

Modern Times Group

Q4 & Full Year 2008 Financial Results

12 February 2009



A full-page background image of Jack Sparrow from the Pirates of the Caribbean franchise. He is wearing his signature black tricorn hat, has long dreadlocks with beads, and is holding a cutlass in his right hand. The background is a misty, greyish-blue sky.

“Record Sales & Operating Profits”

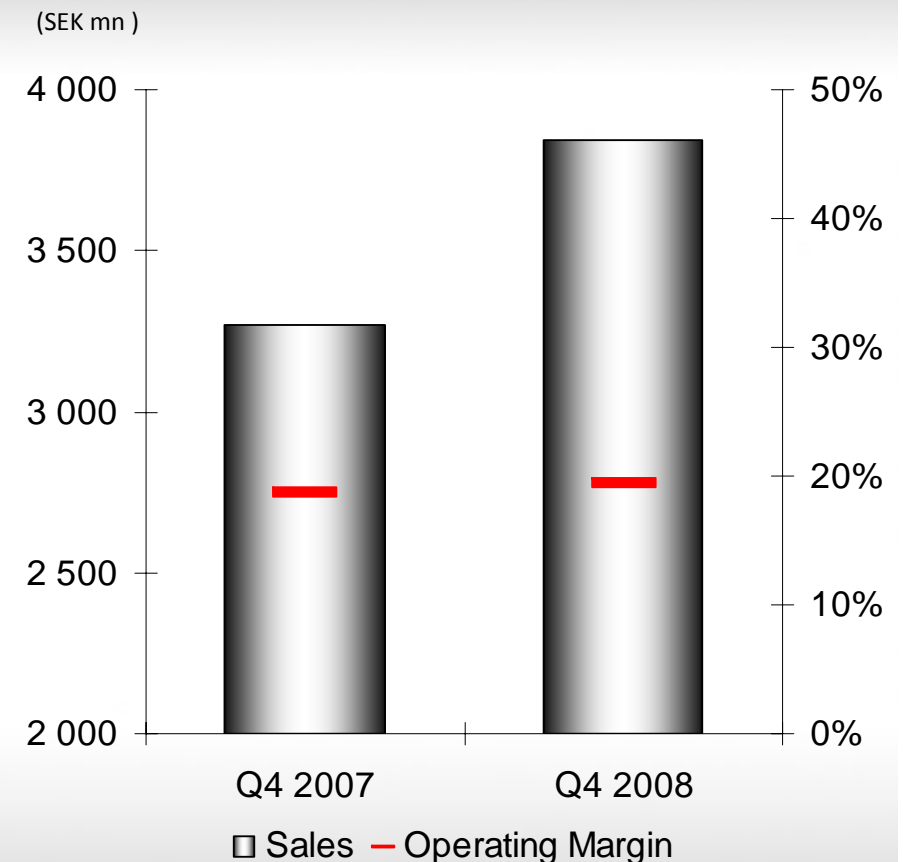


TV 1000

Q4 2008

17th Straight Quarter of Double Digit Sales Growth

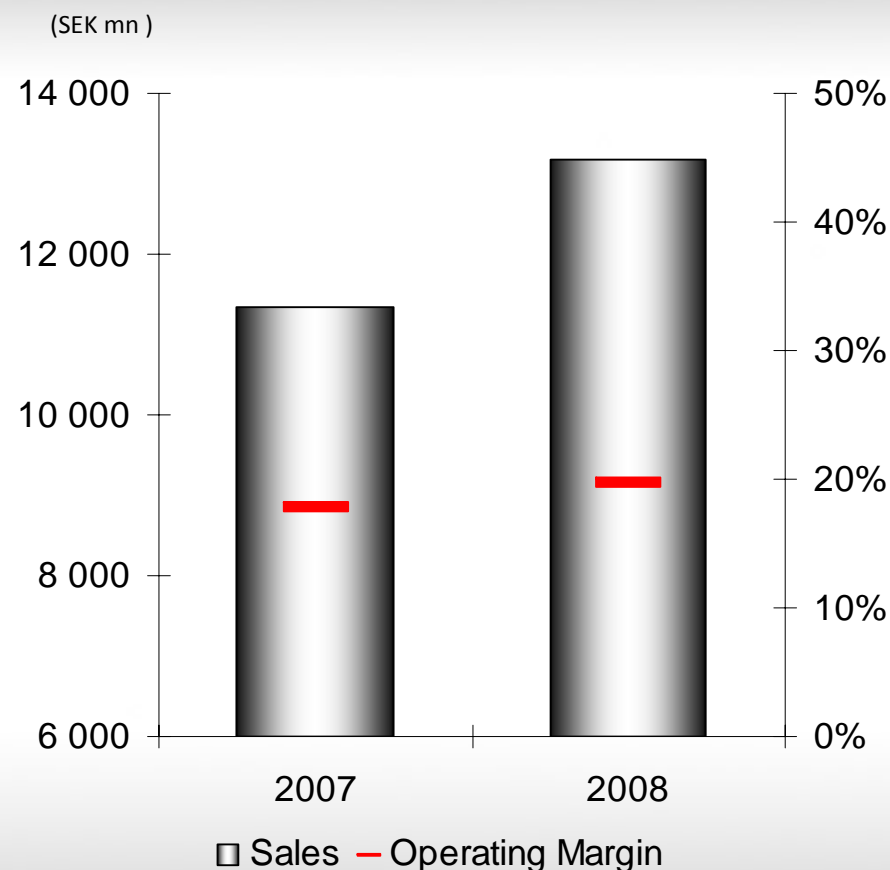
- Group net sales up 18% y/y to SEK 3,845 million
- Operating income up 22% y/y to SEK 746 million & stable operating margin of 19%
- Viasat Broadcasting net sales up 17% y/y to SEK 3,018 million
 - Operating income, excluding associated company income, up 13% y/y to SEK 618 million & 20% operating margin
 - Associated company income from CTC Media up 87% y/y to SEK 117 million
- Group net cash flow from operations more than doubled y/y to SEK 681 million
- Net income of SEK 528 (458) million
- Basic earnings per share of SEK 7.50 (6.48)



