

A photograph of two women sitting on a patterned blanket outdoors. The woman on the left is holding a tablet and looking at it, while the woman on the right is looking on. The background shows trees and a bright sun, creating a warm, natural setting. A large, bold, red 'MTC' logo is superimposed over the center of the image.

MTC

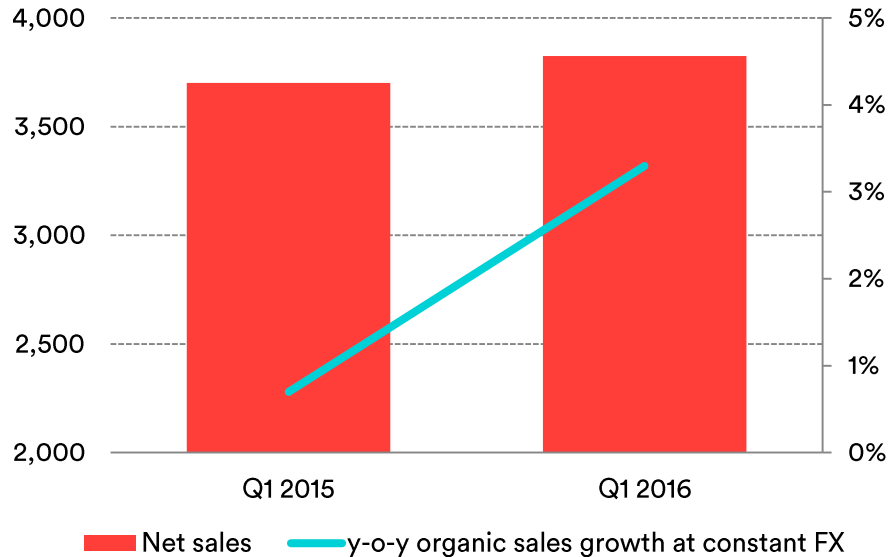
Q1 2016 Financial Results

Q1 2016 Highlights

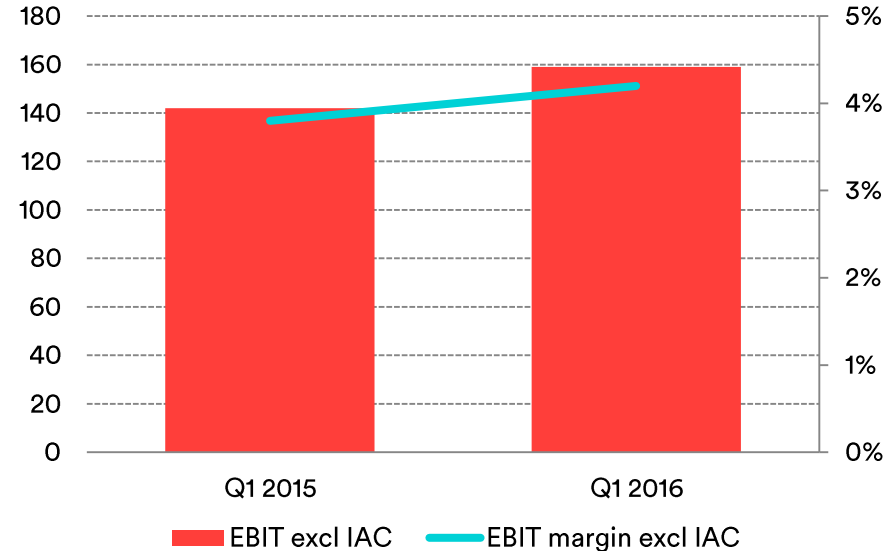
- Record Q1 sales with an organic growth of 3% - underlying growth in all business areas
- EBIT before IAC up despite adverse FX, MTGx investments, additional sports costs
- Made possible by cost transformation initiatives and the operating leverage in the international entertainment businesses
- Continued portfolio realignment in the quarter - sold our Ukrainian pay-TV business and we also expect to exit CTC Media during Q2

Group: Record Q1 sales & profits up

Sales (SEKm) and Organic growth (%)



EBIT (SEKm) and EBIT margin (%)



Nordic Entertainment

Organic sales up 3%

Reflecting rising Viaplay volumes and prices as well as higher AVOD revenues (+33%)

