

Listed UK Telecom Services Companies

As of June 02, 2008



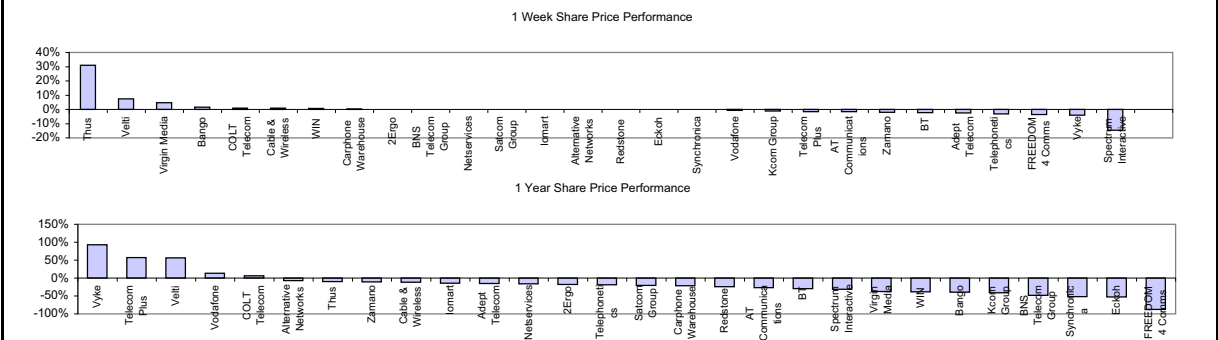
Share price and Valuation Summary

Ticker	Mkt Cap	3 Month Avg Daily			Share price % change			Current year (2008) multiples						
		Traded Val.	% Mkt Cap	Share price	1 week	1 month	1 year	52W High	52W Low	EV/Sales	EV/EBITDA	PER	Div Yld	
2Ergo	RG0-LN	£62m	17,089	0.03%	£2.025	0.0%	14.1%	-17.8%	-10.6%	19.5%	1.4x	11.5x	19.5x	
Adept Telecom	ADT-LN	£8m	9,809	0.12%	£0.395	-2.5%	-11.2%	-15.1%	-56.1%	12.9%	0.4x	3.1x	3.9x	
Alternative Networks	AN-LN	£69m	20,214	0.03%	£1.440	0.0%	-4.0%	-6.8%	-22.4%	0.7%	0.7x	6.5x	9.3x	3.1%
AT Communications	ATCG-LN	£24m	140,344	0.60%	£0.305	-1.6%	-9.0%	-26.5%	-41.9%	10.9%	0.4x	5.2x	4.3x	3.5%
Bango	BGO-LN	£9m	16,164	0.18%	£0.335	1.5%	4.7%	-39.6%	-31.6%	50.6%	0.6x	40.0x	304.5x	
BNS Telecom Group	BTP-LN	£10m	52,754	0.55%	£0.190	0.0%	8.6%	-48.6%	-48.6%	15.2%	0.4x	3.6x	5.1x	5.3%
BT	BT-A-LN	£17,167m	33,675,484	0.20%	£2.220	-2.2%	2.2%	-29.8%	-34.3%	8.3%	1.3x	4.5x	9.2x	7.3%
Cable & Wireless	CW-LN	£4,093m	21,018,855	0.51%	£1.643	0.8%	10.3%	-11.5%	-20.7%	20.9%	1.1x	5.4x	18.7x	5.2%
Carphone Warehouse	CPW-LN	£2,169m	7,393,270	0.34%	£2.373	0.2%	-16.8%	-21.8%	-38.3%	4.5%	0.6x	5.2x	10.1x	2.3%
COLT Telecom	COLT-LN	£1,164m	1,474,334	0.13%	£1.710	0.9%	2.4%	6.2%	-20.5%	23.5%	0.9x	5.2x	31.2x	
Ekoh	ECK-LN	£10m	558,737	5.74%	£0.049	0.0%	-4.9%	-52.4%	-52.4%	5.4%				
Iomart	IOM-LN	£45m	71,762	0.16%	£0.455	0.0%	1.1%	-14.2%	-34.5%	44.4%				
Kcom Group	KCOM-LN	£227m	1,499,439	0.66%	£0.440	-1.1%	1.1%	-40.9%	-46.8%	7.3%	0.7x	5.3x	8.9x	6.7%
Netservices	NSV-LN	£3m	25,328	0.95%	£0.090	0.0%	7.5%	-16.3%	-45.5%	14.3%	0.2x	2.4x	28.1x	
FREEDOM4 Comms	FFC-LN	£17m	34,792,323	204.40%	£0.016	-3.6%	-76.3%	-87.8%	-88.6%	6.0%				
Redstone	RED-LN	£88m	402,257	0.46%	£0.605	0.0%	8.0%	-24.4%	-41.0%	22.2%	0.5x	6.7x	9.3x	
Satcom Group	SGH-LN	£18m	9,692	0.05%	£0.310	0.0%	0.0%	-20.5%	-34.7%	34.8%				
Spectrum Interactive	SIN-LN	£4m	29,528	0.74%	£0.118	-14.5%	-14.5%	-30.9%	-42.0%	30.6%	0.6x	3.2x	5.9x	
