Expanding Horizons

Irina Gofman, EVP of Russian & CIS Broadcasting

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Born 1970

Joined MTG in 2002 & re-joined in 2008

What I love: A good laugh, excellence in whatever people do, everything Italian

What I hate: Mediocrity, dishonesty, chilly drafts

Quote: “A riddle wrapped in a mystery inside an enigma, but perhaps there is a key.”

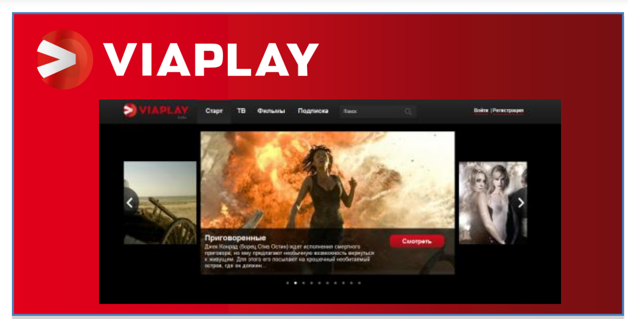
Our major themes for this year

Protect and nurture basic pay-TV channel growth

Take advantage of satellite potential in Russia and Ukraine

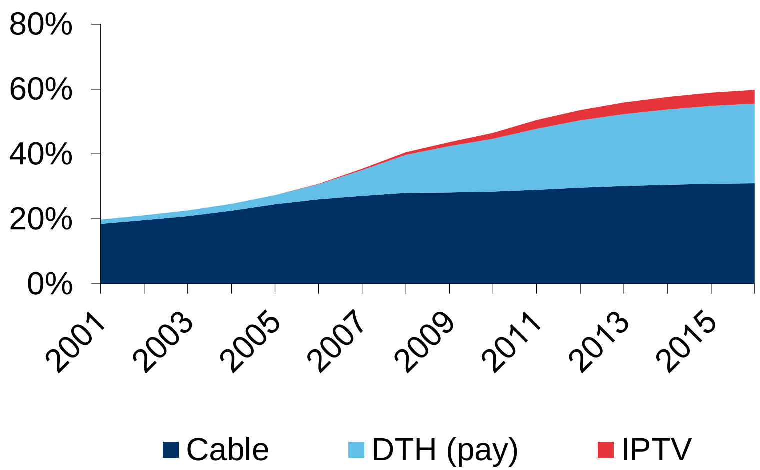
Develop premium service proposition

Take part of growing online video consumption

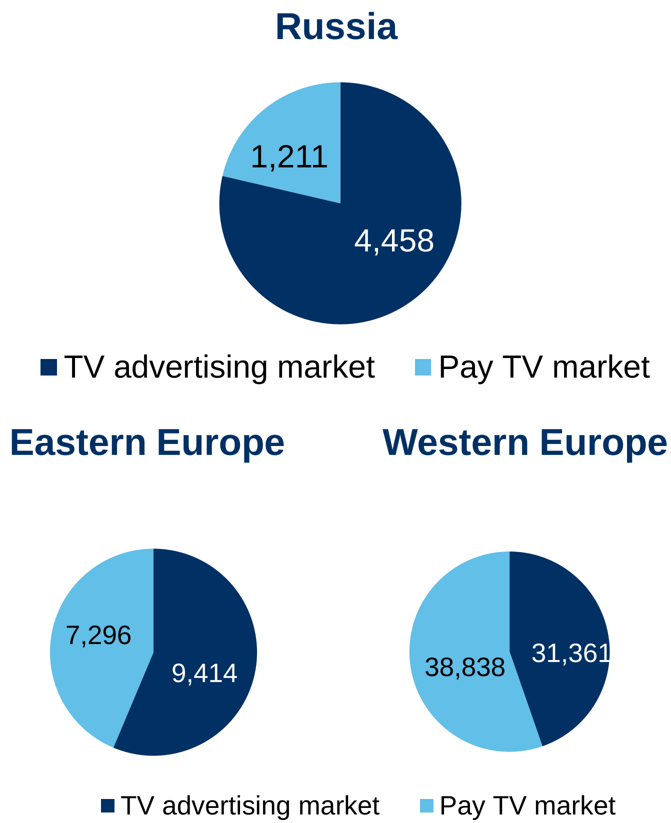


Eastern Europe
Market potential for the multi segment industry players

Pay-TV penetration Eastern Europe (%)



Relative TV market size (USD million)



- Satellite distribution still in the lead in terms of subscriber growth opportunity in the region
- Russian pay-TV market still has plenty of space to catch-up with TV ad market size

Source: Screen Digest 2012

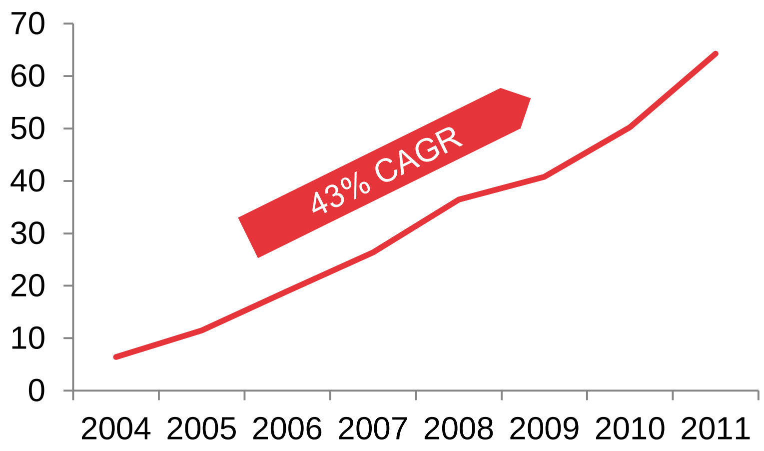
Our Footprint and Operations
Another year of expansion

Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Countries	7	11	15	22	23	24	25	25	29	?
Channels	2	3	5	6	7	8	10	15	19	?
Satellite platforms		Baltics				Ukraine		Russia		
Viaplay										Russia

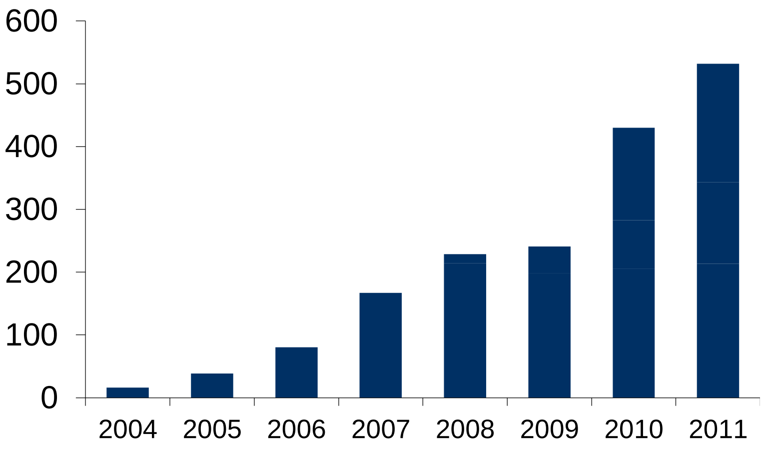
Source: MTG Data

Pay-TV Emerging Markets
Seizing market potential

Mini-pay channel subscriptions (million)



Satellite subscribers (thousands)



- Approximately 30% growth in mini-pay channel subscriptions
- 24% growth in satellite subscriber base

Source: MTG Data


Channel business:
Reaching new heights

Channel business
Extensive content offering

Factual

8 channels

Sport

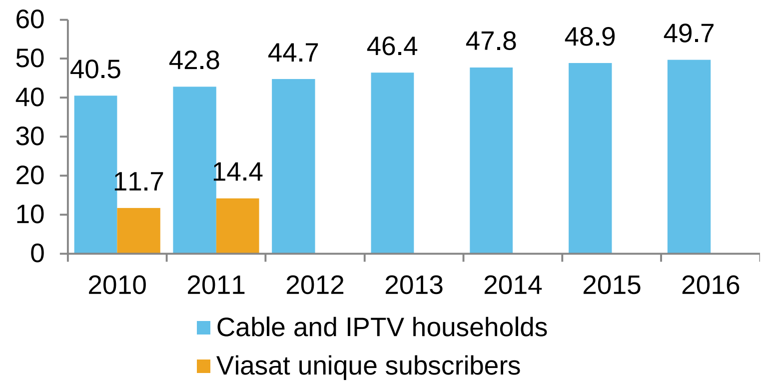
5 channels

Movie

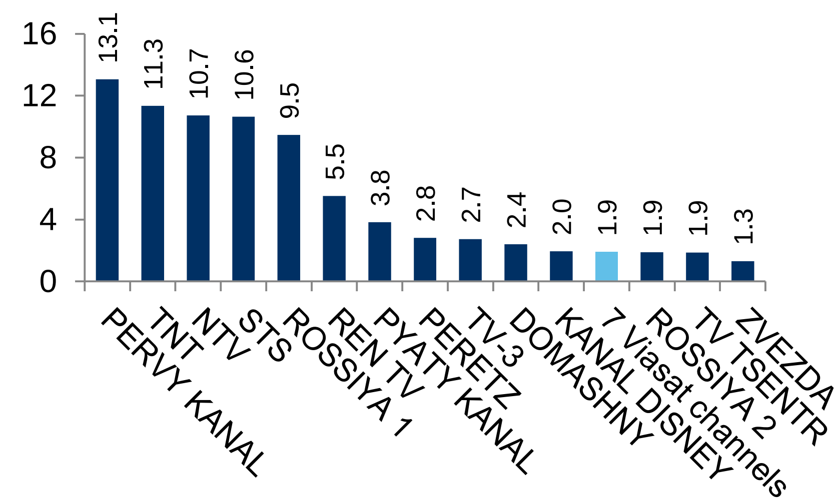
6 channels

Channel business
Taking leadership in core market

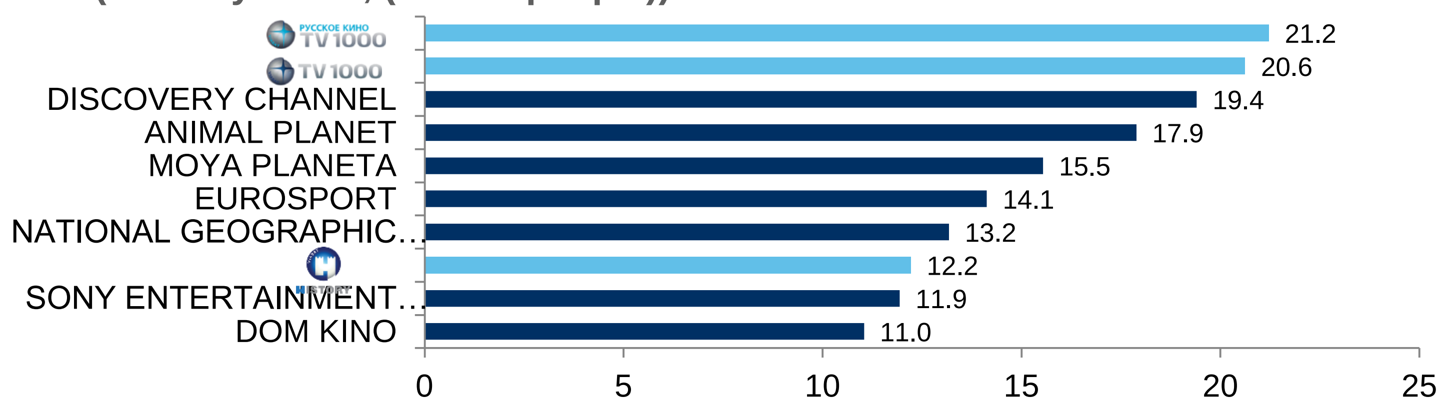
Cable and IPTV households in Eastern Europe (million)



