

Nordic Pay-TV – Evolving Dynamics

3rd Party Networks



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MTG



Background

- **CEO of MTG Denmark since 2003**
 - **Joined MTG in 1994**
 - **Head of Viasat Sport Scandinavia**
 - **Chairman of Prima TV since January 2008**

Anytime, Anywhere

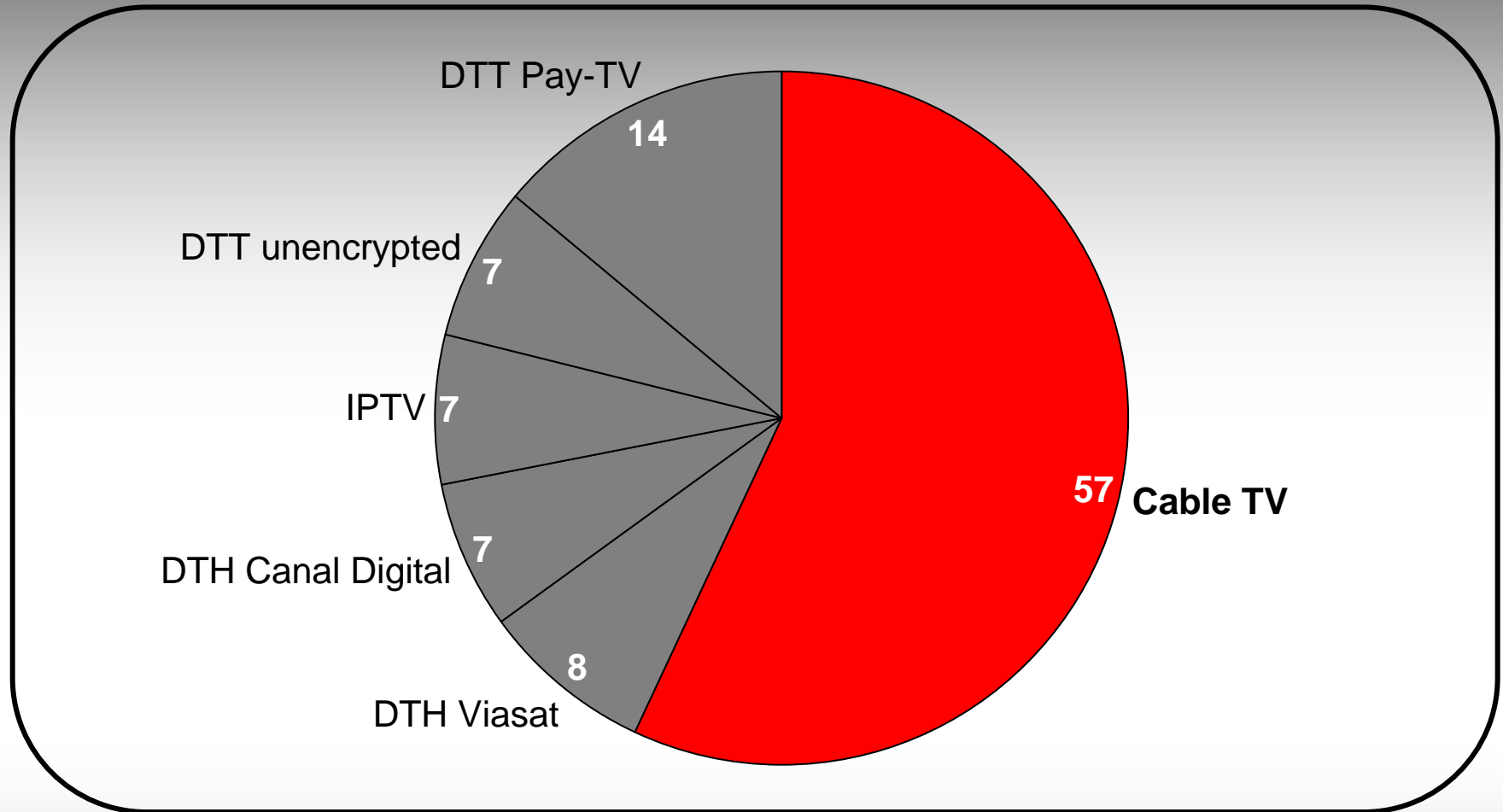
- **DTH Satellite**
 - Viasat's owned & operated platform is the leading packager and distributor of premium content & is benefiting from digitalisation & rising ARPU levels
- **3rd Party Pay-TV Networks**
 - New distribution platforms provide an opportunity for the Nordic region's leading channel content provider
- **Online**
 - Video is driving data traffic with broadband capacity and speeds increasing exponentially, offering Viasat the opportunity to make content available in a network independent environment

