



FOR IMMEDIATE RELEASE

20 August 2004

ACQUISITION OF MINORITY SHAREHOLDING IN DTV AND FURTHER INCREASE OF SHAREHOLDING IN STORYFIRST

Modern Times Group MTG AB, the international media group, today announced the acquisition by companies controlled by MTG of the remaining 25% of the Russian TV channel DTV.

MTG today also announced that it has acquired a further 1.9% of the equity in StoryFirst Communications Inc. for a total of US\$ 9.6 million. MTG's shareholding in the Russian broadcaster now amounts to 39.9%.

The acquisitions are in line with MTG's focus on its core broadcasting assets. Relevant authorities have approved the respective acquisitions.

DTV is a Russian free-to-air TV channel, and reported a doubling of sales for the second quarter of this year and achieved a commercial share of viewing of 1.8% among its target group of 12-49 year old viewers. DTV reaches more than 60 million people in around 400 cities across Russia, Europe's largest television market by number of viewers.

StoryFirst Communications is a US entity that owns and operates CTC, Russia's largest privately owned commercial TV network as well as 13 regional stations. CTC has a potential viewing audience of over 100 million people and had a national audience share of 10.1% (4+ age group) during the second quarter of this year. MTG acquired 1.9% of the equity for US\$ 9.6 million valuing StoryFirst at approximately US\$ 500 million – the same valuation as MTG's previous acquisition of a larger block of StoryFirst shares last July. MTG will continue to report its participation in the earnings of StoryFirst as an associated company.

Hans-Holger Albrecht, President and CEO of MTG, commented: "The Russian TV audience is the largest in Europe and the market continues to show great potential. Our expansion into Central and Eastern Europe began more than ten years ago and we now have free-to-air and/or pay-TV businesses in eleven countries in the region. DTV's share of viewing in the core demographic group of 12 to 49 year olds has grown steadily since we first bought into DTV in 2001. The free-to-air channel carries purely entertainment-based programming and demonstrates our ability to entertain people across the world".

"Our increased shareholding in StoryFirst further emphasises our long-term commitment to the Russian market. CTC is offering viewers in more than 700 cities around Russia unrivalled access to entertainment at its very best and CTC is one of the fastest growing channels in one of the fastest growing markets."

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

Hans-Holger Albrecht, President & CEO

tel: +46 (0) 8 562 000 50

Matthew Hooper, Investor & Press Enquiries

tel: +44 (0) 20 7321 5010

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 over 50 million people in 15 countries every day and MTG Radio's stations reach 3 million daily listeners. The Viasat Broadcasting DTH satellite TV platform offers digital multi-channel TV packages of over 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).

MODERN TIMES GROUP MTG AB

Skeppsbron 18, Box 2094, SE-103 13 Stockholm, Sweden

Tel. +46 8 562 000 50 Fax. +46 8 20 50 74 (Publ) Registration No. 556309-9158

www.mtg.se