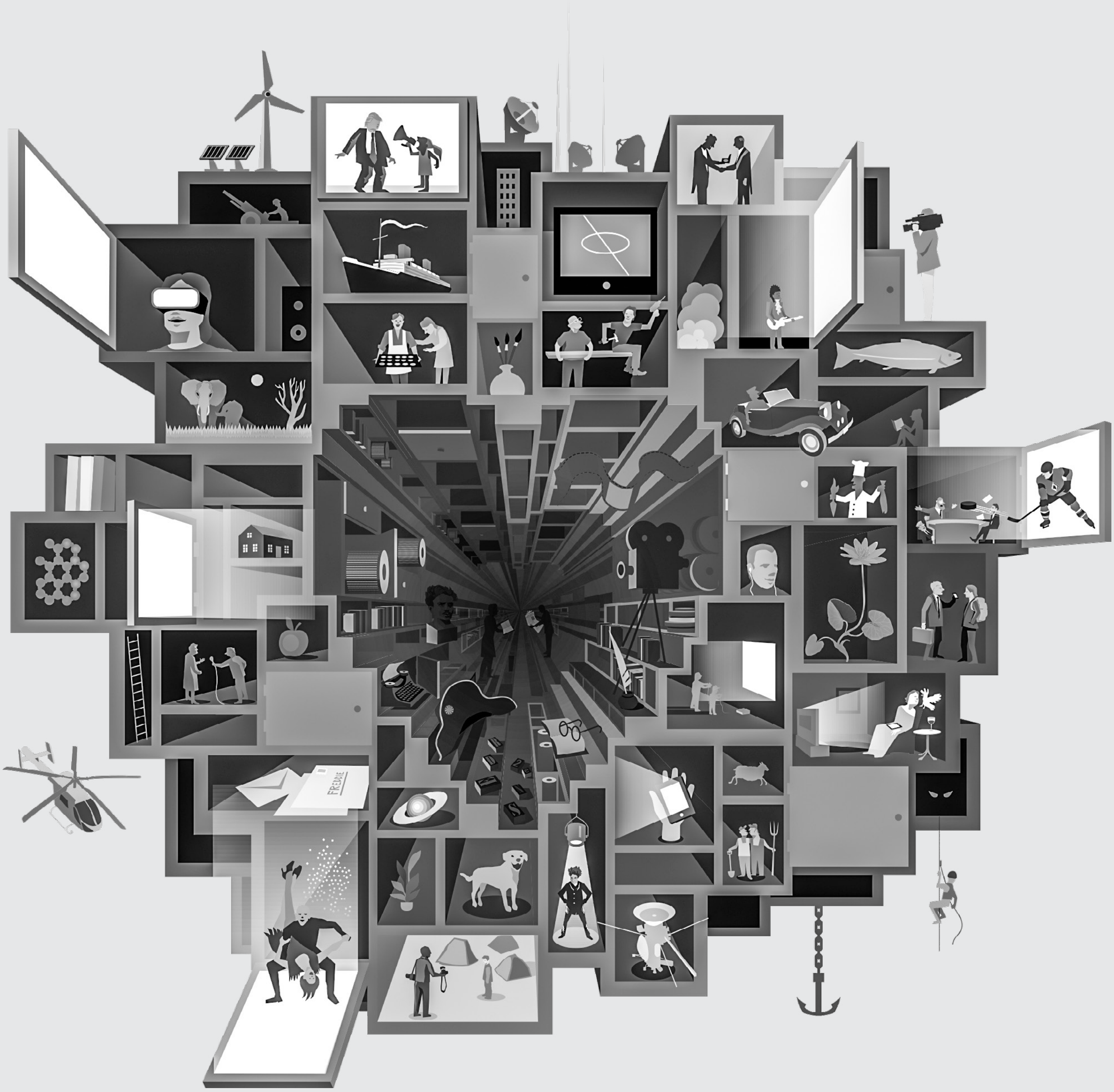

BONNIER

Annual Report 2016

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Annual Report for the financial year
January 1- December 31, 2016
The Board of Directors and the CEO of Bonnier AB, Corporate Registration No. 556508-3663, herewith submit the following annual report and consolidated financial statements on pages 3-48.

Translation from the Swedish original

Board of Directors' Report

The Board of Directors and the CEO of Bonnier AB, corporate registration no. 556508-3663, herewith submit the annual report and consolidated financial statements for the 2016 financial year.

The Group's business area
The Group conducts operations in the media sphere, including TV, daily newspapers, business press, magazines, film production, books and digital media. Operations are conducted in 15 countries.

Ownership
Bonnier AB is a wholly-owned subsidiary of Bonnier Holding AB, a subsidiary of Albert Bonnier AB, which is owned by more than 85 members of the Bonnier family.

Development of the operations, financial position and profit (Group)

SEK million	2016	2015	2014
Net sales	25,492	25,906	23,702
EBITA[1]	731	1,008	1,103
Operating profit	796	939	892
Net financial items	-239	-230	-365
Profit before tax	558	709	527
Profit for the year	444	43	310
Operating margin	3.1%	3.6%	3.8%
Return on operating capital	6.0%	7.5%	7.0%
Net debt at year end (–=net cash)	7,376	6,613	5,395
Net debt/equity, multiple	1.15	1.05	0.82

Business areas

Net sales per business area

SEK million	2016	2015	Change, %
Books	7,690	6,969	10.3%
Broadcasting	7,397	7,738	-4.4%
Growth Media	1,806	2,159	-16.3%
Magazines	3,782	4,045	-6.5%
Business to Business	1,317	1,319	-0.1%
News	4,468	4,675	-4.4%
Other and eliminations	-968	-999	n/a
Bonnier AB, total	**25,492**	**25,906**	**-1.6%**

EBITA[1] per business area

SEK million	2016	2015	Change
Books	427	422	5
Broadcasting	373	417	-43
Growth Media	-205	-127	-78
Magazines	267	250	17
Business to Business	167	171	-4
News	291	363	-72
Other and eliminations	-589	-488	-101
Bonnier AB, total	**731**	**1,008**	**-277**

Books includes the Group's book businesses. It includes Bonnierförlagen, Adlibris, Pocket Shop, Bonnier Media Deutschland, Bonnier Publishing in England, Bonnier Books in Finland, Akateminen in Finland, Cappelen Damm in Norway (joint venture) and BookBeat. Books had a strong year with an EBITA of SEK 427 million (422). The German book publishers within Bonnier Media Deutschland substantially improved profitability, and even Swedish Bonnierförlagen showed increased sales and better results, with digital book sales surpassing SEK 100 million for the first time. Online Nordic retailer Adlibris Group's revenues increased, with growth in both its book business and in new product categories, and profits improved. During the year, the mobile book service BookBeat launched in Sweden and Finland, and preparations began for entering the German and British markets as well. Finland continues to be a challenging book market both for the publishers and for the Academic Bookstore chain, where the ambition for both businesses is to be in the black in 2017.

Broadcasting includes TV4 Group, C More, Nyhetsbolaget and MTV Media in Finland. Broadcasting increased the tempo in 2016 for its ongoing efforts to move from viewers to users. Swedish TV4 Group's push for cross-platform local high-quality content and technology development paid off in the form of strong profits, several new records for digital consumption and 2.2 million users registered for video-on-demand service TV4 Play. Linear TV viewing declined overall, but the TV4 Group nonetheless increased its viewer share. Both digital and linear ad sales increased. For the second year in a row, C More was the fastest growing subscription video-on-demand service in Sweden, with 90 percent customer growth. Continued extensive investments in content, technology and organization, however, persist in affecting the business and contributed to continued significant losses for C More. News production company Nyhetsbolaget had noteworthy journalism successes and income from new, external business increased significantly. However, startup costs were a major factor in ultimately minimal profits. Macro-economic conditions in Finland remain difficult. A new executive management team was put in place for MTV. Through continued structural changes, cost-savings and investments in local content, MTV succeeded in bucking the negative trend in the fall and increased its share of viewing, even if the year-end results for 2016 were in the red. EBITA for the business area was SEK 373 million (417). During the year, Bonnier Broadcasting AB was launched, a parent company for TV4, C More and Nyhetsbolaget, which includes 300 employees working within content, technology, legal, finance and communications.

Growth Media focuses on digital companies with global potential. During the year, a new investment was made in the research-based fertility app Natural Cycles. Growth Media also increased its stake in a number of existing investments: Podcasting platform Acast, TV and film production company FLX and cashback site Refunder. In Growth Media's first big exit, it sold the play studio Toca Boca, which started as an R&D project within Bonnier. The buyer was the Canadian Spin Master. The deal provided additional capacity for continued venture investments. Restructuring costs and investments in a new technical platform for gaming company Evoke Gaming negatively affected the business area's profits for 2016, which ended at SEK -205 million (-127).

Magazines includes magazine publishers, Bonnier Publications in Copenhagen and Oslo, Bonnier Tidskrifter in Stockholm and Bonnier Corporation in the U.S. The business area is primarily focused on consumer magazines. The business area had a strong year and had improved profits of SEK 267 million (250). Bonnier Corporation markedly improved its profitability and had its best returns since 2008. Digital and adjacent services continued to grow. The core business of magazines remained strong, above all in the Nordic businesses. Revenues decreased due to book publisher Weldon Owen in the U.S. being moved to the Books business area and declines in print advertising.

Business to Business consists of *Børsen*, the leading business newspaper in Denmark, and business newspapers and digital B2B-services and products in the Nordic region, as well as in Central and Eastern Europe. The year 2016 was one of continued focus on digital transformation. Traditional revenue streams shrank continuously throughout the year. The business area still showed a profit of SEK 167 million (171), despite the divestiture of the Russian operations at the end of 2015. During the year, medical information site Netdoktor in Sweden and Austrian e-learning startup KnowledgeFox were acquired. At the beginning of 2016, a deal was struck to sell Danish business daily *Børsen* to JP/Politikens Hus, but following objections by the competition authoritiy, a 49.9 percent stake of the company was sold finally instead in Jan. 2017.

[1] A description of the Group's definitions of key ratios may be found on page 47.

A number of product initiatives were undertaken during 2016 within e-learning, decisionmaking support and business news, the biggest of which was Bonnier Education's launch of the digital learning portal company Clio Online on the Swedish market.

News comprises the Group's Swedish newspapers, including *Dagens industri*, *Expressen*, *Dagens Nyheter* and *HD-Sydsvenskan*, as well as daily press operations in Stockholm and Malmö. News made big investments and clear choices. Swedish daily *Dagens Nyheter*, with a focus on consumer revenues, hit 80,000 purely digital subscriptions, which means the total number of subscriptions increased for the first time since 2004. Business daily *Dagens industri's* decision to restrict free access to its website resulted in growth in digital subscribers, which contributed to improved profits. Afternoon daily *Expressen* maintained its focus on reach with significant investments in TV and continued to increase its total ad revenues, of which 61 percent are now digital. The remaining businesses within the business area, which includes Southern Swedish daily newspaper group HD-Sydsvenskan and printer Bold Printing, showed a profit. EBITA was SEK 291 million (363). In June, Anders Eriksson took over as new head of the business area.

Other and eliminations consists of common Group activities and functions. The effect on EBITA[1] from these activities was SEK -589 million (-488).

Investments and net debt

Summary of change in net debt

SEK million	2016	2015
Internally generated funds	4,296	4,631
Change in working capital	-229	-112
	4,067	4,519
Net investments in operations	-4,420	-4,432
Free cash flow	**-354**	**87**
Net acquisitions and divestments of operations, shareholdings and participations	128	-615
Cash flow after acquisitions and divestments	**-226**	**-528**
Group contributions, dividends, etc.	-286	-608
Revaluation of defined benefit pension plans	-28	12
Cash flow hedges	-6	22
Translation differences, revaluation derivatives, etc.	-217	-116
Change in net debt	**-763**	**-1,218**

Net debt increased during the year by SEK -763 million. Free cash flow in relation to net sales was -1.4% (0.3).

Capital structure

Operating capital

SEK million	31 Dec. 2016	31 Dec. 2015
Property, plant and equipment and intangible assets, excl. goodwill	3,798	3,730
Working capital	-1,208	-1,317
Tax	1,685	1,687
Other financial assets	688	579
Goodwill	8,828	8,245
Operating capital	**13,791**	**12,924**
Net debt	7,376	6,613
Equity[1]	6,415	6,311
Financing of operating capital	**13,791**	**12,924**
Net debt/equity, multiple	**1.15**	**1.05**

[1] Including non-controlling interests.

Risks and uncertainties

The most significant external factors affecting the Group's results are the development of the Swedish economy, consumer spending, advertising investment and consumer confidence in the future. The corresponding factors in the other Nordic countries, Germany, USA, Eastern Europe and other markets in which the Group operates are also important for the outcome, as well as the competitive situation. The rapid development within digital media results in major changes in the media sector. The development of these external factors constitute the most significant risks and uncertainties facing the Group.

Financial instruments and risk management

Bonnier AB Group is exposed to different types of financial risks. Risk management is addressed centrally by AB Bonnier Finans and in accordance with the finance policy set by the Board. The risks to which the Group is exposed are comprised of liquidity and refinancing risks, interest rate risks, currency risks, credit risks and counterparty risks. For a more detailed description of the risk levels and the manner in which compliance with these levels is ensured, see Note 4.

Personnel

The average number of employees was 8,065 (8,397). In the Parent Company, the average number was 45 (38).

The Group's vision is "To Continuously Reinvent Media". Bonnier's values are founded on the dissemination of knowledge, the power of the individual, freedom of speech and humanism. This foundation will continue to serve us as we develop our future operations. Bonnier AB places high value on entrepreneurship and professionalism, with a decentralized organization.

There is a Group University within Bonnier AB, Bonnier Media University, which is responsible for strengthening leadership and key staff in the Group in order to support the digital transformation and our business. This includes an international training program for leadership and innovation, as well as seminars and conferences for inspiration and networking. In 2016, approximately 1,000 people participated in these activities. Bonnier Media University also organizes the Grand Prize for Journalism in Sweden, Finland and Estonia.

Environment

The Group has operations in more than 160 companies in 15 countries. All business areas actively undertake environmental initiatives. The business area managers have responsibility for the environmental work in the respective business areas, while the CEO of each company within the Group determines the scope and form of the environmental efforts. The ambition is to produce products and services with the aid of processes and methods generating minimal negative environmental impact.

Among the Group's printer operations, one printer operation (Bold Printing Stockholm) conducted activities requiring a permit in accordance with the Swedish Environmental Code. In 2016 this printing operation finalized its transformation to a notice only obligation/self-monitoring with the County Administrative Board (environmental management). The operation mainly impact the external environment through air emissions in connection with the handling of organic solvents. The operations have shown low values during the last few years due to technological development and more environmentally friendly inputs. Other printing operations are subject to a notice obligation. The printing operations are licensed to press with the Nordic "Swan" eco-label (Sw: *Svanen*).

Social responsibility

Bonnier AB creates work opportunities and contributes to development within the society. The Group takes responsibility for providing meaningful jobs to our employees and offering culture, news, information, knowledge, analysis and entertainment to the general public and supplying the advertising market with effective routes to their customer segments.

Bonnier AB welcomes the increasing demands made on companies by consumers in regard to ethics and responsibility.

The Group strives to ensure that products and services procured externally are manufactured under reasonable work conditions and makes demands of suppliers and partners. Freedom of speech is one of Bonnier's core values and we strive to provide media channels that are open to a diversity of individual voices, opinions and perspectives. Bonnier believes in independent journalism.

Expected future developments
The focus for Bonnier until 2020 will not be primarily on short-term improved profitability, but rather on building a strong and sustainable business over the long run. Bonnier is working on transitioning into a business with new and sustainable revenues. We expect to continue to invest in technology and business developments in our existing businesses as well as in related areas where we see opportunities. The growth within digital services is expected to increase in the upcoming year and the main revenue focus is on increased user revenues. The goal for 2017 is increased revenue and improved results, but is dependent on global development.

The Parent Company
The Parent Company primarily includes Group-wide functions. Net sales amounted to SEK 24 million (32), of which sales to other Group companies amounted to SEK 24 million (30). Profit before appropriations and taxes amounted to SEK -75 million (820).

Proposed appropriation of profits

The Parent Company
The following earnings are at the disposal of Annual General Meeting:

(SEK)	
Retained earnings	17,180,036,905
Profit for the year	291,481,089
	17,471,517,994

The Board of Directors propose the following appropriation of the funds:

(SEK)	
Dividend to the shareholders of SEK 46.60 per share, total	279,595,072
To be carried forward	17,191,922,922
	17,471,517,994

Pursuant to Chapter 18, section 4, of the Swedish Companies Act, the Board is required to provide the following statement as a consequence of the fact that the Board of Directors proposes that the Annual General Meeting adopt a resolution on May 16, 2017, with respect to the distribution of SEK 46.60 per share.

The Board's statement regarding the proposed dividend
The proposed dividend reduces the Parent Company's equity ratio, cal-culated as of December 31, 2016, to 82.7% and the Group's equity ratio to 27.3%, which is satisfactory given that the operations are profitable. The Board believes that both the Parent Company and the Group's liquidity can be maintained at a satisfactory level. With regard to the relationship between assets, liabilities and equity both in the Parent Company and in the Group, and with respect to earnings forecasts and required investments as of this date, we believe that the proposed dividend is justifiable considering the requirements which the nature, scope and risks in the operations entail in terms of the required level of equity.

The proposed dividend is also justifiable considering the liquidity and financial position both in the Parent Company and in the Group. The dividend will not affect the Parent Company's ability to meet its short- and long-term commitments or carry out necessary in-vestments. The Board believes that the Parent Company and the Group's financial positions with regard to the proposed dividend are secure as regards the creditors. The Board does not believe that there is any other circumstance which would lead to the conclusion that the dividend should not be paid according to the Board's proposal. The Parent Company's equity would have been unchanged if assets and liabilities were not measured at fair value in accordance with Chapter 4, section 14 of the Swedish Annual Accounts Act.

For additional information regarding the financial position and performance of the Parent Company and the Group, see the following financial reports. All amounts are expressed in SEK millions unless stated otherwise.

