

Interim Report January - September 2011

Q3

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JULY – SEPTEMBER 2011 IN SUMMARY

- Income SEK 1 025 (932) million
- Operating profit SEK 148 (114) million
- Net income SEK 95 (60) million
- Return on equity 18% (5%)

JANUARY - SEPTEMBER 2011 IN SUMMARY

- Income SEK 2 985 (2 812) million
- Operating profit SEK 308 (186) million
- Net income SEK 152 (51) million
- Return on equity 18% (5%)

COMMENTS FROM THE PRESIDENT AND CEO OF TERACOM

Both income and profit continued to improve during the quarter. Operating profit increased by 30 percent during the quarter and by 66 percent year-to-date compared to last year. The increase is primarily attributed to our two companies in Denmark. We acquired Teracom Denmark one year ago and it has had stable earnings via among others, its sister subsidiary, Boxer. Significant investments have been required for Boxer to become established in the competitive Pay-TV market, but the company's losses are now diminishing. Our operations in Denmark represent a large, overall investment in a new market where we feel there is a great deal of potential.

We are increasing our sales in Denmark at an ever-increasing rate and without question, September was one of our best month's so far. We expect further accelerating sales towards the end of the year due to such things as the conversion of the free TV channel, TV2, to Pay-TV early in 2012. This is one of Denmark's most popular channels. In order to entice new customers to Boxer in conjunction with the conversion, the company will offer Tv2 for just DKK 49 per month as part of a mini-package. The channel will also be offered for DKK 199 per year as a single, Pay-TV channel. We anticipate that Boxer will have 100 000 customers sometime before Christmas, which shows that we are on the right track in the Danish market.

In Sweden, Teracom continues to perform well, not least thanks to our offerings that enable program companies to sell local TV advertising in a cost effective way and broadcast locally-adapted content via the terrestrial network. The continued expansion of HDTV has also been successful. Coverage for the two HDTV networks is now approaching 90 percent of Swedish households. Boxer Sweden is reporting good results, but it is still burdened by the effect of a change in accounting accruals for card fees. In mid-September, an attractive campaign was launched, Boxer Mix, for just SEK 129 per month, without any other recurring fees. The campaign got off to a very good start, with a rise in new sales that we hope will continue throughout the duration of the campaign. Simultaneously, we are working to develop new services that will strengthen Boxer's competitiveness. One example is Boxer's Video-On-Demand service, where intensive efforts are underway to prepare for the scheduled launch. Sweden represents the financial core of the Group and it is critical that we succeed in reversing the recent negative trend of a decrease in the number of subscriptions.

In Finland, PlusTV is operating in a very tough market, where there is essentially zero growth. Cultivating the Finnish market is a difficult task because there is a large, well-established free-TV offering. However, PlusTV remains unchallenged as the largest Pay-TV operator and efforts to strengthen the offering and start reporting a profit continue with undiminished intensity.

Operations are gradually improving due to hard work that is being done throughout the Group. Progress is being made on initiatives to streamline many activities and focus on our most important task, i.e. increasing the number of Pay-TV subscriptions in all markets.

Crister Fritzson

President and CEO

SIGNIFICANT EVENTS JANUARY - SEPTEMBER 2011

- Teracom Sweden can offer program companies the ability to broadcast commercials or programs in as many as thirty different regions. During the period, new agreements were signed with several major program companies.
- In April, Boxer Sweden lowered the price of Mbit/s broadband to SEK 199 per month for Boxer customers. This is one of the lowest prices available on the market and it is approximately SEK 100 lower than what Boxer's customers could obtain from the major telecommunications operators.
- The premiere of 3D TV in a Nordic terrestrial network occurred on 4 April when Canal+ broadcast the AIK-Djurgården football match in 3D.
- As part of its strategy for digital radio, the Swedish Radio and TV Authority has announced that it will be granting licenses for DAB+ during the year.
- On 1 June, Teracom Group AB was established as the Parent Company for the Group. Accordingly, there is now a transparent legal structure that mirrors the business structure.
- Andrea Gisle Joosen took over as the new President of Boxer Sweden on 8 August. Andrea most recently worked as the Managing Director of Panasonic Nordic.
- On 19 September, Boxer Sweden launched its Mix package for SEK 129 per month, without any other recurring fees.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- On 3 October, Boxer Denmark launched TV2 as part of its regular program package. TV2 is also offered as part of a mini-package for DKK 49 per month and as a single Pay-TV channel for DKK 199 per year. TV2 will become a Pay-TV channel on 11 January 2012.

