

O2TV television channel expands footprint in Moscow and Krasnoyarsk in Q2

Moscow, July 15, 2011. O2TV television channel (O2TV or “the Company”) hereby announces its headline operating results for the second quarter of 2011 due to regional development of the channel’s broadcasting.

As of the end of Q2 2011, the total number of O2TV’s television subscribers stood at 4,474,278, which implies a 1.8% increase (by 81,097 subscribers) compared to the first quarter of 2011. In year-on-year terms, the number of O2TV television channel’s subscribers was 51% higher. The channel’s technical coverage trend is driven mainly by a change in the subscriber base of the existing operators.

Trend in the number of O2TV’s subscribers

As of June 30, 2010	As of March 31, 2011	As of June 30, 2011
2,970,000	4,393,181	4,474,278

As of June 30, 2011 O2TV television channel could be watched in 73 constituent entities and 250 cities in Russia, including the capital of the Russian Federation and in all cities with a population exceeding 1 m people.

In the second quarter of 2011, compared to the first quarter, the number of O2TV’s subscribers in Moscow increased 4% to 574,730, which was attributable to a rise in its Moscow subscriber base. Over the same period, the number of the channel’s subscribers went up by 3.4% to 126,350 in Krasnoyarsk Region, by 2% to 210,700 in the Saratov Region, and by 2% to 147,200 in the Perm Region. O2TV’s subscriber base remained unchanged in other main broadcasting regions compared to the first quarter due to the fact that the number of cable TV and satellite TV subscribers remained unchanged at a number of telecommunications operators.

O2TV television channel’s largest broadcasting areas

	Area	Number of subscribers
1	City of Moscow	574,726
2	Sverdlovsk Region	321,367
3	Moscow Region	270,897
4	Saratov Region	210,670
5	Rostov Region	189,858
6	Chuvash Republic	182,628
7	Perm Region	147,200
8	Chelyabinsk Region	147,131
9	Krasnoyarsk Region	126,346
10	Kemerovo Region	117,527

In certain cities, the largest number of O2TV television channel's subscribers is concentrated in the city of Moscow, and also in Yekaterinburg, Perm, Cheboksary, Rostov-on-the-Don, Samara, Chelyabinsk, Novosibirsk, and Krasnoyarsk. In each of these cities the technical coverage of O2TV exceeds 100,000 subscribers.

In the second quarter compared to the first quarter, the number of O2TV's subscribers in the City of Krasnoyarsk increased by 4% to 100,600, exceeding the 100,000 mark for the first time. The pace of growth of O2TV's subscriber base in Krasnoyarsk during the second quarter was comparable with the growth rate of the television channel's subscriber base in Moscow (4%). The number of the channel's subscribers rose 3% to 120,300 in Rostov-on-the-Don, by 2.5% to 109,300 in Samara and 2% to 137,100 in Perm.

The CEO of OAO O2TV and O2TV channel Vladimir Pantserny had the following to say: "The pace of growth in the regions has its limits, since it is heavily dependent on the dynamics of the subscriber base of telecommunications operators. However, in Moscow and other cities with a population of over 1 mn people the growth potential for the number of NFT television is still largely untapped. Therefore, in the second half of the year we plan to focus on boosting the number of subscribers in Moscow and also in St. Petersburg. Other large cities in Russia will also be targeted".

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 14.3 million viewers in 73 constituent entities and 250 cities and towns across Russia. Total coverage in Moscow stands at 1.84 million people. In Moscow, the TV channel is broadcast on the networks of AKADO, QWERTY, Vimpelcom, Infokos Plus, 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. The company possesses its own powerful production base and generates more than 1,000 hours of original content per year. O2TV channel is owned by O2TV open-joint stock company (OJSC), which has had its shares listed on Russian stock exchanges MICEX and RTS since 2008. The charter capital of O2TV OJSC amounts to Rub 140,000 and is divided into 140 m shares. For more details on the television channel and O2TV OJSC, 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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