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**MTG**

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MODERN TIMES GROUP

**Remarks to the six months results  
2000  
August 14, 2000**

## The New MTG

- The largest free and pay TV operator in Northern Europe.
- The largest commercial radio group in Northern Europe.
- Finanstidningen fastest growing daily in Sweden.
- Largest homeshopping actor in Europe.
- SDI holds 50% of DVD translation market.
- Robinson format exported to 7 countries.

# Highlights

- Continued strong organic sales growth, up 11%. TV1000 adds another 11% in turnover.
- Half year profit equals full year profit last year.
- EBIT improved 23%<sub>3</sub>
- Overall outlook for advertising markets in the Nordic and Baltic countries remains positive.
- The important digital conversion starts during Q3.

# Highlights

- Two structural transactions completed;
  - the demerger of Metro becomes effective this week
  - the acquisition of TV1000 took place in Q2.
- The MTG interim report excludes Metro from beginning of the year, 1999 figures adjusted accordingly.

# Financial Summary

(excluding Metro)

<b>SEK Million</b>	<b>1999</b>	<b>H1/ 99</b>	<b>H1/ 00</b>
<b>Net Sales</b>	<b>4 491</b>	<b>2 122</b>	<b>2 587</b>
<b>EBITDA</b>	<b>421</b>	<b>235</b>	<b>454</b>
<b>EBIT</b>	<b>201</b>	<b>142</b>	<b>283</b>

## Financial Summary

- Metro de-consolidated from January 1, 2000. The report adjusted for the demerger in full, except five months of trading in MTG Publishing (income from de-consolidated businesses).
- MTG holds a convertible bond in Metro, if converted gives an ownership of 20%.

## Financial Summary

- August 15 is the last day for trading with MTG including Metro, Metro will commence trading on Nasdaq and SBI on August 18.
- TV1000 acquired in Q2. Consolidated in MTG from January 1, 2000. Goodwill approx. 800 MSEK, depreciated over 20 years.

**VIASAT**

3 VIASAT

3+ 4TV

3+ HD plus

5 nature ACTION

8 SPORT

CINEMA TV1000

BBC WORLD travelchannel

11 music choice

12

Bloomberg TELEVISION H THE HUMAN CHANNEL

HALLMARK KERRY 17

NPK 11 NPK TO

2

NORWAY

SWEDEN

FINLAND

DENMARK

ESTONIA

LATVIA

LITHUANIA

London

Broadcasting

VIASAT

TV3

ZTV

3+

VIASAT+

TV6

TV8

VIASAT SPORT

TV1000

Third party channels

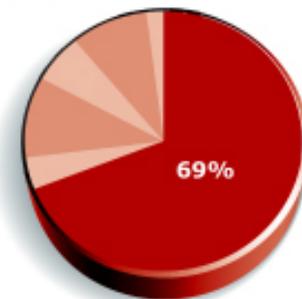
TV4  
(22%)

# Broadcasting

SEK Million	1999	H1/ 99	H1/ 00
<b>Sales</b>	<b>3 114</b>	<b>1 489</b>	<b>1 878</b>
<b>EBITDA</b>	<b>451</b>	<b>211</b>	<b>465</b>
<b>EBIT</b>	<b>314</b>	<b>155</b>	<b>330</b>

- Advertising markets were strong in Scandinavia during Q2. Sales were up 14 %.

