



MTG

MODERN TIMES GROUP

Remarks to the third quarter results, 2000

November 6, 2000

Highlights

- Continued strong top line growth paralleled with tight cost control strongly improves profits.
- Still strong ad markets, no signs of weakness.
- Demerger of Metro finalized during Q3, MTG invested 500 MSEK, now a market cap of 10 BN SEK.

Highlights

- New management team on board, focus on improving profitability in existing operations as well as internationalization.
- Digital swap started - cost savings as well as important base for added revenues established.

Highlights

- Strong content development:
 - Strix formats like “Baren” being sold
 - Acquisition of Crown Library
- CDON became Scandinavia’s largest on-line retailer with only 10 MSEK investments.
- Radio remains unconsolidated.
- Modern Interactive being restructured.
- Formation of New Media and Financial Media divisions.
- Solid financial base.

Financial Summary

(excluding Metro)

| SEK Million | 1999 | Q3/ 99 | Q3/ 00 | % |
|-------------|-------|--------|--------|------|
| Net Sales | 4 491 | 3 077 | 3 775 | +23 |
| EBIIDA | 421 | 196 | 507 | +159 |
| EBIT | 202 | 52 | 271 | +277 |

Q3/00 including capital gains of 108

Financial Summary

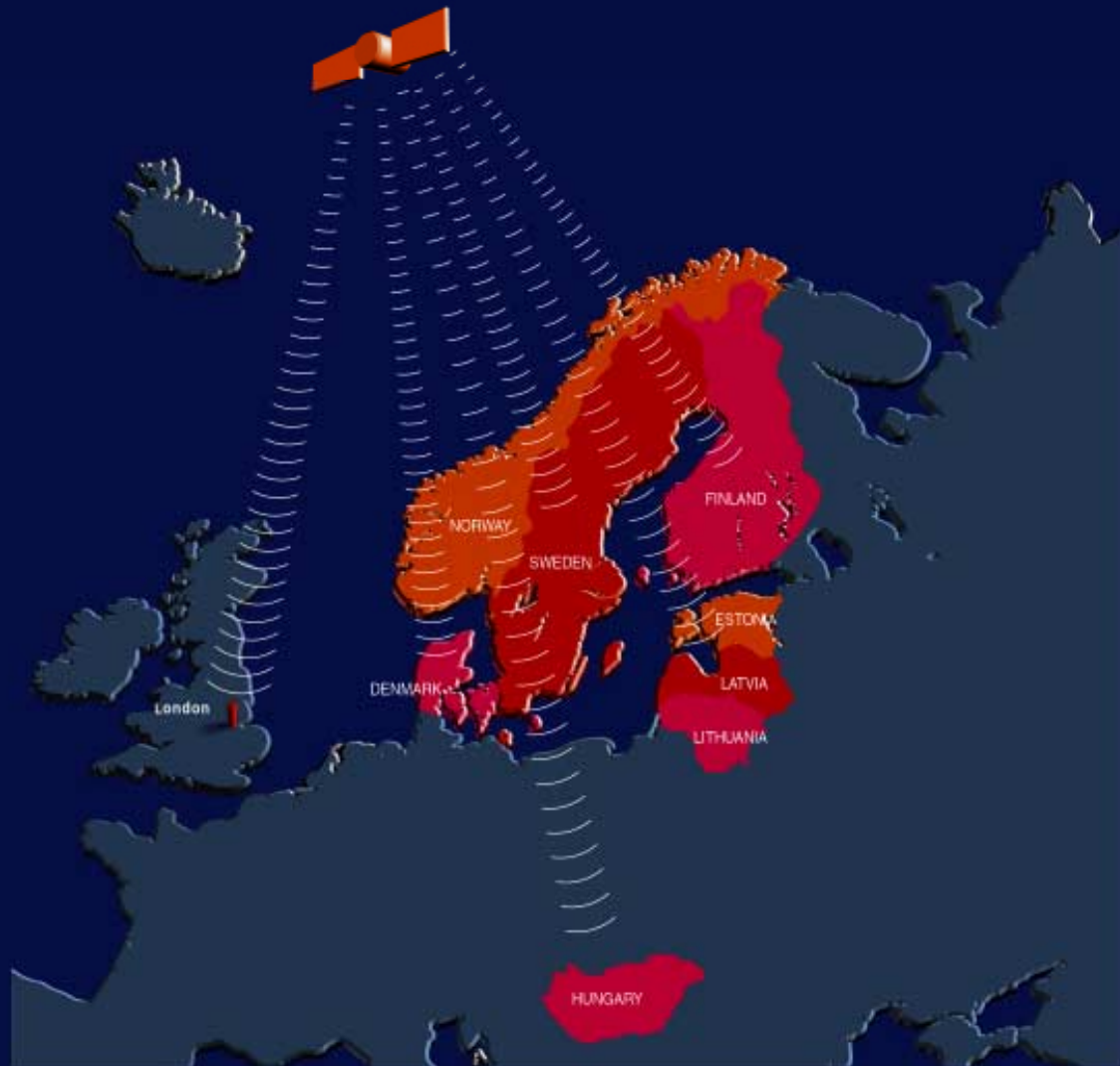
- Metro de-consolidated from January 1, 2000. The report adjusted for the demerger in full, except five months of trading in MTG Publishing (income from de-consolidated businesses).
- MTG holds a convertible bond in Metro, if converted gives an ownership of 20%, market value 2 BN SEK.
- TV1000 included from Jan 1, 2000.

