



## **MODERN TIMES GROUP MTG AB**

### **FINANCIAL RESULTS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2004**

Stockholm, 3 August 2004 - Modern Times Group MTG AB ("MTG") (Stockholmsbörsen: MTGA, MTGB) today announced its financial results for the second quarter and six months ended 30 June 2004.

#### **HALF YEAR HIGHLIGHTS**

- **GROUP NET SALES UP 6% TO SEK 3,343 (3,144) MILLION**
- **NET INCOME UP 72% TO SEK 141 (82) MILLION**
- **EARNINGS PER SHARE INCREASE TO SEK 2.12 (1.24)**

#### **SECOND QUARTER HIGHLIGHTS**

- **GROUP NET SALES UP 9% TO SEK 1,772 (1,631) MILLION**
- **TV3 SCANDINAVIA NET SALES UP 13% TO SEK 636 (561) MILLION**
- **GROUP OPERATING INCOME UP 16% TO SEK 184 (159) MILLION**
- **NET INCOME ALMOST DOUBLES TO SEK 119 (61) MILLION**
- **EARNINGS PER SHARE INCREASE TO SEK 1.79 (0.92)**
- **642,000 DIGITAL PAY-TV SUBSCRIBERS AT END OF REPORTING PERIOD**

## **FINANCIAL SUMMARY**

<i>In SEK million</i>	<b>Q2 2004</b>	<b>Q2 2003</b>	<b>H1 2004</b>	<b>H1 2003</b>	<b>FY 2003</b>
Net sales	1,772	1,631	3,343	3,144	6,311
Earnings before depreciation, amortisation, interest and taxes	236	217	375	359	811
Operating income	184	159	269	239	542
Net interest and other financial items	20	-55	-28	-104	-167
Pre-tax profit	204	104	241	135	375
Net income	119	61	141	82	289
Basic earnings per share (SEK)	1.79	0.92	2.12	1.24	4.36
Fully diluted earnings per share (SEK)	1.79	0.92	2.12	1.24	4.36
Total assets	5,639	5,783	5,639	5,783	5,716

Hans-Holger Albrecht, President and CEO of MTG, commented: “The results for the second quarter and first half of the year yet again demonstrate MTG’s ability to balance investment and profitability, as well as showing the return on our investments in terms of creating operating leverage and capital value.

“In line with our clearly defined strategy to focus on our core broadcasting assets and directly related operations, we have made new investments in our core territories and exciting high growth new markets, as well as disposing of non-core assets.

“2004 is a year of investment for MTG, which will enable the group to generate increased sales and profitability moving forward. Our investments in programming are expected to increase ratings and market shares and we are also increasing the penetration of both TV3 and our radio operations. At the same time, the almost complete migration of our premium pay-TV subscriber base to a secure new encryption system is expected to eliminate piracy and reduce churn levels. Viasat’s premium pay-TV offering is the strongest in the market as well as the price leader.

“Programming investments will continue to increase year on year for the rest of the year. As previously stated, the historically high pay-TV margins reflected the maturing of the subscriber base and will decline year on year for the rest of this year to reflect increased sports rights acquisition costs, the completion of the NDS migration, the ongoing new per subscriber encryption fee, increased subscriber acquisition costs and the marketing of our new channel packages. Margins will be impacted by new subscriber acquisition cost. However, each subscriber generates positive cash flow and earnings over the life of the initial contract period. This demonstrates our operating efficiency and the significant medium and long-term margin potential.

“The outlook in the Nordic advertising markets remains uncertain in the short term, with short visibility and subject to volatility, but our investment in strong Fall schedules will position us strongly to benefit from growth. In addition, we continue to benefit from increasing exposure to our successful channel assets in the high growth Central and Eastern European markets.”

## **OPERATING REVIEW**

MTG is an international media company with principal operations in Scandinavia, the Baltics and Russia. MTG subsidiaries operate in more than 30 countries around the world. MTG is the largest Free-to-air TV and Pay-TV operator in the Nordic and Baltic regions as well as the largest commercial radio operator in Northern Europe and one of the leading originators and producers of reality television formats. MTG is also successfully expanding its operations into new high growth markets in Central and Eastern Europe.

### **Group structural changes during the first six months of 2004 and after 30 June 2004**

MTG entered the rapidly expanding Internet betting market in January 2004 with the acquisition of 19.9% of Bet24, together with an option to increase the shareholding in the future. MTG sold the Financial Hearings business in April 2004.

Modern Sports & Events, which managed and promoted a number of leading Scandinavian boxers, was closed down at the end of the quarter. This followed Viasat Broadcasting's decision to withdraw from the promotion business and increase flexibility by acquiring broadcasting rights to fights featuring leading Scandinavian and international boxers, which will be aired exclusively on the newly launched 'Viasat Sport 3' channel.

In line with MTG's strategic focus on its core TV and Radio broadcasting businesses, MTG sold its SDI Media subtitling and dubbing business after the end of the second quarter for US\$ 60 million. The transaction gave rise to a net gain of approximately SEK 400 million, which will be included in the financial report for the third quarter and nine months ended 30 September 2004. No tax is charged on the sale of securities in subsidiaries. SDI's operating results were deconsolidated with effect from 1 July 2004.

MTG also acquired a further 9.1% share in StoryFirst Communications Inc. for US\$ 53.4 million after the end of the quarter, raising its shareholding in the US company that owns and operates the CTC TV network and affiliate stations in Russia to 37.9%. The acquisition is subject to regulatory approval.

MTG Radio entered into a cooperation with NRJ Group S.A. after the end of the quarter whereby MTG Radio Sweden will assume the day-to-day operations and management of NRJ's twenty radio stations in Sweden. The cooperation will result in MTG operating a total of 49 stations out of the 90 commercial stations in Sweden and further strengthening its national advertising offering. Ten of the NRJ stations will be rebranded RIX FM stations, seven stations will be branded Lugna Favoriter, and the remaining three stations will retain their NRJ brand. The combination will increase RIX FM's national penetration from 69% to 88%. The agreement is expected to be completed in the third quarter, at which time MTG Radio Sweden will assume the 20 stations' sales and costs moving forward and pay a percentage of MTG Radio Sweden's revenues to NRJ Group S.A.

MTG increased its shareholding in the Norwegian national commercial radio network P4 Radio Hele Norge AS after the end of the quarter, by acquiring 6.6% or 2,124,820 P4 shares from Industriförvaltnings AB Kinnevik in exchange for 2,220,629 Metro International S.A. series A shares. Following the transaction, MTG owns 39.7% of the capital and votes in P4 and 28.0% of equity in Metro International.

### **Future changes to MTG's financial results reporting structure**

Further to the increased focus on core broadcasting and directly related businesses and the resulting changes in MTG's group structure, MTG will report its financial results according to a simplified structure with effect from the third quarter of 2004. Sales and operating income (earnings before interest and taxes) will be provided for Viasat Broadcasting's '*TV3 Scandinavia*', '*TV3 Baltics*' (TV3, 3+ Latvia and Tango TV Lithuania), '*ZTV / TV3+ Scandinavia*' (ZTV Sweden and Norway and TV3+ in Denmark), '*Viasat3 Hungary*', '*DTV*', '*Viasat DTH Platform*', '*TV1000 Scandinavia*', '*Other Scandinavian Pay-TV Channels*' (Viasat Sport Scandinavia, Viasat Nature & Action, Viasat Explorer Scandinavia and TV8), '*C & E European Pay-TV Channels*' (TV1000 East, Viasat Sport, Viasat Explorer, Viasat History), '*Text TV*', '*Associated Companies*' (StoryFirst), '*Other & Eliminations*'; as well as in four other individual reporting segments – '*MTG Radio*' and '*Associated Companies*'; '*Home Shopping*' (TVShop and CDON); '*Modern Studios*' (STRIX, Sonet, Modern Entertainment and other); '*Parent Company & Other Companies*'; and '*Eliminations*'. Comparative results for the prior quarters in 2003 and 2004 will also be provided.

