



# Q1 2012 Report

19 April 2012 – Modern Times Group MTG AB (publ.) (“MTG” or “the Group”) (Nasdaq OMX Stockholm Large Cap Market: MTGA, MTGB) today announced its financial results for the first quarter ended 31 March 2012.

## A quarter of investments

### First quarter Highlights

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- Net sales up 4% year on year at constant and reported exchange rates to SEK 3,259 (3,125) million
- Operating income of SEK 341 (432) million when excluding associated company income
- Total operating income of SEK 542 (686) million when including SEK 201 (254) million of associated company income
- Income before tax of SEK 591 (671) million
- Net income of SEK 454 (490) million
- Basic earnings per share of SEK 6.68 (7.35)

Hans-Holger Albrecht, President and Chief Executive Officer, commented: “Q1 was an investment quarter for the Group as we invested in our Spring free-TV schedules in Scandinavia to improve our ratings, and in our pay-TV content offering and new technologies across the Nordic region to drive continued subscriber intake. The work to drive up audience shares is ongoing in Scandinavian TV advertising markets that are expected to grow in 2012. Our Nordic pay-TV operations generated healthy sales and underlying subscriber growth, with a margin that remains high by industry standards. Both our free-TV and pay-TV businesses in the emerging markets reported sales growth and improved profitability levels, despite the fact that there has been no trend shift in the development of the emerging advertising markets and that we have continued to invest in the development of our emerging market satellite platforms. We have grown our target audience and advertising market shares year on year in almost all of our free-TV emerging market territories, and also grown our emerging market pay-TV subscriber bases. We have also benefitted from the discontinuation of loss-making operations and the previous write-downs of certain assets.

“The year on year increase in investments in our Scandinavian free-TV and Nordic pay-TV operations was higher in the first quarter than will be the case for the rest of the year, and we expect improved year on year profitability levels for our emerging market free-TV and pay-TV operations in 2012.

“We remain in a strong financial position with good annual cash flow conversion levels and low gearing, which is why we have proposed an increased annual dividend pay-out to the upcoming 2012 AGM, and adopted a dividend policy of paying out a minimum of 30% of recurring net income moving forward. MTG has always been about building sustainable long term value and we will continue to invest in the development of our existing operations, and to review opportunities to establish or acquire complementary businesses.”

## Significant Events

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The Group announced on 11 April 2012 that its Nordic Betting Ltd subsidiary had signed an agreement to sell its Bet24 operations to Unibet Group plc for a total cash consideration of approximately EUR 13.5 million. The transaction is subject to regulatory approval and is expected to be completed by the end of the second quarter of 2012.

The Group announced on 5 April 2012 that, due to a technical issue with the original filing for de-registration of the Group's securities under the Securities Exchange Act of 1934 (the 'Exchange Act') in 2004, it had filed a registration statement on Form 20-F with the U.S. Securities and Exchange Commission ('SEC'). The purpose of the filing is to register MTG's class B shares under the Exchange Act, as amended, and the registration is expected to become effective 60 days after the date of filing. MTG has no intention to seek a listing of its securities on any U.S. stock exchange in connection with this application for registration. The objective of the registration is to reverse the impact of the revocation in January 2011 of the previous registration of the Group's securities under the Exchange Act. The revocation followed the entry of an Order by the SEC pursuant to Section 12(j) of the Exchange Act in January 2011.

CTC Media announced on 28 February 2012 that it would pay a cash dividend of USD 0.13 per share (or approximately USD 21 million in aggregate), on or about 30 March 2012 to shareholders of record as of 15 March 2012. The Group therefore received a total of USD 8 million in dividends from CTC Media at the end of March 2012. CTC Media also announced its intention to pay aggregate cash dividends of USD 80 million in 2012, and stated that its current intention is to declare and pay further dividends in the remaining quarters of 2012, subject to approval by its Board of Directors.

The Group announced on 9 January 2012 that it had signed an agreement to acquire 100% of AS Latvijas Neatkarīgā Televīzija ('LNT') in Latvia for an undisclosed cash consideration. LNT is the second largest free-TV operator in Latvia, and broadcasts national channel LNT, Russian language channel TV5 and entertainment channel LMK. The closing of the transaction is subject to regulatory approval by the Latvian Competition Council.

The Group announced on 4 January 2012 that it would be closing down its loss making free-TV operations in Slovenia in the coming months. The Slovenian TV3 channel therefore ceased broadcasting on 29 February 2012.

## Financial Summary

(SEK million)	Jan-Mar 2012	Jan-Mar 2011	Change
Net sales	3,259	3,125	4%
Operating income before associated company income	341	432	-21%
Associated company income*	201	254	-21%
Total operating income (EBIT)	542	686	-21%
Net interest & other financial items	49	-15	-
Income before tax	591	671	-12%
Net income	454	490	-7%
Basic earnings per share (SEK)	6.68	7.35	-9%
Diluted earnings per share (SEK)	6.66	7.29	-9%
Total assets	11,468	13,905	-18%

\* Including MTG's USD 4.6 million Q1 2012 participation in USD 89.5 million of non-recurring charges incurred by associated company CTC Media in the fourth quarter of 2011.

## Operating Review

Group sales were up 4% year on year at constant exchange rates in the first quarter following continued growth in the Nordic pay-TV and Emerging Markets pay-TV businesses and the Emerging Markets free-TV business segment.

Group operating costs increased by 8% year on year at both reported and constant exchange rates to SEK 2,919 (2,693) million in the first quarter. This reflected continued programming investments across the businesses including the renewal of several key sports rights, the addition of 12 free and pay-TV channels since the beginning of 2011 and continued investments in the Emerging Market satellite pay-TV platforms. Group depreciation and amortisation charges totalled SEK 28 (49) million in the first quarter.

When excluding associated company income, the Group reported an operating profit of SEK 341 (432) million in the first quarter and an operating margin of 10% (14%). Group total operating income amounted to SEK 542 (686) million in the quarter, and included SEK 201 (254) million of associated company income.

