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Tele2 reports 3Q13 operating and financial results

Moscow – Tele2 Russia, an alternative mobile operator, has reported consolidated 3Q13 financial and operating results.

Over 3Q13, the company has showed a steady growth of key financials:

- Operating revenue increased 12% compared to 3Q12 and totaled RUB48.8 billion;
- All-Russia EBITDA equaled RUB18 billion, having added 13% against the same period last year. EBITDA margin totaled 36.8%;
- Investment in IT infrastructure and technical development has totaled RUB4.2 billion over 3Q13.

Indicator (bn RUB)	3Q 2012	3Q 2013	Change
Operating revenue	43.7	48,8	12%
EBITDA	15.9	18,0	13%
EBITDA margin, %	36.5%	36.8%	30bps
CAPEX	5.2	4.2	-20%
Free cash flow	8.9	12.1	35%

Over 3Q13, Tele2 Russia has improved its key operating results:

- Subscriber base added 6% compared to 3Q12 bringing a total number of Russian clients up to 23 679 thou;
- Ruble-denominated average revenue per user (ARPU) increased 4% compared to the same period last year and totaled RUB234;
- Minutes of use (MoU) totaled 264 on average in Russia, the number gained 4% compared to 3Q12.

Indicator	3Q 2012	3Q 2013	Change
Subscriber base, mn	22.3	23.7	6%
ARPU (rubles)	226	234	4%
MoU (minutes)	254	264	4%

Aleksandr Provotorov, Tele2 Russia President and CEO:

“Tele2 Russia is exhibiting steady financial and operating results. The company’s strong stance, efficiency of its business model and prospects of development reflected in agencies’ high rates: the AK&M agency confirmed Tele2 rating at A+ and Fitch – at BB+. In 3Q13 the company and its shareholder VTB Group approved a new strategy that included best possible scenarios for further growth with current market conditions taken into account.”