

## NeoNet's Year-End Report, 1 January – 31 December 2006

Stockholm, 8 February 2007

### The Fourth Quarter in Summary

- Operating revenues increased by 45% to SEK 114.2 m (78.7).
- Operating earnings before depreciation and net financial items (EBITDA) increased by 195% to SEK 28.9 m (9.8).
- Earnings before tax were SEK 17.8 m (0.5).
- Earnings after tax were SEK 11.9 m (-1.5).
- Earnings per share before dilution were SEK 0.22 (-0.03).
- Underlying cash flow was strengthened and amounted to SEK 22.4 m (5.5).

### The Year in Summary

- Operating revenues increased by 54% to SEK 397.1 m (258.0).
- Operating earnings before depreciation and net financial items (EBITDA) increased by 119% to SEK 90.0 m (41.0).
- Earnings before tax were SEK 50.5 m (6.2).
- Earnings after tax were SEK 34.4 m. The equivalent figure for last year was SEK 4.2 m, excluding the one-off effect of a deferred tax asset (26.8 incl. tax asset).
- Earnings per share before dilution were SEK 0.66. The equivalent figure for last year was SEK 0.08, excluding the one-off effect of a deferred tax asset (0.53 incl. tax asset).
- Underlying cash flow was SEK 63.9 m (23.1).
- The debenture loan of SEK 50.6 m was repaid in December. During the year there was an inflow of SEK 65.3 m in shareholders' equity in connection with exercise of warrants for new shares.

### Significant Events

- Handelsbanken Capital Markets has signed a NeoNet XG agreement for a full-service electronic direct market access solution.
- The Board of Directors intends to propose a dividend of SEK 0.40 per share.
- New long-term financial targets state that NeoNet will double revenues to SEK 800 m by latest 2010, with earnings before tax of at least SEK 200 m.

### NeoNet in 2006

2006 was a very strong year for NeoNet – revenues increased and there was a positive trend in earnings. Direct market access continues to grow, and there was also a breakthrough for NeoNet XG, our license-based system and software services. A recent example is the agreement with Handelsbanken to deliver a full-service electronic direct market access solution. NeoNet XG builds on NeoNet's strengths, creating new business opportunities and a stronger and more comprehensive offering.

During the year clients have continued to increase their trading via NeoNet. This increase is in line with the long-term trend for ever-increasing shares of clients' trading to be effected via direct market access trading. We have succeeded in attracting several new active clients during the year. In addition, an increasing number of NeoNet's clients have recognized the advantage of fast and secure trading on multiple stock exchanges through one player – NeoNet. The volume increase has been further boosted by favorable market conditions, with high trading volumes on the exchanges where NeoNet offers trading.

With its advanced trading platform and sound industry expertise, NeoNet occupies a commanding position within electronic securities trading. Based on employees' innovative capabilities and dedication, our effective organization has enabled us to achieve strong

growth and handle increased volumes at the same time as developing our offering.

The offering is based on a powerful trading platform providing fast and effective trading on the major stock exchanges. Clients can currently trade on 20 leading exchanges in Europe and North America, and the number of accessible exchanges is being expanded on an ongoing basis. The next step is to add trading on leading Asiatic stock exchanges, the Eurex derivatives exchange and the Warsaw Stock Exchange.

By combining our strength as a direct market access broker with our new system and software services, we have created a unique offering, providing clients with an efficient means of gathering all their national and international trading in one place.

The use of direct market access is expected to continue to increase, and the potential for growth is good. At the same time, efforts to increase efficiency have remained a high priority. This rationalization work safeguards our ability to deliver at competitive prices.

To summarize, the prospects for the coming years are good, with a strong and comprehensive offering for electronic trading on a growing market. It is against this background and the very strong development in 2006 that the Board of Directors has decided to set more aggressive targets for revenues to double and earnings to quadruple over the next four years.

**Markets**

Conditions on the market during 2006 have been favorable for NeoNet. The general level of trading has been high on the exchanges on which NeoNet offers trading. At the same time, there is a continuing marked long-term trend for professional investors to execute an increasing proportion of trading electronically using direct market access. Increased trading volumes as a result of advanced trading tools, 'smart order types' and algorithmic trading are reinforcing this trend.

