



Investment AB Kinnevik

INTERIM REPORT 1 JANUARY – 30 JUNE 2014

Q2

- The net asset value increased during the quarter by 4% corresponding to SEK 2,326m, after a dividend paid of SEK 1,941m, and amounted to SEK 68,509m at the end of June, corresponding to SEK 247 per share.
- The increase in net asset value was driven by a positive change in fair value of SEK 5,325m related to the unlisted holdings and a negative change in fair value of SEK 775m related to the listed holdings, net of dividends received.
- Profit per share amounted to SEK 15.02 (0.62).
- New investments amounted to SEK 140m, of which SEK 132m into E-commerce & Marketplaces.
- The share price increased 19% to SEK 284.80 at the end of June.

H1

- The net asset value increased during the first half year by SEK 2,982m.
- Profit per share amounted to SEK 17.52 (loss of 5.21).
- New investments amounted to SEK 616m, of which SEK 514m into E-commerce & Marketplaces.

HIGHLIGHTS

- Lorenzo Grabau assumed the role of CEO of Kinnevik on 1 May. Kinnevik will focus on building a select number of leading digital consumer brands through key partnerships around the world.
- Compared to the first half of 2013, Kinnevik's proportional share of its investee companies' revenues grew by 10% with E-commerce & Marketplaces growing 38%.
- Based on preliminary numbers for the first half of 2014, Zalando reached revenues of EUR 1,020-1,060m and recorded an operating profit during the second quarter, resulting in an operating result around breakeven for the first half of 2014.
- In May, Bigfoot I and Bigfoot II shares were transferred from Rocket Internet to Kinnevik, increasing its direct ownership by 5.5% in Bigfoot I and 4.6% in Bigfoot II.
- In June, Rocket Internet's legal form was transformed into a German stock corporation (AG).
- On 30 June, Kinnevik had a net cash position of SEK 1.1bln in the parent company. Revised guidance for new investments for the full year 2014 is SEK 1.0-1.5bln.
- Kinnevik was included in the OMXS30 index on 1 July.

TOTAL RETURN

The Kinnevik share's average annual total return

Past 30 years	16%
Past 10 years	19%
Past 5 years	34%
Past 12 months	70%

Total return is calculated on the assumption that shareholders have reinvested all cash dividends and dividends in kind into the Kinnevik share.

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The figures in this report refer to the second quarter 2014 unless otherwise stated. Figures shown within brackets refer to comparable periods in 2013.



Chief executive's review

Dear shareholders,

It is a pleasure to address you in my first quarterly report since assuming the role of CEO on May 1st. Having been a board member of Kinnevik for the past year, I took on my role with a good understanding of our unique history, key opportunities and upcoming challenges.

I have spent my first two months working closely with the Kinnevik team and with our Board to establish our strategy for the next five years and to define a clear set of priorities to execute upon. Our vision is clear: we want to build a select number of leading digital consumer brands in key markets around the world. We want to work in partnership with talented managers, entrepreneurs and other investors to build a limited number of great companies. Assuming our current asset mix, we aim to deliver 15% total return over the medium to long term.

Results for the Second Quarter

During the second quarter of 2014, Kinnevik's Net Asset Value ("NAV") increased 4% to SEK68.5bln or SEK 247 per share. Growth in our NAV was driven by a 26% increase in the value of our E-commerce and Marketplaces investments (which now account for 39% of our NAV), partially offset by a 2% decline in the value of our Communication investments (adjusted for dividends), and by the SEK1.9bln Kinnevik dividend payment. During the period, our share price increased 19% to SEK 285, ending the quarter at a 15% premium to our reported NAV. However, if we were to apply the valuation ascribed to our private investments in the latest financing rounds the premium would have been reduced to 7% as of June 30, 2014.

On a see-through and proportionate basis, the companies we are invested in grew revenues by 10% and EBIT declined by 1% in the first six months. However, our NAV was impacted by a decline in public markets multiples.

Millicom and Tele2 delivered a solid sets of results. Millicom reported revenues growth of 7% and a 3% decline in EBITDA for the quarter as the company continued to invest in accelerating the growth of its mobile and Pay TV business. In addition to a number of key initiatives intended to strengthen the Tigo brand, Millicom together with Airtel and Zantel signed Africa's first mobile money interoperability agreement. Tele2 reported revenues and EBITDA down by approximately 1%, as a 7% growth in mobile end-user service revenues was offset by lower interconnect levels within mobile and a decline in its fixed telephony and broadband business. Following the close of the quarter, both Millicom and Tele2 made significant progress in the refocusing of their operations by announcing the sale of a number of non-core businesses.

All of our E-commerce and Marketplaces companies continued to enjoy healthy growth rates and to progress on their path to profitability. Zalando's preliminary unaudited



results indicate 26-31% revenue growth and around EBIT break-even on a total company basis for the first half of 2014. The Emerging Markets Fashion Companies continued to gain broad acceptance in their target markets and demonstrate their ability to grow revenues well above market benchmarks.

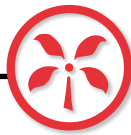
During the quarter Rocket Internet strengthened its regional presence by completing the extension of its African partnership with Millicom to include South African based MTN, and by entering into a new South East Asian joint venture with Qatar-based telecom operator Ooredoo to jointly develop online businesses in Pakistan, Myanmar, Thailand, Malaysia, Singapore, Indonesia, Vietnam, the Philippines, and Australia. In addition, Rocket Internet launched several new models including Helpling, an online platform for domestic cleaners and Spaceway, an on-demand storage service.

MTG reported net sales growth of 13% (3% organic) driven by a 7% growth in sales at its Pay TV Nordic business and by the consolidation of its three recent acquisitions in the TV production sector: DRG, Novemberfilm and Nice Entertainment. EBIT before non-recurring items grew 2% as MTG continued to invest in its FTA emerging markets businesses. MTG completed the acquisition of Trace, a leading urban contemporary music television network with significant International presence and growth potential.

Investment Management Activities

Kinnevik is an entrepreneurial company focused on building best in class businesses with international potential. Following the significant investment phase of recent years, the first six months of 2014 have seen a much reduced investment activity, with total Q2 investments of only SEK 0.1bln.

During the second quarter, our teams in Stockholm and London have focused on strengthening and in some cases supporting the transformation of many of our over 40 investee companies. In addition to assessing strategic options



for individual business units and identifying operational improvement opportunities, our teams have focused on establishing and monitoring a larger number of KPIs across our portfolio and on recruiting additional human resources in key functions.

In May 2014, Kinnevik transferred shares in two holding companies (Bigfoot I and Bigfoot II) into direct ownership to further strengthen our ability to work actively with the management teams of the Emerging Markets Fashion Companies. In June 2014, Rocket Internet changed its legal form to a private German stock corporation (AG) further raising its market standing and its ability to access capital.

Year to date, we have invested SEK 0.6bln, mainly in our E-commerce and Marketplaces companies. For the full year, we are revising the guidance for new investments to SEK 1.0-1.5bln in line with our objective to focus our efforts on our existing investee companies.

Financial and Capital Markets Position

Kinnevik ended the quarter with a Net cash position of SEK 1.1bln in the parent company. Over the last 12 months, our shareholder base has continued to expand with the addition of a number of leading international institutional investors. We were delighted by NASDAQ OMX's decision to include Kinnevik in the OMXS30 Index as of July 1st.

As the various businesses we are invested in grow and establish themselves as stronger, independent companies, we expect them to continue expanding their shareholding base, strengthen corporate governance and potentially seek new capital in the public markets to support further growth. We remain very supportive of these developments which increase flexibility for both the investee companies and for Kinnevik.

I want to take this opportunity to invite you to our Capital Markets Day in Stockholm on September 18, where we will be describing our strategy in greater depth and introduce you to several of our companies. Further details on the event and registration forms will be available on our website at www.kinnevik.se.

We have an outstanding portfolio of growing digital brands, a unique growth markets presence, a strong balance sheet and a focused and dedicated team. I am very fortunate to have taken over as CEO at this exciting time in Kinnevik's history and look forward to working with our team to continuing to deliver superior shareholder returns.