FINANCIAL OVERVIEW

The Group

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

FINANCIAL OVERVIEW

Income and profits

Third quarter 2011

The Group's income for the third quarter of 2011 was SEK 1 025 (932) million, which is an increase of 10 percent compared to the third quarter of 2010. The Danish network activities of Teracom Denmark, which was acquired on 30 September 2010, contributed with income from external sources of SEK 50 million during the third quarter. Boxer Denmark's operations, which are still in the start-up phase, reported a significant increase in income compared to the same quarter last year.

Operating profit for the quarter was SEK 148 (114) million, which corresponds to an improvement of 30 percent. The Danish network activities, which were not part of operations during the third quarter last year, contributed to the improvement in performance. There was a positive impact on profit of almost SEK 2 million from the translation of losses in Finland and Denmark.

Profit after financial items was SEK 134 (107) million. Net financial items for the third quarter of 2011 amounted to SEK -14 (-7) million. Interest expenses for the third quarter of 2011 were approximately SEK 11 million higher compared to the third quarter of 2010. This was due to higher borrowing in conjunction with the acquisition of Teracom A/S at the end of 2010. The change in unrealized gains (losses) related to electricity derivatives impacted net financial income (expense) by SEK -2 (-1) million in the third quarter.

Net profit for the period was SEK 95 (60) million. No deferred tax asset has been reported for the quarter's deficit in Finland and Denmark.

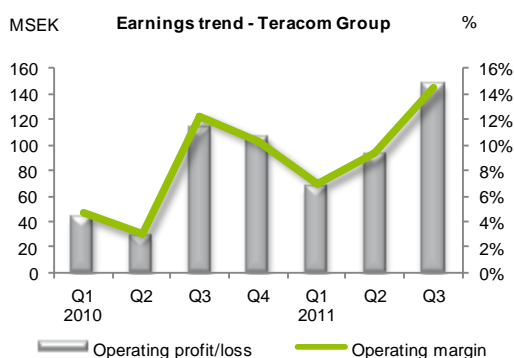
The first nine months of 2011

The Group reported income for the first nine months of the year of SEK 2 985 (2 812) million, which was an improvement of 6 percent. The increase in income was primarily due to the Danish network activities of Teracom Denmark (acquired on 30 September 2010), which reported income of SEK 157 million for the period. Boxer Sweden's cumulative income was negatively impacted by slightly more than SEK 50 million due to the transition from semi-annually billing of card fees to monthly billing. The transition also had an impact on revenue recognition, which is simply an accounting accrual.

Operating profit for the period was SEK 308 (186), which is an increase of 66 percent compared to the first nine months of 2010. Almost all areas of operations are reporting an improvement in earnings. Teracom Denmark, which was acquired during autumn 2010, also contributed to operating profit. There was a negative impact on Boxer Sweden's profit of SEK 50 million due to the items mentioned above. There was a positive impact on profit of slightly more than SEK 17 million from the translation of losses in Finland and Denmark.

Profit after financial items was SEK 258 (170) million. Net financial items for the first nine months of 2011 amounted to SEK -50 (-16) million. Interest expenses increased by approximately SEK 31 million due to higher borrowing in conjunction with the acquisition of Teracom A/S. There was also a negative impact on net financial items for the period of SEK -16 (-5) million from a change in unrealized gains associated with electricity derivatives. On 31 December 2010, the figure reported for unrealized gains associated with electricity derivatives was very high. The amount reported on 30 September 2011 was significantly lower.