Synchronica	SYNC-LN	£8m	314,669	3.80%	£0.056	0.0%	-10.0%	-52.1%	-51.1%	7.1%	1.5x	(3.7x)	(2.5x)	
Telecom Plus	TEP-LN	£218m	87,474	0.04%	£3.300	-1.5%	29.9%	57.1%	-10.3%	145.8%	0.7x	9.1x	15.5x	5.3%
Telephonetics	TPH-LN	£8m	33,607	0.41%	£0.075	-3.2%	-3.2%	-18.9%	-28.6%	7.1%				
Thus	THUS-LN	£276m	521,774	0.19%	£1.510	31.0%	26.9%	-9.4%	-24.9%	41.1%	0.5x	4.7x	37.5x	
Velti	VEL-LN	£65m	53,466	0.08%	£1.955	7.4%	19.2%	56.4%	-20.5%	36.7%	2.6x	7.5x	13.7x	
Virgin Media	VMED-O	£2,604m	5,391,255	0.21%	£7.939	4.7%	12.2%	-37.1%	-46.7%	30.6%	2.0x	6.1x	(10.7x)	1.1%
Vodafone	VOD-LN	£86,207m	176,984,416	0.21%	£1.623	-0.6%	7.5%	13.1%	-17.8%	11.0%	2.8x	7.5x	12.2x	4.9%
Vyke	VYKE-LN	£35m	324,890	0.93%	£0.695	-4.1%	-5.4%	93.1%	-67.1%	63.5%	0.5x	82.2x	257.4x	
WIN	WNN-LN	£14m	26,560	0.19%	£1.390	0.7%	-2.5%	-38.1%	-40.2%	5.7%	0.2x	2.4x	6.4x	2.2%
Zamano	ZMNO-LN	£25m	22,326	0.09%	£0.255	-1.9%	-17.7%	-10.5%	-27.1%	0.5x	4.0x	6.5x		
MEDIAN						0.0%	1.1%	-19.7%	-36.5%	15.2%	0.6x	5.2x	9.3x	4.9%
FTSE 100						-0.6%	-0.6%	-8.3%	-10.1%	11.8%				
FTSE AIM						-0.2%	4.8%	-14.7%	-17.0%	9.6%				
FTSE AllShare						-0.5%	-0.6%	-10.0%	-11.4%	11.0%				

Share price commentary and newsflow

The major story last week was Cable & Wireless' informal offer for Thus, rumoured at 160 pence a share. Thus shares rose 31% to £1.51. At 160 pence, C&W's bid represents 4.8x current year forecast EBITDA, compared with 4.5x for BT and 5.2-5.4x for C&W, COLT and Kcom - a not hugely generous offer. The only other major piece of news flow last week was Vodafone's full year results, which produced no major surprises (the shares were down 0.6%). Highlights included strong growth in global data revenues (40.6%) driven by business email and laptop USB modems, whilst the UK mobile business experienced stronger revenue growth (5.8%) than the European average (2%), but a 15.7% decline in operating profit due to increases particularly in customer acquisition and interconnection.

