

Stockholm, 12 February 2004

NeoNet's Year-End Report 2003

NeoNet's transaction revenues during 2003 amounted to SEK 147.6 m (184.7 m). The operating earnings before depreciation and net financial items were SEK -17.0 m (SEK 0.4 m). For the fourth quarter transaction revenues amounted to SEK 42.2 m (SEK 42.0 m). EBITDA amounted to SEK -6.7 m (SEK -0.9 m), which was impacted by non-recurring costs amounting to SEK 4.2 m.

"2004 clearly looks more positively than 2003," said Staffan Persson, acting President and CEO of NeoNet. Several aspects supports this:

- Our revenues decreased in 2003 compared to the previous year, however increased during both third and fourth quarter.

- We have reached our established goals in terms of accessible stock markets and our new organization should deliver a larger inflow of new clients.

- Our operating expenses have been reduced by SEK 23.7 m to SEK 140 m during the year and this amount should not be exceeded during 2004 despite the addition of Lexit's operating expenses.

- We have a negative cash flow for 2003 but it is realistic to achieve a positive cash-flow during 2004.

"The positive turnaround of the market indicates that 2004 will be a better year for NeoNet than 2003," said Staffan Persson. "Our new trading platform will be set into production, an organization which is more focused on clients and sales has been implemented and during the first half of 2004, we plan to integrate new exchanges such as NYSE via BRUT, Virt-x, Lisbon and Madrid within our trading system. The improved market is a good base for organic growth during the year."

See attached interim report.

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Since inception in 1996 NeoNet has focused on efficient and neutral agency brokerage. NeoNet provides the institutional investor industry with execution services offering a single point of access to leading equity marketplaces worldwide. Clients can execute orders using electronic direct market access or through NeoNet's international trading desks. NeoNet has offices in New York, London and Stockholm, is listed on the Stockholm Stock Exchange (ticker NEO), and has clients in more than 15 countries globally.

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NeoNet's Year-End Report 1 January – 31 December 2003

The Year in Summary

- Transaction revenues amounted to SEK 147.6 m (SEK 184.7 m) while net sales amounted to SEK 119.8 m (SEK 161.8 m).
- The operating earnings before depreciation and net financial items were SEK -17.0 m (SEK 0.4 m). Pre-tax losses amounted to SEK -48.4 m (SEK -31.7 m). The loss after tax amounted to SEK -47.1 m (SEK -32.0 m).
- The earnings per share were negative at SEK -1.05 (SEK -0.73).
- Investments in system development and computers were reduced to SEK 31.7 m (SEK 36.9 m). Investments in the form of company acquisitions were SEK 78.3 m (SEK 0.0 m).
- The consolidated shareholders' equity amounted to SEK 234.3 m (SEK 228.1 m) at the end of the period, and the equity/assets ratio was 54% (59%). The Group's cash in hand, adjusted for items relating to settlement of client equity transactions, amounted SEK 111.4 m (SEK 164.5 m at the beginning of the year).
- The acquisition of the Lexit Financial Group, Inc., U.S., was completed on November 6th. Lexit provides NeoNet with electronic access for trading on the U.S. exchanges and has significantly increased the company's client base.
- Torvald Bohlin left his position as CEO in October and Torkel Segerstedt succeeded him as acting CEO. Shortly thereafter, Staffan Persson took over as acting CEO when Torkel Segerstedt resigned for personal reasons.
- In the beginning of December, Simon Nathanson was appointed as the company's new CEO and will take over in March 2004.

The Quarter in Summary

- Transaction revenues amounted to SEK 42.2 m (SEK 42.0 m), while net sales amounted to SEK 33.2 m (SEK 37.1 m).
- The operating earnings before depreciation and net financial items amounted to SEK -6.7 m (SEK -0.9 m). The pre-tax losses amounted to SEK -16.2 m (SEK -8.9 m). The loss after tax amounted to SEK -14.6 m (SEK -8.9 m).
- The earnings per share for the quarter were negative at SEK -0.30 (SEK -0.20).
- Personnel and other operating expenses increased by SEK 8.1 m to SEK 35.2 m, mainly as a result of the acquisition of Lexit (SEK 4.9 m) and non-recurring costs (SEK 4.2 m) partly related to remuneration to the outgoing CEO.

