

NOVESTRA

YEAR-END REPORT FOR THE FINANCIAL YEAR 2006 JANUARY 1 – DECEMBER 31, 2006, INCLUDING INTERIM REPORT FOR Q4 PERTAINING TO THE PERIOD OCTOBER 1 – DECEMBER 31, 2006

- The Group's net income amounted to MSEK -114.2 (220.9), corresponding to SEK -3.1 (5.9) per share. Equity amounted to MSEK 603.9 (792.5), amounting to SEK 16.2 (21.3) per share. Cash and cash equivalents, including holdings in Nove Capital Fund, amounted to MSEK 293.4 (303.3).
- The four largest private holdings showed continued growth in revenues of between 18 and 68 percent. As at December 31, 2006 the value of Novestra's investment in Nove Capital Fund since inception in May 2005, has increased by MSEK 101.3, equivalent to a return of 53.5 percent. The value in Nove Capital has developed positively during 2007.
- The entire holding in Nove Capital will be redeemed during the first quarter of 2007 and the Board of Directors have previously proposed that the entire cash amount is to be distributed to the shareholders after the Annual General Meeting 2007 by Novestra issuing redemption shares. The value as at January 31, 2007 amounts to approximately MSEK 302.7 which corresponds to approximately SEK 8.1 per share.
- The Board of Directors and management is currently evaluating the best way to create shareholder value after the distribution of cash and shares in Diino during the second quarter of 2007. The options include consolidation scenarios as well as a strategic transaction.
- The result during the period has been effected with changes in value to a total of MSEK 130. The changes in value depend on to a large degree to changed valuation techniques, whereby the valuation appraisal of comparable public companies has been taken into consideration rather than forecasted cash flow.

"Growth in revenues in two of the portfolio companies has been lower than expected for the year 2006. Currently the portfolio companies are continuing to develop well and all companies expect a good growth in revenues during 2007.

I believe the conditions for successfully carrying out divestments in the private holdings will improve during 2007, as results in the portfolio companies continue to develop positively. To create the best possible value in relation to our carrying values, it is important that we optimise the timing for the divestments" 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 fourth quarter of 2006, the performance of the largest portfolio companies continued to be positive, as previously, with continued growth. However, the growth for Strax did not reach expectations and ended at approximately 38 percent.

Private portfolio companies

Explorica showed continued growth in revenues in the U.S. and Canada, its main markets. During the financial year ended August 31, 2006, total revenues amounted to MUSD 55, representing a year over year growth of approximately 30 percent. For the current year, Explorica is expected to grow by approximately 35 percent, with a significant improvement in results. During 2006, Explorica were in discussions regarding the sale of the company, but the shareholders ended the discussions due to the indicated price level, and a decision was made to wait with a sales process.

MyPublisher's revenues from production under its own brand increased by approximately 68 percent during 2006, and approximately 72 percent during December 2006. The gross margin in the company increased to 57 percent during 2006, compared to 49 percent the previous year. The discontinued cooperation with Apple during 2006 has resulted in lower overall growth in revenues, but higher gross margins. For 2007, the company expects growth in revenues of at least 40 percent, with a positive result for the year. During the fourth quarter Novestra revised the reported value by MSEK -50.

Qbranch showed continued growth in revenues and results compared to last year. Revenues for 2006 amounted to approximately MSEK 290, corresponding to a year over year growth of approximately 18 percent, with maintained high margins.

Strax revenues for 2006 amounted to approximately MUSD 200, with a lower growth rate than expected of approximately 38 percent. The growth for 2006 was effected by disturbance relating to the trading business of mobile phones in Europe. The lower sales have effected the margins negatively. Due to these developments in the company, Novestra has revised the reported value of Strax by approximately MSEK -80, during the fourth quarter. The outlook for Strax to significantly improve the results for 2007 is positive.

