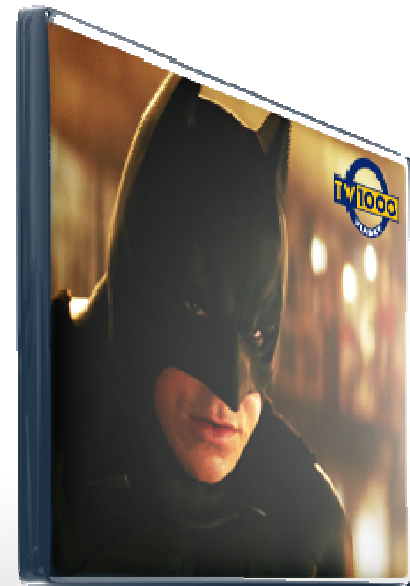


# Modern Times Group

## *Third Quarter 2008 Results*

***“Double Digit Sales Growth & Higher Margins”***



# Third Quarter Highlights

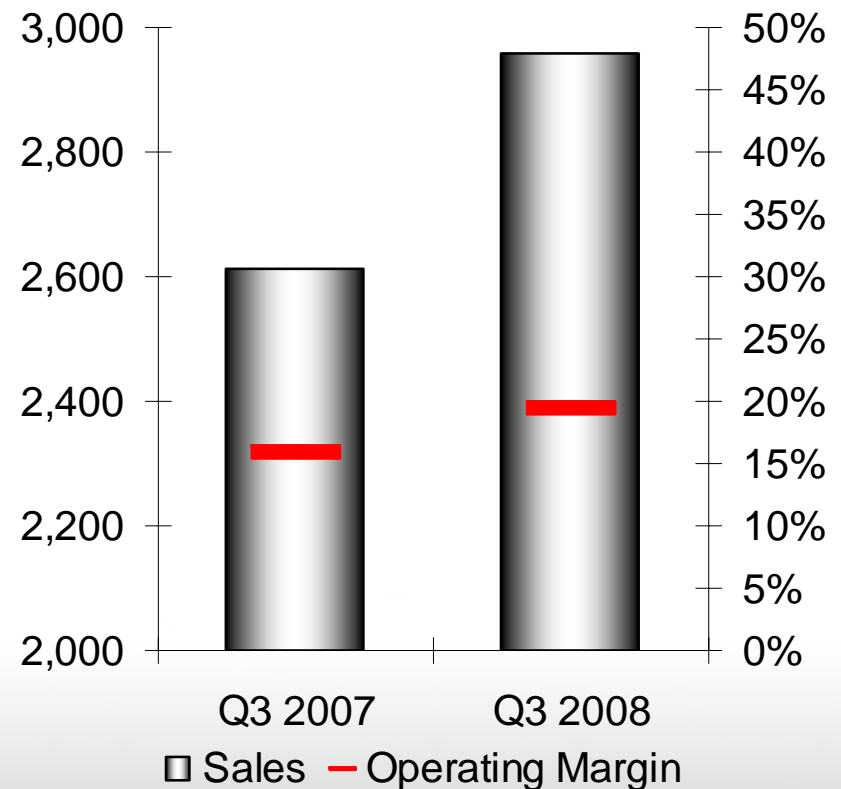
## 16<sup>th</sup> Straight Quarter of Double Digit Sales Growth

### Third Quarter

- Group net sales up 13% y-o-y to SEK 2,960 mn
- Operating income up 38% y-o-y to SEK 574 mn with increased operating margin of 19% (16%)
- Viasat Broadcasting net sales up 14% y-o-y to SEK 2,308 mn
  - Operating income, excluding associated company income, up 46% y-o-y to SEK 396 mn, with increased operating margin of 17% (13%)
  - Associated company income from CTC Media up 35% y-o-y to SEK 173 mn
- Group net cash flow up 49% y-o-y to SEK 275 mn
- Basic earnings per share up 39% to SEK 6.07 (4.39)
- Completion of EUR 620 mn acquisition of Nova Televizia in Bulgaria on 16 Oct & arrangement of SEK 3.0 billion credit facility

**Q3 net sales up 13% y-o-y**  
**Operating margin up to 19%**

(SEK millions)



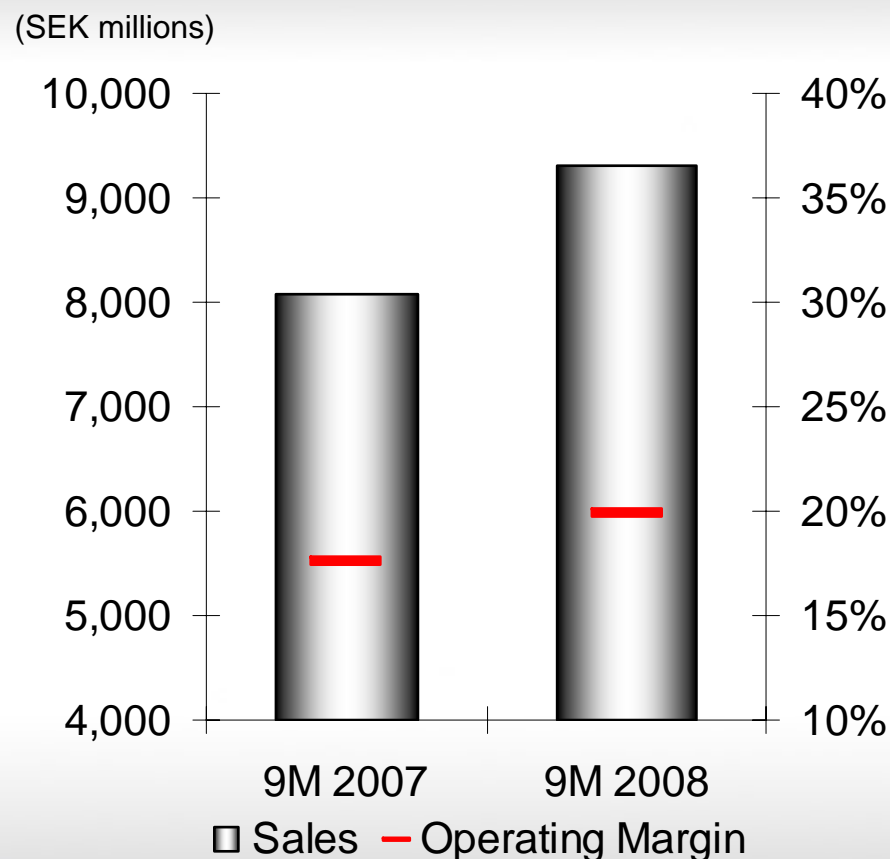
# Nine Month Highlights

## Record Sales & Profits

### First Nine Months

- Group net sales up 15% y-o-y to SEK 9,320 mn
- Underlying operating income excluding one-offs up 31% y-o-y to SEK 1,852 mn with increased operating margin of 20% (18%)
- Viasat Broadcasting net sales up 18% y-o-y to SEK 7,373 mn
  - Operating income, excluding associated company income, up 29% y-o-y to SEK 1,316 mn with operating margin of 18% (16%)
  - Associated company income from CTC Media up 28% y-o-y to SEK 512 mn
- Group net cash flow of SEK 1,304 (642) mn
- Basic earnings per share of SEK 35.87 (13.88)
- Sale of DTV Group in Russia to CTC Media for US\$ 395 million in cash – non taxable net gain of SEK 1,150 million

### Nine months net sales up 15% y-o-y Underlying\* operating margin up to 20%



\* Excluding SEK 1,150 mn net gain from the sale of Russian DTV Group & SEK 76 mn non-cash asset impairment charge in the Online business area

