

Investment AB Kinnevik

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INTERIM REPORT 2008 1 JANUARY - 31 MARCH

Financial results for the first quarter

- The market value of the Group's securities in Major Listed Holdings amounted to SEK 41,130 million on 31 March, a decrease of SEK 9,631 million corresponding to 19% since 31 December 2007.
- Korsnäs' revenue amounted to SEK 1,954 million (1,928) and operating profit was SEK 164 million (232).
- The Group's total revenue amounted to SEK 2,004 million (1,957) and operating profit was SEK 203 million (299).
- Net result after tax, including changes in fair value of financial assets, amounted to a loss of SEK 9,299 million (profit of 6,247).
- The loss per share was SEK 35.23 (profit of 23.66).

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 cartonboard 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 investing in small and mid sized companies which have 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.

TOTAL RETURN

During the last 30 years, the Kinnevik share has generated an average total return of 20% 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 35%. 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.

The Board has proposed that the Annual General Meeting, to be held on 15 May 2008, decide on a cash dividend of SEK 2.00 (1.70) per share. The Board has also proposed that the Annual General Meeting decide on a mandate to repurchase a maximum of 10% of the Company's own shares. A mandate to repurchase shares gives the Board flexibility to continuously decide on changes to the capital structure during the year.

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 8 and the ensuing text.

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

CONSOLIDATED EARNINGS

The Group's total revenue during the first quarter amounted to SEK 2,004 million, compared with SEK 1,957 million in the preceding year.

The Group's operating profit amounted to SEK 203 million (299). The earnings decline is primarily attributable to decreased operating profit within Korsnäs of SEK 68 million and lower operating profit within Parent Company and other of SEK 31 million. For further comments on the result refer to each business area.

The change in fair value of financial assets amounted to a loss of SEK 9,341 million (profit of 6,092), of which a loss of SEK 9,631 million (profit of 5,970) was related to Major Listed Holdings and SEK 282 million (122) to New Ventures.

Losses after tax amounted to SEK 9,299 million (profit of 6,247), corresponding to a loss of SEK 35.23 (profit of 23.66) per share.

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

SEK million		Reported		Proportional part of		Change compared to	
Jan-March 2008	Equity interest	revenue	EBIT ¹⁾	revenue	EBIT	revenue	EBIT
Korsnäs	100.0%	1 954	164	1 954	164	1%	-29%
Millicom	35.0%	5 036	1 301	1 763	455	42%	34%
Tele2	28.0%	10 378	786	2 906	220	9%	17%
MTG	15.2%	3 042	596	462	91	16%	27%
Metro	44.1%	690	-53	304	-23	-6%	N/A
Transcom	17.3%	1 629	97	282	17	16%	10%
New Ventures	-	315	-171	99	-21	143%	N/A
Total sum of Kinnevik's proportional part of revenue and operating result				7 770	903	13%	11%

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

THE GROUP'S CASH FLOW AND INVESTMENTS

The Group's cash flow from current operations excluding change in working capital amounted to SEK 97 million (336) during the quarter. Changes in working capital amounted to a negative of SEK 211 million (positive 45). Of the period's negative changes, SEK 187 million represents changes in inventories, which is primarily explained by higher level of purchase of felling rights and higher volumes of production than sales volumes within Korsnäs during the period.

Investments in tangible fixed assets amounted to SEK 43 million (63) during the period.

Aquisition of subsidiaries regards Korsnäs' acquisition of the remaining 59% of Karskär Energi AB, refer to Korsnäs below.

Investments in securities are shown in the tables below.

Investments in securities

	Number of shares	Amount (SEK million)
1 Jan-31 March 2008		
Bayport		3
Black Earth Farming Ltd	60 900	3
Relevant Traffic Europe AB		5
Kontakt East Holding AB	85 700	2
		13
1 Jan-31 March 2007		
Other		11
		11

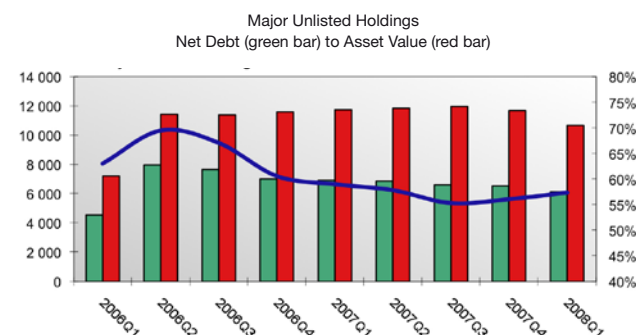
THE GROUP'S FINANCIAL POSITION

The Group's available liquidity, including short-term investments and available credit facilities, totalled SEK 1,801 million at 31 March 2008 and SEK 2,481 million at 31 December 2007. The change is mainly explained by the Group's negative cash flow during the first quarter.

