

# Maximizing the Power of Entertainment

Financial Results  
Second Quarter And Six Months ended 30 June  
2007



# Results Highlights

## Second Quarter 2007

- Group net sales up 10% to SEK 2,843 mn
- Group operating income up 10% to SEK 532 mn including SEK 110 mn of associated company income
- Viasat Broadcasting net sales up 9% to SEK 2,246 mn and operating profit up 1% to SEK 535 mn
- Net income up 4% to SEK 362 mn
- Basic earnings per share up 4% to SEK 4.95
- Sale of TV Shop to Guthy Renker for SEK 70 mn in cash - net gain of SEK 17 mn
- Distribution of SEK 503 mn dividend & AGM authorisation of up to 10% share buy-back
- Consolidation of P4 Radio, BMGL, Playahead, TV3 Slovenia & TV2 Sport joint venture for the first time in the period

## First Six Months 2007

- Group net sales up 11% to SEK 5,471 mn
- Group operating income up 7% to SEK 1,001 mn including SEK 273 mn of associated company income
- Viasat Broadcasting net sales up 10% to SEK 4,250 mn and operating profit up 3% to SEK 1,016 mn
- Net income up 4% to SEK 678 mn
- Basic earnings per share up 4% to SEK 9.50
- Acquisition of 50% of Balkan Media Group Limited for EUR 11.6 mn in February 07
- Acquisition of 90% of Playahead online community for SEK 102 mn in January 07
- Establishment of Sports channel joint venture with TV2 Denmark

# Strategic Objectives

Set in June 2004

## Objective

- Double Viasat Broadcasting revenues in 5 years
- Viasat to become #1 commercial free-to-air operator in Sweden and TV3 to become #2 commercial free-to-air channel in Norway within 5 years
- Export integrated model into new high growth territories - C&E European businesses to generate same level of broadcasting revenues & profits as Scandinavian operations within 5 years
- >15% operating margins in 3 core businesses - Free-to-air TV Scandinavia; Pay-TV Nordic; C&E Europe

## On Track

- Viasat Broadcasting sales up 79% since 2003 on rolling 12 month basis
- Finalization of shut-down of Swedish analogue terrestrial network increases penetration in Sweden; TV3 Norway established as second largest commercial channel in comparable universe
- Rolling 12 month operating income for C&E European operations (incl. CTC Media) of SEK 782 million vs. SEK 1,177 million for Nordic operations
- Rolling 12 month operating margins of 18% for Free-to-air TV Scandinavia; 19% for Pay-TV Nordic; & 16% for C&E Europe (excl. CTC Media)

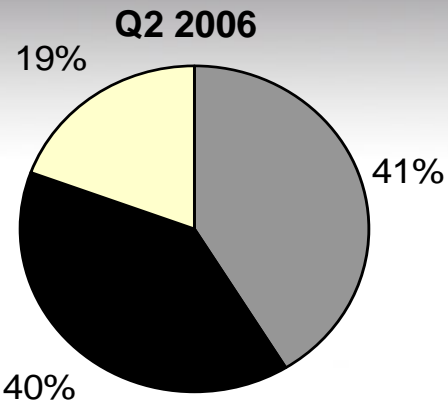
# Strategic Objectives

5 Year Goals announced in June 2007

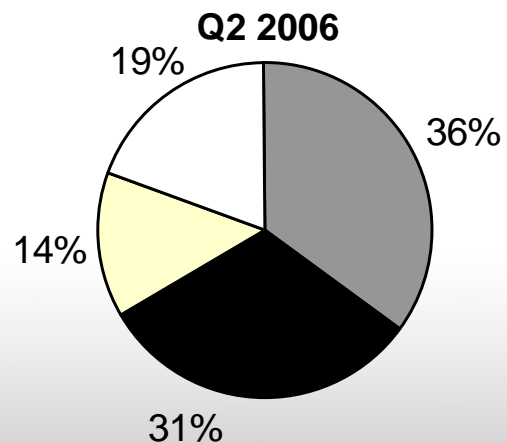
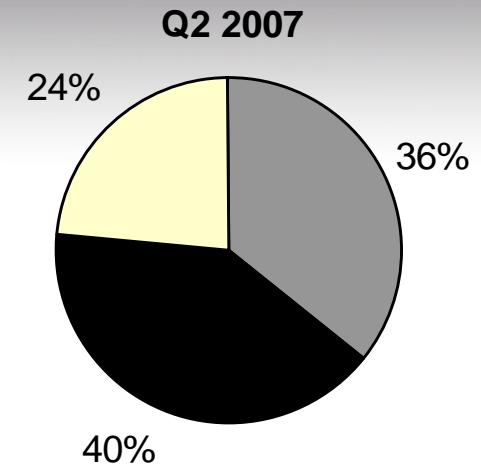
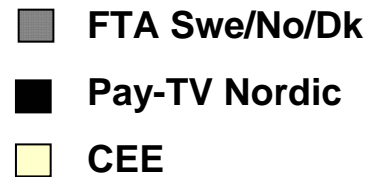
- **MTG to report Group Net Sales of SEK 20 billion in 2011 (including selected acquisitions) with >10% organic annual sales growth**  
*Sales of SEK 10.1 billion in 2006*
- **Current Viasat Broadcasting C&E Europe operations to generate net sales of SEK 5 billion in 2011**  
*Net sales of SEK 1,841 million in 2006*
- **>20% operating (EBIT) margin for Viasat Broadcasting (excl. CTC Media) by end of 2011**  
*2006 operating (EBIT) margin of 19%*
- **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 = 38% of Viasat Broadcasting EBIT in 2006 (incl. CTC Media)*
- **MTG to report 30% Return on Equity for 2007-2011 5 year period**  
*28% Return on Equity in 2006*

# Viasat Broadcasting

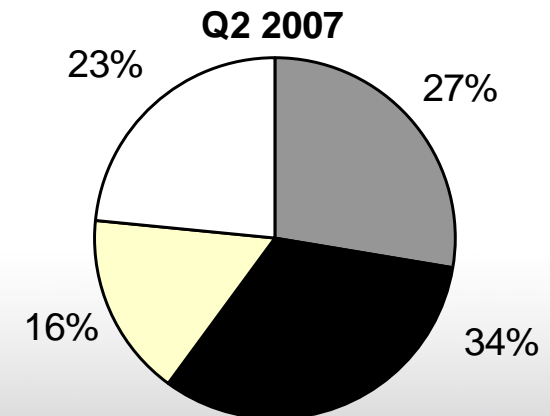
## Geographical Segmentation – Rolling 12 Months



### Sales



### EBIT (Including CTC Media)



# Viasat Broadcasting

## Operating Results

(SEK million)	Q2 2007	Q2 2006	Change (%)	H1 2007	H1 2006	Change (%)	FY 2006
<b>Net Sales</b>							
Free-to-air TV Scandinavia	<b>819</b>	810	1	<b>1,532</b>	1,533	0	3,038
Pay-TV Nordic	<b>882</b>	782	13	<b>1,759</b>	1,531	15	3,183
Central & Eastern Europe	<b>606</b>	533	14	<b>1,083</b>	920	18	1,841
JV, Other & Eliminations	<b>-60</b>	-68	-	<b>-125</b>	-123	-	-257
<b>Total Net Sales</b>	<b>2,246</b>	<b>2,057</b>	<b>9</b>	<b>4,250</b>	<b>3,861</b>	<b>10</b>	<b>7,805</b>
<b>Operating income (EBIT)</b>							
Free-to-air TV Scandinavia	<b>169</b>	163	4	<b>279</b>	303	-8	562
<i>Operating Margin</i>	<b>21%</b>	20%		<b>18%</b>	20%		18%
Pay-TV Nordic	<b>160</b>	140	14	<b>308</b>	265	16	597
<i>Operating Margin</i>	<b>18%</b>	18%		<b>17%</b>	17%		19%
Central & Eastern Europe	<b>129</b>	119	9	<b>188</b>	170	11	304
<i>Operating Margin</i>	<b>21%</b>	22%		<b>17%</b>	18%		17%
Associated Companies	<b>108</b>	105	3	<b>270</b>	243	11	432
JV, Other & Eliminations	<b>-31</b>	3	-	<b>-29</b>	6	-	19
<b>Total EBIT</b>	<b>535</b>	<b>530</b>	<b>1</b>	<b>1,016</b>	<b>987</b>	<b>3</b>	<b>1,913</b>

