

Maximizing the Power of Entertainment

First Quarter Financial Results 2007

Stockholm, 24 April 2007



MTG
MODERN TIMES GROUP

Results Highlights

First Quarter 2007

- Group net sales up 11% to SEK 2,629 million
- Group operating income up 4% to SEK 468 million
- Viasat Broadcasting net sales up 11% to SEK 2,003 million and operating profit up 5% to SEK 481 million
- Net income up 4% to SEK 316 million
- Basic earnings per share of SEK 4.55 (4.38)
- Acquisition of 50% of Balkan Media Group Limited for EUR 11.6 million
- Acquisition of 90% of Playahead online social networking community for SEK 102 million

Strategic Objectives

Set in June 2004

Objective

- Double Viasat Broadcasting revenues in 5 years
- MTG to become #1 commercial free-to-air operator in Sweden and TV3 to become #2 commercial free-to-air channel in Norway within 5 years
- Export integrated model into new high growth territories - C&E European businesses to generate same level of broadcasting revenues & profits as Scandinavian operations within 5 years
- >15% operating margins in 3 core businesses - Free-to-air TV Scandinavia; Pay-TV Nordic; C&E Europe

On Track

- Viasat Broadcasting sales up 75% since 2003 on rolling 12 month basis
- Continuation of shut-down of Swedish analogue terrestrial network increases penetration in Sweden; TV3 Norway established as second largest commercial channel in comparable universe in each month
- Rolling 12 month operating income for C&E European operations (incl. CTC Media) of SEK 768 million vs. SEK 1,151 million for Nordic operations
- Rolling 12 month operating margins of 18% for Free-to-air TV Scandinavia; 19% for Pay-TV Nordic; & 16% for C&E Europe (excl. CTC Media)

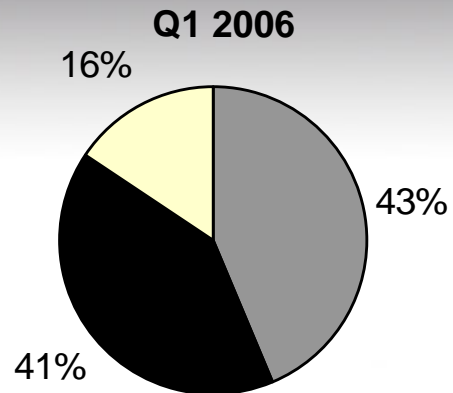
Viasat Broadcasting

Operating Results

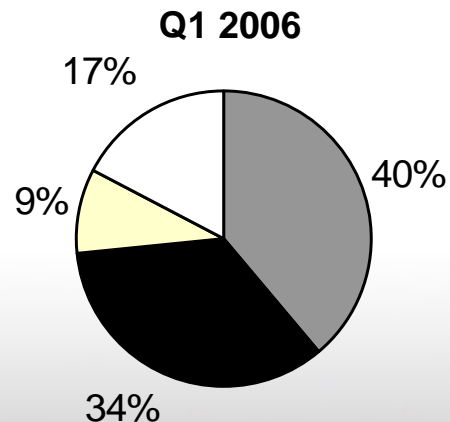
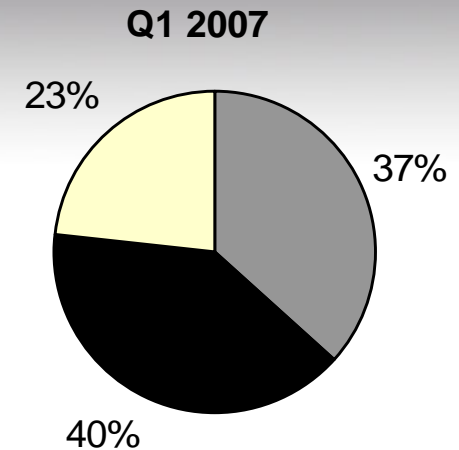
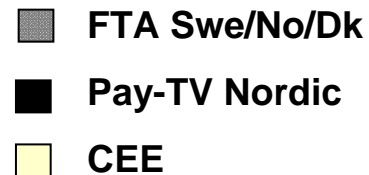
(SEK million)	Q1 2007	Q1 2006	Change (%)	FY 2006
Net Sales				
Free-to-air TV Scandinavia	713	723	-1	3,038
Pay-TV Nordic	877	749	17	3,183
Central & Eastern Europe	478	388	23	1,841
Other & eliminations	-65	-55		-257
Total net sales	2,003	1,804	11	7,805
Operating income (EBIT)				
Free-to-air TV Scandinavia	110	140	-21	562
<i>Operating margin</i>	15%	19%		18%
Pay-TV Nordic	148	125	18	597
<i>Operating margin</i>	17%	17%		19%
Central & Eastern Europe	59	51	16	304
<i>Operating margin</i>	12%	13%		17%
Associated Companies	162	138	17	432
Other & Eliminations	2	3		19
Total EBIT	481	457	5	1,913

Viasat Broadcasting

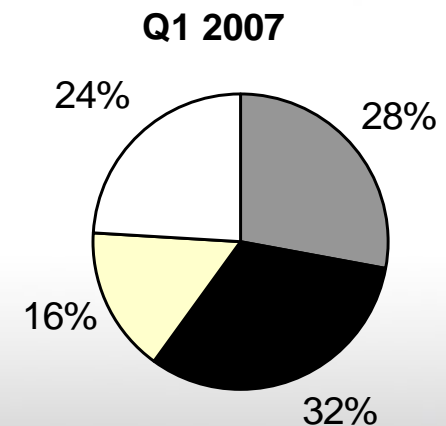
Geographical Segmentation – Rolling 12 Months



Sales



EBIT (Including CTC Media)



