



FOR IMMEDIATE RELEASE

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MTG INCREASES SHAREHOLDING IN STORYFIRST

Modern Times Group MTG AB, the international media group, today announced that it has acquired a further 20,185 shares in StoryFirst Communications Inc. from a number of individual and institutional shareholders for a total of US\$ 53.4 million. Upon closing of the transaction, MTG's shareholding in the Russian TV channel broadcaster will increase to 37.9%. MTG will continue to report its participation in the earnings of StoryFirst as an associated company. The acquisition is subject to regulatory approval.

StoryFirst Communications Inc., a US registered company, owns and operates the CTC television channel network and 13 regional stations in Russia. CTC is the largest privately owned commercial TV broadcaster in Russia and had a 9.3% share of viewing (18+ age group) in the first quarter of this year. CTC has a potential viewing audience of over 100 million people with technical penetration of 83% of Russian TV households.

Hans-Holger Albrecht, President and CEO of MTG, commented: "This increase in our shareholding reflects our focus on investing in core broadcasting assets and on building our presence in Central and Eastern Europe. CTC's commercial share of viewing has increased steadily since we first acquired a shareholding in the group in 2002 and the channel is now the third largest in Russia in the key demographic group of 6–54 year old viewers. Like TV3, CTC is a pure entertainment channel. The channel reaches viewers in over 700 cities in Russia, including the key Moscow and St Petersburg markets. Russia is Europe's largest TV market by number of viewing households and the national TV advertising market is reported to have been worth US\$ 950 million in 2003".

MTG also owns a majority shareholding in Russian free-to-air TV channel 'DTV Viasat' and has over 2 million wholesale pay-TV subscribers to its Viasat Broadcasting 'TV1000', 'Viasat Explorer' and 'Viasat History' channels in eleven countries across Central and Eastern Europe. MTG first entered Eastern Europe in 1993 with the expansion of the successful TV3 channel format into the Baltic countries. Ten years on, TV3 has over 95% penetration in Estonia, Latvia and Lithuania and a 37% pan-Baltic commercial share of viewing. TV3 Baltics generated an operating margin of 19% in 2003. MTG also operates the Viasat3 free-to-air channel in Hungary, the 3+ channel in Latvia and Tango TV in Lithuania.

For further information, please visit www.mtg.se, email info@mtg.se, or contact:

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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).