Group net interest expenses totalled SEK -16 (-14) million in the quarter. Other financial items amounted to SEK 65 (-1) million in the quarter, and included a SEK 81 (4) million non-cash financial gain in the quarter due to the change in value of the option element of the SEK 250 million CDON Group convertible bond between the balance sheet dates. The non-cash financial gains and losses that arise from time to time following new share issues by CTC Media and the resulting dilution of the Group's ownership in CTC Media are no longer reported within the other financial items line but are now included in associated company income from CTC Media. Results for prior periods have been restated accordingly.

The Group therefore reported income before tax of SEK 591 (671) million in the quarter.

Group tax charges amounted to SEK -137 (-181) million in the quarter, and the Group therefore reported net income of SEK 454 (490) million for the period. The Group reported basic earnings per share of SEK 6.68 (7.35) in the quarter, and total diluted earnings per share of SEK 6.66 (7.29).

## Free-TV Scandinavia

### Ongoing Investments in Programming

(SEK million)	Jan-Mar 2012	Jan-Mar 2011	Change	Change at constant exchange rates
Net sales	1,024	1,023	0%	-1%
Operating income	158	260	-39%	
Operating margin	15%	25%		

Sales for the Scandinavian free-TV operations were down 1% year on year at constant exchange rates. The performance reflected lower year on year TV advertising market shares in Sweden and Norway and stable market share in Denmark. The Swedish and Norwegian TV advertising markets continued to grow year on year in the quarter, whilst the Danish TV advertising market was down year on year.

Total segment operating costs increased by 14% year on year at reported rates and by slightly less at constant exchange rates to SEK 866 (763) million in the quarter. The increase reflected focused programming investments in each of the Scandinavian countries, as well as the low level of growth in investments in the corresponding period of 2011.

The combined operating profits for the Scandinavian free-TV business therefore declined year on year in the quarter, as did the operating margin.

Commercial share of viewing (%) (15-49)	Jan-Mar 2012	Oct-Dec 2011	Jan-Mar 2011
Sweden (TV3, TV6, TV8, TV10)	34.9	34.0	33.8
Norway* (TV3, Viasat4)	18.6	19.2	22.0
Denmark (TV3, TV3+, TV3 PULS)	24.9	22.2	25.4

\* The universe for the calculation of commercial share of viewing in Norway has been expanded to include additional channels and the audience shares for each period have been adjusted accordingly.

The combined commercial target audience share for the Group's Swedish channels was up both year on year and quarter on quarter following improved ratings for the Spring programming schedule, which was launched earlier in the quarter than in 2011. Flagship channel TV3 grew its target audience shares both quarter on quarter and year on year, as did secondary channels TV8 and TV10, and the overall work to enhance the programming schedules is ongoing. The Group increased the number of regional broadcasts for its TV3 free-TV channel in Sweden from 6 to 19 on 27 February. The same programming content is broadcast across all of the regions but separate advertising has now been included in each regional broadcast.

The combined commercial target audience share for the Group's Norwegian channels was down year on year and quarter on quarter due to increased competition, as well as weaker than anticipated ratings for a number of local productions. The Norwegian media house is focused on improving the profile and performance of both TV3 and Viasat4, and has changed a number of key personnel in order to enhance planning and execution.

The combined commercial target audience share for the Group's Danish channels was up quarter on quarter but down year on year. The quarter on quarter growth reflected the improved ratings for local productions and sports events included in the Spring schedules. Flagship channel TV3 reported higher year on year and quarter on quarter target audience shares, and both TV3+ and TV3 PULS reported higher quarter on quarter target audience shares. The TV3 Play catch-up service was launched during the first quarter and attracted additional viewers and incremental revenues.

## Pay-TV Nordic

### 9% Sales Growth at constant exchange rates & 17% Operating Margin

(SEK million)	Jan-Mar 2012	Jan-Mar 2011	Change	Change at constant exchange rates
Net sales	1,249	1,139	10%	9%
Operating income	217	215	1%	
Operating margin	17%	19%		

The Nordic pay-TV operations market and sell Viasat's premium pay-TV packages and content on the Viasat satellite platform, the Viaplay online platform, and third party IPTV and cable networks. Viasat also distributes its 26 pay-TV channels via third party pay-TV networks. The Nordic pay-TV business reported 9% year on year sales growth at constant exchange rates in the quarter following price increases and the continued growth in the penetration of premium value added services on the Group's Scandinavian satellite TV platforms, as well as continued year on year growth in the third party network subscriber base.

(000's)	Mar 2012	Dec 2011	Mar 2011
<b>Premium subscribers</b>	<b>1,039</b>	1,058	1,048
<i>of which, satellite subscribers</i>	<b>625</b>	638	653
<i>of which, third party network subscribers</i>	<b>414</b>	421	394
<b>Basic satellite subscribers</b>	<b>42</b>	38	42
<b>Satellite value-added service subscribers</b>			
ViasatPlus	<b>191</b>	188	163
Multi-room	<b>251</b>	250	237
High Definition	<b>313</b>	297	232

Viasat's premium subscriber base declined due to one of the Group's virtual operator contracts with a Norwegian IPTV operator coming to an end in January following its acquisition by a cable company, as well as a restatement of its subscriber base by another Norwegian IPTV operator during the quarter. When excluding these effects, the third party subscriber base grew in line with expectations during the quarter.

Annualised average revenue per premium satellite subscriber (ARPU) increased by 9% year on year to SEK 4,866 (4,445), and was up from SEK 4,791 in the fourth quarter of 2011.

Operating costs for the Nordic pay-TV segment amounted to SEK 1,031 (924) million in the first quarter, and costs were up slightly less year on year at constant exchange rates. The year on year growth reflected the ongoing investments in the Viaplay online pay-TV service and higher year on

year sports content costs, as well as the rebranding of the Group's Nordic movie channels from TV1000 to Viasat Film and the launch of four new HD movie channels.

