

# Investment AB Kinnevik

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## INTERIM REPORT 2008 1 JANUARY - 30 JUNE

### Financial results for the second quarter

- The market value of the Group's securities in Major Listed Holdings amounted to SEK 43,248 million on 30 June, an increase of SEK 3,817<sup>1)</sup> million corresponding to 9%<sup>1)</sup> since 31 March 2008.
- Korsnäs' revenue amounted to SEK 2,006 million (2,001) and operating profit was SEK 184 million (275).
- The Group's total revenue amounted to SEK 2,068 million (2,037) and operating profit was SEK 164 million (272).
- Profit after financial items, including changes in fair value of financial assets, amounted to SEK 3,496 million (3,335).
- The profit per share was SEK 13.19 (12.46).

### Events during the second quarter

- Kinnevik completed joint public offer with Vostok Nafta for all shares in Kontakt East. Consideration was paid in July.
- Kinnevik increased ownership in Relevant Traffic to 90% of shares and votes.

### Financial results for the first half of the year

- The market value of the Group's securities in Major Listed Holdings decreased by SEK 5,814<sup>1)</sup> million corresponding to 11%<sup>1)</sup> during the first half of the year.
- Korsnäs' revenue amounted to SEK 3,960 million (3,929) and operating profit was SEK 348 million (507).
- The Group's total revenue amounted to SEK 4,072 million (3,994) and operating profit was SEK 367 million (571).
- Result after financial items, including changes in fair value of financial assets, amounted to a loss of SEK 5,782 million (profit of 9,614).
- The loss per share was SEK 22.04 (profit of 36.13).

<sup>1)</sup> Including dividends received.

## TOTAL RETURN

During the last 30 years, the Kinnevik share has generated an average total return of 19% 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 27%. 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"), Transcom World-Wide S.A. ("Transcom") and Invik & Co. AB.

On 15 May, Kinnevik's Annual General Meeting decided, in accordance with the Board of Directors' proposal, to pay a cash dividend of SEK 2.00 (1.70) per share for the fiscal year 2007, totaling SEK 528 (449) million. The AGM did also decide to give the Board of Directors a mandate to repurchase a maximum of 10% of the Company's own shares. The mandate to repurchase shares gives the Board flexibility to continuously decide on changes to the capital structure during the year.

The Annual General Meeting also decided to give holders of class A shares in Kinnevik the possibility to reclassify their shares to class B shares during a limited period in June. Holders of 1,531,726 class A shares requested reclassification to class B shares. Following reclassification the number of class A shares in Kinnevik totals 48,665,324 and the number of class B shares amounts to 215,316,606 as at 30 June 2008. The difference in voting value remains 10:1. The total number of shares in Kinnevik after reclassification remains unchanged at 263,981,930.

Further, the Annual General Meeting decided to adopt a performance based incentive program for approximately 20 senior executives and other key employees within Kinnevik and Korsnäs. The program, which is measured during three years, will result in a maximum dilution of 0.04% in terms of shares outstanding.

## FINANCIAL TARGETS

Kinnevik's objective is to increase shareholder value, primarily through net asset value growth. In order to clarify Kinnevik's strategy the Board of Directors of Kinnevik has decided to communicate financial targets. These reflect Kinnevik's evaluation of its balance sheet structure, the criterias on which dividend payments to shareholders are based as well as the return targets on the portfolio companies.

### Dividend policy

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

## Balance sheet

Leverage in Kinnevik should be used as a tool for finding the optimal capital structure and consequently maximise the shareholder return. The different segment targets are:

(i) Major Unlisted Holdings: Leverage of at least 3x EBITDA.

(ii) Major Listed Holdings: Leverage may not be above 25% of market value during a business cycle.

(iii) New Ventures: Leverage should be optimal for each individual company.

## Return target

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

## BUSINESS AREA STRUCTURE

Kinnevik reports its operations in the following three comprehensive business areas:

**Major Unlisted Holdings**, which comprises Korsnäs, including 5% of the shares in Bergvik Skog.

**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 9 and the ensuing text.

The Parent Company and other group companies are reported under Parent Company and other.

## CONSOLIDATED EARNINGS FOR THE SECOND QUARTER

The Group's total revenue during the second quarter amounted to SEK 2,068 million, compared with SEK 2,037 million in the preceding year.

The Group's operating profit amounted to SEK 164 million (272). The earnings decline is primarily attributable to decreased operating profit within Korsnäs of SEK 91 million.

The change in fair value of financial assets and dividends received amounted to a net profit of SEK 3,463 million (profit of 3,180), of which a profit of SEK 3,817 million (profit of 3,048) was related to Major Listed Holdings and a loss of SEK 365 million (profit of 146) to New Ventures. For a split per holding, refer to table on page 21. Dividends received amounted to SEK 1,703 million (310), of which SEK 453 (235) were ordinary dividends.

Profit after tax amounted to SEK 3,481 million (3,290), corresponding to a profit of SEK 13.19 (12.46) per share.

## CONSOLIDATED EARNINGS FOR THE FIRST HALF OF THE YEAR

The Group's total revenue during the first half of the

year amounted to SEK 4,072 million, compared with SEK 3,994 million in the preceding year.

The Group's operating profit amounted to SEK 367 million (571). The earnings decline is primarily attributable to decreased operating profit within Korsnäs of SEK 159 million and lower operating profit within Parent Company and other of SEK 37 million. Comparable figures for the first half of 2007 includes a gain from sale of the Ullevi farm, which explains the decreasing profit within Parent Company and other.

The change in fair value of financial assets and dividends received amounted to a net loss of SEK 5,878 million (profit of 9,272), of which a loss of SEK 5,814 million (profit of 8,988) was related to Major Listed Holdings and a loss of SEK 83 million (profit of 268) to New Ventures.

Losses after tax amounted to SEK 5,818 million (profit of 9,537), corresponding to a loss of SEK 22.04 (profit of 36.13) per share.

## THE GROUP'S CASH FLOW AND INVESTMENTS

The Group's cash flow from current operations excluding change in working capital amounted to SEK 396 million (726) during the first half of the year. The lower cash flow from current operations is mainly explained by a lower profit in Korsnäs and higher tax payments relating to the 2007 profit.

Changes in working capital amounted to a negative of SEK 114 million (negative 66).

Investments in tangible fixed assets amounted to SEK 98 million (139) during the first half of the year.

Aquisition of subsidiaries totalling SEK 248 million regards Korsnäs' acquisition of the remaining 59% of Karskär Energi AB for SEK 200 million and acquisition of shares in Relevant Traffic Europe AB for SEK 48 million.

Investments in securities are shown in the tables below.

