



Remarks to the First Quarter Results 2000,
May 8th, 2000

Key messages

- The organic growth continues along with improved profitability
- New management structure in place
- Now 2:nd step in evolution of MTG; content - distribution - marketing/sales
- Acquisition of TV1000
- Decisions taken on digital DTH-TV and interactive TV business

Key messages, cont'd

- Proposal to spin-off Metro
- Interactive focus within Modern Interactive
- New business areas; Focus on SDI Media & Modern Studios

Financial Summary

MSEK	Q1 2000	Q1 1999	%
Net Sales	1,251	1,129	11%
Gross Profit	449	320	40%
EBITDA	256 *	103	149%
EBIT	183 *	48	284%
Earnings after Financials	178 *	18	872%

* Capital gain 105 included

Digital - TV

Four criteria decide;

- slow-down of analogue sales
- digital becomes proven and reasonable priced technology
- aggressive conversion campaign
- lower satellite distribution costs
- launch of Viasat interactive as new business area within broadcasting
- Quick pay-back on cost savings only!

Digital - TV, cont'd

Revenue growth potential;

- Strong upsell to premium through improved product
- SMS and mail
- PPV
- eCommerce
- Other interactive services

- Substantial cost savings achieved by waiting two years
 - lower satellite costs, 400 MSEK
 - lower decoder costs, 1.500 MSEK
 - in total, close to 2 BN SEK

Acquisition of TV1000

- MTG will use its option to acquire TV1000
- Important pay-TV driver and broad strategic options
- Losses heavily reduced
- Price/sub at market price
- Proposal to pay with new MTG shares
- Dilution of 2,5%
- Will require approval by MTG AGM
- Goodwill 900 MSEK

Metro spin-off

- Success in Sweden continues
- Now 11 editions, Rome to come
- Want to realize full shareholder value
- Improve focus on other MTG assets
- Strong financial position with Metro Sweden's cash flow and MIC-option
- Convertible bond and options total 35%
- Listing in Stockholm and New York

Metro spin-off, cont'd

- Strong board being recruited
- Pelle Törnberg, CEO
- Three strong SVP's
 - Janne Sjöwall, licenshunting
 - Steve Nylundh, negotiations
 - Jens Torpe, operations
- Requires approval by MTG AGM
- Targeted date for listing, early July
- Information memorandum available one week prior AGM

SDI Media

- One of few, if not only, one-stop-shop
- Concluded acquisition phase
- Global presence, world leader
- Focus on growth and profits

Prevailing trends;

- digital-TV
- DVD
- Internet
- Hard of hearing

Positive outlook

Modern Studios

- Content important in new interactive era
- So far, no co-ordination regarding
 - marketing and selling
 - building rights bases
 - selling into new media windows
- Will cover all aspects of the content value chain; creation - library - distribution - marketing/sales

Modern Studios, cont'd

- Strix and Freeport - TV production
- Sonet - feature films
- Nordic Artists - events
- Modern Entertainment - rights library and marketing

Modern Interactive

- Focus to create interactive value chain
 - Content
 - Distribution
 - Fulfillment
- Limited direct investment
- Significant indirect investments in existing;
 - Marketing
 - Distribution
 - Fulfillment

Modern Interactive

- TV Shop - home shopping
- ECL - fulfillment
- Retail Sites
- Teletext
- Other interactive services
- Everyday
 - Now in ten countries
 - Number of registered members, now in total over 300 000
- Baren
 - 1st true multimedia project, boosts Everyday's page views

Viasat

Admarkets

- Sweden strong growth, improved market shares
- Norway also strong growth, stable shares
- Dumping in Denmark by TV2, total market down
- Baltics recovering, sales higher than last year

Subscribers

- Slower new sales hits Viasat margins, as expected

Viasat, cont'd

Subscribers, cont'd

- Total card-base up 4,8%
- Total TV1000 base up 9,3%
- Gold sales up 16%

Operating costs

- Programming still under control
- Operating cost under scrutiny
- Head-count reduction in the Baltics
- Cable-network cost to be reduced

Viasat - Financial Summary

MSEK	Q1 2000	Q1 1999
Total Revenue	745	707
EBITDA	223	65
EBIT	180	36

Ad revenue	Q1 2000	Subscribers	Q1 2000	Q1 1999
Sweden	248	Viasat Gold	286 585	245 541
Norway	86	Card holders	1 089 150	1 039 053
Denmark	110			
Baltics	22			

Publishing

- Continued strong growth in Metro Sweden, in particular classifieds
- Continued growth in Gothenburg and Malmö editions
- Metro Helsinki slower start...
- ... good readership numbers but slow sales
- Finanstidningen subscriber recruitment successful as well as ad sales
- Continued investments in Finanstidningen and Moderna Tider

Publishing - Financial Summary

MSEK	Q1 2000	Q1 1999
Net Sales	175	112
- <i>thereof Metro Sweden</i>	128	94
- <i>thereof FinansTidningen</i>	33	18
EBITDA	51	25
EBIT	43	17

Metro International

- Metro - newspapers launched in
 - Santiago de Chile
 - Philadelphia
 - Newcastle
 - Zurich
- New license announced in Rome
- Significant growth experienced, particularly in Holland
- Many prospects to enlarge the concept
 - Internet portal
 - Travel Supplements

Metro International - Financial Summary

MSEK	Q1 2000	Q1 1999
Net Sales	45	9
EBITDA	-3	-6
EBIT	-8	-8

Modern Interactive

Focus on interactive value-chain

- Content
- Distribution
- Fulfillment in Internet and TV
- TV Shop declining volume due to focus on profitable distribution contracts
- Eurosport deal successfully re-negotiated

Modern Interactive, cont'd

- ECL increases volume, external clients
- Internet-retailing still on modest levels - but growing
- Everyday members grows - now up to over 300,000
- Everyday launched in 10 countries

Modern Interactive - Financial Summary

MSEK	Q1 2000	Q1 1999
Net Sales	127	172
EBITDA	0	14
EBIT	-5	9

SDI Media

- Acquisition period concluded - focus on growth and profits
- Recovery of Asian markets improves volume
- GELULA holds significant volume in dvdtranslation
- Web - transaction and hard of hearing applications launched

SDI Media - Financial Summary

MSEK	Q1 2000	Q1 1999
Net Sales	79	52
EBITDA	6	9
EBIT	3	6

Modern Studios

- Mixed performance
- STRIX; strong both back-log and profits
- Sonet; weak 1:st quarter compared with last year
- Nordic Artist; weak line-up in Q1 will improve over the year
- Modern Entertainment; significant recovered after litigation
- Litigation will result in payment to minority shareholders

Modern Studios - Financial Summary

MSEK	Q1 2000	Q1 1999
Net Sales	115	75
EBITDA	8	11
EBIT	3	6

Cash Flow

MSEK	Q1 2000	Q1 1999
Income/loss after financial items	179	19
+ Depreciation	75	55
Net cash provided by operations	254	74
Payments to minority shareholders	0	-187
Other change in working capital	-360	107
Net capital expenditures	-169	-46
Cash Flow	-275	-52

Financial Situation

MSEK	March 31, 2000
Equity	1244
Minority interest	5
Convertible loan	377
Total	1626
Total Assets	4648
Equity / Asset ratio	35%
Market value:	
- MIC option	675
- 20,1% of TV4	1006
- 33,1% of P4	466
Bookvalue and strike price MIC option	301

