

## Record Q3 sales & accelerating transformation

### Q3 2015 Highlights

- Sales of SEK 3,819m (3,669) and operating income of SEK 240m (221) including M&A transaction costs and adverse currency effects, but before non-recurring items
- Total non-recurring items of SEK -652m (0), comprising SEK -700m of net restructuring charges and net SEK 48m related to the revaluations of Paprika & Splay
- Net income from continuing operations of SEK -365m (163) and basic earnings per share of SEK -5.44 (2.67)
- Net income from discontinued operations (CTC Media) of SEK -18m (73)
- Total net income of SEK -384m (236) and total basic earnings per share of SEK -5.71 (3.76)
- Cash flow from operations of SEK 278m (238)
- Net debt of SEK 2,134m (928) equivalent to 1.4x trailing 12 month recurring EBITDA
- Strategic investments in three digital businesses and extension of key international sports rights

### Financial Overview

(SEKm)	2015 Jul-Sep	2014 Jul-Sep	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
Net sales	3,819	3,669	11,674	11,375	15,746
<i>Growth at constant FX</i>	5%	12%	2%	13%	11%
<i>Organic growth at constant FX</i>	3%	5%	1%	4%	4%
EBIT before non-recurring items	240	221	835	812	1,290
<i>Margin before non-recurring items</i>	6.3%	6.0%	7.1%	7.1%	8.2%
Non-recurring items (NRI) *	-652	0	-575	-155	-155
Total EBIT	-412	221	260	658	1,135
Net income, continuing operations	-365	163	158	436	816
Basic earnings per share, continuing operations (SEK)	-5.44	2.67	2.15	6.41	11.75
Net income, discontinued operations **	-18	73	-282	266	357
Total net income	-384	236	-124	702	1,172
Total basic earnings per share (SEK)	-5.71	3.76	-2.08	10.40	17.10
Net debt	2,134	928	2,134	928	362
Cash flow from operations, continuing operations	278	238	762	784	1,040

\* Comprising the SEK 77m capital gain from the sale of Swedish cable TV company Sappa in Q1 2015; and the SEK -700m of net restructuring charges and net SEK 48m related to revaluations of Paprika & Splay in Q3 2015. Comprising in Q2 2014 the SEK -159m non-cash net impairment charge related to MTG's interest in the Ukrainian satellite pay-TV platform; the SEK -70m of organisational restructuring charges and other costs; and the SEK 76m capital gain from the sale of Zitius in Sweden.

\*\* CTC Media has been reclassified from an 'equity participation' to a 'discontinued operation' as MTG's shareholding in CTC Media is expected to be sold. Comparable figures for prior periods of 2014 and 2015 have been provided accordingly on [www.mtg.com](http://www.mtg.com).



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## President & CEO's comments

### Profitable Growth

We are reporting record Q3 sales on the back of higher viewing levels, healthy customer intake and rising market shares, as well as the addition of a number of exciting new digital businesses. Profits were also up despite the substantial currency headwinds that we continue to face, and we delivered another quarter of profitable growth for the Group.

### Accelerating Transformation

Our strategic transformation has now accelerated. We are implementing a large scale restructuring programme to bring our local operating businesses closer to the customer, and over time yield SEK 600 million of savings that we will mostly reinvest. We have made significant steps to resolve the position in Russia before the year-end deadline. CTC Media has signed a definitive agreement to sell 75% of its operations, and we are also working with our advisers on solutions for our Russian pay-TV channels business. We have then invested SEK 1.2 billion in three market leading digital businesses in high growth online video categories, and we have also invested to secure key sports rights and studio deals for years to come. This will enable us to develop our brands and products to deliver even more premium content across even more screens and platforms.

### Positive Momentum

The performance of our Nordic businesses during this period of transition underlines the quality and popularity of our entertainment products, as our Scandinavian media houses delivered higher audience shares in each market for the first time in two years, and Viaplay continued to drive the growth in our subscriber bases. This has been complemented by very positive momentum in our CEE markets, and by the 42% organic growth in group-wide digital revenues.

### Sharpening Focus

We will continue to execute on our transformation plan and review the portfolio, in order to ensure that we sharpen the focus on the products and businesses that offer the greatest potential for MTG. We are a more efficient and effective group today, and relevance and execution remain at the centre of all that we do.

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



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**“We are shaping the future of entertainment by creating and growing communities around brands, content and services that consumers love.”**

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## Significant Events during and after the quarter

### 1 July & 1 September - MTG invests in world's largest esports company

MTG signed an agreement on 1 July to acquire 74% of Turtle Entertainment, the world's largest esports company, from financial investors and the company's founders, for EUR 78 million in cash. Turtle operates under the well-known ESL brand. The transaction closed on 1 September.

### 6 July & 25 September – MTG notes announcements by CTC Media & changes accounting for holding

MTG noted the announcement on 6 July by CTC Media, Inc., Russia's leading independent media company of which MTG owns 37.9%, that it had received a non-binding USD 200m offer to purchase 75% of its business operations, and its announcement on 25 September that it had entered into a definitive agreement with regard to the sale. MTG has reclassified its interest in CTC Media as a 'discontinued operation' from Q2 2015.

### 10 July - MTG invests in Splay to accelerate expansion

MTG increased its shareholding in Splay, the number one multi-channel network in Scandinavia, from 49% to 81% by buying more shares from the founders and investing directly in the company to accelerate its international expansion. Splay is now fully consolidated by MTG.

### 20 July - MTG invests in Europe's largest multi-channel network Zoomin.TV

MTG simultaneously signed and closed an agreement to acquire 51% of Zoomin.TV, the online video entertainment network, content production and advertising sales house, based on an Enterprise Value of EUR 88m.

### 24 August - MTG takes next step in strategic transformation

MTG launched a restructuring programme to drive the Group's ongoing digital transformation, fuel investments in the Group's existing businesses, and to enable the Group to continue to generate profitable growth. The proposed reduction of MTG's employee base and costs incurred in relation to these redundancies, as well as the impairment of content and other assets, have given rise to Q3 restructuring charges of SEK -700 million. The restructuring is expected to generate annualised savings of approximately SEK 600 million, of which the majority will be reinvested back into the Group's ongoing transformation.

### 20 July, 2 October & 13 October - MTG extends key sports rights

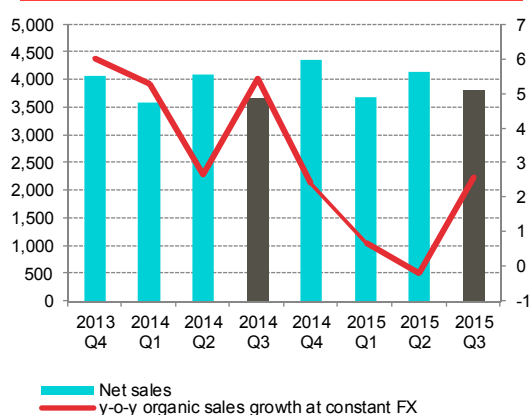
On 20 July, MTG announced a new five-year, exclusive, pan-Nordic broadcast and online deal for National Hockey League (NHL®) games, and an agreement with the National Hockey League Players' Association & the NHL to broadcast the 2016 World Cup of Hockey. On 2 October, MTG announced that it had won the exclusive rights to show live coverage of English Premier League football matches from 2016-2019 in Sweden, Denmark and Finland. On 13 October, MTG announced that it had acquired the exclusive Nordic broadcast and online rights to top flight football from Spain's La Liga and Italy's Serie A until 2018, and extended its exclusive rights to France's Ligue 1 in Denmark and Norway until 2018 to include Finland and Sweden from the beginning of next season.

