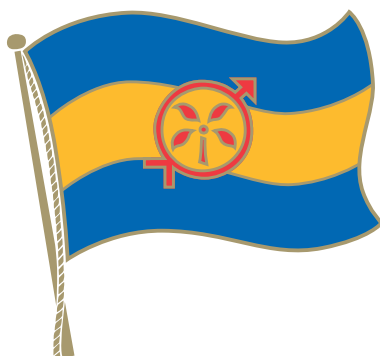


Investment AB Kinnevik



Annual Report 2008



”More than seventy years of entrepreneurial tradition
under the same group of principal owners”

Contents

Five-year Summary	4
Chief Executive's review	5
Board of Directors	6
Senior Executives	8
Historical background	9
The Kinnevik share	10
Book and fair value of assets	12
Proportional part of revenue and result	13
Our Group	14
Major Unlisted Holdings	
Korsnäs	16
Major Listed Holdings	
Millicom	20
Tele2	21
Modern Times Group MTG	22
Metro	23
Transcom	23
New Ventures	24
Corporate Governance Report	26
Annual and Consolidated Accounts for 2008	
Board of Directors' Report	29
Financial Statements and Notes for the Group	32
Financial Statements and Notes for the Parent Company	56
Audit Report	63
Definitions of financial key ratios	64

Five-year Summary

(SEK million)	2008	2007	2006	2005	2004
Key Ratios					
Operating margin, %	5.2	11.5	7.6	7.6	33.2
Capital employed	33 067	59 778	44 629	31 022	30 262
Return on capital employed, %	-54.5	32.0	31.6	15.9	-3.4
Return on shareholders' equity, %	-69.8	38.2	40.0	18.9	-7.2
Equity/assets ratio, %	66	80	72	70	58
Net debt	8 906	9 205	9 856	7 249	7 168
Debt/equity ratio, multiple	0.4	0.2	0.3	0.3	0.7
Risk capital ratio, %	69.0	82.2	75.3	72.3	60.3
Total assets	35 871	62 818	47 733	32 122	34 793
Net asset value ¹⁾	24 325	54 941	39 168	25 717	
Net asset value per share, SEK ¹⁾	93	208	148	97	
Closing price, class B share, SEK	63	147	115	74	71
Market capitalization	16 410	38 739	30 358	19 535	18 954
Market value, Major Unlisted Holdings ¹⁾	8 026	11 659	11 559	6 131	
Market value, Major Listed Holdings	24 085	50 761	36 906	25 692	21 898
Summary of Income Statement					
Revenue	7 719	7 673	6 305	4 618	4 600
Operating income	398	885	478	353	1 526
Change in fair value of financial assets	-27 429	15 540	10 974	3 893	-2 544
Result after net financial items	-25 872	16 266	11 608	4 647	-1 198
Result for the year	-25 762	16 179	11 549	4 097	-1 417
Summary of Cash Flow Statement					
Cash flow from operations	524	878	1 533	52	1 128
Cash flow from investing activities	1 261	695	-3 302	266	1 775
Cash flow from financing activities	-1 382	-1 581	1 717	-34	-2 802
Cash flow from discontinued operations	-	-	-50	-367	-33
Cash flow for the year	403	-8	-102	-83	68

For definitions of financial key ratios, refer to page 64.

¹⁾ Information not published for 2004.

Chief Executive's review

2008 was a challenging year for Kinnevik and its shareholders. Amidst considerable global financial turmoil, the net asset value in Kinnevik declined by 56% to SEK 24.3 billion, a highly unsatisfactory outcome, and the Kinnevik share was down by 57%.

Kinnevik has a strong tradition to build on with more than 70 years of entrepreneurship under the same group of principal owners. I think that this is particularly important in challenging times, when our stakeholders and portfolio companies can be assured that Kinnevik takes a long-term view and work actively with its holdings to ensure that they have the flexibility to remain competitive while always looking out for opportunities that arise. Being a long-term owner, Kinnevik has the patience and the strength to stand by its holdings and build shareholder value in a longer perspective.

In 2008, our portfolio companies have worked actively to secure the growth opportunities and to make sure that they remain competitive in the face of the rapidly changing economic outlook.

Millicom continued to grow its subscriber base, which increased by 9 million in 2008 while maintaining strong margins. During the year, Millicom acquired Amnet Telecommunications Holding Limited for USD 510 million. Amnet is a leading provider of broadband and cable television services in Central America and will be an important complement to Millicom's product range in a region where the company is leading within mobile telephony. The number of subscribers almost doubled in Africa year-on-year. Millicom also acquired a new license in Rwanda which fits well into Millicom's geographic exposure in Africa and which will support further growth there.

Tele2 continued its expansion in Russia and had over 10 million mobile subscribers there at the end of the year. Although the Russian economy has also been affected by the global downturn, Tele2, with its price-leading strategy, expects to continue to be a competitive alternative to attract additional subscribers in the new regions it is entering.

In Korsnäs, margins came under pressure during the year following high wood prices and weakening demand. In order to meet these challenges, Korsnäs announced a profit enhancement program which is in the process of being implemented. The ambition is to return to operating margins above 10%. Despite the short-term challenges, Korsnäs has a competitive product mix which I expect will enable the company to remain in the top position in terms of profitability among its Nordic peers.

MTG showed strong growth and margin improvements in 2008, as a result of new TV-channels and an expanded footprint in Central and Eastern Europe as well as its first TV channel launch in Africa, Viasat1 in Ghana. In August, MTG signed an agreement to acquire 100% of Nova Televisia Bulgaria for a total consideration of EUR 620 million on a debt free basis. Nova Televisia is the second most watched TV channel in Bulgaria and it will be integrated into MTG's other TV-operations.

In Metro, which is dependent on advertisement reve-



nues, the global economic downturn was noticeable in 2008. To meet these challenges, Metro consolidated its position in several markets, including Sweden. Following this, competition on the free-sheet market in Sweden declined substantially, which will strengthen Metro's market position in this important market. Transcom had a challenging year in its customer care operations, but managed to grow its debt collection operations to become a sizeable part of the company's profit.

Within New Ventures, activity in 2008 focused on developing the business in the existing companies. Black Earth Farming harvested 142,000 hectares in Russia, which is more than double the harvested area the year before. Kinnevik also increased its ownership in Kontakt East when the Russian internet company was taken private.

Our first exit in the New Ventures area was executed at the end of the year when GTV was sold for approximately 1.8 times the amount invested in May 2007. The investment in GTV illustrates the potential in investing in Africa and the media and entertainment sector. Our network in Africa and our knowledge about African investments puts Kinnevik in a strong position to continue to increase our exposure to the continent.

Looking into 2009, the global economic outlook is uncertain and it is difficult to predict what the effects will be. Kinnevik's focus will be on ensuring that the portfolio companies have the financial strength and business approach to meet the downturn and to remain competitive. Kinnevik's holdings have traditionally been the low-price challenger with a strong cost focus, and I am convinced that this position will be a relative strength in the times ahead. We remain confident that our exposure to consumers in emerging markets will support strong returns over time. Over the last 30 years Kinnevik has delivered returns of in average 17% per year.

I would like to thank the employees for their excellent efforts and also take the opportunity to thank all our shareholders for their confidence in Kinnevik.

Mia Brunell Livfors

Board of Directors



The Board of Directors, Chief Executive Officer and Company Secretary of Investment AB Kinnevik.

Left to right: Bo Myrberg, Erik Mitteregger, Tobias Söderholm, Allen Sangines-Krause, Vigo Carlund, Cristina Stenbeck, Stig Nordin, Mia Brunell Livfors, Wilhelm Klingspor, Mikael Larsson and Geron Forsman. Not present: Per Eriksson.

Board of Directors

Cristina Stenbeck *Chairman*

B.Sc. Georgetown University, Washington DC, USA, born 1977. Chairman of the Board of Investment AB Kinnevik since 2007. Vice Chairman of Investment AB Kinnevik 2004-2007 and Industriförvaltnings AB Kinnevik 2003-2004. Chairman of Emesco AB since 2002. Member of the Board of Metro International S.A., Modern Times Group MTG AB, Tele2 AB, Transcom WorldWide S.A. and Korsnäs AB since 2003.

Shareholding: 2,200 class B shares.

Vigo Carlund *Board member*

Born 1946. Member of the Board of Investment AB Kinnevik since August 2006, President and CEO of Kinnevik 1999-2006. Chairman of the Board of Tele2 AB since 2006 and member of the Board since 1995. Chairman of the Board of Korsnäs AB since 2002 and member of the Board since 2001. Member of the Board of Academic Work Solutions AB since 2006 and Net Entertainment NE AB since 2008. CEO in various companies during 1980-2002; Svenska Traktor AB 1980-1982, Svenska Motor AB SMA 1983-1989, SMA Group USA 1986-1997, Korsnäs AB 1998-2000 and Transcom WorldWide S.A. 2000-2002.

Shareholding: 460,000 class B shares.

Per Eriksson *Employee representative/Board member*

Born 1955. Employee representative in Investment AB Kinnevik since 2006. Employee representative/Deputy in Korsnäs AB since 2006. Assistant boiler-man.

Shareholding: -

Geron Forsman *Employee representative/Board member*

Born 1956. Employee representative in Investment AB Kinnevik since 2008. Papermill support supervisor.

Shareholding: 45 class B shares.

Wilhelm Klingspor *Board member*

Forest Engineer, Skinnskatteberg, Swedish University of Agricultural Sciences, born 1962. Member of the Board of Investment AB Kinnevik since 2004, Industriförvaltnings AB Kinnevik 1999-2004 and Invik & Co. AB 1991-2006. Member of the Board of Korsnäs AB 1999-2000 and since 2003. CEO of Hellekis Säteri AB.

Shareholding: 1,103,080 class A shares and 780,071 class B shares, including related physical persons.

Erik Mitteregger *Board member*

Graduate in Business Administration, Stockholm School of Economics, born 1960. Member of the Board of Investment AB Kinnevik since 2004. Chairman of the Board of Wise Group AB. Member of the Board of Firefly AB. Head of Equity Research and member of the Management Board at Alfred Berg Fondkommission 1989-1995. Founding partner and fund manager Brummer & Partners Kapitalförvaltning AB 1995-2002.

Shareholding: 35,000 class A shares and 35,000 class B shares.

Stig Nordin *Board member*

M.Sc. Engineering, Chalmers University of Technology, born 1943. Member of the Board of Investment AB Kinnevik since 2004 and Industriförvaltnings AB Kinnevik 1992-2004. Member of the Board of Korsnäs AB 1992-2000 and since 2004. President and CEO of Industriförvaltnings AB Kinnevik 1992-1999, CEO of Korsnäs AB 1993-1998 and CEO of Invik & Co. AB 1999-2001.

Shareholding: 43,668 class B shares, including related physical persons.

Allen Sangines-Krause *Board member*

Ph.D., Harvard University, born 1959. Member of the Board of Investment AB Kinnevik since 2007. Chairman of the Board of Rasaland, a real estate investment fund, and Member of the Board of Millicom International Cellular S.A. since 2008. Managing Director of Montpascal Advisory Services. Managing Director Goldman Sachs International 1993-2008 including Investment banking and Business Development in Latin America, Russia and other CIS states.

Shareholding: -

Bo Myrberg *Employee representative/Deputy*

Born 1967. Employee representative in Investment AB Kinnevik since 2008. Employee representative in Korsnäs AB since 2008. Process operator.

Shareholding: 119 class B shares.

Tobias Söderholm *Employee representative/Deputy*

Studies in Chemical Engineering, Chalmers University of Technology, born 1975. Employee representative in Investment AB Kinnevik since 2008. Development Engineer.

Shareholding: 100 class B shares.

Auditors

At the Annual General Meeting 2005 the audit firm Ernst & Young AB with Erik Åström as auditor in charge, was appointed Company auditor for the period extending to the close of the 2009 Annual General Meeting.

Erik Åström, born 1957. Authorized Public Accountant of Industriförvaltnings AB Kinnevik 2001-2004 and Investment AB Kinnevik since 2004. Erik Åström has audit engagements in a number of listed companies such as Hakon Invest AB, H & M Hennes & Mauritz AB, Modern Times Group MTG AB, Saab AB, Svenska Handelsbanken AB and in Apoteket AB.

Senior Executives



Back row: Mikael Larsson, Henrik Persson, Christer Simrén
Middle row: Sture Gustavsson, Joakim Andersson, Torun Litzén
Front row: Mia Brunell Livfors

Mia Brunell Livfors *President and Chief Executive Officer Investment AB Kinnevik*

Studies Business Administration at Stockholm University, born 1965. Various managerial positions within Modern Times Group MTG AB 1992-2001 and Chief Financial Officer 2001-2006. Started present position as President and CEO of Investment AB Kinnevik in August 2006. Chairman of the Board of Metro International S.A. since 2008, member of the Board since 2006. Member of the Board of Korsnäs AB since 2006, Mellersta Sveriges Lantbruks AB since 2006, Tele2 AB since 2006, Transcom WorldWide S.A. since 2006,

Millicom International Cellular S.A. since 2007, Modern Times Group MTG AB since 2007, and H & M Hennes & Mauritz AB since 2008.
Shareholding: 10,000 class B shares.

Henrik Persson *Head of Investments*
Studies in Business Administration, Lund University, born 1974. Employed since 2004. Director Corporate Communications 2004-2007. Member of the Board of Black Earth Farming Ltd since 2006, Kontakt East Holding AB since 2006, Mellersta Sveriges Lantbruks AB since 2007 and Relevant Traffic Europe AB since 2006.
Shareholding: 1,000 class A shares and 6,000 class B shares.

Mikael Larsson *Chief Financial Officer*
Graduate in Business Administration, Uppsala University, born 1968. Employed since 2001. Member of the Board of Relevant Traffic Europe AB since 2007, Bergvik Skog AB since 2008 and Sia Latgran since 2008.
Shareholding: 6,000 class B shares.

Torun Litzén *Director Corporate Communications*
Graduate in Business Administration, Stockholm School of Economics, born 1967. Employed since 2007. Member of the Board of Vostok Nafta Investment Ltd since 2007 and Transcom WorldWide S.A. since 2008.
Shareholding: 2,950 class B shares.

Joakim Andersson *Group Treasurer*
Graduate in Business Administration, Växjö University, born 1974. Employed since 2007. Various positions within Banque Invik Luxembourg Filial 2001-2007 and Branch Manager 2006-2007.
Shareholding: 2,200 class B shares.

Christer Simrén *Chief Executive Officer Korsnäs AB*
Dr Science Industrial Management and Economics and M.Sc. Electrical & Computer Engineering at Chalmers University of Technology, BA Accounting and Financial Control at Gothenburg School of Economics, born 1961. Employed since 2008. Previously President and CEO of Wermland Paper AB, President and CEO of Mediabricks (today Handmark US), vice President Korsnäs AB, Managing Director Applied Value Scandinavia, Managing Director CHAMPS (Chalmers Advanced Management Programs). Chairman of the Board of Sia Latgran. Member of the Board of AB Geveko.
Shareholding: 50,000 class B shares.

Sture Gustavsson *Chief Executive Officer Mellersta Sveriges Lantbruks AB, Chief Executive Officer Black Earth Farming Ltd*
Agriculturalist SLU, Swedish University of Agricultural Sciences, born 1959. Employed since 1994. Member of the Board of Black Earth Farming Ltd since 2006.
Shareholding: 100 class A shares.

Historical background

Investment AB Kinnevik was founded on 18 December 1936, by a group of friends, namely, Robert von Horn, Wilhelm Klingspor and Hugo Stenbeck. The Group's operations have been continued by their descendents, now in the third generation. Thus, Kinnevik embodies more than seventy years of entrepreneurship under the same group of principal owners. Until the 1970s investments mainly took the form of purchases of substantial minority holdings in listed companies.

Since it was founded, the Group has owned large agricultural holdings. Substantial investments were originally made primarily in the forest products, iron and steel industries. In 1978, the shares in Fagersta AB were acquired in an effort to coordinate the steel operations of Fagersta and Sandvik. When Skanska AB, in cooperation with Investment AB Beijer, acquired major shareholdings in Sandvik AB, Kinnevik sold its shares in this company. Agreements were finally reached in 1984 to restructure the Swedish specialty steel industry. The stainless-steel production assets of Fagersta AB were sold to other manufacturers. Fagersta AB was then merged to form a single entity with its major shareholder, Investment AB Kinnevik. Kloster Speedsteel AB, Kinnevik's last major investment in specialty steel manufacturing, was sold in 1991.

In 1992, Kinnevik made a tender offer to acquire the outstanding minority shares in Korsnäs AB, a company in which Kinnevik has been a shareholder since 1936. The merger of Korsnäs and Kinnevik created the opportunity to invest Korsnäs' surplus in other, more rapidly expanding operations.

Since the prices of established companies appeared high, Kinnevik chose in the 1980s and 1990s not to invest in them, but to set up companies around new products or services, largely in information distribution in the broadest sense of the term, from telecommunications to television. The transformation of the organization from a conglomerate in traditional businesses to an international telecom and media group took place under the second generation, with Jan H Stenbeck as the Chairman of Kinnevik.

In 1981 Comvik, an analog mobile telephony system, and the first of its kind outside the state telecom monopoly in Sweden, was launched. In 1985 investments were initiated in mobile telephony licenses outside Europe in, for example, Hong-Kong, Sri Lanka, Mauritius, Costa Rica, the Philippines and Pakistan. In 1990 Kinnevik participated in the establishment of the international mobile operator Millicom International Cellular S.A. ("Millicom"), whereby Kinnevik's international mobile telephony licenses were moved into Millicom, and thus Kinnevik became the majority shareholder in Millicom. Moreover, Kinnevik played a role in the establishment and operation of the first Astra satellite in 1985 for TV distribution via satellite to homes in Europe. 1987-1989 marked the introduction of cable-TV, the first commercial TV channel in Scandinavia (TV3), the independent TV production company Strix Television and pay-TV (TV1000). Kinnevik was also involved from the start of commercial radio in Sweden in the form of RIX FM, which is currently the largest nationwide commercial radio network. Investments in

international and national fixed telephony began in 1993-1994, operations that today are part of Tele2 AB ("Tele2"). The world's currently largest global daily newspaper, Metro, was launched in Stockholm in 1995. Debt collection and customer care services, which are currently part of Transcom WorldWide S.A. ("Transcom"), were started in 1995-1996.

During the build-up phase, it was beneficial for the new operations to be included in Kinnevik, enabling operations to benefit from collective financial assets and management resources. When the companies had achieved a certain level of maturity, it was desirable to highlight the financial values and enable a higher degree of independence, which is why Kinnevik through spin-offs distributed the subgroups Tele2 (formerly NetCom AB) in 1996, Modern Times Group MTG AB ("MTG") in 1997 and Transcom in 2001. In turn, MTG distributed shares in Metro International S.A. ("Metro") to its shareholders in 2000. At 31 December 2008, the total value of the shares in the Major Listed Holdings Tele2, Millicom, MTG, Metro and Transcom was SEK 81 billion.

Jan H Stenbeck passed away on 19 August 2002, following which the business legacy has been carried forward by the third generation of the Stenbeck, von Horn and Klingspor families, with Cristina Stenbeck as Board member and Chairman of Kinnevik since 2007.

The merger of Kinnevik and its owner Invik & Co. AB ("Invik") in 2004 marked the end of the period with two holding companies with cross-shareholdings in the sphere. As owner of Kinnevik, Invik had received substantial shareholdings in Tele2, MTG, Metro and Transcom as dividends. Kinnevik then again became the main owner in those companies it had previously distributed to the shareholders. Invik's operations in the financial sector were combined into a new subgroup that Kinnevik distributed to the shareholders in 2005. Through a convertible loan, Kinnevik remained a minority owner in Invik until an external offer was made for the company during 2007 at a value totaling SEK 7.4 billion.

During the period 2002-2006, a number of major transactions were carried out in Korsnäs that transformed the company into a larger and more niche-oriented producer of paperboard and paper products in specifically selected segments. Through two transactions in 2002 and 2004, the forestland in Sweden was divested. After the sales of forests, Korsnäs is continuing to secure part of its raw material supply through ownership in Bergvik Skog. In 2006, Korsnäs Packaging was divested and in the same year agreement was also reached to acquire the Frövi paperboard mill.

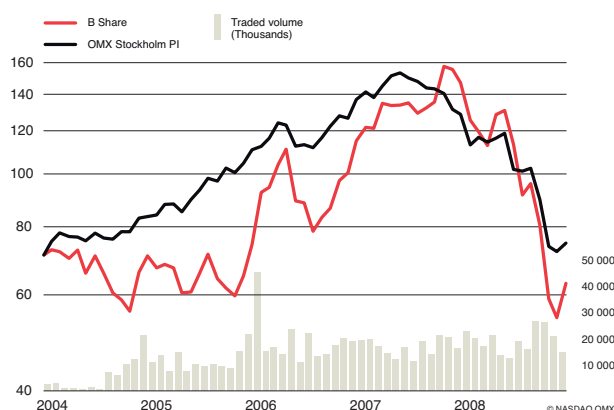
As a result of the transactions described above, combined with the strong development within Major Listed Holdings, mainly mobile telephony, Kinnevik has the financial strength to invest in new operations. Investments made to date include farming operations in Russia, search and directory media on the Internet in Western Europe and Russia as well as micro-credits in Sub-Saharan Africa. At 31 December 2008, investments within New Ventures had an estimated market value of SEK 1,233 million.

The Kinnevik share

Share-price trend

The price of Kinnevik's class A share decreased by 61% and the class B share by 57% in 2008, which was weaker than the OMX30-index on NASDAQ OMX Stockholm which decreased by 42%.

The below chart shows the Kinnevik share's price trend during the past five years. The historical share price has been adjusted to account for the merger with Invik on 28 July 2004. For each class A share in Industriförvaltnings AB Kinnevik, 3.5 class A shares were received in Investment AB Kinnevik, and for each class B share in Industriförvaltnings AB Kinnevik, 3.5 class B shares were received in Investment AB Kinnevik. Furthermore, the historical price trend has been adjusted downward for the distribution of all shares in Invik in 2005.



Stock exchange listing

Kinnevik's class A and class B shares have been listed on NASDAQ OMX Stockholm since 12 November 1992. The shares are listed on the Nordic list for large-cap companies within the financial and real estate sector. The ticker codes are KINV A and KINV B. During 2008, an average of 1,033,733 class B shares, corresponding to SEK 104 million, were traded daily.

Total return

In the past 30 years, the Kinnevik share has generated an average total return of 17% annually as a result of rising share prices, cash and in-kind dividends, including the value of subscription offers.

During the past five years, the Kinnevik share has provided an average total return of 2% annually. At year-end, Kinnevik's class B share was quoted at SEK 63.00, providing a total negative return of 56% in 2008. The total return has been calculated under the assumption that shareholders have retained their allotment of shares in Tele2, MTG, Metro, Transcom and Invik distributed during the measurement period.

Share buy-back

The Annual General meeting 2008 authorised the Board of Directors to repurchase a maximum of 10% of the company's own shares. The Board of Directors has during the year implemented a share repurchase program of 3,500,000 class B shares which corresponds to approximately 1.3% of all shares in Kinnevik. The Board of Directors will propose to the next Annual General Meeting to cancel the repurchased shares.

Share capital

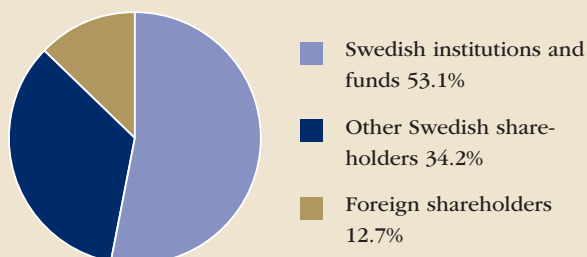
At 31 December 2008, the total number of outstanding shares was 260,481,930, excluding repurchased shares, of which 48,665,324 were class A shares and 211,816,606 class B shares. One class A share provides ten votes and one class B share one vote. There are no outstanding convertibles or warrants.

The number of outstanding shares has been reduced by the 3,500,000 class B shares repurchased in 2008. For changes in the Company's share capital and the allocation during the period 2007-2008, refer to Parent company Note 10.

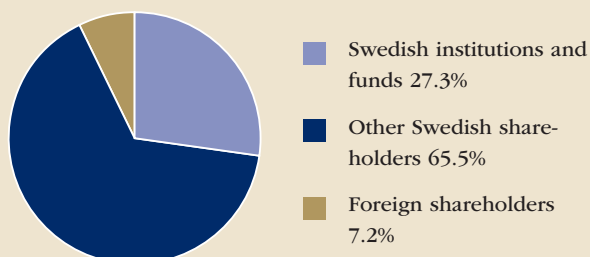
Dividend

At the Annual General Meeting on 15 May 2008 the shareholders approved the Board's proposal of a cash dividend of SEK 2.00 per share. For the financial year 2008 the Board proposes a cash dividend of SEK 2.00 per share with 15 May 2009 as record date.

Shareholder structure (percentage of capital)



Shareholder structure (percentage of votes)



Ownership structure

Kinnevik's 20 largest shareholders in terms of capital and votes according to VPC at 31 December 2008.

Shareholder	Class A shares	Class B shares	Percentage of capital	Percentage of votes
Emesco AB	22 880 367	0	8.8	32.8
The estate of Jan H Stenbeck	8 632 290	1 121 710	3.7	12.5
Klingspor family	5 492 472	1 680 418	2.8	8.1
Alecta	885 500	17 051 800	6.9	3.7
Sapere Aude Trust	2 245 630	0	0.9	3.2
von Horn family	2 155 466	478 029	1.0	3.2
Swedbank Robur funds	0	15 587 019	6.0	2.2
Korsnäs AB's Social fund	1 324 466	9 140	0.5	1.9
SIX SIS AG, W8IMY	1 175 866	559 557	0.7	1.8
AMF Pension & AMF Pension funds	0	11 241 000	4.3	1.6
Skandia & Skandia funds	236 404	7 405 877	2.9	1.4
Hugo Stenbeck's Trust	839 555	170 000	0.4	1.2
Handelsbanken & Handelsbanken funds incl. XACT	216 004	5 605 486	2.2	1.1
SEB & SEB Investment Management	7 500	7 656 089	2.9	1.1
Nordea & Nordea funds	440	6 456 310	2.5	0.9
The Bank New York, Custodian AP7	0	5 490 525	2.1	0.8
Andra AP-Fonden	0	5 338 835	2.0	0.8
Unionen	0	5 179 890	2.0	0.7
Fjärde AP-Fonden	0	4 053 700	1.6	0.6
Länsförsäkringar Fondförvaltning AB	0	3 818 381	1.5	0.5
Other	2 573 364	112 912 840	44.3	19.9
Total	48 665 324	211 816 606	100.0	100.0
Repurchased shares held by Kinnevik	0	3 500 000		
Total including repurchased shares held by Kinnevik	48 665 324	215 316 606		

Share distribution

Size of shareholding	Number of shareholders	%	Number of shares	%
100 001 -	227	0.5	199 795 355	76.7
50 001 - 100 000	139	0.3	9 990 592	3.8
10 001 - 50 000	771	1.8	16 369 838	6.3
5 001 - 10 000	1 027	2.3	7 578 016	2.9
1 001 - 5 000	7 139	16.2	16 409 389	6.3
1 - 1 000	34 733	78.9	10 338 740	4.0
Total	44 036	100.0	260 481 930	100.0

Number of shareholders at 31 December 2008 was 44,036 (37,385).

