

Q4/Year-End Report 2011

Q4

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OCTOBER - DECEMBER 2011 IN SUMMARY

- Income SEK 1,074 (1,040) million
- EBITDA SEK 185 (208) million
- EBITDA margin 17% (20%)
- Operating profit SEK 68 (107) million
- Operating margin 6% (10%)
- Net income SEK 16 (150) million

JANUARY - DECEMBER 2011 IN SUMMARY

- Income SEK 4,059 (3,852) million
- EBITDA SEK 799 (642) million
- EBITDA margin 20% (17%)
- Operating profit SEK 376 (293) million
- Operating margin 9% (8%)
- Net income SEK 168 (201) million
- Return on equity 10% (12%)

COMMENTS FROM THE PRESIDENT AND CEO

2011 has been an eventful year, partly because our aggregate Pay TV customer base passed the one million mark! The year ended with a total of 1,035,000 customers, an increase of about 80,000 compared to same time last year. This gives us the strength we need to be one of the Nordic region's most important actors within broadcast TV.

Several events have had a major impact on both the year and the last quarter. Sales in Boxer Denmark, which began to rise noticeably in the summer of 2010, took off at the end of 2011. We had hoped that we would be able to benefit from TV2's transition to the new technological platform and pay TV, and this transition has met our expectations. Both of the Group's Danish companies carried out the transition without any problems, while at the same time the majority of our new customers happily signed up for subscriptions with more channels than just TV2. We now have a large customer base upon which to build our operations and the volume we need to be an important actor on the Danish market, not in the least in relation to the program companies. We plan to launch HDTV during the spring, which will further strengthen the terrestrial network.

Boxer Sweden's diminishing number of customers was halted during the year, and primarily during the last quarter, through an effective campaign with very affordable offers. Boxer also launched Boxer On Demand, which sold well, but unfortunately suffered from instability in the software and we have temporarily stopped all sales. Through effective customer management, we have dealt with customers while at the same time engaging those who wanted to continue to use the box to become constructive assistants in the development process. The expansion of HDTV continued and 93 percent of Swedish households now have coverage. The Group's Swedish operations represent the largest share of income and it is important for the future to increase the number of customers.

The trend in Finland has been reversed as well with an increase in the number of customers during the second half of year, including a sharp increase during the last month of the year. There are many reasons for this turn-around, but two of the most important are that a number of winter sporting events are now included in PlusTV's selection and we successfully established stronger ties to important retailers. Attractive content and strong sales efforts are necessary to regain growth on the Finnish market.

As a whole, it's been a positive trend during the year on the Danish market and stabilization in the number of customers in its other markets. The Group achieved this through fantastic efforts by our employees at all levels and clear teamwork. Earnings in the Swedish companies are solid and we have decreased the losses in Boxer Denmark. With one million pay TV customers, the Group is one of the Nordic region's largest pay TV operators and the terrestrial networks are therefore demonstrating the central role they play for both viewers and program companies. We intend to enhance this role.

Crister Fritzon

President and CEO

SIGNIFICANT EVENTS JANUARY – DECEMBER 2011

- Teracom Sweden offered program companies the option of purchasing broadcasting of commercials or programs in up to 30 different regions. During the period, new agreements were signed with several major program companies.
- In April, Boxer Sweden lowered the price of 8 Mbit/s broadband for Boxer customers to SEK 199 per month, which is one of the lowest prices available on the market and approximately SEK 100 lower than the offers Boxer's customers could receive from the major telecommunications operators.
- 3DTV was broadcast for the first time in a Nordic terrestrial network on 4 April when Canal+ broadcast the AIK-Djurgården football game in 3D.
- The Swedish Radio and TV Authority has stated that it will be distributing DAB+ licenses as part of its strategy for digital radio.
- On 1 June, Teracom Group AB was set up. It is the Parent Company for the Group and in conjunction with this, there is now a transparent legal structure corresponding to the business structure.
- Andrea Gisle Joosen began working on 8 August as the new President of Boxer TV Access AB (Boxer Sweden). Most recently, she held the position of President of Panasonic Nordic.
- On 19 September Boxer Sweden launched a campaign of the Boxer Mix package for SEK 129/month without any other regular fees.
- On 7 November Boxer Sweden launched Boxer On Demand via a specially designed recordable box.
- On 7 November Boxer Denmark reached its one hundred-thousandth customer, Chris Corneliussen from Västsjälland, who received a 50-inch TV to celebrate the occasion.
- In November CFO Steffen Weber were appointed to acting CEO of Teracom A/S (Teracom Denmark). He replaces Finn Søndergaard, who will work for the Group's Strategy & Business Development department in a move toward retirement.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- Sales of Boxer On Demand were strong, but instability in the software led to a temporarily stop in sales on 2 January. The goal is to resume sales as soon as possible.
- On 11 January, Danish TV2 went from MPEG2 to MPEG4 and in conjunction with this joined Boxer's pay TV channel selection, which has greatly contributed to Boxer Denmark's strong growth.
- On 5 February Boxer Denmark reached 300,000 pay TV customers.

