

## Record Q1 sales & transformation on track

### Q1 2016 Highlights

- Sales of SEK 3,826m (3,701) and operating income of SEK 159m (142) before SEK 0m (77) of items affecting comparability (IAC)
- Net income from continuing operations of SEK 119m (164) and basic earnings per share of SEK 1.59 (2.61)
- Total net income of SEK 50m (318) and total basic earnings per share of SEK 0.55 (4.92)
- Cash flow from continuing operations of SEK 75m (111)
- Net debt of SEK 2,688m (396) equivalent to 1.8x trailing 12 month EBITDA excl. IAC

### Financial Overview

(SEKm)	2016 Q1	2015 Q1	2015 Full year
Net sales	3,826	3,701	16,218
<i>Growth at constant FX</i>	<i>5.1%</i>	<i>1.0%</i>	<i>2.6%</i>
<i>Organic growth at constant FX</i>	<i>3.3%</i>	<i>0.7%</i>	<i>0.7%</i>
EBIT before items affecting comparability	159	142	1,268
<i>Margin before items affecting comparability</i>	<i>4.2%</i>	<i>3.8%</i>	<i>7.8%</i>
Items affecting comparability (IAC) *	-	77	-512
Total EBIT	159	219	756
Net income, continuing operations	119	164	533
Basic earnings per share, continuing operations (SEK)	1.59	2.61	7.45
Net income, discontinued operations **	-70	154	-282
Total net income	50	318	251
Total basic earnings per share (SEK)	0.55	4.92	3.22
Net debt	2,688	396	2,124
Cash flow from continuing operations	75	111	1,051

\* Items affecting comparability (IAC) refers to material items and events related to changes in the Group's structure or lines of business, which are relevant for understanding the Group's development on a like-for-like basis. This line was previously titled "non-recurring items". IAC in Q1 2015 comprised the capital gain from the sale of Swedish cable-TV company Sappa.

\*\* Comprises MTG's interest in CTC Media, Inc, which is expected to be divested.



## President & CEO's comments

### The transformation continues

Record Q1 sales reflected continued high Viaplay subscriber intake, the addition of the new eSports and multi-channel network businesses, and continued high underlying growth in our international entertainment operations. Operating profits before IAC were up as our cost transformation initiatives and the operating leverage in the international entertainment businesses mitigated the ongoing adverse FX effects, investments in the new MTGx businesses, and a material step-up in sports costs. Our strategic transformation is progressing well and according to plan, with further developments right across the group.

Our products are stronger than ever. Audience shares are up in almost all of our markets; we have more subscribers across the Nordic region than ever before; and online views are at record levels. We have not only added a number of high impact international sports rights but Viaplay is also commissioning a number of new original series from our own award winning studios.

The portfolio realignment has also continued with the sale of our Ukrainian pay-TV business, and we expect to exit CTC Media with the anticipated cash return to shareholders during Q2. In addition, we have a new financial reporting structure, which reflects the way in which the Group is now organised and managed, as well as the way in which we expect the business to develop moving forward.

### eSports breakthrough

2015 was a breakthrough year for eSports. The industry continued its rapid growth in revenues, tournaments, players and viewers, and eSports has arrived as a challenger to traditional sports, both in terms of size of fan base and global potential. Turtle is now available on multiple streaming platforms, and the Turtle and DreamHack events so far in 2016 are breaking all records. eSports is not the only digital product with global potential in the Group, now that Zoomin.TV and Splay are creating new web stars and distributing content all around the world.

### Outlook

Our objective remains to accelerate our sales growth and increase our operating profits in 2016, despite the anticipated SEK 250m of incremental adverse FX effects and the additional costs for the new or extended sports rights that we have acquired. This is made possible by our products being more relevant and popular than ever; the positive effects of the transformation process; and the strong performance in our international entertainment business.

**Jørgen Madsen Lindemann**  
President & Chief Executive Officer

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**“Our products are stronger than ever. Audience shares are up in almost all of our markets; we have more subscribers across the Nordic region than ever before; and our online views are at record levels. We are on track to accelerate our sales growth and increase our operating profits in 2016.”**

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## Significant Events during and after the quarter

### 1 March - MTG sells Ukrainian TV business

MTG signed an agreement to sell its Ukrainian pay-TV business to Ukraine's 1+1 Media Group (media.1plus1.ua). Completion of the transaction is subject to local market regulatory approval.

### 17 March - New Financial Reporting Structure

MTG announced changes in its financial reporting structure with effect from the first quarter of 2016. This follows the changes to MTG's management and operating structure during the Group's strategic transformation from a traditional broadcaster into a digital entertainment company. Comparable figures for prior periods are available at <https://www.mtg.com/our-performance/quarterly-results/>.

### 23 March - Management team changes

MTG appointed Peter Nørrelund as Executive Vice President and CEO of MTG Sport, and Gabriel Catrina as Chief Strategy Officer. Joseph Hundah has left his position as Executive Vice President and CEO of MTG Africa. MTG EVP Jette Nygaard-Andersen takes on responsibility for MTG's African operations.

### 29 March - CTC Media provides update on anticipated timing of transaction

MTG noted the announcement by CTC Media, Inc., of which MTG owns 38%, that the Office of Foreign Assets Control of the U.S. Treasury Department has issued a license authorising CTC Media to proceed with the previously announced transaction. The CTC Media Board of Directors is finalising preparations for the transaction, including awaiting the receipt of a tax refund from the U.S. Internal Revenue Service, and currently anticipates that the transaction will be completed early in the second quarter of 2016. The full announcement is available at <http://www.ctcmedia.ru/press-center/releases>.

### 8 April - MTG 2015 Annual & Corporate Responsibility Reports published

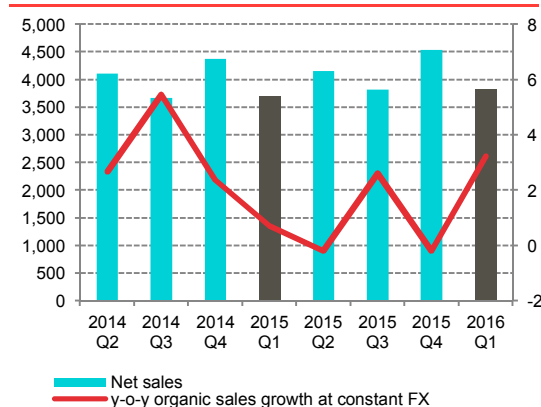
MTG published its 2015 Annual and Corporate Responsibility Reports online at <https://www.mtg.com/>.

