

Modern Times Group MTG AB



Q4 2010 Financial Results



Record Results

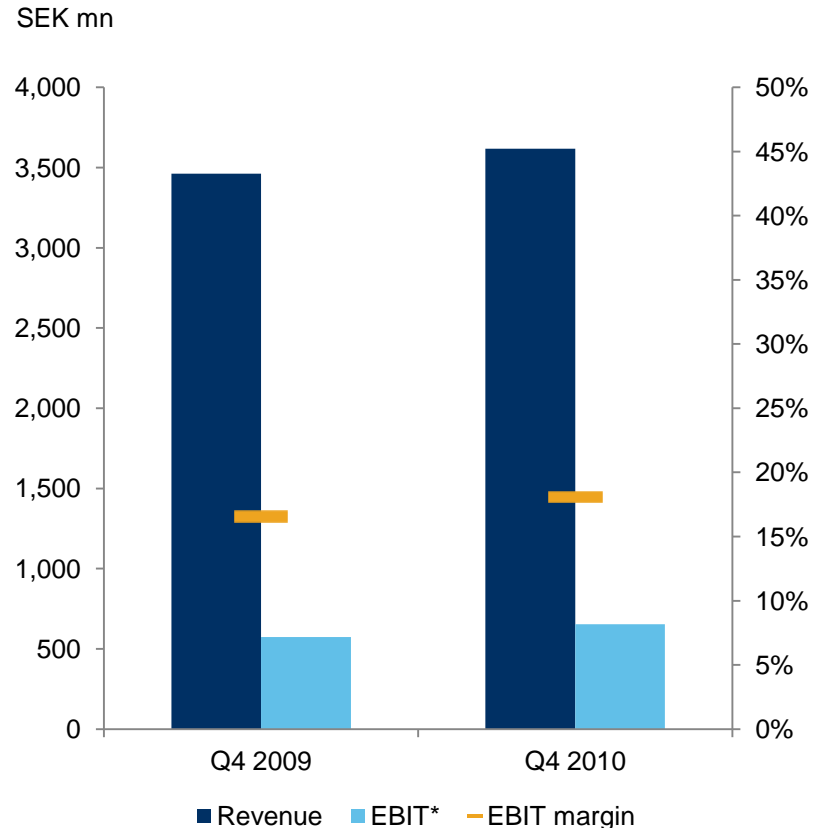


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Q4 2010

12% Sales Growth at Constant FX

- Sales of SEK 3,618 (3,461) mn & up 12% y/y at constant FX
- OPEX up to SEK 2,965 (2,887) mn & up 10% at constant FX
- Operating income up 14% y/y to SEK 653 (573) mn
 - Excluding SEK 93 (101) mn of associated income & SEK -3,352 mn of non-recurring items in Q4 2009
- Total operating income of SEK 746 (-2,678) mn
- Pre-tax profit of SEK 741 (-2,772) mn
- Net income from continuing operations of SEK 634 (-2,880) mn
- Total net income of SEK 2,359 (-2,845) mn
 - Including SEK 1,725 (35) mn impact of discontinued operations from CDON Group
- Basic earnings per share of SEK 9.40 (-43.90) from continuing operations & total basic earnings per share of SEK 35.43 (-43.36)
- Receipt of USD 19 mn (SEK 131 mn) of dividends from CTC Media
- Distribution & Listing of CDON Group shares in December

