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MTG signs agreement to acquire Nordic's largest independent group of production companies

Modern Times Group MTG AB (publ) ('MTG' or 'the Group'), the international entertainment group, today announced that it is further strengthening its content production and distribution subsidiary MTG Studios, by signing an agreement to acquire a majority stake of 86.8% in Nice Entertainment Group ('Nice') for an enterprise value of EUR 84.4 million.

Nice is the largest independent group of TV production companies in the Nordic region, and comprises market leading TV, event and advertising commercial production businesses. Nice provides its services to all of the major TV broadcasters in the Nordics, and has produced successful formats such as *Partaj* in Sweden, *Let's Dance* in Norway, as well as pan-Nordic formats *The Grill Masters* and *Dinner Disasters*, which have been aired in Sweden, Norway, Denmark and Finland. Nice both creates its own formats and produces localized versions of third party formats. Nice's revenues for the twelve months ending 30 June 2013 amounted to EUR 121.1 million, with an EBITDA of EUR 8.1 million.

The current CEO of Nice, Morten Aass, will remain as CEO after the acquisition.

A number of different branded companies are run as fully owned subsidiaries within the Nice Group. Nice owns production companies Monster, One Big Happy Family, Playroom, and Rakett in Norway; Titan, Baluba and Nice Drama in Sweden; Moskito, Production House, and Grillifilms in Finland; and Gong in Denmark.

MTG will acquire 86.8% of the shares in Nice from funds managed by CapMan, the majority shareholders, as well as Nice founders and management. The shares will be acquired for an enterprise value of EUR 84.4 million. A variable component in relation to certain EBITDA levels for 2013 and 2014 can increase or decrease the purchase price. The purchase price will be paid in cash. The remaining 13.2% of the shares not owned by MTG will remain in the ownership of Nice founders and management. The closing of the transaction is subject to regulatory approval by the Swedish and Norwegian competition authorities.

Upon closing of the transaction, which is expected to occur by the end of October 2013, MTG Studios will assume operational control over Nice and its businesses and will consolidate Nice's financial results in its accounts. MTG expects to benefit significantly from the acquisition by increasing its market shares and efficiency levels in the content production industry, whilst enabling the individual operations to draw on the Group's know-how, structure and resources for its continued development.

MTG Studios is one of the world's leading producers and distributors of TV productions, digital content and print, and operate branded companies Strix in Scandinavia and the Netherlands, Paprika Latino in Eastern Europe, Redaktörerna in Sweden, Novemberfilm in

Norway, as well as the UK-based international content distributor DRG. MTG Studios has sold formats to more than 80 countries.

Jørgen Madsen Lindemann, President and CEO of MTG, commented: "This agreement is another step in Modern Times Group's strategy to develop MTG Studios into a major international player in content production and distribution. It will substantially broaden MTG Studios' content portfolio, as well as accelerate MTG Studios' digital content creation capabilities. Nice has a wide range of popular formats already on air, as well as an exciting pipeline of new formats. I look forward to welcoming this talented group into the MTG family."

Patrick Svensk, MTG Executive Vice President of Content and Chairman of MTG Studios, commented: "Nice is a fantastic company and a perfect strategic fit with MTG Studios, with well-diversified TV-production and relationships with all of the major Scandinavian broadcasters, as well as a unique approach to integrating TV and event production. It will be business as usual for Nice, and it will continue as an independent content company serving all clients in the Nordic region."

For further information, please visit www.mtg.se or contact:

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Modern Times Group (MTG) is an international entertainment group with operations that span four continents and include free-TV, pay-TV, radio and content production businesses. MTG's Viasat Broadcasting operates free-TV and pay-TV channels, which are available on Viasat's own satellite platforms and third party networks, and also distributes TV content over the internet. MTG is also the largest shareholder in CTC Media, which is Russia's leading independent television broadcaster.

Modern Times Group is a growth company and generated net sales of SEK 13.3 billion in 2012. MTG's Class A and B shares are listed on Nasdaq OMX Stockholm's Large Cap index under the symbols 'MTGA' and 'MTGB'.

The information in this announcement is that which Modern Times Group MTG AB is required to disclose under the Securities Market Act and/or the Financial Instruments Trading Act. It was released for publication at 08:00 CET on 23 September 2013.