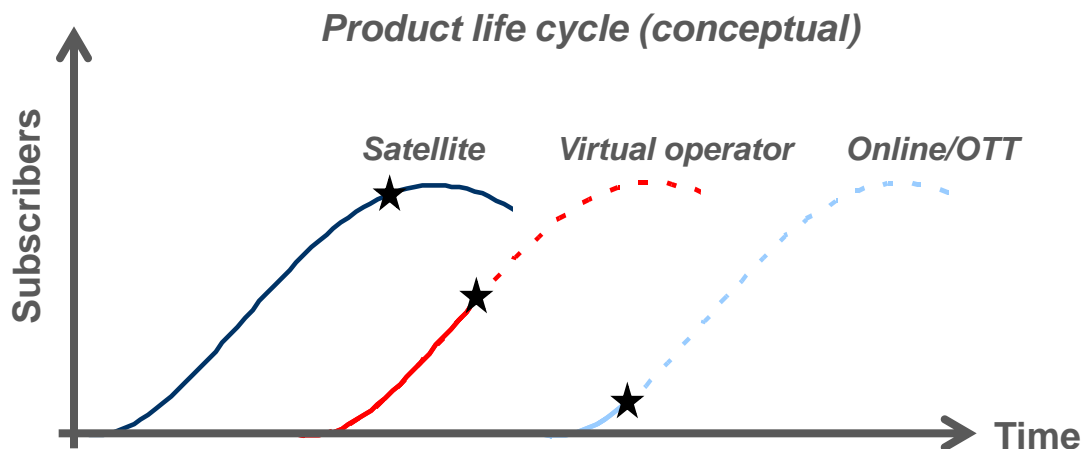


**Entertainment At Your Command**  
**Martin Lewerth, Chief of Staff Pay-TV**



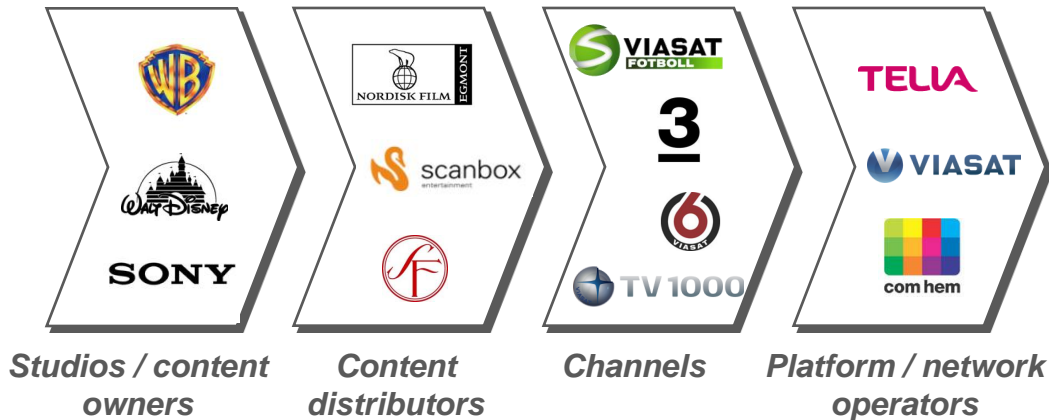
# Our pay TV strategy is to play in three areas to secure scale, profitability and long term growth

Platform	Current universe size	As % of MTG pay-TV	Strategy
1. DTH satellite	20% of HHs	High	<ul style="list-style-type: none"> <li>Grow ARPU by raising prices &amp; sell add-on services</li> </ul>
2. Virtual operator	~50% of HHs	Moderate	<ul style="list-style-type: none"> <li>Grow subscriber base as triple play pay-TV penetration rises</li> </ul>
3. Online/OTT	100% of HHs	Low	<ul style="list-style-type: none"> <li>Capitalise on first mover advantage to grow subscriber base, service offering &amp; ARPU</li> </ul>

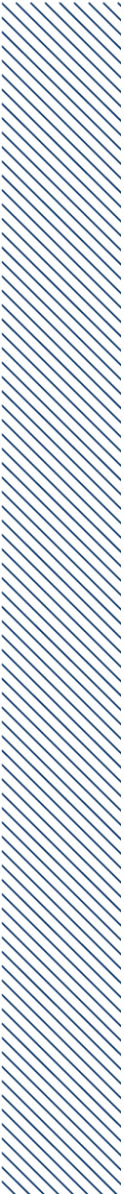


# We are today operating along a “traditional” value chain

- A linear value chain for the linear TV era
- Customers typically have two relationships – we control both:
  - The payment relationship with the platform / network operator
  - The emotional relationship with the TV channels / content