Distribution of sales  
Broadcasting



## Broadcasting, cont'd

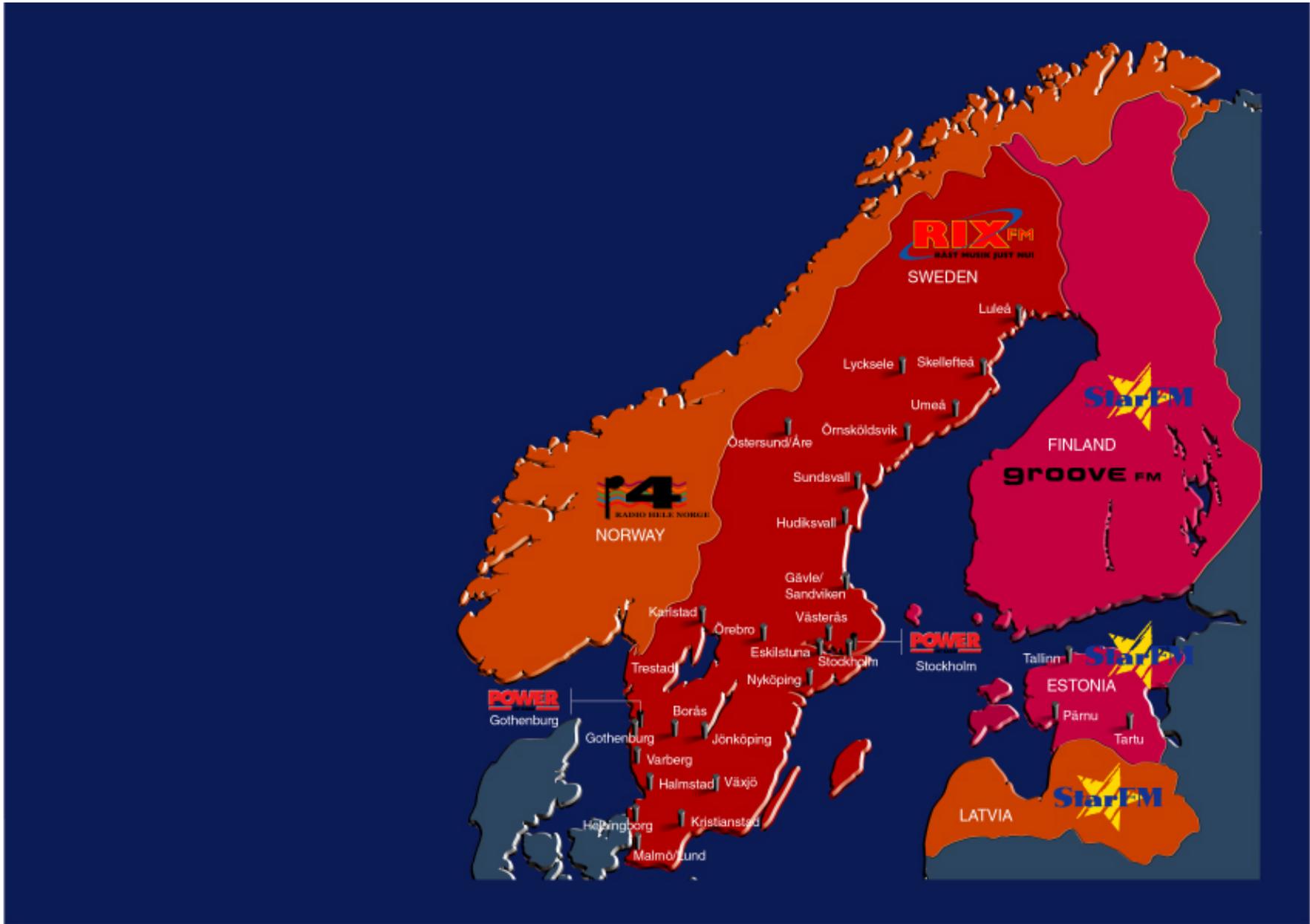
- Strong development in Sweden
- Norway adjusting program schedule, to compensate for new people meter system
- Denmark selling above last year, despite TV2 price war
- ZTV and 3+ first profitable niche channels in Scandi
- TV8 would grow faster if there were no penetration restrictions with major cable nets as Telia

## Broadcasting, cont'd

- New card sales stalled in waiting for digital launch, however not as dramatic as envisaged. Impacted Viasat profit growth.
- Basic cards up 3% year-on-year, Viasat Gold up 20%.

