STATEMENT IN RELATION TO THE LISTING OF MTECH PLC'S SHARES ON THE FLOOR OF THE NIGERIAN STOCK EXCHANGE

CHAIRPERSON'S STATEMENT

As chairperson of **MTech Communications Plc**. ("**MTech**" or "**the Company**"), I am pleased to announce that a vibrant and forward looking Information Technology Company is to list on the Nigerian Stock Exchange. The listing aims to give Nigerian investors an opportunity to participate in MTech's prospects and potentials.

HISTORY

The Nigerian Value Added Services ("**VAS**") market has gradually emerged after the introduction of digital mobile telephony to the Nigerian market in 2001.

There are co-dependencies between mobile operators and VAS companies in areas of revenue growth. In general VAS revenues constitute 5% of operators' revenue worldwide. Mobile operators offer the same basic services (Voice Calls and SMS) so it is only through VAS services combined with effective advertising that they can differentiate themselves and earn a premium from subscribers.

BUSINESS

MTech is the leading provider of mobile content in Nigeria and works with mobile network operators, media organisations and large corporate bodies to develop, launch and run value added services for users. After establishing itself as the market leader in Nigeria, the Company redefined its vision in 2006 to reflect an ambition "to be the leading content and media interactivity provider in Africa."

While Nigeria's mobile telecommunications market is already considered as one of the largest and fastest growing markets in Africa, the slow growth of fixed lines creates a greater reliance on mobile networks, spurring future growth for VAS. Demand for VAS is expected to grow at an even faster rate than mobile subscribers. Similarly, emerging markets with relatively low mobile penetration rates have been identified as high growth regions for VAS.

The Company's inroad into the mobile interactivity space began in 2001 with the provision of Wireless Application Protocol (**WAP**) technology to MTN Nigeria in a bid to extend internet services to the mobile phones of MTN subscribers.

MTech has developed platforms to deliver mobile content for the four leading digital mobile operators in Nigeria and through partnerships with mobile operators, MTech has access to over 70 million subscribers across Africa. Its key operator partners in Nigeria include MTN, Zain Nigeria, Mtel, Globacom, Multilinks Telkom and Starcomms. Outside Nigeria, operator partners include MTN Ghana, MTN Cote D'Ivoire, MTN Uganda, Safaricom Kenya, Celtel Kenya amongst others. MTech is currently negotiating terms to deploy similar platforms in several other countries in Africa. As at December 31, 2008, MTech had commenced operations in Ghana, Kenya, Uganda, and Cote D'Ivoire.

FUTURE PLANS

While expanding its business locally and internationally and in order to take more control of the circulation of its VAS and media interactivity content, MTech shall also seek to invest in other media operators.

The Company's ability to provide technology solutions shall be enhanced by the development of an in-house research and development capability with a view to discovering and deploying new solutions. MTech seeks to establish its presence in 12 countries in Africa by December 2010.

SHAREHOLDING STRUCTURE

SHARE CAPITAL

AUTHORISED
N3,000,000,000.00 made up of 6,000,000,000 ordinary shares of 50kobo each

ISSUED AND FULLY PAID-UP
N2,483,333,334.00 made up of 4,966,666,668 ordinary shares of 50kobo each

MAJOR SHAREHOLDERS

Name	Shareholding	%
Sheri Williams	1,136,687,500	22.89
Lateef Belo-Osagie	924,020,833	18.60
Chris Ubosi	924,020,833	18.60
Chika Nwobi	1,001,647,500	20.17
Others	980,290,002	19.74