FINANCIAL OVERVIEW

The Group

SEK millions	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010
Income	1074	1 025	997	963	1040	932	960	920
Operating profit/loss	68	148	93	67	107	114	29	43
Operating margin	6%	14%	9%	7%	10%	12%	3%	5%
Profit/loss after financial items	67	134	81	43	111	107	31	32
Equity ratio	32%	32%	30%	31%	31%	29%	38%	41%
Cash flow	142	-166	-124	-9	153	145	23	-20
Return on equity (rolling 12-month basis)	10%	18%	17%	12%	12%	5%	2%	8%

FINANCIAL OVERVIEW

Income and profits

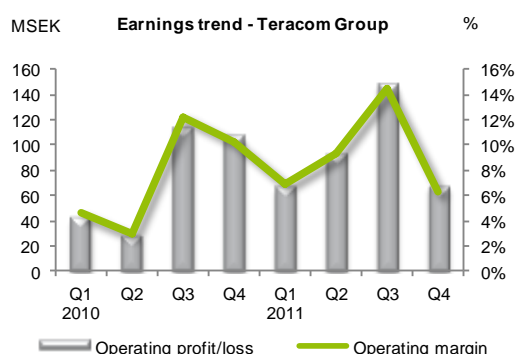
Fourth quarter 2011

Group income during the fourth quarter amounted to SEK 1,074 (1,040) million, an increase of 3 percent compared to the fourth quarter of 2010 primarily due to a sharp increase in income for Boxer Denmark.

Operating profit for the quarter was SEK 68 (107) million, which represented a decline of 36 percent. There was a negative impact on profit from costs affecting comparability totaling SEK 29 (4) million, of which restructuring costs were SEK 10 million and impairment of fixed assets was SEK 19 (0) million. Translation of the losses in Finland and Denmark resulted in a positive impact on profits of slightly more than SEK 2 million compared to the fourth quarter of 2010.

Profit for the quarter after financial items was SEK 67 (111) million. Net financial items for the fourth quarter of 2011 amounted to SEK -1 (4) million. This year the Group began to apply hedge accounting to unrealized gains related to electricity derivatives, which were reported directly in comprehensive income. The year's change in unrealized gains (losses) related to electricity derivatives, SEK -27 million, was thus reported under comprehensive income during the fourth quarter.

Net profit for the period was SEK 16 (150) million. A deferred tax asset of SEK 9 million was reported during the quarter for the deficit in Plus TV. During the fourth quarter of last year, a deferred tax asset of SEK 105 million for accumulated deficits in the Boxer Denmark segment was reported.



Full year 2011

The Group reported income of SEK 4,059 (3,852) million for the full year, which is an improvement of 5 percent. Boxer Denmark increased its income by 68 percent compared to last year due to a sharp increase in the number of subscribers. For Boxer Sweden, there was a negative impact on accumulated income of slightly more than SEK 50 million due to a transition from semi-annual billing to monthly billing of card fees. Revenue recognition was also modified in conjunction with this transition, which is simply an accounting accrual.

Operating profit for the year amounted to SEK 376 (293) million, an increase of 28 percent compared to 2010. There was a negative impact on profit from costs affecting comparability totaling SEK 36 (47) million. This amount consisted of restructuring costs of SEK 17 million as well as impairment losses on fixed assets of SEK 19 million, which were an adjustment resulting from technological development. Comparative costs from last year consisted of restructuring costs of SEK 23 million and impairment losses on fixed assets and inventories of SEK 24 million. Boxer Sweden's profit was affected negatively by the above-mentioned SEK 50 million. Translation of the subsidiaries' losses in Finland and Denmark resulted in a positive impact on profits of slightly more than SEK 19 million compared to last year.

