



Maximising the Power of Entertainment

Modern Times Group MTG AB

Financial Results for the Fourth Quarter and 12 months ended 31
December 2005

16 February 2006



Results Highlights

Strong Sales Growth & Record Profitability



Fourth quarter

- Group net sales up 27% to SEK 2,463 million
- Group operating income almost doubled to SEK 543 million
- Strong sales growth & margin improvement in Free-to-air TV Scandinavia, Pay-TV Nordic and C&E Europe
- Viasat Broadcasting net sales up 36% to SEK 2,023 million and operating profit up 60% to SEK 546 million
- Net intake of 56,000 premium DTH subscribers
- Net income more than doubled to SEK 370 million

Full Year

- Group net sales up 18% to SEK 8,012 million
- Underlying Group operating income up 90% to SEK 1,285 million
- Strong sales growth & margin improvement in 3 core broadcasting segments
- Viasat Broadcasting net sales up 24% to SEK 6,437 and operating profit up 88% to SEK 1,388 million
- Net intake of 151,000 premium DTH subscribers
- Net income up 66% to SEK 1,237 million
- Proposed distribution of Metro International S.A. shares

Free-to-air TV Scandinavia

Double digit Sales Growth & Higher Margins

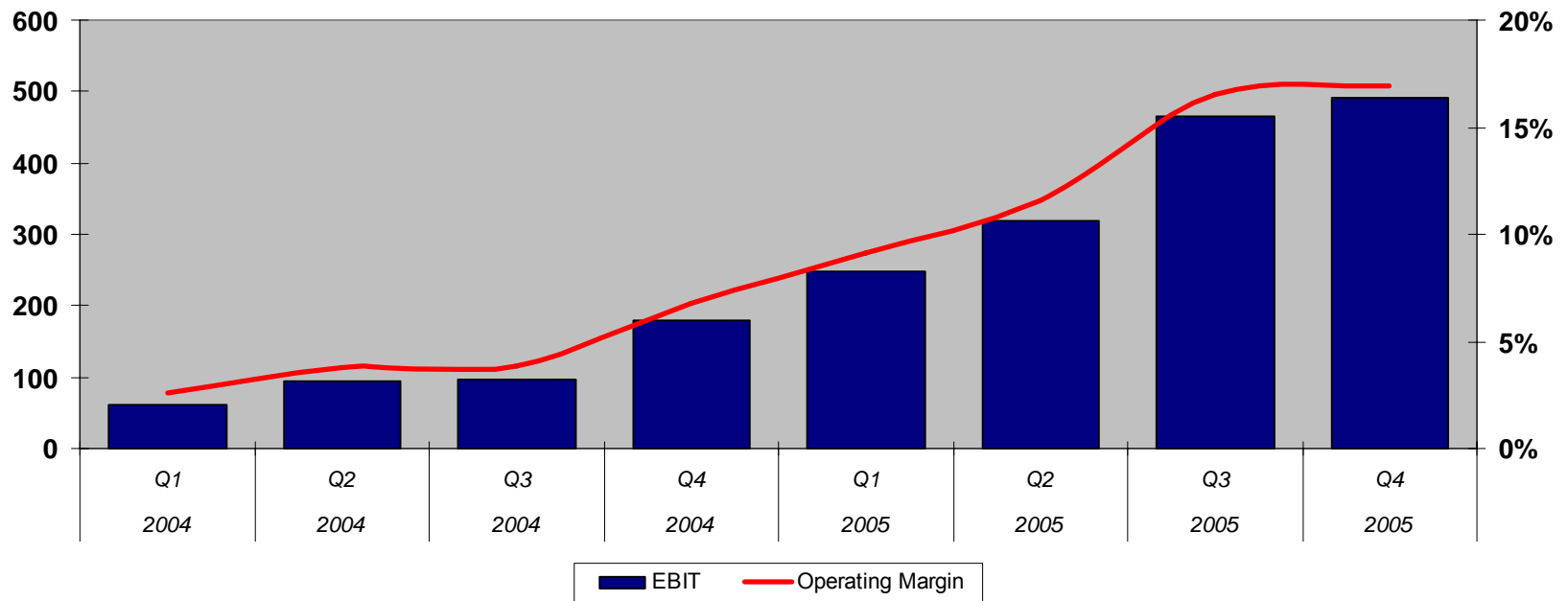


- Net sales up 13% in Q4 & 11% for full year
- Operating profits up 17% to SEK 188 million in Q4 and almost tripled to SEK 492 million for full year
- Operating margins of 22% and 17% for Q4 and full year respectively
- CSOV (15-49 year olds) gains for TV3 & ZTV/TV3+ in Sweden & Denmark in growing advertising markets
- TV3 & ZTV penetration up to 73% and 66% of Swedish TV households respectively + TV3 & TV3+ now reach 67% of Danish TV households
- Approx 5% year on year increase in programming costs expected to increase at slightly higher rate in 2006

Free-to-air TV Scandinavia Profitability Trend

12 month rolling operating income & EBIT margin

(SEK million)



Pay-TV Nordic

High Subscriber Intake & Increased Margins

- Net sales for DTH platform & 17 pay channels up 19% in Q4 and 13% for full year
- Operating margin up to 19% in Q4 & full year
- Net intake of 47,000 premium subscribers in Q4 & 128,000 for full year = 27% annual increase in premium DTH subscriber base to 603,000
- 13,000 multi-room & 12,000 IPTV premium subscribers
- 10 new Viasat channels & range of leading 3rd party channels added since September 2004
- Reduced premium subscriber churn
- ARPU increased to SEK 3,277
- Launch of 'Viasat+' in Q4 to further drive ARPU and reduce churn

