Extending the Scandinavian Media House

Jørgen Madsen

EVP of Nordic Broadcasting

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Born 1966

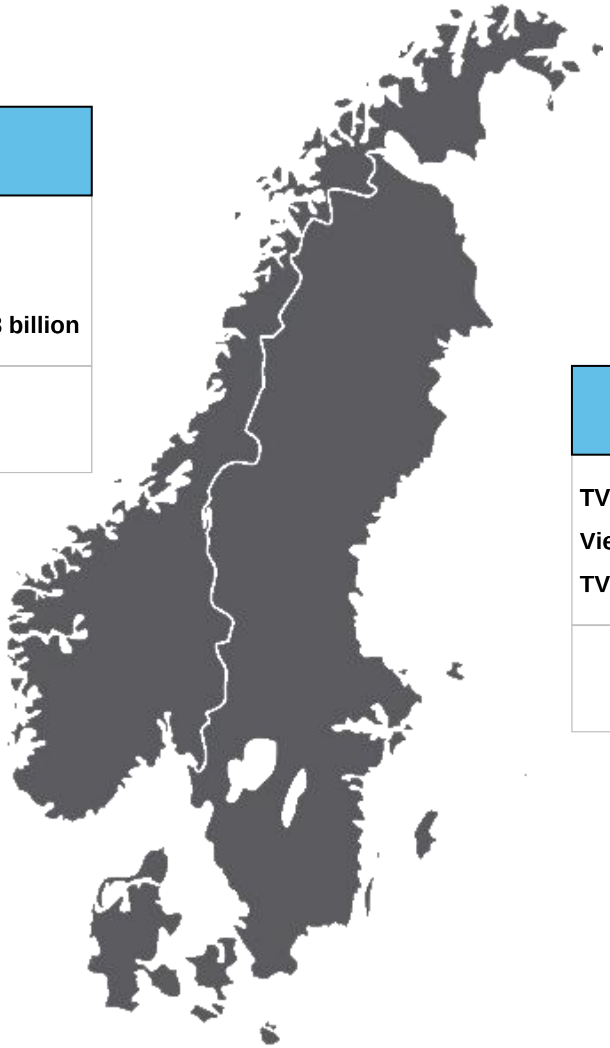
Joined MTG in 1994

What I love: High ratings / challenging the status quo

What I hate: Losing market share / wasted talent

Quote: “Ready on the Day.”

Established footprint



Free-TV Norway

TV Households (2011): 2,137,000

Viewing time/day (2011): 166 min

TV Ad Market Size (2011): SEK 3.8 billion

Free-TV Sweden

TV Households (2011): 4,731,440

Viewing time/day (2011): 162

TV Ad Market Size (2011): SEK 5.7 billion

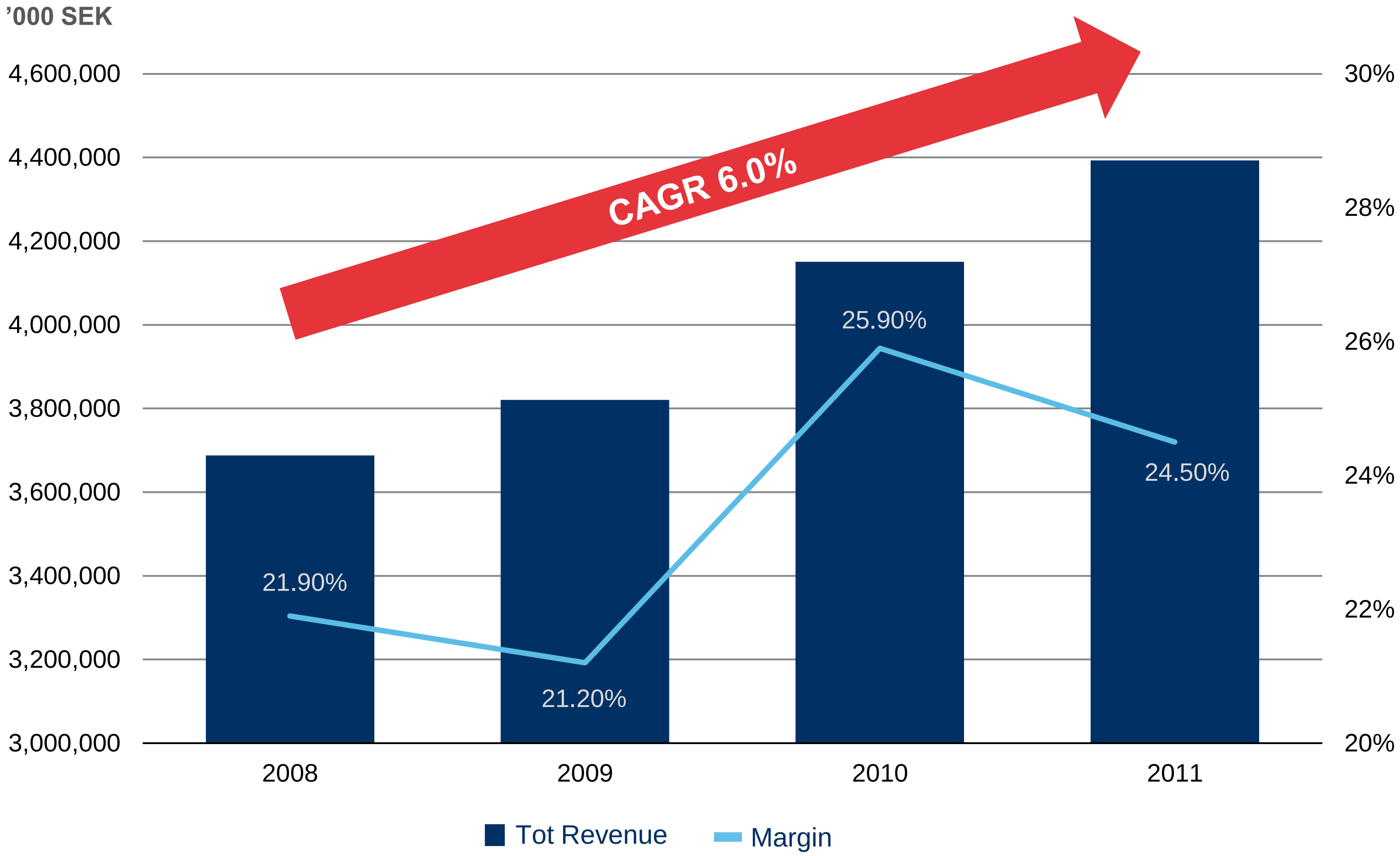
Free-TV Denmark

TV Households (2011): 2,502,000

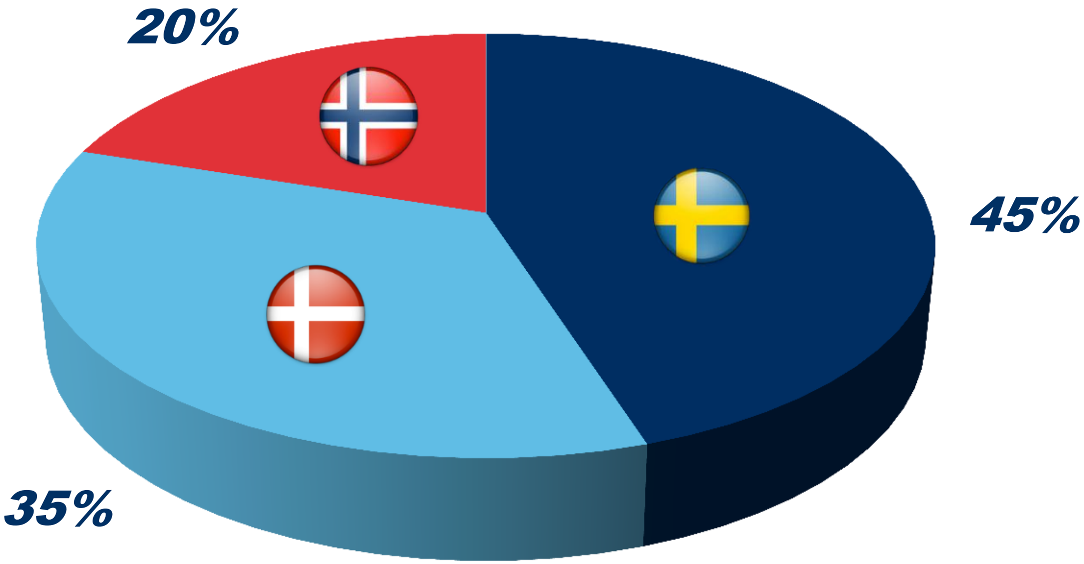
Viewing time/day (2011): 198

TV Ad Market Size (2011): SEK 3.0 billion

Best in class growth & margin

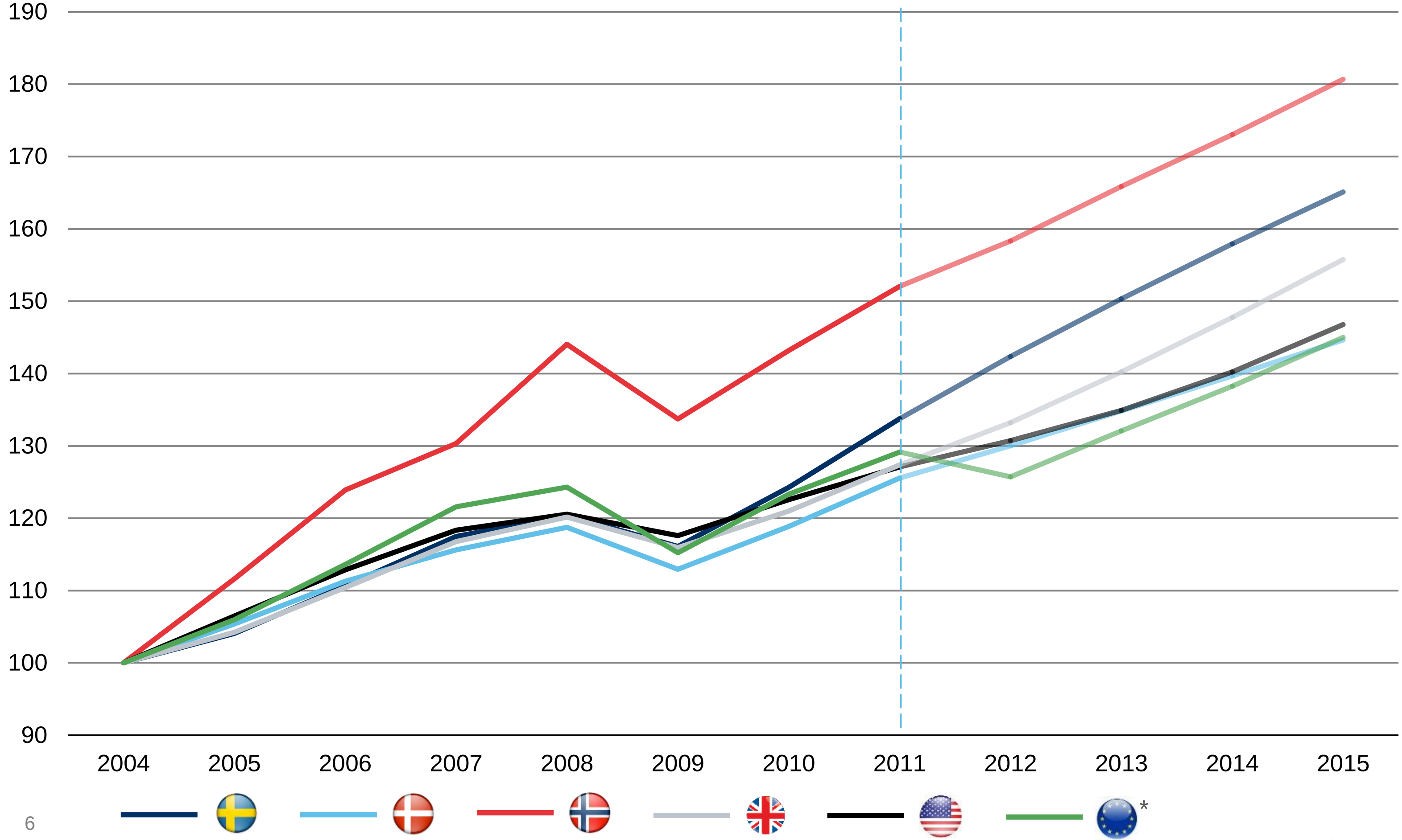


Revenue breakdown



Stable macro backdrop

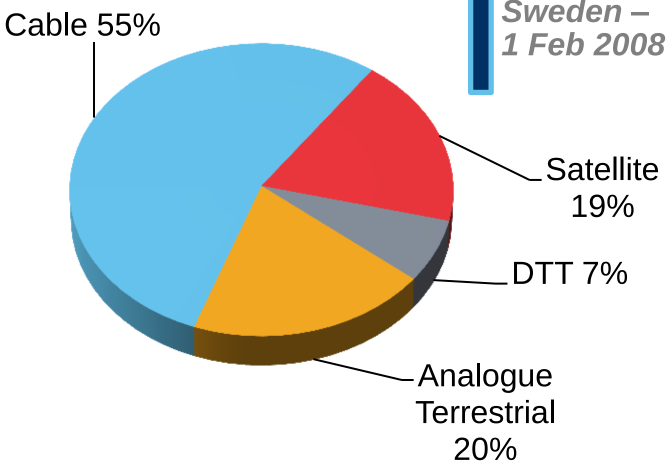
GDP Growth (indexed)



