

NOVESTRA

INTERIM REPORT NO. 3 FOR THE FINANCIAL YEAR 2004 REFERRING TO THE PERIOD JANUARY 1 – SEPTEMBER 30, 2004

- The net result for the period amounted to MSEK 42.0 (8.4) corresponding to a result amounting to SEK 1.3 (0.4) per share. Shareholders' equity as at September 30, 2004 amounted to MSEK 416.2 (232.3) corresponding to SEK 11.2 (9.9) per share. Equity/asset ratio amounted to 93.3% (89.2).
 - Cash and cash equivalents, including current investments, amounted to MSEK 82.3 (43.2) corresponding to SEK 2.2 (1.8) per share. Together with the public holdings, as at September 30, 2004, liquid assets amounted to MSEK 204,1 (59,4) (including unrealised surplus values) corresponding to SEK 5.5 (2.5) per share.
 - During the third quarter, growth in revenues and result development in the non-public portfolio companies increased further and in the great majority budgeted sales targets were exceeded. The consistent higher sales volumes have led to considerable result improvements.
 - All in all, the non-public portfolio companies have reached the highest sales levels ever and Novestra estimates that the positive development in the non-public portfolio will continue during the fourth quarter. Many indications show that this growth trend in the companies will continue during the upcoming year.
 - The result for the full-year 2004 is estimated to exceed previous forecast. In today's market situation, prospects for further result improvements during 2005 are estimated to be good.
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All figures are given in SEK thousands, unless otherwise indicated. Figures in brackets refer to the corresponding period the previous financial year.

SIGNIFICANT EVENTS DURING THE PERIOD

During the third quarter, the development in the portfolio companies has continued to be very positive:

Non-public portfolio companies

Explorica showed an increase in revenues for the upcoming season which was considerably higher than the previously indicated 50%. The company is expecting a substantially improved result during the current year.

MyPublisher's revenue during the period increased by 63%. Revenue for the third quarter accelerated further, as growth amounted to 86%. During the fourth quarter of this year, the company expects an increase in revenue of more than 100% compared to the third quarter.

During the year, **Netsurvey** has increased its customer basis and, during this year's first six months, its revenue increased by 18% compared to the same period the previous year. Net margins during the first nine months amounted to 9%.

Qbranch increased its revenue by 23% during the nine-month period. The result pre-tax (EBT) increased by 148% compared to the same period the previous year. The result development is expected to continue to be positive during the fourth quarter, especially due to the development within its hosting operations.

Strax increased its revenue by 56% during this year's first nine months. During the month of September, growth in revenue increased further and the company showed a growth of 93% compared to the same period the previous year.

Continuum will be wound up during the upcoming year whereby payments from the company's sales of portfolio companies will be distributed to the company's shareholders. During the period, Novestra has received dividends of in total MSEK 29.6 from Continuum.

During the nine-month period, Novestra has invested, indirectly through **C More Group AB**, in Canal Plus Television AB. Furthermore, Novestra has invested in a new non-public portfolio company, **FLEXbridge Technologies, LLC**, USA by providing the company with expansion capital in the form of a convertible loan with detachable warrants which, fully exercised, can give Novestra an ownership stake of slightly more than 15%.

Public portfolio companies

The investments in the public portfolio companies have performed well during the period. As at September 30, 2004, the accumulated realised and unrealised profits from the public holdings amounted to MSEK 27,0 corresponding to a return on investments of 26,8% calculated on the average capital invested during the period.

During the period, Novestra disposed of its entire holdings in **Modul 1 Data** as well as **JC**. The result from these disposals amounted, in total, to MSEK 10.4. Additional transaction in the public portfolio have generated profits of, in total, MSEK 8.7.

During the period, Novestra has made new and add-on investments in i.a. **Aldata Solutions**, **Fly Me Europe**, **IBS**, **Karo Bio**, **Lagercrantz Group**, **Millicom International Cellular** and **Pergo**.

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, in May 2004, Novestra's Board of Directors decided 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, in total, SEK 81 705 912, after transaction costs. Following the new share issue, Novestra's share capital amounts to a total of SEK 37 187 973 distributed on 37 187 973 shares.

