



Пресс-релиз

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t2 sums up 3Q15 results: subscriber base added 800 thou people

Moscow – t2, an alternative mobile operator, has announced consolidated financial and operating results over 3Q15.

In 3Q15, t2 has exhibited the following financial results:

- operating revenue dropped 4.2% compared to 3Q14 and totaled RUB23.9 bn;
- EBITDA totaled RUB5.5 bn having decreased 15.1% compared to the same period last year; EBITDA margin equaled 23.2%;
- investment into IT infrastructure and technical development totaled RUB8.9 bn having gained 278.6% as compared to 3Q14. A CAPEX-to-revenue ratio totaled 37%.

Indicator (bn rubles)	Q3 2014	Q3 2015	Change
Operating revenue	24.9	23.9	(4.2%)
EBITDA	6.5	5.5	(15.1%)
EBITDA margin, %	26.1%	23.2%	(3.0 pps)
CAPEX	2.4	8.9	278.6%
Free cash flow	3.7	(3.1)	(184.0%)

In 3Q15, the company showed improvement in the following operating indicators:

- the company's subscriber base totaled 35.5 mn people, having gained 800 thou people over one quarter;
- average revenue per user (ARPU) totaled RUB227;
- minutes of use (MoU) equaled 365 on average in Russia;
- average price per minute (APPM) at 62 kopecks is the lowest in the industry;
- a number of active Internet users totaled 15% of subscriber base, or 5.25 mn people.

Indicator	Q3 2014	Q3 2015	Change
Subscriber base, mn	35.4	35.5	0.4%
ARPU (rubles)	242	227	(6.4%)
MoU (minutes)	397	365	(8.1%)

Mikhail Noskov, CEO at t2:

"In 3Q15, t2 continued launching and developing 3G and 4G networks. High-speed wireless Internet is now available in 59 Russian regions. Considerable investment into 3G/4G network rollout made by t2 over the last three quarters lays foundation for further increase in data revenue. It will be triggered by increase in numbers of Internet users and larger popularity of data services. We see that a "black" range of tariffs with included Internet traffic package is already in great demand by both



new and acting subscribers. A successful launch of operations under t2 brand in 22 regions positively influenced our subscriber base. We created a uniform space of affordable prices and high-quality services in all regions of our presence. We see that a period of lower financial and operating results (entailed by integration, active 3G/4G rollout and low data traffic consumption) is coming to an end. We expect to see their growth in the nearest future.”

Additional information

Starting from 1Q15 t2 has switched to a new system for evaluating MOU, which complies with the methodology accepted on the market. We carried out post-evaluation of the 3Q14 indicator under a new methodology for the accurate comparison with the market piers and the 3Q15 indicator.

t2 is using a strict evaluation system for active users of wireless Internet – the term refers to subscribers downloading at least 10 Mb per month.