

JOINT VENTURE INVESTMENT – MIDAS TELECOM LLP

Tau Capital plc ("Tau") announces that it, alongside with other shareholders of Digital TV LLP ("DTV"), has entered into a joint venture investment agreement with Midas Telecom LLP, a Kazakh-based investment company. Tau has also signed a sale and purchase agreement with Alem Communications Holding LLP ("Alem Communications") to contribute DTV into Alem Communications in order to jointly manage and develop Alem Communications as part of the investors' strategy to establish an alternative telecom operator in the Republic of Kazakhstan.

The transaction comprises a number of steps and terms, which, among others, include the following key terms:

- DTV and its recently acquired regional subsidiaries in Aktau, Zhanaozen, Taraz, Uralsk, and Aktobe will be sold to Alem Communications for 4.5 billion Kazakh Tenge (KZT) (or \$30 million at prevailing exchange rate of KZT 150 / USD 1) equity value plus all debt obligations of DTV.
- As part of the transaction, DTV shareholders - Tau Cooperatiff SPV, JSC Compass Asset Management and DTV founder Mr. Erzhan Tungushbaev - agreed to contribute proceeds to Alem Communications through an investment vehicle 'DTV Investco LLP' for a combined 49% equity stake in Alem Communications (NB: Tau's resulting indirect economic interest in Alem Communications will be at 27.1%).
- Midas Telecom LLP agreed to contribute 4.7 billion KZT (or \$31 million at prevailing exchange rate), which will consist of cash contributions, Aksoran LLP (a Kazakh company with WiMax wireless licenses in Almaty and Astana) and a commitment to acquire nationwide telecommunications licenses (additional WiMax spectrum and other telecom licenses).
- Upon completion of the transaction, the total charter capital of Alem Communications will be 9.2 billion KZT (or \$61 million at prevailing exchange rates).
- The final capitalization amount of Alem Communications is subject to change awaiting confirmatory due diligence to be completed by Midas Telecom LLP before closing of the transaction. The transaction is expected to close during the second quarter of 2009.
- As part of establishing Alem Communications, shareholders of DTV Investco will appoint three directors while Midas Telecom LLP will appoint four directors to the Board of Directors of Alem Communications. Darius Daubaras and Atul Patel, investment advisers to Tau, were appointed as Directors of Alem Communications. Erzhan Tungushbaev, a founder of DTV, has been appointed as an interim CEO of Alem Communications.

About Digital TV LLP:

DTV is a cable TV operator and internet service provider in the Republic of Kazakhstan. The company has been operating in Kazakhstan for over three years and has operations in Almaty, Aktau, Aktobe, Zhanaozen, Taraz and Uralsk with a combined c. 74,000 active subscribers. DTV is planning to launch its services in Astana and other cities in Kazakhstan during 2009. The company is able to provide triple-play telecommunications services (TV, internet and telephony) in Almaty. DTV has approximately 24% market share (by subscribers) in Almaty and approximately 11% market share (by subscribers) in the Republic of Kazakhstan.

In the fiscal year to 31 December 2007, DTV generated revenues (according to unaudited management accounts) of approximately KZT300 million and a net loss of approximately KZT217 million. In addition, as at 31 March 2008 (according to unaudited management accounts), DTV had total assets of approximately KZT1.6 billion. Note that DTV is currently integrating several recent regional acquisitions, and therefore the latest financial information available (before acquisitions) is as of the first quarter of 2008 and as per the previous press release.

About Aksoran LLP:

Aksoran is a wireless broadband operator with 2.5GHz-2.7GHz wireless spectrum licenses in Almaty and Astana. The company is in the process to acquire additional WiMax spectrum in 16 cities of Kazakhstan. The company provides wireless high-speed internet access and is planning to launch its services during 2009.

Alem Communications LLP:

Alem Communications was established in 2008 with the purpose of merging DTV and Aksoran in order to create a platform for a leading alternative network operator in the Republic in Kazakhstan. Upon closing of investment transaction, as entered by DTV Investco (shareholders of Digital TV) and Midas Telecom LLP, the company will pursue an active strategy of growing its cable and wireless broadband operations by launching new services or acquiring new subscribers as well as pursuing regional acquisitions in Kazakhstan and in Central Asia.

Further information, please contact:

IOMA Fund and Investment Management Ltd
Cynthia Edwards

Tel: +44 (0) 1624 681381

Numis Securities Ltd
Nominated Adviser: Nick Westlake/ Brent Nabbs
Corporate Broking: Alex Ham

Tel: +44 (0) 20 7260 1000