Strategy

- **It's all about providing the customer with what they want, where they want, how they want and when they want**
- **Viasat is leveraging its position as the leading channel content aggregator to make its portfolio of channel content broadly available on existing & emerging platforms**
- **Customer ownership and control over pricing and packaging are key factors**
- **Complements rather than cannibalizes**
- **Avoid exclusive deals & no need to vertically integrate other distribution platforms**
- **Premium content ownership, packaging & marketing expertise, and localization expertise are key differentiators**
- **Free-TV channels support launches & provide leverage for negotiation**

The Competitive Landscape

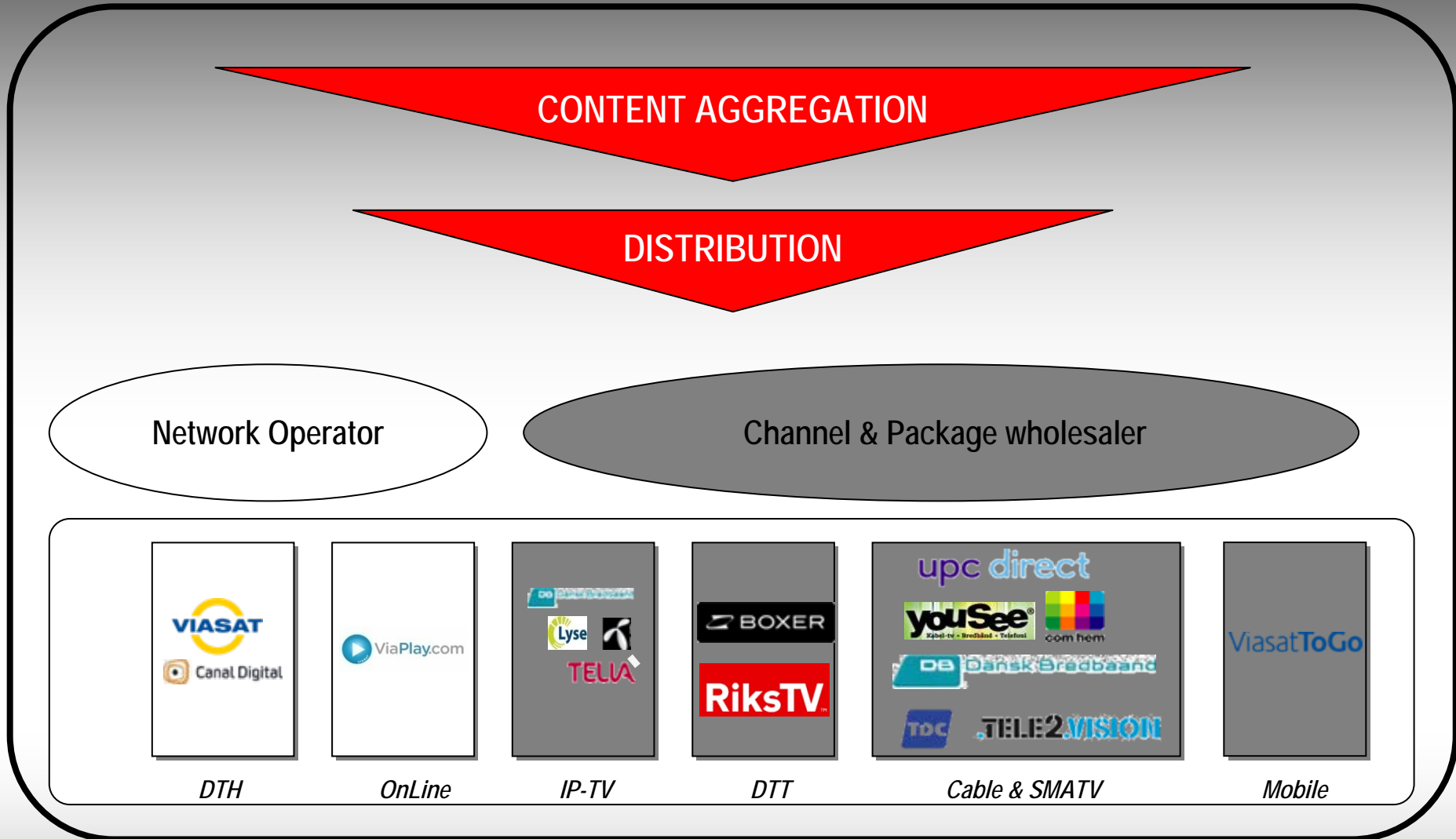
Sweden (% penetration)