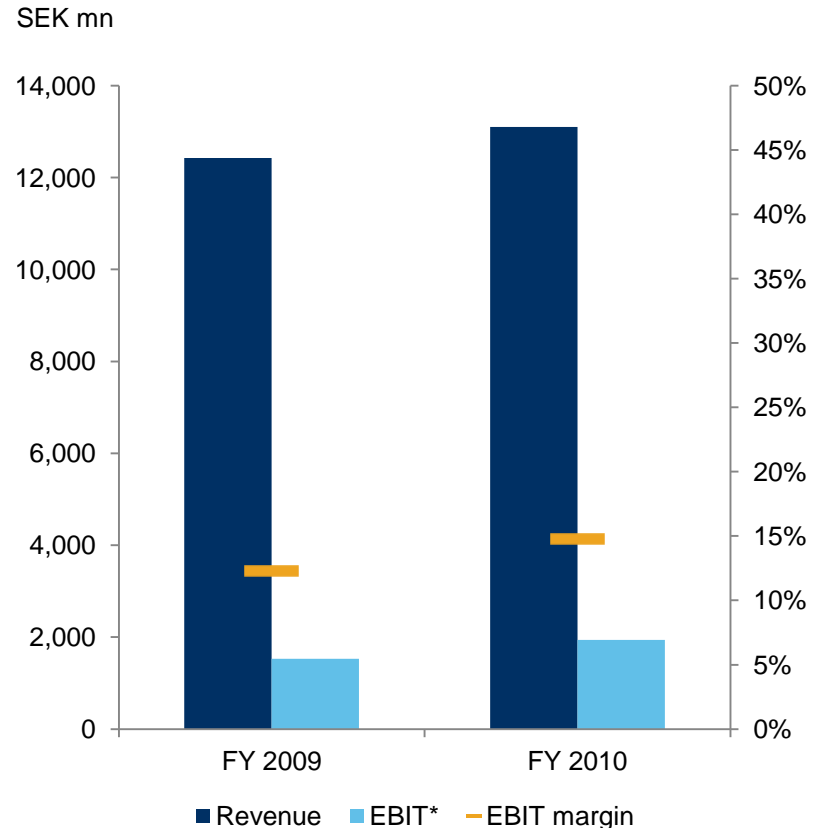


* EBIT excluding associated income

FY 2010

12% Sales Growth at Constant FX

- Sales up 12% y/y at constant FX to SEK 13,101 (12,427) mn
- OPEX up to SEK 11,160 (10,898) mn & up 8% y/y at constant FX
- Operating income up 27% y/y to SEK 1,941 (1,529) mn
 - Excluding SEK 413 (270) mn of associated company income & SEK -3,352 mn of non-recurring items in Q4 2009
- Total operating income of SEK 2,355 (-1,553) mn
- Pre-tax profit of SEK 2,321 (-1,739) mn
- Net income from continuing operations of SEK 1,750 (-2,089) mn
- Total net income of SEK 3,541 (-2,008) mn
 - Including SEK 1,790 (81) mn impact of discontinued operations
- Basic earnings per share of SEK 26.22 (-30.86) from continuing operations & total basic earnings per share of SEK 53,34
- (-30,86)
- Receipt of USD 31 mn (SEK 216 mn) of dividends from CTC Media
- Board of Directors to propose annual cash dividend of SEK 7.50 (5.50) per share to 2011 AGM



* EBIT excluding associated income



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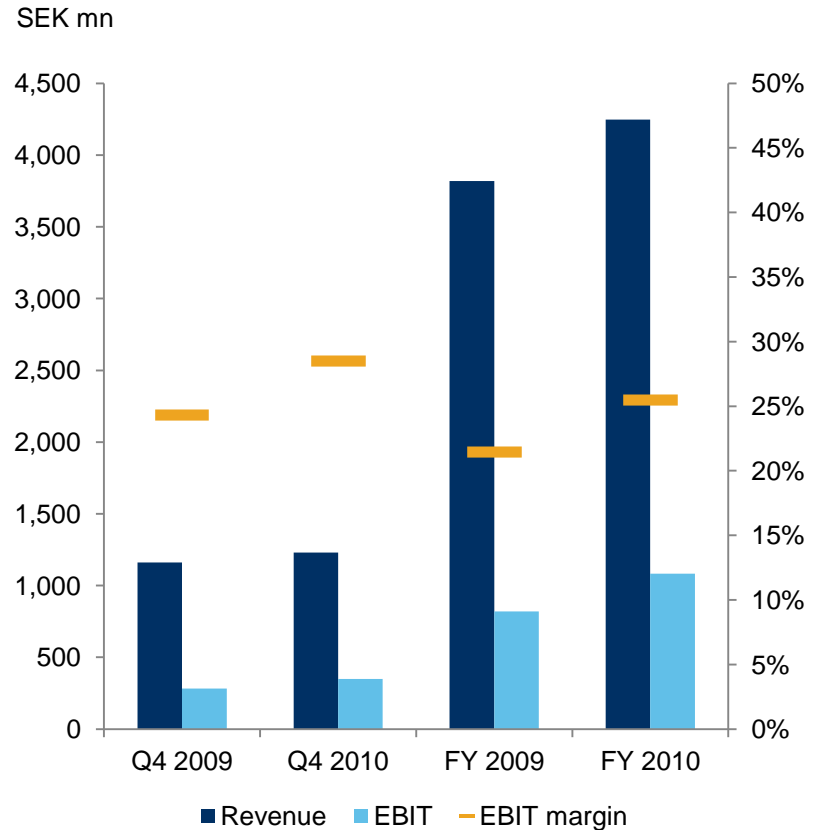
Operating review



Operating review

Free-TV Scandinavia Financial Highlights

- Sales of SEK 1,229 (1,160) mn in Q4 & SEK 4,247 (3,820) mn for FY
 - Up 12% & 16% respectively at constant FX
- OPEX of SEK 879 (878) mn in Q4 & SEK 3,165 (2,999) mn for FY
 - Programming investments
 - Launch of TV10 channel in Sweden & continued development of TV3 PULS in Denmark
- Operating income up 24% y/y to SEK 350 (282) mn in Q4 & up 32% to SEK 1,082 (820) mn for FY
- Increased operating margins of 28% (24%) in Q4 & 25% (21%) for FY



