

# Investment AB Kinnevik

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## INTERIM REPORT 1 JANUARY-30 JUNE 2011

### Financial results for the second quarter

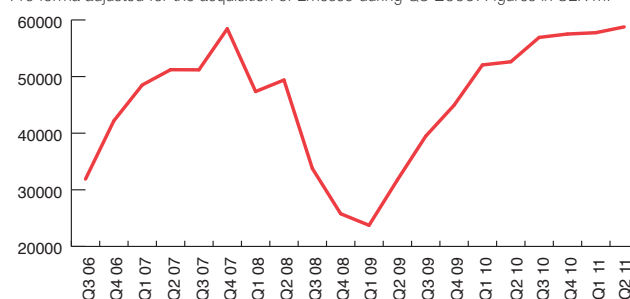
- The net asset value increased during the second quarter to SEK 58,770 m, compared to SEK 57,746 m at the end of March. During the last 12 months, the net asset value has increased by 11.7%.
- Korsnäs' operating profit amounted to SEK 178 m (243) and the operating margin was 8.7% (12.1%).
- The Group's total revenue amounted to SEK 2,160 m (2,080).
- Net profit after tax, including changes in fair value of financial assets, amounted to SEK 2,490 m (1,831) corresponding to SEK 8.98 (6.59) per share.

### Financial results for the first half year

- The net asset value increased during the the first half year with SEK 1,257 m from SEK 57,513 m at the end of December 2010.
- Korsnäs' operating profit amounted to SEK 442 m (442) and the operating margin was 10.6% (10.6%).
- The Group's total revenue amounted to SEK 4,442 m (4,363).
- Net profit after tax, including changes in fair value of financial assets, amounted to SEK 2,539 m (8,665) corresponding to SEK 9.15 (31.21) per share.

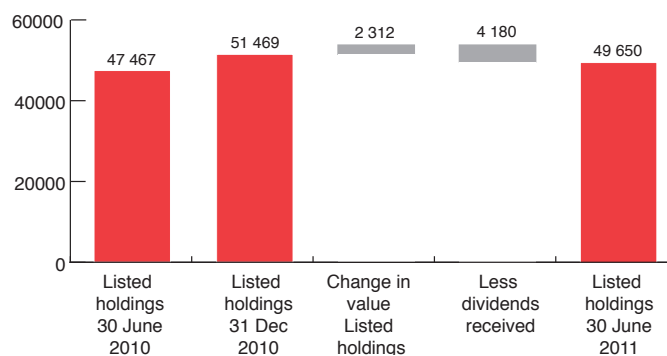
### Kinnevik's net asset value 2006-2011

Pro forma adjusted for the acquisition of Emesco during Q3 2009. Figures in SEK m.



### Market value - Listed Holdings

Figures in SEK m.



"Despite the turbulence in the global economy, Kinnevik's net asset value increased in the second quarter supported by the continued good results and cash-flows in our telecom and media companies and the significant dividends received. In Korsnäs, demand has leveled off somewhat following a period of strong growth. We committed to invest a total of SEK 901 million in the quarter within online, which we expect will contribute to the long-term growth in Kinnevik" says Mia Brunell Livfors, President and Chief Executive Officer of 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 seven business sectors; Paper & Packaging, Telecom & Services, Media, Online, Microfinancing, Agriculture and Renewable energy. 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.

## Total return

### The Kinnevik share's average annual total return

Past 30 years <sup>1)</sup>	20%
Past 5 years	12%
Past 12 months	15%

<sup>1)</sup> Based on the assumption that shareholders have retained their allotment of shares in Tele2, MTG, Metro, Transcom and CDON.

## Events during the second quarter

- During the second quarter, Kinnevik signed agreements committing to invest a total of SEK 901 m within Online, of which SEK 839 m in Rocket Internet with portfolio companies and SEK 62 m in Avito. SEK 823 m of the consideration for Rocket Internet and its portfolio companies had yet to be paid at the end of the quarter. In the first quarter, SEK 430 m was invested within Online and

Microfinancing, whereby approximately SEK 1,330 m of the mandate given by the Board of SEK 2,000 m for new investments in 2011 within the Online, Microfinancing, Agriculture and Renewable energy business sectors was utilized in the first half year.

- In addition to investments in the above business sectors during the second quarter, Kinnevik invested SEK 143 m in G3 Good Governance Group, a company that offers emerging market strategic advisory services to multinational customers, a growth area in today's globalized markets. G3 has approximately 50 employees and is based in London. After the acquisition, Kinnevik is the company's majority shareholder.
- Kinnevik has in the second quarter received dividends from its listed holdings and paid dividends to the shareholders according to the following:

Received dividends from listed holdings (SEK m)

Millicom	USD 1.80/share	420
Tele2	SEK 6+21/share	3 659
MTG	SEK 7.50/share	101
<b>Total dividends received from listed holdings</b>		<b>4 180</b>
Of which ordinary dividends		1 334
<b>Dividend paid to Kinnevik's shareholders</b>	SEK 4.50/share	<b>1 247</b>

The dividend payment to Kinnevik's shareholders corresponded to approximately 93% of the ordinary dividends received from Millicom, Tele2 and MTG.

## Kinnevik's proportional part of revenue and operating result in its holdings

Jan-June 2011 (SEK m)	Equity interest	Reported		Proportional part of		Change compared to Jan-June 2010	
		revenue	EBIT	revenue	EBIT	revenue	EBIT
Korsnäs	100%	4 179	442	4 179	442	0%	0%
Millicom	36.2%	14 036	3 846	5 081	1 392	14%	13%
Tele2	30.5%	19 571	3 336	5 969	1 017	0%	1%
Transcom	22.3%	2 489	-1	555	0	-6%	N/A
MTG	20.3%	6 656	1 365	1 351	277	3%	15%
Metro	46.6%	918	76	428	35	20%	N/A
CDON	22.6%	1 261	39	285	9	36%	-41%
Black Earth Farming <sup>1)</sup>	24.9%	154	-193	38	-48	-45%	N/A
Other unlisted holdings		2 076	-155	340	-1	55%	N/A
<b>Total sum of Kinnevik's proportional part of revenue and operating result</b>				<b>18 226</b>	<b>3 124</b>	<b>5%</b>	<b>6%</b>

<sup>1)</sup> Reported with one quarter's delay

The table above is a compilation of the holdings' revenues and operating result reported for the first half year 2011. 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 at the end of the reporting period, thereby showing Kinnevik's proportional share of the companies' revenues and operating result. Constant exchange rates have been used when translating revenue and EBIT from each company's reporting currency into Swedish kronor.

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



## Financial overview

### Consolidated earnings during the second quarter

The Group's total revenue during the second quarter amounted to SEK 2,160 m, compared with SEK 2,080 m in the preceding year.

The Group's operating profit amounted to SEK 167 m (233). The decrease is primarily attributable to Korsnäs.

The change in fair value of financial assets and dividends received amounted to SEK 2,410 m (1,681), of which SEK 2,385 m (1,664) was related to listed holdings and SEK 25 m (17) to unlisted financial assets.

Net profit amounted to SEK 2,490 m (1,831), corresponding to SEK 8.98 (6.59) per share.

### Consolidated earnings during the first half year

The Group's revenue during the first half year amounted to SEK 4,442 m compared with SEK 4,363 m in the preceding year.

The Group's operating profit amounted to SEK 428 m (437).

The change in fair value of financial assets and dividends received amounted to SEK 2,309 m (8,352), of which SEK 2,312 m (8,305) was related to listed holdings and a loss of SEK 3 m (profit of 47) to unlisted financial assets.

Net profit amounted to SEK 2,539 m (8,665), corresponding to SEK 9.15 (31.21) per share.

### The Group's cash flow and investments

The Group's cash flow from operations excluding change in working capital amounted to SEK 618 m (515) during the first half year. Working capital increased by SEK 256 m (decrease of 94) and is mainly explained by increased inventories within Korsnäs.

Investments in tangible and intangible fixed assets amounted to SEK 315 m (309) during the period, of which SEK 273 m (273) within Korsnäs. Investments in securities during the period are shown in the tables below.

