



FOR IMMEDIATE RELEASE

December 6, 2011

SITRONICS ANNOUNCES UNAUDITED FINANCIAL RESULTS FOR THE THIRD QUARTER AND FIRST NINE MONTHS OF 2011

MOSCOW, Russia – December 6, 2011 – JSC SITRONICS ('SITRONICS' or 'the Group') (LSE: SITR), the leading provider of technology solutions in Russia and the CIS, today announced its unaudited consolidated US GAAP financial results for the third quarter and nine months ended September 30, 2011.

THIRD QUARTER HIGHLIGHTS

- Consolidated revenues up 42% year on year to US\$ 316.4 million
- Telecommunication Solutions revenues up 40% year on year to US\$ 133.6 million; Information Technologies revenues up 90% year on year to US\$ 92.3 million and Microelectronics revenues up 2% year on year to US\$ 74.9 million
- OIBDA* of US\$ 24.3 million and OIBDA margin of 7.7%
- Net loss attributable to SITRONICS of US\$ 38.9 million
- Total assets up 3% year on year to US\$ 1,857.2 million
- US\$ 237 million of contracts secured since the announcement of the Group's second quarter financial results on September 8, 2011

NINE MONTH HIGHLIGHTS

- Consolidated revenues up 36% year on year to US\$ 926.7 million
- Telecommunication Solutions revenues up 14% year on year to US\$ 384.1 million; Information Technologies revenues up 90% year on year to US\$ 279.1 million and Microelectronics revenues up 31% year on year to US\$ 235.2 million
- OIBDA of US\$ 41.2 million and OIBDA margin of 4.4%, with OIBDA profits reported by all three business segments
- Net loss attributable to SITRONICS of US\$ 73.4 million

Sergey Aslanian, President of SITRONICS, commented: "The Group has delivered significant revenue growth of 42% year on year in the third quarter, which is usually a weak period of the year in the industry. This is due to the outstanding revenue performance of our Information Technologies and Telecommunication Solutions segments, and to the completion of a number of key projects in the quarter, all of which contributed to the strengthening of our OIBDA profitability.

* Here and below, OIBDA is defined as operating income before depreciation and amortization. Please see Attachment A to this statement for further information.

We signed a number of contracts with existing and new clients and expanded into new market segments and geographies. The implementation of the Intelligent Transport System for the City of Moscow is on track and we have signed another important Federal contract to develop and produce an electronic card for the medical sector. Investments we have made in growth and innovation initiatives are delivering results and our R&D centres recently launched two new radio-relay devices which further strengthen our offering. We will continue to invest in R&D to expand on our areas of expertise, further drive our higher margin contracts and preserve our highly competitive position in the market.

We are working on projects that have considerable potential and we have a healthy revenue pipeline coming into 2012. We expect to outperform industry growth levels in 2011 and we maintain our guidance for full year revenue growth of between 15% and 20%. When including the impact of the 90 nanometer technology project, we still expect to report a full year OIBDA margin of approximately 7%.”

FINANCIAL SUMMARY

<i>(US\$ millions)</i>	Q3 2011	Q3 2010	9M 2011	9M 2010
Revenues	316.4	223.6	926.7	682.5
Total OIBDA	24.3	17.5	41.2	50.8
OIBDA margin	7.7%	7.8%	4.4%	7.4%
Net loss attributable to SITRONICS	(38.9)	(9.4)	(73.4)	(64.8)
Total assets	1,857.2	1,810.3	1,857.2	1,810.3

OPERATING REVIEW

Group Overview

The Group reported 42% year on year consolidated revenue growth in the third quarter and 36% growth for the nine months of the year. The growth in the quarter was driven by a significant year on year increase in the sales of our Information Technologies and Telecommunication Solutions segments as well as across all business segments for the first nine months of 2011. The year to date growth in revenues was also driven by a strengthening of the majority of SITRONICS’ operating currencies against its US dollar reporting currency.

The Group has now secured US\$ 237 million of new contracts since the announcement of its second quarter financial results on September 8, 2011. SITRONICS signed a significant

contract in April to develop an Intelligent Transport System for the City of Moscow, and the Group is now fully engaged in implementing this project. Additionally, SITRONICS research and development centres launched two new radio-relay devices in the third quarter, one of which, a scanning lens antenna for radio-relay stations, will be patented as soon as two international applications are approved by the Patent Cooperation Treaty. Further details relating to these projects, and a number of new initiatives, can be found in the Segmental Review section.

