

NOVESTRA

INTERIM REPORT NO. 2 FOR THE FINANCIAL YEAR 2007 REFERRING TO THE PERIOD JANUARY 1 – JUNE 30, 2007

CONTINUED POSITIVE DEVELOPMENT IN THE PORTFOLIO COMPANIES

- The Group's net income amounted to MSEK 14.0 (34.0), corresponding to SEK 0.38 (0.91) per share. Equity amounted to MSEK 431.2 (752.1), corresponding to SEK 11.59 (20.22) per share. Cash and cash equivalents amounted to MSEK 22.6 (14.6).
- During the period a distribution of MSEK 185.9, equivalent to SEK 5.00 per share was made to the shareholders through a redemption procedure.
- The development in the portfolio companies has continued positively, MyPublisher by showing an increased growth rate of 51%, Explorica's growth rate was 25% and Qbranch's 17%. Strax's growth rate increased in the mobile accessories business to approximately 20%, while the volumes in the mobile telephone business decreased as estimated, which resulted in a slightly negative development of sales over all.
- Swisscom, one of Europe's leading operators, invested MEUR 2.3 in Diino in July. After the investment Novestra's ownership amounts to approximately 49%.
- The entire holding in Nove Capital Fund has been redeemed for MSEK 300.8, of which a third was paid out in February and the remaining balance in April. The investment gave a return amounting to MSEK 111.6, or, an appreciation in value of 59% since inception in May 2005.

"The market conditions for the portfolio companies continue to be strong, which has resulted in two orders for Qbranch of respectively MSEK 100 and MSEK 65, and increased growth in MyPublisher. The interest for the companies has been great during the spring, which has, for example resulted in Swisscom investing in Diino during the summer, which further improves Diino's opportunities for continued expansion and development" says Novestra's Managing Director, Johan Heijbel.

All amounts are provided in SEK thousands unless otherwise indicated. Figures in parentheses refer to the corresponding period the previous financial year.

SIGNIFICANT EVENTS DURING THE PERIOD

During the second quarter of 2007, the performance for the majority of the portfolio companies continued to be positive with continued growth rates and increased results.

Explorica showed continued growth in revenues in the U.S. and Canada, its main markets. Explorica is expected to grow by approximately 25 percent, and reach sales of approximately MUSD 69 with a significant improvement in results during the current financial year which ends in August. The company expects continued growth in sales during 2007/2008.

MyPublisher's sales increased by approximately 51 percent during the period and by 160 percent during the month of June. The company has now fully recovered from the decrease in sales in 2006 due to the discontinued production agreement with Apple. For 2007, the company expects growth in revenues to substantially exceed the 40 percent previously communicated. The growth rate during July was up approximately 150% compared to last year.

Qbranch showed continued growth in revenues and results during the period compared to last year. Sales for the period amounted to approximately MSEK 165, corresponding to a growth in sales of approximately 17 percent, with maintained satisfactory margins. Qbranch's order intake reached a record level, for example, a five year outsourcing agreement with Pratikertjänst which is estimated to have a total order value of approximately MSEK 100 was signed during the period.

Strax continues to strengthen its position in the mobile accessories business with a growth rate of approximately 20%. The volumes in the mobile telephone business decreased as estimated. Sales amounted to approximately MUSD 98 during the period. The company expects both growth in sales and improved results during 2007.

Diino has had a positive increase in the number of new users during the period, and the company estimates to exceed 150 000 users during the month of September, which is treble the number as at the beginning of the year. The web based service has received very positive reviews in Sweden and internationally. After the end of the period Swisscom invested MEUR 2.3 in the company.

Netsurvey showed a growth in sales of approximately 3 percent during the period and showed a significant improvement in results compared to the same period last year.

Continuum's liquidation is expected to be completed during 2007. Novestra received an additional dividend of shares in Akamai to the value of MSEK 8.4 during the period.

Value adjustments

As a result of the dividend of MSEK 8.4 from Continuum during the period, an adjustment in the reported value was made for the same amount. In addition, currency effects have had a small positive impact on reported values. The net effect of the value adjustment for the remaining operations amount to -672 (26 307).

