

# Modern Times Group

## Second Quarter 2008 Results

*“The 15th Consecutive Quarter of Double Digit year-on-year Sales Growth”*



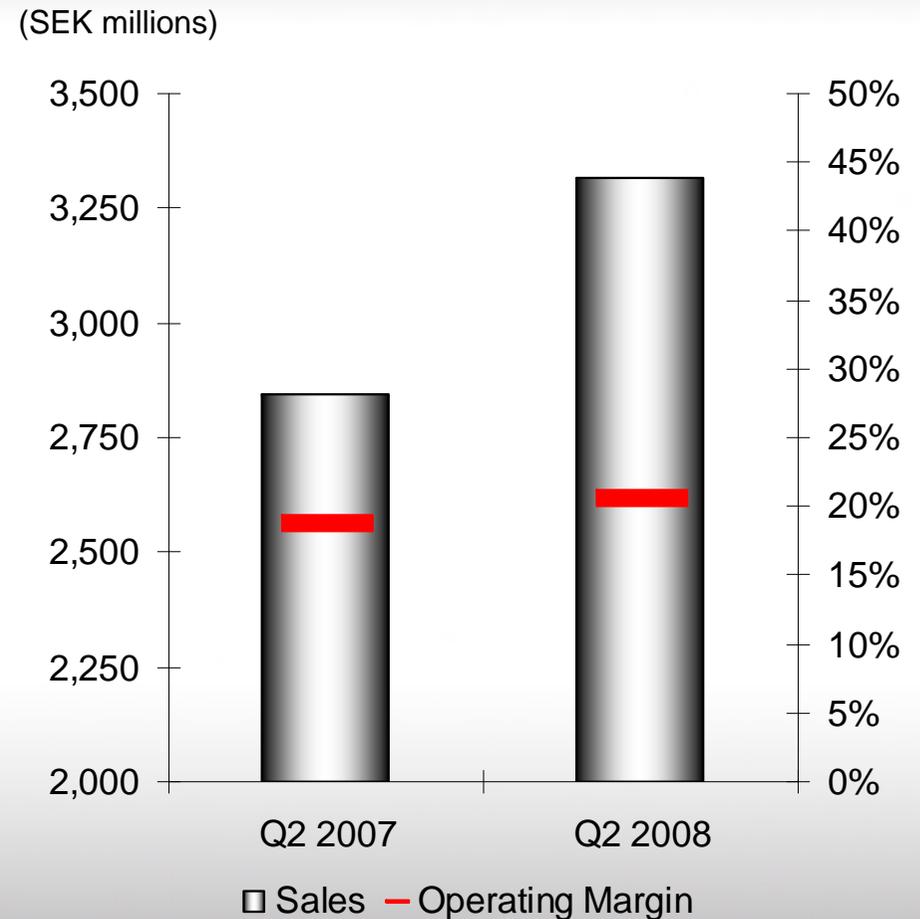
# Second Quarter Highlights

## Record Sales & Profits

### Second Quarter

- Group net sales up 17% y-o-y to SEK 3,318 mn
- Underlying operating income excluding one-offs\* up 26% y-o-y to SEK 673 mn with increased operating margin of 20% (19%)
- Viasat Broadcasting net sales up 19% y-o-y to SEK 2,664 mn
  - Operating income, excluding associated company income, up 24% y-o-y to SEK 531 mn, with an increased operating margin of 20% (19%)
  - Associated company income from CTC Media up 22% y-o-y to SEK 132 mn
- SEK 1,159 mn net gain from sale of DTV Group Russia
- Group net cash flow nearly doubled y-o-y to SEK 986 mn
- Basic earnings per share of SEK 23.90 (4.95)

**Q2 net sales up 17% y-o-y**  
**Underlying\* operating margin up to 20%**



\* Excluding SEK 1,159 mn net gain from the sale of Russian DTV Group & SEK 76 mn non-cash asset impairment charge in the Online business area

