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Financial results for the third quarter

- The market value of the Group's securities in Major Listed Holdings decreased by SEK 247 million to SEK 44,520 million.
- Korsnäs' revenue amounted to SEK 1,769 million (1,806).
- Operating profit for Korsnäs increased to SEK 318 million (300).
- The Group's total revenue amounted to SEK 1,806 million (1,831) and operating profit was SEK 313 million (299).
- Net result after tax, including changes in fair value of financial assets, amounted to a loss of SEK 89 million (loss of 1,335).
- The loss per share was SEK 0.34 (loss of 5.06).

Financial results for the first nine months of the year

- The market value of the Group's securities in Major Listed Holdings increased by 23% to SEK 44,520 million.
- Korsnäs' revenue increased by 5% to SEK 5,698 million (SEK 5,412 million pro forma including Frövi).
- Operating profit for Korsnäs increased to SEK 825 million (SEK 787 million pro forma).
- The Group's total revenue amounted to SEK 5,800 million (4,538) and operating profit was SEK 865 million (602).
- Profit after tax, including changes in fair value of financial assets, amounted to SEK 9,141 million (2,357).
- The profit per share was SEK 34.63 (8.92).

Events during the third quarter

- The Group increased its ownership in Black Earth Farming from 22% to 25%.
- The Group invested USD 14 million in the African company Bayport.

TOTAL RETURN

During the last 30 years, the Kinnevik share has generated an average total return of 21% annually as a result of rising share prices and dividends, including the value of subscription offers. During the past five years, the corresponding figure is 57%. The calculation of the total return is based on the assumption that shareholders retained their allotment of shares in Tele2 AB ("Tele2"), Modern Times Group MTG AB ("MTG"), Metro International S.A. ("Metro") and Transcom WorldWide S.A. ("Transcom").

BUSINESS AREA STRUCTURE

From the second quarter of 2007, Kinnevik reports its operations in the following three comprehensive business areas:

Major Unlisted Holdings, which comprises Korsnäs.

Major Listed Holdings, which comprises Millicom International Cellular S.A. ("Millicom"), Tele2, MTG, Metro and Transcom.

New Ventures, which are described in the table on page 8 and the ensuing text.

The Parent company and other group companies are reported under **Parent Company and Other**.

For comments on the result for the period, refer to each business area.

THE GROUP'S CASH FLOW AND INVESTMENTS

The Group's cash flow from current operations amounted to SEK 868 million (1,001) for the first nine months of the year, of which changes in working capital amounted to a negative of SEK 221 million (positive 82). Of the year's negative changes, SEK 215 million represents changes in inventories, which is primarily due to a stock compilation within Korsnäs for the planned one-week maintenance stop during the beginning of the fourth quarter. Cash flow from operations was also negatively affected by SEK 89 million pertaining to payments for provisions made in previous years.

Received payment for the sale of the Swedish farm Ullevi (Agrovik AB) amounted to SEK 81 million including transfer of bank loans amounting to SEK 25 million.

Investments in tangible fixed assets amounted to SEK 232 million (137) during the period.

KINNEVIK'S PROPORTIONAL PART OF REVENUE AND OPERATING RESULT IN ITS HOLDINGS

Jan-Sept 2007	Equity interest	Reported		Proportional part of		Change compared to Jan-Sept 2006	
		revenue	EBIT ¹⁾	revenue	EBIT	revenue	EBIT
Korsnäs	100.0%	5 698	825	5 698	825	27%	30%
Millicom	37.4%	12 802	3 499	4 788	1 309	80%	62%
Tele2	28.2%	32 967	1 890	9 297	533	3%	16%
MTG	14.8%	8 083	1 416	1 196	210	12%	6%
Metro	44.1%	2 159	-172	952	-76	7%	-517%
Transcom	17.3%	3 987	232	690	40	9%	-7%
New Ventures	-	222	-93	109	-2	72%	562%
Total sum of Kinnevik's proportional part of revenue and operating result				22 729	2 838	21%	31%

¹⁾ Excluding one-off charges of SEK 483 million (2,410) in Tele2.

The table above is a compilation of the holdings' revenues and operating result reported for the first nine months of 2007.

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.

Investments in and sales of financial fixed assets are shown in the tables below.

Investments in securities

	Number	Amount (SEK million)
1 Jan - 30 Sep 2007		
Bayport		91
Black Earth Farming Ltd	4 900 000	154
Gateway TV		89
Kontakt East Holding AB	136 975	4
Other		11
		349

1 Jan - 30 Sep 2006		
Black Earth Farming Ltd	9 120 000	106
Relevant Traffic Europe AB		28
		134

Sales of securities

	Number	Amount (SEK million)
1 Jan - 30 Sep 2007		
Invik & Co. AB	4 519 230	1 089
Phonera AB	4 357 952	6
		1 095

1 Jan - 30 Sep 2006		
Phonera AB	1 615 000	3
		3

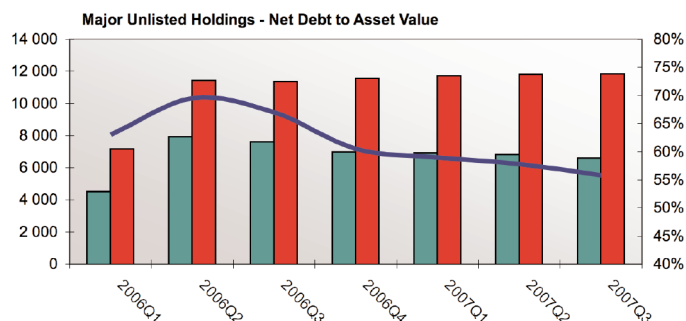
THE GROUP'S FINANCIAL POSITION

The Group's available liquidity, including short-term investments and unutilized credit facilities, totalled SEK 2,016 million at 30 September 2007 and SEK 929 million at 31 December 2006.

