

Interim Report January-March 2011

Q1

Interim Report January – March 2011

JANUARY– MARCH 2011 IN SUMMARY

- Income SEK 963 (920) million
- Operating profit SEK 67 (43) million
- Net income SEK 8 (0) million
- Return on equity 1 (0) percent
- Equity ratio 31 (41) percent
- Earnings per share, before and after dilution SEK 32 (0)

COMMENTS FROM THE PRESIDENT AND CEO OF TERACOM

The Group is in the process of making investments in all of its markets. Nevertheless, the profit reported by the Group improved by SEK 24 million. Results for the quarter were also negatively affected by a change in Boxer Sweden's billing method for card fees equal to slightly more than SEK 30 million. Note that this was simply an accounting accrual, so the underlying performance improvement is actually SEK 55 million compared to last year, which is more than double. Growth for the Group was 10 percent, excluding currency effects and the change in billing method. Most of the Group's companies are contributing to this positive growth and profit performance.

The Danish market is a relatively new market for the Group and it is very important to the Group's long-term growth. The acquisition of Teracom Denmark (previously Broadcast Service Denmark) in September 2010 has created a cohesive business between network and Pay-TV activities. As in Sweden, investments to increase the number of subscriptions are important because long term, the revenue from Pay-TV is what provides the terrestrial network as a platform, the strength that enables it to compete with TV offerings from other platforms. Boxer's role is to offer a more consumer-friendly alternative and during the quarter, Boxer Denmark launched its offer of up to four extra cards at no extra subscription cost. As expected, the popular free TV channel, TV2, will become a Pay-TV channel as of 2012. The prior suggested solution to encrypt TV2 on a special, free card has been abandoned in the most recent policy decisions. That means that TV2 will become a Pay-TV like the other channels, which is expected to significantly increase the number of Pay-TV customers. Altogether, we recognize the large potential of our Danish companies, which are still just in the initial phase of growth.

In Finland, where many households only have free TV, the challenge lies in convincing Finnish consumers to subscribe to Pay-TV to the same extent as households in the other Nordic countries. A new packaging structure was launched during the quarter and sales are already underway. Through targeted measures, we are also focusing on reducing the number of cancellations (also called the "churn rate"). These figures are still high compared to the other markets.

In Sweden, HDTV was launched in November 2010. Channels were added during the quarter and the terrestrial network is now the only platform offering the five major Swedish TV channels in HD. Sales to existing customers have gone very well, but the offering has not attracted new customers to the same extent. Therefore, the price of the Boxer HD optional package was lowered in mid-April from SEK 59 to SEK 19 per month. Last year, Boxer Sweden lost customers and it has continued to do so during the first quarter of 2011. A great deal of effort is now being made to halt that trend by increasing competitiveness in various ways. However, it is important to point out that the Swedish businesses, i.e. Teracom and Boxer, are both reporting a higher income and profit compared to last year. Boxer's income and profit has been negatively affected by the change in billing method, which was mentioned above.

The investments that are being made in all of our markets will have an impact on the Group's profit during the next few years, but they are necessary in order to create long-term profitability and a competitively strong terrestrial network. In an increasingly competitive market where there are rapid developments in technology, it is critical that we are actively involved in product development. But it is equally important that we take care of our customers. For this, we have a great starting point, since Boxer has the industry's most satisfied customers and is also the "most preferred brand" in the market.

Crister Fritzson, CEO Teracom Group

SIGNIFICANT EVENTS JANUARY– MARCH 2011

- Three channels started broadcasting in the Swedish terrestrial network: Kanal 5 HD on 1 February, TV3 HD on 1 March and TV4 HD on 3 March.
- On 15 February, Plus TV Finland launched a new packaging structure.
- On 14 March, Boxer Denmark launched its offer of up to four extra cards as part of the basic subscription.
- Four commercial radio channels conducted test broadcasts in the Swedish digital pilot radio network.
- Broadcast Service Danmark changed its name to Teracom A/S on 27 January 2011.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- Andrea Gisle Joosen, Managing Director of Panasonic Nordic, has been appointed President of Boxer Sweden. She will begin after summer.
- 3D TV was tested for the first time in a Nordic terrestrial network when Canal+ broadcast the AIK-Djurgården soccer match on 4 April in the Swedish terrestrial network.