### Investments in securities

	Number of shares	Amount (SEK million)
<b>1 Jan-30 June 2008</b>		
Bayport		3
Black Earth Farming Ltd	60 900	3
Kontakt East Holding AB	97 500	3
		<b>9</b>
<b>1 Jan-30 June 2007</b>		
Gateway TV		89
Other		11
		<b>100</b>

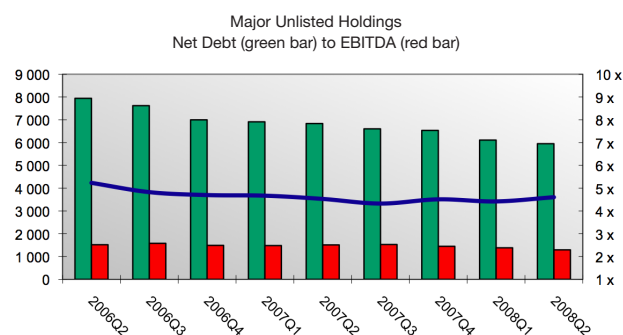
## THE GROUP'S LIQUIDITY AND FINANCING

The Group's available liquidity, including short-term investments and available credit facilities, totalled SEK 2,895 million at 30 June 2008 and SEK 2,481 million at 31 December 2007.

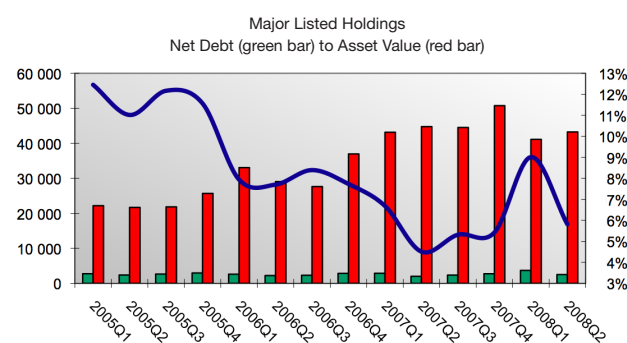
The Group's interest-bearing net debt amounted to SEK 8,354 million at 30 June 2008 and SEK 9,205 million at 31 December 2007. Of the total net debt at 30 June 2008, SEK 5,951 million pertained to external net debt within Korsnäs or with shares in Korsnäs as collateral, and SEK 2,515 million of the net debt was pledged by shares within Major Listed Holdings.

Leverage within Major Unlisted Holdings and Major Listed Holdings has developed according to the charts below.

(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 285 million (230) during the first half of the year, interest expenses amounted to SEK 279 million (220) and exchange rate differences was a positive SEK 4 million (negative 2). This means that the average interest rate for the first six months was 5.5% (4.3%) (calculated as interest expense in relation to average interest-bearing liabilities).

At 30 June 2008, the average remaining duration for all credit facilities amounted to 3 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 1,200 million, comprised mainly of Korsnäs' sales in Euro.

**BOOK AND FAIR VALUE OF ASSETS**

	<b>Class A shares</b>	<b>Class B shares</b>	<b>Equity interest (%)</b>	<b>Voting interest (%)</b>	<b>Book value 30 June 2008 (SEK m)</b>	<b>Fair value 30 June 2008 (SEK m)</b>	<b>Change in stock price since 31 Dec 2007<sup>1)</sup></b>
<b>Major Unlisted Holdings</b>							
Korsnäs Industrial and Forestry			100	100	7 024	9 382 <sup>2)</sup>	
Bergvik Skog			5	5	437	437 <sup>3)</sup>	
Interest bearing net debt relating to Korsnäs					-5 951	-5 951	
<b>Total Major Unlisted Holdings</b>					<b>1 510</b>	<b>3 868</b>	
<b>Major Listed Holdings<sup>4)</sup></b>							
Millicom	37 835 438		35.0	35.0	23 647	23 647	-15%
Tele2	25 830 229	99 651 296	28.0	45.1	14 744	14 744	-3%
MTG	9 658 754	276 257	15.1	47.8	3 517	3 517	-18%
Metro	103 408 698	129 138 208	44.1	39.1	954	954	-16%
Transcom	12 627 543		17.2	34.5	386	386	-33%
Interest bearing net debt relating to Major Listed Holdings					-2 515	-2 515	
<b>Total Major Listed Holdings</b>					<b>40 733</b>	<b>40 733</b>	
<b>New Ventures</b>							
Rolnyvik			100	100	183	250 <sup>5)</sup>	
Black Earth Farming		24 218 600	19	19	1 092	1 092 <sup>4)</sup>	-10%
Sia Latgran			51	51	157	157 <sup>6)</sup>	
Relevant Traffic			90	90	74	74 <sup>6)</sup>	
Kontakt East		3 007 443	21	21	105	105 <sup>7)</sup>	25%
Gateway TV			11	-	91	91 <sup>6)</sup>	
Bayport					93	93 <sup>6)</sup>	
Interest bearing net debt relating to New Ventures					-72	-72	
<b>Total New Ventures</b>					<b>1 723</b>	<b>1 790</b>	
Other assets and liabilities					81	81 <sup>6)</sup>	
<b>Total equity/net asset value</b>					<b>44 047</b>	<b>46 472</b>	
<b>Net asset value per share, SEK</b>						<b>176.04</b>	
Closing price class B share 30 June 2008, SEK						113.00	-22%

<sup>1)</sup> Including dividends received.

<sup>2)</sup> Consensus among analysts covering Kinnevik.

<sup>3)</sup> Corresponding to 5% of the company's equity.

<sup>4)</sup> Market value.

<sup>5)</sup> Estimated value.

<sup>6)</sup> Book value.

<sup>7)</sup> Corresponding to Vosvik's cash offer of SEK 35 per share.

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

SEK million Jan-June 2008	Equity interest	Reported		Proportional part of		Change compared to Jan-June 2007	
		revenue	EBIT <sup>1)</sup>	revenue	EBIT	revenue	EBIT
Korsnäs	100.0%	3 960	348	3 960	348	1%	-31%
Millicom	35.0%	10 082	2 534	3 529	887	40%	31%
Tele2	28.0%	20 007	1 856	5 602	520	7%	35%
MTG	15.1%	6 360	1 269	960	192	16%	27%
Metro	44.1%	1 453	-46	641	-20	-7%	N/A
Transcom	17.2%	3 115	157	536	27	16%	8%
New Ventures	-	375	-289	167	-46	127%	N/A
<b>Total sum of Kinnevik's proportional part of revenue and operating result</b>				<b>15 395</b>	<b>1 908</b>	<b>12%</b>	<b>11%</b>

<sup>1)</sup> Less divested operations and excluding one-off items.

The table above is a compilation of the holdings' revenues and operating result reported for the first six months of 2008.

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.

## MAJOR UNLISTED HOLDINGS – KORSNÄS

(SEK million)	Jan-June		Apr-June	
	2008	2007	2008	2007
Revenue	3 960	3 929	2 006	2 001
EBITDA	659	813	340	428
Operating profit (EBIT)	348	507	184	275

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

## Korsnäs Industrial

The favorable level of demand for Korsnäs' products that prevailed in 2007 leveled off in certain product areas during the first half of 2008. Delivery volumes for cartonboard and paper products declined to 524 thousand tons during the first half of the year compared with 565 thousand tons during the corresponding period in the preceding year.

Global demand for Liquid Packaging Board remained stable. Korsnäs' deliveries of Liquid Packaging Board remained at a high level, although somewhat lower than in the first half of 2007, and accounted for 70% of the total sales volume. Korsnäs has multi-year contracts with a number of customers for delivery of

Liquid Packaging Board. Price increases were implemented in accordance with the contracts.