The Viaplay online pay-TV service continued to strengthen its programme content offering during the quarter by signing additional license agreements with The Walt Disney Company Nordic and Sony Pictures Television in February, which together make over 500 additional movie titles available to subscribers across the Nordic region.

The Nordic pay-TV business therefore reported higher year on year operating profits in the quarter, and an operating margin of 17% (19%).

## Free-TV Emerging Markets

### 5% Sales Growth at constant exchange rates & Profitable

(SEK million)	Jan-Mar 2012	Jan-Mar 2011	Change	Change at constant exchange rates
Net sales	432	420	3%	5%
Operating income	8	-31	-	
Operating margin	2%	-		

The Group's Emerging Markets free-TV operations comprise a total of 19 free-TV channels in the Baltics, the Czech Republic, Bulgaria, Hungary and Ghana. The Group's Slovenian free-TV operations were closed down during the first quarter, and the channel ceased broadcasting on 29 February 2012. Combined sales were up 5% year on year in the quarter following strong growth in the Czech Republic and Ghana.

Total segment operating costs amounted to SEK 423 (451) million in the quarter, and were down less year on year at constant exchange rates. The development primarily reflected lower year on year costs in Bulgaria and the closure of the Slovenian operations, which were offset to an extent by programming investments as well as the launch of Prima LOVE in the Czech Republic in March, and TV8 in Lithuania in September 2011.

The combined Emerging Markets free-TV businesses therefore reported a SEK 39 million positive swing in profitability to SEK 8 (-31) million in the quarter, with an operating margin of 2% (-).

### Baltics, Czech Republic and Bulgaria

(SEK million)	Jan-Mar 2012	Jan-Mar 2011	Change	Change at constant exchange rates
Net sales	393	371	6%	8%
Operating income	27	-3	-	
Operating margin	7%	-		

Combined sales for the Group's free-TV operations in the Baltics, the Czech Republic and Bulgaria were up 8% year on year at constant exchange rates in the quarter.

Combined operating costs for the businesses amounted to SEK 367 (373) million in the quarter, and were stable year on year at constant exchange rates. The businesses therefore reported a



SEK 30 million positive swing in combined operating profits to SEK 27 (-3) million, with a 7% (-) operating margin for the period.

Commercial share of viewing (%) (Target audience)	Jan-Mar 2012	Jan-Dec 2011	Jan-Mar 2011
Estonia (TV3, 3+, TV6) (15-49)*	40.9	38.7	37.7
Latvia (TV3, 3+, TV6) (15-49)*	36.1	39.0	36.7
Lithuania** (TV3, TV6, TV8) (15-49)	43.2	46.3	42.2
Czech Republic (Prima Family, Prima COOL, Prima Love) (15-54)***	36.9	37.6	32.1
Bulgaria (Nova TV, Diema, Diema Family, Kino Nova) (18-49)	29.1	27.7	28.3

\* The universes for the calculation of commercial share of viewing in Estonia and Latvia have been expanded to include additional channels and the audience shares for each period have been adjusted accordingly.

\*\* TV8 Lithuania has been included in the CSOV calculation for the Lithuanian media house from the start of the first quarter of 2012

\*\*\* The universe for the calculation of commercial share of viewing in the Czech Republic has been adjusted to exclude state-owned channels CT1 and CT2, as the volume of advertising on these channels is minimal due to changes in Czech broadcasting law. The audience shares for each period have been adjusted accordingly.

Sales for the Group's Baltic free-TV channels were up 2% year on year at constant exchange rates in the first quarter. The Pan-Baltic commercial target audience share in the 15-49 target group increased year on year to 40.5% (39.9%) in the quarter. MTG's operations increased their combined TV advertising market shares in each of the Baltic countries in the quarter.

Sales for the Group's Czech operations were up 16% year on year at constant exchange rates in the quarter, following continued significant year on year audience and advertising market share gains as the Group continued to invest in further enhancing its programming schedules.

Sales for the Group's Bulgarian operations were down 5% year on year at constant exchange rates in the quarter. The year on year decline continued to reflect the overall weakness in the TV advertising market in the country, as well as lower year on year pricing levels. The combined commercial audience share for the Group's Bulgarian media house was up both year on year and quarter on quarter.

The Group's Hungarian operations reported lower year on year sales in the quarter, following a continued contraction in the Hungarian TV advertising market. The Viasat1 channel in Ghana further improved its market position both quarter on quarter and year on year, and generated more than 50% year on year sales growth at constant exchange rates in the quarter.

## Pay-TV Emerging Markets

### 14% Sales Growth at constant exchange rates & 14% Operating Margin

(SEK million)	Jan-Mar 2012	Jan-Mar 2011	Change	Change at constant exchange rates
Net sales	251	215	17%	14%
Operating income	34	7	360%	
Operating margin	14%	3%		

Viasat's Emerging Market pay-TV operations market and sell premium pay-TV packages on the Viasat satellite platforms in the Baltics and Ukraine, and on the joint venture Raduga TV satellite platform in Russia. Viasat also distributes 20 channels via third party pay-TV networks to subscribers in 30 countries across Central and Eastern Europe, Africa and the United States, and the Viaplay online pay-TV service was launched in Russia in March 2012.

Sales for the combined operations were up 14% year on year at constant exchange rates in the first quarter, driven by continued year on year subscriber intake on the Group's Ukrainian, Russian and Baltic satellite platforms, as well as continued strong growth in the mini-pay wholesale channel business.

(000's)	Mar 2012	Dec 2011	Mar 2011
Satellite subscribers	529	532	438
Mini-pay TV subscriptions	66,012	64,285	58,197

Viasat's Emerging Markets satellite pay-TV platforms added 91,000 net new subscribers year on year. The net quarter on quarter decline in the base reflected the seasonal impact of high growth in the fourth quarter followed by lower gross additions and increased churn in the first quarter. The wholesale mini-pay channel business added almost 8 million subscriptions year on year following particularly strong growth in the Russian base.