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

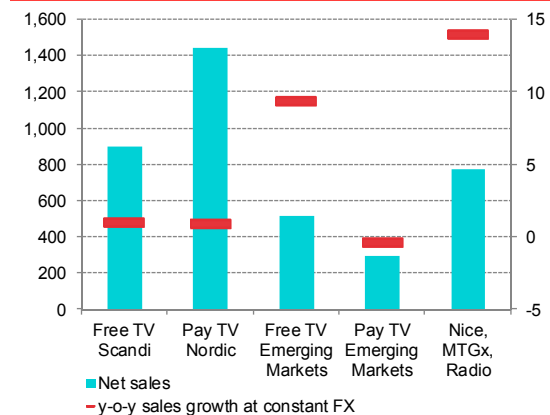
# Operating Review

Sales were up 5% at constant FX and up 3% on an organic basis. This primarily reflected the organic performance of the emerging markets free-TV operations, as well as the contribution from the newly acquired and consolidated digital businesses.

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



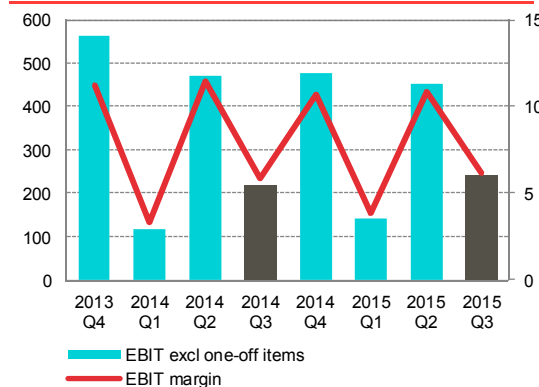
**Q3 2015 Net sales & y-o-y growth at constant FX by segment (SEKm (left side); % (right side))**



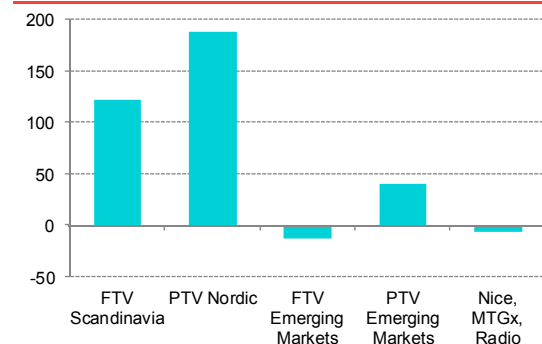
Operating costs were up 5% at constant FX, and up 2% on an organic basis. This increase primarily reflected the ongoing adverse impact of the appreciation of the US dollar on the Nordic content costs in particular, M&A activities in the period, and the addition of the newly acquired and consolidated digital businesses. Operating income, when excluding non-recurring items, increased to SEK 240m (221), and the Group operating margin increased to 6.3% (6.0).

The Group reported non-recurring items of SEK -652m (0), which primarily comprised the previously announced net restructuring charges of SEK -700m. The items also included a positive net SEK 48m impact of the revaluations of Paprika and Splay following recent share transactions.

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



**Q3 2015 EBIT excl. NRI by segment (SEKm)**



\* Quarterly fluctuations reflect seasonality of advertising markets.

Net interest and other financial items totaled SEK -3m (-3). The Group reported net income from continuing operations of SEK -365m (163), and basic earnings per share from continuing operations of SEK -5.44 (2.67).

## Free-TV Scandinavia

### Higher audience shares, sales & profits

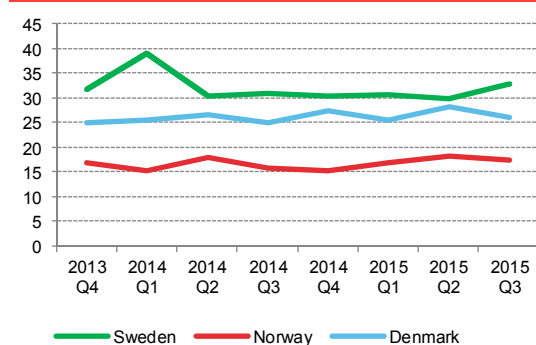
(SEKm)	2015 Jul-Sep	2014 Jul-Sep	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
Net sales	903	900	2,962	2,999	4,109
<i>Change y-o-y</i>	0%	1%	-1%	1%	0%
<i>Change y-o-y at constant FX</i>	1%	-1%	-2%	0%	-2%
Costs	781	780	2,538	2,586	3,476
<i>Change y-o-y</i>	0%	1%	-2%	3%	1%
EBIT	123	120	425	413	633
<i>EBIT margin</i>	13.6%	13.3%	14.3%	13.8%	15.4%

Sales were up at constant FX, with higher sales in Denmark, slightly lower sales in Sweden and lower sales in Norway. The Norwegian and Danish TV advertising markets are estimated to have grown, while the Swedish market is estimated to have declined. MTG advertising video-on-demand revenues were up 52%.

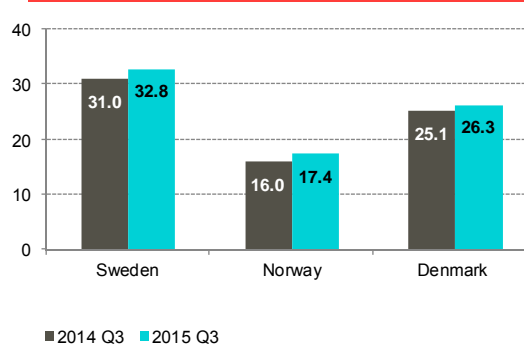
Operating costs were stable despite the adverse impact of the appreciation of the US dollar. The operations have continued to balance investments in programming, in order to build on the positive ratings momentum, with savings in other areas. Profits were up.

All three country operations reported higher y-o-y commercial target audience shares for the first time in any quarter since the end of 2013, and the TV3 channel share was up in every market for the first time in any quarter since 1999.

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



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



\* The Danish universe has expanded from Q1 2015 to include TV2 Sport and the Norwegian universe has expanded from Q2 2015 to include TV2 Humor.

