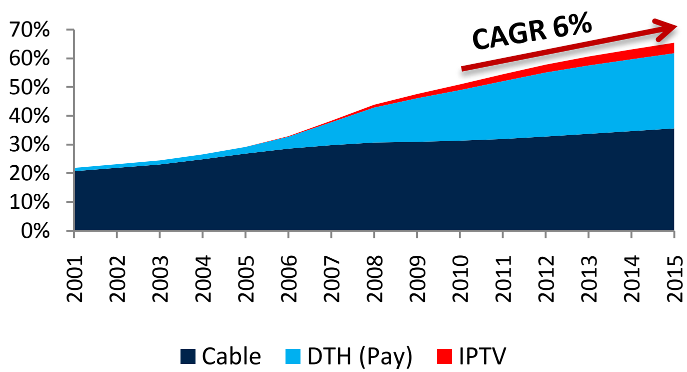
Pioneering New Frontiers

Irina Gofman, CEO MTG Russia & CIS

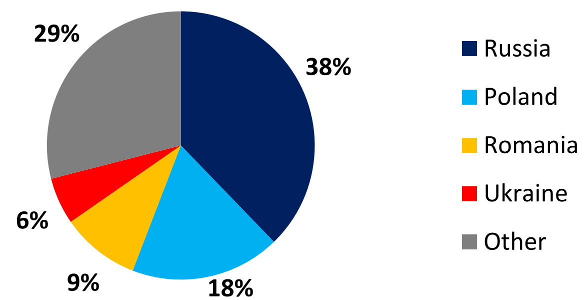
TV1000 Movie

Eastern Europe
Growing Pay TV

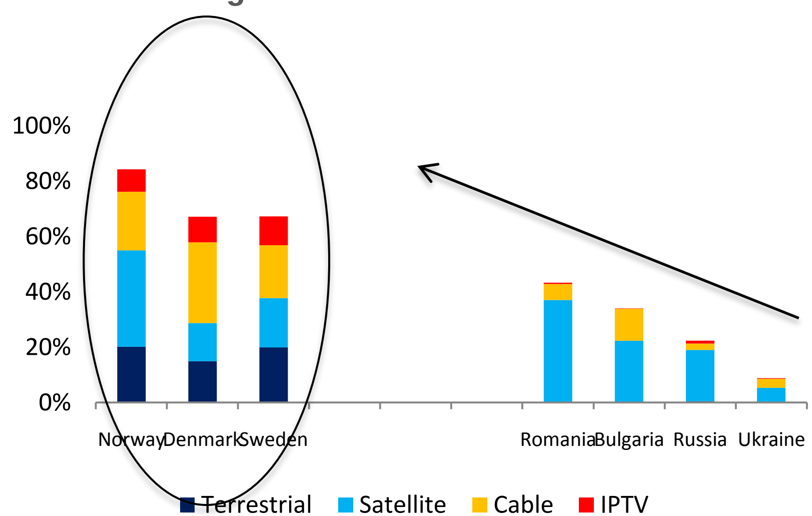
Penetration of Pay TV, EE %



Pay TV households by country, EE, %



Digital TV HH as % of total TV HH

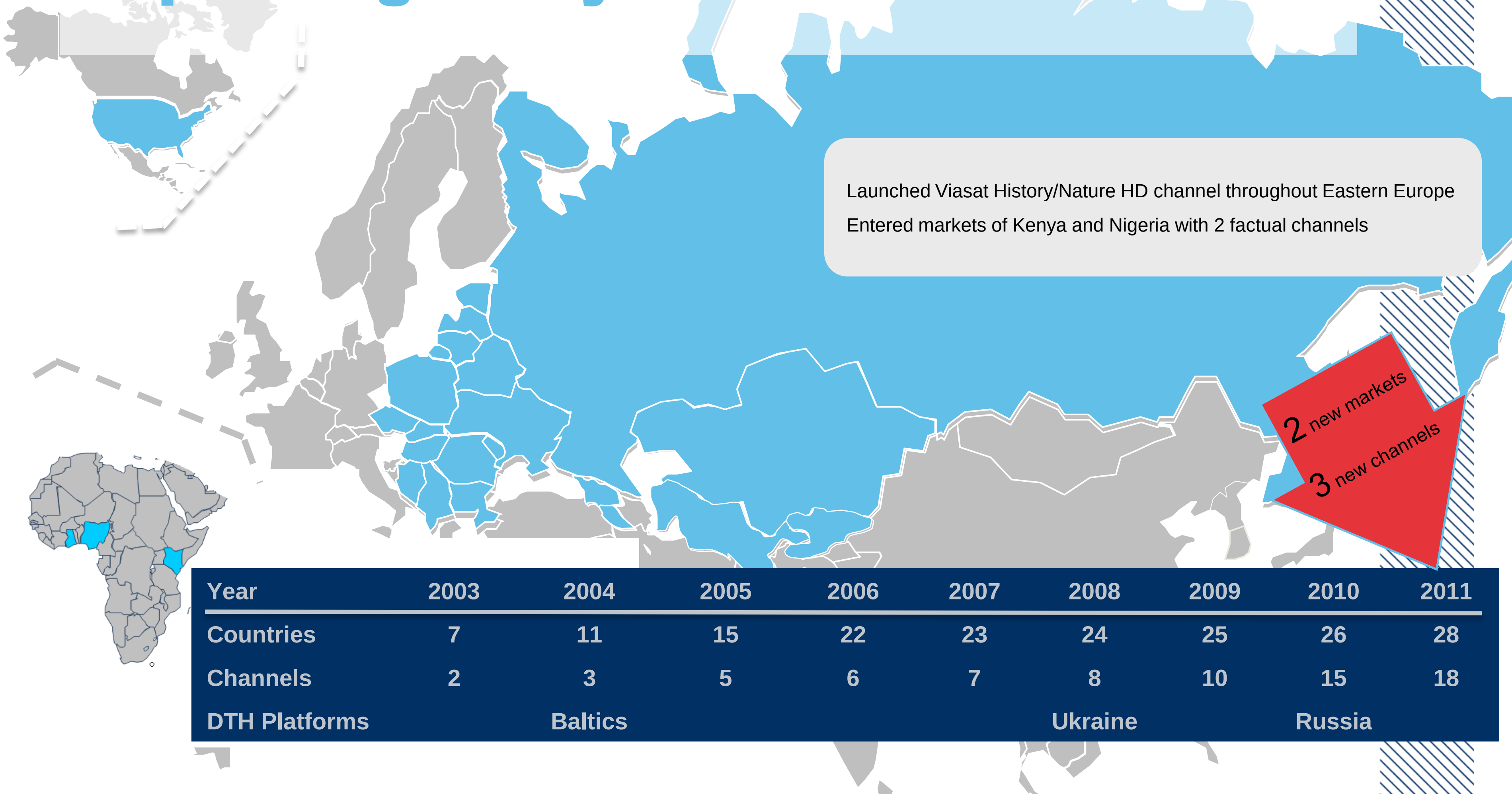


- Total number of pay households in Eastern Europe reached 62 mln in 2010, equivalent to penetration of 46%
- Projected average CAGR for 2010-2015 is 6%
- Russia, Poland, Romania and Ukraine are the main volume drivers and constitute 71% of the market
- Russia and Ukraine are the markets with the highest projected growth and are forecast to grow at 5 year CAGR of 9% and 10% respectively