FINANCIAL OVERVIEW

The Group

MSEK	Q1 2011	Q1 2010	Q2 2010	Q3 2010	Q4 2010
Income	963	920	960	932	1040
Operating profit/loss	67	43	29	114	107
Operating margin	7%	5%	3%	12%	10%
Profit/loss after financial items	43	32	31	107	111
Equity ratio	31%	41%	38%	29%	31%
Cash flow	-9	-20	23	145	153
Number of new digital TV subscriptions, in thousands *	947	965	967	961	954

* The number of subscriptions includes basic subscriptions and cash cards. In prior financial statements, the Group has only reported the number of basic subscriptions, not including cash cards. The comparison figures in the table above have been recalculated.

FINANCIAL OVERVIEW

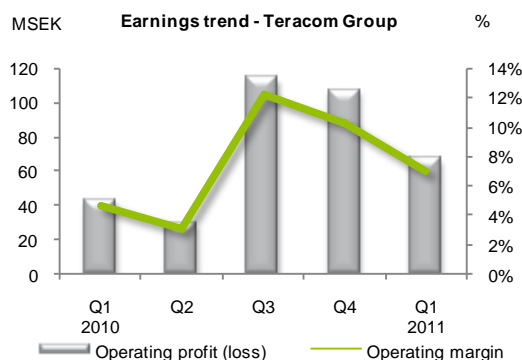
Income and profits

First quarter of 2011

The Group's income for the first quarter of 2011 was SEK 963 (920) million, which is an increase of 5 percent. The increase in income was primarily due to the Danish network business, Teracom Denmark (acquired on 30 September 2010), which reported income of SEK 95 million for the first quarter. Boxer Sweden's first quarter income was negatively impacted by slightly more than SEK 30 million due to the transition from semi-annually billing of card fees to monthly billing. This transition also had an impact on revenue recognition, which simply has to do with accounting accruals that will even out between 2011 and 2012.

Operating profit for the first quarter of 2011 improved by 56 percent and was SEK 67 (43) million. The Danish network business, which did not belong to the Group during the first quarter of last year, contributed to the performance improvement, as well as the Danish Pay-TV business, which reported an increase in its number of customers. The Swedish network business reported a higher profit that was the result of prior changes to its structure and cost saving initiatives. These measures impacted the Swedish Pay-TV business' profit by SEK 30 million.

Profit after financial items was SEK 43 (32) million. Net financial items for the first quarter of 2011 amounted to SEK -24 (-11) million. Net financial items worsened compared to the first quarter of 2010 due to higher interest expenses of approximately SEK 12 million from higher borrowing in conjunction with the acquisition of Teracom A/S (previously BSD). The change in unrealized gains associated with electricity derivatives negatively impacted net financial items by SEK -9 (-8) million.



Net profit for the period was SEK 8 (0) million. No deferred tax asset has been reported for the year's deficit in Finland and Denmark.

MARKET OVERVIEW

The existing trends in the Swedish TV market are HDTV, 3D TV and On Demand. Play and 4G services are also rapidly developing. The market for TV and radio is regulated for public service broadcasting. A decision regarding the digital transition of radio has still not been made. However, Teracom is conducting test broadcasts of DAB together with the major radio companies.

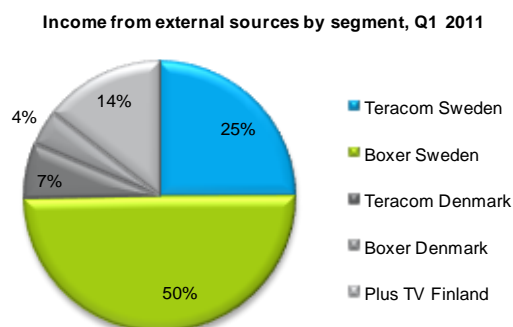
In Denmark, digital radio is already up and running. According to a parliamentary decision, Denmark's biggest TV channel, TV2 (now a free channel), will become a Pay-TV channel in January 2012.