Consolidated Income Statements

SEK million

	Note	2016	2015
Net sales	5	25,492	25,906
Other operating revenues		80	86
Total revenues		**25,572**	**25,992**
Raw materials and consumables		-2,190	-2,418
Goods for resale		-5,230	-4,879
Personnel costs	6, 7	-6,424	-6,420
Other external costs	8, 9	-6,954	-7,163
Depreciation, amortization and impairment losses	14, 15	-4,149	-4,125
Profit or loss from participations in associated companies and joint ventures	10	108	68
Other operating expenses		-2	-48
EBITA		**731**	**1,008**
Revenue and expenses from acquisitions, divestments and close-downs	11	66	-69
		66	-69
Operating profit		**796**	**939**
Interest income		20	38
Interest expenses		-227	-224
Other financial income and expenses		-25	-34
Net financial income/expenses from participations in associated companies and joint ventures	10	-7	-11
Net financial income/expenses	12	**-239**	**-230**
Profit before tax		**558**	**709**
Tax	13	-114	-666
Profit for the year		**444**	**43**
Profit for the year attributable to:			
-Shareholders of the Parent Company		445	35
-Non-controlling interests		-1	9

Consolidated Statements of Comprehensive Income

SEK million

	2016	2015
Profit for the year	**444**	**43**
Other comprehensive income		
Items which are not reclassified to profit or loss		
Revaluation of defined benefit pension plans	-27	13
Revaluation of defined benefit pension plans in associated companies and joint ventures	-4	4
Items which may subsequently be reclassified to profit or loss		
Translation differences	-15	-218
Cash flow hedges	-4	17
Translation differences attributable to participations in associated companies and joint ventures	23	-22
Other comprehensive income for the year, net after tax	**-27**	**-206**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**417**	**-163**
Total comprehensive income attributable to:		
-Shareholders of the Parent Company	415	-170
-Non-controlling interests	1	7

Consolidated Statements of Financial Position

SEK million

	Note	Dec. 31, 2016	Dec. 31, 2015
ASSETS			
Non-current assets			
Intangible assets	14		
Goodwill		8,828	8,245
Film and program rights		1,955	1,698
Other intangible assets		1,259	1,206
		12,042	11,149
Property, plant and equipment	15		
Buildings and land		28	250
Plants and machinery		235	284
Equipment, tools, fixtures and fittings		297	278
Construction in progress and advances		25	14
		585	826
Financial assets			
Non-interest-bearing			
Participations in associated companies and joint ventures	17	552	486
Long-term receivables	18	136	93
		688	579
Interest-bearing			
Derivatives	19	3	4
Long-term receivables	18	47	97
		50	101
Deferred tax assets	13	1,921	1,925
Total non-current assets		**15,285**	**14,581**
Current assets			
Non-interest-bearing			
Inventories	20	2,070	1,568
Account receivables	21	2,705	2,923
Other short-term receivables	22	358	544
Prepaid expenses and accrued income		1,354	1,367
		6,486	6,403
Interest-bearing			
Derivatives	19	52	68
Other short-term receivables	22	626	887
Prepaid expenses and accrued income		35	37
Cash and cash equivalents	23	274	584
		986	1,576
Total current assets		**7,472**	**7,979**
TOTAL ASSETS		**22,757**	**22,560**

Consolidated Statements of Financial Position

SEK million

	Note	Dec. 31, 2016	Dec. 31, 2015
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Parent Company			
Share capital	24	300	300
Other contributed capital		232	232
Reserves	24	-151	-153
Retained earnings including profit for the year		5,944	5,863
Total equity attributable to shareholders of the Parent Company		**6,325**	**6,242**
Non-controlling interests	24	90	69
Total equity		**6,415**	**6,311**
Non-current liabilities			
Interest-bearing			
Liabilities to credit institutions	25	2,911	2,427
Derivatives	19	0	1
Provisions for pensions	26	2,285	2,202
Provisions	27	112	121
Other non-current liabilities	28	283	212
		5,591	4,963
Non-interest-bearing			
Deferred tax liabilities	13	292	297
Provisions	27	100	105
Derivatives	19	162	167
		554	568
Total non-current liabilities		**6,145**	**5,532**
Current liabilities			
Interest-bearing			
Liabilities to credit institutions	25	2,039	1,912
Derivatives	19	32	14
Provisions	27	59	115
Other current liabilities	29	643	1,233
Accrued expenses and deferred income	30	49	53
		2,821	3,327
Non-interest-bearing			
Account payables		2,104	2,013
Subscription liabilities and other advances from customers		1,048	1,119
Current tax liabilities		42	103
Provisions	27	45	72
Other current liabilities	29	708	744
Accrued expenses and deferred income	30	3,430	3,338
		7,376	7,390
Total current liabilities		**10,198**	**10,717**
TOTAL EQUITY AND LIABILITIES		**22,757**	**22,560**

For information concerning the Group’s pledged assets and contingent liabilities, see Note 31.

Consolidated Statements of Changes in Equity

SEK million

	Share capital	Other contri-buted capital	Reserves	Retained earnings including profit for the year	**Total equity attributable to share-holders of the Parent Company**	Non-control-ling interests	**Total Equity**
Opening balance, Jan. 1, 2015	**300**	**292**	**69**	**5,897**	**6,558**	**49**	**6,607**
Comprehensive income							
Profit for the year				35	**35**	9	**43**
Other comprehensive income							
Cash flow hedges			22		**22**	-	**22**
Translation differences			-216		**-216**	-2	**-218**
Revaluation of defined benefit pension plans				16	**16**	-	**16**
Other comprehensive income attributable to participations in associated companies and joint ventures			-22	5	**-18**	-	**-18**
Tax on items in other comprehensive income			-5	-4	**-9**	-	**-9**
Total other comprehensive income, after tax			-221	17	**-204**	-2	**-206**
Total comprehensive income			**-221**	**51**	**-170**	**7**	**-163**
Transactions with shareholders:							
Reclassification		-60		60	**-**		**-**
Dividends to owners of the Parent Company				-461	**-461**		**-461**
Dividends to non-controlling interests						-7	**-7**
Adjustment of preliminary acquisition analysis 2014 [1)]				351	**351**		**351**
Change in conjunction with acquisitions and divestments of non-controlling interests				-34	**-34**	20	**-14**
Change in value of options attributable to acquisitions of non-controlling interests				-2	**-2**	-	**-2**
Total transactions with shareholders		**-60**		**-86**	**-146**	**13**	**-133**
Closing balance, Dec. 31, 2015	**300**	**232**	**-153**	**5,863**	**6,242**	**69**	**6,311**

1) Refers to adjustment for the differences between consideration and identified net assets valued at fair value attributable to acquisitions realized 2014.

Opening balance, Jan. 1, 2016	**300**	**232**	**-153**	**5,863**	**6,242**	**69**	**6,311**
Comprehensive income							
Profit for the year				445	**445**	-1	**444**
Other comprehensive income							
Cash flow hedges			-6		**-6**	-	**-6**
Translation differences			-17		**-17**	2	**-15**
Revaluation of defined benefit pension plans				-34	**-34**	-	**-34**
Other comprehensive income attributable to participations in associated companies and joint ventures			23	-5	**17**	-	**17**
Tax on items in other comprehensive income			1	9	**10**	-	**10**
Total Other comprehensive income, after tax			1	-30	**-29**	2	**-27**
Total comprehensive income			**1**	**414**	**415**	**1**	**417**
Transactions with shareholders							
Dividends to owners of the Parent Company				-280	**-280**		**-280**
Dividends to non-controlling interests						-7	**-7**
Change in conjunction with acquisitions and divestments of non-controlling interests				-3	**-3**	26	**23**
Change in value of options attributable to acquisitions of non-controlling interests				-4	**-4**	-	**-4**
Group contributions				-58	**-58**		**-58**
Tax on group contributions				13	**13**		**13**
Total transactions with shareholders				**-332**	**-332**	**20**	**-313**
Closing balance, Dec. 31, 2016	**300**	**232**	**-151**	**5,944**	**6,325**	**90**	**6,415**

Consolidated Statements of Cash Flow

SEK million

	Not	2016	2015
Operating activities			
Profit before tax		558	709
Adjustments for items in cash flow	32	3,715	3,666
Paid income tax		-125	-240
Cash flow from operating activities before change in working capital		**4,148**	**4,135**
Change in inventories		-502	-345
Change in account receivables		308	71
Change in other short-term receivables		180	-395
Change in account payables		68	87
Change in subscription debt and advances from customers		-167	-46
Change in other current liabilities		-128	439
Change in working capital		**-242**	**-189**
Cash flow from operating activities		**3,906**	**3,946**
Investing activities			
Acquisition of shares in subsidiaries, net debt effect	16	-288	-519
Reversal of net debt items in the acquisition of shares in subsidiaries that are not cash or cash equivalents		97	66
Investments in other financial assets		-88	-161
Acquisition of property, plant and equipment		-217	-208
Acquisition of intangible assets		-4,201	-4,245
Divestments of shares in subsidiaries, net debt effect		252	53
Reversal of net debt items on divestments of shares in subsidiaries and other financial assets that are not cash or cash equivalents		2	-18
Divestments of other financial assets		12	12
Divestments of buildings and land		240	-
Divestments of property, plant and equipment		0	2
Divestments of intangible assets		2	19
Cash flow from investing activities		**-4,189**	**-4,999**
Financing activities			
Repayments/lending of interest-bearing receivables		96	156
Change in current financing		-516	812
Borrowings		957	1,393
Amortization of debt		-196	-580
Group contributions		-	-137
Dividends paid		-286	-471
Cash flow from financing activities		**54**	**1,172**
CASH FLOW FOR THE YEAR		**-229**	**119**
Cash and cash equivalents at the beginning of the year		583	370
Translation differences in cash and cash equivalents		-80	95
Cash and cash equivalents at the end of the year		**274**	**584**

Notes to the Consolidated Financial Statements

NOTE 1 **General Information**

Bonnier AB ("Bonnier"), Corporate Registration No. 556508-3663, is a limited liability company incorporated in Sweden with its registered office in Stockholm. The address of the headquarters is Atlasmuren 1, 113 21 Stockholm. The mailing address to Bonnier AB is SE-113 90 Stockholm. The internet address is www.bonnier.se.

Bonnier AB is a wholly-owned subsidiary of Bonnier Holding AB, Corporate Registration No. 556576-7463, a subsidiary of Albert Bonnier AB, which is owned by more than 85 members of the Bonnier family.

The parent company for the largest and smallest group in which Bonnier AB is a subsidiary and for which consolidated accounts are prepared is Albert Bonnier AB, Corporate Registration No. 556520-0341.

NOTE 2 **Significant accounting principles**

The consolidated financial statements for Bonnier AB have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU and the interpretations of the IFRS Interpretations Committee (IFRIC).

In addition, the Group applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 "Supplementary rules for group accounting".

The financial statements are presented in millions of Swedish krona (SEK). Rounding may apply in tables and calculations, which means that the stipulated total amounts are not always an exact amount of the rounded amounts. Items in the consolidated financial statements have been prepared on a cost basis, except for certain financial instruments which are stated at fair value. The significant accounting principles applied in the preparation of these consolidated financial statements are described below.

The new and revised accounting standards and interpretaions which entered into force during 2016

The new and revised accounting standards and interpretaions which entered into force during 2016 have had no materiel effect on the Bonnier Group consolidated financial statements.

New and revised standards and interpretations which have not yet entered into force and have not been adopted early by the Group

The International Accounting Standards Board (IASB) has issued the following new and revised standards which may have an effect on the consolidated financial statements, when applied for the first time.

IFRS 9 "Financial Instruments" is intended to replace IAS 39 "Financial Instruments: Recognition and Measurement", and is effective for financial years beginning on or after 1 January 2018. The Group has started a project to evaluate the effects on the financial statements according to IFRS 9. A preliminary assessment of IFRS 9 is that reserves for credit losses/bad debt losses may change. The preliminary assessment is that these changes will not have a major impact of the financial statements.

IFRS 15 "Revenue from Contracts with Customers" supersedes all previous standards and interpretations addressing revenue recognition. The new standard is effective for financial years beginning on or after 1 January 2018, with earlier application permitted. The Group has started an evaluation of the effects the new revenue standard will have on the financial statements. A preliminary assessment is that the new standard will not have a major impact of the financial statements, except for new disclosures.

IFRS 16 "Leases": The new standard for the accounting of leases means for the Group as lessee, that all lease contracts, with exception for leases below 5 000 USD and short-term leases shorter than 12 months, will be recognized as assets and liabilities in the statement of financial position. The Balance sheet total will increase. Income statement will also be affected due to that the lease expense will consist of depreciation which is included in EBITA and interest expenses, included within net finance income/expenses, on the lease liability. This recognition means for each lease agreement a front-loaded effect on profit or loss. According to IAS 17 lease payments for operational leases are recognized as "Other operating expenses", included in EBITA, on straight-line basis in. There will also be some new disclosures. The Group has started a calculation of which effect the new lease standard will have on the financial statements. IFRS 16 will be effective for financial years beginning on or after 1 January 2019. The standard is permitted for early adoption if IFRS 15 also is adopted at the same time.

Amended IAS 7 Statement of Cash Flows – Disclosure Initiative, the amendments require extended disclosures of changes in items recognized in financing activities. The amendments are effective for financial year beginning on or after 1 January 2017.

Other new and revised IFRSs and interpretations not yet effective are not expected to have any significant impact on the Group's consolidated financial statements.

Consolidated Financial Statement

The consolidated financial statements comprise the Parent Company Bonnier AB and all companies over which the Parent Company has control (subsidiaries). Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with another company and has the ability to affect the returns through its power over that company.

Subsidiaries are consolidated from the acquisition date until the date when control ceases.

Profit or loss and each component of other comprehensive income are attributable to shareholders in the Parent Company and to non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries in order to bring their accounting principles in line with the Group's accounting principles. All intra-group transactions, balances and unrealized gains and losses attributable to intra-group transactions have been eliminated in full on consolidation.

Transactions with holdings with non-controlling interests

Changes in the Parent Company's participations in subsidiaries that do not result in a loss of control are accounted for as equity transactions, i.e. as transactions with the Group's owners. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized directly in equity and allocated to shareholders of the Parent Company.

Consideration paid for a call option or similar agreement, which provides the Group with the right to acquire a predetermined non-controlling interest in exchange for a predetermined cash consideration or other financial asset, is recognized in equity as profit brought forward.

When the Parent Company loses control of a subsidiary, the gain or loss on the sale is calculated as the difference between:

i) the aggregate of the fair value of the consideration received and the fair value of any retained participation, and

ii) the previous carrying amount of the subsidiary's assets (including goodwill), liabilities and any non-controlling interests.

The fair value of any investment retained in the former subsidiary on the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 "Financial Instruments: Recognition and Measurement" or, when applicable, as the cost on initial recognition of an investment in an associated or a jointly-controlled entity.

NOTE 2 **cont.**

Business combinations

Business combinations are accounted for using the acquisition method.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred by the former owners of the acquiree and the equity interests issued in exchange for control of the acquiree. Acquisition-related costs are recognized in the income statement as incurred.

The consideration transferred by the Group in a business combination also includes the fair value of any assets and liabilities resulting from a contingent consideration arrangement. Changes in the fair value of contingent consideration qualifies as measurement period adjustments, with corresponding adjustment against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed at the acquisition date. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. In other cases, subsequent changes in the fair value of the contingent consideration are recognized in profit for the year.

On the acquisition date, the identifiable assets acquired and the liabilities assumed, as well as any contingent assets, are recognized at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests, and the acquisition-date fair value of any previous held equity interests in the acquiree over the identifiable net assets acquired. If, after reassessment, this difference is negative, it is recognized directly in profit or loss as a bargain purchase gain.

For each business combination, any non-controlling interest in the acquiree is measured either at fair value or at the non-controlling interests' proportional share of the recognized amounts of the acquiree's identifiable net assets.

When a business combination is achieved in stages, previously held equity interest in the acquiree is remeasured to its acquisition-date fair value (i.e. when control is achieved) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are classified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Goodwill

Goodwill is carried at cost as established at the date of acquisition of the company less any impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units that is expected to benefit from the acquisitions' goodwill. These units are the Group's business areas.

Goodwill is tested for impairment annually or more often if there is an indication. If the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then the carrying amount of goodwill attributable to other assets in a unit is reduced. A recognized impairment loss for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the capital gain or loss.

Participations in associated companies and joint ventures

An associated company is a company over which the Group has a significant influence, generally accompanying a shareholding, directly or indirectly, of between 20-50% of the voting rights.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control exists when two or more parties contractually agree to exercise joint control over an arrangement.

Associated companies and joint ventures are accounted for in accordance with the equity method. Under the equity method, the initial recognized cost is adjusted to recognize changes in the Group's share of the associated company's or joint venture's net assets, as well as consolidated goodwill and any other remaining consolidated surplus and deficit values. When the Group's share of losses in an associated company or a joint venture equals or exceeds its interest in the associated company or joint venture, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associated company or joint venture. On acquisition of the investment in an associated company or joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included in the carrying amount of the investment. When necessary, the carrying amount of the investment (including goodwill), is tested for impairment.

When a group company transacts with an associated company or a joint venture of the Group, unrealized gains or losses corresponding to the Group's investments in the associated company or joint venture are eliminated. Dividends received from associated companies or joint ventures reduce the carrying amount of the investment.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for value added tax, provisions for returns, discounts and advertising tax.

The Group recognizes revenue when the amount of revenue can be reliably measured, when it is probable that the economic benefits associated with the transaction will flow to the Company and when the criteria described below have been met.

Revenue from sales of goods is recognized when the goods are delivered and title has passed. Revenue from subscriptions of newspapers and magazines, which is invoiced in advance, is recognized upon delivery, i.e. the revenue is distributed evenly over the subscription period. Revenue from movie rentals is recognized in accordance with the licensing agreement and is based on the number of visitors and the cinema's film revenue. Revenue from advertisements is recognized during the period in which the advertisements are actually shown. In the event that a portion of the revenue is variable, this is recognized when the revenue can be reliably estimated. Other revenue from sale of services is recognized during the period in which the services are rendered.

Lease agreements – Group as lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Other lease agreements are classified as operational leases.

Assets held under financial leases are initially recognized as non-current assets of the Group's statement of financial position at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between interest and the reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. The interest expense is recognized directly in the income statement. Non-current assets are depreciated over each asset's useful life.

