



MTG sells stake in Sappa

MTG has completed the sale of its 50% stake in Swedish cable TV company Sappa to Finnish telecom operator Anvia for an enterprise value (on a 100% basis) of SEK 135 million.

Sappa delivers TV channel packages to 350,000 Swedish households through cable and IPTV networks. Sappa was founded as Svensk Program Agentur (SPA) in 1994 through the merger of several different local cable (SMATV) operators. MTG acquired 50% of the business in 1999. The company name was changed to Sappa in 2010.

Anvia has acquired 100% of the outstanding shares in Sappa from MTG (50%) and SPA Holding (50%). Anvia is Finland's fourth largest telecom operator and offers quadruple play services.

“We have been a proud partner in Sappa for over fifteen years, during which the company has gone from strength to strength. The TV distribution market has changed substantially during this time and we are focused on the provision of entertainment rather than the development of network infrastructure. The business is well established and a good fit for its new owner, so we wish the Sappa team continued success in the future.”

Jørgen Madsen Lindemann, MTG President and CEO

Sappa generated revenue of 248 MSEK in 2014, and an operating profit (EBIT) of 15.7 MSEK. MTG has accounted for its 50% participation in the earnings as associated company income in the Pay-TV Nordic business. The resulting capital gain from the sale of approximately SEK 70 million will be reported as a non-recurring item in MTG's Q1 2015 results.

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 08:00 CET on 16 February 2015.