

Record Q2 sales, digital acquisitions & ongoing transformation

Q2 2015 Highlights

- Sales of SEK 4,155m (4,109), and operating income before non-recurring items of SEK 452m (473) including M&A transaction costs and adverse currency effects
- Net income from continuing operations of SEK 360m (227) and basic earnings per share of SEK 4.98 (3.02)
- CTC Media received USD 200m non-binding cash offer for 75% of business operations. MTG holding in CTC Media reclassified as 'discontinued operation' and MTG reports net income from discontinued operations of SEK -418m including SEK 416m impairment charge
- Total net income of SEK -58m (307) and total basic earnings per share of SEK -1.30 (4.21)
- Cash flow from continuing operations of SEK 373m (420), with net debt of SEK 913m (987) equivalent to 0.6x trailing 12 month recurring EBITDA
- Strategic investments of approximately SEK 1.2bn after the end of the quarter in three digital businesses - Turtle Entertainment, Splay and Zoomin.TV

Financial Overview

(SEKm)	2015 Apr-Jun	2014 Apr-Jun	2015 Jan-Jun	2014 Jan-Jun	2014 Jan-Dec
Net sales	4,155	4,109	7,855	7,706	15,746
<i>Growth at constant FX</i>	0%	13%	1%	13%	11%
<i>Organic growth at constant FX</i>	0%	3%	0%	4%	4%
EBIT before non-recurring items	452	473	594	591	1,290
<i>Margin before non-recurring items</i>	10.9%	11.5%	7.6%	7.7%	8.1%
Non-recurring items (NRI) *	-	-155	77	-155	-155
Total EBIT	452	318	672	437	1,135
Net income, continuing operations	360	227	524	273	816
Basic earnings per share, continuing operations (SEK)	4.98	3.02	7.59	3.74	11.75
Net income, discontinued operations **	-418	80	-264	193	357
Total net income	-58	307	260	466	1,172
Total basic earnings per share (SEK)	-1.30	4.21	3.63	6.64	17.10
Net debt	913	987	913	987	362
Cash flow from operations, continuing operations	373	420	484	546	1,040

* Comprising in 2015 the SEK 77m capital gain from the sale of Swedish cable TV company Sappa. Comprising in 2014 the SEK 159m non-cash net impairment charge related to MTG's interest in the Ukrainian satellite pay-TV platform; SEK 70m of organisational restructuring charges and other costs; and the SEK 76m capital gain from the sale of Zitius in Sweden.

** CTC Media has been reclassified from an 'equity participation' to a 'discontinued operation' as MTG's shareholding in CTC Media is for sale. Comparable figures for prior periods of 2014 and 2015 have been provided accordingly on www.mtg.com.



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President & CEO's comments

Healthy underlying performance

Sales and profits were up for our broadcasting businesses despite the ongoing adverse currency effects on our content costs. We increased our advertising market shares in almost all markets and grew our subscriber bases through Viaplay across the Nordic region and Trace in the international markets. Our operating profit before non-recurring items was stable when excluding M&A transaction costs of SEK 20m, and would have been up when excluding the negative currency effects.

The transformation continues

We have taken a number of important steps during the quarter along our path of strategic transformation. Firstly, we are moving from a product to a country based organisation, in order to accelerate decision making and bring us even closer to our customers. Secondly, we are working to optimise our structure, in order to capitalise on the fast moving changes in consumer behaviour and offset the ongoing adverse currency effects. And, thirdly, we have announced that we have invested in three complementary digital businesses that give us global scale and confirm our position as a leading player in two very exciting verticals.

Update on Russia

As announced, CTC Media has received a non-binding offer for the purchase of 75% of its business operations. The offer is now being evaluated by a special committee appointed by the CTC Media Board. If the transaction is consummated, CTC Media's Board currently anticipates that the funds available pro rata to its public stockholders and MTG would represent a modest premium to the closing price on 2 July. We continue to explore a range of options regarding our own Russian operations in order to best protect shareholder value.

Outlook

The rate of decline in linear viewing in Scandinavia did slow in the quarter, while our audience shares and advertising prices have continued to rise in almost all markets. Our total digital sales grew by over 30% and we are now rolling out our new programmatic automated ad buying platform across our territories. Viaplay is set for further growth following new partnerships with the likes of Apple TV, Nextgentel and 3, and we have also now secured a number of long term multi-platform content deals for the likes of NHL ice hockey in the Nordics and Champions League football in the Baltics and Finland. Thanks to our healthy financial position and cash generative operating model, we will continue to expand our digital operations and consolidate our market positions, but also balance this with ongoing actions to mitigate the adverse currency effects that we continue to face.

Jørgen Madsen Lindemann

President & Chief Executive Officer

“We have taken a number of important steps during the quarter along our path of strategic transformation. We have changed the shape of the organisation, expanded our exciting digital portfolio, and secured several key rights. The underlying business continues to perform well and we are taking actions to mitigate the ongoing FX headwinds.”



Significant Events during and after the quarter

28 April - MTG launches programmatic platform

MTG has launched a programmatic trading platform called VideoRange. The new platform is providing automated advertisement video on demand (AVOD) inventory sales in Sweden, Norway and Denmark. VideoRange is the first service of its kind in each market to enable media buying agencies and advertisers to buy full length premium video advertising inventory. The platform will also include MTG's AVOD services in the Baltics, Bulgaria and the Czech Republic.

20 May and 4 June - MTG management changes

MTG announced changes to its management structure, which amongst others included a move from a product to a country organisation in the Nordics. The changes have been made in order to further integrate the Group's activities and bring it closer to consumers and partners in each market. The Group also announced on 4 June that Mathias Hermansson has taken a sabbatical from his role as MTG Chief Financial Officer between 18 June and 18 December 2015, and MTG Head of Group Finance Maria Redin has been appointed as Acting Chief Financial Officer.

1 July - MTG invests in world's largest esports company ESL

MTG signed an agreement to acquire 74% of Turtle Entertainment, the world's largest esports company that operates under the well-known ESL brand with revenues growing at 50% per year. The 74% stake is being acquired from financial investors and the company's founders for EUR 78 million in cash. Closing of the transaction is subject to local regulatory approvals.