Events after the end of the period

- A trading desk for trading on the U.S. exchanges has been established in New York.
- The Board has convened an extraordinary general meeting on Thursday, 19 February 2004 to vote on proposed the issue of a debenture loan with detachable warrants for the purpose of financing increased collateral requirements in connection with clearing and settlement.

CEO's Statement

"In spring 2003 there was a positive turnaround and with a general increase in share prices. The low volatility in the past, however, meant that the price upswing was unable to compensate for the reduced trading values we experienced since 2002. Consequently, revenues fell during the year by 21% to SEK 147.6 m. The revenues, including the addition of SEK 6.4 m from Lexit, increased somewhat in the fourth quarter.

Personnel and other operating costs were reduced to SEK 140.0 m or 14% lower than 2002 – despite the acquisition of Lexit. The acquisition only impacted the last two months of the 2003 business year. The addition of stock markets as a result of the acquisition has enabled NeoNet to achieve its established goals. Unfortunately, we have not reached the goal of 300 clients at the end of year 2003.

Overall expenses increased in the fourth quarter as a result of non-recurring costs. The period was characterized by adjustments in personnel and other operating costs, which culminated in the launch of a new organization in the fourth quarter. The positive effects of the new streamlined organization will be felt during the first half of 2004. Furthermore NeoNet will continue the work with the integration of the companies and the efficiency of the operations.

The operating earnings before depreciation and net financial items were negative at SEK -17.0 m. The cash in hand, excluding the net operating loss and investments in systems, was reduced by the sum paid for the acquisition of Lexit and transaction costs relating to the acquisition. In order to finance increased collateral requirements in connection with clearing and settlement, the Board of Directors proposed in December 2003 the issue of a debenture loan equivalent to a maximum of SEK 50.6 m with detachable warrants.

NeoNet's business model provides cost-efficient equity execution with direct and parallel access to the exchanges or liquidity pools where professional players are active. Since the company was formed, we have established that our neutrality – i.e. that we never compete with our clients in adjacent areas, such as proprietary trading, trading for private clients, fund products, etc. – is a crucial aspect of our offering. NeoNet's core business, i.e. electronic direct market access, is supplemented by efficient trading over our trading desk in Stockholm and, from the beginning of 2004, over our trading desk in New York as well. In NeoNet's new and more customer and sales oriented organization, a total of 20 individuals work directly with existing and new clients. In 2004 NeoNet has excellent potential for increased sales. The demand among professional players for neutral direct market access continues to be strong, and there is every reason to believe that this trend will continue."

THE GROUP

Operations

The acquisition of the Lexit Financial Group, Inc., U.S., was finalized on 6 November. Lexit operates electronic trading primarily for European clients on the U.S. exchanges. The acquisition of Lexit is expected to provide an annual increase in earnings of SEK 5-8 m, after cost synergies, goodwill amortization and interest expenses.

New York Stock Exchange, Swiss Virt-X, Madrid Stock Exchange and Lisbon – are expected to be integrated into NeoNet's trading system in the first half of 2004.