# Free-to-air TV Scandinavia

## Return to Growth & Higher Margins

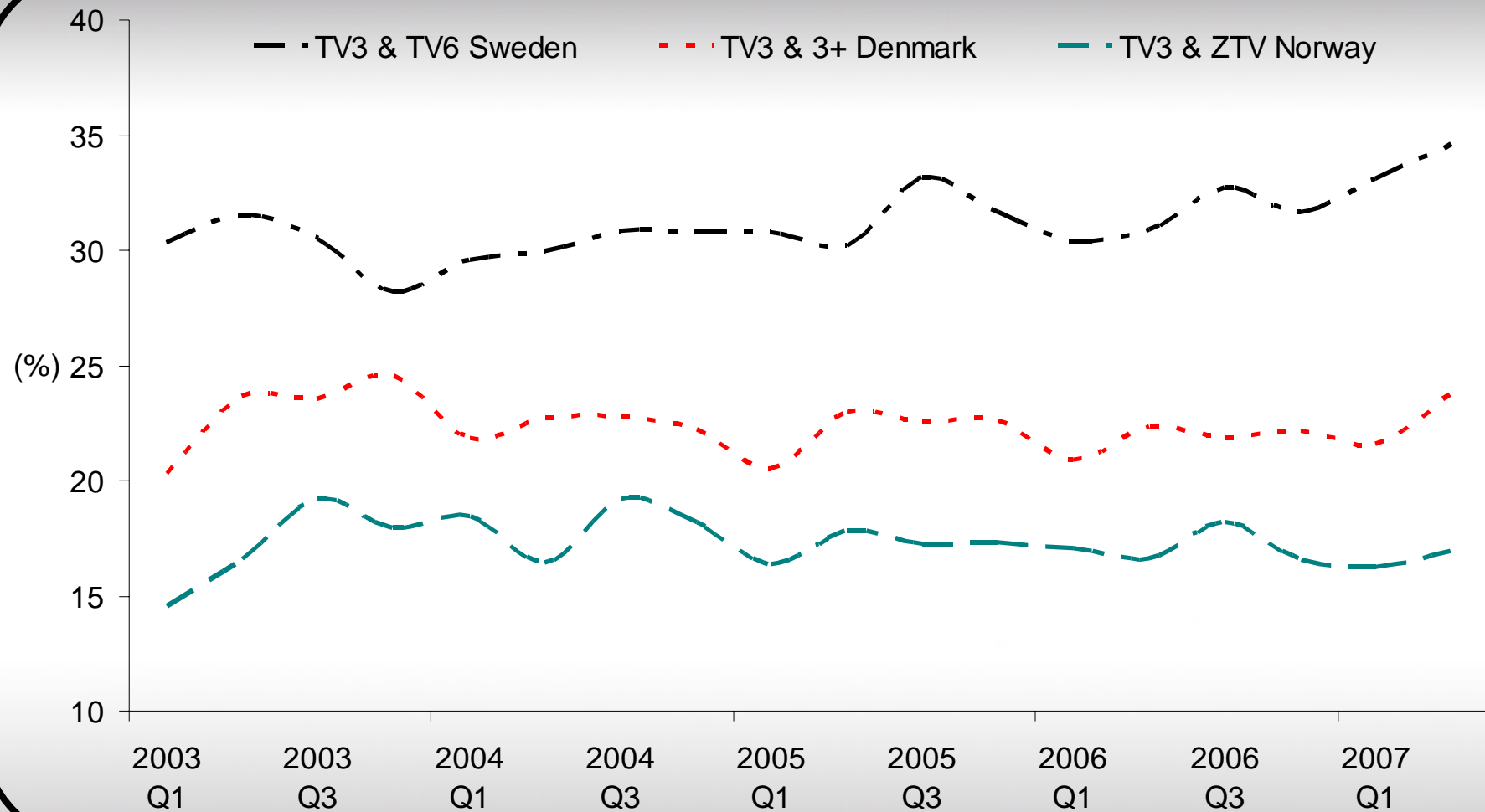
- Return to growth with net sales up 1% (2% when excluding currency effects) year on year to SEK 819 mn & increased operating margin of 21% (20%) in Q2 following strong performance by Swedish operations
- H1 stable sales of SEK 1,532 mn with operating margin of 18% (20%) reflect tough year on year advertising market
- TV3/TV6/TV8 Sweden penetration levels up to 79% / 79% / 48%
- Total combined channel CSOV (15-49) in Sweden increased to 36.2% (31.4%)
- Operating costs slightly up year on year to SEK 650 (647) mn in Q2 and SEK 1,253 (1,230) for H1
- Programming cost increases of 1% and 3% for the periods well within previous guidance for programming cost growth of <7% for 2007

### OUTLOOK

- Comps ease in H2 but low visibility in summer months
- Full year programming cost guidance unchanged with expected acceleration in spending in H2

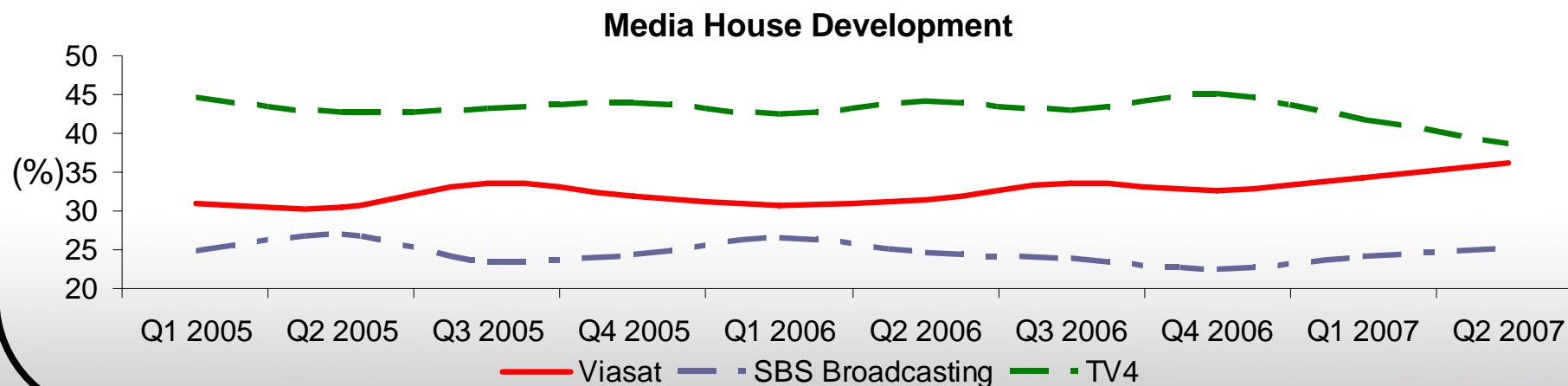
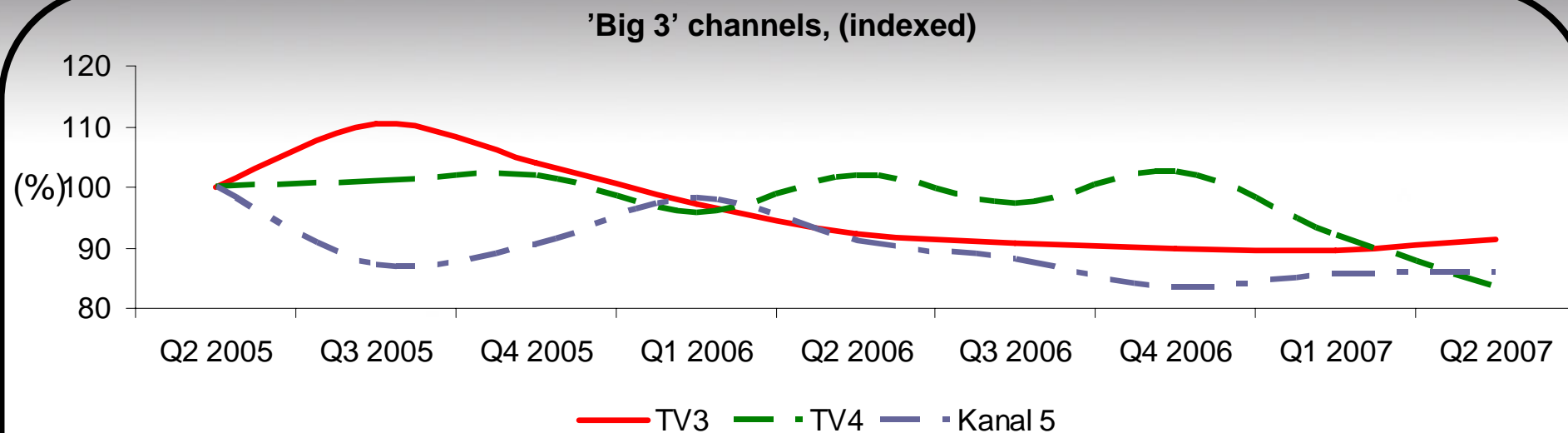
# Free-to-air-TV Scandinavia