# Free-TV Scandinavia

## Summary

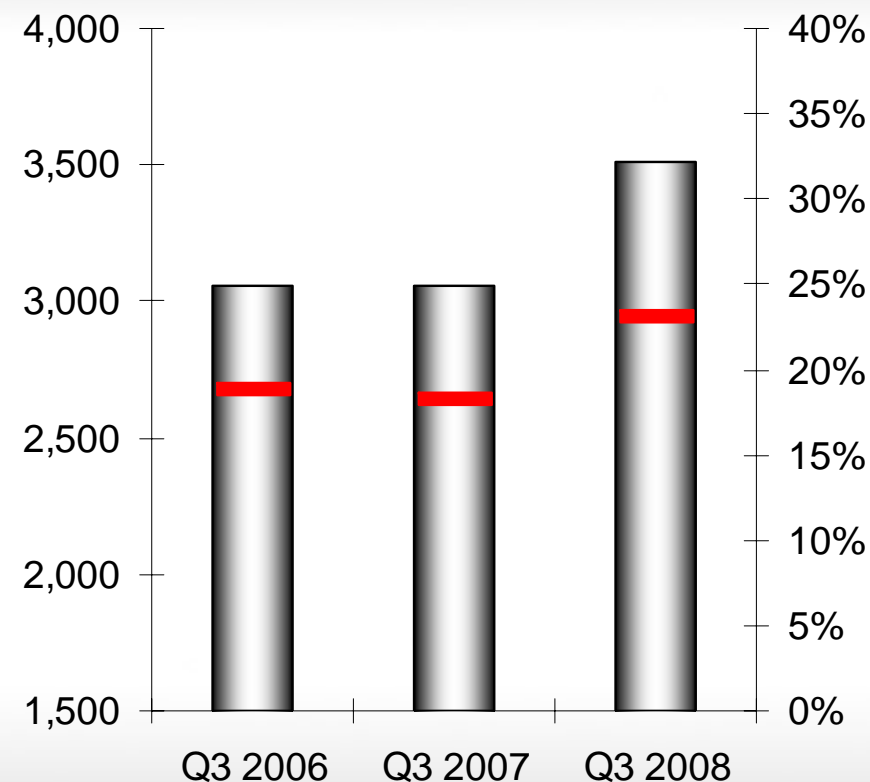
- Net sales up 17% y-o-y to SEK 783 mn in Q3 & up 15% to SEK 2,539 mn for YTD
- Operating costs up 7% y-o-y to SEK 608 mn in Q3 & up 8% to 1,971 mn for YTD
- Operating income up 67% y-o-y to SEK 176 mn in Q3 & up 48% to SEK 568 mn for YTD with increased operating margins of 22% (16%) & 22% (17%), respectively
- Significant audience share gains in Sweden & Norway - outperformed TV4 in Sweden & SBS ProSieben in Norway on media house basis in target audience group

## Commercial Share of Viewing (%)

	Q2 2008	Q3 2008
TV3 & TV6 Sweden (15-49)	33.5	37.9
TV3 & Viasat4 Norway (15-49)	23.0	25.6
TV3 & TV3+ Denmark (15-49)	22.7	21.4

## Rolling 12 Months

(SEK Millions)



□ Sales — EBIT Margin



# Pay-TV Nordic

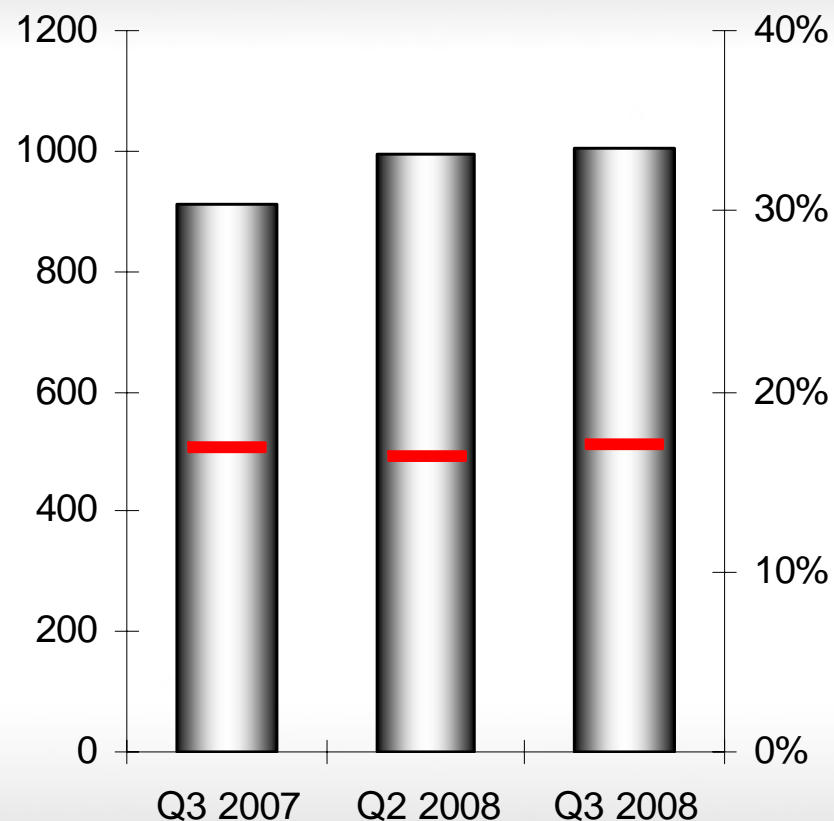
## Summary

- Sales up 11% y-o-y to SEK 1,006 mn in Q3 & up 12% to SEK 2,975 mn for YTD
- ARPU up 12% y-o-y to SEK 4,003 in Q3 & up from SEK 3,900 in Q2 following earlier price increases & increased proportion of multi-room subscriptions
- Short term increase in churn in Norway offset by growing IPTV subscriber base due to double subscribers' in Norway
- Operating costs up 11% y-o-y to SEK 836 mn in Q3 & up 13% to 2,486 mn for YTD – UEFA Champions League & F1 motor racing rights extended for 3 years
- Operating income up 10% y-o-y to SEK 170 mn in Q3 & up 5% to SEK 489 mn in 9M with stable operating margins of 17% (17%) & 16% (17%), respectively

## Subscribers

(000's)	Q2 2008	Q3 2008
<b>Premium subscribers</b>	<b>739</b>	<b>740</b>
- of which, DTH Satellite	688	679
- of which, IPTV	51	61

(SEK Millions)



