Modern Times Group MTG AB

®Sales, showmanship and cost control"

Financial Results for the six months

ended 30 June 2001

6 August 2001

MTG MODERN TIMES GROUP

Viasat Broadcasting	Radio	Publishing	Modern Interactive	New Media	SDI Media	Modern Studios
TV3	Rix FM	Finanstidningen	TV–Shop Europe	Everyday.com (50%)	Europe	Strix Television
ZTV	Power Hit Radio	Finanstidningen.se	Pin24	Everyday.TV	Middle East	Sonet Film
3+	Star FM Latvia	Financial–hearings.com	e–Commerce Logistics	Everymobile.com	US	Modern Entertainment
Viasat +	P4 Norway (33%)	Kapital	CDON.com	Everytext	Asia	Modern TV
TV6 Nature/Action	Radio Nova Finland (17%)	Moderna Tider		WebAD		Freeport
Viasat Sport	Star FM Estonia (49%)	Brombergs Bokförlag				
TV 1000		TV8				
TV 1000 Cinema						
Darial TV (75%)						
TV4 (20%)						
Viasat 3 Hungary						

Q2 2001 Financial Results

Operating Highlights
6 months ended 30 June 2001

- **Net sales up 21% to SEK 3,135 (2,587) million, despite weaker advertising markets**
- **Operating income from established operations up 133% to SEK 277 (119) million despite negative US dollar impact of SEK 40 million**
- **Pay TV revenues up 38% to SEK 975 (705) million**
- **All premuim Pay TV subscribers switched to digital; analogue DTH transmission of premium Pay TV channels switched off as planned**
- **Viasat 'Gold' premium Pay TV subscribers up 43% to 420,000 year on year; 91% of new digital subscribers choose Viasat Gold package during second quarter**
- **SDI increased leadership of worldwide feature DVD subtitling market**
- **Completion of €120 million convertible bond offering to fund expansion**

Results for period ended 30 June 2001

SEK Million	Q2 2001	Q2 2000	± %	H1 2001	H1 2000	± %
Established Operations						
Net Sales	1,623	1,397	16	3,131	2,586	21
EBITDA	239	176	36	397	243	63
EBIT	174	100	74	277	119	133

- Continued sales growth despite exceptional Q2 2000 and weak advertising markets in Q2 2001
- Growth in subscriptions and increased market shares
- Increased operating margins due to cost control and analogue transmission savings
- Negative US$ currency translation impact of SEK 40 million

Results for period ended 30 June 2001

SEK Million	Q2 2001	Q2 2000	± %	H1 2001	H1 2000	± %
New Investments						
Net Sales	4	1	300	4	1	300
EBITDA	−63	−10	neg	−100	−11	neg
EBIT	−59	−10	neg	−96	−11	neg

- Includes businesses for first 24 months after launch – Viasat+ (Norway), Viasat3 (Hungary), Darial TV (Russia) in Broadcasting and Everyday.com, Everyday.TV and Everymobile.com in New Media

Results for period ended 30 June 2001

SEK Million		Q2 2001	Q2 2000	± %	H1 2001	H1 2000	± %
Total							
Net Sales		1,627	1,398	16	3,135	2,587	21
EBIT	Established Operations	174	100	74	277	119	133
	New Investments	−59	−10	neg	−96	−11	neg
	Non−recurring Items	0	−19	–	0	104	–
	TOTAL	115	71	62	181	212	−15

