Investment AB Kinnevik

Annual Report 2009

”More than seventy years of entrepreneurial tradition
under the same group of principal owners”

Contents

Five-year Summary	3
Chief Executive's review	4
Board of Directors	6
Senior Executives	8
Historical background	9
The Kinnevik share	10
Corporate Responsibility	12
Book and fair value of assets	15
Our Group	16
Proportional part of revenue and result	18
Major Unlisted Holdings	
Korsnäs	19
Major Listed Holdings	
Millicom	23
Tele2	24
Modern Times Group MTG	25
Metro	26
Transcom	26
New Ventures	**27**
Corporate Governance Report	30
Annual and Consolidated Accounts for 2009	
Board of Directors' Report	33
Financial Statements and Notes for the Group	37
Financial Statements and Notes for the Parent Company	63
Audit Report	70
Definitions of financial key ratios	71

Five-year Summary

(SEK million)	2009	2008	2007	2006	2005
Key Ratios					
Operating margin, %	10,0	5.2	11.5	7.6	7.6
Capital employed	50 462	33 067	59 778	44 629	31 022
Return on captial employed, %	40.1	-54.5	32.0	31.6	15.9
Return on shareholders' equity, %	50.2	-69.8	38.2	40.0	18.9
Equity/assets ratio, %	78	66	80	72	70
Net debt	8 233	8 906	9 205	9 856	7 249
Debt/equity ratio, multiple	0.2	0.4	0.2	0.3	0.3
Risk capital ratio, %	80.4	69.0	82.2	75.3	72.3
Total assets	53 240	35 871	62 818	47 733	32 122
Net asset value	44 829	24 325	54 941	39 168	25 717
Net asset value per share, SEK	162	93	208	148	97
Closing price, class B share, SEK	107	63	147	115	74
Market capitalization	29 656	16 410	38 739	30 358	19 535
Market value, Major Unlisted Holdings	10 232	8 026	11 659	11 559	6 131
Market value, Major Listed Holdings	41 128	24 085	50 761	36 906	25 692
Summary of Income Statement					
Revenue	8 397	7 719	7 673	6 305	4 618
Operating profit	842	398	885	478	353
Change in fair value of financial assets	14 826	-27 429	15 540	10 974	3 893
Result after net financial items	16 516	-25 872	16 266	11 608	4 647
Result for the year	16 373	-25 762	16 179	11 549	4 097
Earnings per share	61.66	-97.94	61.29	43.74	15.52
Summary of Cash Flow Statement					
Cash flow from operations	1 698	524	878	1 533	52
Cash flow from investing activities	-475	1 261	695	-3 302	266
Cash flow from financing activities	-1 495	-1 382	-1 581	1 717	-34
Cash flow from discontinued operations	-	-	-	-50	-367
Cash flow for the year	-272	403	-8	-102	-83

For definitions of financial key ratios, refer to page 71.

Chief Executive's review

In 2009, the sharp decline in the global economy dominated the business environment in all markets where Kinnevik is active. All of our efforts as owners have been dedicated to ensuring that our businesses have the right preparedness to handle the economic downturn, whether in the advertising market of Scandinavia or the mobile markets of Central America.

Kinnevik has a truly international portfolio, with businesses in more than 60 markets, of which 40 are emerging markets representing more than half of Kinnevik's total assets. This makes us unique, but also responsible for handling business developments and risks on a global scale and often in difficult market conditions. As I see it, a key feature of our ownership strategy and risk management is to be active owners with an operational agenda. We are closely involved in the businesses we own through our work on the Boards of Directors. This means that we know what issues the various businesses are facing and we can ensure that the appropriate frameworks are in place to deal with the execution of the chosen strategy and risk management.

In 2009, we redefined Kinnevik's policy for corporate responsibility in our holdings. In brief, the new policy clarifies our ownership position in our portfolio companies in terms of social, environmental and ethical responsibility. This is an effort that needs to be continuously developed in all of our holdings, and it is an important tool for risk management and business development. The focus going forward will be to implement the new guidelines throughout our holdings in cooperation with each company's management.

Going through the portfolio and summing up financial performance in 2009, I am pleased with the way our holdings have shown resilience and recorded favorable growth in a year when most markets experienced sharp economic decline. One way to illustrate this is to take Kinnevik's share of all of our holdings and look at what has happened to sales and earnings growth. Kinnevik's proportional share of the companies' revenues and operating results increased by 4% and 14% respectively from 2008 to 2009, a truly impressive result.

Millicom partly reshaped its business in 2009 when it divested, or signed agreements to divest, its operations in Asia. It secured excellent prices for its Cambodian, Laotian and Sri Lankan assets. Millicom will now be able to focus its efforts on the markets in Central and South America and in Africa. Millicom added 6.2 million new subscribers in 2009 and launched services in one new African market, Rwanda. I visited Millicom's operations in Ghana in the autumn. It is impressive to see the local operations, with thousands of small sales points in markets and on the streets, facilitating the purchase of Tigo minutes everywhere – illustrating that accessibility is a cornerstone of Millicom's distribution strategy.

Tele2 continued its expansion in Russia, launching in 18 new regions and adding 2.9 million new subscribers. Although the Russian economy contracted sharply, Tele2 managed to achieve strong growth and good margins by being the price leader and building a strong brand. Tele2 will continue to build out its operations in Russia and I am confident that the company will maintain the growth momentum in the region.

Korsnäs had a positive year in 2009 with high sales and an operating profit margin that increased to 10.6%, supported by falling input prices and effective cost control. Margins in Korsnäs remain best in class among European pulp and paper companies. In order to remain competitive and reduce its environmental impact, Korsnäs is implementing an extensive investment program. In 2009, the project with the new evaporation plant continued, and the new plant will be operational in 2010. Korsnäs will also invest in a bioplant in cooperation with Gävle Municipality. With these two investments, Korsnäs Gävle will reduce its emission of CO_2 by 115,000 tons from 125,000 tons to 10,000 tons per year.

Despite sharply falling advertising markets in all of MTG's markets, MTG continued to grow during 2009 and strengthened its market position in the Nordic area. With around half of the revenues coming from free-TV and half from pay-TV, resilient revenue from pay-TV balanced the decline in advertising sales. MTG continued to invest in new channels and new content, making sure that it will go into the economic recovery with strong shares in all of its markets.

Metro, which depends solely on advertising revenue, saw sales decline in all markets in 2009. To focus on the profitable Metro markets, the company continued to restructure its operations in 2009 and closed or sold off operations in Spain, Portugal, the US and Italy. Metro now has a more focused business with stronger market positions, which should mean that Metro will be well-positioned when the advertising markets recover.

Transcom continued to diversify its business in terms of new clients, but saw falling sales in a challenging environment.

In New Ventures, Kinnevik is focusing its activities in four areas; food and fuel, online, microfinance and Africa. In 2009, we made new acquisitions in all of these areas, investing in a farming company in the Ukraine, a European internet company, a fund focusing on micro financing and established a private equity fund in Nigeria.

Kinnevik is working with the New Ventures in the same manner as we have developed our more mature holdings, by being operationally focused. We are putting extensive effort into recruiting strong management in the new companies and work closely with management to ensure that the Kinnevik culture of growth, innovation and cost control also becomes second nature in the New Ventures.

Looking to the coming years, I think that our portfolio is well positioned to explore market opportunities when the economic recovery comes. Balance sheets are strong and market positions have been strengthened. I look forward to working with our portfolio companies to continue exploring growth opportunities world-wide.

I would like to thank our employees for their excellent efforts and also take this opportunity to thank all our shareholders for their continued confidence in Kinnevik.

Mia Brunell Livfors

Board of Directors

The Board of Directors, Chief Executive Officer and Company Secretary of Investment AB Kinnevik.
Left to right: Tobias Söderholm, Erik Mitteregger, Bo Myrberg, Allen Sangines-Krause, Magnus Borg, Cristina Stenbeck, Stig Nordin, Mia Brunell Livfors, Wilhelm Klingspor, John Hewko, Vigo Carlund, Geron Forsman and Mikael Larsson.

Board of Directors

Cristina Stenbeck *Chairman*
B.Sc. Georgetown University, Washington DC, USA, born 1977. Chairman of the Board of Investment AB Kinnevik since 2007. Vice Chairman of Investment AB Kinnevik 2004-2007 and Industriförvaltnings AB Kinnevik 2003-2004. Member of the Board of Metro International S.A., Modern Times Group MTG AB and Tele2 AB since 2003.
Shareholding: 2,200 class B shares. In addition to her own shareholding, Cristina is a beneficiary of the Sapere Aude Trust and Anima Regni LP, both of which have considerable shareholdings in Kinnevik.

Vigo Carlund *Board member*
Born 1946. Member of the Board of Investment AB Kinnevik since 2006, President and CEO of Kinnevik 1999-2006. Chairman of the Board of Tele2 AB since 2006 and member of the Board since 1995. Chairman of the Board of Korsnäs AB since 2002 and member of the Board since 2001. Member of the Board of Academic Work Solutions AB since 2006 and Net Entertainment NE AB since 2008. Has worked with the Kinnevik Group since 1968 and was CEO in various companies during 1980-2002; Svenska Traktor AB 1980-1982, Svenska Motor AB SMA 1983-1989, SMA Group USA 1986-1997, Korsnäs AB 1998-2000 and Transcom WorldWide S.A. 2000-2002.
Shareholding: 460,000 class B shares.

Geron Forsman *Employee representative/Board member*
Born 1956. Employee representative in Investment AB Kinnevik since 2008. Papermill support supervisor.
Shareholding: 45 class B shares.

John Hewko *Board member*
Bachelor's Degree from Hamilton College, New York, M.Litt from Oxford University, England, law degree at Harvard University Massachusetts, USA, born 1957. Member of the Board of Investment AB Kinnevik since 2009. 2004-2009 Vice-President for Operations/Compact Development at the Millennium Challenge Corporation (”MCC”) in Washington, DC. MCC is a US government agency established in 2004 to provide significant development assistance to countries in Africa, Asia, South America, the Middle East and the former Soviet Union. 1989-2004 international partner at the international law firm Baker & McKenzie working in emerging markets, particularly in Central and Eastern Europe.
Shareholding: -

Wilhelm Klingspor *Board member*
Forest Engineer, Skinnskatteberg, Swedish University of Agricultural Sciences, born 1962. Member of the Board of Investment AB Kinnevik since 2004, Industriförvaltnings AB Kinnevik 1999-2004 and Invik & Co. AB 1991-2006. Member of the Board of Korsnäs AB 1999-2000 and since 2003. CEO of Hellekis Säteri AB.
Shareholding: 1,103,080 class A shares and 780,071 class B shares, including related physical persons.

Erik Mitteregger *Board member*
B.Sc. Economics and Business Administration, Stockholm School of Economics, born 1960. Member of the Board of Investment AB Kinnevik since 2004. Chairman of the Board of Wise Group AB. Member of the Board of Firefly AB and Metro International S.A. since 2009. Head of Equity Research and member of the Management Board at Alfred Berg Fondkommission 1989-1995. Founding partner and fund manager Brummer & Partners Kapitalförvaltning AB 1995-2002.
Shareholding: 35,000 class A shares and 35,000 class B shares.

Bo Myrberg *Employee representative/Board member*
Born 1967. Employee representative in Investment AB Kinnevik since 2008. Employee representative in Korsnäs AB since 2008. Process operator.
Shareholding: 119 class B shares.

Stig Nordin *Board member*
M.Sc. Engineering, Chalmers University of Technology, born 1943. Member of the Board of Investment AB Kinnevik since 2004 and Industriförvaltnings AB Kinnevik 1992-2004. Member of the Board of Korsnäs AB 1992-2000 and since 2004. President and CEO of Industriförvaltnings AB Kinnevik 1992-1999, CEO of Korsnäs AB 1993-1998 and CEO of Invik & Co. AB 1999-2001.
Shareholding: 43,668 class B shares, including related physical persons.

Allen Sangines-Krause *Board member*
Ph.D., Harvard University, born 1959. Member of the Board of Investment AB Kinnevik since 2007. Chairman of the Board of Rasaland, a real estate investment fund, and Member of the Board of Millicom International Cellular S.A. since 2008. Managing Director of Montpascal Advisory Services. Managing Director Goldman Sachs International 1993-2008 including Investment banking and Business Development in Latin America, Russia and other CIS states.
Shareholding: -

Magnus Borg *Employee representative/Deputy*
Born 1970. Employee representative in Investment AB Kinnevik since 2009. Automation electrician.
Shareholding: -

Tobias Söderholm *Employee representative/Deputy*
Studies in Chemical Engineering, Chalmers University of Technology, born 1975. Employee representative in Investment AB Kinnevik since 2008. Development Engineer.
Shareholding: 100 class B shares.

Auditors

At the Annual General Meeting 2009 the audit firm Ernst & Young AB with Thomas Forslund as auditor in charge, was appointed Company auditor for the period extending to the close of the 2013 Annual General Meeting.

Thomas Forslund, born 1965, Authorized Public Accountant. Thomas Forslund has audit engagements in a number of listed companies such as DGC One AB, Systemair AB, TradeDoubler AB and WeSC AB.

Senior Executives

Back row: Mikael Larsson, Henrik Persson, Christer Simrén
Middle row: Torun Litzén, Sture Gustavsson, Joakim Andersson
Front row: Mia Brunell Livfors

Mia Brunell Livfors *President and Chief Executive Officer Investment AB Kinnevik*
Studies Business Administration at Stockholm University, born 1965. Various managerial positions within Modern Times Group MTG AB 1992-2001 and Chief Financial Officer 2001-2006. Started present position as President and CEO of Investment AB Kinnevik in August 2006. Chairman of the Board of Metro International S.A. since 2008, member of the Board since 2006. Member of the Board of Korsnäs AB, Mellersta Sveriges Lantbruks AB, Tele2 AB and Transcom WorldWide S.A. since 2006, Millicom International Cellular S.A. and Modern Times Group MTG AB since 2007 and H & M Hennes & Mauritz AB since 2008.
Shareholding: 10,000 class B shares.

Henrik Persson *Head of Investments*
Studies in Business Administration, Lund University, born 1974. Employed since 2004. Director Corporate Communications 2004-2007. Member of the Board of Black Earth Farming Ltd, Kontakt East Holding AB and Relevant Traffic Europe AB since 2006, Mellersta Sveriges Lantbruks AB since 2007, Avito Holding AB and Bayport Management Ltd since 2009 and European Internet Holding GmbH since 2010.
Shareholding: 1,000 class A shares and 6,000 class B shares.

Mikael Larsson *Chief Financial Officer*
Graduate in Business Administration, Uppsala University, born 1968. Employed since 2001. Member of the Board of Relevant Traffic Europe AB since 2007, Bergvik Skog AB and Sia Latgran since 2008.
Shareholding: 6,000 class B shares.

Torun Litzén *Director Corporate Communications*
Graduate in Business Administration, Stockholm School of Economics, born 1967. Employed since 2007. Member of the Board of Vostok Nafta Investment Ltd since 2007 and Transcom WorldWide S.A. since 2008.
Shareholding: 5,000 class B shares.

Joakim Andersson *Group Treasurer*
Graduate in Business Administration, Växjö University, born 1974. Employed since 2007. Various positions within Banque Invik Luxembourg Filial 2001-2007 and Branch Manager 2006-2007.
Shareholding: 2,700 class B shares.

Christer Simrén *Chief Executive Officer Korsnäs AB*
Dr Science Industrial Management and Economics and M.Sc. Electrical & Computer Engineering at Chalmers University of Technology, BA Accounting and Financial Control at Gothenburg School of Economics, born 1961. Employed since 2008. Previously President and CEO of Wermland Paper AB, President and CEO of Mediabricks (today Handmark US), vice President Korsnäs AB, Managing Director Applied Value Scandinavia, Managing Director CHAMPS (Chalmers Advanced Management Programs). Chairman of the Board of Sia Latgran since 2008. Member of the Board of AB Geveko since 2008.
Shareholding: 60,000 class B shares.

Sture Gustavsson *Chief Executive Officer Mellersta Sveriges Lantbruks AB, Chief Executive Officer Black Earth Farming Ltd*
Agriculturalist SLU, Swedish University of Agricultural Sciences, born 1959. Employed since 1994. Member of the Board of Black Earth Farming Ltd since 2006 and Kintas Ltd (RawAgro) since 2009.
Shareholding: 300 class A shares and 1,000 class B shares.

Historical background

Investment AB Kinnevik was founded on 18 December 1936, by a group of friends, namely, Robert von Horn, Wilhelm Klingspor and Hugo Stenbeck. The Group's operations have been continued by their descendents, now in the third generation. Thus, Kinnevik embodies more than seventy years of entrepreneurship under the same group of principal owners. Until the 1970s investments mainly took the form of purchases of substantial minority holdings in listed companies.

Since it was founded, the Group has owned large agricultural holdings. Substantial investments were originally made primarily in the forest, iron and steel industries. In 1978, the shares in Fagersta AB were acquired in an effort to coordinate the steel operations of Fagersta and Sandvik. When Skanska AB, in cooperation with Investment AB Beijer, acquired major shareholdings in Sandvik AB, Kinnevik sold its shares in this company. Agreements were finally reached in 1984 to restructure the Swedish specialty steel industry. The stainless-steel production assets of Fagersta AB were sold to other manufacturers. Fagersta AB was then merged to form a single entity with its major shareholder, Investment AB Kinnevik. Kloster Speedsteel AB, Kinnevik's last major investment in specialty steel manufacturing, was sold in 1991.

In 1992, Kinnevik made a tender offer to acquire the outstanding minority shares in Korsnäs AB, a company in which Kinnevik has been a shareholder since 1936. The merger of Korsnäs and Kinnevik created the opportunity to invest Korsnäs' surplus in other, more rapidly expanding operations.

Since the prices of established companies appeared high, Kinnevik chose in the 1980s and 1990s not to invest in them, but to set up companies around new products or services, largely in information distribution in the broadest sense of the term, from telecommunications to television. The transformation of the organization from a conglomerate in traditional businesses to an international telecom and media group took place under the second generation, with Jan H Stenbeck as the Chairman of Kinnevik.

In 1981 Comvik, an analog mobile telephony system which is today a part of Tele2 AB ("Tele2"), and the first of its kind outside the state telecom monopoly in Sweden, was launched. In 1985 investments were initiated in mobile telephony licenses outside Europe in, for example, Hong-Kong, Sri Lanka, Mauritius, Costa Rica, the Philippines and Pakistan. In 1990 Kinnevik participated in the establishment of the international mobile operator Millicom International Cellular S.A. ("Millicom"), whereby Kinnevik's international mobile telephony licenses were moved into Millicom, and thus Kinnevik became the major shareholder in Millicom. Moreover, Kinnevik played a role in the establishment and operation of the first Astra satellite in 1985 for TV distribution via satellite to homes in Europe. 1987-1989 marked the introduction of cable-TV, the first commercial TV channel in Scandinavia (TV3), the independent TV production company Strix Television and pay-TV (TV1000). Kinnevik was also involved from the start of commercial radio in Sweden in the form of RIX FM, which is currently the largest nationwide commercial radio network. The world's currently largest global daily newspaper, Metro, was launched in Stockholm in 1995. Debt collection and customer care services, which are currently part of Transcom WorldWide S.A. ("Transcom"), were started in 1995-1996.

During the build-up phase, it was beneficial for the new operations to be included in Kinnevik, enabling operations to benefit from collective financial assets and management resources. When the companies had achieved a certain level of maturity, it was desirable to highlight the financial values and enable a higher degree of independence, which is why Kinnevik through spin-offs distributed the subgroups Tele2 in 1996, Modern Times Group MTG AB ("MTG") in 1997 and Transcom in 2001. In turn, MTG distributed shares in Metro International S.A. ("Metro") to its shareholders in 2000. At 31 December 2009, the total market value of the shares in the Major Listed Holdings Tele2, Millicom, MTG, Metro and Transcom was SEK 133 billion.

Jan H Stenbeck passed away on 19 August 2002, following which the business legacy has been carried forward by the third generation of the Stenbeck, von Horn and Klingspor families, with Cristina Stenbeck as Board member and since 2007 Chairman of Kinnevik.

The merger of Kinnevik and its owner Invik & Co. AB ("Invik") in 2004 marked the end of the period with two holding companies with cross-shareholdings in the sphere. As owner of Kinnevik, Invik had received substantial shareholdings in Tele2, MTG, Metro and Transcom as dividends. Kinnevik then again became the main owner in those companies it had previously distributed to the shareholders. Invik's operations in the financial sector were combined into a new subgroup that Kinnevik distributed to the shareholders in 2005. Kinnevik remained a minority owner in Invik until an external offer was made for the company during 2007.

During the period 2002-2006, a number of major transactions were carried out in Korsnäs that transformed the company into a larger and more niche-oriented producer of paperboard and paper products in specifically selected segments. Through two transactions in 2002 and 2004, the forestland in Sweden was divested. After the sales of forests, Korsnäs is continuing to secure part of its raw material supply through ownership in Bergvik Skog. In 2006, Korsnäs Packaging was divested and in the same year the Frövi paperboard mill was acquired.

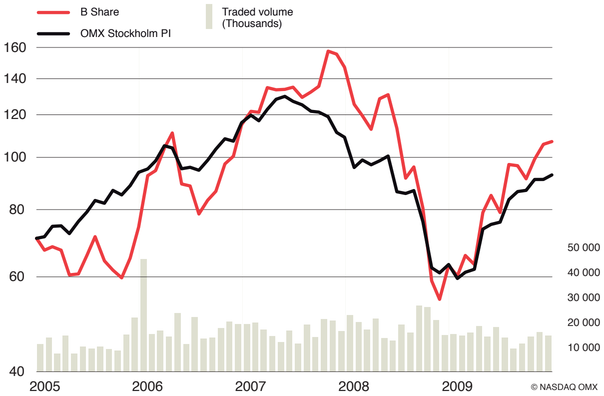
As a result of the transactions described above, combined with the strong development within Major Listed Holdings, mainly mobile telephony, Kinnevik has the financial strength to invest in new operations. Investments made to date include farming operations in Russia and the Ukraine, pellets production in Latvia, search and directory media on the internet in Western Europe and Russia as well as micro-credits in Sub-Saharan Africa. At 31 December 2009, investments within New Ventures had an estimated market value of SEK 1.4 billion.

The Kinnevik share

Share-price trend

The price of Kinnevik's class A share increased by 94% and the class B share by 70% in 2009, which was considerably stronger than the OMX30-index on NASDAQ OMX Stockholm which increased by 44%.

The below chart shows the Kinnevik share's price trend during the past five years. The historical share price has been adjusted to account for the distribution of all shares in Invik in 2005.



Stock exchange listing

Kinnevik's class A and class B shares have been listed on NASDAQ OMX Stockholm since 12 November 1992. The shares are listed on the Nordic list for large-cap companies within the financial sector. The ticker codes are KINV A and KINV B. During 2009, an average of 770,328 class B shares, corresponding to SEK 64 million, were traded daily.

Total return

In the past 30 years, the Kinnevik share has generated an average total return of 19% annually as a result of rising share prices, cash and in-kind dividends, including the value of subscription offers. The total return has been calculated under the assumption that shareholders have retained their allotment of shares in Tele2, MTG, Metro and Transcom distributed during the measurement period.

During the past five years, the Kinnevik share has provided an average total return of 12% annually. At year-end, Kinnevik's class B share was quoted at SEK 107.00, providing a total return of 73% in 2009.

Share capital

As of 31 December 2009 the number of shares in Investment AB Kinnevik amounted to 277,448,190 shares of which 48,665,324 are class A shares with ten votes each, 228,492,866 are class B shares with one vote each and 290,000 are class C treasury shares with one vote each. The total number of votes in the Company amounted to 715,436,106 (715,146,106 excluding 290,000 class C treasury shares).

During the year, the following changes to the number of shares have been effected following approval at AGM and EGM in May: 290,000 newly issued class C shares held in treasury to be delivered to participants in incentive programs, 16,676,260 newly issued class B shares paid to the sellers of Emesco, and cancellation of 3,500,000 repurchased class B shares. The total increase of shares amounts to 13.466.260.

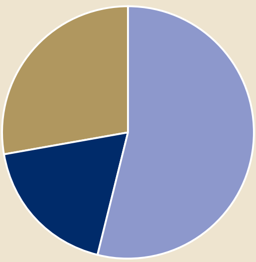
The Board has authorization to repurchase a maximum of 10% of all shares in the Company. The Board did not utilize this mandate in 2009. There are no convertibles or warrants in issue.

Dividend

At the Annual General Meeting on 11 May 2009 the shareholders approved the Board's proposal of a cash dividend of SEK 2.00 per share. For the financial year 2009 the Board proposes a cash dividend of SEK 3.00 per share with 20 May 2010 as record date.

Shareholder structure

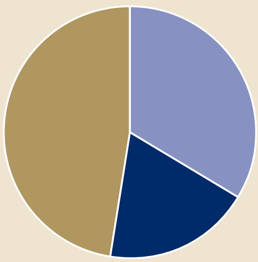
(percentage of capital)



- Swedish institutions and funds 54.0%
- Other Swedish shareholders 18.3%
- Foreign shareholders 27.7%

Shareholder structure

(percentage of votes)



- Swedish institutions and funds 33.7%
- Other Swedish shareholders 18.9%
- Foreign shareholders 47.4%

Ownership structure

Kinnevik's 20 largest shareholders in terms of capital and votes according to Euroclear at 31 December 2009.

Shareholder	Class A shares	Class B shares	Percentage of capital	Percentage of votes
Sapere Aude Trust	21 040 633	12 565 843	12.1	31.2
Anima Regni LP	6 474 217	0	2.3	9.1
The estate of Jan H Stenbeck	5 380 447	3 620 839	3.2	8.0
Klingspor family	5 494 472	1 672 840	2.6	7.9
Alecta Pension	832 000	19 593 000	7.4	3.9
von Horn family	1 982 219	452 124	0.9	2.8
Hugo Stenbeck's Trust	1 567 052	659 578	0.8	2.3
Swedbank Robur funds	4 206	14 587 586	5.3	2.0
SIX SIS AG, W8IMY	1 304 349	849 503	0.8	1.9
Korsnäs AB's Social fund	1 324 466	11 010	0.5	1.9
Skandia funds	237 465	7 782 509	2.9	1.4
SEB & SEB Investment Management	244 400	7 431 347	2.8	1.4
Handelsbanken & Handelsbanken funds incl XACT	216 000	4 159 231	1.6	0.9
AMF	0	5 638 693	2.0	0.8
Unionen	0	5 179 890	1.9	0.7
Seventh Swedish National Pension Fund	0	4 557 654	1.6	0.6
Lannebo funds	0	4 410 000	1.6	0.6
Skagen Global	0	4 309 176	1.6	0.6
Nordea & Nordea funds	440	3 746 951	1.4	0.5
Government of Norway	0	3 603 139	1.3	0.5
Other	2 562 958	123 661 953	45.4	21.0
Total	**48 665 324**	**228 492 866**	**100.0**	**100.0**
Class C shares held by Kinnevik	0	290 000		
Total including shares held by Kinnevik	**48 665 324**	**228 782 866**		

Share distribution

Size of shareholding	Number of shareholders	%	Number of shares	%
100 001 -	238	0.5	215 455 657	77.7
50 001 - 100 000	140	0.3	9 986 760	3.6
10 001 - 50 000	743	1.5	15 896 282	5.7
5 001 - 10 000	987	2.0	7 322 782	2.6
1 001 - 5 000	7 332	14.8	16 846 271	6.1
1 - 1 000	40 080	80.9	11 650 438	4.2
Total	49 520	100.0	277 158 190	100.0

Number of shareholders at 31 December 2009 was 49,520 (44,036)

Data per share

	2009	2008	2007	2006	2005
Average number of shares (000s)	265 325	263 078	263 982	263 982	263 982
Earnings per share, SEK [1]	61.66	-97.94	61.29	43.74	15.52
Shareholders' equity per share, SEK	150.23	90.23	190.37	130.35	88.26
Market price class B share at 31 December, SEK	107.00	63.00	146.75	115.00	74.00
Dividend per share, SEK	3.00[2]	2.00	2.00	1.70	1.60
Direct yield	2.8%	3.2%	1.4%	1.5%	2.2%

[1] Including discontinued operations.
[2] Proposed cash dividend.

Corporate Responsibility

Corporate Responsibility in Kinnevik

For Kinnevik, Corporate Responsibility ("CR") involves issues that relate to social responsibility, environmental responsibility and ethics. In formulating policies in these areas, Kinnevik has used as its starting point the UN's Global Compact and its ten principles, as well as the OECD's guidelines for multinational enterprises.

Strategy and purpose

The primary purpose of Kinnevik's operations is to increase shareholder value, primarily through net asset value growth. As owner and investor, Kinnevik also bears great responsibility to stakeholders for its holdings (subsidiaries and associated companies). For Kinnevik, showing consideration for stakeholders by working actively with CR-related issues is a prerequisite for high and sustained profitability.

Guidelines and policies

In November 2009, Kinnevik's Board of Directors approved an updated CR policy. With the updated policy, Kinnevik has established clear guidelines for the expectations of the Group's holdings how to drive CR issues regarding social responsibility, environmental impact and ethical behavior.

Furthermore, Kinnevik's senior management, in cooperation with its Board of Directors, has formulated policies in which all matters relating to sustainability and responsibility matters are handled. These matters are expressed in the Code of Ethical Business Conduct (Code of Conduct) and the Whistleblower policy. Every employee and other representatives of the Company are expected to read and comply with these policies.