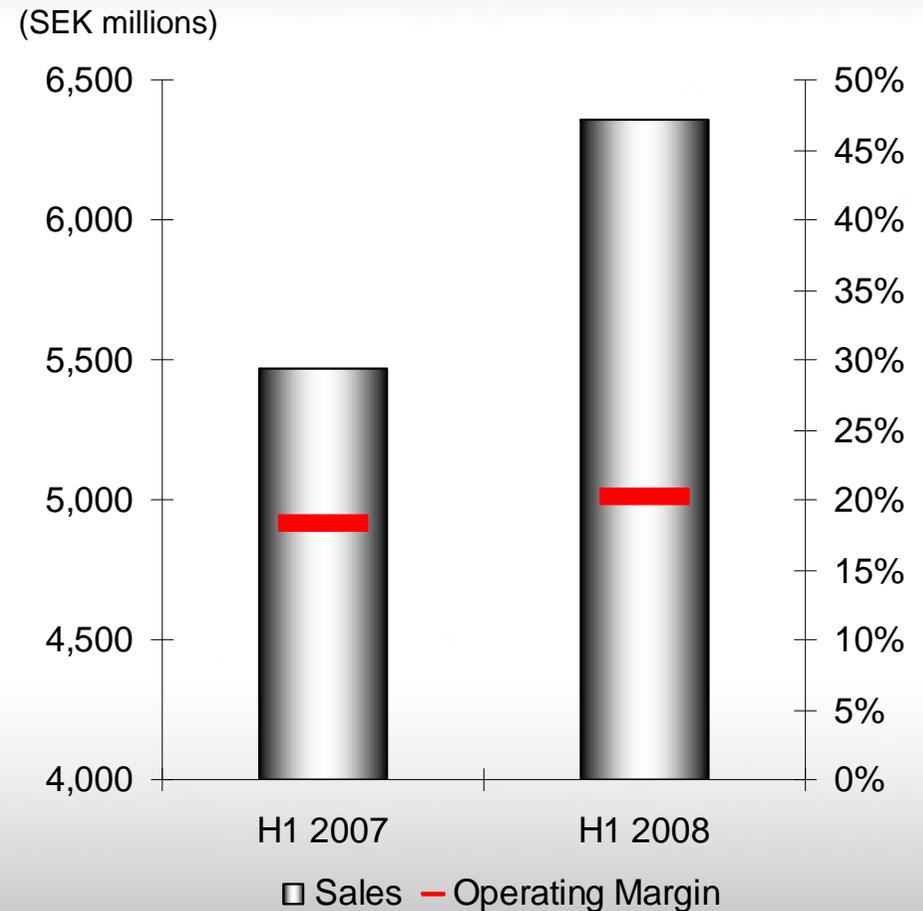
# First Half Highlights

## Record Sales & Profits

### First Half

- Group net sales up 16% y-o-y to SEK 6,360 mn
- Underlying operating income excluding one-offs up 27% y-o-y to SEK 1,269 mn with an increased operating margin of 20% (18%)
- Viasat Broadcasting net sales up 19% y-o-y to SEK 5,065 mn
  - Operating income, excluding associated company income, up 24% y-o-y to SEK 920 mn with an operating margin of 18% (18%)
  - Associated company income from CTC Media up 25% y-o-y to SEK 270 mn
- Group net cash flow more than doubled y-o-y to SEK 1,029 (458) mn
- Basic earnings per share of SEK 29.68 (9.50)
- Sale of Russian DTV Group to CTC Media for USD 395 mn in cash

### Half year net sales up 16% y-o-y Underlying\* operating margin up to 20%



\* Excluding SEK 1,159 mn net gain from the sale of Russian DTV Group & SEK 76 mn non-cash asset impairment charge in the Online business area