### **Viasat Broadcasting**

Viasat Broadcasting is Europe's only integrated free-to-air and pay-TV operator, broadcasting 26 Viasat TV channels, including the leading TV3 and TV1000 branded entertainment channels, as well as 25 third party channels to 50 million viewers in 15 European countries. Viasat's channel formats have successfully been exported to Estonia, Latvia and Lithuania and subsequently introduced to new high growth markets in Russia, Hungary and six additional Central and Eastern European countries. Viasat also operates teletext services for broadcasters across the Nordic region and in Spain.

Viasat Broadcasting was awarded three licenses in Sweden at the beginning of the year and subsequently began broadcasting its TV3, ZTV and TV8 channels in the digital terrestrial broadcasting network. The inclusion of TV3 in the digital terrestrial broadcasting network has already increased the channel's penetration.

Viasat launched two additional sports channels in Scandinavia in February 2004 and established a clear position as Scandinavia's leading sports broadcaster. The Viasat Sport 2 and Viasat Sport 3 channels were launched into the Baltic territories after the end of the quarter in July 2004.

MTG announced in June that Viasat Broadcasting will launch four new premium thematic TV1000 pay-TV channels in the Nordic region in September 2004, in addition to the existing two TV1000 channels. TV1000 Action, TV1000 Family, TV1000 Classic and TV1000 Nordic will be available to 'Gold' package subscribers. The new home entertainment channels will increase viewer choice and showcase Viasat's strengthened portfolio of popular movie titles.

Viasat also launched a brand new pay-TV channel in eight Central and Eastern European territories in May – Viasat History. The channel features a wide range of cultural and political, specialist and mass appeal history programming and is being distributed via third party cable networks in Russia, the Ukraine, Belarus, Moldova, Hungary, Romania, Bulgaria and Poland.

Viasat Broadcasting generates approximately half of its revenues from the sale of pay-TV subscriptions and interactive services and the other half of its revenues from advertising sales. Viasat Broadcasting reported an 11% year on year increase in revenues to SEK 1,371 (1,234) million in the second quarter and a 9% increase to SEK 2,536 (2,326) million for the year to date. Operating income for the quarter and first half of the year totalled SEK 192 (188) million and SEK 304 (313) million respectively.

### ***Free-to-air TV***

Viasat's free-to-air TV channels reported a combined 16% year on year increase in net sales in the second quarter to SEK 894 (770) million and a 14% increase in the first half of the year to SEK 1,577 (1,382) million. Operating income for the channels more than doubled to SEK 89 (44) million in the second quarter and to SEK 58 (23) million for the year to date.

TV3 Scandinavia's sales grew by 13% year on year in the second quarter to SEK 636 (561) million, following a 10% year on year growth in the first quarter of 2004. Sales for the first half of the year therefore increased by 12% to SEK 1,122 (1,003) million. TV3 Scandinavia reported a slight decrease in viewing shares during the quarter, partly as an effect of the European Football Championships being aired on other channels, but still managed to increase its market share in each of the Scandinavian territories.

Programming costs for TV3 Scandinavia increased by 10% year on year in the second quarter as Viasat invested in TV3's strong schedule. Programming investments will increase year on year for the rest of 2004 in order to drive ratings and further market share growth. Viasat Broadcasting centrally purchases both acquired programming and own-productions for Scandinavia and other territories. Viasat has exclusive agreements with Twentieth Century Fox Television Distribution and Sony for the broadcasting of blockbuster movies and hit TV series in Scandinavia.

TV3 Scandinavia's sales growth reflects the organization's sales efficiency and is also partly attributable to the increase in fees charged to Danish cable operators from September 2003 for the carriage of TV3 on third party networks. The outlook for Scandinavian advertising markets continues to be affected by short-term visibility.

TV3 Scandinavia consequently generated a 57% year on year increase in operating income in the second quarter to SEK 69 (44) million and a 26% increase to SEK 63 (50) million for the year to date.

TV3 Sweden and ZTV Sweden's combined commercial share of viewing amongst 15-49 year olds increased to 30.7% in the second quarter from 30.3 % for the first three months of the year. The highlight of the second quarter was undoubtedly the Ice Hockey World Championships, which yet again attracted record viewing levels. The national team's success in reaching the Final attracted huge national interest and enabled TV3 to achieve an all time high weekly commercial viewing of over 40%. TV3 delivered a number of new series of proven formats as well as new formats and blockbuster movies during the quarter. The final episode of 'Sex and the City' attracted over 400,000 viewers and 'ER' enjoyed another high rating season. New lifestyle show – 'Extreme Makeover – Home Edition' performed well in its debut in April and May and delivered an audience of up to 326,000 viewers. The 'Fame Factory' own production was more popular than ever and the final episode was watched by 373,000 viewers.

The Fall season for TV3 will feature the eight season of Expedition Robinson ('Survivor'), which will be hosted by high profile media personality Robert Aschberg and be the toughest yet for contestants. TV3 will broadcast exclusive coverage of the Ice Hockey World Cup in August and September, which will include superstar players from the National Hockey League in the US. STRIX is producing a series of brand new format 'The Rivals' for broadcast on TV3, which will feature aspiring young entrepreneurs being put through their paces by well-known successful business leaders to win the chance to start their career with a major international company in Sweden. Finally, the movie line-up is stronger than ever with blockbusters including 'Spiderman', 'Black Hawk Down' and 'Bridget Jones's Diary'.

In line with its strategic objective to become the second largest commercial channel in Norway, TV3 was the second largest channel in the competitive universe (where the three largest commercial channels are all fully represented) amongst 15-49 year olds during the second quarter with a 20.7% commercial share of viewing. Both TV3 and ZTV had strong months in April and May but were impacted by the coverage of the European Football Championships on other channels during June. TV3 has outperformed all other channels during the first half of the year in terms of sales growth. ZTV Norway was launched at the beginning of 2003 and doubled its sales year on year in the quarter, as well as more than halving its operating losses as the channel's commercial share of viewing increased by almost 50%.

TV3 Denmark and TV3+ viewing shares were also adversely impacted by coverage of Denmark's participation in the European Football Championships on public service television. Both channels however increased their advertising market shares year on year during the period due to investments in a successful mix of proven own-productions and top rating acquired international formats. STRIX's 'The Farm' achieved an average 27% share of the 15-50 year old audience, whilst high rating acquired programming included 'Sex and the City', 'Extreme Home Makeover', 'Paradise Hotel' and 'Miriam'.

TV3 Denmark and TV3+ continued to benefit from the increase in cable prices paid by cable operators since last September to carry the channels and the combined number of cable and small antenna subscribers to the channels increased to a record new level of over 2.6 million during the quarter.

TV3 has a 37.4% (35.1%) pan-Baltic commercial share of viewing (15-49 year olds) and is the largest commercial channel in Estonia and Lithuania and the second largest commercial channel in Latvia. TV3 has a penetration of over 95% in each country.

TV3 Baltics reported year on year sales growth of 28% to SEK 92 (72) million in the second quarter and 19% to SEK 152 (128) million for the year to date. Combined operating profits for TV3 in the Baltics increased by 62% year on year to SEK 34 (21) million in the second quarter and by 50% to SEK 39 (26) million in the first six months of 2004.

Viasat Latvia's channels, TV3 and 3+, set new viewing records during the quarter with the World Ice Hockey Championship attracting 17% more viewers than last year to set a new all time high of over 1.7 million viewers (4+ age group). The game between Latvia and Kazakhstan was the top rating TV programme amongst all channels in the target group of

15-49 year old viewers, achieving a 49.6% share of viewing. 3+, which was launched at the end of last year and focusing on the Russian speaking population, has already generated a commercial share of viewing (15-49 year olds) of over 5% with a successful programming combination of talk shows, movies and documentaries. The channel's peak share of viewing during the quarter was 9.6% (15-49 year old group).

TV3 Estonia's overall commercial share of viewing declined year on year but the channel improved its commercial share of viewing among local language viewers (4+ age group) year on year from 52.5% to 53.5%, with a particularly strong performance in prime time where TV3's share increased year on year from 48.1% to 51.6%.

