



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

Result and Financial Position, the Group

(KSEK unless otherwise indicated)

Purchase method.

Second quarter October 1 - December 31, 2000

Novestra reports a result for the period October 1 to December 31, 2000 of -44,007 (64,692). The result per share amounted to SEK -1.88 (4.76). Of the total result, -41,614 represents unrealized write-downs which are mainly adjustments of the share price in Iquity Systems Inc. and in Mobilestop Inc. - where transactions have been made at lower valuations - and reservations within liquidity management. Moreover, of the total result, -35,628 (63,389) relates to the result from investment activities and the remaining balance -3,755 (4,257) relates to other operations.

Book value on fixed financial assets amounted to 599,601 (157,478) of which interest-bearing investments constituted 206,459 (-).

The Group's cash and cash equivalents, including interest-bearing investments shown under fixed financial assets, amounted to 229,721 (1,779) which corresponds to a value of SEK 9.8 per share (0.1).¹ Solidity was 92.1% (83.4%).

Shareholders' equity amounted to 604,766 (140,484) which corresponds to a value of SEK 25.9 per share (9.1).¹

Net asset value amounted to 1,070,453 (219,767) which corresponds to a value of SEK 45.8 per share (14.3).^{1, 2}

Investments in portfolio companies amounted to 28,755 (118,401).

The total number of shareholders as of December 31, 2000 was approx. 4,200 (approx. 3,500 as of June 30, 2000).

Half-year July 1 - December 31, 2000

The result for the half-year ending December 31, 2000 amounted to -61,191 (81,671) of which -50,938 (81,209) relates to the result from investment activities and -1,802 (4,588) relates to other operations. Of the result from investment activities, -41,614 emanate from write-downs which are unrealized. Novestra's liquidity management report a loss, including unrealized

¹ Prior to conversion.

² When calculating the net asset value, Novestra applies the guidelines of the European Capital Association ("EVCA"). Net asset value is calculated as shareholders' equity adjusted for market value of holdings of publicly traded and/or market valued shares before tax. Shares and holdings in unlisted companies have been valued based on the latest transaction, where appropriate. The unlisted companies that have been valued according to the latest transaction and not at book value are B2 Bredband AB (transaction taken place in August 2000), DCM AB (May 2000), Fanglobe Inc. (June 2000), Netsurvey AB (September 2000) and Skandia Mäklarna Holding AB (December 2000). The net asset value calculated as above as of December 31, 2000, exceeds book value by 465,687. The corresponding value as of June 30, 2000 exceeded book value by 223,303 (225,362 using the equity method). Subsequent market development may have affected these values negatively since the transaction dates.

amounts, of MSEK 16.6 due to adverse market conditions. The result per share amounted to SEK -2.62 (5.37).¹

For the half-year ending December 31, 2000 the investment in portfolio companies amounted to 109,503 (125,551). Total investments during the half-year period amounted to 371,496 (127,725). The greater part, 370,762 (125,551), consisted of investments in fixed financial assets. Investments in tangible fixed assets amounted to 734 (81).

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

Despite the negative 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 and this investment represents the major part of Novestra's additional investments in existing portfolio companies during the period (totalling MSEK 28.8). 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.

Following the postponement of B2 Bredband AB's IPO in October, B2's largest shareholders have committed additional capital needed for future expansion. B2 continues to show strong performance where, for example, the number of households with property network installations increased from 26,800 to 67,400 during the period September to October 2000. The rate of installations has continued at the same pace after October. In December, the Orange consortium (jointly owned by B2 Bredband (30%), Orange, Schibsted and Skanska) was granted a license for UMTS in Sweden.

Novestra reached an agreement in December with Ericsson Business Innovation AB to invest in Multiflet AB whereby Novestra would acquire 28 percent for MSEK 10 with an opportunity to increase its ownership to 49 percent. Ericsson Business Innovation AB owns the remaining shares. The transaction was formally closed in January, 2001.

Significant events during the period July 1 - September 30, 2000

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. The net positive result effect for Novestra of the transaction as of December 31, 2000 was MSEK 4.2.