## Commercial Share of Viewing (15-49)



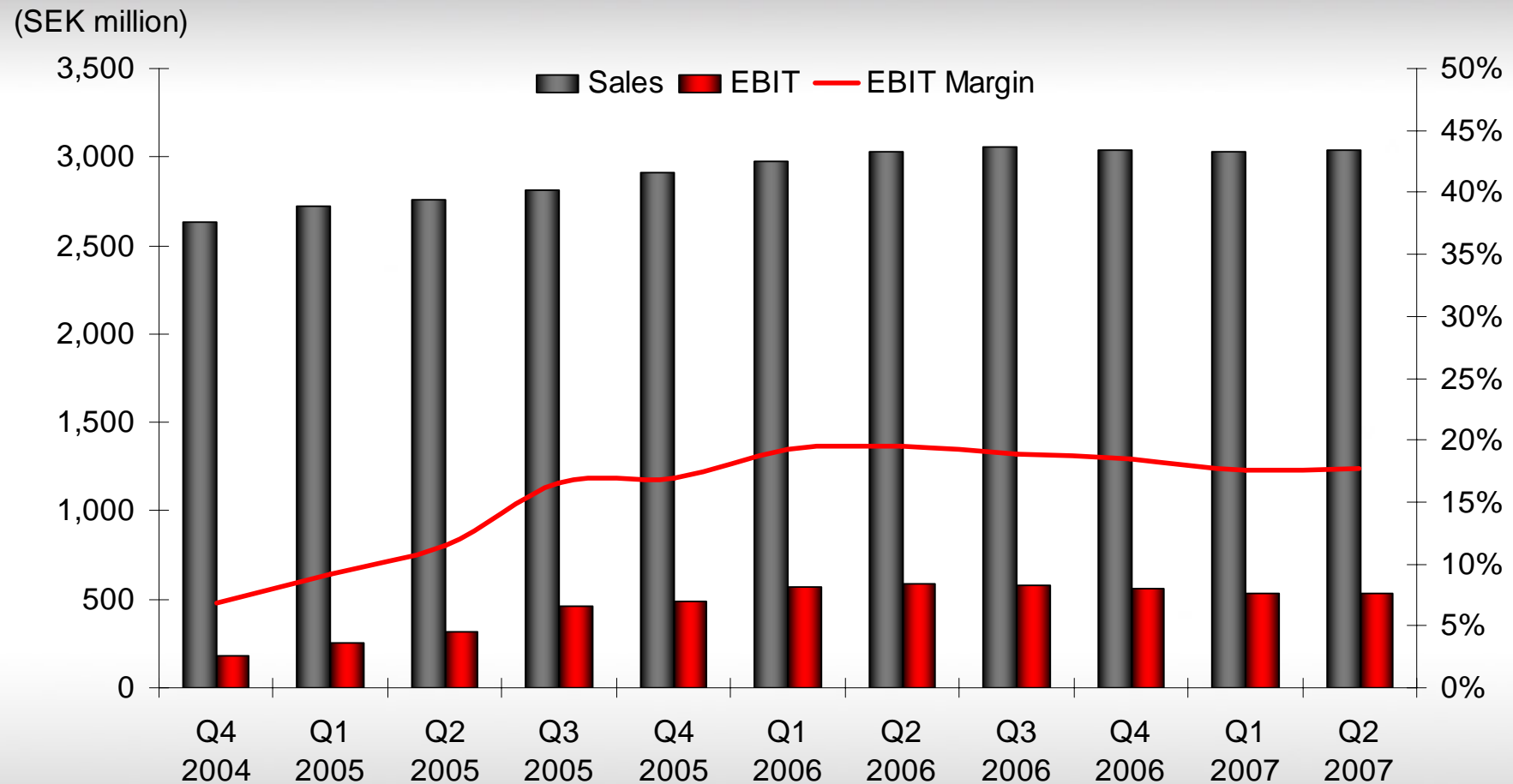
# Free-to-air-TV Sweden

## Commercial Share of Viewing (15-49)



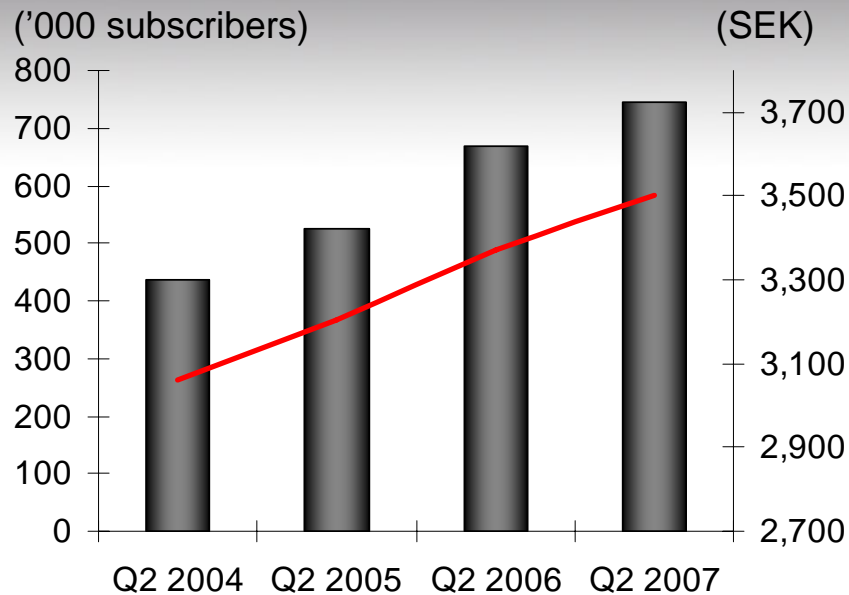
# Free-to-air TV Scandinavia

## Sales & Operating Performance – Rolling 12 Months

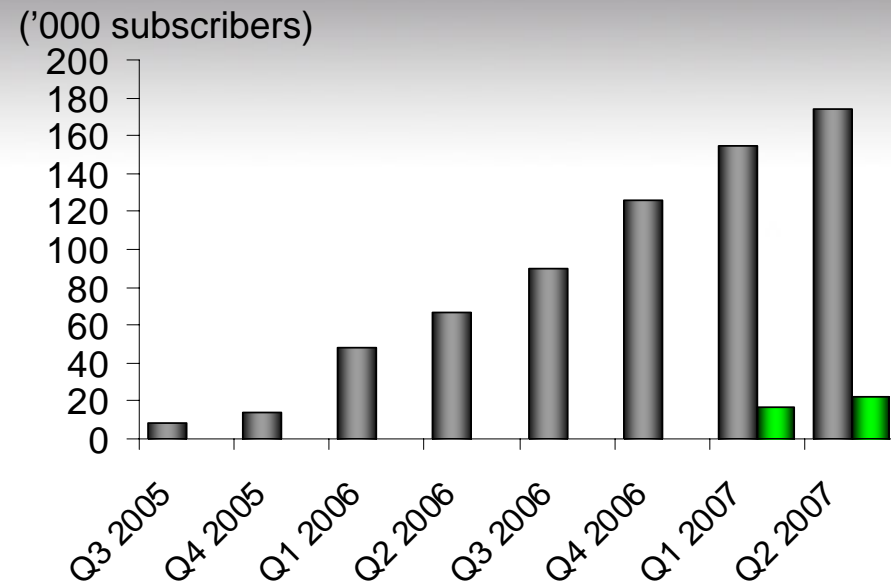


# Pay-TV Nordic

## Premium Subscriber & ARPU Growth



■ Premium Subscribers — Annualized ARPU

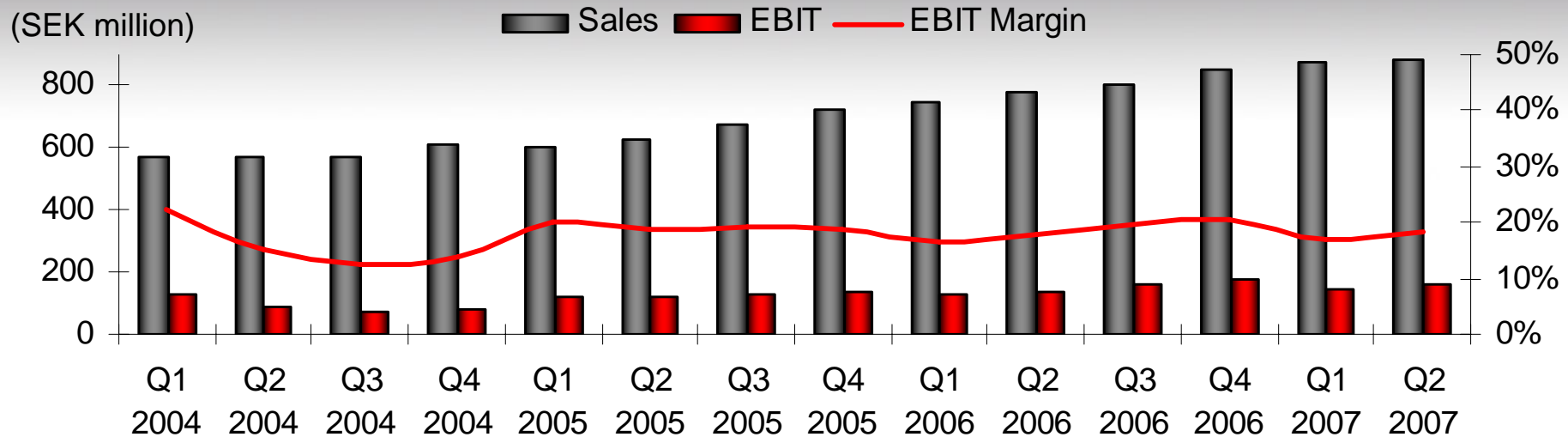


■ Viasat+ & Multiroom Subscriptions  
■ Viasat Golf Subscriptions

- 12% year on year increase in premium subscriber base & addition of 5,000 new subscribers in Q2 reflects almost complete analogue shut down in Sweden
- 174,000 Viasat+ and Multiroom subscriptions now represent 23% of premium DTH subscriber base