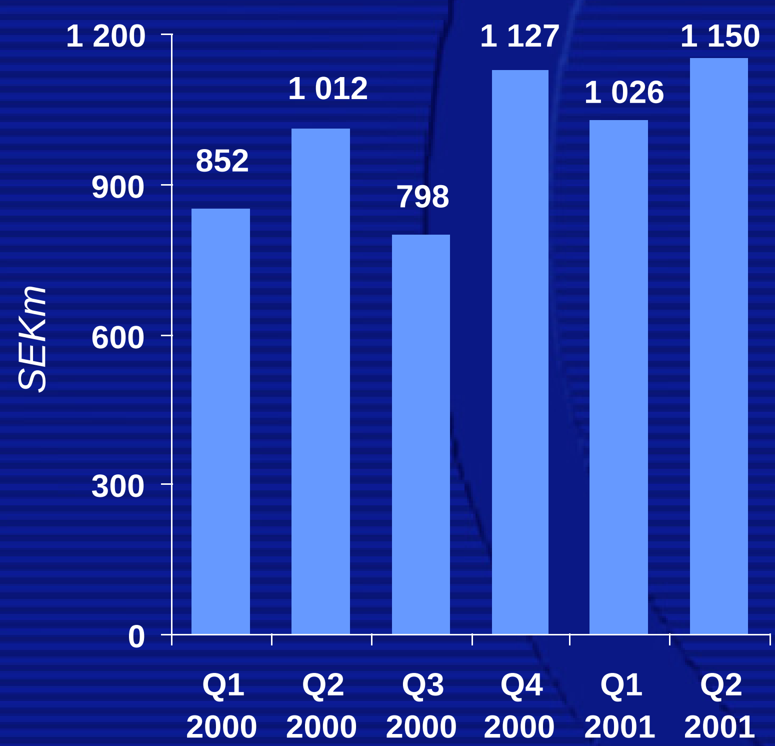
Viasat Broadcasting

MTG
MODERN TIMES GROUP

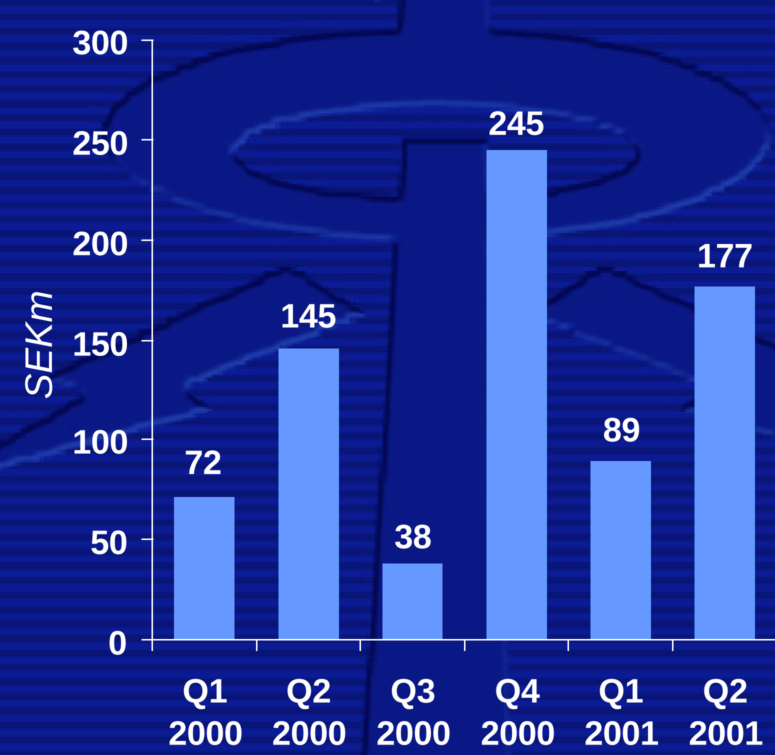
SEK Million		Q2 2001	Q2 2000	± %	H1 2001	H1 2000	± %
Net Sales	Free TV	728	732	−0.5	1,342	1,301	3
	Pay TV	494	353	40	975	705	38
EBIT	Established Operations	211	145	46	320	217	47
	New Investments	−34	0	neg	−55	0	neg
	TOTAL	177	145	22	265	217	22

Viasat Broadcasting

Sales



EBIT



Viasat Broadcasting
Free–TV

SEK Million	Q2 2001	Q2 2000	± %	H1 2001	H1 2000	± %
Net Sales	728	732	–0.5	1,342	1,301	3