Novestra's holding in Boxman.com plc, with a book value of MSEK 20.6, was written down to zero following the company's application for voluntary liquidation in October of 2000. Novestra's total capital investment in Boxman.com plc is, however, limited to MSEK 13.9.

Significant events after the end of the period

Strax Holding Inc., a major shareholder in Mobilestop Inc., has made an offer to acquire all outstanding shares in Mobilestop and to merge the operations under a common management. Strax has shown strong growth since the foundation three years ago and it has managed to remain profitable in spite of significant investments in product development during the past year. Strax had sales of approx. MSEK 220 during 2000 and the merged company is expected to reach sales exceeding MSEK 500 during 2001. In connection with this offer, Novestra was offered to invest MSEK 14 in a convertible debenture in Strax. The transactions will give Novestra an aggregate ownership, upon conversion, of 7.6 percent in Strax and result in a write-down of the previous holding in Mobilestop of MSEK 7.4, which has been reserved in the accounts as of December 31, 2000. Strax will acquire Novestra's shares in Mobilestop regardless of whether the merger with Mobilestop is realized or not.

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.

Novestra has made an additional investment in PowerNet AB of MSEK 10 of which MSEK 7.5 is a convertible debenture and MSEK 2.5 is share capital increasing Novestra's ownership to

49.5 percent. PowerNet reports strong operational performance and is well ahead of its business plan for the financial year 2000/2001.

Continuum Group Ltd (Novestra ownership 11.9%), which was instrumental in setting up the winning consortium for the Bologna broadband network, has acquired indirectly 5 percent of Casa.web through a consortium including CIR S.p.A., the industrial holding company of the De Benedetti Group, iNTEK S.p.A., a holding company specialising in acquiring high-growth potential companies (both listed on the Milan stock exchange) and B2 Bredband AB. Casa.web was established to build and operate the broadband network in the Bologna region with 2 million inhabitants. In addition to the partners of the consortium, Casa.web is held by the municipalities of Bologna, Imola, Ravenna and Forlì.

Future development

The development in Novestra's portfolio companies during 2000 has in general been positive. Many of the portfolio companies have reached their product development, sales and profit goals. The deteriorating market conditions in the second half of the year 2000 have in some cases forced companies to postpone IPOs or transactions.

Multilet, jointly owned with Ericsson Business Innovation, will strengthen the focus on broadband at the same time as it is in line with Novestra's ambition to expand further into technology. Enabling services and technologies for the communication industry, including fixed and wireless broadband, will continue to be core areas for future development.

The recent transactions in Iquity Systems and Mobilestop were conducted under highly adverse market conditions. With these two deals concluded, the already incurred and expected write-downs, in relation to shareholders' equity as per September 30, 2000, are currently estimated to be well within the 10 percent communicated in a previous press release dated December 14. The net asset value of the portfolio is still estimated to exceed book values considerably and the management believes that the balanced portfolio has possibilities to develop well over the next 12 to 24 months.

With two new investments, excellent potential in the portfolio companies and the general ambition of Novestra to continue to be an active owner, the focus during the next two quarters will be to support and develop the existing portfolio. At the same time, the current market situation generates investment opportunities at valuations that are viable long-term and Novestra, with its strong financial position, will be able to consider selective investments in core areas.

If the market conditions stabilise and recover in the later part of 2001, the management expects to be able to conclude transactions that will expose underlying values in Novestra's investment portfolio. Meanwhile, Novestra's long-term financial goal of a 30 percent annual growth remains unchanged in spite of the weak market conditions.

Other information

The interim report for the period July 1, 2000 – March 31, 2001 will be published on May 9, 2001.

The number of outstanding shares as of December 31, 2000 amounted to 23,390,980 (15,390,975). Profit per share has been calculated on the basis of an average number of 23,337,176 (15,218,801) shares. At present, 2,500,00 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 January 31, 2001