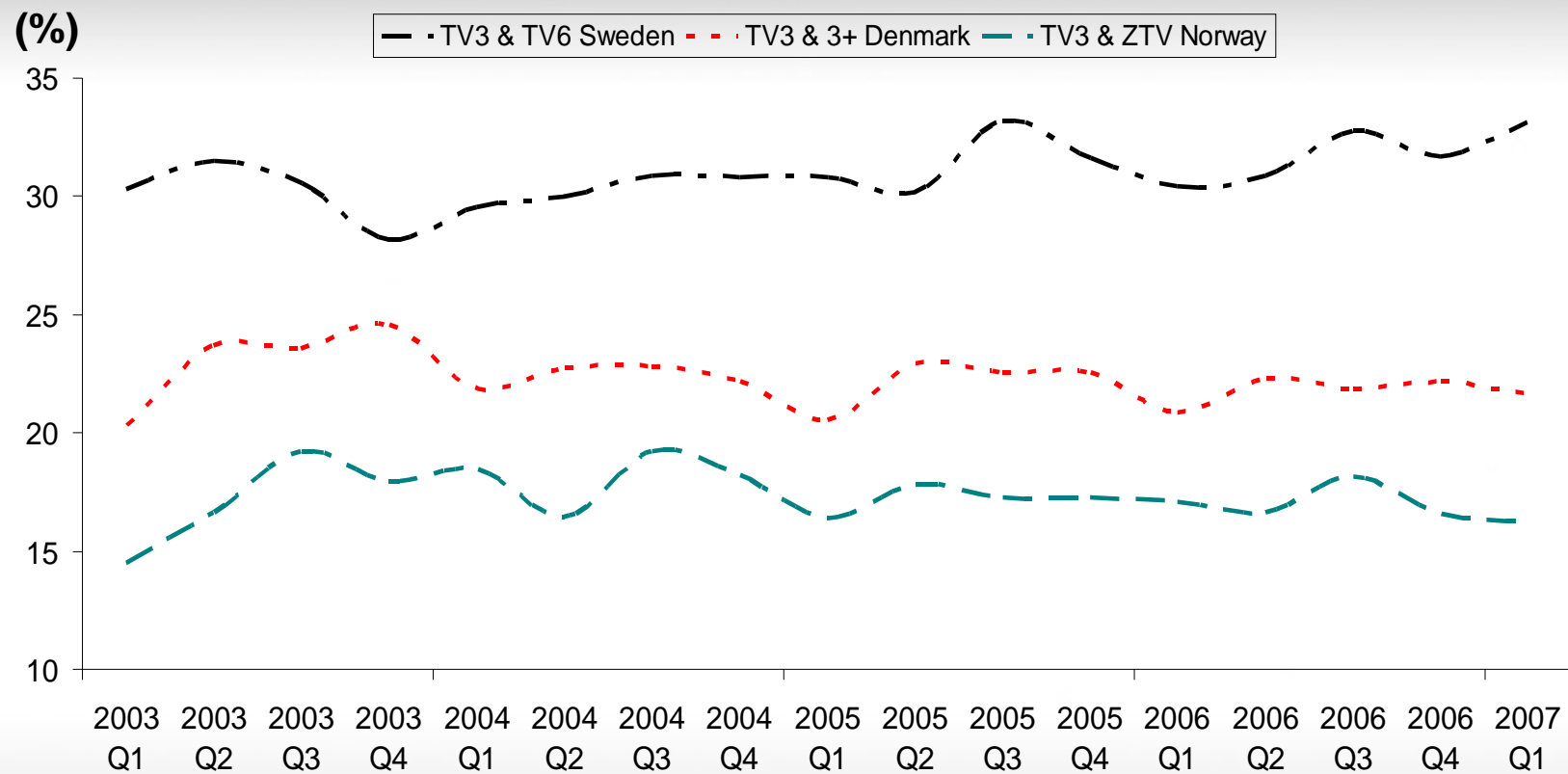
Free-to-air TV Scandinavia

Focus on Ratings & Integrated Approach in Soft Advertising Markets

- Net sales down 1.3% year on year to SEK 713 million – underlying growth when excluding currency translation effects of strengthening Swedish Krona
- Weaker advertising markets & soft ratings for TV3 but continued strong performance by TV6 – peak ratings of > 17%
- TV3/TV6 Sweden penetration levels up to 79% and 78% & TV8 penetration of 46%
- Total combined channel CSOV (15-49) increased in Sweden to 34.4% (30.6%)
- Annual upfront advertiser agreements concluded later than usual and low single digit price increases did not impact Q1 sales
- Danish channel ratings up year on year, but ratings decline in Norway reflects late launch of Spring schedule
- Operating costs up 4%, primarily due to 6% increase in programming costs & increased distribution costs - in line with previous guidance for up to 10% increase in programming costs in 2007
- Operating margin down from 19% to 15%

Free-to-air-TV Scandinavia

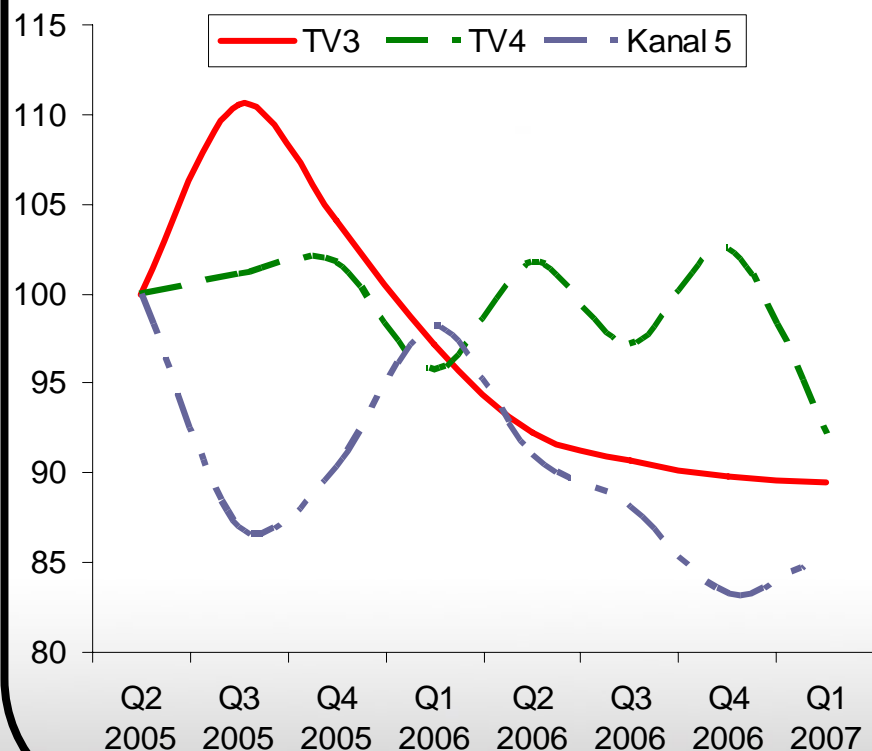
Commercial Share of Viewing (15-49)



