

Record sales following 10% organic growth & profits up 14%

Q4 2017 highlights

- Sales of SEK 5,307m (4,297) with 10% organic growth
- Operating income before IAC of SEK 478m (418) including transaction costs of SEK 43m (21)
- Total operating income of SEK 161m (418) including SEK -318m (0) of items affecting comparability primarily relating to the impairment of Zoomin.TV and revaluation of option and earn-out liabilities
- MTGx reported its first quarterly profit as well as positive EBITDA for the full year
- Total net income of SEK 652m (422) including net income from discontinued operations of SEK 587m (116) and total basic earnings per share of SEK 9.36 (5.67)
- MTG today announced an agreement to combine Nordic Entertainment and MTG Studios with TDC Group. Please read all about it at www.mtg.com
- Board of Directors to propose a dividend of SEK 12.50 (12.00) per share, representing pay-out ratio of 95% (93) of net income from continuing operations before IAC

Financial overview

(SEKm)	Q4 2017	Q4 2016	Full year 2017	Full year 2016
Continuing operations				
Net sales	5,307	4,297	17,537	14,999
<i>Organic growth</i>	<i>9.7%</i>	<i>9.3%</i>	<i>7.7%</i>	<i>5.8%</i>
<i>Acquisitions/divestments</i>	<i>14.7%</i>	<i>-1.4%</i>	<i>8.3%</i>	<i>1.4%</i>
<i>Changes in FX rates</i>	<i>-0.9%</i>	<i>3.0%</i>	<i>1.0%</i>	<i>-0.2%</i>
<i>Change in reported net sales</i>	<i>23.5%</i>	<i>10.9%</i>	<i>16.9%</i>	<i>7.0%</i>
Operating income before IAC	478	418	1,264	1,060
<i>Operating margin before IAC</i>	<i>9.0%</i>	<i>9.7%</i>	<i>7.2%</i>	<i>7.1%</i>
Items affecting comparability	-318	-	-340	-
Operating income	161	418	923	1,060
Net income	65	306	612	744
Basic earnings per share (SEK)	0.57	4.56	8.19	10.99
Cash flow from operations	539	225	1,311	674
Discontinued operations				
Net income ¹	587	116	748	-853
Total operations				
Net income	652	422	1,360	-109
Basic earnings per share (SEK)	9.36	5.67	18.73	-3.19
Net debt	1,812	2,186	1,812	2,186

¹ Discontinued operations comprise MTG's businesses in the Czech Republic, the Baltics, Africa (excluding Trace) and, for 2016, MTG's interest in CTC Media, Inc. Q4 2017 includes a capital gain amounting to SEK 593m from the divestment of the Baltic operations.

Alternative performance measures used in this report are explained and reconciled on pages 22-25.



For further information please contact Investor relations at + 46 (0) 73 699 2714 / investors@mtg.com or Public relations at +46 (0) 76 494 09 13/ press@mtg.com

President & CEO's comments

2017 was the best year yet for MTG

Our high performance level in the first three quarters of the year continued into Q4. Organic sales were up 8% for the year and 10% in Q4, which again demonstrates that our products and services are more relevant and more popular than ever. Our operating income was up 19% for the year and 14% in Q4, despite the continued content and digital investments that we are making and the additional SEK 103m of M&A costs and write-downs we made in the quarter. These results have been made possible by a clear strategy and an empowered culture, which have also been reflected in a 33% total shareholder return over the year.

Our Nordic and International Entertainment businesses were up against tough comparisons from last year but both reported higher sales and profits, while MTGx delivered 71% organic sales growth and its first ever quarterly operating profit. This is a major milestone for MTGx, which also was EBITDA profitable for the whole year.

MTG's transformation takes a major leap forward

We have been strategically transforming MTG from a traditional broadcaster into a global digital entertainer for more than 3 years now. This has included significant organic investments, as well as very active portfolio management. 2017 was no exception as we acquired stakes in InnoGames and Kongregate to form our third digital vertical, and disposed of our Czech and Baltic businesses.

The pace of transformation has now accelerated into 2018 with the disposal of Trace and the announcement today of the merger of our Nordic businesses (Nordic Entertainment + MTG Studios) with TDC Group. Strategic partnerships have always been key for us and this combination creates a scale player ready to take the next step in shaping the future of Nordic entertainment with best-in-class integrated offerings. Please read all about it at www.mtg.com.

The new MTG will be a pure play digital entertainment company. Our key focus areas today are esports, online gaming and digital video content, but we also have a number of other media holdings. We will continue to buy and build a portfolio of digital operations, and will be even more agile and flexible when it comes to investment horizons, structures, sizes and realisations. The new MTG will be well funded, and we will also review our current organisation to make sure that we are right sized and skilled for what lies ahead.

Jørgen Madsen Lindemann
President & Chief Executive Officer

“2017 was a great year for MTG with 8% organic sales growth, 19% profit growth and a 33% shareholder return. We are now taking the next step by splitting the company to create a convergent Nordic Champion and a pure play Digital Entertainer.”



Significant events during and after the quarter

5 October – MTG’s Kongregate acquired Synapse Games

Kongregate, the San Francisco based cross platform games publisher and developer acquired by MTG in July 2017, acquired 100% of Synapse Games. Founded in 2008, Chicago based Synapse employs a team of 22 and develops free to play strategy and collectible card games.

18 October – MTG completed the sale of its Baltic broadcasting businesses

MTG announced that it had completed the sale of its Baltic broadcasting businesses to Providence Equity Partners for a total cash consideration of EUR 100m (approximately SEK 960m). The transaction was based on an Enterprise Value of EUR 115m. The sale resulted in a net capital gain of SEK 593m. All items related to the Baltic broadcasting businesses are reported as discontinued operations in MTG’s financial statements.

19 January – MTG sells stake in TRACE media group

MTG announced that it had signed an agreement to sell its 75% shareholding in TRACE PARTNERS S.A.S. (TRACE) to TPG Growth as part of MTG’s ongoing strategic transformation. The transaction values 100% of the business at an enterprise value of EUR 40m (approximately SEK 392m) and closing is subject to regulatory approvals. TRACE is part of MTG’s International Entertainment operations.

1 February– MTG to combine Nordic Entertainment and MTG Studios with TDC Group

MTG has entered into a definitive agreement with TDC Group to combine its Nordic Entertainment and MTG Studios businesses (together “MTG Nordics”) with TDC Group, in order to create Europe’s first fully convergent media and communications provider with an enhanced and integrated consumer offering. TDC Group will issue new shares and pay cash as consideration for MTG Nordics, and the newly issued TDC Group shares will be distributed to MTG shareholders immediately upon completion of the combination. The combination is expected to create substantial synergies, an improved growth and earnings profile, and higher shareholder returns. Following the combination, MTG will focus its resources on the expansion of its global digital entertainment operations.