Profit after financial items was SEK 325 (281) million. Net financial expense for the year was SEK -51 (-12) million. Interest expenses increased by approximately SEK 35 million compared to full year 2010 due to higher loan levels during the year as a result of the acquisition of Teracom Denmark (BSD). This year the Group began to apply hedge accounting to unrealized gains related to electricity derivatives, which were reported directly in comprehensive income. Unrealized gains (losses) related to electricity derivatives positively impacted last year's net financial income/expense by SEK 14 million since hedge accounting was not applied.

Net profit for the period was SEK 168 (201) million. Based on the company management team's current assessment of future profits, a deferred tax asset of SEK 9 million was reported for the year's deficit in Finland. A deferred tax asset of SEK 25 million was reported for the year's deficit in the Swedish Parent Company, Teracom Group AB. Last year a deferred tax asset of SEK 105 million was capitalized based on a valuation of the deficits in the Danish operations.

MARKET OVERVIEW

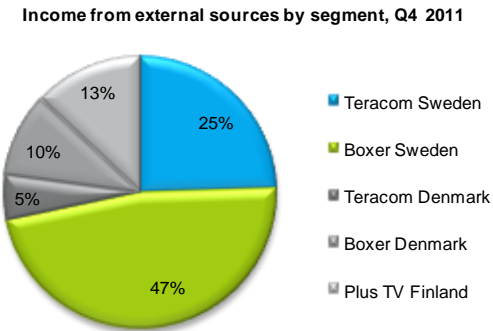
Competition on the pay TV market in Sweden continues to be tough. The number of services is increasing with the launch of HDTV as well as 3D broadcasts. TV and radio broadcasts on the Swedish terrestrial network are regulated with regard to the broadcasting of free TV and Sveriges Radio. In order to prepare a decision regarding the digital transition of radio, Teracom Sweden is conducting test broadcasts in cooperation with the major radio companies.

In Denmark, TV2, Denmark’s most popular TV channel, switched from free TV to pay TV on 11 January 2012. This transition went well and the majority of the previous free TV households have signed up for some form of a pay TV subscription. There is also intense competition on Denmark’s pay TV market. Many competitors are offering triple play and HDTV services. Broadcast regulation in Denmark only regulates co-location in masts.

In the Finnish terrestrial network, two competitors to Plus TV, TV Viihde and DNA, were active on the market. It is our assessment that the current customer base for these actors is limited. Terrestrial TV in Finland is strong. The majority of TV reception is free TV and there is a wide variety of channels. However, some growth is seen in other broadcasting forms, for example IPTV and cable TV. The demand for pay TV is partially seasonal and driven by various sporting events.

DEVELOPMENT BY SEGMENT

The Teracom Group monitors operations within five segments. Two segments run network operations within the areas of terrestrial TV, radio and transmission. Three segments run pay TV operations within the area of terrestrial TV. The geographic markets cover Sweden, Denmark and Finland.



Teracom Sweden

MSEK	Q4 2011	Q4 2010	Q1-4 2011	Q1-4 2010
Income incl. internal sales	385	386	1 478	1 473
Operating profit/loss	133	124	469	472
Operating margin	35%	32%	32%	32%

Teracom Sweden reported strong profits during the fourth quarter. Accumulated profits were marginally lower than last year, despite increased maintenance costs. Income for the regulated products within TV and radio declined. However, this was offset by an increase in the number of agreements within regionalization and other telecom services and cost efficiency measures. During the fourth quarter, Teracom Sweden signed a number of agreements regarding co-locations in own facilities and capacity for both existing and new customers.

Investments in the HDTV network expansion are continuing as planned. Coverage of the population for the HD network at the end of the year was 93 percent.