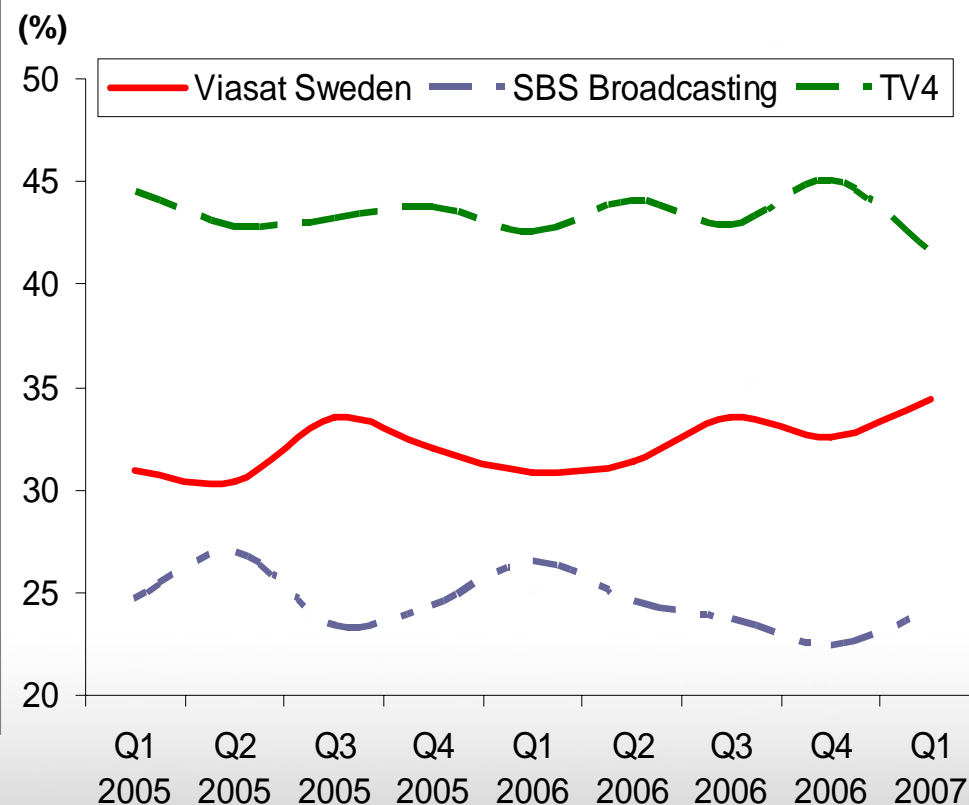
Free-to-air-TV Sweden

Commercial Share of Viewing (15-49)

Indexed Big 3 Ratings development



Media Houses CSOV Development



Free-to-air TV Sweden

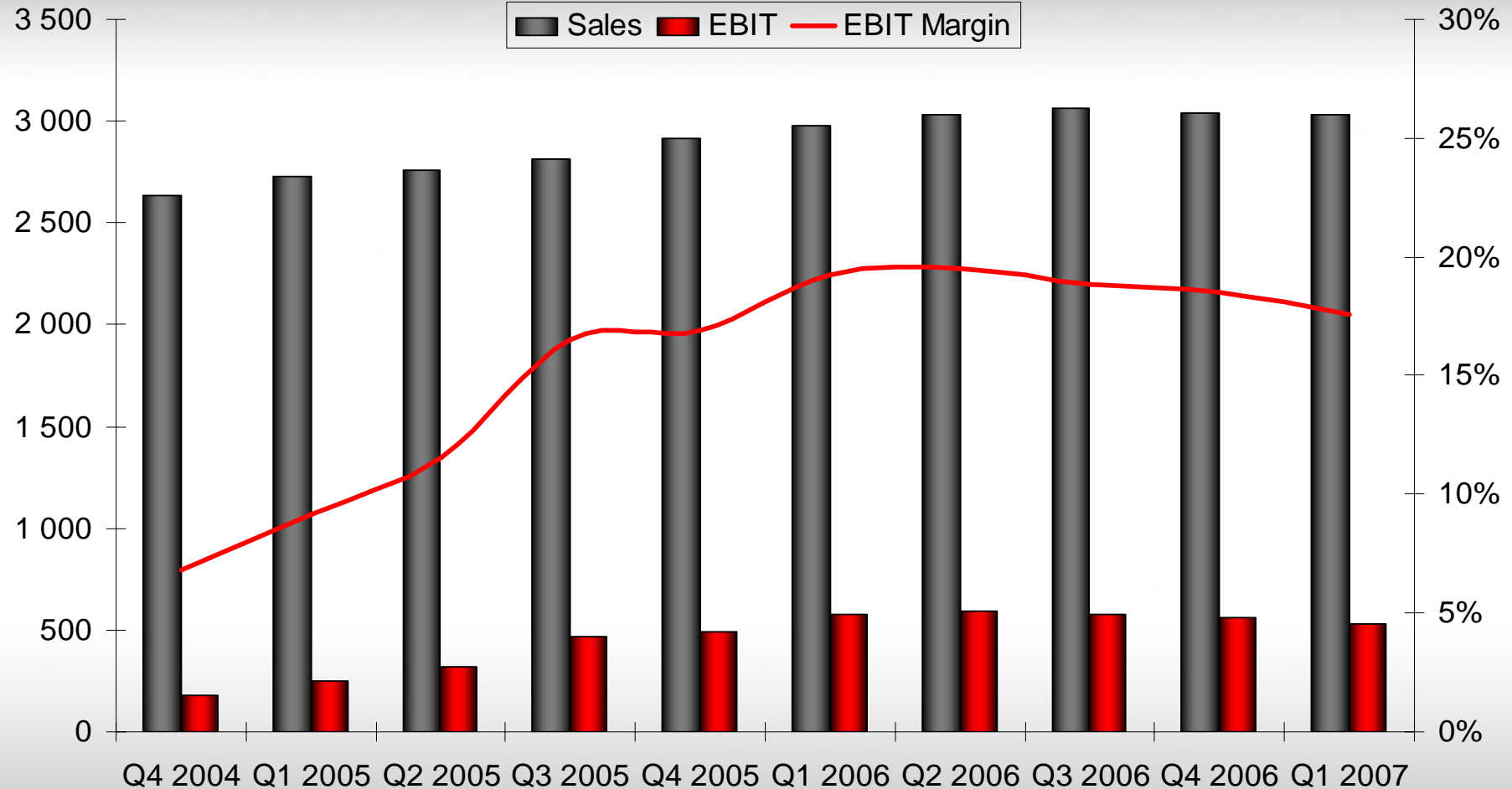
Actions being taken

- **Integrated Media house approach – TV3, TV6, TV8, ZTV bundling**
- **Increased investments in sports and acquired programming**
- **More scientific approach**
 - **Regular brand tracking**
 - **Re-engineered own-production process**
 - **Earlier targeted use of focus groups**
 - **Refocused scheduling**
- **Increase pressure on local production companies**
- **Middle management changes**

Free-to-air TV Scandinavia

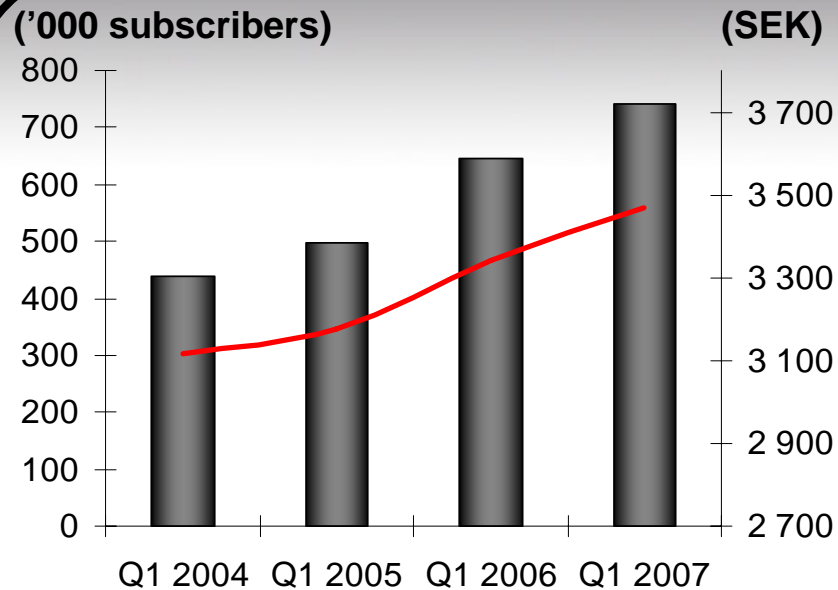
Sales and Operating Performance – Rolling 12 Months