Viasat's portfolio of channel content



MTG's goal is platform ubiquity: "Anytime, Anywhere"



Keys to success in 3rd party distribution

Differentiation factors

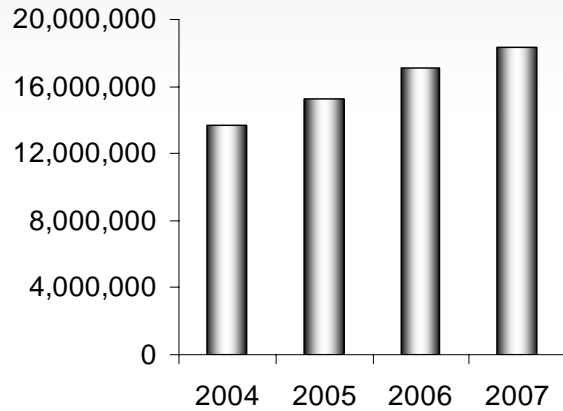
	Explanation	Differentiation
Access to content	<ul style="list-style-type: none">• Access to must have channels is a prerequisite for success	<ul style="list-style-type: none">• Viasat's strong channel brands typically represent one third of commercial share of viewing, providing a strong negotiating position for packaging and pricing
Marketing and packaging capability	<ul style="list-style-type: none">• Sale of premium packages dependent on aggressive marketing and smart packaging	<ul style="list-style-type: none">• Viasat's Free-TV channels used as platform for cross-promotion• Experience from DTH packaging applied to new distribution platforms
Localization expertise	<ul style="list-style-type: none">• Content must be adapted to local markets to gain widespread popularity	<ul style="list-style-type: none">• Viasat has succeeded in branding, re-packaging & localizing premium content across multiple markets