Diino (formerly Bytek Systems) has during the fourth quarter had a positive increase in the number of new users, and the number of registered users exceeded 50,000 by the end of the period. The web based service has received

very positive reviews in the international media. Novestra plans to distribute its ownership in Diino (approximately 65 percent after conversion) to its shareholders, when the required prerequisites have been fulfilled and thereafter a listing of Diino is planned.

Netsurvey showed revenues of approximately MSEK 24 during 2006, with a considerable improvement in results.

Continuum's liquidation is expected to be completed during 2007. Novestra received dividends according to plan during 2006. The distribution of the remaining shares/cash to the company's shareholders will further improve Novestra's liquidity during 2007.

Value adjustments - A material adjustment in the reported value of Strax and MyPublisher was made, respectively with MSEK -80 and MSEK -50, during the fourth quarter. Currency effects have had a negative impact in reported values during 2006.

Nove Capital Fund

On May 2, 2005, operations in Nove Capital Fund were initiated, where Novestra invested MSEK 189.2. As at December 31, 2006, Novestra's return on investment from participation in Nove Capital Fund amounted to MSEK 101.3, corresponding to an appreciation in value of 53.5 percent. As at December 31, the total value of Novestra's holding amounts to approximately MSEK 290.5. During the fourth quarter the value has been negatively effected due to currency exchange rates despite positive growth in the fund. The entire holding in Nove Capital Fund will be redeemed during the first quarter of 2007. The Board of Directors have previously proposed that the entire cash amount shall be distributed to the shareholders after the Annual General Meeting in 2007 by issuing redemption shares.

Other

The holding in Nove Capital Fund amounts to the major part of the investments in the business area public holdings. With the decision to redeem the holding the business area public holdings will cease to exist, which entails the business area being accounted for as Discontinued operations, in accordance with IFRS 5.

Change in valuation techniques

The valuation techniques for assessing the valuation of private holdings have been changed during the period. The change entails greater appraisal at the valuation of comparable public holdings and less consideration to the forecasted cash flow and growth. The effect on the accounts amounts to approximately MSEK 130.

Organization

Marcus Söderblom was appointed Vice President of AB Novestra in December 2006. Marcus Söderblom continues to hold the position of Investment Manager.

**RESULT AND FINANCIAL POSITION
JANUARY 1 – DECEMBER 31, 2006****The Group**

The Group's net income for the period amounted to -114 222 (220 880). The result included gross profit from investment activities amounting to -89 799 (140 846), gross profit from other activities of 6 614 (1 140), administration expenses of -16 939 (-32 191) and net financial items of -6 222 (4 076). Result from discontinued operations amounted to -6 027 (107 325). As at December 31, 2006, total assets amounted to 724 196 (839 257), of which equity was 603 854 (792 453), corresponding to an equity/assets ratio of 83.4 (94.4) percent. Current liabilities to credit institutions amounted to 114 080 (29 903). The Group's cash and cash equivalents together with Novestra's participation in Nove Capital Fund amounted to 293 405 (303 270). In addition, the Group has an unutilized credit facility amounting to 10 920 (20 097).

Investments

During the period, investments in tangible fixed assets amounted to 174 (515) and investments in financial assets amounted to 13 859 (366 815).

**SIGNIFICANT EVENTS AFTER THE
END OF THE PERIOD**

After the end of the period, operations in the private portfolio companies have continued to develop according to plan.

In January 2007 Novestra received a further 22 771 shares in Akamai Technologies Inc., as a dividend from Continuum corresponding to a value of approximately MSEK 9.

FUTURE DEVELOPMENT

The prospects for continued value appreciation in the private growth 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 has slightly weakened during 2006.

The Board of Directors is currently evaluating strategic alternatives that would be significant for Novestra's development in value as a whole. If a decision is reached considering a transaction of a strategic nature it would be expected that this would occur before or in connection with the Annual General Meeting 2007.

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. The valuation techniques for assessing the valuation of private holdings have been changed during the period. The change entails greater appraisal at the valuation of comparable public holdings and less consideration to the forecasted cash flow. The effect on the accounts amounts to approximately MSEK 130. 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.

