

Modern Times Group MTG AB



Q1 2011 Financial Results





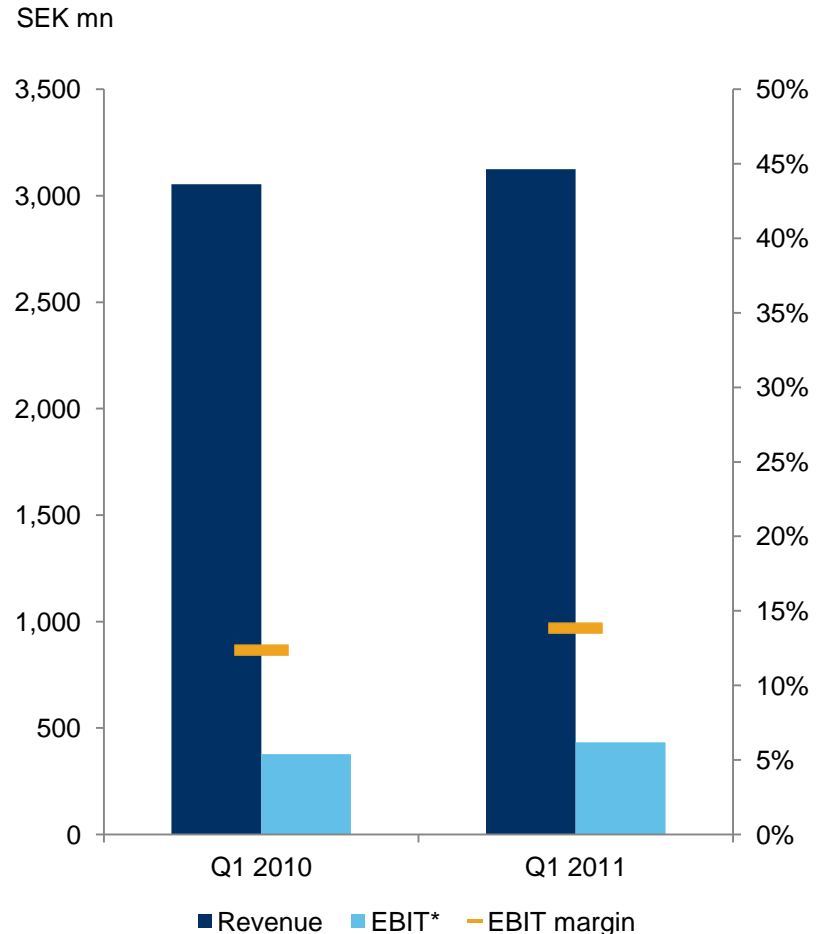
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Record Results

Q1 2011

10% Sales Growth at Constant FX

- Sales of SEK 3,125 (3,054) mn & up 10% y/y at constant FX
- OPEX up to SEK 2,693 (2,677) mn & up 8% at constant FX
- Operating income up 15% y/y to SEK 432 (377) mn – excluding SEK 253 (107) mn of associated income
- Total operating income up 42% y/y to SEK 684 (483) mn
- Pre-tax profit up 54% y/y to SEK 671 (436) mn
- Net income from continuing operations up 78% y/y to SEK 490 (275) mn
- Increased quarterly dividend payment of SEK 61 (28) mn from CTC Media