* Europe 27 incl. Russia

But massive change in TV landscape

Scandinavian TV landscape (2005)

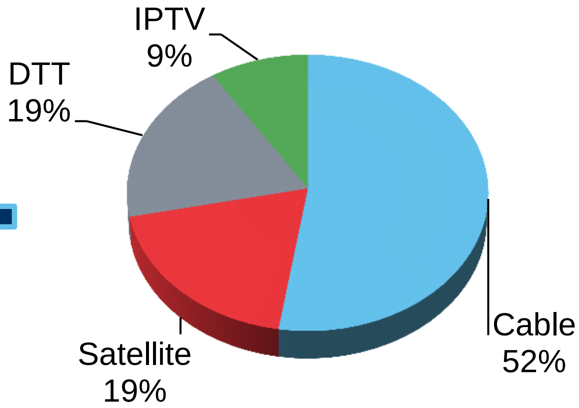


Sweden – 1 Feb 2008

Denmark – 1 Nov 2009

Norway – 1 Dec 2009

Scandinavian TV landscape (2011)



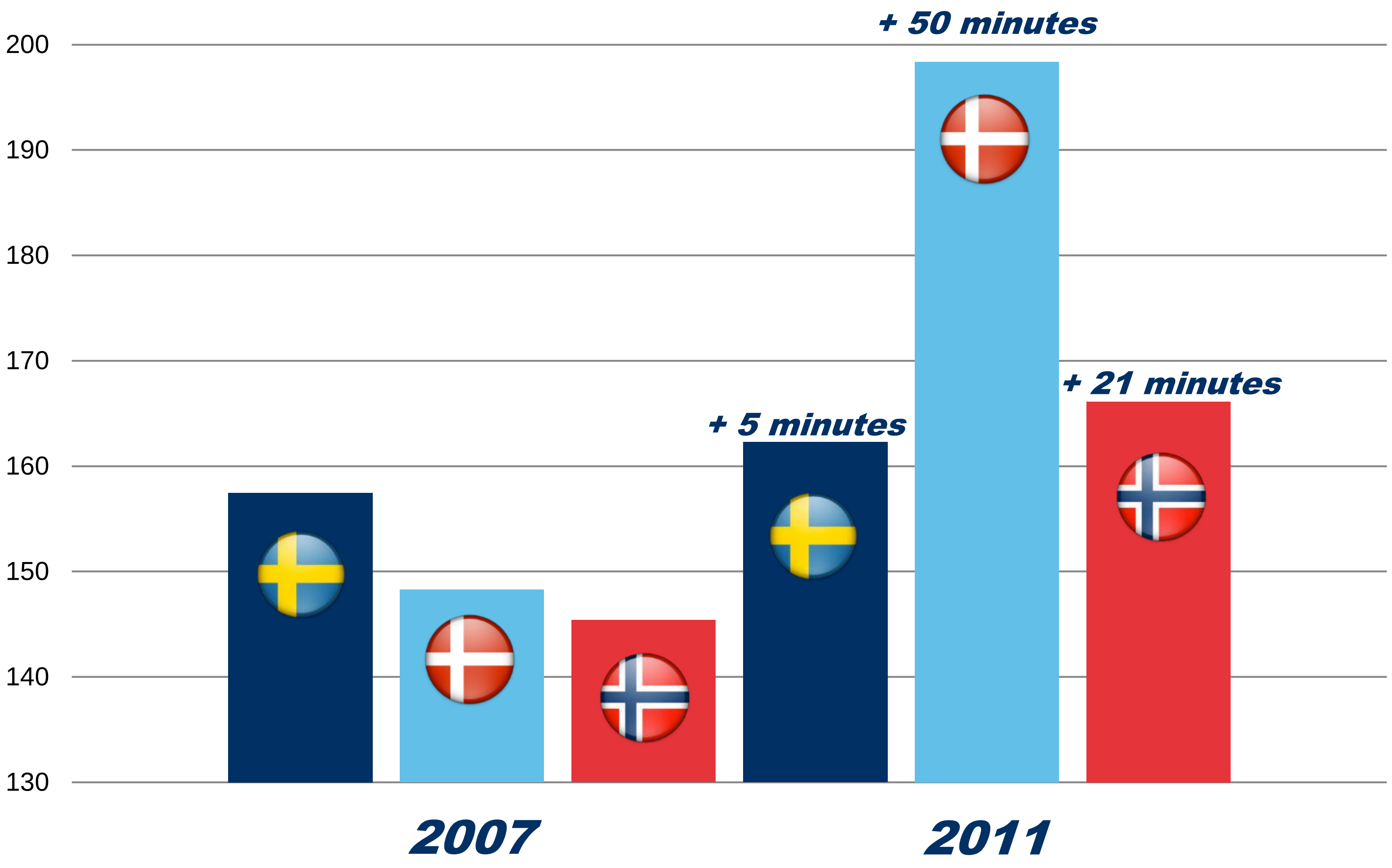
Which has contributed to fragmentation

1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012

SWEDEN	DENMARK	NORWAY
Competing for 162 viewing minutes per day	Competing for 198 viewing minutes per day	Competing for 166 viewing minutes per day

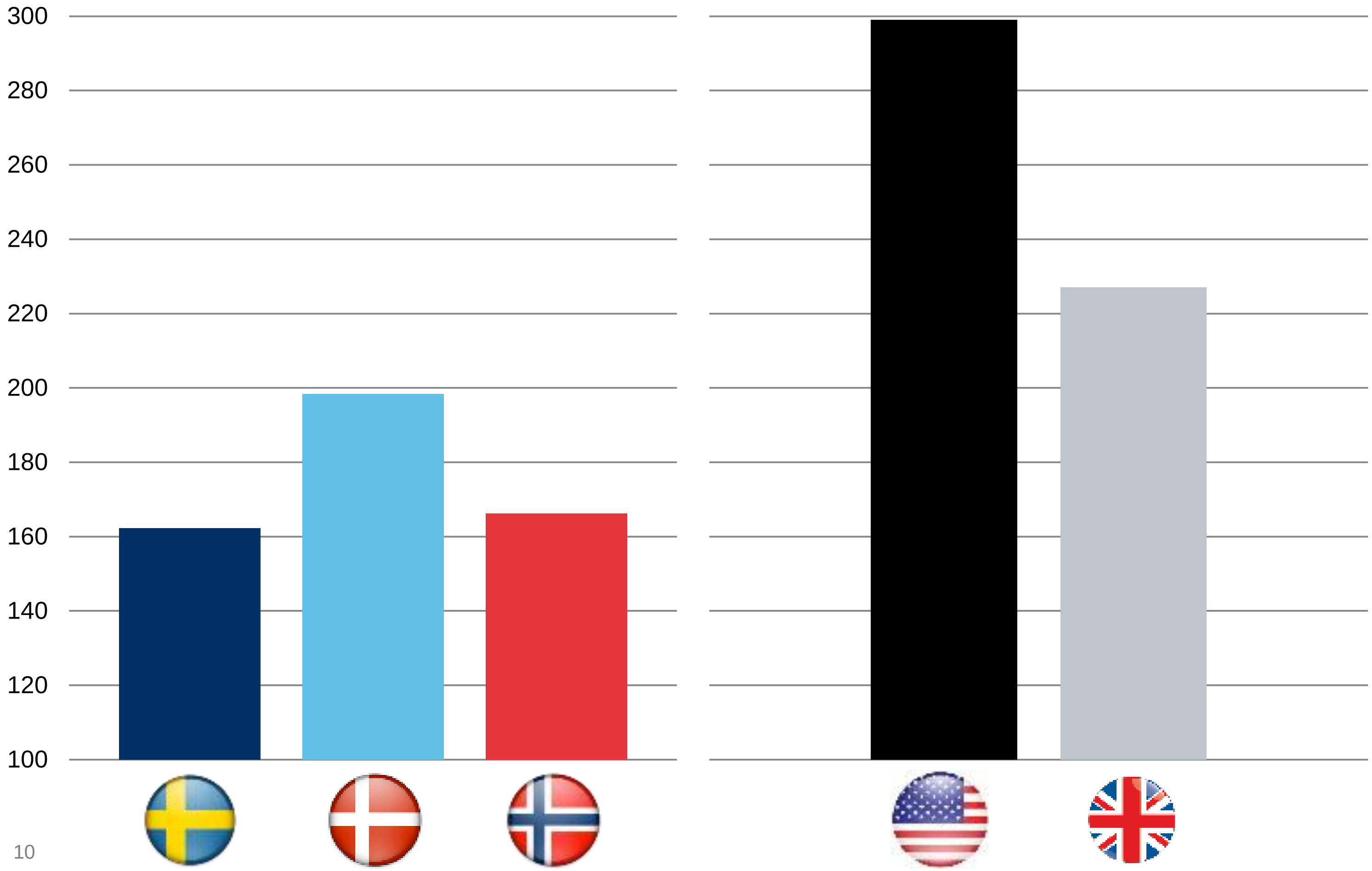
But also increased overall TV viewing

Average Viewing Time per Day (minutes)



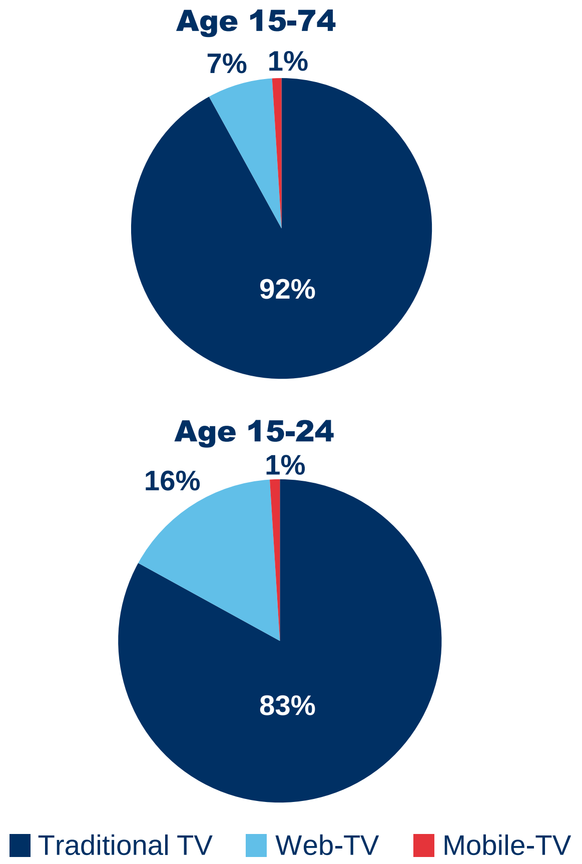
But there is still some way to go

Average Viewing Time per Day (minutes)

