



MODERN TIMES GROUP MTG AB

FINANCIAL RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2005

Stockholm, 24 October 2005 – Modern Times Group MTG AB (“MTG”) (Stockholmsbörsen: MTGA, MTGB) today announced its financial results for the third quarter and nine months ended 30 September 2005. The Group’s consolidated accounts have been prepared according to International Financial Reporting Standards (IFRS) and reviewed by the Company’s auditors.

THIRD QUARTER HIGHLIGHTS

- Group net sales up 19% to SEK 1,846 (1,550) million
- Group operating income almost tripled to SEK 227 (84) million (in 2004 excluding SEK 381 million net gain from sale of SDI Media)
- Record third quarter intake of 42,000 premium DTH subscribers
- Free-to-air TV Scandinavia net sales up 10% to SEK 642 (581) million and operating profit of SEK 101 (-46) million
- Net income of SEK 177 (430) million (in 2004 including SEK 381 million net gain from sale of SDI Media)
- Earnings per share of SEK 2.67 (6.48)

NINE MONTH HIGHLIGHTS

- Group net sales up 14% to SEK 5,567 (4,893) million
- Group operating income up 83% to SEK 742 (405) million (in 2004 excluding SEK 381 million net gain from sale of SDI Media)
- Net intake of 95,000 premium DTH subscribers
- Free-to-air TV Scandinavia net sales up 10% to SEK 2,080 (1,899) million and operating profit of SEK 304 (18) million
- Net income of SEK 867 (617) million (in 2005, including SEK 389 million net gain from sale of TV4 shares and, in 2004, including SEK 381 million net gain from sale of SDI Media)
- Earnings per share up to SEK 13.04 (9.29)

Hans-Holger Albrecht, President and CEO, commented: “We have now reported yet another record operating quarterly profit and delivered a double digit underlying group operating margin in the seasonally weakest quarter of the year. Each of our core broadcasting businesses has generated strong sales growth and further improvements in operating margins.

“Our Scandinavian free-to-air operations have grown strongly across the board and benefited from reduced distribution costs and high incremental margins. Record premium subscriber intake on our Nordic pay-TV platform during the Summer reflects our enhanced content offering and premium package price leadership. At the same time, our operations in Eastern Europe have taken full advantage of continued market growth and their increasingly established market positions.

“MTG’s balanced broadcasting business, with access to growing and structurally changing markets across Scandinavia, as well as the higher growth markets in Eastern Europe, is coupled with a highly efficient operating structure that enables the Group to benefit from significant operating advantages. The announced acquisition of TV Prima in the Czech Republic will add a well positioned channel asset in an attractive emerging market place to our portfolio. The launch of a range of new Viasat channels as well as our new PVR (Personal Video Recorder) Viasat+ product and service illustrates our commitment to using new, but proven technology to make our content as broadly available as possible, in order to increase viewer choice. We are on track to deliver the strategic goals that we set last year and continue to review new opportunities.”

FINANCIAL SUMMARY

| <i>(SEK million)</i> | Jul - Sep 2005 | Jul - Sep 2004 | Jan - Sep 2005 | Jan - Sep 2004 | Full Year 2004 |
|---|---------------------------|-------------------|---------------------------|-------------------|-------------------|
| Net sales | 1,846 | 1,550 | 5,567 | 4,893 | 6,836 |
| Operating income excluding net gain from the sale of SDI Media | 227 | 84 | 742 | 405 | 677 |
| Net gain from the sale of SDI Media | - | 381 | - | 381 | 381 |
| Operating income (EBIT) | 227 | 465 | 742 | 786 | 1,058 |
| Net gain from the sale of TV4 shares | - | - | 389 | - | - |
| Net interest & other financial items | -4 | -7 | -81 | -35 | -34 |
| Pre-tax profit | 222 | 459 | 1,050 | 751 | 1,024 |
| Net income | 177 | 430 | 867 | 617 | 746 |
| Basic earnings per share (SEK) | 2.67 | 6.48 | 13.04 | 9.29 | 11.23 |
| Fully diluted earnings per share (SEK) | 2.67 | 6.48 | 13.04 | 9.29 | 11.23 |
| Total assets | 9,030 | 6,089 | 9,030 | 6,089 | 6,398 |

Comparative figures for all prior reporting periods have been restated according to IFRS, with the exception of IAS 39.

GROUP REVIEW

Net Sales up 19%

Group net sales were up 19% year on year to SEK 1,846 (1,550) million in the third quarter and up 14% to SEK 5,567 (4,893) million for the nine months ended 30 September. Excluding businesses that have been sold or closed down since the beginning of 2004, net sales grew by 18% year on year in the nine month period. This strong sales growth reflected the high level of net premium subscriber intake, continued growth in Eastern Europe, as well as the return to healthy growth in the third quarter for the Group's free-to-air TV operations in Scandinavia, with net sales up 10% year on year.

| NET SALES BY BUSINESS AREA <i>(SEK million)</i> | Jul - Sep 2005 | Jul - Sep 2004 | Jan - Sep 2005 | Jan - Sep 2004 | Full Year 2004 |
|---|---------------------------------|-------------------|---------------------------------|-------------------|-------------------|
| <i>Free-to-air TV Scandinavia</i> | 642 | 581 | 2,080 | 1,899 | 2,695 |
| <i>Pay-TV Nordic</i> | 672 | 569 | 1,907 | 1,713 | 2,321 |
| <i>Central & Eastern Europe</i> | 133 | 86 | 418 | 298 | 442 |
| <i>Other & eliminations</i> | 36 | -62 | 28 | -199 | -246 |
| Viasat Broadcasting | 1,484 | 1,174 | 4,432 | 3,711 | 5,212 |
| Radio | 68 | 52 | 213 | 151 | 216 |
| Other business areas | 373 | 412 | 1,170 | 1,134 | 1,657 |
| Parent company & other companies | 23 | 24 | 98 | 91 | 116 |
| Eliminations | -103 | -112 | -347 | -384 | -553 |
| | 1,846 | 1,550 | 5,567 | 4,704 | 6,649 |
| SDI Media & other discontinued businesses | - | - | - | 189 | 187 |
| | 1,846 | 1,550 | 5,567 | 4,893 | 6,836 |

The Group's revenue mix continued to be well balanced with 38% of revenues for the nine months ended 30 September 2005 derived from advertising sales; 40% from subscription payments; and 22% from other business-to-business and business-to-consumer sales.

Record Operating Results

The Group reported a record level of operating profitability in both the third quarter and for the year to date. Excluding the SEK 381 million net gain from the sale of SDI Media in the third quarter of 2004, Group operating income almost tripled year on year in the third quarter to SEK 227 (84) million, and grew by 83% for the year to date to SEK 742 (405) million. The result reflected the improved performance by the Group's Scandinavian free-to-air TV operations, which reported a SEK 147 million positive year on year swing in operating profitability in the third quarter, as well as the non-recurring costs incurred during the securing of the pay-TV platform against piracy, in 2004.

