0	139.9	-87.8	-	132.1	
Liquidity management	35.0	0.2	-25.0	-0.5	9.7	
TOTAL INVESTMENTS	303.0	154.1	-112.8	-0.5	343.8	

¹ Before dilution and exercise of options etc.

SPECIFICATION PUBLIC COMPANIES	NUMBER OF SHARES (No.)	ACQUISITION PRICE (SEK)	ACQUISITION COST (TSEK)	MARKET PRICE (SEK)	MARKET VALUE (TSEK)	CHANGE IN VALUE (%)
ALDATA SOLUTIONS OY	633 550	11.50	7 283	10.10	6 393	-12.2
FLY ME EUROPE AB	15 100 000	0.64	9 649	0.20	3 020	-68.7
IBS AB (publ)	1 584 000	10.38	16 447	13.00	20 592	25.2
INWAREHOUSE AB (publ)	5 908 422	0.90	5 343	2.02	11 935	123.4
KARO BIO AB (publ)	647 668	10.98	7 113	12.85	8 323	17.0
LAGERCANTZ GROUP AB (publ)	633 500	24.02	15 218	21.80	13 810	-9.3
MILLICOM INTERNATIONAL CELLULAR S.A.	200 000	158.98	31 795	148.50	29 700	-6.6
PERGO AB (publ)	1 709 700	15.79	26 993	23.30	39 836	47.6
WILH. SONESSON AB (publ)	376 000	22.33	8 397	27.00	10 152	20.9
ÖVRIGT	n/a	n/a	3 906	n/a	3 076	-21.2
TOTAL			132 144		146 837	11.1

THE DEVELOPMENT IN THE NON-PUBLIC PORTFOLIO COMPANIES COMPARED TO THE SAME PERIOD 2003

Company	Revenue development	Result development	Cash flow during the period
DCM AB	Unchanged	Negative	Positive
Explorica, Inc.	Increased	Positive	Negative
MyPublisher, Inc.	Increased	Positive	Negative
Netsurvey AB	Increased	Positive	Positive
Qbranch AB	Increased	Positive	Positive
Strax Holdings, Inc.	Increased	Positive	Positive
Via Continuum Group Ltd:			
Speedera Networks, Inc.	Increased	Positive	Positive

For information regarding the portfolio companies with regard to business operations and financial data, please see Novestra's latest annual report and; for new investments in non-public portfolio companies, reference is made to Novestra's published press releases for each respective company; for the public portfolio companies, reference is made to each respective company's own release of information and published reports.

AB NOVESTRA

INCOME STATEMENTS (SEK THOUSANDS)	2004	2003	2004	2003
	(12 months) Jan 1 – Dec 31	(12 months) Jan 1 – Dec 31	(3 months) Oct 1 – Dec 31	(3 months) Oct 1 – Dec 31
INVESTMENT ACTIVITY				
Result from shares and participations ¹	67 134	13 314	13 137	394
Write-downs	-489	15 870	-489	15 870
Gross profit investment activity	66 645	29 184	12 648	16 264
OTHER OPERATIONS				
Income from other operations	-	3 018	-	342
Gross profit other operations	-	3 018	-	342
GROSS PROFIT	66 645	32 202	12 648	16 606
Administrative expenses ²	-20 292	-12 276	-8 344	-4 410
Operating income	46 353	19 926	4 304	12 196
RESULT FROM FINANCIAL INVESTMENTS				
Net financial items	-615	210	-569	-460
Result after financial items	45 738	20 136	3 735	11 736
Current taxes	-	-	-	-
RESULT FOR THE PERIOD	45 738	20 136	3 735	11 736
Result per share (SEK)	1.34	0.81	0.10	0.40
Average number of shares during the period	34 245 507	24 925 618	37 187 973	29 479 490
KEY RATIOS				
	2004	2003	2004	2003
	(12 months)	(12 months)	(3 months)	(3 months)
	Jan 1 – Dec 31	Jan 1 – Dec 31	Oct 1 – Dec 31	Oct 1 – Dec 31
FINANCIAL KEY RATIOS				
Shareholders' equity, MSEK	420.0	292.5	420.0	292.5
Equity/assets ratio, %	92.6	90.4	92.6	90.4
Cash flow after investments, MSEK	-14.1	-55.6	6.3	-14.1
DATA PER SHARE				
Shareholders' equity, SEK	11.29	9.38	11.29	9.38
Result, SEK	1.34	0.81	0.10	0.40
NUMBER OF SHARES ETC.				
Number of shares at the end of the period	37 187 973	31 187 973	37 187 973	31 187 973
Average number of shares during the period	34 245 507	24 925 618	37 187 973	29 479 490

¹ 2 945 (4 689) of the result for the period relate to the liquidity management.

