



Maximising the Power of Entertainment

Modern Times Group MTG AB

Q3 Financial Results

Stockholm, 25 October 2006



Results Highlights

Record third quarter and nine month results



Third quarter

- Group net sales up 24% to SEK 2,280 million
- Group operating income up 51% to SEK 404 million
- Viasat Broadcasting net sales up 26% to SEK 1,857 million and operating profit up 36% to SEK 415 million
- Net income more than doubled to SEK 529 million
- Net intake of 27,000 premium subscribers in Scandinavia
- Acquisition of TV channel PRVA in Slovenia
- Acquisition of P4 Radio in Norway
- Completion of SEK 1.5 billion distribution of Metro International shares

Nine months

- Group net sales up 30% to SEK 7,219 million
- Group net sales up 16% excluding new businesses
- Group operating income up 71% to SEK 1,342 million
- Viasat Broadcasting net sales up 36% to SEK 5,982 million and operating income up 56% to SEK 1,379 million
- Net income of SEK 1,183 million
- Pay-TV Nordic net sales up 22%
- CEE net sales more than doubled

Free-to-air TV Scandinavia

Focus on TV3 ratings but lower than anticipated cost increases



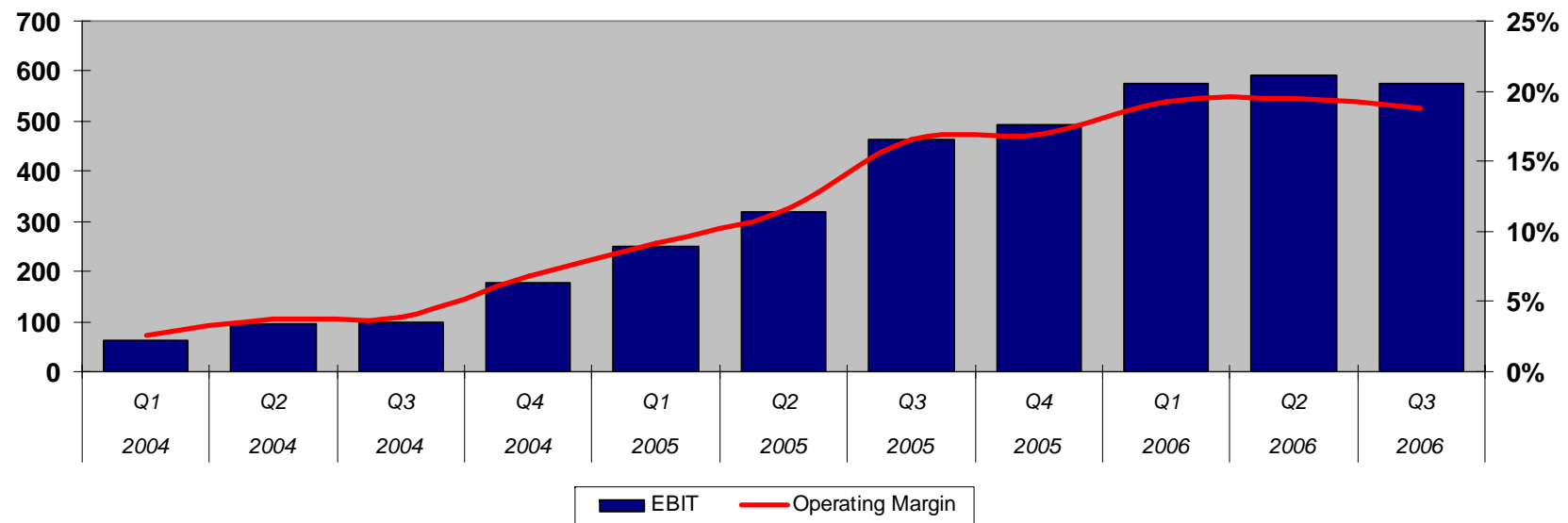
- Net sales up 4% to SEK 653 million in Q3 and 7% to SEK 2,186 million for YTD
- TV3 Sweden penetration up to 75% (70%) and TV6 Sweden performed beyond expectations
- CSOV (15-49) ratings up in Norway but negatively impacted by weak own productions in Sweden
- Operating costs increased by 8% in Q3 and 4% for YTD, due to programming & marketing investments
- Operating margin of 13% in Q3 and 18% for YTD

Free-to-air TV Scandinavia Profitability Trend

12 month rolling operating income & EBIT margin



(SEK million)