Both sub-segments reported higher LFL sales

Profits down

Impacted by FX and investments into content and into Viaplay

66% of Group sales	2016	2015
	Q1	Q1
Sales (SEKm)	2,577	2,557
o/w Free-TV & Radio	1,108	1,096
o/w Pay-TV	1,469	1,461
EBIT (SEKm)	245	262
Organic sales growth (at constant FX)	2.8%	1.4%
EBIT margin	9.5%	10.3%

Nordic Entertainment

Audience shares – up in Se and No, down in Dk

TV ad market estimated to be up in Dk, flat in No, and down in Se

Commercial PUT (target group) was down in each market

Subscriber base (incl. Viaplay) at an all-time high

Very healthy intake at Viaplay despite price adjustments

Growth in the 3rd party subscriber base driven by IPTV

Erosion in the satellite base but with higher ARPU

KPI's	2016	2015
	Q1	Q1
CSOV (15-49)		
Sweden	30.9%	30.6%
Norway	19.1%	16.7%
Denmark	22.4%	25.1%
Subscribers and ARPU		
Subscribers ('000)	1,007	1,004
o/w satellite ('000)	491	545
o/w third party ('000)	516	459
Satellite ARPU (SEK)	5,090	5,076

International Entertainment

Sales were up 6% on an organic basis...

Very healthy double digit growth in Bulgaria. Partly offset by new agency deal structure in the Czech but underlying Czech sales were also up nicely.

AVOD sales up 39%

Both sub-segments reported higher LFL sales

Sales down on a reported basis due to deconsolidation's of divested businesses

Profits up

SEK 40m y-o-y swing reflecting the operational leverage in the business

19% of Group sales	2016	2015
	Q1	Q1
Sales (SEKm)	747	880
o/w Free-TV & Radio	591	587
o/w Pay-TV	156	293
EBIT (SEKm)	36	-4
Organic sales growth (at constant FX)	5.8%	7.2%
EBIT margin	4.9%	-0.5%

International Entertainment

Audience shares were up in all three markets

The Bulgarian and Czech media house audience shares were both up significantly

The Bulgarian and Czech TV ad markets are estimated to have grown, while the Baltic market is estimated to have been stable

Total satellite base decreased...

...but ARPU increased at constant FX

KPI's	2016	2015
	Q1	Q1
CSOV		
Pan-Baltic (15-49)	49.2%	48.8%
Czech Republic (15-54)	37.1%	34.1%
Bulgaria (18-49)	43.2%	37.9%
Satellite Subscribers ('000)	181	194
Satellite ARPU (SEK)	1,537	1,504

MTG Studios

Sales up 9% on an organic basis

The demand for scripted drama productions continued to rise

MTG's content distribution business DRG had a record quarter

OpEx up but the operating loss was reduced

Q1 is a seasonally weak sales quarter but the operating loss was reduced significantly compared to last year

9% of Group sales	2016	2015
	Q1	Q1
Sales (SEKm)	338	323
EBIT (SEKm)	-14	-24
Organic growth (at constant FX)	8.8%	-6.1%
EBIT margin	-4.3%	-7.3%

MTGx

Sales up at c. 60% at constant FX vs 2015 pro forma

Following strong underlying growth in all businesses

Turtle continued to perform well in line with expectations

Loss making due to continued expansion, seasonality of ad revenues, timing of the events

Turtle and DreamHack have entered new territories, added more events and leagues and invested in new studio facilities

Zoomin.TV and Splay are also expanding geographically, as well as adding more web stars and video journalists

6% of Group sales	2016	2015
	Q1	Q1
Sales (SEKm)	248	0
EBIT (SEKm)	-50	-5
EBIT margin	-20.0%	-

2016 Outlook

**On track to
accelerate sales
growth &
increase EBIT**

- Cost transformation is developing according to plan. Expect incremental savings of c. SEK 450m in 2016 and the rest to be delivered in 2017
- Significant operating leverage in International Entertainment. Expect continued underlying growth for the segment with margin expansion
- Higher costs for new and extended sports rights, with the benefit from price adjustments to come through gradually and drive revenue growth
- Incremental FX headwind of SEK 250m, net of forward currency hedges, due to strengthening USD in particular



Any Questions?

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