

Investment AB Kinnervik

*Stoppbrieten 18
P.O. Box 2094
SE-103 13 Stockholm Sweden
www.kinnervik.se*



*Publ Reg no 556047-9742
Phone +46 8 562 000 00
Fax +46 8 20 37 74*

INTERIM REPORT 2007 1 JANUARY – 30 JUNE

Financial results for the second quarter

- The market value of the Group's securities in Major Listed Holdings increased by 7% to SEK 44,767 million.
- The sale of Invik had a positive effect on earnings of SEK 251 million in the quarter.
- Korsnäs' revenues increased by 9% to SEK 2,001 million (SEK 1,835 million pro forma including Frövi).
- Operating profit for Korsnäs increased to SEK 274 million (SEK 241 million pro forma).
- The Group's total revenue amounted to SEK 2,037 million (1,462) and operating profit was SEK 262 million (163).
- Profit after tax, including changes in fair value of financial assets, amounted to SEK 3,123 million (loss of 3,661).
- The profit per share was SEK 11.83 (loss of 13.85).

Financial results for the first half of the year

- The market value of the Group's securities in Major Listed Holdings increased by 24% to SEK 44,767 million.
- Korsnäs' revenues increased by 9% to SEK 3,929 million (SEK 3,606 million pro forma).
- Operating profit for Korsnäs increased to SEK 507 million (SEK 480 million pro forma).
- The Group's total revenue amounted to SEK 3,994 million (2,707) and operating profit was SEK 552 million (303).
- Profit after tax, including changes in fair value of financial assets, amounted to SEK 9,230 million (3,692).
- The profit per share was SEK 34.96 (14.03).

MANAGEMENT

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 42%. 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").

On 10 May, Kinnevik's Annual General Meeting decided, in accordance with the Board of Directors' proposal, to pay a cash dividend of SEK 1.70 (1.60) per share to shareholders for the fiscal year 2006, totaling SEK 449 million (422). The AGM did also decide to re-elect Cristina Stenbeck, Vigo Carlund, Wilhelm Klingspor, Erik Mitteregger and Stig Nordin and elected Allen Sangines-Krause as directors of the Board. The AGM further appointed Cristina Stenbeck to be the Chairman of the Board of Directors.

SIGNIFICANT EVENTS DURING THE SECOND QUARTER

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 sale had a positive impact on earnings of SEK 251 million, excluding transaction costs, for the second quarter, which is the difference between the market value of the shares on 31 March, SEK 838 million, and the sales proceeds. Kinnevik's agreement with the Icelandic investment company Milestone ehf. ("Milestone") includes that Milestone already on the same day announced a voluntary offer to acquire all outstanding shares and other financial instruments in Invik, which means that Invik's other shareholders received the offer to sell their shares at the same price as Kinnevik sold its shares. The transaction was concluded on 28 June, after Milestone received approvals from the relevant financial supervisory authorities. On 2 July, Milestone announced that shareholders representing 98% of the capital and 99% of the votes in Invik had accepted Milestone's offer.

CONSOLIDATED RESULT FOR THE SECOND QUARTER

Total revenues for the second quarter of the year amounted to SEK 2,037 million, compared with SEK 1,462 million the preceding year. Operating result amounted to SEK 262 million (163). The comparable figures include Korsnäs Frövi from 1 June 2006.

The net change in the fair value of financial assets, including dividends received, amounted to an overall increase of SEK 3,023 million (decrease of 3,719). Dividends received totalled SEK 310 million (263), of

which SEK 230 million (220) were received from Tele2 and SEK 74 million (0) from MTG. Other financial income and expenses amounted to a net expense of SEK 117 million (expense of 70), of which net interest expenses were SEK 113 million (expense of 61) and exchange rate differences were SEK 1 million (0). The reduced net interest was due to increased loans at the acquisition of Frövi and higher market rate of interest.

The group reported a profit after financial items of SEK 3,168 million (loss of 3,626) and net profit amounted to SEK 3,123 million (loss of 3,661).

