

**SBB/Telemach in Co-operation with Turner (CNN)
New Regional Newschannel= Adria News Sarl (N1)**

MIDEUROPA
PARTNERS

MID EUROPA

- LONG TERM PARTNERSHIP OF SBB/TELEMACH GROUP
THEREFORE INVESTOR IN ADRIANEWS
 - REPRESENTED BY STEFAN TZVETKOF
- 

Mid Europa Partners

Leading Private Equity Firm in Central and Eastern Europe

- **€3.2 billion of capital commitments**
 - Our latest fund, Mid Europa Fund III LP is the largest Central European buyout fund with €1.5 billion of commitments
- **Successfully investing in Central and Eastern Europe since 1999**
 - Superior local knowledge and extensive relationships
- **Regional presence**
 - Offices in Budapest, London and Warsaw
- **Pro-active and value-driven strategy**
 - Implemented in partnership with management teams and other shareholders
- **32 investments in 16 countries**
 - Broad sector and country-specific knowledge
- **Market leadership continuously recognized by the private equity industry**

2010 WINNER



2010 CEE/Russia Private Equity Fund Gold Award
2010 "Build Up" Silver Award for Lux Med



2010, 2009 & 2007 Best Private Equity House in CEE
2010 Best Private Equity Deal - Aster exit
2009 Bond Deal of the Year - Invitel

FINANCIAL NEWS
PRIVATE EQUITY NEWS
AWARDS FOR EXCELLENCE
IN PRIVATE EQUITY

2010, 2008 & 2007 CEE Private Equity Firm of the Year



PRIVATE EQUITY INTERNATIONAL
AWARDS 2010
Firm of the year
in Central &
Eastern Europe
Mid Europa Partners

2010, 2009, 2008, 2006 & 2005 CEE Private Equity Firm of the Year

SBB/TELEMACH GROUP - OVERVIEW

- **FOUNDER AND PARTNER IN ADRIANEWS**
- **REPRESENTED BY DRAGAN ŠOLAK
(CHAIRMAN OF THE BOARD, UNITED GROUP)**

SBB/Telemach Group - Overview

Mid Europa in partnership with management has helped to build the leading PayTV platform in SEE

Country: Serbia + five SEE countries
Industry: PayTV
Mid Europa Entry: 2007

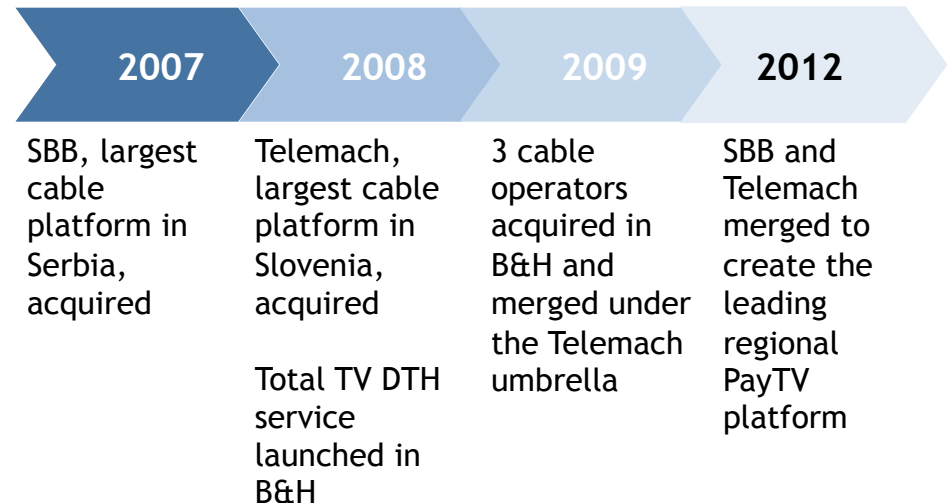


Group investment history

- ✓ 6 countries
- ✓ 20m inhabitants
- ✓ 1.6m RGUs served
(RGU: REGIONAL USERS)



Country: Slovenia, Bosnia & Herzegovina (“B&H”)
Industry: PayTV
Mid Europa Entry: 2009 (Slovenia), 2010 (B&H)









SBB/Telemach Group - Overview

Leading triple-play service provider in the region

- Unique and scaled regional platform: 1.6 million RGUs (REGIONAL HOMES) across the region
- Leader in Pay-TV and broadband with growing presence in telephony: strong / sustainable content advantage, superior network and liberalisation of telephony
- Pioneer in product innovation: first to offer next generation services such as VOD, catch-up TV, Web TV and real broadband