Lorenzo Grabau
CEO and President

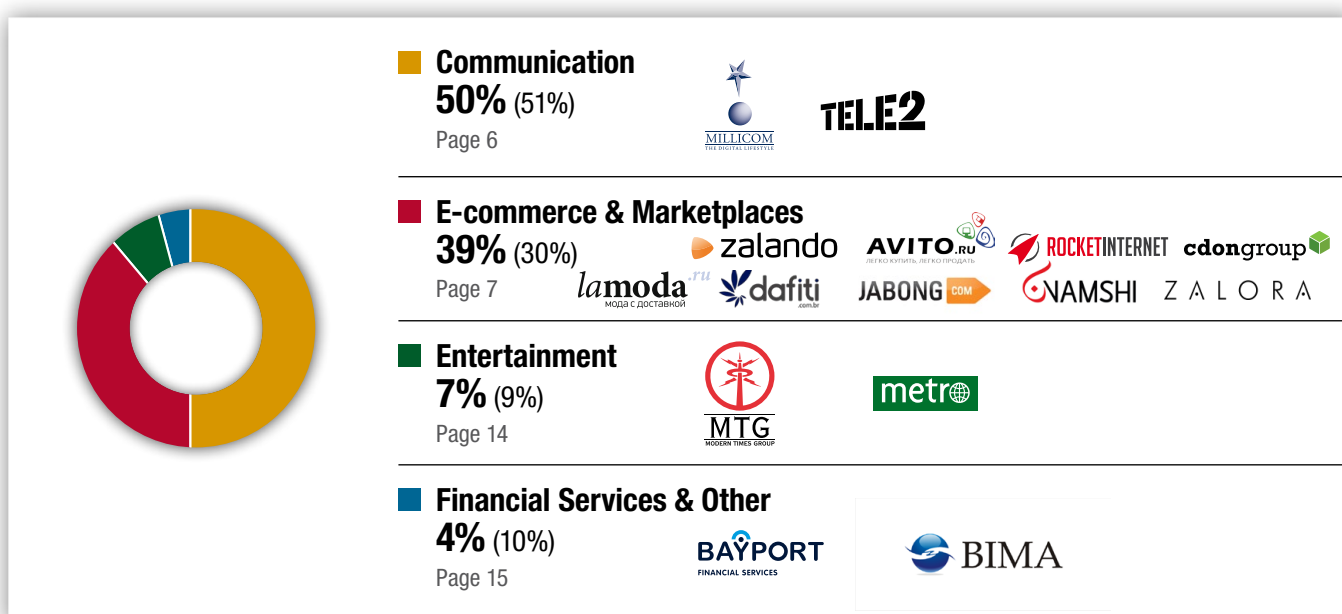


Kinnevik's investments

Kinnevik is an entrepreneurial investment group focused on building digital consumer brands in four sectors: Communication, E-commerce & Marketplaces, Entertainment, and Financial Services. Approximately 57% of our investments by value are in the Communication and Entertainment sectors, where we own leading stakes in large, established,

cash flow generating businesses. The balance of our investments is predominantly invested in the E-commerce & Marketplaces and Financial Services sectors, where we work in partnership with founders and managers to create new, challenging businesses, that are investing heavily to build market-leading positions in a short timeframe.

NAV BREAKDOWN AND SELECTED BRANDS



Kinnevik's investments as of 30 June 2014 (figures within brackets refer to 30 June 2013)

KINNEVIK'S PROPORTIONAL SHARE OF REVENUES AND OPERATING RESULTS IN ITS INVESTMENTS

SEK m	Proportional part of		Change compared to 2013	
	Revenues	EBIT	Revenues	EBIT
Jan-June 2014				
Communication *	10 847	1 667	3%	-9%
E-commerce & Marketplaces	5 277	-435	38%	N/A
Entertainment **	2 069	124	2%	-39%
Financial Services & Other	1 407	94	2%	32%
Total sum of Kinnevik's proportional part	19 601	1 450	10%	-1%

The table above is a compilation of the investments' revenues and operating results reported for the first half year of 2014 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 results.

Revenues and operating results reported by the companies have been translated at constant exchange rates (average rate for the first half year of 2014) from each company's reporting currency into Swedish kronor. For listed companies that have not yet reported the results for the first half year of 2014, the figures are included with one quarter's delay. For private companies that have not yet finalized the results for June 2014, the figures are based on Kinnevik's forecasted numbers.

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

* Millicom figures pro forma to include full consolidation of Guatemala and equity accounting of Mauritius and Online.

** Metro figures excluding one-off items.



BOOK AND FAIR VALUE OF ASSETS

SEK m	Book value 2014 30 June	Fair value 2014 30 June	Fair value 2014 31 Mar	Fair value 2013 30 June	Fair value 2013 31 Dec	Total return 2014
Millicom	23 099	23 099	24 915	18 278	24 215	-2%
Tele2	10 650	10 650	10 867	10 664	9 864	14%
Total Communication	33 749	33 749	35 782	28 942	34 079	
Rocket Internet	1 828	1 828	1 204	2 919	1 219	
Zalando	12 481	12 481	12 143	7 971	12 136	
Emerging Markets Fashion (Bigfoot I, Bigfoot II) ¹⁾	6 086	6 086	1 979	1 941	1 970	
Home and Living (Home24, Westwing) ¹⁾	1 068	1 068	913	662	896	
CDON Group	629	629	584	594	786	-20%
Other E-commerce ¹⁾	1 166	1 168	1 126	850	1 154	
Avito	2 190	2 190	2 186	1 235	2 196	
Other Marketplaces ¹⁾	744	906	781	412	541	
Total E-commerce & Marketplaces	26 192	26 356	20 916	16 584	20 898	
MTG	3 878	3 878	4 078	3 859	4 498	-11%
Metro	600	600	814	836	879	
Net cash, Metro	162	162	173	243	221	
Other	93	93	85	76	88	
Total Entertainment	4 733	4 733	5 150	5 014	5 686	
Bayport	891	891	860	650	836	
Transcom	533	533	510	296	505	11%
BillerudKorsnäs	-	-	-	3 286	-	
Black Earth Farming	295	295	298	363	337	-12%
Other	685	856	999	867	932	
Total Financial Services & Other	2 404	2 575	2 667	5 462	2 610	
Other interest-bearing net cash/(net debt)	1 096	1 096	1 789	409	2 557	
Debt, unpaid investments	-	-	-121	-876	-303	
Total Equity/Net asset value	68 174	68 509	66 183	55 535	65 527	
Net asset value per share		247.00	238.66	200.26	236.29	
Closing price, class B share, SEK		284.80	238.90	171.90	297.50	-2%

¹⁾ For split see page 7.

DIVIDENDS AND CAPITAL STRUCTURE

In the second quarter, Kinnevik received dividends from a number of its investee companies, and paid a dividend to Kinnevik's shareholders as per the table to the right.

During the first six months of the year, Kinnevik made SEK 0.6bln of investments. The revised guidance for investments for the full year 2014 is SEK 1.0-1.5bln compared with the SEK 2.4bln invested in 2013. As of 30 June 2014 Kinnevik had a net cash position in the parent company of SEK 1.1bln.

As Kinnevik's investment focus is on growth assets, most of which are still not cash flow positive, going forward the growth in dividend should not be expected to be at the same rate as in previous years.

Cash dividends received	SEK m
Millicom	USD 2.64 per share 662
Tele2	SEK 4.40 per share 596
MTG	SEK 10.50 per share 142
Total cash dividends received	1 400
Dividend paid to shareholders	SEK 7.00 per share 1 941



Communication

Investment (SEK m)	Capital/ Votes, %	Estimated fair value	Change in fair value and dividends received	
			Apr-June 2014	Jan-June 2014
Millicom	37.8/37.8	23 099	-1 154	-454
Tele2	30.4/48.0	10 650	379	1 382
Total		33 749	-775	928

Return Communication	1 year	5 years
Average annual return (IRR)	21%	17%

Communication makes up 50% of Kinnevik's investments. Kinnevik's mobile companies Millicom and Tele2 have in total 64 million subscribers in 22 countries in Europe, CIS, Latin America, and Africa. Both Millicom and Tele2 are focusing on providing superior services as customers increasingly use their phones to access various data services.

[For more information >](#)

MILLICOM

- Organic revenue growth in local currency amounted to 9% year-on-year.
- Strong revenue growth in Cable & Digital Media.
- Revenue from Mobile Financial Services increased by 41% compared to the second quarter of 2013.

Millicom is a leading international telecommunications and media company dedicated to providing digital lifestyle services to the emerging markets in Latin America and Africa. Millicom also offers mobile financial services, various information services, entertainment, e-commerce, lead generation, and payments.

[For more information >](#)

TELE2

- Strong mobile end-user service revenue growth for the Group.
- Robust operational performance in Tele2 Sweden.
- In July, Tele2 agreed to sell Tele2 Norway for an enterprise value of SEK 5.1bln.

Tele2 is one of Europe's leading telecommunications operator offering mobile services, fixed broadband and telephony, data network services, cable TV and content services. Tele2 is focusing its strategy to become a value champion, i.e. to offer its customers the combination of low price, superior customer experience, and a challenger culture.

[For more information >](#)

Key data (USD m)*	Apr-June		Jan-June	
	2014	2013	2014	2013
Revenue	1 447	1 357	2 852	2 706
EBITDA	479	496	957	1 012
Operating profit, EBIT	224	265	460	558
Net profit	243	66	2 523	197
Number of mobile subscribers (million)			52.3	46.9

* Figures for 2013 are adjusted pro forma to reflect full consolidation of Guatemala and equity accounting for Mauritius and the Online segment.