FINANCIAL REVIEW

The Group's selling, general and administrative expenses were up 13% year on year in the third quarter and for the nine months of 2011 as the Group increased its spending on sales and marketing activity to strengthen the Company's market position and fund its entrance into new market segments. Impairment losses and reserves increased from US\$ 0.6 million to US\$ 2.7 million year on year in the third quarter but decreased from US\$ 9.0 million to US\$ 8.3 million for the first nine months. Research and development expenses were up 49% year on year in the quarter and up 23% for the nine month period, as part of our previously announced plan to increase R&D expenses by approximately 30% in 2011. Currency exchange rate movements between the majority of the Group's operating currencies and its US dollar reporting currency also contributed to an increase in the Group's expenses when compared to the results of the corresponding periods in 2010. Therefore, total operating expenses, when excluding depreciation and amortization charges, increased by 26% year on year in the third quarter and by 15% for the nine months of the year.

The Group reported OIBDA profits of US\$ 24.3 million in the third quarter and US\$ 41.2 million for the nine months of the year, with OIBDA margins of 7.7% and 4.4% for the two respective periods.

The Group's depreciation and amortization charges increased by 45% year on year to US\$ 21.8 million in the third quarter but declined by 7% to US\$ 65.5 million for the first nine months of the year. The year on year increase in depreciation and amortization charges primarily reflected the adjustments made to the useful life of certain assets in the third quarter 2010. The year on year decrease in depreciation charges for the nine month period reflected the end of the useful life of intangible assets in the second quarter 2010, recognized during the acquisition of 51% of INTRACOM TELECOM.

The Group's net interest expenses decreased year on year to US\$ 18.4 million from US\$ 20.8 million in the third quarter and to US\$ 50.3 million from US\$ 56.7 million for the first nine months of the year. The Group reported a foreign exchange loss of US\$ 26.1 million in the third quarter and US\$ 14.9 million for the first nine months of the year, compared to losses of US\$ 1.7 million and US\$ 1.8 million for the corresponding periods of 2010. The losses primarily reflected the difference in the value of the Group's US dollar denominated borrowings between the balance sheet dates.

The Group reported a net loss attributable to SITRONICS of US\$ 38.9 million in the third quarter and US\$ 73.4 million for the nine months of the year.

The Group's cash and cash equivalents amounted to US\$ 79.3 million at the end of the third quarter, compared to US\$ 115.2 million at the end of the third quarter of 2010 and US\$ 127.0 million at the end of the second quarter of 2011. This primarily reflected a negative change in working capital following cash advances received in prior periods.

The Group's total borrowings comprised US\$ 772.4 million at the end of the third quarter, when excluding the US\$ 55.5 million of debt associated with the SITRONICS-NANO joint venture. This compares to total borrowings of US\$ 745.1 million at the end of the third quarter of 2010 and US\$ 768.1 million at the end of the second quarter of 2011. The Group's weighted average cost of borrowing was 7.6% as at September 30, 2011.

The proportion of long-term debt to total debt decreased to 25% as at September 30, 2011, compared to 43% at the end of the third quarter of 2010. Approximately 43% of the Group debt was Russian ruble-denominated at the end of the period, with 30% denominated in US dollars and 27% in Euros. However, following the refinancing of a US\$230 million credit facility from the Bank of Moscow, the proportion of long-term debt to total debt increased to 53%, and the share of US dollar denominated debt decreased to 16%.

SEGMENTAL REVIEW

SITRONICS Telecommunication Solutions

<i>(US\$ millions)</i>	Q3 2011	Q3 2010	9M 2011	9M 2010
Revenues	133.6	95.2	384.1	335.5
OIBDA	17.3	5.3	31.9	29.8
OIBDA margin	13.0%	5.6%	8.3%	8.9%
Net loss	(0.7)	(6.2)	(12.5)	(16.6)
Total assets	731.2	765.0	731.2	765.0

Revenues for the Telecommunications Solutions segment were up 40% year on year in the third quarter and up 14% for the first nine months of the year, mainly as a result of higher sales of SITRONICS' proprietary FORIS billing solution, and an increase in INTRACOM TELECOM contracts volume outside Greece. The segment more than tripled its OIBDA profitability to US\$ 17.3 million in the third quarter and recorded a 7% year on year increase in OIBDA for the first nine months, with OIBDA margins of 13% and 8% for the respective periods. The increase in profitability was due to the completion of higher margin contracts during the quarter.

