

News Release
16 October 1998

TV3 IN PLACE IN RIGA. RAPID MEASURES FOR EFFICIENCY IMPROVEMENTS AND QUALITY ENHANCEMENTS

TV3 has implemented its establishment in the Baltic States. The Latvian TV channel Channel 31 has been transformed into TV3 Latvia. A thorough restructuring of the channel is currently underway.

"We are in the process of securing programme commitments for 1999,"

says Per Almgren, CEO of MTG International, and CEO of TV3 Latvia.

Pelle Törnberg, president and CEO of MTG, says:

"We regard the Nordic countries and the Baltic states as MTG's home market. Now that the establishment of TV3 throughout the region is complete, we will focus on launching our other brands and businesses in the expansive markets of the Baltic region".

The advertisers have paid great attention to the coming of TV3 Latvia. There is considerable interest in easing the oligopoly-like situation that has existed to date. Previously, there were only two commercial TV channels in Latvia.

The TV market in the Baltic States is highly expansive and has grown by more than 50 per cent during 1998 to date.

In both Latvia and Lithuania TV advertising represents more than 40 per cent of total advertising.

TV3 Latvia has been integrated into the overall TV3 organisation, with head office in London.

"In this way we can benefit from the fund of TV expertise within TV3. Not least our highly successful experiences from Estonia and Lithuania, where TV3 is now market leader, will be very useful," adds Per Almgren.

Quality enhancement measures are currently being implemented, for instance in the fields of sales, programme purchasing, PR and marketing. The channel will furthermore have access to TV3's comprehensive technology inventory.

Jens Torpe, president of MTG Broadcasting, notes:

"Our entry into Latvia was the last important piece we had left to complete our Baltic strategy. It bolsters our position as the leading commercial TV company in northern Europe and will reinforce our partnership with international and local advertisers".

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

Hans-Holger Albrecht, President & CEO tel: +46 8 562 000 50

Matthew Hooper, Investor & Press Relations tel: +44 20 7321 5010

Modern Times Group MTG AB has seven business areas: Viasat Broadcasting (free-to-air and pay TV channels in nine countries), Radio (seven networks in five countries), New Media (the Everyday interactive TV portal, Internet portal, Mobile portal, and teletext services), Publishing (financial news and information services), Modern Interactive (home shopping, e-commerce, and logistics), SDI Media (subtitling and dubbing services), and Modern Studios (content production and library).

Modern Times Group MTG AB's class A and B shares are listed on the Stockholmsbörsen O-list (symbols: MTGA and MTGB) and on the Nasdaq National Market in New York (symbol: MTGNY).

MODERN TIMES GROUP MTG AB

Skeppsbron 18, Box 2094, SE-103 13 Stockholm, Sweden

Tel. +46 8 562 000 50 Fax. +46 8 20 50 74 (Publ) Registration No. 556309-9158

www.mtg.se