RESULT AND FINANCIAL POSITION JANUARY 1 – SEPTEMBER 30, 2004

The company's net result for the period amounted to 42 003 (8 400). The result included gross profit from investment activities amounting to 53 997 (12 920), administration expenses of -11 948 (-7 866) and net financial items of -46 (670). As at September 30, 2004, total assets

amounted to 446 014 (260 468), of which shareholders' equity was 416 233 (232 262) corresponding to an equity/asset ratio of 93.3% (89.2). Current liabilities to credit institutes amounted to 25 000 (25 000).

Investments

During the period, investments in tangible fixed assets amounted to 605 (286) and investments in financial fixed assets amounted to 129 131 (52 692).

Liquidity management

As at September 30, 2004, cash amounted to 72 291 (8 204) and, together with various investments, cash and cash equivalents amounted to 82 291 (43 204). Novestra's portfolio of public holdings results in that an additional of approximately 121 852 (including unrealised surplus values) of Novestra's assets are possible to convert into liquid assets within a relatively short period of time. In addition, Novestra has an unutilised credit facility amounting to 40 000 (-).

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

After the end of the period, Novestra has come to an agreement to acquire 20% of the shares in **Bytek Systems AB**, which has patented a system for secure communication and storage of data within the field of private networks. The shares in Bytek Systems have been acquired at nominal value, i.e. MSEK 0.1.

FUTURE DEVELOPMENT

To a large extent, Novestra's public portfolio will be dependent on the development on the stock exchange for the remainder of the year. In the long-term, the outlook for the type of public companies included in Novestra's public portfolio should be positive even if the economy weakens.

The majority of Novestra's investments, however, are in non-public companies that have had stable developments, even in weak markets. Novestra believes that the growth trend in these companies will continue, even though the economy would generally become weaker. The reason for this is that many of the companies continue to be small players in large markets where opportunities to conquer further market shares are good.

Going forward, the non-public portfolio companies will face a number of varying challenges. For example, **MyPublisher's** main challenge is to be able to deliver increasingly high volumes with maintained high quality and good margins. **Strax** must be able to create continued growth and simultaneously increase

its margins. **Explorica's** aim is to develop competitive travel products in a relatively unstable market situation. **Qbranch's** challenge is to continue to grow and take further market shares while competing with quality rather than price. **Netsurvey** must increase its supply of services and its customer relations to existing customers in order to be able to increase its order volumes. **Bytek's** challenge is to ensure that its potential customers and licensees receive the support necessary to secure future expansion.

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.

OTHER INFORMATION

Financial calendar:

Year-end report and
Interim Report Q4 2004 *February 16, 2005*

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

This 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.

Stockholm October 22, 2004

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NOVESTRA'S HOLDINGS AS AT SEPTEMBER 30, 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	-	6.1	-	-	6.1	-
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	15.1	-	-	203.1	
PUBLIC COMPANIES						
ALDATA SOLUTIONS OY	-	4.3	-	-	4.3	0.6
FLY ME EUROPE AB	-	12.7	-3.0	-	9.7	6.0
IBS AB (publ)	13.1	7.9	-2.1	-	18.9	2.3
INWAREHOUSE AB (publ)	7.8	0.1	-0.7	-	7.2	11.7
JC AB (publ)	19.0	5.9	-24.9	-	-	-
KARO BIO AB (publ)	-	3.8	-	-	3.8	1.5
LAGERCANTZ GROUP AB (publ)	8.1	7.0	-	-	15.1	2.3
MILLICOM INTERNATIONAL CELLULAR S.A.	-	44.2	-15.8	-	28.4	0.3
MODUL 1 DATA AB (publ)	7.2	-	-7.2	-	-	-
PERGO AB (publ)	16.9	22.0	-15.3	-	23.6	2.9
OTHER	7.9	6.1	-8.8	-	5.2	n/a
TOTAL PUBLIC COMPANIES	80.0	114.0	-77.8	-	116.2	
Liquidity management	35.0	-	-25.0	-	10.0	
TOTAL INVESTMENTS	303.0	129.1	-102.8	-	329.3	

