



## Raduga TV to close down, Viasat Russia to launch 5 new HD channels

The Russian digital satellite TV platform Raduga TV will stop its broadcasting services on 5 December 2014, as it has not been granted the required broadcasting license from the local media regulator. MTG will continue to enhance the content and technology of its Russian pay-TV channel business Viasat, and will launch five new HD channels in 2015.

MTG has owned 50% of Raduga Holdings S. A., the principal owner of LLC DalGeoCom, which operates Raduga TV, since February 2010. Raduga TV launched in February 2009 and has offered a wide range of Russian and international channels all across Russia.

“This has been a very difficult decision taken with the other shareholder, given the impact it will have on employees, customers, suppliers, and all of the other stakeholders of the business. Over the past year Raduga has worked very hard exploring all options for obtaining the right license, which despite their efforts has not been granted. We therefore have no choice but to close down the operations. We are working hard to move our subscribers to another satellite operator and will make an announcement by December 6.”

“The decision does not affect our successful pay-TV channel business Viasat, where we will launch five new HD channels in 2015. Viasat offers 15 channels in Russia, five of which are among the country’s 20 most popular channels.”

*Irina Gofman, EVP/CEO of Russia & CIS and Pay-TV Emerging Markets*

The value of MTG’s participation in Raduga Holdings S. A. was written down 100% in February 2014, and accordingly MTG’s Q4 2013 results included a SEK 147m non-cash and non-recurring impairment charge in the Group’s operating income. The decision was based on the ongoing uncertainty and lack of visibility surrounding the licensing status and requirements for Raduga TV. The adjustment in satellite subscriber numbers for Pay-TV Emerging Markets will be accounted for in MTG’s 2014 Q4 results.

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#### **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 19.10 CET on 1 December 2014.*