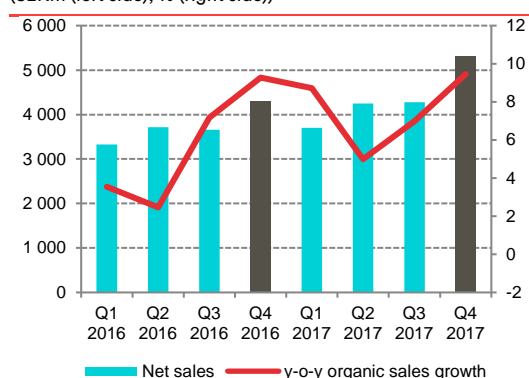
A full list of MTG announcements can be found at www.mtg.com.

Group performance

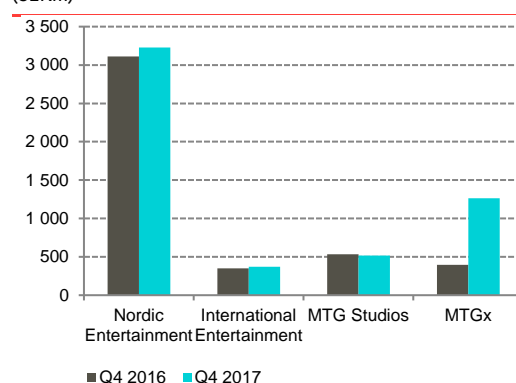
Net sales

Net sales were up 24% on a reported basis to SEK 5,307m (4,297), and up 10% on an organic basis. Acquisitions and divestments contributed 15% of the growth and primarily comprised the consolidation of InnoGames and Kongregate, while the FX impact was -1%.

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



Net sales by segment
(SEKm)



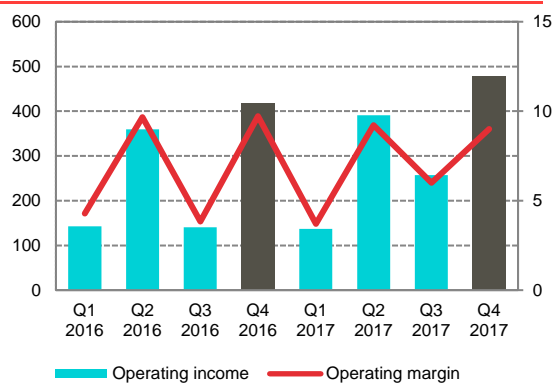
Operating expenditure

Operating expenditure was up 25% at constant FX and driven primarily by ongoing investment in MTG's digital expansion and the consolidation of InnoGames and Kongregate. Depreciation and amortisation charges increased to SEK 104m (56), which mainly reflected amortisation charges of SEK 38m (9) relating to the purchase price allocation for acquired businesses.

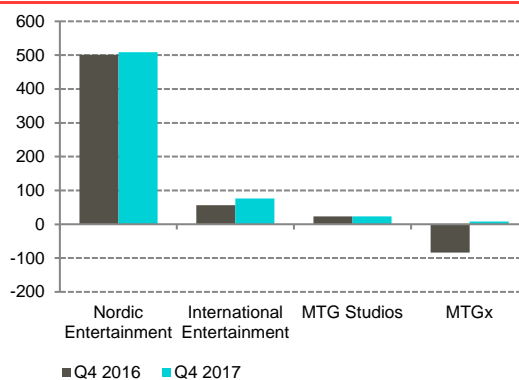
Operating income and items affecting comparability

Operating income before IAC was up 14% to SEK 478m (418) and included transaction costs of SEK 43m (21) primarily relating to the proposed combination of Nordic Entertainment and MTG Studios with TDC Group. The operating income increase was primarily driven by the consolidation of profits from InnoGames and Kongregate, as well as the strong underlying performance in MTGx and International Entertainment. Items affecting comparability amounted to SEK -318m (0) and primarily reflected the impairment of goodwill and capitalised development cost related to Zoomin.TV and revaluation of option and earn-out liabilities.

Operating income & operating margin before IAC ¹
(SEKm (left side); % (right side))



Operating income by segment
(SEKm)



¹ Quarterly fluctuations reflect the seasonality of advertising markets. Please refer to page 22 for Alternative Performance Measures

Net financials and net income from continuing operations

Net interest and other financial items totalled SEK -16m (-16). Net interest amounted to SEK -5m (-5). Other financial items amounted to SEK -11m (-11) and mainly comprised the impact of exchange rate differences on financial items, as well as the non-cash discounting of option and earn-out liabilities at fair value. Net income from continuing operations amounted to SEK 65m (306), and basic earnings per share totalled SEK 0.57 (4.56).

Discontinued operations

Discontinued operations comprised the Baltic and African operations (excluding Trace). Net income from discontinued operations amounted to SEK 587m (116) and included a capital gain of SEK 593m relating to the sale of the Baltic operations. The sale of the Tanzanian business is yet to close. Total basic earnings per share amounted to SEK 9.36 (5.67).

Segmental performance

Nordic Entertainment

Sales & profits up

(SEKm)	Q4 2017	Q4 2016	Full year 2017	Full year 2016
Net sales	3,229	3,113	11,961	11,139
<i>of which Free-TV & Radio</i>	<i>1,438</i>	<i>1,409</i>	<i>5,094</i>	<i>4,866</i>
<i>of which Pay-TV</i>	<i>1,791</i>	<i>1,704</i>	<i>6,867</i>	<i>6,272</i>
Costs	-2,719	-2,612	-10,388	-9,768
Operating income	509	501	1,574	1,370
<i>Operating margin</i>	<i>15.8%</i>	<i>16.1%</i>	<i>13.2%</i>	<i>12.3%</i>
<i>Net sales growth y-o-y</i>				
<i>Organic growth</i>	<i>4.5%</i>	<i>9.0%</i>	<i>6.6%</i>	<i>6.2%</i>
<i>Acquisitions/divestments</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Changes in FX rates</i>	<i>-0.8%</i>	<i>3.0%</i>	<i>0.8%</i>	<i>0.0%</i>
<i>Reported growth</i>	<i>3.7%</i>	<i>11.9%</i>	<i>7.4%</i>	<i>6.2%</i>

Sales were up 5% on an organic basis and driven by the continued growth of the Viaplay and Viafree products. Operating costs were also up and reflected ongoing investments into the scaling of the above mentioned streaming services. Operating income amounted to SEK 509m (501), with an operating margin of 15.8% (16.1).

Free-TV and radio sales were up 2% on a reported basis and driven by the performances of Viafree and Radio in Sweden in particular. The Swedish TV advertising market is estimated to have grown, while the Danish and the Norwegian markets are estimated to have declined. The Swedish and Norwegian TV audience shares were down y-o-y, while the Danish share remained stable. The Swedish radio audience share was up y-o-y while the Norwegian share was down.

