



PRESS RELEASE

May 24, 2000

## **MTG TAKES OVER MODERN ENTERTAINMENT**

**Modern Entertainment will become MTG's wholly owned subsidiary dealing in intellectual property rights. It will be reported in the Modern Studios business area.**

**MTG is buying the minority shareholders' 35% interest in Modern Entertainment and stepping up Group activity in rights to films for the television, videocassette, and DVD markets as well as rights to content for the Internet.**

Modern Times Group MTG AB announced earlier that agreement had been reached with minority shareholders in Modern Entertainment (previously MTG Media Properties) to purchase their shares. Assisted by a panel of arbitrators, the parties have now agreed that the value of these shares is USD 10.7 million. The transaction values Modern Entertainment at USD 31 million, now wholly owned by MTG.

In autumn 1999 and spring 2000, MTG bolstered the company's management team and moved its geographic base to Los Angeles.

Activities in intellectual property rights will now pick up again. The transaction makes it possible to integrate Modern Entertainment's activities with other business within MTG that is related to content rights, which was previously not possible.

Modern Entertainment is part of the Modern Studios business area. This area also contains other companies that produce various forms of content: Strix Television, Sonet Film, Freeport, Nordic Artists, and Moderna Tider Television.

"The popularization of DVDs, the Internet, and digital TV is expected to substantially boost demand for content. Thus, Modern Entertainment is an increasingly valuable asset for MTG," says Kinna Bellander, head of the business area. "This transaction opens up ample opportunities for the other companies in Modern Studios, too."

**For additional information, please contact Pelle Törnberg, president and CEO of MTG, at +46-8-5620 0050.**

*Modern Times Group MTG AB is listed on the OM Stockholm Exchange's O list (symbol: MTG) and on the Nasdaq National Market in New York (symbol: MTGNY).*

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