3rd party network business development

Key performance indicators

Subscriptions

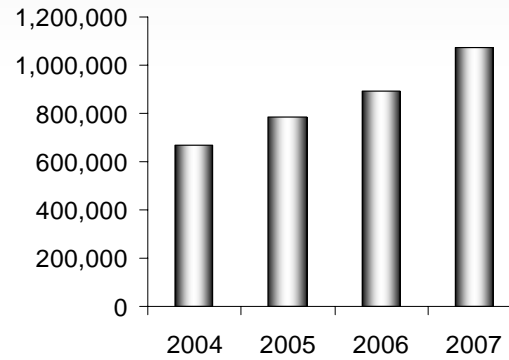
CAGR 10%



Revenues

CAGR 17%

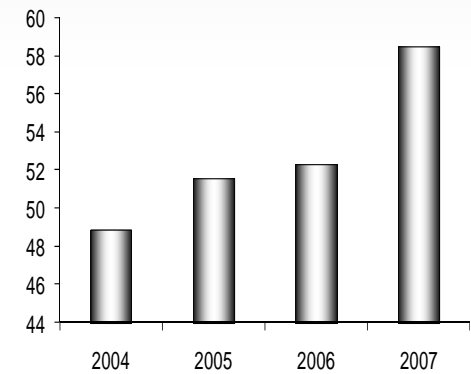
SEK thousands



ARPU

CAGR 6%

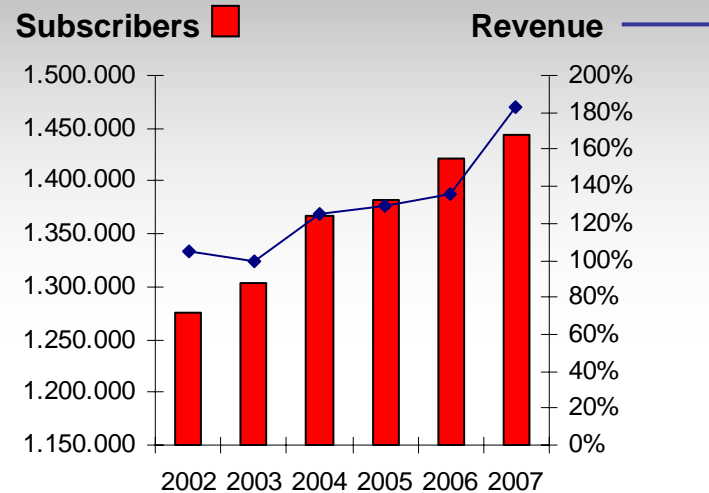
SEK



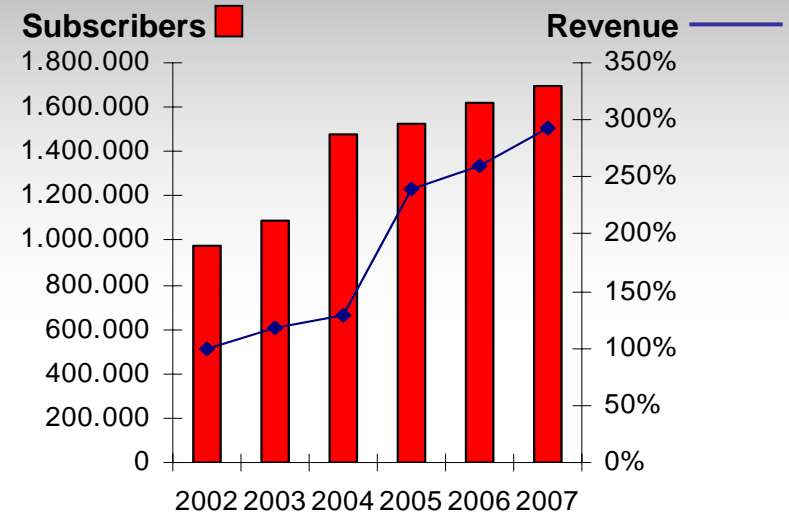
Case study: Cable/SMATV in Denmark

Revenue and subscriber growth in a mature distribution market

TV3 & TV3+



Other Viasat Channels*



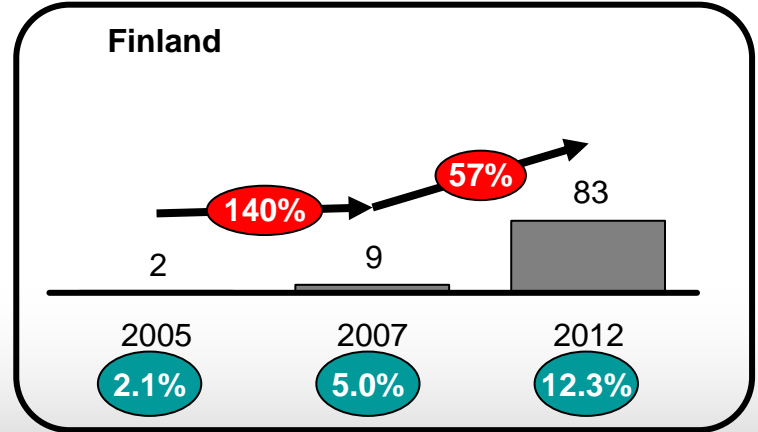