* EBIT excluding associated income



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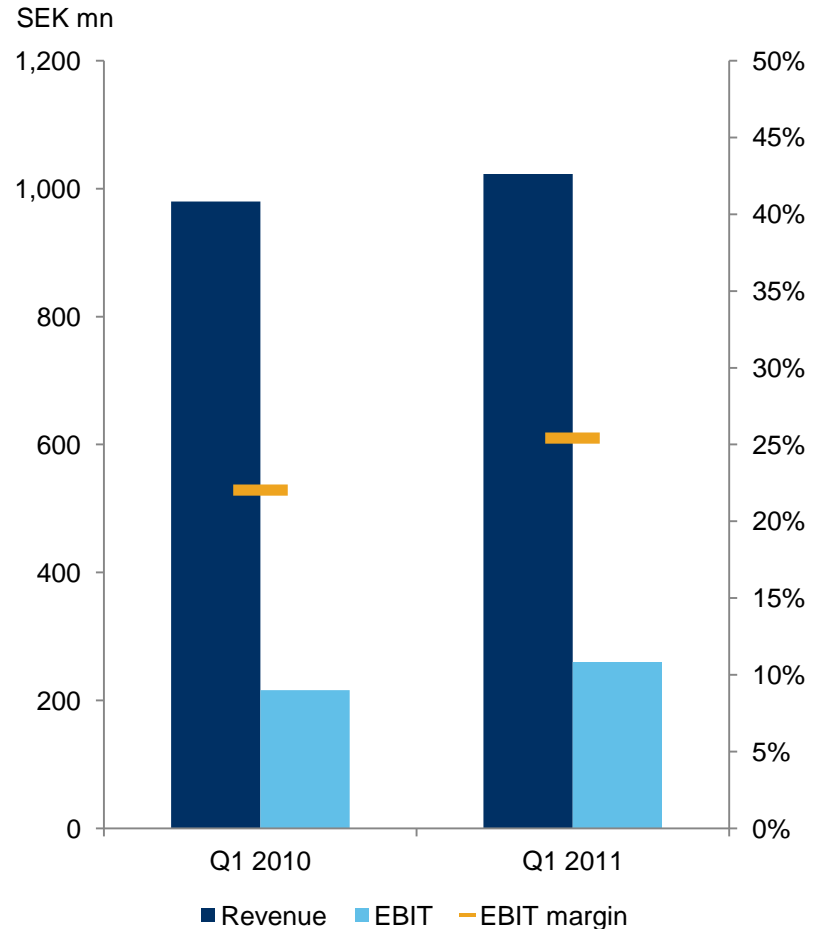
Operating review



Operating review

Free-TV Scandinavia Financial Highlights

- Sales of SEK 1,023 (980) mn in Q1 & up 11% at constant FX
- Lower OPEX of SEK 763 (764) mn y/y in Q1 despite
 - Ongoing programming investments
 - Launch of TV10 channel in Sweden in September 2010
- Operating income up 21% y/y to SEK 260 (216) mn in Q1
- Increased operating margins of 25% (22%) in Q1



Operating review

Free-TV Scandinavia Operating Highlights

Sweden

- Target audience share of 33.8% (36.1%) in Q1
 - Reflected programming investments & early Spring schedule launch by commercial market leader
- Sports focused channel TV10 was launched in September 2010 & continued to grow audience share

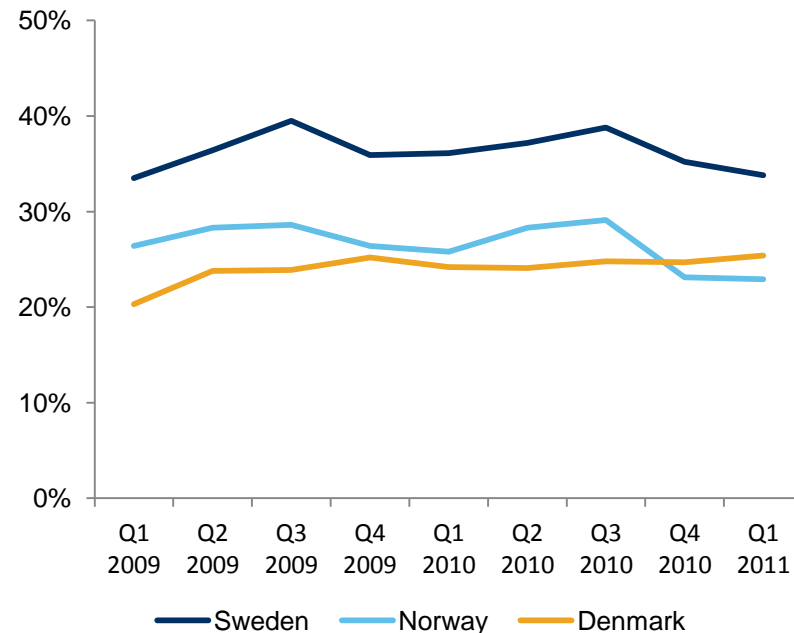
Norway

- Target audience share of 22.9% (25.8%) in Q1
 - Reflected year on year impact of launch of 2 new channels by competitors in Q4 2010