Net profit for the period was SEK 152 (51) million. Based on company management's current assessment of future profits, no deferred tax asset has been reported for the year's deficit in Finland and Denmark.



MARKET OVERVIEW

The market for TV and radio in Sweden is regulated for public service broadcasting. Competition in the Swedish Pay-TV market continued to be tough during the period. All competitors are developing new services, such as HDTV, On Demand and some 3D broadcasts as well. A few competitors have launched advance showings of programs that are broadcast in linear channels, or On Demand services simultaneous to film premieres. Play and 4G services are also rapidly developing. In order to prepare for an upcoming decision on the digital transition of radio, Teracom is conducting test broadcasts in cooperation with the major radio companies.

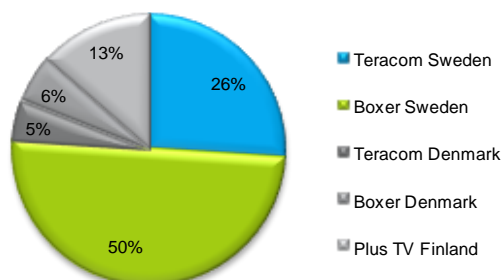
Competition in the Danish Pay-TV market is also intense. There are many competitors offering Triple Play and HDTV services. Efforts are underway to prepare for the conversion of TV2, Denmark's biggest TV channel, from free TV to Pay-TV in January 2012.

Terrestrial TV is strong in Finland. The majority of TV viewing in Finland is free TV and there is a large selection of free channels. The demand for Pay-TV is somewhat seasonal, based on certain sporting events. One of PlusTV's competitors, TV Viihde, has now established itself in the terrestrial network.

PERFORMANCE BY SEGMENT

The Teracom Group monitors its business activities in five segments. Two segments run network activities for terrestrial TV, radio and transmission. Three segments run Pay-TV activities for terrestrial TV. The geographic market spans Sweden, Denmark and Finland.

Income from external sources by segment, Q3 2011



Teracom Sweden

	Q3	Q3	9 mths	9 mths
MSEK	2011	2010	2011	2010
Income incl. internal sales	375	367	1 093	1 087
Operating profit/loss	133	140	336	348
Operating margin	35%	38%	31%	32%

Teracom Sweden's profit for the third quarter remained at a good level. For year-to-date, profit is somewhat lower than it was last year, which is primarily due to higher maintenance costs.

During the second quarter, Teracom Sweden entered into several agreements pertaining to co-location of equipment at its own facilities and expanding the satellite platform at the Kaknäs tower.

Investments in the network expansion for HDTV have continued according to plan. The HD network's population coverage is now close to 90 percent. By year-end, it will be 95 percent.

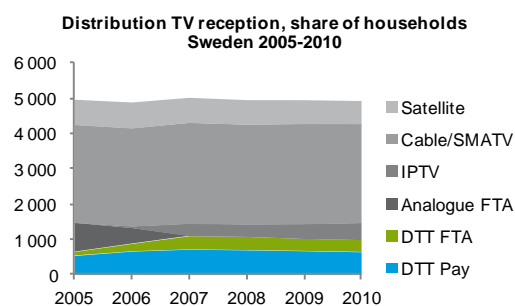
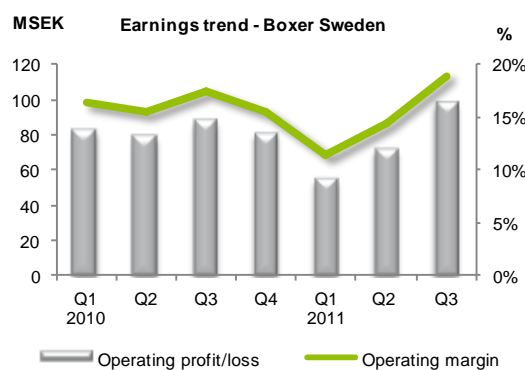
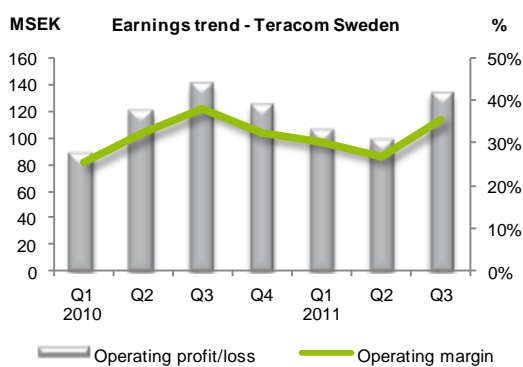
Network quality has been good during the period.