## Pay-TV Nordic

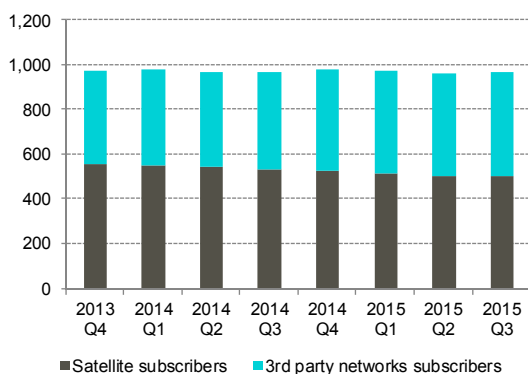
### Growth in subscribers, sales & profits

(SEKm)	2015 Jul-Sep	2014 Jul-Sep	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
Net sales	1,448	1,441	4,424	4,284	5,756
<i>Change y-o-y</i>	1%	10%	3%	8%	8%
<i>Change y-o-y at constant FX</i>	1%	8%	3%	7%	7%
Costs	1,259	1,255	3,871	3,759	5,047
<i>Change y-o-y</i>	0%	9%	3%	7%	7%
EBIT	189	186	552	525	709
<i>EBIT margin</i>	13.0%	12.9%	12.5%	12.2%	12.3%

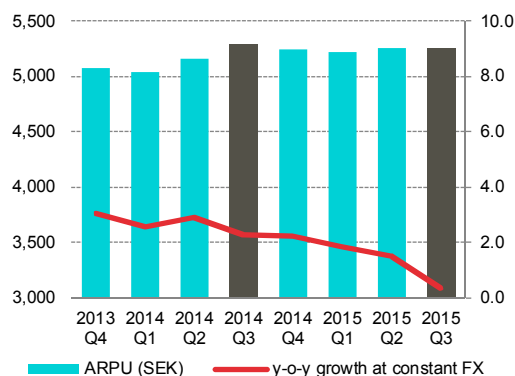
Sales were up at constant FX and driven by the continued growth of the Viaplay subscriber base. The lower sales growth in the period reflected the evolving mix in the subscriber base and ARPU levels, with the growth coming from Viaplay and third party platforms and premium satellite ARPU now being stable at constant FX. Viaplay has now introduced price increases for new subscribers from 1 October, and will also benefit from the price increases introduced in September 2014 that now impact all existing subscribers. Operating costs were stable despite the adverse impact of the appreciation of the US dollar, and ongoing investments in the expansion of Viaplay. Profits were up.

The total premium subscriber base was up both y-o-y and q-o-q as growth in the third party network subscriber base more than offset the decline in the satellite base, and basic tier satellite subscribers were also upgraded to premium packages.

**Premium subscribers (excluding Viaplay)**  
(000's)



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



## Free-TV Emerging Markets

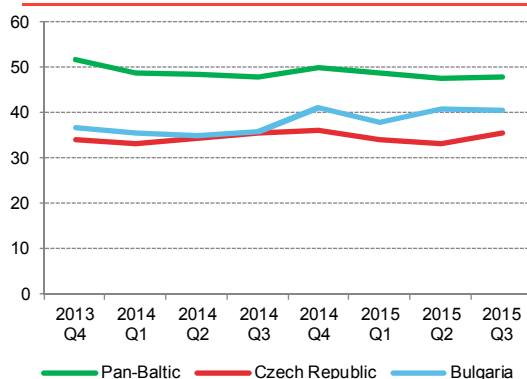
### Sales & profits up

(SEKm)	2015 Jul-Sep	2014 Jul-Sep	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
Net sales	522	463	1,843	1,647	2,409
<i>Change y-o-y</i>	13%	1%	12%	-1%	-1%
<i>Change y-o-y at constant FX</i>	9%	-1%	8%	-2%	-3%
Costs	534	520	1,727	1,607	2,278
<i>Change y-o-y</i>	3%	6%	7%	5%	2%
EBIT	-13	-57	115	39	131
<i>EBIT margin</i>	-2.4%	-12.4%	6.2%	2.4%	5.4%

Sales were up at constant FX and primarily reflected the performance in Bulgaria and the Baltics, while operating costs were down at constant FX and reflected lower costs in the Czech Republic and the Baltics. Segment losses were therefore substantially reduced.

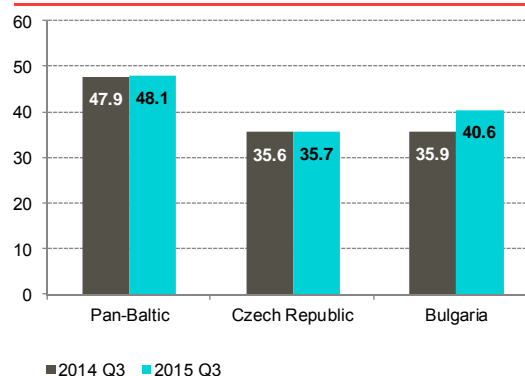
#### Commercial share of viewing (%) \*

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



\* The source for Bulgarian audience data has been changed as of Q4 2014 from GARB to Nielsen's Mediaresearch. All figures from Q1 2014 are based on the new source. The universe has also expanded from Q1 2014 to include seven new channels. For Latvia, Q2 2015 has been restated due to the inclusion of time shift viewing. The Czech universe has expanded from Q3 2015 to include three new Barrandov channels.

The Bulgarian operation generated 33% constant FX sales growth, following substantial linear and online viewing and revenue growth. The Bulgarian TV advertising market is estimated to have grown.

Sales for the Baltic free-TV operations were up 7% at constant FX. The Lithuanian and Estonian TV advertising markets are estimated to have grown, while the Latvian market is estimated to have declined. The Group's media house target audience shares were up in Estonia and Lithuania and slightly down in Latvia. MTG remains the largest media house in each of the Baltic countries.

Sales for the Czech operation were down 2% at constant FX in a TV advertising market that is estimated to have been flat. The media house audience share was up y-o-y, and Prima has now announced that it will launch a fifth channel, PrimaMAX, before the end of the year. The new movie channel will also be complemented by a new comedy channel, Prima Comedy Central, to be launched in partnership with Viacom.

## Pay-TV Emerging Markets

### Stable sales at constant FX & profits up

(SEKm)	2015 Jul-Sep	2014 Jul-Sep	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
Net sales	297	333	893	870	1,225
<i>Change y-o-y</i>	-11%	24%	3%	11%	13%
<i>Change y-o-y at constant FX</i>	0%	25%	12%	14%	14%
Costs	256	295	825	791	1,121
<i>Change y-o-y</i>	-13%	22%	4%	12%	17%
EBIT	41	39	69	79	104
<i>EBIT margin</i>	13.9%	11.7%	7.7%	9.1%	8.5%

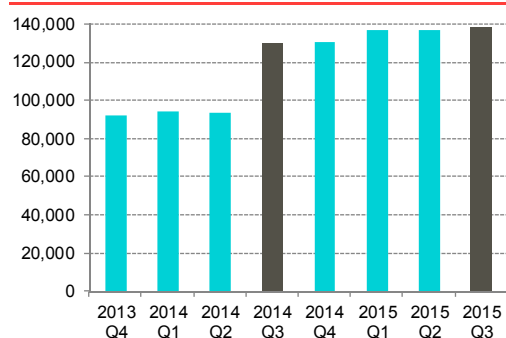
Please note that Raduga ceased broadcasting on 5 December 2014, which resulted in a net positive impact of SEK 18m in Q4 2014. The non-recurring and non-cash impairment of the intangible assets related to the satellite platforms in Ukraine (Q2 2014) is not included in the segment operating results.

Sales were stable at constant FX as the growth in pay-TV channel subscription volumes and revenues offset the adverse impact of the lower Ukrainian satellite platform volumes and revenues, and the loss of advertising revenues in Russia following the change in local laws. Operating costs were down and profits were up for the quarter despite the impact of the depreciation of the Russian ruble.

