

Investment AB Kinnervik



PRESENTATION OF FINANCIAL RESULTS Q4 2010



HIGHLIGHTS 2010

- Net Asset Value increased by SEK 12.7bn to SEK 57.5bn
- The Kinnevik share increased by 28% and 31% including dividend
- Strong growth and profitability in major holdings
- SEK 1.4 billion invested within New Ventures
- Value of New Ventures increased by SEK 734m, mainly related to online
- Expected dividends to be received SEK 4,202 of which SEK 1,357 ordinary dividends
- Kinnevik dividend of SEK 4.50 proposed
 - up by 50%
 - 92% of ordinary dividends received
- Revised financial targets
- Mandate for New Ventures SEK 2 billion in 2011



REVISED FINANCIAL TARGETS

Dividend policy

- Kinnevik's dividend policy is to pay out more than 85% of ordinary dividends received from the listed holdings during the same year. Kinnevik's ambition is to continue to generate a progressive annual dividend for its shareholders.
- The authority to repurchase Kinnevik's own shares will be utilised when the anticipated total return to shareholders through such a program is deemed to be more attractive than other potential investments.

Balance sheet

Leverage in Kinnevik should be used as a tool for maximizing the shareholder return. The different segment targets are:

- (i) Korsnäs: Leverage of at least 3x EBITDA.
- (ii) Listed portfolio: To have financial flexibility in the parent company, the goal is to have no or a low leverage against the listed share portfolio.