6 July – MTG notes announcement by CTC Media & changes accounting for holding

MTG noted the announcement by CTC Media, Inc., of which MTG owns 37.9%, that it had received a non-binding offer of USD 200m for the purchase of a 75% interest in its business operations. MTG has also decided to reclassify its interest in CTC Media from an 'equity participation' to a 'discontinued operation' following the change in the Russian mass media law regarding foreign ownership with effect from 1 January 2016, and CTC Media's consideration of the above offer.

10 July - MTG invests in Splay to accelerate expansion

MTG increased its shareholding in Splay, the number one multi-channel network in Scandinavia, from 49% to 81%. Splay is already present in Germany and continues to expand internationally. Splay's content is currently generating over 120 million monthly views on its 430 YouTube channels. Splay's video stars have 14 million subscribers on YouTube and over 50 million followers on Instagram.

20 July - MTG invests in Europe's largest multi-channel network Zomin.TV

MTG has acquired 51% of Zomin.TV, the online video entertainment network, content production and advertising sales house. This follows MTG's announced investments in ESL and Splay, and reflects MTG's strategy to invest in relevant, complementary and scalable digital brands, content and communities. MTG's fast growing digital portfolio also includes the Viaplay Nordic subscription video on demand service, esports platform Viagame, and advertising video on demand TV sites in 8 European countries. MTG is acquiring the shares based on an Enterprise Value of EUR 88m.

20 July - MTG to show NHL ice hockey until 2021

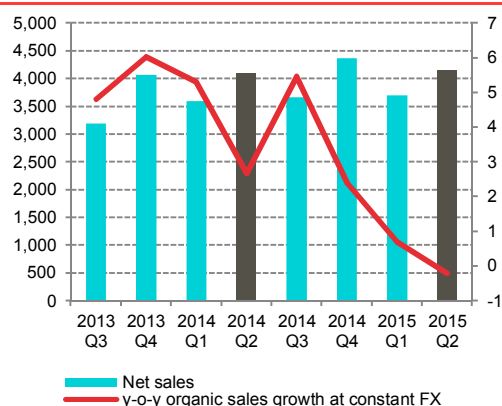
MTG and the National Hockey League (NHL®) announced a five-year partnership renewal that includes broadcast and online exclusivity for NHL games across the Nordic countries – Denmark, Finland, Norway, and Sweden. MTG has also reached an agreement with the National Hockey League Players' Association (NHLPA) & the NHL to broadcast the 2016 World Cup of Hockey.

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

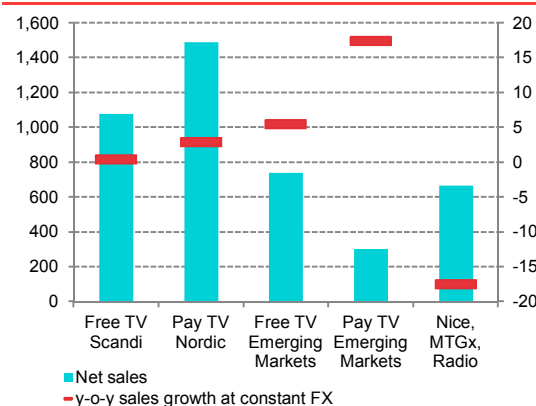
Operating Review

Sales were stable both at constant FX and on an organic basis. Growth in the broadcasting businesses was offset by lower sales in the content production businesses.

Net sales & y-o-y (year-on-year) organic growth at constant FX (SEKm (left side); % (right side))

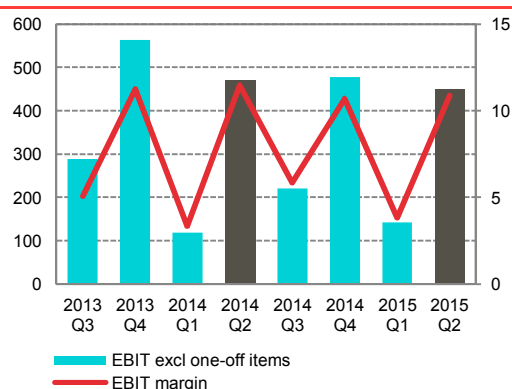


Q2 2015 Net sales & y-o-y growth at constant FX by segment (SEKm (left side); % (right side))

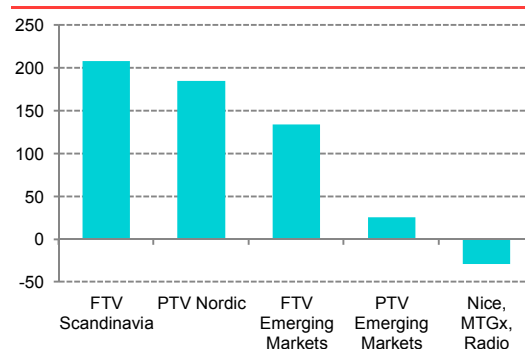


Operating costs were up 1% at constant FX, and stable on an organic basis. The increase primarily reflected ongoing investments in the digital businesses, the adverse impact of the appreciation of the US dollar, the consolidation of Trace from July 2014, and M&A related costs. Operating income, when excluding non-recurring items, amounted to SEK 452m (473), with an operating margin of 10.9% (11.5).

EBIT & EBIT margin excl. NRIs (SEKm (left side); % (right side)) *



Q2 2015 EBIT by segment (SEKm)



* Quarterly fluctuations reflect seasonality of advertising markets

Net interest income totalled SEK -3m (-16) and other financial items amounted to SEK 0m (3). The Group reported net income from continuing operations of SEK 360m (227); and basic earnings per share from continuing operations of SEK 4.98 (3.02).

Free-TV Scandinavia

Sales stable at constant FX & profits up

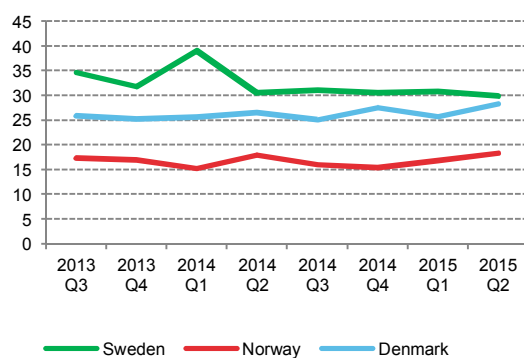
(SEKm)	2015 Apr-Jun	2014 Apr-Jun	2015 Jan-Jun	2014 Jan-Jun	2014 Jan-Dec
Net sales	1,080	1,065	2,059	2,099	4,109
<i>Change y-o-y</i>	1%	-1%	-2%	1%	0%
<i>Change y-o-y at constant FX</i>	0%	-3%	-4%	0%	-2%
Costs	871	864	1,757	1,806	3,476
<i>Change y-o-y</i>	1%	-1%	-3%	4%	1%
EBIT	208	200	302	293	633
<i>EBIT margin</i>	19.3%	18.8%	14.7%	13.9%	15.4%

