



Modern Times Group MTG AB

Financial Results for
the fourth quarter and twelve months
ended 31 December 2001

19 February 2002

“Sales, showmanship and cost control”

Sales, Showmanship and Cost Control

- Largest 'Free to air' TV operator in Nordic & Baltic region
- 3rd largest DTH 'Pay' TV operator in Europe
- Largest number of Digital DTH TV subscribers in the Nordic region
- Largest commercial radio operator in northern Europe
- Global market leader in subtitling and dubbing
- Leading international 'Reality TV' production house

Operating Highlights

12 months ended 31 December 2001

- Net sales up 18% to SEK 6,402 (5,431) million
- Pay TV revenues up 49% to SEK 2,225 (1,496) million
- Operating income from established operations up 168% to SEK 514 (192) million
- Total operating income (excluding non-recurring items) up 106% to SEK 375 (182) million
- 550,000 Digital TV subscribers - 80% of new subscribers choose Viasat Gold premium package
- Strong operating income growth in Modern Studios to SEK 79 (3) million

Results for period ended 31 December 2001



SEK Million	Q4 2001	Q4 2000	± %	FY 2001	FY 2000	± %
<i>Established Operations</i>						
Net Sales	1,830	1,654	11	6,355	5,428	17
EBITDA	328	199	65	748	432	73
EBIT	264	145	82	514	192	168

- 62% non-advertising related revenues
- Continued strong growth in Pay TV revenue and increasing income contribution from new Viasat Gold subscribers
- Increased market shares in advertising-led businesses
- Strong top line & incremental earnings development in Modern Studios and SDI

Results for period ended 31 December 2001



SEK Million	Q4 2001	Q4 2000	± %	FY 2001	FY 2000	± %
<i>New Investments</i>						
Net Sales	22	2	-	47	3	-
EBITDA	-39	-6	neg	-135	-8	neg
EBIT	-39	-9	neg	-139	-10	neg

- 2001 characterised by new investments and geographical expansion
- New investments comprise launches in last 24 months:
 - Viasat+ (Norway), Viasat3 (Hungary), Darial TV (Russia) in Broadcasting
 - Everyday.TV and Everymobile in New Media
 - Modern Sports & Events, Modern Games in Modern Studios
- Results in line with expectations – Viasat3 (Hungary) achieves reach of 45% and increased share of viewing

Results for period ended 31 December 2001



SEK Million		Q4 2001	Q4 2000	± %	FY 2001	FY 2000	± %
<i>Total</i>							
Net Sales		1,852	1,656	12	6,402	5,431	18
EBIT	Established Operations	264	145	82	514	192	168
	New Investments	-39	-9	neg	-139	-10	neg
	TOTAL	225	136	65	375	182	106
Non-recurring Items		-15	-507	-	-15	-409	-

- Annualised growth rate of 18% despite adverse market conditions
- Non-recurring cost of completing digital transition of premium subscribers



Viasat Broadcasting



SEK Million		Q4 2001	Q4 2000	± %	FY 2001	FY 2000	± %
Net Sales	Free TV	802	783	2	2,651	2,594	2
	Pay TV	690	435	59	2,225	1,496	49
EBIT	Established Operations	290	253	15	659	510	29
	New Investments	-26	-8	neg	-109	-10	neg
TOTAL		264	245	8	550	500	10

Viasat Broadcasting Free-TV



SEK Million	Q4 2001	Q4 2000	± %	FY 2001	FY 2000	± %
Net Sales	802	783	2	2,651	2,594	2

Geographical presence	Highlights
	<ul style="list-style-type: none"> ■ Increasing market shares in weak advertising markets – TV3 Scandinavia revenues down 2.4%, Swedish TV advertising market down 11.6% (Jan-Nov) ■ TV3 Scandinavia EBIT impact off-set by cost control ■ TV3 Baltics doubles sales and at breakeven ■ Strategic investment in StoryFirst, Inc. <ul style="list-style-type: none"> - 2nd largest commercial Russian TV Broadcaster - National penetration of 60%, equal to 75 million people - Operates 6 radio stations