Boxer Sweden

	Q3	Q3	9 mths	9 mths
MSEK	2011	2010	2011	2010
Income incl. internal sales	517	502	1 499	1 518
Operating profit/loss	98	88	225	250
Operating margin	19%	18%	15%	16%
Number of subscr. (thous.)	626	657	626	657

Income for the first half of 2011 was lower by approximately SEK 50 million due to a change in the billing method for card revenue. Note, however, that this is only a change in how accruals are made. Operating margin for the first three quarters fell by 3 percentage points due to the change in billing method. However, the underlying earnings trend improved despite a lower customer base. This was due to higher average income per customer and cost-saving initiatives.

The customer base was lower at the end of the third quarter compared to the same point in time last year. However, the decline in the customer base slowed down during the third quarter. A new campaign, offering Boxer Mix at a lower price during the commitment period had a positive effect on new sales during the latter part of the quarter.



Number of TV households for each main type of reception. DTT FTA: households that only receive free TV via the terrestrial network. Many TV households also have DTT FTA as a supplementary type of reception.

Teracom Denmark

	Q3	Q3	9 mths	9 mths
MSEK	2011	2010	2011	2010
Income incl. internal sales	82	-	251	-
Operating profit/loss	17	-	46	-
Operating margin	21%	-	18%	-

*) 3 months

Teracom Denmark was acquired on 30 September 2010. Teracom Denmark's clientele is primarily comprised of TV and radio program companies. It also has customers who are telecom operators.

Both income and profit are in line with expectations. Teracom Denmark has a relatively stable revenue base with long-term contracts.

During the period, a decision was made to broadcast the TV2 regions in HD and DVB-T2, which is the same standard as in Sweden.

Expansion of Boxer's broadcasting got underway so that it will be possible to offer regional broadcasting of locally adapted content.

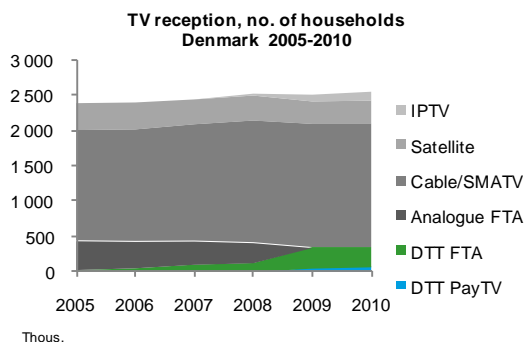
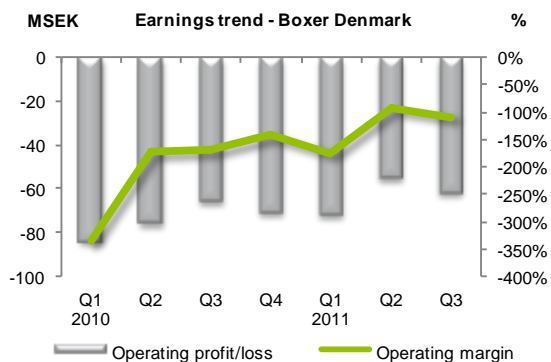
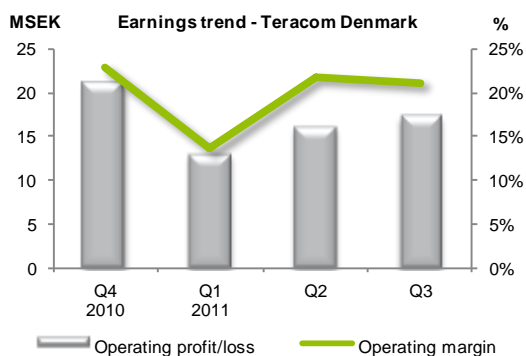
Network quality has been good during the period.

