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INTERIM REPORT
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Financial results for the second quarter

- The net asset value decreased by 11.3% and amounted to SEK 57,749m at the end of June, compared to SEK 65,130m at the end of March.
- On 20 June, Kinnevik signed an agreement with Billerud regarding a merger between Korsnäs and Billerud, see further page 2. Korsnäs is from this interim report accounted for as "discontinued operations" in Kinnevik's accounts.
- The Group's total revenue amounted to SEK 549m (79).
- Net loss after tax, including changes in fair value of financial assets, amounted to SEK 6,259m (profit of 2,354) corresponding to a loss of SEK 22.58 (profit of 8.49) per share.
- Investments in shares and other securities amounted to SEK 1,370m (224) in the second quarter, of which SEK 1,242m within Online and Microfinancing.

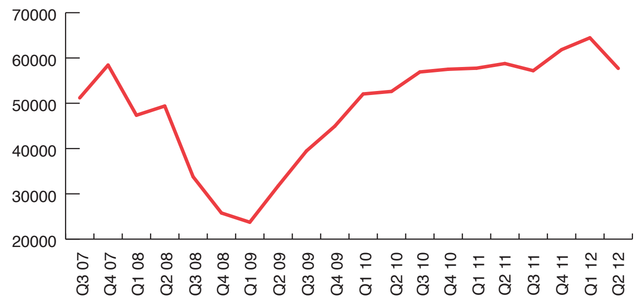
Financial results for the first half year

- The net asset value decreased by 6.7% from SEK 61,839m at the end of 2011.
- The Group's total revenue amounted to SEK 651m (148).
- Net loss after tax, including changes in fair value of financial assets, amounted to SEK 3,475m (profit of 2,204) corresponding to a loss of SEK 12.54 (profit of 7.95) per share.

The figures in this report refer to the second quarter and first half year 2012 excluding discontinued operations unless otherwise stated. The figures shown within brackets refer to the comparable periods in 2011.

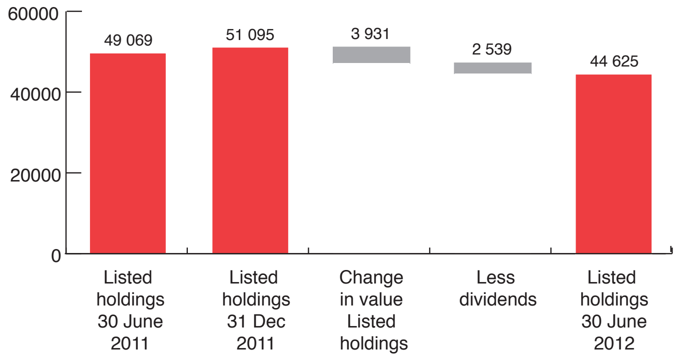
Kinnevik's net asset value 2007-2012

Pro forma adjusted for the acquisition of Emesco during Q3 2009. Figures in SEK m.



Market value - Listed Holdings

Figures in SEK m.



"The second quarter was exciting for Kinnevik with high activity level as the transformation of our portfolio continued. Kinnevik signed an agreement to merge Korsnäs with Billerud, creating a leading packaging company whilst also strengthening Kinnevik's balance sheet. The deal also further increases our focus on high growth consumer companies within mobile telephony, online and media and we invested another SEK 1.2bln within online during the quarter. With the sale of our Groupon shares we also demonstrated the value creation within online, underlining the potential that we see in these investments" says Mia Brunell Livfors, President and Chief Executive Officer of Kinnevik."

Kinnevik was founded in 1936 and thus embodies seventyfive years of entrepreneurship under the same group of principal owners. Kinnevik's holdings of growth companies are focused around the following business sectors; Telecom & Services, Online, Media, Microfinancing, Paper & Packaging and Agriculture & Renewable energy. Kinnevik has a long history of investing in emerging markets which has resulted in a considerable exposure to consumer sectors in these markets. Kinnevik plays an active role on the Boards of its holdings.

Total return

The Kinnevik share's average annual total return

Past 30 years [1]	20%
Past 5 years	3%
Past 12 months	3%

[1] Based on the assumption that shareholders have retained their allotment of shares in Tele2, MTG, Transcom and CDON.

Events during the second quarter

- On 20 June, Kinnevik signed an agreement with Billerud AB regarding a merger between Korsnäs and Billerud. Kinnevik will receive SEK 2.7bln in cash and shares in consideration and will thereby become the largest owner in the new company with an ownership stake of 25%, all net after the planned rights issue in Billerud amounting to SEK 2bln. The shares in the new company have been assigned a value of SEK 2.6bln in the transaction. Billerud will take over debt in the amount of SEK 5.7bln relating to Korsnäs and Latgran. In the transaction Korsnäs, including 5% of the shares in Bergvik Skog and 75% of the shares in Latgran Biofuels, is valued at approximately SEK 11bln on a debt-free basis.
  The merger between Korsnäs and Billerud is a natural step to strengthen Korsnäs and Billerud's successful businesses in virgin fiber packaging material with the aim to create a leading international player within the packaging industry. Kinnevik intends to be an active owner in the new company.
  Korsnäs and Billerud and their respective main owners identify significant synergy potential which is expected to be realised within the next few years as a result of the transaction. The synergy potential has been assessed to at least SEK 300m annually in a preliminary estimate.
  Per Lindberg, current CEO of Billerud, will be CEO and president of the new company and Christer Simrén, Korsnäs' current CEO will be vice-president and Chief Operating Officer.
  As from this interim report, Kinnevik accounts for the profit and loss, assets and liabilities of Korsnäs, Bergvik Skog and Latgran as "discontinued operations, assets held for sale and liabilities directly associated with assets held for sale". The gain on the sale of Korsnäs has not yet been recognised in the accounts since completion of the transaction is subject to customary approvals from relevant competition authorities and the approval of the shareholders of Billerud at an Extraordinary General meeting expected to be held in August 2012.
  After closing of the merger between Korsnäs and Billerud, Kinnevik's net debt will be reduced by SEK 8.4bn (cash proceeds SEK 2.7bln and debt assigned to Korsnäs of SEK 5.7bln).
- During the second quarter, Kinnevik invested a total of SEK 1,242m within Online and Microfinancing, of which SEK 1,123m in Rocket Internet's portfolio companies which means that approximately SEK 3.9bln out of the expected SEK 5bln in investments in online, microfinancing, agriculture and renewable energy in 2012 have been made in the first half year.
- In June Kinnevik divested its direct holding in Groupon, amounting to 8,377,158 shares. Proceeds from the sales amounted to SEK 569m (USD 81.5m), corresponding to an average price of USD 9.74 per share.
- Metro's shares, warrants and debentures were delisted on 31 May 2012. To enable holders of depositary receipts of shares and warrants in Metro to divest their holdings after the last day of trading, Kinnevik offers holders to divest their holdings to Kinnevik on terms corresponding to those applicable under the previous offer.
- In May Kinnevik increased its credit facility of SEK 5,300m by an additional SEK 1,200m at the same terms and conditions as the existing facility. The tenure of the facility is three years with extension options for another two years. In the quarter, Kinnevik did also carry out a first issue of SEK 790m under a Swedish commercial paper program with up to 12 months maturity. When the merger between Korsnäs and Billerud is closed, the Group's total credit facilities are expected to be reduced by SEK 6.9bln and thereafter amount to approximately SEK 6.6bln, excluding any commercial papers issued.

Dividend and capital structure

Kinnevik has in the second quarter received dividends from its listed holdings and paid dividend to the shareholders according to the following

Received dividends from listed holdings		
Millicom	USD 2.40 per share	656
Tele2	SEK 13 per share	1 761
MTG	SEK 9 per share	122
Total dividends received from listed holdings		**2 539**
Of which ordinary dividends		1 659
Dividend to Kinnevik's shareholders	SEK 5.50 per share	**-1 524**

The dividend payment to Kinnevik's shareholders corresponded to approximately 92% of the ordinary dividends received from Millicom, Tele2 and MTG.

The guidance for new investments within Online, Microfinancing, Agriculture and Renewable Energy is approximately SEK 5bln in 2012, compared to SEK 3bln invested in 2011. For the remainder of 2012, the parent company's leverage against the listed share portfolio is expected to be in the range of SEK 2 - 6bln.

Financial overview

The figures in this report refer to the second quarter and first half year 2012 excluding discontinued operations unless otherwise stated. The figures shown within brackets refer to the comparable periods in 2011. Metro is included in the Group's revenue and earnings from the second quarter 2012.

Consolidated earnings for the second quarter

The Group's total revenue during the second quarter amounted to SEK 549m, compared with SEK 79m in the preceding year.

The Group's operating loss amounted to SEK 5m (loss of 23).

The change in fair value of financial assets, including dividends received, amounted to a loss of SEK 6,155m (profit of 2,399), of which a loss of SEK 6,425m (profit of 2.385) was related to listed holdings and a profit of SEK 270m (14) to unlisted financial assets.

Net loss amounted to SEK 6,259m (profit of 2,354), corresponding to a loss of SEK 22.58 (profit of 8.49) per share.