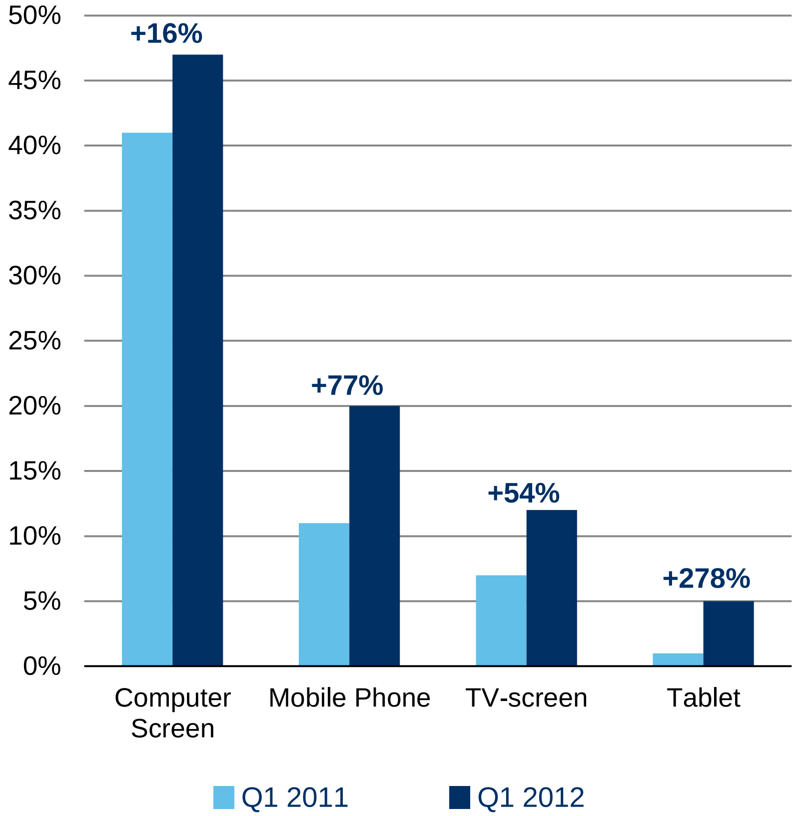


The explosion in online viewing is creating additional reach

Viewing platform in Sweden

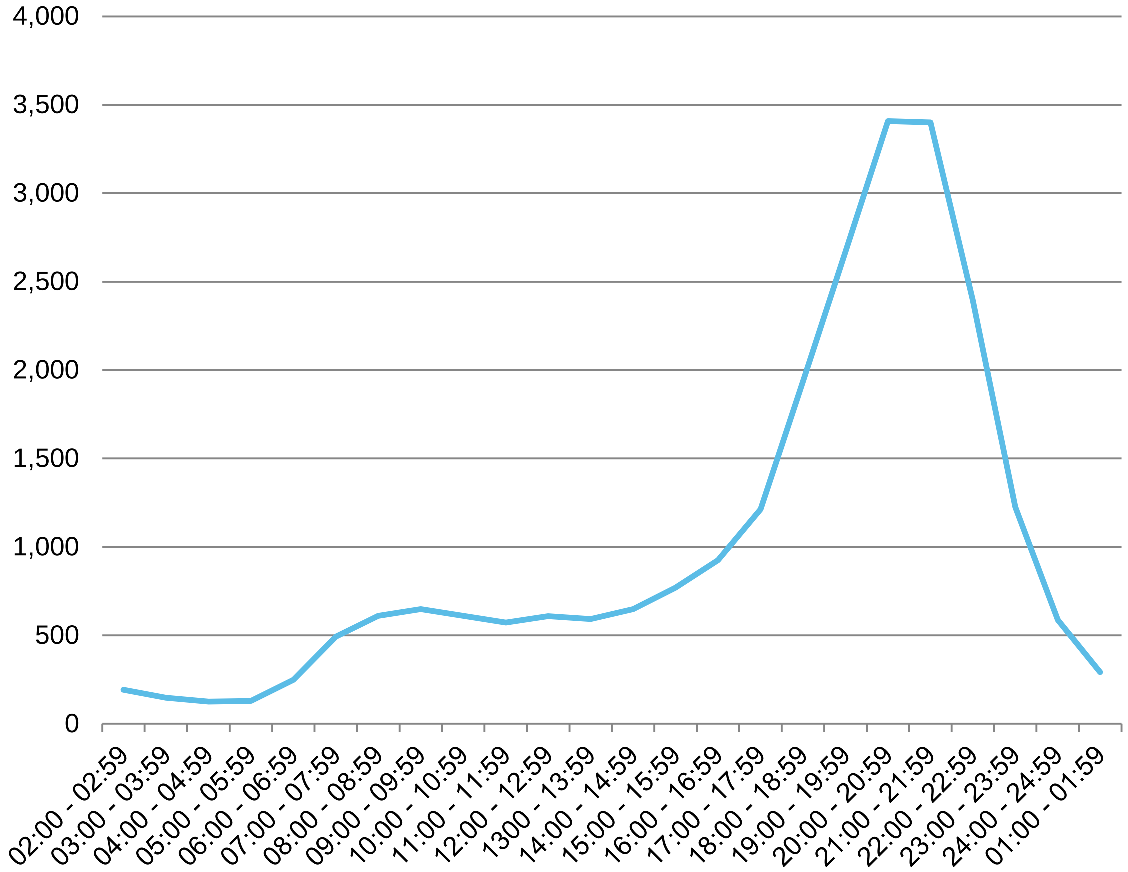


Viewing by Device in Sweden

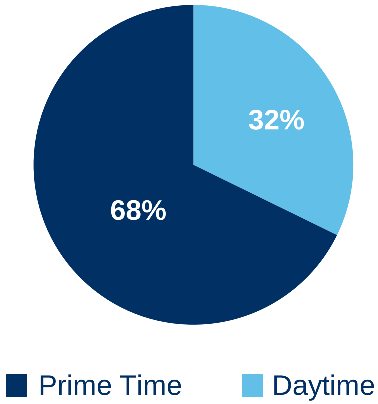


And the camp fire is still burning

People watching TV in Sweden (thousands, 2011)

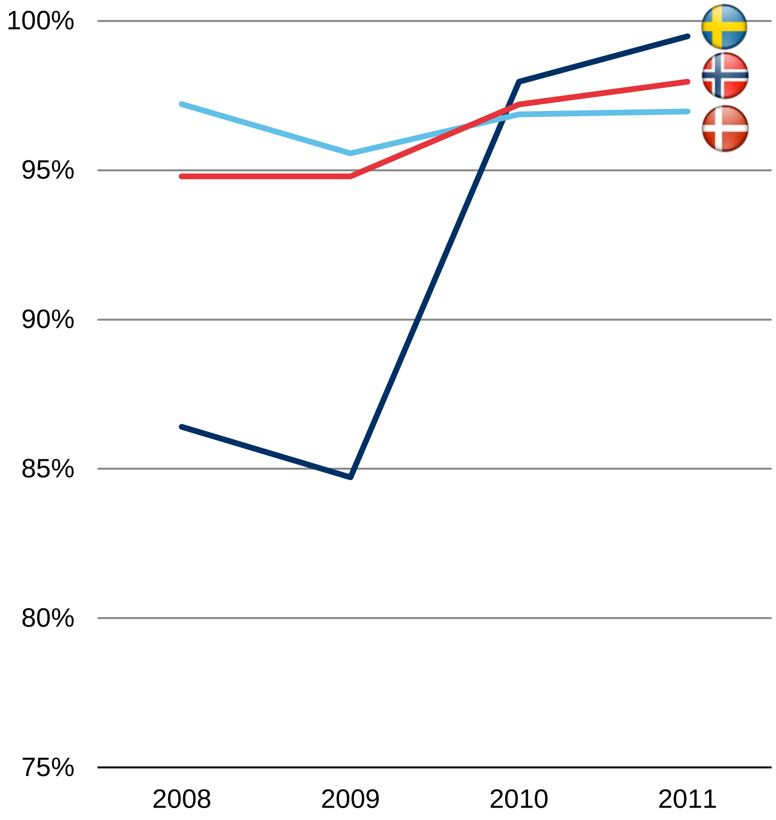


TRPs Generated in Sweden (2011)

