

News Release
27 January 1998

VIASAT GAINS OVER 1.7 MILLION SATELLITE TV HOUSEHOLDS IN SCANDINAVIA

Agreement signed between ViaSat and Swedish cable operator Kabelvision

ViaSat, Scandinavia's leading multi-channel operator and distributor, has today announced an agreement with NetCom Systems, owners of Kabelvision, the third largest cable operator in the Nordic countries. According to the agreement ViaSat is to take over Kabelvision's cable customers, providing them henceforth with all programming, sales, service and marketing. NetCom will continue to look after sales to and contacts with real-estate owners - retaining for example responsibility for bulk agreements (collective subscriptions). NetCom is also to continue to be responsible for the service and maintenance of the cable networks, of which it retains ownership.

ViaSat recently passed the 900 000 subscribers mark on DTH, and has 400 000 households connected to its SMATV networks; together with the 400 000 customers taken over from Kabelvision, this means that ViaSat now controls 1.7 million Satellite TV households in the Scandinavian region.

"This agreement will strengthen our service on all levels", said Hans-Holger Albrecht, CEO of MTG's Pay-TV Division, today. "In combination with our distribution outlets via DTH, cable and SMATV, and with all the various channels and services we have on offer, ViaSat will be confirmed as by far the leading entertainment platform in Scandinavia. We will be able to use a single brand - ViaSat - to provide the same services, the same quality and the same prices to both cable and DTH users. It will be much easier for customers to find their way to our platform and to benefit from the products and services we offer at all levels. This agreement is the next logical step following on the launch of various new channels and products within our Pay-TV Division, such as the new package ViaSat Gold, TV6 Nature World, or the new ViaSatINTERNET service, which sees us as the first company in Europe to supply Internet access via satellite to the private market. The ViaSat brand will consolidate its position as the home of entertainment for old and new customers alike in the Scandinavian region."

Increased Sales

One of the major factors in the signing of this agreement is the ambition to achieve extended penetration of Pay-TV subscribers in Kabelvision's networks. ViaSat is confident that the improved co-ordination of sales and marketing made possible by the agreement, combined with the company's wealth of experience in selling TV services, will enable them to bring about a significant boost in the number of this category of subscribers.

"The agreement further strengthens ViaSat's position as the leading supplier of Pay-TV in the Nordic countries, and in turn this will lead to benefits for us in terms of lower rights-related costs. In addition, we will gain economies of scale thanks to being able to operate Kabelvision's Pay-TV service within the organisation already existing at ViaSat", says Peder Ramel, CEO at ViaSat.

"The business operations for which ViaSat is now taking over responsibility suit their organisation better than they suited ours at NetCom", says Anders Björkman, CEO at NetCom Systems AB. "ViaSat's organisation and experience mean that they have better prospects of achieving increased penetration levels in Kabelvision's networks. And that means that the possibility remains open to us in the long term to offer other services through the network."

In the future, NetCom's principal income from Kabelvision will be generated through ViaSat's sales of individual subscriptions and through bulk subscription agreements.

Unique Position

As a result of this agreement ViaSat will find itself controlling cable and satellite TV services to about 1 million addressable households in the Scandinavian region. What this means is that ViaSat can switch on or off an authorisation signal for Pay-TV channels or Pay Per View. An addressable household is fitted with the equipment required to be able to receive Pay-TV or Pay Per View services, so that all that is needed to activate the purchase of the service is a telephone call, - which means that households of this kind are very attractive. Following the agreement with NetCom ViaSat now manages approximately two thirds of the total number - 1.5 million - of addressable households in the Scandinavian region, making the company the third biggest supplier of Pay-TV in Europe.

ViaSat is part of the Modern Times Group, and distributes a large number of channels and packages, such as TV3, ViaSat Gold (a package consisting of TV6, ZTV, Sci-Fi Channel, VH-1, Nickelodeon, 3+, Travel, Playboy TV, European Business News, The History Channel, TV1000 and TV1000 Cinema), and the CTV package (BBC Prime, CNN International, Discovery Channel, MTV Television, EuroSport, TCC, Cartoon Network, TNT, Sky Entertainment, and Sky News & National Geographic Channel). ViaSat has now also launched ViaSatINTERNET, one of the first services to provide Internet access via private satellite dishes in the world.

NetCom Systems AB, established in 1993, is the leading alternative supplier of telecom services in Scandinavia. The company carries on business in the areas of GSM mobile telephony (in Sweden under the brand name Comviq and in Norway through the stock-exchange listed company NetCom ASA), and public telephone and computer communications (in Sweden under the brand name Tele2, and through the subsidiary companies Tele2 A/S in Denmark and Tele2 Norge A/S in Norway). The group is also involved in the field of cable TV services. The company is listed on the Stockholm Stock Exchange, and on Nasdaq under the symbol NECSY.

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Modern Times Group MTG AB has seven business areas: Viasat Broadcasting (free-to-air and pay TV channels in nine countries), Radio (seven networks in five countries), New Media (the Everyday interactive TV portal, Internet portal, Mobile portal, and teletext services), Publishing (financial news and information services), Modern Interactive (home shopping, e-commerce, and logistics), SDI Media (subtitling and dubbing services), and Modern Studios (content production and library).

Modern Times Group MTG AB's class A and B shares are listed on the Stockholmsbörsen O-list (symbols: MTGA and MTGB) and on the Nasdaq National Market in New York (symbol: MTGNY).

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