

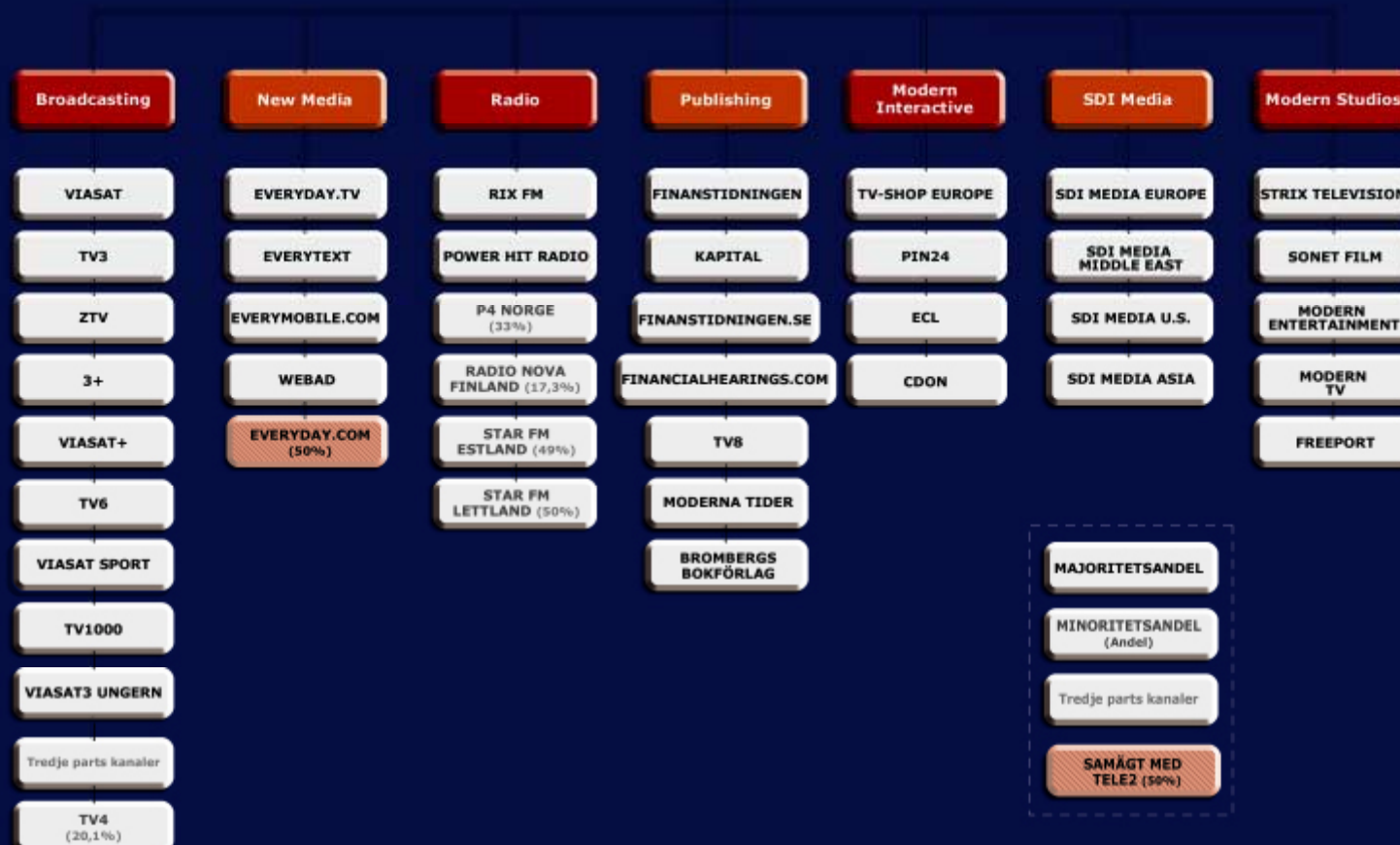


MTG

MODERN TIMES GROUP

“SALES, SHOWMANSHIP AND COST CONTROL”

Year End Announcement 2000

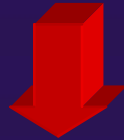


YEAR END ANNOUNCEMENT 2000

KEY MESSAGES STRATEGIC DEVELOPMENT FOCUS

- Full integration through the value chain:

CONTENT



DISTRIBUTION



SALES

- Multiple media windows



KEY MESSAGES STRATEGIC DEVELOPMENT FOCUS

- Internationalization
 - Take proven concepts to new markets
- Opportunistic approach to new ideas
- Maintain focus on sales and cost control