Share price performance



Companies Ranked by Current Year Multiples

	EV/Sales		EV/EBITDA		PER		Div Yld
Vodafone	2.8x	Vyke	82.2x	COLT Telecom	31.2x	Telecom Plus	5.3%
Velti	2.6x	Bango	40.0x	2Ergo	19.5x	BT	7.3%
Virgin Media	2.0x	2Ergo	11.5x	Thus	37.5x	Kcom Group	6.7%
Synchronica	1.5x	Telecom Plus	9.1x	Spectrum Interactive	5.9x	Cable & Wireless	5.2%
2Ergo	1.4x	Vodafone	7.5x	Cable & Wireless	18.7x	Vodafone	4.9%
BT	1.3x	Redstone	6.7x	Telecom Plus	15.5x	Alternative Networks	3.1%
Cable & Wireless	1.1x	Alternative Networks	6.5x	Vodafone	12.2x	WIN	2.2%
COLT Telecom	0.9x	Virgin Media	6.1x	Bango	304.5x	Carphone Warehouse	2.3%
Kcom Group	0.7x	Kcom Group	5.3x	Kcom Group	8.9x	AT Communications	3.5%
Alternative Networks	0.7x	Carphone Warehouse	5.2x	BT	9.2x	Velti	
Telecom Plus	0.7x	AT Communications	5.2x	Carphone Warehouse	10.1x	Virgin Media	1.1%
Carphone Warehouse	0.6x	Cable & Wireless	5.4x	Redstone	9.3x	Thus	
Spectrum Interactive	0.6x	COLT Telecom	5.2x	Vyke	257.4x	COLT Telecom	
Vyke	0.5x	BT	4.5x	Velti	13.7x		
Bango	0.6x	Zamano	4.0x	Alternative Networks	9.3x		
Redstone	0.5x	Thus	4.7x	Zamano	6.5x		
Zamano	0.5x	BNS Telecom Group	3.6x	WIN	6.4x		
AT Communications	0.4x	Spectrum Interactive	3.2x	Netservices	28.1x		
Thus	0.5x	Adept Telecom	3.1x	AT Communications	4.3x		
Adept Telecom	0.4x	WIN	2.4x	Synchronica	(2.5x)		
BNS Telecom Group	0.4x	Netservices	2.4x	Virgin Media	(10.7x)		
WIN	0.2x	Synchronica	(3.7x)				
Netservices	0.2x						

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Listed UK Telecom Services Companies

As of June 02, 2008



Share price and Valuation Summary

Description	Ticker	Shares (m)	Share price	Mkt cap	Net debt		12 month share price	
					(cash)	Firm Value	High	Low
2Ergo	RGO-LN	30.6	£2.03	£62.0	£9	£53	£2.265	£1.695
Adept Telecom	ADT-LN	21.1	£0.40	£8.3	£4	£12	£0.900	£0.350
Alternative Networks	AN-LN	47.6	£1.44	£68.6	£2	£67	£1.855	£1.430
AT Communications	ATCG-LN	77.1	£0.31	£23.5	£20	£43	£0.525	£0.275
Bango	BGO-LN	26.9	£0.34	£9.0	£2	£7	£0.490	£0.223
BNS Telecom Group	BTP-LN	50.1	£0.19	£9.5	£3	£12	£0.370	£0.165
BT	BT-LN	7,733.0	£2.22	£17,167.3	£9,390	£26,557	£3.380	£2.050
Cable & Wireless	CW-LN	2,491.3	£1.64	£4,093.2	£299	£3,794	£2.071	£1.359
Carphone Warehouse	CPW-LN	914.1	£2.37	£2,168.7	£763	£2,932	£3.843	£2.270
COLT Telecom	COLT-LN	680.5	£1.71	£1,163.6	£39	£1,203	£2.150	£1.385
Eekoh	ECK-LN	199.8	£0.05	£9.7	£6	£4	£0.103	£0.046
Iomart	IOM-LN	99.4	£0.46	£45.2	£1	£46	£0.695	£0.315
Kcom Group	KCOM-LN	516.4	£0.44	£227.2	£173	£400	£0.828	£0.410
Netservices	NSV-LN	29.6	£0.09	£2.7	£1	£1	£0.165	£0.079
FREEDOM4 Comms (Pipex)	FFC-LN	1,070.5	£0.02	£17.0	£98	£115	£0.140	£0.015
Redstone	RED-LN	144.7	£0.61	£87.5	£21	£108	£1.025	£0.495
Satcom Group	SGH-LN	59.6	£0.31	£18.5	£4	£22	£0.475	£0.230
Spectrum Interactive	SIN-LN	33.9	£0.12	£4.0	£6	£10	£0.203	£0.090
Synchronica	SYNC-LN	147.1	£0.06	£8.3	£2	£6	£0.115	£0.053
Telecom Plus	TEP-LN	66.2	£3.30	£218.3	£37	£181	£3.680	£1.343
Telephonetics	TPH-LN	109.0	£0.08	£8.2	£4	£4	£0.105	£0.070
Thus	THUS-LN	183.0	£1.51	£276.4	£37	£314	£2.010	£1.070
Velti	VEL-LN	33.0	£1.96	£64.6	£2	£63	£2.460	£1.430
Virgin Media	VMED-O	328.0	£7.94	£2,604.2	£5,726	£8,331	£15.147	£6.039
Vodafone	VOD-LN	53,132.1	£1.62	£86,206.8	£23,079	£109,286	£1.975	£1.462
Vyke	VYKE-LN	50.4	£0.70	£35.1	£2	£37	£2.110	£0.425
WIN	WNN-LN	10.1	£1.39	£14.0	£4	£10	£2.325	£1.315
Zamano	ZMNO-LN	80.8	£0.32	£25.5	£5	£20	£0.415	£0.245