Korsnäs' deliveries of White Top Liner were deliberately kept at a lower level in the first half of 2008, compared with the corresponding period in 2007, since the margins were considered unsatisfactory.

In Cartonboard, the weakened US dollar and increased production capacity in and outside Europe put intensified pressure on the market. The year commenced with weak demand, but an improvement in demand occurred during the second quarter. Despite intensified competition, Korsnäs succeeded in increasing its deliveries of Cartonboard and deliveries for the first six months exceeded the preceding year. Price increases were implemented in the UK in the second quarter.

The market for sack and kraft paper in Europe was softening in the beginning of the year. Despite the weakening market, Korsnäs succeeded in increasing deliveries of white sack and kraft paper by 5% compared with the first half of 2007.

The production volume outcome for the first half of the year was 544 thousand tons, which is on the same level as in the corresponding period in 2007. The outcome for production in Gävle was somewhat less than in the preceding year, after some production interruptions in the first quarter, while Frövi produced more than in the first half of 2007.

The earnings improvement program that was initiated in conjunction with the acquisition of Frövi had a favorable impact of approximately SEK 90 million (35) on earnings in the first half of the year. The objective for full-year 2008 is to achieve earnings improvements totalling slightly more than SEK 200 million (SEK 95 million outcome in 2007), which are expected to increase further in 2009.

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

Korsnäs Industrial's revenue for the first half of the year amounted to SEK 3,541 million (3,470). Operating profit amounted to SEK 332 million, compared with SEK 460 million in the first half of the preceding year. Earnings for the first half of 2008 include SEK 12 million in integration costs relating to Karskär Energi. Otherwise, the earnings decline is primarily attributable to approximately SEK 170 million in increased costs for pulpwood and external pulp, approximately SEK 70 million in increased costs for energy, other input goods and salaries, and SEK 10 million in unfavorable currency effects. The cost increases were partly offset by the increase in positive effects described above that are a result of the ongoing earnings-improvement program of SEK 55 million. The decline in sales had a negative impact on earnings while increased selling prices had a positive impact, which overall resulted in an earnings improvement of about SEK 80 million.

The increased prices for pulpwood, energy and other input goods are expected to continue to adversely affect earnings for the remainder of the year.

### **Korsnäs Forestry**

From a situation in 2007 in which timber prices rose to record-high levels throughout Korsnäs' harvesting area in Sweden, the Baltic States and Russia, prices for sawn timber in Sweden in the first half of 2008 were lowered at the same time as price pressure on pulpwood continued upward, but not to the same extent as in 2007. In the Baltic States and Russia, prices declined for both sawn timber as well as pulpwood during the first six months.

Korsnäs Forestry's revenue in the first half of the year amounted to SEK 1,178 million (1,072), of which internal sales to Korsnäs Industrial amounted to SEK 759 million (613). Operating profit amounted to SEK 16 million (47). The weaker operating profit is attributable to the fact that earnings in the preceding year were favorably affected by increased market prices for harvesting rights and timber, and were to some extent a temporary effect due to sales from stock that had been purchased at earlier applicable prices.

## MAJOR LISTED HOLDINGS

The market value of the Group's securities in Major Listed Holdings decreased by SEK 5,814 million (net after dividends received) during the first half of the year, corresponding to 11%. On 30 June 2008, the market value of the Major Listed Holdings was SEK 43,248 million (SEK 50,761 million 31 December 2007). The changes in value are shown in the consolidated income statement; refer to table on page 21 for split per holding.

Dividends received from Major Listed Holdings totalled SEK 1,699 million (304), of which SEK 541 million (0) were received from Millicom, SEK 985 million (230) from Tele2, SEK 149 million (74) from MTG and SEK 24 million (0) from Transcom.

On 23 July 2008 the market value of the Major Listed Holdings was SEK 36,551 million, which represents a decrease by 15% since 30 June 2008.

### Millicom

(USD million)	Jan-June		Apr-June	
	2008	2007	2008	2007
Revenue	1 643	1 176	843	613
EBITDA	689	511	352	263
Operating profit (EBIT)	413	315	206	160
Net profit	290	447	132	102
Number of subscribers at the end of the period (million)	28.5	18.0		

The market value of Kinnevik's shareholding in Millicom amounted to SEK 23,647 million on 30 June 2008. Millicom's shares are listed on NASDAQ in New York and is included in NASDAQ 100 and the OMX Nordic Exchange Stockholm, Large Cap segment, 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 289 million people. All Millicom's 16 operations now feature GSM networks.

On 30 June 2008 Millicom had 28.5 million subscribers, which is an increase of 58% since 30 June 2007.

In July, Millicom announced that it had agreed to acquire 100% of Amnet Telecommunications Holding Limited for an enterprise value of USD 510 million. Amnet is the leading provider of broadband and cable television services in Costa Rica, Honduras and El Salvador, fixed telephony in El Salvador and Honduras, and corporate data services in the above countries as well as Guatemala and Nicaragua. Amnet has in excess of 350,000 corporate and residential customers. In the 12 months ended December 2007, it reported revenue of USD 143 million and EBITDA of USD 56 million.

### Tele2

(SEK million)	Jan-June		Apr-June	
	2008	2007	2008	2007
Revenue <sup>1)</sup>	20 007	18 622	10 150	9 507
EBITDA <sup>1)</sup>	3 752	3 097	2 069	1 603
Operating profit (EBIT) <sup>1)</sup>	1 856	1 378	1 117	736
Net profit <sup>2)</sup>	815	-62	114	-331
Number of subscribers at the end of the period (million) <sup>1)</sup>	24.0	22.4		

<sup>1)</sup> Less divested operations and excluding one-off items.

<sup>2)</sup> Remaining operations.

The market value of Kinnevik's shareholding in Tele2 amounted to SEK 14,744 million on 30 June 2008. Tele2's shares are listed on the OMX Nordic Exchange Stockholm, Large Cap segment, in the telecommunications services sector.

Tele2 offers products and services in fixed and mobile telephony, broadband and cable TV to 24 million customers in 12 countries with geographical footprint towards Russia, Eastern Europe and the Nordic countries.

In the second quarter Tele2 sold its Luxembourg and Liechtenstein operations to Belgacom. Belgacom will pay in cash approximately SEK 2 billion on a debt and cash free basis. Further, the Polish operation was sold for approximately SEK 300 million on a debt and cash free basis. Completion of both transactions is expected following approval from regulatory authorities.

Mobile telephony continued to deliver robust growth and profitability improvement in the Nordic region as well as in Russia, Croatia and the Baltic countries. At the end of June 2008, the Baltic States, Croatia and the Russian market area had 13.6 million mobile customers to be compared to a total of 18.2 million mobile customers in entire Tele2.

The Board of Directors has appointed Harri Koponen as the new President and CEO of Tele2 AB effective from 18 August 2008.

