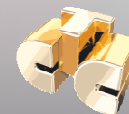


# Maximizing the Power of Entertainment

Modern Times Group MTG AB

First Quarter 2008

22 April 2008



# Highlights

## Record First Quarter Result

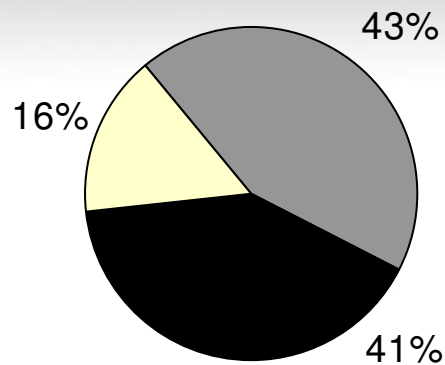
### Growth Across the Board

- Group net sales up 16% to SEK 3,042 mn
- Operating income up 27% to SEK 596 mn with increased operating margin of 20%
- Viasat Broadcasting net sales up 20% to SEK 2,402 mn
  - Operating income up 24% to SEK 596, with an increased operating margin of 25%
- Free-TV Scandinavia sales up 13% with significantly enhanced operating margin of 19%
  - Higher audience share for TV3 & Viasat4 Norwegian channels than SBS channels in national universe for first time in March
- Net income up 26% to SEK 397 mn
- Completed sale of DTV to CTC Media for a cash consideration of USD 395 mn on a cash and debt free basis
- Viasat Ukraine DTH satellite platform launched on 21 April
- Repurchased 798,000 class B shares for SEK 316 mn

# Viasat Broadcasting (Rolling 12 Months)

## Increasing Exposure to High Growth Emerging Markets

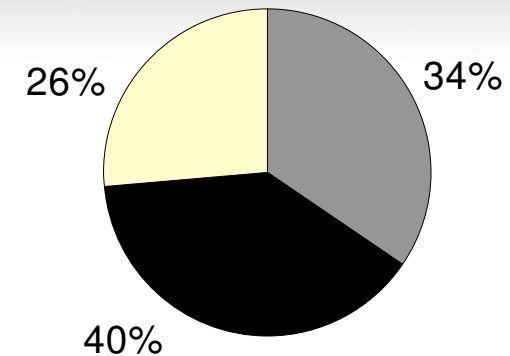
Q1 2006



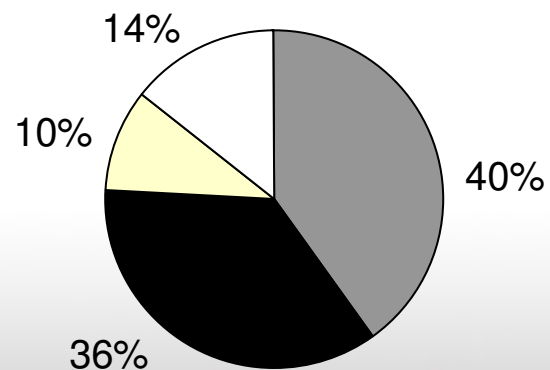
### Sales

-  FTA Swe/No/Dk
-  Pay-TV Nordic
-  Central & Eastern Europe

Q1 2008



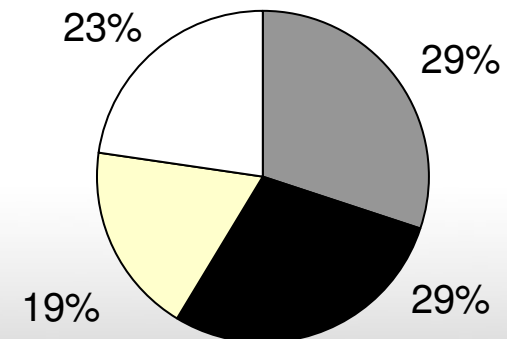
Q1 2006



### EBIT

-  FTA Swe/No/Dk
-  Pay-TV Nordic
-  Central & Eastern Europe
-  CTC Media

Q1 2008



# Viasat Broadcasting

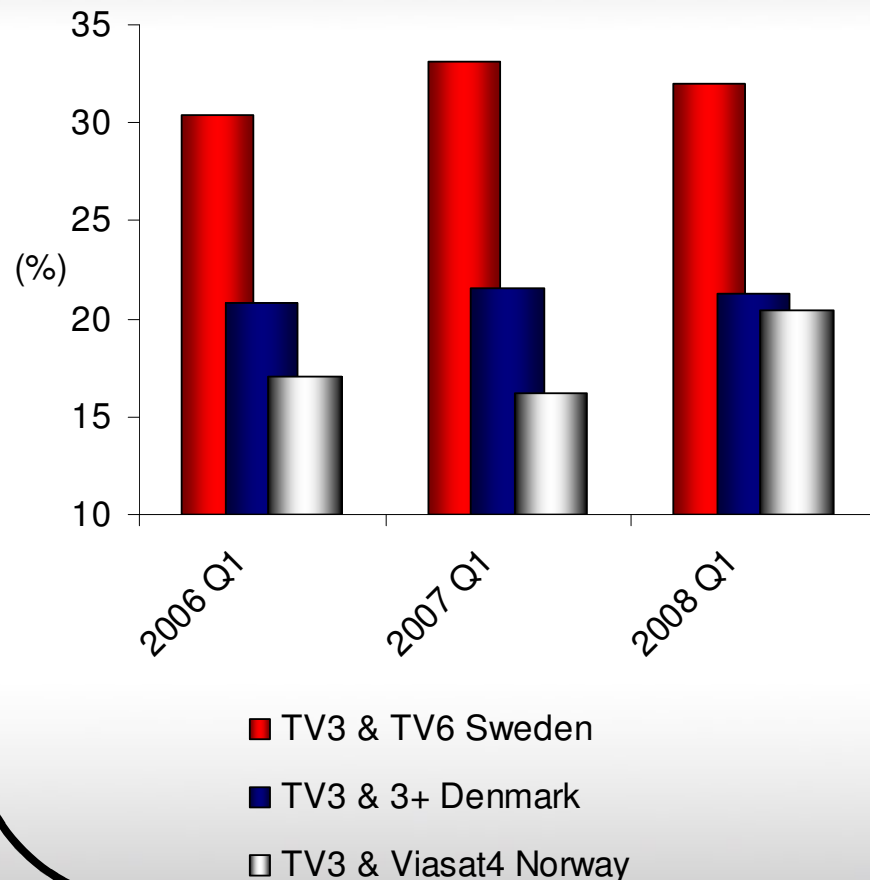
## Double Digit Sales Growth in All Three Broadcasting Businesses