Millicom continued to deliver organic growth across regions and business units during the second quarter. The EBITDA margin for the second quarter was 33%, as Millicom continued to invest in future growth.

Key data (SEK m)*	Apr-June		Jan-June	
	2014	2013	2014	2013
Revenue	6 343	6 424	12 495	12 672
EBITDA	1 466	1 474	2 825	2 923
Operating profit, EBIT	787	772	1 744	1 508
Net profit	818	369	1 401	809
Number of mobile subscribers (million)			11.9	11.8

* Figures refer to continuing operations (i.e. excluding Tele2 Norway).

Tele2's mobile end-user service revenue grew by 7% in the quarter, amounting to SEK 3,094m (2,900). This trend was driven by positive usage of mobile data, compensating less revenue from mobile voice and SMS. The EBITDA margin for the second quarter remained stable at 23%.



E-commerce & Marketplaces

- In May, Bigfoot I and Bigfoot II shares were transferred from Rocket Internet into direct ownership increasing Kinnevik's direct ownership by 5.5% in Bigfoot I and 4.6% in Bigfoot II.
- Kinnevik's proportional share of the unlisted companies' revenues increased by 38% while the EBIT-margin improved by 10 percentage points compared to the second quarter 2013.

Return E-commerce & Marketplaces	1 year	5 years
Average annual return (IRR)	50%	39%

E-Commerce & Marketplaces makes up 39% of Kinnevik's investments. E-commerce is one of the strongest global growth trends in the world economy, and it is based on a permanent shift in consumer behaviour.

[For more information >](#)

Investment (SEK m)	Kinnevik ownership	Accumulated net invested amount	Fair value 30 Jun 2014	Change in fair value and dividends received		Valuation method
				Apr-June 2014	Jan-June 2014	
Rocket Internet ¹	24%	-3 077	1 828	1 574	1 559	Sum of the parts
Zalando ¹	36%	7 916	12 481	338	345	Sales multiple
Emerging Markets Fashion						
Bigfoot I ^{1, 2}	32%	2 307	4 428	2 121	2 122	Latest transaction
<i>Daffiti</i> ²	25%					
<i>Lamoda</i> ²	27%					
<i>Jabong</i> ²	24%					
<i>Namshi</i> ²	13%					
Bigfoot II ^{1, 2}	34%	1 149	1 658	1 028	1 005	Latest transaction
<i>Zalora Group</i> ²	25%					
<i>Zando</i> ²	10%					
<i>Jumia</i> ²	10%					
Home & Living						
Home24 ²	22%	791	805	111	126	Sales multiple
<i>Moby</i> ²	18%					
Westwing ²	14%	175	263	44	46	Sales multiple
Other E-commerce						
BigCommerce ²	14%	606	579	13	37	Sales multiple
<i>Lazada</i> ²	11%					
<i>Linio</i> ²	9%					
<i>Namshi</i> ²	5%					
Konga ²	46%	114	162	6	6	Latest transaction
Other	Mixed	689	427	28	-36	Mixed
Marketplaces						
Avito	32%	438	2 190	1	-108	Sales multiple
Quikr	16%	254	265	11	11	Latest transaction
Saltside	88%	154	154	-	-	Cost
Wimdu ²	29%	367	368	8	8	Sales multiple
Other	Mixed	286	119	17	17	Mixed
Total unlisted investments		12 169	25 727	5 300	5 138	
CDON Group ³	25.1%	646	629	45	-157	Market price
Total investments		12 815	26 356	5 345	4 981	

1) Accumulated net invested amount includes value of share distributions received from Rocket Internet.

2) Ownership not adjusted for employee stock option plans and employee equity at subsidiary level.

3) The value of dividends received from MTG when the shares were distributed, including share purchases and new issues thereafter.



INVESTMENTS IN THE FIRST HALF YEAR

Investment (SEK m)	Apr-June 2014	Jan-June 2014
Avito	4	102
Quikr	-	254
Saltside Technologies	65	-
Yell	20	-
Other	43	158
Total	132	514

In the second quarter, Kinnevik invested another SEK 65m into Saltside Technologies, a company that operates online marketplaces in a number of emerging markets, including Bangladesh, Sri Lanka and Ghana. Kinnevik also invested an additional SEK 20m (USD 3m) into Yell, a Russian marketplace company, in a new share issue totalling USD 11m.

VALUATION

At the end of the second quarter, investments in E-commerce & Marketplaces were valued at a total of SEK 26,356m, to be compared with an accumulated invested amount (net after dividends received) of SEK 12,815m. The unrealised change in fair value recognized in the consolidated income statement and dividends received in the second quarter amounted to a profit of SEK 5,350m (profit of SEK 5,345m including change of assessed value of subsidiaries when calculating net asset value), as specified in the table on the previous page.

In May, Rocket Internet made a distribution to its shareholders, which included both shares and cash. The distribution was delivered to Kinnevik in the form of an additional 5.5% of the shares in Bigfoot I and 4.6% of the shares in Bigfoot II. Rocket Internet and its three shareholders, European Founders Fund, Kinnevik and Access Industries, agreed on the transaction based on the valuation implied by the latest external funding round in each of the underlying operating companies, adjusted for the cash position on a holding company level. Considering the size of the transaction, which was made on an arm's length basis, Kinnevik is accounting for its shareholding in Bigfoot I and Bigfoot II (direct as well as remaining shares held by Rocket Internet) at the valuations implied by the transaction. As a result, a positive change in fair value of SEK 2,121m has been recorded for Kinnevik's shares in Bigfoot I and SEK 1,028m for Bigfoot II in the second quarter, in addition to the positive change in fair value recorded for the remaining shares held by Rocket Internet. The valuation of Bigfoot I and Bigfoot II corresponds to an implied sales multiple of 3.4 for Bigfoot I and 5.9 for Bigfoot II based on last 12 months historical sales.

As in previous quarters, sales multiple valuations have been prepared for the companies listed in the table in the upper right corner. The sales multiples for the companies' listed peers continued to decrease during the quarter, following an increase during 2013. The discount to the peer

group average sales multiple applied in Kinnevik's valuation has, compared to the first quarter, been lowered for Zalando due to improved profitability compared to peers and also for Home24 and Westwing due to improved operational performance.

Company	30 June 2014*	31 March 2014*	Adjusted multiple**
Zalando	1.8	1.9	Yes
Home24	1.5	1.1	Yes
Westwing	1.5	1.3	Yes
Lazada, Linio	1.2-1.3	1.2-1.3	Yes
Avito	9.5	12.0	No
Wimdu	2.9	2.8	Yes

* Sales multiple, last 12 months historical sales.

** Sales multiple has been lowered to reflect factors such as lower profitability than peer group. See Note 5 for further details.

For Zalando the continued strong sales growth compensated for the impact from a lower sales multiple, resulting in an unchanged equity value of EUR 3.9bln in assessed fair value in Kinnevik's accounts as per 30 June 2014. The positive change in fair value of SEK 338m in the second quarter relates to positive exchange rate effect when translating the EUR denominated equity value into SEK.

Also for Avito a continued strong sales growth compensated for the impact from a lower sales multiple resulting in an unchanged equity value of SEK 6.9bln. When determining the assessed fair value of Avito, Kinnevik has considered the transaction made in Avito warrants in February 2014, but considered that the size of the trade (1.7% of the total capital in the company) has been too small to be applied on Kinnevik's shareholding in Avito. If the transaction price had been applied as fair value in Kinnevik's financial statements, the book value of Kinnevik's shareholding would have been SEK 1.5bln higher as per 30 June 2014.



SUM OF THE PARTS VALUATION OF ROCKET INTERNET AS AT 30 JUNE 2014

Investment (EUR m)	Fair value of Rocket's stake in Kinnevik's accounts		Valuation method
	100%	23.9%	
Bigfoot I	371	89	Latest transaction
Bigfoot II	178	43	Latest transaction
Home24	33	8	Sales multiple
Westwing	63	15	Sales multiple
BigCommerce	3	1	Sales multiple
Other assets	116	28	Cost
Central cash	67	16	-
Total	831	199	
Implied value of Rocket Internet based on latest financing rounds in each portfolio company	2 212	529	
Difference between implied value per latest financing rounds and book value		330	
Difference as per above, SEK m		3 036	

Rocket Internet has, as in previous quarters, been valued based on a sum-of-the-parts valuation as specified in the table above. The change in fair value of Kinnevik's shareholding in Rocket Internet of SEK 1,574m recorded in the second quarter was mainly driven by the revaluation of Rocket's stakes in Bigfoot I and Bigfoot II, as a result of the Rocket

distribution described on page 8.