Thomas Åkerman
President

HOLDINGS IN PORTFOLIO COMPANIES AS OF DECEMBER 31, 2000, MSEK

	Sector	Book value	Ownership, % before dilution	Value at last transaction
STRATEGIC HOLDINGS				
B2 Broadband AB	Broadband infrastructure	102.3	4.9	405.3
Comintell Holding AB	Knowledge management	9.5	37.7	
Continuum Group Ltd	Investment company	91.5	11.9	
Dallas sithm DDG AB	Design/brand	5.6	40.0	
DCM AB	Digital media	13.5	5.7	14.1
Fanglobe Inc.	Music/Video	20.5	14.5	106.3
Iquity Systems Inc.	Systems software	28.2	12.0	
Mobilestop Inc.	E-commerce solutions	0.5	6.2	
Neturvey AB	Market survey services	16.7	30.0	45.4
PowerNet AB	Wireless infrastructure	10.2	46.7	
Qbranch AB	System management	26.3	15.0	
Recollections Inc.	Digital printing services	17.4	13.4	
Total		342.2		

OTHER HOLDINGS

Listed companies	4.4			17.2
Unlisted companies	12.9			
Total	17.3			

Total investments in portfolio companies, including convertibles, MSEK 359.5

Events after December 31, 2000:

New investments:				
Multiflet AB	Broadband technology	10.0	28.0	
Strax Holding Inc.	E-commerce solutions	14.1	7.4	
Additional investments:				
PowerNet AB	Wireless infrastructure	+10.0	49.5	
Disposals of listed holdings:				
E*TRADE Group Inc.	E-commerce	-3.0	-	

Total investments in portfolio companies, including convertibles, as of January 31, 2001: MSEK 390.6

INCOME STATEMENTS, KSEK (Purchase method)	Consolidated		Parent company	
	July 1, 2000	July 1, 1999	July 1, 2000	July 1, 1999
	Dec 31, 2000	Dec 31, 1999	Dec 31, 2000	Dec 31, 1999
Capital gains, investment activity	-50 938	81 209	-43 594	81 209
Income from other operations	10 888	12 972	-	-
Cost of goods sold, other operations	-12 690	-8 384	-	-
Gross Profit	-52 740	85 797	-43 594	81 209
Administrative expenses	-11 364	-3 070	-11 354	-2 519
Operating income	-64 104	82 727	-54 948	78 690
Interest and similar income	2 929	100	2 464	63
Interest expense and similar charges	-16	-119	-3	-87
Income after financial items	-61 191	82 708	-52 487	78 666
Income taxes	-	-1 296	-	-
Minority interests	-	259	-	-
Income for the period	-61 191	81 671	-52 487	78 666
BALANCE SHEETS, KSEK	Dec 31, 2000	Dec 31, 1999	Dec 30, 2000	Dec 30, 1999
ASSETS				
Intangible assets	-	3 146	-	-
Tangible assets	979	89	979	14
Fixed financial assets	599 601	157 478	599 811	160 678
Total fixed assets	600 580	160 713	600 790	160 692
Stock securities	24 338	4 359	-	-
Current receivables	8 746	1 670	34 393	1 515
Cash and bank	23 262	1 779	22 353	27
Total current assets	56 346	7 808	56 746	1 542
TOTAL ASSETS	656 926	168 521	657 536	162 234
SHAREHOLDERS' EQUITY AND LIABILITIES				
Restricted equity	580 583	56 430	570 921	55 121
Non-restricted equity	24 183	84 054	36 452	80 896
Total shareholders' equity	604 766	140 484	607 373	136 017
Minority interests	-	1 856	-	-
Untaxed reserves	-	-	135	-
Provisions for deferred income taxes	2 312	1 926	1 426	1 426
Current liabilities	49 848	24 255	48 602	24 791
Total liabilities	49 848	24 255	48 602	24 791
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	656 926	168 521	657 536	162 234

FUNDS STATEMENTS, KSEK	Consolidated		Parent company	
	July 1, 2000	July 1, 1999	July 1, 2000	July 1, 1999
	Dec 31, 2000	Dec 31, 1999	Dec 31, 2000	Dec 31, 1999
Funds provided from operations	-43 832	7 833	-45 059	8 247
Funds from investing activities	-76 349	-17 692	-68 500	-19 221
Funds from financial activities	1 500	10 998	1 500	10 998
Total cash flow	-118 681	1 139	-112 059	24
Cash and bank at the beginning of period	141 943	640	134 412	3
Cash and bank at the end of period	23 262	1 779	22 353	27