Data per share

	2008	2007	2006	2005	2004
Average number of shares (000s)	263 078	263 982	263 982	263 982	242 134
Earnings per share, SEK ¹⁾	-97.94	61.29	43.74	15.52	-5.85
Shareholders' equity per share, SEK	90.23	190.37	130.35	88.26	83.05
Market price class B share at 31 December, SEK	63.00	146.75	115.00	74.00	70.75
Dividend per share, SEK	2.00 ²⁾	2.00	1.70	1.60	0.25
Direct yield	3.2%	1.4%	1.5%	2.2%	0.4%

¹⁾ Including discontinued operations.

²⁾ Proposed cash dividend.

Book and fair value of assets

	Class A shares	Class B shares	Equity interest %	Voting interest %	Book value 31 Dec 2008 (SEK m)	Fair value 31 Dec 2008 (SEK m)	Change in stock price since 31 Dec 2007 ¹⁾
Major Unlisted Holdings							
Korsnäs Industrial and Forestry ²⁾			100	100	6 822	7 573 ²⁾	
Bergvik Skog			5	5	453	453 ³⁾	
Interest bearing net debt relating to Korsnäs					-5 845	-5 845	
Total Major Unlisted Holdings					1 430	2 181	
Major Listed Holdings ⁴⁾							
Millicom	37 835 438		34.9	34.9	13 432	13 432	-51%
Tele2	25 747 390	99 734 135	28.5	45.6	8 627	8 627	-41%
MTG	9 605 257	329 754	15.1	47.8	1 674	1 674	-59%
Metro	103 408 698	129 138 208	44.1	39.1	160	160	-86%
Transcom	12 627 543		17.2	34.5	192	192	-65%
Interest bearing net debt relating to Major Listed Holdings					-3 066	-3 066	
Total Major Listed Holdings					21 019	21 019	
New Ventures							
Rolnyvik			100	100	179	250 ⁵⁾	
Black Earth Farming		25 977 238	21	21	470	470 ⁴⁾	-64%
Sia Latgran			51	51	198	198 ⁶⁾	
Relevant Traffic			98	98	54	54 ⁶⁾	
Kontakt East			50	50	141	141 ⁶⁾	
Bayport					120	120 ⁶⁾	
Interest bearing net debt relating to New Ventures					-115	-115	
Total New Ventures					1 047	1 118	
Other assets and liabilities					7	7 ⁶⁾	
Total equity/net asset value					23 503	24 325	
Net asset value per share, SEK						93.39	
Closing price class B share 31 December 2008, SEK						63.00	

¹⁾ Including dividends received.

²⁾ Consensus among analysts covering Kinnevik.

³⁾ Corresponding to 5% of the company's equity.

⁴⁾ Market value.

⁵⁾ Estimated value.

⁶⁾ Book value.

Proportional part of revenue and result

The table below is a compilation of Kinnevik's proportional part of the holdings' revenues and operating results reported for 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.

Jan-Dec 2008 (SEK million)	Equity interest	Reported		Proportional part of		Change compared to	
		revenue	EBIT ¹⁾	revenue	EBIT	Jan-Dec 2007 revenue	EBIT
Korsnäs	100.0%	7 396	500	7 396	500	-2%	-40%
Millicom	34.9%	22 451	5 705	7 835	1 991	30%	27%
Tele2	28.5%	39 505	4 508	11 259	1 285	-1%	62%
MTG	15.1%	13 166	2 598	1 988	392	16%	28%
Metro	44.1%	2 840	-192	1 252	-85	-11%	N/A
Transcom	17.2%	6 072	268	1 044	46	5%	-23%
New Ventures	-	814	-170	440	-59	142%	N/A
Total sum of Kinnevik's proportional part of revenue and operating result				31 214	4 070	7%	18%

¹⁾ Less divested operations and excluding one-off items.

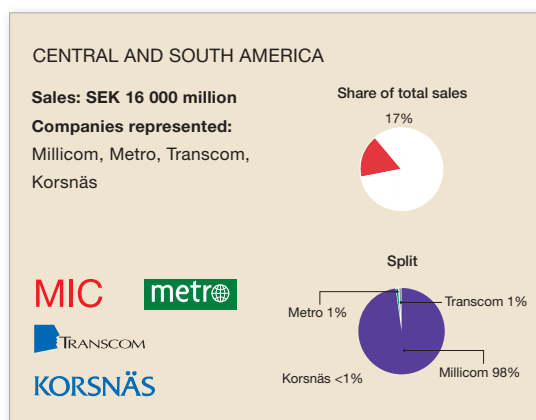
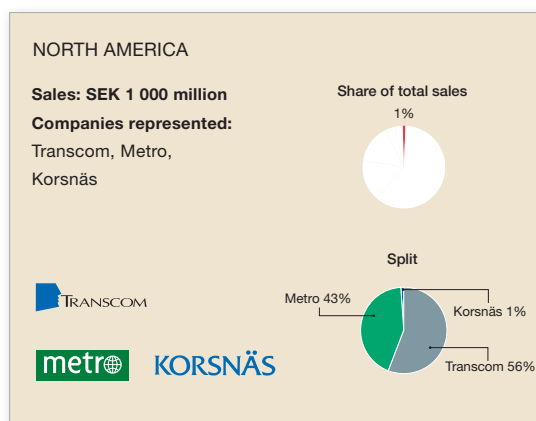
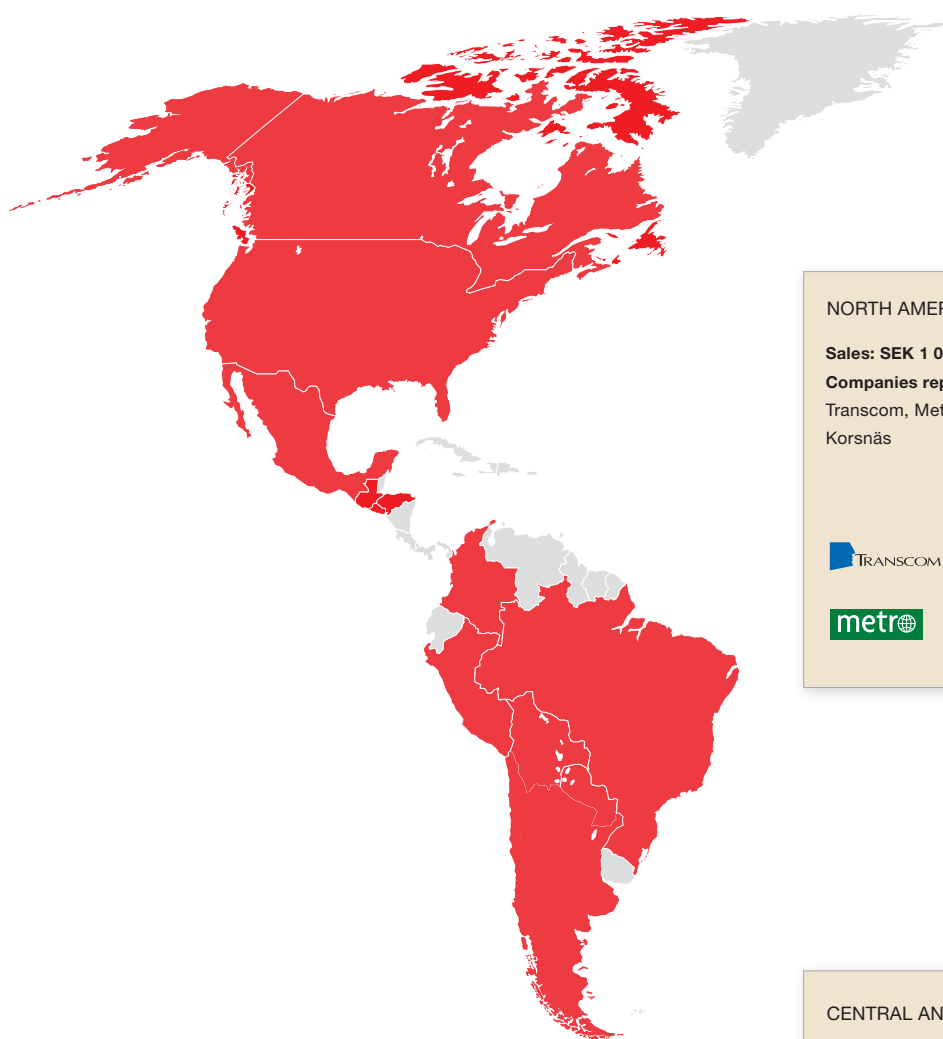


Our Group

The Kinnevik portfolio is divided into three segments including Major Unlisted Holdings consisting of Korsnäs, Major Listed Holdings including Millicom, Tele2, MTG, Metro and Transcom and New Ventures with Kinnevik's holdings in agriculture in Poland (Rolnyvik) and Russia (Black Earth Farming), renewable energy in Latvia (Sia Latgran), online-media and yellow-pages in Russia (Kontakt East), microfinancing in Africa (Bayport) and search-based online-marketing

in Scandinavia and Europe (Relevant Traffic). Through the portfolio companies, Kinnevik is exposed to over 60 markets world-wide and more than half of our assets are in emerging markets.

On the map below, sales per continent is based on the total sales of the portfolio companies. These figures are not connected to Kinnevik's accounts.



WESTERN EUROPE

Sales: SEK 50 500 million

Companies represented:

Tele2, MTG, Korsnäs,
Transcom, Metro,
Relevant Traffic, Sia Latgran

Share of total sales

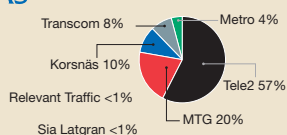


TELE2 KORSNÄS

TRANSCOM metro

RELEVANT TRAFFIC GRAN LAT

Split



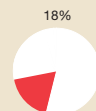
EASTERN EUROPE AND RUSSIA

Sales: SEK 17 000 million

Companies represented:

Tele2, MTG, Korsnäs, Transcom,
Black Earth Farming, Metro,
Kontakt East, Rolnyvik

Share of total sales

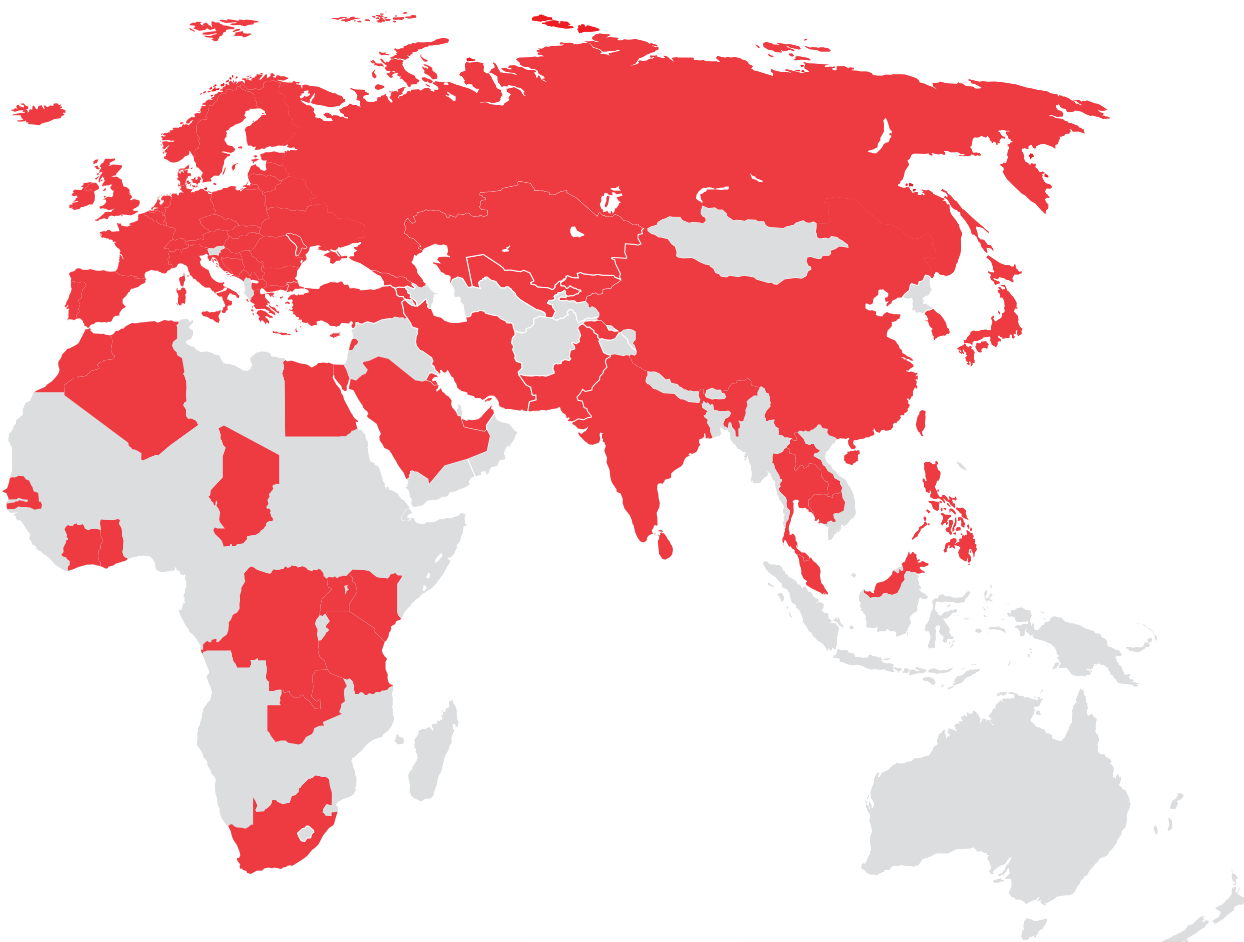
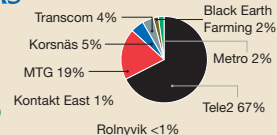


TELE2 KORSNÄS

TRANSCOM BLACK EARTH FARMING LTD.

metro KontaktEast Rolnyvik

Split



AFRICA

Sales: SEK 5 500 million

Companies represented:

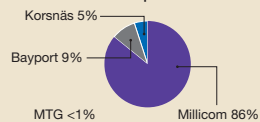
Millicom, Bayport,
Korsnäs, MTG

Share of total sales



MIC Bayport KORSNÄS

Split



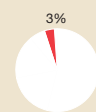
ASIA

Sales: SEK 3 500 million

Companies represented:

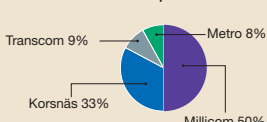
Millicom, Korsnäs,
Transcom, Metro

Share of total sales



MIC KORSNÄS TRANSCOM metro

Split



Major Unlisted Holdings

Korsnäs

Key data (SEK million)	2008 ¹⁾	2007
Revenue	7 396	7 519
Operating profit, EBIT	500	836
Investments in tangible fixed assets	171	269
Depreciation	-624	-613
Operational capital employed, average	8 175	8 010
Return on operational capital employed	6.1%	10.4%
Number of employees	1 828	1 919

¹⁾ Excluding restructuring costs of SEK 71 million.

History

Korsnäs was established as a company in 1855, with sawmill operations commencing in 1858 in Korsnäs in the province of Dalarna. In 1899, operations moved to Gävle and in 1910 pulp manufacture got under way at the Korsnäs mill in Gävle, followed in 1925 by the installation of the company's first paper machine. Pulp, paperboard and paper manufacturing were steadily expanded to become Korsnäs' primary operations and Korsnäs Industrial is today one of the leading manufacturers of virgin fiber-based packaging materials, primarily for consumer products. The industrial operations center on the Korsnäs mill in Gävle and on the production facility in Frövi with annual capacity of 700 thousand tons and 425 thousand tons, respectively, of paper and paperboard products. The company currently has four production machines in operation: Paper Machine ("PM") 2, 4 and 5 in Gävle as well as the Board Machine ("BM") 5 in Frövi. The plant in Gävle is self-sufficient in pulp, while the annual pulp

capacity in Frövi is 300 thousand tons.

Korsnäs has long pursued a targeted strategy of focusing on highly processed products. As a result, paperboard has become the largest product area in terms of volume, with liquid packaging board used for beverage packaging and White Top Kraft Liner ("WTL") used as the outer layer in corrugated packaging, while cartonboard is used primarily for packaging cosmetics, luxury drinks, confectionery and frozen food. As part of the expansion in high added-value product segments, Korsnäs acquired the Frövi paperboard mill in May 2006 from Sveaskog for a purchase consideration of SEK 3.6 billion.

In 2002 Korsnäs terminated its involvement in the sawmill business by selling the Kastet sawmill. During 2002 and 2004, Swedish forest holdings were also sold via two transactions: In 2002, more than a third of the forest holdings were sold to Sveaskog and in 2004 the remainder was transferred to Bergvik Skog, a newly established company in which Korsnäs holds 5% of the shares. After these divestments, Korsnäs Swedish forest holdings consist of about 15,000 hectares of special land and rights.

In pace with production at Korsnäs focusing increasingly on highly processed cartonboard products, the production of brown sack paper has declined. Consequently, the Korsnäs Packaging business area was divested in 2006, which conducted operations within the conversion of sacks and bags for industrial use.

Frövi Mill



Korsnäs Industrial

Key data (SEK million)	2008 ¹⁾	2007
Revenue	6 608	6 625
Operating profit, EBIT	472	745
Investments in tangible fixed assets	167	243
Depreciation	-618	-608
Operational capital employed, average	7 746	7 743
Return on operational capital employed	6.1%	9.6%
Number of employees	1 601	1 633

¹⁾ Excluding restructuring costs of SEK 71 million.

Demand for Korsnäs products weakened in 2008, partly due to the general economic downturn in the global economy and partly due to lower sales to the Chinese market. Delivery volumes for paper, pulp and cartonboard products declined 7.5% for the full-year to 993,000 tons compared with 1,073,000 tons in the preceding year.

Customers today are increasingly demanding various types of products and delivery solutions and Korsnäs is seeking to meet these demands using high quality and lower overall customer cost. Korsnäs' long-term strategy of focusing on growth markets and offering differentiated, niche products that meet stringent requirements in terms of strength, printability, formability and runnability in converting, proved successful during the year with increasing volumes within prioritized growth areas. Thus, the targeted focus on highly refined products in selected segments will continue.

Production amounted to 1,052,000 tons in 2008, compared with 1,069,000 tons in 2007. The decline was primarily due to market-related shutdowns toward the end of 2008. The shutdowns were for a total of about 10 days in addition to previously planned maintenance shutdowns during the fourth quarter. Cartonboard production in Frövi achieved a record production totaling 398,000 tons (392,000), despite the shutdowns, while cartonboard and paper production in Gävle amounted to 654,000 tons (677,000).

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

In the autumn of 2008, investments were decided on for a new evaporation plant for the pulp plant in Gävle and the rebuilding of the press section at the PM5 in Gävle. The evaporation plant, which is estimated to cost about SEK 570 million, will reduce energy costs at the pulp plant by approximately SEK 130 million annually with full effect from 2011. The investment will affect cash flow in 2009 and 2010. The rebuilt press section at the PM5 will result in improved

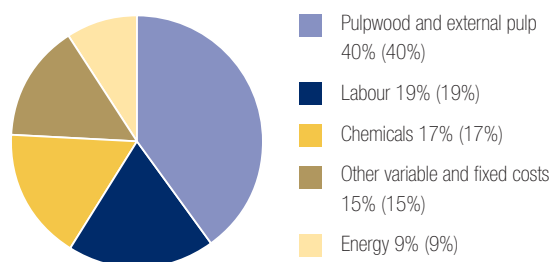
product properties and better production economy following the implementation of the investments in the spring of 2009.

The profit enhancement program initiated in conjunction with the acquisition of Frövi favorably impacted 2008 earnings by about SEK 170 million (95), compared to when the program was launched in 2006.

In November 2008, a new earnings-improvement program was launched aimed at increasing production efficiency and energy conservation, reducing purchasing costs, and improving inventory control and a more efficient organization. The goal is to restore Korsnäs' profitability to an operating margin of more than 10%. The program includes a planned staff reduction involving 110-130 positions, which is being negotiated with the trade union organizations. The program is also expected to favorably impact Korsnäs' tied-up capital.

Distribution of operating costs

Excluding depreciation, Korsnäs Industrial. Numbers in brackets refer to 2007.



Korsnäs Industrial's revenue amounted to SEK 6,608 million (6,625). Operating profit totalled SEK 401 million, compared with SEK 745 million in 2007. Earnings in 2008 include SEK 12 million related to integration costs regarding Karskär Energi, and SEK 71 million for costs in conjunction with the launch of the earnings-improvement program. Earnings for 2007 include positive non-recurring effects of about SEK 60 million. Otherwise, the earnings decline is primarily attributable to approximately SEK 190 million in increased costs for pulpwood and external pulp as well as higher costs for energy, other input goods and salaries of approximately SEK 170 million. The cost increases were partly offset by the positive effects described above that are a result of the earnings-improvement program, which was initiated in conjunction with the acquisition of Frövi, of SEK 75 million. Lower sales volume had a negative impact on earnings while increased selling prices had a positive effect, which overall resulted in an earnings improvement of about SEK 80 million.

In order to reduce tied-up capital in inventory, Korsnäs has in the beginning of 2009 implemented further production stoppages of an average of about 6 days at the mills in Gävle and Frövi.

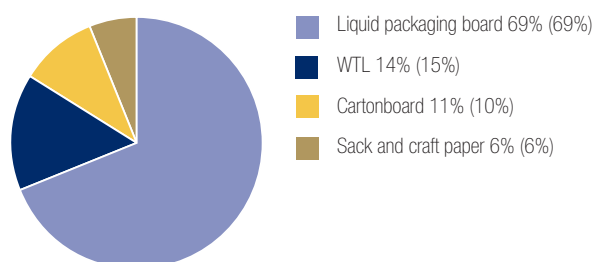
Liquid Packaging Board

Liquid Packaging Board is used to manufacture packaging, primarily for dairy products and other beverages, a market that is continuing to grow, mainly in Asia and Eastern Europe. Primarily, coated Liquid Packaging Board is showing

growth, as a result of end-users' increased demand for print quality on the finished packaging. The global market for Liquid Packaging Board is usually rising at an annual rate of 3-4%, but ended up rising by about 1-2% in 2008. Global demand for Liquid Packaging Board was stable during the first half of the year. After the summer, demand in China declined due to the scandal with melamine-contaminated milk products and reduced consumption following the Olympics. In terms of the melamine scandal, the situation started to stabilize and deliveries to China partially rebounded at the end of 2008 and beginning of 2009. For 2008 as a whole, Korsnäs Liquid Packaging Board deliveries declined by about 8% compared with 2007. Price increases were implemented in accordance with the multi-year agreements that Korsnäs has with a number of customers regarding Liquid Packaging Board deliveries, of which Tetra Pak is the largest customer. The current agreement with Tetra Pak was reached autumn 2006 and covers deliveries for the period 2007-2009.

Other major suppliers of Liquid Packaging Board include Stora Enso and Klabin. There is also competition with other packaging materials, primarily plastic bottles.

Korsnäs Industrial's sales
volume divided per product
Numbers in brackets refer to 2007



Cartonboard

Korsnäs cartonboard is used primarily in selected segments for packaging cosmetics, luxury drinks, confectionery and frozen food. The cartonboard market in Europe generally grows 2-3% annually, but declined by slightly more than 4% in 2008. Cartonboard capacity was reduced during the year in Europe through the shutdown of a number of machines. European imports, primarily from Brazil, continued to rise. Nevertheless, cartonboard prices increased during the fourth quarter and Korsnäs' cartonboard deliveries rose by almost 6% compared with 2007. Competitors include Stora Enso, M-Real and Holmen.

White Top Kraft Liner (WTL)

WTL is used as the surface layer on corrugated packaging. The WTL market in Europe was essentially unchanged in 2008 compared with 2007, which shall be compared with growth that is usually about 3-4%. Korsnäs' total deliveries of WTL declined in 2008, although deliveries of coated WTL rose in line with the company's long-term strategy. Since the majority of sold volumes of WTL are priced in Euro, Korsnäs' revenue increased as a result of the Euro strengthening during the second half of the year, despite the underlying Euro prices declining slightly. There are a number of suppliers on the market, with M-Real as the main competitor.

Sack and kraft paper

Sack and kraft paper are used for sacks, carrier bags and food packaging. The market for sack and kraft paper in Europe experienced a strong start in 2008, but weakened during the second half of the year. The significant reduction in construction is the primary cause of the decline in paper sack consumption. The market for white paper, the segment on which Korsnäs has focused for the past several years, is in better balance between supply and demand than for brown paper. Korsnäs' deliveries of sack paper declined by 8% in 2008, compared with the preceding year, of which brown paper accounted for the majority of the decrease. Billerud and UPM Kymmene are the main competitors in this area. Korsnäs' market position is highlighted primarily by its high-strength products offering favorable converting potential.

Korsnäs Forestry

Key data (SEK million)	2008	2007
Revenue	2 225	2 207
Operating profit, EBIT	28	91
Investments in tangible fixed assets	4	26
Depreciation	-6	-5
Operational capital employed, average	429	267
Return on operational capital employed	6.5%	34.1%
Number of employees	227	286

Korsnäs Forestry is responsible for the purchase of wood and fiber for Korsnäs' pulp and paper mills and for the performance of forestry services in line with agreements with Bergvik Skog. Korsnäs Forestry's external customers are primarily sawmills and spruce fiber users in central Sweden and Latvia.

Pulpwood prices, which account for the largest single cost item for Korsnäs, appear to have peaked in 2008. Korsnäs, similar to several other operators in the Swedish market, announced two price reductions in the midst of Sweden, totaling SEK 60/m³fub in the fourth quarter. Wood prices declined in the entire Baltic Sea region during the year. Korsnäs' softwood fiber inventory was average at the end of the year, but the hardwood fiber inventory was higher than average.