- Low digital TV penetration gives another dimension for multi-channel Pay TV development

Sources: Screen Digest 2010

Our Footprint and operations

Expanding Every Year

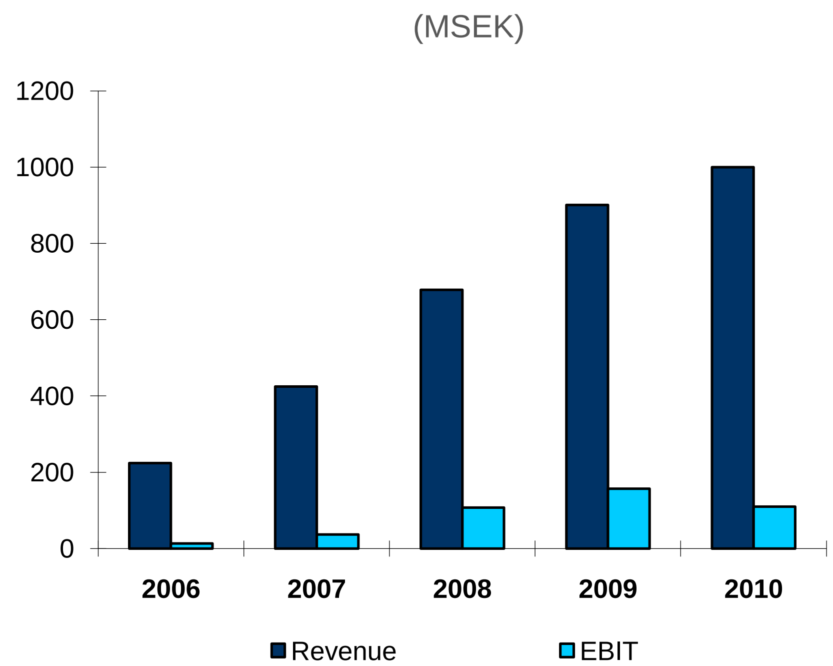


Year	2003	2004	2005	2006	2007	2008	2009	2010	2011
Countries	7	11	15	22	23	24	25	26	28
Channels	2	3	5	6	7	8	10	15	18
DTH Platforms		Baltics				Ukraine		Russia	

Sources: MTG Data

Pay-TV Emerging Markets
Operating Results

- Top line growth driven by expansion of channel business & growth of new DTH platforms
- Channel business supports ongoing investments in Ukrainian & Russian satellite platforms
- 2010 profitability impacted by full consolidation of Ukrainian platform from July & inclusion of Russian platform from February
- Business highly geared to subscriber growth through both channel business and DTH