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. TDF, a company owned by Digita (the network operator in the terrestrial network), recently launched a Pay-TV business, which means that there are now two Pay-TV operators for terrestrial TV in Finland.

Market statistics for the fourth quarter 2010 are reported for each geographic market. More recent information is not available due to the delay in data capture.

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

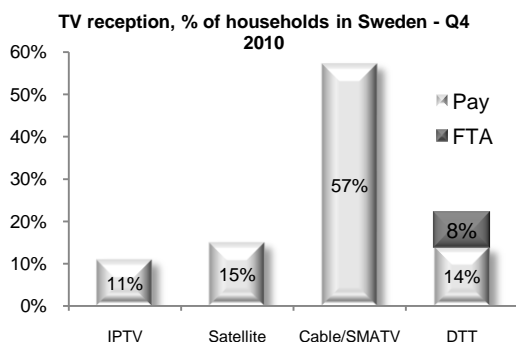
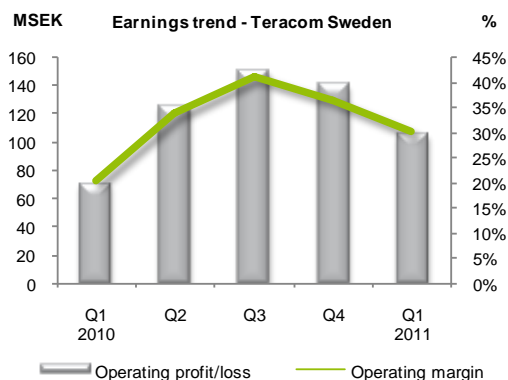


Teracom Sweden

MSEK	Q1 2011	Q1 2010	Full year 2010
Income, incl. internal sales	352	348	1 473
Operating profit/loss	106	71	489
Operating margin	30%	20%	33%

Teracom Sweden reported the first quarter income in line with the corresponding period last year. There was a slight increase in income for TV and Radio. Teracom Sweden has a stable revenue base with long-term contracts. The company is reporting a higher operating margin compared to the first quarter of last year due to cost control measures and improvements in efficiency. In 2010 the Group functions were reorganized as a separate unit, which has had a positive impact on Teracom Sweden's profit.

Investments to expand the network for HDTV, which began in 2010, will continue in 2011. This will allow for 95 percent coverage of the population by year-end. Network quality has been very good during the period.



% 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.

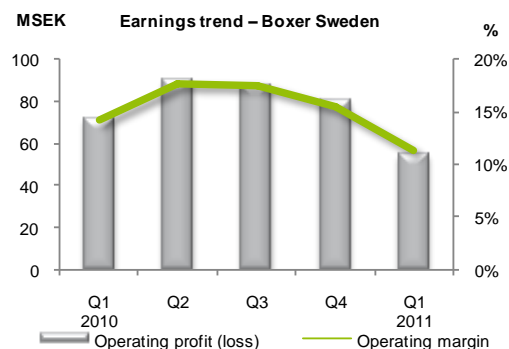
Boxer Sweden

MSEK	Q1 2011	Q1 2010	Full year 2010
Income, incl. internal sales	484	506	2 041
Operating profit/loss	55	72	331
Operating margin	11%	14%	16%
Number of subscribers (in thousands)	635	664	646

A change in the billing method for card revenue will result in lower income for 2011 compared to the prior year by slightly more than SEK 30 million. However, this simply has to do with accounting accruals that will even out between 2011 and 2012. Disregarding this effect, revenue for the quarter was SEK 9 million higher than the first quarter of 2010. Operating margin for the period declined by 7 percentage points due to the change in billing method.

Sales of HDTV subscriptions have exceeded all expectations. Boxer now offers the "Big 5" (SVT1, SVT2, TV3, TV4 and Kanal 5) along with 3 other channels that are broadcast with HD quality. A price increase that was implemented during autumn 2010 has resulted in a higher average revenue per customer.

Loss of customers in 2010, which continued during the first quarter of 2011, has resulted in a lower customer base at the end of the first quarter compared to the same point in time last year. A great deal of effort is now being made to halt that trend by increasing competitiveness in various ways.