Full Year 2008

Sales top SEK 13 billion for first time

- Group net sales up 16% y/y to SEK 13,166 million
- Underlying operating income up 28% y/y to SEK 2,598 million & increased operating margin of 20%
- Total operating income of SEK 3,671 million included SEK 1,150 million net gain on sale of DTV Group
- Viasat Broadcasting net sales up 18% y/y to SEK 10,392 million
 - Operating income, excluding associated company income, up 24% y/y to SEK 1,935 million & increased operating margin of 19%
 - Associated company income from CTC Media up 36% y/y to SEK 629 million
- Group net cash flow from operations more than doubled y/y to SEK 1,985 million
- Net income of SEK 2,927 (1,428) million
- Basic earnings per share of SEK 43.36 (20.35)
- Board of Directors to propose a dividend of SEK 5.00 per share to AGM in May 2009



Operating Review



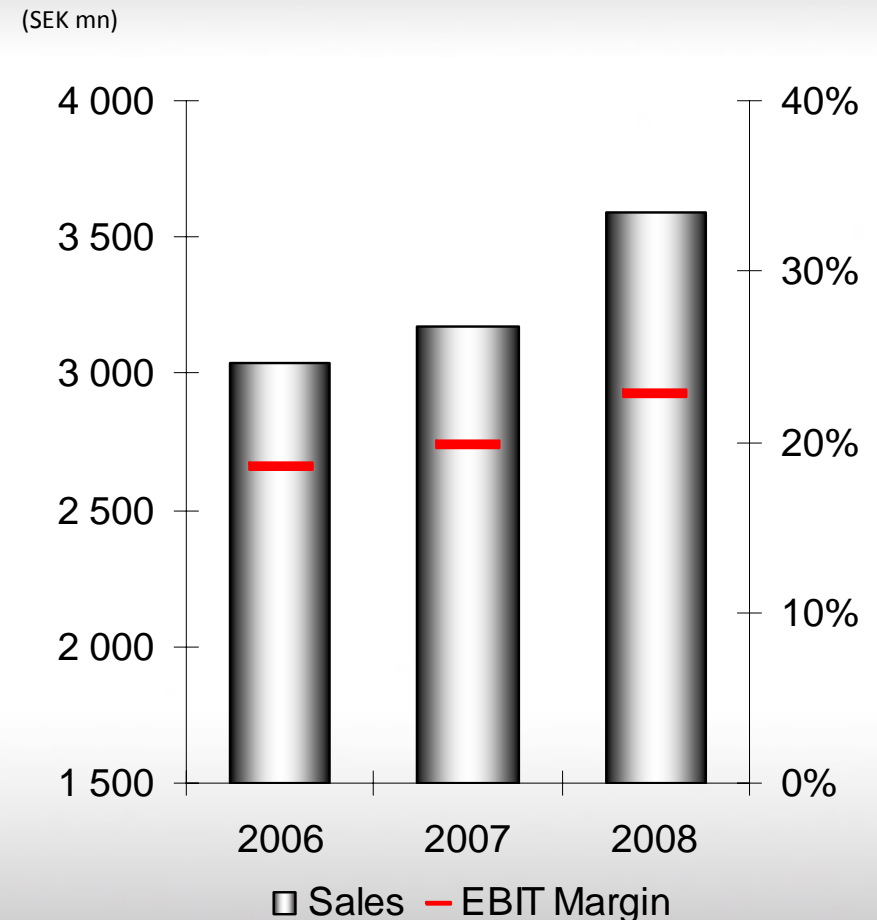
Operating Results

(SEK mn)	Sales			Operating Profit (EBIT)		
	Q4 2008	Q4 2007	Change	Q4 2008	Q4 2007	Change
Free-TV Scandinavia	1,053	969	+9%	251	243	+3%
Pay-TV Nordic	1,042	946	+10%	194	170	+14%
Free-TV Emerging Markets	754	547	+38%	136	167	-19%
Pay-TV Emerging Markets	203	119	+70%	50	2	-
Other (incl DTV)	-34	-10		-12	-33	-
Equity participation in CTC Media	-	-	-	117	63	+87%
Viasat Broadcasting	3,018	2,571	+17%	736	611	+20%
Other business areas	903	776	+16%	69	54	+27%
Parent company & other companies & eliminations	-76	-79	-	-58	-54	-
Group Total	3,845	3,268	+18%	746	611	+22%

Free-TV Scandinavia

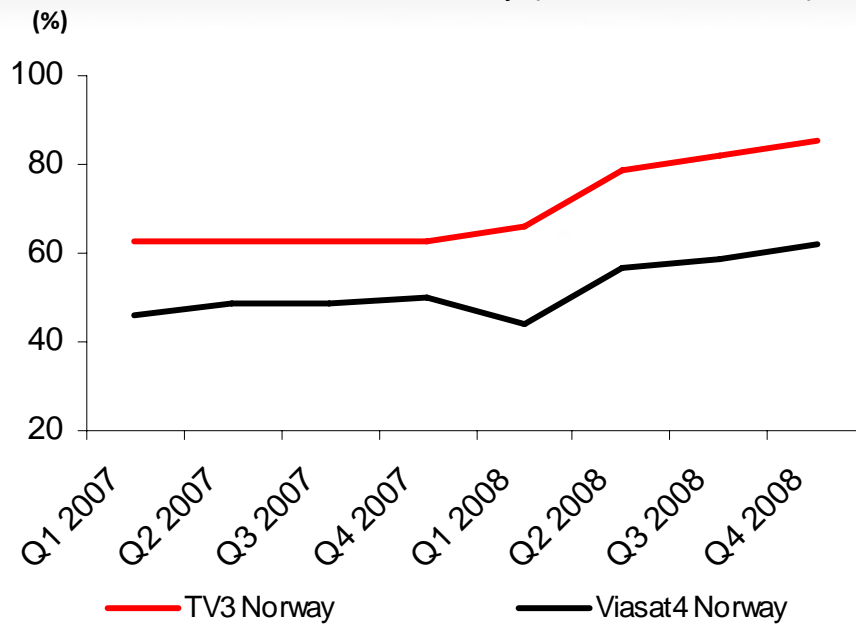
SEK 1 billion of Quarterly Sales for first time

