



Press release 26 May 2008

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The Board of Directors in Zodiak Television recommends the public offer from De Agostini of SEK 40 per share

Conny Karlsson, Chairman of the Board of Directors, said: *"We consider this offer as financially attractive and reflecting the full value of Zodiak. We also believe Zodiak will have very exciting opportunities for further development within the De Agostini Group. The offer is both financially and industrially fair and to the benefit of both shareholders and Zodiak's personnel."*

Patrick Svensk, CEO of Zodiak, said: *"Zodiak's management looks positively on this offer which we believe will enhance the further expansion of the Company. In the short term there will be no dramatic changes as our business will continue as usual with own management and trade mark(s). In a longer perspective we will benefit from increased resources for future growth."*

Analyst and media presentation:

An analyst and media presentation will be held at Hallvarsson&Halvarsson, Birger Jarlsgatan 6B in Stockholm on Monday, May 26 at 11.30 a.m.

The Chairman Conny Karlsson and CEO Patrick Svensk will participate. Questions for the presentation can also be asked by telephone +46 8 24 85 91, access code 109 133.

For further information, please contact:

Conny Karlsson
Chairman of the Board
+46 705 211 918

Patrick Svensk
CEO and President of Zodiak
+46 708 660 730

Background

De Agostini Communication S.p.A. ("De Agostini") has today announced, through a subsidiary, a public offer to the holders of shares and convertible debentures in Zodiak Television AB (publ) ("Zodiak" or the "Company") to tender all outstanding shares and convertible debentures in Zodiak to De Agostini (the "Offer").

De Agostini offers SEK 40 in cash per share in Zodiak and SEK 40 in cash per convertible debenture with a nominal value of SEK 27 issued by Zodiak. The offer document is scheduled to be made public around 4 June 2008 and the acceptance period is scheduled to start on 5 June 2008 and end on 26 June 2008.

Recommendation by the Board of Directors in Zodiak

The Board of Directors in Zodiak unanimously recommends holders of shares and convertible debentures in Zodiak to accept the Offer.

The statement to be made by the Board of Directors in Zodiak in accordance with section II.14 in the OMX Nordic Exchange Stockholm AB's Rules Regarding Takeover Offers (the "Takeover Rules") is intended to be released at the same time as the release of the offer document, on or about 4 June 2008.

The Board of Directors has based its recommendation on an assessment of factors that has been deemed relevant in relation to the Offer. The Board of Directors has obtained a fairness opinion regarding the Offer from Carnegie Investment Bank AB, concluding that the Offer is fair from a financial point of view. The fairness opinion is attached to this statement.

Due diligence process and disclosure of price sensitive information

On 10 April 2008, the Board of Directors of Zodiak received a non-binding proposal from De Agostini stating its interest in making an all cash public tender offer for 100 per cent of the shares and convertible debentures in Zodiak.

The non-binding proposal was made subject to confirmation of certain key issues in a limited due diligence process. The Board of Directors approved access to management and certain key documents and as part of this due diligence process, De Agostini has received certain information, which is deemed price sensitive by the Board of Directors.

Relevant information, including (1) a forecast for 2008, (2) a management plan for 2009 – 2012 and (3) information on earn out payments and options to increase the ownership in certain group companies, is presented below.

1) Forecast for 2008

Zodiak has previously stated the targets to achieve an operating margin of at least 10 per cent and an organic revenue growth of at least 10 per cent per year.

In the financial report for the first quarter 2008, Zodiak gave an explicit target for operating profit (EBIT) 2008 of SEK 150 million, excluding any acquisitions made after March 31, 2008.

After the release of the report for the first quarter 2008, Zodiak has decided, subject to financing, to use its call option to acquire the remaining share capital of Mastiff Media Polska Sp. Zo. O. ("Mastiff Polska") and thereby increase its ownership from 35 per cent to 100 per cent, at a cost of approximately SEK 32 million to be paid in 2008¹.

Zodiak estimates that the Polish operations will add around SEK 140 million to the Group's revenues and around SEK 10 million in EBIT on an annual basis.