Rocket Internet's other assets include the more recently launched portfolio companies for which Kinnevik has not performed any sales multiple valuations. These companies have been valued at cost in Kinnevik's books given their early stage of development.

FAIR VALUE AND IMPLIED VALUE IN LATEST TRANSACTIONS AS PER 30 JUNE 2014

Investment (SEK m)	Valuation in latest transaction	Implied value Kinnevik's stake	Fair value Kinnevik's stake	Difference	Nature of latest transaction
Rocket Internet	20 342	4 863	1 828	3 036	Latest funding rounds in the portfolio companies
Bigfoot I	17 546	4 428	4 428	-	Dividend (partly in cash)
Bigfoot II	7 482	1 658	1 658	-	Dividend (partly in cash)
Home24	4 351	945	805	141	New share issue
Westwing	3 246	454	263	191	New share issue
BigCommerce	8 360	838	579	258	New share issues in operating companies
Avito	11 709	3 681	2 190	1 491	Secondary share transaction with management
Other	47 057	14 393	13 976	417	New share issues
Total		31 260	25 727	5 533	

A number of Kinnevik's E-commerce & Marketplaces portfolio companies have issued new shares to external investors at price levels that exceed Kinnevik's recognized assessed fair values. Since the newly issued shares have higher preference over the portfolio companies' assets in the event of liquidation or sale than Kinnevik's shares have, i.e. in case of a lower valuation of the companies in a sale or liquidation Kinnevik would not receive proceeds pro-rata to its shareholding, Kinnevik do not consider these price levels as a relevant base for assessing the fair values in the accounts.

The same principle has been applied in the sum-of-the-parts valuation of Rocket Internet, which has resulted in a

difference of SEK 3.0bln between the fair value of Rocket Internet in Kinnevik's accounts and the implied value of Rocket Internet based on the valuations in the latest external financing round in the portfolio companies.

As specified in the above table, the total difference between fair values in Kinnevik's books and implied valuations as per the latest new share issues with higher preference than Kinnevik's shares, and other transactions, amounted to SEK 5.5bln applied to Kinnevik's shareholdings as at 30 June 2014, of which SEK 1.5bln related to Avito.

For further information about valuation principles and assumptions, please see Note 5.



KINNEVIK'S PROPORTIONAL SHARE OF REVENUES, EBIT AND CASH BALANCES WITHIN ITS UNLISTED E-COMMERCE & MARKETPLACE INVESTMENTS

Kinnevik's proportional part of the unlisted companies' revenue grew by 38% year-on-year and reached SEK 2,498m (1,815m) for the second quarter. Revenue growth is strongest in the second and fourth quarter which is explained by seasonal variations within the fashion industry. Due to the strong growth, short operating history and the fact that all start-up costs are taken to the P&L, many of the unlisted

companies within Kinnevik's online portfolio are still unprofitable. However, the larger companies in the portfolio are well capitalised and can afford continued investments until they reach break-even. Kinnevik's proportional part of the companies' cash position amounted to SEK 4,208m at 30 June 2014.

SEK m	Q1	Q2	Q3	Q4	FY2012	Q1	Q2	Q3	Q4	FY2013	Q1 2014	Q2 2014
Revenues	780	988	1 104	1 565	4 438	1 513	1 815	1 754	2 379	7 460	2 216	2 498
Y on Y growth						94%	84%	59%	52%	68%	47%	38%
EBIT	-232	-334	-364	-277	-1 146	-348	-304	-328	-157	-1 137	-288	-156
EBIT margin	-30%	-34%	-33%	-18%	-27%	-23%	-17%	-19%	-7%	-15%	-13%	-6%
Y on Y EBIT margin improvement						7 pp	17 pp	14 pp	11 pp	12 pp	10 pp	10 pp
Fair value per 30 June 2014												25 727
Net proportional part of cash balances 30 June 2014												4 208

The table above is a compilation of the unlisted E-commerce & Marketplace investments' reported revenues, operating results and cash balances multiplied by Kinnevik's ownership share at the end of the reporting period, thereby showing Kinnevik's proportional share of the companies' revenues, operating results and cash balances.

Revenues and operating results reported by the companies have been translated at constant exchange rates (average rate for the first half of 2014) from each company's reporting currency into Swedish kronor. For companies that have not yet finalized the results for June 2014, the figures are based on Kinnevik's forecasted numbers.

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

ROCKET INTERNET

- At the end of the second quarter Rocket changed its legal form into a German stock corporation (AG) and appointed a Management Board led by Oliver Samwer as CEO.
- During the second quarter, Rocket has focused on solidifying market positions in key companies and also expanded into new markets and business models.
- The company launched new models such as Helping, an online platform for domestic cleaners with presence across Europe, and SpaceWays, an online service provider of physical storage.
- Rocket entered into a new South East Asian joint venture with Qatar based telecom operator Ooredoo to jointly develop online businesses in Pakistan, South East Asia and Australia.
- The African partnership with Millicom was extended to include South Africa based telecom operator MTN.

Rocket Internet is a company that incubates and develops e-commerce and other consumer-oriented online companies. Kinnevik works closely with the management of Rocket Internet in order to foster companies and develop them into leading Internet players

For more information >



ZALANDO

- Based on preliminary numbers, Zalando continued its strong growth in the second quarter reaching revenues of EUR 1,020-1,060m (EUR 809m) during the first half of 2014.
- The favourable group EBIT margin trend observed in the first quarter of 2014 accelerated, leading to a profitable second quarter and a group EBIT margin around breakeven in the first half-year, compared to -9% in the first half of 2013. The significant margin improvement was driven by all major cost line items, including cost of sales, fulfilment and marketing.
- Based on the further improvement in the second quarter, Zalando reiterates its plan to take a significant step towards, but not quite reaching, EBIT breakeven at group level for the full-year 2014.
- Operational highlights include the ongoing and on track ramp-up of operations at the fulfilment center in Mönchengladbach and the successful roll-out of Zalando's mobile app across all international markets, resulting in a mobile traffic share of 41% during the second quarter and over 3.8 million downloads at the end of June.
- Final Q2 and H1 2014 numbers will be presented by Zalando and Kinnevik at the end of August.

Zalando operates online fashion shops in 15 European markets. The company is today the largest standalone pure online fashion player by net sales in Europe. Key drivers for Zalando's success include its expertise in fashion, retail and technology.

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EMERGING MARKETS FASHION

Key data (EUR m) *	Lamoda		Dafiti		Jabong		Namshi		Zalora**	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenue	121.8	34.9	146.9	78.3	56.6	18.5	10.9	3.4	68.9	N/A
% Growth	249%	-	88%	-	206%	-	221%	-	N/A	-
Gross profit/loss	48.2	10.9	50.1	31.7	-5.8	-4.9	3.0	-0.2	18.8	N/A
% Margin	40%	31%	34%	41%	-10%	-26%	28%	-5%	27%	-
Operating result	-46.9	-38.2	-72.9	-59.7	-33.2	-38.1	-10.1	-12.0	-69.2	N/A

- Continued positioning of brands as fashion authority in respective regions including upgrades to website and mobile app design, as well as curated content.
- Improvements to operations and back-end systems to drive service quality and efficiency across all five companies.
- Increasing share of mobile traffic and sales across all companies, with e.g. Dafiti reaching 1 million app downloads by the end of the second quarter.
- Dafiti was named as one of Internet Retailer's "Hot 100 E-retailers of 2014", highlighting in particular its digital magazine.
- Zalora launched a shop-in-shop for the international beauty retailer Sephora.

Lamoda, Dafiti, Jabong, Namshi and Zalora are fashion e-commerce companies active on emerging markets in Russia, Latin America, India, the Middle East, South East Asia and Australia. The fashion segment in e-commerce is attractive for several reasons: it is a relatively large part of the household budget, it is a sector with high gross margins, and the products offered are easy to package and ship - enabling efficient logistics with attractive delivery terms and returns. It is important to improve customers' freedom of selection, and make the purchasing process simple and smooth in order to satisfy customers, which is why Kinnevik's holdings in this sector all offer leading ranges of products and logistics solutions in their respective markets.

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* Figures based on accounts prepared in accordance with IFRS. For companies reporting in another currency than euro, the average exchange rate for 2013 has been used.

** Includes Zalora in South East Asia and The Iconic in Australia.



HOME & LIVING

Key data (EUR m) *	Home24		Westwing	
	2013	2012	2013	2012
Revenue	92.8	62.1	111.4	45.8
% Growth	50%	-	143%	-
Gross profit	36.2	18.1	44.8	11.8
% Margin	39%	29%	40%	26%
Operating result	-40.2	-81.1	-40.2	-62.2

- Home24 strengthened its position with a leading online assortment and best-in-class fulfilment and customer service.
- Home24 announced the start of construction of its new 35,000 sqm warehouse outside Berlin in May.
- Westwing expanded its geographic footprint into Belgium, and had a continued strong momentum in mobile traffic and sales.

