

Q1 - Record sales with double digit growth

Q1 2014 Highlights

- Net sales up 13% at constant FX & up 5% on an organic basis
- Winter Olympics coverage in Sweden drives accelerated organic growth in Free-TV Scandinavia and Pay-TV Nordic revenues
- Double digit organic growth in Pay-TV Emerging markets & content production businesses
- Operating income (EBIT) of SEK 118m (221) excluding associated company & JV income following investments in Olympics coverage, new channel launches and MTGx
- Total EBIT of SEK 301m (454) including associated & JV company income of SEK 183m (233)
- Net income of SEK 159m (334) and basic earnings per share of SEK 2.43 (4.73)
- Cash flow from operations of SEK 195m (267) and net debt position of SEK 738m (net cash of 17)

Financial Overview

(SEKm)	2014 Jan-Mar	2013 Jan-Mar	2013 Jan-Dec
Net sales	3,597	3,209	14,073
<i>Growth at constant FX</i>	13%	1%	8%
<i>Organic growth at constant FX</i>	5%	2%	5%
EBIT before associates & JV income and non-recurring items	118	221	1,309
<i>Margin before associates & JV income and non-recurring items</i>	3.3%	6.9%	9.3%
Associated & JV company income *	183	233	576
EBIT before non-recurring items	301	454	1,885
Non-recurring items	-	-	-147
Total EBIT	301	454	1,738
Net Income	159	334	1,168
Basic Earnings per Share (SEK)	2.43	4.73	16.39
Cash flow from operations	195	269	1,348

* Including MTG's SEK 74m (USD 11.5m) Q1 2014 participation in USD 29.9m of non-recurring charges incurred by associated company CTC Media in Q4 2013

Please note that MTG's 50% ownership interest in the Raduga has been accounted for as an equity participation with effect from 1 January 2014 due to changes in the IFRS rules (IFRS 11 - Joint Arrangements). Results for prior periods have been adjusted in the Group's reporting for the purposes of comparison.



President & CEO's comments

An Olympic quarter

The highlight of the quarter was our coverage in Sweden of the Sochi Winter Olympics. This was the most watched winter Olympics and most successful for the Swedish team ever, and we showed every single minute for the first time ever. We achieved record free-TV audience shares of 60% in Sweden during the games and the subscriber intake at Viaplay reached new all-time high levels.

Continued growth in volatile markets

We delivered 13% constant FX sales growth as the investments that we made last year accelerated our development. This was driven by a mix of organic growth in almost all of our businesses and the acquisition of key new businesses such as Nice Entertainment. Advertising market growth levels remain volatile across our 11 free-TV markets, but we expect to increase our audience and market shares in almost all territories in 2014. We are however running against tough comparisons in the Czech Republic in particular, following the exceptionally high levels of growth in 2013. We continue to see healthy subscriber growth levels in both our Nordic and emerging market pay-TV businesses and reported higher year on year profits for both businesses. Overall Group profitability levels reflected the investments that we have made in the Olympics coverage, new channels in Norway and Tanzania and our Group wide digital ventures, as well as the seasonality of our now much larger content production business.

In terms of outlook, we continue to expect a higher Nordic pay-TV operating margin in 2014 given the positive sales and profit momentum that we are seeing. At the same time, we are carefully monitoring the effects of the geopolitical situation in Ukraine but we remain committed to our investments and operations in the region given the substantial market opportunity and our well-established business positions. Based on current exchange rates, we would not expect an increase in pay-TV emerging markets profits in 2014 at this stage.

Building momentum

We have merged Viaplay and MTGx to create a leading digital entertainment powerhouse that can drive and benefit from the ever increasing levels of online video consumption. Our goal is clear – to be the leading digital entertainment house in each of our markets, which we will achieve through our organic development and acquisitions. I am also excited about the new pan-Scandinavian multi-platform content deal that we have signed with Sony Pictures, because it is the first of its kind, demonstrates the benefit of our integrated structure, and is another example of how we are shaping the future of entertainment with our partners and for our customers. We simply want to make fantastic content, channels and services available as broadly as possible, which is why we have also signed new long term deals with a wide range of third party operators.

We are balancing organic investments with cash returns to shareholders and maintaining the flexibility to acquire attractive businesses. We ended the quarter with SEK 6.3 billion of available liquid funds, a 0.4 times ratio of net debt to trailing twelve month EBITDA, and are proposing our highest ever cash dividend. So we are well-positioned to continue to invest in the growth of the business, in order to drive future earnings and returns.

Jørgen Madsen Lindemann
President & Chief Executive Officer

“Next up is our planned acquisition of 75% of Trace - one of the leading youth entertainment brands in Africa and present in 160 countries worldwide”



Significant Events during and after the quarter

January 13 - MTG launches first free-TV channel in Tanzania

MTG announced that it had launched its first ever advertising funded free-TV channel in Tanzania. The channel – TV1 - is available through Tanzania's digital terrestrial network and already reaches up to 30% of the 48 million people in the country. TV1 is MTG's second African free-TV channel, and follows the launch of Viasat1 in Ghana in 2008. MTG also operates pay-TV channels and content production businesses in Africa.

January 30 - MTG and Viacom sign Scandinavian online agreement

MTG announced that it had signed a partnership agreement with Viacom International Media Networks to include exclusive advertising-funded video on demand content from the MTV and Comedy Central channels in MTG's free-TV online 'catch-up' services in Sweden, Norway and Denmark from 4 February. MTG will also handle advertising sales for Viacom's online platforms, and sell the combined online reach of the MTG and Viacom online catch-up TV services to advertisers.

February 12 – Impairment of Raduga related intangible assets

MTG announced that it had taken the decision to write down 100% of the intangible assets (primarily goodwill) arising from its 50% participation in Raduga Holdings S.A. given the ongoing uncertainty and lack of visibility surrounding the licensing status and requirements for Raduga. MTG's Q4 2013 financial results therefore included a SEK 147m non-cash and non-recurring impairment charge in the Group's operating income.