A full list of MTG corporate events can be found at [www.mtg.com](http://www.mtg.com).

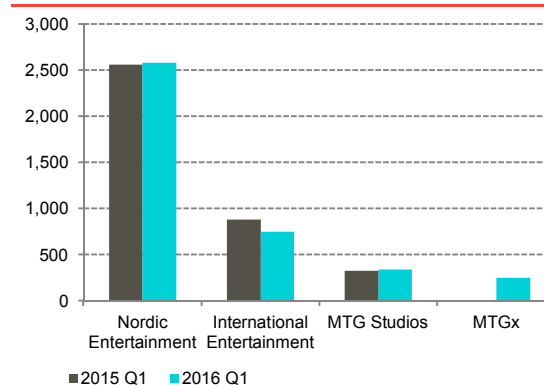
## Operating Review

Sales were up 5% at constant FX, which reflected healthy underlying growth in all business areas, as well as the contribution from the newly acquired digital businesses. Sales were up 3% on an organic basis.

**Net sales & y-o-y organic growth at constant FX**  
(SEKm (left side); % (right side))

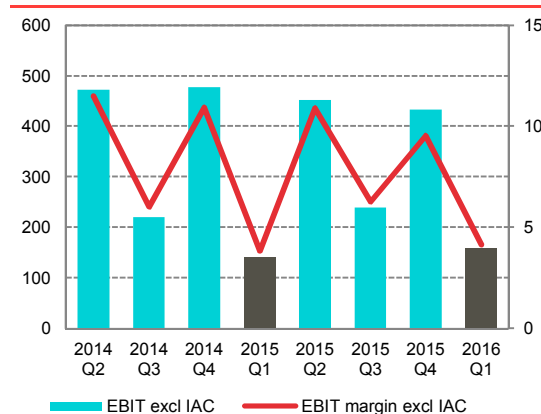


**Net sales by segment**  
(SEKm)

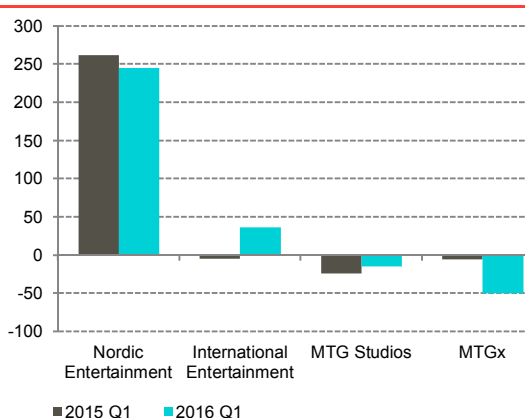


Operating costs were up 5% at constant FX and 2% on an organic basis. This increase primarily reflected the ongoing adverse impact of the appreciation of the US dollar on content costs, the additional sports rights for the Nordic businesses, and the consolidation of the newly acquired digital businesses. This was partly offset by transformation savings as well as disposals. Operating income, when excluding IAC, increased to SEK 159m (142) with an operating margin of 4.2% (3.8).

**EBIT & EBIT margin excl. IAC**  
(SEKm (left side); % (right side)) \*



**EBIT excl. IAC by segment**  
(SEKm)



\* Quarterly fluctuations reflect seasonality of advertising markets.

Net interest and other financial items totalled SEK -18m (-25). The Group reported net income from continuing operations of SEK 119m (164), and basic earnings per share from continuing operations of SEK 1.59 (2.61).

## Nordic Entertainment

### Sales up & profits impacted by FX and content investments

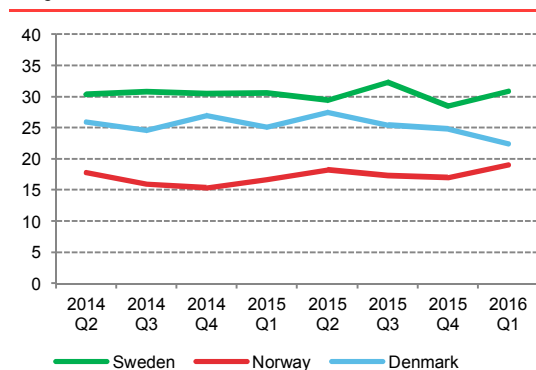
(SEKm)	2016 Q1	2015 Q1	2015 Full year
Net sales	2,577	2,557	10,487
<i>o/w Free-TV &amp; Radio</i>	1,108	1,096	4,656
<i>o/w Pay-TV</i>	1,469	1,461	5,831
Costs	2,332	2,295	9,082
EBIT	245	262	1,405
<i>Sales growth y-o-y</i>	0.8%	1.8%	2.2%
<i>Sales growth y-o-y at constant FX</i>	2.8%	-0.3%	2.0%
<i>Organic sales growth y-o-y at constant FX</i>	2.8%	1.4%	2.4%
<i>EBIT margin</i>	9.5%	10.3%	13.4%

Sales were up 3% on an organic basis, which primarily reflected rising Viaplay volumes and prices, as well as higher advertising video-on-demand revenues.

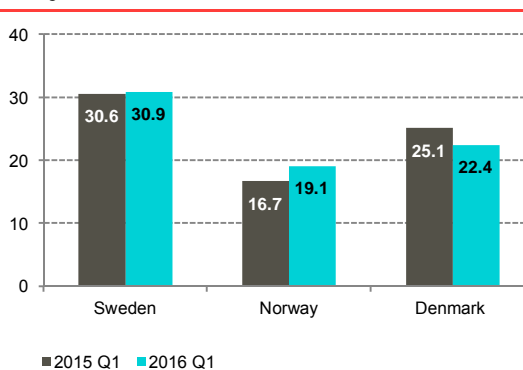
Operating costs were also up following the acquisition of the rights to the Spanish and Italian football leagues; ongoing investments in the expansion of Viaplay; and the year on year appreciation of the US dollar. Operating income amounted to SEK 245m (262) with an operating margin of 9.5% (10.3). The Q1 2016 result included a positive impact relating to the revaluation of payables, while the Q1 2015 results included the net positive effect of a copyright settlement and restructuring costs.

