



Пресс-релиз

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Tele2 sums up 1Q16 results: operator has over 2 mn subscribers in Moscow

Moscow – Tele2, an alternative mobile operator, has reported consolidated financial and operating results over 1Q16.

In 1Q16, Tele2 has exhibited the following financial results:

- operating revenue gained 5.4% compared to 1Q15 and totaled RUB24.3 bn;
- EBITDA totaled RUB3.0 bn having decreased 43.6% compared to the same period last year; EBITDA margin equaled 12.2%;
- investment into IT infrastructure and technical development totaled RUB7.7 bn having decreased 19.7% on a yearly basis. A CAPEX-to-revenue ratio equaled 31.7%.

Indicator (bn rubles)	1Q15	2Q16	Change
Operating revenue	23.1	24.3	5.4%
EBITDA	5.2	3.0	(43.6%)
EBITDA margin, %	22.7%	12.2%	(10.5 pps)
CAPEX	9.6	7.7	(19.7%)
Free cash flow	(8.4)	(5.8)	31.7%

In 1Q16, the company showed improvement in the following operating indicators:

- as of 31 March 2016, the company's subscriber base equaled 38.4 mn people having gained 3.4 mn people y-o-y;
- subscriber base in Moscow totaled 2.1 mn people;
- average revenue per user (ARPU) totaled RUB213;
- minutes of use (MoU) equaled 355 on average in Russia;
- average price per minute (APPM) totaled 60 kopecks;
- a number of active wireless Internet users totaled 22% of all-Russia subscriber base, which is equivalent to 8.4 mn people.

Indicator	1Q15	1Q16	Change
Subscriber base, mn	34.9	38.4	9.8%
Active users of wireless Internet, %	19.5	22	2.5 pps
ARPU (rubles)	220	213	(3.0%)
MoU (minutes)	375	355	(5.2%)



Sergey Emdin, CEO at Tele2:

“In 1Q16 Tele2 is showing outperforming growth rates of not only revenues but also subscriber base. This trend resulted from efforts on business development: our subscribers are satisfied with our products, standards of customer service, quality of connections and our approach to developing retail network. Effective product and commercial strategies help us win new clients, whereas our constant work on the quality of connections allow us retain their loyalty.”

Additional information

Subscriber base in Moscow Region is calculated with non-active users accounted for. To do this, Tele2 is using a three-month system. The operator does not account subscribers who have not used any billable services for three months.

Tele2 is using a strict evaluation system for active users of wireless Internet – the term refers to subscribers downloading at least 10 Mb per month.