Home24 and Westwing are e-commerce companies in the home and living segment, active in Europe, Russia, and Brazil. The growth of online purchasing in this segment is a global trend. Home and living differs from other e-commerce segments by having a relatively lower purchase frequency, but also a higher average order value. Due to the characteristics of the products, attractive delivery solutions for customers are essential for simplifying purchases, and improving customer satisfaction. Home24 and Westwing are complementing business models. Home24 offers a wide assortment of furniture and home décor, while Westwing's inventory is carefully curated, focusing on design-conscious and predominantly female customers.

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- Linio continued to expand geographically within Latin America by launching operations in Chile during the second quarter.
- Konga launched their marketplace platform to serve third parties who want to buy and sell products online.

Kinnevik's holdings in general merchandise, Lazada, Linio, Jumia, and Konga, all hold market leading positions in several emerging markets in South East Asia, Latin America, and Africa. Just as in fashion e-commerce, to be successful in general merchandise it is important to increase customers' freedom of selection, and make the purchasing process smooth and simple. Lazada, Linio, Jumia and Konga all offer leading delivery solutions and range of goods in their respective markets.

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AVITO

- Avito launched a dedicated real estate portal in Russia, Domofond.ru, and established a joint venture with Schibsted in Morocco to create a strong local market leader.
- Revenues for the first quarter of 2014 amounted to RUB 852m (USD 23.8m), up 115% compared to the first quarter of 2013.
- EBITDA for the first quarter of 2014 amounted to RUB 393m (USD 11.0m), equivalent to a 46% margin, compared with a loss of RUB 24m for the first quarter of 2013.
- Page views amounted to 17 billion for the first quarter of 2014, compared to 10 billion the same period in 2013.

Avito is the largest online classified platform in Russia in terms of visitors and number of ads, distancing itself from its competitors.

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OTHER E-COMMERCE

Key data (EUR m) *	Lazada		Linio		Jumia	
	2013	2012	2013	2012	2013	2012
Revenue	56.8	N/A	47.9	6.5	29	N/A
% Growth	N/A	-	633%	-	N/A	-
Gross profit/loss	3.7	N/A	4.7	-0.4	5.4	N/A
% Margin	6%	-	10%	-6%	19%	-
Operating result	-51.3	N/A	-33.5	-14.6	-34.1	N/A

- All of the general merchandise companies continued to focus on developing their marketplace business, mobile applications and delivery infrastructure.
- Lazada extended its footprint by launching its website and iOS and Android apps in Singapore.

* Figures based on accounts prepared in accordance with IFRS. For companies reporting in another currency than euro, the average exchange rate for 2013 has been used.



OTHER MARKETPLACES

- Quikr continued to drive user engagement across platforms, with a particular focus on mobile, and to invest in its brand as offline to online conversion accelerates.
- Saltside cemented its market position in Sri Lanka, Bangladesh and Ghana as the leading online classifieds site in each country.
- Foodpanda acquired its Russian peer Delivery Club to expand its Russian market position with 2,500 partnering delivery restaurants.

Quikr, Saltside, Wimdu, Foodpanda, Pricepanda, and Yell are all companies operating online marketplaces in emerging markets in Asia, Africa, CIS, and Latin America. The business model is attractive due to the high profitability that can be achieved once a market leading position has been established. A leading position creates high barriers of entry for competitors, while also improving customer experience. Economies of scale are substantial, as the model does not require the companies to hold inventory and tie up capital when growing.

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CDON GROUP

- Net sales up 16% compared to the second quarter of 2013.
- CDON.com Marketplace continued to display strong growth.
- Test launch of in-house payment solution Qliro proven to be successful and will expand in the third quarter.

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

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Key data (SEK m)	Apr-June		Jan-June	
	2014	2013	2014	2013
Revenue*	1 111	959	2 244	1 991
Operating profit, EBIT*	0	-6	0	-10
Net profit	21	-45	17	-62

* Excluding divested operations and non-recurring items.

CDON Group continued to deliver in line with the company's strategy in the second quarter, with healthy growth, underlying improvements in earnings and an improvement in operating cash flow of SEK 36.2m compared to the second quarter of 2013.



Entertainment

Investment (SEK m)	Capital/ Votes %	Estimated fair value	Change in fair value and dividends received	
			Apr-June 2014	Jan-June 2014
MTG	20.3/48.0	3 878	-58	-478
Metro	100/100	762	N/A	N/A
Other	-	93	3	10
Total		4 733	-55	-468

Return Entertainment	1 year	5 years
Average annual return (IRR)	0%	7%

Entertainment makes up 7% of Kinnevik's investments. Kinnevik's entertainment companies have operations in a total of 40 markets and has the largest broadcasting footprint in Europe in MTG, and 18.3 million daily readers in Metro. Both MTG and Metro are leading international media companies founded by Kinnevik.

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MODERN TIMES GROUP MTG

- Net sales up 13% at constant exchange rates compared to the second quarter 2013.
- Operating income stable when excluding non-recurring items.
- Pay-TV Nordic and Nice Entertainment drove revenues and earnings growth despite soft advertising markets and ongoing investments.

Modern Times Group MTG is a leading international entertainment broadcasting group with the largest geographical footprint of TV- and radio operations in Europe.

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Key data (SEK m)	Apr-June		Jan-June	
	2014	2013	2014	2013
Revenue	4 109	3 605	7 706	6 814
Operating profit, EBIT	434	578	735	1 032
Net profit	307	376	466	710

MTG reported record sales of SEK 4,109m (3,605) in the second quarter of 2014, and displayed a slight increase in operating income when excluding non-recurring costs of SEK 155m. MTG continues to invest in order to be able to monetize rising video consumption levels and become the leading digital entertainer in each of its markets.

METRO

- Metro continued focusing on the growth markets in Latin America, and the move of the headquarter functions from Stockholm and London to Latin America was completed.

Metro is published in over 150 major cities in 23 countries across Europe, Asia, North and South America. Metro's global readership is approximately 18.3 million daily readers.

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Key data (SEK m)	Apr-June		Jan-June	
	2014	2013	2014	2013
Revenue	252	345	508	647
Operating profit, EBIT	-239	12	-333	-6
Net profit	-250	4	-340	-14

Revenue in the second quarter was SEK 252m, a decrease of SEK 93m year-on-year. The decline in revenue is due to the sale of the newspaper in Russia and Hong Kong as well as the weak print advertising market in Sweden. The operating loss for the quarter includes SEK 250m in costs for impairment of goodwill and trademarks. Adjusted for impairments, the operating result for the quarter was unchanged compared to the same period 2013 despite the sale of the newspapers in Russia and Hong Kong.



Financial Services & Other

Investment (SEK m)	Capital/ Votes, %	Estimated fair value	Change in fair value and dividends received	
			Apr-June 2014	Jan-June 2014
Bayport	31/31	891	31	32
Milvik/Bima	43/43	118	4	8
Seamless	9.3/9.3	116	-8	-76
Other	-	95	0	0
Total Financial Services		1 220	27	-36
Transcom	33.0/39.7	533	24	28
Black Earth Farming	24.9/24.9	295	-2	-41
Rolnyvik	100/100	250	0	0
Vireo Energy	78/78	197	0	0
Other	-	80	-19	-20
Total Financial Services & Other		2 575	30	-69

Return Financial Services & Other	1 year	5 years
Average annual return (IRR)	25%	25%

Financial services & Other makes up 4% of Kinnevik's investments. The Financial Services companies are focused on consumer-directed financial services on emerging markets in Africa, Asia, and Latin America.

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VALUATION

When determining fair value of the unlisted companies Bayport and Milvik/Bima as per 30 June 2014, transactions where the companies have raised equity from new as well as existing owners have been used as basis. For Milvik/Bima the assessed fair value has been based on an equity valuation of the entire company of USD 40m. In the first quarter 2014 Bayport closed a new equity issue at a post-money valuation of USD 431m for the entire company, which has served as the basis for Kinnevik's valuation.

BAYPORT

- Bayport expanded its product portfolio with a product aimed at small business traders in Ghana as well as insurance products in Uganda and Tanzania.
- Bayport Zambia successfully raised ZMK 172m (USD 26.5m) through a local bond issue, with a ZMK 60 (USD 9.3m) anchor investment from the IFC.

Bayport provides unsecured credit and other financial services to the formally employed mass market in Africa and Latin America.

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MILVIK/BIMA

- Two new mobile operator partnership agreements were signed during the second quarter, enabling further geographical expansion into new markets.
- Bima added another 1.4m subscribers during the second quarter.

Milvik offers, under the brand name Bima, affordable and uniquely designed life and health insurance products via mobile phones.