Free-TV and radio sales were up at constant FX, with higher sales in Norway and Denmark partly offset by lower sales in Sweden. The Danish TV advertising market is estimated to have grown, the Norwegian market is estimated to have been stable, and the Swedish market is estimated to have declined. The Swedish and Norwegian media house audience shares were up, while the Danish share was down.

**Commercial share of viewing (%)**  
(Target audience: 15-49)

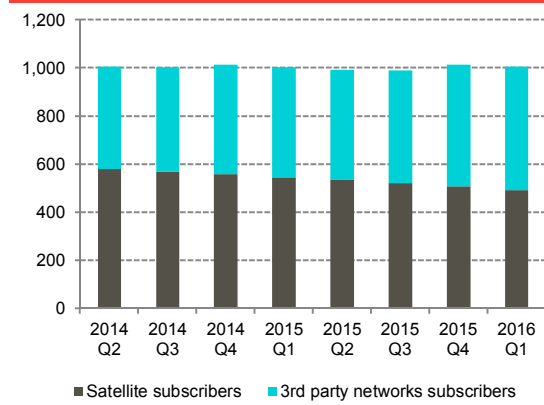


**Commercial share of viewing (%)**  
(Target audience: 15-49)

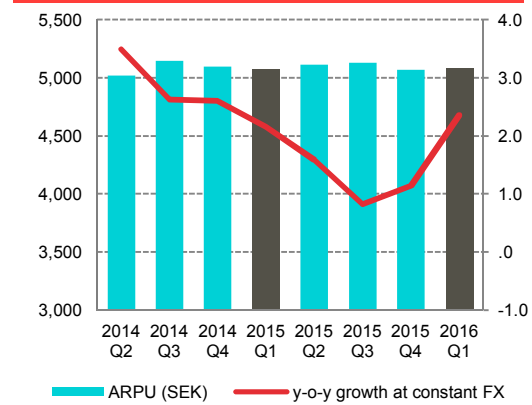


Pay-TV sales were up at constant FX following continued healthy Viaplay subscriber intake, as well as the initial impact of the recent Viaplay and Viasat price increases. The Viasat satellite subscriber base continued to decline but satellite ARPU was up year-on-year at constant FX, and the third party network subscriber base continued to grow.

**Satellite and 3<sup>rd</sup> party subscribers \***  
(000's)



**Annualised revenue per satellite subscriber (ARPU) and y-o-y growth at constant FX \***  
(SEK (left side); % (right side))



\* The satellite subscriber base and ARPU have been restated to also include basic subscribers.

## International Entertainment

### Higher organic sales & profits up

(SEKm)	2016 Q1	2015 Q1	2015 Full year
Net sales	747	880	3,796
<i>o/w Free-TV &amp; Radio</i>	591	587	2,703
<i>o/w Pay-TV</i>	156	293	1,093
Costs	710	884	3,485
EBIT	36	-4	311
<i>Sales growth y-o-y</i>	-15.1%	13.8%	3.8%
<i>Sales growth y-o-y at constant FX</i>	-14.9%	13.9%	4.0%
<i>Organic sales growth y-o-y at constant FX</i>	5.8%	7.2%	5.5%
<i>EBIT margin</i>	4.9%	-0.5%	8.2%

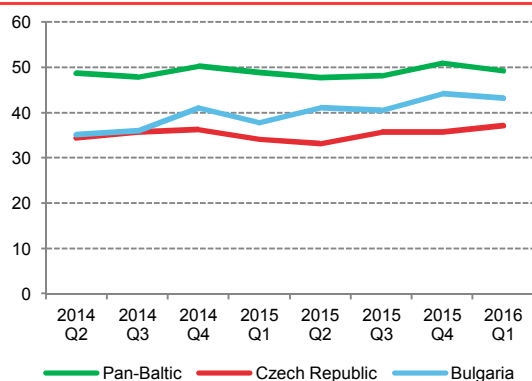
Sales were down on a reported basis due to the deconsolidation of the Hungarian free-TV business and the Russian and international pay-TV channel businesses from November 2015, and the Ukrainian pay-TV business from the end of last year. Sales were up 6% on an organic basis. This primarily reflected continued strong growth in Bulgaria, which was partly offset by the impact of changes in the agency deal structures in the Czech Republic. Czech sales showed strong underlying growth.

Operating costs were down significantly on a reported basis, but were stable on a like-for-like basis. Operating income amounted to SEK 36m (-4) with an operating margin of 4.9%.

Free-TV and radio sales were up on an organic basis, with higher underlying sales in all markets. The Bulgarian and Czech TV advertising markets are estimated to have grown, while the pan-Baltic market is estimated to have been stable. The Bulgarian, Czech and pan-Baltic media house audience shares were all up.

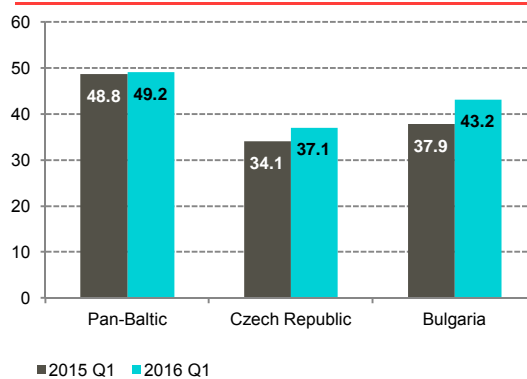
#### Commercial share of viewing (%)

Target audience: Baltics 15-49, Czech Republic 15-54, Bulgaria 18-49



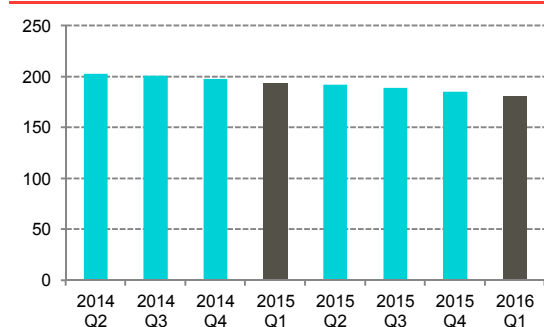
#### Commercial share of viewing (%)

