

# **AB Novestra**

## **Annual Report**

### **2008**

**NOVESTRA**



# Novestra Annual Report 2008

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THIS ANNUAL 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.

# This is Novestra

Novestra is an independent investment company with a number of investments in private growth companies with operations primarily in Sweden and the U.S. In addition, Novestra has a few small investments in publicly listed companies that are evaluated to have substantial growth or value potential.

The Novestra share is listed on the Nasdaq OMX Stockholm, under the symbol NOVE, in the Small Cap section.

## **BACKGROUND**

Historically, Novestra has invested at an early stage in private companies. These investments make up the lion's share of today's portfolio. Since 2003, Novestra has also had an exposure to public small and mid cap companies listed on the Nasdaq OMX Stockholm. These investments have to a large extent been discontinued and the assets from these investments were distributed to the shareholders during the spring of 2007.

## **BUSINESS CONCEPT**

As an independent investment company, Novestra shall invest in private as well as public companies, with substantial growth potential

or where other circumstances could lead to a significant performance.

## **VISION**

Novestra believes that it can optimize the return on its investments by being an active investor and through participation in the business development process of each individual company. By limiting the number of investments, Novestra expects to be able to be an active investor with a small organization.

## **OBJECTIVES**

Novestra's objective is to optimize the shareholders' long-term return by focusing on opportunities in small and medium sized

# Business concept Vision Objectives & Long-term owner responsibility

companies without the risk-taking that comes with a too narrow focus. Shareholders shall benefit through the performance of the Novestra share as well as through dividends once the company exits holdings and realises value. From a fiscal perspective, Novestra is an investment company and its tax efficient structure can offer major investors investment opportunities in small and medium sized companies where they otherwise would not be able to participate.

## **LONG-TERM OWNER RESPONSIBILITY**

Novestra's objective, as an active investor is to create the best possible prerequisites for the portfolio companies development and therefore create value for the shareholders.

Novestra actively participates in the private portfolio companies' Board of Directors, with at least one representative, as well as supporting their management teams in various situations. Through working long-term and towards common goals the portfolio companies, together with Novestra can develop and improve the prerequisites to reach growth and create a long-term earning capacity.

# The year in brief

The group's net earnings amounted to MSEK -90.7 (4.7), corresponding to SEK -2.44 (0.13) per share. Shareholders' equity as at December 31, 2008 amounted to MSEK 331.1 (421.8), corresponding to SEK 8.90 (11.34) per share.

Novestra's portfolio companies had a very positive development during 2008 despite the weakened economic climate. The first half of 2008 was exceptionally strong, however with some decline in growth of sales during the second half of the year as the general economy weakened.

Novestra's portfolio consists mainly of mature growth companies, with good profitability, in a broad range of industries. Together, they had a combined sales total amounting to approximately MSEK 2 050 during 2008, with a combined EBITDA amounting to approximately MSEK 100.

Sales in 2008 for MyPublisher amounted to

approximately MSEK 211, a growth rate of approximately 57 percent, in Qbranch sales amounted to approximately MSEK 437, corresponding to a growth rate of 20 percent and sales in Strax amounted to approximately MSEK 760, corresponding to a growth rate of 2 percent. Explorica expects sales of approximately MSEK 520 for the financial year 2008/2009.

Diino had approximately 1.4 million users at the end of 2008, compared to approximately half a million users at the beginning of the year.

The value of the private portfolio has been written down by a total of MSEK 78.4 during 2008. The value adjustment is not related to the development in the individual companies but reflects the changes in valuation multiples in publicly traded companies due to the global downturn in the financial markets.

**MyPublisher**  
**MSEK 211**  
**(+57%)**

**Qbranch**  
**MSEK 437**  
**(+20%)**

**Explorica**  
**MSEK 514**  
**(-3%)**

**Strax**  
**MSEK 760**  
**(+2%)**

**Novestra's portfolio  
of mature growth  
companies had a  
sales total of MSEK  
2 050 in 2008.**





# Chairman's comments Theodor Dalenson Chairman Stockholm March 2009

The reasons for the dramatic decline in the equity market during 2008 are to be found primarily in the number of excesses during 2005, 2006 and 2007, which resulted in inflated energy prices, commodity prices, real estate prices and excessive leverage levels in the private equity sector. All of this happened at the same time as the international investment banks started to behave as aggressive hedge funds in order to deliver ever increasing returns. It was obvious that this scenario would come to an end, but very few predicted the catastrophic effects that this would have on liquidity in the financial markets and the subsequent negative effects it would have on the global economy.

Novestra chose to sell the liquid assets that we believed had the least growth and value potential, which included the holding in Nove Capital Fund. We distributed a total of MSEK 298, or approximately SEK 8 per share, most of it during 2007. We chose to hold on to the private holdings that we believed could continue to deliver growth and increased profitability even during a period of weaker economic development. We also decided not to carry out any leveraged acquisitions and made sure that our key holdings had no liabilities and no need for additional capital in order to be able to continue to grow.

Our approach was seen as conservative and boring, which led to a very limited interest for the Novestra share. If we look back, it

turns out that our decision to distribute cash and keep the private holdings in the growth portfolio was a correct decision. The companies in our growth portfolio developed extremely well during 2008 and are likely to be able to deliver continued growth and improved results in 2009.

Our conservative approach has also impacted our remuneration policy whereby we have lowered our administration costs and have a bonus program where bonus payments are linked to realized profits and a realized increase in shareholders' equity, rather than share prices and unrealized valuation write-ups. As a result of this, no bonus has been paid out for the past three years, and no bonus payments will be made until we have realized values in our portfolio that are higher than the original acquisition costs for these investments.

As we have earlier communicated, we are continuously working with and evaluating the holdings in our private growth portfolio and intend to divest holdings when we deem the timing to be right. Meanwhile, we can conclude that we have an excellent capability to ride out the storm in the financial markets and can continue to work on creating value in our current portfolio at the same time as we have resources to make occasional investments in publicly listed companies when we find attractive valuations.

## Managing Director's comments

**Johan Heijbel**  
Managing Director

Stockholm  
March 2009

Each time the economy goes through a down cycle the course of events are different. The lessons we learn from earlier downturns are valuable, but seldom enough. Doing business is very much about solving problems. Big and small problems that need to be resolved in day-to-day work and in the long-term. How this work turns out depends a lot on the organization's attitude, determination and sense of urgency when problems arise. Regardless if it is about a situation related to the individual company, a dramatic change in the industry or a general downturn in the economy. Despite prior experience, no one was ready for the rapid course of events and the dramatic slowdown brought by this downturn.

Novestra's portfolio primarily consists of mature growth companies, all with founders who are still active managers. Like Novestra, these entrepreneurs also have significant shares in the companies, with major value to preserve and develop. Through active ownership,

Novestra's board, management and network, have continuously worked to support the management of our respective portfolio companies in creating opportunities for successful, long-term value-generation. This is done through board representation in the companies, but the majority of the work is carried out between board meetings, and is on a significantly more detailed level than regular board assignments.

I look back on 2008 with mixed feelings. A year of losses can never be anything but a big disappointment, regardless of the reason. At the same time, a series of both smaller and larger successes in individual portfolio companies during the year convinces me that we have created major value for the future in 2008 as well.

The combined portfolio company sales in 2008 exceed SEK two billion, compared to levels of approximately SEK 650 million just five years ago. This means that the portfolio has had a growth rate of over 200 percent during the period. Another way of looking at it is that our portfolio companies have tripled in size during the five year period. Sales in MyPublisher increased to approximately SEK 211 million, corresponding to a growth rate of approximately 57 percent. Sales at Qbranch amounted to approximately SEK 437 million, a growth rate of approximately 20 percent and sales at Strax reached approximately SEK 760 million, corresponding to a growth rate of approximately 2 percent. Sales in Explorica for the split financial year that ended in August 2008 were SEK 514 million, a decrease of approximately 3 percent. At the year-end, Diino had approximately 1.4 million users, compared to half a million at the start of the year.

None of the portfolio company management teams have experienced this economic situation before. But armed with the insight that problems arise – a sort of healthy apprehension – that leads to receptiveness and awareness, these companies are well-equipped and positioned to handle the situation at hand.

Far from just giving rise to problems, the economic situation also opens up opportunities. Novestra and all of our portfolio companies have strong balance sheets today. After a period of extreme growth in the portfolio companies, they now have the opportunity to spring clean, streamline and address growth pains and to develop their current operations. At the same time, many competitors face financial problems and are occupied with raising capital in a non-functioning financial market with a significant lack of liquidity. The situation at hand may also lead to interesting acquisition opportunities, with whole or parts of companies for sale at completely different valuation levels than was the case just twelve months ago. Such opportunities provide portfolio companies with the possibility to strengthen or broaden their expertise and offering.

We believe that a number of the companies in our portfolio will continue to develop well in 2009 and most of them have demonstrated continued growth and positive results in the first few months of the year. Uncertainty of where the economy is headed in 2009 calls for taking on an attitude of "hoping for the best, but being prepared for the worst".

# The private equity market

Investments can be made in both public and private securities and companies. Investments made in privately held companies, with active and time-limited ownership, is often referred to as private equity investments.

**The prevailing financial situation will ultimately open up acquisition opportunities for players with capital to invest.**

Players on the private equity market can be divided into buyout companies and venture capital companies. Buyout capital concerns investments in mature companies, normally with strong cash flows. Examples of Swedish buyout players include Altor, EQT, Industri Kapital and Nordic Capital. For a period of time prior to 2008, buyout players generated high returns for their investors due to historically low interest rates and high debt/equity ratios, among other factors. Venture capital concerns investments in small and mid-sized growth companies that are either seed companies, start-up companies or companies in a phase of expansion, often with negative or weak cash flows. Venture capital investments are normally made without debt or with low debt levels. In addition, there are private individuals, who make substantial investments in companies without family and friends ties. Such investors are known as business angels and are expected to take an active ownership role in contrast to other private investors. The majority of Novestra's investments in privately-held portfolio companies were made eight to ten years ago. Today, the portfolio consists of small and mid-sized growth companies with stable and growing cash flows. Novestra has not financed any of its investments through debt and the majority of the companies have no interest bearing debt.

### **The private equity market in 2008**

Major turbulence on the financial markets in 2008 has affected the private equity market. Less access to capital, for example, has dampened exit opportunities. Buyout players are also affected as the financial crisis has

limited their opportunities of refinancing existing investments and financing new investments through debt. In cases where banks and other creditors have elected to offer financing in the second half of 2008 they have limited their risk by revising financing conditions.

A high 88 percent of the private equity companies believe that the economy will further deteriorate in the next twelve months, according to a survey carried out in late 2008 by SVCA<sup>1)</sup>. Even so, order intake and growth at Novestra's portfolio companies at the end of 2008 had not yet been impacted at the level forecasted by private equity companies.

Turbulence on the financial markets, combined with a drastic slow down in the economy, has furthermore led to a dramatic drop in share prices on the world's stock exchanges. Such value adjustments have also had an effect on privately held companies. Buyout players and venture capitalist companies have consequently been required to make major write-downs in portfolio values.

It is reasonable to expect continued caution from all players on the private equity market in the coming year, including heightened prudence or a wait and see attitude towards new investments. Private equity players are more likely to put their focus on supporting their existing portfolio companies. Nevertheless, the prevailing financial situation will ultimately open up acquisition opportunities for players with capital to invest.

(1) SVCA - Swedish Venture Capital Association.

# The Novestra share

The Novestra share has been listed on the Stockholm Stock Exchange since June 21, 2000 and was listed on the Nasdaq OMX Stockholm, under the symbol NOVE, in the Small Cap section, on October 2, 2006. Novestra's market value at the end of 2008 amounted to approximately MSEK 221 (320).

Since November 2002, a measure to increase liquidity has been undertaken by appointing Remium Securities AB as Novestra's market maker. The share liquidity during 2008 has been good, the share was traded on 92 (98) percent of all trading days and the average turnover was 82 113 (91 762) shares per trading day. The total turnover amounted to 20 692 454 (22 848 729) shares, which corresponds to a turnover rate of approximately 0.56 (0.61).

The share opened at SEK 8.60 on the first day of trading in 2008 and closed at SEK 5.95 on the last day of trading, corresponding to a decrease of approximately 31 percent. This can be compared with Nasdaq OMX Stockholm (OMXPI) which fell by 42 percent. The average price during the year was SEK 6.75 (9.73) and the average turnover per trading day was SEK 589 424 (1 135 610).

## Share capital structure

Novestra's share capital amounts to SEK 37 187 973 distributed among 37 187 973 shares. The quota value is SEK 1.00. Each share carries one vote and each person entitled to vote may vote at shareholders' meetings for the full number of shares held

or represented at the meeting, without limitation of voting rights. Novestra has only one class of shares and all shares carry an equal right to a share in the company's assets and profits.

## Ownership structure

The total number of shareholders as at December 31, 2008 amounted to 2 414 (2 749). Foreign ownership accounted for 78.1 (77.6) percent of total outstanding shares.

## Earnings per share

The Group's earnings per share amounted to SEK -2.44 (0.13).

## Dividend policy and dividend

The Board of Directors proposes that no dividend is paid out for the financial year 2008.

## Option program

As at December 31, 2008, Novestra had no outstanding option programs.

## Other share information

Shareholders' equity per share at year-end amounted to SEK 8.9 (11.3). At the Annual General Meeting held on April 23, 2008, the Board of Directors was authorized up to the Annual General Meeting in 2009 to decide, on one or more occasions and with or without a preferential right for the shareholders, to issue a maximum of 6 000 000 new shares against payment in cash, in kind or by set-off. To date, this mandate has not been utilized.

### Development of share capital (KSEK)

Date	Transaction	Quota value (SEK)	Change in share capital	Total share capital	Total no. of shares
April 1997	Incorporation	100.00	100	100	1 000
March 1998	Split (10:1)	10.00	-	100	10 000
March 1998	New share issue	10.00	4	104	10 400
March 1998	Issue in kind	10.00	35	139	13 900
April 1998	New share issue	10.00	10	149	14 873
April 1998	Issue in kind	10.00	14	163	16 263
May 1998	New share issue	10.00	65	228	22 763
August 1998	Bonus issue	230.00	5 008	5 236	22 763
August 1998	Split (100:1)	2.30	-	5 236	2 276 300
September 1998	New share issue	2.30	460	5 696	2 476 300
September 1998	Issue in kind	2.30	96	5 792	2 518 195
June 1999	New share issue	2.30	460	6 252	2 718 195
September 1999	New share issue	2.30	828	7 080	3 078 195
January 2000	New share issue	2.30	161	7 241	3 148 195
January 2000	New share issue	2.30	1 150	8 391	3 648 196
February 2000	New share issue	2.30	2 300	10 691	4 648 196
June 2000	Bonus issue	5.00	12 550	23 241	4 648 196
June 2000	Split (5:1)	1.00	-	23 241	23 240 980
September 2000	New share issue	1.00	150	23 391	23 390 980
October 2003	New share issue	1.00	7 797	31 188	31 187 973
June 2004	New share issue	1.00	6 000	37 188	37 187 973
May 2007	Split (2:1)	0.50	-	37 188	74 375 946
May 2007	Redemption	0.50	-18 594	18 594	37 187 973
May 2007	Bonus issue	1.00	18 594	37 188	37 187 973

### Major shareholders and ownership structure as at December 31, 2008

Shareholder	No. of shares	Proportion of votes and capital
Anchor Capital	10 618 000	28.6%
Nove Capital Master Fund Ltd	9 321 954	25.1%
Jan Söderberg	2 571 000	6.9%
Merrill Lynch, Pierce, Fenner & Smith	2 232 466	6.0%
SEB Private Bank S.A.	1 519 499	4.1%
Texel International AB	850 000	2.3%
Bear, Sterns & Co.	624 000	1.7%
SIX SIS AG	510 115	1.4%
Bertil Villard	406 668	1.1%
Förvaltnings AB Grötlingboud	356 000	1.0%
JP Morgan Bank	345 182	0.9%
Gustavia Sverige	291 617	0.8%
Other shareholders	7 541 472	20.1%
<b>Total</b>	<b>37 187 973</b>	<b>100.0%</b>
Of which foreign ownership	29 059 403	78.1%
The 10 largest shareholders - proportionally	29 009 702	78.0%

Source: VPC and facts known to the company

### Distribution of shares as at December 31, 2008

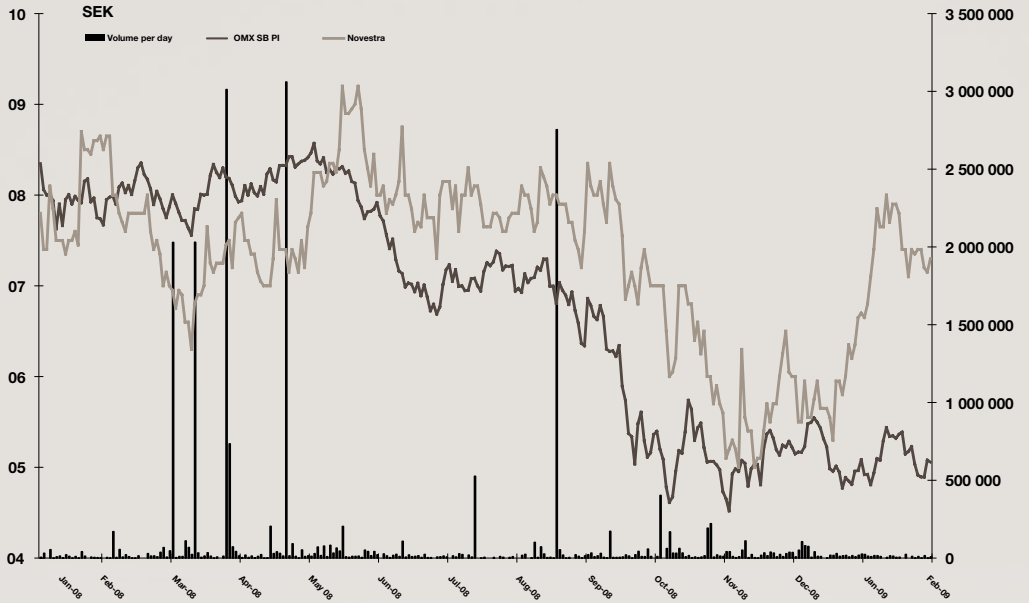
No. of shares by size	No. of shares	Proportion	No. of shareholders	Proportion
1-500	319 896	0.9%	1 258	52.1%
501-1 000	395 912	1.1%	466	19.3%
1 001-10 000	1 971 486	5.3%	575	23.8%
10 001-50 000	1 653 753	4.4%	73	3.0%
50 001 - 100 000	1 377 986	3.7%	20	0.9%
100 001 -	31 468 940	84.6%	22	0.9%
<b>Total</b>	<b>37 187 973</b>	<b>100.0%</b>	<b>2 414</b>	<b>100.0%</b>

Source: VPC



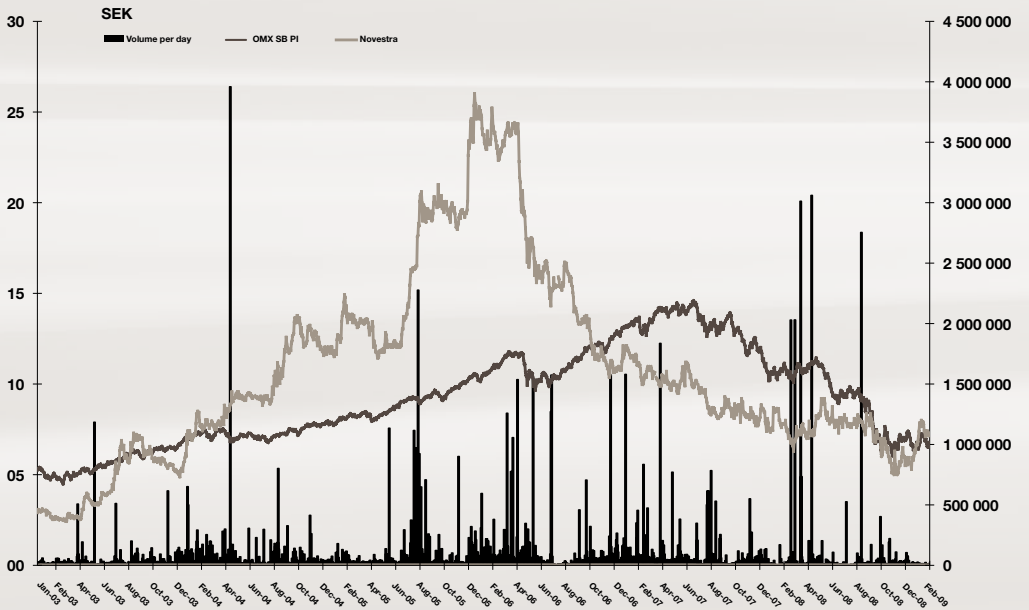
**Novestra's share price trend and number of shares traded  
January 1, 2008 - February 28, 2009**

Source: Nasdaq OMX Stockholm



**Novestra's share price trend and number of shares traded  
January 1, 2003 - February 28, 2009**

Source: Nasdaq OMX Stockholm



# Future opportunities

Several of Novestra's portfolio companies have during the year developed significantly better than those operating in the same markets have. Novestra believes that several of the portfolio companies will continue to develop positively during 2009, and that the prerequisites for a positive growth in value will significantly increase if the portfolio companies reach their set growth and result targets.

Discussions concerning divestment of Novestra's portfolio companies will be held when Novestra's management deems that the value potential in the companies is at an attractive level. Simultaneously, continuous attention is being paid to cash investments in publicly traded securities which are considered to have a value growth potential even though the general economic situation may continue to remain weak in the future.

There is no additional capital need in Novestra, or in any of the larger portfolio companies.

**Novestra believes  
that the majority  
of the portfolio  
companies will  
continue to develop  
well during 2009**

# Historical Background

1997

**1997**

Novestra was established with limited capital resources.

**1997/98**

Novestra built up a small portfolio of approximately ten private holdings. Some of the investments were divested during these first two years, generating high yields. In many cases, the positive outcome of these investments was the result of Novestra's active involvement in strategic issues combined with the implementation of transactions of vital importance to the companies. The proceeds from these early investments enabled Novestra to make further investments during the next two years without any additional external financing.

**1999**

High growth and profit expectations gave rise to a market revaluation of unlisted small cap companies. In such market conditions, Novestra made further exits and a number of major new investments. A number of these new investments were quickly assigned high valuations.

Unofficial trading in Novestra shares started in November.

**2000**

As a result of considerable interest in Novestra and its portfolio com-

1998

1999

panies, primarily from foreign institutions, Novestra decided to carry out a new share issue in February that provided the company with a total of MSEK 476. Novestra was granted investment company status during the spring.

Novestra was officially listed on Stockholmsbörsens' (the Stockholm stock exchange) O-list in June. No new share issue was implemented in connection with the listing, since the company had concluded that it did not require additional capital and that the stock exchange's requirement regarding diversified ownership had already been met. Novestra subscribed for new shares in a number of companies intended for market listing within the next twelve months.

The IT and telecom sectors experienced a dramatic downturn during the latter part of the year. Among other consequences, this resulted in the cancellation of planned IPOs for two of Novestra's portfolio companies.

**2001**

The weak stock market trend continued, making further industrial exits impossible. As a result, Novestra decided to focus its operations on fewer investments.

2000

2001

Simultaneously, significant write-downs of Novestra's book values were made. A number of Novestra's companies were disposed of and, in a few cases, were exited through liquidation or bankruptcy.

**2002**

The consolidation process, by which Novestra increased stakes in companies that performed well and reduced stakes in others, continued. Novestra remained actively involved in its holdings throughout the development and growth phases.

Extensive restructuring and cuts in Novestra's administration was initiated.

**2003**

During the year, the performance of the venture portfolio was very positive and, following the last three years' substantial write-downs, it was resolved to reverse some of the write-downs previously made.

During the fall, Novestra implemented a rights issue which provided the company with MSEK 48.5. A new investment strategy involving an exposure towards the public stock market was initiated.

Furthermore, the company's administrative expenses were considerably reduced and a restructuring of



Novestra's corporate structure by the disposal of all of its subsidiary companies was implemented.

#### 2004

The performance of the private portfolio companies continued to be very positive during the year. The management of the public portfolio generated high yields. During the summer, Novestra implemented a rights issue providing the company with MSEK 81.7. This was utilized to further increase the level of investments in public portfolio companies, particularly in Nordic companies.

For the financial year 2004, a dividend of SEK 1.00 per share was distributed.

#### 2005

The performance of the private portfolio companies was very positive and by the end of the year all four major private holdings showed positive cash flow.

In May 2005, Novestra invested approximately MSEK 190 in Nove Capital Fund and thereby phased out its own direct investments in listed companies.

A resolution was approved concerning the company's future business. The Annual General Meeting

resolved that up until the end of 2007, the company would aim to sell the bulk of its private portfolio companies and thereby phase out the income from these sales to Novestra's shareholders.

For the financial year 2005, a dividend of SEK 2.00 per share was distributed.

#### 2006

After a relatively weak development in two of the most important portfolio companies in 2006, the Board and the management decided not to force the sale of the venture capital portfolio due to the positive future opportunities for the portfolio companies. Therefore, the Board and the management decided to examine the possibilities to distribute most of the holding in Nove Capital Fund.

Since inception in May 2005, the increase of value of Novestra's investment in Nove Capital Fund as per December 31, 2006 amounted to MSEK 101.3, corresponding to a value growth rate of 53.5 percent.

No dividend was distributed for the financial year 2006.

#### 2007

The operational problems in some of the portfolio companies during 2006, remained in the beginning of 2007, resulting in more internal work to be carried out in the portfolio companies than expected. The problems were gradually solved during 2007, and the year ended very strong for most of the portfolio companies. During the spring of 2007, Novestra completed a redemption procedure, in which SEK 5.00 per share was distributed to the shareholders. During a three year period, a total of MSEK 298 was distributed to the shareholders, corresponding to SEK 8.00 per share.

