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If you are in any doubt about its contents or the action to take, please consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance immediately.

For Information concerning certain risk factors which should be considered by prospective investors, see Risk Factors on pages 33 - 34.

DAAR COMMUNICATIONS PLC



RC:117587

Initial Public Offering By way of an Offer for Subscription of 1,829,478,000

Ordinary Shares of 50 kobo each at

₦5.00 per share

And

Daar Investment & Holding Company Limited Offer for Sale of

960,000,000

**Ordinary Shares of 50 kobo each
at**

₦5.00 per share

Payable in full on Application

<p>APPLICATION LIST OPENS: FEBRUARY 25, 2008 APPLICATION LIST CLOSES: MARCH 31, 2008</p>
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LEAD ISSUING HOUSES

BGL SECURITIES LIMITED RC269666

SKYE BANK PLC RC 142191

FIDELITY BANK PLC RC 103022

JOINT ISSUING HOUSES

WEMA ASSET MANAGEMENT LIMITED
RC 375525

FIRST INLAND BANK PLC RC 112876

**SPRING CAPITAL MARKETS
LIMITED** RC 254413

**NORTHBRIDGE INVESTMENT AND
TRUST LIMITED**

RC 497385

ECOBANK NIGERIA PLC RC 89773

GREENWICH TRUST LIMITED
RC 189502

This Prospectus and the securities which it offers have been cleared and registered by the Securities & Exchange Commission. It is a civil wrong and a criminal offence under the Investments and Securities Act Cap I24 Laws of the Federation of Nigeria 2004 to issue a Prospectus which contains false or misleading information. Registration of this Prospectus and the units which it offers do not relieve the parties from any liability arising under the Act for false or misleading statements contained herein or for any omission of a material fact.

The Prospectus is dated February 20, 2008

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DEFINITIONS OF TECHNICAL TERMS FOR INVESTORS GUIDE

“CAC”	Corporate Affairs Commission
“CSCS”	Central Securities Clearing System
“DAAR” or “The Company”	Daar Communications Plc
“DTH”	Direct To Home
“Daar Investment”	Daar Investment & Holding Company Limited
“FGN”	Federal Government of Nigeria
“FTA”	Free-to-Air
“ICT”	Information and Communications Technology
“ISA”	Investments and Securities Act No. 45 of 1999
“Joint Issuing Houses”	BGL Securities Limited, Skye Bank Plc, Fidelity Bank Plc, Wema Asset Management Limited, First Inland Bank Plc, Spring Capital Markets Limited, EcoBank Nigeria Plc, Greenwich Trust Limited and Northbridge Investment and Trust Limited.
“LFN”	Laws of the Federation of Nigeria
“MMDS”	Multipoint Multi-Channel Distribution System
“NTA”	Nigerian Television Authority
“Nollywood”	The Nigerian Film Industry
“Parties”	Professionals engaged, whose roles will ensure the success of the Offer
“PC”	Personal Computer
“SMARTV”	Satellite Master Antenna Television
“TV”	Television
“SEC” or “the Commission”	Securities and Exchange Commission
“the NSE” or “the Exchange”	The Nigerian Stock Exchange
“The Offer”	Initial Public Offering via an Offer for Subscription of 1,829,478,000 Ordinary Shares of 50k each by Daar Communications Plc and Offer for Sale of 960,000,000 ordinary shares of 50 Kobo each at N5.00 per share by Daar Investment & Holding Company Limited

ABRIDGED TIMETABLE

ACTIVITY	DATE	RESPONSIBILITY
Application List opens	25/02/2008	JOINT ISSUING HOUSES
Application List closes	31/03/2008	JOINT ISSUING HOUSES
Receiving Agents make returns	14/04/2008	JOINT ISSUING HOUSES / REGISTRARS
Forward Allotment Proposal and draft newspaper advertisement to SEC	12/05/2008	JOINT ISSUING HOUSES
Receive SEC authorization for allotment	19/05/2008	JOINT ISSUING HOUSES
Pay net proceeds of the Offer to DAAR	20/05/2008	JOINT ISSUING HOUSES
Publish Allotment Announcement	21/05/2008	JOINT ISSUING HOUSES
Return excess/rejected application monies	23/05/2008	JOINT ISSUING HOUSES / REGISTRARS
Distribute share certificates	26/05/2008	REGISTRARS
Forward Declaration of Compliance to The NSE	28/05/2008	STOCKBROKERS
Listing of DAAR shares on the NSE	02/06/2008	STOCKBROKERS

Please note that all dates are indicative and subject to change without prior notice

THE OFFER

A copy of this Prospectus and the documents specified herein has been delivered to the Securities and Exchange Commission for clearance and registration. This Prospectus is being issued in compliance with the provisions of the Investments and Securities Act Cap I24 Laws of the Federation of Nigeria 2004, the Rules and Regulations of the Commission and the listing requirements of the Nigerian Stock Exchange and contains particulars in compliance with the requirements of the Commission and the Exchange, for the purpose of giving information to the public with regards to the Initial Public Offering by way of an Offer for Subscription of 1,829,478,000 Ordinary Shares of 50 kobo each of Daar Communications Plc and an Offer for Sale of 960,000,000 Ordinary Shares of 50 Kobo each of Daar Communications Plc (by Daar Investment & Holding Company Limited) by BGL Securities Limited, Skye Bank Plc, Fidelity Bank Plc, Wema Asset Management Limited, First Inland Bank Plc, Spring Capital Markets Limited, EcoBank Nigeria Plc, Greenwich Trust Limited and Northbridge Investment and Trust Limited. An application has been made to the Council of the Exchange for the admission to its Daily Official List of the whole of the Company's paid-up share capital.

The Directors of DAAR Communications Plc individually and collectively accept full responsibility for the accuracy of the information contained in this Prospectus. The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no material facts the omission of which would make any statement herein misleading or untrue.

BGL SECURITIES LIMITED RC269666

SKYE BANK PLC RC 142191

FIDELITY BANK PLC RC 103022

**WEMA ASSET MANAGEMENT
LIMITED** RC 375525

FIRST INLAND BANK PLC
RC 112876

SPRING CAPITAL MARKETS

**NORTHBRIDGE INVESTMENT
AND TRUST LIMITED** RC 497385

ECOBANK NIGERIA PLC
RC 89773

LIMITED RC 254413
GREENWICH TRUST LIMITED
RC 189502

on behalf of

DAAR COMMUNICATIONS PLC RC:117587

**Offer for Subscription
and are authorised to receive applications for**

**1,829,478,000
Ordinary Shares of 50 kobo each at N5.00 Per Share**

And

Daar Investment & Holding Company Limited

**Offer for Sale of
960,000,000
Ordinary Shares of 50 Kobo of at N5.00 per share**

Payable in full on Application

The Application List for the shares now being offered will open on February 25, 2008 and Application list closes on March 31, 2008

(Extract from the Reporting Accountants Report)

SHARE CAPITAL AND RESERVES OF THE COMPANY AS AT 30th June, 2007

AUTHORISED*:	6,400,000,000 Ordinary shares of 50 Kobo each	₦ 3,200,000,000.00
ISSUED AND FULLY PAID:	6,170,522,000 Ordinary shares of 50 Kobo each	₦3,085,261,000.00
SHARE PREMIUM		₦7,727,784,000.00
REVENUE RESERVE		₦569,710,000.00
SHAREHOLDERS' FUND		₦11,382,755,000.00

STATEMENT OF INDEBTEDNESS

As at the 30th day of June 2007, the Company had no outstanding debentures, mortgages, loans, charges or similar liability as material contingent liability other than in the ordinary course of business.

At its Extra Ordinary Meeting held on April 7, 2007, it was resolved that the company's authorized share capital was subdivided from 3,200,000,000 Ordinary Shares of N1.00 each to 6,400,000,000 Ordinary Shares of 50 kobo each by the creation of 4,900,000,000 ordinary shares of 50 Kobo each.

*At its Extra Ordinary Meeting held on November 26, 2007, it was resolved that the company's authorized share capital be increased from N3,200,000,000 to N4,000,000,000 by the creation of 1,600,000,000 ordinary shares of 50 kobo each.

CORPORATE DIRECTORY

Head Office:

Daar Communications Centre
Kpaduma Hills
Off Gen. T.Y. Danjuma Street
Asokoro, Abuja

North Central Regional Office:

Daar Communications Center
Kpaduma Hill, Off Gen. T.Y. Danjuma Street
Asokoro Extension
Abuja

North East Regional Office:

Daar Communications Plc
Damboda Road
Near School of Nursing, Maiduguri
Bornu State

North West Regional Office:

Daar Communications Plc
9th Floor, Nagwamtse House
Ahmadu Bello way, Kaduna
Kaduna State

South East Regional Office:

Daar Communications Plc
No. 36, Ziks Avenue
Uwani, Enugu
Enugu State

South West Regional Office:

Daar Communications Plc
No. 1, AIT Road
Ilapo Village
Alagbado
Lagos

South South Regional Office:

Daar Communications Plc
NTA/Choba Road
Ozuoba, Port Harcourt
Rivers State

United States of America (U.S) Office:

Daar Communications (U.S) Limited
1, Cross Island Plaza
Suit LL8A
Rosedale
N.Y 11422

United Kingdom (U.K) Office:

Daar Communications (U.K) Limited
No. 7, Chapel Drive
Arlesey, BEOS
SG 15 6 PB

SUMMARY OF THE OFFER

The following information should be read in conjunction with the full text of this Prospectus, from which it was derived:

OFFER FOR SUBSCRIPTION

- 1. The Offer:** 1,829,478,000 Ordinary Shares of 50 kobo each in DAAR
- 2. Issuer:** Daar Communications Plc
- 3. Lead Issuing Houses:** BGL Securities Limited, Skye Bank Plc and Fidelity Bank Plc.
- 4. Joint Issuing Houses:** Wema Asset Management Limited, First Inland Bank Plc, Spring Capital Markets Limited, EcoBank Nigeria Plc, Greenwich Trust Limited and Northbridge Investment and Trust Limited.
- 5. Share Capital:**
 - Authorised** N4,000,000,000 comprising 8,000,000,000 Ordinary Shares of 50 Kobo each
 - Issued and Fully paid** N3,085,260,000.00 comprising 6,170,522,000 Ordinary shares of 50 Kobo each
- 6. Now Being Offered:** 1,829,478,000 Ordinary Shares of 50 Kobo each in DAAR.
- 7. Method of Offer** Initial Public Offering via an Offer for Subscription
- 8. Purpose of Offer:** The Offer shall fund the company's local and international expansion plans through the upgrading and expansion of local stations, upgrading and purchasing of equipment including local and international satellites and will also be used for additional working Capital.
- 9. Use of Offer Proceeds** The estimated net proceeds of N8,752,678,561.00 after deducting the cost of the Offer of N394,711,439.00, which is estimated at 4.32% of gross proceeds, will be utilized as follows:

Purpose	N' Millions	Percentage and Estimated Completion Period (months)	
1.Expansion (Local and International) *	459,946,474.84	5.25%	4 Months
2. Completion of Eleven New Stations** and construction of a Film Village	520,000,000.00	5.94%	4 Months
3. Upgrade of Existing Facilities	607,944,201.60	6.95%	48 Months
4. Procurement of Programme Content	1,134,908,399.00	12.97%	Immediate
5. Programmes and Digital Satellite System	566,974,050.20	6.48%	3 Months
6.Working Capital Requirement	762,905,435.36	8.8%	On going
7. Digital Multi Channel Platform	4,000,000,000.00	45.7%	6 Months
8. Development of mobile TV	700,000,000.00	7.9%	6 Months
Total	8,752,678,561.00	100%	

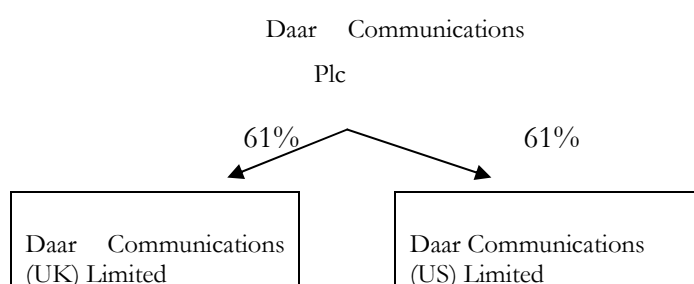
* Building and equipping of new studios in the states listed below and the UK, US and the Caribbean.