Share of viewing – Free TV and Viasat channels (Russia, 25-44*)



Top 10 pay-TV channels in Russia (monthly reach; (million people))



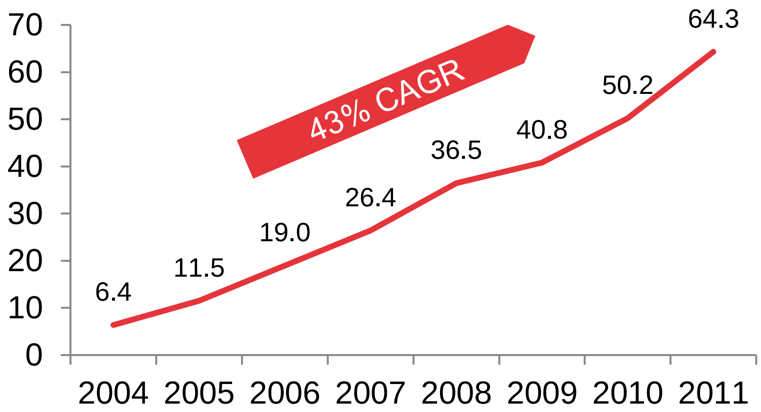
Source: TNS Russia 2012, Screen Digest 2012

** Russia 100,000+, 1/1/2012-30/4/2012, 05:00:00 - 29:00:00*

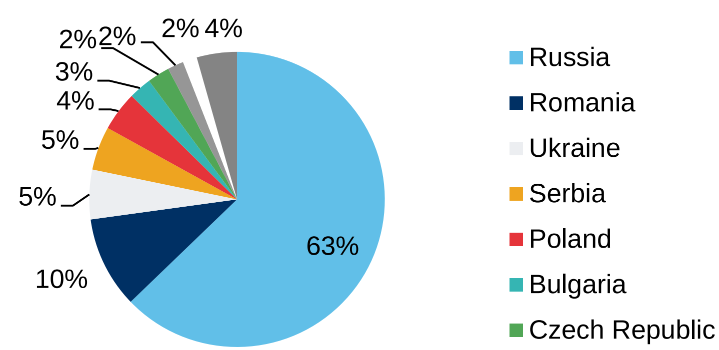
Channel Business

Substantial volume increase

Mini-pay channel subscriptions (million)

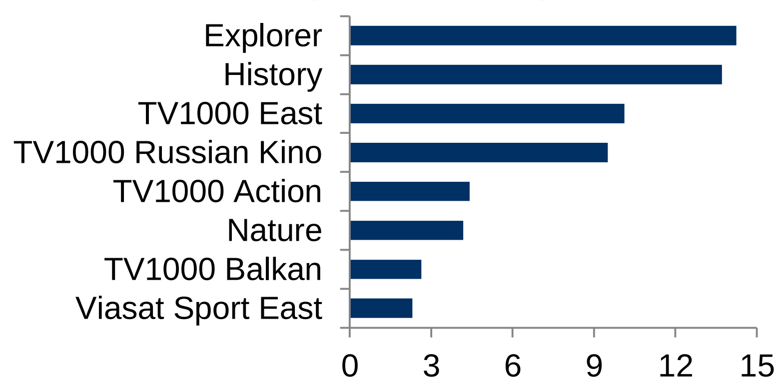


Subscriptions by country 2011



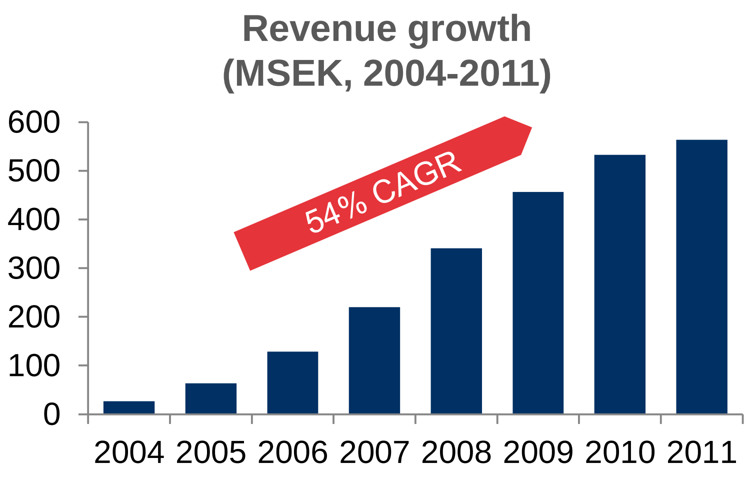
- 28% growth subscriptions during 2011 driven by Russia, Romania, Ukraine, Serbia & Poland
- Viasat Explorer, History, TV1000 East and Russian Kino are the channels with the highest number of subscribers
- Launching new channels in Africa
- Improving factual channels:
  - Split Viasat Explorer into 3 feeds for better localization
  - Increased investment in content

Subscriptions by channels (2011, million)

