

Modern Times Group MTG AB

**Financial results for the First Quarter
and 3 months ended 31 March 2005**

21 April 2005

Group Overview

First Quarter & three months ended 31 Mar 2005

- Highest ever Q1 operating result
- TV3 Scandinavia takes advertising market shares in all territories
- TV3 Sweden and RIX FM continue to benefit from penetration increases
- Scandinavian free-to-air channels report 77% incremental margin
- Continued strong subscriber intake in seasonally weak sales quarter
- Pay-TV Nordic operating margin up to 20% from 14% in Q4 04
- Addition of 1.5 million E European cable subscribers
- Disposal of non-core financial assets - net gain of SEK 389 from sale of TV4 shares
- Increased shareholding in BET24 after end of quarter from 19.9% to 51.0%

Group Highlights

First Quarter & three months ended 31 Mar 2005

- Group net sales up 11% to SEK 1,742 (1,571) million
- TV3 Scandinavia net sales up 15% to SEK 561 (487) million
- Quarterly net intake of 25,000 premium subscribers
- Group operating income up 61% to SEK 179 (111) million
- Net income of SEK 479 (45) million, including SEK 389 net gain from sale of TV4 shares
- Earnings per share of SEK 7.21 (0.68)

Financial Highlights

First Quarter & three months ended 31 Mar 2005

TRANSITION TO IFRS ACCOUNTING PRIMARILY IMPACTS ON GOODWILL AMORTIZATION

- Group net sales up 18% excluding discontinued businesses
- Underlying operating income up 77% to SEK 179 (101) million excluding discontinued businesses
- Net cash flow from operations more than doubles to SEK 197 (84) million
- SEK 2.06 billion in available liquid funds including unutilised credit facility and SEK 1.28 billion of cash & cash equivalents following sale of TV4 shares for SEK 513 million
- Net cash position – cash & cash equivalents and interest-bearing assets exceed interest-bearing liabilities by SEK 248 million, compared to net debt of SEK 811 million at end of Q1 2004
- SEK 2.7 billion market value of portfolio of listed securities

Summary Income Statement

(SEK million)	Q1 2005	Q1 2004	Full Year 2004
Net Sales	1,742	1,571	6,836
Operating income (EBIT) excluding net gain from the sale of SDI Media	179	111	677
Net gain from the sale of SDI Media	-	-	381
Operating income (EBIT)	179	111	1,058
Net gain from the sale of TV4 shares	389	-	-
Net interest and other financial items	-26	-48	-33
Pre-Tax profit	542	63	1,024
Taxes	-63	-18	-278
Net Income	479	45	746
Basic number of shares outstanding	66,375,156	66,375,156	66,375,156
Basic & fully diluted earnings per share (SEK)	7.21	0.68	11.23

Viasat Broadcasting

Operating Results

(SEK million)	Q1 2005	Q1 2004	Full Year 2004
Net Sales			
Free-to-air TV Scandinavia	668	577	2,695
Pay-TV Nordic	605	571	2,321
Central & Eastern Europe	122	85	442
Other & eliminations	-34	-68	-246
Total net sales	1,361	1,165	5,212
Operating income (EBIT)			
Free-to-air TV Scandinavia	58	-12	179
<i>Operating margin</i>	9%	-	7%
Pay-TV Nordic	123	127	370
<i>Operating margin</i>	20%	22%	16%
Central & Eastern Europe	-12	-14	-3
Associated Companies	35	20	146
Other & eliminations	12	10	44
Total EBIT	216	132	737