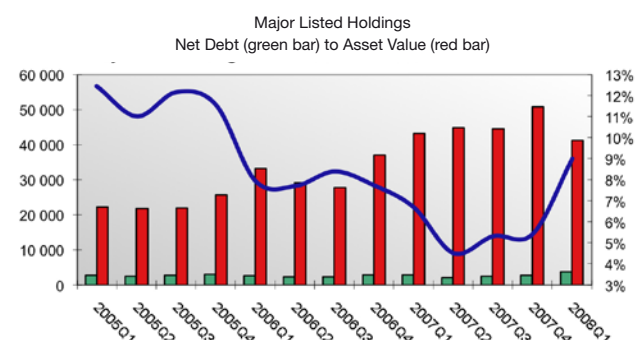
The Group's interest-bearing net debt amounted to SEK 9,705 million at 31 March 2008 and SEK 9,205 million at 31 December 2007. Of the total net debt at 31 March 2008, SEK 6,110 million pertained to external net debt within Korsnäs or with shares in Korsnäs as collateral, and SEK 3,705 million of the net debt was pledged by shares within Major Listed Holdings.

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

(SEK million)



(SEK million)



All loans have fixed interest terms of no longer than three months and carry an interest rate according to Stibor or similar base rate and an average margin of 0.6%. Of the Group's interest expenses and other financial costs of SEK 146 million (113), interest expenses amounted to SEK 138 million (107) and exchange rate differences was a negative SEK 4 million (negative 3). This means that the average interest rate for the period was 5.3% (4.1%) (calculated as interest expense in relation to average interest-bearing liabilities).

At 31 March 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

	Class A shares	Class B shares	Equity interest (%)	Voting interest (%)	Book value 31 March 2008 (SEK m)	Fair value 31 March 2008 (SEK m)	Change in stock price since 31 Dec 2007
Major Unlisted Holdings							
Korsnäs Industrial and Forestry			100	100	7 043	10 230 ¹⁾	
Bergvik Skog			5	5	429	429 ²⁾	
Interest bearing net debt relating to Korsnäs					-6 110	-6 110	
Total Major Unlisted Holdings					1 362	4 549	
Major Listed Holdings⁴⁾							
Millicom	37 835 438		35.0	35.0	21 415	21 415	-24%
Tele2	25 830 229	99 651 296	28.0	45.1	14 054	14 054	-12%
MTG	9 658 754	276 257	15.2	47.9	4 103	4 103	-7%
Metro	103 408 698	129 138 208	44.1	39.1	1 119	1 119	-2%
Transcom	12 627 543		17.3	34.5	439	439	-28%
Interest bearing net debt relating to Major Listed Holdings					-3 705	-3 705	
Total Major Listed Holdings					37 425	37 425	
New Ventures							
Rolnyvik			100	100	177	250 ³⁾	
Black Earth Farming		24 218 600	20	20	1 489	1 489 ⁴⁾	23%
Sia Latgran			51	51	151	151 ³⁾	
Relevant Traffic			36	36	49	49 ³⁾	
Kontakt East		2 995 643	21	21	77	77 ⁴⁾	-8%
Gateway TV			11	-	87	87 ⁵⁾	
Bayport					92	92 ⁵⁾	
Interest bearing net debt relating to New Ventures					-88	-88	
Total New Ventures					2 034	2 107	
Other assets and liabilities					63	63 ⁵⁾	
Total equity/net asset value					40 884	44 144	
Net asset value per share, SEK						167.22	
Closing price class B share 31 March 2008, SEK						112.50	-23%

¹⁾ Consensus among analysts covering Kinnevik.²⁾ Corresponding to 5% of the company's equity.³⁾ Estimated value.⁴⁾ Market value.⁵⁾ Book value.