Geographical location	Highlights
	

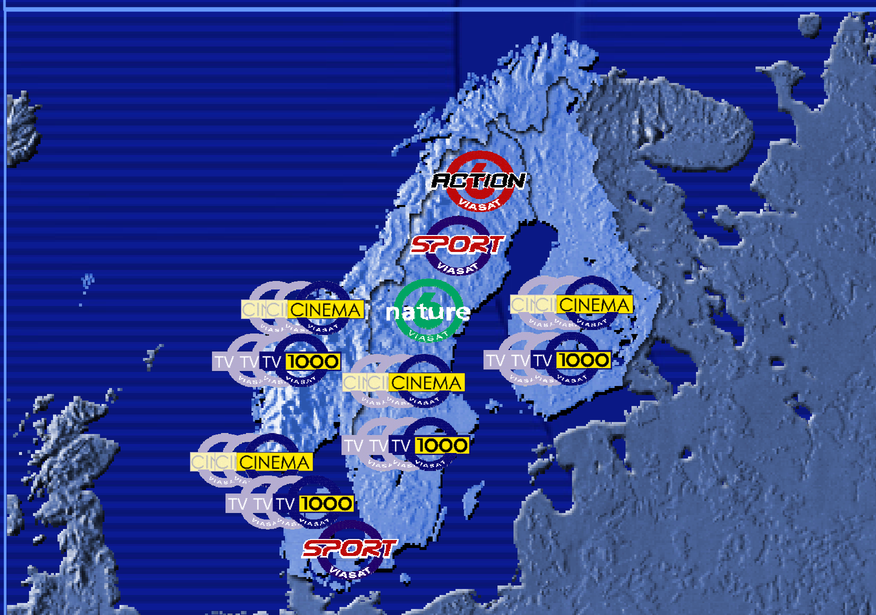
Highlights

- TV3 Sweden achieves highest ever commercial share of viewing in H1 – 27.7%
- Sales up 3% in H1 despite weak advertising markets and exceptional Q2 2000
- Channels have increased market share in Sweden and Denmark
- Exceptional H1 sales growth of 150% in Latvia following granting of national licence
- Annual advertising agreements remain at 50%

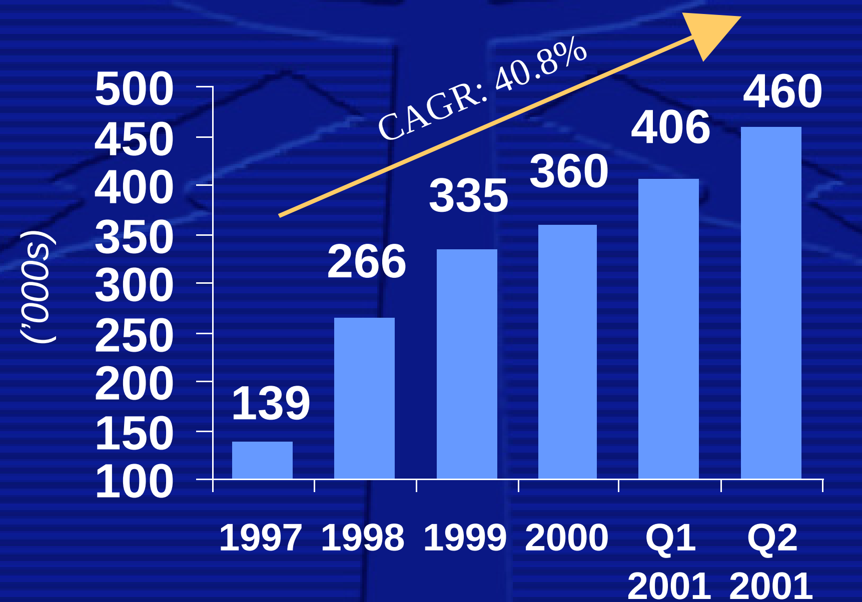
Viasat Broadcasting
Pay–TV

SEK Million	Q2 2001	Q2 2000	± %	H1 2001	H1 2000	± %
Net Sales	494	353	40	975	705	38

Geographical presence



Premium subscriber growth



Q2 2001 Financial Results

Viasat Broadcasting
Premium Pay TV subscribers

Subscribers	Cardholders	Viasat DTH Gold subscribers	Other Viasat DTH premium package subscribers
Balance as at 31 March 2001	1,096	367	39
New sales during Q2 2001	74	67	2
Churn during Q2 2001	−55	−14	−1
Balance as at 30 June 2001	1,115	420	40
Balance as at 30 June 2000	*1,081*	*294*	*42*

Digital roll–out: Driving profitability

- Launched in October 2000, 6 key ARPU drivers
  - increased penetration
  - increased premium/basic pick–up ratio
  - reduced churn
  - less price sensitive
  - new services
  - transaction based advertising sales

- Benefits of a delayed launch
  - reliable & proven technology
  - established customer demand yields larger potential penetration
  - cheaper decoders: fixed price of SEK1,300 per box vs. SEK5,000 3 years ago – ‘Cash & Carry’ offer through retailers becomes earnings enhancing and cash flow neutral as of Day one
  - ability to migrate premium subscribers rapidly and switch off analogue transmission of pay TV channels early – annualised savings of SEK 200 million