Free-TV Scandinavia Operating Highlights

Sweden

- Target audience share of 35.2% (35.9%) in Q4 & increased share of 36.8% (36.1%) for FY
- New sports-focused channel TV10 achieved CSOV of 1.4% in Q4

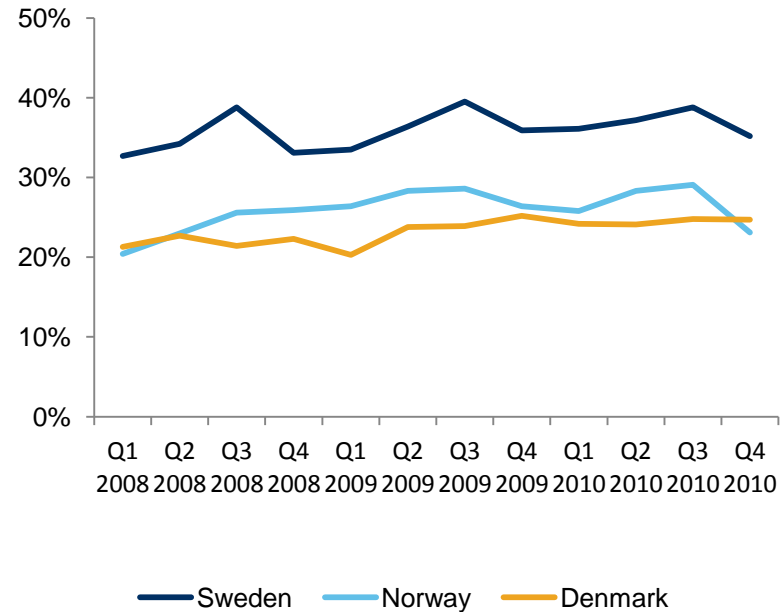
Norway

- Target audience share of 23.1% (26.4%) in Q4 & 26.4% (27.3%) for FY reflected the launch of two new competitor channels
- National penetration for both TV3 and Viasat4 increase in Q4 to 92% and 75% respectively

Denmark

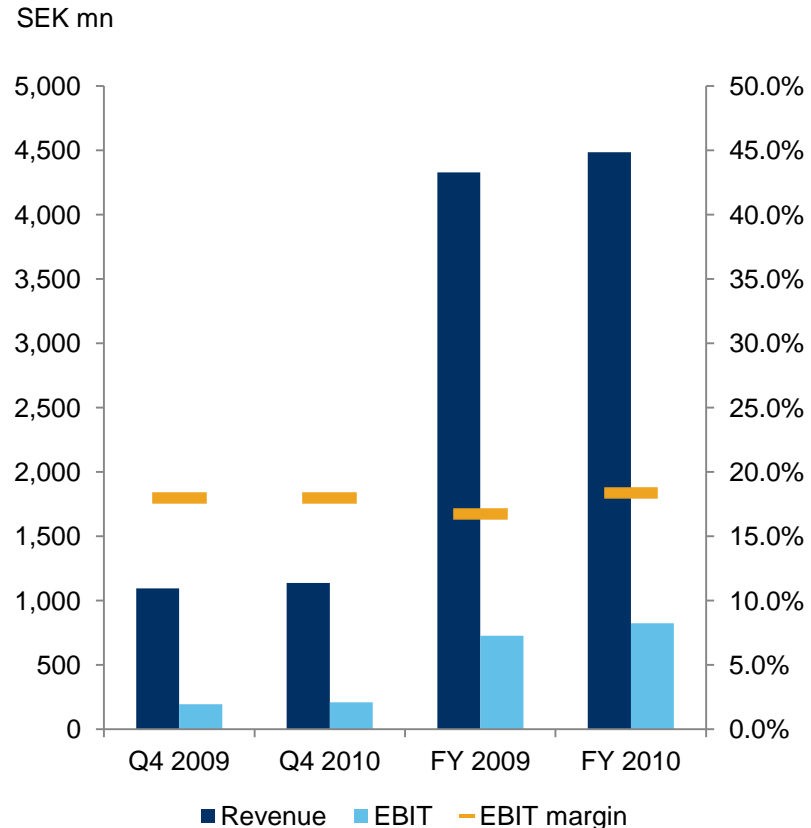
- Target audience share of 24.7% (25.2%) in Q4 & increased share of 24.5% (23.3%) for FY
- Weaker than anticipated performance of local productions on TV3 offset by positive audience share developments for TV3+