**Adamawa, Bornu, Benue, Cross Rivers, Katsina, Kano, Ogun, Osun, Oyo, Sokoto and Zamfara States.

- 10. Offer Price:** N5.00 per share
- 11. Offer Size:** N9,147,390,000.00
- 12. Market Capitalization at Offer Price (Pre-Offer):** N30,852,610,000.00

SUMMARY OF THE OFFER

- 13. Market Capitalization at Offer** N40,000,000,000.00
- Price (Post-Offer):**
- 14. Units of Sale:** Minimum of 1,000 Ordinary Shares and in multiples of 100 thereafter
- 15. Payment** In full on application
- 16. Opening Date:** February 25, 2008
- 17. Closing Date:** March 31, 2008
- 18. Quotation** An application has been made to the Council of The Nigerian Stock Exchange for the admission to its Daily Official List of the entire 8,000,000,000 Ordinary shares of 50 Kobo each of DAAR.
- 19. Status** All the shares to be issued shall rank pari passu in all respects with the issued Ordinary shares of the Company subject to the approval of the commission.
- 20. Underwriting:** 100% of the Offer is being underwritten on a firm basis by the Joint Underwriters.
- 21. Supplementary Allotment** In line with the SEC requirements, up to 25% of the oversubscription may be capitalised by the Company.
- 22. Group Structure:** As at the date of this prospectus, DAAR has two (2) subsidiary companies namely: Daar Communications (UK) Limited and Daar Communications (USA) Limited. Both companies are 61% owned by DAAR. The operations of the subsidiaries which is 0.5% is currently not material to be incorporated into the account of the group.



22. Historical Financial Summary:

(Extracted from the Reporting Accountants' Report)

	Six Months to June 30 th	As at 31 December				
	2007 N '000	2006 N '000	2005 N '000	2004 N '000	2003 N '000	2002 N '000
		N'000		N'000		N'000
Turnover	1,071,194	2,532,444	1,830,537	1,131,293	659,020	652,728
Profit /(Loss) before taxation	223,782	209,623	166,384	(12,429)	(9,728)	(335,200)
Income Tax Provision	-	(40,934)	(19,586)	(17,839)	(18,134)	(14,533)
Profit/ (Loss) after taxation	223,782	168,689	146,798	(30,268)	(27,862)	(349,733)
Total Assets	11,784,791	10,206,549	10,747,896	4,651,623	4,355,454	3,322,275
Shareholders Funds	11,382,755	9,551,854	10,136,361	3,440,461	3,640,182	2,942,556

SUMMARY OF THE OFFER

24. Forecast Statistics Assuming Full Subscription:

(Extracted from the Reporting Accountants' Report)

	FOR THE YEARS ENDING 31 DECEMBER		
	2008	2009	2010
	N'000	N'000	N'000
Total Turnover	10,294,774	13,686,948	17,668,445
Gross Income	8,534,022	11,208,102	14,202,749
Profit Before Interest, Tax and Depreciation	5,871,527	7,532,340	9,143,228
Profit After Tax	3,217,877	4,258,910	5,772,106
Proposed Dividend	2,496,000	3,072,000	4,032,000
Forecast Earnings per share (kobo)	40	53	72
Forecast Earnings yield at offer price (%)	8	11	14
Forecast EBITDA per 50 kobo share (kobo)	73	94	114
Forecast Dividend per 50 kobo share (kobo)	31	38	50
Forecast Dividend Yield at Offer price	6	7	10
Forecast Price/Earnings Ratio at Offer Price	12	9	7

The forecast earnings and dividend per share for the years ending 31st December 2008, 2009, 2010 are based on the 8,000,000,000 ordinary shares of 50 kobo each expected to be in issue as at the respective dates.

25. Claims and Litigation:

As at the date of this Prospectus, DAAR in its ordinary course of business is involved in nine (9) lawsuits. Out of the nine (9) lawsuits, two (2) were instituted by the Company while the remaining seven (7) were instituted against the company. In the unlikely event of judgement against the Company in all the cases in which it is a defendant (or co-defendant), **the total monetary claim against the Company sums up to ₦1,200,000,000.00 (one billion, two hundred million naira only).** However, over 80% of this amount is claimed as general damages which precedents from the courts strongly suggest would be drastically reduced in the unlikely event that they are awarded. The total amount claimed in the two (2) suits instituted by the Company is estimated at ₦100,000,000.00 (one hundred million naira only). The Joint Solicitors are of the opinion that the pending matters in court would not adversely affect the proposed Offer for Subscription and Offer for Sale.

26. Share Certificates

Share certificates in respect of shares allotted will be sent by registered post not later than 15 working days from the date of allotment. **Any investor who does not want to receive a physical share certificate should state the name of his/her Stockbroker and his/her CSCS account number and Clearing House Number in the space provided on the Application Form.**

SUMMARY OF THE OFFER

SUMMARY OF THE OFFER FOR SALE

1. The Offer:	960,000,000 Ordinary Shares of 50 kobo each
2. Vendor :	Daar Investment & Holding Company Limited
4. Lead Issuing Houses:	BGL Securities Limited, Skye Bank Plc and Fidelity Bank Plc.
5. Joint Issuing Houses:	Wema Asset Management Limited, First Inland Bank Plc, Spring Capital Markets Limited, EcoBank Nigeria Plc, Greenwich Trust Limited and Northbridge Investment and Trust Limited.
6. Share Capital:	
Authorised:	N4,000,000,000 comprising 8,000,000,000 Ordinary Shares of 50 Kobo each
Issued and Fully paid:	N3,085,261,000.00 comprising 6,170,522,000 Ordinary shares of 50 Kobo each
7. Now Being Issued:	960,000,000 Ordinary Shares of 50 Kobo each
8. Method of Offer	Offer for Sale
9. Purpose of Offer:	The Offer is being undertaken to give investors an opportunity to become part owners of DAAR, which is currently 94.81% owned by Daar Investment & Holding Company Limited. The Offer will also enable the Company meet the requirements for a Listing on the floor of The Nigerian Stock Exchange.
10. Use of Proceeds:	DAAR would not receive any of the net proceeds of N4,619,245,000.00 (after deducting the cost of the Offer which is estimated at N180,755,000.00 of gross Offer proceeds i.e. 3.77%) arising from the sale of shares being offered by this Prospectus. Thus, the net proceeds would be paid to Daar Investment & Holding Company Limited
11. Offer Price:	N5.00 per share
12. Offer Size:	N4,800,000,000.00
13. Market Capitalization at Offer Price (Pre-Offer):	N30,852,610,000.00
14. Market Capitalization at Offer Price (Post-Offer):	N40,000,000,000.00
15. Units of Sale:	Minimum of 1,000 Ordinary Shares and in multiples of 100
16. Payment	In full on application
17. Opening Date:	February 25, 2008
17. Closing Date:	March 31, 2008

SUMMARY OF THE OFFER

18. Quotation

An application has been made to the Council of The Nigerian Stock Exchange for the admission to its Daily Official List of the entire 8,000,000,000 Ordinary shares of 50 Kobo each of DAAR

19. Status

All the shares to be issued shall rank pari passu in all respects with the issued Ordinary shares of the Company.

20. Underwriting:

N13,947,390,000.00 representing 100% of the Offer for Subscription and Offer for Sale is being underwritten on a firm basis by the Joint Underwriters as follows:

S/N	UNDERWRITER	AMOUNT (N)
1	BGL LIMITED	4,908,912,000.00
2	SKYE BANK PLC	2,789,478,000.00
3	FIDELITY BANK PLC	1,000,000,000.00
4	WEMA ASSET MANAGEMENT LIMITED	1,500,000,000.00
5	FIRST INLAND BANK PLC	1,500,000,000.00
6	SPRING CAPITAL MARKETS LIMITED	395,000,000.00
7	ECOBANK PLC	854,000,000.00
8	GREENWICH TRUST LIMITED	500,000,000.00
9	NORTHBRIDGE INVESTMENT & TRUST LIMITED	500,000,000.00
	TOTAL	13,947,390,000.00

DIRECTORS AND OTHER PARTIES TO THE OFFER

DIRECTORS OF DAAR:

**High Chief Raymond Aleogho Dokpesi
(Chairman)**

Daar Communications Centre
Off Gen. T.Y. Danjuma Street
Asokoro, Abuja

Dr. Thomas Adaba

Daar Communications Centre
Off Gen. T.Y. Danjuma Street
Asokoro, Abuja

Mallam Yaya Abubakar

Daar Communications Centre
Off Gen. T.Y. Danjuma Street
Asokoro, Abuja

Alhaji Tahir Bello

Daar Communications Centre
Off Gen. T.Y. Danjuma Street
Asokoro, Abuja

Alhaji Abba Dabo

Daar Communications Centre
Off Gen. T.Y. Danjuma Street
Asokoro, Abuja

Mr. Emeka Lawrence

Daar Communications Centre
Off Gen. T.Y. Danjuma Street
Asokoro, Abuja

Alhaji Gambo Lawan

Daar Communications Centre
Off Gen. T.Y. Danjuma Street
Asokoro, Abuja

Prince Shedrack Akolokwu

Daar Communications Centre
Off Gen. T.Y. Danjuma Street
Asokoro, Abuja

Mrs. Toru Ofili

Daar Communications Centre
Off Gen. T.Y. Danjuma Street
Asokoro, Abuja

Ambassador (Chief) Segun Olusola

Daar Communications Centre
Off Gen. T.Y. Danjuma Street
Asokoro, Abuja

Alhaji Ladi Lawal (Managing Director/CEO)

Daar Communications Centre
Off Gen. T.Y. Danjuma Street
Asokoro, Abuja

Mr. Makinde Iljitima I. Williams (Executive Director)

Daar Communications Centre
Off Gen. T.Y. Danjuma Street
Asokoro, Abuja

Engr. Uyah A. Chukwuemeka (Executive Director)

Daar Communications Centre
Off Gen. T.Y. Danjuma Street
Asokoro, Abuja

Mr. Anegebe A. Akiotu (Executive Director)

Daar Communications Centre
Off Gen. T.Y. Danjuma Street
Asokoro, Abuja

Mrs. Oluwatosin Dokpesi (Executive Director)

Daar Communications Centre
Off Gen. T.Y. Danjuma Street
Asokoro, Abuja

Mr. John Iwarue (Executive Director)

Daar Communications Centre
Off Gen. T.Y. Danjuma Street
Asokoro, Abuja

ACTING COMPANY SECRETARY:

Ayodele E. Ogundele

Daar Communications Centre
Off Gen. T.Y. Danjuma Street
Asokoro, Abuja

REGISTERED OFFICE

Daar Communications Centre
Off Gen. T.Y. Danjuma Street
Asokoro, Abuja

LEAD ISSUING HOUSES:

BGL Securities Limited

No. 12A, Catholic Mission Street
Lagos Island
Lagos

Skye Bank Plc

3, Akin Adesola Street
Victoria Island
Lagos

Fidelity Bank Plc

2, Kofo Abayomi Street
Victoria island
Lagos

DIRECTORS AND OTHER PARTIES TO THE OFFER

JOINT ISSUING HOUSES:

Wema Asset Management Limited

1st Floor, Leventis Building
42/43, Marina
Lagos

First Inland Bank Plc

4/6, Adetokunbo Ademola Street
Victoria Island
Lagos

Spring Capital Markets Limited

Plot 1611, Adeola Hopewell Street
Victoria Island
Lagos

Ecobank Nigeria Plc

Plot 21, Ahmadu Bello way
Victoria Island
Lagos

Greenwich Trust Limited

Plot 1698A, Oyin Jolayemi Street
Victoria Island
Lagos

Northbridge Investment and Trust Limited

5th Floor, NICON Plaza
Muhammadu Buhari Way
Central Business District
Abuja

SOLICITORS TO THE COMPANY:

Olatunji Sofowora & Co.