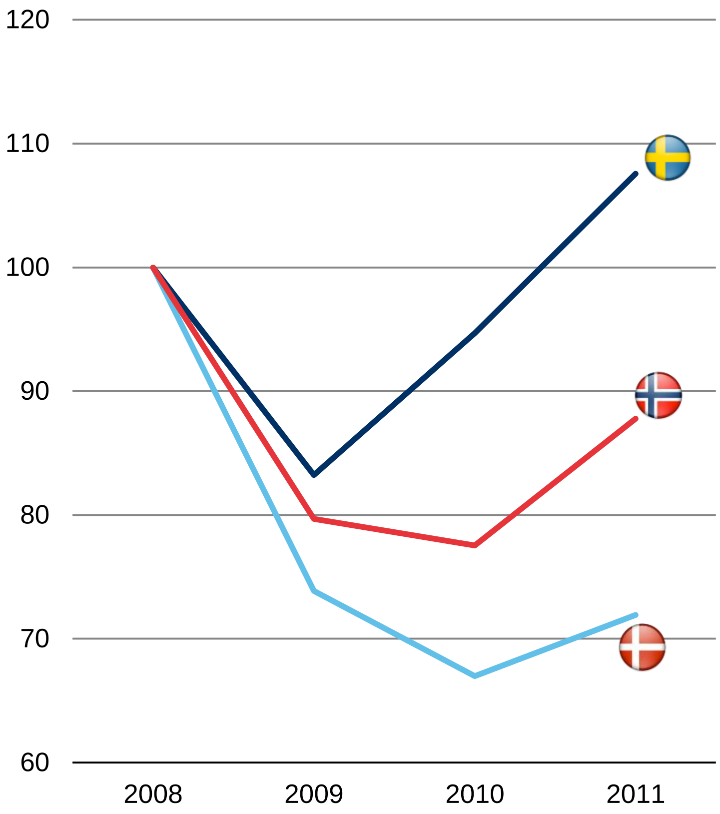


And the demand is clearly still there

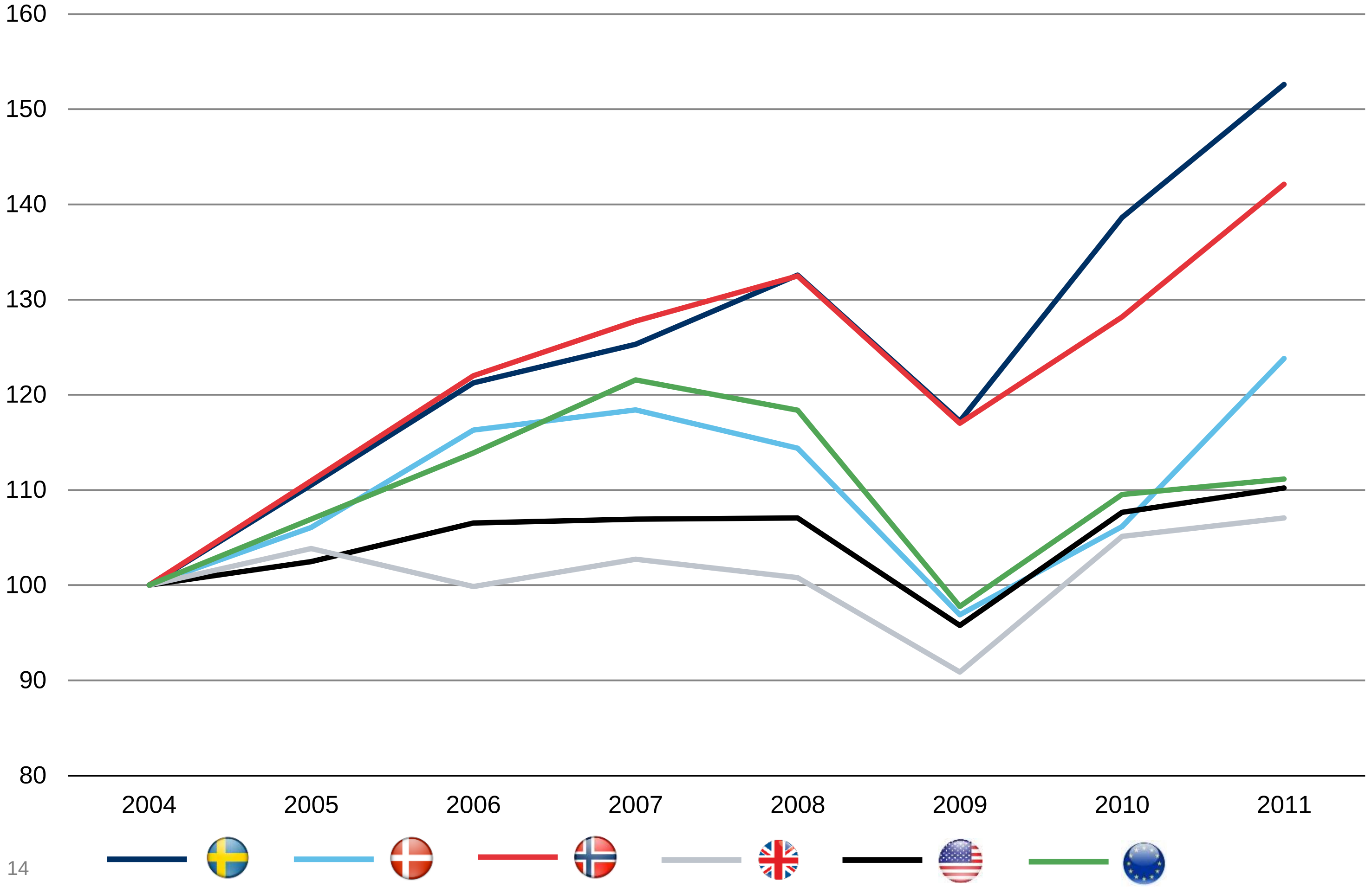
Market Sold Out Ratios in prime time



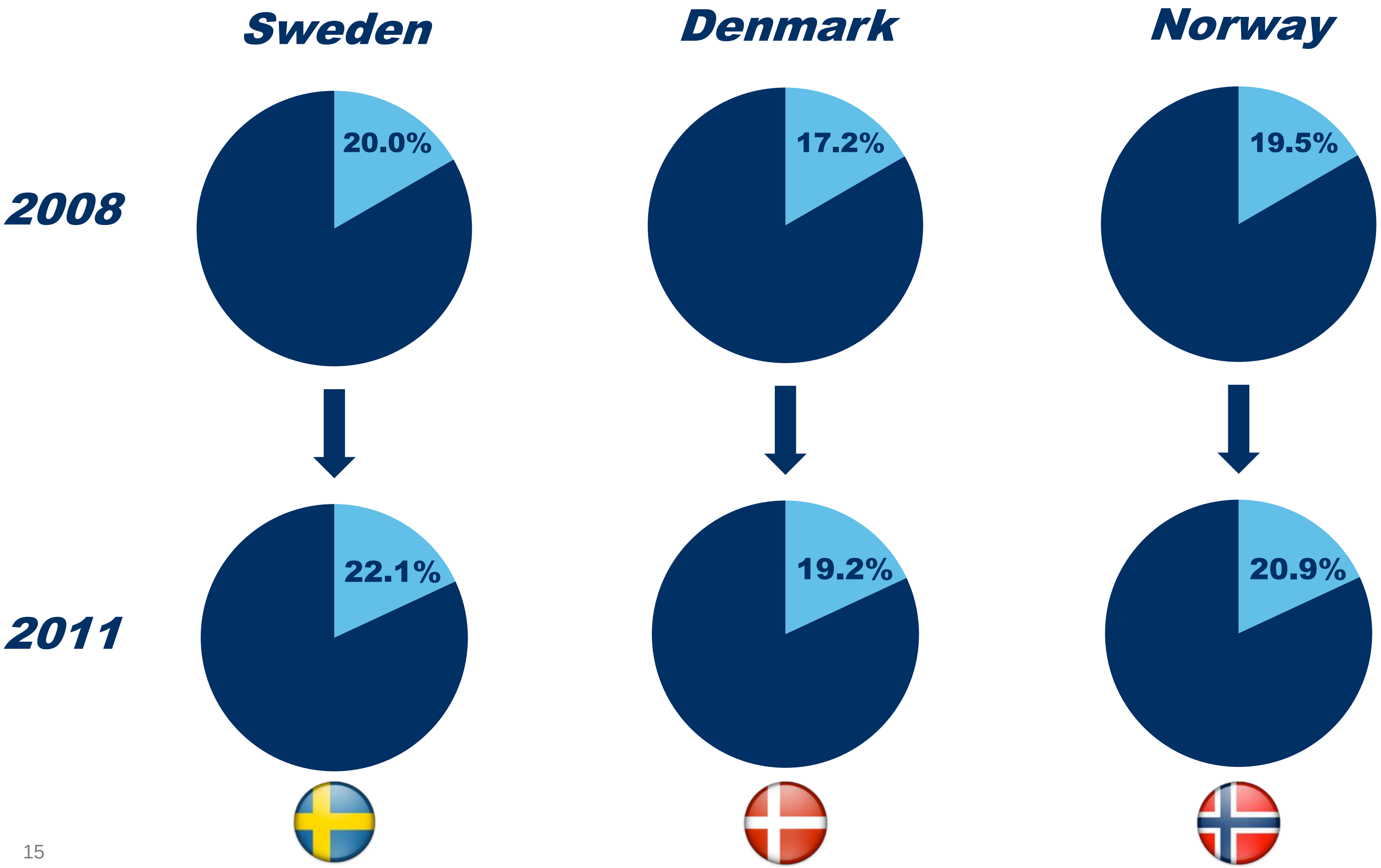
Market cost per thousand (indexed)



And driving overall TV ad market growth

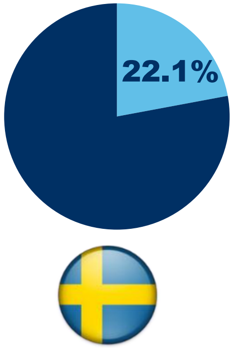


And TV’s share of the advertising pie

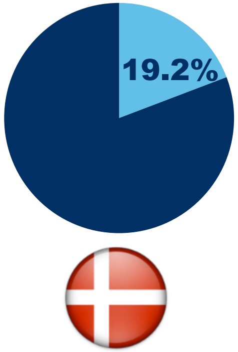


But there remains some way to go

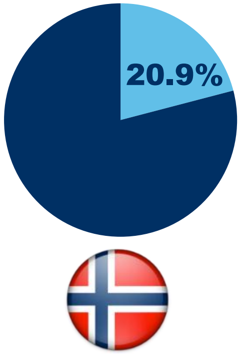
Sweden



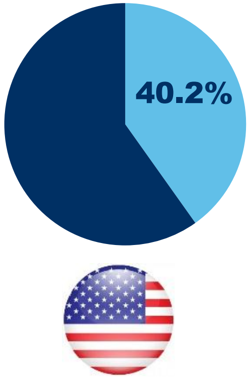
Denmark



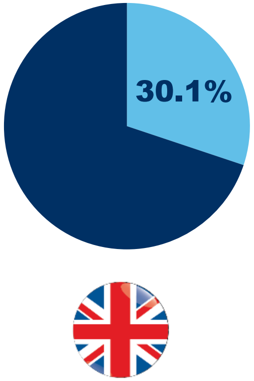
Norway



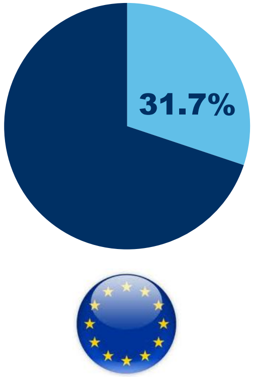
US



UK



Europe

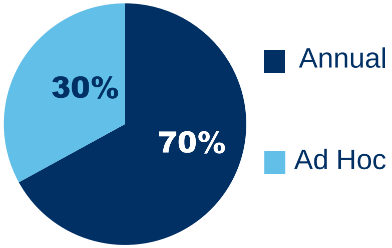


With a diverse & stable client base

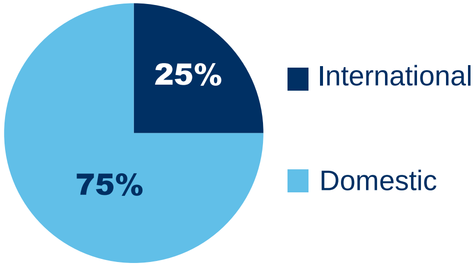
Top 5 Segments

1.	Mobile operators
2.	Retail
3.	Food
4.	Beverages
5.	Pharmaceuticals

Annual Commitments

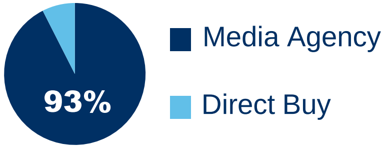


International Clients



Sweden

Top 5 Clients	
1.	FMCG
2.	FMCG
3.	FMCG
4.	Leisure
5.	Telco



Denmark

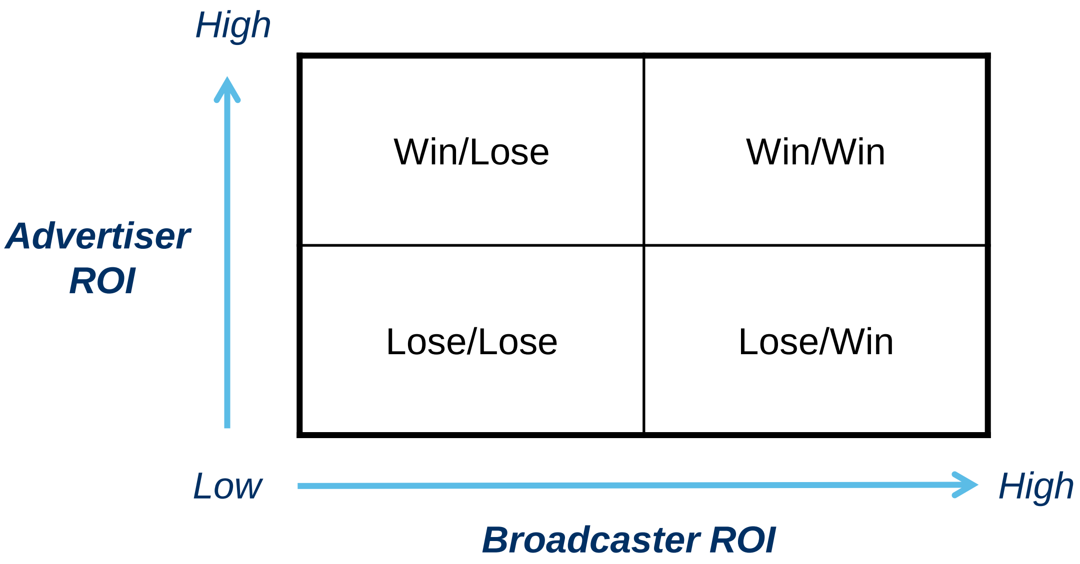
Top 5 Clients	
1.	Telco
2.	FMCG
3.	FMCG
4.	Telco
5.	FMCG