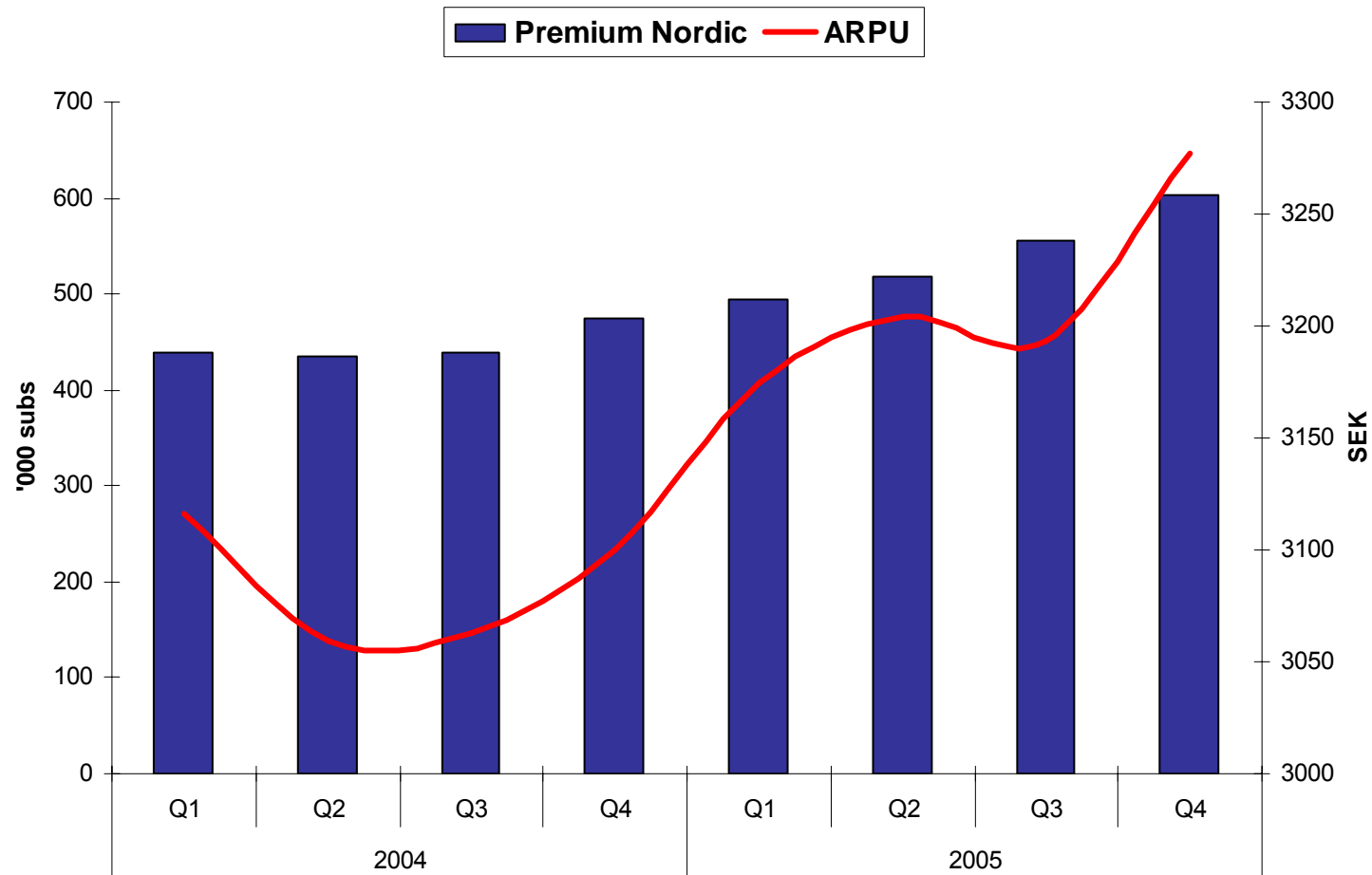


Pay-TV Nordic

Continued subscriber growth & increasing ARPU



Pay-TV Nordic subscriber base & quarterly annualized ARPU development

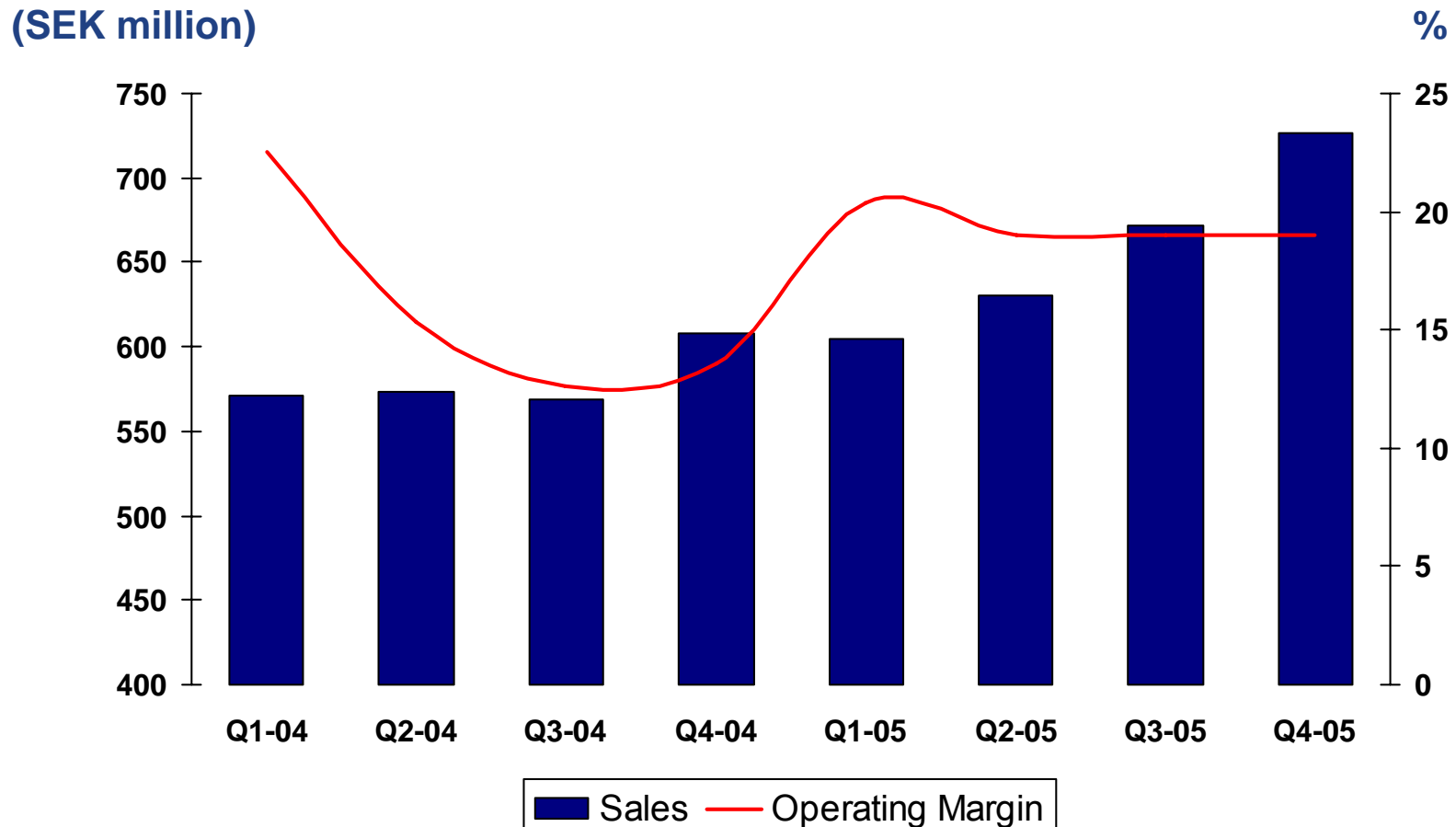


Pay-TV Nordic

Operating Performance



Pay-TV Nordic operating margin and revenues

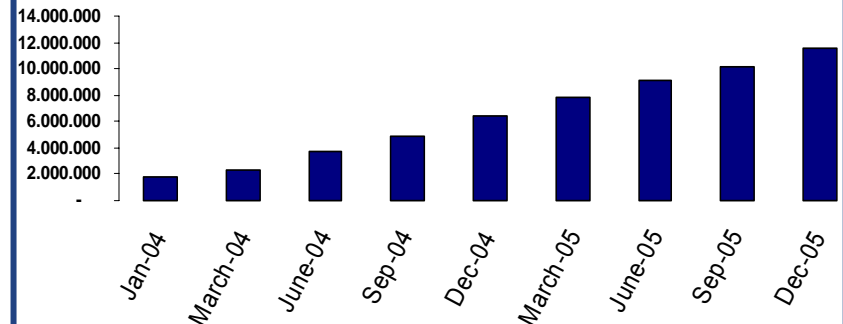


Central & Eastern Europe

Further Expansion & Full Year Profit



- First annual operating profit - SEK 76 million excluding CTC Media
- Net sales up 52% in Q4 and 43% for full year – excluding TV Prima
- Acquisition of 50% shareholding in TV Prima – consolidated sales of SEK 136 million and operating profit of SEK 33 from 1 November following peak SOV of >30%
- Pan-Baltic CSOV (15-49) up to 37.8% & TV3 consolidated its position as #1 channel in Estonia, Latvia & Lithuania
- Baltic sales up 23% in Q4 & 17% for the full year with stable profits
- Viasat3 Hungary reported first ever quarterly profit after doubling of sales & increased CSOV to >5%
- DTV Russia CSOV up to 2.3% and sales almost doubled in Q4



- 81% increase to 11.5 million mini-pay subscribers to 5 Viasat channels through 3rd party cable networks in 17 countries
- Addition of 23,000 Baltic DTH premium subscribers in 2005