19/21, Orishe Street
Off Obafemi Awolowo Street
Ikeja
Lagos

JOINT SOLICITORS TO THE OFFER:

Chuma Anosike & Co.

13, Military Street
Onikan
Lagos
And

Dama Afabor & Co.

Suite F16, First Floor
Metro Plaza
Plot 991/992, Zakariya Maimalari Street
Central Area
Abuja

JOINT STOCKBROKERS TO THE OFFER:

BGL Securities Limited

No. 12A, Catholic Mission Street
Lagos Island
Lagos

ICON Stockbrokers Limited

Medife House (3rd Floor)
58/60, Broad Street
Lagos

Capital Assets Limited

8th Floor, Bookshop House
50/52, Broad Street
Lagos

Camry Securities Limited

Wesley House Annex
21/22 Marina
Lagos

Core Trust and Investment Limited

77, Awolowo Road
S.W Ikoyi
Lagos

Falcon Securities Limited

31, Marina
Lagos

Fidelity Union Securities Limited

36, Adeola Hopewell Street
Victoria Island
Lagos

Finmal Finance Company Limited

BON Building, 7th Floor
Plot 785, Herbert Macaulay Way, Central Area
Abuja

First Inland Securities and Asset Management Limited

16, Ahmadu Ojikutu Street
Victoria Island
Lagos

Greenwich Trust Limited

Plot 1698A, Oyin Jolayemi Street
Victoria Island
Lagos

Equity Capital Solutions Limited

2, Davis Street
Off Marina
Lagos

PrimeWealth Capital Limited

18A, Femi-Pearse Street
Victoria Island
Lagos

Professional Stockbrokers Limited

3rd Floor, Investment House
21/25, Broad Street
Lagos

DIRECTORS AND OTHER PARTIES TO THE OFFER

JOINT RECEIVING BANKERS:

Ecobank Nigeria Plc

Plot 21, Ahmadu Bello Street
Victoria Island
Lagos

Fidelity Bank Plc

2, Kofo Abayomi Street
Victoria Island
Lagos

First Inland Bank Plc

4/6, Adetokunbo Ademola Street
Victoria Island
Lagos

Oceanic Bank International Plc

270, Ozumba Mbadiwe Street
Victoria Island
Lagos

United Bank for Africa Plc

UBA House, 57, Marina
Lagos

Skye Bank Plc

3, Akin Adesola Street
Victoria Island
Lagos

JOINT UNDERWRITERS:

BGL Limited

No. 12A, Catholic Mission Street
Lagos Island
Lagos

Skye Bank Plc

3, Akin Adesola Street
Victoria island
Lagos

Fidelity Bank Plc

36, Adeola Hopewell Street
Victoria Island
Lagos

Wema Asset Management Limited:

1st Floor, Leventis Building
42/43, Marina
Lagos

First Inland Bank Plc

4/6, Adetokunbo Ademola Street
Victoria Island
Lagos

JOINT STOCKBROKERS TO THE OFFER (CONT'D)

Santrust Securities Limited

314B, Akin Ogunlewe Street
Off Ligali Ayorinde Street
Victoria Island
Lagos

UBA Stockbrokers Limited

Raymond House
97/105, Broad Street
Lagos

UNEX Securities Limited

3, Biaduo Street, Off Keffi Road
S.W Ikoyi
Lagos

AUDITORS TO THE COMPANY:

Ighodalo & Co.

(Chartered Accountants)
No. 2, Fawole Lane, Obanikoro
Lagos

And

Abdulraheem Olaniyi & Co.

(Chartered Accountants)
3rd Floor, Olatunji House
299, Ikorodu Road, Idi-Iroko, Maryland
Lagos

REPORTING ACCOUNTANT:

Ahmed Zakari & Co.

(Chartered Accountants)
5th Floor, African Alliance Building
F1, Sani Abacha Way
Abuja

REGISTRARS TO THE OFFER:

First Registrars Limited

2, Abebe Village Road, Igamu
Lagos

DIRECTORS AND OTHER PARTIES TO THE OFFER

JOINT UNDERWRITERS (CONT'D):

Spring Capital Markets Limited

Plot 1611, Adeola Hopewell Street
Victoria Island
Lagos

Ecobank Nigeria Plc

Plot 21, Ahmadu Bello Way
Victoria Island
Lagos

Greenwich Trust Limited

Plot 1698A, Oyin Jolayemi Street
Victoria Island
Lagos

Northbridge Investment and Trust Limited

5th Floor, NICON Plaza
Muhammadu Buhari Way
Central Business District
Abuja

THE CHAIRMAN'S LETTER

The following is the text of a letter received from High Chief Raymond Aleogho Dokpesi, PhD, the Chairman of the Board of Directors of Daar Communications Plc:



December 10, 2007

THE DIRECTORS
BGL SECURITIES LIMITED RC269666
NO. 12A, CATHOLIC MISSION STREET
LAGOS ISLAND
LAGOS

THE DIRECTORS
WEMA ASSET MANAGEMENT LIMITED RC 375525
1ST FLOOR, LEVENTIS BUILDING
42/43, MARINA
LAGOS

THE DIRECTORS
**NORTHBRIDGE INVESTMENT
AND TRUST LIMITED** RC 497385
5TH FLOOR, NICON PLAZA
MUHAMMADU BUHARI WAY
CENTRAL BUSINESS DISTRICT
ABUJA

THE DIRECTORS
SKYE BANK PLC RC 142191
3, AKIN ADESOLA STREET
VICTORIA ISLAND
LAGOS

THE DIRECTORS
FIRST INLAND BANK PLC RC 112876
4/6, ADETOKUNBO ADEMOLA
STREET
VICTORIA ISLAND
LAGOS

THE DIRECTORS
ECOBANK NIGERIA PLC RC 89773
THE DIRECTORS
PLOT 21, AHMADU BELLO STREET
VICTORIA ISLAND
LAGOS

THE DIRECTORS
FIDELITY BANK PLC RC 103022
2, KOFO ABAYOMI STREET
VICTORIA ISLAND
LAGOS

THE DIRECTORS
**SPRING CAPITAL MARKETS
LIMITED** RC 254413
PLOT 1611, ADEOLA HOPEWELL
STREET, VICTORIA ISLAND
LAGOS

THE DIRECTORS
GREENWICH TRUST LIMITED RC 189502
THE DIRECTORS
PLOT 1698A, OYIN JOLAYEMI
STREET
VICTORIA ISLAND
LAGOS

Dear Sirs,

INITIAL PUBLIC OFFERING BY WAY OF AN OFFER FOR SUBSCRIPTION OF 1,829,478,000 ORDINARY SHARES OF 50 KOBO EACH AND OFFER FOR SALE OF 960,000,000 ORDINARY SHARES OF 50 KOBO EACH IN DAAR COMMUNICATIONS PLC AT N5.00 per share ("THE OFFER")

On behalf of the Directors of DAAR, I am pleased to provide you the following corporate information in connection with the Offer for Subscription of 1,829,478,000 Ordinary shares of 50 Kobo each at N5.00 per share as well as the Offer for Sale of 960,000,000 Ordinary Shares of 50 Kobo each at N5.00 per share in DAAR:

THE CHAIRMAN'S LETTER (CONT'D)

1. HISTORY OF THE COMPANY

Daar Communications Plc is the foremost private independent broadcast outfit in Nigeria. The Company was incorporated on 31st of August 1988 as a limited liability company with the objective of carrying on the business of broadcasting, printing, publishing, telecommunications and other allied multi-media services. DAAR converted into a public liability company on April 23, 2007 and has both local and international broadcast stations and affiliate stations numbering over 15 backed-up with a management team that consists of seasoned professionals who are committed to advancing broadcasting in the most efficient manner.

I am the Chairman/founder of Daar Communications Plc and a Marine Transport Engineer by training. From its inception, the Company through its broadcast stations, Africa Independent Television ("AIT") and RayPower, has made steady and appreciable progress. In the past five years of its operations, turnover has grown from N652.7 million in year 2002, N695.7 million in 2003, N1.13billion in 2004, 1.83billion in 2005 to over N2.53 billion in 2006, representing over 287% growth. The Company projects that turnover will grow to N10.2 billion in 2008, N17.6 billion in 2009 and N25.0 billion in 2010.

DAAR intends to establish eleven new stations in Nigeria before the end of year 2008 and will also strengthen its transmission to the United States of America and Europe. It also plans to commence digital terrestrial transmission, multi-channel Direct-To-Home service, mobile TV, IPTV and Internet Video Services. In addition to these, the company will establish a world-class film village for film production and recording to situated in Ogun State.

In line with these plans, DAAR is proposing to Offer by way of an Offer for Subscription 1,829,478,000 Ordinary Shares of 50 Kobo each at N5.00 per share and concurrently offer by way of an Offer for Sale 960,000,000 Ordinary Shares of 50 Kobo at N5.00 per share.

2. OVERVIEW OF THE BROADCAST INDUSTRY

The broadcast and content delivery sector (of which Free-to-air/Television and pay-Television are an integral part of the larger content industry) provides entertainment and transmission services to over a billion subscribers worldwide via a variety of analogue and digital technological platforms e.g. cable, MMDS, DTH etc. There is an ongoing global conversion from analogue to digital television broadcasting, creating new business opportunities for television broadcasters and broadcast equipment manufacturers.

The rapid growth of digital technology will be further driven by government timelines put forth in many countries to transit to digital terrestrial broadcasting and cease analogue broadcasting altogether (the global broadcasting industry's deadline for transiting to digital signals is the year 2010, while Nigeria's is 2015). This development has hit the Nigerian industry significantly, particularly given the low financial capacity of the local players, and the insistence by content providers that their content only be broadcast on digital networks. Trends currently driving the industry globally are stated below:

2.1 Advanced Changes in Broadcast Television: The long-standing business model for broadcast television ("the network model") will in developed countries steadily be replaced by a complex and diverse media market with even greater opportunities.