Consolidated earnings for the first half year

The Group's total revenue during the first half year amounted to SEK 651m, compared with SEK 148m in the preceding year.

The Group's operating loss amounted to SEK 22m (loss of 43).

The change in fair value of financial assets, including dividends received, amounted to a loss of SEK 3,304m (profit of 2,285), of which a loss of SEK 3,337m (profit of 2,312) was related to listed holdings and a profit of SEK 33m (loss of 27) to unlisted financial assets.

Net loss amounted to SEK 3,475m (profit of 2,204), corresponding to a loss of SEK 12.54 (profit of 7.95) per share.

The Group's cash flow and investments

The Group's cash flow from operations excluding change in working capital amounted to a negative SEK 35m (negative 17) during the the first half year. Working capital increased by SEK 9m (decreased by 1).

Investments made in tangible and biological fixed assets amounted to SEK 32m (0) during the period.

The acquisition amount for the acquired shares, warrants and debentures in Metro following the public offer amounted to SEK 772m. After the end of the bid period, shares, warrants and debentures for another SEK 40m have been acquired.

During the first half of the year, Kinnevik signed agreements to invest SEK 3,938m in other shares and securities as shown in the table below, while cash paid for investments in other shares and securities amounted to SEK 4,297m.

Investments in financial assets during the period are shown in the tables below.

1 Jan-30 June 2012	**Financial instrument**	**Amount (SEK m)**
Subsidiaries		
Metro	shares/warrants	541
Metro	debentures	271
Investment within G3 Group	shares	88
		900
Other securities		
Online		
Rocket Internet with portfolio companies	shares/warrants	3 802
Avito	shares	50
Other Online investments		39
Microfinancing		
Bayport	shares	20
Seamless	shares	16
Other Microfinancing investments		11
		3 938

1 Jan-30 June 2011		
Subsidiaries		
G3 Group	shares	143
	shares	5
		148
Online		
Avito	shares	62
Rocket Internet with portfolio companies	shares/warrants	367
CDON	shares	48
Other Online investments		24
Microfinancing		10
		511

The Group's liquidity and financing

The Group's available liquidity, including short-term investments and available credit facilities, totalled SEK 4,236m at 30 June 2012 and SEK 5,465m at 31 December 2011 (including Korsnäs).

The Group's interest-bearing net debt amounted to SEK 9,704m at 30 June and SEK 6,539m at 31 December 2011. Of the total net debt at 30 June 2012, SEK 5,726m related to external net debt within Korsnäs or with shares in Korsnäs as collateral.

The Group's bank credit facilities carry an interest rate according to Stibor or similar base rate with an average margin of 1.3% (1.4%). All loans have fixed interest terms of no longer than three months. At 30 June 2012, the average remaining duration for all credit facilities amounted to 2.6 years. In addition to the bank credit facilities the Group had per 30 June 2012 issued commercial papers at an amount of SEK 790m with an average interest rate of 2.6%.

Of the Group's interest expenses and other financial costs of SEK 136m (90), interest expenses amounted to SEK 108m (75). This means that the average interest rate for the first half year was 4.2 % (3.5%) (calculated as interest expense in relation to average interest-bearing liabilities).

The Group's borrowing is primarily arranged in SEK. In 2012, the net flow in foreign currencies, excluding dividends received and investments made, is expected to about SEK 800m comprised mainly of Korsnäs' sales in EUR and GBP.

Taxes

In February, the Swedish Tax Authorities informed Kinnevik in an audit memorandum that they intend to increase the Group's taxes by approximately SEK 700m pertaining to Kinnevik's acquisition of Emesco AB in 2009. Following correspondence between the two parties and a number of meetings on the issue, the Tax Authorities have maintained their consideration to interpret the nature of the transaction in a manner that Kinnevik strongly refutes. Kinnevik has engaged a number of legal and tax experts, who all confirm Kinnevik's view of the matter. In April, Kinnevik responded to the audit memorandum, whereafter the Tax Authorities in June orally informed Kinnevik that they still intend to challenge the tax treatment of the transaction. The date for a decision on the issue is not known at present. If the Tax Authorities maintain their position and move forward with the issue against the company, Kinnevik will appeal the decision since the company is of the strong opinion that the Tax Authorities' interpretation of the law is incorrect. No provision has been made for the potential tax claim in the accounts.

Business combination

On 6 February 2012 Kinnevik made a public offer for all shares and other financial instruments in Metro which resulted in Kinnevik becoming the principal owner of Metro on 29 March owning 97.1% of the capital on a fully diluted basis. After further share purchases, Kinnevik owned 98.7% of the capital as per 30 June. Kinnevik is consolidating Metro from 31 March 2012, which was the first date on which Metro prepared consolidated financial statements following the acquisition. The acquisition value for all of Metro including Kinnevik's earlier holdings, as well as non-controlling interests has according to the preliminary acquisition assessment been calculated at SEK 1,419m, of which SEK 875m relates to shares and warrants, including net cash in Metro of SEK 313m. According to the preliminary acquisition assessment, the acquisition generated goodwill of approximately SEK 580m after surplus value of SEK 409m was allocated to trademarks and a deferred tax liability of SEK 108m was recorded. A more detailed description of the acquisition-value calculation will be included in the next quarterly report. Metro's operations have contributed to an operating profit of SEK 36m and a net loss of SEK 28m for the group during the period April-June. If Metro had been included in the Group from 1 January, sales would have been SEK 364m higher and operating earnings would have been SEK 4m lower.

Book and fair value of assets

SEK million	30 June 2012 Equity interest (%)	Voting interest (%)	Book value 2012 30 June	Fair value 2012 30 June	Fair value 2011 31 Dec	Total return 2012
Telecom & services						
Millicom	37.6.	37.6	24 631	24 631	26 088	-3%
Tele2	30.5	47.7	14 471	14 471	18 129	-10%
Transcom	33.0	39.7	222	222	189	17%
Total Telecom and services			**39 324**	**39 324**	**44 406**	
Online						
Rocket Internet with portfolio companies			8 852	8 852	5 434	
Groupon, directly owned shares			-	-	1 197	
Avito (directly and through Vosvik)	39 [1]	22	754	754	336	
CDON	25.1	25.1	682	682	629	8%
Other Online investments			185	214	204	
Total Online			**10 473**	**10 502**	**7 800**	
Media						
MTG	20.3	49.9	4 310	4 310	4 436	0%
Metro	98.7 [2]	98.7 [2]	1 047	1 047	277	
Metro subordinated debentures, interest bearing				-	287	
Interest bearing net cash, Metro			339	339	-	
Total Media			**5 696**	**5 696**	**5 000**	
Microfinancing						
Bayport	37	37	472	472	405	
Seamless	11.9 [2]	11.9 [2]	31	31	-	94%
Other Microfinancing investments			50	59	41	
Total Microfinancing			**553**	**562**	**446**	
Paper & packaging						
Korsnäs [4]	100	100	8 357	11 000 [3]	10 449 [3]	
Interest bearing net debt relating to Korsnäs			-5 726	-5 726	-5 212	
Total Paper & packaging			**2 631**	**5 274**	**5 237**	
Agriculture and renewable energy						
Black Earth Farming	24.9	24.9	278	278	427	-35%
Rolnyvik	100	100	171	250	250	
Vireo	78	78	50	97	58	
Total Agriculture and Renewable energy			**499**	**625**	**735**	
Interest bearing net debt against listed holdings			-4 317	-4 317	-1 605	
Debt, unpaid investments			-131	-131	-490	
Other assets and liabilities			214	214	310	
Total equity/net asset value			**54 942**	**57 749**	**61 839**	
Net asset value per share				**208.34**	**223.10**	
Closing price, class B share				138.50	133.80	8%

1) After full dilution.

2) After warrants have been utilised.

3) As per June 2012, value assigned in transaction with Billerud, see further page 2. As per December 2011, consensus among analysts covering Kinnevik.

4) Including 5% of the shares in Bergvik Skog and 75% of the shares in Latgran Biofuels AB.

Kinnevik's holdings

Kinnevik's assets

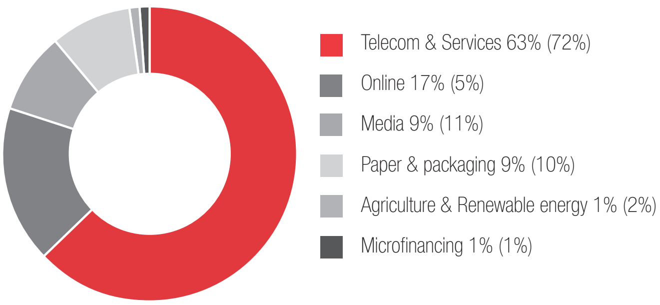
Value creation in Kinnevik's is driven by the company's exposure to high growth consumer markets both in developed economies and in emerging markets. Geographically, more than 50% of sales are to emerging markets in Eastern Europe including Russia, Latin America and Africa. Economic growth and rising private consumption in these regions are important growth drivers for Kinnevik.