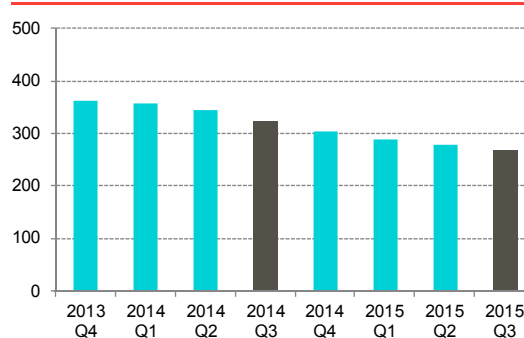
The wholesale mini-pay channel business added 8 million subscriptions y-o-y and was also up q-o-q. The Baltic satellite subscriber base was stable while the Ukrainian satellite subscriber base continued to be adversely impacted by the geopolitical situation.

Please see page 12 (Other Information) regarding the risks and uncertainties arising from the amendments to the Russian Mass Media law.

**Wholesale mini-pay channel subscriptions \***  
(000's)



**Satellite subscribers \*\***  
(000's)



\* Including Trace from Q3 2014.

\*\* Subscriber numbers have been restated to exclude Raduga subscribers following the closure of the business.



## Nice Entertainment, MTGx, MTG Radio

### Sales & costs up following addition of new digital businesses

(SEKm)	2015 Jul-Sep	2014 Jul-Sep	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
Net sales	773	681	1,934	1,963	2,778
<i>Change y-o-y</i>	14%	86%	-1%	108%	81%
<i>Change y-o-y at constant FX</i>	14%	82%	-3%	109%	80%
Costs	779	669	2,015	2,004	2,809
<i>Change y-o-y</i>	16%	62%	1%	99%	77%
EBIT	-6	12	-81	-41	-32
<i>EBIT margin</i>	-0.7%	1.8%	-4.2%	-2.1%	-1.1%

Sales and costs were up at constant FX and almost entirely driven by the new digital acquisitions and investments. Radio sales were up in Sweden, Norway and the Baltics, while Nice Entertainment sales were slightly down at constant FX. Splay and Zoomin have been consolidated from August, and Turtle from September. Splay more than doubled its sales and video views, while Zoomin increased its sales by over 60% and just passed the 100 million subscriber mark. Turtle's sales are also growing ahead of plan, and ESL organised the most watched CounterStrike Global Offensive event of all time in August with 1.3 million peak concurrent users.

The increase in operating costs also reflected the M&A activity during the period.

## CTC Media

MTG has reclassified its interest (38%) in CTC Media from an 'equity participation' to a 'discontinued operation'. This reflects the fact that, following the change in the Russian mass media law regarding foreign ownership with effect from 1 January 2016 and CTC Media's consideration of the definitive agreement for 75% of its business operations, MTG's shareholding in CTC Media is expected to be sold.

Dividends received from CTC Media; transaction costs incurred in relation to MTG's stake in CTC Media; and the difference between the book value and fair value of MTG's holding in CTC Media at the end of each quarter, is now included in a single 'discontinued operations' line below 'net income from continuing operations' in the Group's income statements. A file has been made available for download from [www.mtg.com](http://www.mtg.com), with restated financial statements for prior quarterly reporting periods in 2014 and 2015.

The fair value of MTG's holding has been calculated as SEK 1,073m (2,152) and reflects CTC Media's definitive agreement to sell a 75% interest in its operating businesses to UTV-Management LLC for USD 200m in cash, and CTC Media's stated intention to return value in cash to the Company's shareholders that are not subject to sanctions, including anticipated available cash of USD 55 million. The CTC Media Board anticipates that the return of the value to the shareholders will be completed in the first quarter of 2016.

Net income for CTC Media totaled SEK -18m (73) and reflected the change in the fair value of the holding in the quarter. The sale or termination of the holding would, in accordance with IFRS, result in a non-cash charge to net income of SEK 1.0bn arising from the accumulated translation differences booked in Group equity and related to CTC Media, with total equity unaffected. This charge would be recognised in the 'discontinued operations' line.

For further information about CTC Media see [www.ctcmedia.ru](http://www.ctcmedia.ru). Please also see page 12 (Other Information) regarding the risks and uncertainties arising from the amendments to the Russian Mass Media law.

## Financial Review

### Cash flow from continuing operations

#### Operating cash flow

Cash flow from operations before changes in working capital amounted to SEK 278m (238). Depreciation and amortisation charges totaled SEK 51m (42). The Group reported a SEK -139m (-276) change in working capital due to investments in programming content. Net cash flow from operations totaled SEK 139m (-38).

#### Investing activities

Cash flow from acquisitions of subsidiaries and associates amounted to SEK -1,261m (43) and comprised the purchase of 74% of Turtle Entertainment for SEK 742m; 51% of Zoomin.TV and 24% of Splay for a combined total of SEK 453m; and 41% of Paprika for SEK 65m by exercising an option. The agreements with Turtle, Zoomin and Splay include options to acquire the remaining shares up until 2019. The purchase price allocation is preliminary as the work is still in progress. Preliminary intangible surplus values as reported are SEK 2,048m, of which goodwill is expected to comprise the majority when the calculations are finalised. The companies are now fully consolidated. Please refer to Note 2.

Group capital expenditure on tangible and intangible assets totaled SEK -51m (-34) in the quarter. Total cash flow relating to investing activities amounted to SEK -1,299m (9).

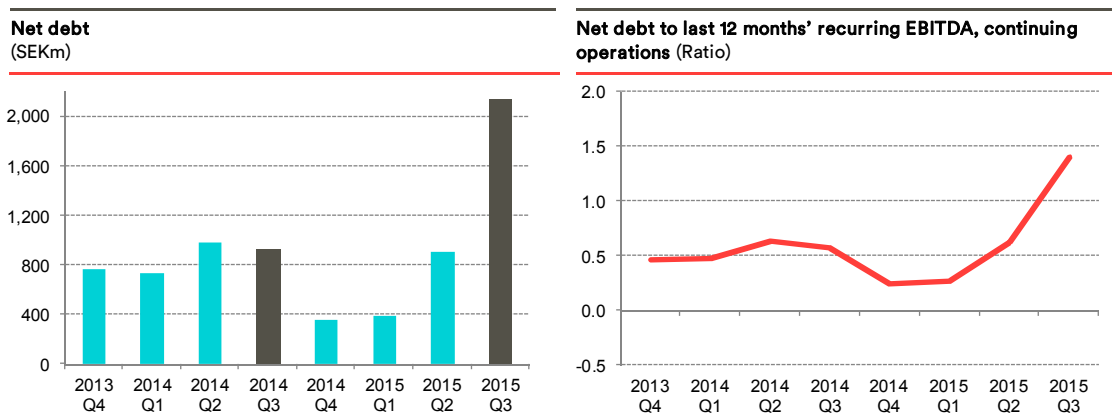
#### Financing activities

Cash flow to financing activities amounted to SEK 1,183m (-290). Total borrowings increased by SEK 1,221m (-244) to SEK 2,459m (1,649) and compared with SEK 1,238m at the end of June 2015.

The net change in cash and cash equivalents therefore amounted to SEK 24m (-243). The Group had cash and cash equivalents of SEK 317m (382) at the end of the period, compared to SEK 304m as at 30 June 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 (excluding liabilities at fair value), increased to SEK 2,134m (928) at the end of the period due to investments in shares. The Group's available liquid funds, including unutilised credit and overdraft facilities, totaled SEK 5,998m (6,150).



## Related party transactions

Related party transactions are of the same character and of similar amounts as the transactions described in the 2014 Annual Report.