TV3 Lithuania had its strongest ever quarter with the channel's commercial share of viewing (15-49 age group) increasing to 37.5%, compared to 34.1% in the first quarter of the year. 13 movies shown by TV3 during the quarter ranked in the top 20 most watched films during the quarter and TV3's daily news became the most popular news programme in Lithuania. Tango TV continued to increase its ratings and viewing shares and reached a new record number of viewers during the quarter.

Viasat Broadcasting's free-to-air channels in Hungary and Russia continued to increase their market shares and show strong sales growth in the second quarter. Viasat3 Hungary's sales increased by 30% year on year to SEK 13 (10) million in the second quarter and by 31% to SEK 21 (16) million for the year to date. Operating costs for the channel also increased as Viasat3 invested in programming to drive ratings and viewing shares. Viasat3 therefore reported operating income of SEK -10 (-7) million in the second quarter and SEK -24 (-16) million for the year to date.

Viasat3 Hungary's programming investments paid off with a 50% year on year increase in the channel's commercial share of viewing amongst 18-49 year olds. Viasat3 increased its commercial share of viewing from 3.7% (amongst 18-49 year olds) in the first three months of the year to 4.6% during the second quarter and achieved a record viewing day in April with an 8.9% commercial share of viewing. 'CSI', 'Diagnosis Murder', 'The X-Files' and live local sports coverage were the major ratings drivers during the quarter and the channel has a strong Fall line-up.

DTV reported a year on year doubling of sales to SEK 16 (8) million in the second quarter and an 80% increase to SEK 27 (15) million for the year to date. Operating losses were reduced year on year to SEK 6 (7) million in the second quarter and SEK 12 (16) million for the year to date.

DTV reported a 60% year on year increase in commercial share of viewing amongst the target group of 12-49 year old viewers during the second quarter. The channel also enjoyed its most successful week ever in Moscow, reporting a 2.1% commercial share of viewing amongst 12-49 year olds and a peak 11% share of viewing in the same target group with Russian movie 'Dog On The Hay'.

Viasat Broadcasting reported SEK 22 (11) million and SEK 40 (11) million in income from associated companies for the second quarter and first half of the year respectively. This principally relates to MTG's share in the earnings of StoryFirst Inc., which owns and operates Russia's largest privately owned commercial TV network and 13 affiliate stations.

CTC's national audience share increased year on year from 9.0% to 10.1% (4+ age group) in the second quarter and the highly successful 'Poor Anastasia' local production achieved a peak share of viewing of 22.4% in the same audience group. CTC's first 'reality TV' show – 'Top Model' – achieved an average 10.7% audience share. CTC has 300 broadcasting affiliates and reaches over 100 million people in 800 cities across Russia.

<b>Commercial Share of Viewing</b>	<b>Q2 2004</b>	<b>Q2 2003</b>	<b>FY 2003</b>
TV3 and ZTV in Sweden (15-49)	30.7%	31.9%	30.4%
TV3 and ZTV in Norway (15-49)	16.4%	16.6%	17.0%
TV3 and TV3+ in Denmark (15-49)	22.5%	23.3%	23.0%
TV3 in Estonia (15-49)	46.0%	50.0%	50.0%
TV3 and 3+ in Latvia (15-49)	31.1%	26.8%	26.6%
TV3 and Tango TV in Lithuania (15-49)	38.9%	36.8%	36.3%
Viasat 3 in Hungary (15-49)	4.6%	3.1%	3.1%
DTV in Russia (6-54)	1.7%	1.1%	1.2%
CTC Russia (6-54)	14.7%	13.1%	13.4%

### ***Pay-TV***

Viasat Broadcasting's Pay-TV operations reported stable quarter on quarter revenue development to SEK 578 million in the second quarter when compared with SEK 576 million in the first quarter, and a 5% increase to SEK 1,153 million in the year to date when compared with SEK 1,100 million for the second half of 2003.

The implementation of the new secure NDS VideoGuard encryption system to eliminate piracy on the Viasat pay-TV platform is on track and now almost complete following the successful download of the new conditional access software to nearly all premium subscribers' set top boxes and the dispatch of new smart cards. Less than 10% of premium subscribers remain to be migrated over to the NDS encrypted signal. Once complete, Viasat will switch off the legacy encryption system, which will render pirate cards useless. All new package sales now include the NDS conditional access technology.

The number of digital subscribers increased to 642,000 at the end of the first half of the year, compared to 637,000 at the end of March. Subscriber churn rates remained high during the quarter prior to the switch-off of the legacy encryption system. The total number of Viasat cardholders declined to 856,000 subscribers at the end of June, compared to 892,000 at the end of March. This reflected the shut down of analogue distribution in Norway at the end of May, which affected 24,000 basic analogue subscribers but will significantly reduce Viasat's distribution costs moving forward.

(In thousands)	<b>June 2004</b>	<b>March 2004</b>	<b>Dec 2003</b>
<b>Total cardholders</b>	856	892	911
- of which, Digital subscribers	642	637	629
<b>Viasat Digital Premium subscribers</b>	436	438	439
<b>Viasat Digital Basic subscribers</b>	206	199	190



The quarterly annualized revenue that Viasat generates per premium subscriber (ARPU) fell to SEK 3,060 in the second quarter when compared with SEK 3,116 for the first quarter of 2004.

Operating costs for the Pay-TV business increased year on year and quarter on quarter and operating income for the Pay-TV business therefore declined to SEK 72 million in the second quarter, compared to SEK 117 million in the first quarter of the year, and to SEK 188 million for the first half of the year, compared to SEK 239 million in the second half of 2003. The operating margin for the Pay-TV business therefore fell to 12% for the quarter, compared to 20% in the first quarter.

As previously stated, the decline in margin reflects the first full quarter's impact of the sports rights acquired by Viasat Sport and the launch of the two additional Viasat Sport channels; the costs of migrating the premium subscriber base to the new NDS VideoGuard secure conditional access system; increased subscriber acquisition costs including the subsidies now offered on basic digital package sales; the monthly per subscriber conditional access fee payable to NDS; increased marketing costs; and the launch of new pay-TV channels in Central and Eastern Europe.

The pay-TV cost base will continue to be affected in the third quarter by costs relating to the conclusion of the migration of the premium subscribers and increased year on year sports programming spend. Viasat will also incur increased marketing costs in relation to the launch of the new TV1000 channels in September and increased subscriber acquisition marketing to capitalise on the switch-off of the pirated encryption system and Viasat's strengthened channel packages. Viasat has an unrivalled multi-channel portfolio of sports rights and movie titles, as well as general interest documentary programming and Viasat's 'Gold' package remains the price leader amongst premium pay-TV offerings in the Nordic region.

TV1000's subscriber figures declined in line with Viasat's overall premium subscriber base due to the churn on the DTH platform. TV1000 had 447,000 subscribers in Scandinavia at the end of the second quarter, compared to 460,000 at the end of the first quarter of the year. TV1000 channel revenues were therefore stable at SEK 174 million in the second quarter, compared to SEK 173 million in the first quarter, and at SEK 347 million for the first half of the year, compared to SEK 335 million for the second half of 2003. The channel's operating income for the quarter was adversely affected by a one off SEK 9 million charge relating to the closure of the boxing promotion business, as well as by the impact of the unfavourable year on year comparison of the US dollar exchange rate. The channel consequently reported an operating profit of SEK 38 million in the second quarter and SEK 87 million for the first six months of 2004, compared to SEK 48 million for the first quarter of 2004 and SEK 88 million for the second half of 2003.

Viasat's Central and Eastern European wholesale pay-TV business was launched in 2003 and has already attracted over 3.4 million subscribers. This compares with 2 million subscribers at the end of the first quarter and demonstrates the rapid increases in penetration for TV1000 East, Viasat Explorer and Viasat History. Penetration is being driven through the inclusion of Viasat's channels in third party cable operator pay-TV packages. The channels are now present in a total of eleven Central and East European markets and the Viasat channels address an immediate market of over 8 million households. Net sales for the operations increased from SEK 7 million in the first quarter

to SEK 8 million in the second quarter with costs increasing to reflect the continued roll-out. The operations reported a SEK 5 million loss in the second quarter and year to date.