OTHER INFORMATION

Financial calendar:

2006 Annual Report
April 2007

Annual General Meeting and Interim
Report Q1, 2007
April 24, 2007

Interim Report Q2, 2007
August 21, 2007

Interim Report Q3, 2007
October 22, 2007

Year-end Report for 2007
February 18, 2008

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

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

Stockholm, February 19, 2007

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HOLDINGS AS AT December 31, 2006, MSEK

PORTFOLIO COMPANIES	THE GROUP		
	CARRYING VALUE bal. c/f	OWNER- SHIP, % ¹	MARKET CAP AT CARRYING VALUES
PRIVATE COMPANIES			
DIINO AB (BYTEK SYSTEMS AB)	20.1	44.8	44.9
CONTINUUM GROUP LTD	12.3	12.3	100.0
DALLAS STHLM DDG AB	0.4	7.0	5.7
EXPLORICA, INC.	54.1	13.6	402.8
MYPUBLISHER, INC.	108.4	27.9	408.5
NETSURVEY BOLINDER AB	8.4	45.3	18.5
QBRANCH AB	119.8	23.5	509.3
STRAX HOLDINGS, INC.	58.1	19.5	331.0
OTHER	0.1	n/a	n/a
TOTAL PRIVATE COMPANIES	381.7		
PUBLIC COMPANIES			
NOVE CAPITAL FUND ²	290.5		
OTHER	4.0		
TOTAL PUBLIC COMPANIES	294.5		
TOTAL INVESTMENTS	676.2		

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

² The holding in Nove Capital Fund is accounted for as assets held for sale in the balance sheet.

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)

	2006 (12 months) Jan 1 – Dec 31	2005 (12 months) Jan 1 – Dec 31	2006 (3 months) Oct 1 – Dec 31	2005 (3 months) Oct 1 – Dec 31
INVESTMENT ACTIVITY				
Changes in value	-113 780	110 699	-143 614	17 940
Dividends	23 981	30 147	-	13 533
Gross profit investment activity	-89 799	140 846	-143 614	31 473
Other activity				
Income from other activity	6 614	1 140	1 417	656
Gross profit other activity	6 614	1 140	1 417	656
Gross profit	-83 185	141 986	-142 197	32 129
Administrative expenses ¹	-16 939	-32 191	-3 970	-17 747
Operating income	-100 124	109 795	-146 167	14 382
RESULT FROM FINANCIAL INVESTMENTS				
Net financial items	-6 222	4 076	-2 212	979
Result after financial items	-106 346	113 871	-148 379	15 361
Current taxes	-1 849	-316	-397	-180
Result for the period from remaining operations	-108 195	113 555	-148 776	15 181
Result from Discontinued operations ²	-6 027	107 325	-9 168	38 112
Result for the period including discontinued operations	-114 222	220 880	-157 944	53 293
Result per share from remaining operations, SEK	-2.91	3.05	-4.00	0.41
Result per share including discontinued operations, SEK	-3.07	5.94	-4.25	1.43
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 -178 (-220). 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.

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	2006 (12 months) Jan 1 – Dec 31	2005 (12 months) Jan 1 – Dec 31	2006 (3 months) Oct 1 – Dec 31	2005 (3 months) Oct 1 – Dec 31
KEY RATIOS				
FINANCIAL KEY RATIOS				
Equity, MSEK	603.9	792.5	603.9	792.5
Equity/assets ratio, %	83.4	94.4	83.4	94.4
Cash flow after investments, MSEK	-9.6	-38.7	-11.1	-10.2
DATA PER SHARE				
Equity, SEK	16.24	21.31	16.24	21.31
Result including Discontinued operations, SEK	-3.07	5.94	-4.25	1.43
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