CONSOLIDATED RESULT FOR THE FIRST HALF OF THE YEAR

Revenue for the first half of the year amounted to SEK 3,994 million compared with SEK 2,707 million in the preceding year. The comparable figures include Korsnäs Frövi from 1 June 2006. Operating profit amounted to SEK 552 million (303). The operating profit includes a profit of SEK 70 million from the sale of Agrovik AB.

The net change in the fair value of financial assets, including dividends received, amounted to an overall increase of SEK 8,984 million (3,573). Other financial income and expenses amounted to a net expense of SEK 229 million (expense of 123), of which net interest expenses were SEK 220 million (expense of 110) and exchange rate differences were a loss of SEK 2 million (loss of 1).

The Group reported a profit after financial items of SEK 9,307 million (3,753) and net profit amounted to SEK 9,230 million (3,692).

EARNINGS PER SHARE

Earnings per share were SEK 34.96 (14.03) for the first half of the year. The 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.

FINANCIAL POSITION AND INVESTMENTS

The Group's available liquidity, including short-term investments and unutilized credit facilities, totalled SEK 2,229 million at 30 June 2007 and SEK 929 million at 31 December 2006.

The Group's interest-bearing net debt amounted to SEK 8,766 million at 30 June 2007 and SEK 9,856 million at 31 December 2006.

The average interest cost for the first half of the year amounted to 4.3% (2.9%) (calculated as interest expense in relation to average interest-bearing liabilities). All loans have fixed interest term of no longer than three months.

The Group's cash flow from operations amounted

to SEK 660 million (592) for the first half of the year. Received payment for the sale of Agrovik AB amounted to SEK 81 million including transfer of bank loans amounting to SEK 25 million. Received payment for the sale of Invik amounted to SEK 1,089 million.

Investments in financial fixed assets amounted to SEK 11 million. During the first half of last year SEK 106 million was invested in Black Earth Farming Ltd.

Investments in tangible fixed assets amounted to SEK 139 million (76) during the period.

The Group's equity/assets ratio was 78% at 30 June 2007 compared to 72% at 31 December 2006.

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 June 2007 (SEK m)	Fair value 30 June 2007 (SEK m)	Change in stock price since 31 Dec 2006 ¹⁾
Major Unlisted Holdings							
Korsnäs Industrial and Forestry ²⁾			100	100	6 481	1155 ⁴⁾	
Bergvik Skog	353		5	5	276	276	
Interest bearing external liabilities relating to Korsnäs					-6 836	-6 836	
Total Major Unlisted Holdings					-79	4 994	
Major Listed Holdings							
Millicom	37 835 438		37.5	37.5	23 950	23 950	47%
Tele2	25 830 229	99 651 296	28.2	45.3	14 085	14 085	12%
MTG	9 821 336	113 675	14.8	47.5	4 391	4 391	-2%
Metro	103 408 698	129 138 208	44.1	39.2	1 640	1 640	-23%
Transcom	12 627 543		17.3	34.7	701	701	-30%
Total Major Listed Holdings					44 767	44 767	
New Ventures							
Rolnyvik			100	100	168	200 ⁴⁾	
Black Earth Farming	16 780 800		22	22	182	500 ⁵⁾	
Sia Latgran			51	51	83	100 ⁴⁾	
Relevant Traffic			36	36	24	40 ⁴⁾	
Kontakt East	1 440 000		17	17	40	40	-31%
Gateway TV			11	-	89	89 ⁴⁾	
Total New Ventures					586	969	
Other assets and liabilities					-3	-	
Interest bearing net debt (excluding liabilities relating to Korsnäs and interest bearing receivable on Gateway TV)					-2 019	-2 019	
Total equity/net asset value					43 252	48 711	
Net asset value per share, SEK						184.5	
Closing price class B share 30 June 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.

