

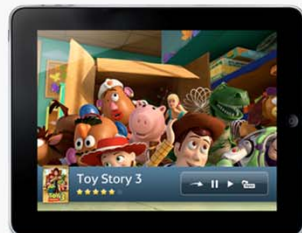
Stofa:

TV · BREDBÅND · TELEFONI

Kapitalmarknadsdag

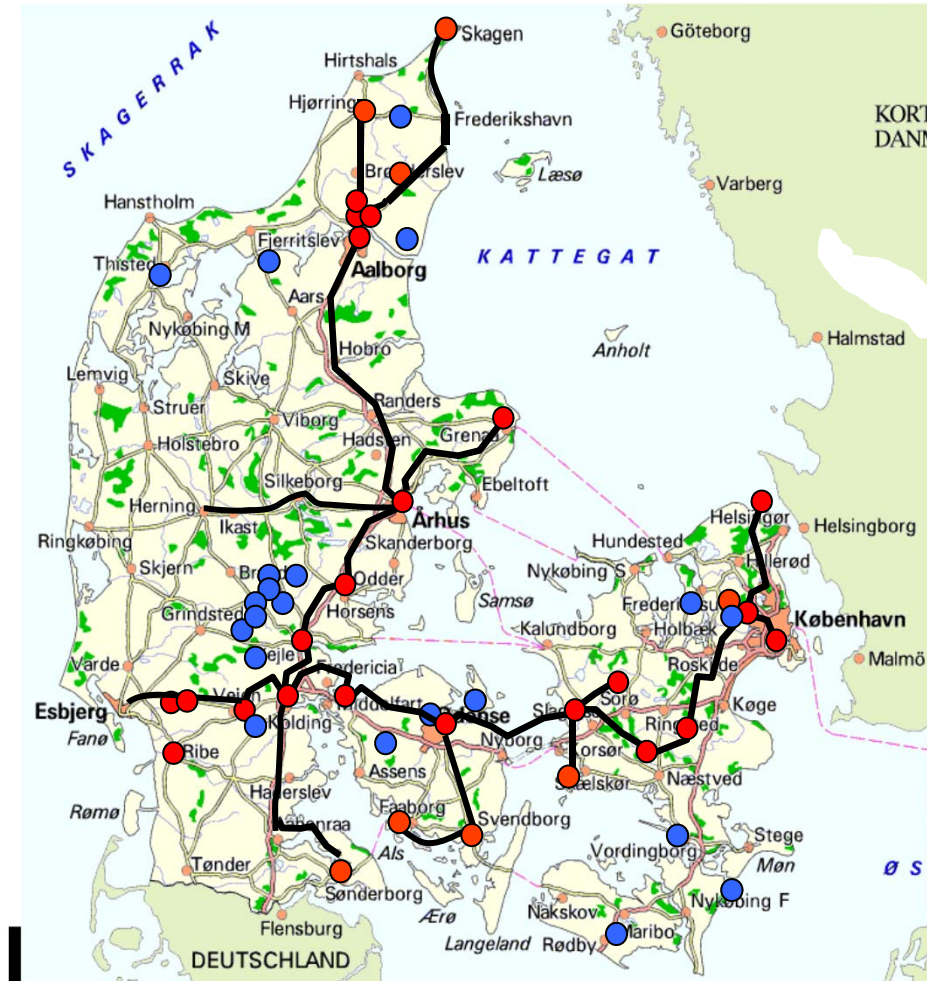
March 15th 2012

CEO Klaus Høeg-Hagensen



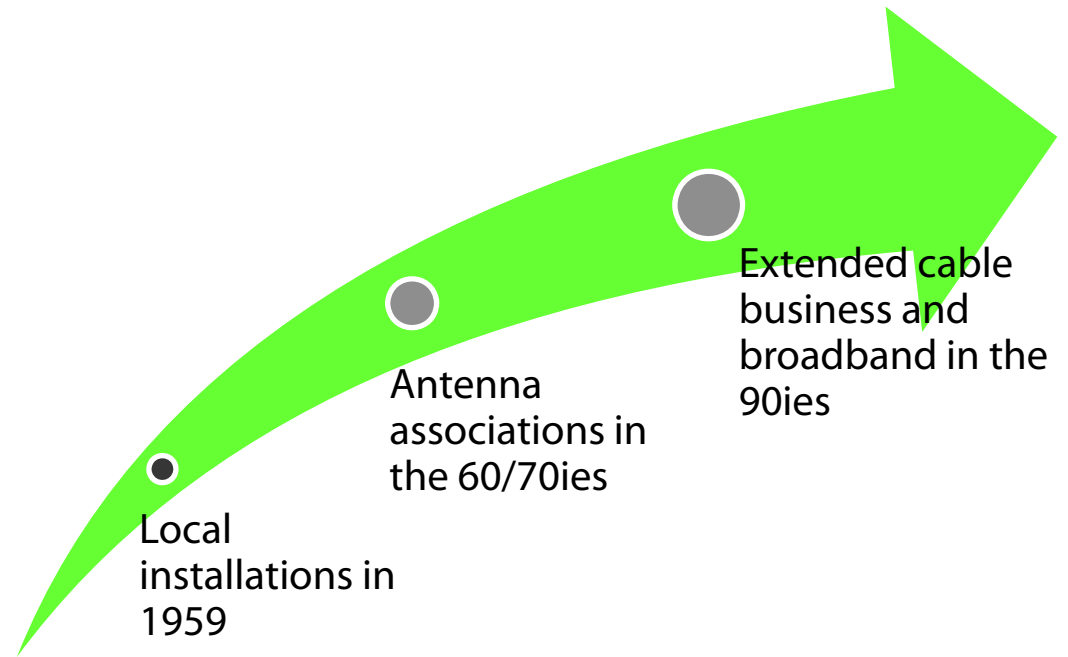
Introduction to Stofa

- Founded in 1959
- **Sto**re **f**ællesantenne**an**læg
- Second largest cable TV operator in Denmark
- Strong position within broadband, Voice IP and digital TV
- Distribution through own fiber optic backbone and strategic alliances with more than 300 antenna associations