Korsnäs Forestry's revenue for the year amounted to SEK 2,225 million (2,207), of which internal sales to Korsnäs Industrial amounted to SEK 1,437 million (1,313). Operating profit amounted to SEK 28 million (91). The lower 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, including a temporary effect due to sales from stock that had been purchased at earlier applicable prices. Earnings in the preceding year also included a capital gain of SEK 26 million from the sale of land.

Research and development

Work with renewing Korsnäs' product portfolio continued during 2008. Within all current segments, work was dominated by product care and improved profitability. The process for monitoring the market, which includes external research and development, has developed and systematized to ensure speed and focus in the early phases of the development work. A reorganization of the development organization was initiated during the year, with additional focus on customer orientation and co-operation with the production units. Korsnäs' total research and development expenses amounted to SEK 58 million (58).

Environment

Korsnäs' industrial and forestry operations are ISO 14001 certified and forestry operations are also certified in line with the FSC standard. Korsnäs AB is participating in the Program for Energy Efficiency. A certified energy management system was introduced in 2006.

Based on a decision made by the National Swedish Franchise Board for Environment Protection in 1996, Korsnäs Gävle conducts operations requiring a permit. The integrated Gävle mill manufactures pulp, paper and paperboard, which impact on the exterior environment primarily through emissions to air and water, as well as through noise. During 2008, a new permit was obtained for the production of end products. The current permit covers 700 thousand tons of pulp and 755 thousand tons of end products in the form of paper and cartonboard.

In accordance with a decision made by the Swedish Environmental Supreme Court in 2003 measures are being conducted for the alteration of landfill facilities to meet EU requirements. The measures, which were conducted in stages at a total cost of approximately SEK 35 million, were completed after the installation of a watertight vertical barrier and an accompanying leach water system.

New production records for cartonboard were noted at the Frövi mill. This coincides with one of the best years within several of the plant's environmental areas. Application for a further expanded production permit was submitted to authorities during 2008 and in December the Environmental Court approved a new permit for 300 thousand tons of kraft pulp production, of which 140 thousand tons may be bleached.

In January 2008, Korsnäs introduced an entirely new rail-based distribution system that resulted in drastically reduced carbon-dioxide emissions for outgoing shipments. The previous system with shipping from Gävle has been replaced with daily train departures from the plant, via the production plant in Frövi, to the continent. The new system has also provided improved service to customers.

Risk management

Korsnäs' operational risks consist primarily of customer relations in respect of payment capacity and the risk of losing established relationships, as well as with suppliers in terms of reliability, quality and price, in addition to major accidents in the production. Korsnäs conducts regular surveys of customers and suppliers and undertakes extensive checks and maintenance to minimize the risk of production disruptions.

The risk that customers fail to fulfill their payment obligations is limited by means of credit checks, whereby all customers are analyzed by sales managers and a credit council quarterly. Customers are also monitored continuously by the credit function using, for example, information from Dun & Bradstreet. Deviations in relation to concluded agreements are managed on an ongoing basis by the credit council.

In production operations, risk inventories are conducted with the focus on areas that could be expected to give rise to serious production disruptions. For identified risk areas, plans are drawn up regarding how these can be prevented as far as possible and how the management of abnormal situations is to be done. A corresponding inventory is also made for safety purposes and the work environment.

Financial hedging is used to reduce exposure to temporary fluctuations in electricity prices. The result of these is reported as they mature and amounted for the year to a loss of SEK 41 million (loss of 45). As of 31 December, the market value of financial hedges amounted to a negative SEK 103 million (positive 109). Korsnäs' net purchases of power during the year totaled 988 GWh. In addition, 500 GWh of in-house generated power was consumed. The estimated net power purchases in Sweden are hedged at about 85% for 2009, 43% for 2010 and 21% for 2011.

With regard to the purchase of wood raw material during 2008, approximately half of Korsnäs' pulpwood consumption was supplied from Bergvik Skog and Sveaskog, and split between them almost equally. The remaining wood raw material derives from purchases in Sweden and from Åland, the Baltic States and Russia. Most of the Swedish wood consists of softwood fiber, with most of the imported material consisting of hardwood fiber. Korsnäs' agreement with Bergvik is long term and prices are updated continually. With regard to Korsnäs Frövi, there was a supply agreement with Sveaskog that expired at the end of 2008. As of 2009, Korsnäs Forestry takes over the responsibility for wood supply for Korsnäs Frövi from Sveaskog. A delivery agreement for fiber has been signed with Sveaskog.

On an annual basis, Korsnäs' net flow in foreign currencies is a net inflow of about SEK 800 million, comprised mainly of sales in Euro. The Group's policy is not to hedge this transaction exposure by using, for example, forward contracts. The reason for this approach is that the Group is dealing with a continuously even net inflow of foreign currency for which, over time, hedging measures would also be affected by exchange rate changes.

Employees and organization

During the year, an employee survey was conducted within Korsnäs' Swedish operations. The primary aim of the survey was to measure Korsnäs' value-creating capital, which is a measure of employees' and the organization's ability to create value for the customer and efficiency for the company. The results of the survey were presented to all employees, following which targets and improvement areas were prepared for the company on both overall and group levels. As a phase in the improvement work, an extensive effort pertaining to employees and leadership was initiated by Korsnäs management aimed at clarifying requirements and expectations.

Work on harmonizing HR issues within the company is progressing and during the year policies for rehabilitation, alcohol and drugs as well as competency supply were produced by a joint work group.

Based on legal requirements, salary documentation for both Gävle and Frövi was prepared and subsequently approved by the Equal Opportunities Ombudsman.

To secure information between employees within the Swedish and the Latvian operations, an agreement for a European Work Council was signed by the parties, which means that the pattern for business information has been established.

During the final months of the year, statutory Employment Act negotiations pertaining to the changed organization and new staffing were initiated with the trade unions as part of Korsnäs' earnings improvement program.

Major Listed Holdings

The market value of the Group's securities in Major Listed Holdings decreased by SEK 24,977 million (net after deduction of dividends received) during the year, corresponding to 49%. On 31 December 2008, the market value of the Major Listed Holdings was SEK 24,085 million (SEK 50,761 million 31 December 2007). The changes in value are shown in the consolidated income statement.

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

Millicom

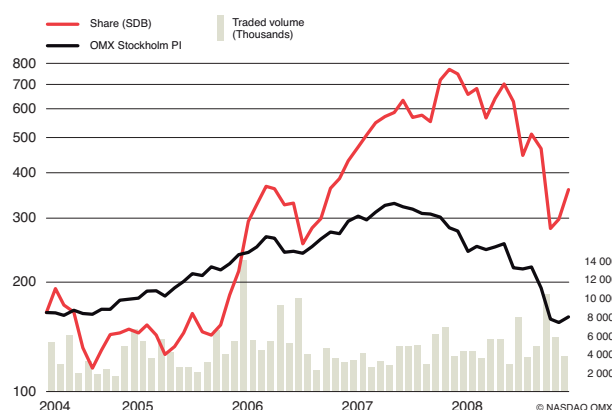
Key data (USD million)	2008	2007
Revenue	3 412	2 624
EBITDA	1 468	1 119
Operating profit, EBIT	867	672
Net profit	518	697
Number of mobile subscribers 31 Dec (million)	32.0	23.3

The market value of Kinnevik's shareholding in Millicom amounted to SEK 13,432 million on 31 December 2008. Millicom's shares are listed on NASDAQ Global Select Market in New York and is included in NASDAQ 100 and NASDAQ OMX Stockholm's 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 291 million people. All Millicom's 16 operations now feature GSM networks.

Millicom has one unified GSM-brand, "tigo", in 14 of its 16 markets. Millicom's strategy is built around the three A's Affordability, Accessibility and Availability. In 2008, Millicom increased its investments significantly in all regions and continued the successful launch of "tigo" in all regions with emphasis on Africa. In total, Millicom invested USD 1,431 million in 2008.

During the year, Millicom acquired Amnet Telecommunications Holding Limited for a total consideration of USD 510 million. Amnet is the leading provider of broadband and cable-tv services in Costa Rica, Honduras and El Salvador, fixed telephony in El Salvador and Honduras and datacommunication in the above mentioned countries as well as in Guatemala and Nicaragua. The company has over 350,000



corporate and private customers.

In Africa, Millicom strengthened its presence by successfully tendering for the third mobile license in Rwanda. Rwanda has 10 million inhabitants and the country is strategically located between Democratic Republic of Congo and Tanzania where Millicom has operations, creating the possibility of synergies in the long-term.

On 31 December 2008 Millicom had 32 million mobile subscribers, which is an increase of 38% since 31 December 2007. Growth was strong in all regions with particularly significant increases in Honduras (45%), Tanzania (93%), DRC (92%) and Laos (79%). Of the total number of subscribers, 96% had prepaid subscriptions at the end of 2008.



Tele2

Key data (SEK million)	2008	2007
Revenue ¹⁾	39 505	40 056
EBITDA ²⁾	8 189	6 309
Operating profit, EBIT ²⁾	4 508	2 784
Net result ¹⁾	1 718	-382
Number of subscribers 31 Dec (million) ¹⁾	24.5	23.2

¹⁾ From continuing operations.

²⁾ Less divested operations, excluding one-off items.

The market value of Kinnevik's shareholding in Tele2 amounted to SEK 8,627 million on 31 December 2008. Tele2's shares are listed on NASDAQ OMX Stockholm's 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 million customers in 11 countries.

Mobile Telephony

Mobile telephony continued to deliver robust growth in a competitive market. The core operations in the Nordic countries, Russia, the Baltic countries and Croatia showed a strong customer intake. The Nordic market area is the cash cow of Tele2 and also the test bed of new services. The operational development during 2008 was positive with a higher full-year EBITDA contribution from both Sweden as well as Norway.

The Russian operation is Tele2's most important growth engine. The company has GSM licenses in 35 regions in Russia with approximately 61 million inhabitants. In 2008 Tele2 added 1,858,000 new customers, despite a weakening economy.

In 2008 the Baltic operations were negatively affected by a strong economic downturn in the region. To offset the negative impact, Tele2 has actively increased its marketing activities to gain market share on high value ARPU (average revenue per user) customers in both the consumer as well as the corporate segment.

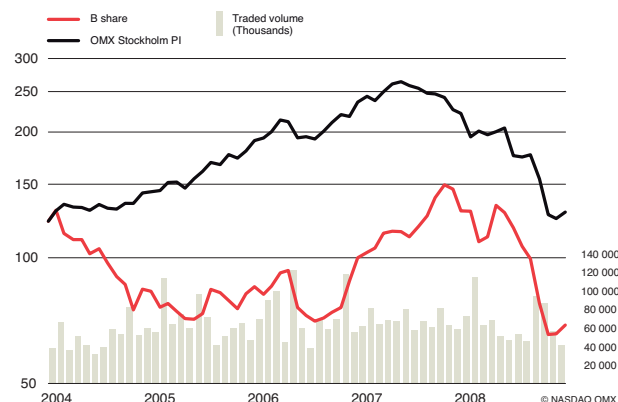
Mobile internet has now been launched in the Baltic region and in Croatia. In Sweden, Tele2 is seeing early signs of a better price environment for the service. This implies that Tele2 might be able to increase margins while still offering customers the best deal.

Fixed Broadband

The fixed broadband operations showed promising improvement in 2008. The goal is to focus less on market share and more on operational result and this has paid off. However, there is still a long way to go before fixed broadband services meet Tele2's set hurdles. Revenue continued to develop according to plan and grew by 11% compared to 2007.

Fixed Telephony

Fixed Telephony operations continued to deliver strong results and profitability. The EBITDA margin was 24% and capital expenditures were small. Going forward, Tele2 will continue to maximize the cashflow from a mature asset.



Dividend

Tele2's intention over the medium term is to pay a progressive ordinary dividend to its shareholders. The Board of Tele2 has decided to recommend an increase of the ordinary dividend of 11% to SEK 3.50 (3.15) per share in respect of the financial year 2008 to the Annual General Meeting (AGM) in May 2009. The board has also decided to recommend a special dividend of SEK 1.50 (4.70) per share.

In accordance with the mandate at the 2008 AGM, Tele2 repurchased 4,500,000 Tele2 B shares in 2008, which corresponds to approximately one percent of all shares in Tele2. The shares were purchased at an average price of SEK 102.10 per share. The Board of Directors will propose to cancel the repurchased shares at the AGM.



Modern Times Group MTG

Key data (SEK million)	2008	2007
Revenue	13 166	11 351
Operating profit, EBIT	2 598	2 027
Net profit	2 927	1 428

The market value of Kinnevik's shareholding in MTG amounted to SEK 1,674 million on 31 December 2008. MTG's shares are listed on NASDAQ OMX Stockholm's list for Large Cap companies, in the consumer discretionary sector.

MTG is a leading international entertainment broadcasting group with the second largest geographical broadcast footprint in Europe. MTG's Viasat Broadcasting is the largest free-TV and satellite premium pay-TV operator in Scandinavia and the Baltics, and also operates free-TV channels in the Czech Republic, Hungary, Slovenia, Bulgaria, Macedonia and Ghana, pay-TV channels throughout Central & Eastern Europe and in the United States and a satellite premium pay-TV platform in Ukraine. MTG's TV assets are broadcast in a total of 29 countries and reach over 100 million people. MTG is also the major shareholder in Russia's largest independent television broadcaster CTC, and the number one commercial radio operator in the Nordic and Baltic regions.

Viasat Broadcasting

Viasat Broadcasting, which consists of Free-TV Scandinavia, Pay-TV Nordic and Emerging Markets, is the largest business area within the Group. Viasat broadcasts more than 50 own branded channels and has the second largest broadcasting footprint in Europe.

The Viasat strategy with more channels and the position as Scandinavia's leading media house resulted in strong sales growth in 2008. MTG gained audience and market shares in the majority of its markets and added subscribers to the Viasat platform.

The penetration in Eastern Europe and Russia increased further in 2008 and MTG acquired the television company Nova in Bulgaria for a total consideration of EUR 620 million. Nova is the second largest TV-channel in Bulgaria.

Revenues within Viasat Broadcasting amounted to SEK 10,392 million in 2008.

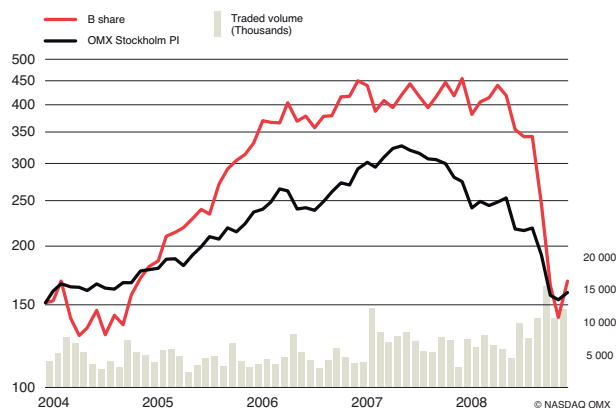
Radio

MTG Radio is the largest commercial radio operator in the Nordic region and the Baltic countries. MTG Radio owns, or has equity stakes in, the largest commercial radio broadcasting networks in Sweden, Norway and Finland, as well as rapidly growing radio stations and networks in the Baltic countries. MTG Radio's stations reach over three million listeners every day.

Revenues within MTG Radio amounted to SEK 800 million in 2008.

Online

The Online business comprises the leading Nordic entertainment retailer CDON.COM, Gymgrossisten.com, Body-



store.com, Nelly.se, linus-lotta.com, bookplus.fi, BET24 and Playahead.

Revenues within online amounted to SEK 1,831 million in 2008.

Modern Studios

Modern Studios incorporates companies which produce and distribute a wide range of content. Strix Television is a TV production company and provides innovative and contemporary TV formats.

Dividend

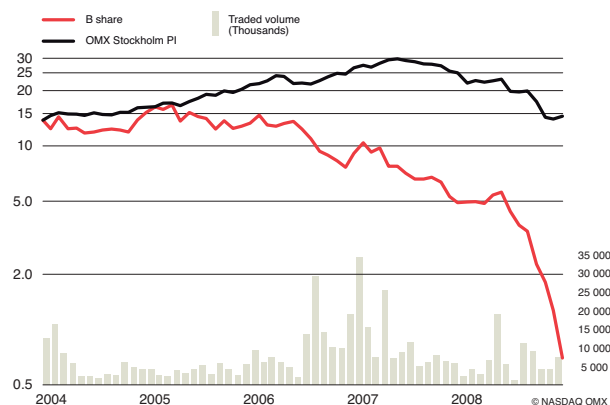
MTG's Board of Directors proposes to the Annual General meeting an ordinary dividend of SEK 5 per share. In accordance with the mandate at the 2008 AGM, MTG bought back 798,000 class B shares in 2008 for an average price of SEK 396. The Board of Directors will propose to cancel the repurchased shares at the AGM.



Metro

Key data (EUR million)	2008	2007
Revenue	295	331
Operating result, EBIT ¹⁾	-20	-19
Net result	4	-20
Daily readership (millions)	18	23

¹⁾ Excluding profit on sale of shares in subsidiaries.



The market value of Kinnevik's shareholding in Metro amounted to SEK 160 million on 31 December 2008. Metro's shares are listed on NASDAQ OMX Stockholm's list for Mid Cap companies in the consumer discretionary sector.

Metro is the world's largest international daily newspaper. Metro's 64 editions are published in 100 major cities in 20 countries across Europe, North & South America and Asia. Metro has a unique global reach – attracting a young, active, well-educated metropolitan audience of over 18 million daily readers. The newspapers are distributed free of charge and revenue is generated primarily through advertising sales.

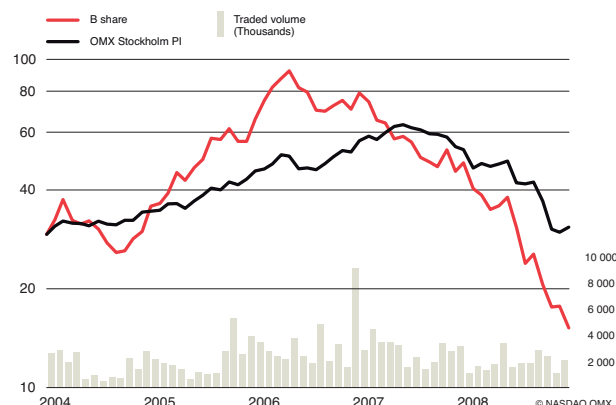
During 2008 Metro remained focused on executing the new global strategy which has resulted in numerous activities throughout the year. In respect of Metro's strategic goal to drive consolidation in some of their key markets Metro has through partial divestments in Sweden, Denmark and Czech Republic managed to reduce the competition and improve their market position. In each of these markets Metro has increased their share of readership as a result of these deals. A new edition was launched in Monterrey, Mexico and a franchise agreement was concluded with the largest free-sheet in Moscow, Russia.

To meet the weakening economic environment and to reduce costs Metro announced that it will move its head-office to Stockholm. Metro also closed its operations in Spain during January 2009.

In February 2009, Metro announced the intention to raise approximately SEK 550 million in new financing through an issue of debentures and warrants. The issue will be fully underwritten by Kinnevik.

Transcom

Key data (EUR million)	2008	2007
Revenue	632	599
Operating profit, EBIT	28	36
Net profit	16	24
Number of employees	20,000	17,200



The market value of Kinnevik's shareholding in Transcom amounted to SEK 192 million on 31 December 2008. Transcom's shares are listed on NASDAQ OMX Stockholm's list for Mid Cap companies in the industrials sector.

Transcom is active within outsourcing of Customer Relationship Management (CRM) and Credit Management Services. Today the company is a provider with 75 sites employing more than 17,200 people delivering services from 29 countries. The company provides CRM solutions for companies in a wide range of industry sectors including telecommunications and e-commerce, travel & tourism, retail, financial services and utilities. Transcom offers its clients a broad array of relationship management services including inbound communication, telemarketing and outbound, administrative tasks, web servicing, CRM consultancy services, contract automation, credit management services, legal service 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.

In 2008, Transcom experienced volume reductions with a number of major clients resulting in realignments in some of Transcom's markets. The momentum was maintained in the off-shore operations which continued to deliver profitable growth. Also, the CMS business continued to generate new business.

New Ventures

Company	Equity and voting interest	Business	Investment class	Initial investment	Invested amount (SEK million)
Rolnyvik, Poland	100%	agricultural operations	subsidiary	2001	174
Black Earth Farming, Russia	21%	agricultural operations	listed associate	2006	530
Sia Latgran, Latvia	51%	pellets production	subsidiary	2005	21
Relevant Traffic, Europe	98%	search marketing	subsidiary	2006	120
Kontakt East, Russia	50%	search and guidance media	joint venture	2006	222
Bayport, Africa	-	micro credits	interest bearing receivable/ warrants at fair value	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.

In May Kinnevik and Vostok Nafta, through their jointly and equally owned Swedish company Vosvik, submitted an offer to all shareholders in Kontakt East to surrender their shares to Vosvik for a cash payment of SEK 35 per share. Owners of 98.7% of the total number of shares and votes in Kontakt East surrendered their shares, upon which the Kontakt East share was delisted from First North. Vosvik has initiated compulsory redemption of the remaining shares in Kontakt East.

For Kinnevik, the bid for Kontakt East meant that shares held earlier, corresponding to 21.4% of the capital in Kontakt East, were transferred to Vosvik. Furthermore, Kinnevik contributed a further SEK 150 million in cash to Vosvik to finance the cash offer for other shares and warrants in Kontakt East.

During the year Kinnevik converted loans issued by Relevant Traffic to shares, acquired shares from other shareholders in accordance with option agreements signed earlier and carried out a new share issue in the company. After these transactions, Kinnevik owns 98% of the votes and capital in the company.

In December, Kinnevik divested its investment in the African pay-TV company Gateway Broadcasting ("GTV") for USD 23.6 million. The GTV investment generated an IRR of 40% and at the end of 2008, Kinnevik received 1.8 times the amount invested in May 2007. The sale was a result of Vodacom's purchase of GTV's group company, Gateway Telecommunications, which was a guarantor for the loan in which Kinnevik had invested.

The operating loss for New Ventures amounted to SEK

30 million (profit of 23) during the year, of which SEK 17 million (16) related to Rolnyvik, SEK 14 million (9) to Sia Latgran and a loss of SEK 59 million (0) to Relevant Traffic. The operating loss for Relevant Traffic includes restructuring expenses of SEK 10 million and impairment of goodwill of SEK 37 million.

The change in fair value of financial assets totalled a negative amount of SEK 786 million (positive 702) where a negative amount of SEK 775 million (positive 717) related to Black Earth Farming, a negative amount of SEK 93 million (negative 15) related to Kontakt East and SEK 82 million related to the sale of GTV. The value of Kontakt East was adjusted downward by SEK 114 million in the fourth quarter, based on a discounted cash-flow analysis whereby the change in market conditions due to the credit crisis and a downturn in the Russian economy were taken into consideration.

Rolnyvik

The Polish company Rolnyvik manages the Barciany and Podlawki farms, with total area of 6,705 hectares.

History will remember 2008 as the year of extremes. In



early spring, demand for grain and other crops was very strong and prices rose to unforeseen heights. This changed quickly during the autumn, and the final quarter was characterized by sparse trade and plummeting prices. However, price levels were relatively high during the year as a whole from a historical perspective.

In terms of production, 2008 was favorable, with generally high harvest levels. The year's fieldwork commenced with persistent spring rains, which delayed many cultivation efforts, which was partly offset by the warm and fairly dry early summer. Harvesting work started with dry weather that turned into more unstable weather patterns in the second half of August with a number of rainy and windy days, which delayed the harvest slightly.

Rolnyvik had net sales of SEK 58 million (63) and reported operating profit of SEK 17 million (16) for the year. The profit includes write-down of buildings used previously for milk production of SEK 4 million (0).

Black Earth Farming

Black Earth Farming was formed in 2005 with the aim of cultivating land in southwest Russia – the so-called Black Earth-region. The company has gained a strong market position in the Kursk, Tambov, Lipetsk, Samara, Voronezh and Ryazan areas.

The background to the investment is the possibility to acquire land that was previously farmed by cooperatives or was state-owned at attractive prices. Despite a relatively warm and dry climate, the Black Earth-region is considered to be among the most fertile areas in the world. Most of the land was uncultivated when acquired. Extensive investments in machinery with corresponding labor input are required to make efficient cultivation possible. The potential is high since the large expanses of land facilitate efficient and large-scale production.

As of 31 December 2008, Black Earth Farming controlled 317,000 hectares of land of which 95,000 hectares were under full registered ownership.

In 2008, Black Earth Farming harvested 141,900 hectares, which is nearly three times more than the 53,000 hectares harvested in 2007. Wheat is the largest crop, followed by barley, rape, sunflowers and corn.

The market value of Kinnevik's shareholding in Black Earth Farming amounted to SEK 470 million at 31 December 2008. Black Earth Farming's shares are traded on First North in Stockholm.

Sia Latgran

Pellets production in the Latvian company Sia Latgran amounted to 105,000 tons during 2008, compared to 70,000 tons in 2007. The market for pellets is characterized by ongoing long-term increasing demand. The mild winters in northern Europe in recent years, combined with a continuing high level of import of pellets from North America, has, however, resulted in price competition in the European market.

Despite these negative factors, prices in newly signed contracts rose during the year.

In September the company's second pellets plant, with an annual production capacity of approximately 110,000 tons, was placed in operation. The total investment amounts to approximately SEK 125 million. Production in the new plant amounted in September-December to 30,000 tons. The costs of raw materials, which rose sharply in 2007, declined toward the end of the year due to weakening economy in Latvia.

Total revenue for Sia Latgran amounted to SEK 137 million (82), and operating profit was SEK 14 million (9).

Relevant Traffic

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

Having established offices in several cities in Europe, the company has during 2008 focused its operation on three service centers in Stockholm, Paris and Madrid in order to continue expansion in the European market from these.

Relevant Traffic reported revenue of SEK 177 million and an operating loss of SEK 34 million for 2008. After Kinnevik acquired the majority of shares, the company has undertaken an action plan to turn its negative results into profit within the next coming six months. The operating loss includes restructuring expenses of SEK 10 million in relation to the action plan.

Kontakt East

Kontakt East invests in fast-growing, primarily Internet-related, companies in Russia and neighboring markets. The company currently comprises the two business segments Directory Services, which publishes printed directories in Moscow, St. Petersburg and eight other Russian regions, as well as online search services and Consumer eCommerce, which offers consumer-focused e-commerce through such forums as the www.avito.ru and www.avitok.ru marketplaces.