### **Radio**

MTG Radio is the largest commercial radio broadcaster in Northern Europe, operating the leading commercial radio network in Sweden (RIX FM) and holding equity stakes in the leading commercial networks in Norway (P4 Radio Hele Norge) and in Finland (Radio Nova). The Group also owns and operates the Star FM national radio stations in Estonia and Latvia, the local Power Hit Radio stations in Stockholm, Tallinn (Estonia) and Vilnius (Lithuania), as well as Lugna Favoriter, which is the most popular commercial radio station in Stockholm, and the Metro FM station in Stockholm. These networks have a combined daily reach of over 3 million listeners.

MTG Radio's sales increased by 20% year on year in the second quarter to SEK 60 (50) million and by 16% in the first six months to SEK 99 (85) million. Operating income for the radio operations for the second quarter increased by 40% year on year to SEK 7 (5) million and operating losses were radically reduced to SEK 3 (16) million for the first half of the year. This result includes MTG's share in the earnings of associated companies, which principally comprised MTG's 33% share in the estimated earnings of associated company P4 Radio Hele Norge ASA. P4 is yet to report its results for the second quarter and MTG therefore estimates the result in order to derive its share of earnings. The discrepancy between the estimated and actual reported numbers is corrected in the following quarter's results. Associated income therefore totalled SEK 2 (5) million in the second quarter and SEK 3 (-5) million in the year to date.

MTG Radio Sweden's national network and local stations continued to increase their market shares and reported a 20% year on year growth in net sales in the second quarter, following a 9% year on year growth in the first quarter. New industry figures are due shortly but MTG Radio's Swedish stations had a combined daily national reach of 17.7% or 1.35 million listeners in April. RIX FM had a 12.8% daily national reach or 981,000 daily listeners in April 2004 and had further extended its lead over competing stations. MTG Radio Sweden's commercial share of listening stood at 44% in April and flagship morning drive time show 'Rix Morron Zoo' had a 41% commercial share of morning radio listening in Sweden. As previously stated, MTG Radio Sweden will take over and consolidate the operation of NRJ's 20 stations in Sweden. Ten stations will be branded as RIX FM stations, seven stations will be branded as Lugna Favoriter, and three stations will retain the NRJ brand.

P4 Radio Hele Norge AS, which now operates under the P5 national commercial radio licence in Norway, has increased its technical penetration to 75% in Norway and had a 23% daily national reach at the end of the second quarter. Following new agreements for the expansion of its transmitter network, P4 expects to increase its penetration further in the second half of the year to nearly 80%.

### **Modern Studios**

The Modern Studios business area comprises MTG's content production, distribution and rights management businesses. STRIX Television is a leading international reality TV production house; Sonet Film is the market-leading producer and distributor of Swedish

feature films; Los Angeles based Modern Entertainment owns the rights to over 500 movies; Brombergs Bokförlag is a small and successful publishing house; and Modern Sports & Events managed and promoted a number of leading Scandinavian boxers.

Modern Studios reported net sales of SEK 164 (175) million in the second quarter and SEK 330 (365) million for the year to date. Operating income for the business area however tripled year on year to SEK 15 (5) million in the second quarter, following a particularly strong performance from STRIX and increased by 17% to SEK 21 (18) million for the year to date.

STRIX Television had its best quarter ever with record sales of SEK 119 (108) million and a more than doubling year on year of operating income to SEK 31 (14) million. STRIX reported sales of SEK 214 (216) million for the first half of the year and an 84% year on year increase in operating income to SEK 46 (25) million following the increased number of option and licence sales during the first six months of 2004.

STRIX sold options and licences to five of its reality TV formats to broadcasters and production companies in fourteen territories during the first half of the year. Seventeen of the company's formats were aired in eight countries during the first half of the year and STRIX has either produced or is producing a further fifteen formats for broadcast in fourteen countries for the Fall season. All in all, STRIX will have produced a minimum of fifty series of twenty formats in thirteen countries during 2004.

'The Farm' format proved a runaway hit in both France and Italy, with the format establishing itself as the most successful show on French television, attracting an average 36% national share of viewing (age 4+) on leading French TV channel TF1. The format has now been sold into forty-six countries around the world, including the first STRIX sale to the Middle East. The quarter also saw the international roll-out of new formats including 'Kerry's Getting Married', the final episode of which was watched by one in three women in Norway, and the paranormal regression format 'Backtrack'.

Sonet Film's 2004 schedule of releases is heavily weighted to the Fall season, with no new titles released in the second quarter. The company's schedule for the Fall comprises eight new releases, including Kay Pollak's eagerly awaited 'As in Heaven'. Sonet is also in the final production stages of its first English language film – 'Rancid', which will be released in theatres during the Fall. Sales consequently fell year on year to SEK 6 (27) million in the quarter and to SEK 26 (57) million for the year to date. Operating income was similarly impacted and declined to SEK -7 (-3) million in the second quarter and SEK -13 (1) million for the year to date.

### **TV-Shop**

The TV-Shop business area comprises the Group's home shopping businesses and includes the TV-Shop channel, which is one of Europe's largest TV home shopping channels and reaches over 100 million households in 20 European countries, as well as the CDON internet retailer, which operates Scandinavian internet sites selling CDs, DVDs, electronic games and books.

The comparative results for the respective periods in 2003 included sales and profits generated by the E-Commerce Logistics (ECL) business that was sold in the third quarter

of 2003. Despite this, the business area reported a 13% year on year increase in sales to SEK 188 (166) million in the second quarter and a 7% growth to SEK 393 (367) million for the first half of the year. Operating income for the business area more than doubled year on year to SEK 5 (2) million in the second quarter and increased by 44% to SEK 13 (9) million during the first six months of the year.

CDON continued its impressive development by increasing its market shares in all product categories. The business reported a 52% year on year growth in revenues to SEK 94 (62) million in the second quarter and a 54% growth to SEK 196 (127) million for the year to date. Operating income remained stable in the second quarter at SEK 4 (4) million as the business invested in the establishment of a Norwegian office and the new wholesale operation. The strong performance in the first quarter of 2004 enabled the business to report a 44% year on year increase in operating income to SEK 13 (9) million for the first half of the year.

CDON launched an Internet music downloads service during the quarter following the success of Apple's iTunes service in the US, which has sold over 100 million downloads since its launch in April 2003. CDON.com was the first site to offer such services in Sweden, which boasts one of Europe's highest Internet penetration levels.

The TV-Shop television home shopping channels reported flat year on year sales development in the second quarter with net sales of SEK 93 (96) million and a decline in revenues in the first half of the year to SEK 195 (221) million following the concentration on higher gross margin product lines. This in combination with the discontinuation of non-profitable airtime contracts and the successful reduction in product return levels consequently increased margins in the second quarter. The channels reported operating income of SEK 2 (-2) million in the second quarter and SEK 1 (3) million for the first half of 2004.

### **SDI Media**

SDI Media operates in 15 countries around the world and is a global provider of translation, subtitling and dubbing services to the entertainment industry. SDI has a 60% share of the worldwide market for the subtitling of Hollywood DVD features and also provides content localization services to international TV channels including The Discovery Channel and The Disney Channel. SDI provided subtitling for new DVD blockbuster movie releases including 'Harry Potter and the Prisoner of Azkaban', 'Troy', 'Big Fish' and the final season of 'Friends – Season 10' during the quarter. SDI was also hired to produce the voice-over and subtitling for E! Entertainment's launch in Italy.

SDI reported a 12% year on year sales increase in the second quarter to SEK 94 (84) million and an 11% growth in sales for the first half of 2004 to SEK 189 (171) million, which particularly reflected significant volume increases in the US. Operating income remained stable year on year at SEK 13 (13) million in the second quarter and SEK 22 (25) million for the year to date, including continuing investments in building capacity to meet increased client demand. The operations incurred non-recurring costs of SEK 9 million during the first half of the year. The SDI Media business was sold for USD 60 million after the end of the quarter.