Central & Eastern Europe

CTC Media, Inc. – Continued Market out-performance

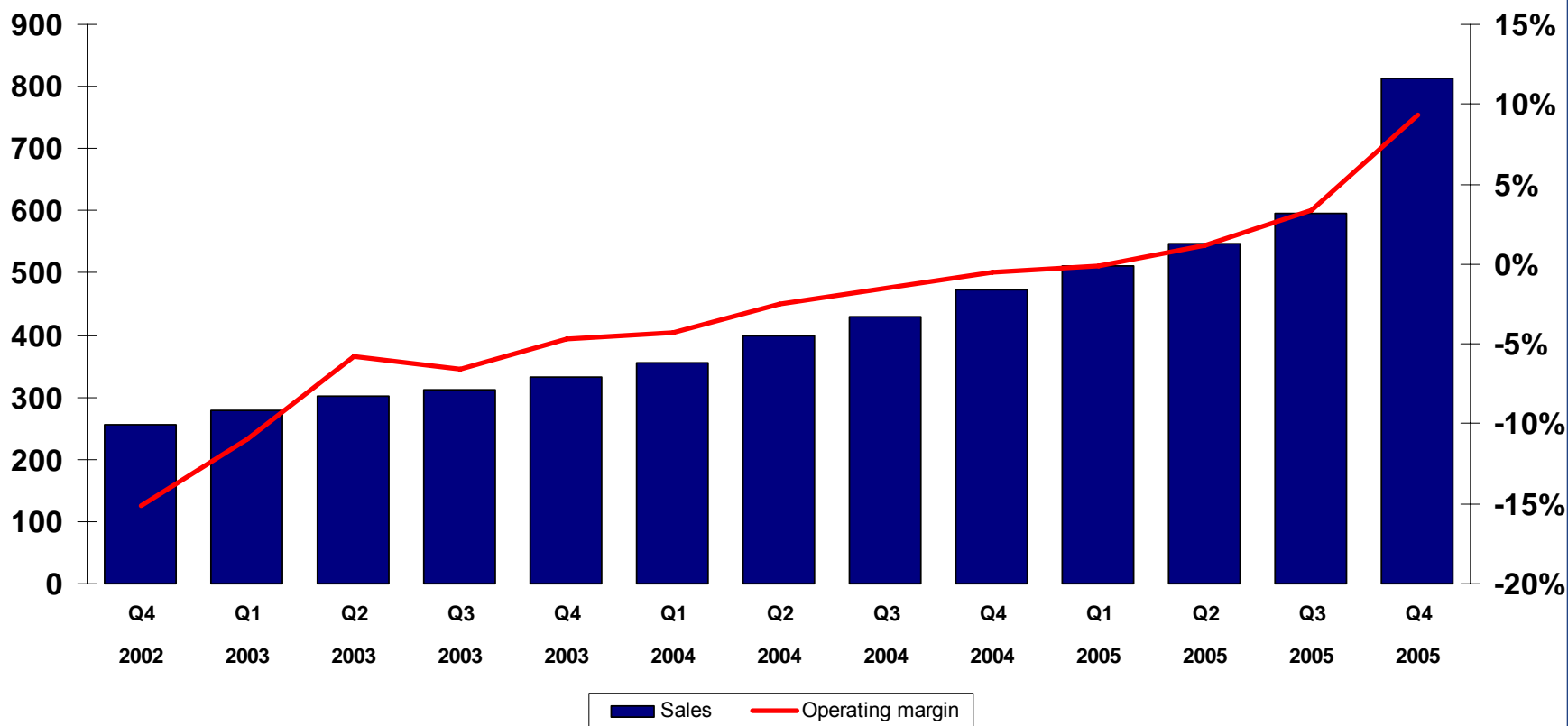


- Increased shareholding from 39.8% to 43.1% in August following repurchase of shares by the CTC Media
- Net sales up 61% in Q4 and 53% for full year following continued market growth
- CTC network and new network The Home Channel increase SOV to 12.8% (10.0%) in Q4
- Operating margins of 53% (46%) in Q4 and 38% (40%) for full year
- SEK 139 million contribution to MTG operating result in Q4 and SEK 258 million for full year

C&E European Expansion

12 month rolling Sales & EBIT Margin

(SEK million)



(Excluding CTC Media but including 2 months' contribution from fully consolidated TV Prima)

MTG Radio

- #1 national commercial network in Sweden has 89% national penetration in Sweden
- MTG Radio operates 53 out of 86 commercial stations in Sweden & now attracts more than 2 million daily listeners
- MTG's wholly owned operations reported break-even in Q4
- Contribution from P4 Norway of SEK 9 million and SEK 34 million in Q4 and full year
- Total operating income of SEK 10 million in Q4 and SEK 23 million for full year