Bayport

Bayport offers microcredit 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 microcredit company. The customer base is increasing and the product portfolio is being continually expanded, primarily with loans of a longer duration. The loans are applied mainly to finance large one-off expenditures such as school fees, investments in agriculture or to start a small company.

Corporate Governance Report

Corporate Governance in the Kinnevik Group is based on Swedish legislation and other market regulations. Since 1 July 2005, Kinnevik applies the Swedish Code of Corporate Governance (the "Code"). This Corporate Governance report does not represent a formal part of the Annual Report documents and has thus not been reviewed by the company's auditors.

During 2008, Kinnevik deviated from the Code regulation stipulating that the Chairman of the Board may not be the Chairman of the Nomination Committee. The deviation from the Code is explained in more detail below.

Annual General Meeting

The Swedish Companies Act (2005:551) ("ABL") and the Articles of Association determine how the notice of the Annual General Meeting and extraordinary meetings shall occur, and who has the right to participate in and vote at the meeting. Distance participation and voting is not available. Minutes of the Annual General Meetings are available on Kinnevik's website.

Nomination Committee

At the 2008 Annual General Meeting, it was decided that a Nomination Committee consisting of at least three members representing the company's largest shareholders would be established during September 2008 following consultation with the largest shareholders in the company at the time. The Nomination Committee would be elected for a period commencing with the publishing of the company's interim report for the third quarter 2008 until the next Nomination Committee is formed. The majority of the members of the Nomination Committee must not be Board members or be employed by the company. If a member of the Nomination Committee resigns prematurely, a replacement shall be appointed in a similar manner. Cristina Stenbeck is to be a member of the Nomination Committee and will convene the Nomination Committee. The Nomination Committee will itself appoint a Chairman at the first meeting. The Nomination Committee is entitled, upon request, to receive resources from the company such as secretarial function in the Nomination Committee and the right to charge the company with expenses for recruiting consultants if this is deemed necessary.

Pursuant to the resolution of the Annual General Meeting, Cristina Stenbeck has convened a Nomination Committee prior to the 2009 Annual General Meeting. The Nomination Committee comprises Cristina Stenbeck, representing Emesco AB and other shareholders, Tomas Nicolin representing Alecta, Edvard von Horn representing the von Horn family, Wilhelm Klingspor representing the Klingspor family and Marianne Nilsson representing Swedbank Robur Fonder. The Nomination Committee's task is to propose the Board composition, election of auditors, Board fees, audit fees and nominate the Chairman of the Annual General Meeting ahead of the 2009 Annual General Meeting. The Chairman of the Board, Cristina Stenbeck, has been appointed Chairman of the Nomination Committee, an appointment that deviates

from what the Code prescribes. The other members of the Nomination Committee have declared their decision regarding election of the Chairman of the Nomination Committee as being in the Company and shareholders' best interest and a natural consequence of Cristina Stenbeck representing the Company's largest shareholders.

Auditors

According to the Articles of Association, the Annual General Meeting must appoint not more than three auditors, with not more than three deputies, or an audit firm.

At the 2005 Annual General Meeting, the audit firm Ernst & Young AB, with Authorized Public Accountant Erik Åström as Auditor in Charge, was appointed Company auditor for the period extending to the close of the 2009 Annual General Meeting. The auditor's independence is secured by legislation and means of the audit firm's internal guidelines and by adhering to the Audit Committee's guidelines governing the type of assignments that the audit firm may conduct in addition to the audit. During 2005-2008, Ernst & Young AB has provided certain services in conjunction with the acquisition and sale of companies, and in questions regarding internal controls, IFRS and tax. Information regarding remuneration appears in the Annual Report in Note 22 to the consolidated accounts and Note 5 to the Parent Company, Auditors' Fees. Information regarding the auditor in charge is also provided in the Annual Report, page 7.

Board of Directors and Group Management

Board members are elected at the Annual General Meeting for a period expiring at the close of the next Annual General Meeting. The Articles of Association contains no restrictions pertaining to the eligibility of the Board members. According to the Articles of Association, the number of Board members can vary between three and nine, with not more than three deputies. In addition, according to legislation, the union organizations have the right to appoint two Board members and two deputies.

At the 2008 Annual General Meeting, following a motion by the former Nomination Committee, Vigo Carlund, Wilhelm Klingspor, Erik Mitteregger, Stig Nordin, Allen Sangines-Krause and Cristina Stenbeck were re-elected members of the Company's Board. The Annual General Meeting re-elected Cristina Stenbeck as Chairman of the Board. In May, the employees' organizations appointed Per Eriksson and Geron Forsman as ordinary employee Board members with Bo Myrberg and Tobias Söderholm as deputies.

The independence of Board members is specified in the table on page 27. None of the Board members are employed within the Group, with the exception of the employee representatives. Information concerning individual Board members and Group Management is also presented in the Annual Report on pages 7-8 and in Note 27 to the consolidated accounts, Personnel. Information concerning share-based and share-price-related incentive programs relating to the Kinnevik share for the Company management is presented

in Note 27 in the consolidated accounts. There are currently no outstanding share-based or share-price-related incentive programs for the Board.

Board work

Kinnevik's Board of Directors is responsible for the overall management of the Group and for organizing its administration in accordance with the Swedish Companies Act. The Board's work and delegation process, instructions for the CEO and reporting instructions are updated and set at least once annually following the Annual General Meeting.

Significant issues that were specially addressed by Kinnevik's Board during 2008 include the impact of the global financial turmoil on Kinnevik and the companies in which Kinnevik have invested, capital structure issues at Kinnevik as well as the listed associated companies and the overall strategy for Korsnäs and the listed holdings. As the basis for discussions concerning the listed associated companies, Kinnevik's management presented independent analyses of each company's operations, assessed future development and evaluated the markets in which they are active.

A Remuneration Committee and a Nomination Committee have been established within the Board. These committees are preparatory bodies for the Board and do not reduce the Board's responsibility for the governance of the Company and the decisions made. All Board members have access to the same information.

The Board complies with a formal performance review process to assess how well the Board, its committees and processes are performing and how they might be improved. The review also assesses the performance of each Board member and the contribution they make.

The Board has appointed Chief Financial Officer Mikael Larsson as the Company Secretary. The Company Secretary is responsible for ensuring that rules of procedure are complied with and all Board Members can turn to the Secretary for advice and assistance in their work for the Board.

During 2008, the Kinnevik Board held ten meetings (excluding the statutory meeting), of which five were held via telephone. Erik Mitteregger was absent from two telephone meetings, Allen Sangines-Krause from one telephone meeting and Per Eriksson was absent from one ordinary meeting and

one telephone meeting. Other ordinary Board members were present at all Board meetings.

Remuneration Committee

The Remuneration Committee's assignment comprises issues concerning salaries, pension terms and conditions, incentive programs and other conditions of employment for the management of the Parent Company and Presidents of the Group's business areas. The guidelines applied in 2008 are presented in the Annual Report, page 31.

As regards the President of the Parent Company, the Remuneration Committee prepares the aforementioned issues for decision and presents information to the Board, including proposal for decision. As regards other management employees in the Parent Company and Presidents of the business areas, the Remuneration Committee shall make decisions in the aforementioned issues, after which such decisions shall be presented for the Board at the next Board meeting.

Cristina Stenbeck, Wilhelm Klingspor, Erik Mitteregger and Allen Sangines-Krause were members of the Remuneration Committee during 2008. The Chairman of the Remuneration Committee was Wilhelm Klingspor.

The Remuneration Committee shall meet not less than once a year, and more frequently as required, at which minutes of these meetings shall be kept. The Remuneration Committee held two meetings during 2008, which were attended by all members.

Audit Committee

The Audit Committee's assignment is to maintain and enhance the efficiency of contact with the Group's auditors and to conduct inspections of the procedures applied for accounting and financial reporting, as well as the internal audits within the Group. The Audit Committee's work focuses on the quality and accuracy of the Group's financial accounting and the accompanying reporting, as well as work on internal financial controls within the Company. Furthermore, the Audit Committee evaluates the auditors' work, qualifications and independence. The Audit Committee monitors the development of the accounting principles and requirements, discusses other significant issues connected with the Company's financial reporting and reports its observations to the Board.

Board member	Board member since	Function	Independent in relation to the Company and its management	Independent in relation to major shareholders (>10% of voting rights or capital)
Cristina Stenbeck	2003 ¹⁾²⁾	Chairman of the Board, member of the Remuneration Committee	Yes	No
Vigo Carlund	2006	Board member	No (CEO until 2006)	Yes
Wilhelm Klingspor	1991 ²⁾	Board member, Chairman of the Remuneration Committee, member of the Audit Committee	Yes	Yes
Erik Mitteregger	2004	Board member, Chairman of the Audit Committee, member of the Remuneration Committee	Yes	Yes
Stig Nordin	1992 ¹⁾	Board member, member of the Audit Committee	Yes	Yes
Allen Sangines-Krause	2007	Board member, member of the Audit Committee and the Remuneration Committee	Yes	Yes
Per Eriksson	2006	Employee representative, Board member	No	Yes
Geron Forsman	2008	Employee representative, Board member	No	Yes
Bo Myrberg	2008	Employee representative, deputy	No	Yes
Tobias Söderholm	2008	Employee representative, deputy	No	Yes

¹⁾ Refers to Industriförvaltnings AB Kinnevik up to the merger with Invik & Co. AB 2004.

²⁾ Refers to Invik & Co. AB up to the merger with Industriförvaltnings AB Kinnevik 2004.

Wilhelm Klingspor, Stig Nordin, Erik Mitteregger and Allen Sangines-Krause were members of the Audit Committee during 2008. The Chairman of the Committee was Erik Mitteregger.

The Audit Committee shall meet four times annually and, as far as possible, the meetings shall follow the schedule for Kinnevik's publication of financial reports. The Committee shall also meet as the need arises. Minutes are kept at the Audit Committee's meetings and are reported to the Board at its next meeting. The Audit Committee held eight meetings during 2008, of which six were held via telephone. All members were present at all the meetings. The external auditors participated in six of the meetings and issued their reports on the results of their examination to both the Audit Committee and the Board of Directors both orally and in writing. The auditors also held an annual meeting with the Board without management being present.

The Board's description of internal control pertaining to the financial reporting for the 2008 fiscal year

In accordance with the Swedish Companies Act and the Swedish Code for Corporate Governance, the Board is responsible for internal control. This description has been prepared in accordance with the Swedish Code for Corporate Governance, sections 10.5 and 10.6, and is thus restricted to the internal control pertaining to the financial reporting.

Control environment

The purpose of the Board of Directors' rules of procedure and instructions for the President and Board committees is to ensure a distinct division of roles and responsibility that promotes the efficient management of operational and financial risks. The Board has also adopted a number of fundamental guidelines of significance to activities involving internal controls, which are described in Kinnevik's Policy and Procedure Manual and include instructions governing the financial reporting of results, authorization procedures, purchasing policies, investment policies, accounting principles, financial risk management and the internal audit. The Company's management reports regularly to the Board on the basis of established procedures. In addition, the Audit Committee reports on its work. The Company's management is responsible for the system of internal controls required for managing risks associated with ongoing operations. This includes guidelines for the employees concerned to ensure that they understand and realize the importance of their particular roles in efforts to maintain efficient internal control. The Company's operational risks are reported each quarter to the Board, categorized on the basis of what can and cannot be influenced, their consequences and financial impact in the event of them materializing, and how and who exercises ongoing control over each risk and how these can be minimized.

Risk assessment and control activities

Kinnevik has implemented a model for assessing the risk of errors in accounting and the financial reporting based on COSO's framework for internal control. The most significant items and processes in which the risk of significant errors can typically arise for Korsnäs encompass sales, purchases of timber, energy and other input goods, inventory and the

investment process. Intangible fixed assets and financial instruments in the income statement and balance sheet represent the most significant areas for the Parent Company and the Group. Kinnevik has documented work routines and continuously evaluates how well the controls functions pertaining to these items and processes.

Internal audits

The Company engages external auditors that are responsible for following up and evaluating work involved in risk management and internal control. This work includes the monitoring of compliance with set guidelines. The internal auditors conduct their work on instructions from the Audit Committee and are continuously reporting the results of their examination in the form of written reports to the Committee.

Information and communication

Kinnevik's Policy and Procedure Manual and other guidelines of importance to financial reporting are updated at least once annually. Both formal and informal information channels to Company management and the Board of Directors are available for important information from employees. For external communication, guidelines have been compiled in an Information Policy that ensures that the Company complies with the meticulous demands for correct information to the market and other various constituencies such as shareholders, Board members, employees and customers.

Follow-up

The Board of Directors continuously evaluates the information provided by Company management and the Audit Committee. The Audit Committee's work to monitor the efficiency of Company management's efforts in this area is of particular importance to the follow-up of internal controls. This work includes ensuring that action is taken concerning those shortcomings and proposed measures that result from the internal and external audit.

Compliance with rules, confidence and responsibility

Compliance with laws and regulations, responsibility and market confidence in Kinnevik are some of the key issues with which the Board actively works. In the Corporate Social Responsibility Policy adopted by the Kinnevik Board, it is stipulated that Group operations must be conducted in compliance with laws, regulations and ordinances, while observing a high ethical and moral standard. In addition, Kinnevik's approach to matters involving employment equality, safe workplaces, competition issues and zero tolerance towards all forms of bribery and political contributions are described. With respect to these matters, Kinnevik encourages management in the companies in which Kinnevik invests to ensure that there are appropriate processes for identifying and managing risks related to social responsibilities, and to report them and what measures have been adopted to the respective company's Board. Kinnevik's social responsibility policy is available in its entirety on the Company's website.

Stockholm, 17 March 2009

Board of Directors

Board of Directors' Report

Investment AB Kinnevik is a listed company. The Group's Class A-shares and Class B-shares are traded on the NASDAQ OMX Stockholm's list for large-cap companies. The ticker codes are KINV A and KINV B. The company's registered address is Skeppsbron 18, P.O Box 2094, SE-103 13 Stockholm. The registration number is 556047-9742.

The financial reports were approved by the Board on 17 March 2009 and the Board of Directors and CEO herewith present the annual report and consolidated financial statements for the financial year 2008. The balance sheets and the income statements for the Group and the Parent Company will be presented at the Annual General Meeting to be held on 11 May 2009 for approval.

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, Tele2, MTG, Metro and Transcom.

New Ventures, which focuses on companies at early stages with high growth potential.

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

Key events during 2008

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 a purchase price of SEK 200 million.

Within Korsnäs a new earnings-improvement program was launched during November aimed at increasing production efficiency and energy conservation, reducing purchasing costs, and improving inventory control and a more efficient organization. The program includes planned staff reductions involving 110-130 positions, which is being negotiated with the trade union organizations.

In May Kinnevik and Vostok Nafta, through their jointly and equally owned Swedish company Vosvik, submitted an offer to all shareholders in Kontakt East to surrender their shares in Vosvik for a cash payment of SEK 35. Shareholders corresponding to 98.7% of the votes and capital accepted the offer and the share was delisted from First North. Vosvik has called for compulsory acquisition of the remaining shares. Kinnevik's total investment in Kontakt East in 2008 was SEK 150 million.

During the year, Kinnevik invested SEK 48 million through conversion of loans issued by Relevant Traffic to shares and acquisition of shares from other shareholders in accordance with options agreements signed earlier. Kinnevik also carried out a new share issue in the company. After those transactions Kinnevik owns 98% of the shares in Relevant Traffic.

In December, Kinnevik divested its investment in the African pay-TV company Gateway Broadcasting ("GTV") for USD 23.6 million. The GTV investment generated an IRR of

40% and at the end of 2008, Kinnevik received 1.8 times the amount invested in May 2007.

Consolidated earnings

The Group's revenue during the year amounted to SEK 7,719 million, compared with SEK 7,673 million in the preceding year.

The Group's operating profit amounted to SEK 398 million (885). The earnings decline is primarily attributable to decreased operating profit within Korsnäs of SEK 407 million, including costs for the restructuring programme of SEK 71 million, and lower operating profit within New Ventures of SEK 53 million, which includes write-down of goodwill by SEK 37 million. Within Parent Company and other the Company reports the dissolution of a provision of SEK 36 million for a pension commitment in the UK and comparable figures for 2007 includes a gain from sale of the Ullevi farm of SEK 70 million.

The change in fair value of financial assets, after deduction of dividends received, amounted to a net loss of SEK 25,726 million (profit of 15,850), of which a loss of SEK 24,977 million (profit of 14,978) was related to Major Listed Holdings and a loss of SEK 786 million (profit of 702) to New Ventures. Dividends received amounted to SEK 1,703 million (310), of which SEK 453 (235) were ordinary dividends.

Losses after tax amounted to SEK 25,762 million (profit of 16,179), corresponding to a loss of SEK 97.94 (profit of 61.29) per share.

Cash flow and investments

The Group's cash flow from current operations excluding change in working capital amounted to SEK 756 million (1,130) during the year. The lower cash flow from current operations is mainly explained by a lower profit in Korsnäs and higher tax payments relating to the 2007 profit.

Working capital increased by SEK 232 million (252) during the year, mainly explained by higher inventory level of raw materials and finished goods within Korsnäs.

Investments in tangible fixed assets amounted to SEK 226 million (353). Investments in subsidiaries amounted to SEK 248 million (0) and investments in other securities amounted to SEK 193 million (530).

Sales of securities has resulted resulted in a cash-flow of SEK 183 million (1,131).

Liquidity and financing

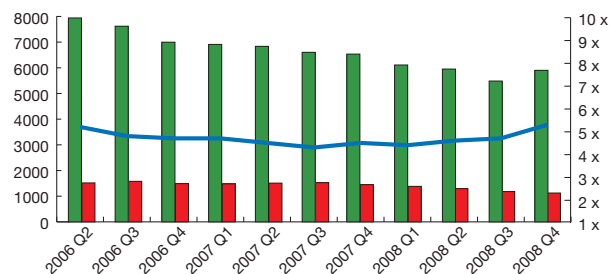
The Group's available liquidity, including short-term investments and available credit facilities, totalled SEK 2,031 million at 31 December 2008 and SEK 2,481 million at 31 December 2007.

The Group's interest-bearing net debt amounted to SEK 8,906 million at 31 December 2008 and SEK 9,205 million at 31 December 2007. Of the total net debt at 31 December 2008, SEK 5,845 million pertained to net debt within Korsnäs or with shares in Korsnäs as collateral, and SEK 3,066 million of the net debt was pledged by shares within Major Listed Holdings. Leverage within Major Unlisted Holdings

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

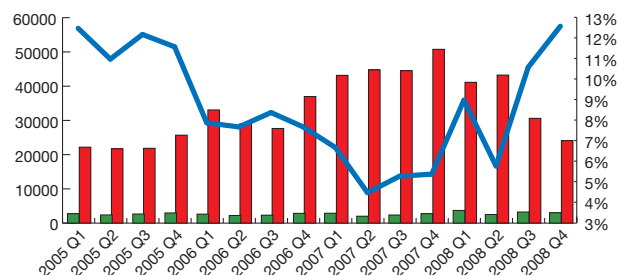
Major Unlisted Holdings

Net Debt SEK m (green bar) and EBITDA SEK m (red bar)
Line shows Net Debt in relation to EBITDA (right axis)



Major Listed Holdings

Net Debt SEK m (green bar) and Asset Value SEK m (red bar)
Line shows Net Debt as percentage of Asset Value



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 574 million (483), interest expenses amounted to SEK 554 million (458) and exchange rate differences was a negative SEK 9 million (negative 10). This means that the average interest rate for the year was 5.6% (4.6%) (calculated as interest expense in relation to average interest-bearing liabilities).

At 31 December, the average remaining duration for all credit facilities amounted to 2.2 years. In February 2009 credit facilities totaling SEK 1,550 million maturing in 2009 have been prolonged for 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 800 million, comprised mainly of Korsnäs' sales in Euro.

Research and development

Work with developing and adapting Korsnäs' product portfolio to create flexibility among machines and facilitate optimal capacity utilization continued during the year. The Group's research and development expenses amounted to SEK 58 million (58), and relates to Korsnäs Industrial.

Environment

The Kinnevik group is engaged in operations within Korsnäs requiring a permit from the National Swedish Franchise Board for Environment Protection. Korsnäs' industrial and forestry operations are ISO 14001 certified and forestry operations are also certified in line with the FSC standard. Operations involve the production of pulp, paper and paperboard, which impact on the exterior environment primarily through emissions to air and water, as well as through noise.

Risk management

The Group's financing and management of financial risks is centralized within Kinnevik's finance function and is conducted on the basis of a finance policy established by the Board of Directors. The Group's operational risks are primarily evaluated and managed within the particular business area and then reported to the Kinnevik Board.

The Group has established a model for risk management, the aims of which are to identify, control and reduce risks. The identified risks and how they are managed are reported to the Kinnevik Board on a quarterly basis.

Kinnevik's wholly owned subsidiary Korsnäs accounts for most of the operational risks and they are mainly related to market development, customers and suppliers and the risk for a major accident in the production plants.

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

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

For a more detailed description of the management of financial risks, refer to Note 30 for the Group.

Parent Company

The administration costs within the Parent Company amounted to a net expense of SEK 53 million (expense of 65). Dividends received totaled SEK 1,658 million (1,817), of which SEK 500 (1,511) relates to dividends from wholly-owned Group companies. Earnings from financial assets amounted to a loss of SEK 1,959 million (profit 599) and includes write-down of shares of SEK 2,874 million (17), of which SEK 1,587 million (17) relates to subsidiaries. Net of other financial income and expenses amounted to an expense of 307 million (expense of 311). The Parent Company's result after financial items amounted to a loss of SEK 644 million (profit of 2,059).

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

The Parent Company's liquidity including short-term investments and unused credit facilities amounted to SEK 1,302 million as of 31 December 2008 and to SEK 1,647 million as of 31 December 2007. The interest-bearing external liabilities amounted to SEK 4,809 million (4,273) on the same dates.

Share capital

At 31 December 2008, the total number of outstanding shares was 260,481,930, excluding repurchased shares, of which 48,665,324 were class A shares and 211,816,606 class B shares. One class A share provides ten votes and one class B share one vote.

The 2008 Annual General Meeting authorized the Board to buy back a maximum 10% of the outstanding shares on the Stockholm Stock Exchange. During the year 3,500,000 class B shares with a par value of 0.10 SEK, corresponding to 1.3% of the share capital, were bought back at an average price of 79.68 SEK, totaling SEK 279 million. The Board will propose to the Annual General Meeting to reduce Kinnevik's share capital by redemption of all the repurchased shares.

As per 31 December 2008, there were two shareholders owning shares representing more than 10% of the total num-

ber of votes in the Company; Emesco AB with 32.8% and the Estate of Jan H Stenbeck with 12.5%.

Guidelines on remuneration for senior executives

The following principles and guidelines were approved by the Annual General Meeting on 15 May 2008.

The guidelines apply on remuneration for senior executives within the group. Senior executives covered include the CEO and President in the parent company, other senior executives in the parent company and the chief executives of the different business areas within the group. At present the number of senior executives amounts to 7 individuals.

The remuneration to the senior executives shall consist of fixed salary, variable salary, pension and other customary benefits. These components shall create a well balanced remuneration which reflects individual performance and which offers a competitive remuneration package adjusted to conditions on the market.

- The fixed salary is revised yearly and based on the executive's competence and area of responsibility.
- The variable salary may not exceed 50% of the fixed salary and is calculated according to a combination of results achieved and individual performances.
- Other benefits shall only constitute of a limited amount in relation to the total remuneration and shall correspond to local practice.
- Pension premiums are paid to insurance companies within the framework of defined contribution plans, with a maximum of 20% of the fixed salary and a right to collect pension from the age of 65.

- In the event of notice of termination of employment being served by the company, there is entitlement to salary during a notice period of a minimum of 6 and a maximum of 18 months. Salary during the notice period is calculated against salary received from a potential new employment.

In special circumstances, the Board may deviate from the above guidelines. In such case, the Board is obligated to give account for the reason for the deviation on the following Annual General Meeting.

The Board intends to propose to the 2009 Annual General Meeting that these guidelines remain valid.

Financial Targets

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

Dividend policy

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

Balance sheet

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

- (i) Major Unlisted Holdings: Leverage of at least 3x EBITDA.
- (ii) Major Listed Holdings: Leverage may not be above 25% of market value during a business cycle.
- (iii) New Ventures: Leverage should be optimal for each individual company.

Return target

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

Future development

The Group's future development depends on performance in wholly and partly owned investments. In addition, developments on the financial markets are of great importance for the Group's reported earnings and position. Within Korsnäs, the earnings improvement program is expected to have a positive effect on earnings and tied-up capital. The goal is that Korsnäs will again report an operating margin exceeding 10%. The current price level of pulpwood, following the price declines in autumn 2008 and beginning of 2009, is also expected to affect cost levels and earnings positively during 2009.

With regard to the Group's indebtedness, Kinnevik intends to continue to have an optimal borrowing against the operating cash flow from Korsnäs and at the same time low borrowing against the listed equity portfolio.

Events after the end of the reporting period

In February 2009, Metro announced the intention to raise approximately SEK 550 million in new financing by issuing debentures and warrants. The issue is fully underwritten by Kinnevik.

Following Metro's announcement of the intention to refinance the company, Kinnevik on 23 February announced it has received a preliminary indication of interest from a potential acquirer of Metro. The indication of interest will be evaluated expeditiously. At this stage there is no certainty that this will lead to an offer for Metro, and Kinnevik is not in a position to express any view on the potential bid. Further communication will be made in due course.

On 11 March Kinnevik announced that Korsnäs has signed an agreement to acquire Rockhammars Bruk from Rottneros for a total consideration of SEK 145 million. Rockhammars Bruk in Lindesberg produces chemical pulp, CTMP. Following the acquisition of Rockhammars Bruk, Korsnäs will be largely self-sufficient in pulp for its entire production of paper and cartonboard, which is expected to reduce production costs. The transaction is subject to approval by relevant competition authorities and is expected to be finalised before the end of March.