**MTG**

(SEK million)	Jan-June		Apr-June	
	2008	2007	2008	2007
Revenue	6 360	5 471	3 318	2 843
Operating profit(EBIT) <sup>1)</sup>	1 269	1 001	673	532
Net profit	1 995	678	1 598	362

<sup>1)</sup>Excluding one-off items.

The market value of Kinnevik's shareholding in MTG amounted to SEK 3,517 million on 30 June 2008. MTG's shares are listed on the OMX Nordic Exchange Stockholm, Large Cap segment, in the consumer discretionary sector.

MTG is an international entertainment broadcasting group with its core business in television. MTG is the largest Free-to-air-TV and Pay-TV operator in Scandinavia and the Baltics and the largest shareholder in Russia's largest independent television network CTC Media. Viasat's channels are distributed on the Viasat platform and in third party networks in 24 Nordic, Baltic and Eastern European countries and reach 100 million people.

In April 2008 MTG sold the national Russian free-to-air television network DTV Group to CTC Media Inc. for USD 395 million. MTG owns 39.5% of CTC Media. The transaction resulted in a net gain of SEK 1,159 million, which MTG reported as a one-off item in the second quarter. MTG acquired 75% of DTV in April 2001 and increased its shareholding to 100% in August 2004, for a total consideration of USD 9 million.

Viasat Broadcasting has signed a five year agreement with number one Swedish Telecommunications operator, Telia, to enable Viasat to market and sell its pay-TV channel packages to Telia's more than 300,000 IPTV customers and broadband subscribers starting from 1 June 2008.

**Metro**

(EUR million)	Jan-June		Apr-June	
	2008	2007	2008	2007
Revenue	154.9	167.3	81.5	89.2
Operating profit (EBIT)	-4.9	-5.2	0.6	3.6
Net profit	-8.3	-9.8	-2.0	1.0

The market value of Kinnevik's shareholding in Metro amounted to SEK 953 million on 30 June 2008. Metro's shares are listed on the OMX Nordic Exchange Stockholm, Mid Cap segment, in the consumer discretionary sector.

Metro is the world's largest international daily newspaper. Metro is published in over 150 major cities

in 21 countries across Europe, North & South America and Asia. Metro has a global reach attracting an audience of over 20 million daily readers. The newspapers are distributed free of charge and revenue is generated primarily through advertising sales.

In the second quarter Metro and Schibsted announced plans to collaborate in the Swedish market. Schibsted signed an agreement to acquire 35% of the shares in Metro's Swedish subsidiary at a purchase price of SEK 350 million. By co-operation in the Swedish market to sell advertising for titles reaching 4.2 million readers the transaction is expected to strengthen the presence of both Metro and Schibsted in the Swedish market. Completion is expected following approval from regulatory authorities.

Further, Metro strengthened its position in the Danish market with a cooperation agreement with JP/Politikens Hus. The group, which will operate through MetroXpress A/S, will distribute both MetroXpress and 24timer reaching more than 1 million daily readers. As a part of the agreement, JP/Politikens Hus will receive 24.5% of the shares in MetroXpress A/S.

**Transcom**

(EUR million)	Jan-June		Apr-June	
	2008	2007	2008	2007
Revenue	332.2	287.5	158.9	138.2
Operating profit (EBIT)	16.7	15.4	6.4	6.0
Net profit	10.1	11.0	3.6	4.2

The market value of Kinnevik's shareholding in Transcom amounted to SEK 386 million on 30 June 2008. Transcom's shares are listed on the OMX Nordic Exchange Stockholm, Mid Cap segment, in the industrials sector.

Transcom is active within outsourcing of Customer Relationship Management (CRM) and Credit Management Services. The company has 72 sites delivering services from 29 countries. Transcom provides CRM solutions for companies in a number of industry sectors including telecommunications and e-commerce, travel & tourism, retail, financial services and utilities.



## 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	19%	agricultural operations in Russia	listed associate	2006	496
Sia Latgran	51%	pellets production in Latvia	subsidiary	2005	18
Relevant Traffic	90%	search marketing in Europe	subsidiary	2006	92
Kontakt East	21%	search and guidance media in Russia	associate	2006	72
Gateway TV	11%/0%	pay-TV in sub Saharan Africa	interest bearing receivable/shares at fair value	Q2 2007	89
Bayport	-	micro credits in sub Saharan Africa	interest bearing receivable/warrants at fair value	Q3 2007	104

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.

The operating profit for New Ventures amounted to SEK 4 million (12) during the first half of the year, of which SEK 15 million (8) related to Rolnyvik, SEK 4 million (5) to Sia Latgran and a loss of SEK 14 million (0) to Relevant Traffic. The change in fair value of financial assets totalled a negative amount of SEK 83 million (positive 268) where a negative amount of SEK 118 million (positive 288) related to Black Earth Farming and a positive amount of SEK 21 million (negative 20) related to Kontakt East.

### Rolnyvik

A very late and, in many areas, rainy spring that was followed by a dry and rather warm period did not give the crops the start to the year that one would hope for. However, the recent return to more humid and cool weather has dampened the stressful hardship for the crops.

In principle, the entire 2007 harvest has now been sold at average prices that exceeded expectations. After prices in the European market fell in recent months, the trend seems to be pointing upward again. The forecasts for a moderately large harvest in Europe in 2008, combined with reports of problems with drought and precipitation globally, are probably the cause.

Rolnyvik had net sales of SEK 26 million (24) in the first half of the year, and reported operating profit of SEK 15 million (8). The profit includes received EU subsidies amounting to SEK 6 (5) million.

### Black Earth Farming

The market value of Kinnevik's shareholding in Black Earth Farming amounted to SEK 1,092 million at 30 June 2008. Black Earth Farming's shares are traded on First North in Stockholm.

Black Earth Farming is a leading farming company operating in Russia. It acquires, owns and cultivates agricultural land primarily in the fertile Black Earth region in southwest Russia. The company has gained a strong market position in the Kursk, Tambov, Lipetsk, Samara, Voronezh and Ryazan areas, controlling about 325,000 hectares of which about 69,000 hectares are under full ownership. Black Earth Farming will continue to acquire farmland in order to draw full benefits of economies of scale in its operations.

In 2007, Black Earth Farming harvested approximately 53,000 hectares with crops, of which the greater part was wheat. In 2008, Black Earth Farming plans to harvest roughly 150,000 hectares.

### Sia Latgran

Pellets production in the Latvian company Sia Latgran amounted to 40 thousand tons in the first half of the year, which is 14% higher than in the corresponding period of 2007. The costs of raw materials, which rose significantly in 2007, began slowly declining at the end of the interim period due to a dampening in the economy in Latvia.

The market for pellets is characterized by ongoing long-term increasing demand. Yet another mild winter

in northern Europe, combined with a continuing high level of import of pellets from North America, has, however, resulted in price competition in the European market. Despite these negative factors, prices in newly signed contracts rose somewhat at the end of the interim period.

The construction of a second pellets plant is approaching completion, and the plant will somewhat delayed compared to project plan be placed in operation during the summer. The total investment amounts to approximately SEK 120 million, and the new plant will have an annual production capacity of approximately 110 thousand tons.