RESULT AND FINANCIAL POSITION JANUARY 1 – JUNE 30, 2007

The Group

The Group's net income for the period amounted to 13 969 (34 006). The result included gross profit from investment activities amounting to 13 888 (50 288), gross profit from other activities of 1 000 (3 428), administration expenses of -7 954 (-8 867) and net financial items of -3 134 (-2 885). Result from Discontinued operations amounted to 10 348 (-7 001). As at June 30, 2007, total assets amounted to 475 682 (872 875), of which equity was 431 150 (752 083), corresponding to an equity/assets ratio of 90.6 (86.2) percent. Current liabilities to credit institutions amounted to 30 747 (116 328). The Group's cash and cash equivalents amounted to 22 609 (14 648). In addition, the Group has an unutilized credit facility amounting to 44 253 (8 673). During the period the holding in Nove Capital was redeemed amounting to MSEK 300.8. MSEK 185.9 was distributed to the shareholders and interest bearing loans decreased by MSEK 83.3.

Parent company

The Parent company's net income for the period amounted to 9 608 (7 078). The result included gross profit from investment activities amounting to 20 336 (18 820), administration expenses of -7 944 (-8 857) and net financial items of -2 784 (-2 885). As at June 30, 2007, total assets amounted to 338 301 (681 426), of which equity was 288 740 (561 931). Cash and cash equivalents amounted to 22 509 (14 548) and an unutilized credit facility amounting to 44 253 (8 673).

Investments

(The Group and Parent company)

During the period, investments in tangible fixed assets amounted to 29 (51) and investments in financial assets amounted to 35 436 (13 609).

Distribution

The Annual General Meeting held on April 24, 2007, in accordance with the Board of Directors proposal resolved to distribute approximately MSEK 185.9, corresponding to a distribution of SEK 5.00 per share paid out to the shareholders through the issue of a redemption share, whereby each share was split into two shares, of which one was redeemed for SEK 5.00.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

After the end of the period, all significant operations have developed well.

Swisscom invested MEUR 2.3 in Diino during July and therefore became the second largest shareholder in the company after Novestra. Apart from the capital invested, Swisscom brings great experience in the branch and good network contacts, which improves Diino's opportunities for continued expansion.

Through a conversion/new share issue, where current shareholders converted receivables, MyPublisher has received an additional capital of MUSD 8.9. The purpose is to further accelerate growth in the company.

FUTURE DEVELOPMENT

The prospects for continued value appreciation in the portfolio are to a certain degree largely dependent on the development of the individual companies and also the industrial players' appetite in growth companies.

Discussions concerning strategic alternatives and possibilities to create liquidity are being held in all portfolio companies. Novestra is actively involved in discussions and supports the processes but does not alone control the timing of, or the execution of any exits or listings.

The markets' interest in small growth companies is currently relatively positive. The prospects for 2007 are good, provided that the portfolio companies can reach the growth and profitability goals they have for 2007, enabling us to regain the positive development in value in the portfolios.

It is foremost the development in MyPublisher, Strax and Explorica that will determine the values that Novestra will receive as a result of a divestment. These companies previously have had a strong growth which weakened slightly during 2006.

The Board of Directors are currently evaluating strategic alternatives that would be significant for Novestra's development in value as a whole. Furthermore, the Board of Directors aim for additional one time dividends in connection with divestment of the portfolio companies.

ACCOUNTING PRINCIPLES**The Group**

AB Novestra prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as of the financial year 2005. For AB Novestra this means that it is primarily IAS 39 (Financial instruments: recognition and measurement) which has an effect on the accounting compared to the accounting in accordance with previous principles. When applying IAS 39, share-related investments are reported at real value with value changes in the income statement. In accordance with IAS 28 paragraph 1, shares and participations in associated companies are also reported at real value. This interim report has been prepared in accordance with IAS 34 Interim Reporting and RR31 Interim Reporting for Groups. Discontinued operations are accounted for in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

Methods for valuation of shares and participations

The calculation of real value for unlisted shares and participations is made through the calculation of discounted future cash flows in accordance with accepted methods, and through relative valuation where the calculated value is compared to the valuation of comparable listed companies. Listed shares and participations are valued on the basis of their share price on the closing date. Holdings in funds are valued at the fund unit value reported by the respective fund administrator on the closing date.

RISK AND UNCERTAINTIES

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. For a more detailed account of types of risk and uncertainties which affect the parent company and the group's operations and financial position please see Note 2 on page 55 of Novestra's Annual Report for 2006. No significant events have occurred, in addition to the risks described in the Annual Report for 2006.