The Group's depreciation and amortization charges totalled SEK 31 (50) million in the third quarter and SEK 103 (109) million for the year to date. Operating costs, excluding discontinued businesses, increased by 5% year on year in the quarter and by 12% for the year to date. This increase was principally due to the consolidation of BET24, higher total subscriber acquisition costs in line with the growing subscriber base, and the launch of nine new Viasat channels since the beginning of 2004. The Group reported increased operating

margins year on year, excluding discontinued businesses and the net gain from the sale of SDI Media, of 10% (3%) in the quarter and 11% (6%) for the year to date.

| OPERATING INCOME BY BUSINESS AREA (SEK million) | Jul - Sep 2005 | Jul - Sep 2004 | Jan - Sep 2005 | Jan - Sep 2004 | Full Year 2004 |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <i>Free-to-air TV Scandinavia</i> | 101 | -46 | 304 | 18 | 179 |
| <i>Pay-TV Nordic</i> | 130 | 71 | 371 | 288 | 370 |
| <i>Central & Eastern Europe</i> | -8 | -21 | 1 | -22 | -3 |
| <i>Other & eliminations</i> | 18 | 11 | 46 | 34 | 44 |
| <i>Associated companies</i> | 23 | 36 | 120 | 79 | 146 |
| Viasat Broadcasting | 264 | 52 | 841 | 396 | 737 |
| Radio | 11 | 7 | 13 | 5 | 2 |
| Other business areas* | -4 | 44 | 7 | 81 | 39 |
| Parent company & other companies | -45 | -16 | -119 | -98 | -122 |
| | 227 | 86 | 742 | 384 | 656 |
| SDI Media & other discontinued businesses | - | -2 | - | 21 | 21 |
| Net gain from the sale of SDI Media | - | 381 | - | 381 | 381 |
| | 227 | 465 | 742 | 786 | 1,058 |

* Includes write-downs of beneficial rights in Sonet Film of SEK 10 million and SEK 12 million in the first quarter of 2005 and third quarter of 2005 respectively, and SEK 78 million in write-downs in Modern Studios businesses in the fourth quarter of 2004

Net interest and other financial items amounted to SEK -4 (-7) million in the third quarter and to SEK 308 (-35) million for the year to date. Net interest totalled SEK -9 (-18) million in the quarter and SEK -30 (-49) million for the year to date. Other financial items of SEK 5 (12) million and SEK 338 (15) million for the quarter and year to date respectively, included unrealised exchange rate differences of SEK 11 (7) million and SEK -39 (2) million for the two respective periods, which arose from the translation of the Euro-denominated convertible debentures. The results for the nine month period of 2005 also included the net gain of SEK 389 million from the sale of TV4 shares in the first quarter of 2005.

Group pre-tax profits therefore totalled SEK 222 (459) million in the third quarter and SEK 1,050 (751) million for the year to date.

Group tax charges amounted to SEK -45 (-29) million in the third quarter and SEK -183 (-135) million for the year to date.

Group net income consequently amounted to SEK 177 (430) million in the third quarter and increased by 40% to SEK 867 (617) million for the year to date, and the Group reported earnings per share of SEK 2.67 (6.48) in the quarter and SEK 13.04 (9.29) for the nine month period.

GROUP STRUCTURAL CHANGES

The Group signed an agreement at the end of September 2005 to acquire 50% of the shares in GES Media Holding a.s. (GMH) in the Czech Republic for a total cash consideration of €96 million. GMH owns 100% of TV Prima, which is the second largest national television channel in the Czech republic. GMH's gross sales in 2004 amounted to Czech Koruna 1,542 million (€48.3 million) and GMH reported earnings before interest and taxes of CZK 291

million (€9.1 million). The transaction is awaiting regulatory approval, subject to which MTG will assume management control and the operation will be fully consolidated from the date of completion.

MTG's shareholding in CTC Media, Inc. increased from 39.8% to 43.1% in August following a repurchase of shares and options by the Company. CTC repurchased and cancelled 3,320,800 shares and options from non-institutional shareholders, which corresponded to 8.7% of the total number of outstanding shares and options.

MTG sold the majority of the movie rights in its Modern Entertainment library during the third quarter, resulting in a small net gain, and simultaneously announced the intention to close down the Los Angeles-based business in due course. This reflects the Group's strategy to focus on its core broadcasting operations and directly related businesses in Europe.

MTG also acquired 60% of the shares in Engine, FIFA's exclusive representative for the official music programme for the 2006 FIFA World Cup in Germany, in June 2005 for SEK 12 million, including transaction costs. The purchase agreement provides for additional payments, depending on the fulfilment of pre-agreed conditions. The Company's result is reported within the Modern Studios business area.

MTG increased its shareholding in the BET24 online betting and gaming businesses from 19.9% to 51.0% in April 2005, by means of a directed new share issue, and has therefore consolidated the results of Nordic Betting Limited since the second quarter of 2005. The Company's results are reported within the Viasat Broadcasting business area and MTG retains further options to increase its ownership in the Company in the future.

MTG sold its entire holding of 3,020,013 shares in TV4 AB, which was equivalent to a 15.1% interest in the Company, in the first quarter of 2005. The shares were sold for SEK 170 per share, which represented a premium to the price of the shares on the Stockholm Stock Exchange on the day of the transaction, and resulted in a net gain of SEK 389 million. The gain was reported as a financial item below the 'Operating Income' line in the Group's accounts.

Revisions have been made to the 'matrix' segmental reporting structure that is included at the end of these quarterly financial reports. The further simplification of the presentation reflects the Group's focus on its three core broadcasting businesses – Free-to-air TV Scandinavia, Nordic pay-TV, and the Central and East European broadcasting operations. The changes include the combining of the TV3 Scandinavia and ZTV/TV3+ reporting lines, which reflects the fact that the channels are to a large extent sold and marketed to advertisers on a packaged basis, that programming acquisition for the channels is integrated and other functions are centralised, and that the niche channels have developed in penetration and market share terms and now have established market positions. The TV1000 line has similarly been combined with the other Nordic pay-TV channels line, in order to reflect the similarity in the operating structure of the portfolio of pay channels and the fact that they are sold in packages. In all cases, the prior reporting periods have been restated accordingly.

OPERATING REVIEW

VIASAT BROADCASTING

| <i>(SEK million)</i> | Jul - Sep 2005 | Jul - Sep 2004 | Jan - Sep 2005 | Jan - Sep 2004 | Full Year 2004 |
|----------------------|---------------------------|-------------------|---------------------------|-------------------|-------------------|
| Net Sales | 1,484 | 1,174 | 4,432 | 3,711 | 5,212 |
| Operating Income | 264 | 52 | 841 | 396 | 737 |
| Operating Margin (%) | 18 | 4 | 19 | 11 | 14 |

Net sales for MTG's Television broadcasting businesses were up 26% to SEK 1,484 (1,174) million in the third quarter and up 19% to SEK 4,432 (3,711) million for the year to date. The three core businesses – Pay-TV Nordic, Free-to-air TV Scandinavia and Central & Eastern Europe all performed well, and Viasat Broadcasting also benefited from the consolidation of BET24 from the second quarter of 2005.

Operating costs increased by 8% year on year in both the third quarter and nine month period. This reflected the higher total subscriber acquisition costs, the consolidation of BET24, the more moderate year on year increase in programming costs, and the launch of nine additional Viasat channels on the Viasat DTH satellite platform since the beginning of 2004.

Viasat Broadcasting's operating profitability rose sharply year on year to SEK 264 (52) million in the third quarter and to SEK 841 (396) million for the year to date, and the business area delivered significantly increased operating margins of 18% (4%) and 19% (11%) for the two respective periods. The dramatically improved result reflected reduced distribution costs and high incremental margins in the Scandinavian free-to-air TV operations, as well as the continued improvement in the Nordic pay-TV operations following the securing of the Viasat platform against piracy. The result also included MTG's participation in the earnings of CTC Media, Inc., in which MTG owns a 43.1% equity stake. CTC Media contributed SEK 23 (36) million to MTG's operating profit in the third quarter and SEK 119 (79) million for the year to date. The lower contribution in the quarter reflected a provision relating to a dispute with a content provider, as well as a non-cash charge to the profit and loss account arising from the share and option repurchase in August 2005. These two items totaled US\$ 3 million. Year on year comparability is also affected by the non-recurring US\$ 5 million received in the third quarter of 2004 from the sale of CTC Media's radio businesses, which was reported as a financial item.

Consolidated net sales from Nordic Betting Limited (BET24.COM) totalled SEK 59 (–) million in the third quarter and SEK 114 (–) million for the year to date. The business generated consolidated operating income of SEK 3 (–) million in the quarter and SEK 5 (–) million for the year to date. The underlying strong performance continued with net sales up 72% year on year to SEK 59 (34) million in the quarter and more than doubling to SEK 162 (77) million for the year to date. Gross profit (before overhead costs) from betting and gaming activities amounted to SEK 15 (3) million in the quarter and to SEK 39 (11) million for the year to date, following a particularly strong performance from the poker business. BET24 reported an operating profit of SEK 3 (–2) million in the quarter and SEK 7 (–3) million for the year to date.