Banks and broker-dealers are increasingly striving to execute all their trading via fewer trading systems, irrespective of whether they are trading on exchanges where they are members or via a broker. To satisfy this demand NeoNet has created software services (NeoNet XG) which can be combined with its brokerage services, enabling NeoNet's clients to execute all their trading in one system.

An increased proportion of electronic trading and a more advanced trading pattern are making direct market access a business-critical element of clients' transaction chains. This development leads to an increase in clients' demands for stability, performance and service. Clients are demanding the fastest possible systems for trading on exchanges, combined with advanced functionality, which is also user-friendly.

This trend favors NeoNet, which offers a flexible, stable, fast and competitive trading service. The high performance and reliability of the trading system and stock exchange connections are key factors in offering the capacity and quality demanded by customers.

Another aspect of the offering which is highly rated by many clients is that NeoNet does not engage in proprietary trading but trades solely on behalf of clients, which eliminates the risk of conflicts of interest.

**Clients**

NeoNet's growth is the result of various interacting factors combined with increased exchange volumes and the growing importance of direct market access. Among other things, sales efforts have resulted in an growing number of clients, and both new and existing clients, increasing their trading via NeoNet.

There is a clear interest in the services within NeoNet XG, with clients including a number of leading investment banks. The services complement the brokerage service and build a closer client relationship, due to the more long-term nature of the decision to use NeoNet XG. The sell-in period and lead time are also longer than for brokerage services.

NeoNet has clients in around 20 countries and focuses on three main segments of professional clients: institutional investors, hedge funds, and banks and broker-dealers.

Institutional investors include fund management, insurance and investment companies. In 2006 these accounted for just under 30% of transaction revenues. This type of client sets great store by the fact that

NeoNet does not engage in proprietary trading. These clients demand independent trading and the facility to integrate with their own trading systems, and make more frequent use of NeoNet's trading desk than other clients.

Hedge funds are funds with a more flexible investment focus and are distinctive in that they generally involve more intensive trading, often with advanced trading patterns. This group of clients makes high demands in terms of the system's performance and functionality, and values NeoNet's neutrality and independence. These clients accounted for just over 10% of transaction revenues in 2006.

Finally, banks and broker-dealers primarily use NeoNet to gain fast and efficient trading access to exchanges where they are not themselves members. These clients are also an important target group for NeoNet's XG services. This client group accounted for approximately 60% of transaction revenues in 2006.

**Offering and Product Development**

NeoNet offers two complementary services: brokerage services within *NeoNet Agency Brokerage*, where NeoNet acts as the client's broker and revenue is generated via brokerage commission fees, and license-based system and software services within *NeoNet XG* (eXchange Gateway), where NeoNet is responsible for software, hardware, infrastructure, operation and monitoring.

During the year under review NeoNet has added the opportunity to trade on both the Vienna Stock Exchange and the SWX Swiss Exchange. This means that professional investors can now trade with NeoNet on 20 leading exchanges in Europe and North America. The ambition is to continue to expand the global offering of accessible marketplaces in line with client demand. The next step is to add trading on leading Asiatic stock exchanges, the Eurex derivatives exchange and on the Warsaw Stock Exchange.

Via NeoNet clients can combine all their local and international trading in one fast and secure service with direct access to the exchanges. Trading using clients' exchange memberships can be combined with trading with NeoNet as a broker-dealer, in which case clients can also elect to have the order executed by NeoNet's brokers.

During the year under review NeoNet has further developed the system's functionality. The user interface has been refined and the functionality for NeoNet XG and program trading made even more powerful. (Program trading involves simultaneous trading with a basket of shares.) New 'smart order types' have been added in order to provide increased flexibility for clients placing orders.

**Revenues**

Operating revenues increased by 54% during the year to SEK 397.1 m (258.0). Operating revenues for the quarter were SEK 114.2 m (78.7), an increase of 45%.

Transaction revenues, which comprise brokerage commission fees for executed client transactions, increased by 53% to SEK 388.4 m (253.2) for the year. Transaction revenues for the quarter increased by 43% to SEK 110.3 m (77.4).