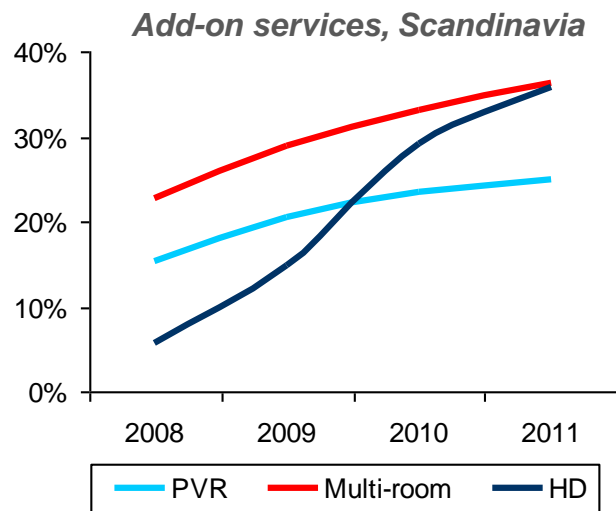
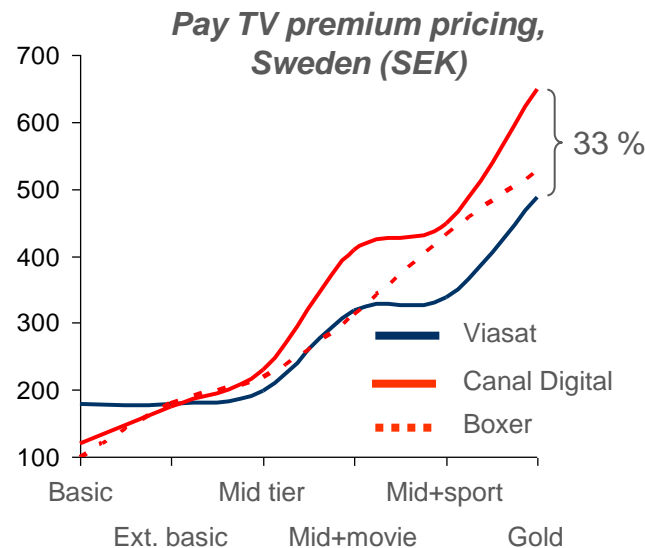
- MTG’s role in the traditional value chain is as:
  - Channel broadcaster
  - DTH satellite operator
  - Virtual operator within 3rd party cable and IPTV networks



# Generating growth in the satellite universe by raising prices and adding services



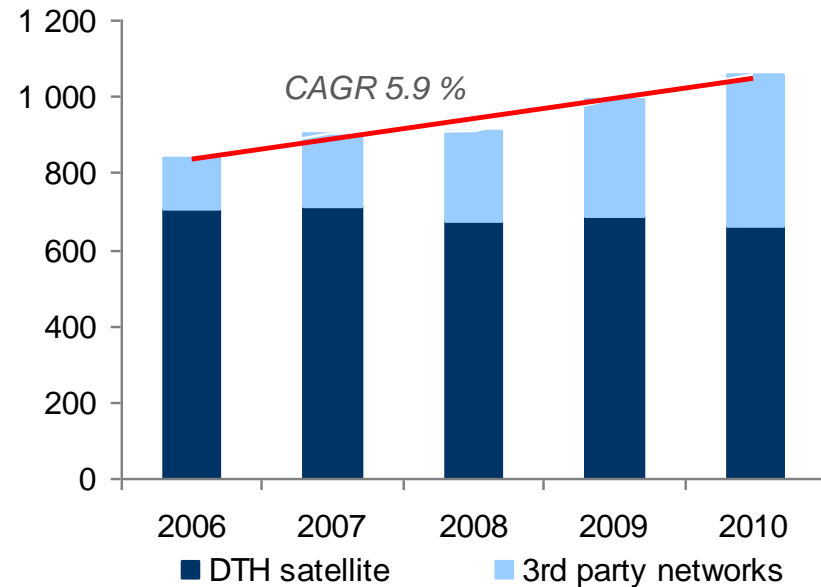
- Our satellite business provides scale & a stable base:
  - Satellite has maintained its ~20% share of total pay TV subscribers in Scandinavia
  
