

News Release
22 October 1998

MTG/SDI SETS UP IN ASIA

The MTG company Subtitling & Dubbing International (SDI) has acquired the majority equity holding in Asia's leading subtitling and dubbing company, Media Watchers Group. Media Watchers was founded in 1991 and operates today in Hong Kong, Japan, Thailand and Taiwan. Its parent company and head office are based in Hong Kong and the group includes local subsidiaries in each of the countries. The group has an annual turnover of some HKD 70 million and more than 100 employees.

"Media Watchers today enjoys a unique position in the region and has considerable long-term potential. This acquisition enables us to offer eight new languages and at the same time create a platform for further expansion in Asia," comments Staffan Samuelson, Director of SDI International.

"Both Media Watchers and SDI has a strategy to expand geographically. Our combined resources position us on the first step towards the global market", comment Mr. Sek King Chor and Mr. Wong Kin Pong, the founders and Directors of Media Watchers Group.

SDI is the world's largest supplier of subtitling for TV, video and cinema. SDI was founded in 1981 and has subsequently conducted business operations from Sweden, Norway, Denmark, Finland, Estonia, Lithuania, the Netherlands, the UK and the Lebanon.

The capacity to offer a large number of languages and to implement translation locally means higher quality and lower costs for the customer. The subtitling market is expected to grow due to a large influx of new customers and the fact that traditional dubbing countries are increasingly moving over to subtitling.

Subtitling and Dubbing represents one of the three MTG concepts that have a global market. The others are the Metro newspaper and the Electronic Retailing business area.

With SDI already a world leader in its business, MTG intends to exploit the possibility of building up a global operation in this sector. Before this acquisition SDI translates and dubs a volume comparable to more than 50 movies a day for film and TV from offices in nine countries.

Prominent among its customers are National Geographic, RTL, TV3, Warner Bros., TV1000, Buena Vista, Paramount, Discovery, Fox, Hallmark, Star TV and Nickelodeon.

The acquisition is expected to have only a marginal effect on the 1998 results.

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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).

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