# Free-TV Scandinavia

## Summary

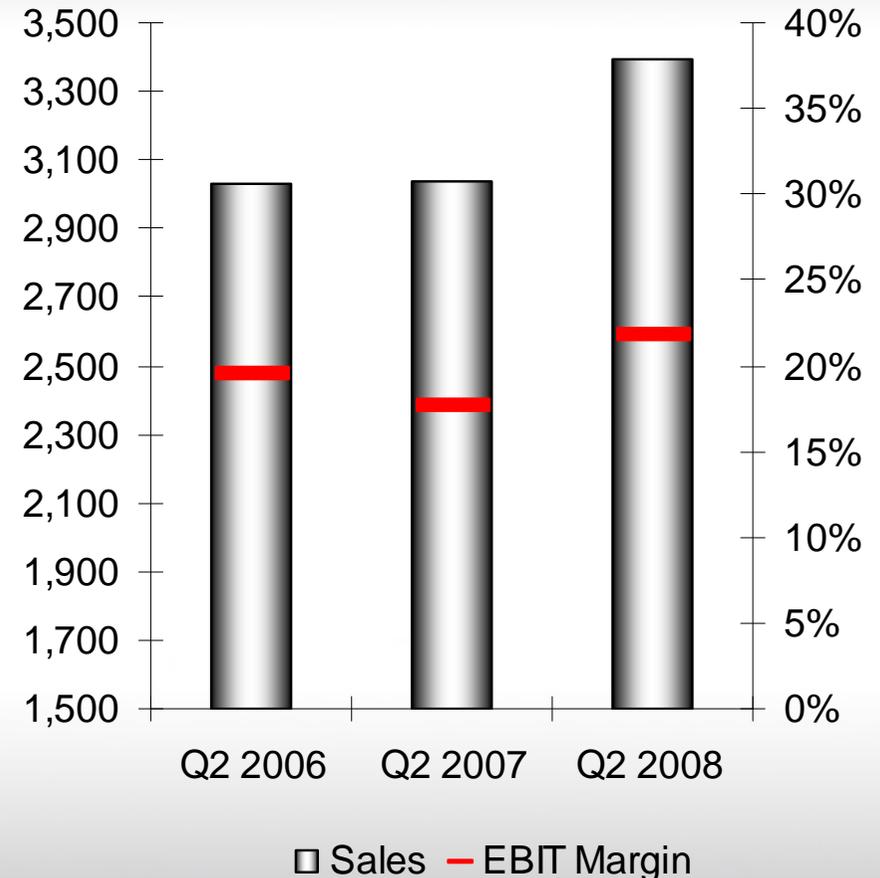
- Net sales up 16% y-o-y to SEK 947 mn in Q2 & up 15% to SEK 1,755 mn in H1
- Operating costs up 9% y-o-y in Q2 & H1 to SEK 706 mn & 1,363 mn, respectively
- Operating income up 43% y-o-y to SEK 241 mn in Q2 & up 41% to SEK 392 mn in H1 with increased operating margins of 25% (21%) & 22% (18%), respectively
- Penetration increases in Norway & Sweden following agreements with Canal Digital – Viasat media house quarterly CSOV larger than SBS ProSieben in Norway for the first time

## Commercial Share of Viewing (%)

	Q1 2008	Q2 2008
TV3 & TV6 Sweden (15-49)	32.0	33.5
TV3 & Viasat4 Norway (15-49)	20.4	23.0
TV3 & TV3+ Denmark (15-49)	21.3	22.7

## Rolling 12 Months

(SEK Millions)