February 25 - MTG acquires 75% of fast growing pay-TV channel operator Trace

MTG announced that it had signed an agreement to acquire 75% of Trace Partners SAS for a cash consideration that values 100% of the company at an enterprise value of EUR 40m. Trace is a France based youth media brand and global pay-TV channel operator that has distribution agreements with third party network operators in 160 countries worldwide, including all 55 countries in Africa. Trace management will retain the remaining 25% of the company. The transaction is subject to regulatory approval and MTG will consolidate Trace's results in the Group's accounts with effect from the closing of the transaction.

March 11 - MTG issues SEK 1 billion 4 year corporate bond

MTG announced that it had successfully raised SEK 1.0bn in the Swedish domestic bond market and has used the proceeds to replace the Group's existing SEK 1.0bn term loan. The 4 year bond has a floating rate coupon of 1.10% above the three month STIBOR rate.

March 27 - Viaplay & MTGx join forces to create leading digital entertainer

MTG announced that its Viaplay online pay-TV business and MTGx digital accelerator had merged to create a leading digital entertainment powerhouse under the leadership of Rikard Steiber, MTG Executive Vice President and Chief Digital Officer. Viaplay's results will continue to be reported as a part of the Nordic pay-TV and Emerging Markets Pay-TV businesses, and MTGx's results will continue to be reported as before.

April 7 - MTG and Sony Pictures Television sign ground breaking content deal

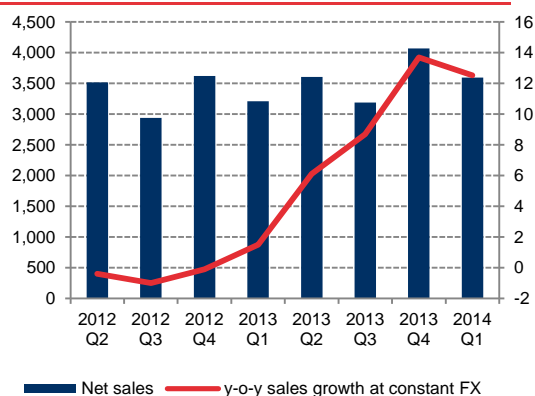
MTG announced an exclusive multi-year content cooperation deal with Sony Pictures Television, whereby all of MTG's Nordic free-TV channels, pay-TV movie channels and platforms will now be able to offer viewers the most recent Sony movies and TV series.

A full list of MTG corporate events can be found at www.mtg.se

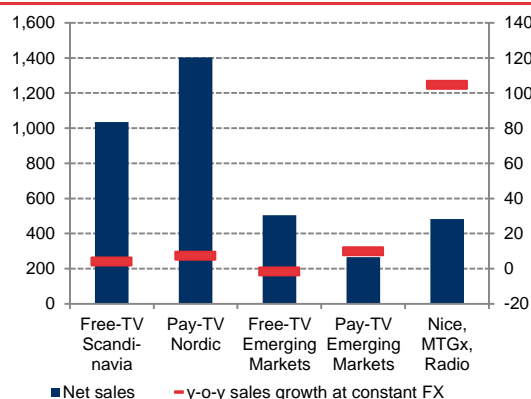
Operating Review

Group sales were up 13% at constant FX, and up 5% on an organic basis, following growth in the Nordic and emerging market pay-TV operations and the Scandinavian free-TV business, as well as the contribution from businesses acquired during the last twelve months.

Net Sales & y-o-y (year-on-year) Growth at constant FX
(SEKm (left side); % (right side))

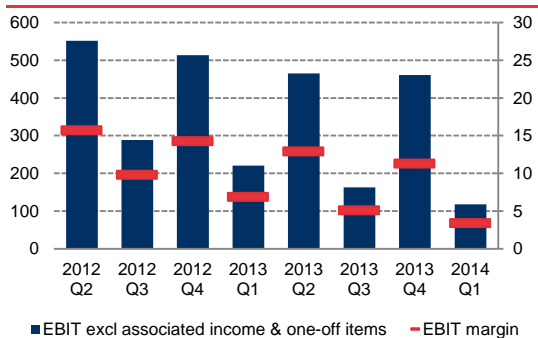


Q1 2014 Net Sales & y-o-y Growth at Constant FX by Segment
(SEKm (left side); % (right side))

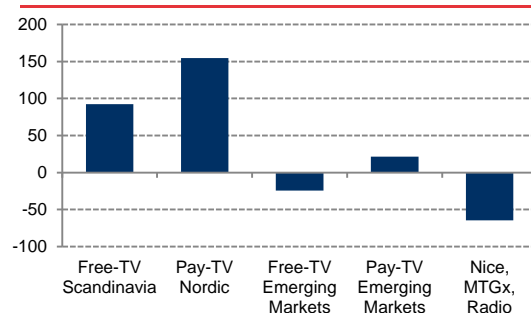


Operating costs were up 17% at constant FX, and 9% on an organic basis, following ongoing investments and the consolidation of acquired businesses. The organic investments included the coverage in Sweden and the Baltic's of the Sochi Winter Olympics, the launch of a free-TV channel in Tanzania, the launch of TV6 in Norway and the continued expansion of MTGx. Group operating income, when excluding associated company income, therefore fell to SEK 118m (221) with a corresponding operating margin of 3.3% (6.9%).

EBIT excl. associated income and one-off items & EBIT margin
(SEKm (left side); % (right side))



Q1 2014 EBIT by Segment
(SEKm)



Net interest totalled SEK -3m (-1). Other financial items amounted to SEK -38m (19) and included a SEK 29m (13) non-cash loss due to the change in value of the option element of the SEK 250m CDON Group convertible bond between the balance sheet dates. The fair value of the option element was estimated to be SEK 5m (34) as at 31 March 2014. The Group therefore reported income before tax of SEK 260m (472), net income of SEK 159m (334), and basic earnings per share of SEK 2.43 (4.73).