Trading value, revenues and earnings

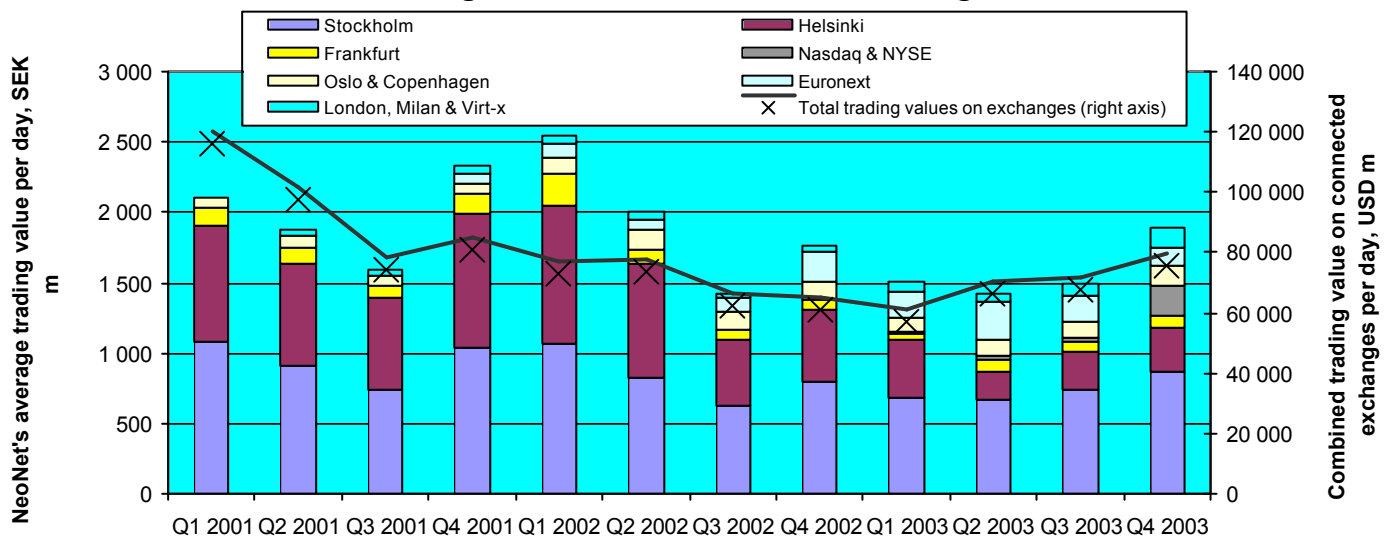
The average daily trading value for the fourth quarter was SEK 1,892 m, a significant improvement on the values for the three previous quarters of 2003. It represents an increase of 8% compared to SEK 1,758 m for the same period the previous year. At the same time, the exchanges reported average increases in turnover of 24%.

On the exchanges that are the most important to NeoNet, namely Stockholm and Helsinki, NeoNet's daily trading values fell by 3% and 36% respectively, compared to the fourth quarter of the previous year. The low trading values are related to the general reduction in trading in Europe by U.S. clients. At the same time, the Stockholm Stock Exchange reported an increase in trading of 15% and the Helsinki Exchange, a decrease of 24%.

The Group's transaction revenues during the period amounted to SEK 147.6 m, compared with SEK 184.7 m for the same period the previous year, which is a reduction of 21%. The reduction is directly related to the lower trading value, while the average price level is marginally higher.

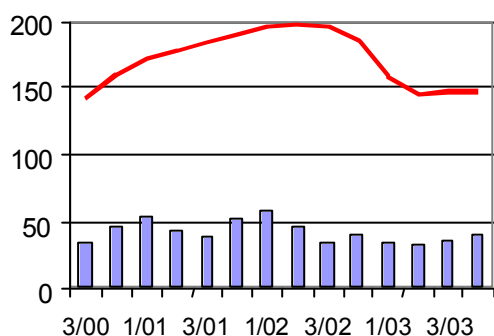
During the fourth quarter the transaction revenues amounted to SEK 42.2 m (SEK 42.0 m). The acquired operations, which were consolidated for the months of November and December, account for SEK 6.4 m of the revenues.