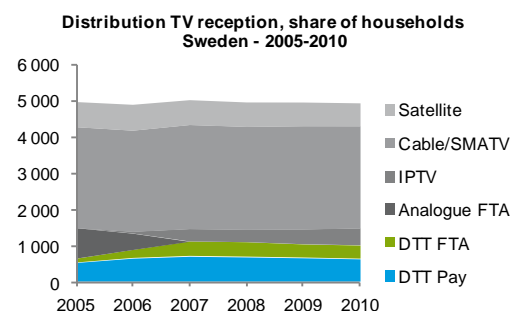
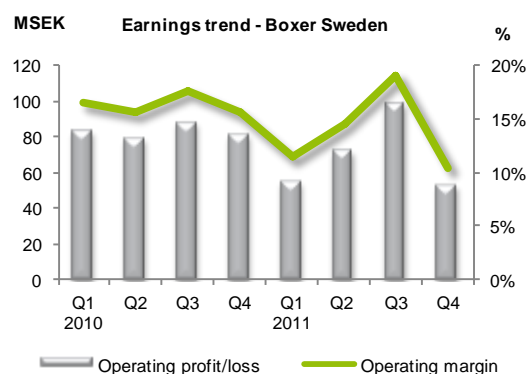
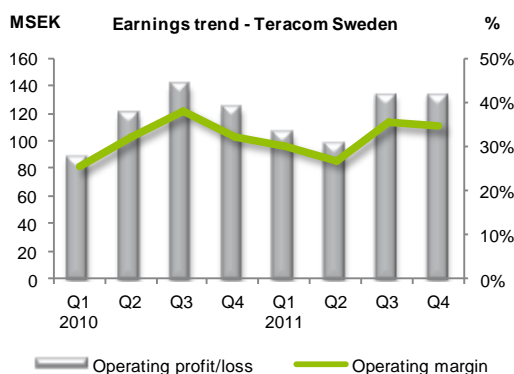
Network quality during the fourth quarter was slightly lower than before and corrective measures were taken, which have shown results at the end of the period.

Boxer Sweden

MSEK	Q4 2011	Q4 2010	Q1-4 2011	Q1-4 2010
Income incl. internal sales	512	523	2 011	2 041
Operating profit/loss	53	81	278	331
Operating margin	10%	15%	14%	16%
Number of subscr. (thous.)	617	646	617	646

Due to a change in the invoicing method for card fees, there was a decline in income during the first half of 2011 of SEK 50 million. This is only due to a change in how accruals are made. There was a negative impact on the operating margin of -2 percentage points for the year due to the change in invoicing method. The underlying profit for the full year is thus in line with 2010. Profit for the quarter compared to the fourth quarter of last year is primarily lower due to a smaller customer base, increased transmission for mainly HD channels and increased marketing campaigns in conjunction with the launch of Boxer's On Demand service.

The customer base was lower at the end of the fourth quarter compared to the same point in time last year. However, the loss of customers steadily decreased during the year. The campaign with a lower price for Boxer Mix continued to have a positive impact on new sales during the last quarter. Boxer On Demand was launched during the quarter. Due to instability in the software in the On Demand boxes, sales were temporarily stopped at the beginning of January but are expected to start again as soon as possible.



The number of TV households broken down by main form of reception. DTT FTA: households that only have free TV via the terrestrial network. Many TV households also have DTT FTA as a supplementary form of reception.

Teracom Denmark

MSEK	Q4 2011	Q4 2010	Q1-4 2011	Q1-4 2010 ¹
Income incl. internal sales	94	92	345	92
Operating profit/loss	20	21	66	21
Operating margin	21%	23%	19%	23%

¹) 3 months

Teracom Denmark was acquired on 30 September 2010. Teracom Denmark's clients primarily consist of TV and radio program companies. However, its clients also include a growing number of telecom companies.

Both income and profits are in line with expectations. The quarter was burdened by restructuring costs in conjunction with efficiencies. Teracom Denmark has a relatively stable revenue base with long-term contracts. New agreements were signed during the period with both existing customers and new actors within the telecom market.

The broadcast digitalization in Denmark has the same standard as broadcasts in Sweden, MPEG4/DVB-T. Work is also underway to expand the HDTV network. During the quarter, an expansion and adaptation of the broadcasting networks took place with the conversion of TV2 into a pay TV channel.

The regionalization of Boxer's broadcasts was completed and became operational in December.

Network quality during the quarter was good.