## **FINANCIAL REVIEW**

The Group reported a 9% year on year increase in net sales to SEK 1,772 (1,631) million in the second quarter of 2004 and a 6% year on year increase to SEK 3,343 (3,144) million for the six months ended 30 June 2004.

The Group generated a 9% year on year growth in earnings before interest, tax, depreciation and amortisation in the second quarter to SEK 236 (217) million and a 4% growth to SEK 375 (359) million for the year to date. Group depreciation and amortisation totalled SEK 52 (58) million in the second quarter and SEK 106 (120) million for the year to date. The Group therefore reported a 16% year on year increase in operating income to SEK 184 (159) million for the quarter and a 13% increase in the year to date to SEK 269 (239) million.

Net interest and other financial items totalled to SEK 20 (-55) million in the second quarter and SEK -28 (-104) million for the year to date and included the SEK 15 million in dividends received from TV4. Net interest costs amounted to SEK -12 (-20) million for the quarter and SEK -31 (-34) million for the year to date and principally comprised the SEK 15 million and SEK 30 million in interest payable on the convertible debenture loan notes for the quarter and half year respectively. Net interest costs improved year on year due to the amortisation of SEK 450 million of the old credit facility during the last twelve months, partly offset by the loss of interest income from the Metro International S.A. loans that were converted into equity during the third quarter of 2003. Other financial items amounted to SEK 32 (-35) million for the quarter and SEK 3 (-70) million for the year to date, which reflected the unrealised exchange rate gains and losses arising from the translation of the US dollar denominated loans to Metro International S.A. into Swedish Krona in the first half of 2003 as well as the unrealised exchange rate gains and losses arising from the translation of the Euro denominated convertible debentures into Swedish Krona in 2003 and 2004.

The Group therefore reported a year on year doubling of pre-tax profits to SEK 204 (104) million for the second quarter and a 79% increase in pre-tax profits to SEK 241 (135) million for the first half of the year. Group tax charges for the quarter and the year to date totalled SEK -85 (-46) million and SEK -100 (-58) million respectively, which resulted in an almost doubling year on year of net income after tax and minority interests to SEK 119 (61) million for the second quarter and a 72% increase to SEK 141 (82) million for the year to date.

The Group consequently reported a close to doubling of earnings per share year on year to SEK 1.79 (0.92) in the second quarter and SEK 2.12 (1.24) for the year to date.

The Group's consolidated accounts have been prepared according to the same accounting principles as were applied in the preparation of the 2003 accounts, and are compiled according to the Swedish Annual Report & Accounts Act and the recommendations issued by the Swedish Financial Accounting Standards Council. This financial report has been prepared in accordance with Recommendation 20 of the Swedish Financial Accounting Standards Council.

**Cash Flow**

Cash flow from operations amounted to SEK 200 (75) million in the second quarter and SEK 305 (201) million for the year to date. Changes in working capital amounted to SEK 15 (141) million for the second quarter and SEK -7 (45) million year to date. The Group therefore reported net cash flow from operations of SEK 214 (217) million in the quarter and SEK 298 (246) million in the first six months of the year. The Group's capital expenditure totalled SEK 33 (23) million for the second quarter and SEK 56 (52) million for the year to date, which is equivalent to less than 2% of group sales for each of the respective periods.

**Equity to assets ratio**

The Group's equity to assets ratio was 60% (53%) at 30 June 2004. The ratio is defined as the sum of the consolidated equity and minority interests, including the €120 million of subordinated convertible debentures, as a percentage of total assets. The equity to assets ratio was 41% (34%) at the close of the quarter when adjusted to treat the convertible debentures as debt rather than equity.

The Group holds minority interests in TV4 AB, P4 Radio Hele Norge ASA and Metro International S.A. These holdings are treated as financial assets and had a combined book value of SEK 803 (587) million at 30 June 2004. The aggregate market value of these securities, based on the securities' closing prices on the last trading day of the quarter, was SEK 2,233 (917) million, which gave rise to a surplus value of SEK 1,430 (330) million or SEK 22 (5) per share. The shares in TV4, P4 and Metro accounted for a surplus to book value of SEK 251 million, SEK 86 million and SEK 1,093 million respectively. When adjusted for this surplus value, the equity to assets ratio at the close of the quarter would have been 68% (55%).

**Liquid funds**

The Group's available liquid funds, including the SEK 800 million credit facility, amounted to SEK 1,178 (1,393) million at 30 June 2004 following the payment of the final scheduled amortization of SEK 150 million on the revolving credit facility at the end of the quarter. Cash and cash equivalents totalled SEK 403 (323) million at the end of the quarter.

**Net debt**

Group net debt is defined as interest-bearing liabilities, including the convertible debentures, less interest-bearing assets and totalled SEK 643 (1,165) million at the end of the reporting period. The Group's net debt to equity ratio is defined as the Group's net debt as a percentage of consolidated equity and minority interests and was 28% (59%) at 30 June 2004. The former SEK 542 million of interest bearing loans and capitalised interest to Metro International S.A. were converted into equity in August 2003.

**Parent company**

The parent company reported net sales of SEK 30 (21) million for the second quarter and SEK 54 (35) million for the year to date. Net interest and other financial items amounted to SEK 42 (50) million for the quarter and SEK 38 (115) million for the first half of the year and the parent company's pre-tax profit therefore amounted to SEK 2 (14) million for the quarter and -24 (44) million for the first half of the year. MTG's financial policy includes the provision of a central cash pool to support operating companies.

## **OTHER INFORMATION**

This interim report has not been subject to review by the Company's auditors.

MTG's financial results for the third quarter and nine months ended 30 September 2004 will be released on Tuesday 19 October 2004.

Stockholm, 3 August 2004.

Hans-Holger Albrecht  
President & Chief Executive Officer

Modern Times Group MTG AB  
Skeppsbron 18  
Box 2094  
103 13 Stockholm  
Registration number: 556309-9158

**For further information, please visit [www.mtg.se](http://www.mtg.se), email [info@mtg.se](mailto:info@mtg.se), or contact:**

Hans-Holger Albrecht, President & CEO	tel: +46 (0) 8 562 000 50
Mia Brunell Chief Financial Officer	tel: +46 (0) 8 562 000 50
Matthew Hooper, Investor & Press Enquiries	tel: +44 (0) 7768 440 414

*MTG is an international media group with operations in more than 30 countries around the world and principal broadcasting businesses in Scandinavia, the Baltic States, Hungary and Russia. MTG is the largest Free-to-air and Pay-TV operator in the Nordic and Baltic regions and the largest commercial radio operator in Northern Europe. MTG's Viasat channels reach approximately 50 million people in 15 countries every day and MTG Radio's stations reach of over 3 million daily listeners. The Viasat Broadcasting DTH satellite TV platform offers digital multi-channel TV packages of 50 own-produced and third party entertainment channels. MTG is a leading European direct response TV network operator, broadcasting home shopping channels into 100 million homes in 52 countries, as well as one of the world's leading originators and producers of Reality TV formats.*

*Modern Times Group MTG AB class A and B shares are listed on the Stockholmsbörsen O-list (symbols: MTGA and MTGB)*