Denmark

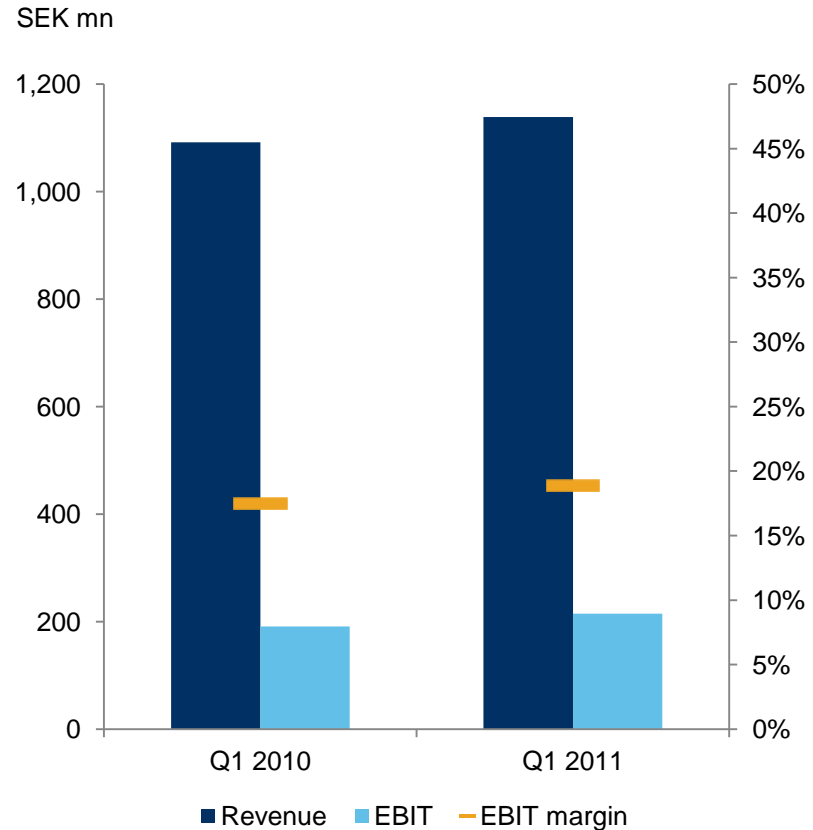
- Target audience share of 25.4% (24.2%) in Q1
 - Continued success of local productions
 - Both TV3+ and TV3 PULS increased their CSOV y/y, with stable CSOV for TV3

Commercial Audience Share (15-49)



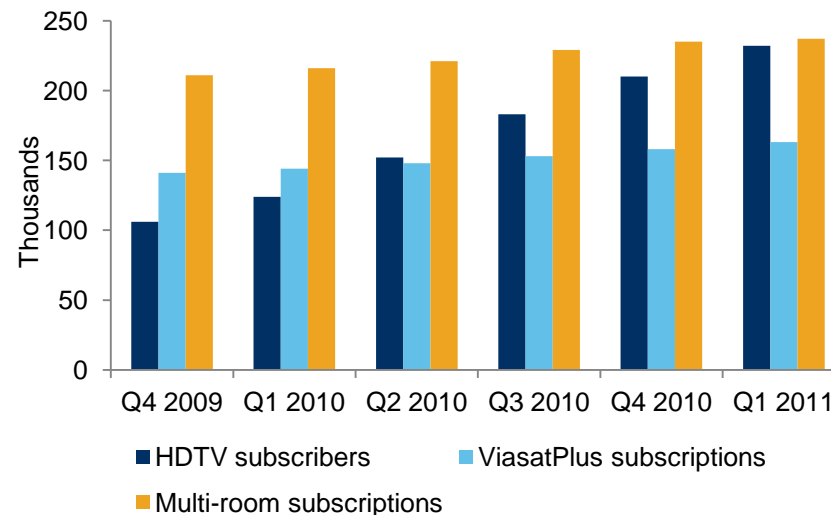
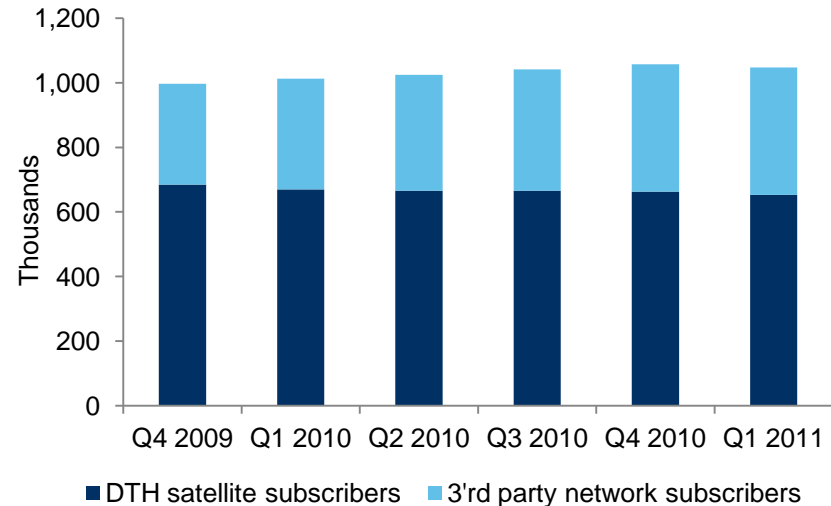
Pay-TV Nordic Financial Highlights

