



Apace Media PLC - Re Joint Venture

Apace Media PLC
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Apace Media plc forms strategic partnership with MTG, a leading European broadcaster, to accelerate stated goal of becoming the number 1 Balkan media group

(London 16 February, 2007) Apace Media plc (APA.L) (Apace), the Eastern European broadcasting and UK content production company, announces the signing of a strategic partnership in the Balkans with MTG Broadcasting AB (MTG), the international entertainment broadcasting group.

This strategic alliance, creating a new 50/50 joint venture company, Balkan Media Group Limited (BMGL) has the potential to become the leading broadcaster in the Balkans.

The joint venture will hold all of Apace's Eastern European broadcasting assets with MTG paying an initial consideration of €8,574,100 to Apace for its 50% holding in BMGL. This values Apace's Balkan assets at approximately €17m (£12.5m) which together with Apace's net cash balance, demonstrates the Company's strong net asset position.

The initial consideration is subject to adjustment based on BMGL's consolidated closing balance sheet. Part of that consideration will be applied to the purchase of the Diema minority shares.

The transaction closing is subject to the satisfaction of pre-completion conditions.

Apace will transfer the following of its assets to BMGL, and will then sell 50% of its holding in BMGL to MTG:

Company	Activity	Country	Holding
Diema Vision AD	Cable & satellite broadcasting	Bulgaria	66%
Television MM	Cable & satellite broadcasting	Bulgaria	66%
Apace Internet Balkans	Internet	Bulgaria	100%
Apace Media Bulgaria	Central services	Bulgaria	100%
TV ERA	Terrestrial broadcasting	Macedonia	66%

At the same time as completing the strategic partnership, BMGL will buy out all of the shares held by minority shareholders in Diema Vision AD. Didier Stoessel will become, on completion, Chairman of BMGL.

The transaction is subject to normal commercial warranties.

Knowing the inherent high value of its Balkan investments, Apace Media has, during the last few months of 2006, continued to accelerate its investment and spending in its content and broadcasting businesses to enhance further their value in the medium term. In 2007, it is the partners' strategy to increase the commercial share of viewing of the BMGL channels and this will also require an increased amount of programming spend.

Didier Stoessel, Apace Chairman and Chief Executive, said: 'We are delighted to announce this partnership with MTG, one of the strongest brands in European broadcasting. The valuation which this transaction places on Apace's Balkan assets (€17m or £12.5m) is a vindication of our strategy in the region. With MTG as partners, we expect a healthy future for our businesses in Bulgaria and Macedonia; one that will also see BMGL growing into a major force in other parts of the Balkan region. This transaction enables our shareholders to participate in the commercial development of this exciting part of Europe with increased scale and ambition but also security.'

Information about Apace: Apace Media plc specialises in content creation and Eastern European broadcasting. The content creation activities include the production of popular factual, factual entertainment, science and sports content

for television and the production of music CDs. Its Eastern European broadcasting and other media activities include the ownership of eight cable channels, cinema and home entertainment distribution and music production in Bulgaria and Macedonia.

Apace Media plc ordinary shares are listed on the Alternative Investment Market of the London Stock Exchange under the symbol APA. (www.apacegroup.co.uk)

Information about MTG: Modern Times Group is an international entertainment-broadcasting group with operations in more than 30 countries around the world. MTG is the largest Free-to-air and Pay-TV operator in Scandinavia and the Baltics, the largest shareholder in Russia's largest independent television network, and the number one commercial radio operator in the Nordic region. The Viasat DTH satellite TV platform offers digital multi-channel TV packages of 50 own-produced and third party entertainment channels. Viasat TV channels now reach over 90 million people every day in 22 countries across Europe.

Modern Times Group MTG AB class A and B shares are listed on the Nordic Stock Exchange Large Cap list under the symbols MTGA' and MTGB'. (www.mtg.se)

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This information is provided by RNS
The company news service from the London Stock Exchange