Sources: MTG Data

Channel Business

Channel Business
Cornerstone for Pay TV

Support for DTH

- reduce content cost and enrich content offering for existing platforms
- provide solid content base for new DTH platforms

Revenue Maximization

- capitalise on geographical footprint: customized versions of Viasat channels for CEE markets
- cater to local market needs and find new drivers of growth

Diversifying Revenue Streams

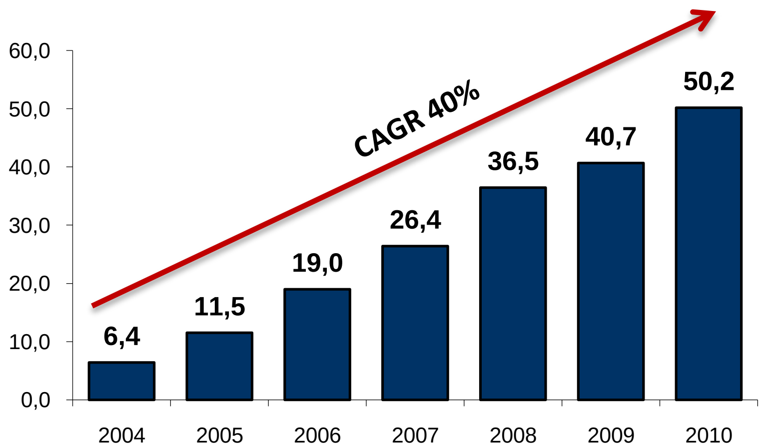
- serve B2B and B2C segments (DTH)
- introduce advertising in the selected markets

TV1000 East
ACTION TV1000
TV1000 Balkans
РУССКОЕ КИНО TV1000
TV1000 Poland
EXPLORER
HISTORY
NATURE
CRIME
VIASAT SPORT East
VIASAT SPORT BALTIC
NOVA SPORT
Da Vinci LEARNING
HISTORY HD
NATURE HD

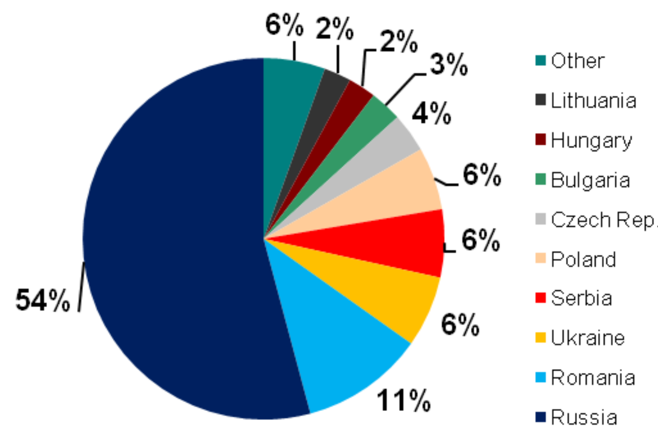
Sources: MTG Data

Channel Business
Exponential Growth

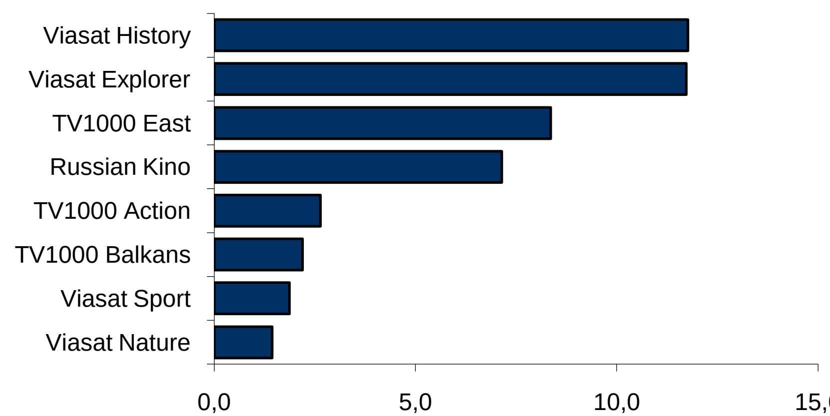
Subscriptions Growth, 2004-2010, million



Subscriptions by country, 2010



Subscriptions by channels, 2010, million

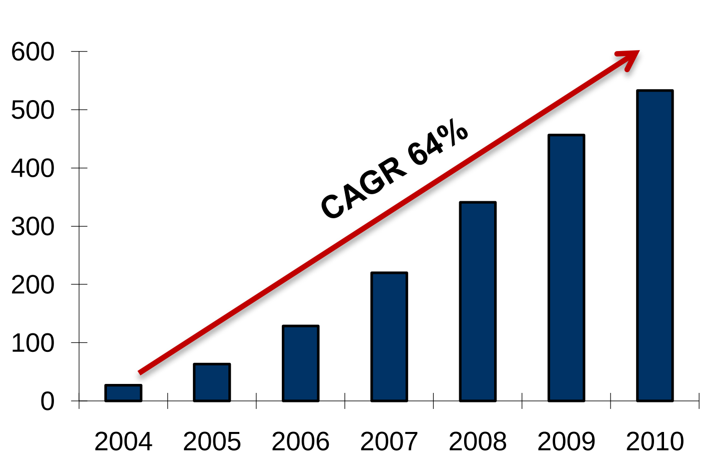


- Close to 60 million subscriptions in Q1 2011
- Russia is the main volume driver
- Viasat History, Explorer, TV1000 East and Russian Kino are the channels with the highest number of subscribers