Total revenue for Sia Latgran in the first half of the year amounted to SEK 50 million (36), and operating profit was SEK 4 million (5).

### **Relevant Traffic**

During the second quarter, Kinnevik converted loans issued by Relevant Traffic to shares and acquired shares from other shareholders in accordance with options agreements signed earlier. Following these transactions, Kinnevik owns 90% of the votes and capital in the company.

According to the preliminary purchase price allocation, the transactions in the second quarter combined with funds invested earlier, resulted in goodwill of SEK 89 million in Kinnevik's consolidated accounts.

Relevant Traffic is active in the area of digital sales and marketing, using the Internet as its information carrier, and operates in software and hardware, consultation and campaign management. The customers comprise national and international, medium and large companies that often have knowledge from earlier activity as media buyers.

The company was involved at an early stage in terms of technology development and understanding end-customer behavior, and has thereby assumed a market-leading position in Sweden and France as an important platform to expand in Europe.

Having established offices in several cities in Europe, the company decided during the second quarter to focus its operations on three service centers in Stockholm, Paris and Madrid and to continue expansion in the European market from these.

Relevant Traffic had sales of SEK 88 million and recorded an operating loss of SEK 25 million for the first half of 2008. After Kinnevik acquired the majority of shares, the company has initiated an action plan to turn its negative results into profit within the next 12 months. The result includes restructuring charges of SEK 10 million in relation to the action plan.

### **Kontakt East**

On 26 May Kinnevik and Vostok Nafta, through their jointly and equally owned Swedish company Vosvik, submitted an offer to all shareholders in Kontakt East

to surrender their shares in Vosvik for a cash payment of SEK 35. When the registration period for the offer ended on 24 June, 97.6% of the total number of shares and votes in Kontakt East had been surrendered, upon which the offer was declared unconditional. After extension of the registration period to 7 July, shareholders corresponding to 98.7% of the votes and capital had accepted the offer. On 4 July, Vosvik called for compulsory acquisition of the remaining shares in Kontakt East and Kontakt East applied on the same day to have its share delisted from First North.

For Kinnevik, the bid for Kontakt East meant that shares held earlier, corresponding to 21.4% of the capital in Kontakt East, were transferred to Vosvik after the end of the reporting period. Furthermore, Kinnevik in beginning of July contributed a further SEK 149 million in cash to Vosvik to finance the cash offer for other shares and warrants in Kontakt East, including transaction costs.

Kontakt East invests in fast-growing, primarily Internet-related, media companies in Russia and closely located markets. The company currently comprises the two business segments Directory Services, which publishes printed directories in Moscow, St. Petersburg and eight other Russian regions, as well as online search services, and Consumer eCommerce, which offers consumer-focused e-commerce through such forums as the [www.avito.ru](http://www.avito.ru) marketplace.

### **Gateway TV**

Gateway TV is operating within pay-TV in Sub-Saharan Africa. Gateway TV owns a number of broadcasting rights including the English Premiership League. The company is launching its satellite based Pay-TV service to a large number of Sub-Saharan markets and was at the end of the second quarter represented with own sales organisation in approximately ten countries and with sales agents in about ten additional countries. The company has gradually increased the number of channels and now offers several packages including international as well as regional channels. The market potential for a competitively priced TV service is assessed as highly favorable and the subscriber growth is fast although as yet at low levels.

### **Bayport**

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

## PARENT COMPANY AND OTHER

The administration costs within the Parent Company and the Group's other companies amounted to a net expense of SEK 21 million (expense of 18) after invoicing for services performed. Under Other revenue and costs, the Company reports the dissolution of a provision of SEK 36 million for a pension commitment in the UK pertaining to the previous operations of the subsidiary Korsnäs Paper Sacks Ltd. During the first quarter, the commitment was reinsured through an external insurance company. As a result, the total cost turned out to be lower than the provision made in conjunction with the closing of the operations. For the first quarter of 2007, a gain of SEK 70 million from the sale of the Swedish farm Ullevi (Agrovik AB) were reported under Other operating income.

## 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 customers and suppliers and the risk for a major accident in the production plants.

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

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

For a more detailed description of the Company's risks and risk management, refer to the Board of Directors' report and Note 30 of the 2007 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 the same as those described in the 2007 Annual Report.

Comparative figures for the first half of 2007 were adjusted as a result of a change in the accounting principle relating to participations in associated companies in the New Ventures business area. They have been reported at fair value instead of in accordance with the equity method, as previously.

## EVENTS AFTER THE END OF THE REPORTING PERIOD

On 1 July Kinnevik announced that Christer Simrén has been appointed new Chief Executive Officer of Korsnäs. Christer Simrén was most recently Managing Director of Wermland Paper. Between 1999 and 2001 he was COO and CEO of Korsnäs. He will take up his new position on 1 September 2008.

In July, Kinnevik and Vostok Nafta, through their jointly owned company Vosvik, completed the bid for all of the shares in Kontakt East. The purchase consideration has been paid for 98.7% of the shares surrendered under the offer. For Kinnevik, this meant that shares held earlier, corresponding to 21.4% of the capital in Kontakt East, were transferred to Vosvik. Kinnevik contributed a further SEK 149 million in cash to Vosvik to finance the cash offer for other shares and warrants in Kontakt East, including transaction costs.

## FINANCIAL REPORTS

The interim report for the period January - September 2008 will be published on 23 October 2008.

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, 24 July 2008

Cristina Stenbeck  
Chairman of the Board

Vigo Carlund  
Member of the Board

Per Eriksson  
Member of the Board,  
Employee representative

Geron Forsman  
Member of the Board,  
Employee representative

Wilhelm Klingspor  
Member of the Board

Erik Mitteregger  
Member of the Board

Stig Nordin  
Member of the Board

Allen Sangines-Krause  
Member of the Board

Mia Brunell Livfors  
CEO

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 24 July 2008.

**FOR FURTHER INFORMATION, PLEASE VISIT  
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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 including shares in Bergvik Skog, Major Listed Holdings which includes Millicom International Cellular, Tele2, Modern Times Group MTG, Metro International and Transcom WorldWide, and New Ventures which is active in finding new investments in small and mid sized companies which have a significant growth potential. Kinnevik plays an active role on the Boards of its holdings.*

*The Kinnevik class A and class B shares are listed on OMX Nordic Exchange Stockholm, Large Cap segment, within the financial and real estate sector. The ticker codes are KINV A and KINV B.*