## Broadcasting, cont'd

- Digital swap continues according to plan. Agreement signed with NSAB on satellite services, with Sagem and Nokia for delivery of digital boxes.
- The digital swap continues to be justified by cost savings.
- Everyday TV adds new interactive services
- New opportunities since 50 % will be acquired by Astra ope



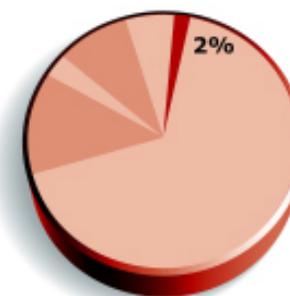
# Radio



SEK Million	1999	H1/ 99	H1/ 00
<b>Sales</b>	<b>110</b>	<b>55</b>	<b>68</b>
<b>EBITDA</b>	<b>19</b>	<b>20</b>	<b>4</b>
<b>EBIT</b>	<b>16</b>	<b>18</b>	<b>13</b>

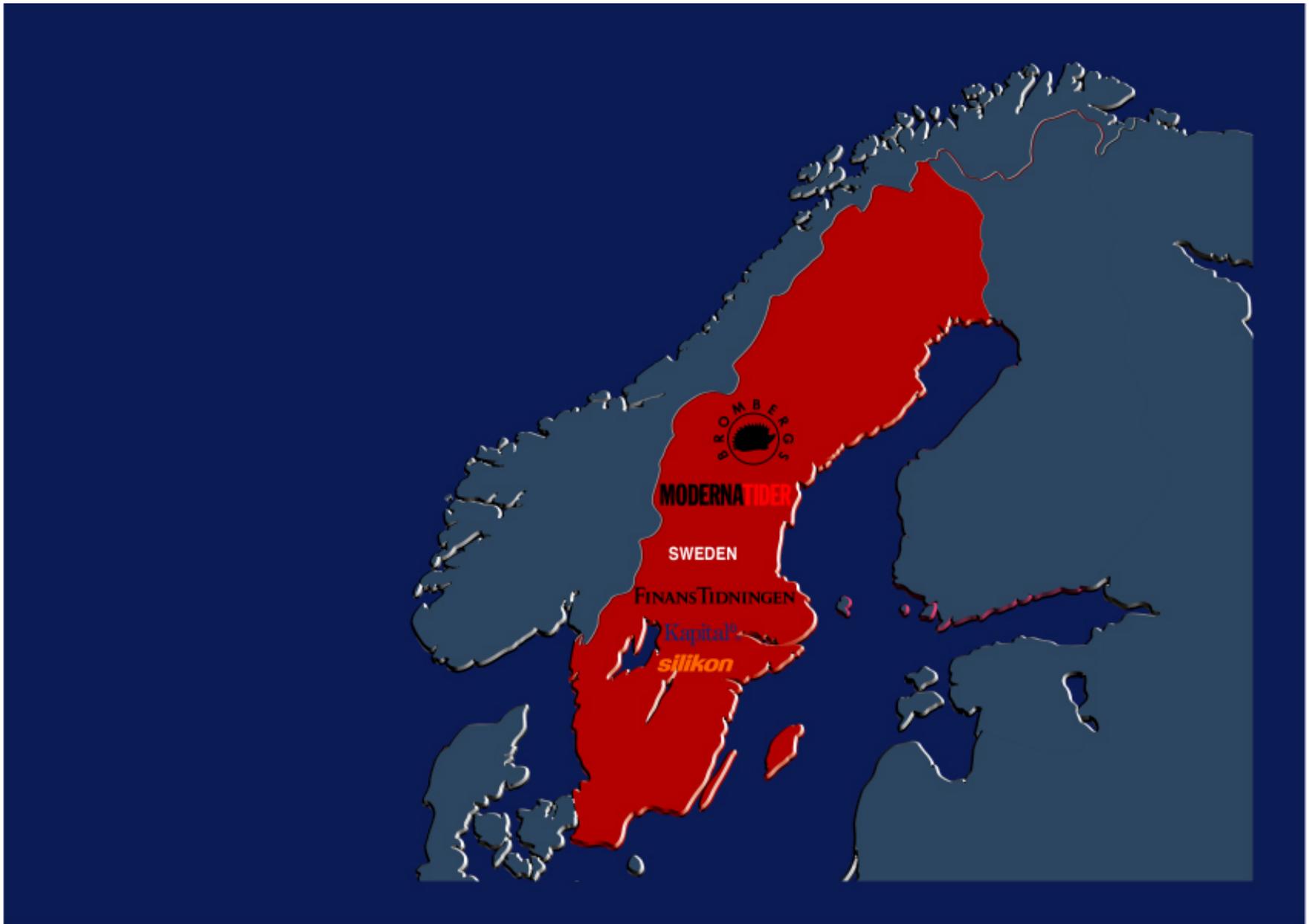
- Strong market conditions in Sweden, up 22 %
- Sales increased 24%, Rix consolidated its position as the largest commercial network together with strong sales in Power.

