



Modern Times Group MTG AB

“Entertaining People”

**Financial Results for the first quarter
ended 31 March 2003**

24 April 2003

“Entertaining People”

- Largest commercial TV and radio broadcaster in Nordic and Baltic region
- Viasat TV channels reach 45 million people each day in 9 countries
- Highest pay-TV operating margin in Europe (25%)
- Largest shareholder in #2 commercial TV network in Russia
- Leading international reality TV production house
- Global market leader in DVD subtitling

Operating Highlights

Free-to-air TV

Action:

- Increased investment in programming and introduction of new schedule
- Management and sales reorganization
- Consolidation of minority interests and expansion into high growth new markets

Result:

- Increased ratings and commercial share of viewing
- TV3 Scandinavia sales up again
- 2003 annual contracts secured at same levels as 2002
- Sales up 48% in Eastern Europe

Operating Highlights

Pay-TV

Action:

- Anti-piracy measures including electronic counter measures and review of CA system
- Aggressive new subscriber acquisition campaigns
- Investment in programming
- Price increase for premium package and continued focus on profitability

Result:

- Churn falls and agreement signed with NDS for implementation of new CA system to eliminate piracy
- Net subscriber levels remain relatively stable and digital premium intake remains strong
- Addition of Disney channel and five Swedish public service channels to multi-channel package offering
- 21% increase in premium ARPU record operating profit despite lower subscriber numbers

Operating Highlights

Other Business Areas

Action:

- Closure of non-core loss-making operations
- Reorganization of TV-Shop and focus on internet home shopping
- Consolidation in radio market

Result:

- Publishing closed, reducing annual operating losses by SEK 100 million
- TV-Shop records most profitable quarter; CDON sales double and becomes most visited internet retailing site in Sweden
- RIX FM now attracts more daily listeners than P1 and P3 public service channels for first time; acquired Lugna Favoriter becomes #1 station in Stockholm and Gothenburg; successful Power Hit format launched in 3rd market

Financial Highlights

1st Quarter ended 31 March 2003

- Record group operating income for first quarter
- Group net sales up 7% to SEK 1,513 million
- Group operating income quadrupled to SEK 80 million
- TV3 Scandinavia sales up 5% to SEK 442 million
- Pay-TV operating income more than doubled to SEK 139 million with operating margin of 25%
- Implementation of new conditional access system to eliminate piracy
- Strong balance sheet with net debt to equity ratio of 42%, SEK 569 million in liquid funds and marketable assets with surplus to book value of SEK 101 million

Group Operating Results

SEK million	Q1 2003	Q1 2002	% change	FY 2002
Net Sales	1,513	1,417	7	6,023
Depreciation and Amortization	63	63	0	287
Non-recurring items/discontinued businesses	-	-	-	37
Operating income (EBIT)	80	20	300	267
Net interest	-14	-15	-	-69
Other financial items	-34	56	-	-170
Pre-Tax profit	32	61	-	28
Taxes	-13	-32	-	-92
Minority interests	2	3	-	-3
Net income	21	32	-	-67
Basic number of shares outstanding	66,375,156	66,375,156	-	66,375,156
Basic earnings per share	0.32	0.48	-	-1.00

Viasat Broadcasting

Operating Results

SEK million	Q1 2003	Q1 2002	% change	FY 2002
Net Sales				
Pay-TV operations	556	538	3	2,166
Free-TV operations	612	550	11	2,592
Text-TV operations	23	27	-	101
Other and eliminations	-99	-84	-	-408
Total net sales	1,092	1,031	6	4,451
Operating income (EBIT)				
Pay-TV operations	139	60	143	352
Free-TV operations	-12	19	-	60
Text-TV operations	7	10	-	41
Other and eliminations	-	-2	-	-3
Associated Companies				
StoryFirst	-1	-	-	26
TV4 *	-	-5	-	145
Eliminations	-8	-8		-27
Total EBIT	125	74	58	594
* TV4 earnings consolidated until reduction in TV4 stake to 15.1% on 13 May 2002				