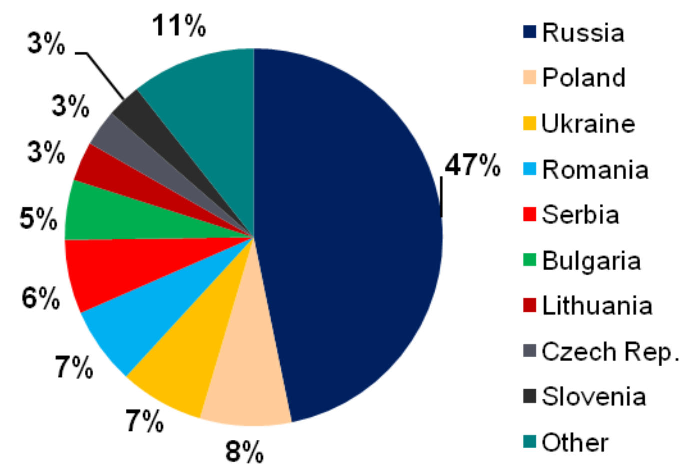
Sources: MTG Data

Channel Business
New Revenue Streams Added

Revenue Growth, MSEK, 2004-2010

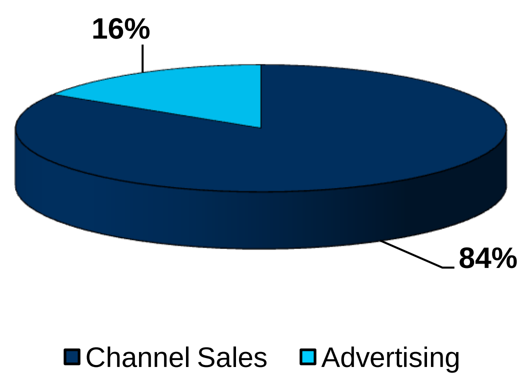


Revenue by countries



- Revenue growth close to 20% from 2009
- Poland is an ARPU leader, but the majority of revenues are still coming from Russia
- Advertising revenues were added in Russia (16% in 2010 vs 10% in 2009)
  - Increasing demand to advertise on thematic channels driven by increasing growth of thematic viewing to 15,4% in 2011 in 6-54 target audience