Trading Value - NeoNet and the exchanges



Transaction Revenues by Exchange (SEK m) and Share of Total Revenues (%)

	Jan.-Dec. 2003		Jan.-Dec. 2002	
Stockholm	69.0	47%	82.1	44%
Helsinki	22.8	15%	51.9	28%
Copenhagen & Oslo	11.1	8%	11.3	6%
Frankfurt	8.2	6%	13.9	8%
Euronext	17.3	12%	15.4	9%
London, Milan & Virt-x	9.8	6%	10.0	5%
Nasdaq & NYSE	9.4	6%	0.1	0%
Total	147.6	100%	184.7	100%

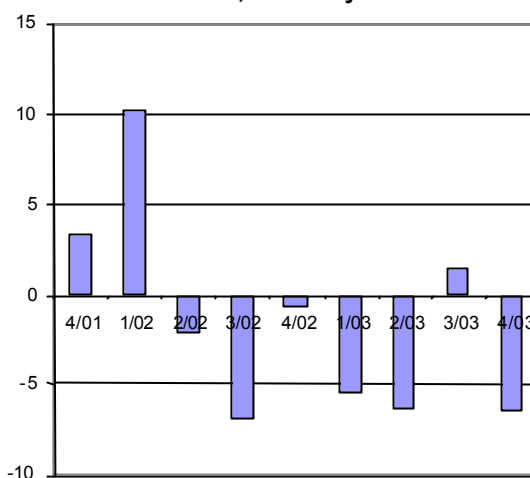
Total Transaction Revenues, Quarterly and Rolling Four Quarters, SEK m


The operating losses for the quarter before depreciation and net financial items increased to SEK -6.7 m compared to a loss of SEK -0.9 m for the fourth quarter of 2002.

The fact that the transaction margin measured as a percentage fell in relation to the second and third quarters is explained by the addition of Lexit's business, which has operated according to a somewhat different business model.

Personnel and other operating expenses increased by SEK 10.2 m, compared to the previous quarter. The increase consists mainly of costs relating to the acquired company (SEK 4.9 m) and a non-recurring cost (SEK 4.2 m) partly related to remuneration to the outgoing CEO.

Depreciation increased, mainly due to goodwill that arose in connection with the acquisition of Lexit, which is amortized over a period of ten years.

Earnings before Depreciation, Net Financial Items, and Tax, Quarterly SEK m

Income Statement in Summary

SEK m	Oct.- Dec. 2003	July- Sept. 2003	April- June 2003	Jan.- Mar. 2003	Oct.- Dec. 2002
Transaction revenues	42.2	37.5	32.7	35.2	42.0
Other operating earnings	2.6	1.2	1.3	1.4	1.7
Transaction costs	-16.2	-12.3	-12.3	-14.4	-17.5
<i>Transaction margin¹</i>	61%	66%	62%	58%	56%
Personnel expenses	-19.6	-11.4	-13.4	-13.4	-13.2
Other operating expenses ²	-15.7	-13.6	-14.8	-14.3	-13.9
Operating earnings/losses before depreciation (EBITDA)	-6.7	1.4	-6.5	-5.5	-0.9
<i>Operating margin</i>	-16%	4%	-20%	-16%	-2%
Depreciation	-8.0	-6.6	-6.5	-7.0	-8.7
Net financial items	-1.6	-0.7	-0.4	-0.5	0.7
Pre-tax earnings/losses	-16.2	-5.9	-13.4	-13.0	-8.9

The Group reported a pre-tax loss for the quarter of SEK -16.2 m compared to SEK -5.9 m for the previous quarter and SEK -8.9 m for the fourth quarter the previous year.

The earnings per share for the quarter were negative at SEK -0.30 (SEK -0.20).

The consolidated accounts include a deferred tax liability relating to untaxed reserves and internal profits. Since the Group has a total loss carry-forward of exceeding SEK 100 m it is assessed that these untaxed reserves will be dissolved with no actual effect on tax. For this reason deferred tax income of SEK 3.4 m has been reported in the fourth quarter, which corresponds to loss carry-forward of around SEK 12 m. The deferred tax claim and tax liability are reported net in the balance sheet as of 31 December 2003.

¹ See Definitions, key financial ratios.

² Other operating costs and expenses, excluding settlement costs and variable sales commission.

