



FOR IMMEDIATE RELEASE

15 December 2004

**SETTLEMENT WITH SWEDISH PERFORMING RIGHTS SOCIETY  
NEW PROGRAMME INVENTORY ACCOUNTING POLICY  
BENEFICIAL RIGHTS WRITE DOWN IN MODERN ENTERTAINMENT**

**Modern Times Group MTG AB, the international entertainment-broadcasting group, today announced that TV3 Sweden has reached an agreement with The Swedish Performing Rights Society (STIM) with regard to outstanding royalty payments for music broadcast by TV3 between 1 July 1993 and 31 December 2004. TV3 Sweden has also reached an agreement with STIM on the structure for royalty payments to be made for the future period from 1 January 2005 until the end of 2007. The payments to be made are approximately SEK 55 million lower than the provisions already booked by TV3 and also take into account historic payments made by TV3 to STIM. TV3's result in the fourth quarter will therefore include a positive impact of approximately SEK 55 million.**

**MTG also today announced changes to the programme inventory accounting and amortization policies in the group's Scandinavian free-to-air broadcasting business. The changes will have no material impact on total programming costs from the beginning of 2005 but will give rise to a non-cash write down of certain programme rights in TV3 Scandinavia in the fourth quarter results. The revaluation will also result in positive currency translation effects for TV3 Scandinavia in the fourth quarter. The policy changes require that a higher proportion of the costs of series and own productions now be expensed at the time of the first run, which reflects the expected shorter lifetime of such content moving forward. The valuation changes will have a negative impact of approximately SEK 75 million in the fourth quarter.**

**The net effect of the STIM settlement and the change in accounting policy on TV3 Scandinavia's result will therefore be an additional cost of approximately SEK 20 million in the fourth quarter of 2004.**

**In addition, MTG today announced a non-cash write down of SEK 66 million of beneficial rights in Modern Entertainment, which relates to the excess value attributed to the beneficial rights arising from the original acquisition of the minorities in Modern Entertainment in 2000. The write down reflects an ongoing restructuring of the business, which may lead to the sale of parts or all of the Company.**

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

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*Modern Times Group is an international entertainment broadcasting group with operations in more than 30 countries around the world. MTG is the largest Free-to-air and Pay-TV operator in Scandinavia and the Baltics, the largest shareholder in Russia's fourth largest television network, and the number one commercial radio operator in the Nordic region. The Viasat DTH satellite TV platform offers digital multi-channel TV packages of 50 own-produced and third party entertainment channels to viewers in 15 countries across Europe and Viasat TV channels now reach over 50 million people every day.*

*Modern Times Group MTG AB class A and B shares are listed on the Stockholmsbörsen O-list under the symbols 'MTGA' and 'MTGB'.*

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