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

Jan-June 2007	Equity interest	Reported		Proportional part of		Change compared to Jan-June 2006	
		Revenue	EBIT ¹⁾	Revenue	EBIT	Revenue	EBIT
Korsnäs	100%	3 929	507	3 929	507	9%	6%
Millicom	37.5%	8 164	2 187	3 062	820	67%	48%
Tele2	28.2%	25 947	989	7 317	279	5%	66%
MTG	14.8%	5 471	1 001	810	148	11%	7%
Metro	44.1%	1 543	-48	680	-21	-1%	N/A
Transcom	17.3%	2 651	142	459	25	6%	-17%
Total sum of Kinnevik's proportional part of revenue and operating result				16 256	1 757	14%	27%

¹⁾ Excluding one-off charges of SEK 525 million in Tele2.

The table above is a compilation of Major Unlisted and Major Listed Holdings' revenues and operating result reported for the first six 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.

NEW BUSINESS AREA STRUCTURE

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

Major Unlisted Holdings, which comprises Korsnäs. Sia Latgran, which was previously included in Korsnäs, has been transferred to New Ventures.

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

New Ventures, which currently comprises the wholly owned Rolnyvik farm in Poland, 22% of the agricultural company Black Earth Farming in Russia, 51% of the Latvian company Sia Latgran, which manufactures pellets, 36% of Relevant Traffic, which operates within search marketing on the Internet, 17% of Kontakt East, which operates within search and guidance media in Russia and investment in Gateway TV, a company operating in pay-TV in sub-Saharan Africa. Refer to the table on page 7.

MAJOR UNLISTED HOLDINGS – KORSNÄS

Korsnäs and its subsidiaries conduct operations in the production of virgin fiber-based packaging material (Korsnäs Industrial) mainly for consumer products at the two mills in Gävle and Frövi, and procurements of wood and fiber (Korsnäs Forestry). Korsnäs also owns 5% of the shares in Bergvik Skog and 41% of the shares in Karskär Energi. During 2006, Frövi was acquired and Korsnäs Packaging was sold. These transactions underline Korsnäs' strategy to focus on its operations within high-grade board and paper products for the packaging industry.

Korsnäs revenue and result for the first half of the year amounted to:

(SEK million)	Jan-June	
	2007	2006 ¹⁾
Revenue	3 929	3 606
EBITDA	815	795
Operating profit (EBIT)	507	480

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

Korsnäs Industrial

The economic upswing that characterized 2006 continued in 2007. Delivery volumes for paper, pulp and board products rose by 8% during the first half of the year to 565 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 11%.

Demand for liquid packaging board continued to be strong, and Korsnäs increased its deliveries during the first half of the year, compared with the corresponding period in 2006. The market for White Top Liner is stable and Korsnäs has a strong market position with high volumes to the main markets in Europe. Korsnäs implemented price increases for White Top Liner during the first half of the year. The Packaging Board product area continued to develop positively. Delivery volumes increased by 19% compared with the first half of 2006, and Korsnäs has also implemented price increases during the spring. 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. The volume increase for these products

was 42% compared with the first half of 2006. Korsnäs has also implemented price increases for sack and kraft paper.

Total production during the first half of the year amounted to 545 thousand tons, which is on the same level 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 initiated 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. Several projects have been started to further increase productivity at the mills. 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 annually. The effects of the improvement program are expected to yield their full impact on earnings from 2008. The improvement program had a positive effect of about SEK 35 million on earnings during the first half of 2007 and is estimated to have a positive effect of about SEK 75 million on the result for the full year 2007.

Korsnäs Industrial's revenues during the first half of the year amounted to SEK 3,470 million, an increase of 7% compared with pro forma SEK 3,240 million during the first half of the preceding year. The operating profit amounted to SEK 460 million, compared with pro forma SEK 472 million for the first half of 2006. The negative effect of pulp and wood prices on earnings amounted to about SEK 130 million compared with first two quarters pro forma 2006.

Prices for pulpwood have increased further both in the Swedish market as well as for imported volumes. The negative impact from price increases for pulpwood on Korsnäs' earnings for the second half of the year will likely exceed the effect for the first half of the year. The operating profit for the fourth quarter will also be affected by costs in connection to the yearly one-week long maintenance stop at Gävle and Frövi.

Korsnäs Forestry

The mild winter, combined with strong economic conditions, has led to a shortage of pulpwood in the Baltic region. As a result, prices in the Baltic countries and Russia have continued to rise to record-high levels. Total inventories of both softwood and hardwood pulp are still on low levels.