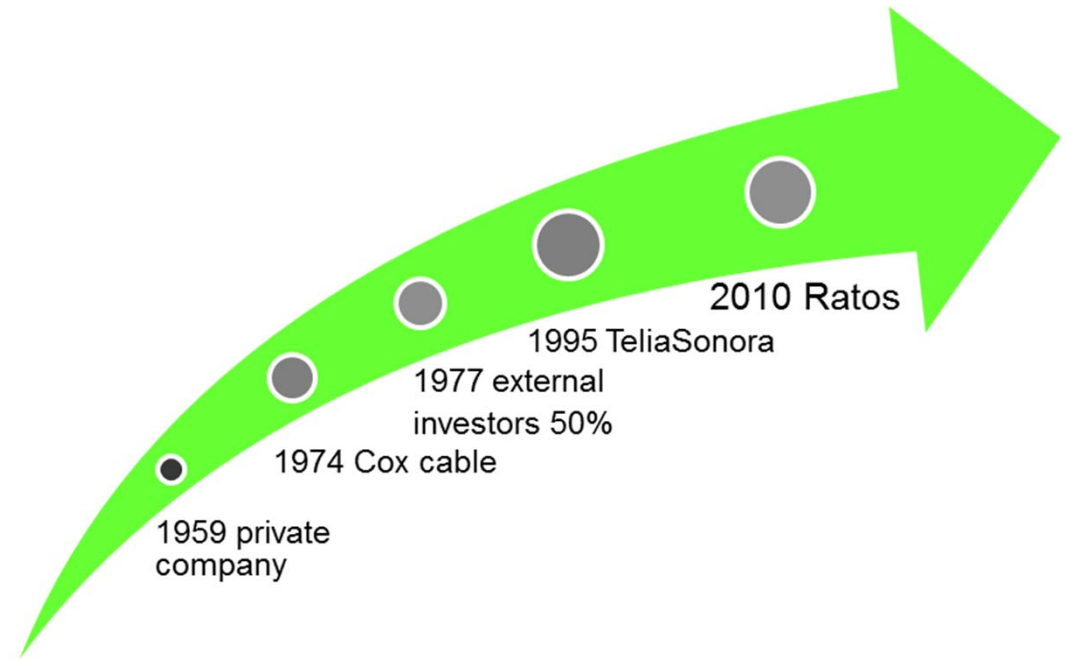
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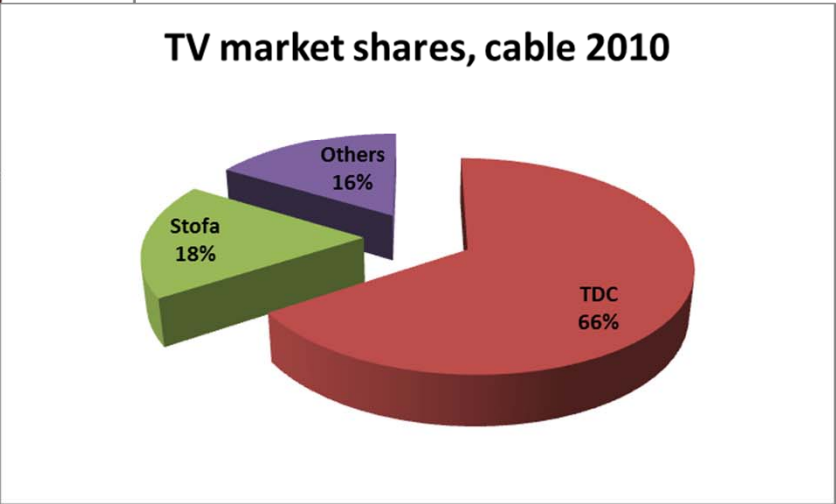
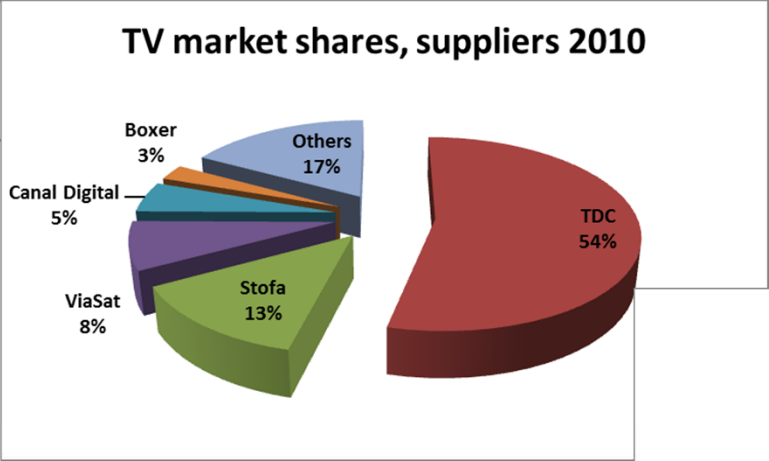
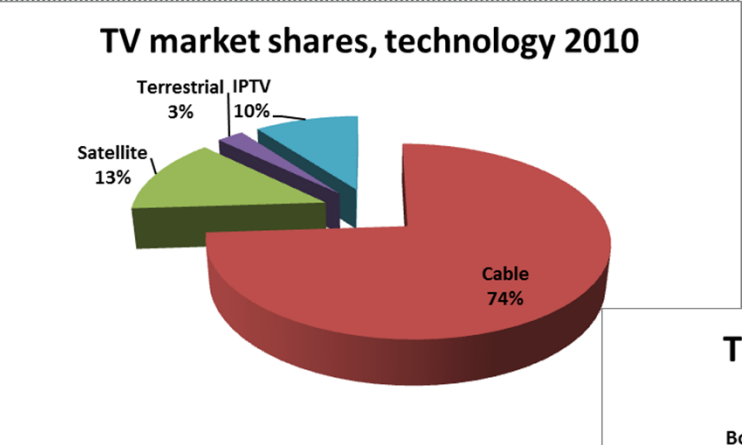