- Room for further price increases:
  - We have consistently increased prices each year
  - We are still the clear premium price market leader
  
- Strong uptake of add-on services:
  - HD TV
  - Multi-room
  
- Additional potential of new services:
  - Video on demand
  - 3D TV
  - Portability / multi-screen access



## Our “virtual operator” model generates subscriber growth outside the satellite universe

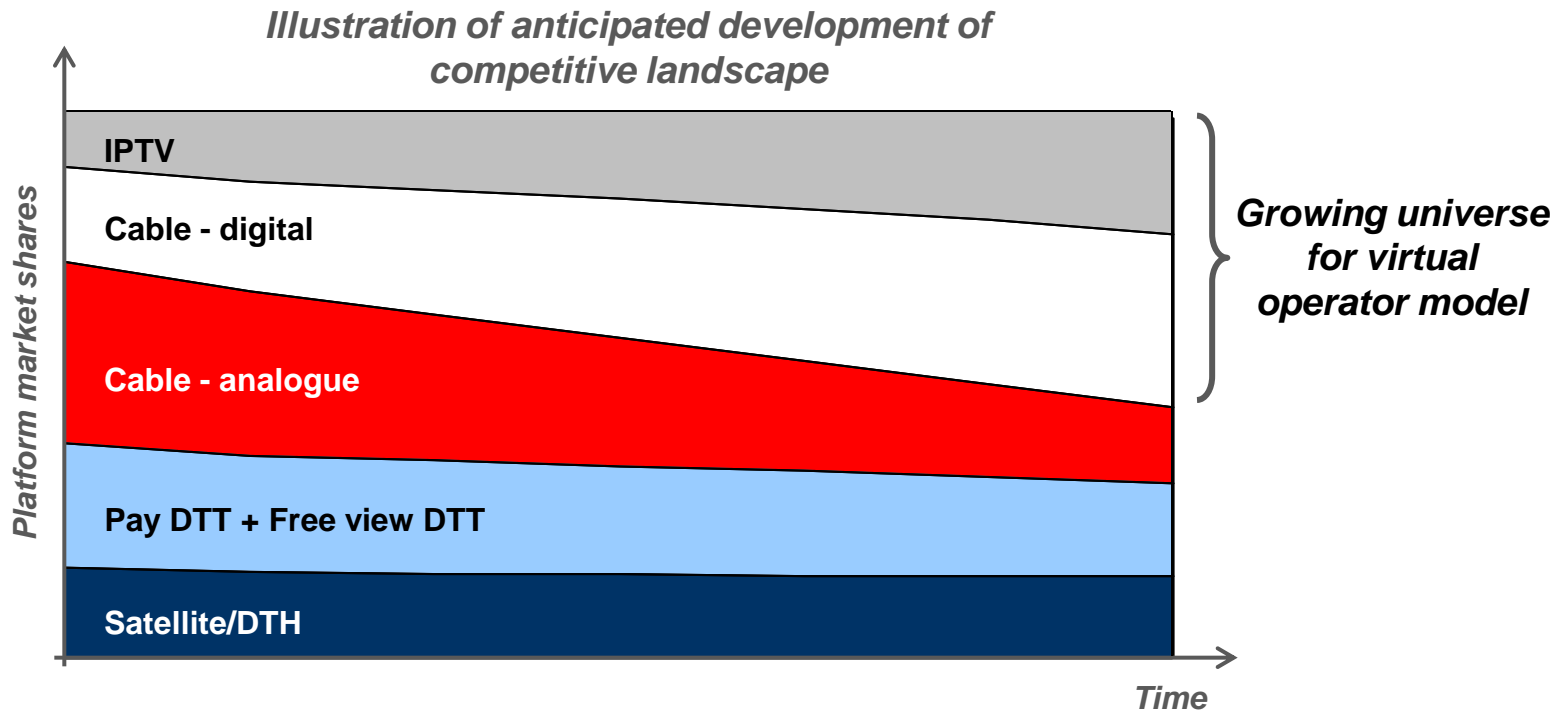
- We have signed “virtual operator” agreements with the major cable and IPTV operators in Scandinavia
- Agreements provide direct sales access to end-users in 3rd party networks
- Enabling us to market and sell our own pay-TV packages to a new universe of potential subscribers

