



O2TV Channel "conquers" Moscow in Q3

Moscow, October 10, 2012. O2TV Channel (hereafter, O2TV or 'The Company') hereby announces its headline operating results for the third quarter of 2012, which are related to expansion of the Company's broadcasting network in the regions of Russia.

As of September 30, 2012 the total number of O2TV's subscribers (connected households) stood at 9,444,869. This is 93.5% (or 4,565,002 subscribers) more than in the year-earlier period and 40% more (or 2,686,006 subscribers) compared to the second quarter of 2012.

Subscriber trends

As of Sept. 30, 2011	As of June 30, 2012	As of Sept. 30, 2012
4,879,867	6,758,863	9,444,869

Note: 1 subscriber = 3.2 TV viewers

As of September 30, 2012 O2TV Channel could be watched in 77 constituent entities of the Russian Federation, in more than 3,000 cities and towns of Russia, including the capital and all municipalities with a population of over 1 mn people.

The main factor driving growth of O2TV subscribers was an increase in the television channel's subscriber base in Moscow, which doubled in Q3. As of September 30, 2012 the number of O2TV subscribers in the capital reached 3.49 mn due to the fact that back in Q1 the channel began broadcasting on the Moscow cable TV network of National Cable Networks (NCN). As a result, O2TV's television channel is available to all inhabitants of the capital who are able to receive cable TV. According to information from NCN, cable television in Moscow is available to over 3 mn subscribers (connected subscribers).

Beginning in Q3 2012, O2TV Television Channel first released information on the number of its subscribers by federal districts of Russia.

Major broadcasting regions

Federal District	Number of subscribers
Central	4,635,647
North-Western	505,053
Volga	1,404,100
Southern	531,311
Urals	918,268
Siberian	909,832
Far East	531,766
North-Caucasian	8,892
TOTAL	9,444,869

As of the end of Q3 the number of O2TV's subscribers in the Central Federal District rose by 74% vs. Q2 to 4.6 mn, which is due first and foremost to the high pace of growth of the Moscow subscriber base. Compared to Q2, the number of O2TV subscribers rose by 63% in the North-West Federal District, 5.3% in the Volga Federal District, decreased by 3.8% in the South Federal District, rose 14% in the Urals Federal District, increased 22% in the



Siberian Federal District, surged 61% in the Far East Federal District and jumped 5% in the North-Caucasian Federal District. A small decrease in the subscriber base in the South Federal District was due to the termination of O2TV's contracts with several telecommunications operators and cable TV operators that were taken over by larger operators. Going forward, O2TV intends to enter into contracts for these areas with the central offices of the merged companies.

At the same time, the channel saw a major rise in its subscriber base in the Far East Federal District. This was due to rapid growth in the number of IPTV subscribers at major federal telecom operators. For this reason, and also thanks to faster growth of the subscriber base of telecom and cable TV operators, as well as the stipulation of agreements with new operators, strong expansion was seen in the North-West and Siberian federal districts.

The largest number of O2TV's subscribers is concentrated in the city of Moscow and also Yekaterinburg, Krasnoyarsk, Samara, Cheboksary, Novosibirsk, Chelyabinsk, Perm and Voronezh. The channel's technical coverage exceeds 100,000 subscribers in each one of these cities. The number of O2TV's subscribers approaches 100,000 in Volgograd and Nizhny Tagil (Sverdlovsk region), and also in Ufa, Omsk and Vladivostok.

Anna Ivanova, Head of the regional development division of O2TV Channel:

"Nowadays our channel can be watched all across the capital. The increase in the number of our subscribers is due largely to the fact that the channel is now broadcast on NCN's cable TV network. Objectively speaking, we are well on the way towards "conquering" Moscow and we do not intend to retreat from our positions. We expect to continue partnering not only with NCN, but also other pay TV operators, both in Moscow and outside the capital. In my opinion, moving forward, regional growth will be driven by rising demand for IPTV services and other rapidly growing digital technologies, given that the channel is expanding in synch with the times. This means we are posted for further growth".

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 30 million viewers in 77 constituent entities and 3,000 cities and towns across Russia. Total penetration in Moscow accounts for 11 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 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. 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.

For further details, please contact
IR Director
Natalia Milchakova
Telephone: + 7 (495) 645-9295 ext. 125
Email: ir@o2tv.ru