MAJOR UNLISTED HOLDINGS – KORSNÄS

(SEK million)	Jan-March	
	2008	2007
Revenue	1 954	1 928
EBITDA	319	385
Operating profit (EBIT)	164	232

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 strong demand for Korsnäs' products that characterized 2007 has more or less continued during the beginning of 2008. During the first quarter, delivery volumes for Cartonboard and paper products declined to 260 thousand tons, compared with 282 thousand tons during the corresponding period in the preceding year.

Global demand for liquid packaging board remained stable. Korsnäs' deliveries of liquid packaging board were somewhat lower in the first quarter of 2008 than in the first quarter of 2007, and accounted for 69% of its 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 WTL were deliberately kept at a lower level in the first quarter of 2008, compared with the corresponding period in 2007, since the margins were considered unsatisfactory.

In Cartonboard, competition remained intense while demand weakened slightly. The weakened US dollar combined with increased production capacity in and outside Europe created further pressure on the market. Despite the increased competition, Korsnäs succeeded in keeping its deliveries of Cartonboard during the first quarter on the same level as in the corresponding period a year earlier.

The market for sack and kraft paper in Europe was characterized by a seasonal softening in the beginning of the year. Despite the price increases and weakening market, Korsnäs succeeded in increasing deliveries of white sack and kraft paper by 4% compared with the first quarter of 2007.

The production volume outcome for the period was 274 thousand tons, 2% more than 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 beginning of the year, while Frövi produced more than in the corresponding period in the preceding year.

The earnings improvement program that was ini-

tiated in conjunction with the acquisition of Frövi had a favorable impact of approximately SEK 45 million (10) on earnings in the first quarter. The objective for full-year 2008 is to achieve earnings improvements totaling 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. According to preliminary calculations, the transaction generated SEK 126 million in goodwill after Karskär Energi's book value of tangible fixed assets had been adjusted by SEK 31 million, provisions increased by SEK 14 million, and a deferred tax liability of SEK 5 million had been reported. Karskär Energi is expected to contribute approximately SEK 40 million a year in profit, the full effect of which will appear once the operations have been fully integrated with Korsnäs Industrial during 2009.

Korsnäs Industrial's revenue for the first quarter amounted to SEK 1,756 million (1,715). Operating profit amounted to SEK 154 million, as compared with SEK 213 million for the first quarter of the preceding year. Earnings for the first quarter of 2008 include SEK 12 million in integration costs relating to Karskär Energi. Otherwise, the earnings decline is primarily attributable to approximately SEK 100 million in increased costs for pulpwood and external pulp, approximately SEK 30 million in increased costs for energy, other input goods and salaries, and SEK 15 million in unfavorable currency effects. The cost increases were partially offset by approximately SEK 65 million in increased prices, as well as by the SEK 35 million in favorable effects from ongoing earnings improvement programs.

The increased prices for pulpwood – which during the first quarter stabilized at a historically high level – are expected to continue to adversely affect earnings for the remainder of the year, but to a lesser degree than in the first quarter when comparing with the corresponding quarters in the preceding year.

Korsnäs Forestry

Timber prices rose during 2007 to record-high levels throughout Korsnäs' harvesting area in Sweden, the Baltic States and Russia. In the first quarter of 2008, prices in the Baltic States fell somewhat, whereas pri-

ces in Sweden stabilized at a historically high level.

Korsnäs Forestry's revenue in the first quarter amounted to SEK 584 million (513), of which internal sales to Korsnäs Industrial amounted to SEK 386 million (300). Operating profit amounted to SEK 10 million (19). 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 19% during the quarter, corresponding to SEK 9,631 million. On 31 March 2008, the market value of the Major Listed Holdings was SEK 41,130 million (SEK 50,761 million 31 December 2007). The changes in value are shown in the consolidated income statement; refer to table on page 18 for split per holding. On 23 April 2008 the market value of the Major Listed Holdings was SEK 45,517 million, which represents an increase by 11% since 31 March 2008.

Millicom

(USD million)	Jan-March	
	2008	2007
Revenue	801	563
EBITDA	336	248
Operating profit (EBIT)	207	155
Net profit	158	345
Number of subscribers (million)	26.2	16.6

The market value of Kinnevik's shareholding in Millicom amounted to SEK 21,415 million on 31 March 2008. 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.

In January, Millicom completed the redemption of its USD 200 million convertible bond which resulted in an increase in the total number of shares by 5.5 million. Kinnevik holds 35.0% of votes and capital in Millicom after the redemption.

