

19 February 2018

Eastern European Media Holdings S.A.

The Company today announces that its 5% stake in Nova Broadcasting Group is to be sold alongside the sale by Modern Times Group (MTG) of its 95% shareholding. Details of the transaction are given in MTG's announcement released today:

'MTG announces sale of Nova Group

- MTG sells its 95% shareholding in Nova Broadcasting Group in Bulgaria to PPF Group
- All cash transaction values 100% of the business at an enterprise value of EUR 185 million (approximately SEK 1,830 million)
- In line with MTG's ongoing strategic transformation from a traditional national broadcaster into a global digital entertainer

MTG has signed an agreement to sell its 95% shareholding in Nova Broadcasting Group Jsc. ("Nova") in Bulgaria to PPF Group, the investment company controlled by Petr Kellner. The transaction values 100% of the business at an enterprise value of EUR 185 million (approximately SEK 1,830 million). The proceeds will be used for general working capital purposes and to invest in our Nordic entertainment, Studios and global digital entertainment businesses.

Nova is Bulgaria's largest commercial media group and comprises 7 TV channels and 19 online businesses that together generated SEK 991 million in sales and SEK 195 million in operating income (EBIT) for the full year 2017. Nova employs 650 people. Closing is subject to regulatory approvals and expected to take place during H1 2018. MTG first entered Bulgaria in 2007 when investing in the Balkan Media Group Limited, which among other operated the Diema TV channels, and later acquired Nova in 2008.

Jørgen Madsen Lindemann, MTG President & CEO: "We have built Nova into the country's number one commercial media group with a 33% commercial share of viewing, and ownership of some of the country's top digital brands. Under the excellent leadership of Didier Stoessel and his management team, Nova has evolved very rapidly into the market leading digital entertainment group, and I would like to thank all those that have made this possible.

"MTG's investments are focused on our Nordic Entertainment, Studios and global digital entertainment verticals, which is why we have found a new home for our Bulgarian employees with a partner that will invest in Nova's future potential. We wish Didier and the whole Nova team every continued success. This will bring to a close the disposal of our international entertainment operations and leaves MTG as a more focused group, which is in line with our previously stated strategy."