Norway

Top 5 Clients	
1.	FMCG
2.	FMCG
3.	FMCG
4.	Leisure
5.	Telco

That we are working with in new ways

Client Segmentation



High

Advertiser ROI

Win/Lose	Win/Win
Lose/Lose	Lose/Win

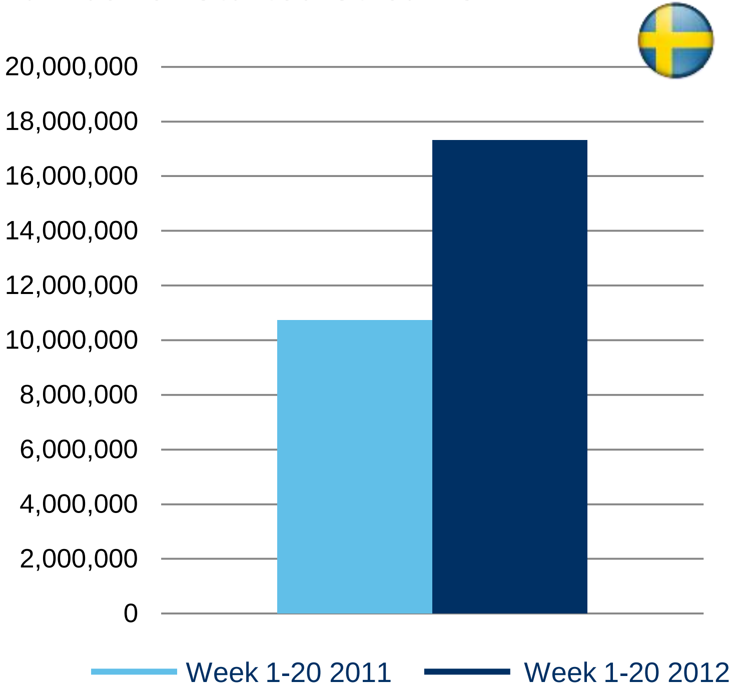
Low

High

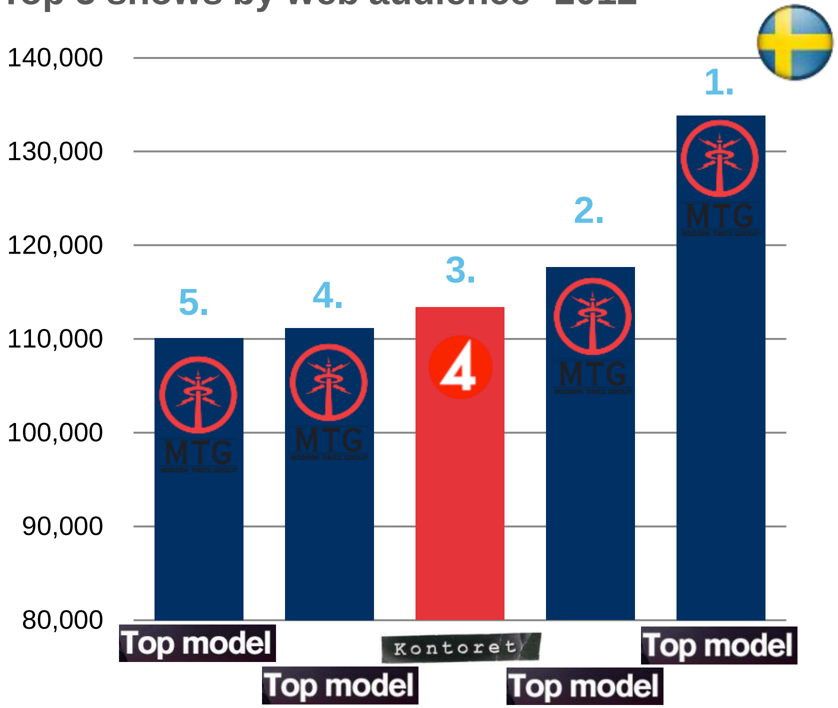
Broadcaster ROI

And Seize The Online Opportunity

Number of Started Streams



Top 5 shows by web audience* 2012



Sweden

Norway

Denmark

Launched:	2009	2009	2009	2010	2010	2012

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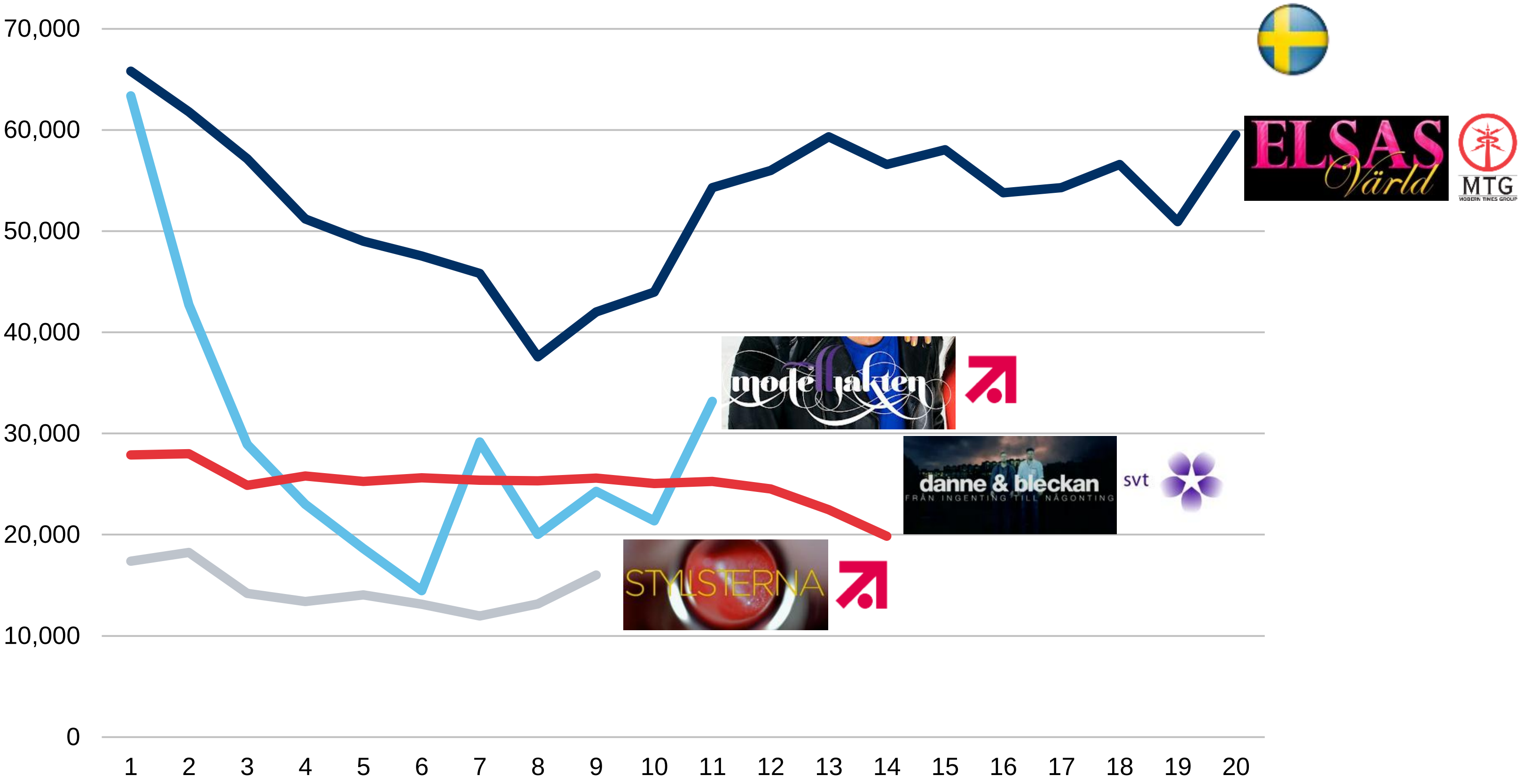
* MMS
Web audience: Publ. date + 7 days

By offering web exclusive shows

Started streams per episode by web audience*



* MMS
Web audience: Publ. date + 7 days

And providing tailor-made solutions

Branded player

Elsas värld

Svärmors middag slutar i katastrof - Elsa har ett finger med i spelet Läs mer | Läs Elsas blogg på TV3

Avsnitt 15 - Säsong 1 | Längd: 12:26 | Sänt 2012-02-09 18:00

Campaign click rate: 6%

Average click rate: 2%

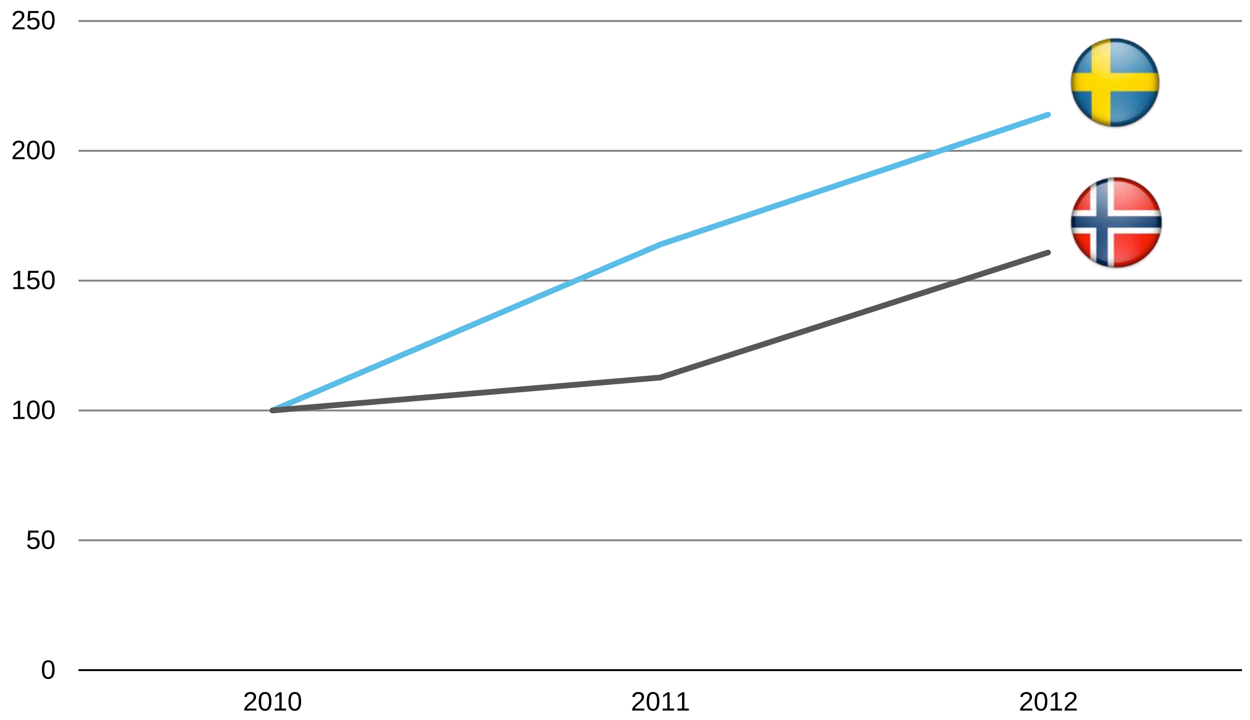
Editorial integration

Editorial integration sold per second

- Customer sales up 70%
- And now a recurring customer with TV3Play Sweden

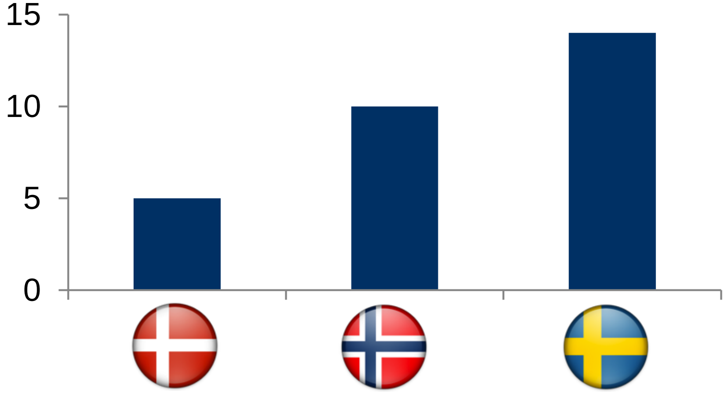
With growing online sales

Online ad sales growth (index)