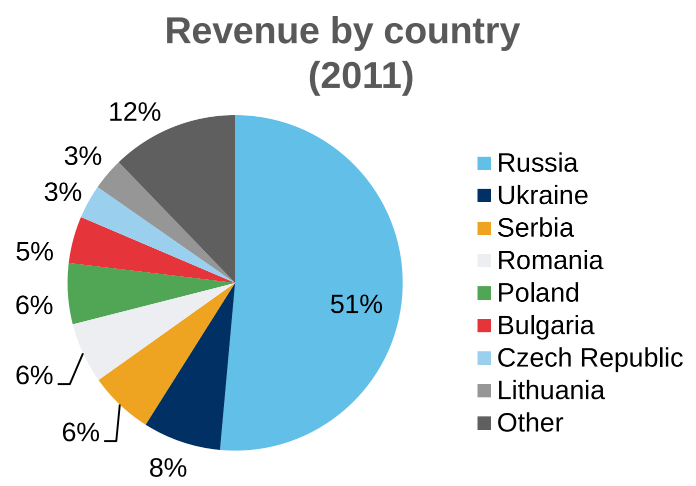


Source: MTG Data

Channel Business
Revenue growth potential



** Revenue includes sales of advertisng in Russia*

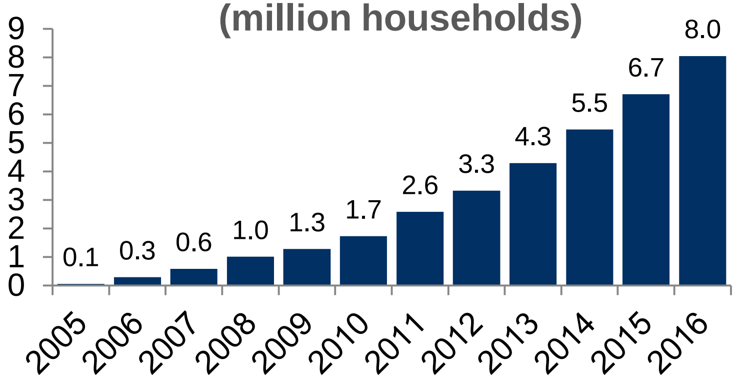


- **23% year on year revenue growth in 2011 at constant FX**
- **More than 50% of revenues generated from Russia & CIS**
- **Development of the advertising revenue stream to take advantage of high penetration of our Russian channels**

Source: MTG data

Channel Business
New Challenge in Premium Pay

Digital pay-TV development in Russia* (million households)



*Cable, IPTV and DTT (pay) only

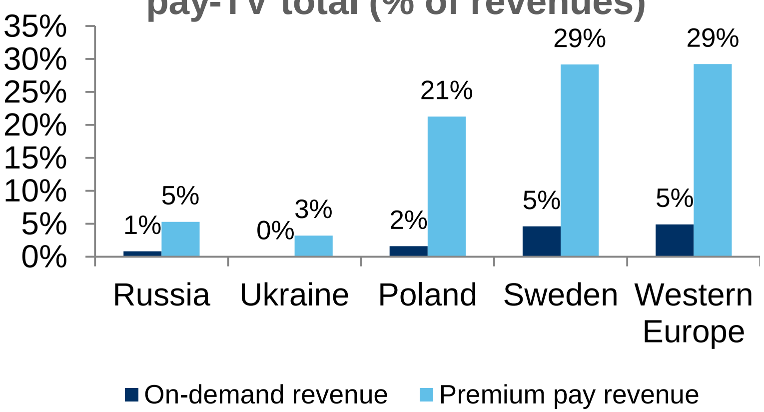
Average basic package price for subscribers

- *RUB 200 (USD 6.6)*

Premium package price (add-on to basic)

- *RUB 400 (USD 13.3)*

Share of premium segment of pay-TV total (% of revenues)



Success factors

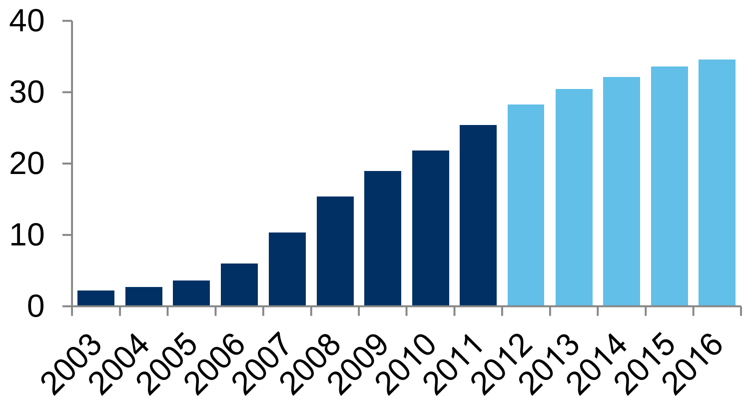
- Extensive knowledge of pay-TV market
- Wide presence with 5-6 channels in the basic packages of major cable operators
- Most relevant cross-promotion universe on basic movie channels
- Best known movie consumer brand