HISTORICAL AND FORECAST INFORMATION

BALANCE SHEETS (RESTATED)
FOR THE YEARS ENDED 31 DECEMBER 2003 TO 2007

	Notes	2007	2006	2005	2004	2003
		₦'000	₦'000	₦'000	₦'000	₦'000
Assets						
Fixed assets	7	46,327	52,813	27,129	19,231	19,602
Intangible asset	8	6,096	12,192	-	-	-
Investments	9	71,053	38,854	-	-	-
Pre-incorporation expenses		-	-	-	-	15
Pre-operation expenses		-	-	-	-	2,408
Debtors and prepayments	10	327,026	135,009	119,475	84,288	7,587
Cash and bank balances	11	25,810	30,109	3,792	6,428	182
TOTAL ASSETS		476,312	268,977	150,396	109,947	29,794
Liabilities						
Creditors and Accruals	12	173,398	110,273	67,659	65,192	6,999
Taxation payable	5(b)	51,053	23,937	10,250	3,750	166
Bank Loans		-	41,000	-	-	-
Directors Loans		74,568	271	271	376	777
Deferred Taxation	6	8,025	8,552	4,944	1,455	-
TOTAL LIABILITIES		307,044	184,033	83,124	70,773	7,942
NET ASSETS		169,268	84,944	67,272	39,174	21,852

Capital and Reserves

	Notes					
Share capital	13	70,000	40,000	40,000	10,000	10,000
Deposit for shares	14	-	-	-	27,000	26,577
Retained Earnings/ (Accum. Deficit)	15	99,268	44,944	27,272	2,174	(14,725)
Shareholders' funds		169,268	84,944	67,272	39,174	21,852

PROFIT AND LOSS ACCOUNTS (RESTATED)
FOR THE YEARS ENDED 31 DECEMBER 2003 TO 2007

	Notes	2007	2006	2005	2004	2003
		₦'000	₦'000	₦'000	₦'000	₦'000
Turnover		1605,144	329,261	222,233	135,829	26,478
Cost of sales		2(210,396)	(87,170)	(82,597)	(59,861)	(8,296)
Gross Profit		394,748	242,091	139,636	75,968	18,182
Operating expenses		(213,381)	(193,480)	(97,248)	(54,131)	(25,668)
Other income	3	-	-	-	300	-
Operating Profit		181,367	48,611	42,388	22,137	(7,486)
Net interest charges		4 (7,691)	(1,144)	(90)	(199)	(19)
Profit/ (Loss) Before Taxation		173,676	47,467	42,298	21,938	(7,505)
Taxation	5(a)	(57,102)	(17,295)	(14,200)	(5,039)	(59)
Profit/ (Loss) After Taxation		116,574	30,172	28,098	16,899	(7,564)

CASHFLOW STATEMENTS (RESTATED)
FOR THE YEARS ENDED 31 DECEMBER 2003 TO 2007

	2007	2006	2005	2004	2003
	₦'000	₦'000	₦'000	₦'000	₦'000

Cash flow from operating activities						
Operating profit from working capital changes	16(a)	220,969	72,415	52,051	31,140	627
Working capital changes	16(b)	(54,595)	27,080	(32,825)	(18,909)	3,682
		2008	2009	2010		
Income taxes paid	5(b)	(30,513)	-	(4,211)	-	-
Pension remittances paid		-	(5,000)	-	-	-
Net cash inflow from operating activities		135,861	94,495	15,015	12,231	4,309
Cash flow from investing activities						
Purchase of fixed assets		(27,020)	(43,392)	(17,561)	(8,189)	(5,850)
Purchase of license rights	8	-	(18,288)	-	-	-
Investment in foreign operations		(32,199)	(38,854)	-	-	-
Proceeds from sale of fixed assets		-	-	-	1,980	1,102
Interest received		4 101	370	67	19	-
Net cash outflow from investing activities		(59,118)	(100,164)	(17,494)	(6,190)	(4,748)
Cash flow from financing activities						
Dividend paid		(32,250)	(7,500)	-	-	-
Loans (paid)/received		(41,000)	41,000	-	-	-
Deposit for shares	14	-	-	-	423	480
Interest paid	4	(7,792)	(1,514)	(157)	(218)	(19)
Net cash inflow/ (outflow) from financing activities		(81,042)	31,986	(157)	205	461
Net increase/(decrease) in cash and cash equivalents		(4,299)	26,317	(2,636)	6,246	22
Cash and cash equivalents, beginning of year		30,109	3,792	6,428	182	160
Cash and cash equivalents, end of year		**25,810**	**30,109**	**3,792**	**6,428**	**182**