Financial Summary

- Top line growth up 23 %, of which 11 % from TV1000.
- Marginal EBITDA 60 %, excl. capital gains.
- Currency effect due to the strong dollar approx. 20 MSEK y-o-y.
- One-off items in the results
 - sale of TV4 108 MSEK
 - sale of Metro 33 MSEK



VIASAT



Broadcasting

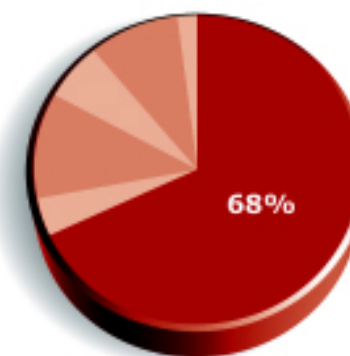
Broadcasting

| SEK Million | 1999 | Q3/99 | Q3/00 | % |
|-------------|-------|-------|-------|------|
| Sales | 3 114 | 2 145 | 2 681 | + 25 |
| EBITDA | 451 | 205 | 540 | |
| EBIT | 314 | 119 | 343 | |

Including capital gains 104

- Sweden record 1 BN SEK sales in October

Distribution of sales
Broadcasting



Broadcasting, cont'd

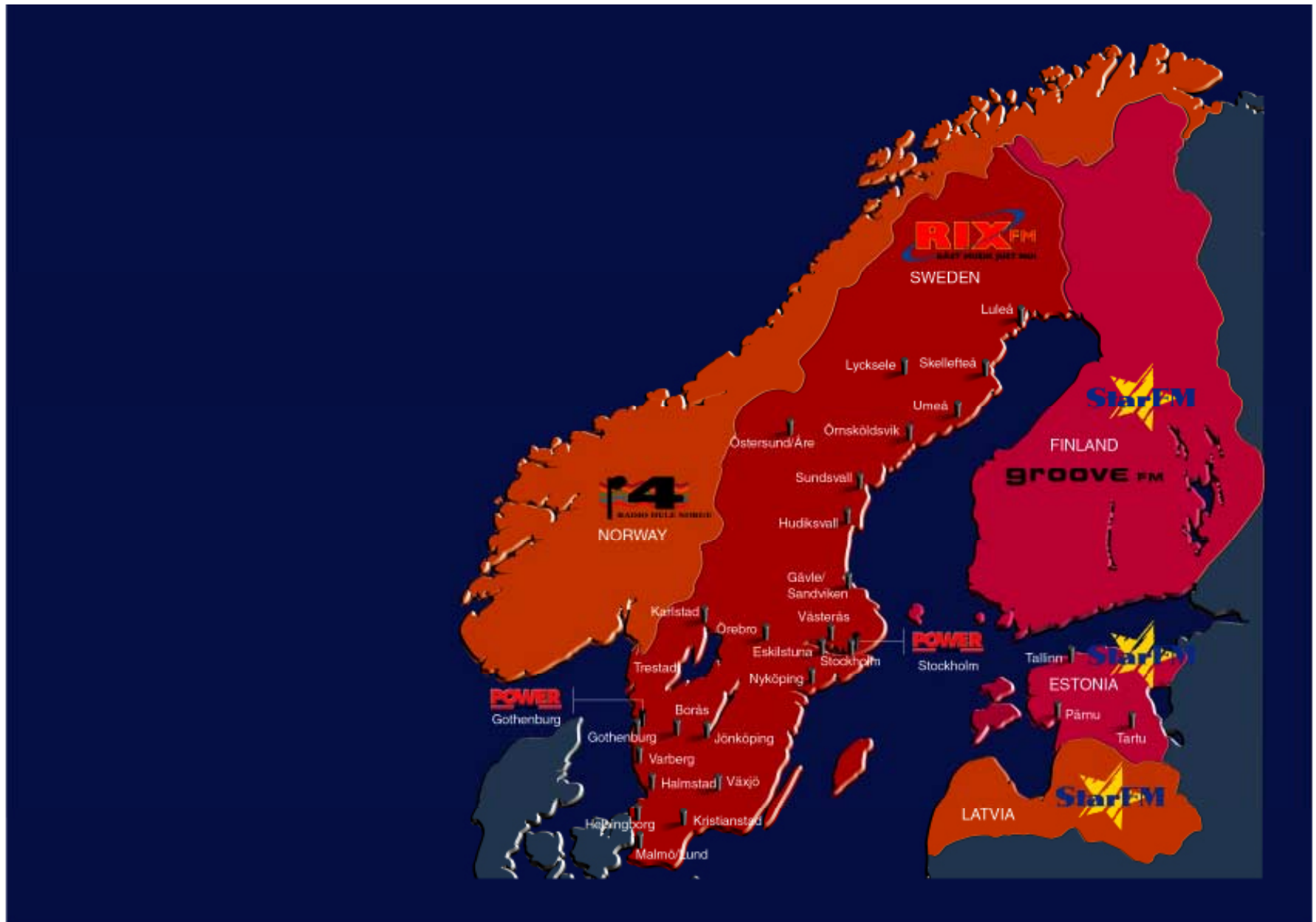
- _ Penetration of Gold cards up 20 % y-o-y.
As expected, low y-o-y growth on Basic Card.
- _ Digital swap in full swing, 350,000 decoders to be swapped prior to end of Q1/01.
- _ Investment of approx. 400 MSEK offset against annual savings in distribution of 200 MSEK, pay-back 2 years.

Broadcasting, cont'd

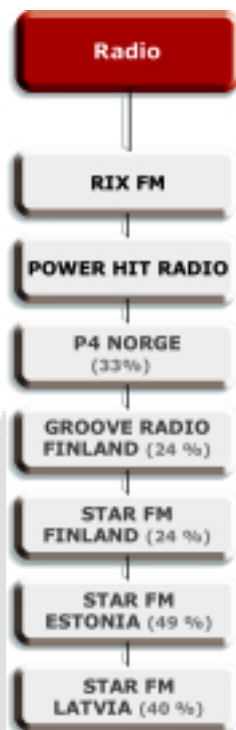
