

Modern Times Group

Q2 2009 Financial Results

22 July 2009





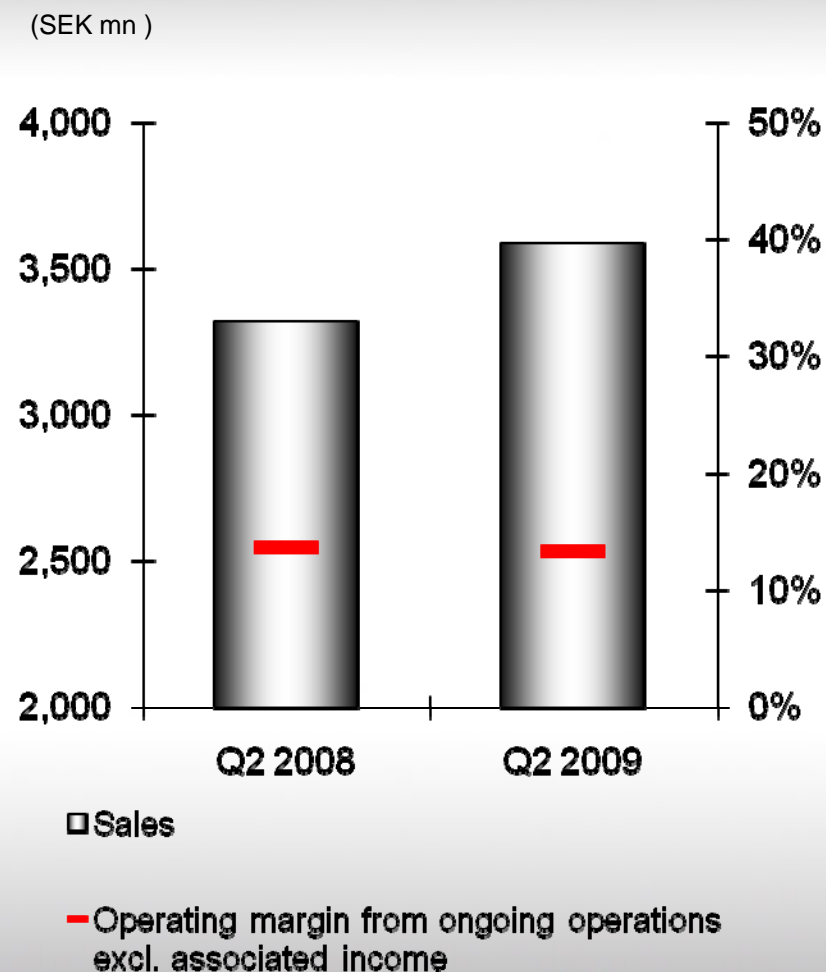
**”Record Sales &
Stable Profitability”**

Highlights

- Continued market out-performance in tough conditions with penetration, viewing & market share gains generating sales growth in SEK & local currencies
- Investments in programming schedules & addition of new channels to build long-term market positions
- Media House strategy being successfully rolled out across multiple territories
- Benefiting from ongoing digitalisation of European media markets due to integrated broadcaster model & challenger status
- Q2 operating profits for continuing operations stable with all business areas profitable
- H1 profits impacted by participation in non-cash write-down by CTC Media
- Successful refinancing of SEK 3 billion loan on favourable terms – no debt now falling due until 2011
- Payment of SEK 329 million cash dividend

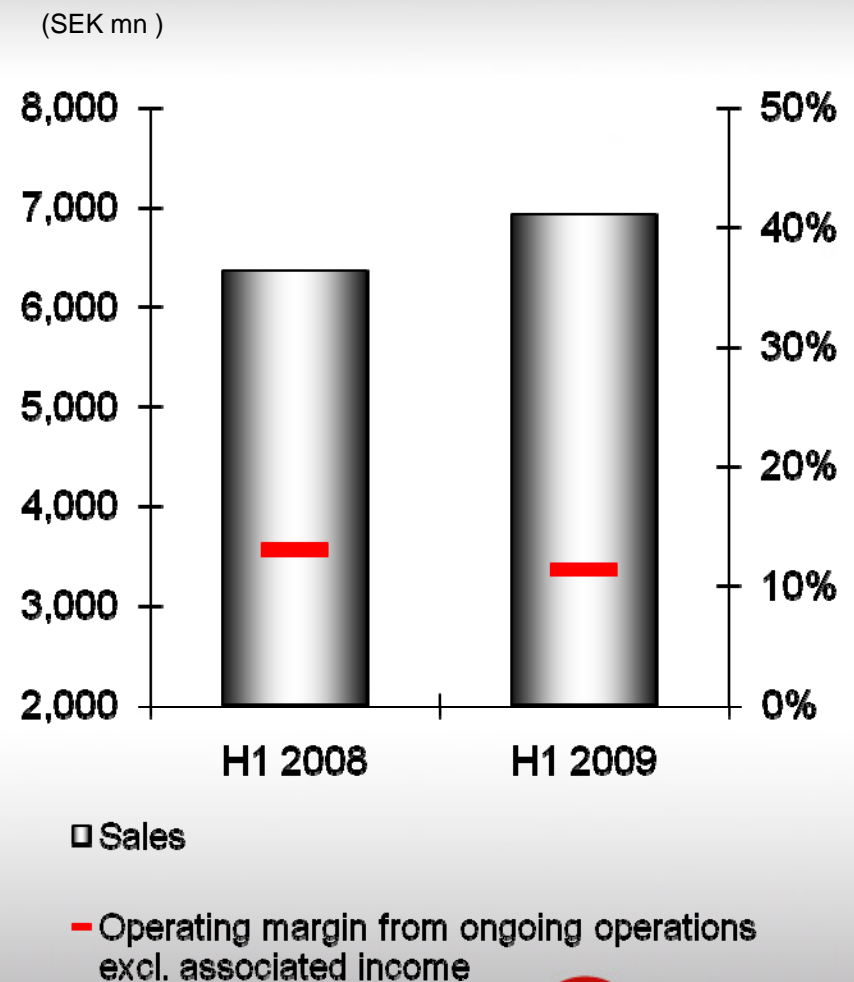
Second Quarter 8% Sales Growth & Stable Profits