Sales of wireless network systems accounted for 19% of segment revenues for the third quarter and 24% for the year to date, whilst sales of telecommunications software, including OSS/BSS solutions, accounted for 20% and 17% of revenues for the respective periods. Outsourcing and

other solutions accounted for 61% of segmental revenues in the third quarter and 59% for the first nine months of the year.

During the quarter, SITRONICS successfully completed:

- Further consolidation of MTS's subscriber base: 9.5 million subscribers in the Ural region were transferred to the FORIS OSS billing system in the Volga Region. The move is a part of MTS's strategy to centralise and optimise its business processes
- The first stage of the modernisation of MTS Ukraine's signalling network. As a result, MTS Ukraine will migrate towards the Next Generation Network to provide service reliability and a high speed data transmission.

The Telecommunications Solutions segment has secured US\$ 51 million of new contracts since the announcement of the Group's second quarter results on September 8, 2011.

In terms of new contracts, SITRONICS also continued to implement its successful FORIS billing solutions. Contracts worked on since the beginning of the third quarter up until today's reporting date, include:

- The signing of an agreement with Vodafone Czech Republic to provide a range of services to further develop and technically support the FORIS OSS billing solution between 2012-2015
- The signing of a number of contracts with MTS to further develop the FORIS OSS billing solution. SITRONICS will provide a range of services to provide further upgrades to MTS's IP-based billing system and Unified Payment System (UPS), as well as to its launch an Internet Assistant and other modules
- The delivery of the FORIS OSS solution to Sistema Shyam TeleServices (MTS India) which will include the migration of first region's subscribers in the fourth quarter of 2011
- The development of a centralised FORIS Fix system, following the signing of several major contracts with MGTS. In the fourth quarter, SITRONICS will migrate MGTS's corporate subscribers to the FORIS Fix system, implement an IP-based billing solution and integrate MGTS's payment system with MTS's UPS and launch an Internet Assistant.

INTRACOM TELECOM signed a contract with Telekom Srbija in September, to supply a Direct TV System for its IPTV platform and Integrated Access Devices (IADs) to provide high quality voice, data and video services across a single broadband connection. The contract will be completed in January 2012.

INTRACOM TELECOM also signed a contract with Albanian Mobile Communications Sh.a, a major telecommunication operator in Albania, in October, to provide support services for the existing pre-paid platform until the end of 2011.

INTRACOM TELECOM launched a new radio-relay product OmniBAS-XR in November, which is the latest external radio addition to the OmniBAS packet MW point-to-point family of products which has a full outdoor deployment capability. OmniBAS-XR is a state-of-the-art all outdoor IP-based solution that provides a high spectral density and bandwidth communication/transmission tool with advanced functionality that enables it to manage and

control traffic. The device was launched at the 14th international exhibition AfricaCom in Cape Town, South Africa.

SITRONICS India signed a memorandum of understanding with Tech Mahindra, an Indian telecommunication company, in October. As part of the agreement, Tech Mahindra will promote SITRONICS' OSS/BSS solutions in India, which will help SITRONICS to expand its business and promote products in the Indian market by using their expertise and resources.

SITRONICS also developed the first scanning lens antenna of its kind for radio-relay stations as part of its R&D initiatives. Unlike existing antennas, which require their radio-relay stations to be manually configured in case of beam deflection above certain thresholds, an electronically beam-steerable antenna now enables radio-relay stations to automatically and independently tune to each other in real-time within a 4 degrees range. As part of the project, SITRONICS filed two international patent applications for the antenna through the Patent Cooperation Treaty.