<b>CONSOLIDATED INCOME STATEMENT (MSEK)</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2003</b>
	<b>April-June</b>	<b>April-June</b>	<b>Jan-June</b>	<b>Jan-June</b>	<b>Full year</b>
Net sales	1,772	1,631	3,343	3,144	6,311
Cost of goods and services	-1,123	-1,004	-2,145	-1,946	-3,942
<b>Gross income</b>	<b>649</b>	<b>626</b>	<b>1,198</b>	<b>1,197</b>	<b>2,369</b>
Selling and administrative expenses	-449	-436	-872	-871	-1,721
Other operating revenues	1	3	2	4	10
Other operating expenses	-42	-51	-104	-93	-184
Share in earnings of associated companies	25	17	45	1	69
Income/loss from sales of securities	-	-	0	0	0
<b>Operating income (EBIT)</b>	<b>184</b>	<b>159</b>	<b>269</b>	<b>239</b>	<b>542</b>
Dividends from shares	15	15	15	15	15
Interest on STIM fee 1993-1998 according to ruling	-	-	-	-	-33
Net financial revenue and expense	3	-64	-9	-92	-101
<b>Income after financial revenue and expense excluding interest on convertible debentures</b>	<b>202</b>	<b>110</b>	<b>275</b>	<b>162</b>	<b>423</b>
Unrealised exchange rate gains/losses relating to convertible debentures	16	8	-5	4	12
Interest on convertible debentures	-14	-15	-30	-30	-60
<b>Income before tax</b>	<b>204</b>	<b>104</b>	<b>241</b>	<b>135</b>	<b>375</b>
Taxes	-85	-46	-100	-58	-92
Minority interests	0	3	0	5	6
<b>Net income for the period</b>	<b>119</b>	<b>61</b>	<b>141</b>	<b>82</b>	<b>289</b>
Shares outstanding at quarter-end excl. convertible debentures and options	66,375,156	66,375,156	66,375,156	66,375,156	66,375,156
Shares outstanding at quarter-end incl. convertible debentures and options	66,375,156	66,375,156	66,375,156	66,375,156	66,375,156
Basic average number of shares outstanding	66,375,156	66,375,156	66,375,156	66,375,156	66,375,156
Fully diluted number of shares outstanding*	66,396,470	66,375,156	66,397,670	66,375,156	66,382,520
Basic earnings per share (SEK)	1.79	0.92	2.12	1.24	4.36
Fully diluted earnings per share (SEK)*	1.79	0.92	2.12	1.24	4.36

\* The Group has issued convertible debenture loans that may be converted into 2 790 994 new class B-shares, and a share option programme that may be converted into 2 052 840 new class B-shares. Only a limited part of these programmes is included in the dilution, as the conversion prices is, except for a smaller number of the options, significantly higher than the market price as at the close of trading on June 30, 2004.



<b>REVIEW BY BUSINESS AREA (MSEK)</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2003</b>
	<b>April-June</b>	<b>April-June</b>	<b>Jan-June</b>	<b>Jan-June</b>	<b>Full Year</b>
<b>Net sales by business area</b>					
Viasat Broadcasting	1,371	1,234	2,536	2,326	4,664
Radio	60	50	99	85	174
TV-Shop	188	166	393	367	738
SDI Media	94	84	189	171	354
Modern Studios	164	175	330	365	737
Parent company and other companies	37	27	67	49	103
Eliminations	-142	-106	-272	-232	-469
	<b>1,772</b>	<b>1,630</b>	<b>3,343</b>	<b>3,132</b>	<b>6,301</b>
Discontinued businesses	-	1	-	12	10
	<b>1,772</b>	<b>1,631</b>	<b>3,343</b>	<b>3,144</b>	<b>6,311</b>
<b>Operating income by business area</b>					
Viasat Broadcasting	192	188	304	313	653
Radio	7	5	-3	-16	-28
TV-Shop	5	2	13	9	9
SDI Media	13	13	22	25	49
Modern Studios	15	5	21	18	57
Parent company and other companies	-45	-41	-83	-90	-173
Eliminations	-2	-3	-5	-5	-10
	<b>184</b>	<b>170</b>	<b>269</b>	<b>255</b>	<b>558</b>
Discontinued businesses	-	-11	-	-16	-16
	<b>184</b>	<b>159</b>	<b>269</b>	<b>239</b>	<b>542</b>

<b>CONSOLIDATED BALANCE SHEET (MSEK)</b>	<b>2004 30 June</b>	<b>2003 30 June</b>	<b>2003 31 Dec</b>
<b>Non-current Assets</b>			
Capitalised development expenses	44	30	33
Beneficial rights	291	309	296
Goodwill	798	895	846
Machinery and equipment	129	173	138
Shares and participations	1,137	525	1,115
Long term receivables	392	961	451
	<b>2,791</b>	<b>2,893</b>	<b>2,879</b>
<b>Current assets</b>			
Inventory	1,105	1,164	1,136
Current receivables	1,341	1,403	1,300
Cash, cash equivalents and short term investments	403	323	402
	<b>2,848</b>	<b>2,890</b>	<b>2,837</b>
<b>Total assets</b>	<b>5,639</b>	<b>5,783</b>	<b>5,716</b>
<b>Shareholders' equity</b>			
Restricted equity	1,885	1,834	1,878
Non-restricted equity	407	133	267
	<b>2,292</b>	<b>1,967</b>	<b>2,145</b>
<b>Minority equity interests</b>	<b>2</b>	<b>-5</b>	<b>2</b>
<b>Provisions</b>	<b>256</b>	<b>127</b>	<b>233</b>
<b>Long term liabilities</b>			
Convertible debenture loan 2001/2006	1,096	1,100	1,091
Other interest bearing liabilities	5	12	5
Non-interest bearing liabilities	9	15	12
	<b>1,110</b>	<b>1,127</b>	<b>1,108</b>
<b>Current liabilities</b>			
Other interest bearing liabilities	-	450	250
Non-interest bearing liabilities	1,980	2,117	1,978
	<b>1,980</b>	<b>2,567</b>	<b>2,228</b>
<b>Total shareholders' equity and liabilities</b>	<b>5,639</b>	<b>5,783</b>	<b>5,716</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS  
(MSEK)**

	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>	<b>2003</b>
	<b>Apr-June</b>	<b>Apr-June</b>	<b>Jan-June</b>	<b>Jan-June</b>	<b>Jan-Dec</b>
Net income for the period	119	61	141	82	289
Adjustments to reconcile net income to net cash provided by operations	81	14	164	119	297
Changes in working capital	15	141	-7	45	38
<b>Net cash flow from operations</b>	<b>214</b>	<b>217</b>	<b>298</b>	<b>246</b>	<b>624</b>
Proceeds from sales of subscription right certificates Metro Intl	-	-	-	-	19
Proceeds from sales of shares in subsidiaries	-	1	-	1	1
Investments in shares in subsidiaries and associates	-	-11	-	-11	-19
Investments in other fixed assets	-33	-23	-56	-52	-135
Other cash flow from investing activities	3	5	3	5	10
<b>Cash flow to investing activities</b>	<b>-29</b>	<b>-28</b>	<b>-53</b>	<b>-57</b>	<b>-124</b>
<b>Net change in loans from banks</b>	<b>-150</b>	<b>-200</b>	<b>-250</b>	<b>-200</b>	<b>-400</b>
<b>Other cash flow from/to financing activities</b>	<b>5</b>	<b>8</b>	<b>1</b>	<b>57</b>	<b>34</b>
<b>Net change in cash and cash equivalents for the period</b>	<b>40</b>	<b>-3</b>	<b>-4</b>	<b>46</b>	<b>133</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>366</b>	<b>333</b>	<b>402</b>	<b>301</b>	<b>301</b>
Translation differences in cash and cash equivalents	-3	-7	5	-23	-32
<b>Cash and cash equivalents at end of the period</b>	<b>403</b>	<b>323</b>	<b>403</b>	<b>323</b>	<b>402</b>

<b>RECONCILIATION OF SHAREHOLDERS EQUITY (MSEK)</b>	<b>Share capital</b>	<b>Restricted reserves</b>	<b>Non- restricted reserves</b>	<b>Total</b>
Closing balance at December 31, 2002	332	1,502	51	1,885
Net result January-December 2003			289	289
Currency translation differences		-17	-13	-30
Transfer between restricted and non-restricted reserves		61	-61	-
Closing balance December 31, 2003	332	1,547	267	2,145
Net result January-June 2004	-	-	141	141
Currency translation differences	-	-1	7	6
Transfer between restricted and non-restricted reserves	-	7	-7	-
<b>Closing balance June 30, 2004</b>	<b>332</b>	<b>1,553</b>	<b>407</b>	<b>2,292</b>