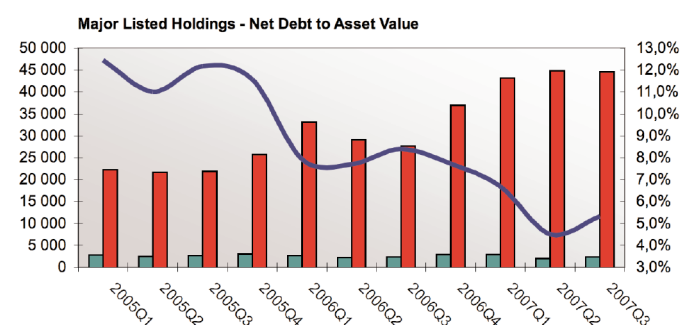
The Group's interest-bearing net debt amounted to SEK 8,890 million at 30 September 2007 and SEK 9,856 million at 31 December 2006. Of the total net debt at 30 September, SEK 6,616 million pertained to external net debt within Korsnäs or with shares in Korsnäs as collateral, and SEK 2,366 million of the net debt was pledged by shares within Major Listed Holdings.

The net debt in relation to the market value of assets within Major Unlisted Holdings and Major Listed Holdings has developed according to the charts below.

(SEK million)



(SEK million)



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 0.6%. Of the Group's interest expenses and other financial costs of SEK 347 million (250), interest expenses amounted to SEK 330 million (236) and exchange rate differences was a negative SEK 6 million (negative 2). This means that the average interest cost for the first nine months of the year was 4.4% (2.9) (calculated as interest expense in relation to average interest-bearing liabilities). The higher interest costs were primarily due to increased borrowing in connection with the acquisition of Frövi on 1 June 2006 and the higher level of interest rates.

At 30 September, the average remaining duration for all credit facilities amounted to 2.9 years. 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 1,000 million, comprised mainly of Korsnäs' sales in Euro.

BOOK AND FAIR VALUE OF ASSETS

	Class A shares	Class B shares	Equity interest (%)	Voting interest (%)	Book value 30 Sept 2007 (SEK m)	Fair value 30 Sept 2007 (SEK m)	Change in stock price since 31 Dec 2006 ¹⁾
Major Unlisted Holdings							
Korsnäs Industrial and Forestry ²⁾			100	100	6 481	11 662 ³⁾	
Bergvik Skog			5	5	286	286	
Interest bearing net debt relating to Korsnäs					-6 616	-6 616	
Total Major Unlisted Holdings					151	5 332	
Major Listed Holdings							
Millicom	37 835 438		37.4	37.4	20 847	20 847	28%
Tele2	25 830 229	99 651 296	28.2	45.3	17 410	17 410	41%
MTG	9 676 943	258 068	14.8	47.5	4 133	4 133	-6%
Metro	103 408 698	129 138 208	44.1	39.2	1 535	1 535	-27%
Transcom	12 627 543		17.3	34.6	595	595	-40%
Interest bearing net debt relating to Major Listed Holdings					-2 366	-2 366	
Total Major Listed Holdings					42 154	42 154	
New Ventures							
Rolnyvik			100	100	168	250 ⁴⁾	
Black Earth Farming		21 680 800	25	25	338	704 ⁵⁾	
Sia Latgran			51	51	115	130 ⁴⁾	
Relevant Traffic			36	36	20	40 ⁴⁾	
Kontakt East		1 506 975	19	19	54	54	-20%
Gateway TV			11	-	84	84 ⁴⁾	
Bayport					88	88 ⁴⁾	
Interest bearing net debt relating to New Ventures					-80	-80	
Total New Ventures					787	1 270	
Other assets and liabilities					68	0	
Total equity/net asset value					43 160	48 756	
Net asset value per share, SEK						184.3	
Closing price class B share 30 September 2007, SEK						135.0	
Net asset value discount						27%	

¹⁾ Including dividends received.

²⁾ Including 41% of the shares in Karskär Energi.

³⁾ Consensus among analysts covering Kinnevik.

⁴⁾ Estimated value.

⁵⁾ Based on unofficial trading in the share.

MAJOR UNLISTED HOLDINGS – KORSNÄS

Korsnäs and its subsidiaries conduct operations in the production of virgin fiber-based packaging material mainly for consumer products at the two mills in Gävle and Frövi. Korsnäs also owns 5% of the shares in Bergvik Skog and 41% of the shares in Karskär Energi.

Korsnäs revenue and result for the first nine months of the year and for the third quarter amounted to:

(SEK million)	Jan-Sept		July-Sept	
	2007	2006 ¹⁾	2007	2006 ¹⁾
Revenue	5 698	5 412	1 769	1 806
EBITDA	1 288	1 251	473	456
Operating profit (EBIT)	825	787	318	307

¹⁾ 2006 pro forma including Frövi, excluding Korsnäs Packaging.

Korsnäs Industrial

The economic upswing that characterized 2006 has continued in 2007. Delivery volumes for paper, pulp and board products rose by 4% during the first nine months of the year to 821 thousand tons, compared with the corresponding period in the preceding year. Excluding fluff pulp (production was discontinued in April 2006), the increase in sales of remaining product areas amounted to 6%.

Demand for liquid packaging board, which represents approximately 65% of total sales volume, continued to be strong, and Korsnäs increased its deliveries during the first nine months of the year, compared with the corresponding period in 2006. Prices have been stable.

The market for White Top Liner, which represents approximately 15% of total sales volume, is stable and Korsnäs has a strong market position with high volumes to the main markets in Europe. The Packaging Board product area, which represents approximately 10% of total sales volume, continued to develop positively and delivery volumes increased by 16% compared with the first nine months of 2006. The market introduction of the new product "Frövi White" is proceeding according to plan. In line with Korsnäs' strategy sales of totally bleached sack and kraft paper has increased by 34% compared with the first nine months of 2006. Korsnäs has implemented price increases for all these product groups during the year.

Total production during the first nine months of the year amounted to 826 thousand tons, which is 1% more as in the corresponding period in 2006.

To strengthen Korsnäs' position in the market, investments during recent years have mainly been focused on improved product properties. In total, approximately SEK 800 million has been invested in Board Machine 5 in Frövi and Paper Machine 2 and 4 in Gävle.