Target audience: Baltics 15-49, Czech Republic 15-54, Bulgaria 18-49

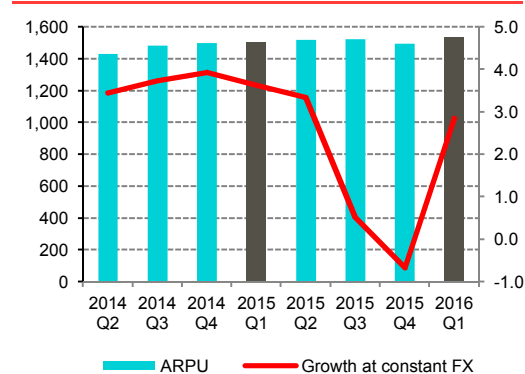


Pay-TV sales were up on an organic basis, with higher sales for Trace partly offset by lower sales in the Baltics. The total satellite subscriber base decreased by 4,000 quarter-on-quarter, but satellite ARPU was up year-on-year at constant FX following price increases and a new package structure.

**Satellite subscribers**  
(000's)



**Annualised revenue per satellite subscriber (ARPU) and y-o-y growth at constant FX**  
(SEK (left side); % (right side))



## MTG Studios

### Sales up & losses down

(SEKm)	2016 Q1	2015 Q1	2015 Full year
Net sales	338	323	1,780
Costs	352	347	1,777
EBIT	-14	-24	3
<i>Sales growth y-o-y</i>	4.5%	-2.1%	-13.2%
<i>Sales growth y-o-y at constant FX</i>	8.8%	-6.1%	-14.2%
<i>Organic sales growth y-o-y at constant FX</i>	8.8%	-6.1%	-14.2%
<i>EBIT margin</i>	-4.3%	-7.3%	0.2%

Sales were up 9% on an organic basis as the demand for scripted drama productions from Viaplay and third party broadcasters continued to rise. MTG's content distribution business DRG had a record quarter. Operating costs were also up but the operating loss was reduced.

Nice Entertainment's high quality output has earned further international awards nominations as Strix won the best brand driven format award in Cannes (c21 Awards) with "Outlet Challenge", and Moskito sweeping the board in the drama category at the Finnish annual TV awards with eight prizes in total.



## MTGx

### Sales up & expansion continues

(SEKm)	2016 Q1	2015 Q1	2015 Full year
Net sales	248	0	451
Costs	298	6	562
EBIT	-50	-5	-111
<i>Sales growth y-o-y</i>	-	-	-
<i>Sales growth y-o-y at constant FX</i>	-	-	-
<i>Organic sales growth y-o-y at constant FX</i>	-	-	-
<i>EBIT margin</i>	-20.0%	-	-24.7%

Sales were up approximately 60% at constant FX, compared to 2015 pro forma following strong underlying growth in all businesses. Operating costs were also up on a pro forma basis as the companies continued to expand. Turtle and DreamHack have both entered new territories, added more eSports events and leagues in existing markets, and invested in new studio facilities to meet the increased demand. Zoomin.TV and Splay are also expanding geographically, as well as constantly adding more web stars and video journalists. The operating loss reflects the continued expansion, as well as the seasonality of the advertising revenues, and timing of key events.

Turtle continued to perform well. The company extended its partnership with Twitch during Q1, while also signing additional non-exclusive agreements with YouTube, Azubu, Hitbox and Microsoft. Turtle arranged the Intel Extreme Masters in Poland in March. 113,000 fans attended the event, with 34 million online viewers watching 24 million hours of coverage in total. Zoomin.TV has continued its geographical expansion with an accelerated push into the Asian market, and generated close to 2.5 billion monthly views during Q1.

## CTC Media

MTG's 38% interest in CTC Media is classified as a 'discontinued operation' because MTG's shareholding in CTC Media is expected to be divested. The calculated fair value of the holding as at 31 March was SEK 1,013m (1,608), and net income from CTC Media totalled SEK -70m (154). The changes to the fair value and the result reflected both the depreciation of the USD since the year-end, as well as CTC Media's lower final cash receipt from the sale of a 75% interest in its operating businesses. The sale or termination of MTG's interest in CTC Media would, in accordance with IFRS, result in a non-cash charge to net income of approximately SEK 1.0bn. This arises from the accumulated translation differences previously booked directly in Group equity, while total equity would remain unaffected, and the charge would be recognised in the 'discontinued operations' line.

## Financial Review

### Cash flow from continuing operations

#### Operating cash flow

Cash flow from operations before changes in working capital amounted to SEK 75m (111). Depreciation and amortisation charges totalled SEK 56m (39). The Group reported a SEK -514m (-243) change in working capital in the quarter and net cash flow from operations totalled SEK -439m (-132). Net cash flow from operations was affected by upfront payments for newly acquired and extended sports rights, further investments in other content, and payments relating to the restructuring programme.

#### Investing activities

Group capital expenditure on tangible and intangible assets totalled SEK 60m (46). Total cash flow relating to investing activities amounted to SEK -65m (40).

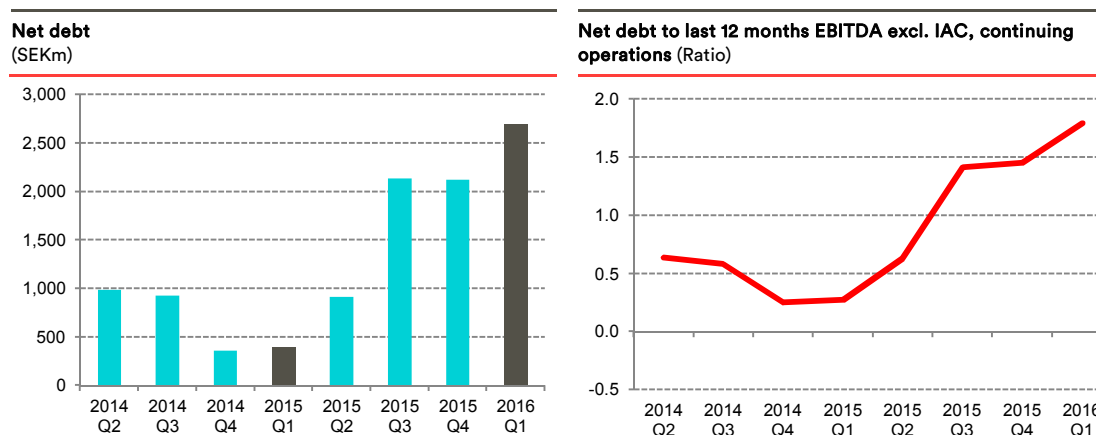
#### Financing activities

Cash flow from financing activities amounted to SEK 391m (52). Total borrowings increased by SEK 445m (44) to SEK 2,984m (1,097), compared to SEK 2,548m at the end of 2015.