## Corporate Responsibility Review

MTG has been included in the Dow Jones Sustainability Index for the fourth year running and was included as the only Swedish media company in the DJSI Europe Index, and as one of nine European media companies in the DJSI World Index. DJSI World is a selection of the top 10% of companies in each industry, whereas DJSI Europe is a selection of the top 20%. MTG has also been included in RobecoSAM's 2015 Sustainability Yearbook, which lists the top 15% of companies in each industry that achieve a score of within 30% of the industry leader's RobecoSAM Corporate Sustainability Assessment score. Five country operations (Denmark, Latvia, Estonia, Bulgaria and Norway) have launched their Game Changers 2015 campaigns in Q3, as part of MTG's cooperation with Reach for Change. MTG Sweden also joined forces with the UN's refugee agency (UNHCR) to raise funds for the victims of the refugee crisis.

## Parent Company

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

(SEKm)	2015 Jul-Sep	2014 Jul-Sep	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
Net sales	11	10	40	32	45
Net interest and other financial terms	124	112	386	312	435
Income before tax and appropriations	80	65	223	157	207

The increase in net interest and other financial items primarily reflected SEK 51m (-) of dividends received, as well as lower interest rate levels. The parent company had cash and cash equivalents of SEK 23m (127) at the end of the period. SEK 5,681m (5,767) of the SEK 5,851m of total available credit facilities was unutilised at the end of the period.

The total number of outstanding shares 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 2014 Annual Report, with the exception of the reclassification of the shareholding in CTC Media, Inc. to discontinued operations. The changes to 2015 IFRS have no effect on the Group.

### Risks & uncertainties

Significant risks and uncertainties exist for the Group and the parent company. MTG has large scale business interests in Russia as previously mentioned, and is therefore affected by the amendments to the Russian Mass Media Law to reduce the permitted level of aggregate foreign ownership in Russian mass media companies to 20% direct or indirect ownership or control from the beginning of 2016. As of today, the existing ownership structures of these business interests do not comply with the amended Law and MTG will therefore need to take steps to comply with the Law before the end of 2015. Please see [http://www.ctcmedia.ru/press-center/releases/?id=4951#.Vh\\_AS0xViko](http://www.ctcmedia.ru/press-center/releases/?id=4951#.Vh_AS0xViko) for the announcement from CTC Media on 25 September regarding transactions that would enable it to comply with the new requirements, and the risks and uncertainties related to these actions. MTG is working closely with its advisors to best protect its interests in any transaction related to CTC Media, as well as to implement a solution for MTG's pay-TV channels business so as to comply with the new requirements by 1 January 2016. The outcome of the proposed transactions or any other change in structures or ownership could result in loss of value for MTG shareholders.

Other risks and uncertainties include the prevailing economic and business environments in other markets and the impact of the Eurozone, as well as the geopolitical crisis; 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, Russian Rubles 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 2014 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. Shareholders wishing to have matters considered at the Meeting should submit their proposals in writing to [agm@mtg.com](mailto:agm@mtg.com) or to The Company Secretary, Modern Times Group MTG AB, Box 2094, SE-103 13 Stockholm, Sweden, at least seven weeks before the Meeting, in order that such proposals may be included in the notices to the Meeting. Further details of when and how to register will be published in advance of the Meeting.

In accordance with the resolution of the 2015 Annual General Meeting of MTG shareholders, the Chairman of the MTG Board of Directors has convened a Nomination Committee to prepare proposals for the 2016 Annual General Meeting. The Nomination Committee comprises at least three members appointed by each of MTG's largest shareholders who have accepted to participate in the work of the Nomination Committee. This year's Nomination Committee comprises David Chance, Chairman of the MTG Board of Directors; Lorenzo Grabau, Investment AB Kinnevik; Erik Durhan, Nordea Funds; and Mikael Hanell, Catella. These shareholders together own approximately 54 percent of the voting rights in MTG. The members of the Nomination Committee will appoint a Chairman at their first meeting.

Please see <http://www.mtg.com/our-way/corporate-governance/nomination-committee> for information about the work of the Nomination Committee. Shareholders wishing to propose candidates for election to the MTG Board of Directors should submit their proposals in writing to [agm@mtg.com](mailto:agm@mtg.com) or to The Company Secretary, Modern Times Group MTG AB, Box 2094, SE-103 13, Stockholm, Sweden.

## Financial calendar

MTG's financial results for the fourth quarter and full year ending 31 December 2015 will be published on 3 February 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 1901  
US: +1 646 254 3361

The access pin code for the call is 9248214. To listen to the conference call online and for further information, please visit [www.mtg.com](http://www.mtg.com).

\* \* \*

### Any questions?

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

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

Twitter: @mtgab

[press@mtg.com](mailto:press@mtg.com) (or Per Lorentz +46 73 699 27 09)

[investors@mtg.com](mailto:investors@mtg.com) (or Matthew Hooper +44 7768 440 414)

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Stockholm, 22 October 2015

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 an international entertainment group. Our operations span six continents and include TV channels and platforms, online services, content production businesses and radio stations. We are also the largest shareholder in CTC Media, which is Russia's leading independent media company. Our shares are listed on Nasdaq 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 22 October 2015.*

## Auditors' Review Report

### Introduction

We have reviewed the summary interim financial information (interim report) of Modern Times Group MTG AB (publ.) as of 30 September 2015 and the nine-month period then ended. The Board of Directors and the Managing Director 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 International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes to believe that the interim report is not prepared, in all material respects, 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 22 October 2015

KPMG AB

Joakim Thilstedt

Authorised Public Accountant

## Condensed consolidated income statement

(SEKm)	2015 Jul-Sep	2014 Jul-Sep	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
<b>Continuing operations</b>					
Net sales	3,819	3,669	11,674	11,375	15,746
Cost of goods and services	-2,347	-2,304	-7,230	-7,073	-9,779
<b>Gross income</b>	<b>1,472</b>	<b>1,364</b>	<b>4,443</b>	<b>4,302</b>	<b>5,967</b>
Selling and administrative expenses	-1,176	-1,090	-3,436	-3,299	-4,492
Other operating revenues and expenses, net	-59	-60	-175	-199	-203
Share of earnings in associated companies and joint ventures	3	6	3	8	18
Non-recurring items	-652	0	-575	-155	-155
<b>Operating income (EBIT)</b>	<b>-412</b>	<b>221</b>	<b>260</b>	<b>658</b>	<b>1,135</b>
Net interest	-2	4	-8	-14	-1
Other financial items	-1	-7	-23	-43	-23
<b>Income before tax</b>	<b>-415</b>	<b>217</b>	<b>228</b>	<b>601</b>	<b>1,112</b>
Tax	49	-54	-70	-165	-296
<b>Net income for the period, continuing operations</b>	<b>-365</b>	<b>163</b>	<b>158</b>	<b>436</b>	<b>816</b>
<b>Discontinued operations</b>					
CTC Media	-18	73	-282	266	357
<b>Net income for the period, discontinued operations *</b>	<b>-18</b>	<b>73</b>	<b>-282</b>	<b>266</b>	<b>357</b>
<b>Total net income for the period</b>	<b>-384</b>	<b>236</b>	<b>-124</b>	<b>702</b>	<b>1,172</b>
<b>Attributable to:</b>					
Equity holders of the parent	-381	250	-139	693	1,139
Non-controlling interest	-3	-15	15	9	33
<b>Total net income for the period</b>	<b>-384</b>	<b>236</b>	<b>-124</b>	<b>702</b>	<b>1,172</b>
<b>Continuing operations</b>					
Basic earnings per share (SEK)	-5.44	2.67	2.15	6.41	11.75
Diluted earnings per share (SEK)	-5.44	2.66	2.15	6.40	11.73
<b>Total</b>					
Total basic earnings per share (SEK)	-5.71	3.76	-2.08	10.40	17.10
Total diluted earnings per share (SEK)	-5.71	3.75	-2.08	10.38	17.07