Valuation multiples

	Firm Value/Sales				Firm Value/EBITDA				Price Earnings Ratio				Dividend yield			
	2007	2008	2009	2010	2007	2008	2009	2010	2007	2008	2009	2010	2007	2008	2009	2010
2Ergo	1.6x	1.4x	1.3x	1.1x	15.2x	11.5x	9.1x	7.6x	23.4x	19.5x	15.8x	14.6x				
Adept Telecom	0.5x	0.4x	0.4x		3.7x	3.1x	3.1x		4.5x	3.9x						
Alternative Networks	0.9x	0.7x	0.7x	0.7x	7.7x	6.5x	5.7x	5.6x	11.1x	9.3x	8.1x	8.0x	2.3%	3.1%	3.8%	3.7%
AT Communications	0.5x	0.4x	0.4x	0.4x	7.0x	5.2x	4.7x	4.5x	8.7x	4.3x	3.8x	3.9x	3.3%	3.5%	3.8%	3.3%
Bango	0.8x	0.6x	0.4x		(6.4x)	40.0x	6.8x		(7.3x)	304.5x	10.0x					
BNS Telecom Group	0.4x	0.4x			(8.6x)	3.6x			(2.7x)	5.1x				5.3%		
BT	1.3x	1.3x	1.3x	1.2x	4.6x	4.5x	4.5x	4.4x	10.3x	9.2x	8.8x	8.5x	7.1%	7.3%	7.6%	7.9%
Cable & Wireless	1.2x	1.1x	1.1x	1.1x	6.3x	5.4x	4.8x	4.5x	24.2x	18.7x	14.0x	10.6x	4.6%	5.2%	5.8%	6.1%
Carphone Warehouse	0.6x	0.6x	0.6x	0.5x	6.3x	5.2x	4.7x	4.0x	12.6x	10.1x	8.7x	7.4x	1.8%	2.3%	2.9%	3.5%
COLT Telecom	1.0x	0.9x	0.9x	0.9x	5.8x	5.2x	4.9x	4.6x	38.8x	31.2x	22.2x	15.9x				0.7%
Eekoh																
Iomart																
Kcom Group	0.8x	0.7x	0.7x	0.7x	6.1x	5.3x	5.0x	4.9x	12.1x	8.9x	8.5x	8.5x	6.4%	6.7%	7.2%	7.4%
Netservices	0.1x	0.2x	0.1x	0.1x	6.4x	2.4x	1.5x	1.0x	(4.6x)	28.1x	5.4x	2.7x				
FREEDOM4 Comms (Pipex)	0.4x				11.1x				(2.1x)							
Redstone	0.6x	0.5x	0.5x	0.5x	7.8x	6.7x	6.3x	5.9x	11.0x	9.3x	8.7x	8.0x				
Satcom Group	0.7x				7.5x				11.5x				0.8%			
Spectrum Interactive	0.5x	0.6x	0.6x		(4.9x)	3.2x	3.0x		(0.8x)	5.9x	11.8x					
Synchronica	2.6x	1.5x	0.9x		(2.1x)	(3.7x)	10.1x		(1.3x)	(2.5x)	9.5x					
Telecom Plus	1.0x	0.7x	0.7x		11.1x	9.1x	8.0x		18.6x	15.5x	13.3x	11.8x	4.2%	5.3%	6.7%	7.3%
Telephonetics	0.4x				6.8x				(9.3x)							
Thus	0.5x	0.5x	0.5x	0.5x	4.9x	4.7x	4.0x	3.6x	(44.4x)	37.5x	19.2x	13.3x				0.7%
Velti	4.6x	2.6x	2.0x	1.6x	12.5x				23.1x	13.7x	9.5x	7.8x			1.6%	2.0%
Virgin Media	2.0x	2.0x	2.0x	1.9x	6.5x	6.1x	6.0x	6.0x	(5.6x)	(10.7x)	(27.9x)	35.6x	0.7%	1.1%	1.2%	1.3%
Vodafone		2.8x	2.6x	2.5x		7.5x	7.2x	6.8x		12.2x	11.2x	9.8x		4.9%	5.2%	6.1%
Vyke	1.5x	0.5x	0.3x	0.2x	(16.8x)	82.2x	4.7x	2.1x	(15.2x)	257.4x	7.7x					
WIN	0.3x	0.2x	0.2x	0.2x	3.5x	2.4x	2.0x	1.9x	12.3x	6.4x	5.5x	6.2x	1.4%	2.2%	2.7%	3.6%
Zamano	1.1x	0.5x	0.4x	0.4x	7.2x	4.0x	3.2x	2.8x	11.3x	6.5x	5.8x	4.8x				
MEDIAN	0.8x	0.6x	0.6x	0.7x	6.3x	5.2x	4.8x	4.5x	10.3x	9.3x	8.8x	8.5x	2.8%	4.9%	3.8%	3.6%