The net change in cash and cash equivalents therefore amounted to SEK -113m (49) in the quarter. The Group had cash and cash equivalents of SEK 295m (682) at the end of the period, compared to SEK 410m at the end of 2015.

## Net debt & liquid funds

The Group's net debt position, which is defined as cash and cash equivalents and interest-bearing assets less interest-bearing liabilities, increased to SEK 2,688m (396) at the end of the period.



## Related party transactions

Related party transactions are of the same character and of similar amounts as the transactions described in the 2015 Annual Report.

## Corporate Responsibility Review

The 2015 Corporate Responsibility Report was published on 8 April and is, for the sixth consecutive year, in line with the Global Reporting Initiative (GRI G4) framework. The report, for the first time fully digitalised, summarises MTG's performance as a responsible and sustainable business, highlighting key achievements for 2015 and outlining the future direction. Read the full report here: <http://corporateresponsibility2015.mtg.com/>.

The Game Changers initiative, in partnership with Reach for Change, received international recognition in Q1 by being shortlisted as one of the finalists for the prestigious 2016 Nelson Mandela-Graça Machel Innovation Awards. The Game Changers initiative also won first prize in Bulgaria's 13th Annual Responsible Business Awards for companies that have contributed most to the country's corporate social responsibility (CSR).

## Parent Company

Modern Times Group MTG AB is the Group's parent company and is responsible for Group-wide management, administration and financing.

(SEKm)	2016 Q1	2015 Q1	2015 Full year
Net sales	16	17	51
Net interest and other financial terms	46	90	401
Income before tax and appropriations	2	40	135

The decrease in net interest and other financial items reflected lower interest rate levels as well as FX differences. The parent company had cash and cash equivalents of SEK 50m (524) at the end of

the period, compared to SEK 115m at the end of 2015. SEK 5,773m (5,750) of the SEK 5,850m total available credit facilities was unutilised at the end of the period.

The total number of shares outstanding at the end of the period was 66,635,969 (66,630,189) and excluded the 865,000 Class C shares and 146,155 Class B shares held by MTG in treasury. The total number of issued shares did not change during the period.

## Other Information

### Accounting policies

This Interim report has been prepared according to 'IAS 34 Interim Financial Reporting' and 'The Annual Accounts Act'. The interim report for the parent company has been prepared according to the Annual Accounts Act - Chapter 9 'Interim Report'.

The Group's consolidated accounts and the parent company accounts have been prepared according to the same accounting policies and calculation methods as were applied in the preparation of the 2015 Annual Report. There were no changes to IFRS in 2016 affecting the Group.

MTG has changed its financial reporting structure from 1 January 2016 to more accurately reflect the new operating business organisation, which is based on a combination of product and geography. The new segments are Nordic Entertainment (comprising free-TV & radio and pay-TV operations in the Nordic countries); International Entertainment (comprising free-TV & radio and pay-TV operations outside the Nordics); MTG Studios (comprising the content production and distribution operations); and MTGx (comprising eSports and multi-channel network operations).

### Risks & uncertainties

Significant risks and uncertainties exist for the Group and the parent company. These factors include the prevailing economic and business environments in some of the markets; commercial risks related to expansion into new territories; other political and legislative risks related to changes in rules and regulations in the various territories in which the Group operates; exposure to foreign exchange rate movements, and the US dollar and Euro linked currencies in particular; and the emergence of new technologies and competitors. Risks and uncertainties are also described in more detail in the 2015 Annual Report, which is available at [www.mtg.com](http://www.mtg.com).

## 2016 Annual General Meeting

The 2016 Annual General Meeting will be held on Tuesday 24 May 2016 in Stockholm. The Board of Directors will propose the payment of an annual ordinary cash dividend of SEK 11.50 (11.00) per share to the Annual General Meeting. The total proposed dividend payment would therefore amount to approximately SEK 767m (733), based on the maximum potential number of outstanding ordinary shares. The Board of Directors will propose that the remainder of the Group's retained earnings for the year ended 31 December 2015 be carried forward into the accounts for 2016. The proposal is in line with the dividend policy to distribute a minimum of 30 per cent of each year's recurring net profit to shareholders in the form of an annual ordinary cash dividend.

The notices to the Meeting and related materials can be found at <https://www.mtg.com/press-releases/>.

## Financial calendar

MTG's financial results for the second quarter of 2016 will be published on 19 July 2016.

## Conference call

The company will host a conference call today at 09.00 Stockholm local time, 08.00 London local time and 03.00 New York local time. To participate in the conference call, please dial:

Sweden: +46 (0) 8 5033 6539  
UK: +44 (0) 20 3427 1904  
US: +1 646 254 3361

The access pin code for the call is 7010074. To listen to the conference call online and for further information, please visit [www.mtg.com](http://www.mtg.com).

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### Any questions?

[www.mtg.com](http://www.mtg.com)

Facebook: [facebook.com/MTGAB](https://facebook.com/MTGAB)

Twitter: @mtgab

[press@mtg.com](mailto:press@mtg.com) (or Jessica Sjöberg +46 76 494 09 13)

[investors@mtg.com](mailto:investors@mtg.com) (or Stefan Lycke +46 73 699 27 14)

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Stockholm, 20 April 2016

Jørgen Madsen Lindemann, President & Chief Executive Officer

Modern Times Group MTG AB  
Skeppsbron 18  
P.O. Box 2094  
SE-103 13 Stockholm, Sweden  
Registration number: 556309-9158

*MTG (Modern Times Group MTG AB (publ.)) is a leading international entertainment group. Our shares are listed on Nasdaq OMX Stockholm ('MTGA' and 'MTGB'). The information in this announcement is that which MTG is required to disclose according to the Securities Market Act and/or the Financial Instruments Trading Act, and was released at 07:30 CET on 20 April 2016.*

This report has not been reviewed by the Group's auditors.