Proposed treatment of unappropriated earnings

The following amounts are at the disposal of the Parent Company's Annual General Meeting:

Unrestricted equity, SEK	10,846,140,202
The Board and the CEO propose that the unappropriated earnings at the disposal of the Annual General Meeting be disposed of as follows:	
Cash dividend of SEK 2.00 per share, amounting to	520,963,860
Carried forward	10,325,176,342
Total	10,846,140,202

Consolidated Statement of Income

for the period 1 January-31 December (SEK million)

	Note	2008	2007
Revenue	2	7 719	7 673
Cost of goods and services		-6 918	-6 526
Gross profit		801	1 147
Selling costs		-142	-120
Administration costs		-280	-277
Research and development costs		-58	-58
Other operating income	3	173	251
Other operating expenses	3	-96	-58
Operating profit		398	885
Dividends received	5	1 703	310
Change in fair value of financial assets	6	-27 429	15 540
Interest income and other financial income	7	30	14
Interest expenses and other financial expenses	7	-574	-483
Profit/loss after financial items		-25 872	16 266
Taxes	9	110	-87
Net profit/loss for the year		-25 762	16 179
Attributable to:			
equity holders of the Parent Company		-25 765	16 178
the minority		3	1
Earnings per share before and after dilution, SEK		-97.94	61.29
Proposed dividend per share, SEK		2.00	2.00
Average number of shares outstanding before/after dilution		263 078 396	263 981 930

Consolidated Statement of Cash Flow

for the period 1 January-31 December (SEK million)

	Note	2008	2007
Operations			
Operating profit for the year		398	885
Adjustment for depreciation	4,10	645	624
Other non-cash items		-53	-300
Taxes paid		-234	-79
Cash flow from operations before change in working capital		756	1 130
Change in inventory		-294	-231
Change in accounts receivable and other operating assets		202	-91
Change in accounts payable and other operating liabilities		-140	70
Cash flow from operations	8	524	878
Investing activities			
Acquisition of subsidiaries	8	-248	-
Disposal of subsidiaries		-	81
Investments in tangible and biological fixed assets	10	-226	-353
Sales of tangible and biological fixed assets	10	12	35
Investments in shares and other securities	8	-193	-530
Sales of shares and other securities	8	183	1 131
Dividends received	5	1 703	310
Change in loan receivables		-	7
Interest received		30	14
Cash flow from investing activities		1 261	695
Financing activities			
Borrowing		1 000	207
Amortisation of loans		-1 043	-881
Interest paid		-532	-458
Dividend paid		-528	-449
Share buy-back		-279	-
Cash flow from financing activities		-1 382	-1 581
Cash flow for the year		403	-8
Exchange rate differences in liquid funds		5	3
Cash and bank, opening balance	16	101	106
Cash and bank, closing balance	16	509	101

Consolidated Balance Sheet

31 December (SEK million)

	Note	2008	2007
ASSETS			
Fixed assets			
Intangible assets	10	799	621
Tangible and biological fixed assets	10	6 268	6 551
Financial assets accounted at fair value through profit and loss	11	25 315	52 741
Investment in companies accounted for using the equity method	12	11	75
Other fixed assets		0	6
Total fixed assets		32 393	59 994
Current assets			
Inventories	13	1 977	1 645
Trade receivables	14	718	721
Income tax receivable		63	11
Other current assets	15	211	346
Short-term investments	16	4	29
Cash and cash equivalents	16	505	72
Total current assets		3 478	2 824
TOTAL ASSETS		35 871	62 818

	Note	2008	2007
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	17		
Share capital		26	26
Other contributed capital		6 589	6 868
Reserves		-1	135
Retained earnings including net profit/loss for the year		16 889	43 225
Shareholders' equity attributable to equity holders of the Parent Company		23 503	50 254
Minority interest in equity		27	13
Total shareholders' equity		23 530	50 267
Long-term liabilities			
Interest-bearing loans	18	7 875	8 856
Provisions for pensions	19	580	534
Other provisions	20	110	77
Deferred tax liability	9	1 217	1 382
Other liabilities		4	4
Total long-term liabilities		9 786	10 853
Short-term liabilities			
Interest-bearing loans	18	1 082	121
Provisions	20	27	121
Trade creditors	21	833	837
Income tax payable		4	166
Other liabilities	21	609	453
Total short-term liabilities		2 555	1 698
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		35 871	62 818
Pledged assets	24		
Contingent liabilities	25		

STATEMENT OF CONSOLIDATED RECOGNISED INCOME AND EXPENSE

for the period 1 January-31 December (SEK million)	Note 17	2008	2007
Change in translation reserve		23	30
Cash flow hedging transferred to the Income statement		-75	-
Change in cash-flow hedging against Equity		-136	109
Actuarial profit/loss relating to pension provision in accordance with IAS 19		-59	10
Tax attributable to items recognised in equity		71	-34
Change in assets recognised in equity, excluding transactions with the Parent Company's owners		-176	115
Net profit/loss for the year		-25 762	16 179
Total changes in assets, excluding transactions with the Parent Company's owners		-25 938	16 294
Attributable to:			
Parent Company's shareholders		-25 945	16 293
the minority		7	1

Notes to the Group's financial statements

Note 1 Summary of significant accounting policies

Statement of compliance

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS). All accounting principles applied are unchanged compared with 2007.

Since the Parent Company is a company that is active in the EU, only EU-approved IFRS are applied. The consolidated accounts have also been prepared in accordance with Swedish law, with early application of the Swedish Financial Reporting Board's recommendation RFR 1.1 Supplementary accounting regulations for Groups. No new or changed standards are applied for the preparation of the financial reports for 2008.

The Parent Company's annual accounts have been prepared in accordance with Swedish law, and with early application of the Swedish Financial Reporting Board's recommendation RFR 2.1 Reporting for legal entities. This means that application of the IFRS valuation and disclosure rules includes the deviations reported in the Parent Company's accounting principles.

Basis of preparation of consolidated accounts

The consolidated financial statements have been prepared on a historical cost basis, except for investments in forest and other biological assets, derivative financial instruments and certain financial assets valued at fair value through profit and loss. The consolidated statements are presented in Swedish kronor (SEK) and all values are rounded to the nearest million except when otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as of 31 December each year. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company, using consistent accounting policies.

The consolidated financial statements include the Parent Company and all companies in which the Parent controls more than 50% of the votes or in any other way exercises a controlling influence.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is a loss of control of a subsidiary, the consolidated financial statements include the result for the part of the reporting year during which the Group has control.

The consolidated accounts are prepared using the purchase method. The difference between the acquisition value of shares in a subsidiary and the fair value of identifiable assets and liabilities of that subsidiary at the time of acquisition is reported as goodwill.

Intercompany transactions, balance sheet items and unrealized gains on transactions between companies are eliminated. Unrealized losses are also eliminated, unless the transaction evidences the need to write down the transferred asset.

Minority interests

Minority interests – consisting of the profit/loss portion and net assets in Group companies that do not accrue to the Parent Company's shareholders – are reported as a special item in consolidated shareholders' equity. In the consolidated income statement, the minority share is included in reported earnings.

Foreign currency translation

The functional and presentation currency of the Parent Company and its Swedish subsidiaries is Swedish kronor (SEK). Transactions in foreign currencies are initially recorded in the functional currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the balance sheet date. Realized and unrealized exchange gains/losses on receivables and liabilities of an operating nature are reported in operating income, while exchange rate differences on financial assets and liabilities in foreign currencies are reported among financial items.

As at the reporting date, the assets and liabilities of subsidiaries that have not the same functional currency as the Parent Company are translated into the presentation

currency of the Group at the rate of exchange ruling at the balance sheet date.

Their income statements are translated at the average exchange rates for the year.

The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation shall be recognized in the income statement.

Long-term monetary balances between the Parent Company and subsidiaries may be deemed to represent an extension or a contraction of the Parent Company's net investment in the subsidiary. Foreign currency differences arising on such balances are therefore charged directly to shareholders' equity as a translation difference.

Intangible assets

Intangible assets with a finite useful life are measured on initial recognition at cost and are then carried at cost less accumulated amortization and any accumulated impairment losses. Amortization is calculated on a straight-line schedule based on the acquisition value of the asset and its estimated useful life.

Goodwill consists of the amount by which the acquisition value exceeds the fair value of the Group's share in the identifiable net assets of the acquired subsidiary/associated company at the time of acquisition. Goodwill from the acquisition of subsidiaries is reported as intangible assets. Intangible assets including goodwill are tested for impairment annually to identify any possible need of a write-down and is reported at its acquisition value less accumulated write-downs. Gains or losses on the divestment of a unit include the remaining reported value of the goodwill relating to the divested unit.

Goodwill is distributed among cash-generating units when it is tested with respect to a possible need for a write-down.

Tangible and biological assets

Property, plant and equipment are reported net after deductions for accumulated depreciation. Depreciation is calculated on a straight-line schedule based on the acquisition value of the asset and its estimated useful life. The assets residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year-end.

Forest and other biological assets are recorded at their fair value.

Impairment

Assets are assessed with respect to the reduction in their value whenever events or changes in circumstances indicate that the reported value might not be recoverable. To calculate the impairment requirement, assets are grouped in cash-generating units. An impairment loss is done in the amount by which the assets' reported value exceeds its recovery value. The recovery value is the higher of an assets' fair value, less the cost of sale and the value in use.

Financial instruments

A financial asset or financial liability is recognized in the balance sheet when the company becomes a party to the instrument's contractual terms. Accounts receivable are recognized when the invoice is sent. A liability is recognized when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not yet been sent.

A financial asset is derecognized from the balance sheet when the rights in the contract are realized, expired or the company loses control over them. The same applies for a portion of a financial asset. A financial liability is derecognized from the balance sheet when the obligation in the contract is met or in some other manner is extinguished. The same applies for a portion of a financial liability.

Acquisition and divestment of financial assets are reported on the transaction date, which is the date on which the company commits to acquire or divest the assets, except in the case the company acquires or divests listed securities when settlement date reporting is applied.

Financial assets

Financial assets, with the exception of loan receivables and trade receivables, are valued at their fair value through profit and loss.

The fair value of financial instruments traded on an active market is based on the market prices listed on the closing date. The listed market price used for the Group's financial assets is the current bid price. For companies with two classes of shares the market price for the most liquid share class is used.

When establishing the fair value of other financial instruments, methods that in every individual case are assumed to provide the best estimation of fair value have been used. For assets and liabilities maturing within one year, a nominal value adjusted for interest payments and premiums is assumed to provide a good approximation to fair value.

Associates

Companies in which the Group has significant influence and which is not a subsidiary are regarded as associated companies.

In accordance with IAS 28 point 1, listed and unlisted holdings in associated companies within the business areas Major Listed Holdings and New Ventures are reported at their fair value. When establishing the fair value of holdings in associates the same methods as for financial instruments are used.

Other unlisted associated companies are accounted for using the equity method. Adjustments are made to bring into line any dissimilar accounting policies that may exist before the Group's interest in earnings is calculated.

Adjustments for intra-group profits/losses arising out of transactions with associated companies are made in connection with the calculation of the Group's consolidated interest in earnings and capital. Elimination of such intra-groups profits/losses occurs in pace with their realization through the sale of the particular assets to external parties and/or by reduction of the Group's ownership interest in the associated company.

Loan receivables and trade receivables

Loan receivables and other receivables are non-derivative financial assets with defined or definable payments and defined maturities that are not listed on an active market. The values established are amortized cost, and the valuation is based on the effective interest method (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument).

Trade receivables, which generally have 30-90 day terms, are recognized and carried at invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Trade receivables pertain to a large number of customers mainly in Sweden and the rest of Europe. The Group deals solely with well-established and creditworthy counterparties, which reduces the credit risk.

Credit risks pertaining to the Group's other financial assets, which include cash and cash equivalents, are the risks of failure to pay by counterparties. The maximum risk corresponds to the financial instruments' reported value.

Financial liabilities

Financial liabilities not held for trading are measured at accrued acquisition value, which is determined based on the effective interest rate calculated when the liability was assumed. This means that surplus and deficit values as well as direct costs in conjunction with assuming of loans are distributed over the term of the liability.

Long-term liabilities have an expected term of exceeding one year, while current liabilities have a term of less than one year.

Trade payables have short expected term and are valued at nominal value.

Fair value of financial instruments

Financial fixed assets are valued at their fair value. For other financial assets and liabilities, there are no material differences between reported and fair values.

Accounting for derivatives and hedging

The Group's derivative instruments consist primarily of futures contracts to cover the risk of changes in power prices. All derivatives are reported initially and continually at their fair value in the balance sheet. Changes in the value of derivatives categorized as a cash flow hedge are reported via shareholders' equity and are reversed to the

income statement in pace with effect of the hedge cash flow on earnings. Any ineffective portion of the change in value is reported directly in the income statement.

Inventories

Inventory of raw materials, consumables, work in progress and finished goods are valued at the lower of cost and net sales value. Inventory is valued on a First-In, First-Out (FIFO) basis.

Felling rights, representing the cost to acquire the right to fell timber on land that the Group does not own, are valued at acquisition cost and are expensed when the corresponding wood is used in production or sold. Felling rights are reclassified as raw materials (logs and timber) as the timber is harvested based on the relationship between the remaining book value of the felling rights and the estimated volume of recoverable timber.

The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than VAT), and transport, handling and other costs directly attributable to the acquisition of inventories. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Net sales value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Employee remuneration

Pension commitments are reported as a liability in the balance sheet. The liability is calculated on the basis of company-specific actuarial assumptions, with due consideration of such features as the estimated future pay adjustments.

The Group has one defined benefit multi-employer plan, which is insured with the mutual insurance company Alecia (ITP plan). There is a lack of information to permit the reporting of the Group's proportional share of the defined benefit commitment and of the plan assets and costs associated with this plan. Consequently, the plan is reported as if it were a defined contribution plan, which means that the expenses incurred are reported as a cost.

In addition, the Group has one defined benefit pension plan covering employees in Sweden. The cost of providing benefits in accordance with this plan is determined via the Projected Unit Credit Method (PUCM method) on the basis of actuarial assumptions. Deviation from the actual pension expenses and return represent actuarial gains and losses. All actuarial gains and losses, plus any supplements for payroll taxes, are charged directly to shareholders' equity.

Share-based remuneration

Kinnevik has a share saving program for which the fair value, calculated at the date of valuation, of the allotted share-based instruments is expensed over the vesting period and is recognized directly in equity. The cost is based on the Group's assessment of the number of shares that will be allotted. Fair value is restated on every balance-sheet date, to reflect calculations of social security costs expensed continuously over the vesting period in the various companies.

Other provisions

Provisions are reported when the Group has a legal or contractual obligation to fulfill the obligation, when it is likely that a payment or some other form of compensation is required to settle the undertaking and a reliable estimate of the amount can be made. Provisions are reported at their discounted present value when the time horizon exceeds two years. A provision for restructuring is reported when the Group has presented a detailed plan for the implementation of the measures and the plan has been communicated to the parties involved and soundly based anticipation is created.

Revenue recognition

Sale of products

Revenue from the sale of products, net of allowance for returns and discounts, is recognized when products are delivered and significant risks and benefits associated with ownership of the goods are transferred and can be reliably measured.

Rendering of services

Revenue from the sale of services is recognized at the time the service is rendered to

the customer, after deductions for discounts.

Interest

Revenue is recognized as the interest accrues to the net carrying amount of the financial assets.

Dividends received

Dividends received are recognized when the shareholders' right to receive the payment is assessed as certain.

Research and Development costs

Research and development costs are charged to the income statement during the year they arise, unless the company can demonstrate that the amount will be able to generate future economic benefit.

Marketing costs

Advertising costs and other marketing activities are expensed as they arise.

Income tax

The total tax on the year's income consists of current and deferred tax. Taxes are stated in the income statement except when the underlying transaction is charged directly against equity, in which case the related tax effect is also stated in equity. Current tax expense is the tax that is to be paid or received for the year in question, plus correction of tax expense for earlier periods. Deferred tax is calculated on the basis of the temporary differences between the book values of assets and liabilities and their value for tax purposes. The amounts are calculated on the basis of how these differences can be expected to be evened out and using the tax rates and rules in effect or announced as of the closing date. Temporary differences are not recorded in the case of differences attributable to interests in subsidiaries and associated companies that are not expected to be taxable in the foreseeable future. In the consolidated financial statements, untaxed reserves are divided into deferred tax liability and equity. The deferred tax asset component of deductible temporary differences and tax loss carry forwards is only recorded in so far as it is likely that these will result in a lower tax payment in the future.

Dividends paid

For dividends in kind, the net assets value is recorded as dividend. Cash dividends to shareholders are recorded in the accounting period the dividend is approved.

Leases

Leases are classified in the consolidated accounts as financial leases or operational leases. A financial lease is when the financial risk and benefits are associated with the ownership of an item is essentially transferred from the lessee to the lessor, regardless of whether or not the lessee retains the legal right of ownership of the asset. For financial leases, the leasing asset is reported as an asset and the obligation for future payments as a liability in the balance sheet. An operating lease is a lease that does not fulfill the conditions for financial leases. For operating leases, the rental expense is reported in the lessee's accounts distributed equally over the period during which the asset is used, even if the payments are made according to some other schedule.

Cash flow statement

For purposes of the Parent Company and the consolidated cash-flow statements, the Group include among cash and bank investments with original duration of maximum three months. The book value of these items corresponds to fair value.

New accounting rules

The following standards and amendments to standards, which came into effect as of 1 January 2009 or later, have not been applied for 2008. Only IAS 23 and IAS 27 and the changes to IFRS 3 will have effect on the consolidated financial statements, apart from additional information:

- IFRS 8 on segment reporting, entails that reporting is to proceed on the basis of the internal division of corporate management and applied accounting principles (as of 2009).

- Amendments to IAS 1 mean certain changes in the financial statements presented, such as items previously presented in the statement of changes in equity which are not transactions with equity holders shall be presented in an extended income statement or in a separate report. In addition, in certain situations two comparable financial periods are required for the balance sheet (effective 1 January 2009).
 - IAS 23 states that borrowing costs directly attributable to investments in assets that take time to complete shall be capitalized (starting in 2009).
 - Changes to IFRS 3 involve a number of changes in the reporting of business combinations, which will impact the size of reported goodwill, reported earnings for the period when the acquisition occurred, and future reported earnings (starting in 2010).
 - IFRIC 16 relates to hedging of investments in foreign operations (starting in 2009, not yet approved).
 - Changes to IAS 27 mean that changes in participating interests in a subsidiary, in which the majority owner does not lose controlling interest, are reported as equity transactions (starting in 2010).
- The interpretation of standards based on IFRIC, but which have not yet entered into force (IFRIC 7-IFRIC 12), are deemed to not be applicable to Kinnevik's operations.

Significant judgments and assumptions

The preparation of the annual financial statements and consolidated financial statements includes a number of estimates and assumptions. The application of these estimates and assumptions affects the reporting and disclosures. Accounting policies that require more significant judgments by the board and the management in the application of IFRS, and assumptions and estimations in matters that are inherently uncertain, are summarized below.

In accordance with IAS 28, that deals with accounting for shares in associated companies, Kinnevik can recognize such shares at fair value through profit or loss or apply the equity method of accounting. The Board and management has made the judgment that an accounting at fair value through profit or loss reflects in the best way how the Group follows and evaluates its shares in associated companies. Shares in associated companies are therefore reported at fair value in the balance sheet, whereas the change in fair value affects the result for the year. Consequently, the reported results and equity of Kinnevik are primarily affected by changes in the fair value of the shares and only indirectly by the reported results of the associated companies, as opposed to an accounting according to the equity method.

Actuarial assumptions and other assumptions and estimations when estimating the provisions for pensions (Note 19) and other provisions (Note 20) could have a material impact on the financial statements. The estimates used are based on experience, market information and practice, and are regularly reviewed.

Note 2 Segment reporting

Kinnevik is a diversified company whose business consists of managing a portfolio of investments and to conduct operation directly or indirectly through subsidiaries. The Kinnevik Group is from 2007 organised in the following three primary segments:

- **Major Unlisted Holdings**, which comprises the cartonboard and paper company Korsnäs.
- **Major Listed Holdings**, which comprises Millicom, Tele2, MTG, Metro and Transcom.
- **New Ventures**, with Kinnevik's holdings in agriculture in Poland (Rolnyvik) and Russia (Black Earth Farming), renewable energy in Latvia (Sia Latgran), online-media and yellow-pages in Russia (Kontakt East Holding), microfinancing in Africa (Bayport) and search-based online-marketing in Scandinavia and Europe (Relevant Traffic). The investment in Gateway TV was divested in December 2008.

1 Jan-31 Dec 2008	Major Unlisted Holdings	Major Listed Holdings	New Ventures	Parent Company and other	Eliminations	Total Group
Revenue	7 396		317	18	-12	7 719
Operating costs	-6 483		-288	-55	73	-6 753
Depreciation	-624		-18	-3		-645
Other operating income and expenses	140		-41	39	-61	77
Operating profit	429		-30	-1	0	398
Dividends received	4	1 699				1 703
Change in fair value of financial assets	33	-26 676	-786			-27 429
Financial net	-372	-175	3			-544
Profit/loss after financial items	94	-25 152	-813	-1		-25 872
Investments in financial fixed assets			193			193
Investments in intangible fixed assets	126		89			215
Investments in tangible fixed assets	171		53	2		226
Impairment of goodwill			-37			-37
Assets and liabilities						
Operating assets	9 419		563	54		10 036
Financial fixed assets	460	24 085	734	47		25 326
Short-term investments, cash and cash equivalents	206		55	248		509
Total assets	10 085	24 085	1 352	349		35 871
Operating liabilities	1 402		91	94		1 587
Provision for pensions	539			41		580
Deferred tax liability	1 201			16		1 217
Interest-bearing loans	5 512	3 066	170	209		8 957
Total liabilities	8 654	3 066	261	360		12 341
1 Jan-31 Dec 2007	Major Unlisted Holdings	Major Listed Holdings	New Ventures	Parent Company and other	Eliminations	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	0	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/loss 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
Assets and liabilities						
Operating assets	9 474		349	153		9 976
Financial fixed assets	428	50 761	1 518	34		52 741
Short-term investments, cash and cash equivalents	63		34	4		101
Total assets	9 965	50 761	1 901	191		62 818
Operating liabilities	1 392		14	252		1 658
Provisions for pensions	491			43		534
Deferred tax liability	1 379			3		1 382
Interest-bearing loans	6 091	2 753	133	0		8 977
Total liabilities	9 353	2 753	147	298		12 551

Revenue comprises total sales proceeds net of sales discounts, VAT and other taxes directly connected to the revenue.

Of total revenue of SEK 7,719 million (7,673), SEK 7,524 million (7,557) is attributable to sale of goods and SEK 195 million (116) to sale of services.

Sales to one single customer represented 51% and 52% respectively, of total revenue for the years 2008 and 2007.

External revenue cover sales to all parties other than the Parent Company and its subsidiaries. For information on sales to related parties, refer to Note 26. Internal sales prices are set in the same manner as external sales, that is, on commercial terms.

Intra-Group revenue in the Parent Company totaled SEK 12 million (12).

Operating assets entail intangible and tangible fixed assets, investment in companies accounted for using the equity method, inventories and short-term non interest-bearing receivables.

Operating liabilities entail other provisions and short-term non interest-bearing liabilities.

Revenue distributed by geographic market

	2008	2007
Sweden	1 509	1 304
Other Nordic countries	218	139
Rest of Europe	4 581	4 698
North and South America	33	67
Asia	1 134	1 230
Africa	244	235
	7 719	7 673

The geographic distribution of revenue is based upon the geographic location of the buyer.

Distribution of operating profit/loss by geographic market

	2008	2007
Sweden	334	843
Other Nordic countries	-3	-
Rest of Europe	67	42
	398	885

Distribution of assets by geographic market

	2008	2007
Sweden	9 471	9 421
Other Nordic countries	-	-
Rest of Europe	565	480
Other assets		
Financial fixed assets	25 326	52 816
Short-term investments, cash and cash equivalents	509	101
	35 871	62 818

Distribution of investments in tangible and intangible assets by geographic market

	2008	2007
Sweden	388	253
Other Nordic countries	-	-
Rest of Europe	53	100
	441	353

Note 3 Other operating income and other operating expenses

	2008	2007
Exchange gains on operating receivables/liabilities	116	63
Capital gains on disposal of tangible fixed assets	11	28
Profit from disposal of subsidiary	-	70
Freighting of external goods	2	55
Other	44	35
Other operating income	173	251

	2008	2007
Exchange losses on operating receivables/liabilities	-79	-53
Capital losses on disposal of tangible fixed assets	-2	-1
Depreciation of tangible fixed assets	-5	-
Dissolution of pension provision, UK	36	-
Impairment of goodwill	-37	-
Other	-9	-4
Other operating expenses	-96	-58

Note 4 Depreciation

	2008	2007
Operating profit/loss includes depreciation as follows:		
Buildings, land and land improvements	-58	-57
Forest and agricultural properties	-6	-
Machinery and other technical plants	-562	-550
Equipment and tools	-19	-17
	-645	-624

	2008	2007
Depreciation is split per cost category as follows:		
Cost of sold goods and services	-628	-615
Selling costs	-1	-
Administration costs	-8	-6
Research and development costs	-3	-3
Other operating costs	-5	-
	-645	-624

Note 5 Dividends received

	2008	2007
Financial assets accounted to fair value		
Associated companies		
Millicom International Cellular S.A.	541	-
Modern Times Group MTG AB	149	74
Tele2 AB	985	230
Transcom WorldWide S.A.	24	-
Other companies		
Bergvik Skog AB	4	4
Radio Components Sweden AB	-	2
	1 703	310

Note 6 Change in fair value of financial assets

	2008	2007
Remaining holdings		
Bergvik Skog AB	33	155
Metro International S.A.	-979	-976
Millicom International Cellular S.A.	-14 869	11 974
Modern Times Group MTG AB	-2 817	21
Tele2 AB	-7 592	3 669
Transcom WorldWide S.A.	-419	-386
Radio Components Sweden AB	-	2
Kontakt East Holding AB	-93	-15
Black Earth Farming Ltd	-775	717
	-27 511	15 161
Disposed holdings		
Gateway TV	82	-
Invik & Co. AB	-	372
Valvosacco SpA	-	7
	82	379
	-27 429	15 540

Out of change in fair value of financial assets, 99% (99%) relates to assets traded on an active market.