The shift in consumer behavior towards online is affecting growth in many of the Kinnevik companies positively in all continents. For example, Millicom and Tele2 benefit from new services and increasing customer demand of data driving mobile traffic and revenues. The online companies are taking market share from offline stores, and the media companies are adapting their business models to accommodate their viewers and readers as they move online.

With the proposed merger between Korsnäs and Billerud, Kinnevik's focus on high growth consumer markets is further strengthened.

Kinnevik's business sectors

The figures shown within brackets refer to the comparable period previous year.



Telecom & Services

Investment (SEK m)	Ownership	Estimated fair value
Millicom	37.6%	24 631
Tele2	30.5%	14 471
Transcom	33.0%	222
Total		**39 324**

Return Telecom & Services	1 year	5 years
Average yearly internal rate of return (IRR)	2%	6%

Kinnevik has strong market positions in mobile telephony in Latin America, Sub-Saharan Africa, Scandinavia, the Baltics and Russia through its holdings in Millicom and Tele2. In total, Kinnevik's telecom assets cover a total population of 366 million people and have 78.1 million mobile subscribers in 24 countries.

Capturing the data growth is key in both Millicom and Tele2. In the second quarter 85% of Millicom's revenue growth came from the four new categories in which it is focusing investments, namely Information, Entertainment, Solutions and Mobile Financial Services. Millicom now has 5.2 million users of data services representing around 11.7% of the total customer base.

Tele2 now has more than 70,000 4G users and in the second quarter services such as WyWallet (for mobile payments) and +46 (IP-telephony when travelling) were launched.

Kinnevik's proportional part of revenue and operating result in its holdings

	Proportional part of		Change compared to Jan-June 2011	
Jan-June 2012 (SEK m)	revenue	EBIT	revenue	EBIT
Telecom & Services	13 480	2 342	8%	-7%
Online	1 908	-341	361%	N/A
Media	2 253	291	2%	-14%
Microfinancing	150	50	28%	67%
Paper & Packaging	4 444	449	6%	2%
Agriculture and Renewable energy	335	-10	84%	N/A
Total sum of Kinnevik's proportional part of revenue and operating result	**22 571**	**2 781**	**15%**	**-14%**

The table above is a compilation of the holdings' revenues and operating result reported for the first six months of 2012. The numbers in the table includes discontinued operations.

Revenues and operating result reported by the companies have been multiplied by Kinnevik's ownership share at the end of the reporting period, thereby showing Kinnevik's proportional share of the companies' revenues and operating result. Constant exchange rates (average rate for 2012) have been used when translating revenue and EBIT from each company's reporting currency into Swedish kronor. For companies that have not yet reported the results for the second quarter 2012 the results are included with one quarters delay.

The proportional share of revenues and operating result has no connection with Kinnevik's accounting and is only additional information.

Millicom

Key data (USD m)	Jan-June 2012	Jan-June 2011	April-June 2012	April-June 2011
Revenue	2 349	2 201	1 181	1 120
EBITDA	1 030	1 022	513	513
Operating profit, EBIT	574	604	279	293
Net profit	307	399	212	140
Number of mobile subscribers (million)	44 .5	41.3		

Millicom's underlying revenue in local currency grew by 8.9% in the second quarter compared to 8.4% in the first quarter of 2012. In the first half of the year, accelerated investments in new growth categories, including staffing, network building and handset subsidies have resulted in a dilution of the EBITDA margin.

In Latin America, where Millicom generates 80% of the revenue, the top line grew by 10.4% in local currency in the second quarter (9.9% underlying growth). In Africa, top line growth in local currency was 5.7% in the second quarter.

In the first half of 2012 the Information category was again the strongest contributor to growth, contributing more than half of the revenue growth in local currency. At the end of June, 15.5% of Millicom's customers were using mobile data services in Latin America. Also, for the first time ever, more revenue was generated from Value Added Services than from Voice in Paraguay.

Millicom's future success depends on the ability to innovate and seize new growth opportunities, leveraging on the strengths as a mobile operator. In the coming quarters, investment to strengthen innovation capabilities and accelerate growth will continue, through innovative categories and potential external opportunities should they arise like the acquisition of Cablevisión Paraguay in July 2012.

Tele2

Key data (SEK m)	Jan-June 2012	Jan-June 2011	April-June 2011	April-June 2011
Revenue	21 545	19 720	11 064	10 078
EBITDA	5 286	5 353	2 715	2 809
Operating profit, EBIT	2 810	3 410	1 427	1 737
Net profit	1 718	2 334	849	1 108
Number of subscribers (million)	36.3	32.3		

Net sales in the second quarter, excluding exchange rate differences and one-off items, increased by 10%. The revenue development was mainly a result of sustained success in mobile services and the integration of Network Norway. EBITDA margin was 25% (28%).

Tele2 Sweden increased mobile revenues by 6% as customer demand for smartphones and data services continued. The mobile EBITDA margin was negatively impacted due to increased sales cost mainly for subsidized smartphones during the temporary campaign in March and April and change in the method for calculation of bad debt reserves. After the end of the campaign the operational performance started improving significantly on a monthly basis with April, May and June delivering an EBITDA margin of 16%, 29% and 34% respectively. Tele2 Norway reported revenues of SEK 1,137m (617), positively impacted by the acquisition of Network Norway.

Tele2 Russia's total customer base grew by 693,000 (720,000) in the second quarter. During the last 12 months, Tele2 Russia's customer base has grown by 1,928,000 new users, proving that there is a continued solid demand for the company's services despite competitors' introduction of 3G services. The total customer base amounted to 21.6 (19.7) million at the end of June 2012. Tele2 Kazakhstan launched the last two regions in the second quarter and has now created the country's third mobile network. The milestone of 2 million customers was passed in May and Tele2 Kazakhstan's total customer base reached 2.5 (0.7) million by the end of June.

Tele2 Netherlands was able to further grow its total customer base, which led to a solid performance in the second quarter. The growth was mainly driven by high mobile intake and successful broadband contracts in the business market. EBITDA levels were stable, while revenue and cash flow performance was in line with the previous quarters.

Transcom

Key data (EUR m)	Jan-June 2012	Jan-June 2011	April-June 2011	April-June 2011
Revenue	294.5	278.4	147.4	134.3
Operating profit/loss, EBIT	2.5	-24.3	1.4	-26.8
Net profit/loss	-2.0	-26.0	-0.8	-27.9

Transcom's revenue grew by 9.7% in the second quarter despite the shift in volume from onshore to offshore delivery in North America & Asia Pacific region at a lower unit price, and the disposal of two sites in France during 2011. This development was mainly driven by higher volumes in North America & Asia Pacific, North and Iberia regions.

Despite challenging business conditions in Europe, Transcom's underlying business performance improved significantly. The implementation of the restructuring and rightsizing program announced in June 2011 is nearly complete and identified savings have been successfully delivered.

Online

Investment (SEK m)	Ownership	Invested amount	Estimated fair value
Rocket Internet with portfolio companies	mixed	7 211	8 852
Avito (directly and through Vosvik)	39%	336	754
CDON	25.1%	517 [1]	682
Other online investments	mixed	572	214
Total		**8 636**	**10 502**

[1] The value of dividend received from MTG when shares distributed and share purchases made thereafter.

Return Online	1 year	5 years
Average yearly internal rate of return (IRR)	40%	33%

Online services are growing strongly and Kinnevik is searching for various types of investments that will benefit from households spending a growing proportion of their time and budget online. The main focus is consumer-oriented services, with proven business concepts. Expansion in consumer-related Internet services is capital-intensive and competition in the market is tough, but at the same time, the growth potential is significant.

In the first half of 2012, Kinnevik invested SEK 3,891m within Online, of which SEK 3,802m in Rocket Internet with portfolio companies and SEK 50m in Avito. Out of the funds invested into Rocket Internet with portfolio companies, a majority were invested into the e-commerce companies Zalando, Dafiti, Lamoda and Namshi, as well as payment for exercising warrants in Rocket Internet.

At the end of June, investments in Online were valued at a total of SEK 10,502m. The assessed change in fair value recognized in the consolidated income statement amounted to a loss of SEK 588m (profit of 108) for the first half of the year, of which a loss of SEK 383m (loss of 2) related to the change of fair value in Rocket Internet with portfolio companies, a loss of SEK 627m (-) related to directly owned shares in Groupon which were sold in June 2012, a profit of SEK 368m (0) related to Avito and a profit of SEK 53m (profit of 110) related to CDON. The negative change related to Rocket Internet with portfolio companies is due to declining stock-market price of Rocket's shares in Groupon and negative exchange rate effects. These effects have been offset against positive revaluation of Zalando, Dafiti, Lamoda, Wimdu and Home24.

For the second quarter, the assessed change in fair value recognized in the consolidated income statement amounted to a loss of SEK 423m (profit of 79), of which a loss of SEK 147m (profit of 14) related to Rocket Internet with portfolio companies, a loss of SEK 389m (-) related to directly owned shares in Groupon, a profit of SEK 368m (0) related to Avito and a loss of SEK 258m (profit of 65) related to CDON.