Implementation and follow-up

For a company like Kinnevik with limited operations, the majority of the CR matters is found within each holdings' operations. A thourough risk assessment including CR related matters is periodically carried out in every company. The risks vary depending on company, industry and country and consist amongst others of geographical risks, environmental impact, political climate, brand risks as well as supplier risks. Since several of Kinnevik's holdings are operating in emerging markets where human rights and risk for corruption could be present, it is very important that Kinnevik has firm guidelines on how to handle these types of risks.

Kinnevik works actively, through Board representation, to assist associate companies and subsidiaries in formulating a separate CR policy. The CR policy shall be observed through analysis and continuous operational improvements, taking into account social responsibility, ethics and the environment. The companies are also encouraged to publicly communicate the impact of their CR efforts. In the Major Listed Holdings, the Board of each company shall elect one person who is responsible for the company's CR issues and to whom an employee with responsibility for CR shall report.

Examples of CR work in Kinnevik's portfolio companies

Korsnäs' environmental work

For Korsnäs, the environmental work is an improvement process that is always in progress. Korsnäs goal is to operate in a sustainable balance with nature.

All Korsnäs' products are based on renewable raw materials from the forest. This places demands on the environmental considerations in the company's forest operations, where, without being a major forest owner, Korsnäs nevertheless has a major impact through its forest management organization, as well as in the production of cartonboard and paper.

Certified forestry management

Korsnäs has extensive experience in working with environmental issues within forestry and was the first forest company to be certified according to ISO 14001 in 1997, from plants to end products.

The customers' interest in the environmental work in the forest and the certified products from Korsnäs has increased significantly. Consequently, Korsnäs conducts customer visits in the forest, where customers can take a closer look at what certified, environmentally-adapted forest management entails.

Korsnäs' certified products are made of raw materials from certified, well-managed forests, where consideration has been given to the environment, economic forest production and social aspects. The company's traceability certification demonstrates that all raw materials derive from legal logging, where no high natural values were threatened and any serious social conflicts occurred. Consequently, by purchasing certified products, Korsnäs supports a positive trend pertaining to, for example, long-term finance, biological diversity, working conditions and local communities' utilization of the forest.

Korsnäs is certified according to the systems of the Forest Stewardship Council (FSC) and the Program for the Endorsement of Forest Certification (PEFC), which both strive for responsible and sustainable forest management worldwide. The company can thus offer customers the product labeling in which they are interested. Korsnäs purchases certified pulpwood from many different suppliers to satisfy customers' requirements. However, all forest land in Sweden is not certified. Consequently, Korsnäs tries to motivate suppliers to certify their forest management or their timber supply and has also obtained permission to group-certify small, private, forest owners to contribute to increasing certified forest land areas. There is a connection between today's sustained forest management and the market's increased interest in the environment.

Climate impact

Korsnäs conduct industrial operations in Gävle, Frövi and Rockhammar requiring permits from relevant authorities with threshold limit values regarding environmental impact on air and water, which is followed-up and disclosed on a regular basis. The current permit for Gävle covers 700 thousand tons of pulp and 755 thousand tons of end products in the form of paper and cartonboard. For Frövi the Environmental Court approved a new permit in the end of 2008 for 300 thousand tons of kraft pulp production, of which 140 thousand tons may be bleached. During 2009, Korsnäs has successfully maintained a healthy margin between limits and emission levels. Application pertaining to a new production permit for the facility in Rockhammar was submitted to the Environmental Court in 2009. In February 2010 the Environmental Court granted permission to increase production at the plant from 60,000 tons to 90,000 tons CTMP pulp annually.

The development of Korsnäs' environmental work has, during 2009, been focused on areas like life cycle analysis (analysis of the environmental impact in all stages of production including energy and other resources), projects to decrease the climate impact and increased energy efficiency.

During the past 20-year period, Korsnäs has significantly decreased the fossil carbon-dioxide impact from the manufacturing process of pulp, paper and cartonboard. Between 1990 and 2007, the fossil carbon-dioxide impact dropped by 57% through more efficient energy utilization and lower consumption of fossil fuel. This was accomplished simultaneously with an increase of more than 30% in production volume.

In 2007, Korsnäs set a target to reduce the CO_2 impact by an additional 25%, per unit of produced end product by 2020. Through two major investments, it appears that this target will be surpassed both in size and time.

In the autumn of 2008, a decision was made to invest in a new evaporation plant at the pulp mill in Gävle. The plant, which is under construction and scheduled for completion in the spring of 2010, will reduce oil consumption by about 19,000 m^3 per year.

In December 2009, a decision was made to, in cooperation with Gävle municipality establish a jointly owned company named Bomhus Energi AB, and invest SEK 1.8 billion in a bio-energy plant in the Korsnäs industrial area in Gävle. For Korsnäs, the investment will total approximately SEK 320 million consisting of shares and debenture loans, corresponding to a holding of 50% in Bomhus Energi AB. In addition to this investment, Korsnäs will be spending approximately SEK 145 million on energy investments in its existing plant for the delivery of waste heat to Gävle Energi AB. The objective of the investments is to, from 2013, secure delivery of environmentally compatible electricity and steam to the Korsnäs plant, as well as district heating to Gävle Energi's customers. The investments will enable a significant reduction in Korsnäs' oil consumption, while increasing electricity production and the use of waste heat from Korsnäs' plant. As a result of the investments, Korsnäs Gävle will raise the proportion of internally produced electricity from 38% till 45%. The new bioenergy plant will be ready for operation during the autumn 2012.

On the whole, with the new evaporation plant, the oil consumption will reduce from the current level of 44,000 m^3 per year to 4,000 m^3 per year and will thus reduce the total environmental impact from Korsnäs Gävle from the current level of 125,000 tons to 10,000 tons of CO_2 per year. The decrease corresponds to the annual consumption of more than 10,000 oil-fired, single-family homes.

Millicom

In the 16 emerging markets where Millicom operates, the ambitions for the future are high. Millicom is among the largest companies in the markets where it operates and therefore has a strong sense of responsibility and a long term interest in ensuring that today's development benefits all and remains sustainable. For Millicom, working responsibly means meeting the expectations of its stakeholders.

Governments and regulators

Millicom has observed the highest standards of business ethics and integrity, since its foundation in the early 1990s. This commitment is evident in its Code of Ethics. As a Nasdaq listed company, Millicom also complies with the US Foreign Corrupt Practices Act.

Millicom encourages effective telecom regulation and fair competition, as a mean to build and maintain a sound business environment.

Suppliers

Millicom's intention is to only work with suppliers who share its responsible business practices, as stated in the company's Supplier Code of Conduct.

Society and environment

Millicom has developed a corporate position on six issues affecting the business and is developing programs in support of these positions across all operations. These issues are: Radio Frequency Fields, Child Labor, Electronic Waste, Energy and Climate Change, Responsible Use of Phones and Visual Pollution.

Millicom is conscious of its impact on the environment and is committed to reducing its energy consumption. The company participates in the Carbon Disclosure Project, which will help it progressively to measure, report and reduce its carbon dioxide releases. In the countries where Millicom operates, it leads local initiatives to set up handset and e-waste recycling channels.

The Board's CSR Committee has approved the re-investment of some of the company's profits in the communities which contribute to the overall growth. Initiatives take place in all operations, focused primarily on the theme "Access to today's world through education".

Employees

In the spirit of Tigo, Millicom seeks strength in diversity amongst its employees in order to foster creativity. Among the employees at the headquarters more than 25 nationalities are represented. At the same time, Millicom seeks to build local capabilities. Local staff represents 97% of the company's employees across its 16 operations and the company provides them with continuous training through the "Tigo Talent School" programs and foreign assignments.

1. Kinnevik's policy for Corporate Responsibility in the Parent Company and Korsnäs

1.1. Social responsibility

Business ethics

Kinnevik shall conduct business in accordance with applicable laws and regulations and with high business ethics. Integrity, honesty and straight-forwardness are of the greatest importance in all of the Company's business and social relations. Kinnevik expects all employees to be honest in their contacts with the Company's customers, suppliers and competitors and to perform their work in a manner that upholds the Company's good name and reputation.

Diversity and equality

Kinnevik works for diversity and equality at work for all employees and job applicants. The Company employs, trains, promotes and compensates all employees in relation to job-related factors, such as the person's ability, work quality, attitude, competence and potential, as well as the Company's needs. Kinnevik's approach is to promote a sound and friendly work atmosphere for all employees without consideration of ethnic or national origin, skin color, religion, gender, sexual preference, citizenship, age, civil status, functional disability or any other categorization that is protected by applicable laws.

Work environment and safety

Kinnevik's work environment and safety policy entails that all employees are expected to perform their work assignments in accordance with the prescribed safety procedures so as not to cause injury to themselves or others. The Company also emphasizes that work that is performed under its supervision or monitoring must be performed in a safe manner. Work performed individually or under the Company's supervision must also be in compliance with rules and regulations in the area of the work environment.

1.2. Environment

As a company without proprietary manufacturing and with limited operations conducted at head office, Kinnevik has little direct impact on the environment.

The wholly owned subsidiary Korsnäs, on the other hand, has considerable environmental impact and must have a clear environmental management system and ISO-certifiable operations.

1.3. Business ethics

Kinnevik's ethical guidelines in the Code of Conduct comprise the core of responsible business conduct. Kinnevik expects that everyone who is employed by or represents the Company will, without exception, familiarize themselves and comply with the guidelines. Any transgressions may result in legal consequences and/or termination of employment.

Corruption

None of Kinnevik's employees may directly or indirectly offer, give or request money, privileges, special benefits, gifts or any object of value for the purpose of retaining or influencing a business transaction or giving or receiving any form of special or beneficial treatment for the Company. Kinnevik neither allows nor condones kick-backs or bribes or any other form of illegal or improper payment or transfer in conjunction with business transactions or participation in any activity which could be related to money laundering. Neither is it permissible to use in-house or externally commissioned personnel in any manner or for any purpose in violation of this prohibition.

Competition

Kinnevik's employees must be aware that there are laws that protect and ensure competition, including laws that protect competitors' copyrighted information and other sensitive information. This knowledge is updated annually through education. The Company's employees, consultants and, above all, persons who have direct contact with the Company's competitors must be aware of and comply with these laws.

Whistleblower

Kinnevik has a whistleblower function that encourages employees to openly or anonymously report suspected irregularities in the Company to company management or, alternatively, to the Board of Directors and which protects the person reporting from repercussions.

Political contributions

Kinnevik does not give financial contributions or offer services to political parties or persons holding or campaigning for government office.

2. Policy for Corporate Responsibility in Kinnevik's Major Listed Holdings

In Major Listed Holdings, Kinnevik has substantial influence and thus, through its board representation, great ability to ensure that the companies' operations are conducted in a responsible and ethical manner.

Risks vary in different companies, industries and countries. It is important that all companies establish what risks pertain to their particular operations. The management of Kinnevik's associated companies and subsidiaries must ensure that there are appropriate processes for identifying and managing risks relating to responsible enterprise and for reporting them and the actions taken to each company's Board of Directors.

A fundamental requirement for all companies in which Kinnevik invests is that they comply with local and national legislation in the countries in which they operate. In cases where local legislation is inadequate, the minimum requirement is that the companies comply with OECD's guidelines for multinational companies.

2.1. Social responsibility

Portfolio companies must continuously formulate information about and comply with relevant laws, regulations and international conventions. They must respect human rights, in part by offering safe and healthy working conditions, guaranteeing freedom of assembly and diversity at work and not accepting any form of forced or child labor.

The portfolio companies must also develop a Supplier Code of Conduct in which the company's suppliers pledge to act in accordance with the recommendations of the UN's Global Compact.

In cases where the portfolio companies are active in growth countries with inadequate protection for human rights, it is particularly important that the companies promote human rights to increase the standard in the company in question.

2.2. Environment

Portfolio companies must establish an environmental policy and continuously analyze and improve the impact of their operations on the environment. Environmental work must be followed up continuously and reported to the Board of Directors. The companies must also formulate information regarding the environmental impact of their suppliers and encourage them to achieve continuous improvements.

In cases where scientific knowledge of environmental risks is insufficient, the companies must apply the prudence principal and take measures at an early stage to ensure that permanent damage to the environment does not occur. They must also take initiatives to promote greater environmental responsibility and encourage the development and application of environmentally friendly technology.

Portfolio companies are encouraged to develop an environmental management system that is certifiable and to educate employees in issues relating to respect for the environment.

2.3. Business ethics

Portfolio companies must develop clear guidelines for how issues relating to corruption, bribery and blackmail will be handled. These guidelines must be known to all employees, and employees must be continuously educated and informed of the consequences of the guidelines. These guidelines are particularly significant for companies active in countries where corruption is prevalent, and it is also important that the companies are transparent and communicate how they avoid and work against corruption.

3. Policy for Corporate Responsibility in Kinnevik's New Ventures

3.1. Evaluation prior to new investments

Prior to any acquisition, an evaluation is always performed to determine if the company complies with local laws and regulations. Kinnevik also assesses the situation in the country with respect to human rights and corruption and determines whether the company in question respects human rights and avoids corruption in accordance with the UN Global Compact guidelines. Environmental aspects are also identified and evaluated prior to new investments.

When potential investments do not adhere to Kinnevik's guidelines and it is not deemed possible to influence and improve the company's operations, the consequence is that Kinnevik refrains from the investment.

3.2. Development of CR in existing new investments

Because new investments are in smaller, newly started companies, work to develop a CR policy is part of developing the company. Although companies may comply with Kinnevik's requirements for responsibility at the investment occasion, CR work is long-term and represents an improvement process that is constantly in progress.

Over a longer perspective, portfolio companies must develop a Code of Conduct that contains clear guidelines for how employees should act to ensure respect for human rights and legal compliance and that business operations are conducted in a responsible and correct manner in terms of business ethics, whereby bribery and corruption are avoided.

The Code of Conduct should also include a whistleblower policy and, over time, also include a Supplier Code of Conduct and an environmental policy.

Kinnevik's CR policy has not been reviewed by the Company's auditors.

Book and fair value of assets

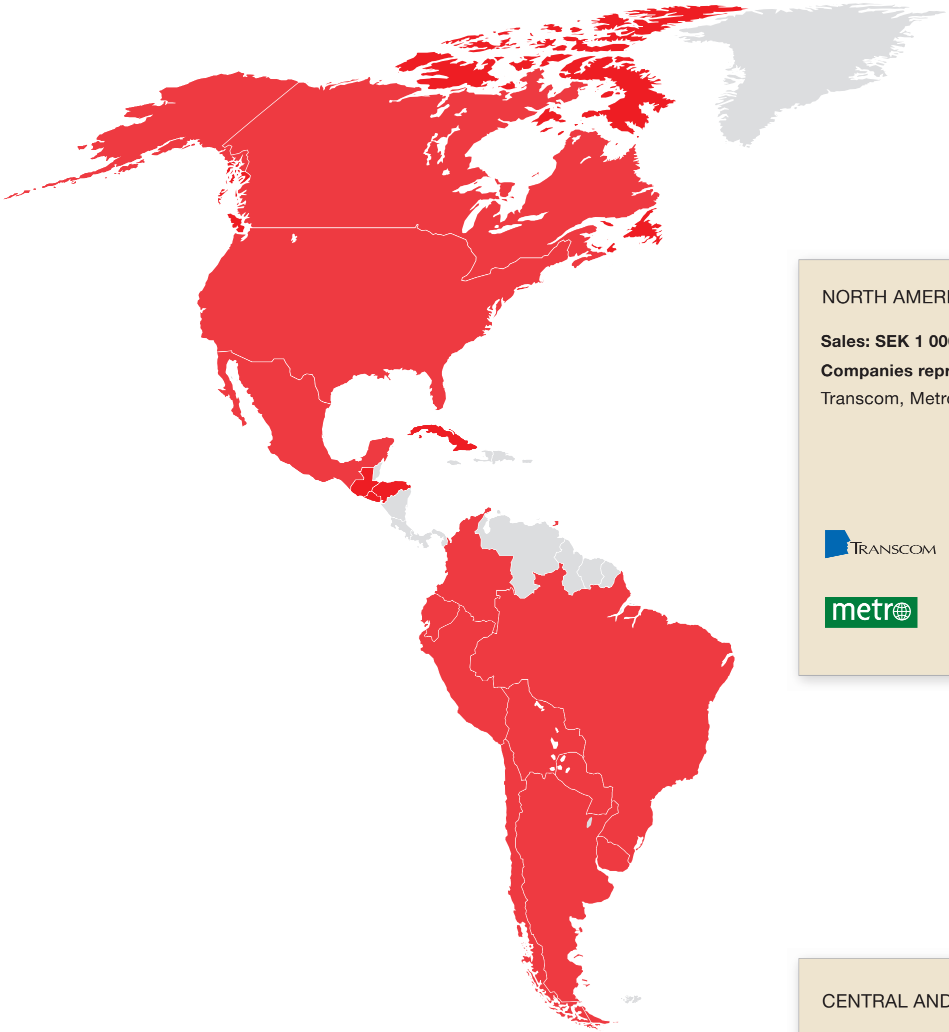
	Class A shares	Class B shares	Equity interest %	Voting interest %	Book value 31 Dec 2009 (SEK m)	Fair value 31 Dec 2009 (SEK m)	Change in stock price since 31 Dec 2008[1]
Major Unlisted Holdings							
Korsnäs Industrial and Forestry [2]			100	100	6 629	9 740 [2]	
Bergvik Skog			5	5	492	492 [3]	
Interest bearing net debt relating to Korsnäs					-6 419	-6 419	
Total Major Unlisted Holdings					**702**	**3 813**	
Major Listed Holdings [4]							
Millicom	37 835 438		34.8	34.8	20 166	20 166	53%
Tele2	20 493 492	115 002 645	30.8	48.0	14 932	14 932	68%
MTG	5 820 491	7 683 365	20.5	48.0	4 805	4 805	114%
Transcom	16 339 448		22.3	44.6	637	637	157%
Metro shares	112 122 875	133 798 591	46.6	42.4	243	243	43%
warrants [5]					345	345	
subordinated debentures					192	196	
Other interest bearing net debt relating to Major Listed Holdings					-2 001	-2 001	
Total Major Listed Holdings					**39 319**	**39 323**	
New Ventures							
Black Earth Farming	26 203 296		21	21	595	595 [4]	25%
Unlisted New Ventures					777	816 [6]	
Interest bearing net debt relating to New Ventures					-117	-117	
Total New Ventures					**1 255**	**1 294**	
Other assets and liabilities					399	399 [7]	
Total equity/net asset value					**41 675**	**44 829**	
Net asset value per share, SEK						**161.75**	
Closing price class B share 31 December 2009, SEK						107.00	73%

1) Including dividends received.
2) Consensus among analysts covering Kinnevik.
3) Corresponding to 5% of the company's equity, valued in accordance with IFRS.
4) Market value.
5) Warrants in Metro are valued at fair value and included in change in fair value of Major Listed Holdings.
6) For split per investment refer to table on page 27.
7) Book value. Includes SEK 338 million of dividend from Millicom included under other current assets in the consolidated balance sheet. The amount was received from Millicom on 5 January 2010.

Our Group

The Kinnevik portfolio is divided into three segments including Major Unlisted Holdings consisting of Korsnäs, Major Listed Holdings including Millicom, Tele2, MTG, Metro and Transcom and New Ventures with Kinnevik's holdings in agriculture (Rolnyvik, Black Earth Farming and RawAgro), renewable energy (Latgran), microfinancing (Bayport and Microvest) and online (R2 International, Relevant Traffic and Kontakt East). For a full list of companies in New Ventures, see page 27. Through the portfolio companies, Kinnevik is exposed to over 60 markets worldwide and more than half of our assets are in emerging markets.

On the map below, sales per continent is based on the total sales of the portfolio companies. These figures are not connected to Kinnevik's accounts.

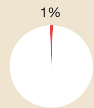


NORTH AMERICA

Sales: SEK 1 000 million

Companies represented:
Transcom, Metro

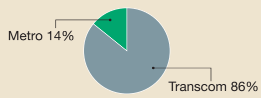
Share of total sales



TRANSCOM

metro

Split

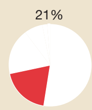


CENTRAL AND SOUTH AMERICA

Sales: SEK 20 300 million

Companies represented:
Millicom, Transcom, Korsnäs, Metro

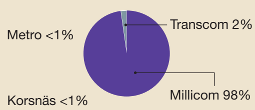
Share of total sales



MIC TRANSCOM

KORSNÄS metro

Split



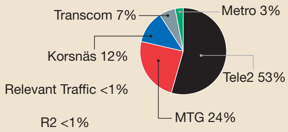
WESTERN EUROPE

Sales: SEK 49 600 million

Companies represented:
Tele2, MTG, Korsnäs,
Transcom, Metro,
R2, Relevant Traffic

Share of total sales

Split

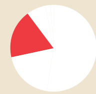


EASTERN EUROPE AND RUSSIA

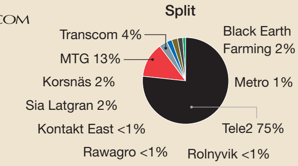
Sales: SEK 17 200 million

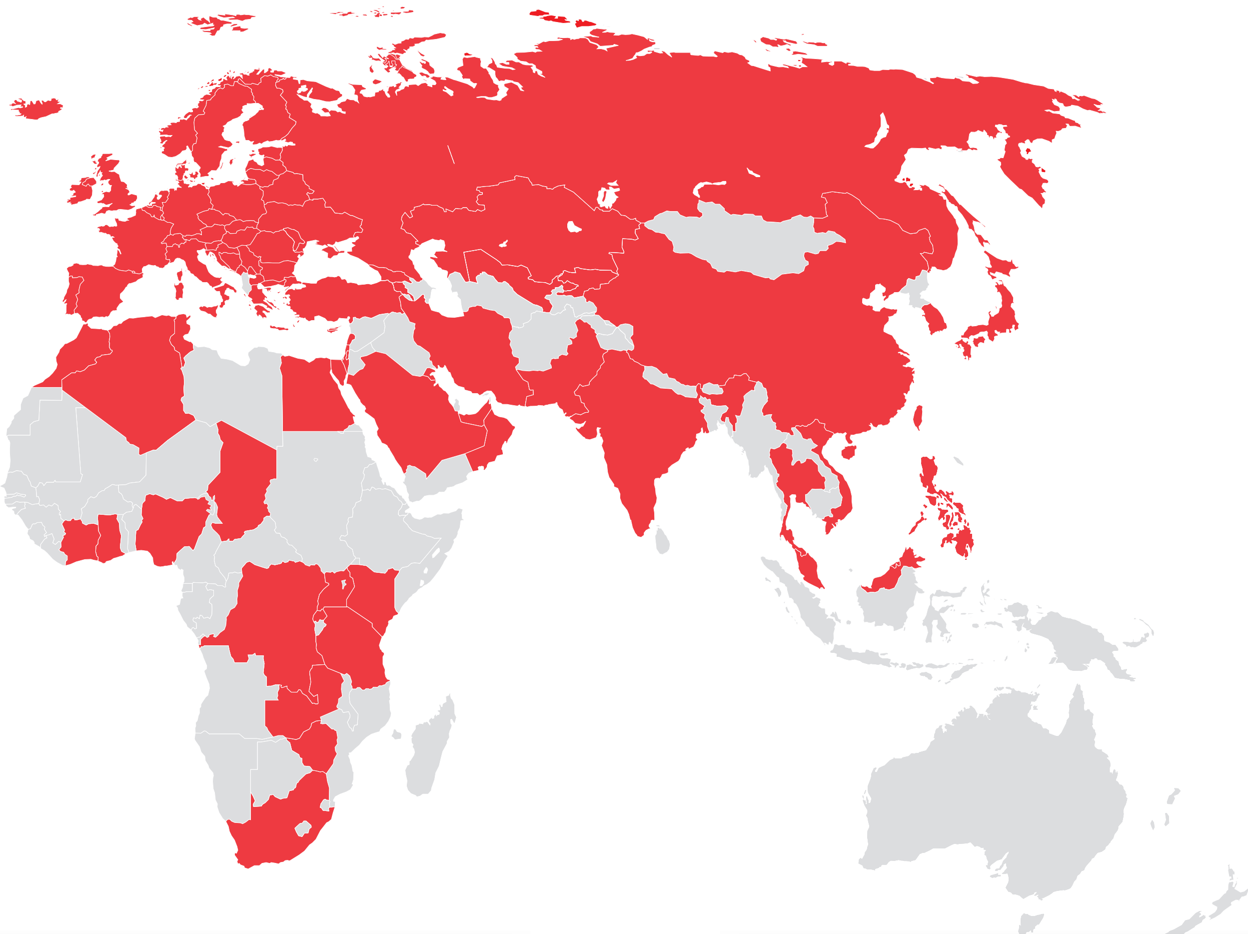
Companies represented:
Tele2, MTG, Transcom, Black Earth
Farming, Korsnäs, Latgran, Metro,
Kontakt East, Rawagro, Rolnyvik

Share of total sales



Split



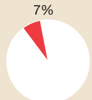


AFRICA

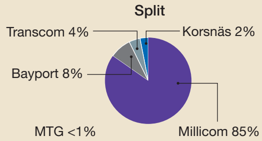
Sales: SEK 7 000 million

Companies represented:
Millicom, Bayport,
Transcom, Korsnäs, MTG

Share of total sales



Split

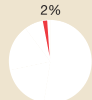


ASIA

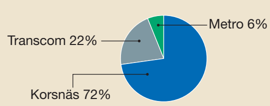
Sales: SEK 1 900 million

Companies represented:
Korsnäs, Transcom, Metro

Share of total sales



Split



Proportional part of revenue and result

The table below is a compilation of Kinnevik's proportional part of the holdings' revenues and operating results reported for 2009. Divested operations, assets held for sale and one-off items have been excluded.

Revenues and operating result reported by the companies have been multiplied by Kinnevik's ownership share, thereby showing Kinnevik's proportional share of the companies' revenues and operating result.

The proportional share of revenues and operating result has no connection with Kinnevik's accounting and is only additional information.

Jan-Dec 2009 (SEK million)	Equity interest	Reported revenue	Reported EBIT	Proportional part of revenue	Proportional part of EBIT	Change compared to Jan-Dec 2008 revenue	Change compared to Jan-Dec 2008 EBIT
Korsnäs	100.0%	8 039	851	8 039	851	9%	70%
Millicom	34.8%	25 803	6 510	8 980	2 266	7%	4%
Tele2	30.8%	39 265	5 538	12 094	1 706	3%	23%
MTG	20.5%	14 173	1 924	2 905	394	8%	-26%
Metro	22.3%	5 949	282	1 327	63	-11%	-5%
Transcom	46.6%	2 196	-107	1 023	-50	-24%	N/A
New Ventures	-	959	-278	456	-51	4%	N/A
Total sum of Kinnevik's proportional part of revenue and operating result				**34 824**	**5 179**	**4%**	**14%**

Major Unlisted Holdings

Korsnäs

Key data (SEK million)	2009	2008 [1]
Revenue	8 039	7 396
Operating profit, EBIT	851	500
Investments in tangible fixed assets	740	171
Depreciation	-611	-624
Operational capital employed, average	7 849	8 175
Return on operational capital employed	10.8%	6.1%
Number of employees	1 811	1 867

[1] Excluding restructuring costs of SEK 71 million.

History

Korsnäs was established as a company in 1855, with sawmill operations commencing in 1858 in Korsnäs in the province of Dalarna. In 1899, operations moved to Gävle and in 1910 pulp manufacture got under way at the Korsnäs mill in Gävle, followed in 1925 by the installation of the company's first paper machine. Paperboard and paper manufacturing were steadily expanded to become Korsnäs' primary operations and Korsnäs Industrial is today one of the leading manufacturers of virgin fiber-based packaging materials, primarily for consumer products. As part of the expansion in packaging materials, Korsnäs acquired the Frövi paperboard mill in 2006. The industrial operations center on the Korsnäs mill in Gävle and on the production facility in Frövi with annual capacity of 700 thousand tons and 425 thousand tons, respectively, of paper and paperboard products. The company currently has four production machines: Paper Machine ("PM") 2, 4 and 5 in Gävle as well as the Board Machine ("BM") 5 in Frövi. The plant in Gävle is self-sufficient in pulp, while the annual pulp capacity in Frövi is 300 thousand tons. In 2009, Korsnäs acquired a facility for production of CTMP pulp in Rockhammar. After implementation of existing plans to increase production in Rockhammar, Korsnäs will become self-sufficient in pulp for its entire production of paper and cartonboard.

Korsnäs has long pursued a targeted strategy of focusing on highly processed products. As a result, paperboard has become the largest product area in terms of volume, with liquid packaging board used for beverage packaging and White Top Kraft Liner ("WTL") used as the outer layer in corrugated packaging, while cartonboard is used primarily for packaging cosmetics, luxury drinks, confectionery and frozen food.

In 2002 Korsnäs terminated its involvement in the sawmill business by selling the Kastet sawmill. During 2002 and 2004, Swedish forest holdings were also sold via two transactions. In 2002, more than a third of the forest holdings were sold to Sveaskog and in 2004 the remainder was transferred to Bergvik Skog, a newly established company in which Korsnäs holds 5% of the shares. After these divestments, Korsnäs Swedish forest holdings consist of about 15,000 hectares of special land and rights.

Korsnäs Industrial

Key data (SEK million)	2009	2008 [1]
Revenue	7 098	6 608
Operating profit, EBIT	826	472
Investments in tangible fiixed assets	721	167
Depreciation	-605	-618
Operational capital employed, average	7 411	7 746
Return on operational capital employed	11.1%	6.1%
Number of employees	1 571	1 590

[1] Excluding restructuring costs of SEK 71 million.