Free-TV Scandinavia

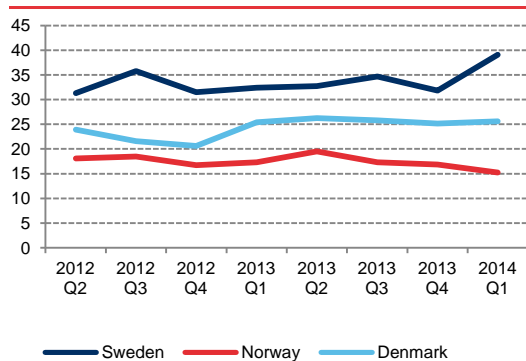
4% sales growth at constant FX & 9% operating margin

(SEKm)	2014 Jan-Mar	2013 Jan-Mar	2013 Jan-Dec
Net sales	1,034	993	4,110
<i>Change y-o-y</i>	4%	-3%	-1%
<i>Change y-o-y at constant FX</i>	4%	-1%	0%
Costs	942	866	3,442
<i>Change y-o-y</i>	9%	0%	2%
EBIT	92	127	668
<i>EBIT margin</i>	8.9%	12.8%	16.3%

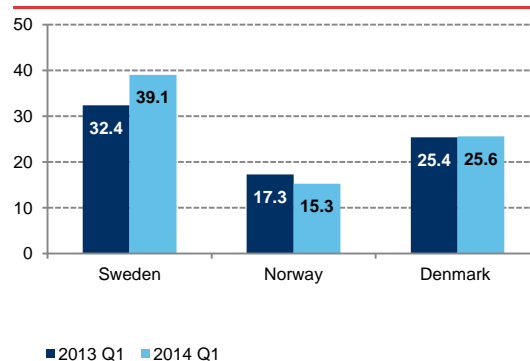
The sales growth at constant FX reflected the combination of higher sales in Sweden and lower sales in Norway and Denmark. The Swedish and Norwegian TV advertising markets are both estimated to have grown, while the Danish TV advertising market is estimated to have declined.

Operating costs were up at constant exchange rates following higher programming investments, in particular related to the exclusive coverage in Sweden of the Sochi Winter Olympics, and the launch of TV6 in Norway.

Commercial share of viewing (%)
(Target audience: 15-49)



Commercial share of viewing (%)
(Target audience: 15-49)



The substantial growth in the Swedish media house audience share reflected the coverage of the Winter Olympics, and the Danish media house audience share was at its highest Q1 level since 2000. The audience share for the Norwegian media house was down as coverage of the Olympics was shown on a rival commercial station for the first time. The Group renewed and extended its distribution agreements with Com Hem and Telia in Sweden during the quarter, and secured additional distribution for new channel TV6 in Norway, which will now be available to all Altibox customers and increase the channel's penetration from 64% to 76%. The Group also secured additional distribution for 3+, which will be available in the Danish Boxer terrestrial network from the beginning of July 2014.

Pay-TV Nordic

7% sales growth at constant FX & 11% operating margin

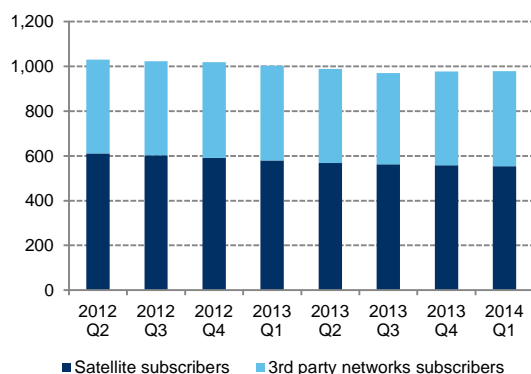
(SEKm)	2014 Jan-Mar	2013 Jan-Mar	2013 Jan-Dec
Net sales	1,404	1,310	5,335
<i>Change y-o-y</i>	7%	2%	5%
<i>Change y-o-y at constant FX</i>	7%	4%	6%
Costs	1,249	1,164	4,716
<i>Change y-o-y</i>	7%	10%	11%
EBIT	155	146	619
<i>EBIT margin</i>	11.0%	11.1%	11.6%

The organic sales growth accelerated compared to the growth in Q4 2013 and primarily reflected Viaplay subscriber growth.

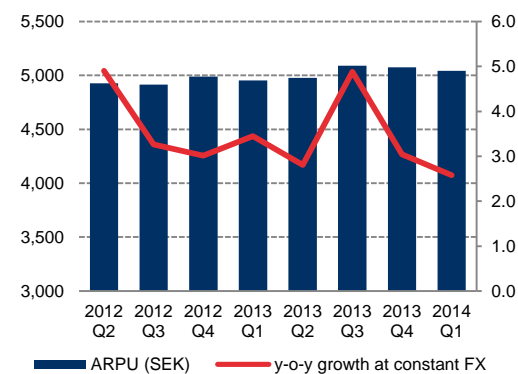
Operating costs also increased, which was primarily due to the investments in the exclusive coverage in Sweden of the Sochi Winter Olympics, as well as the continued expansion of Viaplay.

The Group continues to expect to report a higher EBIT margin for its Nordic pay-TV business for the full year 2014 than for the full year 2013.

Premium subscribers (000's)



Annualised Average Revenue per Premium Satellite Subscriber (ARPU) and Growth at constant FX (SEKm (left side); % (right side))



The total premium subscriber base including Viaplay continued to grow y-o-y and quarter-on-quarter (q-o-q). The premium subscriber base, when excluding Viaplay, was down y-o-y but increased on a sequential basis for the second consecutive quarter. Premium satellite ARPU also continued to rise to SEK 5,044 (4,955) and was up 3% y-o-y at constant FX following the previously introduced price increases in Sweden and Norway, price increases in Denmark from the start of 2014 and continued growth in the High Definition subscriber base. HD satellite subscriber penetration increased to 65% (59%) and multi-room subscriptions were stable at 42% of the premium satellite base.

Free-TV Emerging Markets

Slightly lower sales at constant FX & continued investments

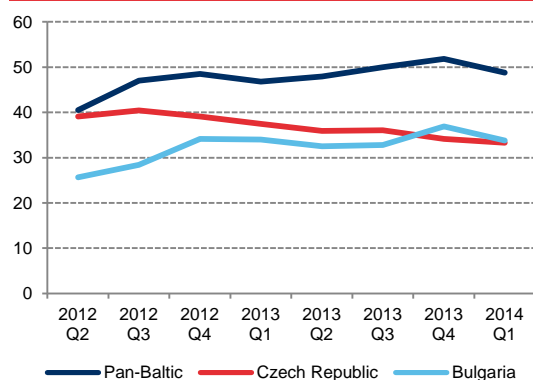
(SEKm)	2014 Jan-Mar	2013 Jan-Mar	2013 Jan-Dec
Net sales	504	512	2,445
<i>Change y-o-y</i>	-2%	19%	20%
<i>Change y-o-y at constant FX</i>	-2%	25%	24%
Costs	528	486	2,230
<i>Change y-o-y</i>	9%	15%	19%
EBIT	-25	26	215
<i>EBIT margin</i>	-	5.0%	8.8%

Sales were down in the Czech Republic following the exceptional growth levels in 2013 and the increased competition in 2014. This was largely offset by strong sales growth in each of the Baltic markets, Bulgaria and Ghana.