The number of employees working for the Group at the end of the period was 88 (78 at the beginning of the year), of which 17 joined the Group as a result of the acquisition.

Clients

During the period, the number of clients increased mainly in Europe outside the Nordic region. At the end of the period NeoNet had 188 clients, 40 of whom were added as a result of the acquisition.

20% of the clients accounted for 84% of the transaction revenues for the period. No single client accounted for more than 8% of the revenues.

Distribution of Transaction Revenues by Client Location SEK m

	Jan.-Dec. 2003		Jan.-Dec. 2002	
Sweden	88.0	59%	96.2	52%
Rest of Europe	26.1	18%	37.2	20%
North America	33.5	23%	51.3	28%
Total	147.6	100%	184.7	100%

Investments

Investments in system development and computers decreased to SEK 31.7 m (SEK 36.9 m). Of this amount, SEK 28.6 m (SEK 28.0 m) was used to enhance NeoNet's electronic trading system. Investments in the form of company acquisitions were SEK 78.3 m. The investments, excluding the acquisition of Lexit, amounted to 21% (20%) of the transaction revenues. The fixed assets include development projects in progress, primarily in respect of the new system platform, at SEK 37.3 m. According to the accounting principles applied by the company, depreciation according to plan commences when the system is put into use, which, in the case of the new system platform, is expected to be during the first half of 2004. Depreciation will impact the earnings in the amount of SEK 10.7 m per year.

Liquidity and financial position

The NeoNet Group's current liquid assets consist of the sum of funds deposited with banks, the difference between contract settlement receivables and liabilities, and receivables from primarily clearing houses and similar institutions, excluding liabilities for temporary settlement loans. The net amount of these items amounted to SEK 109.8 m as of 31 December 2003. The corresponding current liquid assets as of 31 December 2002 amounted to SEK 179.5 m. The liquid assets reported in the balance sheet amounted to SEK 135.1 m as of 31 December 2003, of which SEK 103.9 m consisted of blocked funds, compared to SEK 201.5 m and 133.3 m, respectively, at the beginning of the year. Fluctuations in the liquid assets reported in the balance sheet are normal for this kind of business.

Due to the increased amount of liquid assets tied up as a result of the collateral requirements for clearing and settlement, the two main shareholders, Hans Karlsson and Staffan Persson, provided NeoNet with a loan in the fourth quarter of roughly SEK 20 m at a yearly interest rate of 6%. As of 31 December SEK 10 m was

repaid, after which the remaining principal of SEK 10 m has a 10% annual interest rate.

NeoNet's liquidity during the period was reduced by the purchase sum and transaction costs in connection with the acquisition of Lexit, a combined amount of SEK 23.6 m.

At an extraordinary general meeting on 19 February, the Board of Directors will propose the issue of a debenture loan with detachable warrants aimed at the shareholders. The proposed amount of the debenture loan is a maximum of SEK 50.6 m. The reason for the loan is that NeoNet needs to ensure the company is able to continue to expand and to prevent the company from possibly being compelled to limit its trading values as a result of the collateral requirements for clearing and settlement processes.

The consolidated shareholders' equity amounted to SEK 234.3 m at the end of the period (SEK 228.1 m at the beginning of the year). The capital adequacy ratio amounted to 58% (92%) and the consolidated equity/assets ratio was 54% (59%). The equity per share amounted to SEK 4.63 (5.22).

In June 2002 the subsidiary, NeoNet Securities AB, joined other exchange members in taking legal action against the Stockholm Stock Exchange in a dispute over repayment of value added tax. NeoNet's share of the total claim amounts to a nominal SEK 4.3 m. This amount has not been entered as an asset in the balance sheet.

The Group has a disputed claim of a nominal amount of SEK 10.1 m (EUR 1.1 m). In September 2003, a suit was filed in the matter with the Stockholm District Court. At present no accounting provisions are deemed necessary.