- Sales of SEK 1,139 (1,092) mn in Q1 & up 10% at constant FX
- OPEX of SEK 924 (900) mn in Q1
 - Ongoing investments in premium sports content
 - Addition of 7 new channels since beginning of 2010
- Operating income up 12% y/y to SEK 215 (191) mn in Q1
- Increased operating margins of 19% (18%) in Q1



Pay-TV Nordic Operating Highlights

- 35,000 net new premium subscribers added y/y
- Continued growth in value added services subscribers
- Premium DTH subscriber base down slightly y/y & reflected net subscriber intake in Sweden offset by net declines in Norway & Denmark
- Viaplay multi-screen on-demand pay-TV service launched in Scandinavia at beginning of March & enables Viasat subscribers to use a single ID and password to access Viasat pay-TV content on any internet connected device
- Premium ARPU up y/y to SEK 4,445 (4,356) & up 8% y/y at constant FX

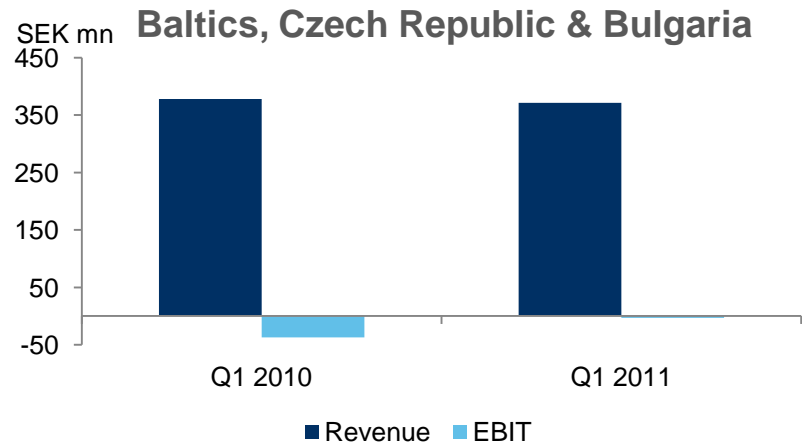
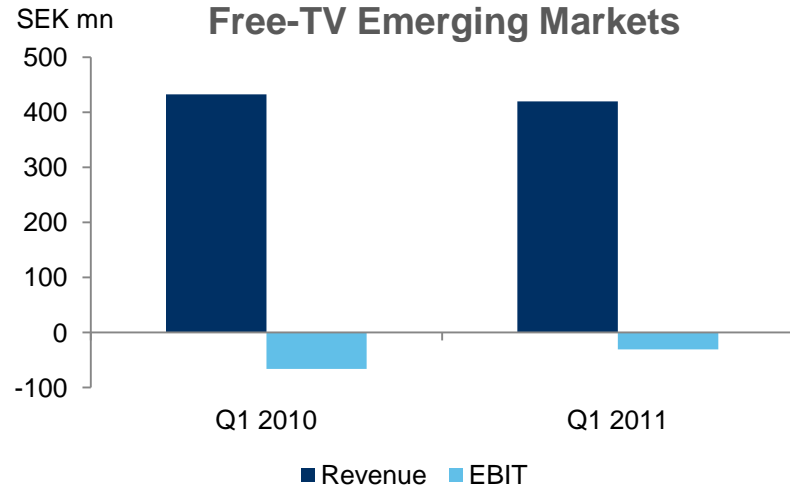