Two new majority shareholders came in to Novestra during the year, Nove Capital and Anchor Capital. The new shareholders recognized the great value potential in the portfolio companies, and a decision was made to continue to develop the portfolio companies, and to postpone any sales of the portfolio companies until the Board and management see the timing as being optimal from a value perspective.

# Five-year summary

The Group	Proforma				
Income statements, SEK thousands	2008	2007	2006	2005	2004
<b>Investment activities</b>					
Change in value	-81 638	-2 810	-113 780	218 024	48 662
Dividends	6 931	14 560	23 981	30 147	41 640
<b>Gross profit/loss investment activities</b>	<b>-74 707</b>	<b>11 750</b>	<b>-89 799</b>	<b>248 171</b>	<b>90 302</b>
<b>Other operations</b>					
Net sales	1 133	2 000	6 614	1 140	-
<b>Gross profit/loss other operations</b>	<b>1 133</b>	<b>2 000</b>	<b>6 614</b>	<b>1 140</b>	<b>-</b>
<b>Gross profit/loss</b>	<b>-73 574</b>	<b>13 750</b>	<b>-83 185</b>	<b>249 311</b>	<b>-</b>
Administrative expenses	-13 210	-14 420	-16 939	-32 191	-20 292
<b>Operating profit/loss</b>	<b>-86 784</b>	<b>-670</b>	<b>-100 124</b>	<b>217 120</b>	<b>70 010</b>
<b>Net financial items</b>	<b>-3 625</b>	<b>-3 904</b>	<b>-6 222</b>	<b>4 076</b>	<b>-615</b>
<b>Profit/loss before tax</b>	<b>-90 409</b>	<b>-4 574</b>	<b>-106 346</b>	<b>221 196</b>	<b>69 395</b>
Taxes	-309	-1 105	-1 849	-316	-
<b>Result from remaining operations <sup>(1)</sup></b>	<b>-90 718</b>	<b>-5 679</b>	<b>-108 195</b>	<b>220 880</b>	<b>69 395</b>
Result from Discontinued operations <sup>(1)</sup>	-	10 348	-6 027	-	-
<b>Profit/loss for the year including Discontinued operations <sup>(1)</sup></b>	<b>-90 718</b>	<b>4 669</b>	<b>-114 222</b>	<b>220 880</b>	<b>69 395</b>
Result per share from remaining operations, SEK	-2.44	-0.15	-2.91	5.94	2.03
Result per share from Discontinued operations, SEK	-	0.28	-0.16	-	-
Result per share including Discontinued operations, SEK	-2.44	0.13	-3.07	5.94	2.03
Average number of shares during the period	37 187 973	37 187 973	37 187 973	37 187 973	34 245 507

(1) As there is no minority interest in the group the entire result for the year is attributed to the parent company's shareholders.

No dilution exists, which entails that the result prior to and after dilution are the same. A split of the existing shares in AB Novestra was made in connection with the distribution to the shareholders, which resulted in the total number of shares in the company temporarily doubled. The redemption procedure was an alternative transaction method for a dividend and the temporary increase in the number of shares has not been taken into consideration with regard to the calculation of the average number of shares during the period, or, the result per share during the period.

<b>The Group</b>	<b>Proforma</b>				
<b>Balancesheets, SEK thousands</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Assets</b>					
<b>Fixed assets</b>					
Equipment	1 258	1 369	1 371	1 414	1 134
Shares and participations	387 157	450 782	385 697	811 233	522 938
<b>Total fixed assets</b>	<b>388 415</b>	<b>452 151</b>	<b>387 068</b>	<b>812 647</b>	<b>524 072</b>
<b>Current assets</b>					
Current assets	3 681	11 165	43 726	23 917	39 458
Cash and cash equivalent	9 527	16 351	2 924	2 693	78 613
Assets held for sale	-	-	290 478	-	-
<b>Total current assets</b>	<b>13 208</b>	<b>27 516</b>	<b>337 128</b>	<b>26 610</b>	<b>118 071</b>
<b>Total assets</b>	<b>401 623</b>	<b>479 667</b>	<b>724 196</b>	<b>839 257</b>	<b>642 143</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
	<b>331 132</b>	<b>421 849</b>	<b>603 856</b>	<b>792 453</b>	<b>608 762</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Interest bearing debt	65 501	50 440	114 080	29 903	24 851
Non interest bearing debt	4 990	7 378	6 260	16 901	8 530
<b>Total current liabilities</b>	<b>70 491</b>	<b>57 818</b>	<b>120 340</b>	<b>46 804</b>	<b>33 381</b>
<b>Total liabilities</b>	<b>70 491</b>	<b>57 818</b>	<b>120 340</b>	<b>46 804</b>	<b>33 381</b>
<b>Total equity and liabilities</b>	<b>401 623</b>	<b>479 667</b>	<b>724 196</b>	<b>839 257</b>	<b>642 143</b>

<b>The Group</b>	<b>Proforma</b>				
<b>Key ratios</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Financial key ratios</b>					
Asset ratio, %	82%	88%	83%	94%	95%
Cashflow after investments, KSEK	-21 885	263 743	-9 570	-43 784	-13 918
Equity per share, SEK	8.90	11.34	16.24	21.31	16.37
Distributed to shareholders, KSEK	-	185 940	74 376	37 188	-
Distributed to shareholders, per share, SEK	-	5.00	2.00	1.00	-
Number of shares at the end of the period	37 187 973	37 187 973	37 187 973	37 187 973	37 187 973

#### Prerequisites for five year summary

Applied accounting principles is stated in the annual report for each financial year. Starting with the financial year 2006, the business area "Public holdings" are reported as discontinued operations. The income statements for 2005 and 2004 have not been adjusted in respect to discontinued operations. Starting with the annual report for the financial year 2005, Novestra applies IFRS. In the annual report for the financial year 2005, the effects of the transition to IFRS was accounted for, and in the opening balances amounts Novestra reported using former accounting principles was adjusted according to the IFRS standards and interpretations applied by the group.

Novestra was not a group during the financial year 2004, reported figures for 2004 as well as the opening balance as of January 1, 2004, has been accounted for as proforma figures. Proforma figures have been established by restatement of the reported figures for the parent company for 2004, applying the IFRS standards and interpretations used by the group at that time.

# Corporate governance report

Corporate governance define the decision-making systems and structure through which owners directly or indirectly control a company. Good corporate governance means that effective decision-making processes are defined and are characterized by openness towards company owners so that they can monitor how the company develops.

Novestra belongs to the category of companies that is to apply the Swedish Code of Corporate Governance from July 1, 2008. In accordance with the Code, Novestra is hereby presenting its first Corporate Governance Report, explaining how corporate governance work has been conducted at Novestra during the financial year 2008. The report has not been subject to review by the Novestra's auditors.

## **Corporate governance at Novestra**

Novestra's corporate governance practices are primarily regulated by Swedish legislation, in particular the Swedish Companies Act, the Swedish Code of Corporate Governance and the Nasdaq OMX Stockholm AB Rule Book for Issuers. Furthermore, the company follows

the resolutions laid out in Novestra's Articles of Association. In addition to legislation, regulations and recommendations, the company's Articles of Association constitute a central document for the company's governance. The Articles of association establish, for example, the company's name, where the Board is registered, the focus of Novestra's operations and information concerning share capital.

The company's highest decision-authority is the Annual General Meeting (AGM), at which Novestra's shareholders' exercise their influence over the business. The AGM is convened no less than once a year to decide how the Nomination Committee is to be appointed, among other matters. The Nomination



Committee proposes, for example, the composition of the Board for resolution by the AGM. On behalf Novestra's owners the Board oversees management of the company. Novestra's Board is headed by Chairman Theodor Dalenson. The Board appoints the company's Managing Director, who is responsible for the day-to-day management of the company in accordance with directions from the Board. The division of responsibilities between the Board and the Managing Director is detailed clearly in instructions and procedural plans that have been approved by the Board.

Internal policies and guidelines constitute important control documents in all parts of the company, since they clarify responsibilities and powers of authorization in particular areas, such as information security, compliance and risk.

External auditors, appointed by the AGM for a mandate period of four years, audit the Board and the Managing Director's administration of the company, as well as the company's financial reports.

Information about Novestra's corporate governance is published and updated on a regular basis on the company's website ([www.novestra.com](http://www.novestra.com)).

### Annual General Meeting

Novestra's AGM is held in Stockholm during the first half of the year. The time and venue of the meeting are announced publicly no later than to coincide with the release of the company's third-quarter report. At this time, shareholders are also informed about their right to have issues addressed at the AGM and the deadline for submitting requests to this effect to the company so that such business may be included in the notice to the AGM.

The AGM notice is published no earlier than six weeks and no later than four weeks before the date of the AGM. The notice includes information on how to register in order to

participate and vote in the AGM, as well as an itemized agenda listing the matters that are to be addressed at the AGM, the proposed disposition of earnings and the key content of other proposals being addressed at the meeting. Shareholders or their appointed proxies are entitled to vote for the full number of shares that they own or represent.

The business of the AGM is to report on the company's development over the past financial year and to make decisions on a number of central issues, such as changes to the company's Articles of Association, the election of auditors, discharging the Board from liability for the financial year, remuneration for the Board and auditors, approval of the Board for the period up to the next AGM and the approval of remuneration guidelines for Senior Executives.

Novestra's 2008 AGM was held on April 23, 2008 at the offices of Advokatfirman Vinge in Stockholm. The meeting was attended by some 13 shareholders, representing 24.78 percent of the number of outstanding shares and votes. At the AGM, shareholders voted to discharge the Board and managing director from liability for the 2007 financial year.

Novestra's 2009 AGM is planned for April 22, 2009 at the offices of Advokatfirman Vinge in Stockholm. Shareholders have had the opportunity to deliver their proposals on issues they wish to be addressed at the meeting to the Chairman of the Board of Novestra as well as the opportunity to deliver proposed nominations to the Nomination Committee. Information about the AGM is available on Novestra's website ([www.novestra.com](http://www.novestra.com)).

#### Votes and capital represented at AB Novestra's AGM

Year	Percentage of capital and votes
2008	24.78%
2007	1.64%
2006	26.96%

### Nomination Committee

The AGM decides how the Nominating Committee will be appointed. At the 2008 AGM it was decided that Novestra shall have a Nomination Committee consisting of one representative from each of the three shareholders or groups of shareholders controlling the largest number of votes, plus the Chairman of Novestra's Board. The composition of the Nomination Committee is based on the register of recorded shareholders from Euroclear Sweden AB as of the last business day in August 2008 and other reliable shareholder information that has been provided to the company at such time. The Nomination Committee consists of Theodor Dalenson in his capacity as Chairman and representing the shareholder Jan Söderberg, Johan Hessius representing the shareholder Nove Capital Master Fund Ltd and Stein Wessel-Aas representing Anchor Secondary 4KS.

The role of the Nomination Committee is to prepare and present proposals for submission to the 2009 AGM regarding the following: AGM Chairman, Board and Chairman of the Board, Board remuneration apportioned among the Chairman and other Board Members,

audit fees and proposals for rules concerning the nomination process for the 2010 AGM.

### Board of Directors

The Board is elected by the shareholders to serve a mandate period beginning at the AGM and ending at the close of the AGM the following year. There are no rules concerning the length of time a person may remain on the Board of Directors. Nominations are processed by the Nomination Committee.

Novestra's current Board consists of six members elected by the AGM. The Chairman is the only board member who works operatively in the day-to-day running of the company. The Managing Director is not a member of the Board. During the 2008 financial year, the Board convened for five meetings. Between meetings of the Board continuous contact has been maintained between the company, the Chairman of the Board and other Board members. Board members were also continuously provided with written information of importance regarding the company. Novestra's Board complies and adopts a procedural plan for the Board every year, which includes the following stipulations:

#### Independence of Board members, presence, etc.

Name	Function	Elected	Independent in relation to the company and management	Independent in relation to larger shareholders	Shareholdings	Present	Present
Theodor Dalenson	Chairman	2000	No	No	215 000	(5/5)	100%
Colin Kingsnorth <sup>(1)</sup>	Board member	2003	Yes	No	-	(0/5)	0%
Anders Lönnqvist	Board member	2000	Yes	Yes	854 663	(5/5)	100%
David E. Marcus <sup>(2)</sup>	Board member	2005	Yes	No	-	(1/2)	50%
Jan Söderberg <sup>(3)</sup>	Board member	2008	Yes	Yes	2 571 000	(3/3)	100%
Bertil Villard	Board member	2003	Yes	Yes	406 670	(5/5)	100%
Jens A. Wilhelmsen <sup>(3)</sup>	Board member	2008	Yes	No	10 000	(3/3)	100%

<sup>(1)</sup> Laxey Partners, represented by Colin Kingsnorth divested all Novestra shares in spring 2008. Colin Kingsnorth has declined reelection prior to the 2009 AGM.

<sup>(2)</sup> David E. Marcus was a member of the Board up to the close of the 2008 AGM.

<sup>(3)</sup> Jan Söderberg and Jens A. Wilhelmsen were elected board members at the 2008 AGM.

The Board of Directors as a whole serves as the Remuneration Committee and the Audit Committee, which is why issues in these areas were addressed at regular Board Meetings. No separate committee meetings were convened.

### Work of the Board of Directors

Board meeting	Main issues
February 15, 2008	Year-end Report, development and valuation of portfolio companies, budget 2008, annual report 2007
April 22, 2008	AGM, Q1 Interim Report, development and valuation of portfolio companies, audit review for 2007
April 23, 2008	Statutory Board meeting, procedural plan for Board and Managing Director
August 20, 2008	Q2 Interim Report, development and valuation of portfolio companies
November 10, 2008	Q3 Interim Report, development and valuation of portfolio companies, strategy and development issues

- the Board of Directors shall meet at least five times a year;
- Members of the Board shall receive documentation regarding matters to be dealt with at Board meetings in good time prior to the meeting and be provided with a monthly report of the company's operations;
- In order to ensure that the Board maintains a dialogue with the auditors, the company's auditor shall participate in one board meeting annually and report on his or her observations from the annual auditing work.

The procedural plan also includes a description of matters to be dealt with at each board meeting and the specific resolutions to be passed at the statutory meeting. The procedural plan also provides instructions for the Managing Director.

On behalf of shareholders, the Board of Directors administers the company by establishing goals and strategies, evaluating the operational management and ensuring that systems are in place for monitoring and control of established goals.

Since the 2008 AGM, the Board of Directors has consisted of six members: Theodor Dalenson, Colin Kingsnorth, Anders Lönnqvist, Jan Söderberg, Bertil Villard and Jens A. Wilhelmsen. Theodor Dalenson was appointed Chairman by the AGM. More detailed information about Board members including age, education and other assignments is provided on pages 30-31.

### The Audit Committee

The Board of Directors as a whole serves as the Audit Committee and all audit issues have been addressed at the ordinary board meetings, no committee meetings have been held separately. During the auditor's review of the company's accounts with the Audit Committee, the Managing Director leaves the room to give the Board the opportunity for private deliberation with the auditor. In addition, all Board members have the possibility to contact the auditor directly.

### The Remuneration Committee

The Board of Directors as a whole serves as the Remuneration Committee and all remuneration issues have been addressed at the ordinary board meetings, no committee meetings have been held separately. The main task of the Remuneration Committee is to prepare issues relating to remuneration and other compensation concerning the Managing Director and other employees who report directly to the Managing Director.

### Managing Director

The Managing Director, Johan Heijbel, is responsible for Novestra's day-to-day operations. The Managing Director's responsibilities cover ongoing investments and divestments, personnel, finance and accounting issues, regular contact with the company's stakeholders (such as public authorities and the financial markets) and ensuring that the Board receives the information it needs to make well-founded decisions. The Managing Director reports to the Board.

### **Auditors**

The company's auditors are appointed by the AGM every fourth year. At Novestra's 2007 AGM, the registered firm of accountants KPMG AB was appointed, with authorized public accountant Ingrid Hornberg Román as head auditor. The task of the auditors is, on behalf of the shareholders, to audit the company's annual accounts, accounting records and the administration by the Board and Managing Director. The auditors also present an audit report to the AGM. The shareholders are welcome to put questions to the auditor at the AGM.

### **Remuneration to the Board and Senior Management**

Remuneration to the Board for the coming financial year is decided each year by the AGM. The 2008 AGM approved the proposed guidelines for remuneration and other compensation for Senior Management. In order to achieve long-term solid growth in shareholder value, Novestra's remuneration policy aims to offer total remuneration in line with the market to enable the right Senior Management and other personnel to be recruited and retained.

### **Internal control with regard to financial reporting**

This report on internal controls is prepared in compliance with the Swedish Code of Corporate Governance and is thereby limited to internal controls in respect of financial reporting, internally with regard to the Board of Directors and externally in the form of interim reports, annual accounts and annual reports.

Pursuant to the Swedish Companies Act and the Swedish Code of Corporate Governance, the Board is responsible for the internal control. Internal control and risk management comprises a part of the Board's and management's governance and follow-up of business operations. Internal control is intended to ensure the appropriate and efficient management of operations, the reliability of financial reporting and compliance with laws, ordinances and internal regulations.

Internal control and risk management are an integral part of all processes at Novestra. Novestra's system of internal control and risk management with regard to financial reporting is designed to manage risks involved in the processes related to financial reporting and to ensure a high level of reliability in external reporting.

### **Control environment**

An effective control environment forms the foundation for the effectiveness of a company's internal control system. It is built on an organization with clear decision-making channels, powers of authorization and responsibilities that are defined by clear guidelines.

Novestra has policies, guidelines and detailed process descriptions for the various phases of each business flow, from transaction management to bookkeeping and the preparation of external reports, stipulating who is responsible for specific tasks. These governing documents are updated as needed to ensure they always reflect current legislation and regulations and changes in processes.

### **Risk assessment**

Risk assessment, i.e. the identification and evaluation of the company's risks is an annual process at Novestra. Risk assessment is done in the form of self-evaluation and also includes establishing action plans to mitigate identified risks. The primary risks present in Novestra's business activities are commercial risk, price risk attributed to shares in private and public holdings, and currency risk. Other risks that impact the company's financial operations are liquidity, interest rate and credit risk. A more detailed description of Novestra's risks is available in the Board of Directors' report, page 51 and in Note 2 "Risks".

### **Control Activities**

To ensure that the company's business is conducted efficiently and that financial reporting gives a true and fair picture at any one time, Novestra operations incorporate a number of control activities. These involve regular monito-

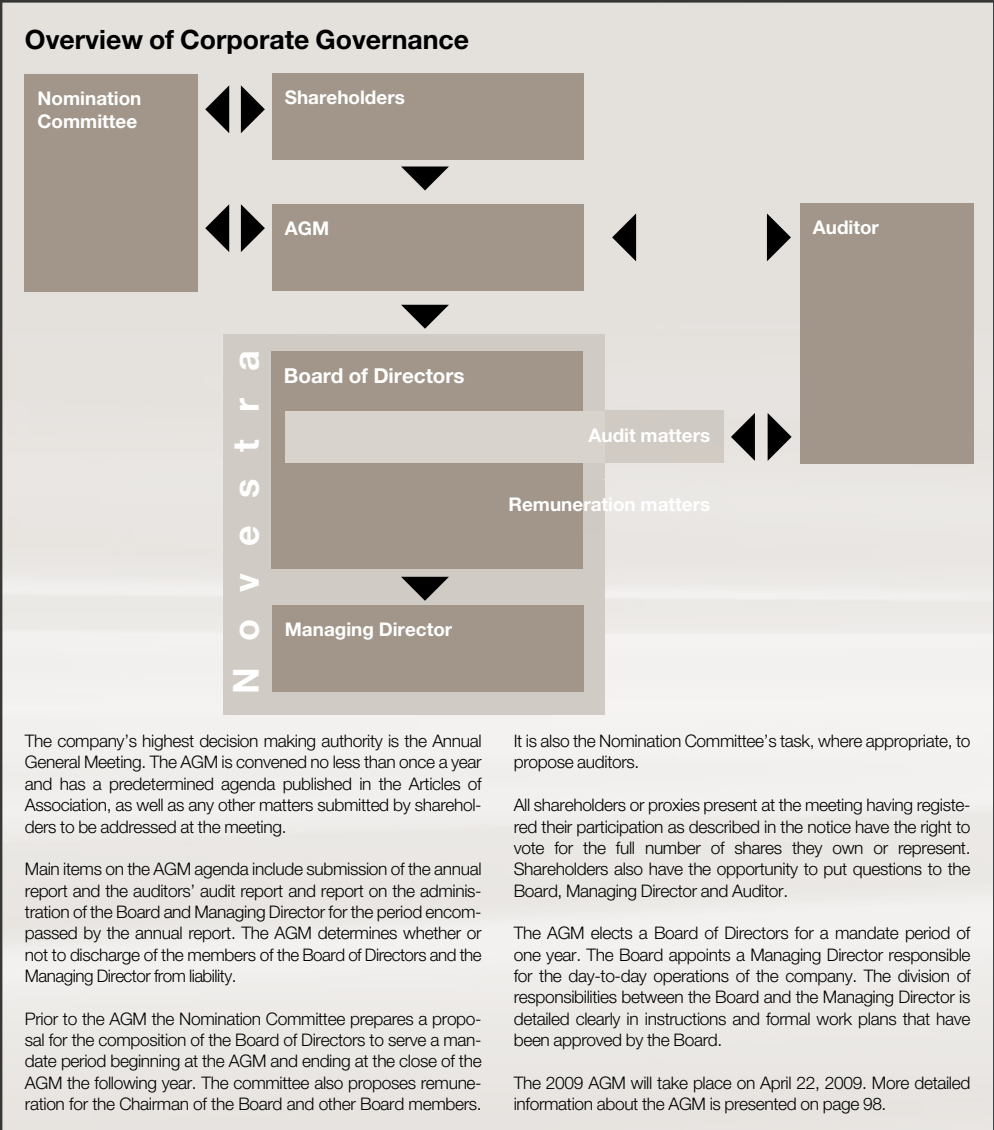
ring of risk exposure and monthly follow up of results as well as regular monitoring of Novestra's IT environment, security and functionality.

**Information and communication**

Guidelines are in place at Novestra to govern how financial information is communicated. One condition for accurate distribution of information is that effective procedures for information security must be in place.

**Follow-up**

Both the Board and management regularly follow-up on the compliance and effectiveness of the company's internal control processes to ensure the quality of its processes. Novestra's financial situation and strategy regarding the company's financial position are discussed at every Board meeting. The company's internal controls are audited by external auditors and no internal audit is carried out due to the size of the company.



# Board of Directors

**Theodor Dalenson**

Born 1959

Shareholding in Novestra

**215 000<sup>1)</sup>**

**Colin Kingsnorth**

Born 1963

Shareholding in Novestra

**0<sup>1)</sup>**

**Anders Lönnqvist**

Born 1958

Shareholding in Novestra

**854 663<sup>1)</sup>**

**Jan Söderberg**

Born 1952

Shareholding in Novestra

**2 571 000<sup>1)</sup>**

**Bertil Villard**

Born 1952

Shareholding in Novestra

**406 670<sup>1)</sup>**

**Jens A. Wilhelmsen**

Born 1956

Shareholding in Novestra

**10 000<sup>1)</sup>**

(1) Where appropriate, shareholdings in Novestra include shares held by family members and holdings through companies as at December 31, 2008.

**Theodor Dalenson, Chairman since 2000**, has been a board member of Novestra since 1997, when he co-founded the company. He has been the company's working Chairman since 2000. Since 1983, Mr. Dalenson has had a number of assignments for international companies such as Clorox, Kingsforth and Frontiers International, primarily within the fields of strategic planning and business development. He has served on a number of boards in both public and private companies as well as charitable organizations. Education: Law studies, Stockholm University. Other board duties include: Nove Capital Master Fund Ltd (Chairman), Nove Capital Management AB (Chairman), Carl Lamm Holding AB (Chairman), WeSC AB (Chairman), MyPublisher, Inc. and ASF, Inc.

**Colin Kingsnorth, board member since 2003**, is a partner and the Chairman of Laxey Partners Ltd. He previously worked at several large companies in the United Kingdom, including Robert Fleming Asset Management, Olliff & Partners and Buchanan Partners Ltd. Education: BSc Economics, University of East London. Other board duties include: LP Value Ltd, Laxey Investors Ltd, Ceiba Investments Ltd and Laxey Investment Trust Ltd.

**Anders Lönnqvist, board member since 2000**, has been active within a number of development and investment firms, including Hevea AB, Investment AB Beijer and Schatullet AB. Anders Lönnqvist is the Chairman and owner of Servisen Group AB. Education: Economy studies, Stockholm University. Other board duties include: Stronghold Invest AB (Chairman), Texcel International AB (Chairman), Tilgin AB and SSRS Holding AB.

**Jan Söderberg, board member since 2008**, is an entrepreneur and investor with many years of management experience. Jan

Söderberg has managed and divested a number of companies. Education: Graduate Business Administrator, University of Gothenburg. Other board duties include: Voddler, Inc. (Chairman), Voddler Sweden AB, BCI International and Hardford AB.

**Bertil Villard, board member since 2003**, is a lawyer and partner at Vinge, one of the largest law firms in Scandinavia. He previously worked as a legal counsel for Swedish Match AB, Stora Kopparberg AB and Esselte AB (Chief Legal Counsel), and as Head of Corporate Finance at ABN Amro Alfred Berg Fondkommission. Education: Master of Law, Stockholm University. Other board duties include: Palma Pictures S.A. (Chairman), Lernia AB (Chairman) and Prior&Nilsson Fond och Kapitalförvaltning AB.

**Jens A. Wilhelmsen, board member since 2008**, is the founder and managing partner of Anchor Capital Advisors (UK) Ltd. Jens A. Wilhelmsen has 26 years of management experience and as an investor. He founded Anchor Capital Advisors (UK) Ltd in the year 2000. To date, Anchor Secondary Group has started five funds which mainly acquire private holdings in Scandinavia. Education: Graduate Business Administrator, Norwegian School of Economics and Business Administration. Other board duties include: Anchor Capital Advisors (UK) Ltd, Hajfa Ltd and Hazel Shipping Ltd.