Boxer Denmark

	Q3	Q3	9 mths	9 mths
MSEK	2011	2010	2011	2010
Income incl. internal sales	58	39	160	108
Operating profit/loss	-62	-66	-189	-226
Operating margin	-107%	-169%	-119%	-209%
Number of subscr. (thous.)	90	59	90	59

Boxer Denmark's business activities got underway in November 2009 and they 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 subscriptions significantly increased last year and third quarter sales were strong. For the first three quarters of the year, income increased by almost 60 percent (measured in local currency) compared to the same period last year. Losses are still being reported, but this is to be expected during the start-up phase. There was a positive impact from the translation of profit (loss) to SEK for the first nine months of approximately SEK 14 million, which was due to a stronger SEK compared to DKK.

During the quarter, a great deal of effort has been devoted to the upcoming conversion of TV2 to Pay-TV. For example, a major advertising campaign will be launched during the fourth quarter.



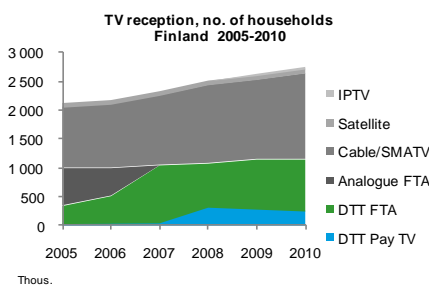
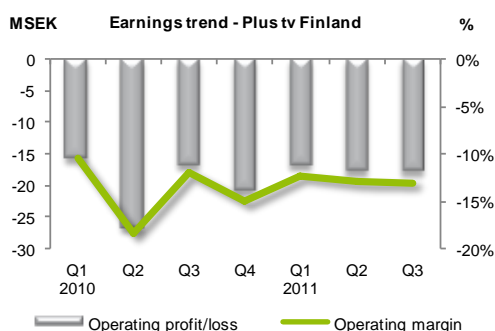
Proportion of TV households by main type of reception. DTT FTA: households that only receive free TV via the terrestrial network. Many TV households also have DTT FTA as a supplementary type of reception.

PlusTV Finland

MSEK	Q3		9 mths	
	2011	2010	2011	2010
Income incl. internal sales	138	143	417	444
Operating profit/loss	-18	-17	-53	-60
Operating margin	-13%	-12%	-13%	-14%
Number of subscr. (thous.)	225	244	225	244

PlusTV is the market leading Pay-TV provider in Finland. During a two-year period, the Finnish Pay-TV market has exhibited very weak growth due to the large selection of free TV channels. There are also seasonal fluctuations in demand based on certain sporting events. For example, Finnish Hockey League games started up during the quarter, which had a positive impact on sales. As previously decided, SVT World was discontinued as a channel offered in the DTT network. As a result, PlusTV's customer base declined by approximately 11,000 (i.e. the number of customers who had only subscribed to that particular channel). Disregarding that, however, PlusTV's customer base increased by approximately 1,500 customers during the quarter.

PlusTV also launched a new marketing campaign during the quarter, which has been quite successful. Sales to existing customers increased, which had a positive impact on average income per customer. The churn rate (i.e. cancelled subscriptions) is steadily falling due to specific measures that have been implemented. The positive effect of the translation of profit-to-date to SEK is slightly more than SEK 3 million, which is due to a strengthening of the SEK against the EUR.



