



FOR IMMEDIATE RELEASE

14 January 2002

MTG TO ACQUIRE 36.3% OF LEADING RUSSIAN BROADCASTER

Modern Times Group MTG AB ("MTG"), the international media group, today announced it is to acquire a 36.3% share in StoryFirst Communications Inc. ("StoryFirst"), a private US corporation that owns CTC, the third largest commercial TV broadcasting network in Russia, as well as stakes in six Russian radio stations.

CTC has a national penetration of approximately 60%, reaching 75 million people, and has a commercial share of nationwide viewing of over 6%. The Russian national TV advertising market is estimated to have grown by approximately 80% in 2001 to over US\$ 400 million.

CTC shows strong revenue growth and is expected to become one of the first Russian TV broadcasters to achieve year on year annual operating profits before depreciation and amortisation (EBITDA) in the year ended 31 December 2001. TV advertising sales accounted for over 80% of StoryFirst revenues in 2001 and StoryFirst is also expected to have been EBITDA profitable in 2001 on a consolidated group basis.

Hans-Holger Albrecht, President and CEO of MTG, commented: "This investment continues our international expansion and complements our acquisition of the Darial TV channel in Russia last year. The Russian market has enormous potential, with overall economic growth of approximately 5% in 2001 and the advertising market now recovering to pre-1998 levels."

"We look forward to working closely with the Board, management and other shareholders to continue developing the value of this exciting growth business."

StoryFirst operates TV stations in eight major cities - Moscow, St Petersburg, Nizhniy Novgorod, Kazan, Perm, Omsk, Samara and Vladivostok – and the CTC channel is also broadcast nationally through 156 affiliates in 341 towns and cities. The programming is entertainment-focused and attracts a core audience of 18-45 year olds.

StoryFirst also co-owns and operates six radio stations in five major Russian cities – 'Radio Maximum' in Moscow, St Petersburg, Samara and Perm, and 'Music Radio' in Omsk and Perm. All the stations are targeted at listeners under the age of 40 with above average incomes.

The shares are to be acquired in cash from a group of international investors. The transaction is subject to approval by regulatory authorities.

Since its launch of the first commercial TV stations in Sweden, Norway and Denmark in 1987, MTG's Viasat broadcasting business expanded into the Baltic states of Lithuania, Latvia and Estonia in the

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

mid 1990's. MTG's reach was further extended outside this core geographical area through the acquisition of a Hungarian TV channel in 2000 and of 75% of Darial TV in Russia in 2001. The TV3 channel reaches 11.5 million viewers in Scandinavia and 7 million in the Baltics, while Viasat3 reaches 3.8 million viewers in Hungary and Darial TV has a reach of 30 million viewers in Russia.

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

Hans-Holger Albrecht, President & CEO

tel: +46 (0) 8 562 000 50

Matthew Hooper, Investor & Press Relations

tel: +44 (0) 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 ADRs are listed on the Nasdaq National Market in New York (symbol: MTGNY).

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