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 291 million people. All Millicom's 16 operations now feature GSM networks.

On 31 March 2008, Millicom had 26.2 million subscribers which is an increase of 59% since 31 March 2007.

Tele2

(SEK million)	Jan-March	
	2008	2007
Revenue ¹⁾	10 378	9 551
EBITDA ¹⁾	1 764	1 558
Operating profit (EBIT) ¹⁾	786	674
Net profit ²⁾	750	301
Number of subscribers (million) ¹⁾	24.6	23.6

¹⁾ Less divested operations.

²⁾ Remaining operations.

The market value of Kinnevik's shareholding in Tele2 amounted to SEK 14,054 million on 31 March 2008. Tele2's shares are listed on the 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 24.6 million customers in 15 countries. The future of Tele2 is more focused than today concentrating the geographical footprint towards Russia, Eastern Europe and the Nordic countries.

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 March 2008, the Baltic States, Croatia and the Russian market area had more than 12.8 million mobile customers out of a total of 17.7 million mobile customers in entire Tele2.

Growth within mobile broadband continued in the first quarter and in Sweden Tele2 had 111,000 mobile broadband customers at the end of March.

MTG

	Jan-March	
(SEK million)	2008	2007
Revenue	3 042	2 629
Operating profit(EBIT)	596	468
Net profit	397	316

The market value of Kinnevik's shareholding in MTG amounted to SEK 4,103 million on 31 March 2008. MTG's shares are listed on the Stockholm Stock Exchange's Nordic list for large-cap companies 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 the first quarter 2008 MTG signed an agreement to sell the national Russian free-to-air television network DTV Group to CTC Media Inc. for approximately USD 395 million. MTG owns 39.5% of CTC Media. The transaction, which closed in April, resulted in a preliminary net gain of approximately SEK 1.1 billion, which MTG will report 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.

Metro

	Jan-March	
(EUR million)	2008	2007
Revenue	73.4	78.2
Operating profit(EBIT)	-5.6	-8.8
Net profit	-6.4	-10.8

The market value of Kinnevik's shareholding in Metro amounted to SEK 1,119 million on 31 March 2008. 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 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 unique global reach – attracting a young, active well-educated metropolitan audience of over 20 million daily readers. The newspapers are distributed free of charge and revenue is generated primarily through advertising sales.

In the first quarter Metro launched Metro Halifax in Canada, making Metro the largest free newspaper in Canada. Also, Metro launched a new website in France, the first launch in the online pilot project initiated in 2007.

Transcom

	Jan-March	
(EUR million)	2008	2007
Revenue	173.3	149.3
Operating profit(EBIT)	10.3	9.4
Net profit	6.5	6.8
Number of employees	17 300	13 100

The market value of Kinnevik's shareholding in Transcom amounted to SEK 439 million on 31 March 2008. Transcom's shares are listed on the Stockholm Stock Exchange's Nordic list for mid-cap companies in the industrials sector.

Transcom is active within outsourcing of Customer Relationship Management (CRM) and Credit Management Services. The company has 72 sites employing more than 17,300 people 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.

In the first quarter 2008, Transcom merged its two facilities in Manila, The Philippines, and opened a new contact centre in order to meet the strong demand for English language services. The Manila center is a strategically important step to improve the profitability through offering high-margin business such as off-shore services.

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	20%	agricultural operations in Russia	listed associate	2006	496
Sia Latgran	51%	pellets production in Latvia	subsidiary	2005	18
Relevant Traffic	36%	search marketing in Europe	unlisted associate	2006	48
Kontakt East	21%	search and guidance media in Russia	listed associate	2006	71
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 10 million (7), of which SEK 8 million (4) related to Rolnyvik and SEK 2 million (3) related to Sia Latgran. The change in fair value of financial assets totalled SEK 282 million (122) where SEK 279 million (131) related to Black Earth Farming and a negative amount of SEK 7 million (negative 9) related to Kontakt East.

Rolnyvik

The recent mild winter was not entirely beneficial for Rolnyvik's autumn-sown crops, since they are adapted to and require a winter period. A mild winter may trick the crops into growing during periods when they should normally be dormant. Just how the mild winter will affect the year's harvest remains to be seen. After a rainy, wet March, it now appears that spring tillage, which for a long time seemed likely to be unusually early, will be somewhat late.