Teracom Denmark

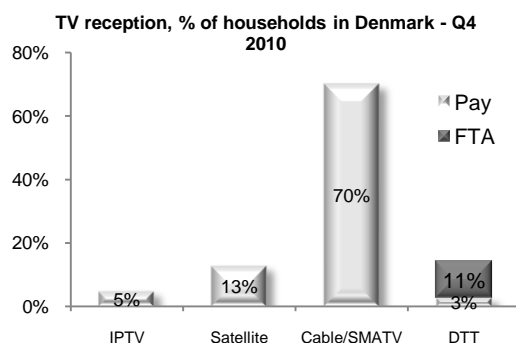
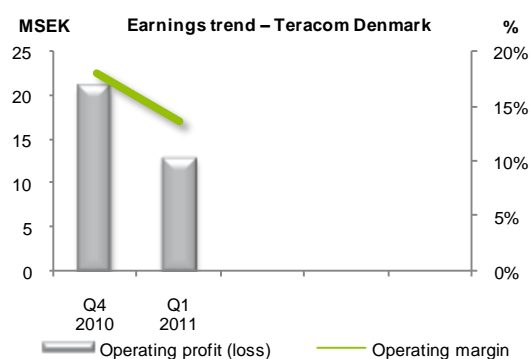
MSEK	Q1 2011	Q1 2010	2010 ^{*)}
Income, incl. internal sales	95	-	116
Operating profit/loss	13	-	21
Operating margin	14%	-	18%

*) 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.

Income during the quarter was in line with expectations. Teracom Denmark has a stable revenue base from long-term contracts with the major program companies in Denmark. A large portion of the work is conducted in joint projects with customers, where both hours and material are delivered to customers. In Denmark, a DAB network for radio has already been established. Expansion of the DAB network is being implemented as a joint effort with Danmarks Radio.

During the first quarter, Teracom Denmark signed a major agreement with the triple play supplier, WAOO!, regarding contribution and content delivery of nearly 200 TV channels with a contract length of 5 years. This agreement is important to the future development of the business.



% 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.

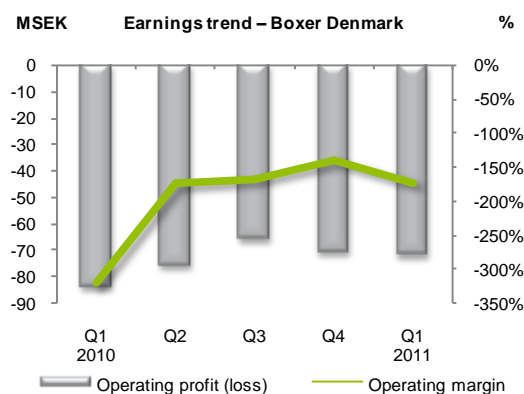
Boxer Denmark

MSEK	Q1 2011	Q1 2010	Full year 2010
Income, incl. internal sales	41	26	158
Operating profit/loss	-72	-84	-297
Operating margin	-176%	-323%	-188%
Number of subscribers (in thousands)	72	48	64

Boxer Denmark's business activities got underway in December 2009 and it is still in the start-up phase. The number of subscriptions significantly increased last year and first quarter sales continued to be good. Income increased by 75 percent compared to the first quarter of 2010. On 1 January 2012, the popular program channel, TV2, will become a Pay-TV channel and this is expected to result in an increase in the number of subscriptions.

Profitability has improved even though operating profit is still negative, which is expected during the start-up phase.

Boxer Denmark holds a strong position in the Danish Pay-TV market as a "Preferred Brand".