(SEK million)	Q1 2008	Q1 2007	Change (%)	FY 2007
<b>Net Sales</b>				
Free-to-air TV Scandinavia	808	713	13	3,173
Pay-TV Nordic	975	877	11	3,613
Central & Eastern Europe	657	478	38	2,328
Other & Eliminations	-39	-65	-	-272
<b>Total Net Sales</b>	<b>2,402</b>	<b>2,003</b>	<b>20</b>	<b>8,842</b>
<b>Operating income (EBIT)</b>				
Free-to-air TV Scandinavia	151	110	37	627
<i>Operating Margin</i>	<b>19%</b>	15%		20%
Pay-TV Nordic	157	148	6	631
<i>Operating Margin</i>	<b>16%</b>	17%		17%
Central & Eastern Europe (excl. CTC Media)	76	59	29	396
<i>Operating Margin</i>	<b>12%</b>	12%		17%
Associated Companies	207	162	28	461
Other & Eliminations	4	2	-	-88
<b>Total EBIT</b>	<b>596</b>	<b>481</b>	<b>24</b>	<b>2,027</b>

# Free-to-air TV Scandinavia

## Successful Media House Approach

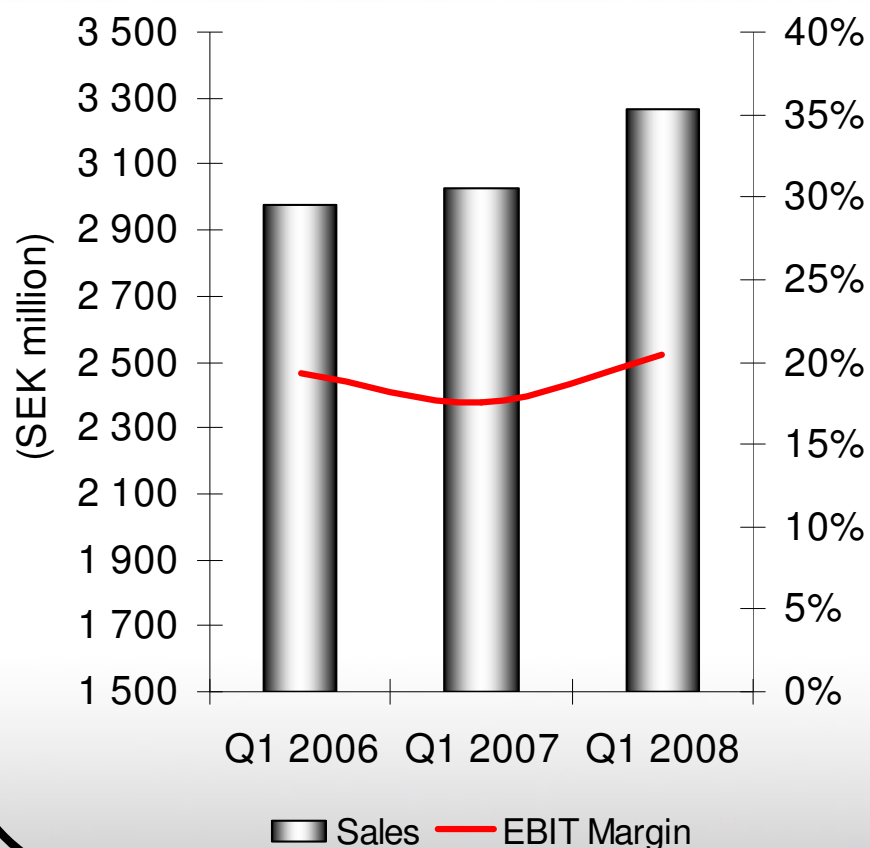
Commercial Share of Viewing (15-49)



- Combined 'Media House' CSOV (15-49) of 34.1% for Swedish channels
  - TV6 audience share up to >11.6%
- TV3 Sweden penetration up to 83% following inclusion on Canal Digital platform
  - TV6 & TV8 penetrations of 84% and 57%, respectively
- Inclusion of TV3 Norway on Digital terrestrial & Canal Digital platforms to significantly but gradually boost penetration levels
- Viasat's Norwegian channels (TV3 & Viasat4) outperformed SBS ProSieben Channels on 'media house' basis for the first time ever in March in the national universe (15-49)