OTHER INFORMATION*Financial calendar:*

Interim Report Q3, 2007
November 7, 2007

Year-end Report for 2007
February 18, 2008

This report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish and the translation, the former shall have precedence.

The Board of Directors declares that the undersigned six-months interim report provides a true and fair overview of the Parent Company's and Group's operations, their financial position and performance, and describes material risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, August 20, 2007

Theodor Dalenson
Chairman

Colin Kingsnorth
Director

Anders Lönnqvist
Director

David E. Marcus
Director

Bertil Villard
Director

Johan Heijbel
Managing Director

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

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Company information

Corporate identity number:
556539-7709

Registered Office:
Stockholm, Sweden

HOLDINGS AS AT JUNE 30, 2007, MSEK

PORTFOLIO COMPANIES	OWNER-SHIP, % ¹	PARENT COMPANY	THE GROUP	
		CARRYING VALUE bal. c/f	CARRYING VALUE bal. c/f	MARKET CAP AT CARRYING VALUES ²
CONTINUUM GROUP LTD	12.3	4.1	4.1	33.3
DIINO AB ³	44.8	13.5	20.1	44.6
EXPLORICA, INC. ⁴	13.5	56.0	56.0	416.8
MYPUBLISHER, INC. ⁵	27.9	48.4	112.1	422.2
NETSURVEY BOLINDER AB	45.3	8.4	8.4	18.5
QBRANCH AB	23.5	53.8	120.0	520.6
STRAX HOLDINGS, INC.	19.5	59.5	59.5	339.1
OTHER	n/a	25.6	25.6	n/a
TOTAL INVESTMENTS		269.3	405.8	

¹ Share of capital, prior to dilution and exercise of options etc.

² Calculated market value for the entire company after dilution.

³ After the end of the period Diino has raised capital whereby Novestra participated by conversion of outstanding loans. Novestra's ownership after the new share issue amounts to 49.5%.

⁴ If all outstanding options in Explorica are utilized, Novestra's ownership amounts to approximately 14.3%.

⁵ After the end of the period My Publisher Inc., has raised capital whereby Novestra participated by conversion of outstanding loans. Novestra's ownership after the new share issue amounts to 25.4%.

For information regarding the portfolio companies with regard to business operations and financial data, reference is made to Novestra's latest annual report; for new investments in private portfolio companies, reference is made to Novestra's published press releases for each respective company.

THE GROUP

INCOME STATEMENTS (SEK THOUSANDS)	2007 (6 months) Jan 1 –Jun 30	2006 (6 months) Jan 1 –Jun 30	2007 (3 months) Apr 1 –Jun 30	2006 (3 months) Apr 1 –Jun 30	2006 (12 months) Jan 1 –Dec 31
INVESTMENT ACTIVITY					
Changes in value	-672	26 307	2 051	1 794	-113 780
Dividends	14 560	23 981	6 116	23 387	23 981
Gross profit investment activity	13 888	50 288	8 167	25 181	-89 799
Other activity					
Income from other activity	1 000	3 428	500	2 838	6 614
Gross profit other activity	1 000	3 428	500	2 838	6 614
Gross profit	14 888	53 716	8 667	28 019	-83 185
Administrative expenses ¹	-7 954	-8 867	-4 703	-4 580	-16 939
Operating income	6 934	44 849	3 964	23 439	-100 124
RESULT FROM FINANCIAL INVESTMENTS					
Net financial items	-3 134	-2 885	-4 774	-2 554	-6 222
Result after financial items	3 800	41 964	-810	20 885	-106 346
Current taxes	-179	-957	-39	-795	-1 849
Result for the period from remaining operations	3 621	41 007	-849	20 090	-108 195
Result from Discontinued operations ²	10 348	-7 001	-	-18 087	-6 027
Result for the period including discontinued operations	13 969	34 006	-849	2 003	-114 222
Result per share from remaining operations, SEK	0.09	1.10	-0.02	0.54	-2.91
Result per share including discontinued operations, SEK	0.38	0.91	-0.02	0.05	-3.07
Average number of shares during the period	37 187 973	37 187 973	37 187 973	37 187 973	37 187 973

¹ Depreciation for the period amounted to -81 (-85). The total depreciation relates to equipment pertaining to administration.

