



Modern Times Group MTG AB

“Sales, Showmanship and Cost Control”

**Financial results for the first quarter
ended 31 March 2004**

20 April 2004

MTG – Entertaining People

- Largest commercial TV and radio broadcaster in Nordic and Baltic region
- Viasat TV channels reach approximately 50 million people each day in 14 countries
- One of Europe's most profitable Pay-TV operators
- Largest shareholder in #1 private commercial TV network in Russia
- Leading international 'Reality TV' production house
- Global market leader in DVD feature film subtitling

Operating Highlights

First Quarter ended 31 March 2004

- Investments in programming pay off with increased ratings and 10% net sales growth for TV3 Scandinavia
- Free-to-air channels gain approximately 5% penetration through inclusion in Swedish DTT
- New dedicated channels added to Pay-TV portfolio and price increased on premium package
- New marketing campaigns drive Pay-TV entry level tier package
- Pay TV operating margin of 20%

Financial Highlights

First Quarter ended 31 March 2004

- Group net sales up 4% to SEK 1,571 (1,513) million
- Group operating income increased to SEK 85 (80) million
- Net income of SEK 22 (21) million
- Earnings per share of SEK 0.33 (0.32)
- Net cash flow from operations of SEK 84 (29) million
- Net debt to equity ratio of 39% (42%)
- Holding of publicly listed securities with market value of SEK 2,293 million

Summary Income Statement

(SEK million)	Q1 2004	Q1 2003	FY 2003
Net Sales	1,571	1,513	6,311
EBITDA	139	142	811
Operating income (EBIT)	85	80	542
Net interest and other financial items	-48	-48	-167
Pre-Tax profit	37	32	375
Taxes	-15	-13	-92
Minorities	0	2	6
Net Income	22	21	289
Basic number of shares outstanding	66,375,156	66,375,156	66,375,156
Basic earnings per share	0.33	0.32	4.36

- **All time high first quarter operating income**
- **Increased profitability despite increased programme investments**

Viasat Broadcasting

Operating Results

(SEK million)	Q1 2004	Q1 2003	FY 2003
Net Sales			
Pay-TV operations	576	556	2,210
Free-to-air TV operations	683	612	2,768
Text-TV operations	21	23	80
Other and eliminations	-114	-98	-395
Total net sales	1,165	1,093	4,664
Operating income (EBIT)			
Pay-TV operations	117	139	505
Free-to-air TV operations	-31	-20	32
Text-TV operations	9	7	30
Participation in StoryFirst	18	-1	87
Other	0	0	-1
Total EBIT	112	125	653
Operating margin (%)	10%	11%	14%