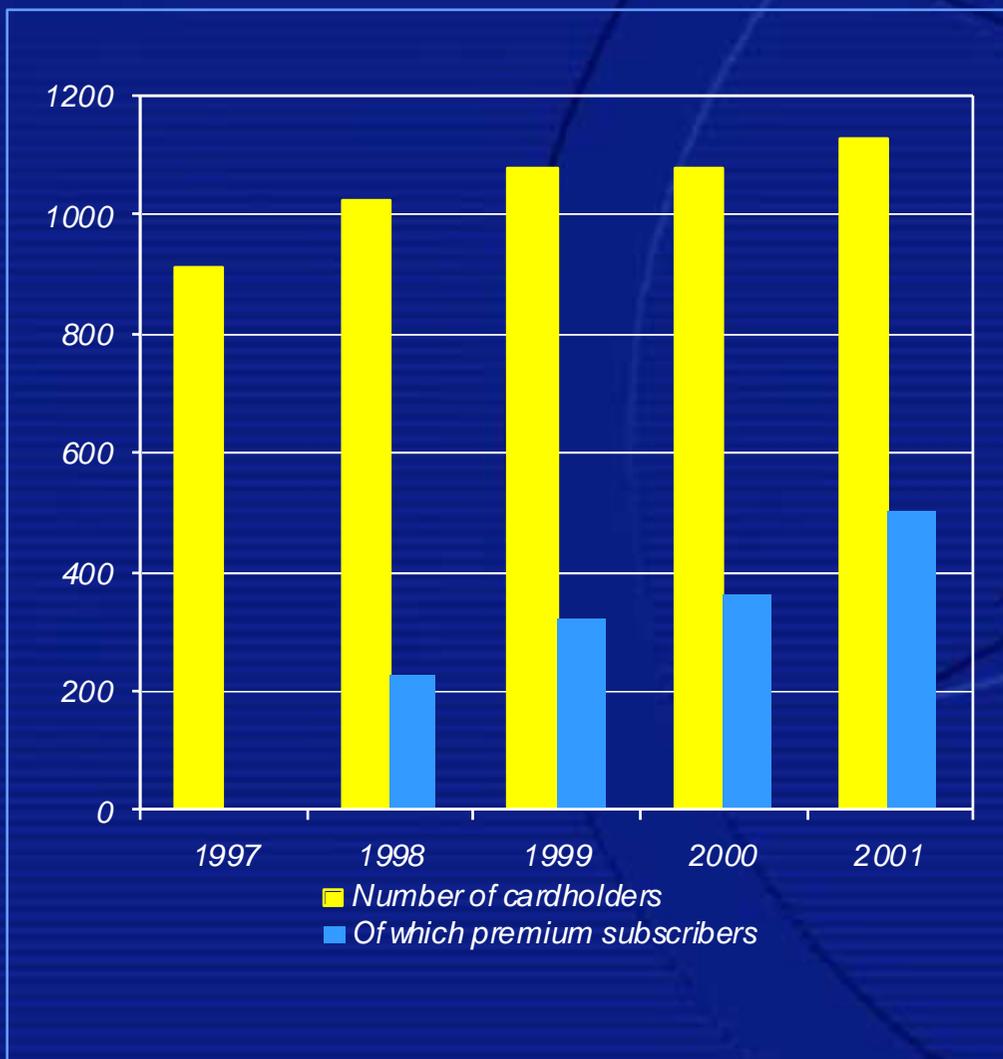
Viasat Broadcasting Pay-TV



SEK Million	Q4 2001	Q4 2000	± %	FY 2001	FY 2000	± %
Net Sales	690	435	59	2,225	1,496	49