- Group net sales up 8% y/y to SEK 3,584 million
- Positive currency effects add 7 percentage points of growth
- Stable Group operating income of SEK 588 million when excluding SEK 1,164 million of income from discontinued DTV Group in 2008
- Pre-tax profit of SEK 566 million
- Stable net income of SEK 436 million when excluding SEK 1,160 million of net income from discontinued DTV Group in 2008
- Basic earnings per share of SEK 6.45



First Half Year 9% Sales Growth Despite Weak Markets

- Group net sales up 9% y/y to SEK 6,920 million
- Positive currency effects add 8 percentage points of growth
- Operating income of SEK 822 (1,170) million when excluding SEK 1,181 million of income from discontinued DTV Group in 2008 but including impact of Q109 participation in non-cash write-down by CTC Media
- Pre-tax profit of SEK 760 million
- Net income of SEK 582 million
- Basic earnings per share of SEK 8.65



Operating Review



Operating Results

(SEK mn)	Sales			Operating Profit (EBIT)		
	Q2 2009	Q2 2008	Change (%)	Q2 2009	Q2 2008	Change (%)
Free-TV Scandinavia	984	971	1	216	245	-12
Pay-TV Nordic	1,074	973	10	179	158	13
Free-TV Emerging Markets	612	586	5	32	85	-62
Pay-TV Emerging Markets	219	148	48	34	25	38
Associated CTC Media	-	-	-	103	132	-22
<i>Other & eliminations</i>	-43	-33	-	6	13	-
Viasat Broadcasting business area	2,846	2,645	8	571	657	-13
Other business areas	812	703	16	59	-9	-
Parent & holding companies / Group central operations	47	45	-	-41	-57	-
Eliminations	-121	-93	-	-	-	-
Total from ongoing operations	3,584	3,300	9	588	591	-1
<i>Discontinued DTV Group</i>	-	19	-	-	1,164	-
Reported Group total	3,584	3,318	8	588	1,756	-

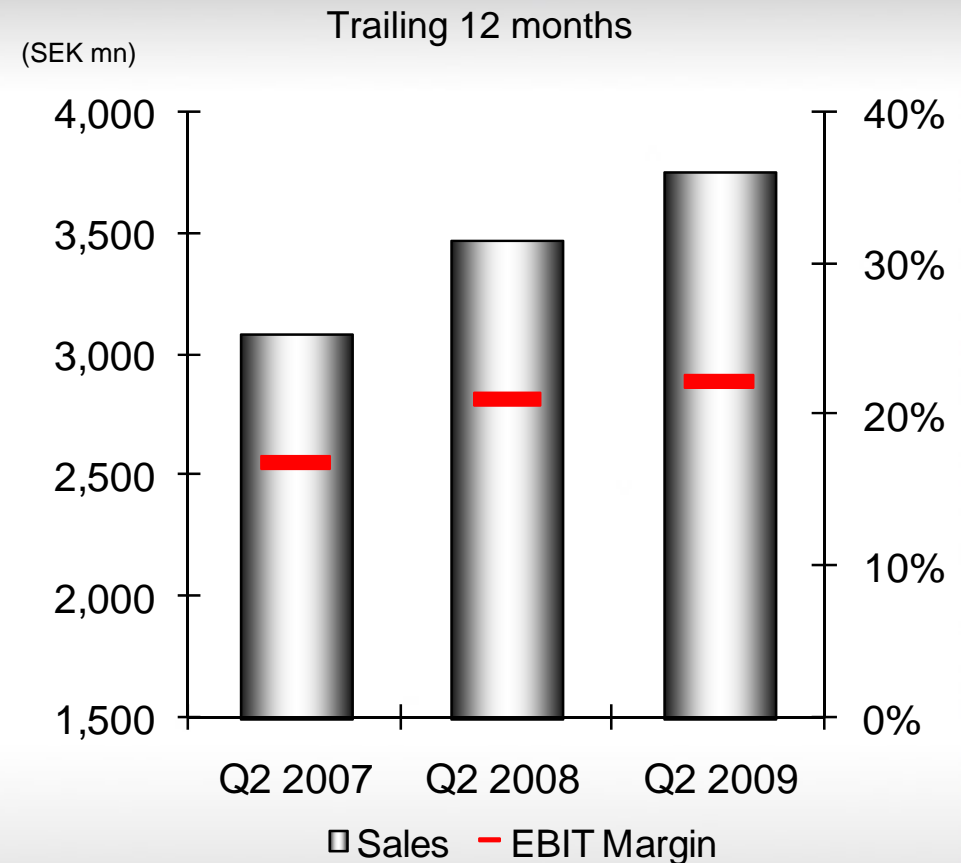
Operating Results

(SEK mn)	Sales			Operating Profit (EBIT)		
	H1 2009	H1 2008	Change (%)	H1 2009	H1 2008	Change (%)
Free-TV Scandinavia	1,870	1,800	4	419	391	7
Pay-TV Nordic	2,143	1,932	11	353	320	10
Free-TV Emerging Markets	1,076	1,009	7	-42	131	-
Pay-TV Emerging Markets	439	288	53	75	38	95
Associated CTC Media	-	-	-	28	339	-92
<i>Other & eliminations</i>	-83	-75	-	8	17	-
Viasat Broadcasting business area	5,445	4,952	10	842	1,237	-32
Other business areas	1,595	1,389	15	63	43	44
Parent & holding companies / Group central operations	92	87	-	-83	-110	-
Eliminations	-212	-181	-	-	-	-
Total from ongoing operations	6,920	6,247	11	822	1,170	-30
<i>Discontinued DTV Group</i>	-	113	-	-	1,181	-
Reported Group total	6,920	6,360	9	822	2,351	-