## Auditors: KPMG AB

### Auditor in charge

Ingrid Hornberg Román (born 1959)  
Authorized Public Accountant  
Auditor in charge for Novestra since 2007.

(1) Where appropriate, shareholdings in Novestra include shares held by family members and holdings through companies as at December 31, 2008.



# Management & employees



During the financial year 2008, Novestra had five employees, including the Chairman of the Board, Theodor Dalenson. For further details regarding Theodor Dalenson, please refer to page 31.

**Johan Heijbel**  
**Managing Director**  
**Born 1975**  
**Shareholding in Novestra 78 333<sup>1)</sup>**

Johan Heijbel was appointed Managing Director in 2006. Since 2002 he held the position of Chief Financial Officer and previously, since 2001, he was Controller and Investment Manager at Novestra. Prior to that, Mr Heijbel worked at Ekonomikonsult Islinge KB and up to his employment at Novestra, he was Novestra's Financial and Accounting Manager on a consulting basis since the company was founded in 1997. Education: Courses in Business Administration and Law at Uppsala University and University of Gothenburg. Johan Heijbel is a board member of Diino AB, Novestra Financial Services AB, Strax Holdings, Inc. and Qbranch AB.

**Ruth Lidin**  
**Controller**  
**Born 1968**  
**Shareholding in Novestra 1 000<sup>1)</sup>**

Ruth Lidin has been working with accounting at Novestra since June 2001. Ms Lidin was appointed Group Controller in 2005. Ms Lidin previously worked at Medtronic-Synectics as Export Manager and later at Arthro-Care Europe. Education: Business Logistic studies, RT College and Business Administration studies at FE Institute.

**Marcus Söderblom**  
**Vice President and investment manager**  
**Born 1972**  
**Shareholding in Novestra 90 700<sup>1)</sup>**

Marcus Söderblom was appointed Vice President in 2006 and has worked as Investment Manager at Novestra since 2000. Prior to that, Mr Söderblom worked at HQ Bank AB in the Corporate Finance Division. Education: Degree in Business Administration, Uppsala University. Mr Söderblom is a board member of Diino AB (Chairman), Netsurvey AB (Chairman), Explorica, Inc., WeSC AB and Carl Lamm Holding AB.

(1) Where appropriate, shareholdings in Novestra include shares held by family members and holdings through companies as at December 31, 2008

# Novestra's holdings

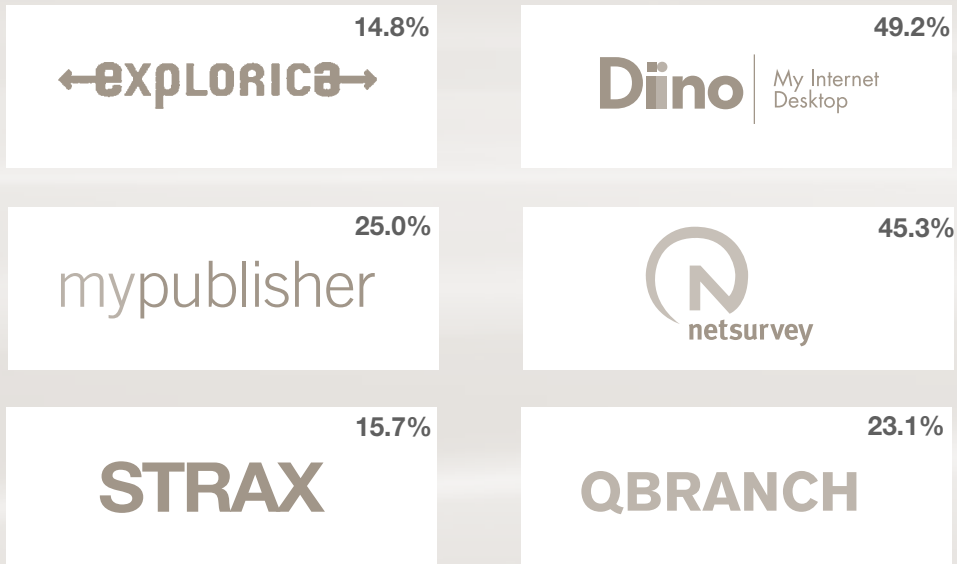
## Novestra's portfolio companies

Novestra's portfolio consists of small to medium sized private companies in Sweden and the U.S. and cash investments in public holdings.

As at December 31, 2008, the carried value of Novestra's holdings totalled MSEK 387.2. The private portfolio accounted for 90.1 percent of the total investments, of which MSEK 217.0 or 62.2 percent comprised of foreign companies with operations based in the U.S.

The majority of the investments in the portfolio companies were made eight to ten years ago. In total, the portfolio has had good growth in profits and sales during the past few years and Novestra believes that the prospects are good for the companies to strengthen their market positions during 2009 and 2010 despite the harsh economic situation in their home markets.

## NOVESTRA



Novestra's holdings as at December 31, 2008

Holdings	Ownership, capital and votes <sup>(1)</sup>	Carrying value MSEK	Market value corresponding to 100% MSEK	Sales 2008 MSEK <sup>(2)</sup>	Growth in sales 2008 <sup>(2)</sup>	EBITDA 2008 MSEK <sup>(2)</sup>
<b>USA</b>						
Explorica <sup>(3) (4)</sup>	14.8%	51.9	380.0	513.6	-3.1%	6.0
MyPublisher <sup>(4)</sup>	25.0%	138.8	555.1	211.4	57%	17.8
Strax <sup>(4)</sup>	15.7%	26.3	178.9	760.0	2%	15.3
<b>Sweden</b>						
Diino	49.2%	24.3	49.3	0.9	-12%	-23.8
Netsurvey	45.3%	10.5	23.3	27.5	7%	3.0
Qbranch	23.1%	96.6	418.9	437.3	20%	45.4
<b>Other</b>		38.8				
<b>Total</b>			<b>387.2</b>			

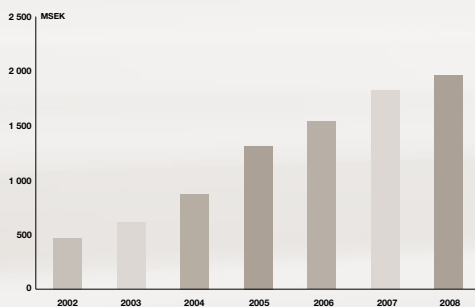
1) Novestra's share of capital and votes, prior to dilution and utilization of options etc.

2) Unaudited figures.

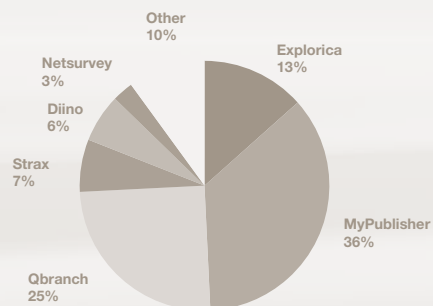
3) Explorica's financial year is September 1, 2007 - August 31, 2008.

4) USD/SEK = 7.83

Total sales development in the portfolio companies, including external interests.



Distribution of accounted values



# ←explorica→

www.explorica.com  
**USA**

Explorica is an operator of educational and student travel. The company has its headquarters in Boston, and operations in the U.S., Canada, Poland and Mexico. Explorica was founded in April 2000 and the management has considerable experience from the travel industry.

Explorica specializes in arranging educational travel for students in collaboration with teachers and schools, and markets both international as well as domestic travel within the U.S. and Canada.

Sales and administration are managed through a proprietary online system for group travel, making travel more accessible and more cost effective. During 2008, approximately 45 000 American and Canadian students in the age group of 13-18 travelled with Explorica and since start, more than 200 000 students have travelled with the company.

The majority of the international travel programs are sold eight to twelve months prior to the actual travel date. The company therefore has a good overview of its future business volume. Explorica has succeeded in growing substantially since starting and has established itself as one of the leading players on the North American student travel market.

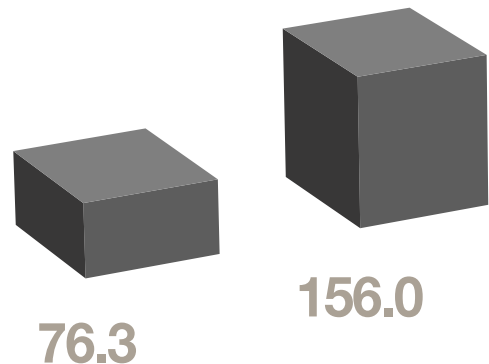
During the financial year 2007/2008 that ended on August 31, 2008, Explorica reached sales of MSEK 514. For 2008/2009, the company expects to gain market shares and show higher growth as well as increased profitability.

Explorica's main competitors are EF, ACIS, NETC and CHA.

Explorica's largest shareholders, apart from Novestra, are Tremont Investments and Explorica's management.

**No. of employees**  
**Cash flow**  
**Chairman of the Board and Managing Director**

**105**  
**Positive**  
**Olle Olsson**



Investment facts <sup>(1)</sup>	2008 <sup>(2)</sup>	2007	2006	2005	2004	2003	2002
Sales, MSEK <sup>(3)</sup>	513.6	530.4	431.2	335.5	229.4	156.0	76.3
Growth in sales	-3%	23%	29%	46%	47%	105%	50%
EBITDA, MSEK <sup>(3)</sup>	6.0	15.0	-0.6	-11.0	-12.7	-20.6	-27.2
EBITDA-margin	1%	3%	neg	neg	neg	neg	neg

**Novestra <sup>(4)</sup>**

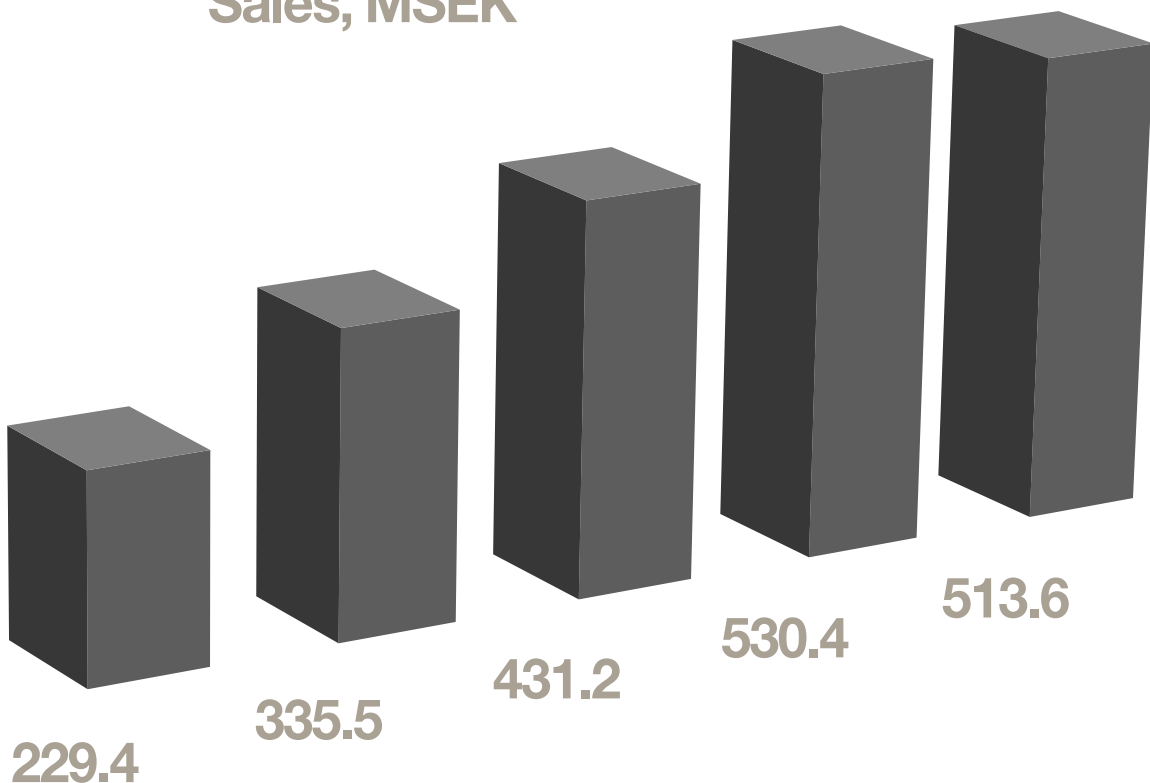
Carried value, MSEK 51.9

Ownership after dilution and exercise of options etc. 14.8 %

Market cap (100%) based on carried value, MSEK 380.0

(1) The financial year relates to the period September 1 – August 31. (2) Unaudited figures. (3) USD/SEK=7.83. (4) As at December 31, 2008.

## Sales, MSEK



# mypublisher

[www.mypublisher.com](http://www.mypublisher.com)  
**USA**

MyPublisher markets and sells personal photo albums through the internet. MyPublisher was founded in 2001 and its headquarters are located in New York.

MyPublisher offers customers the possibility of arranging digital photos in a personal photo album on a computer. The album is forwarded to the company via internet as a file. MyPublisher then prints the individual, bound or pocket-sized photo books or presentations, which are ready for delivery within 24-48 hours. MyPublisher has developed its own software program, BookMaker™, which can be downloaded from the company's homepage. BookMaker™ has been downloaded more than three million times and during the past four years, MyPublisher has printed approximately 200 million digital photographs for customers.

During its expansion phase, the company has been a subcontractor to a number of leading software companies and computer manufacturers, however, as from the financial year 2006 MyPublisher has focused on sales under its own brand.

MyPublisher has shown very high growth over the past few years. During 2008, the company reached sales of approximately MSEK 211 with a growth rate of 57 percent. During 2009, MyPublisher expects to gain additional market shares and become the leading player within its niche.

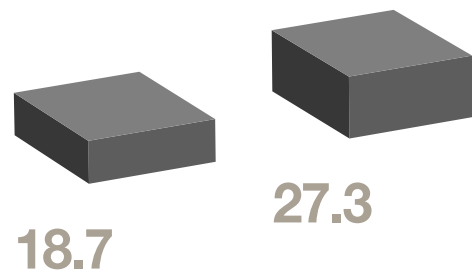
MyPublisher's main competitors are Shutterfly, SnapFish, Apple's iPhoto and Kodak EasyShare Gallery.

Apart from Novestra, MyPublisher's founder, Carl Navarre, Jr, is the company's largest shareholder.

**No. of employees**  
**Cash flow**  
**Chairman of the Board,  
 Managing Director  
 and founder**

**100**  
**Positive**

**Carl Navarre, Jr**



Investment facts	2008 <sup>(1)</sup>	2007	2006	2005	2004	2003	2002
Sales, MSEK <sup>(2)</sup>	211.4	135.0	77.7	108.5	44.2	27.3	18.7
Growth in sales	57%	74%	-28%	145%	62%	46%	158%
EBITDA, MSEK <sup>(2)</sup>	17.8	-5.1	-12.4	14.0	-1.6	-3.8	-14.0
EBITDA-margin	8%	neg	neg	13%	neg	neg	neg

**Novestra <sup>(3)</sup>**

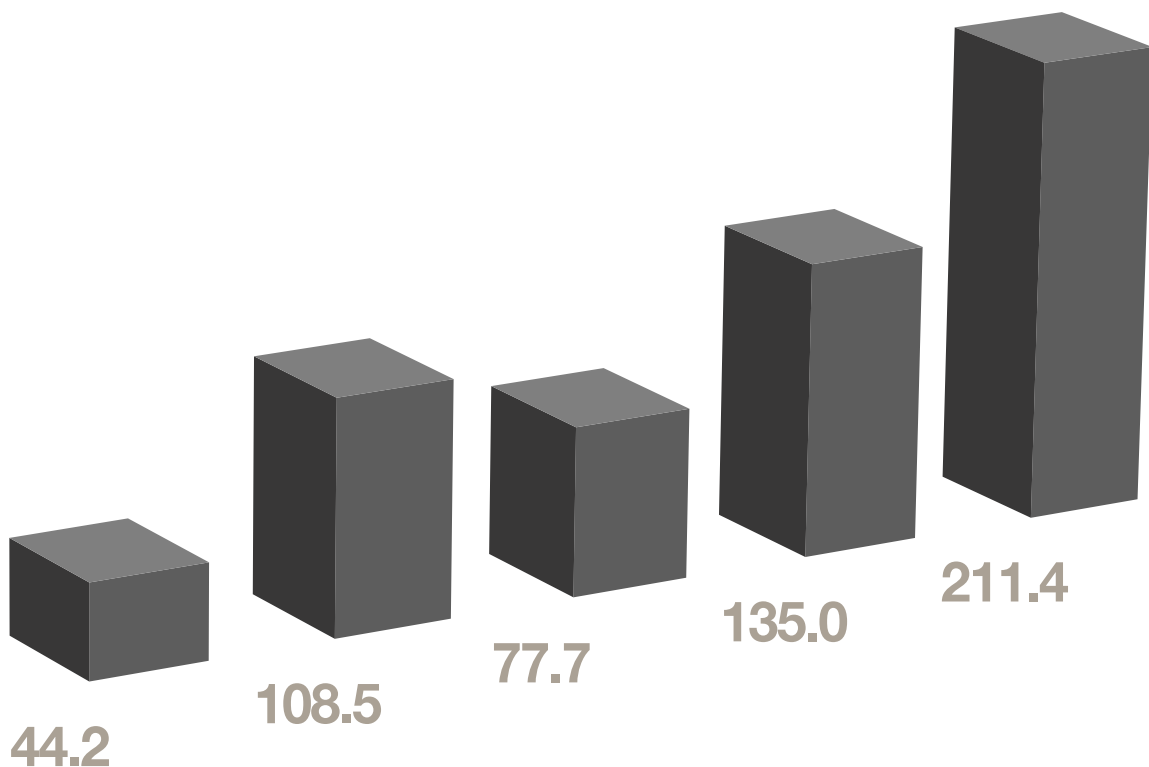
Carried value, MSEK 138.8

Ownership after dilution and exercise of options etc. 25%

Market cap (100%) based on carried value, MSEK 555.1

(1) Unaudited figures. (2) USD/SEK=7.83. (3) As at December 31, 2008.

## Sales, MSEK



# STRAX

www.strax.com  
**USA**

Strax was founded in 1996 and has its headquarters in Miami and regional operations in London, Cologne, Dubai and Hong Kong.

Strax develops, markets and sells a range of innovative mobile phone accessories, principally to mobile operators and retailers located in North and South America and in Europe. Strax holds distribution agreements with all major accessories manufacturers, such as Nokia, Samsung and SonyEricsson, and key brands, such as SanDisk, Parrot and Jabra.

In December 2005, Strax acquired its German competitor, and today the mobile accessories sales business represents a major part of sales and earnings. Sales amounted to approximately MSEK 760 during 2008.

Strax expects to gain additional market shares during 2009.

Strax has a number of small and medium sized competitors. The company's customers consist mainly of mobile operators, service companies, and retail chains such as T-Mobile, Orange, Telefonica, American Movil, TDC, Tracphone, CarPhone Warehouse, and Clas Ohlson.

Strax' largest shareholders, apart from Novestra, are Landsbanki Íslands hf. (The National Bank of Iceland) and one of the founders, Ingvi Tómasson.

**No. of employees**  
**Cash flow**  
**Chairman of the Board,**  
**Managing Director**  
**and founder**

**127**  
**Positive**

**Ingvi Tómasson**





Investment facts	2008 <sup>(1)</sup>	2007 <sup>(1)</sup>	2006 <sup>(1)</sup>	2005 <sup>(1)</sup>	2004	2003	2002
Sales, MSEK <sup>(2)</sup>	760.0	744.9	799.2	674.1	-	-	-
Growth in sales	2%	-7%	19%	n/a	-	-	-
EBITDA, MSEK <sup>(2)</sup>	15.3	-19.5	n/a	n/a	-	-	-
EBITDA-margin	2%	neg	n/a	n/a	-	-	-

**Novestra<sup>(3)</sup>**

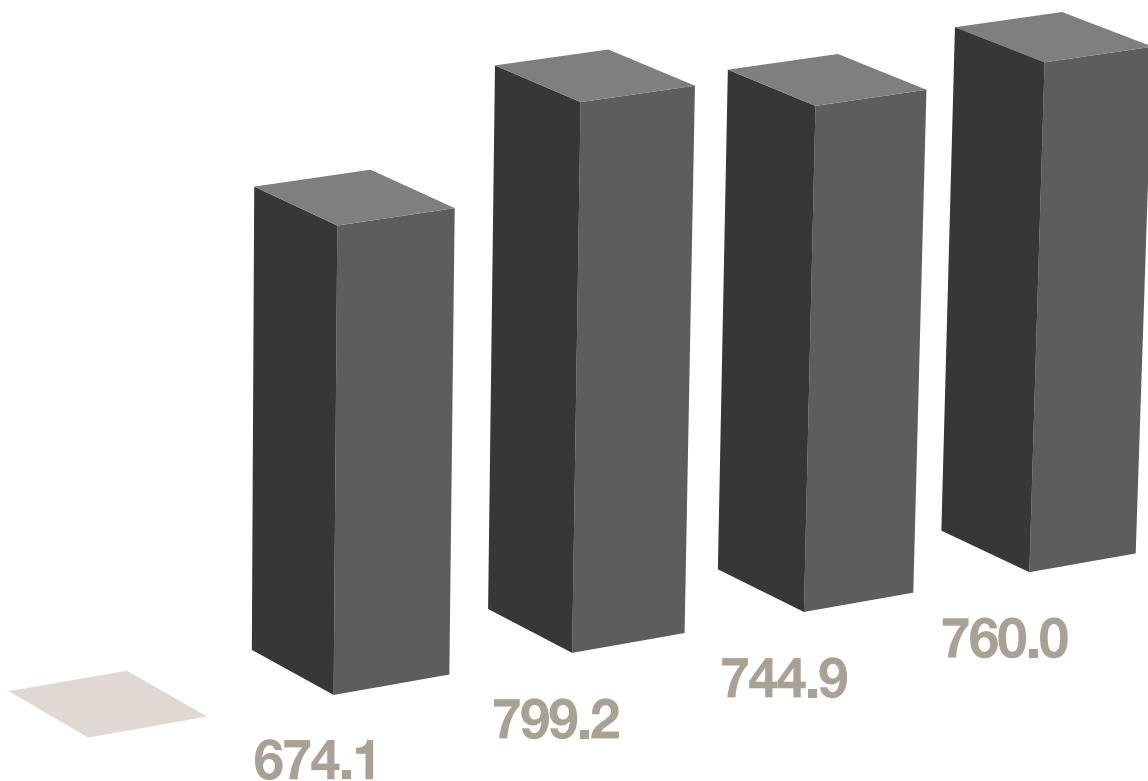
Carried value, MSEK 26.3

Ownership after dilution and exercise of options etc. 15.7%

Market cap (100%) based on carried value, MSEK 178.9

(1) Unaudited figures, related to remaining operations. (2) USD/SEK=7.83. (3) As at December 31, 2008.

## Sales, MSEK





**www.diino.com**  
**Sweden**

Diino was founded in 2004 and has its headquarters in Sweden with sales offices in the U.S. and Mexico.

The Diino application is a combined software and online service that is easy and secure to use and gives the user the possibility to store, share, publish and create back-up of their digital files. The files can be accessed from a computer, mobile phone or a hand-held computer.

During 2008, Diino developed and launched a new platform which has more advantages than the older version, among them, the possibility to offer white label solutions, simpler integration with partners' own services and increased user friendliness for the customer.

Diino has an agreement with Telmex, who among other things, market the service through its broad band unit Prodigy® since 2005.

In the beginning of 2008 Diino had just over 500 000 registered users which increased to almost 1.4 million users during 2008. At the end of 2008 Diino chose to limit the free of charge use of the service, and the company expects the total number of users to decrease during 2009 as a result.

Diino was ranked one of the best storage services by several leading PC magazines around the world, for example by PC Advisor (UK), PC Answers (UK), PC för alla (Sweden) and Datormagazin (Sweden). Diino has several competitors around the world.

Swisscom invested in Diino during 2007 and is the company's second largest owner after Novestra.