# Free-to-air TV Scandinavia (Rolling 12 Months)

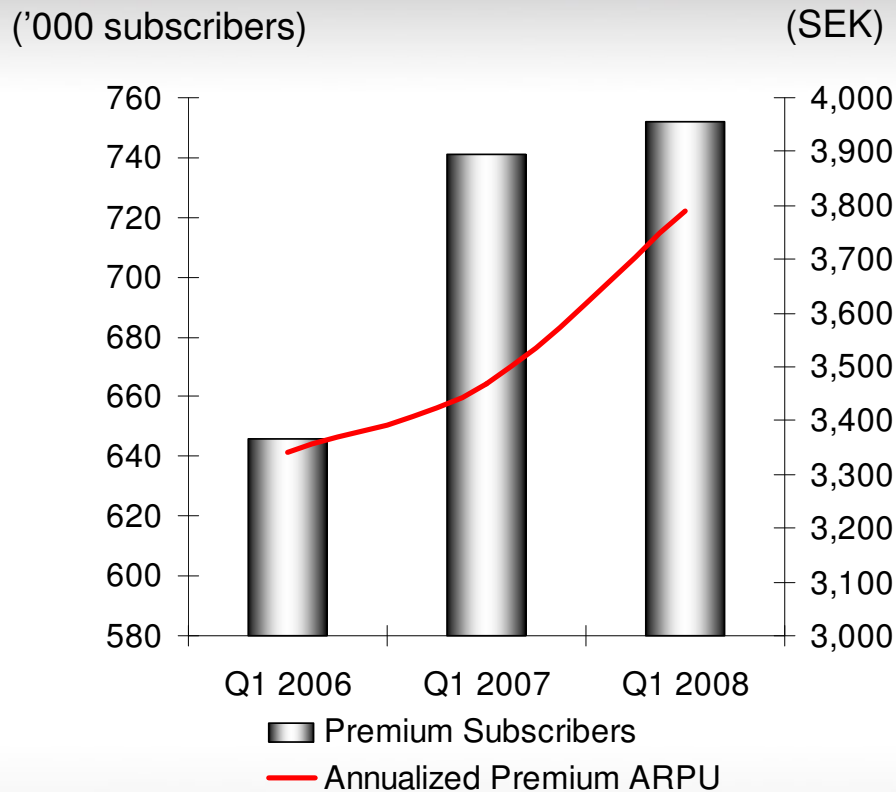
## Further Advertising Market Share Gains



- **13% sales growth to SEK 808 (713) mn following increased advertising market shares in all three Scandinavian markets**
- **Operating costs up 9% to SEK 657 (603) mn**
- **Operating income up 37% to SEK 151 (110) mn with increased operating margin of 19% (15%)**

# Pay-TV Nordic

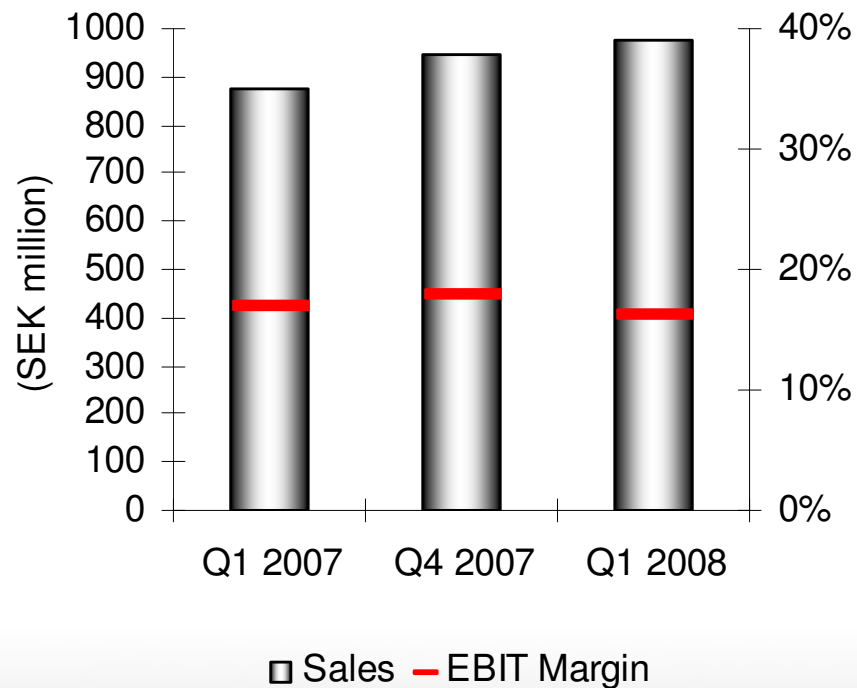
## ARPU Growth



- **ARPU up 9% year on year to SEK 3,790 following package price increases, growing proportion of multi-room subscribers, maturing of new subscribers into higher ARPU contract periods, strengthening of Norwegian & Danish krona**
- **Viasat+ PVR subscriber base up from 73,000 at end of 2007 to 82,000 at end of Q1 2008 (12% of premium DTH base) & multi-room subscriber base up from 130,000 to 136,000 during the first quarter (19% of premium DTH base)**
- **Launch of 4 channel HDTV offering in January**
- **TV2 Sport joint venture profitable after almost tripling sales quarter on quarter**