- Norway again no 2 after shift of people meter system
- Niche channels in full year profits
- TV8 still in development phase, new focus on financial media .
- Viasat3 launched in Hungary in Oct.
- First step to increase geographical markets:
 - Sizable markets, low incremental costs

Broadcasting, cont'd

- New Media division formed. Will include
Everyday TV, WebAd, E veryday.co,
Everytext.com.



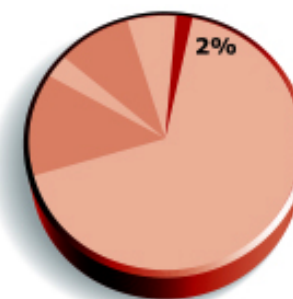
Radio



| SEK Million | 1999 | Q3/99 | Q3/00 | % |
|-------------|------|-------|-------|-----|
| Sales | 110 | 79 | 98 | +24 |
| EBITDA | 19 | 14 | 3 | |
| EBIT | 16 | 11 | 2 | |

- Strong market conditions in Sweden
- Sales increased 24%
- CPT levels too low to create strong profitability. Need for further consolidation of Swedish market₁₄

Distribution of sales
Radio



Radio, cont'd

- Finnish venture still unsatisfactory, dilutes strong performance from P4 Hele Norge in the income from associates.
- New revenue stream opened through digital radio channels on Viasat platform.