*Viasat premium subscribers, Scandinavia*



# Structural changes are also growing the virtual operator universe

- The virtual operator universe will continue to grow and further extend our footprint :
  - IPTV will grow with the rising penetration of bundled voice / data / TV offerings
  - Cable and IPTV operators will digitalise the large analogue cable universe



# Over-the-top (OTT) technology is changing the traditional model

## Online distribution – Over-the-top

- Everyone can now have an end-user relationship
- Opens up for the market to new entrants






## There is more need than ever for an aggregator

- Risk for confusion as end-users do not know or care who produced Spiderman
- All they care about is:
  - Easy access to content they want, when they want and where they want
  - Paying money to one (or few) trusted suppliers

**Our aim is to be the iTunes of video - an easy to use & convenient one-stop-shop for premium content at a reasonable price**

# Content remains king in the OTT world

- Premium content is the driver of consumer choice & willingness to pay
- Exclusive content is the differentiator
- Local content is key
- Powerful and differentiated brands are the quality stamps

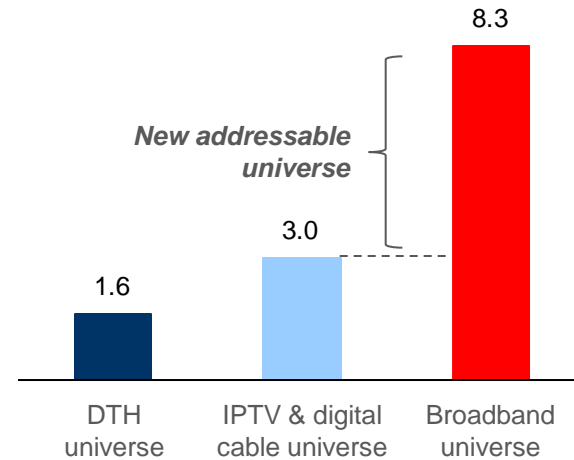
Sample exclusive MTG content		
Movies	Sport	Brands
		
		
		
		
		
		
		



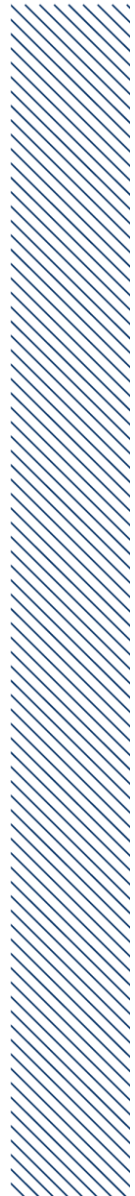
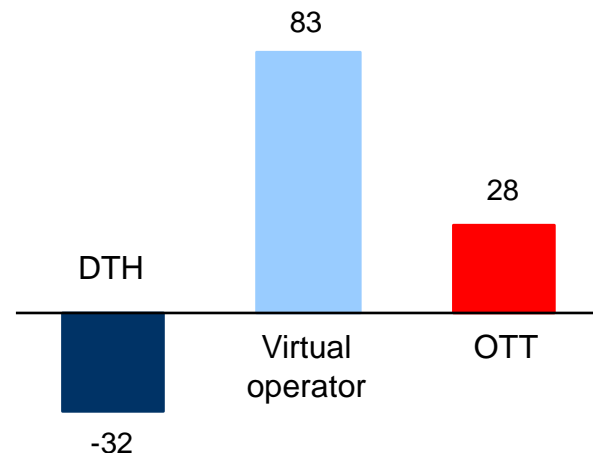
# OTT – the opportunity

- Increase footprint for our pay TV business
- Retain end-user relationship and reduce dependency on network gatekeepers
- Generate incremental revenues from on-demand services
- Adding to our pay TV subscriber base:
  - OTT SVOD accounted for ~35 % of MTG’s total net Nordic pay TV subscriber intake between Jan 2010 & Mar 2011