Distribution of sales Radio



## Radio, cont'd

- Sales also strong in Sweden, considering the effects of the project to increase CPT in the market.
- Baltic stations in strong development, whilst the start in Finland is slow due to low technical reach.



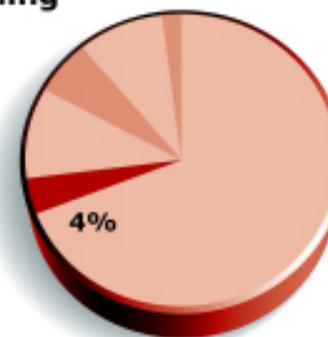
# Publishing

Publishing	SEK Million	1999	H1/ 99	H1/ 00
FINANSTIDNINGEN	<b>Sales</b>	<b>127</b>	<b>44</b>	<b>105</b>
KAPITAL	<b>EBITDA</b>	<b>-7</b>	<b>-2</b>	<b>6</b>
MODERNA TIDER	<b>EBIT</b>	<b>-16</b>	<b>-6</b>	<b>1</b>



- Consists of Finanstidningen and magazines
- Finanstidningen in profits for the first time

Distribution of sales  
Publishing



## Publishing, cont'd

- Finanstidningen almost doubled sales, fuelled by aggressive marketing campaign and strong growth in financial advertising segment.
- Financial Hearings, investor meetings hosted by Finanstidningen, successful, starts to add important profits to Finanstidningen.

## Publishing, cont'd

- New projects launched together with TV8 and various Internet sites.
- Moderna Tider continues to add losses. A parallell project to Finanstidningen will be launched during Q3.
- Very successful Brombergs operates with 40% EBIT margin.



e-commerce logistics.