The Text TV business in Spain, which is included in the 'Other & Eliminations' reporting line within Viasat Broadcasting, is scaled down following the decision by its largest customer, Telecinco in Spain, to take its teletext operations in-house from the second quarter of 2006. The company will continue to serve existing and new customers.

Free-to-air TV Scandinavia

SEK 147 million swing in profitability to 16% operating margin

| <i>(SEK million)</i> | Jul - Sep 2005 | Jul - Sep 2004 | Jan - Sep 2005 | Jan - Sep 2004 | Full Year 2004 |
|----------------------|---------------------------|-------------------|---------------------------|-------------------|-------------------|
| Net Sales | 642 | 581 | 2,080 | 1,899 | 2,695 |
| Operating Income | 101 | -46 | 304 | 18 | 179 |
| Operating Margin (%) | 16 | - | 15 | 1 | 7 |

Viasat's free-to-air television operations in Scandinavia generated 10% year on year sales growth to SEK 642 (581) million in the third quarter and SEK 2,080 (1,899) million for the year to date. Operating costs for the TV3, ZTV and TV3+ channels were reduced by 14% year on year in the third quarter and by 6% for the year to date, following the discontinuation of the analogue distribution of TV3 and ZTV in Norway and Sweden, as well as the renegotiation of the contracts for the analogue distribution of TV3 and TV3+ in Denmark. In addition to the resulting lower transponder costs, the channels also benefited from lower programming costs when compared with the same period of 2004 and, therefore, high incremental margins. The result for the third quarter also reflected the impact of the coverage of the Ice Hockey World Cup in Sweden in September 2004, which affected both year on year sales and cost comparisons.

The Scandinavian free-to-air TV operations consequently generated a SEK 147 million year on year swing in operating profitability from a loss of SEK -46 million to a profit of SEK 101 million in the third quarter. Operating profitability for the year to date increased to SEK 304 (18) million, and the combined channels reported operating margins of 16% (-) and 15% (1%) for the quarter and year to date respectively.

| Commercial Share of Viewing (%) | Jul - Sep 2005 | Jul - Sep 2004 | Jan - Sep 2005 | Jan - Sep 2004 | Full Year 2004 |
|--|---------------------------|-------------------|---------------------------|-------------------|-------------------|
| TV3 & ZTV Sweden (15-49) | 33.2 | 30.8 | 31.3 | 30.1 | 30.3 |
| TV3 & ZTV Norway (15-49) | 17.2 | 19.2 | 17.1 | 18.0 | 18.0 |
| TV3 & TV3+ Denmark (15-49) | 22.5 | 22.8 | 21.9 | 22.4 | 22.4 |

TV3 and ZTV's ratings in Sweden improved significantly in the third quarter, and the launch of the Fall schedule has been the most successful in TV3 Sweden's history. The channels are sold on a combined basis and continued to benefit from advertising market growth during the quarter, and increased penetration as a result of their inclusion in the Digital Terrestrial network. The accelerated ratings position the channels well for the remainder of the year and as the 2006 annual contract negotiations begin.

TV3 and ZTV Norway reported a year on year increase in sales for both the quarter and year to date, with TV3 setting a new all time monthly sales record in September. These results were achieved despite a year on year decline in commercial share of viewing, which was due to a particularly strong performance by one of the competitor channels with some hit series during the quarter.

Viasat's Danish free-to-air TV channels (TV3 and TV3+) reported slightly lower year on year commercial share of viewing in the third quarter. TV3+ is however established as the third most watched commercial channel in Denmark. Both channels' penetration levels have continued to increase during the year, with more than 1.6 million households now able to

watch each channel via satellite, cable or SMATV networks. Viasat intends to close down the analogue distribution of TV3 and TV3+ in Denmark during the spring of 2006.

Pay-TV Nordic

High Subscriber Intake & Increased Operating Margins

| <i>(SEK million)</i> | Jul - Sep 2005 | Jul - Sep 2004 | Jan - Sep 2005 | Jan - Sep 2004 | Full Year 2004 |
|----------------------|---------------------------|-------------------|---------------------------|-------------------|-------------------|
| Net Sales | 672 | 569 | 1,907 | 1,713 | 2,321 |
| Operating Income | 130 | 71 | 371 | 288 | 370 |
| Operating Margin (%) | 19 | 12 | 19 | 17 | 16 |

Net sales for Viasat's pay-TV operations in the Nordic region grew by 18% year on year to SEK 672 (569) million in the third quarter, and compared to SEK 630 million in the second quarter of 2005. Net sales for the year to date were up 11% to SEK 1,907 (1,713) million.

The business comprises Viasat's DTH satellite broadcasting platform as well as its 15 Viasat pay TV channels. The operating margin for the business increased year on year to 19% (12%) in the third quarter, and compared to 19% for the second quarter of 2005. The margin for the year to date also increased to 19% (17%). The increased margin was achieved despite continued strong net subscriber intake with subsequent higher total acquisition costs during the quarter, and largely reflected the non-recurring operating costs incurred in 2004 during the migration of the premium subscriber base to the new conditional access system. Operating profits therefore almost doubled year on year to SEK 130 (71) million in the third quarter, compared to SEK 118 million in the second quarter, and increased by 29% to SEK 371 (288) million for the year to date.

| <i>(000's)</i> | September 2005 | June 2005 | September 2004 |
|------------------------------------|-----------------------|-----------|----------------|
| Digital subscribers | 749 | 709 | 638 |
| - of which, Premium Nordic | 556 | 519 | 433 |
| - of which, Premium Baltics | 29 | 24 | 4 |
| - of which, Basic Nordic | 163 | 165 | 201 |
| Nordic IPTV subscribers | 9 | 7 | - |

8,000 of the premium subscribers have twin subscriptions and these secondary subscriptions are not included in the table above.

Viasat reported a net intake of 37,000 digital premium subscribers (Viasat 'Gold' and 'Silver' packages) in the Nordic region in the third quarter. Viasat has now added 123,000 new premium subscribers in the 12 months since the end of the same period of 2004, which is equivalent to a 28% year on year growth in the Nordic premium subscriber base since the switching off of the legacy encryption system for Viasat's premium channels. The substantial net intake reflects both strong sales and marketing, as well as reduced churn levels following the successful elimination of piracy on the platform. Viasat has also added nine new own-branded channels and twelve leading third party channels to its platform since the beginning of 2004, which have included TV4 Film, TV4+ and TV400 in Sweden.

Annualized average revenue per premium subscriber (ARPU) increased year on year to SEK 3,193 (3,063) in the third quarter, but fell from SEK 3,204 in the second quarter of 2005, due to the success of the lower priced introduction campaigns to attract new customers.

The number of subscribers to Viasat's 'Basic' pay-TV package fell to 163,000 (201,000) year on year, and compared with 165,000 at the end of the second quarter. This reflected both the continued up-selling of entry level subscribers into Viasat's premium tier packages, as well as the high level of competition in the entry level segment of the market.

Viasat's IPTV subscriber base increased further by around 2,000 subscribers during the quarter. Viasat's 'TV via broadband' service was introduced in Sweden in December 2004 and includes Sweden's six most watched TV channels (TV3, ZTV, SVT1, SVT2, TV4 and Kanal 5). The offering comprises the Viasat 'Gold' package delivered to households via broadband fibre and ADSL connections.

Viasat Broadcasting became the first Nordic broadcaster to launch a fully integrated 'Personal Video Recorder' (PVR) product and service in September 2005. 'Viasat+' has now been launched throughout Scandinavia with a single set-top box that serves as both a satellite receiver and digital video recorder. The box is integrated with the Electronic Programme Guide (EPG) and enables subscribers to record up to 60 hours of programming on the box's hard drive, plan and view their favourite entertainment programming with a remote control, and includes features such as pause in play or rewinding of live broadcasts. The 'Viasat+' offering is available with a Viasat Gold premium subscription for an additional SEK/NOK/DKK 99 per month. Based on the success and popularity of the PVR technology in other country markets, the new product and service is expected to increase average revenue per subscriber and further reduce subscriber churn levels.