2) Management Plan 2009 to 2012

Zodiak has a long term business plan ("the Management Plan"), which reflects management's plans and targets for the period from 2009 to 2012. Successful execution of the Management Plan is dependent not only on the capabilities of Zodiak, but also a number of external factors outside the control of Zodiak. Hence, there can be no guarantee that the Management Plan, as described below, will be realised.

In addition to an organic growth of approximately 10 per cent per annum, the Management Plan includes the effect of the increase in ownership in certain entities, in which Zodiak currently owns less than 100 per cent of the capital, at a cost defined in option agreements entered into at the time of the respective initial investment – see "*Options to increase the ownership in certain group companies*".

Giving effect both to the organic growth and such acquisitions, the Management Plan results in group revenues 2012 of approximately SEK 2.5 billion. Furthermore, in accordance with the financial targets, EBIT margins under the Management Plan exceed 10 per cent for the entire period 2009-2012 and EBIT 2012 amounts to SEK 250-300 million.

¹ If Zodiak does not exercise the call option, the majority owner has a right to acquire Zodiak's shares.

3) *Earn out payments and options to increase the ownership in certain group companies*

Earn out payments

Zodiak has made a number of acquisitions, all of which have been disclosed and some of which include terms where Zodiak may be obliged to pay an additional purchase price (so-called “earn out payment”).

Based on the Management Plan, the Company expects to make earn-out payments during the period starting 1 April 2008 and ending on 31 December 2012, in a total amount of SEK 200 – 250 million, of which around SEK 40-50 million in 2008, SEK 10-20 million in 2009 and the remaining amount in 2012. Under current obligations, no earn-out payments fall due after 2012.

The size of the earn-out payments may differ both negatively and positively from levels indicated above depending on the performance of each respective company in relation to the Management Plan. However, in no event will the aggregate remaining payments under existing earn-out obligations exceed SEK 450 million (based on current exchange rates).

Options to increase the ownership in certain group companies

Zodiak has also made a number of acquisitions where Zodiak initially has acquired less than 100 per cent of the share capital but where Zodiak under the share purchase agreement has a future right to acquire the remaining stake in the company at pre-defined terms (so-called “call options”). Also, under the same agreements, the original owners in some cases have a right to sell the remaining stake to Zodiak at similar terms (so-called “put options”). The strike price of the call and put options are typically based on the performance of the company acquired and capped at a maximum price.

Zodiak has decided to, subject to financing, use its call option to acquire the remaining share capital of Mastiff Polska. Zodiak also has the right to increase its ownership in Lucky Day, Red House and SOL Production Pvt. Ltd. (“SOL”).

Except for SOL, which has an operating history of four years, these companies are at an early stage of development. Furthermore, as the vast majority of these options are not exercisable until 2010 or after, it is very difficult for Zodiak to estimate the price that may be paid if and when the call options are exercised. However, in no event will the aggregate price paid for the remaining stakes of Lucky Day, Red House and SOL exceed SEK 400 million (based on current exchange rates).

Zodiak has also issued put options at terms that in general reflect the terms of the call options described above. The total cap of SEK 400 million also applies to the put options.

Applicable law

This statement from the Board of Directors is in all respects to be governed by and construed in accordance with Swedish law. Any dispute arising out of or in connection with this statement is to be settled exclusively by Swedish courts.

Advisers

Zodiak has engaged Carnegie Investment Bank as financial adviser and Advokatfirman Södermark as legal advisers in connection with the Offer.

May 26, 2008

Zodiak Television AB (publ)

The Board of Directors

***Zodiak Television** is one of the most innovative and creative producers of content in the world today, comprised of a perfect blend of more than twenty successful international businesses. **Zodiak International** distributes content produced by Zodiak Television, as well as third party producers, to clients throughout the world.*

***Zodiak Television AB** companies include Bullseye (UK), Diverse Productions (UK), Lucky Day (UK), Red House (UK), Zodiak International (UK), Kanakna (Belgium, Netherlands), Social Club Productions (Denmark), Mastiff (Sweden, Denmark, Norway, Ukraine), Jarowskij (Sweden), 5th Element (Sweden), Yellow Bird (Sweden), Broadcasters (Finland), Mastiff Media (Poland), TeleAlliance Media Group (Russia, Belarus), Dixi Media (Russia), YS Films (Ukraine) and SOL (India)*

Fairness opinion given by Carnegie Investment Bank AB

The Board of Directors of
Zodiak Television AB

Stockholm May 25, 2008

The Board of Zodiak Television AB (publ) ("Zodiak"), and together with its subsidiaries the "Zodiak Group") has requested Carnegie Investment Bank AB ("Carnegie") to provide an opinion as to the fairness, from a financial point of view, of the terms of the offer, as defined below (the "Offer").