Commercial Audience Share (15-49)



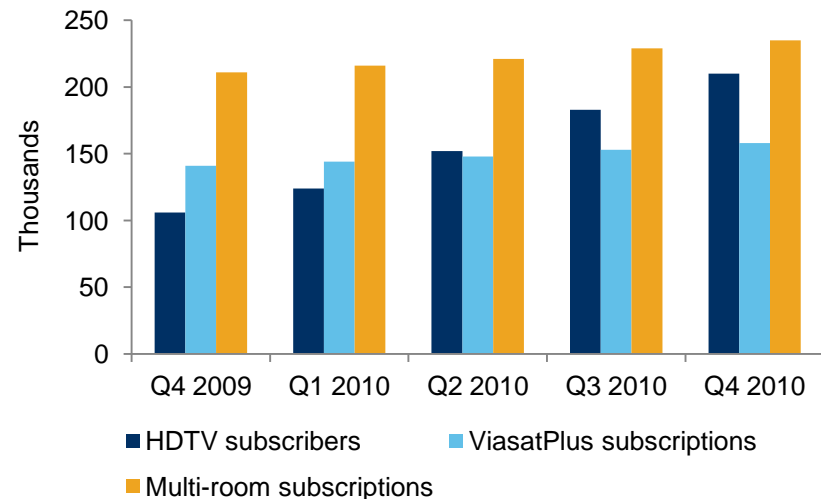
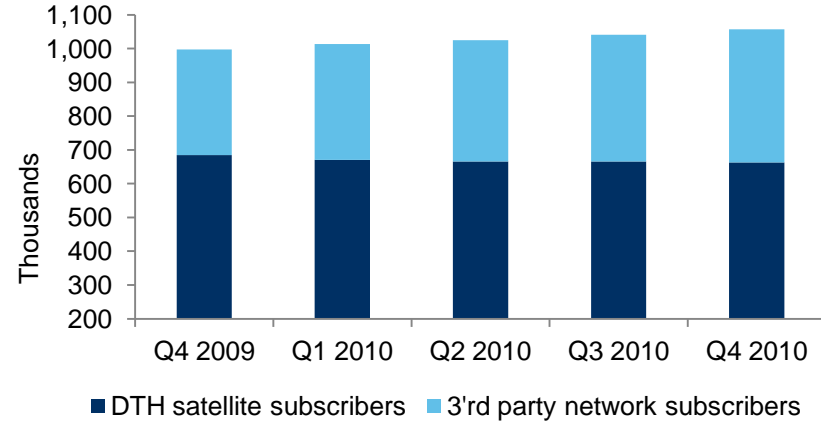
Pay-TV Nordic Financial Highlights

- Sales of SEK 1,137 (1,093) mn in Q4 & SEK 4,484 (4,327) mn for FY
 - Up 10% & 8% respectively at constant FX
- OPEX of SEK 929 (901) mn in Q4 & SEK 3,662 (3,602) mn for FY
 - Addition of seven new Viasat-branded channels since beginning of 2009
 - Increased programming investments in premium sports content
- Operating income up 8% y/y to SEK 208 (192) mn in Q4 & up 13% to SEK 822 (725) mn for FY
- Stable operating margins of 18% (18%) in Q4 & increased margins of 18% (17%) for FY



Pay-TV Nordic Operating Highlights

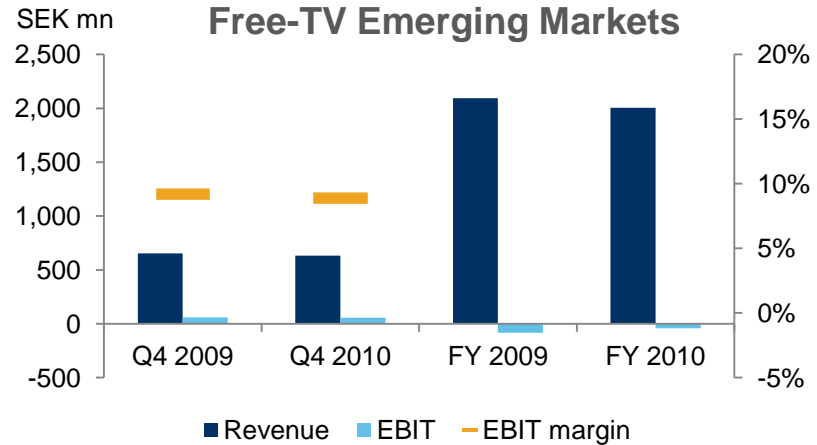
- 16,000 net new premium subscribers added Q/Q & 60,000 subscribers added y/y
 - Driven by continued premium subscriber intake on 3rd party networks
- Lower overall customer churn levels
- Y/Y & q/q growth in premium DTH satellite subscriber base in Sweden, offset by declines in Norway & Denmark
- Viasat OnDemand internet pay-TV portal continued to develop according to plan
- Premium ARPU up y/y to SEK 4,555 (4,435) & up 7% y/y at constant FX
- Launch of first Nordic 3D TV service in December
 - First operator in the Nordics to broadcast live sports in 3D
 - Selection of 3D movies available on-demand to satellite subscribers



