

NOVESTRA

INTERIM REPORT NO. 3 FOR THE FINANCIAL YEAR 2007 REFERRING TO THE PERIOD JANUARY 1 – SEPTEMBER 30, 2007

STRONG GROWTH IN THE PORTFOLIO COMPANIES

- The Group's net income amounted to MSEK -9.5 (43.7), corresponding to SEK -0.25 (1.18) per share. Equity amounted to MSEK 407.7 (761.8), corresponding to SEK 10.96 (20.49) per share. Cash and cash equivalents amounted to MSEK 13.1 (17.7).
- 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 72%, Explorica's growth rate was 23% and Qbranch's 22%. Sales in Strax was negative compared to the previous year.
- Diino has shown a strong, increasing growth in the number of new users. The company has quadrupled the number of users since the beginning of the year, and during October the number exceeded 200 000 users. Swisscom invested MEUR 2.3 in Diino in July.
- The entire holding in Nove Capital Fund was redeemed for MSEK 300.8 during the spring. The investment gave a return amounting to MSEK 111.6, or, an appreciation in value of 59% since inception in May 2005.

"The development in the portfolio companies is very strong, and the prerequisites that 2008 will be a successful year for the portfolio companies as well as for Novestra are very positive. It is worth noting that MyPublisher shows an accelerated growth in sales, and that the growth in sales during the third quarter amounted to 110 percent. Qbranch showed an accelerated growth in sales, with a growth of approximately 30 percent in the third quarter.

Several of the portfolio companies are based in the US, the weakening of the US dollar has effected the values negatively, which has effected Novestra's result by a total of MSEK 12.6 during the third quarter" says Novestra's Managing Director, Johan Heijbel

The information provided in this report is such that AB Novestra is obliged to make public according to the Securities Market Act. The information has been released to the media for publication on November 7, 2007 at 8.45 am.

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 third 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. For the financial year 2006/2007 which ended in August, sales amounted to approximately MUSD 68, which corresponds to a yearly growth of approximately 23 percent. The average growth since inception 2001 amounts to approximately 46 percent. The company's operating profit amounted to approximately MUSD 1.8 for the financial year 2006/2007.

MyPublisher's sales increased by approximately 72 percent during the period and by 110 percent during the third quarter. For 2007, the company expects an increase in sales of approximately 85 percent compared to the previous year. The company's growth is expected to increase even more during 2008 due to planned marketing campaigns.

Qbranch showed continued growth in revenues and results during the period compared to last year. Sales for the period amounted to approximately MSEK 253, corresponding to a growth in sales of approximately 22 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. The volumes in the mobile telephone business decreased as estimated. Sales amounted to approximately MUSD 137 during the period. Development during the third quarter was slightly lower than estimated which lead to the holding being written down by a total of MSEK 12.4 during the third quarter.

Diino has had a positive increase in the number of new users during the period, and the company exceeded 200 000 users by the end of October, which is quadruple the number as at the beginning of the year. The company expects to once more further double the number of users during 2007. The web based service has received very positive reviews internationally. During the period Swisscom invested MEUR 2.3 in the company and a new Managing Director was recruited.

Netsurvey showed a growth in sales of approximately 4 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

Changes in value amounted to a total of MSEK -21.0, of which MSEK -12.0 relates to currency exchange due to a significant weakening of the American dollar during the third quarter. The singularly largest change in value during the period is MSEK -12.4, including currency effects, relate to Strax.

During the nine month period the changes in value amounted to a total of MSEK -21.6, of which MSEK -12.0 relate to currency. 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 and, the change in value relating to Strax amounts to MSEK -10.9, including currency effects.

RESULT AND FINANCIAL POSITION JANUARY 1 – SEPTEMBER 30, 2007

The Group

The Group's net income for the period amounted to -9 468 (43 722). The result included gross profit from investment activities amounting to -7 067 (53 815), gross profit from other activities of 1 500 (5 197), administration expenses of -10 858 (-12 969) and net financial items of -3 072 (-4 010). Result from Discontinued operations amounted to 10 348 (3 141). As at September 30, 2007, total assets amounted to 451 611 (885 002), of which equity was 407 712 (761 800), corresponding to an equity/assets ratio of 90.2 (86.0) percent. Current liabilities to credit institutions amounted to 36 512 (117 778). The Group's cash and cash equivalents amounted to 13 142 (17 692). In addition, the Group has an unutilized credit facility amounting to 38 488 (7 221). 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 77.6.

Parent company

The Parent company's net income for the period amounted to -11 436 (14 819). The result included gross profit from investment activities amounting to 2 134 (31 788), administration expenses of -10 848 (-12 959) and net financial items of -2 722 (-4 010). As at September 30, 2007, total assets amounted to 316 483 (691 084), of which equity was 267 694 (569 672). Cash and cash equivalents amounted to 13 042 (17 592) and an unutilized credit facility amounting to 38 488 (7 221).