In the valuation of Kinnevik's investment in Rocket Internet, all its portfolio companies with the exception of Zalando, Dafiti, Lamoda, Wimdu, Home24 and Groupon have been valued at cost, which is considered to correspond to fair value. Rocket's shares in Groupon have been valued at current stock-market price at the end of the reporting period and the other Rocket companies not valued at cost, and Avito, are recognized at the assessed fair value by applying a multiple to the company's historic sales. The multiple was determined based on a comparison with a group of comparable companies.

During 2011 and first half of 2012, a number of Rocket's portfolio companies as well as Avito, have issued new shares to external investors at price levels that exceeds Kinnevik's recognized assessed fair values. Since the newly issued shares have better preference over the portfolio companies' assets in the event of liquidation or sale than Kinnevik's shares have, Kinnevik do not consider these price levels as a relevant base for assessing the fair values in the accounts. The latest transactions that have been made with better preference than Kinnevik's shareholdings, have been made at levels that, applied on Kinnevik's shareholdings, is above SEK 6 bln higher than Kinnevik's book value as per 30 June 2012.

Rocket Internet

Rocket Internet is a company that incubates and develops e-commerce and other consumer-oriented online companies. Kinnevik owns 25% of Rocket Internet following the exercise of warrants during the first quarter of 2012. Kinnevik works closely with the founders of Rocket Internet in order to start up companies and develop them into leading Internet players. During the past year a number of companies have been established in emerging markets where Rocket Internet's online expertise can be combined with Kinnevik's experience and network.

Rocket Internet's portfolio comprises companies that are active in:

- E-commerce of footwear and fashion, with Zalando in Europe, Dafiti in Brazil, Lamoda in Russia, Namshi in Middle East and North Africa, The Iconic in Australia, Zalora in South East Asia, Zando in South Africa as well as other newly started companies in other emerging markets.
- E-commerce of furniture and home décor, with Home24 and Dalani in Europe and a number of other companies that have been started in emerging markets.
- E-commerce of general retail and sports goods with Kanui in Brazil, Lazada/Mizado in South-East Asia and Gulf region, and a number of other companies that have been started in other emerging markets.
- Marketplaces for brokering short-term housing through the companies Wimdu and Airizu.

Zalando

Zalando started its operations in Germany in 2008 and has today online shops also in the Netherlands, France, the United Kingdom, Austria, Italy, Switzerland and from the second quarter 2012 in Sweden, Spain and Belgium. The company intends to continue its expansion geographically and through increasing its range of footwear, fashion and accessories. In 2011, Zalando launched its own logistic center and opened the first warehouse operated by the company. A new warehouse construction project has been initiated in the city of Erfurt in Germany to start operations in 2012. Zalando continues to grow strongly. In 2011, the company generated full year net sales of EUR 510m, compared to EUR 154m in 2010, based on IFRS. Due to the strong growth and geographical expansion, the company reported an operating loss.

At the end of June, Kinnevik owned slightly above 25% of the capital in Zalando. The shares are directly held as well as indirectly through Rocket Internet.

Avito

Avito.ru is the leading online service for classified advertising in Russia. In the second quarter, the company had an average of 4.7 million new classifieds per month (1.8 million for the corresponding period last year) and 22.0 million (11.6) million unique monthly visitors. The company has during the first half year continued to invest to further strengthen its leading position. Revenues primarily derive from advertising sales on the website.

During the second quarter, Avito made a new share issue to existing as well as new owners. Out of a total of USD 75m in new financing, Kinnevik contributed with USD 10m at a pre-money valuation of USD 300m for the entire company. After the new issue of shares, Kinnevik owns, directly as well as indirectly through Vosvik AB, 39% of the capital in Avito after dilution from outstanding warrants.

CDON

CDON Group is a leading e-commerce company with some of the most well known and appreciated brands in the Nordic area.

	Jan-June		April-June	
Key data (SEK m)	**2012**	**2011**	**2012**	**2011**
Revenue	1 906	1 261	952	689
Operating profit/loss, EBIT	-56	39	-44	19
Net profit/loss	-50	23	-37	10

The second quarter was another strong growth quarter for CDON with a sales increase of 38%. The business is growing faster than both the traditional retail and online market which has helped strengthen its position in the e-commerce market.

The operating loss for the second quarter was SEK 44m. This is mainly due to the non-recurring costs related to Nelly's warehouse relocation as well as an ongoing shift within the Entertainment segment away from the sale of media products towards growth categories such as consumer electronics. There was an increase in sales and administration costs due to higher sales volume.

The Group's online stores attracted 54.5 (35.6) million visits and generated 1.4 (1.2) million orders during the second quarter, and 113.2 (69.7) million visits and 3.0 (2.5) million orders for the first half of the year. The geographic expansion continues with the launch of the fashion sites, Nelly.com in the United Kingdom and Heppo.com in the Netherlands.

Media

Investment (SEK m)	Ownership	Estimated fair value
Modern Times Group	20.3%	4 310
Metro	98.7%[1]	1 386
Total		**5 696**

[1] Fully diluted.

Return Media	1 year	5 years
Average yearly internal rate of return (IRR)	-22%	-6%

The Kinnevik media companies have strong market positions and brands with operations in a total of 41 markets and a combined reach of 125 million daily TV viewers in MTG and 18 million daily readers in Metro covering Scandinavia, Eastern Europe, Africa and Latin America.

Modern Times Group MTG

	Jan-June		April-June	
Key data (SEK m)	**2012**	**2011**	**2012**	**2011**
Revenue	6 776	6 656	3 517	3 531
Operating profit/loss, EBIT	1 226	1 374	684	688
Net profit/loss	908	969	454	479

MTG's revenue was stable for the second quarter with sales growth in the pay-TV business off-setting the lower sales in the free-TV business.

The content offering has been further enhanced in 2012 with the addition or extension of key Hollywood studio and sports broadcast rights, and launch of a number of new SD and HD channels. There has been growth in the satellite platforms in nine countries and increase in wholesale, virtual operator and online pay-TV businesses as well. The investment in channels and the Viaplay online pay-TV platform in both the Nordic region and the emerging markets continue to drive further growth. The operating margins were 18% and 21% for the Nordic and Emerging Market pay-TV businesses, respectively.

There was short term loss of TV advertising market share in Sweden and Norway in the second quarter, primarily due to the ratings impact of key sports events being shown on competing channels. In the emerging markets MTG has taken further TV advertising market share in majority of its territories in the second quarter.

Metro

After the public offer has now been successfully completed, it is Kinnevik's intention to continue Metro's operations in accordance with the strategic plan that has been developed by the management of Metro and continue to invest in emerging markets. This strategy entail a balance between cost savings in the free newspaper business while at the same time investing in emerging markets and in the online business.

Readership and Advertising Market

Metro is published in over 100 major cities in 22 countries across Europe, Asia, North and South America. Metro's global readership has increased by 8% year-on-year to approximately 18.5 million daily readers. Launch of new editions in Brazil and Mexico, and expansion in Colombia are the main reasons for the increase.

In Sweden, Metro consolidated its position and it is by far the most read newspaper in the country and the most read newspaper in Stockholm.

ZenithOptimedia (March 2012) is forecasting global advertising expenditure to grow by 4.8% in 2012. Newspapers advertising expenditure is expected to decline by 1.8% in 2012 in Western Europe and to increase by 8.2% in Latin America.

Operations

The table below gives the details on operational results:

EUR m	Jan-June 2012	Jan-June 2011	April-June 2012	April-June 2011
Revenue				
Europe	60.8	62.9	31.2	32.9
Emerging Markets	35.7	31.4	19.7	17.1
Head Quarters	3.6	2.4	2.0	1.7
Total	**100.1**	**96.8**	**52.9**	**51.6**
Operating profit, EBIT				
Europe	6.0	8.4	4.4	5.1
Emerging Markets	3.2	5.2	2.3	3.3
Share of Associates Income	0.4	-0.1	0.2	0.2
Head Quarters	-4.7	-7.0	-2.6	-3.2
Total	**4.8**	**6.6**	**4.3**	**5.4**

Revenue for continuing operations increased by 2% in the second quarter. In local currency, revenue like-for-like for continuing operations was flat with revenue growth in emerging markets and revenue decline in the European operations.

EBIT for the second quarter was EUR 4.3m, a decline of EUR 1.1m compared to 2011. The decline in EBIT is explained by the launch costs in Colombia, negative sales growth in Europe and costs in relation to the public offer.

The uncertain economic environment in the Eurozone has affected the advertising market. The newspaper advertising market continued to decline in Denmark and Holland due to concerns on the economy combined with a shift of advertisers towards other media. Year-on-year, sales declined by more than 5%. Sweden was moderately impacted due to a fall in recruitment advertising reflecting the general trend in the economy.

Metro continued to grow sales in Russia and Latin America. Metro Mexico showed sales growth of 22% year-on-year due to launch of a new edition in Guadalajara as well as an increase in market share in Mexico City. Metro St Petersburg had a sales growth of 5% year-on-year mainly due to an increase in the page rates built on readership gains.