Korsnäs Forestry's revenues during the first half of the year amounted to SEK 1,072 million (918), with

operating profit of SEK 47 million (8). The improved operating profit was primarily attributable to the favorable market situation, mainly within the Latvian forestry operation, and to a certain extent is a 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 24% during the first half of the year, corresponding to SEK 8,611 million, including dividends received from Tele2 and MTG totaling SEK 304 million. On 30 June 2007, the market value of the Major Listed Holdings was SEK 44,767 million (SEK 28,783 million 30 June 2006). Change in fair value of shares in Invik divested during the quarter amounted to SEK 407 million. The changes in value is shown in the consolidated income statement; refer to table on page 17 for split per holding.

On 25 July 2007 the market value of the Major Listed Holdings was SEK 42,876 million.

Dividends received from Major Listed Holdings totalled SEK 304 million (260), of which SEK 230 million (220) were received from Tele2, SEK 74 million (0) from MTG and SEK 0 million (40) from Transcom.

Millicom

The market value of Kinnevik's shareholding in Millicom amounted to SEK 23,950 million on 30 June 2007 (SEK 12,296 million 30 June 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 (excluding Pakistan). All Millicom's 16 operations now feature GSM networks.

On 30 June 2007, Millicom had 18.0 million (9.8 million 30 June 2006) subscribers in countries where the company has continued operations, which is an increase of 84% since 30 June 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. The net gain on the sale was USD 258 million.

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

	Jan-June	
(USD million)	2007	2006
Revenue	1 176	644
EBITDA	511	302
Operating profit EBIT	315	195

Tele2

The market value of Kinnevik's shareholding in Tele2 amounted to SEK 14,085 million on 30 June 2007 (SEK 9,129 million 30 June 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 29 million customers in 21 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. The future of Tele2 is more focused with a narrower geographical footprint than today. As a phase in the strategy to focus on core operations and reduce the geographic distribution, the company signed a number of agreements during the second quarter 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. Furthermore, an agreement was reached to sell Alpha Telecom and Calling Card Company "C3". In the end of June an agreement was reached to divest the Portuguese operation, including mobile telephony, 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. On 18 July Tele2 announced that it has received EU approval on the sale of its French broadband and fixed line operations to SFR, in line with the agreement signed in October 2006.

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

	Jan-June	
(SEK million)	2007	2006
Revenue	25 947	24 629
EBITDA	3 230	2 458
Operating profit EBIT	989 ¹⁾	594

¹⁾ Excluding one-off charges of SEK 525 million.

MTG

The market value of Kinnevik's shareholding in MTG amounted to SEK 4,391 million on 30 June 2007 (SEK 3,954 million 30 June 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 around the world. 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.

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

	Jan-June	
(SEK million)	2007	2006
Revenue	5 471	4 939
Operating profit EBIT	1 001	938

Metro

The market value of Kinnevik's shareholding in Metro amounted to SEK 1,640 million on 30 June 2007 (SEK 2,403 million 30 June 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 the largest and fastest growing international newspaper in the world. Metro is published in over 100 major cities in 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 May, Metro announced that it had entered into a partnership with the Brazilian TV company Grupo Bandeirantes to commence publishing a Metro newspaper in Sao Paulo, Brazil. Metro owns 29.99% of the shares in the new company. The newspaper will be published under the name Publimento and the initial circulation figure will amount to 150,000.

During the second quarter, Metro increased its ownership in Metro Vancouver and Metro Ottawa and after the transaction Metro and Torstar Corporation each own approximately 50% of the companies.

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

	Jan-June	
(USD million)	2007	2006
Revenue	222	205
Operating profit/loss EBIT	-7	3

Transcom

The market value of Kinnevik's shareholding in Transcom amounted to SEK 701 million on 30 June 2007 (SEK 1,001 million 30 June 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 57 service centers in 28 countries, with a total of more than 13,000 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. Transcom offers clients a broad array of relationship management services, including

inbound communications; telemarketing and out-bound; administrative tasks; Web servicing; CRM consultancy services; Contract Automation; Credit Management services; Legal Services; and Interpretation services. Client programs are tailor-made and range from single applications to complex programmes, which are offered on a country-specific or international basis in up to 33 languages.