**No. of employees**  
**Cash flow**  
**Chairman of the Board**  
**Managing Director**

**12**  
**Negative**  
**Marcus Söderblom**  
**Jan Nilsson**



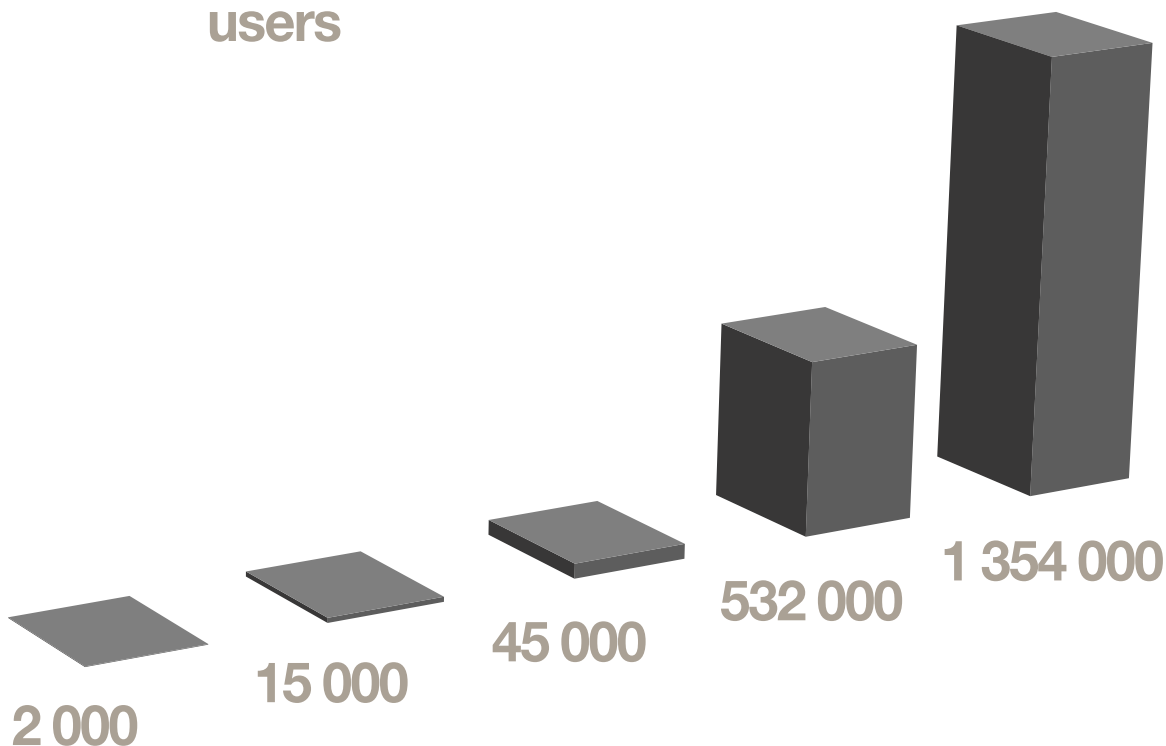
Investment facts	2008 <sup>(1)</sup>	2007	2006	2005	2004	2003	2002
Number of registered users	1 354 000	532 000	45 000	15 000	2 000	-	-
Growth in no. of registered users	154%	1082%	200%	650%	-	-	-
Sales, MSEK	0.9	1.1	0.3	0.1	-	-	-
EBITDA MSEK	-23.8	-18.5	-17.5	-6.9	-	-	-

**Novestra <sup>(2)</sup>**

Carried value, MSEK	24.3
Ownership after dilution and exercise of options etc.	49.2 %
Market cap (100%) based on carried value, MSEK	49.3

(1) Unaudited figures. (2) As at December 31, 2008.

## Number of registered users





[www.netsurvey.se](http://www.netsurvey.se)  
**Sweden**

Netsurvey was founded in 1996. The company performs employee and customer surveys for international companies. Netsurvey's process-driven systems operate across the whole organization down to project or group level, contributing to overall business objectives being achieved more rapidly.

Netsurvey's systems have been implemented by customers in 50 countries and involve more than 250 000 people per year in customized improvement processes. The company has developed its own technology platform which, according to the company, can offer the fastest and most cost-effective information collection on the market while providing a detailed research tool.

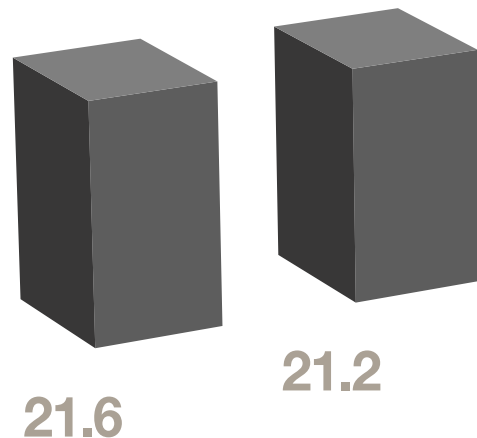
Sales for 2008 amounted to MSEK 27 and the company showed a positive result for the period. The company expects to further strengthen its position in the market during 2009.

Netsurvey has a broad competence within internal company surveys and has implemented assignments for customers including IKEA, Hilton, TeliaSonera, Tetra Pak, TietoEnator, Volvo and Volvo Car. Netsurvey's competitors are research companies operating on the Nordic market.

After Novestra, Netsurvey's largest shareholders are Cubera Private Equity and the founder, Peter Bolinder.

**No. of employees**  
**Cash flow**  
**Chairman of the Board**  
**Managing Director and founder**

**26**  
**Positive**  
**Marcus Söderblom**  
**Peter Bolinder**



Investment facts	2008 <sup>(1)</sup>	2007	2006	2005	2004	2003	2002
Sales, MSEK	27.5	25.7	24.2	23.7	24.8	21.2	21.6
Growth in sales	7%	6%	2%	-4%	17%	-2%	10%
EBITDA, MSEK	3.0	2.9	1.9	0.9	3.9	2.5	-2.0
EBITDA-margin	11%	11%	8%	4%	16%	12%	neg

**Novestra <sup>(2)</sup>**

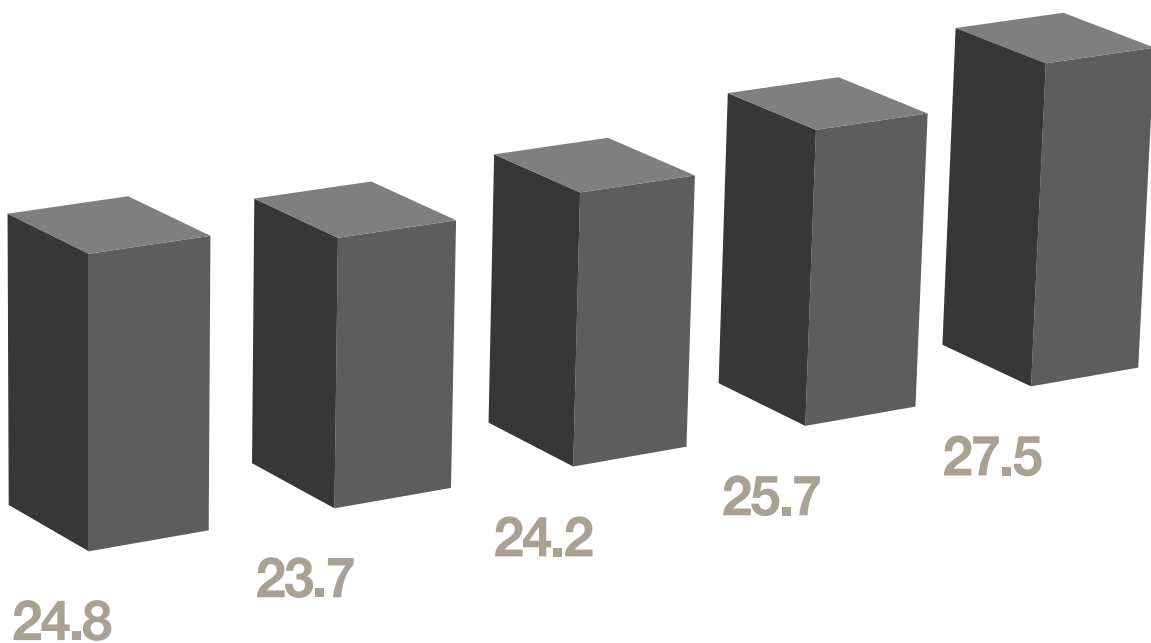
Carried value, MSEK 10.5

Ownership after dilution and exercise of options etc. 45.3 %

Market cap (100%) based on carried value, MSEK 23.3

(1) Unaudited figures. (2) As at December 31, 2008.

## Sales, MSEK



# QBRANCH: WE MAKE IT WORK

[www.qbranch.se](http://www.qbranch.se)  
**Sverige**

Qbranch is one of Sweden's leading consultancies in systems management and full scale IT operation. Qbranch was founded in 1993 and is currently located in Stockholm, Gothenburg, Jönköping and Malmö.

The company ensures that their customers' modern information technology works. The goal is 100 percent functionality, 24 hours a day, 365 days a year. To achieve this Qbranch offers a wide range of services:

- IT-outsourcing – Qbranch assume responsibility for the entire, or parts of, its customers' IT-operations and IT-capacity.
- Competence consulting – Qbranch strengthens its customers' projects through competence and experience.
- Project & Concept – Qbranch has during the years developed a number of concepts which effectively migrate, upgrade and standardise the customers' IT-environment.

The concepts have been developed over

time by Qbranch's gathered experience, expertise and methodology. The concepts are primarily within Desktop Lifecycle Management and Identity Management.

In 2008, Qbranch was ranked the third best workplace in Sweden by Great Place to Work's review "Sweden's best workplaces". The company has been placed in the top 25 since 2003.

Qbranch reached sales of MSEK 437 and the growth rate for 2008 amounted to 20 percent. During the year, Qbranch signed several contracts regarding IT-outsourcing, amongst others, with Riksbbyggen, Dagens Nyheter and Svenska Dagbladet.

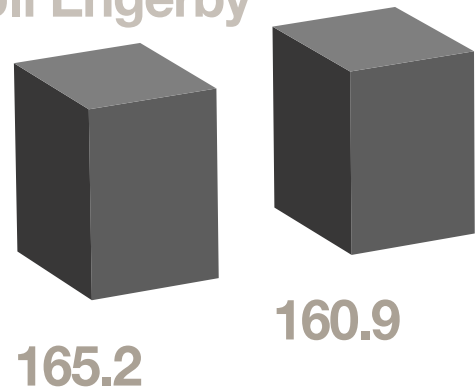
Qbranch competes with IT consultancies operating in the Nordic market.

Qbranch's largest shareholders, apart from Novestra, are the founders, Rune Mossberg and Ulf Engerby.

**No. of employees**  
**Cash flow**  
**Chairman of the Board**  
**Managing Director**  
**and founder**

**478**  
**Positive**  
**John Wattin**

**Ulf Engerby**



Investment facts	2008 <sup>(1)</sup>	2007	2006	2005	2004	2003	2002
Sales, MSEK	437.3	363.7	287.6	243.2	195.8	160.9	165.2
Growth in sales	20%	27%	18%	24%	22%	-3%	-7%
EBITDA, MSEK	45.4	47.3	44.1	40.3	30.7	18.9	17.3
EBITDA-margin	10%	13%	15%	17%	16%	12%	11%

**Novestra <sup>(2)</sup>**

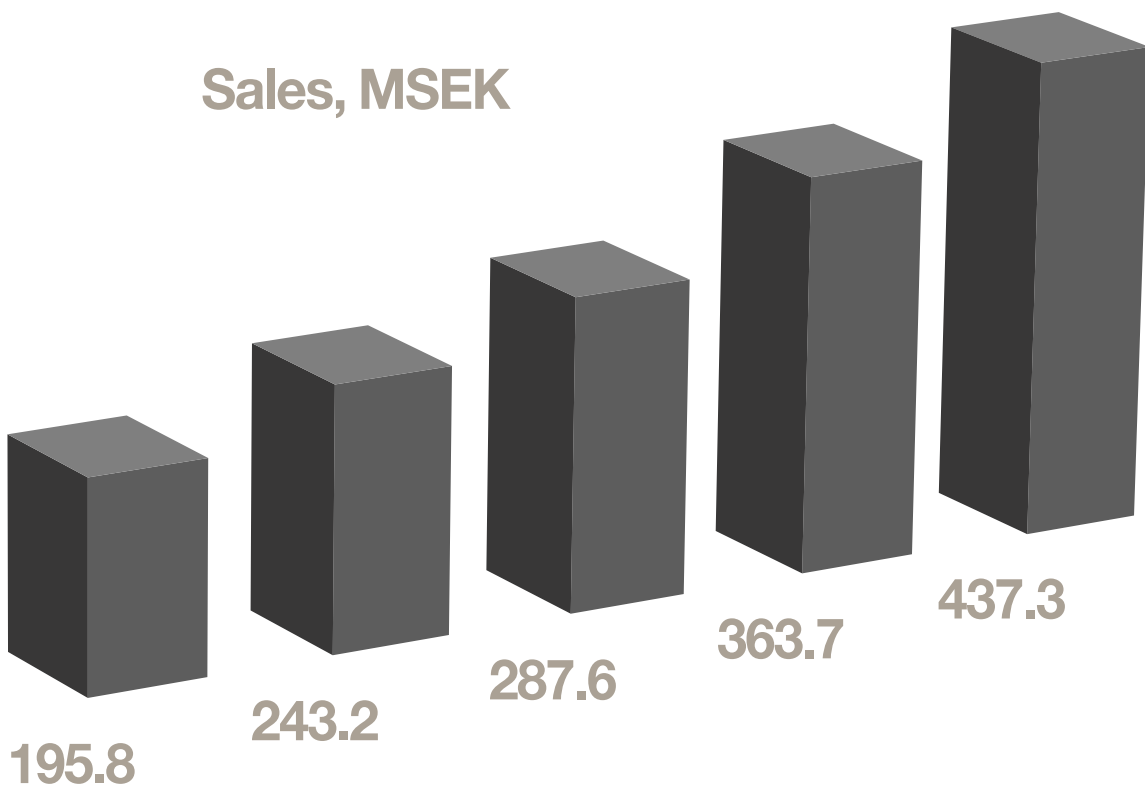
Carried value, MSEK 96.6

Ownership after dilution and exercise of options etc. 23.1%

Market cap (100%) based on carried value, MSEK 418.9

(1) Unaudited figures. (2) As at December 31, 2008.

## Sales, MSEK



# Accounts

## The Board of Directors' report, financial statements and notes to the financial statement

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The formal annual report as defined by "Swedish annual accounts act" (ÅRL) consists of the Board of Directors' report, financial statements and notes to the financial statements.



## The Board of Directors' report

The Board of Directors and the Managing Director of AB Novestra (publ), corporate identity number 556539-7709, hereby present the annual report and consolidated financial statements for the financial year January 1 – December 31, 2008.

As of the financial year 2005, Novestra's consolidated financial statements are prepared in accordance with IFRS.

Unless indicated otherwise, the information refers to the group and the parent company.

*All amounts are provided in SEK thousands (KSEK) unless indicated otherwise. Figures provided in parentheses refer to comparative figures for the previous year.*

### Operations

Novestra is an independent investment company with a portfolio of private growth companies. Novestra's private portfolio includes major holdings in Diino AB, Explorica, Inc., MyPublisher, Inc., Netsurvey AB, Qbranch AB and Strax Holdings, Inc.

### Net earnings and financial position

#### *The group*

The group's net earnings for the year amounted to -90 718 (4 669). The earnings include gross profit from investment activities totaling -74 707 (11 750), of which value changes amounted to -81 638 (-2 810) and dividends came to 6 931 (14 560). The net earnings also include gross profit from other activities totaling 1 133 (2 000), administrative expenses amounting to -13 210 (-14 420) and net financial income of -3 625 (-3 904). Earnings from Discontinued operations amounted to - (10 348).

Cash equivalents amounted to 9 527 (16 351). The balance sheet total amounted to 401 623 (479 667), of which equity totaled 331 131

(421 849) corresponding to an equity/assets ratio of 82.4 (87.9) percent.

#### *The parent company*

The parent company's net earnings for the year amounted to -61 936 (-15 562). This figure includes gross profit from investment activities totaling -45 246 (3 051), of which earnings from shares and participations amounted to -52 177 (-11 509) and dividends 6 931 (14 560). The parent company's net earnings also include administrative expenses of -13 200 (-14 410) and net financial income totaling -3 490 (-3 600).

Cash and bank balances amounted to 9 428 (16 252). The balance sheet total amounted to 278 423 (326 140), of which equity totaled 201 636 (263 572), corresponding to an equity/assets ratio of 72.4 (80.8) percent.

### Investments and disposals

#### *The group and the parent company*

Investments during the year, including investments not affecting the cash flow, amounted to 54 079 (91 040), of which 54 045 (90 847) consisted of investments in fixed financial assets and 34 (193) investments in tangible assets.

Of the investments in fixed financial assets, 13 507 (39 453) is attributed to investments in private holdings and 40 538 (51 394) to direct investments in public portfolio companies through cash management.

Remuneration for disposal of fixed financial assets during the year amounted to 36 032 (323 779).

#### **Significant events during the year**

Novestra's portfolio companies had a very positive development during 2008 despite the weakened economic climate. Growth during the first half of 2008 was exceptionally

strong, however with some decline in growth of sales during the second half of the year as the general economy weakened.

Sales in MyPublisher during 2008 amounted to approximately MSEK 211, a growth rate of approximately 57 percent, in Qbranch sales amounted to approximately MSEK 437, corresponding to a growth rate of 20 percent and sales in Strax amounted to approximately MSEK 760, corresponding to approximately 2 percent. Explorica expects sales of approximately MSEK 520 for the financial year 2008/2009. Diino had approximately 1.4 million users at the end of 2008, compared to approximately half a million users at the beginning of the year. Downward adjustments in the carrying value for the private holdings amounted to a total of MSEK -78.4 during 2008. The adjustment is not made due to the development in the individual companies but reflects how the companies in general are valued in the current market conditions.

During 2008 Novestra received 485 (8 444) in dividends from Continuum, consisting of stock in the Nasdaq listed company Akamai. During the year a cash dividend from Qbranch was received amounting to 6 350 (6 115) and a cash dividend amounting to 96 (-) from Netgiro.

### **Liquidity and financing**

As at December 31, 2008, cash equivalents amounted to 9 527 (16 351). Current liabilities to credit institutions totalled 65 501 (50 440) and unutilized credit facilities amounted to 59 499 (74 560).

### **Significant events after the end of the period**

No significant events have, as of the signing of this annual report, occurred.

### **Future opportunities**

Several of Novestra's portfolio companies have during the year developed significantly better than those operating in the same markets

have. Novestra believes that several of the portfolio companies will continue to develop positively during 2009, and that the prerequisites for a positive growth in value will significantly increase if the portfolio companies reach their set growth and result targets.

Discussions concerning divestment of Novestra's portfolio companies will be held when Novestra's management deems that the value potential in the companies is at an attractive level. Simultaneously, continuous attention is being paid to cash investments in publicly traded securities which are considered to have a value growth potential even though the general economic situation may continue to remain weak in the future.

There is no additional capital need in Novestra, or in any of the larger portfolio companies.

### **Risk**

The primary risks present in Novestra's business activities are commercial risk, price risk attributed to shares in private and public holdings, and currency risk. Other risks affecting Novestra's financial operations are liquidity, interest rate and credit risk. The work of carrying out analyses and assessing risk is a continual process. This work is done by the senior management and reported to the Board of Directors. For a more detailed account on the risks, please see Note 2.

### **Corporate Governance**

#### ***Legislation and articles of association***

AB Novestra must in the first instance apply the Swedish Companies Act, and the regulations stated in the Listing Agreement of the Nasdaq OMX Nordic Exchange Stockholm. Novestra shall, when conducting business, follow the rules in the company's articles of association, which are available on Novestra's website.

#### ***Annual General Meeting***

The notice convening the Annual General Meeting shall be sent out no earlier than six

and no later than four weeks prior to the Meeting. This notice contains information on applications and rights to participate and vote at the Meeting, a numbered agenda for the Meeting, information on the proposals regarding distribution of the result and the essence of other proposals. Shareholders or proxies are entitled to vote for all the shares they own or represent.

Proposals to be dealt with at the Meeting should be addressed to the Board and sent well in advance of the date for sending the Notice of Meeting. Minutes of the Meeting will be sent to those shareholders requesting it. Further information on the 2009 Annual General Meeting is provided on page 98.

### **Board of Directors**

The members of the Board of Directors are elected annually by the Annual General Meeting for the period until the end of the following year's Annual General Meeting. There are no rules regulating how long a member may serve on the Board of Directors. Novestra's three largest shareholders jointly decide on candidates for nomination in collaboration with the Chairman of the Board.

Novestra's Board consists of six Members. The Chairman is the only board member who has an operative position in the company. The Managing Director is not a member of the Board. The composition of the Board is described on pages 30-31 and a description of remunerations to the board members and the Managing Director is presented in Note 8.

During the financial year, the Board convened for five board meetings. Between meetings of the Board, there was continuous contact between the company, its Chairman and other Board Members. Board Members were also continuously provided with written information of importance regarding the company. Novestra's Board formulates a procedural plan for the Board every year. The procedural plan adopted for the Board includes the following:

- the Board shall meet at least five times per calendar year;
- the Members of the Board shall receive documentation regarding matters to be dealt with at board meetings well before the meeting and be provided with a monthly report of the company's operations;
- in order to ensure that the Board maintains a dialogue with the auditors, the company's auditor shall participate in one board meeting annually and report on his or her observations from the annual auditing work.

The procedural plan also includes a description of matters to be dealt with at each board meeting and the specific resolutions to be passed at the statutory meeting. The procedural plan also gives instructions for the Managing Director.

### **Significant business matters dealt with by the Board of Directors during the financial year**

Business matters dealt with by the Board during the year included investment and divestment decisions pertaining to holdings and the preparation of the company's financial reports and the year-end report which have been communicated to the market.

In addition, the Board of Directors has dealt with the proposal of a variable result-based incentive program for the company's employees, which will be proposed to the Annual General Meeting to be held on April 22, 2009. The Board's complete proposal will be announced in conjunction with the notice convening the Annual General Meeting of April 22, 2009.

Further information about Corporate Governance can be found on pages 24-29.

### **Share and ownership structure**

The Novestra share is listed on the Nasdaq OMX Stockholm (Small Cap) under the ticker symbol NOVE. It is the parent company's,

AB Novestra's share that is listed and the accounted share capital in the group constitutes the parent company's share capital. Share capital in the parent company amounts to 37 187 973 SEK, with an equal number of shares with a quota value of SEK 1.00 each. There is only one type of share and all shares have equal voting rights at the general meeting. There are no restrictions regarding the number of votes a shareholder can vote for at the general meeting. In addition to the legal provisions there are no limitations in the company's articles of association regarding the appointment of, or dismissal of Board members or changes to the articles of association.

As at December 31, 2008 the company had a total of 2 414 shareholders. The ten largest shareholders' holdings as at December 31, 2008 amounted to 78.0 percent of the total number of outstanding shares and votes in the company. There are a total of two shareholders as at December 31, 2008 who have reported a holding of at least ten percent in Novestra through Disclosure Notices. Nove Capital Master Fund reported a holding of 25.1 percent and Anchor Capital reported a holding of 28.6 percent of the total number of outstanding shares and votes in the company. As far as the company is aware employees in the company hold no indirect shares in the company, through pension funds or similar, for which the employees cannot directly exercise voting rights.

The Annual General Meeting in 2008 resolved to authorize the Board of Directors to up until the next Annual General Meeting and on one or several occasions, and with or without preferential rights for the shareholders, decide on a share issue of a maximum of 6 000 000 new shares for payment in cash, through contribution in kind or by set-off. In addition, there are no other share related authorizations for the Board of Directors.

There are no pre-emption clauses, right of first refusal clause, or other restrictions in

court to transfer shares in the company legally, in the company's Articles of Association or any agreement or other deed involving the company. As far as the company is aware there are no other agreements in which the company is not involved in such as agreement between shareholders which possibly may entail restrictions in court regarding transfer of shares in the company.

The company is not involved in any significant agreement containing such conditions that cause effect, change or cease to be valid in the case that control of the company changes, which also includes agreements with the Board of Directors and the employees. Long term, however, a significant change in the control of the company may, for example, result in credit institutions may no longer extend or renew loan agreements, or demand changes in the current conditions upon extending the loan agreement.

### **Investor Relations**

Novestra's information to shareholders is provided via annual, year-end and interim reports and press releases on the company's website. Reports and press releases from previous years can also be found on the website.

### **Environment**

Novestra does not conduct operations requiring environmental permits or any obligation to report in accordance with environmental laws. Novestra's environmental impact is negligible but the company works actively to minimize its operations' environmental impact. The basis for the environmental work is a common environmental awareness.

### **Proposal to decide on guidelines for remuneration for the Management**

The Board of Directors proposes that the Annual General Meeting 2009 resolves to approve the Board of Directors' proposal regarding guidelines for remuneration of the Management as set forth below. The proposal substantially complies with earlier applied

guidelines for remuneration of the Management of the company. The Board of Directors as a whole serves as a remuneration committee in relation to matters regarding remuneration and other terms of employment for the Management of the company.

The company shall offer conditions in line with the market which will enable the company to recruit and retain competent personnel. The remuneration of the Management of the group shall consist of fixed salary, variable remuneration, pension and other customary benefits. The remuneration is based on the commitment and performance of the individual in relation to individual objectives and joint objectives for the company which have been determined in advance. The individual performance is continuously evaluated.

The fixed salary is in general reviewed on a yearly basis and shall be based on the qualitative performance of the individual. The fixed salary of the Managing Director and the Management shall be in line with the market. The variable remuneration shall be based on the revenue and earnings trends within the respective responsibility area and within the group and shall be paid within the scope of the company's bonus plan. For information regarding the bonus plan for the company's employees for the financial year 2009, please see separate proposal thereon.

The Board of Directors may, if special circumstances are at hand in a certain case, decide to deviate from the guidelines.

#### **Proposal for a resolution to approve a bonus plan for the Company's employees for the financial year 2009**

The Board of Directors proposes that the Annual General Meeting of April 22, 2009, resolves to approve a bonus plan for the Company's employees for the financial year 2009 as detailed below.

The company's employees (including also the working Chairman of the company) shall

as a group be entitled to an annual cash bonus from the company in accordance with the following.

The total bonus to the company's employees shall, as a total cost for the company, correspond to ten (10) percent of the net return from disposals of the company's holdings in unlisted companies, made during the year to which the bonus is attributable. In that connection, the return from holdings shall be calculated as the amount received at the disposal less the carrying value before the company began to apply IFRS (plus additional investments, if any). Thus, the bonus is not affected by unrealized changes in value. The distribution of the total bonus among the company's employees shall be resolved upon by the Board of Directors (without participation of disqualified Directors, if any). An individual employee shall not be guaranteed a certain minimum share of the total bonus. Furthermore, the bonus to an individual employee shall not exceed an amount corresponding to five times the annual base salary of the employee for the year which such bonus is attributable to. The calculation of the bonus amount shall be based on audited financial statements.

Bonus in accordance with the above includes vacation pay and shall not constitute pensionable income. The company shall deduct preliminary income tax and social security contributions from the bonus in accordance with the above. Bonus shall be paid annually in connection with the ordinary payment of monthly salary which takes place immediately after the point in time when the Board of Directors have submitted the annual report and the auditor(s) of the company have rendered their audit report for the financial year which the bonus is attributable to.