Pay-TV Nordic

Subscriber Intake & Margin Improvement



- Net intake of 27,000 premium subscribers in Q3 – 131,000 subs added in last 12 months = 23% growth in premium subscriber base
- ARPU up 8% year on year to SEK 3,460
- Net sales up 20% to SEK 803 million in Q3 and 22% to SEK 2,334 million for YTD
- Operating margin of 20% in Q3 and 18% for YTD
- Cost base impacted by higher but stabilizing expensed SAC of SEK 398 (275) million for YTD
- Viasat+ PVR & multi-room subscriptions account for 13% of premium base
- 18 third party channels added since beginning of 2005 including CNBC and Natural Geographic in Q3. Agreement to add TV2 News in Denmark from December 06
- Launch of 'Viasat Everywhere' with Sling Box technology

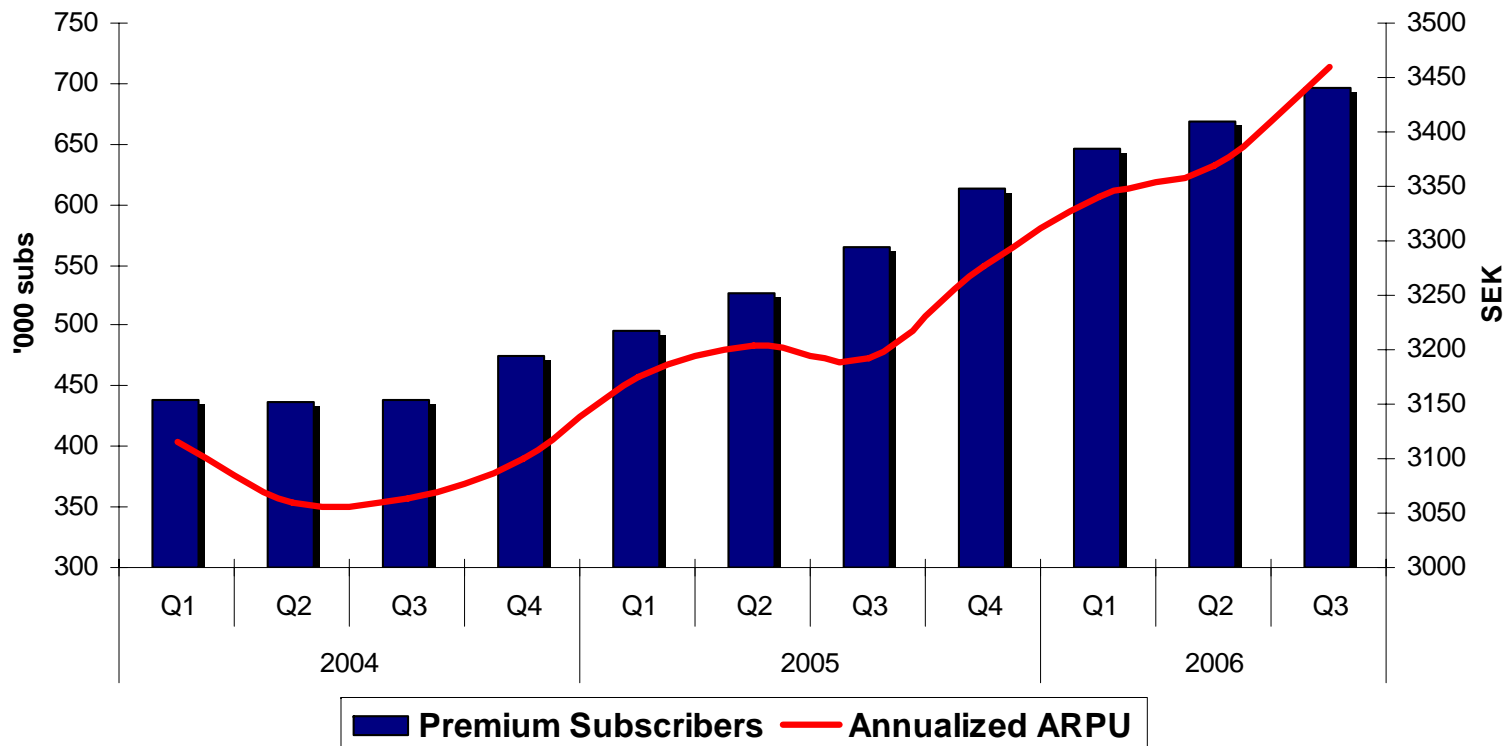


Your No.1 Entertainer

FILM			SPORT		BARN	
TV1000	TV1000 NORDIC	TV1000 FAMILY	SPORT 1		Disney Channel	TOON Disney
TV1000 ACTION	TV1000 CLASSIC	TV1000 PLUS ONE	SPORT 2		Disney Junior	b