Microfinancing

Investment (SEK m)	Ownership	Invested amount	Estimated fair value
Bayport	37%	349	472
Seamless	11.9% [1]	16	31
Milvik	58%	12	12
Microvest II	fund participation	41	40
Other		7	7
Total		**426**	**562**

[1] After warrants have been utilised.

Return Microfinancing	1 year	5 years
Average yearly internal rate of return (IRR)	46%	17%

Similar to the manner in which Kinnevik developed telecom services in emerging markets through innovative products and distribution networks, Kinnevik is now searching for investment opportunities in the microfinancing sector.

Bayport, a company offering micro credits and financial services in five African countries (Ghana, Uganda, Zambia, Tanzania and Botswana) as well as in Colombia, is Kinnevik's largest investment in the microfinancing sector. Bayport was founded in 2002 and has grown with profitability into a leading African micro credit company with total assets of around USD 295m. The company has about 238,000 customers and the product portfolio is continuously expanding, in the form of loans with longer duration and insurance products. Loans are used primarily for financing larger non-recurrent expenses, such as school fees, investment in farming or for starting smaller companies. Ghana and Zambia are Bayport's largest markets, while also the other countries are displaying rapid growth.

Seamless specialize in solutions for Mobile Money, prepaid e-Top Up and Value Added Services. Seamless transaction switch ERS 360° processes over 2.9bln transactions each year and has been deployed for more than 40 mobile operators in 26 countries. A recent addition to Seamless product portfolio is Seamless SEQR, a mobile payment and transaction service using QR codes on the front-end and Seamless transaction server on the back-end. Seamless was founded in 2001 and its shares are traded on NASDAQ OMX Stockholm. Seamless headquarter is in Stockholm with offices in Accra, Lahore, Mumbai and Riga.

Milvik provides the technology, distribution and insurance solutions which enable mobile telephone operators in emerging markets to provide microinsurance products to their customer base. Milvik is operating in Ghana, Tanzania and Senegal.

Microvest II is a fund focusing on equity investments in micro financing companies in emerging markets. The fund has currently nine investments, of which two in India, two in Peru, one in each of Paraguay, El Salvador, Ecuador and Kazakhstan, and one investment in a global microfinance group.

Paper & Packaging

Investment (SEK m)	Ownership	Estimated fair value
Korsnäs [1]	100%	11 000
Interest bearing net debt relating to Korsnäs		-5 726
Total		**5 274**

[1] Including 5% of the shares in Bergvik Skog AB and 75% in Latgran Biofuels AB.

Return Paper & Packaging	1 year	5 years
Average yearly internal rate of return (IRR) [2]	13%	12%

[2] Return calculated as net profit divided by average invested capital.

On 20 June, Kinnevik signed an agreement with Billerud AB regarding a merger between Korsnäs (including shares in Bergvik Skog and Latgran Biofuels) and Billerud. Kinnevik will become the largest owner in the new company with an ownership stake of 25%. The merger is a natural step to strengthen Korsnäs and Billerud's successful businesses in virgin fiber packaging material with the aim to create a leading international player within the packaging industry. Korsnäs and Billerud and their respective main owners identify significant synergy potential which is expected to be realised within the next few years as a result of the transaction. The synergy potential has been assessed to at least SEK 300m annually in a preliminary estimate. Per Lindberg, current CEO of Billerud, will be CEO and president of the new company and Christer Simrén, Korsnäs' current CEO will be vice-president and Chief Operating Officer. Completion of the transaction is subject to customary approvals from relevant competition authorities and the approval of the shareholders of Billerud at an Extraordinary General meeting expected to be held in August 2012.

Korsnäs

	Jan-June		April-June	
Key data (SEK m) [1]	**2012**	**2011**	**2012**	**2011**
Korsnäs Industrial				
Revenue	3 851	3 612	1 964	1 738
EBIT	438	422	203	168
Operating margin	11.4%	11.7%	10.3%	9.7%
Korsnäs Forestry				
Revenue	557	567	278	306
EBIT	11	20	6	10
Korsnäs Group				
Revenue	4 407	4 179	2 241	2 044
EBIT	449	442	209	178
Operating margin	10.2%	10.6%	9.3%	8.7%
Return on operational capital	10.6%	11.0%	9.7%	8.8%
Cash flow data				
EBITDA	757	745	364	330
Change in working capital	210	-282	134	-223
Cash flow from operations	961	323	462	44
Investments in tangible fixed assets	-308	-273	-213	-176
Production, thousand tons	521	534	254	256
Deliveries, thousand tons	538	509	275	250

[1] Excluding Latgran Biofuels AB.

Korsnäs' operating profit for the second quarter amounted to SEK 209m (178), which is SEK 31m higher than the year-earlier period. The increase in the second quarter was attributable to higher sales volumes, lower costs for pulpwood and lower energy costs, of which approximately SEK 30m was due to higher costs as a result of the breakdown of a turbine in Gävle last year. Higher chemical costs and lower fixed costs had a negative impact.

Operating profit for the first six months amounted to SEK 449m, compared with SEK 442m in the year-earlier period. The six-month results were impacted positively by lower costs for pulpwood and energy. Results were impacted negatively by higher costs for chemicals and higher fixed costs.

During the first six months, a provision of SEK 28m (4) for severance pay was recognized in fixed costs, of which SEK 21m (1) during the second quarter.

The explanatory items are presented in the table below.

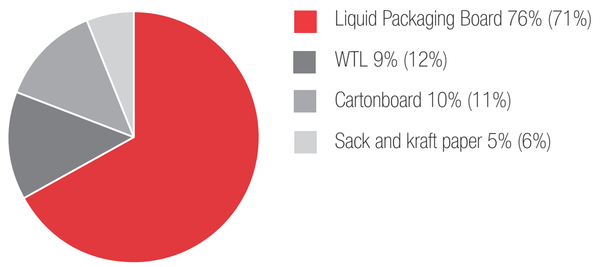
Explanation items in changes in EBIT (SEK m)	Jan-June	April-June
EBIT 2011	442	178
Delivery and production volumes and changed product mix	0	21
Sales prices including currency effects	19	6
Cost changes for energy	75	40
Cost changes for pulpwood and external pulp	30	20
Cost changes for chemicals	-35	-12
Change in fixed costs	-73	-43
Other	-9	-1
EBIT 2012	**449**	**209**

Market

Deliveries of liquid packaging board increased during the first six months of 2012, compared with the year-earlier period. Demand for other products was weaker year-on-year and sales volumes were somewhat lower. Price increases were implemented in line with agreements with major liquid-packaging-board customers. Price increases were also implemented in the sack and kraft paper business area. Prices in other product areas remained largely unchanged during the first six months of the year.

Korsnäs Industrial's sales volume divided per product January-June 2012

The figures shown within brackets refer to the comparable period previous year.



Production

The somewhat lower production volumes during the first six months of 2012, compared with the year-earlier period, were due to somewhat extended maintenance stoppages at the Frövi facility to adapt stock volumes to demand. In other respects, production during the six months functioned well. No operational problems had any significant impact on production volumes.

The supply of wood-fiber material has been good during the first six months of the year – particularly coniferous fibers. The stock of pulpwood is high. Prices for Swedish pulpwood remained largely unchanged during the first six months of the year following the decline in late 2011, while import prices for pulpwood declined during the period. The official prices for coniferous pulpwood in Central Sweden have declined by slightly more than 15% since October 2011, while prices for birch pulpwood declined by about 11%.

Distribution of operating costs January-June 2012

Excluding depreciation, Korsnäs Industrial. The figures shown within brackets refer to the comparable period previous year.

Investments and maintenance stoppages

The project pertaining to a new bioenergy facility in Korsnäs' industrial area is progressing in cooperation with Gävle Energi AB's jointly owned company, Bomhus Energi AB. The aim of the bioenergy facility is to assure delivery of eco-friendly electricity and steam to Korsnäs' plant in Gävle from 2013, as well as district heating to Gävle Energi's customers. All the main components have been procured within the project's budget framework and work to install the equipment is progressing according to plan. For Korsnäs, the investment in 50% of the shares and debenture loans to Bomhus will amount to approximately SEK 320m, of which SEK 274m has been paid to date. In addition to the investment in Bomhus Energi, Korsnäs will make further energy investments of about SEK 145m in the existing plant for the delivery of waste heat to Gävle Energi AB, of which SEK 121m has been paid to date.

Decisions have also been made to invest SEK 270m in the refurbishment of PM5 in Gävle, of which SEK 92m has been paid to date. The refurbishment, which will be implemented during scheduled maintenance stoppages in autumn 2012, will affect several sections of the machine and is an aggressive quality investment to improve the surface of cartonboard.

During 2011, a decision was also made to install a new wash press and to modify the oxygen phase in Fiber-line 3 in Gävle. The expansion, which is estimated to increase wood replacement and reduce requirements of bleaching chemicals, has been commissioned according to plan. The investment totals SEK 95m, of which SEK 73m has been paid to date.

During the second quarter of 2012, a decision was made to invest SEK 250m in the refurbishment of KM5 in Frövi. The refurbishment will be implemented during scheduled maintenance stoppages in spring 2013. The refurbishment will improve the appearance and printability of cartonboard and produce improved stiffness.