(SEK million)

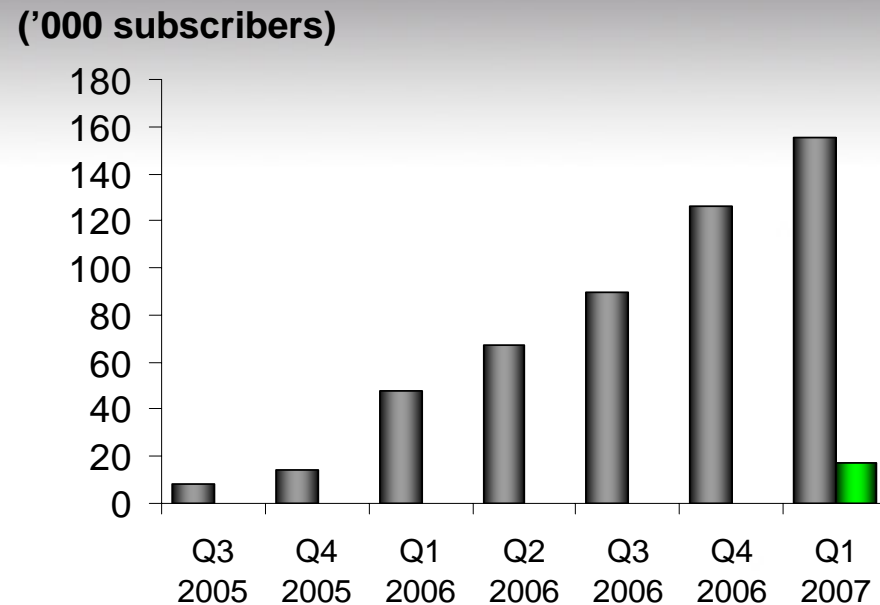


Pay-TV Nordic

Premium Subscriber & ARPU Growth



■ Premium Subscribers — Annualized ARPU



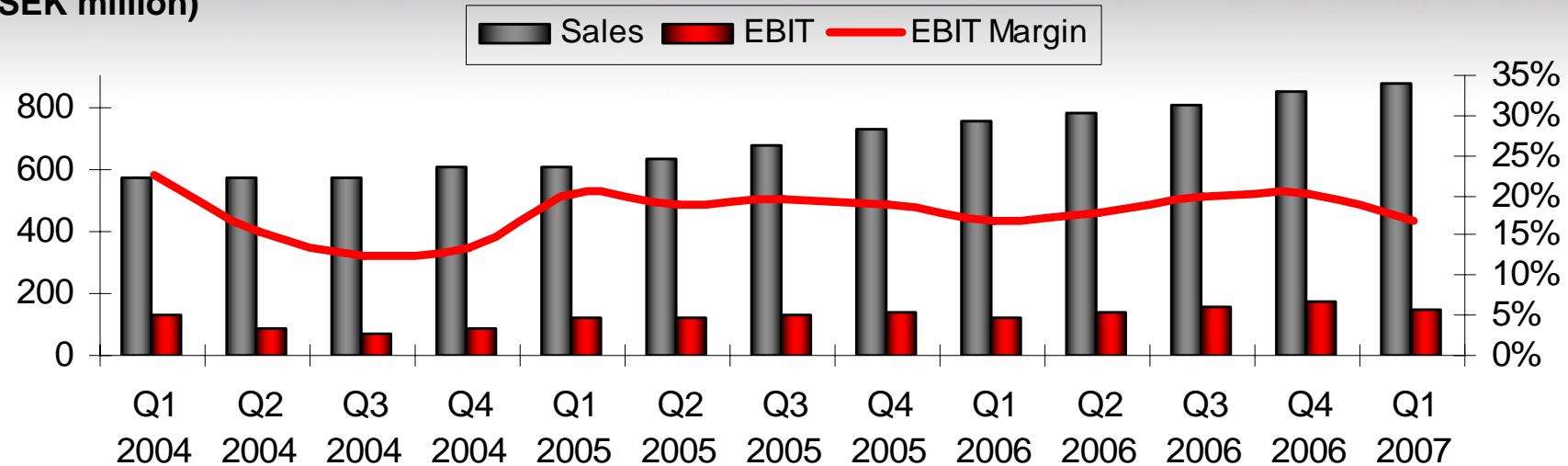
■ Viasat+ & Multiroom Subscriptions
■ Viasat Golf Subscriptions

- 15% year on year increase in premium subscriber base with flat development in Q1 reflecting diminishing effect of analogue shut down
- 155,000 Viasat+ and Multiroom subscriptions represent 21% of premium DTH subscriber base
- ARPU up 4% year on year to SEK 3,468

Pay-TV Nordic

Operating performance

(SEK million)

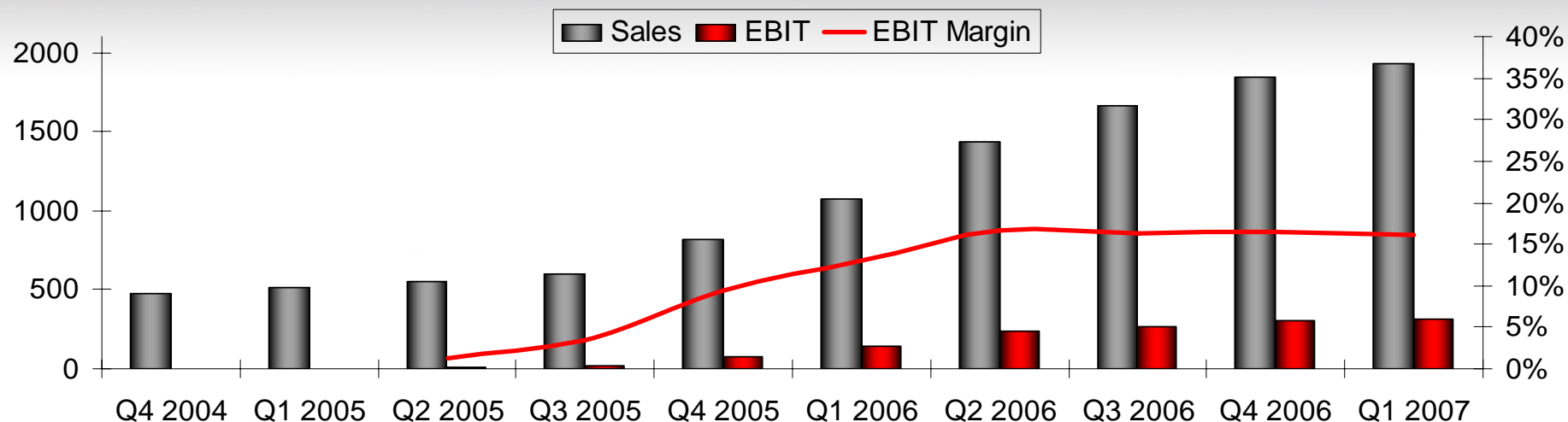


- 17% sales growth due to price rises and growing Viasat+ / multi-room subscriber base
- Operating margin of 17% reflects 17% increase in OPEX in line with previously announced investments of SEK 160 million in 2007 + addition of 2 new Viasat channels and 12 third party channels since beginning of 2006
- Stable total expensed SAC for fourth quarter in succession