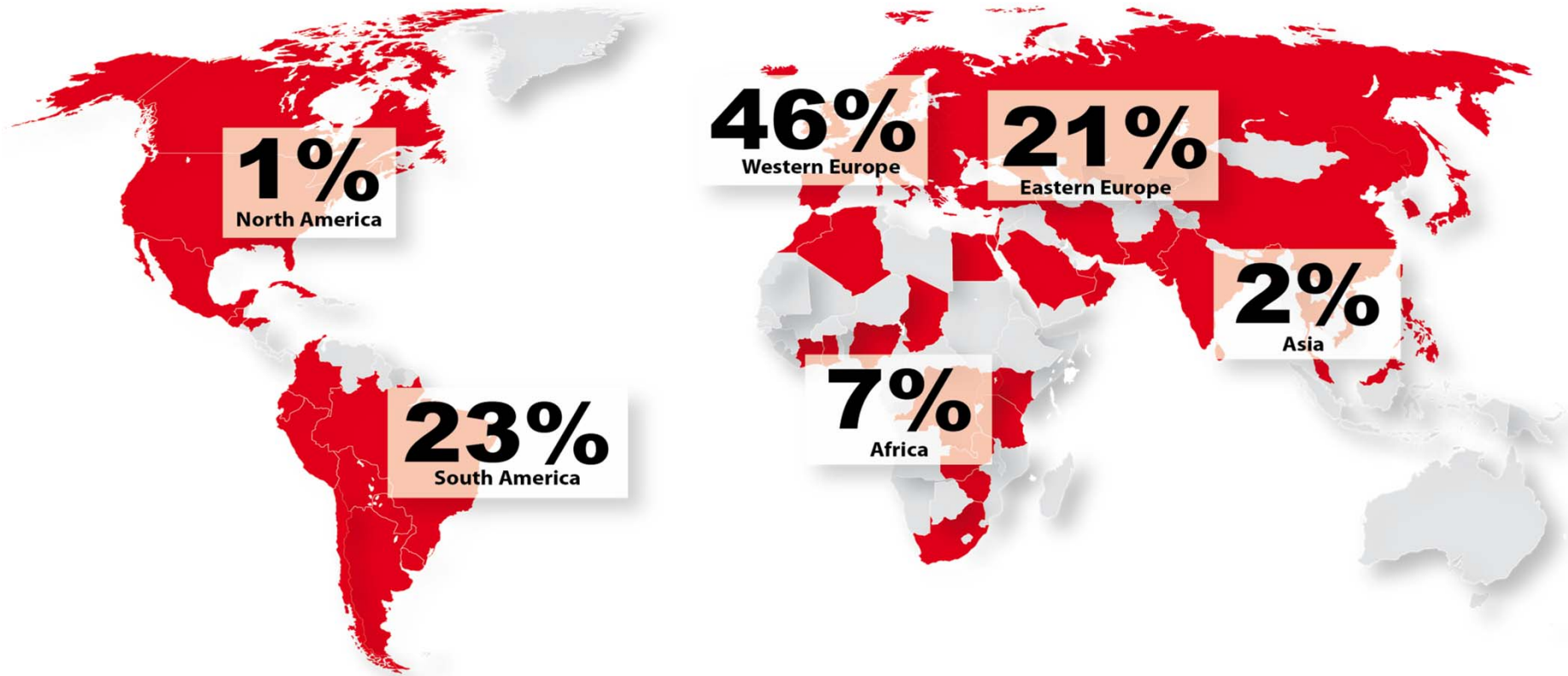
Return target

- Average yearly internal rate of return (IRR) on all investments in the portfolio should reach at least 15% given the current structure of the portfolio.



ONE SHARE - SIXTY MARKETS

SALES PER REGION



– Average annual return of 20% last 30 years



THE KINNEVIK PORTFOLIO

PAPER & PACKAGING



TELECOMMUNICATION AND SERVICES



MEDIA



ONLINE



AGRICULTURE AND RENEWABLE ENERGY



MICROFINANCING



PAPER & PACKAGING

KORSNÄS

SEK m	2010	2009	Change (%)
Total revenues	8,178	8,039	2
EBIT	926	851	9
EBIT margins	11.3%	10.6%	
Production (Ktonnes)	1,019	1,025	0

- World's 2nd largest liquid packaging board producer
- Premium segment producer of folding carton board
- Stronger demand in all product segments in 2010
- Increased prices, production and deliveries supported growth in EBIT
- Production disturbances in Q4 have been addressed
- Net cash-flow to Kinnevik from Korsnäs was approx. SEK 600m in 2010
 - Cash-return on average invested capital 16%



OUR VALUE DRIVERS

TELECOMMUNICATION AND SERVICES

- Strong market positions in high growth markets
 - Scandinavia
 - Russia
 - Latin America
 - Africa
- Excellent execution
 - Building strong brands
 - Focus on sales, marketing and distribution to high ARPU customers
 - Divesting towers in Africa
- Data traffic drives growth
- Innovation – new successful services



TELECOMMUNICATION AND SERVICES

MILLICOM

USD m	2010	2009	Change %
Total revenues	3,920	3,373	16
EBITDA	1,841	1,545	19
EBITDA margins	47.0%	45.8%	
Subscribers, end of period (m)	38.6	33.9	

- Sustained double-digit growth driven by value focus (ARPU)
- More than half of new customers in Latin America are 3G data users
- Strong EBITDA margin at 47.0%
- Solid cash-flow generation and cash repatriation
- 3 tower companies creating more than USD 400m of value through cash and equity and expected future cost savings
- Board of Directors to propose dividend of USD 1.80 per share to the AGM
- Millicom intends to resume share buy-back program



TELECOMMUNICATION AND SERVICES

TELE2

SEK m	2010	2009	change %
Operating revenue	40,164	39,436	2
EBITDA	10,284	9,394	9
EBITDA margins	26%	24%	
Mobile subscribers, end of period (m) *	27.1	22.4	21

- Total customer base close to 31 million – net customer intake for the group 803,000
- 4 million new customers in Russia – in total 18.4 million
- New regions reaching profitability – record EBITDA in Russia of SEK 3,573m in Q4
- Handset portfolio in Sweden improved – boosted mobile data revenue
- Dividend of SEK 27 per share of which SEK 6 ordinary dividend and SEK 21 extraordinary proposed to the AGM in May



TELECOMMUNICATION AND SERVICES

TRANSCOM

SEK m	2010	2009	Change %
Operating revenue	589.1	560.2	5
EBITA	-3.7	27.2	<i>neg</i>
EBIT margins	<i>neg</i>	4.9%	

- Revenue growth in in all regions except South
- Intended sale of two sites in France – EUR 19.4 m charge in fourth quarter
- Focus on execution of transformation program:
 - Growth
 - Address non-performing units
 - Launch of portfolio and technology transformation