KEY MESSAGES

CORE BUSINESS

- Free-to-air stations on track
 - Healthy market conditions
 - Growing ad market niche
 - Efficient cost control
- Digital introduction successful due to;
 - Swap strategy
 - 'Cash and carry' concept
 - Marketing and sales approach
 - Local content



KEY MESSAGES

CORE BUSINESS

- Problem areas tackled:
 - Clean-up of TV-Shop
 - Clean-up of Modern Entertainment
 - Winding down of Nordic Artist



FULL YEAR RESULTS 2000

SEK Million	1999	2000	%
Net Sales	4 491	5 431	21
EBITDA	421	820	95
EBIT	202	450	122
PBT	148	404	173

- Strong 4th quarter, despite;
 - Write-offs of 35 MSEK in Modern Interactive
 - Impact of strong dollar on programming costs, 10 MSEK
 - No contribution of Kinnevik to TV1000 losses in 2000, 8 MSEK
- EBIT growth, excluding the above, 55% q-on-q in 4th quarter



YEAR 2000 – STILL ON THE MOVE

TRANSACTIONS

- Spin-off of Metro to MTG shareholders
 - 500 MSEK invested yielded market cap of 7 BN SEK
- Acquisition of TV1000 from Kinnevik
- Successful syndication of additional 900 MSEK loan to bridge digital investment
- Acquisition of remaining minority holdings in;
 - Gelula, within SDI Media
 - Modern Entertainment, within Modern Studios
- Swap of Finnish radio assets into minority stake in Radio Nova



YEAR 2000 – STILL ON THE MOVE

NEW VENTURES

- Swap of analogue premium subscribers into digital started
- Introduction of 'cash and carry' concept for DTH
- Launch of the Norwegian complementary channel Viasat+
- First step within Broadcasting into Central Europe with Viasat3
- Launch of PIN24, digital TV home shopping
- Launch of multiwindow concept – "The Bar"
- International sales of TV format started
- New Media windows opened;
 - Everyday.TV
 - Everymobile
 - Everytext

DEVELOPEMENT OF CORE BUSINESS AD REVENUE = 60% OF SALES

- Ad markets were strong in 2000, still positive outlook for 2001
- Low % growth doesn't contradict higher spend in absolute terms
- Radio/TV still underrepresented, overall migration from print
- There are always .com's:
 - OTC pharmaceuticals
 - Telco's
 - Pension funds
 - Accenture's of the world
- H2 probably stronger than H1

DEVELOPEMENT OF CORE BUSINESS SUBSCRIPTION & OTHER INCOME

- Take-off for new Pay TV sales thanks to digital launch
- Reduced churn on digital subs will drive ARPU short term
- New services will drive ARPU long term
- Sales in TV-Shop volatile
- Other businesses proceed according to plan

DEVELOPEMENT OF CORE BUSINESS COST SIDE

- Satellite distribution costs going down by 200 MSEK on 12 month basis
- Programming costs stable in constant dollar terms, however dollar-rate volatile
- Kick-back costs depreciated over 18 months on new subscribers
- Lower depreciation due to Swedish GAAP, adjusting to IAS

NET RESULT

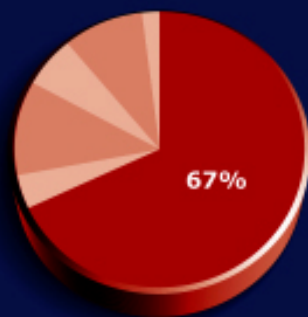
- Should be able to sustain high incremental profitability and cash flow



BROADCASTING

SEK Million	1999	2000	%
Sales	3 114	3 818	23
EBITDA	451	848	88
EBIT	314	590	88

Distribution of sales
Broadcasting



BROADCASTING

- Status on digital project as of January 31st;
 - 285,000 out of approx. 350.000 boxes delivered
 - New sales 97,000 boxes
 - Viasat Gold 80% of new sales
 - Total base end January – 382,000 digital subscribers
- Viasat digital platform already established No 1 performer in the Nordic region, larger than;
 - Canal Digital
 - Comhem
 - Boxer

These have been in the market for several years



BROADCASTING

- TV3 performance 2000
 - Total sales up 10%, Sweden up 18%
 - Incremental EBITDA 80%, EBIT 68 %
- ZTV, 3+ and TV6 in full year profits, lost 66 MSEK in 1999
- Viasat+ and Viasat3 still in start-up phase
- Viasat top-line as well as EBIT declined as expected, in waiting for digital
- TV1000 approaching break-even on EBITDA-level, a mirror of Viasat Gold development