Free-to-air TV

First quarter highlights - Scandinavia

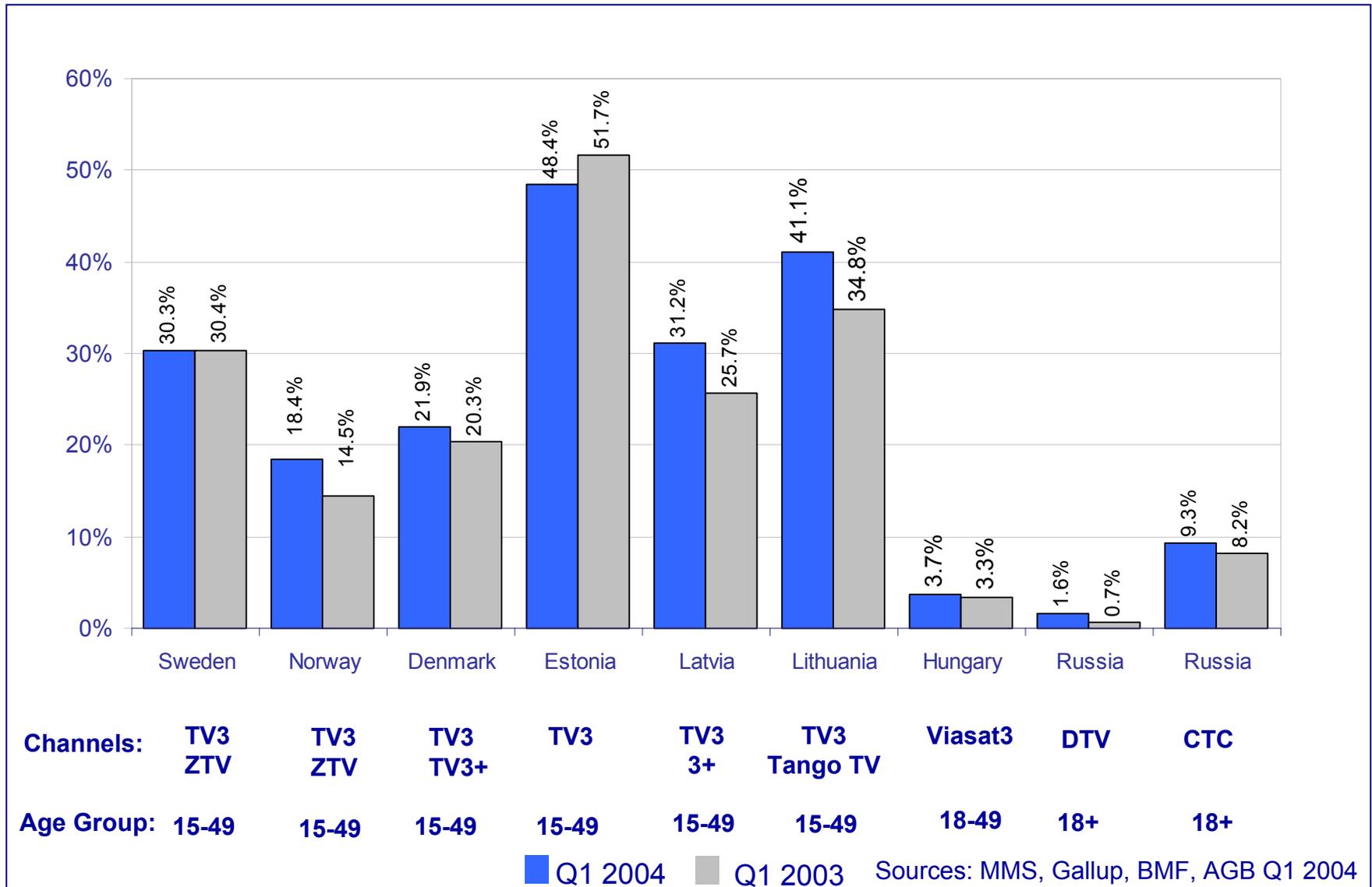
- TV3 Scandinavia net sales up 10% to SEK 487 (442) million
- TV3 and ZTV in Sweden included in the DTT network as of March
- Peak of 914,000 viewers for TV3 Sweden for Swedish national football team's clash with England
- TV3 and TV3+ in Denmark increase revenues on the back of higher cable fees
- TV3 and ZTV in Norway show highest share of viewing in 4 years
- Further investment in schedules increases ratings

Free-to-air TV

First quarter highlights – Eastern Europe

- TV3 Baltics commercial share of viewing reaches 37.2% (33.4%) and net sales up 9% to SEK 61 (56) million
- Viasat3 net sales up 33% to SEK 8 (6) million and new peak weekly weekly CSOV of 5.2%
- DTV net sales almost double to SEK 12 (7) million and national share of viewing more than doubled
- Viasat reported SEK 18 (-1) million of income from participation in StoryFirst after increase in CTC's CSOV to 12.2% (11.2%)