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



### Condensed consolidated statement of comprehensive income

(SEKm)	2015 Jul-Sep	2014 Jul-Sep	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
<b>Net income, continuing operations</b>	<b>-365</b>	<b>163</b>	<b>158</b>	<b>436</b>	<b>816</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	-7	22	-24	80	19
Cash flow hedge	37	31	-16	71	136
Change in non-controlling interest	-2	-6	7	7	9
<b>Other comprehensive income, continuing operations</b>	<b>28</b>	<b>47</b>	<b>-33</b>	<b>158</b>	<b>164</b>
<b>Total comprehensive income, continuing operations</b>	<b>-337</b>	<b>210</b>	<b>125</b>	<b>594</b>	<b>980</b>
<b>Net income, discontinued operations</b>	<b>-18</b>	<b>73</b>	<b>-282</b>	<b>266</b>	<b>357</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	0	317	-548	169	-12
<b>Comprehensive income, discontinued operations</b>	<b>-18</b>	<b>390</b>	<b>-830</b>	<b>435</b>	<b>345</b>
<b>Total comprehensive income for the period</b>	<b>-355</b>	<b>600</b>	<b>-705</b>	<b>1,029</b>	<b>1,325</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the parent	-351	620	-727	1,013	1,283
Non-controlling interest	-4	-20	22	16	42
<b>Total comprehensive income for the period</b>	<b>-355</b>	<b>600</b>	<b>-705</b>	<b>1,029</b>	<b>1,325</b>
Shares outstanding at the end of the period	66,635,969	66,630,189	66,635,969	66,630,189	66,630,189
Basic average number of shares outstanding	66,635,969	66,630,189	66,633,577	66,626,957	66,627,771
Diluted average number of shares outstanding	66,853,581	66,793,160	66,821,617	66,734,964	66,709,088

## Condensed consolidated statement of financial position

(SEKm)	2015 30 Sep	2014 30 Sep	2014 31 Dec
<b>Non-current assets</b>			
Goodwill	5,430	3,380	3,396
Other intangible assets	953	958	941
<b>Total intangible assets</b>	<b>6,383</b>	<b>4,337</b>	<b>4,337</b>
<b>Total tangible assets</b>	<b>476</b>	<b>347</b>	<b>380</b>
Shares and participations	53	2,180	2,058
Other financial receivables	200	354	188
<b>Total long-term financial assets</b>	<b>253</b>	<b>2,534</b>	<b>2,246</b>
<b>Total non-current assets</b>	<b>7,112</b>	<b>7,218</b>	<b>6,963</b>
<b>Current assets</b>			
Assets held for sale, CTC Media *	1,073	-	-
Total inventory	2,174	2,279	2,179
Total current receivables	4,710	4,440	4,346
Cash, cash equivalents and short-term investments	317	382	643
<b>Total current assets</b>	<b>8,274</b>	<b>7,101</b>	<b>7,168</b>
<b>Total assets</b>	<b>15,386</b>	<b>14,319</b>	<b>14,131</b>
<b>Equity</b>			
Shareholders' equity	4,279	5,456	5,729
Non-controlling interest	128	88	102
<b>Total equity</b>	<b>4,407</b>	<b>5,544</b>	<b>5,831</b>
<b>Long-term liabilities</b>			
Non-current liabilities at fair value	941	248	207
Other non-current interest-bearing liabilities	1,018	1,084	1,001
<b>Total non-current interest-bearing liabilities</b>	<b>1,959</b>	<b>1,332</b>	<b>1,208</b>
Total provisions	1,093	819	823
Total non-interest-bearing liabilities	52	77	80
<b>Total non-current non-interest-bearing liabilities</b>	<b>1,145</b>	<b>896</b>	<b>903</b>
<b>Total non-current liabilities</b>	<b>3,104</b>	<b>2,227</b>	<b>2,111</b>
<b>Current liabilities</b>			
Current liabilities at fair value	17	-	20
Other current interest-bearing liabilities	1,461	568	57
Total current non-interest-bearing liabilities	6,397	5,980	6,113
<b>Total current liabilities</b>	<b>7,875</b>	<b>6,548</b>	<b>6,190</b>
<b>Total liabilities</b>	<b>10,979</b>	<b>8,775</b>	<b>8,300</b>
<b>Total shareholders' equity and liabilities</b>	<b>15,386</b>	<b>14,319</b>	<b>14,131</b>

\* CTC Media is recognised in Current assets from Q2 2015. Comparable figures for Q3 and Q4 2014 were SEK 2,152m and SEK 1,984m respectively.

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)	2015 Jul-Sep	2014 Jul-Sep	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
Cash flow from operations	278	238	762	784	1,040
Changes in working capital	-139	-276	-419	-431	-143
<b>Net cash flow from operations</b>	<b>139</b>	<b>-38</b>	<b>343</b>	<b>354</b>	<b>897</b>
Proceeds from sales of shares	-	-	87	230	230
Acquisitions of subsidiaries and associates	-1,261	43	-1,274	-223	-223
Investments in other non-current assets	-51	-34	-218	-142	-217
Other cash flow from investing activities	13	-	13	-	-
<b>Cash flow used in investing activities</b>	<b>-1,299</b>	<b>9</b>	<b>-1,393</b>	<b>-135</b>	<b>-211</b>
Net change in loans	1,221	-244	1,406	-160	-778
Dividends to shareholders	-	-	-733	-700	-700
Other cash flow from/to financing activities	-38	-46	-29	23	273
<b>Cash flow used in financing activities</b>	<b>1,183</b>	<b>-290</b>	<b>644</b>	<b>-837</b>	<b>-1,204</b>
<b>Net change in cash, continuing operations</b>	<b>24</b>	<b>-319</b>	<b>-405</b>	<b>-619</b>	<b>-517</b>
<b>Net change in cash, discontinued operations</b>	<b>-</b>	<b>76</b>	<b>90</b>	<b>215</b>	<b>297</b>
<b>Total net change in cash and cash equivalents</b>	<b>24</b>	<b>-243</b>	<b>-316</b>	<b>-404</b>	<b>-221</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>304</b>	<b>572</b>	<b>643</b>	<b>765</b>	<b>765</b>
Translation differences in cash and cash equivalents	-10	53	-10	20	99
<b>Cash and cash equivalents at end of the period</b>	<b>317</b>	<b>382</b>	<b>317</b>	<b>382</b>	<b>643</b>

### Condensed consolidated statement of changes in equity

(SEKm)	2015 30 Sep	2014 30 Sep	2014 31 Dec
<b>Opening balance</b>	<b>5,831</b>	<b>5,295</b>	<b>5,295</b>
Net loss/income for the period	-124	702	1,172
Other comprehensive income for the period	-581	327	153
<b>Total comprehensive loss/income for the period</b>	<b>-705</b>	<b>1,029</b>	<b>1,325</b>
Effect of employee share option programmes	12	6	1
Share of option changes in equity of associates	5	-3	4
Change in non-controlling interests	1	0	-6
Dividends to shareholders	-733	-700	-700
Dividends to non-controlling interests	-5	-83	-88
<b>Closing balance</b>	<b>4,407</b>	<b>5,544</b>	<b>5,831</b>

