

News Release  
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#### SPEECH FOR THE ANNUAL GENERAL MEETING

Since September 18, 1997, MTG has been an independent company listed on the stock exchange. Our shares are quoted on two markets: Nasdaq in New York and the SBI list in Stockholm. The stock exchange listing was completed at about the same time as our first media ventures, started as part of Kinnevik, celebrated their 10th anniversary. So we have good reason today to reflect on the history of MTG, described to some extent in our annual report which attracted attention partly for its choice of illustrations.

On average, we started 12 new companies and operations each year for the first eight years, in just about all media segments. It was, in other words, an entrepreneurial achievement unrivaled in Swedish business and industry.

From the first few years infused with enthusiasm and enterprising spirit rarely observed elsewhere, we were forced to quickly move on to the next phase, where we focused on earnings and profitability. This is a process we have endured the past few years, with tough cutbacks, economization, and typically even staff dismissals. In a short time, we reduced the number of employees more than 20% and the number of legal units by more than 30 companies, and the Group has taken on virtually a new structure, with many new top managers. Of course, this has been a necessary but occasionally unpleasant process, with some trouble and turbulence which is unavoidable when companies must radically streamline their operations.

Today, MTG has operations in more than 20 countries, roughly 1,000 employees in five business areas, and one important goal in sight: To achieve profitability as soon as possible and thus grow value for MTG's shareholders. I believe that the year's first quarterly report shows that MTG is on the right path.

We have boosted sales 25% and cut our loss more than SEK 80 million compared to the same period in 1997. Most operations are developing according to plan or better than planned. For example, TV-Shop succeeded in reversing last year's loss and is once again profitable. Our businesses in the Baltic states-in which the Swedish state is a partner through SwedFund-are also running well. The same is true of TV3 in Sweden and Norway, ViaSat, all of MTG Media Services, and especially Metro.

On the other hand, we have had problems with the pay-TV channels in Denmark, where advertising sales have lagged. I believe these problems are now behind us, and we hope to regain part of what we lost by the end of 1998. Naturally, the general strike in Denmark had short-term, negative effects for us.

The losses in ZTV, TV6, and 3+-what we call "niche" channels-became alarmingly high last year, so that we have initiated action, as previously announced, to remedy the situation and slash expenses.

MTG is now divided into five different business areas.

The Free TV division consists of TV3 for five countries, 3+, and ZTV as well as our holding in TV4.

The various channels are operated from the headquarters in London, whose management, I dare say, is now stronger than ever. That management comprises people from five different countries who all have many years of experience in the commercial TV business. TV3 is doing well in all countries except Denmark. TV6 has been moved to the Pay TV division, and 3+ and ZTV have been reformatted to get back in the black more quickly.

The Pay TV division under Hans-Holger Albrecht's leadership has succeeded, despite the competitive situation, in growing 35% since the launch of ViaSat's new product range in September 1997. ViaSat, which is Europe's third largest SMS operator, administers almost two million TV households today.

Publishing, the business area for activities such as Metro, continues to grow aggressively and still boost profitability. Since February, Metro has been distributed in three European cities: Stockholm, Gothenburg, and Prague. Our goal is to launch Metro in even more countries this year, for example, Hungary, where Metro Budapest will be launched this autumn.

Metro Stockholm, which reaches more than 600,000 readers each day, extended its distribution contract with the Greater Stockholm Public Transport Company Limited to the end of the year 2005.

Radio comprises Rix (Sweden's biggest commercial network), the publicly traded company P4 in Norway (and South Africa), and Power in Stockholm, Gothenburg, and Oslo. This business area is enjoying healthy growth. It was up 60% in the first quarter of 1998 compared to the same period last year. However, it took much longer than expected to convince Swedish advertisers of the power of radio. To make the most of the current strong upswing in demand for radio advertising, we employed about 40 new salespeople for our Swedish operations.

Electronic Retailing, which includes TV-Shop, suffered major problems last year. After cutbacks and renegotiations of just about all contracts, and a revamping of the product range, the loss in 1997 was turned to profit in the first quarter of 1998.

TV-Shop, which communicates with more than 100 million European consumers each day, now conducts operations in 21 countries.

#### Media Services

This business area, which embraces more different companies with the common attribute that they often supply products to other media companies, continues to perform well.

I would like to highlight as an example the production company Strix, which was in the red only two years ago but has now produced Expedition: Robinson, the biggest success for Swedish Television this year; På Rymmen, TV4's Friday night hit; and several other smash TV shows for other channels.

The film company, Spice/Sonet, one of the biggest Swedish movie producers today, is behind successes such as Jägarna, Glasblåsarns barn, Lilla Jönssonligan, and the film on the assassination of Olof Palme, Sista kontraktet.

In the international film market, we have MTG Media Property, a New York-based movie licensing company that manages more than 350 titles for the Group.

SDI, Subtitling and Dubbing International, is probably the world leader in subtitling and dubbing for movies and TV programs, and Nordic Artist is Sweden's leading private provider of events featuring classical music.

It is worth noting that shareholders, that is Kinnevik, invested somewhere in the region of SEK 2 billion in MTG. With the current market capitalization of roughly SEK 5 billion, that investment has more than doubled, and only eight months after listing on the stock exchange.

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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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