And also creating competition in existing market segments

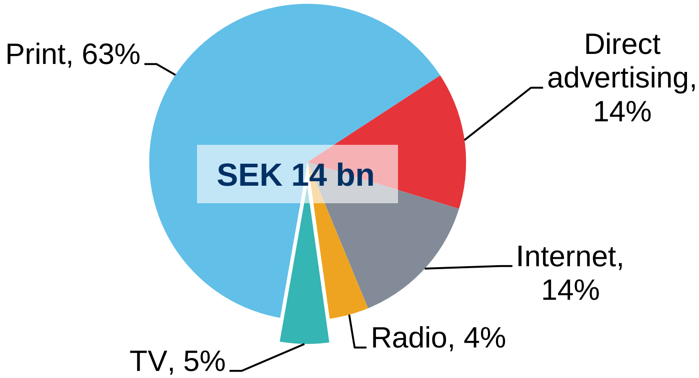
Regional share of total advertising (NOK / DKK / SEK billion)



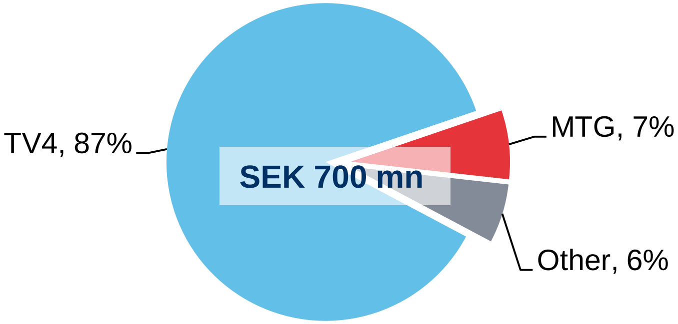
40% **60%** **50%**

- Number of regional TV3 Sweden broadcast zones increased from 6 to 19 on February 27th 2012
- Bundled TV, Radio & Internet Ad sales package with dedicated sales force of 120 people as of March 2012
- Local Ad prices as much as 2.13x national prices

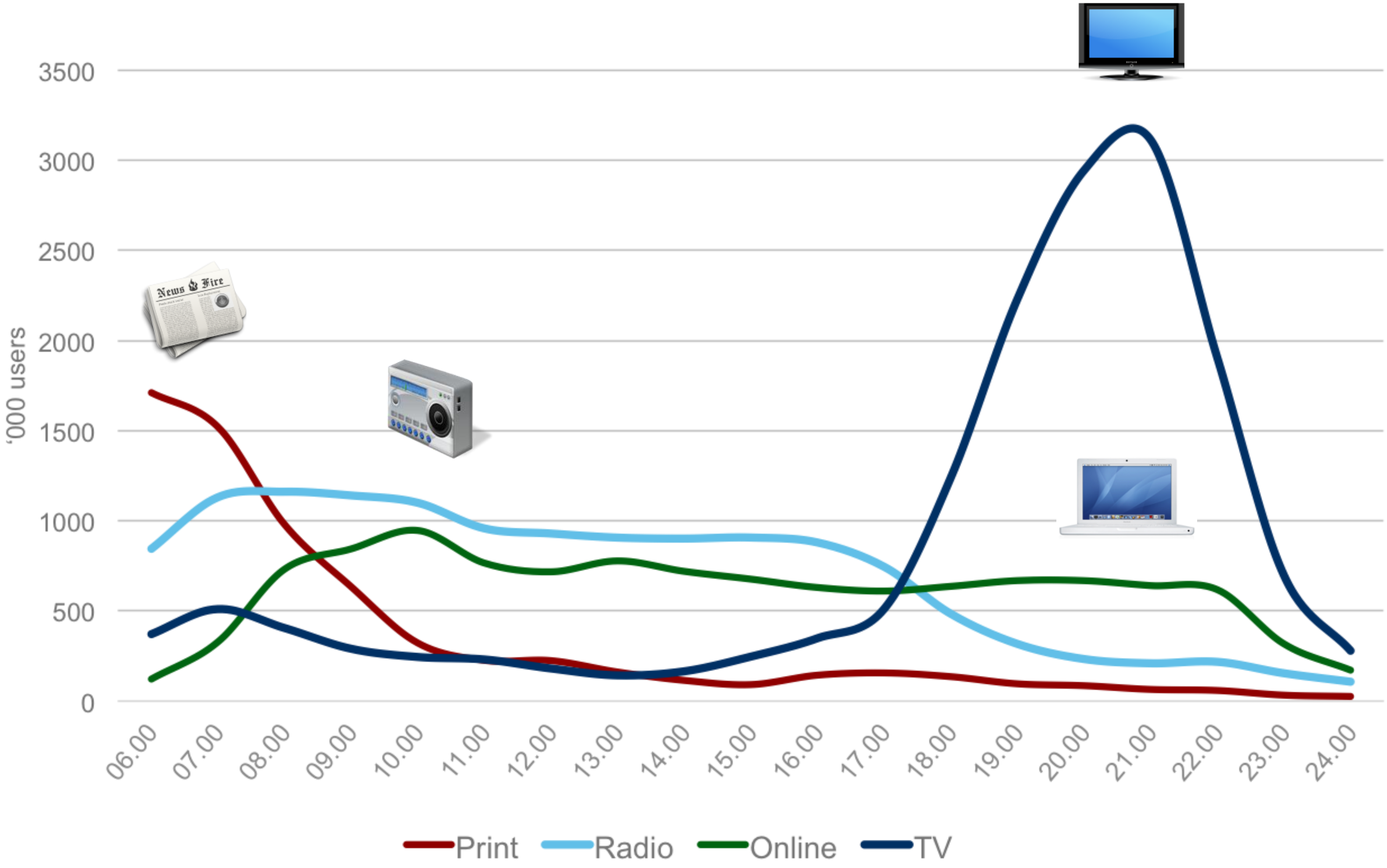
Total regional advertising



Regional TV advertising

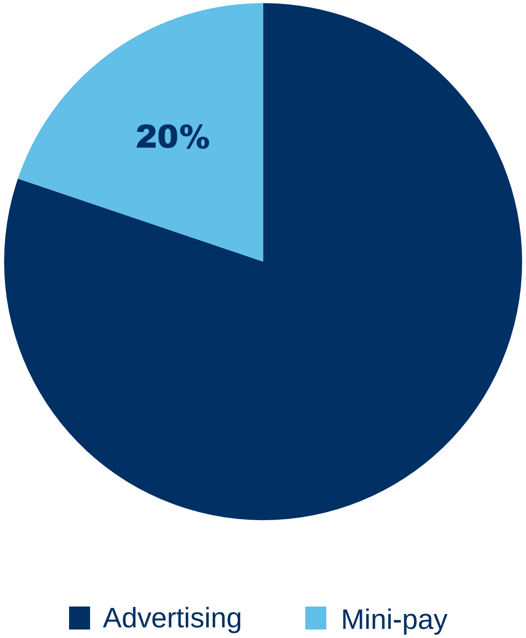


And offering a unique reach



And developing non-advertising revenue streams

Revenue mix (2011)



Carriage deals

TELE2

get

sappa
TV SOM DU VILL

com hem

waoo!

Telia

TDC

altibox

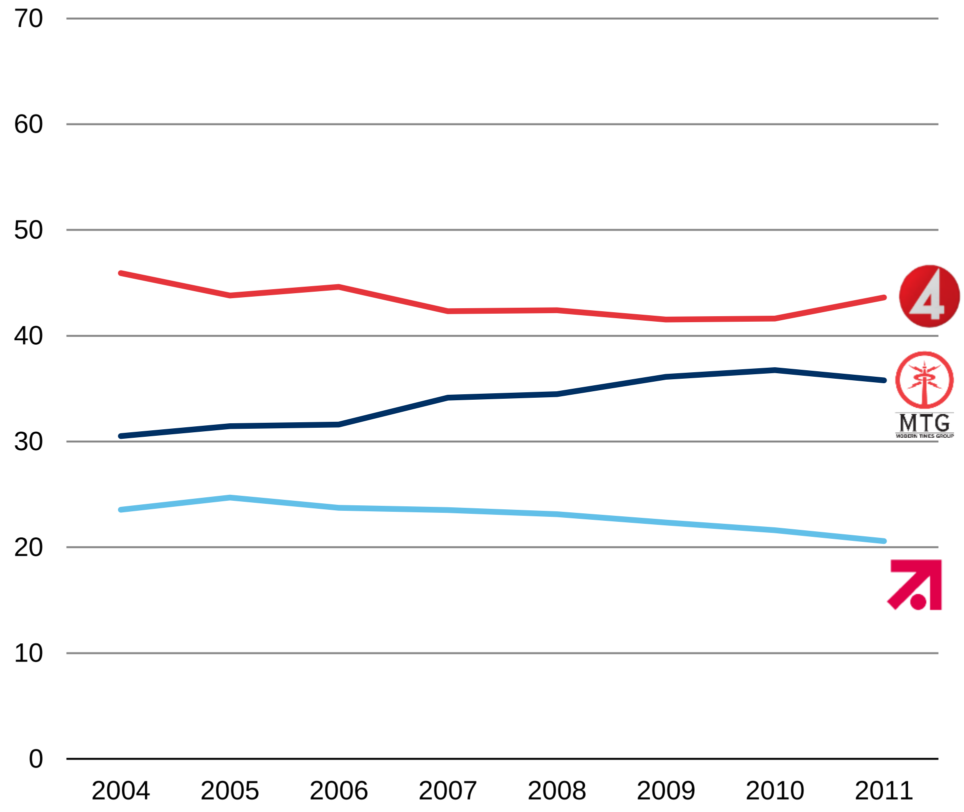
yousee

Canal Digital

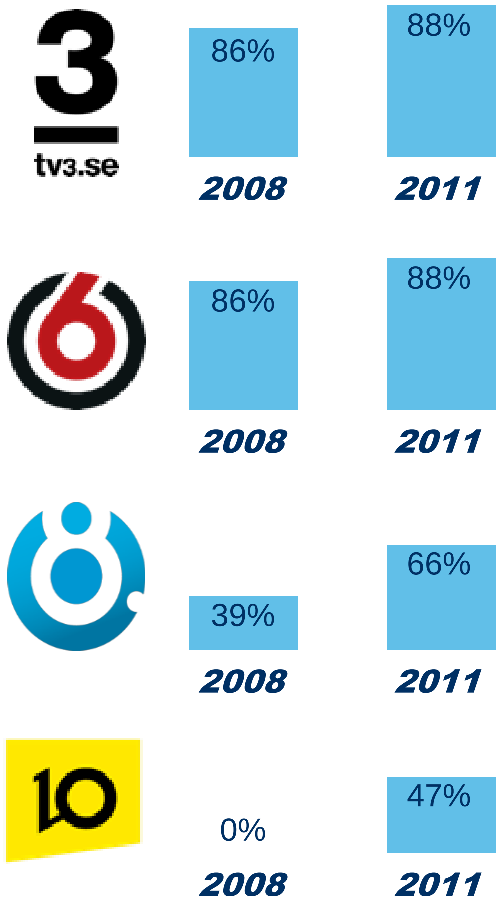
NextGenTel

But, ultimately, it is all about ratings

CSOV 15-49

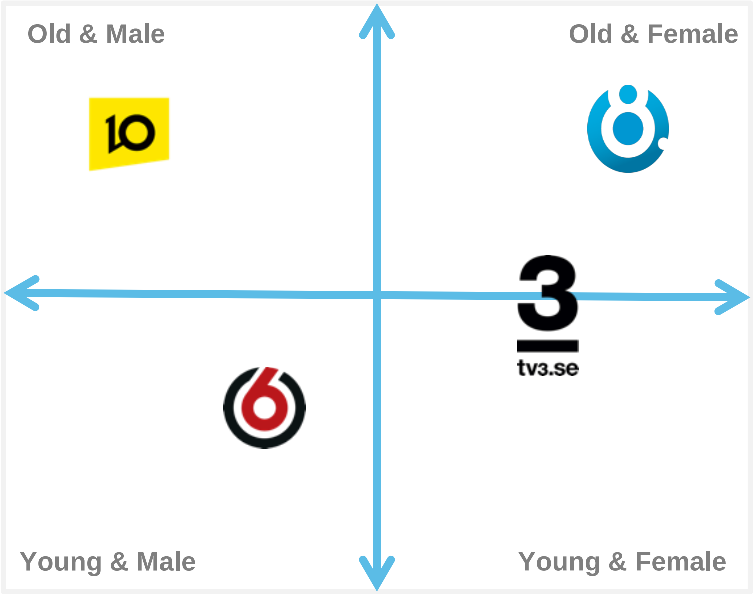


Perceived penetration (not actual)