PlusTV Finland

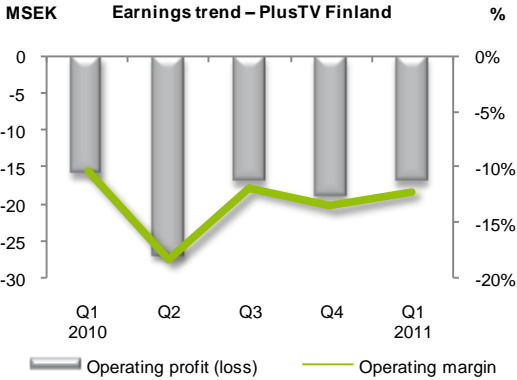
MSEK	Q1 2011	Q1 2010	Full year 2010
Income, incl. internal sales	139	154	584
Operating profit/loss	-17	-16	-79
Operating margin	-12%	-10%	-14%
Number of subscribers (in thousands)	240	253	244

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. A new terrestrial Pay-TV competitor, TDF (owned by Digita), started selling Pay-TV subscriptions during the first quarter.

PlusTV Finland reported lower income for the quarter compared to the same period in 2010. This was primarily due to exchange rate fluctuations. However, a smaller customer base, due to the high churn rate in 2010, also affected the level of income.

A repackaging of PlusTV's offering was well-received by subscribers. An increase in sales was noticed primarily towards the end of the quarter. Specific measures have also been implemented that have decreased the churn rate. Average income per customer has improved due to higher sales to existing customers.

The smaller customer base was the primary cause of a decrease in profitability.



CASH FLOW

Cash flow from operating activities was SEK 189 (66) million for the first quarter. Cash flow from operating activities gradually improved during the previous year since the high level of capital tied up in accounts receivable during the first quarter was only temporary. Furthermore, the Group's tax payments were lower compared to Q1 last year.

The Group's investments in property, plant and equipment and intangible assets were SEK 72 (37) million. The increase compared to the low level for Q1 last year was primarily due to measures to increase capacity in the Swedish transmission network and the ongoing expansion of the Swedish HDTV network. The amount of consideration for the acquisition of Teracom A/S that was reported as a liability at year-end, SEK 6 million, was paid out during the first quarter. Cash flow for the period was SEK -9 (-20) million.

FINANCIAL POSITION

The Group's interest-bearing liabilities increased as a result of last year's acquisition of Teracom A/S and were SEK 2,286 (967) million. The net debt/equity ratio amounted to 1.07 (0.53). During the first quarter, the Group chose to use its excess liquidity to pay off a credit facility of SEK 100 million.

Net debt/equity ratio

MSEK	2011-03-31	2010-03-31	2010-12-31
Interest-bearing liabilities	2 286	967	2 381
Less: Cash equivalents	-368	-58	-377
Other interest-bearing assets	-52	-33	-52
Net liability	1 866	876	1 952
Equity	1 739	1 658	1 743
Net debt/equity ratio	1,07	0,53	1,12

Total assets increased by SEK 1,543 million to SEK 5,616 (4,073) million. The Group's equity ratio worsened by 10 percentage points to 31 (41) 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 1,468 (989) million.

RISKS AND UNCERTAINTIES

Please see pages 43-45 and note 21 of the 2010 Teracom Annual Report for a description of the risks and risk management.

THE PARENT COMPANY, TERACOM AB

The Parent Company consists of Teracom Sweden's business activities and the Groupwide functions. The Parent Company reported income for the first quarter of SEK 357 (348) million, of which SEK 114 (106) million was sales to Group companies and SEK 243 (242) million was sales to external customers. Profit after financial items improved by 22 percent compared to the first quarter of 2010 and was SEK 83 (68) million, including dividends from subsidiaries of SEK 0 (0) million. Net profit for the period was SEK 61 (49) million.

Investments in property, plant and equipment and intangible assets amounted to SEK 61 (27) million. Most of this amount was related to measures to increase capacity in the transmission network and expansion of the HDTV network. At the end of the first quarter, cash equivalents amounted to SEK 309 million, compared to SEK 167 million at the beginning of the year. Cash flow for the period was SEK 142 (-17) million. The Parent Company's income statement and balance sheet are provided on page 13.