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	Discontinued operations ²		Private holdings		Joint		Total	
PERFORMANCE BY BUSINESS AREA Jan 1 – Dec 31 (SEK thousands)	2006	2005	2006	2005	2006	2005	2006	2005
Income from shares and participations								
Changes in value	-6 027	107 325	-111 764	111 164	-2 016	-465	-119 807	218 024
Dividends	-	-	23 981	30 147	-	-	23 981	30 147
Income from other activity	-	-	-	-	6 614	1 140	6 614	1 140
Gross profit	-6 027	107 325	-87 783	141 311	4 598	675	-89 212	249 311
Administrative expenses								
Personnel costs	-	-	-990	-3 728	-8 146	-19 539	-9 136	-23 267
Depreciation	-	-	-	-	-178	-220	-178	-220
Other costs	-	-	-	-	-7 625	-8 704	-7 625	-8 704
	-	-	-990	-3 728	-15 949	-28 463	-16 939	-32 191
Operating profit/loss	-6 027	107 325	-88 773	137 583	-11 351	-27 788	-106 151	217 120
Net financial income	-	-	-	-	-6 222	4 076	-6 222	4 076
Current taxes	-	-	-	-	-1 849	-316	-1 849	-316
Result for the period	-6 027	107 325	-88 773	137 583	-19 422	-24 028	-114 222	220 880

THE GROUP

BALANCE SHEETS (SEK THOUSANDS)	31 Dec 2006	31 Dec 2005
ASSETS		
FIXED ASSETS		
Equipment	1 371	1 414
Shares and participations	385 697	811 233
Total assets	387 068	812 647
CURRENT ASSETS		
Current receivables:		
Other receivables	35 446	22 228
Prepaid expenses and accrued income	8 280	1 689
	43 726	23 917
Cash and cash equivalents	2 924	2 693
Assets held for sale ³	290 478	-
Total current assets	337 128	26 610
TOTAL ASSETS	724 196	839 257
EQUITY AND LIABILITIES		
EQUITY	603 854	792 453
Current liabilities:		
Interest-bearing liabilities	114 080	29 903
Accounts payable	308	435
Other liabilities	2 555	2 727
Accrued expense and prepaid income	3 399	13 739
Total current liabilities	120 342	46 804
Total liabilities	120 342	46 804
TOTAL EQUITY AND LIABILITIES	724 196	839 257
Pledged assets	294 565	115 800
Contingent liabilities	None	None

THE GROUP

CHANGE IN EQUITY DURING THE PERIOD (SEK THOUSANDS)	
EQUITY B/F JAN 1, 2005 PRO FORMA	608 761
Result January 1 – December 31, 2005	220 880
Dividend 2005	-37 188
Equity as at December 31, 2005	792 453
Result January 1 – December 31, 2006	-114 222
Dividend 2006	-74 376
EQUITY AS AT December 31, 2006	603 854

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 GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS (SEK THOUSANDS)	2006 (12 months) Jan 1 – Dec 31	2005 (12 months) Jan 1 – Dec 31
OPERATING ACTIVITIES:		
Profit/loss before tax	-112 373	221 196
Adjustment for non cash items	120 021	-240 985
Taxes paid	-	-
Funds provided from operations prior to changes in working capital	7 648	-19 789
Details of changes in working capital:		
Increase (-)/decrease (+) in current receivables	-19 807	3 574
Increase (+)/decrease (-) in current liabilities	-12 488	8 055
Cash flow from operations	-24 647	-8 160
INVESTMENT ACTIVITIES		
Investments in tangible assets	-174	-515
Investments in financial assets	-13 859	-142 241
Proceeds from sale of financial assets	29 110	107 132
Cash flow from investment activities	15 077	-35 624
FINANCING ACTIVITIES		
Dividend	-74 376	-37 188
Changes in interest-bearing liabilities	84 177	5 052
Cash flow from financing activities	9 801	-32 136
Cash flow for the period	231	-75 920
Cash and cash equivalents at the beginning of the period	2 693	78 613
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2 924	2 693

No part of the cash flow for the Group is related to Discontinued operations.

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.

In addition, Novestra has an investment in Nove Capital Fund, that primarily invests in public companies which are considered to have a value potential because of special situations such as reconstructions, turnarounds or for other reasons offer a significant upside potential and therefore an interesting risk/reward.

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