Number of TV households for each main type of reception. DTT FTA: households that only receive free TV via the terrestrial network. Many TV households also have DTT FTA as a supplementary type of reception.

CASH FLOW

Cash flow from operating activities for the third quarter was SEK 74 (315) million. Cash flow before changes in working capital increased by SEK 104 million compared to last year. Cash flow from working capital is almost SEK 350 million less than last year due to the change in billing procedure, which had a very large positive impact on cash flow in 2010. This year, there was also a negative impact at the end of the period because the Group's subcontractor for customer invoicing was late in making the transfer of customer payments. On 3 October, customer payments of SEK 123 million were received. The Group invested SEK 88 (92) million in PPE and intangible assets. These were primarily measures to increase capacity in the Swedish transmission network, along with the ongoing expansion of the Swedish HDTV network. During the third quarter, amortization of credit facilities was SEK 175 (0) million. Cash flow for the quarter was SEK -166 (145) million.

FINANCIAL POSITION

The Group's interest-bearing liabilities were SEK 2 108 (2 483) million. During the third quarter, the Group chose to use its excess liquidity to pay off SEK 175 million of its credit facilities. For the first nine months of the year, amortization of credit facilities totaled SEK 325 million. At the end of the third quarter, utilized overdraft facility was SEK 25 million. The net debt/equity ratio amounted to 1.12 (1.39).

Net debt/equity ratio

SEK millions	2011-09-30	2010-09-30	2010-12-31
Interest-bearing liabilities	2 108	2 483	2 381
Less: Cash equivalents	-80	-226	-377
Other interest-bearing assets	-56	-43	-52
Net liability	1 972	2 214	1 952
Equity	1 763	1 592	1 743
Net debt/equity ratio	1,12	1,39	1,12

Total assets decreased by SEK 141 million to SEK 5 431 (5 572) million. The Group's equity ratio improved by 3 percentage points to 32 (29) percent compared to the same point in time in 2010. At the end of the period, cash equivalents and current investments, including available bank credit, was SEK 1 230 (1 375) million.

RISKS AND UNCERTAINTIES

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

INCOME STATEMENT FOR THE GROUP

SEK millions	Note	2011-07-01 2011-09-30	2010-07-01 2010-09-30	2011-01-01 2011-09-30	2010-01-01 2010-09-30	2010-01-01 2010-12-31
Operating income						
Net sales		1 024	924	2 975	2 803	3 848
Other income		1	8	10	9	4
	2	1 025	932	2 985	2 812	3 852
Work performed by the company for its own use						
		3	3	14	4	9
Operating expenses						
Material costs		-48	-49	-153	-169	-235
Employee benefit costs		-132	-116	-441	-417	-571
Depreciation/amortization and impairment		-103	-76	-306	-248	-349
Other expenses		-597	-580	-1 791	-1 796	-2 413
Operating profit/loss	2	148	114	308	186	293
Net financial income/expense		-14	-7	-50	-16	-12
Profit/loss after financial items		134	107	258	170	281
Tax on net profit/loss for the period		-39	-47	-106	-119	-80
Net profit/loss for the period		95	60	152	51	201
Exchange rate differences		49	-9	-22	-34	-33
Other comprehensive income, net after tax		49	-9	-22	-34	-33
Comprehensive income for the period		144	51	130	17	168

Comprehensive income for the period related to:

Parent Company shareholders	144	51	130	17	168
Minority interest	0	0	0	0	0
Net profit/loss for the period	144	51	130	17	168

PER SHARE INFORMATION

Number of shares at the end of the period	50 000	250 000	50 000	250 000	250 000
Average number of shares before and after dilution	50 000	250 000	50 000	250 000	250 000
Earnings per share, before and after dilution, SEK	1 900	240	3 040	204	804