Source: MTG data, Screen Digest 2012

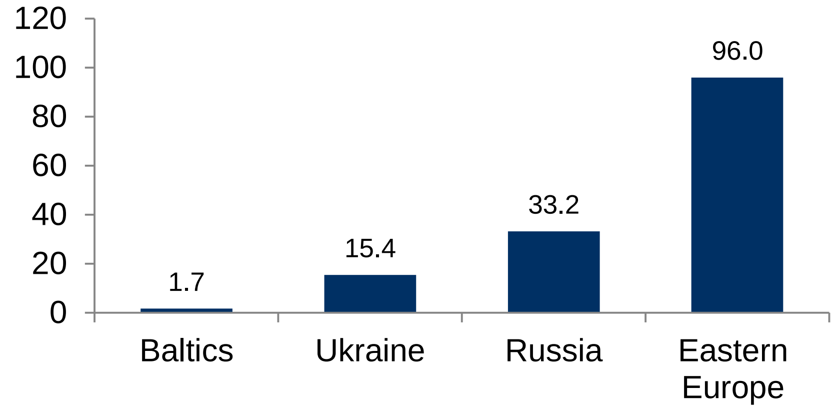
DTH: taking advantage of growth markets

DTH Market in Eastern Europe
Multidimensional growth opportunities

Satellite pay-TV households in Eastern Europe (million)



Total non-cable households (2011, million)



- Satellite is the main growth vehicle for the Pay-TV market and is forecast to increase from **25 million** households in 2011 to **35 million** in 2016
- Room to grow with **96 million** non-cable households in Eastern Europe
- DTT switchover provides opportunities
- New services such as premium and HD

Source: Screen Digest 2012

Our own satellite platforms
An overview

Baltics

TV households	2,7 million
Market potential	1,7 million
Competition	Moderate
MTG ownership	100%
Offering tier	Premium
Business model	Full Box subsidy
Monthly ARPU	18,5 USD (Premium)
Number of channels	~ 50

Ukraine

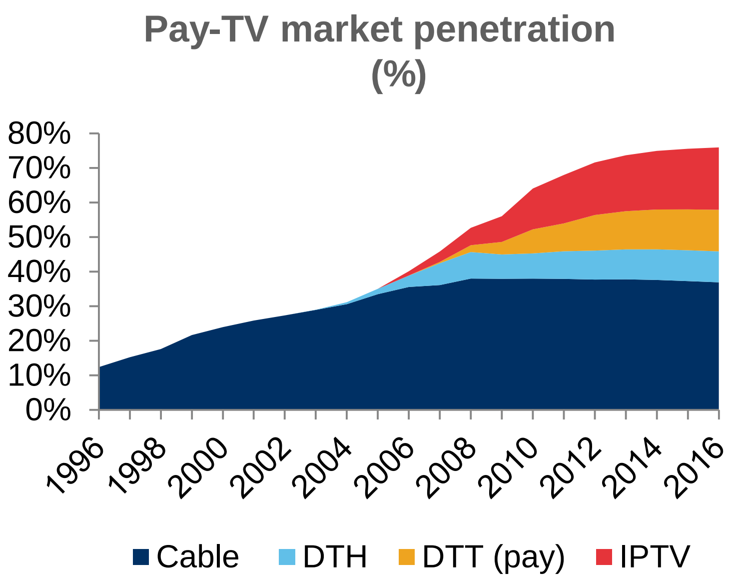
TV households	18,8 million
Market potential	15,4 million
Competition	Moderate
MTG ownership	85%
Offering tier	Middle/Premium
Business model	Partial box subsidy
Monthly ARPU	13 USD
Number of channels	~ 90

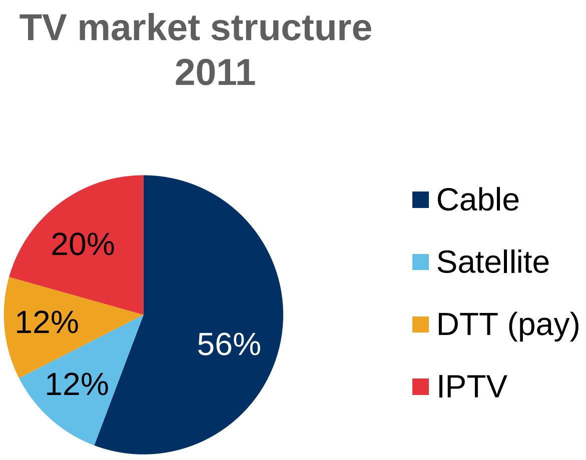
Russia

TV households	48,8 million
Market potential	33,2 million
Competition	High
MTG ownership	50%
Offering tier	Middle
Business model	No box subsidy
Monthly ARPU	8 USD
Number of channels	~ 80

Source: Screen Digest 2012, MTG data

Baltics
Developed pay-TV Market





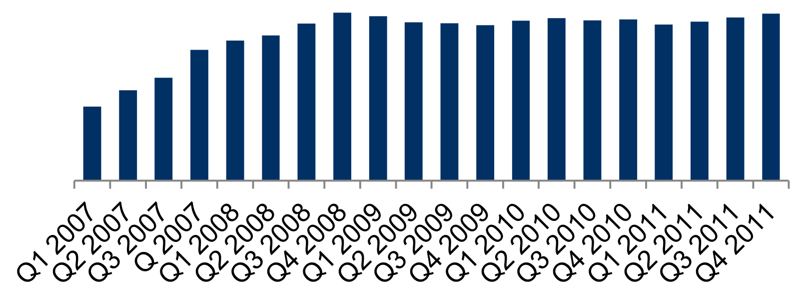
- Pay-TV penetration in 2011: **68%** of TV households
- Strong growth of DTH segment of the market: CAGR of **89%** in 2003-2011
- Still addressable market for DTH: **1.7 million** non-cable households
- IPTV will be the main driver for the pay-TV market in the Baltics in the next 5 years