The global recession resulted in continued general weak demand in 2009. However, the downturn leveled out during the year and demand stabilized. Despite the weak market, Korsnäs succeeded in increasing its delivery volumes for cartonboard and paper products by 4.1% to a total of 1,034,000 tons in 2009, compared with 993,000 tons in 2008.

Customers today are increasingly demanding various types of products and delivery solutions and Korsnäs is seeking to meet these demands using high quality and lower overall customer cost. Korsnäs' long-term strategy of focusing on growth markets and offering differentiated, niche products that meet stringent requirements in terms of strength, printability, formability and runnability in converting, proved successful during the year with increasing volumes within prioritized growth areas. Thus, the targeted focus on highly refined products in selected segments will continue.

Production for 2009 amounted to 1,025,000 tons, compared with 1,052,000 tons in 2008. The decline was attributable primarily to market related production shutdowns of individual paper machines during the first quarter (approximately 20,000 tons) and during the fourth quarter (approximately 6,000 tons). The purpose of the market related production shutdowns was to reduce capital tied-up in inventories. Cartonboard production in Frövi amounted to 396,000 tons (398,000), while cartonboard and paper production in Gävle amounted to 629,000 tons (654,000).

In conjunction with the maintenance shutdown in Gävle in the second quarter, the drying and press section of Paper Machine 5 was rebuilt for approximately SEK 65 million. The investment resulted in anticipated improvements in product properties and better production economy.

In the autumn of 2008, a decision was made to invest in a new evaporation plant at the pulp mill in Gävle, which will reduce oil consumption by around 50% at the Gävle plant. The investment is expected to total SEK 570 million, of which SEK 329 million has been paid in 2009. The investment project is proceeding according to plan and the evaporation plant is scheduled to be put into operation in May 2010.

In November 2008, an earnings-enhancement program was launched to restore Korsnäs' profitability to an operating margin of more than 10% (actual 2009 10.6%). The program, which entails staff reductions of 125 positions, is proceeding according to plan and had a positive impact on operating profit and tied-up capital in 2009.

In March, Korsnäs signed an agreement to acquire operations in Rockhammar Mill from Rottneros. Rockhammar Mill was at the time it was acquired licensed to produce 60,000 tons of chemical thermo-mechanical pulp, CTMP, annually. In February 2010 the Environmental Court granted permission to increase production at the plant to 90,000 tons annually. The production increase in Rockhammar will enable Korsnäs to become self-sufficient in pulp for its entire production of paper and cartonboard, which is expected to reduce production costs. The purchase consideration, including transaction costs, amounted to SEK 147 million.

In December, a decision was made to, in cooperation with Gävle municipality establish a jointly owned company named Bomhus Energi AB, and invest SEK 1.8 billion in a bio-energy plant in the Korsnäs industrial area in Gävle. For Korsnäs, the investment will total approximately SEK 320 million consisting of shares and debenture loans, corresponding to a holding of 50% in Bomhus Energi AB. In addition to this investment, Korsnäs will be spending approximately SEK 145 million on energy investments in its existing plant for the delivery of waste heat to Gävle Energi AB. The objective of the investments is to, from 2013, secure delivery of environmentally compatible electricity and steam to the Korsnäs plant, as well as district heating to Gävle Energi's customers. The investments will enable a significant reduction in Korsnäs' oil consumption, while increasing electricity production and the use of waste heat from Korsnäs' plant. As a result of the investments, Korsnäs Gävle will raise the proportion of internally produced electricity from 38% till 45%. The new bioenergy plant will be ready for operation during the autumn 2012. The investments totalling approximately SEK 465 million will impact Korsnäs' cash flow during 2010-2012.

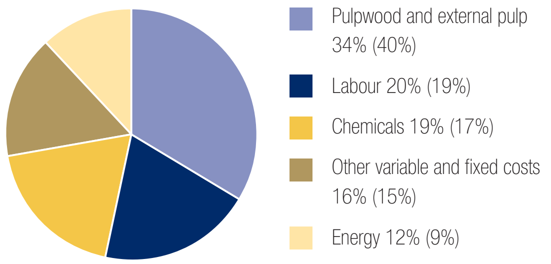
Korsnäs Industrial's revenues for the year amounted to SEK 7,098 million (6,608), with an operating profit of SEK 826 million (401). The comparative figure for 2008 includes restructuring expenses of SEK 71 million. Reduced costs for pulpwood and external pulp of about SEK 285 million and higher sales prices, including currency effects, of about SEK 190 million had a positive impact on earnings. Lower production volumes and a change in product mix had a negative impact on earnings of about SEK 15 million. Other items negatively affecting profitability included higher costs for energy, chemicals and salaries of about SEK 105 million.

For 2010, the market situation remains somewhat uncertain with short visibility in terms of demand. Implemented earnings-enhancement program is expected to continue having a positive impact, as will the commissioning of the new evaporation plant in Gävle in May. The price increase of SEK 25 per m^3 fub of pulpwood in Korsnäs' catchment area, which was announced in December 2009, will have a negative impact on results of about three to six months' delay.

During January and February 2010, production in Gävle as well as Frövi were affected by unscheduled shutdowns of the recovery boilers, which caused a production loss of about 14,000 tons of paper and cartonboard products.

Distribution of operating costs

Excluding depreciation, Korsnäs Industrial. Numbers in brackets refer to 2008.



Liquid Packaging Board

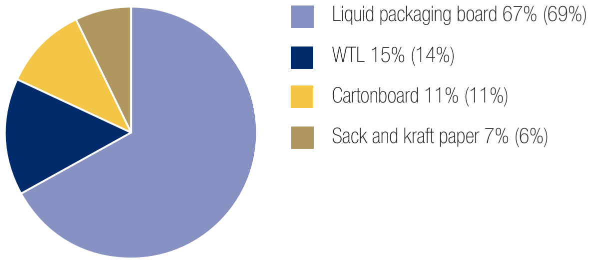
Liquid Packaging Board is used to manufacture packaging, primarily for dairy products and other beverages, a market that is continuing to grow, mainly in Asia and Eastern Europe. Primarily, coated Liquid Packaging Board is showing growth, as a result of end-users' increased demand for print quality on the finished packaging. The global market for Liquid Packaging Board usually increases at an annual rate of 2-3%, but growth for 2009 is estimated to have been about 1%. For 2009, Korsnäs Liquid Packaging Board deliveries remained at the same level as 2008. Price increases were implemented in accordance with the multi-year agreements that Korsnäs has with a number of customers regarding Liquid Packaging Board deliveries. Other major suppliers of Liquid Packaging Board include Stora Enso and Klabin. There is also competition from other packaging materials, primarily plastic bottles.

Cartonboard

Korsnäs cartonboard is used primarily in selected segments for packaging cosmetics, luxury drinks, confectionery and

Korsnäs Industrial's sales volume divided per product

Numbers in brackets refer to 2008.



frozen food. The cartonboard market in Europe generally grows 2-3% annually, but declined by about 6% in 2009. Cartonboard capacity was reduced during the year in Europe through the shutdown of a number of machines. European imports, primarily from Brazil, continued to rise. Despite lower demand and continued tough competition, Korsnäs succeeded in increasing delivery volumes marginally, with retained prices. Deliveries of cartonboard with white reverse side, Korsnäs White, increased during the year in accordance with the company's goal, while deliveries of cartonboard with brown reverse side, Korsnäs Light and Korsnäs Carry, decreased marginally. Cartonboard competitors include Stora Enso, M-Real and Holmen.

White Top Kraft Liner (WTL)

WTL is used as the surface layer on corrugated packaging. The WTL market in Europe declined by about 1% in 2009 compared with 2008, which shall be compared with growth that is usually about 2-3%. The first half year was marked by weak demand and falling prices. During the second half year, demand strengthened, leading to the implementation of price increases. Korsnäs' total deliveries of WTL increased in 2009, which was primarily attributable to deliveries of coated WTL increasing in line with the company's long-term strategy. There are a number of suppliers in the market, with M-Real as the main competitor.

Sack and kraft paper

Sack and kraft paper are used for sacks, carrier bags and food packaging. Following a weak start to 2009, demand for sacks, carrier bags and food packaging gradually improved during the year. The market for white paper, the segment on which Korsnäs has focused for the past several years, is in better balance between supply and demand than for brown paper. Korsnäs' deliveries of sack paper increased in 2009, compared with the preceding year, of which brown paper accounted for the majority of the increase. Supported by the strong demand, Korsnäs announced price increases during the fourth quarter. Billerud and UPM Kymmene are the main competitors in this area. Korsnäs' market position is highlighted primarily by its high-strength products offering favorable converting potential.

Korsnäs Forestry

Key data (SEK million)	2009	2008
Revenue	941	788
Operating profit, EBIT	25	28
Investments in tangible fixed assets	19	4
Depreciation	-6	-6
Operational capital employed, average	438	429
Return on operational capital employed	5.7%	6.5%
Number of employees	240	277

Korsnäs Forestry is responsible for the purchase of wood and fiber for Korsnäs' pulp and paper mills and for the performance of forestry services in line with agreements with Bergvik Skog. Korsnäs Forestry's external customers are primarily sawmills and spruce fiber users in central Sweden and Latvia.

From a weak start of the year, with continued declining prices for pulpwood, the timber market turned upwards during the second and third quarters, with increased demand and higher prices for sawtimber. During the fourth quarter, pulpwood prices began to rise, first in southern and northern Sweden to also include Korsnäs' catchment areas by the end of the year.

During the year, Korsnäs Forestry succeeded in its program to reduce capital tied-up in inventories of felling rights and pulpwood.

Korsnäs Forestry's revenue, excluding internal sales to Korsnäs Industrial, amounted to SEK 941 million (788) for the year. Operating profit amounted to SEK 25 million (28).

Research and development

Korsnäs' work with renewal of the product portfolio continued during 2009, whereby a number of new products were introduced. Within existing segments, work was dominated by product care and improved profitability. Competency groups were created within three strategically important future areas, with the task of monitoring the technical development, controlling external research and development within the area, as well as generating product ideas. During the year, the development organization was reorganized with a focus on customer orientation and cooperation with production units. Korsnäs spent a total of SEK 49 million (58) on research and development during the year.

Risk management

Korsnäs' operational risks consist primarily of customer relations in respect of payment capacity and the risk of losing established relationships, as well as with suppliers in terms of reliability, quality and price, in addition to major accidents in the production. Korsnäs conducts regular surveys of customers and suppliers and undertakes extensive checks and maintenance to minimize the risk of production disruptions.

The risk that customers fail to fulfill their payment obligations is limited by means of credit checks, whereby all customers are analyzed by sales managers and a credit council quarterly. Customers are also monitored continuously by the credit function using, for example, information from Dun & Bradstreet. Deviations in relation to concluded agreements are managed on an ongoing basis by the credit council.

In production operations, risk inventories are conducted with the focus on areas that could be expected to give rise to serious production disruptions. For identified risk areas, plans are drawn up regarding how these can be prevented as far as possible and how the management of abnormal situations is to be done. A corresponding inventory is also made for safety purposes and the work environment.

Korsnäs' net purchases of power during 2009 totaled 902 GWh. In addition, 546 GWh of in-house generated power was consumed. Since the Nordic electricity market was deregulated, financial hedging has been used to reduce exposure to temporary fluctuations in electricity prices. At the end of 2009, a decision was made to cease financial hedging since most other cost items, as well as a large portion of revenue, are immediately impacted by changes in market prices, and that electricity costs represent a small, and – following the conclusion of ongoing energy investments – ever smaller portion of the company's cost base. Consequently, no new hedging contracts will be signed and the result of the portfolio held at year-end will be recognized as they fall due. For 2009, the result of electricity hedging was a loss of SEK 78 million (loss 41). As of 31 December, the market value of financial hedges amounted to a negative SEK 22 million (negative 103), and comprises 77% of the estimated net power purchases in Sweden for 2010, 44% for 2011 and 17% for 2012.

With regard to the purchase of pulpwood during 2009, approximately half of Korsnäs' pulpwood consumption was supplied from Bergvik Skog and Sveaskog, and split between them almost equally. The remaining pulpwood derives from purchases in Sweden and from Åland and the Baltic States. Most of the Swedish wood consists of softwood fiber, with most of the imported material consisting of hardwood fiber. Korsnäs' agreement with Bergvik is long term and prices are updated continually.

On an annual basis, Korsnäs' net flow in foreign currencies is a net inflow of about SEK 600 million, comprised mainly of sales in Euro. The Group's policy is not to hedge this transaction exposure. The reason for this approach is that the Group is dealing with a continuously even net inflow of foreign currency for which, over time, hedging measures would also be affected by exchange rate changes.

Employees and organization

Korsnäs' work on developing the company's competency, working methods and organization, which are key issues for meeting global development, as well as ensuring a modern and cost-efficient organization, continued during the year.

Within the framework of the implemented earnings-enhancement program, extensive negotiations were conducted and personnel changes were implemented according to plan and without initiating termination negotiations. During the year, personnel changes were implemented in conjunction with the integration of Korsnäs Rockhammar.

To secure the long-term competency requirements in management and in key positions, a trainee program consisting of seven individuals commenced during the year.

As part of a more long-term recruitment strategy, but also part of assuming social responsibility, pupils and students are offered insight into and experience of the company on different levels. During the year, work has been conducted to increase the attraction and effect of this exchange.

Work to harmonize the HR operations between Korsnäs Gävle and Korsnäs Frövi continues and during the year, Korsnäs Rockhammar was also included. Within the area of occupational health and safety, Korsnäs Frövi and Korsnäs Rockhammar implemented a change in direction to the more preventive form of corporate healthcare, which already exists at Korsnäs Gävle. In connection with this, extensive training courses were conducted for managers, safety representatives and union representatives.

Production facility in Frövi.

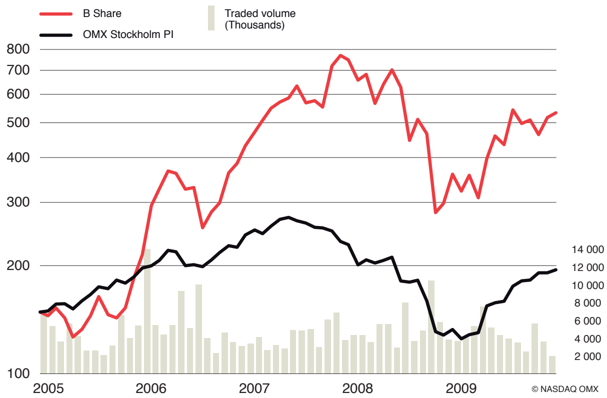
Major Listed Holdings

The market value of the Group's securities in Major Listed Holdings, including dividends received, increased by SEK 15,722 million during 2009, corresponding to 65%, excluding value of securities acquired through Emesco of SEK 2,232 million. On 31 December 2009, the market value of the Major Listed Holdings was SEK 41,128 million (SEK 24,085 million 31 December 2008). The changes in value are shown in the consolidated income statement. Dividends received from Major Listed Holdings totalled SEK 1,017 million (1,699), of which SEK 627 million (985) from Tele2, SEK 50 million (149) from MTG, SEK 340 million (541) from Millicom and SEK 0 million (24) from Transcom.

Millicom

Key data (USD million)	2009	2008
Revenue [1]	3 373	3 151
EBITDA [1]	1 545	1 366
Operating profit, EBIT [1]	851	818
Net profit	851	518
Number of mobile subscribers 31 Dec (million) [1]	33.9	27.7

[1] Excluding discontinued operations.



The market value of Kinnevik's shareholding in Millicom amounted to SEK 20,166 million on 31 December 2009. Millicom's shares are listed on NASDAQ Global Select Market in New York and is included in NASDAQ 100 and NASDAQ OMX Stockholm's list for large-cap companies.

Millicom offers affordable and easily accessible mobile telephone services to all market segments in 13 countries in Latin America and Africa. It also operates cable and broadband businesses in five countries in Central America.

During 2009, in accordance with a strategic decision to divest all its Asian operations, Millicom divested its holdings in Cambodia, Laos and Sri Lanka for a total of USD 566 million in three separate transactions. Cambodia was divested to Millicom's partner in that country. Laos was divested to Vimpelcom and Sri Lanka was divested to Etisalat. Millicom also divested its operations in Sierra Leone. The net profit for 2009 includes a capital gain of USD 309 million on the sale of Cambodia, Sri Lanka and Sierra Leone, while the company work towards a completion of the Laos disposal in the first quarter of 2010.

In December, Millicom launched mobile services in Rwanda, under the Tigo brand. Millicom is launching the service with approximately 50% coverage of the country's population and intends to significantly increase coverage in the next three years.

In January 2010, Millicom announced the signing of an agreement to divest infrastructure in Ghana in the form of approximately 750 towers to Helios Towers Africa, a company in which Millicom will own a minority holding. The purpose of the transaction is to release capital and focus on the core areas in sales, marketing and customer care.

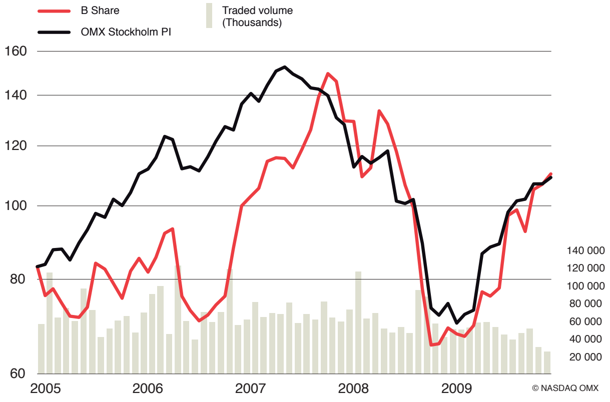
Dividend

In November, Millicom's Board of Directors announced that it had adopted a dividend policy, signifying its intention to distribute at least 25% of the annual net profit, excluding extraordinary items. In December, an Extraordinary Shareholders Meeting resolved to distribute USD 1.24 per share pertaining to 2008. The Millicom Board will propose a dividend of USD 1.40 per share for 2009 to the Annual General Meeting in May 2010.

Tele2

Key data (SEK million)	2009	2008
Revenue	39 265	38 272
EBITDA	9 185	8 169
Operating profit, EBIT[1]	5 538	4 490
Net profit	4 555	2 433
Number of subscribers 31 Dec (million)	26.6	24.5

[1] Excluding non-recurring items.



The market value of Kinnevik's shareholding in Tele2 amounted to SEK 14,932 million on 31 December 2009. Tele2's shares are listed on NASDAQ OMX Stockholm's list for large-cap companies.

Tele2 offers products and services within fixed and mobile telephony, broadband, computer networks and cable TV, and has 27 million customers in 11 countries, with a geographic focus on Russia, Eastern Europe and the Nordics.

Tele2 offers mobile telephony in eight countries, of which the company owns and operates proprietary network infrastructures in six countries. In the other markets, Tele2 operates mobile virtual networks (MVN). Tele2 offers services that are competitively priced and simple to use, for subscribers and cash cards. Tele2 has market-leading positions in prepaid telephony in several countries under such successful brands as Comviq in Sweden and Zelta Zivtina in Latvia.

Tele2 also offers mobile internet services in Sweden, Norway, Estonia, Latvia, Lithuania, Croatia and the Netherlands.

In terms of fixed networks, Tele2 serves households and companies with broadband services in five countries. In addition to broadband services, which are based on DSL, the company offers fiber services to households and companies in Sweden that require high-frequency ranges. In terms of corporations, Tele2 is among the foremost operators in the Austrian, Dutch and Swedish markets.

Tele2's financial trend is a result of continued focus on mobile services using proprietary infrastructure supplemented in some countries with services in fixed broadband and corporate offers. In 2009, the sale of mobile services continued to perform well, compared with the preceding year, and increased focus on mobile services using proprietary infrastructure resulted in a sustained positive trend in the EBITDA margin. Within fixed telephony, the decline is expected to continue and Tele2 will focus on maximizing the yield.

In Russia, Tele2 has GSM licenses in 37 regions and thus covers 61 million inhabitants. Growth in Tele2 continued in 2009 with launches in 18 new regions. The total net customer inflow in Tele2 Russia amounted to 2,947,000 during the year, of whom, 1,898,000 were from new regions.

Tele2 Sweden launched several new innovative services within mobile telephony and mobile internet during 2009, which will pave the way for the next generation of mobile networks (4G), to be launched in 2010. The mature Swedish market will also continue to function as a test market for new services within the Tele2 Group. Tele2 also strengthened its position in the corporate segment during the year.

In December, Tele2 signed an agreement to acquire 51% of the Kazakh mobile operator, NEO, for about SEK 550 million, and to give the company a capital contribution of about SEK 360 million after the transaction has been closed. Tele2 will have the option to purchase the remaining 49% five years after closing. NEO has a GSM license in Kazakhstan, which has about 16.2 million inhabitants.

During the fourth quarter, Tele2 divested its operations in France to Virgin Mobile for approximately SEK 575 million.

Dividend

Tele2's Board of Directors proposes the 2010 Annual General Meeting approve an ordinary dividend of SEK 3.85 (3.50) per share, as well as an extraordinary dividend of SEK 2.00 (1.50) per share.

Modern Times Group MTG

Key data (SEK million)	2009	2008
Revenue	14 173	13 166
Operating profit, EBIT[1]	1 924	2 597
Net profit	-2 008	2 927

[1] Excluding non-recurring items.

The market value of Kinnevik's shareholding in MTG amounted to SEK 4,805 million on 31 December 2009. MTG's shares are listed on NASDAQ OMX Stockholm's list for Large Cap companies.

MTG is an international media company with the second-largest geographic spread in radio and TV operations in Europe. MTG's Viasat Broadcasting is the largest free and pay television operator in Scandinavia and the Baltic States, and also operates Free-TV channels in the Czech Republic, Hungary, Slovakia, Bulgaria and Ghana, Pay-TV channels in Central and Eastern Europe and the US, and satellite television platforms in Ukraine and Russia. Viasat's TV channels reach more than 125 million people in 30 countries. MTG is also the largest owner in Russia's largest independent television company, CTC Media, and the largest commercial radio operator in the Nordic region and the Baltic States.

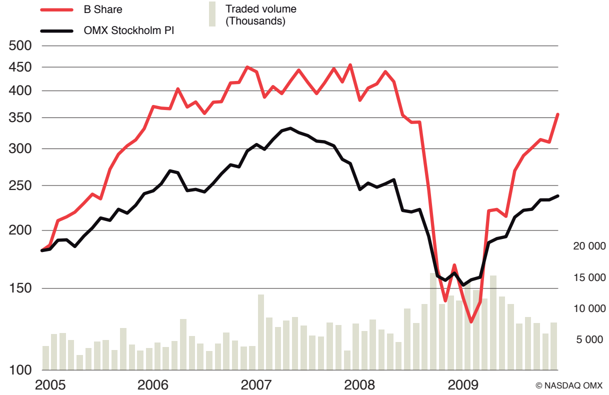
In 2009, MTG reported its highest revenue ever. Net profit for 2009 included non-recurring costs of SEK 3,352 million, which primarily derived from an impairment of the goodwill that arose through the group's acquisition of Nova Televizia in Bulgaria in 2008.

Viasat Broadcasting

Viasat Broadcasting is MTG's largest business area and comprises the operating segments Free-TV Scandinavia, Pay-TV Nordic, Free-TV Emerging markets, as well as Pay-TV Emerging markets. Viasat sends more than 50 proprietary channels, including the flagships, TV3 and TV1000.

Viasat's multichannel strategy, combined with an efficient operational structure, cost control and continued long-term investments resulted in increased viewers and market shares, a higher number of Pay-TV subscribers and sales growth of 6% for the business area, despite a challenging market climate in 2009.

Viasat Broadcasting reported revenue of SEK 10,940 million (10,278) during the year.



Radio

MTG Radio is the largest commercial radio operator in the Nordic and Baltic regions. MTG owns the largest advertising radio networks in Sweden and Norway, and has shares in the largest advertising radio network in Finland. It also has fast-growing radio stations and networks in the Baltic states. MTG Radio's radio stations reach a total of more than three million listeners every day.

MTG Radio reported revenue of SEK 694 million (800) during the year.

Online

The Online business area comprises MTG Internet Retailing's brands CDON, Nelly, Gymgrossisten, Linus & Lotta and BookPlus, and the gaming operation, Bet24. MTG's CDON is the leading internet retail site within entertainment in the Nordic region.

Modern Studios

Modern Studios includes companies that produce and distribute a wide range of products. Strix Television is a TV production company that produces innovative and creative TV formats.

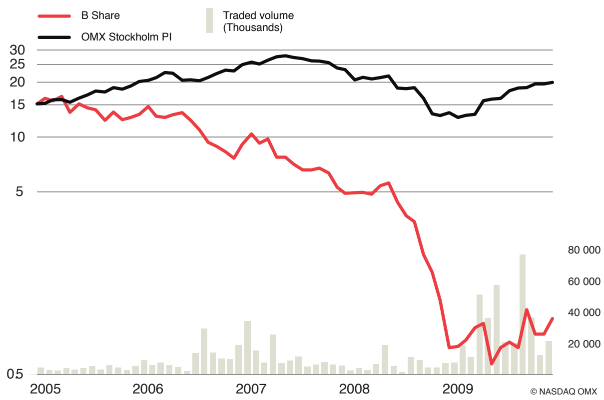
Dividend

MTG's Board of Directors will propose that the 2010 Annual General Meeting resolve to pay an ordinary dividend of SEK 5.50 (5.00) per share.

Metro

Key data (EUR million)	2009	2008
Revenue[1)]	207	273
Operating result, EBIT[1)]	-10	-15
Net result	-22	4

[1)] Continuing operations, excluding profit/loss on sale of subsidiaries.



The market value of Kinnevik's shareholding in Metro amounted to SEK 243 million on 31 December 2009. In addition Kinnevik holds warrants at a market value of SEK 345 million and debentures at a market value of SEK 196 million. Metro's shares are listed on NASDAQ OMX Stockholm's list for Small Cap companies.

Metro is the world's largest international daily newspaper. Metro is published in over 100 major cities in 18 countries across Europe, North & South America and Asia. Metro has a global reach attracting an audience of over 17 million daily readers.

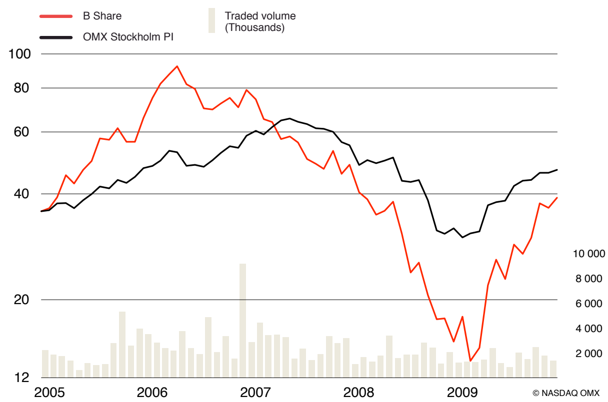
During the first half of 2009, Metro refinanced outstanding bank loans by taking in about SEK 530 million in new financing through the issue of debenture loans and warrants with preferential rights for existing shareholders.

Work to restructure Metro and focus on profitability continued during 2009, whereby the operations that were deemed as not having the potential to be sustainably profitable were discontinued through company shutdown or divestment. During the year, the operation in Spain was discontinued and operations in the US, Portugal and Italy were divested, whereby franchise agreements were signed with the new owners. The company's focus on emerging markets continued with the establishment of Metro in Ecuador and Moscow, as well as an increased ownership in St. Petersburg. To reduce costs, Metro has downsized and relocated its head-office to Stockholm.

Despite the weak advertising markets, through the above-mentioned cost savings and structural measures during the year, Metro improved profitability. For the fourth quarter of 2009, Metro reported operating profit of EUR 9.3 million, which is the company's best operating profit ever for a single quarter.

Transcom

Key data (EUR million)	2009	2008
Revenue	560	632
Operating profit, EBIT	24	28
Net profit	21	16
Number of employees	24 000	20 000



The market value of Kinnevik's shareholding in Transcom amounted to SEK 637 million on 31 December 2009. Transcom's shares are listed on NASDAQ OMX Stockholm's list for Mid Cap companies.

Transcom is active within outsourcing of Customer Relationship Management (CRM) and Credit Management Services. Today the company is employing more than 24,000 people delivering services from 29 countries. The company provides CRM solutions for companies in a wide range of industry sectors including telecommunications and e-commerce, travel & tourism, retail, financial services and utilities. Transcom offers its clients a broad array of relationship management services including inbound communication, telemarketing and outbound, administrative tasks, web servicing, CRM consultancy services, contract automation, credit management services, legal service and interpretation services. Client programs are tailor-made and range from single applications to complex programmes, which are offered on a country specific or international basis.

Transcom's focus on cost-cutting measures has resulted in a slightly higher gross margin versus last year, which has offset part of the negative effect the revenue erosion has had on the company's operating profit for 2009.