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Listed UK Telecom Services Companies



As of June 02, 2008

CITY CAPITAL CORPORATION LIMITED

Sales, EBITDA and Net Income forecasts

	Year end	Sales (m)					EBITDA (m)					Net Income (m)				
		2006	2007	2008	2009	2010	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
2Ergo	31-Aug	£29.5	£33.3	£36.8	£42.3	£46.9	£3.0	£3.5	£4.6	£5.8	£7.0	£2.0	£2.4	£3.3	£4.4	£5.5
Adept Telecom	31-Mar	£18.8	£23.5	£29.5	£30.7		£2.5	£3.2	£3.9	£3.8		£0.3			£0.5	
Alternative Networks	30-Sep	£66.0	£72.1	£93.5	£100.6	£101.5	£6.4	£8.7	£10.3	£11.8	£11.8	£4.1	£5.8	£6.0	£6.9	£7.6
AT Communications	31-Dec	£54.2	£88.4	£99.2	£105.9	£110.5	£5.5	£6.2	£8.4	£9.2	£9.5	£2.2	£2.4	£4.1	£4.3	£4.8
Bango	31-Mar	£10.4	£9.4	£12.9	£16.3		£-3.1	£-1.1	£0.2	£1.1		£-3.3	£-1.3	£-0.1	£0.9	
BNS Telecom Group	31-Jul	£25.8	£34.9	£35.0			£1.7	£-1.4	£3.4			£0.4	£-3.5			
BT	31-Mar	£20,223	£20,704	£20,916	£21,131	£21,397	£6,117	£5,739	£5,876	£5,965	£6,028	£2,850	£1,737	£1,860	£1,881	£1,939
Cable & Wireless	31-Mar	£3,348	£3,152	£3,321	£3,428	£3,468	£613	£604	£700	£798	£850	£174	£164	£206	£291	£383
Carphone Warehouse	31-Mar	£3,991	£4,569	£4,880	£5,110	£5,342	£289	£464	£559	£622	£733	£67	£172	£227	£260	£318
COLT Telecom	31-Dec	£1,213.4	£1,234	£1,313	£1,317	£1,326	£181.0	£207	£233	£246	£262	£-12.7	£29	£37	£47	£72
Eckoh	31-Mar	£103.4					£10.1					£8.4				
Iomart	31-Mar	£21.1					£1.3					£2.2				
Kcom Group	31-Mar	£483	£517	£535	£551	£569	£62	£66	£75	£80	£82	£24	£19	£21	£25	£26
Netservices	31-Aug	£16.2	£12.6	£7.8	£10.0	£12.0	£-2.3	£0.2	£0.6	£0.9	£1.4	£-2.9	£-0.6			
FREEDOM4 Comms (Pipe)	31-Dec	£294.4	£283.1				£19.4	£10.4				£-17.8	£-18.1			
Redstone	31-Mar	£113.0	£187.0	£201.3	£207.0	£206.4	£4	£13.8	£16.1	£17.1	£18.2	£-22.5	£0.4	£3.5	£5.8	£4.9
Satcom Group	30-Jun	£29.0	£29.8				£2.3	£3.0				£1.1	£1.5			
Spectrum Interactive	30-Jun	£18.1	£17.9	£17.0	£15.0		£3.8	£-1.9	£3.0	£3.2		£1.3	£-4.7			
Synchronica	31-Dec	£1.1	£2.3	£3.9	£6.5		£-6.7	£-2.8	£-1.6	£0.6		£-6.7	£-3.0			
Telecom Plus	31-Mar	£176.1	£186.5	£245.9	£263.9		£11.7	£16.3	£20.0	£22.6		£8.6	£12.0	£16.7	£18.2	
Telephonetics	30-Nov	£6.5	£9.7				£0.5	£0.6				£-0.2	£-0.9			
Thus	31-Mar	£533	£576	£596	£623	£641	£43	£64	£67	£78	£86	£55	£-6	£6	£15	£23
Velti	31-Dec	£7.4	£13.7	£24.3	£31.6	£39.5	£3.0	£5.1				£1.5	£2.5	£4.4	£6.7	£7.9
Virgin Media	31-Dec	£3,602	£4,074	£4,110	£4,213	£4,310	£969	£1,291	£1,355	£1,382	£1,390	£-509	£-464	£-238	£-131	£80
Vodafone	31-Mar	£31,104		£39,408	£41,486	£43,662	£990		£14,511	£15,136	£16,075	£-4,932		£7,233	£7,781	£8,522
Vyke	31-Dec	£10	£25.1	£71.5	£125.9	£194.7	£-3	£-2.2	£0.5	£8.0	£17.3	£-4	£-2.6	£0.2	£6.0	£11.1
WIN	31-Dec	£38.2	£39.2	£45.0	£50.3	£49.6	£2.6	£2.9	£4.3	£5.0	£5.3	£1.4	£1.1	£1.7	£2.1	£2.4
Zamano	31-Dec	£9.0	£18.2	£42.5	£48.7	£54.6	£1.7	£2.9	£5.2	£6.4	£7.3	£1.3	£1.9	£2.8	£3.8	£4.1