*Potential universe, Scandinavia (m HHs)*



*Net Nordic pay-TV subscriber intake Jan. 2010 – Mar. 2011 (000s)*

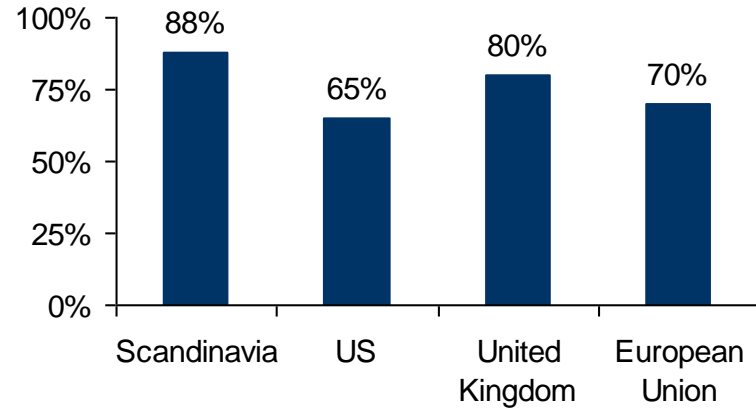


# High quality broadband infrastructure in place

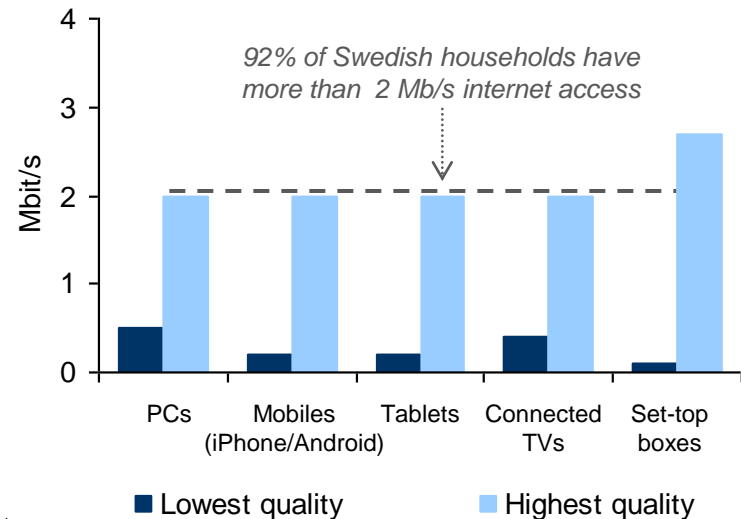


- **High Internet penetration level**
  - Internet penetration of 88% in Scandinavia is amongst the highest in the world
- **Large proportion of consumer devices already web-enabled**
- **High broadband access speeds**
  - Average household broadband access speed of 9-11 Mb/s in Sweden
  - The majority of households already have sufficient broadband speeds to receive high quality online services

*Internet penetration ( % of households)*



*Bandwidth required for Viaplay*

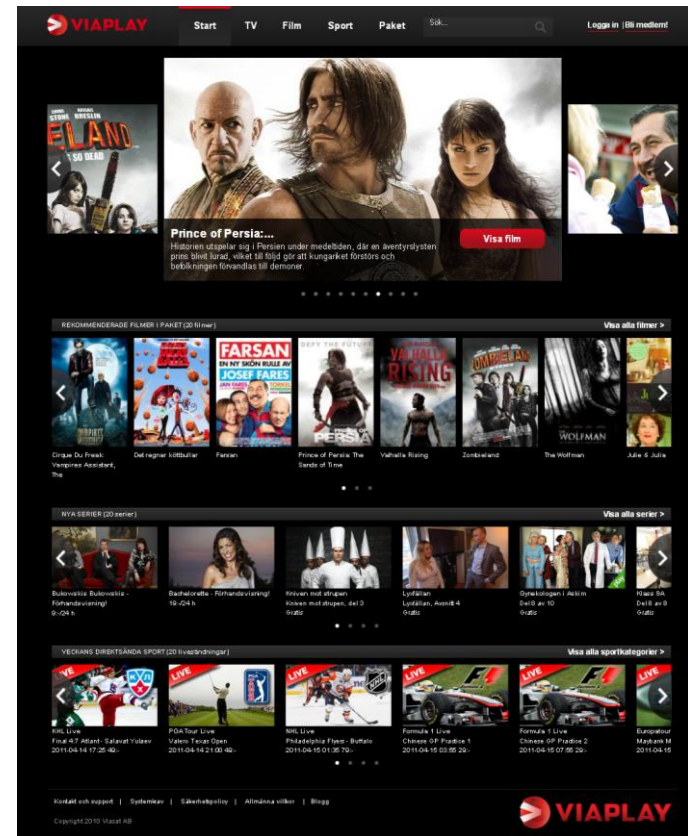


Source: Eurostat, Broadband and Connectivity – Households (ISOC\_BDE15B\_H), April 2011; Swedish Post & Telestyrelsen; Strategy Analytics, Broadband Service Provider Performance Benchmarking: North America Q4 2010