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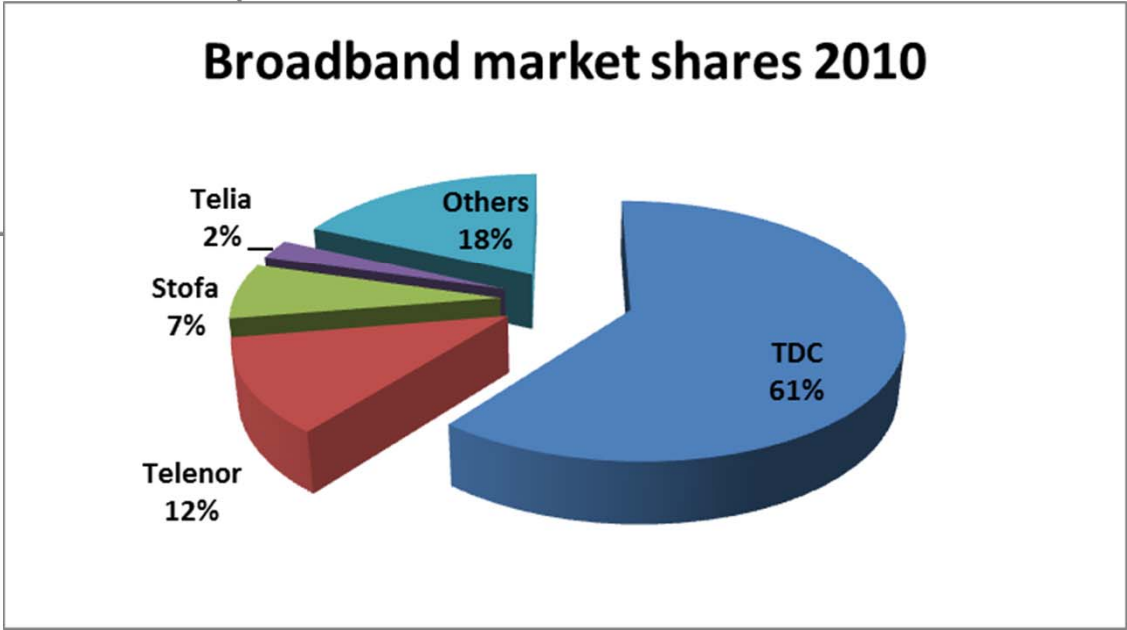
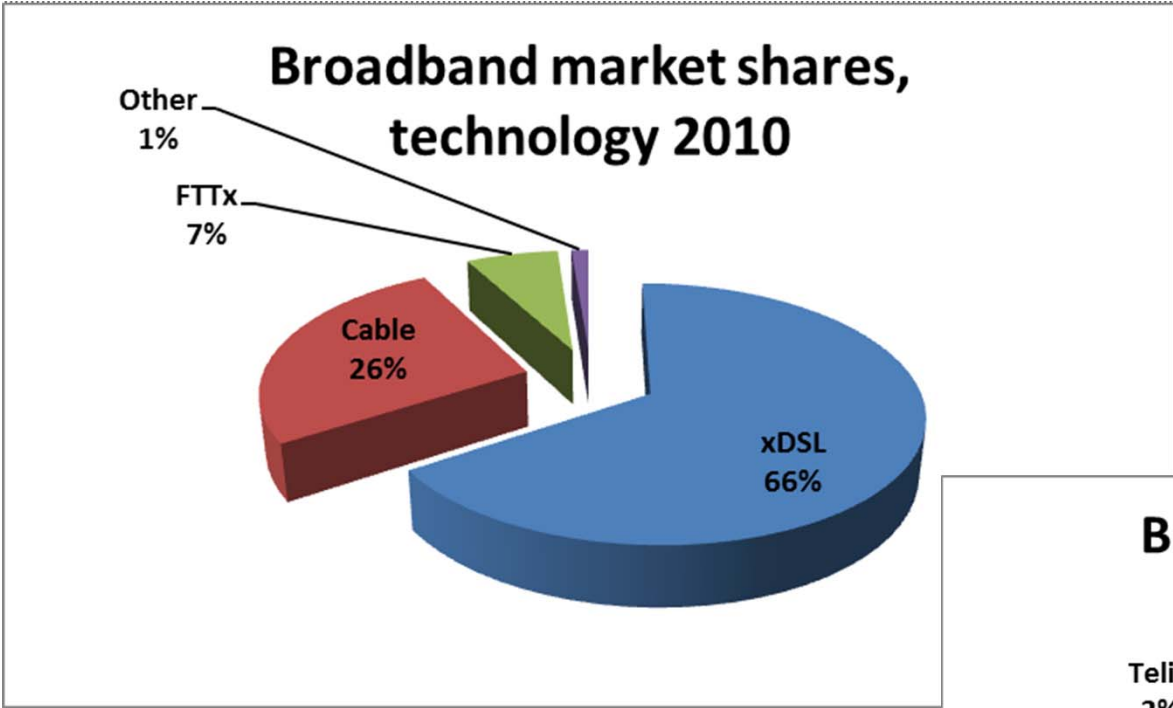