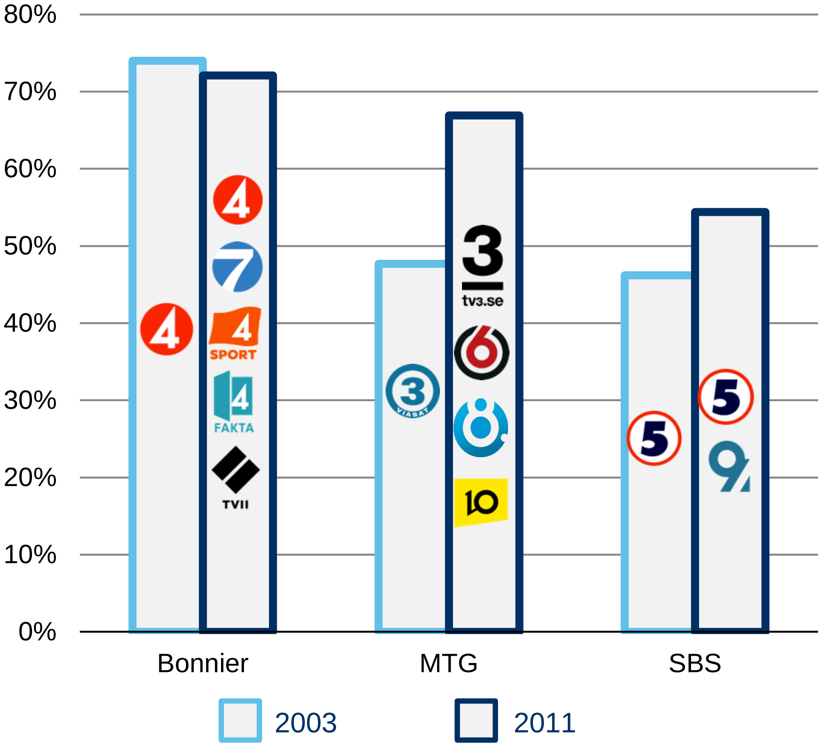


And the media house is growing

Channel Profiles



Average Weekly Reach

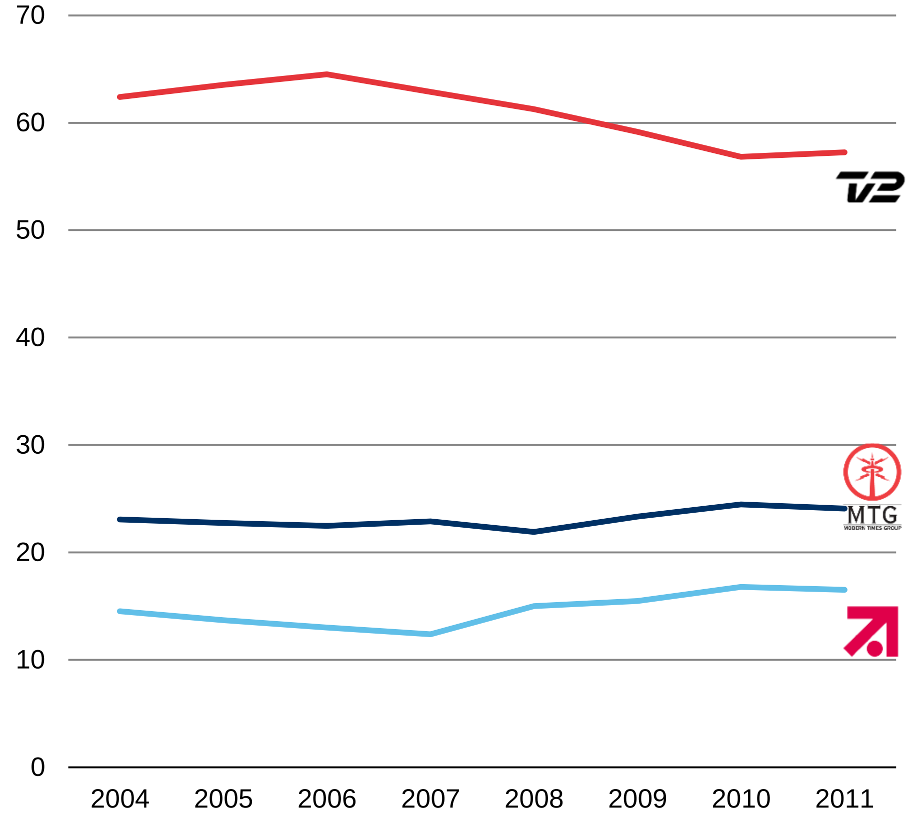


What we’re doing in Sweden

- Recruited better people & brought in external experts
- Extended planning horizon
- Improved overall scouting, commissioning & scheduling
- Enhanced piloting & feedback
- Focused schedules on local & live entertainment programming
- Broadened & deepened schedules with proven local & international formats
- Reduced risk profile by focusing away from “big bet” new OPs

But, ultimately, it is all about ratings

CSOV 15-49



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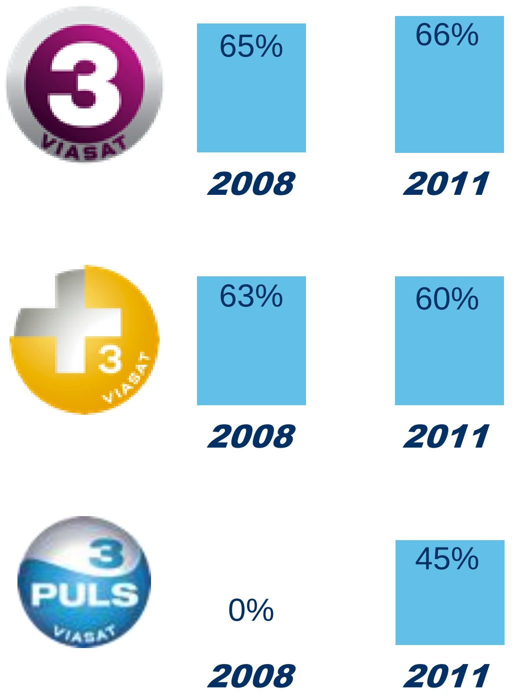
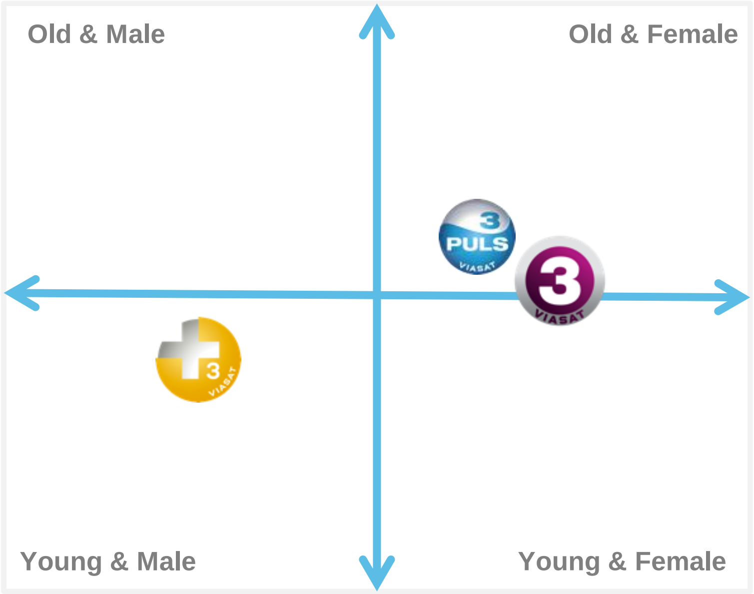
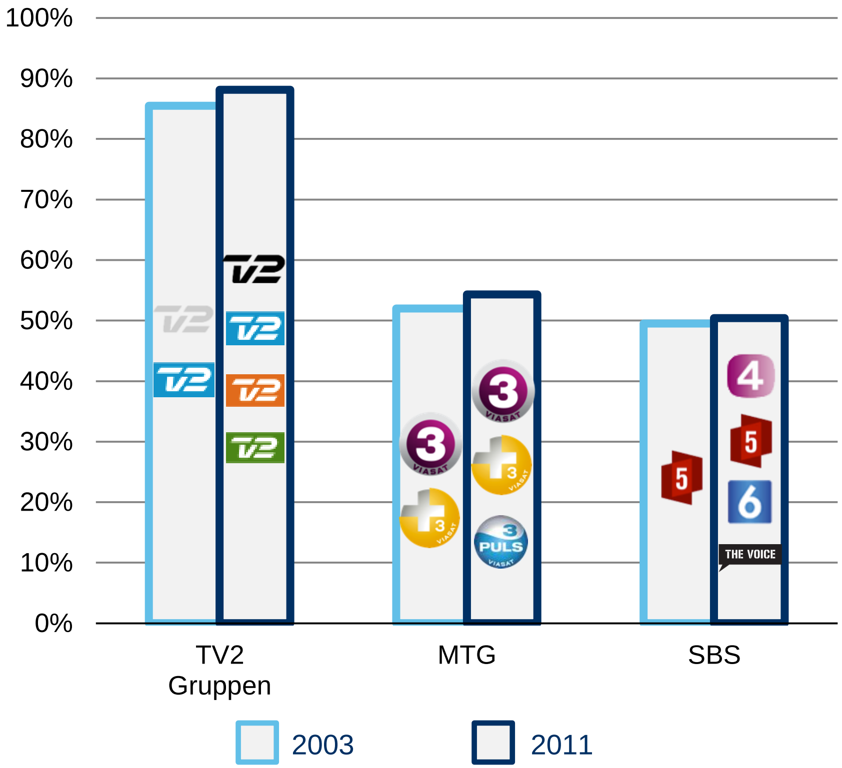