1. **FORECAST PROFIT AND LOSS ACCOUNTS**

	₦'000	₦'000	₦'000
Turnover	870,237	2,461,941	4,908,072
Direct costs	(210,690)	(1,030,002)	(2,184,926)
Gross profit	659,547	1,431,939	2,723,146
Staff cost	(123,831)	(174,926)	(215,436)
Administrative expenses	(71,218)	(115,380)	(179,598)
Management expenses	(44,984)	(47,233)	(49,595)
Marketing expenses	(1,095)	(1,424)	(1,851)
Operating expenses	(241,128)	(338,963)	(446,480)
Other income	50,922	66,798	126,924
EBITDA	469,341	1,159,774	2,403,590
Depreciation	(23,128)	(26,597)	(30,587)
Amortization of license right	(6,096)	-	-
EBIT	440,117	1,133,177	2,373,003
Interest (charges)/income	186,427	195,300	12,366
EBT	626,544	1,328,477	2,385,369
Taxation	(124,542)	(341,241)	(718,745)
PAT	502,002	987,236	1,666,624
Weighted Earning per share	39 Kobo	40 Kobo	67 Kobo

The Directors estimate that, in the absence of unforeseen circumstances and based on assumptions set out on pages 18 to 19, the Company's profit forecast for each year ending 31 December 2008, 2009 and 2010 will be as follows:

BASIS AND ASSUMPTIONS

The basis and principal assumptions used by the Directors in the preparation of the profit forecast for the years ending 31st December 2008, 2009 and 2010 are set out below.

Basis of Preparation

The forecast for each of the years ending 31 December 2008, 2009 and 2010 have been prepared under the historical cost convention and in accordance with the Company's normal accounting policies.

Assumptions

a) The Company will be successful at raising the required funds of ₦3.5 billion for expansion of its business. In addition, the full proceeds from the private placement will be received by the end of June 2008.

b) The quality of the Company's management will be sustained and enhanced during the forecast period.

c) Changes in the political, economic and regulatory climate, especially with regards to the Nigerian Information and Communication Technology industry (ICT) will not adversely affect the operations of the Company. There will be no significant changes in the Federal Government monetary and fiscal policies that will materially affect the Company.

d) There will be no licensing or other restrictions regarding the Company's planned operations in various countries in Africa, Europe, Middle East and Latin America.

e) There will be no litigation with adverse material consequences to the Company.

f) The Company will continue to enjoy the goodwill and confidence of present and potential customers, and of its strategic partners.

g) Gross revenue will increase at a compound annual growth rate of 108% over the forecast period, mainly due to the introduction of certain new products.

h) Gross margin will be an average of 63% over the forecast period.

i) Operating expenses will be an average of 17% of gross revenue over the period.

j) Taxation (comprising income tax and education taxes) will be 32% per annum over the forecast period.

k) Dividend payment will be 40% of profits after tax on an annual basis over the forecast period.

l) The underlying basis and assumptions for the forecast earnings per share are as follows:

- Share capital has been increased from 70 million units as at 31 December 2007 to 150 million units on 30 April 2008
- There will be issue of additional shares after the private placement. The placement will be fully subscribed and 2.333 billion shares will be issued through the placement.
- The private placement will be completed in June 2008

PROFILE OF DIRECTORS AND MANAGEMENT

MTech's Board of Directors is committed to the code of corporate governance, and endeavors to increase the net worth of the Company through value adding strategies in a transparent and suitable manner. Management is responsible for implementing the Company strategy as directed by the Board. The Board consists of four accomplished individuals:

MRS. SHERI WILLIAMS – CHAIRPERSON (CO-FOUNDER)
Sheri has over twenty-five (25) years experience in the financial and telecommunications sector in Nigeria. She has held board positions in several companies including UBA Trustees, First Security Discount House (FSDH) and True Tales publications (publishers of Hints Magazine). Sheri is the former Managing Director of United Telesys and CTIC. Sheri started her IT career as a software developer with Rank Xerox then moved into financial services sector with ICON Merchant bank. She has Bachelors degree in Computer Science from Manchester University and an MBA from Imperial College (UK).