Viasat Broadcasting

Free-to-air TV

SEK million	Q1 2003	Q1 2002	% change	FY 2002
Net Sales				
Scandinavia				
TV3	442	422	5	1,893
Other Scandinavian channels	101	82	23	443
Eastern Europe				
TV3 Baltics	56	43	30	226
Viasat3 Hungary	6	2	200	12
DTV	7	1	600	18
TOTAL	612	550	11	2,592
Operating income (EBIT)				
Scandinavia				
TV3	6	46	-	88
Other Scandinavian channels	-4	-2	-	23
Eastern Europe				
TV3 Baltics	5	1	400	39
Viasat3 Hungary	-10	-16	-	-56
DTV	-9	-10	-	-34
TOTAL	-12	19	-	60

Viasat Broadcasting

Free-to-air TV - Scandinavia

- TV3 Scandinavia reports growth again, net sales up 5%
- Second series of 'Fame Factory' wins ratings war with 'Big Brother'
- Increase in commercial share of viewing in Sweden to 24%
- Focus on schedule in Norway and Denmark to further increase share of viewing levels
- Annual contract negotiations completed at stable pricing levels
- Decline in operating income due to additional programming costs

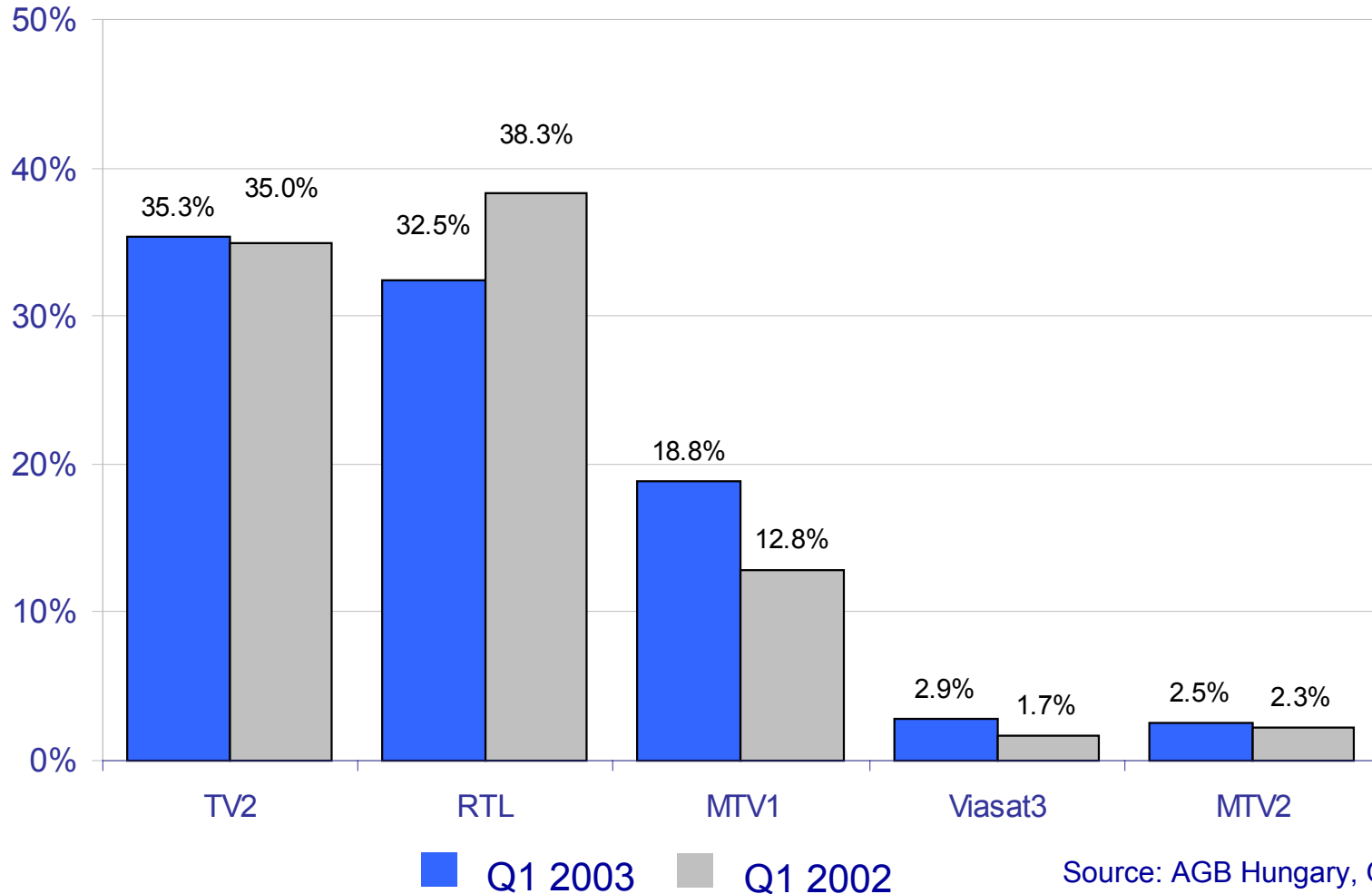
Viasat Broadcasting

Free-to-air TV – Eastern Europe