Operating costs were up significantly and the increase primarily comprised the coverage in the Baltic's of the Sochi Winter Olympics, the consolidation of Net Info, and the launch of TV1 in Tanzania.

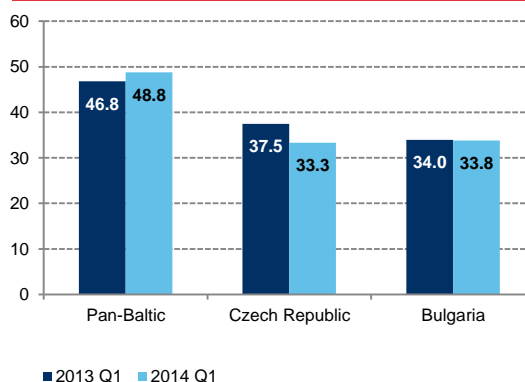
Commercial share of viewing

(%) Target audience: Baltics 15-49, Czech Republic 15-54, Bulgaria 18-49



Commercial share of viewing

(%) Target audience: Baltics 15-49, Czech Republic 15-54, Bulgaria 18-49



Sales for the Baltic free-TV operations were up 12% at constant FX following sales growth in all three markets. The Latvian and Estonian TV advertising markets are both estimated to have grown, while the Lithuanian market is estimated to have declined. The target audience shares for the Lithuanian and Estonian media house were both up significantly, while the Latvian media house audience share was down slightly as TV3 and LNT both moved behind the digital terrestrial pay wall from the start of 2014 and therefore have lower penetration. The combined commercial target audience shares for the Baltics reached a new all-time high for Q1 and the Group remains the largest media house in each of the Baltic countries.

Sales for the Czech operations were down 14% at constant FX. The development reflected the very strong growth in 2013, lower media house audience share and a highly competitive market environment as the primary competitor seeks to regain market share lost in 2013. The Czech TV advertising market is estimated to have grown.

The Bulgarian operations generated 18% constant FX sales growth following healthy underlying sales growth as well as the consolidation of Net info. The Bulgarian TV advertising market is estimated to have been stable, and the media house target audience share was down slightly from a very high base.

Sales for the Group's Hungarian operations were down 6% at constant FX while the Hungarian TV advertising market is estimated to have grown. Sales for the Group's Viasat1 channel in Ghana grew by 11% at constant FX in a growing TV advertising market.

Pay-TV Emerging Markets

10% sales growth at constant FX & 8% operating margin

(SEKm)	2014 Jan-Mar	2013 Jan-Mar	2013 Jan-Dec
Net sales	266	245	1,089
<i>Change y-o-y</i>	8%	4%	9%
<i>Change y-o-y at constant FX</i>	10%	10%	12%
Costs	244	246	960
<i>Change y-o-y</i>	-1%	23%	12%
EBIT	22	-1	129
<i>EBIT margin</i>	8.2%	-	11.9%

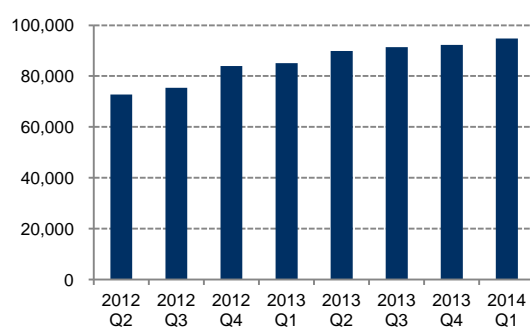
The sales growth at constant FX reflected the growth in the mini-pay wholesale channel business in general and the Russian market in particular.

Please note that MTG's 50% ownership interest in the Raduga satellite pay-TV operation has been accounted for as an equity participation with effect from 1 January 2014 due to changes in the IFRS rules (IFRS 11 - Joint Arrangements). Results for prior periods have been adjusted in the Group's reporting for the purposes of comparison.

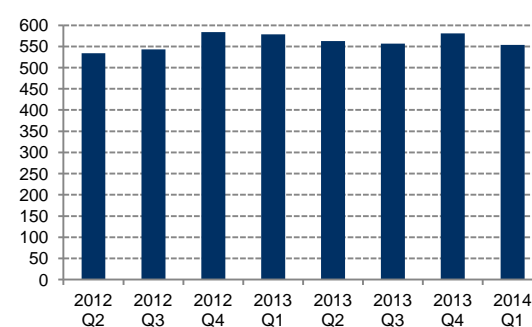
Operating costs decreased slightly and the operating result therefore improved significantly.

The geopolitical situation in Russia and Ukraine has resulted in significant weakness in their respective currencies. A continuation of current exchange rates will result in significant negative currency translation and transaction effects, which would result in lower full year 2014 profits for the segment.

Wholesale mini-pay channel subscriptions
(000's)



Satellite subscribers
(000's)



The wholesale mini-pay channel business added almost 10 million subscriptions y-o-y and almost 3 million subscriptions q-o-q. The combined satellite pay-TV subscriber bases declined q-o-q due to the seasonally slow sales period after New Year, as well as the ongoing uncertainty and lack of visibility surrounding the licensing status and requirements for Raduga.

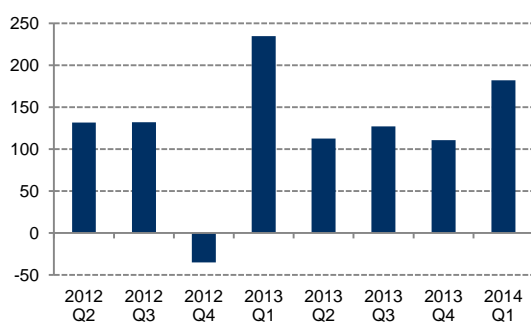
CTC Media

The Group reports its equity participation in the earnings of CTC Media with a one quarter time lag due to the fact that CTC Media reports its financial results after MTG. MTG's participation in CTC Media's US dollar reported results is translated into MTG's Swedish krona reporting currency at the average currency exchange rate for the MTG reporting period.