Note 7 Financial income and expenses

	2008	2007
Interest income, cash and cash equivalents	13	8
Interest income financial assets accounted at fair value	17	6
Financial income	30	14
Interest expenses, interest bearing loans	-532	-439
Accrued financing costs, interest bearing loans	-3	-11
Interest expense PRI	-22	-19
Exchange-rate differences	-9	-10
Other financial expenses	-8	-4
Financial expenses	-574	-483
Net financial income/expenses	-544	-469

Note 8 Supplementary cash flow information

	2008	2007
Operations		
Profit/loss for the year	-25 762	16 179
<i>Adjustment for non cash items in operating profit</i>		
Depreciation	645	624
Impairment of goodwill	37	-
Exchange gains from operating receivables/liabilities	-116	-63
Exchange losses from operating receivables/liabilities	79	53
Dissolution of pension provision	-36	-
Net capital gain on disposal of fixed assets	-12	-28
Change in fair value of financial assets	27 429	-15 540
Net capital gain on disposal of subsidiary	-	-70
Dividends received	-1 703	-310
Interest net	544	469
<i>Incremental cash items from operations</i>		
Paid changes in provisions for pensions, net	-15	-5
Changes in other provisions	-23	-154
Other	33	-33
Adjustment of paid/unpaid taxes	-344	8
Cash flow from operations before change in working capital	756	1 130
Change in working capital	-245	-252
Change in working capital, business combination	13	-
Cash flow from operations	524	878
Investments in subsidiaries		
Karskär Energi AB	200	-
Relevant Traffic Europe AB	48	-
	248	-
Investments in other securities		
Bayport Management Ltd	3	101
Black Earth Farming Ltd	37	278
Gateway Broadcast Services Ltd	-	89
Vosvik AB/Kontakt East Holding AB	153	35
Relevant Traffic Europe AB	-	16
Other	-	11
	193	530
Sales of securities		
Invik & Co. AB	-	1 089
Phonera AB	-	6
Valvosacco SpA	-	25
Gateway TV	183	-
Other	-	11
	183	1 131

Note 9 Taxes

	2008	2007
Distribution of profit/loss after financial items		
Sweden	-25 899	16 228
Outside Sweden	27	38
	-25 872	16 266
Distribution of current tax expense		
Sweden	-14	-255
Outside Sweden	-1	-2
Distribution of deferred tax expense		
Sweden	123	170
Outside Sweden	2	0
Total tax charge for the year	110	-87
Current tax expense		
Tax expense for the period	-15	-229
Adjustment of tax expense for previous years	0	-28
	-15	-257
Deferred tax expense		
Deferred tax related to temporary differences	58	150
Deferred tax expense on utilization of tax loss carryforwards	-5	-2
Effect of changed company tax rate, Sweden	78	0
Change of provision arising from tax disputes	-6	22
	125	170
Total tax expense for the year	110	-87

Reconciliation of effective tax rate

	2008	%	2007	%
Profit/loss before tax	-25 872		16 266	
Income tax at statutory rate of Parent Company, 28%	7 244	-28%	-4 554	-28%
Foreign tax rate differential	9	0%	9	0%
Change in fair value of financial assets	-7 688	30%	4 351	27%
Non-taxable dividends received	477	-2%	87	1%
Tax attributable to previous years	0	0%	-6	0%
Other non-taxable income	10	0%	22	0%
Impairment of goodwill	-10	0%	0	0%
Effect of changed company tax rate	78	0%	0	0%
Change of provision arising from tax disputes	-6	0%	22	0%
Other	-4	0%	-18	0%
Effective tax/tax rate	110	0%	-87	-1%

During 2007, SEK 28 million in tax for prior years was paid as a result of the Swedish National Tax Board denying the Group deductions for contributions to Group companies outside Sweden. SEK 22 million of the amount paid had been previously reserved.

	2008	2007
Deferred tax assets		
Pensions and other provisions	33	23
Tax loss carryforwards	8	13
Cash flow hedging reported through shareholders' equity	27	0
	68	36
Provisions for deferred tax		
Tangible and biological fixed assets	-1 242	-1 368
Cash flow hedging reported through shareholders' equity	0	-31
Profit timing reserve	-18	0
Provisions for any additional tax arising from tax disputes	-25	-19
	-1 285	-1 418
Net provisions for deferred tax	-1 217	-1 382

Of deferred tax liabilities of SEK 1,242 million (1,368) for tangible and biological fixed assets, SEK 1,067 million (1,170) is attributable to untaxed reserves in the form of accumulated excess depreciation.

Deferred tax is not stated for associated companies and subsidiaries, as any dividend paid by these companies will not give rise to a tax liability, and divestments may be made without giving rise to capital gains taxation.

	2008	2007
Distribution of deferred tax assets		
Sweden	68	36
Outside Sweden	0	0
	68	36
Distribution of provisions for deferred tax		
Sweden	-1 285	-1 416
Outside Sweden	0	-2
	-1 285	-1 418
Net provisions for deferred tax	-1 217	-1 382

Tax loss carryforwards

The Group's tax loss carryforwards attributable to Sweden were SEK 30 million (48) at 31 December. Deferred tax receivables of SEK 8 million (13) were reported in the Group's balance sheet as regards these tax loss carryforwards.

Tax disputes

After completion of a tax audit, the National Tax Board has appealed the Parent Company's tax returns for 2001 and 2002. During 2008, the County Administrative Court announced its verdict on the matter, which was largely detrimental to the company. The main issue, which concerned the right to tax deductions of SEK 100 million for a divested receivable, has been appealed to the Administrative Court of Appeal. If this results in a negative outcome for the company, the company will have to pay SEK 25 million for additional income tax, including interest. At 31 December 2008, the company had posted a provision covering the entire amount.

Note 10 Intangible and tangible fixed assets**Intangible fixed assets, goodwill**

	2008	2007
Opening acquisition values	621	621
Investments for the year	215	-
Impairment	-37	-
Closing acquisition value	799	621

Goodwill that has arisen through company acquisitions is distributed among three cash-generating units: Korsnäs pertaining primarily to the acquisition of Frövi and Karskär Energi; Latsin Sia in Latvia; and Relevant Traffic. An impairment test was performed at the end of 2008. The value in use for Korsnäs and Latsin Sia was calculated on the basis of discounted cash flows, assuming an annual growth rate of 2%, and based on the budget for 2009 for both units and a pretax discount interest rate of 10%, corresponding to the companies' average cost of capital. No impairment requirement for the goodwill on these units was identified. Nor did a sensitivity analysis, whereby the discount interest rate was increased by one percentage point and cash flow was reduced by 10%, give rise to any impairment requirement.

For Relevant Traffic, the calculation was based on a pretax discount interest rate

of 15%, plus growth of around zero in 2009 and 2010, and thereafter an increase to approximately 7%, which is regarded as reasonable since the company is active in an immature and growing market. An impairment requirement of SEK 37 million was thus identified and an impairment loss was recognized.

Cash-generating units

	2008	2007
Korsnäs	732	606
Latsin Sia	15	15
Relevant Traffic	52	-
Closing acquisition value	799	621

Tangible and biological fixed assets

For purposes of calculating depreciation, fixed assets are classified on the basis of their estimated useful economic lives according to the following categories:

Industrial buildings	20 – 67 years
Office buildings	20 – 67 years
Residential buildings	20 – 67 years
Land improvements	25 – 30 years
Machinery and equipment	3 – 25 years

2008	Buildings, land, land improvements	Forest, agricultural properties	Machinery, technical plants	Equipment, tools	Construction in progress, advances	Total
Opening acquisition values	1 801	148	10 472	314	212	12 947
Assets in acquired operations	25	-	46	5	46	122
Investments for the year	27	-	136	9	54	226
Disposals/scrapping for the year	-2	-	-23	-9	-10	-44
Reclassification for the year	51	-	147	2	-200	0
Translation difference	10	1	24	2	-	37
Closing acquisition values	1 912	149	10 802	323	102	13 288
Opening accumulated depreciation	-989	-	-5 152	-255	-	-6 396
Disposals/scrapping for the year	1	-	20	9	-	30
Depreciation for the year	-58	-6	-562	-19	-	-645
Translation difference	-2	-	-7	-	-	-9
Closing accumulated depreciation	-1 048	-6	-5 701	-265	-	-7 020
Closing book value	864	143	5 101	58	102	6 268
Tax assessment value, buildings	1 159	7				
Tax assessment value, land	246	29				

2007	Buildings, land, land improvements	Forest, agricultural properties	Machinery, technical plants	Equipment, tools	Construction in progress, advances	Total
Opening acquisition values	1 790	148	10 261	311	101	12 611
Investments for the year	7	-	95	8	243	353
Disposals/scrapping for the year	-	-	-9	-13	-6	-28
Reclassification for the year	4	-	117	8	-129	0
Translation difference	-	-	8	-	3	11
Closing acquisition values	1 801	148	10 472	314	212	12 947
Opening accumulated depreciation	-932	-	-4 606	-242	-	-5 780
Disposals/scrapping for the year	-	-	8	4	-	12
Depreciation for the year	-57	-	-550	-17	-	-624
Translation difference	-	-	-4	-	-	-4
Closing accumulated depreciation	-989	-	-5 152	-255	-	-6 396
Closing book value	812	148	5 320	59	212	6 551
Tax assessment value, buildings	1 123	6				
Tax assessment value, land	259	17				

Note 11 Financial assets accounted at fair value through profit and loss

2008	Reg. no.	Registered office	Number of shares	Capital/ voting (%)	Book value
Associated companies					
Black Earth Farming Ltd		Jersey	25 977 238	21	470
Vosvik AB (Kontakt East Holding AB)	556757-1095	Stockholm	50 000	50	141
Metro International S.A.		Luxembourg	232 546 906	44/39	160
Millicom International Cellular S.A.		Luxembourg	37 835 438	35	13 432
Modern Times Group MTG AB	556309-9158	Stockholm	9 935 011	15/48	1 674
Tele2 AB	556410-8917	Stockholm	125 481 525	28/46	8 627
Transcom WorldWide S.A.		Luxembourg	12 627 543	17/35	192
					24 696
Other companies					
Bergvik Skog AB	556610-2959	Falun	353	5	453
Gävle Sjöfarts AB	556010-6774	Gävle	1 080	10	0
Karskär Bygg AB	556629-8740	Gävle	200	8	0
Modern Holdings Inc.		USA	2 646 103	18	26
Radio Components Sweden AB	556573-3846	Stockholm	2 346 337	19	2
Vindin AB	556713-5172	Stockholm	100	7	3
Other					9
					493
Other financial assets					
Bayport Management Ltd					120
Financial receivables in associated companies					4
Other interest-bearing receivables					2
					126
Total					25 315

Out of book value of financial assets accounted at fair value through profit and loss, 97% (99%) relates to assets traded on an active market.

2007	Reg. no.	Registered office	Number of shares	Capital/ voting (%)	Book value
Associated companies					
Black Earth Farming Ltd		Jersey	24 157 700	20	1 208
Kontakt East Holding AB	556682-8116	Stockholm	2 909 943	21	81
Metro International S.A.		Luxembourg	232 546 906	44/39	1 140
Millicom International Cellular S.A.		Luxembourg	37 835 438	37	28 301
Modern Times Group MTG AB	556309-9158	Stockholm	9 935 011	15/48	4 491
Relevant Traffic Europe AB	556618-1987	Stockholm	8 142 400	36	28
Tele2 AB	556410-8917	Stockholm	125 481 525	28/45	16 218
Transcom WorldWide S.A.		Luxembourg	12 627 543	17/35	611
					52 078
Other companies					
Bergvik Skog AB	556610-2959	Falun	353	5	421
Gävle Sjöfarts AB	556010-6774	Gävle	1 080	10	0
Karskär Bygg AB	556629-8740	Gävle	200	8	0
Modern Holdings Inc.		USA	2 646 103	18	26
Radio Components Sweden AB	556573-3846	Stockholm	2 346 337	19	2
Other					9
					458
Other financial assets					
Gateway Broadcast Services Ltd					84
Bayport Management Ltd					97
Financial receivables in associated companies					20
Other interest-bearing receivables					4
					205
Total					52 741

Reconciliation of book value

	Shares in associated companies	Shares in other companies	Other financial assets	Total
Opening balance, 1 January 2007	36 458	365	695	37 518
Investments	313	-	206	519
Disposals	-1 089	-6	-	-1 095
Amortisation of loan receivables	-	-	-6	-6
Reclassification, refer to Note 12	983	-61	-682	240
Change in value of disposed holdings	409	1	-	410
Change in value of remaining holdings, refer to Note 6	15 004	157	-	15 161
Exchange rate differences	-	2	-8	-6
Closing balance, 31 December 2007	52 078	458	205	52 741
Investments	190	-	3	193
Disposals	-	-	-183	-183
Amortisation of loan receivables	-	-	-2	-2
Reclassification to subsidiaries	-28	-	-16	-44
Change in value of disposed holdings	-	-	82	82
Change in value of remaining holdings, refer to Note 6	-27 544	33	-	-27 511
Exchange rate differences	-	2	37	39
Closing balance, 31 December 2008	24 696	493	126	25 315

Note 12 Investments in companies accounted for using the equity method

2008	Reg. no.	Registered office	Number of shares	Capital/voting (%)	Book value
Altlorenschauerhof SA		Luxembourg	625	33	11
SCD Invest AB	556353-6753	Stockholm	10 584 250	91/50	0
Shared Services S.A.		Luxembourg	200	30	0
					11

2007	Reg. no.	Registered office	Number of shares	Capital/voting (%)	Book value
Altlorenschauerhof SA		Luxembourg	625	33	11
Karskär Energi AB	556018-9481	Gävle	12 331	41	64
SCD Invest AB	556353-6753	Stockholm	10 584 250	91/50	0
Shared Services S.A.		Luxembourg	200	30	0
					75

The Group's part of the companies total assets amounts to more than SEK 11 million (75)

Note 13 Inventories

	2008	2007
Raw materials and consumables	644	498
Felling rights	36	37
Work in progress	65	87
Finished products and goods for resale	993	819
Advance payments to suppliers	239	204
	1 977	1 645

SEK 36 million of the inventories are valued at net sales value. The rest of the inventories are valued at acquisition value.

Note 14 Trade receivables

	2008	2007
Trade receivables	730	736
Reserve for doubtful accounts	-12	-15
	718	721

Accrued sales revenue are included in trade receivables with SEK 79 million (62).

Trade receivables overdue more than 90 days, but not provided for, amounts to SEK 7 million (12).

Bad debt losses

	2008	2007
Opening balance, 1 January	15	15
Provisions during the year	3	4
Confirmed losses	-5	-2
Recovery of previous provisions	-1	-2
Closing balance, 31 December	12	15

Note 15 Other current assets

	2008	2007
Accrued interest income	3	2
Other accrued income and prepaid expenses	106	75
Derivatives, cash flow hedging	-	109
Other receivables	102	160
	211	346

Note 16 Cash and cash equivalents

	2008	2007
Cash at banks	505	72
Short term investments	4	29
	509	101

Short term investments are cash at banks invested with a maximum original duration of three months.

In addition to cash and cash equivalents reported above, the Group had on 31 December undrawn credit facilities of SEK 1,522 million (2,380).

Note 17 Shareholders' equity

Movements in Shareholders' equity of the Group

	Attributable to the Parent Company's shareholders					Total	Minority interest	Total share-holders' equity
	Share capital	Other contributed capital	Hedging reserve	Translation reserve	Retained earnings including net profit for the year			
Opening balance, 1 January 2007	26	6 868	0	28	27 489	34 411	11	34 422
Translation difference				29		29	1	30
Actuarial profit					10	10		10
Cash flow hedging			109			109		109
Tax attributable to items recognised in equity			-31		-3	-34		-34
Subtotal items reported directly against shareholders' equity	-	-	78	29	7	114	1	115
Profit for the year					16 178	16 178	1	16 179
Change in assets recognised in equity, excluding transactions with the Parent Company's owners			78	29	16 185	16 292	2	16 294
Other changes in shareholders' equity								
Cash dividend ¹⁾					-449	-449		-449
Closing balance, 31 December 2007	26	6 868	78	57	43 225	50 254	13	50 267
Translation difference				19		19	4	23
Actuarial losses					-59	-59		-59
Cash flow hedging			-211			-211		-211
Tax attributable to items recognised in equity			56		15	71		71
Subtotal items reported directly against shareholders' equity	-	-	-155	19	-44	-180	4	-176
Loss for the year					-25 765	-25 765	3	-25 762
Change in assets recognised in equity, excluding transactions with the Parent Company's owners	-	-	-155	19	-25 809	-25 945	7	-25 938
Other changes in shareholders' equity								
Capital contribution from the minority							7	7
Effect of employee share saving programme					1	1		1
Cash dividend ²⁾					-528	-528		-528
Share buy-back		-279				-279		-279
Closing balance, 31 December 2008	26	6 589	-77	76	16 889	23 503	27	23 530

¹⁾ The Annual General Meeting held on 10 May 2007, resolved in favor of paying a cash dividend of SEK 1.70 per share, a total of SEK 449 million.

²⁾ The Annual General Meeting held on 15 May 2008, resolved in favor of paying a cash dividend of SEK 2.00 per share, a total of SEK 528 million.

Share capital

Share capital refers to the Parent Company's share capital; refer to Note 10 for the Parent Company.

Other contributed capital

Other contributed capital consist of the Parent Company's share premium reserve, which arose through the conversion of convertible loans in 1997 and 1998 and capital injected in conjunction with the merger between Invik & Co. AB and Industriförvaltnings AB Kinnevik in 2004, as well as by the Parent Company's legal reserve. During 2008 3,500,000 class B-shares were bought-back for a total amount of SEK 279 million. The Board will propose to the AGM to reduce Kinnevik's share capital by redemption of the repurchased shares.

Hedging reserve

The hedging reserve which is fully attributable to power supplies reported against shareholders' equity totaling a loss of SEK 103 million at 31 December 2008, after deduction of deferred tax, are estimated to yield outcomes of negative SEK 39 in 2009, negative SEK 38 in 2010 and negative SEK 26 in 2011.

Effects of cash flow hedges on earnings for the year

Out of the opening balance at 1 January 2008 SEK 75 million has been transferred to the income statement.

Retained earnings including net profit for the year

Retained earnings that are reported in the Group include the current and preceding year's profit, equity reserve pertaining to participations in associated companies that due to the application of the equity method is entered at a value that exceeds the level resulting from application of the acquisition value method, and the equity portion in untaxed reserves.

Capital

Kinnevik's managed capital consists of shareholders' equity. Changes in managed shareholders' capital appear in table above. There are no other external capital requirements, other than what is specified in the Swedish Companies Act. For dividend policy, please refer to the Board of Directors' report.

Note 18 Interest-bearing loans

A summary of maturities and other terms and conditions pertaining to liabilities to credit institutions is presented below. On 31 December 2008, the average remaining maturity for all credit facilities amounted to 2.2 (3.2) years. All loans had floating interest rates at Stibor, or a similar basic interest rate, plus an average margin of 0.6% with a maximum interest period of 3 months. Capitalised borrowing costs totaled SEK 0 million (0) for the year. All credit facilities are revolving, i.e. they may be repaid or cancelled at any time, with no further contractual commitments.

In February 2009 credit facilities totaling SEK 1,550 million of the Parent Company maturing in August and September 2009 have been prolonged for 3 years.

For assets pledged as security for external interest-bearing loans, refer to Note 24.

	2008
Interest-bearing long-term loans	
Liabilities to credit institutions	7 881
Accrued borrowing costs	-6
	7 875
Interest-bearing short-term loans	
Liabilities to credit institutions	1 082
	1 082
Total long and short-term interest-bearing loans	8 957

Credit institution	Credit facility as per 31 Dec 2008	Utilised amount 31 Dec 2008	Unutilised amount 31 Dec 2008	Currency	Maturity
Long-term loans					
Parent Company					
Banque et Caisse d'Epargne de l'Etat, Luxembourg	200	200	0	SEK	Feb 2010
Commerzbank International S.A.	360	360	0	SEK	May 2010
DnB NOR Bank ASA (Sweden Branch)	1 000	1 000	0	SEK	Dec 2012
Nordea Bank AB (publ)	650	650	0	SEK/USD	Oct 2012
Svenska Handelsbanken AB (publ)	1 500	1 500	0	SEK	Apr 2011
Total Parent Company	3 710	3 710	0		
Other Group companies					
The Bank of Nova Scotia ¹⁾	4 403	4 008	395	SEK/EUR	May 2011
Svenska Handelsbanken AB (publ)	159	159	0	EUR	Feb 2012
Financial leasing	4	4	0		
Total Group	8 276	7 881	395		
Short-term loans					
Parent Company					
Nordea Bank AB (publ)	650	467	183	SEK	Sep 2009
Nordea Bank AB (publ)	30	0	30	SEK	Dec 2009
Svenska Handelsbanken AB (publ)	900	100	800	SEK/EUR	Aug 2009
Svenska Handelsbanken AB (publ)	108	4	104	SEK/EUR	Dec 2009
Calyon Bank Stockholm Branch	500	500	0	SEK	Dec 2009
Total Parent Company	2 188	1 071	1 117		
Other Group companies					
Nordea Bank AB (publ)	9	3	6	SEK	Jan 2009
Svenska Handelsbanken AB (publ)	5	1	4	SEK	Dec 2009
Other	7	7	0		
Total Group	2 209	1 082	1 127		
Total liabilities to credit institutions, Group	10 485	8 963	1 522		

¹⁾ Syndicated facility with Bank of Nova Scotia (facility agent), Calyon Bank Stockholm Branch, DnB Nor Bank ASA, Nordea Bank AB (publ), Skandinaviska Enskilda Banken AB (publ) and Svenska Handelsbanken AB (publ) as participating banks. The facility agreement includes certain financial covenants, for financial key ratios for Korsnäs, net debt to EBITDA and EBITDA in relation to net interest payables. Of credit facilities totaling SEK 5,000 million at 31 December 2008, the utilizable amount of the credit facility was SEK 4,403 million, due to the fulfillment of loan covenants.

Note 19 Provisions for pensions

Kinnevik has defined benefit occupational pension plans for some of its salaried employees within Korsnäs in Sweden (ITP plan) and until 2008 for former employees in the UK. The pension plan in the UK has been phased out in 2008, see further below. The following tables present an overview of the items included in net cost for the compensation reported in the consolidated income statement for the Groups' defined benefit pension plans. They also show some information regarding the result of endowment insurance and the amounts reported in the consolidated balance sheet for each pension plan.

Changes in the net obligations for defined-benefit plans recognised in the balance sheet

	2008	2007		
	Sweden	Sweden	UK ¹⁾	Total
Net obligation for defined-benefit plans as at 1 January	534	549	0	549
Benefits paid	-39	-28	-32	-53
Cost recognised in the income statement	26	23	32	48
Actuarial profit/losses for the year	59	-10	-	-10
Net obligation for defined-benefit plans as at 31 December	580	534	0	534

Net cost of defined benefit pension plans

	2008	2007		
	Sweden	Sweden	UK ¹⁾	Total
Earned during the year	5	5	-	5
Interest component in the increase during the year of the present value of the pension commitment	21	18	-	18
Reported pension cost, net	26	23	0	23

Reported provision at the end of the year

	2008	2007		
	Sweden	Sweden	UK ¹⁾	Total
Commitments	580	534	438	972
Plan assets	-	-	-438	-438
Reported provision 31 December	580	534	0	534

The year's actuarial adjustment was a loss of SEK 59 million (gain of 10), including the cost of associated payroll tax of SEK 11 million (income of 2), which has been stated direct against equity. The accumulated actuarial adjustment amounts to a loss of SEK 92 million (loss of 33).

Primary assumptions used in setting the pension undertaking (%)

	2008	2007	
	Sweden	Sweden	UK ¹⁾
Discount rate	4,00	4.50	N/A
Future pay increases	3,00	3.00	N/A
Future pension increases (inflation)	1,75	2.00	N/A

Some of the defined benefit pension commitments on behalf of salaried employees within Korsnäs in Sweden are secured by means of insurance policies with Alecta. As Alecta cannot provide sufficient information to permit the ITP plan to be stated in the accounts as defined benefit it is stated in accordance with UFR 6 as defined contribution. Fees paid during the year for pension insurance policies covered by Alecta amount to SEK 6 million (9). Alecta's surplus may be distributed to policyholders and/or the insured. At year-end 2008, Alecta's surplus in form of collective solvency ratio was 112% (152%).

The cost of all defined contribution plans amounted to SEK 52 million (59) for the Group (including premiums paid to Alecta).

The Group's payments into the defined benefit plan in 2009 are expected to amount to SEK 26 million.

Historical information

	2008	2007	2006	2005
Present value of commitments	580	972	1 033	957
Fair value of plan assets	-	-438	-484	-459
Net	580	534	549	498
Adjustments based on experience				
Defined benefit commitments	8	6	-	-
Plan assets	-	0	-	-

¹⁾ The pension plan in the UK is being phased out. During 2008, the obligation was reinsured through an external insurance company. Due to this, the Group recognized additional estimated disbursements of SEK 46 million under Other provisions at 31 December 2007; also refer to Note 20. During the year, SEK 5 million (32) was paid to the pension plan, following which the company received confirmation from the trustees of the pension plan that no further payments from the company would be required. Accordingly, the remaining provision of SEK 36 million (after exchange-rate changes) was reversed and is recognized under Other revenues in the consolidated statement of income.

Note 20 Other provisions

	2008	2007
Severance pay and other provisions for restructuring	123	131
Commitment relating to deficit in UK pension scheme, refer to Note 19	-	46
Dispute, VAT	-	5
Environmental studies	5	5
Other	9	11
	137	198
Long-term	110	77
Short-term	27	121
	137	198
Opening balance, 1 January	198	352
Severance pay completed	-79	-80
New provision for severance pay	71	-
Commitment relating to deficit in UK pension scheme, refer to Note 19	-46	-32
Release of dispute, VAT	-5	-7
Release of other provisions	-2	-40
Provision for environmental studies	-	5
Closing balance, 31 December	137	198

County administrative boards have submitted claims to Kinnevik regarding environmental studies at a number of sites where Fagersta AB (through name changes and a merger, Investment AB Kinnevik) conducted operations until 1983. Kinnevik's position is that the company's responsibility to perform any decontamination measures must be very limited if any, primarily out of consideration to the long period of time that has passed since any potential contamination damages occurred and the regulations that were in force at the time, and the fact that a quarter century has passed since operations were shut down or turned over to new owners. Kinnevik has therefore not made any provisions for potential future claims for decontamination measures. SEK 5 million was provided in 2007 for potential environmental studies that Kinnevik might be required to pay for.

Note 21 Trade creditors and other liabilities

	2008	2007
Invoiced trade creditors	715	734
Accrued expenses for purchase of goods	118	103
Total trade creditors	833	837
Accrued interest expenses	51	19
Accrued personnel expenses	222	213
Other accrued expenses and prepaid income	148	136
Derivatives, cash flow hedging power supplies	103	-
Other liabilities	85	85
Total other liabilities	609	453

For trade creditors and other liabilities to related parties refer to Note 26.