The price levels in the Polish market are record-high, with prices of up to SEK 2,500 per ton of milled wheat. However, even prices on commodities such as

fertilizer, crop seed and spare parts rose sharply. For some fertilizer substances, prices rose by more than 100% over the first quarter of 2007.

Rolnyvik had net sales of SEK 14 million (6) in the first quarter, and reported operating profit of SEK 8 million (4). The profit includes received EU subsidies amounting to SEK 3 million (2).

Black Earth Farming

The market value of Kinnevik's shareholding in Black Earth Farming amounted to SEK 1,489 million at 31 March 2008. Black Earth Farming's shares are traded on First North in Stockholm.

In March 2008, Black Earth Farming completed an acquisition of 24,000 hectares of land and farming facilities in the Black Earth region. The acquisition furthermore included administrative buildings, vehicles and a 60,000 ton capacity grain elevator. The elevator marks the first step in Black Earth Farming's effort to establish a network of elevators required for the efficient and secure storage of its harvests. Following the acquisition, Black Earth Farming controls approximately 300,000 hectares of land of which 67,000 hectares are under full ownership.

In the autumn of 2007, 60,000 hectares of land were seeded with wheat and oil-seeds for harvest and another 90,000 hectares were prepared for seeding in 2008.

Sia Latgran

In the Latvian company Sia Latgran, pellets production amounted to 19 thousand tons in the first quarter, which is 19% higher than in the corresponding period of 2007. Raw materials costs continued to increase compared with the fourth quarter of 2007, but due to weakening economic conditions in Latvia, the rate of the cost increase was dampened, compared with the preceding year.

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, due to the weak US dollar, has, however, resulted in ongoing low spot prices for pellets.

The construction of a second pellets plant is approaching completion, and the plant will be placed in operation in the second quarter of the year. 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 quarter of the year amounted to SEK 35 million (20), and operating profit was SEK 2 million (3).

Relevant Traffic

Relevant Traffic is a European full-service company focused on search marketing. The company has about 75 employees. 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 concept is to maximize its customers' yield on implemented marketing by providing relevant traffic, which includes search engines and price comparison services.

Relevant Traffic reported revenue of SEK 145 million (78) during the first ten months of the split financial year May 2007-April 2008.

Kontakt East

The market value of Kinnevik's shareholding in Kontakt East amounted to SEK 77 million on 31 March 2008. Kontakt East's shares are traded on First North in Stockholm.

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

In the first quarter 2008, Kontakt East acquired the business of the Russian company Publishing House Dialog LLC in Chelyabinsk ("Dialog") for a total consideration of approximately SEK 1.6 million. The acquisition is part of Kontakt East's strategy to establish a nationwide directory business in Russia. In particular, it further strengthens Kontakt East's Directory Services' business in the southern Urals region.

Gateway TV

Gateway TV is a company 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 first quarter represented with own sales organisation in eight countries and with sales agents in eight additional countries. 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

The African company 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 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 7 million (expense of 10) 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 accidents 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 quarter 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.

KINNEVIK'S ANNUAL GENERAL MEETING 2008

The 2008 Annual General Meeting will be held on Thursday 15 May 2008 at 9:30 a.m. at the Hotel Rival, Mariatorget 3 in Stockholm.

Further details on how and when to register are published on Kinnevik's website.

FINANCIAL REPORTS

The interim report for the period April-June 2008 will be published on 24 July 2008.

Stockholm, 24 April 2008

President and Chief Executive Officer

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 April 2008.

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

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Investment AB Kinnevik's objective is to increase shareholder value, primarily through net asset value growth. Kinnevik manages a portfolio of investments focused around three comprehensive business areas; Major Unlisted Holdings which includes the carton-board and paper company Korsnäs 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 investing in small and mid sized companies which have 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)