1 Jan-30 June 2011	Financial instrument	Amount (SEK m)
<b>Subsidiaries</b>		
G3 Good Governance Group	shares	143
Other subsidiaries	shares	5
		<b>148</b>
<b>Other securities</b>		
<b>Paper &amp; Packaging</b>		
Bomhus Energi	shares	50
<b>Online</b>		
Avito	shares	62
CDON	shares	48
Rocket Internet with portfolio companies	shares/warrants	367
Other Online investments		24
<b>Microfinancing</b>		
		<b>10</b>
		<b>561</b>

### 1 Jan-30 June 2010

<b>Paper &amp; Packaging</b>		
Bomhus Energi	shares	33
<b>Online</b>		
Rocket Internet with portfolio companies	shares/warrants	373
Avito	capital contribution	79
<b>Microfinancing</b>		
		8
<b>Agriculture</b>		
Black Earth Farming	shares	124
		<b>617</b>

### Business combination

At the end of May, Kinnevik acquired 68% of the shares in G3 Good Governance Group ("G3"), a company that offers emerging market strategic advisory services, for a consideration of GBP 18 m including cash and cash equivalents of GBP 5 m. According to the preliminary purchase price allocation, the transaction gave rise to goodwill of SEK 135 m in Kinnevik's consolidated financial statements. In June, G3 contributed SEK 1 m to consolidated earnings. If G3 had been part of the Kinnevik Group from 1 January, consolidated earnings would have been SEK 8 m higher.

### The Group's liquidity and financing

The Group's available liquidity, including short-term investments and available credit facilities, totalled SEK 7,054 m at 30 June 2011 and SEK 4,923 m at 31 December 2010.

The Group's interest-bearing net debt amounted to SEK 5,024 m and SEK 7,123 m on the same dates. Of the total net debt at 30 June 2011, SEK 4,910 m related to external net debt within Korsnäs or with shares in Korsnäs as collateral.

All loans have fixed interest terms of no longer than three months. The loans carry an interest rate according to Stibor or similar base rate with an average margin of 1.2%. At 30 June 2011, the average remaining duration for all credit facilities amounted to 2.7 years.

Of the Group's interest expenses and other financial costs of SEK 165 m (92), interest expenses amounted to SEK 143 m (83). This means that the average interest rate for the quarter was 3.5% (1.8%) (calculated as interest expense in relation to average interest-bearing liabilities).

The Group's borrowing is primarily arranged in SEK. On an annual basis, the net flow in foreign currencies, excluding dividends received, is a net inflow of about SEK 600 m, comprised mainly of Korsnäs' sales in EUR.

# Book and fair value of assets



Mkr	30 June 2011		Book value 2011 30 June	Fair value 2011 30 June	Fair value 2010 30 June	Fair value 2010 31 Dec	Total return 2011 <sup>6)</sup>
	Equity interest (%)	Voting interest (%)					
<b>Paper &amp; packaging</b>							
Korsnäs Industrial and Forestry	100	100	7 184	10 126 <sup>1)</sup>	9 671 <sup>1)</sup>	9 774 <sup>1)</sup>	
Bergvik Skog <sup>2)</sup>	5	5	577	577	519	556	
Interest bearing net debt relating to Korsnäs			-4 910	-4 910	-5 423	-5 575	
<b>Total Paper &amp; packaging</b>			<b>2 851</b>	<b>5 793</b>	<b>4 767</b>	<b>4 755</b>	
<b>Telecom &amp; services</b>							
Millicom	36.2	36.2	24 953	24 953	24 082	24 309	4%
Tele2	30.5	47.7	16 937	16 937	15 853	18 915	9%
Transcom	22.3	44.5	214	214	392	333	-36%
<b>Total Telecom and services</b>			<b>42 104</b>	<b>42 104</b>	<b>40 327</b>	<b>43 557</b>	
<b>Media</b>							
MTG	20.3	48.6	5 635	5 635	5 809	6 009	-4%
Metro shares	46.6	42.4	258	258	290	285	-10%
Metro warrants <sup>3)</sup>			323	323	388	374	-14%
Metro subordinated debentures			243	298	244	268	
<b>Total Media</b>			<b>6 459</b>	<b>6 514</b>	<b>6 731</b>	<b>6 936</b>	
<b>Online</b>							
Rocket Internet with portfolio companies			1 768	1 768	395	1 407	
Avito (directly and through Vosvik)	52 <sup>4)</sup>	28	336	336	154	274	
CDON	22.6	22.6	578	578	-	420	24%
Other Online investments			122	122	144	95	
<b>Total Online</b>			<b>2 804</b>	<b>2 804</b>	<b>693</b>	<b>2 196</b>	
<b>Microfinancing</b>							
Bayport	37 <sup>5)</sup>	37 <sup>5)</sup>	308	308	153	332	
Other Microfinancing investments			24	24	15	16	
<b>Total Microfinancing</b>			<b>332</b>	<b>332</b>	<b>168</b>	<b>348</b>	
<b>Agriculture</b>							
Black Earth Farming	24.9	24.9	752	752	653	824	-9%
Rolhyvik	100	100	200	250	250	250	
RawAgro	30	30	21	21	30	21	
<b>Total Agriculture</b>			<b>973</b>	<b>1 023</b>	<b>933</b>	<b>1 095</b>	
<b>Renewable energy</b>							
Latgran	75	75	140	263	119	259	
Vireo	75	75	18	18	-	8	
<b>Total renewable energy</b>			<b>158</b>	<b>281</b>	<b>119</b>	<b>267</b>	
Interest bearing net debt against listed holdings			-306	-306	-1 249	-1 706	
Other assets and liabilities			225	225	124	65	
<b>Total equity/net asset value</b>			<b>55 600</b>	<b>58 770</b>	<b>52 613</b>	<b>57 513</b>	
<b>Net asset value per share</b>				<b>212.03</b>	<b>189.83</b>	<b>207.51</b>	
Closing price, class B share				140.40	125.80	137.00	6%

<sup>1)</sup> Consensus among analysts covering Kinnevik.

<sup>2)</sup> Corresponding to 5% of the company's equity.

<sup>3)</sup> Warrants in Metro are valued at fair value and included in change in fair value of listed holdings.

<sup>4)</sup> After full dilution.

<sup>5)</sup> After warrants have been utilised.

<sup>6)</sup> Including dividends received.



## Paper & Packaging

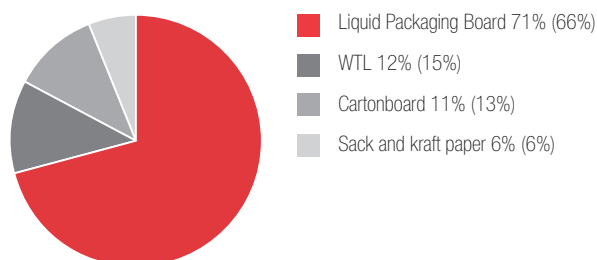
### Korsnäs

Korsnäs, a wholly owned subsidiary of Kinnevik, is the second largest producer in the world of liquid packaging board, the third largest when it comes to white top kraft-liners (WTL) and one of the largest producers of carton-board. The company has two fully integrated mills in Gävle and Frövi and produces CTMP pulp for internal use in Rockhammar. With its vast experience, solid competence and advanced technology, Korsnäs nurtures its ambition to constantly develop and improve its products and services to bring benefit to its customers. Korsnäs Forestry is responsible for purchases of wood and fiber for Korsnäs Industrial and also conducts external sales, primarily of saw logs. Korsnäs also owns 5% of the shares in Bergvik Skog AB.

Key data (SEK m)	Jan-June		April-June	
	2011	2010	2011	2010
<b>Korsnäs Industrial</b>				
Revenue	3 612	3 631	1 738	1 720
EBIT	422	422	168	234
Operating margin	11.7%	11.6%	9.7%	13.6%
<b>Korsnäs Forestry</b>				
Revenue	567	531	306	283
EBIT	20	20	10	9
<b>Korsnäs Group</b>				
Revenue	4 179	4 162	2 044	2 003
EBIT	442	442	178	243
Operating margin	10.6%	10.6%	8.7%	12.1%
Return on operational capital	11.0%	11.4%	8.8%	12.5%
<b>Cash flow data</b>				
EBITDA	745	740	330	393
Change in working capital	-282	108	-223	-17
Cash flow from operations	323	636	44	336
Investments in tangible fixed assets	-273	-273	-176	-144
Production, thousand tons	534	498	256	237
Deliveries, thousand tons	509	521	250	252

### Korsnäs Industrial's sales volume divided per product Jan-June 2011

Numbers in brackets refer to Jan-June 2010.



Korsnäs' operating profit for the first six months of the year amounted to SEK 442 m, the same level as in the year-earlier period. Operating profit for the second quarter was weaker than in the year-earlier period amounting to SEK 178 m, compared with SEK 243 m in the second quarter of 2010. The results for 2010 include strike remuneration of SEK 84 m from the Confederation of Swedish Enterprise as compensation for direct costs resulting from an industrial conflict.