Financial objectives

The long-term financial goals are to be able to report an annual revenue growth of at least 50% and in the long term, earnings before depreciation and net financial items of at least 25% of the transaction revenues.

General meeting

The general meeting will be held at 6.30 p.m. on 6 May, 2004, in "Polhemsalen" at Citykonferensen, Malmskillnadsgatan 46 in Stockholm.

The annual report will be available at NeoNet's website (www.neonet.biz) as from end of March, 2004. It will also be sent to the shareholders that asked for it by the end of March.

Outlook

The market volumes for stock trading have stabilized recently and although the outlook for stock trading is very difficult to predict, there are several indications that 2004 will be a much better year for NeoNet than 2003.

PARENT COMPANY

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

The parent company reported earnings before tax and year-end appropriations of SEK -4.9 m (SEK 0.0 m).

The acquisition of Lexit was finalized on 6 November. The purchase price comprises a combination of a cash payment of around USD 1.3 m and around 6.9 million newly issued shares. The shares in the subsidiary have been recorded at SEK 78.3 m.

Equity in the parent company amounted to SEK 289.8 m (SEK 239.9 m) at the end of the period. The liquid assets as of 31 December amounted to SEK 1.6 m, compared to SEK 2.9 m at the beginning of the year.

NeoNet's CEO, Torvald Bohlin left his post on 6 October and was succeeded by Torkel Segerstedt as acting CEO. Staffan Persson took over shortly thereafter as acting CEO when Torkel Segerstedt resigned for personal reasons. Staffan Persson resigned as Chairman of the Board at the same time. The new Chairman as of 10 October is Hans Karlsson, who has been a member of NeoNet's Board since 1996.

The remuneration terms for both the outgoing and acting CEOs were determined in the fourth quarter of 2003. In addition to salary during the period of notice, which is payable up to and including March 2004, Torvald Bohlin's severance pay in the amount of SEK 3.5 m has been charged against the company's earnings. SEK 0.5 m of this amount is related to pension and SEK 0.8 m is for social costs. Staffan Persson receives a basic salary, which for the quarter amounted to SEK 0.3 m. In November an agreement was signed with the new CEO, Simon Nathanson, who will take over in March 2004. Perssons' employment and benefits will cease when Nathanson enters. Nathanson will receive SEK 2.0 m per year, plus a pension plan equivalent to an additional 25%. In addition, Nathanson has been promised a variable compensation amounting to a maximum of six months salary per year as a part of a profit sharing program. The period of notice is twelve months if notice is given by NeoNet, and six months if notice is given by the employee. There is no severance pay for Nathanson.

Consolidated Income Statement*

SEK m	3 month Oct.-Dec. 2003	3 month Oct.-Dec. 2002	12 month Jan.-Dec. 2003	12 month Jan.-Dec. 2002
Transaction revenues	42.2	42.0	147.6	184.7
Commission costs	-10.0	-7.3	-31.1	-27.6
Interest income	0.7	2.3	3.3	8.1
Interest expenses	-1.5	-1.5	-4.8	-7.2
Net earnings from financial transactions	-0.7	-0.1	-1.7	-3.2
Other operating revenues	2.5	1.7	6.5	7.0
Total operating revenues, net	33.2	37.1	119.8	161.8
Other operating costs and expenses	-21.8	-24.1	-82.3	-109.9
Personnel expenses	-19.6	-13.2	-57.7	-53.8
Depreciation	-8.0	-8.7	-28.2	-29.8
Total operating expenses	-49.4	-46.0	-168.2	-193.5
Operating earnings/losses	-16.2	-8.9	-48.4	-31.7
Tax	1.6	0.0	1.3	-0.3
Losses for the period	-14.6	-8.9	-47.1	-32.0
Earnings per share, SEK	-0.30	-0.20	-1.05	-0.73
Earnings per share after full dilution, SEK	-0.30	-0.20	-1.05	-0.73
Number of shares, 000	50,582	43,665	50,582	43,665
Average number of shares, 000	47,875	43,661	44,726	43,344
Average number of shares after full dilution, 000	47,875	43,661	44,726	44,656