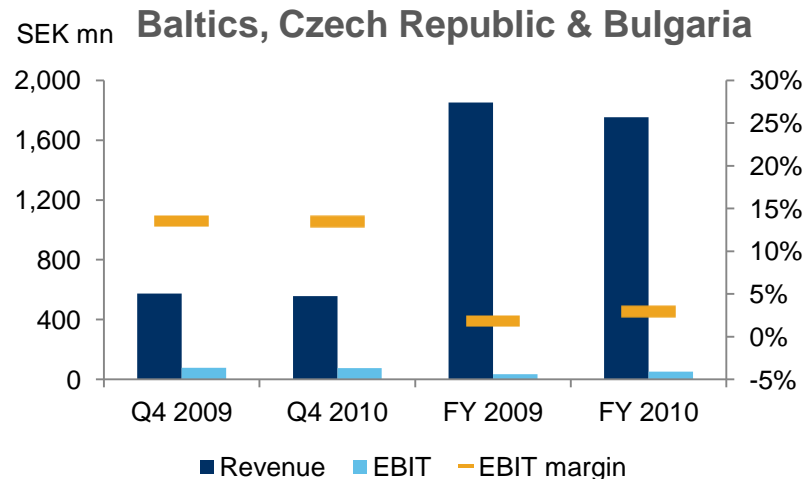
Free-TV Emerging Markets

Financial Highlights

- **Total sales** of SEK 631 (652) mn in Q4 & SEK 2,004 (2,095) mn for FY
 - Up 6% y/y in Q4 & up 4% for FY at constant FX
 - TV ad market growth & market share gains in almost all countries
- **OPEX** of SEK 575 (592) mn in Q4 & SEK 2,048 (2,179) mn for FY
 - Slightly up y/y for both periods at constant FX
 - Selective programming investments offset by previously introduced cost reduction measures
- Slight y/y decline in EBIT of 56 (60) mn in Q4 & nearly halved EBIT losses of -43 (-84) mn for FY



- **Baltic, Czech & Bulgarian sales** of SEK 556 (575) mn in Q4 & SEK 1,754 (1,852) mn for FY
 - Up 6% in Q4 & 3% for FY at constant FX
- **Combined OPEX** of SEK 481 (497) mn in Q4 & SEK 1,702 (1,818) mn for FY
- **Stable EBIT** y/y of SEK 75 (78) mn in Q4 & 55% increase to SEK 52 (34) mn for FY
- **Operating margins** of 13% (14%) in Q4 & 3% (2%) for FY



Free-TV Emerging Markets

Operating Highlights

Baltics

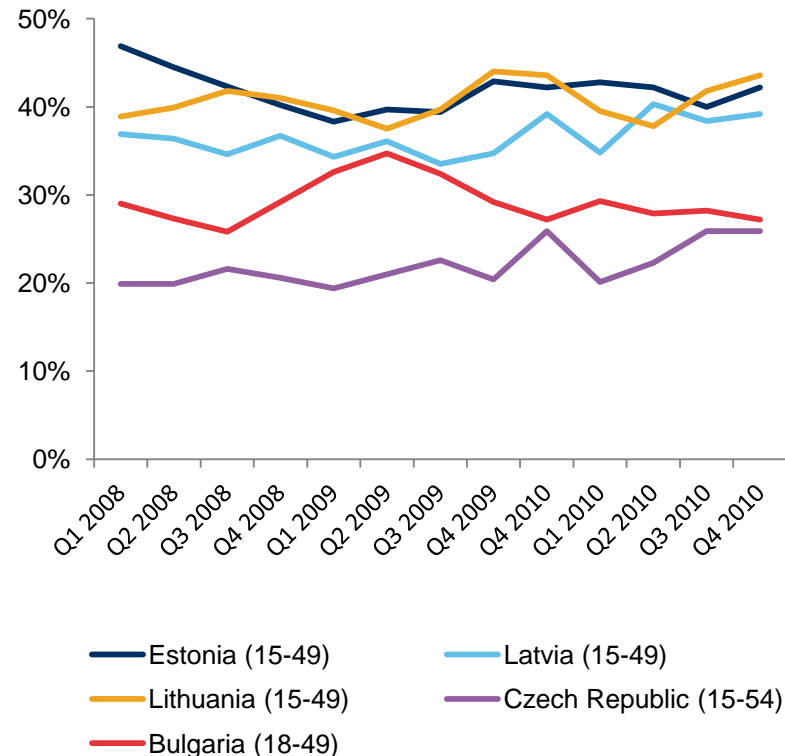
- Sales up 20% y/y in Q4 & 6% for FY at constant FX
- Increased combined pan-Baltic target CSOV of 42.0% (41.1%)
 - Audience share gains in all countries
- 'TV3 Play' internet catch-up service launched in Latvia in September & Estonia in November