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

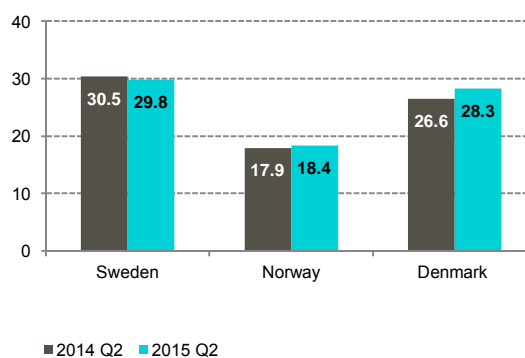
Operating costs were stable despite the adverse impact of the appreciation of the US dollar as investments continued to be balanced against market conditions and audience share development. Profits were up for the quarter.

The Swedish media house audience share was down y-o-y, while the Norwegian and Danish shares were up.

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



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



* The Danish universe has expanded from Q1 2015 to include TV2 Sport and the Norwegian universe has expanded from Q2 2015 to include TV2 Humor.

Pay-TV Nordic

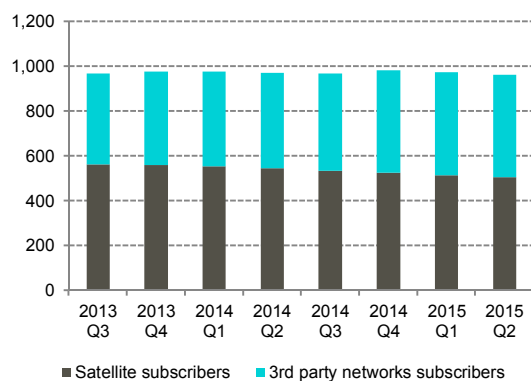
Sales up & stable profits

(SEKm)	2015 Apr-Jun	2014 Apr-Jun	2015 Jan-Jun	2014 Jan-Jun	2014 Jan-Dec
Net sales	1,490	1,439	2,976	2,843	5,756
<i>Change y-o-y</i>	4%	7%	5%	7%	8%
<i>Change y-o-y at constant FX</i>	3%	5%	3%	6%	7%
Costs	1,305	1,255	2,612	2,504	5,047
<i>Change y-o-y</i>	4%	5%	4%	6%	7%
EBIT	185	184	364	339	709
<i>EBIT margin</i>	12.4%	12.8%	12.2%	11.9%	12.3%

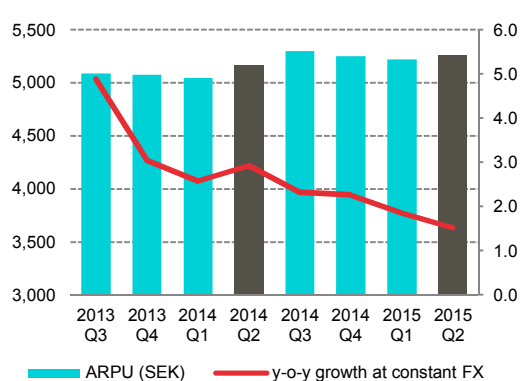
The sales growth at constant FX continued to be driven by the expansion of Viaplay. The increase in operating costs reflected the ongoing investments in content and technology, as well as the adverse impact of the appreciation of the US dollar. Profits were however stable for the quarter.

Ongoing growth in the Viaplay and IPTV subscriber bases more than offset the decline in the cable and satellite base. Premium satellite ARPU continued to grow and was up 2% y-o-y at constant FX following previously introduced price increases.

Premium subscribers (excluding Viaplay)
(000's)



Annualised average revenue per premium satellite subscriber (ARPU) and growth at constant FX (SEK (left side); % (right side))



Free-TV Emerging Markets

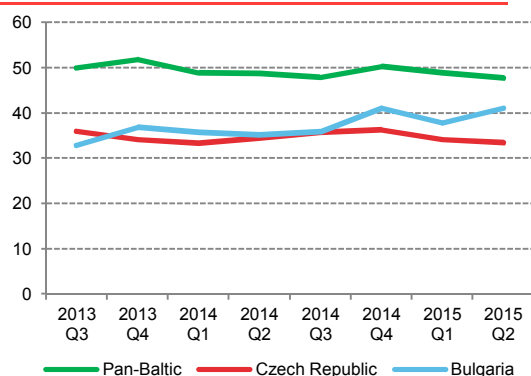
Sales & profits up

(SEKm)	2015 Apr-Jun	2014 Apr-Jun	2015 Jan-Jun	2014 Jan-Jun	2014 Jan-Dec
Net sales	739	680	1,321	1,184	2,409
<i>Change y-o-y</i>	9%	-2%	12%	-2%	-1%
<i>Change y-o-y at constant FX</i>	5%	-4%	7%	-3%	-3%
Costs	605	559	1,193	1,087	2,278
<i>Change y-o-y</i>	8%	1%	10%	5%	2%
EBIT	134	121	128	97	131
<i>EBIT margin</i>	18.1%	17.8%	9.7%	8.2%	5.4%

Sales grew at constant FX in almost all countries. Operating costs were also up and driven by programming investments across the region. Profits were up for the quarter.

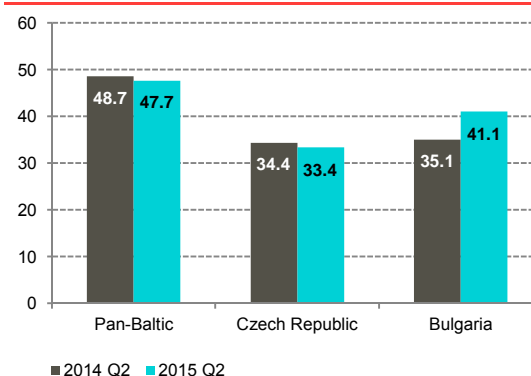
Commercial share of viewing (%) *

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



* The source for Bulgarian audience data has been changed as of Q4 2014 from GARB to Nielsen's Mediaresearch. All figures from Q1 2014 are based on the new source. The universe has also expanded from Q1 2014 to include seven new channels.