□ Sales — EBIT Margin



# Free-TV Emerging Markets

Baltics, Czech Republic, Hungary, Slovenia, Bulgaria, Ghana

## Summary

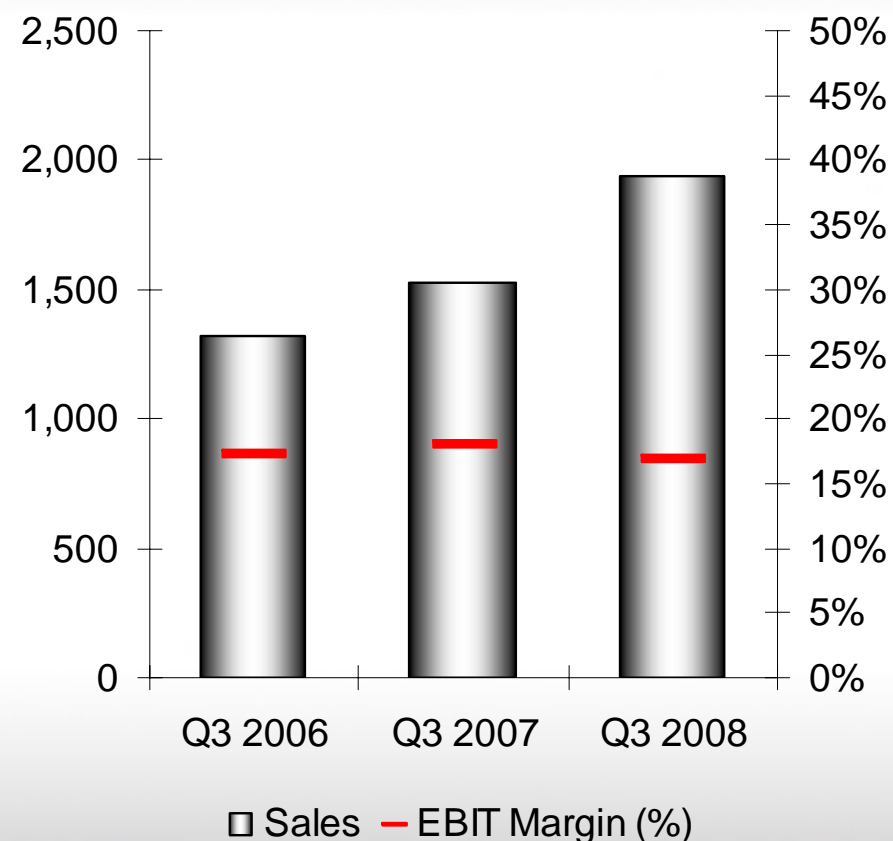
- Sales up 20% y-o-y to SEK 387 mn in Q3 & up 28% to SEK 1,395 mn for YTD
- Operating costs up 19% y-on-y in Q3 & up 34% for YTD reflecting investments in Q2 in EURO 2008 Football rights
- Operating income up 61% y-on-y to SEK 25 (16) mn in Q3 & was SEK 156 (169) mn for YTD, with operating margins of 6% (5%) & 11% (15%) for the two respective periods

## Combined Commercial Share of Viewing (%)

	Q2 2008	Q3 2008
Pan-Baltic (15-49)	39.6	39.4
Czech Republic (15+)	20.8	22.6
Hungary (18-49)	7.2	7.6
Slovenia (15-49)	12.1	9.3
Bulgaria (15-49)	9.7	8.1

## Rolling 12 Months

(SEK Millions)



# Pay-TV Emerging Markets

## Baltic & Ukraine DTH Satellite Platforms + Wholesale Mini-Pay Business

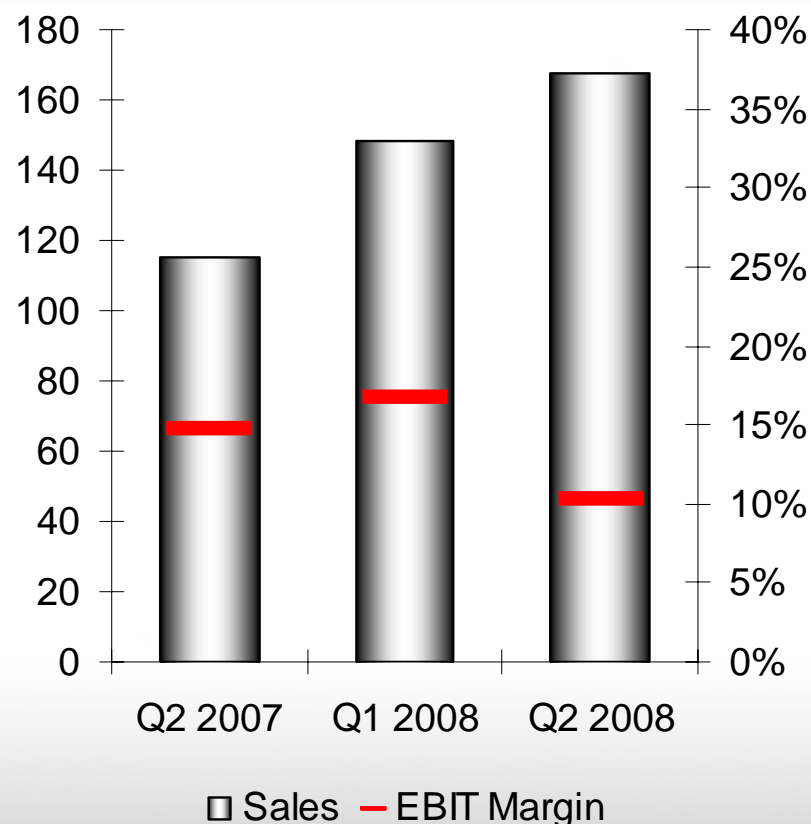
### Summary

- Net sales up 46% y-o-y to SEK 167 mn in Q3 & up 53% to SEK 455 for YTD
- Operating costs up 53% in Q3 & 56% for YTD reflecting increased investments in development of Ukrainian platform and new marketing campaigns in the Baltics
- Operating income of SEK 17 (17) mn in Q3 & up 34% to SEK 55 mn for YTD, with operating margins of 10% (15%) & 12% (14%), respectively
- 30% y-o-y growth increase in mini-pay subscriptions to over 33 million
- 62,000 subscribers added y-on-y to Baltic DTH satellite platform

### Subscribers

(000's)	Q2 2008	Q3 2008
DTH Premium Baltics	179	193
Mini-pay subscriptions	30,202	33,208

(SEK Millions)





# Other Operations

## Radio & Online

- MTG Radio sales up 8% y-o-y in Q3 to SEK 196 mn & up 14% to SEK 604 mn for YTD
  - Operating income up 16% y-o-y to SEK 45 mn in Q3 & up 48% to SEK 127 mn for YTD, with increased operating margins of 23% (21%) & 21% (16%), respectively
  - Continued strong performance in advertising sales & market share gains for P4 Radio in Norway balance softer performance in Sweden during the quarter
- Online sales up 27% y-o-y to SEK 420 mn in Q3 & up 13% to SEK 1,249 mn for YTD
- MTG Internet Retailing sales up 38% y-o-y in Q3 & up 41% for YTD following continued growth for CDON.COM, & growing contributions from Nelly.com & Gymgrossisten.com businesses acquired in Q3 07 and Q1 08, respectively
- Underlying operating income up 33% to SEK 28 mn in Q3 & up 26% to SEK 78 mn for YTD, when excluding SEK 76 mn Playahead non-cash goodwill impairment charge in Q2 08 & Viaplay impact for YTD
  - SEK 13 million of Viaplay costs in Q3 & SEK 19 mn for YTD
  - Online operating margins, excluding one-off effects, of 7% (6%) in Q3 & 6% (6%) for YTD



# 5 Year Strategic Goals

“On Track”

- MTG to double revenues within five years & to report Group Net Sales of SEK 20 billion in 2011, (including acquisitions) with >10% organic annual sales growth  
*Sales up 14% y-o-y to SEK 12.6 billion for 12 month period ended 30 September 2008*
- >20% operating (EBIT) margin for Viasat Broadcasting (excl. CTC Media) by end of 2011  
*Operating (EBIT) margin of 19% for 12 month period ended 30 September 2008*
- Current Viasat Broadcasting Emerging Markets operations (incl. CTC Media) to generate higher operating profit (EBIT) than rest of Viasat Broadcasting by 2011  
*Emerging Markets = 39% of Viasat Broadcasting EBIT (incl. CTC Media) for 12 month period ended 30 September 2008*
- MTG to report 30% return on Equity for 2007-2011 5 year period  
*28% Return on Equity for 12 month period ended 30 September 2008*