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	383 550	11.30	4 333	411.30	4 320	0.0
FLY ME EUROPE AB	15 100 000	0.64	9 649	0.40	6 040	-37.4
IBS AB (publ)	1 820 000	10.39	18 918	11.30	20 566	8.7
INWAREHOUSE AB (publ)	7 920 422	0.90	7 162	2.14	16 950	136.7
KARO BIO AB (publ)	259 884	11.94	3 104	12.90	3 353	8.0
KARO BIO TR	1 439 352	0.52	743	1.18	1 698	128.6
LAGERCANTZ GROUP AB (publ)	631 500	24.02	15 167	17.00	10 736	-29.2
MILLICOM INTERNATIONAL CELLULAR S.A.	177 500	159.95	28 391	130.00	23 075	-18.7
PERGO AB (publ)	1 537 700	15.32	23 563	20.30	31 215	32.5
OTHER	n/a	n/a	5 036	n/a	3 899	-22.6
TOTAL			116 066		121 852	5.0

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	Increased	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 the prospectus published in September 2003; 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 (9 months)	2003 (9 months)	2004 (3 months)	2003 (3 months)	2003 (12 months)
	Jan 1 – Sept 30	Jan 1 – Sept 30	July 1 – Sept 30	July 1 – Sept 30	Jan 1 – Dec 31
INVESTMENT ACTIVITY					
Result from shares and participations ¹	53 997	12 920	6 142	3 023	13 314
Write-downs	-	-	-	-	15 870
Gross profit investment activity	53 997	12 920	6 142	3 023	29 184
OTHER OPERATIONS					
Income from other operations	-	2 676	-	2 676	3 018
Gross profit other operations	-	2 676	-	2 676	3 018
GROSS PROFIT	53 997	15 596	6 142	5 699	32 202
Administrative expenses ²	-11 948	-7 866	-3 790	-2 192	-12 276
Operating income	42 049	7 730	2 352	3 507	19 926
RESULT FROM FINANCIAL INVESTMENTS					
Net financial items	-46	670	-687	448	210
Result after financial items	42 003	8 400	1 665	3 955	20 136
Current taxes	-	-	-	-	-
RESULT FOR THE PERIOD	42 003	8 400	1 665	3 955	20 136
Result per share (SEK)	1.26	0.36	0.05	0.17	0.81
Average number of shares during the period	33 268 265	23 390 980	37 187 973	23 390 980	24 925 618
KEY RATIOS					
FINANCIAL KEY RATIOS					
Shareholders' equity, MSEK	416.2	232.3	416.2	232.3	292.5
Equity/assets ratio, %	93.3	89.2	93.3	89.2	90.4
Cash flow after investments, MSEK	-20.4	-9.9	-34.9	4.4	-55.6
DATA PER SHARE					
Shareholders' equity, SEK	11.19	9.93	11.19	9.93	9.38
Result, SEK	1.26	0.36	0.05	0.17	0.81
NUMBER OF SHARES ETC.					
Number of shares at the end of the period	37 187 973	23 390 980	37 187 973	23 390 980	31 187 973
Average number of shares during the period	33 268 265	23 390 980	37 187 973	23 390 980	24 925 618