Viasat's Nordic 'direct-to-home platform' revenues grew by 14% year on year to SEK 627 (550) million in the third quarter, and compared to SEK 593 million for the second quarter. Net sales for the year to date increased by 8% to SEK 1,791 (1,655) million. The platform's operating income almost tripled year on year to SEK 75 (27) million in the third quarter, and increased from SEK 60 million in the second quarter. Operating income increased to SEK 211 (150) million for the year to date. The operating margin for the platform therefore increased year on year to 12% (5%) in the third quarter, and from 10% in the second quarter of the current year.

Viasat's Nordic pay-TV channels generated a 29% year on year increase in revenues to SEK 272 (210) million in the third quarter, and compared to SEK 256 million in the second quarter of 2005. Net sales for the year to date increased by 22% to SEK 768 (630) million. The reporting segment comprises Viasat's six TV1000 channels, four Viasat Sport channels, Viasat History, Viasat Explorer, Viasat Nature, Viasat Crime and TV8. Operating costs increased by 31% year on year in the quarter to SEK 216 million compared with SEK 197 million in the second quarter of the current year and by 23% for the year to date to SEK 607 million. This increase reflected the launch of four new TV1000 channels in September 2004; of Viasat History in October 2004; and of Viasat Sport 24 in April 2005. The 15 channels reported a combined 22% year on year increase in operating profits to SEK 55 (45) million in the third quarter, and compared to SEK 58 million in the second quarter of 2005. Operating profits for the year to date were up to SEK 161 (137) million.

MTG announced the launch of a new sports channel – SportN – in Norway after the end of the third quarter. The channel will be launched during the Fall in cooperation with Norwegian public service broadcaster NRK, and will be distributed on Viasat's DTH satellite platform, as

well as through third party cable and IPTV networks. The new sports channel will replace Viasat Sport 1 in Norway and combine NRK and Viasat's portfolios of the very best in local, national and international sports entertainment.

Central & Eastern Europe

Net Sales up 55%

| <i>(SEK million)</i> | Jul - Sep 2005 | Jul - Sep 2004 | Jan - Sep 2005 | Jan - Sep 2004 | Full Year 2004 |
|---------------------------|---------------------------|-------------------|---------------------------|-------------------|-------------------|
| Net Sales | 133 | 86 | 418 | 298 | 442 |
| Operating Income | -8 | -21 | 1 | -22 | -3 |
| Associated Company Income | 23 | 36 | 119 | 79 | 146 |

The Group's free-to-air TV and pay-TV operations in Central and Eastern Europe generated a 55% year on year increase in revenues to SEK 133 (86) million in the third quarter, and a 40% increase to SEK 418 (298) million for the year to date. Operating losses were reduced year on year to SEK -8 (-21) million in the third quarter and the operations reported a SEK 23 million swing in profitability for the year to date from a loss of SEK -22 million in 2004 to a profit of SEK 1 million in the current year.

| Commercial Share of Viewing (%) | Jul - Sep 2005 | Jul - Sep 2004 | Jan - Sep 2005 | Jan - Sep 2004 | Full Year 2004 |
|--|---------------------------|-------------------|---------------------------|-------------------|-------------------|
| TV3 and 3+ in Estonia (15-49) | 46.6 | 44.9 | 46.8 | 46.6 | 46.0 |
| TV3 and 3+ in Latvia (15-49) | 33.0 | 30.8 | 32.9 | 31.0 | 31.9 |
| TV3 and Tango TV in Lithuania (15-49) | 35.2 | 35.3 | 35.0 | 36.7 | 36.5 |

The Group's free-to-air TV operations in Estonia (TV3 and 3+), Latvia (TV3 and 3+) and Lithuania (TV3 and Tango TV) reported a 27% year on year increase in net sales to SEK 65 (51) million in the third quarter and 14% growth to SEK 231 (203) million for the year to date.

Viasat's pan-Baltic commercial share of viewing (15-49 year olds) increased to 36.4% (34.6%) year on year in the third quarter, as TV3 continued to be the largest commercial TV channel in all three countries. Russian language channel 3+ in Estonia is repeating the success of its sister channel in Latvia and, despite the year on year cost impact of the channel launch, the Baltic free-to-air TV operations reported combined operating income of SEK 3 (0) million in the quarter and SEK 41 (42) million for the year to date.

| Commercial Share of Viewing (%) | Jul - Sep 2005 | Jul - Sep 2004 | Jan - Sep 2005 | Jan - Sep 2004 | Full Year 2004 |
|--|---------------------------|-------------------|---------------------------|-------------------|-------------------|
| Viasat3 (18-49) | 6.2 | 5.3 | 5.5 | 4.4 | 4.6 |
| DTV (6-54) | 2.0 | 1.6 | 1.7 | 1.7 | 1.6 |
| CTC & The Home Channel (6-54) | 16.6 | 13.4 | 15.7 | 14.1 | 14.3 |

Viasat3 Hungary's operating improvements and momentum continued in the third quarter, with the channel reporting its highest ever monthly sales in September and reflecting the positive trend in Viasat3's commercial share of viewing. Net sales were up 76% year on year

to SEK 18 (11) million in the quarter, and by 78% to SEK 57 (32) million for the year to date. The majority of this top line performance fed through to the bottom line, with operating losses reduced to SEK -4 (-12) million in the quarter and to SEK -16 (-36) million for the year to date.

Russian channel DTV also continued its forward momentum with sales up 47% year on year to SEK 22 (15) million in the third quarter, and up 45% to SEK 61 (42) million for the year to date. Programming investments paid off in increased share of viewing and market share, and were reflected in an operating loss of SEK-7 (-3) million in the third quarter and SEK -18 (-15) million for the year to date.

MTG's shareholding in CTC Media, Inc. increased from 39.8% to 43.1% in August 2005 following a repurchase of shares and options by the Company. MTG reports its share of CTC Media's earnings as an equity participation in Associated Companies in the Viasat Broadcasting business area, and the reported results therefore reflect the different ownership stakes during the reporting periods. CTC Media reported a 60% year on year growth in net sales to approximately US\$ 48 (30) million in the third quarter, and 48% growth to US\$ 147 (99) million for the year to date. The CTC channels therefore continued to take market share on the back of strong ratings performance. CTC Media's operating costs have continued to increase due to programming cost inflation, as well as the development of the Home Network that was launched in March 2005. CTC Media generated operating income of approximately US\$ 8 (7) million in the third quarter and approximately US\$ 45 (37) million for the year to date. The third quarter result in the current year was adversely impacted by a provision relating to a dispute with a content provider, as well as a non-cash accounting charge, which arose from the share and option repurchase in August 2005. These two items totaled US\$ 3 million. Year on year comparability in the third quarter is affected by the non-recurring US\$ 5 million gain in the third quarter of 2004, which arose from the sale of CTC Media's 'Radio Maximum' business and was reported as a financial item. MTG's reported share of CTC's earnings therefore amounted to SEK 23 (36) million in the quarter and SEK 119 (79) million for the year to date.

More than 10 million subscribers

Viasat's pay-TV operations in Central and Eastern Europe consist of the DTH satellite platform in the Baltic region, as well as the 'TV1000 East', 'Viasat History', 'Viasat Explorer', and 'Viasat Sport' channels outside the Nordic region. These four channels are included in Viasat's premium pay-TV packages in the Baltics, and are also sold through third party cable operators across the Central and East European region.

| <i>(000's)</i> | September 2005 | June 2005 | September 2004 |
|--------------------------------------|-----------------------|-----------|----------------|
| Digital Premium Baltic subscribers | 29 | 24 | 4 |
| C & E Europe mini-pay-TV subscribers | 10,242 | 9,159 | 4,731 |

Viasat's Baltic pay-TV platform reported a net intake of 5,000 premium subscribers during the quarter and now has a total of 29,000 premium subscribers across the region.

The wholesale business continued to expand and the four channels now attract 10.2 million subscribers in 15 different countries across Central and Eastern Europe. 1.1 million households have been added since the end of the second quarter and the business has reported a more than

doubling of subscribers in the last twelve months. New premium movie channel 'TV1000 Russian Kino' has been launched since the end of the quarter.

