



Private Equity Consortium Acquires GTS Central Europe

BUDAPEST, Hungary – May 6, 2008 – GTS Central Europe (GTS CE), a subsidiary of Group Menatep Limited (GML), has sold 100 percent of the shares in GTS CE to a consortium of private equity funds, including Columbia Capital, M/C Venture Partners, Innova Capital, HarbourVest Partners, Oak Investment Partners and Bessemer Venture Partners (the Consortium).

GTS CE is an alternative telecom service operator with operations principally in the Czech Republic, Poland, Hungary, Romania and Slovakia. The company focuses on the business and wholesale customer segments. GTS CE also operates in the Ukraine, Latvia, Slovenia, Bulgaria, Croatia and Serbia. GTS CE achieved approximately EUR 400m of revenues and EUR 70m of EBITDA in 2007.

The Consortium is a group of private equity investors led by Columbia Capital and M/C Venture Partners, both US-based investors with extensive experience in the communications and technology-enabled services sectors, and Innova Capital, a leading private equity group focused on Central Europe.

In conjunction with the transaction, Adam Sawicki joins GTS CE as CEO from TeliaSonera International Carrier, where he served as vice president and head of West Europe and North America.

KBC Securities acted as a sole financial advisor to the seller in the transaction, while Squire Sanders & Dempsey LLP acted as legal counsel to the Consortium and Clifford Chance acted as counsel to GML.

"We are proud of GTS CE's successful acquisitions and development and the resulting value we have created for our shareholders," said Tamás Polgár, former chief executive officer, GTS CE. "We believe that the company is now positioned to most effectively capture the growth of the business communication market and that the new shareholders' telecom experience and capabilities will enhance these developments."

"With its unique combination of cross-border and access networks, GTS CE is one of the most interesting telecommunication operators in Central and Eastern Europe," said Adam Sawicki. "This transaction enables the company to enter into a new phase of development. We strongly believe that combining our broad regional expertise with the

extensive industry and international knowledge our new shareholders bring to the equation will ensure further expansion of GTS CE in the dynamic telecommunications marketplace.”

About GTS CE

GTS CE is a full service provider of integrated telecommunications solutions for those countries of Central and Eastern Europe lying between Frankfurt and Istanbul. GTS CE boasts an extensive regional infrastructure inclusive of a large number of fully integrated national and local metropolitan area networks and collocation facilities. GTS CE continues to deepen its commercial and geographic footprint through organic investment in network and a strategy of regional consolidation. It provides fixed voice, data, IP (Internet Protocol), MPLS and DSL broadband services to business and residential customers, as well as services to other telecoms carriers, mobile operators and providers of content, applications and internet services. GTS CE enjoys network to network interfaces in Vienna, Frankfurt and London with many of the global carriers for both simple and complex data, voice and network solutions. GTS's primary countries of operation are Czech, Poland, Hungary, Slovakia and Romania with considerable further investment in networks and access infrastructure bridging many of the neighbouring countries including but not limited to the Ukraine, Turkey, the Baltic States, Russia, Croatia, Slovenia, Bulgaria, Serbia, Macedonia, Bosnia Herzegovina, Moldova and Montenegro. Most recently GTS CE has established competences in serving many of the Central Asia and Caucus economies including Azerbaijan, Khazakhstan, Georgia, Armenia and Uzbekistan whose many international fiber networks transit Central and Eastern Europe before connection to the many OECD hubs.

About Columbia Capital

Columbia Capital is a venture capital firm specializing in broadband, wireless, media, and enterprise services investing. Since its formation in 1989, Columbia has taken a sector-focused approach to investing, and has funded over 130 companies in the US and select international markets. Columbia's sector focus allows it to create value throughout a company's lifecycle – from early stage investments, to large growth stage financings and special situations. Columbia manages over \$2 billion in committed capital, including its current fund of \$560 million. Representative investments include: ICG Communications, NuVox, FDN, Zayo Bandwidth, XM Satellite Radio, and MetroPCS. For more information, visit Columbia Capital at www.colcap.com.

About M/C Venture Partners

M/C Venture Partners is a venture capital firm focused exclusively on the communications, media, and information technology sectors. The firm has invested over \$1.5 billion into nearly 100 companies in those sectors. Companies M/C has backed include Brooks Fiber, ICG Communications, Lighttower (formerly National Grid Wireless), Melita Cable, MetroPCS, NuVox, Phone Michigan, Revol Wireless, and Zayo Broadband. The firm has strong institutional backing from leading pension funds and endowments as well as a long track record of success. M/C Venture Partners has offices in Boston, San Francisco and London. For more information, visit www.mcventurepartners.com.

About Innova Capital

Innova Capital (www.innovacap.com) is one of the leading private equity firms in Central Europe. Since 1994 Innova has raised four investment funds of total size of approx. EUR 500 million. Innova's strategy is centered on building companies into regional market leaders that can compete with the best in their fields worldwide. Innova funds are primarily invested in financial services, business services (including telecommunication, media and IT) and industrial production. To date, Innova has invested over EUR 300 million in 35 companies across Central Europe, including several leading mobile operators in Romania, Slovakia, Bulgaria and Moldova, PolCard (Poland's dominant transaction processing company), Euronet (independent operator of ATM's, now listed on Nasdaq), Expander (Poland's leading personal finance advisor, with GE as a minority shareholder), Energis (Poland's leading business-to-business telecom operator) or Mercor (CEE leader in fire safety, listed on Warsaw Stock Exchange).