Maintenance stoppages for the year in the plants in Gävle and Frövi were scheduled for the same quarter as 2011, as stated in the table below.

Implemented and planned maintenance stoppages	2012	2011
Korsnäs Gävle	Q4: 11 days	Q4: 11 days
Korsnäs Frövi	Q2: 8 days	Q2: 8 days

Latgran

Latgran conducts production of pellets from forest raw materials at the company's three production facilities in Latvia. All production is exported to several major industrial customers in Scandinavia and the rest of Northern Europe.

	Jan-June		April-June	
Key data (SEK m)	2012	2011	2012	2011
Revenue	273	161	112	64
EBIT	30	23	13	9
Production, thousand tons	206	128	107	67
Deliveries, thousand tons	230	145	87	57

Deliveries during the first six months of the year were according to multi-year contracts the company has with its major customers. Sales prices rose according to agreements, which did not however fully offset higher costs for energy and other input goods, which is why the company's operating margin declined to 11% compared with 14% in the first half of 2011. The higher production volumes, compared with the year-earlier period, were due to the commissioning of the company's third pellet plant in South-East Latvia during the third quarter of 2011.

Agriculture & Renewable energy

Investment (SEK m)	Ownership	Invested amount	Estimated fair value
Black Earth Farming, Russia	24.9%	659	278
Rolnyvik, Poland	100%	174	250
Vireo Energy	78%	97	97
Total		**930**	**625**

Return Agriculture & Renewable energy	1 year	5 years
Average yearly internal rate of return (IRR)	-36%	-3%

Kinnevik's focus within Agriculture is to continue developing the areas that have been acquired at relatively low prices in less-developed areas in Poland and Russia to achieve higher productivity and return.

Within Renewable energy, the focus is on local production of energy from biogas and biomass in Eastern Europe.

Black Earth Farming

Black Earth Farming (BEF), with shares listed on NASDAQ OMX Stockholm, is a leading agricultural company with operations in Russia. The company acquires and cultivates agricultural land in the fertile Black Earth region in Southwest Russia.

	Jan-Mar		Full Year
Key data (USD m)	2012	2011	2011
Revenue	23.3	1.1	77.6
Operating loss, EBIT	-8.0	-10.9	-25.3
Net loss	-6.4	-15.3	-41.7

Black Earth Farming reported an operating loss of USD 8.0m for the first quarter. Due to the seasonality of business, there is limited activity in the first quarter in terms of production with sales of the 2011 crop inventory being the main event.

Revenue for the first quarter increased to USD 23.3m. In 2011, revenue was mainly impacted by an export ban in Russia and uncertainty in the market.

The initiatives to lift crop yield continue with training for employees and better seeding plan. To reduce the price risk, forward sales of a part of the expected production for 2012 will help reduce price volatility and improve profitability. The total estimated harvest area in 2012 will be 225 thousand hectares, a decrease of 2%compared to 2011 due to the late arrival of spring. The focus has been to prioritize the seeding of high margin crops like oilseeds at the expense of lower margin crops.

Rolnyvik

Kinnevik's wholly owned Polish agricultural company, Rolnyvik, operates the Barciany and Podlawki farms, with a total area of 6,705 hectares.

Rolnyvik reported an operating profit of SEK 14m (16) in the half of the year. As in previous years, a large portion of last year's harvest was stored and have been sold during the first half of 2012.

Vireo Energy

In 2010, Vireo Energy commenced operations aimed at building, owning and operating facilities that produce energy from renewable sources. Initially, the company is focusing primarily on projects to recover energy from landfill gas, and other forms of waste based biogas. Geographic focus is Poland and adjacent countries. Contracts have been signed for the recovery of biogas with a number of landfills in Poland and Belarus. Vireo are now investing in these facilities and is commencing the sale of energy.

Parent Company and other

The administration costs within the Parent Company and the Group's other companies amounted to a net expense of SEK 56 m (expense of 45) for the quarter after invoicing for services performed.

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, Sub-Saharan Africa and Russia.

For a more detailed description of the Company's risks and risk management, refer to the Board of Directors' report and Note 32 of the 2011 Annual Report.

Accounting principles

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU. This report was prepared in accordance with the Annual Accounts Act and IAS 34, Interim Financial Reporting.

The accounting principles and calculation methods applied in this report are the same as those described in the 2011 Annual Report.

Related party transaction

Related party transactions for the period are of the same character and amounts as the transactions described in the 2011 Annual Report.

Financial reports

Reporting dates for 2012:

19 October	Interim Report January-September
February 2013	Year-end release 2012

This Interim Report has not been subject to specific review by the Company's auditors.

Kinnevik discloses the information in this year-end release pursuant to the Swedish Securities Exchange and Clearing Operations Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication at 8.00 CET on 20 July 2012.

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Kinnevik was founded in 1936 and thus embodies seventy-five years of entrepreneurship under the same group of principal owners. Kinnevik's objective is to increase shareholder value, primarily through net asset value growth. The company's holdings of growth companies are focused around the following business sectors; Telecom & Services, Online, Media, Microfinancing, Paper & Packaging and Agriculture & Renewable energy.

Kinnevik has a long history of investing in emerging markets which has resulted in a considerable exposure to consumer sectors in these markets. Kinnevik plays an active role on the Boards of its holdings.

The Kinnevik class A and class B shares are listed on NASDAQ OMX Stockholm's list for Large Cap companies within the financial and real estate sector. The ticker codes are KINV A and KINV B.

The Board of Directors and the CEO certify that this undersigned six month interim report provides a true and fair overview of the Parent Company and Group's operations, financial position and performance for the period, and describes the material risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, 20 July 2012

Cristina Stenbeck Chairman of the Board	Tom Boardman Member of the Board	Vigo Carlund Member of the Board
Dame Amelia Fawcett Member of the Board	Wilhelm Klingspor Member of the Board	Erik Mitteregger Member of the Board
Bo Myrberg Member of the Board Employee representative	Allen Sangines-Krause Member of the Board	Tobias Söderholm Member of the Board Employee representative

Mia Brunell Livfors
CEO

CONDENSED CONSOLIDATED INCOME STATEMENT (SEK m)

	Note	2012 1 Jan- 30 June	2011 1 Jan- 30 June	2012 1 April- 30 June	2011 1 April- 30 June	2011 Full year
CONTINUING OPERATIONS						
Revenue		651	148	549	79	330
Cost of goods sold and services		-384	-109	-317	-60	-232
Gross profit/loss		**267**	**39**	**232**	**19**	**98**
Selling, administration, research and development costs		-295	-94	-243	-53	-245
Other operating income		20	12	16	11	23
Other operating expenses		-14	0	-10	0	-1
Operating profit/loss		**-22**	**-43**	**-5**	**-23**	**-125**
Dividends received	2	2 539	4 180	2 539	4 180	4 947
Change in fair value of financial assets	2	-5 843	-1 895	-8 694	-1 781	1 074
Interest income and other financial income		27	37	10	19	67
Interest expenses and other financial expenses		-136	-90	-76	-48	-168
Profit/loss after financial items		**-3 435**	**2 189**	**-6 226**	**2 347**	**5 795**
Taxes		-40	15	-33	7	58
NET PROFIT/LOSS FROM CONTINUING OPERATIONS		**-3 475**	**2 204**	**-6 259**	**2 354**	**5 853**
Net profit/loss from discontinued operations	4	315	335	137	136	702
Net profit/ loss for the period		**-3 160**	**2 539**	**-6 122**	**2 490**	**6 555**
Of which attributable to:						
Equity holders of the Parent Company						
Net profit/loss from continuing operations		-3 475	2 207	-6 261	2 356	5 857
Net profit/loss from discontinued operations		308	330	134	134	696
Non-controlling interest						
Net profit/loss from continuing operations		0	-3	2	-2	-4
Net profit/loss from discontinued operations		7	5	3	2	6
Earnings per share						
Earnings per share before dilution, SEK		-11.42	9.15	-22.10	8.98	23.64
Earnings per share after dilution, SEK		-11.42	9.15	-22.10	8.98	23.62
From continuing operations:						
Earnings per share before dilution, SEK		-12.54	7.95	-22.58	8.49	21.12
Earnings per share after dilution, SEK		-12.54	7.95	-22.58	8.49	21.10
Average number of shares before dilution		277 183 276	277 166 552	277 183 276	277 170 733	277 173 242
Average number of shares after dilution		277 483 975	277 365 154	277 481 967	277 366 296	277 396 143

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK m)

	2012 1 Jan- 30 June	2011 1 Jan- 30 June	2012 1 April- 30 June	2011 1 April- 30 June	2011 Full year
Net profit/loss for the period	-3 160	2 539	-6 122	2 490	6 555
Other comprehensive income for the period					
Translation differences	-13	9	-7	17	-3
Cash flow hedging	1	-74	3	-19	-82
Actuarial profit/loss	0	-62	0	-62	-14
Tax attributable to other comprehensive income	0	36	0	22	25
Total other comprehensive income for the period	**-12**	**-91**	**-4**	**-42**	**-74**
Total comprehensive income for the period	**-3 172**	**2 448**	**-6 126**	**2 448**	**6 481**
Total comprehensive income for the period attributable to:					
Equity holders of the Parent Company	-3 176	2 446	-6 128	2 448	6 478
Non-controlling interest	4	2	2	0	3