THE CHAIRMAN'S LETTER (CONT'D)

- 2.2 Digital Television Standards:** Various standard organizations have been formed to influence digital television (DTV), including the Society of Motion Picture and Television Engineers (SMPTE), Advanced Television Systems Committee (ATSC), the Digital Video Broadcasting (DVB) project, and the Association of Radio Industries and Businesses (ARIB). These organizations, along with consumer advocacy groups, are helping to create public awareness and demand for digital broadcasting.
- 2.3 Digital Content Availability:** Digital content capture and digital broadcasting (digital and analogue content) continues to gain momentum. Digitally encoded content access is available from DVDs, cable, satellite, terrestrial (wireless), the Internet, and other sources in growing quantities, qualities, and locations. This trend is driven by consumer demand (especially in the DVD recordable and personal video recorder segments), content provider upgrades, and government endorsement.
- 2.4 Changes in Radio Industry:** Digital radio is growing in importance as new stations are launched and listening audience on the new platform grows. Radio is spearheading the drive towards convergence as it becomes available on new devices and becomes integrated with data services.
- 2.5 Advertising:** To better reach consumers, advertisers have begun embedding advertising using text hyperlinks, software toolbar buttons or even computer graphics in video games, software (particularly freeware), web browsers and even active desktops on mobile phones to better reach consumers. These advertisements are very precisely targeted, as advertisers learn more about each group of consumers and need to be far more subtle and sophisticated and less intrusive than the banner advertisements and pop-ups that currently plague the Internet, in order to gain consumer acceptance.
- 2.6 Mobile Phone Penetration:** By the end of 2005, there were nearly two billion cellular mobile subscriptions worldwide. Subscriber growth is strongest in developing countries including Nigeria, Asia and Latin America where mobile phones are both a transformational technology and a status symbol. By the beginning of 2007, Nigeria had an estimated 32.2 million mobile phone subscribers, and a teledensity of 25.2%. The most compelling and lucrative mobile content will continue to revolve around phone personalization, such as ring tones, real tones, wallpapers and basic games.
- 2.7 Advanced Compression Technologies:** Before the availability of advanced digital compression, it was impossible to cost-effectively provide high-quality digital video to consumers. The Moving Picture Experts Group (MPEG) changed that by developing standards for coded representation of digital audio and video. The group has specified several MPEG standards specifically for fixed and mobile web usage which has resulted in an increase in streaming video and digital broadcast applications.
- 2.8 Personalized content:** Companies will spend heavily trying to convince consumers to watch television on mobile phones and other mobile devices. But what consumers really want is simple content such as ring-tones, screensavers, and wallpaper that allows them to personalize their phones - a market that is already worth billions of dollars.

THE CHAIRMAN'S LETTER (CONT'D)

3. CONSUMPTION OF BROADCASTING SERVICES

The Nigerian broadcast media sector is regarded as the most active in the continent of Africa with over 40 television and 55 radio stations (excluding the newly licensed, which have not commenced operations). This is accentuated by the fact that Nigerians are passionate about the media, particularly the broadcast media, devoting on the average about half their leisure time to listening to radio or watching television. Currently, the country has over 44 million televisions and innumerable radio sets which according to 'Nigeria in the Movies' (NIM) is the highest number of TV/Radio penetration in Africa.

Expectedly, reasons why people use broadcasting services vary widely. Most consumption is tied to leisure activity and takes place within homes; it is also used as a stress relief tool, while studying or at work. As earlier mentioned, the ability of the media to attract a wide audience has made it a leading way of reaching a wide audience with promotional and informational materials especially through advertisements.

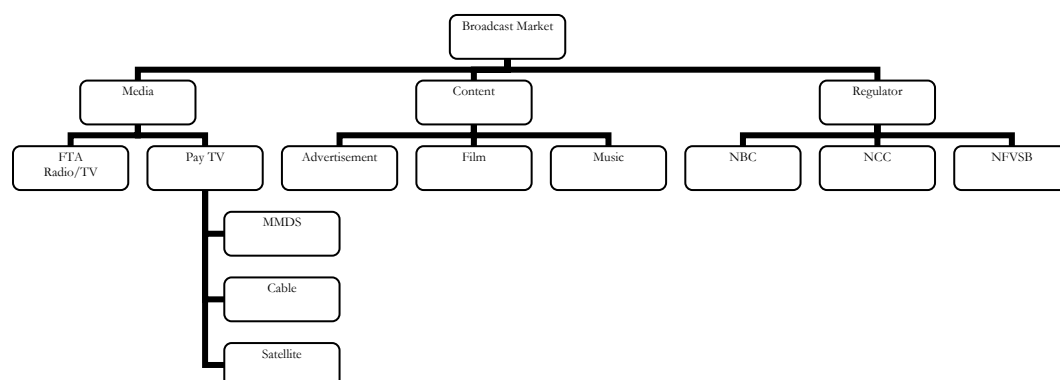
The current trend in the Nigerian TV industry (like in other developing countries) shows a movement towards Pay-TV due to its attractive content. However, free-to-air operations will still remain relevant on account of affordability and larger "eyeball" population; making it the advertiser's choice.

A major implication of the growth in players in the industry hinged on advertisers and viewers/listeners now having ample choice, making it imperative for every station desirous of relevance in the scheme of things (in terms of audience pool, which is the major criterion for advertising patronage by advertisers) to strive for market share.

Advertising has become increasingly sophisticated as its processes and choice have become more scientific and objective unlike in times past when advertising budget and spots were deployed in stations on grounds of old students' relationships, church membership, unscientific rules of thumb and other subjective parameters. This has positively resulted in a mind-boggling rise in annual advertising spend. Also, the market situation points to a high technology-based future of broadcasting. It poses challenges and opportunities and with sheer rapidity of changes in technology comes financial implications. For example, web casting, streaming of radio and television contents into mobile phones, etc, offer enormous opportunities for revenue generation.

4. THE BROADCAST MEDIA MARKET

The structure of the Nigerian broadcast market can be divided into 3 major components as shown below:



THE CHAIRMAN'S LETTER (CONT'D)

4.1 MEDIA

The media can be further divided into FTA ("Free-to-air") Radio and Television.

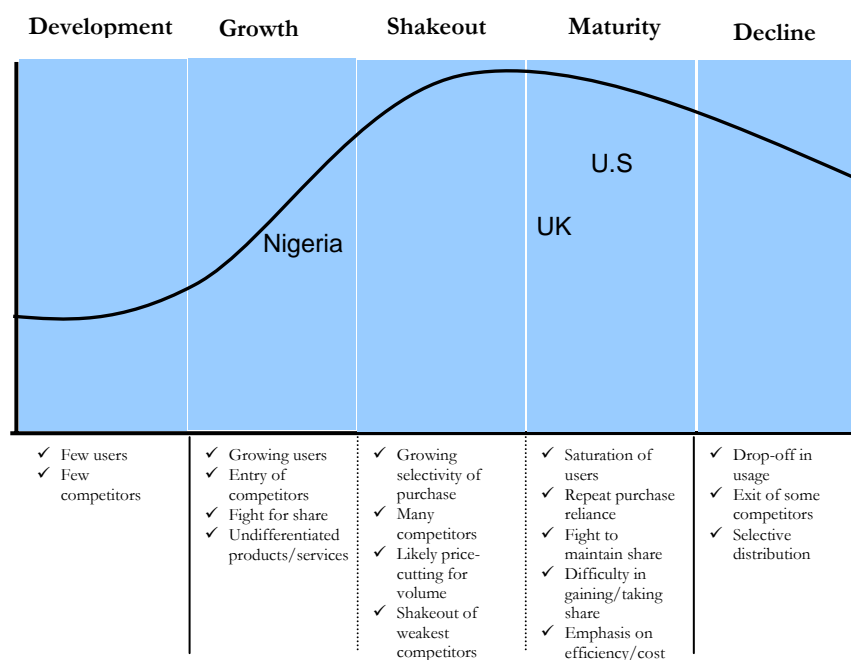
A. Terrestrial/FTA Overview

Since its inception in 1959, the Nigerian television industry has witnessed a tremendous growth. As at 2002, it was estimated to comprise over 44 million TV viewers, numerous radio listeners and about 8.8 million TV households. Free-to-air operations (including radio broadcasting) are mainly federal or state government owned with few private operators. Federal government owned operations enjoy national licenses which allow nationwide broadcast, while state government stations are restricted to regional broadcast. To date, there are over 60 broadcasting stations spread across the country.

Free-to-air operators derive their revenue mainly from advertising and periodic, but irregular government subventions (for government owned stations). The segment is characterized by significant under-funding, inadequate management capacity and relatively low professionalism. The interplay of these factors has severely constrained the growth of the sector. Program quality is generally low, key production and broadcast equipment employed is in many cases far from state-of-the-art. However, the emergence of private operators with restrictive regional licenses has raised the bar and injected greater professionalism into the sector. Despite the emergence and commendable performance of the private TV operators, the low availability of quality content has remained a major challenge to the evolution of many successful broadcast businesses. Increasing viewer sophistication has made "free to air" programming relatively unattractive. As a result of the above development, the onus has fallen on the Private TV operators to provide good quality content to the television viewing public.

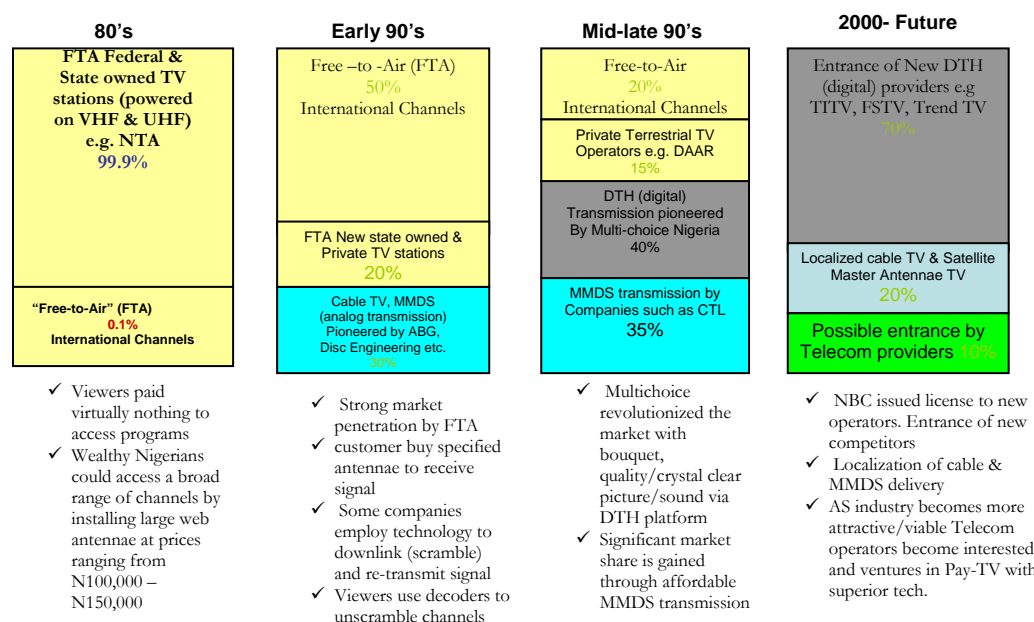
Free-to-air Industry Life Cycle

Nigeria's FTA industry life cycle is depicted in the schematic below. Some characteristics of these phases are illustrated below.



THE CHAIRMAN'S LETTER (CONT'D)

The schematic below further highlights the evolution of broadcasting in Nigeria especially as it concerns the terrestrial/FTA market.