# Viaplay is the umbrella brand for our OTT services



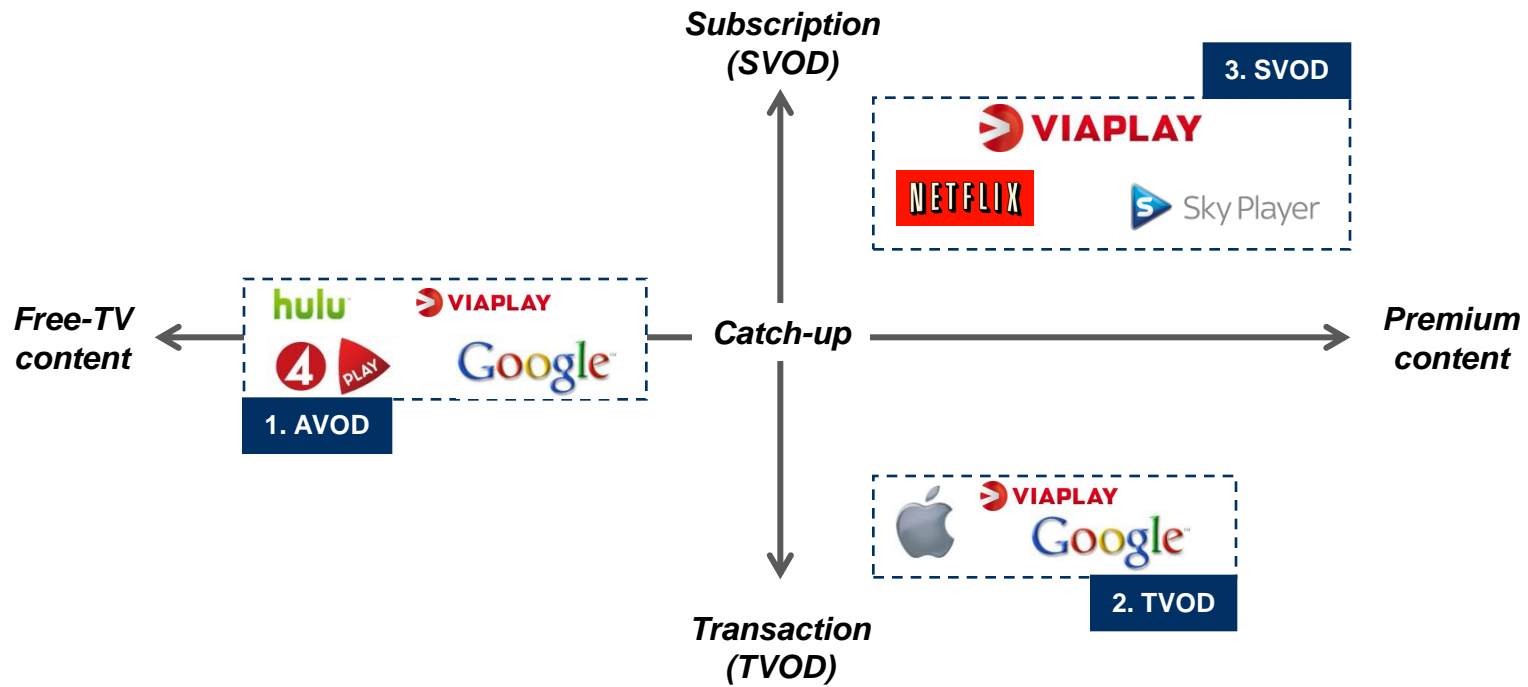
- Aggregating premium content behind a subscription – online pay TV
- Viaplay is an online one-stop-shop for premium **TV**, **Sports** and **Movies**
  - More than 1,000 SVOD\* movies every month
  - More than 4,000 TVOD\* movies
  - 1,000 sport events every year
  - TV-series and premium local productions from MTG's free TV channels



Notes: Subscription video on demand (SVOD);

Transaction video on demand (TVOD)

# Industry context



# We are not only platform agnostic but also device agnostic

## Multi-screen access

- Enjoy one “mother” subscription on *any device*
- Access the subscription online *anywhere* (portability offered to any subscriber - DTH as well as Viaplay)
- Access all services on demand *anytime*



Viaplay – the evolution of television



# Exploring new frontiers & identifying new universes

Well positioned for continued growth:

- Unique benefits from integrated business model – valid for all distribution forms
- Unique volume opportunities in 3rd party networks
- Viaplay – unique market leading product for next generation pay TV