SITRONICS Information Technologies

<i>(US\$ millions)</i>	Q3 2011	Q3 2010 [†]	9M 2011	9M 2010 [‡]
Revenues	92.3	48.6	279.1	147.3
OIBDA	3.1	1.2	5.5	6.4
OIBDA margin	3.3%	2.5%	2.0%	4.3%
Net income/ (loss)	1.8	0.5	(0.1)	(0.7)
Total assets	362.5	263.0	362.5	263.0

Revenues for the Information Technologies segment were up 90% year on year in the third quarter and for the first nine months of 2011, following higher than anticipated sales of hardware equipment. The segment therefore almost tripled its OIBDA profitability to US\$ 3.1 million in the third quarter but reported a 14% decline in OIBDA for the year to date, with OIBDA margins of 3.3% and 2.0% for the two respective periods. This was due to increased spending on sales and marketing activity to strengthen the Company's market positions and prepare its

[†] The SITRONICS Information Technologies segment includes the financial results of the SITRONICS BASHKORTOSTAN subsidiary, which is a specialized systems integrator, with effect from the beginning of 2011. Historic data for prior periods has been restated to facilitate year on year comparisons. SITRONICS BASHKORTOSTAN's financial results were previously included in the 'Other' segment.

entrance into new market segments. The increase in head count of SITRONICS-Bashkortostan to assist with the execution of new projects, along with a higher proportion of lower margin hardware sales across the business segment, contributed to the decrease.

SITRONICS Information Technologies is one of the leading IT companies in Russia and the CIS. IT Infrastructure and System Integration sales accounted for 29% of segment revenues for the third quarter and 28% of nine months revenues, while sales of Telecommunications Integration solutions contributed 34% and 37% towards Group revenues for the respective periods. Sales of Business Consulting Services and IT Outsourcing represented 37% of revenues in the third quarter and 35% for the year to date.

During the quarter and after the reporting period, SITRONICS successfully completed the implementation of a number of projects based on Oracle solutions, which included:

- The integration of the Oracle FLEXCUBE Core Banking System solution with other major systems, using service-oriented architecture, at OTP Bank in Ukraine to facilitate its business processes. This is the first implementation of the Oracle FLEXCUBE System in Ukraine
- The completion of the first stage of a large-scale project to automate the budgeting processes of the grain division of Razgulay Group, the biggest agro-industrial holding in Russia, using the Oracle Hyperion solution. This will be followed by the same procedures launched for the Group's sugar division, its trading house and the holding company and the integration of these systems with the client's accounting system. This is the first time SITRONICS implemented such a solution in the agricultural sector
- The implementation of an Oracle Hyperion Essbase budgeting system solution for Leroy Merlin's retail network by integrating more than 25 of the Company's shops and 180 departments in ten cities across Russia. The system optimizes resource-intensive budgeting processes.
- SITRONICS installed in December a system to support a search and rescue system for BELAERONAVIGATSIA, a Republican Unitary Air Navigation Services Enterprise in the Republic of Belarus. As part of the project, SITRONICS developed a mathematical model to track emergencies and provide information on the nearest communications hotspots to facilitate the Ministry of Emergency Situation's emergency work.
- SITRONICS launched the multi-media information education system (MIEE) in schools in Makhachkala in the Republic of Dagestan and the Volgograd Region, as part of the 'Virtual School' national educational project which is sponsored by Sberbank. SITRONICS also donated the equipment for the Universal Interactive Office, a mobile computer complex, and implemented it for the Children with Special Needs Development Centre of the Markhamat Educational Charity Foundation in the Republic of Bashkortostan.

The segment's businesses have secured US\$ 91 million of new contracts since the announcement of the Group's second quarter financial results on September 8, 2011.

SITRONICS launched a project in October to build a geo-clustering private cloud for MGTS in order to improve the reliability and availability of MGTS's internal IT resources and other crucial services, such as billing. The cloud solution will also enable the migration MGTS's services to a new platform with minimum interruption to their work. The project is expected to be completed in early 2012.

SITRONICS signed a contract with VTB Bank in Ukraine to provide support services for the Oracle Hyperion-based Planning and Budgeting system, which was implemented in November 2010. SITRONICS specialists will update the metadata structure, monitor the system's performance, develop new business rules when existing ones cannot be optimised and upgrade and manage users' access rights and system interface.

SITRONICS signed a contract in September to implement automatic process control and management systems for Bashneft-Polyus at the Trebs and Titov oilfields. The project encompasses the systems' designs, equipment delivery and their installation at the facilities, as well as the installation of the required software. The project will be implemented between 2011-2013.

SITRONICS-Bashkortostan completed the implementation of a pilot Manufacturing Execution System (MES) for Ufaneftekhim's hydrocracking complex in May 2011. In August 2011, it signed a contract to replicate the same solution across all divisions of Uralneftekhim, which is expected to be completed by the end of the first quarter of 2012.

