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FOR IMMEDIATE RELEASE

Romania Cable Systems SA (RCS) and Terra Sat Comp SRL (Terra Sat) have reached agreement on combining their businesses within the RCS group of companies: RCS will acquire 100% of Terra Sat for cash and shares, and will thus become the largest provider of cable television and Internet services in Romania.

Terra Sat currently offers cable TV and Internet services in four locations in southwest Romania, notably in Resita, Craiova, Pitesti and Severin. RCS has cable TV operations across the country – including Bucharest, Brasov and Oradea – as well as in Hungary and Slovakia. RCS is also the largest Internet provider in Romania and has recently introduced telephony services on its broadband network.

The enlarged RCS Group will offer its services to a total of over 900,000 customers. The transaction will facilitate large on-going investments by both companies to provide top quality television, Internet and telephony services across high capacity networks. The current owner of Terra Sat, Ilie Stoichescu, will join the RCS board.

RCS was advised in this transaction by European Privatisation and Investment Corporation (EPIC); Terra Sat was advised by Communications Equity Associates (CEA).

For further information, please contact:

CEA Beratungs- und Beteiligungsgesellschaft mbH (Munich)
Daniel G. Rutz
Phone: +49 (89) 2907250
rutz@cea-europe.com

EPIC European Privatization & Investment Corporation (Vienna)
Michael Mullner
Phone: +43 (1) 501190
michael.mullner@epicinvest.com