Sales for the Baltic free-TV operations were up 3% at constant FX. The Latvian TV advertising market is estimated to have been stable, while the Lithuanian and the Estonian markets are estimated to have declined. The Group's media house audience shares were down in Lithuania, but up in Estonia and Latvia. MTG remains the largest media house in each of the Baltic countries.

Sales for the Czech operation were up 3% at constant FX in a TV advertising market that is also estimated to have grown. MTG's media house audience share was down.

The Bulgarian operation generated 13% constant FX sales growth, following healthy linear and online sales development and a higher media house audience share. The Bulgarian TV advertising market is estimated to have grown.

Pay-TV Emerging Markets

17% sales growth at constant FX with profits up

(SEKm)	2015 Apr-Jun	2014 Apr-Jun	2015 Jan-Jun	2014 Jan-Jun	2014 Jan-Dec
Net sales	303	271	597	537	1,225
<i>Change y-o-y</i>	12%	1%	11%	4%	13%
<i>Change y-o-y at constant FX</i>	17%	8%	20%	9%	14%
Costs	277	252	569	497	1,121
<i>Change y-o-y</i>	10%	16%	15%	7%	17%
EBIT	26	19	28	40	104
<i>EBIT margin</i>	8.5%	6.9%	4.6%	7.5%	8.5%

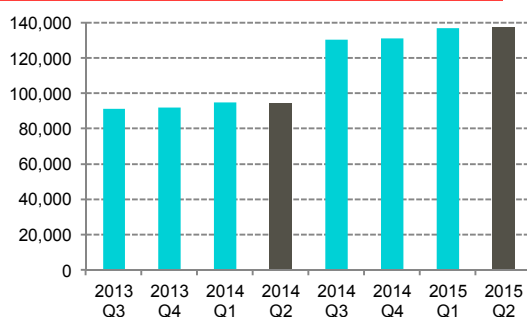
Please note that Raduga ceased broadcasting on 5 December 2014, which resulted in a net positive impact of SEK 18m in Q4 2014. The non-recurring and non-cash impairment of the intangible assets related to the satellite platforms in Ukraine (Q2 2014) is not included in the segment operating results.

The sales and cost growth at constant FX reflected the consolidation of Trace (from July 2014). Sales were up 1% on an organic basis with growth in the wholesale channel business offsetting lower sales for the Ukrainian satellite platform. Profits were up for the quarter.

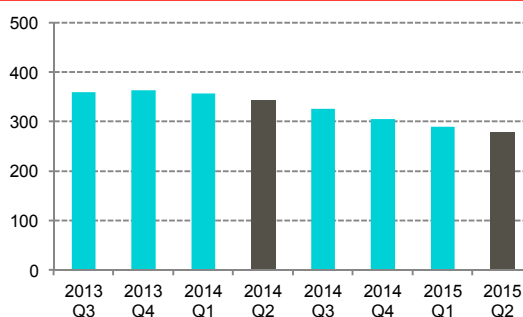
The wholesale mini-pay channel business including Trace added 43 million subscriptions y-o-y and was also up slightly q-o-q. The satellite pay-TV platform subscriber base continued to decline due to the adverse effects of the geopolitical situation in Ukraine.

Please see page 13 (Other Information) regarding the risks and uncertainties arising from the amendments to the Russian Mass Media law.

Wholesale mini-pay channel subscriptions *
(000's)



Satellite subscribers **
(000's)



* Including Trace from Q3 2014.

** Subscriber numbers have been restated to exclude Raduga subscribers following the closure of the business.

Nice Entertainment, MTGx, MTG Radio

Sales down 18% at constant FX with profits burdened by transaction costs

(SEKm)	2015 Apr-Jun	2014 Apr-Jun	2015 Jan-Jun	2014 Jan-Jun	2014 Jan-Dec
Net sales	668	799	1,161	1,282	2,778
<i>Change y-o-y</i>	-16%	138%	-9%	122%	81%
<i>Change y-o-y at constant FX</i>	-18%	140%	-11%	125%	80%
Costs	696	788	1,235	1,335	2,809
<i>Change y-o-y</i>	-12%	137%	-7%	126%	77%
EBIT	-29	11	-75	-53	-32
<i>EBIT margin</i>	-4.3%	1.4%	-6.4%	-	-1.1%

Nice Entertainment reported lower sales at constant FX, which primarily reflected significantly lower sales in events production. Sales for the combined Radio businesses were also slightly down at constant FX.

The reduction in operating costs reflected the lower event production by Nice Entertainment, which was only partly offset by ongoing investments in MTGx and M&A costs primarily related to the recently announced acquisition of Turtle Entertainment.

CTC Media

MTG has reclassified its interest (37.9%) in CTC Media from an 'equity participation' to a 'discontinued operation'. This reflects the fact that, following the change in the Russian mass media law regarding foreign ownership with effect from 1 January 2016, and CTC Media's consideration of the recently received offer for 75% of its business operations, MTG's shareholding in CTC Media is for sale.

Dividends received from CTC Media; transaction costs incurred in relation to MTG's stake in CTC Media; and the difference between the market and book value of MTG's holding in CTC Media at the end of each quarter, will going forward be included in a single 'discontinued operations' line below 'net income from continuing operations' in the Group's income statements. A file has been made available for download from www.mtg.com, with restated financial statements for prior quarterly reporting periods in 2014 and 2015.

Net income for CTC Media totalled SEK -418m (80) for the quarter and was made up by a net impairment charge of SEK 416m together with estimated transaction costs and the share of earnings related to CTC Media's Q1 result. The fair value of the holding is thereby aligned with the market value as per 30 June 2015.

A sale or close down of the holding will in accordance with IFRS further result in a non-cash charge to net income of approximately SEK 1bn as of 30 June 2015 stemming from the translation differences booked in Group equity related to CTC Media with total equity unaffected. Any gain or loss will be recognised under 'discontinued operations'.

For further information about CTC Media see www.ctcmedia.ru. Please also see page 13 (Other Information) regarding the risks and uncertainties that stem from the new Russian Mass Media law.

Financial Review

Cash flow from continuing operations

Operating cash flow

Cash flow from operations before changes in working capital amounted to SEK 373m (420) in the quarter. Depreciation and amortisation charges totalled SEK 50m (45) in the quarter. The Group reported a negative SEK 37m (55) change in working capital in the quarter mainly following investments in content. Net cash flow from operations totalled SEK 336m (365) for the period.