dvdon.com  
dvd • dvd-audio • video

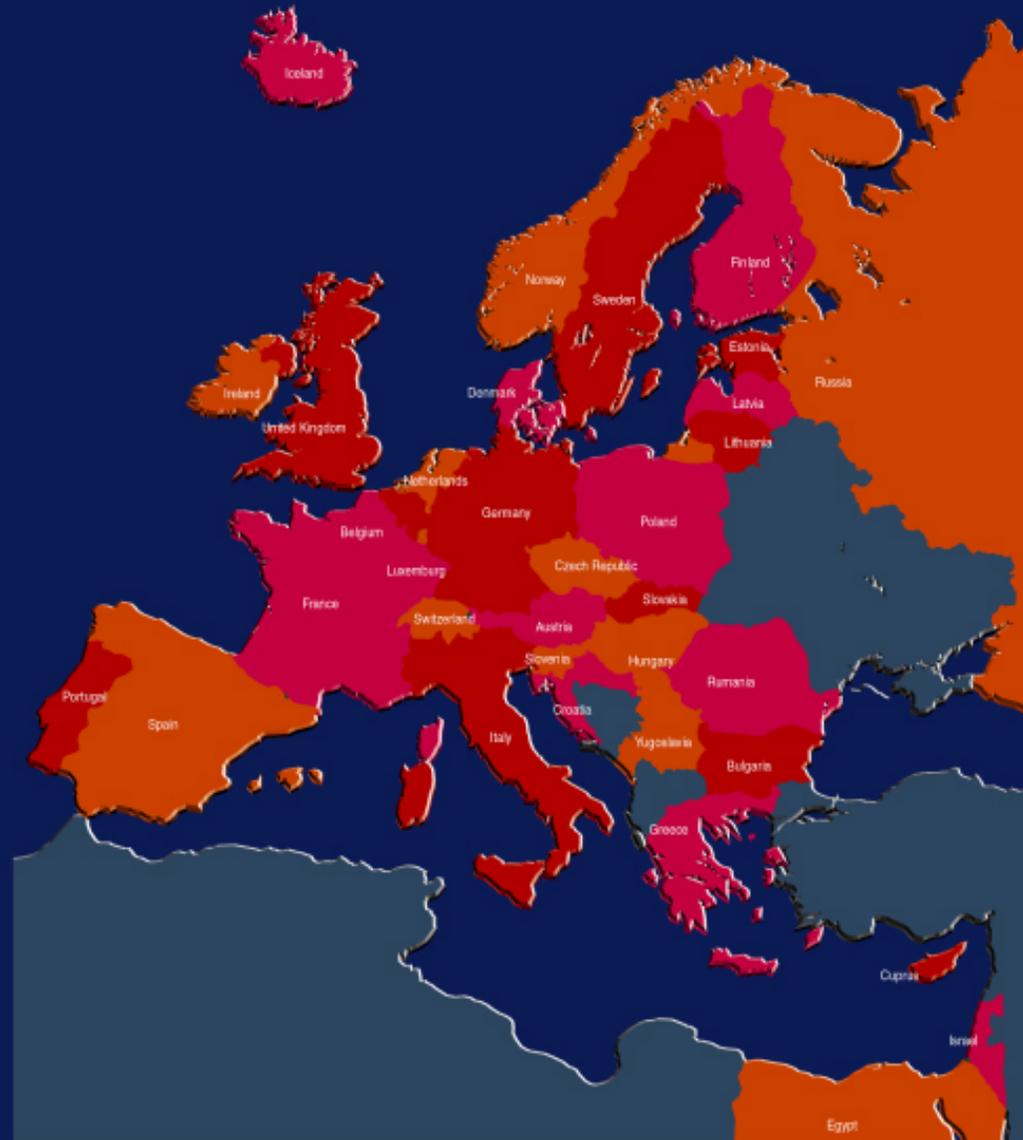


joy  
4life  
.com

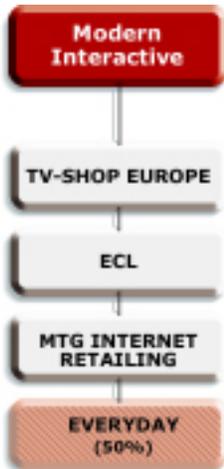
comeIN.NET



everyday.com



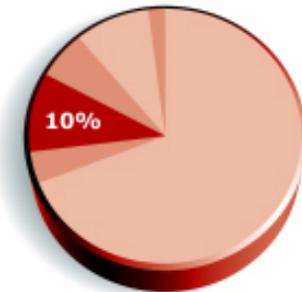
# Modern Interactive



SEK Million	1999	H1/ 99	H1/ 00
<b>Sales</b>	<b>582</b>	<b>321</b>	<b>278</b>
<b>EBITDA</b>	<b>-2</b>	<b>21</b>	<b>-2</b>
<b>EBIT</b>	<b>-27</b>	<b>12</b>	<b>-14</b>

- World wide trend with complicated homeshopping business.
- But good growth for new activities; logistics, Internet and digital TV