Source: Nextzon Business Services Limited

B. Pay TV Overview

The Pay-TV segment is an integral part of the larger content industry. In order to achieve the intended coverage, content is procured, transmitted and delivered via a variety of analogue or digital technology platforms to the end user. However, unlike the free-to-air segment where advertisement is the key revenue source, this market segment makes revenues by charging subscription fees to deliver content to customers. This tends to make it expensive for most viewers, such that only the higher income brackets can patronize them. Over the years, the proliferation of delivery platform technologies has greatly aided penetration and subscriber growth within the Pay TV sub-segment. Amongst the leading technologies to date are as the following:

Multipoint Multi-channel Distribution System (MMDS)

Also known as wireless cable, MMDS comprises the transmission of television signals from a central broadcasting location to multiple reception points located in a specific geographic area. It involves:

✓ Cable Television

This medium delivers programming via coaxial or fibre-optic cable. Cable system operators receive signals from program providers via special antennas, microwave relay systems, satellite earth stations or fibre-optic cables. The signals are then amplified and combined with locally originated programs and ancillary services and distributed to subscribers. Subscribers then receive these signals through the use of decoders, which unscramble the signals at the subscriber location.

THE CHAIRMAN'S LETTER (CONT'D)

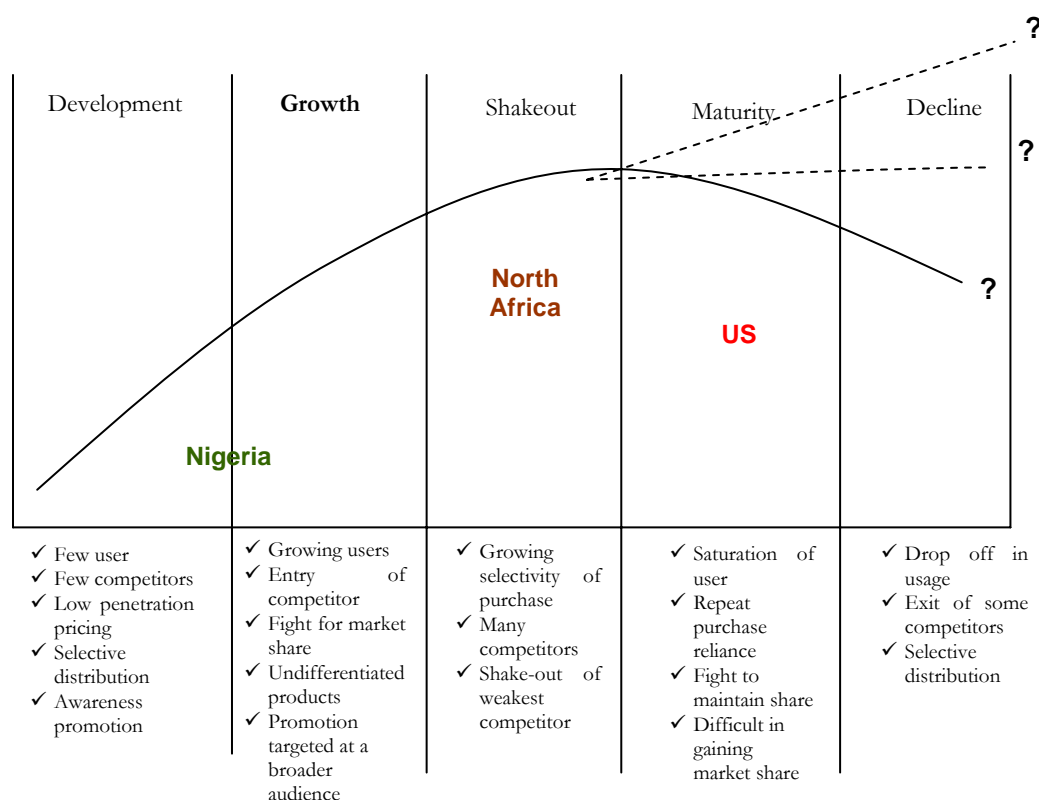
✓ Satellite Master Antenna Television (SMATV)

SMATV is a broadcast service typically delivered to a narrower base of customers such as housing estates, hotels, commercial buildings, industrial estates, hospitals and educational institutions. SMATV entails the reception via satellite of content and subsequent distribution via coaxial cable.

Direct-to-home (DTH) entails the delivery of media content via satellites to the end user. This market had its beginnings in 1976 and has grown steadily from a niche delivery mechanism into a mainstream business.

Pay-TV Industry Life Cycle

Nigeria's Pay-TV industry life cycle is depicted in the schematic below. Analysis of the cycle reveals that the industry is between the development and growth phases. Some characteristics of these phases are highlighted in the diagram overleaf.



Source: KPMG Report & Nextzon Business Services Limited

With a market size of over 400,000 subscribers, Nigeria currently contributes a meagre 0.08% to the worldwide pay-TV market size of over 400 million subscribers. The above notwithstanding, the country constitutes a potentially huge Pay-TV market considering its population of about 140 million people. Multichoice is currently the leading player in most parts of Africa generating global revenue of over \$712.5 million annually. Other players include: Communications Trends Limited/Trend TV, FSTV, HiTV etc. In Nigeria, Multichoice appears to enjoy a monopoly basically focusing on the high-end of the Nigerian market despite the huge potential presented by the increasingly sophisticated and cosmopolitan middle-class that constitutes over 60% of Nigeria's pay-TV market. The demand for pay TV services in Nigeria is driven primarily by:

THE CHAIRMAN'S LETTER (CONT'D)

1. Availability of Substitute Media

The quality of the local free-to-air TV services in Nigeria is seen as 'average' by the mass viewing public. Normal complaints range from quality of reception to the lack of compelling content and programmes. This makes the MMDS based Pay TV stations the only real substitute product for DTH services.

However, key factors which constrain the ability of pay TV to compete effectively with DTH, include: inferior picture quality, limited choice of channels and programme offerings (the MMDS based wireless cable stations are limited by regulation to broadcast only two channels per franchise area) and low financial capacity. In addition, MultiChoice Nigeria also has sole rights to rebroadcast certain premium channels and events. Thus, the only way competitors may transmit these content would be for Multichoice to on-sell these rights to them.

2. Household Income

Household entertainment is constrained by diminishing household income in the local market. Effective purchasing power and disposable income are generally low, due partly to high inflation and local currency depreciation. This is perhaps the single largest barrier to mass penetration of DTH services in Nigeria. Currently, the MultiChoice offering is priced well above the affordability level of most Nigerians. It is however worthy of note that the above position will likely change due to improving macroeconomics.

Summarily, available data points to the fact that DTH delivery platform is the future of pay-TV, as cable and MMDS technologies become obsolete. Recently, new DTH providers have emerged, some of which include: STV, TTTV, HiTV, MyTV and Trend TV respectively. Though Multichoice currently dominates the market; increased competition is likely to have significant and perhaps positive effects on Nigeria's Pay TV and TV penetration going forward.

3. Programming Quality/ Mix

The Nigerian market is currently starved of high quality programming and content. This in itself presents an opportunity for new entrants, especially those that can deliver quality content at affordable prices.

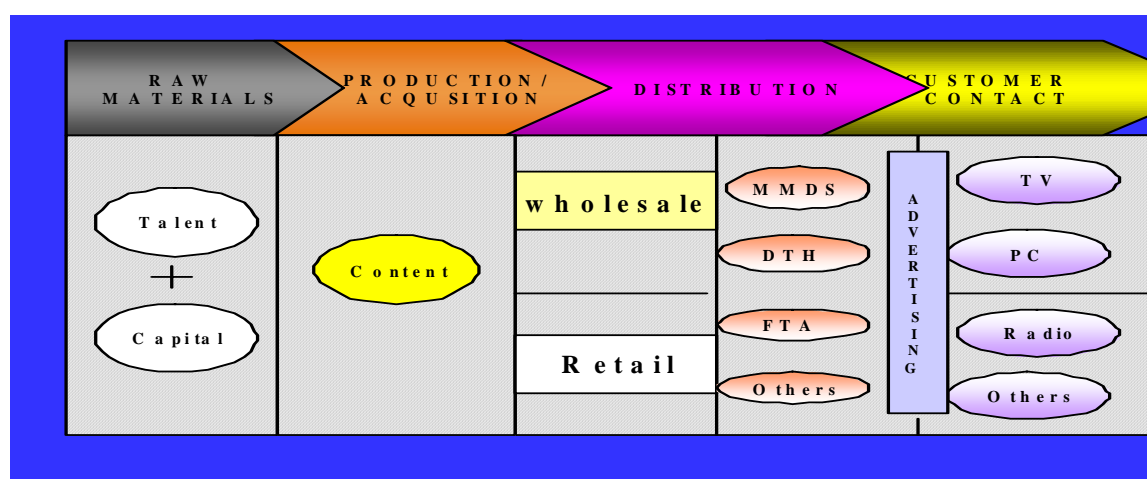
4.2 CONTENT INDUSTRY OVERVIEW

As content has become the key competing edge, the Nigerian programming industry is evolving rapidly to satisfy the changing taste of the increasingly sophisticated viewers nationwide and the international audience. Nollywood has revolutionized the industry with local content (Home Videos). However, huge opportunities still exist for professionals who can add value to Nollywood through the provision of value-added services to enhance program quality. Relatedly, there is also an opportunity to repackage local content for global appeal and international marketing. The development of the local content industry has received a lot of support from the regulators, who have made certain regulations to persuade the broadcast media to air local content. These measures are depicted in the table that follows:

THE CHAIRMAN'S LETTER (CONT'D)

Content Industry Regulation	Impact and effect of Local Content	Research Findings
<ul style="list-style-type: none"> Programming shall observe the approved ratio of not more than 40% for terrestrial and 80% for cable stations in foreign programmes Music shall constitute a part of a station's local/foreign content ratio Stations engaged in Satellite transmission originating in Nigeria are to involve at least 60% Nigerian and 25% African content in their daily transmission 	<ul style="list-style-type: none"> Content regulations has contributed immensely to the growth of the Nigerian television production industry Local content has led to an increase in demand for local product and served to strengthen the production industry Broadcast of local content on Nigerian television stations has increased by 45% between 1994 and 2002 Viewership of Nigerian programmes increased dramatically by over 100% from the pre-1999 levels of 50% 	<ul style="list-style-type: none"> Even though broadcasters have made efforts to comply, the level of compliance is yet to meet the target Level of compliance is lower for cable MMDS operators and radio stations, and highest for television stations such as AIT, NTA Radio and Cable broadcasters have argued that there was insufficient Nigerian content, especially music to support the 60% quota though this is changing as well.

Industry Value Chain



Source: Nextzon Business Services Ltd

The value chain commences with the key raw materials of talent and capital combining to produce content (films, music, sports, news, data etc). The content is then distributed through the following means:

- **Retail:** content development and distribution via owned network to customers
- **Wholesale:** content development and sale to other distributors who then broadcast to consumers via a variety of analogue or digital technology platforms.

The broadcast industry value chain has been rather dynamic over the last half century as there has been a shift of value from the distribution companies to the content providers for both packaging and production. Content has therefore become 'king' as multiple platforms with greater bandwidth become available.

