

News Release  
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#### ZTV ALMOST ROUND THE CLOCK FROM 1 JUNE

As of 1 June ZTV will be implementing a major expansion of its on-air time, broadcasting for 18 hours a day instead of the current 9 hours. To further strengthen its position as the leading channel for young people in Sweden, ZTV will be screening increased volumes of acquired programmes and music. In addition, ZTV will be moving to London, which means it will be governed by the same advertising regulations as those applying to the channels TV3 and Kanal 5. As a result of the move there will be some reductions in the number of staff in Stockholm.

With 18 hours of television from London, including much more music than hitherto, the ambition is to make ZTV even more attractive to both viewers and advertisers.

"As a result of the increased on-air time we estimate that we can reach more viewers than at present, which is an important consideration for our customers", says Jens Torpe, Vice President MTG Broadcasting Free-TV-Division. "Our analysis is that we will be able to reach a greater number of young people during the afternoon. And of course, our long-term ambition is to be a 24-hour channel."

**Commitment to Music** The increased emphasis on music means that the channel will be screening over ten hours of music a day.

"We are very pleased that ZTV is going to continue and extend its stated commitment to music. This is good news for Swedish music, and for the industry I represent", says Sanji Tandan, CEO of Warner Music Sweden.

#### Move to London for Profitability

1997 was ZTV's best year to date. Revenue rose significantly, viewing figures were up by over 30%, and losses were reduced - in other words, the channel put itself firmly on the road to profitability. It is in the aim of further bolstering this positive trend that the decision has now been taken to undertake a new phase of development.

In addition to the increased broadcasting time, another step towards profitability is the fact that as of 1 June the channel will move to London, where it can benefit from being able to co-ordinate programme acquisition, administration and technological resources with MTG's other TV channels. A further advantage arising from the move is the fact that ZTV will be able to screen advertising under the same conditions as TV3 and Kanal 5.

#### Increased International Expansion

Since the start of 1998 ZTV has started operating on the new commercial television markets in Estonia and Lithuania. These operations will also be run from London.

"1998 has seen ZTV making a successful start to broadcasting operations in Estonia and Lithuania. These are markets with great potential, which we are confident we will see fulfilled" says Jens Torpe.

#### More Music and More Acquired Programmes

One consequence of the changes is that the programme material produced by ZTV itself will, from 1 June onwards, be packaged together and broadcast in a daily live two-hour programme block, which will include popular programmes such as "Biocheck" (film magazine), "Tryck till" (pop video programme with a panel) and "ZTVNytt" (news and reports from the music and entertainment world). In addition to these programmes ZTV will be acquiring new programmes and screening more music videos.

"This step to 18-hour air-time, together with our move to London and increased programme acquisition, all costs money of course. In addition to other money-saving measures this entails that we will have to cut down on the amount of programme material we produce ourselves, which means that the channel's staff requirements will be decreased - especially as we have decided that our priority policy should be to make use of external production companies", says Jens Torpe.

#### Production Companies

The new programme schedule will not change the situation of the staff on contract with ZTV for specific projects. They compose the bulk of ZTV's staff; and they will be able to complete their contracts before the changes come into effect. Before 1 June ZTV will be assessing whether or not they can retain the ten or so permanently employed people at the company. Some of these will be offered job opportunities in the production companies from which ZTV will be commissioning programmes to fill the new extended timetable.

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