# Summary Income Statement

(SEK million)	Q3 2008	Q3 2007	9M 2008	9M 2007
<b>Net Sales</b>	<b>2,960</b>	2,612	<b>9,320</b>	8,083
<b>Operating Income (EBIT) before exceptional items</b>	<b>583</b>	416	<b>1,852</b>	1,416
Net gain from sale of DTV Group	-9	-	<b>1,150</b>	-
Online asset impairment charge	-	-	<b>-76</b>	-
<b>Operating Income (EBIT)</b>	<b>574</b>	416	<b>2,925</b>	1,416
Net interest and other financial items	<b>21</b>	-5	<b>38</b>	-8
<b>Income before tax</b>	<b>595</b>	411	<b>2,963</b>	1,408
Tax	<b>-190</b>	-119	<b>-563</b>	-439
<b>Net income for the period</b>	<b>405</b>	292	<b>2,400</b>	970
Basic average number of shares outstanding	<b>65,881,486</b>	67,059,318	<b>65,699,356</b>	67,056,988
Basic earnings per share (SEK)	<b>6.07</b>	4.39	<b>35.87</b>	13.88

# Cash Flow

(SEK million)	Q3 2008	Q3 2007	9M 2008	9M 2007	FY 2007
Cash flow from operations	242	297	1,247	882	1,363
Changes in working capital	33	-112	57	-240	-433
<b>Net Cash Flow from Operations</b>	<b>275</b>	<b>185</b>	<b>1,304</b>	<b>642</b>	<b>930</b>
Proceeds from sales of shares of subsidiaries	536	0	1,948	70	70
Investments in shares in subsidiaries & associates	-63	-8	-283	-187	-219
Investments in other non-current assets	-30	-184	-88	-287	-327
Other cash flow from investing activities	-	-	0	-	-4
<b>Cash flow from/to investing activities</b>	<b>444</b>	<b>-192</b>	<b>1,578</b>	<b>-404</b>	<b>-479</b>
<b>Cash flow from/to financing activities</b>	<b>565</b>	<b>-9</b>	<b>-1,329</b>	<b>-364</b>	<b>-590</b>
<b>Net change in cash and cash equivalents for the period</b>	<b>1,283</b>	<b>-16</b>	<b>1,552</b>	<b>126</b>	<b>-139</b>

- Net cash flow up 49% y-o-y in Q3
- Positive changes in working capital of SEK 67 mn in Q3 & SEK 91 mn for YTD
- SEK 1,948 mn received from completion of sale of DTV Group in Russia

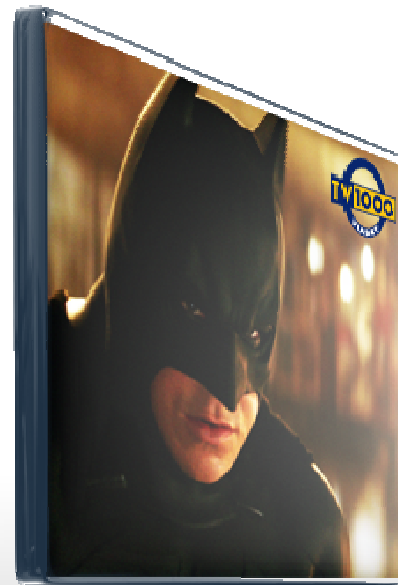
# Balance Sheet

(SEK million)	30 Sep 2008	30 Sep 2007	31 Dec 2007
Non-current assets	5,316	5,673	5,756
Current assets	6,930	5,119	5,203
<b>Total assets</b>	<b>12,245</b>	<b>10,791</b>	<b>10,958</b>
Shareholders' equity	7,320	5,595	5,875
Long-term liabilities	418	403	430
Current liabilities	4,507	4,793	4,654
<b>Total equity &amp; liabilities</b>	<b>12,245</b>	<b>10,791</b>	<b>10,958</b>

- 36% ROCE and 28% ROE for trailing twelve months
- Equity to assets ratio of 60% (52%)
- Net cash position increased to SEK 2,087 mn
- Available liquid funds increased to SEK 5,686 million
- SEK 4.7 billion surplus value of CTC Media stake
- Completion of and payment for the Nova Televizia acquisition after the end of Q3

# Modern Times Group

## *Acquisition of Nova Televizia Bulgaria*



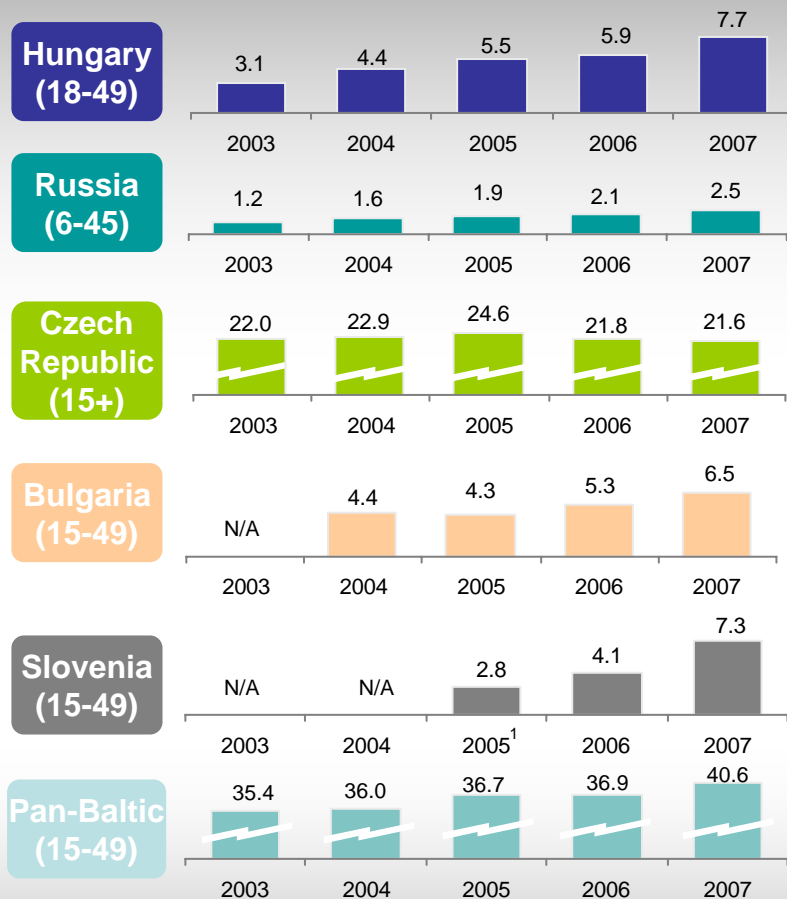
# Strategic Rationale

- Increasing exposure to fast-growing emerging C&EE advertising markets
- Combination of Diema & Nova creates media house with scale market position
- Complementary channel profiles provide incremental reach for advertisers
- Ability to bundle channels & raise prices yields significant synergies
- Provides basis for development of integrated broadcast operations with comprehensive channel & content portfolios

