MODERN TIMES GROUP MTG AB

FINANCIAL RESULTS FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2005

Stockholm, 16 February 2006 – Modern Times Group MTG AB ("MTG") (Stockholmsbörsen: MTGA, MTGB) today announced its preliminary financial results for the fourth quarter and twelve months ended 31 December 2005. The Group's consolidated accounts have been prepared according to International Financial Reporting Standards (IFRS).

FOURTH QUARTER HIGHLIGHTS

- **Group net sales up 27% to SEK 2,463 (1,934) million**
- **Group operating income almost doubled to SEK 543 (272) million**
- **Strong sales growth and margin improvement in all three broadcasting segments - Free-to-air TV Scandinavia, Pay-TV Nordic and C&E Europe**
- **Net sales for Viasat Broadcasting businesses up 36% to SEK 2,023 (1,493) million and operating profit up 60% to SEK 546 (341) million**
- **Net intake of 56,000 premium DTH subscribers**
- **Net income more than doubled to SEK 370 (129) million**
- **Basic earnings per share more than doubled to SEK 5.53 (1.95)**

FULL YEAR HIGHLIGHTS

- **Group net sales up 18% to SEK 8,012 (6,805) million**
- **Group operating income up 90% to SEK 1,285 (677) million (excluding SEK 381 million net gain from the sale of SDI Media in 2004)**
- **Strong sales growth and margin improvement in all three broadcasting segments**
- **Net sales for Viasat Broadcasting businesses up 24% to SEK 6,437 (5,181) million and operating profit up 88% to SEK 1,388 (737) million**
- **Net intake of 151,000 premium DTH subscribers**
- **Net income up 66% to SEK 1,237 (746) million (including SEK 389 million net gain from the sale of TV4 shares in 2005, and SEK 381 million net gain from the sale of SDI Media in 2004)**
- **Basic earnings per share up 65% to SEK 18.56 (11.23)**

DISTRIBUTION OF SHARES IN METRO INTERNATIONAL S.A

- **Proposal by Board of Directors to distribute shares of Metro International S.A. by means of a share split and mandatory redemption programme**

Hans-Holger Albrecht, President and CEO, commented: “2005 has been a very strong year for MTG, with each of our core broadcasting businesses delivering continued sales growth and increased operating margins. The result – a record high annual operating profit in the history of MTG. We are seeing the clear benefits of the strategic investments that we have made over the past few years to strengthen our programming schedules, network penetration, channel offering, technology and marketing, as well as to extend our footprint into high growth new markets. We have successfully built market leading positions and further broadened the range of products and services that we offer, and thereby generated a return on capital employed of 22.1% in 2005.

“These investments continued in 2005 with the launch of five new Viasat channels, the introduction of the revolutionary Viasat+ offering, and the acquisition of shareholdings in the companies controlling BET24 and TV Prima, which are building blocks of further growth.

“We have successfully diversified our entertainment broadcasting business into a balanced mix of exposure to the structurally changing and growing Scandinavian advertising markets, rapidly evolving own-platform and wholesale pay-TV businesses, and high growth Central & East European economies. Owning and operating these businesses, typically through a common centralized structure, gives MTG an inherent advantage that continues to enable us to deploy resources more quickly, flexibly and cost effectively than our competitors.

“Given the strength of the Group’s balance sheet, the ongoing strong cash flow generation, and our strategic focus on core broadcasting operations, it is proposed that MTG distributes shares in Metro International by means of a share split and mandatory redemption share programme for MTG shareholders. Our shareholders have benefited from significant returns on our investment in Metro, which was founded within MTG and has developed into the world’s largest and fastest growing international newspaper. Further details of the proposal are included at the end of this statement and will be presented in full in advance of the Annual General Meeting.

“In summary, we are well on track with our strategic objectives and we continue to review new investment opportunities in order to generate further shareholder value.”

FINANCIAL SUMMARY

(SEK million)	**Oct–Dec 2005**	Oct–Dec 2004	**Jan–Dec 2005**	Jan–Dec 2004
Net sales	**2,463**	1,934	**8,012**	6,805
Operating income excluding net gain from the sale of SDI Media	**543**	272	**1,285**	677
Net gain from the sale of SDI Media	**-**	-	**-**	381
Operating income (EBIT)	**543**	272	**1,285**	1,058
Net gain from the sale of TV4 shares	**-**	-	**389**	-
Net interest & other financial items	**-26**	1	**-107**	-34
Pre-tax profit	**517**	273	**1,567**	1,024
Net income	**370**	129	**1,237**	746
Basic earnings per share (SEK)	**5.53**	1.95	**18.56**	11.23
Fully diluted earnings per share (SEK)	**5.52**	1.94	**18.56**	11.23
Total assets	**9,893**	6,398	**9,893**	6,398

Comparative figures for all prior reporting periods have been restated according to IFRS.

GROUP REVIEW

Continued Strong Sales Growth

The Group generated 27% year on year net sales growth to SEK 2,463 (1,934) million in the fourth quarter and 18% sales growth to SEK 8,012 (6,805) million for the full year. This performance reflected continued strong growth in each of the Group’s three core broadcasting businesses – Free-to-air TV Scandinavia, Pay-TV Nordic and Central & Eastern Europe, as well as the consolidation of the BET24 betting and gaming business and the newly acquired Czech TV channel - TV Prima.

NET SALES BY BUSINESS AREA *(SEK million)*	**Oct–Dec 2005**	Oct–Dec 2004	**Jan–Dec 2005**	Jan–Dec 2004
Free-to-air TV Scandinavia	***875***	*777*	***2,912***	*2,634*
Pay-TV Nordic	***726***	*608*	***2,633***	*2,321*
Central & Eastern Europe	***371***	*154*	***813***	*473*
Other & eliminations	***52***	*-47*	***80***	*-246*
Viasat Broadcasting	**2,023**	1,493	**6,437**	5,181
Radio	**77**	65	**290**	216
Other business areas	**459**	523	**1,629**	1,657
Parent company & other companies	**30**	25	**128**	116
Eliminations	**-126**	-169	**-473**	-553
	2,463	1,936	**8,012**	6,618
SDI Media & other discontinued businesses	**-**	-2	**-**	187
	2,463	1,934	**8,012**	6,805

The Group's revenue mix continued to reflect its diversified and balanced structure, with 40% of full year revenues derived from advertising sales; 39% from subscription payments; and 21% from other business-to-business and business-to-consumer sales.

More Profitable than Ever

The Group reported its highest ever quarterly and annual operating profits in the fourth quarter and for the full year. Earnings before interest and tax almost doubled to SEK 543 (272) million in the quarter. Excluding the SEK 381 million net gain from the sale of SDI Media in 2004, Group operating income grew by 90% year on year to SEK 1,285 (677) million for the full year. The record level of operating profitability reflected continued margin improvement in each of the Group's core television broadcasting businesses – Free-to-air TV Scandinavia, Pay-TV Nordic and C&E Europe – as well as a substantially increased contribution from the Group's 43.1% shareholding in CTC Media, Inc. in Russia.