NOTE 2 **cont.**

Foreign currencies
Transactions in foreign currencies are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at that date when the fair value was determined. Non-monetary items measured in terms of historical cost in a foreign currency are not translated.

Currency futures that are used for hedging and meet the requirements for hedge accounting are recognized at fair value in the statement of financial position. The changes in fair value are recognized in other comprehensive income and are accumulated in the hedging reserve. When the hedged item is recognized in profit or loss, the accumulated fair value changes in the hedging reserve are reclassified to profit or loss through other comprehensive income.

For the purpose of presenting the consolidated financial statement, the assets and liabilities of the Group's foreign subsidiaries are translated into Swedish krona using the exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rate for the period, unless the exchange rate has fluctuated significantly during that period, in which case the exchange rate at the date of transaction is used. Exchange differences arising, are recognized in other comprehensive income and accumulated in the translation reserve. On disposal of a foreign subsidiary, such translation differences are recognized in the income statement as a part of the capital gain or loss.

Goodwill and fair value adjustments to identify assets acquired and liabilities assumed through acquisition of a foreign entity are treated as though these were assets and liabilities held by this entity and translated at the rate of exchange prevailing at the end of each reporting period.

Employee benefits
Employee benefits including salaries, bonuses, holiday pay, paid sick leave, etc., and pensions are recognized as the related service is rendered. Pensions are classified as defined contribution or defined benefit pension plans.

The defined contribution plan
For defined contribution pension plans, the Company pays fixed contributions into a separate, independent legal entity and the Group has no legal or constructive obligations to pay further contributions. Payments are recognized as an expense when employees have rendered service entitling them to the contributions, this usually corresponds to when the contributions are due.

Defined benefit retirement benefit plan
For defined benefit pension plans, the cost of providing benefits is determined using actuarial calculations in accordance with the Projected Unit Credit Method. Remeasurement, including actuarial gains and losses, effects of changes to the asset ceiling and the return on plan assets (excluding the interest, which is recognized in the income statement), are reflected in other comprehensive income in the period in which they occur.

Remeasurement recognized in other comprehensive income is reflected directly in retained earnings and profit brought forward and will not be reclassified to the income statement. Past service cost is recognized in the income statement in the period of plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period on the net defined liability or asset.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service costs as well as gains and losses on curtailments and/or settlements)
- Net interest expense or income
- Remeasurement

The first two categories are presented as personnel cost (current service cost) and as net financial income (net interest expense) in the income statement. Gains and losses referring to curtailments and settlements are accounted for as past service costs. Remeasurements are recognized in other comprehensive income.

The defined benefit pension obligation recognized in the statement of financial position represent the actual surplus or deficit in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Tax
The tax expense comprises current and deferred tax.

Current tax
Current tax is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the income statements because of items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Intangible assets
Separately acquired intangible assets
Intangible assets with finite useful lives that have been acquired separately are carried at cost less accumulated amortization and any impairment losses. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Film and program rights are usually accounted for as intangible assets when the program is available for viewing. The useful life for these rights is based on the licence period or views and is maximum three years.

Intangible assets acquired through business combinations
Intangible assets acquired in a business combination are identified and recognized separately from goodwill when they meet the definition of an intangible asset and when their fair value can be reliably measured. The cost of such intangible assets are comprised of their fair value at the acquisition date. Intangible assets with definite useful lives are amortized over the estimated useful life, usually a period of 2-10 years. Identified intangible assets with indefinite useful lives such as, for example, trademarks and distribution rights are not amortized, but are tested for impairment annually or more frequently when there is an indication that the asset may be impaired. Subsequent to initial recognition, intangible assets acquired in a business combination are carried at cost less accumulated amortization and any accumulated impairment losses, on the same basis as separately acquired intangible assets.

NOTE 2 **cont.**

Property, plant and equipment
Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Depreciation is recognized so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives are as follows:

Buildings and land improvements	20-100 years
Plants and machinery	3-20 years
Equipment, tools, fixtures and fittings	2-20 years

Impairment of property, plant and equipment and intangible assets other than goodwill
At the end of each reporting period, the Group reviews the carrying amount of its property, plant and equipment and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount for an individual asset, the Group estimates the recoverable amount for the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of the fair value less cost of disposal and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is determined to be an amount below the carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the income statements.

If an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the income statement.

Financial instruments
A financial asset or financial liability is recognized in the statement of financial position when the Company becomes a party to the contractual provisions or the instrument. A financial asset or a component of a financial asset is derecognized when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. A financial liability or a component of a financial liability is derecognized when the obligations have been discharged, cancelled or they expire.

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated cash-flows have been affected. Objective evidence of impairment could include a significant financial difficulty of the counterparty or default in payment of outstanding amounts due.

Financial assets and financial liabilities that are not subsequently measured at fair value through profit and loss are initially carried at fair value with addition and deduction for transaction cost. Financial assets and financial liabilities that are subsequently measured at fair value through profit and loss are initially carried at fair value. Financial instruments are subsequently carried at amortized cost or fair value, depending on the instrument's initial categorization in accordance with IAS 39.

Accounts receivables and accounts payables
Accounts receivables and accounts payables are recognized at nominal amount without any discounting. Accounts receivables are recognized net of bad debt.

Liabilities to credit institutions and other borrowings
Interest-bearing bank loans, credit lines and other liabilities are categorized as "Financial liabilities measured at amortized cost" and are measured at amortized cost in accordance with the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings.

Derivative instruments
The Group enters into derivative transactions to manage foreign exchange risk and interest risks. When possible, the Group applies hedge accounting and the derivative instruments are therefore, depending on the purpose, categorized as "Derivative instruments used for hedging purposes" or "Fair value through profit or loss", in the sub-category "Held for trading" . Changes in the fair value of derivatives are recognized in either the net financial income/expenses or the operating profit, depending on the instrument's purpose. Unrealized gains or losses on derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income.

Inventories
Inventories are stated at the lower of cost and net realizable value. The cost is determined using the first-in, first-out method (FIFO). The cost of finished goods and work in progress consists of the purchase price, direct salary expenses, other direct manufacturing expenses and indirect expenses attributable to the item (based on normal manufacturing capacity). An item's purchase price also includes transport expenses and other expenses attributable to moving the item to its current location and bringing the item to its current condition.

Net realizable value represent the estimated selling price less estimated cost of completion and cost necessary to make the sale.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the payments expected to be required to settle the obligation, its carrying amount is the present value of these payments.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Group contribution
Group contribution received or paid to the parent company is recognized directly in equity with related tax effect.

Key definitions
A description of the Group's definitions of key ratios may be found on page 47.

NOTE 3 **Key sources of uncertainty in estimations**

Below are the key assumptions concerning future development, as well as other important sources of uncertainty in the estimations at the balance sheet date which imply a significant risk of major adjustments in the carrying amount of assets and liabilities during the upcoming financial year.

Pension obligations

The value of pension obligations for defined benefit pension plans is determined on the basis of actuarial calculations and is based on assumptions regarding the discount rate, expected return on plan assets, future salary increases, inflation and demographic circumstances. Any change in these assumptions affects the calculated value of pension obligations.

The discount rate is the most significant assumption and is based on the market yields of high-quality corporate bonds with maturity dates matching those of the pension obligations. The Group's defined benefit pension plans are primarily found in Sweden and the Group has determined that mortgage bonds are comparable with first-class corporate bonds, and therefore a selection of AAA-rated mortgage bonds are being used. A lower discount rate increases the present value of the pension obligation and their costs, while a higher discount rate has the opposite effect. Due to changing market conditions and economic circumstances, the underlying assumptions can deviate from the actual development and lead to significant changes in pension provisions.

The defined benefit pension plans, with deduction for any plan assets, are reported under Provisions for pensions. The reported net debt of the Group's pension obligations amounted at the balance sheet date to SEK 2,285 million (2,202). For more information, see Note 26 Pensions.

NOTE 4 **Financial risk management and financial instruments**

The Bonnier Group is exposed to various types of financial risks. The Group's financial risks are managed by Bonnier Finans in accordance with the financial policy that is reviewed and adopted by the Board. The financial policy strives to minimize the financial risks to which the Group is exposed, primarily liquidity and refinancing risks, interest rate risks, currency risks, credit risks and counterparty risks. Within Bonnier Finans there are instructions, systems and a division of duties in place to achieve good internal control and monitoring of the operations. Risk is monitored on Group level and is reported to the Board.

Liquidity and refinancing risks

Liquidity risk refers to the risk that the Group will have difficulty in meeting future liquidity requirements in the form of payment obligations and will be unable to finance or refinance the Group's assets. Refinancing risk refers to the inability of the Group to refinance outstanding debt at a given point in time and on acceptable terms.

The Group's liquidity reserve consists of cash and cash equivalents, short-term investments and unutilized credit facilities that have a remaining term of at least 6 months. In order to optimize the Group's liquidity, there is a centralized cash-management function. As of December 31, 2016, the Group achieved its liquidity goals in accordance with the internal financial policy, with the liquidity reserve amounting to SEK 5,148 million (6,311).

Refinancing risk is managed by ensuring that no more than 33% of external borrowings[1] mature within 12 months and by ensuring that no more than 66% of external borrowings[1] mature within 24 months. As of December 31, 2016, the maturity structure[2] was 6% (3) within 12 months and 26% (10) within 24 months. The Group complies with these goals. The Group's external loans include financial covenants which must be complied with.

Information on current loans and credit facilities is also provided in Note 25 Liabilities to credit institutions.

The terms to maturity for all contractual payment obligations related to the Group's financial liabilities are presented in the following tables. The amounts refer to the contractual, undiscounted cash flows of the Group's financial liabilities based on the remaining contracted maturities as of December 31, 2016. Variable interest flows are derived from interest rates at the end of reporting period. Cash flows in foreign currencies are converted to SEK at closing rate.

[1] "External borrowings" means external liabilities including the unutilized portion of the credit facilities equal to the required liquidity reserve.

[2] Loans that may be extended past the set due date, within the framework of the credit facilities, are deducted from external loans.

Matutity structure of financial liabilities Dec. 31, 2016

SEK million	Within 3 months	3-12 months	1-5 years	More than 5 years	Total
Liabilities to credit institutions	1,209	859	2,368	579	5,015
Derivatives	32	0	162	-	194
Other interest-bearing liabilities	172	471	362	19	1,024
Account payables	2,042	59	3	0	2,104
Financial lease liabilities	-	-	-	-	-
Total	**3,455**	**1,389**	**2,896**	**598**	**8,339**

Matutity structure of financial liabilities Dec. 31, 2015

SEK million	Within 3 months	3-12 months	1-5 years	More than 5 years	Total
Liabilities to credit institutions	636	1,172	2,239	252	4,299
Derivatives	11	4	127	41	182
Other interest-bearing liabilities	375	858	304	31	1,568
Account payables	2,008	5	0	-	2,013
Financial leasing liabilities	-	135	-	-	135
Total	**3,030**	**2,173**	**2,670**	**324**	**8,197**

NOTE 4 Cont.

Interest rate risks

The Bonnier Group is exposed to interest rate risks through the debt portfolio and interest-bearing assets. Interest rate risks refer to the risk of changes in interest rates which will lead to fluctuations in the Group's results. The Group strives to minimize the effect on the results of changes in interest rates arising as a result of fluctuations in the financial markets. The Group has raised loan financing in SEK and EUR, with both fixed and variable interest rates. Detailed information about long-term borrowings is found in Note 25 Liabilities to credit institutions.

As of December 31, 2016, the fixed interest period was 22 months (38) after consideration of derivative instruments and the average interest rate was 3.00% (3.49). The Group's interest coverage ratio, a measurement of the ability to pay interest expenses, is to be at least 3 in accordance with the established policy. As of December 31, 2016, it was 5.82 (7.59).

Hedge accounting

The Group has entered into interest rate swap agreements in order to convert variable rates to fixed rates. These swaps are designated as cash flow hedging instruments in a cash flow hedge in respect of which the effective portion of the changes in the fair value of the hedging instruments is recognized in other comprehensive income. The following table shows the nominal and carrying amounts (corresponding to fair value) for all derivative instruments referring to interest rate risk.

Outstanding derivative instruments relating to interest rate risks

SEK million	Dec. 31, 2016		Dec. 31, 2015	
Interest rate swaps, cash flow hedges	**Nominal amount**	**Carrying amount**	**Nominal amount**	**Carrying amount**
-Assets	-	-	-	-
-Liabilities	2,600	162	2,600	167

Sensitivity analysis

The table below shows the estimated effect on profit or loss and equity with an increase or a decrease of 1% (100 basis points) on all interest rates on external loans and interest rate swaps hedging the loans.

Interest rate sensitivity	Dec. 31, 2016		Dec. 31, 2015	
SEK million	**Profit/loss impact**	**Equity impact**	**Profit/loss impact**	**Equity impact**
Effect on future financial expenses +1%	-14	-	-7	-
Effect on future financial expenses -1%	14	-	7	-
Revaluation effect + 1%	-	61	-	85
Revaluation effect - 1%	-	-63	-	-90

Currency risks

The Bonnier Group is an international Group and is accordingly exposed to foreign currency risks. This exposure refers to translation exposure and transaction exposure.

Translation risk

Translation exposure is the risk that the value of the Group's net assets in foreign currency will be negatively affected by changes in exchange rates. The Group's operations in different geographical locations give rise to currency effects when companies with functional currencies other than SEK are translated to Swedish krona in the consolidated financial statement. The effect on income is not hedged as regards changes in exchange rates when translating the operating profit/loss and equity in foreign subsidiaries. Instead, the Group strives to reduce the translation exposure by matching receivables and liabilities in the same currency.

Transaction risk

The Group is subject to transaction exposure given that purchases and sales take place in currencies other than Swedish krona. Subsidiaries are responsible for monitoring this risk so that the transaction exposure in their operations is within the limits of the Group's financial policy. Transaction exposure is limited in light of the fact that inflows and outflows take place in the same currency, because there is a local presence in the different geographical areas. When a major purchase is carried out in a currency other than the functional currency, such as the purchase of TV, film, and sports rights, this is hedged through foreign currency forwards or currency options.

Hedge accounting

The Group applies cash flow hedging according to IAS 39 for firm commitments and forecasted commercial cash flows in foreign currencies. As of December 31, 2016, the Group had outstanding foreign currency derivative instruments to hedge commercial cash flows with a total market value of SEK 6 million (8) in assets and SEK 0 million (-4) in liabilities . The market value has been recognized in the hedge reserve in other comprehensive income to meet gains or losses on future purchases of foreign currencies. This method reduces the volatility in the Group's income statement.

Sensitivity analysis

The table below shows the effect of a weakening or strengthening of ten basis points of SEK against EUR and USD, and also EUR against USD which are the currencies to which the Group is most exposed in terms of transaction exposure.

Sensitivity to transaction exposure

	Dec. 31, 2016		Dec. 31, 2015	
SEK million	**Profit/loss impact**	**Equity impact**	**Profit/loss impact**	**Equity impact**
EUR/SEK + 10%	-	-	-	12
EUR/SEK - 10%	-	-	-	-11
USD/SEK + 10%	-6	3	20	11
USD/SEK - 10%	5	-2	-18	-15
USD/EUR + 10%	6	-2	-1	8
USD/EUR - 10%	3	-3	5	0

NOTE 4 Cont.

Credit risks and counterparty risks

Credit risk refers to the risk of that a counterparty will default on its obligations to the Group, resulting in credit losses. Credit risk is divided into financial credit risks and operational risks.

Financial credit risk is the risk that banks or other financial institutions with which the Group has financial investments, liquidity or other investments in financial assets will be unable to meet their obligations to the Group, which can lead to a credit loss. The Group's policy regarding credit risks associated with financial transactions provides that only well established counterparties with high credit ratings may be used. Each counterparty is assigned a separate credit limit to decrease risk concentration. During the year, the credit losses amounted to SEK 0 million (-23). The credit risk on accounts receivable is that the Group would not receive payment for recognized account receivables. To prevent this, there are procedures for the follow up of these items and, for larger sales amounts, credit information is obtained. The Group's accounts receivable are spread among a large number of customers, both private individuals and businesses. An age analysis for accounts receivable is presented in Note 21.

The Group's maximum exposure to credit risks is deemed to correspond to the carrying value of all financial assets and, on December 31, 2016, amounted to SEK 4,199 million (5,201).

Outstanding derivatives - Maturity structure

Fair value	**Dec. 31, 2016**		**Dec. 31, 2015**	
SEK million	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Interest rate derivatives				
Within 3 months	-	0	-	-
Between 3-12 months	-	-	-	-
Between 1-5 years	-	162	-	125
More than 5 years	-	-	-	41
Total	**-**	**162**	**-**	**167**
of which cash flow hedges	-	162	-	167
of which fair value hedges	-	-	-	-
Currency derivatives				
Within 3 months	46	32	65	11
Between 3-12 months	5	0	3	3
Between 1-5 years	3	0	4	1
More than 5 years	-	-	-	-
Total	**55**	**32**	**72**	**16**
of which cash flow hedges	6	-	8	4

Offset of financial assets and liabilities

All financial assets or liabilities are recognized gross in the statement of financial position. Derivatives are covered by ISDA agreements, which implies the right of offset between assets and liabilities with the same counterparty, e.g. insolvency under certain conditions. Derivatives subject to netting agreements are shown in the table below.

	Dec. 31, 2016		**Dec. 31, 2015**	
SEK million	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Gross value of derivatives recognized in the statement of financial position	55	195	72	181
Offset amount	-15	-15	-47	-47
Net position	40	180	25	134

NOTE 4 **Cont.**

Carrying amounts and fair values of financial assets and liabilities

SEK million		Dec. 31, 2016 Carrying amount	Dec. 31, 2015 Carrying amount
ASSETS			
Financial assets at fair value			
Derivatives held for trading - through profit or loss (Note 19)[1]	Level 2	49	64
Derivatives used for hedge accounting - through other comprehensive income (Note 19)[2]	Level 2	6	8
		55	72
Loans and receivables			
Long-term interest-bearing receivables	Level 2	47	97
Long-term non-interest-bearing receivables	Level 2	136	93
Account receivables	Level 2	2,705	2,923
Other short-term interest-bearing receivables	Level 2	626	887
Other short-term non-interest-bearing receivables	Level 2	358	544
		3,871	4,545
Cash and cash equivalents (Note 23)	Level 2	274	584
Total financial assets		**4,199**	**5,201**
LIABILITIES			
Financial liabilities at fair value			
Derivatives held for trading - through profit or loss(Note 19)[1]	Level 2	32	12
Derivatives used for hedge accounting - through other comprehensive income Note 19)[2]	Level 2	162	171
Other interest-bearing liabilities (Note 28)	Level 3	77	55
		271	237
Financial liabilities measured at amortized cost			
Non-current liabilities to credit institutions (Note 25)	Level 2	2,911	2,427
Current liabilities to credit institutions (Note 25)	Level 2	2,039	1,912
Other interest-bearing current liabilities	Level 2	622	1,198
Account payables	Level 2	2,104	2,013
Other non-interest-bearing current liabilities	Level 2	708	744
		8,384	8,294
Total financial liabilities		**8,654**	**8,531**

There have been no transfers between the levels during the periods.