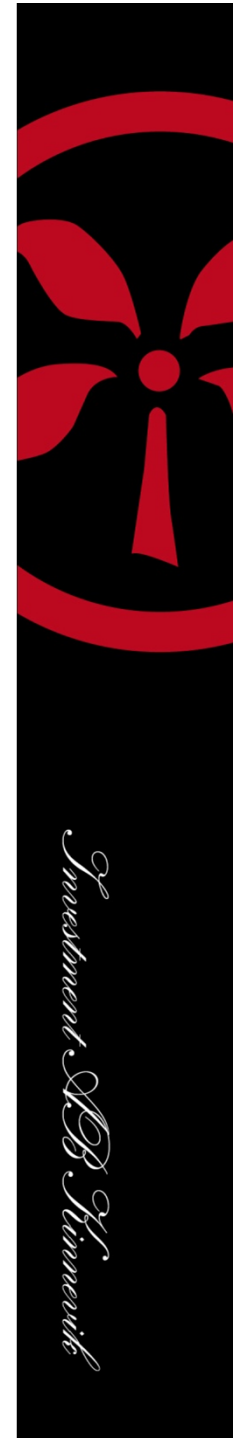
OUR VALUE DRIVERS

MEDIA

- TV dominant brand building vehicle for advertisers
- Strong market positions and brands
 - 125 million daily TV viewers in 31 markets
 - Scandinavia
 - Eastern Europe
 - Start-up in Ghana - Africa
- Balance between advertising and pay-TV revenues
- 17 million daily Metro readers – young and urban



10



MEDIA

MODERN TIMES GROUP MTG

SEK m	2010	2009	Change (%)
Total revenues	13,101	12,427	5
Total operating profit (EBIT) ¹⁾	1,941	1,529	27
EBIT margins	15%	12%	

1) Excluding associated company income and non-recurring items

- Record sales & profits
 - Free-TV Scandinavia y/y sales growth of 12% in Q4 excluding FX
 - Continued Premium DTH ARPU growth & premium subscriber intake
 - Ongoing investments in Emerging Markets pay-TV platforms
- Distribution & listing of CDON Group shares in Q4
- Board of Directors to propose increased annual cash dividend of SEK 7.50 to AGM in May 2011



MEDIA

METRO

SEK m	2010	2009	change
Operating revenue ¹⁾	207	191	8
Total operating profit (EBIT)*	5.5	-3.4	
EBIT margins	2.7%	neg	

¹⁾Excluding closed, divested and acquired operations

- Canada and Sweden best performers in the Group – improving EBIT by over EUR 7m each
- Double digit sales growth in Sweden, Hong Kong, Chile and Canada
- Expansion in Latin America and investments in online and France



OUR VALUE DRIVERS

ONLINE

- Strong growth in consumer-related online services
- eCommerce major global trend with significant impact on retailing business
- Expansion facilitated by global access to technology infrastructure and advertisement - cost efficient operations
- Kinnevik targets
 - Consumer-related services with proven business models
 - Markets outside the US - emerging markets from an online perspective



ONLINE

CDON

SEK m	2010	2009	Change (%)
Total revenues	2,210	1,746	27
Total operating profit (EBIT)	135	125	8
EBIT margins	6.1%	7.2%	

- Demerger from MTG and listed on Nasdaq OMX Stockholm Mid Cap market
- SEK 250m five year convertible bond issued and 100% subscribed by MTG
- All segments delivered healthy annual growth and profitability
 - Entertainment: Ongoing shift in product category mix
 - Fashion: More than doubled sales year-on-year
 - Sports & Health: Sales growth and strong EBIT margin



ONLINE

AVITO

- Leading Russian site for online classifieds
 - 2 million new ads per month
 - 11 million unique visitors per month
- Kinnevik is the largest owner of Avito
 - Invested SEK 150 million in 2010



ROCKET INTERNET

- Owns and develops a portfolio of e-commerce and other consumer oriented online companies
- Zalando, Groupon, e-darling and R2
- Value increase in 2010 mainly related to Groupon where Kinnevik owns slightly above 1%



OUR VALUE DRIVERS

AGRICULTURE & RENEWABLE ENERGY

- The world population is growing and becoming wealthier
- Traditional energy sources become more scarce
- Environmental awareness increases
- Development of new technologies
- Black Earth Farming is the largest investment within agriculture
 - 328,000 hectares of land
 - focus on enhancing production efficiency
- Renewable energy:
 - Sia Latgran – pellets production in Latvia
 - Vireo – produce energy from waste facilities