Depreciation and amortization charges totalled SEK 43 (110) million in the fourth quarter and SEK 146 (219) million for the full year, which reflected a SEK 66 million write down of beneficial rights in Modern Entertainment during the fourth quarter of 2004. Operating costs excluding discontinued or sold businesses increased by 19% year on year in the quarter and by 14% for the full year, which primarily reflected the consolidation of BET24 and TV Prima from April and November respectively; higher subscriber acquisition costs relating to the substantial subscriber intake throughout the year; as well as increased programming investments and channel launch costs in the Group's broadcasting operations in Scandinavia and Central & Eastern Europe. Excluding discontinued businesses and the net gain from the sale of SDI Media, but including the Group's participation in the earnings of associated companies, the Group reported an increased operating margin of 22% (14%) in the quarter and 16% (10%) for the full year. The margin improvement for the full year also reflected the non-recurring costs incurred during 2004 to successfully secure the pay-TV platform against piracy.

OPERATING INCOME BY BUSINESS AREA *(SEK million)*	**Oct–Dec 2005**	Oct–Dec 2004	**Jan–Dec 2005**	Jan–Dec 2004
Free-to-air TV Scandinavia	***188***	*161*	***492***	*179*
Pay-TV Nordic	***136***	*83*	***507***	*370*
Central & Eastern Europe	***76***	*20*	***76***	*-3*
Other & eliminations	***8***	*11*	***55***	*44*
Associated companies	***139***	*67*	***258***	*146*
Viasat Broadcasting	**546**	341	**1,388**	737
Radio	**10**	-3	**23**	2
Other business areas	**30**	-42	**37**	39
Parent company & other companies	**-43**	-24	**-163**	-122
	543	272	**1,285**	656
SDI Media & other discontinued businesses				21
Net gain from the sale of SDI Media				381
	543	272	**1,285**	1,058

Net interest and other financial items totalled SEK -26 (1) million in the quarter and SEK 282 (-34) million for the full year. The full year figure included the net gain of SEK 389 million from the sale of TV4 shares in the first quarter of 2005. Net interest amounted to SEK -11 (-12) million in the quarter and SEK -42 (-61) million for the full year, which principally comprised the interest due on the convertible loan notes. Other financial items of SEK -14 (13) million in the quarter and SEK 324 (27) million for the full year included unrealised currency exchange rate differences of SEK -11 (7) million and SEK -51 (10) million for the respective periods, which arose from the translation of the Euro-denominated convertible debentures.

Group pre-tax profit increased by 89% year on year to SEK 517 (273) million in the quarter and by 53% to SEK 1,567 (1,024) million for the full year. Group tax charges amounted to SEK -148 (-144) million in the fourth quarter and SEK -330 (-278) million for the full year. The full year Group tax rate is lower than in previous years, which is due to the effect of confirmed tax loss carry forward that had not been previously confirmed or accounted for; to the rapid development of operations in countries with tax rates of below 30%; and to declining losses with unrecognised tax benefits in certain territories. The underlying forward Group tax rate is expected to be approximately 30-35%, but may vary between interim reporting periods.

The Group consequently reported a more than doubling of net income year on year to SEK 370 (129) million in the quarter and a 66% increase to SEK 1,237 (746) million for the full year. Group earnings per share more than doubled to SEK 5.53 (1.95) in the quarter and were up by 65% to SEK 18.56 (11.23) for the full year.

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 maximum total cash consideration of EUR 96 million. GMH owns 100% of TV Prima, which is the second largest national television channel in the Czech Republic. TV Prima was fully consolidated with effect from 1 November, and its results are reported within the Viasat Broadcasting business area. Further details are included in Appendix 2 at the end of this report.

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

MTG sold the majority of the movie rights in its Modern Entertainment library in July, 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 Holding AS in June for an initial consideration of SEK 12 million. Engine is a concept developer, creating unique music and video products for market leading brands and characters, and is developing the official music programme for the 2006 FIFA World Cup in Germany. The Company’s results are reported within the Modern Studios business area.

MTG signed an option agreement in December to increase its shareholding in Nordic Betting Limited from 51% to 90% for a cash consideration of Euros 8 million. The intention is to exercise the option and finalise the transaction during the first quarter of 2006. Nordic Betting Limited owns the BET24 online betting and gaming businesses. MTG has consolidated the results of Nordic Betting Limited since April when the Group increased its shareholding in the Company from 19.9% to 51.0%, by means of a directed new share issue. The Company’s results are reported within the Viasat Broadcasting business area.

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 January 2005. The shares were sold for SEK 170 per share, which resulted in a net gain of SEK 389 million that was reported as a financial item in the consolidated income statement.

OPERATING REVIEW

VIASAT BROADCASTING

(SEK million)	**Oct–Dec 2005**	Oct–Dec 2004	**Jan–Dec 2005**	Jan–Dec 2004
Net Sales	**2,023**	1,493	**6,437**	5,181
Operating Income	***407***	*274*	***1,130***	*591*
Associated Company Income	***139***	*67*	***258***	*146*
Total Operating Income	**546**	341	**1,388**	737
Operating Margin (%)	**27**	23	**22**	14

MTG's Television broadcasting businesses generated a combined 36% year on year growth in net sales to SEK 2,023 (1,493) million in the quarter, and 24% growth to SEK 6,437 (5,181) million for the full year. The Group showed healthy growth across all of its broadcasting segments - Free-to-air TV Scandinavia, Pay-TV Nordic, and Central & Eastern Europe. The 2005 sales figures were also positively impacted by the full consolidation of the results of Nordic Betting Limited from April 2005 and the Czech TV channel 'TV Prima' from November 2005.

The Group has harmonized its treatment of media agency commissions for its free-to-air broadcasting operations in the Scandinavian and Baltic regions, which has had a minor impact on reported revenues. The treatment is dependent on the nature of the relationship with the end customer and the media agency commissions are typically treated as a cost of sales. The Group's net sales for prior reporting periods in 2004 and the first three quarters of 2005 have therefore been restated to reflect this change and the segmental reporting matrix at the end of this statement has been adjusted accordingly. These changes have no impact on the operations' profits.

Operating costs increased by 33% year on year in the quarter and by 16% for the full year. This increase was due to increased subscriber acquisition costs as a result of the continued strong subscriber intake; the launch of five new free-to-air and pay-TV channels during the year; higher programming costs in Scandinavia and Central & Eastern Europe; and the consolidation of the BET24 and TV Prima operations. Excluding the consolidation of the latter two businesses, operating costs increased by 16% year on year in the quarter and by 9% for the full year.

Viasat Broadcasting therefore delivered enhanced operating margins of 27% (23%) in the quarter and 22% (14%) for the full year, including MTG's participation in the earnings of CTC Media, Inc.

Nordic Betting Limited's strong growth continued throughout the year, with net sales more than doubling year on year to SEK 90 (42) million in the quarter and SEK 252 (119) million for the full year. Gross profit from betting and gaming activities amounted to SEK 22 (7) million in the quarter and SEK 61 (19) million for the full year, following a particularly strong performance from the Poker and Casino products. Due to increased investments in marketing and promotion to support continued customer acquisition, as well as further expansion into new territories, the Company reported an operating result of SEK -6 (1) million in the quarter and SEK 1 (-2) million for the twelve month period. Nordic Betting Limited is included in MTG's reported consolidated results and contributed sales of SEK 90 (-) million in the fourth quarter and SEK 205 (-) million for the full year, and an operating result of SEK -6 (-) million in the quarter and SEK -1 (-) million for the full year.