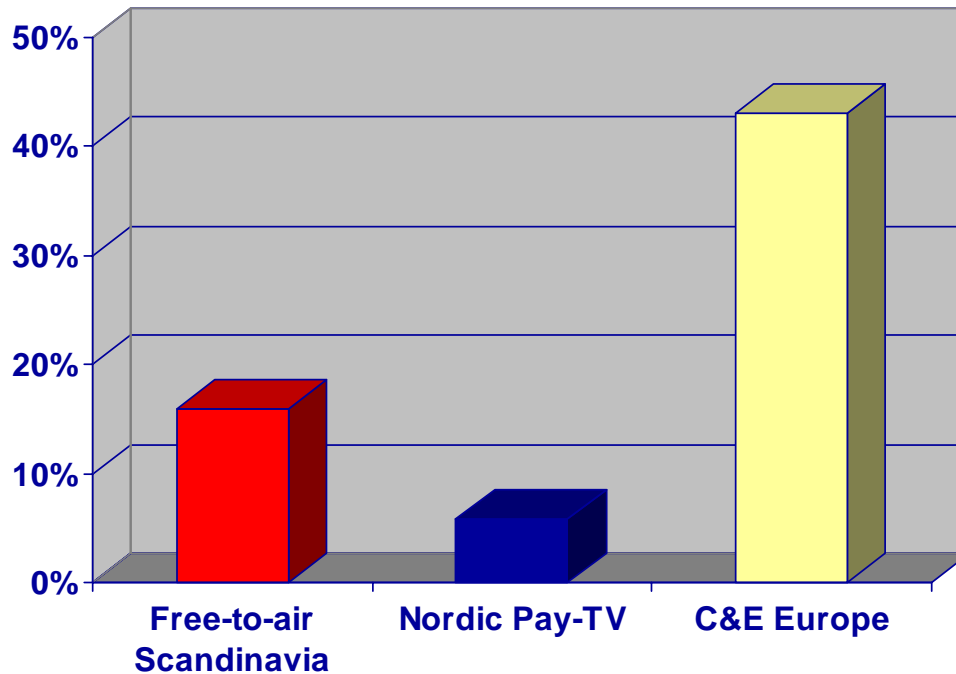
Viasat Broadcasting

Balancing growth with profitability

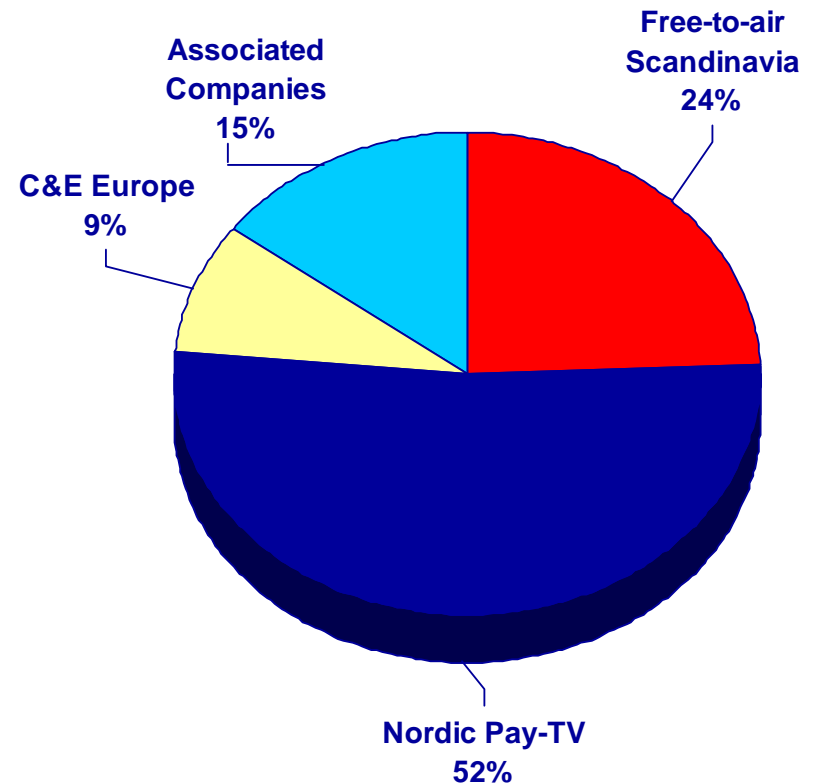
Segmental Sales growth

Contribution to operating profit

17% sales growth