Central & Eastern Europe

Operating Performance – Rolling 12 Months (Excl. CTC media)

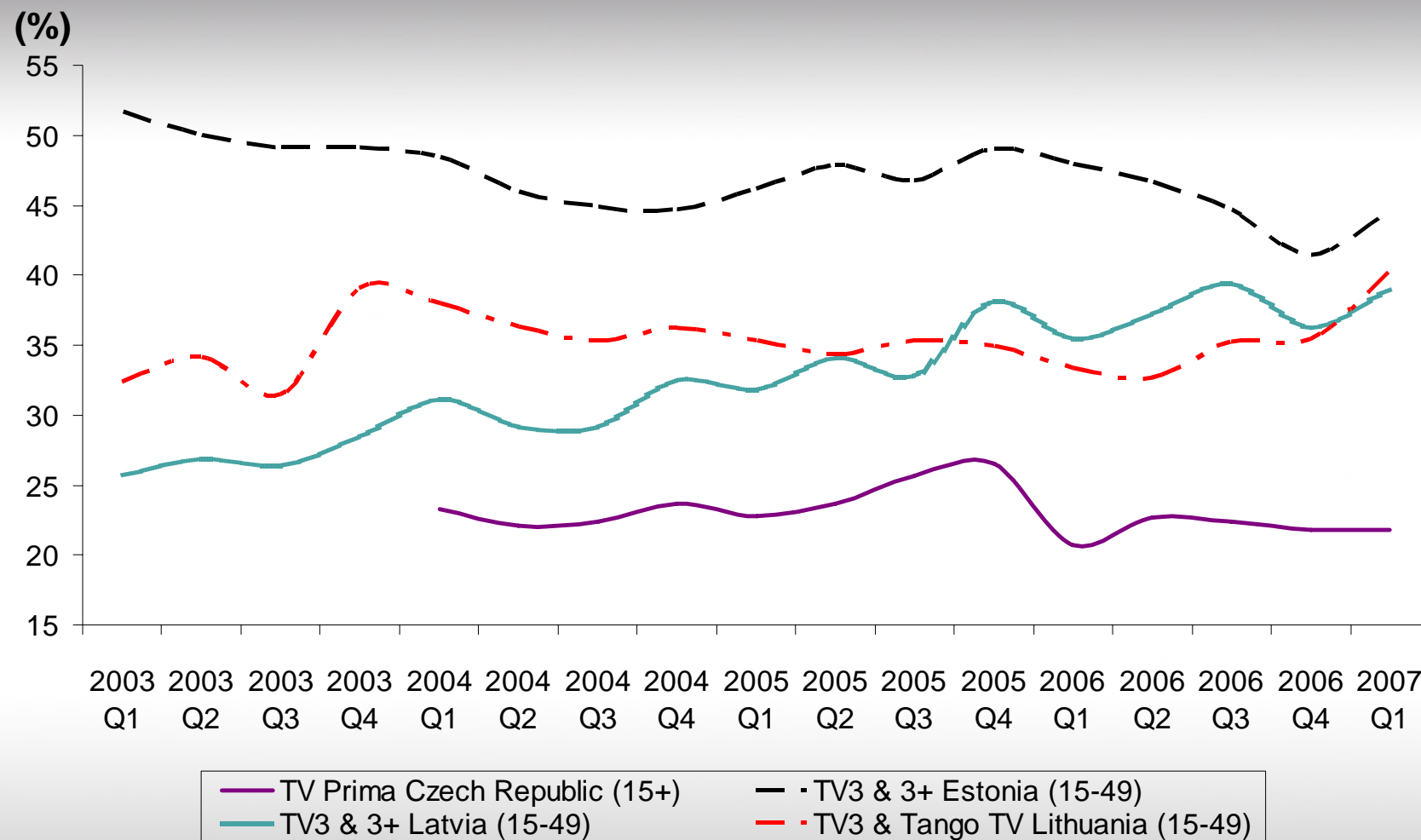
(SEK million)



- Net sales up 23% to SEK 478 million
- 12% operating margin in Q1 includes investments in new businesses
- TV Prima net sales up 2% to SEK 184 million
- DTV net sales up 61% to SEK 61 million
- Pay-TV East revenues almost double to SEK 83 million

Free-to-air TV Eastern Europe

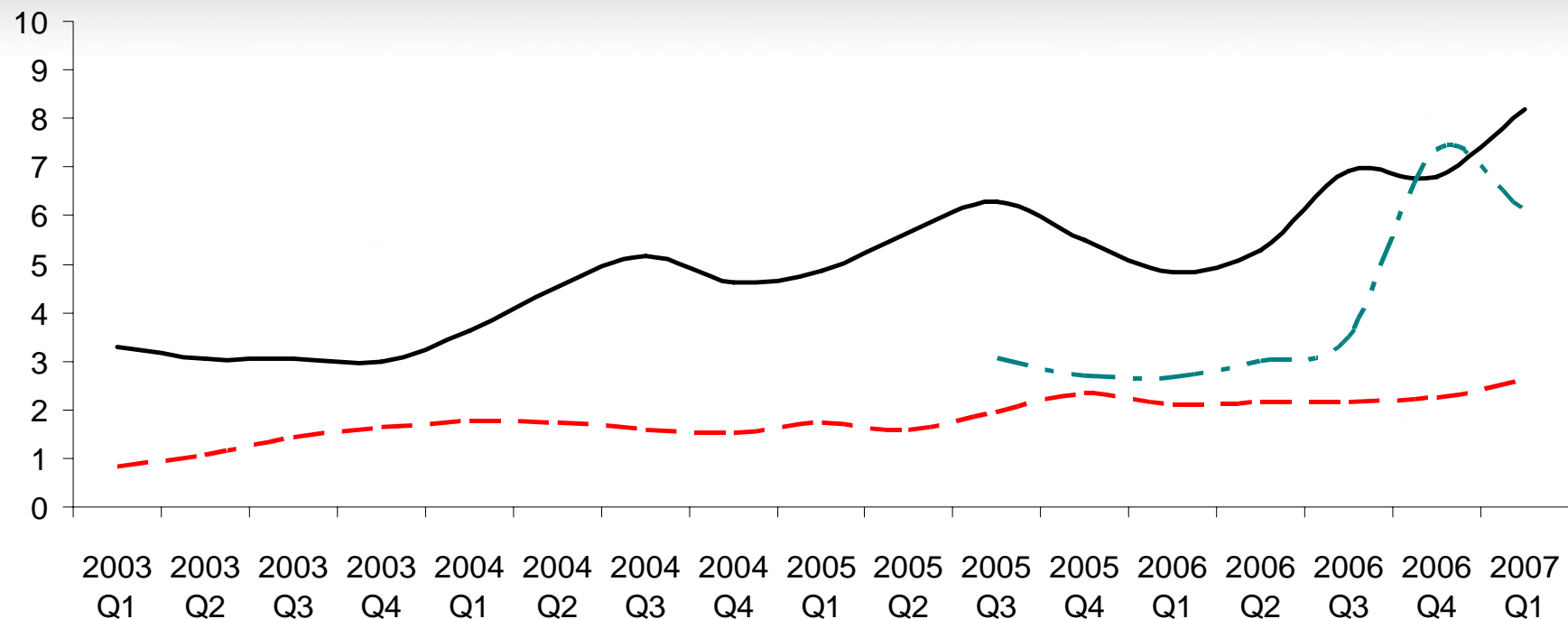
Commercial Share of Viewing



Free-to-air TV Eastern Europe

Commercial Share of Viewing

(%)