Czech Republic

- Sales up 8% y/y in Q4 & 4% for FY at constant FX
- Continued TV ad market share gains
- Both TV Prima & Prima COOL reported significant y/y increases in target CSOV

Bulgaria

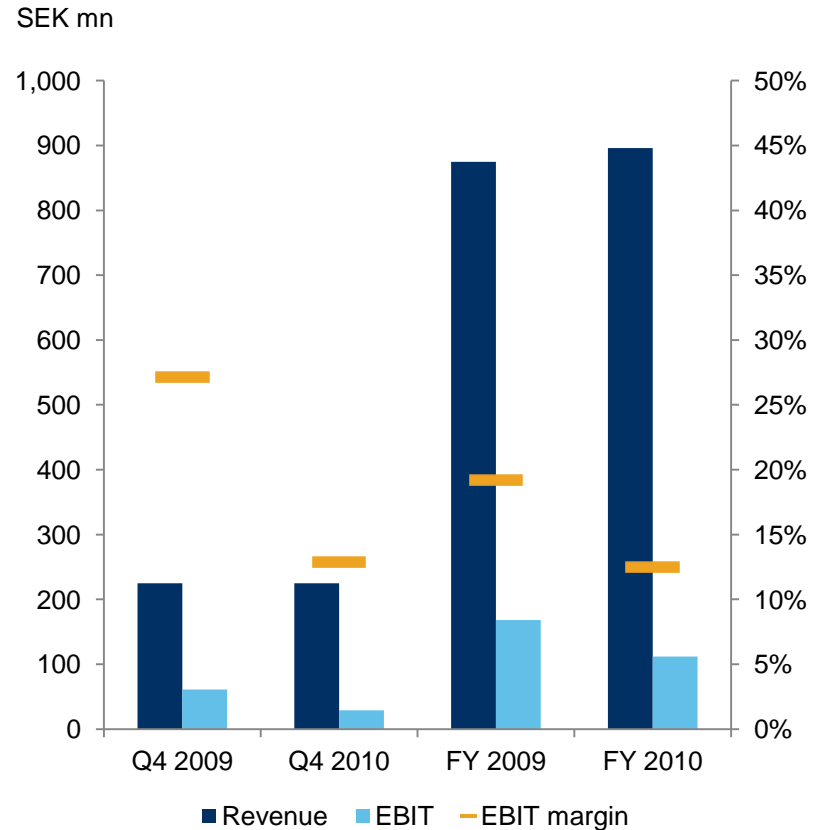
- Sales declined 8% y/y in Q4 & stable for FY at constant FX
- Increased TV ad market shares
- Ongoing investments in programming to drive CSOV
- 'Nova Play' internet catch-up service launched in June