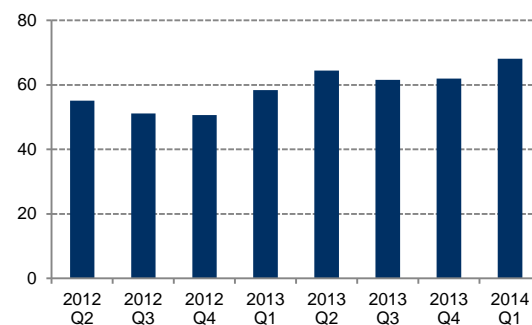
The Group owned 37.9% (37.9%) of CTC Media's issued shares at the end of the quarter. CTC Media reported its fourth quarter financial results on 6 March 2014.

CTC Media reported results

MTG participation in CTC Media results *
(SEKm)



CTC Media dividends received by MTG
(SEKm)



* Including MTG's USD 11.5m Q1 2014 participation in USD 29.9m of non-recurring charges incurred by associated company CTC Media in Q4 2013, USD 20.5m Q4 2012 participation in USD 82.5m of non-recurring charges incurred in Q3 2012.

Please visit www.ctcmedia.ru for further information about CTC Media.

Nice Entertainment, MTGx, Radio

6% organic sales growth + consolidation of acquired businesses

(SEKm)	2014 Jan-Mar	2013 Jan-Mar	2013 Jan-Dec
Net sales	483	242	1,537
<i>Change y-o-y</i>	100%	-41%	8%
<i>Change y-o-y at constant FX</i>	105%	-41%	10%
Costs	547	259	1,586
<i>Change y-o-y</i>	111%	-39%	12%
EBIT	-64	-17	-49
<i>EBIT margin</i>	-	-	-

The sales growth at constant FX was primarily driven by the consolidation of DRG and Novemberfilm from June 2013 and Nice Entertainment from November 2013. The organic sales growth for the segment was 6%, and was driven primarily by continued strong growth in the content production business, which during the quarter has been rebranded from MTG Studios to Nice Entertainment Group. Sales for the combined Swedish, Norwegian and Baltic radio businesses were down.

Operating costs were up significantly following the consolidation of the acquired businesses, as well as continued growth in the content production businesses and investments in the MTGx digital accelerator, and only partially offset by the savings achieved in the radio business.

MTGx continues to develop according to plan and has now rolled out a new advertising video on demand platform for the Group's free-TV channel catch-up services in seven countries, launched a dedicated Winter Olympics website and mobile app, and re-launched the Viasatsport.se site.

Financial Review

Cash Flow

Net cash flow from operations

Cash flow from operations before changes in working capital amounted to SEK 195m (269) and included the receipt of SEK 68m (58) of CTC Media dividend payments. Depreciation and amortisation charges increased to SEK 49m (41). The Group reported a SEK 99m (190) negative change in working capital. Net cash flow from operations therefore totaled SEK 95m (79).

Investing activities

The Group's cash investments in businesses amounted to SEK 2m (-). Group capital expenditure on tangible and intangible assets totaled SEK 62m (47). Total cash flow used in investing activities therefore amounted to SEK 64m (47).

Financing activities

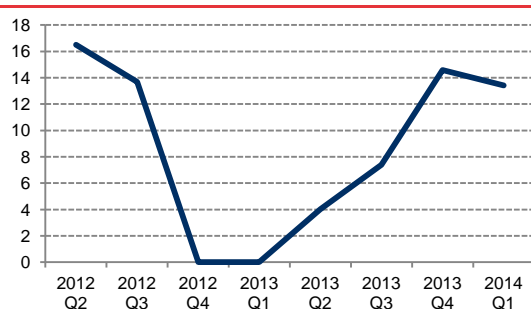
Cash flow from financing activities amounted to SEK -29m (-220) and the Group had total borrowings of SEK 1,781m (657) at the end of the period, compared to SEK 1,829m at the end of the fourth quarter of 2013.

The net change in cash and cash equivalents amounted to SEK 2m (-188) and the Group had cash and cash equivalents of SEK 715m (507) at the end of the period, compared to SEK 765m as at 31 December 2013.

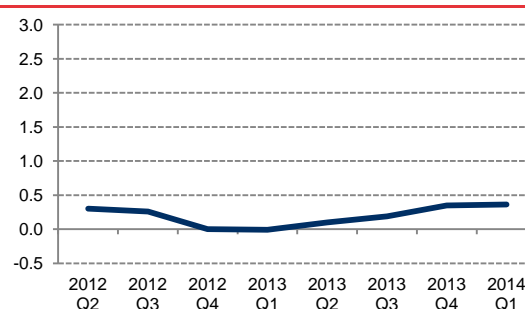
Net debt & Liquid funds

The Group's net debt position, which is defined as cash and cash equivalents and interest bearing assets less interest bearing liabilities, amounted to SEK 738m (-17) at the end of the period, and compared to a net debt position of SEK 772m at the end of the fourth quarter of 2013. The Group's available liquid funds, including unutilised credit and overdraft facilities, totaled SEK 6,315m (6,459) at the end of the period, and compared to SEK 5,569m as at 31 December 2013.

Net debt to equity
(%)



Net debt to last 12 months' EBITDA & excl write-down
(Ratio)



Holdings in listed companies

The book value of the Group's shareholding in associated company CTC Media was SEK 1,996m (2,053) at the end of the period, and compared with the SEK 3,568m (USD 553m) public equity market value of the shareholding as at the close of trading on the last business day of March 2014.

Related Party Transactions

Related party transactions are of the same character and of similar amounts as the transactions described in the 2013 Annual Report.

Parent Company

Modern Times Group MTG AB is the Group's parent company and is responsible for Group-wide management, administration and finance functions.

(SEKm)	2014 Jan-Mar	2013 Jan-Mar	2013 Jan-Dec
Net sales	12	10	46
Net interest and other financial terms	114	184	536
Income before tax and appropriations	65	129	318

Net interest and other financial items decreased and primarily reflected lower interest rate levels. The parent company had cash and cash equivalents of SEK 466m (240) at the end of the period, compared to SEK 429m at the end of the fourth quarter of 2013. SEK 5,600m (5,950) of the SEK 6,600m total available credit facilities, including the SEK 100m overdraft facility, was unutilised at the end of the reporting period.

