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## **MTG ACQUIRES RUSSIAN TV CHANNEL DARIAL TV**

**As part of its geographic expansion of the TV3 concept, Modern Times Group MTG AB has signed an agreement to acquire 75% of the shares in Darial TV, one of Russia's eight commercial TV stations with national broadcasting licenses. The station already reaches 20 million Russians, the same number of people that watch TV3 in Scandinavia, the Baltic countries, and Hungary combined.**

“This is a groundbreaking step for MTG. We have great faith in Russia. Its potential is massive, and we believe that Russia will become a major advertising market. We are entering the market with the aim to build the business with a long term view, just as we did in the Baltic States and are doing in Hungary,” says Hans-Holger Albrecht, president and CEO of MTG.

Through the acquisition of Darial TV, MTG confirms its strategy of broadening the geographic market for its strongest businesses.

To date, programming on Darial TV has consisted of local content, to a reach of 20 million viewers in Russia. Darial TV was started in 1999 and has limited sales and a low fixed cost base, and thus MTG's undertaking in terms of working capital is on a par with the Group's investment in Hungary. The purchase price was not disclosed.

The station, which will become part of Viasat Broadcasting, will give Russia a new, wide-ranging, non-political, entertainment channel based on the same concept as TV3 in the Nordic countries and Baltic states, and Viasat3 in Hungary.

“The synergies with existing TV operations are extensive. They span program procurement, technology, sales, and more. Now we can acquire content for TV channels in the Nordic countries, Baltic states, and Russia simultaneously, which puts us in a strong position”, Albrecht notes.

With a 75% stake in Darial TV, Viasat becomes the majority shareholder in the new channel, with the remaining 25% held by Natalia Darialova, a famous television and film personality in Russia. The domestic advertising market in Russia for the year 2000 has been estimated at USD 385 million. Commercial television accounted for 74% of that total.



The share transaction is expected to be completed in May, providing all conditions are satisfied. The Russian authorities have given their permission for the acquisition. The sellers were advised by Altium Capital.

Since it was started in 1987, TV3 has become established in all three Scandinavian countries, and in Sweden, Norway, and Denmark the channel reaches more than 11 million satellite-TV viewers. In the Baltic States, the channel's presence dates back to 1993. In that region, TV3 reaches more than six million TV viewers, 90% of the population, through terrestrial networks. TV3 was also recently awarded a license for a nationwide terrestrial TV network in Latvia, so the brand is well on the way to nationwide coverage in all three Baltic states.

In August 2000, Viasat Broadcasting, the business area containing all TV channels in MTG, acquired a privately owned channel in Hungary that broadcasts in the Budapest region. This was the first launch of Viasat outside MTG's core geographic market. In Hungary, Viasat3, as the channel is called, has become a nationwide TV channel that has spread quickly, with a current reach of four million viewers.

**For additional information, please visit [www.mtg.se](http://www.mtg.se), send e-mail to [info@mtg.se](mailto:info@mtg.se), or contact:**

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*Modern Times Group MTG AB consists of seven business areas. Viasat Broadcasting (free-TV and pay-TV comprising 18 TV channels in eight countries), Radio (seven networks in five countries), New Media (Everyday the interactive TV portal and Internet portal, text TV), Publishing (the daily *Finanstidning*, other financial information, magazines, and books), Modern Interactive (traditional home shopping, e-commerce, and logistics), SDI Media (subtitling and dubbing), and Modern Studios (content producers and rights catalog).*

*Modern Times Group MTG AB is listed on Stockholmsbörsen (O list, symbols: MTGA and MTGB) and on the Nasdaq National Market in New York (symbol: MTGNY).*