Pay-TV Emerging Markets

Financial Highlights

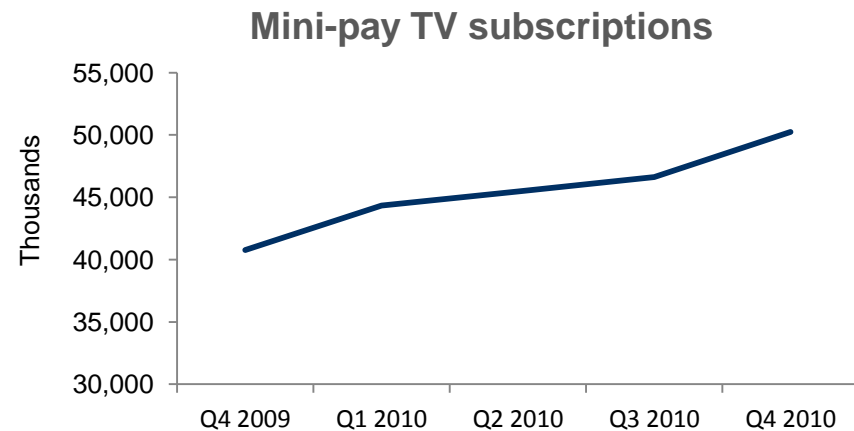
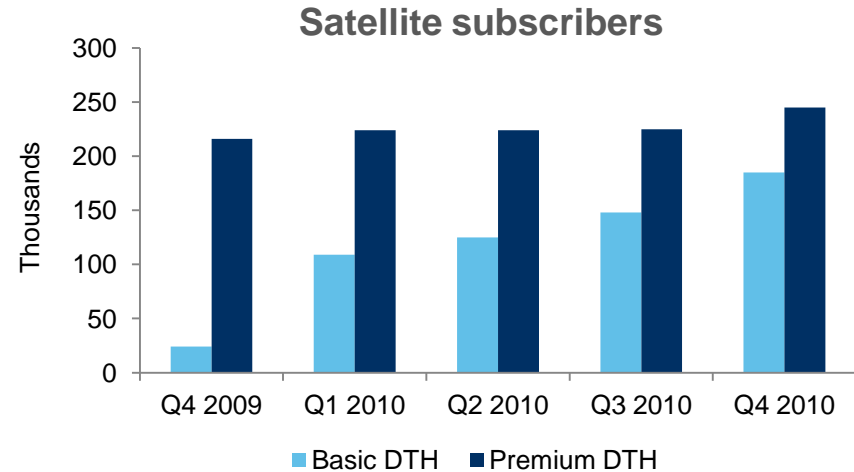
- Sales of SEK 225 (225) mn in Q4 & SEK 896 (875) mn for FY
 - Up 9% & 12% respectively at constant FX
- OPEX of SEK 196 (164) mn in Q4 & SEK 784 (707) mn for FY
 - Launch of six new channels including Nova Sport in Bulgaria since beginning of 2009
 - 50% consolidation of Raduga TV in Russia
 - 100% consolidation of Viasat Ukraine
- Operating income of SEK 29 (61) mn in Q4 & SEK 112 (168) mn for FY
- Operating margins of 13% (27%) in Q4 & 12% (19%) for FY



Pay-TV Emerging Markets

Operating Highlights

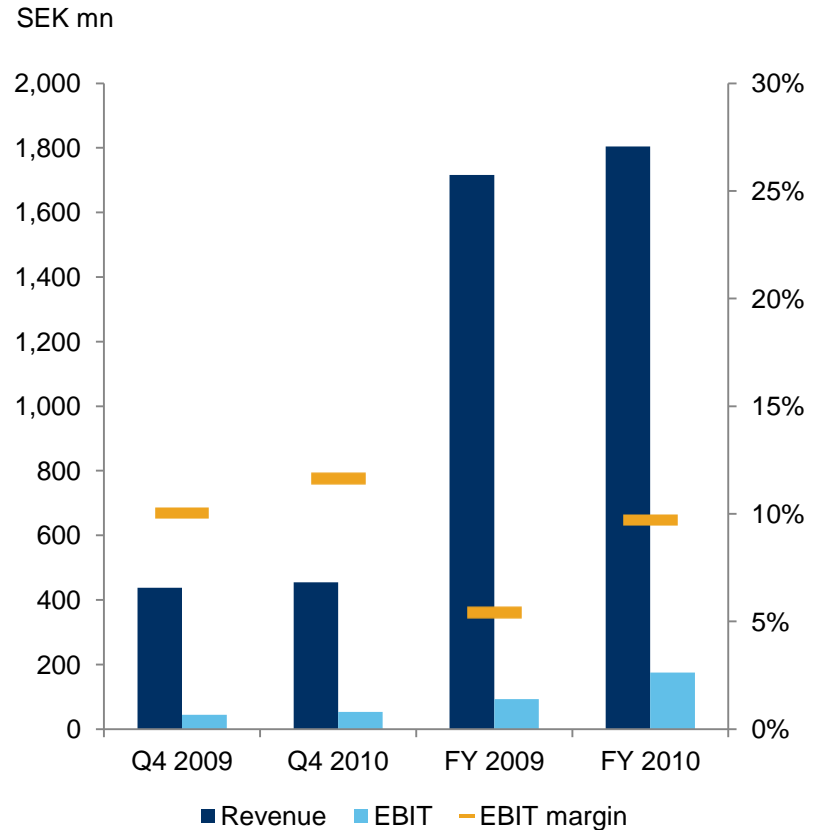
- Premium subscriber base growth both y/y and q/q, following continued premium subscriber intake on Ukrainian platform
- Basic subscriber growth on Raduga TV platform in Russia
- Wholesale mini-pay business added 3.6 million new subscriptions in Q4
 - Exceeded 50 million subscriptions only seven years after launch
- 100% of Viasat Ukraine consolidated in June 2010 & 50% of Raduga TV in Russia consolidated in February 2010