A comprehensive program of integration was initi-

ated in conjunction with the acquisition of Frövi in May 2006. The work, which is proceeding according to plan, is intended to achieve improved results primarily within production, purchasing, administration and other support functions. Throughout the program, Korsnäs has raised its target levels and revised its goals for earnings improvements, which are now in the range of SEK 200 million during 2008 and are expected to increase further from 2009. The improvement program had a positive effect of about SEK 55 million on earnings during the first nine months of 2007 and is estimated to have a positive effect of about SEK 80 million on the result for the full year 2007.

Korsnäs Industrial's revenues during the first nine months of the year amounted to SEK 5,053 million, an increase of 4% compared with pro forma SEK 4,881 million during the first nine months of the preceding year. The operating profit amounted to SEK 739 million, compared with pro forma SEK 768 million for the first nine months of 2006. The profit for the first nine months of 2007 includes positive one-off items of approximately SEK 35 million. Costs for pulpwood, which have increased and now represent close to 40% of the operating costs excluding depreciation, had a negative impact on revenue by approximately SEK 230 million compared with pro forma for the first nine months of 2006.

Prices for pulpwood have increased further in the Swedish market and for imported volumes. The negative influence on Korsnäs' earnings from these price increases will for the fourth quarter exceed the effect on earnings for each of the previous quarters. The announced increases of sales prices on parts of the product assortment are not expected to compensate for higher pulpwood prices. Furthermore, costs in conjunction with the annual one-week maintenance stop in Gävle and Frövi will, as in the preceding year, be charged against earnings in the fourth quarter. Maintenance costs in connection with the stoppage are estimated to be in line with the preceding year and amount to approximately SEK 100 million. In addition to maintenance costs, earnings in the fourth quarter will also be charged with the effect of lower production, compared with other quarters due to the maintenance stop.

Korsnäs Forestry

Timber prices increased during the entire reporting period and are now at record-high levels. The inventory levels of both softwood and hardwood pulp were previously at a low level but have now stabilized.

Korsnäs Forestry's revenues during the first nine months of the year amounted to SEK 1,630 million (1,354), of which internal sales to Korsnäs Industrial amounted to SEK 985 million (823). Operating profit amounted to SEK 86 million (19). The improved oper-

ating profit was partly attributable to the capital gain of SEK 26 million pertaining to the sale of land, and partly attributable to the favorable market situation mainly within the Latvian forestry operation and to a certain extent is the temporary effect due to stock on hand that was purchased at earlier applicable prices and procurement agreements signed earlier.

MAJOR LISTED HOLDINGS

The market value of the Group's securities in remaining Major Listed Holdings increased by 23% during the first nine months of the year, corresponding to SEK 8,366 million, including dividends received. On 30 September 2007, the market value of the Major Listed Holdings was SEK 44,520 million (SEK 27,319 million 30 September 2006). On 24 October 2007 the market value of the Major Listed Holdings was SEK 48,311 million. The changes in value is shown in the consolidated income statement; refer to table on page 19 for split per holding.

On 26 April, Kinnevik signed an agreement to sell all its shares in Invik & Co. AB ("Invik") for a total consideration of SEK 1,089 million, corresponding to SEK 253 for each class A share and SEK 230 for each class B share. The change in market value of the sold shares in Invik was SEK 407 million during 2007, which include a difference of SEK 251 million between market value at 31 March and the sales proceeds.

Dividends received from Major Listed Holdings totalled SEK 304 million (485), of which SEK 230 million (220) were received from Tele2, SEK 74 million (225) from MTG and SEK 0 million (40) from Transcom.

Millicom

The market value of Kinnevik's shareholding in Millicom amounted to SEK 20,847 million on 30 September 2007 (SEK 11,294 million 30 September 2006). Millicom's shares are listed on NASDAQ in New York and is included in NASDAQ 100 and the Stockholm Stock Exchange's Nordic list for large-cap companies in the telecommunications services sector.

Millicom offers affordable and easily accessible mobile telephone services to all market segments in 16 countries in Latin America, Africa and Asia, which combined represent an overall market of 287 million people. All Millicom's 16 operations now feature GSM networks.

On 30 September 2007, Millicom had 20.0 million (11.3 million 30 September 2006) subscribers in countries where the company has continued operations, which is an increase of 77% since 30 September 2006.

During the first quarter Millicom sold its 89% stake in Paktel, Pakistan, to China Mobile Communications Corporation for an enterprise value on the entire divested company of USD 460 million. Millicom's net

gain on the sale was USD 258 million.

Millicom's revenue and result for the first nine months of the year, excluding the sale of Paktel, amounted to:

(USD million)	Jan-Sept	
	2007	2006
Revenue	1 862	1 032
EBITDA	807	488
Operating profit EBIT	509	314

Tele2

The market value of Kinnevik's shareholding in Tele2 amounted to SEK 17,410 million on 30 September 2007 (SEK 9,286 million 30 September 2006). Tele2's shares are listed on the Stockholm Stock Exchange's Nordic list for large-cap companies in the telecommunications services sector.

Tele2 offers products and services in fixed and mobile telephony, broadband and cable TV to 25 million customers in 17 countries. Ever since Tele2 was founded in 1993, the company has been a tough challenger to the former government telecom monopolies. During the past two years Tele2 has transitioned from a reseller based business model towards an infrastructure based business model. Going forward, Tele2 will be a more focused company concentrating the geographic footprint towards Eastern Europe and the Nordic region. As a phase in the strategy, the company signed a number of agreements during the first nine months to divest parts of its operations.

In May, an agreement was signed to divest the Danish operation, including mobile telephony, fixed telephony and broadband for SEK 1,025 million.

In the end of June an agreement was reached to divest the Portuguese operation, including fixed telephony and broadband for slightly more than SEK 160 million and at the beginning of July, Tele2 announced that it had signed an agreement to divest its Hungarian operation.

In July, Tele2 also received EU approval on the sale of their French broadband and fixed line operations to SFR.

In August, Tele2 signed a 10-year national roaming agreement with Vimpelcom. In connection with the signing of this agreement, Tele2 agreed to sell its operation in the Russian region of Irkutsk to Vimpelcom for SEK 1.6 billion in cash on a debt and cash free basis.

In September, Tele2 Norway AS and Network Norway AS entered into an agreement to build the third mobile network in Norway via a 50/50 owned network company AMI AS, AMI being the owner of a GSM 900 license.