- Net sales up 9% y/y to SEK 1,053 million in Q4 & up 13% to SEK 3,591 million for full year
- Media house strategy generated continued momentum with ongoing TV advertising market share gains in Sweden, Norway & Denmark
- Viasat firmly established as 2nd largest media house in Norway following rise in penetration & development of Viasat4 channel
- OPEX up 10% y/y to SEK 802 million in Q4 & up 9% to 2,772 million for full year - reflects programming & marketing investments
- Operating income up 3% y/y to SEK 251 million in Q4 & up 31% to SEK 819 million for full year with respective operating margins of 24% & 23%



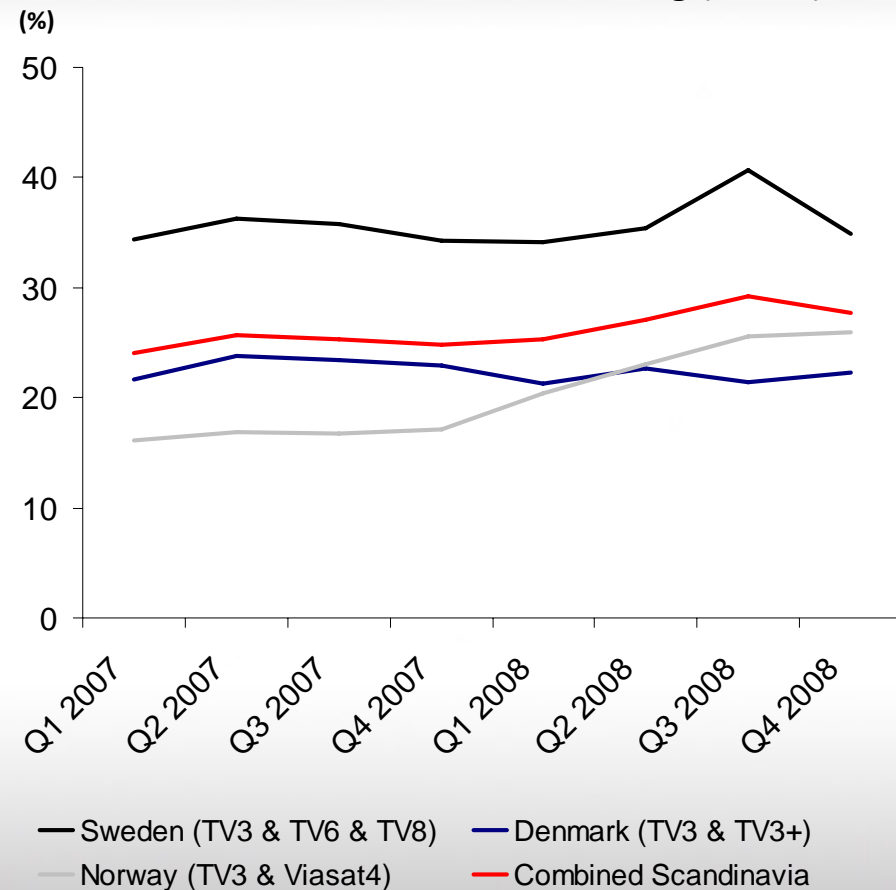
Free-TV Scandinavia Increasing Penetration & Audience Shares

Penetration in Norway (National Reach)



- TV3 and TV6 Sweden already at 86% following digitalization
- Danish penetration stable – Viasat channels have not joined DTT

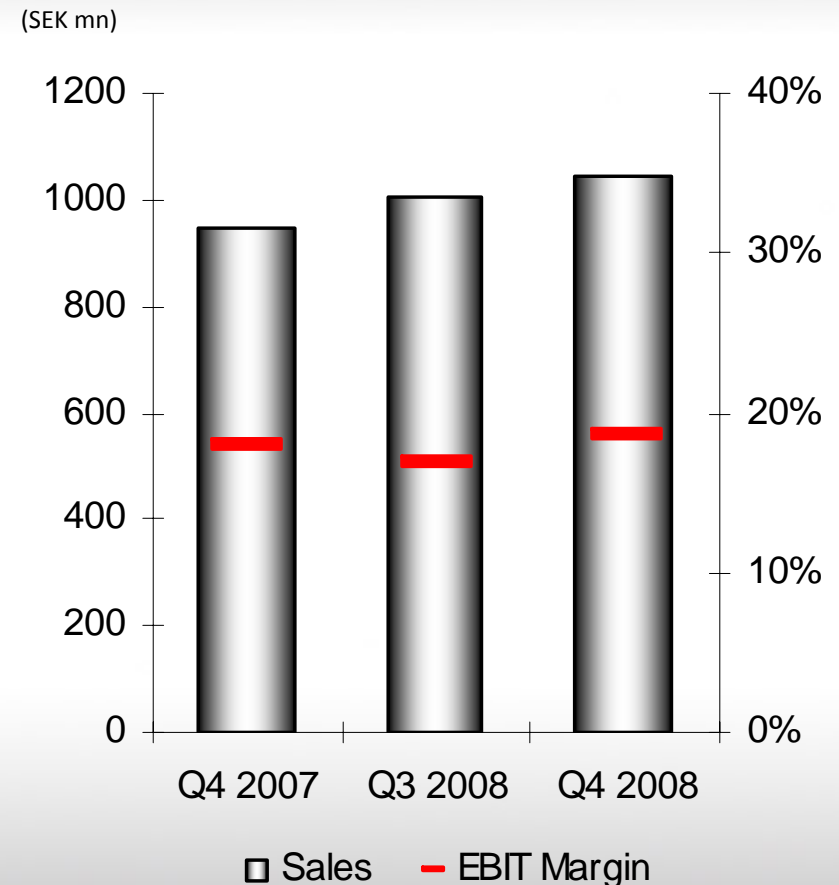
Commercial Share of Viewing (15-49)



