



MTG takes next step in strategic transformation

MTG is today taking the next step in its strategic transformation by launching a restructuring programme. The objective is to drive the Group's ongoing digital transformation, fuel investments in the Group's existing businesses, and to enable the Group to continue to generate profitable growth. The new structure will realign a wide range of functions, increase efficiency levels across the business, yield savings to offset the significant adverse currency effects that the Group faces and enable reinvestment in the Group's core business and continued digital expansion.

This will result in a proposed reduction of MTG's employee base by a net of approximately 300 positions in Sweden, Norway, Denmark, and UK combined, as well as the impairment of content and other assets.

Net restructuring charges are expected to amount to approximately SEK 700 million and all be charged against the Group's operating income in Q3 2015 as a non-recurring item. Approximately 60% of the charges refer to redundancy costs, and 40% to impairment charges. The cash flow impact is expected to be approximately SEK 550 million. The restructuring is expected to generate annualized savings of approximately SEK 600 million, of which the majority will be reinvested back into the Group's ongoing transformation into a broad based video entertainment company. The majority of the savings will impact in 2016 and have full effect from 2017.

“We started on this journey to transform the Group, in order to drive and shape the fast moving changes in consumer behaviour and the video entertainment environment. We want to be able to continue to invest in our successful existing operations and exciting new businesses, in order to secure our future profitable growth, and that requires accelerated changes in our current structure. Today's announcement follows the management changes we made in May, and local leadership teams are now adjusting their organizations accordingly.

The decisions and actions that we are taking are difficult because valued colleagues will leave the group, but they are necessary and we are doing all that we can to assist those affected by these changes.”

Jørgen Madsen Lindemann, MTG President and CEO

Any questions?

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MTG (Modern Times Group MTG AB (publ.)) is an international entertainment group. Our operations span six continents and include TV channels and platforms, online services, content production businesses and radio stations. We are also the largest shareholder in CTC Media, which is Russia's leading independent media company. Our shares are listed on Nasdaq OMX Stockholm ('MTGA' and 'MTGB').

The information in this announcement is that which MTG is required to disclose according to the Securities Market Act and/or the Financial Instruments Trading Act, and was released at 10.55 CET on 24 August 2015.