The results for the first six months were negatively impacted by higher costs for wood and chemicals, which were primarily offset by higher sales prices. Energy costs were lower, mainly due to energy investments in Gävle.

The profit decline experienced in the second quarter of 2011, compared with the year-earlier period, was due to lower production and delivery volumes (excluding effects of the strike in 2010), and higher energy costs due to a breakdown of a turbine in Gävle.

The explanatory items are presented in the table below.

Explanation items in changes in EBIT (SEK m)	Jan-June	April-June
EBIT 2010	442	243
Delivery and production volumes and changed product mix	68	35
Sales prices including currency effects	81	50
Cost changes for energy	40	-28
Cost changes for pulpwood and external pulp	-70	-19
Cost changes for chemicals	-21	-6
Strike compensation 2010	-84	-84
Change in fixed costs	-22	-17
Other	8	4
<b>EBIT 2011</b>	<b>442</b>	<b>178</b>

### Market

On the whole, the market for the first six months was at a normal level. Demand leveled off during the first quarter at a relatively high level, to then decline during the second quarter. Compared with the first half of 2010, which was characterized by strong demand, demand was generally lower. Following production problems during the fourth quarter, Korsnäs' inventory levels were low at the beginning of the year, whereby deliveries for the early part of the year were negatively impacted by a shortage of material to deliver.

Deliveries of liquid packing board increased somewhat, while delivery volumes in other product areas were slightly lower compared with the first six months of 2010. The range in each product area continued to be developed toward high-margin prioritized products pursuant to the company's long-term strategy. Price increases were implemented from 1 January 2011, in line with agreements with major liquid-packing-board customers, and price increases were also implemented in other product areas during the first six months of the year.



## Production

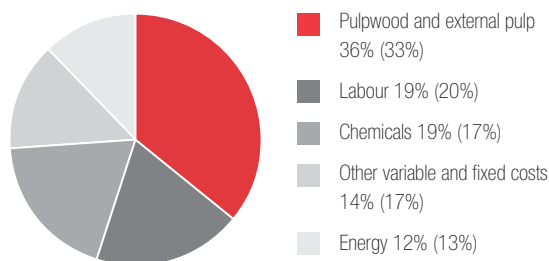
During the first six months of the year, production at Korsnäs Gävle continued as planned, with no major operational problems. Following its annual maintenance shutdown during the second quarter, Korsnäs Frövi experienced some production disruptions, which are estimated to have caused a production loss of slightly more than 10,000 tons of paper and carton products. During the first half of 2010, production was negatively impacted by a production loss of approximately 38,000 tons due to unscheduled operational stoppages in the soda recovery boilers and an industrial conflict.

As a result of energy investments in Gävle, energy costs have been reduced significantly compared with the corresponding period in 2010. The new evaporation facility in Gävle, which came online in May 2010, has decreased oil consumption, well in line with the anticipated savings of 19,000 cubic meters annually. In April, a turbine in Gävle broke down, resulting in an operational stoppage of the turbine, which led to additional costs of approximately SEK 30 m in the second quarter in the form of higher electricity purchases. The turbine is planned to come back on line in late July.

Following the increase in the price of pulpwood on 1 January 2011 by SEK 10-30/m<sup>3</sup>sub, depending on the range and catchment area, the price remained unchanged during the first six months of the year. Additional increases of SEK 10-25/m<sup>3</sup>sub have been announced in the market for the second half year, but not yet implemented. The price increases for pulpwood have a negative impact on Korsnäs' operating profit, subject to a lag of approximately three to six months.

## Distribution of operating costs Jan-June 2011

Excluding depreciation, Korsnäs Industrial. Numbers in brackets refer to Jan-June 2010.



## Investments and maintenance stoppages

The project pertaining to a new bioenergy facility in Korsnäs' industrial area is progressing in cooperation with Gävle Energi AB's jointly owned company, Bomhus Energi AB. The aim of the bioenergy facility is to assure delivery of

eco-friendly electricity and steam to Korsnäs' plant in Gävle from 2013, as well as district heating to Gävle Energi's customers. The work is proceeding as planned and all main components have been procured within the project's budget framework. For Korsnäs, the investment in 50% of the shares and debenture loans in Bomhus will amount to approximately SEK 320 m, of which SEK 115 m was paid during 2010 and SEK 50 m during the first six months of 2011. On top of the investment in Bomhus Energi, Korsnäs will make further energy investments of about SEK 145 m in the existing plant for the delivery of waste heat to Gävle Energi AB, of which SEK 66 m was paid in 2010 and SEK 16 m in the first half of 2011.

During the fourth quarter of 2010, a decision was made to install a third sheet machine in Frövi at a cost of approximately SEK 30 m, of which SEK 18 m was paid during the first six months of 2011. Commissioning is scheduled for October 2011.

At the beginning of July, a judgment was handed down to Korsnäs Gävle from the Land and Environmental Court of the Östersund District Court. With the objective of improving the environment and additionally reducing emissions of TOC (Total Organic Carbon) from the plant in Gävle, Korsnäs will need to invest approximately SEK 200-300 m in 2014 in its external purification facility. Korsnäs is considering appealing the judgment of the Land and Environmental Court.

The annual maintenance shutdowns at the plants in Gävle and Frövi are described in the table below.

Implemented and planned maintenance stoppages	2011	2010
Korsnäs Gävle	Q4: 10 days	Q2: 2 days Q4: 9 days
Korsnäs Frövi	Q2: 8 days	Q2: 11 days



## Telecom & services

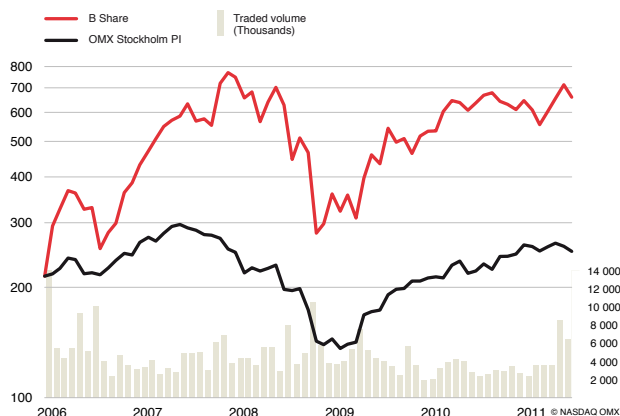
Kinnevik has strong market positions in mobile telephony in Scandinavia, the Baltics, Russia, Latin America and Sub-Saharan Africa through its holdings in Millicom and Tele2. In total, Kinnevik's telecom assets cover a total population of 366 million people and have 74 million subscribers in 24 countries.

### Millicom

Millicom offers affordable and easily accessible mobile telephony services in 13 countries in Latin America and Africa.

Key data (USD m)	Jan-June		April-June	
	2011	2010 <sup>1)</sup>	2011	2010 <sup>1)</sup>
Revenue	2 202	1 931	1 120	977
EBITDA	1 022	915	513	464
Operating profit, EBIT	603	535	293	276
Net profit	405	290	175	134
Number of mobile subscribers (million)	41.3	36.7		

<sup>1)</sup> Pro forma figures to reflect the full consolidation of Honduras



Millicom's underlying local currency revenue growth was 11.0% in Q2, despite an increased investment in advertising and promotions, and the EBITDA margin was 46.2%. In Latin America there was continued momentum in top line and ARPU growth as data services gain scale. In Africa, revenues were up 12% year on year in local currency. Millicom experienced a more stable pricing activity in the African markets in H1 2011 and the company remain focused on maintaining the affordability of Tigo products and services across the region, whilst defending its margins.

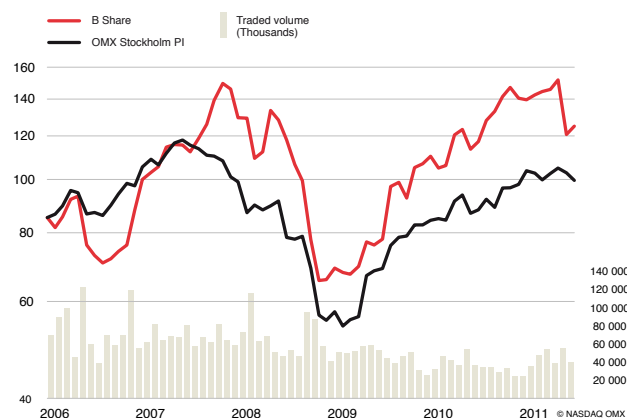
Data now contributes more than 10% of Latin America's recurring revenue and half of the revenue growth for the region. Tigo cash, the domestic money transfer service, was launched in El Salvador in the second quarter and the service is now present in 7 markets.