SITRONICS Microelectronics

<i>(US\$ millions)</i>	Q3 2011	Q3 2010	9M 2011	9M 2010
Revenues	74.9	73.5	235.2	179.4
OIBDA	9.1	14.7	23.1	29.1
OIBDA margin	12.2%	20.0%	9.8%	16.2%
Net loss	(7.5)	(2.3)	(25.2)	(23.8)
Total assets	729.0	748.1	729.0	748.1

The Microelectronics segment's revenues were up 2% year on year in the third quarter and up 31% for the first nine months of 2011 as a result of an increased seasonal weighting of sales to the first half of the year. The segment reported a year on year decline in OIBDA profitability

due to an increase in investment in the Group's joint venture project with state corporation RUSNANO to establish a domestic full scale 90 nanometer microchip manufacturing capability.

SITRONICS Microelectronics is the leading microelectronics company in Russia. 28% of the segment's third quarter and 27% of its nine month revenue were generated from the sale of integrated circuits, while 32% and 28% of revenues were generated from the sale of RFID products for the two respective periods. Smart card sales contributed 31% of the segment's revenues in the third quarter and 37% of revenues for the year to date, while commissioned R&D projects accounted for 9% and 8% of revenues for the two respective periods.

The segment's businesses have secured US\$ 95 million of new contracts since the announcement of the Group's second quarter financial results on September 8, 2011.

As part of an agreement with LUKOIL and MTS, SITRONICS launched a mobile phone service that enables MTS subscribers to use their mobiles to make payments at LUKOIL gas stations using NFC-enabled SIM cards, antennas and automated readers.

SITRONICS signed a new contract to supply SIM cards to MTS-Uzbekistan in October, which increased its supply volume to MTS by 8%.

SITRONICS also signed an agreement with Rosa Khutor, a ski resort based in Krasnaya Polyana in Sochi, in November to supply RFID enabled ski passes. The first 50,000 ski passes will be delivered to the client in December 2011. Also in November 2011, SITRONICS commenced deliveries of RFID tickets for Central PPK, a suburban rail operator in Moscow and the Moscow Region.

The Group's joint project with state corporation RUSNANO to establish a full scale domestic 90 nanometer microchip manufacturing capability is proceeding according to plan. SITRONICS expanded the clean room facilities area to 3,500 square metres, and all configuration and installation work at the site is now finished. Production of the microchip will commence at the end of the year as previously announced.

OTHER INFORMATION

Conference call

SITRONICS management will host a conference call today at 5.30 PM Moscow local time, 1.30 PM London local time and 8.30 AM New York local time to present and discuss these results. Participants may dial the following numbers in order to access the call:

UK/ International: + 44 20 7190 1595
US: +1 480 629 9771

A replay facility will be made available for 7 days after the call. To access the replay, please dial:

UK/ International: +44 207 154 2833
US: +1 303 590 3030

The replay access pin code is 4487809#

For further information, please visit www.sitronics.com or contact:

Irina Lanina
Vice President, Corporate Communications
Tel: +7 495 225 0030
lanina@sitronics.com

Olga Ovchinnikova
Investor Relations Director
Tel: +7 495 225 0030
ir@sitronics.com

SITRONICS is a leading provider of telecommunication solutions, including software, equipment and systems integration, IT solutions and microelectronic solutions in Russia and the Commonwealth of Independent States with a strong presence in Central and Eastern Europe and a growing presence in the Middle East and Africa.

SITRONICS serves over 3,500 clients, maintains offices in 30 countries and exports its products and services to more than 60 countries.

SITRONICS' key Telecommunication Solutions operations are based in Moscow (Russia), Prague (Czech Republic) and Athens (Greece), while the company's IT Solutions and Microelectronics divisions are based in Kiev (Ukraine) and Zelenograd (Russia), respectively.

SITRONICS generated revenues of US\$ 926.7 million in the first nine months of 2011 and had US\$ 1,857.2 million of assets at the end of the first nine months of the year. SITRONICS is majority owned by OJSC RTI, which is the subsidiary of Sistema, the largest public diversified corporation in Russia and the CIS.

Some of the information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of SITRONICS. You can identify forward-looking statements by terms such as "expect," "believe," "anticipate," "estimate," "intend," "will," "could," "may" or "might" the negative of such terms or other expressions. These statements are only predictions and actual events or results may differ materially. We do not intend to or undertake any

obligation to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, general economic conditions, our competitive environment, risks associated with operating in Russia, rapid technological and market change in our industries, and other factors specifically related to SITRONICS and its operations.