Operating costs for the Emerging Markets pay-TV business increased year on year to SEK 217 (207) million in the first quarter, but were up less at constant exchange rates. This development primarily reflected the ongoing investments in the satellite platforms. The segment therefore reported a more than quadrupling of operating profits year on year in the quarter, with an increased operating margin of 14% (3%).

## CTC Media

The Group reports its 38.1% participation in the earnings of CTC Media with a one quarter time lag due to the fact that CTC Media reports its financial results after MTG. MTG's participation in CTC Media's US dollar reported results is translated into MTG's Swedish krona reporting currency at the average currency exchange rate for the MTG reporting period.

CTC Media reported results (USD million)	Oct-Dec 2011	Oct-Dec 2010	Change
Sales	237	222	6%
Operating income	-2	101	-
Income before tax	4	105	-96%

MTG share of CTC Media results (SEK million)	Jan-Mar 2012	Jan-Mar 2011	Change
Associated company income	200	255	-22%
Dividends received	52	61	-16%
MTG equity participation	38.1%	38.2%	



CTC Media's Q4 2011 results included USD 89.5 million of non-cash impairment charges, of which USD 4.6 million impacted MTG's Q1 2012 income statements and is reported in the associated company income line. Furthermore, the non-cash financial gains and losses that arise from time to time following new share issues by CTC Media and the resulting dilution of the Group's ownership in CTC Media are no longer reported within the other financial items line of MTG's income statements but are now included in associated company income from CTC Media. Results for prior periods have been restated accordingly. MTG's total participation in the earnings of CTC Media therefore amounted to SEK 200 (255) million in the first quarter of 2012.

CTC Media will publish its results for the first quarter 2012 on 3 May 2012. For further information regarding CTC Media, please visit [www.ctcmedia.ru](http://www.ctcmedia.ru).

## Other Businesses

(SEK million)	Jan-Mar 2012	Jan-Mar 2011	Change	Change at constant exchange rates
Net sales	407	400	2%	1%
Operating income	-14	20	-	-
Operating margin	-	5%		
Associated company income	0	0	-	
Total operating income	-14	20	-	

The Group's 'Other Businesses' segment comprises the Group's Radio, Bet24 and Modern Studios operations. The Group's radio operations comprise the leading national commercial networks in Sweden and Norway, as well as national and local stations in the Baltics. Modern Studios comprises the Group's content production businesses in Europe and Africa.

Combined sales for the businesses were up 1% year on year at constant exchange rates in the quarter, which reflected sales growth for Modern Studios, but lower year on year sales for both the radio operations and Bet24.

Operating costs were up year on year to SEK 421 (380) million in the quarter, which primarily reflected investments in Modern Studios and the Norwegian radio operations. The segment therefore reported an operating loss of SEK -14 (20) million for the period.

As mentioned previously, the Group announced on 11 April 2012 that its subsidiary Nordic Betting Ltd had signed an agreement with Unibet Group plc to sell its Bet24 operations to Unibet for a total cash consideration of approximately EUR 13.5 million. The transaction is subject to regulatory approval and is expected to be completed by the end of the second quarter of 2012.

## Financial Review

### Cash Flow

The Group's cash flow from operations before changes in working capital amounted to SEK 334 (462) million in the first quarter, and included the receipt of SEK 52 (61) million of dividend payments from CTC Media in the quarter. The Group reported a SEK -269 (-339) million change in working capital in the quarter and therefore reported net cash flow from operations of SEK 65 (123) million in the quarter.

The Group sold all of its remaining shares in Metro International S.A. to Investment AB Kinnevik in the quarter following the previously announced tender offer, and received SEK 24 million in cash. The Group made no investments in shares in the first quarters of 2012 or 2011. Group capital expenditure on tangible and intangible assets totalled SEK 23 (32) million in the quarter, which was equivalent to less than 1% of Group net sales.

Cash flow received/used in financing activities amounted to SEK 54 (-189) million in the first quarter and included a SEK 37 (-283) million net increase in borrowings. The Group had a total borrowing of SEK 1,603 (2,446) million at the end of the quarter, compared to SEK 1,566 million at the end of 2011.

The net change in cash and cash equivalents for the period therefore amounted to SEK 120 (-98) million in the quarter. The Group had SEK 583 (368) million of cash and cash equivalents at the end of the period, compared to SEK 470 million as at 31 December 2011.

#### Net debt

The Group's net debt position, which is defined as interest bearing liabilities less cash and cash equivalents and interest bearing assets, amounted to SEK 733 (1,863) million at the end of the period, and compared to a net debt position of SEK 797 million as at 31 December 2011. The net debt to trailing twelve month EBITDA ratio was therefore reduced year on year to 0.3 (0.7) times at the end of the period, compared to 0.3 times at the end of 2011.

#### Liquid funds

The Group's available liquid funds, including unutilised credit and overdraft facilities, totalled SEK 5,640 (4,568) million at the end of the year, compared to SEK 5,528 million at the end of 2011.

#### Holdings in listed companies

The book value of the Group's 38.1% shareholding in associated company CTC Media was SEK 1,869 (1,766) million at the end of the period, and compared with the SEK 4,619 million (USD 698 million) public equity market value of the shareholding as at the close of trading on the last business day of the first quarter of 2012.

#### Equity

The Group reported SEK -47 (-189) million of currency translation differences in equity in the quarter. The Group does not hedge its equity exposure to currency translation effects. The Group's total equity amounted to SEK 4,744 (6,538) million at the end of the period, compared to SEK 4,350 million at the end of 2011.