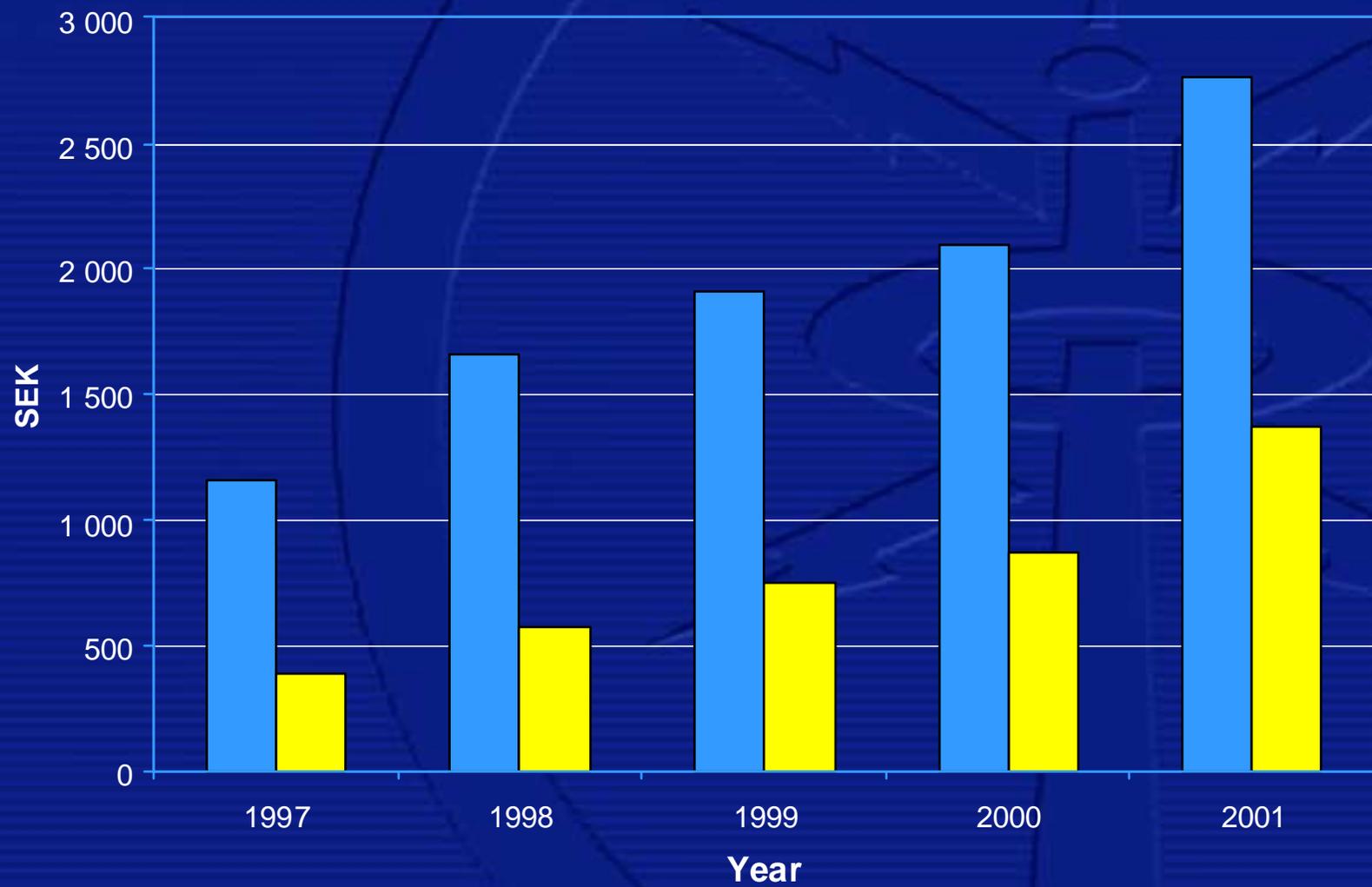
Geographical presence	Highlights
	<ul style="list-style-type: none"> Revenues up 59% in Q4 to SEK 690 million Premium ARPU SEK 2,759 - up 32% Basic ARPU SEK 1,367 - up 58% Four new Digital TV channels launched <ul style="list-style-type: none"> - Viasat Explorer, Reality TV, ZTV (Norway), and Viasat Sport (Denmark) 38% CAGR in premium subscribers since 1997 80% of new subscribers choose Viasat Gold premium package TV1000 profitable in Q4 & subscribers up 31% to 530,000

