

# Modern Times Group MTG AB

**Financial Results  
for the third quarter and nine months  
ended 30 September 2001**

**24 October 2001**

**“Sales, showmanship and cost control”**

# Sales, Showmanship and Cost Control

- Largest 'Free to air' TV operator in Nordic & Baltic region
- 3rd largest DTH 'Pay' TV operator in Europe
- Largest number of digital TV subscribers in the Nordic region
- Largest commercial radio operator in northern Europe
- Global market leader in subtitling and dubbing
- Leading international 'Reality TV' production house

# Operating Highlights

## *9 months ended 30 September 2001*

- Net sales up 21% to SEK 4,550 (3,775) million
- Pay TV revenues up 45% to SEK 1,535 (1,061) million
- Operating income from established operations up 269 % to SEK 295 (80) million despite negative US dollar currency translation impact of SEK 75 million
- Established operations profitable in a third quarter for the first time
- Total operating income (excluding non-recurring items) up 219% to SEK 150 (47) million
- Viasat Digital TV subscribers up 9% since June to 527,000; 71% of new subscribers choose Viasat Gold premium package
- Modern Studios revenues up 37% and EBIT of SEK 55 (-3) million
- Investment story unchanged

# Results for period ended 30 September 2001



SEK Million	Q3 2001	Q3 2000	± %	9m 2001	9m 2000	± %
<i>Established Operations</i>						
Net Sales	1,411	1,187	19	4,539	3,774	20
EBITDA	67	21	219	465	265	75
EBIT	18	-40	145	295	80	269

- Delivery of 20% annualised growth rate
- Multiple revenue streams pay off
- Continued strong growth in Pay TV revenue and profit from new digital sales
- Increased market shares in advertising-led businesses
- High levels of growth in Modern Studios and SDI



# Results for period ended 30 September 2001



SEK Million	Q3 2001	Q3 2000	± %	9m 2001	9m 2000	± %
<i>New Investments</i>						
Net Sales	5	1	-	11	1	-
EBITDA	-42	-21	neg	-142	-32	neg
EBIT	-49	-21	neg	-145	-33	neg

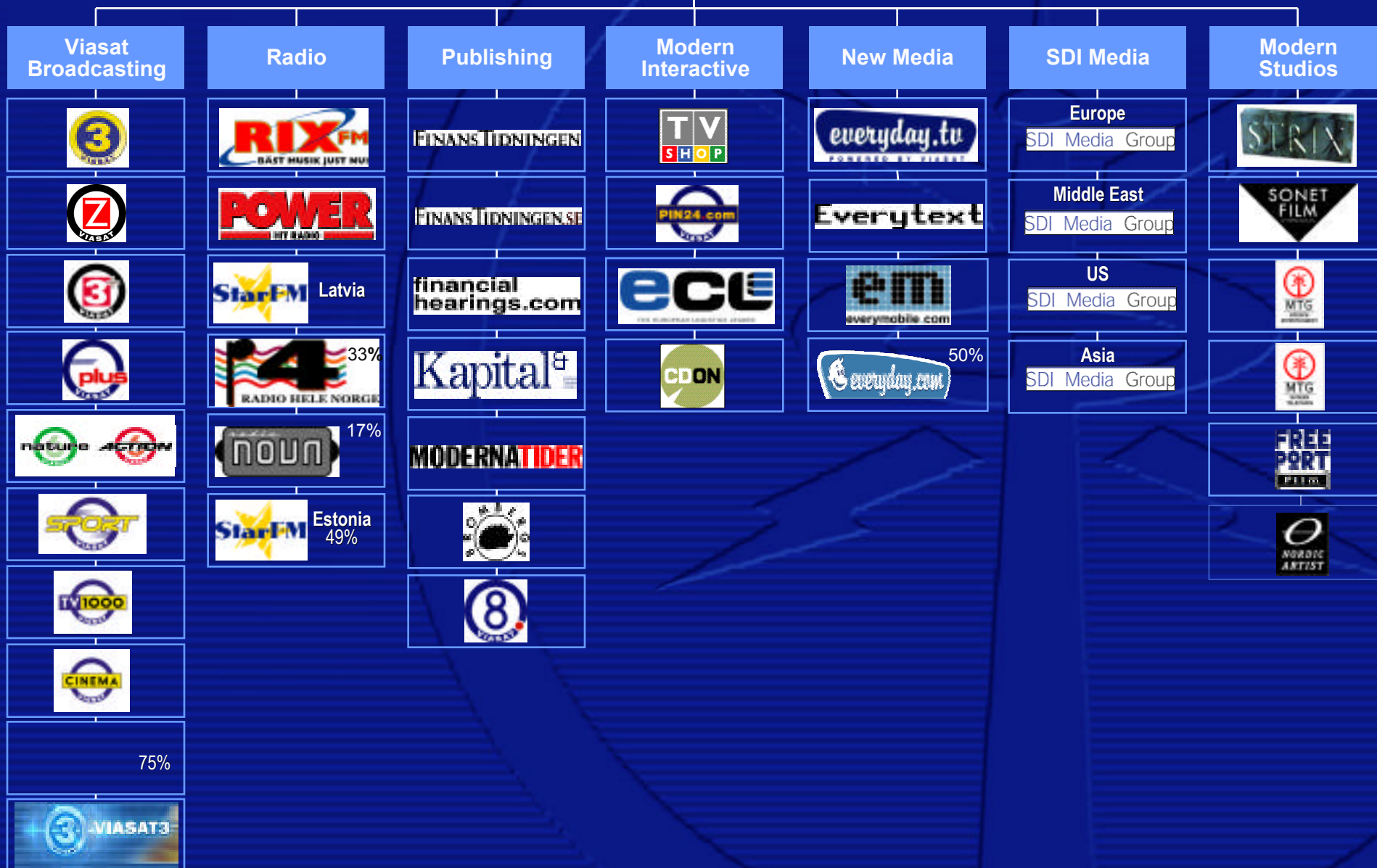
- 2001 characterised by new investments and geographical expansion
- New investments comprise launches in last 24 months:
  - Viasat+ (Norway), Viasat3 (Hungary), Darial TV (Russia) in Broadcasting
  - Everyday.com, Everyday.TV and Everymobile.com in New Media

