

Number of O2TV’s Moscow subscribers surges 56% in Q2

Moscow, July 12, 2012. O2TV Channel (O2TV or “the Company”) hereby announces its primary operating results for the second quarter of 2012 owing to the expansion of the channel’s broadcasting network in the regions of Russia.

As of June 30, 2012 the total number of O2TV television channel’s subscribers (connected households) amounted to 6,758,863, which was 51% (or 2,284,585), more than in the same period of 2011. Compared to the first quarter of 2012 the number of O2TV’s subscribers rose 15.1% in Q2. The TV channel’s strong technical coverage trends during the reporting quarter were attributable to the stipulation of new contracts with telecom operators and an increase in the subscriber base of the channel’s partners.

Subscriber trends at O2TV Channel

As of June 30, 2011	As of March 31, 2012	As of June 30, 2012
4,474,278	5,870,484	6,758,863

Note: 1 subscriber = 3.2 viewers

As of June 30, 2012 O2TV Channel could be watched in 77 constituent entities of the Russian Federation, i.e. in over 3,000 cities and towns across Russia, including the Russian capital and all cities with a population of over 1 mn.

The number of O2TV Channel’s Moscow subscribers in the second quarter increased by 56% and amounted to 1.61 mn, which was due to the channel’s connection to the largest Moscow-based cable TV operator.

The number of O2TV’s subscribers rose 36% in the second quarter in the Krasnodar Region where the audience has reached over 126,000. The channel’s subscribers increased in this region as O2TV began to be broadcast on FTA frequencies during the second quarter. Since the beginning of 2012 O2TV started broadcasting in the FTA frequencies of the region, which includes the cities of Tuapse and Sochi. This became possible after the channel signed a contract at the end of 2011 with regional FTA television channel Sova-TV. FTA broadcasting is important for O2TV in these cities in the run-up to the Olympic Games which are to be held in Sochi in 2014.

At the end of the second quarter, O2TV television channel had over 200,000 subscribers in the Sverdlovsk Region (over 366,000), the Moscow Region (over 302,000), the Saratov Region (over 279,000), and the Rostov Region (over 211,000).

O2TV’s largest broadcasting regions

	Region	Number of subscribers
1	Moscow City	1,612,512
2	Sverdlovsk Region	366,129
3	Moscow Region	302,849
4	Saratov Region	279,639
5	Rostov Region	211,023

6	Chuvash Republic	189,379
7	Krasnoyarsk Region	185,146
8	Perm Region	179,116
9	Chelyabinsk Region	156,725
10	Republic of Bashkortostan	147,910
11	Primorsk Region	146,377
12	Novosibirsk Region	143,832
13	Samara Region	143,735
14	Kemerovo Region	134,484
15	Krasnodar Region	126,036

The largest number of O2TV Channel’s subscribers is concentrated in the city of Moscow, and the cities of Yekaterinburg, Perm, Krasnoyarsk, Samara, Rostov-on-Don, Cheboksary, Novosibirsk, Voronezh and Chelyabinsk. The channel’s technical coverage exceeds 100,000 subscribers in each of these cities.

O2TV’s largest broadcasting cities

	City	Number of subscribers
1	Moscow	1,612,512
2	Yekaterinburg	204,043
3	Perm	161,639
4	Krasnoyarsk	152,047
5	Samara	138,728
6	Rostov-on-the-Don	137,285
7	Cheboksary	131,963
8	Novosibirsk	122,622
9	Voronezh	115,370
10	Chelyabinsk	113,208

Alexander Morozov, General Director of O2TV Channel:

"O2TV’s Moscow subscriber base continues to expand by virtue of the fact that we are broadcasting on OAO NCN’s cable television network. We also have some great opportunities to grow the number of our subscribers in the capital. That is not to say that we have overlooked the other regions of Russia. It’s also noteworthy that we’ve been seeing rapid subscriber base gains in many regions due to the fact that federal operators have been aggressively rolling out IPTV services, which, in turn, has helped boost our subscriber base".

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 21.6 million viewers in 77 constituent entities and 3,000 cities and towns across Russia. Total penetration in Moscow accounts for 5 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



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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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