The increase in revenues is due partly to the general increase in volumes on many exchanges and partly to an increasing number of clients executing a greater proportion of their trading via NeoNet.

Two clients signed agreements relating to NeoNet XG at the end of the year. Most of the revenues for NeoNet XG are earned after the service has gone live for the respective client, as a result of which these clients have not generated significant revenues as yet.

Revenues from clients' trading on exchanges, primarily in North America but also in Europe outside the Nordic region, are showing strong growth, both as a proportion of revenues and in absolute terms. Revenues from the Nordic region are also increasing, with trading on the Nordic exchanges representing approximately 37% of transaction revenues. Trading on the other European markets represents approximately 45%, with trade on the North American exchanges accounting for the remainder of revenues.

The trend in revenues from clients based in Europe outside the Nordic region remains very positive. These clients have increased both in absolute terms and as a proportion of total revenues. Clients from other geographical regions are also showing good growth. During the period under review clients in the Nordic region and the rest of Europe each accounted for just over 40%, and clients in North America for the remainder of transaction revenues.

#### **Transaction Margin and Expenses**

The high volume growth has resulted in a significant improvement in net transaction revenues in absolute terms in both the last quarter and the year as a whole. NeoNet's variable trading and clearing & settlement costs have developed in line with growth in volumes.

Net interest income for the year was SEK -12.6 m (-10.3). Interest expenses include costs of SEK 5.4 m relating to the debenture loan repaid at the end of December. Other interest expenses relate to securities and cash loans taken up to bridge delays in settlement. In comparison with 2005, net interest income has also been negatively affected by a general rise in interest rates.

Personnel and other operating expenses for the year were SEK 145.8 m (117.8). This increase is due to new appointments, rising costs for variable salaries and additional costs of electronic trading support services and new exchange memberships.

#### **Earnings**

The Group's earnings before depreciation and net financial items (EBITDA) for the quarter were SEK 28.9 m (9.8), giving an operating margin of 26%

(13%). EBITDA for the year was SEK 90.0 m (41.0) and the operating margin 23% (16%).

Reported earnings after tax for the quarter were SEK 11.9 m (-1.5). Earnings per share before dilution for the quarter were SEK 0.22 (-0.03).

Full-year earnings after tax were SEK 34.4 m. The equivalent figure for 2005 was SEK 4.2 m, excluding the one-off effect of a deferred tax asset of SEK 22.6 m (26.8 incl. tax asset). Earnings per share before dilution were SEK 0.66 (0.53, of which 0.45 relating to tax asset).

(For further details of items in the Income Statement, see pages 5 and 6.)

#### **Cash Flow**

Underlying cash flow was SEK 22.4 m (5.5) for the quarter and SEK 63.9 m (23.1) for the year. The positive trend is a result of the improvement in EBITDA.

(For further details, see the Underlying Cash Flow diagram on page 5. For a summary of the Cash Flow Statement, see page 7.)

#### **Investments**

Investments in system development and purchase of hardware totaled SEK 5.9 m (4.6) for the quarter and SEK 22.1 m (15.7) for the year. During the year large investments were made in equipment for expanded redundancy and network capacity. Investments represented 5% (6%) of transaction revenues for the quarter and 6% (6%) for the year. The fixed assets do not include any development projects in progress for which depreciation has not yet started. An impairment test was carried out on goodwill and other intangible assets at year-end. This showed that the recovery value exceeds the accounting value by a satisfactory margin. The intangible asset consisting of NeoNet's in-house-developed trading system is depreciated on an ongoing basis over a period of three to five years.

#### **Employees**

NeoNet has employees and sales representation in Sweden, the USA, the UK, Italy, France and Germany. The number of employees in the Group at the end of the period was 93 (80 at the beginning of the year), with 34% women and 66% men. The average age was 34.

During the year NeoNet has strengthened its organization in areas such as brokerage, sales, customer service, IT and clearing & settlement.

#### **Liquidity and Financial Position**

The NeoNet Group's current liquid assets comprise the sum of bank deposits, interest-bearing instruments, the difference between contract settlement receivables and liabilities, and receivables – mainly from clearing houses and similar institutions – less temporary cash and securities loans.