- ARPU up 4% year on year to SEK 3,502 reflecting price increases & PVR/Multiroom growth

# Pay-TV Nordic

## Stable Margins despite Increased Investments



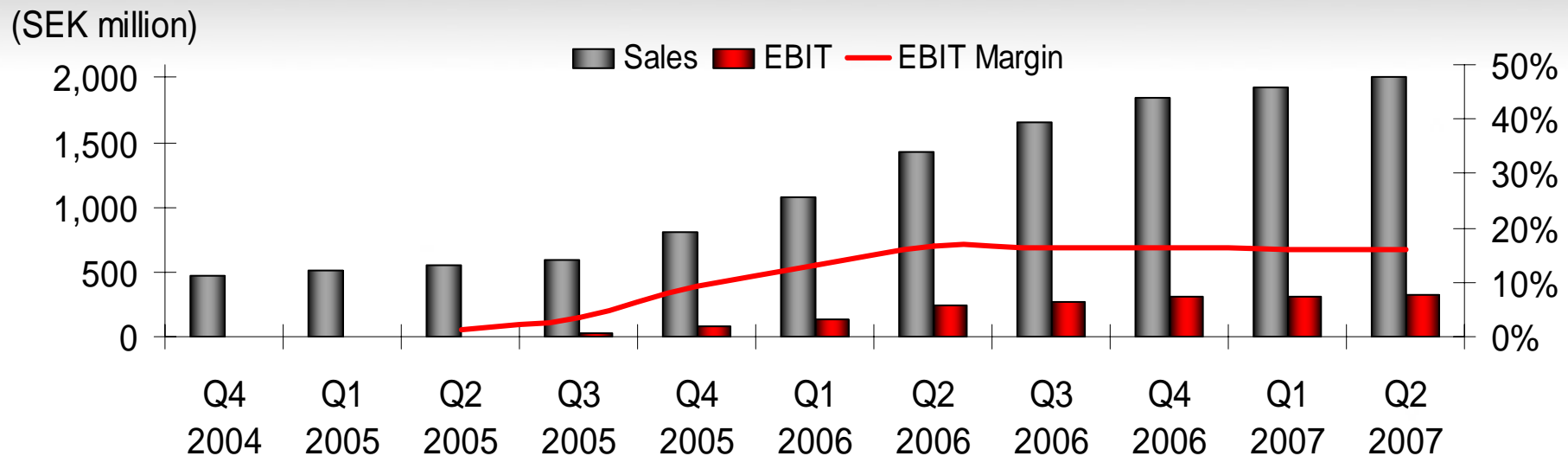
- 13% sales growth in Q2 and 15% in H1 following subscriber & ARPU growth
- Stable SAC with operating margins of 18% in Q2 and 17% for H1 despite increased sports programming costs, 15 new channels added to platform since beginning of 2006 & previously announced SEK 160 mn investments in new channels & technologies

### OUTLOOK

- Shift to ARPU growth vs. volume subscriber acquisition model
- Margin guidance of >17% for 2007 unchanged

# Central & Eastern Europe

Operating Performance – Rolling 12 Months (Excl. CTC media)