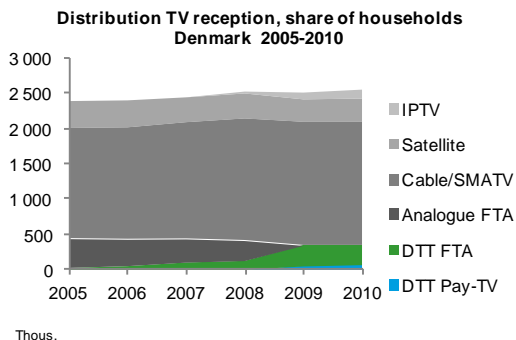
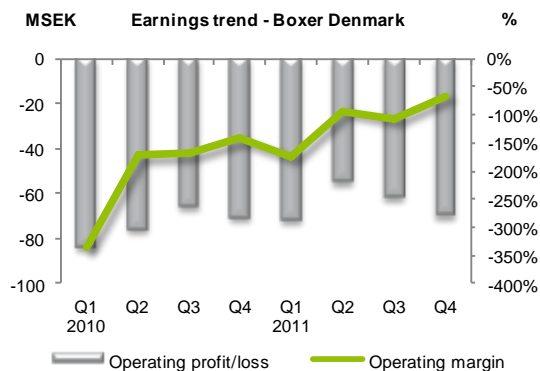
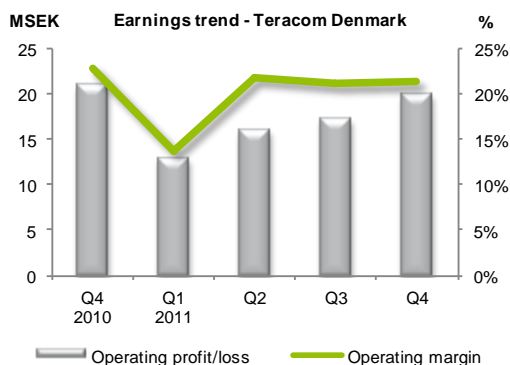
Boxer Denmark

MSEK	Q4 2011	Q4 2010	Q1-4 2011	Q1-4 2010
Income incl. internal sales	106	50	266	158
Operating profit/loss	-70	-71	-260	-297
Operating margin	-66%	-142%	-98%	-188%
Number of subscr. (thous.)	180	64	180	64

Boxer Denmark's operations started up in November 2009 and are still in the start-up phase. Boxer Denmark holds a strong position in the Danish pay TV market as a Preferred Brand. The number of subscribers increased sharply over the past year.

The fourth quarter was strongly impacted by sales and information to customers in preparation for the TV2's transition to pay TV. Sales of both regular subscriptions and TV2-only subscriptions were very strong. In mid-January 2012, Boxer Denmark passed 200,000 customers.

Income increased during the year by just under 80 percent in local currency compared to last year. However, losses are still being reported, which is to be expected during the start-up phase of a business. Translation of the profit for the year to SEK was positively impacted by approximately SEK 15 million due to a strong SEK in relation to DKK.



The share of TV households broken down by main form of reception. DTT FTA: households that only have free TV via the terrestrial network. Many TV households also have DTT FTA as a supplementary form of reception.

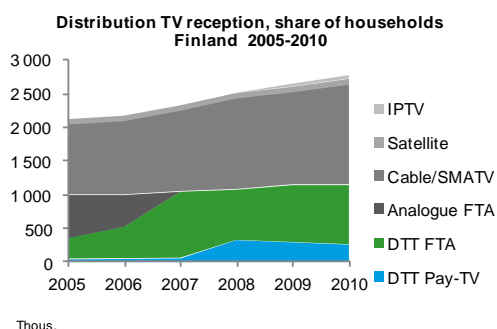
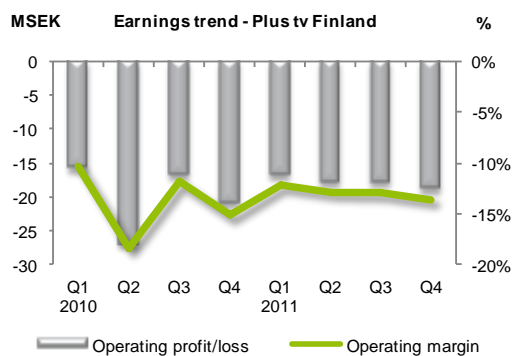
Plus TV

	Q4 2011	Q4 2010	Q1-4 2011	Q1-4 2010
MSEK				
Income incl. internal sales	139	138	556	582
Operating profit/loss	-19	-21	-72	-81
Operating margin	-14%	-15%	-13%	-14%
Number of subscr. (thous.)	238	244	238	244

PlusTV is the market-leading provider of pay TV in Finland. The Finnish pay TV market has exhibited weak growth during a two-year period due to the wide selection of free TV. Demand is also driven by the seasonality of sporting events, which had a positive impact on the quarter's reported figures for sales in conjunction with the hockey and skiing seasons.