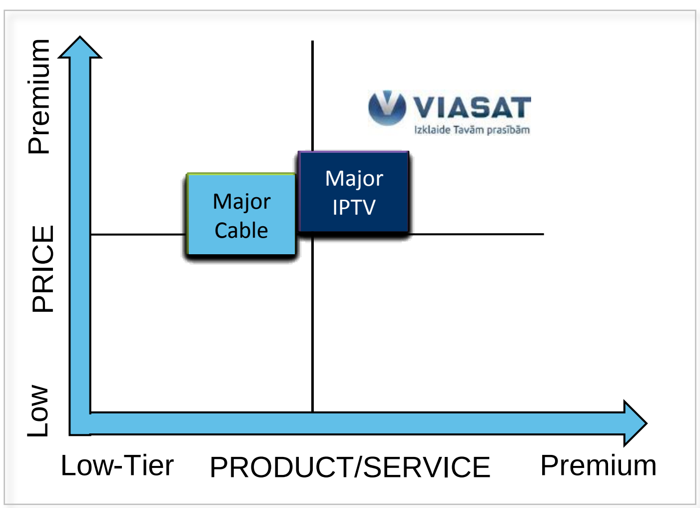
Source: Screen Digest 2012

Satellite business
Maintain premium content and service positioning

- Viasat's traditional Scandinavian satellite pay-TV model replicated
- Maintaining premium position in the market by offering the best content experience
- Highest ARPU in Pay TV in the region
- Stabilised subscriber base; 4% increase in 2011

Subscriber base (000)

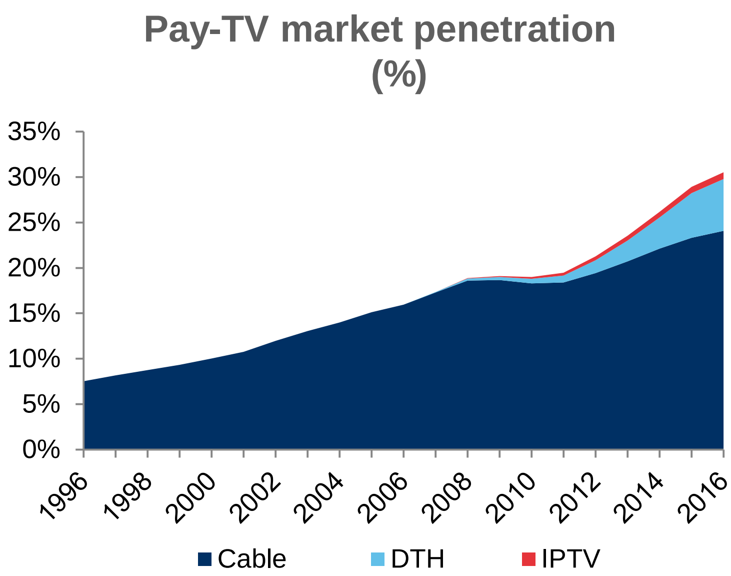


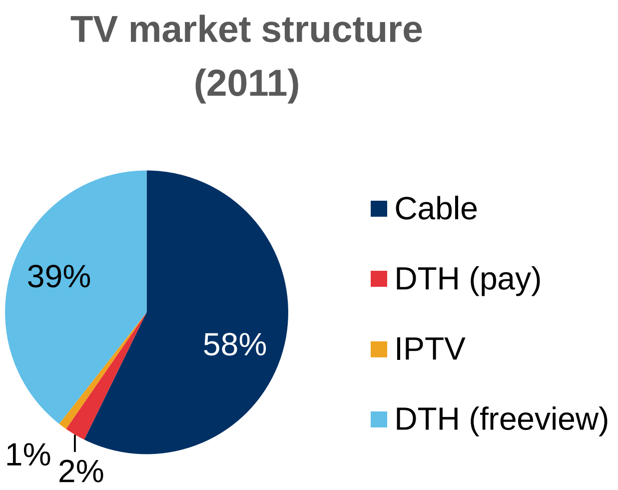


Packaging	Gold	Silver	Start
# of pay-TV channels	38	26	5
# of free-TV channels	6-11	6-11	6-10
Monthly Fee	€ 22 ($ 31)	€ 11 ($ 16)	€ 8 ($ 11)
Entry Fee + Decoder	€ 38 ($ 54) Free STB	€ 38 ($ 54) Free STB	€ 59 ($ 84) No free STB