A short overview of the Danish market - TV distribution



Kilde: Screen Digest and Stofa

A short overview of the Danish market - Fixed Broadband



The Stofa business model

Stofa:

- **Traditional TV**
- Administration
- Network
- Maintenance

- **Traditional TV**
- Stofa owned Network

- **Digital services**
- Broadband
- Digital TV
- Voice IP

Antenna associations



Stofa:

Introduction to Stofa

• 1.390
mio SEK

Net sales
2011

• 278
mio SEK

*one-offs 33 mio SEK

EBITDA
2011

• 408
FTE

Employees
2011

B-T-B



348.000 customers



225.000 customers

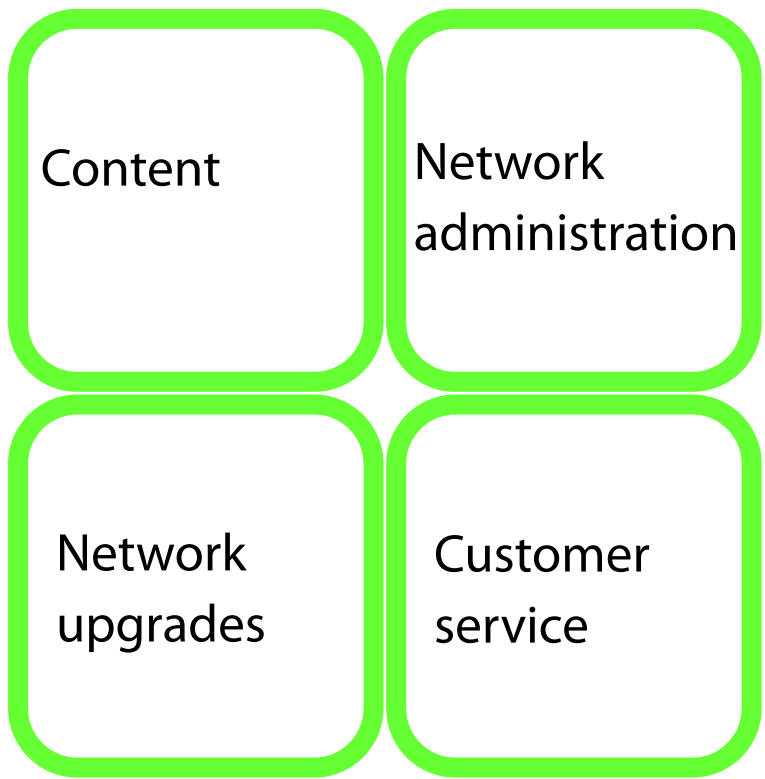


40.000 customers



The Stofa offering – to antenna associations

Traditional TV



67% of turnover

46% of contribution



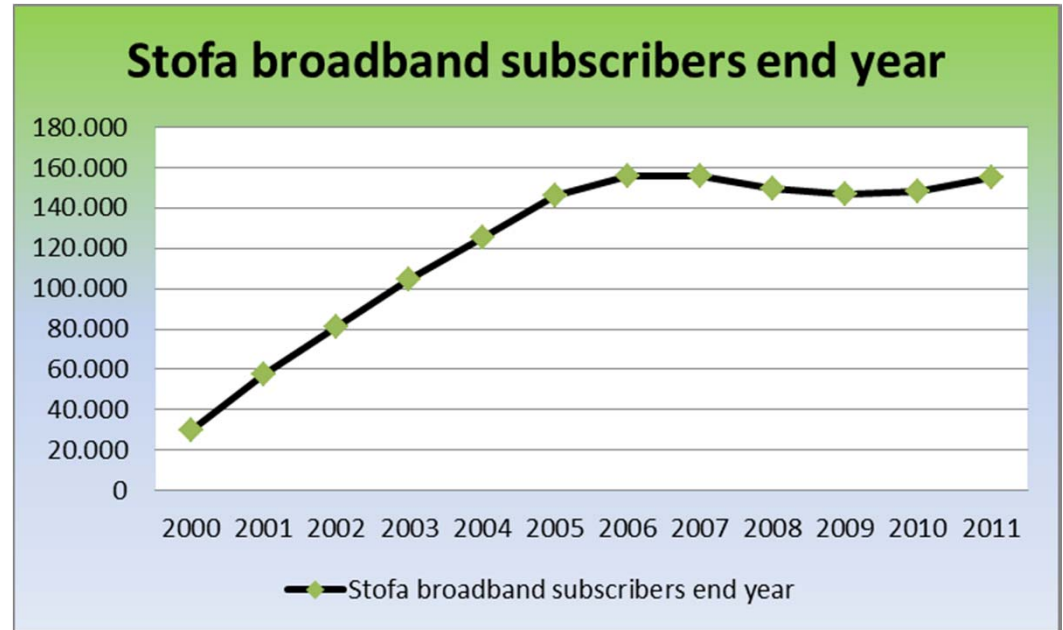
- Flexible model adjusted to Danish “democratic” antenna associations
- State of the art maintenance and surveillance of network and installations
- End user service calls 365 days a year
- Administration and +700.000 incoming customer calls per year