Pay-TV sales were up 5% on a reported basis following continued Viaplay subscriber intake and the previously introduced price rises. When excluding Viaplay, the subscriber base was stable q-o-q as erosion in the satellite base was offset by growth in the third-party base. The average revenue per satellite user was up slightly at constant FX.

International Entertainment

Sales & profits up

(SEKm)	Q4 2017	Q4 2016	Full year 2017	Full year 2016
Net sales	372	350	1,189	1,102
Costs	-296	-294	-1,013	-954
Operating income	76	56	176	148
<i>Operating margin</i>	<i>20.4%</i>	<i>16.1%</i>	<i>14.8%</i>	<i>13.4%</i>
<i>Net sales growth y-o-y</i>				
<i>Organic growth</i>	<i>6.1%</i>	<i>18.5%</i>	<i>6.9%</i>	<i>15.4%</i>
<i>Acquisitions/divestments</i>	<i>-0.7%</i>	<i>-28.1%</i>	<i>-1.0%</i>	<i>-47.2%</i>
<i>Changes in FX rates</i>	<i>0.7%</i>	<i>3.5%</i>	<i>1.9%</i>	<i>0.7%</i>
<i>Reported growth</i>	<i>6.1%</i>	<i>-6.1%</i>	<i>7.8%</i>	<i>-31.0%</i>

Sales were up 6% on an organic basis as the Bulgarian operations continued to perform well and reported double-digit percentage point sales and profit growth. The Bulgarian audience share was down y-o-y while the TV advertising market is estimated to have grown. Trace's sales and profits were down y-o-y. Segment operating income amounted to SEK 76m (56) with an operating margin of 20.4% (16.1). MTG has after the year announced the sale of Trace, but the transaction has yet to close.

MTG Studios

Sales down but profits stable

(SEKm)	Q4 2017	Q4 2016	Full year 2017	Full year 2016
Net sales	517	532	1,832	1,777
Costs	-494	-509	-1,764	-1,696
Operating income	23	23	68	81
<i>Operating margin</i>	<i>4.4%</i>	<i>4.3%</i>	<i>3.7%</i>	<i>4.6%</i>
<i>Net sales growth y-o-y</i>				
<i>Organic growth</i>	<i>-1.5%</i>	<i>8.1%</i>	<i>2.7%</i>	<i>2.2%</i>
<i>Acquisitions/divestments</i>	<i>0.4%</i>	<i>0.0%</i>	<i>0.3%</i>	<i>0.0%</i>
<i>Changes in FX rates</i>	<i>-1.8%</i>	<i>1.4%</i>	<i>0.1%</i>	<i>-2.4%</i>
<i>Reported growth</i>	<i>-2.9%</i>	<i>9.5%</i>	<i>3.1%</i>	<i>-0.1%</i>

Sales were down 2% on an organic basis due to timing differences in the production schedule. Underlying customer demand for scripted drama and branded content remains high. Operating income amounted to SEK 23m (23), with an operating margin of 4.4% (4.3).

MTGx

Sales up & first quarterly profit

(SEKm)	Q4 2017	Q4 2016	Full year 2017	Full year 2016
Net sales	1,264	397	2,964	1,326
<i>of which esports</i>	515	306	1,370	1,012
<i>of which online gaming</i>	634	-	1,234	-
<i>of which digital video content</i>	115	91	360	314
Costs before depreciation and amortisation	-1,165	-464	-2,949	-1,518
EBITDA	99	-67	14	-192
<i>EBITDA margin</i>	7.9%	-16.9%	0.5%	-14.5%
<i>Depreciation</i>	-12	-8	-40	-24
<i>Amortisation¹⁾</i>	-79	-8	-145	-35
Costs	-1,256	-481	-3,134	-1,577
Operating income	8	-84	-170	-251
<i>Operating margin</i>	0.7%	-21.1%	-5.7%	-18.9%
<i>Net sales growth y-o-y</i>				
<i>Organic growth</i>	71.4%	-	37.0%	-
<i>Acquisitions/divestments</i>	169.4%	-	101.7%	-
<i>Changes in FX rates</i>	-1.2%	-	2.6%	-
<i>Change in presentation of prize money</i>	-21.3%	-	-17.8%	-
<i>Reported growth</i>	218.3%	12.0%	123.5%	194.3%

¹⁾Includes amortisation and write down of intangible assets in subsidiaries and on acquisition related surplus values.

Sales were up 71% on an organic basis and primarily reflected the esports growth. The reported growth included the consolidation of InnoGames (from 1 May) and Kongregate (from 21 July). Segment EBITDA amounted to SEK 99m (-67) and included a non-cash bad debt write-down of SEK 25m by ESL. Depreciation and amortisation charges amounted to SEK 91m (16) and included the amortisation of surplus values of SEK 32m (5), as well as a non-cash write-down of SEK 35m (0) relating to InnoGames capitalised development costs. Operating income for the segment amounted to SEK 8m (-84).

Esports sales were up 68% to SEK 515m (306) and reflected the performance of distribution and sponsorships, following the entry of more broadcasters, telecoms operators and non-endemic sponsors into esports. As in prior quarters in 2017, the reported growth rate was reduced by the exclusion of prize money for third party events in 2017 as historical figures have not been restated. Q4 and Full Year 2016 sales would have been SEK 25m and SEK 98m lower, respectively, if presented on the same basis.

Online gaming sales amounted to SEK 634m (-). InnoGames sales were up 18% to SEK 417m. Kongregate contributed with sales of SEK 217m, which was for the entire period since the company was acquired (from 21 July), as previously flagged. Please see page 21 for InnoGames and Kongregate details including figures as if MTG had fully consolidated the companies since the beginning of the year.

Digital Video Content sales were up 26% to SEK 115m (91) with double-digit growth for both Splay and Zoomin.TV. MTG increased its shareholding in Splay from 81% to 96% in December. As part of the Group's annual impairment tests, MTG impaired goodwill and capitalised development cost related to Zoomin.TV due to the weaker than anticipated sales performance in 2017. This was partly offset by reductions in option earn-out liabilities. See page 4 for further information.

Financial review

Cash flow from continuing operations

Cash flow from operations

Cash flow from operations before changes in working capital amounted to SEK 539m (225). Depreciation and amortisation charges totalled SEK 104m (56). The Group reported a SEK 251m (146) change in working capital and net cash flow from operations totalled SEK 790m (370).

Investing activities

Proceeds from sale of shares in subsidiaries amounted to SEK 905m (102) related primarily to the sale of the Baltic operations net of transaction costs. Investments in shares amounted to SEK 137m (549) and mainly related to Kongregate's acquisition of Synapse Games Inc. and Chinzilla Inc. and to the exercising of options to acquire further shares in other companies from minority owners (please see note on page 21). Group capital expenditure on tangible and intangible assets totalled SEK 71m (94). Total cash flow relating to investing activities amounted to SEK 770m (-498).