## CONDENSED CONSOLIDATED INCOME STATEMENT (SEK million)

	2008 1 Jan- 30 June	2007 1 Jan- 30 June <sup>1)</sup>	2008 1 Apr- 30 June	2007 1 Apr- 30 June <sup>1)</sup>	2007 Full year
Revenue	4 072	3 994	2 068	2 037	7 673
Cost of goods and services	-3 529	-3 313	-1 778	-1 663	-6 526
<b>Gross profit</b>	<b>543</b>	<b>681</b>	<b>290</b>	<b>374</b>	<b>1 147</b>
Selling, administration, research and development costs	-239	-232	-138	-122	-455
Other operating income	54	147	23	35	251
Other operating expenses	9	-24	-11	-13	-58
Share of profit/loss of associated companies accounted for using the equity method	-	-1	-	-2	-
<b>Operating profit</b>	<b>367</b>	<b>571</b>	<b>164</b>	<b>272</b>	<b>885</b>
Dividends received	1 703	310	1 703	310	310
Change in fair value of financial assets	-7 581	8 962	1 760	2 870	15 540
Interest income and other financial income	14	1	8	0	14
Interest expenses and other financial expenses	-285	-230	-139	-117	-483
<b>Profit/loss after financial items</b>	<b>-5 782</b>	<b>9 614</b>	<b>3 496</b>	<b>3 335</b>	<b>16 266</b>
Taxes	-36	-77	-15	-45	-87
<b>Net profit/loss for the period</b>	<b>-5 818</b>	<b>9 537</b>	<b>3 481</b>	<b>3 290</b>	<b>16 179</b>
Of which attributable to:					
Equity holders of the Parent Company	-5 819	9 536	3 481	3 290	16 178
Minority	1	1	0	0	1
Earnings per share before/after dilution, SEK	-22.04	36.13	13.19	12.46	61.29
Average number of shares before/after dilution	263 981 930	263 981 930	263 981 930	263 981 930	263 981 930

<sup>1)</sup> Comparative figures for the first half of 2007 were adjusted as a result of a change in the accounting principle relating to participations in associated companies in the New Ventures business area. They have been reported at fair value instead of in accordance with the equity method, as previously. This has had a favorable effect of SEK 19 million on Operating profit and a favorable effect of SEK 307 million on Profit after financial items and Net profit for the first six months 2007. For the second quarter 2007 this has had a favorable effect of SEK 10 million on Operating profit and a favorable effect of SEK 167 million on Profit after financial items and Net profit.

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

	<b>2008</b>	<b>2007</b>	<b>2007</b>
	<b>1 Jan- 30 June</b>	<b>1 Jan- 30 June</b>	<b>Full year</b>
Operating profit	367	571	885
Adjustment for non-cash items	235	188	324
Taxes paid	-206	-33	-79
<b>Cash flow from operations before change in working capital</b>	<b>396</b>	<b>726</b>	<b>1 130</b>
Change in working capital	-114	-66	-252
<b>Cash flow from operations</b>	<b>282</b>	<b>660</b>	<b>878</b>
Acquisition of subsidiaries	-248	-	-
Disposal of subsidiaries	-	81	81
Investments in tangible and biological fixed assets	-98	-139	-353
Sales of tangible and biological fixed assets	11	2	35
Investments in shares and other securities	-9	-100	-530
Sales of shares and other securities	-	1 095	1 131
Dividends received	1 703	310	310
Change in loan receivables	3	0	7
Interest received	14	7	14
<b>Cash flow from investing activities</b>	<b>1 376</b>	<b>1 256</b>	<b>695</b>
Change in interest-bearing liabilities	-852	-1 243	-674
Interest paid	-287	-230	-458
Dividend paid	-528	-449	-449
<b>Cash flow from financing activities</b>	<b>-1 667</b>	<b>-1 922</b>	<b>-1 581</b>
<b>Cash flow for the period</b>	<b>-9</b>	<b>-6</b>	<b>-8</b>
Exchange rate differences in liquid funds	0	1	3
<b>Cash and bank, opening balance</b>	<b>101</b>	<b>106</b>	<b>106</b>
<b>Cash and bank, closing balance</b>	<b>92</b>	<b>101</b>	<b>101</b>

## CONDENSED SEGMENT REPORTING (SEK million)

<b>1 Jan-30 June 2008</b>	<b>Major Unlisted Holdings</b>	<b>Major Listed Holdings</b>	<b>New Ventures</b>	<b>Parent Company and other</b>	<b>Eliminations</b>	<b>Total Group</b>
Revenue	3 960		109	9	-6	4 072
Operating costs	-3 343		-108	-30	29	-3 452
Depreciation	-311		-5	-1		-317
Other operating income and expenses	42		8	37	-23	64
<b>Operating profit</b>	<b>348</b>		<b>4</b>	<b>15</b>		<b>367</b>
Dividends received	4	1 699	0			1 703
Change in fair value of financial assets	15	-7 513	-83			-7 581
Financial net	-200	-71	0			-271
<b>Profit/loss after financial items</b>	<b>167</b>	<b>-5 885</b>	<b>-79</b>	<b>15</b>		<b>-5 782</b>
Investments in securities			9			9
Investments in tangible fixed assets	63		35			98
<b>1 Jan-30 June 2007</b>	<b>Major Unlisted Holdings</b>	<b>Major Listed Holdings</b>	<b>New Ventures</b>	<b>Parent Company and other</b>	<b>Eliminations</b>	<b>Total Group</b>
Revenue	3 929		61	10	-6	3 994
Operating costs	-3 178		-53	-24	22	-3 233
Depreciation	-306		-5	-1		-312
Other operating income and expenses	63		9	67	-16	123
Share of profit/loss of associated companies accounted for using the equity method	-1					-1
<b>Operating profit</b>	<b>507</b>		<b>12</b>	<b>52</b>		<b>571</b>
Dividends received	4	304		2		310
Change in fair value of financial assets	10	8 684	268	0		8 962
Financial net	-169	-60	0			-229
<b>Profit after financial items</b>	<b>352</b>	<b>8 928</b>	<b>280</b>	<b>54</b>		<b>9 614</b>
Investments in securities			89	11		100
Investments in tangible fixed assets	115		24			139

## CONDENSED SEGMENT REPORTING (SEK million)

<b>1 Apr-30 June 2008</b>	<b>Major Unlisted Holdings</b>	<b>Major Listed Holdings</b>	<b>New Ventures</b>	<b>Parent Company and other</b>	<b>Eliminations</b>	<b>Total Group</b>
Revenue	2 006		61	4	-3	2 068
Operating costs	-1 687		-67	-18	13	-1 759
Depreciation	-156		-2	0	0	-158
Other operating income and expenses	21		2	0	-10	13
<b>Operating profit</b>	<b>184</b>		<b>-6</b>	<b>-14</b>		<b>164</b>
Dividends received	4	1 699	0	0		1 703
Change in fair value of financial assets	7	2 118	-365	0		1 760
Financial net	-96	-35	0	0		-131
<b>Profit/loss after financial items</b>	<b>99</b>	<b>3 782</b>	<b>-371</b>	<b>-14</b>		<b>3 496</b>
Investments in securities			1			1
Investments in tangible fixed assets	39		16			55
<b>1 Apr-30 June 2007</b>	<b>Major Unlisted Holdings</b>	<b>Major Listed Holdings</b>	<b>New Ventures</b>	<b>Parent Company and other</b>	<b>Eliminations</b>	<b>Total Group</b>
Revenue	2 001		35	4	-3	2 037
Operating costs	-1 598		-32	-8	9	-1 629
Depreciation	-153		-2	-1		-156
Other operating income and expenses	27		4	-3	-6	22
Share of profit/loss of associated companies accounted for using the equity method	-2					-2
<b>Operating profit</b>	<b>275</b>		<b>5</b>	<b>-8</b>		<b>272</b>
Dividends received	4	304	0	2		310
Change in fair value of financial assets	10	2 714	146	0		2 870
Financial net	-90	-28	1	0		-117
<b>Profit/loss after financial items</b>	<b>199</b>	<b>2 990</b>	<b>152</b>	<b>-6</b>		<b>3 335</b>
Investments in securities			89			89
Investments in tangible fixed assets	59		17			76