The net amount of these items at 31 December was SEK 216.3 m. The corresponding holding of current liquid assets at the beginning of the year was

SEK 148.2 m. The gross liquid assets recognized in the balance sheet were SEK 269.8 m, of which SEK 242.8 m comprised blocked funds, compared with SEK 184.3 m and SEK 158.4 m respectively at the beginning of the year. Fluctuations in the liquid assets recognized in the balance sheet are normal for this kind of business.

At 31 December 2006 interest-bearing receivables, mainly in the form of bank deposits, amounted to SEK 269.8 m (179.0) and interest-bearing current liabilities to SEK 171.0 m (72.0).

The Group's debenture loan of SEK 50.6 m, which was subject to interest at 10%, was redeemed early in connection with payment of interest on 29 December 2006.

Consolidated shareholders' equity at the end of the period was SEK 328.8 m (249.7 on 1 January 2006). Equity per share was SEK 5.92 (4.94).

During the fourth quarter parties holding series TO5 warrants exercised their option to subscribe for 5,954,961 shares. The amount raised, SEK 35.7 m, was recognized on the closing date as Other injected capital, as the new shares had not been registered at year-end. When the new shares have been registered during the first quarter, the number of shares will have increased to 61,467,107.

Following new subscriptions and buy-backs, the number of outstanding warrants is 3,681,853. In addition the company holds 607,695 warrants. These were bought back during the year, equivalent to an amount of SEK 5.2 m. NeoNet will let the warrants bought back expire.

Capital coverage was 89% (66%) and the consolidated equity/assets ratio 49% (51%).

The Group has a significant disputed receivable with a nominal value of EUR 1.1 m. The status of the case has not changed since the last report was published.

### **Outlook**

NeoNet has a strong market position within the rapidly growing direct market access segment. The Company's strength lies in access to a large and increasing number of markets, an advanced, high-performance system platform, and a high level of service. These factors, combined with the fact that NeoNet is a neutral player which primarily uses its own exchange memberships, create a highly competitive share-trading service.

NeoNet XG builds on NeoNet's strengths, creating new business opportunities and a stronger and more comprehensive offering. NeoNet's diversification is becoming more evident with the addition of NeoNet XG, increasing trading volumes spread over an ever-greater number of marketplaces, and a client base with a greater geographical spread. Overall, in the long term this is expected to generate more stable revenues which are less susceptible to short-term fluctuations on the stock market than in the past.

Based on the positive development in 2006 and good future prospects, the Board has set new long-term financial targets for the period 2007-2010. The new targets involve NeoNet to have reached revenues by at least SEK 800 m and achieving earnings before tax of at least SEK 200 m by latest 2010.

The previous long-term financial targets set at the beginning of 2005 for the period up to and including 2008 involved operating revenues increasing gradually to at least SEK 400 m by 2008 at the latest, and the operating margin improving to reach 25% in the latter part of the period covered by the targets. As a result of the very successful development, particularly in 2006, the Group was very close to achieving these targets two years early.

Apart from the long-term financial targets, NeoNet does not provide any forecasts.

### **The Parent Company**

The parent company, which is not an operating company, carries out certain group-wide functions such as group management, financial management, business development, investor relations and communication.

The parent company reported net sales of SEK 0.0 (0.0). Earnings before tax for the year were SEK -12.8 m (11.4).

Equity in the parent company amounted to SEK 281.0 m at year-end (233.7 at the beginning of the year).

No investments have been made during the year. Liquid assets at 31 December were SEK 21.3 m, compared with SEK 0.4 m at the beginning of the year.

### **Proposed dividend**

Based on the Group's financial position, profit development and expected growth, the Board and CEO propose a dividend of SEK 0.40 per share (0.25) or SEK 24.6 m (12.6), equivalent to 72% (47%) of earnings after tax for the year.

