

Regions show robust growth in O2TV Channel's subscribers in Q3

Moscow, October 4, 2011. O2TV Channel (O2TV or "the Company") hereby announces its main operating results for the third quarter of 2011, which are attributable to the expansion of the television channel's regional broadcasting.

In Q3 2011, the total number of subscribers of O2TV Channel amounted to 4,879,867, which implies a 30% increase (by 1,125,866 subscribers) compared with the same quarter of 2010. Compared to the second quarter of this year, the number of O2TV's subscribers went up by 9.1% in the third quarter. The dynamics of the television channel's technical coverage in Q3 2011 was mainly due to a change in the subscriber base at the existing operators and the stipulation of new agreements with operators.

Trends in number of subscribers of O2TV Channel

As of Sept. 30, 2010	As of March 31, 2011	As of June 30, 2011	As of Sept. 30, 2011
3,754,001	4,393,181	4,474,278	4,879,867

As of September 30, 2011 O2TV Channel could be watched in 73 constituent entities of the Russian Federation, in 250 cities across the country, including the capital and in all cities with a population of over 1 m.

In Q3 2011 the number of O2TV's subscribers increased by 1.8% in the Sverdlovsk region to 327,390 compared to the second quarter, which was the result of growth in the subscriber base. During the same period of time, the number of the TV channel's subscribers increased by 10% to 232,005 in the Saratov region, 2.8% to 195,000 in the Rostov Region, 3.8% to 152,800 in the Perm Region, 1.5% to 149,033 in the Chelyabinsk Region, and 5.1% to 132,800 in the Krasnoyarsk Region. O2TV Channel also has more than 100,000 subscribers in the Novosibirsk Region, the Samara Region and the Republic of Bashkortostan.

Largest broadcasting regions of O2TV

	Region	Number of subscribers
1	City of Moscow	574,726
2	Sverdlovsk Region	327,388
3	Moscow Region	253,975
4	Saratov Region	232,046
5	Rostov Region	195,081
6	Chuvash Republic	183,094
7	Perm Region	152,850
8	Chelyabinsk Region	149,329
9	Krasnoyarsk Region	132,839
10	Kemerovo Region	117,527

In some cases, the biggest number of the television channel's subscribers was concentrated in a number of cities, such as the City of Moscow, Yekaterinburg, Perm, Cheboksary, Rostov-on-the-Don, Samara, Chelyabinsk, Krasnoyarsk, and Novosibirsk. In each of these cities, the technical coverage of O2TV Channel exceeds 100,000 subscribers. The number of subscribers is also approaching 100,000 in Nizhny Tagil (Sverdlovsk Region) and Voronezh.

The general director of O2TV Channel Alexander Morozov commented: "Our television channel showed a robust upsurge in the number of subscribers in the third quarter due to new agreements that were signed with cable TV and IPTV operators. However, even without the new agreements we were still growing at quite a fairly strong pace. This growth was attributable to a larger number of subscribers at existing cable TV operators in the regions. That said, we intend to ramp up the number of our subscribers in Moscow and S. Petersburg during the fourth quarter. We are also exploring the possibility of teaming up with some major pay-TV operators".

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 15.6 million viewers in 73 constituent entities and 250 cities and towns across Russia. Total coverage in Moscow stands approximately at 1.9 million people. In Moscow, the TV channel is broadcast on the networks of Rostelecom, AKADO, QWERTY, BeeLine-TV, 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 (OAO), which has had its shares listed on Russian stock exchanges MICEX and RTS 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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