



PRESS RELEASE
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SDI STARTS OPERATIONS IN THE USA

Subtitling & Dubbing International (SDI), continues to expand aggressively. SDI has acquired a majority share in Gelula & Co., Inc., the world's premier provider of subtitles for DVD.

Gelula is based in Los Angeles and provides DVD subtitles to major studios such as Sony Pictures and Warner Bros. Founded in 1971 and incorporated in 1989, Gelula originally produced dubbing and subtitling lists to be used for the translation and subtitling of films for worldwide theatrical release. The company has subsequently expanded on that foundation and now translates films into 34 languages for DVD release. By the end of 1999, Gelula's revenue is expected to reach \$8 million, an increase of 115% from 1998.

“We have now taken the final step toward becoming a truly global company. Through this acquisition we create a very strong position to meet the growing demands from DVD and other digital formats of entertainment such as e-cinema, the next generation of cinema, and the Internet,” comments Staffan Samuelson, of Modern Times Group MTG AB. SDI is owned by MTG.

“In partnership with SDI's seventeen subsidiaries, we can now approach our customers' demands from a completely global perspective, enabling us to continue growing at a fast pace for many years to come,” comments Elio Zarmati, President of Gelula & Co., Inc.

SDI is the world's largest supplier of subtitles for television, video, DVD and cinema. It also recently launched a service under its own brand Worldword.net focusing on the translation of materials distributed over the Internet. The company was founded in 1981 and runs operations in Sweden, Norway, Denmark, Finland, Estonia, Latvia, Lithuania, the Netherlands, the United Kingdom, France, Lebanon, Israel, Singapore, Thailand, Hong Kong, Japan and Taiwan.

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Modern Times Group MTG AB is listed on the Stockholm Stock Exchange's O list (symbol: MTG) and on the Nasdaq National Market in New York (symbol: MTGNY).

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