— Viasat3 Hungary (18-49) - - TV3 Slovenia (15-49) - - DTV Russia (6-54)

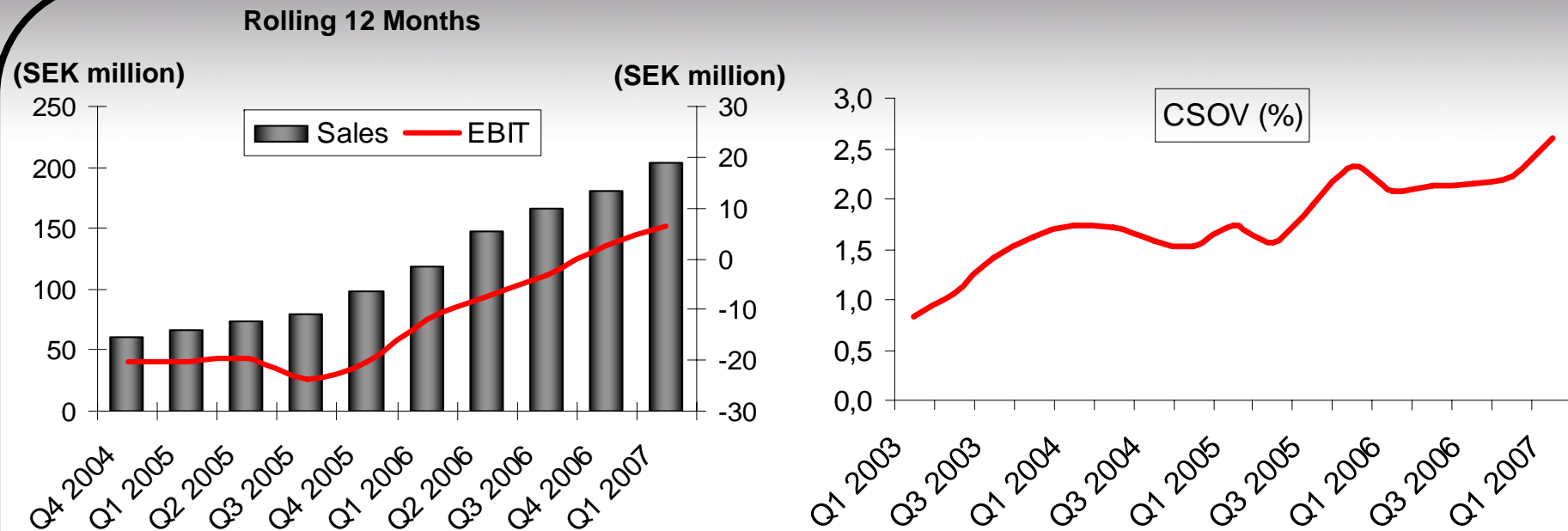
TV Prima

Czech Republic

- Net sales of SEK 184 (180) million and slightly decreased operating profit of SEK 29 million with 16% operating margin
- Management continues to implement changes to improve operating efficiency
- Continued management focus on the delivery of prime time own productions to boost overall ratings & capitalize on Hollywood output deals
- Increased CSOV year on year as actions implemented in 2006 take effect
- Seeking to resolve current disagreement with regional broadcasting license partner regarding use of early morning and evening time slots in 5 out of 12 regions - has restricted the development of Prima's viewing performance



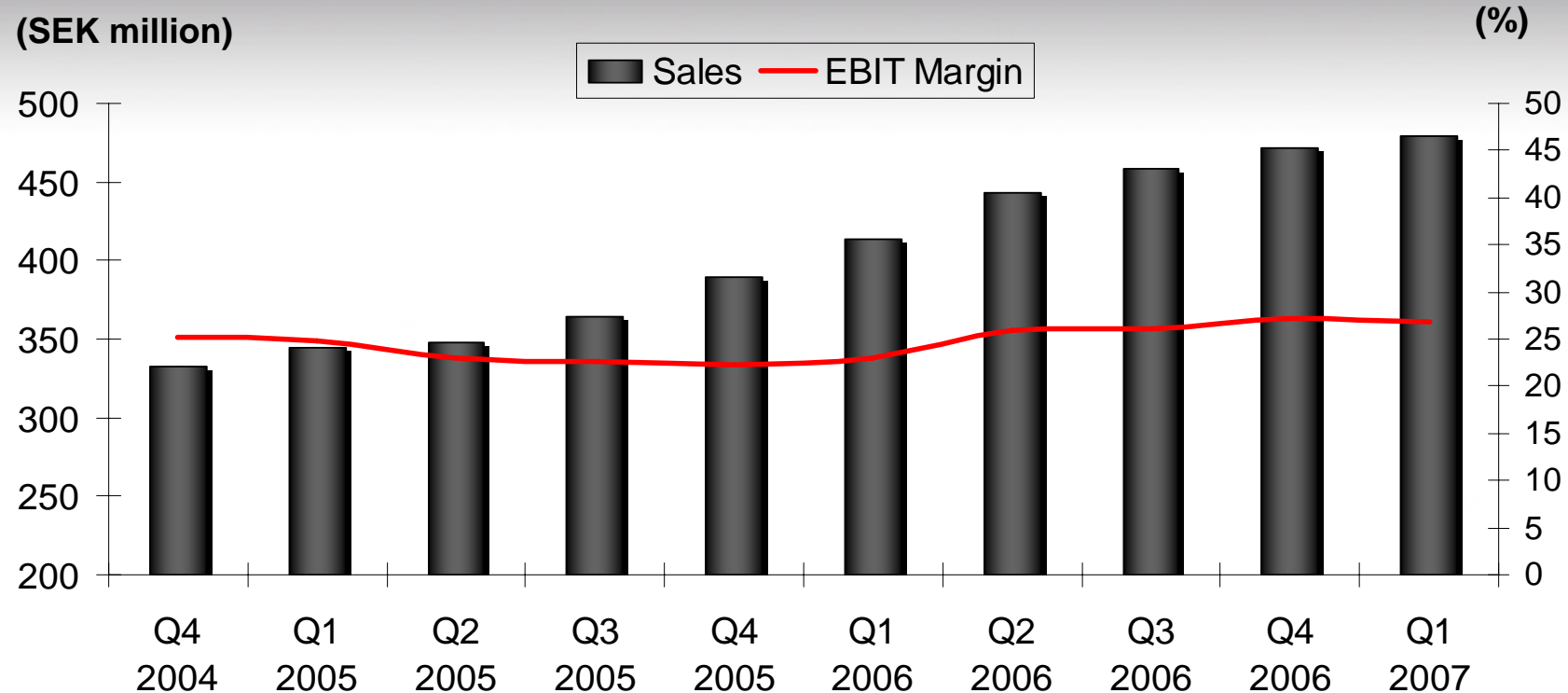
DTV Russia



- Sales up 61% to SEK 61 million as ratings increase & demonstrating ongoing benefit of Video International sales agreement
- 1 million additional Moscow households now connected through Mostelecom distribution agreement & SEK 45 million invested to connect further 500,000 households
- Increasing profitability despite investments