EPS, DPS and Free Cashflow forecasts

	Earnings per Share					Dividend per Share					Free cashflow (m)				
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010
2Ergo	6.1p	8.6p	10.4p	12.8p	13.9p	-	-	-	-	-	£3.5	£3.3			
Adept Telecom	1.2p	8.8p	10.2p			-	-	-	-	-	£0.4				
Alternative Networks	9.5p	13.0p	15.6p	17.8p	18.0p	2.6p	3.3p	4.5p	5.5p	5.4p	£6.7	£5.2	£4.7	£7.1	
AT Communications	3.9p	3.5p	7.1p	7.9p	7.8p	1.0p	1.0p	1.1p	1.2p	1.0p	£3.2				
Bango	(12.4p)	(4.6p)	0.1p	3.4p		-	-	-	-	-	£-3.0	£-1.2	£-0.1	£0.7	
BNS Telecom Group	0.9p	(7.0p)	3.7p			0.5p	-	1.0p			£-2.5	£-3.1			
BT	34.4p	21.5p	24.0p	25.1p	26.2p	15.1p	15.8p	16.3p	16.9p	17.6p	£214				
Cable & Wireless	7.5p	6.8p	8.8p	11.8p	15.5p	5.9p	7.5p	8.5p	9.5p	10.1p	£-157				
Carphone Warehouse	7.5p	18.9p	23.6p	27.1p	32.0p	3.3p	4.3p	5.5p	6.8p	8.2p	£38				
COLT Telecom	(2.0p)	4.4p	5.5p	7.7p	10.8p	-	-	-	-	1.2p	£11.3	£26.8			
Eckoh	0.5p					-	-	-	-	-	£1.8				
Iomart	5.2p					3.0p					£-1.2				
Kcom Group	4.7p	3.7p	5.0p	5.2p	5.1p	2.0p	2.8p	3.0p	3.2p	3.3p	£17				
Netservices	(11.7p)	(1.9p)	0.3p	1.7p	3.3p	-	-	-	-	-	£-4.0	£0.1	£0.1	£0.1	£0.1
FREEDOM4 Comms (Pipex)	(0.8p)	(0.8p)				-	-	-	-	-	£7.7				
Redstone	0.1p	5.5p	6.5p	7.0p	7.6p	-	-	-	-	-	£-2.5				
Satcom Group	2.2p	2.7p				0.2p	0.3p				£-1.4	£-0.7			
Spectrum Interactive	3.9p	(14.0p)	2.0p	1.0p		1.8p					£0.8	£1.8			
Synchronica	(18.3p)	(4.4p)	(2.2p)	0.6p		-	-	-	-	-	£-4.5				
Telecom Plus	12.5p	17.7p	21.2p	24.8p	27.9p	8.0p	14.0p	17.5p	22.0p	24.0p	£19.4		£4.4		
Telephonetics	(0.2p)	(0.8p)				-	-	-	-	-	£0.5	£1.1			
Thus	30.3p	(3.4p)	4.0p	7.8p	11.3p	-	-	-	-	1.0p	£-25		£71.5	£70.3	
Velti	5.9p	8.5p	14.3p	20.6p	25.1p	-	-	-	3.2p	3.9p	£-1.5				
Virgin Media	(174.0p)	(142.0p)	(74.2p)	(28.5p)	22.3p	2.4p	5.9p	9.0p	9.5p	10.6p	£232.8	£168.1	£258.1	£276.0	£334.7
Vodafone	(8.9p)	13.3p	14.5p	16.5p		6.8p	7.9p	8.4p	9.9p		£172	£11,848	£12,725		
Vyke	(20.2p)	(4.6p)	0.3p	9.1p		-	-	-	-	-	£-2	£0	£1	£2	
WIN	14.9p	11.3p	21.9p	25.3p	22.6p	-	2.0p	3.0p	3.8p	5.0p	£3.5				
Zamano	2.6p	2.8p	4.9p	5.4p	6.5p	-	-	-	-	-	£1.5				

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Listed UK Telecom Services Companies