Russia: Revenue split, 2010

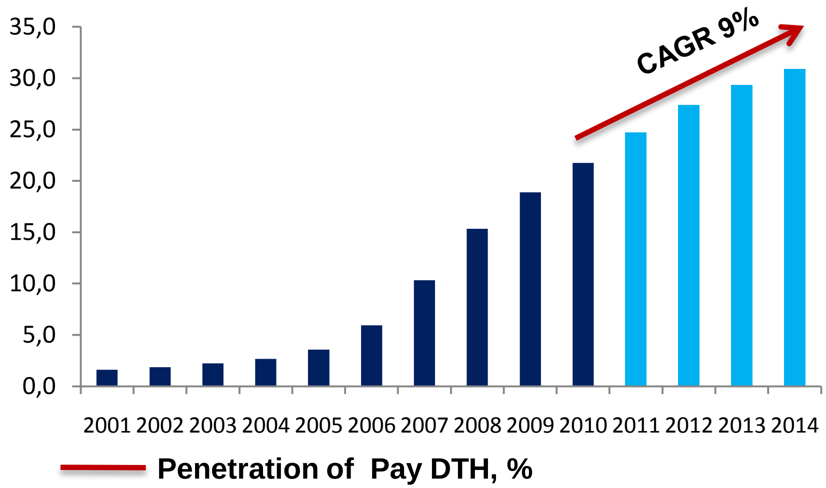


Sources: TNS Russia 2010, MTG data

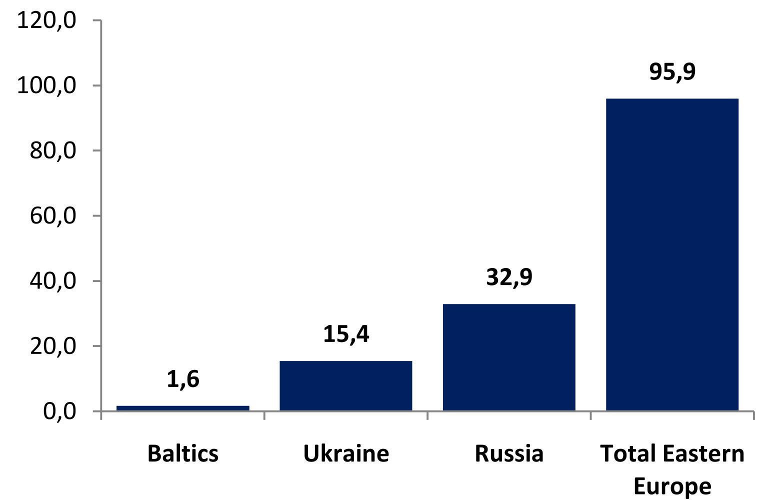
DTH Business

DTH Market in Eastern Europe
Exploiting Growth

Pay DTH Households in Eastern Europe, 2001-2014, million



Total Non-Cable Households,2010, million



- DTH is the main sizable driver of growth for the Eastern European Pay TV markets with 22 million households in 2010
- 2010-2014 CAGR of 9% for DTH vs. 3% for cable and 6% for total Pay TV market
- Still large pool of non cable HHs provides further growth opportunities
- Suitable for big markets like Russia and Ukraine due to:
  - availability of signal even in the areas with high cost of cable build-out and poor quality of terrestrial signal
  - an opportunity to provide a better variety of channels

Sources: Screen Digest 2010

DTH Business
Platforms Overview

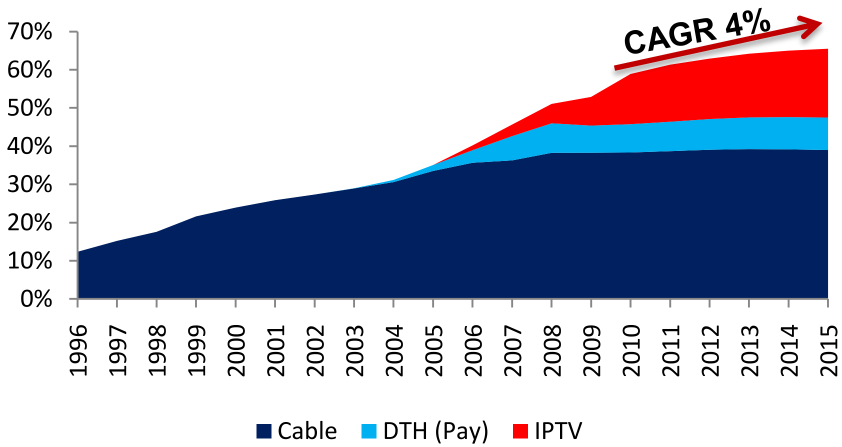
	Baltics	Ukraine	Russia
TV Households	2,7 million	18,8 million	48,8 million
Pay TV Households	1,8 million	3,5 million	23,4 million
DTH Penetration	7%	0,5%	14%
Local Offering Tier	Premium	Premium	Middle
Business Model	Full Box Subsidy	Partial Box Subsidy	No Box Subsidy
Monthly ARPU	20 USD (Premium)	14 USD	8 USD
Number of channels	~ 50	~ 70	~ 70

Sources: Screen Digest 2010, MTG Data

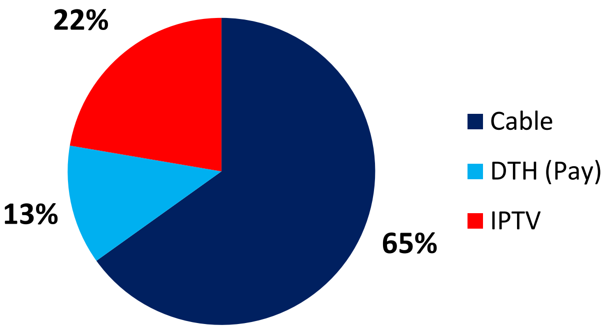
Baltics

Developed Pay TV Market

Pay TV market distribution, %



Structure of Pay TV market, 2010



- Pay TV penetration in 2010: 67% of TV households
- Strong growth of DTH segment of the market: CAGR of 105% in 2003-2010
- Still addressable market for DTH: 1,6 million non-cable households
- IPTV will be the main driver for the Pay TV market in the Baltics in the next 5 years

Total Pay TV Households: 1,8 million

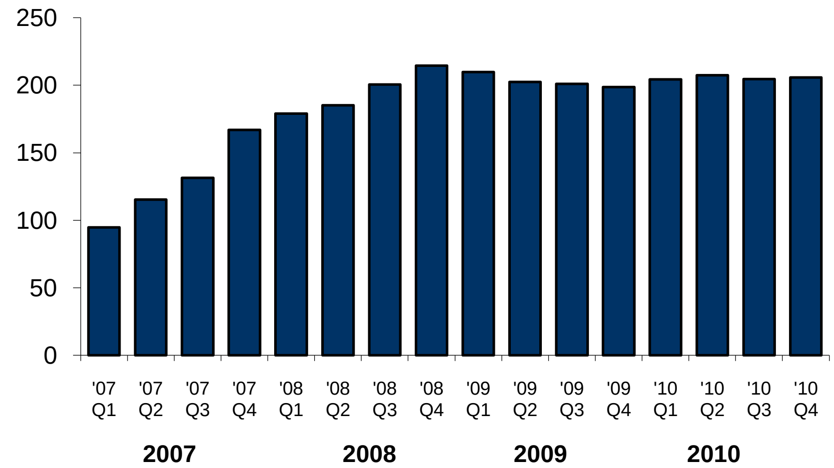
Projected CAGR for DTH in 2010-2015 is 3%, for IPTV – 7%