The cost of the bonus plan for the company is linear in relationship to the net return from disposals of the company's holdings in unlisted companies. The total cost for the company, at the current yearly base salary

levels, can at a maximum amount to approximately SEK 22 million and occurs at a net return of in total approximately SEK 219 million.

The approval of the bonus plan as set out above shall only relate to bonus in respect of the financial year 2009.

The proposed bonus plan for 2009 is unchanged compared to the bonus plan for 2008, under which no bonus has been paid out. Information regarding remuneration to the Board, management and employees during the financial year 2008, is concluded in Note 8.

#### **Proposed distribution of earnings (SEK)**

At the disposal of the Annual General Meeting is:

Retained earnings	218 883 911
Net earnings for the financial year 2008	-61 936 325
<b>Total</b>	<b>156 947 586</b>

The Board of Directors and the Managing Director propose that the net loss, -61 936 325 together with the retained earnings, 218 883 911, totaling 156 947 586 be transferred to profit carried forward.

For further information regarding the company's earnings and financial position, please refer to the income statement, balance sheet, cash flow statement and the corresponding notes to the financial statements.

## Consolidated income statements, SEK thousands

	NOTE	01/01/2008 12/31/2008	01/01/2007 01/01/2007
<b>Investment activities</b>	5		
Changes in value		-81 638	-2 810
Dividends		6 931	14 560
<b>Gross profit/loss investment activities</b>		<b>-74 707</b>	<b>11 750</b>
<b>Other operations</b>	6		
Net sales		1 133	2 000
<b>Gross profit/loss other operations</b>		<b>1 133</b>	<b>2 000</b>
<b>Gross profit/loss</b>		<b>-73 574</b>	<b>13 750</b>
Administrative expenses	7, 8, 9, 10	-13 210	-14 420
<b>Operating profit/loss</b>		<b>-86 784</b>	<b>-670</b>
Financial income	11	682	2 646
Financial expenses	11	-4 307	-6 550
<b>Net financial items</b>		<b>-3 625</b>	<b>-3 904</b>
<b>Profit/loss before tax</b>		<b>-90 409</b>	<b>-4 574</b>
Taxes	12	-309	-1 105
<b>Result from remaining operations<sup>(1)</sup></b>		<b>-90 718</b>	<b>-5 679</b>
Result from Discontinued operations <sup>(1)</sup>	4	-	10 348
<b>Profit/loss for the year including Discontinued operations <sup>(1)</sup></b>		<b>-90 718</b>	<b>4 669</b>
Result per share from remaining operations, SEK <sup>(2)</sup>		-2.44	-0.15
Result per share from Discontinued operations, SEK <sup>(2)</sup>		-	0.28
Result per share including Discontinued operations, SEK <sup>(2)</sup>		-2.44	0.13
Average number of shares during the period <sup>(2)</sup>		37 187 973	37 187 973

(1) As there is no minority interest in the group the entire result for the year is attributed to the parent company's shareholders.

(2) No dilution exists, which entails that the result prior to and after dilution are the same. A split of the existing shares in AB Novestra was made in connection with the distribution to the shareholders, which resulted in the total number of shares in the company temporarily doubled. The redemption procedure was an alternative transaction method for a dividend and the temporary increase in the number of shares has not been taken into consideration with regard to the calculation of the average number of shares during the period, or, the result per share during the period.

## Consolidated balance sheets, SEK thousands

Assets	NOTE	12/31/2008	12/31/2007
<b>Fixed assets</b>			
Equipment	13	1 258	1 369
Shares and participations	14	387 157	450 782
<b>Total fixed assets</b>		<b>388 415</b>	<b>452 151</b>
<b>Current assets</b>			
Prepaid expenses and accrued income		1 668	2 595
Other receivables		2 013	8 570
Cash and cash equivalents	15	9 527	16 351
<b>Total current assets</b>		<b>13 208</b>	<b>27 516</b>
<b>Total assets</b>		<b>401 623</b>	<b>479 667</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
	17		
Share capital		37 188	37 188
Other contributed equity		477 289	477 289
Retained earnings, including profit/loss for the year		-183 346	-92 628
<b>Total equity</b>		<b>331 131</b>	<b>421 849</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Interest-bearing liabilities	18	65 501	50 440
Accounts payable		881	28
Tax liabilities		1 097	3 227
Other liabilities		638	1 004
Accrued expenses and prepaid income		2 375	3 119
<b>Total current liabilities</b>		<b>70 492</b>	<b>57 818</b>
<b>Total liabilities</b>		<b>70 492</b>	<b>57 818</b>
<b>Total equity and liabilities</b>		<b>401 623</b>	<b>479 667</b>

See Note 19 for the group's contingent liabilities and assets pledged as securities.



## Consolidated statement of change in equity, SEK thousands

	Share capital	Other contributed equity	Retained earnings incl. profit/loss for the year	Total equity
<b>Opening balance 1/1 2007</b>	<b>37 188</b>	<b>663 965</b>	<b>-97 297</b>	<b>603 856</b>
Profit/loss for the year 2007	–	–	4 669	4 669
Total change in equity, excluding transactions with the shareholders	–	–	4 669	4 669
Distribution through redemption shares <sup>(1)</sup>	-18 594	-167 346	–	-185 940
Bonus issue <sup>(1)</sup>	18 594	-18 594	–	0
Costs related to redemption of shares <sup>(1)</sup>	–	-736	–	-736
<b>Balance at year end 2007</b>	<b>37 188</b>	<b>477 289</b>	<b>-92 628</b>	<b>421 849</b>
Profit/loss for the year 2008	–	–	-90 718	-90 718
Total change in equity, excluding transactions with the shareholders	–	–	-90 718	-90 718
<b>Balance at year end 2008</b>	<b>37 188</b>	<b>477 289</b>	<b>-183 346</b>	<b>331 131</b>

As at December 31, 2008, share capital amounted to SEK 37 187 973 distributed over an equal amount of shares. Quota value amounted to SEK 1.00. Total equity as at December 31, 2008, amounted to 331 131 (421 849) corresponding to SEK 8.90 (11.34) per share.

Further information on the group's equity is available in Note 17.

(1) The Annual General Meeting held on April 24, 2007, resolved on a redemption program, whereby each share in Novestra was split into two shares, of which one was redeemed for SEK 5.00. Furthermore, it was decided on a bonus issue at the same time, corresponding to the amount the share capital was decreased by through the redemption of shares.

## Consolidated statements of cash flows, SEK thousands

	NOTE	2008 01 01 -2008 12 31	2007 01 01 -2007 12 31
<b>Operating activities</b>			
Profit/loss before tax		-90 409	-4 574
Result from Discontinued operations		-	10 348
Adjustment for non cash items		81 297	-15 797
Paid taxes		-2 514	-
<b>Funds provided from operations prior to changes in working capital</b>		<b>-11 626</b>	<b>-10 023</b>
Details of changes in working capital:			
Increase (-)/Decrease (+) in current receivables		-6 023	16 808
Increase (+)/Decrease (-) in current liabilities		-181	22
<b>Cash flow from operations</b>		<b>-17 830</b>	<b>6 807</b>
<b>Investment activities</b>			
Investments in tangible assets		-34	-193
Investments in financial assets		-20 579	-66 650
Proceeds from sale of financial assets		16 558	323 779
<b>Cash flow from investment activities</b>		<b>-4 055</b>	<b>256 936</b>
<b>Financing activities</b>			
Changes of interest-bearing liabilities		15 061	-63 640
Distribution of capital to shareholders by redemption of shares		-	-185 940
Costs related to redemption of shares		-	-736
<b>Cash flow from financing activities</b>		<b>15 061</b>	<b>-250 316</b>
<b>Cash flow for the year</b>	20	<b>-6 824</b>	<b>13 427</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>16 351</b>	<b>2 924</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>9 527</b>	<b>16 351</b>
<b>Of which cash flow from Discontinued operations:</b>			
Cash flow from operations		-	-
Cash flow from investment activities		-	300 826
Cash flow from financing activities		-	-
<b>Cash flow from Discontinued operations</b>		<b>-</b>	<b>300 826</b>

## The parent company's income statements, SEK thousands

	NOTE	2008 01 01 -2008 12 31	2007 01 01 -2007 12 31
<b>Investment activities</b>			
	23		
Result from shares and participations		-52 177	-11 509
Dividends		6 931	14 560
<b>Gross profit/loss</b>		<b>-45 246</b>	<b>3 051</b>
Administrative expenses	24, 25, 26	-13 200	-14 410
<b>Operating profit/loss</b>		<b>-58 446</b>	<b>-11 359</b>
<b>Result from financial items</b>			
Interest income and similar income	27	682	2 646
Interest expense and similar charges	27	-4 172	-6 246
<b>Profit/loss after financial items</b>		<b>-61 936</b>	<b>-14 959</b>
Current taxes		-	-603
<b>Profit /loss for the year</b>		<b>-61 936</b>	<b>-15 562</b>

## The parent company's balance sheets, SEK thousands

Assets	NOTE	2008 12 31	2007 12 31
<b>Fixed assets</b>			
<b>Tangible fixed assets:</b>			
Equipment	28	1 258	1 369
<b>Financial fixed assets:</b>			
Shares and participations in group companies	29	100	100
Shares and participations in associated companies	30	148 082	158 972
Other shares and participations	31	117 007	140 282
		265 189	299 354
<b>Total fixed assets</b>		<b>266 447</b>	<b>300 723</b>
<b>Current assets</b>			
Receivables			
Receivables from associated companies		2 000	–
Other recievables		13	8 570
Prepaid expenses and accrued income		535	595
		2 548	9 165
Cash and bank balances		9 428	16 252
Total current assets		11 976	25 417
<b>Total assets</b>		<b>278 423</b>	<b>326 140</b>

## The parent company's balance sheets, SEK thousands

<b>Equity and liabilities</b>	<b>NOT</b>	<b>2008 12 31</b>	<b>2007 12 31</b>
<b>Equity</b>	32		
<b>Restricted equity:</b>			
Share capital		37 188	37 188
Statutory reserve		7 500	7 500
		44 688	44 688
<b>Non-restricted equity:</b>			
Accumulated profit/loss		218 884	234 446
Profit/loss for the year		-61 936	-15 562
		156 948	218 884
<b>Total equity</b>		<b>201 636</b>	<b>263 572</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Interest-bearing liabilities	33	65 501	50 440
Accounts payable		881	28
Inter-company debt		7 412	7 404
Other liabilities		637	1 607
Accrued expenses and prepaid income	34	2 356	3 089
		76 787	62 568
<b>Total liabilities</b>		<b>76 787</b>	<b>62 568</b>
<b>Total equity and liabilities</b>		<b>278 423</b>	<b>326 140</b>
<b>Assets pledged and contingent liabilities</b>			
Pledged assets	35	91 219	72 894
Contingent liabilities		None	None

## The parent company's statement of changes in equity, SEK thousands

	Share capital	Other contributed equity	Retained earnings incl. profit/loss for the year	Total equity
<b>Opening balance 1/1/2007</b>	<b>37 188</b>	<b>7 500</b>	<b>421 122</b>	<b>465 810</b>
Profit/loss for the year 2007			-15 562	-15 562
Total change in equity, excluding transactions with the shareholders			-15 562	-15 562
Distribution through redemption of shares <sup>(1)</sup>	-18 594	-	-167 346	-185 940
Bonus issue	18 594	-	-18 594	-
Costs related to redemption of shares <sup>(1)</sup>	-	-	-736	-736
<b>Balance at year end 2007</b>	<b>37 188</b>	<b>7 500</b>	<b>218 884</b>	<b>263 572</b>
Profit/loss for the year 2008			-61 936	-61 936
Total change in equity, excluding transactions with the shareholders			-61 936	-61 936
<b>Balance at year end 2008</b>	<b>37 188</b>	<b>7 500</b>	<b>156 948</b>	<b>201 636</b>

As at December 31, 2008, share capital amounted to SEK 37 187 973 distributed over an equal amount of shares. Quota value amounted to SEK 1.00.

Further information on the parent company equity is available in Note 32.

(1) The Annual General Meeting held on April 24, 2007, resolved on a redemption program, whereby each share in Novestra was split into two shares, of which one was redeemed for SEK 5.00. Furthermore, it was decided on a bonus issue at the same time, corresponding to the amount the share capital was decreased by through the redemption of shares.

## The parent company's statement of cash flows, SEK thousands

	NOTE	2008 01 01 -2008 12 31	2007 01 01 -2007 12 31
<b>Operating activities</b>			
Profit/loss after financial items		-61 936	-14 959
Adjustment for non-cash items		51 837	3 250
Paid taxes		-603	-
<b>Funds provided from operations prior to changes in working capital</b>		<b>-10 702</b>	<b>-11 709</b>
<b>Details of changes in working capital:</b>			
Increase (-)/Decrease (+) in current receivables		-6 889	11 053
Increase (+)/Decrease (-) in current liabilities		-239	7 464
<b>Cash flow from operations</b>		<b>-17 830</b>	<b>6 808</b>
<b>Investment activities</b>			
Investments in tangible assets		-34	-193
Investments in financial assets		-20 579	-66 650
Proceeds from sale of financial assets		16 558	323 779
<b>Cash flow from investment activities</b>		<b>-4 055</b>	<b>256 936</b>
<b>Financing activities</b>			
Changes in interest-bearing liabilities		15 061	-63 640
Distribution of capital to shareholders by redemption of shares		-	-185 940
Costs related to redemption of shares		-	-736
<b>Cash flow from financing activities</b>		<b>15 061</b>	<b>-250 316</b>
<b>Cash flow for the year</b>	36	<b>-6 824</b>	<b>13 428</b>
<b>Cash and bank at the beginning of the year</b>		<b>16 252</b>	<b>2 824</b>
<b>Cash and bank at the end of the year</b>		<b>9 428</b>	<b>16 252</b>

# Notes to the financial statements, KSEK

## 1. Accounting and valuation principles

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### Statement of compliance

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations by the International Financial Reporting Interpretations Committee (IFRIC) as they have been adopted by the European Commission. Furthermore, the Swedish Financial Accounting Standards Council's recommendation RFR 1.1, Supplemental accounting regulations for groups, was applied.

The parent company applies the same accounting principles as the group with exception of that which is stated under the section "parent company's accounting principles" below. The deviations that exist between the parent company's principles and the consolidated principles are due to the limitations in applying IFRS in the parent company as a result of the Annual Accounts Act and in some cases for tax reasons.

AB Novestra applied the IFRS accounting principles for the first time as of the financial year 2005 with transition date of January 1, 2004. The transition to IFRS was accounted for in accordance with IFRS 1 in the Annual General Report for 2005 whereby it is shown how the transition to IFRS has effected the groups financial position and performance including cash flow compared to the previously adopted principles.

### Basis of preparation of consolidated financial reports and parent company reports

The parent company's functional currency is Swedish kronor (SEK) which also constitutes the reporting currency of the parent company and the group. Therefore the financial reports are presented in Swedish kronor. All figures are rounded to the nearest thousand unless otherwise stated. Assets and liabilities are carried at the historical cost, except for certain financial assets and liabilities which are carried at fair value. Financial assets and

liabilities carried at fair value consist of derivative instruments and financial assets classified as "financial assets carried at fair value through profit or loss".

Non-current assets and disposal groups that are classified as held for sale are carried at the lower of the carried value and the fair value, less costs to sell. Financial assets which are held for sale are accounted for at fair value prior to reclassification to assets held for sale, are also accounted for at fair value without deduction of sales costs.

Preparing the financial reports in accordance with IFRS requires the Senior Management to make assessments and estimates as well as assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, revenues and expenses. The estimates and assumptions are based on historic experience and a number of other factors, which under current conditions are considered to be reasonable. The results of these estimates and assumptions are then used to assess the carried values of assets and liabilities, which are not otherwise clearly presented in other sources. The actual outcome can deviate from these estimates and assessments.

The estimates and assumptions are regularly reviewed. Changes of estimates are reported in the period the change is made if the change only affected this period, or in the period the change is made and in future periods if the change affects both the period in question and future periods.

Assessments made by the Senior Management in the application of IFRS which have a significant impact on the financial reports and estimates and which can entail significant adjustments in the financial reports of ensuing years are described in Note 14.

The consolidated principles stated below were



consistently applied to all periods presented in the consolidated financial reports unless otherwise stated below. The consolidated principles were consistently applied to the reporting and consolidation of the parent company and subsidiaries.

### **Changed accounting principles**

IAS 39 and IFRS 7 are relevant to Novestra's accounting procedures and the preparation of financial statements. Amendments to IAS 39 and IFRS 7 were approved by the EU and implemented in 2008. The amendments, which came into force on July 1, 2008, permit the reclassification of certain financial assets as trade in some financial assets is no longer available or that the markets for certain financial assets are no longer active. No reclassification of financial assets has been made by Novestra in relation to the IAS 39 amendment or the 1725/2003/EU regulation amendment. The new or amended accounting principles that became applicable in 2008 have not affected Novestra's accounting procedures, results or financial position

### **New accounting standards and interpretations which have not yet been applied**

New and amended IFRS standards and interpretations which have as yet not been applied

A number of new standards, amendments to standards, and interpretations entered into force from January 1, 2009. These were not applied by the group when drawing up the financial statements for the 2008 financial year. The changes, applicable from January 1, 2009 and later, are not expected to have any significant effect on the company's financial results and position. However, the following amendments are worth noting in this context:

- IAS 1, Presentation of Financial Statements, applicable as of January 1, 2009, the effects of which will insignificant with regard to Novestra's financial reports.
- IFRS 8, Operating Segments, a new standard that replaces IAS 14 (Segment Reporting), applicable as of January 1, 2009 and will have a limited affect on how the group reports on operating segments.

The following new IASB and IFRIC standards,

applicable from January 1, 2009, in their present form and in the group's present situation, are not expected to have an effect on Novestra's financial reports: IAS 23, Borrowing Costs (amended and applicable from January 1, 2009), IFRS 2, Share-based Payment (amended and applicable from January 1, 2009), IAS 32, Financial Instruments, Disclosure and Presentation (amended and applicable from January 1, 2009). Nor are the IASB annual improvement amendments, applicable from January 1, 2009, expected to have an effect on Novestra's financial reports.

From 2010 and onwards, the revised IFRS 3, Business Combinations, and the amended IAS 27, Consolidated and Separate Financial Statements, will be applied to acquisitions by the group, which will change how the group reports acquisitions. These changes are not expected to affect Novestra's accounts in the company's current situation. In addition, there are a number of other standards and interpretations that have come into force in 2009 or later that are not seen as relevant to Novestra's financial reports in their present form or in relation to the company's current business operations.

### **Segment reporting**

A segment is a part of the group identifiable in the accounts that either provides products or services (lines of business), or products or services within a certain economic environment (geographic area), which are exposed to risks and opportunities that differ from other segments. In Novestra's case the segment classification is based on the nature of the holdings in the investment activities. The primary classifications of the company's segments have been the two business areas, private holdings, public holdings and joint and other business. The internal reporting system is based on a corresponding classification. No segment reporting based on geographic areas has been undertaken as it is difficult to define classification grounds that provide meaningful information and reflect the company's activities.

During 2006 a decision was made to dispose of the greater part of one of the group's two business segments, the public holdings. This segment

is accounted for since 2006 as Discontinued operations. Therefore, the only segment remaining is comprised of private holdings and a smaller part of the public holdings thus a continued classification and reporting of the segment is no longer meaningful.

### **Classification etc**

Non-current assets and long-term liabilities essentially include amounts expected to be recovered or paid after more than twelve months calculated after closing date. Current assets and short-term liabilities in the parent company and the group include amounts expected to be recovered or paid within twelve months calculated from the closing date.

### **Consolidation principles**

#### ***Subsidiaries***

Subsidiaries are companies controlled by the parent company, AB Novestra. Control directly or indirectly entails a right to govern a company's financial and operational strategies in order to obtain financial benefits. In the assessment of whether control exists, potential shares entailing voting rights, which can be utilized or converted without delay, shall be taken into consideration.

Subsidiaries are accounted for by the purchase method. This method implies that the acquisition of a subsidiary is viewed as a transaction through which the group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The acquisition value in the group is set through an acquisition analysis in connection with the acquisition. In the analysis, the acquisition value of the shares or the business and the fair value on the date of acquisition of the acquired identifiable assets and assumed liabilities and contingent liabilities are determined.

The acquisition value of the subsidiary's shares or business is the aggregate of the fair values as at the date exchange of assets, incurred or assumed liabilities, issued equity instruments provided as compensation in exchange for the acquired net assets and any costs that are directly attributed to the acquisition. In business combinations where the acquisition cost exceeds the net value of the

identifiable acquired assets and assumed liabilities and contingent liabilities, the difference is reported as goodwill. When the difference is negative, it is recognized directly in profit or loss. The subsidiary's financial reports are included in the consolidated financial statements as of the date of acquisition until the date when control no longer exists.

Intra-group receivables and liabilities, revenues or expenses and unrealized gains or losses that arise from the intra-group transactions between group companies are eliminated in the preparation of the consolidated financial statements. In the fiscal year, no transactions have occurred between companies in the group.

#### ***Associated companies***

Associated companies are companies where the group has significant influence, but not control, over the operational and financial management, usually through participation holdings between 20 and 50 percent of votes. AB Novestra primarily conducts a venture capital business. The investments, where Novestra has significant influence, are not operationally or strategically separated from other shares and participations, and all holdings are treated equally in the company's investment portfolio. In accordance with IAS 28.1, share-related investments including those where Novestra has a significant influence are carried at fair value with value changes in the income statement as per IAS 39. No associated companies are reported in accordance with the equity method in the consolidated financial statements.

#### ***Foreign currency transactions***

Foreign currency transactions are translated to the functional currency at the exchange rate of the transaction date. The functional currency is the currency of the primary economic environments in which the companies conduct business. Monetary assets and liabilities in foreign currency are translated to the functional currency at the exchange rate of the closing date. Exchange rate differences that arise in translation are recognized in the income statement. Non-monetary assets and liabilities that are measured in terms of historic cost are translated at the exchange rate of the transaction date. Non-monetary assets and liabilities car-

ried at fair value are translated to the functional currency at the rate prevailing at the date the fair value was determined.

## **Revenues**

### **General**

Consolidated revenues consist primarily of revenues from the sale of shares and participations, value changes attributable to shares and participations and dividends received, which are reported as "Investment activities", and remuneration for services carried out which are reported as "Other operations" in the income statement.

### **Shares and participations**

Revenues attributable to the sale of shares and participations and changes in value arising in the period are reported in the income statement as "Changes in value". Revenues from the sale of shares and participations are normally reported on the trade date if risks and benefits have not been transferred to the buyer on a later occasion.

### **Dividends**

Revenues from dividends are reported when the right to obtain payment has been established.

### **Implementation of services**

Revenues from service assignments are reported in the income statement based on the degree of completion on the closing date. The degree of completion is established through an assessment of work carried out on the basis of investigations made. Revenues are not reported if it is likely that the financial benefits will not go to the group.

## **Operating costs and financial income and expenses**

### **Operating costs**

All operating costs are carried in the income statement as administrative expenses. Administrative expenses are comprised of personnel costs, costs of premises, travel expenses and depreciation.

### **Costs concerning operational lease agreements**

Costs concerning operational lease agreements are recognized in the income statement on a straight-line basis over the term of the lease.

Incentives received in connection with the signing of an agreement are recognized as a part of the total leasing cost in the income statement. Variable costs are accounted for in the period they occur.

### **Financial income and expenses**

Financial income and expenses consist of income from interest on bank balances, receivables and interest-bearing securities, and interest expenses on loans and exchange rate differences.

Income from interest on receivables and interest expenses from liabilities are calculated based on the effective interest method. The effective interest rate, is the interest rate that is the present value of all estimated future payments and deposits during the expected fixed interest term the same as the carried value of the receivable or liability. The group does not capitalize interest in the material assets' acquisition values.

## **FINANCIAL INSTRUMENTS**

Financial instruments recognized in the balance sheet include, on the asset side, cash and cash equivalents, accounting receivables, shares and other equity instruments, loan and bond receivables and derivatives. Among liabilities and equity are accounts payable, issued liability and equity instruments, loans and derivatives.

### **Accounted for and removed from the balance sheet**

A financial asset or financial liability is accounted for in the balance sheet when the company becomes a party to the instrument's contractual provisions. Accounts receivable are accounted for in the balance sheet when invoices have been sent. Liabilities are accounted for when the opposite party has delivered and contractual obligations to pay exist, even if an invoice has not yet been received. Accounts payable are accounted for when invoices are received.

A financial asset is removed from the balance sheet when the contractual rights in the agreement are realized, expire or the company loses control of them. The same applies to partial financial assets. A financial liability is removed from the balance sheet when the obligation in the agree-

ment is fulfilled or otherwise extinguished. The same applies to partial financial liabilities. Purchase and sale of financial assets are reported on the transaction date, which constitutes the date the company pledges to acquire or sell the asset.

#### **Classification and evaluation**

Financial assets initially are accounted at acquisition value corresponding to the instruments fair value with adjustment for transaction costs, apart from those belonging to the category financial assets which are accounted for at fair value in the income statement, which is accounted for at fair value excluding transaction costs. The financial instrument is classified by the purpose the instrument was acquired for which therefore effects the accounting.

#### **Financial assets recognized at fair value through profit or loss**

This category consists of financial assets which are continuously accounted for at fair value with any change in value through profit or loss. The category consists of two sub-groups: financial assets held for trade and other financial assets that the company has initially chosen to place in this category. A financial asset is classified as a holding held for trade if it has been acquired with the purpose of being sold in the near future. Options are classified as holdings for trade apart from when they are used for hedge accounting. Novestra has to the latter sub-group chosen to assign in primary accounting, financial assets that according to senior managements risk management and investment strategy manage and evaluate based upon fair value. These assets consist of financial investments in equity instrument and interest-bearing securities.