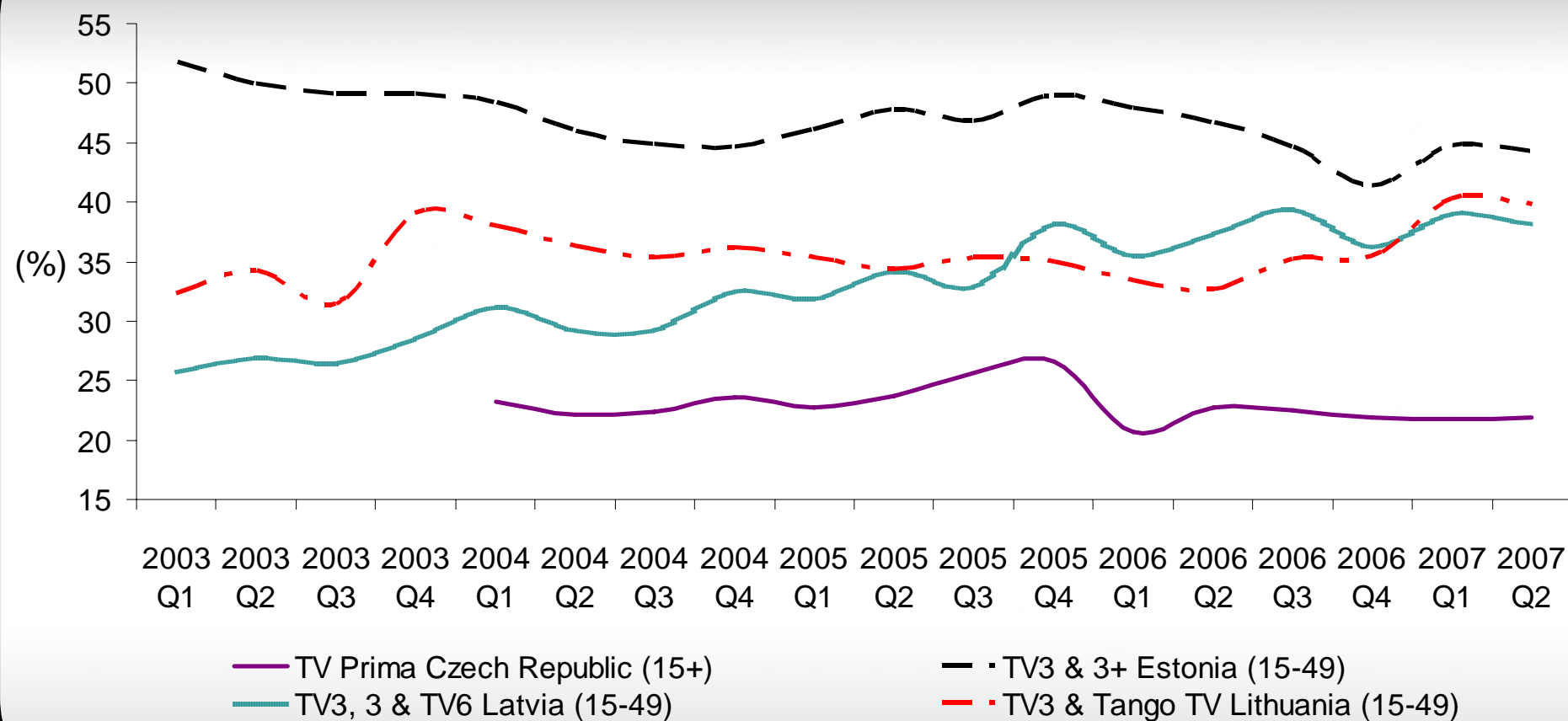
- Net sales up 14% to SEK 606 mn in Q2 and 18% to SEK 1,083 mn for H1 following strong growth in Russia & Hungary and for Pay-TV East operations
- TV Prima net sales decline due to exceptional 2006 results + investments in newly consolidated TV3 Slovenia & BMGL result in lower margins of 21% in Q2 & 17% for H1