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.

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

(EUR million)	Jan-June	
	2007	2006
Revenue	288	267
EBITDA	21	23
Operating profit EBIT	15	18

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	22%	agricultural operations in Russia	unlisted associate	Q1 2006	215
Sia Latgran	51%	pellets production in Latvia	subsidiary	2005	11
Relevant Traffic	36%	search marketing in Europe	unlisted associate	Q3 2006	28
Kontakt East	17%	search and guidance media in Russia	listed shareholding	Q4 2006	34
Gateway TV	11%/0%	pay-TV in sub-Saharan Africa	interest-bearing receivable/shares at fair value	Q2 2007	89

For the first six months, the operating loss for New Ventures amounted to SEK 7 million (profit of 5), of which a negative amount of SEK 19 million (-) was share of loss of associated companies accounted for using the equity method (Black Earth Farming SEK -15 million and Relevant Traffic SEK -4 million). The change in fair value of financial assets totaled a negative amount of SEK 19 million (0) and pertained in its entirety to Kontakt East.

Rolnyvik

A relatively favorable spring and early summer created the conditions for a substantial harvest in the Polish agricultural company Rolnyvik. The intense rain during the end of June and beginning of July did not appear to have any negative effects on crops.

Prices in the European markets remained generally high as a result of relatively small stock on hand and increased demand primarily from the energy sector. The forecasts of a moderate harvest due to the prolonged drought in southern Europe may lead to additional price increases.

Total revenue for Rolnyvik amounted to SEK 24 million (26) during the first six months and operating profit was SEK 8 million (2).

Black Earth Farming

During the first six months, Black Earth Farming continued the rapid expansion of its Russian agricultural operation. On 30 June, the company had approximately 235,000 hectares of cultivable land under its control, an increase of approximately 115,000 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 year, 55,000 hectares were sown and will be harvested between July and September.

The company will continue to acquire land since the price level is still considered attractive. However, competition has recently increased for land in attractive locations.

Sia Latgran

Pellets production by the Latvian company Sia Latgran amounted to about 35,000 tons, which is 6% higher than in the first half of 2006. Production costs increased sharply during the period mainly due to rising raw material costs. The market for pellets is characterized by continued growing demand but, in the short-term period, spot prices have declined due to

the mild winter. A decision was taken during the fourth quarter of 2006 to invest approximately SEK 120 million in a second pellet plant with an annual production capacity of about 110 thousand tons. The plant is scheduled to start operations in the beginning of 2008.

Sia Latgran's revenues during the first half of the year amounted to SEK 36 (31) million, with operating profit of SEK 5 (8) million.

Relevant Traffic

Relevant Traffic is a European full-service company within search marketing. The company has 60 employees in its offices in France, Spain, the UK, Sweden and Germany. 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.

The Group's sales amounted to SEK 97 million (50) during the fiscal year May 2006 – April 2007 and operating loss was SEK 11 million (profit 1). The operating loss was due to the Group being charged with expenses pertaining to the establishment of offices in Spain, the UK and Germany.

Kontakt East

Kontakt East is a Swedish holding company that invests in companies active in search and guidance media in Russia and neighboring markets. Kontakt East currently has two operating subsidiaries – Rus-M and Rus-S – active in search services, both of which are organized in the operational unit Yellow Pages Russia ("YPR"). YPR has the leading off-line position in Moscow and the number two position in St. Petersburg.

In the beginning of 2007, Kontakt East announced that it had recruited a team of four senior internet entrepreneurs to develop its offering in classified and search services targeted to consumers.

Kontakt East's shares are since November 2006 listed on the First North Exchange in Sweden. The market value of Kinnevik's shareholding and options in Kontakt East amounted to SEK 40 million on 30 June 2007.

Gateway TV

In May, Kinnevik invested SEK 89 million in Gateway Broadcast Services Ltd, a company operating within pay-TV in sub-Saharan Africa. Gateway 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 into all Sub-Saharan markets excluding South Africa and Nigeria. The current Pay TV penetration in these markets is below 1%.