#### Shares

The weighted average number of shares outstanding was 66,403,237 (66,342,124) during the first quarter. The Group's total number of outstanding shares was unchanged during the quarter at 66,403,237 at the end of the quarter, when excluding the 865,000 Class C shares and 378,887 Class B shares held by MTG in treasury.

Share issues and other changes	Class A shares	Class B shares	Class C shares	Total
<b>Number of issued shares as per 1 January 2012</b>	5,878,931	60,903,193	865,000	67,647,124
<i>Change in number of shares in 2012</i>	-	-	-	-
<b>Total number of issued shares as per 31 March 2012</b>	5,878,931	60,903,193	865,000	67,647,124

## Related Party Transactions

Related party transactions in the quarter and for the full year are of the same character and of similar amounts as the transactions described in the 2011 Annual Report with the exception of the following. The Group sold all of its remaining shares, warrants and subordinated debentures in Metro International S.A. to Investment AB Kinnevik for SEK 24 million in the quarter following the previously announced public tender offer. The sale gave rise to a net gain of SEK 9 million.

## Parent Company

Modern Times Group MTG AB is the Group's parent company and is responsible for Group-wide management, administration and finance functions.

(SEK million)	Jan-Mar 2012	Jan-Mar 2011
Net Sales	14	9
Net interest & other financial items	135	161
Income before tax	80	126

The parent company had cash and cash equivalents of SEK 275 (57) million at the end of the period, compared to SEK 96 million as at 31 December 2011. SEK 5,057 (4,200) million of the SEK 6,600 million total available credit facilities, including the SEK 100 million overdraft facility, was unutilised as at the end of the reporting period.

## Risks & Uncertainties

Significant risks and uncertainties exist for the Group and the parent company and, for the coming year, these include the prevailing economic and business environments in certain markets and the impact of the Eurozone crisis in particular; commercial risk related to expansion into new territories; political and legislative risk related to changes in rules and regulations in the various countries in which the Group operates; exposure to foreign exchange rate movements and the US dollar and Euro in particular; and the emergence of new technologies and competitors. These risks and uncertainties are described in more detail in the 2011 Annual Report, which is available from the Group's website at [www.mtg.se](http://www.mtg.se).

## Other Information

This Group report has been prepared according to 'IAS 34 Interim Financial Reporting' and 'The Annual Accounts Act'. The interim report for the parent company has been prepared according to the Annual Accounts Act - Chapter 9 'Interim Report'. The Group's consolidated accounts and the parent company accounts have been prepared according to the same accounting policies and calculation methods as were applied in the preparation of the 2011 Annual Report with the exception that the results arising from new share issues by associated companies are included in the associated company income and not, as previously, in other financial items. The results for prior periods have been restated accordingly.

This report has not been subject to review by the Group's auditor.

## Second Quarter 2012 Financial Results

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MTG's financial results for the second quarter and six months ended 30 June 2012 will be published on 19 July 2012.

## Conference Call

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The company will host a conference call today at 15.00 Stockholm local time, 14.00 London local time and 09.00 New York local time. To participate in the conference call, please dial:

Sweden: +46(0)8 5352 6408  
UK: +44(0)20 7136 2056  
US: +1646 254 3388

The access pin code for the call is 3382044.

To listen to the conference call online and for further information please go to [www.mtg.se](http://www.mtg.se).

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For further information, please visit [www.mtg.se](http://www.mtg.se), or contact:

Hans-Holger Albrecht, President & Chief Executive Officer  
Mathias Hermansson, Chief Financial Officer  
Tel: +46 (0) 8 562 000 50

Matthew Hooper, Head of Corporate Communications & Planning  
Tel: +44 (0) 7768 440 414  
Email: [investor.relations@mtg.se](mailto:investor.relations@mtg.se) / [press@mtg.se](mailto:press@mtg.se)

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Stockholm, 19 April 2012

Hans-Holger Albrecht, President & CEO

Modern Times Group MTG AB  
Skeppsbron 18  
P.O. Box 2094  
SE-103 13 Stockholm, Sweden  
Registration number: 556309-9158

*Modern Times Group (MTG) is an international entertainment broadcasting group with operations that span four continents and include free-TV, pay-TV, radio and content production businesses. MTG's Viasat Broadcasting operates free-TV and pay-TV channels, which are available on Viasat's own satellite platforms and third party networks, and also distributes TV content over the internet. MTG is also the largest shareholder in CTC Media, which is Russia's leading independent television broadcaster.*

*Modern Times Group is a growth company and generated record net sales of SEK 13.5 billion in 2011. MTG's Class A and B shares are listed on Nasdaq OMX Stockholm's Large Cap index under the symbols 'MTGA' and 'MTGB'.*

*The information in this quarterly report is that which Modern Times Group MTG AB is required to disclose under the Securities Market Act and/or the Financial Instruments Trading Act. It was released for publication at 13.00 CET on 19 April 2012.*