Distribution of sales  
Modern Interactive



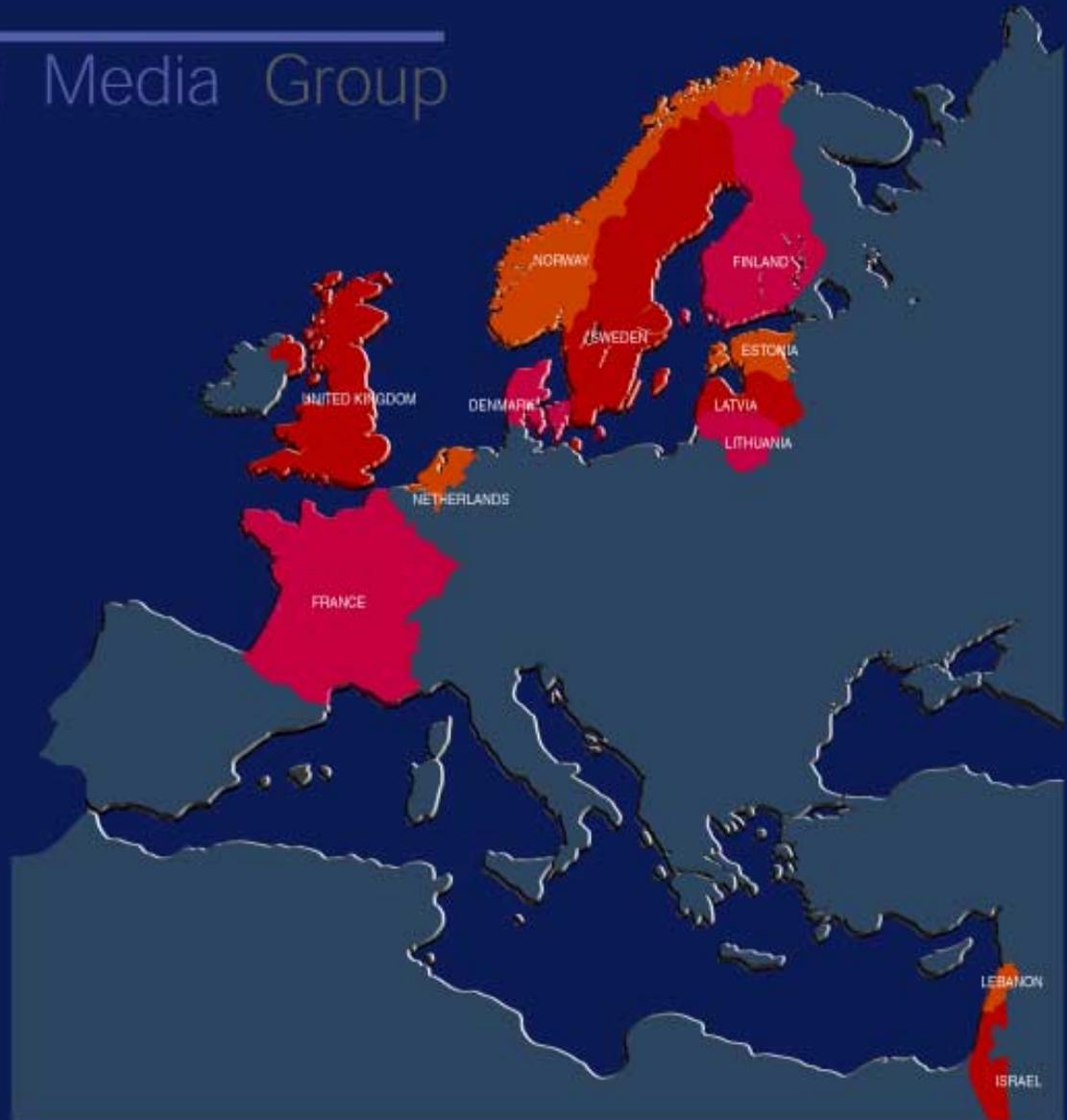
## Modern Interactive, cont'd

- However old business crucial to give critical mass for development of new business.
- Positive signs; Eurosport contract renegotiated, consolidation of the market, the UK digital homeshopping channels shows strong sales.
- The new management team in place.