Free-TV Scandinavia

Sales Growth & Margins of over 20%

- Net sales up 1% to SEK 984 million in Q2 & 4% to SEK 1,870 million in H1 supported by positive currency effects
- Continued viewing & advertising market share gains
- Consolidated position as 2'nd largest media house in each country
- OPEX up 6% y/y to SEK 768 million in Q2 & 3% to SEK 1,451 in H1 following programming investments, launch of TV3 PULS in Denmark & adverse currency exchange rate movements
- Operating income down to SEK 216 (245) million in Q2 but up to SEK 419 (391) million in H1 with operating margins of 22% for both periods

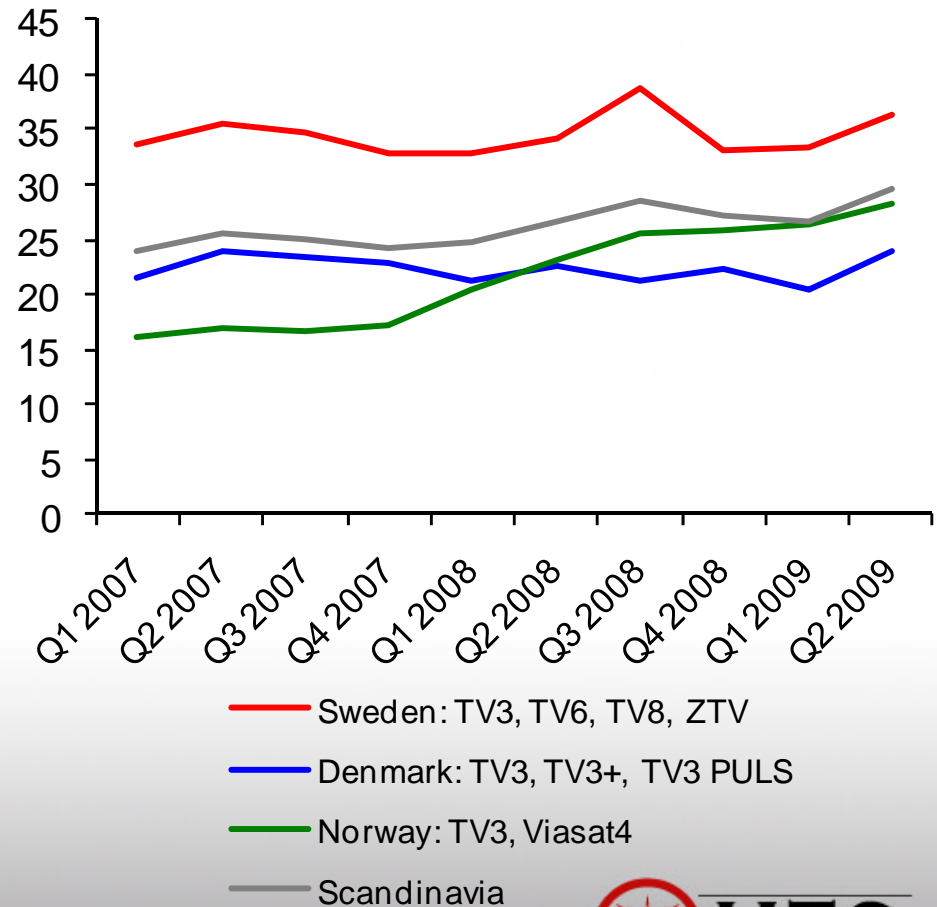


Free-TV Scandinavia

Increasing Audience & Market Shares

- Substantial target audience share gains in each country for the combined multi-channel media house following successful Spring schedules
 - Sweden up > 2 percentage points y/y & >3 percentage points q/q
 - Norway up > 5 percentage points y/y & almost 2 percentage points q/q
 - Denmark up >1 percentage point y/y & 3.5 percentage points q/q
- TV3 & TV6 Sweden penetration increased to 87% in Q2 & TV8 penetration up to 66%
- Viasat4 Norway penetration increased to 65% & TV3 PULS Denmark penetration already at 41%
- Norwegian digitalisation process due to be completed by end of November & Danish market to be digitalised on 1 November

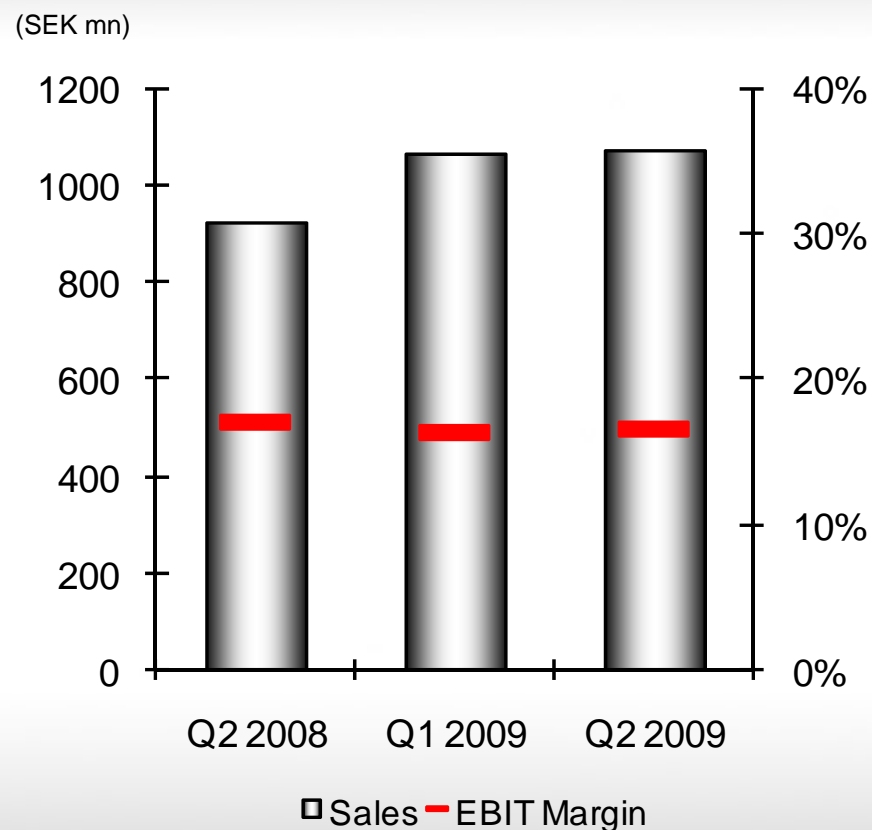
Commercial Share of Viewing (15-49)