OUR VALUE DRIVERS

MICRO FINANCE

- A market with low penetration - 130m clients of potentially 1.5 billion
- Need for equity investments of USD15-20bn the coming 5 years to sustain growth in the industry
- First phase mainly small microloans but sector will develop into broader financial services
- Bayport is Kinneviks largest investment in microfinancing
 - the major shareholder with 37% of the shares fully diluted
 - Offers microcredits and financial services in Ghana, Zambia, Tanzania, Uganda and Botswana
 - 250,000 customers



FINANCIALS

PROFIT AND LOSS

SEK m	2010	2009	Q 4 2010	Q4 2009
Total revenues	8,593	8,397	2,151	2,131
Operating profit	889	842	121	238
Changes in fair value including dividends received	13,004	15,853	347	4,545
Net interest expense	-156	-179	-52	-22
Profit before tax	13,737	16,516	416	4,761
Tax	-115	-143	29	-27
Net income	13,622	16,373	445	4,734

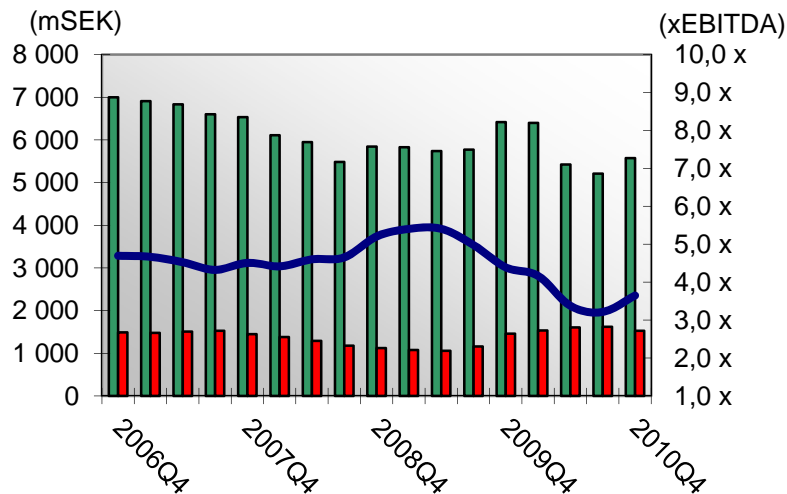


FINANCIALS

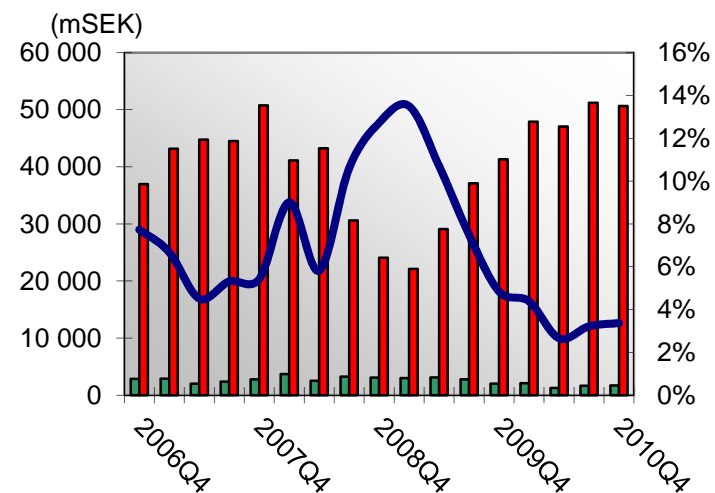
KINNEVIK'S BALANCE SHEET 31 DECEMBER 2010

- Strong financial position
- Kinnevik's net debt amounts to SEK 7,123m (including interest bearing financial assets of SEK 413m)
 - SEK 5,575m against Korsnäs - high leverage to maximise returns
 - SEK 1,706m against Major Listed Holdings of SEK 50,913 million