## CONDENSED SEGMENT REPORTING (SEK million)

<b>1 Jan-31 Dec 2007</b>	<b>Major Unlisted Holdings</b>	<b>Major Listed Holdings</b>	<b>New Ventures</b>	<b>Parent Company and other</b>	<b>Elimina- tions</b>	<b>Total Group</b>
Revenue	7 519		147	19	-12	7 673
Operating costs	-6 226		-117	-71	57	-6 357
Depreciation	-613		-10	-1		-624
Other operating income and expenses	156		3	79	-45	193
<b>Operating profit</b>	<b>836</b>		<b>23</b>	<b>26</b>		<b>885</b>
Dividends received	4	304		2		310
Change in fair value of financial assets	155	14 674	702	9		15 540
Financial net	-348	-125	4			-469
<b>Profit after financial items</b>	<b>647</b>	<b>14 853</b>	<b>729</b>	<b>37</b>		<b>16 266</b>
Investments in securities			519	11		530
Investments in tangible fixed assets	269		84			353

## CONDENSED CONSOLIDATED BALANCE SHEET (SEK million)

ASSETS	2008 30 June	2007 30 June <sup>1)</sup>	2007 31 Dec
<b>Fixed assets</b>			
Intangible assets	836	621	621
Tangible and biological fixed assets	6 458	6 652	6 551
Financial assets accounted to fair value through profit and loss	45 104	45 733	52 741
<i>whereof interest-bearing</i>	186	96	205
Investments in companies accounted for using the equity method	11	101	75
Other fixed assets	5	8	6
	<b>52 414</b>	<b>53 115</b>	<b>59 994</b>
<b>Current assets</b>			
Inventories	1 900	1 418	1 645
Trade receivables	760	746	721
Tax receivables	7	-	11
Other current assets	492	203	346
Short-term investments	34	16	29
Cash and cash equivalents	58	85	72
	<b>3 251</b>	<b>2 468</b>	<b>2 824</b>
<b>TOTAL ASSETS</b>	<b>55 665</b>	<b>55 583</b>	<b>62 818</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Equity attributable to equity holders of the Parent Company	44 047	43 559	50 254
Equity attributable to the minority	21	13	13
	<b>44 068</b>	<b>43 572</b>	<b>50 267</b>
<b>Long-term liabilities</b>			
Interest-bearing loans	8 063	7 041	8 856
Provisions for pensions	535	549	534
Other provisions	41	130	77
Deferred tax liability	1 453	1 509	1 382
Other liabilities	4	4	4
	<b>10 096</b>	<b>9 233</b>	<b>10 853</b>
<b>Short-term liabilities</b>			
Interest-bearing loans	34	1 373	121
Provisions	73	168	121
Trade payables	745	602	734
Income tax payable	6	32	166
Other payables	643	603	556
	<b>1 501</b>	<b>2 778</b>	<b>1 698</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>55 665</b>	<b>55 583</b>	<b>62 818</b>

<sup>1)</sup> Comparative figures for 30 June 2007 were adjusted as a result of a change in the accounting principle relating to participations in associated companies in the New Ventures business area. They have been reported at fair value instead of in accordance with the equity method, as previously.

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

	<b>2008</b>	<b>2007</b>	<b>2007</b>
	<b>1 Jan-30 June</b>	<b>1 Jan-30 June</b>	<b>Full year</b>
Translation differences	18	-4	30
Net gain/loss of cash flow hedges	122	66	78
Actuarial profit/loss, net, relating to pension provision in accordance with IAS 19	-	-	7
Capital contribution from the minority	7	-	-
<b>Changes in assets recognised in equity, excluding transactions with the Parent Company's shareholders</b>	<b>147</b>	<b>62</b>	<b>115</b>
Net profit	-5 818	9 537	16 179
<b>Total changes in assets, excluding transactions with the Parent Company's shareholders</b>	<b>-5 671</b>	<b>9 599</b>	<b>16 294</b>
Attributable to the shareholders of the Parent Company	-5 679	9 597	16 293
Attributable to the minority	8	2	1
<b>Equity, opening balance</b>	<b>50 267</b>	<b>34 422</b>	<b>34 422</b>
Total changes in assets according to statement above	-5 671	9 599	16 294
Cash dividend	-528	-449	-449
<b>Equity, closing amount</b>	<b>44 068</b>	<b>43 572</b>	<b>50 267</b>
Equity attributable to the shareholders of the Parent Company	44 047	43 559	50 254
Equity attributable to the minority	21	13	13
	<b>2008</b>	<b>2007</b>	<b>2007</b>
	<b>30 June</b>	<b>30 June</b>	<b>31 Dec</b>
<b>KEY RATIOS</b>			
Debt/equity ratio	0.20	0.21	0.19
Equity ratio	79%	78%	80%
Net debt	8 354	8 766	9 205

**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, 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.

## FINANCIAL KEY RATIOS

## MAJOR UNLISTED HOLDINGS (SEK million)

	2008 Q2	2008 Q1	2007 Full year	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Full year <sup>1)</sup>	2006 Q4 <sup>1)</sup>	2006 Q3 <sup>1)</sup>	2006 Q2 <sup>1)</sup>
<b>Revenue</b>											
Korsnäs Industrial	1 785	1 756	6 625	1 572	1 583	1 755	1 715	6 392	1 511	1 641	1 650
Korsnäs Forestry	594	584	2 207	577	558	559	513	1 817	463	436	462
Eliminations within Korsnäs	-373	-386	-1 313	-328	-372	-313	-300	-1 075	-252	-271	-277
Total Korsnäs	2 006	1 954	7 519	1 821	1 769	2 001	1 928	7 134	1 722	1 806	1 835
<b>Operating profit before depreciation (EBITDA)</b>											
Korsnäs Industrial	332	308	1 353	159	431	398	365	1 436	212	444	392
Korsnäs Forestry	8	11	96	6	40	30	20	54	27	12	8
Total Korsnäs	340	319	1 449	165	471	428	385	1 490	239	456	400
<b>Operating profit after depreciation (EBIT)</b>											
Korsnäs Industrial	178	154	745	6	279	247	213	821	53	296	237
Korsnäs Forestry	6	10	91	5	39	28	19	44	25	11	4
Total Korsnäs	184	164	836	11	318	275	232	865	78	307	241
<b>Operating margin</b>											
Korsnäs Industrial	10.0%	8.8%	11.2%	0.4%	17.6%	14.1%	12.4%	12.8%	3.5%	18.0%	14.4%
Korsnäs Forestry	1.0%	1.7%	4.1%	0.9%	7.0%	5.0%	3.7%	2.4%	5.4%	2.5%	0.9%
Korsnäs	9.2%	8.4%	11.1%	0.6%	18.0%	13.7%	12.0%	12.1%	4.5%	17.0%	13.1%
<b>Operational capital employed</b>											
Korsnäs Industrial	7 886	7 879	7 743	7 696	7 693	7 737	7 805	8 338	8 051	8 317	8 459
Korsnäs Forestry	415	370	267	328	272	224	213	222	201	196	236
Total Korsnäs	8 301	8 249	8 010	8 024	7 965	7 961	8 018	8 560	8 252	8 513	8 695
<b>Return on operational capital employed</b>											
Korsnäs Industrial	9.0%	7.8%	9.6%	0.3%	14.5%	12.8%	10.9%	9.8%	2.6%	14.2%	11.2%
Korsnäs Forestry	5.8%	10.8%	34.1%	6.1%	57.4%	50.0%	35.7%	19.8%	49.8%	22.4%	6.8%
Korsnäs	8.9%	8.0%	10.4%	0.5%	16.0%	13.8%	11.6%	10.1%	3.8%	14.4%	11.1%
Production, thousand tons	270	274	1 069	243	281	277	268	1 058	243	269	267
Deliveries, thousand tons	264	260	1 073	252	256	283	282	1 037	245	270	264