CONDENSED CONSOLIDATED INCOME STATEMENT (MSEK)	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Net sales	3,259	3,125	13,473
Cost of goods and services	-1,960	-1,874	-8,039
<b>Gross income</b>	<b>1,299</b>	<b>1,250</b>	<b>5,434</b>
Selling and administrative expenses	-941	-789	-3,376
Other operating revenues and expenses, net	-18	-30	-125
Share of earnings in associated companies	201	254	634
Write-down and one-off costs	-	-	-3,182
<b>Operating income (EBIT)</b>	<b>542</b>	<b>686</b>	<b>-615</b>
Net interest	-16	-14	-59
Other financial items	65	-1	-53
<b>Income before tax</b>	<b>591</b>	<b>671</b>	<b>-727</b>
Tax	-137	-181	-561
<b>Net income for the period</b>	<b>454</b>	<b>490</b>	<b>-1,289</b>
<b>Attributable to:</b>			
Equity holders of the parent	444	487	-1,327
Non-controlling interests	10	3	38
<b>Net income for the period</b>	<b>454</b>	<b>490</b>	<b>-1,289</b>
Basic earnings per share (SEK)	6.68	7.35	-19.98
Diluted earnings per share (SEK)	6.66	7.29	-20.02
CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE GROUP (MSEK)	2012 Jan-Dec	2011 Jan-Dec	2011 Jan-Dec
<b>Net income for the period</b>	<b>454</b>	<b>490</b>	<b>-1,289</b>
<b>Other comprehensive income</b>			
Currency translation differences	-47	-189	-139
Cash flow hedge	-21	-3	21
Revaluation of shares at market value	0	0	-10
Share of other comprehensive income of associates	6	-	73
<b>Other comprehensive income for the period</b>	<b>-63</b>	<b>-192</b>	<b>-55</b>
<b>Total comprehensive income for the period</b>	<b>391</b>	<b>298</b>	<b>-1,344</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent	390	321	-1,370
Non-controlling interests	1	-23	26
<b>Total comprehensive income for the period</b>	<b>391</b>	<b>298</b>	<b>-1,344</b>
Shares outstanding at the end of the period	66,403,237	66,342,124	66,403,237
Basic average number of shares outstanding	66,403,237	66,342,124	66,383,647
Diluted average number of shares outstanding	66,667,402	66,703,086	66,383,647

CONDENSED STATEMENT OF FINANCIAL POSITION (MSEK)	2012 31 Mar	2011 31 Mar	2011 31 Dec
<b>Non-current assets</b>			
Goodwill	2,478	4,908	2,447
Other intangible assets	593	1,159	581
Machinery and equipment	255	295	267
Shares and participations	2,057	1,878	1,993
Other financial receivables	300	326	324
	5,683	8,566	5,612
<b>Current assets</b>			
Inventory	1,876	1,880	1,591
Current receivables	3,326	3,091	3,608
Cash, cash equivalents and short-term investments	583	368	470
	5,785	5,339	5,668
<b>Total assets</b>	11,468	13,905	11,281
<b>Shareholders' equity</b>			
Shareholders' equity	4,501	6,288	4,128
Non-controlling interests	243	250	222
	4,744	6,538	4,350
<b>Long-term liabilities</b>			
Interest-bearing liabilities	1,550	2,408	1,524
Provisions	599	581	583
Non-interest-bearing liabilities	71	64	60
	2,220	3,054	2,168
<b>Current liabilities</b>			
Interest-bearing liabilities	60	70	50
Non-interest-bearing liabilities	4,444	4,243	4,713
	4,504	4,313	4,763
<b>Total shareholders' equity and liabilities</b>	11,468	13,905	11,281



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (MSEK)	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Cash flow from operations	334	462	1,853
Changes in working capital	-269	-339	-56
<b>Net cash flow from operations continuing operations</b>	<b>65</b>	<b>123</b>	<b>1,797</b>
Proceeds from sales of shares	24	-	5
Investments in other non-current assets	-23	-32	-120
<b>Cash flow used in investing activities continuing operations</b>	<b>1</b>	<b>-32</b>	<b>-115</b>
Net change in loans	37	-283	-1,188
Dividends to shareholders	-	-	-498
Other cash flow from/to financing activities	16	94	-51
<b>Cash flow used in financing activities continuing operations</b>	<b>54</b>	<b>-189</b>	<b>-1,737</b>
<b>Net change in cash and cash equivalents for the period</b>	<b>120</b>	<b>-98</b>	<b>-55</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>470</b>	<b>500</b>	<b>500</b>
<b>Translation differences in cash and cash equivalents</b>	<b>-6</b>	<b>-34</b>	<b>25</b>
<b>Cash and cash equivalents at end of the period</b>	<b>583</b>	<b>368</b>	<b>470</b>

CONDENSED STATEMENT OF CHANGES IN EQUITY (MSEK)	2012 31 Mar	2011 31 Mar	2011 31 Dec
<b>Opening balance</b>	<b>4,350</b>	<b>6,239</b>	<b>6,239</b>
Net loss/income for the year	454	490	-1,289
Other comprehensive income for the year	-63	-192	-55
<b>Total comprehensive loss/income for the year</b>	<b>391</b>	<b>298</b>	<b>-1,344</b>
Effect of employee share option programmes	3	1	10
Dividends to shareholders	-	-	-498
Dividends to non-controlling interests	-	-	-57
<b>Closing balance</b>	<b>4,744</b>	<b>6,539</b>	<b>4,350</b>

CONDENSED INCOME STATEMENT PARENT COMPANY (MSEK)	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Net sales	14	9	38
<b>Gross income</b>	<b>14</b>	<b>9</b>	<b>38</b>
Administrative expenses	-69	-45	-245
<b>Operating income (EBIT)</b>	<b>-55</b>	<b>-36</b>	<b>-207</b>
Net interest and other financial items	135	161	974
<b>Income before tax</b>	<b>80</b>	<b>126</b>	<b>562</b>
Tax	-18	-33	-47
<b>Net income for the period</b>	<b>61</b>	<b>93</b>	<b>515</b>

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE PARENT (MSEK)	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
<b>Net income for the period</b>	<b>61</b>	<b>93</b>	<b>515</b>
<b>Other comprehensive income</b>			
Revaluation of shares at market value	0	0	-10
<b>Other comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-10</b>
<b>Total comprehensive income for the period</b>	<b>61</b>	<b>93</b>	<b>505</b>