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT (SEK m)

	Note	2012 1 Jan-30 June	2011 1 Jan-30 June	2012 1 April-30 June	2011 1 April-30 June	2011 Full year
CONTINUING OPERATIONS						
Operating profit		-22	-43	-5	-23	-125
Adjustment for non-cash items		30	24	4	16	53
Taxes paid		-43	2	-2	-6	-1
Cash flow from operations before change in working capital		**-35**	**-17**	**-3**	**-13**	**-73**
Change in working capital		-9	1	41	-10	11
Cash flow from operations		**-44**	**-16**	**38**	**-23**	**-62**
Acquisition of subsidiaries		-474	-148	-132	-143	-148
Investments in tangible and biological fixed assets		-32	0	-22	0	-37
Sales of tangible and biological fixed assets		0	-6	0	-6	0
Investments in intangible fixed assets		0	0	0	0	-5
Investments in shares and other securities		-4 297	-511	-3 669	-81	-2 632
Sales of shares and other securities		569	0	569	0	28
Dividends received		2 539	4 180	2 539	4 180	4 947
Changes in loan receivables		66	9	66	0	-26
Interest received		3	6	3	0	26
Cash flow from investing activities		**-1 626**	**3 530**	**-646**	**3 950**	**2 153**
Change in interest-bearing liabilities		3 356	-2 015	2 061	-2 348	-389
Interest paid		-103	-55	-55	-24	-100
Dividend paid to equity holders of the Parent company		-1 524	-1 247	-1 524	-1 247	-1 247
Dividend paid to holders of non-controlling interest		0	0	0	0	-4
Cash flow from financing activities		**1 729**	**-3 317**	**482**	**-3 619**	**-1 740**
Cash flow for the period from continuing operations		**59**	**197**	**-126**	**308**	**351**
DISCONTINUED OPERATIONS						
Cash flow for the period from discontinued operations	4	824	-126	462	-292	-319
Cash flow for the period		**883**	**71**	**336**	**16**	**32**
Exchange rate differences in liquid funds		0	0	0	0	0
Cash and short-term investments, opening balance		**182**	**150**	**729**	**205**	**150**
Cash and short-term investments, closing balance		**1 065**	**221**	**1 065**	**221**	**182**

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CONDENSED CONSOLIDATED BALANCE SHEET (SEK m)

ASSETS	Note	2012 30 June	2011 30 June	2011 31 Dec
Fixed assets				
Intangible fixed assets		1 275	959	957
Tangible and biological fixed assets		260	6 395	6 526
Financial assets accounted to fair value through profit and loss	3	55 233	52 960	58 615
- whereof interest-bearing		*145*	*176*	*227*
Financial assets held to maturity		-	243	263
Investments in companies accounted for using the equity method		11	176	242
		56 779	**60 733**	**66 603**
Current assets				
Inventories		49	1 936	2 180
Trade receivables		350	922	771
Tax receivables		0	0	25
Other current assets		290	325	307
Short-term investments		3	18	0
Cash and cash equivalents		982	203	182
		1 674	**3 404**	**3 465**
Assets classified as held for sale	4	10 954	-	-
TOTAL ASSETS		**69 407**	**64 137**	**70 068**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Equity attributable to equity holders of the Parent Company		54 942	55 600	59 637
Equity attributable to non-controlling interest		93	53	50
		55 035	**55 653**	**59 687**
Long-term liabilities				
Interest-bearing loans		5 011	5 070	4 936
Provisions for pensions		39	573	534
Other provisions		4	16	9
Deferred tax liability		98	1 072	1 060
Other liabilities		23	4	12
		5 175	**6 735**	**6 551**
Short-term liabilities				
Interest-bearing loans		59	21	1 741
Provisions		1	27	19
Trade payables		166	1 072	999
Income tax payable		51	0	10
Other payables		596	629	1 061
		873	**1 749**	**3 830**
Liabilities directly associated with assets classified as held for sale	4	8 324	-	-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**69 407**	**64 137**	**70 068**

CONDENSED REPORT OF CHANGES IN EQUITY FOR THE GROUP (SEK m)

	2012 1 Jan- 30 June	2011 1 Jan- 30 June	2012 1 April- 30 June	2011 1 April- 30 June	2011 Full year
Equity, opening balance	**59 687**	**54 425**	**62 705**	**54 427**	**54 425**
Total comprehensive income for the period	-3 172	2 448	-6 126	2 448	6 481
Acquisitions from non-controlling interest	-20	-	-20	-	-
Business combination, non-controlling interest	56	22	-	22	22
Contribution from non-controlling interest	5	2	-	2	2
Dividend paid to owners of non-controlling interest	-		-		-4
Dividend paid to shareholders of the Parent company	-1 524	-1 247	-1 524	-1 247	-1 247
Effect of employee share saving programme	3	3	0	1	8
Equity, closing amount	**55 035**	**55 653**	**55 035**	**55 653**	**59 687**
Equity attributable to the shareholders of the Parent Company	54 942	55 600	54 942	55 600	59 637
Equity attributable to non-controlling interest	93	53	93	53	50

KEY RATIOS	2012 30 June	2011 30 June	2011 31 Dec
Debt/equity ratio	0.09	0.10	0.12
Equity ratio	79%	87%	85%
Net debt	3 978	5 024	6 539

DEFINITIONS OF KEY RATIOS

Debt/equity ratio	Interest-bearing liabilities including interest-bearing provisions divided by shareholders' equity.
Equity ratio	Shareholders' equity including non-controlling interest as percentage of total assets.
Net debt	Interest-bearing liabilities including interest-bearing provisions less the sum of interest-bearing receivables, short-term investments and cash and cash equivalents.
Operating margin	Operating profit after depreciation divided by revenue.
Operational capital employed	Average of intangible and tangible fixed assets, investments in companies accounted for using the equity method, inventories and short-term non-interest bearing receivables less other provisions and short-term non interest bearing liabilities.
Return on operational capital employed	Operating profit after depreciation divided by average operational capital employed.

NOTES TO THE GROUP'S FINANCIAL STATEMENTS (SEK m)

Note 1 Condensed segment reporting

Kinnevik is a diversified company whose business consists of managing a portfolio of investments and to conduct operations through subsidiaries. The Kinnevik Group's accounting is distributed on the following three accounting segments:

Metro - following the acquisition of Metro on 29 March 2012, Metro is an accounting segment from the second quarter 2012.

Other operating subsidiaries - Rolnyvik, Vireo Energy, Relevant Traffic, Guider Media, Duego Technologies, Milvik and G3 Good Governance Group.

Parent Company & other - all other companies and financial assets (including change in fair value of financial assets).

This distribution coincides with the internal structure for controlling and monitoring used by Kinnevik's management.

1 Jan-30 June 2012	Metro	Other operating subsidiaries	Parent company & other	Total Group
Revenue	459	189	3	651
Operating costs	-416	-193	-58	-667
Depreciation	-7	-4	-1	-12
Other operating income and expenses	0	6		6
Operating profit/loss	**36**	**-2**	**-56**	**-22**
Dividends received			2 539	2 539
Change in fair value of financial assets	2		-5 845	-5 843
Financial net	-50		-59	-109
Profit/loss after financial items	**-12**	**-2**	**-3 421**	**-3 435**
Investments in subsidiaries and financial fixed assets	812	88	3 938	4 838
Investments in tangible and biological fixed assets	2	29	1	32

1 Jan-30 June 2011	Other operating subsidiaries	Parent company & other	Total Group
Revenue	142	6	148
Operating costs	-147	-51	-198
Depreciation	-5	0	-5
Other operating income and expenses	6	6	12
Operating profit/loss	**-4**	**-39**	**-43**
Dividends received		4 180	4 180
Change in fair value of financial assets		-1 895	-1 895
Financial net	1	-54	-53
Profit/loss after financial items	**-3**	**2 192**	**2 189**
Investments in subsidiaries and financial fixed assets	143	516	659
Investments in tangible and biological fixed assets	0	0	0

1 Apr-30 June 2012	Metro	Other operating subsidiaries	Parent company & other	Total Group
Revenue	459	88	2	549
Operating costs	-416	-101	-33	-550
Depreciation	-7	-3	0	-10
Other operating income and expenses	0	6	0	6
Operating profit/loss	**36**	**-10**	**-31**	**-5**
Dividends received			2 539	2 539
Change in fair value of financial assets	2		-8 696	-8 694
Financial net	-50	1	-17	-66
Profit/loss after financial items	**-12**	**-9**	**-6 205**	**-6 226**
Investments in subsidiaries and financial fixed assets	40	88	1 242	1 370
Investments in tangible fixed assets	2	19	1	22