# Pay-TV Nordic

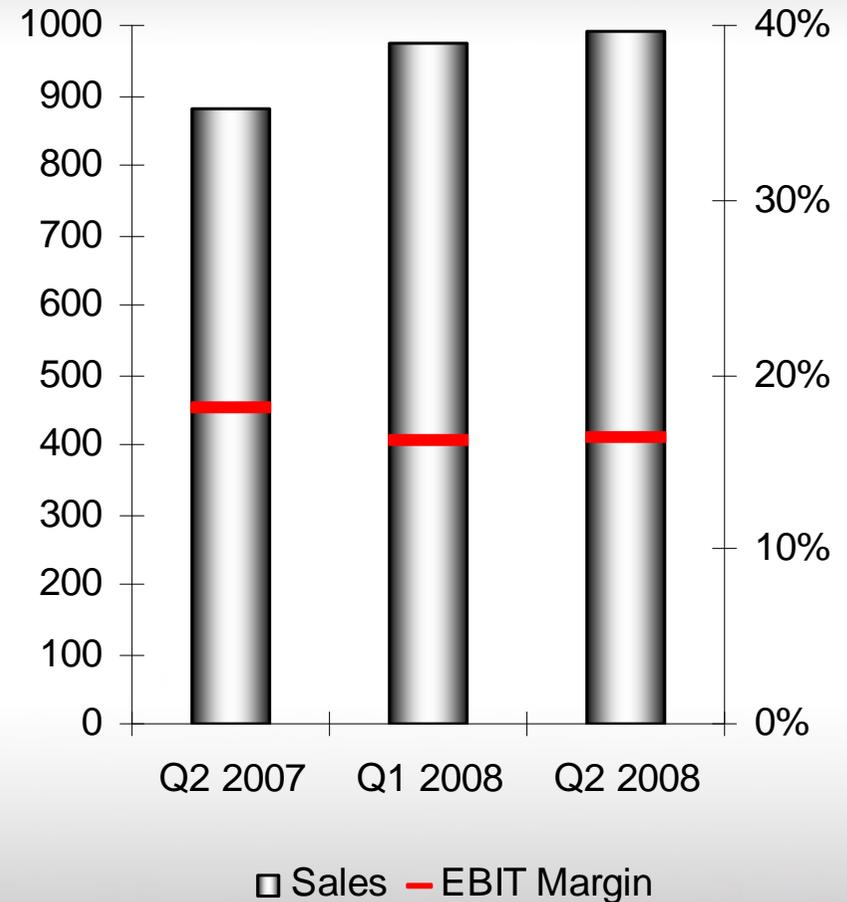
## Summary

- Sales up 13% y-o-y to SEK 993 mn in Q2 & up 12% to SEK 1,969 mn in H1
- ARPU up 11% y-o-y to SEK 3,900 & up from SEK 3,790 in Q1
- Operating costs up 15% y-o-y in Q2 & up 14% in H1 to SEK 831 mn & 1,650 mn respectively
- Operating income up y-o-y to SEK 162 (160) mn in Q2 & up 4% to SEK 319 mn in H1 with 16% (18%) & 16% (17%) operating margins, respectively
- Agreement with Telia to sell Viasat packages to Telia's > 300,000 IPTV subscribers and > 1 mn broadband subscribers

## Subscription Data

(000's)	Q1 2008	Q2 2008
<b>Premium subscribers</b>	<b>752</b>	<b>739</b>
- of which, DTH Satellite	703	688
- of which, IPTV	50	51

(SEK Millions)



# Free-TV Emerging Markets

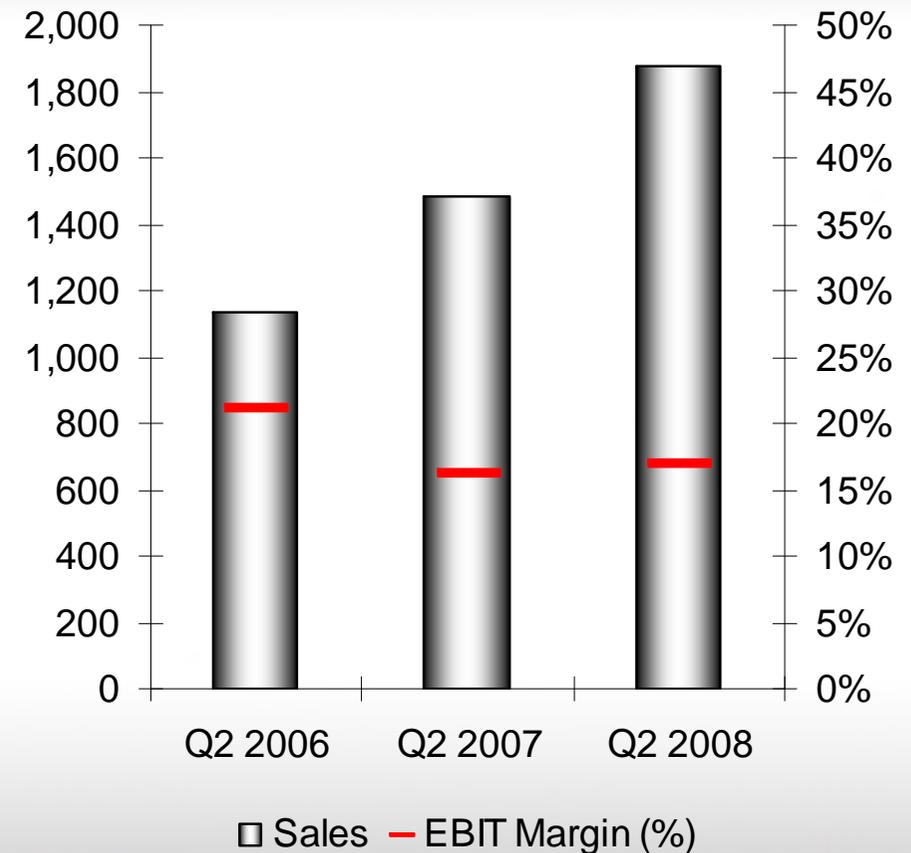
Baltics, Czech Republic, Hungary, Slovenia, Bulgaria, Ghana

## Summary

- Sales up 34% y-o-y to SEK 586 mn in Q2 & up 31% to SEK 1,009 mn in H1
- Investment in UEFA EURO 2008 drives ratings in Czech Republic, Slovenia & Bulgaria but increases Q2 cost base
- Operating income of SEK 85 (111) mn in Q2 & SEK 131 (153) mn in H1 with operating margins of 15% (25%) & 14% (20%) for the two respective periods

## Rolling 12 Months

(SEK Millions)