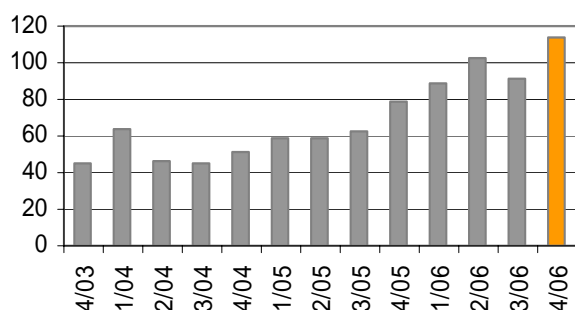
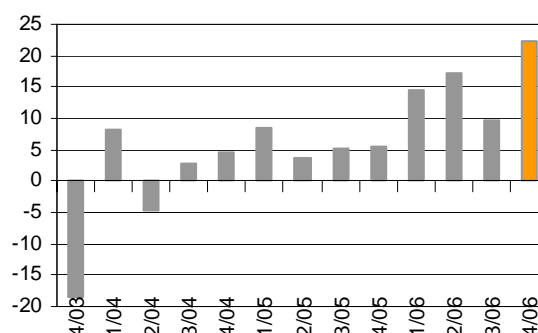
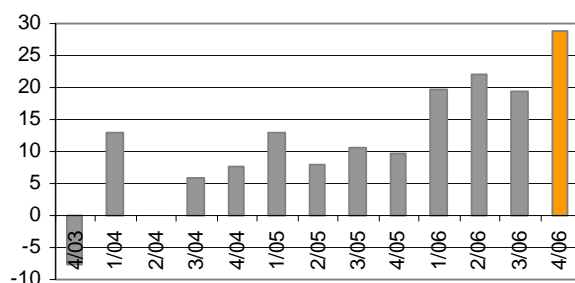
When the shares subscribed for in December 2006 have been registered in January 2007, the number of shares eligible for dividend will be 61,467,107. Shares subscribed for in March 2007 do not carry a dividend entitlement.

### **Annual general meeting**

NeoNets Annual General Meeting will be held on April 26 2007, 18.00 CET at Kungstornen Konferens, Kungsgatan 33, 2nd floor, Stockholm. The annual report in Swedish will be available at NeoNets office and web-site ([www.neonet.biz](http://www.neonet.biz)) at the end of March and will also be distributed to the shareholders at request.

**FINANCIAL DEVELOPMENT IN SUMMARY**

SEK m	3 months Oct.-Dec. 2006	3 months Oct.-Dec 2005	12 months Jan.-Dec. 2006	12 months Jan.-Dec. 2005
<b>Income statement</b>				
Transaction revenues	110.3	77.4	388.4	253.2
Operating revenues	114.2	78.7	397.1	258.0
Operating earnings before depreciation (EBITDA)	28.9	9.8	90.0	41.0
Operating margin	26%	13%	23%	16%
Earnings before tax	17.8	0.5	50.5	6.2
Earnings after tax	11.9	-1.5	34.4	26.8
<b>Underlying cash flow</b>				
from operations (excl. net interest income)	28.3	10.1	86.0	38.8
from investments in system development and hardware	-5.9	-4.6	-22.1	-15.7
Total underlying cash flow	22.4	5.5	63.9	23.1
<b>Current liquid assets, net</b>				
	216.3	148.2	216.3	148.2

**Operating Revenues, quarterly, SEK m**

**Underlying Cash Flow, SEK m**

**Operating Earnings before Net Financial Items and Depreciation (EBITDA), SEK m**


Underlying cash flow comprises the sum of:

- cash flow from ongoing operations, excluding net interest income and changes in assets and liabilities of ongoing operations
- investment activity, excluding acquisitions /disposal of financial investments.

A summary of the Cash Flow Statement will be found later in the report.