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TRANSCOM

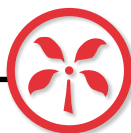
Transcom is active within outsourcing of Customer Relationship Management with 29,000 customer experience specialists at 62 contact centers across 26 countries.

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BLACK EARTH FARMING

Black Earth Farming is a leading agricultural company with operations in Russia.

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CONDENSED CONSOLIDATED INCOME STATEMENT (SEK M)

	Note	2014 1 Apr- 30 June	2013 1 Apr- 30 June	2014 1 Jan- 30 June	2013 1 Jan- 30 June
Change in fair value of financial assets	5	2 200	-5 402	3 066	-6 982
Dividends received	6	2 350	5 660	2 350	5 660
Revenue		309	410	643	780
Cost of goods sold and services		-132	-228	-325	-450
Selling and administration costs		-244	-235	-510	-440
Share of profit/loss of associates accounted for using the equity method		4	4	6	7
Other operating income		9	14	16	72
Other operating expenses		-364	-9	-423	-16
Operating profit/loss	4	4 132	214	4 823	-1 369
Financial net		2	-34	-2	-62
Profit/loss after financial net		4 134	180	4 821	-1 431
Tax		5	-10	1	-20
Net profit/loss for the period		4 139	170	4 822	-1 451
Of which attributable to:					
Equity holders of the Parent company		4 168	173	4 862	-1 443
Non-controlling interest		-29	-3	-40	-8
Net profit/loss per share before dilution		15.03	0.62	17.53	-5.21
Net profit/loss per share after dilution		15.02	0.62	17.52	-5.21
Average number of shares before dilution		277 339 097	277 250 787	277 332 164	277 228 283
Average number of shares after dilution		277 532 413	277 584 800	277 553 316	277 563 215

Consolidated earnings for the second quarter

The change in fair value of financial assets, including dividends received, amounted to SEK 4,550m (258) for the second quarter of which a loss of SEK 775m (loss of 533) was related to listed holdings and a profit of SEK 5,325m (791) was related to unlisted holdings, see note 5 and 6 for further details.

Other operating expenses includes an impairment of intangible fixed assets in Metro and G3 Good Governance Group of SEK 359m due to weaker future market expectations.

Consolidated earnings for the first half year

The change in fair value of financial assets, including dividends received, amounted to SEK 5,416m (loss of 1,322) for the first half year of which SEK 202m (loss of 1,824) was related to listed holdings and a profit of SEK 5,214m (502) was related to unlisted holdings, see note 5 and 6 for further details.

Other operating expenses includes, in excess of the impairment of intangible fixed assets in Metro and G3 Good Governance Group, a negative result of SEK 58m from divestments of Metros' operations in Hong Kong and Canada.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK M)

	2014 1 Apr- 30 June	2013 1 Apr- 30 June	2014 1 Jan- 30 June	2013 1 Jan- 30 June
Net profit/loss for the period	4 139	170	4 822	-1 451
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit and loss				
Items that may be reclassified to profit and loss				
Translation differences	41	50	16	-22
Cash flow hedging				
-gains/losses during the year	-14	22	-29	22
-reclassification of amounts accounted for through profit and loss				
Tax attributable to items that will be reclassified to profit and loss	0	0	0	0
Total items that will be reclassified to profit and loss	27	72	-13	0
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD	27	72	-13	0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4 166	242	4 809	-1 451
Total comprehensive income for the period attributable to:				
Equityholders of the Parent Company	4 193	241	4 844	-1 441
Non-controlling interest	-27	1	-35	-10

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT (SEK M)**

	Note	2014 1 Apr- 30 June	2013 1 Apr- 30 June	2014 1 Jan- 30 June	2013 1 Jan- 30 June
Cash flow from operations		44	31	-53	64
Investments in shares and other securities		-184	-463	-842	-517
Sale of shares and other securities		37	0	32	63
Dividends received	6	1 400	5 660	1 400	5 660
Other		-35	-49	-40	-59
Cash flow from investing activities		1 218	5 148	550	5 147
Change in interest bearing liabilities		27	-1 366	31	-1 410
Dividend paid to equityholders of the Parent Company		-1 941	-1 803	-1 941	-1 803
Other		-58	-42	-68	-57
Cash flow from financing activities		-1 972	-3 211	-1 978	-3 270
CASH FLOW FOR THE PERIOD		-710	1 968	-1 481	1 941
Cash and short term investments, opening balance		3 196	427	3 967	454
Cash and short term investments, closing balance		2 486	2 395	2 486	2 395
SUPPLEMENTARY CASH FLOW INFORMATION					
Investments in shares and other securities		-63	-1 044	-539	-1 405
Acquisition of shares in subsidiaries		-7	-	-	-
Current period investments, paid after period end		0	888	0	888
Prior period investments, paid in current period		-114	-307	-303	0
Investments in shares and other securities		-184	-463	-842	-517



CONDENSED CONSOLIDATED BALANCE SHEET (SEK M)

	Note	2014 30 June	2013 30 June	2013 31 Dec
ASSETS				
Fixed assets				
Intangible fixed assets		398	957	805
Tangible fixed assets		355	316	343
Financial assets accounted at fair value through profit and loss	5	66 011	54 296	61 575
Other fixed assets		144	103	113
Total fixed assets		66 908	55 672	62 836
Other current assets		570	575	599
Short-term investments	7	1 763	1 813	3 502
Cash and cash equivalents	7	723	582	465
TOTAL ASSETS		69 964	58 642	67 402
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity attributable to equityholders of the Parent Company		68 174	55 334	65 276
Shareholders' equity attributable to non controlling interest		8	71	43
Interest-bearing liabilities, long-term	7	1 264	1 264	1 231
Interest-bearing liabilities, short-term	7	18	590	20
Non interest-bearing liabilities		500	1 383	832
TOTAL EQUITY AND LIABILITIES		69 964	58 642	67 402



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

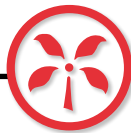
	2014 1 Jan- 30 June	2013 1 Jan- 30 June	2013 Full year
Equity, opening balance	65 319	58 640	58 640
Total comprehensive income for the period	4 809	-1 451	8 455
Acquisitions from non-controlling interest	-	-1	-2
Contribution from non-controlling interest	-	9	17
Dividend paid to owners of non-controlling interest	-	-23	-27
Sale of shares, non-controlling interest	-	28	28
Dividend paid to shareholders of the Parent company	-1 941	-1 803	-1 803
Effect of employee share saving programme	-5	6	11
Equity, closing amount	68 182	55 405	65 319
Equity attributable to the shareholders of the Parent Company	68 174	55 334	65 276
Equity attributable to non-controlling interest	8	71	43

KEY RATIOS

	2014 30 June	2013 30 June	2013 31 Dec
Debt/equity ratio	0.02	0.03	0.03
Equity ratio	97%	94%	97%
Net cash/(Net debt) including debt unpaid investments	1 253	-276	2 435

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 cash/(net debt)	Interest bearing receivables, short-term investments and cash and cash equivalents less interest-bearing liabilities including interest-bearing provisions and debt unpaid investments.
Total return	Change in market price and dividends paid assuming that shareholders have reinvested all cash dividends and dividends in kind into the company's share.



Notes for the Group (SEK m)

NOTE 1 ACCOUNTING PRINCIPLES

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU. This statement has been prepared in accordance with NasdaqOMX's "Guidelines for preparing interim management statements" from 1 January 2014. Kinnevik will in the future prepare reports in accordance with the Annual Accounts Act and IAS 34, Interim Financial Reporting for the interim period January-June and for the full year.

From 2014 Kinnevik applies the three new standards; IFRS 10 Consolidated Financial Standards, IFRS 11 Joint Arrangements and IFRS 12 Disclosures of Interests in Other Entities, as well as amended IAS 27 and IAS 28. Kinnevik has made the assessment that it does not have de facto control over any company where it owns less than 50% of the shares or controls less than 50% of the votes. Therefore the new standards have no effect on Kinnevik's income statement or financial position except for additional supplementary disclosures.

From 2014 Kinnevik has changed the format for the income statement. The changed format is assessed to give a more relevant view on Kinnevik's financial development. Comparative figures have been recalculated.

The Kinnevik Group's accounting is distributed on two accounting segments - which is consistent with management's internal structure for controlling and monitoring the Group's operations - from 2014:

- Operating subsidiaries – all the Group's operating subsidiaries.
- Investment operation – shares and securities in all other companies, that are not subsidiaries, and other financial assets.

This segment includes change in fair value of financial assets, dividends received and the administration costs of the Parent company.

Other accounting principles and calculation methods applied in this report are the same as those described in the 2013 Annual Report.

NOTE 2 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 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, liquidity and refinancing risks and counterparty 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, Russia and Eastern Europe.

For a more detailed description of the Company's risks and risk management, refer to the Board of Directors' report and Note 26 of the 2013 Annual Report.