Free-to-air TV Scandinavia

Double Digit Sales Growth & Higher Margins

(SEK million)	**Oct–Dec 2005**	Oct–Dec 2004	**Jan–Dec 2005**	Jan–Dec 2004
Net Sales	**875**	777	**2,912**	2,634
Operating Income	**188**	161	**492**	179
Operating Margin (%)	**22**	21	**17**	7

Viasat's free-to-air television operations in Scandinavia generated 13% year on year sales growth to SEK 875 (777) million in the quarter and 11% growth to SEK 2,912 (2,634) million for the full year.

Operating costs for the TV3, ZTV and TV3+ channels were up by 11% year on year in the quarter but down by 1% for the full year. The increase in the quarter reflected seasonally weighted higher programming investments to support the Fall schedules, as well as lower year on year analogue distribution cost savings than in the previous periods of 2005. This latter effect is due to the fact that analogue distribution in Norway was already closed down before the fourth quarter of 2004 and does not therefore affect year on year comparability. The Group continued to benefit from the discontinuation of analogue distribution in Sweden from the second quarter of 2005, as well as from the renegotiation of the analogue distribution contracts in Denmark. The analogue distribution of TV3 and TV3+ in Denmark will be switched off during the first half of 2006.

The approximately 5% year on year increase in programming costs in 2005 is expected to increase at a slightly higher rate in 2006, but will continue to vary between quarters due to seasonal weightings. This is due, in particular, to the impact of new sports rights contracts that come into effect during 2006, such as the prolongation of the UEFA Champions League relationship for a further three seasons, as well as the recent addition of new sports rights such as the Formula 1 motor racing world championship.

The Scandinavian free-to-air TV operations reported a 17% year on year increase in operating profits to SEK 188 (161) million in the quarter and an almost tripling of operating profits to SEK 492 (179) million for the full year. The fourth quarter result did however also include a one-off non-cash write-down of SEK 16 million, which arose from the Group's regular evaluation of programming inventory.

Operating margins for the business were consequently up year on year in the quarter and full year, to 22% (21%) and 17% (7%) respectively.

Climbing Ratings in Sweden & Denmark

Commercial Share of Viewing (%)	**Oct–Dec 2005**	Oct–Dec 2004	**Jan–Dec 2005**	Jan–Dec 2004
TV3 & ZTV Sweden (15-49)	**31.6**	30.8	**31.4**	30.3
TV3 & ZTV Norway (15-49)	**17.3**	18.2	**17.2**	18.0
TV3 & TV3+ Denmark (15-49)	**22.5**	22.1	**22.0**	22.4

TV3 and ZTV's combined commercial share of viewing in Sweden improved in the quarter following a successful Fall Schedule that featured acquired series such as 'ER' on TV3; own productions such as 'Robinson' and 'Efterlyst' on TV3; and the popular reality show about football team 'FCZ' on ZTV. Both channels benefited from continued growth in the Swedish advertising market, as well as penetration gains arising from the ongoing gradual switch-off of analogue terrestrial network in Sweden, which commenced during the Fall. TV3 and ZTV now reach 73% and 66% of Swedish TV households respectively.

The combined commercial share of viewing figures for TV3 and ZTV Norway were down year on year in the quarter and for the full year. However, the channels took advertising market shares in a growing market during 2005. Ratings and commercial share of viewing improved towards the end of the quarter following rescheduling; the success of formats such as 'Top Model'; and 2005's record viewing audience for the clash between the Norwegian and Czech national football teams.

Viasat's Danish free-to-air TV channels (TV3 and TV3+) reported increased commercial share of viewing in the quarter on the back of a successful Fall schedule that included hit US series '4400', as well as high rating own productions such as 'Robinson' and 'Paradise Hotel'. TV3+ became the third most watched commercial channel in Denmark on a full year basis for the first time, having overtaken TV Denmark with a powerful schedule that featured extensive local and international football coverage. 1.6 million TV households are now able to watch TV3 and TV3+ via satellite, cable or SMATV networks, which represents 67% of total Danish TV households.

Pay-TV Nordic

High Subscriber Intake & Increased Margins

(SEK million)	**Oct–Dec 2005**	Oct–Dec 2004	**Jan–Dec 2005**	Jan–Dec 2004
Net Sales	**726**	608	**2,633**	2,321
Operating Income	**136**	83	**507**	370
Operating Margin (%)	**19**	14	**19**	16

Viasat Broadcasting's pay-TV operations in the Nordic region generated year on year net sales growth of 19% to SEK 726 (608) million in the fourth quarter, and up from SEK 672 million in the third quarter. Full year sales were up 13% to SEK 2,633 (2,321) million.

The business comprises Viasat's DTH satellite broadcasting platform and 17 Viasat pay-TV channels. The strong net subscriber intake was reflected in increased total subscriber acquisition costs and the Group's cost base was also impacted by the launch of the new Norwegian sports channel 'SportN' in the Fall, as well as aggressive marketing campaigns for the ‘Viasat+’ Personal Video Recorder product and service, which was also introduced in the Scandinavian markets during the Fall.

The Nordic pay-TV operating margin increased year on year to 19% (14%) in the fourth quarter, and compared with 19% in the third quarter. The margin for the full year increased to 19% (16%) and reflected the investments made during 2004 to migrate the premium subscriber base to a new secure encrypted conditional access technology. The resulting lower subscriber churn level positively impacted on ongoing margins. Operating profits increased by 64% year on year to SEK 136 (83) million in the quarter, and compared to SEK 130 million in the third quarter. Operating profits were up 37% to SEK 507 (370) million for the full year.

(000’s)	**December 2005**	September 2005	December 2004
Digital subscribers	**800**	749	680
- of which, Premium Nordic *	**603**	556	475
- of which, Premium Baltics	**38**	29	15
- of which, Basic Nordic	**158**	163	190
Nordic IPTV premium subscribers	**12**	9	-

** Including 13,000 premium subscribers with multi-subscriptions. The additional subscriptions are not included in the table above.*

Viasat’s fourth quarter net intake of digital premium DTH subscribers in the Nordic region amounted to 47,000. Viasat has therefore added a net total of 128,000 premium subscribers to the platform during 2005, which is equivalent to an increase of 27% when compared with the number of premium subscribers at the beginning of the year. This continued growth follows the switching off of the legacy encryption system in September 2004 and the significant resulting reduction in subscriber churn levels, and also reflects the addition of ten new own-produced Viasat-branded sports, movies and documentary channels since September 2004, as well as the inclusion of third party channels such as ‘TV4 Film’, ‘TV4+’ and ‘TV400’ in Sweden. ‘TV4’, which is the largest Swedish commercial TV channel, has also been included in Viasat’s pay-TV offering since the beginning of 2006.

Annualized average revenue per premium subscriber (ARPU) increased year on year to SEK 3,277 (3,100) in the fourth quarter, and from SEK 3,193 in the third quarter of 2005. This increase reflected a price rise for the premium package in Norway during the Fall from NOK 299 per month to NOK 319 per month; an increasing number of introductory offer subscribers maturing into the higher ARPU second year of their contracts; and favourable currency exchange rates during the period.

Viasat’s ‘Basic’ pay-TV package had 158,000 (190,000) subscribers at the end of the year, compared with 163,000 at the end of the third quarter. This reflected the ongoing strong competition in the entry level segment of the market, as well as the continued successful up-selling of entry level subscribers into Viasat’s premium tier packages.

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). A further 3,000 net new IPTV subscribers were added during the quarter, and Viasat now has a total base of 12,000 IPTV subscribers. The offering comprises the Viasat ‘Gold’ premium package delivered to households via broadband fibre and ADSL connections.