- Sales up 48%
- TV3 Baltics sales up 28% and operating profit of SEK 5 (1) million
- 33% pan-Baltic commercial share of viewing
- Strong sales growth and reduced operating losses for both Viasat3 and DTV
- Renewal of 5 year DTV licence after competitive tender – US\$ 1 million fee
- CTC commercial share of viewing increases to over 10% and peaks at 16.1%

Free-to-Air TV Broadcasting – Hungary

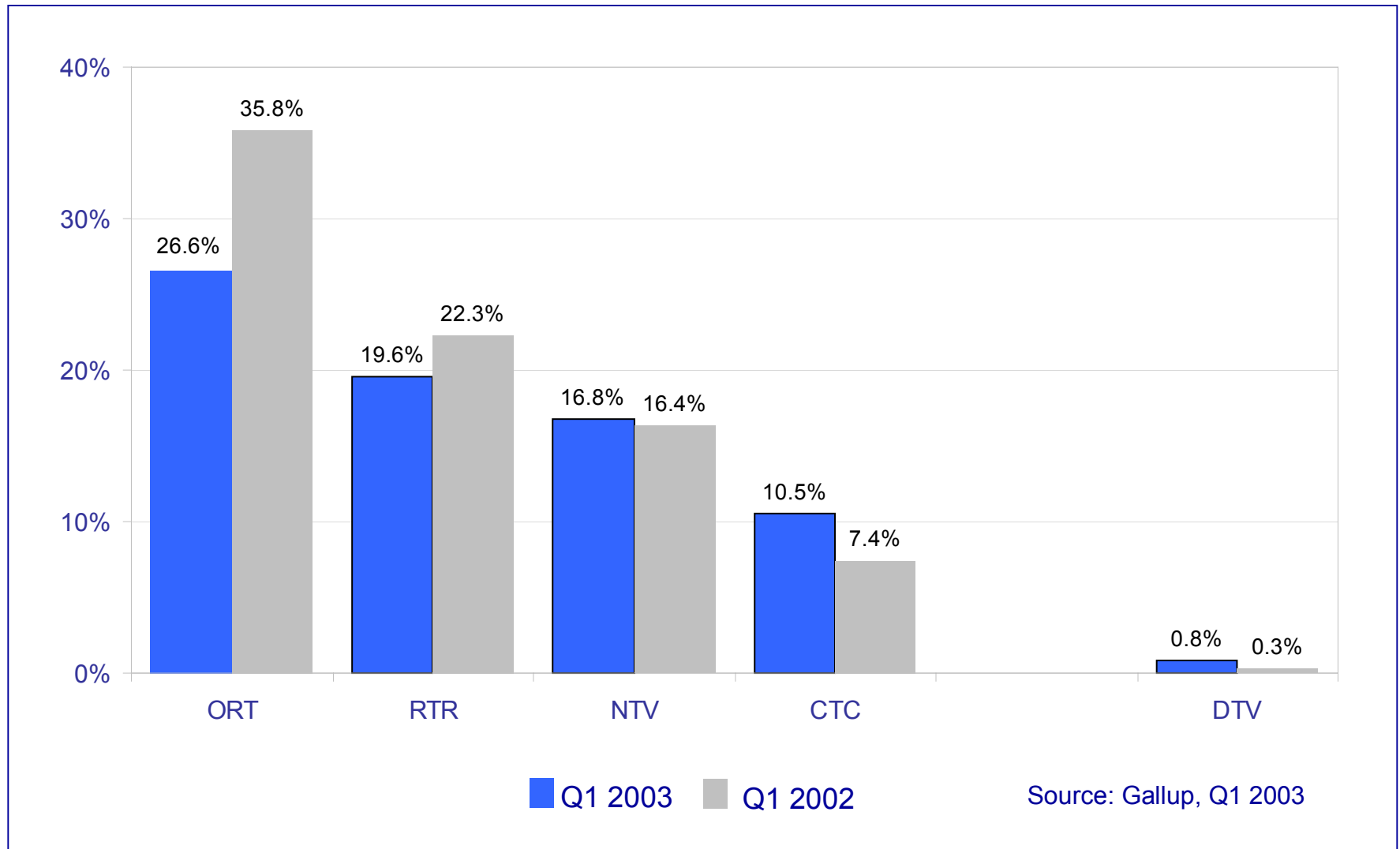
Commercial Share of Viewing in National Universe (18-49)