Pay-TV Nordic

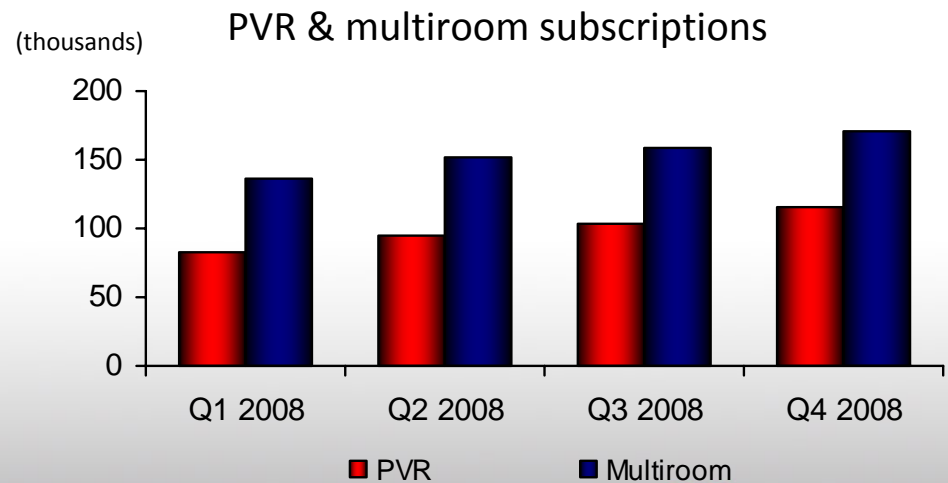
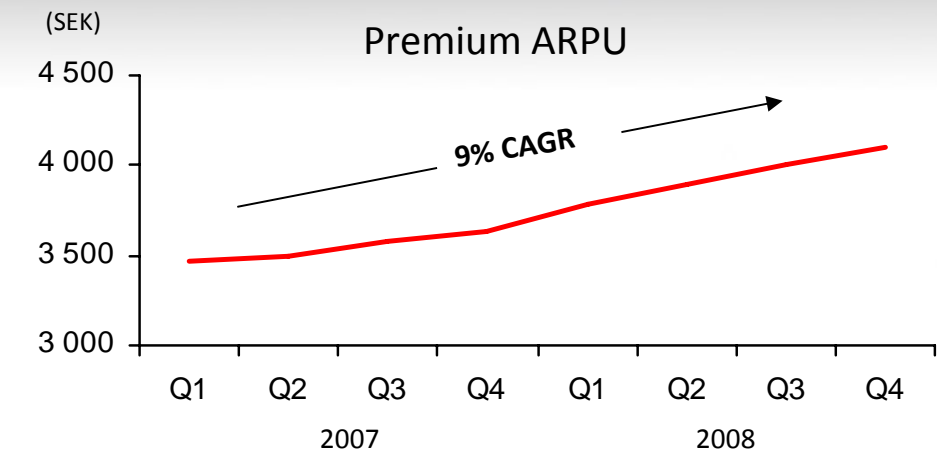
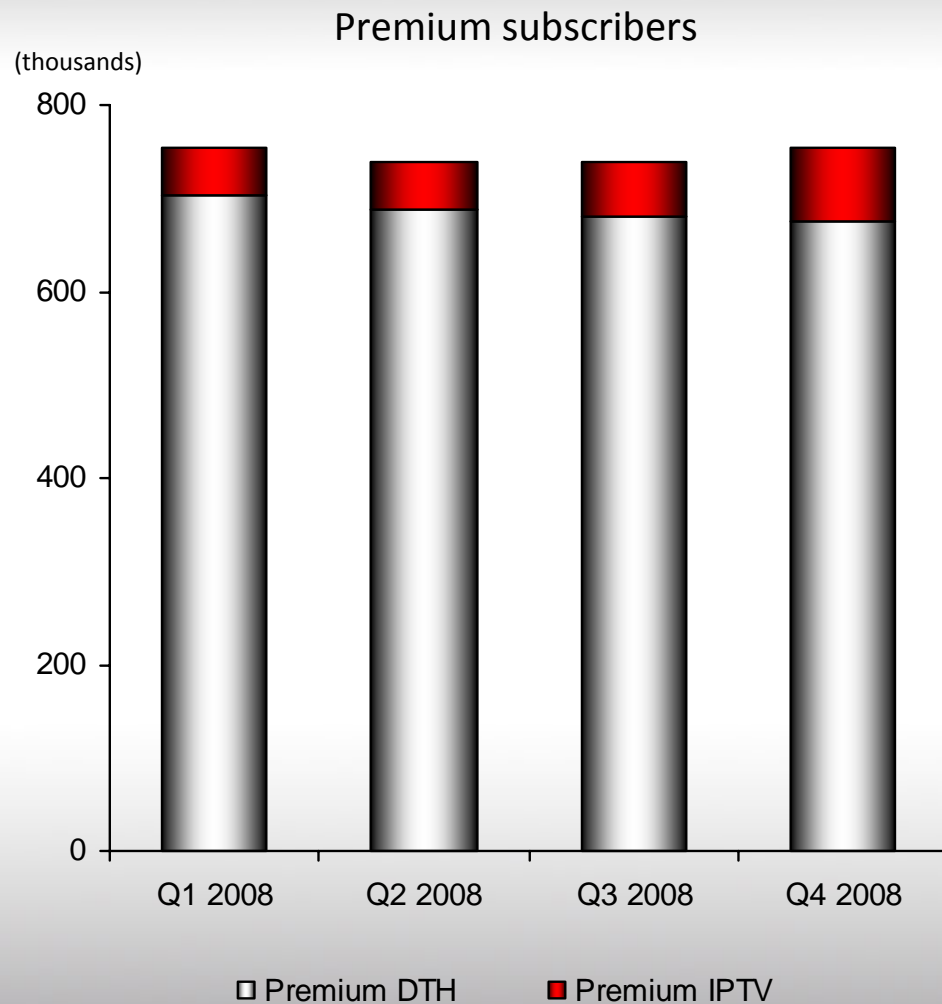
SEK 4 billion of Full Year Sales for first time