Hallmark Channel	TCM Turner Classic Movies	Ticket TV Pay-per-day	SPORT 3		Från 1 okt	CN Cartoon Network
4	SPICE Ingår i Ticket	PLAYBOY TV	SPORT 24		Nickelodeon	JETIX
			Chelsea TV			
			MU TV			
UNDERHÅLLNING			DOKUMENTÄR/NYHETER		MUSIK	
1*	2*	3	4	8	HISTORY	nature
6	4+			explorer	travel channel	zone reality
CRIME	3	E		FAKTA	24	NATIONAL GEOGRAPHIC CHANNEL
E*	TV SHOP			DW-TV	CNN	MUSIC RADIO
				Bloomberg Television	BBC WORLD	

Pay-TV Nordic

Increasing ARPU

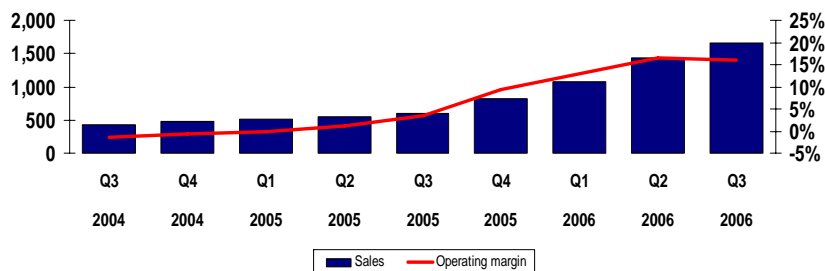


Central & Eastern Europe

High Growth & Healthy Margin Expansion



12 month rolling sales & EBIT margin ex CTC



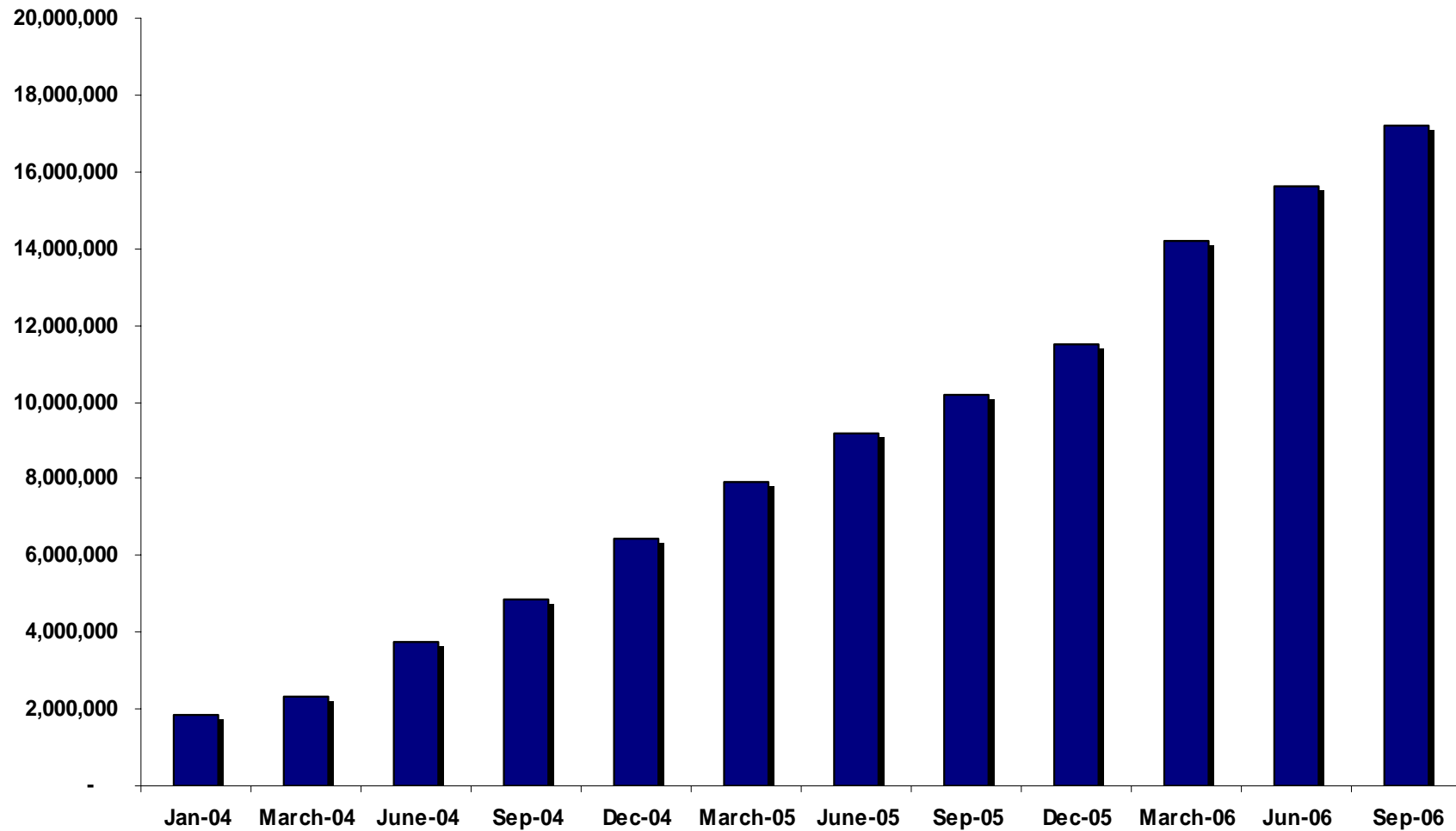
- Net sales more than doubled to SEK 368 million in Q3 and SEK 1,288 (442) million for YTD, including consolidation of TV Prima and PRVA
- Operating margin, excluding associated company income (CTC), increased to 6% (-) and 15% (0%) for the two periods
- Acquisition of PRVA TV in Slovenia
- Mini-pay expansion into Croatia
- Addition of new Viasat Sport channel together with NASN from November 2006