Positioning as of December 2012

	 Serbia	 Slovenia	 Bosnia and Herzegovina	   Others ⁽¹⁾		
Homes passed	770k	243k	149k			
Pay-TV / video	No. 1	No. 1	No. 1	Various		
Cable	✓	✓	✓	-		
DTH	✓	✓	✓	✓		
Internet						
Footprint	No. 1 (56% share)	No. 1 (52% share)	No. 1 (62% share)			
Overall	No. 2 (16% share)	No. 2 (18% share)	No. 4 ⁽²⁾ (No. 1 challenger)			
Telephony	No. 2	No. 2	No. 4 ⁽²⁾			
Total RGUs	883k	380k	231k	84k		

Source: Company data, Solon; RGU data as of 31 December 2012 (1) Macedonia, Croatia, Montenegro, Pink International.
 Note: Latest available market shares estimated as of 2011. (2) Three incumbents in BH.

CONTENT BUSINESS

Content Business

- *The Group has been actively developing a regional portfolio of broadcasting assets*

Sports Channels



- Group's flagship asset
- 10 different channels including 2 premium and HD version of all channels
- Access to world's most attractive leagues and events on an exclusive basis
- Wide distribution to 111 different cable and satellite platforms across the Ex-Yu region



- Golf Klub is an attractive niche channel, covering all major golf events worldwide including PGA Tour and Ryder Cup
- F&H is currently focused on international fishing and hunting shows with ongoing rebranding initiative focused on inclusion of localized, own production content for which there is strong demand
- Both benefit from wide distribution network through package deals with Sport Klub

Kids Channels



- Distributed to 33 C&S platforms in Serbia, Montenegro, Macedonia and Bosnia
- #1 rated C&S channel in Serbia by SHR of audience, in top 7 overall including FTA channels
- Focus on premium content appealing to school age children



- Launched in 2012 by Ultra to appeal to pre-school age children, distributed to 20 C&S platforms in Serbia, Montenegro, Bosnia and Mazedonia

Movies and General Entertainment Channels



- Attractive movie channel with distribution to 30 C&S platforms in Serbia, Montenegro and Macedonia



- Launched in 2012 behind Ultra, focused on attractive international lifestyle formats (cooking, comedy and gaming, science)
- Distributed in Serbia

Content Business

Unique partnerships / strategic alliances / invited channels

Fox

FOXCRIME

FOX

FOX
MOVIE CHANNEL

FOXlife

Viasat

 **TV 1000**

Others

 **UNIVERSAL CHANNEL**

HBO

CineStar TV



COMEDY CENTRAL

H
HISTORY

 **Sci Fi**

 **ENTERTAINMENT TELEVISION**

**ADRIA NEWS SARL
NEW REGIONAL 24H NEWS CHANNEL IN
CO-OPERATION WITH TURNER (CNN)**

CHANNEL NAME:



Adria News Sarl - Overview

- To truly differentiate SBB/Telemach's distribution platform it requires not only continued strengthening of the PayTV channels portfolio but also direct access to production capacities and content

- Having identified the Regional 24/7 News Channel as an important missing link in the PayTV channel portfolio, SBB/Telemach and Turner Broadcasting System Europe signed a Broadcast Affiliate Agreement in July 2013

- Broadcasting content consisting of the following CNN packages which N1 will enable to benefit from:
 - Live Breaking News Special Reports
 - International Newsources
 - Other CNN Programmes

- Agreement with CNN is based on broadcasting exclusivity for the region (Bosnia and Herzegovina, Croatia, Serbia, Kosovo, Macedonia, Montenegro, Slovenia)

- Advanced discussions with Luxembourg based news exchange company ENEX (www.enex.lu) regarding cooperation on various levels

Adria News Sarl - Luxembourg Registration

- **Luxembourg selected as place of establishment for the Regional 24/7 News Channel**
 - Principle: freedom to choose place of establishment to provide services
 - Regulatory regime for broadcasting activities
 - Straightforward regulations thanks to implementation of the exact wording of the Directive on Audiovisual Media Services (“all the directive but only the directive”)
 - Luxembourg has the most appropriate regulatory regime after comparison between other contemplated jurisdictions (UK, Ireland and the Netherlands)
 - Well developed media companies based since a long time in Luxembourg (Astra, RTL Group, etc.)
 - No currency risk
- **Key advantages of Luxembourg registration**
 - EU member state
 - Political stability
 - Stable media regulations
 - Legal regulatory environment
 - No currency risk
- **Application for a Luxembourgish Broadcasting licence on 10th of September**