- Sales up 10% y/y to SEK 1,042 million in Q4 & up 11% to SEK 4,017 million for full year
- ARPU up 13% y/y to SEK 4,097 in Q4
 - Previous price increases, increasing proportion of multi-room & HD subscribers & positive currency effects
- Total premium subscribers up 14,000 q/q
 - IPTV sales & stabilising churn in Norway
- SAC up 7% q/q
 - Subscriber acquisition campaigns in Norway & successful promotion of PVR, HD and multi-room services
- Total OPEX up 9% y/y to SEK 849 million in Q4 & up 12% to SEK 3,335 million for full year
 - Rising sports content prices, addition of 17 new channels to platform & investments to capitalize on digital switchover in Norway
- Operating income up 14% y/y to SEK 194 million in Q4 & up 8% to SEK 682 million for full year with respective operating margins of 19% & 17%



Pay-TV Nordic

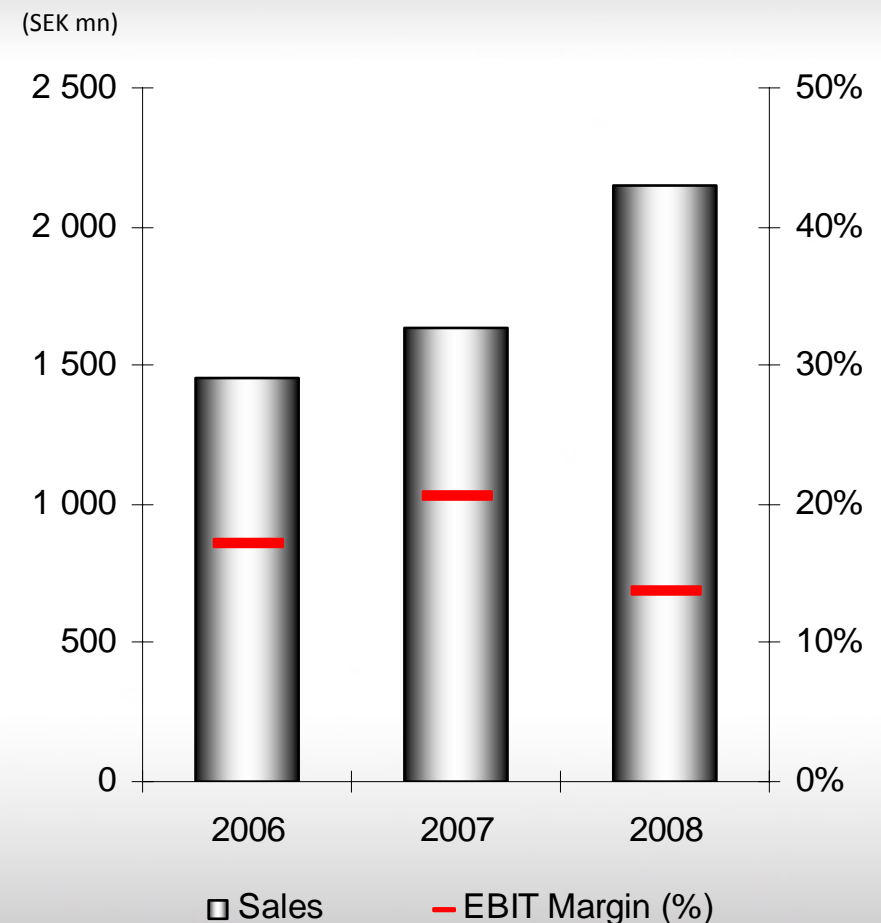
Stable Subscriber Base & Growing ARPU



Free-TV Emerging Markets

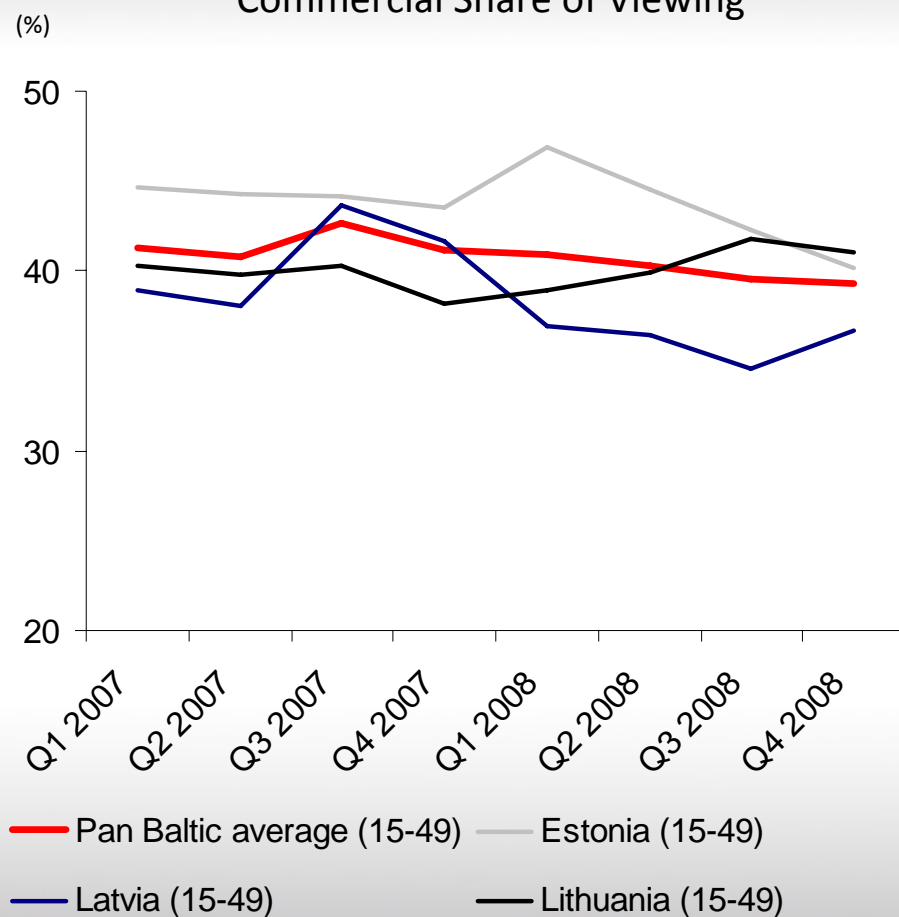
Well Positioned but Softening Market Conditions