Pay-TV Nordic

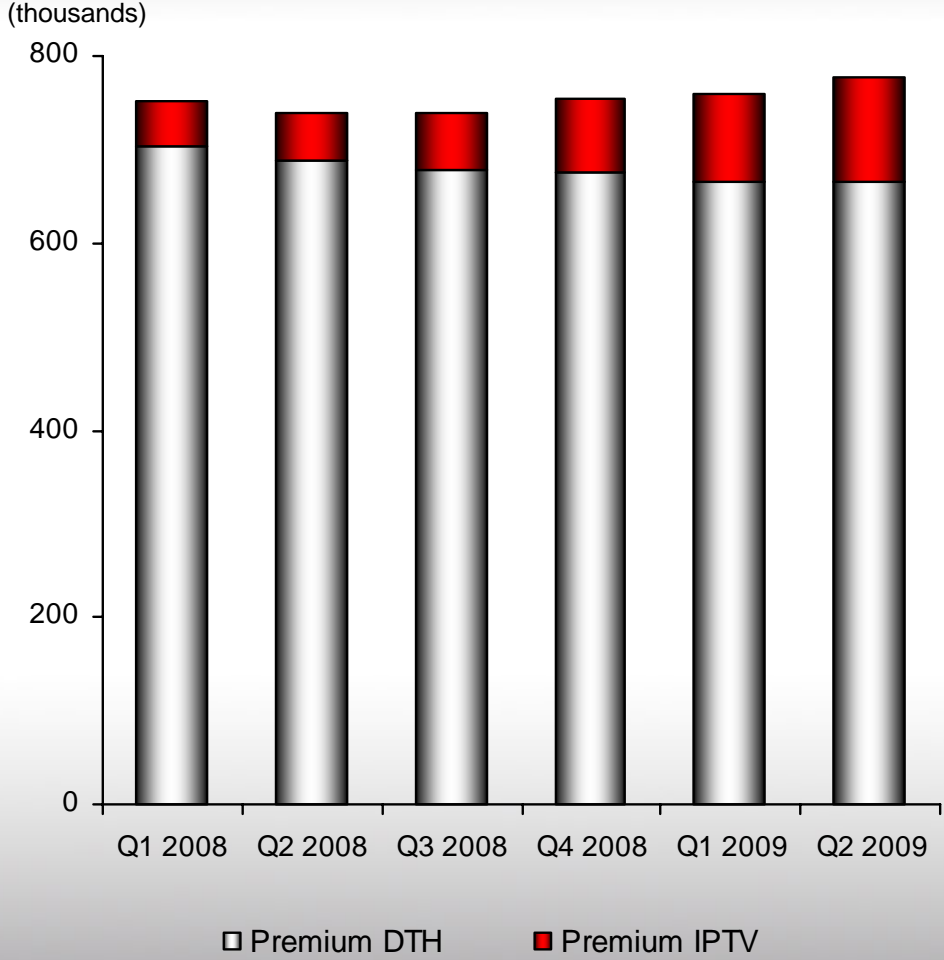
10% Sales Growth & 17% Operating Margin

- Sales up 10% y/y to SEK 1,074 million in Q2 and up 11% to SEK 2,143 million in H1
- Total premium subscribers up 18,000 q/q
 - IPTV sales continue to drive subscriber growth & DTH base stable q/q
- ARPU up 11% y/y to SEK 4,343
 - Uptake of value added services (HDTV, multiroom), cumulative effect of previous price increases & positive currency effects
- Development of Viasat OnDemand services with catch-up services, movie library & live sports events
- Total OPEX up 10% y/y to SEK 895 million in Q2 & up 11% to SEK 1,790 million in H1
 - Ongoing investments in HDTV + subscriber acquisition campaigns in Denmark and Norway - SAC up 11% y/y in Q2 to SEK 151 million
 - Addition of 21 channels to the platform since beginning of 2008 + extension & acquisition of several key sports rights & addition of localised sports channels
 - Adverse currency effects
- Operating income up 13% y/y to SEK 179 million in Q2 & up 10% to SEK 353 in H1 with operating margins of 17% & 16%, respectively