NOTE 3 RELATED PARTY TRANSACTIONS

Related party transactions for the interim period are of the same character as the transactions described in the 2013 Annual Report.



NOTE 4 CONDENSED SEGMENT REPORTING (SEK M)

	2014 Jan-June			2013 Jan-June		
	Operating subsidiaries	Investment operation	Total	Operating subsidiaries	Investment operation	Total
Change in fair value of financial assets		3 066	3 066		-6 982	-6 982
Dividends received		2 350	2 350		5 660	5 660
Revenue	643		643	776	4	780
Cost of goods and services sold	-325		-325	-450		-450
Selling- and administration costs	-412	-98	-510	-358	-82	-440
Share of profit/loss of associates accounted for using the equity method	6		6	7		7
Other operating income and expenses	-408	1	-407	51	5	56
Operating profit/loss	-496	5 319	4 823	26	-1 395	-1 369

Operating subsidiaries includes Metro, Vireo Energy, Rolnyvik, Saltside Technologies, Duego Technologies, AVI and G3 Good Governance Group.

The lower operating result within operating subsidiaries compared to previous year is mainly explained by an impairment of intangible fixed assets in Metro and G3 Good Governance Group of SEK 359m, a negative result of SEK 58m from divestments of operations within Metro, a positive one-off effect of SEK 44m in other operating income in the first half year 2013, as well as increased costs for expansion within newly established businesses.

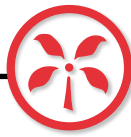
NOTE 5 FINANCIAL ASSETS ACCOUNTED AT FAIR VALUE THROUGH PROFIT AND LOSS

Kinnevik's unlisted holdings are valued using IFRS 13 and the International Private Equity and Venture Capital Valuation Guidelines, whereby a collective assessment is made to establish the valuation method that is most suitable for each individual holding. Firstly, it is considered whether any recent transactions have been made at arm's length in the companies. For new share issues, consideration is taken to if the newly issued shares have better preference to the company's assets than earlier issued shares if the company is being liquidated or sold. For companies where no or few recent arm's length transactions have been performed, a valuation is conducted by applying relevant multiples to the company's historical and forecast key figures, such as sales, profit, equity, or a valuation based on future cash flows. When performing a valuation based on multiples, consideration is given to potential adjustments due to, for example, difference in size, historic growth and geographic market between the current company and the group of comparable companies.

Work to measure Kinnevik's unlisted holdings at fair value is performed by the financial department and based on financial information reported from each holding. The correctness of the financial information received is ensured through continuous contacts with management of each holding, monthly reviews of the accounts, as well as internal audits performed by auditors engaged by Kinnevik. Prior to decisions being made about the valuation method to be applied for each holding, and the most suitable peers with which to compare the holding, the financial department obtains information and views from the investment team, as well as external sources of information. Information and opinions on applicable methods and groups of comparable companies are also obtained periodically from well-renowned, valuation companies in the market. The results from the valuation is discussed firstly with the CEO and the Chairman of the Audit Committee, following which a draft is sent to all members of the Audit Committee, who each quarter analyze and discuss the outcome before it is approved at a meeting attended by the company's external auditors.

Below is a summary of the valuation methods applied in the accounts as per 30 June 2014:

Company	Valuation method	Valuation assumptions
Rocket Internet	Portfolio companies valued as per below, cash balance and other assets as per Rocket financial statements.	N/A
Zalando	Valuation based on sales multiples for a group of comparable companies. The peer group includes Amazon, Asos, Yoox and Zully. The average sales multiple for the peer group has been reduced due to Zalando's lower historic profitability compared to its peers.	Last 12 months historical sales has been multiplied with a sales multiple of 1.8. The entire company has been valued at EUR 3.9bln.
Bigfoot I	Latest transaction value.	EUR 1 468m for the entire company.



Company	Valuation method	Valuation assumptions
Bigfoot II	Latest transaction value.	EUR 524m for the entire company.
Home24 and Westwing	<p>Valuation based on sales multiples for a group of comparable companies. The peer group includes, among others, Amazon, CDON och AO World.</p> <p>The average sales multiple for the peer group has been reduced to reflect factors such as lack of profitability and early e-commerce market.</p> <p>The valuations also consider what preference the owned shares have in case of liquidation or sale of the entire company.</p>	Last 12 months historical sales has been multiplied with a sales multiple of 1.5 for Home24 and 1.5 for Westwing.
BigCommerce	<p>Valuation based on sales multiples for a group of comparable companies. The peer group includes, among others, Amazon, CDON, JD.com and AO World.</p> <p>The average sales multiple for the peer group has been reduced to reflect factors such as lack of profitability and early e-commerce market.</p> <p>For the holding company BigCommerce, the underlying operating businesses have been valued separately.</p> <p>The valuations also consider what preference the owned shares have in case of liquidation or sale of the entire company.</p>	Last 12 months historical sales has been multiplied with sales multiples of 1.2 for Linio and 1.3 for Lazada.
Konga	Latest transaction value.	USD 52m for the entire company.
Avito	Valuation based on sales multiples for a group of comparable companies. The peer group includes, among others, 58.com, Autohome and BitAuto.	Last 12 months historical sales has been multiplied with a sales multiple of 9.5. The entire company has been valued at SEK 6.9bln.
Quikr	Latest transaction value.	USD 240m for the entire company.
Wimdu	<p>Valuation based on sales multiples for a group of comparable companies. The peer group includes, among others HomeAway, Priceline, Expedia and TripAdvisor.</p> <p>The average sales multiple for the peer group has been reduced to reflect factors such as lack of profitability and early e-commerce market.</p> <p>The valuations also consider what preference the owned shares have in case of liquidation or sale of the entire company.</p>	Last 12 months historical sales has been multiplied with a sales multiple of 2.9.
Bayport	Latest transaction value.	USD 431m for the entire company.
Milvik/Bima	Latest transaction value.	USD 40m for the entire company.
Other portfolio companies	Fair value corresponds to cost.	N/A

For the companies in the table above that are valued based on sales multiples (i.e. Zalando and Avito as well as direct and indirect ownership in Home24, Westwing, BigCommerce, and Wimdu), an increase in the multiple by 10% would have increased estimated fair value by SEK 1,470m. Similarly, a decrease in the multiple by 10% would have decreased estimated fair value by SEK 1,495m.

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.

Information is provided in this note per class of financial instruments that are valued at fair value in the balance sheet, distributed in the levels stated below:

Level 1: Fair value established based on listed prices in an active market for the same instrument.

Level 2: Fair value established based on valuation techniques with observable market data, either directly (as a price) or indirectly (derived from a price) and not included in Level 1.

Level 3: Fair value established using valuation techniques, with significant input from data that is not observable in the market.



CHANGE IN FAIR VALUE OF FINANCIAL ASSETS

	2014 1 Apr- 30 June	2013 1 Apr- 30 June	2014 1 Jan- 30 June	2013 1 Jan- 30 June
Millicom	-1 816	-1 396	-1 116	-3 004
Tele2	-217	-4 702	786	-5 203
Communication	-2 033	-6 098	-330	-8 207
Rocket Internet	623	209	608	227
Zalando	338	1 020	345	817
Bigfoot I with portfolio companies	2 121	72	2 122	24
Bigfoot II	1 028	-288	1 005	-440
Home 24	111	-243	126	-267
Westwing	44	8	46	3
CDON Group	45	-150	-157	-198
BigCommerce with portfolio companies	13	-81	37	-90
Konga	6	-	6	22
Avito	1	184	-108	311
Quikr	11	-	11	-
Wimdu	8	15	8	4
Other	51	-149	27	-166
E-commerce & Marketplaces	4 400	597	4 075	247
MTG	-200	362	-620	817
Other	3	-	10	-15
Entertainment	-197	362	-610	802
Bayport	31	44	32	69
Milvik/Bima	4	-	8	-
Seamless	-8	-17	-76	8
Transcom	24	-62	28	65
BillerudKorsnäs	-	36	-	124
Black Earth Farming	-2	-264	-41	-93
Other	-19	-	-20	3
Financial Services & Other	30	-263	-69	176
Total	2 200	-5 402	3 066	-6 982
- of which traded in an active market, level 1	-2 175	-6 193	-1 198	-7 484
- of which fair value established using valuation techniques, level 3	4 375	791	4 264	502