## Combined Commercial Share of Viewing (%)

	Q1 2008	Q2 2008
Pan-Baltic (15-49)	39.9	39.6
Czech Republic (15+)	20.5	20.8
Hungary (18-49)	6.7	7.2
Slovenia (15-49)	7.8	12.1
Bulgaria (15-49)	10.2	9.7

# Pay-TV Emerging Markets

Baltic & Ukraine DTH Satellite Platforms + Wholesale Mini-Pay Business

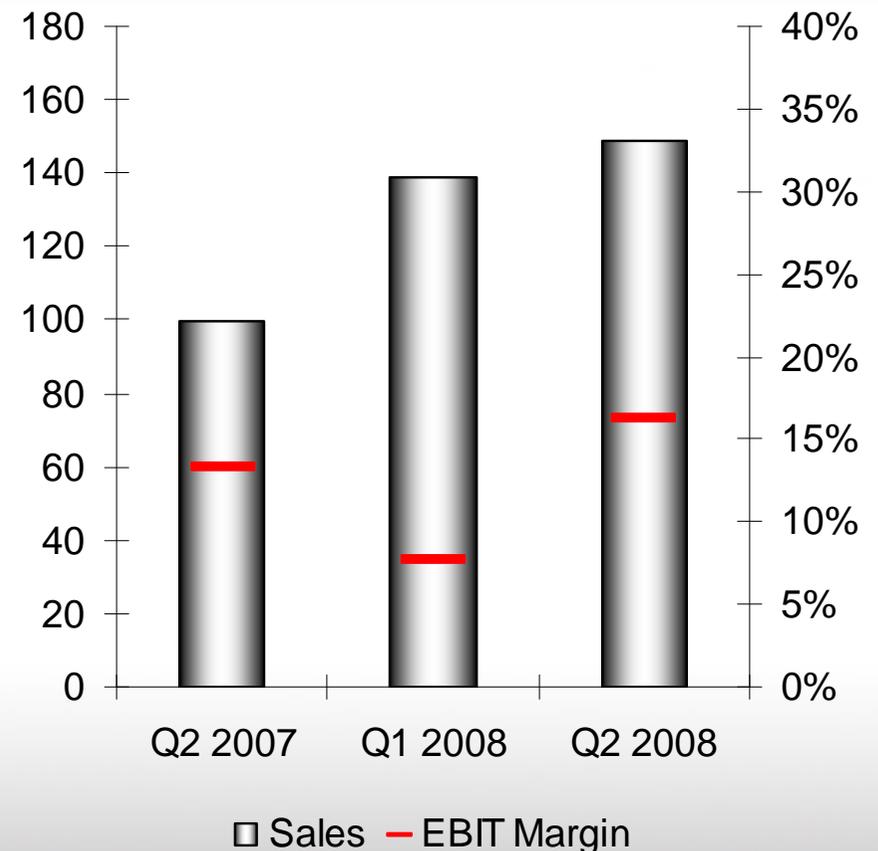
## Summary

- Net sales up 48% y-o-y to SEK 149 mn in Q2 & up 57% to SEK 288 in H1
- Operating income up 88% y-o-y to SEK 25 mn in Q2 & up 57% to SEK 38 mn in H1, with operating margins of 16% (13%) & 12% (13%), respectively
- 31% y-o-y growth increase in mini-pay subscriptions to over 30 million for the first time
- Viasat Ukraine platform launched on 21 April

## Subscription Data

(000's)	Q1 2008	Q2 2008
DTH Premium Baltics	175	179
Mini-pay subscriptions	27,638	30,202

(SEK Millions)



# Other Operations

## Radio & Online

- MTG Radio sales up 11% y-o-y in Q2 to SEK 221 mn & up 17% to SEK 408 mn in H1
  - Operating income up 26% y-o-y to SEK 52 mn in Q2 & 70% to SEK 82 mn in H1, with increased operating margins of 24% (21%) & 20% (14%), respectively
  - Advertising market share gains for P4 Radio in Norway
- Online sales up 48% y-o-y to SEK 412 mn in Q2 & up 36% to SEK 829 mn in H1 when excluding discontinued operation TV-Shop's results in 2007
  - MTG Internet Retailing sales up 50% y-o-y in Q2 & up 43% in H1 following continued growth for CDON + contribution from newly acquired businesses - rolling 12 month sales of > SEK 1 bn for the first time
  - Underlying operating income of SEK 16 (10) mn in Q2 & SEK 44 (24) mn in H1, when excluding SEK 76 mn Playahead non-cash goodwill impairment charge in Q2 08 & SEK 17 mn gain from disposal of TV-Shop business in Q2 2007 - reflects ongoing restructuring of newly acquired & developing businesses
  - BET24 sales up 48% y-o-y in Q2 & up 36% in H1, with gross profits up 50% y-o-y in Q2 & up 39% in H1, respectively, & substantially increased operating income of SEK 22 (0.3) mn in H1