Adria News Sarl - Activities performed in Luxembourg

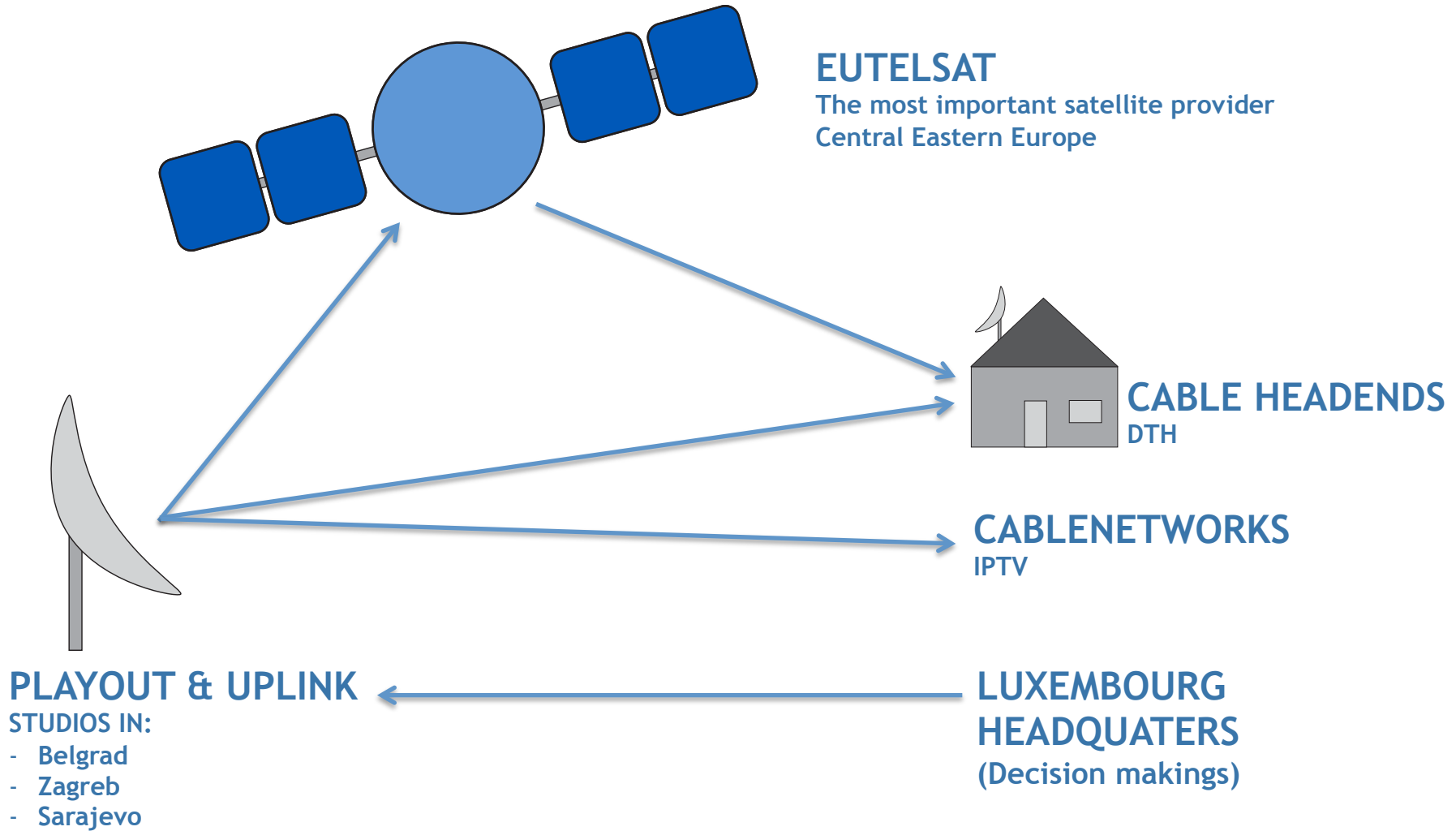
- Management decision-making including board meetings
- Final decision-making regarding programs
- Program planning / controlling
- Financial planning and decision-making
- Accounting
- Financial controlling
- Program purchase / sale

Adria News Sarl - Corporate Structure

- Establishment of Luxembourg company finalised (“Adria News Sàrl”)
- Ralf Manthey, experienced general manager with a long-lasting track record in media and broadcasting (also in Luxembourg) appointed as CEO of Adria News Sàrl
- Local corporate governance (3 out of 4 Independent Directors to be Luxembourg residents) supported/advised by SBB/Telemach’s management
 - Agreements in place with Nic Jakob, Paul Lorenz, Carlo Rock as independent Luxemburgish Directors
 - David Hulbert, experienced manager with a long-lasting track record in the media industry.