Other Businesses

- Lower sales in Modern Studios due to significant out-performance by Strix in H2 04
- Weak performance and write-downs at Sonet Film impacted profitability
- Home shopping businesses – CDON & TV Shop – reported combined 21% sales growth in Q4 and 20% for full year
- CDON continued to perform well across entire online retailing product range
- Both Home Shopping businesses profitable and combined operating margin increased to 7% (2%) in Q4 and 6% (2%) for full year

Viasat Broadcasting

Operating Results



| (SEK million) | Q4 2005 | Q4 2004 | FY 2005 | FY 2004 |
|--------------------------------|--------------|--------------|--------------|--------------|
| Net Sales | | | | |
| Free-to-air TV Scandinavia | 875 | 777 | 2,912 | 2,634 |
| Pay-TV Nordic | 726 | 608 | 2,633 | 2,321 |
| Central & Eastern Europe | 371 | 154 | 813 | 473 |
| Other & eliminations | 52 | -47 | 80 | -246 |
| Total net sales | 2,023 | 1,493 | 6,437 | 5,181 |
| Operating income (EBIT) | | | | |
| Free-to-air TV Scandinavia | 188 | 161 | 492 | 179 |
| <i>Operating margin</i> | 22% | 21% | 17% | 7% |
| Pay-TV Nordic | 136 | 83 | 507 | 370 |
| <i>Operating margin</i> | 19% | 14% | 19% | 16% |
| Central & Eastern Europe | 76 | 20 | 76 | -3 |
| <i>Operating margin</i> | 20% | 13% | 9% | - |
| Associated Companies | 139 | 67 | 258 | 146 |
| Betting, Text TV & Other | 8 | 11 | 54 | 44 |
| Total EBIT | 546 | 341 | 1,388 | 737 |

All Business Areas

Operating Results



| (SEK million) | Q4 2005 | Q4 2004 | FY 2005 | FY 2004 |
|-------------------------------------|--------------|--------------|--------------|--------------|
| Net Sales | | | | |
| Viasat Broadcasting | 2,023 | 1,493 | 6,437 | 5,181 |
| Radio | 77 | 65 | 290 | 216 |
| Other Business Areas | 459 | 523 | 1,629 | 1,657 |
| Parent Company & Other Companies | 30 | 25 | 128 | 116 |
| Eliminations | -126 | -169 | -473 | -553 |
| SDI Media & Discontinued Businesses | - | -2 | - | 187 |
| Total net sales | 2,463 | 1,934 | 8,012 | 6,805 |
| Operating income (EBIT) | | | | |
| Viasat Broadcasting | 546 | 341 | 1,388 | 737 |
| Radio | 10 | -3 | 23 | 2 |
| Other Business Areas | 30 | -42 | 37 | 39 |
| Parent Company & Other Companies | -43 | -24 | -163 | -122 |
| SDI Media & Discontinued Businesses | - | - | - | 21 |
| Net gain from the sale of SDI | - | - | - | 381 |
| Total EBIT | 543 | 272 | 1,285 | 1,058 |

Summary Income Statement



| (SEK million) | Q4 2005 | Q4 2004 | FY 2005 | FY 2004 |
|----------------------------------------|-------------------|------------|-------------------|------------|
| Net Sales | 2,463 | 1,934 | 8,012 | 6,805 |
| Operating income (EBIT) * | 543 | 272 | 1,285 | 1,058 |
| Net gain from the sale of TV4 shares | - | - | 389 | - |
| Net interest and other financial items | -26 | 1 | -107 | -34 |
| Pre-Tax profit | 517 | 273 | 1,567 | 1,024 |
| Tax | -148 | -144 | -330 | -278 |
| Net Income | 370 | 129 | 1,237 | 746 |
| Basic number of shares outstanding | 66,375,156 | 66,375,156 | 66,375,156 | 66,375,156 |
| Basic earnings per share (SEK) | 5.53 | 1.95 | 18.56 | 11.23 |