Note 22 Auditors' fees

	2008	2007
To Ernst & Young		
Audit assignments	2.4	2.2
Other assignments	0.4	1.1
	2.8	3.3

Other assignments refer to consultation in connection with acquisitions and disposals of companies, internal control, questions regarding IFRS and tax advice.

Note 23 Leasing agreements

Group companies have concluded a number of agreements covering the rental of premises and other fixed assets. During 2008, SEK 22 million (97) was paid in accordance with operational leasing agreements. The amount for 2007 includes Korsnäs' leasing of RoRo vessels in the amount of SEK 72 million. This leasing agreement was terminated one year in advance through disposal to third party.

Future minimum payments for agreements concluded for leased assets as of 31 December:

	2008	2007
	Premises and other fixed assets	Premises and other fixed assets
2008		22
2009	20	13
2010	15	12
2011	5	4
2012	4	2
2013	4	2
2014 and later	3	-
	51	55

The Group had financial leasing agreements of SEK 4 (6) million reported in the balance sheet on 31 December 2008.

Note 24 Pledged assets

	2008	2007
For liabilities to credit institutions		
Real estate mortgages	1 903	1 900
Shares in subsidiaries	2 873	3 561
Shares in associated companies	12 830	8 749
Chattel mortgages	600	600
Cash and cash equivalents	138	-
	18 344	14 810

Listed shares in associated companies, shares in other unlisted companies and shares in subsidiaries have been pledged for the benefit of the Group's loans from a number of banks. Pledged shares' actual or estimated market value shall, at any given time, amount to the equivalent of 150-200% of the utilized loan amount. At 31 December 2008, the pledged shares had a surplus value of SEK 3,873 million in relation to the minimum requirements stipulated in the facility agreements (including undrawn facilities). Voting rights and any dividends are not included in pledging.

A mortgage deed of SEK 1,900 million in fixed assets and a chattel mortgage of SEK 600 million in Korsnäs is included as a general security related to Korsnäs' syndicated bank loan.

Note 25 Contingent liabilities

	2008	2007
Sureties and guarantees	24	39
Guarantee commitments, FPG	10	10
	34	49

Refer also to Note 20 regarding costs for decontamination of contingent contamination damages.

Note 26 Related-party transactions

For transactions with the Board of Directors and Senior Executives, refer to Note 27. During 2008 and 2007, Kinnevik engaged in transactions with the following related companies.

Related companies	Relationship
Black Earth Farming Ltd	Associated company of Kinnevik
Tele2 AB ("Tele2")	Associated company of Kinnevik
Modern Times Group MTG AB ("MTG")	Associated company of Kinnevik
Metro International S.A. ("Metro")	Associated company of Kinnevik
Transcom WorldWide S.A. ("Transcom")	Associated company of Kinnevik
Millicom International Cellular S.A. ("Millicom")	Associated company of Kinnevik
Invik & Co. AB ("Invik")	Associated company of Kinnevik until 28 June 2007.
Audit Value S.A. ("Audit Value")	Parties related to Kinnevik own shares in Audit Value, providing considerable influence over Audit Value.
Emesco AB	Emesco with related parties own shares in Kinnevik, providing considerable influence over Kinnevik.
Great Universal Inc. ("Great Universal")	Parties related to Kinnevik own shares in Great Universal, providing considerable influence over Great Universal.
Modern Holdings Inc. ("Modern Holdings")	Along with related companies, Kinnevik owns shares in Modern Holdings, providing considerable influence over Modern Holdings.
SCD Invest AB ("SCD Invest")	Associated company to Kinnevik.

All transactions with related parties have taken place at arm's length basis, i.e. on market conditions. In connection with acquisitions and divestments, independent valuations were used as a basis for negotiations on the final price. In all agreements relating to goods and services prices are compared with up-to-date prices from independent suppliers in the market to ensure that all agreements are entered into on market conditions.

Commercial agreements with related parties

- Emesco, MTG, Tele2 and earlier Transcom rent office premises from Kinnevik.
- Kinnevik's subsidiary Relevant Traffic performs services within digital sales and marketing to Tele2, MTG and Metro.
- Kinnevik bought, until the end of 2007, financing and other administrative services from Invik.
- Kinnevik buys telephony services from Tele2 in a number of countries in which the companies are engaged in business.
- Kinnevik buys CRM services from Transcom.
- Kinnevik buys internal audit services from Audit Value.

Financial loan transactions with related parties

- In November 1995, the company now called Modern Holdings issued a USD 4.1 million convertible loan to Kinnevik and in November 2000, Kinnevik extended an additional USD 1.7 million to Modern Holdings. During 2004, both loans were renegotiated, whereby part-payment was received and the interest rate reduced on the remaining loan, which matured in 2008, and was amortized at a rate of USD 119,000 per quarter. The loan carried an interest rate of 4% and interest was paid quarterly. The remainder of the loan was amortized in December 2008.
- In November 1995, the company now called Great Universal issued a USD 4.3 million convertible loan to Kinnevik with a redemption date of 28 December 2005. The loan carries interest at 5%. Interest shall be paid annually in December. Due to Great Universal's weak financial position, in 2005 Kinnevik wrote down the receivable in the amount of SEK 12 million. During 2006-2008, Great Universal

amortized SEK 3.3 million. As of 31 December 2008, the carrying value of the receivable was SEK 0.

- In March 2005, Kinnevik subscribed for convertible debentures in Invik amounting to SEK 235 million. In January 2007 the loan was converted into 4.519.230 new shares. The shares were disposed in June 2007.
- Following the distribution of the shares in Invik in 2005, Kinnevik had an interest-bearing loan to Invik amounting to SEK 200 million. The loan was repaid semi-annually in an amount of SEK 50 million until it was fully repaid on 30 June 2007. The loan carried interest at 6 month STIBOR plus a margin of 0.50%.

Other transactions

- In March 2007, Kinnevik acquired 33% of the shares in Altlorenscheurerhof S.A. from Banque Invik S.A. for a purchase amount of EUR 1.1 million.
- In December 2007, Kinnevik sold 33% of the shares in Altlorenscheurerhof S.A. to Bäckegrube AB, a subsidiary of Modern Times Group MTG AB, for a sales price of EUR 1.1 million.

The following is a summary of Kinnevik's revenue, expense, receivables and liabilities to and from related parties.

	Group		Parent Company	
	2008	2007	2008	2007
Revenue				
Black Earth Farming	1.7	1.0	-	-
Emesco	0.3	-	-	-
Invik	-	1.2	-	-
Metro	1.2	0.5	1.0	0.1
Millicom	0.0	0.5	0.0	0.5
MTG	3.5	1.8	0.1	0.1
Tele2	15.8	2.1	0.2	0.3
Transcom	0.6	0.8	0.3	-
	23.1	7.9	1.6	1.0
Operating expenses				
Audit Value	-0.1	-0.1	-	-
Invik	-	-1.2	-	-0.5
Metro	-0.2	-0.3	-0.2	-0.2
MTG	-0.1	-0.1	-0.1	-0.1
Tele2	-4.1	-6.4	-1.6	-1.6
	-4.5	-8.1	-1.9	-2.4
Interest income				
Modern Holdings	0.1	0.2	0.1	0.2
	0.1	0.2	0.1	0.2
Interest expenses				
Invik	-	-1.0	-	-1.0
	-	-1.0	-	-1.0
Financial receivables from associated companies				
Other associated companies	4	20	2	-
	4	20	2	-
Other long-term interest-bearing receivables				
Modern Holdings	-	3	-	3
	-	3	-	3
Accounts receivable and other current receivables				
MTG	-	12	-	10
Tele2	2	2	-	-
	2	14	-	10
Accounts payable and other non-interest-bearing liabilities				
Tele2	-	1	-	-
	-	1	-	-

Note 27 Personnel

Average number of employees

Group	2008		2007	
	men	women	men	women
Sweden	1 402	248	1 441	239
Germany	3	1	3	-
Latvia	224	34	214	31
Poland	70	7	77	13
Spain	1	4	-	-
Switzerland	1	-	-	-
UK	6	-	6	-
France	17	6	8	-
Russia	21	3	9	3
Total number of employees	1 745	303	1 758	286
		2 048		2 044

Distribution of women and men on the Board and in the management group, Group ¹⁾

	2008		2007	
	men	women	men	women
Board members				
Elected by the AGM	15	5	15	5
Employee representatives, ordinary	4	-	4	-
Employee representatives, deputies	4	-	4	-
CEO	-	1	-	1
Other senior executives	5	1	5	1
	28	7	28	7

¹⁾ As regards the distribution of women and men in the Board and the management group, the Group has been defined as the following companies: Investment AB Kinnevik, Korsnäs AB and Mellersta Sveriges Lantbruks AB.

Distribution of women and men on the Board and in the management group, Parent Company

	2008		2007	
	men	women	men	women
Board members				
Elected by the AGM	5	1	5	1
Employee representatives, ordinary	2	-	2	-
Employee representatives, deputies	2	-	2	-
CEO	-	1	-	1
Other senior executives	3	1	3	1
	12	3	12	3

Salaries, other remuneration and social security expenses (SEK 000s)

Group	2008		2007	
	Board and CEO	Other employees ²⁾	Board and CEO	Other employees
Sweden	19 000	777 028	20 298	755 900
Germany	-	3 690	-	3 431
Latvia	2 802	28 229	2 153	24 082
Poland	949	6 004	621	5 431
Spain	-	807	-	-
UK	-	4 776	-	6 832
France	1 153	9 658	-	9 424
Russia	232	957	79	449
Total salaries and other remuneration	24 136	831 149	23 151	805 549
Social security expenses	11 049	349 378	13 294	348 633
Of which, pension expense ¹⁾	3 882	84 883	6 320	94 927

¹⁾ Relates to present and former Board members and CEOs.

²⁾ The amount include SEK 77 (76) million in paid remuneration 2008 which relate to restructuring costs within Korsnäs expensed in 2006 and earlier.

Pension and other obligations and similar benefits for former Board members and CEOs for the Group amounts to total SEK 66,420,000 (75,971,000). These amounts are included among liabilities in the balance sheets of the Group.

Principles

Guidelines on remuneration for senior executives approved by the Annual General Meeting in 2008 are presented in the Board of Directors' Report. From these guidelines a Remuneration Committee draw up principles and proposal for the remuneration of the senior executives.

Following consultation with the Nomination Group, the Board appoints members and the Chairman in the Remuneration Committee. The Remuneration Committee's task covers issues involving salaries, pensions, incentive programs, variable remuneration and other terms and conditions of employment for the management of the Parent Company and CEOs of the Group's business areas.

As regards the CEO of the Parent Company, the Remuneration Committee prepares the aforementioned issues for decision and presents information to the Board, including proposal for decision. As regards other management employees in the Parent Company and CEOs of the business areas, the Remuneration Committee shall make decisions in the aforementioned questions, after which such decisions shall be presented for the Board at the next Board meeting.

Cristina Stenbeck, Wilhelm Klingspor, Erik Mitteregger and Allen Sangines-Krause were members of the Remuneration Committee during 2008. Wilhelm Klingspor was the Committee Chairman.

Remuneration to the CEO and other senior executives consists of fixed salary, variable salary, and customary benefits and pension. Variable salary may not exceed 50% of the fixed salary. At the end of 2008 there was, besides the CEO, six other senior executives employed within Kinnevik.

Board fees paid to the Directors of the Parent Company

	2008			2007		
	Parent Company	Board positions, subsidiaries	Total fee	Parent Company	Board positions, subsidiaries	Total fee
Cristina Stenbeck (Chairman)	925 000	150 000	1 075 000	925 000	150 000	1 075 000
Vigo Carlund	400 000	400 000	800 000	350 000	400 000	750 000
Wilhelm Klingspor	525 000	150 000	675 000	450 000	150 000	600 000
Erik Mitteregger	575 000	-	575 000	475 000	-	475 000
Stig Nordin	475 000	150 000	625 000	400 000	150 000	550 000
Allen Sangines-Krause	500 000	-	500 000	350 000	-	350 000
	3 400 000	850 000	4 250 000	2 950 000	850 000	3 800 000

Remuneration for the CEO and other senior executives

	2008		2007	
	CEO	Other senior executives	CEO	Other senior executives
Fixed salaries	5 882	11 088	5 621	7 975
Variable salaries	-	2 399	2 750	2 535
Benefits	111	528	102	370
Pension expenses	1 174	2 096	1 100	1 552

For the CEO of the parent company, pension premium payments of 20% of fixed salary were paid. The CEO of the parent company has decided to refrain from variable salary in 2008. In the event of termination of employment initiated by the company, the CEO is entitled to a salary during a notice period of 18 months. Any salary received from new employment during the notice period reduces salary received from Kinnevik during the notice period. In the event of termination of employment initiated by the CEO, the notice period is 12 months.

For the six other senior executives there are customary pension commitments within the framework of the public pension plan with a maximum 20% of fixed salary, which provides entitlement to retirement at the age of 65. Pension premiums are paid to insurance companies. In the event of termination of employment initiated by the company, other senior executives are entitled to a salary over a notice period of a minimum 6 and a maximum 18 months. Any salary received from new employment during the notice period reduces salary received from Kinnevik during the notice period.

Incentive plan

There is an incentive plan (the "Plan") for six senior executives and thirteen other key employees within the Kinnevik Group that requires participants to own shares in Kinnevik.

For each share held under the Plan, the participants will be granted retention rights and performance rights by the company. Subject to fulfillment of certain retention- and performance-based conditions during the period 1 April 2008 – 31 March 2011 (the "Measure Period"), the participant maintaining the employment with the Kinnevik Group at the date of the release of the interim report for the period January – March 2011, and subject to the participant maintaining the invested shares, each retention right and performance right entitle the participant to receive one class B share in the company.

The number of shares the employee will receive depends on the fulfillment of defined retention- and performance-based conditions during the Measure Period on:

- Kinnevik's total shareholder return on the class B share

- Average yearly development of the net asset value, including dividends
- Average yearly return within the New Ventures business area
- Average return on operational capital employed at Korsnäs
- Average EBITDA margin at Korsnäs

Specific goals included in the respective participants' programs depend on which company the participant is employed in.

In order to equalize participants' interests with shareholders, the company will compensate for forfeited dividends by increasing the number of shares and rights to which they are entitled.

In total, the Plan is estimated to comprise up to 19,300 shares held by the employees entitling up to 98,200 rights, of which 19,300 retention rights and 78,900 performance rights. The Plan encompasses the following number of shares and maximum number of share rights for the various categories: the CEO of the Group receives up to 4,000 invested shares and 7 rights per invested share, senior executives of Kinnevik (category 1) and the President of Korsnäs up to 1,500 invested shares and 5.5 rights per invested share, senior executives of Kinnevik (category 2) and other members of Korsnäs' management group up to 700 invested shares and 4 rights per invested share, and remaining participants up to 400 invested shares and 4 rights per invested share.

The participant's maximum profit is limited to SEK 570 per right. The maximum dilution is 0.04% in terms of shares outstanding, 0.02% in terms of votes and 0.03% in terms of costs for the program as defined in IFRS 2 divided by Kinnevik's market capitalization. The plan could result in expenses for the Kinnevik Group in the form of social security costs upon utilization, as well as personnel costs during the vesting period.

This year's cost amounts to a total of SEK 1 million and is calculated according to anticipated outcome should all participants remain employed at the end of the Measure Period.

Note 28 Financial assets and liabilities allocated by category

2008	Financial assets accounted at fair value	Loan receivables and trade receivables	Derivatives, cash flow hedging	Financial liabilities	Total book value
Financial assets accounted at fair value	25 315	-	-		25 315
Trade receivables	-	718	-		718
Other current assets	3	208	-		211
Short term investments	-	4	-		4
Cash at bank	-	505	-		505
Total financial assets	25 318	1 435	-		26 753
Interest bearing loans				8 957	8 957
Trade creditors				833	833
Other liabilities			103	284	387
Total financial liabilities			103	10 074	10 177

2007	Financial assets accounted at fair value	Loan receivables and trade receivables	Derivatives, cash flow hedging	Financial liabilities	Total book value
Financial assets accounted at fair value	52 741	-	-		52 741
Other fixed assets	-	6	-		6
Trade receivables	-	721	-		721
Other current assets	2	235	109		346
Short term investments	-	29	-		29
Cash at bank	-	72	-		72
Total financial assets	52 743	1 063	109		53 915
Interest bearing loans				8 977	8 977
Trade creditors				837	837
Other liabilities				244	244
Total financial liabilities				10 058	10 058

Fair value

Fair value of financial assets which are valued at accrued acquisition value and are charged with floating rate or have short-term maturity, the book value correspond to fair value.

Duration

For the duration of interest bearing loans refer to Note 18. Of other financial liabilities the better part will fall due within one to six months.

Note 29 Business combinations**2008****Karskär Energi AB**

Having previously held 41% of the shares in Karskär Energi AB, Korsnäs acquired the remaining 59% in January 2008 from E.ON Sverige AB for the purchase price of SEK 200 million. The transaction encompasses a combined heating and power plant that has been in the Korsnäs industrial area in Gävle since 1971. Karskär Energi produces 350 GWh of electricity a year and the acquisition implies that from now on Korsnäs will produce 38% of the annual electricity consumption internally at its plants in Gävle and Frövi. Karskär Energi has been fully consolidated with the Group since 1 January 2008 and, according to the purchase price allocation, 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.

Relevant Traffic Europe AB

Relevant Traffic Europe AB and its subsidiaries are active in digital sales and marketing

using the Internet as an information carrier. Kinnevik acquired 36% of shares in 2006.

During the first part of 2008, Kinnevik converted loans issued by Relevant Traffic Europe AB into shares and acquired shares from other owners in accordance with earlier options agreements, increasing the ownership stake to 56% effective 1 May 2008. As a result, the company was consolidated from that date and is reported in the New Ventures segment. Kinnevik subsequently completed another new share issue in July 2008, acquiring additional shares at the end of the year. The ownership stake, following these transactions, amounts to 98% of the votes and capital. The total amount invested in the company, on which the acquisition calculation is made, amounts to SEK 92 million.

According to the acquisition calculation, transactions, combined with previously invested funds, resulted in SEK 89 million of goodwill in the Kinnevik Group.

In testing for any write-down requirements through calculating the discount cash flow resulting from a sharply weakened market, a goodwill impairment in the amount of SEK 37 million was identified. See also Note 10.

Relevant Traffic reported earnings of SEK 177 million and an operating loss of SEK 34 million for full-year 2008. The operating loss included restructuring costs totaling SEK 10 million due to an action plan that was initiated in conjunction with Kinnevik becoming the majority owner.

2007

No business was acquired during 2007.

Note 30 Financial 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 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 is exposed to financial risks mainly in respect of

- the equity risk, meaning the risk of changes in the value of the stock portfolio
- the interest rate risk resulting from changes in market interest rates
- the exchange rate risk comprising transaction exposure and translation exposure
- liquidity and refinancing risk, meaning the risk that the cost of financing opportunities will increase or that such opportunities will be limited when loans are re-negotiated, and that payment obligations cannot be met due to insufficient liquidity.

Equity risk

Kinnevik's strategy is to participate actively in the companies in which the Group invests. Operations include management of a stock portfolio comprising considerable investments in a small number of listed companies. Accordingly, the portfolio is concentrated to a small number of companies, which makes the return dependent on how well these companies and their particular industries develop. By being an active owner, the return can be maximized and the risks controlled.

The Group's assets, through ownership of shares in a number of companies conducting operations in more than 60 countries, are exposed to political risks. More than 50% of the market value of Kinnevik's combined assets of approximately SEK 36 billion at 31 December 2008, were exposed to growth markets in Latin America, Africa, Russia and the Baltic countries.

The concentrated portfolio also results in a significant liquidity risk in the portfolio, in that it is difficult for Kinnevik during a limited time to make major changes in the portfolio's composition without this affecting the share price.

Parts of the stock portfolio are used as collateral for Kinnevik's loans from credit institutions. On 31 December 2008, 50% (16%) of the stock portfolio was used as collateral for the Group's loans; also refer to Note 24.

The equity risk associated with Kinnevik's portfolio may be illustrated by stating that a 1% change in the prices of all of the listed shareholdings at 31 December 2008 would have affected earnings and shareholders' equity by SEK 245 million.

Interest rate risk

Kinnevik's policy is to maintain short interest periods because the Company believes that this leads to lower interest expense over time. The Group has no borrowing subject to periods of fixed interest exceeding three months. On 31 December 2008, all of Kinnevik's liabilities to credit institutions, SEK 8,963 million, was exposed to interest rate changes, of which SEK 8,418 million to changes in Stibor, SEK 328 million to changes in Euribor and SEK 217 million to changes in Libor USD. It would take three months for an increase in short-term interest rates to gain its full impact on Kinnevik's interest expense. Accordingly, if the interest rate at 31 December 2008 had risen with 1% the average interest expense on an annualized basis would have risen by SEK 90 million. According to Kinnevik, an effect of any increase of the interest rate in the Company is managed efficiently, primarily via the operating cash flow from Korsnäs and secondarily via dividends from, leveraging or sale of listed shares.

Exchange rate risk

Transaction exposure

The Group's revenues and operating expenses arise mainly in SEK and EUR. The Group's policy is to endeavour to match revenues and costs in the same currency. The net flow of the Group's inflow and outflow in foreign currency amounted to a net inflow of approximately SEK 800 million (1,200) for the year, which consisted mainly of EUR. The Group's policy is not to hedge this transaction exposure by using, for example, forward contracts. The reason for this approach is that the Group is dealing with a continuously even net inflow of foreign currency for which, over time,

hedging measures would also be affected by exchange rate changes. A change in the EUR/SEK rate by SEK 0.10 would have affected consolidated profit in 2008 by approximately SEK 6 million.

Translation exposure

Translation exposure arises when the earnings and shareholders' equity of foreign subsidiaries are translated into SEK, and insofar as capital employed within the Group is financed in a currency other than the capital employed in the particular company. Kinnevik's policy is to use external borrowing in various currencies to finance capital employed in the same currency. If this is not possible and significant temporary currency exposures exist, the Group's finance policy permits the use of forward contracts. On 31 December 2008, there were no outstanding forward contracts. Translation exposure arising from the translation of the foreign subsidiaries' earnings and shareholders' equity is not hedged since the exposure is considered being of no material importance to Kinnevik. A change in the PLN/SEK rate by SEK 0.10 would have affected consolidated net assets by SEK 2 million on 31 December 2008. A change in the LVL/SEK rate by SEK 0.10 would have affected consolidated net assets by SEK 1 million on the same date. A change in the EUR/SEK rate or USD/SEK rate would have no material effect on the consolidated net assets.

In addition to the translation exposure existing in the operative subsidiaries, Kinnevik owns shares in listed companies that engage in foreign operations. Millicom, a company that reports in USD, is listed in the United States and conducts operations in Latin America, Asia and Africa, accounts for the principal exchange rate risk. On 31 December 2008, the book value of the holdings in Millicom was SEK 13,432 million.

Liquidity and refinancing risk

Kinnevik's liquidity risk is limited because listed shares account for a large part of the Company's assets. On 31 December 2008, the Company also had cash and cash equivalents and committed but unutilized credit facilities amounting to SEK 2,031 million.

Kinnevik's refinancing risk is limited by having loans from a number of different credit institutions maturing at different times as well as striving for refinancing all loans at least six months prior to maturity. On 31 December 2008, the available credit facility amounts from credit institutions totalled SEK 10,485 (11,357) million and the average remaining term to maturity was 2.2 (3.1) years. In February 2009 credit facilities totalling SEK 1,550 million maturing in 2009 have been prolonged for 3 years.

Note 31 Events after the end of the reporting period

In February 2009, Metro announced the intention to raise approximately SEK 550 million in new financing by issuing debentures and warrants. The issue is fully underwritten by Kinnevik.

Following Metro's announcement of the intention to refinance the company, Kinnevik on 23 February announced it has received a preliminary indication of interest from a potential acquirer of Metro. The indication of interest will be evaluated expeditiously. At this stage there is no certainty that this will lead to an offer for Metro, and Kinnevik is not in a position to express any view on the potential bid. Further communication will be made in due course.

On 11 March Kinnevik announced that Korsnäs has signed an agreement to acquire Rockhammars Bruk from Rottneros for a total consideration of SEK 145 million. Rockhammars Bruk in Lindesberg produces chemical pulp, CTMP. Following the acquisition of Rockhammars Bruk, Korsnäs will be largely self-sufficient in pulp for its entire production of paper and cartonboard, which is expected to reduce production costs. The transaction is subject to approval by relevant competition authorities and is expected to be finalised before the end of March.