Liabilities attributable to put options in non-controlling interests are not included in the table shown above given that they are measured at fair value through equity, and in revenue and expenses from acquisitions, divestments and close-downs. The liabilities refer to Level 3.

1) The revaluation effect of foreign exchange derivatives that are not used for a hedging relationship are shown in Note 12.

2) During the year, SEK 17 million (37) of the foreign exchange derivatives designated as cash flow hedges of commercial cash flows was realized and recognized in operating profit. As regards interest rate derivatives, the total effect on the profit or loss total to SEK -70 million (-55), see Note 12 for more information.

Fair value

Financial assets and financial liabilities carried at fair value are classified in one of the three levels in the fair-value hierarchy, based on the information used to determine the fair value. All of the Group's financial assets and liabilities carried at fair value are classified according to Level 2, with the exceptions of conditional considerations and liabilities attributable to put options in non-controlling interests ascribed to Level 3.

For the Group's other financial assets and liabilities, the carrying amounts are deemed to comprise a good approximation of the fair values, except for the bond loans in respect of which the fair value amounts to SEK 1,205 million (1,196). A calculation of fair value based on discounted future cash flows, where a discount rate reflecting the counterparty's credit risks represents the most significant input data, is not expected to result in any significant difference, compared with the carrying value.

Valuation of derivatives (Level 2)

Valuation in accordance with Level 2 is performed by using observable market data at the end of the reporting period. The fair value of interest rate swaps is determined by discounting estimated future cash flows, based on yield curves at the closing date. The fair value of each foreign currency contract is determined by the interest rate differential in the spot rate and the rate at the future date in each currency at closing date. The value is determined by discounting the actual forward rates at the closing date.

Capital management

The capital management objectives of the Group are to minimize the effect on its financial position of fluctuations on the financial markets by securing the Group's short- and long-term capital requirement by ensuring that liquidity management is as efficient as possible, and by hedging interest rate and currency risks in order to minimize the effect on the Group's profit/loss and cash flow by minimizing fluctuations in profit/loss due to volatility in the financial markets. The Group defines capital as net debt and equity including non-controlling interests. Net debt amounted on December 31, 2016, to SEK 7,376 million (6,613) and equity amounted to SEK 6,415 million (6,311).

The Group monitors capital management by following various key ratios such as debt ratios and interest coverage ratios.

NOTE 5 **Distribution of net sales**

SEK million	2016	2015
Advertising	8,402	8,939
Subscriptions	4,262	4,303
Goods, film & TV distribution	11,354	11,294
Other	1,474	1,370
Total	**25,492**	**25,906**

The comparative data for 2015 have been updated in terms of the new distribution of net sales as of 2016.

NOTE 6 **Personnel**

Average number of employees	**2016** Number of employees	of whom women, %	**2015** Number of employees	of whom women, %
Bonnier AB	**45**	**52**	**38**	**54**
Subsidiaries				
Sweden	4,194	50	4,233	50
Denmark	792	53	749	53
Finland	627	65	647	62
United States	578	52	647	53
Germany	576	75	539	76
United Kingdom	285	61	254	63
Poland	247	53	232	53
Estonia	206	74	221	74
Norway	143	65	154	65
Slovenia	101	64	108	63
Lithuania	97	72	100	72
Malta	77	26	80	29
France	47	51	43	53
Australia	36	78	42	67
Canada	10	40	25	40
Luxembourg	4	50	4	50
Russia	–	–	281	62
Subsidiaries	**8,019**	**55**	**8,359**	**55**
Group	**8,065**	**55**	**8,397**	**55**

Board members and senior executives	**Dec. 31, 2016** Number of employees	of whom women, %	**Dec. 31, 2015** Number of employees	of whom women, %
Bonnier AB				
Board members	10	30	10	30
CEO and other senior executives	11	18	12	25
Group total				
Board members	646	26	693	26
CEO and other senior executives	414	36	435	38

Wages, salaries, other remuneration and social security costs

	2016			**2015**		
SEK million	Wages/salaries and other remuneration	Social security costs	(of which pension costs)	Wages/salaries and other remuneration	Social security costs	(of which pension costs)
Bonnier AB	61	51	24	63	47	20
Subsidiaries	4,593	1,564	475	4,668	1,447	478
Group total	**4,655**	**1,615**	**499**	**4,731**	**1,524**	**498**

Remuneration to Board members, CEO, and other senior executives

	2016			**2015**		
SEK million	Board members, CEO and other senior executives	(of which variable salaries)	Other employees	Board members, CEO and other senior executives	(of which variable salaries)	Other employees
Bonnier AB	11	2	50	11	3	52
Subsidiaries	212	41	4,382	230	41	4,438
Group total	**223**	**43**	**4,432**	**241**	**44**	**4,490**

NOTE 6 cont.

Severance pay and term of notice
The period of notice for the CEO is 6 months when initiated by the CEO and 18 months when initiated by the Company. No severance pay is paid. For other senior executives, the period of notice varies, mainly between 6 and 12 months. The term of notice is regulated by agreements and, in addition, there are severance pay agreements in some cases.

Pensions
The retirement age for the CEO is 65 years and the pension premiums shall amount to 30% of pensionable salary. Pensionable salary means base salary. For other senior executives, the retirement age varies between 60 and 65 years.

Of the Parent Company's pension costs, SEK 1.9 million (2.0) refers to the current CEO, and SEK 8.1 million (6.2) to the Board of Directors and former CEOs (including deputy CEO). The Parent Company's pension commitments to these individuals amounts to SEK 93.7 million (88.3).

The Group's pension costs for the Board of Directors and CEO amount to SEK 30 million (29). The Group's pension commitments to these individuals amount to SEK 181 million (205).

NOTE 7 Items affecting comparability

SEK million	2016	2015
Restructuring costs, employees	74	87
Total	**74**	**87**

NOTE 8 Lease agreements

Operational lease agreements

Operational lease agreements, costs for the year

SEK million	2016	2015
Minimum lease fees	555	461
Total	**555**	**461**

The lease contracts mainly refer to rental of premises.

As at the balance sheet date, there were outstanding commitments in the form of minimum leasing fees under non-cancellable operating lease contracts, with maturity dates as follows:

SEK million	Dec. 31, 2016	Dec. 31, 2015
Within 1 year	579	511
Between 1-5 years	1,331	1,452
More than 5 years	317	363
Total	**2,227**	**2,326**

Financial lease agreements

The Group has a financial lease contract for the Strandboulevarden 130 property in Copenhagen. Bonnier Publications A/S held an option to buy back the property at a fixed price on June 30, 2016, which was utilized. The property was later sold and is now leased back in accordance with an operating lease agreement.

Assets which the Group rents on the basis of financial leasing and which are recognized as property, plant and equipment amount to:

SEK million	Dec. 31, 2016	Dec. 31, 2015
Cost	147	147
Accumulated depreciation	-5	-5
Less	-142	-
Carrying amount	**0**	**142**

Future minimum leasing payments for financial lease contracts total:

SEK million	Dec. 31, 2016	Dec. 31, 2015
Within 1 year	-	135
Between 1-5 years	-	-
Total	**-**	**135**
Future finance costs	-	-
Present value of financial lease payments	**-**	**135**

NOTE 9 **Fees to auditors**

SEK million	2016	2015
PricewaterhouseCoopers AB		
Audit assignment	24	21
Audit-related activities in addition to audit assignment	2	1
Tax advice	1	1
Other services	7	4
Other auditors		
Audit assignment	3	3
Audit-related activities in addition to audit assignment	0	1
Tax advice	2	2
Other services	0	0
Total	**40**	**33**

NOTE 10 **Profit or loss from participations in associated companies and joint ventures**

	Operating profit or loss		Net financials		Tax		Total	
SEK million	2016	2015	2016	2015	2016	2015	2016	2015
Associated companies								
Borås Tidning Tryckeri AB	6	4	0	0	-1	0	4	4
Other	44	5	0	0	-1	-4	43	1
	50	**9**	**-1**	**0**	**-2**	**-5**	**47**	**5**
Joint ventures								
Cappelen Damm Holding AS	58	59	-7	-11	-12	-15	39	34
	58	**59**	**-7**	**-11**	**-12**	**-15**	**39**	**34**
Total associated companies and joint ventures	**108**	**68**	**-7**	**-11**	**-14**	**-19**	**87**	**38**

NOTE 11 **Revenue and expenses from acquisitions, divestments and close-downs**

SEK million	2016	2015
Capital gains on divestments and close-downs of operations	227	34
Capital losses on divestments and close-downs of operations	-54	-47
Transaction costs on acquisitions	-9	-13
Change of contingent consideration	-12	-17
Restructuring costs	-29	-
Other	-57	-27
Total	**66**	**-69**

Of the total revenue and expenses from acquisitions, divestments and close-downs, SEK -12 million (-21) is attributable to personnel costs.

NOTE 12 **Financial income and expenses**

SEK million	2016	2015
Interest income on loan receivables and account receivables	20	38
Interest income	**20**	**38**
Interest expenses on financial liabilities measured at accrued cost	-92	-111
Interest expenses on financial liabilities which are designated as fair value hedges	-	-14
Interest expenses on derivatives designated as hedging instruments	-70	-55
Interest expenses on pensions, net	-64	-44
Other interest expenses	0	0
Interest expenses	**-227**	**-224**
Net interest income/expenses	**-206**	**-185**
Derivatives, non-hedge accounting, changes in fair value	2	6
Ineffective cash flow hedges	-2	0
Impairment losses on financial assets	0	-23
Other	-25	-17
Other financial income and expenses	**-25**	**-34**
Net financial income/expenses from participations in associated companies and joint ventures	**-7**	**-11**
Net financial income/expenses	**-239**	**-230**

NOTE 13 Tax

SEK million	2016	2015
Current tax		
Current tax on profit for the year	-147	-157
Adjustment of current taxes for previous years	18	6
Total current tax	**-129**	**-150**
Deferred tax		
Deferred tax attributable to the year's temporary differences	5	-45
Deferred tax on the year's capitalized loss carry-forward	56	224
Deferred tax from revaluation of deferred tax assets	22	-476
Deferred tax on used loss carry-forward	-52	-217
Deferred tax attributable to changes in tax rates	-	0
Deferred tax referring to previous year's temporary differences	-3	18
Total deferred tax	**29**	**-496**
Share of joint ventures and associated companies' tax	-14	-19
Total tax	**-114**	**-666**

Reconciliation of tax expense

SEK million	2016	2015
Profit before tax	558	709
Capital gains on sale of subsidiaries	-173	12
Reversal of profit or loss from participations in associated companies and joint ventures	-101	-58
Non-taxable income	-190	-141
Non-deductible expenses	399	169
Taxable profit	**494**	**691**
Income tax calculated according to the Swedish tax rate (22%)	-109	-152
Difference in tax rates in foreign subsidiaries	-34	-37
Utilization of previously non-reported loss carry-forwards	10	-6
Other	18	7
Total	-115	-189
Adjustments reported in the current year relating to prior years' taxes	15	-457
Tax related to associated companies and joint ventures	-14	-19
Recognized tax expense	**-114**	**-666**

Tax related to components of other comprehensive income

SEK million	2016	2015
Deferred tax		
Revaluation of defined benefit pension plans	8	-3
Cash flow hedges	1	-5
Other comprehensive income attributable to participations in associated companies and joint ventures	1	-1
Total tax recognized directly in other comprehensive income	**10**	**-9**

Deferred tax assets

SEK million	Dec. 31, 2016	Dec. 31, 2015
Intangible assets	261	251
Property, plant and equipment	126	109
Inventories	10	14
Account receivables and other receivables	2	5
Pension obligations	312	293
Other provisions	43	46
Account payables and other liabilities	45	48
Loss carry-forward	1,129	1,132
Offset	-5	27
Carrying amount	**1,921**	**1,925**

Deferred tax liabilities

SEK million	Dec. 31, 2016	Dec. 31, 2015
Intangible assets	207	135
Inventories	0	3
Other provisions	2	1
Derivatives	4	9
Untaxed reserves	85	122
Offset	-5	27
Carrying amount	**292**	**297**
Deferred tax assets/tax liabilities, net	**1,629**	**1,628**

Tax loss carry-forward

Deferred tax assets related to tax loss carry-forwards are recognized to the extent that it is probable that these amounts can be utilized against future taxable profit within the periods stated below.

As of December 31, 2016, tax loss carry-forwards amounted to SEK 4,596 million (4,646) and mainly relate to countries with long or indefinite periods of use, above all in Sweden, Finland and Luxemburg. The tax effect of the tax loss carry-forwards is recognized as an asset.

In 2015, deferred tax related to valued losses amounting to SEK 481 million was written down because of an uncertainty as to the extent these can be used within the periods given below.

The unused tax loss carry-forwards expire according to the table below.

Year of maturity	Loss carry-forward	Tax effect
2017	1	0
2018	0	0
2019	0	0
2020	-	-
2021 or later	4,594	1,128
Total	**4,596**	**1,129**

NOTE 14 Intangible assets

	Goodwill		Film and program rights		Other intangible assets		Total	
SEK million	2016	2015	2016	2015	2016	2015	2016	2015
Cost								
Opening balance	8,418	7,975	3,718	4,001	2,240	1,361	14,376	13,337
Investments	-	-	3,924	3,954	275	291	4,200	4,245
Sales and disposals	-	-	-3,182	-4,122	-130	-24	-3,312	-4,146
Acquisitions and divestments of companies	312	404	-	-	23	521	335	925
Reclassifications	-	-	-	-	13	105	13	105
Translation differences	273	40	121	-115	51	-15	445	-90
Closing balance	**9,003**	**8,418**	**4,581**	**3,718**	**2,473**	**2,240**	**16,057**	**14,376**
Amortization								
Opening balance			-2,020	-1,866	-1,013	-862	-3,033	-2,728
Sales and disposals			3,179	3,565	43	3	3,222	3,568
Acquisitions and divestments of companies			-	-	-4	-35	-4	-35
Amortization for the year			-3,693	-3,807	-173	-132	-3,866	-3,939
Reclassifications			-	-	-3	2	-3	2
Translation differences			-93	89	-29	10	-122	99
Closing balance			**-2,626**	**-2,020**	**-1,181**	**-1,013**	**-3,807**	**-3,033**
Impairment								
Opening balance	-173	-159	0	-489	-20	-19	-193	-667
Sales and disposals	-	-	-	489	87	-	87	489
Acquisitions and divestments of companies	0	2	-	-	-5	-1	-5	1
Impairment losses for the year	-1	-1	-	-	-94	-	-95	-1
Reclassifications	-	-	-	-	-1	-	-1	-
Translation differences	-1	-15	-	-	0	0	-1	-15
Closing balance	**-175**	**-173**	**0**	**0**	**-33**	**-20**	**-208**	**-193**
Carrying amount, December 31	**8,828**	**8,245**	**1,955**	**1,698**	**1,259**	**1,206**	**12,042**	**11,149**

The Group's contractual commitments regarding future payments for contractual rights amounted to SEK 8,388 million (3,844) as of December 31, 2016. The carrying amount of intangible assets with indefinite useful lives, excluding goodwill, amounted to SEK 451 million (451). These assets in the form of trademarks have a strong position in each of their markets and the cash flows are not expected to change within the forseeable future.

Impairment test

Goodwill and other intangible assets with indefinite useful lives acquired in a business combination is allocated to each cash-generating unit of the Group expected to benefit from the acquisition. Goodwill has been allocated as follows:

	Goodwill	
Business area	**Dec. 31, 2016**	**Dec. 31, 2015**
Books	810	738
Broadcasting	4,643	4,595
Growth Media	358	355
Magazines	2,291	2,039
Business to Business	593	481
News	133	37
Carrying amount	**8,828**	**8,245**

	Trademark	
Business area	**Dec. 31, 2016**	**Dec. 31, 2015**
Broadcasting	350	350
Growth Media	101	101
Carrying amount	**451**	**451**

The recoverable value for a cash-generating unit at impairment testing of goodwill and other intangible assets with indefinite useful lives are determined based on a value-in-use. The calculation which uses cash flow projections based on financial budgets approved by management covering a 5-year period. The key assumptions used in the assessment of future cash-flow relate to sales growth, operating margin and discount rate. The estimated growth rate is based on forecasts in the industry. The forecasted operating margin has been based on past performance and management's expectations of market development. The discount rate of 8% (8) after taxes reflects specific risks related to the asset and market assessments of the time value of money. In some cases, a higher or lower discount rate may be used depending on the circumstances such as, for example, the market in the country. For cash-flows beyond the 5-year period, a growth rate amounting to 2% (2) is applied, which agrees with the Group's long-term assumptions regarding inflation and the long-term growth in the market.

Based on the assumptions presented above, the value in use exceeds the carrying amount of goodwill and other intangible assets with indefinite useful lives . Reasonable changes in the above assumptions would not result in any impairment of goodwill and other intangible assets with indefinite useful lives.