Source: MTG Data

Ukraine
Satellite set to grow



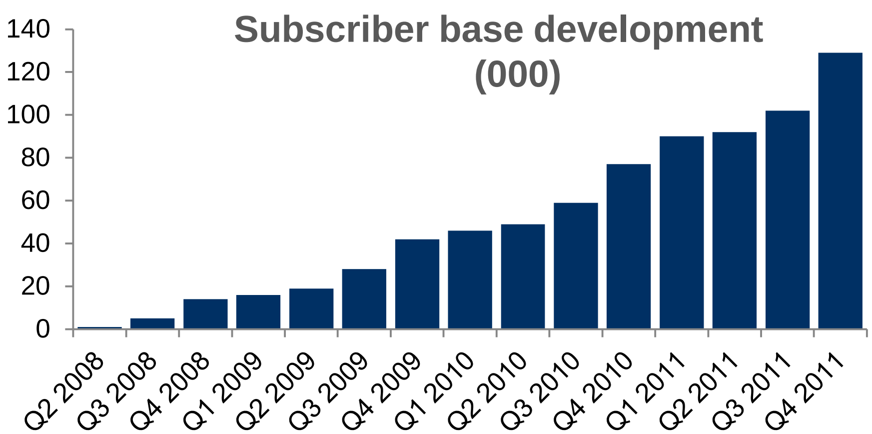


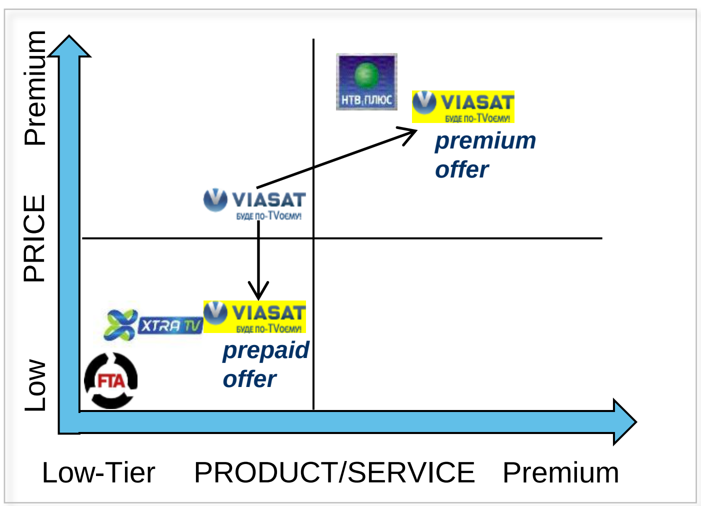
- Substantial market opportunity – Europe's 6th largest country by population
- Pay-TV penetration in 2011 is still low : close to **19.5%** of TV HHs
- Addressable market for DTH– **15.4 million** non-cable HHs
- DTT development represents a great growth opportunity for satellite as well

Source: Screen Digest 2012

Ukraine
Building a market leader

- Clear market leader with over 60% market share
- Added 52,000 active subscribers in 2011
- Next upselling opportunities: HD, Premium and also low tier to benefit from DTT introduction



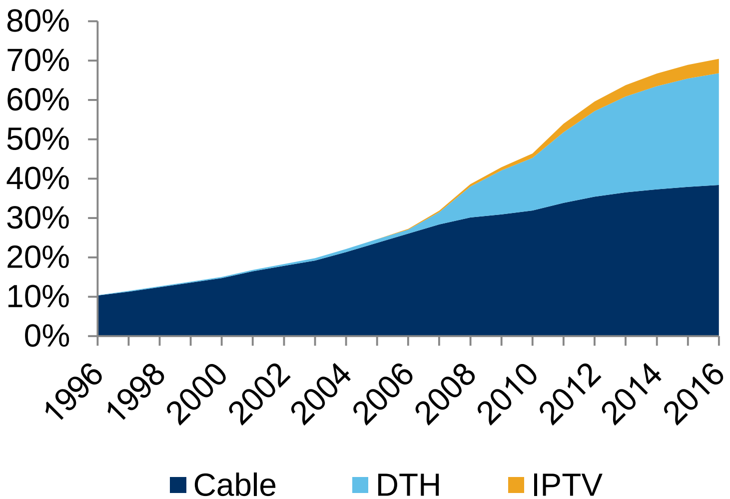


Packaging	Basic ('Family')	Extended ('Prestige')	Top ('Prestige HD')
# of pay-TV channels	17	37	42
# of FTA channels	50	50	50
Monthly Fee	69 UAH ($ 9)	99 UAH ($12)	149 UAH ($19)
Equipment Cost	199 UAH ($ 25) without satellite dish, 749 UAH ($ 94) with satellite dish		

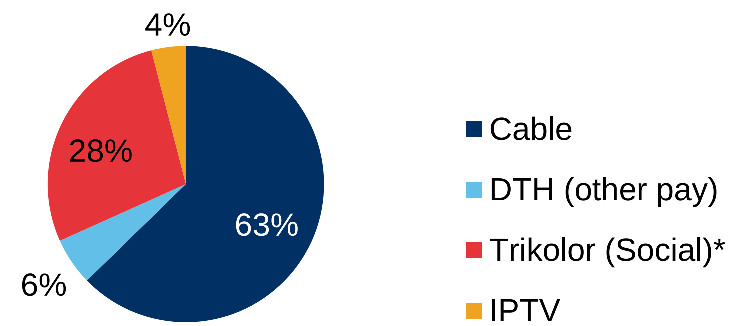
Source: MTG Data

Russia - update
Satellite drives the pay-TV market

Pay-TV market penetration (%)



Structure of pay-TV market (2011)



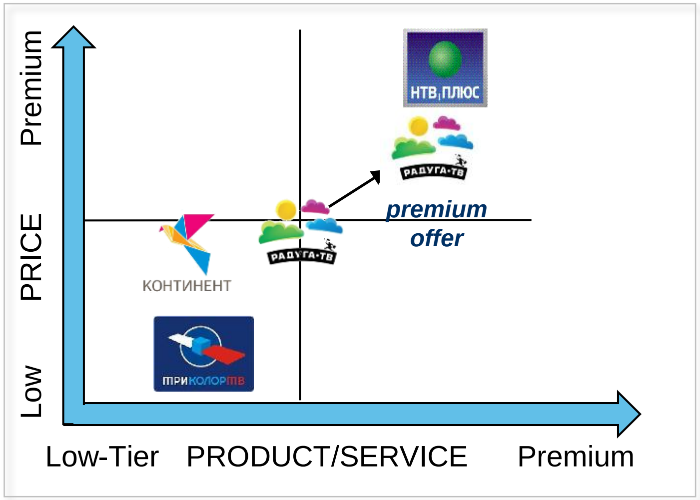
** Tricolor's business model is driven by STB sales with low ARPU*

- **Pay-TV penetration in 2011 represented 54% of TV HHs**
- **Low ARPU DTH has been the primary growth driver for the sector and accounts for 28% of total pay-TV subscribers in Russia**
- **Still large addressable market for DTH (approximately more than 30 million non-cable households)**