STATEMENT OF FINANCIAL POSITION FOR THE GROUP

SEK millions	Note	2011-09-30	2010-09-30	2010-12-31
ASSETS				
Fixed assets				
Property, plant and equipment		3 042	2 987	3 039
Intangible assets		1 478	1 558	1 565
Deferred tax assets		0	11	0
Other long-term receivables		115	117	114
Total fixed assets		4 635	4 673	4 718
Current assets				
Inventories		41	26	25
Current receivables		675	647	578
Cash equivalents		80	226	377
Total current assets		796	899	980
TOTAL ASSETS	2	5 431	5 572	5 698
EQUITY AND LIABILITIES				
Equity		1 763	1 592	1 743
Liabilities to credit institutions		1 965	2 310	2 210
Long-term liabilities and provisions		360	483	433
Current liabilities and provisions		1 343	1 187	1 312
TOTAL EQUITY AND LIABILITIES		5 431	5 572	5 698
Memorandum items				
Pledged assets		0	0	0
Contingent liabilities		0	0	0

STATEMENT OF CHANGES IN EQUITY FOR THE GROUP

SEK millions	Share capital	Other contributed capital	Translation reserve	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			-22	152	130	0	130
New Group structure as of 1 June	-250	980		-730	0	0	0
Closing balance 2011-09-30	0	1 633	-71	201	1 763	0	1 763

SEK millions	Share capital	Other contributed capital	Translation reserve	Earned profits	Total equity attributable to the Parent		Total equity
					Company's shareholders	Minority share of equity	
Opening balance 2011-01-01	250	653	-16	798	1 685	0	1 685
Dividends				-110	-110	0	-110
Comprehensive income for the year			-34	51	17	0	17
Closing balance 2011-09-30	250	653	-50	739	1 592	0	1 592

STATEMENT OF CASH FLOWS FOR THE GROUP

SEK millions	Note	2011-07-01	2010-07-01	2011-01-01	2010-01-01	2010-01-01
		2011-09-30	2010-09-30	2011-09-30	2010-09-30	2010-12-31
Operating profit (loss) before financial items		148	114	308	186	293
Adjustments for items not included in cash flow		136	67	317	270	377
Income tax paid		-55	-56	-130	-176	-165
Cash flow before changes in working capital		229	125	495	280	505
Change in working capital		-155	190	-145	302	284
Cash flow from operating activities		74	315	350	582	789
Acquisition of property, plant, equipment and intangible assets		-88	-92	-233	-192	-284
Acquisitions	3	0	-1315	0	-1 315	-1 241
Cash flow from other investing activities		-2	5	-6	-17	-3
Cash flow from investing activities		-90	-1 402	-239	-1 524	-1 528
Cash flow from financing activities		-16	-1 087	111	-942	-739
Dividends		0	0	-110	-110	-110
Amortization/New loans		-150	1232	-300	1 200	1 150
Cash flow from financing activities		-150	1 232	-410	1 090	1 040
Cash flow for the period/year		-166	145	-299	148	301
Cash equivalents at the beginning of the period/year		245	81	377	78	78
Exchange rate differences on cash equivalents		1	0	2	0	-2
Cash equivalents at the end of the period		80	226	80	226	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.

Carrying amounts were used when reporting the change in the Group structure on 1 June 2011. The State's carrying amount of shares in Teracom AB, corresponding to equity in the Teracom Group as of 31 December 2010, declined by SEK 110 million when dividends were paid. The amount reported was SEK 1 633 million. The difference between the owner's carrying amount and equity in Teracom AB has been reported as non-restricted equity in the Group. Teracom Group AB acquired the shares in all Group companies at carrying amounts in exchange for promissory notes. As a result, the transactions did not result in any consolidated surpluses or deficits.

New and revised IFRS that must be applied as of 2011 have not affected Teracom's financial statements by any significant amounts.