The Stofa offering - to end customers

Broadband and Voice IP

Speeds up to 11/11 Mbit	WebTv and WebTv to go
Voice IP	Entry level is 15/2 Mbit

27% of turnover 50% of contribution



- The first Coax based internet solution in Denmark in 1996
- Strong technology with high capacity and highly competitive prices
- State of the art service

The Stofa offering - to end customers

Digital platform - Zaptor

Own application software

VOD with 3.000 titles

Time shift
Start again
Catch up

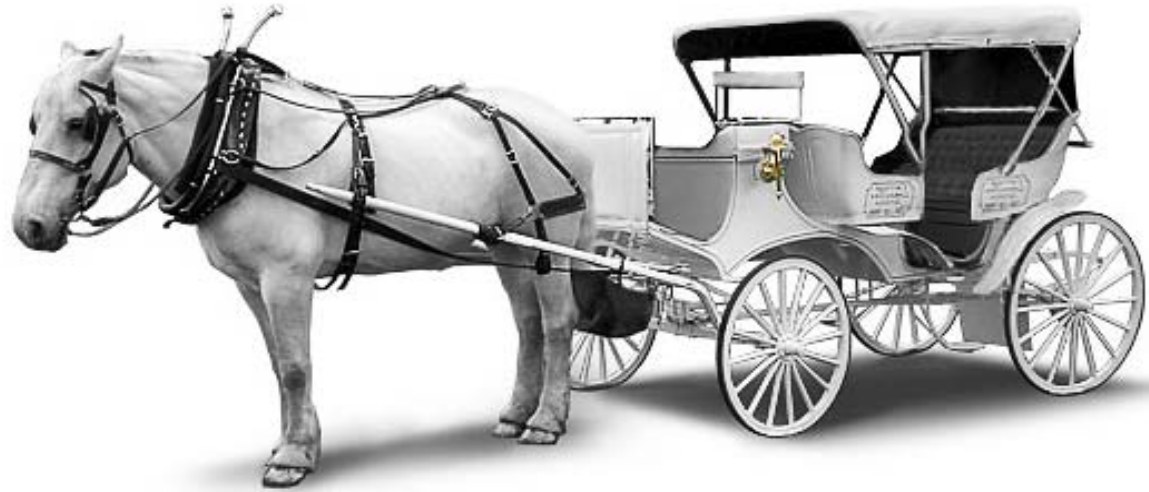
Cloud recording
Ipad/smartphone

6% of turnover

4% of contribution



When are the consumers ready for new technology ?