4.2.1 Nigeria's Advertising Industry

The advertising industry in Nigeria is a major source of revenue for free-to-air-operators (TV and Radio). Based upon information from the Association of Advertising Practitioners of Nigeria (AAPN), the size of the advertising market in Nigeria, before the advent of GSM was estimated at N10 billion in year 2002. At the moment, advertising spend is estimated at ~~N~~50 billion and this is expected to increase by 60% to about ~~N~~80 billion by 2010. This initial growth experienced by the industry is believed to be primarily driven by the following factors:

- Increased roll-out by GSM companies
- Increased investment (both foreign and local) on account of increased investor confidence.
- Consolidation and re-capitalization within the Nigerian Banking and Insurance Industry with the associated Public Offers and Initial Public Offerings etc.
- General improvements in the economy leading to more purchasing power and increased product promotion

The share of the market enjoyed by the broadcast media (i.e. Radio and TV) is estimated at 75% of the total market i.e. about ~~N~~37.5 billion while the remaining 15% (~~N~~12.5 billion) is shared between Print and Outdoor. Based on this large and rapidly expanding advertising market, the free-to-air broadcasting industry in Nigeria is assured of sizeable portion of the market given its advantages of affordability and reach.

4.2.2 The Film Industry Overview

The global film industry is characterized by a stable American domestic marketplace and a robust export market. The United States of America has dominated the film industry since its inception, with some short-lived exceptional periods, and today the country boasts of over \$3 billion net trade balance for film and television programming. In addition to its favourable global nature, the film industry has a number of remarkable and distinctive characteristics, which include:

- ✓ Formidable barriers to entry
- ✓ Seasonal revenue cycles
- ✓ An entrepreneurial character despite a century of evolution, and
- ✓ Extra-ordinary profit potential.

In recent years, the Nigerian Film industry has grown rapidly to become the third largest prolific film producing industry in the world after the renowned Hollywood of the United States and the prolific Bollywood of India. With the production of over fifty (50) movie titles per week, Nollywood, as the Nigerian film industry has come to be known, is beginning to command global attention by its size and work rate and it is increasingly seen as one of Nigeria's positive cultural contributions to the international community. The industry has not only transformed the way Nigerians see themselves, it has also become one of the major sources of employment in the country with over 5,000 guild members in 2004. The popularity of Nigerian films now stretches far beyond the country's borders.

THE CHAIRMAN'S LETTER (CONT'D)

Nollywood actors are welcomed as stars virtually throughout the African continent. Other African countries such as Uganda are dreaming of having its own Ugandawood. Even international festivals in Montreal, Berlin, Rotterdam and Cannes have made room for Nollywood.

A downside however for the dominance of Nollywood in the market is for countries such as Ghana to threaten and actually close its market to the cascade of Nigerian movies for fear that its own productions being out-sold by Nigerian films and videos. An analysis of the film industry is stated below:

a. Barriers to Entry: Two main barriers to entry are present in the film industry. First, movie costs (i.e., the total cost of producing a movie, or "budget") are high without taking into account marketing and distribution cost, which sometimes equal the budget. A second barrier is simply the array of skills, specialized knowledge and experience required to professionally produce a high quality film.

b. Seasonal Revenue Cycles: The peak times for theatrical admissions are the holidays, Easter, thanksgiving, and Christmas/New Years. Additionally, the summer is generally a peak period and as a result of this concentrated demand pattern, the major studios and distributors plan their marketing campaigns and strategize release dates far in advance of the theatrical opening. Films therefore compete fiercely for audiences in these periods which results in increased advertising, publicity and distribution costs.

c. Persistent Entrepreneurial Character: Another remarkable aspect of the global film industry is that it has retained its entrepreneurial nature for more than one hundred years. The dynamics of the industry are constantly changing as power is continuously re-distributed among the many creative forces and powerful independent organizations. For the studios, this aspect of the industry is an unhappy truth, but for the independent, it is an eternal source of new opportunity windows to secure a niche, outperform the competition, and invent new franchises, talents or genres.

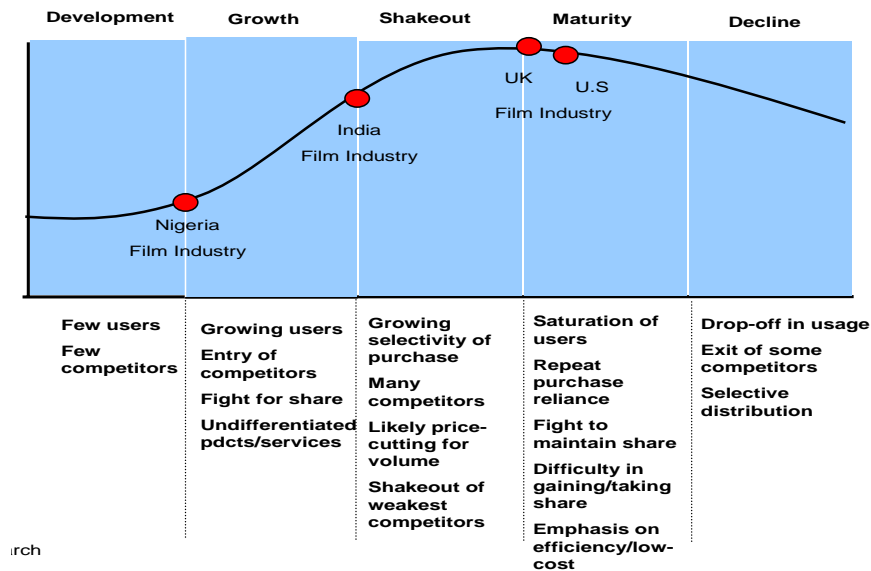
d. Extraordinary Profit Potential: Though a high-risk investment venture, the film industry offers a high-profit potential. The profit potential is a function of several factors. Firstly, many films are "research and development" products; they cannot be test marketed and therefore the marketplace generally cannot predict the success of a given film. There are many examples of box office smashes that were shot on small budgets or were rejected by many studios before their ultimate release. Secondly, films have "sunk costs," and require modest incremental expenditures to obtain revenues in windows subsequent to their release in the primary media of theatrical, pay-per-view and home video. When properly engineered from a marketing and sales standpoint, a film's profit potential can be dramatically enhanced by the utilization of additional revenue sources such as product placement, merchandising, videogames, and soundtracks.

Industry Life Cycle

Within the context of the global industry, the life cycle of the Nigerian film industry is depicted in the schematic overleaf along with the American, British and Indian film industry.

THE CHAIRMAN'S LETTER (CONT'D)

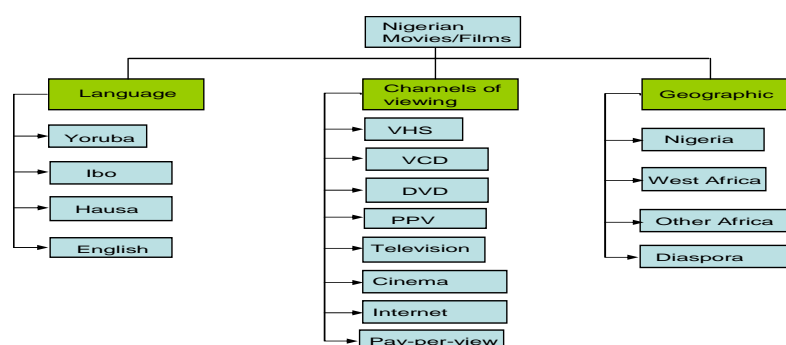
Analysis of the cycle has taken into great consideration the level of development of distributive channels and reveals that the industry is still at the growing stage in Nigeria. Specific characteristics of each existing phase are also highlighted in the diagram.



Source: Nextzon Business Services Ltd

However, the non-existence of a modern and affordable purpose-built filming facility for the production of cultural, traditional and historical movies and television programmes has held back the growth of the industry either in terms of professionalism or precision in the way scenes are represented. As the international awareness of the Nigerian film industry grows, the demand for a dedicated location (film village) with adaptable sceneries for recording and film production and a creative precinct housing a cluster of related small to medium sized businesses offering their innovative services and products to film makers is abundantly apparent.

Apart from the importance stated above, the film village will promote tourism and Nigerian art and culture. It will also act as a video/film resource centre for documentaries, news reports and short feature films and all these can be made available to broadcast stations, private individuals, schools, corporate organisations, civil society groups, government agencies etc. Though a similar facility is provided for within the Tinapa complex, it is gathered that film producers have complained about the sophistication of the facility hence its gross under-utilization by film makers. The Nigerian movie market is also characterized by three distinctive features which are language, channels of viewing and geographic coverage. Each feature has its particular characteristics and viewer preferences of which producers exploit to increase patronage. The schematic and tables that follow illustrate this trend.



4.2.3. The Music Industry

The global music industry is often described as one of the leading creative industries that increasingly drive the development of modern economies. According to the International Federation of Phonographic Industries (IFPI), the worldwide sales of recorded music alone have risen from US\$ 2 Billion in 1970 to over US\$32 Billion per annum today. Also, the annual income of the big four record companies in the world (Universal Music Group, Sony BMG Entertainment, EMI Group and Warner Music Group) is much more than Nigeria's annual earnings.

It is believed that the global significance of the music industry is largely dependent on the performance of its core business sectors made up of the record labels and music publishers and the vast number of ancillary businesses that both support and feed from the core businesses. In places where the menace of pirates is curtailed, the record labels dominate the industry. The record labels employ the best hands in the land to produce world class musicians and music. They own first class studios and a ring of distribution marketing and retail outlets that promote sales and enhance the economic stature and capability of the musician to compete with the very best in the world.

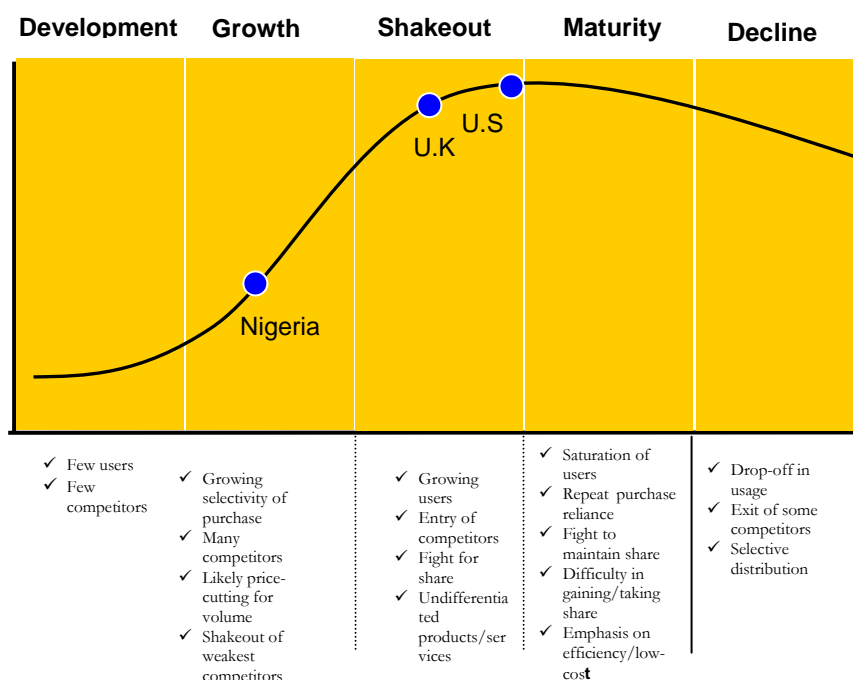
In Africa, Nigeria is believed to have the most vibrant music industry with some of the most advanced recording studios in the continent. Apart from music being an essential part of the Nigerian society, the achievement of the Nigerian music industry has been attributed to the country's culture - its thirst for aesthetic and material success and a voracious appetite for life, love and music and a huge domestic market, big enough to sustain artists who sing in regional languages and experiment with indigenous styles.