Note 2 Segment reporting

Segment reporting is in accordance with the same accounting principles applied by the Group. This means that income and expenses are redistributed for the purpose of operational monitoring. 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	Q3 2011	Q3 2010	Nine months 2011	Nine months 2010	Full Year 2010 *)
Teracom Sweden	375	367	1 093	1 087	1 473
Boxer Sweden	517	502	1 499	1 518	2 041
Teracom Denmark	82	0	251	0	92
Boxer Denmark	58	39	160	108	158
Plus TV Finland	138	143	417	444	582
Other	15	3	47	4	7
Oneoff effects	0	0	0	0	0
Adjustments made upon consolidation	-160	-122	-482	-349	-501
Total	1 025	932	2 985	2 812	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	Q3 2011	Q3 2010	Nine months 2011	Nine months 2010	Full Year 2010 *)
Teracom Sweden	133	140	336	348	472
Boxer Sweden	98	88	225	250	331
Teracom Denmark	17	0	46	0	21
Boxer Denmark	-62	-66	-190	-226	-297
Plus TV Finland	-18	-17	-53	-60	-81
Other	-8	-20	-34	-62	-83
Oneoff effects	-5	-2	-7	-44	-47
Adjustments made upon consolidation	-7	-9	-15	-20	-23
Total	148	114	308	186	293

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

Assets / Liabilities

The Group's operating segments, MSEK	Assets		Liabilities		Assets	Liabilities
	30 september 2011	30 september 2010	30 september 2011	30 september 2010	Full year 2010	Full year 2010
Teracom Sweden	5 499	5 192	4 001	3 880	5 447	2 662
Boxer Sweden	946	993	772	692	631	491
Teracom Denmark	1 501	1 516	165	258	1 842	340
Boxer Denmark	229	108	428	323	123	227
Plus TV Finland	145	115	280	128	104	166
Other	5 438	-	3 538	-	-	-
Adjustments made upon consolidation	-8 327	-2 352	-5 865	-1 754	-2 449	-294
Total	5 431	5 572	3 319	3 527	5 698	3 592

Note 3 Acquired businesses

On 30 September 2010, Teracom acquired 100 percent of the shares in the Danish network operator, BSD (name has been changed to Teracom A/S), which consisted of the following three companies: Broadcast Service Denmark A/S, Broadcast Stations Company 1 A/S and Broadcast Stations Company 2 A/S. Acquisition costs of SEK 16 million were reported in the Group's operating profit as of 31 December 2010.

The acquired companies comprise a cash generating unit and represent the segment, 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 as of 31 December 2010	-1 388
Consideration paid during Q1 2011	-6
Total consideration paid	-1 394

Note 4 Impairment losses

	The Group		Parent Company	
	2011-01-01 2011-09-30	2010-01-01 2010-09-30	2011-01-01 2011-09-30	2010-01-01 2010-09-30
Assets				
Impairment losses/reversal of write-downs	-4	-18	0	0
Total	-4	-18	0	0

The Group's impairment losses for the period are related to PPE in the Teracom Sweden segment. Impairment losses for the corresponding period last year, SEK 18 million, pertained to intangible assets as follows: SEK 10 million for the Teracom Sweden segment, SEK 3 million for the Boxer Sweden segment and SEK 5 million that was associated with consolidation goodwill.

FORTHCOMING FINANCIAL REPORTS

Q4/Year-End Report 1 January – 31 December 2011

10 February 2012

On behalf of the Board of Directors
Sundbyberg, 28 October 2011

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Crister Fritzson
President and CEO

Auditor's Report on Review of Interim Financial Statements in Summary (Interim Report) prepared in accordance with IAS 34 and Chapter 9 of the Annual Accounts Act

Introduction

We have conducted a review of the financial statements for Teracom Group AB for the period 1 January through 30 September 2011. The Board of Directors and President/CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report that is based upon our review.

Scope and focus of the review

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity," issued by FAR. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different purpose and is substantially more limited in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion that is expressed based on a review does not give the same level of assurance as a conclusion based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report does not, in all material respects, accord with IAS 34 and the Swedish Annual Accounts Act for the Group, and the Swedish Annual Accounts Act for the Parent Company.

Stockholm, 28 October 2011

PricewaterhouseCoopers

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Sten Håkansson
Authorised Public Accountant

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