

MODERN TIMES GROUP

CAPITAL MARKETS DAY 2013

BUILDING IN AFRICA BUILDING A MEDIA HOUSE IN A FAST GROWING REGION

Joseph Hundah
EXECUTIVE VICE PRESIDENT OF THE
GROUP'S AFRICAN OPERATIONS



JOSEPH HUNDAH JOINED MTG IN 2011

Born 1972

EVP of the African operations in November 2012

CEO of MTG's African operations since joining the Group in 2011.

Previously worked for South African pay-TV operator M-Net and Supersport

Managing Director of the MultiChoice satellite pay-TV platform in Nigeria.

Favourite APP: 3D mini-golf challenge

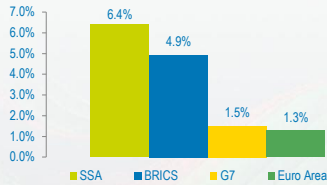
Best lap: Marathon des sables in under 2 days



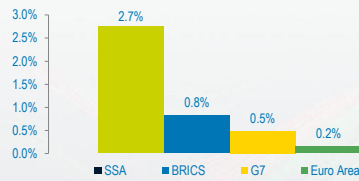
SUB-SAHARAN AFRICA

STRONG UNDERLYING GROWTH IN KEY SSA MARKETS...

CAGR GDP GROWTH OF 6.4%
GDP GROWTH 2011-2018



CAGR POPULATION GROWTH OF 2.7%
POPULATION GROWTH 2011-2018



7 out 10 fastest growing economies 2011-2015 are Sub-Saharan
Improved fiscal management on government level
Generally more favorable investment climate
Significant FDI growth
Mobile phone penetration at +60%

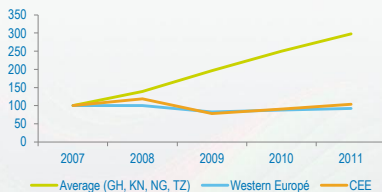
Source: IMF World Economic Outlook April 2013, Economist Intelligence Unit, GSMA Mobile Observatory 2012



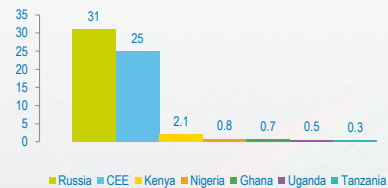
SUB-SAHARAN AFRICA

...AND ADVERTISING MARKETS LOOK EVEN MORE PROMISING

INDEXED TV AD MARKET GROWTH
INDEX 2007 = 100



AD SPEND PER CAPITA (US\$)
SIGNIFICANT UPSIDE



Market CAGR will be in the 10-15% interval over the coming years

TV advertising markets driven primarily by telcos, FMCGs, beverages and banks

Ad spend per capita significantly lagging behind that of e.g. CEE & Russia

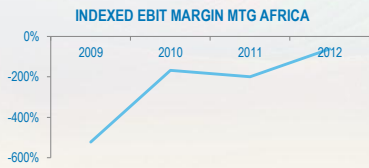
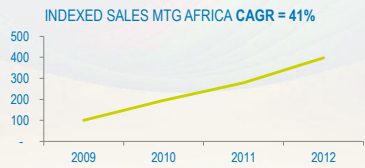
→ Growing middle class, growing levels of disposable income and growing urbanization represents a great opportunity for MTG

Source: Internal MTG estimates



MTG AFRICA

OVERVIEW OF CURRENT OPERATIONS



Source: Internal MTG estimates



VIASAT1 GHANA

ONE OF THE FASTEST GROWING DEPLOYMENTS IN MTG HISTORY

SALES INDEX Q1'10 = 100



Sales = 60% CAGR

Clear No.2 channel in the Ghanaian market with 24% CSOV (15-49)

Raising the standards for TV productions through partnership with MAP

Approximately 50% local content currently with aim to increase to 70%

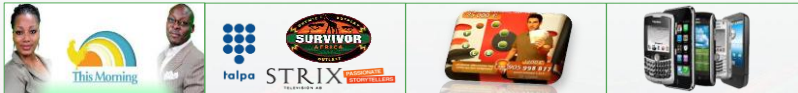
Significant upside when Ghana goes digital, due to increased penetration., with opportunity to launch additional channels

Source: Internal MTG estimates



SUB-SAHARAN AFRICA

...AND ADVERTISING MARKETS LOOK EVEN MORE PROMISING



- TV PRODUCTION → MAPs core business
- FORMAT DEVELOPMENT → 6 new formats created in last 6 months. 5 currently in production
- FACILITATION → Assist international format owners with execution in SSA
- CALL TV → Low cost productions. Multi-country approach likely to yield significant revenue
- MOBILE TV → Target niche markets, e.g. finance, agriculture and jobs



TANZANIA – LAUNCH Q4-2013

AMONG TOP 10 GROWTH ECONOMIES 2011-2015 IN THE WORLD



Capital: Dodoma Economic center: Dar
 GDP/capita PPP: US\$ 1,400
 GDP growth 2012: 7%
 TV ATT ad market size in 2012 = SEK 120m
 TV DTT ad market CAGR 2013-2018 = 20%
 TV DTT ad market size in 2018 = SEK 200m

Population: 48m
 0-14yrs: 45%
 Urban population: 26%
 Male / female: 51% / 49%
 30% Christian, 35% Muslim

DTT FTA channel
 Main cities migrated to DTT during H1 2013 50% penetration
 General entertainment channel targeting urban A15-49 – focus on news
 Four main players in the market



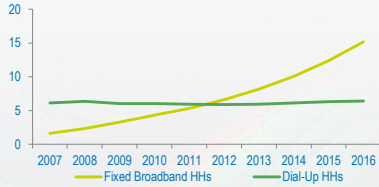
- Tanzanians watch 163 minutes of TV per day (similar number to Europe)
- Big 4 constellation similar to Ghana, with ITV being market leader
- News rated most popular program category by far
- +80% of high income earners consume TV on weekly basis
- Strong local language affiliation - Swahili



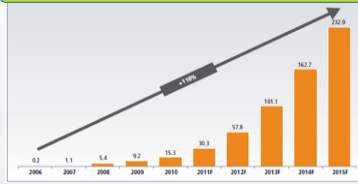
AFRICAN ONLINE MARKET

EXPLOSIVE GROWTH DRIVEN BY MOBILE BROADBAND

BROADBAND HHS IN AFRICA (MN)
23.4% CAGR 2007-2016



MOBILE BROADBAND CONNECTIONS
118% CAGR 2006-2015



An estimated 250m people will have access to broadband in SSA by 2016

The roll-out of 3G (and soon 4G/LTE) paired with affordable smartphones and laptops has already provided a viable alternative to fixed broadband, in the form of internet enabled handsets and wireless modems / dongles

Kenyan data revenues have increased at an impressive 67% CAGR over the last four years, and now represent 26% of total mobile market revenue

Source: PWC - South African Entertainment and Media Outlook 2012-2016, AT Kearney - GSMA Mobile Observatory 2012



THANK YOU