New Ventures

Company	Equity and voting interest	Business	Investment class	Initial investment	Book value 31 Dec 2009 (SEK m)	Estimated fair value 31 Dec 2009 (SEK m)
Black Earth Farming, Russia	21%	agricultural operations	listed associate	2006	595	595
Rolnyvik, Poland	100%	agricultural operations	subsidiary	2001	211	250
RawAgro, Ukraine	30%	agricultural operations	unlisted associate	2009	33	33
Latgran, Latvia	51%	pellets production	subsidiary	2005	189	189
Kontakt East, Russia	50%	search and guidance media	joint venture	2006	133	133
Relevant Traffic, Europe	99%	search marketing	subsidiary	2006	53	53
R2 International, Europe	33%	price comparison	unlisted associate	2009	21	21
Bayport, Africa	6%	micro credits	shares/interest bearing receivable	2007	129	129
Microvest II	-	micro credits	fund participation	2009	8	8
					1 372	**1 411**

Within New Ventures, Kinnevik invests in sectors and markets characterized by high growth potential. Investments to date are in growth markets in which Kinnevik has a long tradition and a strong platform to capitalize on existing growth possibilities. Kinnevik's new investments shall have a substantial market potential and the investments must have the conditions to grow through market growth and scalability. Kinnevik invests at an early stage and is an active owner. Investments are focusing on the following four areas: agriculture and renewable energy, online, microfinance and Africa.

The operating profit for New Ventures amounted to SEK 39 million (loss of 30) during the year, of which SEK 12 million (17) related to Rolnyvik, SEK 36 million (14) related to Latgran and a loss of SEK 8 million (loss of 59) related to Relevant Traffic. The comparable figure for Relevant Traffic includes restructuring expenses of SEK 10 million and impairment of goodwill of SEK 37 million. The change in fair value of financial assets totaled SEK 81 million (negative 786) where SEK 119 million (negative 775) related to Black Earth Farming, a negative amount of SEK 36 million (negative 93) related to Kontakt East and 0 (82) related to the sale of Gateway TV.

Agriculture and renewable energy

Black Earth Farming

The market value of Kinnevik's shareholding in Black Earth Farming amounted to SEK 595 million at 31 December 2009. Black Earth Farming's shares are since June 2009 listed on NASDAQ OMX Stockholm's list for Mid Cap companies.

Black Earth Farming is a leading farming company operating in Russia. It acquires, owns and cultivates agricultural land primarily in the fertile Black Earth region in southwest Russia. The company has gained a strong market position in the Kursk, Tambov, Lipetsk, Samara, Voronezh and Ryazan areas. The background to the investment is the possibility to acquire land that was previously farmed by cooperatives or was state-owned at attractive prices. Despite a relatively warm and dry climate, the Black Earth-region is considered to be among the most fertile areas in the world. Most of the land was uncultivated when acquired. Extensive investments in machinery with corresponding labor input are required to make efficient cultivation possible. The potential is high since the large areas of land facilitate efficient and large-scale production.

As of 31 December 2009, the company controlled 330,000 hectares of which about 216,000 hectares were under full registered ownership.

In 2009, the company has cultivated 183,000 hectares of land and harvested 531,000 tons of crops. Wheat is the largest crop, followed by barley, rape, sunflowers and corn. During 2009, the company made investments to increase the internal storage capacity, which amounted to more than 300,000 tons on 31 December.

Rolnyvik

The Polish company Rolnyvik manages the Barciany and Podlawki farms, with total area of 6,705 hectares.

Despite a relatively favorable spring and early summer, the year's harvest at the Polish farms was not as high as anticipated, since the lack of rain during the sensitive early summer period limited results. Furthermore, unstable weather conditions during the actual harvest period resulted in somewhat higher harvest costs than expected due to the grain requiring additional drying. The autumn brought particularly high rainfall, which meant that field work was periodically impossible. However, the season closed as planned due to a mild November.

The supply of grain in the market is high, partly due to excess stores from the preceding year's harvest, which combined with low demand resulted in low prices. The decision from the EU in the autumn, to reintroduce the possibility of intervention purchase of grain resulted in a slight increase in demand during the latter part of the year. As in previous years, Rolnyvik stored most of the harvest from 2009 to be sold in 2010.

Rolnyvik reported sales of SEK 34 million (58) during the year, with an operating profit of SEK 12 million (17).

RawAgro

In June, Kinnevik acquired 30% of the shares in the Ukrainian farming company, RawAgro, from the local investment company TAS, for a purchase consideration of about USD 4 million. Kinnevik has the option to increase its participation in the company to 50%. RawAgro controls about 19,000 hectares of leased farm land in Ukraine.

Latgran

Pellet production by the Latvian company Sia Latgran amounted to 213,000 tons during the year, compared with 105,000 tons in 2008. The production increase is attributable mainly to the start-up of a second production plant in Jekabpils during the third quarter of 2008.

Demand for pellets was strong during the year and the company has signed contracts for the sale of most of the anticipated production volume of 2010. Prices for contracted volumes rose slightly during the year.

Raw material costs and marine cargo charges continued to decline in the year. Due to the limited level of sawmill production in Latvia, sawdust and chip supplies are insufficient for Latgran's requirements. As a result, the company has been forced to use more roundwood timber than normal in its pellet production operations, which also incurs higher production costs.

In February 2010, a decision was made to build a third pellet plant with a planned annual production of about 140,000 tons. The plant will be built in southeast Latvia, with start of production scheduled for the second half of 2011.

Latgran reported sales of SEK 265 million (137) during the year, with an operating profit of SEK 36 million (14).

Online

Kontakt East

Kontakt East comprises the two businesses Directory Services, which publishes printed directories in Moscow, St. Petersburg and eight other Russian regions, as well as online search services, and Consumer eCommerce, which offers consumer-focused e-commerce through the www.avito.ru marketplace.

Kontakt East's operations in printed catalogues for directory services have been impacted highly negatively by the downturn in the Russian economy and the weak advertising market. The decline has been most apparent in Moscow and a significant restructuring of operations has been implemented during the year. The business reported sales of SEK 64 million in 2009 with an operating loss. The directory services operations will increasingly focus on on-line services in the future.

The consumer-oriented e-commerce platform Avito.ru performed well, with strong growth in traffic and advertising. The number of unique visitors increased to 3.4 million in December 2009, compared with 0.7 million in the year-earlier period. At the same time, the number of advertisements uploaded increased to 251,000 in December, compared with 38,000 in the year-earlier period.

Relevant Traffic

Relevant Traffic assists its customers in increasing their sales on the internet by cost-efficiently increasing traffic on customers' websites. The operations consist of consultation and campaign planning for all forms of online marketing with a focus on SEO (search engine optimization) and SEM (search engine marketing). The customers comprise national and international, medium and large companies. The company has operations at service centers in Sweden, France and Spain.

Relevant Traffic's total revenue amounted to SEK 167 million (177) for the year and the company posted an operating loss of SEK 8 million (loss of 34). Its SEO and navigation media have continued to grow and the company foresees major growth opportunities in this area.

European Internet Holding

In December Kinnevik signed an agreement to initiate a partnership with the online group European Internet Holding ("EIH") (previously Rocket Internet). Kinnevik will also make an investment of EUR 35 million into EIH to buy a mix of equity and warrants that in total gives it a right to acquire 25% over time if all warrants are exercised.

EIH has a portfolio of e-commerce companies and other consumer-oriented online businesses, including an ownership in the e-commerce company Zalando. Kinnevik will work closely with EIH and actively support it in becoming a leading European online company.

The acquisition of shares and options in EIH was completed in the beginning of February 2010, following approval of the transaction by the relevant competition authorities.

R2 International

During 2009 Kinnevik has invested EUR 2 million, corresponding to 33% of the shares, in R2 International, a company founded by EIH. The company operates leading price comparison websites for services including insurance and electricity in its primary markets of Poland, Spain and Turkey.

Microfinance

Bayport

Bayport offers microcredit and financial services in Ghana, Uganda, Zambia and Tanzania. Ghana and Zambia are the largest markets, while Tanzania is showing rapid growth. Bayport was founded in 2002 and has grown profitably into a leading African microcredit company. The customer base is increasing and the product portfolio is being continually expanded, primarily with loans of a longer duration. The loans are applied mainly to finance large one-off expenditures such as school fees, investments in agriculture or to start a small company.

In the third quarter, Kinnevik acquired shares in Bayport from a former minor owner and redeemed outstanding warrants for a total amount of SEK 17 million. Following these transactions, Kinnevik owns 6% of the capital and the votes in the company and holds warrants entailing entitlement to an additional 1% of the company's capital after full dilution, in addition to previously issued credits of USD 15.5 million.

Microvest

Kinnevik has committed to invest USD 10 million in Microvest II, a fund focusing on equity investments in micro financing companies in emerging markets. On 31 December, USD 1.3 million of the commitment had been drawn. Kinnevik intends to work actively together with the fund's experienced management team and seek direct investments alongside the fund.

The fund's first investments are in rapidly growing microfinance institutions in India and Peru.

Africa

ARM Capital Partners

In August, Kinnevik signed an agreement with Asset & Resource Management Company Ltd ("ARM"), one of Nigeria's largest asset management companies, in a partnership to create one of West Africa's leading private equity funds. Kinnevik owns 30% of ARM Capital Partners (the fund management company) and Kinnevik and ARM have undertaken to each invest USD 15 million in the first fund that has been launched.

Corporate Governance Report

Corporate Governance in the Kinnevik Group is based on Swedish legislation and other generally accepted securities market regulations. Kinnevik applies the Swedish Code of Corporate Governance (the "Code"). This Corporate Governance report does not represent a formal part of the Annual Report documents and has thus not been reviewed by the company's auditors.

During 2009, Kinnevik deviated from the Code regulation stipulating that the Chairman of the Board may not be the Chairman of the Nomination Committee. The deviation from the Code is explained in more detail below.

Annual General Meeting

The Swedish Companies Act (2005:551) ("ABL") and the Articles of Association determine how the notice of the Annual General Meeting and extraordinary meetings shall occur, and who has the right to participate in and vote at the meeting. Distance participation and voting is not available. Minutes of the Annual General Meetings are available on Kinnevik's website.

Nomination Committee

At the 2009 Annual General Meeting, it was decided that a Nomination Committee consisting of at least three members representing the Company's largest shareholders would be established during October 2009 following consultation with the largest shareholders in the Company at 30 September 2009. The Nomination Committee would be elected for a period commencing with the publication of the Company's interim report for the third quarter of 2009 until the next Nomination Committee is formed. The Nomination Committee shall comprise not less than three representatives, who shall represent the Company's largest shareholders. If a member of the Nomination Committee resigns prematurely, a replacement shall be appointed in a similar manner. Cristina Stenbeck is to be a member of the Nomination Committee and will convene the Nomination Committee. The Nomination Committee will itself appoint a Chairman at the first meeting. The Nomination Committee is entitled, upon request, to receive resources from the Company such as secretarial function in the Nomination Committee and the right to charge the Company with expenses for recruiting consultants if this is deemed necessary.

Pursuant to the resolution of the Annual General Meeting, Cristina Stenbeck convened a Nomination Committee prior to the 2010 Annual General Meeting. The Nomination Committee comprises Cristina Stenbeck, Ramsay Brufer representing Alecta, Henry Guy representing Anima Regni LP, Edvard von Horn representing the von Horn family and Wilhelm Klingspor representing the Klingspor family. The Nomination Committee's task is to propose the Board composition, Board fees, audit fees and nominate the Chairman of the Annual General Meeting ahead of the 2010 Annual General Meeting. The Chairman of the Board, Cristina Stenbeck, was appointed Chairman of the Nomination Committee, an appointment that deviates from what the Code prescribes. The other members of the Nomination Committee declared their decision regarding election of the Chairman of the Nomination Committee as being in the Company and shareholders' best interest and a natural consequence of Cristina Stenbeck leading the Nomination Committee's work in recent years, as well as her connection to the Company's largest shareholders.

Auditors

According to the Articles of Association, the Company shall have not more than three auditors, with not more than three deputies, or a registered audit firm.

At the 2009 Annual General Meeting, the audit firm Ernst & Young AB, with newly elected Authorized Public Accountant Thomas Forslund as Auditor in Charge, was appointed Company auditor for a period of four years. The auditor's independence is secured by legislation and professional ethics and the audit firm's internal guidelines and by adhering to the Audit Committee's guidelines governing the type of assignments that the audit firm may conduct in addition to the audit. During 2009, Ernst & Young AB has provided certain services in conjunction with the acquisition of companies, and in issues regarding internal controls, IFRS and tax. Information regarding remuneration appears in the Annual Report in Note 24 to the consolidated accounts and Note 5 to the Parent Company, Auditors' Fees. Information regarding the auditor in charge is also provided in the Annual Report, page 7.

Board of Directors and Group Management

Board members are elected at the Annual General Meeting for a period expiring at the close of the next Annual General Meeting. The Articles of Association contains no restrictions pertaining to the eligibility of the Board members. According to the Articles of Association, the number of Board members can vary between three and nine, with not more than three deputies. In addition, according to legislation, the union organizations have the right to appoint two Board members and two deputies.

At the 2009 Annual General Meeting, following a motion by the former Nomination Committee, Vigo Carlund, Wilhelm Klingspor, Erik Mitteregger, Stig Nordin, Allen Sangines-Krause and Cristina Stenbeck were re-elected members of the Company's Board and John Hewko was elected as a new Board member. The Annual General Meeting re-elected Cristina Stenbeck as Chairman of the Board. In May, the employees' organizations appointed Geron Forsman and Bo Myrberg as ordinary employee Board members with Magnus Borg and Tobias Söderholm as deputies.

The independence of Board members is specified in the table on page 31. None of the Board members is employed within the Group, with the exception of the employee representatives. Information concerning individual Board members and Group Management is also presented in the Annual Report on pages 7-8 and in Note 29 to the consolidated accounts, Personnel. Information concerning share-based and share-price-related incentive programs relating to the Kinnevik share for the Company management is presented in Note 29 in the consolidated accounts. There are currently no outstanding share-based or share-price-related incentive programs for the Board.

Board work

Kinnevik's Board of Directors is responsible for the overall management of the Group and for organizing its administration in accordance with the Swedish Companies Act. The Board's work and delegation process, instructions for the CEO and reporting instructions are updated and set at least once annually following the Annual General Meeting.

Significant issues that were specially addressed by Kinnevik's Board during 2009 include the impact the decline in the global economy had on Kinnevik and the companies in which Kinnevik has invested in, capital structure issues at Kinnevik as well as the listed associated companies, the overall strategy for Korsnäs and the listed holdings, and the acquisition of Emesco AB. The Chairman of the Board, Cristina Stenbeck did not participate in the Board's process to acquire Emesco AB, the Board's work was instead led by Allen Sangines-Krause. As the basis for discussions concerning the listed associated companies, Kinnevik's management presented independent analyses of each company's operations, assessed future development and evaluated the markets in which they are active.

Compliance with laws and regulations, responsibility and market confidence in Kinnevik are some of the key issues with which the Board actively works. The Corporate Social Responsibility Policy adopted by the Kinnevik Board, describes Kinnevik's policy on issues pertaining to social responsibility, environmental considerations and ethics.

A Remuneration Committee and an Audit Committee were established within the Board. These committees are preparatory bodies for the Board and do not reduce the Board's responsibility for the governance of the Company and the decisions made. All Board members have access to the same information.

The Board complies with a formal performance review process to assess how well the Board, its committees and processes are performing and how they might be improved. The review also assesses the performance of each Board member and the contribution they make.

The Board appointed Chief Financial Officer Mikael Larsson as the Company Secretary. The Company Secretary is responsible for ensuring that rules of procedure are complied with and all Board Members can turn to the Secretary for advice and assistance in their work for the Board.

During 2009, the Kinnevik Board held 13 meetings (excluding the statutory meeting), of which four were held via telephone. Cristina Stenbeck was absent from one extraordinary meeting and parts of four meetings in which the acquisition of Emesco was discussed, and employee representative Per Eriksson was absent from one ordinary meeting and three extraordinary meetings. Other ordinary Board members were present at all Board meetings.

Remuneration Committee

The Remuneration Committee's assignment comprises issues concerning salaries, pension terms and conditions, incentive programs and other conditions of employment for the management of the Parent Company and Presidents of the Group's business areas. The guidelines applied in 2009 are presented in the Annual Report, page 35.

Cristina Stenbeck, Wilhelm Klingspor, Erik Mitteregger and Allen Sangines-Krause were members of the Remuneration Committee during 2009. The Chairman of the Remuneration Committee was Wilhelm Klingspor.

The Remuneration Committee shall meet not less than

Board member	Board member since	Function	Independent in relation to the Company and its management	Independent in relation to major shareholders (>10% of voting rights or capital)
Cristina Stenbeck	2003 [1) 2)]	Chairman of the Board, member of the Remuneration Committee	Yes	No [3)]
Vigo Carlund	2006	Board member	No (CEO until 2006)	Yes
Wilhelm Klingspor	1991 [2)]	Board member, Chairman of the Remuneration Committee, member of the Audit Committee	Yes	Yes
Erik Mitteregger	2004	Board member, Chairman of the Audit Committee, member of the Remuneration Committee	Yes	Yes
Stig Nordin	1992 [1)]	Board member, member of the Audit Committee	Yes	Yes
Allen Sangines-Krause	2007	Board member, member of the Audit Committee and the Remuneration Committee	Yes	Yes
Per Eriksson	2006	Employee representative, Board member	No	Yes
Geron Forsman	2008	Employee representative, Board member	No	Yes
Bo Myrberg	2008	Employee representative, deputy	No	Yes
Tobias Söderholm	2008	Employee representative, deputy	No	Yes

1) Refers to Industriförvaltnings AB Kinnevik up to the merger with Invik & Co. AB 2004.

2) Refers to Invik & Co. AB up to the merger with Industriförvaltnings AB Kinnevik 2004.

3) In a collective assessment, the Board of Directors deemed that Cristina Stenbeck shall not be regarded as independent in relation to larger shareholders in Kinnevik, despite that she is not to be regarded as dependent according to the formal criteria.

once a year, and more frequently as required, at which minutes of these meetings shall be kept. The Remuneration Committee held three meetings during 2009, which were attended by all members.

Audit Committee

The Audit Committee's assignments are stipulated in Chapter 8, Section 49 of the Swedish Companies Act. The Audit Committee is to maintain and enhance the efficiency of contact with the Group's auditors and to conduct inspections of the procedures applied for accounting and financial reporting, as well as the internal audits within the Group. The Audit Committee's work focuses on the quality and accuracy of the Group's financial accounting and the accompanying reporting, as well as work on internal financial controls within the Company. Furthermore, the Audit Committee evaluates the auditors' work, qualifications and independence. The Audit Committee monitors the development of the accounting principles and requirements, discusses other significant issues connected with the Company's financial reporting and reports its observations to the Board.

Wilhelm Klingspor, Stig Nordin, Erik Mitteregger and Allen Sangines-Krause were members of the Audit Committee during 2009. The Chairman of the Committee was Erik Mitteregger.

The Audit Committee shall meet four times annually. Minutes are kept at the Audit Committee's meetings and are reported to the Board at its next meeting. The Audit Committee held seven meetings during 2009, of which five were held via telephone. Erik Mitteregger was absent from one meeting and Allen Sangines-Krause was absent from one meeting. The other members were present at all the meetings. The external auditors participated in five of the meetings and issued their reports on the results of their examination to both the Audit Committee and the Board of Directors both orally and in writing. The auditors also held an annual meeting with the Board without management being present.

The Board's description of internal control pertaining to the financial reporting for the 2009 fiscal year

In accordance with the Swedish Companies Act and the Swedish Code of Corporate Governance, the Board is responsible for internal control. This description has been prepared in accordance with the Swedish Code of Corporate Governance, sections 10.5 and 10.6, and is thus restricted to the internal control pertaining to the financial reporting.

Control environment

The purpose of the Board of Directors' rules of procedure and instructions for the President and Board committees is to ensure a distinct division of roles and responsibility that promotes the efficient management of operational and financial risks. The Board has also adopted a number of fundamental guidelines of significance to activities involving internal controls, which are described in Kinnevik's Policy and Procedure Manual and include instructions governing the financial reporting of results, authorization procedures, purchasing policies, investment policies, accounting principles, financial risk management and the internal audit. The Company's management reports regularly to the Board on the basis of established procedures. In addition, the Audit Committee reports on its work. The Company's management is responsible for the system of internal controls required for managing risks associated with ongoing operations. This includes guidelines for the employees concerned to ensure that they understand and realize the importance of their particular roles in efforts to maintain efficient internal control. The Company's operational risks are reported each quarter to the Board, categorized on the basis of what can and cannot be influenced, their consequences and financial impact in the event of them materializing, and how and who exercises ongoing control over each risk and how these can be minimized.

Risk assessment and control activities

Kinnevik has implemented a model for assessing the risk of errors in accounting and the financial reporting based on COSO's framework for internal control. The most significant items and processes in which the risk of significant errors can typically arise for Korsnäs encompass sales, purchases of timber, energy and other input goods, inventory and the investment process. Intangible fixed assets and financial instruments in the income statement and balance sheet represent the most significant areas for the Parent Company and the Group. Kinnevik has documented work routines and continuously evaluates how well the controls function pertaining to these items and processes.

Internal audits

The Company engages external auditors that are responsible for following up and evaluating work involved in risk management and internal control. This work includes the monitoring of compliance with set guidelines. The internal auditors conduct their work on instructions from the Audit Committee and are continuously reporting the results of their examination in the form of written reports to the Committee.

Information and communication

Kinnevik's Policy and Procedure Manual and other guidelines of importance to financial reporting are updated at least once annually. Both formal and informal information channels to Company management and the Board of Directors are available for important information from employees. For external communication, guidelines have been compiled in an Information Policy that ensures that the Company complies with the meticulous demands for correct information to the market and other various constituencies, such as shareholders, Board members, employees and customers.

Follow-up

The Board of Directors continuously evaluates the information provided by Company management and the Audit Committee. The Audit Committee's work to monitor the efficiency of Company management's efforts in this area is of particular importance to the follow-up of internal controls. This work includes ensuring that action is taken concerning those shortcomings and proposed measures that result from the internal and external audit.

Stockholm, 17 March 2010

Board of Directors

Board of Directors' Report

Investment AB Kinnevik ("Kinnevik") was founded in 1936 and thus embodies more than seventy years of entrepreneurship under the same group of principal owners. Kinnevik's holdings of growth companies are focused around three comprehensive business areas; Major Unlisted Holdings which includes the cartonboard and paper company Korsnäs including shares in Bergvik Skog, Major Listed Holdings which includes Millicom International Cellular S.A. ("Millicom"), Tele2 AB ("Tele2"), Modern Times Group MTG AB ("MTG"), Transcom WorldWide S.A. ("Transcom") and Metro International S.A. ("Metro"), and New Ventures which is active in finding new investments in small and mid sized companies which have a significant growth potential. The Parent Company and other group companies are reported under Parent Company and Other.

Kinnevik has a long history of investing in emerging markets which has resulted in a considerable exposure to consumer sectors in these markets. Kinnevik plays an active role on the Boards of its holdings.

Kinnevik is a listed company. The Group's class A-shares and class B-shares are traded on the NASDAQ OMX Stockholm's list for large-cap companies. The ticker codes are KINV A and KINV B. The Company's registered address is Skeppsbron 18, P.O. Box 2094, SE-103 13 Stockholm. The registration number is 556047-9742.

The financial reports were approved by the Board on 17 March 2010 and the Board of Directors and CEO herewith present the annual report and consolidated financial statements for the financial year 2009. The balance sheets and the income statements for the Group and the Parent Company will be presented for approval at the Annual General Meeting to be held on 17 May 2010.

Key events during 2009

Major Unlisted Holdings

Within Korsnäs, the investment project pertaining to a new evaporation plant in Gävle, which commenced in autumn 2008, continued. Of the total anticipated investment amount of SEK 570 million, SEK 329 million was paid during the year. The evaporation plant is scheduled to be put into production in May 2010.

In April, Korsnäs acquired the operation in Rockhammars Bruk from Rottneros for a purchase consideration of SEK 147 million. The purpose of the acquisition was to make Korsnäs self-sufficient in terms of pulp for the entire Group's paper and cartonboard production.

In December, a decision was made to invest in a bio-energy plant in Gävle. For Korsnäs, this means that about SEK 320 million will be invested in shares and debenture loans, corresponding to 50%, in a jointly owned company, Bomhus Energi AB. In addition to this investment, Korsnäs will be spending about SEK 145 million on energy saving investments in its existing facilities. Overall, the total environmental impact from Korsnäs Gävle, including the new evaporation plant under construction, will decrease from the existing level of 125,000 tons to 10,000 tons of CO_2 per year.

Major Listed Holdings

In April, Kinnevik concluded an agreement to acquire all of the shares of Emesco AB. Emesco's assets comprised a stock portfolio that, in addition to Kinnevik, included shares in Tele2, MTG, Transcom and Metro. The acquisition was completed on 17 September after necessary approvals had been received. As a result, Kinnevik increased its equity share in Tele2 to 30.8%, MTG to 20.5%, Transcom to 22.3% and Metro to 46.6%. Consideration for Emesco's share portfolio took the form of 16,676,260 newly issued Kinnevik class B shares to the shareholders of Emesco, representing approximately 6.0% of the capital and 2.3% of the votes in Kinnevik post issuance. In addition, Kinnevik paid 24,780,367 Kinnevik class A shares, which corresponded to Emesco's holding of class A shares, and made a cash payment equivalent to Emesco's net cash position. In the consolidated financial statements the acquisition has been recognized as an acquisition of assets. In the Parent Company's accounts the shares acquired in Emesco have been recognised based on the value of the class B shares issued by Kinnevik.

During the second quarter, Kinnevik participated in the refinancing of Metro, when SEK 274 million was invested in subordinated debentures and warrants. Kinnevik subscribed for 51.9% of the total issue, of which 44.1% with preferential rights and an additional 7.8% in accordance with the issued underwriting guarantee.

New Ventures

During the year, Kinnevik made the following investments in new companies, in addition to supplementary investments in some of the existing holdings:

- USD 4 million, corresponding to 30% of the shares, was invested in the Ukrainian agricultural company, RawAgro.
- An agreement was signed to invest EUR 35 million in shares and warrants in the internet company, European Internet Holding. The acquisition was finalized in February 2010.
- EUR 2 million, corresponding to 33% of the shares, were invested in R2 International, which operates leading price comparison websites for services.
- An agreement was signed to invest USD 10 million in the micro finance fund, Microvest II. As of 31 December, USD 1.3 million of the commitment had been paid.
- In cooperation with Asset & Resource Management Company Ltd, one of Nigeria's largest asset managers, a private equity fund was established for the purpose of investing in West Africa.

Consolidated earnings

The Group's total revenue during the year increased to SEK 8,397 million, compared with SEK 7,719 million in the preceding year.

The Group's operating profit increased to SEK 842 million (398). The change in fair value of financial assets and dividends received amounted to a net profit of SEK 15,853 million (loss of 25,726), of which SEK 15,722 million (loss of 24,977) was related to Major Listed Holdings and SEK 81 million (loss of 786) to New Ventures. Dividends received amounted to SEK 1,027 million (1,703), of which SEK 496 million (453) were ordinary dividends.

Profit after tax amounted to SEK 16,373 million (loss of 25,762), corresponding to a profit of SEK 61.66 (loss of 97.94) per share.

Cash flow and investments

The Group's cash flow from current operations excluding change in working capital amounted to SEK 1,442 million (756) during the year. The improved cash flow is attributable mainly to increased operating profit within Korsnäs and the effect in the first quarter of the preceding year of tax payments of SEK 190 million related to earnings in 2007. Working capital decreased by SEK 256 million (increase 232). This year's change in working capital includes the positive effect of a reduction in inventories of SEK 266 million.

Investments in tangible fixed assets amounted to SEK 653 million (226) during the year, of which SEK 329 million related to the on-going investment project for a new evaporation plant at the pulp mill in Gävle.

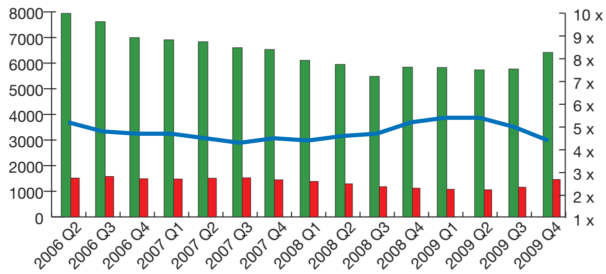
Investments in subsidiaries amounted to SEK 147 million and investments in other securities amounted to SEK 2,629 million.

Liqudity and financing

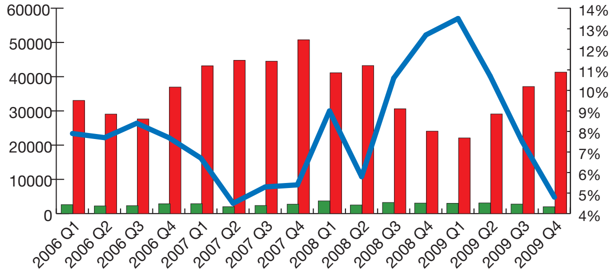
The Group's available liquidity, including short-term investments and available credit facilities, totalled SEK 3,942 million at 31 December 2009 and SEK 2,031 million at 31 December 2008.

The Group's interest-bearing net debt amounted to SEK 8,233 million at 31 December 2009 and SEK 8,906 million at 31 December 2008. Of the total net debt at 31 December 2009, SEK 6,419 million pertained to net debt within Korsnäs or with shares in Korsnäs as collateral, and SEK 2,001 million of the net debt was pledged by shares within Major Listed Holdings. Leverage within Major Unlisted Holdings and Major Listed Holdings has developed according to the charts below.