Viasat Broadcasting Subscriber development



Subscribers	Card Holders	Gold Subs	Other Prem. Subs
Balance as at 31 Dec 2000	1,077,000	321,000	39,000
New sales during 2001	+258,000	+212,000	+13,000
Churn during 2001	-210,000	-73,000	-12,000
Balance as at 31 Dec 2001	1,125,000	460,000	40,000
TV 1000 31 Dec 2000	530,000		
TV 1000 31 Dec 2001	405,000		

Average Revenue Per Subscriber



■ Premium Subscribers ■ Total Subscribers

New Media



SEK Million		Q4 2001	Q4 2000	± %	FY 2001	FY 2000	± %
Net Sales		36	15	140	107	61	75
EBIT	Established Operations	-9	-19	53	-46	-39	-18
	New Investments	-8	-	-	-24	-	-
	TOTAL	-17	-19	11	-70	-39	-79

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 MTG Spain (teletext) reported 42% increase in sales and 31% increase in EBIT in 2001
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 New advertisers in Q4 on digital TV – Microsoft, Warner Music, GE Capital, Telia and Pulsar watches. Effectiveness of digital TV campaigns clear:
 - Microsoft Windows XP campaign increased positive opinion by 74%
 - Adidas Digital-TV promotion increased response by 20 times
- 

 Everymobile generated 150,000 premium rate text messages in connection with the “Baren” reality-TV show
- 

 Everyday.com accounted for SEK 57 million, or over 80% of the Business Areas losses – operation scaled down

MTG Radio



SEK Million	Q4 2001	Q4 2000	± %	FY 2001	FY 2000	± %
Net Sales	30	36	-17	124	133	-7
EBITDA	0	15	-	16	20	-20
EBIT	-1	15	neg	13	18	-28

Geographical presence	Highlights
	<ul style="list-style-type: none"> ■ Negative impact of weak advertising markets ■ Acquisition of 'Lugna Favoriter' and 'Wow 105.5' doubles reach in Stockholm ■ Ownership of, or equity stakes in, all major national networks in region ■ RIX FM morning show achieves commercial share of listening of 28% in Q4

MTG Publishing



SEK Million	Q4 2001	Q4 2000	± %	FY 2001	FY 2000	± %
Net Sales	54	78	-31	196	234	-16
EBITDA	-25	-5	neg	-69	-40	-73
EBIT	-28	-8	neg	-82	-53	-55

Geographical presence



Highlights

- National reach of Finanstidningen up 4% in 2001 - competitor in segment down 1%
- Acquisition of Vision weekly business newspaper – adds to segment portfolio and further strengthens content
- TV8 penetration increases to 22% – nearly 1 million paying households
- Bromberg's is most profitable publisher in Sweden – operating margin of 40%

Modern Studios



SEK Million		Q4 2001	Q4 2000	± %	FY 2001	FY 2000	± %
Net Sales		161	211	-24	627	551	14
EBIT	Established Operations	29	5	480	85	3	-
	New Investments	-5	-	-	-6	-	-
TOTAL		24	5	380	79	3	-



STRIX



- Strix sales up 39% and operating income more than doubles
- Options & licenses to 8 Strix formats sold to 27 countries, with revenues flowing straight to bottom line
- 'The Farm' reality TV format achieves 65% commercial share of viewing and 21% rating in Norway – options sold in France & Germany
- Modern Entertainment sales up 91% and profitable on annual basis – 42% margin in Q4 & first US network deal signed in Jan 2002
- New businesses launched – Modern Sports & Events, Modern Games

MTG Modern Interactive



SEK Million	Q4 2001	Q4 2000	± %	FY 2001	FY 2000	± %
Net Sales	192	162	19	755	581	30
EBITDA	2	-61	103	-12	-108	89
EBIT	-3	-66	95	-33	-127	74



