

PRESS RELEASE

Horizon Capital Invests into Datagroup's Development

August 11, 2010 – Kyiv, Ukraine – Horizon Capital, a leading regional private equity fund manager, announced today that it has made an investment in **Datagroup**, one of Ukraine's top providers of data networks as well as fixed-line, satellite, and wholesale telecommunications services.

“The cooperation between Horizon Capital and Datagroup is not merely a portfolio investment, but rather a strategic partnership,” said **Alexander Kardakov**, chairman of Octava Capital and founder of Datagroup, of the deal. “The whole investment will be directed towards the company's development. This will help Datagroup boost its leading position in the corporate customer segment and grow its market share in retail.”

The parties have agreed that Horizon will invest up to \$40 million in the Company. The capital comes from Horizon's \$390 million Emerging Europe Growth Fund II (EEGF II), which was raised in 2008, being the third investment by Horizon Capital this year.

In the next two years, Datagroup will be working with Horizon Capital to secure additional financing for the Company in the amount of up to \$100 million.

Natalie Jaresko, Co-Managing Partner of Horizon Capital, commented: “The impressive growth of Datagroup to date reflects the vigorous entrepreneurial spirit of its founder and strength of its management. The company boasts a unique proprietary infrastructure that provides a significant competitive advantage in this market. We are pleased to work with their team to build on the company's history of success, to provide strategic guidance, and to implement best business practices”.

Alexander Danchenko, Datagroup CEO, commented, "Our task over the next few years is clear: to become a leader in every one of our focal telecommunication markets. The investment will be directed to the provision and development of promising and profitable services such as broadband and data transfer, which will strengthen us further."

The management team is preserved and will continue to run the Company.

Horizon Capital (www.horizoncapital.com.ua) is a private equity fund manager that originates and manages investments in mid-cap companies with outstanding growth and profit potential in Ukraine, Belarus and the region. Currently, Horizon Capital manages three funds, Emerging Europe Growth Fund II (EEGF II), Emerging Europe Growth Fund (EEGF) and Western NIS Enterprise Fund (WNISEF), with over \$600 million under management.

Datagroup (www.datagroup.ua) is a leading professional data service provider for corporate customers in Ukraine. The Company is also the biggest VSAT satellite operator in Ukraine, CIS and Eastern Europe.

Datagroup net sales without VAT stood at UAH 393.2 million (\$50.4 million) in 2009, and EBITDA was UAH 162 million (\$20.8 million). The total number of subscriber lines increased by 10% in 2009 as compared to 2008 – from 107,808 to 120,441. Trunk line capacity increased by 14 GB/sec in the western and eastern directions. As a result, by the end of 2009, total trunk line capacity in the western and eastern directions was 20 GB/sec and 47 GB/sec, respectively. Today, the total length of intracity fiber optic networks exceeds 3,200 km. Datagroup provides a full range of communication services to its users in 19 cities of Ukraine and has 34 offices throughout the country. Currently, the Company employs more than 1,300 people.

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