“If I had asked my customers what they would like, they would have answered – a faster horse”

Henry Ford

Anything – Anytime – Anywhere

- A new world for the consumers



Strategy Roadmap 2014

Strategy elements:

1 Simplify core business

2 Strengthen end-user relationship

3 Efficiency

Means:

- Standard offering
- Product simplification

- Sales and marketing approach
- Bundling/Triple play
- Increase broadband penetration and digital TV customer base

- New competences
- New structures and tools
- New R&D process
- Financial transparency

Goals:

- Increase margins
- Increase buying power
- Strong communication platform
- Triple play communication

- Increase stickiness and margins
- Prepare for changing consumer behaviour

- Lower costs
- Clear responsibility
- Short time to market
- Strong communication
- Lean and agile

Current strategic actions

Strategy elements:

1 Simplify core business

- Standard channel package rolled out
- New purchasing strategy

2 Strengthen end-user relationship

- Investments in building digital-TV and broadband customer bases
- Acquisition of part of Canal Digital
- New marketing strategy

3 Efficiency

- Closure of customer centers
- Staff reduced from 446 - 408
- New management team

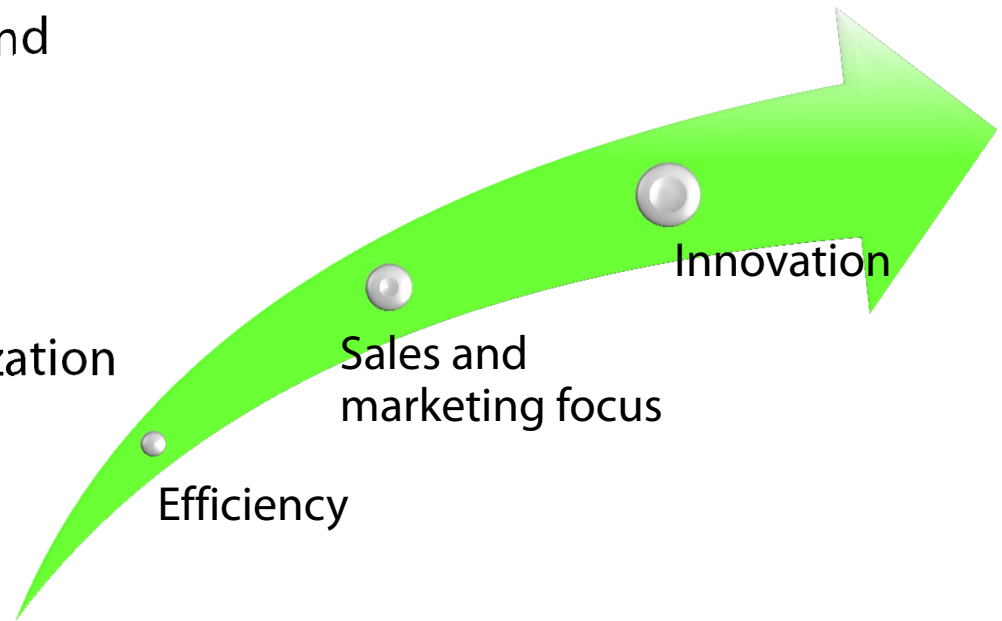
2011

- ✓ Innovative services launched
- ✓ Acquisition of Canal Digital
- ✓ Reversed trend in broadband customer base
- ✓ VoIP growth
- ✓ Increased content margin
- ✓ Staff reduction
- ✓ New management team
- ✓ Result improvement
- ✓ One-offs
- ✓ Refinancing of 425 mio. DKK

MIO DKK	Y 2009	Y 2010	Y 2011
Turnover	1.024	1.101	1.146
EBITDA	166 <small>*one-offs 0</small>	185 <small>*one-offs 19</small>	230 <small>*one-offs 27</small>

Actions for 2012-2014

- New sales and marketing approach
- Investments in digital TV and broadband customer bases
- More value added services to antenna associations
- Margin improvements from standardization and purchasing conditions
- Further profitability improvements
- Capital efficiency