**FINANCIAL STATEMENTS IN SUMMARY**
**Consolidated Income Statement**

SEK m	3 months Oct.-Dec. 2006	3 months Oct.-Dec 2005	12 months Jan.-Dec. 2006	12 months Jan.-Dec. 2005
<b>Transaction revenues</b>	<b>110.3</b>	<b>77.4</b>	<b>388.4</b>	<b>253.2</b>
Transaction expenses	-45.1	-33.8	-161.3	-99.1
<b>Transaction revenues, net</b>	<b>65.2</b>	<b>43.6</b>	<b>227.1</b>	<b>154.1</b>
Other operating revenues	3.9	1.3	8.7	4.8
Other operating expenses	-15.9	-18.3	-59.9	-58.3
Personnel expenses	-24.3	-16.8	-85.9	-59.5
Net earnings from financial transactions	-0.7	-0.3	-2.2	-0.6
Depreciation	-6.8	-6.2	-24.7	-24.0
Interest income	3.2	1.7	11.5	5.3
Interest expenses	-6.8	-4.5	-24.1	-15.6
Net interest expense	-3.6	-2.8	-12.6	-10.3
<b>Earnings before tax</b>	<b>17.8</b>	<b>0.5</b>	<b>50.5</b>	<b>6.2</b>
Tax	-5.9	-2.0	-16.1	20.6
<b>Earnings after tax</b>	<b>11.9</b>	<b>-1.5</b>	<b>34.4</b>	<b>26.8</b>
Earnings per share before dilution, SEK	0.22	-0.03	0.66	0.53
Earnings per share after dilution, SEK	0.19	-0.03	0.60	0.48
Number of shares, 000	55 512 *	50 590	55 512 *	50 590
Average number of shares, 000	54 673	50 589	51 872	50 585
Average number of shares after dilution, 000	61 270	57 150	57 661	55 745

\*) During the subscription period in December 2006, warrants were exercised to subscribe for a total of 5,954,961 new shares. The new shares had not been registered as at the end of the quarter. After registration in the first quarter of 2007, the number of shares will be 61,467,107. The number of outstanding warrants is 3,681,853, plus 607,695 held by the Company.



**FINANCIAL STATEMENTS IN SUMMARY**
**Consolidated Balance Sheet**

SEK m	31 Dec. 2006	31 Dec. 2005
<b>ASSETS</b>		
Liquid assets	0.0	0.0
Chargeable government bonds	61.3	38.5
Loans to credit institutions	158.1	111.1
Bonds and other interest-bearing securities	50.4	34.7
Intangible fixed assets	47.7	53.7
Goodwill	77.7	77.7
Tangible fixed assets	9.3	5.8
Deferred tax asset	6.1	20.9
Contract settlement receivables, net	210.3	115.7
Other assets	45.8	20.2
Pre-paid expenses and accrued income	6.6	9.5
<b>Total assets</b>	<b>673.3</b>	<b>487.9</b>

**LIABILITIES, PROVISIONS AND SHAREHOLDERS' EQUITY**

Liabilities to credit institutions	171.0	77.1
Securities loans	99.5	73.9
Other liabilities	30.5	17.7
Accrued expenses and deferred income	43.5	20.0
Subordinated debt	-	49.5
Shareholders' equity		
Share capital	2.8	2.5
Other reserves	266.5	203.9
Retained earnings, incl. net earnings for the year	59.5	43.3
<b>Total liabilities, provisions and shareholders' equity</b>	<b>673.3</b>	<b>487.9</b>

**Memorandum items**

Blocked funds, contract settlement receivables	171.0	77.0
Other blocked funds	245.0	158.4
Floating charge	15.0	15.0

**Consolidated Cash Flow Statement**

SEK m	Jan.-Dec. 2006	Jan.-Dec. 2005
Cash flow from ongoing operations, excluding settlement of executed equity transactions	91.4	48.3
Cash flow from ongoing operations attributable to settlement of executed equity transactions <sup>1)</sup>	26.7	13.1
Cash flow from investment activity <sup>2)</sup>	-60.6	-39.7
Cash flow from financing activity	-8.2	-5.0
<b>Cash flow for the period</b>	<b>49.3</b>	<b>16.9</b>
Liquid assets at beginning of year	111.1	94.6
Liquid assets, translation difference	-2.3	-0.2
<b>Liquid assets at end of period</b>	<b>158.1</b>	<b>111.1</b>

**Change in Consolidated Shareholders' Equity**

SEK m	Share capital	Other reserves	Retained Earnings	Total Shareholders' Equity
Jan.-Dec. 2006				
Opening balance 1 Jan. 2006	2.5	203.8	43.4	249.7
Translation difference	-	-2.3	-0.5	-2.8
New subscription through exercise of warrants	0.3	29.2	-	29.5
Payments received for new share subscriptions	-	35.8	-	35.8
Warrant buy-back	-	-	-5.2	-5.2
Dividend paid	-	-	-12.6	-12.6
<b>Total transactions recognized directly in shareholders' equity</b>	<b>2.8</b>	<b>266.5</b>	<b>25.1</b>	<b>294.3</b>
Net earnings for the year	-	-	34.4	34.4
Closing balance, 31 Dec. 2006	<b>2.8</b>	<b>266.5</b>	<b>59.5</b>	<b>328.8</b>