Major Unlisted Holdings
Net Debt SEK m (green bar) and EBITDA SEK m (red bar)
Line shows Net Debt in relation to EBITDA (right axis)



Major Listed Holdings
Net Debt SEK m (green bar) and Asset Value SEK m (red bar)
Line shows Net Debt as percentage of Asset Value



All loans have fixed interest terms of no longer than three months and carry an interest rate according to Stibor or similar base rate and an average margin of 1.0%. Of the Group's interest expenses and other financial costs of SEK 219 million (574), interest expenses amounted to SEK 214 million (554) and exchange rate differences was a negative SEK 1 million (negative 9). This means that the average interest rate for the year was 2.2% (5.6%) (calculated as interest expense in relation to average interest-bearing liabilities). At 31 December, the average remaining duration for all credit facilities amounted to 1.8 years. During the year credit facilities totaling SEK 2,050 million have been prolonged for three years. In addition, two new three year facilities for a total amount of SEK 850 million have been signed. The Group's borrowing is primarily arranged in SEK. On an annual basis, the net flow in foreign currencies is a net inflow of about SEK 600 million, comprised mainly of Korsnäs' sales in Euro.

Research and development

Work with developing and adapting Korsnäs' product portfolio to create flexibility among machines and facilitate optimal capacity utilization continued during the year. The Group's research and development expenses amounted to SEK 49 million (58), and relates to Korsnäs Industrial.

Environment

The Kinnevik group is engaged in operations within Korsnäs requiring permits. Korsnäs' industrial and forestry operations are ISO 14001 certified and forestry operations are also certified in line with the FSC standard. Operations involve the production of pulp, paper and paperboard, which impact on the exterior environment primarily through emissions to air and water, as well as through noise.

Risk management

The Group's financing and management of financial risks is centralized within Kinnevik's finance function and is conducted on the basis of a finance policy established by the Board of Directors. The Group's operational risks are primarily evaluated and managed within the particular business area and then reported to the Kinnevik Board.

The Group has established a model for risk management, the aims of which are to identify, control and reduce risks. The identified risks and how they are managed are reported to the Kinnevik Board on a quarterly basis.

Kinnevik's wholly owned subsidiary Korsnäs accounts for most of the operational risks and they are mainly related to market development, customers and suppliers and the risk for a major accident in the production plants.

Kinnevik is exposed to financial risks mainly in respect of changes in the value of the stock portfolio, changes in market interest rates, exchange rate risks and liquidity and refinancing risks.

The Group is also exposed to political risks since the companies Kinnevik has invested in have a substantial part of their operations in emerging markets such as Latin America, Africa and Russia.

For a more detailed description of the management of financial risks, refer to Note 31 for the Group.

Parent Company

The administration costs within the Parent Company amounted to a net expense of SEK 71 million (expense of 53). Dividends received totaled SEK 1,754 million (1,658), of which SEK 1,073 million (500) relates to dividends from wholly-owned Group companies. The earnings from financial assets of SEK 15,128 million (loss of 1,959) includes a capital gain from an intra-group sale of the holdings in Millicom of SEK 15,076 million against a promissory note, write-down of shares negative SEK 201 million (negative 2,874) of which SEK 201 million (1,587) relates to subsidiaries, and reversed write-down of shares SEK 254 million (0). Net of other financial income and expenses amounted to an expense of 88 million (expense of 307). The Parent Company's result after financial items amounted to SEK 16,748 million (loss of 644).

Investments in tangible fixed assets amounted to SEK 0 million (0).

The Parent Company's liquidity including short-term investments and unused credit facilities amounted to SEK 3,182 million as of 31 December 2009 and to SEK 1,302 million as of 31 December 2008. The interest-bearing external liabilities amounted to SEK 3,645 million (4,809) on the same dates.

Share capital

As of 31 December 2009 the number of shares in Investment AB Kinnevik amounted to 277,448,190 shares of which 48,665,324 are class A shares with ten votes each, 228,492,866 are class B shares with one vote each and 290,000 are class C treasury shares with one vote each. The total number of votes in the Company amounted to 715,436,106 (715,146,106 excluding 290,000 class C treasury shares).

During the year, the following changes to the number of shares have been effected following approval at AGM and EGM in May: 290,000 newly issued class C shares held in treasury to be delivered to participants in incentive programs, 16,676,260 newly issued class B shares paid to the sellers of Emesco, and cancellation of 3,500,000 repurchased class B shares. The total increase of shares amounts to 13,466,260.

The Board has authorization to repurchase a maximum of 10% of all shares in the Company. The Board did not utilize this mandate in 2009. There are no convertibles or warrants in issue.

As per 31 December 2009, there was one shareholder owning shares representing more than 10% of the total number of votes in the Company; Sapere Aude Trust with 31.2%.

To the knowledge of the Board, there are no shareholder agreements or share associations in Kinnevik.

Guidelines on remuneration for senior executives

The following principles and guidelines were approved by the Annual General Meeting on 11 May 2009. The guidelines apply on remuneration for senior executives within the group. Senior executives covered include the CEO and President in the Parent Company, other senior executives in the Parent Company and the chief executives of the different business areas within the Group. At present the number of senior executives amounts to six individuals.

The remuneration to the senior executives shall consist of fixed salary, variable salary, pension and other customary benefits. These components shall create a well balanced remuneration which reflects individual performance and which offers a competitive remuneration package adjusted to conditions on the market.

- The fixed salary is revised yearly and based on the executive's competence and area of responsibility.
- The variable salary may not exceed 50% of the fixed salary and is calculated according to a combination of results achieved and individual performances.
- Other benefits shall only constitute of a limited amount in relation to the total remuneration and shall correspond to local practice.
- Pension premiums are paid to insurance companies within the framework of defined contribution plans, with a maximum of 20% of the fixed salary and a right to collect pension from the age of 65.
- In the event of notice of termination of employment being served by the Company, there is entitlement to salary during a notice period of a minimum of 6 and a maximum of 18 months. Salary during the notice period is reduced by salary received from a potential new employment.

In special circumstances, the Board may deviate from the above guidelines. In such case, the Board is obligated to give account for the reason for the deviation on the following Annual General Meeting.

The Board intends to propose to the 2010 Annual General Meeting that these guidelines remain valid.

Financial Targets

Kinnevik's objective is to increase shareholder value, primarily through net asset value growth. In order to clarify

Kinnevik's strategy the Board of Directors of Kinnevik has decided on the following financial targets. These reflect Kinnevik's evaluation of its balance sheet structure, the criterias on which dividend payments to shareholders are based as well as the return targets on the portfolio companies.

Dividend policy

Kinnevik's dividend policy is to pay out a high percentage of the ordinary dividends received from the listed holdings. Kinnevik's ambition is to have an optimal balance sheet structure and to generate a steadily rising annual dividend.

Balance sheet

Leverage in Kinnevik should be used as a tool for finding the optimal capital structure and consequently maximise the shareholder return. The different segment targets are:
Major Unlisted Holdings: Leverage of at least 3x EBITDA.
Major Listed Holdings: Leverage may not be above 25% of market value for any extended period of time.
New Ventures: Leverage should be optimal for each individual company.

Return target

The target is that the average yearly internal rate of return (IRR) on all investments in the portfolio should reach 15-30% given the current structure of the portfolio.

Future development

The Group's future development depends on performance in wholly and partly owned investments. In addition, developments on the financial markets are of great importance for the Group's reported earnings and position.

The market situation at Korsnäs remains somewhat uncertain ahead of 2010, with short visibility in terms of demand. Implemented earnings-enhancement program is expected to continue having a positive impact, as will the commissioning of the new evaporation plant in Gävle in May. The price increase of SEK 25 per m^3 fub of pulpwood in Korsnäs' catchment area, which was announced in the end of 2009, will have a negative impact on results of about three to six months' delay. During January and February 2010, production in Gävle as well as Frövi were affected by unscheduled shutdowns of the recovery boilers, which caused a production loss of about 14,000 tons of paper and cartonboard products.

With regard to the Group's indebtedness, Kinnevik intends to continue to have an optimal borrowing against the operating cash flow from Korsnäs and at the same time low borrowing against the listed share portfolio.

Proposed treatment of unappropriated earnings

The following amounts in SEK are at the disposal of the Parent Company's Annual General Meeting:

Retained earnings	27,228,617,347
Share premium	1,615,929,594
Total	28,844,546,941

The Board and the CEO propose that the unappropriated earnings and share premium at the disposal of the Annual General Meeting be disposed of as follows:

Cash dividend of SEK 3.00 per share, amounting to	831,474,570
Carried forward:	
Share premium	1,615,929,594
Retained earnings	26,397,142,777
Total	28,844,546,941

Consolidated Statement of Income

for the period 1 January-31 December (SEK million)

	Note	2009	2008
Revenue	2	8 397	7 719
Cost of goods and services	4	-7 075	-6 918
Gross profit		**1 322**	**801**
Selling costs	4	-149	-142
Administration costs	4	-322	-280
Research and development costs	4	-49	-58
Other operating income	3	243	173
Other operating expenses	3	-203	-96
Operating profit		**842**	**398**
Dividends received	5	1 027	1 703
Change in fair value of financial assets	6	14 826	-27 429
Interest income and other financial income	7	40	30
Interest expenses and other financial expenses	7	-219	-574
Profit/loss after financial items		**16 516**	**-25 872**
Taxes	9	-143	110
Net profit/loss for the year		**16 373**	**-25 762**
Attributable to:			
Equity holders of the Parent Company		16 361	-25 765
The minority		12	3
Earnings per share before and after dilution, SEK		61.66	-97.94
Proposed dividend per share, SEK		3.00	2.00
Average number of shares outstanding before/after dilution		265 324 899	263 078 396

Consolidated Statement of Comprehensive Income

for the period 1 January-31 December (SEK million)

	2009	2008
Net profit/loss for the year	16 373	-25 762
Other comprehensive income for the year		
Translation differences	-23	23
Cash flow hedging	81	-211
Actuarial profit/loss	-1	-59
Tax attributable to cash flow hedging	-20	55
Tax attributable to actuarial profit/loss	-1	16
Total other comprehensive income for the year	**36**	**-176**
Total comprehensive income for the year	**16 409**	**-25 938**
Total comprehensive income for the year attributable to:		
Equity holders of the Parent Company	16 398	-25 945
The minority	11	7

Consolidated Statement of Cash Flow

for the period 1 January-31 December (SEK million)

	Note	2009	2008
Operations			
Operating profit for the year		842	398
Adjustment for depreciation	4,10	634	645
Other non-cash items		-21	-53
Taxes paid		-13	-234
Cash flow from operations before change in working capital		**1 442**	**756**
Change in inventory		266	-294
Change in accounts receivable and other operating assets		-11	202
Change in accounts payable and other operating liabilities		1	-140
Cash flow from operations	8	**1 698**	**524**
Investing activities			
Acquisition of subsidiaries	8	-147	-248
Investments in tangible and biological fixed assets	10	-653	-226
Sales of tangible and biological fixed assets	10	2	12
Investments in shares and other securities	8	-388	-193
Sales of shares and other securities	8	-	183
Dividends received	5	687	1 703
Interest received		24	30
Cash flow from investing activities		**-475**	**1 261**
Financing activities			
Borrowing		774	1 000
Amortisation of loans		-1 525	-1 043
Interest paid		-223	-532
Dividend paid		-521	-528
Share buy-back		-	-279
Cash flow from financing activities		**-1 495**	**-1 382**
Cash flow for the year		**-272**	**403**
Exchange rate differences in liquid funds		0	5
Cash and bank, opening balance	17	**509**	**101**
Cash and bank, closing balance	17	**237**	**509**

Consolidated Balance Sheet

31 December (SEK million)

	Note	2009	2008
ASSETS			
Fixed assets			
Intangible fixed assets	10	836	799
Tangible and biological fixed assets	10	6 368	6 268
Financial assets accounted at fair value through profit and loss	11	42 584	25 315
Financial assets held to maturity	12	192	-
Investment in companies accounted for using the equity method	13	11	11
Total fixed assets		**49 991**	**32 393**
Current assets			
Inventories	14	1 725	1 977
Trade receivables	15	741	718
Income tax receivable		16	63
Other current assets	16	530	211
Short-term investments	17	51	4
Cash and cash equivalents	17	186	505
Total current assets		**3 249**	**3 478**
TOTAL ASSETS		**53 240**	**35 871**

	Note	2009	2008
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	19		
Share capital		28	26
Other contributed capital		8 840	6 589
Reserves		38	-1
Retained earnings including net profit/loss for the year		32 731	16 889
Shareholders' equity attributable to equity holders of the Parent Company		**41 637**	**23 503**
Minority interest in equity		38	27
Total shareholders' equity		**41 675**	**23 530**
Long-term liabilities			
Interest-bearing loans	20	7 611	7 875
Provisions for pensions	21	580	580
Other provisions	22	51	110
Deferred tax liability	9	1 146	1 217
Other liabilities		4	4
Total long-term liabilities		**9 392**	**9 786**
Short-term liabilities			
Interest-bearing loans	20	586	1 082
Provisions	22	59	27
Trade creditors	23	843	833
Income tax payable		163	4
Other liabilities	23	522	609
Total short-term liabilities		**2 173**	**2 555**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**53 240**	**35 871**
Pledged assets	26		
Contingent liabilities	27		

Movements in Shareholders' equity of the Group

	Attributable to the Parent Company's shareholders							
	Share capital	Other contri-buted capital	Hedging reserve	Translation reserve	Retained earnings inclu-ding net result for the year	Total	Minority interest	Total share-holders' equity
Opening balance, 1 January 2008	26	6 868	78	57	43 225	50 254	13	50 267
Other comprehensive income	-	-	-155	19	-44	-180	4	-176
Loss for the year					-25 765	-25 765	3	-25 762
Total comprehensive income for the year	**-**	**-**	**-155**	**19**	**-25 809**	**-25 945**	**7**	**-25 938**
Other changes in sharehoders'equity								
Capital contribution from the minority							7	7
Effect of employee share saving programme					1	1		1
Cash dividend [1]					-528	-528		-528
Share buy-back		-279				-279		-279
Closing balance, 31 December 2008	**26**	**6 589**	**-77**	**76**	**16 889**	**23 503**	**27**	**23 530**
Other comprehensive income	-	-	61	-22	-2	37	-1	36
Profit for the year					16 361	16 361	12	16 373
Total comprehensive income for the year	**-**	**-**	**61**	**-22**	**16 359**	**16 398**	**11**	**16 409**
Other changes in shareholders' equity								
New share issue (asset acquisition Emesco) [3]	2	2 251				2 253		2 253
Effect of employee share saving pro-gramme					4	4		4
Cash dividend [2]					-521	-521		-521
Closing balance, 31 December 2009	**28**	**8 840**	**-16**	**54**	**32 731**	**41 637**	**38**	**41 675**

[1] The Annual General Meeting held on 15 May 2008, resolved in favor of paying a cash dividend of SEK 2.00 per share, a total of SEK 528 million.

[2] The Annual General Meeting held on 11 May 2009, resolved in favor of paying a cash dividend of SEK 2.00 per share, a total of SEK 521 million.

[3] Through the share issue of 16,676,260 class B-shares the assets in Emesco AB were acquired, mainly consisting of a share portfolio at a value of SEK 2,241 million, see note 8. The transaction was treated as an acquisition of assets and the contributed capital was decided by the fair value of the assets.

Notes to the Group's financial statements

Note 1 Summary of significant accounting policies

Statement of compliance

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS). Since the Parent Company is a company that is active in the EU, only EU-approved IFRS are applied. The consolidated accounts have also been prepared in accordance with Swedish law, with application of the Swedish Financial Reporting Board's recommendation RFR 1.2 Supplementary accounting regulations for Groups. The Parent Company's annual accounts have been prepared in accordance with Swedish law, and with application of the Swedish Financial Reporting Board's recommendation RFR 2.2 Reporting for legal entities. This means that application of the IFRS valuation and disclosure rules includes the deviations reported in the Parent Company's accounting principles.

New and revised standards 2009

The revised IAS 1 Presentation of financial statements has been applied for the Group from 1 January 2009 with additional information regarding comprehensive income specified as a separate report directly after Consolidated Income Statement and a new Report of changes in equity for the Group. The Group also applies IFRS 7, which entails additional supplementary disclosures. Other new or revised IFRS principles and interpretations of the IFRIC have not had any effect on the financial position, results or additional information for the Group or the Parent Company.

Basis of preparation of consolidated accounts

The consolidated financial statements have been prepared on a historical cost basis, except for investments in forest and other biological assets, derivative financial instruments and certain financial assets valued at fair value through profit and loss. The consolidated statements are presented in Swedish kronor (SEK) and all values are rounded to the nearest million except when otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as of 31 December each year. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company, using consistent accounting policies.

The consolidated financial statements include the Parent Company and all companies in which the Parent controls more than 50% of the votes or in any other way exercises a controlling influence.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is a loss of control of a subsidiary, the consolidated financial statements include the result for the part of the reporting year during which the Group has control.

The consolidated accounts are prepared using the purchase method. The difference between the acquisition value of shares in a subsidiary and the fair value of identifiable assets and liabilities of that subsidiary at the time of acquisition is reported as goodwill.

Intercompany transactions, balance sheet items and unrealized gains on transactions between companies are eliminated. Unrealized losses are also eliminated, unless the transaction evidences the need to write down the transferred asset.

Minority interests

Minority interests – consisting of the profit/loss portion and net assets in Group companies that do not accrue to the Parent Company's shareholders – are reported as a special item in consolidated shareholders' equity. In the consolidated income statement, the minority share is included in reported earnings.

Foreign currency translation

The functional and presentation currency of the Parent Company and its Swedish subsidiaries is Swedish kronor (SEK). Transactions in foreign currencies are initially recorded in the functional currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the balance sheet date. Realized and unrealized exchange gains/losses on receivables and liabilities of an operating nature are reported in operating income, while exchange rate differences on financial assets and liabilities in foreign currencies are reported among financial items. Korsnäs has elements of its borrowing in foreign currency, which is aimed at balancing net exposure of current receivables and liabilities. The translation differences of these loans are recognized in operating profit.

As at the reporting date, the assets and liabilities of subsidiaries that have not the same functional currency as the Parent Company are translated into the presentation currency of the Group at the rate of exchange ruling at the balance sheet date. Their income statements are translated at the average exchange rates for the year. The exchange differences arising on the translation are taken in other comprehensive income and as a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation shall be recognized in the income statement.

Long-term monetary balances between the Parent Company and subsidiaries may be deemed to represent an extension or a contraction of the Parent Company's net investment in the subsidiary. Foreign currency differences arising on such balances are therefore charged as other comprehensive income as a translation difference.

Intangible assets

Intangible assets with a finite useful life are measured on initial recognition at cost and are then carried at cost less accumulated amortization and any accumulated impairment losses. Amortization is calculated on a straight-line schedule based on the acquisition value of the asset and its estimated useful life.

Goodwill consists of the amount by which the acquisition value exceeds the fair value of the Group's share in the identifiable net assets of the acquired subsidiary/associated company at the time of acquisition. Goodwill from the acquisition of subsidiaries is reported as intangible assets. Intangible assets including goodwill are tested for impairment annually to identify any possible need of a write-down and is reported at its acquisition value less accumulated write-downs. Gains or losses on the divestment of a unit include the remaining reported value of the goodwill relating to the divested unit.

Goodwill is distributed among cash-generating units when it is tested with respect to a possible need for a write-down.

Tangible and biological assets

Tangible assets are recognized at cost less deduction of accumulated depreciation and any impairment. The cost includes the purchase price, as well as expenses directly attributable to the asset being put into position and in working order for utilization according to the purpose of the acquisition.

Depreciation is calculated on a straight-line schedule based on the acquisition value of the asset and its estimated useful life. The assets residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year-end.

Forest and other biological assets are recorded at their fair value.

Impairment

Assets are assessed with respect to the reduction in their value whenever events or changes in circumstances indicate that the reported value might not be recoverable. To calculate the impairment requirement, assets are grouped in cash-generating units. An impairment loss is done in the amount by which the assets' reported value exceeds its recovery value. The recovery value is the higher of an assets' fair value, less the cost of sale and the value in use.

Financial instruments

A financial asset or financial liability is recognized in the balance sheet when the Company becomes a party to the instrument's contractual terms. Accounts receivable are recognized when the invoice is sent. A liability is recognized when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not yet been sent.

A financial asset is derecognized from the balance sheet when the rights in the contract are realized, expired or the Company loses control over them. The same applies for a portion of a financial asset. A financial liability is derecognized from the balance sheet when the obligation in the contract is met or in some other manner is extinguished. The same applies for a portion of a financial liability.

Acquisition and divestment of financial assets are reported on the transaction date, which is the date on which the Company commits to acquire or divest the assets, except in the case the Company acquires or divests listed securities when settlement date reporting is applied.

Financial assets

Financial assets, with the exception of loan receivables and trade receivables, are valued at their fair value through profit and loss.

The fair value of financial instruments traded on an active market is based on the market prices listed on the closing date. The listed market price used for the Group's financial assets is the current bid price. For companies with two classes of shares the market price for the most liquid share class is used.

Kinnevik's unlisted holdings within the New Ventures business area are valued using the International Private Equity and Venture Capital Valuation Guidelines, whereby a collective assessment is made to establish the valuation method that is most suitable for individual holdings. Firstly, it is considered whether any new transactions have been implemented at arm's length in the holdings, such as rights issues directed to shareholders other than Kinnevik. If no transactions were recently implemented in the holdings, a valuation will be conducted by applying relevant multiples to the Company's historical and forecast key figures, such as EBITDA, the size of the loan portfolio (companies in the financial sector), the number of hectares of land (companies in the agricultural sector), whereby a comparison will be made with a selected group of comparable companies. In such a comparison, consideration will be given to potential adjustments due to, for example, difference in size, history or geographic market between the current holding and the group of comparable companies. In the event that there are other methods that would better reflect the fair value of the holding, the outcome from this method will be compared with the outcome from other relevant methods. After that, an assessment will be made of which method that best reflects the market capitalization of the current holding and the holding valued according to this method.

Financial assets held to maturity are valued at the accrued cost by using the effective interest method.

When establishing the fair value of other financial instruments, methods that in every individual case are assumed to provide the best estimation of fair value have been used. For assets and liabilities maturing within one year, a nominal value adjusted for interest payments and premiums is assumed to provide a good approximation to fair value.

Information is provided in Note 30 for the Group per class of financial instruments that are valued at fair value, distributed in the three levels stated below:

Level 1: Fair value established based on listed prices in an active market for the same instrument.

Level 2: Fair value established based on valuation techniques with observable market data, either directly (as a price) or indirectly (derived from a price) and not included in Level 1.

Level 3: Fair value established using valuation techniques, with significant input from data that is not observable in the market.

Associates

Companies in which the Group has significant influence and which is not a subsidiary are regarded as associated companies.

In accordance with IAS 28 point 1, listed and unlisted holdings in associated companies within the business areas Major Listed Holdings and New Ventures are reported at their fair value. When establishing the fair value of holdings in associates the same methods as for financial instruments are used.

Other unlisted associated companies are accounted for using the equity method. Adjustments are made to bring into line any dissimilar accounting policies that may exist before the Group's interest in earnings is calculated.

Adjustments for intra-group profits/losses arising out of transactions with associated companies are made in connection with the calculation of the Group's consolidated interest in earnings and capital. Elimination of such intra-groups profits/losses occurs in pace with their realization through the sale of the particular assets to external parties and/or by reduction of the Group's ownership interest in the associated company.

Loan receivables and trade receivables

Loan receivables and other receivables are non-derivative financial assets with defined or definable payments and defined maturities that are not listed on an active market. The values established are amortized cost, and the valuation is based on the effective interest method (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument).

Trade receivables, which generally have 30-90 day terms, are recognized and carried at invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Trade receivable pertain to a large number of customers mainly in Sweden and the rest of Europe. The Group deals solely with well-established and creditworthy counterparties, which reduces the credit risk.

Credit risks pertaining to the Group's other financial assets, which include cash and cash equivalents, are the risks of failure to pay by counterparties. The maximum risk corresponds to the financial instruments' reported value.

Financial liabilities

Financial liabilities not held for trading are measured at accrued acquisition value, which is determined based on the effective interest rate calculated when the liability was assumed. This means that surplus and deficit values as well as direct costs in conjunction with assuming of loans are distributed over the term of the liability.

Long-term liabilities have an expected term of exceeding one year, while current liabilities have a term of less than one year.

Trade payables have short expected term and are valued at nominal value.

Accounting for derivatives and hedging

The Group's derivative instruments consist primarily of futures contracts to cover the risk of changes in power prices. All derivatives are reported initially and continually at their fair value in the balance sheet. Changes in the value of derivatives categorized as a cash flow hedge are reported as other comprehensive income and are reversed to the income statement in pace with effect of the hedge cash flow on earnings. Any ineffective portion of the change in value is reported directly in the income statement.

Inventories

Inventory of raw materials, consumables, work in progress and finished goods are valued at the lower of cost and net sales value. Inventory is valued on a First-In, First-Out (FIFO) basis.

Felling rights, representing the cost to acquire the right to fell timber on land that the Group does not own, are valued at acquisition cost and are expensed when the corresponding wood is used in production or sold. Felling rights are reclassified as raw materials (logs and timber) as the timber is harvested based on the relationship between the remaining book value of the felling rights and the estimated volume of recoverable timber.

The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than VAT), and transport, handling and other costs directly attributable to the acquisition of inventories. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Net sales value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Employee remuneration

The Group has one defined benefit multi-employer plan, which is insured with the mutual insurance company Alecta (ITP plan). There is a lack of information to permit the reporting of the Group's proportional share of the defined benefit commitment and of the plan assets and costs associated with this plan. Consequently, the plan is reported as if it were a defined contribution plan, which means that the expenses incurred are reported as a cost.

In addition, the Group has one defined benefit pension plan covering employees in Sweden. The cost of providing benefits in accordance with this plan is determined via the Projected Unit Credit Method (PUCM method) on the basis of actuarial assumptions. Deviation from the actual pension expenses and return represent actuarial gains and losses. All actuarial gains and losses, plus any supplements for payroll taxes, are charged to other comprehensive income. Pension commitments are reported as a liability in the balance sheet. The liability is calculated on the basis of company-specific actuarial assumptions, with due consideration of such features as the estimated future pay adjustments.

Share-based remuneration
Kinnevik has running share saving programmes for which the fair value, calculated at the date of valuation, of the allotted share-based instruments is expensed over the vesting period and is recognized directly in equity. The cost is based on the Group's assessment of the number of shares that will be allotted. Fair value is restated on every balance-sheet date, to reflect calculations of social security costs expensed continuously over the vesting period in the various companies.

Other provisions
Provisions are reported when the Group has a legal or contractual obligation to fulfill the obligation, when it is likely that a payment or some other form of compensation is required to settle the undertaking and a reliable estimate of the amount can be made. Provisions are reported at their discounted present value when the time horizon exceeds two years. A provision for restructuring is reported when the Group has presented a detailed plan for the implementation of the measures and the plan has been communicated to the parties involved and soundly based anticipation is created.

Revenue recognition
Sale of products
Revenue from the sale of products, net of allowance for returns and discounts, is recognized when products are delivered and significant risks and benefits associated with ownership of the goods are transferred and can be reliably measured.

Rendering of services
Revenue from the sale of services is recognized at the time the service is rendered to the customer, after deductions for discounts.

Interest
Revenue is recognized as the interest accrues to the net carrying amount of the financial assets.

Dividends received
Dividends received are recognized when the shareholders' right to receive the payment is assessed as certain.

Research and Development costs
Research and development costs are charged to the income statement during the year they arise, unless the Company can demonstrate that the amount will be able to generate future economic benefit.

Marketing costs
Advertising costs and other marketing activities are expensed as they arise.

Income tax
The total tax on the year's income consists of current and deferred tax. Taxes are stated in the income statement except when the underlying transaction is charged to other comprehensive income or directly against equity, in which case the related tax effect is also stated in equity. Current tax expense is the tax that is to be paid or received for the year in question, plus correction of tax expense for earlier periods. Deferred tax is calculated on the basis of the temporary differences between the book values of assets and liabilities and their value for tax purposes. The amounts are calculated on the basis of how these differences can be expected to be evened out and using the tax rates and rules in effect or announced as of the closing date.

Temporary differences are not recorded in the case of differences attributable to interests in subsidiaries and associated companies that are not expected to be taxable in the foreseeable future. In the consolidated financial statements, untaxed reserves are divided into deferred tax liability and equity. The deferred tax asset component of deductible temporary differences and tax loss carry forwards is only recorded in so far as it is likely that these will result in a lower tax payment in the future.

Dividends paid
For dividends in kind, the net assets value is recorded as dividend. Cash dividends to shareholders are recorded in the accounting period the dividend is approved.

Leases
Leases are classified in the consolidated accounts as financial leases or operational leases. A financial lease is when the financial risk and benefits are associated with the ownership of an item is essentially transferred from the lessee to the lessor, regardless of whether or not the lessee retains the legal right of ownership of the asset. For financial leases, the leasing asset is reported as an asset and the obligation for future payments as a liability in the balance sheet. An operating lease is a lease that does not fulfill the conditions for financial leases. For operating leases, the rental expense is reported in the lessee's accounts distributed equally over the period during which the asset is used, even if the payments are made according to some other schedule.

Cash flow statement
For purposes of the Parent Company and the consolidated cash-flow statements, the Group include cash and investments with original duration of maximum three months among cash and bank. The book value of these items corresponds to fair value.