MAJOR UNLISTED HOLDINGS
– NET DEBT TO EBITDA



MAJOR LISTED HOLDINGS
– NET DEBT TO ASSET VALUE



CAPITAL STRUCTURE – IMPLICATIONS FOR 2011

SEK

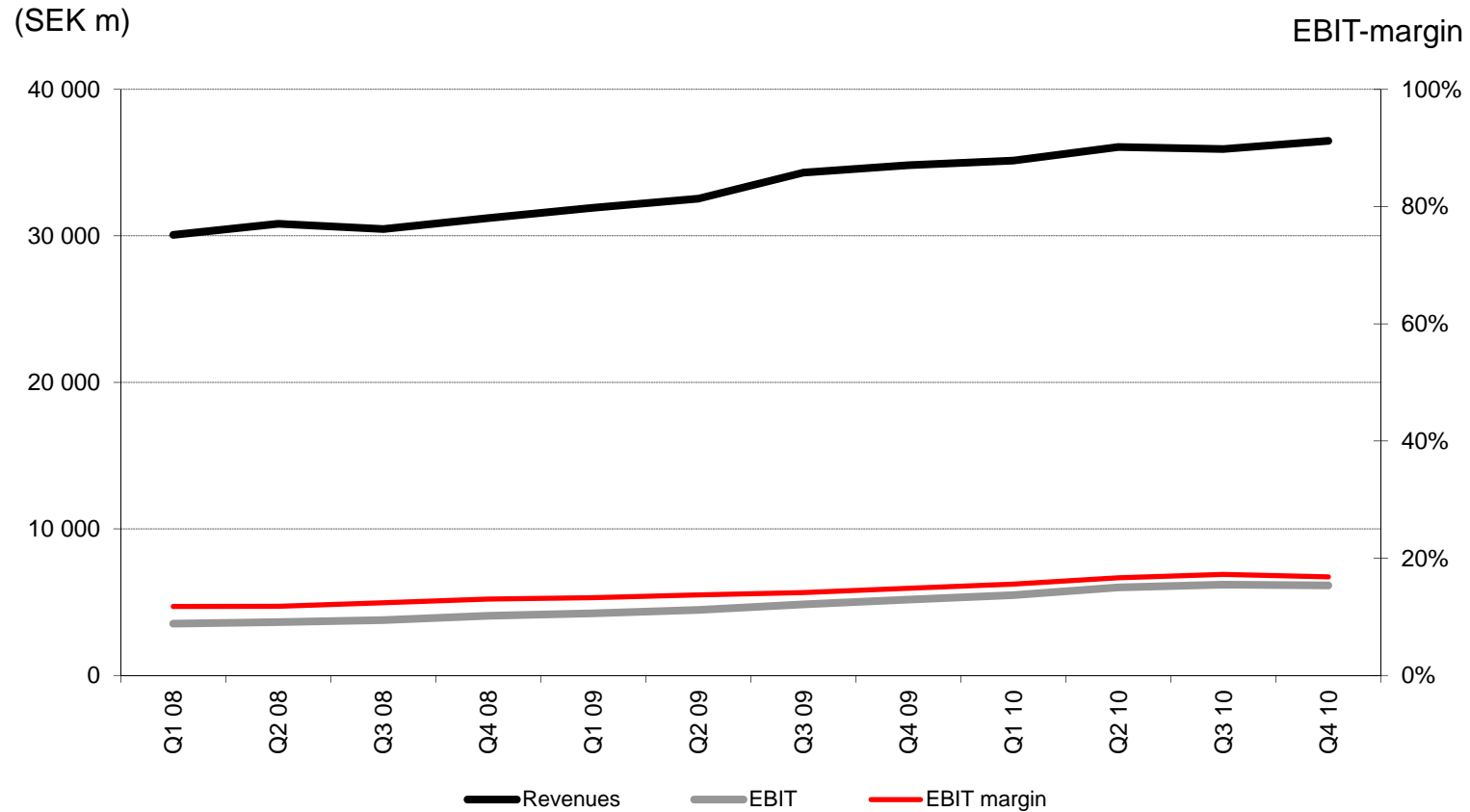
Net debt against listed holdings end-2010	-1.7bn
Dividends expected	4.2bn
Proposed dividend to Kinnevik shareholders	-1.2bn
Mandate for new investments	-2.0bn

- Under the above assumptions, net debt against the listed portfolio will decrease by approximately SEK 1 billion.



FINANCIALS

KINNEVIK'S SEE-THROUGH P&L DEVELOPMENT



- Sales up by 7% to SEK 36.5bn compared to 2009
- EBIT up 20% to SEK 6.1bn compared to 2009



Investment AB Kinnervik