Investments**(The Group and Parent company)**

During the period, investments in tangible fixed assets amounted to 56 (168) and investments in financial assets amounted to 81 583 (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.

FUTURE DEVELOPMENT

The prospects for a positive value appreciation in the portfolio are largely dependent on the development of the individual companies and also the markets appetite for 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. It is important that the timing of eventual divestments is optimized in order to gain maximum value.

The markets' interest in small growth companies is currently relatively positive. The prospects for 2008 are good, provided that the portfolio companies can reach the growth and profitability goals they have, enabling us to regain the positive development in value in the portfolios.

Due to the redemption of the investment in Nove Capital Fund, Novestra will assume responsibility for the liquidity management and therefore also investment in publicly traded securities.

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:

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 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, November 6, 2007

Theodor Dalenson
Chairman

Colin Kingsnorth
Director

Anders Lönqvist
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 SEPTEMBER 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	49.5	37.2	44.5	82.8
EXPLORICA, INC. ⁴	13.5	53.1	53.1	395.3
MYPUBLISHER, INC. ⁵	25.4	59.5	117.4	475.7
NETSURVEY BOLINDER AB	45.3	8.4	8.3	18.4
QBRANCH AB	23.5	53.8	122.4	530.7
STRAX HOLDINGS, INC.	19.5	47.2	47.2	268.9
OTHER	n/a	25.7	25.7	n/a
TOTAL INVESTMENTS		289.1	422.7	

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

² Calculated market value for the entire company after dilution.

³ 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 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 (9 months) Jan 1 – Sept 30	2006 (9 months) Jan 1 – Sept 30	2007 (3 months) Jul 1 – Sept 30	2006 (3 months) Jul 1 – Sept 30	2006 (12 months) Jan 1 – Dec 31
INVESTMENT ACTIVITY					
Changes in value	-21 627	29 834	-20 955	3 527	-113 780
Dividends	14 560	23 981	-	-	23 981
Gross profit investment activity	-7 067	53 815	-20 955	3 527	-89 799
Other activity					
Income from other activity	1 500	5 197	500	1 769	6 614
Gross profit other activity	1 500	5 197	500	1 769	6 614
Gross profit	-5 567	59 012	-20 455	5 296	-83 185
Administrative expenses ¹	-10 858	-12 969	-2 904	-4 102	-16 939
Operating income	-16 425	46 043	-23 359	1 194	-100 124
RESULT FROM FINANCIAL INVESTMENTS					
Net financial items	-3 072	-4 010	62	-1 125	-6 222
Result after financial items	-19 497	42 033	-23 297	69	-106 346
Current taxes	-319	-1 452	-140	-495	-1 849
Result for the period from remaining operations	-19 816	40 581	-23 437	-426	-108 195
Result from Discontinued operations ²	10 348	3 141	-	10 142	-6 027
Result for the period including discontinued operations	-9 468	43 722	-23 437	9 716	-114 222
Result per share from remaining operations, SEK	-0.53	1.09	-0.63	-0.01	-2.91
Result per share including discontinued operations, SEK	-0.25	1.18	-0.63	0.26	-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 -121 (-132). The total depreciation relates to equipment pertaining to administration.

² Discontinued operations refer to the previously named business area Public holdings. AB Novestra redeemed 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 (9 months) Jan 1 – Sept 30	2006 (9 months) Jan 1 – Sept 30	2007 (3 months) Jul 1 – Sept 30	2006 (3 months) Jul 1 – Sept 30	2006 (12 months) Jan 1 – Dec 31
FINANCIAL KEY RATIOS					
Equity, MSEK	407.7	761.8	407.7	761.8	603.9
Equity/assets ratio, %	90.2	86.0	90.2	86.0	83.4
Cash flow after investments, MSEK	274.5	1.5	-15.2	1.6	-9.6
DATA PER SHARE					
Equity, SEK	10.96	20.49	10.96	20.49	16.24
Result including Discontinued operations, SEK	-0.25	1.18	-0.63	0.26	-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 – Sept 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	3 141	-18 942	30 077	-2 685	-243	-11 279	32 975
Dividends	-	-	14 560	23 981	-	-	14 560	23 981
Income from other activity	-	-	-	-	1 500	5 197	1 500	5 197
Gross profit	10 348	3 141	-4 382	54 058	-1 185	4 954	4 781	62 153
Administrative expenses								
Personnel costs	-	-	-744	-748	-5 092	-6 384	-5 836	-7 132
Depreciation	-	-	-	-	-121	-132	-121	-132
Other costs	-	-	-	-	-4 901	-5 705	-4 901	-5 705
	-	-	-744	-748	-10 114	-12 221	-10 858	-12 969
Operating profit/loss	10 348	3 141	-5 126	53 310	-11 299	-7 267	-6 077	49 184
Net financial income	-	-	-	-	-3 072	-4 010	-3 072	-4 010
Current taxes	-	-	-	-	-319	-1 452	-319	-1 452
Result for the period	10 348	3 141	-5 126	53 310	-14 690	-12 729	-9 468	43 722