Consolidated Balance Sheet

SEK m	31 Dec. 03	31 Dec. 02
ASSETS		
Cash and lending to credit institutions	135.1	201.5
Intangible fixed assets	67.9	58.3
Goodwill	76.9	0.6
Tangible fixed assets	11.1	15.7
Contract settlement receivables, net	86.4	69.0
Other assets	51.0	32.3
Pre-paid expenses and accrued income	5.2	7.1
Total assets	433.6	384.5
LIABILITIES, PROVISIONS AND SHAREHOLDERS' EQUITY		
Liabilities to credit institutions	91.6	35.8
Securities loans	61.9	87.8
Other liabilities	21.8	16.3
Accrued expenses and deferred income	24.0	15.2
Provisions	-	1.3
Shareholders' equity		
Share capital	2.5	2.2
Restricted reserves	291.8	241.5
Earnings/losses carried forward	-12.9	16.4
Losses for the period	-47.1	-32.0
Total liabilities, provisions and shareholders' equity	433.6	384.5
Memorandum items		
Blocked funds, credit institutions	103.9	133.3
Blocked funds, clearing houses (included in other assets)	11.6	17.6
Floating charge	15.0	15.0

Consolidated Cash-Flow Statement

SEK m	Jan.-Dec. 2003	Jan.-Dec. 2002
Cash flow from ongoing operations		
excluding settlement of executed equity transactions	-26.3	5.6
Cash flow from ongoing operations attributable to settlement of executed equity transactions**	6.5	-365.5
Cash flow from investment activity	-54.9	-36.9
Cash flow from financing activity	10.0	4.1
Cash flow for the period	-64.7	-392.7
Liquid assets at beginning of year	201.5	597.4
Liquid assets, translation difference	-1.7	-3.2
Liquid assets at end of period	135.1	201.5

* The income statement is drawn up according to Swedish legislation governing financial statements for credit institutions and securities corporations.

**Cash flow attributable to settlement of equity transactions executed on behalf of clients varies considerably from day to day because of delays in clients' delivery of or payment for securities.

Change in Consolidated Shareholders' Equity

SEK m	Jan.-Dec. 2003	Jan.-Dec. 2002
Shareholders' equity, opening balance	228.1	255.6
New issue of shares in connection with utilization of warrants		8.1
Premium warrants		0.2
Non-cash issue	54.6	
Translation difference	-1.3	-3.8
Losses for the period	-47.1	-32.0

Shareholders' equity, closing balance	234.3	228.1
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The restricted equity was SEK 294.4 m (SEK 243.7 m) at the end of the period. The non-restricted equity was SEK -60.0 m (SEK -15.6 m).

The accumulated translation difference as of 31 Dec. 2003 was SEK -3.0 m (SEK -1.7 m).

Consolidated key figures

SEK m	Jan. Dec. 2003	Jan. Dec. 2002
Earnings/losses in summary		
Operating earnings/losses before net financial items and depreciation	-17.0	0.4
Operating earnings/losses before net financial items	-45.2	-29.4
Margins		
Transaction margin	62%	62%
Operating margin	Neg.	0%
Net margin	Neg.	Neg.
Profit margin	Neg.	Neg.
Yield		
Average capital employed	332.6	427.2
Return on shareholders' equity	Neg.	Neg.
Return on capital employed	Neg.	Neg.
Operating key figures		
Average no. of trading days	252	252
Average daily trading value	1,580	1,918
Financial position		
Equity/assets ratio	54%	59%
Interest cover	Neg.	Neg.
Debt/equity ratio	0.7	0.5
Capital adequacy ratio	58%	92%
Share data		
No. of shares, 000	50,582	43,665
Average no. of shares, 000	44,726	43,344
Earnings per share, SEK	-1.05	-0.73
Equity per share, SEK	4.63	5.22
No. of shares after full dilution, 000	50,582	43,665
Average no. of shares after full dilution, 000	44 726	43 656
Earnings per share after full dilution, SEK	-1.05	-0.73
Equity per share after full dilution, SEK	4.63	5.22

	Jan.-Dec. 2003	Jan.-Dec. 2002
No. of employees at end of period	88	78
Average no. of employees	78	79

Definitions, key financial ratios
Transaction margin

Transaction revenues excluding billed-through services, less transaction costs (i.e. variable exchange and clearing costs and sales commission), as a percentage of transaction revenues excluding billed-through services.