Financing activities

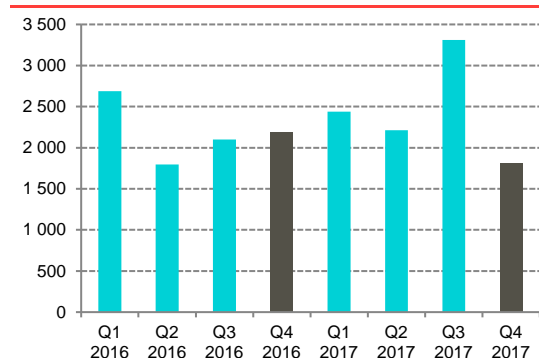
Cash flow from financing activities amounted to SEK -583m (435) which included a reduction in short-term loans and the repayment of loans from the Baltic operation in connection with the divestment. Total borrowings decreased in the quarter by SEK 768m (increase of 390) to SEK 3,223m (2,993).

The net change in cash and cash equivalents therefore amounted to SEK 977m (307). The Group had cash and cash equivalents of SEK 1,394m (666) at the end of the period. Cash and short-term borrowings were at a high level in anticipation of content payments due in early Q1.

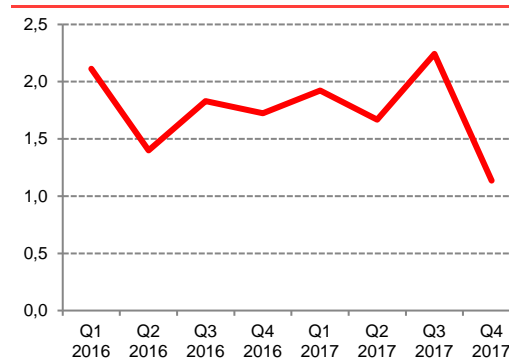
Net debt

The Group's net debt position, which is defined as the sum of short and long-term interest bearing liabilities less total cash and interest bearing assets, amounted to SEK 1,812m (2,186) at the end of the period and included net cash in assets held for sale.

Net debt
(SEKm)



Net debt/EBITDA ratio, based on 12 months EBITDA before IAC, continuing operations



Related party transactions

Related party transactions are of the same character and of similar amounts as the transactions described in the 2016 Annual Report.

Parent company

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

(SEKm)	Q4 2017	Q4 2016	Full year 2017	Full year 2016
Net sales	20	10	49	45
Net interest and other financial items	65	66	263	234
Income before tax and appropriations	-88	2	-49	4

The increase in operating expenses are mainly due to costs for the incentive program whereof the major part does not affect the equity. Net interest and other financial items in the quarter were at the same level as last year. The parent company had cash and cash equivalents of SEK 844m (606) at the end of the period. SEK 5,820m (5,871) of the SEK 5,820m 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 66,725,249 (66,663,816) and excluded the 865,000 Class C shares and 56,875 Class B shares held by MTG in treasury. The total number of issued shares did not change during the period.

Other information

Corporate responsibility

During Q4 MTG has both approved and launched its new Code of Conduct which is called 'Igniting Right'. The Code reflects MTG's personality as 'the Igniter' – exploring opportunities, enhancing lives and shaping the future – while clearly expressing its values. Please find the new Code at www.mtg.com.

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 2016 Annual Report.

The following new standards have been endorsed and will be applied for the financial year 2018.

IFRS 9 Financial instruments: This standard addresses the classification, measurement, recognition, impairment and derecognition of financial instruments. It also addresses general hedge accounting. The standard will not have any material impact on the Group's financial position or result.

IFRS 15 Revenue from Contracts with Customers: The standard replaces IAS 11 Construction Contracts and IAS 18 Revenue and establishes a new framework for determining when and how much revenue to recognise. The standard introduces a five-step model to be applied to all contracts with customers in order to establish the revenue recognition. The Group has assessed IFRS 15's impact on the various business models and come to the conclusion that the standard has no significant effects on the timing and the amount of revenue recognised in the Group's consolidated accounts. The disclosures related to revenue recognition in the Group's annual report will, however, increase because of the new standard.

The Czech, Baltic and African (excluding Trace) operations are reported as discontinued operations as a consequence of the completion of the divestments of the Czech (Prima) and Baltic operations and the agreement to sell the African operation (pending regulatory approval). Net income and net change in cash from discontinued operations have been reported on separate line items in the consolidated income statement and the consolidated statement of cash flow respectively. The considerations received for the divestment of Prima and the Baltic operations are included in cash flow from continuing operations in the line Proceeds from sales of shares. Assets and liabilities related to the named operations are reported on the line items Assets held for sale and Liabilities related to assets held for sales in the consolidated balance sheet. 2016 and Q1 2017 has been fully restated. For information purposes also Net sales and Operating income have been restated for 2015. For details see financial fact sheet with restated numbers at www.mtg.com.

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. The increasing shift towards online viewing and platforms could also potentially make the Group a target for cyber-attacks, intrusions, disruptions or denials of service. Risks and uncertainties are also described in more detail in the 2016 Annual Report, which is available at www.mtg.com.

Stockholm, 1 February 2018

Jørgen Madsen Lindemann
President & CEO

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

Consolidated income statement

(SEKm)	Q4 2017	Q4 2016	Full year 2017	Full year 2016
Continuing operations				
Net sales	5.307	4.297	17.537	14.999
Cost of goods and services	-3.053	-2.750	-10.971	-9.917
Gross income	2.254	1.547	6.566	5.082
Selling expenses	-553	-293	-1.639	-1.054
Administrative expenses	-1.270	-868	-3.706	-2.967
Other operating income	64	31	117	58
Other operating expenses	-15	-3	-83	-56
Share of earnings in associated companies and joint ventures	-2	4	8	-3
Items affecting comparability	-318	-	-340	-
Operating income	161	418	923	1.060
Net interest	-5	-5	-24	-18
Other financial items	-11	-11	-40	-63
Income before tax	144	402	859	980
Tax	-79	-95	-247	-236
Net income for the period, continuing operations	65	306	612	744
Discontinued operations				
Prima, Baltics and Africa	587	116	748	219
CTC Media	-	-	-	-1.072
Net income for the period, discontinued operations	587	116	748	-853
Total net income for the period	652	422	1.360	-109
Net income for the period, continuing operations attributable to:				
Equity holders of the parent	38	304	546	733
Non-controlling interest	26	2	66	12
Net income for the period	65	306	612	744
Total net income for the period attributable to:				
Equity holders of the parent	625	378	1.250	-213
Non-controlling interest	27	45	110	104
Total net income for the period	652	422	1.360	-109
Continuing operations				
Basic earnings per share (SEK)	0,57	4,56	8,19	10,99
Diluted earnings per share (SEK)	0,57	4,55	8,13	10,96
Total				
Basic earnings per share (SEK)	9,36	5,67	18,73	-3,19
Diluted earnings per share (SEK)	9,30	5,65	18,61	-3,19
Number of shares				
Shares outstanding at the end of the period	66.725.249	66.663.816	66.725.249	66.663.816
Basic average number of shares outstanding	66.725.249	66.663.816	66.706.398	66.655.996
Diluted average number of shares outstanding	67.165.105	66.848.271	67.142.319	66.826.825

