

FOR IMMEDIATE RELEASE

AIG Investments Acquires A 90% Stake in Bulgarian Telecommunications Company

SOFIA, BULGARIA – 17 August 2007 – AIG Investments (through its member company AIG Capital Partners, Inc.) has acquired a 90% stake in Bulgarian Telecommunications Company (“BTC”) from Viva Ventures Holding GmbH (“Viva”) and certain minority shareholders, following the receipt of relevant EU and other regulatory approvals. AIG Investments will launch a tender offer for the remaining BTC shares. BTC is currently listed on the Bulgarian Stock Exchange.

On May 3 2007, Novator and Viva signed an agreement for AIG Investments to acquire Viva’s 65% stake in BTC for an acquisition price of BGN 11.25 (€5.75) per share equaling BGN 2,112 million (€1,080 million) for the 65% stake, including the 2006 dividend of BGN 0.55 (€0.28) per share. This valued the entire equity of BTC at BGN 3,249 million (€1,661 million). Following the payment of the 2006 dividend of BGN 0.55 (€0.28) per share, the price per share is BGN10.70 (€5.47).

Pierre Mellinger, who has overall responsibility for AIG Capital Partners’ private equity activity in Central and Eastern Europe, said, “Based on our experience in the region, our successful investments in Bulgaria and in the telecommunication industry, we are well placed to bring BTC to the next step of its growth. We will be capitalizing on the strong existing platform that has been developed to date to implement our strategy and allow BTC to become one of the most innovative telecoms companies in the region.”

Robert Thompson, Senior Managing Director, Head of Alternative Investments at AIG Investments, said, “AIG Investments is proud to become the largest shareholder in a leading Bulgarian telecommunications company. AIG Investments intends to provide all its experience and skills both from local and international teams to support the growth of the company.”

Thor Björgólfsson, founder of Novator, said, “Novator's involvement with BTC began just ahead of the company's privatization in 2003. Since that time, we have taken the company through a series of structural and managerial developments, as well as driving the company's new product and services offerings. This has resulted in BTC today being a modern and efficient telecoms company. Under the able parentage of AIG Investments, we are in no doubt that BTC will be taken to the next stage on its growth path and will continue to flourish in and lead the competitive Bulgarian market, which from 2007 has the benefit of full EU membership.”

“AIG’s investment in our company is proof that BTC and Vivatel are a success story for the Bulgarian market,” said Martin Staub, CEO of BTC. “From a managerial point of view, AIG Investments’ financial expertise and track record is a positive step forward for the extensive and ambitious investment and growth strategies of the BTC Group. This will further reinforce the company’s position as a leader in providing telecommunications services to households and businesses”, he added.

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About BTC

BTC provides a full range of telecommunication services, including voice, data, Internet, leased line, TV and radio broadcasting and transmission, payphone as well as value added services. BTC owns the third mobile operator in Bulgaria (Vivatel), one of the countries largest ISPs and is the principal provider of satellite communications. BTC has undergone a significant transition in the past three years and is a competitive full-service telecom company offering solutions based on latest technology to Bulgaria's people and businesses.

About AIG Investments

AIG Investments is a global leader in asset management with extensive capabilities in equity, fixed income, hedge, private equity and real estate investments. Member companies of AIG Investments manage more than US \$711 billion in assets and employ over 2,000 professionals in 44 offices around the world as of June 30, 2007. AIG Investments is the asset management arm of American International Group, Inc. (NYSE:AIG). As a member company of AIG Investments, AIG Capital Partners is a leading private equity investor in emerging markets, and together with its emerging markets affiliates, employs 100 investment professionals located in 19 offices worldwide.

About Novator

Novator is a London-based permanent capital investment firm founded by Thor Björgólfsson. Novator takes majority or minority holdings in listed companies and through board representations delivers changes for improved operations and efficiency and greater value for shareholders. Novator's international investment portfolio is today focused around three main sectors: Telecommunications, Pharmaceuticals and Financial Services. In addition, on the back of its substantial experience from many private equity situations, Novator launched a Special Situations Fund in 2004 and also formed a Credit Opportunities Fund in 2006. Novator has over €7 billion of assets under management. The principals of Novator have over 15 years' experience in Central and Eastern European businesses.

AIG Investments was advised by UBS as well as Allen & Overy, LLC, Penkov, Markov & Partners and Spasov & Bratanov Lawyers' Partnership (as local legal counsel) and Raiffeisen Investment Bulgaria (as local financial advisor). Viva Ventures Holding and Novator were advised by Lehman Brothers as well as Linklaters and Djingov, Gouginski, Kyutchukov & Velichkov (as local legal counsel).

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