CONDENSED BALANCE SHEET PARENT COMPANY (MSEK)	2012 31 Mar	2011 31 Mar	2011 31 Dec
<b>Non-current assets</b>			
Shares and participations	3,676	3,694	3,676
Other financial assets	12,611	12,659	12,608
<b>Total financial assets</b>	<b>16,288</b>	<b>16,353</b>	<b>16,285</b>
<b>Current assets</b>			
Current receivables	300	230	842
Cash, cash equivalents and short-term investments	275	57	96
	575	287	938
<b>Total assets</b>	<b>16,863</b>	<b>16,639</b>	<b>17,222</b>
<b>Shareholders' equity</b>			
Restricted equity	338	337	338
Non-restricted equity	8,545	8,583	8,501
	8,883	8,920	8,840
<b>Long-term liabilities</b>			
Interest-bearing liabilities	7,370	6,508	4,208
Provisions	6	10	6
Non-interest-bearing liabilities	19	107	60
	7,395	6,626	4,275
<b>Current liabilities</b>			
Other interest-bearing liabilities	430	994	3,284
Non-interest-bearing liabilities	154	100	823
	584	1,094	4,107
<b>Total shareholders' equity and liabilities</b>	<b>16,863</b>	<b>16,639</b>	<b>17,222</b>

## Modern Times Group MTG AB

NET SALES BUSINESS SEGMENTS (MSEK)	Q1 2011	Q2 2011	Q3 2011	Q4 FULL YEAR 2011	2011	Q1 2012
Free-TV Scandinavia	1,023.1	1,146.2	983.9	1,240.1	<b>4,393.3</b>	<b>1,023.7</b>
Pay-TV Nordic	1,139.1	1,186.1	1,183.6	1,221.1	<b>4,730.0</b>	<b>1,248.7</b>
Free-TV Emerging Markets	419.8	598.2	399.9	655.3	<b>2,073.3</b>	<b>431.6</b>
- of which Baltics, Czech & Bulgaria	370.5	530.9	352.1	591.5	<b>1,845.0</b>	<b>393.4</b>
Pay-TV Emerging Markets	214.7	230.1	240.3	237.3	<b>922.4</b>	<b>250.6</b>
Viasat Broadcasting central operations & eliminations	-43.0	-37.8	-47.2	-44.6	<b>-172.6</b>	<b>-45.9</b>
<b>Total Viasat Broadcasting</b>	<b>2,753.8</b>	<b>3,122.8</b>	<b>2,760.5</b>	<b>3,309.2</b>	<b>11,946.3</b>	<b>2,908.8</b>
Other Businesses	400.2	452.2	372.5	449.6	<b>1,674.5</b>	<b>407.4</b>
<b>Total operating businesses</b>	<b>3,154.0</b>	<b>3,575.0</b>	<b>3,133.0</b>	<b>3,758.9</b>	<b>13,620.9</b>	<b>3,316.2</b>
Group central operations	47.3	45.4	45.6	47.5	<b>185.8</b>	<b>58.9</b>
Eliminations	-76.4	-89.1	-72.9	-95.1	<b>-333.6</b>	<b>-115.6</b>
<b>TOTAL OPERATIONS</b>	<b>3,124.8</b>	<b>3,531.3</b>	<b>3,105.7</b>	<b>3,711.3</b>	<b>13,473.1</b>	<b>3,259.4</b>

OPERATING INCOME (EBIT) BUSINESS SEGMENTS (MSEK)	Q1 2011	Q2 2011	Q3 2011	Q4 FULL YEAR 2011	2011	Q1 2012
Free-TV Scandinavia	260.3	319.2	215.7	282.0	<b>1,077.3</b>	<b>157.7</b>
Pay-TV Nordic	214.8	228.1	234.5	245.6	<b>923.0</b>	<b>217.2</b>
Free-TV Emerging Markets	-31.2	72.5	-76.2	67.0	<b>32.1</b>	<b>8.3</b>
- of which Baltics, Czech & Bulgaria	-2.6	95.5	-48.0	79.0	<b>123.9</b>	<b>26.7</b>
Pay-TV Emerging Markets	7.4	21.5	13.3	6.6	<b>48.7</b>	<b>33.9</b>
Associated company CTC Media	254.7	93.6	164.3	111.8	<b>624.4</b>	<b>199.7</b>
Viasat Broadcasting central operations & eliminations	12.5	-0.3	0.6	-5.8	<b>7.0</b>	<b>7.4</b>
<b>Total Viasat Broadcasting</b>	<b>718.5</b>	<b>734.7</b>	<b>552.2</b>	<b>707.1</b>	<b>2,712.4</b>	<b>624.2</b>
Other Businesses	20.0	44.3	17.9	31.8	<b>114.0</b>	<b>-13.7</b>
<b>Total operating businesses</b>	<b>738.5</b>	<b>779.0</b>	<b>570.1</b>	<b>738.8</b>	<b>2,826.5</b>	<b>610.5</b>
Group central operations & eliminations	-52.4	-91.2	-44.3	-71.9	<b>-259.9</b>	<b>-69.0</b>
<b>TOTAL OPERATIONS</b>	<b>686.1</b>	<b>687.8</b>	<b>525.8</b>	<b>666.9</b>	<b>2,566.6</b>	<b>541.5</b>
Non-recurring items	-	-	-	-202.9	<b>-202.9</b>	<b>-</b>
Asset impairment charges Bulgaria	-	-	-	-2,978.8	<b>-2,978.8</b>	<b>-</b>
<b>GROUP TOTAL</b>	<b>686.1</b>	<b>687.8</b>	<b>525.8</b>	<b>-2,514.8</b>	<b>-615.1</b>	<b>541.5</b>

CONDENSED SALES GROUP SEGMENTS (MSEK)	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Sales external customers			
Viasat Broadcasting	<b>2,905</b>	2,753	11,932
Other Businesses	<b>346</b>	366	1,519
Parent company & holding companies	<b>8</b>	6	22
<b>Total</b>	<b>3,259</b>	<b>3,125</b>	<b>13,473</b>

Sales betw een segments			
Viasat Broadcasting	<b>3</b>	1	15
Other Businesses	<b>61</b>	34	155
Parent company & holding companies	<b>51</b>	41	163
<b>Total</b>	<b>115</b>	<b>76</b>	<b>334</b>