New accounting rules
The following standards and amendments to standards, which came into effect as of 1 January 2010 or later, have not been applied for 2009 but are expected to have effect on the consolidated financial statements, apart from additional information:

- Changes to IFRS 3R involve a number of changes in the reporting of business combinations, which will impact the size of reported goodwill, reported earnings for the period when the acquisition occurred, and future reported earnings (starting in 2010).
- Changes to IAS 27R mean that changes in participating interests in a subsidiary, in which the majority owner does not lose controlling interest, are reported as equity transactions (starting in 2010).

Other new standards, changes in standards and interpretation of standards are deemed to not be applicable to Kinnevik's operations.

Significant judgments and assumptions
The preparation of the annual financial statements and consolidated financial statements includes a number of estimates and assumptions. The application of these estimates and assumptions affects the reporting and disclosures. Accounting policies that require more significant judgments by the Board and the management in the application of IFRS, and assumptions and estimations in matters that are inherently uncertain, are summarized below.

In accordance with IAS 28, that deals with accounting for shares in associated companies, Kinnevik can recognize such shares at fair value through profit or loss or apply the equity method of accounting. The Board and management has made the judgment that an accounting at fair value through profit or loss reflects in the best way how the Group follows and evaluates its shares in associated companies. Shares in associated companies are therefore reported at fair value in the balance sheet, whereas the change in fair value affects the result for the year. Consequently, the reported results and equity of Kinnevik are primarily affected by changes in the fair value of the shares and only indirectly by the reported results of the associated companies, as opposed to an accounting according to the equity method.

Actuarial assumptions and other assumptions and estimations when estimating the provisions for pensions (Note 21) and other provisions (Note 22) could have a material impact on the financial statements. The estimates used are based on experience, market information and practice, and are regularly reviewed.

Note 2 Segment reporting

1 Jan-31 Dec 2009	Major Unlisted Holdings	Major Listed Holdings	New Ventures	Parent Company and other	Eliminations	Total Group
Revenue	8 039		467	26	-135	8 397
Operating costs	-6 605		-422	-69	135	-6 961
Depreciation	-611		-19	-4		-634
Other operating income and expenses	28		13	-1		40
Operating profit/loss	**851**		**39**	**-48**	**0**	**842**
Dividends received	6	1 017		4		1 027
Change in fair value of financial assets	40	14 705	81			14 826
Financial net	-148	-48	17			-179
Profit/loss after financial items	**749**	**15 674**	**137**	**-44**	**0**	**16 516**
Investments in financial fixed assets		2 515	114			2 629
Investments in intangible fixed assets (acquisition of operation)	37					37
Investments in tangible fixed assets	740		10	3		753
- of which acquisition of operation	100					100
Assets and liabilities						
Operating assets	9 265		489	462		10 216
Financial fixed assets	2 919	41 320	919	76	-2 447	42 787
Short-term investments, cash and cash equivalents	81		44	112		237
Total assets	**12 265**	**41 320**	**1 452**	**650**	**-2 447**	**53 240**
Operating liabilities	1 509		57	76		1 642
Provision for pensions	541			39		580
Deferred tax liability	1 139			7		1 146
Interest-bearing loans	5 960	2 001	161	2 522	-2 447	8 197
Total liabilities	**9 149**	**2 001**	**218**	**2 644**	**-2 447**	**11 565**

1 Jan-31 Dec 2008	Major Unlisted Holdings	Major Listed Holdings	New Ventures	Parent Company and other	Eliminations	Total Group
Revenue	7 396		317	18	-12	7 719
Operating costs	-6 483		-288	-55	73	-6 753
Depreciation	-624		-18	-3		-645
Other operating income and expenses	140		-41	39	-61	77
Operating profit/loss	**429**		**-30**	**-1**	**0**	**398**
Dividends received	4	1 699				1 703
Change in fair value of financial assets	33	-26 676	-786			-27 429
Financial net	-372	-175	3			-544
Profit/loss after financial items	**94**	**-25 152**	**-813**	**-1**	**0**	**-25 872**
Investments in financial fixed assets			193			193
Investments in intangible fixed assets	126		89			215
Investments in tangible fixed assets	171		53	2		226
Impairment of goodwill			-37			-37
Assets and liabilities						
Operating assets	9 419		563	54		10 036
Financial fixed assets	460	24 085	734	47		25 326
Short-term investments, cash and cash equivalents	206		55	248		509
Total assets	**10 085**	**24 085**	**1 352**	**349**		**35 871**
Operating liabilities	1 402		91	94		1 587
Provision for pensions	539			41		580
Deferred tax liability	1 201			16		1 217
Interest-bearing loans	5 512	3 066	170	209		8 957
Total liabilities	**8 654**	**3 066**	**261**	**360**		**12 341**

Kinnevik is a diversified company whose business consists of managing a portfolio of investments and to conduct operations through subsidiaries. The Kinnevik Group is organised in the following three segments:

Major Unlisted Holdings, which comprises the cartonboard and paper company Korsnäs.

Major Listed Holdings, which comprises Millicom, Tele2, MTG, Metro and Transcom.

New Ventures, with Kinnevik's holdings within the four focus areas; agriculture and renewable energy, online, microfinance and Africa.

This distribution coincides with management's internal structure for controlling and monitoring the Group's operations. The accounting policies for the business segments coincide with the Group's accounting policies.

Revenue comprises total sales proceeds net of sales discounts, VAT and other taxes directly connected to the revenue.

Of total revenue of SEK 8,397 million (7,719), SEK 8,132 million (7,524) is attributable to sale of goods and SEK 265 million (195) to sale of services.

Sales to one single customer represented 49% and 51% respectively, of total revenue for the years 2009 and 2008.

External revenue cover sales to all parties other than the Parent Company and its subsidiaries. For information on sales to related parties, refer to Note 28. Internal sales prices are set in the same manner as external sales, that is, on commercial terms.

Intra-Group revenue in the Parent Company totaled SEK 14 million (12).

Operating assets entail intangible and tangible fixed assets, investment in companies accounted for using the equity method, inventories and short-term non interest-bearing receivables.

Operating liabilities entail other provisions and short-term non interest-bearing liabilities.

Revenue distributed by geographic market

	2009	2008
Sweden	1 707	1 509
Other Nordic countries	276	218
Rest of Europe	4 873	4 581
North and South America	21	33
Asia	1 354	1 134
Africa	166	244
	8 397	**7 719**

The geographic distribution of revenue is based upon the geographic location of the buyer.

Distribution of assets by geographic market

	2009	2008
Sweden	9 614	9 471
Rest of Europe	613	565
Other assets		
Financial fixed assets	42 776	25 326
Short-term investments, cash and cash equivalents	237	509
	53 240	**35 871**

Distribution of investments in tangible and intangible assets by geographic market

	2009	2008
Sweden	780	388
Rest of Europe	10	53
	790	**441**

Note 3 Other operating income and other operating expenses

	2009	2008
Exchange gains on operating receivables/liabilities	192	116
Capital gains on disposal of tangible fixed assets	0	11
Freighting of external goods	0	2
Other	51	44
Other operating income	**243**	**173**

	2009	2008
Exchange losses on operating receivables/liabilities	-194	-79
Capital losses on disposal of tangible fixed assets	-1	-2
Depreciation of tangible fixed assets	-	-5
Dissolution of pension provision, UK	-	36
Impairment of goodwill	-	-37
Other	-8	-9
Other operating expenses	**-203**	**-96**

Note 4 Depreciation

	2009	2008
Operating profit/loss includes depreciation as follows:		
Buildings, land and land improvements	-60	-58
Forest and agricultural properties	-1	-6
Machinery and other technical plants	-556	-562
Equipment and tools	-17	-19
	-634	**-645**

	2009	2008
Depreciation is split per cost category as follows:		
Cost of sold goods and services	-623	-628
Selling costs	-1	-1
Administration costs	-8	-8
Research and development costs	-2	-3
Other operating costs	-	-5
	-634	**-645**

Note 5 Dividends received

	2009	2008
Financial assets accounted to fair value		
Associated companies		
Millicom International Cellular S.A.	340	541
Modern Times Group MTG AB	50	149
Tele2 AB	627	985
Transcom WorldWide S.A.	-	24
Other companies		
Bergvik Skog AB	4	4
Radio Components Sweden AB	4	-
Other	2	-
	1 027	**1 703**

The dividend from Millicom was paid out on 5 January 2010.

Note 6 Change in fair value of financial assets

	2009	2008
Remaining holdings		
Bergvik Skog AB	40	33
Metro International S.A.	69	-979
Metro warrants	224	-
Millicom International Cellular S.A.	6 735	-14 869
Modern Times Group MTG AB	2 017	-2 817
Tele2 AB	5 323	-7 592
Transcom WorldWide S.A.	337	-419
Kontakt East Holding AB	-36	-93
Black Earth Farming Ltd	119	-775
Other	-2	-
	14 826	**-27 511**
Disposed holdings	-	
Gateway TV	**-**	82
	-	**82**
	14 826	**-27 429**

Out of change in fair value of financial assets, 99% (99%) relates to assets traded on an active market, Level 1.

Note 7 Financial income and expenses

	2009	2008
Interest income, cash and cash equivalents	6	13
Interest income financial assets accounted at fair value	18	17
Interest income financial assets held to maturity	16	-
Financial income	**40**	**30**
Interest expenses, interest bearing loans	-193	-532
Accrued financing costs, interest bearing loans	-7	-3
Interest expense PRI	-21	-22
Exchange-rate differences	-1	-9
Other financial expenses	3	-8
Financial expenses	**-219**	**-574**
Net financial income/expenses	**-179**	**-544**

Note 8 Supplementary cash flow information

	2009	2008
Operations		
Profit/loss for the year	16 373	-25 762
Adjustment for non cash items in operating profit/loss		
Depreciation	634	645
Impairment of goodwill	-	37
Exchange gains from operating receivables/liabilities	-192	-116
Exchange losses from operating receivables/liabilities	194	79
Dissolution of pension provision	0	-36
Net capital gain/loss on disposal of fixed assets	1	-12
Change in fair value of financial assets	-14 826	27 429
Dividends received	- 1 027	-1 703
Interest net	179	544
Incremental cash items from operations		
Paid changes in provisions for pensions, net	0	-15
Changes in other provisions	-59	-23
Other	35	33
Adjustment of paid/unpaid taxes	130	-344
Cash flow from operations before change in working capital	**1 442**	**756**
Change in working capital	249	-245
Change in working capital, acquired operation	7	13
Cash flow from operations	**1 698**	**524**
Investments in subsidiaries		
Korsnäs Rockhammar AB	147	-
Karskär Energi AB	-	200
Relevant Traffic Europe AB	-	48
	147	**248**
Investments in other securities		
Bayport Management Ltd	17	3
Black Earth Farming Ltd	5	37
Kintas Ltd/RawAgro	33	-
Metro warrants	106	-
Metro debenture loans	168	-
Microvest II	10	-
R2 International GmbH	21	-
Vosvik AB/Kontakt East Holding AB	28	153
	388	**193**
Non cash investments through acquisition of Emesco AB		
MTG	1 114	-
Tele2	982	-
Transcom	108	-
Metro	13	-
Metro warrants	15	-
Metro debenture loans	9	-
	2 241	**-**
Sales of securities		
Gateway TV	-	183
	-	**183**

Note 9 Taxes

	2009	2008
Distribution of profit/loss after financial items		
Sweden	16 472	-25 899
Outside Sweden	44	27
	16 516	**-25 872**
Distribution of current tax expense		
Sweden	-220	-14
Outside Sweden	-1	-1
Distribution of deferred tax expense		
Sweden	82	123
Outside Sweden	-4	2
Total tax charge for the year	**-143**	**110**
Current tax expense		
Tax expense for the period	-189	-15
Adjustment of tax expense for previous years	-32	0
	-221	**-15**
Deferred tax expense		
Deferred tax related to temporary differences	82	58
Deferred tax expense on utilization of tax loss carryforwards	0	-5
Activated tax value in tax loss carryforwards	2	
Effect of changed company tax rate, Sweden	-	78
Change of provision for any additional tax	-6	-6
	78	**125**
Total tax expense for the year	**-143**	**110**

Reconciliation of effective tax rate

	2009	%	2008	%
Profit/loss before tax	16 516		-25 872	
Income tax at statutory rate of Parent Company, 26.3% (28%)	-4 344	-26.3%	7 244	28.0%
Foreign tax rate differential	7	0.0%	9	0.0%
Change in fair value of financial assets	3 899	23.6%	-7 688	-29.7%
Non-taxable dividends received	270	1.6%	477	1.8%
Tax attributable to previous years	-7	0.0%	0	0.0%
Other non-taxable income	2	0.0%	10	0.0%
Impairment of goodwill	-	-	-10	0.0%
Effect of changed company tax rate	-	-	78	0.3%
Provision for any additional tax	-31	-0.2%	-6	0.0%
Used and recognized tax loss carry forwards, not earlier recognized	57	0.3%	0	0.0%
Other	4	0.0%	-4	0.0%
Effective tax/tax rate	**-143**	**-1.0%**	**110**	**0.4%**

During 2009, SEK 32 million in tax was paid pertaining to previous years, of which SEK 25 million pertained to the ongoing tax dispute relating to 2001 and 2002, see further under Tax disputes. Of the amount paid, SEK 25 million had been provided for.

During the year, a tax expense of SEK 21 million (income 71) has been recognised against other comprehensive income. No tax has been recognised against shareholders' equity.

	2009	2008
Deferred tax assets		
Pensions and other provisions	37	33
Tax loss carryforwards	25	8
Cash flow hedging reported through other comprehensive income	6	27
	68	**68**
Provisions for deferred tax		
Tangible and biological fixed assets	-1 183	-1 242
Profit timing reserve	0	-18
Provisions for any additional tax	-31	-25
	-1 214	**-1 285**
Net provisions for deferred tax	**-1 146**	**-1 217**

Of deferred tax liabilities of SEK 1,183 million (1,242) for tangible and biological fixed assets, SEK 1,064 million (1,067) is attributable to untaxed reserves in the form of accumulated excess depreciation.

Deferred tax is not stated for associated companies and subsidiaries, as any dividend paid by these companies will not give rise to a tax liability, and divestments may be made without giving rise to capital gains taxation.

	2009	2008
Distribution of deferred tax assets		
Sweden	68	68
Outside Sweden	0	0
	68	**68**
Distribution of provisions for deferred tax		
Sweden	-1 210	-1 285
Outside Sweden	-4	0
	-1 214	**-1 285**
Net provisions for deferred tax	**-1 146**	**-1 217**

Tax loss carryforwards

The Group's loss carryforwards, which is attributable to Sweden, amounted to SEK 199 million (30) at 31 December. A deferred tax asset of SEK 25 million (8) was recognized in the consolidated balance sheet, of which SEK 16 million (0) relates to tax loss carryforwards, that were added through the acquisition of Emesco AB in 2009. In Emesco AB, there is additional tax loss carryforwards of about SEK 270 million. In the event the Group is able to utilize these loss carryforwards, an additional purchase price of a maximum of SEK 21.6 million will be paid.

Tax disputes

The National Tax Board has, following the companies' tax audit, appealed the Parent Company's taxations for 2001 and 2002. During 2008, the County Administration Court delivered a sentence on the issue, which was primarily to the detriment of the Company. The main issue pertaining to the right to deduct SEK 100 million for divested receivables was appealed to the Fiscal Court of Appeal. In 2009, the Company paid all additional income tax and interest pertaining to the dispute. In the event of a positive verdict, the Company will be refunded SEK 28 million in income tax excluding interest.

Note 10 Intangible and tangible fixed assets

Intangible fixed assets, goodwill

	2009	2008
Opening book value	799	621
Investments for the year	37	215
Impairment	-	-37
Closing book value	**836**	**799**

Goodwill that has arisen through company acquisitions is distributed among three cash-generating units: Korsnäs pertaining primarily to the acquisition of Frövi, Karskär Energi and Rockhammar; Latsin in Latvia; and Relevant Traffic. An impairment test was performed at the end of 2009. The value in use for Korsnäs and Latsin was calculated on the basis of discounted cash flows, assuming an annual growth rate of 2%, and based on the budget for 2010 for both units and a pretax discount interest rate of 10%, corresponding to the companies' average cost of capital. No impairment requirement for the goodwill on these units was identified. Nor did a sensitivity analysis, whereby the discount interest rate was increased by one percentage point and cash flow was reduced by 10%, give rise to any impairment requirement.

For Relevant Traffic, the calculation was based on a pretax discount interest rate of 15%, plus slightly negative growth in 2010 and thereafter an increase to approximately 10% for three years and thereafter 2%, which is regarded as reasonable since the company is active in an immature and growing market. No impairment of goodwill relating to Relevant Traffic was identified.

Cash-generating units

	2009	2008
Korsnäs	769	732
Latsin	15	15
Relevant Traffic	52	52
Closing acquisition value	**836**	**799**

Tangible and biological fixed assets

For purposes of calculating depreciation, fixed assets are classified on the basis of their estimated useful economic lives according to the following categories:

Industrial buildings	20 – 67 years
Office buildings	20 – 67 years
Residential buildings	20 – 67 years
Land improvements	25 – 30 years
Machinery and equipment	3 – 25 years

2009	Buildings, land, land improvements	Forest, agricultural properties	Machinery, technical plants	Equipment, tools	Construction in progress, advances	Total
Opening acquisition values	1 912	149	10 802	323	102	13 288
Assets in acquired operations	24	-	76	-	-	100
Investments for the year	14	-	3	4	632	653
Disposals/scrapping for the year	-	-	-11	-2	-	-13
Reclassification for the year	22	-	146	9	-177	0
Translation difference	-3	-6	-13	-1	-1	-24
Closing acquisition values	**1 969**	**143**	**11 003**	**333**	**556**	**14 004**
Opening accumulated depreciation	-1 048	-6	-5 701	-265	-	-7 020
Disposals/scrapping for the year	-	-	11	1	-	12
Depreciation for the year	-60	-1	-556	-17	-	-634
Translation difference	1	1	3	1	-	6
Closing accumulated depreciation	**-1 107**	**-6**	**-6 243**	**-280**	**-**	**-7 636**
Closing book value	**862**	**137**	**4 760**	**53**	**556**	**6 368**
Tax assessment value, buildings	1 193	9				
Tax assessment value, land	261	44				

2008	Buildings, land, land improvements	Forest, agricultural properties	Machinery, technical plants	Equipment, tools	Construction in progress, advances	Total
Opening acquisition values	1 801	148	10 472	314	212	12 947
Assets in acquired operations	25	-	46	5	46	122
Investments for the year	27	-	136	9	54	226
Disposals/scrapping for the year	-2	-	-23	-9	-10	-44
Reclassification for the year	51	-	147	2	-200	0
Translation difference	10	1	24	2	-	37
Closing acquisition values	**1 912**	**149**	**10 802**	**323**	**102**	**13 288**
Opening accumulated depreciation	-989	-	-5 152	-255	-	-6 396
Disposals/scrapping for the year	1	-	20	9	-	30
Depreciation for the year	-58	-6	-562	-19	-	-645
Translation difference	-2	-	-7	-	-	-9
Closing accumulated depreciation	**-1 048**	**-6**	**-5 701**	**-265**	**-**	**-7 020**
Closing book value	**864**	**143**	**5 101**	**58**	**102**	**6 268**
Tax assessment value, buildings	1 159	7				
Tax assessment value, land	246	29				

Note 11 Financial assets accounted at fair value through profit and loss

2009	Reg no	Registered office	Number of shares/ warrants	Capital/ voting (%)	Book value
Associated companies					
Black Earth Farming Ltd		Jersey	26 203 296	21/21	595
Kintas Ltd (RawAgro)		Cyprus	6 000	30/30	33
Vosvik AB (Kontakt East Holding AB)	556757-1095	Stockholm	50 000	50/50	133
Metro International S.A.		Luxembourg	245 921 466	47/42	243
Metro International S.A. warrants		Luxembourg	717 115 821		345
Millicom International Cellular S.A.		Luxembourg	37 835 438	35/35	20 166
Modern Times Group MTG AB	556309-9158	Stockholm	13 503 856	20/48	4 805
R2 International Internet GmbH		Germany	2	33/33	21
Tele2 AB	556410-8917	Stockholm	135 496 137	31/48	14 932
Transcom WorldWide S.A.		Luxembourg	16 339 448	22/45	637
					41 910
Other companies					
Bayport Management Ltd [1]			856	6/6	17
Bergvik Skog AB	556610-2959	Falun	353	5/5	492
Gävle Sjöfarts AB	556010-6774	Gävle	1 080	10/10	0
Microvest II			fund participation		8
Modern Holdings Inc.		USA	2 646 103	18/18	26
Radio Components Sweden AB	556573-3846	Stockholm	2 346 337	19/19	2
Vindin AB	556713-5172	Stockholm	100	7/7	4
Other					10
					559
				Maturity	
Other financial assets					
Bayport Management Ltd				2011-2013	112
Financial receivables, associated companies					3
					115
Total					**42 584**

[1] Kinnevik also owns warrants entitling to 0.9% of the company on a fully dilluted basis.

Out of book value of financial assets accounted at fair value through profit and loss, 98% (97%) relates to assets traded on an active market, Level 1 assets.

2008	Reg no	Registered office	Number of shares	Capital/ voting (%)	Book value
Associated companies					
Black Earth Farming Ltd		Jersey	25 977 238	21/21	470
Vosvik AB (Kontakt East Holding AB)	556757-1095	Stockholm	50 000	50/50	141
Metro International S.A.		Luxembourg	232 546 906	44/39	160
Millicom International Cellular S.A.		Luxembourg	37 835 438	35/35	13 432
Modern Times Group MTG AB	556309-9158	Stockholm	9 935 011	15/48	1 674
Tele2 AB	556410-8917	Stockholm	125 481 525	28/46	8 627
Transcom WorldWide S.A.		Luxembourg	12 627 543	17/35	192
					24 696
Other companies					
Bergvik Skog AB	556610-2959	Falun	353	5/5	453
Gävle Sjöfarts AB	556010-6774	Gävle	1 080	10/10	0
Karskär Bygg AB	556629-8740	Gävle	200	8/8	0
Modern Holdings Inc.		USA	2 646 103	18/18	26
Radio Components Sweden AB	556573-3846	Stockholm	2 346 337	19/19	2
Vindin AB	556713-5172	Stockholm	100	7/7	3
Other					9
					493
Other financial assets					
Bayport Management Ltd					120
Financial receivables, associated companies					4
Other interest-bearing receivables					2
					126
Totalt					**25 315**

Reconciliation of book value

	Holdings in associated companies	Shares in other companies	Other financial assets	Total
Opening balance, 1 January 2008	52 078	458	205	52 741
Investments	190	-	3	193
Disposals	-	-	-183	-183
Amortisation of loan receivables	-	-	-2	-2
Reclassification to subsidiaries	-28	-	-16	-44
Change in value of disposed holdings	-	-	82	82
Change in value of remaining holdings, refer to Note 6	-27 544	33	-	-27 511
Translation differences	-	2	37	39
Closing balance, 31 December 2008	**24 696**	**493**	**126**	**25 315**
Investments	2 425	28	-	2 453
Amortisation of loan receivables	-	-	-2	-2
Change in value of remaining holdings, refer to Note 6	14 788	38	-	14 826
Translation differences	1	-	-9	-8
Closing balance, 31 December 2009	**41 910**	**559**	**115**	**42 584**

Note 12 Financial assets held to maturity

		2009
Metro International S.A., debenture	Dec 2013	192
Total		**192**

	2009
Opening balance, book value ,1 January	**0**
Investments	176
Accrued interest income	16
Closing balance, book value, 31 December	**192**
Market value 31 December	**196**

Note 13 Investments in companies accounted for using the equity method

2009	Reg no	Registered office	Number of shares	Capital/ voting (%)	Book value
Altlorenscheurerhof S.A.		Luxembourg	625	33	11
SCD Invest AB	556353-6753	Stockholm	10 584 250	91/50	0
Shared Services S.A.		Luxembourg	200	30	0
					11

2008	Reg no	Registered office	Number of shares	Capital/ voting (%)	Book value
Altlorenscheurerhof S.A.		Luxembourg	625	33	11
SCD Invest AB	556353-6753	Stockholm	10 584 250	91/50	0
Shared Services S.A.		Luxembourg	200	30	0
					11

The Group's part of the companies' total assets amounts to more than SEK 11 million (11)

Note 14 Inventories

	2009	2008
Raw materials and consumables	629	644
Felling rights	44	36
Work in progress	70	65
Finished products and goods for resale	800	993
Advance payments to suppliers	182	239
	1 725	**1 977**

SEK 29 million (36) of the inventories are valued at net sales value. The rest of the inventories are valued at aquisition value.

Note 15 Trade receivables

	2009	2008
Trade receivables	754	730
Reserve for doubtful accounts	-13	-12
	741	**718**

Accrued sales revenue are included in trade receivables with SEK 101 million (79). Trade receivables overdue more than 90 days, but not provided for, amounts to SEK 1 million (7).

Bad debt losses

	2009	2008
Opening balance, 1 January	**12**	**15**
Provisions during the year	8	3
Confirmed losses	-6	-5
Recovery of previous provisions	-1	-1
Closing balance, 31 December	**13**	**12**

Note 16 Other current assets

	2009	2008
Accrued interest income	3	3
Other accrued income and prepaid expenses	84	106
Receivable Millicom regarding dividend 2009	335	-
Other receivables	108	102
	530	**211**

Note 17 Cash and cash equivalents

	2009	2008
Cash at banks	186	505
Short term investments	51	4
	237	**509**

Short term investments are cash at banks invested with a maximum original duration of three months.

In addition to cash and cash equivalents reported above, the Group had on 31 December undrawn credit facilities of SEK 3,705 million (1,522).

Note 18 Business combinations

2009

Korsnäs Rockhammar AB

In March, Korsnäs signed an agreement to acquire operations in Rockhammar Mill from Rottneros. The purchase consideration, including transaction costs, amounted to SEK 147 million. The acquisition was made through a recently formed subsidiary, Korsnäs Rockhammar AB. According to the acquisition analysis, the acquisition cost is distributed as follows: goodwill in the amount of SEK 37 million, tangible assets SEK 100 million, inventories SEK 17 million and accrued personnel costs SEK 6 million. Korsnäs Rockhammar has contributed to the Group's result with a SEK 10 million since the transaction was completed on 1 April. The result includes costs in relation to the integration work between Rockhammar and the plant in Frövi, which entails a staff reduction negotiated with the trade union organizations. The entire volume produced in Rockhammar after the acquisition has been sold internally within the Korsnäs Group. If Korsnäs Rockhammar had been included in the Group from 1 January, it is estimated that profit would have been approximately SEK 8 million higher.

2008

Karskär Energi AB

Having previously held 41% of the shares in Karskär Energi AB, Korsnäs acquired the remaining 59% in January 2008 from E.ON Sverige AB for the purchase price of SEK 200 million. The transaction encompasses a combined heating and power plant that has been in the Korsnäs industrial area in Gävle since 1971. Karskär Energi produces 350 GWh of electricity a year and the acquisition implies that from now on Korsnäs will produce 38% of the annual electricity consumption internally at its plants in Gävle and Frövi. Karskär Energi has been fully consolidated with the Group since 1 January 2008 and, according to the purchase price allocation, the transaction generated SEK 126 million in goodwill after Karskär Energi's book value of tangible fixed assets had been adjusted by SEK 31 million, provisions increased by SEK 14 million, and a deferred tax liability of SEK 5 million had been reported. Karskär Energi is expected to contribute approximately SEK 40 million a year in profit, the full effect of which will appear once the operations have been fully integrated with Korsnäs Industrial during 2009.

Relevant Traffic Europe AB

Relevant Traffic Europe AB and its subsidiaries are active in digital sales and marketing using the internet as an information carrier. Kinnevik acquired 36% of shares in 2006. During the first part of 2008, Kinnevik converted loans issued by Relevant Traffic Europe AB into shares and acquired shares from other owners in accordance with earlier options agreements, increasing the ownership stake to 56% effective 1 May 2008. As a result, the company was consolidated from that date and is reported in the New Ventures segment. Kinnevik subsequently completed another new share issue in July 2008, acquiring additional shares at the end of the year. The ownership stake, following these transactions, amounts to 98% of the votes and capital. The total amount invested in the company, on which the acquisition calculation is made, amounts to SEK 92 million.

According to the acquisition calculation, transactions, combined with previously invested funds, resulted in SEK 89 million of goodwill in the Kinnevik Group.

In testing for any write-down requirements through calculating the discount cash flow resulting from a sharply weakened market, a goodwill impairment in the amount of SEK 37 million was identified. See also Note 10.

Relevant Traffic reported earnings of SEK 177 million and an operating loss of SEK 34 million for full-year 2008. The operating loss included restructuring costs totaling SEK 10 million due to an action plan that was initiated in conjunction with Kinnevik becoming the majority owner.

Note 19 Shareholders' equity

Share capital

Share capital refers to the Parent Company's share capital; refer to Note 10 for the Parent Company.

Other contributed capital

Other contributed capital consist of the Parent Company's share premium reserve, which arose through the conversion of convertible loans in 1997 and 1998, capital injected in conjunction with the merger between Invik & Co. AB and Industriförvaltnings AB Kinnevik in 2004, capital injected in conjunction with a new share issue when acquiring the assets in Emesco AB 2009, as well as by the Parent Company's legal reserve. During 2008 3,500,000 class B-shares were bought-back for a total amount of SEK 279 million. Those were cancelled following the approval at the AGM 2009.