## OUTLOOK

- Easing comps for Prima in H2 with performance dependent on ratings development

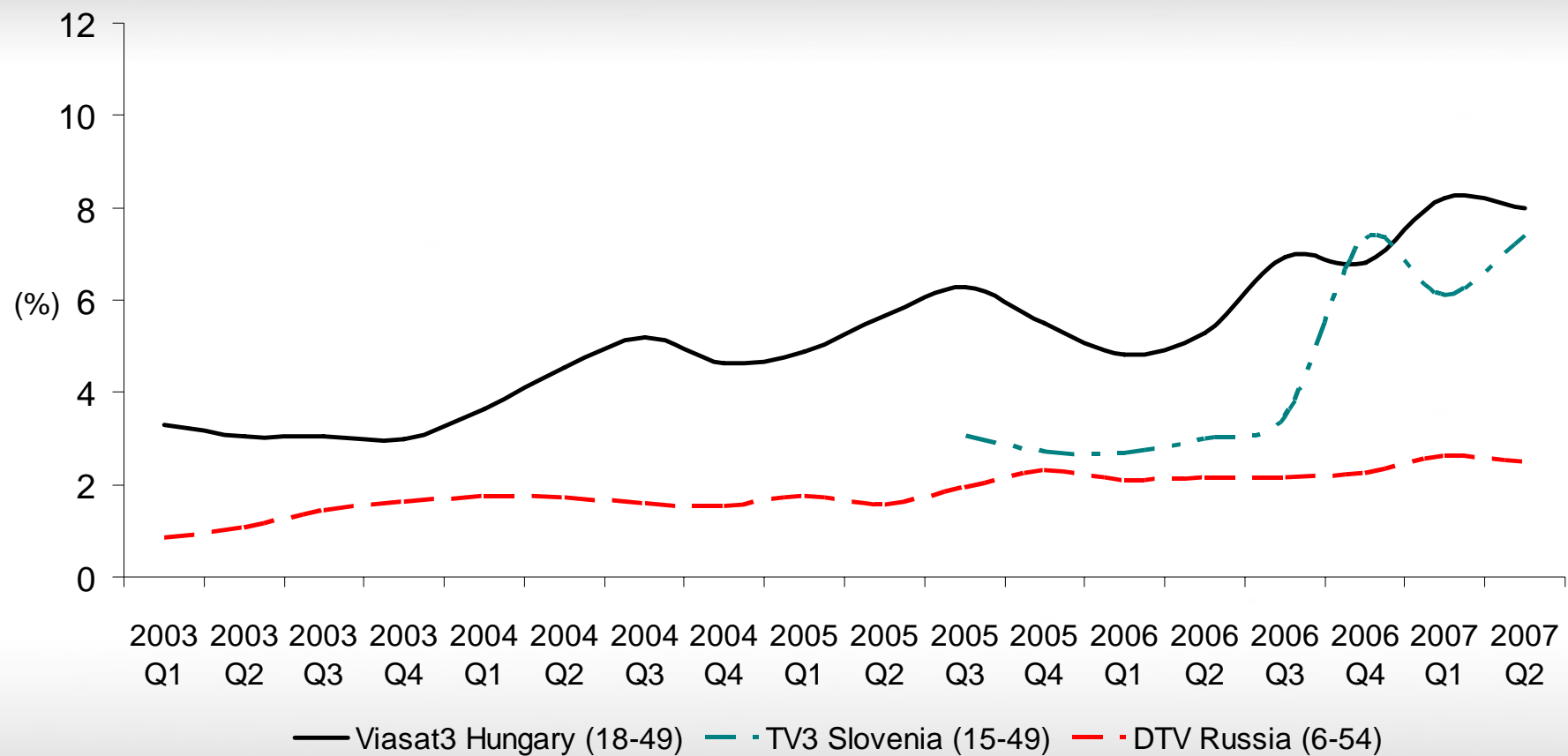
# Free-to-air TV Eastern Europe

## Commercial Share of Viewing



# Free-to-air TV Eastern Europe

## Commercial Share of Viewing



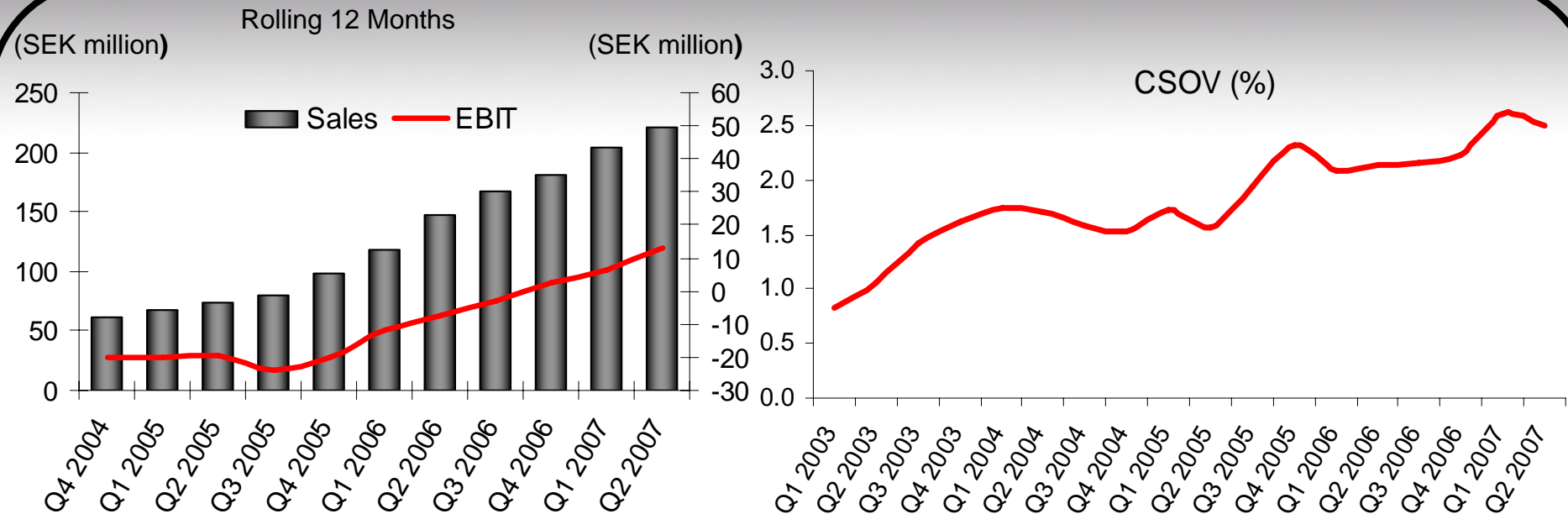
# TV Prima

## Czech Republic

- 17% decline in net sales to SEK 222 mn in Q2 and -9% to SEK 406 mn for H1 07 reflects tough year on year comps & inclusion of 'barter' agreements in 2006
- Increased operating margins of 27% (25%) in Q2 and 22% (23%) for H1 reflect discontinuation of 'barters' in 2007 and SG&A savings from restructuring
- In process of resolving disagreement with regional broadcasting license partner – continued to restrict channel development in period
- CSOV (15+) stable for three quarters, up for H1 07 to 21.8% (21.6%), but down slightly to 21.9% (22.7%) in Q2 with ratings improvements at end of the quarter & strong fall schedule line-up
- Price increases secured for 2007 under annual 'upfront' contracts & Prima continues to attract more advertisers than any other channel



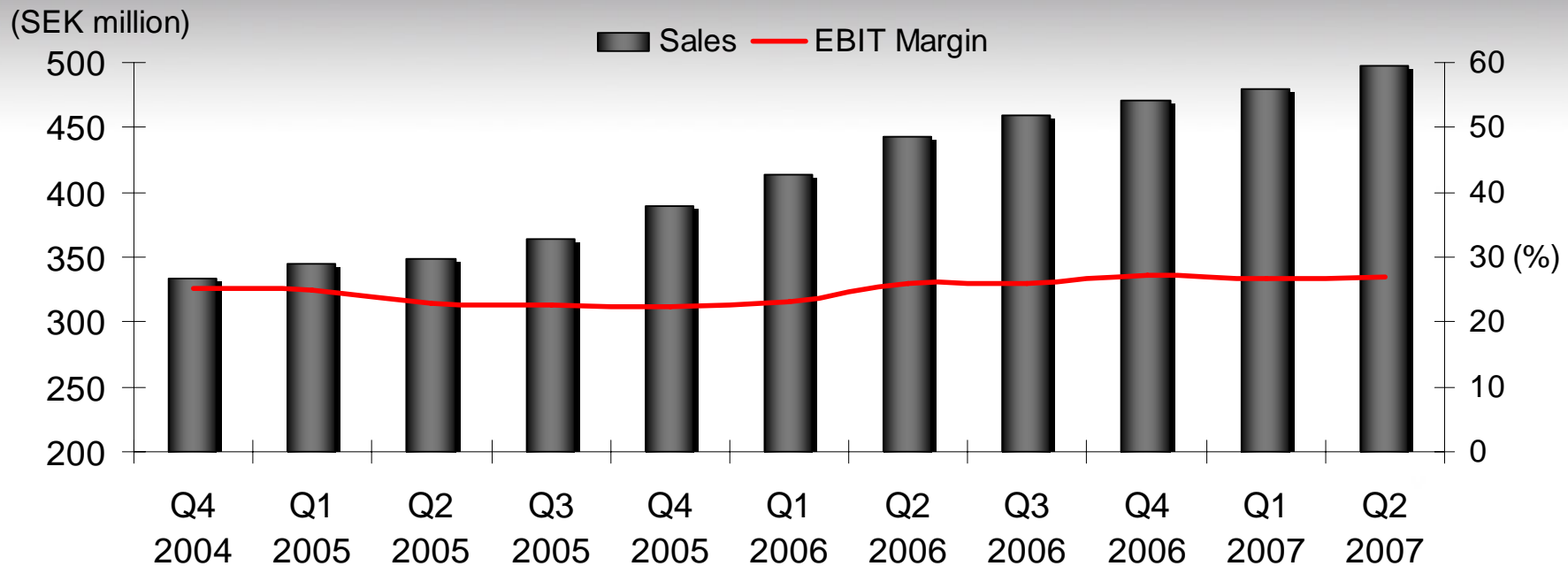
# DTV Russia



- Sales up 33% to SEK 67 mn in Q2 and 45% to SEK 129 mn for H1 07 following increase in CSOV (6-54) to 2.5% & demonstrating ongoing benefit of Video International sales agreement & increasing reach
- 1.1 million additional Moscow households connected through Mostelecom distribution agreement & further 400,000 households to be connected
- Swing to SEK 6 mn profit in Q2 and SEK 12 mn for H1 07 & 9% margin for both periods