- Consolidation of Nova Televizia Bulgaria from 16 October
- Sales up 17% y/y in Q4 & up 24% y/y for full year (excluding Nova Televizia & DTV Russia)
- Operating income (excluding CTC Media & DTV Group) down 19% y/y to SEK 136 million in Q4 & down 13% to SEK 292 million for full year with respective operating margins of 18% & 14%
- Performance reflected deterioration in operating and financial environment & profitability impact of:
 - Launch of new channels in Baltics, Hungary & Ghana
 - Broadcasting of Euro 2008 in Q2 2008
 - Preparation for launch of new channel in Czech Republic
 - Inclusion of Nova Televizia in Bulgaria

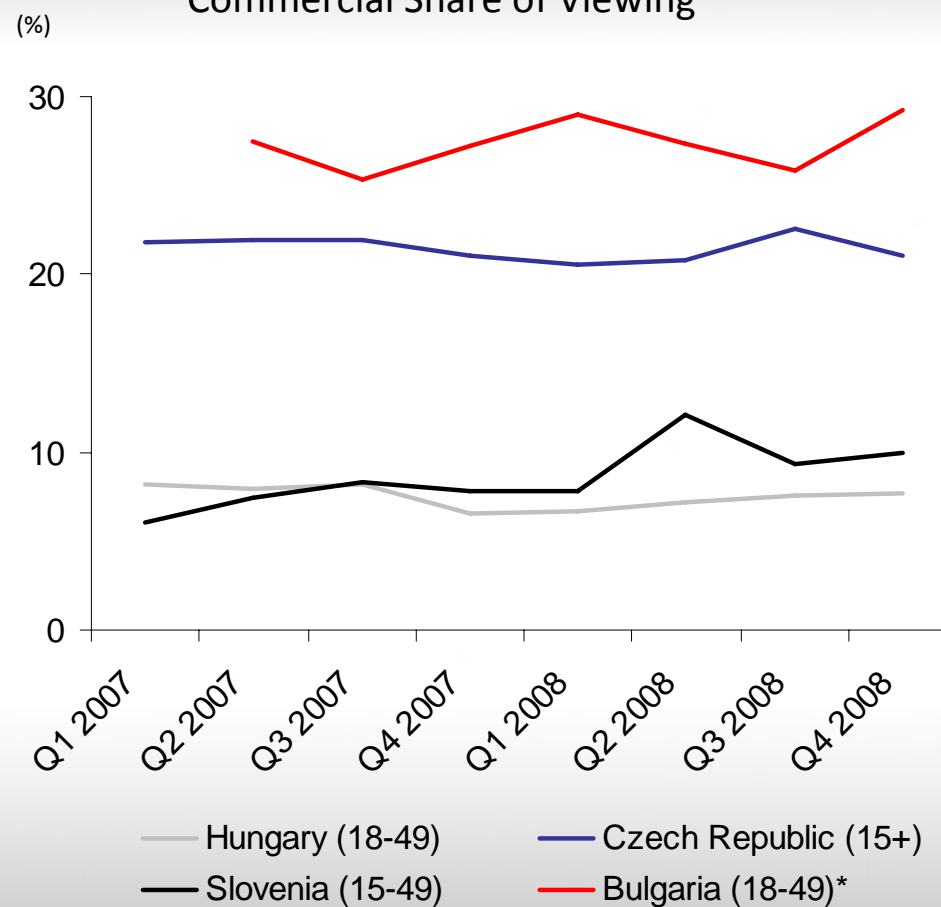


Free-TV Emerging Markets Audience Development

Commercial Share of Viewing



Commercial Share of Viewing