Millicom continued to make progress in its asset productivity initiatives and has signed new tower deals in Guatemala and Colombia.

### Tele2

Tele2 offers products and services within fixed and mobile telephony, broadband, computer networks and cable TV, with a geographical focus on Russia, Eastern Europe and the Nordics.

Key data (SEK m)	Jan-June		April-June	
	2011	2010	2011	2010
Revenue	19 571	20 066	9 998	10 539
EBITDA	5 168	5 045	2 711	2 687
Operating profit, EBIT	3 378	3 840	1 719	2 294
Net profit	2 334	2 898	1 108	1 649
Number of subscribers (million)	32.3	28.8		



Tele2's net sales amounted to SEK 9,998 m (10,539), corresponding to a growth, less exchange rate movements and one-off items, of 6%. EBITDA was SEK 2,711 m (2,687) m with an EBITDA margin of 27% (27%).

In Russia, the demand for Tele2's services continued to be steady throughout the regions. During the quarter Tele2 added 720,000 new customers and received 6 new GSM licenses in the Far East. EBITDA was positive for the first time in the new regions in Russia.

In Kazakhstan, the Tele2 brand was introduced in 5 major regions and customer intake has increased dramatically. Tele2 is committed to launching all 16 regions by the end of the year.

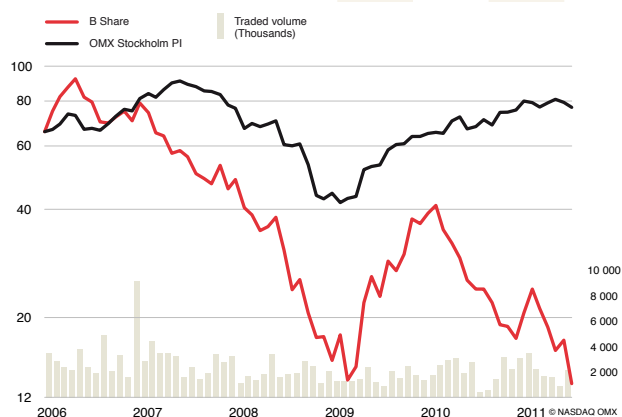
Market share remains important in Sweden. The company has been increasingly successful in building confidence with its customers to switch from prepaid to postpaid by means of more accessible handsets combined with good prices and packaging. Tele2 must continue to fulfill the ever increasing demand for smartphones and data services.



## Transcom

Transcom is active within outsourcing of Customer Relationship Management (CRM) and Credit Management Services. Today the company is employing more than 22,500 people delivering services from 29 countries.

Key data (EUR m)	Jan-June		April-June	
	2011	2010	2011	2010
Revenue	278.4	295.8	134.3	148.8
Operating profit, EBIT	-24.3	8.0	-26.8	3.7
Net profit	-26.0	5.7	-27.9	2.6



Transcom faced particularly challenging business conditions in the second quarter of 2011. Volumes decreased more significantly than had been anticipated at the beginning of the period and Transcom reported revenues of EUR 134.3 m, down by 6.8% compared to last quarter and by 9.7% compared to the same period last year. This development is largely driven by specific challenges in the North America & Asia Pacific and North regions. In June, Transcom announced a new restructuring program which resulted in EUR 24.2 m in restructuring costs and additional non-recurring items affecting the result for the quarter.

In the context of the current performance, Transcom's priorities for the second half of 2011 include the execution of the restructuring and rightsizing program, the ramp-up of new volumes in the North America & Asia Pacific region, and the stabilization of the new delivery model in the North region.

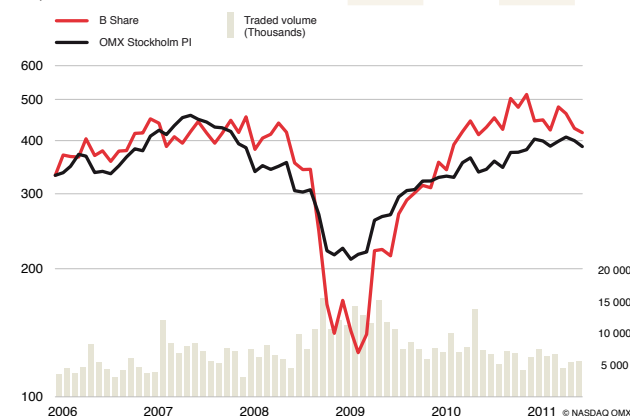
## Media

Kinnevik's media companies have operations in a total of 41 markets and a combined reach of 125 million daily TV viewers in MTG and 17 million daily readers in Metro.

### Modern Times Group MTG

MTG is an international media company with the second largest geographic spread in radio and TV operations in Europe. MTG's free- and pay-TV channels reach more than 125 million people in 31 countries.

Key data (SEK m)	Jan-June		April-June	
	2011	2010	2011	2010
Revenue	6 656	6 467	3 531	3 413
Operating profit, EBIT	1 365	1 182	681	698
Net profit	969	822	479	522



MTG generated 9% year on year sales growth at constant exchange rates in both the quarter and for the first six months of the year, with revenues for each of the four broadcasting segments in the Nordic and emerging markets up year on year.

The Nordic TV advertising markets have continued to grow but recovery in the emerging advertising markets is still lagging. MTG increased target audience shares quarter on quarter in the majority of its operating territories. The Nordic pay-TV platform added subscribers year on year as the virtual operator model continues to work well and premium satellite ARPU levels rise further. Also, the new Viaplay Nordic internet-based video streaming service is gaining momentum. The emerging market satellite platforms and channel businesses are also developing rapidly.





## Metro

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 attracts an audience of over 17 million daily readers.

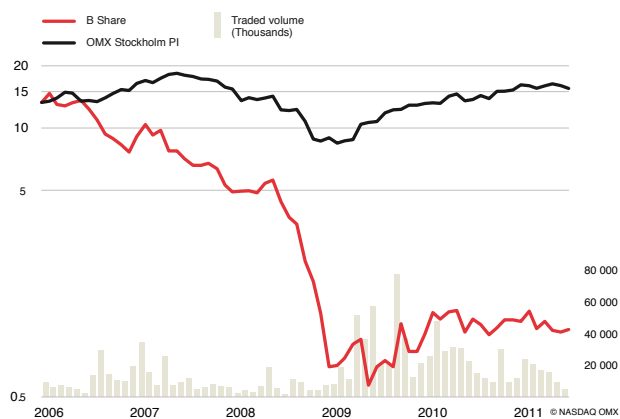
Key data (EUR m)	Jan-June		April-June	
	2011	2010	2011	2010
Revenue	102.7	85.9	55.0	46.8
Operating profit, EBIT	8.5	0.0	6.7	2.6
Net result	1.6	-4.2	2.8	0.5

Information in table above refer to continuing operations.

Metro's Q2 2011 EBIT was EUR 6.7 m for continuing operations. On an operational level, Sweden continued to develop strongly with an EBIT improvement of EUR 1.1 m and a total EBIT of EUR 4.4 m. An additional EUR 1.0 m is contributed by Mexico and SubTV Chile, which were not consolidated in Q2 last year. Higher revenues from Canada also contributed to the improved results.

Sales in emerging markets continue their double digit growth with Chile, Mexico and St Petersburg developing strongly. In Europe, Sweden recorded stable growth, while sales in Denmark and the Netherlands declined.

Going forward Metro remains committed to its profitability targets of positive group EBIT development year-on-year, over 15% EBIT margins in existing operations and double digit group EBIT by 2012.



## Online

Investment (SEK m)	Ownership	Invested amount	Estimated fair value
Rocket Internet with portfolio companies	mixed	1 126	1 768
Avito (directly and through Vosvik)	52%	285	336
CDON	22.6%	416 <sup>1)</sup>	578
Other Online investments	mixed	405	122

<sup>1)</sup> The value of dividend received from MTG when shares distributed and share purchases made thereafter.

Online services are growing strongly and Kinnevik is searching for various types of investments that will benefit from households spending a growing proportion of their time and budget online. The main focus is consumer-oriented services, with relatively proven business concepts. Expansion in consumer-related Internet services is capital-intensive and competition in the market is tough, but at the same time, the growth potential is significant.