# Free-to-air TV Baltics

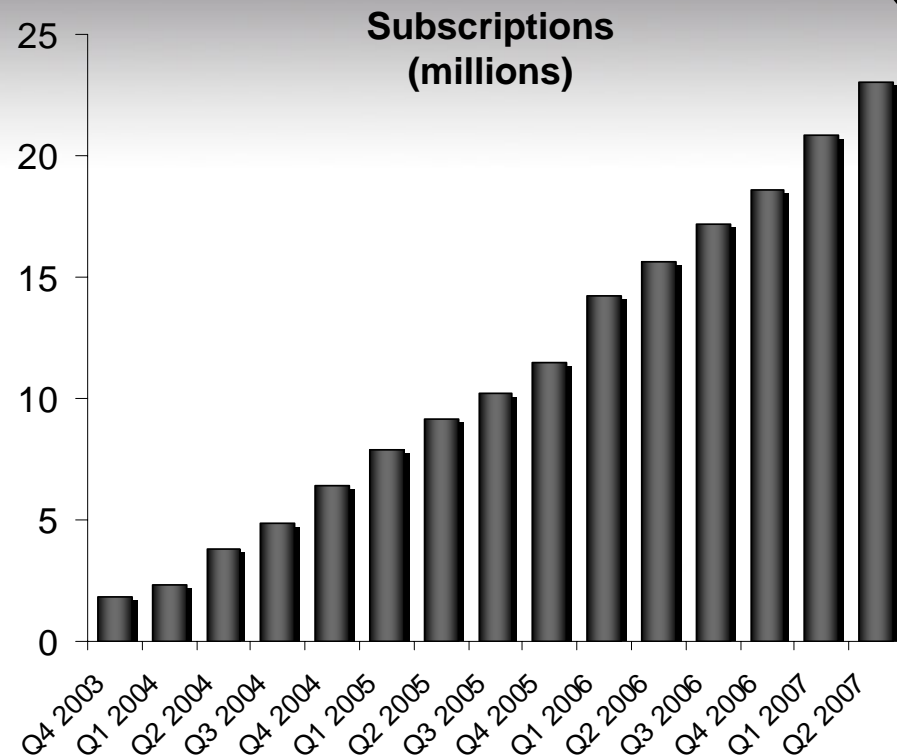
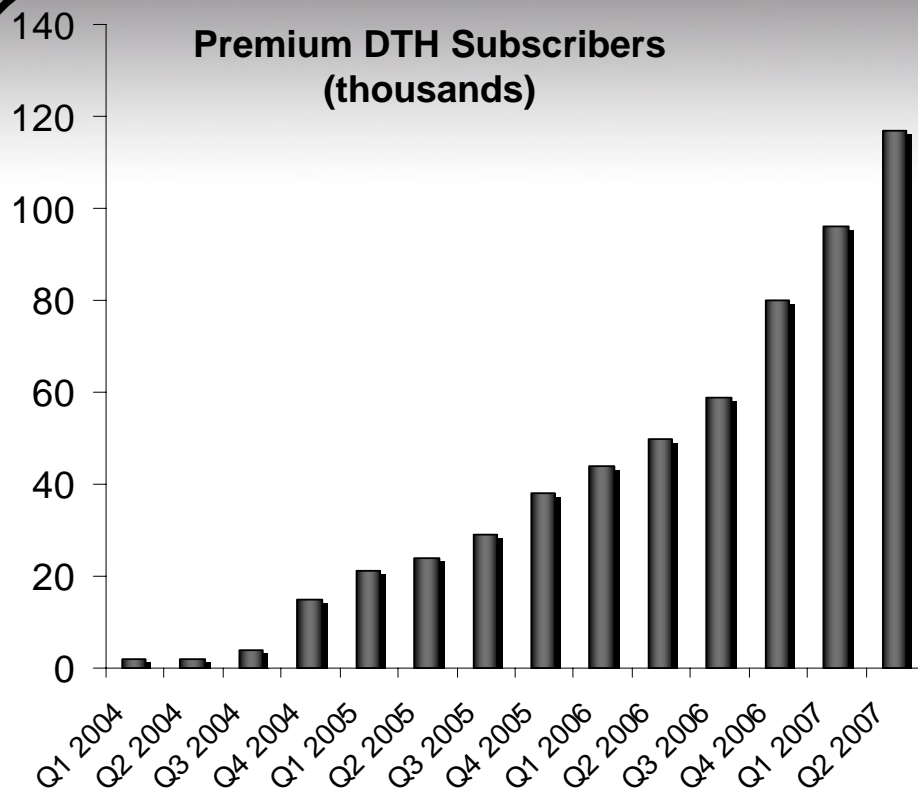
Rolling 12 Months



- 14% sales growth to SEK 153 mn in Q2 and 11% to SEK 263 mn for H1 with 35% and 27% operating margins respectively
- Pan-Baltic commercial share of viewing (15-49) up to 40.7% (36.6%) with improved ratings in Latvia and Lithuania offsetting decline in Estonia
- Niche channel TV6 launched in Latvia at the end of April and has already achieved CSOV (15-49) of 1% after end of quarter

# Pay-TV East

## Continued Subscriber Growth

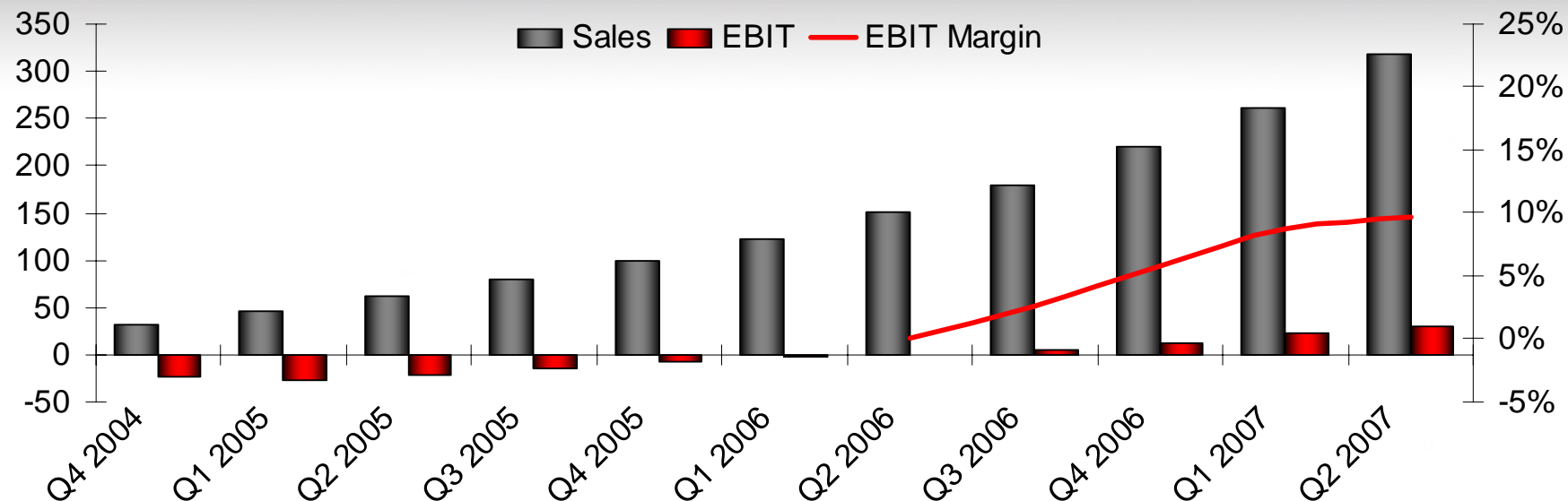


- > Doubling of Baltic DTH satellite subscriber base year on year to pass 100,000 mark
- 48% year on year increase in # of mini-pay subscriptions – 2.2 million added in Q2 alone – 8 channels in 20 countries now reach 9.8 million unique subscribers with new deals signed in Russia & Croatia

# Pay-TV East

## Rolling 12 Months

(SEK million)