	2008 1 Jan- 31 March	2007 1 Jan- 31 March ¹⁾	2007 Full year
Revenue	2 004	1 957	7 673
Cost of goods and services	-1 751	-1 650	-6 526
Gross profit	253	307	1 147
Selling, administration, research and development costs	-101	-110	-455
Other operating income	31	112	251
Other operating expenses	20	-11	-58
Share of profit/loss of associated companies accounted for using the equity method	-	1	-
Operating profit	203	299	885
Dividends received	-	-	310
Change in fair value of financial assets	-9 341	6 092	15 540
Interest income and other financial income	6	1	14
Interest expenses and other financial expenses	-146	-113	-483
Profit/loss after financial items	-9 278	6 279	16 266
Taxes	-21	-32	-87
Net profit/loss for the period	-9 299	6 247	16 179
Of which attributable to:			
Equity holders of the Parent Company	-9 300	6 246	16 178
Minority	1	1	1
Earnings per share before/after dilution, SEK	-35.23	23.66	61.29
Average number of shares before/after dilution	263 981 930	263 981 930	263 981 930

¹⁾ Comparative figures for the first quarter 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 9 million on Operating profit and a favorable effect of SEK 140 million on Profit after financial items and Net profit for the period.

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT (SEK million)

	2008 1 Jan- 31 March	2007 1 Jan- 31 March	2007 Full year
Operating profit	203	299	885
Adjustment for non-cash items	84	49	324
Taxes paid	-190	-12	-79
Cash flow from operations before change in working capital	97	336	1 130
Change in working capital	-211	45	-252
Cash flow from operations	-114	381	878
Acquisition of subsidiaries	-200	-	-
Disposal of subsidiaries	-	81	81
Investments in tangible and biological fixed assets	-43	-63	-353
Sales of tangible and biological fixed assets	7	1	35
Investments in shares and other securities	-13	-11	-530
Sales of shares and other securities	-	3	1 131
Dividends received	-	-	310
Change in loan receivables	3	1	7
Interest received	6	9	14
Cash flow from investing activities	-240	21	695
Change in interest-bearing liabilities	578	-283	-674
Interest paid	-138	-107	-458
Dividend paid	-	-	-449
Cash flow from financing activities	440	-390	-1 581
Cash flow for the period	86	12	-8
Exchange rate differences in liquid funds	0	1	3
Cash and bank, opening balance	101	106	106
Cash and bank, closing balance	187	119	101

CONDENSED SEGMENT REPORTING (SEK million)

1 Jan–31 March 2008	Major Unlisted Holdings	Major Listed Holdings	New Ventures	Parent Company and other	Elimina- tions	Total Group
Revenue	1 954		48	5	-3	2 004
Operating costs	-1 656		-41	-12	16	-1 693
Depreciation	-155		-3	-1		-159
Other operating income and expenses	21		6	37	-13	51
Operating profit	164		10	29		203
Change in fair value of financial assets	8	-9 631	282	0		-9 341
Financial net	-104	-36	0	0		-140
Profit/loss after financial items	68	-9 667	292	29		-9 278
Investments in financial fixed assets			13			13
Investments in tangible fixed assets	24		19			43

1 Jan–31 March 2007	Major Unlisted Holdings	Major Listed Holdings	New Ventures	Parent Company and other	Elimina- tions	Total Group
Revenue	1 928		26	6	-3	1 957
Operating costs	-1 580		-21	-16	13	-1 604
Depreciation	-153		-3			-156
Other operating income and expenses	36		5	70	-10	101
Share of profit/loss of associated companies accounted for using the equity method	1					1
Operating profit	232		7	60		299
Change in fair value of financial assets		5 970	122			6 092
Financial net	-79	-32	-1			-112
Profit after financial items	153	5 938	128	60		6 279
Investments in financial fixed assets				11		11
Investments in tangible fixed assets	56		7			63

CONDENSED SEGMENT REPORTING (SEK million)

1 Jan–31 Dec 2007	Major Unlisted Holdings	Major Listed Holdings	New Ventures	Parent Company and other	Elimina- tions	Total Group
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
Operating profit	836		23	26		885
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
Profit after financial items	647	14 853	729	37		16 266
Investments in financial fixed assets			519	11		530
Investments in tangible fixed assets	269		84			353

CONDENSED CONSOLIDATED BALANCE SHEET (SEK million)