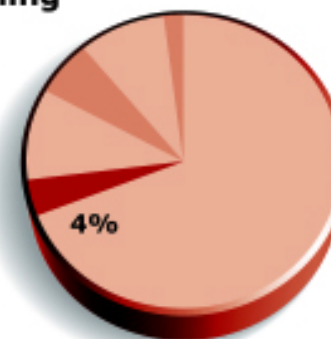


Publishing

| Publishing | SEK Million | 1999 | Q3/99 | Q3/00 | % |
|-----------------|-------------|------|-------|-------|------|
| FINANSTIDNINGEN | Sales | 127 | 72 | 144 | +100 |
| KAPITAL | EBITDA | -7 | -5 | 4 | |
| MODERNA TIDER | EBIT | -16 | -11 | -4 | |

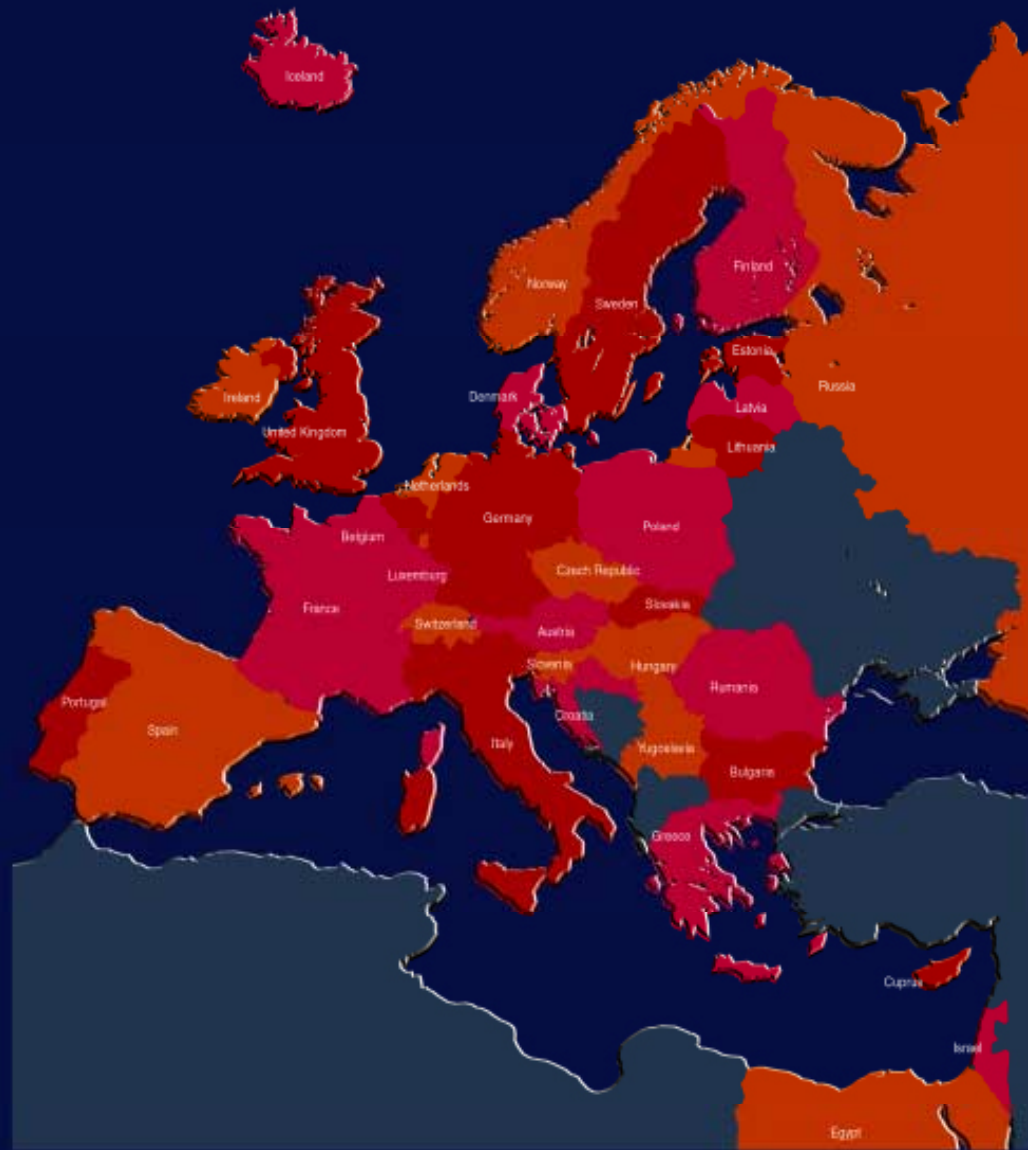
- Strong improvement in both ad and subscription sales for Finanstidningen

