



O2TV Channel Appoints New CEO

Moscow, November 27, 2012. O2TV Channel (hereafter, O2TV or “the Company”) hereby announces that Boris Gegner has been appointed as the new Chief Executive Officer of O2TV Channel. Before joining the Company, Mr. Gegner held the position of General Director of ZAO City Stroy Development. This company is a subsidiary of OAO CITY, a part of Basic Element holding structure.

The previous CEO Alexander Morozov tendered his resignation since he will be getting involved in a new line of business project within O2TV Group. This project aims to roll out broadcasting of O2TV in CIS countries.

Vladimir Pantserny, CEO of OAO O2TV:

“I would like to extend my sincere gratitude to Alexander Morozov for his commendable efforts over the past year in solving a number of key issues: first and foremost, the challenge of entering National Cable Network’s Moscow-based network. He is now working on issues of no lesser importance to the Group, i.e. working towards having the channel broadcast in CIS countries. The channel has been aired in Kazakhstan since 2010 and recently entered Kyrgyzstan. We currently have some 270,000 TV viewers in Kazakhstan, i.e. 13% of this country’s total pay TV market. We need to monetize this audience and in this way generate advertising revenue. Right now, the plan is to enter Ukraine and Belarus, as well as a number of other CIS countries. Alexander Morozov will be working on these projects and his experience will definitely come in handy. Our television is expected to see some changes ahead in December. After the results of the second DDT multiplex tender are announced many private television channels will have to change irrespective of whether they take part in this tender or not, or whether they are declared winner or losers at the tender. O2TV is clearly no exception. A lot of work will have to be done to upgrade the channel before it switches over to digital format. It will also be critical for us to sign an agreement with a major media seller in order to expand our marketing footprint. This is why the experience of Boris Gegner, as a person who has held top management positions and is well versed in the inner workings of the media business and the consumer sector, and as a seasoned professional in financial control and audit, is of such great importance to us”.

Boris Gegner’s biography

Boris P. Gegner was born in 1964. He graduated from the Moscow Power Engineering Institute in 1989. He earned a master of business administration (MBA) degree in 2007 at the Bauman Moscow Technical University and holds a PhD in Economics. He has more than 20 years of experience in the field of audit and corporate management. In 1998-2000 he worked as the advisor of the head of Russia’s Federal Tax Police Service. In 2001-2004 he was deputy head of the inspectorate at the Accounting Chamber of the Russian Federation. In 2004-2006 he served as deputy head of information management, analysis and control at OAO Wimm-Bill-Dann Foods. In 2007-2010 he headed the department of internal audit and control at Russian-Asian Investment Company (RAINKO), managing investment projects, including the media and publishing business. In 2011 he was in charge of the budget, finance, control and research block of GUTA Group. In 2012 he acted as General Director of ZAO City Stroy Development. Mr.Gegner was elected as a company’s internal



auditor at a general meeting of shareholders of OAO O2TV. He has written a number of books on theory and practice in conducting internal audit and control at enterprises.

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 regions and 3,000 cities and towns across Russia. Total penetration in Moscow accounts for 11 million viewers. The channel broadcasts in NCN's Moscow cable TV network. The channel also broadcasts on free-to-air frequencies, 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.

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