



INTERIM REPORT JULY 1, 2000 – March 31, 2001 for AB Novestra (publ), company reg. No. 556539-7709

Result and Financial Position, the Group

(KSEK unless otherwise indicated)

Purchase method.

Third quarter January 1 - March 31, 2001

Novestra reports a result for the period January 1 to March 31, 2001 of – 27,076 (24,014), including *unrealized* write-downs of – 12,975 (-). The result per share amounted to SEK – 1.16 (1.21). Of the total result, – 9,342 (28,654) relates to the result from investment activities and –13,284 (573), relates to other operations; mainly from liquidity management.

Book value of fixed financial assets amounted to 579,008 (422,256) of which interest-bearing investments constituted 163,086 (200,000). Shareholders' equity amounted to 577,680 (679,308) which corresponds to a value of SEK 24.7 per share (29.2).¹

The Group's cash and cash equivalents, including interest-bearing investments shown under fixed financial assets, amounted to 191,586 (463,629) which corresponds to a value of SEK 8.2 per share (19.9).¹ Solidity was 90.7% (96.9%).

Net asset value equals shareholders' equity as a result of adopting a more conservative calculation method, see below. Net asset value calculated according to the EVCA guidelines, is substantially higher than shareholders' equity.

Investments in existing and new portfolio companies during the period amounted to 37,216 (100,247).

The total number of shareholders as of March 31, 2001 was approx. 3,900 (approx. 3,500 as of June 30, 2000).

July 1, 2000 - March 31, 2001

The result for the period ending March 31, 2001 amounted to – 88,267 (105,685) of which – 60,280 (109,863) relates to the result from investment activities and – 15,086 (5,469) relates to other operations. Of the result from investment activities, – 58,917 (-) represents *unrealized* write-downs. Due to extremely unfavourable market conditions in the last quarter of 2000 and the first quarter of 2001, Novestra's liquidity management reports a loss, including *unrealized* amounts, of MSEK 38.0. The result per share amounted to SEK – 3.78 (6.50).¹

For the period ending March 31, 2001, the investment in portfolio companies amounted to 146,719 (227,101). During the same period, total investments amounted to 555,128 (429,433). The greater part, 554,165 (427,101), consisted of investments in fixed financial assets. Investments in tangible fixed assets amounted to 963 (141) and investments in intangible assets amounted to 0 (2,191).

¹ Prior to conversion.

Significant events during the period January 1 - March 31, 2001

Novestra has exercised options and thereby made additional investments in existing portfolio companies totalling MSEK 11.5. Furthermore, Novestra has made two investments in new portfolio companies: MSEK 10.8 in Multiflet AB, co-owned with Ericsson Business Innovation AB, for a 28.6 % ownership with an option to increase its ownership to 49 %; and MSEK 14.9 in Strax Inc. for a 7.6 % ownership at favourable terms in conjunction with Strax acquiring Novestra's shares in Mobilestop Inc.

Novestra has converted a loan to B2 Bredband AB which, after conversion, gives Novestra a total of 9,296,653 shares corresponding to an ownership of 4.9%. During the period, B2 Bredband has issued a new convertible loan which mainly has been subscribed for by the largest shareholders. Novestra did not participate in this issue.

Up until now, net asset value has been calculated in accordance with EVCA's (European Venture Capital Association) principles whereby unlisted holdings are valued at latest transaction. The extremely volatile markets and valuations in recent times have made the method less representative with regard to underlying values. Novestra has therefore decided to adopt a more conservative method by which net asset value is calculated on book value, after applicable write-downs. If the EVCA method would have been used, Novestra's net asset value would have been significantly higher (MSEK 1,047.4 corresponding to SEK 44.8 per share) than the value in this report. Valuation at latest transaction value is provided in the Portfolio Overview.

Novestra has 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 current financial year, corresponding to a percentage gain exceeding 600 percent and an annualised Internal Rate of Return of 130 percent.

Significant events during the period July 1 - December 31, 2000

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'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.

Despite the unfavourable market conditions, 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. In connection with this transaction, Novestra's previous holding in Iquity Systems was written down by MSEK 14.9 to the share price level of the new issue.

The only realized loss in the portfolio holdings relates to the complete write-down of Novestra's holding in Boxman.com plc.

Significant events after the end of the period

Novestra and Ericsson Business Innovation AB have completed and signed an agreement aiming at building a long-term relationship. Through this agreement, Novestra and selected financial partners will have access and an opportunity to invest in ongoing businesses and projects developed within Ericsson Business Innovation.

Novestra has invested MSEK 12.5 for a 30% stake in 34 Networks AB which specialises in developing IP based solutions for a wider supply of services (voice, data, video) in the new generation's fixed and mobile networks. An essential part of the company's initial business consists of commissioned strategy analyses for major clients in the media, technology, telecom sectors in Europe and the U.S.

Future developments

As of March 31, 2001, most of Novestra's strategic holdings have managed to either show a positive cash flow or secure immediate capital needs. Novestra expects a number of its strategic holdings to turn cash flow positive during the next twelve months. Based on the current expansion plans, the additional capital needed in these companies is limited.

B2 is currently in the process of raising additional capital. The valuation at which this will take place is not known at this point in time. Novestra's average acquisition cost is SEK 11.0 per B2 share. The book value of Novestra's investment in B2 is MSEK 102.3 which corresponds to approximately 17% (SEK 4.4 per Novestra share) of Novestra's shareholders' equity of SEK 24.7 per share.

