

NOVESTRA

YEAR-END REPORT FOR THE FINANCIAL YEAR 2007 JANUARY 1 – DECEMBER 31, 2007, INCLUDING INTERIM REPORT FOR Q4 PERTAINING TO THE PERIOD OCTOBER 1 – DECEMBER 31, 2007

- The Group's net income amounted to MSEK 4.7 (-114.2), corresponding to SEK 0.13 (-3.07) per share. Equity amounted to MSEK 421.8 (603.9), corresponding to SEK 11.3 (16.2) per share. Cash and cash equivalents amounted to MSEK 16.4 (293.4).
- 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 94¹%, Explorica's growth rate was 23% and Qbranch's 27%. Sales in Strax were down 4% compared to the previous year.
- Diino exceeded its goal of having 400 000 users by the end of 2007, and the number of users as at February 15, 2008 amounted to 750 000. Swisscom invested MEUR 2.3 in Diino in July 2007.
- 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 fourth quarter amounted to 108 percent. Qbranch showed an accelerated growth in sales, with a growth of approximately 37 percent in the fourth quarter.

The portfolio companies generally saw a very strong finish at the end of 2007 and the beginning of 2008 shows that the trend is continuing" says Novestra's Managing Director, Johan Heijbel

¹ Calculated on remaining operations. In total, the growth was approximately 74 percent for 2007 compared to 2006.

The information provided in this year-end 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 February 18, 2008 at 8.55 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 fourth quarter of 2007, the performance for the majority of the portfolio companies continued to be positive with continued growth rates and improved 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 1.6 for the financial year 2006/2007. Profitability during 2007/2008 is expected to increase with expected lower growth rate.

MyPublisher's sales increased by approximately 94¹ percent during the period and with 108 percent during the fourth quarter. 2008 has been very strong so far and with planned marketing campaigns the company expects a further increase in growth during 2008.

Qbranch showed continued growth in revenues and results during the period. Sales for the period amounted to approximately MSEK 364, corresponding to a growth in sales of approximately 27 percent, with maintained satisfactory margins. Qbranch's order intake reached a record level, and 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. Qbranch expects both increased profitability and growth during 2008.

Strax continued during 2007 to strengthen its position in the prioritized market for mobile accessories business with growth in sales of approximately 7 percent in the business area. Sales overall decreased with approximately 4 percent during 2007 as a result of the decision not to prioritize low margin businesses within the mobile phone market. Strax expects improved growth and profitability during 2008.

Diino has had a positive increase in the number of new users during the period, and the company exceeded 500 000 users by the end of 2007, which has increased to approximately 750 000 users as at February 15, 2008. 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 6 percent during the period and showed a significant improvement in results compared to the same period last year.

Continuum's liquidation is in the final phase and is likely to be completed during the first half of 2008. Novestra received an additional dividend of shares in Akamai to the value of MSEK 8.4 during the period.

Value adjustments

During the 2007, changes in value amounted to a total of MSEK 7.5, of which MSEK -14.4 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. Changes in value relating to Strax amounted to MSEK -15.6, including currency effects.

RESULT AND FINANCIAL POSITION JANUARY 1 – DECEMBER 31, 2007

The Group

The Group's net income for the period amounted to 4 669 (-114 222). The result included gross profit from investment activities amounting to 11 750 (-89 799), gross profit from other activities of 2 000 (6 614), administration expenses of -14 420 (-16 939) and net financial items of -3 904 (-6 222). Result from Discontinued operations amounted to 10 348 (-6 027). As at December 31, 2007, total assets amounted to 479 667 (724 196), of which equity was 421 849 (603 856), corresponding to an equity/assets ratio of 88.0 (83.4) percent. Current liabilities to credit institutions amounted to 50 440 (114 080). The Group's cash and cash equivalents amounted to 16 351 (293 402). In addition, the Group has an unutilized credit facility amounting to 74 560 (10 920). 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 63 640.