NOTE 15 **Property, plant and equipment**

	Buildings and land		Plants and machinery		Equipment, tools, fixtures and fittings		Construction in progress and advances		Total	
SEK million	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Cost										
Opening balance	344	343	2,698	2,725	1,156	1,109	14	75	4,211	4,252
Investments	8	5	39	46	148	124	22	34	217	208
Sales and disposals	-312	-2	-109	-52	-160	-70	-	-	-580	-123
Acquisitions and divestments of companies	2	6	-1	-2	-3	-10	2	-	0	-6
Reclassifications	0	-	-5	0	-14	8	-13	-95	-32	-87
Translation differences	6	-8	19	-19	25	-5	0	0	51	-33
Closing balance	**48**	**344**	**2,642**	**2,698**	**1,152**	**1,156**	**25**	**14**	**3,867**	**4,211**
Depreciation										
Opening balance	-94	-87	-1,645	-1,620	-869	-848			-2,608	-2,555
Sales and disposals	79	1	107	49	150	57			336	107
Acquisitions and divestments of companies	-1	-1	0	2	0	12			-1	13
Depreciation for the year	-5	-8	-82	-92	-106	-96			-192	-195
Reclassifications	0	-	-2	-	2	1			-1	1
Translation differences	0	1	-16	16	-22	4			-39	21
Closing balance	**-20**	**-94**	**-1,639**	**-1,645**	**-846**	**-869**			**-2,505**	**-2,608**
Impairment										
Opening balance	0	0	-769	-769	-8	-12	0	0	-777	-781
Sales and disposals	-	0	2	1	8	8	-	-	10	9
Acquisitions and divestments of companies	-	-	-	-	0	-	-	-	0	0
Impairment losses for the year	-	0	-2	-1	-8	-5	-	-	-10	-6
Translation differences	-	-	0	-	0	0	-	-	0	0
Closing balance	**0**	**0**	**-769**	**-769**	**-9**	**-8**	**0**	**0**	**-777**	**-777**
Carrying amount December 31	**28**	**250**	**235**	**284**	**297**	**278**	**25**	**14**	**585**	**826**

For information regarding property, plant and equipment related to finance leases, see Note 8.

NOTE 16 Business combinations and divestments

Business combinations

In 2016, the Bonnier AB Group acquired a number of minor business combinations. The acquisition correspond to net assets of SEK 0 million (431).The table below specifies the effect of the acquisitions on the Group's statement of financial position, cash flow statement and income statement in summary. Acquisition-related costs amounting to SEK 9 million (13) are recognized as "Revenue and expenses from acquisitions, divestments and close-downs" in the income statement.

The acquisition calculations are preliminary and subject for final adjustment occuring within one year after the acquisition date.

The Carrying amount of net assets acquired

SEK million	2016	2015
Non-current assets[1]	36	497
Interest-bearing current assets	28	24
Interest-bearing non-current liabilities	-17	-3
Interest-bearing current liabilities	-10	-18
Non-interest-bearing operating capital, net	-36	34
Deferred tax liabilities[2]	0	-104
Net assets acquired	**0**	**431**
Non-controlling interests	-27	-42
Goodwill	312	439
Fair value on previously owned share	-24	-
Dissolution of negative goodwill, adjustment of acquisition 2014[3]	-	-351
Total consideration	**261**	**477**
Consideration paid in cash	-198	-393
Consideration paid in cash for non-controlling interests	-21	-90
Less cash and cash equivalent balances acquired	28	30
Net cash flow	**-191**	**-453**
Net debt items, excluding cash and cash equivalents, and contingent consideration and put options	-27	-20
Transaction costs	-9	-13
Changes in contingent consideration and put options	-61	-34
Net debt effect	**-288**	**-519**

[1] SEK 450 million regarding 2015 refers to adjustment acquisition realized 2014.
[2] SEK 99 million regarding 2015 refers to adjustment acquisition realized 2014.
[3] Refers to 2015 adjustment for the differences between consideration and identified net assets valued at fair value attributable to acquisitions realized 2014.

Impact of acquisitions on the profit or loss of the Group

The Group's revenues for the year include SEK 125 million (170) attributable to business combinations in 2016, and these acquisitions have contributed SEK 29 million (11) to the Group's profit or loss. If the acquisitions had been made on January 1, 2016, the Group's revenues would have amounted to SEK 25,653 million (26,047) and the Group's profit or loss to SEK 433 million (52).

Divestments of operations

In 2016, Bonnier AB Group made a number of minor divestments. These divestments resulted in a capital gain/loss of SEK 182 million (-7). The net debt effect from divestments amounted to SEK 252 million (53).

NOTE 17 **Participations in associated companies and joint ventures**

	Associated companies		Joint ventures		Total	
SEK million	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Carrying amount, opening balance	293	175	193	176	486	351
Profit before tax	49	10	52	48	101	58
Tax	-2	-4	-12	-15	-14	-19
Other comprehensive income	1	-3	17	-16	19	-19
Dividends	-22	-21	-	-	-22	-21
Acquisitions	30	93	-	-	30	93
Divestments	0	16	-	-	0	16
Reclassifications	-48	17	-	-	-48	17
Other	-	11	-	-	-	11
Carrying amount, closing balance	**302**	**293**	**250**	**193**	**552**	**486**

Participations in associated companies

	Dec. 31, 2016 Ownership	Dec. 31, 2015 Ownership	Dec. 31, 2016 Carrying amount	Dec. 31, 2015 Carrying amount
Borås Tidning Tryckeri AB, Sweden	50%	50%	32	31
Other associated companies			271	262
Participations in associated companies			**302**	**293**

The Group's share of net assets in significant associated companies

	Dec. 31, 2016	Dec. 31, 2015
SEK million	Borås Tidning Tryckeri AB	Borås Tidning Tryckeri AB
Non-current assets	14	16
Current assets	79	90
Non-current and current liabilities	-22	-35
Net assets (100%)	**71**	**70**
Ownership	50%	50%
The Group's share of net assets	**35**	**35**

The Group's share of profit or loss in significant associated companies

	2016	2015
SEK million	Borås Tidning Tryckeri AB	Borås Tidning Tryckeri AB
Revenues	140	143
Amortization and depreciation	-4	-4
Interest income	0	0
Interest expenses	0	0
Tax	-3	-1
Profit or loss for the year	10	10
Other comprehensive income	-	-
Total comprehensive income for the year (100%)	**10**	**10**
Ownership	50%	50%
The Group's share of total comprehensive income for the year	**5**	**5**
Dividends received	-	-

The financial information in respect of the associated companies represents the amounts shown in the associated companies' financial statements.

NOTE 17 **Cont.**

Participations in joint ventures	**Dec. 31, 2016 Ownership**	**Dec. 31, 205 Ownership**	**Dec. 31, 2016 Carrying amount**	**Dec. 31, 2015 Carrying amount**
Cappelen Damm Holding AS, Norway	50%	50%	250	193
Participations in joint ventures			**250**	**193**

The operations in Cappelen Damm Holding AS include bookstores, book clubs, distribution and publishing in Norway. The business is equally owned by Bonnier AB and Egmont Media Group.

The Group's share of net assets in significant joint ventures	**Dec. 31, 2016**	**Dec. 31, 2015**
SEK million	**Cappelen Damm Holding AS**	**Cappelen Damm Holding AS**
Current assets	699	709
Non-current assets	738	636
Current liabilities	712	743
Non-current liabilities	58	65
Net assets (100%)	**664**	**537**
Ownership	50%	50%
The Group's share of net assets	**332**	**269**

The Group's share of profit in significant joint ventures	**2016**	**2015**
SEK million	**Cappelen Damm Holding AS**	**Cappelen Damm Holding AS**
Revenues	1,482	1,531
Amortization and depreciation	-36	-41
Interest income	3	5
Interest expenses	-16	-27
Tax	-24	-29
Profit or loss for the year	79	67
Other comprehensive income	-11	-31
Total comprehensive income for the year (100%)	**68**	**36**
Ownership	50%	50%
The Group's share of total comprehensive income for the year	**34**	**18**
Dividends received	-	-

The financial information in respect of the joint ventures represents the amounts shown in the respective joint venture's financial statements. Joint ventures apply IFRS in their reporting to the Group.

NOTE 18 Long-term receivables

SEK million	Other investments, shares and participations		Other long-term receivables		Long-term receivables, total	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
Cost						
Opening balance	141	86	123	53	264	139
Investments	56	77	15	14	70	91
Divestments/amortization	-17	-4	-23	-1	-41	-5
Reclassification	-1	-18	-44	59	-45	41
Other	0	-	2	-2	2	-2
Closing balance	**178**	**141**	**73**	**123**	**251**	**264**
Impairment						
Opening balance	-48	-47	-26	-26	-74	-73
Impairment losses for the year	0	-1	-	-	0	-1
Other	6	0	0	0	6	0
Closing balance	**-42**	**-48**	**-26**	**-26**	**-68**	**-74**
Carrying amount	**136**	**93**	**47**	**97**	**183**	**190**
of which						
Non-interest-bearing					136	93
Interest-bearing					47	97
Closing balance					**183**	**190**

NOTE 19 Derivatives

SEK million	Dec. 31, 2016		Dec. 31, 2015	
	Nominal amount	**Carrying amount**	**Nominal amount**	**Carrying amount**
Interest rate swaps				
-Assets	-	-	-	-
-Liabilities	2,600	-162	2,600	-167
Foreign exchange derivatives				
-Assets	2,185	56	2,131	72
-Liabilities	2,279	-32	1,071	-16
Carrying amount, net		**-139**		**-110**

In the statement of financial position, the above derivative instruments have been classified as:

	Dec. 31, 2016	**Dec. 31, 2015**
Financial assets	3	4
Current assets	52	68
Non-current liabilities	-162	-168
Current liabilities	-32	-14
Carrying amount, net	**-139**	**-110**

For more information regarding derivative instruments, see Note 4.

NOTE 20 Inventories

SEK million	**Dec. 31, 2016**	**Dec. 31, 2015**
Raw materials and consumables	47	54
Semi-finished goods	690	433
Finished goods	367	390
Goods for resale	567	441
Advance payments to suppliers	401	250
Carrying amount	**2,070**	**1,568**

NOTE 21 Account receivables

SEK million	Dec. 31, 2016	Dec. 31, 2015
Account receivables, gross	3,090	3,328
Reserve for doubtful debt	-178	-200
Reserve for returned products	-207	-205
Carrying amount	**2,705**	**2,923**

Reserve for doubtful debt

SEK million	2016	2015
Reserve for doubtful debt, opening balance	200	222
Reported reserves for doubtful debt	64	49
Reversal of unutilized reserves	-65	-35
Utilized reserves	-22	-36
Reserve for doubtful account receivables, closing balance	**178**	**200**

Reserve for returned products

SEK million	2016	2015
Reserve for returned products, opening balance	205	234
Reserve for the year	187	185
Reversal for the year	-185	-214
Reserve for returned products, closing balance	**207**	**205**

Age analysis	**Dec. 31, 2016**			
SEK million	**Gross**	**Reserve for doubtful debt**	**Reserve for returned products**	**Account receivables**
Not overdue	2,327	-6	-184	2,137
Overdue 1-7 days	188	-9	0	179
Overdue 8-30 days	226	-15	-2	209
Overdue 31-90 days	136	-18	-1	118
Overdue > 90 days	212	-130	-21	62
Total	**3,090**	**-178**	**-207**	**2,705**

Age analysis	**Dec. 31, 2015**			
SEK million	**Gross**	**Reserve for doubtful debt**	**Reserve for returned products**	**Account receivables**
Not overdue	2,241	-21	-177	2,043
Overdue 1-7 days	262	0	0	262
Overdue 8-30 days	396	-1	-2	393
Overdue 31-90 days	170	-13	-3	154
Overdue > 90 days	259	-165	-23	71
Total	**3,328**	**-200**	**-205**	**2,923**

The Group's assessment is that payments will be received for account receivables which are due but which have not been written-down. These receivables refer to a large number of geographically dispersed customers.

NOTE 22 Other short-term receivables

SEK million	Dec. 31, 2016	Dec. 31, 2015
Non-interest-bearing		
Receivables from Group companies	3	1
Receivables from associated companies	13	29
Receivables from joint ventures	0	0
Tax receivables	97	161
Other receivables	246	352
Carrying amount, non-interest-bearing	**358**	**544**

SEK million	Dec. 31, 2016	Dec. 31, 2015
Interest-bearing		
Receivables from Group companies	286	559
Receivables from associated companies	16	32
Receivables from joint ventures	158	215
Other receivables	166	82
Carrying amount, interest-bearing	**626**	**887**

NOTE 23 Cash and cash equivalents

SEK million	Dec. 31, 2016	Dec. 31, 2015
Short-term investments	0	0
Cash and bank balances	274	584
Carrying amount	**274**	**584**

Available liquidity
The Group has SEK 6,500 million (7,500) in committed credit facilities whereof SEK 0 million (0) is utilized. For more information, see Note 4 Financial risk management and financial instruments.

NOTE 24 Equity

Information regarding shares (quantity)	Dec. 31, 2016	Dec. 31, 2015
Class A-shares	5,228,296	5,228,296
Class C-shares	771,704	771,704
Total number of shares	**6,000,000**	**6,000,000**

The Parent Company's shares are divided into two classes, A and C. The shares grant the same rights, except that shares in Class A grant one vote per share while the shares in Class C grant 10 votes per share. The quotient value is SEK 50. Share capital amounts to SEK million 300 (300).

Dividend
After balance sheet date, the Board of Directors proposed the following dividend. The dividend is subject to approval by the Annual General Meeting on May 16, 2017.

SEK million	2016-12-31	2015-12-31
Class A-shares, Class C-shares	280	280

SEK	2016-12-31	2015-12-31
Reported dividend per share	46.60	46.60

NOT 24 Cont.

Reserves

SEK million	2016	2015
Translation reserves		
Opening balance	-60	178
Transferred to profit or loss	4	14
Translation differences for the year	-22	-231
Translation differences on participations in associated companies and joint ventures	23	-22
Closing balance	**-55**	**-60**
Hedging reserve		
Opening balance	-92	-109
Transferred to intangible assets	1	-3
Transferred to profit or loss	19	1
Change in value during the year	-25	25
Translation differences for the year	0	-1
Tax attributable to changes during the year	1	-5
Closing balance	**-97**	**-92**
Carrying amount, December 31	**-151**	**-153**

Translation reserves
The translation reserves consist of all foreign translation differences arising on the translation of the foreign operations' financial statements.

Hedging reserve
The hedging reserve consists of the effective portion of net changes in the fair value of certain instruments used for cash flow hedges.

Non-controlling interests

SEK million	Dec. 31, 2016	Dec. 31, 2015
Opening balance	69	49
Share of profit or loss	-1	9
Share of other comprehensive income for the year, net after tax	2	-2
Dividends to non-controlling interests	-7	-7
Change in conjunction with acquisitions and divestments of non-controlling interests	26	20
Closing balance	**90**	**69**

The majority of the subsidiaries are wholly-owned by the Bonnier Group and are therefore controlled by the Bonnier Group. As of December 31, 2016, there were no significant holdings of non-controlling interests.

Information about the Group's composition and shares of non-controlling interests is disclosed in the Parent Company's Note 25, Group Companies.

NOTE 25 Liabilities to credit institutions

(Amounts in SEK million unless otherwise stated)	Due	Confirmed facility and loans	Borrowed nominal amount	Currency	Interest rate type[1]	Dec. 31, 2016 Carrying amount	Dec. 31, 2015 Carrying amount
Liabilities related to financial leasing	2016					-	135
Commercial paper	2017			SEK	Variable	1,598	1,767
Private placement	2017	250 MSEK	250	SEK	Variable	250	250
Private placement	2017	20 MEUR	20	EUR	Variable	191	228
Private placement	2018	250 MSEK	250	SEK	Variable	250	250
Bond loan	2018	896 MSEK	896	SEK	Fixed	896	896
Bond loan	2018	300 MSEK	300	SEK	Variable	300	300
Private placement	2019	250 MSEK	250	SEK	Variable	250	250
Syndicated bank loan	2019	6,500 MSEK	-	SEK	Variable	-	-
Private placement	2021	250 MSEK	250	SEK	Variable	250	250
Private placement	2025[2]	100 MEUR	100	EUR	Variable	957	-
Other bank loans						8	3
Less short-term portion of long-term loans						-2,039	-1,901
Non-current liabilities to credit institutions, total						**2,911**	**2,427**
Short-term portion of long-term loans						2,039	1,901
Liabilities related to financial leasing						-	-
Short-term loans						0	11
Current liabilities to credit institutions, total						**2,039**	**1,912**
Liabilities to credit institutions, total						**4,950**	**4,340**

[1] Refers to the contractual interest rate prior to the interest rate swaps.

[2] The liability is amortized starting from year 2019, which has been taken into consideration in the maturity structure note 4.

The average interest rate for all loans is 1.45% (1.80). The fair value equals the carrying amount for all liabilities to credit institutions, except for the bond loans where the fair value is SEK 1,205 million.

See Note 4 for more information regarding the Group's exposure to interest rate risk.

NOTE 26 Pensions

The Group's pension obligations include both defined contribution and defined benefit pension plans. Most of the Group's pension plans are defined contribution pension plans and these are used in Sweden and other countries. The defined benefit pension plans are primarily used in Sweden.

Defined benefit pension plans

In Sweden, white collar workers born in or before 1978 are covered by ITP 2. Pension plans secured through policies issued by Alecta are reported as defined contribution plans and are described in the next section. Other ITP 2 plans are reported as defined benefit where the obligations remain within the Group or are secured through Group pension foundations. The ITP 2 plans cover retirement pension, disability pension and survivor's pension. The retirement pension within ITP 2 is defined benefit, and the benefit is based on the employee's final salary. The Group's ITP 2 commitment is financed internally, i.e., the Group disposes of the pension capital until such time as the pension payments are due. The intention is that the Group will use the pension capital as a long-term source of funding while simultaneously securing employee pensions.

The ITP 2 plans are partly funded through foundations and are partly unfunded. The present value of the funded and unfunded obligations, and the present value of the plan assets, are summarized in this note.

The present value of the defined benefit obligation, the related current service costs, and past service costs have been calculated by external actuaries based on the Project Unit Credit Method.

Reported liability for pension obligations

SEK million	Dec. 31, 2016	Dec. 31, 2015
Present value of funded obligations	1,057	1,024
Present value of unfunded obligations	2,052	1,973
Total present value of defined pension obligations	**3,109**	**2,996**
Fair value of plan assets	-569	-558
Less advance for pension insurance premiums	-36	-37
Less liabilities for special payroll tax included in other current liabilities[1]	-219	-199
Reported liabilities for pension obligations	**2,285**	**2,202**

[1] Bonnier Group recognizes special payroll tax as an other current liability

Expenses for defined benefit pension plans reported in the profit or loss for the year

SEK million	2016	2015
Current service costs	85	92
Past service costs	1	0
Net interest income/expenses	64	44
Total	**150**	**136**

NOT 26 Cont.