² Discontinued operations refer to the previously named business area Public holdings. AB Novestra has requested redemption of the total holding in Nove Capital Fund, which was the major holding in the business area Public holdings and therefore the business area is accounted for as Discontinued operations, in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

THE GROUP

KEY RATIOS	2007 (6 months) Jan 1 –Jun 30	2006 (6 months) Jan 1 –Jun 30	2007 (3 months) Apr 1 –Jun 30	2006 (3 months) Apr 1 –Jun 30	2006 (12 months) Jan 1 – Dec 31
FINANCIAL KEY RATIOS					
Equity, MSEK	431.2	752.1	431.2	752.1	603.9
Equity/assets ratio, %	90.6	86.2	90.6	86.2	83.4
Cash flow after investments, MSEK	289.7	-0.1	184.8	1.0	-9.6
DATA PER SHARE					
Equity, SEK	11.59	20.22	11.59	20.22	16.24
Result including Discontinued operations, SEK	0.38	0.91	-0.02	0.05	-3.07
NUMBER OF SHARES ETC.					
Number of shares at the end of the period	37 187 973	37 187 973	37 187 973	37 187 973	37 187 973
Average number of shares during the period	37 187 973	37 187 973	37 187 973	37 187 973	37 187 973

THE GROUP

PERFORMANCE BY BUSINESS AREA Jan 1 – Jun 30 (SEK thousands)	Discontinued operations		Private holdings		Joint		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
Income from shares and participations								
Changes in value	10 348	-7 001	-990	26 277	318	30	9 676	19 306
Dividends	-	-	14 560	23 981	-	-	14 560	23 981
Income from other activity	-	-	-	-	1 000	3 428	1 000	3 428
Gross profit	10 348	-7 001	13 570	50 258	1 318	3 458	25 236	46 715
Administrative expenses								
Personnel costs	-	-	-496	-496	-3 530	-4 268	-4 026	-4 764
Depreciation	-	-	-	-	-81	-85	-81	-85
Other costs	-	-	-	-	-3 847	-4 018	-3 847	-4 018
	-	-	-496	-496	-7 458	-8 371	-7 954	-8 867
Operating profit/loss	10 348	-7 001	13 074	49 762	-6 140	-4 913	17 282	37 848
Net financial income	-	-	-	-	-3 134	-2 885	-3 134	-2 885
Current taxes	-	-	-	-	-179	-957	-179	-957
Result for the period	10 348	-7 001	13 074	49 762	-9 453	-8 755	13 969	34 006

THE GROUP

BALANCE SHEETS (SEK THOUSANDS)	30 Jun 2007	30 Jun 2006	31 Dec 2006
ASSETS			
FIXED ASSETS			
Equipment	1 320	1 375	1 371
Shares and participations	405 657	827 388	385 697
Total assets	406 977	828 763	387 068
CURRENT ASSETS			
Current receivables:			
Other receivables	43 668	24 310	35 446
Prepaid expenses and accrued income	2 428	5 154	8 280
	46 096	29 464	43 726
Cash and cash equivalents	22 609	14 648	2 924
Assets held for sale ³	-	-	290 478
Total current assets	68 705	44 112	337 128
TOTAL ASSETS	475 682	872 875	724 196
EQUITY AND LIABILITIES			
EQUITY	431 150	752 083	603 856
Current liabilities:			
Interest-bearing liabilities	30 747	116 328	114 080
Accounts payable	662	205	306
Other liabilities	10 237	1 810	2 555
Accrued expense and prepaid income	2 886	2 449	3 399
Total current liabilities	44 532	120 792	120 340
Total liabilities	44 532	120 792	120 340
TOTAL EQUITY AND LIABILITIES	475 682	872 875	724 196
Pledged assets	145 036	294 264	410 278
Contingent liabilities	None	None	None

THE GROUP

CHANGE IN EQUITY DURING THE PERIOD
(SEK THOUSANDS)

EQUITY B/F JAN 1, 2006	792 454
Result January 1 – June 30, 2006	34 006
Dividend	-74 376
Equity as at June 30, 2006	752 083
Result July 1 – December 31, 2006	-148 228
Equity as at December 31, 2006	603 856
Result January 1 – June 30, 2007	13 969
Distribution of capital by redemption of shares	-185 940
Costs of redemption program	-735
EQUITY AS AT JUNE 30, 2007	431 150

³ Assets held for sale refer to the holding in Nove Capital Fund, which is accounted for as Discontinued operations in the income statements. The holding in Nove Capital Fund, as at June 30, 2006, was accounted for as fixed assets within the post Shares and participations.