# Pay-TV Nordic

## Investments in New Channels

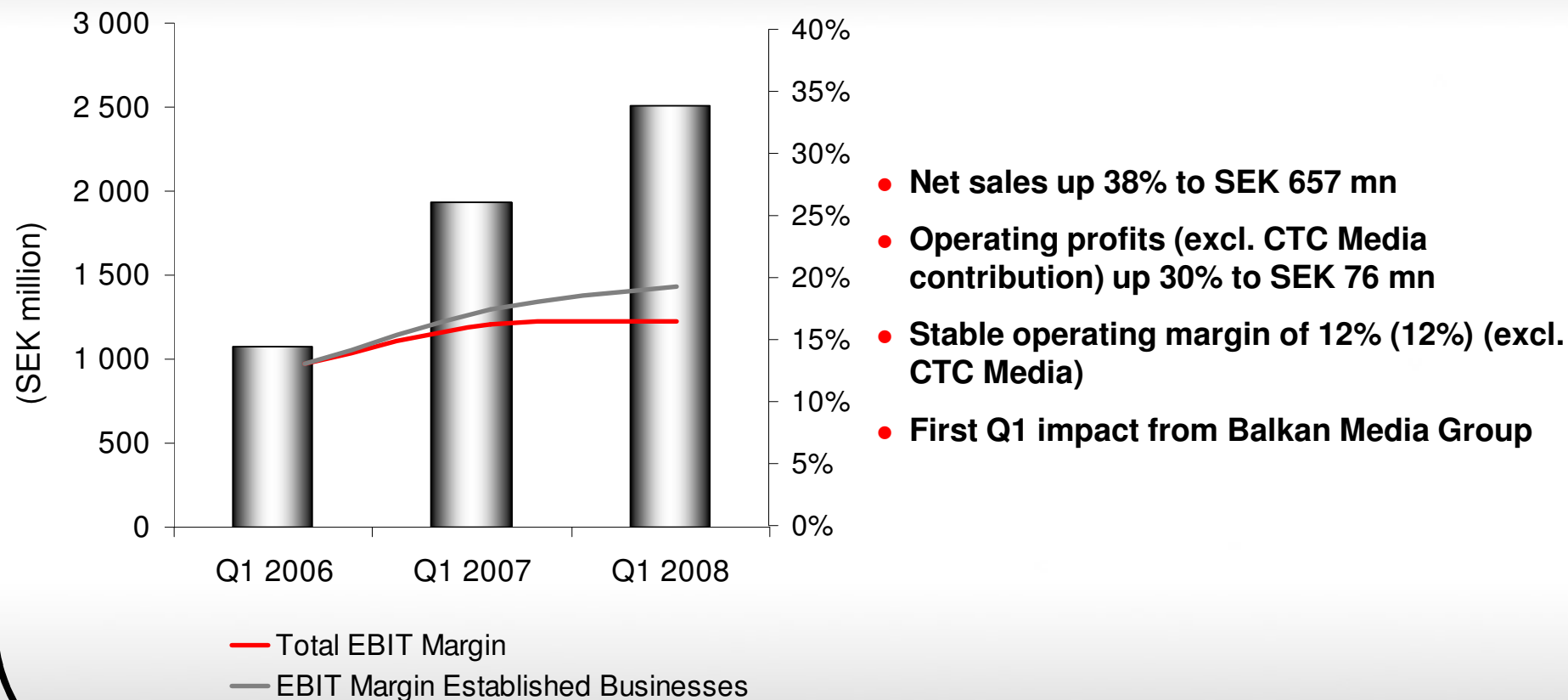


- Net sales up 11% to SEK 975 mn in Q1
- Total operating costs up 12% following inclusion of Norwegian TV2 channels & HD launch
- Subscriber acquisition costs slightly down to SEK 134 (139) mn
- Operating income up 6% to SEK 157 mn
- Operating margin of 16% (17%)