Net sales for the pay-TV business in Central and Eastern Europe almost tripled year on year to SEK 28 (10) million in the third quarter and more than tripled to SEK 69 (22) million for the year to date. The business reported its first quarterly operating profit with a profit of SEK 1 (-7) million in the third quarter, whilst operating losses for the year to date were more than halved to SEK -6 (-14) million.

RADIO

| <i>(SEK million)</i> | Jul - Sep 2005 | Jul - Sep 2004 | Jan - Sep 2005 | Jan - Sep 2004 | FY 2004 |
|---------------------------|---------------------------|-------------------|---------------------------|-------------------|---------|
| Net Sales | 68 | 52 | 213 | 151 | 216 |
| Operating Income | -2 | 0 | -11 | -5 | -12 |
| Associated Company Income | 13 | 7 | 24 | 10 | 14 |

The Group's radio operations reported 31% year on year combined sales growth in the third quarter to SEK 68 (52) million, and 41% growth to SEK 213 (151) million for the year to date.

MTG Radio, including the RIX FM network, has a national penetration of 88% and broadcasts 53 out of the 86 commercial radio stations operating in Sweden. MTG's radio stations in Sweden are now listened to by more than 1.9 million people each day and include the number one local networks in Stockholm and Malmö. MTG Radio's consolidated operating result of SEK -2 (0) million in the third quarter and SEK -11 (-5) million for the year to date reflected the year on year impact of the increased cost base following the operational integration of the 20 additional NRJ stations in Sweden from September 2004.

The results also include share of earnings in associated companies, primarily the 39.7% of the shares in listed Norwegian national radio network P4 Radio Hele Norge ASA. MTG reports its share of P4's pre-tax earnings with a time lag of one quarter, due to the fact that P4 publishes its results after MTG. MTG's share of earnings in associated companies amounted to SEK 13 (7) million in the quarter and SEK 24 (10) million for the year to date. MTG Radio's total operating income therefore increased year on year to SEK 11 (7) million in the third quarter and more than doubled to SEK 13 (5) million for the year to date.

OTHER BUSINESSES

| <i>(SEK million)</i> | Jul - Sep 2005 | Jul - Sep 2004 | Jan - Sep 2005 | Jan - Sep 2004 | Full Year 2004 |
|-----------------------|---------------------------|-------------------|---------------------------|-------------------|-------------------|
| <i>Modern Studios</i> | | | | | |
| Net Sales | 148 | 223 | 478 | 553 | 829 |
| Operating Income | -19 | 45 | -35 | 68 | 22 |
| <i>Home Shopping</i> | | | | | |
| Net Sales | 225 | 189 | 693 | 581 | 829 |
| Operating Income | 15 | -2 | 42 | 13 | 17 |

The Modern Studios businesses reported lower combined year on year sales of SEK 148 (223) million in the quarter and SEK 478 (553) million for the year to date, which reflected the extraordinary performance by the Group's Strix Television production house in the second half of 2004. The business area reported an operating loss of SEK -19 (45) million in the quarter and SEK -35 (68) million for year to date, which included non-cash amortisation charges and write downs of SEK 12 million in the third quarter and SEK 33 million for the year to date on Sonet's 'Rancid' English language feature film, as well as generally weaker performance by Sonet's new releases during the year.

The Home Shopping business area comprises CDON.com, the largest Internet entertainment retailer in the Nordic region, and the TV-Shop channel that reaches 100 million homes across 52 European countries. The business area reported year on year sales growth of 19% to SEK 225 (189) million in the third quarter and to SEK 693 (581) million for the year to date. The business area also reported an improvement in operating income to SEK 15 (-2) million in the quarter and SEK 42 (13) million for the year to date and both businesses were profitable.

GROUP FINANCIAL REVIEW

Cash Flow

The Group generated cash flow from operations of SEK 195 (36) million in the third quarter and SEK 596 (342) million for the year to date. Positive changes in working capital amounted to SEK 49 (43) million and SEK 54 (36) million for the two respective periods, and net cash flow from operations therefore amounted to SEK 244 (79) million in the quarter and SEK 650 (377) million for the year to date. The Group sold its shares in TV4 AB in January 2005 for SEK 513 million in cash. Group capital expenditure on fixed assets totalled SEK -26 (-36) million for the quarter and SEK -63 (-92) million for the year to date, which was equivalent to less than 2% of group sales for each of the respective periods.

Liquid funds

The Group's available liquid funds, including unutilised credit facilities, amounted to SEK 2,551 (1,187) million at 30 September 2005, compared to SEK 2,326 million at the end of the second quarter. The Group's cash and cash equivalents increased to SEK 1,712 (412) million, compared to SEK 1,531 million at the end of June 2005.

Net debt

The Group's cash and cash equivalents and interest-bearing assets exceeded interest-bearing liabilities, including the €120 million convertible loan notes, by SEK 638 million at the end of the reporting period. This compares to a net cash position of SEK 449 million as at 30 June 2005. The convertible debentures are included within current liabilities as they are due for repayment in June 2006.

Holdings in listed companies

The Group's 27.9% shareholding in Metro International S.A had a stock market value of SEK 2,013 million on 30 September 2005. The market value of the equity stake has declined by SEK 108 million since the end of the second quarter and this difference has been charged directly to the Group's equity in accordance with IFRS. The Group's 39.7% shareholding in associated company P4 Radio Hele Norge ASA has a book value of SEK 81 million, whereas the stock market value of the listed shares was SEK 444 million at 30 September 2005.

Equity to assets ratio

The Group's equity to assets ratio was 56% (45%) at 30 September 2005, compared to 57% at the end of June 2005. The ratio is defined as the sum of consolidated equity and minority interests as a percentage of total assets.

Parent company

The parent company reported net sales of SEK 18 (17) million in the third quarter and SEK 86 (71) million for the year to date. Net interest and other financial items totalled SEK 34 (54) million and SEK 34 (94) million in the quarter and nine month period respectively. Parent company pre-tax profit therefore amounted to SEK -5 (35) million in the quarter and SEK -61 (14) million for the year to date. MTG's financial policy includes the provision of a central cash pool to support operating companies.

OTHER INFORMATION

The Group's consolidated accounts have been prepared according to International Financial Reporting Standards (IFRS) and prior reporting periods have been restated accordingly for comparative purposes. A description of the significant changes affecting the Group, as well as reconciliations between the previously reported accounts and current IFRS accounts, are included at the end of this report. IFRS is the object of continuous review, and the information on the effects of the transition to IFRS is preliminary and could change. This interim report has been prepared in accordance with IAS 34 and has been reviewed by the Company's auditors.

MTG's financial results for the fourth quarter and twelve months ended 31 December 2005 will be published on 16 February 2006.

Modern Times Group MTG AB Annual General Meeting 2006

The 2006 Annual General Meeting will be held on 10 May 2006 in Stockholm. Shareholders wishing to have a matter considered at the Annual General Meeting should submit their proposals in writing to agm@mtg.se or to The Company Secretary, Modern Times Group MTG AB, Box 2094, SE-103 13 Stockholm, Sweden at least seven weeks before the Annual General Meeting in order to guarantee inclusion in the notice to the meeting.

Further details on how and when to register as well as how to have a matter considered at the meeting will be published in advance of the Annual General Meeting.

Nomination Group for the 2006 Annual General Meeting

A Nomination Group of major shareholders in Modern Times Group MTG AB has been convened in accordance with the resolution of the 2005 Annual General Meeting. The Nomination Group comprises Cristina Stenbeck on behalf of Investment AB Kinnevik and Emesco AB; Björn Lind on behalf of SEB Fonder and SEB Trygg Liv; Mats Lagerquist on behalf of Robur; and Annika Andersson on behalf of Fourth Swedish National Pension Fund, who together represent more than 50 per cent of the voting rights in Modern Times Group MTG AB. The composition of the Nomination Group may be changed to reflect any changes in the shareholdings of the major shareholders during the nomination process. Information about the work of the Nomination Group can be found on Modern Times Group MTG AB's corporate website at www.mtg.se.