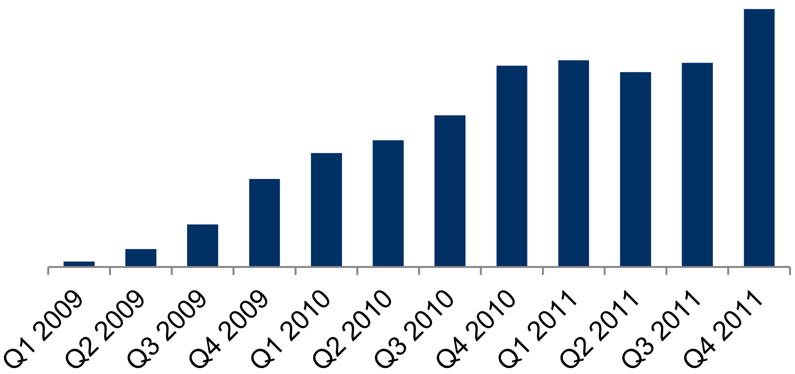
Source: Screen Digest 2012

Russia: Raduga TV
Growth through mid-tier development

- Mid-tier satellite pay-TV operator reaching out to subscribers on the whole territory of Russia
- Variety of channels at affordable price
- Added 41,500 active subscribers in 2011
- Potential move to Premium and HD in 2013 with the launch of ABS-2 satellite



Subscriber Base Development (000)

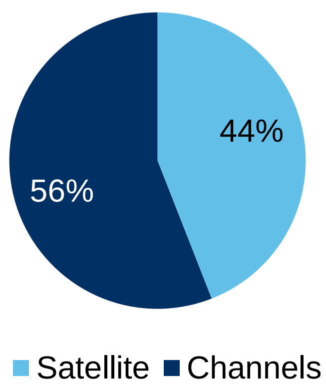


Packaging	Basic	Affordable
# of pay-TV channels	77	56
# of FTA channels	14	14
Monthly Fee	208 RUR ($7)	190 RUR ($6,3)
Equipment Cost	3,999 RUR ($133) No proprietary boxes	

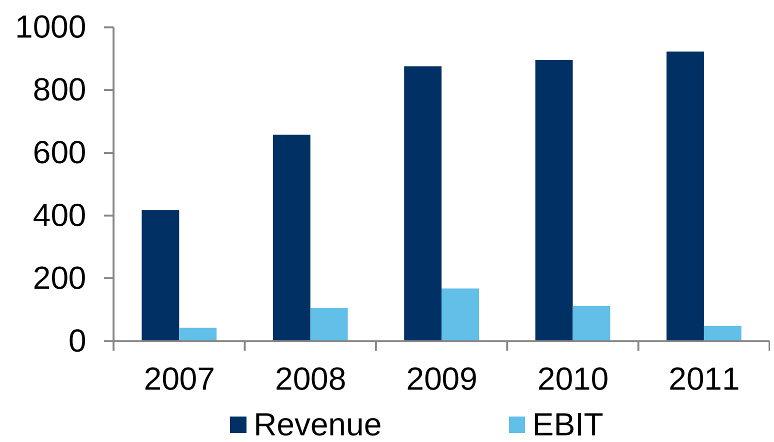
Source: MTG Data

Pay-TV Emerging Markets
Steady growth ahead

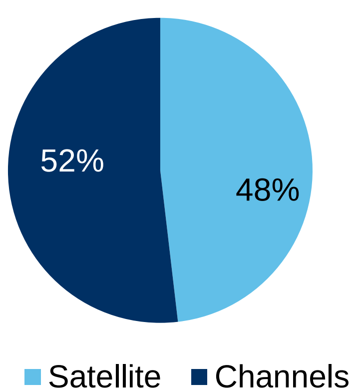
Revenue split 2011



Total segment revenue & EBIT (SEK million)



Revenue split 2007



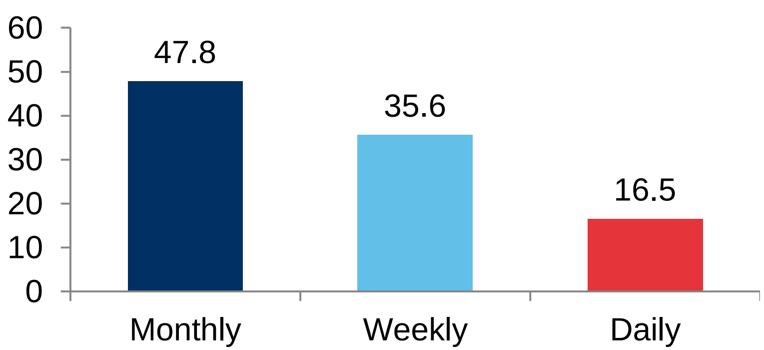
- **Adding more than 100,000 new DTH subscribers in 2011**
- **Revenue affected by an accounting change for Ukraine**
- **Revenue growth of 13% at constant exchange rates**

Source: MTG Data

Russian online opportunity
Too promising to be ignored

Internet monthly reach

Audience of video sites (million people)



Russia 12-54, December 2011

- Viaplay online streaming service extended to Russia in April 2012
- Featuring foreign and Russian movies, series and TV programmers on an "all you can eat" basis
- Subscription business model & bundling with existing Viasat and 3' party services

Source: Federal agency for press and mass communications 2011, TNS Russia, Dec 2011

Summary

Channel Business

- Russia is the main driver of growth
- Entering Premium market in Russia and Ukraine as a 3'rd party business as well as to support own platforms

Satellite

- Taking advantage of the market penetration growth
- Product offering tailored to capture the widest subscriber base for future up-selling opportunities

Online

- Build up online streaming subscription VOD service in order to a take advantage of growing Russian Internet market and Viasat's current offline presence

Next steps

- Continue expanding pay-TV channels into new territories and proving 2012 business concepts

"And may the odds be ever in our favour"