#### **Shares and participations**

In accordance with "IAS 39 Shares and Participations" shares and participations are recognized at fair value with any change in value through profit or loss. In accordance with IAS 28 p. 1, Share-related investments where AB Novestra has a significant influence are also recognized at fair value with changes in value through profit or loss according to IAS 39. Fair value is established according to the following:

#### **Shares and participations in private companies**

In the absence of complete market values, or external transactions in a company that establish a reliable value, fair value for shares and participations in private companies are established by means of a valuation model, which in Novestra's case is primarily an estimation of discounted future cash flows. When calculating fair value, the assumptions regarding future growth rate and margins in each company, as well as the interest rate used in the discounted cash flow calculation have the greatest impact. Generally, valuations are based on each company's growth forecast for the next two financial years, whereupon the expected growth successively has been reduced to a long-term growth rate of 3 percent. The discount rate that has been used for each holding varies between 14 and 19 percent, after consideration for tax, and margin estimates are based on each company's forecasted margin levels. Risks related to fair values regarding private holdings is described in Note 2, where a sensitivity analysis is presented for key considerations.

Values calculated using discounted future cash flows are then compared to comparable public companies and industry multiples. The comparable public companies and industry multiples provide a benchmark range in which the fair value of each company in Novestra's portfolio is expected to lie. In cases where the calculated fair value does not fall in this range, the value of the company is adjusted to fall in this range.

In addition to taking into consideration the development of each company, great emphasis is also given to changes in value related to changes in the general market situation or changes in value pertaining to the specific industry in which the company is active.

#### **Public holdings**

Fair value of listed financial assets corresponds to the asset's listed buying rate on the closing date.

#### **Shares and participations in funds**

Fair value of shares and participations in funds correspond to the value reported by each respective manager as of the closing date.

**Loans and other receivables**

"Loans and other receivables" are financial assets which do not constitute derivatives with fixed payments or with payments that can be set, and which are not listed on an active market. The receivables arise in the lending of cash, or when services are directly provided to the borrower without the intent of pursuing trade in the claim rights. If the expected holding period is longer than one year, they constitute long-term receivables and if it is shorter, they are other receivables. This category also includes acquired receivables. Assets in this category are valued at the amortised cost. The amortized cost is determined based on the effective interest rate, which is calculated at the time of acquisition. Accounts receivables are accounted for at the amount that is expected to be received after deduction for doubtful receivables which are assessed individually. The expected duration of accounts receivable is short, which is why it is accounted for in a nominal amount without discount. Write-downs of accounts receivable is recognized as operating expenses.

**Cash and cash equivalents**

Cash and cash equivalent comprise of cash funds and immediately available balances in banks and similar institutions as well as short-term liquid investments with durations of less than three months from the time of acquisition, which are only exposed to an insignificant risk of value fluctuations.

**Financial liabilities**

Financial liabilities are classified as "other financial liabilities" and valued at the amortised cost. The loans are accounted for at amortised cost as per the effective interest calculated when the liability arose. This entails that the surplus and discount values as well as the direct issue costs are accrued during the duration of the liability.

**Interest-bearing liabilities**

Loans are initially stated at the cost, corresponding to fair value net of transaction costs and any premiums or discounts. Thereafter, the loans are accounted for at amortized cost as per the effective interest method, which means that the value is adjusted as to any premiums or discounts in con-

nection with the loan, in addition to borrowing costs being accrued for the expected duration of the loan. Accrual is calculated on the basis of the loan's initial effective interest rate. Gains and losses that arise when the loan is terminated are recognized in the income statement.

**Accounts payable and other operating costs**

Operating liabilities are accounted for at the amortized cost based on the effective interest rate calculated at the acquisition date, which, due to the short maturity normally is the nominal value.

**Tangible fixed assets**

Tangible fixed assets are accounted for by the group at the value cost net of accumulated depreciation and any impairment losses. The purchase price and costs directly attributable to the asset for delivery and preparation for its intended use are included in the acquisition cost. Examples of directly attributable costs included in the acquisition cost are the costs of delivery and handling, installation, registration, consulting services and legal services. The accounting principles for impairment are presented below. The carried value of a tangible fixed asset is removed from the balance sheet upon disposal or sale, or when no future financial benefits are expected from the use or disposal/sale of the asset. Profits or losses arising from the sale or disposal of an asset are comprised of the differences between the sale price and the asset's carried value of net direct selling expenses. Profit and loss is reported as other operating income/expense.

**Leased assets**

In the consolidated financial statements, leasing is classified either as financial or operational leasing. Financial leasing arises when the financial risks and benefits associated with ownership are essentially transferred to the lessee; if this is not the case, it is operational leasing. Only operational leasing exists in the group.

**Principles of depreciation**

Depreciation is made on a straight-line basis over the assets' estimated useful life. Estimated useful life:

Equipment	3 - 5 years
-----------	-------------

An asset's useful lifetime and potential residual value are assessed annually.

### **Impairment**

The carried values of the consolidated assets are tested for impairment every closing date to assess if there are indications of write-downs. IAS 36 is applied to assess the need of write-downs for other assets other than financial assets whereby IAS 39 is applied. Other assets which consist of assets held for sale and disposal which are to be assessed according to IFRS 5.

A write-down is accounted for when an asset or a cash generating asset's carried value exceeds the recoverable value. A write-down is accounted for as a cost in the income statement.

### **Calculation of the recoverable value**

The recoverable value of assets belonging to the categories loans and other receivables, which are accounted for at the amortized cost, is calculated as the present value of future cash flows discounted at the original effective interest which applied when the asset was initially recognized. Assets with short durations are not discounted.

The recoverable value of other assets is the greater of the net selling price and the value of use. In assessing the value of use, estimated future cash flows are discounted by a discount rate that reflects risk-free interest and the risk of the specific asset. For an asset that does not generate independent cash flows, the recoverable value is determined for the cash-generating unit to which the asset belongs is calculated.

### **Reversals of impairment**

Impairment losses are reversed if a change has occurred in the assumptions that formed the basis of the calculation of the recoverable value.

Impairment losses are only reversed to the extent that the asset's carried value after the reversal does not exceed the carried value the asset would have had if no impairment had been made, with consideration of the depreciation that would have then been made.

### **Fixed assets held for sale and Discontinued operations**

The implication of a fixed asset (or a disposal group) classified as holdings held for sale is that the recognized value will primarily be recoverable through sale and not through use.

Prior to classification as fixed assets held for sale, the carrying value of the assets (and all assets and liabilities in the disposal group) is established in accordance with the applicable standards. The initial classification as fixed assets held for sale, assets and liabilities are accounted for at the lower value of the carrying valued and fair value with a deduction made for the sale cost. In accordance with IFRS 5 p.5, an exception in the valuation regulations is made for financial assets that apply for IFRS 5 and therefore the assets are valued by the same method used prior to reclassification to assets held for sale.

A Discontinued operation is a part of the company's operations which represents an independent business segment or a substantial operation within a geographic area.

Classification of a Discontinued operation occurs at disposal or at the time the operation meets the criteria for classification as assets held for sale. A disposal group which has been disposed of can also qualify for classification as discontinued operations, but not before it has been disposed of and providing it meets the above criteria.

### **Employee benefits**

#### **Defined contribution plans**

There are only defined contribution plans in the group. Obligations for costs for determined contribution plans are recognized as an expense in the income statement as they are earned through the employee performing duties for the company during a period of time.

#### **Provisions for termination**

A provision is only accounted for in connection with termination of personnel if the company is demonstrably obligated to terminate employment before the normal point in time or when remuneration is paid as an offer to encourage voluntary resignation.

### Provisions

A provision is reported in the balance sheet when the group has an existing legal or informal obligation as a result of a past event, and it is likely that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Where the effect of the value of money is material, provisions are calculated by discounting the expected future cash flow at an interest rate before tax that reflects current market assessments and, where appropriate, the risks specific to the liability.

### Taxes

Income tax is comprised of current and deferred tax. Income tax is recognized in the income statement, except when the underlying transactions are charged directly against equity, whereby the associated tax effect is also accounted for in equity. Current tax is tax pertaining to the current year that is to be paid or received, using tax rates enacted or substantially enacted as of the balance sheet date. Current tax also includes adjustments of current tax pertaining to previous years.

Deferred tax is calculated according to the balance sheet method providing for temporary differences between the carrying amounts of assets and liabilities and their tax bases. Temporary differences are not taken into account for differences that have arisen in the initial accounting of goodwill, the initial accounting of assets and liabilities that are not business combinations and do not affect the carried or taxable result at the time of the transaction. Furthermore, temporary differences attributable to shares in subsidiaries and associated companies not expected to be reversed within the foreseeable future are also not taken into account. The valuation of deferred tax is based on how carried values of assets or liabilities are expected to be realized or settled. Deferred tax is calculated by using the tax rates and tax regulations enacted or substantially enacted as of the balance sheet date.

Deferred tax assets concerning deductible temporary differences and tax loss carry-forwards are only recognized to the extent when it is likely that these will be able to be claimed. The value of deferred tax assets is reduced when it is no longer deemed likely that they can be used.

From a fiscal perspective, Novestra is an investment company. The tax regulations for investment companies differ from those of other stock corporations in that capital gains from the sale of shares and other participations (convertibles in SEK, stock options, etc.) are tax-exempt. On the other hand, losses from the sale of shares and other participations are non-deductible for an investment company. In return, an investment company must report a standard income of 1.5 percent of the aggregate value of the market value of shares and participations held at the beginning of the fiscal year. Not to be included in the basis for calculating the standard income are the value of business-related shares and own shares and derivatives in own shares. Business-related shares refer to shares and participations in unlisted stock corporations and economic associations as well as shares and participations in listed stock corporations if the holding corresponds to at least ten percent of the votes and has been held at least one year prior to the beginning of the financial year. Under certain conditions, shares and participations in foreign legal entities can also be business related. Dividends and interest income received are taxable, while administrative expenses and interest expenses are deductible. Since an investment company's dividends paid are deductible, the company will not have to pay tax provided that the resolved dividend amounts to the sum total of the standard income, dividends received and net financial result after the deduction of administration expenses.

### Contingent liabilities

A contingent liability is reported when there is a potential obligation originating from past events and whose existence is only confirmed by one or more uncertain future events or when there is an obligation that is not reported as a liability or provision due to the unlikelihood that an outflow of resources will be required.

### Cash flow statement

The cash flow statement was prepared according to the indirect method. Only events that entail incoming or outgoing payments are reported in the cash flow

**The parent company's accounting principles**

The parent company has prepared its annual report in accordance with the Annual Accounts Act (1995:1554) and the Swedish Financial Accounting Standards Council's recommendation RPR 2.1, Accounting for legal entities. RPR 2.1 requires that, in the annual report for the legal entity, the parent company shall apply all IFRS and interpretations approved by the EU to the furthest possible extent within the framework of the Annual Accounts Act and with consideration of the connection between accounting and taxation. The standard states the exceptions and additions to be made from IFRS.

**Changed accounting principles**

The accounting principles and calculation methods applied by the parent company remain unchanged from the previous financial year (2007). Future application of the new IASB and IFRIC standards and interpretations, addressed in the group's accounting principles above, are not expected have an effect on the parent company. The revised IAS 27, Consolidated and Separate Financial Statements, applied for reporting investments in subsidiaries, associated companies or joint ventures, applicable from January 1, 2009 has not been applied in advance in 2008 financial statements, but may affect the parent company's accounts to some extent in the future in relation to distribution of acquired equity in subsidiaries or associated companies.

**Differences between the consolidated and the parent company's accounting principles**

Differences between the consolidated and the parent company's accounting principles are presented below. The accounting principles for the parent company stated below were consistently applied to all periods presented in the parent company's financial reports.

**Subsidiaries and associated companies**

Shares in subsidiaries and associated companies are reported in the parent company according to the acquisition cost method.

**Financial instruments**

In accordance with IAS 28p.1, the parent company does not carry shares and participations in associated companies at fair value. However, that which is otherwise written about financial instruments also applies to the parent company. All financial assets which do not constitute shares and participations in affiliated or associated companies are carried at fair value in accordance with the Annual Accounts Act.

**Fixed assets held for sale and Discontinued operations**

Fixed assets held for sale and Discontinued operations are not disclosed in the parent company's income and balance sheet as the parent company follows the format for the Annual Accounts Act income and balance sheet. Information on fixed assets held for sale and discontinued operations is instead provided in a note.

**2. Risk exposure and risk management**

Novestra's operations are affected by a number of factors, both internal and external, which can be controlled to varying degrees. These factors may significantly affect the company's operations with regard to future development and results as well as its financial position.

The most significant risks in Novestra's operations are commercial risks, the price risk attributable to shares in non-public and public holdings, and currency risks.

The Board of Directors sets policies for risk management and risk follow-up. Management works out the operational risk management, follow-up and risk control, which is reported to the Board as per the approved policy. AB Novestra's Managing Director has the overall responsibility for risk control.

**Commercial risks**

Novestra's business activities expose the company to risks. Carrying out investments and sales of portfolio companies involves a risk, also during the time Novestra is a shareholder in the portfolio



company. Examples of these risks are high exposure to certain investments or to certain lines of business, difficulties in finding new investments at attractive values due to the general market situation and eventual obstacles that arise relating to sales of holdings due to the general market situation, or other barriers. Novestra aims to handle these risks by:

- having a diversified portfolio with a good balance of holdings in different lines of business and a good balance between companies in various stages of development and companies whose business is conducted in different geographical markets and in different currencies,
- actively working with, and analyzing holdings to be able to identify and counteract upcoming specific risks in the holdings.

**Financial risks**

**Price and value risks**

Price and value risks exist for shares and participations both in listed and unlisted companies.

**Shares and participations in unlisted companies**

In the absence of complete market values, or external transactions in a company that establish a reliable value, fair value for shares and participations in unlisted companies are established by means of a valuation model, which in Novestra's case is primarily an estimation of discounted future cash flows. When calculating fair value, the assumptions regarding future growth rate and margins in each company, as well as the interest rate used in the discounted cash flow calculation have the greatest impact. Generally, valuations are based on each company's growth forecast for the next two financial years, whereupon the expected growth successively has been reduced to a long-term growth rate of 3 percent. The discount rate that has been used for each holding varies between 14 and 19 percent, after consideration for tax, and margin estimates are based on each company's forecasted margin levels.

Values calculated using discounted future cash flows are then compared to comparable listed

companies and industry multiples. The comparable listed companies and industry multiples provide a benchmark range in which the fair value of each company in Novestra's portfolio is expected to lie. In cases where the calculated fair value does not fall in this range, the value of the company is adjusted to fall in this range.

In addition to taking into consideration the development of each company, great emphasis is also given to changes in value related to changes in the general market situation or changes in value pertaining to the specific industry in which the company is active.

**Shares and participations in listed companies**

Price and value risks pertaining to shares and participations in listed companies are related to the development of each company as well the development of the stock market and financial market in general. Volatility levels in a specific share or stock market vary depending on the market situation at hand. The price of shares and participations are impacted, among other factors, by supply and demand at any given time.

**Assets valued using the valuation technique**

Accumulated changes in value amount to MSEK 22 (108), of which MSEK 28 (107) relates to changes in value arising from valuation through valuation techniques.

**Sensitivity analysis - Sales growth and margins**

(MSEK)	Sales growth				
	5.0%	2.5%	0.0%	-2.5%	-5.0%
EBITDA-margin					
2%	164	104	53	8	-31
1%	130	75	27	-20	-50
0%	91	43	0	-36	-69
-1%	61	14	-26	-60	-90
-2%	27	-16	-53	-84	-112

Percent	Sales growth				
	5.0%	2.5%	0.0%	-2.5%	-5.0%
EBITDA-margin					
2%	47%	30%	15%	2%	-9%
1%	37%	21%	8%	-6%	-14%
0%	26%	12%	0%	-10%	-20%
-1%	17%	4%	-7%	-17%	-26%
-2%	8%	-5%	-15%	-24%	-32%

**Currency risk**

All shares and participations are carried at fair value. In the establishment of fair value pertaining to holdings of shares in foreign currencies, the exchange rate of the closing date is used. Fluctuations in currencies have considerable impact on the establishment of fair value. As of December 31, 2008 the carried value of share holdings in foreign currencies amounted to MSEK 217 (229). In complete or partial disposals of Novestra's foreign holdings, currency fluctuations, primarily USD/SEK, will affect the value in Swedish kronor of the holdings sold. Foreign holdings are not hedged during the period of possession.

**Sensitivity analysis - USD/SEK (MSEK)**

5.0%	2.5%	0.0%	-2.5%	-5.0%
11	5	0	-6	-11

**Sensitivity analysis - USD/SEK**

In relation to the combined portfolio value, %

5.0%	2.5%	0.0%	-2.5%	-5.0%
3.1%	1.5%	0.0%	-1.6%	-3.1%

**Liquidity risks**

Liquidity risks exist in shares or other financial instruments that cannot be divested, partly because such divestment cannot occur without considerable additional costs or other losses, partly because the liquidity is not available to meet future or immediate payment commitments. The risk that shares or other financial instruments could not be divested is managed by striving for a diversified portfolio. Novestra has a short and long-term liquidity plan to secure the immediate and future payment ability. There is a risk, however, that financing cannot be obtained when needed or only obtained against considerably increasing costs. Novestra's operations are conducted with a large share of shareholders' equity and the company cannot currently perceive additional long or short-term financing needs.

Novestra has approved credit pledges totaling MSEK 125 (125) of which MSEK 65 (50) were utilized by the end of the year. Novestra's current credit facility is a bank overdraft which is usually renewed annually.

**Interest rate risks**

On the asset side, it is primarily Novestra's liquid assets that are exposed to interest rate risks, and on the liability side, the interest-bearing liabilities are exposed to interest rate risks. The total interest rate risk in Novestra is considered low due to the extent of assets and liabilities that are exposed to interest rate risks. If the interest on deposits rose by one percent on the closing date, the positive effect would amount to KSEK 95 (164) on an annual basis, and if the lending rate were raised by one percent, the negative effect would burden the result by KSEK 655 (504) on an annual basis.

**Credit risks**

Credit risks are defined as the risk of an opposite party not being able to fulfill a financial commitment to Novestra. The extent of this risk is mainly related to monies in bank accounts and loans to portfolio companies. The credit risk related to loans to portfolio companies is high, but occurs to a limited extent and against security that Novestra deems satisfactory. The credit risk is assessed to be low.

Credit exposure, TSEK	31/12/2008	31/12/2007
Cash and cash equivalents	9 527	16 351
Other receivables	13	6 211
Loans to portfolio companies:		
Associated companies	2 000	-
Other companies	-	2 359
<b>Total Credit Exposure</b>	<b>11 540</b>	<b>24 921</b>

**3. Financial assets and liabilities, categorization and results, the group**

**FINANCIAL ASSETS AND LIABILITIES BY VALUATION CATEGORY**

ASSETS	Financial assets recognized at fair value through profit or loss				Loans and other receivables		Carrying value		Fair value	
	Financial assets initially placed in this category		Financial assets held for trade							
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
<b>Financial assets</b>										
Shares and participations	378 056	434 681	9 101	16 101	-	-	387 157	450 782	387 157	450 782
Other receivables	-	-	-	-	2 013	8 570	2 013	8 570	2 013	8 570
Cash and cash equivalent	9 527	16 351	-	-	-	-	9 527	16 351	9 527	16 351
Assets held for sale	-	-	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>387 583</b>	<b>451 032</b>	<b>9 101</b>	<b>16 101</b>	<b>2 013</b>	<b>8 570</b>	<b>398 697</b>	<b>475 703</b>	<b>398 697</b>	<b>475 703</b>
<b>Other assets</b>										
Tangible fixed assets	-	-	-	-	-	-	1 258	1 369		
Other current assets	-	-	-	-	-	-	1 668	2 595		
<b>Total other assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 926</b>	<b>3 964</b>		
<b>TOTAL ASSETS</b>	<b>387 583</b>	<b>451 032</b>	<b>9 101</b>	<b>16 101</b>	<b>2 013</b>	<b>8 570</b>	<b>401 623</b>	<b>479 667</b>		
LIABILITIES	Other liabilities						Carrying value		Fair value	
<b>Financial liabilities</b>										
Current interest-bearing liabilities	65 501	50 440					65 501	50 440	65 501	50 440
Accounts payable	881	28					881	28	881	28
Other current financial liabilities	637	1 004					637	1 004	637	1 004
<b>Total financial liabilities</b>	<b>67 019</b>	<b>51 472</b>					<b>67 019</b>	<b>51 472</b>	<b>67 019</b>	<b>51 472</b>
<b>Other liabilities</b>										
Other non-financial liabilities	-	-					3 472	6 346		
<b>Total other liabilities</b>	<b>-</b>	<b>-</b>					<b>3 472</b>	<b>6 346</b>		
<b>TOTAL LIABILITIES</b>	<b>67 019</b>	<b>51 472</b>					<b>70 491</b>	<b>57 818</b>		

**RESULTS FROM FINANCIAL ASSETS AND LIABILITIES BY VALUATION CATEGORY**

RESULTS	Financial assets recognized at fair value through profit or loss				Loans and other receivables		Other liabilities		Total	
	Financial assets initially placed in this category		Financial assets held for trade							
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
<b>Investment activities</b>										
Changes in values, including currency effects	-81 638	7 728	-	-190	-	-	-	-	-81 638	7 538
Dividends	6 931	14 560	-	-	-	-	-	-	6 931	14 560
<b>Total investment activities</b>	<b>-74 707</b>	<b>22 288</b>	<b>-</b>	<b>-190</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-74 707</b>	<b>22 098</b>
<b>Financial income and expenses</b>										
Interest										
Income	121	1 550	-	-	398	1 096	-	-	519	2 646
Expenses	-	-	-	-	-	-	-4 307	-3 352	-4 307	-3 352
<b>Total interest</b>	<b>121</b>	<b>1 550</b>	<b>-</b>	<b>-</b>	<b>398</b>	<b>1 096</b>	<b>-4 307</b>	<b>-3 352</b>	<b>-3 789</b>	<b>-706</b>
Currency effects										
Gains	206	-	-	-	-	-	-	-	206	-
Losses	-42	-2 520	-	-	-	-678	-	-	-42	-3 198
<b>Total currency effects</b>	<b>164</b>	<b>-2 520</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-678</b>	<b>-</b>	<b>-</b>	<b>164</b>	<b>-3 198</b>
<b>TOTAL</b>	<b>-74 422</b>	<b>21 318</b>	<b>-</b>	<b>-190</b>	<b>398</b>	<b>418</b>	<b>-4 307</b>	<b>-3 352</b>	<b>-78 332</b>	<b>18 194</b>

For key estimates and assumptions in establishing valuation at fair value, see Note 1, Accounting and valuation principles and Note 14, Shares and participations, the group.

**4. Result from Discontinued operations including segment reporting, the group**

Reporting by segment for previous financial year-end reporting has been based on the group's business segment; public and private holdings, according to the accounting principles described in Note 1. During 2006 the decision was made to dispose of the greater part of one of the group's two segments, the public

holdings. This segment is accounted for as of the financial year 2006 as Discontinued operations. Therefore, the only remaining segment is the private holdings and a smaller part of the public holdings. A continued division and reporting of the segment is therefore no longer meaningful.

Performance by business area January 1 – December 31	Discontinued operations		Remaining operations						Total	
	Public holdings		Private holdings		Joint & other operations		Total			
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Investment activities										
Changes in value	-	10 348	-78 413	-7 369	-3 225	4 559	-81 638	-2 810	-81 638	7 538
Dividends	-	-	6 931	14 560	-	-	6 931	14 560	6 931	14 560
Net sales	-	-	-	-	1 133	2 000	1 133	2 000	1 133	2 000
<b>Gross profit/loss</b>	<b>-</b>	<b>10 348</b>	<b>-71 482</b>	<b>7 191</b>	<b>-2 092</b>	<b>6 559</b>	<b>-73 574</b>	<b>13 750</b>	<b>-73 574</b>	<b>24 098</b>
Administrative expenses										
Personnel costs	-	-	-992	-992	-7 240	-6 848	-8 232	-7 840	-8 232	-7 840
Depreciation	-	-	-	-	-141	-161	-141	-161	-141	-161
Other costs	-	-	-	-	-4 837	-6 419	-4 837	-6 419	-4 837	-6 419
	-	-	-992	-992	-12 218	-13 428	-13 210	-14 420	-13 210	-14 420
<b>Operating profit/loss</b>	<b>-</b>	<b>10 348</b>	<b>-72 474</b>	<b>6 199</b>	<b>-14 310</b>	<b>-6 869</b>	<b>-86 784</b>	<b>-670</b>	<b>-86 784</b>	<b>9 678</b>
Net financial items	-	-	-	-	-3 625	-3 904	-3 625	-3 904	-3 625	-3 904
Current taxes	-	-	-	-	-309	-1105	-309	-1105	-309	-1105
<b>Profit/loss for the year</b>	<b>-</b>	<b>10 348</b>	<b>-72 474</b>	<b>6 199</b>	<b>-18 244</b>	<b>-11 878</b>	<b>-90 718</b>	<b>-5 679</b>	<b>-90 718</b>	<b>4 669</b>
Result per share, SEK	-	0.28	-1.95	0.17	-0.49	-0.32	-2.44	-0.15	-2.44	0.13
<b>ASSETS</b>										
Shares and participations	-	-	348 788	413 693	38 369	37 089	387 157	450 782	387 157	450 782
Other fixed assets	-	-	-	-	1 258	1 369	1 258	1 369	1 258	1 369
<b>Total fixed assets</b>	<b>-</b>	<b>-</b>	<b>348 788</b>	<b>413 693</b>	<b>39 627</b>	<b>38 458</b>	<b>388 415</b>	<b>452 151</b>	<b>388 414</b>	<b>452 151</b>
Assets held for sale	-	-	-	-	9 527	16 351	9 527	16 351	9 527	16 351
Other current assets	-	-	-	-	3 681	11 165	3 681	11 165	3 681	11 165
<b>Total current assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13 208</b>	<b>27 516</b>	<b>13 208</b>	<b>27 516</b>	<b>13 208</b>	<b>27 516</b>
<b>TOTAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>348 788</b>	<b>413 693</b>	<b>52 835</b>	<b>65 974</b>	<b>401 623</b>	<b>479 667</b>	<b>401 623</b>	<b>479 667</b>
<b>EQUITY &amp; LIABILITIES</b>										
Equity	-	-	-	-	331 132	421 849	331 132	421 849	331 132	421 849
Liabilities										
Current interest-bearing liabilities	-	-	-	-	65 501	50 440	65 501	50 440	65 501	50 440
Other current liabilities	-	-	-	-	4 990	7 378	4 990	7 378	4 990	7 378
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70 491</b>	<b>57 818</b>	<b>70 491</b>	<b>57 818</b>	<b>70 491</b>	<b>57 818</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>401 623</b>	<b>479 667</b>	<b>401 623</b>	<b>479 667</b>	<b>401 623</b>	<b>479 667</b>
<b>Investments</b>										
Tangible fixed assets	-	-	-	-	34	193	34	193	34	193
Financial fixed assets	-	-	13 507	39 453	40 538	51 394	54 045	90 847	54 045	90 847
<b>Total investments</b>	<b>-</b>	<b>-</b>	<b>13 507</b>	<b>39 453</b>	<b>40 572</b>	<b>51 587</b>	<b>54 079</b>	<b>91 040</b>	<b>54 079</b>	<b>91 040</b>

**5. Investment activities, the group**

The gross profit/loss from investment activities is divided into "Changes in value" and "Dividends". Changes in values refer to all profits/loss emanating from financial instruments, including gains or losses from sale of financial instruments and changes in fair value of financial instruments, not relating to received dividends nor relating to Discontinued operations.