Parent Company's financial statements

Parent Company Statement of Income for the period 1 January-31 December (SEK million)

	Note	2008	2007
Revenue		12	12
Administration costs		-53	-65
Other operating income		5	7
Operating loss		-36	-46
Dividends received	2	1 658	1 817
Earnings from financial assets, associated companies and other	4	-1 206	609
Earnings from financial assets, subsidiaries	4	-753	-10
Interest income and other financial income	3	74	49
Interest expenses and other financial expenses	3	-381	-360
Profit/loss after financial items		-644	2 059
Change of untaxed reserves		-1	-
Profit/loss before taxes		-645	2 059
Tax		86	102
Net profit/loss for the year		-559	2 161

Parent Company Balance Sheet 31 December (SEK million)

	Note	2008	2007
ASSETS			
Tangible fixed assets			
Equipment	6	2	2
Shares and participations in Group companies	8	13 473	13 908
Receivables from Group companies		106	1
Shares and participations in associated companies	7	10 097	11 578
Receivables from associated companies		2	1
Shares and participations in other companies	7	29	29
Other long-term interest-bearing receivables		121	185
Other long-term receivables		3	-
Total fixed assets		23 833	25 704
Current assets			
Receivables from Group companies		333	507
Other receivables		6	14
Accrued income		3	3
Prepayments		4	4
Cash and cash equivalents		185	1
Total current assets		531	529
TOTAL ASSETS		24 364	26 233

	Note	2008	2007
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	10		
Share capital (263 981 930 shares of SEK 0.10 each)		26	26
Premium reserve		6 868	6 868
Retained earnings		11 405	9 805
Net result		-559	2 161
Total shareholders' equity		17 740	18 860

	Note	2008	2007
Provisions			
Provisions for pensions		28	30
Deferred tax liability		18	10
Other provisions	9	24	35
Total provisions		70	75
Long-term liabilities			
External interest-bearing loans	11	3 710	4 141
Liabilities to Group companies		589	558
Total long-term liabilities		4 299	4 699
Short-term liabilities			
External interest-bearing loans	11	1 071	102
Trade creditors		2	2
Liabilities to Group companies		1 111	2 407
Other liabilities		29	63
Accrued expenses	12	42	25
Total current liabilities		2 255	2 599
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		24 364	26 233
Pledged assets	13	14 426	12 075
Contingent liabilities	14	2	5

Parent Company Statement of Cash Flow for the period 1 January-31 December (SEK million)

	2008	2007
Operations		
Operating loss	-36	-46
Non-cash items	-7	28
Taxes paid	-35	1
Cash flow from operations before change in working capital	-78	-17
Change in operating assets	10	3
Change in operating liabilities	1	5
Cash flow from operations	-67	-9
Investing activities		
Investments in shares and other receivables	-1 174	-414
Disposals of shares and other securities	1 148	1 046
External dividends received	1 158	306
Change in loan receivables	84	-185
Interest received	74	49
Cash flow from investing activities	1 290	802
Financing activities		
Borrowing	1 000	90
Amortisation of loans	-503	-436
Change in intra-Group balances	-358	361
Interest paid	-371	-358
Dividend paid	-528	-449
Share buy-back	-279	-
Cash flow from financing activities	-1 039	-792
Cash flow for the year	184	1
Cash and bank, opening balance	1	0
Cash and bank, closing balance	185	1

Movements in Shareholders' equity of the Parent Company (SEK million)

	Share capital	Premium reserve	Un-restricted equity	Total
Opening balance, 1 January 2007	26	6 868	9 891	16 785
Cash dividend ¹⁾	–	–	-449	-449
Group contribution	–	–	504	504
Tax, group contribution	–	–	-141	-141
Net result	–	–	2 161	2 161
Closing balance, 31 December 2007	26	6 868	11 966	18 860
Cash dividend ²⁾	–	–	-528	-528
Group contribution	–	–	340	340
Tax, Group contribution	–	–	-95	-95
Share buy-back	–	–	-279	-279
Effect of employee share saving programme	–	–	1	1
Net result	–	–	-559	-559
Closing balance, 31 December 2008	26	6 868	10 846	17 740

¹⁾ The Annual General Meeting held on 10 May 2007, resolved in favor of paying a cash dividend of SEK 1.70 per share, a total of SEK 449 million.

²⁾ The Annual General Meeting held on 15 May 2008, resolved in favor of paying a cash dividend of SEK 2.00 per share, a total of SEK 528 million.

Notes to the Parent Company's financial statements

Note 1 Parent Company's accounting principles

The Parent Company's annual accounts have been prepared in accordance with Swedish law, and with early application of the Swedish Financial Reporting Board's recommendation RFR 2.1 (Reporting for legal entities).

The Parent Company's accounting principles depart from the principles governing consolidated accounting in respect of the valuation of financial instruments and pension liabilities. The Parent Company applies RFR 2.1 in respect of the option not to observe IAS 39. Financial instruments are thus not valued at fair value as in the Group but at their acquisition cost and after write-down, if any. Pension liabilities are reported in accordance with Swedish principles.

For information concerning related party transactions, refer to Note 26 for the Group.

Note 2 Dividends received

	2008	2007
Subsidiaries	500	1 511
Associated companies		
Modern Times Group MTG AB	149	74
Tele2 AB	985	230
Transcom WorldWide S.A.	24	-
Other companies		
Radio Components Sweden AB	-	2
	1 658	1 817

Note 3 Financial income and expenses

	2008	2007
Interest income from third parties	22	9
Interest income from Group companies	52	40
Financial income	74	49
Interest expenses to credit institutions	-272	-203
Interest expenses to Group companies	-115	-156
Exchange-rate differences	5	-1
Other financial expenses	1	-
Financial expenses	-381	-360
Net financial income/expenses	-307	-311

Note 4 Earnings from financial assets

	2008	2007
Sale of shares in Invik & Co. AB	-	608
Sale Gateway TV	82	-
Write-down of shares in associated companies	-1 287	-
Other	-1	1
Total earnings from associated companies	-1 206	609
Internal sale of shares in Kontakt East Holding AB	-	7
Internal sale of shares in Black Earth Farming Ltd.	834	-
Write-down of shares in subsidiaries	-1 587	-17
Total earnings from subsidiaries	-753	-10

Write-down of shares in associated companies are related to Metro International S.A. and Transcom WorldWide S.A. and are made due to declined market value. Write-down of shares in subsidiaries are related to Korsnäs AB and Kinnevik New Ventures AB and are due to estimated decline in market value.

Note 5 Auditors' fees

	2008	2007
To Ernst & Young		
Audit assignments	0.7	0.7
Other assignments	0.1	0.4
	0.8	1.1

Other assignments refer to consultation in connection with acquisitions and disposals of companies, questions regarding accounting and tax advice.

Note 6 Tangible fixed assets

	2008	2007
Equipment		
Opening acquisition values	4	4
Investments for the year	0	0
Disposals/scraping for the year	0	0
Closing acquisition values	4	4
Opening accumulated depreciation	-2	-2
Disposals/scraping for the year	0	0
Depreciation for the year	0	0
Closing accumulated depreciation	-2	-2
Closing book value	2	2

Note 7 Shares and participations

Associated companies	Reg. no.	Registered office	2008			2007	
			Number of shares, 2008	Capital/ voting (%)	Book value	Capital/ voting (%)	Book value
Altlorenschauerhof S.A.		Luxembourg	625	33	11	33	11
Black Earth Farming Ltd.		Jersey	-	-	-	14 ¹⁾	215
Metro International S.A.		Luxembourg	232 546 906	44/39	160	44/39	1 365
Modern Cartoons Ltd		USA	2 544 000	23	0	23	0
Modern Times Group MTG AB	556309-9158	Stockholm	9 935 011	15/48	1 133	15/48	1 133
Shared Services S.A.		Luxembourg	200	30	0	30	0
Tele2 AB	556410-8917	Stockholm	125 481 525	28/45	8 601	28/45	8 601
Transcom WorldWide S.A.		Luxembourg	12 627 543	17/35	192	17/35	253
					10 097		11 578

¹⁾ The Group's equity interest was 20%.

Other companies	Reg. no.	Registered office	Number of shares	Capital/ voting (%)	Book value	Capital/ voting (%)	Book value
Modern Holdings Inc.		USA	2 646 103	18	26	18	26
Radio Components Sweden AB	556573-3846	Stockholm	2 346 337	19	2	19	2
Tenant-owner apartments					1		1
					29		29

Change in book value, shares and participations in associated companies

Opening acquisition value, 1 January 2008	11 578
Internal sale of shares	-215
Paid shareholders' contribution	21
Closing acquisition value, 31 December 2008	11 384
Opening write-down, 1 January 2008	-
Write-down to market value for the year	-1 287
Closing write-down, 31 December 2008	-1 287
Closing book value, 31 December 2008	10 097

Note 8 Shares and participations in Group companies

Shares and participations in direct-owned subsidiaries

	Reg. no.	Registered office	Number of shares	Capital/ voting (%)	Book value
Assuransinvest AIA AB	556051-6238	Stockholm	295 384	100/100	93
Frevik AB	556281-6040	Stockholm	1 000	100/100	201
Gefle Borg Bryggeri AB	556489-9689	Gävle	1 736 000	99/99	12
Invik S.A.		Luxembourg	500 000	100/100	0
Kinnevik UK Ltd		UK	1 000	100/100	2
Förvaltnings AB Eris & Co	556035-7179	Stockholm	1 020 000	100/100	159
Kinnevik New Ventures AB	556736-2412	Stockholm	100	100/100	638
Korsnäs AB	556023-8338	Gävle	53 613 270	100/100	7 320
Latellana AG, under liquidation		Switzerland	20 000	100/100	13
Svenska Traktor AB, under liquidation	556051-6352	Järfälla	1 000	100/100	0
Svenska JCB AB, under liquidation	556306-0960	Järfälla	5 000	100/100	1
Goodguy AB, under liquidation	556579-7692	Stockholm	1 000	100/100	1
Plonvik Sp.zo.o ¹⁾		Poland	1	0/0	0
Millcellvik AB	556604-8285	Stockholm	1 000	100/100	5 032
Korsnäs Holding AB	556170-7703	Stockholm	1 000	100/100	0
Kinnevik Radio AB	556237-4594	Sollentuna	7 500	100/100	1
Kinnevik S.A.		Luxembourg	1 249	100/100	0
Ludvika Personalservice KB	916582-0268	Ludvika	-	100/100	0
Shares and participations in direct-owned subsidiaries					13 473

¹⁾ Partly owned by the Parent Company. Wholly owned by the Group.

Reconciliation of the book value of shares in subsidiaries

Opening aquisition value, 1 January 2008	13 925
Shareholders' contribution	1 157
Repayment of shareholders' contribution	-5
Closing aquisition value, 31 December 2998	15 077
Opening write-down, 1 January 2008	-17
Write-down for the year	-1 587
Closing write-down, 31 December 2008	-1 604
Closing book value, 31 December 2008	13 473

Over and above the direct-owned shares and participations of the Parent Company the following companies are included in the Group:

	Reg. no.	Registered office	Capital/ voting (%)
Mellersta Sveriges Lantbruks AB	556031-9013	Vadstena	100/100
Plonvik Sp.z o.o.		Poland	100/100
Polnyvik Sp.z o.o		Poland	100/100
Collect Sweden AB	556061-4124	Stockholm	100/100
Crown Sacks & Systems (Holding) Ltd		UK	100/100
Korsnäs Paper Sacks Ltd		UK	100/100
AB Stjersunds Bruk	556028-6881	Gävle	100/100
Trävaru AB Dalerne	556044-3920	Gävle	100/100
Diacell AB	556155-2786	Gävle	100/100
Korsnäs Advanced Systems AB	556560-8527	Gävle	100/100
Korsnäs-Frövi AB	556267-2328	Frövi	100/100
Korsnäs-Frövi Ltd		UK	100/100
Korsnäs-Frövi S.A.S		France	100/100
Korsnäs GmbH		Germany	100/100
Korsnäs Latvia Sia		Latvia	100/100
Korsnäs Schweiz AG		Switzerland	100/100
Latsin Sia		Latvia	100/100
Latsin Rus OOO		Russia	100/100
Sia Freja		Latvia	100/100
Korsnäs d.o.o.		Croatia	87/87
Korsnäs Sales Ltd		UK	100/100
Korsnäs Sägverks AB	556024-8477	Gävle	100/100
Marma Skog 31 AB	556580-2203	Gävle	100/100
Relevant Traffic Europe AB		Stockholm	98/98
Relevant Traffic Sweden AB		Stockholm	100/100
SAS Relevant Traffic		France	100/100
Relevant Traffic Spain S.L.		Spain	100/100
Relevant Traffic Ltd		UK	100/100
Relevant Traffic GmbH		Germany	100/100
Sillender Oü		Estonia	100/100
Sia Latgran		Latvia	51/51

Note 9 Other provisions

	2008	2007
Remuneration to former CEO	15	20
Dispute, VAT	0	4
Environmental studies	5	5
Other	4	6
	24	35
Long-term	19	25
Short-term	5	10
	24	35
Change for the year		
Opening balance, 1 January	35	44
Remuneration paid to former CEO	-5	-4
Released disputable VAT	-4	-7
Release of other provisions	-2	-3
Provision for environmental studies	-	5
Closing balance, 31 December	24	35

County administrative boards have submitted claims to Kinnevik regarding environmental studies at a number of sites where Fagersta AB (through name changes and a merger, Investment AB Kinnevik) conducted operations until 1983. Kinnevik's position is that the Company's responsibility to perform any decontamination measures must be very limited, if any, primarily out of consideration to the long period of time that has passed since any potential contamination damages occurred and the regulations that were in force at the time, and the fact that a quarter century has passed since operations were shut down or turned over to new owners. Kinnevik has therefore not made any provisions for potential future claims for decontamination measures. SEK 5 million was provided in 2007 for potential environmental studies that Kinnevik might be required to pay for.

Note 10 Shareholders' equity

Change in shareholders' equity from the preceding year's balance sheet are presented in Movements in Shareholders' equity of the Parent Company (page 57).

Share capital

Investment AB Kinnevik's share capital as of 31 December 2008 was distributed among 263,981,930 shares with a par value of SEK 0.10 per share.

Distribution by class of shares was as follows

	Number of shares	Par value (SEK 000s)
Class A shares	48 665 324	4 866
Class B shares	211 816 606	21 182
Class B shares in own custody	3 500 000	350
Registered number of shares	263 981 930	26 398

There were no changes in the Group's share capital during 2007. In accordance with the proposal on reclassification, approved by the Annual General Meeting held on 15 May 2008, owners of 1,531,726 class A shares did require reclassification of class A shares to class B shares. After reclassification the number of Class A shares is 48,665,324 and the number of Class B shares is 215,316,606. One class A share entitles to 10 votes and one class B share to 1 vote. All shares provide equal rights to participation in Kinnevik's assets and earnings. The total amount of votes in Kinnevik is 701,969,846. To the knowledge of the Board, there are no share agreements or share associations in Kinnevik.

The Board was authorized by the AGM 2008 to repurchase a maximum of 10% of all shares in the Company. During the year 3,500,000 class B shares, corresponding to 1.3% of the share capital, was bought back at an average price of SEK 79.68, totaling SEK 279 million. The Board will propose to the AGM 2009 that the share capital is reduced by redemption of the repurchased shares. There are no convertibles or warrants in issue.

Regarding share based long-term incentive plan (LTIP) refer to Note 27 for the Group.

Note 11 Interest-bearing loans**Interest-bearing long-term loans**

	2008	2007
Liabilities to credit institutions	3 710	4 141
	3 710	4 141

Interest-bearing short-term loans

	2008	2007
Liabilities to credit institutions	1 071	102
	1 071	102

For further information about the Parent Company's interest bearing loans refer to Note 18 for the Group.

Note 12 Accrued expenses

	2008	2007
Accrued personnel expenses	6	8
Accrued interest expenses	33	16
Other	3	1
	42	25

Note 13 Pledged assets

	2008	2007
For liabilities to credit institutions		
Shares in subsidiaries	7 320	8 037
Shares in associated companies and other companies	7 106	4 038
	14 426	12 075

Note 14 Contingent liabilities

	2008	2007
Sureties and guarantees for subsidiaries	1	4
Guarantee commitments, FPG	1	1
	2	5

Refer also to Note 9 regarding costs for decontamination of contingent contamination damages.

Note 15 Intra-group transactions

Intra-group revenue for the Parent Company amounted to SEK 12 million (12) which refer to invoicing of management fee to Korsnäs AB.

The Parent Company and the Swedish subsidiaries have their liquidity arranged through central bank accounts in different currencies. In addition the Parent Company have a number of loans to subsidiaries. Market rate of interest are charged for all those balances.

During the year, The Parent Company has sold its shares in Black Earth Farming Ltd. to Kinnevik New Ventures AB, resulting in a profit of SEK 834 million.

Note 15 PersonnelSalaries, other remuneration and social security expenses
(SEK 000s)

Average number of employees

	2008		2007			2008		2007	
	men	women	men	women		Board, CEO and other senior executives	Other employees	Board, CEO and other senior executives	Other employees
Parent Company					Salaries and other remuneration	17 172	2 728	16 646	2 149
Stockholm	5	5	4	5	Social security expenses ^{1) 2)}	9 258	442	8 416	1 648
					Of which, pension expense ^{1) 2)}	3 714	-452	2 923	951

¹⁾ Other employees includes reversed provisions for former employees with SEK 1,646,000 regarding SPP and other insurance companies.

²⁾ Relates to present and former Board members and CEOs.

Salaries and other remuneration to the Board, CEO and other senior executives are further presented in Note 27 for the Group.

Note 16 Financial assets and liabilities by category

2008	Financial assets accounted for at cost	Loan receivables and trade receivables	Financial liabilities	Total book value
Receivables from Group companies	-	439		439
Receivables from associated companies	-	2		2
Shares and participation in other companies	29	-		29
Interest-bearing receivables	121	-		121
Other receivables	-	11		11
Cash at bank		185		185
Total financial assets	150	637		787
Interest-bearing liabilities			4 781	4 781
Liabilities to Group companies			1 700	1 700
Trade creditors			2	2
Other liabilities			64	64
Total financial liabilities			6 547	6 547

2007	Financial assets accounted for at cost	Loan receivables and trade receivables	Financial liabilities	Total book value
Receivables from Group companies	-	508		508
Receivables from associated companies	-	1		1
Shares and participation in other companies	29	-		29
Interest-bearing receivables	185	-		185
Other receivables	-	21		21
Cash and bank	-	1		1
Total financial assets	214	531		745
Interest-bearing liabilities			4 243	4 243
Liabilities to Group companies			2 965	2 965
Trade creditors			2	2
Other liabilities			80	80
Total financial liabilities			7 290	7 290

Fair value

Fair value of financial assets which are valued at accrued acquisition value and are charged with floating rate or have short-term maturity, the book value correspond to fair value.

The undersigned certify that the consolidated accounts and the annual report have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as adopted for use in the European Union, and generally accepted accounting principles respectively, and give a true and fair view of the financial positions and results of the Group and the Parent Company, and that the Board of Director’s Report gives a fair review of the development of the operations, financial positions and results of the Group and the Parent Company and describes substantial risks and uncertainties that the Group companies face.

Stockholm, 17 March 2009

Cristina Stenbeck
Chairman of the Board

Vigo Carlund
Member of the Board

Per Eriksson
*Member of the Board,
Employee representative*

Geron Forsman
*Member of the Board,
Employee representative*

Wilhelm Klingspor
Member of the Board

Erik Mitteregger
Member of the Board

Stig Nordin
Member of the Board

Allen Sangines-Krause
Member of the Board

Mia Brunell Livfors
President & CEO

Our Audit Report was issued on 17 March 2009
Ernst & Young AB

Erik Åström
Authorized Public Accountant

Audit Report

To the annual meeting of the shareholders of Investment AB Kinnevik (publ)

Corporate identity number 556047-9742

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of Investment AB Kinnevik (publ) for the year 2008. The company's annual accounts and consolidated accounts are included in this document on page 29-62. The board of directors and the managing director are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with the international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group's financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Stockholm, 17 March 2009
Ernst & Young AB

Erik Åström
Authorized Public Accountant

Definitions of financial key ratios

Operating margin

Operating income divided by revenue.

Capital employed

Total assets less non-interest-bearing liabilities less deferred tax liability.

Return on capital employed

Income after financial items plus interest expenses divided by average capital employed.

Return on shareholders' equity

Net profit divided by average shareholders' equity.

Equity/assets ratio

Shareholders' equity, including minority holding as a percentage of total assets.

Net debt

Interest-bearing liabilities including provisions for pensions less total interest-bearing receivables, short-term investments and cash and cash equivalents.

Debt/equity ratio

Interest-bearing liabilities including interest-bearing provisions divided by shareholders' equity.

Risk capital ratio

Shareholders' equity including minority interest in shareholders' equity and deferred tax liability divided by total assets.

Average number of shares

Balanced average of number of shares outstanding during the year, adjusted for share issues, splits and buybacks.

Earnings per share

Income for the year, attributable to equity holders of the Parent Company, divided by average number of shares.

Shareholders' equity per share

Shareholders' equity, attributable to equity holders of the Parent Company, divided by number of shares.

Market price

Market price at 31 December adjusted for share issues and splits.

Dividend per share

Paid or proposed dividend per share adjusted for share issues and splits.

Dividend yield

Dividend divided by market price at 31 December.

Operational capital employed

Average intangible and tangible fixed assets, investment in companies accounted for using the equity method, inventory and current non-interest-bearing receivables after deductions for other provisions and short-term non interest-bearing liabilities.

Return on operational capital employed

Operating income divided by average operational capital employed.

Net Asset Value

Major Unlisted Holdings – i.e. Korsnäs – are valued according to the consensus among analysts covering Kinnevik.

Major Listed Holdings are valued based on the market prices listed on the closing date. The listed market price used for the Group's financial assets is the current bid price. For companies with two classes of shares the market price for the most liquid share class is used.

The value of unlisted New Ventures is based on generally accepted valuation principles such as discounted cash-flow models, multiple valuation using EBITDA, net profit, price per hectare etc.

Annual General Meeting 2009

Date and venue

The Annual General Meeting will be held on Monday, 11 May 2009, at 9:00 a.m. at the Hotel Rival, Mariatorget 3, Stockholm. The doors will open at 8:00 a.m. and registration will be conducted until 9:00 a.m., when the doors will be closed.

Who is entitled to participate?

Shareholders who intend to participate in the Annual General Meeting shall

- be entered in the register of shareholders maintained by VPC AB (Swedish Securities Depository & Clearing Organization) on Tuesday, 5 May 2009
- notify the Company of their intention to participate not later than Tuesday, 5 May 2009, at 3:00 p.m.

Distance participation and voting is not available.

How to be entered in the register of shareholders

Shares can be registered in the register of shareholders maintained by VPC AB in the name of the owner or the nominee. Shareholders whose shares are registered in the names of nominees must temporarily register the shares in their own name to be entitled to participate in the Meeting. Shareholders requiring such registration must inform the nominee of this in sufficient time prior to 5 May 2009.

How to notify intention to participate

Shareholders can notify the Company of their intention to participate by using one of the following alternatives:

- through the Company's website, www.kinnevik.se
- by writing to the Company at: Investment AB Kinnevik, c/o Novator Bolagsservice AB, Box 10, SE-182 11 Danderyd, Sweden
- by telephone, +46 (0) 771 24 64 00, from 9 April, weekdays from 9:00 a.m. to 4:30 p.m.

Notification should include the following information:

- Name
- Personal identification number/corporate registration number
- Address and telephone number
- Shareholding
- Representatives, if applicable

If participation is based on written power of attorney, this should be submitted in conjunction with notification of participation in the Annual General Meeting.

Notification must be submitted to the Company not later than Tuesday, 5 May 2009 at 3:00 p.m.

Nomination Committee

During the autumn, a Nomination Committee was formed comprising Cristina Stenbeck as representative of Emesco AB and other shareholders, Tomas Nicolin as representative of Alecta, Edvard von Horn as representative of the von Horn family, Wilhelm Klingspor as representative of the Klingspor family, and Marianne Nilsson as representative of Swedbank Robur Fonder, who together represent more than 50% of the voting rights in Kinnevik. Information about the work of the Nomination Committee can be found on Kinnevik's corporate website at www.kinnevik.se. The Nomination Committee will submit a proposal for the composition of the Board of Directors, remuneration for the Board of Directors, remuneration for the auditors, proposal of election of auditors and proposal for Chairman at the AGM 2009.

Shareholders who wish to submit proposals to the Nomination Committee should contact:

E-mail: agm@kinnevik.se

Letter: Company Secretary, Investment AB Kinnevik, Box 2094, SE-103 13 Stockholm, Sweden

Financial information

Interim Report January-March, 23 April 2009

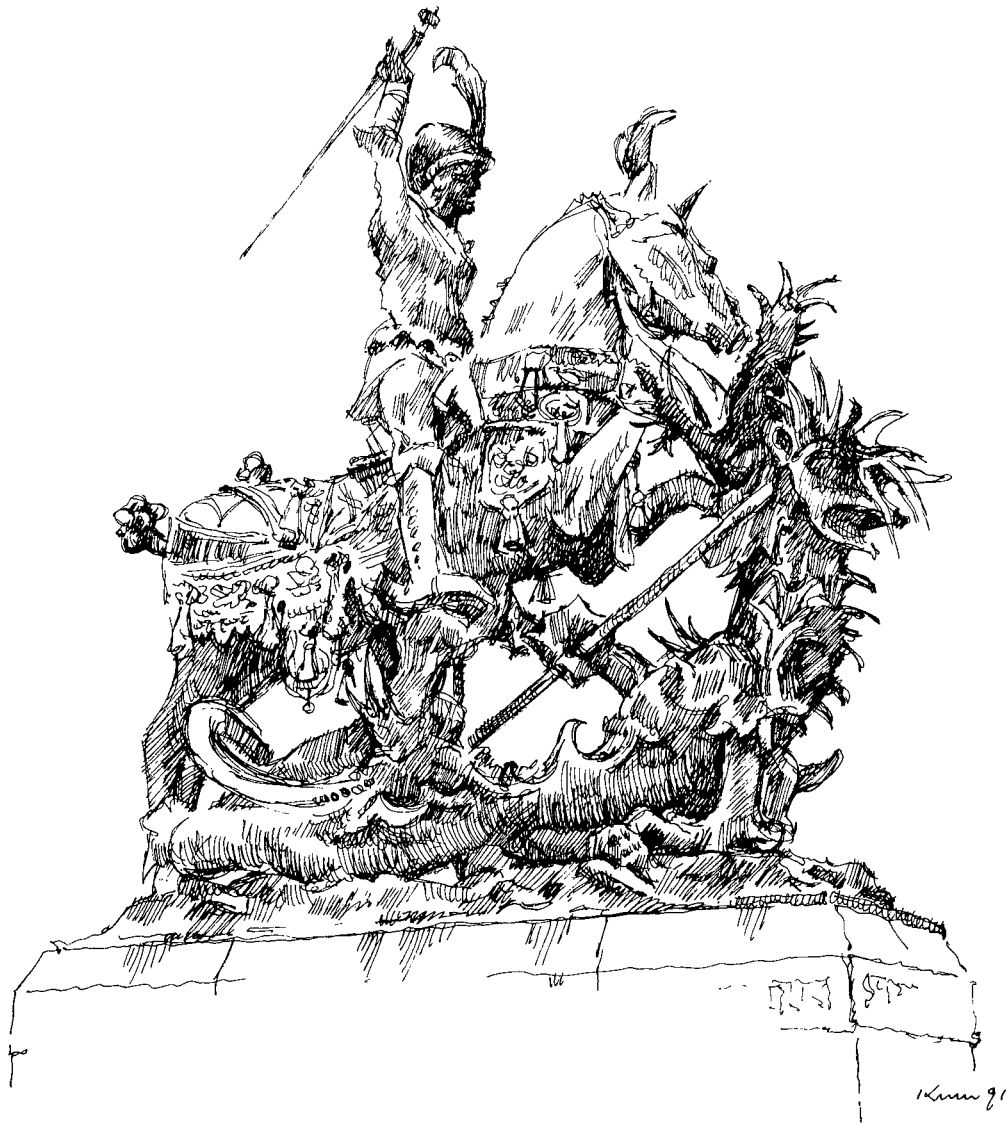
Interim Report January-June, 23 July 2009

Interim Report January-September, 22 October 2009

Year-end Report 2008, February 2010

Annual Report for 2008, March 2010

Annual General Meeting, May 2010



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