JSC SITRONICS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED) FOR THE THIRD QUARTER 2011 AND THIRD QUARTER 2010 (Amounts in thousands of U.S. dollars)

	<u>3Q 2011</u>	<u>3Q 2010</u>
Revenues	\$ 316,401	\$ 223,595
Cost of sales exclusive of depreciation and amortization shown separately below	(246,527)	(169,916)
Research and development expenses	(5,795)	(3,884)
Selling, general and administrative expenses	(37,039)	(32,709)
Depreciation and amortization	(21,811)	(14,994)
Impairment losses and reserves	(2,681)	(624)
Other operating (loss)\income, net	(32)	1,015
OPERATING PROFIT	<u>2,516</u>	<u>2,483</u>
Interest income	1,874	523
Interest expense	(20,293)	(21,322)
Foreign currency transactions losses	(26,078)	(1,667)
Equity in net loss of investees	(803)	(313)
Other non-operating (losses)\gains	(1,769)	9
Loss from continuing operations before income tax	<u>(44,553)</u>	<u>(20,287)</u>
Income tax benefit	3,580	5,722
NET LOSS	<u>\$ (40,973)</u>	<u>\$ (14,565)</u>
Less: net loss attributable to the noncontrolling interests	<u>2,085</u>	<u>5,174</u>
NET LOSS ATTRIBUTABLE TO SITRONICS	<u>\$ (38,888)</u>	<u>\$ (9,391)</u>

JSC SITRONICS AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF OPERATIONS (INCLUDING EARNINGS PER SHARE)
(UNAUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010**
(Amounts in thousands of U.S. dollars, unless otherwise indicated)

	Nine months ended September 30,	
	2011	2010
Revenues	\$ 926,688	\$ 682,460
Cost of sales exclusive of depreciation and amortization shown separately below	(736,269)	(501,697)
Research and development expenses	(19,697)	(15,949)
Selling, general and administrative expenses	(123,801)	(109,258)
Depreciation and amortization	(65,474)	(70,636)
Impairment losses and reserves	(8,259)	(9,035)
Other operating income, net	2,534	4,296
OPERATING LOSS	(24,278)	(19,819)
Interest income	6,294	5,159
Interest expense	(56,559)	(61,822)
Foreign currency transactions losses	(14,913)	(1,775)
Equity in net loss of investees	(1,162)	(54)
Other non-operating (losses)\gains	(1,761)	9
Loss from continuing operations before income tax	(92,379)	(78,302)
Income tax benefit	5,689	1,906
NET LOSS	(86,690)	(76,396)
Less: net loss attributable to the noncontrolling interests	13,287	11,576
NET LOSS ATTRIBUTABLE TO SITRONICS	\$ (73,403)	\$ (64,820)
EARNINGS PER SHARE – BASIC AND DILUTED, US cent:		
Net loss	(0.86)	(0.75)
Weighted average number of common shares outstanding, basic and diluted:	8,546,997,585	8,637,943,733

Attachment A

Non-GAAP financial measures. This press release includes financial information prepared in accordance with accounting principles generally accepted in the United States of America, or US GAAP, as well as other financial measures referred to as non-GAAP. The non-GAAP financial measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with US GAAP.

Operating Income Before Depreciation and Amortization (OIBDA) and OIBDA margin. OIBDA represents operating income before depreciation and amortization. OIBDA margin is defined as OIBDA as a percentage of our net revenues. Our OIBDA may not be similar to OIBDA measures of other companies; is not a measurement under accounting principles generally accepted in the United States and should be considered in addition to, but not as a substitute for, the information contained in our consolidated statement of operations. While depreciation and amortization are considered operating costs under generally accepted accounting principles, these expenses primarily represent the non-cash current period allocation of costs associated with long-lived assets acquired or constructed in prior periods. Adjusted OIBDA is defined as operating income before depreciation and amortization net of impairment losses and reserves. OIBDA can be reconciled to our consolidated statements of operations as follows:

<i>(US\$ 000 's)</i>	Q3 2011	Q3 2010	9M 2011	9M 2010
Operating Income / (Loss)	2,516	2,483	(24,278)	(19,819)
Depreciation and Amortization	(21,811)	(14,994)	(65,474)	(70,636)
OIBDA	24,327	17,477	41,196	50,817