The Offer is intended to be made public on May 26, 2008 through a press release. Pursuant to the Offer the shareholders of Zodiak are offered SEK 40 for each share of Zodiak and SEK 40 for each convertible debenture 2007/2013 with a nominal value of SEK 27 issued by Zodiak. The offer price is subject to adjustment i.a. should Zodiak pay any dividend or make any other distribution prior to the settlement of the Offer. The Offer is conditional on i.a. it being accepted in respect of shares representing more than 90 per cent of all outstanding Zodiak shares, receipt of necessary regulatory approvals, that the Offer or the acquisition is not materially negatively affected by legislation etc. and certain other conditions as fully described in the press release through which the Offer is intended to be made public. Settlement is intended to take place on 3 July, 2008.

Carnegie has as a basis for this opinion, regarding the financial terms, reviewed and considered i.a.:

- i) a draft press release intended to be made public May 26, 2008;
- ii) the audited annual report for Zodiak for the financial year 2007; and the unaudited interim report for the period ended March 31, 2008;
- iii) internal financial analyses and forecasts prepared by the management of Zodiak relating to the Zodiak Groups business;
- iv) discussions with senior management of the Zodiak Group concerning the past and present activities, financial position, investment requirements and future prospects of the Zodiak Group;
- v) official information concerning share prices and turnover in the Zodiak share;
- vi) official information from OMX Nordic Exchange Stockholm concerning public offers for certain other companies listed on OMX Nordic Exchange Stockholm;
- vii) information i.a. from external sources, regarding listed companies comparable with Zodiak as well as information regarding terms and conditions for acquisitions of companies comparable with Zodiak;

- viii) other information concerning the past and present activities of the Zodiak Group as well as such other information which Carnegie has deemed necessary or appropriate to take into account as basis for this opinion.

Carnegie has assumed and relied upon, without independent verifications, the accuracy and completeness of the information, which was publicly available or furnished to us by Zodiak or otherwise reviewed, by Carnegie for the purposes of this opinion. Carnegie's opinion is necessarily based on financial, regulatory, market and other conditions as in effect on, and the information made available to us as of the date hereof. The circumstances on which this opinion is based may be affected by subsequent events.

Carnegie has relied on information presented or forwarded to us by senior management of Zodiak regarding assessments of the Zodiak Group's ability to reach its financial and operational goals (and the assumptions on which these are based) which have been made by senior management of Zodiak and approved by the Board of Directors of Zodiak. Carnegie expresses no view as to such financial analyses, forecasts or projections or the assumptions on which they are based.

Based upon and subject to the foregoing, it is our opinion, as of the date hereof, that the Offer is fair from a financial point of view for the shareholders of Zodiak and the holders of convertible debentures 2007/2013 issued by Zodiak. Carnegie does not hereby express any opinion or any recommendation as to whether or not holders of shares or convertible debentures should accept the Offer.

Carnegie is acting as advisor to the Board of Directors of Zodiak in respect of the Offer. Carnegie is engaged in securities sales and trading as defined and regulated by applicable Swedish law. This includes e.g. sales and trading in securities and other financial instruments for Carnegie's own benefit or on behalf of other parties and Carnegie may, in the normal course of its securities sales and trading operations, trade or take positions in securities directly or indirectly affected by the Offer.

This opinion is addressed to the Board of Directors of Zodiak and is solely intended as a basis for the Board's deliberations and decision in respect of the Offer and the opinion may not, without prior consent from Carnegie, be invoked or used for any other purpose and, pursuant to such consent, only be used or invoked in its entirety. This opinion is governed by Swedish law and any dispute relating thereto shall be settled exclusively by Swedish courts.

CARNEGIE INVESTMENT BANK AB (publ)
Investment Banking