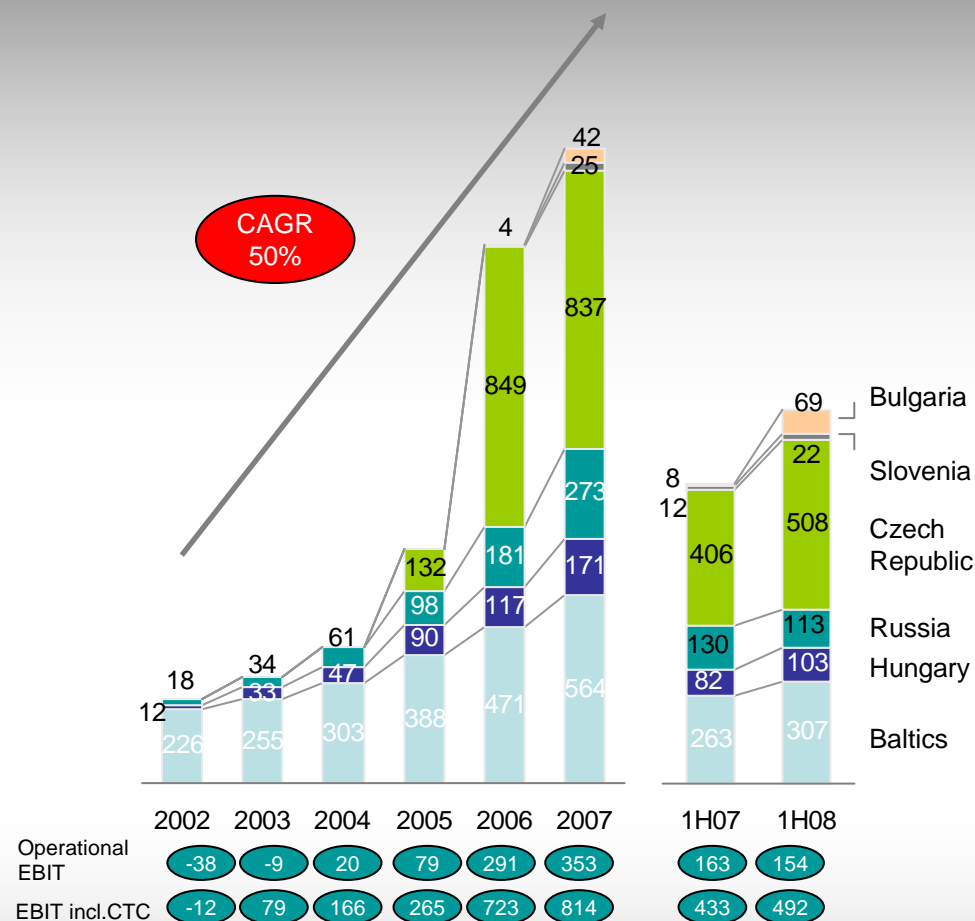
# Increasing Exposure to Fast Growing Emerging Markets

## Central & Eastern Europe

Commercial Share of Viewing  
(% & target audience group)



Revenues & EBIT (SEK million)



<sup>1</sup> Weeks 35-52

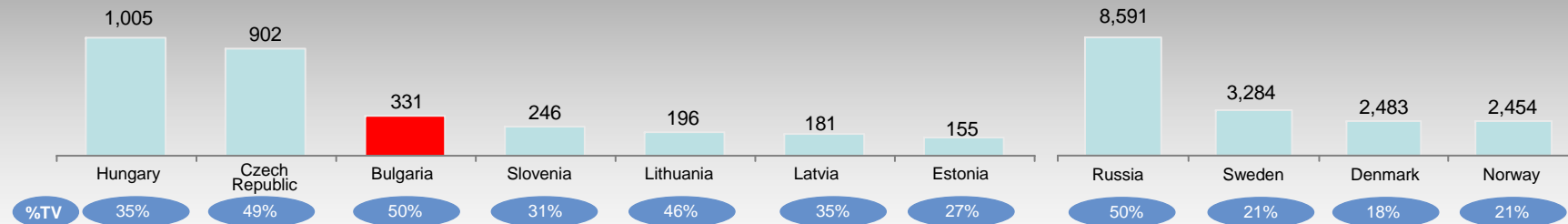
Source: Baltics and Bulgaria: TNS, Slovenia: AGB Nielsen, Czech Republic: Mediaresearch



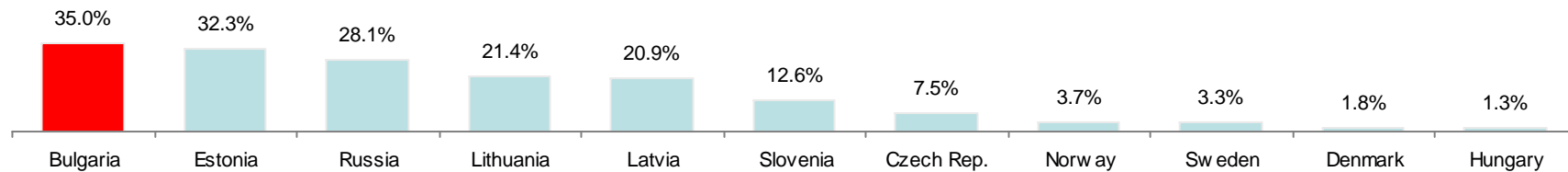
# Increasing Exposure to Fast Growing Emerging Markets

## Bulgarian Advertising Market

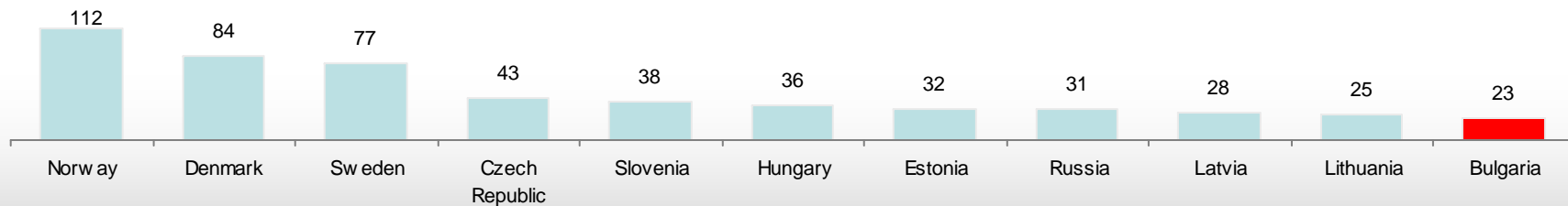
2007 Advertising Market Size (US\$ millions)



2007 TV Advertising Market Growth (local currency)



2007 TV Advertising Spend per capita (US\$)



Source: WARC report, Market Data Research, World Fact Book

# Combination of Diema & Nova creates Scale Media House

## Bulgaria – Free-TV Market Players

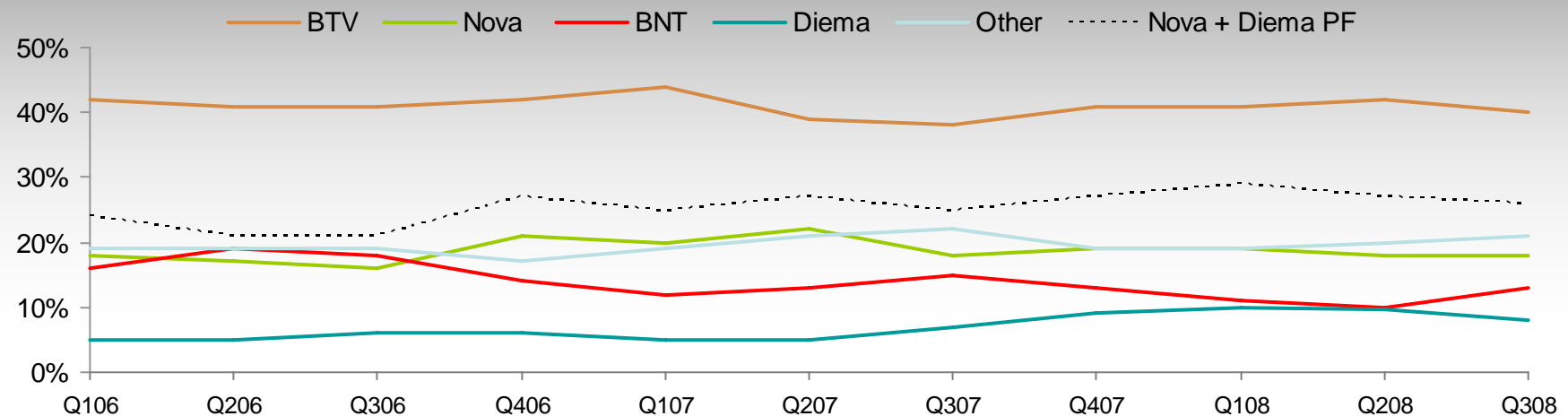
Broadcaster	Ownership	Launched	% Total penetration as per March 2008	2007 Audience Share (18-49)	2007 Advertising Market Share
	100% NewsCorp	2000	98.6	46.2%	56.0%
	100% MTG	1994	94.2	19.8%	32.4%
 БЪЛГАРСКА НАЦИОНАЛНА ТЕЛЕВИЗИЯ	State	1959	98.8	12.9%	3.5%
	50% MTG / 50% Apace Media	1999	64.6	6.5%	1.1%
	80% CME / 20% Private individual	2007	69.8	N/A	N/A