In the beginning of October, Tele2 announced that it has signed an agreement to sell its Italian and

Spanish operations for SEK 7.1 billion on a debt and cash free basis. Completion is expected following approval from the relevant regulatory authorities. It was further announced that Tele2 sold its Austrian MVNO for approximately SEK 65 million on a cash and debt free basis.

Tele2's revenue and result for the first nine months of the year amounted to:

(SEK million)	Jan-Sept	
	2007	2006
Revenue	32 967	31 946
EBITDA	5 147	4 263
Operating profit EBIT ¹⁾	1 890	1 629

¹⁾Excluding one-off charges of SEK 483 million (2 410).

MTG

The market value of Kinnevik's shareholding in MTG amounted to SEK 4,133 million on 30 September 2007 (SEK 3,760 million 30 September 2006). MTG's shares are listed on the Stockholm Stock Exchange's Nordic list for large-cap companies in the consumer discretionary sector.

MTG is a leading international media company with operations in more than 30 countries. MTG is the largest free and pay-TV operator in the Nordic region and the Baltic States, the largest shareholder in Russia's largest independent TV channel and the number one commercial radio operator in the Nordic region.

Viasat Broadcasting's satellite TV-platform offers digital, multi-channel packages with a total of 50 proprietary channels and third-party channels. Viasat's TV channels reach 100 million people each day in 26 countries around Europe.

In September, MTG announced that it had signed a partnership agreement with Strong Media Group Ltd. (SMG) to launch the first digital premium DTH satellite TV operator in Ukraine. Viasat will now provide DTH satellite TV services in a total of eight countries, of which Ukraine is by far the largest in population terms.

In September MTG further announced that it has launched a share buyback programme in line with the Board of Director's decision to utilize the share buyback mandate provided by the 2007 Annual General Meeting of shareholders.

MTG's revenue and result for the first nine months of the year amounted to:

(SEK million)	Jan-Sept	
	2007	2006
Revenue	8 083	7 219
Operating profit EBIT	1 416	1 342

Metro

The market value of Kinnevik's shareholding in Metro amounted to SEK 1,535 million on 30 September 2007

(SEK 2,070 million 30 September 2006). Metro's shares are listed on the Stockholm Stock Exchange's Nordic list for mid-cap companies in the consumer discretionary sector.

Metro is published in over 100 major cities in more than 20 countries across Europe, North and South America, and Asia. The newspapers are distributed free of charge and revenue is generated primarily through advertising sales.

In July, the Board of Directors of Metro appointed a new CEO, Per Mikael Jensen, who will take up the post on 1 November. Per Mikael Jensen was previously head of Danish TV 2 and before that Global Editor at Metro.

In October, the Board of Directors of Metro announced that it is conducting a strategic review with the aim of identifying core markets where Metro should continue to invest and build a stronger market position. The strategic review will include actions to strengthen core markets as well as guidance on turning around non-performing editions by identifying and building strategic clusters, which might include new launches or franchises. Non-core operations will potentially be partly or fully divested.

Metro's revenue and result for the first nine months of the year amounted to:

(USD million)	Jan-Sept	
	2007	2006
Revenue	314	292
Operating profit EBIT	-25	6

Transcom

The market value of Kinnevik's shareholding in Transcom amounted to SEK 595 million on 30 September 2007 (SEK 909 million 30 September 2006). Transcom's shares are listed on the Stockholm Stock Exchange's Nordic list for mid-cap companies in the industrial sector.

Transcom is a rapidly expanding company within outsourcing of Customer Relationship Management (CRM) and debt collection. The company currently pursues operations through 73 service centers in 29 countries, with a total of more than 16,000 employees. Transcom provides solutions in CRM and debt collection for companies in, for example, telecommunications, e-trading, travel & tourism, retail, financial services and in utilities.

During the second quarter, Transcom developed its operation in Poland through the acquisition of a local debt collection company with about 70 employees and by opening a new call center in Gdansk. In August, Transcom acquired NuComm, one of the leading North American providers of contact centre solutions with approximately 3,000 employees in Canada, USA and the Philippines. In addition, Transcom acquired IS Inkasso, Austria's largest debt collection

company with 130 employees.

In the third quarter Transcom reported increasing gross margins and a falling share of sales to its main customer Tele2.

Transcom's revenue and result for the first nine months of the year amounted to:

(EUR million)	Jan-Sept	
	2007	2006
Revenue	432	394
EBITDA	34	34
Operating profit EBIT	25	27

NEW VENTURES

Company	Equity and voting interest	Business	Investment class	Initial investment	Invested amount (SEK million)
Rolnyvik	100%	agricultural operations in Poland	subsidiary	2001	174
Black Earth Farming	25%	agricultural operations in Russia	unlisted associate	Q1 2006	369
Sia Latgran	51%	pellets production in Latvia	subsidiary	2005	11
Relevant Traffic	36%	search marketing in Europe	unlisted associate	Q3 2006	28
Kontakt East	19%	search and guidance media in Russia	listed shareholding	Q4 2006	38
Gateway TV	11%/0%	pay-TV in sub-Saharan Africa	interest-bearing receivable/shares at fair value	Q2 2007	89
Bayport	-	microcredits in sub-Saharan Africa	interest-bearing receivable/warrants at fair value	Q3 2007	91

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.

For the first nine months, the operating loss for New Ventures amounted to SEK 2 million (profit of 5), of which a loss of SEK 21 million (loss of 1) was share of loss of associated companies accounted for using the equity method (Black Earth Farming SEK -13 million and Relevant Traffic SEK -8 million). The change in fair value of financial assets totalled a negative amount of SEK 11 million (0) and pertained in its entirety to Kontakt East.

Rolnyvik

Despite a relatively favorable spring and early summer, this year's harvest was not as high as expected. The shortage of rain during the sensitive early summer period had a limiting effect on the outcome. Unreliable weather conditions during the harvest peri-

od also resulted in somewhat higher harvest cost than expected, due to the additional drying required for the grain. However, the high price levels in the European markets during the autumn has more than compensated for these negative production factors.

During the beginning of the year, a decision was made to discontinue milk production as a result of lower anticipated future return, compared with grain production. Consequently, during the third quarter a large portion of the previous animal herd was sold.