Viasat introduced the ‘Viasat+’ fully integrated ‘Personal Video Recorder’ (PVR) product and service into the Scandinavian markets during the fourth quarter. Viasat+ is available with a Viasat Gold premium subscription for an additional SEK/NOK/DKK 99 per month, and will therefore increase ARPU moving forward. Given its revolutionary functionality and success in other countries, the new product and service are also expected to further reduce subscriber churn levels.

Viasat's 'multi-subscription' offering has also proven increasingly popular with the addition of 5,000 new 'multi-room households' in the fourth quarter. Additional second and third 'multi-room' subscriptions are offered in each territory and, for example, cost SEK 99 and SEK 49 per month respectively in Sweden. Viasat had a total of 13,000 'multi-room' subscribers by the end of the year.

Viasat’s Nordic ‘DTH platform’ generated 21% year on year net sales growth to SEK 676 (558) million in the fourth quarter, which compared with SEK 627 million in the third quarter. Net sales for the full year were up by 11% to SEK 2,466 (2,213) million. Operating income from the platform almost doubled year on year to SEK 86 (45) million in the quarter, and up from SEK 75 million in the third quarter. The platform reported a 51% increase in operating income to SEK 296 (196) million for the full year.

Viasat’s Nordic pay-TV channels generated 36% year on year sales growth to SEK 303 (224) million in the fourth quarter, and up from SEK 272 million in the third quarter. Net sales for the full year were up 26% to SEK 1,071 (854) million. The reporting segment comprises Viasat’s six ‘TV1000’ channels, six ‘Viasat Sport’ channels, ‘Viasat History’, ‘Viasat Explorer’, ‘Viasat Nature’, ‘Viasat Crime’ and ‘TV8’. Operating costs increased by 36% year on year in the quarter and by 27% for the full year, which reflected the launch of four new ‘TV1000’ channels in September 2004; of ‘Viasat History’ in October 2004; of ‘Viasat Sport 24’ in April 2005; and of ‘SportN’ in November 2005, as well as increased programming costs at TV8. The 17 channels reported a combined 34% year on year increase in operating profits to SEK 50 (37) million in the fourth quarter, and compared to SEK 56 million in the third quarter of 2005. Operating profits for the full year were up 21% to SEK 211 (175) million.

Viasat’s new sports channel – ‘SportN’ – was launched in Norway in November. The channel is a cooperation with Norwegian public service broadcaster NRK, and is distributed on Viasat's DTH satellite platform, as well as through third party cable and IPTV networks. The new sports channel has replaced ‘Viasat Sport 1’ in Norway and combines NRK and Viasat’s portfolios of the very best in local, national and international sports entertainment. The channel will benefit from extensive coverage of the 2006 Winter Olympic Games, which are currently taking place in Turin (Italy). Viasat therefore provides a dedicated national sports channel in each of the Scandinavian countries, as well as three pan-Scandinavian ‘Viasat Sport’ channels.

Central & Eastern Europe

Rapid Growth & Profitable

(SEK million)	**Oct–Dec 2005**	Oct–Dec 2004	**Jan–Dec 2005**	Jan–Dec 2004
Net Sales	**371**	154	**813**	473
Operating Income	***76***	*20*	***77***	*-3*
Associated Company Income	***139***	*67*	***258***	*146*
Total Operating Income	**215**	87	**335**	143

The Group's free-to-air and pay-TV operations in Central and Eastern Europe reported a more than doubling of net sales year on year to SEK 371 (154) million in the quarter, and 72% growth to SEK 813 (473) million for the full year. Even excluding the consolidation of the newly acquired Czech TV station 'TV Prima' with effect from the beginning of November, net sales were up by 52% year on year in the quarter and by 43% for the full year.

The Group turned the full year 2004 operating loss of SEK -3 million for its fully consolidated operations into an operating profit of SEK 77 million for the full year 2005. Operating profits for the combined businesses more than tripled in the fourth quarter to SEK 76 (20) million, which included an operating profit of SEK 33 million from TV Prima.

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 23% year on year increase in net sales to SEK 135 (109) million in the fourth quarter, and 17% growth to SEK 390 (333) million for the full year.

Commercial Share of Viewing (%)	**Oct–Dec 2005**	Oct–Dec 2004	**Jan-Dec 2005**	Jan–Dec 2004
TV3 and 3+ in Estonia (15-49)	**49.0**	44.6	**47.4**	46.1
TV3 and 3+ in Latvia (15-49)	**38.1**	32.5	**34.2**	30.5
TV3 and Tango TV in Lithuania (15-49)	**34.9**	36.2	**35.0**	36.5

Viasat's pan-Baltic commercial share of viewing (15-49 year olds) increased to 37.8% (36.3%) year on year in the quarter, as TV3 consolidated its position as the largest TV channel in all three countries. Programming costs were higher year on year, which reflected general cost inflation in the market; a new licence fee payable in Estonia following the discontinuation of advertising on the public service channels; and the launch of Russian language channel 3+ in Estonia at the beginning of 2005. The Baltic free-to-air TV operations therefore reported operating profits of SEK 46 (42) million in the quarter and SEK 87 (84) million for the full year.

Commercial Share of Viewing (%)	**Oct–Dec 2005**	Oct–Dec 2004	**Jan–Dec 2005**	Jan–Dec 2004
TV Prima (15+)	**26.5**	23.6	**24.6**	22.9
Viasat3 (18-49)	**5.4**	4.6	**5.5**	4.5
DTV (6-54)	**2.3**	1.5	**1.9**	1.6
CTC & The Home Channel (4+)*	**12.8**	10.0	**11.3**	9.8

* Share of Viewing including all channels

The second largest TV channel in the Czech Republic - 'TV Prima' was fully consolidated from 1 November and the channel reported net sales of SEK 136 (-) million and an operating profit of SEK 33 (-) million for the two months of the quarter, which is the seasonally strongest period of the year. The business performed particularly strongly in the second half of the year on the back of climbing ratings, as programming such as reality TV show 'Vyvoleni' proved enormously popular with viewers. TV Prima achieved prime time peak shares of viewing of over 30% during the all important Fall season. Following MTG's involvement, the business has increased its programming and viewing share ambitions further, and has already signed a contract with Hollywood studio Warner Bros., as well as increased the number of own productions and popular entertainment series in its schedule. These programming investments will impact the operating cost base, but are also expected to further boost ratings and enable the channel to take additional market share. Net sales were up by 13% to CZK 1,741 (1,542) million for the full year, following a sharp decline in the first part of the year, and the operating result of CZK 128 (264) million reflected weak performance in the first half of the year.

Viasat3 Hungary reported its first ever quarterly operating profit in the final quarter of the year. With net sales more than doubling year on year in the quarter to SEK 33 (16) million and almost doubling to SEK 90 (47) million for the full year, the channel turned an operating loss of SEK -8 million in the fourth quarter of 2004 into a profit of SEK 1 million in the fourth quarter of 2005, and reduced its losses to -16 (-44) million for the full year. The result followed further commercial share of viewing gains on the back of popular programming such as US series 'C.S.I' and the channel's UEFA Champions League coverage.

MTG's Russian TV channel 'DTV' generated continued strong growth with net sales almost doubling year on year to SEK 37 (19) million in the quarter, and up by 62% to SEK 98 (61) million for the full year. The operating result improved year on year from SEK -6 million to SEK -2 million in the fourth quarter, and was stable at SEK -20 (-20) million for the full year, which reflected ongoing programming investments that drove the channel's commercial share of viewing up to 2.3% (1.5%).