### Parent company condensed income statement

(SEKm)	2015 Jul-Sep	2014 Jul-Sep	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
Net sales	11	10	40	32	45
<b>Gross income</b>	<b>11</b>	<b>10</b>	<b>40</b>	<b>32</b>	<b>45</b>
Administrative expenses	-55	-56	-203	-187	-273
<b>Operating income (EBIT)</b>	<b>-44</b>	<b>-47</b>	<b>-163</b>	<b>-155</b>	<b>-228</b>
Net interest and other financial items	124	112	386	312	435
<b>Income before tax and appropriations</b>	<b>80</b>	<b>65</b>	<b>223</b>	<b>157</b>	<b>207</b>
Appropriations	-	-	-	-	123
Tax	-10	-12	-23	-33	-71
<b>Net income for the period</b>	<b>70</b>	<b>53</b>	<b>201</b>	<b>124</b>	<b>258</b>

### Parent company condensed statement of comprehensive income

(SEKm)	2015 Jul-Sep	2014 Jul-Sep	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
<b>Net income for the period</b>	<b>70</b>	<b>53</b>	<b>201</b>	<b>124</b>	<b>258</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	-	-	-	-	0
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>
<b>Total comprehensive income for the period</b>	<b>70</b>	<b>53</b>	<b>201</b>	<b>124</b>	<b>259</b>

### Parent company condensed balance sheet

(SEKm)	2015 30 Sep	2014 30 Sep	2014 31 Dec
<b>Non-current assets</b>			
Capitalised expenditure	1	1	2
Machinery and equipment	1	2	1
Shares and participations	6,398	6,398	6,398
Other financial receivables	348	553	295
<b>Total non-current assets</b>	<b>6,748</b>	<b>6,953</b>	<b>6,696</b>
<b>Current assets</b>			
Current receivables	9,893	9,814	10,544
Cash, cash equivalents and short-term investments	23	127	402
<b>Total current assets</b>	<b>9,916</b>	<b>9,942</b>	<b>10,946</b>
<b>Total assets</b>	<b>16,664</b>	<b>16,895</b>	<b>17,642</b>
<b>Shareholders' equity</b>			
Restricted equity	338	338	338
Non-restricted equity	6,592	6,990	7,124
<b>Total equity</b>	<b>6,930</b>	<b>7,327</b>	<b>7,462</b>
<b>Long-term liabilities</b>			
Interest-bearing liabilities	1,000	1,160	1,024
Provisions	2	4	2
Non-interest-bearing liabilities	57	171	23
<b>Total long-term liabilities</b>	<b>1,059</b>	<b>1,334</b>	<b>1,049</b>
<b>Current liabilities</b>			
Other interest-bearing liabilities	8,401	8,091	8,294
Non-interest-bearing liabilities	274	142	838
<b>Total current liabilities</b>	<b>8,675</b>	<b>8,233</b>	<b>9,132</b>
<b>Total shareholders' equity and liabilities</b>	<b>16,664</b>	<b>16,895</b>	<b>17,642</b>

**Net Sales – Business segments**

(SEKm)	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Full year 2014	Q1 2015	Q2 2015	Q3 2015
Free-TV Scandinavia	1,034	1,065	900	1,111	4,109	979	1,080	903
Pay-TV Nordic	1,404	1,439	1,441	1,472	5,756	1,486	1,490	1,448
Free-TV Emerging Markets	504	680	463	762	2,409	581	739	522
- <i>Baltics, Czech &amp; Bulgaria</i>	472	640	431	721	2,264	546	695	486
Pay-TV Emerging Markets	266	271	333	355	1,225	293	303	297
Central operations, eliminations & others	-48	-61	-92	-93	-294	-102	-94	-97
<b>Total Broadcasting</b>	<b>3,159</b>	<b>3,394</b>	<b>3,045</b>	<b>3,607</b>	<b>13,205</b>	<b>3,238</b>	<b>3,519</b>	<b>3,073</b>
Nice Entertainment, MTGx, MTG Radio	483	799	681	815	2,778	493	668	773
Group central operations	60	57	57	61	235	59	54	50
Eliminations	-104	-141	-115	-112	-472	-89	-85	-78
<b>Total operations</b>	<b>3,597</b>	<b>4,109</b>	<b>3,669</b>	<b>4,371</b>	<b>15,746</b>	<b>3,701</b>	<b>4,155</b>	<b>3,819</b>
<i>Organic Growth at constant FX</i>	5.3%	2.7%	5.5%	2.4%	3.8%	0.7%	-0.2%	2.6%
<i>FX</i>	-0.4%	0.6%	2.5%	1.8%	1.2%	1.9%	0.9%	-0.9%
<i>Divestments</i>	0.0%	-0.4%	-1.3%	-1.1%	-0.7%	-1.2%	-0.7%	0.0%
<i>Acquisitions</i>	7.2%	11.1%	8.3%	4.3%	7.6%	1.5%	1.1%	2.4%
<i>Total growth</i>	12.1%	14.0%	15.0%	7.5%	11.9%	2.9%	1.1%	4.1%

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

(SEKm)	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Full year 2014	Q1 2015	Q2 2015	Q3 2015
Free-TV Scandinavia	92	200	120	220	633	94	208	123
Pay-TV Nordic	155	184	186	184	709	178	185	189
Free-TV Emerging Markets	-25	121	-57	91	131	-6	134	-13
- <i>Baltics, Czech &amp; Bulgaria</i>	-12	137	-35	109	199	15	146	3
Pay-TV Emerging Markets	22	19	39	25	104	2	26	41
Central operations, eliminations & others	0	0	-18	18	0	-3	-7	-17
<b>Total Broadcasting</b>	<b>244</b>	<b>524</b>	<b>269</b>	<b>539</b>	<b>1,576</b>	<b>265</b>	<b>546</b>	<b>323</b>
Nice Entertainment, MTGx, MTG Radio	-64	11	12	9	-32	-46	-29	-6
Group central operations & eliminations	-61	-62	-61	-71	-255	-76	-65	-77
<b>Total operations excl NRI</b>	<b>119</b>	<b>473</b>	<b>221</b>	<b>478</b>	<b>1,290</b>	<b>142</b>	<b>452</b>	<b>240</b>
Non-recurring items	-	-155	0	0	-155	77	-	-652
<b>Total EBIT</b>	<b>119</b>	<b>318</b>	<b>221</b>	<b>478</b>	<b>1,135</b>	<b>219</b>	<b>452</b>	<b>-412</b>