Thanks to very strong sales and a falling churn rate, i.e. the cancellation of subscriptions, the customer base increased by almost 13,000 customers during the fourth quarter. Adjusted for the roughly 11,000 customers that left in September following the removal of SVT World from the DTT network, PlusTV increased its customer base by approximately 5,000 customers during the year.

A higher level of purchases from existing customer had a positive impact on the average income per customer. Translation of the accumulated profit for the year to SEK was positively impacted by approximately SEK 4 million due to a strong SEK in relation to EUR.



The number of TV households broken down by main form of reception. DTT FTA: households that only have free TV via the terrestrial network. Many TV households also have DTT FTA as a supplementary form of reception.

CASH FLOW

Cash flow from operating activities for the quarter amounted to SEK 295 (207) million, which represents an increase of SEK 88 million compared to the fourth quarter of 2010. The increase is primarily due to a delay by the Group's accounts receivables supplier to transfer customer payments that fell due in September. This amount, SEK 123 million, was received on 3 October 2011 and had a major positive impact on the fourth quarter's cash flow.

Group investments in tangible and intangible fixed assets for the quarter were SEK 99 (92) million. The investments were primarily related to the continued expansion of the Swedish HDTV network and measures designed to increase the capacity of the Swedish transmission network. The amortization of utilized credit facilities was SEK 50 (0) million and increased by EUR 3 million, which corresponds to SEK 27 million. Cash flow for the quarter was SEK 142 (153) million.

FINANCIAL POSITION

Group interest-bearing liabilities amounted at year-end to SEK 2,016 (2,381) million. During 2011, the amortization of credit facilities amounted to SEK 375 million. The net debt/equity ratio was 0.98 (1.12).

Net debt/equity ratio

SEK millions	2011-12-31	2010-12-31
Interest-bearing liabilities	2 016	2 381
Less: Cash equivalents	-220	-377
Other interest-bearing assets	-56	-52
Net liability	1 740	1 952
Equity	1 773	1 743
Net debt/equity ratio	0,98	1,12

Total assets decreased by SEK 145 million to SEK 5,553 (5,698) million. The Group's equity ratio was 32 (31) percent, which represents an increase of one percentage point compared to the same point in time last year.

At the end of the period, cash equivalents and short-term investments, including available bank credit, were SEK 1,193 (1,577) million.

RISKS AND UNCERTAINTIES

Please see the 2010 Teracom Annual Report for a description of the risks and risk management practices. No additional risks or uncertainty factors have been identified during the period.

CONSOLIDATED INCOME STATEMENT

SEK millions	Note	2011-10-01 2011-12-31	2010-10-01 2010-12-31	2011-01-01 2011-12-31	2010-01-01 2010-12-31
Operating income					
Net sales		1 071	1 045	4 046	3 848
Other income		3	-5	13	4
	2	1 074	1 040	4 059	3 852
Work performed by the company for its own use					
		11	5	25	9
Operating expenses					
Material costs		-61	-66	-214	-235
Employee benefit costs		-173	-154	-614	-571
Depreciation/amortization and impairment		-117	-101	-423	-349
Other expenses		-666	-617	-2 457	-2 413
	2	68	107	376	293
Operating profit/loss					
Net financial income/expense		-1	4	-51	-12
		67	111	325	281
Profit/loss after financial items					
Tax on net profit/loss for the period		-51	39	-157	-80
		16	150	168	201
Net profit/loss for the period					
Cash flow hedges		-37	0	-37	0
Hedging of net investment		53	0	-6	0
Translation differences		-34	1	3	-33
Income tax related to other comprehensive income		12	0	12	0
Other comprehensive income, net after tax		-6	1	-28	-33
Comprehensive income for the period					
		10	151	140	168
Comprehensive income for the period related to:					
Parent Company shareholders		10	151	140	168
Minority interest		0	0	0	0
Net profit/loss for the period		10	151	140	168