Operating Review

Free-TV Emerging Markets

Financial Highlights

- **Total sales** of SEK 420 (433) mn in Q1 & up 6% y/y at constant FX
 - Market share gains in almost all countries
- OPEX of SEK 451 (499) mn in Q1
 - Slightly down y/y at constant FX
 - Selective programming investments
- More than halved EBIT loss of -31 (-66) mn in Q1
- **Baltic, Czech & Bulgarian sales** of SEK 371 (378) mn in Q1 & up 6% in Q1 at constant FX
- Combined OPEX of SEK 373 (415) mn in Q1
- Almost break-even EBIT of SEK -3 (-37) mn in Q1



Free-TV Emerging Markets

Operating Highlights

Baltics

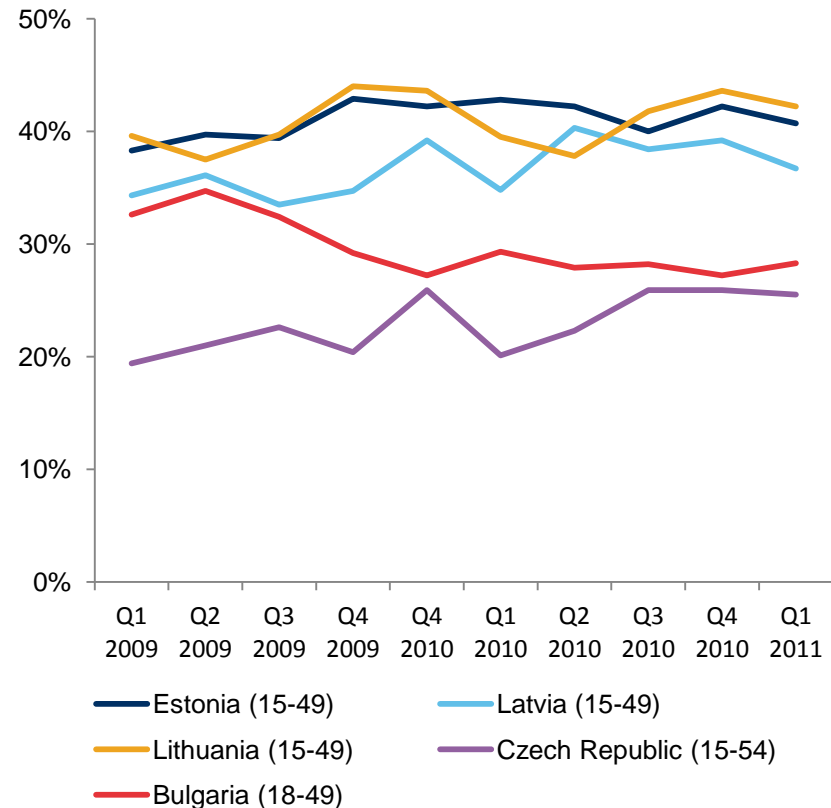
- Sales up 13% y/y in Q1 at constant FX
- Increased combined pan-Baltic target CSOV of 40.4% (38.7%)
- Sales cooperation agreement with Russian channel RTR Planeta in Latvia & Estonia – RTR added to bundle & targets Russian speaking audiences

Czech Republic

- Sales up 14% y/y in Q1 at constant FX
- Significantly higher CSOV y/y for both channels
- Prima LOVE launched on 8 March & focused on female demographic between 15 and 44 y/o