In the first six months of 2011, Kinnevik signed agreements committing to invest a total of SEK 1,324 m within Online, including SEK 1,190 m in Rocket Internet with portfolio companies (of which SEK 823 m had yet to be paid at the end of the six month period), SEK 62 m in Avito and SEK 48 m in CDON.

## CDON

CDON group is a leading e-commerce company with some of the most well known and appreciated brands in the Nordic area.

Key data (SEK m)	Jan-June		April-June	
	2011	2010	2011	2010
Revenue	1 261	927	689	458
Operating profit, EBIT	39	66	19	28
Net profit	23	45	10	20

CDON Group's revenues increased by 51% year on year in the quarter, up from a 22% growth in the first quarter of the year, and both quarterly and half year sales were at record levels. All business segments performed well, achieving strong growth whilst remaining profitable. CDON has now added a fourth segment, Home & Garden, which comprises the recently acquired Tretti.com and Rum21.se businesses. Consumer electronics is rapidly replacing the sale of traditional CDs and DVDs as CDON's key entertainment category, and this trend has significantly boosted sales in the second quarter.

## Online – non-listed holdings

Rocket Internet owns a portfolio of various e-commerce companies and other consumer-oriented online companies, including the European shoe and fashion retailer Zalando, online shoe retailing companies in Brazil, Japan and Russia, the group discount company Groupon, the match making site e-Darling and the price comparison site R2.

During the second quarter, Kinnevik signed agree-



ments to make direct investments of a total of SEK 839 m in Rocket's portfolio companies, of which, SEK 16 m was disbursed in the second quarter. The investments comprise a number of new companies, including Wimdu, a consumer-to-consumer travel marketplace for mediating temporary accommodation, Airizu, a Chinese version of Wimdu, and Glossybox, a company that provides services for beauty products. At the marketplaces of Wimdu and its Chinese equivalent Airizu, private individuals can rent out their rooms, apartments or houses to other people needing temporary accommodation for work or leisure. Wimdu has 400 employees in 50 countries and offices in 15 countries spread over all the world's continents.

Investment agreements signed in the second quarter also included additional funds for the e-commerce retailer Zalando to finance continued expansion. Zalando started its operations in Germany in 2009 and over the past 12 months has launched online stores in the Netherlands, France, the United Kingdom, Austria and Italy. The company intends to continue its expansion geographically and through increasing its range of footwear, fashion and accessories.

Avito.ru is the leading online service for classified advertising in Russia. In the seasonally weak second quarter, the company had an average of 2.1 million new classifieds per month (0.9 million for corresponding period last year) and 11.6 (6.1) million unique monthly visitors. The company has during the first half of the year continued to invest to strengthen its leading position. Operations have also been launched in the Ukraine. Revenues primarily derive from advertising sales on the website. In the second quarter, Kinnevik participated in a new issue directed to Avito's existing shareholders, whereby Kinnevik invested SEK 62 m to finance continued growth in Avito.

## Microfinancing

Investment (SEK m)	Ownership	Invested amount	Estimated fair value
Bayport	37%	329	308
Other Microfinancing investments	mixed	31	24

Similar to the manner in which Kinnevik developed telecom services in emerging markets through innovative products and distribution networks, Kinnevik is now searching for investment opportunities in the microfinancing sector.

Bayport, a company offering micro credits and financial services in five African countries (Ghana, Uganda, Zambia, Tanzania and Botswana) as well as in Colombia, is Kinnevik's largest investment in the microfinancing sector. Bayport was founded in 2002 and has grown with profitability into a leading African micro credit company with total assets of around USD 250 m. The company has about 250,000 customers and the product portfolio is continuously expanding, primarily with loans with longer duration. Loans are used primarily for financing larger non-recurrent expenses, such as school fees, investment in farming or for starting smaller companies.

Ghana and Zambia are Bayport's largest markets, while also the other countries are displaying rapid growth. Bayport expanded its operations to Colombia in the first quarter of 2011 through the acquisition of a majority stake in the Colombian payroll deduction company FiMSA.

Microvest II is a fund focusing on equity investments in micro financing companies in emerging markets. The fund has currently four investments, of which two in India, one in Paraguay and one in Peru.



## Agriculture

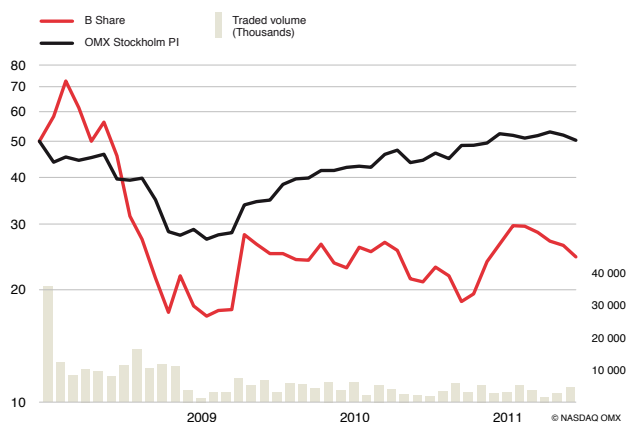
Investment (SEK m)	Ownership	Invested amount	Estimated fair value
Black Earth Farming, Russia	24.9%	659	752
Rolnyvik, Poland	100%	174	250
RawAgro, Ukraine	30%	33	21

Current focus in agriculture is to continue the expansion in less developed areas, where larger acreage can be acquired at relatively low prices and developed to achieve higher productivity.

### Black Earth Farming

Black Earth Farming, with shares listed on NASDAQ OMX Stockholm, is a leading agricultural company with operations in Russia. The company acquires and cultivates agricultural land in the fertile Black Earth region in South-west Russia.

Key data (USD m)	Jan-March		Full year
	2011	2010	2010
Revenue	4.5	14.5	46.9
Operating loss, EBIT	-11.2	-8.6	-31.2
Net loss	-15.8	-9.5	-42.5



Black Earth Farming planted 235 thousand hectares of commercial crops for 2011 which represents a 30% increase compared to the harvest area in 2010. Until the harvest commences, efforts continue to maximize crop yields and put improvements in place for the 2012 season.

A key factor affecting revenues going forward will be crop prices, which have historically been very volatile. BEF has been able to sell forward some of its production of oilseeds and malting barley. The company continues to focus on strengthening management to improve operational performance and manage risk to ensure improved performance going into the second half of 2011.

### Agriculture – non-listed holdings

Kinnevik's wholly owned Polish agricultural company, Rolnyvik, operates the Barciany and Podlawki farms, with a total area of 6,705 hectares. Rolnyvik reported operating profit of SEK 16 (5) m for the first six months of the year.

The improved operating profit was attributable to the storage and sale of a substantial proportion of the preceding year's harvest in the first half of 2011 at the going market rate for grain, which was higher than in 2010.

RawAgro controls about 14,000 hectares of leased farm land in Ukraine.

## Renewable energy

Investment (SEK m)	Ownership	Invested amount	Estimated fair value
Latgran	75%	129	263
Vireo	75%	18	18

Renewable energy production is expected to see substantial growth in coming years, especially in Europe driven by EU commitments to 20% renewable production by 2020. Bioenergy is of strategic interest for Kinnevik given strong European growth expectations in combination with Kinnevik's experience from and activities in agriculture and forestry. The strategy is focused around two core areas – large scale wood pellets production, and local energy production based on biogas and biomass. Central and Eastern Europe is the main geographical focus where operations are conducted in the two companies Latgran and Vireo Energy.

Latgran SEK m	Jan-June		April-June	
	2011	2010	2011	2010
Revenue	161	152	64	55
EBIT	23	28	9	8
Deliveries, thousand tons	145	117	57	43
Production, thousand tons	128	123	67	64

Latgran conducts production of pellets from forest raw materials at the company's two production facilities in Latvia. All production is exported to several major industrial customers in Scandinavia and the rest of Northern Europe. Demand for pellets remained favorable during the first half of the year. Increased costs for raw material and energy, which has not been compensated by price increases on pellets, resulted in a decrease in operating margin down to 14% compared to 18% for the first half of 2010.

The project to construct a third pellets plant in South-east Latvia for approximately EUR 14 m is progressing according to plan. The plant will have a planned annual production of approximately 140,000 tons from its commissioning during the third quarter.

In 2010, Vireo Energy commenced operations aimed at building, owning and operating facilities that produce energy from renewable sources. Initially, the company is focusing primarily on projects to recover energy from landfill gas, and other forms of waste based biogas. Geographic focus is Poland and adjacent countries. Contracts have been signed for the recovery of biogas with a number of landfills in Poland. Vireo are now investing in these facilities and will commence the sale of energy during the second half of the year.



