



FOR IMMEDIATE RELEASE



4 January 2012

MTG to recognize SEK 3.2 billion of one-off costs in Q4 2011 results

Modern Times Group MTG AB (publ.) ('MTG' or 'the Group'), the international entertainment broadcasting group, today announced that it will recognise approximately SEK 3,191 million of one-off costs in its financial results for the fourth quarter and full year 2011. This follows the recent completion of the Group's annual asset impairment tests. The majority of these costs are non-cash and primarily arise from the impairment of goodwill relating to the Group's Bulgarian broadcasting assets. The one-off costs also include the impact of the decision to close down the Group's loss making free-TV operation in Slovenia in the coming months.

The one-off costs will be included in the Group's financial results for the fourth quarter and full year 2011, and will be reported as a separate line item above the operating profit (EBIT) line in the Group's consolidated income statements.

Approximately EUR 330 million (SEK 2,979 million) of the one-off costs relate to the impairment of the remaining goodwill and other intangible assets that arose from the Group's acquisition of 100% of Nova Televizia in Bulgaria for EUR 620 million in 2008. These costs are non-cash. MTG previously recognized a EUR 296 million (SEK 3,151 million) impairment of the goodwill arising from the acquisition of Nova Televizia on 18 December 2009, and there are therefore now no intangible assets related to the acquisition of Nova Televizia on the Group's balance sheet. The remaining SEK 212 million of one-off costs predominantly relate to the writing down of programming related assets by the Group's Bulgarian broadcasting operations, as well as the closing down of the Group's free-TV operations in Slovenia.

Separately and in addition to the above, the Group has also aligned the accounting treatment of the results of its Ukrainian satellite pay-TV business with that applied to its other pay-TV operations. This will result in a SEK -29 million accumulated revenue adjustment and a SEK -18 million accumulated operating income (EBIT) adjustment for the Pay-TV Emerging Markets operations in the Group's consolidated results reporting matrix for the fourth quarter of 2011. The alignment relates to reporting results net of subscriber connection fees.

Hans-Holger Albrecht, President and CEO of MTG, commented: "These write-downs are mainly non-cash and primarily reflect the operating environment in Bulgaria, where the TV advertising market has not yet returned to growth and the wider Eurozone issues continue to impact. This has delayed the anticipated development of our Bulgarian business and we have therefore taken the conservative approach of fully adjusting the value of these assets on our balance sheet. This does not affect our commitment to the market, or our belief in the longer term potential of our Bulgarian operations."



For immediate release

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

Hans-Holger Albrecht, Chief Executive Officer
Tel: +46 (0) 8 562 000 50

Matthew Hooper, Head of Corporate Communications
Tel: +44 (0) 7768 440 414
Email: investor.relations@mtg.se / press@mtg.se

Modern Times Group is an international entertainment broadcasting Group with the largest geographical broadcast footprint in Europe. MTG's Viasat Broadcasting operates 29 free-TV channels in 11 countries and 38 pay-tv channels in 34 countries. The pay-tv channels are distributed on Viasat's own satellite platforms in 9 countries, as well as on third party broadcast networks (including cable, satellite and IPTV) and over the open internet. MTG is also the largest shareholder in Russia's leading independent television broadcaster (CTC Media – Nasdaq: CTCM).

Modern Times Group is a growth company and generated SEK 13.1 billion of sales and SEK 2.4 billion of operating income in 2010. 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 09.00 CET on 4 January 2012.