⁴ 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.

THE GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS (SEK THOUSANDS)	2007 (6 months) Jan 1 – Jun 30	2006 (6 months) Jan 1 – Jun 30	2006 (12 months) Jan 1 – Dec 31
OPERATING ACTIVITIES:			
Profit/loss before tax for the period	3 800	41 964	-106 346
Result from Discontinued operations for the period	10 348	-7 001	-6 027
Adjustment for non cash items	-9 595	-19 218	107 538
Taxes paid	-	-	-
Funds provided from operations prior to changes in working capital	4 553	15 745	-4 835
Details of changes in working capital:			
Increase (-)/decrease (+) in current receivables	-2 300	-5 546	-19 807
Increase (+)/decrease (-) in current liabilities	7 346	-13 394	-12 488
Cash flow from operations	9 599	-3 195	-37 130
INVESTMENT ACTIVITIES			
Investments in tangible assets	-29	-51	-174
Investments in financial assets	-35 436	-13 609	-1 376
Proceeds from sale of financial assets	315 559	16 761	29 110
Cash flow from investment activities	280 094	3 101	27 560
FINANCING ACTIVITIES			
Dividend	-	-74 376	-74 376
Distribution of capital by redemption of shares	-185 940	-	-
Costs of redemption program	-735	-	-
Changes in interest-bearing liabilities	-83 333	86 425	84 177
Cash flow from financing activities	-270 008	12 049	9 801
Cash flow for the period	19 685	11 955	231
Cash and cash equivalents at the beginning of the period	2 924	2 693	2 693
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	22 609	14 648	2 924
Cash flow from Discontinued operations			
Cash flow from operations	-	-	-
Cash flow from investment activities	300 826	-	-
Cash flow from financing activities	-	-	-
Cash flow from Discontinued operations	300 826	-	-

PARENT COMPANY

INCOME STATEMENTS

(SEK THOUSANDS)

	2007 (6 months) Jan 1 – Jun 30	2006 (6 months) Jan 1 – Jun 30	2006 (12 months) Jan 1 – Dec 30
INVESTMENT ACTIVITY			
Changes in value	5 776	-5 161	-89 875
Dividends	14 560	23 981	23 981
Gross profit investment activity	20 336	18 820	-65 894
Administrative expenses ¹	-7 944	-8 857	-16 930
Operating income	12 392	9 963	-82 824
RESULT FROM FINANCIAL INVESTMENTS			
Net financial items	-2 784	-2 885	-6 222
Result after financial items	9 608	7 078	-89 046
Current taxes	-	-	-
Result for the period	9 608	7 078	-89 046

BALANCE SHEETS (SEK THOUSANDS)

	30 Jun 2007	30 Jun 2006	31 Dec 2006
ASSETS			
Equipment	1 320	1 375	1 371
Shares and participations	294 676	640 607	561 794
Total fixed assets	295 996	641 982	563 165
Current receivables	19 796	24 896	17 972
Cash and cash equivalents	22 509	14 548	2 824
Total current assets	42 305	39 444	20 796
TOTAL ASSETS	338 301	681 426	583 961
EQUITY AND LIABILITIES			
Equity	288 740	561 931	465 807
Current liabilities	49 561	119 495	118 154
TOTAL EQUITY AND LIABILITIES	338 301	681 426	583 961
Pledged assets	145 036	294 264	410 278
Contingent liabilities	None	None	None

PARENT COMPANY

CHANGES IN EQUITY

(SEK THOUSANDS)

EQUITY B/F JAN 1, 2006	629 229
Result January 1 – June 30, 2006	7 078
Dividend	-74 376
Equity as at June 30, 2006	561 931
Result July 1 – December 31, 2006	-96 124
Equity as at December 31, 2006	465 807
Result January 1 – June 30, 2007	9 608
Distribution of capital by redemption of shares	-185 940
Costs of redemption program	-735
EQUITY AS AT JUNE 30, 2007	288 740

About AB Novestra

Novestra is an independent investment company with a portfolio of investments in a number of privately held growth companies including Bytek Systems AB, Explorica, Inc., MyPublisher, Inc., Netsurvey AB, Qbranch AB and Strax Holdings, Inc.

The Novestra shares are listed on the OMX Nordic Exchange Stockholm. For further information regarding AB Novestra, reference is made to www.novestra.com