Operating income up 64% to SEK 216 million



Free-to-air TV Scandinavia

Highlights

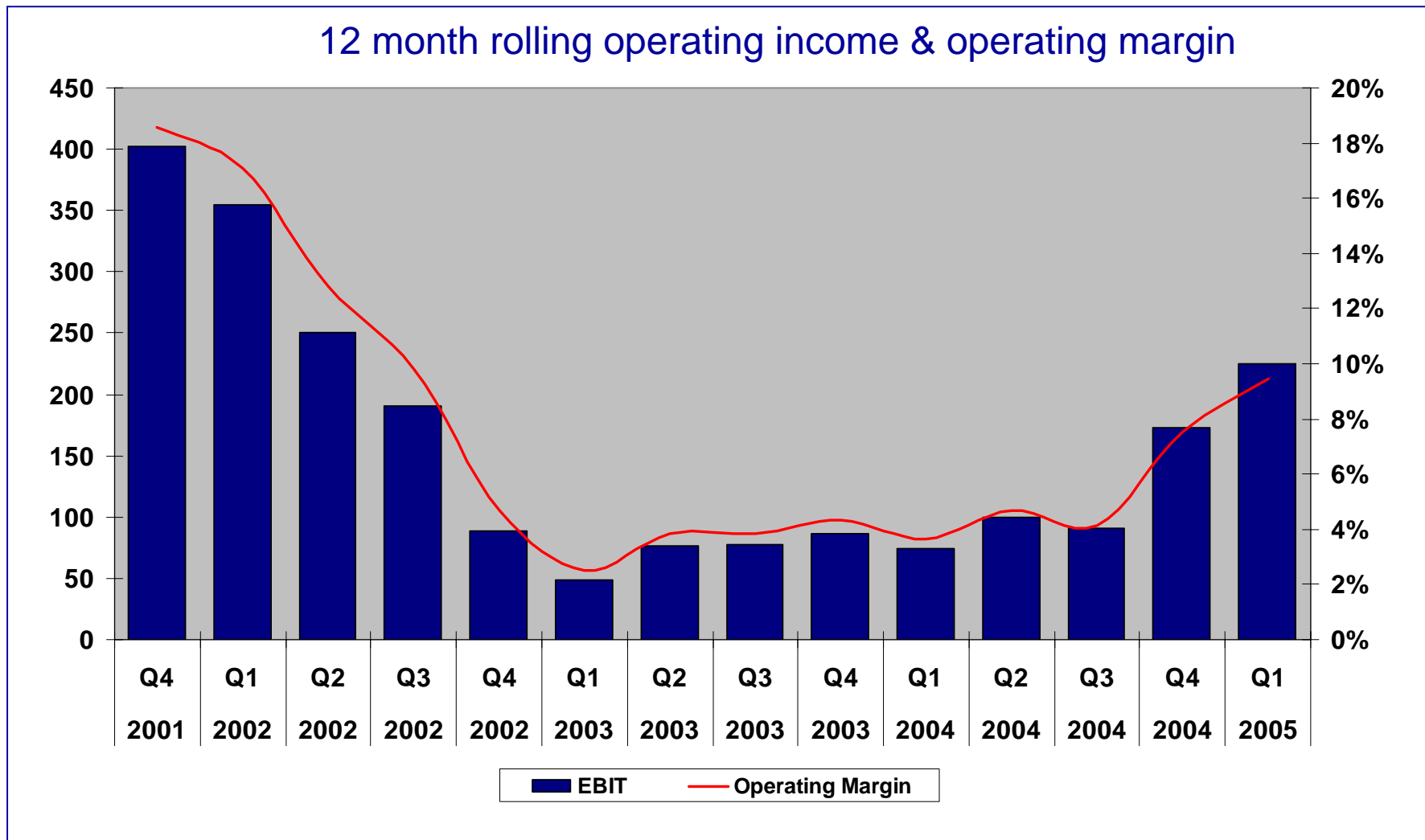
■ Strategic Objectives

- Increase penetration
- Increase share of viewing
- Increase advertising market shares