# Results for period ended 30 September 2001



SEK Million		Q3 2001	Q3 2000	± %	9m 2001	9m 2000	± %
<i>Total</i>							
Net Sales		1,415	1,188	19	4,550	3,775	21
EBIT	Established Operations	18	-40	145	295	80	269
	New Investments	-49	-21	neg	-145	-33	neg
	TOTAL	-31	-61	49	150	47	219
	Non-recurring Items	0	-6	-	0	98	-

- Growth in total operating income despite unfavourable market conditions, negative US\$ cost impact and New Investments



# MTG – Global Media Company






# Viasat Broadcasting



SEK Million		Q3 2001	Q3 2000	± %	9m 2001	9m 2000	± %
Net Sales	Free TV	507	510	-1	1,849	1,811	2
	Pay TV	560	356	57	1,535	1,061	45
EBIT	Established Operations	50	40	25	370	257	44
	New Investments	-29	-2	neg	-84	-2	neg
	TOTAL	21	38	-45	286	255	12

# Viasat Broadcasting Free-TV

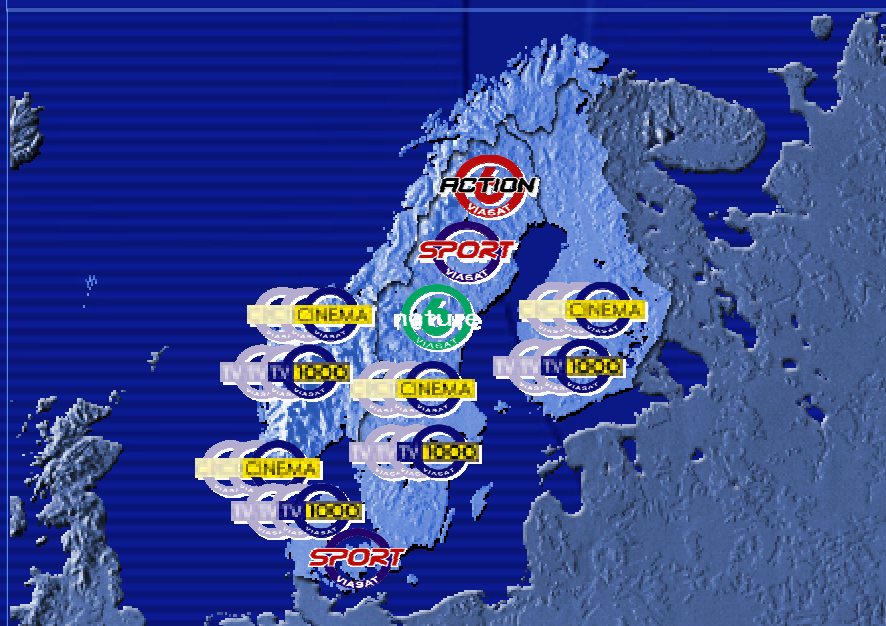
SEK Million	Q3 2001	Q3 2000	± %	9m 2001	9m 2000	± %
Net Sales	507	510	-1	1,849	1,811	2