THE PARENT COMPANY

The Parent Company's result after financial items was a profit of SEK 2,244 million (113) of which dividend received was SEK 1,817 million (103) and SEK 592 million (0) was profit from sale of financial assets.

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

The Parent Company's liquidity, including short-term investments and unutilized credit facilities totalled SEK 1,144 million at 30 June 2007 and SEK 311 million at 31 December 2006. The Parent Company's interest-bearing external liabilities amounted to SEK 3,749 million at 30 June 2007 and SEK 4,589 million at 31 December 2006.

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.

FINANCIAL REPORTS

The interim report for the period January – September 2007 will be published on 25 October 2007.

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, 26 July 2007

Cristina Stenbeck
Chairman of the Board

Vigo Carlund
Member of the Board

Per Eriksson
*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

Hans Wahlbom
*Member of the Board,
Employee representative*

Mia Brunell
CEO

REVIEW REPORT

We have reviewed the interim report of Investment AB Kinnevik (publ) for the period 1 January to 30 June 2007. It is the Board of Directors and the CEO who are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with Standard on Review Engagements (SÖG) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope compared to an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, the conclusion expressed based on a review does not constitute the same level of assurance as a conclusion based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 26 July 2007
Ernst & Young AB

Erik Åström
Authorized Public Accountant

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

Mia Brunell, Chief Executive Officer
tel +46 (0) 8 562 000 00

Henrik Persson, Information and Investor Relations
tel +46 (0) 8 562 000 87, mobile +46 (0) 70 762 00 87

Investment AB Kinnevik's objective is to increase shareholder value, primarily through net asset value growth. The Parent Company manages a portfolio of investments focused around three comprehensive business areas; Major Listed Holdings which includes Millicom International Cellular, Tele2, Modern Times Group MTG, Metro International and Transcom WorldWide, Major Unlisted Holdings which includes the cartonboard and paper company Korsnäs, and New Ventures which is active in finding new investments 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 KINV A and KINV B.

CONDENSED CONSOLIDATED INCOME STATEMENT (SEK million)

	2007	2006	2007	2006	2006
	1 Jan- 30 June	1 Jan- 30 June	1 Apr- 30 June	1 Apr- 30 June	Full year
Revenue	3 994	2 707	2 037	1 462	6 305
Cost of goods and services	-3 313	-2 265	-1 663	-1 223	-5 404
Gross profit	681	442	374	239	901
Selling, administration, research and development costs	-232	-180	-122	-94	-492
Other operating income	147	67	35	39	116
Other operating expenses	-24	-31	-13	-17	-46
Share of profit/loss of associated companies accounted for using the equity method	-20	5	-12	-4	-1
Operating profit	552	303	262	163	478
Dividends received	310	263	310	263	488
Change in fair value of financial assets	8 674	3 310	2 713	-3 982	10 974
Interest income and other financial income	1	17	0	9	22
Interest expenses and other financial expenses	-230	-140	-117	-79	-354
Profit/loss after financial items	9 307	3 753	3 168	-3 626	11 608
Taxes	-77	-49	-45	-29	-47
Net profit for the period from continuing operations	9 230	3 704	3 123	-3 655	11 561
Net loss from discontinued operations	-	-12	-	-6	-12
Net profit for the period	9 230	3 692	3 123	-3 661	11 549
Of which attributable to:					
Equity holders of the Parent Company	9 229	3 691	3 123	-3 662	11 547
Minority	1	1	0	1	2
Earnings per share before/after dilution, SEK:					
– from continuing operations	34.96	14.03	11.83	-13.85	43.79
– from discontinued operations	-	-0.05	-	-0.02	-0.05
Average number of shares before/after dilution	263 981 930	263 981 930	263 981 930	263 981 930	263 981 930

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT (SEK million)