In the 90s and in spite of having a population that was large enough to support high record sales, political corruption and rampant music piracy in Nigeria hampered the industry's growth. The industry was populated with a lot of players who lacked professionalism and interest to discover good musicians or produce good music.

Industry Life Cycle

Within the context of the global industry, life cycle of the Nigerian music industry is depicted in the schematic overleaf along with the American and British music industry. Taken into consideration during the analysis of the cycle is the level of quality productions, the huge market gap and the distributive channels, which reveals that the industry is still at infant stage in Nigeria. Specific characteristics of each existing phase are also highlighted in the diagram.

THE CHAIRMAN'S LETTER (CONT'D)



4.3 The Regulatory Environment

I. **National Broadcasting Commission (“NBC”)**: The sole organ responsible for regulating the broadcast industry in Nigeria is the NBC. Established via Decree No 38 Of 1992, the NBC is empowered to receive, process and consider “applications for the ownership of radio and television stations, including cable television services, direct satellite broadcast and any other medium of broadcasting”. The NBC is also charged with the function of “establishing and disseminating a national broadcasting code and setting standards with regard to the content and quality of materials for broadcast” while “promoting Nigerian indigenous cultures, moral and community life through broadcasting”. The National Broadcasting Code was launched in 1993 and in June the same year, the first set of licenses were issued to private operators and another set of seven licenses were approved in 1997. These licenses rejuvenated the industry. On the international frontier, the Commission originated and organised in 1996 an international conference of African broadcasters tagged AFRICAST. This has consequently grown to become a biennial event. A more distant trend regarding regulation has been the idea of converging the regulation of broadcasting with the regulation of Telecommunications.

II. Nigerian Communications Commission (“NCC”)

The NCC is the independent National Regulatory Authority for the telecommunications industry in Nigeria. The Commission is responsible for creating an enabling environment for competition among operators in the industry as well as ensuring the provision of qualitative and efficient telecommunications services throughout the country. Over the years, the NCC has earned a reputation as a foremost telecom regulatory agency in Africa. The Commission has initiated several programs such as State Accelerated Broadband Initiative (SABI) and Wire Nigeria Project (WIN) to help stimulate demand and accelerate the uptake of ICT tools and services necessary for the enthronement of a knowledge society in Nigeria.

THE CHAIRMAN'S LETTER (CONT'D)

5. BUSINESS OFFERINGS

DAAR is primarily involved in printing, publishing, broadcasting, telecommunications and allied Multi-media services across the globe. DAAR launched its broadcast services in 1994 with the promotion of Nigeria's first private independent radio station, RayPower 100.5FM. A second channel, RayPower 106.5FM commenced formal operations in April 1999. DAAR had earlier launched a 24 hour global television service with the call sign - African Independent Television, with a thematic philosophy that is geared towards the promotion of African values and traditions across the world. In the last quarter of 1999, DAAR launched into the information super highway with the commencement of the DAAR broadband internet services with capacity for voice, internet access, video conferencing, data, telephony and other multi-media capabilities

Corporate Goal - DAAR's corporate goal is to establish, develop, maintain and sustain a global business institution that will be a market leader and offer an enduring platform for professionals to actualize their career objectives consistent with corporate aspirations. Its approach is to deploy appropriate strategies to drive a professionally motivated and profit-oriented enterprise. Its commitment is to the development of brands that people can trust. The cardinal focus of DAAR is Africa and the black race.

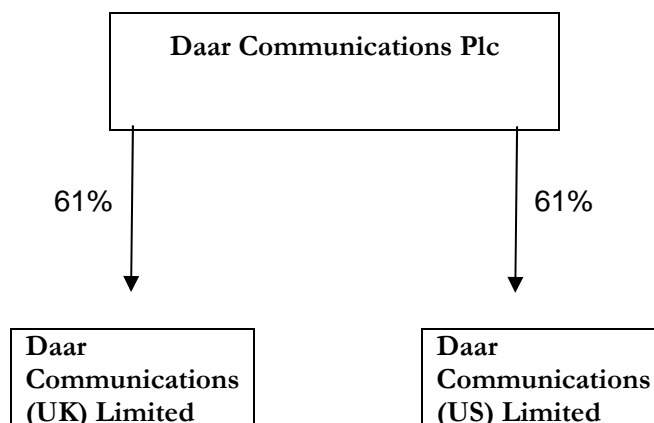
Corporate Vision – Its Vision is to promote the rapid integration of the African Continent with the rest of the world, encourage development in Africa, attract development to Africa, project the hope and common aspirations of the black race and advance the positive goals of humanity. The vision is to share everything positive and exciting about the Africa experience by offering a revealing insight into the collective aspiration of the black race in a most appealing and refreshing manner.

5.1 Our Awards

Within the past three years, DAAR was the recipient of several awards and distinctions from various bodies and independent groups. One such award was the prestigious "NBC Price for the Television Station of the Year Award" given by the Nigerian Media Merit Award in September 2006. In addition to this, some other awards DAAR has won in the past include:

1. Award for being a "Socially Responsible Electronic Media Organisation" by Nigeria Employers' Consultative Association in 2007.
2. "The Most Outstanding Electronic Media (radio) on Entertainment" by Independence Hall of Fame in year 2006.
3. "Best TV Station of the Year" by Business Reports Limited in year 2005.
4. "TV Station for the Year" presented by the West African Direct Marketing Awards in year 2005.
5. A Gold Medal for Excellence in Business Practice in year 2004 presented by the United Nations Foundation for Excellence in Business Practice, Switzerland.

6. GROUP STRUCTURE OF DAAR



6.1 RayPower Radio ("RayPower") 100.5 FM

In the wake of the deregulation of broadcasting on the 24th August, 1992, DAAR Communications Plc applied for and was granted approval to operate an independent radio station. The station which started test transmission on the 15th of December, 1993 made history on the 1st of September, 1994 when it commenced commercial broadcasting with the launch of Raypower 100.5 FM in Lagos as the first 24 hour broadcast service station in Nigeria as well as the first private independent broadcasting station in the country. The coming of Raypower 100.5 FM, 59 years after the first Radio signal was broadcast in Nigeria by the colonial Government on December 1, 1935, from the conventional output of other Broadcasters in Nigeria. Raypower 100.5 FM became an instant success with its interactive programming format that promoted immediate feedback on sensitive socio-political, economic and cultural issues. Its highly informative morning programme and Ultimate Morning Show raised the level of public consciousness to an all time high.

Raypower 100.5 FM became an instant success with its pioneering twenty four hours a day, seven days in a week interactive programming format that promoted immediate feedback on sensitive socio-political, economic and cultural issues. It was a radical departure from what radio audiences in Nigeria have been used to since 1935. RayPower 100.5 FM is now in twelve locations across Nigeria and remains the station of choice by radio listeners. Its 'infotainment' theme guided by its development philosophy help to promote national unity and stability as well as foster global understanding.

RayPower 2 106.5

Encouraged by the success of Raypower 100.5 FM, the Company introduced its second radio station, Raypower II 106.5FM to promote values of a pluralistic society and to serve as a catalyst for rapid development.

THE CHAIRMAN'S LETTER (CONT'D)

6.2 Africa Independent Television ("AIT")

Based on Raypower's track record and in recognition of DAAR's commitment to responsible broadcasting in the country, the Federal Government of Nigeria in June 1995 granted DAAR the first ever global satellite television license. On December 6, 1996, the Company launched Nigeria's first commercial terrestrial television service with the call sign "Africa Independent Television ("AIT"). AIT has a transmission footprint which covers the entire globe. It runs 3 distinct streams of programming namely, National transmission which is domesticated in Nigeria, transmission to the rest of Africa, Europe, Middle East and Asia, and transmission into United States of America (U.S.A.) and the Americas.

Over the years, AIT has built a reputation for setting the news agenda, orderly development of society and for holding governments accountable to the people. It is also at the forefront of National social mobilization to promote participatory democracy and build a responsible citizenry committed to the task of national building and the preservation of national ethos. In furtherance of its vision to be the clear market leader in television broadcasting, AIT is situated in 20 locations across the 6 geo-political zones of the country. It plans to expand to 16 additional locations in the next 4 years to achieve a complete national spread. The objective is to boost its relevance to every local community and achieve an effective pan-Nigeria coverage that will translate into steady revenue streams for the running of its operations and the realization of its profit objectives.

6.3 International Transmission

AIT's International transmission is propelled by Programming which is different and original in tone as well as delivery. While it is decidedly informative in content and character, the overall programming mix is entertaining. Its programming is for general audience and its pay-off "Sharing the African Experience" symbolizes its vision to offer on daily basis but revealing insight into the African experience worldwide. In the U.S. and the Americas, AIT is on the DTH (Direct to Home) platform of Echostar's Dish Network. In Europe, the rest of Africa, the Middle East, the Mediterranean Basin and Asia, AIT is available on Hotbird 6 @13°E and in the U.K, AIT is available on Eurobird that is co-located with Astra @ 28°E and sharing B-Sky-B's EPG platform. As regards the rest of Africa excluding South Africa, AIT is on the broad beam of DSTV.

6.4 Technology Update

Rapid development in broadcast technology has brought about a global migration from analogue to digital transmissions. The technology innovations are redefining the total nature and system of broadcasting in terms of hardware and software considerations. Every region of the world in response to the requirements of the digital age in Broadcasting is setting deadlines for complete migration to the digital platform not later than 2010. The U.S. and Europe have taken the lead in this direction.

THE CHAIRMAN'S LETTER (CONT'D)

In Nigeria, the Government has set 2015 as deadline for the complete transformation. Manufacturers of Broadcast hardware and software are however phasing out analogue transmission equipment, making most of the equipment installed earlier than now either technologically or economically unviable or totally obsolete. They are increasingly becoming non-compliant with broadcast components available in the market. DAAR has therefore taken a pragmatic business decision after a careful appraisal of the trend to upgrade its transmitters and entire transmission line to a digitally compliant format. The process began in 2006 and was intensified in 2007.

AIT has fully integrated and installed a complete digital terrestrial transmission platform at its Abuja transmission hub complete with set-up boxes. It is also replacing its entire camera chains and studio equipment with the universal digital compliant standard definition and high definition formats. To maintain its leading position in the Broadcast industry and to widen its income base, the Company needs to invest in the new line of technologies that will define the direction of broadcasting in the near future. With the available digital platform in Abuja, it will be possible to diversify into the development of distinct channels for Sports, Business, News, Movies, Music, Documentaries and Instructional Television. These specialized channels are expected to translate into higher revenue yield for the Company.

7. RISK AND MITIGATING FACTORS

Political Risk

A change in the political situation in the country has the potential to affect economic and legal aspects of Nigeria. If democracy is interrupted, consumer sentiment might be affected. Also, the Niger Delta conundrum can adversely affect the stability of the country.

The scenario above is unlikely to unfold. The Presidential and Gubernatorial elections were recently conducted in a relatively stable and secure environment. In the days to come, it is believed that electoral officers would be engrossed in litigation matters that would not derail the democratic process in the country. Also, the government is presently in discussion with the Niger Delta militants on holistic ways of resolving the crisis. Recently, a Niger Delta master plan was announced that would re-lunch the region into one of the adorable places in Nigeria.