Parent company

The Parent company's net income for the period amounted to -15 562 (-89 046). The result included gross profit from investment activities amounting to 3 051 (-65 894), administration expenses of -14 410 (-16 930) and net financial items of -3 600 (-6 222). As at December 31, 2007, total assets amounted to 326 139 (583 961), of which equity was 263 572 (465 807). Cash and cash equivalents amounted to 16 252 (2 824) and an unutilized credit facility amounting to 74 560 (10 920).

¹ Calculated on remaining operations. In total, the growth was approximately 74 percent for 2007 compared to 2006.

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

During the period, investments in tangible fixed assets amounted to 193 (174) and investments in financial assets amounted to 90 847 (13 859).

Distribution 2007

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.

Bonuses pertaining to 2007

No bonuses will be paid out for the financial year 2007 according to the existing program.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

After the end of the period, all significant operations have developed well. Both MyPublisher and Qbranch have shown a considerable higher growth rate during January 2008 compared to January 2007.

In January 2008 Novestra received an additional 2 502 shares in Akamai Technologies Inc., as a dividend from Continuum, corresponding to a value of approximately TSEK 471.

The Board of Directors proposal regarding dividend for the financial year 2007

The Board of Directors proposes that no dividend be paid out for the financial year 2007.

FUTURE DEVELOPMENT

After a relatively weak development in 2006 in two of the most important portfolio companies, the Board of Directors and the management decided not to force the sale of the venture capital portfolio as the future prospects for the portfolio companies were deemed as good. A significant part of the holding in Nove Capital was chosen to be distributed to the shareholders instead. Considering the positive development in the portfolio in 2007, as well as the negative development in the equity market during the same period, these decisions appear to have been successful.

Novestra now believes that the portfolio companies will, in general, develop even better during 2008, and that the prerequisites for a very positive growth in value will significantly increase if the portfolio companies reach their set growth and result goals. Development among the portfolio where reports have been received relating to the beginning of 2008 are very positive despite generally weak economic growth prospects.

Discussions concerning divestment of Novestra's growth portfolio will be held when the management deems that the value potential in the companies is at an attractive level. Simultaneously, continuous attention is being

paid to liquid investments in publicly traded securities which are deemed to have a value growth potential which is not dependent on the general economic growth situation.

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 and also, if applicable, transactions in the companies. Listed shares and participations are valued on the basis of their share price 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:

2007 Annual Report: *April 2008*

Annual General Meeting and Interim Report Q1, 2008: *April 23, 2008*

Interim Report Q2, 2008: *August 21, 2008*

The Board of Directors declares that the undersigned year-end 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, February 17, 2008

Theodor Dalenson
Chairman

Colin Kingsnorth
Director

Anders Lönnqvist
Director

David E. Marcus
Director

Bertil Villard
Director

Johan Heijbel
Managing Director

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.

For further information please contact:

Johan Heijbel (Managing Director)
Phone: +46 8 545 017 50

The company's address:

AB Novestra
Norrländsgatan 16
111 43 Stockholm
Sweden

E-mail: info@novestra.com
Website: www.novestra.com

Company information

Corporate identity number:
556539-7709

Registered Office:
Stockholm, Sweden

HOLDINGS AS AT DECEMBER 31, 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	2.5	2.5	20.0
DIINO AB ³	49.5	37.4	44.5	86.1
EXPLORICA, INC. ⁴	13.5	53.1	53.1	395.2
MYPUBLISHER, INC. ⁵	25.4	59.5	125.1	500.2
NETSURVEY BOLINDER AB	45.3	8.4	8.9	19.6
QBRANCH AB	23.5	53.8	132.0	572.4
STRAX HOLDINGS, INC.	19.5	47.2	47.2	269.2
OTHER	n/a	37.5	37.5	n/a
TOTAL INVESTMENTS		299.4	450.8	