## Condensed consolidated income statement

(SEKm)	2016 Q1	2015 Q1	2015 Full year
<b>Continuing operations</b>			
Net sales	3,826	3,701	16,218
Cost of goods and services	-2,526	-2,341	-10,109
<b>Gross income</b>	<b>1,300</b>	<b>1,360</b>	<b>6,109</b>
Selling and administrative expenses	-1,093	-1,145	-4,585
Other operating revenues and expenses, net	-44	-72	-255
Share of earnings in associated companies and joint ventures	-3	0	-1
Items affecting comparability	-	77	-512
<b>Operating income (EBIT)</b>	<b>159</b>	<b>219</b>	<b>756</b>
Net interest	-5	-3	-11
Other financial items	-13	-23	-18
<b>Income before tax</b>	<b>141</b>	<b>194</b>	<b>727</b>
Tax	-22	-30	-194
<b>Net income for the period, continuing operations</b>	<b>119</b>	<b>164</b>	<b>533</b>
<b>Discontinued operations</b>			
CTC Media	-70	154	-282
<b>Net income for the period, discontinued operations *</b>	<b>-70</b>	<b>154</b>	<b>-282</b>
<b>Total net income for the period</b>	<b>50</b>	<b>318</b>	<b>251</b>
<i>Attributable to:</i>			
Equity holders of the parent	36	328	214
Non-controlling interest	13	-10	37
<b>Total net income for the period</b>	<b>50</b>	<b>318</b>	<b>251</b>
<b>Continuing operations</b>			
Basic earnings per share (SEK)	1.59	2.61	7.45
Diluted earnings per share (SEK)	1.59	2.60	7.43
<b>Total</b>			
Total basic earnings per share (SEK)	0.55	4.92	3.22
Total diluted earnings per share (SEK)	0.54	4.91	3.21

\* Net income for the period, discontinued operations, is attributable to the equity holders of the parent.

### Condensed consolidated statement of comprehensive income

(SEKm)	2016 Q1	2015 Q1	2015 Full year
<b>Net income, continuing operations</b>	<b>119</b>	<b>164</b>	<b>533</b>
<i>Other comprehensive income</i>			
<i>Items that are or may be reclassified to profit or loss net of tax:</i>			
Currency translation differences	-17	-13	20
Cash flow hedge	-110	34	-59
Change in non-controlling interest	0	1	-4
<b>Other comprehensive income, continuing operations</b>	<b>-127</b>	<b>21</b>	<b>-42</b>
<b>Total comprehensive income, continuing operations</b>	<b>-7</b>	<b>185</b>	<b>491</b>
Net income, discontinued operations	-70	154	-282
<i>Other comprehensive income</i>			
<i>Items that are or may be reclassified to profit or loss net of tax:</i>			
Currency translation differences	-	-443	-548
<b>Comprehensive income, discontinued operations</b>	<b>-70</b>	<b>-289</b>	<b>-830</b>
<b>Total comprehensive income for the period</b>	<b>-77</b>	<b>-104</b>	<b>-339</b>
Total comprehensive income attributable to:			
Equity holders of the parent	-91	-94	-372
Non-controlling interest	14	-10	33
<b>Total comprehensive income for the period</b>	<b>-77</b>	<b>-104</b>	<b>-339</b>
Shares outstanding at the end of the period	66,635,969	66,630,189	66,635,969
Basic average number of shares outstanding	66,635,969	66,630,189	66,634,180
Diluted average number of shares outstanding	66,722,836	66,796,124	66,769,596

### Condensed consolidated statement of financial position

(SEKm)	2016 31 Mar	2015 31 Mar	2015 31 Dec
<b>Non-current assets</b>			
Goodwill	5,144	3,375	5,187
Other intangible assets	1,745	942	1,746
<b>Total intangible assets</b>	<b>6,889</b>	<b>4,317</b>	<b>6,933</b>
<b>Total tangible assets</b>	<b>465</b>	<b>382</b>	<b>452</b>
Shares and participations	44	65	51
Other financial receivables	129	156	153
<b>Total long-term financial assets</b>	<b>172</b>	<b>221</b>	<b>204</b>
<b>Total non-current assets</b>	<b>7,526</b>	<b>4,920</b>	<b>7,589</b>
<b>Current assets</b>			
Total inventory	2,112	2,414	1,825
Total current receivables	4,991	4,423	5,592
Cash, cash equivalents and short-term investments	295	682	410
<b>Total current assets</b>	<b>7,398</b>	<b>7,518</b>	<b>7,827</b>
Assets held for sale, CTC Media	1,013	1,608	1,081
<b>Total assets</b>	<b>15,938</b>	<b>14,046</b>	<b>16,497</b>
<b>Equity</b>			
Shareholders' equity	4,469	5,644	4,556
Non-controlling interest	213	93	212
<b>Total equity</b>	<b>4,682</b>	<b>5,737</b>	<b>4,768</b>
<b>Long-term liabilities</b>			
Other non-current interest-bearing liabilities	1,024	1,001	1,018
<b>Total non-current interest-bearing liabilities</b>	<b>1,024</b>	<b>1,001</b>	<b>1,018</b>
Total provisions	1,048	771	1,129
Non-current liabilities at fair value	1,036	191	1,109
Other non-interest-bearing liabilities	21	104	48
<b>Total non-current non-interest-bearing liabilities</b>	<b>2,105</b>	<b>1,066</b>	<b>2,286</b>
<b>Total non-current liabilities</b>	<b>3,129</b>	<b>2,066</b>	<b>3,305</b>
<b>Current liabilities</b>			
Current liabilities at fair value	6	12	5
Other current interest-bearing liabilities	1,979	105	1,549
Total current non-interest-bearing liabilities	6,142	6,125	6,871
<b>Total current liabilities</b>	<b>8,126</b>	<b>6,243</b>	<b>8,425</b>
<b>Total liabilities</b>	<b>11,255</b>	<b>8,309</b>	<b>11,730</b>
<b>Total shareholders' equity and liabilities</b>	<b>15,938</b>	<b>14,046</b>	<b>16,497</b>

The carrying amounts are considered to be reasonable approximations of fair value for all financial assets and financial liabilities.