Source: TNS, Company reports

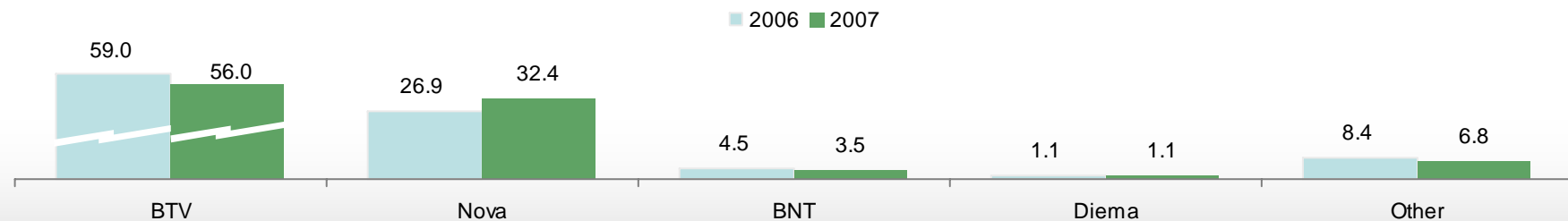
# Combination of Diema & Nova creates Scale Media House

## Channel Performance

Commercial Share of Viewing (18-49)

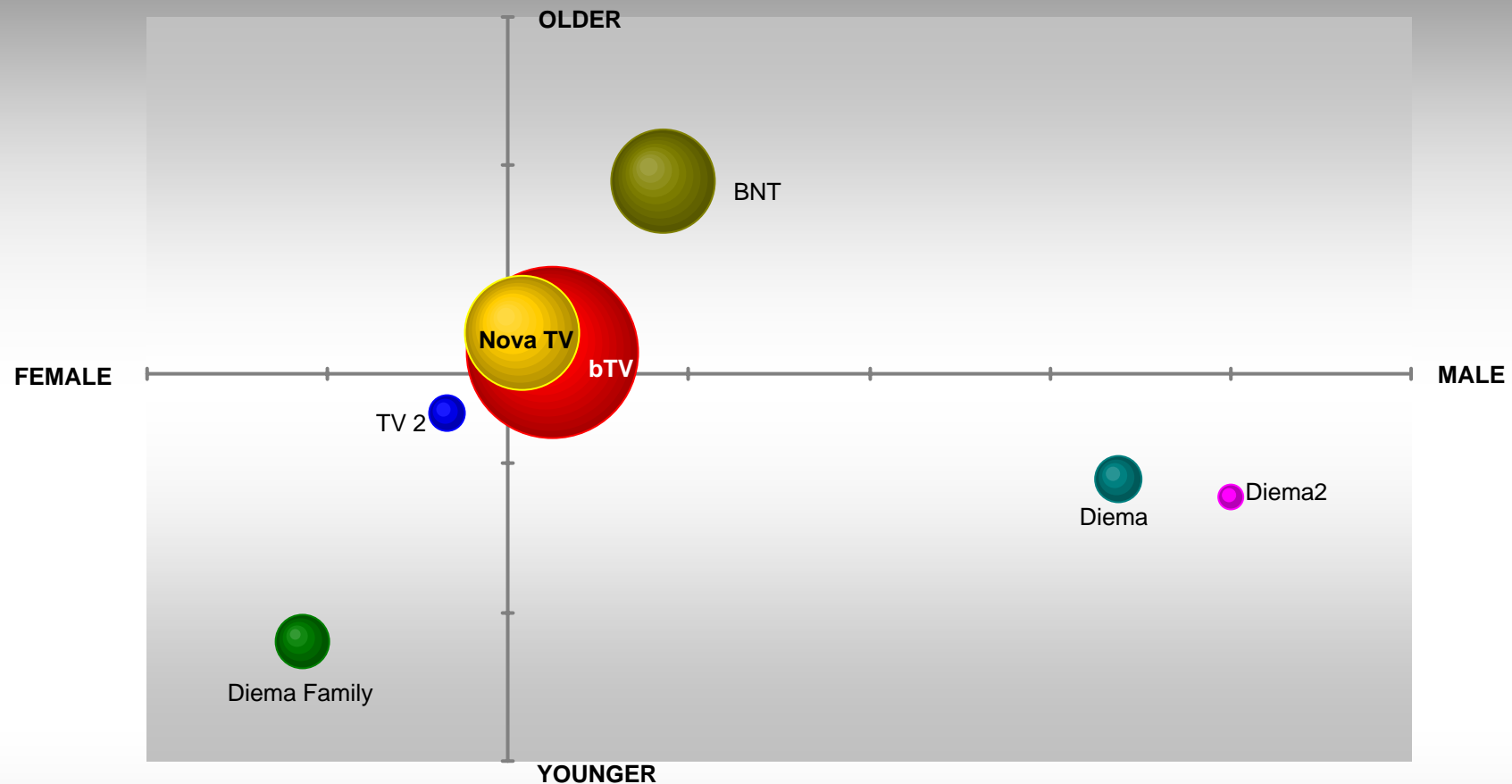


Advertising market share (%)



Source: TNS Bulgaria, Company reporting, Market Data Research

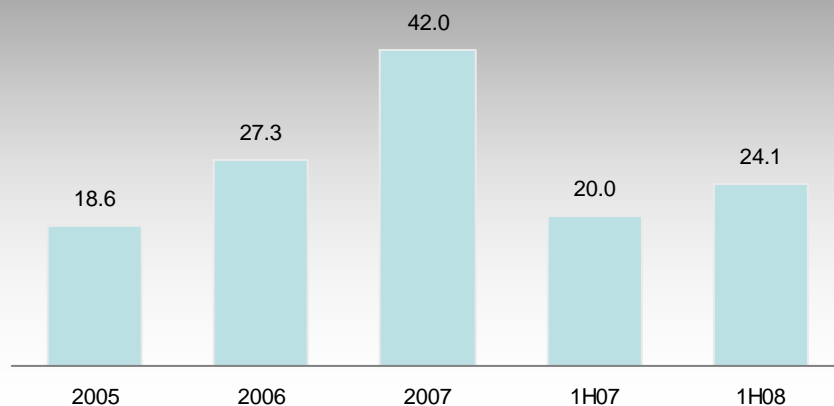
# Complementary channel profiles provide Incremental Reach Audience Mapping