The total number of outstanding shares was 66,622,711 (66,612,522) at the end of the quarter and excludes the 865,000 Class C shares and 159,413 Class B shares held by MTG in treasury at the end of the period. The total number of issued shares did not change during the period.

Other Information

This Interim report has been prepared according to 'IAS 34 Interim Financial Reporting' and 'The Annual Accounts Act'. The interim report for the parent company has been prepared according to the Annual Accounts Act - Chapter 9 'Interim Report'.

The Group's consolidated accounts and the parent company accounts have been prepared according to the same accounting policies and calculation methods as were applied in the preparation of the 2013 Annual Report with the exception of the consolidation of joint ventures which, in accordance with IFRS 11 Joint Arrangements, is accounted for using the equity method instead of the proportionate method. The figures for 2013 have been restated accordingly to facilitate comparison. Further, IFRS 10 Consolidated Financial Statements replaced IAS 27 Consolidated and Separate Financial Statements, which identifies the concept of control. The new standard has not had any impact on which companies are consolidated in the Group's accounts.

Significant risks and uncertainties exist for the Group and the parent company. These include the prevailing economic and business environments in certain markets and the impact of the Eurozone and the Crimean crisis in particular; commercial risks related to expansion into new territories; political and legislative risks related to changes in rules and regulations in the various territories in which the Group operates; exposure to foreign exchange rate movements and the US dollar and Euro linked currencies in particular; and the emergence of new technologies and competitors. These risks and uncertainties are described in more detail in the 2013 Annual Report, which is available at www.mtg.se.

This report has not been reviewed by the Group's auditors.

2014 Annual General Meeting of MTG shareholders

The 2014 Annual General Meeting will be held on Tuesday 13 May 2014 in Stockholm. The Board of Directors will propose the payment of an annual ordinary cash dividend of SEK 10.50 (10.00) per share to the Annual General Meeting of shareholders, and the total proposed dividend payment would therefore amount to approximately SEK 700m (666) based on the maximum potential number of outstanding ordinary shares. The Board of Directors will propose that the remainder of the Group's retained earnings for the year ended 31 December 2013 be carried forward into the accounts for 2014. The proposal is in line with the dividend policy to distribute a minimum of 30 per cent of each year's recurring net profit to shareholders in the form of an annual ordinary cash dividend. The Board will also propose an adaptation of a new long-term incentive programme. Please refer to <http://www.mtg.se/en/corporate-governance/annual-general-meeting/2014-annual-general-meeting-of-shareholders/> for a full description of the plan.

Financial calendar

MTG's financial results for the second quarter and six months ended 30 June 2014 will be published on 17 July 2014.

Conference Call

The company will host a conference call today at 15.00 Stockholm local time, 14.00 London local time and 09.00 New York local time. To participate in the conference call, please dial:

Sweden: +46 (0) 8 5065 3936
UK: +44 (0) 20 3427 1908
US: +1 646 254 3361

The access pin code for the call is 9161971. To listen to the conference call online and for further information please visit www.mtg.se

* * *

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

Jørgen Madsen Lindemann, President & Chief Executive Officer
Mathias Hermansson, Chief Financial Officer
Tel: +46 (0) 8 562 000 50

Investors & Analysts
Tel: +46 (0) 73 699 2714
Email: investor.relations@mtg.se

Journalists
Tel: +46 (0) 73 699 2709
Email: press@mtg.se

Stockholm, 25 April 2014

Jørgen Madsen Lindemann, President & Chief Executive Officer

Modern Times Group MTG AB
Skeppsbron 18
P.O. Box 2094
SE-103 13 Stockholm, Sweden
Registration number: 556309-9158

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 interim report is that which Modern Times Group MTG AB (publ) shall disclose in accordance with the Securities Market Act and/or the law on Trading in Financial Instruments, and was published at 13.00 CET on 25 April 2014.

Condensed consolidated income statement

(SEKm)	2014 Jan-Mar	2013 Jan-Mar	2013 Jan-Dec
Net sales	3,597	3,209	14,073
Cost of goods and services	-2,320	-1,962	-8,471
Gross income	1,277	1,247	5,601
Selling and administrative expenses	-1,090	-974	-4,121
Other operating revenues and expenses, net	-70	-52	-171
Share of earnings in associated companies and joint ventures	183	233	576
Write-down and one-off costs	-	-	-147
Operating income (EBIT)	301	454	1,738
Net interest	-3	-1	-46
Other financial items	-38	19	34
Income before tax	260	472	1,726
Tax	-101	-138	-558
Net income for the period	159	334	1,168
Attributable to:			
Equity holders of the parent	162	315	1,092
Non-controlling interest	-3	19	76
Net income for the period	159	334	1,168
Basic earnings per share (SEK)	2.43	4.73	16.39
Diluted earnings per share (SEK)	2.42	4.73	16.37

Condensed consolidated statement of comprehensive income

(SEKm)	2014 Jan-Mar	2013 Jan-Mar	2013 Jan-Dec
Net income for the period	159	334	1,168
<i>Other comprehensive income</i>			
<i>Items that are or may be reclassified to profit or loss net of tax:</i>			
Currency translation differences	116	-89	-141
Cash flow hedge	-8	-3	15
Revaluation of shares at market value	-	-	0
Share of other comprehensive income of associates	-21	3	-76
Other comprehensive income for the period	88	-90	-202
Total comprehensive income for the period	247	244	966
Total comprehensive income attributable to:			
Equity holders of the parent	247	237	900
Non-controlling interest	0	8	66
Total comprehensive income for the period	247	244	966
Shares outstanding at the end of the period	66,622,711	66,612,522	66,622,711
Basic average number of shares outstanding	66,622,711	66,612,522	66,619,668
Diluted average number of shares outstanding	66,705,940	66,658,713	66,697,519