- Experienced general manager with a long-lasting track record in media / broadcasting
- Since 2005, Ralf is Head of Sport Klub and CEO of IKO Balkan responsible for establishment and management of channels in 9 CEE countries (Poland, Romania, Hungary, Croatia, Slovenia, Bosnia, Serbia, Montenegro and Macedonia)
- Ralf hold multiple senior management positions with various media companies and TV channels across Europe
 - Member of the Managing Board drb Mediagroup (Berlin): New business and TV Format development
 - Program Director Viasat3 - MTG (Budapest): leading channel launches, distribution and development
 - Member of the Managing Board das redaktionsboro/CEMTEX (Berlin/Budapest): first Hungarian company providing professional SNG services for news and sports events to commercial broadcaster
 - Manager MTG (London): Head of FreeTV, responsible for all free to air channels in Sweden, Denmark, Norway, Lithuania, Estonia and Latvia within the MTG group
 - Attaché à la direction TV CLT - predecessor company of RTL Group (Luxembourg): Head of own produced channels Klub RTL, launching RTL Klub (Hungary) and RTL 7 (Poland)
 - Editor in chief and head of programming at RTL Television (Luxembourg/Berlin): RTL Breakfast Television (RTL Frühstückfernsehen)
- He holds a diploma as industrial engineer from the Technical University Berlin

TECHNICAL SETUP



News Channel Grid



Time	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday*	Sunday*
06:00			NEWS CENTER				
06:30			NEWS CENTER				Travel Magazine
07:00			NEWS CENTER				
07:30			NEWS CENTER				Let's Talk
08:00			NEWS CENTER				
08:30			NEWS CENTER				Documentary
09:00			NEWS CENTER				Showbiz Today
09:30			NEWS CENTER				CNN "Quest"
10:00			CNN "Quest"				"Face to Face"
10:30			Showbiz Today				Europe Today
11:00			"Face to Face"				
11:30			CNN Content localized				Documentary
12:00			NEWS CENTER				
12:30			Europe Today				Let's Talk
13:00			NEWS CENTER				
13:30			CNN Content localized				Travel Magazine
14:00			NEWS CENTER				
14:30			ShowBiz Today				"Your Health, Your Family"
15:00			NEWS CENTER				
15:30			CNN "Quest"				Documentary
16:00			NEWS CENTER				Showbiz Today
16:30			CNN Content localized				Face to Face
17:00			NEWS CENTER				
17:30			SPORTKLUB				SPORTKLUB
18:00			NEWS CENTER				
18:30			CNN "World Business Today"			The Big Beat	The Big Beat
19:00			NEWS CENTER				Documentary
19:30			SPORTKLUB				
20:00			NEWS CENTER				Showbiz Today
20:30							
21:00			"Let's Talk"				"Let's Talk"
21:30			"Face to Face"				"Face to Face"
22:00			NEWS CENTER				
22:30			Europe Today				Documentary
23:00							
23:30			SPORTKLUB				SPORTKLUB
00:00			NEWS CENTER				
00:30			CNN "World Business Today"				Travel Magazine
01:00			NEWS CENTER				
01:30			SportKlub				Let's Talk
02:00			NEWS CENTER				
02:30							Documentary
03:00			"Let's Talk"				
03:30			"Face to Face"				Showbiz Today
04:00			NEWS CENTER				CNN "Quest"
04:30			Europe Today				"Face to Face"
05:00							Europe Today
05:30			SportKlub				Documentary

Live
 Taped
 Taped or voiced over live
 Live or taped



VILLMOLS MERCI FIR ÄR OPMIERKSAMKEET

MANY THANKS FOR YOUR ATTENTION

VIELEN DANK FÜR IHRE AUFMERKSAMKEIT

MERCI POUR VOTRE ATTENTION

HVALA PUNO NA VAŠOJ PAŽNJI