Hedging reserve

The hedging reserve which is fully attributable to power supplies reported against shareholders' equity totaling a loss of SEK 22 million at 31 December 2009, before deduction of deferred tax, are estimated to yield outcomes of negative SEK 14 million in 2010, negative SEK 11 million in 2011 and positive SEK 3 million in 2012.

Hedging reserve	Gross	Tax	Net
Opening balance 1 January 2008	109	-31	78
Transferred to the income statement	102	-27	75
Change for the year	-314	84	-230
Closing balance 31 December 2008	**-103**	**26**	**-77**
Transferred to the income statement	78	-20	58
Change for the year	3	0	3
Closing balance 31 December 2009	**-22**	**6**	**-16**

Retained earnings including net profit for the year

Retained earnings that are reported in the Group include the current and preceding year's profit.

Capital

Kinnevik's managed capital consists of shareholders' equity. There are no other external capital requirements, other than what is specified in the Swedish Companies Act. For dividend policy, please refer to the Board of Directors' report.

Note 20 Interest-bearing loans

A summary of maturities and other terms and conditions pertaining to liabilities to credit institutions is presented below. On 31 December 2009, the average remaining maturity for all credit facilities amounted to 1.8 (2.2) years. All loans had floating interest rates at Stibor, or a similar basic interest rate, plus an average margin of 1.0% with a maximum interest period of 3 months. Accrued borrowing costs totaled SEK 9 million (0) for the year. The credit facilities are a mix of revolving loans and term loans and they may be repaid or cancelled at any time with no further contractual commitments.

For assets pledged as security for external interest-bearing loans, refer to Note 26.

	2009	2008
Interest-bearing long-term loans		
Liabilities to credit institutions	7 623	7 881
Accrued borrowing costs	-12	-6
	7 611	**7 875**
Interest-bearing short-term loans		
Liabilities to credit institutions	586	1 082
	586	**1 082**
Total long and short-term interest-bearing loans	**8 197**	**8 957**

Maturity structure

Maturity structure for undiscounted, contracted interest-bearing receivables and liabilities along with future interest payments accruing therewith:

	2009	2010	2011	2012	2013	Total
Interest-bearing receivables		19	36	75	394	524
Interest-bearing liabilities		-717	-5 170	-2 512	0	-8 399
Total as per 31 December 2009		**-698**	**-5 134**	**-2 437**	**394**	**-7 875**
Interest-bearing receivables	18	18	35	74	35	180
Interest-bearing liabilities	-1 327	-790	-5 620	-1 856	0	-9 593
Total as per 31 December 2008	**-1 309**	**-772**	**-5 585**	**-1 782**	**35**	**-9 413**

Credit institution	Credit facility as per 31 Dec 2009	Utilised amount 31 Dec 2009	Unutilised amount 31 Dec 2009	Currency
Long-term loans				
Parent Company				
Calyon Bank Stockholm Branch	500	500	0	SEK
DnB NOR Bank ASA (Sweden Branch)	1 000	1000	0	SEK
Nordea Bank AB (publ)	1 650	886	764	SEK
Svenska Handelsbanken AB (publ)	2 400	660	1 740	SEK/USD
Swedbank AB (publ)	500	0	500	SEK
Total Parent Company	**6 050**	**3 046**	**3 004**	
Other Group companies				
The Bank of Nova Scotia [1)]	5 000	4 448	552	SEK, EUR
Svenska Handelsbanken AB (publ)	124	100	24	EUR
Other	29	29	0	EUR
Total Group	**11 203**	**7 623**	**3 580**	
Short-term loans				
Parent Company				
Banque et Caisse d'Epargne de l'Etat, Luxembourg	200	200	0	SEK
Commerzbank International S.A.	360	360	0	SEK
Nordea Bank AB (publ)	30	0	30	SEK
Svenska Handelsbanken AB (publ)	105	12	93	SEK/EUR
Total Parent Company	**695**	**572**	**123**	
Other Group companies				
Nordea Bank AB (publ)	9	9	0	SEK
Other	6	5	1	
Total Group	**710**	**586**	**124**	
Total liabilities to credit institutions, Group	**11 913**	**8 209**	**3 704**	

[1)] Syndicated facility with Bank of Nova Scotia (facility agent), Calyon Bank Stockholm Branch, DnB Nor Bank ASA, Nordea Bank AB (publ), Skandinaviska Enskilda Banken AB (publ) and Svenska Handelsbanken AB (publ) as participating banks. The facility agreement includes certain financial covenants, for financial key ratios for Korsnäs, net debt to EBITDA and EBITDA in relation to net interest payables. As of 31 December 2009 Korsnäs complied with all financial covenants.

Note 21 Provisions for pensions

Kinnevik has defined benefit occupational pension plans for some of its salaried employees within Korsnäs in Sweden (ITP plan) and until 2008 for former employees in the UK. The following tables present an overview of the items included in net cost for the compensation reported in the consolidated income statement for the Groups' defined benefit pension plans. They also present amounts reported in the consolidated balance sheet.

Changes in the net obligations for defined-benefit plans recognised in the balance sheet

	2009	2008
Net obligation for defined-benefit plans as at 1 January	580	534
Benefits paid	-32	-39
Cost recognised in the income statement	31	26
Actuarial profit/losses for the year reported against comprehensive income	1	59
Net obligation for defined-benefit plans as at 31 December	**580**	**580**

Net cost of defined benefit pension plans

	2009	2008
Earned during the year	10	5
Interest component in the increase during the year of the present value of the pension commitment	21	21
Reported pension cost, net	**31**	**26**

Reported provision at the end of the year

	2009	2008
Commitments	580	580
Plan assets	-	-
Reported provision 31 December	**580**	**580**

The year's actuarial revaluation resulted in a loss of SEK 1 million (loss 59), including corresponding payroll tax costs of SEK 0 million (expense 11), and this was recognized against comprehensive income. The accumulated actuarial losses totaled SEK 93 million (92).

Primary assumptions used in setting the pension undertaking (%)

	2009	2008
Discount rate	3.75	4.00
Future pay increases	3.00	3.00
Future pension increases (inflation)	1.75	1.75

Some of the defined benefit pension commitments on behalf of salaried employees within Korsnäs in Sweden are secured by means of insurance policies with Alecta. As Alecta cannot provide sufficient information to permit the ITP plan to be stated in the accounts as defined benefit it is stated in accordance with UFR 6 as defined contribution. Fees paid during the year for pension insurance policies covered by Alecta amount to SEK 5 million (6). Alecta's surplus may be distributed to policyholders and/or the insured. At year-end 2009, Alecta's surplus in form of collective solvency ratio was 141% (112%).

The cost of all defined contribution plans amounted to SEK 70 million (52) for the Group (including premiums paid to Alecta).

The Group's payments into the defined benefit plan in 2010 are expected to amount to SEK 33 million.

Historical information

	2009	2008	2007	2006
Present value of commitments	580	580	972	1 033
Fair value of plan assets	-	-	-438	-484
Net	**580**	**580**	**534**	**549**
Adjustments based on experience				
Defined benefit commitments	-11	8	6	-
Plan assets	-	-	0	-

The Group previously had a defined-benefit pension plan for former employees of Korsnäs Paper Sacks Ltd, in the UK. During 2008, the pension plan was discontinued when the commitment was reinsured through an external insurance company. During 2008, SEK 5 million was paid to the pension plan, after which the company received confirmation from the pension plan's administrator that no further payments will be required from the company. The remaining provision of SEK 36 million (after exchange-rate fluctuations) in the consolidated balance sheet was consequently released and recognized under Other income in the consolidated income statement for 2008. The pension plan's administrator has informed the company that there is a surplus in the pension plan after all commitments have been reinsured, and that it is still unclear how the surplus will be distributed.

Note 22 Other provisions

	2009	2008
Severance pay and other provions for restructuring	104	123
Environmental studies	5	5
Other	1	9
	110	**137**
Long-term	51	110
Short-term	59	27
	110	**137**
Opening balance, 1 January	**137**	**198**
Severance pay completed	-41	-79
New provision for severance pay	22	71
Commitment relating to deficit in UK pension scheme, refer to Note 21	-	-46
Release of dispute, VAT	-	-5
Payment of other provisions	-1	-
Release of other provisions	-7	-2
Closing balance, 31 December	**110**	**137**

County administrative boards have submitted claims to Kinnevik regarding environmental studies at a number of sites where Fagersta AB (through name changes and a merger, Investment AB Kinnevik) conducted operations until 1983. Kinnevik's position is that the Company's responsibility to perform any decontamination measures must be very limited if any, primarily out of consideration to the long period of time that has passed since any potential contamination damages occurred and the regulations that were in force at the time, and the fact that a quarter century has passed since operations were shut down or turned over to new owners. Kinnevik has therefore not made any provisions for potential future claims for decontamination measures. SEK 5 million was provided in 2007 for potential environmental studies that Kinnevik might be required to pay for.

Note 23 Trade creditors and other liabilities

	2009	2008
Invoiced trade creditors	690	715
Accrued expenses for purchase of goods	153	118
Total trade creditors	**843**	**833**
Accrued interest expenses	5	51
Accrued personnel expenses	237	222
Other accrued expenses and prepaid income	150	148
Derivatives, cash flow hedging power supplies	23	103
Other liabilities	107	85
Total other liabilities	**522**	**609**

For trade creditors and other liabilities to related parties refer to Note 28.

Note 24 Auditors' fees

	2009	2008
To Ernst & Young		
Audit assignments	2.6	2.4
Other assignments	1.6	0.4
	4.2	**2.8**

Other assignments refer to consultation in connection with acquisitions and disposals of companies, internal control, questions regarding IFRS and tax advice.

Note 25 Leasing agreements

Group companies have concluded a number of agreements covering the rental of premises and other fixed assets. During 2009, SEK 25 million (22) was paid in accordance with operational leasing agreements. Future minimum payments for agreements concluded for leased assets as of 31 December:

	2009	2008
	Premises and other fixed assets	**Premises and other fixed assets**
2009		20
2010	25	15
2011	11	5
2012	10	4
2013	9	4
2014 and later	13	3
	68	**51**

The Group had financial leasing agreements of SEK 4 (4) million reported in the balance sheet on 31 December 2009.

Note 26 Pledged assets

	2009	2008
For liabilities to credit institutions		
Real estate mortgages	1 900	1 903
Shares in subsidiaries	4 227	2 873
Shares in associated and other companies	13 050	12 830
Chattel mortgages	600	600
Cash and cash equivalents	33	138
	19 810	**18 344**

Listed shares in associated companies, shares in other unlisted companies and shares in subsidiaries have been pledged for the benefit of the Group's loans from a number of banks. Pledged shares' actual or estimated market value shall, at any given time, amount to the equivalent of 150-200% of the utilized loan amount. At 31 December 2009, the pledged shares had a surplus value of SEK 2,158 million in relation to the minimum requirements stipulated in the facility agreements (including undrawn facilities). Voting rights and any dividends are not included in pledging.

A mortgage deed of SEK 1,900 million in fixed assets and a chattel mortgage of SEK 600 million in Korsnäs is included as a general security related to Korsnäs' syndicated bank loan.

Note 27 Contingent liabilities

	2009	2008
Sureties and guarantees	57	24
Guarantee commitments, FPG	9	10
	66	**34**

Refer also to Note 22 regarding costs for decontamination of contingent contamination damages.

Note 28 Related-party transactions

For transactions with the Board of Directors and Senior Executives, refer to Note 29. During 2009 and 2008, Kinnevik engaged in transactions with the following related companies.

Related companies	Relationship
Black Earth Farming Ltd	Associated company of Kinnevik.
Tele2 AB ("Tele2")	Associated company of Kinnevik.
Modern Times Group MTG AB ("MTG")	Associated company of Kinnevik.
Metro International S.A. ("Metro")	Associated company of Kinnevik.
Transcom WorldWide S.A. ("Transcom")	Associated company of Kinnevik.
Millicom International Cellular S.A. ("Millicom")	Associated company of Kinnevik.
Anima Regni Partners Sàrl	Related parties to Anima Regni Partners Sárl own shares in Kinnevik since 17 September 2009, providing considerable influence over Kinnevik.
Audit Value S.A. ("Audit Value")	Parties related to Kinnevik own shares in Audit Value, providing considerable influence over Audit Value.
Emesco AB ("Emesco")	Emesco with related parties owned shares in Kinnevik until 17 September 2009 (at which date Kinnevik acquired Emesco) providing considerable influence over Kinnevik.
Modern Holdings Inc. ("Modern Holdings")	Along with related companies, Kinnevik owns shares in Modern Holdings, providing considerable influence over Modern Holdings.
Altlorenscheurerhof S.A.	Associated company to Kinnevik.
SCD Invest AB ("SCD Invest")	Associated company to Kinnevik.

All transactions with related parties have taken place at arm's length basis, i.e. on market conditions. In connection with acquisitions and divestments, independent valuations were used as a basis for negotiations on the final price. In all agreements relating to goods and services prices are compared with up-to-date prices from independent suppliers in the market to ensure that all agreements are entered into on market conditions.

Commercial agreements with related parties

- Anima Regni, MTG, Tele2, and earlier Transcom, rent office premises from Kinnevik.
- Kinnevik's subsidiary Relevant Traffic performs services within digital sales and marketing to Tele2, MTG and Metro.
- Kinnevik buys telephony services from Tele2 in a number of countries in which the companies are engaged in business.
- Kinnevik buys internal audit services from Audit Value and rent premises from Altlorenscheurerhof.

Financial loan transactions with related parties

- In November 1995, the company now called Modern Holdings issued a USD 4.1 million convertible loan to Kinnevik and in November 2000, Kinnevik extended an additional USD 1.7 million to Modern Holdings. The last portion of the loan was amortized in December 2008.

Other transactions

- During the second quarter 2009, Kinnevik participated in the refinancing of Metro, investing SEK 274 million in subordinated debentures and warrants. Kinnevik subscribed for 51.9% of the total issue, of which 44.1% comprised preferential rights and 7.8% in addition to this, in accordance with the issued underwriting guarantee. Kinnevik received a fee from Metro of SEK 7.4 million regarding an underwriting commitment for the refinancing of Metro. The subordinated debentures are recognized at amortized cost by using the effective interest method with an annual effective interest rate of 16%.
- In April, Kinnevik concluded an agreement to acquire all of the shares of Emesco AB from Sapere Aude Trust reg., the Estate of Jan Hugo Stenbeck and Hugo Stenbecks Stiftelse, see further information in the Board of Directors' report and the Equity statement for the Group.

The following is a summary of Kinnevik's revenue, expense, receivables and liabilities to and from related parties.

	Group		Parent Company	
	2009	2008	2009	2008
Revenue				
Black Earth Farming	0.0	1.7	0.0	-
Emesco	0.5	0.3	-	-
Metro	8.2	1.2	7.9	1.0
Millicom	0.1	0.0	0.1	0.0
MTG	3.4	3.5	0.3	0.1
Tele2	12.8	15.8	0.0	0.2
Transcom	0.3	0.6	0.1	0.3
	25.3	**23.1**	**8.4**	**1.6**
Operating expenses				
Altlorenscheurerhof	-2.7	-	-2.7	-
Audit Value	-0.1	-0.1	-	-
Metro	-0.2	-0.2	-0.2	-0.2
MTG	-0.3	-0.1	-0.3	-0.1
Tele2	-3.8	-4.1	-0.5	-1.6
	-7.1	**-4.5**	**-3.7**	**-1.9**
Interest income				
Metro, debenture loan	15.5	-	6.4	-
Modern Holdings	-	0.1	-	0.1
	15.5	**0.1**	**6.4**	**0.1**
Financial receivables from associated companies				
Metro, debenture loan	192	-	-	-
Other associated companies	3	4	-	2
	195	**4**	**-**	**2**
Accounts receivable and other current receivables				
MTG	1	-	-	-
Tele2	1	2	-	-
	2	**2**	**-**	**-**

Note 29 Personnel

Average number of employees

	2009 men	2009 women	2008 men	2008 women
Group				
Sweden	1 406	235	1 402	248
Germany	4	1	3	1
Latvia	207	35	224	34
Poland	65	7	70	7
Spain	5	5	1	4
Switzerland	1	-	1	-
UK	6	-	6	-
France	14	3	17	6
Russia	1	1	21	3
	1 709	287	1 745	303
Total number of employees		**1 996**		**2 048**

Distribution of women and men on the Board and in the management group, Group [1]

	2009 men	2009 women	2008 men	2008 women
Board members				
Elected by the AGM	24	5	23	5
Employee representatives, ordinary	4	-	4	-
Employee representatives, deputies	4	-	4	-
CEO	-	1	-	1
Other senior executives	4	1	5	1
	36	**7**	**36**	**7**

[1] As regards the distribution of women and men in the Board and the management group, the Group has been defined as the following companies: Investment AB Kinnevik, Korsnäs AB, Mellersta Sveriges Lantbruks AB, Sia Latgran and Relevant Traffic Europe AB.

Distribution of women and men on the Board and in the management group, Parent Company

	2009 men	2009 women	2008 men	2008 women
Board members				
Elected by the AGM	6	1	5	1
Employee representatives, ordinary	2	-	2	-
Employee representatives, deputies	2	-	2	-
CEO	-	1	-	1
Other senior executives	3	1	3	1
	13	**3**	**12**	**3**

Salaries, other remuneration and social security expenses (SEK 000s)

	2009 Board, CEO, senior executives [1]	2009 Other employees [3]	2008 Board, CEO, senior executives [1]	2008 Other employees [3]
Group				
Sweden	28 579	770 172	26 779	769 249
Germany	-	6 722	-	3 690
Latvia	3 446	32 162	2 802	28 229
Poland	900	4 977	949	6 004
Spain	-	2 390	-	807
Switzerland	-	1 160	-	-
UK	-	4 867	-	4 776
France	2 421	11 056	1 153	9 658
Russia	286	-	232	957
Total salaries and other remuneration	**35 632**	**833 506**	**31 915**	**823 370**
Social security expenses	17 983	336 048	14 868	345 559
Of which, pension expense [2]	6 567	84 842	5 257	83 508

[1] Relates to Board and CEO of all Group companies and senior executives in the Parent Company.

[2] Relates to present and former Board members and CEOs.

[3] The amount includes SEK 36 (77) million in remuneration paid during the year which relates to restructuring costs within Korsnäs expensed in 2008 and earlier.

Pension and other obligations and similar benefits for former Board members and CEOs for the Group amounts to a total of SEK 60,777,000 (66,420,000). These amounts are included among liabilities in the balance sheet of the Group.

Principles

Guidelines on remuneration for senior executives approved by the Annual General Meeting in 2009 are presented in the Board of Directors' Report. From these guidelines a Remuneration Committee draw up principles and proposal for the remuneration of the senior executives.

Following consultation with the Nomination Group, the Board appoints members and the Chairman in the Remuneration Committee. The Remuneration Committee's task covers issues involving salaries, pensions, incentive programs, variable remuneration and other terms and conditions of employment for the management of the Parent Company and CEOs of the Group's business areas.

Cristina Stenbeck, Wilhelm Klingspor, Erik Mitteregger and Allen Sangines-Krause were members of the Remuneration Committee during 2009. Wilhelm Klingspor was the Committee Chairman.

Remuneration to the CEO and other senior executives consists of fixed salary, variable salary, and customary benefits and pension. Variable salary may not exceed 50% of the fixed salary. During 2009 there was, besides the CEO, five other senior executives (2008 six) employed within Kinnevik.

Board fees paid to the Directors of the Parent Company (SEK 000's)

	2009			2008		
	Parent Company	Board positions, subsidiaries	Total fee	Parent Company	Board positions, subsidiaries	Total fee
Cristina Stenbeck (Chairman)	925	150	1 075	925	150	1 075
Vigo Carlund	400	400	800	400	400	800
John Hewko	400	-	400	-	-	-
Wilhelm Klingspor	525	150	675	525	150	675
Erik Mitteregger	575	-	575	575	-	575
Stig Nordin	475	150	625	475	150	625
Allen Sangines-Krause	500	-	500	500	-	500
	3 800	**850**	**4 650**	**3 400**	**850**	**4 250**

Remuneration for the CEO and other senior executives (SEK 000's)

	2009		2008	
	CEO	Other senior executives	CEO	Other senior executives
Fixed salaries	5 998	9 299	5 882	11 088
Variable salaries	2 368	4 238	-	2 399
Benefits	101	451	111	528
Pension expenses	1 174	1 788	1 174	2 096
Provision for share-based remuneration	1 284	1 760	545	671

For the CEO of the Parent Company, pension premium payments of 20% of fixed salary were paid. In the event of termination of employment initiated by the Company, the CEO is entitled to a salary during a notice period of 18 months. Any salary received from new employment during the notice period reduces salary received from Kinnevik during the notice period. In the event of termination of employment initiated by the CEO, the notice period is 12 months.

For the five other senior executives pension premium payments of a maximum of 20% of fixed salary were paid. Pension premiums are paid to insurance companies. In the event of termination of employment initiated by the Company, other senior executives are entitled to a salary over a notice period of a minimum 6 and a maximum 18 months. Any salary received from new employment during the notice period reduces salary received from Kinnevik during the notice period.

Incentive plan

There are long-term incentive plans (the "Plans") for senior executives and other key employees in the Kinnevik Group that require participants to own shares in Kinnevik.

For each share held within the framework of the Plans, the Company has distributed retention and performance-based share rights. Subject to fulfillment of certain retention- and performance-based conditions during the individual periods included in the Plans (1 April 2008 – 31 March 2011 and 1 April 2009 – 31 March 2012, the "Measure Periods"), the participant remaining in the employment of the Kinnevik Group at the time of publication of the interim reports for the January – March 2011 and January – March 2012 periods, and subject to the participant retaining the invested shares, each retention right and performance right will entitle the participant to receive one class B share in the Company.

The number of shares the employee will receive depends on the fulfillment of defined retention- and performance-based conditions during the Measure Periods based on:

– Total return on the Kinnevik class B share
– Average annual development of the net asset value, including dividends
– Average annual return within the New Ventures business area
– Average normal return on working capital at Korsnäs
– Average EBITDA margin at Korsnäs in relation to a peer group

The goals included in each participant's program will depend on the company in which the participant is employed.

In order to equalize participants' interests with those of shareholders, the Company will compensate for forfeited dividends by increasing the number of shares and rights to which they are entitled.

At 31 December 2009, the Plan that was established in 2008, with a Measure Period of 1 April 2008 – 31 March 2011, had participation totaling 17,600 shares held by employees entitling a maximum allotment of 91,400 rights, of which 17,600 retention share rights and 73,800 performance share rights. The Plan encompasses the following number of shares and maximum number of share rights for the various categories: the CEO of the Group a maximum of 4,000 invested shares and seven rights per invested share, senior executives of Kinnevik (category 1) and the President of Korsnäs a maximum of 1,500 invested shares and 5.5 rights per invested share, senior executives of Kinnevik (category 2) and other members of Korsnäs' management group up to 700 invested shares and four rights per invested share, and remaining participants up to 400 invested shares and four rights per invested share.

The participant's maximum profit is limited to SEK 570 per right. The maximum dilution is 0.04% in terms of shares outstanding, 0.02% in terms of votes and 0.03% in terms of costs for the program as defined in IFRS 2 in relation to Kinnevik's market capitalization.

At 31 December 2009, the Plan that was established in 2009, with a Measure Period of 1 April 2009 – 31 March 2012, had participation totaling 27,700 shares held by employees entitling a maximum allotment of 143,800 rights, of which 27,700 retention share rights and 116,100 performance share rights. The Plan encompasses the following number of shares and maximum number of share rights for the various categories: the CEO of the Group a maximum of 5,500 invested shares and seven rights per invested share, the President of Korsnäs 3,000 invested shares and 5.5 rights per invested share, senior executives of Kinnevik (category 1) 2,000 invested shares and 5.5 rights per invested share, senior executives of Kinnevik (category 2) and other members of Korsnäs' management group up to 1,000 invested shares and four rights per invested share, and remaining participants up to 550 invested shares and four rights per invested share.

The participant's maximum profit is limited to SEK 320 per right. The maximum dilution is 0.07% in terms of shares outstanding, 0.03% in terms of votes and 0.02% in terms of costs for the program as defined in IFRS 2 in relation to Kinnevik's market capitalization.

The Plans described above could result in expenses for the Kinnevik Group in the form of social security costs upon utilization, as well as personnel costs during the vesting period.

This year's cost amounts to a total of SEK 4 million (1) and is calculated according to anticipated outcome should all participants remain employed at the end of the Measure Period.

Note 30 Financial assets and liabilities allocated by category

2009	Financial assets accounted at fair value	Financial assets held to maturity	Loan receivables and trade receivables	Cash flow hedging	Financial liabilities	Total book value	Fair value
Financial assets accounted at fair value, Level 1	41 723					41 723	41 723
Financial assets accounted at fair value, Level 3	861					861	861
Financial assets held to maturity		192				192	196
Trade receivables			741			741	741
Other current assets	3		527			530	530
Short term investments			51			51	51
Cash at bank			186			186	186
Total financial assets	**42 587**	**192**	**1 505**	**-**		**44 284**	**44 288**
Interest bearing loans					8 197	8 197	8 197
Trade creditors					843	843	843
Other liabilities				23	262	285	285
Total financial liabilities				**23**	**9 302**	**9 325**	**9 325**

2008	Financial assets accounted at fair value	Loan receivables and trade receivables	Cash flow hedging	Financial liabilities	Total book value	Fair value
Financial assets accounted at fair value, Level 1	24 555				24 555	24 555
Financial assets accounted at fair value, Level 3	760				760	760
Trade receivables		718			718	718
Other current assets	3	208			211	211
Short term investments		4			4	4
Cash at bank		505			505	505
Total financial assets	**25 318**	**1 435**	**-**		**26 753**	**26 753**
Interest bearing loans				8 957	8 957	8 957
Trade creditors				833	833	833
Other liabilities			103	284	387	387
Total financial liabilities			**103**	**10 074**	**10 177**	**10 177**

Duration

For the duration of interest bearing loans refer to Note 20. Of other financial liabilities the major part will fall due within one to six months.

Fair value

Fair value of financial assets which are valued at accrued acquisition value and are charged with floating rate or have short-term maturity, the book value correspond to fair value. The fair value of financial assets held to maturity is according to the listed price on Nasdaq OMX Stockholmsbörsen 31 December 2009.

Financial assets accounted at fair value are distributed in the three levels stated below:

Level 1: Fair value established based on listed prices in an active market for the same instrument.

Level 2: Fair value established based on valuation techniques with observable market data, either directly (as a price) or indirectly (derived from a price) and not included in Level 1.

Level 3: Fair value established using valuation techniques, with significant input from data that is not observable in the market.

Financial assets accounted at fair value, Level 3

	2009	2008
Opening balance, book value, 1 January	760	772
Acquisitions	109	156
Disposals	-	-183
Amortization on loan receivables	-	-2
Change in value through the income statement	1	8
Exchange gain/loss	-9	37
Reclassification to subsidiaries	-	-28
Closing balance, 31 December	**861**	**760**

Note 31 Financial risk management

The Group's financing and management of financial risks is centralized within Kinnevik's finance function and is conducted on the basis of a finance policy established by the Board of Directors. The Group has established a model for risk management, the aims of which are to identify, control and reduce risks. The identified risks and how they are managed are reported to the Kinnevik Board on a quarterly basis.

Kinnevik is exposed to financial risks mainly in respect of

- The stock market, meaning the risk of changes in the value of the major listed holdings.
- The interest rates, resulting from changes in underlying interest rates.
- The exchange rates, comprising transaction exposure and translation exposure.
- Liquidity and refinancing, meaning the risk that the cost of financing will increase or that opportunities will be limited when loans are re-negotiated, and that payment obligations cannot be met due to insufficient liquidity.

Stock market risk

Kinnevik's strategy is to participate actively in the companies in which the Group invests. Operations include management of a stock portfolio comprising considerable investments in a small number of listed companies. Accordingly, the portfolio is concentrated to a small number of companies, which makes the return dependent on how well these companies and their particular industries develop. By being an active owner, the return can be maximized and the risks controlled.

The Group's assets, through ownership of shares in a number of companies conducting operations in more than 60 countries, are exposed to political risks. More than 50% of the market value of Kinnevik's combined assets of approximately SEK 53 billion at 31 December 2009, were exposed to growth markets in Latin America, Africa, Asia, Eastern Europe and Russia.

The concentrated portfolio results in a significant liquidity risk in the portfolio, in that it is difficult for Kinnevik during a limited time to make major changes in the portfolio's composition without this affecting the share price.

Parts of the stock portfolio are used as collateral for Kinnevik's loans from credit institutions. On 31 December 2009, 30% (50%) of the stock portfolio was used as collateral for the Group's loans; also refer to Note 26.

The stock market risk associated with Kinnevik's portfolio may be illustrated by stating that a 1% change in the prices of all of the listed shareholdings at 31 December 2009 would have affected earnings and shareholders' equity by SEK 414 million.

Interest rate risk

Kinnevik's policy is to maintain short interest periods because the Company believes that this leads to lower interest expense over time. The Group has no borrowing subject to periods of fixed interest exceeding three months. On 31 December 2009, all of Kinnevik's liabilities to credit institutions, SEK 8,206 million, were exposed to interest rate changes, of which SEK 7,724 million to changes in Stibor, SEK 369 million to changes in Euribor and SEK 118 million to changes in Libor USD. It would take three months for an increase in short-term interest rates to gain its full impact on Kinnevik's interest expense. Accordingly, if the interest rate at 31 December 2009 had risen with 1% the average interest expense on an annualized basis would have risen by SEK 82 million. According to Kinnevik, short-term negative effects from increases in the interest rate can be handled thanks to positive operating cash flow from Korsnäs, but is continuously measuring the risk to manage the potential impact a sharp increase in the interest rate might have on the business.