Condensed consolidated statement of financial position

(SEKm)	2014 31 Mar	2013 31 Mar	2013 31 Dec
Non-current assets			
Goodwill	3,523	2,647	3,463
Other intangible assets	857	545	841
Total intangible assets	4,380	3,192	4,304
Total tangible assets	467	343	474
Shares and participations	2,032	2,243	1,990
Other financial receivables	383	316	368
Total long-term financial assets	2,416	2,559	2,359
Total non-current assets	7,262	6,094	7,137
Current assets			
Total inventory	2,164	1,905	1,810
Total current receivables	3,813	3,233	4,395
Cash, cash equivalents and short-term investments	715	507	765
Total current assets	6,692	5,645	6,970
Total assets	13,954	11,738	14,107
Shareholders' equity			
Shareholders' equity	5,316	5,182	5,136
Non-controlling interest	191	196	159
Total equity	5,506	5,377	5,295
Long-term liabilities			
Total non-current interest-bearing liabilities	991	677	1,801
Provisions	790	612	792
Non-interest-bearing liabilities	188	180	181
Total non-current non-interest-bearing liabilities	977	793	973
Total non-current liabilities	1,969	1,470	2,774
Current liabilities			
Total current Interest-bearing liabilities	798	85	73
Total current non-interest-bearing liabilities	5,680	4,806	5,965
Total current liabilities	6,479	4,891	6,038
Total liabilities	8,447	6,361	8,812
Total shareholders' equity and liabilities	13,954	11,738	14,107

The carrying amounts are considered to be reasonable approximations of fair value for all financial assets and financial liabilities.

Condensed consolidated statement of cash flows

(SEKm)	2014 Jan-Mar	2013 Jan-Mar	2013 Jan-Dec
Cash flow from operations	195	269	1,348
Changes in working capital	-99	-190	-130
Net cash flow from operations	95	79	1,218
Proceeds from sales of shares	-	-	-
Acquisitions of subsidiaries and associates	-2	-	-905
Investments in other non-current assets	-62	-47	-319
Other cash flow from investing activities	-	-	0
Cash flow used in investing activities	-64	-47	-1,224
Net change in loans	-71	-243	876
Dividends to shareholders	-	0	-666
Other cash flow from/to financing activities	42	23	-106
Cash flow used in financing activities	-29	-220	103
Net change in cash and cash equivalents for the period	2	-188	97
Cash and cash equivalents at the beginning of the period	765	739	739
Translation differences in cash and cash equivalents	-53	-44	-71
Cash and cash equivalents at end of the period	715	507	765

Condensed consolidated statement of changes in equity

(SEKm)	2014 31 Mar	2013 31 Mar	2013 31 Dec
Opening balance	5,295	5,134	5,134
Net loss/income for the year	159	334	1,168
Other comprehensive income for the year	88	-90	-202
Total comprehensive loss/income for the year	247	244	966
Effect of employee share option programmes	0	-1	18
Share of option changes in equity of associates	-3	-	-62
Change in non-controlling interests	-32	-	3
Dividends to shareholders	-	-	-666
Dividends to non-controlling interests	-	-	-98
Closing balance	5,506	5,377	5,295

Parent company condensed income statement

(SEKm)	2014 Jan-Mar	2013 Jan-Mar	2013 Jan-Dec
Net sales	12	10	46
Gross income	12	10	46
Administrative expenses	-61	-65	-264
Operating income (EBIT)	-49	-55	-219
Net interest and other financial items	114	184	536
Income before tax and appropriations	65	129	318
Appropriations	-	-	54
Tax	-12	-27	-78
Net income for the period	53	102	294

Parent company condensed statement of comprehensive income

(SEKm)	2014 Jan-Mar	2013 Jan-Mar	2013 Jan-Dec
Net income for the period	53	102	294
<i>Other comprehensive income</i>			
<i>Items that are or may be reclassified to profit or loss net of tax:</i>			
Revaluation of shares at market value	-	-	-
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	53	102	294

Parent company condensed balance sheet

(SEKm)	2014 31 Mar	2013 31 Mar	2013 31 Dec
Non-current assets			
Machinery and equipment	2	2	2
Shares and participations	6,398	3,676	6,397
Other financial receivables	419	513	438
Total non-current assets	6,819	4,192	6,838
Current assets			
Current receivables	9,798	12,396	13,196
Cash, cash equivalents and short-term investments	466	240	429
Total current assets	10,264	12,636	13,626
Total assets	17,083	16,828	20,463
Shareholders' equity			
Restricted equity	338	338	338
Non-restricted equity	7,618	8,028	7,565
Total equity	7,956	8,366	7,904
Long-term liabilities			
Interest-bearing liabilities	1,000	650	1,779
Provisions	4	1	4
Non-interest-bearing liabilities	1	45	16
Total long-term liabilities	1,005	696	1,798
Current liabilities			
Other interest-bearing liabilities	8,003	7,667	7,259
Non-interest-bearing liabilities	119	98	3,503
Total current liabilities	8,122	7,765	10,762
Total shareholders' equity and liabilities	17,083	16,828	20,463

Net Sales – Business segments

(SEKm)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Full year 2013	Q1 2014
Free-TV Scandinavia	993	1,080	887	1,149	4,110	1,034
Pay-TV Nordic	1,310	1,349	1,308	1,368	5,335	1,404
Free-TV Emerging Markets	512	692	457	784	2,445	504
- <i>Baltics, Czech & Bulgaria</i>	478	648	422	741	2,289	472
Pay-TV Emerging Markets	245	269	268	307	1,089	266
Central operations, elim & others	-54	-53	-39	-52	-197	-48
Total Viasat Broadcasting	3,007	3,337	2,881	3,557	12,783	3,159
Nice, MTGx, Radio	242	336	367	593	1,537	483
Group central operations	56	55	69	58	237	60
Eliminations	-96	-122	-126	-140	-484	-104
TOTAL OPERATIONS	3,209	3,605	3,191	4,068	14,073	3,597
<i>Organic Growth at constant FX</i>	2.3%	5.6%	4.8%	6.0%	4.7%	5.3%
<i>FX</i>	-2.6%	-3.1%	-0.2%	-1.0%	-1.7%	-0.4%
<i>Divestments</i>	-3.8%	-2.6%	0.0%	0.0%	-1.7%	0.0%
<i>Acquisitions</i>	3.0%	3.0%	4.4%	7.8%	4.6%	7.2%
<i>Total growth</i>	-1.1%	2.9%	9.1%	12.8%	6.0%	12.1%