- DTV almost doubled net sales to SEK 41 million in Q3 and continues to invest in programming
- Viasat3 close to break-even in Q3 and YTD – net sales up 28% and 38% for the two periods
- TV Prima net sales of SEK 159 million in Q3 and SEK 605 million for YTD – estimated sales growth of 73% and 68% respectively - and reported operating margins of 11% and 20%
- Baltic free-to-air operations generated increased operating margins of 9% and 23% in Q3 and for YTD respectively
- Baltic premium DTH satellite subscriber base doubled year on year to 59,000 at end of Q3



C&E European Expansion

17.2 million mini-pay subscriptions / 7.7 million households



MTG Radio & Other Businesses



MTG Radio

- 25% growth in net sales to SEK 85 million in Q3 and 24% growth to SEK 264 million for YTD
- MTG's wholly owned operations profitable with an operating margin of 10% for both periods
- Associated company contribution of SEK 6 million in Q3 and SEK 20 million for YTD
- NOK 554 million invested to increase ownership in P4 Radio to 97.1% at end of Q3
- Results in P4 Radio will be consolidated from 1 October 2006



Other Businesses

- Net sales for Modern Studios of SEK 163 (148) million in Q3 and SEK 447 (478) million for YTD
- 'Robinson' and 'Förkväll' productions drive Strix Q3 results. 'Farväl Falkenberg' nominated for Oscars
- Home shopping businesses – CDON & TV Shop – combined 12% sales growth to SEK 252 million in Q3 & 9% to SEK 753 million for YTD & improved margins for CDON.com in both periods
- DVD and electronic games sales increased > 50% in the quarter and pay per view 'on demand' streaming launched in Q3
- Internet sales accounted for approximately 39% of TV Shop's sales in Q3

Viasat Broadcasting

Operating Results



(SEK million)	Q3 2006	Q3 2005	9M 2006	9M 2005	FY 2005
Net Sales					
Free-to-air TV Scandinavia	653	626	2,186	2,038	2,912
Pay-TV Nordic	803	672	2,334	1,907	2,633
Central & Eastern Europe	368	140	1,288	442	813
Bet24, Other & eliminations	33	36	174	28	80
Total net sales	1,857	1,474	5,982	4,414	6,437
Operating income (EBIT)					
Free-to-air TV Scandinavia	84	101	387	304	492
<i>Operating margin</i>	13%	16%	18%	15%	17%
Pay-TV Nordic	159	130	424	371	507
<i>Operating margin</i>	20%	19%	18%	19%	19%
Central & Eastern Europe	23	-8	193	1	76
<i>Operating margin</i>	6%	-	15%	0%	9%
Associated Companies	151	63	394	164	187
Bet24 & Other	-2	18	-19	46	54
Total EBIT	415	304	1,379	885	1,316