BOOK VALUE OF FINANCIAL ASSETS

	30 June 2014 listed companies		2014 30 June	2013 30 June	2013 31 Dec
	Class A shares	Class B shares			
Millicom	37 835 438	-	23 099	18 278	24 215
Tele2	18 430 192	117 065 945	10 650	10 664	9 864
Communication			33 749	28 942	34 079
Rocket Internet			1 828	2 919	1 219
Zalando			12 481	7 972	12 136
Bigfoot I with portfolio companies			4 428	1 503	1 535
Bigfoot II			1 658	438	435
Home 24			805	487	679
Westwing			263	175	217
CDON Group	24 959 410	-	629	594	786
BigCommerce with portfolio companies			579	334	544
Konga			162	64	156
Avito			2 190	1 235	2 196
Quikr			265	-	-
Wimdu			368	263	358
Other			546	518	510
E-commerce & Marketplaces			26 202	16 502	20 771
MTG	4 461 691	9 042 165	3 878	3 859	4 498
Other			100	154	164
Entertainment			3 978	4 013	4 662
Bayport			891	650	836
Milvik/Bima			118	49	46
Seamless	3 898 371	-	116	73	192
Transcom	247 164 416	163 806 834	533	296	505
BillerudKorsnäs	-	-	-	3 286	-
Black Earth Farming	51 811 828	-	295	363	337
Other			129	122	147
Financial Services & Other			2 082	4 839	2 063
Total			66 011	54 296	61 575
- of which traded in an active market, level 1			39 200	37 413	40 397
- of which fair value established using valuation techniques, level 3			26 811	16 883	21 178



INVESTMENTS IN FINANCIAL ASSETS

	2014 1 Apr- 30 June	2013 1 Apr- 30 June	2014 1 Jan- 30 June	2013 1 Jan- 30 June
Zalando	-	876	-	876
Bigfoot I with portfolio companies	8	-	39	-
Bigfoot II	-	-	-	169
Westwing	-	14	-	38
CDON Group	-	129	-	129
BigCommerce with portfolio companies	-	-	-2	138
Konga	-	-	-	20
Avito	4	-	102	-
Quikr	-	-	254	-
Wimdu	2	-	2	-
Other	49	12	50	13
E-commerce & Marketplaces	63	1 031	445	1 383
Other	-	12	-	12
Entertainment	-	12	-	12
Bayport	-	-	23	-
Milvik/Bima	-	-	64	3
Other	-	1	-	7
Financial Services & Other	-	1	87	10
Total investments	63	1 044	532	1 405
- of which traded in an active market, level 1	-	129	-	129
- of which fair value established using valuation techniques, level 3	63	915	532	1 276

CHANGES OF FINANCIAL ASSETS IN LEVEL 3

	2014 1 Jan- 30 June	2013 1 Jan- 30 June	2013 Full year
Opening balance	21 178	15 185	15 185
Investments	532	1 276	2 159
Distribution of shares in Bigfoot I and Bigfoot II	950	-	-
Reclassifications	-	49	49
Change in fair value	4 264	502	3 838
Disposals	-111	-120	-68
Exchange gain/loss and other	-2	-9	15
Closing balance	26 811	16 883	21 178



NOTE 6 DIVIDENDS RECEIVED

	2014 1 Apr- 30 June	2013 1 Apr- 30 June	2014 1 Jan- 30 June	2013 1 Jan- 30 June
Millicom	662	665	662	665
Tele2	596	4 756	596	4 756
MTG	142	135	142	135
Rocket Internet, shares in Bigfoot I and Bigfoot II	950	-	950	-
BillerudKorsnäs	-	104	-	104
Total dividends received	2 350	5 660	2 350	5 660
Of which ordinary cash dividends	1 400	1 866	1 400	1 866

NOTE 7 INTEREST-BEARING ASSETS AND LIABILITIES

Kinnevik's total interest bearing assets amounted to SEK 2,535m as at 30 June 2014. The greater part of the short term deposits of SEK 1,763m were made in Swedish money market funds with high credit quality with no restrictions on accessibility. The total amount of outstanding loans was SEK 1,307m and consequently Kinnevik was in a net cash position of SEK 1,253m as at 30 June 2014 (SEK 2,727m as at 31 December 2013).

Kinnevik's total credit facilities (including issued bonds) amounted to SEK 7,175m as at 30 June 2014 whereof SEK 5,800m related to a revolving credit facility and SEK 1,200m related to a bond. The utilization of the credit facilities was SEK 1,307m as at 30 June 2014.

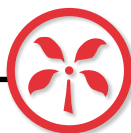
The Group's available liquidity, including short-term deposits and available credit facilities, totaled SEK 8,418m at 30 June 2014 (SEK 9,897m at 31 December 2013).

	2014 30 June	2013 30 June	2013 31 Dec
Interest-bearing long-term assets			
Other interest-bearing assets	49	22	11
	49	22	11
Interest-bearing short-term assets			
Short-term investments	1 763	1 813	3 502
Cash and cash equivalents	723	582	465
	2 486	2 395	3 967
Total interest-bearing assets	2 535	2 417	3 978
Interest-bearing long-term liabilities			
Liabilities to credit institutions	30	47	20
Capital markets issues	1 200	1 200	1 200
Accrued borrowing cost	-18	-20	-25
Other interest-bearing liabilities	52	37	36
	1 264	1 264	1 231
Interest-bearing short-term liabilities			
Liabilities to credit institutions	18	1	20
Capital markets issues	0	589	0
	18	590	20
Total interest-bearing liabilities	1 282	1 854	1 251
Net interest bearing assets/liabilities	1 253	563	2 727

The outstanding loans carry an interest rate of Stibor or similar base rate with an average margin of 1.8%. All bank loans have variable interest rates (up to 3 months) while financing from the capital markets vary between 1 to 12 months for the loans under the commercial paper program and 5 years fixed for the outstanding bond (as per date of issue).

As per 30 June 2014, the average remaining tenor was 2.6 years for all credit facilities including the bond (but excluding two unutilized extension options for one year each related to the Group's SEK 5,800m credit facility).

At 30 June 2014 the Group had not provided any security for any of its outstanding loans.



CONDENSED PARENT COMPANY INCOME STATEMENT (SEK M)

	2014 1 Jan- 30 June	2013 1 Jan- 30 June
Revenue	9	4
Administration costs	-100	-84
Other operating income	1	6
Operating loss	-90	-74
Dividends received	656	10 626
Result from financial assets	-112	-5 488
Net interest income/expense	221	195
Profit/loss before taxes	675	5 259
Tax	14	0
Net profit/loss for the period	689	5 259

CONDENSED PARENT COMPANY BALANCE SHEET (SEK M)

	2014 30 June	2013 30 June	2013 31 Dec
ASSETS			
Tangible fixed assets	4	4	4
Financial fixed assets	50 155	46 251	46 474
Short-term receivables	37	738	279
Short-term investments	1 722	1 797	3 498
Cash and cash equivalents	439	5	42
TOTAL ASSETS	52 357	48 795	50 297
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity	43 888	44 448	45 145
Provisions	30	31	30
Long-term liabilities	8 317	3 327	4 306
Short-term liabilities	122	989	816
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	52 357	48 795	50 297

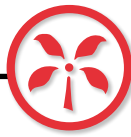
The Parent Company's liquidity, including short-term investments and unutilized credit facilities, totalled SEK 8,091m at 30 June 2014 and SEK 9,470m at 31 December 2013. The Parent Company's interest bearing external liabilities amounted to SEK 1,200m (1,200) on the same dates.

Investments in tangible fixed assets amounted to SEK 0m (2) during the period.

Distribution by class of shares on 30 June 2014 was as follows:

	Number of shares	Number of votes	Par value (SEK 000s)
Outstanding Class A shares, 10 votes each	42 369 312	423 693 120	4 237
Outstanding Class B shares, 1 vote each	234 990 584	234 990 584	23 499
Class B shares in own custody	408 294	408 294	41
Registered number of shares	277 768 190	659 091 998	27 777

The total number of votes for outstanding shares in the Company amounted at 30 June 2014 to 658,683,704 excluding 408,294 class B treasury shares. During June 41,598 Class B-shares have been delivered to participants in the long term incentive plan from 2011. 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 of 2014. There are no convertibles or warrants in issue.



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, 18 July 2014

Cristina Stenbeck
Chairman of the Board

Dame Amelia Fawcett
Deputy Chairman of the Board

Vigo Carlund
Member of the Board

Tom Boardman
Member of the Board

Wilhelm Klingspor
Member of the Board

Erik Mitteregger
Member of the Board

John Shakeshaft
Member of the Board

Lorenzo Grabau
CEO and President

REVIEW REPORT

Introduction

We have reviewed the interim report for Investment AB Kinnevik for the period January 1 - June 30, 2014. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices.

The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

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

Stockholm 18 July 2014

Deloitte AB

Jan Berntsson
Authorized Public Accountant

FINANCIAL REPORTS

Reporting dates for 2014:

24 October Interim Management Statement January-
September

February 2015 Year-end release 2014

Kinnevik discloses the information provided herein pursuant to the Securities Market Act (Sw. lagen om värdepappersmarknaden (2007:528)). The information was submitted for publication at 8.00 CET on 18 July 2014.