The Nomination Group will submit a proposal for the composition of the Board of Directors that will be presented to the 2006 Annual General Meeting for approval.

Shareholders wishing to propose candidates for election to the Modern Times Group MTG AB Board of Directors should submit their proposals in writing to agm@mtg.se or to The Company Secretary, Modern Times Group MTG AB, Box 2094, SE-103 13 Stockholm, Sweden.

Stockholm, 24 October 2005.

Hans-Holger Albrecht
President & Chief Executive Officer

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

Auditors' Review Report

We have reviewed this interim report in accordance with the recommendation issued by the Swedish Institute of Authorized Public Accountants (FAR). A review is significantly limited in comparison with an audit.

Nothing has come to our attention that causes us to believe that the interim report does not meet the requirements of the Swedish Securities and Clearing Operations Act and the Annual Accounts Act.

Stockholm, 24 October 2005

Carl Lindgren
Authorized Public Accountant

Erik Åström
Authorized Public Accountant

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

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Matthew Hooper, Corporate Communications tel: +44 (0) 7768 440 414

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 more than 50 own-produced and third party entertainment channels to viewers in 19 countries across Europe and Viasat TV channels now reach over 60 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'.

| CONSOLIDATED INCOME STATEMENT (MSEK) | 2005 Jul-Sep | 2004 Jul-Sep | 2005 Jan-Sep | 2004 Jan-Sep | 2004 Jan-Dec |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net sales | 1,846 | 1,550 | 5,567 | 4,893 | 6,836 |
| Cost of goods and services | -1,125 | -1,116 | -3,390 | -3,261 | -4,481 |
| Gross income | 721 | 434 | 2,177 | 1,632 | 2,355 |
| Selling and administrative expenses | -537 | -357 | -1,561 | -1,229 | -1,687 |
| Other operating revenues | 10 | 1 | 12 | 3 | 6 |
| Other operating expenses | -4 | -38 | -33 | -94 | -97 |
| Share of earnings in associated companies | 37 | 44 | 146 | 93 | 167 |
| Write-down of beneficial rights in Modern Entertainment | - | - | - | - | -66 |
| Net gain from the sale of SDI Media | - | 381 | - | 381 | 381 |
| Operating income (EBIT) | 227 | 465 | 742 | 786 | 1,058 |
| Gain from sales of securities | - | 15 | 389 | 15 | 15 |
| Dividends | - | - | 0 | 15 | 15 |
| Net interest and other financial items | -4 | -22 | -81 | -65 | -64 |
| Income before tax | 222 | 459 | 1,050 | 751 | 1,024 |
| Tax | -45 | -29 | -183 | -135 | -278 |
| Net income for the period | 177 | 430 | 867 | 617 | 746 |
| <i>Attributable to:</i> | | | | | |
| Equity holders of the parent | 177 | 430 | 865 | 617 | 746 |
| Minority interests | 0 | 0 | 2 | 0 | 0 |
| Net income for the period | 177 | 430 | 867 | 617 | 746 |
| Shares outstanding at quarter-end | 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 average number of shares outstanding | 66,383,010 | 66,394,310 | 66,375,156 | 66,397,309 | 66,404,909 |
| Basic earnings per share (SEK) | 2.67 | 6.48 | 13.04 | 9.29 | 11.23 |
| Diluted earnings per share (SEK) | 2.67 | 6.48 | 13.04 | 9.29 | 11.23 |

| CONSOLIDATED BALANCE SHEET (MSEK) | 2005 30 Sep | 2004 30 Sep | 2004 31 Dec |
|---|------------------------|------------------------|------------------------|
| Non-current assets | | | |
| Capitalised development expenses | 37 | 39 | 36 |
| Beneficial rights | 100 | 256 | 157 |
| Goodwill | 870 | 856 | 855 |
| Machinery and equipment | 99 | 134 | 116 |
| Shares and participations | 3,041 | 1,641 | 1,665 |
| Long-term receivables | 232 | 384 | 296 |
| | <u>4,379</u> | <u>3,310</u> | <u>3,126</u> |
| Current assets | | | |
| Inventory | 1,202 | 1,000 | 1,231 |
| Current receivables | 1,737 | 1,366 | 1,467 |
| Cash, cash equivalents and short-term investments | 1,712 | 412 | 574 |
| | <u>4,651</u> | <u>2,779</u> | <u>3,273</u> |
| Total assets | <u>9,030</u> | <u>6,089</u> | <u>6,398</u> |
| Shareholders' equity | | | |
| Shareholders' equity | 5,057 | 2,707 | 2,784 |
| Minority interests in equity | 8 | 1 | 1 |
| | <u>5,065</u> | <u>2,709</u> | <u>2,785</u> |
| Long-term liabilities | | | |
| Convertible debenture loan 2001/2006 | - | 1,064 | 1,060 |
| Other interest-bearing liabilities | 5 | 5 | 5 |
| Long-term provisions | 109 | 276 | 100 |
| Non-interest-bearing liabilities | 5 | 8 | 7 |
| | <u>120</u> | <u>1,354</u> | <u>1,172</u> |
| Current liabilities | | | |
| Other interest-bearing liabilities | 1,110 | - | - |
| Non-interest-bearing liabilities | 2,736 | 2,026 | 2,441 |
| | <u>3,846</u> | <u>2,026</u> | <u>2,441</u> |
| Total shareholders' equity and liabilities | <u>9,030</u> | <u>6,089</u> | <u>6,398</u> |

| CONSOLIDATED STATEMENT OF CASH FLOWS (MSEK) | 2005 Jul-Sep | 2004 Jul-Sep | 2005 Jan-Sep | 2004 Jan-Sep | 2004 Jan-Dec |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Net income for the period | 177 | 430 | 867 | 617 | 746 |
| Adjustments to reconcile net income to net cash provided by operations | 18 | -394 | -271 | -275 | -188 |
| Payment to STIM for years prior to current year | - | - | - | - | -103 |
| Changes in working capital | 49 | 43 | 54 | 36 | 123 |
| Net cash flow from operations | 244 | 79 | 650 | 377 | 578 |
| Proceeds from sales of shares | - | 24 | 513 | 24 | 24 |
| Proceeds from sales of shares in subsidiaries | - | 425 | - | 425 | 425 |
| Investments in shares in subsidiaries and associates | -3 | -496 | -32 | -496 | -496 |
| Investments in other fixed assets | -26 | -36 | -63 | -92 | -107 |
| Other cash flow from investing activities | 15 | - | 34 | 3 | 3 |
| Cash flow from/to investing activities | -14 | -83 | 452 | -136 | -150 |
| Net change in loans from banks | - | - | - | -250 | -250 |
| Other cash flow from/to financing activities | -26 | 16 | -12 | 17 | -1 |
| Net change in cash and cash equivalents for the period | 204 | 13 | 1,091 | 9 | 177 |
| Cash and cash equivalents at the beginning of the year | 1,531 | 403 | 574 | 402 | 402 |
| Translation differences in cash and cash equivalents | -23 | -4 | 48 | 2 | -4 |
| Cash and cash equivalents at end of the period | 1,712 | 412 | 1,712 | 412 | 574 |

| RECONCILIATION OF SHAREHOLDERS EQUITY (MSEK) | Share capital | Other reserves | Minority interest | Total |
|--|--------------------------|---------------------------|------------------------------|--------------|
| Opening balance January 1, 2004 | 332 | 1,813 | 2 | 2,147 |
| Change in accounting principles | | -21 | | -21 |
| Opening balance adjusted for change in accounting principles | 332 | 1,792 | 2 | 2,126 |
| Net result January-September 2004 | | 617 | 0 | 617 |
| Currency translation differences | | -33 | | -33 |
| Closing balance September 31, 2004 | 332 | 2,375 | 2 | 2,709 |
| Net result October-December 2004 | | 129 | 0 | 129 |
| Currency translation differences | | -52 | -1 | -53 |
| Closing balance December 31, 2004 | 332 | 2,452 | 1 | 2,785 |
| Change in accounting principles *) | | 1,872 | | 1,872 |
| Opening balance adjusted for change in accounting principles | 332 | 4,324 | 1 | 4,657 |
| Net result January-September 2005 | | 865 | 2 | 867 |
| Changes in minority interests | | | 4 | 4 |
| Effect of employee share option programmes | | 4 | | 4 |
| Revaluation of shares at market value | | -170 | | -170 |
| Sale of shares in TV4 AB | | -322 | | -322 |
| Currency translation differences | | 25 | | 25 |
| Closing balance September 30, 2005 | 332 | 4,725 | 8 | 5,065 |