■ Delivery on Objectives

- 16% year on year sales growth
- Increased advertising market shares and record Q1 sales results in each territory
- New record number of viewing households for TV3 and TV3+ in Denmark
- TV3, ZTV and TV8 benefit from increased penetration and pay revenues in Sweden through continuing presence in DTT platform
- 77% incremental margin and SEK 70 million year on year swing in profitability to report 9% operating margin

TV3 Scandinavia Profitability Trend



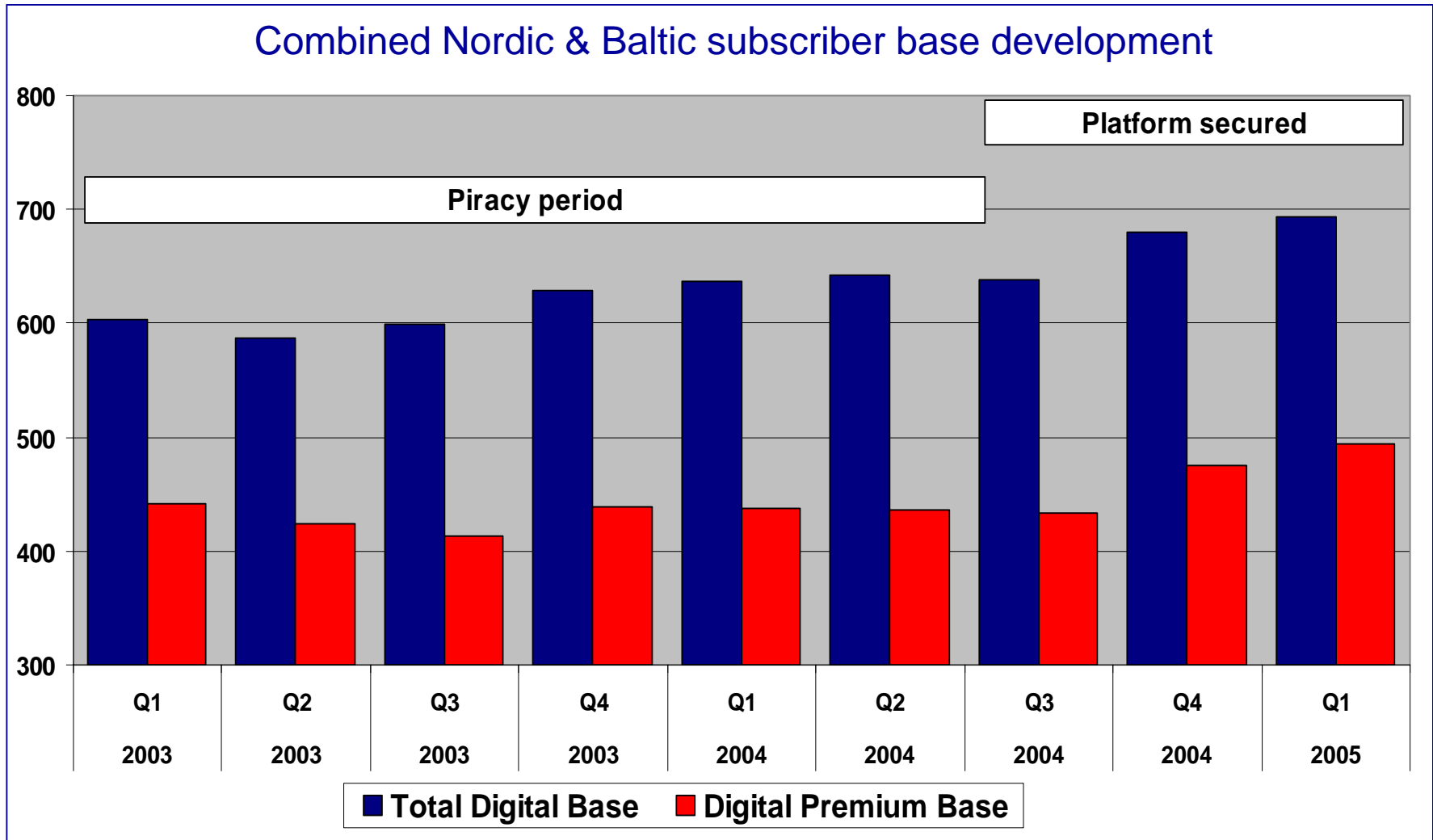
Pay-TV

Subscriber development

Subscribers (000's)	Mar 2005	Dec 2004	Mar 2004
Digital *	693	680	639
of which, 'Premium' Nordic *	494	475	438
of which, 'Premium' Baltics	21	15	2
of which, 'Basic' Nordic	178	190	199
TV1000 Scandinavia *	502	484	459
Central & Eastern Europe (TV1000 East, Viasat Sport, Viasat Explorer & Viasat History)	7,898	6,384	2,187

- Excluding 5,000 subscribers yet to migrate to new VideoGuard encrypted signal at end of Q1 05 and 9,000 unmigrated subscribers at end of 2004

Viasat Subscriber Base Growing again



Pay-TV Nordic Highlights

Strategic Objectives

- Grow net subscriber base
- Increase ARPU
- Increase profitability

Delivery on Objectives

- Sales up 6% following strong net subscriber intake of 19,000 in seasonally weak sales quarter and net addition of 56,000 premium subscribers since Q1 04
- Operating margin increases sequentially to 20% from 14% in Q4 04 as Disney channel becomes non-exclusive – operating income up 49% compared to Q4 04