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK millions	Note	2011-12-31	2010-12-31
ASSETS			
Fixed assets			
Property, plant and equipment		2 993	3 039
Intangible assets		1 438	1 565
Deferred tax assets		0	0
Other long-term receivables		97	114
Total fixed assets		4 528	4 718
Current assets			
Inventories		67	25
Current receivables		738	578
Cash equivalents		220	377
Total current assets		1 025	980
TOTAL ASSETS	2	5 553	5 698
EQUITY AND LIABILITIES			
Equity		1 773	1 743
Liabilities to credit institutions		1 858	2 210
Long-term liabilities and provisions		426	433
Current liabilities and provisions		1 496	1 312
TOTAL EQUITY AND LIABILITIES		5 553	5 698
Memorandum items			
Pledged assets		0	0
Contingent liabilities		0	0

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK millions	Share capital	Other contributed capital	Reserves	Earned profits	Total equity attributable to the Parent		Total equity
					Company's shareholders	Minority share of equity	
Opening balance 2011-01-01	250	653	-49	889	1 743	0	1 743
Dividends				-110	-110	0	-110
Comprehensive income for the year			-28	168	140	0	140
New Group structure 1 June 2011	-250	980		-730	0	0	0
Closing balance 2011-12-31	0	1 633	-77	217	1 773	0	1 773

SEK millions	Share capital	Other contributed capital	Reserves	Earned profits	Total equity attributable to the Parent		Total equity
					Company's shareholders	Minority share of equity	
Opening balance 2010-01-01	250	653	-16	798	1 685	0	1 685
Dividends				-110	-110	0	-110
Comprehensive income for the year			-33	201	168	0	168
Closing balance 2010-12-31	250	653	-49	889	1 743	0	1 743

CONSOLIDATED STATEMENT OF CASH FLOWS

MSEK	Note	2011-10-01	2010-10-01	2011-01-01	2010-01-01
		2011-12-31	2010-12-31	2011-12-31	2010-12-31
Operating profit/loss before financial items		68	107	376	293
Adjustments for items not included in cash flow		158	107	475	377
Income tax paid		-19	11	-149	-165
Cash flow before changes in working capital		207	225	702	505
Change in working capital		88	-18	-57	284
Cash flow from operating activities		295	207	645	789
Acquisition of property, plant and equipment and intangible assets		-99	-92	-332	-284
Acquisitions	3	0	74	0	-1 241
Cash flow from other investing activities		-6	14	-12	-3
Cash flow from investing activities		-105	-4	-344	-1 528
Cash flow before financing activities		190	203	301	-739
Dividends		0	0	-110	-110
Amortization/New loans		-48	-50	-348	1 150
Cash flow from financing activities		-48	-50	-458	1 040
Cash flow for the period/year		142	153	-157	301
Cash equivalents at the beginning of the period/year		80	226	377	78
Exchange rate differences on cash equivalents		-2	-2	0	-2
Cash equivalents at the end of the period		220	377	220	377

NOTES

Note 1 Accounting Principles

The Group's reporting is in accordance with the Government Ownership Policy and the guidelines for external reporting that apply to state-owned companies. Accordingly, the interim report for the Group was prepared in accordance with IAS 34, Interim Financial Reporting and the Swedish Annual Accounts Act, and for the Parent Company, in accordance with the Swedish Annual Accounts Act. The Group applies the same accounting principles as those described in the 2010 Annual Report. New and revised IFRS standards that must be applied as of 2011 have not affected Teracom's financial statements by significant amounts.

Carrying amounts were used when implementing the change in the Group structure, which took place on 1 June 2011. The Government's carrying amount of shares in Teracom AB, corresponding to equity in the Teracom Group as of 31 December 2010, less the dividends of SEK 110 million, was SEK 1,633 million. The difference between the owner's carrying amount and equity in Teracom AB has been recorded as unrestricted equity in the Group. Teracom Group AB has acquired shares, at the carrying amounts, in all of the Group companies in exchange for promissory notes. As a result, no Group surpluses or deficits have arisen as a result of these transactions.

Note 2 Segment information

The segments are reported in accordance with the same accounting principles applied by the Group, although income and expenses are redistributed for operational follow-up. Sales between segments occur at prices that are fair estimates of current market prices. Operating profit is used to assess the performance of each segment. Financial expenses, financial income and income tax are dealt with at the Group level.