Free-to-air TV Baltics

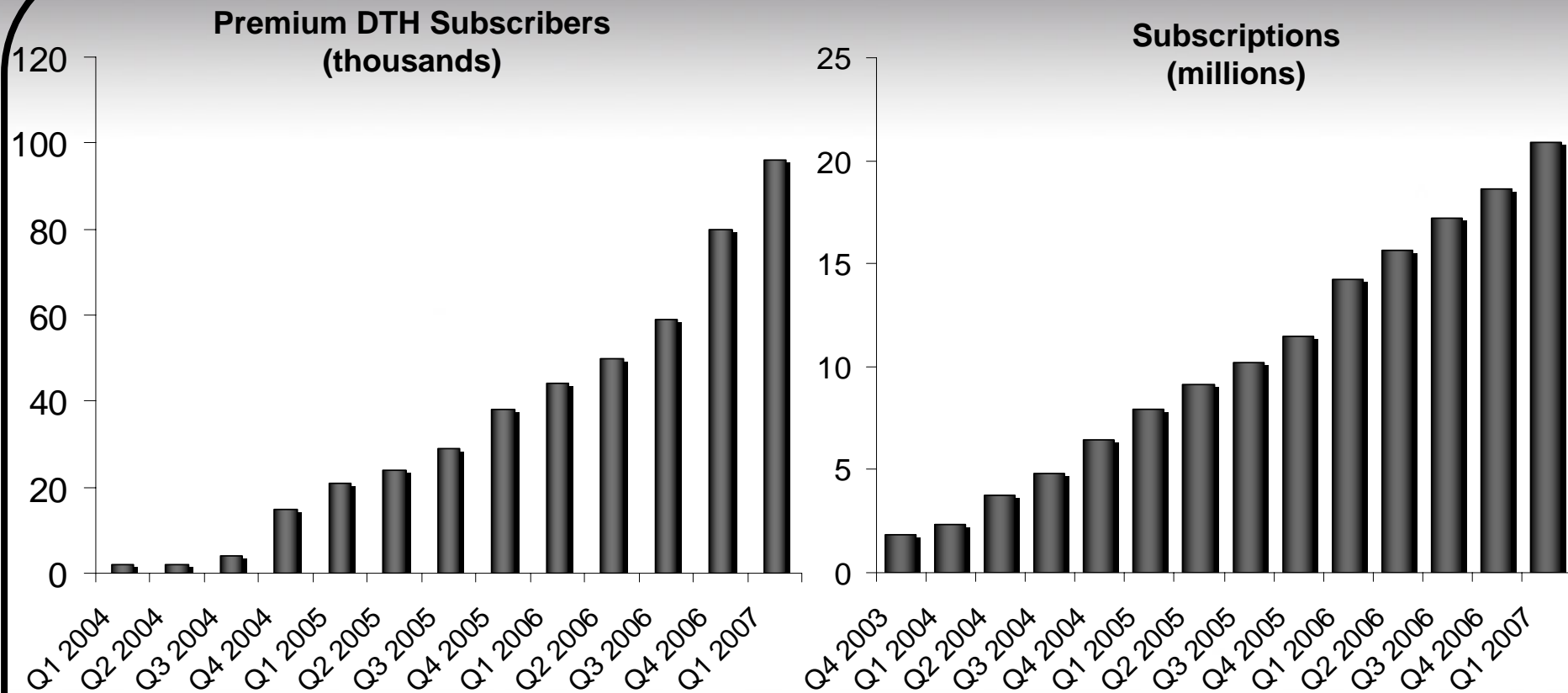
Rolling 12 Months



- 8% sales growth & 16% operating margin
- Pan-Baltic commercial share of viewing (15-49) up to 40.6% (36.2%) with substantial ratings improvements in Latvia and Lithuania offsetting decline in Estonia

Pay-TV East

Subscriber Growth

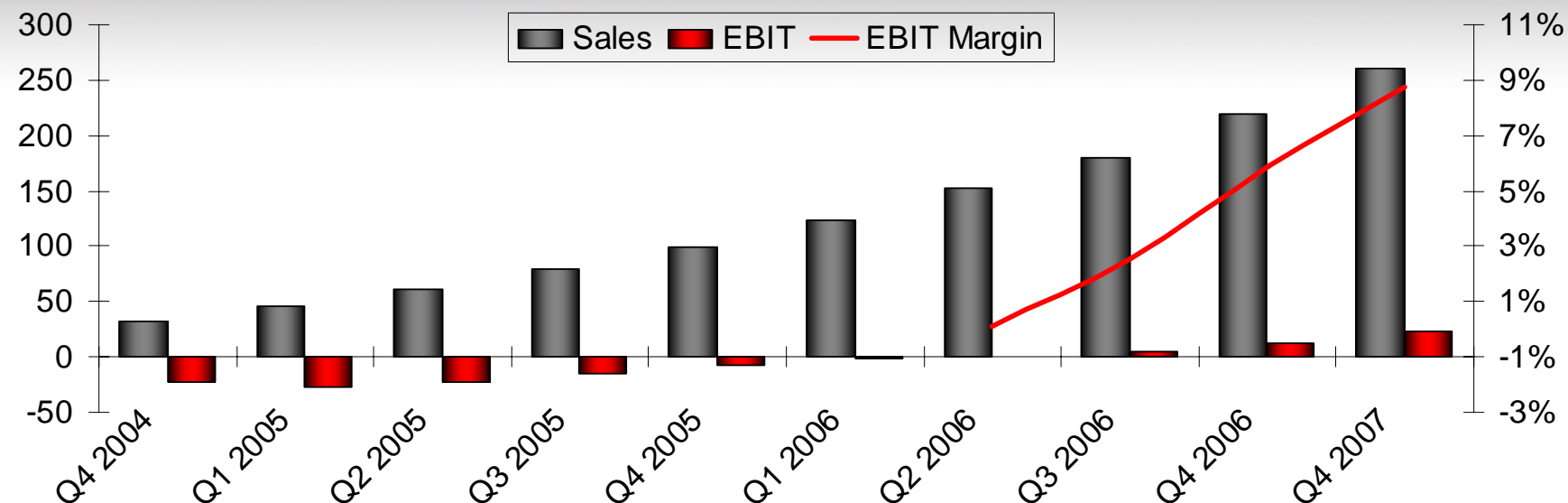


- Baltic DTH satellite pay-TV Platform more than doubled subscriber base year on year
- 18 channels in 26 territories reach 8.8 million unique subscribers