Operating margin

Operating earnings before net financial items (*) and depreciation as a percentage of transaction revenues.

Net margin

Operating earnings before net financial items (*) and tax as a percentage of transaction revenues.

Profit margin

Earnings after tax as a percentage of transaction revenues.

Average capital employed

Average total assets less average interest-free liabilities including deferred tax liability.

Return on equity

Net earnings for the period as a percentage of the average shareholders' equity for the period.

Return on capital employed

Earnings for the year after net financial items plus interest costs in relation to the average capital employed.

Equity/assets ratio

Closing shareholders' equity as a percentage of the closing balance of total assets.

Interest cover

Operating earnings for the period plus interest costs, divided by interest costs.

Debt/equity ratio

Closing balance of interest-bearing provisions and liabilities in relation to the closing balance of shareholders' equity.

Capital adequacy ratio

Total capital base divided by the total risk-weighted amount of capital requirements for credit and market risk (Swedish Financial Supervisory Authority stipulation FFFS 2000:6).

Earnings per share

Earnings after tax in relation to the average number of shares for the period.

Equity per share

The closing balance of shareholders' equity in relation to the number of shares at the end of the period.

Equity per share after full dilution

Closing shareholders' equity plus the upcoming issue of shares in relation to the number of shares after the issue of shares.

* Net financial items include realized and unrealized exchange rate differences on funds tied up in foreign currencies.

Accounting principles

The consolidated accounts have been prepared in accordance with Swedish legislation governing the annual reports of credits institutions and securities corporations (ÅRKL) and the Swedish Financial Supervisory Authority's stipulation FFFS 2003:11, which is applicable because the parent company is a financial holding company.

This interim report has been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation RR20 on interim reports. The new recommendations issued by the Financial Accounting Standards Council that went into effect on 1 January 2003 have not had any impact on NeoNet's income statement and balance sheet. Recommendation RR29 will not involve any changes for NeoNet because the company only uses set-fee schedules.

All other accounting principles are the same as those applied in the preparation of NeoNet's most recent annual report.

Starting on 1 January 2005, NeoNet's financial reporting will be conducted according to the International Financial Reporting Standards (IFRS, formerly IAS). Based on what is known at this time, the only difference between our current accounting principles and the upcoming IFRS is that goodwill and certain intangible assets will no longer be amortized according to the straight-line principle. Instead there will be an obligatory, annual analysis to determine if a write-down requirement is needed.

Stockholm, 12 February 2004

NeoNet AB (publ.)

The Board of Directors

Auditors' review report

We have carried out a review of this year-end report in accordance with the recommendation issued by FAR (the Swedish Institute of Authorized Public Accountants).

A review is significantly limited in comparison with an audit.

Nothing has come to our attention which would cause us to believe that the interim report does not meet the requirement of the Swedish Securities Exchange and Annual Accounts Acts.

Stockholm, 12 February 2004

Öhrling PricewaterhouseCoopers AB

Per-Ove Zetterlund

Authorized Public Accountant

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Website

www.neonet.biz

Parent company's corporate registration number
556530-1263

Future financial reporting

Interim report Q1 2004, 6 May 2004
Interim report Q2 2004, 19 August 2004
Interim report Q3 2004, 26 October 2004
Year-end report 2004, 10 February 2005

General meeting

Extraordinary general meeting, 19 February 2004.
Annual General Meeting, 6 May 2004