## Modern Times Group MTG AB

KEY PERFORMANCE INDICATORS	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FULL YEAR 2011	Q1 2012
<b>GROUP</b>						
Year on year sales growth (%) *	2.3	3.5	2.9	2.6	2.8	4.3
Year on year change in operating costs (%) *	0.6	3.7	2.5	6.6	3.4	8.4
Operating margin (%) *	13.8	16.7	11.5	14.8	14.3	10.5
Year on year sales growth at constant exchange rates (%) **	9.7	8.5	4.1	3.3	6.3	3.9
Return on capital employed (%)	27	27	28	29		30
Return on equity (%)	32	30	28	30		31
Equity to assets ratio (%)	47	47	49	39		41
Liquid funds (incl unutilised credit facilities), SEK million	4,568	4,682	4,499	5,528		5,640
Net debt (SEK million)	1,863	1,716	1,861	797		733
Subscriber data ('000s)						
Group total digital subscribers	1,539	1,526	1,542	1,628		1,609
<b>FREE-TV SCANDINAVIA</b>						
Year on year sales growth (%)	4.4	2.7	6.7	0.9	3.4	0.1
Year on year change in operating costs (%)	-0.2	1.0	9.3	9.0	4.8	13.5
Operating margin (%)	25.4	27.8	21.9	22.7	24.5	15.4
Year on year sales growth at constant exchange rates (%) **	10.9	6.7	7.2	1.1	6.2	-0.6
Commercial share of viewing (15-49) (%)						
Sweden (TV3, TV6, TV8, TV10/ZTV)	33.8	37.6	38.4	34.0	35.8	34.9
Norway (TV3, Viasat4) 1	22.0	23.7	20.7	19.2	21.4	18.6
Denmark (TV3, TV3+, TV3 PULS)	25.4	25.7	23.1	22.2	24.1	24.9
Penetration (%)						
TV3 Sweden	88	87	87	88		85
TV6 Sweden	87	86	86	88		86
TV8 Sweden	67	65	65	66		62
TV10 Sweden	44	46	46	47		48
TV3 Norway	92	92	92	92		92
Viasat4 Norway	75	75	75	75		75
TV3 Denmark	69	69	69	67		67
TV3+ Denmark	63	61	61	60		60
TV3 PULS Denmark	47	47	47	44		44
<b>PAY-TV NORDIC</b>						
Year on year sales growth (%)	4.3	6.3	3.8	7.4	5.5	9.6
Year on year change in operating costs (%)	2.7	7.2	1.1	5.0	4.0	11.6
Operating margin (%)	18.9	19.2	19.8	20.1	19.5	17.4
Year on year sales growth at constant exchange rates (%) **	10.3	10.2	4.5	7.3	8.0	8.9
Subscriber data ('000s)						
Premium subscribers	1,048	1,048	1,042	1,058		1,039
- of which, satellite	653	645	640	638		625
- of which, 3rd party networks	394	403	402	421		414
Basic satellite subscribers	42	40	39	38		42
Premium satellite ARPU (SEK)	4,445	4,594	4,751	4,791		4,866
<b>FREE-TV EMERGING MARKETS</b>						
Year on year sales growth (%)	-3.1	2.7	12.0	3.8	3.4	2.8
Year on year change in operating costs (%)	-9.7	-2.8	10.1	2.3	-0.3	-6.1
Operating margin (%)	-	12.2	-	10.2	1.5	1.9
Year on year sales growth at constant exchange rates (%) **	5.9	7.9	12.1	7.3	8.0	5.2
Commercial share of viewing (%)						
Estonia (15-49) 2	37.7	39.3	38.0	38.7	38.4	40.9
Latvia (15-49) 2	36.7	38.3	34.4	39.0	37.2	36.1
Lithuania (15-49) 3	42.2	42.1	45.7	46.3	44.0	43.2
Czech Republic (15-54) 4	32.1	32.0	35.7	37.6	34.7	36.9
Bulgaria (18-49)	28.3	28.2	28.0	27.7	28.1	29.1
Hungary (18-49)	7.9	7.5	8.2	8.9	8.1	9.4
Slovenia (18-49)	10.2	10.2	11.0	10.3	10.4	n/a
<b>PAY-TV EMERGING MARKETS</b>						
Year on year sales growth (%)	-1.5	2.5	5.2	5.5	2.9	16.7
Year on year change in operating costs (%)	16.5	10.8	2.0	18.0	11.4	4.5
Operating margin (%)	3.4	9.3	5.5	2.8	5.3	13.5
Year on year sales growth at constant exchange rates (%) **	11.5	18.6	14.3	6.2	12.7	14.3
Subscriber data ('000s)						
Satellite subscribers	438	438	460	532		529
Mini-pay subscriptions	58,197	61,105	61,177	64,285		66,012
<b>ASSOCIATED COMPANY CTC MEDIA</b>						
Share of viewing						
CTC Russia (6-54)	11.2	11.1	9.9	10.6	10.7	11.0
Domashny Russia (females 25 - 59)	2.8	3.0	3.3	3.3	3.1	3.7
Peretz (DTV) Russia (25-59)	2.0	2.1	2.0	2.0	2.0	2.6
Channel 31 Kazakhstan (6-54)	14.8	15.2	17.7	15.7	15.9	14.5

1 The universes for the calculation of commercial share of viewing in Norway has been expanded to include additional channels and the audience shares for each period have been adjusted accordingly.

2 The universes for the calculation of commercial share of viewing in Estonia and Latvia have been expanded to include additional channels and the audience shares for each period have been adjusted accordingly.

3 TV8 Lithuania has been included in the CSOV calculation for the Lithuanian media house from the start of the first quarter of 2012.

4 The universe for the calculation of commercial share of viewing in the Czech Republic has been adjusted to exclude state-owned CT1 and CT2, as the volume of advertising on these channels is minimal due to changes in Czech broadcasting law. The audience shares for each period have been adjusted accordingly.

\* excluding non-recurring items

\*\* the growth is calculated based on prior year's exchange rates