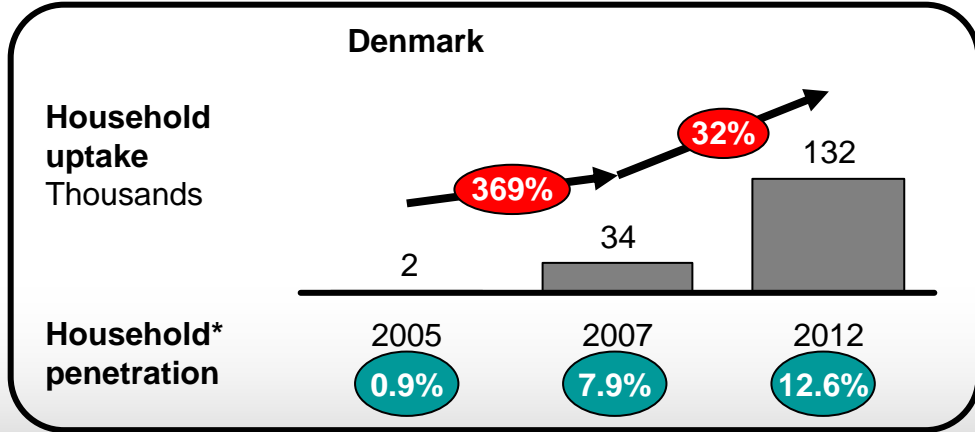
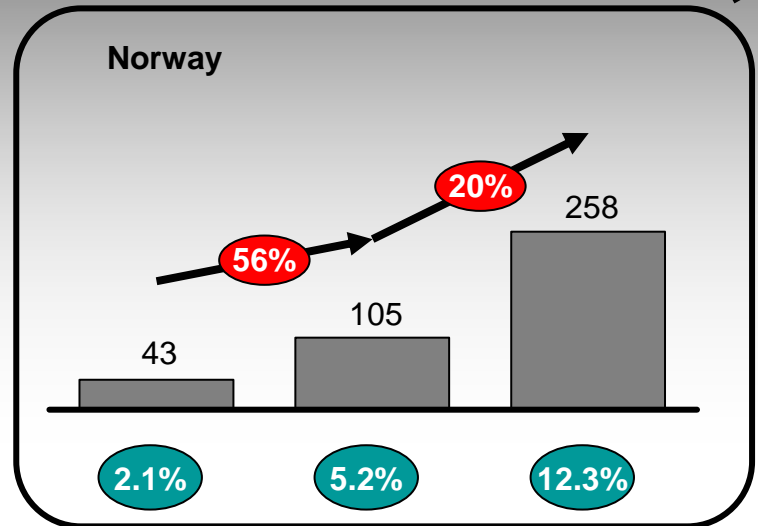
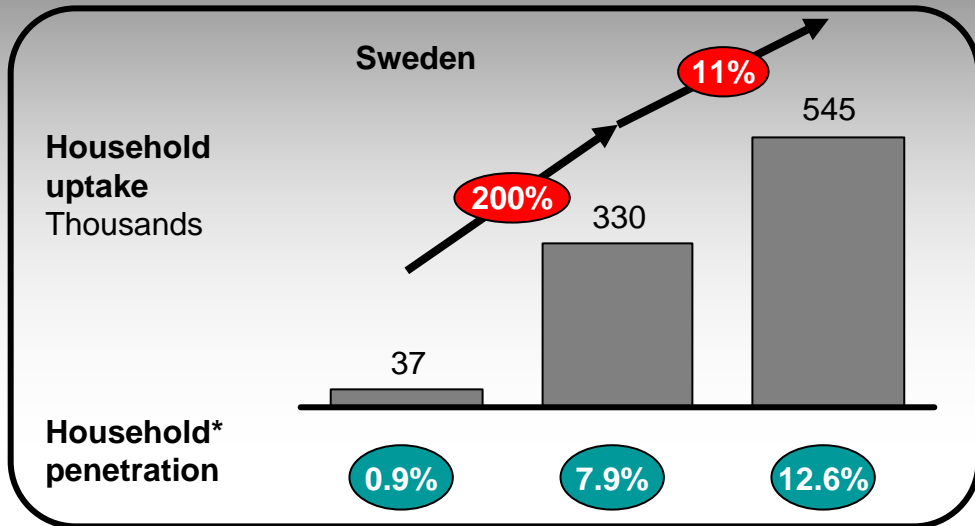
- **Explosion in number of channels**
- **Flagship channels secured high penetration among cable households**
- **New channels packaged thematically – Viasat ‘Experience’ launched in 2007 & 90,000 subscriptions sold**

* Aggregated subscribers for Viasat Sport 1-3 / TV2 Sport, Viasat Explorer, Viasat Crime, Viasat Nature, Viasat History, Viasat Golf