**Modern Times Group  
MTG AB**

Net sales (SEK million)	Q1 2003	Q2 2003	Q3 2003	Q4 2003	Total 2003	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Total 2004
<b>Viasat Broadcasting*</b>										
TV3 Scandinavia	441.6	561.4	420.5	583.0	2 006.5	486.7	635.5			1 122.2
TV3 Baltics	55.5	72.0	42.5	84.1	254.0	60.7	91.6			152.3
ZTV	22.2	28.9	21.9	30.6	103.6	27.1	34.0			61.1
ZTV Norway	3.9	3.4	3.1	4.4	14.8	5.6	7.0			12.6
TV3+	61.2	67.1	60.3	66.2	254.8	57.4	64.5			121.9
Viasat3 Hungary	5.5	10.2	6.0	11.5	33.2	7.9	13.4			21.3
DTV	6.9	8.2	10.3	8.8	34.2	11.8	15.5			27.3
Viasat	524.4	527.4	523.6	507.4	2 082.7	553.8	552.4			1 106.2
TV1000	186.5	179.3	167.0	167.5	700.3	172.5	174.0			346.5
TV6	12.8	11.7	11.5	11.6	47.6	11.7	11.7			23.4
Viasat Sport	14.4	14.4	15.7	15.2	59.6	17.5	18.3			35.8
Viasat Explorer	1.7	1.7	1.6	1.6	6.6	1.7	1.9			3.6
TV8	4.9	4.6	4.7	4.8	19.0	4.8	5.8			10.6
Pay-TV East				5.0	5.0	6.8	8.0			14.7
Text	22.8	19.5	18.3	19.6	80.2	20.7	20.9			41.6
Other and eliminations	-271.9	-275.8	-253.6	-237.0	-1 038.2	-281.4	-283.4			-564.8
	<b>1 092.4</b>	<b>1 234.0</b>	<b>1 053.3</b>	<b>1 284.1</b>	<b>4 663.8</b>	<b>1 165.2</b>	<b>1 371.2</b>			<b>2 536.4</b>
<b>Radio</b>										
Rix/Power/Lugna Favoriter	32.8	46.7	37.4	44.5	161.4	36.1	56.0			92.1
Baltics	2.3	3.2	3.5	3.6	12.7	3.1	3.9			7.0
	<b>35.2</b>	<b>49.9</b>	<b>41.0</b>	<b>48.1</b>	<b>174.1</b>	<b>39.1</b>	<b>60.0</b>			<b>99.1</b>
<b>TV Shop</b>										
TV-Shop	125.2	95.7	90.6	87.1	398.6	101.2	93.4			194.6
CDON	64.7	62.4	74.6	109.1	310.8	102.3	93.5			195.8
e-Commerce Logistics	42.5	38.1	36.2	-0.2	116.6	0.1	0.0			0.1
Other and eliminations	-31.3	-29.8	-28.8	2.0	-87.9	1.1	1.1			2.2
	<b>201.0</b>	<b>166.3</b>	<b>172.6</b>	<b>198.0</b>	<b>738.0</b>	<b>204.7</b>	<b>188.0</b>			<b>392.7</b>
<b>SDI Media</b>	<b>86.9</b>	<b>84.3</b>	<b>92.7</b>	<b>89.7</b>	<b>353.6</b>	<b>95.1</b>	<b>94.3</b>			<b>189.4</b>
<b>Modern Studios</b>										
Strix Television	108.2	108.1	88.9	118.2	423.4	95.3	119.1			214.4
Sonet Film	30.0	27.0	27.9	38.3	123.2	19.3	6.4			25.7
Modern Entertainment	16.3	15.1	15.6	22.9	69.9	13.4	9.8			23.2
Other and eliminations	35.5	24.6	24.0	36.8	120.9	37.9	28.7			66.5
	<b>190.1</b>	<b>174.9</b>	<b>156.4</b>	<b>216.1</b>	<b>737.4</b>	<b>165.9</b>	<b>164.0</b>			<b>329.9</b>
<b>Parent company and other companies</b>	<b>21.6</b>	<b>27.1</b>	<b>32.2</b>	<b>21.8</b>	<b>102.6</b>	<b>30.3</b>	<b>37.1</b>			<b>67.3</b>
<b>Discontinued businesses</b>	<b>11.3</b>	<b>0.7</b>	<b>0.0</b>	<b>-1.5</b>	<b>10.4</b>	<b>0.0</b>	<b>0.0</b>			<b>0.0</b>
<b>Eliminations</b>	<b>-125.5</b>	<b>-106.1</b>	<b>-112.0</b>	<b>-125.0</b>	<b>-468.6</b>	<b>-129.4</b>	<b>-142.1</b>			<b>-271.5</b>
<b>Group total</b>	<b>1 512.9</b>	<b>1 630.9</b>	<b>1 436.2</b>	<b>1 731.2</b>	<b>6 311.3</b>	<b>1 570.7</b>	<b>1 772.4</b>			<b>3 343.2</b>

<b>EBITDA (SEK million)</b>	<b>Q1 2003</b>	<b>Q2 2003</b>	<b>Q3 2003</b>	<b>Q4 2003</b>	<b>Total 2003</b>	<b>Q1 2004</b>	<b>Q2 2004</b>	<b>Q3 2004</b>	<b>Q4 2004</b>	<b>Total 2004</b>
<b>Viasat Broadcasting</b>										
TV3 Scandinavia	12.3	50.1	-30.4	81.5	113.6	-0.2	75.0			74.8
TV3 Baltics	7.9	22.2	-4.3	30.5	56.3	7.4	35.2			42.6
ZTV	1.1	4.2	-1.8	5.6	9.1	4.0	4.7			8.7
ZTV Norway	-6.8	-6.9	-7.5	-6.1	-27.3	-5.7	-3.2			-9.0
TV3+	0.0	1.6	-2.6	6.7	5.7	-4.1	4.8			0.7
Viasat3 Hungary	-9.5	-6.1	-13.1	-9.0	-37.7	-13.4	-10.0			-23.3
DTV	-8.1	-5.4	-4.1	-0.3	-17.9	-4.5	-4.4			-8.9
Viasat	82.3	61.7	68.3	108.8	321.1	77.2	51.0			128.2
TV1000	67.0	77.6	54.7	53.4	252.8	58.7	48.2			106.9
TV6	7.4	6.1	6.0	6.0	25.4	5.7	5.9			11.6
Viasat Sport	-1.0	-0.8	-0.2	1.5	-0.5	-6.2	-10.1			-16.3
Viasat Explorer	-0.3	-0.6	-0.6	0.3	-1.3	-0.7	-0.2			-0.8
TV8	-2.3	-2.8	-1.4	-4.5	-11.0	-3.9	-5.0			-8.9
Pay-TV East				-5.3	-5.3	-0.5	-4.5			-5.0
Text	9.9	8.0	7.8	8.6	34.3	9.3	8.9			18.2
Other and eliminations	-0.4	-0.2	-1.3	1.4	-0.5	1.2	3.4			4.6
Associated companies	-0.6	11.1	11.8	65.0	87.2	17.7	21.9			39.7
	<b>159.1</b>	<b>219.6</b>	<b>81.3</b>	<b>344.1</b>	<b>804.1</b>	<b>142.2</b>	<b>221.6</b>			<b>363.8</b>
<b>Radio</b>										
Rix/Power/Lugna Favoriter	-10.1	1.0	-3.3	0.5	-12.0	-9.2	5.5			-3.7
Baltics	-0.1	0.0	-0.1	0.3	0.1	-0.7	0.3			-0.4
Associated companies	-9.7	5.1	-3.8	-3.4	-11.8	0.6	2.4			3.0
	<b>-19.9</b>	<b>6.1</b>	<b>-7.3</b>	<b>-2.6</b>	<b>-23.7</b>	<b>-9.2</b>	<b>8.2</b>			<b>-1.1</b>
<b>TV Shop</b>										
TV-Shop	4.8	-1.5	-2.8	-9.2	-8.6	-1.1	2.3			1.2
CDON	4.5	4.4	6.3	8.1	23.4	9.7	3.6			13.2
e-Commerce Logistics	2.4	2.3	1.5	-0.5	5.8	-0.1	-0.1			-0.2
Other and eliminations	0.1	0.6	0.7	0.7	2.1	0.3	0.3			0.6
	<b>11.9</b>	<b>5.9</b>	<b>5.8</b>	<b>-0.9</b>	<b>22.7</b>	<b>8.8</b>	<b>6.1</b>			<b>14.8</b>
<b>SDI Media</b>	<b>14.0</b>	<b>15.4</b>	<b>19.1</b>	<b>7.4</b>	<b>55.9</b>	<b>10.7</b>	<b>14.0</b>			<b>24.7</b>
<b>Modern Studios</b>										
Strix Television	11.6	13.9	18.2	18.6	62.3	15.3	31.1			46.4
Sonet Film	9.2	1.0	6.0	15.7	31.9	-1.2	-1.2			-2.4
Modern Entertainment	4.9	3.8	5.9	10.6	25.3	3.0	-0.3			2.7
Other and eliminations	3.0	0.6	2.4	2.8	8.8	4.6	-2.1			2.5
	<b>28.7</b>	<b>19.4</b>	<b>32.5</b>	<b>47.8</b>	<b>128.3</b>	<b>21.7</b>	<b>27.5</b>			<b>49.2</b>
<b>Parent company and other companies</b>										
Parent company and other companies	-40.8	-39.8	-24.3	-44.0	-149.0	-35.0	-41.7			-76.7
Associated companies	-5.2	0.6	1.5	-8.9	-12.0					
	<b>-46.0</b>	<b>-39.3</b>	<b>-22.8</b>	<b>-52.9</b>	<b>-161.0</b>	<b>-35.0</b>	<b>-41.7</b>			<b>-76.7</b>
<b>Discontinued operations</b>	<b>-5.0</b>	<b>-10.6</b>	<b>-4.8</b>	<b>5.5</b>	<b>-14.9</b>	<b>0.0</b>	<b>0.0</b>			<b>0.0</b>
<b>Eliminations</b>	<b>-0.4</b>	<b>0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>			<b>0.0</b>
<b>Group total</b>	<b>142.4</b>	<b>216.9</b>	<b>103.9</b>	<b>348.3</b>	<b>811.4</b>	<b>139.1</b>	<b>235.8</b>			<b>374.8</b>