- 7 new channels launched since beginning of 2004 and TV4 channels added after end of period
- Churn gradually decreasing and ARPU stable
- Switch off of legacy encryption of Basic Digital channels will be completed in 2005 – 37,000 subscribers yet to be migrated; Analogue signal switched off in Sweden to yield distribution cost savings
- IP-TV package has attracted over 2,300 subscribers and is now the first non-cable and non-terrestrial Swedish pay-TV platform to offer 'Big 6' channels

Free-to-air TV Central & Eastern Europe Highlights

Strategic Objectives

- Increase exposure to high growth new territories
- Increase share of viewing
- Increase advertising market shares

Delivery on objectives

- Net sales for Baltics channels up 16% year on year following advertising market share gains in all territories
- Pan-Baltic CSOV (15-49) of 38% and TV3 remains largest channel in Estonia and Lithuania
- Launch of 3+ channel in Estonia increases combined cost base but operating margin stable at 12% - combined operating profits up 21% year on year
- Viasat3 Hungary CSOV up to 5% and near year on year doubling of sales – channel also begins to charge for carriage
- Associated company CTC Media launches secondary network and reports 31% year on year sales growth and operating margin of 28%; DTV sales up 50% year on year

Pay-TV Central & Eastern Europe Highlights

Strategic Objectives

- Increase exposure to high growth new territories
- Grow net subscriber base
- Increase ARPU