Operating income (EBIT) – Business segments

(SEKm)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Full year 2013	Q1 2014
Free-TV Scandinavia	127	209	118	214	668	92
Pay-TV Nordic	146	152	156	165	619	155
Free-TV Emerging Markets	26	140	-34	83	215	-25
- <i>Baltics, Czech & Bulgaria</i>	38	145	-24	92	251	-12
Pay-TV Emerging Markets	-1	52	27	51	129	22
Associated Company CTC Media	235	113	127	111	586	182
Central operations, elim & others	-2	-14	-4	-14	-34	0
Total Viasat Broadcasting	531	651	391	610	2,184	426
Nice, MTGx, Radio	-17	3	-46	11	-49	-64
Group central ops & elims	-60	-76	-57	-57	-250	-61
TOTAL OPERATIONS	454	578	289	564	1,885	301
TOTAL EXCL CTC MEDIA	219	466	161	454	1,300	119
Write-down Viasat Broadcasting	-	-	-	-147	-147	-
TOTAL EXCL IMPAIRMENT	219	466	161	306	1,152	119

Condensed sales Group segments

(SEKm)	2014 Jan-Mar	2013 Jan-Mar	2013 Jan-Dec
Sales external customers			
Viasat Broadcasting	3,157	3,005	12,764
Nice, MTGx, Radio	438	200	1,295
Parent company & holding companies	2	4	14
Total	3,597	3,209	14,073
Sales between segments			
Viasat Broadcasting	3	3	19
Nice, MTGx, Radio	44	41	242
Parent company & holding companies	57	52	224
Total	104	96	484

Key performance indicators

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Full year 2013	Q1 2014
GROUP						
Sales growth (%)	-1.1	2.9	9.1	12.8	6.0	12.1
Sales growth at constant FX (%) *	1.5	6.1	9.2	13.8	7.7	12.5
Change in operating costs (%) **	2.9	6.0	14.2	21.0	11.0	15.8
Operating margin (%) **	6.8	12.9	5.1	11.3	9.3	3.3
Return on capital employed (%)	32	31	29	29		26
Return on equity (%)	30	28	25	25		22
Equity to assets ratio (%)	46	40	40	38		39
Liquid funds (SEKm)	6,459	6,170	6,018	5,569		6,315
Net debt (SEKm)	-17	206	373	772		738
FREE-TV SCANDINAVIA						
Sales growth (%)	-3.0	-2.7	1.3	0.2	-1.1	4.1
Sales growth at constant FX (%) *	-1.0	-0.4	0.8	0.7	0.0	4.0
Change in operating costs (%)	0.0	1.3	3.8	4.2	2.3	8.7
Operating margin (%)	12.8	19.3	13.3	18.6	16.3	8.9
Commercial share of viewing (%) ¹						
Sweden (15-49)	32.4	32.7	34.7	31.8	33.1	39.1
Norway (15-49)	17.3	19.5	17.3	16.9	17.7	15.3
Denmark (15-49)	25.4	26.2	25.8	25.2	25.6	25.6
PAY-TV NORDIC						
Sales growth (%)	1.8	4.4	7.0	6.4	4.9	7.1
Sales growth at constant FX (%) *	3.5	6.7	6.9	7.0	6.0	7.2
Change in operating costs (%)	9.8	12.5	12.0	10.6	11.2	7.3
Operating margin (%)	11.1	11.3	11.9	12.0	11.6	11.0
Subscriber data ('000s)						
Premium subscribers	1,003	989	970	977		978
- of which, satellite	580	569	563	559		553
- of which, 3rd party networks	424	421	407	418		425
Basic satellite subscribers	45	44	42	40		37
Premium satellite ARPU (SEK)	4,955	4,978	5,089	5,075		5,044
FREE-TV EMERGING MARKETS						
Sales growth (%)	18.7	23.6	23.8	16.2	20.1	-1.7
Sales growth at constant FX (%) *	25.2	30.6	21.2	17.9	23.5	-1.8
Change in operating costs (%)	14.9	17.9	17.8	22.7	18.7	8.6
Operating margin (%)	5.0	20.2	-7.4	10.6	8.8	-4.9
Commercial share of viewing (%)						
Estonia (15-49)	37.6	42.9	39.3	44.3	41.0	41.0
Latvia (15-49) ²	55.4	57.9	59.1	61.1	58.2	55.0
Lithuania (15-49)	44.4	43.3	48.1	49.0	46.3	47.3
Czech Republic (15-54) ³	37.5	35.9	36.0	34.1	35.9	33.3
Bulgaria (18-49)	34.0	32.5	32.8	36.9	34.2	33.8
Hungary (18-49)	7.4	7.2	7.8	7.8	7.5	7.5
PAY-TV EMERGING MARKETS						
Sales growth (%)	4.5	3.9	6.1	19.3	8.6	8.3
Sales growth at constant FX (%) *	10.0	9.5	7.2	20.8	12.0	9.8
Change in operating costs (%)	22.5	7.9	17.5	1.4	11.7	-0.9
Operating margin (%)	-0.3	19.3	10.2	16.7	11.9	8.2
Subscriber data ('000s)						
Satellite subscribers	578	562	556	581		554
Mini-pay subscriptions	85,153	89,915	91,380	92,223		94,837
ASSOCIATED COMPANY CTC MEDIA						
Share of viewing (%)						
CTC Russia (6-54)	11.3	11.6	11.6	10.9	11.3	10.8
Domashny Russia (females 25 - 59)	3.0	3.5	3.9	3.5	3.5	3.1
Peretz (DTV) Russia (25-59)	2.5	2.3	2.3	2.3	2.4	2.4
Channel 31 Kazakhstan (6-54)	13.4	12.6	14.1	12.7	13.2	11.7

1. The universe expanded to include the Discovery and TLC channels, all of the TV4 Group channels, and the TV3 Sport 1 and 2 channels from Q1 2013.

2. Including the LNT channels (LNT, TV5, Kanals 2) from Q3 2012.

3. The universe expanded from Q1 2013 to include three new CME channels and Prima ZOOM.

* the growth is calculated based on prior year's exchange rates

** based on operating income excl. associated income and non-recurring items