Consolidated statement of comprehensive income

(SEKm)	Q4 2017	Q4 2016	Full year 2017	Full year 2016
Net income, continuing operations	65	306	612	744
<i>Other comprehensive income</i>				
<i>Items that are or may be reclassified to profit or loss net of tax:</i>				
Currency translation differences	76	-25	36	111
Cash flow hedge	45	35	-121	32
Other comprehensive income, continuing operations	121	10	-85	144
Total comprehensive income, continuing operations	185	316	527	888
Net income, discontinued operations ¹	587	116	748	-853
<i>Other comprehensive income</i>				
<i>Items that are or may be reclassified to profit or loss net of tax:</i>				
Currency translation differences	4	-5	-54	1.069
Total comprehensive income, discontinued operations	591	111	693	216
Total comprehensive income for the period	777	427	1.221	1.104
Total comprehensive income attributable to:				
Equity holders of the parent	729	383	1.098	990
Non-controlling interest	48	45	123	113
Total comprehensive income for the period	777	427	1.221	1.104

¹ The completion of the sale of the Baltic operations gave rise to a capital gain of SEK 593m in the 'net income from discontinued operations' line in Q4 2017. The completion of the sale of CTC Media, Inc. gave rise to a total negative non-cash impact of SEK 1,072m in the 'net income from discontinued operations' line in 2016. This was mainly due to the accumulated currency translation differences, which have previously been booked to comprehensive income, and the adjustment to the fair value of the holding when compared to the balance sheet as at 31 March 2016. The translation differences have been reclassified from other comprehensive income to net income from discontinued operations.

Condensed consolidated balance sheet

(SEKm)	31 Dec 2017	31 Dec 2016
Non-current assets		
Goodwill	6,363	4,584
Other intangible assets	2,521	1,662
Total intangible assets	8,884	6,246
Total tangible assets	272	255
Shares and participations in associated companies	85	616
Interest-bearing financial receivables	10	6
Other financial receivables	413	308
Total non-current financial assets	507	931
Total non-current assets	9,664	7,431
Current assets		
Inventory	2,183	1,680
Interest-bearing current receivables	2	9
Other current receivables	6,027	5,354
Cash, cash equivalents and short-term investments	1,394	666
Assets held for sale ¹	16	2,559
Total current assets	9,622	10,268
Total assets	19,285	17,699
Equity		
Shareholders' equity	5,179	4,809
Non-controlling interest	1,393	207
Total equity	6,572	5,016
Non-current liabilities		
Long-term borrowings	500	1,500
Other non-current interest-bearing liabilities	95	58
Total non-current interest-bearing liabilities	595	1,558
Provisions	1,175	919
Non-current liabilities at fair value	829	1,208
Other non-interest-bearing liabilities	48	23
Total non-current non-interest-bearing liabilities	2,052	2,150
Total non-current liabilities	2,648	3,707
Current liabilities		
Current liabilities at fair value	176	134
Short-term loans	2,625	1,435
Other current interest-bearing liabilities	3	1
Other current non-interest-bearing liabilities	7,244	6,660
Liabilities related to assets held for sale ¹	18	746
Total current liabilities	10,066	8,976
Total liabilities	12,713	12,683
Total shareholders' equity and liabilities	19,285	17,699

¹Relates to Prima, Baltic and African companies (excluding Trace).

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)	Q4 2017	Q4 2016	Full year 2017	Full year 2016
Cash flow from operations	539	225	1,311	674
Changes in working capital	251	146	-725	-204
Net cash flow to/from operations	790	370	586	470
Proceeds from sales of shares	905	102	2,013	102
Acquisitions of subsidiaries and associates	-137	-549	-1,250	-606
Investments in other non-current assets	-71	-94	-330	-308
Other cash flow from/used in investing activities	73	43	32	17
Cash flow from/used in investing activities	770	-498	465	-796
Net change in loans	-771	391	227	427
Dividends to shareholders	-	-	-800	-767
Other cash flow from/used in financing activities	187	44	224	-70
Cash flow from/used in financing activities	-583	435	-349	-410
Net change in cash, continuing operations	977	307	703	-736
Net change in cash, discontinued operations	14	38	42	1,160
Total net change in cash and cash equivalents	991	344	745	425
Cash and cash equivalents at the beginning of the period	395	310	666	410
Translation differences in cash and cash equivalents	2	13	2	10
Changes in cash and cash equivalents in assets held for sale	5	-2	-19	-179
Cash and cash equivalents at end of the period	1,394	666	1,394	666

Condensed consolidated statement of changes in equity

(SEKm)	31 Dec 2017	31 Dec 2016
Opening balance	5.016	4.768
Net loss/income for the period	1.360	-109
Other comprehensive income for the period	-139	1.213
Total comprehensive income for the period	1.221	1.104
Effect of employee share programmes	73	29
Change in non-controlling interests	1.067	2
Dividends to shareholders	-800	-767
Dividends to non-controlling interests	-4	-120
Closing balance	6.572	5.016

Parent company condensed income statement

(SEKm)	Q4 2017	Q4 2016	Full year 2017	Full year 2016
Net sales	20	10	49	45
Gross income	20	10	49	45
Administrative expenses	-173	-75	-361	-275
Operating income	-154	-65	-312	-231
Net interest and other financial items	65	66	263	234
Income before tax and appropriations	-88	2	-49	4
Appropriations	317	162	317	162
Tax	-60	-42	-59	-27
Net income for the period	169	122	209	139

Parent company condensed statement of comprehensive income

(SEKm)	Q4 2017	Q4 2016	Full year 2017	Full year 2016
Net income for the period	169	122	209	139
<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	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	169	122	209	139

Parent company condensed balance sheet

(SEKm)	31 Dec 2017	31 Dec 2016
Non-current assets		
Capitalised expenditure	0	1
Machinery and equipment	0	0
Shares and participations	6,340	6,340
Other financial receivables	9,976	10,049
Total non-current assets	16,316	16,390
Current assets		
Current receivables	877	707
Cash, cash equivalents and short-term investments	844	606
Total current assets	1,721	1,313
Total assets	18,037	17,703
Shareholders' equity		
Restricted equity	338	338
Non-restricted equity	5,361	5,914
Total equity	5,699	6,252
Untaxed reserve	90	-
Non-current liabilities		
Interest-bearing liabilities	500	1,500
Provisions	13	2
Non-interest-bearing liabilities	35	32
Total non-current liabilities	548	1,534
Current liabilities		
Other interest-bearing liabilities	11,227	9,440
Non-interest-bearing liabilities	473	478
Total current liabilities	11,700	9,917
Total shareholders' equity and liabilities	18,037	17,703