THE GROUP

BALANCE SHEETS (SEK THOUSANDS)	30 Sept 2007	30 Sept 2006	31 Dec 2006
ASSETS			
FIXED ASSETS			
Equipment	1 306	1 441	1 371
Shares and participations	422 749	828 707	385 697
Total assets	424 055	830 148	387 068
CURRENT ASSETS			
Current receivables:			
Other receivables	11 404	30 361	35 446
Prepaid expenses and accrued income	3 010	6 801	8 280
	14 414	37 162	43 726
Cash and cash equivalents	13 142	17 692	2 924
Assets held for sale ³	-	-	290 478
Total current assets	27 556	54 854	337 128
TOTAL ASSETS	451 611	885 002	724 196
EQUITY AND LIABILITIES			
EQUITY	407 712	761 800	603 856
Current liabilities:			
Interest-bearing liabilities	36 512	117 778	114 080
Accounts payable	432	485	306
Other liabilities	3 675	2 263	2 555
Accrued expense and prepaid income	3 280	2 676	3 399
Total current liabilities	43 899	123 202	120 340
Total liabilities	43 899	123 202	120 340
TOTAL EQUITY AND LIABILITIES	451 611	885 002	724 196
Pledged assets	141 228	305 363	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 – September 30, 2006	43 722
Dividend	-74 376
Equity as at September 30, 2006	761 800
Result October 1 – December 31, 2006	-157 944
Equity as at December 31, 2006	603 856
Result January 1 – September 30, 2007	-9 468
Distribution of capital by redemption of shares	-185 940
Costs of redemption program	-736
EQUITY AS AT SEPTEMBER 30, 2007	407 712

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 September 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 (9 months) Jan 1 – Sept 30	2006 (9 months) Jan 1 – Sept 30	2006 (12 months) Jan 1 – Dec 31
OPERATING ACTIVITIES:			
Profit/loss before tax for the period	-19 497	42 033	-106 346
Result from Discontinued operations for the period	10 348	3 141	-6 027
Adjustment for non cash items	11 400	-33 107	107 538
Taxes paid	-	-	-
Funds provided from operations prior to changes in working capital	2 251	12 067	-4 835
Details of changes in working capital:			
Increase (-)/decrease (+) in current receivables	-5 435	-13 245	-19 807
Increase (+)/decrease (-) in current liabilities	808	-12 655	-12 488
Cash flow from operations	-2 376	-13 833	-37 130
INVESTMENT ACTIVITIES			
Investments in tangible assets	-56	-168	-174
Investments in financial assets	-46 837	-13 609	-1 376
Proceeds from sale of financial assets	323 730	29 110	29 110
Cash flow from investment activities	276 837	15 333	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	-77 568	87 875	84 177
Cash flow from financing activities	-264 243	13 499	9 801
Cash flow for the period	10 218	14 999	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	13 142	17 692	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 (9 months) Jan 1 – Sept 30	2006 (9 months) Jan 1 – Sept 30	2007 (3 months) Jul 1 – Sept 30	2006 (3 months) Jul 1 – Sept 30	2006 (12 months) Jan 1 – Dec 31
INVESTMENT ACTIVITY					
Result from shares and participations	-12 426	7 807	-18 202	12 968	-89 875
Dividends	14 560	23 981	-	-	23 981
Gross profit	2 134	31 788	-18 202	12 968	-65 894
Administrative expenses ¹	-10 848	-12 959	-2 904	-4 102	-16 930
Operating income	-8 714	18 829	-21 106	8 866	-82 824
RESULT FROM FINANCIAL ITEMS					
Net financial items	-2 722	-4 010	62	-1 125	-6 222
Result after financial items	-11 436	14 819	-21 044	7 741	-89 046
Current taxes	-	-	-	-	-
Result for the period	11 436	14 819	-21 044	7 741	-89 046

BALANCE SHEETS (SEK THOUSANDS)	30 Sept 2007	30 Sept 2006	31 Dec 2006
ASSETS			
Equipment	1 306	1 441	1 371
Shares and participations	289 221	641 226	561 794
Total fixed assets	290 527	642 667	563 165
Current receivables	12 914	30 825	17 972
Cash and cash equivalents	13 042	17 592	2 824
Total current assets	25 956	48 417	20 796
TOTAL ASSETS	316 483	691 084	583 961
EQUITY AND LIABILITIES			
Equity	267 694	569 672	465 807
Current liabilities	48 789	121 412	118 154
TOTAL EQUITY AND LIABILITIES	316 483	691 084	583 961
Pledged assets	141 288	305 363	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 – September 30, 2006	14 819
Dividend	-74 376
Equity as at September 30, 2006	569 672
Result October 1 – December 31, 2006	-103 865
Equity as at December 31, 2006	465 807
Result January 1 – September 30, 2007	-11 436
Distribution of capital by redemption of shares	-185 940
Costs of redemption program	-736
EQUITY AS AT SEPTEMBER 30, 2007	267 694

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