### Condensed consolidated statement of cash flows

(SEKm)	2016 Q1	2015 Q1	2015 Full year
Cash flow from operations	75	111	1,051
Changes in working capital	-514	-243	-555
<b>Net cash flow to/from operations</b>	<b>-439</b>	<b>-132</b>	<b>497</b>
Proceeds from sales of shares	-	87	412
Acquisitions of subsidiaries and associates	-13	-1	-1,594
Investments in other non-current assets	-60	-46	-293
Other cash flow from investing activities	8	-	7
<b>Cash flow used in/from investing activities</b>	<b>-65</b>	<b>40</b>	<b>-1,467</b>
Net change in loans	445	44	1,494
Dividends to shareholders	-	-	-733
Other cash flow from/to financing activities	-54	8	-105
<b>Cash flow from/used in financing activities</b>	<b>391</b>	<b>52</b>	<b>656</b>
<b>Net change in cash, continuing operations</b>	<b>-113</b>	<b>-41</b>	<b>-314</b>
<b>Net change in cash, discontinued operations</b>	<b>-</b>	<b>90</b>	<b>90</b>
<b>Total net change in cash and cash equivalents</b>	<b>-113</b>	<b>49</b>	<b>-224</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>410</b>	<b>643</b>	<b>643</b>
Translation differences in cash and cash equivalents	-3	-10	-8
<b>Cash and cash equivalents at end of the period</b>	<b>295</b>	<b>682</b>	<b>410</b>

### Condensed consolidated statement of changes in equity

(SEKm)	2016 31 Mar	2015 31 Mar	2015 31 Dec
<b>Opening balance</b>	<b>4,768</b>	<b>5,831</b>	<b>5,831</b>
Net loss/income for the period	50	318	251
Other comprehensive income for the period	-127	-422	-590
<b>Total comprehensive loss/income for the period</b>	<b>-77</b>	<b>-104</b>	<b>-339</b>
Effect of employee share option programmes	4	7	6
Share of option changes in equity of associates	-	3	5
Change in non-controlling interests	2	-	2
Dividends to shareholders	-	-	-733
Dividends to non-controlling interests	-14	-	-5
<b>Closing balance</b>	<b>4,682</b>	<b>5,737</b>	<b>4,768</b>

### Parent company condensed income statement

(SEKm)	2016 Q1	2015 Q1	2015 Full year
Net sales	16	17	51
<b>Gross income</b>	<b>16</b>	<b>17</b>	<b>51</b>
Administrative expenses	-59	-67	-316
<b>Operating income (EBIT)</b>	<b>-43</b>	<b>-50</b>	<b>-265</b>
Net interest and other financial items	46	90	401
<b>Income before tax and appropriations</b>	<b>2</b>	<b>40</b>	<b>135</b>
Appropriations	-	-	24
Tax	2	-9	-26
<b>Net income for the period</b>	<b>4</b>	<b>31</b>	<b>133</b>

### Parent company condensed statement of comprehensive income

(SEKm)	2016 Q1	2015 Q1	2015 Full year
<b>Net income for the period</b>	<b>4</b>	<b>31</b>	<b>133</b>
<i>Other comprehensive income</i>			
<i>Items that are or may be reclassified to profit or loss net of tax:</i>			
Revaluation of shares at market value	-	-	-
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>4</b>	<b>31</b>	<b>133</b>

### Parent company condensed balance sheet

(SEKm)	2016 31 Mar	2015 31 Mar	2015 31 Dec
<b>Non-current assets</b>			
Capitalised expenditure	1	2	1
Machinery and equipment	1	1	1
Shares and participations	6,343	6,398	6,343
Other financial receivables	315	358	353
<b>Total non-current assets</b>	<b>6,660</b>	<b>6,759</b>	<b>6,698</b>
<b>Current assets</b>			
Current receivables	9,786	10,110	10,221
Cash, cash equivalents and short-term investments	50	524	115
<b>Total current assets</b>	<b>9,836</b>	<b>10,633</b>	<b>10,336</b>
<b>Total assets</b>	<b>16,496</b>	<b>17,392</b>	<b>17,034</b>
<b>Shareholders' equity</b>			
Restricted equity	338	338	338
Non-restricted equity	6,533	7,155	6,529
<b>Total equity</b>	<b>6,872</b>	<b>7,493</b>	<b>6,868</b>
<b>Long-term liabilities</b>			
Interest-bearing liabilities	1,000	1,025	1,000
Provisions	7	2	20
Non-interest-bearing liabilities	26	45	64
<b>Total long-term liabilities</b>	<b>1,033</b>	<b>1,072</b>	<b>1,084</b>
<b>Current liabilities</b>			
Other interest-bearing liabilities	8,449	8,323	8,488
Non-interest-bearing liabilities	143	505	595
<b>Total current liabilities</b>	<b>8,592</b>	<b>8,827</b>	<b>9,083</b>
<b>Total shareholders' equity and liabilities</b>	<b>16,496</b>	<b>17,392</b>	<b>17,034</b>

**Net Sales – Business segments**

(SEKm)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Full year 2015	Q1 2016
Nordic Entertainment	2,557	2,695	2,454	2,781	10,487	2,577
<i>o/w Free-TV &amp; Radio</i>	1,096	1,228	1,029	1,304	4,656	1,108
<i>o/w Pay-TV</i>	1,461	1,468	1,425	1,477	5,831	1,469
International Entertainment	880	1,049	825	1,042	3,796	747
<i>o/w Free-TV &amp; Radio</i>	587	750	533	833	2,703	591
<i>o/w Pay-TV</i>	293	299	292	209	1,093	156
MTG Studios	323	469	502	486	1,780	338
MTGx	0	0	95	355	451	248
Central operations	60	55	50	51	217	54
Eliminations	-120	-114	-108	-171	-513	-139
<b>Total operations</b>	<b>3,701</b>	<b>4,155</b>	<b>3,819</b>	<b>4,545</b>	<b>16,218</b>	<b>3,826</b>
<i>Organic Growth at constant FX</i>	0.7%	-0.2%	2.6%	-0.2%	0.7%	3.3%
<i>FX</i>	1.9%	0.9%	-0.9%	-0.1%	0.4%	-1.7%
<i>Divestments</i>	-1.2%	-0.7%	0.0%	-3.5%	-1.4%	-5.1%
<i>Acquisitions</i>	1.5%	1.1%	2.4%	7.8%	3.3%	6.9%
<b>Total growth</b>	<b>2.9%</b>	<b>1.1%</b>	<b>4.1%</b>	<b>4.0%</b>	<b>3.0%</b>	<b>3.4%</b>