Operating review

Other Businesses Highlights

- Comprises MTG's Radio, Bet24 and Modern Studios businesses
- Sales of SEK 455 (438) mn in Q4 & SEK 1,804 (1,716) mn for FY
 - Up 10% & 11% respectively at constant FX
- Combined OPEX of SEK 403 (394) mn in Q4 & 1,629 (1,623) mn for FY
- Operating income up 19% y/y in Q4 to 53 (44) mn & up 87% for FY to SEK175 (93) mn
- Increased operating margins of 12% (10%) in Q4 & 10% (5%) for FY
- Distribution & public listing of 100% of CDON Group to MTG shareholders in December



Financial Review



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Financial Review

Income Statement

- Associated company income primarily comprises associated income from 38.3% shareholding in CTC Media & amounted to SEK 97 (100) mn in Q4 & SEK 405 (254) mn for FY
- Depreciation & amortisation charges of SEK 57 (57) mn in Q4 & SEK 218 (230) mn for FY
- Net interest and other financial items of SEK -5 (-94) mn in Q4 & SEK -34(-185) mn for FY
- Year on year reduction in net interest charges to SEK -15 (-63) mn in Q4 & SEK -70 (-163) mn for FY
- Y/Y change in other financial items also included SEK 17 mn in Q4 & SEK 69 mn for FY non-cash gain following issue of new shares by CTC Media, Inc.
- Tax rate <25% lower than expected due to effect of valuation of tax losses carried forward & reversal of over-accrued tax charges for previous years
- Increase in number of total outstanding shares from 65,896,815 at end of December 2009 to 66,342,124 at end of November 2010

(SEK mn)	Q4 2010	Q4 2009	FY 2010	FY 2009
Net sales	3,618	3,461	13,101	12,427
Operating income before associated company income & non-recurring items	653	573	1,941	1,529
Associated company income	93	101	413	270
Non-recurring items	-	-3,352	-	-3,352
Total operating income	746	-2,678	2,355	-1,553
Net interest & other financial items	-5	-94	-34	-185
Income before tax	741	-2,772	2,321	-1,739
Net income from continuing operations	634	-2,880	1,750	-2,089
Net gain from distribution of CDON Group	1,717	-	1,717	-
Net income contribution from CDON Group	7	35	73	81
Total net income	2,359	-2,845	3,541	-2,008
Basic EPS	9.40	-43.90	26.22	-32.08

Cash Flow

- Stable cash flow from operations in Q4 = over 90% of EBITDA excluding associated company income
- Change in working capital reflected timing differences in payments of accounts receivables and payables
- Investments in businesses of SEK 12 (1) mn in Q4 & SEK 275 (146) mn for FY primarily comprised payment for 50% of Raduga TV in Q1 2010 & additional 35% of Viasat Ukraine in Q2 2010
- CAPEX = approximately 1% of Group net sales for both periods
- Cash flow from/to financing activities primarily reflected
 - Decrease in Group borrowing levels y/y & q/q,
 - Dividend payment in Q2
 - Cash received from exercising of employee share options
 - Impact of distribution of CDON Group in Q4

(SEK mn)	Q4 2010	Q4 2009	FY 2010	FY 2009
Cash flow from operations	578	569	1,810	1,225
Changes in working capital	431	-110	-277	101
Net cash flow from operations	1,009	459	1,533	1,326
Cash flow to/from investing activities	-300	-84	-683	-301
Cash flow to/from financing activities*	-707	-610	-985	-1,231
Net change in cash & cash equivalents	2	-235	-135	-206

Financial Position

- SEK 2.7 (3.5) bn of SEK 6.5 bn credit facility drawn down as at 31 December 2010
- Net debt of SEK 2.0 (2.7) bn = 0.9 x FY EBITDA
- SEK 4,400 (3,837) mn of available liquid funds (cash & undrawn facilities)
- SEK 1.8 bn book value of 38.3% shareholding in CTC Media had public equity market value of SEK 9.6 bn at end of 2010 = surplus of SEK 7.8 bn

(SEK mn)	31 Dec 2010	31 Dec 2009
Non-current assets	8,648	9,026
Current assets	5,354	5,625
Total assets	14,002	14,651
Shareholders' equity	6,238	5,680
Long-term liabilities	3,311	4,175
Current liabilities	4,452	4,796
Total equity & liabilities	14,002	14,651

Summary

Strongly positioned for 2011

- Record sales & profits
- Free-TV Scandinavia y/y sales growth of 12% in Q4 excluding FX
- Continued Premium DTH ARPU growth & premium subscriber intake
- Ongoing investments in Emerging Markets pay-TV platforms
- Distribution & listing of CDON Group shares in Q4
- Board of Directors to propose increased annual cash dividend of SEK 7.50 to AGM in May 2011

For Further Information, please visit www.mtg.se or contact:

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