

9 June 2014

## **Q2 2014 Results to include SEK 154 million of non-recurring items**

**Modern Times Group MTG AB (publ.) ('MTG' or 'the Group'), the international entertainment group, today announced that its Q2 2014 financial results will include net non-recurring income statement charges totalling SEK 154 million. The charges, which will be reported together as a separate line item within operating profit (EBIT), comprise a SEK 160 million non-cash net impairment related to the Ukrainian satellite pay-TV platform, SEK 70 million of organisational restructuring and other costs, and the SEK 76 million net gain from the recently completed sale of Zitius in Sweden.**

MTG has taken the decision to write down 100% of the intangible assets (primarily goodwill) arising from its 85% participation in Viasat Holding AB, which operates the Viasat Ukraine satellite platform through Vision TV LLC. The decision has been made due to the uncertain economic outlook in Ukraine and the significant devaluation of the Ukrainian Hryvnia currency. The operation, which is included in the Group's Pay-TV Emerging Markets segment, accounted for less than 1% of full year 2013 Group net sales.

MTG has also made a number of recent organizational and other changes, including the combination and streamlining of certain operations and central support functions, in order to further enhance the Group's efficiency and competitiveness. These changes have resulted in restructuring and other costs of approximately SEK 70 million, and will yield annual cost savings of approximately SEK 40 million. Part of these savings will be re-invested in new areas such as group-wide business intelligence and data analysis.

As announced on 21 May, MTG has also completed the sale of its 80% stake in Zitius Service Delivery AB to TeliaSonera AB. The transaction is expected to generate a net gain of approximately SEK 76 million. Zitius has been deconsolidated from 31 May 2014, prior to which its results were reported within the 'Central Operations, eliminations & others' line within the Viasat Broadcasting business area, in the Group's segmental reporting matrix. The net gain will be reported separately as a non-recurring item as described above.

Jørgen Madsen Lindemann, MTG President and CEO, commented: "The impairment of the Ukrainian assets reflects the current situation, but make no mistake that we remain committed to the operations and see substantial long term potential for the business, not least given the scale of the country and the upcoming TV digitalisation process. The sale of Zitius in Sweden has generated a healthy return on investment for us, and the broader changes we have made are all about optimising our set-up so that we can continue to invest in the Group's growth and development. "

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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 08.00 CET on 9 June 2014.*