**6. Other operations, the group**

Other operations refer to operations in the subsidiary, Novestra Financial Services AB, and consist of net sale from services provided in regard to a administration agreement with Nove Capital Master Fund Ltd.

<b>7. Operational leasing, the group</b>	<b>1/1/2008 12/31/2008</b>	<b>1/1/2007 12/31/2007</b>
Leasing agreement whereby AB Novestra is lessee		
Non terminable leasing payments:		
Within 1 year	790	770
Between 1-5 years	790	-
Longer than 5 years	-	-

The group leasing relates only to rent for leased office premises. The leasing payments for the year amounted to 790 (770).

**8. Employees and personnel costs, the group**

**Average number of employees and gender distribution:**

The average number of employees during the year amounted to five (five) of which three (three) were men.

**Gender distribution in the Board of Directors and senior management:**

The Board of Directors and other senior management consisted of men as in the previous year.

<b>Salaries, other remunerations and social security expenses:</b>	<b>1/1/2008 12/31/2008</b>	<b>1/1/2007 12/31/2007</b>
<i>Salaries and other remunerations:</i>		
The Board of Directors, Managing Director and Vice President	4 366	4 358
Other employees	1 064	908
<b>Total salaries and other remunerations</b>	<b>5 430</b>	<b>5 266</b>
<i>Social security expenses:</i>		
The Board of Directors, Managing Director and Vice President	2 168	2 082
(of which are pension costs)	(751)	(743)
Other employees	507	453
(of which are pension costs)	(161)	(153)
<b>Total social costs</b>	<b>2 675</b>	<b>2 535</b>
<b>Total salaries, other remunerations and social costs</b>	<b>8 105</b>	<b>7 801</b>

All salaries and other remunerations, except 300 (200) relating to Board remuneration, relate to personnel in Sweden.

**INFORMATION ON SENIOR MANAGEMENT BENEFITS****SENIOR MANAGEMENT**

Senior management refers to the management defined as the Chairman of the Board, the company's Managing Director and Vice President.

**REMUNERATION TO THE BOARD OF DIRECTORS**

During the financial year, the Board of Directors received remuneration totaling 500 (400) in accordance with a decision taken at the Annual General Meeting 2008. The remuneration to the Board of Directors has been equally divided between the members of the Board who are not employees of Novestra, i.e. 100 to each board member. The Chairman of the Board, Theodor Dalenson is employed by Novestra with a fixed monthly salary amounting to 100 per month. The employment contract is subject to six months' notice by either party.

**PRINCIPLES FOR REMUNERATION TO SENIOR MANAGEMENT**

The senior management has a fixed remuneration for completed work assignments. Decisions on variable result based remuneration to senior management are referred to the Annual General Meeting. The Board's proposal regarding variable result-based remuneration for 2009 shall be considered at the Annual General Meeting on April 22, 2009.

**CURRENT GUIDELINES FOR REMUNERATION TO SENIOR MANAGEMENT**

The Annual General Meeting 2008 approved the Board of Directors' proposal regarding guidelines for remuneration for the management as set forth below. The proposal substantially complies with earlier applied guidelines for remuneration for the management of the company. The Board of Directors as a whole serves as a remuneration committee in relation to matters regarding remuneration and other terms of employment for the management of the company.

Novestra shall offer conditions in line with the market which will enable the company to recruit and retain competent personnel. The remuneration to the management of the group shall consist of fixed salary, variable remuneration, pension and other customary benefits. The remuneration is based on the commitment and performance of the individual in relation to individual objectives and joint objectives for the company which have been determined in advance. The individual performance is continuously evaluated.

The fixed salary is in general reviewed on a yearly basis and shall be based on the qualitative performance of the individual. The fixed salary of the Managing Director and the management shall be in line with the market. The variable remuneration shall be based on the revenue and earnings trends within the respective responsibility area and within the group.

The Board of Directors may, if special circumstances are at hand in a certain case, decide to deviate from the guidelines.

**INCENTIVE SCHEME**

The company has no outstanding share-related incentive scheme or any outstanding options. At the Annual General Meeting on April 23, 2008, it was resolved to approve the proposed bonus plan for the company's employees. The bonus shall, as a total cost for the company, correspond to ten percent of the net return for disposals of the company's holdings in unlisted companies, made during the year to which the bonus is attributable. The return from holdings shall be calculated as the amount received at the disposal less the carrying value before the company began to apply IFRS (plus additional investments, if any). The bonus plan shall be subject to annual approval of the Annual General Meeting. The Board of Directors' proposal regarding to variable result-based remuneration for 2009 shall be published in the notice for the Annual General Meeting to be held on April 22, 2009.

Specification of remuneration and other benefits to senior management and board members:

Person	Remuneration 2008	Remuneration 2007
<b>Senior management</b>		
<b>Theodor Dalenson</b>	<b>1 491</b>	<b>1 489</b>
Chairman and CEO		
Salary	(1 200)	(1 200)
Bonus	(-)	(-)
Board member remuneration	(-)	(-)
Pension	(291)	(289)
<b>Johan Heijbel</b>	<b>1 867</b>	<b>1 908</b>
Managing Director		
Salary	(1 611)	(1 657)
Bonus	(-)	(-)
Pension	(257)	(251)
<b>Marcus Söderblom</b>	<b>1 259</b>	<b>1 305</b>
Vice President		
Salary	(1 056)	(1 102)
Bonus	(-)	(-)
Pension	(203)	(203)
<b>Total senior management</b>	<b>4 617</b>	<b>4 702</b>
<b>Board members:</b>		
Colin Kingsnorth	100	100
Anders Lönnqvist	100	100
David E. Marcus <sup>(1)</sup>	-	100
Jan Söderberg <sup>(2)</sup>	100	-
Bertil Villard	100	100
Jens A. Wilhelmsen <sup>(2)</sup>	100	-
<b>Total Board members</b>	<b>500</b>	<b>400</b>
<b>Total senior management and Board members</b>	<b>5 117</b>	<b>5 102</b>

(1) Resigned at the AGM 2008.

(2) Elected at the AGM 2008.

#### SALARY AND OTHER BENEFITS TO THE MANAGING DIRECTOR AND THE VICE PRESIDENT

The principles for the bonus for the financial year 2008 were decided by the Annual General Meeting 2008. The employment contract is subject to 24 months' notice by either party and contains no provision regarding lowered retirement age.

#### DECISION PROCESS

All remuneration matters concerning senior management and other potential benefits are considered and decided upon by the Board. The same process applies to potential remunerations regarding consulting fees for members of the Board. Decisions on potential variable result-based remuneration to senior management are referred to the Annual General Meeting. The remuneration committee consists of the whole Board of Directors.

#### PENSION

Pension is paid in accordance with the ITP plan for all employees, the retirement age is 65.

#### SEVERANCE PAY

There are no agreements including severance pay.

	1/1/2008	1/1/2007
<b>9. Remuneration to auditors, the group</b>	<b>12/31/2008</b>	<b>12/31/2007</b>
Audit, KPMG AB	909	954
Other assignments, KPMG AB	-	112
<b>Total remuneration to auditors</b>	<b>909</b>	<b>1 066</b>

Audit assignment is defined as the audit of the annual financial statements, the administration of the Board of Director and the Managing Director, and other tasks, which rest upon the auditor as well as consulting and other assistance, which have been initiated by the findings in performing the audit work or implementation of such tasks. All other work is referred to as other assignments.

	1/1/2008	1/1/2007
<b>10. Depreciation of tangible fixed assets, the group</b>	<b>12/31/2008</b>	<b>12/31/2007</b>
Depreciation according to plan by type of asset:		
Equipment	141	161
<b>Total depreciation</b>	<b>141</b>	<b>161</b>

The total depreciation relates to administration.

	1/1/2008	1/1/2007
<b>11. Net financial items, the group</b>	<b>12/31/2008</b>	<b>12/31/2007</b>
<b>Financial income:</b>		
Interest income, associated companies	285	1 096
Other interest expenses	234	1 550
Exchange rate gains	163	-
<b>Total</b>	<b>682</b>	<b>2 646</b>
<b>Financial expenses:</b>		
Other interest expenses	-4 307	-3 352
Exchange rate losses	-	-3 198
<b>Total</b>	<b>-4 307</b>	<b>-6 550</b>

For information relating to valuation category see Note 3 Financial Assets and Liabilities, categorization and result.



12. Taxes, the group	1/1/2008		1/1/2007	
	12/31/2008		12/31/2007	
Information on the relationship between reported tax expense and result before taxes:				
	Total value	Tax effect	Total value	Tax effect
Result before taxes	-90 409	25 315	5 774	-1 617
Standard income	715	-200	309	-87
Effects of tax-exempt income:				
Change in values	81 638	-22 859	-7 538	2 111
Other non-deductible expenses	222	-62	289	-81
<b>Total</b>	<b>-7 834</b>	<b>2 194</b>	<b>-1 166</b>	<b>326</b>
Less proposed dividend	-	-	-	-
<b>Total</b>	<b>-7 834</b>	<b>2 194</b>	<b>-1 166</b>	<b>326</b>
Increase in tax loss carried forward not recognized as deferred tax assets				
	8 822	-2 470	2 750	-770
Changed tax previous year	114	-32	2 364	-662
<b>Reported tax expense<sup>(1)</sup></b>	<b>1 102</b>	<b>-309</b>	<b>3 948</b>	<b>-1 105</b>
Tax loss carried forward at the beginning of the year				
	152 867		150 117	
Change tax loss carried forward during the year				
	8 822		2 750	
<b>Tax loss carried forward at the end of the year<sup>(2)</sup></b>	<b>161 689</b>		<b>152 867</b>	

(1) As AB Novestra is an investment company fiscally there is no possibility for group contribution within the group.

(2) In accordance with current legislation there are no regulations that determine the life expectancy of the company's fiscal deficit. No deferred tax receivable has been accounted for with regard to tax loss carried forward.

13. Equipment, the group	12/31/2008	12/31/2007
Accumulated acquisition value:		
At the beginning of the year	2 231	2 763
Disposals	-22	-725
Acquisitions	34	193
<b>At the end of the year</b>	<b>2 243</b>	<b>2 231</b>
Accumulated depreciation:		
At the beginning of the year	-862	-1 392
Disposals	18	691
Acquisitions	-141	-161
<b>At the end of the year</b>	<b>-985</b>	<b>-862</b>
<b>Carrying value</b>	<b>1 258</b>	<b>1 369</b>

<b>14. Shares and participations, the group</b>	<b>12/31/2008</b>	<b>12/31/2007</b>
Carrying values:		
At the beginning of the year	450 782	385 697
Acquisitions	54 045	90 847
Disposals	-31 154	-22 396
Changes in fair values through income statement	-86 516	-3 366
<b>Carrying value at year-end</b>	<b>387 157</b>	<b>450 782</b>

All shares and participations, including shares and participations in associated companies, have been recognised on the balance sheet as "at fair value through profit or loss".

Shares and participations in associated companies are not accounted for according to the equity method, in accordance with IAS 28.1.

Of the total carried value for shares and participations 270 150 (310 500) consists of shares and participation in associated companies which is recognized at fair value in accordance with IAS 39 with changes in value through profit or loss.

Accumulated changes in fair values amounts to 21 965 (108 480), of which 28 212 (106 625) emanates from changes in fair value through valuation techniques and -6 247 (1 855) emanates from changes in values related to publicly traded shares and participations.

Specification of shares and participations:

Name	Ownership <sup>(1)</sup> %	No. of shares	Carrying value	
	12/31/2008	12/31/2008	12/31/2008	12/31/2007
<b>Private holdings:</b>				
Continuum Group Ltd <sup>(2) (4)</sup>	12.3	8 062 500	-	2 456
Dallas sthlm DDG AB	7.0	112 904	426	426
Diino AB	49.8	280 916	24 250	44 500
Shares	(49.8)	(280 916)	(24 250)	(37 500)
Convertible loan	(-)	(-)	(-)	(7 000)
Explorica, Inc. <sup>(4)</sup>	13.5	4 777 663	51 900	53 100
Shares	(13.5)	(4 777 663)	(43 947)	(43 999)
Warrants <sup>(3)</sup>	(-)	(-)	(7 953)	(9 101)
MyPublisher, Inc. <sup>(4)</sup>	25.4	74 143 266	138 800	125 100
Netsurvey Bolinder AB	45.3	10 530 769	10 500	8 900
Qbranch AB	23.5	2 500 000	96 600	132 000
Strax Holdings, Inc. <sup>(4)</sup>	15.7	5 179 148	26 300	47 200
Other			11	11
<b>Total private holdings</b>			<b>348 787</b>	<b>413 693</b>
<b>Public holdings:</b>				
Other public holdings			38 370	37 089
<b>Total public holdings</b>			<b>38 370</b>	<b>37 089</b>
<b>Total shares and participations</b>			<b>387 157</b>	<b>450 782</b>

(1) Prior to dilution and utilization of options etc.

(2) Novestra has a remaining investment commitment of MUSD 1.9. After discussions with Continuum's Board and other main shareholders in Continuum, Novestra's Board estimates that Continuum does not intend to call for payment of the remaining investment commitment.

(3) Novestra holds warrants to subscribe for 1 340 000 shares in Explorica at a strike price of USD 0.45 per share, valid up to and including June 14, 2011. If all 5 923 000 warrants issued in Explorica were to be utilized, Novestra's ownership would amount to 14.8 percent.

(4) USD/SEK= 7.8347 (6.4034)

**Key estimates and assumptions when establishing fair values regarding private holdings**

In the absence of complete market values, or external transactions in a company that establish a reliable value, fair value for shares and participations in unlisted companies are established by means of a valuation model, which in Novestra’s case is primarily an estimation of discounted future cash flows. When calculating fair value, the assumptions regarding future growth rate and margins in each company, as well as the interest rate used in the discounted cash flow calculation have the greatest impact. Generally, valuations are based on each company’s growth forecast for the next two financial years, whereupon the expected growth successively has been reduced to a long-term growth rate of 3 percent. The discount rate that has been used for each holding varies between 14 and 19 percent, after consideration for tax, and margin estimates are based on each company’s forecasted margin levels. Values calculated using discounted future cash flows are then compared to comparable listed companies and industry multiples. The comparable listed companies and industry multiples provide a benchmark range in which the fair value of each company in Novestra’s portfolio is expected to lie. In cases where the calculated fair value does not fall in this range, the value of the company is adjusted to fall in this range. In addition to taking into consideration the development of each company, great emphasis is also given to changes in value related to changes in the general market situation or changes in value pertaining to the specific industry in which the company is active.

**Key risks relating to shares and participations**

Price risks and currency risks are the risks assumed to have the greatest impact on future valuations at fair value.

<b>15. Cash and cash equivalents, the group</b>	<b>12/31/2008</b>	<b>12/31/2007</b>
Amounts in SEK	9 251	13 838
Amounts in USD	276	2 513
<b>Total</b>	<b>9 527</b>	<b>16 351</b>

Cash and cash equivalents only includes cash and bank balances. When converting USD to SEK, the exchange rate 7.8347 (6.4034) has been used.

<b>16. Assets held for sale, the group</b>	<b>12/31/2008</b>	<b>12/31/2007</b>
Accounted values:		
At the beginning of the year	-	290 478
Disposals during the year	-	-290 478
<b>Total</b>	<b>-</b>	<b>-</b>

Assets held for sale referred to the investment in Nove Capital Fund, which is accounted for in the income statements as Discontinued operations. The holding in Nove Capital Fund is accounted for as a financial fixed asset within shares and participations.

**17. Equity, the group**

The groups’ equity consists of share capital, other contributed capital and retained earnings including profit or loss for the year.

**Share capital**

The group’s share capital consists of the parent company’s share capital, share capital in subsidiaries have been eliminated in the group accounts. The share capital amounts to SEK 37 187 973, distributed over the same number of shares. The quota value amounts to SEK 1.00. All shares have the same right to the net assets, and every share has one vote at a general meeting with the shareholders. All shares are fully paid.

### Other contributed capital

Other contributed capital is capital paid in by the shareholders other than share capital, including share premium reserves in the companies within the group that has been transferred into statutory reserve as per December 31, 2005 due to new regulations as a result of a new Companies Act which came into effect January 1, 2006.

### Retained earnings including profit or loss for the year

Retained earnings including profit or loss for the year consists of accumulated earnings in the parent company and the subsidiary, as well as accumulated effects on profit or loss emanating from consolidation of the group accounts. Previous transfers into the statutory reserve, excluding transferred other contributory equity, are included in their own capital item.

### Dividend

The Board of Directors and the Managing Director propose that no dividend be paid out for the financial year 2008. A redemption program was carried out during 2007, whereby each share in Novestra was split into two shares of which one was redeemed for SEK 5.00. The proposal was approved at the Annual General Meeting on April 24, 2007.

### Authorization for the Board of Directors to resolve upon new share issues

On April 23, 2008, The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors, to authorize the Board of Directors to up until the next Annual General Meeting and on one or several occasions and with or without preferential rights for the shareholders, decide on a share issue of a maximum of 6 000 000 new shares for payment in cash, through contribution in kind or by set-off. The reason for the proposal and the possibility to deviate from shareholders' preferential rights in the proposal is, among other things, to facilitate for the company to carry out acquisitions with payment in shares or to otherwise procure the financing of the company in an active and appropriate manner.

### Management of capital

Capital consists of accounted equity, amounting to 331 131 (421 849) in the group. The Board of Directors' aim is that the company shall have a capital structure resulting in a high return through the use of suitable pledges, while at the same time aiming to maintain a sound financial stability through maintaining a high solidity of at least 50 percent.

The Board of Directors intend, providing the capital structure and the group's financial obligations permit, propose distribution to the shareholders, through a dividend or other method, depending on which method is most suitable at each individual occasion. During the previous three financial years a total of SEK 297 503 784 has been distributed to the shareholders, corresponding to SEK 8.00 per share. Of that amount SEK 111 563 919 was distributed through dividends and SEK 185 939 865 through a redemption procedure.

	<b>1/1/2008</b>	<b>1/1/2007</b>
	<b>12/31/2008</b>	<b>12/31/2007</b>
<b>Number of shares issued</b>		
At the beginning of the year	37 187 973	37 187 973
Split (2:1)	-	37 187 973
Redemption of shares	-	-37 187 973
<b>Number of shares at the end of the year</b>	<b>37 187 973</b>	<b>37 187 973</b>

<b>18. Interest-bearing loans, the group</b>	<b>12/31/2008</b>	<b>12/31/2007</b>
Raised loans – credit institutions	65 501	50 440
<b>Total</b>	<b>65 501</b>	<b>50 440</b>

Liabilities to credit institutions are in the form of a SEK bank overdraft, which normally expires and is renewed annually. Other liabilities comprise of operating liabilities which normally are due for payment within 10-90 days.

<b>19. Pledged assets, the group</b>	<b>12/31/2008</b>	<b>12/31/2007</b>
Pledged assets	133 975	151 050
Utilised assets	-65 501	-50 440
<b>Second mortgage</b>	<b>68 474</b>	<b>100 610</b>

The pledge refers to pledging of financial instruments in the form of shares and participations. The total of credits granted amounts to 125 000 (125 000).

<b>20. Specification to the cash flow statement, the group</b>	<b>1/1/2008</b>	<b>1/1/2007</b>
	<b>12/31/2008</b>	<b>12/31/2007</b>
<b><i>Adjustment for transactions not included in cash flow</i></b>		
Write-downs	141	161
Proceeds from sale of fixed assets	4	24
Changes in value through profit or loss, remaining operations	81 638	2 810
Changes in value through profit or loss, Discontinued operations	-	-10 348
Dividends of shares and participations	-486	-8 444
	<b>81 297</b>	<b>-15 797</b>
<b><i>Cash and cash equivalent</i></b>		
The following components are included in cash and cash equivalent:		
Cash and bank balances	9 527	16 351
	<b>9 527</b>	<b>16 351</b>

As at December 31, 2008, the group has an unutilized credit facility amounting to 59 499 (74 560) which is not accounted for in the above values.

<b><i>Paid interest and dividends received</i></b>		
Dividends received	6 445	6 115
Interest received	519	2 646
Interest paid	-4 307	-3 352

**21. Financial assets and liabilities, categorization and results, the parent company**

**FINANCIAL ASSETS AND LIABILITIES BY VALUATION CATEGORY**

ASSETS	Financial assets recognized at fair value through profit or loss				Loans and other receivables		Carrying value		Fair value	
	Financial assets initially placed in this category		Financial assets held for trade							
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
<b>Financial assets</b>										
Shares and participations	109 054	131 181	7 953	9 101	-	-	117 007	140 282	117 007	140 282
Other receivables	-	-	-	-	2 013	8 570	2 013	8 570	2 013	8 570
Cash and cash equivalent	9 428	16 252	-	-	-	-	9 428	16 252	9 428	16 252
<b>Total financial assets</b>	<b>118 482</b>	<b>147 433</b>	<b>7 953</b>	<b>9 101</b>	<b>2 013</b>	<b>8 570</b>	<b>128 448</b>	<b>165 104</b>	<b>128 448</b>	<b>165 104</b>
<b>Other assets</b>										
Tangible fixed assets	-	-	-	-	-	-	1 258	1 369		
Shares and participations in group companies							100	100		
Shares and participations in associated companies							148 082	158 972		
Other current assets	-	-	-	-	-	-	535	595		
<b>Total other assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149 975</b>	<b>161 036</b>		
<b>TOTAL ASSETS</b>	<b>118 482</b>	<b>147 433</b>	<b>7 953</b>	<b>9 101</b>	<b>2 013</b>	<b>8 570</b>	<b>278 423</b>	<b>326 140</b>		

LIABILITIES	Other liabilities		Carrying value		Fair value	
	2008	2007	2008	2007	2008	2007
<b>Financial liabilities</b>						
Current interest-bearing liabilities	65 501	50 440	65 501	50 440	65 501	50 440
Accounts payable	881	28	881	28	881	28
Other current financial liabilities	8 049	9 014	8 049	9 014	8 049	9 014
<b>Total financial liabilities</b>	<b>74 431</b>	<b>59 482</b>	<b>74 431</b>	<b>59 482</b>	<b>74 431</b>	<b>59 482</b>
<b>Other liabilities</b>						
Other non-financial liabilities	-	-	2 356	3 089		
<b>Total other liabilities</b>	<b>-</b>	<b>-</b>	<b>2 356</b>	<b>3 089</b>		
<b>TOTAL LIABILITIES</b>	<b>74 431</b>	<b>59 482</b>	<b>76 787</b>	<b>62 571</b>		

**RESULTS FROM FINANCIAL ASSETS AND LIABILITIES BY VALUATION CATEGORY**

RESULTS	Financial assets recognized at fair value through profit or loss				Loans and other receivables		Other liabilities		Total	
	Financial assets initially placed in this category		Financial assets held for trade							
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
<b>Investment activities</b>										
Result from shares and participations, including currency effects	-52 177	-11 319	-	-190	-	-	-	-	-52 177	-11 509
Dividends	6 931	14 560	-	-	-	-	-	-	6 931	14 560
<b>Total investment activities</b>	<b>-45 246</b>	<b>3 241</b>	<b>-</b>	<b>-190</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-45 246</b>	<b>3 051</b>
<b>Financial income and expenses</b>										
Interest										
Income	120	1 550	-	-	398	1 096	-	-	518	2 646
Expenses	-	-	-	-	-	-	-4 172	-3 354	-4 172	-3 354
<b>Total interest</b>	<b>120</b>	<b>1 550</b>	<b>-</b>	<b>-</b>	<b>398</b>	<b>1 096</b>	<b>-4 172</b>	<b>-3 354</b>	<b>-3 654</b>	<b>-708</b>
Currency effects										
Gains	-	-	-	-	206	-	-	-	206	-
Losses	-42	-2 520	-	-	-	-372	-	-	-42	-2 892
<b>Total currency effects</b>	<b>-42</b>	<b>-2 520</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-372</b>	<b>-</b>	<b>-</b>	<b>164</b>	<b>-2 892</b>
<b>TOTAL</b>	<b>-45 168</b>	<b>2 271</b>	<b>-</b>	<b>-190</b>	<b>604</b>	<b>724</b>	<b>-4 172</b>	<b>-3 354</b>	<b>-48 736</b>	<b>-549</b>

**22. Result from Discontinued operations including segment reporting, the parent company**

Reporting by segment for previous financial year-end reporting has been based on the group's business segment; public and private holdings, according to the accounting principles described in Note 1. During 2006 the decision was made to dispose of the greater part of one of the group's two segments, the public holdings. This segment

is accounted for as of the financial year 2006 as Discontinued operations. Therefore, the only remaining segment is the private holdings and a smaller part of the public holdings. A continued division and reporting of the segment is therefore no longer meaningful.