BROADCASTING

- TV8 still not in profit, moved to Publishing to leverage on other financial content
- Baltic back on track
 - National distribution in Latvia
 - Now more than 95% penetration in the region
- Viasat3, close to 50% penetration, waiting to be recognized by People Meter System

NEW MEDIA

- Sales outside MTG's traditional windows
- Content in principle from other MTG companies

EVERYDAY.COM

- Important communication and marketing tool
- Downsized during the fall
- Low external cost
- Tele2 operates non-Nordic sites/franchises

EVERYMOBILE

- Content to fast growing SMS market
- Deals with Telia, Tele2 and Telenor
- Preparation for UMTS licences awarded to Tele2 in Norway and Sweden
- SMS income sometimes cover "The Bar" production costs



NEW MEDIA

EVERYDAY.TV

- Enhanced and interactive services on the digital platform; EPG, weather, news, games, Email, SMS, etc
- 1st generation of boxes sufficient capacity, telephone OK as return path
- No rush for 2nd generation of boxes

- Wire-less keyboard on the market
- Publisher, Open-TV development tool, enables cost efficient development

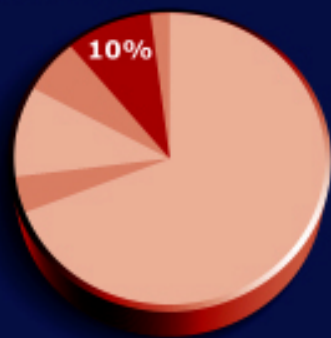
EVERYTEXT

- Success story in Spain as well as Viasat channels in Scandinavia
- Offered to 3rd party channels, like Telecinco 5 year deal

MODERN STUDIOS

SEK Million	1999	2000	%
Sales	419	551	32
EBITDA	34	28	-18
EBIT	18	3	-84

Distribution of sales
Modern Studios



MODERN STUDIOS

- Dominant content provider in the Nordic region
- Strong performers
 - Strix, strongest performance ever, doubled sales and tripled EBIT up to 260 MSEK and 34 MSEK, respectively. Formats exported to 12 countries
- Sonet, EBIT 10 MSEK on 96 MSEK sales. Remakes and English spoken formats new growth opportunities
- Weak performers
 - Media Properties, 50% of year 2001 budgeted sales done, clean-up in 2000 completed. Nordic Artist, wind-down in 2001. The two together recorded a 31 MSEK loss in 2000.

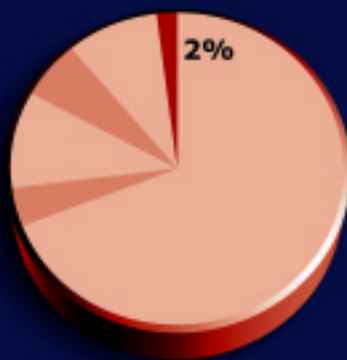


RADIO

SEK Million	1999	2000	%
Sales	108	133	23
EBITDA	19	20	5
EBIT	16	18	13



Distribution of sales
Radio



RADIO

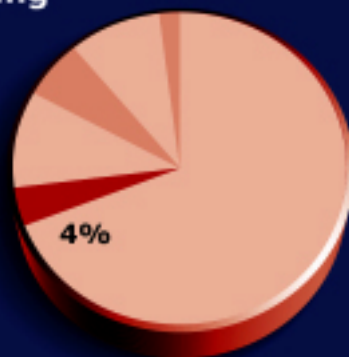
- Ownership restrictions still in Norway, P4 a big contributor to divisional profit
- Finnish situation solved
- Baltic networks still small numbers
- Swedish situation, despite small profit, still unsatisfactory
- Opportunities
 - Equity positions in all Nordic market leaders
 - Danish licence coming to the market
 - Meanwhile, cross-promotion and digital channels on Everyday.TV, reaches approx. 400,000 households



PUBLISHING

SEK Million	1999	2000	%
Sales	128	214	67
EBITDA	-7	23	328
EBIT	-16	10	62

Distribution of sales
Publishing



PUBLISHING

- Spin-off of Metro
- Impressive top-line profit growth in 2000 – controlled circulation formula
- Now focus on the financial ad segment
 - Strong growth following privatization of pension funds
- Need to leverage on combined creation of financial content
- Moderna Tider improves circulation while Brombergs Bokförlag reports record profit