INCOME STATEMENT FOR THE GROUP

MSEK	Not	2011-01-01 2011-03-31	2010-01-01 2010-03-31	2010-01-01 2010-12-31
Operating income				
Net sales		952	919	3 848
Other income		11	1	4
	2	963	920	3 852
Work performed by the company for its own use and capitalized				
		3	0	9
Operating expenses				
Material costs		-51	-71	-235
Employee benefit costs		-144	-140	-571
Depreciation/amortization and impairment		-104	-77	-349
Other expenses		-600	-589	-2 413
	2	67	43	293
Operating profit/loss				
Net financial income/expense		-24	-11	-12
		43	32	281
Profit/loss after financial items				
Tax on net profit/loss for the period		-35	-32	-80
		8	0	201
Net profit/loss for the period				
Exchange rate differences		-12	-27	-33
Income tax related to items included in other comprehensive income		0	0	0
		-12	-27	-33
Other comprehensive income, net after tax				
		-4	-27	168
Comprehensive income for the period				
Comprehensive income for the period related to:				
Parent Company shareholders		-4	-27	168
Minority interest		0	0	0
		-4	-27	168
Net profit/loss for the period				

PER SHARE INFORMATION

Number of shares at the end of the period	250 000	250 000	250 000
Average number of shares before and after dilution	250 000	250 000	250 000
Earnings per share, before and after dilution, SEK	32	0	804

STATEMENT OF FINANCIAL POSITION FOR THE GROUP

MSEK	Not	2011-03-31	2010-03-31	2010-12-31
ASSETS				
Fixed assets				
Property, plant and equipment		2 994	1 637	3 039
Intangible assets		1 563	1 372	1 565
Deferred tax assets		0	11	0
Other long-term liabilities		114	117	114
Total fixed assets		4 671	3 137	4 718
Current assets				
Inventories		21	49	25
Current receivables		556	829	578
Cash equivalents		368	58	377
Total current assets		945	936	980
TOTAL ASSETS	2	5 616	4 073	5 698
EQUITY AND LIABILITIES				
Equity		1 739	1 658	1 743
Liabilities to credit institutions		2 107	770	2 210
Long-term liabilities and provisions		436	490	433
Current liabilities and provisions		1 334	1 155	1 312
TOTAL EQUITY AND LIABILITIES		5 616	4 073	5 698
Memorandum items				
Pledged assets		0	0	0
Contingent liabilities		0	0	0

STATEMENT OF CHANGES IN EQUITY FOR THE GROUP

MSEK	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
Comprehensive income for the period			-12	8	-4	0	-4
Closing balance 2011-03-31	250	653	-61	897	1 739	0	1 739

MSEK	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 2010-01-01	250	653	-16	798	1 685	0	1 685
Comprehensive income for the period			-27	0	-27	0	-27
Closing balance 2010-03-31	250	653	-43	798	1 658	0	1 658

STATEMENT OF CASH FLOWS FOR THE GROUP

MSEK	Note	2011-01-01	2010-01-01	2010-01-01
		2011-03-31	2010-03-31	2010-12-31
Profit/loss after financial items		43	32	281
Adjustments for items not included in cash flow		109	92	389
Income tax paid		-33	-59	-165
Cash flow before changes in working capital		119	65	505
Change in working capital		70	1	284
Cash flow from operating activities		189	66	789
Acquisition of property, plant and equipment and intangible fixed assets		-72	-37	-284
Acquisitions	3	-6	0	-1 241
Cash flow from other investing activities		0	-6	-3
Cash flow from investing activities		-78	-43	-1 528
Cash flow before financing activities		111	23	-739
Dividends		0	0	-110
Amortization/New loans		-120	-43	1 150
Cash flow from financing activities		-120	-43	1 040
Cashflow for the period/year from continuing operations		-9	-20	301
Cash equivalents at the beginning of the period/year		377	78	78
Exchange rate differences on cash equivalents		0	0	-2
Cash equivalents at the end of the period		368	58	377