Net Sales by business segments

(SEKm)	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Full year 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Full year 2017
Nordic Entertainment	2,577	2,715	2,734	3,113	11,139	2,911	3,003	2,819	3,229	11,961
<i>of which Free-TV & Radio</i>	<i>1,108</i>	<i>1,202</i>	<i>1,147</i>	<i>1,409</i>	<i>4,866</i>	<i>1,204</i>	<i>1,319</i>	<i>1,134</i>	<i>1,438</i>	<i>5,094</i>
<i>of which Pay-TV</i>	<i>1,469</i>	<i>1,513</i>	<i>1,587</i>	<i>1,704</i>	<i>6,272</i>	<i>1,706</i>	<i>1,684</i>	<i>1,685</i>	<i>1,791</i>	<i>6,867</i>
International Entertainment	248	284	221	350	1,102	264	308	246	372	1,189
MTG Studios	338	448	458	532	1,777	323	463	529	517	1,832
MTGx	248	360	321	397	1,326	292	610	798	1,264	2,964
<i>of which esports</i>	<i>184</i>	<i>281</i>	<i>241</i>	<i>306</i>	<i>1,012</i>	<i>219</i>	<i>286</i>	<i>349</i>	<i>515</i>	<i>1,370</i>
<i>of which online gaming</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>236</i>	<i>364</i>	<i>634</i>	<i>1,234</i>
<i>of which digital video</i>	<i>64</i>	<i>79</i>	<i>80</i>	<i>91</i>	<i>314</i>	<i>73</i>	<i>88</i>	<i>84</i>	<i>115</i>	<i>360</i>
Central operations	54	43	43	46	185	46	47	45	53	190
Eliminations	-139	-131	-119	-141	-530	-130	-184	-156	-127	-599
Total net sales	3,327	3,718	3,657	4,297	14,999	3,704	4,246	4,280	5,307	17,537

Net sales – External & Internal

(SEKm)	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Full year 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Full year 2017
Sales external customers										
Nordic Entertainment	2,539	2,678	2,695	3,074	10,986	2,875	2,967	2,778	3,225	11,845
International Entertainment	248	284	221	350	1,102	264	304	246	372	1,185
MTG Studios	292	399	426	479	1,597	276	369	461	453	1,559
MTGx	247	357	315	393	1,312	290	605	795	1,258	2,948
Central operations	0	0	0	0	1	0	0	0	0	1
Total	3,327	3,718	3,657	4,297	14,999	3,704	4,246	4,280	5,307	17,537
Sales between segments										
Nordic Entertainment	38	37	39	39	153	36	36	41	4	116
International Entertainment	-	-	-	-	-	-	4	0	0	4
MTG Studios	46	49	32	52	179	47	94	68	64	273
MTGx	1	2	6	4	14	2	4	3	7	16
Central operations	54	43	42	46	184	45	47	44	53	189
Total	139	131	119	141	530	130	184	156	127	599

Operating income by business segments

(SEKm)	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Full year 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Full year 2017
Nordic Entertainment	245	406	218	501	1,370	299	465	301	509	1,574
International Entertainment	19	55	19	56	148	21	50	29	76	176
MTG Studios	-13	35	37	23	81	-16	19	43	23	68
MTGx	-50	-48	-69	-84	-251	-88	-53	-38	8	-170
Central operations & eliminations	-58	-88	-64	-78	-288	-78	-90	-78	-138	-384
Total operating income before IAC	143	360	141	418	1,060	137	391	257	478	1,264
Items affecting comparability	-	-	-	-	-	-	-23	-	-318	-340
Total operating income	143	360	141	418	1,060	137	369	257	161	923

Group & segment performance data

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Full year 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Full year 2017
GROUP										
Organic sales growth (%)	3.5	2.5	7.2	9.3	5.8	8.7	5.0	7.0	9.7	7.7
Operating margin (%) ¹	4.3	9.7	3.8	9.7	7.1	3.7	9.2	6.0	9.0	7.2
ROCE, continuing operations (%) ¹	29	27	22	22		20	19	18	18	
Net debt (SEKm)	2,689	1,796	2,100	2,186		2,439	2,212	3,309	1,812	
Net debt/EBITDA	2.1	1.4	1.8	1.7		1.9	1.7	2.2	1.1	
NORDIC ENTERTAINMENT										
Organic sales growth (%)	2.8	2.4	11.0	9.0	6.2	10.7	8.4	3.2	4.5	6.6
Operating margin (%) ¹	9.5	14.9	8.0	16.1	12.3	10.3	15.5	10.7	15.8	13.2
CSOV Sweden (15-49)	28.9	26.2	34.5	25.9	28.7	25.4	24.1	24.6	22.2	24.1
CSOV Norway (15-49)	17.8	18.0	16.0	18.1	17.5	14.1	17.6	15.3	15.4	15.5
CSOV Denmark (15-49)	20.9	23.7	21.6	23.6	22.4	22.8	24.6	23.1	23.6	23.6
Nordic subscriber base excl Viaplay ('000s)	1,007	983	992	1,001		981	956	939	938	
- of which, satellite	491	480	470	456		442	432	422	409	
- of which, 3rd party networks	516	503	522	544		539	525	517	529	
Satellite ARPU (SEK)	5,090	5,265	5,369	5,508		5,429	5,532	5,503	5,500	
INTERNATIONAL ENTERTAINMENT										
Organic sales growth (%)	15.4	20.9	4.8	18.5	15.4	4.8	5.1	12.0	6.1	6.9
Operating margin (%) ¹	7.5	19.2	8.5	16.1	13.4	7.8	16.4	11.9	20.4	14.8
CSOV Bulgaria (18-49)	43.4	43.0	42.0	43.3	42.9	42.6	42.4	41.9	42.0	42.2
MTG STUDIOS										
Organic sales growth (%)	9.1	0.0	-5.8	8.1	2.2	-5.4	1.4	14.8	-1.5	2.7
Operating margin (%) ¹	-4.0	7.8	8.0	4.3	4.6	-5.0	4.1	8.1	4.4	3.7
MTGx										
Organic sales growth (%)	-	-	-	-	-	27.4	2.8	39.3	71.4	37.0
Operating margin (%) ¹	-20.0	-13.4	-21.6	-21.1	-18.9	-30.0	-8.7	-4.8	0.7	-5.7

¹Adjusted for Items affecting comparability.