Distribution of sales
Publishing



Publishing, cont'd

- _ Focus on financial media; TV8 to be moved in 2001, synergies with Finanstidningen and financial hearings.
- _ Magazines under review due to new focus.



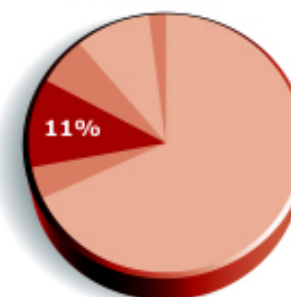
Modern Interactive



| SEK Million | 1999 | Q3/99 | Q3/00 | % |
|---------------|------------|------------|------------|----------|
| Sales | 582 | 456 | 457 | 0 |
| EBITDA | -2 | -2 | -3 | |
| EBIT | -27 | -18 | -22 | |

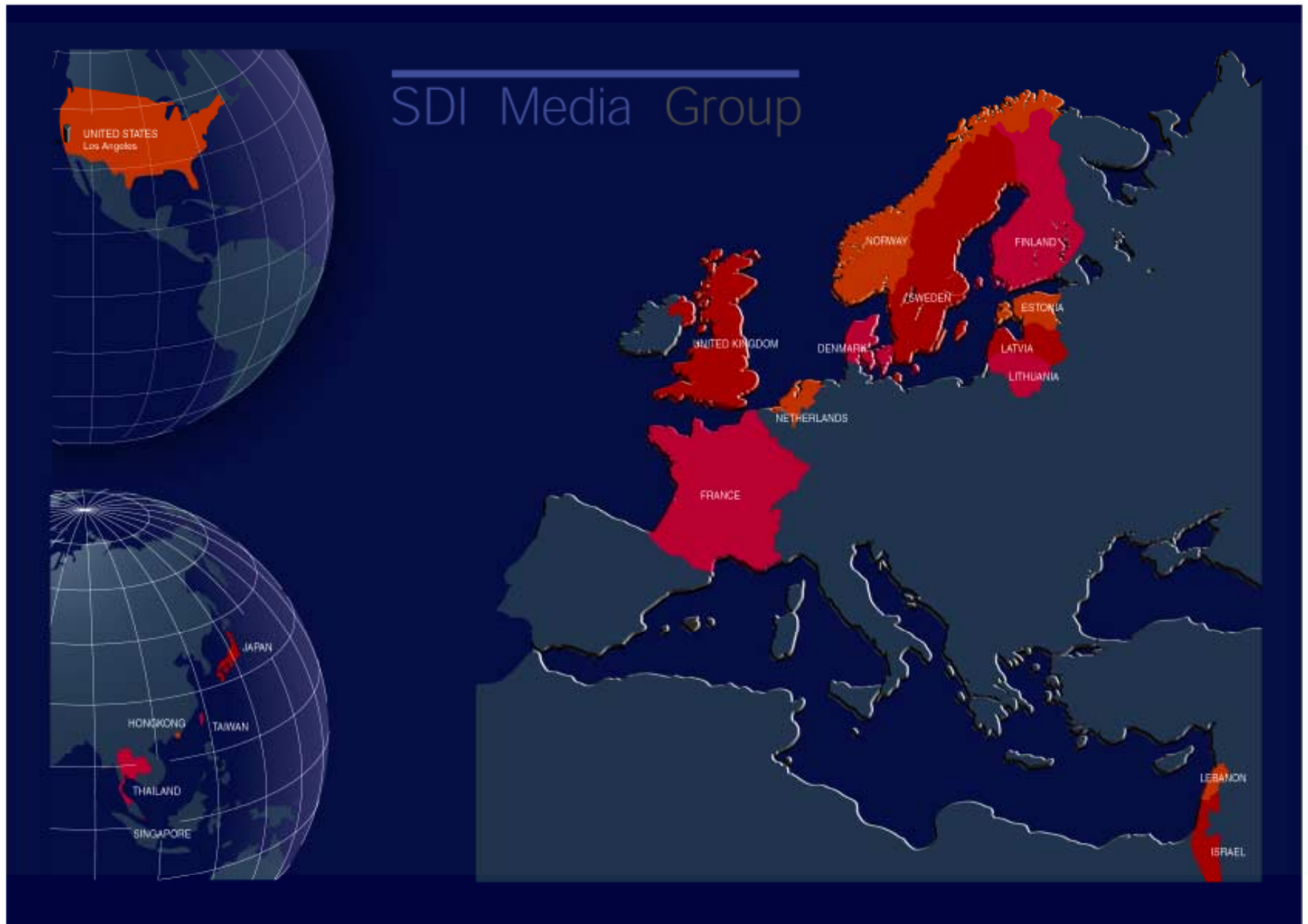
- No top-line improvement due to cancellation of unprofitable TVShop contracts.
- Restructuring under way - could imply write downs in Q4.