Source: AGB Hungary, Q1 2003

Free-to-Air TV Broadcasting – Russia

Commercial Share of Viewing in National Universe (18-49)



Viasat Broadcasting Pay-TV

SEK million	Q1 2003	Q1 2002	% change	FY 2002
Net Sales				
Viasat	524	515		2,041
TV1000	187	191		768
Other Scandinavian channels	34	34		129
Eliminations	-189	-202		-772
TOTAL	556	538	3	2,166
Operating Income (EBIT)				
Viasat	79	51		221
TV1000	57	5		107
Other Scandinavian channels	3	4		24
TOTAL	139	60	143	352

Viasat Broadcasting – Scandinavia

Subscriber development

Subscribers (000's)	31 March 2003	31 December 2002
Digital premium	442	451
Digital basic	161	166
Total digital	603	617
Total cardholders	955	994
TV 1000	492	499

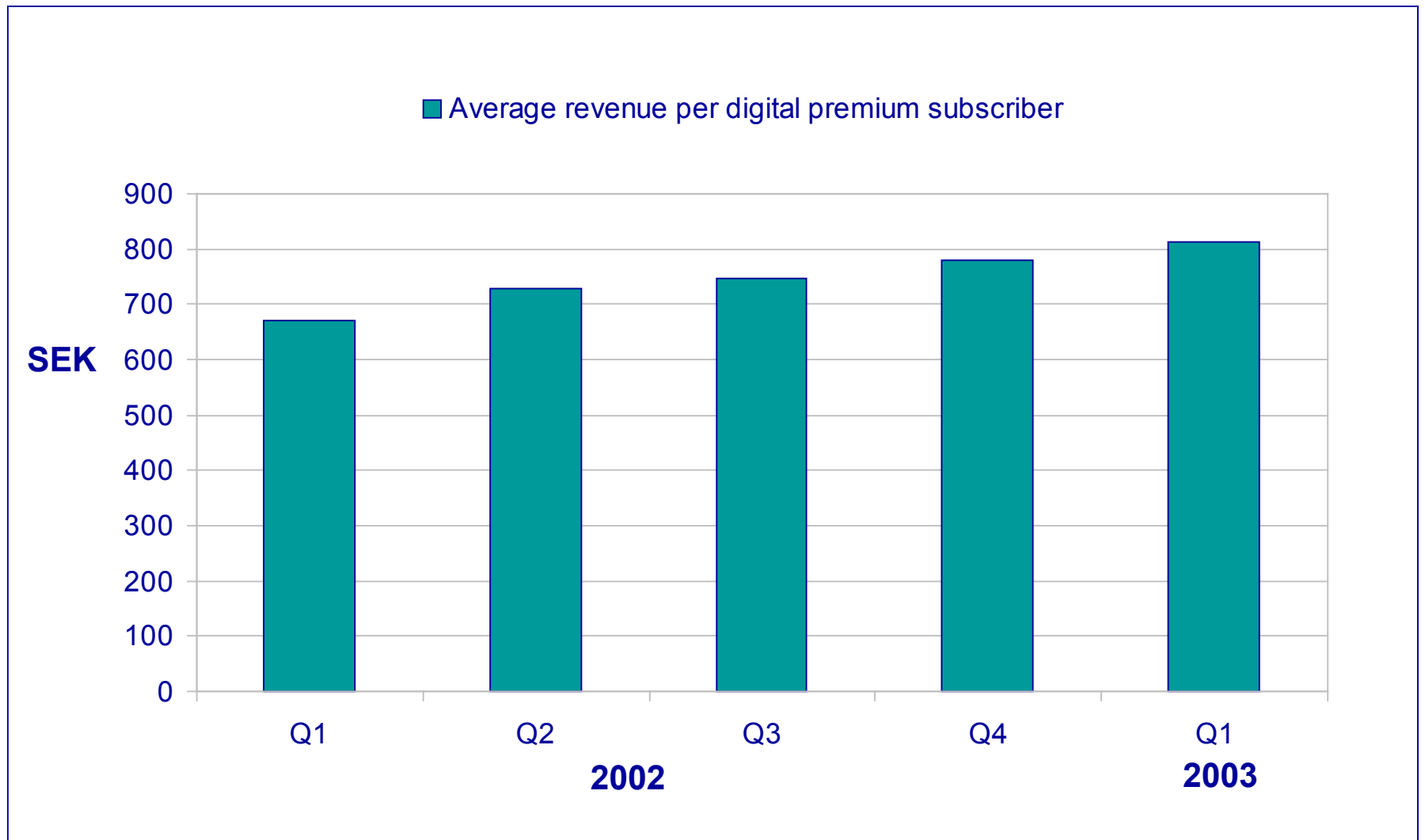
Viasat Broadcasting - Scandinavia

Pay-TV

- Stable revenues despite continued piracy
- Premium ARPU up 21% to SEK 813 following price increase during fall
- Implementation of NDS CA security system to eliminate piracy
- The Disney Channel and 5 'SVT' Swedish state broadcast channels added to multi-channel package offering
- Still high subscriber intake, but high churn results in 2% decline in digital subscriber base
- Increasing proportion of direct-to-consumer sales via internet and call centre activity – 54% of new sales in Sweden through this channel
- More than doubling of operating income and 25% operating margin
- TV1000 premium channel launched in largest TV viewing market in Europe