## Modern Interactive, cont'd

- Internet retailing focuses on established brand, marginal new development.
- Everyday now established in 11 countries. Enhanced and new serviced will be launched during the fall. Number of members over 800.000 in less than a year.
- Teletext in Spain at record levels. New major contract signed.

# SDI Media Group

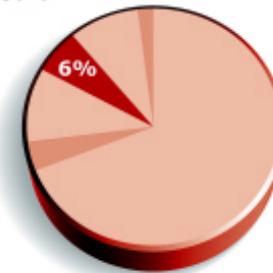


# SDI Media

SDI Media	SEK Million	1999	H1/ 99	H1/ 00
SDI MEDIA EUROPE	<b>Sales</b>	<b>256</b>	<b>103</b>	<b>154</b>
SDI MEDIA MIDDLE EAST	<b>EBITDA</b>	<b>28</b>	<b>10</b>	<b>11</b>
SDI MEDIA U.S.	<b>EBIT</b>	<b>15</b>	<b>4</b>	<b>5</b>
SDI MEDIA ASIA				

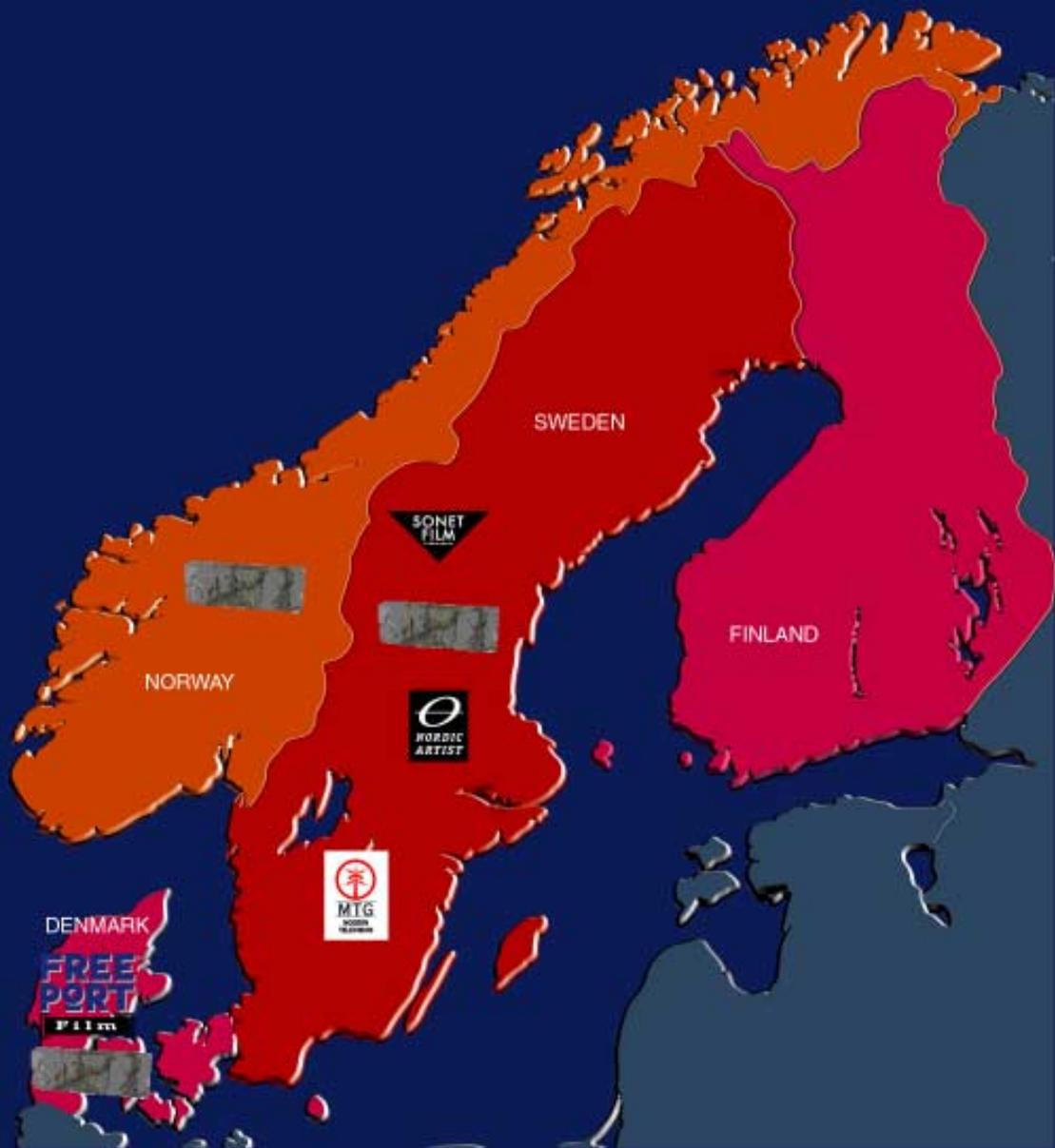
- Sales grew 50 %, including strong development in existing markets as well as with the entity in the US