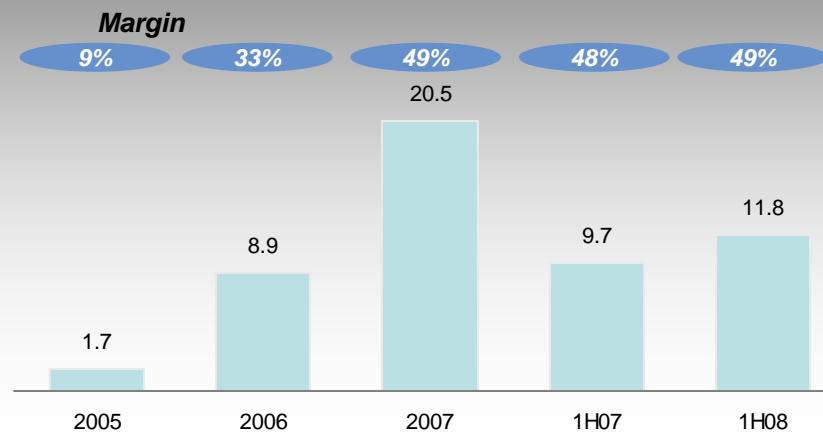
Source: TNS TV Plan

# Ability to bundle channels & raise prices yields significant synergies

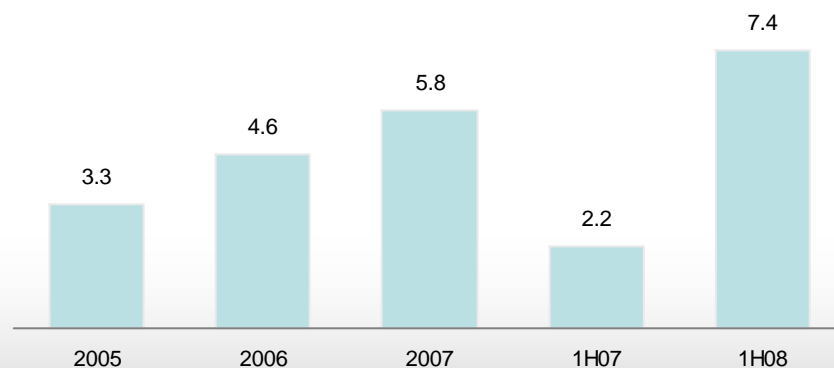
**Nova Revenues (EUR mm)**



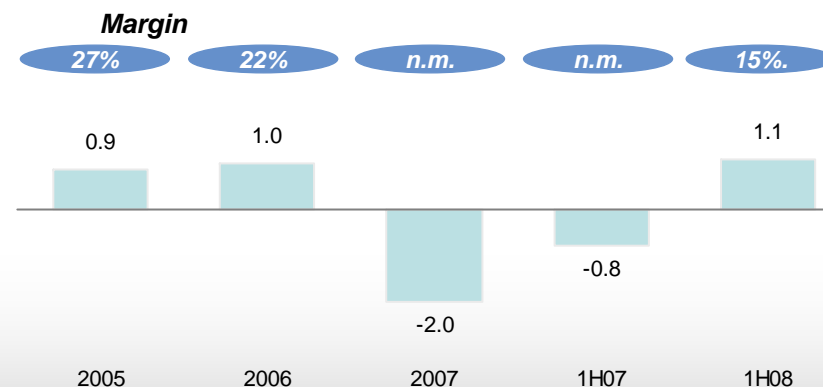
**Nova EBITDA (EUR mm)**



**Diema Revenues (EUR mm)**



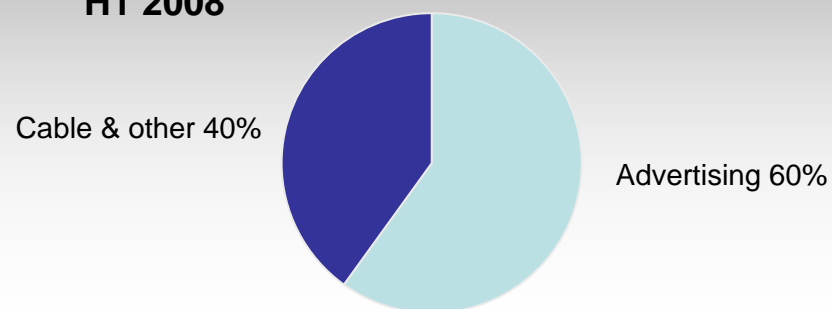
**Diema EBITDA (EUR mm)**



# Ability to bundle channels & raise prices yields significant synergies

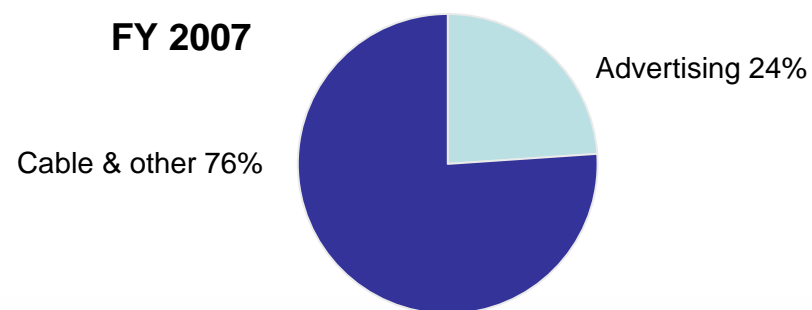
**Diema Revenue Split**

**H1 2008**



**Total revenues: EUR 7.4 million**

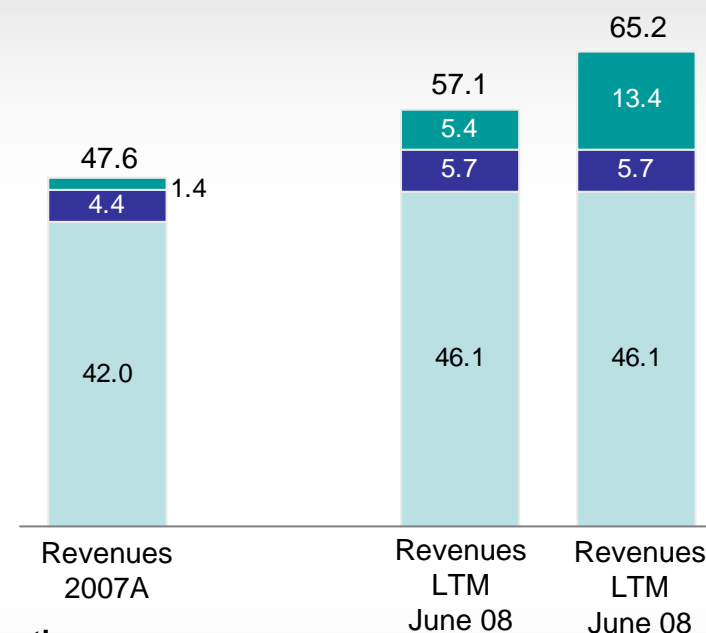
**FY 2007**



**Total revenues: EUR 5.8 million**

**Illustrative Synergy Effects (EUR million)**

- Diema advertising revenues
- Diema cable & other revenues
- Nova total revenues