Expenses related to service are recognized as "Personnel costs" in the consolidated income statement. Amounts exclude the costs for the defined benefit pension obligations financed by a policy with Alecta (see below).

Expenses reported in other comprehensive income

SEK million	2016	2015
Revaluations:		
Return on plan assets[1]	25	-2
Actuarial gains and losses arising from changes in demographic assumptions	-	-115
Actuarial gains and losses arising from changes in financial assumptions	-167	97
Actuarial gains and losses arising from experience gains/losses	108	35
Reported in other comprehensive income, total	**-34**	**16**

[1] Excluding amounts included in net interest expenses

Changes in obligations for defined benefit pension plans

SEK million	2016	2015
Obligations for defined benefit plans, opening balance	2,996	2,980
Current service costs, incl. special payroll tax	85	92
Net interest expense	80	58
Past service cost, previous year	1	0
Actuarial gains (-) and losses (+) relating to:		
Changes in demographic assumptions	-	115
Changes in financial assumptions	167	-97
Experience gains/losses	-108	-35
Pension payments, incl. special payroll tax	-125	-122
Exchange rate differences	4	-4
Other	8	11
Obligations for defined benefit plans, closing balance	**3,109**	**2,996**

Changes in plan assets' fair value

SEK million	2016	2015
Plan assets' fair value, opening balance	558	575
Net interest expense	16	14
Actuarial gains (-) and losses (+) relating to:		
Return on plan assets, excluding amounts included in net interest expense	25	-2
Pension payments	-29	-30
Fair value of plan assets, closing balance	**569**	**558**

Plan assets divided by class of assets

	Dec. 31, 2016	Dec. 31, 2015
(%)	Share	Share
Shares[1]	37	41
Interest-bearing securities[2]	53	49
Properties	1	1
Risk capital and hedge funds	9	8
Cash and cash equivalents	1	0
Total	**100**	**100**

[1] Quoted prices in an active market are available for 100% (100) of the share portion.

[2] Quoted prices in an active market are available for 100% (100) of the interest-bearing securities portion.

Assumptions applied in the actuarial calculations

(%)	Dec. 31, 2016	Dec. 31, 2015
Discount rate	2.7	2.9
Future salary growth	1.6-3.6	1.5-3.5
Pension growth	1.6	1.5
Mortality assumptions used	DUS14 tjm	DUS14 tjm
Inflation	1.6	1.5

Sensitivity analysis

The table below shows the manner in which possible changes in the actuarial assumptions at period end, with other assumptions unchanged, would affect the defined benefit pension obligations.

SEK million	Dec. 31, 2016	Dec. 31, 2015
Discount rate - increase of 1%	-537	-514
Discount rate - decrease of 1%	705	674
Inflation - increase of 0.5%	324	304
Inflation - decrease of 0.5%	-286	-269

Funding

The weighted average maturity for the defined benefit obligation is 18 years. Expected pension payments for the upcoming year amount to SEK 88 million (87).

Multi-employer defined benefit pension plan - Alecta plan

For white collar workers in Sweden, the defined benefit pension obligation for combined retirement and family pension (or family pension) under ITP 2 is secured through a policy issued by Alecta. According to a statement by the Swedish Financial Reporting Board - UFR 10 Reporting for Pension Scheme ITP 2 that are financed through insurance with Alecta - this is a multi-employer plan.

For the 2016 financial year, the Company did not have access to information needed to report its proportional share of the plan's obligations, managed assets or costs, making it impossible to report the plan as a defined benefit plan. The ITP 2 pension plan that is secured through a policy issued by Alecta is accordingly reported as a defined contribution plan.

The premium for the defined benefit retirement and family pension is individually calculated and is dependent on salary, previously earned pensions and expected remaining working time. The expected premiums for the next reporting period for ITP 2 insurance with Alecta amounts to SEK 57 million (61). The Group's share of the total contributions to the plan and the Group's share of the total number of active members in the plan amounts to 0.33% (0.27) and 0.38% (0.41).

The collective consolidation level is the market value of Alecta's assets as a percentage of the insurance commitments, calculated according to Alecta's actuarial methods and assumptions, which are not consistent with IAS 19. Usually, the collective consolidation level may vary between 125% and 155%.

If Alecta's collective consolidation level is below 125% or above 155%, measures must be taken in order to create conditions for the consolidation level to return to normal. With low consolidation, one measure can be to increase the agreed price for new subscriptions and the expansion of existing benefits. In conjunction with high consolidation, one measure can be to introduce premium reductions. At the end of 2016, Alecta's surplus at the collective consolidation level amounted to 149% (153).

NOT 26 **Cont.**

Defined contribution pension plans
The defined contribution pension plans are plans for which the Group has paid premiums to independent organizations which then assume the obligations towards the employees. Payments to defined contribution plans are continuous according to the plan rules. Defined contribution pension plans in Sweden are primarily for employees born 1979 or later who are linked to ITP 1. Pension plans in other countries are primarily defined contribution plans.

SEK million	2016	2015
Expenses for defined contribution pension plans	413	406

The ITP-plans financed in Alecta are also included in the defined contribution pension plans reported above.

Defined contribution pension obligations covered by company-owned endowment policies amounts to SEK 135 million (127) at the end of the year. These have been reported net in the statement of financial position.

NOTE 27 **Provisions**

	Restructuring		Other provisions		Total	
SEK million	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Opening balance	138	243	274	339	412	582
Provisions during the year	74	92	19	26	94	118
Utilization during the year	-132	-197	-49	-62	-181	-259
Reversals during the year	-	-	-1	-7	-1	-7
Reclassification	-9	-	-	-3	-9	-3
Other, incl. acquisitions and divestments of operations	-	-	0	-18	0	-18
Translation differences	0	0	1	0	1	0
Closing balance	**71**	**138**	**244**	**274**	**315**	**412**
of which						
Long-term provisions						
Interest-bearing					112	121
Non-interest-bearing					100	105
Short-term provisions						
Interest-bearing					59	115
Non-interest-bearing					45	72
Closing balance					**315**	**412**

The restructuring costs refer to the business areas, News, Broadcasting and Other. The restructuring reserve will, for the most part, be utilized during 2017.

NOTE 28 Non-current liabilities, interest-bearing

	Contingent consideration		Liabilities attributable to put options in non-controlling interests		Total	
SEK million	2016	2015	2016	2015	2016	2015
Opening balance	55	42	192	157	248	199
Additional	27	19	42	89	69	108
Settled	-16	-9	-22	-57	-38	-66
Changes in fair value	9	4	8	8	17	13
Translation differences	1	-1	7	-6	8	-7
Closing balance	**77**	**55**	**227**	**192**	**304**	**248**
Less short-term portion (Note 29)	-2	-14	-19	-22	-21	-36
Other non-current liabilities, closing balance	**75**	**42**	**208**	**170**	**283**	**212**

Liabilities related to contingent consideration are recognized at fair value, and changes in fair value are recognized in the income statement on line items as ”Revenue and expenses from acquisitions, divestments and close-downs”. Liabilities attributable to holdings of non-controlling interests are initially recognized at fair value. Changes in fair value are recognized in equity as ”Change in value of options attributable to acquisitions of non-controlling interests”, except when the liabilities are linked to any wage and salary-related remunerations. Wage and salary-related remunerations are recognized in the income statement on line ”Revenue and expenses from acquisitions, divestments and close-downs”

NOTE 29 Other current liabilities

SEK million	Dec. 31, 2016	Dec. 31, 2015
Interest-bearing liabilities		
Liabilities to Group companies	614	1,133
Liabilities to associated companies	7	17
Liabilities to joint ventures	-	48
Contingent considerations and liabilities attributable to put options in non-controlling interests (Note 28)	21	36
Carrying amount, interest-bearing	**643**	**1,233**

SEK million	Dec. 31, 2016	Dec. 31, 2015
Non-interest-bearing liabilities		
Liabilities to Group companies	68	0
Liabilities to associated companies	47	11
Personnel-related liabilities	247	232
Value added tax	154	247
Other liabilities	192	254
Carrying amount, non-interest-bearing	**708**	**744**

NOTE 30 Accrued expenses and deferred income

SEK million	Dec. 31, 2016	Dec. 31, 2015
Interest-bearing		
Accrued interest expenses	49	53
Carrying amount	**49**	**53**

SEK million	Dec. 31, 2016	Dec. 31, 2015
Non-interest-bearing		
Personnel-related	1,095	1,097
Accrued royalties	529	542
Accrued distribution expenses	94	111
Accrued marketing expenses	67	53
Program rights	255	189
Deferred income	481	379
Other	910	967
Carrying amount	**3,430**	**3,338**

NOTE 31 Pledged assets and contingent liabilities

Pledged assets

SEK million	Dec. 31, 2016	Dec. 31, 2015
Other pledged assets	-	-
Total	**-**	**-**

Contingent liabilities

SEK million	Dec. 31, 2015	Dec. 31, 2015
Guarentee commitments, FPG/PRI	32	39
Guarantee commitments to associated companies[1)]	6	6
Guarantees, other	29	28
Total	**67**	**73**

1) This item also includes associated companies within the Albert Bonnier Group.

NOTE 32 Cash flow

Adjustments for items in cash flow

SEK million	2016	2015
Depreciation, amortization and impairment losses of assets	4,149	4,124
Profit or loss from participations in associated companies and joint ventures	-101	-58
Capital gains/losses	-173	12
Acquisition related costs	68	36
Accrued interests	-2	-12
Translation differences	-57	-339
Dividends from participations in associated companies	23	21
Other	-192	-118
Adjustments for items not included in the cash flow statement	**3,715**	**3,666**

(Mkr)	2016	2015
Paid interests	140	163
Received interests	27	52

NOTE 33 Transactions with related parties

Transactions between Bonnier AB and its subsidiaries have been eliminated in the consolidated financial statements and information about these transactions is, therefore, not disclosed in this Note. Remuneration to senior executives is disclosed in Note 6.

All transactions with related parties are performed on market conditions.

Sales of goods and services

SEK million	2016	2015
Bonnier Fastigheter AB, incl. subsidiaries	1	1
Bonnier Holding AB, incl. subsidiaries	13	13
Associated companies	106	202
Joint ventures	13	8
Total	**133**	**224**

Purchases of goods and services

SEK million	2016	2015
Bonnier Fastigheter AB, incl. subsidiaries	138	127
Bonnier Holding AB, incl. subsidiaries	24	24
Associated companies	437	445
Joint ventures	0	-
Total	**600**	**596**

Receivables from related parties

SEK million	Dec. 31, 2016	Dec. 31, 2015
Bonnier Fastigheter AB incl. subsidiaries	0	0
Bonnier Holding AB, incl. subsidiaries	289	560
Associated companies	33	63
Joint ventures	158	215
Carrying amount	**481**	**838**

Liabilities to related parties

SEK million	Dec. 31, 2016	Dec. 31, 2015
Albert Bonnier AB	9	12
AB Boninvest	149	111
Bonnier Fastigheter AB, incl. subsidiaries	106	63
Bonnier Holding AB, incl. subsidiaries	418	947
Associated companies	54	28
Joint ventures	-	48
Carrying amount	**736**	**1,209**

Bonnier Holding AB provides a guarantee for AB Bonnier Finans' credit facility (AB Bonnier Finans is a subsidiary of Bonnier AB), see Note 23.

NOTE 34 Events after balance sheet date

At the beginning of 2016, an agreement was entered to sell the Danish business daily *Børsen* to JP/Politikens Hus, but following objections by the competition authority a 49.9 percent stake of the company was sold instead in January 2017.

The Parent Company’s Income Statements

SEK million

	Note	2016	2015
Net sales	2,3	24	32
Other operating revenues		0	0
Total revenues		**24**	**32**
Other external costs	3,4,5	-217	-200
Personnel costs	6	-114	-112
Depreciation, amortization and impairment losses of intangible assets and property, plant and equipment		-1	-1
Operating loss		**-308**	**-281**
Profit or loss from shares in Group companies	7	291	1,187
Interest income and similar items	8	9	12
Interest expenses and similar items	9	-67	-98
Profit after financial items		**-75**	**820**
Appropriations	10	366	340
Profit before tax		**291**	**1,160**
Tax	11	0	5
PROFIT FOR THE YEAR		**291**	**1,165**

The Parent Company’s Statements of Comprehensive Income

SEK million

	2016	2015
Profit for the year	**291**	**1,165**
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**291**	**1,165**

The Parent Company's Balance Sheets

SEK million

	Note	Dec. 31, 2016	Dec. 31, 2015
ASSETS			
Non-current assets			
Intangible assets			
Other intangible assets	12	0	0
Property, plant and equipment			
Equipment	13	3	1
Financial assets			
Shares in Group companies	14, 25	20,590	20,649
Receivables from Group companies	15	191	228
Deferred tax assets	11	35	34
Other long-term receivables	16	25	20
Total non-current assets		**20,843**	**20,932**
Current assets			
Short-term receivables			
Receivables from Group companies		659	938
Other receivables		12	5
Prepaid expenses and accrued income	17	18	14
Short-term investments			
Short-term investments in Group companies		-	91
Total current assets		**689**	**1,048**
TOTAL ASSETS		**21,532**	**21,980**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		300	300
Statutory reserves		92	92
		392	**392**
Non-restricted equity			
Retained earnings		17,180	16,295
Profit for the year		291	1,165
		17,471	**17,460**
Total equity		**17,863**	**17,852**
Untaxed reserves		**0**	**0**
Provisions			
Provisions for pensions and similar obligations		181	173
Other provisions	18	32	26
Total provisions		**213**	**199**
Non-current liabilities			
Liabilities to credit institutions	19	750	1,228
Liabilities to Group companies		0	631
Total non-current liabilities	20	**750**	**1,859**
Current liabilities			
Liabilities to credit institutions	19	441	-
Account payables		35	18
Liabilities to Group companies		2,156	2,001
Current tax liabilities		6	3
Other liabilities	21	13	4
Accrued expenses and deferred income	20	55	44
Total current liabilities		**2,706**	**2,070**
TOTAL EQUITY AND LIABILITIES		**21,532**	**21,980**

The Parent Company's Statements of Change in Equity

SEK million

	Restricted equity		Non-restricted equity		
	Share capital	Statutory reserves	Retained earnings	Profit for the year	Total equity
Opening balance, Jan. 1, 2015	**300**	**92**	**15,188**	**1,567**	**17,147**
Comprehensive income					
Profit for the year[1]				1,165	1,165
Total comprehensive income				**1,165**	**1,165**
Appropriation of profit			1,567	-1,567	0
Transactions with shareholders					
Dividends			-460		-460
Total transactions with shareholders			**-460**		**-460**
Closing balance, Dec. 31, 2015	**300**	**92**	**16,295**	**1,165**	**17,852**
Opening balance, Jan. 1, 2016	**300**	**92**	**16,295**	**1,165**	**17,852**
Comprehensive income					
Profit for the year[1]				291	291
Total comprehensive income				**291**	**291**
Appropriation of profit			1,165	-1,165	0
Transactions with shareholders					
Dividends			-280		-280
Total transactions with shareholders			**-280**		**-280**
Closing balance, Dec. 31, 2016	**300**	**92**	**17,180**	**291**	**17,863**

[1] Profit for the year corresponds with comprehensive income.

The Parent Company's Cash Flow Statement

SEK million

	Note	2016	2015
Operating activities			
Profit after financial items		-75	820
Adjustments for items not included in cash flow	23	-39	27
Paid income tax		-	-
Cash flow from operating activities before change in working capital		**-114**	**847**
Change in other short-term receivables		29	-54
Change in account payables		18	-12
Change in other current liabilities		22	67
Cash flow from operating activities		**-45**	**848**
Investing activities			
Divestments of shares in subsidiaries		120	25
Acquisition and sales of non-current assets		-2	-
New lending		-	-352
Shareholder contribution provided		-2	-1
Increase of financial assets		-3	-
Amortization received		314	-
Cash flow from investing activities		**427**	**-328**
Financing activities			
New borrowing		-546	-1,156
Dividends		-280	-460
Group contributions		340	326
Cash flow from financing activities		**-486**	**-1,290**
CASH FLOW FOR THE YEAR		**-104**	**-770**
Cash and bank from merger		**13**	**-**
Cash and cash equivalents at the beginning of the year		**91**	**861**
Cash and cash equivalents at the end of the year		**-**	**91**

Additional information to cash flow statement	**2016**	**2015**
Dividends received	239	1,173
Interests received	10	51
Paid interests	58	133

Notes to the Parent Company's Financial Statements

NOTE 1 Accounting principles

The Annual Accounts Act and RFR 2 Accounting for Legal Entities has been applied for the Parent Company. The accounting principles have not changed in comparison with previous year.

Classification and layout
The Parent Company's income statement and balance sheet are presented in accordance with the Swedish Annual Accounts Act's schedule. The difference compared to IAS 1 Presentation of Financial Statements mainly refer to the presentation of financial income and expenses, non-current assets, equity and provisions as a separate heading.

Subsidiaries
Shares in subsidiaries are accounted for at cost in the Parent Company's financial statement. Acquisition related costs for subsidiaries which are expensed in the consolidated financial statements are included as a part of the cost of shares in subsidiaries.

Group contributions
Group contributions are recognized according to the alternative rule which implies that both received and paid group contributions are recognized as an appropriation.

Pensions
The Parent Company follows the Pension Obligations Vesting Act since its is a prerequest for tax deductibility. RFR 2's simplification rules for accounting of defined benefit plans apply.

Lease agreements
All lease agreements are recognized in accordance with the rules for operating lease agreements.

Share capital
For more information regarding share capital see note 24 Group companies.

New and revised standards and interpretations which have not yet entered into force and have not been adopted early by the Parent Company
RFR 2-IFRS 16 leases
For the accounting of leases in the parent company, it has been assessed that there will not arise any differences compared to previous accounting principles, with reference to the proposed exception in RFR 2, that lease agreements can be expensed on straight-line basis over the lease period, due to the correlation between accounting and taxation.