Sources: Screen Digest 2010

Viasat DTH Baltics
Largest Platform in the Region

- Traditional Viasat Scandi DTH model replicated
- Developed into a true premium player with the launch of Viasat Sport Baltic, Viasat Golf, Viasat Hockey, TV1000 premium and TV1000 action.
- Viasat enjoys the highest ARPU in the market
- Churn rate has stabilised and the subscriber base is recovering after the crisis

Subscriber base development, (000)



Content leadership

13 own produced channels

Premium position with HD and PVR products in the markets

Full box subsidy

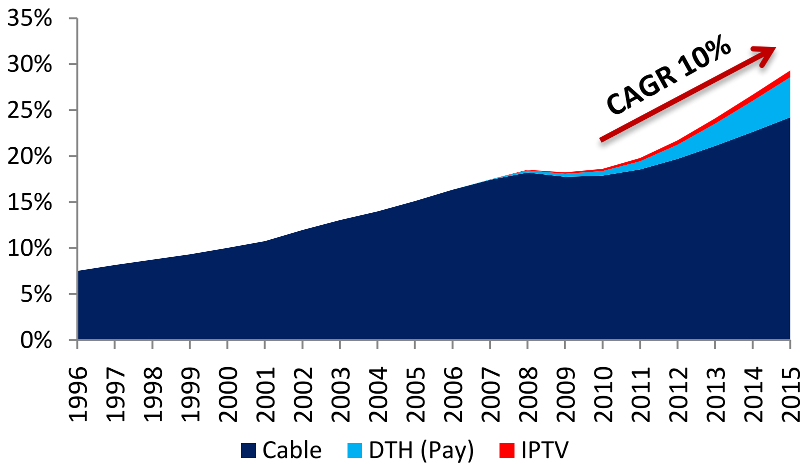
Monthly ARPU: 20 USD

Packaging	Gold	Silver	Start
# of Pay TV channels	38	26	5
# of FTA channels	6-11	6-11	6-10
Monthly Fee	€ 19,5 ($ 28)	€ 9 ($ 13)	€ 7 ($ 10)
Decoder+ Entry Fee	€ 32 ($ 45) Free STB	€ 32 ($ 45) Free STB	€ 71 ($ 100)

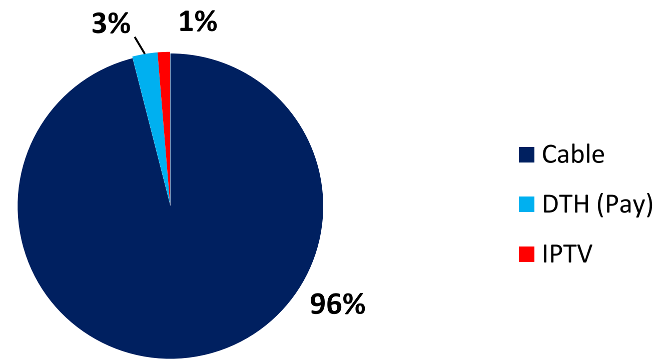
Sources: MTG Data

Ukraine
Growth Driven by Satellite

Pay TV market distribution,%



Structure of Pay TV market, 2010



- Substantial market opportunity – Europe's 6th largest country by population
- Pay TV penetration in 2010 is still low : close to 19% of TV HHs
- Addressable market for DTH– 15 million non-cable HHs

Total Pay TV Households: 3,5 million

Projected CAGR for DTH in 2010-2015 is 55%

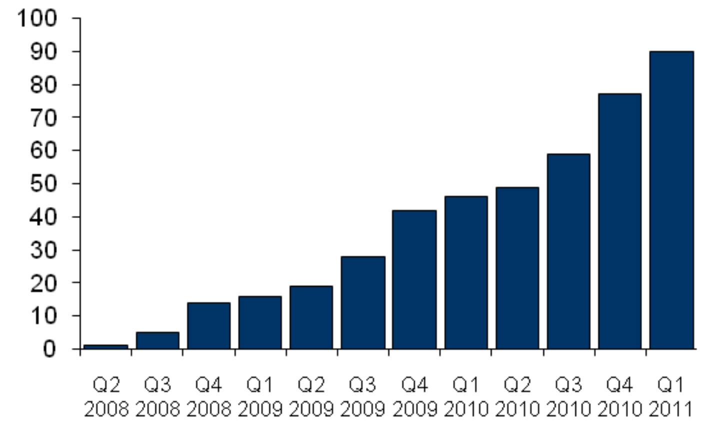
Pay-TV Emerging Markets

Sources: Screen Digest 2010

Ukraine: Vision TV
Steady Growth in Premium Segment

- 50% of ViaStrong DTH satellite platform acquired in Q2 2008 & further 35% acquired in Q2 2010
- The platform sells premium packages of Viasat & 3rd party channels
- Already larger than Russia based NTV+ with unprompted brand awareness levels of over 60%
- Added 35,000 active subscribers in 2010