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

## FINANCIAL KEY RATIOS

## MAJOR LISTED HOLDINGS (SEK million)

	2008 Q2	2008 Q1	2007 Full year	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Full year	2006 Q4	2006 Q3	2006 Q2
<b>Change in fair value and dividends received</b>											
Millicom	2 773	-6 886	11 974	7 454	-3 103	3 178	4 445	8 248	5 032	-1 003	-1 551
Tele2	1 675	-2 164	3 899	-1 192	3 325	-53	1 819	2 102	3 262	157	-2 164
MTG	-437	-388	95	358	-258	407	-412	1 402	710	31	343
Metro	-165	-21	-976	-395	-105	-628	151	-925	46	-558	-307
Transcom	-29	-172	-386	16	-106	-107	-189	211	89	-92	-57
Invik <sup>1)</sup>	-	-	407	-	-	251	156	349	121	42	15
	<b>3 817</b>	<b>-9 631</b>	<b>15 013</b>	<b>6 241</b>	<b>-247</b>	<b>3 048</b>	<b>5 970</b>	<b>11 387</b>	<b>9 260</b>	<b>-1 423</b>	<b>-3 721</b>
<b>Book value end of the period</b>											
Millicom	23 647	21 415	28 301	28 301	20 847	23 950	20 772	16 326	16 326	11 294	12 296
Tele2	14 744	14 054	16 218	16 218	17 410	14 085	14 368	12 548	12 548	9 286	9 129
MTG	3 517	4 103	4 491	4 491	4 133	4 391	4 058	4 471	4 471	3 760	3 954
Metro	954	1 119	1 140	1 140	1 535	1 640	2 267	2 116	2 116	2 070	2 403
Transcom	386	439	611	611	595	701	808	998	998	909	1 001
Invik <sup>1)</sup>	-	-	-	-	-	-	838	682	682	562	520
	<b>43 248</b>	<b>41 130</b>	<b>50 761</b>	<b>50 761</b>	<b>44 520</b>	<b>44 767</b>	<b>43 111</b>	<b>37 141</b>	<b>37 141</b>	<b>27 881</b>	<b>29 303</b>

<sup>1)</sup> On 28 June 2007, the entire holding in Invik was divested.

## NEW VENTURES (SEK million)

	2008 Q2	2008 Q1	2007 Full year	2007 Q4	2007 Q3	2007 Q2	2007 Q1
<b>Change in fair value through income statement</b>							
Black Earth Farming	-397	279	717	351	78	157	131
Kontakt East	28	-7	-15	-4	9	-11	-9
Unlisted holdings	4	10	0	0	0	0	0
	<b>-365</b>	<b>282</b>	<b>702</b>	<b>347</b>	<b>87</b>	<b>146</b>	<b>122</b>
<b>Book value end of period</b>							
Black Earth Farming	1092	1 489	1 208	1 208	704	500	343
Kontakt East	105	77	81	81	54	40	51
Unlisted holdings	598	556	546	546	495	380	247
	<b>1 795</b>	<b>2 122</b>	<b>1 835</b>	<b>1 835</b>	<b>1 253</b>	<b>920</b>	<b>641</b>

## CONDENSED PARENT COMPANY INCOME STATEMENT (SEK million)

	<b>2008</b> <b>1 Jan- 30 June</b>	<b>2007</b> <b>1 Jan- 30 June</b>	<b>2008</b> <b>1 Apr- 30 June</b>	<b>2007</b> <b>1 Apr- 30 June</b>	<b>2007</b> <b>Full year</b>
Revenue	6	6	3	3	12
Administration costs	-28	-29	-16	-15	-65
Other operating income	3	3	1	2	7
<b>Operating loss</b>	<b>-19</b>	<b>-20</b>	<b>-12</b>	<b>-10</b>	<b>-46</b>
Dividends received	1 658	1 817	1 658	1 817	1 817
Result from financial assets	832	592	1	592	599
Net interest income/expense	-153	-145	-70	-79	-311
<b>Profit after financial items</b>	<b>2 318</b>	<b>2 244</b>	<b>1 577</b>	<b>2 320</b>	<b>2 059</b>
Taxes	43	47	18	26	102
<b>Net profit for the period</b>	<b>2 361</b>	<b>2 291</b>	<b>1 595</b>	<b>2 346</b>	<b>2 161</b>

## CONDENSED PARENT COMPANY BALANCE SHEET (SEK million)

	<b>2008</b> <b>30 June</b>	<b>2007</b> <b>30 June</b>	<b>2007</b> <b>31 Dec</b>
<b>ASSETS</b>			
Tangible fixed assets	2	2	2
Financial fixed assets	26 733	25 488	25 702
Short-term receivables	68	60	528
Cash and cash equivalents	2	3	1
<b>TOTAL ASSETS</b>	<b>26 805</b>	<b>25 553</b>	<b>26 233</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Equity	20 693	18 627	18 860
Provisions	78	76	75
Long-term liabilities	5 956	5 371	4 699
Short-term liabilities	78	1 479	2 599
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>26 805</b>	<b>25 553</b>	<b>26 233</b>

The Parent Company's liquidity, including short-term investments and unutilized credit facilities totalled SEK 1,948 million at 30 June 2008 and SEK 1,647 million at 31 December 2007. The Parent Company's interest bearing external liabilities amounted to SEK 4,306 million (4,278) on the same dates.

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

In accordance with the proposal on reclassification, approved by the Annual General Meeting held on 15 May this year, owners of 1,531,726 Class A shares have required reclassification of Class A shares to Class B shares. After reclassification the number of Class A shares is 48,665,324 and the number of Class B shares is 215,316,606 as at 30 June 2008. The difference in number of votes per share between Class A shares and Class B shares is 10:1. The total amount of votes in Kinnevik is 701,969,846. The total number of shares after reclassification is unchanged since 31 December 2007 at 263,981,930. 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 2007 or 2008.