NOTE 2 Net sales

Net sales by geographic market

SEK million	2016	2015
Sweden	24	32
Total	**24**	**32**

NOTE 3 Purchases and sales within the same Group

	2016	2015
Purchases	24.4%	21.5%
Sales	98.6%	94.4%

NOTE 4 Lease agreements

Lessee
Operational lease agreements costs for the year

SEK million	2016	2016
Minimum lease fees	19	19
Total	**19**	**19**

The lease agreements mainly refer to the rental of premises.

On the balance sheet date, outstanding commitments in the form of minimum lease payments in accordance with non-terminable operating leases, had the following terms to maturity:

SEK million	2016	2015
Within 1 year	21	19
Between 1-5 years	31	49
More than 5 years	-	-
Total	**52**	**68**

Lessor
Operational lease agreements
The Parent Company rents premises to internal parties. Future minimum lease payments related to non-terminable operating leases have the following terms to maturity:

SEK million	2016	2015
Within 1 year	12	12
Between 1-5 years	12	24
More than 5 years	-	-
Total	**24**	**36**

NOTE 5 Fees to auditors

SEK million	2016	2015
PricewaterhouseCoopers AB		
Audit fees	3	3
Tax advisory services	0	0
Other fees	2	2
Total	**5**	**5**

NOTE 6 Personnel

Wages and salaries, other remuneration and social security costs

SEK million	2016	2015
Wages, salaries and remuneration	61	63
Social security costs	51	47
of which pension costs[1)]	24	21
Total	**112**	**110**

See Group Note 6 for more information regarding average number of employees, salary and remuneration and gender distribution on the Board of Directors and in senior management.

NOTE 7 Profit or loss from shares in Group companies

SEK million	2016	2015
Subsidiaries		
Dividends	239	1,173
Impairment losses	-23	-9
Profit or loss on divestment of shares in Group companies	75	-
Profit or loss on liquidation	-	23
Total	**291**	**1,187**

NOTE 8 Interest income and similar items

SEK million	2016	2015
Interest income from Group companies	9	12
Total	**9**	**12**

NOTE 9 Interest expenses and similar items

SEK million	2016	2015
Interest expenses, Group companies	-41	-43
Other interest expenses	-25	-55
Exchange rate differences	-1	0
Total	**-67**	**-98**

NOTE 10 Appropriations

SEK million	2016	2015
Group contributions received	366	340
Change in tax allocation reserve	0	0
Total	**366**	**340**

NOTE 11 Tax

SEK million	2016	2015
Current tax		
Current tax on profit or loss for the year	-	-
Total current tax	-	-
Deferred tax		
Deferred tax attributable to temporary differences	0	5
Total deferred tax	**0**	**5**
Total tax	**0**	**5**

Reconciliation of effective tax

SEK million	2016	2015
Profit before tax	291	1,160
Income tax calculated according to the Swedish tax rate (22%)	-64	-255
Tax effect of:		
-Non-deductible expenses	-9	-8
-Non-taxable income	70	263
Other	3	5
Tax expenses for the year	**0**	**5**

Deferred tax assets

SEK million	Dec. 31, 2016	Dec. 31, 2015
Provisions	35	32
Other	-	2
Total	**35**	**34**

NOTE 12 Other intangible assets

SEK million	2016	2015
Cost		
Opening balance	0.5	0.5
Closing balance	**0.5**	**0.5**
Amortization		
Opening balance	-0.3	-0.2
Amortization for the year	-0.1	-0.1
Closing balance	**-0.4**	**-0.3**
Carrying amount, Dec. 31	**0.1**	**0.2**

NOTE 13 Equipment

SEK million	2016	2015
Cost		
Opening balance	13	12
Investments	2	1
Closing balance	**15**	**13**
Depreciation		
Opening balance	-12	-11
Depreciation for the year	-1	-1
Closing balance	**-13**	**-12**
Carrying amount, Dec. 31	**3**	**1**

NOTE 14 Shares in Group companies

SEK million	2016	2015
Cost		
Opening balance	33,529	34,926
Acquisition	-	5
Shareholder contribution provided	23	2
Divestments	-92	-1,404
Closing balance	**33,460**	**33,529**
Impairment		
Opening balance	-12,880	-14,244
Divestments	33	1,373
Impairment for the year	-23	-9
Closing balance	**-12,870**	**-12,880**
Carrying amount, 31 Dec.	**20,590**	**20,649**

For more information, see Note 25 Group companies.

NOTE 15 Receivables from Group companies

SEK million	2016	2015
Cost		
Opening balance	228	239
Exchange rate difference	9	-11
Amortization received	-46	-
Closing balance	**191**	**228**
Carrying amount, Dec. 31	**191**	**228**

NOTE 16 Other long-term receivables

SEK million	2016	2015
Cost		
Opening balance	20	15
Additional	1	5
Deductible	-1	-
Merger	5	-
Closing balance	**25**	**20**
Carrying amount, Dec. 31	**25**	**20**

NOTE 17 Prepaid expenses and accrued income

SEK million	Dec. 31, 2016	Dec. 31, 2015
Prepaid rents	5	5
Accrued interest income	1	2
Accrued interest income from Group companies	1	1
Other	12	6
Carrying amount, Dec. 31	**18**	**14**

NOTE 18 Provisions for pensions and similar obligations

SEK million	Dec. 31, 2016	Dec. 31, 2015
PRI-pensions	56	55
Other pensions	125	118
Carrying amount, Dec. 31	**181**	**173**

Changes in obligations for defined benefit pension plans

SEK million	2016	2015
Obligations for defined benefit plans, opening balance	173	168
Service costs	13	11
Net interest expense	7	6
Pension payments	-11	-12
Carrying amount, Dec. 31	**181**	**173**

Of which SEK 11 million (11) refer to expenses for defined contribution pension plans (including Alecta) and SEK 13 million (9) refer to a positive change in defined benefit pension plans.

For more information regarding pensions, see Note 6 Personnel and Note 26 Pensions in the Group.

NOTE 19 Liabilities to credit institutions

Non-current liabilities		**Dec. 31, 2016**	**Dec. 31, 2015**
SEK million	**Due**	**Carrying amount**	**Carrying amount**
Private placement	2017	-	478
Private placement	2018	250	250
Private placement	2019	250	250
Private placement	2021	250	250
Carrying amount, Dec. 31		**750**	**1,228**

Current liabilities		**Dec. 31, 2016**	**Dec. 31, 2015**
SEK million	**Due**	**Carrying amount**	**Carrying amount**
Private placement	2017	441	-
Carrying amount		**441**	**-**
Liabilities to credit institutions, total		**1,191**	**1,228**

See Note 25 Liabilities to credit institutions for the Group for more information.

NOTE 20 Maturity structure of financial liabilities

Maturity structure of financial liabilities Dec. 31, 2016

SEK million	Within 3 months	3-12 months	1-5 years	More than 5 years	Total
Liabilities to credit institutions	4	453	766	-	1,223
Liabilities to Group companies	2,136	25	0	-	2,161
Account payables	35	-	-	-	35
Total	**2,175**	**477**	**766**	**0**	**3,419**

Maturity structure of financial liabilities Dec. 31, 2015

SEK million	Within 3 months	3-12 months	1-5 years	More than 5 years	Total
Liabilities to credit institutions	5	14	1,014	252	1,285
Liabilities to Group companies	2,002	3	631	-	2,636
Account payables	17	-	-	-	17
Total	**2,024**	**17**	**1,645**	**252**	**3,938**

For risk and information on fair value, see note 4 for the Group.

NOTE 21 Accrued expenses and deferred income

SEK million	Dec. 31, 2016	Dec. 31, 2015
Vacation pay liability	9	8
Accrued salaries	4	9
Accrued interest expenses from Group companies	20	19
Other	23	8
Carrying amount	**55**	**44**

NOTE 22 Pledged assets and contingent liabilities

Pledged assets

SEK million	Dec. 31, 2016	Dec. 31, 2015
Endowment insurance	25	20
Total	**25**	**20**

Contingent liabilities

SEK million	Dec. 31, 2016	Dec. 31, 2015
Guarantee commitments to subsidiaries	7,152	3,017
Guarantee commitments to associated companies[1)]	110	137
Guarantee commitments, FPG/PRI	4	3
Contingent liabilities, other	27	27
Total	**7,293**	**3,184**

[1)] This item also includes associated companies within the Albert Bonnier Group.

NOTE 23 Cash flow

Adjustments for items not included in cash flow

SEK million	2016	2015
Depreciation, amortization and impairment losses of assets	24	10
Profit or loss on divestment of shares in Group companies	-75	-
Capitalized interests	2	-3
Unrealized exchange rate differences	-9	15
Other	19	5
Adjustments for items not included in cash flow	**-39**	**27**

NOTE 24 Transactions with related parties

Sales of goods and services

SEK million	2016	2015
Bonnier Holding AB	1	4
Subsidiaries in the Group	23	26
Total	**24**	**30**

Purchases of goods and services

SEK million	2016	2015
Bonnier Holding AB	29	24
Subsidiaries in the Group	24	19
Total	**53**	**43**

Receivables from related parties

SEK million	Dec. 31, 2016	Dec. 31, 2015
Bonnier Holding AB	286	559
Subsidiaries in the Group	564	698
Carrying amount	**850**	**1,257**

Liabilities to related parties

SEK million	Dec. 31, 2016	Dec. 31, 2015
Subsidiaries in the Group	2,156	2,632
Carrying amount	**2,156**	**2,632**

All transactions with related parties are performed on market terms and conditions.

Remuneration to senior executives is presented in Group Note 6.

NOTE 25 **Group companies**

	Company	Corp. Reg. No.	Reg. Office	Holdings, %	Number of shares	Dec. 31, 2016 Carrying amount, SEK million	Dec. 31, 2015 Carrying amount, SEK million
1.	**B Media Invest AB**	**556748-2632**	**Stockholm**	[1]	**-**	**-**	**20**
2.	**Bink AB**	**556166-2023**	**Stockholm**	**100**	**20,000**	**3**	**3**
3.	**Bonnier Annons AB**	**556458-9124**	**Stockholm**	**100**	**1,000**	**0**	**0**
4.	**Bonnier Books AB**	**556233-3111**	**Stockholm**	**100**	**2,500**	**1,600**	**1,600**
	Adlibris AB	556261-3512	Stockholm	100			
	AdLibris Finland Oy	0195663-7	Helsinki	100			
	AdLibris Kök AB	559017-7589	Stockholm	100			
	Bamba AB	556801-7635	Stockholm	97 [2]			
	Discshop Svenska Näthandel AB	556604-9952	Stockholm	100			
	Discshop Alandia Ab	1932506-7	Mariehamn	100			
	Odlanu i Sverige AB	556725-9493	Stockholm	100			
	Bonnier Books Kauppa Suomi Oy	2699781-4	Helsinki	100			
	Bonnier Books Polska Sp. z o.o.	0000565742	Warsaw	100			
	Wydawnictwo Marginesy Sp. z o .o.	0000416091	Warsaw	51			
	Bonnier Books Ventures AB	559080-9090	Stockholm	100			
	Bonnier Kirjat Suomi Oy	0599340-0	Helsinki	100			
	Kustannusosakeyhtiö Tammi	2628236-8	Helsinki	100			
	Porvoon Kirjakeskus Oy	2405922-6	Porvoo	100			
	Readme.fi Oy	2160350-5	Helsinki	100			
	Werner Söderström Oy	1522079-4	Helsinki	100			
	Bonnier Publishing Limited	01273558	London	100			
	Blink Publishing Limited	07724898	London	100			
	Bonnier Media Limited	05311887	London	100			
	Bonnier Zaffre Limited	07735953	London	95			
	Totally Entwined Group Limited	06032552	Lincoln	60 [2]			
	Editions Piccolia, S.A.	380771733	St. Michel s.Orge	100			
	Igloo Books Group Holdings Limited	07435642	Sywell	100			
	Igloo Holdings Limited	06454887	Sywell	100			
	Igloo Books Limited	04845098	Sywell	100			
	Elcy SARL	451335749	Paris	75			
	Igloo Books GmbH	HRB 211838	Hannover	100			
	Red Kite Fulfilment Limited	09142201	Sywell	100			
	Kings Road Publishing Limited	01549157	London	100			
	John Blake Publishing Limited	03919495	London	100			
	The Five Mile Press Pty Ltd.	005966245	Melbourne	100			
	Weldon Owen Limited	07891331	London	100			
	Bonnierförlagen AB	556023-8445	Stockholm	100			
	Albert Bonniers Förlag AB	556203-3752	Stockholm	100			
	Bokförlaget Forum AB	556014-8727	Stockholm	100			
	Bokförlaget Maxström AB	556526-8918	Stockholm	100			
	Månadens Bok, HB	902003-8106	Stockholm	70			
	Wahlström & Widstrand, AB	556043-7724	Stockholm	100			
	BookBeat AB	556560-4583	Stockholm	100			
	Homeenter AB	556293-3381	Malmö	100			
	Homeenter Alandia Ab	1655221-3	Mariehamn	100			
	Jultidningsförlaget Semic AB	556166-9572	Sundbyberg	100			
	Pandaförsäljningen AB	556369-7720	Karlstad	100			
	Pocket Shop AB	556479-4609	Stockholm	100			
	Pocket shop GmbH	HRB 109043 B	Berlin	100			
	Pocket Shop Loves Booooks Ltd.	10062282	London	100			
	Samdistribution Logistik Sverige AB	556042-9887	Stockholm	100			
	SEMIC International AB	556046-1336	Stockholm	100			
5.	**Bonnier Books International AB**	**556848-7838**	**Stockholm**	[1]	**-**	**-**	**14**
6.	**Bonnier Business Press AB**	**556490-1832**	**Stockholm**	**100**	**200,000**	**750**	**750**
	BF Blogform Social Media GmbH	HR B 105467 B	Berlin	51			
	Bonnier Business (Polska) Sp. z o.o.	0000024847	Warsaw	100			
	Informedia Polska Sp. z o.o.	0000223380	Warsaw	100			
	Prawomaniacy Sp. z o.o.	0000349059	Olsztyn	100			

NOTE 25 Cont.

	Company	Corp. Reg. No.	Reg. Office	Holdings, %		Number of shares	Dec. 31, 2016 Carrying amount, SEK million	Dec. 31, 2015 Carrying amount, SEK million
	Bonnier Business Forum Oy	1878245-0	Helsinki	100				
	Bonnier Business Media Sales AB	556972-1060	Eskilstuna	100				
	Bonnier Business Media Sweden AB	556468-8892	Stockholm	100				
	Bonnier Business Sustainability AB	559018-0641	Stockholm	100				
	Bonnier Pharma insights AB	559019-8130	Haninge	51				
	Časnik Finance, d.o.o.	13140200	Ljubljana	100				
	Clio Online Aps	30583795	Copenhagen	60	2)			
	Bonnier Education AB	559007-4802	Stockholm	100				
	Dagens Industri AB	556221-8494	Stockholm	100				
	Dagens Industri Annons AB	556509-5188	Stockholm	100				
	Dagens Medisin AS	979914253	Oslo	100				
	Editora Paulista de Comunicacões Científicas e Técnicas Ltda	CNPJ 08.528.247	Saõ Paolo	100				
	KnowledgeFox GmbH	382929 g	Vienna	51				
	Medibas AB	556617-5518	Stockholm	82	2,3)			
	Medicine Today Poland Sp. z o.o.	0000099422	Warsaw	100				
	Netdoktor.se AB	556615-8472	Stockholm	100				
	Norsk Helseinformatikk AS	976516397	Trondheim	63	2)			
	Verslo Zinios, UAB	110682810	Vilnius	73				
	Äripäev, AS	10145981	Tallinn	100				
7.	**Bonnier Deutschland GmbH**	**HRB 156443**	**Munich**	**100**		**30,000,000**	**1,010**	**1,010**
	Bonnier Media Deutschland GmbH	HRB 136800	Munich	100				
	Aladin Verlag GmbH	HRB 103563	Hamburg	100				
	arsEdition GmbH	HRB 145362	Munich	100				
	Bonnier 3. Beteiligungs- und Verwaltungs GmbH	HRB 199466	Munich	100				
	Buch Vertrieb Blank GmbH	HRB 92253	Vierkirchen	100				
	Carlsen Verlag GmbH	HRB 43092	Hamburg	100				
	Nelson Verlag GmbH	HRB 113971	Hamburg	100				
	Hörbuch Hamburg HHV GmbH	HRB 142856	Hamburg	100				
	Piper Verlag GmbH	HRB 71118	Munich	100				
	Readers First GmbH	HRB 199468	Munich	100				
	R. Piper & Co. Verlag GmbH	020.4.900.429-9	Zürich	100				
	Thienemann-Esslinger Verlag GmbH	HRB 3287	Stuttgart	70				
	Ullstein Buchverlage GmbH	HRB 91717 B	Berlin	100				
	Gesinform GmbH	HRB 713116	Freiburg	100				
8.	**Bonnier Digital Services AB**	**556496-0630**	**Stockholm**	**100**		**16,000**	**0**	**0**
9.	**Bonnier Entertainment AB**	**556047-0667**	**Stockholm**	**100**		**150,000**	**1,150**	**1,150**
	Bonnier MultiMedia AB	556031-8775	Stockholm	100				
	Evoke Gaming Holding AB	556096-9411	Stockholm	100				
	Bonnier Lottery AB	556525-5535	Stockholm	100				
	Soft Capital Holding Ltd.	C 45931	Valletta	100				
	BGG Affiliates Ltd.	1692517	Br. Virgin Islands	100				
	Evoke Gaming Ltd.	C 38582	Valletta	100				
	Redbet Gaming Ltd.	C 43731	Valletta	100				
	Internet and Media Consulting Ltd.	1451981	Br. Virgin Islands	100				
	Svensk Filmindustri, AB	556003-5213	Stockholm	93	2)			
	SF Anytime AB	556748-2616	Stockholm	100				
	SF Film Finland Oy	1571957-9	Helsinki	100				
	SF Norge AS	947714732	Oslo	100				
	SF Studios Production AB	556600-3397	Stockholm	100				
	SF Studios Production Talent AB	559062-1024	Stockholm	100				
	Svensk Filmindustri International AB	556540-3937	Stockholm	100				
10.	**Bonnier Euro Holding AB**	**556725-8644**	**Stockholm**	**100**		**1,000**	**6,280**	**6,280**
	Bonnier Broadcasting AB	556802-5646	Stockholm	100				

NOTE 25 Cont.