Subscriber Base Development, (000)



Positioned with low entry barrier for customer but relatively high monthly fee

Only supplier in the market offering customer service

Partial box subsidy model

DTH exclusive movie and sport content

Monthly ARPU: 14 USD

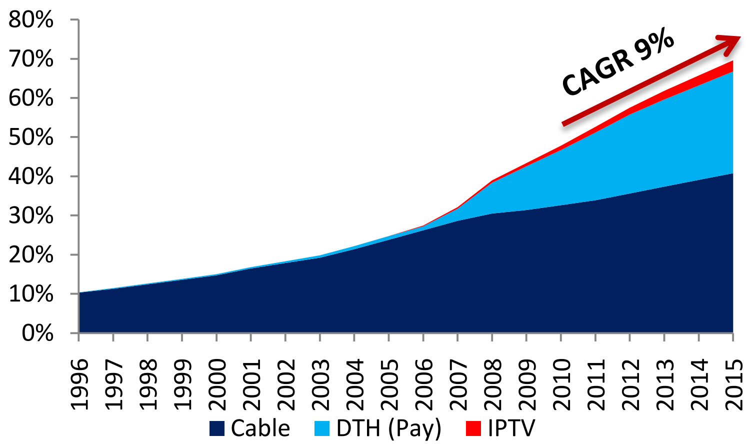
Offered packages

Packaging	Basic ('Family')	Extended ('Prestige')
# of Pay TV channels	13	31
# of FTA channels	42	42
Monthly Fee	69 UAH ($ 9)	99 UAH ($12)
Equipment Cost	360 UAH ($ 45) without satellite dish, 749 UAH ($ 94) with satellite dish	

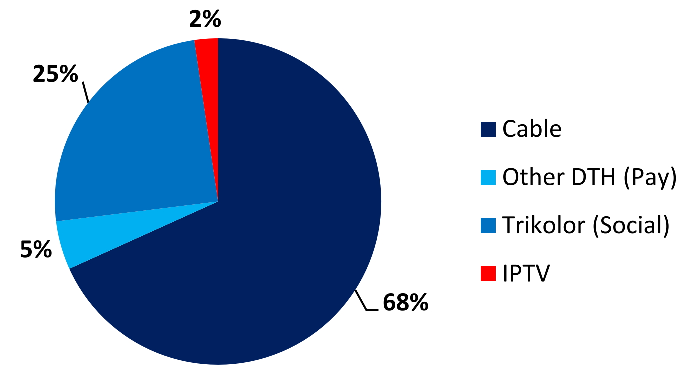
Sources: MTG Data

Russia
Growth Driven by DTH

Pay TV market distribution, %



Structure of Pay TV market, 2010



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

- Pay TV penetration in 2010 was equal to 48% of TV HHs
- Russian DTH: substantial market opportunity with its vast geographical footprint
- DTH is the main growth driver for the Pay TV sector and accounts for 30% of total Pay TV subscribers in Russia
- Still large addressable market for DTH (apprx .33 million non-cable households)

Total Pay TV Households: 23,4 million

Projected CAGR for DTH in 2010-2015 is 14%

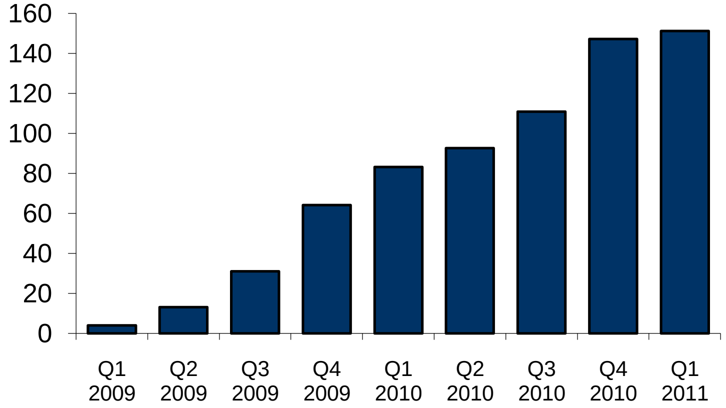
Sources: Screen Digest 2010

Russia: Raduga TV

Market Opportunity in the Middle Segment

- 50% of Raduga DTH satellite platform acquired by MTG in Q1 2010
  - GeoTelecommunications, LLC - the second shareholder, provides satellite, uplink and playout services
- Competitive advantages of the platform:
  - Most of the channels carry own satellite costs
  - Wide mid-tier segment of the market- between social low ARPU Tricolor and premium NTV+

Subscriber Base Development, (000)



Raduga TV Package: around 70 channels available

Monthly fee: 320 RUB (10,6 USD)

Equipment Cost: 5900 RUB (190 USD)