All Business Areas

Operating Results



(SEK million)	Q3 2006	Q3 2005	9M 2006	9M 2005	FY 2005
Net Sales					
Viasat Broadcasting	1,857	1,474	5,982	4,414	6,437
Radio	85	68	264	213	290
Other business areas	415	373	1,200	1,171	1,629
Parent company & other companies	27	23	87	98	128
Eliminations	-103	-103	-314	-347	-473
Total net sales	2,280	1,836	7,219	5,549	8,012
Operating income (EBIT)					
Viasat Broadcasting	415	304	1,379	885	1,316
Radio	15	11	45	13	23
Other business areas	6	-4	37	7	37
Parent company & other companies	-31	-45	-119	-119	-163
Total EBIT	404	267	1,342	786	1,213

Summary Income Statement



(SEK million)	Q3 2006	Q3 2005	9M 2006	9M 2005	FY 2005
Net Sales	2,280	1,836	7,219	5,549	8,012
Operating income (EBIT)	404	267	1,342	786	1,213
Net gain from financial assets	0	-	2	389	384
Non-cash gain from CTC Media, Inc. IPO new share issue	241	-	241	-	-
Net interest and other financial items	2	-4	0	-81	-102
Income before tax	647	262	1,586	1,094	1,495
Tax	-118	-60	-403	-197	-310
Net Income for the period	529	202	1,183	897	1,185
Basic average number of shares outstanding	66,527,490	66,375,156	66,461,398	66,375,156	66,375,156
Basic earnings per share (SEK)	7.82	3.05	16.98	13.49	17.78

Cash Flow



(SEK million)	Q3 2006	Q3 2005	9M 2006	9M 2005	FY 2005
Cash flow from operations	252	195	839	596	966
Changes in working capital	-145	49	-219	54	16
Net cash flow from operations	108	244	620	650	981
Proceeds from sales of shares	0	0	21	513	513
Investments in shares in subsidiaries & associates	-608	-3	-604	-32	-932
Investments in other non-current assets	-48	-26	-257	-63	-80
Other cash flow from investing activities	-	15	-	34	22
Cash flow from/to investing activities	-655	-14	-840	452	-477
Cash flow from/to financing activities	587	-26	-284	-12	55
Net change in cash and cash equivalents for the period	39	204	-503	1,091	559

- SEK 535 million net invested in the acquisition of P4 Radio shares
- SEK 73 million net invested in PRVA
- WC increase due to programming inventory build up ahead of Q4 and increased Accounts Receivable in line with sales growth

Balance Sheet



(SEK million)	30 Sept 2006	30 June 2006	31 Dec 2005
Non-current assets	4,797	4,364	5,481
Current assets	4,474	4,651	4,314
Total assets	9,271	9,015	9,795
Shareholders' equity	4,752	5,049	5,306
Long-term liabilities	281	120	249
Current liabilities	4,238	3,846	4,240
Total equity & liabilities	9,271	9,015	9,795

- SEK 3.6 billion of available liquid funds including SEK 2.8 billion of undrawn monies on SEK 3.5 billion credit facility
- Net debt position of SEK 28 million
- Equity to assets ratio of 51% (56%)
- Equity reduced by SEK 1.5 billion due to distribution of Metro International shares
- SEK 8.4 billion surplus to book value of CTC Media shareholding

Strategic Objectives

Set in June 2004



Objective

- Double Viasat Broadcasting revenues in 5 years
- MTG to become #1 commercial free-to-air operator in Sweden and TV3 to become #2 commercial free-to-air channel in Norway within 5 years
- Export integrated model into new high growth territories - C & E European businesses to generate same level of revenues & profits as Scandinavian operations within 5 years
- >15% operating margins in 3 core businesses - Free-to-air TV Scandinavia; Pay-TV Nordic; C&E Europe

On Track

- ➔ Viasat Broadcasting sales up 35% in last 12 months
- ➔ Continuation of shut-down of Swedish analogue terrestrial network has lead to penetration increases in Sweden & MTG continues to take viewing shares in Norway
- ➔ Continued expansion of Free-to-air, mini-pay and DTH operations in C&E Europe. Operating income incl. CTC Media amounted to SEK 587 million for YTD, compared to SEK 811 million from the Nordic operations
- ➔ Rolling 12 month operating margins of 19% for Free-to-air TV Scandinavia; 18% for Pay-TV Nordic; & 16% for C&E Europe (excl. CTC Media)