Investing activities

Acquisitions of subsidiaries and associates amounted to SEK 12m (263) in the quarter. Group capital expenditure on tangible and intangible assets totalled SEK 121m (47) in the quarter. Net proceeds from sale of shares amounted to SEK 0m (230). Total cash flow relating to investing activities therefore amounted to SEK -134m (-80) for the period.

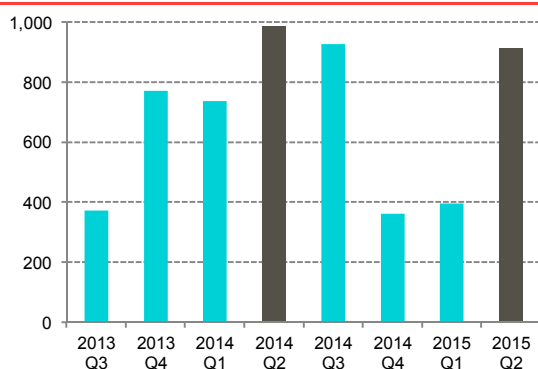
Financing activities

Cash flow to financing activities amounted to SEK 590m (518) in the quarter, and primarily comprised the dividend to the shareholders of SEK 733m (700). Borrowings increased by SEK 141m (154) to SEK 1,238m (1,891) and compared with SEK 1,097m at the end of March 2015. The net change in cash and cash equivalents therefore amounted to SEK -388m (-234) in the quarter. The Group had cash and cash equivalents of SEK 304m (572) at the end of the period, compared to SEK 682m as at 31 March 2015.

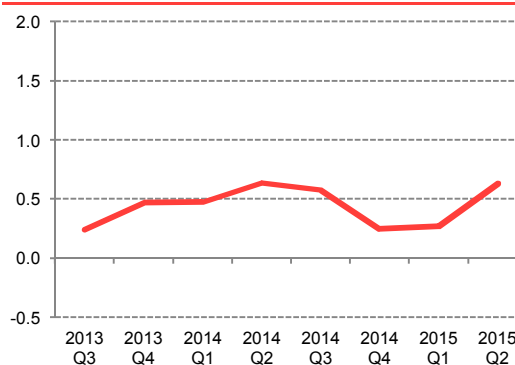
Net debt & liquid funds

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 913m (987) at the end of the period, and compared to a net debt position of SEK 396m at the end of March 2015. The Group's available liquid funds, including unutilised credit and overdraft facilities, totalled SEK 6,107m (6,149) at the end of the period, and compared to SEK 6,538m as at 31 March 2015.

Net debt
(SEKm)



Net debt to last 12 months' recurring EBITDA, continuing operations (Ratio)



Holdings in listed companies

The book value net after transaction costs of the Group's shareholding in associated company CTC Media was SEK 1,096m (1,836) at the end of the period, and compared with the SEK 1,122m (USD 136m) public equity market value of the shareholding as at the close of trading on the last business day of June 2015.

Related party transactions

Related party transactions are of the same character and of similar amounts as the transactions described in the 2014 Annual Report.

Corporate Responsibility Review

The Group's annual corporate responsibility report was published at the end of April and focused on security, sustainability and ethics, as well as the Group's engagement with local communities in the markets where it operates. MTG's sustainability and responsibility work includes the 'Game Changers' campaign with the Reach for Change foundation, which is now in its second year and has introduced positive change to the lives of over 38,000 children in 10 countries through local social entrepreneurship initiatives. In addition to the development of group-wide e-learning programmes, and the enhancement the Group's existing 'Whistleblower' by adding an independent local language online and telephone service, the Group has also updated its anti-bribery and corruption policy. The focus on digital priorities is growing as MTG expands its digital presence and offerings, with data and customer protection and privacy at the top of the agenda, alongside child protection and freedom of expression and of the media.

Parent Company

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

(SEKm)	2015 Apr-Jun	2014 Apr-Jun	2015 Jan-Jun	2014 Jan-Jun	2014 Jan-Dec
Net sales	12	10	29	23	45
Net interest and other financial terms	173	86	262	200	435
Income before tax and appropriations	104	27	144	92	207

Net interest and other financial items were up in the quarter, which primarily reflected dividends of SEK 102m (-) and lower interest rate levels. The parent company had cash and cash equivalents of SEK 46m (270) at the end of the period, compared to SEK 524m at the end of March 2015. SEK 5,699m (5,576) of the SEK 5,750m of total available credit facilities was unutilised at the end of the reporting period.

The total number of outstanding shares was 66,635,969 (66,630,189) at the end of the quarter and excluded the 865,000 Class C shares and 146,155 Class B shares held by MTG in treasury. The total number of issued shares did not change during the period.

Other Information

Accounting policies

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 2014 Annual Report, with the exception of the reclassification of the shareholding in CTC Media, Inc. to discontinued operations. New 2015 IFRSs have no effect on the group.

Risks and uncertainties

Significant risks and uncertainties exist for the Group and the parent company. MTG has large scale business interests in Russia as previously informed, and is therefore affected by the amendments to the Russian Mass Media Law to reduce the permitted level of aggregate foreign ownership in Russian mass media companies to 20% direct or indirect ownership or control from the beginning of 2016. As of today, the existing ownership structures of these businesses do not comply with the amended Law and we will therefore need to take steps to come into compliance with the Law before the end of 2015. CTC Media has received a formal non-binding offer from UTH Russia, a privately held Russian commercial television broadcasting group, for the purchase of a 75% interest in CTC Media's Russian (and Kazakhstan) business operations. The CTC Media Board of Directors has appointed a Special Committee of independent directors to review and evaluate this offer. Following a final transaction, the indirect and direct ownership would comply with the Russian requirement that at least 80% of the ownership is held by Russians by the stated deadline of 1 January 2016. The discussions with UTH are at a relatively early stage and there can be no assurance that the CTC Media Board of Director's Special Committee will be successful in agreeing definitive documentation with UTH, or that such transaction will ultimately close. The transaction would be subject to customary closing conditions, including clearance from the Russian Federal Anti-monopoly Service. MTG is working closely with its advisors to best protect its interests in any transaction related to CTC Media as well as MTG's pay-TV business. The outcome of proposed transactions or any other change in structures or ownership could result in loss of value for MTG shareholders.