## Parent Company and other

The administration costs within the Parent Company and the Group's other companies amounted to a net expense of SEK 33 m (expense of 31) for the first half of the year after invoicing for services performed.

## 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, Sub-Saharan Africa and Russia.

For a more detailed description of the Company's risks and risk management, refer to the Board of Directors' report and Note 31 of the 2010 Annual Report.

## Accounting principles

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU. This report was prepared in accordance with the Annual Accounts Act and IAS 34, Interim Financial Reporting.

The accounting principles and calculation methods applied in this report are the same as those described in the 2010 Annual Report.

From 2011 the accounting segments consist of Paper & Packaging (Korsnäs), Other operating subsidiaries (former part of New Ventures) and Parent Company and other. The change is further described in Note 1 on page 18.

## Financial reports

Reporting dates for 2011:

20 October      Interim Report January-September  
February 2012    Year-end release 2011

This Interim Report has not been subject to specific review by the Company's auditors.

Kinnevik discloses the information in this interim report pursuant to the Swedish Securities Exchange and Clearing Operations Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication at 8.00 CET on 21 July 2011.

## For further information, please visit [www.kinnevik.se](http://www.kinnevik.se) or contact:

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*Kinnevik was founded in 1936 and thus embodies more than seventy years of entrepreneurship under the same group of principal owners. Kinnevik's objective is to increase shareholder value, primarily through net asset value growth. The company's holdings of growth companies are focused around seven business sectors; Paper & Packaging, Telecom & Services, Media, Online, Microfinancing, Agriculture and Renewable energy.*

*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.*

*The Kinnevik class A and class B shares are listed on NASDAQ OMX Stockholm's list for Large Cap companies within the financial and real estate sector. The ticker codes are KINV A and KINV B.*



The Board of Directors and the CEO certify that this undersigned six month interim report provides a true and fair overview of the Parent Company and Group's operations, financial position and performance for the period, and describes the material risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, 21 July 2011

Cristina Stenbeck  
Chairman of the Board

Tom Boardman  
Member of the Board

Vigo Carlund  
Member of the Board

Dame Amelia Fawcett  
Member of the Board

Geron Forsman  
Member of the Board  
Employee representative

Wilhelm Klingspor  
Member of the Board

Erik Mitteregger  
Member of the Board

Bo Myrberg  
Member of the Board  
Employee representative

Allen Sangines-Krause  
Member of the Board

Mia Brunell Livfors  
CEO



## CONDENSED CONSOLIDATED INCOME STATEMENT (SEK m)

	Note	2011 1 Jan- 30 June	2010 1 Jan- 30 June	2011 1 April- 30 June	2010 1 April- 30 June	2010 Full year
Revenue		4 442	4 363	2 160	2 080	8 593
Cost of goods sold and services		-3 773	-3 789	-1 858	-1 829	-7 315
<b>Gross profit/loss</b>		<b>669</b>	<b>574</b>	<b>302</b>	<b>251</b>	<b>1 278</b>
Selling, administration, research and development costs		-295	-259	-166	-135	-538
Other operating income		61	203	36	144	326
Other operating expenses		-7	-81	-5	-27	-177
<b>Operating profit/loss</b>		<b>428</b>	<b>437</b>	<b>167</b>	<b>233</b>	<b>889</b>
Dividends received	2	4 184	2 689	4 184	2 689	3 105
Change in fair value of financial assets	2	-1 875	5 663	-1 774	-1 008	9 899
Interest income and other financial income		37	35	18	18	60
Interest expenses and other financial expenses		-165	-92	-81	-45	-216
<b>Profit/loss after financial items</b>		<b>2 609</b>	<b>8 732</b>	<b>2 514</b>	<b>1 887</b>	<b>13 737</b>
Taxes		-70	-67	-24	-56	-115
<b>Net profit/loss for the period</b>		<b>2 539</b>	<b>8 665</b>	<b>2 490</b>	<b>1 831</b>	<b>13 622</b>
Of which attributable to:						
Equity holders of the Parent Company		2 537	8 650	2 490	1 827	13 602
Non-controlling interest		2	15	0	4	20
Earnings per share before dilution, SEK		9.15	31.21	8.98	6,59	49,08
Earnings per share after dilution, SEK		9.15	31.20	8.98	6,59	49,05
Average number of shares before dilution		277 166 552	277 158 190	277 170 733	277 158 190	277 158 190
Average number of shares after dilution		277 365 154	277 252 490	277 366 296	277 299 640	277 286 286

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK m)

	2011 1 Jan- 30 June	2010 1 Jan- 30 June	2011 1 April- 30 June	2010 1 April- 30 June	2010 Full year
Net profit/loss for the period	2 539	8 665	2 490	1 831	13 622
<b>Other comprehensive income for the period</b>					
Translation differences	9	-28	17	-13	-50
Cash flow hedging	-74	32	-19	38	97
Actuarial profit/loss	-62	-	-62	-	6
Tax attributable to other comprehensive income	36	-9	22	-10	-27
<b>Total other comprehensive income for the period</b>	<b>-91</b>	<b>-5</b>	<b>-42</b>	<b>15</b>	<b>26</b>
<b>Total comprehensive income for the period</b>	<b>2 448</b>	<b>8 660</b>	<b>2 448</b>	<b>1 846</b>	<b>13 648</b>
Total comprehensive income for the period attributable to:					
Equity holders of the Parent Company	2 446	8 649	2 448	1 844	13 634
Non-controlling interest	2	11	0	2	14



## CONDENSED CONSOLIDATED CASH-FLOW STATEMENT (SEK m)

	2011 1 Jan- 30 June	2010 1 Jan- 30 June	2011 1 April- 30 June	2010 1 April- 30 June	2010 Full year
Operating profit	428	437	167	233	889
Adjustment for non-cash items	293	292	146	160	610
Taxes paid	-103	-214	-44	-56	-301
<b>Cash flow from operations before change in working capital</b>	<b>618</b>	<b>515</b>	<b>269</b>	<b>337</b>	<b>1 198</b>
Change in working capital	-256	94	-248	-52	112
<b>Cash flow from operations</b>	<b>362</b>	<b>609</b>	<b>21</b>	<b>285</b>	<b>1 310</b>
Acquisition of subsidiaries	-148	-	-143	-	-85
Investments in tangible and biological fixed assets	-315	-296	-200	-165	-688
Sales of tangible and biological fixed assets	-	-	-	-	7
Investments in intangible fixed assets	0	-13	0	-6	-29
Investments in shares and other securities	-561	-617	-131	-152	-1 478
Dividends received	4 184	3 029	4 184	2 689	3 029
Changes in loan receivables	9	-	0	-	-63
Interest received	6	14	0	5	23
<b>Cash flow from investing activities</b>	<b>3 175</b>	<b>2 117</b>	<b>3 710</b>	<b>2 371</b>	<b>716</b>
Change in interest-bearing liabilities	-2 054	-1 834	-2 387	-1 778	-1 079
Interest paid	-165	-83	-81	-45	-203
Dividend paid	-1 247	-831	-1 247	-831	-831
<b>Cash flow from financing activities</b>	<b>-3 466</b>	<b>-2 748</b>	<b>-3 715</b>	<b>-2 654</b>	<b>-2 113</b>
<b>Cash flow for the period</b>	<b>71</b>	<b>-22</b>	<b>16</b>	<b>2</b>	<b>-87</b>
Exchange rate differences in liquid funds	0	0	0	0	0
<b>Cash and short-term investments, opening balance</b>	<b>150</b>	<b>237</b>	<b>205</b>	<b>213</b>	<b>237</b>
<b>Cash and short-term investments, closing balance</b>	<b>221</b>	<b>215</b>	<b>221</b>	<b>215</b>	<b>150</b>