## Key performance indicators

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Full year 2014	Q1 2015	Q2 2015	Q3 2015
<b>GROUP</b>								
Sales growth (%)	12.1	14.0	15.0	7.5	11.9	2.9	1.1	4.1
Sales growth at constant FX (%)	12.5	13.4	12.5	5.7	10.7	1.0	0.2	5.0
Change in operating costs (%) <sup>1</sup>	16.5	15.8	14.1	8.2	13.4	2.3	1.8	3.7
Operating margin (%) <sup>1</sup>	3.3	11.5	6.0	10.9	8.2	3.8	10.9	6.3
Return on capital employed, continuing operations (%)	28	27	28	24		25	25	24
Return on equity (%)	22	24	24	24		26	17	15
Equity to assets ratio (%)	39	35	39	41		41	36	29
Liquid funds (SEKm)	6,315	6,149	6,150	6,498		6,538	6,107	5,998
Net debt (SEKm)	738	987	928	362		396	913	2,134
<b>FREE-TV SCANDINAVIA</b>								
Sales growth (%)	4.1	-1.4	1.4	-3.4	0.0	-5.3	1.4	0.4
Sales growth at constant FX (%)	4.0	-2.9	-1.4	-5.2	-1.6	-7.7	0.4	1.0
Change in operating costs (%)	8.7	-0.8	1.4	-4.8	1.0	-6.0	0.8	0.1
Operating margin (%)	8.9	18.8	13.3	19.8	15.4	9.6	19.3	13.6
<b>Commercial share of viewing (%)</b>								
Sweden (15-49)	39.1	30.5	31.0	30.5	33.2	30.8	29.8	32.8
Norway (15-49) <sup>2</sup>	15.3	17.9	16.0	15.4	16.1	16.8	18.4	17.4
Denmark (15-49) <sup>3</sup>	25.6	26.6	25.1	27.5	26.2	25.7	28.3	26.3
<b>PAY-TV NORDIC</b>								
Sales growth (%)	7.1	6.7	10.2	7.6	7.9	5.8	3.5	0.5
Sales growth at constant FX (%)	7.2	5.4	7.9	6.0	6.6	3.9	2.9	0.9
Change in operating costs (%)	7.3	4.9	9.0	7.0	7.0	4.7	4.0	0.3
Operating margin (%)	11.0	12.8	12.9	12.5	12.3	12.0	12.4	13.0
<b>Subscriber data ('000s)</b>								
Premium subscribers	978	970	969	982		973	964	972
- of which, satellite	553	546	535	526		514	506	503
- of which, 3rd party networks	425	425	434	456		459	458	469
Basic satellite subscribers	37	36	35	33		31	31	19
Premium satellite ARPU (SEK)	5,044	5,164	5,302	5,254		5,220	5,258	5,257
<b>FREE-TV EMERGING MARKETS</b>								
Sales growth (%)	-1.7	-1.8	1.3	-2.8	-1.5	15.4	8.7	12.7
Sales growth at constant FX (%)	-1.8	-3.6	-1.0	-4.9	-3.1	9.4	5.4	9.3
Change in operating costs (%)	8.6	1.1	6.0	-4.2	2.2	11.2	8.3	2.7
Operating margin (%)	-4.9	17.8	-12.4	12.0	5.4	-1.1	18.1	-2.4
<b>Commercial share of viewing (%)</b>								
Estonia (15-49)	41.0	39.9	38.1	42.1	40.4	39.4	40.3	39.9
Latvia (15-49) <sup>4</sup>	55.0	59.7	58.7	61.9	58.7	59.5	60.9	57.8
Lithuania (15-49)	47.3	44.5	43.9	45.0	45.4	44.8	41.8	44.4
Czech Republic (15-54) <sup>5</sup>	33.3	34.4	35.6	36.3	34.9	34.1	33.4	35.7
Bulgaria (18-49) <sup>6</sup>	35.7	35.1	35.9	41.1	37.1	37.9	41.1	40.6
Hungary (18-49)	7.5	6.4	7.1	7.3	7.1	7.9	7.3	7.8
<b>PAY-TV EMERGING MARKETS</b>								
Sales growth (%)	8.3	0.9	24.4	15.6	12.5	10.4	11.9	-11.0
Sales growth at constant FX (%)	9.8	7.9	24.9	14.7	14.4	21.7	17.4	-0.4
Change in operating costs (%)	-0.9	16.5	22.4	28.9	16.8	19.4	9.9	-13.2
Operating margin (%)	8.2	6.9	11.7	7.1	8.5	0.6	8.5	13.9
<b>Subscriber data ('000s)</b>								
Satellite subscribers <sup>7</sup>	358	344	326	306		290	280	270
Mini-pay subscriptions <sup>8</sup>	94,837	94,197	130,559	131,089		136,969	137,413	138,403

1. Based on operating income excl. non-recurring items.

2. The universe has expanded from Q2 2015 to include TV2 Humor.

3. The universe has expanded from Q1 2015 to include TV2 Sport.

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

5. The Czech universe has expanded from Q3 2015 to include three new Barrandov channels.

6. The source for Bulgaria 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.

7. Have been restated following the closure of Raduga.

8. Includes Trace subscriptions from Q3 2014.

For definitions, please refer to the 2014 Annual Report under the heading "Definitions". Data on share of viewing is made available after each quarter on [www.mtg.com](http://www.mtg.com).

## Notes to the accounts

### 1. Condensed sales Group segments

(SEKm)	2015 Jul-Sep	2014 Jul-Sep	2015 Jan-Sep	2014 Jan-Sep	2014 Jan-Dec
<b>Sales external customers</b>					
Broadcasting	3,070	3,042	9,816	9,589	13,193
Nice Entertainment, MTGx, MTG Radio	748	626	1,855	1,782	2,548
Parent company & holding companies	1	1	2	4	5
<b>Total</b>	<b>3,819</b>	<b>3,669</b>	<b>11,674</b>	<b>11,375</b>	<b>15,746</b>
<b>Sales between segments</b>					
Broadcasting	2	3	13	9	12
Nice Entertainment, MTGx, MTG Radio	26	55	79	181	229
Parent company & holding companies	50	56	161	170	230
<b>Total</b>	<b>78</b>	<b>115</b>	<b>252</b>	<b>360</b>	<b>472</b>

### 2. Acquisitions – preliminary fair values

Recognised values (SEKm)	Turtle	Others
<b>Total assets</b>	<b>251</b>	<b>118</b>
<b>Total liabilities</b>	<b>-266</b>	<b>-84</b>
<b>Surplus values including goodwill</b>	<b>1,015</b>	<b>1,033</b>
<b>Total consideration</b>	<b>1,000</b>	<b>1,067</b>
Cash and cash equivalents in acquired businesses	-13	-36
Borrowings in acquired businesses	27	-
Fair value previous participation	-	-116
Non-paid consideration	-271	-462
<b>Cash flow from acquisition</b>	<b>742</b>	<b>453</b>

Contributions from acquisitions (SEKm)	Turtle	Others
Sales	48	46
Operating Income	-5	-1
Net Income	-8	-2

Contributions from acquisitions if the acquisition had occurred 1 January	Turtle	Others
Sales	380	183
Operating Income	-26	-7
Net Income	-14	-6

Transaction costs totaled SEK 35m and are reported in the 'Other operating expenses' line of the Group's income statement. The figures are preliminary as the work on the purchase price allocation is still at an early stage.



**3. Financial liabilities at fair value**

	2015	2014
	Jan-Sep	Jan-Sep
Financial liabilities, level 3		
<b>Accumulated values</b>		
Opening balance 1 January	227	280
New acquisitions	761	138
Sale of companies	-	-123
Reversal	-27	-
Changes in fair values	-	-51
Translation differences	-3	3
<b>Closing balance 30 September</b>	<b>958</b>	<b>248</b>