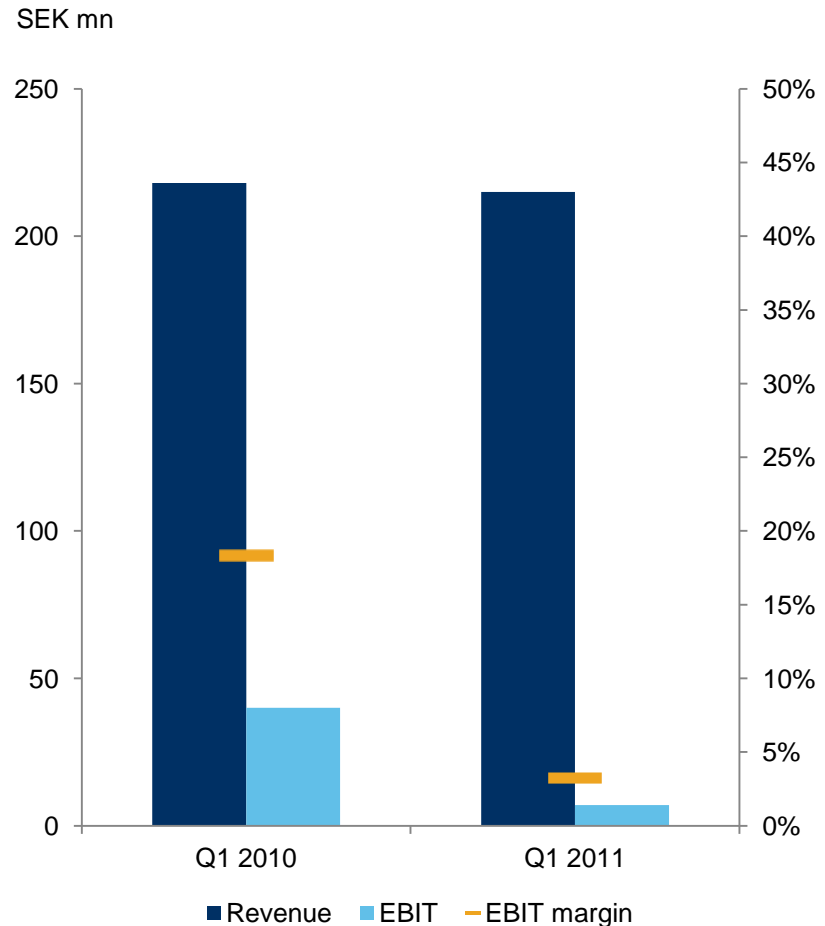
Bulgaria

- Sales declined 13% y/y in Q1
- Selective investments in programming content & ongoing work to strengthen programming schedules



Pay-TV Emerging Markets Financial Highlights

- Sales of SEK 215 (218) mn in Q1 & up 11% at constant FX
- OPEX of SEK 207 (178) mn in Q1
 - Launch of 6 new channels since beginning of 2010 including Nova Sport in Bulgaria & African channels
 - Consolidation of 50% of Raduga TV
 - Consolidation of 100% of Viasat Ukraine
- Operating income of SEK 7 (40) mn in Q1
- Operating margins of 3% (18%) in Q1