* includes net gain of SEK 381 million from the sale of SDI Media in Q3 04

Cash Generative



| (SEK million) | Q4 2005 | Q4 2004 | FY 2005 | FY 2004 |
|---------------------------------------------------------------|-------------|------------|-------------|-------------|
| Cash flow from operations | 351 | 217 | 966 | 558 |
| Payment for historic music rights | - | -103 | - | -103 |
| Changes in Working Capital | -38 | 87 | 16 | 123 |
| Net cash flow from operations | 312 | 201 | 981 | 578 |
| Proceeds from sales of shares & subsidiaries | - | - | 513 | 449 |
| Investments in shares in subsidiaries & associates | -900 | - | -932 | -496 |
| Net Investments in fixed assets | -17 | -14 | -80 | -107 |
| Other cash flow from investing activities | 7 | - | 22 | 3 |
| Cash flow from/to investing activities | -910 | -14 | -477 | -150 |
| Cash flow from/to financing activities | 66 | -18 | 55 | -251 |
| Net change in cash and cash equivalents for the period | -531 | 168 | 559 | 177 |

- Cash proceeds of SEK 513 million from sale of TV4 AB shares in Q1 05
- SEK 900 million invested in acquisition of 50% of TV Prima in Czech Republic in Q4 05

Financial Flexibility



| (SEK million) | 31 Dec 2005 | 31 Dec 2004 |
|---------------------------------------|--------------|--------------|
| Non-current assets | 5,578 | 3,126 |
| Current assets | 4,314 | 3,273 |
| Total assets | 9,893 | 6,398 |
| Shareholders' equity | 5,404 | 2,785 |
| Long-term liabilities | 249 | 1,172 |
| Current liabilities | 4,240 | 2,441 |
| Total equity & liabilities | 9,893 | 6,398 |

- EUR 120 m convertible moved to Current Liabilities (falls due in June 06)
- Cash and cash equivalents of SEK 1.2 billion
- New SEK 3.5 billion credit facility arranged in February 2006 & replaced existing SEK 800 million facility
- Increased ROCE of 22.1%

Proposed distribution of Metro International S.A. shares



- World's largest and fastest growing international newspaper
- 47% Compound Annual Sales Growth since 1995
- SEK 634 million invested by MTG in shareholding in Metro International with market value of SEK 2.0 billion at market close on 15 February 2006

- Proposed distribution of shares in Metro International S.A. by means of share split and mandatory redemption programme
 - Share split 2:1 (1 ordinary and 1 redemption share)
 - Consideration for redeemed shares paid with shares in Metro International
 - 1 redemption share → 0.7 class A shares and 1.4 class B shares in Metro International S.A.
 - Approximately 46.5 million Metro class A shares and 92.9 million Metro class B shares to be distributed – total value of approximately SEK 1.9 billion

Strategic Objectives

Set in June 2004



Objective

- Double Viasat Broadcasting revenues in 5 years
- TV3 to become #1 commercial free-to-air channel in Sweden and #2 commercial free-to-air channel in Norway within 5 years
- Export integrated model into new high growth territories - C & E European businesses to generate same level of revenues & profits as Scandinavian operations within 5 years
- >15% operating margins in 3 core businesses - Free-to-air TV Scandinavia; Pay-TV Nordic; C&E Europe
- Consolidate Swedish commercial radio market

On Track

- Viasat Broadcasting sales up 24% in 2005
- Penetration increases & ratings improvements in Sweden and Denmark; market share gains in Norway
- C&E Europe sales up 72% for full year & operations report first combined annual profit (excluding contribution from CTC Media) - acquisition of TV Prima; new channel launches; continued roll-out of mini-pay business; & increasing market shares in Hungary & Russia to drive further growth
- Full year operating margins of 17% for Free-to-air TV Scandinavia; 19% for Pay-TV Nordic; & 9% for C&E Europe (excluding participation in CTC Media)
- Done

Developing Core Businesses

- Continue to take market share in growing markets
- Invest in premium subscriber acquisition & take advantage of price and content leadership
- Continue to capitalize on structural shifts in Scandinavia to increase penetration and share of advertising revenues
- Benefit from high incremental margins due to largely fixed cost base

Innovation

- New channels – SportN, TV1000 Russian Kino, 3+ Estonia
- New businesses – BET24 net sales > double to SEK 252 million in 2005
- New products – Viasat+ launched across Scandinavia in Q4
- New platforms – IPTV / Mobile (DVB-H & 3G)
- New territories – entrance into the Czech TV Market in Q4



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