**Power ratio:**

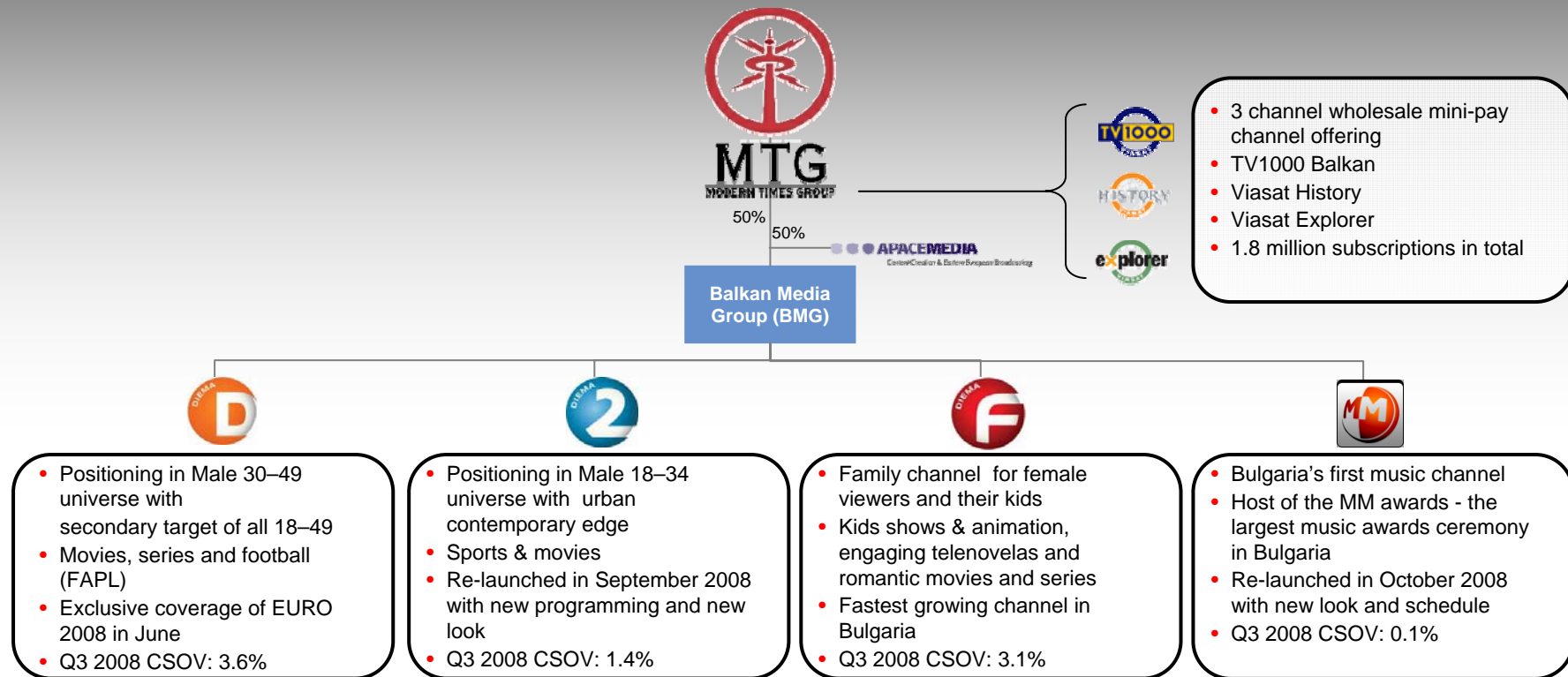
Diema	0.2x
Nova	1.6x

Sources: TNS, company publications, JPM estimates

<sup>1</sup> Estimated as per LTM June 08

# Provides basis for development of integrated broadcaster

## Pre-Nova Market Position



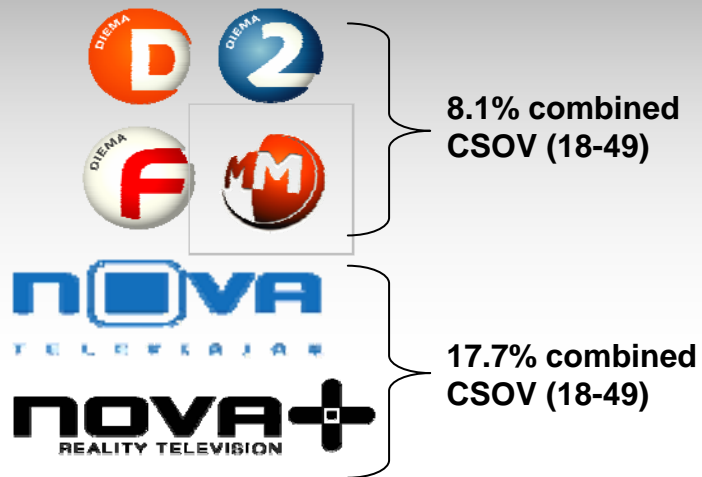
- **75% technical reach including DTH & full cable coverage**
- **Combined commercial audience share (18-49) increased from 5.1% in Q2 07 to to 8.1% in Q3**
- **Net sales up 50% y-o-y to SEK 21 mn in Q3 & > quadruple to SEK 90 (22) mn for YTD**
- **Positive EBIT of SEK 2 (-6) mn in Q3 & SEK 10 (-10) mn for YTD**



# Provides basis for development of integrated broadcaster

## Post Nova Market Position

### Free-TV



### Pay-TV



#### KEY SPORTS RIGHTS

- Premier League
- ATP Masters Series
- FA Cup
- England Senior & U-21 home soccer matches

#### KEY STUDIO DEALS

- Sony
- Warner
- NBC Universal
- Disney
- Fox
- Discovery
- CBS Paramount
- BBC Worldwide
- ITV Global
- Fremantle

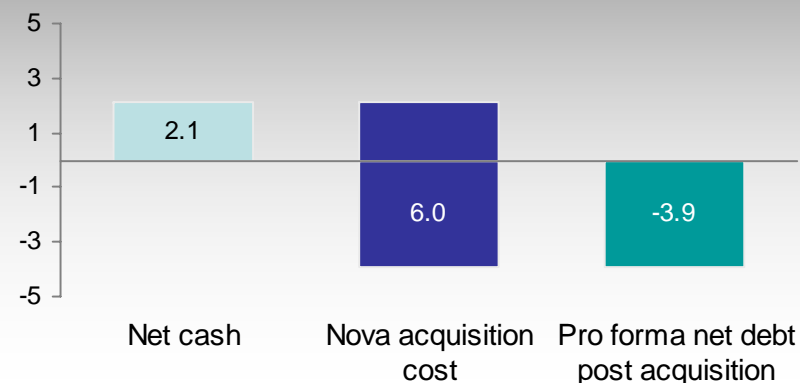
# Financial Flexibility Maintained

Pro Forma Financial Position As at 30 September 2008

## Financing Overview (SEK billions)

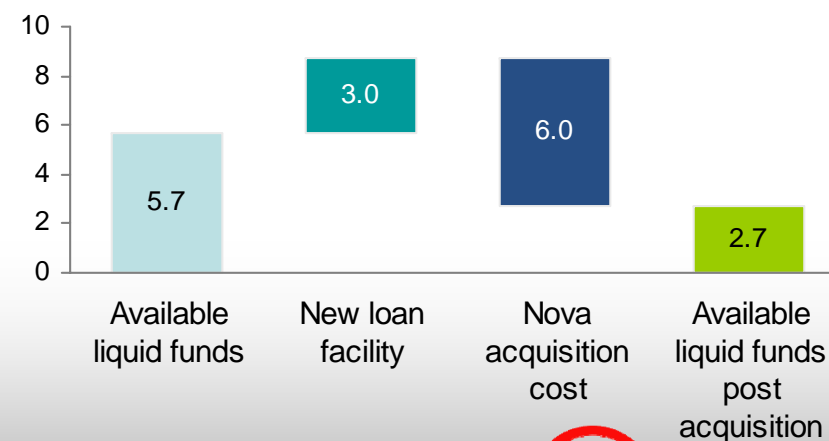
Net Cash position pre Nova acquisition	2.1
Nova acquisition approx.	-6.0
Pro Forma Net Debt post Nova acquisition	-3.9
FY 2008 consensus EBIT	2.6*
<b>Pro Forma Net Debt / consensus FY08 EBIT</b>	<b>1.5x</b>

## Impact on Leverage (SEK billions)



Available liquid funds pre Nova acquisition	5.7
<i>of which, cash balances</i>	<i>2.1</i>
<i>of which, unutilised credit facilities</i>	<i>3.6</i>
New loan facility secured	3.0
Nova acquisition	-6.0
<b>Pro Forma available liquid funds post Nova acquisition</b>	<b>2.7</b>

## Impact on Financial Flexibility (SEK billions)



\* Source: SME Direkt. Excludes SEK 1,074 mn of extraordinary items (Gain from sale of DTV & Asset impairment charge in the Online business area)

# Modern Times Group

## *Third Quarter 2008 Results*

***“Double Digit Sales Growth & Higher Margins”***