## CONDENSED CONSOLIDATED BALANCE SHEET (SEK m)

ASSETS	Note	2011 30 June	2010 30 June	2010 31 Dec
<b>Fixed assets</b>				
Intangible fixed assets		959	849	828
Tangible and biological fixed assets		6 395	6 325	6 385
Financial assets accounted to fair value through profit and loss	3	52 960	48 839	54 324
- <i>whereof interest-bearing</i>		176	206	188
Financial assets held to maturity		243	208	225
Investments in companies accounted for using the equity method		176	44	126
		<b>60 733</b>	<b>56 265</b>	<b>61 888</b>
<b>Current assets</b>				
Inventories		1 936	1 526	1 663
Trade receivables		922	843	829
Tax receivables		0	0	12
Other current assets		325	273	291
Short-term investments		18	6	5
Cash and cash equivalents		203	209	145
		<b>3 404</b>	<b>2 857</b>	<b>2 945</b>
<b>TOTAL ASSETS</b>		<b>64 137</b>	<b>59 122</b>	<b>64 833</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>				
Equity attributable to equity holders of the Parent Company		55 600	49 458	54 398
Equity attributable to non-controlling interest		53	49	27
		<b>55 653</b>	<b>49 507</b>	<b>54 425</b>
<b>Long-term liabilities</b>				
Interest-bearing loans		5 070	6 370	7 081
Provisions for pensions		573	581	542
Other provisions		16	29	26
Deferred tax liability		1 072	1 069	1 107
Other liabilities		4	4	4
		<b>6 735</b>	<b>8 053</b>	<b>8 760</b>
<b>Short-term liabilities</b>				
Interest-bearing loans		21	9	63
Provisions		27	52	39
Trade payables		1 072	917	981
Income tax payable		0	77	24
Other payables		629	507	541
		<b>1 749</b>	<b>1 562</b>	<b>1 648</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>64 137</b>	<b>59 122</b>	<b>64 833</b>





## CONDENSED REPORT OF CHANGES IN EQUITY FOR THE GROUP (SEK m)

	2011 1 Jan- 30 June	2010 1 Jan- 30 June	2011 1 April- 30 June	2010 1 April- 30 June	2010 Full year
<b>Equity, opening balance</b>	<b>54 425</b>	<b>41 675</b>	<b>54 427</b>	<b>48 490</b>	<b>41 675</b>
Total comprehensive income for the period	2 448	8 660	2 448	1 846	13 648
Acquisition from non-controlling interest	-	-	-	-	-71
Business combination, non-controlling interest	22	-	22	-	-
Contribution from non-controlling interest	2	-	2	-	-
Dividend paid	-1 247	-831	-1 247	-831	-831
Effect of employee share saving programme	3	3	1	2	4
<b>Equity, closing amount</b>	<b>55 653</b>	<b>49 507</b>	<b>55 653</b>	<b>49 507</b>	<b>54 425</b>
Equity attributable to the shareholders of the Parent Company	55 600	49 458	55 600	49 458	54 398
Equity attributable to non-controlling interest	53	49	53	49	27

<b>KEY RATIOS</b>	2011 30 June	2010 30 June	2010 31 Dec
Debt/equity ratio	0.10	0.14	0.14
Equity ratio	87%	84%	84%
Net debt	5 024	6 331	7 123

### DEFINITIONS OF KEY RATIOS

Debt/equity ratio	Interest-bearing liabilities including interest-bearing provisions divided by shareholders' equity.
Equity ratio	Shareholders' equity including non-controlling interest as percentage of total assets.
Net debt	Interest-bearing liabilities including interest-bearing provisions less the sum of interest-bearing receivables, short-term investments and cash and bank.
Operating margin	Operating profit after depreciation divided by revenue.
Operational capital employed	Average of intangible and tangible fixed assets, investments in companies accounted for using the equity method, inventories and short-term non-interest bearing receivables less other provisions and short-term non interest bearing liabilities.
Return on operational capital employed	Operating profit after depreciation divided by average operational capital employed.



## NOTES TO THE GROUP'S FINANCIAL STATEMENTS (SEK m)

### Note 1 Condensed segment reporting

Kinnevik is a diversified company whose business consists of managing a portfolio of investments and to conduct operations through subsidiaries. The Kinnevik Group's accounting is, starting from 2011, distributed on the following three accounting segments:

Paper & Packaging - Korsnäs (former Major Unlisted Holdings).

Other operating subsidiaries - Latgran, Rolnyvik, Vireo Energy, Relevant Traffic, Guider Media and Duego Technologies (former subsidiaries within New Ventures) and G3 Good Governance Group.

Parent Company & other - all other companies and financial assets (including change in fair value of financial assets earlier reported within Major Listed Holdings and New Ventures).

This distribution coincides with management's internal structure for controlling and monitoring the Group's operations. The comparative figures have been recalculated.

1 Jan-30 June 2011	Paper & packaging	Other operating subsidiaries	Parent company & other	Eliminations	Total Group
Revenue	4 179	313	12	-62	4 442
Operating costs	-3 476	-290	-51	64	-3 753
Depreciation	-303	-12	0		-315
Other operating income and expenses	42	8	6	-2	54
<b>Operating profit/loss</b>	<b>442</b>	<b>19</b>	<b>-33</b>	<b>0</b>	<b>428</b>
Dividends received	4		4 180		4 184
Change in fair value of financial assets	20		-1 895		-1 875
Financial net	-73	-1	-54		-128
<b>Profit/loss after financial items</b>	<b>393</b>	<b>18</b>	<b>2 198</b>	<b>0</b>	<b>2 609</b>
Investments in subsidiaries and financial fixed assets	50	143	516		709
Investments in tangible fixed assets	273	41	1		315

1 Jan-30 June 2010	Paper & packaging	Other operating subsidiaries	Parent company & other	Eliminations	Total Group
Revenue	4 162	253	12	-64	4 363
Operating costs	-3 537	-224	-44	67	-3 738
Depreciation	-298	-10	-2		-310
Other operating income and expenses	115	7	3	-3	122
<b>Operating profit/loss</b>	<b>442</b>	<b>26</b>	<b>-31</b>	<b>0</b>	<b>437</b>
Dividends received	4		2 685		2 689
Change in fair value of financial assets	27		5 636		5 663
Financial net	-38	7	-26		-57
<b>Profit/loss after financial items</b>	<b>435</b>	<b>33</b>	<b>8 264</b>	<b>0</b>	<b>8 732</b>
Investments in financial fixed assets	33		584		617
Investments in intangible fixed assets		13			13
Investments in tangible fixed assets	273	22	1		296



1 Apr-30 June 2011	Paper & packaging	Other operating subsidiaries	Parent company & other	Eliminations	Total Group
Revenue	2 044	144	6	-34	2 160
Operating costs	-1 735	-140	-27	36	-1 866
Depreciation	-152	-6	0	0	-158
Other operating income and expenses	21	4	8	-2	31
<b>Operating profit/loss</b>	<b>178</b>	<b>2</b>	<b>-13</b>	<b>0</b>	<b>167</b>
Dividends received	4		4 180		4 184
Change in fair value of financial assets	7		-1 781		-1 774
Financial net	-33	0	-30		-63
<b>Profit/loss after financial items</b>	<b>156</b>	<b>2</b>	<b>2 356</b>	<b>0</b>	<b>2 514</b>
Investments in subsidiaries and financial fixed assets	50	143	81		274
Investments in tangible fixed assets	176	23	1		200

1 Apr-30 June 2010	Paper & packaging	Other operating subsidiaries	Parent company & other	Eliminations	Total Group
Revenue	2 003	103	9	-35	2 080
Operating costs	-1 725	-96	-25	38	-1 808
Depreciation	-150	-5	-1		-156
Other operating income and expenses	115	3	2	-3	117
<b>Operating profit/loss</b>	<b>243</b>	<b>5</b>	<b>-15</b>	<b>0</b>	<b>233</b>
Dividends received	4		2 685		2 689
Change in fair value of financial assets	13		-1 021		-1 008
Financial net	-18	4	-13		-27
<b>Profit/loss after financial items</b>	<b>242</b>	<b>9</b>	<b>1 636</b>	<b>0</b>	<b>1 887</b>
Investments in financial fixed assets			152		152
Investments in intangible fixed assets		6			6
Investments in tangible fixed assets	144	20	1		165



<b>1 Jan-31 Dec 2010</b>	<b>Paper &amp; packaging</b>	<b>Other operating subsidiaries</b>	<b>Parent company &amp; other</b>	<b>Eliminations</b>	<b>Total Group</b>
Revenue	8 178	508	25	-118	8 593
Operating costs	-6 803	-459	-91	125	-7 228
Depreciation	-602	-22	-1		-625
Other operating income and expenses	153	-17	20	-7	149
<b>Operating profit/loss</b>	<b>926</b>	<b>10</b>	<b>-47</b>	<b>0</b>	<b>889</b>
Dividend received	4		3 101		3 105
Change in fair value of financial assets	64		9 835		9 899
Financial net	-116	-1	-39		-156
<b>Profit/loss after financial items</b>	<b>878</b>	<b>9</b>	<b>12 850</b>	<b>0</b>	<b>13 737</b>
Investments in subsidiaries and financial fixed assets	115		1 448		1 563
Investments in intangible fixed assets		29			29
Investments in tangible fixed assets	604	82	2		688
Impairment of goodwill		-34			-34