Distribution of sales  
SDI Media

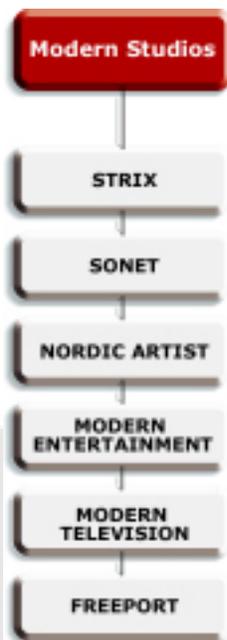


## SDI Media, cont'd

- Modest growth of EBIT so far, but increased focus on operations rather than acquisition will improve performance.
- Still strong underlying trends in digital TV, DVD, Hard of Hearing as well as web translations.



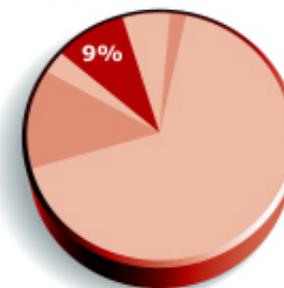
# Modern Studios



SEK Million	1999	H1/ 99	H1/ 00
<b>Sales</b>	<b>419</b>	<b>180</b>	<b>236</b>
<b>EBITDA</b>	<b>34</b>	<b>21</b>	<b>-2</b>
<b>EBIT</b>	<b>18</b>	<b>5</b>	<b>6</b>

- Top line grew 32% along with good growth in EBIT.
- Strix accounts for a large portion of the sales increase, Robinson format very successful together with the Bar concept.

Distribution of sales Modern Studios



## Modern Studios, cont'd

- Nordic Artist shows weak results due to low performing events, management change made. Modern Entertainment still in restructuring phase, starts to improve performance.
- Minority shareholders in Modern Entertainment bought out at 10,7 MUSD.

## Balance Sheet and Cash Flow

- Equity/assets ratio 44 %
- Adjusted for P4 and TV4 values 55 %
- W/C positive in Q2
- Depreciation 180 MSEK
- Maintenance capex 40 MSEK, plus new projects

# Financial Situation

SEK Million	June 30, 2000
Equity	2 445
Minority interest	13
Convertible loan	0
<hr/>	
<b>Total</b>	<b>2 458</b>
<b>Total assets</b>	<b>5 449</b>
Equity/ Asset ratio	45%
Market value 20,1% of TV4, 33,1% of P4	1 581
Bookvalue	188
Adjusted equity/ asset ratio	55%

# Executive management