Operating income. EBIT (SEK million)	Q1 2003	Q2 2003	Q3 2003	Q4 2003	Total 2003	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Total 2004
<b>Viasat Broadcasting</b>										
TV3 Scandinavia	6.0	44.3	-36.8	73.1	86.6	-6.0	69.4			63.4
TV3 Baltics	4.7	20.9	-5.9	28.9	48.5	5.7	33.5			39.2
ZTV	1.1	4.2	-1.8	5.6	9.1	4.0	4.7			8.7
ZTV Norway	-6.8	-6.9	-7.5	-6.1	-27.3	-5.7	-3.2			-9.0
TV3+	0.0	1.6	-2.6	6.7	5.7	-4.1	4.8			0.7
Viasat3 Hungary	-9.9	-6.5	-13.5	-9.5	-39.5	-13.7	-10.3			-24.0
DTV	-8.9	-6.6	-5.3	-3.5	-24.3	-6.0	-5.9			-11.9
Viasat	78.6	57.8	64.9	85.3	286.6	73.9	47.6			121.5
TV1000	56.7	67.3	44.4	43.1	211.6	48.4	38.1			86.5
TV6	7.4	6.1	6.0	6.0	25.4	5.7	5.9			11.6
Viasat Sport	-1.0	-0.8	-0.2	1.5	-0.5	-6.2	-10.1			-16.3
Viasat Explorer	-0.3	-0.6	-0.6	0.3	-1.3	-0.7	-0.2			-0.8
TV8	-2.5	-2.9	-1.5	-4.6	-11.4	-4.0	-5.1			-9.1
Pay-TV East				-5.3	-5.3	-0.5	-4.5			-5.0
Text	7.3	6.5	7.5	8.7	30.1	9.1	8.7			17.7
Other and eliminations	-6.9	-7.3	-1.2	-12.8	-28.3	-5.6	-3.7			-9.3
Associated companies	-0.6	11.1	11.8	65.0	87.2	17.7	21.9			39.7
	<b>125.0</b>	<b>188.0</b>	<b>57.7</b>	<b>282.2</b>	<b>652.9</b>	<b>112.0</b>	<b>191.6</b>			<b>303.7</b>
<b>Radio</b>										
Rix/Power/Lugna Favoriter	-10.6	0.5	-3.8	0.1	-13.7	-9.5	5.1			-4.4
Baltics	-0.2	-0.1	-0.3	0.2	-0.3	-0.8	0.2			-0.7
Eliminations	-0.6	-0.6	-0.6	-0.6	-2.3	-0.6	-0.6			-1.1
Associated companies	-9.7	5.1	-3.8	-3.4	-11.8	0.6	2.4			3.0
	<b>-21.1</b>	<b>5.0</b>	<b>-8.4</b>	<b>-3.7</b>	<b>-28.2</b>	<b>-10.3</b>	<b>7.1</b>			<b>-3.2</b>
<b>TV Shop</b>										
TV-Shop	4.5	-1.8	-3.1	-10.3	-10.8	-1.5	2.0			0.5
CDON	4.5	4.4	6.3	8.1	23.4	9.7	3.6			13.2
e-Commerce Logistics	0.3	0.1	1.6	-0.5	1.5	-0.1	-0.1			-0.2
Other and eliminations	-1.7	-1.1	-1.0	-1.1	-4.9	-0.2	0.0			-0.2
	<b>7.6</b>	<b>1.7</b>	<b>3.8</b>	<b>-3.8</b>	<b>9.2</b>	<b>7.9</b>	<b>5.4</b>			<b>13.4</b>
<b>SDI Media</b>	<b>11.7</b>	<b>13.3</b>	<b>17.2</b>	<b>6.4</b>	<b>48.5</b>	<b>9.2</b>	<b>12.6</b>			<b>21.8</b>
<b>Modern Studios</b>										
Strix Television	11.5	13.8	18.1	18.5	62.0	15.2	31.0			46.2
Sonet Film	4.3	-3.1	1.4	2.9	5.5	-6.7	-6.7			-13.4
Modern Entertainment	-1.7	-2.0	-1.5	2.3	-2.9	-2.7	-3.8			-6.6
Other and eliminations	-1.1	-3.7	-1.5	-1.0	-7.3	0.8	-5.9			-5.0
	<b>13.0</b>	<b>5.0</b>	<b>16.5</b>	<b>22.8</b>	<b>57.3</b>	<b>6.6</b>	<b>14.6</b>			<b>21.3</b>
<b>Parent company and other companies</b>										
Parent company and other companies	-43.3	-41.6	-27.3	-48.5	-160.8	-38.2	-44.8			-83.0
Associated companies	-5.2	0.6	1.5	-8.9	-12.0					
	<b>-48.6</b>	<b>-41.1</b>	<b>-25.8</b>	<b>-57.4</b>	<b>-172.8</b>	<b>-38.2</b>	<b>-44.8</b>			<b>-83.0</b>
<b>Discontinued businesses</b>	<b>-5.1</b>	<b>-10.7</b>	<b>-4.9</b>	<b>5.2</b>	<b>-15.5</b>	<b>0.0</b>	<b>0.0</b>			<b>0.0</b>
<b>Eliminations</b>	<b>-2.4</b>	<b>-2.4</b>	<b>-2.4</b>	<b>-2.4</b>	<b>-9.6</b>	<b>-2.4</b>	<b>-2.4</b>			<b>-4.8</b>
<b>Group total</b>	<b>80.2</b>	<b>158.8</b>	<b>53.7</b>	<b>249.2</b>	<b>542.0</b>	<b>84.8</b>	<b>184.2</b>			<b>269.1</b>