The largest independent TV broadcaster in Russia - CTC Media, Inc. – in which MTG owns a 43.1% stake, generated a 61% year on year growth in net sales to approximately US$ 90 (56) million in the quarter, and 53% growth to US$ 237 (156) million for the full year. CTC Media's operating profits increased to approximately US$ 48 (26) million in the quarter and to approximately US$ 90 (63) million for the full year, and the business achieved operating margins of 53% (46%) and 38% (40%) for the two respective periods. These results are preliminary and have not been subject to audit by CTC's auditors. The sales growth reflected the continued strong development in the Russian national, regional and local advertising markets, as well as continued commercial share of viewing gains for both CTC and The Home Channel. The annual operating margin decline reflected the launch costs associated with the new national channel - The Home Channel, and programming cost inflation.

CTC Media, Inc. changed its programme amortization policies with effect from 1 July 2005. This change gave rise to a US$ 2.9 million increase in amortization costs in CTC Media's results for the second half of 2005 and impacted MTG's results in the fourth quarter.

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 reflected the different ownership stakes that MTG held in CTC Media during the various reporting periods. CTC Media contributed SEK 139 (67) million to the Group's operating profit in the fourth quarter and SEK 258 (147) million for the full year.

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', 'TV1000 Russian Kino', 'Viasat History', 'Viasat Explorer', and 'Viasat Sport' channels outside the Nordic region. These five 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.

(000's)	**December 2005**	September 2005	December 2004
Digital Premium Baltic subscribers	**38**	29	15
C & E Europe mini-pay-TV subscribers	**11,541**	10,242	6,384

Viasat's Baltic pay-TV platform reported a net intake of 9,000 premium subscribers during the quarter and now has a total of 38,000 premium subscribers.

The wholesale business continued to report rapid growth with the channels adding a further 1.3 million subscribers during the fourth quarter. The five channels now have a total of 11.5 million subscribers in 17 countries across the region. Five million households were added during 2005, which is equivalent to an 81% year on year increase in the subscriber base.

Net sales for the pay-TV business in Central and Eastern Europe tripled year on year to SEK 30 (10) million in the fourth quarter and to SEK 99 (32) million for the full year. The operating results for the operations were also dramatically improved to SEK -2 (-9) million in the quarter and SEK -7 (-23) for the full year.

RADIO

(SEK million)	**Oct–Dec 2005**	Oct–Dec 2004	**Jan-Dec 2005**	Jan–Dec 2004
Net Sales	**77**	65	**290**	216
Operating Income	***0***	*-6*	***-11***	*-11*
Associated Company Income	***9***	*4*	***34***	*14*
Total Operating Income	**10**	-3	**23**	3

The Group's radio operations generated year on year sales growth of 18% to SEK 77 (65) million in the quarter and 34% to SEK 290 (216) million for the full year. Following the cooperation agreement with NRJ in 2004 and the subsequent operational integration of NRJ's 20 Swedish stations, the fourth quarter was the first quarter in which the year on year sales and costs were more directly comparable.

MTG Radio operates 53 out of the 86 commercial radio stations in Sweden, including the RIX FM national network, which together have an unrivalled national penetration of 89%. According to the latest RUAB independent listener survey, MTG's Swedish stations now attract more than 2 million daily listeners. MTG Radio Sweden has therefore increased its commercial share of listening (9-79 year olds, Monday to Friday) even further to 64.9% (58.8%).

MTG's wholly owned operations achieved break-even in the fourth quarter, compared to an operating result of SEK -6 million for the same period of 2004. The full year operating result was stable at SEK -11 (-11) million, and reflected the additional costs of operating the 20 NRJ stations.

The results for the Radio business area also include MTG's share of earnings in associated companies, which primarily comprises the 39.7% shareholding 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 therefore amounted to SEK 9 (4) million in the quarter and SEK 34 (14) million for the full year. MTG Radio's total operating income consequently amounted to SEK 10 (-3) million in the quarter and increased to SEK 23 (3) million for the full year.

OTHER BUSINESSES

(SEK million)	**Oct–Dec 2005**	Oct–Dec 2004	**Jan-Dec 2005**	Jan–Dec 2004
Modern Studios				
Net Sales	**160**	276	**638**	829
Operating Income	**10**	-46	**-26**	22
Home Shopping				
Net Sales	**299**	247	**992**	829
Operating Income	**21**	4	**63**	17

Net sales for the Modern Studios business area totalled SEK 160 (276) million in the quarter and SEK 638 (829) million for the full year. This decline reflected the extraordinary performance by the Group's Strix Television production house in the second half of 2004. The business area reported an operating result of SEK 10 (-46) million in the quarter and SEK -26 (22) million for the full year. The full year result was negatively impacted by the generally weak performance of Sonet movie releases, and also included non-cash amortisation charges and write downs of SEK 33 million arising from Sonet's English language feature film - 'Rancid'. The 2004 fourth quarter and full year results included SEK 66 million of non-cash write-downs of beneficial rights in The Modern Entertainment business.

The Home Shopping business area comprises CDON.com, the largest Internet entertainment retailer in the Nordic region, and the 'TV-Shop' direct response TV channel that reaches 100 million homes in 52 European countries. The business area reported year on year sales growth of 21% to SEK 299 (247) million in the quarter and 20% growth to SEK 992 (829) million for the full year. CDON continued to perform well across its entire product range and generated more than 50% of the business area's sales, whilst TV Shop benefited from strong sales for home fitness product 'Ab King Pro'. The business area reported an improved operating margin of 7% (2%) in the quarter and 6% (2%) for the full year, as operating profits rose year on year to SEK 21 (4) million in the fourth quarter and more than tripled to SEK 63 (17) million for the full year. Both CDON and TV Shop were profitable in the quarter and for the full year.

The Group has recently received a claim relating to the disposal of the SDI Media business area in July 2004 to private equity group Warburg Pincus. The buyer is claiming damages of approximately US$ 9.4 million of the US$ 60 million consideration paid, in relation to warranties given by the Group in the sales process. Based on the arguments for the claim and the initial information received, the Group finds that the claim is substantially without merit, both in regards to the basis of the claim and the amounts, and has therefore not made any provisions in relation to the claim.

GROUP FINANCIAL REVIEW

Cash Flow

The Group generated SEK 351 (217) million of cash flow from operations in the quarter and SEK 966 (558) million for the full year. Changes in working capital amounted to SEK -38 (-16) million and SEK 16 (20) million for the two respective periods, and net cash flow from operations therefore totalled SEK 312 (201) million in the quarter and SEK 981 (578) million for the full year. The Group sold its shares in TV4 AB in January 2005 for SEK 513 million in cash and invested SEK 900 million in TV Prima in November 2005. Group capital expenditure on fixed assets amounted to SEK -17 (-14) million in the quarter and SEK -80 (-107) million for the twelve month period, which was equivalent to less than 1% of group sales for each of the respective periods. The net change in cash and cash equivalents for the period therefore amounted to SEK –531 (168) for the quarter and 559 (177) for the full year.