Total revenue for Rolnyvik amounted to SEK 40 million (32) during the first nine months and operating profit was SEK 12 million (3).

Black Earth Farming

During the first nine months, Black Earth Farming continued the rapid expansion of its Russian agricultural operation. On 30 September, the company had approximately 255,000 hectares of cultivable land under its control, an increase of approximately 135,000 hectares since the beginning of the year. When the land was first taken into possession, most of it was uncultivated. Extensive investments in machinery with corresponding labor input are in progress to prepare the land for cultivation. During the third quarter, 51,000 hectares were harvested. At

the same time, 60,000 hectares autumn-sown grains consisting of wheat and oil-yielding plants were sown, to be harvested next year. The company's aim is to sow a total of more than 100,000 hectares for harvest in 2008.

The company will continue to acquire land, since the price level is still considered attractive. Acquisitions will be concentrated to areas in which the company is already represented.

During the third quarter, Kinnevik participated with SEK 69 million in a new share issue in Black Earth Farming. Furthermore, shares for an additional SEK 85 million were purchased in the market, which increased Kinnevik's holding from 22% to 25% of the voting rights and capital in the company.

The company's Board of Directors announced that an evaluation is being conducted regarding a listing on the stock market.

Sia Latgran

Pellets production by the Latvian company, Sia Latgran, amounted to 48 thousand tons, which is 4% higher than the first nine months of 2006. Production costs rose sharply during the beginning of the year, but during the third quarter the tendency declined due to a rapid drop in the economic trend for construction. The market for pellets is characterized by continued growing demand but, in the short-term period, spot prices have declined due to the previous mild winter and increasing import from North America to Europe.

A second pellet plant is being built at a total investment of approximately SEK 120 million. The new plant will have an annual production capacity of approximately 110 thousand tons. The plant is scheduled to start operations in March 2008, following a few months' delay in construction start due to permit issues.

Sia Latgran's revenues during the first nine months of the year amounted to SEK 55 (23) million, with operating profit of SEK 7 (7) million.

Relevant Traffic

Relevant Traffic is a European full-service company within search marketing. The company has more than 70 employees in its offices in Sweden, France, Germany, Spain, the UK, Norway and Denmark. Customers comprise e-trading companies, banks, travel companies and niche companies that wish to be available when someone seeks their services and products in search engines or price comparison sites. Relevant Traffic's business idea is to maximize its customers' yield on implemented marketing by providing relevant traffic, which includes search engines, contextual environments and price comparison services. The company's proprietary technical platform and

international presence, combined with personnel that are fluent in most European languages, provide the company international competitiveness, which is reflected in the fast growth of the company.

Kontakt East

Kontakt East is a Swedish holding company that invests in companies active in search and guidance media in Russia and neighbouring markets.

In August, Kontakt East acquired all outstanding shares in YPI Yellow Pages Russia ("Yell.ru") for a total purchase consideration of approximately USD 18 million in cash and new share issues. The acquisition strengthened Kontakt East's existing operations within search services in Russia and today the company is the leading player within guidance media in Russia.

At the beginning of October, Kontakt East launched its e-trade service through the www.avito.ru website, which offers a broad range of classified advertisements, and internet-based campaigns in the near future. Through the integration of avito.ru with existing search and catalog services online, Kontakt East will be able to offer Russian companies and consumers completely new services, which will facilitate the sale of their products and services on the Internet.

Kontakt East's shares are listed on the First North Exchange in Sweden. The market value of Kinnevik's shareholding and options in Kontakt East amounted to SEK 54 million on 30 September 2007.

Gateway TV

In May, Kinnevik invested USD 13 million in Gateway TV, a company operating within pay-TV in sub-Saharan Africa. Gateway TV has acquired a number of broadcasting rights including the English Premiership League. The company is in the process of launching its satellite based Pay-TV service to a large number of Sub-Saharan markets and will be represented in eight countries by the end of 2007.

Bayport

During the third quarter, Kinnevik invested USD 14 million in the African company Bayport. The investment consists of a combination of loan and warrants.

Bayport offers micro credits and financial services in Ghana, Uganda, Zambia and Tanzania. The company was founded in 2002 and has, with profitability, grown into a leading African micro credit company.

PARENT COMPANY AND OTHER

The administration costs within the Parent Company and the Group's other companies amounted to a net expense of SEK 28 million (38) after invoicing for services performed. Other operating income includes a gain on the sale of the Swedish farm Ullevi (Agrovik AB) of SEK 70 million.

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.

For a more detailed description of the company's risks and risk management, refer to the Board of Directors' report and Note 30 of the 2006 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 applied in this report are those described in the 2006 Annual Report.

KINNEVIK ANNUAL GENERAL MEETING 2008

The 2008 Annual General Meeting will be held on 15 May 2008 in Stockholm.

Shareholders wishing to have a matter considered at the Annual General Meeting should submit their proposals in writing to agm@kinnevik.se or to The Company Secretary, Investment AB Kinnevik, Box 2094, SE-103 13 Stockholm, Sweden, at least seven weeks before the Annual General Meeting in order to guarantee that the proposal may be included in the notice to the meeting.

Further details on how and when to register will be published in advance of the Annual General Meeting.

NOMINATION COMMITTEE FOR THE 2008 ANNUAL GENERAL MEETING

A Nomination Committee of major shareholders in Kinnevik has been convened in accordance with the resolution of the 2007 Annual General Meeting. The Nomination Committee is comprised of Cristina Stenbeck on behalf of Emesco AB and other shareholders, Wilhelm Klingspor on behalf of the Klingspor family, Edvard von Horn on behalf of the von Horn family, Peter Lindell on behalf of AMF Pension, Tomas Nicolin on behalf of Alecta and Marianne Nilsson on behalf of Swedbank Robur Fonder who together represent more than 50% of the voting rights in Kinnevik. The composition of the Nomination Committee may

be changed to reflect any changes in the shareholdings of the major shareholders during the nomination process. Information about the work of the Nomination Committee can be found on Kinnevik's corporate website at www.kinnevik.se.

The Nomination Committee will submit a proposal for the composition of the Board of Directors, remuneration for the Board of Directors and the auditor and proposal on the Chairman of the Annual General Meeting of 2008 that will be presented to the 2008 Annual General Meeting for approval.