Digital roll–out: Driving profitability

- Impressive take–up of digital service. By the end of June 2001:
  - conversion of all premium pay TV subscribers to digital
  - additional 74,000 *new* subscriptions; 91% opting for Viasat Gold package
  - 486,000 digital subscribers
  - 50% year on year reduction in churn to 1.3% per month in H1 2001

Last to enter but already the No.1 digital provider in the Nordic region

Last to enter but first to switch off analogue transmission of pay TV channels

New Media

SEK Million		Q2 2001	Q2 2000	± %	H1 2001	H1 2000	± %
Net Sales		22	17	29	43	34	26
EBIT	Established Operations	−7	2	neg	−6	4	neg
	New Investments	−25	−10	neg	−41	−11	neg
	TOTAL	−32	−8	neg	−47	−7	neg

- MTG Spain reported 46% teletext sales increase – 44% operating margin in H1 2001; new contracts worth SEK 440 million over next 5 years
- Betting services available on Text TV in Scandinavia
- Open TV digital operating platform successfully implemented at low cost
- Interactive services and applications to drive digital TV ARPUs
- Everyday.TV has signed agreements with advertisers including Coca Cola
- SMS premium rate billing agreements reached with Telco's in Sweden and Denmark
- Increased losses in Everyday.com due to continuing investment and in WebAD due to weak advertising market and internet sales environment

Everytext

MTG Radio

SEK Million	Q2 2001	Q2 2000	± %	H1 2001	H1 2000	± %
Net Sales	38	41	−7	68	67	1
EBITDA	7	24	−71	11	15	−27
EBIT	6	24	−75	8	14	−43

Geographical presence

Highlights

- Ownership of, or equity stakes in, all major national networks in region
- Increased market shares in weak Scandinavian and Baltic advertising markets – achieved 23% share in Sweden
- Star FM Latvia profitable since May – 30% increase in sales despite 40% decline in advertising market

MTG Publishing

SEK Million	Q2 2001	Q2 2000	± %	H1 2001	H1 2000	± %
Net Sales	51	65	−22	104	113	−8
EBITDA	−15	−9	−67	−25	−17	−47
EBIT	−18	−12	−50	−31	−24	−29

Geographical presence

Highlights

- Finanstidningen increases market share of daily business newspaper segment in weak advertising market
- Investment in marketing consolidates Finanstidningen's position as fastest growing daily business newspaper in Sweden
- Increased reach of Finanstidningen / Svenska Dagbladet advertising cooperation well–received by media buying community

Modern Studios

SEK Million	Q2 2001	Q2 2000	± %	H1 2001	H1 2000	± %
Net Sales	152	121	26	324	236	37
EBITDA	26	6	333	56	14	300
EBIT	17	2	750	37	6	517

- Strix sales up 39% in Q2
- 3 new formats in pipeline for the Fall
- Sale of licences and options on reality TV formats to 27 countries flow straight to bottom line
- Potential uplift in Sonet sales due to increasing acquisition of film rights vs. pure distribution agreements
- Modern Entertainment sales up 173% in Q2 + continued profitability

MTG Modern Interactive

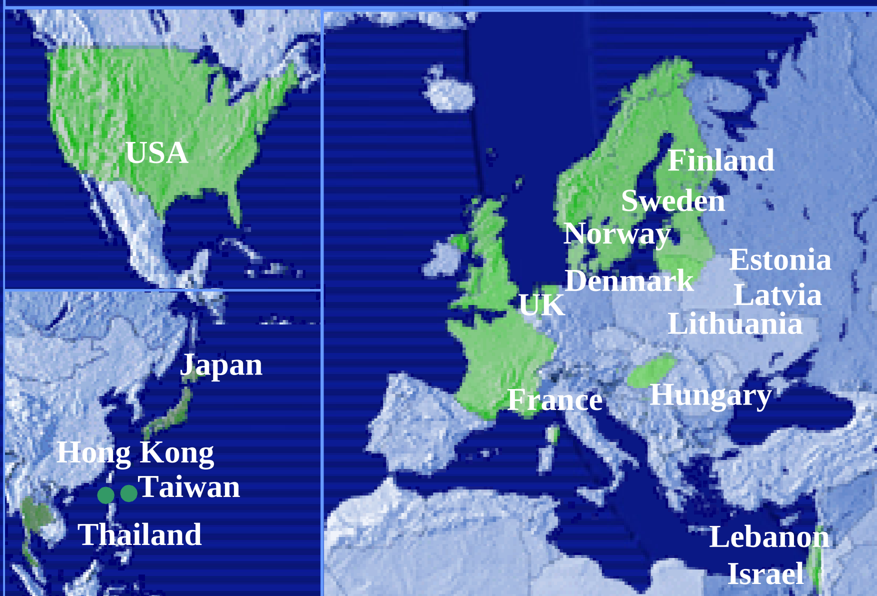
SEK Million	Q2 2001	Q2 2000	± %	H1 2001	H1 2000	± %
Net Sales	188	137	37	400	251	59
EBITDA	−4	−21	81	10	−35	129
EBIT	−10	−24	58	−1	−42	98