² Depreciation for the year amounted to -162 (-209). The total depreciation relates to tangible fixed assets pertaining to administration.

³ The year's net financial items include expenses resulting from losses emanating from currency fluctuations of 939 (296).

AB NOVESTRA

BALANCE SHEETS (SEK THOUSANDS)	December 31, 2004	December 31, 2003
ASSETS		
FIXED ASSETS		
Tangible fixed assets:		
Equipment	1 134	630
Financial fixed assets:		
Investments in associated companies	112 552	112 552
Shares and participations	221 593	155 604
	334 145	268 156
Total fixed assets	335 279	268 786
CURRENT ASSETS		
Current receivables:		
Other receivables ¹	26 305	5 167
Prepaid expenses and accrued income	3 459	3 626
	29 764	8 793
Investments:		
Other investments	9 694	35 000
Cash and bank	78 613	11 009
Total current assets	118 071	54 802
TOTAL ASSETS	453 350	323 588
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Restricted equity:		
Share capital	37 188	31 188
Restricted reserves	316 906	241 201
	354 094	272 389
Non-restricted equity:		
Non-restricted reserves	20 136	-
Result for the year	45 738	20 136
	65 874	20 136
Total shareholders' equity	419 968	292 525
Current liabilities:		
Liabilities to credit institutions	24 851	25 035
Accounts payable	570	349
Other liabilities	527	3 851
Accrued expense and deferred income	7 434	1 828
	33 382	31 063
Total liabilities	33 382	31 063
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	453 350	323 588
Pledged assets	146 837	116 552
Contingent liabilities	None	None
CHANGE IN SHAREHOLDERS' EQUITY DURING THE YEAR (SEK THOUSANDS)		
	2004	2003
	(12 months)	(12 months)
	Jan 1 – Dec 31	Jan 1 – Dec 31
RESTRICTED EQUITY		
At the beginning of the year	272 389	466 008
New share issue	81 705	48 527
Transferred from (+)/to (-) non-restricted equity	-	-242 146
At the end of the year	354 094	272 389
NON-RESTRICTED EQUITY		
At the beginning of the year	20 136	-242 146
Result for the year	45 738	20 136
Transferred from (+)/to (-) restricted equity	-	242 146
At the end of the period	65 874	20 136
TOTAL SHAREHOLDERS' EQUITY AT THE END OF THE YEAR	419 968	292 525

AB NOVESTRA

FUNDS STATEMENT (SEK THOUSANDS)	2004 (12 months) Jan 1 – Dec 31	2003 (12 months) Jan 1 – Dec 31
FUNDS PROVIDED		
Result after financial items	45 738	20 136
Adjustment for transactions not included in cash flow etc.	-24 785	-26 427
	20 953	-6 291
Taxes paid	-	-
Funds provided from operations before changes in working capital	20 953	-6 291
Details of changes in working capital:		
Increase (-)/decrease (+) in current receivables	-20 971	-4 117
Increase (+)/decrease (-) in current liabilities	2 319	26 684
Funds provided from operations	2 301	16 276
INVESTMENT ACTIVITIES		
Investment in tangible fixed assets	-724	-457
Investments in financial fixed assets	-137 243	-110 427
Proceeds from sale of financial fixed assets	121 565	38 984
Funds from investment activities	-16 402	-71 900
FINANCING ACTIVITIES		
New share issue	81 705	48 527
Funds from financing activities	81 705	48 527
Total cash flow	67 604	-7 097
Cash and bank at the beginning of the year	11 009	18 106
CASH AND BANK AT THE END OF THE YEAR¹	78 613	11 009

¹ Excluding 9 694 within the liquidity management accounted for as other current investments. As at December 31, 2004, cash and bank, including current investments, amounted to 88 307 (46 009).

PERFORMANCE BY BUSINESS AREA JANUARY 1 – DECEMBER 31, 2004

	Non-public holdings	Public holdings	Joint and other operations	Total
Income from shares and participations				
Capital gains/losses	-	22 655	2 839	25 494
Dividends	40 890	568	182	41 640
Write-downs	-	-	-489	-489
Income from other operations				
Fees	-	-	-	-
Gross profit	40 890	23 223	2 532	66 645
Administrative expenses				
Personnel costs	-2 425	-3 517	-7 948	-13 890
Depreciation	-	-	-220	-220
Other costs	-	-	-6 182	-6 182
	-2 425	-3 517	-14 350	-20 292
Operating profit/loss	38 465	19 706	-11 818	46 353
Net financial income	-	-	-615	-615
Result for the year	38 465	19 706	-12 433	45 738