Acquisitions

Recognised values (SEKm)	Kongregate	InnoGames	Others	Total
Total assets	209	1,181	153	1,587
Total liabilities	-85	-495	-9	-589
Goodwill	339	1,953	43	2,292
Non-controlling interests (49%)	-	-1,293	-	-1,293
Total consideration	463	1,346	187	1,996
Cash and cash equivalents in acquired businesses	-	-213	-2	-215
Fair value previous participation (20.6%)	-	-545	-	-545
Non-paid consideration	-	-	-17	-17
Cash flow from acquisition, net payment	463	588	169	1,220

Contributions from acquisitions (SEKm)	Sales Q4	Operating income Q4	Sales YTD	Operating income YTD
InnoGames	417	55	1,017	152
Kongregate	217	17	217	17
Others	2	0	6	2
Total	636	73	1,240	171

Contributions from acquisitions if the acquisition had occurred 1 January	Sales	Operating income
InnoGames	1,547	195
Kongregate	428	22
Others	8	-1
Total	1,983	216

The Group increased its shareholding in InnoGames on 30 April 2017 from 21% to 51% and was fully consolidated in MTGx from 1 May 2017. The purchase price allocations are preliminary as the work is still in progress. Preliminary intangible surplus values, net of deferred tax liability, were SEK 2,393m, of which goodwill was SEK 1,953m. The result for the quarter included amortisations of surplus value of SEK 20m. Total transaction costs amounted to SEK 30m. The transaction gave rise to a revaluation impact of SEK 23m, which was reported as an item affecting comparability.

The Group acquired 100% of the shares in Kongregate Inc. on 21 July 2017 and Matador Film AB on 25 August 2017. On 5 October 2017, Kongregate acquired Synapse Games Inc. and Chinzilla Inc.. The purchase price for Kongregate and Matador Film was SEK 518m. The agreements include deferred conditional payments and earn-out considerations to be paid during 2018-2022. The payments are based on certain business targets to be fulfilled. Transaction costs amounted to SEK 14m. Kongregate is reported in the MTGx segment and Matador Film in MTG Studios. The purchase price allocations are preliminary as the work is still in progress. Preliminary intangible surplus values, net of deferred tax liability, were SEK 433m, of which goodwill was SEK 339m. The Kongregate result for the quarter included amortisations of surplus value of SEK 7m. The sales and results from Kongregate was not included in Q3 pending conversion to MTG's accounting policies.

Alternative performance measures

The purpose of Alternative Performance Measures (APMs) is to facilitate the analysis of business performance and industry trends that cannot be directly derived from financial statements. MTG is using the following APMs:

- Operating income & margin before IAC
- Change in net sales from Organic growth, Acquisitions/divestments and Changes in FX rates
- Net debt and Net debt/EBITDA
- Capital employed and Return on Capital Employed (ROCE)

Reconciliation of sales growth

Since the Group generates the majority of its sales in currencies other than in the reporting currency (i.e. SEK, Swedish Krona) and currency rates have proven to be rather volatile, and due to the fact that the Group has historically made several acquisitions and divestments, the Company's sales trends and performance are analysed as changes in organic sales growth. This presents the increase or decrease in the overall SEK net sales on a comparable basis, allowing separate discussions of the impact of acquisitions/divestments and exchange rates. The following tables present changes in organic sales growth as reconciled to the change in the total reported net sales.

Sales growth

Group (SEKm)	Q4 2017	%	Q4 2016	%	Full year 2017	%	Full year 2016	%
Nordic Entertainment								
Organic growth	141	4.5%	250	9.0%	733	6.6%	654	6.2%
Acquisitions/divestments	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Changes in FX rates	-26	-0.8%	82	3.0%	90	0.8%	-2	0.0%
Reported growth	116	3.7%	332	11.9%	822	7.4%	651	6.2%
International Entertainment								
Organic growth	21	6.1%	52	18.5%	75	6.9%	143	15.4%
Acquisitions/divestments	-2	-0.7%	-88	-28.1%	-10	-1.0%	-650	-47.2%
Changes in FX rates	3	0.7%	13	3.5%	21	1.9%	12	0.7%
Reported growth	21	6.1%	-23	-6.1%	86	7.8%	-496	-31.0%
MTG Studios								
Organic growth	-8	-1.5%	39	8.1%	48	2.7%	39	2.2%
Acquisitions/divestments	2	0.4%	0	0.0%	6	0.3%	0	0.0%
Changes in FX rates	-10	-1.8%	7	1.4%	2	0.1%	-42	-2.4%
Reported growth	-15	-2.9%	46	9.5%	56	3.1%	-3	-0.1%
MTGx								
Organic growth	266	71.4%	-	-	455	37.0%	-	-
Acquisitions/divestments	631	169.4%	-	-	1,249	101.7%	-	-
Changes in FX rates	-4	-1.2%	-	-	32	2.6%	-	-
Change in presentation of prize money	-25	-21.3%	-	-	-98	-17.8%	-	-
Reported growth	867	218.3%	43	12.0%	1,638	123.5%	876	194.3%
Total operations								
Organic growth	416	9.7%	351	9.3%	1,151	7.7%	768	5.8%
Acquisitions/divestments	630	14.7%	-46	-1.4%	1,244	8.3%	230	1.4%
Changes in FX rates	-37	-0.9%	116	3.0%	143	1.0%	-20	-0.2%
Reported growth	1,010	23.5%	421	10.9%	2,538	16.9%	979	7.0%

Reconciliation of operating income before IAC

Operating income before items affecting comparability refers to operating income after the reversal of 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 measure is used by management to follow and analyse the underlying profits and to offer more comparable figures between periods.

Operating income before and after IAC

Group (SEKm)	Q4 2017	Q4 2016	Full year 2017	Full year 2016
Operating income	161	418	923	1,060
Items affecting comparability	318	-	340	-
Operating income before items affecting comparability	478	418	1,264	1,060

Items affecting comparability comprise the impairment of Zoomin.TV, revaluation of option and earn-out liabilities mainly related to Zoomin.TV and Splay and revaluation of the holdings in InnoGames due to the transformation from associated company to a subsidiary. The later was mainly due to previously capitalised transaction costs.

Reconciliation of net debt and net debt/EBITDA ratio

Net debt refers to the net of interest-bearing liabilities less total cash and interest-bearing assets. Net debt is used by management to track the debt evolution of the Group and to analyse the leverage and refinancing need of the Group. The net debt to EBITDA ratio provides a KPI for net debt in relation to cash profits generated by the business, i.e. an indication of a business' ability to pay off all its debts. This measure is commonly used by financial institutions to rate credit worthiness.