The risks and uncertainties also include the prevailing economic and business environments in other markets and the impact of the Eurozone, as well as the geopolitical crisis; commercial risks related to expansion into new territories; other 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, Russian Rubles and Euro linked currencies in particular; and the emergence of new technologies and competitors. Risks and uncertainties are also described in more detail in the 2014 Annual Report, which is available at www.mtg.com.

2015 Annual General Meeting of MTG shareholders

The Meeting resolved to re-elect David Chance, Simon Duffy, Michelle Guthrie and Alexander Izosimov as members of the Board and to elect Joakim Andersson and Bart Swanson as new members of the Board and also re-elected David Chance as Chairman of the Board, until the close of the 2016 Annual General Meeting. The Meeting approved the payment of an annual ordinary dividend of SEK 11.00 per share to shareholders as at the record date of 21 May 2015. The meeting also approved the implementation of a performance-based and share-related incentive plan, and a

new mandate to repurchase Class A and/or Class B shares, details of which can be found at www.mtg.com.

The Board of Directors and the Chief Executive Officer certify that this interim report provides a true and fair overview of the Group and parent company's operations, performance and financial positions for the period, and describes the material risks and uncertainties facing the Group companies and parent company.

Stockholm, 21 July 2015

David Chance
Chairman of the Board

Bart Swanson
Non-Executive Director

Simon Duffy
Non-Executive Director

Joakim Andersson
Non-Executive Director

Michelle Guthrie
Non-Executive Director

Alexander Izosimov
Non-Executive Director

Jørgen Madsen Lindemann
President & CEO

Financial calendar

MTG's financial results for the third quarter of 2015 will be published on 22 October 2015.

Conference call

The company will host a conference call today at 09.00 Stockholm local time, 08.00 London local time and 03.00 New York local time. To participate in the conference call, please dial:

Sweden: +46 (0) 8 5065 3936
UK: +44 (0) 20 3427 1916
US: +1 646 254 3366

The access pin code for the call is 5983200. To listen to the conference call online and for further information, please visit www.mtg.com.

* * *

Any questions?

www.mtg.com

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Stockholm, 21 July 2015

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

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 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 07:30 CET on 21 July 2015.

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

Condensed consolidated income statement

(SEKm)	2015 Apr-Jun	2014 Apr-Jun	2015 Jan-Jun	2014 Jan-Jun	2014 Jan-Dec
Net sales	4,155	4,109	7,855	7,706	15,746
Cost of goods and services	-2,542	-2,448	-4,883	-4,768	-9,779
Gross income	1,612	1,661	2,972	2,938	5,967
Selling and administrative expenses	-1,116	-1,119	-2,261	-2,209	-4,492
Other operating revenues and expenses, net	-44	-70	-116	-140	-203
Share of earnings in associated companies and joint ventures	0	1	0	2	18
One-off items	-	-155	77	-155	-155
Operating income (EBIT)	452	318	672	437	1,135
Net interest	-3	-16	-6	-18	-1
Other financial items	0	3	-22	-35	-23
Income before tax	449	306	643	383	1,112
Tax	-89	-78	-119	-110	-296
Net income for the period, continuing operations	360	227	524	273	816
Discontinued operations					
CTC Media	-418	80	-264	193	357
Net income for the period, discontinued operations *	-418	80	-264	193	357
Total net income for the period	-58	307	260	466	1,172
Attributable to:					
Equity holders of the parent	-86	281	242	442	1,139
Non-controlling interest	28	26	18	23	33
Total net income for the period	-58	307	260	466	1,172
Continuing operations					
Basic earnings per share (SEK)	4.98	3.02	7.59	3.74	11.75
Diluted earnings per share (SEK)	4.96	3.01	7.57	3.74	11.73
Total					
Total basic earnings per share (SEK)	-1.30	4.21	3.63	6.64	17.10
Total diluted earnings per share (SEK)	-1.30	4.21	3.61	6.63	17.07

* Net income for the period, discontinued operations, is attributable to the equity holders of the parent.

Condensed consolidated statement of comprehensive income

(SEKm)	2015 Apr-Jun	2014 Apr-Jun	2015 Jan-Jun	2014 Jan-Jun	2014 Jan-Dec
Net income, continuing operations	360	227	524	273	816
<i>Other comprehensive income</i>					
<i>Items that are or may be reclassified to profit or loss net of tax:</i>					
Currency translation differences	-3	-12	-17	58	19
Cash flow hedge	-88	47	-53	40	136
Change in non-controlling interest	8	10	8	12	9
Revaluation of shares at market value	-	-	-	-	0
Other comprehensive income, continuing operations	-83	46	-62	111	164
Total comprehensive income, continuing operations	277	273	462	383	980
Discontinued operations					
Net income	-418	80	-264	193	357
Other comprehensive income, translation differences	-104	-170	-548	-148	-12
Comprehensive income, discontinued operations	-522	-91	-812	45	345
Total comprehensive income for the period	-246	182	-350	429	1,325
Total comprehensive income attributable to:					
Equity holders of the parent	-282	146	-376	393	1,283
Non-controlling interest	36	36	26	36	42
Total comprehensive income for the period	-246	182	-350	429	1,325
Shares outstanding at the end of the period	66,635,969	66,630,189	66,635,969	66,630,189	66,630,189
Basic average number of shares outstanding	66,634,508	66,627,888	66,632,360	66,625,314	66,627,771
Diluted average number of shares outstanding	66,867,026	66,716,798	66,820,943	66,697,600	66,709,088

Condensed consolidated statement of financial position

(SEKm)	2015 30 Jun	2014 30 Jun	2014 31 Dec
Non-current assets			
Goodwill	3,380	3,552	3,396
Other intangible assets	943	869	941
Total intangible assets	4,322	4,420	4,337
Total tangible assets	456	352	380
Shares and participations	68	1,858	2,058
Other financial receivables	133	391	188
Total long-term financial assets	201	2,249	2,246
Total non-current assets	4,980	7,021	6,963
Current assets			
CTC Media *	1,096	-	-
Total inventory	2,442	2,242	2,179
Total current receivables	4,509	4,431	4,346
Cash, cash equivalents and short-term investments	304	572	643
Total current assets	8,351	7,245	7,168
Total assets	13,330	14,267	14,131
Shareholders' equity			
Shareholders' equity	4,621	4,829	5,729
Non-controlling interest	133	227	102
Total equity	4,754	5,056	5,831
Long-term liabilities			
Total non-current interest-bearing liabilities	1,003	1,280	1,001
Total provisions	743	1,023	823
Total non-interest-bearing liabilities	302	59	287
Total non-current non-interest-bearing liabilities	1,044	1,082	1,110
Total non-current liabilities	2,047	2,363	2,111
Current liabilities			
Total current interest-bearing liabilities	240	634	57
Total current non-interest-bearing liabilities	6,290	6,214	6,133
Total current liabilities	6,530	6,848	6,190
Total liabilities	8,577	9,211	8,300
Total shareholders' equity and liabilities	13,330	14,267	14,131

* CTC Media is recognised in Current assets from Q2 2015, comparable figures for Q2 and Q4 2014 were SEK 1,836m and SEK 1,984m respectively.