Free-to-air TV Commercial Share of Viewing



Pay-TV

First quarter highlights

- Sales up 4% despite continued adverse effects of platform piracy
- Operating margin of 20% (25%) despite investments in new secure encryption system and higher intake of new subsidised subscribers
- Digital subscriber base increases to 637,000 (629,000) following successful direct marketing of entry level tier packages
- Launch of 2 new branded sport channels and acquisition of new attractive sports content
- Viasat Eastern Europe (TV1000 and Viasat Explorer) reaches two million subscribers in 10 countries
- NDS implementation on track to secure platform by mid 2004
 - Successful completion of first set-top box software downloads

Viasat Broadcasting

Subscriber development

Subscribers (000's)	31 March 2004	31 Dec 2003
Cardholders	892	911
-of which, Digital subscribers	637	629
Viasat premium subscribers (digital)	438	439
Viasat basic digital subscribers	199	190
TV1000 Scandinavia	459	465
Wholesale Eastern Europe (TV1000 & Explorer)	2,187	1,720

Radio

SEK million	Q1 2004	Q1 2003	FY 2003
Net Sales	39	35	174
Total EBIT	-10	-21	-28

- **MTG Radio Sweden stations attract over 1.3 million daily listeners - equivalent to 17.7% reach**
- **P4 increases penetration to 72% and achieves 23% reach with new P5 licence**

Modern Studios

SEK million	Q1 2004	Q1 2003	FY 2003
Net Sales	166	190	737
Total EBIT	7	13	57

- **STRIX launches record breaking 'The Farm' format in France and Italy and option sales to multiple territories**
- **STRIX operating income of SEK 15 million and operating margin increases to 16%**
- **Disappointing performance by Sonet but first English language movie scheduled for release later this year**

TV-Shop

SEK million	Q1 2004	Q1 2003	FY 2003
Net Sales	205	201	738
EBIT	8	8	9

- **CDON sales up 57% and operating income more than doubles**
- **Disappointing result for TV Shop home-shopping business - measures taken to improve performance**

SDI Media

SEK million	Q1 2004	Q1 2003	FY 2003
Net Sales	95	87	354
Total EBIT	9	12	49

- **Sales up 9% following work on major Hollywood feature DVD releases**
- **Operating income includes SEK 4 million one-off cost**

Cash flow

(SEK million)	Q1 2004	Q1 2003	FY 2003
Cash flow from operations	106	125	586
Changes in Inventory	-21	49	248
Changes in Current Receivables	-54	-56	130
Changes in Current Liabilities	53	-89	-340
Net cash flow from operations	84	29	624
Financial investment activities including transactions with Metro International	0	-	-19
Investments in fixed assets	-24	-29	-135
Other cash flow from investing activities	-	-	30
Cash flow to investing activities	-24	-29	-124
Cash flow from/to financing activities*	-96	33	-399
Net change in cash and cash equivalents for the period	-36	33	101

- **Net cash flow from operations nearly triples to SEK 84 million**
- **Excess cash used for SEK 100 million early repayment of old credit facility**