And the media house is growing

Channel Profiles



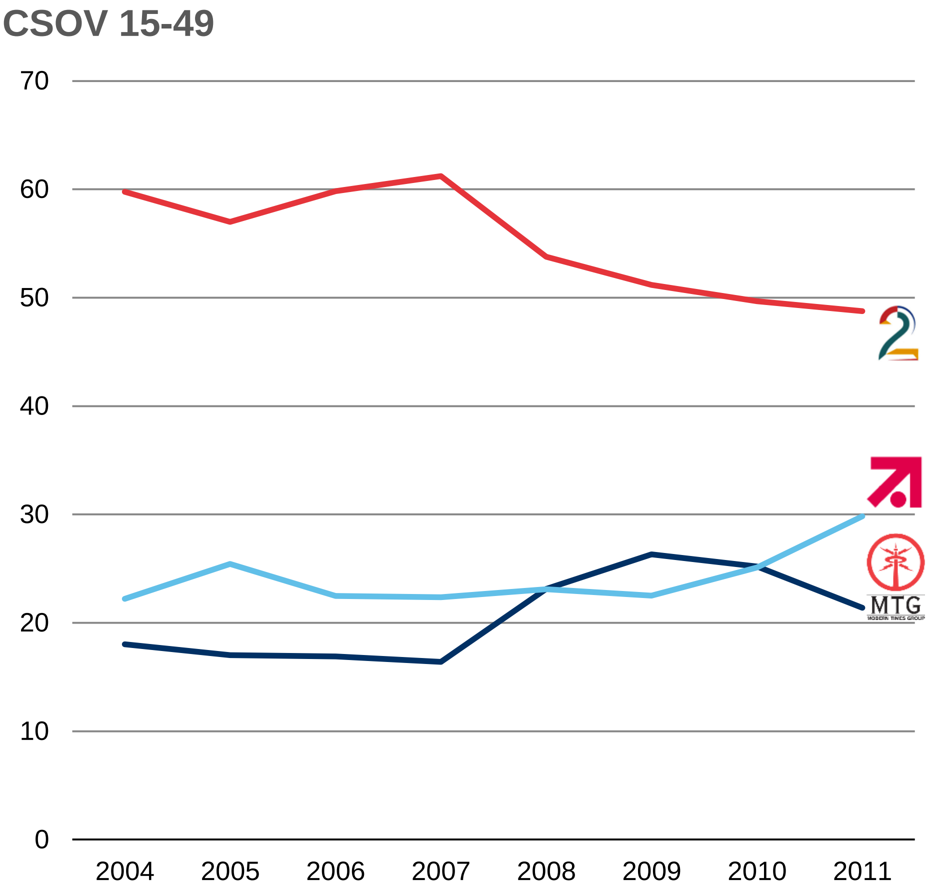
Average Weekly Reach

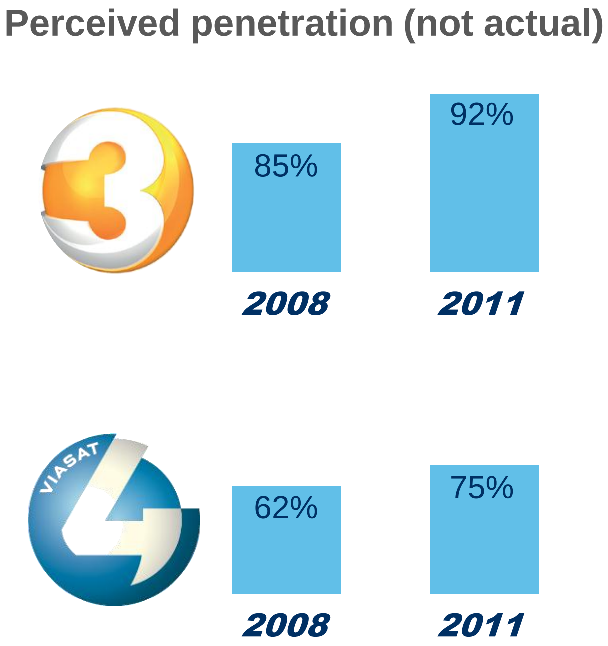


What we’re doing in Denmark

- More of the same
- Not about challenging TV2 but maintaining distance from SBS
- Extended planning horizon
- Improved overall scouting, commissioning & scheduling
- Enhanced piloting & feedback
- Focused schedules on local & live entertainment programming
- Broadened & deepened schedules with proven local & international formats

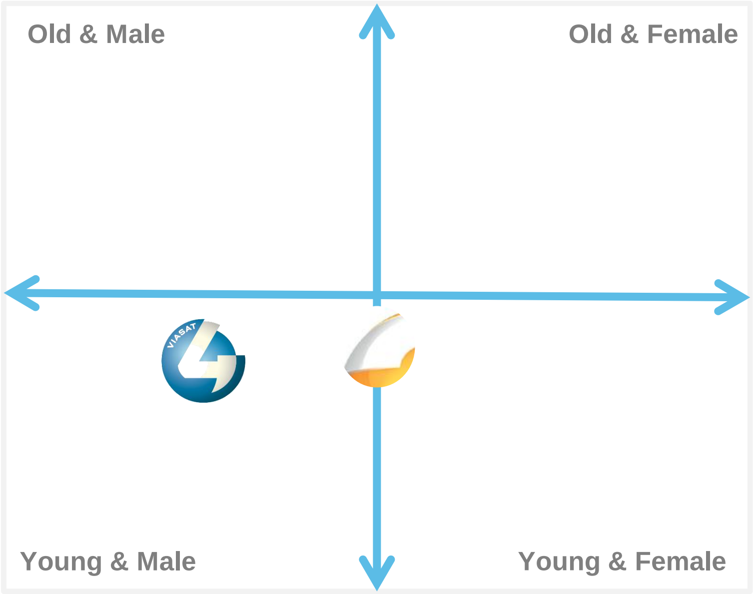
But, ultimately, it is all about ratings



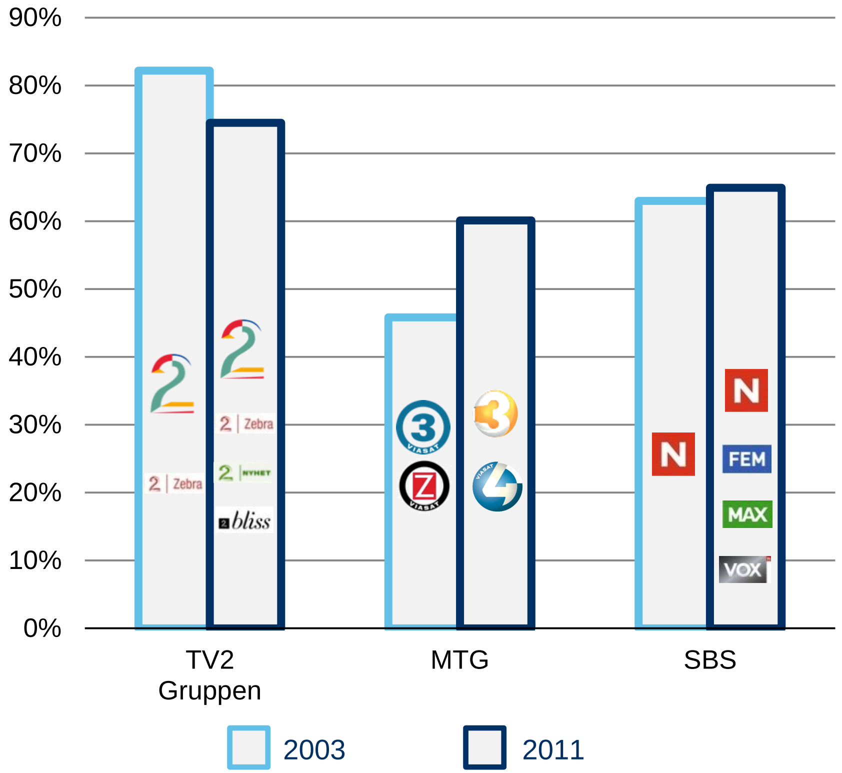


And the media house is growing

Channel Profiles



Average Weekly Reach



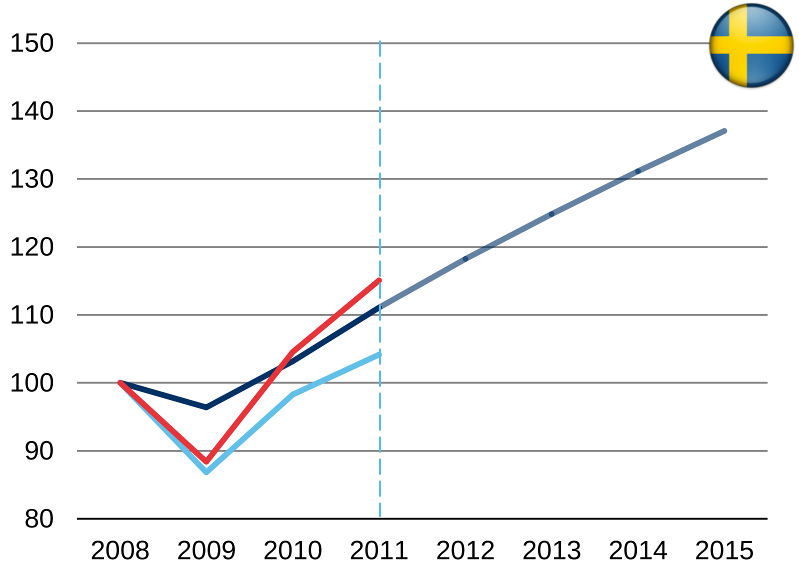
What we’re doing in Norway

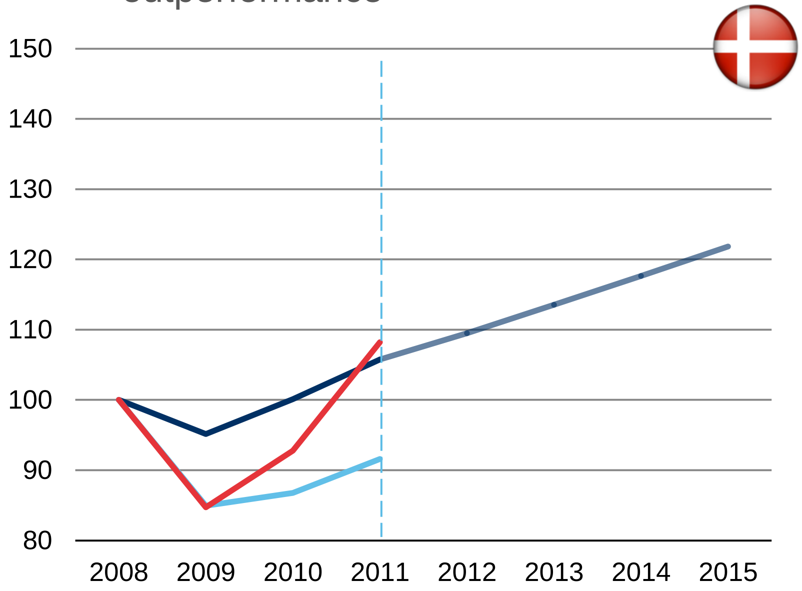
- Made management changes
- Extended planning horizon
- Improved overall scouting, commissioning & scheduling
- Enhanced piloting & feedback
- Focused schedules on local & live entertainment programming
- Broadened & deepened schedules with proven local & international formats
- Reduced risk profile by focusing away from “big bet” new OPs
- Continue to seek opportunity to expand differentiated channel offering

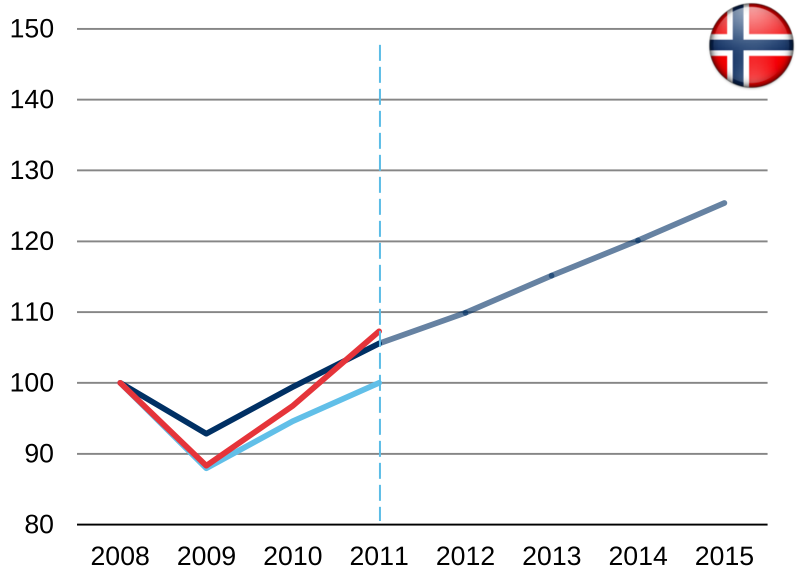
SHOWREEL

Summary

- GDP growth + Total ad market growth + TV ad market growth
- + audience share gains
- + channel launches
- +penetration gains
- + AVOD
- + mini-pay
- = long term sustained market outperformance







▬ GDP Growth ▬ Total Ad Market Growth ▬ TV Ad Market Growth

Extending the Scandinavian Media House