**Distribution of sales
Modern Interactive**



Modern Interactive, cont'd

- ECL add new clients, 25 % of turnover external.
- Focus on CDON after the collapse of Boxman.
- Everyday.com largest portal in Scandinavia - an important multimedia tool.



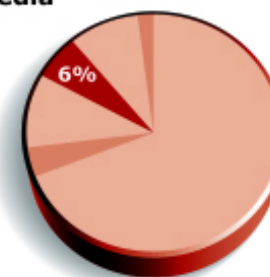
SDI Media



| SEK Million | 1999 | Q3/99 | Q3/00 | % |
|---------------|------------|------------|------------|------------|
| Sales | 256 | 163 | 235 | +50 |
| EBITDA | 28 | 18 | 19 | |
| EBIT | 15 | 9 | 10 | |

- Sales increase derived organically as well as through acquisitions.
- Asia shows signs of recovery and the US part successful.

Distribution of sales
SDI Media

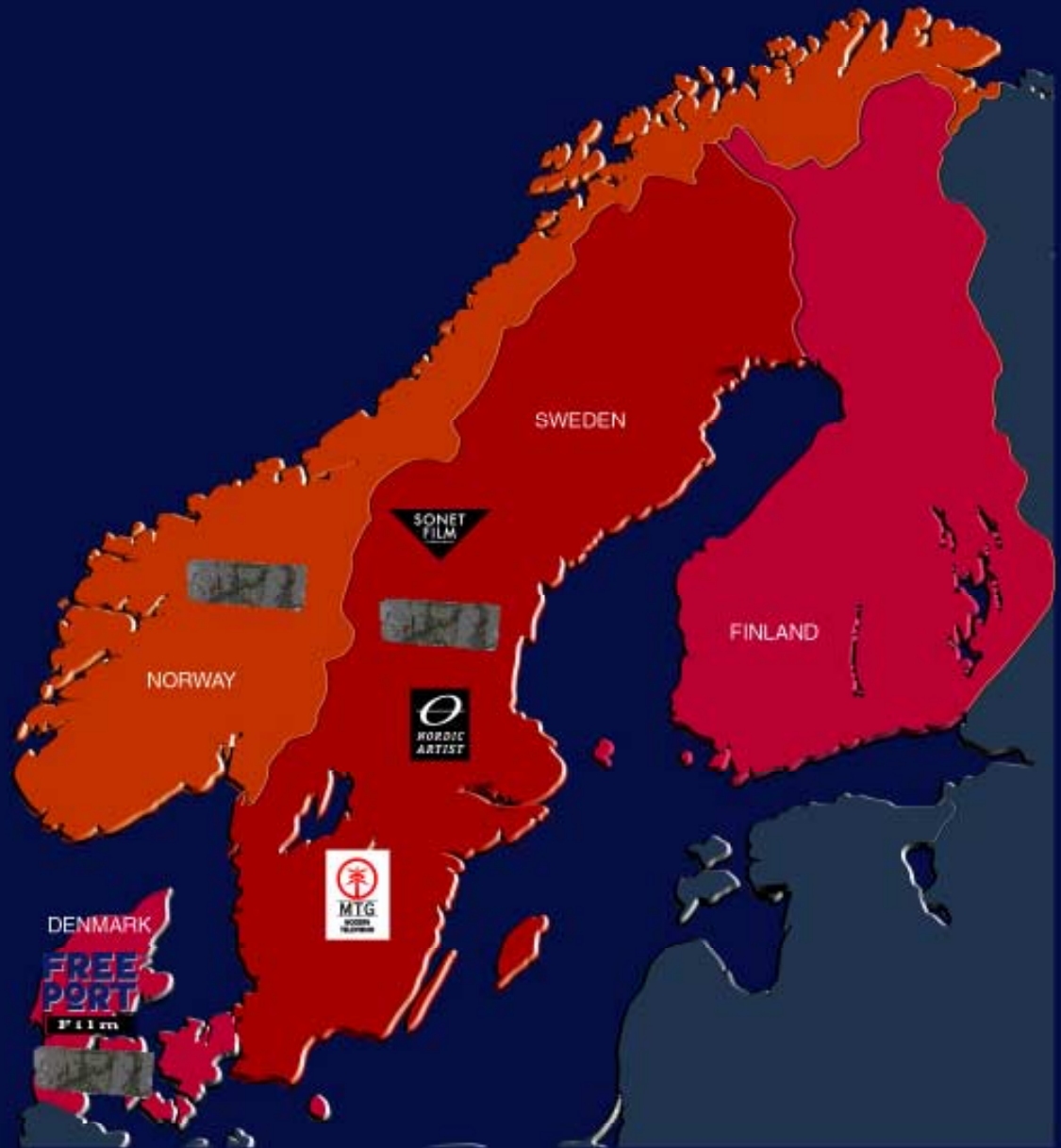


SDI Media, cont'd

- Implementation of new value added strategy; true one-stop-shop for major studios. Aiming at margins improving.
- Strong trends:
 - (i) digital TV
 - (ii) DVD
 - (iii) the Web



UNITED STATES
Los Angeles



Modern Studios

Modern Studios

STRIX

SONET

NORDIC ARTIST

MODERN
ENTERTAINMENT

MODERN
TELEVISION

FREEPORT

| SEK Million | 1999 | Q3/99 | Q3/00 | % |
|---------------|------------|------------|------------|------------|
| Sales | 419 | 258 | 340 | +32 |
| EBITDA | 34 | 17 | 14 | |
| EBIT | 18 | 4 | -2 | |

Strong performers

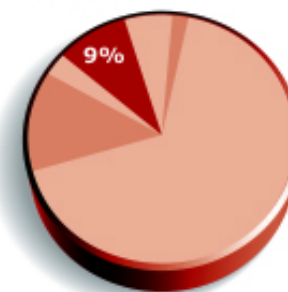