Novestra's focus on enabling services and technologies and the fact that Novestra has not made a number of investments in various dot-com ventures nor in companies with high valuations, have resulted in a well-balanced portfolio. Novestra continues to see a significant value potential in its portfolio.

The agreement signed with Ericsson is the first step in the efforts to become an attractive business partner for established industrial companies where Novestra will co-invest and co-manage together with industrial partners. As in the past, the number of investments are going to be limited and focus will be on developing and increasing values in Novestra's portfolio companies where Novestra has a significant ownership stake.

Other information

The year-end report for the period July 1, 2000 – June 30, 2001 will be published on August 14, 2001.

The number of outstanding shares as of March 31, 2001 amounted to 23,390,980 (23,240,980). Profit per share has been calculated on the basis of an average number of 23,354,849 (16,262,430) shares. At present, 2,500,000 options are outstanding which can be converted into an equal amount of shares at SEK 90 per share up until June 30, 2001.

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

Stockholm May 9, 2001

Thomas Åkerman
President

HOLDINGS IN PORTFOLIO COMPANIES AS OF MARCH 31, 2001, MSEK

Sector	Book value	Ownership, % before dilution	Value of last transaction (date)
STRATEGIC HOLDINGS			
B2 Broadband AB	102.3	4.9	450.9 (Aug 2000)
Comintell Holding AB	11.0	37.7	
Continuum Group Ltd	91.5	11.9	
Dallas sthlm DDG AB	5.6	40.0	
DCM AB	13.5	5.7	14.1 (May 2000)
Evestra Venture Mngmt AB	1.5	19.7	
Fanglobe Inc.	20.5	14.5	106.3 (Jun 2000)
Iquity Systems Inc.	28.2	12.0	
Multifit AB	10.8	28.6	
Netsurvey AB	16.7	30.0	45.4 (Sep 2000)
PowerNet AB	20.2	49.5	
Qbranch AB	26.3	15.0	
Recollections Inc.	17.4	13.4	
Sirax Inc.	14.9	7.6	
Total	380.4		
OTHER HOLDINGS			
Listed companies	0.5		
Unlisted companies	11.4		17.4 (Dec 2000)
Total	11.9		
Total investments in portfolio companies, including convertibles, MSEK 392.3			
Events after March 31, 2001:			
New investments:			
34 Networks AB	12.5	30.0	
Additional investments:			
Comintell Holding AB	3.4		
Total investments in portfolio companies, including convertibles, as of April 30, 2001: MSEK 408.2			

INCOME STATEMENTS, KSEK (Purchase method)	Consolidated		Parent company	
	July 1, 2000	July 1, 1999	July 1, 2000	July 1, 1999
	Mar 31, 2001	Mar 31, 2000	Mar 31, 2001	Mar 31, 2000
Capital gains, investment activity	-60 280	109 863	-52 936	109 863
Income from other operations	12 504	14 375	-	-
Cost of goods sold, other operations	-27 590	-8 906	-	-
Gross Profit	-75 366	115 332	-52 936	109 863
Administrative expenses	-16 201	-9 424	-16 201	-7 208
Operating income	-91 567	105 908	-69 137	102 655
Result from participation in group companies	-	-	-	-1 300
Interest and similar income	3 319	1 260	2 850	1 212
Interest expense and similar charges	-19	-284	-3	-155
Income after financial items	-88 267	106 884	-66 290	102 412
Income taxes	-	-1 838	-	-385
Minority interests	-	639	-	-
Income for the period	-88 267	105 685	-66 290	102 027
BALANCE SHEETS, KSEK	Mar 31, 2001	Mar 31, 2000	Mar 31, 2001	Mar 31, 2000
ASSETS				
Intangible assets	-	3 066	-	-
Tangible assets	1 106	131	1 106	44
Fixed financial assets	579 008	422 256	579 218	424 266
Total fixed assets	580 114	425 453	580 324	424 310
Stock securities	18 788	7 863	-	-
Current receivables	9 564	4 491	42 291	5 571
Cash and bank	28 500	263 042	28 309	260 719
Total current assets	56 852	275 396	70 600	266 290
TOTAL ASSETS	636 966	700 849	650 924	690 600
SHAREHOLDERS' EQUITY AND LIABILITIES				
Restricted equity	573 239	571 210	570 921	569 422
Non-restricted equity	4 441	108 098	22 649	104 257
Total shareholders' equity	577 680	679 308	593 570	673 679
Minority interests	-	1 476	-	-
Untaxed reserves	-	-	135	-
Provisions for deferred income taxes	2 312	1 927	1 426	1 426
Current liabilities	56 974	18 138	55 793	15 495
Total liabilities	56 974	18 138	55 793	15 495
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	636 966	700 849	650 924	690 600

FUNDS STATEMENTS, KSEK	Consolidated		Parent company	
	July 1, 2000	July 1, 1999	July 1, 2000	July 1, 1999
	Mar 31, 2001	Mar 31, 2000	Mar 31, 2001	Mar 31, 2000
Funds provided from operations	-54 529	48 481	-55 037	48 194
Funds from investing activities	-60 414	-303 277	-52 566	-304 676
Funds from financial activities	1 500	517 198	1 500	517 198
Total cash flow	-113 443	262 402	-106 103	260 716
Cash and bank at the beginning of period	141 943	640	134 412	3
Cash and bank at the end of period	28 500	263 042	28 309	260 719