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## **MTG ACQUIRES 90% OF 'PLAYAHEAD' ONLINE NETWORKING COMMUNITY**

**Modern Times Group MTG AB ('MTG' or 'the Group'), the international entertainment broadcasting group, today announced that MTG New Media has signed an agreement to acquire 90% of the issued share capital of the 'Playahead' ([www.playahead.com](http://www.playahead.com)) online social networking community for a total cash consideration of SEK 102 million. Playahead is Sweden's second largest internet community, with over 530,000 members, and its Swedish operations generated more than 50% year on year revenue growth to SEK 18.2 (11.9) million for the nine months ended 30 September 2006.**

Playahead was established in Sweden in 2002 by Leif Carlsson and Jonas Frost, and launched new sites in Denmark, Norway and the United Kingdom during 2006. The web community principally consists of 14 to 25 year olds living in cities, who spend an average of 45 minutes per session on the Playahead site. 220 million messages were sent, and 13 million photos were uploaded, by Playahead members in 2006. The site attracted over 620 million page impressions in December 2006 alone.

The site generates revenues from membership subscription fees and advertising, as well as online product sales. Playahead's Swedish operations reported a 78% increase in underlying operating income (EBIT) to SEK 6.4 (3.6) million in the nine months to 30 September 2006, and the Company primarily used this cash to support its international expansion. Playahead therefore reported an overall operating loss of SEK -0.8 (0.0) million for the nine month period. The founders and management team will remain with the Company, which currently employs 16 full time staff and a number of external consultants.

Hans-Holger Albrecht, President and CEO of MTG, commented: "Playahead is one of the most popular, creative and exciting on-line community brands in Scandinavia, and is a favourite destination for the young people who watch our channels, listen to our stations, and buy products and services through our existing wide range of sites. This acquisition demonstrates our commitment to extending our online presence by offering the very best in online entertainment. We will build on the success, appeal and functionality of the site, in order to continue to grow the community, further enhance the experience, and make full use of new applications.

"Studies show that 12-24 year olds spend as much as a third of their media consuming time on the Internet, which is part of the reason why Internet advertising is forecast to deliver high double digit growth over the coming years in Scandinavia, and even higher levels of growth

in the Eastern European markets. Scandinavia's high internet and broadband penetration levels provide the perfect environment for the proliferation of user-generated video and audio content, as well as a full range of live chat, email, streaming and blogs.

“Playahead not only gives us the opportunity to reach out to more of our target audience group, but also enables us to build on a well developed and diversified internet platform, which has proven to be scalable in terms of expansion into new territories and market segments. This development is further evidence of the work that our dedicated New Media team is doing to leverage our extensive online sports, entertainment, gaming and retailing properties, and to promote our brands and services across multiple broadcast platforms.”

MTG will consolidate the results of Playahead in its accounts within the Viasat Broadcasting business area with effect from the closing of the transaction, which will take place today. The consideration to be paid by MTG for the shares will be paid on a deferred basis over two years, with an initial payment of SEK 70 million for 89% of the Company payable immediately.

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**For further information, please visit [www.mtg.se](http://www.mtg.se), email [investor.relations@mtg.se](mailto:investor.relations@mtg.se), or contact:**

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*Modern Times Group is an international entertainment-broadcasting group with operations in more than 30 countries around the world. MTG is the largest Free-to-air and Pay-TV operator in Scandinavia and the Baltics, the largest shareholder in Russia's largest independent television network, and the number one commercial radio operator in the Nordic region. The Viasat DTH satellite TV platform offers digital multi-channel TV packages of 50 own-produced and third party entertainment channels. Viasat TV channels now reach over 80 million people every day in 22 countries across Europe.*

*Modern Times Group MTG AB class A and B shares are listed on the Nordic Stock Exchange Large Cap list under the symbols MTGA' and MTGB'.*

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