	Company	Corp. Reg. No.	Reg. Office	Holdings, %	Number of shares	Dec. 31, 2016 Carrying amount, SEK million	Dec. 31, 2015 Carrying amount, SEK million
	C More Entertainment AB	556053-7309	Stockholm	100			
	C More Entertainment Finland Oy	1530976-4	Helsinki	100			
	Nordic Television Norway AB	556906-0824	Stockholm	100			
	MTV Sisällöt Oy	1093944-1	Helsinki	100			
	Mediahub Helsinki Oy	2618182-3	Helsinki	100			
	MTV Oy	2618191-1	Helsinki	100			
	Nyhetsbolaget Sverige AB	556273-6032	Stockholm	100			
	Scandinavian Talents AB	556854-2855	Stockholm	100			
	TV4 AB	556242-7152	Stockholm	100			
	TV4 Sänd AB	556246-8164	Stockholm	100			
	C More Group AB	556630-5180	Stockholm	100			
11.	**Bonnier Finans, AB**	**556026-9549**	**Stockholm**	**100**	**1,000,000**	**5,070**	**5,070**
	Bonnier Financial Services AB	556067-9887	Stockholm	100			
	Bonnier Luxembourg S.à r.l.	B 57013	Luxembourg	100			
	Bonnier Treasury S.A.	B 161605	Luxembourg	100			
	Bonnier World S.à r.l.	B 164843	Luxembourg	100			
12.	**Bonnier Growth Media AB**	**556707-0007**	**Stockholm**	**100**	**4,000**	**0**	**0**
	BGMAB Vision AB	556630-6808	Stockholm	100			
	Brand Publishing i Stockholm AB	556206-2868	Stockholm	100			
	Spoon Publishing AB	556561-8989	Stockholm	100			
	Spoon AS	989389874	Oslo	100			
	Spoon On Demand AB	556444-7489	Stockholm	100			
	Spoon Publishing Oy	2590289-5	Stockholm	100			
	Keep In Touch Media AB	556980-8404	Stockholm	67			
	Tailsweep AB	556712-7146	Stockholm	100			
13.	**Bonnier Holding Norway AS**	**990212880**	**Oslo**	**100**	**1,100**	**11**	**11**
	adlibris.com AS	990335214	Oslo	100			
14.	**Bonnier International Magazines AB**	**556072-0293**	**Stockholm**	**100**	**1,000**	**0**	**0**
15.	**Bonnier Magazine Group A/S**	**53376614**	**Copenhagen**	**100**	**157**	**1,650**	**1,650**
	Bonnier Magazine Data A/S	26340136	Copenhagen	100			
	Bonnier Publications A/S	12376405	Copenhagen	100			
	Allt om Historia AB	556745-4722	Malmö	100			
	Benjamin Media A/S	25796829	Copenhagen	100			
	Bonnier Publications AB	556105-0351	Stockholm	100			
	Bonnier Publications Försäljning AB	556548-7096	Lidingö	100			
	Bonnier Publications International AS	977041066	Oslo	100			
	Bonnier Media AS	998551676	Oslo	100			
	Børsen Associated Media A/S	20052678	Copenhagen	100			
	Dagbladet Børsen A/S	76156328	Copenhagen	100			
	SF Film A/S	21388939	Copenhagen	100			
	SF Studios Production ApS	26390168	Copenhagen	100			
16.	**Bonnier Media Holding AB**	**556262-5052**	**Stockholm**	**100**	**10,000**	**3**	**3**
	Spring Media Inc.	20-4505209	Delaware	100			
	Bonnier Publishing USA, Inc	46-5608735	Delaware	100			
	Bonnier US Holding Inc.	98-0494191	Delaware	100			
	Bonnier Corporation	98-0522510	Delaware	100			
	Bonnier Active Media, Inc.	13-2620517	New York	100			
	Transworld Magazine Corporation	13-3936719	New York	100			
	Warren Miller Entertainment, Inc.	22-3828960	Delaware	100			
	Bonnier Dive Publishing Limited	08335007	London	100			

NOTE 25 **Cont.**

	Company	Corp. Reg. No.	Reg. Office	Holdings, %	Number of shares	Dec. 31, 2016 Carrying amount, SEK million	Dec. 31, 2015 Carrying amount, SEK million
	National Mud Racing Organization Inc.	35-2138012	Indiana	100			
	World Entertainment Services, LLC	59-3574946	Delaware	100			
	World Publications, LLC	30-0093378	Delaware	100			
	World Sports and Marketing, LLC	59-3754949	Delaware	100			
	Weldon Owen Publishing, Inc.	52-2098266	Delaware	100			
	Weldon Owen Proprietary, Ltd.	003733720	Sydney	100			
17.	**Bonnier Solutions AB**	**556748-2624**	**Stockholm**	**100**	**1,000**	**0**	**0**
18.	**Bonnier Tidskrifter AB**	**556012-7713**	**Stockholm**	**100**	**28,000**	**650**	**650**
	Bonnier Antik & Livsstil AB	556556-2658	Stockholm	100			
	Mediafy AB	556619-8205	Stockholm	100			
	Mediafy Magazines AS	992305134	Oslo	100			
	Mediafy Magazines Oy	2317923-4	Helsinki	100			
	Netsu AB	556692-8049	Stockholm	100			
19.	**Fordonstorget AB**	**556655-4555**	**Gothenburg**	**100**	**1,200**	**0**	**0**
20.	**Investeringshuset Stockholm AB**	**556102-7169**	**Stockholm**	**100**	**4,840**	**5**	**5**
	NFT Ventures 0 KB	969773-4839	Stockholm	100			
	NFT Ventures 1 KB	969772-0390	Stockholm	100			
21.	**Mag+ AB**	**556821-6450**	**Stockholm**	[1]		**-**	**25**
22.	**Sural AB**	**556158-9531**	**Stockholm**	**100**	**1,000**	**9**	**9**
23.	**Tidnings AB Marieberg**	**556002-8796**	**Stockholm**	**100**	**29,842,230**	**2,400**	**2,400**
	Bold Printing Group AB	556312-2554	Stockholm	100			
	Bold Printing Stockholm AB	556246-8180	Stockholm	100			
	Bonnier News AB	556414-2155	Stockholm	100			
	Natural eCommerce i Stockholm	559070-1669	Stockholm	100			
	NextSolution Sweden AB	556880-3703	Stockholm	93 [2]			
	HittaHem bostadsförmedling i Malmö AB	556909-4518	Stockholm	100			
	Vädermedia i Stockholm AB	556890-5862	Surahammar	100			
	Bonnier News Business AB	559080-0917	Stockholm	100			
	Citypaketet Sweden AB	556621-8300	Stockholm	67 [4]			
	Citypaketet, KB	969711-9817	Stockholm	67 [4]			
	Dagens Nyheter, AB	556246-8172	Stockholm	100			
	Dagens Nyheter Annonsförsäljning, AB	556320-6704	Stockholm	100			
	Kvällstidningen Expressen, AB	556025-4525	Stockholm	100			
	GT/Göteborgs-Tidningen AB	556284-8720	Gothenburg	100			
	Kvällsposten AB	556051-3599	Malmö	100			
	Wasp Communication AB	556918-4798	Stockholm	70			
	Marieberg Media AB	556334-7953	Stockholm	100			
	Pressens Bild Images AB	556005-5104	Stockholm	100			
	Sydsvenska Dagbladets AB	556002-7608	Malmö	98			
	Bold Printing Malmö AB	556256-4038	Malmö	100			
	Helsingborgs Dagblad AB	556008-4799	Helsingborg	100			
	Kompetens i Skåne AB	556754-8796	Malmö	100			
	Sydsvenska Dagbladets Försäljningsaktiebolag	556335-2722	Malmö	100			
	Tidningen Hallå AB	556933-5762	Helsingborg	100			
24.	**Toca Boca AB**	**556870-3721**	**Stockholm**	[1]	**-**	**-**	**0**
	Carrying amount					**20,590**	**20,649**

1) Was owned 100% as of December 31, 2015, by Bonnier AB, but merged/liquidated in 2016.

2) Bonnier AB Group has entered into an option agreement for the remaining shares, which means that the Bonnier AB Group, in practice, assumes the financial benefits and risks for 100% of the shares. Accordingly, no part of the holdings refers to non-controlling interests.

3) Owned 50% by Bonnier Business Press AB and 50% by Norsk Helseinformatikk AS.

4) Owned 33.3% by AB Dagens Nyheter and 33.3% by Sydsvenska Dagbladets AB.

Definition of key ratios

EBITA
Operating profit or loss (including associated companies and joint ventures) before revenue and expenses from acquisitions, divestments and close-downs.

Operating Capital
Total assets less non-interest-bearing liabilities and interest-bearing assets.

Net debt/equity ratio (gearing)
Interest-bearing liabilities less interest-bearing assets divided by total equity (i.e. including non-controlling interests).

Return on Operating Capital
Operating profit or loss as a percentage of the average total assets, less non-interest-bearing liabilities, and less interest-bearing assets.

Operating margin
Operating profit as a percentage of revenues.

Equity/assets ratio
Equity including non-controlling interests (minority shareholdings) divided by total assets.

The Annual Report and consolidated financial statements were approved for issue by the Board of Directors on April 24, 2017. The Consolidated Income Statement and Statement of Financial Position, and the Parent Company's Income Statement and Balance Sheet are subject to approval by the Annual General Meeting on May 16, 2017.

The Board of Directors and CEO hereby certify that the annual report has been prepared according to the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities and provides a true and fair view of the Company's financial position and results, and that the Board of Directors' Report gives a true and fair view of the progress of the Company's operations, financial position and results, and describes significant risks and uncertainties facing the Company. The Board of Directors and CEO certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and provide a true and fair picture of the Group's position and results, and that the Administration Report for the Group provide a true and fair view of the progress of the Group's operations, position and results, and describe significant risks and uncertainties which the companies included in the Group may face.

The income statements and financial statements will be submitted for adoption to the Annual General Meeting on May 16, 2017.

Stockholm, April 24, 2017

Carl-Johan Bonnier
Chairman

Peder Bonnier
Board member

Christian Caspar
Board member

Maria Curman
Board member

Arne Karlsson
Board member

Kerstin Mogull
Board member

Jens Müffelmann
Board member

Mikael Falk
Employee representative

Martin Harris
Employee representative

Sara Stenman
Employee representative

Tomas Franzén
Chief executive officer

Our audit report was issued on April 25, 2017

PricewaterhouseCoopers AB

Michael Bengtsson
Authorized public accountant

Auditor's Report

To the general meeting of the shareholders of Bonnier AB, corporate identity number 556508-3663

Report on the annual accounts and consolidated accounts

Opinions
We have audited the annual accounts and consolidated accounts of Bonnier AB for 2016.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2016 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2016 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions
We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts
It is the company management who has responsibility for the other information. The other information is comprised of information found in the "Bonnier Annual Review 2016", and this other information is not included in the financial statements nor in our Auditor's report regarding such statements.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As a part of our audit according to ISA, we undertake professional judgments and have a professionally skeptical approach during the entire audit. In addition, we execute the following activities:

- We identify and assess the risk of material misstatement in the annual accounts and consolidated accounts, whether due to fraud or error, design and execute audit measures based, amongst other things, on these risks and obtain audit evidence which is sufficient and appropriate to comprise the basis of our opinion. The risk for failing to identify material misstatements arising due to fraud is greater as regards a material misstatement due to error, as fraud can include engagement in collusion, forgery, intentional omission, incorrect information or disregard of internal control.

- We obtain an understanding of that portion of the company's internal control having significance to our audit to design audit measures which are appropriate with regard to the circumstances but we do not express an opinion on the effectiveness of the internal control.

- We evaluate the appropriateness of the accounting policies applied and the reasonability of the Board of Director's and Managing Director' estimations in the accounts and associated disclosures.

- We test the appropriateness of the Board and Director's and Managing Director's application of the assumption of going concern in preparing the annual accounts. We test, based on the audit evidence obtained, whether there are significant factors of uncertainty referring to such events or circumstances that can lead to significant doubt as to the company's capacity to continue its operations. If we come to the conclusion that there are significant factors of uncertainty, we are requested to provide a statement in the Auditor's Report, noting that the disclosures in the annual accounts and consolidated accounts involve factors of uncertainty, provided that such information is insufficient, modifying our opinion regarding the annual and consolidated accounts. Our conclusions are based on the auditor's evidence obtained up until the date of the Auditor's Report. However, future events or circumstances can imply that the company can no longer continue its operations.

Auditor's Report

- We evaluate the overall presentation, structure and content of the annual and consolidated accounts, including the disclosures, and if the annual and consolidated accounts reflect the underlying transactions and events in a manner providing a true and fair view.

We are required to inform the Board of Directors of, amongst other things, the planned scope of the audit and its focus, and the time schedule for the audit. We are also required to inform on any significant observations made during the audit, including identified significant deficiencies in the internal control.

Report on other legal and regulatory requirements

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Bonnier AB for 2016 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or

- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgement with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined The Board of Director's Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Stockholm 25 April 2017

PricewaterhouseCoopers AB

Michael Bengtsson
Authorized Public Accountant

Multi-year Summary

In the following summary, 2012-2016 are prepared in accordance with IFRS. The figures for 2007-2011 are accounted for in accordance with the Swedish Accounting Standards Board (BFN). However, in the first table, revenue and EBITA have been adjusted for 2007-2011 as follows: Joint ventures are accounted for using the equity method and income has been adjusted for advertising tax.

From the income statement

	IFRS	IFRS	IFRS	IFRS	IFRS	Adjusted BFN figures				
SEK million	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**
Net sales	25,492	25,906	23,702	24,354	26,931	27,579	28,086	29,149	28,625	29,062
EBITA	731	1,008	1,103	1,172	918	1,301	2,174	1,206	2,436	2,826
EBITA margin	2.9%	3.9%	4.7%	4.8%	3.4%	4.7%	7.7%	4.1%	8.5%	9.7%

From the income statement

	IFRS	IFRS	IFRS	IFRS	IFRS	BFN	BFN	BFN	BFN	BFN
SEK million	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**
Net sales	25,492	25,906	23,702	24,354	26,931	29,819	29,824	30,080	29,518	29,207
Growth	-1.6%	9.3%	-2.7%	-9.6%	-2.4%	0.0%	-0.9%	1.9%	1.1%	44.3%
EBITA	731	1,008	1,103	1,172	918	1,304	2,151	1,206	2,436	2,826
EBITA margin	2.9%	3.9%	4.7%	4.8%	3.4%	4.4%	7.2%	4.0%	8.3%	9.7%
Operating profit	796	939	892	2,888	802	1,019	1,522	212	1,816	2,710
Operating margin	3.1%	3.6%	3.8%	11.9%	3.0%	3.4%	5.1%	0.7%	6.2%	9.3%
Profit before tax	558	709	527	2,591	500	664	1,000	-228	1,533	2,425
Profit for the year	444	43	310	2,204	289	463	711	-381	1,052	1,542

From the statements of financial position

	IFRS	IFRS	IFRS	IFRS	IFRS	BFN	BFN	BFN	BFN	BFN
December 31, SEK million	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**
Operating capital	13,791	12,924	12,002	13,554	13,833	15,018	14,784	15,632	16,852	13,535
Return on operating capital (–=net cash)	6.0%	7.5%	7.0%	21.1%	5.9%	6.8%	9.8%	1.3%	13.1%	23.1%
Net debt	7,376	6,613	5,395	6,526	9,271	7,437	7,207	8,497	8,690	6,691
Equity incl. non-controlling interests	6,415	6,311	6,607	7,028	4,562	7,581	7,577	7,135	8,162	6,844
Total assets	22,757	22,560	21,624	21,166	22,281	24,188	24,062	25,129	27,078	22,056
Net debt / equity, multiple	1.15	1.05	0.82	0.93	2.03	0.98	0.95	1.19	1.06	0.98

From change in net debt

	IFRS	IFRS	IFRS	IFRS	IFRS	BFN	BFN	BFN	BFN	BFN
SEK million	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**
Cash flow after operating investments	-354	87	1,609	1,547	-30	-30	496	162	1,463	922
Net acquisitions and divestments of operations, shares and participations	128	-651	941	928	-206	264	907	310	-2,860	-8,900
Cash flow after acquisitions and divestments	-226	-528	2,550	2,475	-236	234	1,403	472	-1,397	-7,978
Change in net debt (–=increased debt)	-763	-1,218	1,131	2,745	-611	-230	1,290	193	-1,999	-8,371

From the business areas' financial reports

	IFRS	IFRS	IFRS	IFRS	IFRS	BFN	BFN	BFN	BFN	BFN
SEK million	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**
Net sales										
Books	7,690	6,969	6,472	6,254	6,301	6,266	6,263	6,711	5,917	6,091
Broadcasting	7,397	7,738	6,448	6,388	6,655	8,014	7,699	7,210	6,038	5,336
Growth Media	1,806	2,159	1,962	2,054	2,527	3,987	3,970	4,270	3,928	3,983
Magazines	3,782	4,045	3,944	4,342	4,910	5,251	5,502	5,604	6,202	6,031
Business to Business	1,317	1,319	1,142	1,111	1,039	1,093	1,113	1,252	1,711	1,699
News	4,468	4,675	4,705	4,583	4,708	5,393	5,490	5,202	5,992	6,127
Other and eliminations	-968	-999	-971	-378	792	-185	-213	-169	-270	-60
Bonnier AB net sales, total	**25,492**	**25,906**	**23,702**	**24,354**	**26,932**	**29,819**	**29,824**	**30,080**	**29,518**	**29,207**

	IFRS	IFRS	IFRS	IFRS	IFRS	BFN	BFN	BFN	BFN	BFN
SEK million	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**
EBITA										
Books	427	422	437	402	363	656	766	710	584	760
Broadcasting	373	417	589	770	461	716	1,131	936	1,237	1,014
Growth Media	-205	-127	-189	-47	4	83	298	257	274	262
Magazines	267	250	310	306	167	176	177	-9	483	733
Business to Business	167	171	132	88	79	55	28	-27	21	103
News	291	363	332	241	326	320	422	-189	230	447
Other and eliminations	-589	-488	-508	-588	-482	-702	-671	-472	-393	-493
Bonnier AB EBITA, total	**731**	**1,008**	**1,103**	**1,172**	**918**	**1,304**	**2,151**	**1,206**	**2,436**	**2,826**

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