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)	2015 Apr-Jun	2014 Apr-Jun	2015 Jan-Jun	2014 Jan-Jun	2014 Jan-Dec
Cash flow from operations	373	420	484	546	1,040
Changes in working capital	-37	-55	-280	-154	-143
Net cash flow from operations	336	365	204	392	897
Proceeds from sales of shares	-	230	87	230	230
Acquisitions of subsidiaries and associates	-12	-263	-13	-266	-223
Investments in other non-current assets	-121	-47	-167	-109	-217
Cash flow used in investing activities	-134	-80	-94	-145	-211
Net change in loans	141	154	184	84	-778
Dividends to shareholders	-733	-700	-733	-700	-700
Other cash flow from/to financing activities	2	27	10	69	273
Cash flow used in financing activities	-590	-518	-539	-547	-1,204
Net change in cash, continuing operations	-388	-234	-429	-300	-517
Net change in cash, discontinued operations	-	71	90	139	297
Total net change in cash and cash equivalents	-388	-163	-339	-161	-221
Cash and cash equivalents at the beginning of the period	682	715	643	765	765
Translation differences in cash and cash equivalents	10	21	0	-32	99
Cash and cash equivalents at end of the period	304	572	304	572	643

Condensed consolidated statement of changes in equity

(SEKm)	2015 30 Jun	2014 30 Jun	2014 31 Dec
Opening balance	5,831	5,295	5,295
Net loss/income for the period	260	466	1,172
Other comprehensive income for the period	-610	-37	153
Total comprehensive loss/income for the period	-350	429	1,325
Effect of employee share option programmes	4	3	1
Share of option changes in equity of associates	5	-3	4
Change in non-controlling interests	0	32	-6
Dividends to shareholders	-733	-700	-700
Dividends to non-controlling interests	-5	-	-88
Closing balance	4,754	5,056	5,831

Parent company condensed income statement

(SEKm)	2015 Apr-Jun	2014 Apr-Jun	2015 Jan-Jun	2014 Jan-Jun	2014 Jan-Dec
Net sales	12	10	29	23	45
Gross income	12	10	29	23	45
Administrative expenses	-81	-70	-148	-131	-273
Operating income (EBIT)	-69	-60	-119	-108	-228
Net interest and other financial items	173	86	262	200	435
Income before tax and appropriations	104	27	144	92	207
Appropriations	-	-	-	-	123
Tax	-4	-9	-13	-21	-71
Net income for the period	100	18	131	71	258

Parent company condensed statement of comprehensive income

(SEKm)	2015 Apr-Jun	2014 Apr-Jun	2015 Jan-Jun	2014 Jan-Jun	2014 Jan-Dec
Net income for the period	100	18	131	71	258
<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	-	-	-	-	0
Other comprehensive income for the period	-	-	-	-	0
Total comprehensive income for the period	100	18	131	71	259

Parent company condensed balance sheet

(SEKm)	2015 30 Jun	2014 30 Jun	2014 31 Dec
Non-current assets			
Capitalised expenditure	1	-	2
Machinery and equipment	1	2	1
Shares and participations	6,398	6,398	6,398
Other financial receivables	338	481	295
Total non-current assets	6,739	6,881	6,696
Current assets			
Current receivables	9,907	9,813	10,544
Cash, cash equivalents and short-term investments	46	270	402
Total current assets	9,954	10,083	10,946
Total assets	16,692	16,964	17,642
Shareholders' equity			
Restricted equity	338	338	338
Non-restricted equity	6,522	6,937	7,124
Total equity	6,860	7,274	7,462
Long-term liabilities			
Interest-bearing liabilities	1,000	1,363	1,024
Provisions	2	4	2
Non-interest-bearing liabilities	0	72	23
Total long-term liabilities	1,002	1,439	1,049
Current liabilities			
Other interest-bearing liabilities	8,516	8,118	8,294
Non-interest-bearing liabilities	314	133	838
Total current liabilities	8,830	8,251	9,132
Total shareholders' equity and liabilities	16,692	16,964	17,642

Net Sales – Business segments

(SEKm)	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Full year 2014	Q1 2015	Q2 2015
Free-TV Scandinavia	1,034	1,065	900	1,111	4,109	979	1,080
Pay-TV Nordic	1,404	1,439	1,441	1,472	5,756	1,486	1,490
Free-TV Emerging Markets	504	680	463	762	2,409	581	739
- <i>Baltics, Czech & Bulgaria</i>	472	640	431	721	2,264	546	695
Pay-TV Emerging Markets	266	271	333	355	1,225	293	303
Central operations, eliminations & others	-48	-61	-92	-93	-294	-102	-94
Total Broadcasting	3,159	3,394	3,045	3,607	13,205	3,238	3,519
Nice Entertainment, MTGx, MTG Radio	483	799	681	815	2,778	493	668
Group central operations	60	57	57	61	235	59	54
Eliminations	-104	-141	-115	-112	-472	-89	-85
Total operations	3,597	4,109	3,669	4,371	15,746	3,701	4,155
<i>Organic Growth at constant FX</i>	5.3%	2.7%	5.5%	2.4%	3.8%	0.7%	-0.2%
<i>FX</i>	-0.4%	0.6%	2.5%	1.8%	1.2%	1.9%	0.9%
<i>Divestments</i>	0.0%	-0.4%	-1.3%	-1.1%	-0.7%	-1.2%	-0.7%
<i>Acquisitions</i>	7.2%	11.1%	8.3%	4.3%	7.6%	1.5%	1.1%
<i>Total growth</i>	12.1%	14.0%	15.0%	7.5%	11.9%	2.9%	1.1%