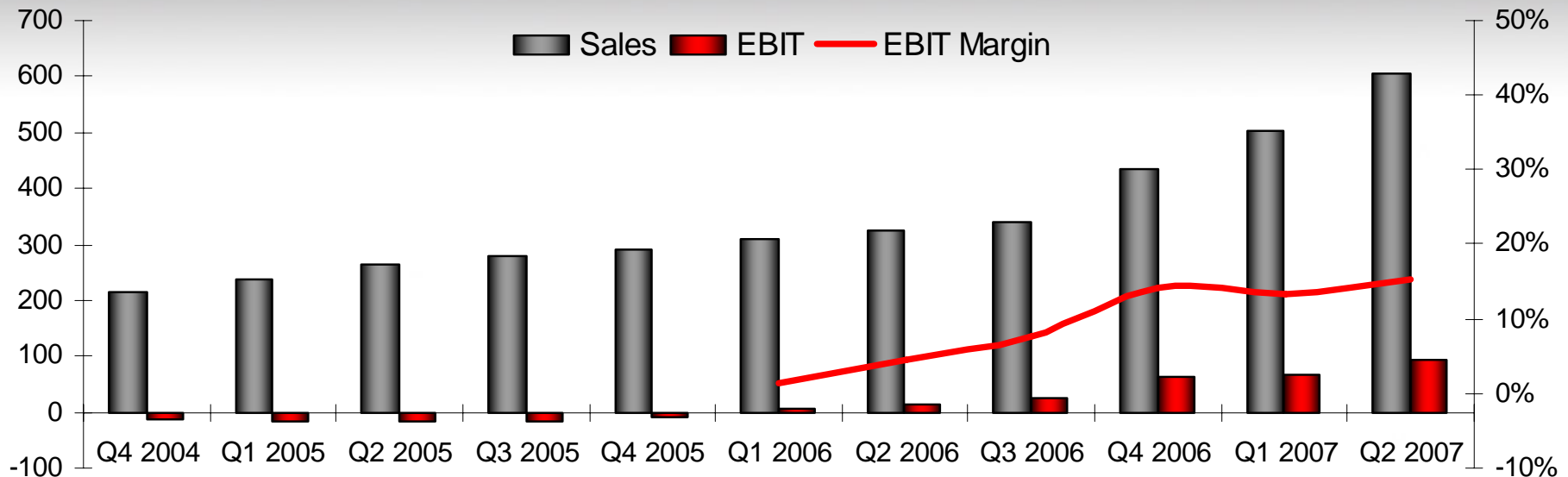


- Sales > doubled to SEK 108 (51) mn in Q2 and to SEK 191 (94) mn for H1
- Substantial increase in operating income to SEK 8 (0) mn in Q2 and SEK 19 (1) mn for H1 with operating margins of 7% and 10% for respective periods
- Baltic DTH platform in investment phase
- Balkan Media Group consolidated since 1 April 2007

# Radio

## Rolling 12 Months

(SEK million) (excl. associated companies)

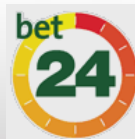


- > Doubling of net sales to SEK 200 mn in Q2 and SEK 350 mn for H1 including consolidation of P4 Radio from 1 October 2006
- > Doubling of subsidiary operating profits to SEK 41 mn in Q2 and SEK 48 mn in H1 with increased operating margins of 21% and 14%
- MTG Radio Sweden sales growth of 17% in Q2 and 7% in H1
- P4 local currency sales growth of 7% in Q2 and 8% in H1

# Other Businesses

## Online

- Business segment comprises CDON.COM, BET24, Playahead and MTG New Media
- Net sales of SEK 366 (368) mn in Q2 and SEK 779 (782) mn for H1
- Substantial improvement in operating profitability to SEK 27 (-18) mn in Q2 and SEK 41 (2) mn for H1
- CDON.COM sales up 21% to SEK 172 mn in Q2 and 25% to SEK 386 mn for H1
- BET24 breakeven following focus on markets where MTG has scale assets
- TV Shop sold to Guthy Renker and deconsolidated from 21 June 2007



## Modern Studios

- Net sales of SEK 70 (117) mn in Q2 and SEK 190 (267) mn for H1 reflect lower TV production levels and format sales by Strix, less movie releases & DVD sales for Sonet + disposal of Bromberg in December 2006 and discontinuation of Engine in January 2007
- SEK -15 (3) mn operating loss in Q2 and SEK -13 (7) for H1



# All Business Areas

## Operating Results

(SEK million)	Q2 2007	Q2 2006	Change (%)	H1 2007	H1 2006	Change (%)	FY 2006
<b>Net Sales</b>							
Viasat Broadcasting	2,246	2,057	9	4,250	3,861	10	7,805
Radio	200	99	103	350	179	95	433
Other business areas	437	485	-10	969	1,049	-8	2,192
Eliminations	-67	-96	-	-148	-211	-	-406
Parent company & other companies	27	32	-	50	60	-	111
<b>Total Net Sales</b>	<b>2,843</b>	<b>2,577</b>	<b>10</b>	<b>5,471</b>	<b>4,939</b>	<b>11</b>	<b>10,136</b>
<b>Operating income (EBIT)</b>							
Viasat Broadcasting	535	530	1	1,016	987	3	1,913
Radio	43	22	89	49	30	61	78
Other Business Areas	12	-14	-	28	8	-	-59
Parent company & other companies	-58	-52	-	-93	-88	-	-155
<b>Total EBIT</b>	<b>532</b>	<b>486</b>	<b>10</b>	<b>1,001</b>	<b>938</b>	<b>7</b>	<b>1,777</b>

# Summary Income Statement

(SEK million)	Q2 2007	Q2 2006	H1 2007	H1 2006	FY 2006
<b>Net Sales</b>	<b>2,843</b>	2,577	<b>5,471</b>	4,939	10,136
<b>Operating Income (EBIT)</b>	<b>532</b>	486	<b>1,001</b>	938	1,777
Gain/loss from financial assets	<b>0</b>	0	<b>0</b>	2	244
Net interest and other financial items	<b>-1</b>	13	<b>-3</b>	-2	-5
<b>Income before tax</b>	<b>531</b>	499	<b>998</b>	939	2,016
Tax	-169	-150	-320	-285	-517
<b>Net income for the period</b>	<b>362</b>	348	<b>678</b>	653	1,499
Basic average number of shares outstanding	<b>67,065,495</b>	66,479,130	<b>67,055,823</b>	66,428,352	66,591,869
Basic earnings per share (SEK)	<b>4.95</b>	4.78	<b>9.50</b>	9.16	21.57

# Cash Flow

(SEK million)	Q2 2007	Q2 2006	H1 2007	H1 2006	FY 2006
Cash flow from operations	307	350	586	587	1,372
Changes in working capital	211	19	-128	-74	-78
<b>Net Cash Flow from Operations</b>	<b>518</b>	<b>369</b>	<b>458</b>	<b>513</b>	<b>1,294</b>
Proceeds from sales of shares	-	0	-	21	21
Proceeds from sales of shares of subsidiaries	70	-	70	-	-
Investments in shares in subsidiaries & associates	-1	86	-179	3	-645
Investments in other non-current assets	-31	-179	-103	-209	-329
Other cash flow from investing activities	-	-	-	-	2
<b>Cash flow from/to investing activities</b>	<b>39</b>	<b>-93</b>	<b>-212</b>	<b>-185</b>	<b>-950</b>
<b>Cash flow from/to financing activities</b>	<b>-461</b>	<b>-868</b>	<b>-356</b>	<b>-870</b>	<b>-877</b>
<b>Net change in cash and cash equivalents for the period</b>	<b>95</b>	<b>-592</b>	<b>-110</b>	<b>-542</b>	<b>-533</b>

- SEK 70.3 mn received from sale of TV Shop in June 2007
- SEK 179 mn invested in acquisition of Playahead & Balkan Media Group in Q1
- Capital expenditure of SEK 31 (179) mn in Q2 and SEK 103 (209) mn in H1 primarily reflect investments made in DTV distribution contracts in Russia in Q1 07
- Distribution of SEK 503 mn dividend in May 2007

# Balance Sheet

(SEK million)	30 Jun 2007	30 Jun 2006	31-Dec-06
Non-current assets	5,424	5,393	4,891
Current assets	4,638	4,144	4,314
<b>Total assets</b>	<b>10,063</b>	<b>9,538</b>	<b>9,205</b>
Shareholders' equity	5,337	5,776	5,105
Long-term liabilities	371	248	305
Current liabilities	4,355	3,514	3,796
<b>Total equity &amp; liabilities</b>	<b>10,063</b>	<b>9,538</b>	<b>9,205</b>

- Net cash position of SEK 108 (420) mn
- SEK 3.7 billion of available liquid funds
- SEK 9.6 billion surplus to book value for 39.6% shareholding in CTC Media
- Net change in cash and cash equivalents of SEK 95 (-592) mn in Q2 and SEK -110 (-542) mn for H1 despite payment of SEK 503 million dividend