	2008 31 March	2007 31 March	2007 31 Dec
ASSETS			
Fixed assets			
Intangible assets	747	621	621
Tangible and biological fixed assets	6 554	6 730	6 551
Financial assets accounted to fair value through profit and loss	43 398	43 823	52 741
<i>whereof interest-bearing</i>	203	9	205
Investments in companies accounted for using the equity method	11	104	75
Other fixed assets	2	23	6
	50 712	51 301	59 994
Current assets			
Inventories	1 867	1 388	1 645
Trade receivables	752	708	721
Tax receivables	13	2	11
Other current assets	244	180	346
Short-term investments	40	19	29
Cash and cash equivalents	147	100	72
	3 063	2 397	2 824
TOTAL ASSETS	53 775	53 698	62 818
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Equity attributable to equity holders of the Parent Company	40 884	40 655	50 254
Equity attributable to the minority	22	12	13
	40 906	40 667	50 267
Long-term liabilities			
Interest-bearing loans	9 551	9 036	8 856
Provisions for pensions	534	549	534
Other provisions	50	173	77
Deferred tax liability	1 382	1 519	1 382
Other liabilities	4	4	4
	11 521	11 281	10 853
Short-term liabilities			
Interest-bearing loans	10	339	121
Provisions	84	154	121
Trade payables	581	599	734
Income tax payable	11	-	166
Other payables	662	658	556
	1 348	1 750	1 698
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	53 775	53 698	62 818

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

	2008 1 Jan-31 March	2007 1 Jan-31 March	2007 Full year
Translation differences	1	-7	30
Net gain/loss of cash flow hedges	-70	5	78
Actuarial profit/loss relating to pension provision in accordance with IAS 19	-	-	7
Capital contribution from the minority	7	-	-
Changes in assets recognised in equity, excluding transactions with the Parent Company's shareholders	-62	-2	115
Net profit	-9 299	6 247	16 179
Total changes in assets, excluding transactions with the Parent Company's shareholders	-9 361	6 245	16 294
Attributable to the shareholders of the Parent Company	-9 369	6 244	16 293
Attributable to the minority	8	1	1
Equity, opening balance	50 267	34 422	34 422
Total changes in assets according to statement above	-9 361	6 245	16 294
Cash dividend	-	-	-449
Equity, closing amount	40 906	40 667	50 267
Equity attributable to the shareholders of the Parent Company	40 884	40 655	50 254
Equity attributable to the minority	22	12	13
	2008 31 March	2007 31 March	2007 31 Dec
KEY RATIOS			
Debt/equity ratio	0.25	0.24	0.19
Equity ratio	76%	76%	80%
Net debt	9 705	9 796	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 Q1	2007 Full year	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Full year ¹⁾	2006 Q4 ¹⁾	2006 Q3 ¹⁾	2006 Q2 ¹⁾	2006 Q1 ¹⁾
Revenue											
Korsnäs Industrial	1 756	6 625	1 572	1 583	1 755	1 715	6 392	1 511	1 641	1 650	1 590
Korsnäs Forestry	584	2 207	577	558	559	513	1 817	463	436	462	456
Eliminations within Korsnäs	-386	-1 313	-328	-372	-313	-300	-1 075	-252	-271	-277	-275
Total Korsnäs	1 954	7 519	1 821	1 769	2 001	1 928	7 134	1 722	1 806	1 835	1 771
Operating profit before depreciation (EBITDA)											
Korsnäs Industrial	308	1 353	155	433	400	365	1 436	212	444	392	388
Korsnäs Forestry	11	96	6	40	30	20	54	27	12	8	7
Total Korsnäs	319	1 449	161	473	430	385	1 490	239	456	400	395
Operating profit after depreciation (EBIT)											
Korsnäs Industrial	154	745	2	281	249	213	821	53	296	237	235
Korsnäs Forestry	10	91	5	39	28	19	44	25	11	4	4
Total Korsnäs	164	836	7	320	277	232	865	78	307	241	239
Operating margin											
Korsnäs Industrial	8.8%	11.2%	0.1%	17.8%	14.2%	12.4%	12.8%	3.5%	18.0%	14.4%	14.8%
Korsnäs Forestry	1.7%	4.1%	0.9%	7.0%	5.0%	3.7%	2.4%	5.4%	2.5%	0.9%	0.9%
Korsnäs	8.4%	11.1%	0.4%	18.1%	13.8%	12.0%	12.1%	4.5%	17.0%	13.1%	13.5%
Operational capital employed											
Korsnäs Industrial	7 879	7 743	7 696	7 693	7 737	7 805	8 338	8 051	8 317	8 459	8 603
Korsnäs Forestry	370	267	328	272	224	213	222	201	196	236	243
Total Korsnäs	8 249	8 010	8 024	7 965	7 961	8 018	8 560	8 252	8 513	8 695	8 846
Return on operatio- nal capital em- ployed											
Korsnäs Industrial	7.8%	9.6%	0.1%	14.6%	12.9%	10.9%	9.8%	2.6%	14.2%	11.2%	10.9%
Korsnäs Forestry	10.8%	34.1%	6.1%	57.4%	50.0%	35.7%	19.8%	49.8%	22.4%	6.8%	6.6%
Korsnäs	8.0%	10.4%	0.3%	16.1%	13.9%	11.6%	10.1%	3.8%	14.4%	11.1%	10.8%
Production, thousand tons	274	1 069	243	281	277	268	1 058	243	269	267	279
Deliveries, thousand tons	260	1 073	252	256	283	282	1 037	245	270	264	258