Net debt

Group (SEKm)	31 Mar 2016	30 Jun 2016	30 Sep 2016	31 Dec 2016	31 Mar 2017	30 Jun 2017	30 Sep 2017	31 Dec 2017
Short-term loans	1,977	1,818	1,560	1,435	1,551	2,999	2,408	1,625
Current part of long-term borrowings	-	-	-	-	1,000	1,000	1,000	1,000
Short-term borrowings	1,977	1,818	1,560	1,435	2,551	3,999	3,408	2,625
Other short-term interest-bearing liabilities	1	1	1	1	1	12	1	3
Total short-term borrowings	1,979	1,818	1,562	1,436	2,553	4,011	3,410	2,628
Long-term borrowings	1,000	1,000	1,000	1,500	500	500	499	500
Other long-term interest-bearing liabilities	24	41	41	58	73	79	83	95
Total long-term borrowings	1,024	1,041	1,041	1,558	573	579	582	595
Total borrowings	3,003	2,859	2,603	2,993	3,125	4,589	3,992	3,223
Cash and cash equivalents	122	887	310	666	481	2,167	395	1,394
Long- and short-term interest-bearing assets	17	17	21	15	14	14	81	11
Total cash and interest-bearing assets	140	904	331	682	495	2,180	477	1,405
Net debt excluding assets held for sale	2,863	1,956	2,272	2,312	2,630	2,409	3,515	1,818
Net debt related to assets held for sale	-174	-160	-171	-126	-191	-197	-206	-6
Total net debt	2,689	1,796	2,100	2,186	2,439	2,212	3,309	1,812

Net debt/EBITDA (before IAC) ratio 12 months trailing

Group (SEKm)	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Operating income before IAC	1,096	1,102	980	1,060	1,055	1,087	1,203	1,264
Depreciation and amortisation	177	188	200	207	215	240	272	321
EBITDA last 12 months*	1,273	1,290	1,180	1,268	1,270	1,327	1,476	1,584
Total net debt/EBITDA ratio 12 months trailing	2.1	1.4	1.8	1.7	1.9	1.7	2.2	1.1

*EBITDA relates to continuing operations.

Reconciliation of Return On Capital Employed (ROCE), continuing operations

Return on capital employed is a performance measure whereby operating income before items affecting comparability is put in relation to the capital employed within the operations. Operating income before items affecting comparability is the main profit level that operations are responsible for and comprise results before interest and tax. Capital employed is the sum of current and non-current assets less current and non-current liabilities, provisions and liabilities at fair value. All items are non-interest-bearing. Capital employed thus equals the sum of equity and net debt.

Group (SEKm)	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Operating income before IAC 12 months trailing	1,096	1,102	980	1,060	1,055	1,087	1,203	1,264
Inventory	1,727	1,864	1,857	1,680	2,140	2,273	2,263	2,183
Other current receivables	4,414	5,423	5,164	5,354	4,907	5,622	5,606	6,027
Intangibles assets	5,735	6,123	6,333	6,246	6,228	8,910	9,410	8,884
Tangible assets	388	405	411	255	244	281	264	272
Shares and participations	42	74	68	616	630	83	80	85
Other financial assets	110	138	153	308	306	334	382	413
Total non-current non-interest-bearing liabilities	-2,007	-2,310	-2,181	-2,150	-2,112	-2,363	-2,368	-2,052
Total current non-interest-bearing liabilities	-5,606	-7,115	-6,465	-6,660	-6,297	-7,526	-6,741	-7,244
Current liabilities at fair value	-4	-4	-218	-134	-158	-151	-154	-176
Capital Employed	4,798	4,598	5,122	5,514	5,890	7,463	8,741	8,392
Average Capital Employed (5 quarters)	3,777	4,103	4,530	4,851	5,184	5,717	6,546	7,200
ROCE %	29%	27%	22%	22%	20%	19%	18%	18%

Definitions

Capital employed

Capital employed is the sum of current and non-current assets less current and non-current liabilities, provisions and liabilities at fair value. All items are non-interest-bearing.

Cash flow from operations

Cash flow from operations comprises operating cash flow before financial items and tax payments, taking into account other financial cash flow.

Earnings per share

Earnings per share is expressed as net income attributable to equity holders of the parent divided by the average number of shares.

EBITDA

EBITDA is read Earnings Before Interest, Tax, Depreciation and Amortisation.

Items Affecting Comparability

Items Affecting Comparability 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.

Net debt

Net debt is the sum of short- and long-term interest-bearing liabilities less total cash and interest-bearing assets.

Operating income

Operating income comprise results before interest and tax. A synonym for operating income is EBIT (Earnings Before Interest and Tax).

Organic growth

Change in net sales compared to the same period of the previous year excluding acquisitions and divestments and adjusted for currency effects.

Return on capital employed (ROCE) %

Return on capital employed is calculated as operating income as a percentage of average capital employed.

Shareholders information

2018 Annual General Meeting

The 2018 Annual General Meeting has previously been communicated to be held on 22 May 2018 in Stockholm. However, due to the proposed transaction with TDC Group, it is currently not possible to decide a date for the AGM. The date for the AGM will be communicated as soon as possible and is expected to take place in the second quarter of 2018. Shareholders wishing to have matters considered at the Meeting should submit their proposals in writing to agm@mtg.com or to The Company Secretary, Modern Times Group MTG AB, Box 2094, SE-103 13 Stockholm, Sweden, not later than 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.

The Board of Directors will propose the payment of an annual ordinary cash dividend of SEK 12.50 (12.00) per share to the Annual General Meeting of shareholders. The total proposed ordinary cash dividend payment would therefore amount to approximately SEK 837m (800), 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 2017, to the extent not used through the distribution of the subsidiary MTG Nordics A/S, be carried forward into the accounts for 2018.

Financial calendar

Q1 results announcement	23 April
Q2 results announcement	18 July

Questions?

press@mtg.com (or Tobias Gyhlénus, Head of Public Relations; +46 73 699 27 09)

investors@mtg.com (or Stefan Lycke, Head of Investor Relations; +46 73 699 27 14)

Download high-resolution photos: [Flickr](#)

Follow us: [mtg.com](#) / [Facebook](#) / [Twitter](#) / [LinkedIn](#) / [Instagram](#) / [YouTube](#)

Conference call

MTG will co-host a conference call with TDC Group today at 09.00 Stockholm local time, 08.00 London local time and 03.00 New York local time. The conference call will present the proposed combination of MTG Nordics and TDC Group, and will include a Q&A session.

To listen to the conference call online, please visit the [live webcast](#).

To ask questions during the Q&A session, please [register here](#) to receive personal dial-in details.

To ensure that you are connected to the conference call, please register your attendance a few minutes before the start of the call. For further information, please visit www.mtg.com.



Modern Times Group MTG AB (Publ.) - Reg no: 556309-9158 – Phone +46 562 000 50 – mtg.com

MTG (Modern Times Group MTG AB (publ.)) is a leading international digital entertainment group and we are shaping the future of entertainment by connecting consumers with the content that they love in as many ways as possible. Our brands span TV, radio and next generation entertainment experiences in esports, digital video content and online gaming. Born in Sweden, our shares are listed on Nasdaq Stockholm ('MTGA' and 'MTGB'). This information is information that MTG (Modern Times Group MTG AB (publ.)) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 07:30 CET on 1 February, 2018.