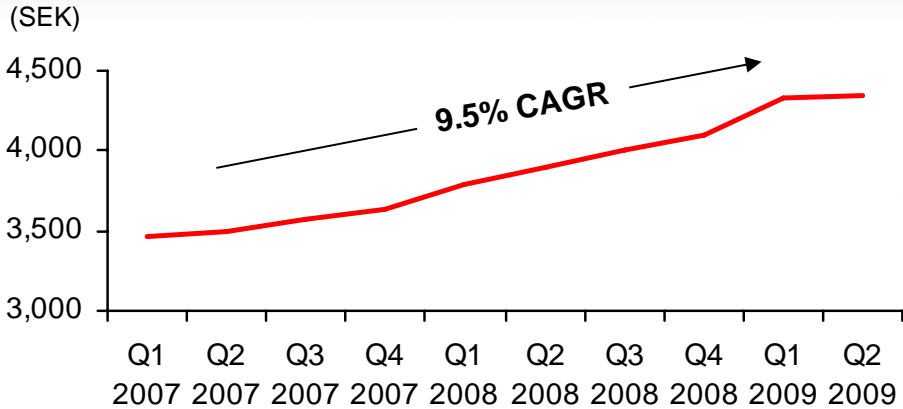


Pay-TV Nordic Subscriber & ARPU Growth

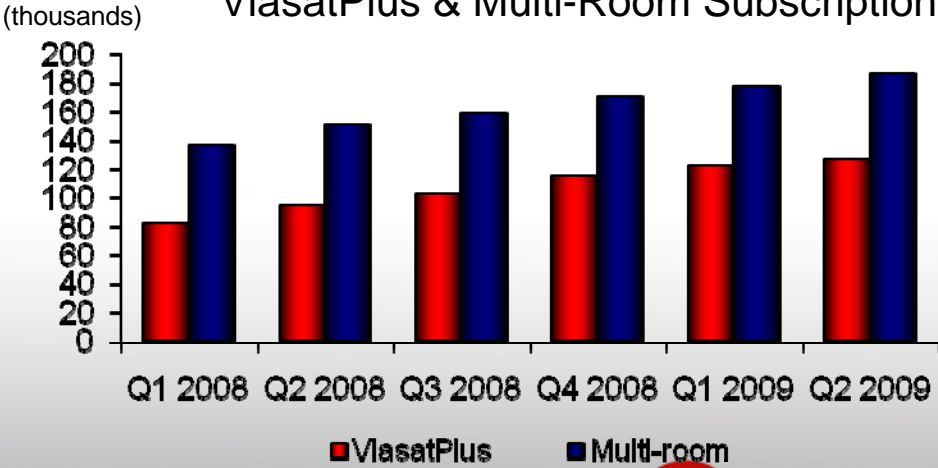
Premium Subscribers



Premium ARPU

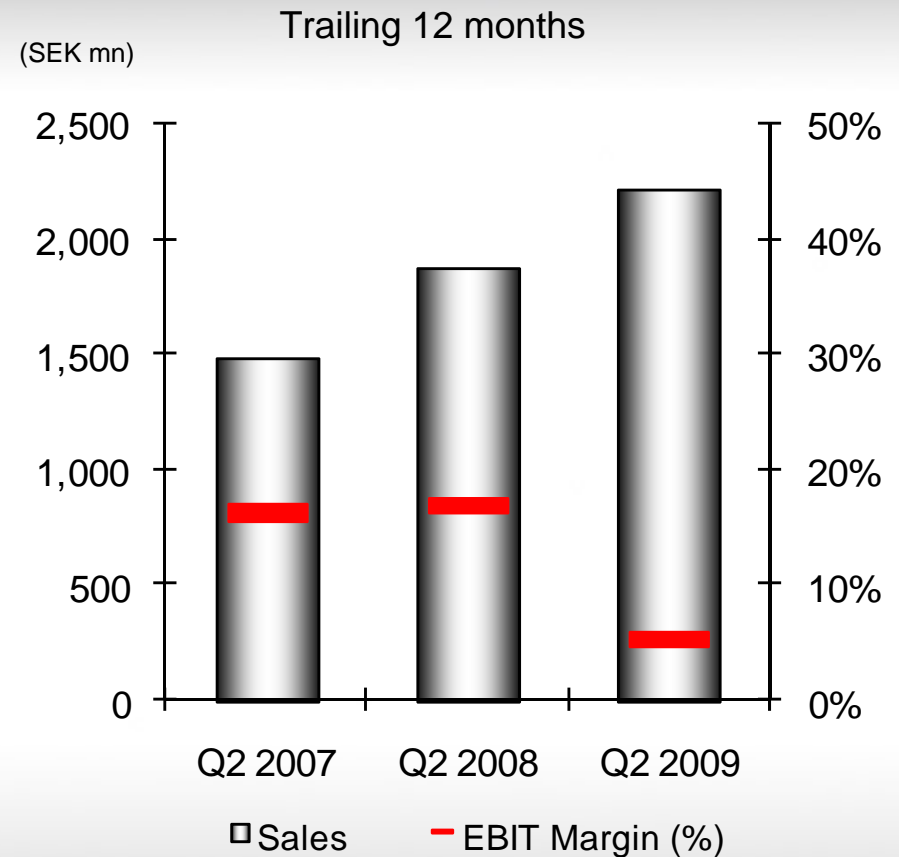


ViasatPlus & Multi-Room Subscriptions

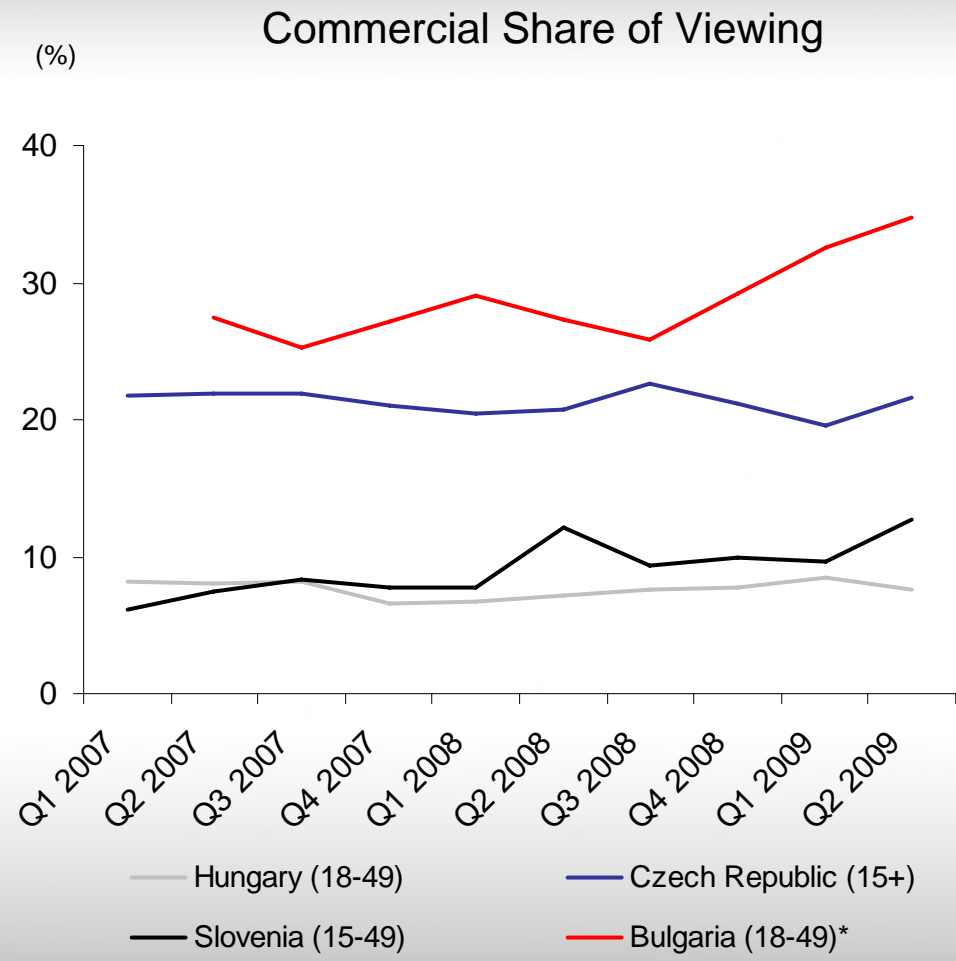
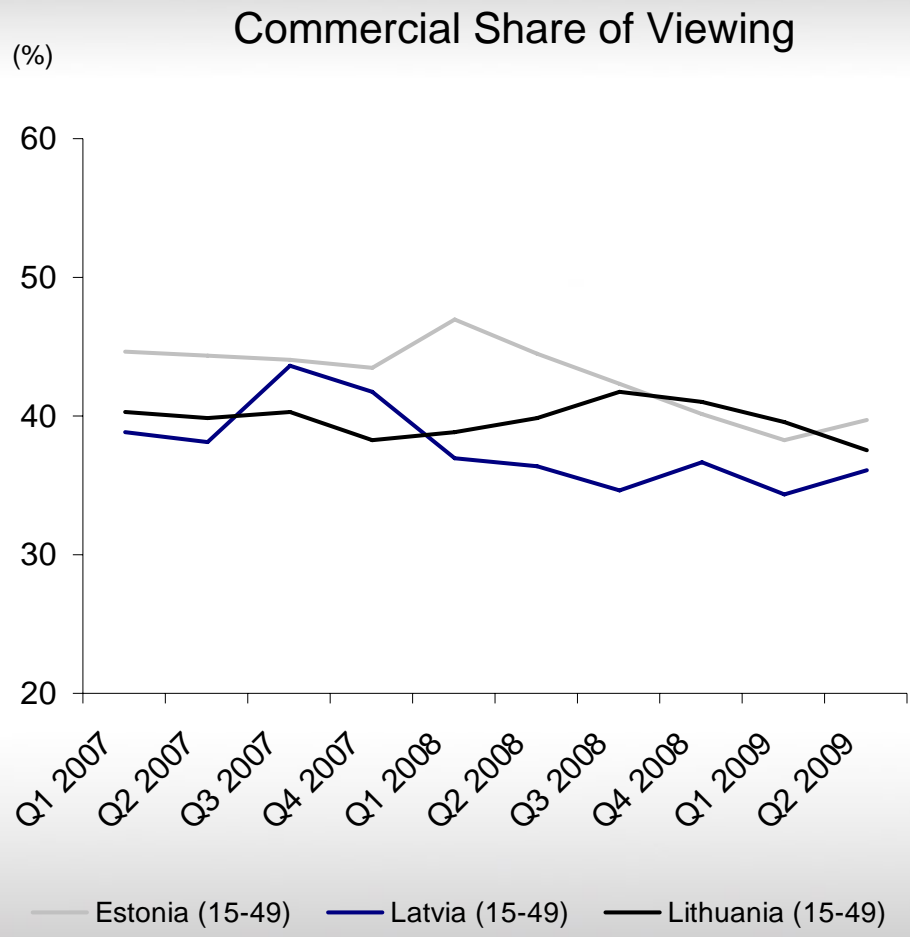


Free-TV Emerging Markets Tough Operating Environment

- Sales up 5% y/y to SEK 612 million in Q2 & up 7% to SEK 1,076 million in H1 when including newly consolidated Nova Televizia & supported by positive currency effects
- Sales excluding Nova Televizia down 12% y/y in Q2 & down 10% in H1
- Audience & market share gains in almost all territories
- Operating income of SEK 32 (85) million in Q2 & SEK -42 (131) million in H1
 - Programming & channel investments to drive audience and advertising market shares including 6 new channels launched or re-launched since beginning of 2008
 - Continued investment in development of Ghanaian operations
- Marked improvement from Q109 with Baltic, Czech and Bulgarian businesses all delivering profits