Liquid funds

The Group's available liquid funds, including unutilised credit facilities, amounted to SEK 2,046 (1,349) million at 31 December 2005, compared to SEK 2,551 million at the end of the third quarter. The Group's cash and cash equivalents totalled SEK 1,207 (574) million, compared to SEK 1,712 million at the end of September 2005. These changes primarily reflected the Group's strong operating cash flow generation; the sale of the TV4 shares; and the acquisition of 50% of TV Prima in the Czech Republic. The Group announced the arrangement of a new five year SEK 3,500 million revolving multi-currency credit facility after the end of the reporting period in February 2006. The facility, which is unsecured and requires no amortizations, replaced the previous SEK 800 million credit facility.

Net debt

The Group's cash and cash equivalents and interest-bearing assets exceeded interest-bearing liabilities, including the EUR 120 million convertible loan notes, by SEK 15 million at the end of the reporting period. This compares to a net cash position of SEK 638 million as at 30 September 2005 and a net debt position of SEK 438 million at the end of 2004. The convertible debentures are included within current liabilities as they are due for repayment in June 2006. The debentures have a conversion price of SEK 385.97 per MTG class 'B' share and are convertible into MTG class 'B' shares, with a nominal value of SEK 5 per share, at a fixed conversation rate of EUR 1 to SEK 8.977, at any time up to the close of business on 8 June 2006. Based on the conversion price, each EUR 1,000 principal amount of Bonds would entitle the holder to receive 23.258 MTG class 'B' shares. The conversion of the total amount of loan notes would therefore result in the issue of 2,790,994 MTG class 'B' shares and in a 4.0% dilution of the Group's issued and outstanding share capital and a 1.3% dilution of voting rights in the Group.

Holdings in listed companies

The Group's 27.9% shareholding in Metro International S.A had a stock market value of SEK 1,940 million as at the close of business on the last trading day of December 2005, which compared with a stock market value of SEK 2,013 million as at the close of business on the last trading day of September 2005. The difference in these market values has been charged directly to the Group's equity. The Group's 39.7% shareholding in associated company P4 Radio Hele Norge ASA is accounted for at its book value of SEK 72 million, whereas the stock market value of the holding on the last trading day of December 2005 was SEK 394 million.

Equity to assets ratio
The Group's equity to assets ratio was 55% (44%) at 31 December 2005, compared to 56% at the end of September 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 22 (18) million in the fourth quarter and SEK 108 (89) million for the full year. Net interest and other financial items totalled SEK -68 (19) million and SEK -34 (113) million in the quarter and for the full year respectively, and included a write-down of shares relating to Modern Entertainment in the fourth quarter. Parent company pre-tax profit therefore amounted to SEK -91 (17) million in the quarter and SEK -153 (-3) million for the full year. MTG's financial policy includes the provision of a central cash pool to support operating companies.

Global Share Option Plans
The Group reported costs of SEK 10 (-) million in the fourth quarter and SEK 12 (-) million for the full year, which arose from the Group's 2001 and 2005 executive share option plans. The MTG share price appreciated above the 2001 scheme's exercise price of SEK 294.50 for the first time in the fourth quarter. Social security costs arising in relation to the 2001 scheme totalled SEK 8 million in the fourth quarter. The 2005 scheme gave rise to costs of SEK 2 million in the quarter and SEK 4 million for the full year.

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. Hedge accounting was applied during the fourth quarter for the Group's major forward contracts, which resulted in a SEK 8 million equity reserve. The total value of forward cash flow hedges was SEK 38 million as at 31 December 2005.

This interim report has been prepared in accordance with IAS 34.

MTG's financial results for the first quarter and three months ended 31 March 2006 will be published on 26 April 2006.

The Board of Directors and Chief Executive Officer will propose to the Annual General Meeting of Shareholders in Modern Times Group MTG AB that the retained earnings for the year ended 31 December 2005 be carried forward into the accounts for 2006.

Mandatory Redemption share proposal
The Board of Directors and Chief Executive Officer will also propose to the Annual General Meeting that a distribution of shares in Metro International S.A. be achieved by means of a share split and mandatory redemption programme, with payment to be made in Metro International shares. MTG currently owns 50,107,485 Metro International class 'A' shares and 96,860,828 class 'B' shares, which is equivalent to a 28% economic interest and 19% voting interest in the Company.

MTG wishes to achieve a capital structure in line with its focus on its core broadcasting operations and assets.

Metro International was established within Modern Times Group in 1995 and has grown over the last ten years to become the world's largest and fastest growing international newspaper. 61 editions of the daily free newspaper are now published in 88 major cities in 19 countries in 18 languages across Europe, North & South America and Asia. Metro attracts a young, active, well-educated, Metropolitan audience of 18.5 million daily readers and more than 37 million weekly readers around the world. The ten year period has seen the expansion in the number of daily circulated copies from an initial print run of 200,000 in Stockholm to over 8 million daily distributed copies in over 100 cities, and the Company has reported a 47% compound annual sales growth over the period. MTG demerged and spun off Metro International as a special dividend to MTG shareholders and the Company's shares are listed on the Stockholm Stock Exchange under the symbols MTROA and MTROB. MTG´s investments in Metro International have totalled SEK 634 million, whilst the market value of MTG's shareholding as at the close of trading on 15 February 2006 was SEK 2,011 million.

It will be proposed that every MTG class 'A' and class 'B' share be split into one or more ordinary shares of the respective class and one redemption share. The redemption share will then be redeemed against payment of 0.7 Metro class 'A' shares and 1.4 Metro class 'B' shares. In total 139,4 million out of MTG's 147,0 million Metro shares will be distributed. This corresponds to an approximate total value of SEK 1,907 million to be received by MTG shareholders, based on the current number of MTG shares and Metro International share prices as at the close of trading yesterday, 15 February 2006. It is estimated that MTG AB´s free reserves, available for distribution, would be reduced from SEK 2,568 million to SEK 1,967 million.

Further information regarding the structure and timetable of the redemption program will be made available with the notice to the Annual General Meeting.

Modern Times Group MTG AB 2006 Annual General Meeting of shareholders

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. Such proposals should be submitted 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 of shareholders

A Nomination Group of major Modern Times Group MTG AB shareholders 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 the 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, 16 February 2006.

The Board of Directors

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

For further information, please visit www.mtg.se, email investor.relations@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 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 Oct-Dec	2004 Oct-Dec	2005 Jan-Dec	2004 Jan-Dec
Net sales	2,463	1,934	8,012	6,805
Cost of goods and services	-1,425	-1,211	-4,797	-4,450
Gross income	**1,038**	**723**	**3,215**	**2,355**
Selling and administrative expenses	-634	-458	-2,194	-1,687
Other operating revenues	7	2	19	6
Other operating expenses	-21	-3	-54	-97
Share of earnings in associated companies	152	74	299	167
Write-down of beneficial rights in Modern Entertainment	-	-66	-	-66
Net gain from the sale of SDI Media	-	-	-	381
Operating income (EBIT)	**543**	**272**	**1,285**	**1,058**
Gain/loss from financial assets	-5	-	384	15
Dividends	-	-	0	15
Net interest and other financial items	-21	1	-102	-64
Income before tax	**517**	**273**	**1,567**	**1,024**
Tax	-148	-144	-330	-278
Net income for the period	**370**	**129**	**1,237**	**746**
Attributable to:				
Equity holders of the parent	367	129	1,232	746
Minority interests	3	0	5	0
Net income for the period	370	129	1,237	746
Shares outstanding at quarter-end/year-end	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
Fully diluted average number of shares outstanding	66,438,433	66,404,909	66,375,156	66,407,538
Basic earnings per share (SEK)	5.53	1.95	18.56	11.23
Diluted earnings per share (SEK)	5.52	1.94	18.56	11.23