* Including translation differences in cash and cash equivalents

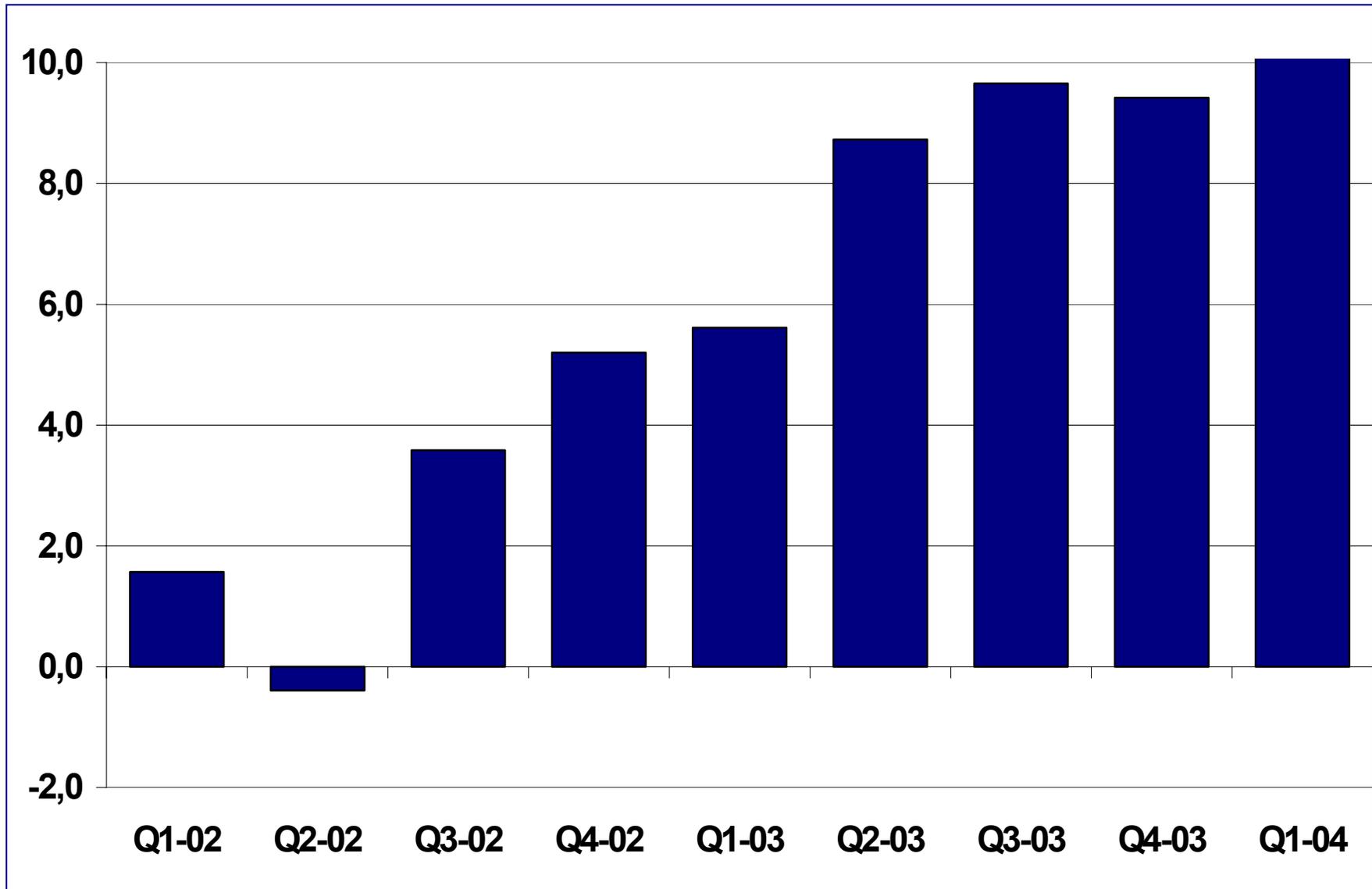
Balance Sheet

(SEK million)	31 Mar 2004	31 Mar 2003	31 Dec 2003
Non-current assets	2,854	2,987	2,879
Current assets	2,877	3,154	2,837
Total assets	5,731	6,141	5,716
Shareholders' equity	2,177	1,918	2,145
Minority equity interests	2	14	2
Provisions	245	142	233
Long-term liabilities	1,127	1,610	1,108
Current liabilities	2,180	2,457	2,228
Total equity and liabilities	5,731	6,141	5,716

- **Equity to assets ratio of 57% (64% when adjusted for surplus value of marketable securities)**
- **Liquid funds of SEK 1,542 million**
- **Net debt to equity ratio of 39%**

Net Operating Cash Flow Per Share

(SEK, Rolling 12 months)



Outlook

- Continue investment in programming to drive ratings and increase share of viewing
- Short term visibility in advertising market and no signs of significant change in climate
- Launch tailored new subscriber acquisition campaigns to drive migration of remaining analogue TV households
- Continue NDS VideoGuard implementation to eliminate piracy and reduce churn
- Grow free-to-air and pay-TV-businesses in Eastern Europe