Performance by business area January 1 – December 31	Discontinued operations		Remaining operations						Totalt	
	Public holdings		Private holdings		Joint & other operations		Total			
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Investment activities										
Result - shares and participations	-	10 348	-48 952	-26 416	-3 225	4 559	-52 177	-21 857	-52 177	-11 509
Dividends	-	-	6 931	14 560	-	-	6 931	14 560	6 931	14 560
<b>Gross profit/loss</b>	<b>-</b>	<b>10 348</b>	<b>-42 021</b>	<b>-11 856</b>	<b>-3 225</b>	<b>4 559</b>	<b>-45 246</b>	<b>-7 297</b>	<b>-45 246</b>	<b>3 051</b>
Administrative expenses										
Personnel costs	-	-	-992	-992	-7 240	-6 848	-8 232	-7 840	-8 232	-7 840
Depreciation	-	-	-	-	-141	-161	-141	-161	-141	-161
Other costs	-	-	-	-	-4 827	-6 409	-4 827	-6 409	-4 827	-6 409
	-	-	-992	-992	-12 208	-13 418	-13 200	-14 410	-13 200	-14 410
<b>Operating profit/loss</b>	<b>-</b>	<b>10 348</b>	<b>-43 013</b>	<b>-12 848</b>	<b>-15 433</b>	<b>-8 859</b>	<b>-58 446</b>	<b>-21 707</b>	<b>-58 446</b>	<b>-11 359</b>
Net financial items	-	-	-	-	-3 490	-3 600	-3 490	-3 600	-3 490	-3 600
Current taxes	-	-	-	-	-	-603	-	-603	-	-603
<b>Profit/loss for the year</b>	<b>-</b>	<b>10 348</b>	<b>-43 013</b>	<b>-12 848</b>	<b>-18 923</b>	<b>-13 062</b>	<b>-61 936</b>	<b>-25 910</b>	<b>-61 936</b>	<b>-15 562</b>
<b>ASSETS</b>										
Shares and participations	-	-	226 819	262 165	38 370	37 189	265 189	299 354	265 189	299 354
Other fixed assets	-	-	-	-	1 258	1 369	1 258	1 369	1 258	1 369
Total fixed assets	-	-	226 819	262 165	39 628	38 558	266 447	300 723	266 447	300 723
Cash and cash equivalent	-	-	-	-	9 428	16 252	9 428	16 252	9 428	16 252
Other current assets	-	-	-	-	2 548	9 165	2 548	9 165	2 548	9 165
Total current assets	-	-	-	-	11 976	25 417	11 976	25 417	11 976	25 417
<b>TOTAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>226 819</b>	<b>262 165</b>	<b>51 604</b>	<b>63 975</b>	<b>278 423</b>	<b>326 140</b>	<b>278 423</b>	<b>326 140</b>
<b>EQUITY &amp; LIABILITIES</b>										
Equity	-	-	-	-	201 636	263 569	201 636	263 569	201 636	263 569
Liabilities										
Current interest-bearing liabilities	-	-	-	-	65 501	50 440	65 501	50 440	65 501	50 440
Other current liabilities	-	-	-	-	11 286	12 131	11 286	12 131	11 286	12 131
Total liabilities	-	-	-	-	76 787	62 571	76 787	62 571	76 787	62 571
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>278 423</b>	<b>326 140</b>	<b>278 423</b>	<b>326 140</b>	<b>278 423</b>	<b>326 140</b>
Investments :										
Tangible fixed assets	-	-	-	-	34	193	34	193	34	193
Financial fixed assets	-	-	13 507	39 453	40 538	51 394	54 045	90 847	54 045	90 847
Total investments	-	-	13 507	39 453	40 572	51 587	54 079	91 040	54 079	91 040

**23. Investment activities, the parent company**

The gross profit/loss from investment activities is divided into "Result from shares and participations" and "Dividends". The result from shares and participations refers to all profit/loss emanating from financial instruments, including gains or losses from sale of financial instruments and changes in fair value of financial instruments, not relating to received dividends.

**24. Employees, the parent company****Average number of employees and gender distribution:**

The average number of employees during the year amounted to five (five) of which three (three) were men.

**Gender distribution in the Board of Directors and senior management:**

The Board of Directors and other senior management consisted of men, as in the previous year.

<b>Salaries, other remunerations and social security expenses:</b>	<b>1/1/2008 12/31/2008</b>	<b>1/1/2007 12/31/2007</b>
<i>Salaries and other remunerations:</i>		
The Board of Directors, Managing Director and Vice President	4 366	4 358
Other employees	1 064	908
<b>Total salaries and other remunerations</b>	<b>5 430</b>	<b>5 266</b>
<i>Social security expenses:</i>		
The Board of Directors, Managing Director and Vice President (of which pension costs)	2 168 (751)	2 082 (743)
Other employees (of which pension costs)	507 (161)	453 (153)
<b>Total social costs</b>	<b>2 675</b>	<b>2 535</b>
<b>Total salaries, other remunerations and social security expenses</b>	<b>8 105</b>	<b>7 801</b>

All salaries and other remunerations, except 300 (200) relating to Board remuneration, relate to personnel in Sweden. For information regarding individual remunerations for the Board of Directors and the Management refer to Note 8, Employees and personnel costs, the group.

	<b>1/1/2008 12/31/2008</b>	<b>1/1/2007 12/31/2007</b>
<b>25. Remuneration to auditors, the parent company</b>		
Audit, KPMG AB	909	944
Other assignments, KPMG AB	-	112
<b>Total remuneration to auditors</b>	<b>909</b>	<b>1 056</b>

Audit assignment is defined as the audit of the annual financial statements, the administration of the Board of Directors and the Managing Director, and other tasks, which rest upon the auditor as well as consulting and other assistance, which have been initiated by the findings in performing the audit work or implementation of such tasks. All other work is referred to as other assignments.

<b>26. Depreciation of tangible fixed assets, the parent company</b>	<b>1/1/2008 12/31/2008</b>	<b>1/1/2007 12/31/2007</b>
Depreciation according to plan by type of asset:		
Equipment	141	161
<b>Total depreciation</b>	<b>141</b>	<b>161</b>

The total depreciation relates to administration.



<b>27. Net financial items, the parent company</b>	<b>1/1/2008 12/31/2008</b>	<b>1/1/2007 12/31/2007</b>
<b>Financial income:</b>		
Interest income, associated companies	285	1 096
Other interest income	234	1 550
Exchange rate gains	163	-
<b>Total</b>	<b>682</b>	<b>2 646</b>
Financial expenses:		
Other interest expenses	-4 172	-3 354
Exchange rate losses	0	-2 892
<b>Total</b>	<b>-4 172</b>	<b>-6 246</b>

For information per valuation category see Note 21, Financial Assets and Liabilities, categorization and result, the parent company.

<b>28. Equipment, the parent company</b>	<b>12/31/2008</b>	<b>12/31/2007</b>
Accumulated acquisition value:		
At the beginning of the year	2 231	2 763
Disposals	-22	-725
Acquisitions	34	193
<b>At the end of the year</b>	<b>2 243</b>	<b>2 231</b>
Accumulated depreciation:		
At the beginning of the year	-862	-1 392
Disposals	18	691
Depreciation	-141	-161
<b>At the end of the year</b>	<b>-985</b>	<b>-862</b>
<b>Carrying value at the end of the year</b>	<b>1 258</b>	<b>1 369</b>

<b>29. Shares and participations in group companies, the parent company</b>	<b>12/31/2008</b>	<b>12/31/2007</b>
Accumulated acquisition value:		
At the beginning of the year	100	100
Acquisitions	-	-
<b>Carrying value at the end of the year</b>	<b>100</b>	<b>100</b>

Specification of shares and participations held in group companies:

<b>Name</b>	<b>Corporate Identity No.</b>	<b>Reg. office</b>	<b>Ownership<sup>(1)</sup></b>	<b>Carrying value</b>
Novestra Financial Services AB	556680-2798	Stockholm	100 %	100

(1) Share of capital and votes.

<b>30. Shares in associated companies, the parent company</b>	<b>12/31/2008</b>	<b>12/31/2007</b>
Accumulated acquisition value:		
At the beginning of the year	173 410	138 665
Investments	3 750	34 745
Disposals	-	-
<b>At the end of the year</b>	<b>177 160</b>	<b>173 410</b>
Accumulated changes in value:		
At the beginning of the year	-14 438	-14 438
Disposals	-	-
Changes in value during the year	-14 640	-
<b>At the end of the year</b>	<b>-29 078</b>	<b>-14 438</b>
<b>Carrying value at the end of the year</b>	<b>148 082</b>	<b>158 972</b>

Specification of shares and participations held in associated companies as at December 31, 2008:

Name	Corp. Id. No.	Reg. office	Equity <sup>(2)</sup> (100 %)	Profit/loss <sup>(2)</sup> (100 %)	Ownership <sup>(1)</sup>	Carrying value
Diino AB	556666-4750	Stockholm	5 205	-24 484	49.8%	24 250
MyPublisher, Inc. <sup>(3)</sup>	n/a	N.Y., USA	44 363	6 042	25.4%	59 488
Netsurvey Bolinder AB	556392-3332	Stockholm	11 367	2 784	45.3%	10 500
Qbranch AB	556470-3980	Stockholm	51 395	25 575	23.5%	53 844
<b>Total</b>						<b>148 082</b>

Specification of shares and participations held in associated companies as at December 31, 2007:

Name	Corp. Id. No.	Reg. office	Equity (100 %)	Profit/loss (100 %)	Ownership <sup>(1)</sup>	Carrying value
Diino AB	556666-4750	Stockholm	8 689	-18 829	49.5%	37 240
MyPublisher, Inc. <sup>(3)</sup>	n/a	N.Y., USA	36 274	-14 905	25.4%	59 488
Netsurvey Bolinder AB	556392-3332	Stockholm	8 583	2 292	45.3%	8 400
Qbranch AB	556470-3980	Stockholm	50 260	26 889	23.5%	53 844
<b>Total</b>						<b>158 972</b>

(1) Prior to dilution and utilization of options etc.

(2) Unaudited.

(3) USD/SEK= 7.8347 (6.4034)

For key estimates and assumptions in establishing valuation at fair value, see Note 1, Accounting and valuation principles and Note 14, Shares and participations, the group.

**Receivables, associated companies**

Receivables from associated companies amounted to 2 000 (-) as at December 31, 2008.

**Interest income, associated companies**

During the financial year interest income received from associated companies amounted to 285 (1 096).

**Dividends from associated companies**

A total dividend of 6 350 (6 115) was received from associated companies during the financial year.

<b>31. Shares and participations, the parent company</b>	<b>12/31/2008</b>	<b>12/31/2007</b>
Accumulated acquisition value:		
At the beginning of the year	168 893	324 368
Acquisitions	50 295	56 101
Disposals	-31 154	-211 576
<b>At the end of the year</b>	<b>188 034</b>	<b>168 893</b>
Accumulated changes in value		
At the beginning of the year	-28 611	95 100
Changes in value during the year	-	-111 722
Write-downs	-42 416	-11 989
<b>At the end of the year</b>	<b>-71 027</b>	<b>-28 611</b>
<b>Carrying value at the end of the year</b>	<b>117 007</b>	<b>140 282</b>

Specification of shares and participations:

Name	Ownership <sup>(1)</sup> , %		No. of shares		Carrying value	
	12/31/2008		12/31/2008		12/31/2008	12/31/2007
<b>Private holdings:</b>						
Continuum Group Ltd <sup>(2) (4)</sup>	12.3		8 062 500		-	2 456
Dallas sthlm DDG AB	7.0		112 904		426	426
Explorica, Inc. <sup>(3) (4)</sup>	13.5		4 777 663		51 900	53 100
Shares	(13.5)		(4 777 663)		(43 947)	(43 999)
Warrants <sup>(3)</sup>	(-)		(-)		(7 953)	(9 101)
Strax Holdings, Inc. <sup>(4)</sup>	14.7		5 179 148		26 300	47 200
Other					11	11
<b>Total private holdings</b>					<b>78 637</b>	<b>103 193</b>
<b>Public holdings:</b>						
Other public holdings					38 370	37 089
<b>Total public holdings</b>					<b>38 370</b>	<b>37 089</b>
<b>Total shares and participation</b>					<b>117 007</b>	<b>140 282</b>

(1) Prior to dilution and utilization of options etc.

(2) Novestra has a remaining investment commitment of MUSD 1.9. After discussions with Continuum's Board and other main shareholders in Continuum, Novestra's Board estimates that Continuum does not intend to call for payment of the remaining investment commitment.

(3) Novestra holds warrants to subscribe for 1 340 000 shares in Explorica at a strike price of USD 0.45 per share, valid up to and including June 14, 2011. If all 5 923 000 warrants issued in Explorica were to be utilized, Novestra's ownership would amount to 14.8 percent.

(4) USD/SEK= 7.8347 (6.4034)

For key estimates and assumptions in establishing valuation at fair value, see Note 1, Accounting and valuation principles and Note 14, Shares and participations, the group.

**32. Equity, the parent company**

Equity in the parent company consists of restricted equity and non-restricted equity. Restricted equity may not be reduced through dividends to the shareholders.

**Restricted equity**

Novestra's restricted equity consists of share capital and statutory reserve. The statutory reserve may be used to cover incurred losses, after decision taken by a general meeting with the shareholders.

**Non-restricted equity**

Novestra's non-restricted equity consists of the net profit/loss for the year and previous years' accumulated profit/loss, reduced by any statutory reserve provision and after any dividends have been paid out. All income and costs accounted for during a period are included in the net profit/loss, unless a recommendation from the Swedish Accounting Standards Council, or within IFRS, require or allows them to be accounted for directly against the equity. The non-restricted equity that is accounted for at the end of each year is available for dividends to the shareholders.

**Dividend**

The Board of Directors and the Managing Director have not proposed a dividend for the financial year 2008. In 2007, there was a redemption procedure, whereby each share in Novestra was split into two shares, of which one share was redeemed at SEK 5.00. The proposal was processed at the Annual General Meeting on April 24, 2007.

**Authorization for the Board of Directors to resolve upon new share issues**

On April 23, 2008, The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors, to authorize the Board of Directors to up until the next Annual General Meeting and on one or several occasions and with or without preferential rights for the shareholders, decide on a share issue of a maximum of 6 000 000 new shares for payment in cash, through contribution in kind or by set-off. The reason for the proposal and the possibility to deviate from shareholders' preferential rights in the proposal is, among other things, to facilitate for the company to carry out acquisitions with payment in shares or to otherwise procure the financing of the company in an active and appropriate manner.

**Capital management**

For information regarding capital management refer to Note 17, Equity, the group.

	<b>1/1/2008</b>	<b>1/1/2007</b>
	<b>12/31/2008</b>	<b>12/31/2007</b>
Number of shares issued		
At the beginning of the year	37 187 973	37 187 973
Split (2:1)	-	37 187 973
Redemption of shares	-	-37 187 973
<b>Number of shares at the end of the year</b>	<b>37 187 973</b>	<b>37 187 973</b>

There is only one class of outstanding shares in Novestra and all shares are fully paid. All shares have the same right to the net assets and profits, and every share has one vote at a general meeting with the shareholders. The share capital amounts to SEK 37 187 973, the quota value amounts to SEK 1.00.

<b>33. Interest-bearing loans, the parent company</b>	<b>12/31/2008</b>	<b>12/31/2007</b>
Raised loans – credit institutions	65 501	50 440
<b>Total</b>	<b>65 501</b>	<b>50 440</b>

Liabilities to credit institutions are in the form of a SEK bank overdraft, which normally expires and is renewed annually. Other liabilities comprise of operating liabilities which normally are due for payment within 10-90 days.

<b>34. Accrued expenses and prepaid income, the parent company</b>	<b>2008 12 31</b>	<b>2007 12 31</b>
Personnel related costs	1 355	1 642
Costs for annual report, audit and AGM	929	1 304
Other	72	143
<b>Total</b>	<b>2 356</b>	<b>3 089</b>

<b>35. Pledged assets, the parent company</b>	<b>12/31/2008</b>	<b>12/31/2007</b>
Pledged assets	91 219	72 894
Utilised assets	-65 501	-50 440
<b>Second mortgage</b>	<b>25 718</b>	<b>22 454</b>

The pledge refers to pledging of financial instruments in the form of shares and participations. Total granted assets amounts to 125 000 (125 000).

<b>36. Specification to the cash flow statement, the parent company</b>	<b>1/1/2007</b>	<b>1/1/2006</b>
	<b>12/31/2007</b>	<b>12/31/2006</b>
<b><i>Adjustment for transactions not included in cash flow</i></b>		
Write-downs	141	161
Proceeds from sale of fixed assets	4	24
Changes in value through income statement	52 177	11 509
Dividends of shares and participations	-486	-8 444
	<b>51 836</b>	<b>3 250</b>
<b><i>Cash and cash equivalent</i></b>		
The following components are included in cash and cash equivalent:		
Cash and bank balances	9 428	16 252
	<b>9 428</b>	<b>16 252</b>

As at December 31, 2008, the parent company has an unutilized credit facility amounting to 59 499 (74 560) which is not accounted for in the above values.

***Paid interest and dividends received***

Dividends received	6 445	6 115
Interest received	519	2 646
Interest paid	-4 172	-3 352

**37. Related parties disclosure, the group and the parent company**

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The following additional information about related parties is being provided in addition to what has been described in the annual report.

***Companies with common Board members***

There are a number of companies in which Novestra and the respective company have common Board members. Information has not been provided in this note because these situations are either not considered to involve influence of the type described in IAS 24, or the transactions refer to intangible amounts.

***Related party transactions***

Novestra's subsidiary, Novestra Financial Services AB, has entered into an administration agreement with Nove Capital Fund Ltd. Novestra's Chairman, Theodor Dalenson, is the main shareholder in Nove Capital Management AB, the manager of Nove Capital Fund Ltd. The agreement includes a limited administration commitment for Novestra Financial Services AB with a remuneration of 1 133 (2 000) paid.

Novestra has purchased corporate law advisory services from Advokatfirman Vinge KB for a total of 208 (162) during the period. Bertil Villard, board member of Novestra, is active as attorney and a partner of Advokatfirman Vinge KB. The services was purchased on market terms, and are not tied to Bertil Villard in person, and lie outside the tasks Bertil Villard carries out within the framework of his board assignment, for which he receives board remuneration in conformity with the other board members.

See Note 8, Employees and personnel costs, for information regarding salaries and other compensation, costs regarding pensions and similar benefits for the Board, the Managing Director, the Vice President and other employees.

**38. Significant events after the end of the period, the group and the parent company**

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No significant events have, as of the signing of this annual report, incurred.

The consolidated accounts and annual accounts have been prepared in accordance with the international accounting standards in Regulation (EC) No. 1606/2002 of the European Parliament and of the European Council of July 19, 2002 on the application of international accounting standards and generally accepted auditing standards in Sweden and give a true and fair view of the group's and parent company's financial position and results of operations. The Board of Directors' Report for the group and the parent company gives a true and fair view of the group's and the parent company's operations, position and results, and describes significant risks and uncertainty factors that the parent company and group companies face.

The annual accounts and the consolidated financial statements were approved for release by the Board of Directors on April 2, 2009. The consolidated income statement and balance sheet, and the income statement and balance sheet of the parent company, will be presented for adoption by the Annual General Meeting on April 22, 2009.

Stockholm April 2, 2009



Theodor Dalenson  
Chairman



Colin Kingsnorth  
Board member



Jan Söderberg  
Board member



Jens A. Wilhelmsen  
Board member



Anders Lönnqvist  
Board member



Bertil Villard  
Board member



Johan Heijbel  
Managing Director

Our audit report as submitted on April 2, 2009

KPMG AB



Ingrid Hornberg Román  
Authorized Public Accountant

**THIS ANNUAL 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.**

The information in this annual report is such that AB Novestra is required to disclose according to Sweden's Securities Market Act. AB Novestra released the year-end report, including the interim report for the fourth quarter to the media for publication on February 16, 2009 at 08.55 am through a press release and also on the website [www.novestra.com](http://www.novestra.com). The Annual Report was released on Novestra's website on April 3, 2009 at 08.00 am with a press release detailing such information at the same time.

# Audit Report - translation

**To the annual meeting of the shareholders of AB Novestra**  
**Corporate identity number 556539-7709**

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of AB Novestra for the year 2008. The annual accounts and the consolidated accounts are included in the printed version of this document on pages 49-95. The Board of Directors and the Managing Director are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of International Financial Reporting Standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain high but not absolute assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts and the consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with International Financial Reporting Standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group's financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Stockholm April 2, 2009



KPMG AB

Ingrid Hornberg Román, Authorized Public Accountant



## Definitions

### **EQUITY/ASSETS RATIO**

Shareholders' equity as a percentage of the total assets.

### **CASH FLOW AFTER INVESTMENTS**

Result after net financial items increased with depreciation and other items not affecting cash flow minus paid tax and adjusted for changes in working capital and net investments in fixed assets.

### **SHAREHOLDERS' EQUITY PER SHARE**

Shareholders' equity in relation to the number of shares at the end of the period.

### **RESULT PER SHARE**

Income for the period in relation to the average number of shares during the period.

### **NUMBER OF SHARES AT THE END OF THE PERIOD**

The number of shares at the end of each period adjusted for bonus issue and share split.

### **AVERAGE NUMBER OF SHARES DURING THE PERIOD**

The average number of shares during the period calculated on a daily basis adjusted for bonus issue and share split.

## **DEFINITIONS RELATING TO PORTFOLIO COMPANY DESCRIPTIONS**

### **SALES**

Total operating revenue for the specified period.

### **GROWTH IN SALES**

Sales for a specified period in relation to sales during the same period the previous year.

### **OPERATING PROFIT/LOSS**

Total operating revenues minus total operating expenses for a specified period, before net financial items and taxes.

### **EBITDA**

Operating profit/loss for a specified period, before interest income and expenses, taxes, depreciations and amortisations.

### **MARKET VALUE CORRESPONDING TO 100%**

Reported carrying value, at a specified time for the specified ownership, recalculated to represent the value for 100 percent of the company, full dilution in the respective company taken into consideration.

### **TOTAL SALES DEVELOPMENT IN THE PORTFOLIO COMPANIES**

The total sales in each of the portfolio companies, presented as a total value for each financial year.

In this Annual Report, "Novestra or "the company" pertains to AB Novestra (publ).

Other definition: Akamai Technologies, Inc. ("Akamai"), Continuum Group Ltd ("Continuum"), Dallas sthlm DDG AB ("Dallas"), Diino AB ("Diino"), Explorica, Inc. ("Explorica"), MyPublisher, Inc. ("MyPublisher"), Netsurvey Bolinder AB ("Netsurvey"), Nove Capital Master Fund Ltd ("Nove Capital Fund"), Qbranch AB ("Qbranch"), Strax Holdings, Inc. ("Strax").

## Shareholder information

### Annual General Meeting

The Annual General Meeting will be held at 4.00 p.m. on Wednesday April 22, 2009 at the law firm Vinge KB, Smålandsgatan 20, Stockholm, Sweden.

### Notice

Notice to the Annual General Meeting is published in Svenska Dagbladet and Post- och Inrikes Tidningar (the Swedish Official Gazette) on March 23, 2009.

### Participation

To be entitled to participate in the business of the Meeting, shareholders:

**must** be recorded in the register of shareholders maintained by Euroclear Sweden AB (the Swedish Securities Register Center) on Thursday April 16, 2009, and

**must** notify the company of their intention to attend the Meeting no later than 4.00 p.m. on Thursday April 16, 2009

### Notification of participation in the Annual General Meeting

Notification can be given by writing to AB Novestra, Norrlandsgatan 16, SE-111 43 Stockholm, Sweden, by calling +46 8 545 017 50, by faxing +46 8 545 017 60, or by emailing info@novestra.com.

### Nominee-registered shares

Shareholders whose shares are registered in the name of a nominee through the trust department of a bank or similar institution must, in order to be entitled to participate in the meeting, request that their shares be temporarily re-registered in their own names in the register of shareholders held by Euroclear Sweden AB. Such registration must be effected on Thursday April 16, 2009. Shareholders are requested to inform their nominees well in advance prior to this date.

### Proxies, etc.

Shareholders who are represented by a

proxy must authorize the proxy by issuing a power of attorney. If such power of attorney is issued by a legal entity, an attested copy of the certificate of registration must be attached. The power of attorney and certificate of registration may not be issued earlier than one year before the date of the Meeting. The power of attorney in the original and the certificate of registration, where applicable, should be sent to AB Novestra in good time prior to the Meeting.

A proxy form is available on Novestra's homepage [www.novestra.com](http://www.novestra.com).

### Representatives

Shareholders or proxies for shareholders at the Annual General Meeting may take a maximum of two representatives with them to the Meeting. Representatives may be brought to the Meeting only if the shareholder of AB Novestra gives notice of their attendance as described above for notification of participation of shareholders.

### Financial calendarium 2009

*April 22, 2009*

Annual General Meeting

*April 22, 2009*

Interim Report Q1 January 1 – March 31, 2009

*April 23, 2009*

Bulletin from the Annual General Meeting

*August 25, 2009*

Interim Report Q2 January 1 – June 30, 2009

*November 10, 2009*

Interim Report Q3 January 1 – September 30, 2009

### Other

The economic information can be found in Swedish and in English on Novestra's homepage [www.novestra.com](http://www.novestra.com) and may be ordered from

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[info@novestra.com](mailto:info@novestra.com)

## Addresses

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