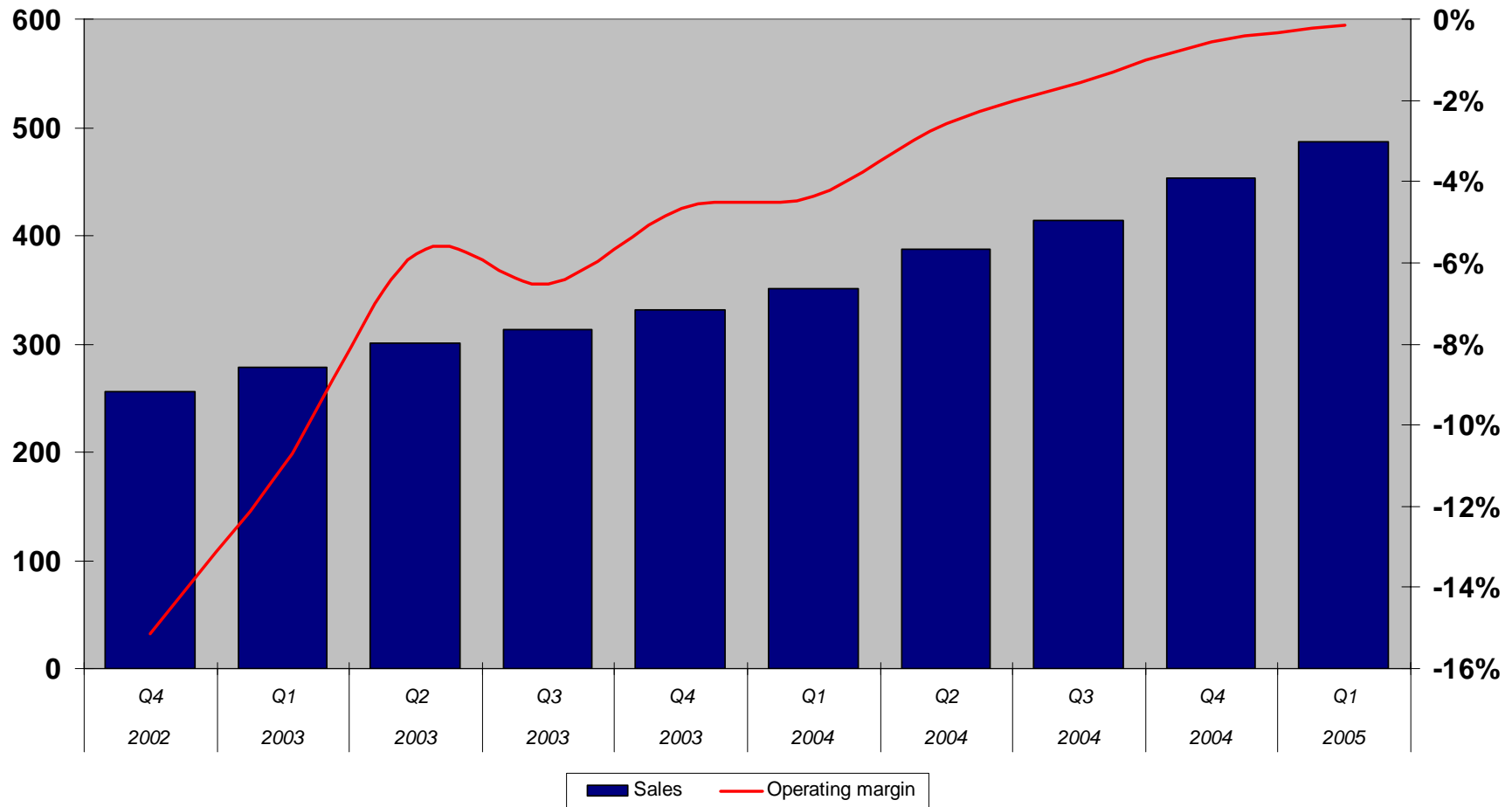
Delivery on objectives

- Continued growth in Viasat Baltic premium subscriber base with net addition of 6,000 premium subscribers in quarter and 19,000 subscribers since end of Q1 04
- Addition of 1.5 million cable subscribers to Viasat Sport, TV1000 East, Viasat Explorer and Viasat History
- Wholesale subscriber base now extended to 7.9 million cable subscribers in 11 countries – up from 2.2 million at end of Q1 04
- Sales more than doubled to SEK 19 million and operating loss of SEK –5 million reflects ongoing aggressive subscriber acquisition

Balanced Expansion – C&E Europe

12 month rolling revenue & operating margin development

12 month rolling operating margin of 33% incl associates in Q1 05



Results by Business Area

Net Sales & Operating Income

(SEK million)	Q1 2005	Q1 2004	Full Year 2004
Net Sales			
Viasat Broadcasting	1,361	1,165	5,212
Radio	60	39	216
Other Business Areas	423	371	1,657
Parent Company & Other Companies	35	30	116
Eliminations	-138	-129	-553
SDI Media & Discontinued Businesses	-	95	187
Total net sales	1,742	1,571	6,836
Operating income (EBIT)			
Viasat Broadcasting	216	132	737
Radio	-9	-9	3
Other Business Areas *	-1	16	39
Parent Company & Other Companies	-27	-38	-122
Eliminations	-	-	-
SDI Media & Discontinued Businesses	-	10	21
Net gain from the sale of SDI	-	-	381
Total EBIT	179	111	1,058
* Including a SEK 10 non-cash write down of beneficial rights in Sonet Film in Q1 05 and SEK 78 million in non-cash write-downs in Modern Studios businesses in Q4 04			