# Central & Eastern Europe (Rolling 12 Months. Excl. CTC media)

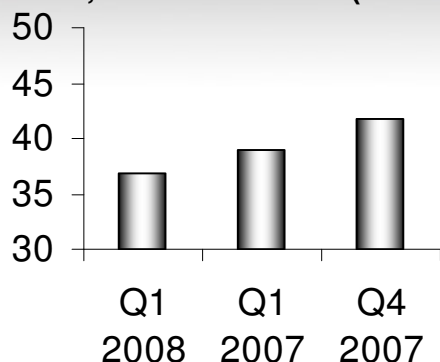
## Continued Momentum



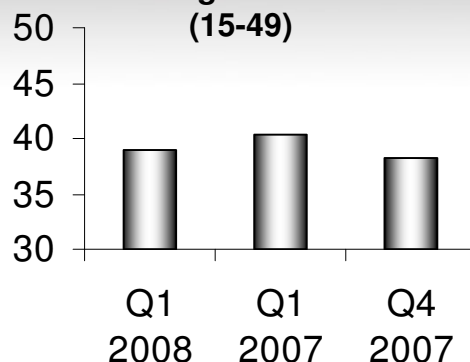
# Free-to-air TV Eastern Europe

## Audience Share Development

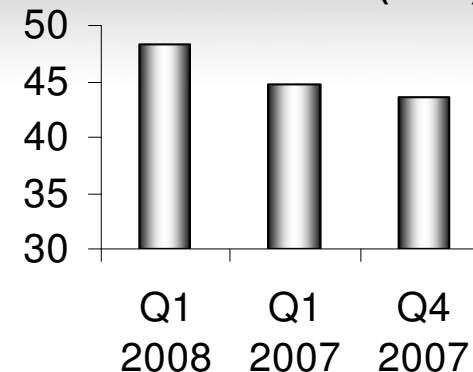
**TV3, 3+ & TV6 Latvia (15-49)**



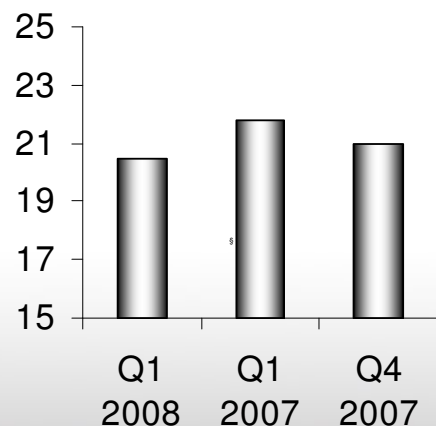
**TV3 & Tango TV Lithuania (15-49)**



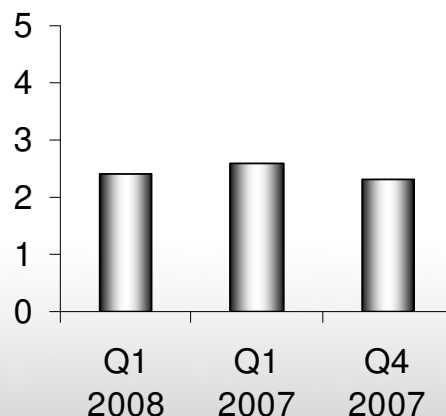
**TV3 & 3+ Estonia (15-49)**



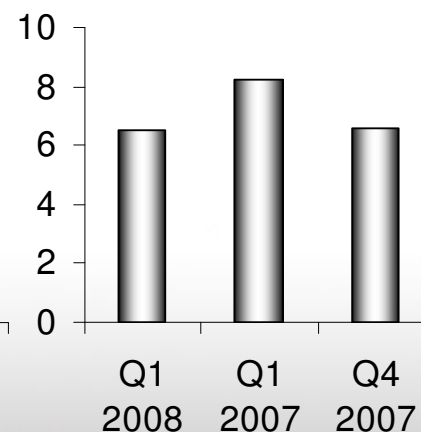
**TV Prima Czech Rep (15 +)**



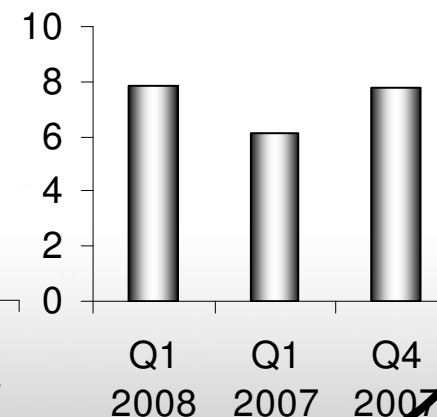
**DTV Russia (6-54)**



**Viasat3 Hungary (18-49)**



**TV3 Slovenia (15-49)**



# TV Prima

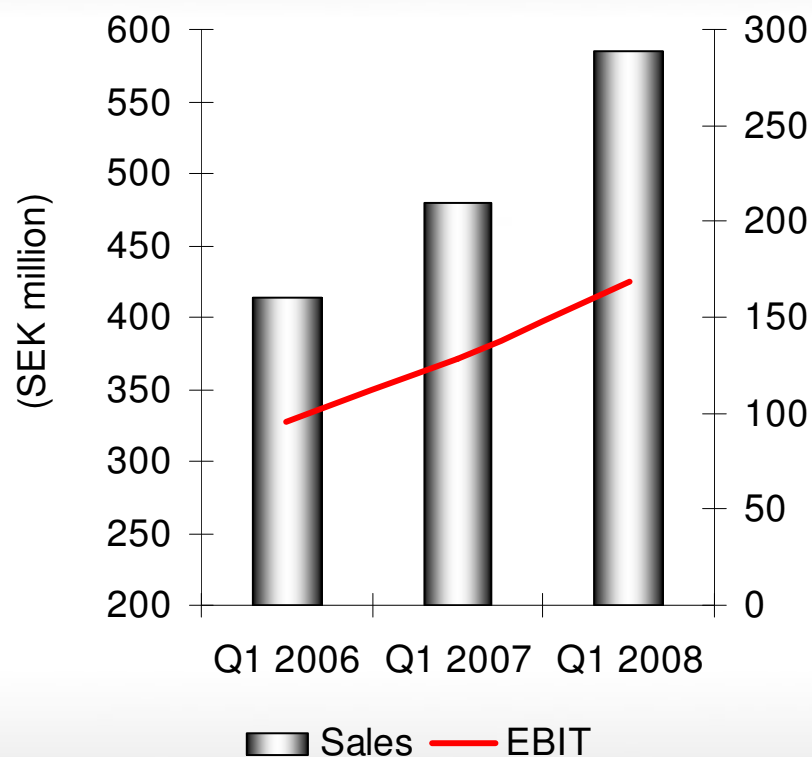
Czech Republic

- Net sales up 21% to SEK 223 (184) mn
- Successful implementation of price increases in annual up front negotiations with advertisers
- Positive SOV trends in target 15-54 audience group
- Continued investments in programming schedule + promotion of repositioned channel brand - focus on younger target audience
- Exclusive coverage of UEFA EURO 2008 Football Championships in Q2
- Operating profits up 30% to SEK 38 (29) mn
- Increased operating margin of 17% (16%)