IPTV already 1/3 size of DTH

IPTV households in Nordic countries

CAGR ↗



* Penetration rates shown for the primary TV set in the households

IPTV – The Potential

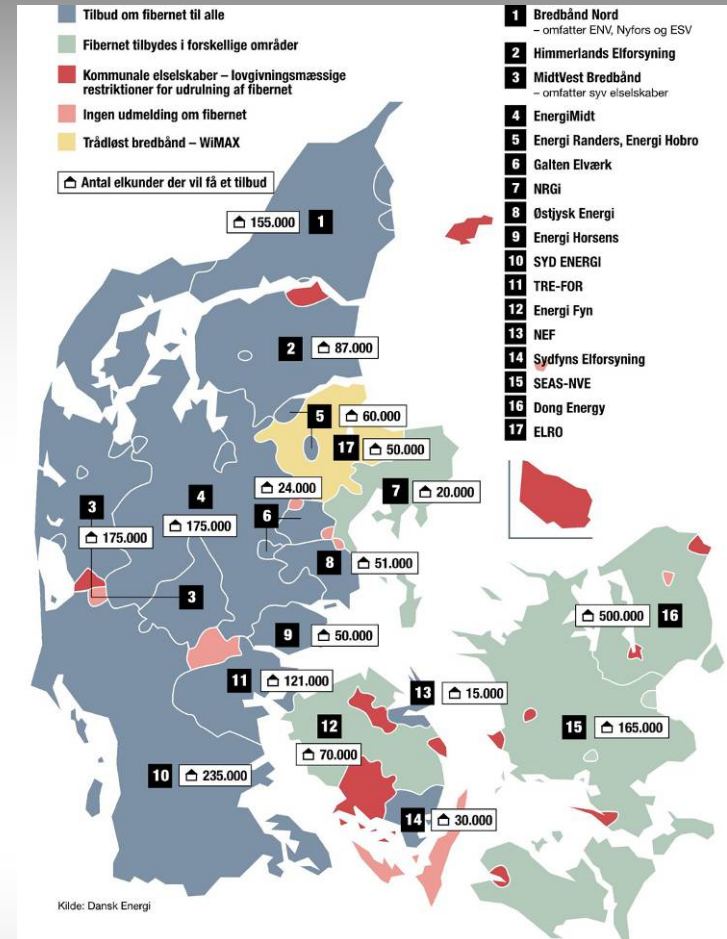
The number of Households with access to Viasat's IPTV packages will grow dramatically in the next 5 years

Fibre to the Home (Danish Broadband)

- Planned roll-out for power companies that are part of Viasat IPTV agreement to enable 1,500,000 homes in 5-7 years (56,000 fibre net customers at end of 2007)

IPTV over ADSL (TDC TV)


- All of TDC's broadband customers can purchase Viasat packages via ADSL – currently ~500,000 broadband customers



IPTV Environment

- **Video drives Triple-Play Offerings as key differentiator – telephony and data services commoditised**
- **Competition between fibre to the home and IPTV over ADSL**
- **Evolved and consolidated broadband market**
- **Multiple triple play providers**
- **Utilities and service providers committed to CAPEX programmes to upgrade networks, increase broadband capacity and connection speeds**
- **Increasing demand for premium content**

The New Model – The Virtual Network Operator

- **Viasat's core business is the aggregation & selling of packaged channel content to subscribers**
- **Viasat's emerging & highest growth pay-TV business is the sale of packaged content to 3rd party platforms**
- **Evolution from passive individual channel sales in cable environment  IPTV Virtual Network Operator status with direct customer access**
- **New revenue sharing model is margin enhancing as NO infrastructure investment requirement, distribution or decoder cost**

New IPTV Offering with Telia in Sweden

Available from 2 June

TELIA

- 1,089,000 Swedish broadband subscriptions
- 318,000 Swedish IPTV customers (~90% market share)



Telia 5 year Agreement

'Setting a New Standard'

- **Significantly increases Viasat's universe (homes not typically addressed by DTH)**
- **Direct access to Telia customer base**
- **17 Viasat channels & 29 3rd party channels in 6 packages (SEK 79-299 per month)**
- **Catch-up & on-demand services**
- **Revenue sharing model (ranging from 50%-70%)**
- **Viasat channels to be offered in household collective landlord relationships**

3rd party networks

Summary

New Platforms = New Opportunities

- **Viasat's core business is the aggregation & selling of packaged channel content to subscribers**
- **Viasat's emerging & highest growth pay-TV business is the sale of packaged content to 3rd party platforms**
- **Viasat has established a new model for the future – the Virtual Network Operator**