**Operating income (EBIT) – Business segments**

(SEKm)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Full year 2015	Q1 2016
Nordic Entertainment	262	397	316	430	1,405	245
International Entertainment	-4	161	27	127	311	36
MTG Studios	-24	1	22	4	3	-14
MTGx	-5	-23	-30	-53	-111	-50
Central operations & eliminations	-87	-83	-95	-74	-340	-58
<b>Total operations excl IAC</b>	<b>142</b>	<b>452</b>	<b>240</b>	<b>434</b>	<b>1,268</b>	<b>159</b>
Items affecting comparability	77	-	-652	63	-512	-
<b>Total EBIT</b>	<b>219</b>	<b>452</b>	<b>-412</b>	<b>497</b>	<b>756</b>	<b>159</b>

## Key performance indicators

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Full year 2015	Q1 2016
<b>GROUP</b>						
Sales growth (%)	2.9	1.1	4.1	4.0	3.0	3.4
Sales growth at constant FX (%)	1.0	0.2	5.0	4.1	2.6	5.1
Change in operating costs (%) <sup>1</sup>	2.3	1.8	3.7	5.6	3.4	3.0
Operating margin (%) <sup>1</sup>	3.8	10.9	6.3	9.5	7.8	4.2
ROCE, continuing operations (%)	25	25	24	21		20
ROE (%)	26	17	15	12		9
Equity to assets ratio (%)	41	36	29	29		29
Net debt (SEKm)	396	913	2,134	2,124		2,688
<b>NORDIC ENTERTAINMENT</b>						
Sales growth (%)	1.8	2.9	0.8	3.1	2.2	0.8
Sales growth at constant FX (%)	-0.3	2.1	1.6	4.4	2.0	2.8
Change in operating costs (%)	0.5	3.2	0.0	3.5	1.8	1.6
Operating margin (%)	10.3	14.7	12.9	15.5	13.4	9.5
<b>Commercial share of viewing (%)</b>						
Sweden (15-49) <sup>2</sup>	30.6	29.4	32.4	28.5	30.1	30.9
Norway (15-49) <sup>3</sup>	16.7	18.3	17.4	17.0	17.3	19.1
Denmark (15-49) <sup>4</sup>	25.1	27.5	25.5	24.8	25.7	22.4
<b>Subscriber data ('000s)</b>						
Subscribers	1,004	994	991	1,014		1,007
- of which, satellite	545	536	522	508		491
- of which, 3rd party networks	459	458	469	506		516
Satellite ARPU (SEK) <sup>5</sup>	5,076	5,115	5,130	5,071		5,090
<b>INTERNATIONAL ENTERTAINMENT</b>						
Sales growth (%)	13.8	9.6	2.9	-7.3	3.8	-15.1
Sales growth at constant FX (%)	13.9	8.9	5.4	-7.9	4.0	-14.9
Change in operating costs (%)	13.9	8.8	-2.6	-9.0	2.0	-19.6
Operating margin (%)	-0.5	15.4	3.3	12.2	8.2	4.9
<b>Commercial share of viewing (%)</b>						
Estonia (15-49)	39.4	40.3	39.9	41.3	40.3	41.1
Latvia (15-49) <sup>6</sup>	59.5	61.0	57.8	59.7	59.5	57.1
Lithuania (15-49)	44.8	41.8	44.4	48.0	44.9	46.4
Czech Republic (15-54) <sup>7</sup>	34.1	33.2	35.7	35.7	34.6	37.1
Bulgaria (18-49) <sup>8</sup>	37.9	41.1	40.6	44.2	40.9	43.2
<b>Subscriber data ('000s)</b>						
Satellite subscribers	194	192	189	186		181
Satellite ARPU (SEK)	1,504	1,520	1,525	1,496		1,537
<b>MTG STUDIOS</b>						
Sales growth (%)	-2.1	-21.9	-1.2	-20.8	-13.2	4.5
Sales growth at constant FX (%)	-6.1	-23.5	-0.9	-20.5	-14.2	8.8
Change in operating costs (%)	-3.8	-19.8	-2.9	-19.4	-12.8	1.6
Operating margin (%)	-7.3	0.2	4.3	0.8	0.2	-4.3

1. Based on operating income excl. items affecting comparability.

2. The universe expanded from Q4 2015 to include Eurosport and historical numbers have been restated. The universe also expanded from Q3 2015 to include Investigation Discovery.

3. The universe expanded from Q4 2015 to include Eurosport and historical numbers have been restated. The universe also expanded from Q4 2015 to include TV2 Livsstil and from Q2 2015 to include TV2 Humor.

4. The universe expanded from Q4 2015 to include Eurosport and Canal 9 and historical numbers have been restated. The universe also expanded from Q1 2015 to include TV2 Sport.

5. The satellite subscriber base and ARPU have been restated to also include basic subscribers.

6. Q2 2015 for Latvia has been restated due to time shift viewing.

7. The universe expanded from Q4 2015 to include PrimaMax and from Q3 2015 to include three new Barrandov channels.

8. The source has been changed as of Q4 2014 from GARB to Mediaresearch. All figures from Q1 2014 are based on the new source. The universe expanded from Q1 2014 to include seven new channels.

For definitions, please refer to the 2015 Annual Report under the heading "Definitions".

## Notes to the accounts

### 1. Condensed sales Group segments

(SEKm)	2016 Q1	2015 Q1	2015 Full year
<b>Sales external customers</b>			
Nordic Entertainment	2,539	2,515	10,326
International Entertainment	747	880	3,796
MTG Studios	292	304	1,642
MTGx	247	0	449
Central Operations	0	2	5
<b>Total</b>	<b>3,826</b>	<b>3,701</b>	<b>16,218</b>
<b>Sales between segments</b>			
Nordic Entertainment	38	42	162
International Entertainment	-	-	-
MTG Studios	46	20	139
MTGx	1	0	1
Central Operations	54	58	212
<b>Total</b>	<b>139</b>	<b>120</b>	<b>513</b>