*) Revaluation of the shares in Metro International S.A. at market value in accordance with IAS39

| Net sales (SEK million) | Q1 2004 | Q2 2004 | Q3 2004 | Q4 2004 | Full Year 2004 | Q1 2005 | Q2 2005 | Q3 2005 | YTD 2005 |
|--|------------|------------|------------|------------|-------------------|------------|------------|------------|-------------|
| Viasat Broadcasting | | | | | | | | | |
| Free-to-air TV Scandinavia - TV3/ZTV/TV3+ | 576.8 | 741.1 | 581.5 | 796.0 | 2,695.3 | 668.1 | 769.5 | 642.4 | 2,080.0 |
| Pay-TV Nordic | 571.2 | 572.7 | 568.7 | 608.1 | 2,320.7 | 605.0 | 629.8 | 672.2 | 1,906.9 |
| - Pay-TV DTH platform | 553.1 | 551.8 | 549.8 | 558.0 | 2,212.7 | 570.8 | 592.9 | 627.1 | 1,790.8 |
| - Pay-TV channels | 208.3 | 211.7 | 209.9 | 223.9 | 853.7 | 240.3 | 255.7 | 271.7 | 767.7 |
| - Pay-TV eliminations | -190.2 | -190.8 | -191.1 | -173.7 | -745.7 | -206.1 | -218.8 | -226.7 | -651.6 |
| C & E Europe | 85.4 | 126.8 | 86.0 | 144.0 | 442.3 | 121.8 | 162.8 | 133.3 | 417.9 |
| - Free-to-air Baltics - TV3/3+/Tango TV | 60.7 | 91.6 | 50.6 | 99.4 | 302.2 | 70.5 | 94.9 | 65.4 | 230.8 |
| - Viasat3 Hungary | 7.9 | 13.4 | 10.6 | 15.5 | 47.4 | 14.6 | 24.1 | 18.3 | 57.0 |
| - DTV Russia | 11.8 | 15.5 | 14.7 | 18.7 | 60.6 | 18.1 | 21.5 | 21.5 | 61.1 |
| - Pay-TV DTH platform & channels | 5.1 | 6.3 | 10.1 | 10.4 | 32.0 | 18.6 | 22.3 | 28.1 | 69.0 |
| BET24 | - | - | - | - | - | - | 55.5 | 58.9 | 114.4 |
| Other and eliminations | -68.3 | -69.3 | -61.7 | -46.6 | -246.0 | -33.6 | -30.6 | -22.6 | -86.8 |
| | 1,165.2 | 1,371.2 | 1,174.4 | 1,501.5 | 5,212.3 | 1,361.2 | 1,587.1 | 1,484.2 | 4,432.5 |
| Radio | 39.1 | 60.0 | 52.1 | 65.1 | 216.3 | 60.3 | 84.6 | 68.2 | 213.2 |
| Home Shopping | 204.7 | 188.0 | 188.7 | 247.3 | 828.6 | 245.2 | 222.0 | 225.4 | 692.5 |
| Modern Studios | 165.9 | 164.0 | 223.2 | 275.6 | 828.7 | 178.5 | 151.5 | 147.9 | 477.9 |
| Parent company & other companies | 30.3 | 37.1 | 23.6 | 24.7 | 115.7 | 34.9 | 39.5 | 23.4 | 97.8 |
| Eliminations | -129.4 | -142.1 | -112.2 | -169.2 | -553.0 | -138.0 | -105.3 | -103.3 | -346.6 |
| SDI Media & other discontinued businesses | 95.1 | 94.3 | 0.1 | -2.3 | 187.2 | - | - | - | - |
| GROUP TOTAL | 1,570.7 | 1,772.4 | 1,549.9 | 1,942.6 | 6,835.7 | 1,742.0 | 1,979.3 | 1,845.8 | 5,567.2 |

| Operating income, EBIT (SEK million) | Q1 2004 | Q2 2004 | Q3 2004 | Q4 2004 | Full Year 2004 | Q1 2005 | Q2 2005 | Q3 2005 | YTD 2005 |
|--|------------|------------|------------|------------|-------------------|------------|------------|------------|-------------|
| Viasat Broadcasting | | | | | | | | | |
| Free-to-air TV Scandinavia - TV3/ZTV/TV3+ | -11.8 | 75.6 | -45.9 | 160.9 | 178.8 | 58.2 | 144.9 | 100.6 | 303.7 |
| Pay-TV Nordic | 128.4 | 87.8 | 71.4 | 82.8 | 370.4 | 122.8 | 118.0 | 130.4 | 371.1 |
| - Pay-TV DTH platform | 74.8 | 48.9 | 26.6 | 45.3 | 195.7 | 76.0 | 59.6 | 74.9 | 210.6 |
| - Pay-TV channels | 53.6 | 38.9 | 44.8 | 37.4 | -30.4 | 46.7 | 58.4 | 55.5 | 160.6 |
| C & E Europe | -14.1 | 12.9 | -21.2 | 19.8 | -2.6 | -12.3 | 20.4 | -7.5 | 0.6 |
| - Free-to-air Baltics - TV3/3+/Tango TV | 7.0 | 34.8 | 0.3 | 41.9 | 84.0 | 8.5 | 29.2 | 2.8 | 40.5 |
| - Viasat3 Hungary | -13.7 | -10.3 | -11.9 | -7.6 | -43.6 | -9.8 | -2.4 | -4.1 | -16.3 |
| - DTV Russia | -6.0 | -5.9 | -2.7 | -5.7 | -20.3 | -5.9 | -5.2 | -7.1 | -18.2 |
| - Pay-TV DTH platform & channels | -1.4 | -5.7 | -6.9 | -8.8 | -22.8 | -5.2 | -1.2 | 0.9 | -5.5 |
| BET24 | - | - | - | - | - | - | 2.1 | 3.1 | 5.2 |
| Other & eliminations | 10.3 | 11.9 | 11.5 | 10.6 | 44.3 | 11.9 | 14.4 | 14.9 | 41.2 |
| Associated companies | 19.6 | 24.1 | 35.7 | 66.7 | 146.1 | 35.3 | 61.7 | 22.7 | 119.7 |
| | 132.3 | 212.2 | 51.4 | 340.9 | 736.9 | 215.8 | 361.5 | 264.2 | 841.4 |
| Radio | -10.4 | 5.3 | 0.3 | -6.4 | -11.3 | -15.0 | 6.0 | -2.1 | -11.0 |
| Associated companies | 0.9 | 2.7 | 6.6 | 3.6 | 13.8 | 5.8 | 5.0 | 13.5 | 24.3 |
| | -9.4 | 8.0 | 6.9 | -2.9 | 2.6 | -9.1 | 11.0 | 11.4 | 13.3 |
| Home Shopping | 8.6 | 5.9 | -1.5 | 4.2 | 17.2 | 16.9 | 10.1 | 14.9 | 42.0 |
| Modern Studios | 7.3 | 15.3 | 45.1 | -45.9 | 21.8 | -18.2 | 1.3 | -18.5 | -35.4 |
| Parent company & other companies | | | | | | | | | |
| Parent company & other companies | -38.0 | -44.7 | -15.6 | -25.7 | -124.0 | -26.8 | -47.2 | -45.4 | -119.5 |
| Associated companies | - | - | - | 1.7 | 1.7 | - | - | - | - |
| | -38.0 | -44.7 | -15.6 | -24.0 | -122.3 | -26.8 | -47.2 | -45.4 | -119.5 |
| SDI Media & other discontinued businesses | 10.0 | 13.4 | -2.2 | -0.5 | 20.6 | - | - | - | - |
| Net gain from the sale of SDI Media | - | - | 380.7 | - | 380.7 | - | - | - | - |
| GROUP TOTAL | 110.6 | 210.2 | 464.9 | 271.8 | 1,057.5 | 178.5 | 336.7 | 226.6 | 741.8 |

In accordance with IFRS 1, a comparison of the balance sheet and income statement in accordance with the previous accounting principles and IFRS for the comparative periods in this report is included below. Please see the interim report for the three months ended 31 March 2005 for further information about the transition to reporting under IFRS and recalculated figures for the twelve months ended 31 December 2004.