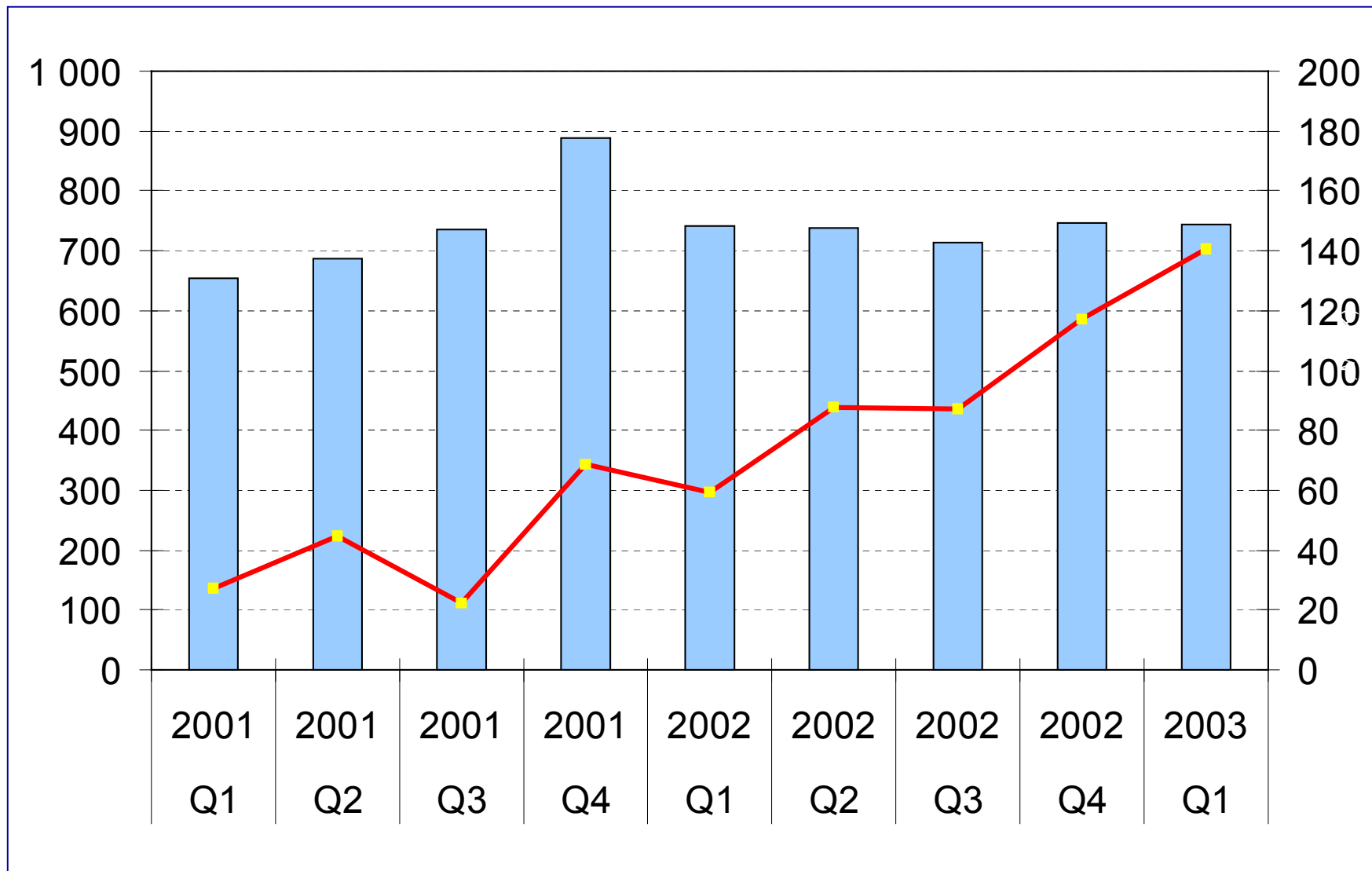
Pay-TV Broadcasting - Scandinavia

Average Revenue Per Subscriber (ARPU)



Pay-TV Broadcasting - Scandinavia

Revenue & EBIT Development



Radio

SEK million	Q1 2003	Q1 2002	% change	FY 2002
Net Sales	35	32	9	157
EBIT from operations	-11	-6	-	-19
EBIT from participation in P4	-10	-7	-	-12
Total EBIT	-21	-12	-	-31