As of June 02, 2008

CITY CAPITAL CORPORATION LIMITED

Growth rates and EBITDA Margins

	Sales				EBITDA				Earnings per share				EBITDA Margin			
	2006	2007	2008	2009	2006	2007	2008	2009	2006	2007	2008	2009	2006	2007	2008	2009
2Ergo	28%	13%	10%	15%	78%	17%	32%	26%	115%	42%	20%	23%	10%	10%	13%	14%
Adept Telecom	33%	25%	26%	4%	147%	27%	22%	-2%	114%	657%	16%		13%	14%	13%	12%
Alternative Networks	42%	9%	30%	8%	47%	35%	19%	14%	46%	37%	20%	14%	10%	12%	11%	12%
AT Communications	258%	63%	12%	7%	704%	12%	36%	9%		-10%	103%	12%	10%	7%	8%	9%
Bango	121%	-9%	36%	26%				489%				2945%	-30%	-12%	1%	7%
BNS Telecom Group	31%	35%	0%		-9%				-49%				6%	-4%	10%	
BT	5%	2%	1%	1%	-2%	-6%	2%	2%	61%	-38%	12%	5%	30%	28%	28%	28%
Cable & Wireless	7%	-6%	5%	3%	4%	-1%	16%	14%		-9%	29%	34%	18%	19%	21%	23%
Carphone Warehouse	29%	14%	7%	5%	80%	61%	20%	11%	34%	151%	25%	15%	7%	10%	11%	12%
COLT Telecom	-3%	2%	6%	0%		14%	13%	6%				40%	15%	17%	18%	19%
Eekoh	58%												10%			
Iomart	46%				-52%				18%				6%			
Kcom Group	25%	7%	3%	3%	0%	7%	15%	6%	54%	-22%	36%	4%	13%	13%	14%	15%
Netservices	46%	-22%	-38%	28%			171%	59%				422%	-14%	2%	7%	9%
FREEDOM4 Comms (Pipe)	121%		-4%		35%	-46%							7%	4%		
Redstone	46%	66%	8%	3%		268%	16%	6%		4483%	18%	7%	3%	7%	8%	8%
Satcom Group	12%	3%			46%	26%			21%	24%			8%	10%		
Spectrum Interactive	7%	-2%	-5%	-12%	-10%			7%	-60%			-50%	21%	-11%	18%	21%
Synchronica	-65%	114%	72%	66%									-627%	-125%	-41%	9%
Telecom Plus	33%	6%	32%	7%	6%	39%	23%	13%	7%	42%	20%	17%	7%	9%	8%	9%
Telephonetics	47%	48%				18%							8%	6%		
Thus	3%	8%	3%	4%	101%	47%	6%	16%				95%	8%	11%	11%	13%
Velti	121%	85%	78%	30%	128%	70%			248%	43%	69%	44%	41%	37%		
Virgin Media	85%	13%	1%	3%	46%	33%	5%	2%					27%	32%	33%	33%
Vodafone	-14%			5%	-93%							9%	3%		37%	36%
Vyke	-78%	152%	185%	76%				1667%				3263%	-26%	-9%	1%	6%
WIN	-14%	3%	15%	12%	-22%	10%	48%	16%	-36%	-24%	93%	16%	7%	7%	10%	10%
Zamano	35%	102%	134%	15%	51%	68%	81%	24%	94%	9%	75%	11%	19%	16%	12%	13%
MEDIAN	32%	9%	9%	6%	40%	26%	20%	12%	40%	31%	25%	16%	8%	10%	11%	12%

Newsflow and Forthcoming Events

Cable & Wireless/Thus (28/5/8) - C&W has made an approach to Thus regarding a possible offer. Press reports suggests the offer was 160 pence a share, valuing Thus at £293m equity value and a Firm Value of £325m. The reported bid is equivalent to 4.8x 2008/9 forecast EBITDA, less than th 5.2-5.4x current multiples for C&W itself. COLT and Kcom, suggest scope for an increased offer.