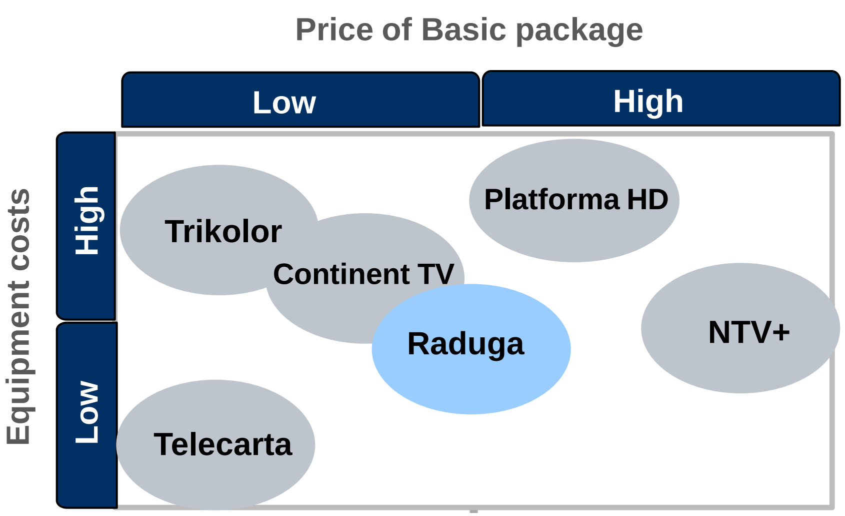
Prepaid model

No proprietary boxes and no box subsidy

Positioned in the mid-tier segment of the market

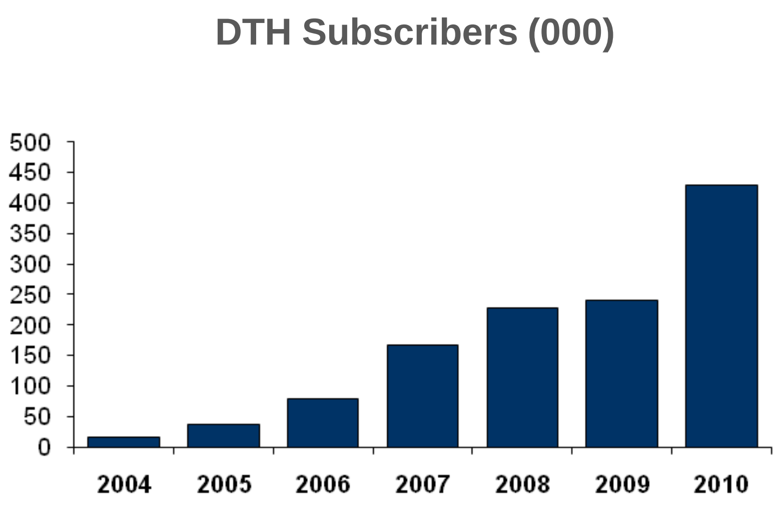
8 Viasat channels

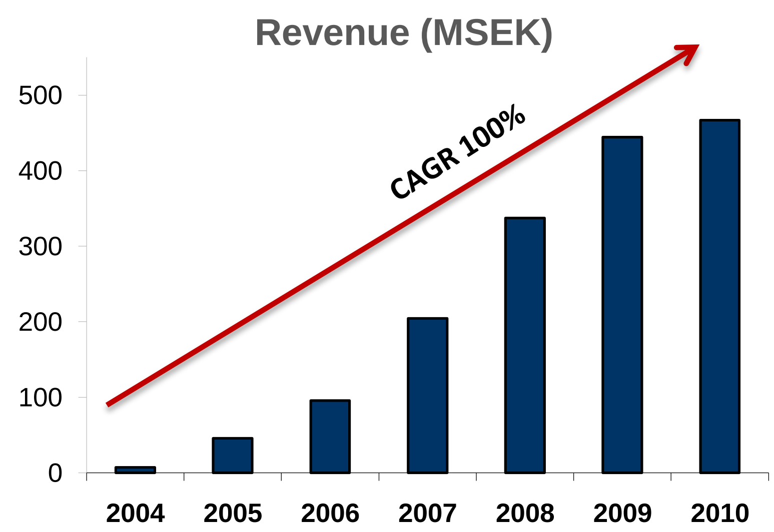
Monthly ARPU: 8 USD



Sources: MTG Data

DTH Platforms
Seizing the Opportunity





- Substantial subscriber growth in 2010 due to inclusion of Raduga TV platform in Russia
- Russian DTH accounted for on JV basis – 50% revenue contribution

Sources: MTG Data

Summary

Channel Business

- Russia still represents our greatest growth potential
- Growth will come primarily through volume growth
- Main driver in volume growth will be through selective new channel launches
- Advertising is an important new source of revenue for the channel business

DTH

- Russia and Ukraine are providing the main subscribers growth
- A multi-platform strategy focused on 3rd party networks (large digitised cable and IPTV operations) still represents a more or less untapped market

Next

- Continue expanding the channel business in new territories, especially in Africa
- Increase presence at the HD market in EE by launching new HD channels
- Exploit online opportunities in selected markets
- Look for selective opportunities to extend current DTH businesses into new territories, for example, CIS

Sources: MTG Data