CONSOLIDATED BALANCE SHEET (MSEK)	2005 31 Dec	2004 31 Dec
Non-current assets		
Capitalised development expenses	36	36
Patents and trademarks	184	0
Beneficial rights	170	157
Goodwill	1,814	855
Machinery and equipment	134	116
Shares and participations	3,051	1,665
Long-term receivables	189	296
	5,578	3,126
Current assets		
Inventory	1,151	1,231
Current receivables	1,956	1,467
Cash, cash equivalents and short-term investments	1,207	574
	4,314	3,273
Total assets	9,893	6,398
Shareholders' equity		
Shareholders' equity	5,351	2,784
Minority interests in equity	53	1
	5,404	2,785
Long-term liabilities		
Convertible debenture loan 2001/2006	-	1,060
Other interest-bearing liabilities	41	5
Long-term provisions	177	100
Non-interest-bearing liabilites	30	7
	249	1,172
Current liabilities		
Convertible debenture loan 2001/2006	1,125	-
Other interest-bearing liabilities	68	-
Non-interest-bearing liabilites	3,048	2,441
	4,240	2,441
Total shareholders' equity and liabilities	9,893	6,398

CONSOLIDATED STATEMENT OF CASH FLOWS (MSEK)	**2005 Oct-Dec**	**2004 Oct-Dec**	**2005 Jan-Dec**	**2004 Jan-Dec**
Net income for the period	370	129	1,237	746
Adjustments to reconcile net income to net cash provided by operations	-19	88	-271	-188
Payment to STIM for years prior to current year	-	-103	-	-103
Changes in working capital	-38	87	16	123
Net cash flow from operations	312	201	981	578
Proceeds from sales of shares	-	-	513	24
Proceeds from sales of shares in subsidiaries	-	-	-	425
Investments in shares in subsidiaries and associates	-900	-	-932	-496
Investments in other fixed assets	-17	-14	-80	-107
Other cash flow from investing activities	7	-	22	3
Cash flow from/to investing activities	-910	-14	-477	-150
Net change in loans from banks	27	-	27	-250
Other cash flow from/to financing activities	39	-18	28	-1
Net change in cash and cash equivalents for the period	-531	168	559	177
Cash and cash equivalents at the beginning of the year	1,712	412	574	402
Translation differencies in cash and cash equivalents	27	-6	74	-4
Cash and cash equivalents at end of the period	1,207	574	1,207	574

RECONCILIATION OF SHAREHOLDERS EQUITY (MSEK)	**Equity attributable to shareholders of the parent**	**Minority interest**	**Total**
Opening balance January 1, 2004	2,145	2	2,147
Change in accounting principles	-21		-21
Opening balance adjusted for change in accounting principles	2,124	2	2,126
Net result January-December 2004	746	0	746
Currency translation differences	-85	-1	-86
Opening balance January 1, 2005	2,784	1	2,786
Change in accounting principles *)	1,872		1,872
Opening balance adjusted for change in accounting principles	4,656	1	4,658
Net result January-December 2005	1,232	5	1,237
Changes in minority interests		46	46
Effect of employee share option programmes	9		9
Revaluation of shares at market value	-244		-244
Sale of shares in TV4 AB	-322		-322
Cash flow hedge	8		8
Currency translation differences	12		12
Closing balance December 31, 2005	5,351	53	5,404

*) 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	Q4 2005	Full year 2005
Viasat Broadcasting										
Free-to-air TV Scandinavia - TV3/ZTV/TV3+	564.6	723.8	568.3	777.0	2,633.8	656.0	755.6	625.9	874.7	2,912.3
Pay-TV Nordic	571.2	572.7	568.7	608.1	2,320.7	605.0	629.8	672.2	725.9	2,632.8
- Pay-TV DTH platform	*553.1*	*551.8*	*549.8*	*558.0*	*2,212.7*	*570.8*	*592.9*	*627.1*	*675.6*	*2,466.4*
- Pay-TV channels	*208.3*	*211.7*	*209.9*	*223.9*	*853.7*	*240.3*	*255.7*	*271.7*	*303.4*	*1,071.1*
- Elimination Pay-TV channels	*-190.2*	*-190.8*	*-191.1*	*-173.7*	*-745.7*	*-206.1*	*-218.8*	*-226.7*	*-253.1*	*-904.7*
C & E Europe	91.4	136.3	91.3	153.9	472.9	129.3	172.9	140.0	370.5	812.7
- Free-to-air Baltics - TV3/3+/Tango TV	*66.6*	*101.1*	*55.9*	*109.3*	*332.9*	*78.0*	*105.0*	*72.1*	*134.6*	*389.7*
- Viasat3 Hungary	*7.9*	*13.4*	*10.6*	*15.5*	*47.4*	*14.6*	*24.1*	*18.3*	*33.0*	*90.0*
- DTV Russia	*11.8*	*15.5*	*14.7*	*18.7*	*60.6*	*18.1*	*21.5*	*21.5*	*37.0*	*98.1*
- TV Prima, Czech Republic	-	-	-	-	-	-	-	-	*136.4*	*136.4*
- Pay-TV DTH platform & channels	*5.1*	*6.3*	*10.1*	*10.4*	*32.0*	*18.6*	*22.3*	*28.1*	*29.5*	*98.5*
BET24	-	-	-	-	-	-	55.5	58.9	90.4	204.8
Other and eliminations	-68.3	-69.3	-61.7	-46.6	-246.0	-33.6	-30.6	-22.6	-38.4	-125.2
	1,158.9	1,363.4	1,166.5	1,492.5	5,181.4	1,356.7	1,583.2	1,474.4	2,023.0	6,437.4
Radio	39.1	60.0	52.1	65.1	216.3	60.3	84.6	68.2	77.1	290.2
Home Shopping	204.7	188.0	188.7	247.3	828.6	245.2	222.0	225.4	299.0	991.5
Modern Studios	165.9	164.0	223.2	275.6	828.7	178.5	151.5	147.9	159.7	637.6
Parent company and other companies	30.3	37.1	23.6	24.7	115.7	34.9	39.5	23.4	30.4	128.2
Eliminations	-129.4	-142.1	-112.2	-169.2	-553.0	-138.0	-105.3	-103.3	-126.3	-473.0
SDI Media and other discontinued businesses	95.1	94.3	0.1	-2.3	187.2	-	-	-	-	-
Group total	1,564.6	1,764.6	1,542.2	1,933.6	6,805.0	1,737.5	1,975.5	1,836.1	2,462.8	8,011.9