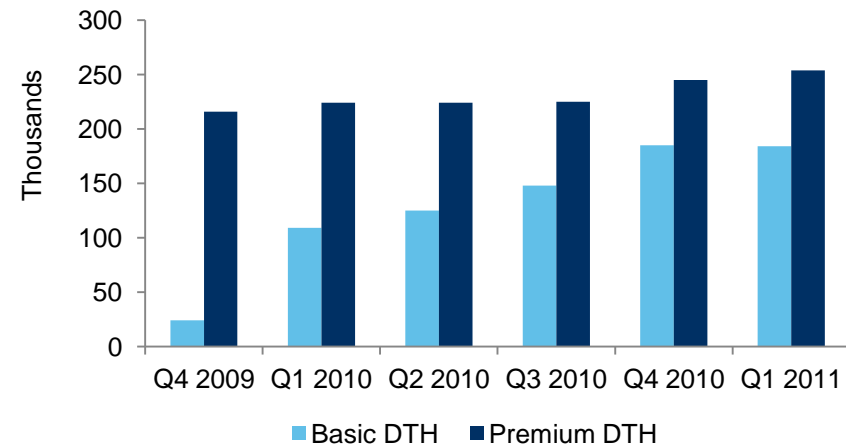


Pay-TV Emerging Markets

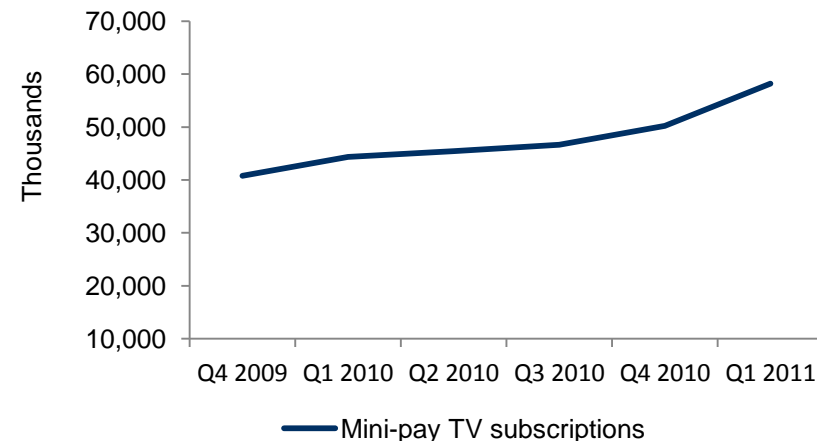
Operating Highlights

- 30,000 net new premium subscribers added y/y
 - Continued strong subscriber intake on Ukrainian platform
- 75,000 basic subscribers added y/y following growth on Raduga TV DTH platform
- Wholesale mini-pay business added almost 14 million subscriptions y/y & almost 8 mn new subscriptions q/q
- Four pay-TV channels launched in Africa at end of February 2011 – available to subscribers in Nigeria & Kenya

Satellite subscribers

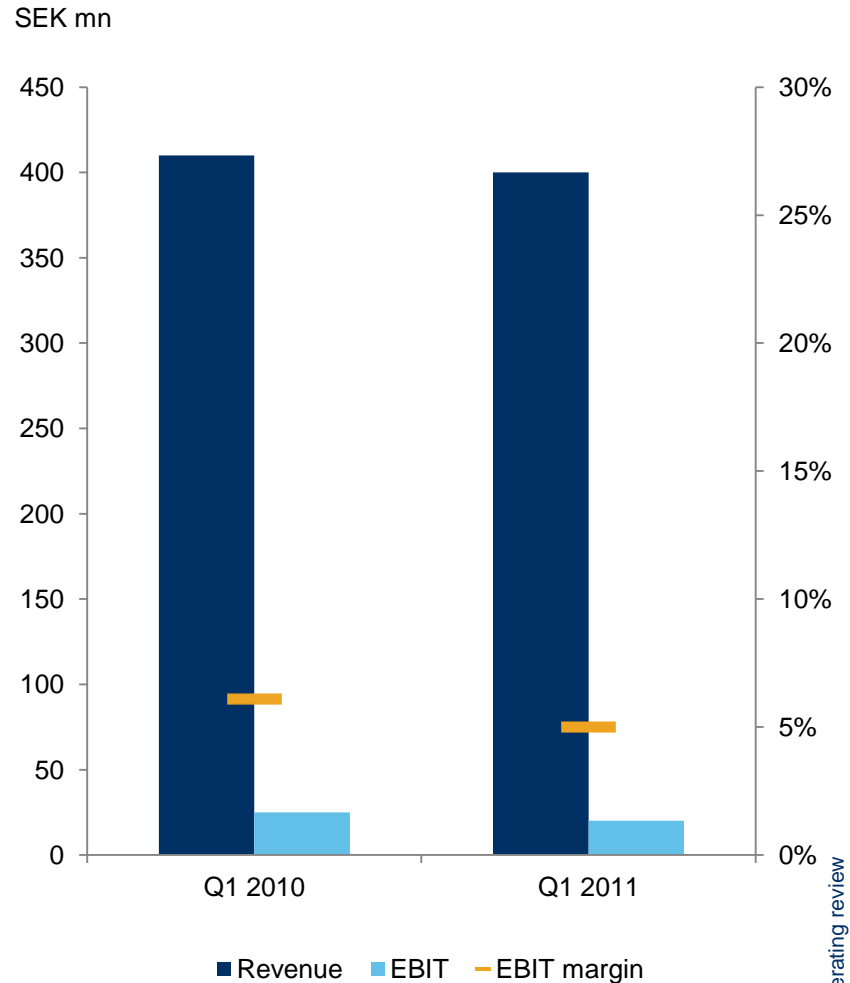


Mini-pay TV subscriptions



Other Businesses Highlights

- Comprises MTG’s Radio, Bet24 and Modern Studios businesses
- Sales of SEK 400 (410) mn in Q1 & up 4% at constant FX
- Combined OPEX of SEK 380 (385) mn in Q1
- Operating income down 19% y/y in Q1
- Operating margin of 5% (6%) in Q1



