



PRESS RELEASE
March 23, 2000

MTG ACQUIRES TV1000

Modern Times Group MTG AB will acquire all operations in TV1000 Sverige AB from Industriförvaltnings AB Kinnevik.

The operations comprise the movie channel TV1000 and its sister channel TV1000 Cinema, which have been operated and distributed in the Nordic countries within the framework for MTG's Viasat Broadcasting.

MTG has decided to exercise its option to acquire TV1000's operations from Kinnevik. Kinnevik wrote the option when shares in MTG were distributed to Kinnevik's shareholders in September 1997. Kinnevik had to retain TV 1000 owing to a dispute with minority shareholders at that time.

During the interim, in accordance with a management agreement MTG has been in charge of TV1000s operations, which has been successful. From end-June 1997 to end-December 1999, the number of subscribers increased 84%. The channel has yet to turn a profit, though.

The purchase price will be SEK 1,156 million and correspond to TV1000s market value. The consideration will be paid as 1,689,189 new issued shares in MTG: 422,297 MTG A shares and 1,266,892 MTG B shares. The strike price was calculated as the average closing price for MTG shares during the preceding 15 trading days and corresponds to the purchase price less the option premium of SEK 256 million that MTG paid in 1997, 1998, and 1999.

The issue of new stock will dilute MTG's equity about 2.5%, also taking into account the conversion of MTG's convertible debenture loan.

If MTG sells TV1000 within a three-year period and realizes a capital gain, under certain circumstances Kinnevik would be entitled to one-third of that gain.

The transaction must be approved by the annual meeting of shareholders in MTG.

Starting in the year 2000, MTG is liable for all losses made by TV1000, as specified in the option contract, so the only impact this transaction will have on MTG's financial position is the resulting goodwill. The ownership transfer date has been set at April 1, 2000.

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

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