Shareholders wishing to propose candidates for election to the Board of Directors of Kinnevik should submit their proposals in writing to agm@kinnevik.se or to The Company Secretary, Investment AB Kinnevik, Box 2094, SE-103 13 Stockholm, Sweden.

FINANCIAL REPORTS

The publication date for the year-end release for 2007 is 19 February 2008.

Stockholm, 25 October 2007

President and Chief Executive Officer

The information in this Interim Report is that Kinnevik is required to disclose under the Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act. It was released for publication at 8.00 CET on 25 October 2007.

This interim report has not been subject to specific review by the Company's auditors.

FOR FURTHER INFORMATION, PLEASE VISIT WWW.KINNEVIK.SE OR CONTACT:

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Investment AB Kinnevik's objective is to increase shareholder value, primarily through net asset value growth. Kinnevik manages a portfolio of investments focused around three comprehensive business areas; Major Unlisted Holdings which includes the carton-board and paper company Korsnäs, Major Listed Holdings which includes Millicom International Cellular, Tele2, Modern Times Group MTG, Metro International and Transcom WorldWide, and New Ventures investing in small and mid sized companies which has a significant growth potential. Kinnevik plays an active role on the Boards of its holdings.

Investment AB Kinnevik's class A and class B shares are listed on the Stockholm Stock Exchange's Nordic list for large-cap companies within the financial and real estate sector. The ticker codes are KINVA and KINVB.

CONDENSED CONSOLIDATED INCOME STATEMENT (SEK million)

	2007 1 Jan- 30 Sept	2006 1 Jan- 30 Sept ¹⁾	2007 1 July- 30 Sept	2006 1 July- 30 Sept	2006 Full year ¹⁾
Revenue	5 800	4 538	1 806	1 831	6 305
Cost of goods and services	-4 740	-3 706	-1 427	-1 441	-5 404
Gross profit	1 060	832	379	390	901
Selling, administration, research and development costs	-337	-299	-105	-119	-492
Other operating income	214	105	67	38	116
Other operating expenses	-47	-37	-23	-6	-46
Share of profit/loss of associated companies accounted for using the equity method	-25	1	-5	-4	-1
Operating profit	865	602	313	299	478
Dividends received	310	488	-	225	488
Change in fair value of financial assets	8 445	1 614	-229	-1 696	10 974
Interest income and other financial income	7	18	6	1	22
Interest expenses and other financial expenses	-347	-250	-117	-110	-354
Profit/loss after financial items	9 280	2 472	-27	-1 281	11 608
Taxes	-139	-103	-62	-54	-47
Net profit for the period from continuing operations	9 141	2 369	-89	-1 335	11 561
Net loss from discontinued operations	-	-12	-	-	-12
Net profit for the period	9 141	2 357	-89	-1 335	11 549
Of which attributable to:					
Equity holders of the Parent Company	9 139	2 355	-90	-1 336	11 547
Minority	2	2	1	1	2
Earnings per share before/after dilution, SEK:					
– from continuing operations	34.63	8.97	-0.34	-5.06	43.79
– from discontinued operations	-	-0.05	-	-	-0.05
Average number of shares before/after dilution	263 981 930	263 981 930	263 981 930	263 981 930	263 981 930

¹⁾ Comparable figures for 2006 includes Korsnäs Frövi from 1 June.

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT (SEK million)

	2007	2006	2006
	1 Jan- 30 Sept	1 Jan- 30 Sept	Full year
Operating profit	865	602	478
Adjustment for non-cash items	277	336	618
Taxes paid	-53	-19	-18
Cash flow from operations before change in working capital	1 089	919	1 078
Change in working capital	-221	82	455
Cash flow from operations	868	1 001	1 533
Acquisition of subsidiaries	-	-3 637	-3 638
Disposal of subsidiaries	81	601	606
Investments in tangible and biological fixed assets	-232	-137	-308
Sales of tangible and biological fixed assets	28	14	16
Investments in shares and other securities	-349	-134	-288
Sales of shares and other securities	1 095	3	4
Dividends received	310	263	263
Change in loan receivables	-	10	21
Interest received	11	18	22
Cash flow from investing activities	944	-2 999	-3 302
Change in interest-bearing liabilities	-977	2 596	2 453
Interest paid	-347	-229	-314
Dividend paid	-449	-422	-422
Cash flow from financing activities	-1 773	1 945	1 717
Total cash flow from continuing operations	39	-53	-52
Cash flow in Korsnäs Packaging	-	29	29
Lending to Korsnäs Packaging	-	-79	-79
Cash flow from discontinued operations	-	-50	-50
Cash flow for the period	39	-103	-102
Exchange rate differences in liquid funds	-1	-2	-4
Cash and bank, opening balance	106	212¹⁾	212¹⁾
Cash and bank, closing balance	144	107	106

¹⁾ Including cash and bank in discontinued operations, SEK 27 million.

CONDENSED SEGMENT REPORTING (SEK million)

1 Jan-30 Sept 2007	Major Unlisted Holdings	Major Listed Holdings	New Ventures	Parent Company and other	Elimi- nations	Total Group
Revenue	5 698		97	14	-9	5 800
Operating costs	-4 526		-81	-46	44	-4 609
Depreciation	-460		-7	-1		-468
Other operating income and expenses	117		10	75	-35	167
Share of profit/loss of associated companies accounted for using the equity method	-4		-21			-25
Operating profit	825		-2	42	0	865
Dividends received	4	304		2		310
Change in fair value of financial assets	20	8 436	-11			8 445
Financial net	-240	-98	-2			-340
Profit/loss after financial items	609	8 642	-15	44	0	9 280
Investments in financial fixed assets			338	11		349
Investments in tangible fixed assets	168		64			232
1 Jan-30 Sept 2006	Major Unlisted Holdings	Major Listed Holdings	New Ventures	Parent Company and other	Elimi- nations	Total Group
Revenue	4 471		55	21	-9	4 538
Operating cost	-3 553		-46	-61	9	-3 651
Depreciation	-348		-6			-354
Other operating income and expenses	63		3	2		68
Share of profit/loss of associated companies accounted for using the equity method	2		-1			1
Operating profit	635		5	-38	0	602
Dividends received		488				488
Change in fair value of financial assets	26	1 588				1 614
Financial net	-164	-68				-232
Profit/loss after financial items	497	2 008	5	-38	0	2 472
Investments in financial fixed assets			134			134
Investments in tangible fixed assets	133		4			137