Operating income, EBIT (SEK million)	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Full Year 2004	Q1 2005	Q2 2005	Q3 2005	Q4 2005	Full year 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	188.4	492.0
Pay-TV Nordic	128.4	87.8	71.4	82.8	370.4	122.8	118.0	130.4	135.8	506.9
- Pay-TV DTH platform	*74.8*	*48.9*	*26.6*	*45.3*	*195.7*	*76.0*	*59.6*	*74.9*	*85.8*	*296.3*
- Pay-TV channels	*53.6*	*38.9*	*44.8*	*37.4*	*174.7*	*46.7*	*58.4*	*55.5*	*50.0*	*210.5*
C & E Europe	-14.1	12.9	-21.2	19.8	-2.6	-12.3	20.4	-7.5	75.9	76.5
- Free-to-air Baltaics - TV3/3+/Tango TV	*7.0*	*34.8*	*0.3*	*41.9*	*84.0*	*8.5*	*29.2*	*2.8*	*46.2*	*86.7*
- Viasat3 Hungary	*-13.7*	*-10.3*	*-11.9*	*-7.6*	*-43.6*	*-9.8*	*-2.4*	*-4.1*	*0.7*	*-15.6*
- DTV Russia	*-6.0*	*-5.9*	*-2.7*	*-5.7*	*-20.3*	*-5.9*	*-5.2*	*-7.1*	*-2.0*	*-20.2*
- TV Prima, Czech Republic	-	-	-	-	-	-	-	-	*32.7*	*32.7*
- Pay-TV DTH platform & channels	*-1.4*	*-5.7*	*-6.9*	*-8.8*	*-22.8*	*-5.2*	*-1.2*	*0.9*	*-1.7*	*-7.2*
BET24	-	-	-	-	-	-	2.1	3.1	-6.2	-1.0
Other and eliminations	10.3	11.9	11.5	10.6	44.3	11.9	14.4	14.9	13.7	54.9
Associated companies	19.6	24.1	35.7	66.7	146.1	35.3	61.7	22.7	138.7	258.4
	132.3	212.2	51.4	340.9	736.9	215.8	361.5	264.2	546.3	1,387.7
Radio	-10.4	5.3	0.3	-6.4	-11.3	-15.0	6.0	-2.1	0.3	-10.7
Associated companies	0.9	2.7	6.6	3.6	13.8	5.8	5.0	13.5	9.3	33.6
	-9.4	8.0	6.9	-2.9	2.6	-9.1	11.0	11.4	9.6	22.9
Home Shopping	8.6	5.9	-1.5	4.2	17.2	16.9	10.1	14.9	20.5	62.5
Modern Studios	7.3	15.3	45.1	-45.9	21.8	-18.2	1.3	-18.5	9.7	-25.6
Parent company and other companies										
Parent company and other companies	-38.0	-44.7	-15.6	-25.7	-124.0	-26.8	-47.2	-45.4	-43.3	-162.7
Associated companies	-	-	-	1.7	1.7	-	-	-	-	-
	-38.0	-44.7	-15.6	-24.0	-122.3	-26.8	-47.2	-45.4	-43.3	-162.7
SDI Media and other discontinued operations	10.0	13.4	-2.2	-0.5	20.6	-	-	-	-	-
Net gain from 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	542.8	1,284.6

Appendix 1

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)	**Note**	**2004 Oct-Dec**	**Adjustment IFRS**	**IFRS 2004 Oct-Dec**	**2004 Jan-Dec**	**Adjustment IFRS**	**IFRS 2004 Jan-Dec**
Net sales		1,934		1,934	6,805		6,805
Cost of goods and services		-1,211		-1,211	-4,450		-4,450
Gross income		723		723	2,355		2,355
Selling and administrative expenses		-458		-458	-1,687		-1,687
Other operating revenues		2		2	6		6
Other operating expenses	1	-25	23	-3	-188	91	-97
Share of earnings in associated companies	2	70	3	74	154	13	167
Write-down of beneficial rights in Modern Entertainment		-66		-66	-66		-66
Net gain from the sale of SDI Media		-		0	381		381
Operating income (EBIT)		246	26	272	954	104	1,058
Dividends				-	15		15
Gain from sales of securities		-		-	15		15
Net interest and other financial items		1		1	-64		-64
Income before tax		247	26	273	920	104	1,024
Tax	3	-141	-3	-144	-266	-12	-278
Minority interests	4	0	0	0	0	0	0
Net income for the period		106	23	129	654	92	746
Basic and fully diluted earnings per share (SEK)		1.60	0.34	1.95	9.85	1.38	11.23
Attributable to:							
Equity holders of the parent		106	23	129	654	92	746
Minority interests	4	0	0	0	-	0	0
Net income for the period		106	23	129	654	92	746

CONSOLIDATED BALANCE SHEET (MSEK)	Note	2004 30 Dec	Adjustment IFRS	2004 30 Dec
Non-current assets				
Capitalised development expenses		36		36
Beneficial rights	5	187	-30	157
Goodwill	6	764	91	855
Machinery and equipment		116		116
Shares and participations	7	1,654	11	1,665
Long-term receivables	8	287	8	296
		3,045	81	3,126
Current assets				
Inventory		1,231		1,231
Current receivables	9	1,486	-19	1,467
Cash, cash equivalents and short-term investments		574		574
		3,291	-19	3,273
Total assets		6,336	62	6,398
Shareholders' equity				
Restricted equity		1,946		1,946
Non-restricted equity	10	768	70	838
Minority interests in equity	11	-	1	1
		2,179	72	2,785
Minority interests	11	1	-1	-
Provisions	12	87	-87	-
Long-term liabilities				
Convertible debenture loan 2001/2006	9	1,081	-20	1,060
Other interest-bearing liabilities		5		5
Long-term provisions	12	-	100	100
Non-interest-bearing liabilites		7		7
		1,180	79	1,172
Current liabilities				
Other interest-bearing liabilities		-		-
Non-interest-bearing liabilites		2,441		2,441
		2,441	0	2,441
Total shareholders' equity and liabilities		6,336	62	6,398

Notes to the adjustments

Note 1
Goodwill will be subject to impairment tests and the goodwill amortization has been discontinued. The amount of SEK 23 million and SEK 91 million respectively 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	11
Net effect on equity	11

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	-19
Convertible debenture loan	20
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	91
Adjustment of shares of equity associated companies, note 2 and 7	11
Deferred tax receivables, note 8	8
Recalculation of borrowing costs, note 9	2
Deferred tax liabilities, note 3 and 12	-12
Net effect on equity	70

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.

Appendix 2

Acquisition of 50% of GES Media Holding a.s.

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 maximum total cash consideration of EUR 96 million. GMH owns 100% of TV Prima, which is the second largest national television channel in the Czech Republic. TV Prima was fully consolidated with effect from 1 November 2005, and its results are reported within the Viasat Broadcasting business area. The total preliminary consideration as of 1 November was equivalent to SEK 904 million including transaction costs. The acquisition gave rise to separately identified immaterial rights of SEK 181 million and goodwill of SEK 867 million. In the two months to 31 December 2005, the Czech Group contributed net profits of SEK 11 million to the Group's consolidated net profits for the year. If GES had been fully consolidated since 1 January 2005, the business would have contributed revenues of SEK 543 million and net profits of SEK 10 million to the Group's consolidated results.

The fair value of the identifiable assets and liabilities as at the date of acquisition was as follows:

MSEK

Net assets acquired:	**Recognised value**	**Carrying value**
Property, plant and equipment	39,4	39,4
Beneficial rights	65,0	65,0
Trademarks	181,5	181,5
Other intangible assets	2,9	2,9
Inventories	50,1	50,1
Trade and other receivables	141,6	141,6
Cash and cash equivalents	2,5	2,5
Interest-bearing loans and borrowings	-59,7	-59,7
Provisions	-15,1	-15,1
Deferred tax liabilities	-47,2	-47,2
Trade and other payables	-286,7	-286,7
Net identifiable assets and liabilities	74,3	74,3
Minority interest	-37,1	
Goodwill on acquisition	866,8	
Total consideration	904,0	
Liquid funds in acquired companies	-2,5	
Cash consideration	901,5	