	2007	2006	2006
	1 Jan- 30 June	1 Jan- 30 June	Full year
Operating profit	552	303	478
Adjustment for non-cash items	207	206	618
Taxes paid	-33	-14	-18
Cash flow from operations before change in working capital	726	495	1 078
Change in working capital	-66	97	455
Cash flow from operations	660	592	1 533
Acquisition of subsidiaries	-	-3 649	-3 638
Disposal of subsidiaries	81	611	606
Investments in tangible and biological fixed assets	-139	-76	-308
Sales of tangible and biological fixed assets	2	14	16
Investments in shares and other securities	-11	-106	-288
Sales of shares and other securities	1 095	2	4
Dividends received	310	263	263
Change in loan receivables	-89	7	21
Interest received	7	12	22
Cash flow from investing activities	1 256	-2 922	-3 302
Change in interest-bearing liabilities	-1 243	3 021	2 453
Interest paid	-230	-136	-314
Dividend paid	-449	-422	-422
Cash flow from financing activities	-1 922	2 463	1 717
Total cash flow from continuing operations	-6	133	-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	-6	83	-102
Exchange rate differences in liquid funds	1	-4	-4
Cash and bank, opening balance	106	212¹⁾	212¹⁾
Cash and bank, closing balance	101	291	106

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

CONDENSED SEGMENT REPORTING (SEK million)

	2007 1 Jan- 30 June	2006 1 Jan- 30 June	2007 1 Apr- 30 June	2006 1 Apr- 30 June	2006 Full year
Revenue by segment					
Korsnäs ¹⁾	3 929	2 665	2 001	1 435	6 193
New Ventures	61	34	34	22	96
Parent Company and other ²⁾	10	16	5	9	28
Eliminations	-6	-8	-3	-4	-12
Total Revenue	3 994	2 707	2 037	1 462	6 305
Operating profit/loss by segment					
Korsnäs ¹⁾	507	335	274	167	530
New Ventures	-7	5	-4	4	10
Parent Company and other ²⁾	52	-37	-8	-8	-62
Total operating profit	552	303	262	163	478

As from this report, Korsnäs Industrial and Korsnäs Forestry is reported as one segment. Remaining operations in Mellersta Sveriges Lantbruk, which was earlier reported as a segment, is from this report included in New Ventures.

¹⁾ Comparable figures have been adjusted since Sia Latgran is reported under New Ventures.

²⁾ Parent Company and other includes Agrovik's operations for 2006 and the profit of SEK 70 million from the sale of Agrovik AB in 2007.

CONDENSED CONSOLIDATED BALANCE SHEET (SEK million)

	2007	2006	2006
	30 June	30 June	31 December
ASSETS			
Fixed assets			
Intangible assets	621	632	621
Tangible and biological fixed assets	6 652	6 904	6 831
Financial assets accounted to fair value through profit and loss	45 220	29 604	37 518
<i>whereof interest-bearing</i>	96	254	245
Investments in companies accounted for using the equity method	307	202	333
Other fixed assets	8	16	12
	52 808	37 358	45 315
Current assets			
Inventories	1 418	1 427	1 414
Trade and other receivables	883	1 086	834
Tax receivables	-	40	29
Prepayments	66	42	35
Short-term investments	16	-	-
Cash and cash equivalents	85	291	106
	2 468	2 886	2 418
TOTAL ASSETS	55 276	40 244	47 733
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Equity attributable to equity holders of the Parent Company	43 252	26 556	34 411
Equity attributable to the minority	13	10	11
	43 265	26 566	34 422
Long-term liabilities			
Interest-bearing loans	7 041	9 610	8 110
Provisions for pensions	549	528	549
Other provisions	130	144	207
Deferred tax liability	1 509	1 494	1 518
Other liabilities	4	4	4
	9 233	11 780	10 388
Short-term liabilities			
Interest-bearing loans	1 373	608	1 548
Provisions	168	92	145
Trade and other payables	1 196	1 159	1 218
Income tax payable	32	30	8
Prepaid income	9	9	4
	2 778	1 898	2 923
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	55 276	40 244	47 733