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 (12 months) Jan 1 – Dec 31	2006 (12 months) Jan 1 –Dec 31	2007 (3 months) Oct 1 – Dec 31	2006 (3 months) Oct 1 –Dec 31
INVESTMENT ACTIVITY				
Changes in value	-2 810	-113 780	18 817	-143 614
Dividends	14 560	23 981	-	-
Gross profit investment activity	11 750	-89 799	18 817	-143 614
Other activity				
Income from other activity	2 000	6 614	500	1 417
Gross profit other activity	2 000	6 614	500	1 417
Gross profit	13 750	-83 185	19 317	-142 197
Administrative expenses ¹	-14 420	-16 939	-3 562	-3 970
Operating income	-670	-100 124	15 755	-146 167
RESULT FROM FINANCIAL INVESTMENTS				
Net financial items	-3 904	-6 222	-832	-2 212
Result after financial items	-4 574	-106 346	14 923	-148 379
Current taxes	-1 105	-1 849	-786	-397
Result for the period from remaining operations	-5 679	-108 195	14 137	-148 776
Result from Discontinued operations ²	10 348	-6 027	-	-9 168
Result for the period including discontinued operations	4 669	-114 222	14 137	-157 944
Result per share from remaining operations, SEK	-0.15	-2.91	0.38	-4.00
Result per share including discontinued operations, SEK	0.13	-3.07	0.38	-4.25
Average number of shares during the period	37 187 973	37 187 973	37 187 973	37 187 973

¹ Depreciation for the period amounted to 161 (178). 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 (12 months) Jan 1 –Dec 31	2006 (12 months) Jan 1 –Dec 31	2007 (3 months) Oct 1 – Dec 31	2006 (3 months) Oct 1 – Dec 31
FINANCIAL KEY RATIOS				
Equity, MSEK	421.8	603.9	421.8	603.9
Equity/assets ratio, %	88.0	83.4	88.0	83.4
Cash flow after investments, MSEK	263.8	-9.6	-10.7	-11.1
DATA PER SHARE				
Equity, SEK	11.34	16.24	11.34	16.24
Result including Discontinued operations, SEK	0.13	-3.07	0.38	-4.25
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
Average number of shares during the period	37 187 973	37 187 973	37 187 973	37 187 973

THE GROUP

PERFORMANCE BY BUSINESS AREA Jan 1 – Dec 31 (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	-6 027	-7 369	-111 764	4 559	-2 016	7 538	-119 807
Dividends	-	-	14 560	23 981	-	-	14 560	23 981
Income from other activity	-	-	-	-	2 000	6 614	2 000	6 614
Gross profit	10 348	-6 027	7 191	-87 783	6 559	4 598	24 098	-89 212
Administrative expenses								
Personnel costs	-	-	-992	-990	-6 848	-8 146	-7 840	-9 136
Depreciation	-	-	-	-	-161	-178	-161	-178
Other costs	-	-	-	-	-6 419	-7 625	-6 419	-7 625
Operating profit/loss	10 348	-6 027	6 199	-88 773	-6 869	-11 351	9 678	-106 151
Net financial income	-	-	-	-	-3 904	-6 222	-3 904	-6 222
Current taxes	-	-	-	-	-1 105	-1 849	-1 105	-1 849
Result for the period	10 348	-6 027	6 199	-88 773	-11 878	-19 422	4 669	-114 222

THE GROUP

BALANCE SHEETS (SEK THOUSANDS)	31 Dec 2007	31 Dec 2006
ASSETS		
FIXED ASSETS		
Equipment	1 369	1 371
Shares and participations	450 782	385 697
Total assets	452 151	387 068
CURRENT ASSETS		
Current receivables:		
Other receivables	8 570	35 446
Prepaid expenses and accrued income	2 595	8 280
	11 165	43 726
Cash and cash equivalents	16 351	2 924
Assets held for sale ³	-	290 478
Total current assets	27 516	337 128
TOTAL ASSETS	479 667	724 196
EQUITY AND LIABILITIES		
EQUITY	421 849	603 856
Current liabilities:		
Interest-bearing liabilities	50 440	114 080
Accounts payable	28	306
Other liabilities	4 231	2 555
Accrued expense and prepaid income	3 119	3 399
Total current liabilities	57 818	120 340
Total liabilities	57 818	120 340
TOTAL EQUITY AND LIABILITIES	479 667	724 196
Pledged assets	151 050	410 278
Contingent liabilities	None	None