TRANSITION TO IFRS - RECONCILIATION

| CONSOLIDATED INCOME STATEMENT (MSEK) | | | | IFRS 2004 Jul-Sep | 2004 Jan-Sep | Adjustment IFRS | IFRS 2004 Jan-Sep |
|---|------|-----------------|--------------------|-------------------------|-----------------|--------------------|-------------------------|
| | Note | 2004 Jul-Sep | Adjustment IFRS | IFRS 2004 Jul-Sep | 2004 Jan-Sep | Adjustment IFRS | IFRS 2004 Jan-Sep |
| Net sales | | 1,550 | | 1,550 | 4,893 | | 4,893 |
| Cost of goods and services | | -1,116 | | -1,116 | -3,261 | | -3,261 |
| Gross income | | 434 | | 434 | 1,632 | | 1,632 |
| Selling and administrative expenses | | -357 | | -357 | -1,229 | | -1,229 |
| Other operating revenues | | 1 | | 1 | 3 | | 3 |
| Other operating expenses | 1 | -59 | 21 | -38 | -162 | 68 | -94 |
| Share of earnings in associated companies | 2 | 39 | 5 | 44 | 84 | 9 | 93 |
| Write-down of beneficial rights in Modern Entertainment | | - | | - | | | - |
| Net gain from the sale of SDI Media | | 381 | | 381 | 381 | | 381 |
| Operating income (EBIT) | | 439 | 26 | 465 | 708 | 78 | 786 |
| Dividends | | | | - | 15 | | 15 |
| Gain from sales of securities | | 15 | | 15 | 15 | | 15 |
| Net interest and other financial items | | -22 | | -22 | -65 | | -65 |
| Income before tax | | 433 | 26 | 459 | 674 | 78 | 751 |
| Tax | 3 | -26 | -3 | -29 | -126 | -9 | -135 |
| Minority interests | 4 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net income for the period | | 407 | 23 | 430 | 548 | 69 | 617 |
| Basic and fully diluted earnings per share (SEK) | | 6.13 | 0.35 | 6.48 | 8.25 | 1.03 | 9.29 |
| Attributable to: | | | | | | | |
| Equity holders of the parent | | 407 | 22 | 430 | 548 | 69 | 617 |
| Minority interests | 4 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net income for the period | | 407 | 23 | 430 | 548 | 69 | 617 |

| CONSOLIDATED BALANCE SHEET (MSEK) | Note | 2004 30 Sep | Adjustment IFRS | 2004 30 Sep |
|---|-------------|------------------------|----------------------------|------------------------|
| Non-current assets | | | | |
| Capitalised development expenses | | 39 | | 39 |
| Beneficial rights | 5 | 285 | -30 | 256 |
| Goodwill | 6 | 787 | 68 | 856 |
| Machinery and equipment | | 134 | | 134 |
| Shares and participations | 7 | 1,634 | 8 | 1,641 |
| Long-term receivables | 8 | 376 | 8 | 384 |
| | | 3,255 | 55 | 3,310 |
| Current assets | | | | |
| Inventory | | 1,000 | | 1,000 |
| Current receivables | 9 | 1,388 | -22 | 1,366 |
| Cash, cash equivalents and short-term investments | | 412 | | 412 |
| | | 2,800 | -22 | 2,779 |
| Total assets | | 6,056 | 33 | 6,089 |
| Shareholders' equity | | | | |
| Restricted equity | | 1,885 | | 1,885 |
| Non-restricted equity | 10 | 774 | 48 | 822 |
| Minority interests in equity | 11 | - | 1 | 1 |
| | | 2,660 | 49 | 2,709 |
| Minority interests | 11 | 1 | -1 | 0 |
| Provisions | 12 | 267 | -267 | 0 |
| Long-term liabilities | | | | |
| Convertible debenture loan 2001/2006 | 9 | 1,088 | -24 | 1,064 |
| Other interest-bearing liabilities | | 5 | | 5 |
| Long-term provisions | 12 | - | 276 | 276 |
| Non-interest-bearing liabilities | | 8 | | 8 |
| | | 1,101 | 252 | 1,354 |
| Current liabilities | | | | |
| Other interest-bearing liabilities | | | | - |
| Non-interest-bearing liabilities | | 2,026 | | 2,026 |
| | | 2,026 | 0 | 2,026 |
| Total shareholders' equity and liabilities | | 6,056 | 33 | 6,089 |

Notes to the adjustments

Note 1

Goodwill will be subject to impairment tests and the goodwill amortization has been discontinued. The amount of SEK 24 million comprises goodwill amortization charges arising from the acquisitions of subsidiaries.

Note 2

Indirect goodwill amortization arising from shares in participations has been discontinued and is subject to impairment tests. Analysis of the acquisitions made during 2004 has been made and the Group has identified a smaller part of the acquired goodwill as identifiable intangible assets, which will be amortized according to the plan.

The share of equity in associates is reported in accordance with IFRS.

Note 3

Deferred tax refers to amortization of goodwill in legal entities.

Note 4

In accordance with IFRS, deductions are not made for minority interest in the Income Statement.

Instead, a distribution between the parent's shareholders and the minority interests is made, which is reported alongside the Income Statement.

Note 5

The methodology for valuing certain assets has been changed and primarily impacts the valuation of beneficial film rights. Impairment tests of Sonet's film rights are now made on an individual basis, compared to an impairment test of the total library made under the previous principle. The Balance sheet is affected as follows:

| | |
|--------------------------|-----|
| Beneficial film rights | -30 |
| Deferred tax receivables | 8 |
| Net effect on equity | -22 |

Note 6

Goodwill has not been recalculated for acquisitions made before January 1, 2004. Impairment tests have been made during 2004.

Note 7

Indirect goodwill arising from the acquisition of shares in associated companies has not been re-calculated for acquisitions made before January 1, 2004. A smaller part of the acquired goodwill in associated companies has been allocated to other identifiable intangible assets in 2004. The IFRS associated companies accounting principles have been adopted and certain changes have been reported directly to equity. The latter refers principally to pension costs. The Balance sheet is affected as follows:

| | |
|---------------------------|---|
| Shares and participations | 8 |
| Net effect on equity | 8 |

Note 8

Deferred tax receivable refers to the effect of the valuation of beneficial rights.

Note 9

Prepaid borrowing costs for the convertible debenture loan have been re-calculated at the effective interest rate.

Further, a reclassification of the prepaid borrowing costs has been made and netted off against the convertible loan liability in the Balance sheet. The Balance sheet is affected as follows:

| | |
|----------------------------|-----|
| Prepaid borrowing costs | -22 |
| Convertible debenture loan | 24 |
| Net effect on equity | 2 |

Note 10

Unrestricted equity has been adjusted as a result of the adoption of IFRS. The adjustment can be divided into the following.

| | |
|--|-----|
| Adjustment of beneficial rights, note 5 | -30 |
| Adjustment of goodwill amortization for subsidiaries, note 1 and 6 | 68 |
| Adjustment of shares of equity associated companies, note 2 and 7 | 8 |
| Deferred tax receivables, note 8 | 8 |
| Recalculation of borrowing costs, note 9 | 2 |
| Deferred tax liabilities, note 3 and 12 | -9 |
| Net effect on equity | 48 |

Note 11

Due to the adoption of IFRS, minority interests are classified as part of equity.

Note 12

The heading Provisions is discontinued and the items have been transferred to long-term liabilities.

Deferred tax liabilities has been calculated for the goodwill amortization referring to goodwill in legal entities.