Financial Review



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Financial Review

Income Statement

- Associated company income primarily comprises associated income from 38.2% shareholding in CTC Media & amounted to SEK 253 (105) mn in Q1
- Depreciation & amortisation charges of SEK 49 (54) mn in Q1
- Net interest and other financial items of SEK -13 (-48) mn in Q1
- Year on year reduction in net interest charges to SEK 14 (15) mn in Q1
- Y/Y change in other financial items also included SEK 2 mn in Q1 non-cash gain following the issue of new shares by CTC Media, Inc and the resulting dilution of the Group's ownership in CTC Media.
- Number of total outstanding shares unchanged at 66,342,124 at end of March 2011

<i>(SEK mn)</i>	Q1 2011	Q1 2010
Net sales	3,125	3,054
Operating income before associated company income & non-recurring items	432	377
Associated company income	253	107
Total operating income	684	483
Net interest & other financial items	-13	-48
<u>Income before tax</u>	671	436
Net income from continuing operations	490	275
<u>Net income contribution from CDON Group</u>	-	25
Total net income	490	300
Basic EPS	7.35	4.60

Cash Flow

- Change in working capital reflected normal seasonal effects, including timing differences in the payments of accounts receivables and payables
- No investments in shares during Q1, compared to SEK 136 mn in Q1 2010 to acquire 50% of Raduga TV
- CAPEX = approximately 1% of Group net sales for the period
- Cash flow from/to financing activities primarily reflected - paying down of SEK 288 mn of the Group's revolving credit facility.

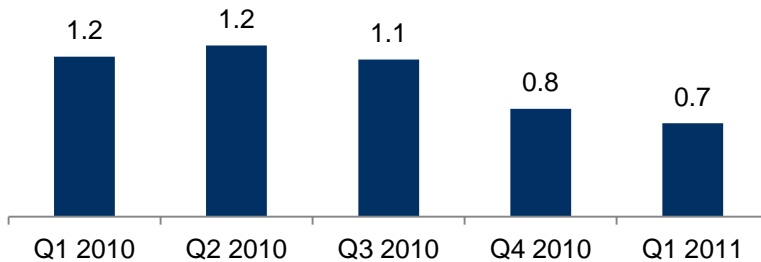
(SEK mn)	Q1 2011	Q1 2010
Cash flow from operations	462	313
Changes in working capital	-339	-153
Net cash flow from operations	123	160
Cash flow to/from investing activities	-32	-184
Cash flow to/from financing activities*	-189	240
Net change in cash & cash equivalents	-98	132

Financial Position

- SEK 2.4 (3.7) bn of Group’s available credit drawn down as at 31 March 2011
- Net debt of SEK 1.9 (2.8) bn, compared to net debt of SEK 2.0 bn as at 31 Dec 2010
- SEK 4,568 (3,770) mn of available liquid funds (cash & undrawn facilities)
- SEK 1.8 bn book value of 38.2% shareholding in CTC Media had public equity market value of SEK 8.9 bn at end of 2010 = surplus of SEK 7.1 bn

(SEK mn)	31 Mar 2011	31 Mar 2010
Non-current assets	8,566	8,968
Current assets	5,339	5,892
Total assets	13,905	14,860
Shareholders’ equity	6,538	5,767
Long-term liabilities	3,054	4,353
Current liabilities	4,313	4,739
Total equity & liabilities	13,905	14,860

Net debt / EBITDA



Summary

- Record sales & profits
- Free-TV Scandinavia y/y sales growth of 11% in Q1 excluding FX
- More than halved operating loss in Free-TV Emerging Markets in Q1; recovery still lagging
- Continued Premium DTH ARPU growth y/y
- Ongoing investments in Emerging Markets pay-TV platforms
- Continued high cash conversion levels & healthy balance sheet with reduced net debt y/y

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

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