# 5 Year Strategic Goals

“On Track”

- MTG to report Group Net Sales of SEK 20 billion in 2011 (including acquisitions) with >10% organic annual sales growth  
*Sales up 15% y-o-y to SEK 12.2 billion for 12 month period ended 30 June 2008*
- >20% operating (EBIT) margin for Viasat Broadcasting (excl. CTC Media) by end of 2011  
*Operating (EBIT) margin of 18% for 12 month period ended 30 June 2008*
- Current Viasat Broadcasting Emerging Markets operations (incl. CTC Media) to generate higher operating profit (EBIT) than rest of Viasat Broadcasting by 2011  
*Emerging Markets = 40% of Viasat Broadcasting EBIT (incl. CTC Media) for 12 month period ended 30 June 2008*
- MTG to report 30% return on Equity for 2007-2011 5 year period  
*28% Return on Equity for 12 month period ended 30 June 2008*

# Summary Income Statement

(SEK million)	Q2 2008	Q2 2007	H1 2008	H1 2007
<b>Net Sales</b>	<b>3,318</b>	2,843	<b>6,360</b>	5,471
<b>Operating Income (EBIT) before exceptional items</b>	<b>673</b>	532	<b>1,269</b>	1,001
Net gain from sale of DTV Group	<b>1,159</b>	-	<b>1,159</b>	-
Online asset impairment charge	<b>-76</b>	-	<b>-76</b>	-
<b>Operating Income (EBIT)</b>	<b>1,756</b>	532	<b>2,351</b>	1,001
Net interest and other financial items	<b>29</b>	-1	<b>16</b>	-3
<b>Income before tax</b>	<b>1,785</b>	531	<b>2,368</b>	998
Tax	<b>-187</b>	-169	<b>-373</b>	-320
<b>Net income for the period</b>	<b>1,598</b>	362	<b>1,995</b>	678
Basic average number of shares outstanding	<b>65,662,041</b>	67,065,495	<b>65,937,651</b>	67,055,823
Basic earnings per share (SEK)	<b>23.90</b>	4.95	<b>29.68</b>	9.50

# Cash Flow

(SEK million)	Q2 2008	Q2 2007	H1 2008	H1 2007	FY 2007
Cash flow from operations	694	307	1,005	586	1,363
Changes in working capital	292	211	24	-128	-433
<b>Net Cash Flow from Operations</b>	<b>986</b>	518	<b>1,029</b>	458	930
Proceeds from sales of shares of subsidiaries	1,412	70	1,412	70	70
Investments in shares in subsidiaries & associates	-10	-1	-220	-179	-219
Investments in other non-current assets	-28	-31	-58	-103	-327
Other cash flow from investing activities	-	10	1	-	-4
<b>Cash flow from/to investing activities</b>	<b>1,373</b>	49	<b>1,134</b>	-212	-479
<b>Cash flow from/to financing activities</b>	<b>-1,969</b>	-470	<b>-1,894</b>	-356	-590
<b>Net change in cash and cash equivalents for the period</b>	<b>389</b>	96	<b>270</b>	-110	-139

- Net cash flow nearly doubled y-o-y in Q2
- Positive changes in working capital of SEK 292 mn in Q2 & SEK 24 mn in H1
- SEK 1,412 mn received from the sale of DTV Group, with balance received in Q3
- SEK 196 mn acquisition of Gymgrossisten online retailer in Q1 08

# Balance Sheet

(SEK million)	30 Jun 2008	30 Jun 2007	31 Dec 2007
Non-current assets	5,157	5,424	5,756
Current assets	6,376	4,638	5,203
<b>Total assets</b>	<b>11,534</b>	<b>10,063</b>	<b>10,958</b>
Shareholders' equity	6,786	5,337	5,875
Long-term liabilities	416	371	430
Current liabilities	4,331	4,355	4,654
<b>Total equity &amp; liabilities</b>	<b>11,534</b>	<b>10,063</b>	<b>10,958</b>

- 35% ROCE and 28% ROE for trailing twelve months
- Equity to assets ratio of 59% (53%)
- Net cash position of SEK 1,675 mn
- SEK 4,394 million of available liquid funds
- SEK 7.6 billion surplus value of CTC Media stake