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

FINANCIAL KEY RATIOS

MAJOR LISTED HOLDINGS (SEK million)

	2008 Q1	2007 Full year	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Full year	2006 Q4	2006 Q3	2006 Q2	2006 Q1
Change in fair value and dividends received											
Millicom	-6 886	11 974	7 454	-3 103	3 178	4 445	8 248	5 032	-1 003	-1 551	5 770
Tele2	-2 164	3 899	-1 192	3 325	-53	1 819	2 102	3 262	157	-2 164	847
MTG	-388	95	358	-258	407	-412	1 402	710	31	343	318
Metro	-21	-976	-395	-105	-628	151	-925	46	-558	-307	-106
Transcom	-172	-386	16	-106	-107	-189	211	89	-92	-57	271
Invik ¹⁾	-	407	-	-	251	156	349	121	42	15	171
	-9 631	15 013	6 241	-247	3 048	5 970	11 387	9 260	-1 423	-3 721	7 271
Book value end of the period											
Millicom	21 415	28 301	28 301	20 847	23 950	20 772	16 326	16 326	11 294	12 296	13 848
Tele2	14 054	16 218	16 218	17 410	14 085	14 368	12 548	12 548	9 286	9 129	11 513
MTG	4 103	4 491	4 491	4 133	4 391	4 058	4 471	4 471	3 760	3 954	3 611
Metro	1 119	1 140	1 140	1 535	1 640	2 267	2 116	2 116	2 070	2 403	2 709
Transcom	439	611	611	595	701	808	998	998	909	1 001	1 099
Invik ¹⁾	-	-	-	-	-	838	682	682	562	520	504
	41 130	50 761	50 761	44 520	44 767	43 111	37 141	37 141	27 881	29 303	33 284

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

NEW VENTURES (SEK million)

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

¹⁾ Traded on First North since 28 December 2007.

CONDENSED PARENT COMPANY INCOME STATEMENT (SEK million)

	2008 1 Jan-31 March	2007 1 Jan-31 March	2007 Full year
Revenue	3	3	12
Administration costs	-12	-14	-65
Other operating income	2	1	7
Operating loss	-7	-10	-46
Dividends received	-	-	1 817
Result from financial assets	831	-	599
Net interest income/expense	-83	-66	-311
Profit/loss after financial items	741	-76	2 059
Taxes	25	21	102
Net profit/loss for the period	766	-55	2 161

CONDENSED PARENT COMPANY BALANCE SHEET (SEK million)

	2008 31 March	2007 31 March	2007 31 Dec
ASSETS			
Tangible fixed assets	2	2	2
Financial fixed assets	26 731	27 334	25 702
Short-term receivables	12	10	528
Cash and cash equivalents	2	1	1
TOTAL ASSETS	26 747	27 347	26 233
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity	19 626	16 730	18 860
Provisions	51	78	75
Long-term liabilities	6 519	8 375	4 699
Short-term liabilities	551	2 164	2 599
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	26 747	27 347	26 233

The Parent Company's liquidity, including short-term investments and unutilized credit facilities totalled SEK 665 million at 31 March 2008 and SEK 1,647 million at 31 December 2007. The Parent Company's interest bearing external liabilities amounted to SEK 5,584 million (4,278) on the same dates.

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

The Parent Company's total number of shares outstanding at 31 March 2008 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 2007. One Class A share entitles to 10 votes and one Class B share to 1 vote. There are no convertibles or warrants in issue. The Board has authorization to repurchase a maximum of 10% of all shares in the Company. No repurchase has been made during 2007 or 2008.