SUMMARY INCOME STATEMENT FOR THE PARENT COMPANY

MSEK	Not	2011-01-01 2011-03-31	2010-01-01 2010-03-31	2010-01-01 2010-12-31
Operating income				
Net sales		354	348	1 477
Work performed by the company for its own use and capitalized		3	0	9
Other income		0	0	3
		357	348	1 489
Operating expenses				
Material costs		0	-9	-22
Other external expenses		-97	-97	-396
Personnel costs		-104	-106	-421
Depreciation/amortization and impairment loss on property, plant and equipment and intangible assets	2	-63	-65	-267
		93	71	383
Operating profit/loss		93	71	383
Net financial income/expense		-10	-3	107
Profit/loss after financial items		83	68	490
Appropriations		0	0	-27
Tax on net profit/loss for the period		-22	-19	-98
Net profit/loss for the period		61	49	365
Other comprehensive income		0	0	0
Comprehensive income for the period		61	49	365

SUMMARY BALANCE SHEET FOR THE PARENT COMPANY

MSEK	2011-03-31	2010-03-31	2010-12-31
ASSETS			
Fixed assets	5 025	3 468	4 961
Current assets	656	305	494
TOTAL ASSETS	5 681	3 773	5 455
EQUITY AND LIABILITIES			
Restricted equity	300	300	300
Non-restricted equity	1 140	872	1 078
Untaxed reserves	1 415	1 387	1 415
Long-term liabilities	2 065	763	2 170
Current liabilities	761	451	492
TOTAL EQUITY AND LIABILITIES	5 681	3 773	5 455
Memorandum items			
Pledged assets	0	0	0
Contingent liabilities	0	0	0

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 that must be applied as of 2011 have not affected Teracom's financial reporting by significant amounts.

Note 2 Segment information

The segments are reported in accordance with the same accounting principles applied by the Group. 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	Q1 2011	Q1 2010	2010
Teracom Sweden	352	348	1 473
Boxer Sweden	484	506	2 041
Teracom Denmark	95	-	116
Boxer Denmark	41	26	158
Plus TV Finland	139	154	584
Other	22	0	7
Adjustments made upon consolidation	-170	-114	-527
Total	963	920	3 852

Operating profit/loss per segment and quarter

MSEK	Q1 2011	Q1 2010	2010
Teracom Sweden	106	71	489
Boxer Sweden	55	72	331
Teracom Denmark	13	-	21
Boxer Denmark	-72	-84	-297
Plus TV Finland	-17	-16	-79
Other	-13	0	-83
Items affecting comparability	0	0	-47
Adjustments made upon consolidation	-5	0	-42
Total	67	43	293

Assets / Liabilities MSEK	Assets		Liabilities		Assets		Liabilities	
	31 mars 2011	31 mars 2010	31 mars 2011	31 mars 2010	Full year 2010	Full year 2010	Full year 2010	Full year 2010
Teracom Sweden	5 673	3 765	2 827	1 214	5 447	2 662		
Boxer Sweden	699	776	514	536	631	491		
Teracom Denmark	1 845	-	342	-	1 842	340		
Boxer Denmark	116	150	293	237	123	227		
Plus TV Finland	113	135	173	188	104	166		
Adjustments made upon consolidation	-2 830	-753	-637	-205	-2 449	-294		
Total	5 616	4 073	3 512	1 970	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. The acquisition analysis is preliminary, since review of the opening balances has not yet been concluded. According to the preliminary acquisition analysis, the assets and liabilities included in the acquisition are as follows:

MSEK	Value according to acquisition analysis
Property, plant and equipment	1 426
Customer agreements	20
Customer relations	12
Intangible assets	120
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	-104
Acquired identifiable net assets	1 282
Goodwill	112
Consideration 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

FORTHCOMING FINANCIAL REPORTS

Interim Report 1 January – 30 June 2011

15 August 2011

Interim Report 1 January – 30 September 2011

28 October 2011

On behalf of the Board of Directors

Sundbyberg, 28 April 2011

Crister Fritzson

President and CEO

REVIEW REPORT

The Company's auditors have not reviewed this report.

FOR MORE INFORMATION, CONTACT:

Crister Fritzson, President and CEO, +46 8 555 421 08

Gunilla Berg, Executive Vice President and CFO, +46 8 555 421 37

Teracom AB

Box 1366

172 27 Sundbyberg

Tel: +46 8 555 420 00

Fax: +46 8 555 420 01

www.teracom.se

CIN: 556441-5098