- ECL H1 sales up 46% and operating profit up 81% in H1
- Internet retailing benefits from strong market position – sales triple and losses reduced significantly
- Continuing impact of unprofitable media contracts at TV Shop – new management in place
- Profitable PIN24 channel shows potential of concept

SDI Media

SEK Million	Q2 2001	Q2 2000	± %	H1 2001	H1 2000	± %
Net Sales	96	75	28	179	154	16
EBITDA	11	4	175	20	11	82
EBIT	8	1	700	14	5	180

Geographical presence



Highlights

- Core business (excluding Screen) sales up 26% and EBIT up 400% in H1
- 40% increase in DVD subtitling revenues in H1 – market share of worldwide DVD subtitling market increased to over 60%
- DVD subtitling agreements with all major US studios including new agreements with Disney and Sony
- 90% of sales now to external customers

Profit and Loss

(SEKm)	Q2 2001	Q2 2000	± %	H1 2001	H1 2000	± %
Established Operations						
Net Sales	1,623	1,397	16	3,131	2,586	21
EBITDA	239	176	36	397	243	63
EBIT	174	100	74	277	119	133
New Investments						
Net Sales	4	1	300	4	1	300
EBITDA	−63	−10	neg	−100	−11	neg
EBIT	−59	−10	neg	−96	−11	neg
Non recurring Items	0	−19	–	0	104	–
Total						
Net Sales	1,627	1,398	16	3,135	2,587	21
EBITDA	176	166	6	297	232	28
EBIT	115	71	62	181	212	−15
PBT	85	47	81	123	180	−32

Cash flow

(SEKm)	Q2 2001	Q2 2000	H1 2001	H1 2000
Cash flow from operations	93	67	214	148
Changes in W/C	47	73	−273	−256
Total cash from operations	**140**	**140**	**−59**	**−108**
Investment in shares	−76	−110	−76	−110
Investments in other fixed assets	−15	−69	−41	−96
Others	48	35	48	160
Total cash from investments	**−43**	**−144**	**−69**	**−46**
Total cash from financing	**885**	**−49**	**987**	**34**
Net cash flow	**982**	**−53**	**859**	**−120**

Balance Sheet

(SEKm)	30 Jun 2001	30 Jun 2000	31 Dec 2000
Liquid assets	4,524	2,859	3,135
Fixed assets	2,955	2,407	2,905
Total assets	**7,479**	**5,266**	**6,040**
Short−term liabilities	3,255	2,019	2,798
Long−term liabilities	2,344	1,026	1,445
Equity	1,880	2,221	1,797
Total liabilities	**7,479**	**5,266**	**6,040**

- Increase in liquid funds due to €120 million convertible bond issue
- Equity:assets ratio of 40% (42%) reflecting investments in digitalisation of Pay TV platform
- SEK 1,749 million surplus value of marketable assets – adjusted equity:assets ratio of 49% (51%)

Outlook

- Continuing growth in digital TV subscribers
- Increasing proportion of premium subscribers and development of interactive services
- Continuing resilience to downturn and ability of innovative sales forces to increase market shares
- High incremental EBIT at point of recovery in advertising markets due to cost control
- Production pipeline of formats to be exploited through multiple distribution channels
- Everyday.com and Screen under close scrutiny
- TV Shop proceeds according to plan
- Geographical expansion of business areas into new territories