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

	2007	2006	2006
	1 Jan- 30 June	1 Jan- 30 June	Full year
Opening balance	34 422	23 300	23 300
Translation differences	-4	-13	2
Net gain of cash flow hedges	66	-	-
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	62	-13	-14
Net profit	9 230	3 692	11 549
Total changes in assets, excluding transactions with the Parent Company's shareholders	9 292	3 679	11 535
Cash dividend	-449	-422	-422
Minority's share in acquired companies	-	9	9
Closing amount	43 265	26 566	34 422

Equity attributable to the shareholders of the Parent Company	43 252	26 556	34 411
Equity attributable to the minority	13	10	11

	2007	2006	2006
	30 June	30 June	31 Dec
KEY RATIOS			
Debt/equity ratio	0.21	0.40	0.30
Equity ratio	78%	66%	72%
Net debt	8 766	10 201	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 Q2	2007 Q1	2006 Full year ¹⁾	2006 Q4 ¹⁾	2006 Q3 ¹⁾	2006 Q2 ¹⁾	2006 Q1 ¹⁾
Revenue							
Korsnäs Industrial	1 755	1 715	6 392	1 511	1 641	1 650	1 590
Korsnäs Forestry ²⁾	559	513	1 817	463	436	462	456
Eliminations within Korsnäs	-313	-300	-1 075	-252	-271	-277	-275
Total Korsnäs	2 001	1 928	7 134	1 722	1 806	1 835	1 771
Operating profit/loss before depreciation (EBITDA)							
Korsnäs Industrial	400	365	1 436	212	444	392	388
Korsnäs Forestry ²⁾	30	20	54	27	12	8	7
Total Korsnäs	430	385	1 490	239	456	400	395
Operating profit/loss after depreciation (EBIT)							
Korsnäs Industrial	246	214	821	53	296	237	235
Korsnäs Forestry ²⁾	28	19	44	25	11	4	4
Total Korsnäs	274	233	865	78	307	241	239
Operating margin							
Korsnäs Industrial	14.0%	12.5%	12.8%	3.5%	18.0%	14.4%	14.8%
Korsnäs Forestry ²⁾	5.0%	3.7%	2.4%	5.4%	2.5%	0.9%	0.9%
Korsnäs	13.7%	12.1%	12.1%	4.5%	17.0%	13.1%	13.5%
Operational capital employed							
Korsnäs Industrial	7 737	7 805	8 338	8 051	8 317	8 459	8 603
Korsnäs Forestry ²⁾	224	213	222	201	196	236	243
Total Korsnäs	7 961	8 018	8 560	8 252	8 513	8 695	8 846
Return on operational capital employed							
Korsnäs Industrial	12.7%	11.0%	9.8%	2.6%	14.2%	11.2%	10.9%
Korsnäs Forestry ²⁾	50.0%	35.7%	19.8%	49.8%	22.4%	6.8%	6.6%
Korsnäs	13.8%	11.6%	10.1%	3.8%	14.4%	11.1%	10.8%
Production, thousand tons	277	268	1 058	243	269	267	279
Deliveries, thousand tons	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 this report included in New Ventures.

FINANCIAL KEY RATIOS

MAJOR LISTED HOLDINGS (SEK million)

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

CONDENSED PARENT COMPANY INCOME STATEMENT (SEK million)

	2007	2006
	1 Jan - 30 June	1 Jan - 30 June
Revenue	6	7
Administration costs	-29	-45
Other operating income	3	1
Operating loss	-20	-37
Dividends received	1 817	103
Result from sale of financial assets	592	-
Net interest income/expense	-145	47
Profit after financial items	2 244	113
Taxes	47	-3
Net profit for the period	2 291	110

CONDENSED PARENT COMPANY BALANCE SHEET (SEK million)

	2007	2006
	30 June	31 December
ASSETS		
Tangible fixed assets	2	2
Financial fixed assets	25 488	23 694
Short-term receivables	60	276
Cash and cash equivalents	3	-
TOTAL ASSETS	25 553	23 972
SHAREHOLDERS' EQUITY AND LIABILITIES		
Equity	18 627	16 785
Provisions	76	79
Long-term liabilities	5 371	5 518
Short-term liabilities	1 479	1 590
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	25 553	23 972