# Free-to-air TV Baltics (Rolling 12 Months)

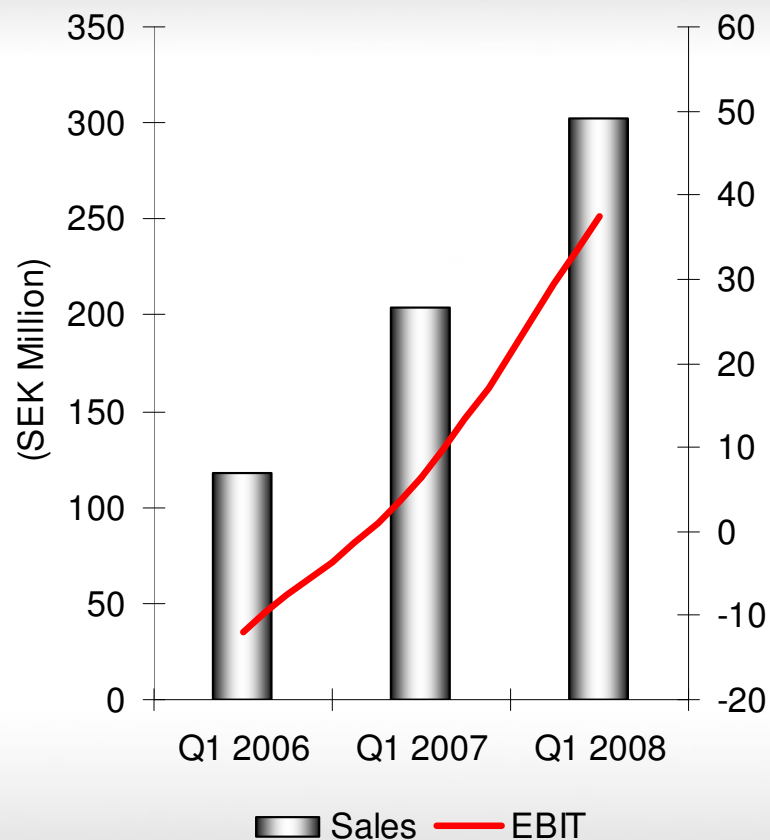
## The Leading Digital Broadcaster



- Net sales up 18% to SEK 131 (111) mn
- Pan-Baltic CSOV (15-49) of 39.9%
- TV6 Latvia launched in Q2 07 & already achieved 2.4% CSOV
- Operating profits up 31% to SEK 23 (18) mn
- Increased operating margin of 18% (16%)

# DTV Russia (Rolling 12 Months)

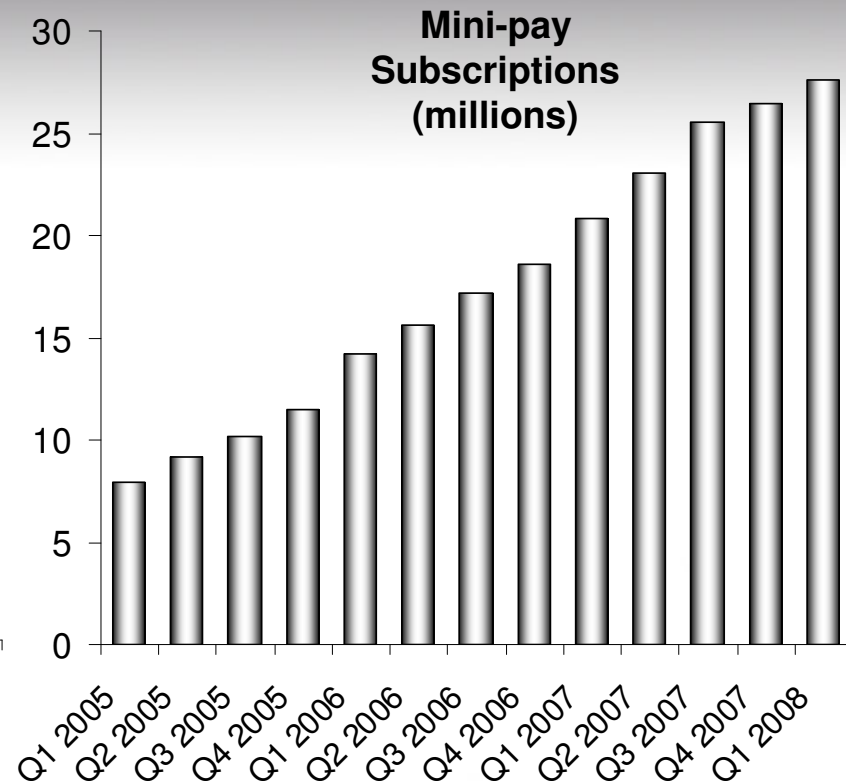
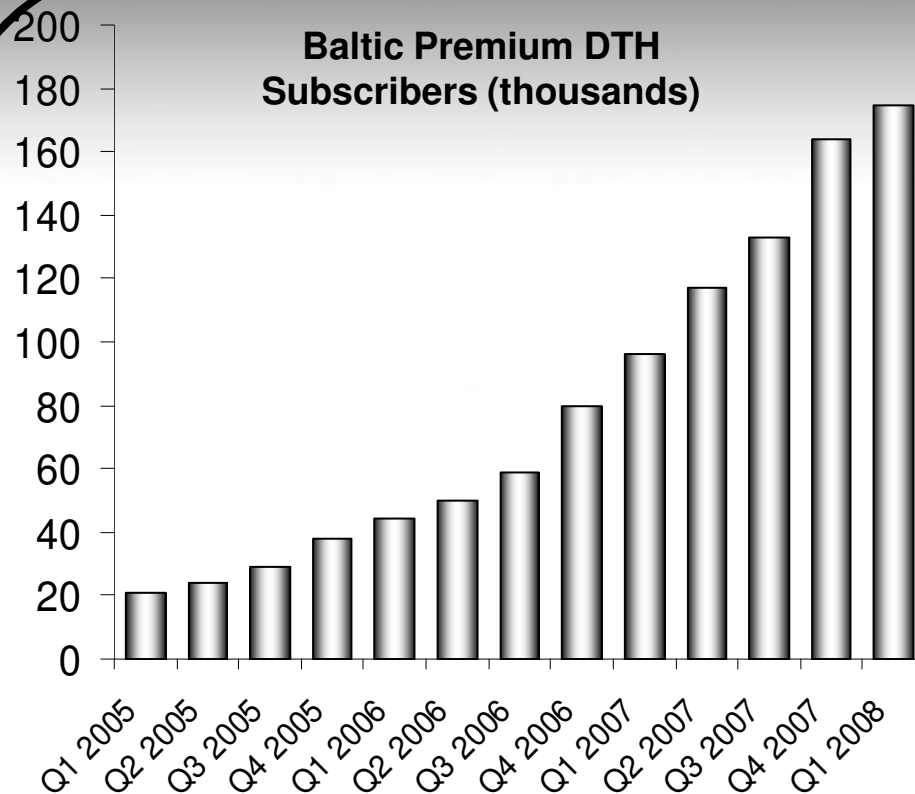
Sold for USD 395 million to CTC Media