Free-TV Emerging Markets Positive Audience Share Development



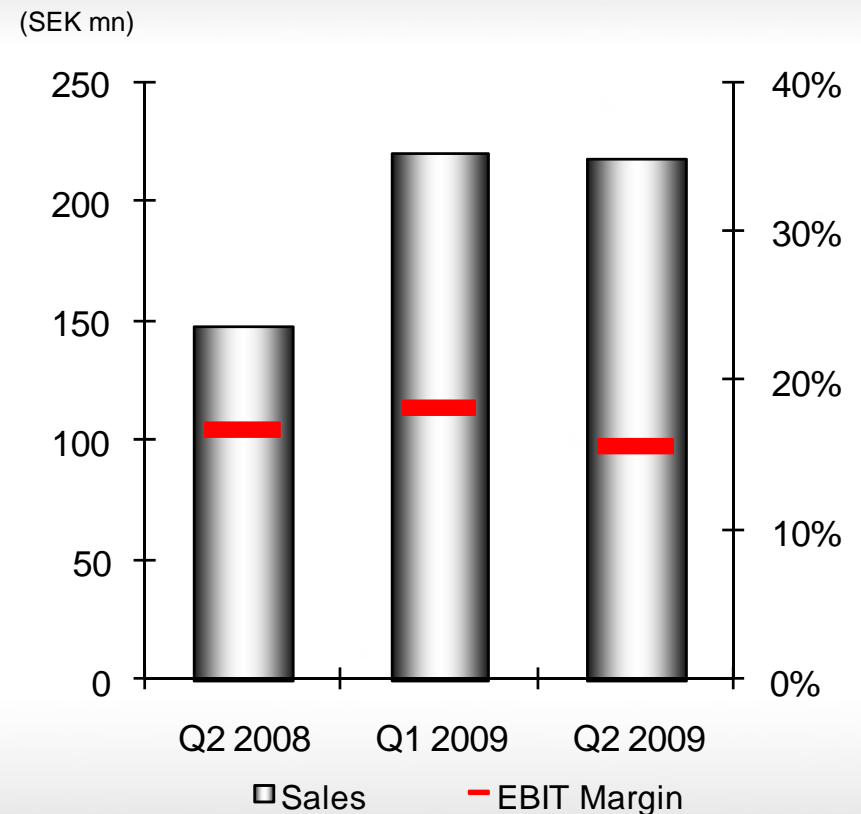
*Pro forma



Pay-TV Emerging Markets

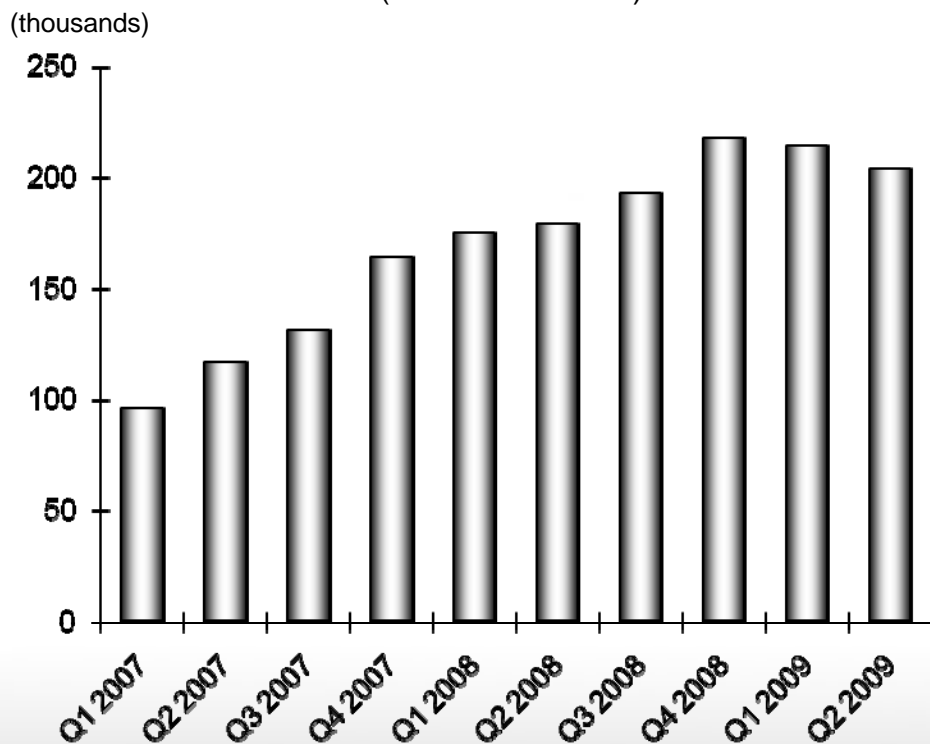
48% Sales Growth & 16% Margin

- Sales up 48% y/y in Q2 to SEK 219 million & up 53% to SEK 439 million in H1
- Baltic & Ukrainian platforms added 25,000 premium subscribers y/y - subscriber base down q/q due to increased churn in the Baltics as result of prevailing economic conditions
- Mini-pay wholesale business reaches 40 million subscriptions following addition of 10 million subscriptions y/y & 2.4 million subscriptions q/q
- OPEX increased due to adverse y/y currency exchange rate movements, new channels added to Baltic platform, launch of new mini-pay channels, development of Ukrainian platform & overall scaling of the business
- Operating income up 38% y/y to SEK 34 million & almost doubled to SEK 75 million in H1, with operating margins of 16% & 17%, respectively

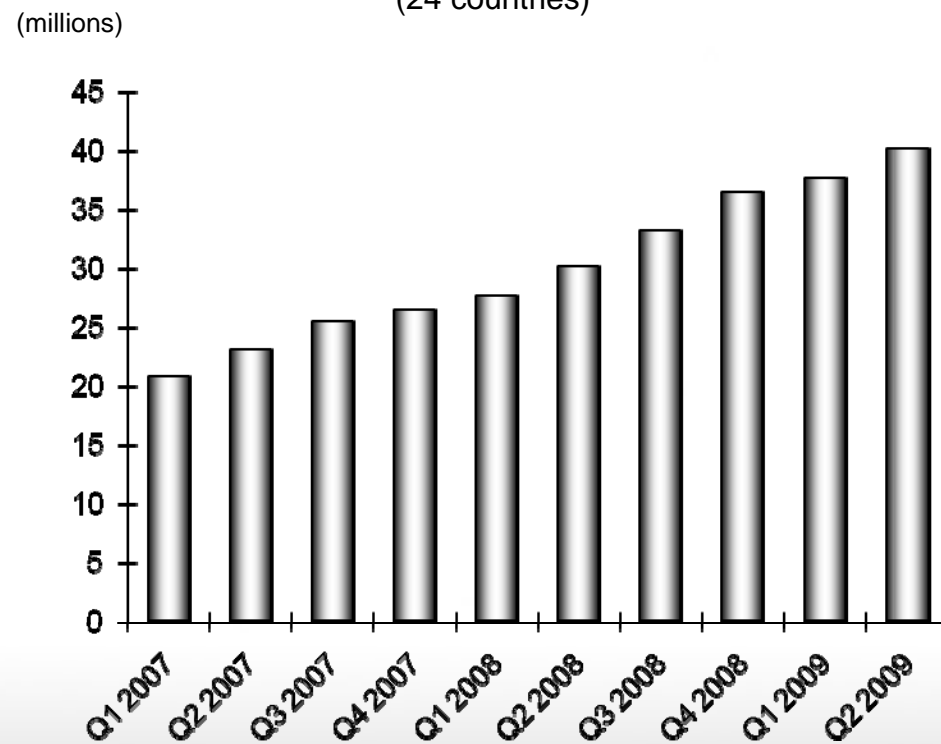


Pay-TV Emerging Markets Over 40 million Mini-Pay Subscriptions

Premium DTH Subscribers (Baltics & Ukraine)