CONDENSED SEGMENT REPORTING (SEK million)

	Major Unlisted Holdings	Major Listed Holdings	New Ventures	Parent Company and other	Elimi- nations	Total Group
1 July-30 Sept 2007						
Revenue	1 769		35	5	-3	1 806
Operating costs	-1 351		-27	-13	15	-1 376
Depreciation	-153		-2	-1		-156
Other operating income and expenses	54		2		-12	44
Share of profit/loss of associated companies accounted for using the equity method	-1		-3	-1		-5
Operating profit	318		5	-10	0	313
Dividends received						-
Change in fair value of financial assets	10	-246	7			-229
Financial net	-78	-33				-111
Profit/loss after financial items	250	-279	12	-10	0	-27
Investments in financial fixed assets			249			249
Investments in tangible fixed assets	53		40			93
	Major Unlisted Holdings	Major Listed Holdings	New Ventures	Parent Company and other	Elimi- nations	Total Group
1 July-30 Sept 2006						
Revenue	1 806		21	7	-3	1 831
Operating costs	-1 384		-18	-8	3	-1 407
Depreciation	-149		-3	-1		-153
Other operating income and expenses	31		-	1		32
Share of profit/loss of associated companies accounted for using the equity method	-4					-4
Operating profit	300		0	-1	0	299
Dividends received		225				225
Change in fair value of financial assets		-1 696				-1 696
Financial net	-80	-29				-109
Profit/loss after financial items	22	-1 500	0	-1	0	-1 281
Investments in financial fixed assets			28			28
Investments in tangible fixed assets	57		4			61

CONDENSED SEGMENT REPORTING (SEK million)

1 Jan-31 Dec 2006	Major Unlisted Holdings	Major Listed Holdings	New Ventures	Parent Company and other	Eliminations	Total Group
Revenue	6 193		96	28	-12	6 305
Operating costs	-5 228		-73	-93	12	-5 382
Depreciation	-505		-8	-1		-514
Other operating income and expenses	70		-4	4		70
Share of profit/loss of associated companies accounted for using the equity method			-1			-1
Operating profit	530		10	-62		478
Dividends received	3	485				488
Change in fair value of financial assets	47	10 902	27	-2		10 974
Financial net	-234	-98				-332
Profit/loss after financial items	346	11 289	37	-64		11 608
Investments in financial fixed assets			277	11		288
Investments in tangible fixed assets	302		5	1		308

The former two segments Korsnäs Industrial and Korsnäs Forestry is now reported as one segment, Major Unlisted Holdings. Remaining operations in Mellersta Sveriges Lantbruk, which was earlier reported as one segment, is now included in New Ventures.

CONDENSED CONSOLIDATED BALANCE SHEET (SEK million)

	2007	2006	2006
	30 Sept	30 Sept	31 Dec
ASSETS			
Fixed assets			
Intangible assets	621	620	621
Tangible and biological fixed assets	6 581	6 814	6 831
Financial assets accounted to fair value through profit and loss	45 082	28 133	37 518
<i>whereof interest-bearing</i>	<i>186</i>	<i>254</i>	<i>245</i>
Investments in companies accounted for using the equity method	457	226	333
Other fixed assets	6	15	12
	52 747	35 808	45 315
Current assets			
Inventories	1 630	1 421	1 414
Trade and other receivables	875	1 178	834
Tax receivables	-	19	29
Prepayments	66	39	35
Short-term investments	18	-	-
Cash and cash equivalents	126	107	106
	2 715	2 764	2 418
TOTAL ASSETS	55 462	38 572	47 733
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Equity attributable to equity holders of the Parent Company	43 160	25 219	34 411
Equity attributable to the minority	13	11	11
	43 173	25 230	34 422
Long-term liabilities			
Interest-bearing loans	7 558	8 915	8 110
Provisions for pensions	547	527	549
Other provisions	101	121	207
Deferred tax liability	1 508	1 489	1 518
Other liabilities	4	4	4
	9 718	11 056	10 388
Short-term liabilities			
Interest-bearing loans	1 115	879	1 548
Provisions	150	89	145
Trade and other payables	1 229	1 245	1 218
Income tax payable	74	63	8
Prepaid income	3	10	4
	2 571	2 286	2 923
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	55 462	38 572	47 733

CONDENSED STATEMENT OF CONSOLIDATED RECOGNISED INCOME AND EXPENSE (SEK million)

	2007	2006	2006
	1 Jan- 30 Sept	1 Jan- 30 Sept	Full year
Equity, opening balance	34 422	23 300	23 300
Translation differences	-5	-14	2
Net gain of cash flow hedges	64	-	-
Actuarial losses relating to pension provision in accordance with IAS 19	-	-	-16
Changes in assets recognised in equity, excluding transactions with the Parent Company's shareholders	59	-14	-14
Net profit	9 141	2 357	11 549
Total changes in assets, excluding transactions with the Parent Company's shareholders	9 200	2 343	11 535
Cash dividend	-449	-422	-422
Minority's share in acquired companies	-	9	9
Equity, closing amount	43 173	25 230	34 422
Equity attributable to the shareholders of the Parent Company	43 160	25 219	34 411
Equity attributable to the minority	13	11	11
	2007	2006	2006
	30 Sept	30 Sept	31 Dec
KEY RATIOS			
Debt/equity ratio	0.21	0.41	0.30
Equity ratio	78%	65%	72%
Net debt	8 890	9 940	9 856

DEFINITIONS OF KEY RATIOS

Debt/equity ratio	Interest-bearing liabilities including interest-bearing provisions divided by shareholders' equity.
Equity ratio	Shareholders' equity including minority 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, investment 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.