THE GROUP

CHANGE IN EQUITY DURING THE PERIOD
(SEK THOUSANDS)

EQUITY B/F JANUARY 1, 2006	792 454
Result January 1 – December 31, 2006	-114 222
Dividend	-74 376
Equity as at December 31, 2006	603 856
Result January 1 – December 31, 2007	4 669
Distribution of capital by redemption of shares ⁴	-185 940
Costs of redemption program	-736
EQUITY AS AT DECEMBER 31, 2007	421 849

³ Assets held for sale refer to the holding in Nove Capital Fund, which is accounted for as Discontinued operations in the income statements.

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 (12 months) Jan 1 – Dec 31	2006 (12 months) Jan 1 – Dec 31
OPERATING ACTIVITIES:		
Profit/loss before tax for the period	-4 574	-106 346
Result from Discontinued operations for the period	10 348	-6 027
Adjustment for non cash items	-7 384	107 538
Taxes paid	-	-
Funds provided from operations prior to changes in working capital	-1 610	-4 835
Details of changes in working capital:		
Increase (-)/decrease (+) in current receivables	16 808	-19 807
Increase (+)/decrease (-) in current liabilities	53	-12 488
Cash flow from operations	15 251	-37 130
INVESTMENT ACTIVITIES		
Investments in tangible assets	-193	-174
Investments in financial assets	-75 094	-1 376
Proceeds from sale of financial assets	323 779	29 110
Cash flow from investment activities	248 492	27 560
FINANCING ACTIVITIES		
Dividend	-	-74 376
Distribution of capital by redemption of shares	-185 940	
Costs of redemption program	-736	
Changes in interest-bearing liabilities	-63 640	84 177
Cash flow from financing activities	-250 316	9 801
Cash flow for the period	13 427	231
Cash and cash equivalents at the beginning of the period	2 924	2 693
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	16 351	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 (12 months) Jan 1 – Dec 31	2006 (12 months) Jan 1 – Dec 31	2007 (3 months) Oct 1 –Dec 31	2006 (3 months) Oct 1 –Dec 31
INVESTMENT ACTIVITY				
Result from shares and participations	-11 509	-89 875	917	-97 682
Dividends	14 560	23 981	-	-
Gross profit	3 051	-65 894	917	-97 682
Administrative expenses	-14 410	-16 930	-3 562	-3 971
Operating income	-11 359	-82 824	-2 645	-101 653
RESULT FROM FINANCIAL ITEMS				
Net financial items	-3 600	-6 222	-878	-2 212
Result after financial items	-14 959	-89 046	-3 523	-103 865
Current taxes	-603	-	-	-
Result for the period	-15 562	-89 046	-3 523	-103 865

BALANCE SHEETS (SEK THOUSANDS)

31 Dec 2007 **31 Dec 2006**

ASSETS

Equipment	1 369	1 371
Shares and participations	299 354	561 794
Total fixed assets	300 723	563 165
Current receivables	9 165	17 972
Cash and cash equivalents	16 252	2 824
Total current assets	25 417	20 796
TOTAL ASSETS	326 140	583 961

EQUITY AND LIABILITIES

Equity	263 569	465 807
Current liabilities	62 571	118 154
TOTAL EQUITY AND LIABILITIES	326 140	583 961
Pledged assets	151 050	410 278
Contingent liabilities	None	None

PARENT COMPANY

CHANGES IN EQUITY

(SEK THOUSANDS)

EQUITY B/F JANUARY 1, 2006	629 229
Result January 1 –December 31, 2006	-89 046
Dividend	-74 376
Equity as at December 31, 2006	465 807
Result January 1 – December 31, 2007	-15 562
Distribution of capital by redemption of shares	-185 940
Costs of redemption program	-736
EQUITY AS AT DECEMBER 31, 2007	263 569

About AB Novestra

Novestra is an independent investment company with a portfolio of investments in a number of privately held growth companies including Diino 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