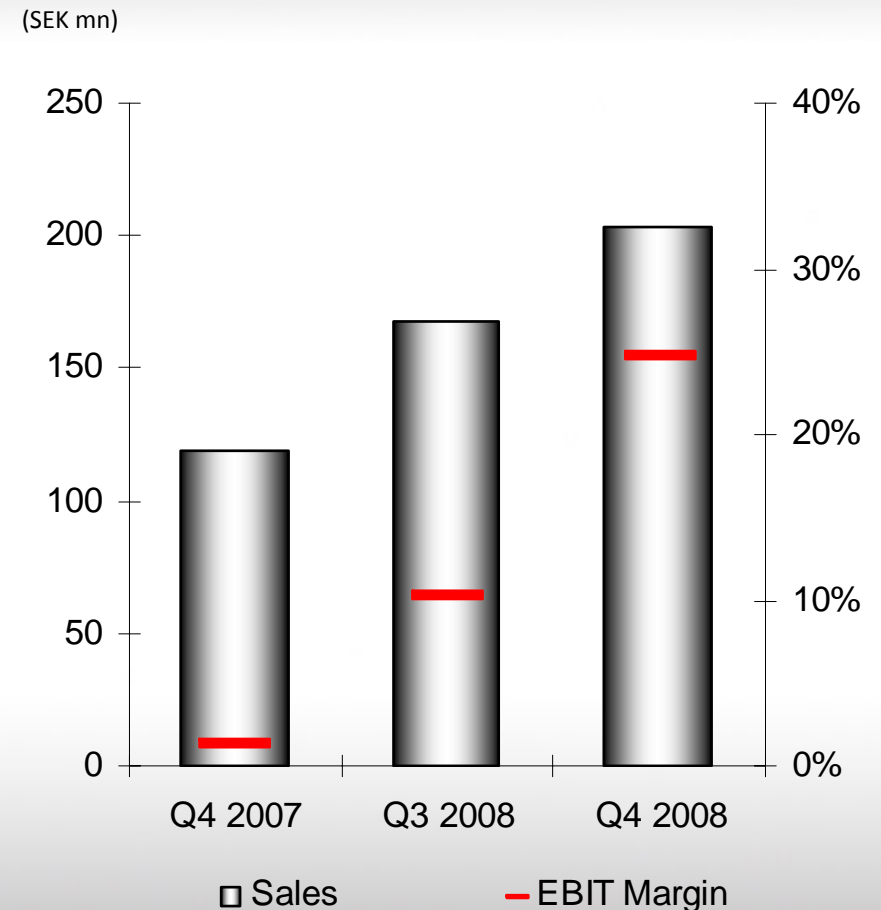


*) Pro forma

Pay-TV Emerging Markets

70% Sales Growth & 25% Margin in Q4

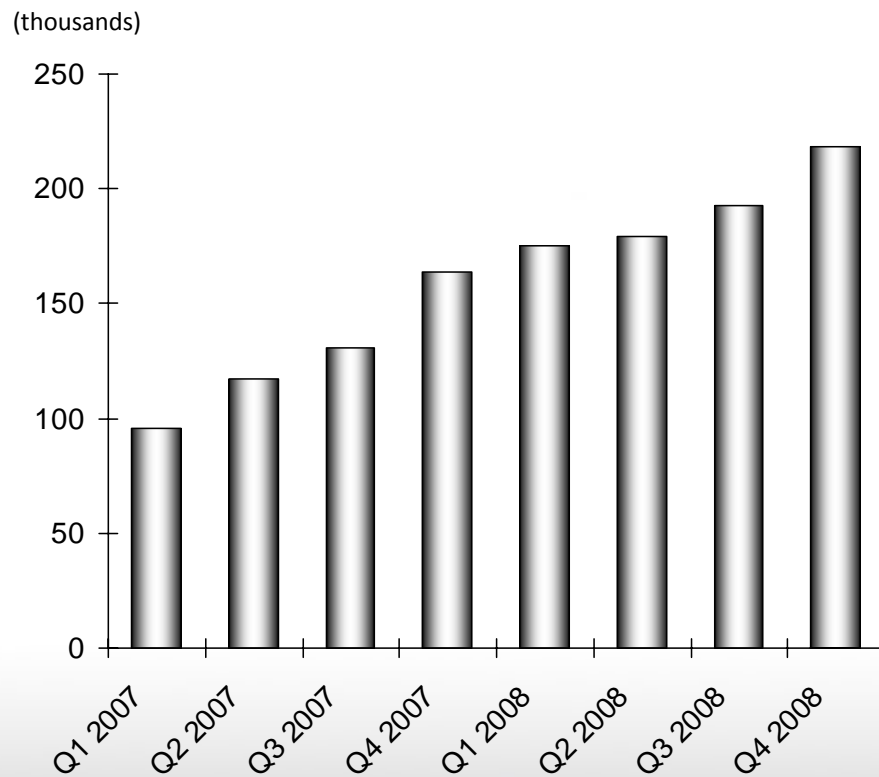
- Net sales up 70% y/y to SEK 203 million in Q4 & up 58% to SEK 658 million for full year
- Baltic & Ukrainian DTH platforms added 54,000 premium subscribers in 2008 & 25,000 in Q4 alone
- Mini-pay subscriptions increased by 38% to 36 million in 2008 - over 3 million subscriptions in Q4 alone & TV1000 Russian Kino movie channel launched in US
- OPEX up 30% y/y in Q4 & 48% for full year due to scaling of business & subscriber acquisition campaigns in the Baltics & development of early stage Ukrainian JV platform
- Operating income SEK 50 million in Q4 & SEK 106 million for full year, with respective operating margins of 25% & 16%