**Jan.-Dec. 2005**

SEK m	Share capital	Other reserves	Retained Earnings	Total Shareholders' Equity
Jan.-Dec. 2005				
Opening balance 1 Jan. 2005	2.5	270.6	-53.1	220.0
Reclassification of translation differences	-	11.0	-11.0	0.0
Payments received for new share subscriptions	0.0	0.1	-	0.1
Translation difference	-	2.8	-	2.8
Reduction of share premium reserve	-	-80.7	80.7	0.0
<b>Total transactions recognized directly in shareholders' equity</b>	<b>2.5</b>	<b>203.8</b>	<b>16.6</b>	<b>222.9</b>
Net earnings for the year	-	-	26.8	26.8
Closing balance, 1 Jan. 2005	<b>3.1</b>	<b>266.2</b>	<b>43.4</b>	<b>249.7</b>

Accumulated translation differences at 31 December 2006 were SEK -4.7 m (-2.3).

- 1) Cash flow attributable to settlement of equity transactions executed on behalf of clients varies considerably from period to period, depending on the situation with respect to settlement positions on the closing day.
- 2) Cash flow from investment activity comprise system development and purchase of hardware, as well as acquisition and disposal of financial investments.

**Accounting Policies**

The present interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

Since 1 January 2005 the NeoNet Group has been applying International Financial Reporting Standards (IFRS), as adopted in the EU; the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL); and the regulations of the Swedish Financial Supervisory Authority. The transition to IFRS, as adopted in the EU, from the previous accounting policies has taken place in accordance with IFRS 1.

The same accounting policies, definitions concerning key figures and calculation methods are used as in the most recent annual report.

The parent company applies the Swedish Annual Accounts Act and RR 32 Accounting for Legal Entities.

Stockholm, 8 February 2007

NeoNet AB (publ)

The Board and CEO

We have performed our review in accordance with standard SÖG 2410 Review of interim financial information performed by the Company's elected auditor, issued by FAR. A review consists in asking questions, in the first instance of persons responsible for financial and accounting issues; performing an analytical review; and carrying out other review measures. A review has a different focus and a significantly reduced scope compared with the focus and scope of an audit in accordance with Swedish Auditing Standards and good auditing practice in general. The review measures carried out in a review do not allow us to be certain that we are aware of all the important circumstances which could have been identified if an audit had been performed. The opinion expressed on the basis of a review does not therefore offer the certainty of an opinion expressed on the basis of an audit.

Based on our review, no circumstances have emerged which give us reason to assume that the interim report has not, in all material aspects, been prepared in accordance with IAS 34, the Annual Accounts Act for the parent company and the Annual Accounts Act for Credit Institutions and Securities Companies for the Group.

**Auditor's Review Report**

We have performed a review of the interim report for NeoNet AB (publ) for the period 1 January 2006 to 31 December 2006. Responsibility for preparing and presenting a fair interim report in accordance with IAS 34, the Annual Accounts Act for the parent company and the Annual Accounts Act for Credit Institutions and Securities Companies for the Group rests with the Company's management. Our responsibility is to express an opinion on the interim report based on our review.

Stockholm, 8 February 2007

PricewaterhouseCoopers AB

Eva Riben  
Authorized Public Accountant

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[www.neonet.biz](http://www.neonet.biz)

**Financial calendar**

Annual Report 2006, in Swedish, end of March 2007  
Annual General Meeting, 26 April 2007, 18.00 CET, Kungstornen konferens, Kungsgatan 33 2nd floor, Stockholm  
Interim Report Q1 2007, 26 April 2007  
Interim Report Q2 2007, 16 August 2007  
Interim Report Q3 2007, 26 October 2007  
Year-End Report 2007, 7 February 2008