Vodafone (27/5/8) - results for year to 31st March 2008. Top line revenue growth of 14.1% (4.2% organic) to £35.5bn, 10.2% EBITDA growth to £13.2bn, 11% EPS growth and a 11.1% increase in dividend. Data revenues increased 40.6% organically to £2.2bn (6.2% of total revenues) driven by business email and laptop USB modems. The UK performed relatively strongly in revenues terms, with 5.8% organic revenue growth (cf 2% for Europe), based on growth in customers of 8.9%, messaging revenues of 21.4% and data revenues of 29.8%. However, UK operating profit fell 15.7% due to increases particularly in customer acquisition and interconnection.

Date	Company	Event
10/06/2008	Redstone	Preliminary Results for year ended 31 March 2008
10/06/2008	Bango	Preliminary Results for year ended 31 March 2008
12/06/2008	Carphone Warehouse	Preliminary Results for year ended 31 March 2008
23/06/2008	Iomart	Preliminary Results for year ended 31 March 2008
30/06/2008	Vyke	Preliminary Results for year ended 31 December 2007
02/07/2008	Adept Telecom	Preliminary Results for year ended 31 March 2008
01/07/2008	Alternative Networks	Interim results for the 6 months ended 31 March 2008

Definitions

Main sources	Actuals are in black, Forecasts are in blue The main source of data is Thomson
Share prices	Share prices are last market prices, at the date noted
Financial forecasts	Financial actuals and forecasts are mainly Thomson; in some cases individual broker reports
EBITDA	Unless stated otherwise, EBITDA is typically underlying EBITDA, pre special accounting items (eg integration costs)
EPS	Headline or basic EPS, pre special accounting items and dilution
Free cashflow	Operating cashflow minus interest, tax and capital expenditure, ie before dividends, debt and equity financing and acquisitions
Net debt	Derived from Thomson
Number of shares	Derived from Thomson
Firm value	Market cap + net debt
Year ends	Companies with non December year ends are shown in the year with most months, eg ye march 05 is shown in the 2004 column.

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