Foreign exchange rate risk

Transaction exposure

The Group's revenues and operating expenses arise mainly in SEK and EUR . The Group's policy is to endeavour to match revenues and costs in the same currency. The net flow of the Group's inflow and outflow in foreign currency amounted to a net inflow of approximately SEK 600 million (800) for the year, which consisted mainly of EUR. The Group's policy is not to hedge this type of transaction exposure. The reason for this approach is that the Group is dealing with a continuously even net inflow of foreign currency for which, over time, hedging measures would also be affected by exchange rate changes. However, specific transactions where the foreign exchange rate risks are material may be hedged on a case by case basis. As per 31 December 2009, Kinnevik had hedged part of the dividend declared in December 2009 but not yet paid by Millicom. The total hedged amount was USD 30 million with settlement date on 5 January 2010.

A change in the EUR/SEK rate by SEK 5% would have affected consolidated profit in 2009 by approximately SEK 30 million.

Translation exposure

Translation exposure arises when the earnings and shareholders' equity of foreign subsidiaries are translated into SEK. This exposure also arises in situations when the capital employed and the financing of it is in different currencies, Kinnevik's policy is to minimise the foreign exchange rate risk by raising external borrowing in various currencies to finance capital employed. If this is not possible and significant temporary exposures exist, the Group's finance policy permits the use of forward contracts. On 31 December 2009, there were no outstanding forward contracts with this purpose. Translation exposure arising from the translation of the foreign subsidiaries' earnings and shareholders' equity is not hedged since the exposure is considered being of no material importance to Kinnevik. A change in the PLN/SEK rate by 5% would have affected consolidated net assets by SEK 9 million on 31 December 2009. A change in the LVL/SEK rate by 5% would have affected consolidated net assets by SEK 7 million on the same date. A change in the EUR/SEK rate or USD/SEK rate would have no material effect on the consolidated net assets.

In addition to the translation exposure existing in the operative subsidiaries, Kinnevik owns shares in listed companies that engage in foreign operations. Millicom, a company that reports in USD, has its main listing in the United States and conducts operations in Latin America and Africa, accounts for the principal exchange rate risk. On 31 December 2009, the book value of the holdings in Millicom was SEK 20,166 million.

Liquidity and refinancing risk

Kinnevik's liquidity risk is limited because listed shares account for a large part of the Company's assets. On 31 December 2009, the Company also had cash and cash equivalents and committed but unutilized credit facilities amounting to SEK 3,942 million.

Kinnevik's refinancing risk is limited by having loans from a number of different credit institutions with diversified maturities as well as by striving for refinancing of all credit facilities at least six months prior to maturity. On 31 December 2009, the available amount under the existing credit facilities totalled SEK 11,915 (10,485) million and the average remaining term was 1.8 (2.2) years.

Parent Company's financial statements

Parent Company Statement of Income for the period 1 January-31 December (SEK million)

	Note	2009	2008
Revenue		22	12
Administration costs		-71	-53
Other operating income		3	5
Operating loss		**-46**	**-36**
Dividends received	2	1 754	1 658
Earnings from financial assets, associated companies and other	4	130	-1 206
Earnings from financial assets, subsidiaries	4	14 998	-753
Interest income and other financial income	3	50	74
Interest expenses and other financial expenses	3	-138	-381
Profit/loss after financial items		**16 748**	**-644**
Change of untaxed reserves		0	-1
Profit/loss before taxes		**16 748**	**-645**
Tax		34	86
Net profit/loss for the year		**16 782**	**-559**

Parent Company Balance Sheet 31 December (SEK million)

	Note	2009	2008
ASSETS			
Tangible fixed assets			
Equipment	6	2	2
Shares and participations in Group companies	8	17 310	13 473
Receivables from Group companies		13 146	106
Shares and participations in associated companies	7	10 334	10 097
Receivables from associated companies		-	2
Shares and participations in other companies	7	46	29
Deferred tax receivables		9	
Other long-term interest-bearing receivables		0	121
Other long-term receivables		1	3
Total fixed assets		**40 848**	**23 833**
Current assets			
Receivables from Group companies		397	333
Other receivables		11	6
Accrued income		1	3
Prepayments		3	4
Short term investments		50	
Cash and cash equivalents		3	185
Total current assets		**465**	**531**
TOTAL ASSETS		**41 313**	**24 364**

	Note	2009	2008
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	10		
Restricted equity			
Share capital (277,448,190 shares of SEK 0.10 each)		28	26
Premium reserve		6 868	6 868
Unrestricted equity			
Share premium		1 616	-
Retained earnings		10 446	11 405
Net result		16 782	-559
Total shareholders' equity		**35 740**	**17 740**
Provisions			
Provisions for pensions		28	28
Deferred tax liability		-	18
Other provisions	9	16	24
Total provisions		**44**	**70**
Long-term liabilities			
External interest-bearing loans	11	3 037	3 710
Liabilities to Group companies		359	589
Total long-term liabilities		**3 396**	**4 299**
Short-term liabilities			
External interest-bearing loans	11	572	1 071
Trade creditors		2	2
Liabilities to Group companies		1 507	1 111
Other liabilities		36	29
Accrued expenses	12	16	42
Total current liabilities		**2 133**	**2 255**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**41 313**	**24 364**
Pledged assets	**13**	**10 443**	**14 426**
Contingent liabilities	**14**	**2**	**2**

Parent Company Statement of Cash Flow for the period 1 January-31 December (SEK million)

	2009	2008
Operations		
Operating loss	-46	-36
Non-cash items	-7	-7
Taxes paid	-31	-35
Cash flow from operations before change in working capital	**-84**	**-78**
Change in operating assets	-3	10
Change in operating liabilities	4	1
Cash flow from operations	**-83**	**-67**
Investing activities		
Investments in shares and other receivables	0	-1 174
Disposals of shares and other securities	-1	1 148
External dividends received	681	1 158
Change in loan receivables	0	84
Interest received	44	74
Cash flow from investing activities	**724**	**1 290**
Financing activities		
Borrowing	774	1 000
Amortisation of loans	-1 935	-503
Change in intra-Group balances	1 069	-358
Interest paid	-160	-371
Dividend paid	-521	-528
Share buy-back	0	-279
Cash flow from financing activities	**-773**	**-1 039**
Cash flow for the year	**-132**	**184**
Cash and bank, opening balance	**185**	**1**
Cash and bank, closing balance	**53**	**185**

Movements in Shareholders' equity of the Parent Company (SEK million)

	Share capital	Pre-mium reserve	Un-restric-ted equity	Total
Opening balance, 1 January 2008	**26**	**6 868**	**11 966**	**18 860**
Cash dividend [1)]	–	–	-528	-528
Group contribution	–	–	340	340
Tax, Group contribution	–	–	-95	-95
Share buy-back	–	–	-279	-279
Effect of employee share saving programme			1	1
Net result	–	–	-559	-559
Closing balance, 31 December 2008	**26**	**6 868**	**10 846**	**17 740**
New share issue (acquisition Emesco) [3)]	2	–	1 616	1 618
Cash dividend [2)]	–	–	-521	-521
Group contribution	–	–	161	161
Tax, Group contribution	–	–	-42	-42
Share buy-back	–	–	0	0
Effect of employee share saving programme	–	–	2	2
Net result	–	–	16 782	16 782
Closing balance, 31 December 2009	**28**	**6 868**	**28 844**	**35 740**

1) The Annual General Meeting held on 15 May 2008, resolved in favor of paying a cash dividend of SEK 2.00 per share, a total of SEK 528 million.

2) The Annual General Meeting held on 11 May 2009, resolved in favor of paying a cash dividend of SEK 2.00 per share, a total of SEK 521 million.

3) Consideration for Emesco's share portfolio took the form of 16,676,260 newly issued Kinnevik class B shares to the shareholders of Emesco, representing approximately 6.0% of the capital and 2.3% of the votes in Kinnevik post issuance. In determining the number of class B shares to be issued, Kinnevik's class B shares were valued at a premium of 17.5% and 12.1% below net asset value, to the volume weighted average share price over the last ten trading days before the transaction was agreed on 23 April. The market value for the class B share was SEK 97 on 17 September when the acquisition was finalized.

Notes to the Parent Company's financial statements

Note 1 Parent Company's accounting principles

The Parent Company's annual accounts have been prepared in accordance with Swedish law, and with early application of the Swedish Financial Reporting Board's recommendation RFR 2.2 (Reporting for legal entities).

The Parent Company's accounting principles depart from the principles governing consolidated accounting in respect of the valuation of financial instruments and pension liabilities. The Parent Company applies RFR 2:2 in respect of the option not to observe IAS 39. Financial instruments are thus not valued at fair value as in the Group but at their acquisition cost and after write-down, if any. Pension liabilities are reported in accordance with Swedish principles.

For information concerning related party transactions, refer to Note 28 for the Group.

Note 2 Dividends received

	2009	2008
Subsidiaries	1 073	500
Associated companies		
Modern Times Group MTG AB	50	149
Tele2 AB	627	985
Transcom WorldWide S.A.	-	24
Other companies		
Radio Components Sweden AB	4	-
	1 754	**1 658**

Note 3 Financial income and expenses

	2009	2008
Interest income from third parties	22	22
Interest income from Group companies	20	52
Other financial income	8	-
Financial income	**50**	**74**
Interest expenses to credit institutions	-111	-272
Interest expenses to Group companies	-23	-115
Exchange-rate differences	-4	5
Other financial expenses	-	1
Financial expenses	**-138**	**-381**
Net financial income/expenses	**-88**	**-307**

Note 4 Earnings from financial assets

	2009	2008
Sale Gateway TV	-1	82
Write-down of shares in associated companies	-	-1 287
Reversed write-down of shares in associated companies	131	-
Other	-	-1
Total earnings from associated companies	**130**	**-1 206**
Intra-group sale of shares in Millcellvik AB	15 076	-
Intra-group sale of shares in Black Earth Farming Ltd	-	834
Write-down of shares in subsidiaries	-201	-1 587
Reversed write-down of shares in subsidiaries	123	-
Total earnings from subsidiaries	**14 998**	**-753**

Reversed write-down of shares in associated companies are related to Metro International S.A. and Transcom WorldWide S.A. and are made due to increased market value. Write-down of shares in subsidiaries are related to Frevik AB and is made following a withdrawal of dividend. Reversed write-down of subsidiaries are related to Kinnevik New Ventures AB and are due to estimated increase in market value.

Note 5 Auditors' fees

	2009	2008
To Ernst & Young		
Audit assignments	0.7	0.7
Other assignments	0.7	0.1
	1.4	**0.8**

Other assignments refer to consultation in connection with acquisitions and disposals of companies, questions regarding accounting and tax advice.

Note 6 Tangible fixed assets

	2009	2008
Equipment		
Opening acquisition values	4	4
Investments for the year	0	0
Disposals/scrapping for the year	0	0
Closing acquisition values	**4**	**4**
Opening accumulated depreciation	-2	-2
Disposals/scrapping for the year	0	0
Depreciation for the year	0	0
Closing accumulated depreciation	**-2**	**-2**
Closing book value	**2**	**2**

Note 7 Shares and participations

Associated companies	Reg no	Registered office	Number of shares, 2009	2009 Capital/ voting (%)	2009 Book value	2008 Capital/ voting (%)	2008 Book value
Altlorenscheurerhof S.A.		Luxembourg	625	33	11	33	11
Metro International S.A.		Luxembourg	232 546 906	47/42	230	44/39	160
Metro International S.A, warrants		Luxembourg			106	44/39	160
Modern Cartoons Ltd		USA	2 544 000	23	0	23	0
Modern Times Group MTG AB	556309-9158	Stockholm	9 935 011	20/48	1 133	15/48	1 133
Shared Services S.A.		Luxembourg	200	30	0	30	0
Tele2 AB	556410-8917	Stockholm	125 481 525	31/48	8 601	28/45	8 601
Transcom WorldWide S.A.		Luxembourg	12 627 543	22/45	253	17/35	192
					10 334		**10 097**

Other companies	Reg. no.	Registered office	Number of shares	2009 Capital/ voting (%)	2009 Book value	2008 Capital/ voting (%)	2008 Book value
Bayport Management Ltd				6	17		
Modern Holdings Inc.		USA	2 646 103	18	26	18	26
Radio Components Sweden AB	556573-3846	Stockholm	2 346 337	19	2	19	2
Tenant-owner apartments					1		1
					46		**29**

Change in book value, shares and participations in associated companies

Opening acquisition value,1 January 2009	11 384
Investments	106
Closing acquisition value, 31 December 2009	**11 490**
Opening write-down, 1 January 2009	-1 287
Reversed write-down for the year	131
Closing write-down, 31 December 2009	**-1 156**
Closing book value, 31 December 2009	**10 334**

Change in book value, shares and participations in other companies

Opening acquisition value,1 January 2009	29
Investments	17
Closing acquisition value, 31 December 2009	**46**

Note 8 Shares and participations in Group companies

Shares and participations in direct-owned subsidiaries

	Reg no	Registered office	Number of shares	Capital/ voting (%)	Book value
Assuransinvest AIA AB	556051-6238	Stockholm	295 384	100/100	93
Frevik AB	556281-6040	Stockholm	1 000	100/100	1
Gefle Borg Bryggeri AB	556489-9689	Gävle	1 736 000	100/100	12
Emesco AB	556035-3749	Stockholm	1 635	99/99	7 678
Invik & Co. AB	556061-4124	Stockholm	7 000	1007100	0
Invik S.A.		Luxembourg	551 252	100/100	174
Kinnevik UK Ltd		UK	1 000	100/100	2
Förvaltnings AB Eris & Co.	556035-7179	Stockholm	1 020 000	100/100	159
Kinnevik New Ventures AB	556736-2412	Stockholm	100	100/100	870
Korsnäs AB	556023-8338	Gävle	53 613 270	100/100	8 320
Plonvik Sp.zo.o [1)]		Poland	1	0/0	0
Korsnäs Holding AB	556170-7703	Stockholm	1 000	100/100	0
Kinnevik Radio AB	556237-4594	Sollentuna	7 500	100/100	1
Kinnevik S.A.		Luxembourg	1 249	100/100	0
Shares and participations in direct-owned subsidiaries					**17 310**

1) Partly owned by the Parent Company. Wholly owned by the Group.

Reconciliation of the book value of shares in subsidiaries

Opening acquisition value, 1 January 2009	15 077
Shareholders' contribution	7 283
Acquisitions	1 678
Internal disposals	-5 032
Liquidation of subsidiaries	-14
Closing aquisition value, 31 December 2009	**18 992**
Opening write-down, 1 January 2009	-1 604
Write-down for the year	-201
Reversed write-downs for the year	123
Closing write-down, 31 December 2009	**-1 682**
Closing book value, 31 December 2009	**17 310**

All transactions are non-cash items.

Over and above the direct-owned shares and participations of the Parent Company the following companies are included in the Group:

	Reg. no.	Registered office	Capital/ voting (%)
Mellersta Sveriges Lantbruks AB	556031-9013	Vadstena	100/100
Plonvik Sp. z o.o.		Poland	100/100
Rolnyvik Sp. z o.o.		Poland	100/100
Kinnevik Holding SA		Luxembourg	100/100
Kinnevik Mauritius Ltd		Mauritius	100/100
Millcellvik AB	556604-8285	Stockholm	100/100
Crown Sacks & Systems (Holding) Ltd		UK	100/100
Korsnäs Paper Sacks Ltd		UK	100/100
AB Stjernsunds Bruk	556028-6881	Gävle	100/100
Trävaru AB Dalerne	556044-3920	Gävle	100/100
Diacell AB	556155-2786	Gävle	100/100
Korsnäs Advanced Systems AB	556560-8527	Gävle	100/100
Korsnäs Asia Holding Ltd		China	100/100
Korsnäs Ltd		UK	100/100
Korsnäs France S.A.S		France	100/100
Korsnäs GmbH		Germany	100/100
Korsnäs Latvia Holding Sia		Latvia	100/100
Korsnäs Rockhammar AB	556761-2436	Gävle	100/100
Korsnäs Switzerland AG		Switzerland	100/100
Latsin Sia		Latvia	100/100
Latsin Rus OOO		Russia	100/100
Sia Freja		Latvia	100/100
Korsnäs Sales Ltd		UK	100/100
Korsnäs Sågverks AB	556024-8477	Gävle	100/100
Marma Skog 31 AB	556580-2203	Gävle	100/100
Relevant Traffic Europe AB		Stockholm	99/99
Relevant Traffic Sweden AB		Stockholm	100/100
SAS Relevant Traffic		France	100/100
Relevant Traffic Spain S.L.		Spain	100/100
Relevant Traffic Ltd, in liquidation		UK	100/100
Relevant Traffic GmbH, in liquidation		Germany	100/100
Sia Latgran		Latvia	51/51

Note 9 Other provisions

	2009	2008
Remuneration to former CEO	9	15
Environmental studies	5	5
Other	2	4
	16	**24**
Long-term	9	19
Short-term	7	5
	16	**24**
Change for the year		
Opening balance, 1 January	**24**	**35**
Remuneration paid to former CEO	-5	-5
Released disputable VAT	-	-4
Release of other provisions	-3	-2
Closing balance, 31 December	**16**	**24**

County administrative boards have submitted claims to Kinnevik regarding environmental studies at a number of sites where Fagersta AB (through name changes and a merger, Investment AB Kinnevik) conducted operations until 1983. Kinnevik's position is that the Company's responsibility to perform any decontamination measures must be very limited, if any, primarily out of consideration to the long period of time that has passed since any potential contamination damages occurred and the regulations that were in force at the time, and the fact that a quarter century has passed since operations were shut down or turned over to new owners. Kinnevik has therefore not made any provisions for potential future claims for decontamination measures. SEK 5 million was provided in 2007 for potential environmental studies that Kinnevik might be required to pay for.

Note 10 Shareholders' equity

Change in shareholders' equity from the preceding year's balance sheet are presented in Movements in Shareholders' equity of the Parent Company.

Share capital

Investment AB Kinnevik's share capital as of 31 December 2009 was distributed among 277,448,190 shares with a par value of SEK 0.10 per share.

Distribution by class of shares was as follows

	Number of shares	Par value (SEK 000s)
Class A shares	48 665 324	4 867
Class B shares	228 492 866	22 849
Class C shares in own custody	290 000	29
Registered number of shares	277 448 190	27 745

In accordance with the proposal on reclassification, approved by the Annual General Meeting held on 15 May 2008, owners of 1,531,726 class A shares did require reclassification of class A shares to class B shares.

During 2009, the following changes to the number of shares have been effected following approval at AGM and EGM in May: 290,000 newly issued class C shares held in treasury to be delivered to participants in incentive programs, 16,676,260 newly issued class B shares paid to the sellers of Emesco, and cancellation of 3,500,000 repurchased class B shares. The total increase of shares amounts to 13.466.260.

One class A share entitles to ten votes, one class B share to one vote and one class C share to one vote. All class A shares and class B shares provide equal rights to participation in Kinnevik's assets and earnings. Class C shares are not entitled to dividend.The total amount of votes in Kinnevik is 715,436,106. To the knowledge of the Board, there are no share agreements or share associations in Kinnevik.

The Board was authorized by the AGM 2009 to repurchase a maximum of 10% of all shares in the Company. During the year no shares were bought back. There are no convertibles or warrants in issue.

Regarding share based long-term incentive plans (LTIP) refer to Note 29 for the Group.

Note 11 Interest-bearing loans

Interest-bearing long-term loans

	2009	2008
Liabilities to credit institutions	3 046	3 710
Accrued borrowing costs	-9	-
	3 037	**3 710**

Interest-bearing short-term loans

	2009	2008
Liabilities to credit institutions	572	1 071
	572	**1 071**

For further information about the Parent Company's interest bearing loans refer to Note 20 for the Group.

Note 12 Accrued expenses

	2009	2008
Accrued personnel expenses	9	6
Accrued interest expenses	5	33
Other	2	3
	16	**42**

Note 13 Pledged assets

	2009	2008
For liabilities to credit institutions		
Shares in subsidiaries	6 629	7 320
Shares in associated companies and other companies	3 814	7 106
	10 443	**14 426**

Note 14 Contingent liabilities

	2009	2008
Sureties and guarantees for subsidiaries	1	1
Guarantee commitments, FPG	1	1
	2	**2**

Refer also to Note 9 regarding costs for decontamination of contingent contamination damages.

Note 15 Intra-group transactions

Intra-group revenue for the Parent Company amounted to SEK 14 million (12) which refer to invoicing of management fee to Korsnäs AB of SEK 12 million (12) and Kinnevik New Ventures AB of SEK 2 million (0).

The Parent Company and the Swedish subsidiaries have their liquidity arranged through central bank accounts in different currencies. In addition, the Parent Company has a number of loans to subsidiaries. Market rate of interest are charged for all those balances.

During the year, the Parent Company has sold the shares in Millcellvik AB to the subsidiary Invik & Co. AB resulting in a profit of SEK 15,076 million.

Note 16 Personnel

Average number of employees

	2009 men	2009 women	2008 men	2008 women
Parent Company				
Stockholm	5	5	5	5

Salaries, other remuneration and social security expenses (SEK 000s)

	2009 Board, CEO and other senior executives	2009 Other employees	2008 Board, CEO and other senior executives	2008 Other employees
Salaries and other remuneration	20 805	3 148	17 172	2 728
Social security expenses [1]	9 475	1 762	9 258	442
of which, pension expense [1]	3 570	773	3 714	-452
Provision for share-based remuneration	3 044	451	1 216	131

[1] Other employees includes reversed provisions for former employees with SEK 415,533 (1,646,000) regarding SPP and other insurance companies. Board, CEO and other senior executives includes former employees.

Salaries and other remuneration to the Board, CEO and other senior executives are further presented in Note 29 for the Group.

Note 17 Financial assets and liabilities by category

2009	Financial assets accounted for at cost	Loan receivables and trade receivables	Financial liabilities	Total book value
Receivables from Group companies	-	13 544		13 544
Receivables from associated companies	-	-		0
Shares and participation in other companies	46	-		46
Interest-bearing receivables	0	-		0
Other receivables	-	11		11
Short-term investments	-	50		50
Cash at bank		3		3
Total financial assets	**46**	**13 608**		**13 654**
Interest-bearing liabilities			3 965	3 965
Liabilities to Group companies			1 510	1 510
Trade creditors			2	2
Other liabilities			43	43
Total financial liabilities			**5 520**	**5 520**

2008	Financial assets accounted for at cost	Loan receivables and trade receivables	Financial liabilities	Total book value
Receivables from Group companies	-	439		439
Receivables from associated companies	-	2		2
Shares and participation in other companies	29	-		29
Interest-bearing receivables	121	-		121
Other receivables	-	11		11
Cash at bank		185		185
Total financial assets	**150**	**637**		**787**
Interest-bearing liabilities			4 781	4 781
Liabilities to Group companies			1 700	1 700
Trade creditors			2	2
Other liabilities			64	64
Total financial liabilities			**6 547**	**6 547**

Fair value

For financial assets which are valued at accrued acquisition value and are charged with floating rate or have short-term maturity, the book value correspond to fair value.

The undersigned certify that the consolidated accounts and the annual report have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted for use in the European Union, and generally accepted accounting principles respectively, and give a true and fair view of the financial positions and results of the Group and the Parent Company, and that the Board of Director's Report gives a fair review of the development of the operations, financial positions and results of the Group and the Parent Company and describes substantial risks and uncertainties that the Group companies face.

Stockholm, 17 March 2010

Cristina Stenbeck *Chairman of the Board*	Vigo Carlund *Member of the Board*	Geron Forsman *Member of the Board* *Employee representative*
John Hewko *Member of the Board*	Wilhelm Klingspor *Member of the Board*	Erik Mitteregger *Member of the Board*
Bo Myrberg *Member of the Board* *Employee representative*	Stig Nordin *Member of the Board*	Allen Sangines-Krause *Member of the Board*

Mia Brunell Livfors
President & CEO

Our Audit Report was issued on 17 March 2010
Ernst & Young AB

Thomas Forslund
Authorized Public Accountant

Audit Report

To the annual meeting of the shareholders of Investment AB Kinnevik (publ)

Corporate identity number 556047-9742

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of Investment AB Kinnevik (publ) for the year 2009. The company's annual accounts and consolidated accounts are included in this document on page 33-69. The board of directors and the managing director are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with the international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group´s financial position and results of operations. The Board of Directors' report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statement and balance sheet of the parent company and the income statement and the balance sheet for the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the Board of Directors' report and that the members of the Board of Directors and the managing director be discharged from liability for the financial year.

Stockholm, 17 March 2010
Ernst & Young AB

Thomas Forslund
Authorized Public Accountant

Definitions of financial key ratios

Operating margin
Operating income divided by revenue.

Capital employed
Total assets less non-interest-bearing liabilities less deferred tax liability.

Return on capital employed
Income after financial items plus interest expenses divided by average capital employed.

Return on shareholders' equity
Net profit divided by average shareholders' equity.

Equity/assets ratio
Shareholders' equity, including minority holding as a percentage of total assets.

Net debt
Interest-bearing liabilities including provisions for pensions less total interest-bearing receivables, short-term investments and cash and cash equivalents.

Debt/equity ratio
Interest-bearing liabilities including interest-bearing provisions divided by shareholders' equity.

Risk capital ratio
Shareholders' equity including minority interest in shareholders' equity and deferred tax liability divided by total assets.

Average number of shares
Balanced average of number of shares outstanding during the year, adjusted for share issues, splits and buybacks.

Earnings per share
Net profit for the year, attributable to equity holders of the Parent Company, divided by average number of shares.

Shareholders' equity per share
Shareholders' equity, attributable to equity holders of the Parent Company, divided by number of shares.

Market price
Market price at 31 December adjusted for share issues and splits.

Dividend per share
Paid or proposed dividend per share adjusted for share issues and splits.

Dividend yield
Dividend divided by market price at 31 December.

Operational capital employed
Average intangible and tangible fixed assets, investment in companies accounted for using the equity method, inventory and current non-interest-bearing receivables after deductions for other provisions and short-term non interest-bearing liabilities.

Return on operational capital employed
Operating profit divided by average operational capital employed.

Net Asset Value
Major Unlisted Holdings – i.e. Korsnäs – are valued according to the consensus among analysts covering Kinnevik.
Major Listed Holdings are valued based on the market prices listed on the closing date. The listed market price used for the Group's financial assets is the current bid price. For companies with two classes of shares the market price for the most liquid share class is used.
The value of unlisted New Ventures is based on generally accepted valuation principles such as discounted cash-flow models, multiple valuation using EBITDA, net profit, price per hectare etc.

Annual General Meeting 2010

Date and venue

The Annual General Meeting will be held on Monday, 17 May 2010, at 10:00 a.m. at the Hotel Rival, Mariatorget 3, Stockholm. The doors will open at 9:00 a.m. and registration will be conducted until 10:00 a.m., when the doors will be closed.

Who is entitled to participate?

Shareholders who intend to participate in the Annual General Meeting shall
- be entered in the register of shareholders maintained by Euroclear Sweden AB (Swedish Securities Depository & Clearing Organization) on Monday, 10 May 2010
- notify the Company of their intention to participate not later than Monday, 10 May 2010, at 3:00 p.m.

Distance participation and voting is not available.

How to be entered in the register of shareholders

Shares can be registered in the register of shareholders maintained by Euroclear Sweden AB in the name of the owner or the nominee. Shareholders whose shares are registered in the names of nominees must temporarily register the shares in their own name to be entitled to participate in the Meeting. Shareholders requiring such registration must inform the nominee of this in sufficient time prior to 10 May 2010.

How to notify intention to participate

Shareholders can notify the Company of their intention to participate by using one of the following alternatives:
- through the Company's website, www.kinnevik.se
- by writing to the Company at: Investment AB Kinnevik, c/o Computershare AB, Box 610, SE-182 16 Danderyd, Sweden
- by telephone, +46 (0) 771 24 64 00, from 19 April, weekdays from 9:00 a.m to 4:00 p.m

Notification should include the following information:

- Name
- Personal identification number/corporate registration number
- Address and telephone number
- Shareholding
- Representatives, if applicable

If participation is based on written power of attorney, this should be submitted in conjunction with notification of participation in the Annual General Meeting. Notification must be submitted to the Company no later than Monday, 10 May 2010 at 3:00 p.m.

Nomination Committee

In accordance with the resolution of the 2009 Annual General Meeting, Cristina Stenbeck has convened a Nomination Committee consisting of members representing the largest shareholders in Kinnevik. The Nomination Committee is comprised of Cristina Stenbeck, Ramsay Brufer on behalf of Alecta, Henry Guy on behalf of Anima Regni LP, Edvard von Horn on behalf of the von Horn family and Wilhelm Klingspor on behalf of the Klingspor family.
Information about the work of the Nomination Committee can be found on Kinnevik's corporate website at www.kinnevik.se.

Financial information

Interim Report January-March, 22 April 2010
Interim Report January-June, 22 July 2010
Interim Report January-September, 21 October 2010
Year-end Report 2010, February 2011
Annual Report for 2010, March 2011
Annual General Meeting, May 2011

Head office: Skeppsbron 18 Box 2094 SE-103 13 Stockholm Telephone: + 46 8 562 000 00
Telefax: + 46 8 20 37 74 Registration number: 556047-9742 www.kinnevik.se