PUBLISHING

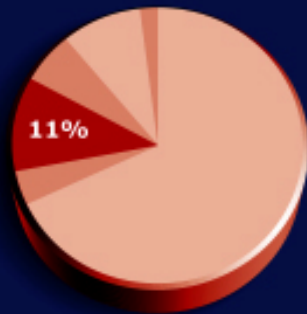
- Leverage through a multiple of windows
 - Finanstidningen, fastest growing daily in Sweden
 - TV8, relaunched with Bloomberg as business channel
 - Finanstidningen.se, the finance and business web service
 - The Everyday family of interactive applications
- Financial hearings, 400+ analyst meetings in Stockholm, exported to Oslo, Helsinki, London & Frankfurt
- Co-operation with Financial Times in Frankfurt & London – route to further co-operation



MODERN INTERACTIVE

SEK Million	1999	2000	%
Sales	582	632	9
EBITDA	-2	-66	neg
EBIT	-27	-94	neg

Distribution of sales
Modern Interactive



MODERN INTERACTIVE

- 2000 re-focus on only three operations
- TV-Shop lost 80 MSEK
 - 35 MSEK in write-downs due to unprofitable media contracts
 - Still not stable
 - PIN24 safely on profit, now connected to 6M homes
 - In 2001, strategic decision to come
- ECL made 26 MSEK in profits on the back of 35% external revenue
 - More 3rd party business in pipeline
- CDON; Internet ventures lost 49 MSEK including
 - Stake in Everyday.com
 - Closed down sites, now concentrated to CDON



SDI MEDIA

SEK Million	1999	2000	%
Sales	256	330	29
EBITDA	28	32	14
EBIT	15	18	20

Distribution of sales
SDI Media



SDI Media

SDI MEDIA EUROPE

SDI MEDIA
MIDDLE EAST

SDI MEDIA U.S.

SDI MEDIA ASIA

SDI MEDIA

- Q4 weaker than expected due to lower dubbing volumes
- Y-o-y growth at 29%, actions taken to boost overall margin;
 - Review of operational structure
 - One-stop-shop offer to studios and international channels
- Broaden scope of services
- Trends still in favour
 - Digital TV
 - Web
 - Hearing impaired
 - DVD



PROFIT & LOSS STATEMENT

SEK Million	1999	2000	%
Net Sales	4 491	5 431	21
EBITDA	421	820	95
EBIT	202	450	122
PBT	148	404	173

- High-lights in the P&L
 - Capital gain from sale of 2% in TV4, 106 MSEK, retains 20,1% of equity
 - Metro on-off profit of 32 MSEK
 - Restructuring costs TV-Shop of 35 MSEK

- TV1000 consolidation from January 1, 2000, not in pro-forma 1999
- Metro demerged in August 2000, not in pro-forma 1999



PROFIT & LOSS STATEMENT

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Net Sales	4 491	5 431	21
EBITDA	421	820	95
EBIT	202	450	122
PBT	148	404	173

- High-lights in the P&L
 - Increase in EBITDA, excl. capital gain, 70% despite heavy losses in TV-Shop
 - Same 70% increase in EBIT despite...

- ...number of loss-making companies taken care of
TV-Shop 80 MSEK
Mod Stud 31 MSEK
Total 111 MSEK
- Tax cost high due to deferred tax assets, C/F impact approx, 15% on PBT



CASH-FLOW STATEMENT

SEK Million	1999	2000
Cash-flow from operations	338	670
W/ C	152	228
Total	490	898
Investments in		
- Minority holdings	-56	-64
- Digital project		-555
- Machinery & equipment	-85	-100
- Others	-322	-472
Total investment	-463	-1191
Financing	-39	227
Net cash-flow	-12	-66

YEAR END ANNOUNCEMENT 2000



CASH-FLOW STATEMENT

- Strong cash-flow from operations
- W/C normally 5% of incremental sales, year-end affected by digital investment (supplier invoices)
- Capex going forward only machinery and equipment, approx. 50 MSEK and acquisitions
- Strong free-cash flow to be expected going forward



BALANCE SHEET

SEK Million	1999	2000
Liquid assets	2 506	3 049
Fixed assets	1 765	3 603
Total assets	4 271	6 652
Short term liabilities	2 318	2 746
Long term liabilities	835	1 452
Equity	1 118	1 452
Total liabilities and equity	4 271	6 652

- Build up due to TV1000 acquisition and digital investment
- Net liquid funds Dec31, 2000 514 MSEK
- Net debt, Dec 31, 2000 520 MSEK
- Equity/assets ratio 37%
- Adjusted equity/assets ratio 52%, securities SEK 3,3 bn