Operating income per segment and quarter

MSEK	Q4 2011	Q4 2010	Full Year 2011	Full Year 2010 *)
Teracom Sweden	385	386	1 478	1 473
Boxer Sweden	512	523	2 011	2 041
Teracom Denmark	94	92	345	92
Boxer Denmark	106	50	266	158
Plus TV	139	138	556	582
Other	13	3	60	7
Oneoff effects	0	0	0	0
Adjustments made upon consolidation	-175	-152	-657	-501
Total	1 074	1 040	4 059	3 852

*) Values for full year 2010 have been adjusted to match new principles for operative reporting

Operating profit/loss per segment and quarter

MSEK	Q4 2011	Q4 2010	Full Year 2011	Full Year 2010 *)
Teracom Sweden	133	124	469	472
Boxer Sweden	53	81	278	331
Teracom Denmark	20	21	66	21
Boxer Denmark	-70	-71	-260	-297
Plus TV	-19	-21	-72	-81
Other	-20	-21	-54	-83
Oneoff effects	-29	-4	-36	-47
Adjustments made upon consolidation	0	-2	-15	-23
Total	68	107	376	293

*) Values for full year 2010 have been adjusted to match new principles for operative reporting

Assets / Liabilities

Group operating segments, SEK million	Assets		Liabilities	
	2011	2010	2011	2010
Teracom Sweden	3 422	5 447	1 851	2 662
Boxer Sweden	1 030	631	874	491
Teracom Denmark	1 453	1 842	149	340
Boxer Denmark	346	123	602	227
Plus TV	159	104	293	166
Other	6 045	-	4 183	-
Adjustments made upon consolidation	-6 902	-2 449	-4 502	-294
Total	5 553	5 698	3 450	3 592

Note 3 Acquired businesses

On 30 September 2010, Teracom acquired 100 percent of the shares in the Danish terrestrial network operator, BSD (the name has since been changed to Teracom A/S), which consists of the following three companies: Broadcast Service Denmark A/S, Broadcast Stations Company 1 A/S and Broadcast Stations Company 2 A/S. The acquisition costs amounted to SEK 16 million, which had an impact on the Group's operating profit as of 31 December 2010.

The acquired companies comprise a cash generating unit and they also form the segment called Teracom Denmark. According to the final acquisition analysis, the assets and liabilities included in the acquisition are as follows:

SEK millions	Value according to acquisition analysis
Property, plant and equipment	1 440
Customer agreements	20
Customer relations	12
Intangible assets	39
Current receivables - interest-bearing	47
Current receivables - non interest-bearing	4
Cash and bank balances	147
Provisions (deferred tax liabilities)	-8
Long-term liabilities - interest-bearing	-241
Long-term liabilities - non interest-bearing	-98
Current liabilities - interest-bearing	-43
Current liabilities - non interest-bearing	-37
Acquired identifiable net assets	1 282
Goodwill	112
Purchase sum for shares in subsidiary	1 394
Consideration paid on 31 December 2010	-1 388
Consideration paid during first quarter of 2011	-6
Total consideration paid	-1 394

Note 4 Impairment losses

	Group	
	2011-01-01 2011-12-31	2010-01-01 2010-12-31
Assets		
Impairment	-19	-18
Total	-19	-18

Impairment losses for the year on intangible assets amounted to SEK 12 million and were related to the Plus TV segment.

Impairment losses for the year on property, plant and equipment amounted to SEK 7 million and were related to the Teracom Sweden segment.

Impairment losses in the corresponding period last year, SEK 18 million, were related to intangible assets, SEK 10 million within the Teracom Sweden segment, SEK 3 million within the Boxer Sweden segment and SEK 5 million for Group surplus value.

ANNUAL GENERAL MEETING

The annual general meeting will be held in Stockholm on 18 April at 1 pm.

Location: Teracom Group AB, Lindhagensgatan 122, Stockholm

The annual report will be available on Teracom's website as of 20 March, www.teracom.se.

FORTHCOMING FINANCIAL REPORTS

Annual Report

20 March 2012

On behalf of the Board of Directors
Sundbyberg 10 February 2012

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Crister Fritzson
President and CEO

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