

O2TV's Moscow viewership doubles in Q1 2012

Moscow, April 16, 2012. Television channel O2TV (hereafter, O2TV or the Company), hereby announces its headline operating results for the first quarter of 2012 in conjunction with the development of the channel's broadcasting network in the regions of Russia.

As of March 31, 2012 the TV channel's total number of subscribers (connected households) stood at 5,870,484, 1,477,303 (or up 33.6%) more than in the same period last year. The number of subscribers in Q1 went up 15% compared to the fourth quarter of 2011. During the reporting period, the channel's strong technical coverage trend was attributable to the stipulation of new contracts with telecommunications operators and a rise in the subscriber base of the Company's partners.

Subscriber trend

As of March 31, 2011	As of December 31, 2011	As of March 31, 2012
4,393,181	5,105,146	5,870,484

Note: 1 subscriber = 3.2 TV viewers

As of March 31, 2012, television channel O2TV could be watched by people in 79 constituent entities of the Russian Federation in more than 3,000 cities, town and villages across the country, including the capital of Russia and in all cities with a population of over 1 million people. The channel's main achievement in Q1 2012 was to have doubled its subscriber base. While in Q4 the channel had about 500,000 subscribers in the Russian capital, at the end of Q1 this figure had more than doubled to 1,033,000. This gain is due to the fact that the Company was connected to the largest Moscow cable TV operator.

The channel's penetration rate jumped in a number of regions during the first quarter, especially in the Krasnoyarsk Region, where it rose 15% to 163,000 subscribers. As of March 31, 2012 the channel could be watched in at least 12 cities across the Region, while the largest number of O2TV's subscribers in this Region was in Krasnoyarsk (nearly 130,000). The number of O2TV's subscribers also rose in the Sverdlovsk Region, where it reached about 361,000. The channel's viewership increased in these regions owing to a rise in the subscriber bases of O2TV's partners.

As of the end of Q1 O2TV there were more than 200,000 subscribers in the Sverdlovsk Region (over 360,000), the Moscow Region (over 268,000), the Saratov Region (over 257,000), the Rostov Region (over 210,000). O2TV had over 100,000 subscribers in the Chuvash Republic, the Perm Region, the Krasnoyarsk Region, the Novosibirsk, Samara, Volgograd and Nizhny Novgorod Regions, as well as the Republic of Bashkortostan and the Voronezh Region.

Largest broadcasting regions

	Region	Number of subscribers
1	Moscow	1,033,312
2	Sverdlovsk Region	360,896

3	Moscow Region	268,849
4	Saratov Region	257,323
5	Rostov Region	210,923
6	Chuvash Republic	185,799
7	Perm Region	167,913
8	Krasnoyarsk Region	162,993
9	Chelyabinsk Region	154,609
10	Primorsky Region	145,852
11	Novosibirsk Region	143,832
12	Samara Region	129,825
14	Volgograd Region	119,213
15	Nizhny Novgorod Region	113,589

The largest number of O2TV’s subscribers is concentrated in the city of Moscow, and also in the cities of Yekaterinburg, Perm, Rostov-on-the-Don, Cheboksary, Krasnoyarsk, Samara, Novosibirsk, Chelyabinsk, Voronezh and Volgograd. O2TV’s technical coverage exceeds 100,000 in each of these cities. And the number of subscribers is approaching 100,000 in Omsk, Nizhny Tagil (Sverdlovsk Region) and Ufa.

Largest broadcasting cities

	City	Number of subscribers
1	Moscow	1,033,312
2	Yekaterinburg	198,810
3	Perm	150,436
4	Rostov-on-the-Don	137,185
5	Cheboksary	133,358
6	Krasnoyarsk	129,894
7	Samara	124,818
8	Novosibirsk	122,622
9	Chelyabinsk	109,396
10	Voronezh	104,329
11	Volgograd	100,573

Alexander Morozov, CEO of O2TV Channel:

"Our subscriber base doubled in Moscow during the reporting period, which stems from the fact that the channel was included in the Moscow cable TV network owned by NCN. But there is still room for growth. We were also encouraged by robust trends in other regions, including the Krasnoyarsk Region, and fairly strong growth in the Sverdlovsk Region. This means the channel continues to expand at a fast pace, which is bound to have a beneficial impact on our financial results".



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Overview of O2TV Channel

O2TV is Russia's first young people's television channel which targets an age group ranging from 16 to 35 years. The company commenced broadcasting in 2004. Nowadays, O2TV has the ability to reach 18.8 million viewers in 79 constituent entities and 3,000 cities and towns across Russia. Total penetration in Moscow accounts for 3.3 mn viewers. The channel broadcasts in NCN's Moscow cable TV network. The TV channel also broadcasts on the networks of Rostelecom, AKADO, QWERTY, BeeLine-TV, Iskratelecom etc. Online broadcasts of the channel are also made on Russia's largest portals, video hostings and from the TV channel's official website. O2TV channel is owned by O2TV open-joint stock company (OAO), which has had its shares listed on Russian stock exchange MICEX since 2008. The charter capital of OAO O2TV amounts to Rub 140,000 and is divided into 140 m shares. For more details on the television channel and OAO O2TV, see the website www.o2tv.biz/en.

Some statements made in our News and Press Releases are not historical facts, and are to be considered merely forward-looking statements (forecasts). These statements include, but are not limited, to: plans, forecasts or guidance concerning our revenues, profits (losses), including profits/losses per share, dividends, equity structures, including shareholder capital, other financial indicators and ratios, and the investment program; statements made concerning our plans, purposes or tasks in operating activities; statements concerning future economic indicators; statements concerning the assumptions on which some statements are made. In addition, words such as "assume", "expect", "presuppose", "plan", "intend", "consider", "anticipate", and other such phrases used in the future tense shall be regarded solely as forward-looking statements, and not as an assurance that any such future events referred to therein will actually come true. In essence, the above-mentioned forward-looking statements (forecasts) shall be construed as integral risks, given that any such plans, expectations and other statements projected into the future may not materialize. The reader should be cognizant that the actual results of O2TV could differ materially from its plans, purposes, expectations, estimates and intentions as stated in such forward-looking statements by virtue of a number of risk factors. Should you rely on forward-looking statements, you should carefully analyze the above-mentioned facts and also other issues and events which are devoid of clarity, especially in light of the political, economic, social and legal environment in which the Company operates. Such forward-looking statements shall be deemed valid only on the date of their publication, and the Company shall not assume any obligation to update or review them, whether at the time when such information becomes available, when new events occur or for any other reason. The Company shall make no claims or provide no assurances that the results assumed in such forward-looking statements will be achieved, nor shall it publish any estimates regarding the probability that the results set forth in forward-looking statements will be reached. Forward-looking statements shall be regarded as merely one way in which a certain situation may unfold, and not necessarily the most likely or standard course of events.

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