Note 2 Change in fair value of financial assets and dividends received

	2011 1 Jan- 30 June	2010 1 Jan- 30 June	2011 1 April- 30 June	2010 1 April- 30 June	2010 Full year
<b>Listed holdings</b>					
Millicom	1 063	5 734	2 539	1 610	5 961
Tele2	1 680	1 714	840	318	4 776
Transcom	-119	-245	-93	-132	-304
MTG	-273	1 079	-743	212	1 695
Metro shares	-27	47	-25	-27	42
Metro warrants	-50	42	-64	-144	28
CDON	110	0	65	0	4
Black Earth Farming	-72	-66	-134	-173	105
<b>Total listed holdings</b>	<b>2 312</b>	<b>8 305</b>	<b>2 385</b>	<b>1 664</b>	<b>12 307</b>
<b>Unlisted holdings</b>					
Paper & packaging	24	31	11	17	68
Online	-2	0	14	0	636
Microfinancing	-25	16	0	0	1
Agriculture	0	0	0	0	-8
<b>Total unlisted holdings</b>	<b>-3</b>	<b>47</b>	<b>25</b>	<b>17</b>	<b>697</b>
<b>Total</b>	<b>2 309</b>	<b>8 352</b>	<b>2 410</b>	<b>1 681</b>	<b>13 004</b>

Note 3 Financial assets accounted at fair value through profit and loss

	30 June 2011		2011 30 June	2010 30 June	2010 31 Dec
	Class A shares	Class B shares			
<b>Listed holdings</b>					
Millicom	37 835 438		24 953	24 082	24 309
Tele2	18 507 492	116 988 645	16 937	15 853	18 915
Transcom	16 339 448		214	392	333
MTG	5 199 491	8 304 365	5 635	5 809	6 009
Metro shares	112 122 875	133 798 591	258	290	285
Metro warrants, 717 715 821			323	388	374
CDON	15 003 856		578	-	420
Black Earth Farming	31 087 097		752	653	824
<b>Total listed holdings</b>			<b>49 650</b>	<b>47 467</b>	<b>51 469</b>
<b>Unlisted holdings</b>					
Paper & packaging			581	524	561
Online			2 156	609	1 708
Microfinancing			332	170	348
Agriculture			24	33	24
Parent Company & other			217	36	214
<b>Total unlisted holdings</b>			<b>3 310</b>	<b>1 372</b>	<b>2 855</b>
<b>Total</b>			<b>52 960</b>	<b>48 839</b>	<b>54 324</b>



## FINANCIAL KEY RATIOS MAJOR UNLISTED HOLDINGS (SEK m)

	2011 Q2	2011 Q1	2010 Full year	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 Full year	2009 Q4	2009 Q3	2009 Q2	2009 Q1
<b>Revenue</b>												
Korsnäs Industrial	1 738	1 874	7 148	1 751	1 766	1 720	1 911	7 098	1 757	1 730	1 823	1 788
Korsnäs Forestry	306	261	1 030	247	252	283	248	941	264	185	317	175
Total Korsnäs	2 044	2 135	8 178	1 998	2 018	2 003	2 159	8 039	2 021	1 915	2 140	1 963
<b>Operating profit before depreciation (EBITDA)</b>												
Korsnäs Industrial	317	404	1 476	257	502	383	334	1 430	381	464	318	267
Korsnäs Forestry	13	11	52	12	17	10	13	32	13	8	4	7
Total Korsnäs	330	415	1 528	269	519	393	347	1 462	394	472	322	274
<b>Operating profit after depreciation (EBIT)</b>												
Korsnäs Industrial	168	254	879	105	352	234	188	826	231	315	165	115
Korsnäs Forestry	10	10	47	11	16	9	11	25	11	7	2	5
Total Korsnäs	178	264	926	116	368	243	199	851	242	322	167	120
<b>Operating margin</b>												
Korsnäs Industrial	9.7%	13.6%	12.3%	6.0%	19.9%	13.6%	9.8%	11.6%	13.1%	18.2%	9.1%	6.4%
Korsnäs Forestry	3.3%	3.8%	4.6%	4.5%	6.3%	3.2%	4.4%	2.7%	4.2%	3.8%	0.6%	2.9%
Korsnäs	8.7%	12.4%	11.3%	5.8%	18.2%	12.1%	9.2%	10.6%	12.0%	16.8%	7.8%	6.1%
<b>Operational capital employed</b>												
Korsnäs Industrial	7 653	7 678	7 457	7 545	7 423	7 392	7 402	7 411	7 332	7 345	7 443	7 476
Korsnäs Forestry	422	306	352	337	343	369	353	438	389	449	449	471
Total Korsnäs	8 075	7 984	7 809	7 882	7 766	7 761	7 755	7 849	7 721	7 794	7 892	7 947
<b>Return on operational capital employed</b>												
Korsnäs Industrial	8.8%	13.2%	11.8%	5.6%	19.0%	12.7%	10.2%	11.1%	12.6%	17.2%	8.9%	6.2%
Korsnäs Forestry	9.5%	13.1%	13.4%	13.1%	18.7%	9.8%	12.5%	5.7%	11.3%	6.2%	1.8%	4.2%
Korsnäs	8.8%	13.2%	11.9%	5.9%	19.0%	12.5%	10.3%	10.8%	12.5%	16.5%	8.5%	6.0%
Production, thousand tons	256	278	1 019	243	278	237	261	1 025	261	268	253	243
Deliveries, thousand tons	250	259	1 021	241	259	252	269	1 034	253	255	271	255



## CONDENSED PARENT COMPANY INCOME STATEMENT (SEK m)

	2011 1 Jan- 30 June	2010 1 jan- 30 June	2011 1 April- 30 June	2010 1 April- 30 June	2010 Full year
Revenue	9	10	5	5	19
Administration costs	-46	-39	-27	-21	-83
Other operating income	1	3	0	2	4
<b>Operating loss</b>	<b>-36</b>	<b>-26</b>	<b>-22</b>	<b>-14</b>	<b>-60</b>
Dividends received	3 483	1 140	3 483	1 140	1 445
Result from financial assets	0	12	0	12	531
Net interest income/expense	165	210	85	118	405
<b>Profit/loss after financial items</b>	<b>3 612</b>	<b>1 336</b>	<b>3 546</b>	<b>1 256</b>	<b>2 321</b>
Taxes	-34	-20	-17	-27	-57
<b>Net profit/loss for the period</b>	<b>3 578</b>	<b>1 316</b>	<b>3 529</b>	<b>1 229</b>	<b>2 264</b>

## CONDENSED PARENT COMPANY BALANCE SHEET (SEK m)

	2011 30 June	2010 30 June	2010 31 Dec
<b>ASSETS</b>			
Tangible fixed assets	2	2	2
Financial fixed assets	43 211	41 841	42 545
Short-term receivables	22	136	551
Cash and cash equivalents	1	16	1
<b>TOTAL ASSETS</b>	<b>43 236</b>	<b>41 995</b>	<b>43 099</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Equity	39 304	36 226	36 972
Provisions	32	41	36
Long-term liabilities	3 795	5 641	5 216
Short-term liabilities	105	87	875
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>43 236</b>	<b>41 995</b>	<b>43 099</b>

The Parent Company's liquidity, including short-term investments and unutilized credit facilities, totalled SEK 6,068 m at 30 June 2011 and SEK 4,051 m at 31 December 2010. The Parent Company's interest bearing external liabilities amounted to SEK 542 m (2,551) on the same dates.

Investments in tangible fixed assets amounted to SEK 1 m (1) during the period.

As of 30 June 2011 the number of shares in Investment AB Kinnevik amounted to 277,583,190 shares of which 48,665,324 are class A shares with ten votes each, 228,517,952 are class B shares with one vote each and 399,914 are class C treasury shares with one vote each. During May, 25,086 class C shares were converted to class B shares and delivered to the participants in the Long Term Incentive Plan for 2008. The total number of votes in the Company amounted at 30 June to 715,571,106 (715,171,192 excluding 399,914 class C treasury shares). The Board has authorization to re-purchase a maximum of 10% of all shares in the Company. The Board has not used the authorization during the first half year 2011. There are no convertibles or warrants in issue.