MTG Radio

Highlights

Strategic Objectives

- Increase penetration
- Increase share of listening
- Increase advertising market shares

Delivery on Objectives

- 54% sales increase reflects penetration, share of listening and market share growth following operational integration of 20 NRJ stations and advertising market share gains
- Swedish national network RIX FM's penetration increases from 69% to 83% and now attracts 1.2 million daily listeners
- MTG now operates 50 out of 86 commercial stations in Sweden, which attract more than 1.7 million daily listeners – equivalent to a 61% commercial share of listening
- Cost base impacted by integration of new stations but operational improvements at associated company P4 in Norway result in flat year on year operating loss of SEK –9 million

Other Businesses

Highlights

- 7% sales growth for Modern Studios content production, sales & distribution businesses
- STRIX Television sales up 10% year on year following license and option sales in 9 territories
- Strong sales growth in Sonet following successful 'As it is in Heaven' and 'Masjavlar' movies but SEK 10 million non-cash write-down of beneficial rights following poor domestic performance of 'Rancid' English language production
- Modern Studios reports operating loss of SEK 18 million (operating profit of SEK 7 million in Q1 04)
- Home Shopping sales up 20% year on year and operating income almost doubles following strong performance by CDON and TV Shop
- CDON generates market share gains in all product categories and stable operating margin following expansion of wholesaling business and internet music download service
- TV Shop profitable following focus on internet sales, higher margin product lines and reduced sales return levels

Cash flow

(SEK million)	Q1 2005	Q1 2004	Full Year 2004
Cash flow from operations	131	106	558
Payment to STIM for years prior to current year	-	-	-103
Changes in Working Capital	66	-22	123
Net cash flow from operations	197	84	578
Proceeds from sale of shares & subsidiaries	513	-	449
Investments in shares in subsidiaries & associates	-17	-	-496
Net Investments in fixed assets	-17	-24	-107
Other cash flow from investing activities	-	-	3
Cash flow to investing activities	480	-24	-150
Cash flow from/to financing activities	25	-104	-251
Net change in cash and cash equivalents for the period	701	-44	177

- Net cash flow from operations more than doubles year on year
- Continued strict working capital management – SEK 300 million improvement since beginning of 2003
- TV4 shares sold for SEK 513 million in cash

Balance Sheet

(SEK million)	31 Mar 2005	31 Mar 2004	31 Dec 2004
Non-current assets	4,815	2,857	3,126
Current assets	4,125	2,849	3,273
Total assets	8,940	5,706	6,398
Shareholders' equity	5,088	2,182	2,785
Long-term liabilities	1,198	1,343	1,172
Current liabilities	2,654	2,180	2,441
Total equity & liabilities	8,940	5,706	5,706

- Equity to assets ratio of 57%
- SEK 2.1 billion of available liquid funds (including unutilised credit facility) and SEK 1.3 billion in cash & cash equivalents; portfolio of listed securities with market value of SEK 2.7 billion
- Net cash position for the first time in the Group's history

Well-positioned & well-equipped

- Major investments in long term Hollywood studio deals & sports rights for free-to-air TV operations have already been made
- Pay-TV platform has been secured and new TV channels have been launched to broaden availability of content on multiple platforms
- Short term visibility in advertising markets but annual 'upfront' contracts secured at higher levels
- Continued investment in premium subscriber acquisition with market-leading content and pricing; and rapid roll-out of C & E Europe pay-TV business
- Increased exposure to high growth E European markets
- Cash flow generative with significant financial flexibility and strong capital discipline
- Increased shareholding in Bet24 to benefit from fast-growing betting market
- Making MTG content available through multiple new distribution channels
 - Broadband TV / 3G mobile

Modern Times Group MTG AB

**Financial results for the First Quarter
and 3 months ended 31 March 2005**

21 April 2005