Geographical presence	Highlights
	<ul style="list-style-type: none"> <li>■ TV3 Scandinavia revenues down 1% and EBIT up 11% in the first nine months</li> <li>■ Increasing market shares in weak advertising markets - Sweden down 10% January to August</li> <li>■ Positive impact of cost reduction programme - 650 employees broadcast 20 channels in 9 countries</li> <li>■ New Ventures in Hungary, Russia and Norway proceed as planned</li> </ul>

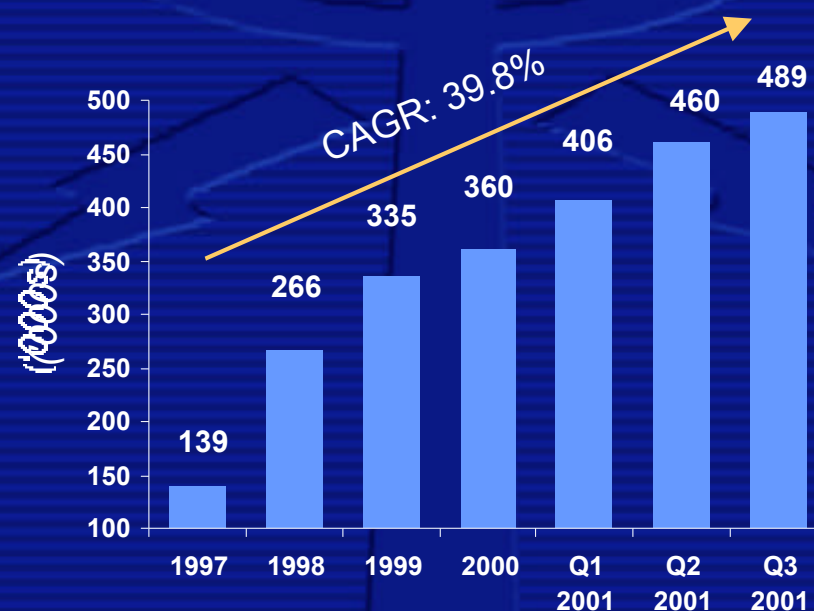
# Viasat Broadcasting Pay-TV

SEK Million	Q3 2001	Q3 2000	± %	9m 2001	9m 2000	± %
Net Sales	560	356	57	1,535	1,061	45

Geographical presence



Premium subscriber growth



# Viasat Broadcasting

## Pay-TV subscribers



(‘000s)	Cardholders	Viasat DTH Gold package subscribers	Other Viasat DTH premium package subscribers	Viasat Gold subscribers as % of total cardholders
<b>Balance as at 30 June 2001</b>	1,115	420	40	38%
<b>New sales during Q3 2001</b>	+ 59	+ 42	+ 5	-
<b>Churn during Q3 2001</b>	- 20	- 15	- 3	-
<b>Balance as at 30 September 2001</b>	=1,154	= 447	= 42	39%
<i>Balance as at 30 September 2000</i>	1,067	297	41	28%

# Digital roll-out: Driving profitability

- ARPU drivers
  - 39% of Viasat cardholders subscribe to Gold package vs. 28% at Q3 2000
  - Viasat estimates taking 65% share of digital TV retail sales
  - Churn reduced by 50% y-on-y to 1.3% p.c.m.
  - Price elasticity remains
  - ‘Pay per view’ events cross-promoted in Group to ensure high buy-rate
    - New record of 75,000 tickets sold to Tyson/Nielsen fight
  - New advertisers on digital platform
  - DTH only viable way to grow penetration
- New ‘Cash & Carry’ sales = earnings and cash flow positive from day 1



# New Media

SEK Million		Q3 2001	Q3 2000	± %	9m 2001	9m 2000	± %
Net Sales		28	11	155	71	45	58
EBIT	Established Operations	15	7	114	9	10	-10
	New Investments	-20	-20	0	-61	-30	neg
	<b>TOTAL</b>	-5	-13	62	-52	-20	neg



- MTG Spain reported a 46% increase in teletext sales and 39% increase in EBIT in the first nine months – operating margin of 44%



- Advertisers on interactive digital TV platform – Adidas, Stimorol, Carlsberg, Kims, Coca Cola, Eurobate, Fritidsresor



- Interactive services and applications to drive digital TV ARPU – ‘Pay per view’ (‘Viasat Ticket’), Games etc.

**Everytext**

- Reduced investment and losses in Everyday.com and Webad