Pay-TV East

Rolling 12 Months

(SEK million)

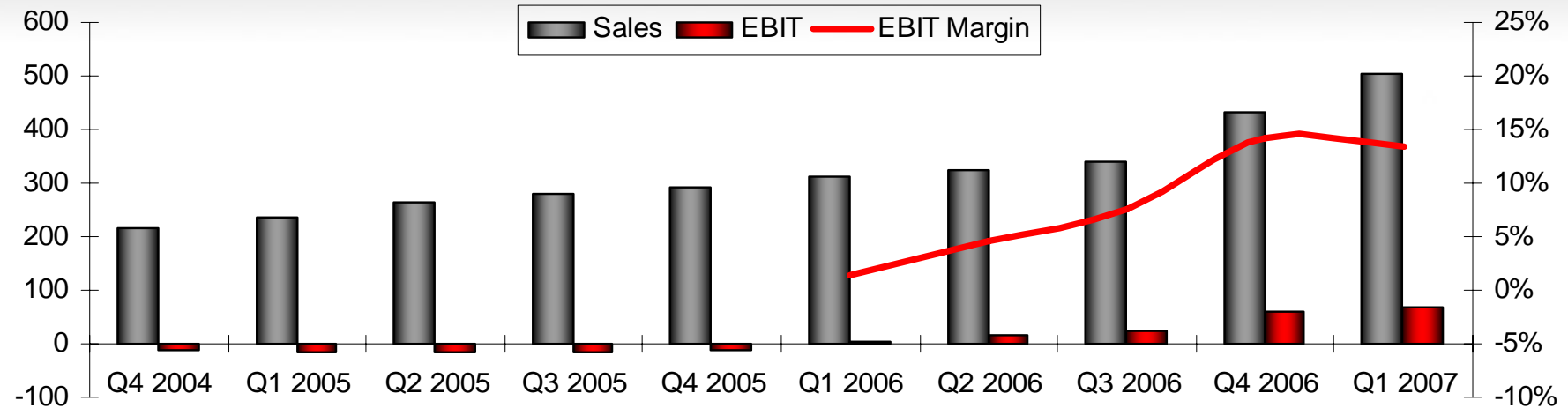


- Doubling of sales to SEK 83 million
- SEK 11 million operating profit with operating margin of 13%
- DTH platform still in investment phase

Radio

Rolling 12 Months

(SEK million) (excl. associated companies)



- Net sales almost doubled year on year to SEK 150 million after consolidation of P4 Radio & price rises in Sweden
- SEK 6 million operating profit
- Swedish radio stations achieve record combined reach of 1.9 million daily listeners
- P4 reports record Q1 sales after introduction of GRP-based pricing model

Other Businesses

Online

- New business segment comprising CDON.COM, TV-Shop, BET24, Playahead and MTG New Media
- Combined sales of SEK 413 (413) million
- Combined operating profit of SEK 14 (19) million
- CDON.com sales up 28% to SEK 214 million
- BET24 refocused onto markets where MTG has existing broadcasting operations – in order to increase leverage
- Internet sales now account for 48% of TV-Shop sales



Modern Studios

- Net sales of SEK 120 (151) million reflect lower sale of TV-productions and format licenses by Strix and the discontinuation of the Bromberg and Engine businesses
- SEK 2 (3) million operating profit
- Sonet film awarded 6 'Guldbaggen' awards for 'Kidz in the Hood' and 'The Substitute' awarded "Best Documentary" price



All Business Areas

Operating Results

(SEK million)	Q1 2007	Q1 2006	Change (%)	FY 2006
Net Sales				
Viasat Broadcasting	2,003	1,804	11	7,805
Radio	150	81	86	433
Other business areas	533	564	-5	2,192
Parent company & other companies	23	28		111
Eliminations	-81	-115		-406
Total net sales	2,629	2,362	11	10,136
Operating income (EBIT)				
Viasat Broadcasting	481	457	5	1,913
Radio	6	8	-18	78
Other business areas	16	23	-30	-59
Parent company & other companies	-35	-35		-155
Total EBIT	468	453	4	1,777

Summary Income Statement

(SEK million)	Q1 2007	Q1 2006	FY 2006
Net Sales	2,629	2,362	10,136
Operating income (EBIT)	468	453	1,777
Gain/loss from financial assets	-	2	244
Net interest and other financial items	-2	-15	-5
Income before tax	467	440	2,016
Tax	-151	-135	-517
Net Income for the period	316	305	1,499
Basic number of shares outstanding	67,053,405	66,382,410	67,042,524
Basic earnings per share (SEK)	4.55	4.38	21.57

Cash Flow

(SEK million)

Q1 2007 Q1 2006 FY 2006

Cash flow from operations	279	238	1,372
Changes in working capital	-339	-94	-78
Net cash flow from operations	-60	144	1,294
Proceeds from sales of shares	-	21	21
Investments in shares in subsidiaries & associates	-178	-83	-645
Investments in other non-current assets	-72	-30	-329
Other cash flow from investing activities	-	-	2
Cash flow from/to investing activities	-251	-92	-950
Cash flow from/to financing activities	105	-3	-877
Net change in cash and cash equivalents for the period	-206	50	-533

- 17% increase in cash flow from operations
- Increased programming investments in Scandinavia and Eastern Europe & prepayments for newly acquired sports rights impact working capital
- SEK 178 million invested in acquisition of Playahead & Balkan Media Group

Balance Sheet

(SEK million)	31 March 2007	31 March 2006	31 Dec 2006
Non-current assets	5,349	5,520	4,891
Current assets	4,450	4,703	4,314
Total assets	9,799	10,223	9,205
Shareholders' equity	5,492	5,549	5,105
Long-term liabilities	343	296	305
Current liabilities	3,965	4,377	3,796
Total equity & liabilities	9,799	10,223	9,205

- Net cash position of SEK 75 million
- SEK 3.6 billion of available liquid funds
- SEK 9.2 billion surplus to book value for 39.6% shareholding in CTC Media
- SEK 400 million draw down on SEK 3.5 billion credit facility

Outlook

Ratings Improvement & Investment in Growth

- Measures taken at TV3 Sweden are gradually showing desired effect
- Growing position as pan-Scandinavian media power house with successful new channel launches & ongoing structural market change – relaunch of ZTV after end of quarter
- Pay-TV model in Sweden shifts from subscriber acquisition to ARPU growth with investments in new channels and technologies to support medium term growth – launch of TV2 Sport after end of quarter
- H1 07 year on year comps tough for TV Prima, with market + growth to resume in H2 07 on back of anticipated viewing share increases
- Ongoing rapid development of DTV & Pay-TV East operations
- 30% Return on Capital Employed, healthy cash flow generation and net cash position – significant flexibility for investments, acquisitions, and shareholder returns