Thank you for listening

RATOS

Stofa

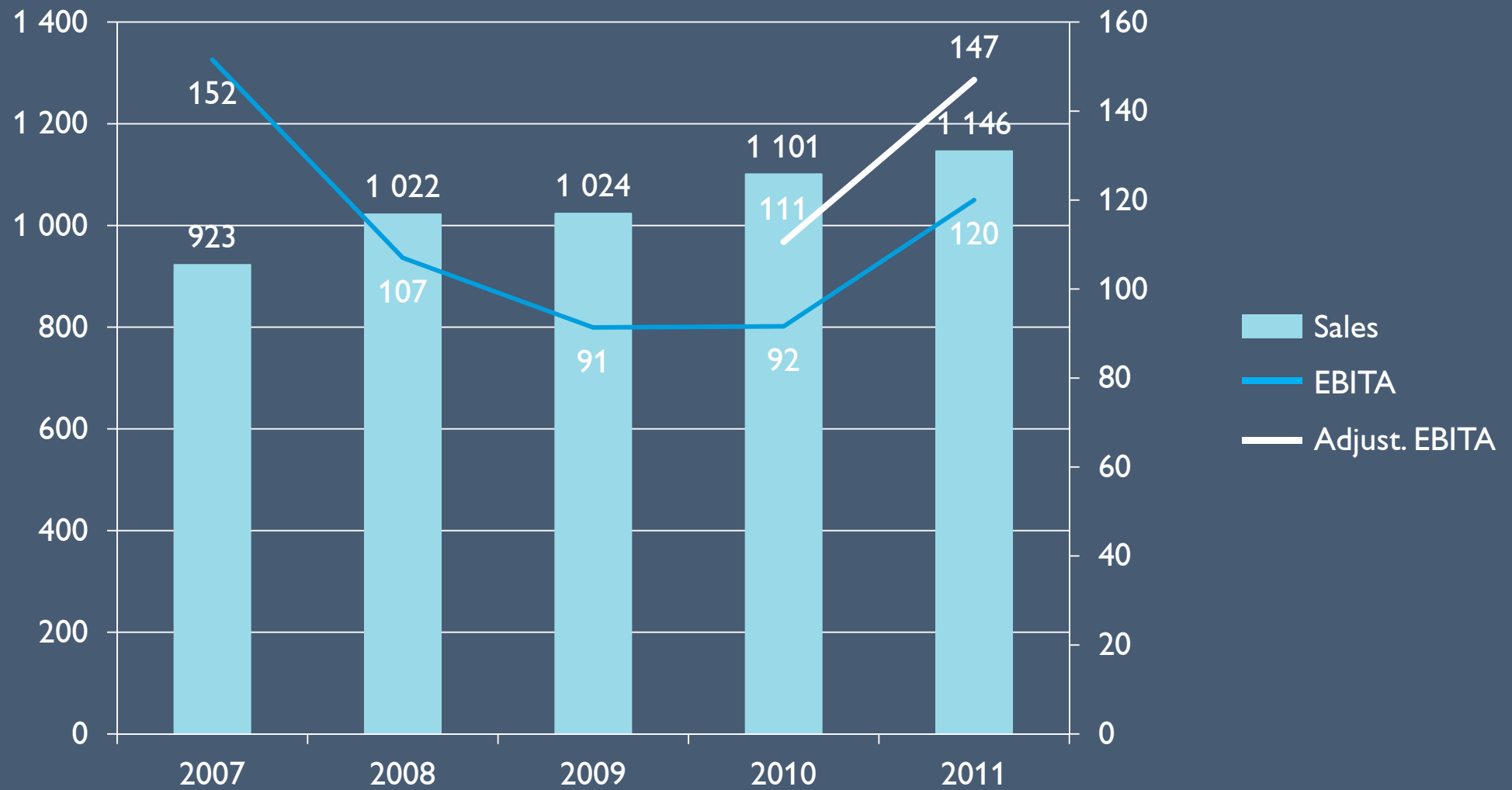
Per Frankling

15 March 2012

Ratos's investment in Stofa

- Acquisition from TeliaSonera in June 2010
 - EV: DKK 1,090m
 - Ratos's investment DKK 527m
 - Holding 99%
- Book value 31/12/2011: SEK 703m
- Refinancing carried out in Q1 2012:
 - DKK 425m distributed
- Acquisition from Canal Digital without capital from Ratos
- Ratos's company team:
 - Per Frankling (responsible for the holding)
 - Johan Rydmark

Stofa 2007-2011 (DKKm)



Basis for investment

- Demand for broadband constantly accelerating
- Cable strong access technology
 - Capacity/cost/investment profile vs. ADSL and fibre
 - Waste to use radio spectrum for fixed connections
 - Converges with fibre network over time
- Stofa unique commercial/strategic case
 - Well-invested, strong production, innovation leader
 - Profitability not optimised during Telia's ownership
- Very stable cash flows

Investment case

- Cost optimisation
- Improved margins through standardisation/stronger negotiating position
- Increased broadband penetration
- Securing a platform in future TV world
- Cash flow focus