Operating income (EBIT) – Business segments

(SEKm)	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Full year 2014	Q1 2015	Q2 2015
Free-TV Scandinavia	92	200	120	220	633	94	208
Pay-TV Nordic	155	184	186	184	709	178	185
Free-TV Emerging Markets	-25	121	-57	91	131	-6	134
- <i>Baltics, Czech & Bulgaria</i>	-12	137	-35	109	199	15	146
Pay-TV Emerging Markets	22	19	39	25	104	2	26
Central operations, eliminations & others	0	0	-18	18	0	-3	-7
Total Broadcasting	244	524	269	539	1,576	265	546
Nice Entertainment, MTGx, MTG Radio	-64	11	12	9	-32	-46	-29
Group central operations & eliminations	-61	-62	-61	-71	-255	-76	-65
Total operations excl NRI	119	473	221	478	1,290	142	452
Non-recurring items	-	-155	0	0	-155	77	-
Total EBIT	119	318	221	478	1,135	219	452

Key performance indicators

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Full year 2014	Q1 2015	Q2 2015
GROUP							
Sales growth (%)	12.1	14.0	15.0	7.5	11.9	2.9	1.1
Sales growth at constant FX (%)	12.5	13.4	12.5	5.7	10.7	1.0	0.2
Change in operating costs (%) ¹	16.5	15.8	14.1	8.2	13.4	2.3	1.8
Operating margin (%) ¹	3.3	11.5	5.9	10.7	8.1	3.8	10.9
Return on capital employed, continuing operations (%)	28	27	28	24		25	25
Return on equity (%)	22	24	24	24		26	17
Equity to assets ratio (%)	39	35	39	41		41	36
Liquid funds (SEKm)	6,315	6,149	6,150	6,498		6,538	6,107
Net debt (SEKm)	738	987	928	362		396	913
FREE-TV SCANDINAVIA							
Sales growth (%)	4.1	-1.4	1.4	-3.4	0.0	-5.3	1.4
Sales growth at constant FX (%)	4.0	-2.9	-1.4	-5.2	-1.6	-7.7	0.4
Change in operating costs (%)	8.7	-0.8	1.4	-4.8	1.0	-6.0	0.8
Operating margin (%)	8.9	18.8	13.3	19.8	15.4	9.6	19.3
Commercial share of viewing (%)							
Sweden (15-49)	39.1	30.5	31.0	30.5	33.2	30.8	29.8
Norway (15-49) ²	15.3	17.9	16.0	15.4	16.1	16.8	18.4
Denmark (15-49) ³	25.6	26.6	25.1	27.5	26.2	25.7	28.3
PAY-TV NORDIC							
Sales growth (%)	7.1	6.7	10.2	7.6	7.9	5.8	3.5
Sales growth at constant FX (%)	7.2	5.4	7.9	6.0	6.6	3.9	2.9
Change in operating costs (%)	7.3	4.9	9.0	7.0	7.0	4.7	4.0
Operating margin (%)	11.0	12.8	12.9	12.5	12.3	12.0	12.4
Subscriber data ('000s)							
Premium subscribers	978	970	969	982		973	964
- of which, satellite	553	546	535	526		514	506
- of which, 3rd party networks	425	425	434	456		459	458
Basic satellite subscribers	37	36	35	33		31	31
Premium satellite ARPU (SEK)	5,044	5,164	5,302	5,254		5,220	5,258
FREE-TV EMERGING MARKETS							
Sales growth (%)	-1.7	-1.8	1.3	-2.8	-1.5	15.4	8.7
Sales growth at constant FX (%)	-1.8	-3.6	-1.0	-4.9	-3.1	9.4	5.4
Change in operating costs (%)	8.6	1.1	6.0	-4.2	2.2	11.2	8.3
Operating margin (%)	-4.9	17.8	-12.4	12.0	5.4	-1.1	18.1
Commercial share of viewing (%)							
Estonia (15-49)	41.0	39.9	38.1	42.1	40.4	39.4	40.3
Latvia (15-49)	55.0	59.7	58.7	61.9	58.7	59.5	60.9
Lithuania (15-49)	47.3	44.5	43.9	45.0	45.4	44.8	41.8
Czech Republic (15-54)	33.3	34.4	35.6	36.3	34.9	34.1	33.4
Bulgaria (18-49) ⁴	35.7	35.1	35.9	41.1	37.1	37.9	41.1
Hungary (18-49)	7.5	6.4	7.1	7.3	7.1	7.9	7.3
PAY-TV EMERGING MARKETS							
Sales growth (%)	8.3	0.9	24.4	15.6	12.5	10.4	11.9
Sales growth at constant FX (%)	9.8	7.9	24.9	14.7	14.4	21.7	17.4
Change in operating costs (%)	-0.9	16.5	22.4	28.9	16.8	19.4	9.9
Operating margin (%)	8.2	6.9	11.7	7.1	8.5	0.6	8.5
Subscriber data ('000s)							
Satellite subscribers ⁵	358	344	326	306		290	280
Mini-pay subscriptions ⁶	94,837	94,197	130,559	131,089		136,969	137,413

1. Based on operating income excl. non-recurring items.

2. The universe has expanded from Q2 2015 to include TV2 Humor.

3. The universe has expanded from Q1 2015 to include TV2 Sport.

4. The source for Bulgaria has been changed as of Q4 2014 from GARB to Mediaresearch. All figures from Q1 2014 are based on the new source. The universe expanded from Q1 2014 to include seven new channels.

5. Have been restated following the closure of Raduga.

6. Includes Trace subscriptions from Q3 2014.

For definitions, please refer to the 2014 Annual Report under the heading "Definitions". Data on share of viewing is made available after each quarter on www.mtg.com.

Notes to the accounts

1. Condensed sales Group segments

(SEKm)	2015 Apr-Jun	2014 Apr-Jun	2015 Jan-Jun	2014 Jan-Jun	2014 Jan-Dec
Sales external customers					
Broadcasting	3,513	3,390	6,746	6,547	13,193
Nice Entertainment, MTGx, MTG Radio	641	717	1,108	1,156	2,548
Parent company & holding companies	1	1	1	3	5
Total	4,155	4,109	7,855	7,706	15,746
Sales between segments					
Broadcasting	6	3	10	6	12
Nice Entertainment, MTGx, MTG Radio	26	82	53	126	229
Parent company & holding companies	53	56	111	113	230
Total	85	141	175	245	472