Mini-pay Subscriptions (24 countries)



Other Businesses

Online

- Sales up 19% y/y to SEK 490 million in Q2 & up 22% to SEK 1,010 million in H1
- Continued growth for MTG Internet Retailing businesses
 - CDON.COM sales up 17% y/y in Q2 & H1 following successful ad campaigns and increased traffic from search engines
 - Gymgrossisten.com sales up 34% & Nelly.se sales up 339% y/y in Q2
- Operating income up 46% y/y in Q2 to SEK 24 million when excluding SEK -76 million asset impairment charge in Q2 2008 & operating income of SEK 29 (44) million in H1 including costs relating to Viaplay online TV business now integrated into Nordic pay-TV operations

Radio

- Sales down 15% y/y to SEK 188 million in Q2 & to SEK 348 million in H1, reflecting overall decline in the advertising markets in Sweden, Norway & the Baltics
- Operating income of SEK 28 (52) million in Q2 & SEK 23 (82) million in H1

Modern Studios

- Sales almost doubled y/y to SEK 134 million in Q2 & up 56% to SEK 237 million in H1 following increased production levels and international sales
- Operating profit of SEK 3 (-7) million in Q2 & SEK 7 (-13) million in H1 following successful re-organisation of business

Financial Review



Income Statement

- Operating income from ongoing fully consolidated operations up y/y in Q2
- Total operating income from ongoing operations stable y/y in Q2
- Net interest expenses of SEK -33 (14) million in Q2 & SEK -70 (10) million in H1 following increase in borrowings in Q4 2008
- Net income stable y/y at SEK 436 (438) million in Q2 when excluding SEK 1,160 million of income from discontinued DTV Group in 2008

(SEK million)	Q2 2009	Q2 2008	H1 2009	H1 2008	FY 2008
Net sales	3,584	3,318	6,920	6,360	13,166
Operating income from ongoing operations	478	453	784	824	1,848
Associated company income*	111	139	38	346	651
Total operating income from ongoing operations	588	591	822	1,170	2,499
Discontinued DTV Group Russia**	-	1,164	-	1,181	1,173
Total operating income (EBIT)	588	1,756	822	2,351	3,671
Net interest & other financial items	-23	29	-61	16	-61
Income before tax	566	1,785	760	2,368	3,610
Net income	436	1,598	582	1,995	2,927
Basic EPS	6.45	23.90	8.65	29.68	43.25

* Includes Q1 2009 participation in non-cash impairment of intangible assets by associated company CTC Media

** Comprises the net impact of the sale of DTV Group in Q2 2008 and DTV Group operating results up to time of sale



Cash Flow

- Changes in working capital reflected lower programming inventories & seasonal fluctuations
- CAPEX of SEK 34 million in Q2 & SEK 52 million in H1 represented <1% of Group revenues
- SEK 329 million ordinary dividend (SEK 5 per share) paid out during Q2
- Cash flow from/to investing activities in H1 included acquisition of the remaining shares in MTG Russia and part of the remaining minorities in Playahead in Q1 2009, as well as the money received from the sale of DTV Group in Q2 2008
- Cash & cash equivalents amounted to SEK 1,084 (794) million at end of Q2 & compared to SEK 697 million at end of Q1

(SEK million)	Q2 2009	Q2 2008	H1 2009	H1 2008	FY 2008
Cash flow from operations	425	694	593	1,005	1,918
Changes in working capital	270	292	-27	24	67
Net cash flow from operations	695	986	566	1,029	1,985
Cash flow to/from investing activities	-35	1,373	-194	1,134	-4,674
Cash flow to/from financing activities	-287	-1,970	-262	-1,894	3,106
Net change in cash and cash equivalents	374	389	110	270	417

Financial Position

- Total borrowings of SEK 4.7 billion
- SEK 3.6 billion of net debt at end of period = 1.4x LTM underlying EBITDA (excluding impact of write-down by CTC Media)
- SEK 3.0 billion of available liquid funds at end of period
- Successful refinancing of SEK 3 billion facility after the end of Q2 – oversubscribed 3 year loan secured from 5 banks on favorable terms
- SEK 3.5 billion now falling due in 2011 & SEK 3.0 billion falling due in 2012
- Equity to assets ratio of 45%

(SEK million)	31 Jun 2009	31 Jun 2008	31 Dec 2008
Non-current assets	12,470	5,157	12,881
Current assets	6,414	6,376	6,351
Total assets	18,883	11,534	19,232
Shareholders' equity	8,559	6,786	8,980
Long-term liabilities	5,388	416	5,263
Current liabilities	4,936	4,331	4,989
Total equity and liabilities	18,883	11,534	19,232

Summary



Summary

- Continued Sales Growth with viewing & market share gains
- Stable operating profitability for ongoing operations following cost reductions across the Group and selective investments in programming, channels & platforms
- Well-positioned as primary challenger to incumbents in structurally changing markets
- More than half of total sales from more stable subscription & other non-advertising revenue streams + at forefront of broadband & online TV development
- Successful international media house strategy - multiple channels on multiple platforms in multiple countries
- No sign of advertising market recovery BUT market environment provides opportunities to enhance market positions & build long term value
- Healthy financial position with low gearing & no debt maturities in 2009 or 2010

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

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