- Sales up 10%
- Increased costs in Sweden due to taking sales force in-house but increased potential moving forward
- RIX FM becomes first commercial station in history to be larger than P1 and P3 state broadcast channels in Sweden
- Lugna Favoriter leading stations in Stockholm and Gothenburg markets
- Combined reach of 1.2 million daily listeners in Sweden and 2.7 million across region
- P4 awaits Ombudsman's review of adverse licence decision in Norway and applies for second national licence 'P5'
- Launch of successful regional FM frequency 'Power Hit Radio' format into 3rd market – Lithuania

Modern Studios

SEK million	Q1 2003	Q1 2002	% change	FY 2002
Net Sales	190	141	35	639
EBIT from established operations	14	13	8	72
EBIT from new businesses	0	-1	-	1
Eliminations	-1	-4	-	-11
Total EBIT	13	8	63	63

- STRIX sales up 44% following sales of new 'Camp Molloy' format and existing 'The Bar' and 'Expedition Robinson' formats
- STRIX operating margin down due to lower number of formats sold
- Sonet sales up 53% with 14% operating margin due to continued box office success
- Business area includes profitable publishing businesses
- Business area sales up 34% and 60% increase in EBIT
- Modern Entertainment adversely affected by reduced programme acquisition by US and international networks

TV-Shop

SEK million	Q1 2003	Q1 2002	% change	FY 2002
Net Sales	201	171	18	671
EBIT from TV Home Shopping	5	4	25	-5
EBIT from Internet retailing	5	1	400	10
EBIT from Other companies	-1	3	-	6
Total EBIT	8	8	0	12

- TV home shopping channels deliver sales growth and record operating profits following restructuring
- CDON attracts largest number of visitors of any internet retailing site in Sweden
- Internet retailing sales double and strong margin development
- Business area sales up despite fall in ECL revenues after reorganization

Subtitling and Dubbing International

SEK million	Q1 2003	Q1 2002	% change	FY 2002
Net Sales	87	90	-3	379
EBIT	12	9	33	54

- 9% growth in local currency sales
- 38% increase in operating income
- Increase in operating margin to 13% (9%)
- 2 year exclusive deal concluded with Egmont in Denmark for Broadcast, DVD & Cinema subtitling
- New multi-year agreement with Paramount Home Entertainment International to become principal global supplier

Cash flow

(SEK million)	Q1 2003	Q1 2002	FY 2002
Cash flow from operations	125	88	252
Changes in Working Capital	-96	-86	93
Net cash flow from operations	29	2	345
Investments in shares in subsidiaries and associates	-	-61	-277
Proceeds from sale of shares in associates	-	-	204
Other investments in securities	-	-	-204
Investments in other non-current assets	-29	-27	-98
Other cash flow from investing activities	-	-	35
Cash flow to investing activities	-29	-88	-340
Cash flow from/to financing activities	33	299	40
Net change in cash and cash equivalents for the period	33	213	45

- SEK 29 million of operating free cash flow
- Scheduled loan repayments of SEK 400 million due in 2003

Balance Sheet

(SEK million)	31 Mar 2003	31 Mar 2002
Non-current assets	2,986	3,174
Current assets	3,154	4,055
Total assets	6,141	7,228
Shareholders' equity	1,918	2,056
Minority equity interests	14	4
Provisions	142	123
Long-term liabilities	1,610	1,793
Current liabilities	2,457	3,253
Total equity and liabilities	6,141	7,228

- Equity to assets ratio of 50% (48%) - adjusted for SEK 101 million surplus value of marketable securities
- Group net debt of SEK 806 (917) million and net debt to equity ratio of 42% (45%)
- Liquid funds, including unutilized credit facilities, of SEK 569 (735) million

Outlook

- Focus on core broadcasting assets and driving channel penetration
- New management structure increases focus, leverage and accountability
- Continued investment in programming to increase commercial share of viewing levels
- Improving advertising sales environment in Scandinavia
- Well positioned in high growth Eastern European markets
- Implementation of NDS CA secure technology to eliminate piracy
- Launch of aggressive new subscriber acquisition campaigns
- High operational leverage in Free and Pay-TV and Radio broadcasting operations
- Strong and transparent balance sheet