- CDON sales up 47% and profitable for second consecutive quarter
- TV Shop results improved in Q4 due to restructuring of the operation
- Renegotiation of Eurosport contract substantially reduces cost base
- Profitable PIN24 shopping channel launched in Germany (US\$ 460 million market) – penetration increases to 20 million homes

SDI Media



SEK Million	Q4 2001	Q4 2000	± %	FY 2001	FY 2000	± %
Net Sales	109	95	15	397	330	20
EBITDA	20	13	54	57	32	78
EBIT	15	8	88	42	18	133

Revenue mix	Highlights												
<table border="1"> <caption>Revenue Mix Data</caption> <thead> <tr> <th>Year</th> <th>DVD subtitling (%)</th> <th>Other (%)</th> </tr> </thead> <tbody> <tr> <td>1999</td> <td>10</td> <td>90</td> </tr> <tr> <td>2000</td> <td>30</td> <td>70</td> </tr> <tr> <td>2001</td> <td>48</td> <td>52</td> </tr> </tbody> </table>	Year	DVD subtitling (%)	Other (%)	1999	10	90	2000	30	70	2001	48	52	<ul style="list-style-type: none"> Core business sales (excluding Screen) up 26% and EBIT up 178% for the full year Operations in 17 countries – only global player in dubbing and subtitling All operating subsidiaries worldwide (excluding Screen) report profitability 60% increase in DVD subtitling revenues in full year 2001- 60% share of Hollywood feature film DVD subtitling market
Year	DVD subtitling (%)	Other (%)											
1999	10	90											
2000	30	70											
2001	48	52											

Profit and Loss



(SEKm)	Q4 2001	Q4 2000	± %	FY 2001	FY 2000	± %
Established Operations						
Net Sales	1,830	1,654	11	6,355	5,428	17
EBITDA	328	199	65	748	432	73
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Net Sales	22	2	-	47	3	-
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Total						
Net Sales	1,852	1,656	12	6,402	5,431	18
EBITDA	289	192	51	611	424	44
EBIT	225	136	65	375	182	106
Non recurring Items	-15	-507	-	-15	-409	-
PBT (<i>excl. convertible costs</i>)	221	-380	-	317	-271	-

Cash flow



(SEKm)	Q4 2001	Q4 2000	FY 2001	FY 2000
Cash flow from operations	127	-407	322	-300
Changes in W/C	-13	103	-419	194
Total cash from operations	114	-304	-97	-106
Investments in shares in subsidiaries and associates	-	-34	-76	-129
Other investments in shares	-84	-2	-84	-35
Investments in other fixed assets	-21	37	-97	-193
Others	-	3	48	163
Total cash from investments	-105	4	-209	-194
Total cash from financing	62	408	269	234
Net cash flow	71	108	-37	-66

- Positive cash flow from operations in Q4
- Last year of net cash outflow to meet programme inventory cost
- Investment in shares in Metro International in Q4 – ownership of 15% (fully diluted)

Balance Sheet



(SEKm)	31 Dec 2001	31 Dec 2000
Liquid assets	3,831	3,135
Fixed assets	3,110	2,905
Total assets	6,941	6,040
Short-term liabilities	3,338	2,798
Long-term liabilities	1,650	1,445
Equity	1,953	1,797
Total liabilities	6,941	6,040

- Equity:assets ratio of 44% (30%)
- SEK 1,249 million surplus value of marketable assets – adjusted equity:assets ratio of 51% (47%)
- Increase in liquid assets due to Euro 120 million convertible bond issue

Outlook

- Continuing digital TV subscriber and ARPU growth
- Low visibility in advertising markets – expect to turn in H2
- Increased market shares and cost control – positioned for upturn
- Strong emphasis on increased penetration
- Ownership of companies at all stages of value chain yields high operational leverage
- Low cost investment in exciting new markets & realizing growth potential in The Baltics, Hungary and Russia
- Focus on 3C theme:
 - Cross content
 - Cross promotion
 - Cross selling