FINANCIAL KEY RATIOS

MAJOR UNLISTED HOLDINGS (SEK million)

	2007	2007	2007	2006	2006	2006	2006	2006
	Q3	Q2	Q1	Full year ¹⁾	Q4 ¹⁾	Q3 ¹⁾	Q2 ¹⁾	Q1 ¹⁾
Revenue								
Korsnäs Industrial	1 583	1 755	1 715	6 392	1 511	1 641	1 650	1 590
Korsnäs Forestry ²⁾	558	559	513	1 817	463	436	462	456
Eliminations within Korsnäs	-372	-313	-300	-1 075	-252	-271	-277	-275
Total Korsnäs	1 769	2 001	1 928	7 134	1 722	1 806	1 835	1 771
Operating profit/loss before depreciation (EBITDA)								
Korsnäs Industrial	433	400	365	1 436	212	444	392	388
Korsnäs Forestry ²⁾	40	30	20	54	27	12	8	7
Total Korsnäs	473	430	385	1 490	239	456	400	395
Operating profit/loss after depreciation (EBIT)								
Korsnäs Industrial	279	246	214	821	53	296	237	235
Korsnäs Forestry ²⁾	39	28	19	44	25	11	4	4
Total Korsnäs	318	274	233	865	78	307	241	239
Operating margin								
Korsnäs Industrial	17.6%	14.0%	12.5%	12.8%	3.5%	18.0%	14.4%	14.8%
Korsnäs Forestry ²⁾	7.0%	5.0%	3.7%	2.4%	5.4%	2.5%	0.9%	0.9%
Korsnäs	18.0%	13.7%	12.1%	12.1%	4.5%	17.0%	13.1%	13.5%
Operational capital employed								
Korsnäs Industrial	7 693	7 737	7 805	8 338	8 051	8 317	8 459	8 603
Korsnäs Forestry ²⁾	272	224	213	222	201	196	236	243
Total Korsnäs	7 965	7 961	8 018	8 560	8 252	8 513	8 695	8 846
Return on operational capital employed								
Korsnäs Industrial	14.5%	12.7%	11.0%	9.8%	2.6%	14.2%	11.2%	10.9%
Korsnäs Forestry ²⁾	57.4%	50.0%	35.7%	19.8%	49.8%	22.4%	6.8%	6.6%
Korsnäs	16.0%	13.8%	11.6%	10.1%	3.8%	14.4%	11.1%	10.8%
Production, thousand tons	281	277	268	1 058	243	269	267	279
Deliveries, thousand tons	256	283	282	1 037	245	270	264	258

¹⁾ Pro forma including Frövi. Excluding restructuring charges of SEK 183 million in Q4 2006.

²⁾ Figures for Korsnäs Forestry have been adjusted since Sia Latgran is from Q2 2007 included in New Ventures.

FINANCIAL KEY RATIOS

MAJOR LISTED HOLDINGS (SEK million)

	2007	2007	2007	2006	2006	2006	2006	2006
	Q3	Q2	Q1	Full year	Q4	Q3	Q2	Q1
Change in fair value and dividends received								
Millicom	-3 103	3 178	4 445	8 248	5 032	-1 003	-1 551	5 770
Tele2	3 325	-53	1 819	2 102	3 262	157	-2 164	847
MTG	-258	407	-412	1 402	710	31	343	318
Metro	-105	-628	151	-925	46	-558	-307	-106
Transcom	-106	-107	-189	211	89	-92	-57	271
Invik ¹⁾	-	251	156	349	121	42	15	171
	-247	3 048	5 970	11 387	9 260	-1 423	-3 721	7 271
Book value end of the period								
Millicom	20 847	23 950	20 772	16 326	16 326	11 294	12 296	13 848
Tele2	17 410	14 085	14 368	12 548	12 548	9 286	9 129	11 513
MTG	4 133	4 391	4 058	4 471	4 471	3 760	3 954	3 611
Metro	1 535	1 640	2 267	2 116	2 116	2 070	2 403	2 709
Transcom	595	701	808	998	998	909	1 001	1 099
Invik ¹⁾	-	-	838	682	682	562	520	504
	44 520	44 767	43 111	37 141	37 141	27 881	29 303	33 284

¹⁾ On 28 June 2007, the entire holding in Invik was divested.

NEW VENTURES (SEK million)

	2007	2007
	Q3	Q2
Estimated market value	1 350	969
Book value	867	586

CONDENSED PARENT COMPANY INCOME STATEMENT (SEK million)

	2007	2006	2007	2006
	1 Jan-	1 Jan-	1 Jul-	1 Jul-
	30 Sept	30 Sept	30 Sept	30 Sept
Revenue	9	10	3	3
Administration costs	-40	-56	-11	-11
Other operating income	4	2	1	1
Operating loss	-27	-44	-7	-7
Dividends received	1 817	328	-	225
Result from sale of financial assets	593	-	1	-
Net interest income/expense	-222	49	-77	2
Profit after financial items	2 161	333	-83	220
Taxes	70	-1	23	2
Net profit for the period	2 231	332	-60	222

CONDENSED PARENT COMPANY BALANCE SHEET (SEK million)

	2007	2006
	30 Sept	31 Dec
ASSETS		
Tangible fixed assets	2	2
Financial fixed assets	25 743	23 694
Short-term receivables	81	276
Cash and cash equivalents	2	-
TOTAL ASSETS	25 828	23 972
SHAREHOLDERS' EQUITY AND LIABILITIES		
Equity	18 567	16 785
Provisions	74	79
Long-term liabilities	5 738	5 518
Short-term liabilities	1 449	1 590
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	25 828	23 972

The Parent Company's liquidity, including short-term investments and unutilized credit facilities totalled SEK 910 million at 30 September 2007 and SEK 311 million at 31 December 2006. The Parent Company's interest bearing external liabilities amounted to SEK 3,982 million (4,589) on the same dates.

No investments in tangible fixed assets were made during the period.

The Parent Company's total number of shares outstanding at 30 June 2007 was 263,981,930, of which 50,197,050 were class A shares and 213,784,880 class B shares, which is unchanged since 31 December 2006. One class A share entitles to 10 votes and one class B share to 1 vote. There are no convertibles or warrants in issue. The Board has authorization to repurchase a maximum of 10% of all shares in the Company. No repurchase has been made during the first nine months of the year.