MR. CHIKA NWOBI - MANAGING DIRECTOR (CO-FOUNDER)
Chika is the founding Chief Executive Officer of MTech Group. He resigned his position with Airtight (USA) in 2001 and moved back to Nigeria to form MTech with the Company's other 3 Directors. At Airtuit, Chika worked with Fortune 500 clients to formulate their wireless strategy to exploit opportunities in M-Commerce. Chika has led MTech's growth since inception including establishing relationships with all the leading mobile operators and media groups in Africa. Chika graduated as an Honors scholar from East Tennessee State University, USA with a BA in Economics and a B.Sc. in Computer Science. Chika was part of the Nigeria 2025 Scenarios Team and was nominated by The Future Awards for Entrepreneur of the Year and Young Person of The Year 2007.

MR. LATEEF BELO-OSAGIE – DIRECTOR (CO-FOUNDER)
Lateef is currently the Chairman of Hackett Nigeria Limited, a telecommunications equipment and parts supplier to mobile operators in Africa. He is former Managing Director of Quartz Petroleum. Before Quartz, Lateef had stints as a banker with Banque BNP Paribas and NIB (now Citibank Nigeria). Lateef has a Bachelors degree in Economics from the London School of Economics. He has also obtained post-graduate diplomas from University de Paris-Sorbonne and College of Petroleum and Energy Studies, Oxford University.

MR. CHRIS UBOSI - DIRECTOR (CO-FOUNDER)
Chris has over 15 years experience in setting up and managing new ventures in media, broadcasting and telecommunications. He has a Bachelors degree in Surveying from the University of Ife, a Masters degree in Project Management from the University of Lagos, and a diploma – International Oil Supply, Transportation, Refining and Trading, College of Petroleum and Energy Studies, Oxford. Chris worked as Executive Director at Steam Broadcasting since 1997, where he set up CoolFM Radio Station and WazobiaFM(Nigeria's leading radio stations). In 2005, he also set up Cool Link, a leading Internet Service Provider and Cool Talk, Prepaid Calling Card Service. He served on the Federal Government Committee on the implementation of a National Mass Communication Policy in 2004. He has consulted severally in the establishing of new radio stations in West Africa and is presently consulting for the Federal Radio Corporation of Nigeria.

MR. ALEXANDER VAISBLAT – GROUP CEO
Alexander joined MTech in 2009 from Digital Access Russia where he was founding General Manager. Digital Access is a JV of Warner Music, Sony BMG and Access Industries and is

a market leader in the distribution, licensing and marketing of all forms of digital related businesses of Warner Music and other record labels through a variety of digital channels including mobile (RBT and True tones), online music and ad supported video online.

Before his 2 years with Digital Access, Alexander spent 7 years with INTH, a network of 24 TV stations in Russia. He held a variety of positions starting as Sales Manager of a TV station to the position of General Director of several stations with full P&L responsibility and eventually leaving as Group VP responsible for Sales, a position in which he built one of the highest performing sales organizations in Russia. In this position he gained significant experience in building the operations of a successful media group i.e where MTech is headed.

Alexander has an MBA from the prestigious Kellogg School of Management (North Western University, USA). Alexander will combine his extensive experience in electronic Media from INTH with his pioneering record in new media from Digital Access to lead MTech's vision

MR. CHIDI EGON (ACA) – CHIEF FINANCE OFFICER

A Chartered Accountant and MBA graduate of ESUT Business School, Chidi has over 14 years international experience in the Oil and Gas industry. He started his career in Chevron (Texaco) as an Accountant in 1994, rising to the position of Region Accountant for the South East Region of Nigeria. He continued his career in year 2000 with BJ Services Company Nigeria Limited, a subsidiary of BJ Services International, a American pressure pumping multinational with worldwide presence, where rose to the position of Finance Manager for Nigeria Operations. He recently joined MTech and brings his rich international experience and expertise to bear on MTech's expansion plans.

PREMISES

MTech's registered office is situated at 5 Campos Street, Lagos Island, Lagos, Nigeria.