- Net sales up 53% to SEK 95 (61) mn
- Operating profits up >3x to SEK 17 (6) mn & increased operating margin of 18% (10%)
- Completion of sale of DTV to CTC Media on 16 April for a cash consideration of USD 395 mn on a cash and debt free basis
  - MTG to receive USD 190 mn of cash at closing & balance (+interest) no later than 100 days thereafter
  - 60.5% of ~ SEK 1.9 billion net gain to be reported in Q2 results (as one-off above EBIT line) with remaining 39.5% proportionally reducing book value of CTC Media stake on Group's balance sheet

# Pay-TV East

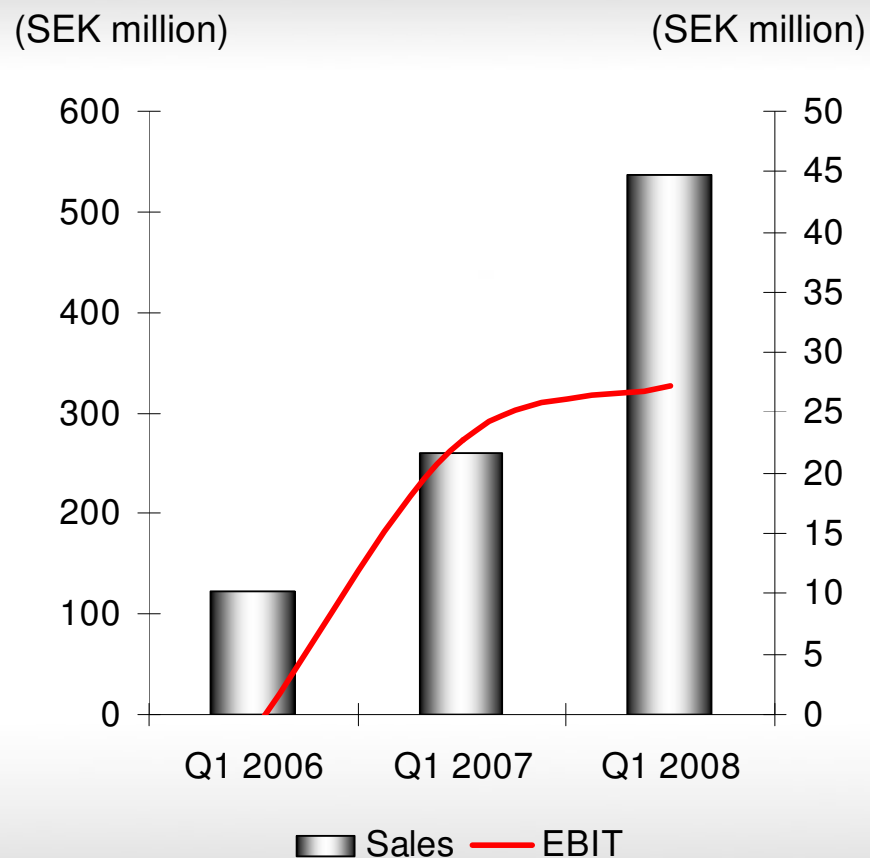
## Continued Subscriber Intake



- Addition of 11,000 premium subscribers in Baltics – base almost doubled year on year to 175,000 subscribers
- Addition of 1.2 million wholesale mini-Pay subscriptions - total number of subscriptions up 32% year on year to 27.6 million

# Pay-TV East (Rolling 12 Months)

## Sales Doubled

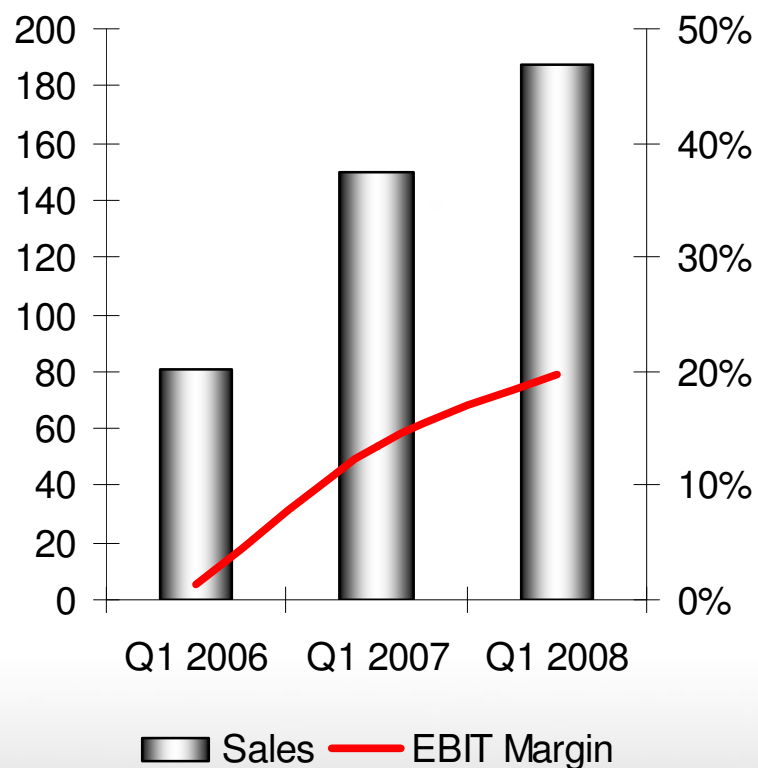


- Net sales almost doubled year on year to SEK 160 (83) mn
- Balkan Media Group doubled CSOV year on year to 10.2% & reported breakeven result
- Viasat Ukraine satellite platform launched on 21 April with offering of up to 60 channels – SEK 4 mn of pre-launch costs in quarter
- Stable operating profit of SEK 9 (10) mn despite investments in new businesses

# Radio (Rolling 12 Months)

## Price Increases & Market Share Gains

(SEK million) (excl. associated companies)