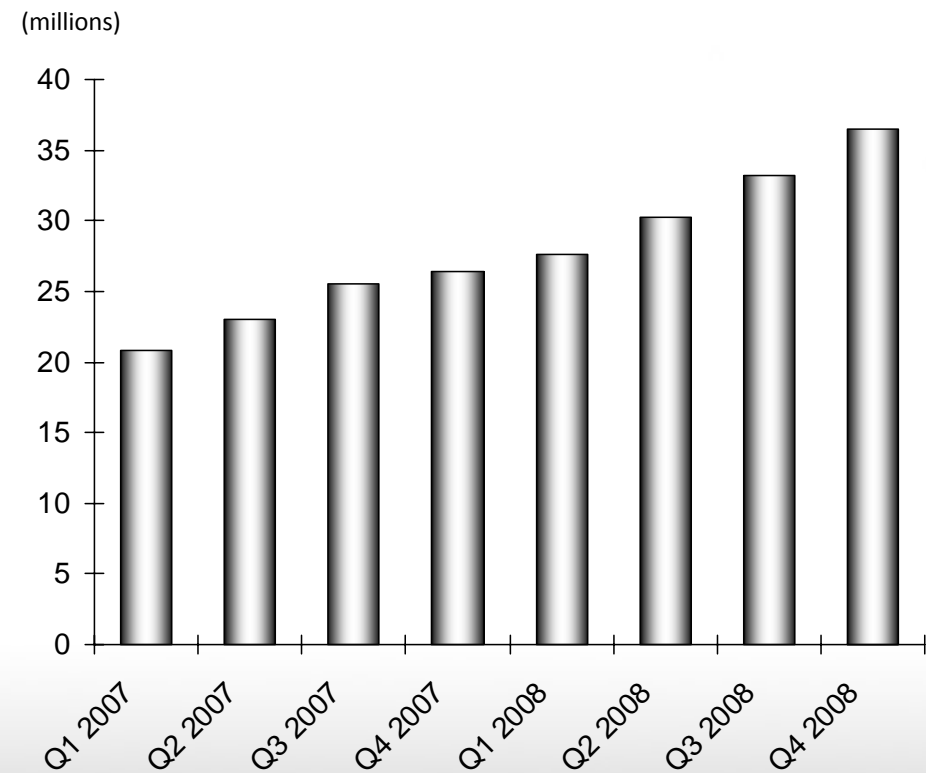
Pay-TV Emerging Markets

Growing the Customer Base

Premium DTH subscribers



Mini-pay subscriptions



Other Businesses - Radio & Online

Radio

- Sales up 7% y/y in Q4 to SEK 196 million & up 12% to SEK 800 million for full year
- Operating income for wholly owned operations stable y/y at SEK 38 million in Q4 & up 33% to SEK 165 million for full year with respective operating margins of 19% & 21%

Online

- Sales up 30% y/y to SEK 582 million in Q4 & up 18% to SEK 1,831 million for full year
- Increasing trend to shopping over the internet boosts sales
 - CDON.COM full year sales exceed SEK 1 billion for first time
 - Combined MTG Internet Retailing sales up 41% y/y in Q4 & for full year
- Consolidation of costs for newly acquired businesses & ongoing investments in development of Viaplay online pay-TV platform (SEK 15 million in Q4 and SEK 31 million for full year)
- Operating income of SEK 20 (37) million in Q4 & SEK 78 (99) million for full year 2008*

*) Including SEK 76 million non-cash goodwill impairment charge at Playahead.com in Q2 2008

Financial Review



Income Statement

- Net interest and other financial items included net interest expenses of SEK -74 million in Q4 & SEK -28 million for the full year following increase in borrowing level
- Tax rate (excluding gain from sale of DTV and Online goodwill writedown) of 18% in Q4 and 27% for full year
 - Effects related to the acquisition of Nova Televisia
 - Lowered corporate income tax rates in Sweden and the UK
- Shares outstanding decreased from 66,352,540 to 65,890,375 in 2008 following exercising of stock options granted in 2005

(SEK mn)	Q4 2008	Q4 2007	FY 2008	FY 2007
Net sales	3,845	3,268	13,166	11,351
EBIT before non-recurring items	746	611	2,598	2,027
Net impact of sale of DTV Group	-	-	1,150	-
Online asset impairment charge	-	-	-76	-
EBIT	746	611	3,671	2,027
Net Interest & other financial items	-99	-4	-61	-12
PTP	647	607	3,610	2,015
Tax	-120	-149	-683	-588
Net income	528	458	2,927	1,428
Basic average number of shares outstanding	65,890,375	66,612,141	65,747,111	66,945,776
Basic EPS	7.50	6.48	43.36	20.35

Cash Flow

- Cash flow from operations up 40% in Q4 and 41% for the full year
- Positive development of working capital - now at 3.4 (4.5)% of revenues
 - Working capital expected to increase from low levels moving forward & to continue to fluctuate between the quarters
- USD 395 million of total cash proceeds from sale of DTV Group Russia & payment of EUR 620 million for Nova Televizia in Q4
- SEK 983 million dividend payment in Q2 & SEK 316 million invested in share repurchases in Q1

(SEK mn)	Q4 2008	Q4 2007	FY 2008	FY 2007
Cash flow from operations	672	481	1,918	1,363
Changes in working capital	10	-193	67	-433
Net cash flow from operations	681	288	1,985	930
Cash flow to/from investing activities	-6,252	-75	-4,674	-479
Cash flow from/to financing activities	4,436	-226	3,106	-590
Net change in cash and cash equivalents	-1,135	-14	417	-139

Balance Sheet

- Draw down of SEK 3.0 billion of new credit facility + SEK 1.6 billion of existing facility to finance EUR 620 million acquisition of Nova
- SEK 975 million of cash & cash equivalents at end of period
- SEK 3,6 billion of net debt at end of period = 1.3x 2008 EBITDA (excluding gain from sale of DTV)
- SEK 2,935 million of available liquid funds at end of period
- No loans due for repayment in 2009 with earliest maturity in Q2 2010
- Trailing 12 month ROCE of 31% & ROE of 26%
- Equity to assets ratio of 47%

(SEK mn)	31 Dec 2008	30 Sep 2008	31 Dec 2007
Non-current assets	12,881	5,316	5,756
Current assets	6,351	6,930	5,203
Total assets	19,232	12,245	10,958
Shareholders' equity	8,978	7,320	5,875
Long-term liabilities	4,623	418	430
Current liabilities	5,631	4,507	4,654
Total equity and liabilities	19,232	12,254	10,958

Summary



Summary

- Record sales, operating profits & cash flows in Q4 and for full year 2008
- Challenging market conditions in 2009 with impact of broader economic slowdown already seen in Q4 & particular focus on emerging territories
- Well-positioned as challenger in structurally changing markets
- More than half of total sales from subscription & other non-advertising revenue streams
- Integrated media house strategy is a fundamentally strong & functioning model
- Market environment also presents opportunities to take market share & enhance long term prospects
- Healthy financial position with relatively low gearing & no debt maturities in 2009
- Proposal to pay dividend of SEK 5.00 per share - total of approximately SEK 330 million



MTG

MODERN TIMES GROUP

