



FOR IMMEDIATE RELEASE

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**MTG RADIO & NRJ COOPERATION IN SWEDEN
MTG ACQUIRES FURTHER 6.6% OF P4 RADIO IN NORWAY
MTG BECOMES LARGEST RADIO BROADCASTER IN SCANDINAVIA**

Modern Times Group MTG AB, the international media group, today announced that MTG Radio has signed a cooperation agreement with NRJ Group S.A. whereby MTG Radio will assume the day to day management and advertising sales of NRJ's twenty radio stations in Sweden. Ten of NRJ's stations will be rebranded as 'RIX FM' stations and seven will be rebranded as 'Lugna Favoriter' stations. The remaining three NRJ stations, which are broadcast in Stockholm, Gothenburg and Malmö respectively, will retain their NRJ branding. As a result of this agreement, MTG Radio's 'Power Hit' radio station in Stockholm will be closed down.

MTG also today announced the acquisition of a 6.6% share holding in P4 Radio Hele Norge ASA from Industriförvaltnings AB Kinnevik in exchange for Metro International class 'A' shares. MTG has acquired Kinnevik's entire holding of 2,124,820 shares in P4 in exchange for 2,220,629 Metro International class 'A' shares. Following this transaction, MTG's holding in P4 has increased to 12,798,328 shares or 39.7% of the share capital and MTG's holding in Metro International has declined to 146,968,313 shares or 28.0% of the share capital. The calculation of the exchange formula for the shares is based on the ten day weighted average trading price of the P4 share and the Metro International class 'A' share up to the close of trading on Friday 2 July 2004 on the Oslo and Stockholm stock exchanges respectively.

P4 is Norway's largest commercial radio network. The station had a 24% national daily reach in the first quarter and has approximately 75% technical penetration in Norway. MTG will continue to report its participation in the earnings of P4 as an associated company.

Hans-Holger Albrecht, President and CEO of MTG, commented: "These two agreements reflect MTG's focus on core broadcasting assets. The outsourcing of the operational management of the NRJ stations to MTG will enable us to sell a significantly increased reach in Sweden. Radio advertising remains an under-represented segment of the advertising market when compared with Europe and the US and we are now even better positioned to benefit from future structural changes and growth in the market.

"P4 has increased both its commercial share of listening and penetration in Norway following the award of the P5 licence from the beginning of this year. As with our operations in Sweden, the network is well-positioned to benefit from future growth in the advertising market."

MTG Radio Sweden will be responsible for the day-to-day management and operation of the NRJ stations. Ownership of the NRJ stations and the stations' broadcasting licences remain with NRJ Group S.A. The cooperation is being effected by means of the franchising of the MTG 'RIX FM' and 'Lugna Favoriter' formats and brands to NRJ and the franchising of the three 'NRJ' brands and formats to MTG Radio Sweden. MTG and NRJ have also signed a revenue sharing agreement whereby MTG Radio Sweden will pay a fixed percentage of MTG Radio Sweden's sales to NRJ Group S.A.

The cooperation will result in MTG operating a total of 49 stations out of the 90 commercial stations in Sweden. The cooperation will enable the combined operations to deliver an unrivalled daily reach of radio listeners in Sweden. The technical penetration of RIX FM, which is already Sweden's number one national commercial radio network, will also increase from 69% to 88%.

The latest RUAB independent market research survey, which measures listener numbers and audience shares, showed that MTG Radio stations in Sweden attracted a daily audience of 1,352,100 listeners, which is equivalent to a 17.7% national daily reach. The same survey also showed that RIX FM's morning prime time radio show 'RIX MorronZoo' is the most listened to radio show in Sweden with an average daily audience of 618,100 listeners. MTG Radio Sweden reported a 10% year on year growth in sales in the first quarter of this year. MTG Radio also operates the 'Metro FM' station in Stockholm, the 'Power Hit' radio stations in Tallinn (Estonia) and Vilnius (Lithuania) and the Star FM national stations in Estonia and Latvia, as well as owning a 19% interest in 'Radio Nova', which is Finland's only national commercial radio network.

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MTG is an international media group with operations in more than 30 countries around the world and principal broadcasting businesses in Scandinavia, the Baltic States, Hungary and Russia. MTG is the largest Free-to-air and Pay-TV operator in the Nordic and Baltic regions and the largest commercial radio operator in Northern Europe. MTG's Viasat channels reach over 50 million people in 14 countries every day and MTG Radio's stations reach 3 million daily listeners. The Viasat Broadcasting DTH satellite TV platform offers digital multi-channel TV packages of over 50 own-produced and third party entertainment channels. MTG is a leading European direct response TV network operator, broadcasting home shopping channels into 100 million homes in 52 countries, as well as one of the world's leading originators and producers of Reality TV formats.

Modern Times Group MTG AB class A and B shares are listed on the Stockholmsbörsen O-list (symbols: MTGA and MTGB).

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