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

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

AB NOVESTRA

BALANCE SHEETS (SEK THOUSANDS)	September 30, 2004	September 30, 2003	December 31, 2003
ASSETS			
FIXED ASSETS			
Tangible fixed assets:			
Equipment	1 074	558	630
Financial fixed assets:			
Investments in associated companies	112 552	76 682	112 552
Shares and participations	206 708	151 199	155 604
	319 260	227 881	268 156
Total fixed assets	320 334	228 439	268 786
CURRENT ASSETS			
Current receivables:			
Other receivables ¹	39 712	19 714	5 167
Prepaid expenses and accrued income	3 677	4 111	3 626
	43 389	23 825	8 793
Investments:			
Other investments	10 000	-	35 000
Cash and bank	72 291	8 204	11 009
Total current assets	125 680	32 029	54 802
TOTAL ASSETS	446 014	260 468	323 588
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Restricted equity:			
Share capital	37 188	23 391	31 188
Restricted reserves	316 906	200 471	241 201
	354 094	223 862	272 389
Non-restricted equity:			
Non-restricted reserves	20 136	-	-
Result for the period	42 003	8 400	20 136
	62 139	8 400	20 136
Total shareholders' equity	416 233	232 262	292 525
Current liabilities:			
Liabilities to credit institutions	25 000	25 000	25 035
Accounts payable	169	299	349
Other liabilities	1 087	1 685	3 851
Accrued expense and deferred income	3 525	1 222	1 828
	29 781	28 206	31 063
Total liabilities	29 781	28 206	31 063
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	446 014	260 468	323 588
Pledged assets	121 852	43 436	116 552
Contingent liabilities	None	None	None
CHANGE IN SHAREHOLDERS' EQUITY DURING THE PERIOD (SEK THOUSANDS)	2004 (9 months) Jan 1 – Sept 30	2003 (9 months) Jan 1 – Sept 30	2003 (12 months) Jan 1 – Dec 31
RESTRICTED EQUITY			
At the beginning of the period	272 389	466 008	466 008
New share issue	81 705	-	48 527
Transferred from (+)/to (-) non-restricted equity	-	-242 146	-242 146
At the end of the period	354 094	223 862	272 389
NON-RESTRICTED EQUITY			
At the beginning of the period	20 136	-242 146	-242 146
Result for the period	42 003	8 400	20 136
Transferred from (+)/to (-) restricted equity	-	242 146	242 146
At the end of the period	62 139	8 400	20 136
TOTAL SHAREHOLDERS' EQUITY AT THE END OF THE PERIOD	416 233	232 262	292 525

¹ As at September 30, 2004, other receivables include 25 755 emanating from a share index bond, matured on September 2, with settlement date October 8, 2004.

AB NOVESTRA

FUNDS STATEMENT (SEK THOUSANDS)	2004 (9 months) Jan 1 – Sept 30	2003 (9 months) Jan 1 – Sept 30	2003 (12 months) Jan 1 – Dec 31
FUNDS PROVIDED			
Result after financial items	42 003	8 400	20 136
Adjustment for transactions not included in cash flow etc.	-21 845	-10 244	-26 427
	20 158	-1 844	-6 291
Taxes paid	-	-	-
Funds provided from operations before changes in working capital	20 158	-1 844	-6 291
Details of changes in working capital:			
Increase (-)/decrease (+) in current receivables	- 8 827	-8 240	-4 117
Increase (+)/decrease (-) in current liabilities	-1 282	23 827	26 684
Funds provided from operations	10 049	13 743	16 276
INVESTMENT ACTIVITIES			
Investment in tangible fixed assets	-605	-286	-457
Investments in financial fixed assets	-112 384	-47 687	-110 427
Proceeds from sale of financial fixed assets	82 517	24 328	38 984
Funds from investment activities	-30 472	-23 645	-71 900
FINANCING ACTIVITIES			
New share issue	81 705	-	48 527
Funds from financing activities	81 705	-	48 527
Total cash flow	61 282	-9 902	-7 097
Cash and bank at the beginning of the period	11 009	18 106	18 106
CASH AND BANK AT THE END OF THE PERIOD¹	72 291	8 204	11 009

¹ Excluding 10 000 within the liquidity management accounted for as other current investments. As at September 30, 2004, cash and bank, including current investments, amounted to 82 291 (43 204).

PERFORMANCE BY BUSINESS AREA JANUARY 1 – SEPTEMBER 30, 2004

	Non-public holdings	Public holdings	Joint and other operations	Total
Income from shares and participations				
Capital gains/losses	-	19 062	2 945	22 007
Dividends	31 422	568	-	31 990
Write-downs	-	-	-	-
Income from other operations				
Fees	-	-	-	-
Gross profit	31 422	19 630	2 945	53 997
Administrative expenses				
Personnel costs	-1 126	-1 570	-4 508	-7 204
Depreciation	-	-	-162	-162
Other costs	-	-	-4 582	-4 582
	-1 126	-1 570	-9 252	-11 948
Operating profit/loss	30 296	18 060	-6 307	42 049
Net financial income	-	-	-46	-46
Result for the period	30 296	18 060	-6 353	42 003