1 Apr-30 June 2011	Other operating subsidiaries	Parent company & other	Total Group
Revenue	76	3	79
Operating costs	-84	-27	-111
Depreciation	-2	0	-2
Other operating income and expenses	3	8	11
Operating profit/loss	**-7**	**-16**	**-23**
Dividends received		4 180	4 180
Change in fair value of financial assets		-1 781	-1 781
Financial net	1	-30	-29
Profit/loss after financial items	**-6**	**2 353**	**2 347**
Investments in subsidiaries and financial fixed assets	143	81	224
Investments in tangible fixed assets	0	0	0

1 Jan-31 Dec 2011	Other operating subsidiaries	Parent company & other	Total Group
Revenue	318	12	330
Operating costs	-332	-121	-453
Depreciation	-22	-2	-24
Other operating income and expenses	15	7	22
Operating profit/loss	**-21**	**-104**	**-125**
Dividends received		4 947	4 947
Change in fair value of financial assets		1 074	1 074
Financial net	0	-101	-101
Profit/loss after financial items	**-21**	**5 816**	**5 795**
Investments in subsidiaries and financial fixed assets	143	3 127	3 270
Investments in intangible fixed assets	5		5
Investments in tangible and biological fixed assets	34	2	36

Note 2 Change in fair value of financial assets and dividends received

	2012 1 Jan-30 June	2011 1 Jan-30 June	2012 1 April-30 June	2011 1 April-30 June	2011 Full year
Listed holdings					
Millicom	-800	1 063	-3 070	2 539	2 965
Tele2	-1 897	1 680	-2 046	840	2 873
Transcom	33	-119	-33	-93	-314
CDON	53	110	-258	65	108
Groupon, direct ownership	-627	-	-389	-	747
MTG	-4	-273	-489	-743	-1 472
Metro [1]	39	-77	-	-89	-382
Seamless	15	-	-14	-	-
Black Earth Farming	-149	-72	-126	-134	-396
Total listed holdings	**-3 337**	**2 312**	**-6 425**	**2 385**	**4 129**
Unlisted holdings					
Online	-14	-2	224	14	1 811
Microfinancing	47	-25	46	0	73
Agriculture	0	0	0	0	8
Total unlisted holdings	**33**	**-27**	**270**	**14**	**1 892**
Total	**-3 304**	**2 285**	**-6 155**	**2 399**	**6 021**

Note 3 Financial assets accounted at fair value through profit and loss

	30 June 2012 Class A shares	30 June 2012 Class B shares	2012 30 June	2011 30 June	2011 31 Dec
Listed holdings					
Millicom	37 835 438		24 631	24 953	26 088
Tele2	18 507 492	116 988 645	14 471	16 937	18 129
Transcom	247 164 416	163 806 836	222	214	189
CDON	16 639 607		682	578	629
Groupon, direct ownership	-	-	-	-	1 197
MTG	5 119 491	8 384 365	4 310	5 635	4 436
Metro [1]			-	581	277
Seamless	2 300 000		31	-	-
Black Earth Farming	31 087 097		278	752	427
Total listed holdings			**44 625**	**49 650**	**51 372**
Unlisted holdings					
Online			9 768	2 156	5 895
Media			127	-	-
Microfinancing			519	332	440
Paper & Packaging			0	581	656
Agriculture			3	24	3
Parent Company & other			191	217	249
Total unlisted holdings			**10 608**	**3 310**	**7 243**
Total			**55 233**	**52 960**	**58 615**

[1] Metro became a subsidiary to Kinnevik on 29 March 2012. The change in fair value for the first half year 2012 relates to the period from 1 January until the bid was published on 6 February.

Note 4 Discontinued operations

On 20 June 2012, Kinnevik announced that it has signed an agreement with Billerud AB regarding a merger between Korsnäs and Billerud. Kinnevik will receive SEK 2.7bln in cash consideration and will be the largest owner in the new company with an ownership stake of 25%, all net after the planned rights issue in Billerud amounting to SEK 2bln. The shares in the new company have been assigned a value of SEK 2.6bln. Billerud will take over debt in the amount of SEK 5.7bln relating to Korsnäs and Latgran. Korsnäs is thus valued at approximately SEK 11bln.

The transaction, which is expected to be complete in the fourth quarter 2012, is subject to customary approvals from relevant competition authorities and the approval of the shareholders of Billerud at an Extraordinary General meeting expected to be held in August 2012.

The divestments of Korsnäs, 75% of the shares in Latgran Biofuels and 5% of the shares in Bergvik Skog has been reported separately as discontinued operations in the income statement, with retrospective effect on previous periods, and in the balance sheet from 30 June 2012 according to IFRS 5-Non-current assets held for sale and discontinued operations.

Financial statements

Income statement for discontinued operations

	2012 1 Jan-30 June	2011 1 Jan-30 June	2012 1 April-30 June	2011 1 April-30 June	2011 Full year
Revenue	4 621	4 412	2 285	2 146	8 699
Operating costs	-3 850	-3 677	-1 913	-1 824	-7 268
Depreciation	-318	-310	-160	-156	-623
Other operating income and expenses	32	46	13	24	143
Operating profit/loss	**485**	**471**	**225**	**190**	**951**
Dividends received	4	4	4	4	4
Change in fair value of financial assets	9	20	3	7	97
Financial net	-87	-75	-41	-34	-158
Profit/loss after financial items	**411**	**420**	**191**	**167**	**894**
Taxes	-96	-85	-54	-31	-192
Net profit for the period	**315**	**335**	**137**	**136**	**702**

Assets and liabilities held for sale

	2012 30 June
Fixed assets	
Intangible fixed assets	781
Tangible and biological fixed assets	6 306
Financial assets accounted to fair value through profit and loss	667
Investments in companies accounted for using the equity method	276
	8 030
Current assets	
Inventories	1 872
Trade receivables	811
Other current assets	161
Cash and cash equivalents	80
	2 924
TOTAL ASSETS	**10 954**

	2012 30 June
Long-term liabilities	
Interest-bearing loans	5 318
Provisions	505
Deferred tax liability	1 050
	6 873
Short-term liabilities	
Provisions	22
Trade payables	916
Income tax payable	32
Other payables	481
	1 451
TOTAL LIABILITIES	**8 324**

Cash flow statement for discontinued operations

	2012 1 Jan- 30 June	2011 1 Jan- 30 June	2012 1 April- 30 June	2011 1 April- 30 June	2011 Full year
Cash flow from operations	1 001	378	468	44	843
Cash flow from investing activities	-340	-355	-248	-240	-855
Cash flow from financing activities	163	-149	242	-96	-307
Cash flow for the period	**824**	**-126**	**462**	**-292**	**-319**

CONDENSED PARENT COMPANY INCOME STATEMENT (SEK m)

	2012 1 Jan- 30 June	2011 1 Jan- 30 June	2012 1 April- 30 June	2011 1 April- 30 June	2011 Full year
Revenue	10	9	6	5	18
Administration costs	-55	-46	-31	-27	-121
Other operating income	0	1	0	0	2
Operating loss	**-45**	**-36**	**-25**	**-22**	**-101**
Dividends received	3 756	3 483	3 756	3 483	3 640
Result from financial assets	111	0	78	0	-661
Net interest income/expense	167	165	76	85	111
Profit/loss after financial items	**3 989**	**3 612**	**3 885**	**3 546**	**2 989**
Taxes	-18	-34	1	-17	-8
Net profit/loss for the period	**3 971**	**3 578**	**3 886**	**3 529**	**2 981**

CONDENSED PARENT COMPANY BALANCE SHEET (SEK m)

	2012 30 June	2011 30 June	2011 31 Dec
ASSETS			
Tangible fixed assets	3	2	2
Financial fixed assets	47 875	43 211	42 581
Short-term receivables	49	22	569
Cash and cash equivalents	1	1	1
TOTAL ASSETS	**47 928**	**43 236**	**43 153**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity	41 163	39 304	38 712
Provisions	31	32	32
Long-term liabilities	6 621	3 795	1 828
Short-term liabilities	113	105	2 581
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**47 928**	**43 236**	**43 153**

The Parent Company's liquidity, including short-term investments and unutilized credit facilities, totalled SEK 2,588m at 30 June 2012 and SEK 4,437m at 31 December 2011. The Parent Company's interest bearing external liabilities amounted to SEK 5,543m (2,173) on the same dates.

Investments in tangible fixed assets amounted to SEK 1m (1) during the period.

As of 30 June 2012 the number of shares in Investment AB Kinnevik amounted to 277,583,190 shares of which 48,665,324 are class A shares with ten votes each, 228,653,284 are class B shares with one vote each and 264,582 are class C treasury shares with one vote each. In June, 135,332 class C shares were converted to class B shares to be delivered to the participants in the Long Term Incentive Plan for 2009. The total number of votes in the Company amounted at 30 June 2012 to 715,571,106 (715,171,192 excluding 264,582 class C and 135,332 class B treasury shares). The Board has authorization to repurchase a maximum of 10% of all shares in the Company. The Board has not used the authorization during the first half year 2012. There are no convertibles or warrants in issue.