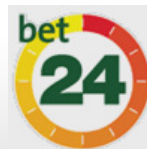
- Net sales up 25% year on year to SEK 187 mn in Q1
- Market share gains in growing markets in both Sweden and Norway & channel bundling in Norway
- Operating profits increased fivefold to SEK 30 (6) mn & operating margin of 16% (4%)



# Online

## Organic Growth + Market Consolidation

- Net sales up 29% to SEK 417 mn & > doubling of operating profits to SEK 28 mn, with increased operating margin of 7% (4%) - all when excluding TV-Shop sales in 2007
- MTG Internet Retailing sales up 36% to SEK 291 mn & operating profits up 37% to SEK 24 mn with stable operating margin of 8% (8%)
- Introduction of online book sales and digital book and games sales in Norway
- BET24 sales up 23% to SEK 105 mn & gross profits up 30%, with operating profit of SEK 10 (0)
- Completion of SEK 197 mn acquisition of Gymgrossisten Nordic AB on 29 February  
- Nelly.com, Linus-Lotta.com and Bookplus.fi acquired in last year



# Operating Results By Business Area

(SEK million)	Q1 2008	Q1 2007	Change (%)	FY 2007
<b>Net Sales</b>				
Viasat Broadcasting	2,402	2,003	20	8,842
Radio	187	150	25	715
Other	499	533	-6	2,037
Parent & other companies	42	23	-	107
Eliminations	-88	-81	-	-350
<b>Total Net Sales</b>	<b>3,042</b>	<b>2,629</b>	<b>16</b>	<b>11,351</b>
<b>Operating income (EBIT)</b>				
Viasat Broadcasting	596	481	24	2,027
Radio	30	6	375	134
Other	23	16	44	61
Parent & other companies	-53	-35	-	-195
<b>Total EBIT</b>	<b>596</b>	<b>468</b>	<b>27</b>	<b>2,027</b>

# Summary Income Statement

(SEK million)	Q1 2008	Q1 2007	FY 2007
<b>Net Sales</b>	<b>3,042</b>	2,629	11,351
<b>Operating Income (EBIT)</b>	<b>596</b>	468	2,027
Net interest and other financial items	-13	-2	-12
<b>Income before tax</b>	<b>583</b>	467	2,015
Tax	-186	-151	-588
<b>Net income for the period</b>	<b>397</b>	316	1,428
<hr/>			
Basic average number of shares outstanding	<b>66,213,260</b>	67,046,151	66,945,776
Basic earnings per share (SEK)	<b>5.85</b>	4.55	20.35
<hr/>			

# Cash Flow

(SEK million)	Q1 2008	Q1 2007	FY 2007
Cash flow from operations	311	279	1,363
Changes in working capital	-268	-339	-433
<b>Net Cash Flow from Operations</b>	<b>43</b>	<b>-60</b>	<b>930</b>
Proceeds from sales of shares of subsidiaries	-	-	70
Investments in shares in subsidiaries & associates	-210	-178	-219
Investments in other non-current assets	-30	-72	-327
Other cash flow from investing activities	1	-10	-
<b>Cash flow from/to investing activities</b>	<b>-239</b>	<b>-261</b>	<b>-475</b>
<b>Cash flow from/to financing activities</b>	<b>77</b>	<b>115</b>	<b>-594</b>
<b>Net change in cash and cash equivalents for the period</b>	<b>-119</b>	<b>-206</b>	<b>-139</b>

- Change in working capital reflected reduction in accounts payable + increased investments in programming rights in Scandinavia and Eastern Europe
- SEK 210 mn investment in shares primarily comprised acquisition of Gymgrossisten Nordic AB
- Repurchase of 798,000 class B shares at an average price of SEK 396 per share, for a total cash consideration of SEK 316 mn

# Balance Sheet

(SEK million)	31 Mar 2008	31 Mar 2007	31 Mar 2007
Non-current assets	6,062	5,349	5,756
Current assets	5,115	4,450	5,203
<b>Total assets</b>	<b>11,177</b>	<b>9,799</b>	<b>10,958</b>
Shareholders' equity	5,944	5,492	5,875
Long-term liabilities	425	343	430
Current liabilities	4,808	3,965	4,654
<b>Total equity &amp; liabilities</b>	<b>11,177</b>	<b>9,799</b>	<b>10,958</b>

- 35% ROCE and 27% ROE for trailing twelve months
- Equity to assets ratio of 53% (56%)
- Net debt position of SEK 435 mn
- SEK 3.3 billion of available liquid funds
- Expected SEK 1 billion dividend as well as USD 395 mn consideration for DTV sale
- SEK 8 billion surplus of CTC Media stake market to book value

# 5 Year Strategic Objectives

“On Track”

- **MTG to report Group Net Sales of SEK 20 billion in 2011 (including selected acquisitions) with >10% organic annual sales growth**  
*Sales of SEK 11.8 billion for 12 month period ended 31 March 2008 - 13% sales growth*
- **Current Viasat Broadcasting C&E Europe operations to generate net sales of SEK 5 billion in 2011**  
*Net sales of SEK 2.5 billion for 12 month period ended 31 March 2008 – up 30% year on year*
- **>20% operating (EBIT) margin for Viasat Broadcasting (excl. CTC Media) by end of 2011**  
*Operating (EBIT) margin of 18 % for 12 month period ended 31 March 2008*
- **Current Viasat Broadcasting C&E Europe operations (incl. CTC Media) to generate higher operating profit (EBIT) than rest of Viasat Broadcasting by 2011**  
*C&E Europe = 43% of Viasat Broadcasting EBIT (incl. CTC Media) for 12 month period ended 31 March 2008*
- **MTG to report 30% Return on Equity for 2007-2011 5 year period**  
*27% Return on Equity for 12 month period ended 31 March 2008*

