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Viaplay & MTGx join forces to create leading digital entertainer

Modern Times Group MTG AB (publ.) ('MTG' or 'the Group'), the international entertainment group, today announced that its Viaplay online pay-TV business and MTGx digital accelerator will merge to create a leading digital entertainment powerhouse under the leadership of Rikard Steiber, MTG Executive Vice President and Chief Digital Officer. The merger is the natural next step in MTG's accelerating digital development and will facilitate an even closer integration of the Group's digital initiatives and drive to create and expand innovative and scalable user experiences.

Viaplay, which was launched in 2011, is MTG's largest digital business and offers a unique and extensive choice of box office hit movies, the best TV series and live sports events from around the world. Viaplay has just benefitted from MTG's exclusive coverage in Sweden of the Sochi Winter Olympic games and delivered the most digital Olympics coverage ever with record streaming figures. Viaplay's extensive on demand content offering is available on a standalone basis to subscribers through a wide range of internet connected devices including tablets, personal computers, smart TV's, set-top boxes and games consoles, and also as a multi-screen solution for MTG's Viasat satellite premium and third party network subscribers. Viaplay is available in all four Nordic countries, Russia and Ukraine.

MTGx was launched in June 2013 as a new Group-wide initiative to accelerate the pace of MTG's digital innovation and expansion. MTGx is the enabling hub for the Group's digital planning and execution, and this centralised digital expertise and development capability has already accelerated MTG's digital evolution across its markets. MTGx has re-launched the Group's advertising funded catch-up TV platforms across 8 markets, invested in a leading YouTube multi-channel network on YouTube, created specific web and mobile content, and developed a wide range of digital services including a new visual radio app, new sport app and a state of the art eSports broadcasting studio.

Niclas Ekdahl, the current CEO of Viaplay, is leaving MTG to pursue new opportunities.

Rikard Steiber, MTG EVP and Chief Digital Officer, commented: "Viaplay is our number one digital priority. It has shown tremendous growth as the pioneer in the subscription video on demand space with an unrivalled content offering of great movies, series, kids' shows and sports. MTGx is our digital accelerator, so combining the powers of these two businesses will enable MTG to step up our combined digital development and explore new opportunities across all of our free and paid digital platforms. We have a fantastic team, unique content offering and a versatile platform on which to expand in both our existing and new markets. The future for us is all about creating engaging experiences that connect our viewers and users with the entertainment they love the most – on all screens, anywhere and at any time."

Jørgen Madsen Lindemann, MTG President and CEO, commented: "The opportunities here are tremendous as we generate more and more online traffic, see video drive internet usage

and social media activity, advertisers commit more media spend online, and consumers opt for mobile, on demand and paid for video solutions. Our objective is clear – to be the leading digital video entertainer in each of our markets. Our priority is simple – to provide exciting, relevant and easy to access products. MTGx was established to drive and accelerate our digital development and Viaplay is our number one game changer, so now is the right time to maximise the combined potential of our technology, talent and content under Rikard's leadership.”

“I would also like to thank Niclas for his hard work and invaluable contribution to the establishment and expansion of Viaplay, and we wish him well for the future.”

For the purpose of continuity and consistency, Viaplay's results will continue to be reported in MTG's financial results as a part of the Nordic pay-TV and Emerging Markets Pay-TV businesses, and MTGx's results will continue to be reported as before.

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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 14.1 billion in 2013. 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 10.05 CET on 27 March 2014.