

**FOR IMMEDIATE RELEASE**

**AIG GLOBAL INVESTMENT GROUP SIGNS AN AGREEMENT WITH NOVATOR AND VIVA FOR THE PURCHASE OF VIVA'S 65% STAKE IN BULGARIAN TELECOMMUNICATIONS COMPANY**

SOFIA, BULGARIA – 3 May 2007 – Novator and Viva Ventures GmbH (“Viva”) have today signed an agreement with AIG Global Investment Group (“AIGGIG”) (through its member company AIG Capital Partners, Inc.) for AIGGIG to acquire Viva’s 65% stake in the Bulgarian Telecommunications Company AD (“BTC”), the former state-owned telecommunications company. Furthermore, AIGGIG is expected to secure shortly an additional 25% of the shares in BTC as part of this transaction. BTC is currently listed on the Bulgarian Stock Exchange.

The 65% stake in BTC is currently owned by Viva and Novator has the option to buy all the shares in Viva. The transfer of shares in BTC to AIGGIG will take place on or after 11<sup>th</sup> June 2007 when restrictions, defined in the privatization agreement from 2004 regarding Viva’s sale of shares in BTC, have been lifted. The transaction is subject to certain conditions, including the approval of regulatory and competition authorities. After closing of the acquisition and in compliance with Bulgarian legislation, AIGGIG will launch a tender offer for the remaining BTC shares.

The acquisition price is BGN11.25 (€5.75) per share which equals BGN2,112 million (€1,080 million) for the 65% stake, which includes the recently proposed dividend of BGN0.55 (€0.28) per share. This would value the entire equity of BTC at BGN3,249 million (€1,661 million). The acquisition is believed to be the largest private M&A transaction in Bulgaria to date.

Pierre Mellinger, who has overall responsibility for AIG Capital Partners’ private equity activity in Central and Eastern Europe, said: “We are attracted by the growth prospects, nationwide footprint, strong management team and considerable diversification opportunities that BTC provides. The acquisition of BTC fits well into our strategy of investments in this growing region and builds on our extensive previous experience in Bulgaria and the telecom sector. AIGGIG looks forward to supporting BTC in its future development as the country's leading telecommunications provider.”

A portion of the equity commitment will be funded by the AIG New Europe Fund II, L.P., a private equity fund focused on direct investments in Central and Eastern Europe. The investment was led by a dedicated Central and Eastern European team, with offices in Warsaw, Budapest and Bucharest.

Robert Thompson, Senior Managing Director, Head of AIGGIG Alternative Investments, said, “Our execution on this transaction is a prime example of AIGGIG’s ability to combine our extensive local network with our global capabilities and reach.”

Thor Björgólfsson, founder of Novator, said: “We are pleased to be realizing our investment in BTC with which we have been involved since 2003. We have been investors in Bulgarian businesses since 1999 and we intend to continue to invest in Bulgaria with the country’s EU accession further improving the investment environment. Favorable operating conditions in Bulgaria have enabled Novator to execute effectively its investment strategy. Through an extensive investment program which is close to €500 million since privatization and clear managerial objectives, BTC has become a leader in terms of technology, operations and services and has significantly increased competition in the market for the benefit of consumers. I believe now is the right time for a new shareholder to take BTC through to its next phase of development.”

AIGGIG was advised by UBS as well as Allen & Overy and LIC Penkov, Markov & Partners (Legal). Novator was advised by Lehman Brothers as well as Linklaters and Djingov, Gouginski, Kyutchukov & Velichkov (Legal) on the transaction.

BGN/EUR FX = 1.95583

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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. In full year 2006, BTC generated revenues of €516 million and profit before tax of €76 million.

#### **About AIG Global Investment Group**

AIGGIG is a worldwide leader in asset management, with extensive capabilities in equity, fixed income, multi-manager hedge funds, private equity, and real estate. AIGGIG manages more than US \$687 billion in assets, and employs over 2,000 professionals in 44 offices around the world as of March 31, 2007. Total assets under management include approximately US \$579 billion of AIG affiliated assets. AIGGIG comprises a group of international companies which provide investment advice and market asset management products and services to clients around the world. As a member company of AIGGIG, AIG Capital Partners is a leading private equity investor in emerging markets, with 100 investment professionals located in 19 offices worldwide. The member companies of AIGGIG are subsidiaries of American International Group, Inc. (NYSE:AIG).

#### **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.

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