– Strix

- strong sales and profit growth on the basis of successful concepts
- Important content to secure success of MTG Channels

– Sonet

- strong line-up during the fall

Distribution of sales
Modern Studios



Modern Studios, cont'd

- _ Weak performers
 - _ Modern Entertainment
 - _ still in losses due to clean-up of the company
 - _ acquisition of Crown Library add another 100 titles, now 500 in total
 - _ started trading again, strong back-log for next year
 - _ Nordic Artist disappointing, will be scaled down

Balance Sheet and Cash Flow

- _ Equity/assets ratio 46 %
- _ Adjusted for P4, TV4 and Metro values 60 %
- _ W/C positive
- _ Depreciation 272 MSEK
- _ Maintenance capex 128 MSEK, plus new projects

INTERIM REPORT
JANUARY 1– SEPTEMBER 30,
2000

Financial Situation

SEK Million

September 30, 2000

| | |
|-------------------|-------|
| Equity | 2 353 |
| Minority interest | 15 |
| Convertible loan | 0 |

| | |
|---------------------|--------------|
| Total | 2 368 |
| Total assets | 5 560 |

| | |
|---------------------|-----|
| Equity/ Asset ratio | 43% |
|---------------------|-----|

| | |
|--|-------|
| Market value | |
| 20,1% of TV4, 33,1% of P4, Metro convertible | 3 760 |
| Bookvalue | 441 |
| Adjusted equity/ asset ratio | 60% |



Executive management