Economic Risk

It is laudable that the present economic policies of the Federal Government have facilitated growth in various sectors of the economy. It is also noteworthy that Nigeria's sovereign risk has attained a BB- ratings by Fitch and Standard and Poors for 2 years consecutively.

However, although it is very unlikely, it is not impossible for the economy to experience a downturn as it takes only inefficient use of resources and improper economic policies to achieve this. It is expected that the new government will continue to build on the economic policies of the past administration.

THE CHAIRMAN'S LETTER (CONT'D)

Currency Risk

Though the instability of the Nigerian currency has successfully been managed within the last 3 years, future fluctuations may make inflation and costs unpredictable given the fact that the technological equipments have to be imported from other parts of the world.

We believe the relative stable exchange rate (particularly against the US\$) will be maintained over the next few years. As the company pays for most of its equipment in US\$, we are fairly comfortable that the exchange rate risk will not significantly affect the finances of the Company

Regulatory Risk

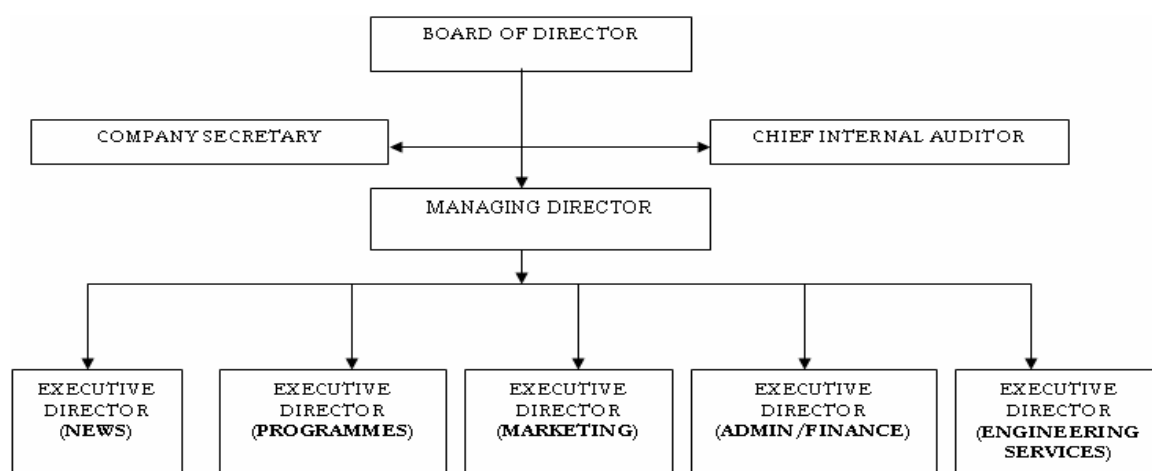
DAAR is subject to the regulatory dictates of the Federal Government through the National Broadcasting Commission, and the Nigerian Communications Commission. These two regulators have so far been very supportive of the industries they regulate, and we do not envisage any change to this state. In addition, DAAR has in the past had a cordial relationship with both regulators and as such, expects to continue to work effectively with them in the development of the industry, and does not expect any difficulties in receiving licenses and approvals for new transmission stations to be built. Also, the NBC and NCC are being regularly updated and approvals received on expansion plans of the Company.

Overdependence on Advertising Agencies

As at today and in line with industry practice, Companies wishing to advertise their products usually use independent advertising practitioners and agencies that act as middle-men, who in turn collect such briefs and forward same to broadcast stations for relaying. It is usual practise for monies owed not to be paid on time by the agencies thereby distorting the cashflows of broadcast stations.

We expect that the regulators would choose to manage this process through appeals or sanctions to specific agencies that fraudulently refuse to pay-up outstanding monies owed to broadcast stations. Also, the effective working relationship DAAR has developed with major advertising agencies in the past is expected to ensure that outstanding monies are collected as and when due.

8. BOARD OF DIRECTORS



THE CHAIRMAN'S LETTER (CONT'D)

The Board of Directors of DAAR consists of diverse, experienced, stable and visionary personnel who direct the affairs of the Company. These Directors are 17 in number and I am the Chairman.

I am a Marine Transport Engineer, and was born on the 25th of October 1951. I attended Ebenezer African Church School, Ibadan, Loyola College, Ibadan and Immaculate Conception College, Benin city. I worked briefly with the Nigerian Ports Authority as a Marine Officer Cadet in 1969 before proceeding to Poland for further studies. Between 1969 and 1973, I attended Wyższa Szkoła Morska Gdynia where I obtained a B.sc in Marine Engineering. I also obtained a Post Graduate Masters in Marine Transport Engineering from the same university in 1975. In 1977, I obtained my Doctorate Degree from the University of Gdansk Sopot. I received a first class in my first degree (the best in 50 years in Poland) and a distinction in my Masters. I lectured in the University of Gdansk, Poland as Assistant Lecturer in Marine Transport Economics before returning to Nigeria. While in Poland as a student, I held the following positions: President, Nigeria Students Union Gdansk Poland (1972-1974), President, African Students Union, Poland, 1973, President, Nigeria Students, Eastern Europe, 1974. Before venturing into private business, I worked with both the Nigerian Ports Authority and the Federal Ministry of Transport in different capacities. I am a seasoned and an accomplished entrepreneur and investor who understands the dynamics of private broadcasting business management. I am a fellow member of many professional organizations, and a recipient of many prestigious awards including Dr. Kwame Nkurumah Africa Leadership Award and a Gold Medal for Excellence in Business Practice awarded by the Foundation for Excellence in Business Practice, an organ of the United Nations based in Geneva, Switzerland.

Other Directors on the Board include:

Alhaji Tahir R. Bello – Non Executive Director

He was born on the 1st of June 1945. He is a qualified Aeronautic & Mechanical Engineer. He studied at the Tottenham Technical College, London where he bagged a System Engineering Degree in 1972. Thereafter, he proceeded to Willesden Technology where he had a Diploma in Aeronautic Engineering in 1975. Between 1972 and 1974, he had special training on 0-00 Aircraft Maintenance at Aeronavil, Venice, Italy and a Transport Management course at Bromsgrove College, Birmingham University, England between 1976 and 1977.

Ambassador (Chief) Segun Olusola – Non Executive Director

He was born on the 18th March 1935. He attended St. John's Catholic School and Wesley School, Iperu-Remo from 1941-1947. Between 1948 and 1961, he proceeded to the United States of America for his University education where he attended Syracuse and Pittsburgh Universities respectively and obtained Diploma in Mass Communication. He also attended the Institute of Policy and Strategic Studies, Kuru, Jos in 1982 where he bagged a Diploma in Strategic Studies. He worked with the Nigerian Broadcasting Service (now FRCN) Ibadan as Broadcasting Officer from 1955 to 1959. He was an Executive Producer, WNBC/WNTC Ibadan from 1959 through to 1964 and subsequently became a Director in Nigeria Television Authority in 1978. He has been Chairman of several government agencies, and was in 1987 appointed Nigeria Ambassador to Ethiopia and the Organisation of Africa Unity (OAU). He is currently the Chairman of International Centre of Arts, Lagos. He has produced several television programmes including the timeless "The Village Headmaster". He has also written several books.

THE CHAIRMAN'S LETTER (CONT'D)

Dr. Thomas A. Adaba – Non Executive Director

He was born on the 2nd of July 1941 and attended Christ the King Catholic School, Okene in 1947. He thereafter attended Junior Seminary, Okpala. In 1969, he proceeded to the United States of America for further studies where he attended Ohio University, Athens, Ohio and obtained a B.Sc in Mass Communication and Indiana University, Bloomington where he obtained a Masters in Instructional Technology. He later attended the University of Jos from 1986 to 1989 and obtained an M.Phil in Mass Communication and Theater Arts. He also has his Doctorate degree in Mass Communication and Theater Arts from the University of Jos.

He moved to the Nigerian Television Authority (NTA) and held several positions between 1974 and 1977 and rose to the position of Deputy Director, Operations, Principal, Television College and was later appointed the first Director-General of the Nigeria Broadcasting Commission (NBC).

He is a member of several professional associations and has authored many books. Presently, he is the Executive Chairman, Trim Communications, a public relations firm and the Managing Director of Trim Travels and Tours.

Alhaji Abba Dabo –Non Executive Director

He is a versatile journalist and publisher. He was born on 21st March, 1952. He attended Wudil Teachers College, Kano in 1966 and School of Basic Studies, Ahmadu Bello University, Zaria, 1972. In 1993, he obtained a B.sc in Economics from the same University, Ahmadu Bello University, Zaria.

He joined the New Nigeria Newspaper Limited as Economic Correspondent in 1979, Editor, Gaskiya Ta Fi Kwabo, in 1981 and was appointed Editor, Sunday New s Nigeria in 1982. Between 1973 and 1977, he was Managing Director of Triumph Publishing Company, Limited, Kano. In 1983, he was appointed the Chief Press Secretary to the President, Commander-in-Chief of the Federal Republic of Nigeria, Alhaji Shehu Shagari. He is a Member of the National Geographical Society, Royal Commonwealth Society and a Council Member of the University of Nigeria, Nsukka. He has to his credit several Publications.

Mr. Emeka Lawrence – Non Executive Director

Mr. Lawrence N. Emeka is a widely acclaimed broadcaster, cultural specialist and ethnomusicologist, which has been enhanced nationally and internationally by his multi-media productions and publications on broadcasting and social communications. He attended Trinity College, London and bagged a Diploma in Mass Communication and Drama in 1978. In 1994, he was made a Fellow of Science and Technology (FSP) from the Enugu State University of Science and Technology. He has served as Founding Head, culture and research in the Nigerian Broadcasting Corporation/Federal Radio Corporation of Nigeria, Founding Head of West African Service in Voice of Nigeria, Deputy Director/Managing Director of Federal Radio Corporation of Nigeria, Enugu National Station and Lecturer FRCN Staff Training School.

THE CHAIRMAN'S LETTER (CONT'D)

Alhaji Gambo Lawan – Non Executive Director

He was born on the 5th of June, 1958 and hails from Mobbar Local Government Area of Borno State. On completion of his secondary education, he attended several external courses in Public Administration, Accounting, Finance and Management spanning over sixteen years (from 1980 - 1996). He is an associate member of the Nigerian Institute of Management, Fellow of the Institute of Industrialists and Corporate Administrators and Institute of Public Administrators of Nigeria.

Prince Shedrack Akolokwu – Non Executive Director

He is a Knight of the Holy Order of Saint Christopher (KSC) by the Church of Nigeria (International Anglican Communion Diocese). He is a trained Lawyer, Politician and Developmental International Relations Strategist. He attended Sancta Maria High School, Omoku in 1976 for his Secondary school education. He latter proceeded to the Universities of Port Harcourt and Rivers State Science and Technology, Port Harcourt, where he studied Law, Political Economy, Development Studies, International Relations and graduated in year 1981, 1986, 2002 with an B.Sc, M.Sc and LL.B respectively. He was called to Bar in 2005. He has held several positions in both the public and private sector. He is a member of some professional bodies and associations which include: Nigeria Bar Association (NBA), Nigeria Institute of Public Relations (NIPR), Nigeria Institute of International Affairs and Nigeria Institute of Public Administration. He is a lecturer of Mass Communications at the Rivers State University of Science and Technology on a part time basis. He is an Honorary citizen of Calgary, Alberta Canada.

Mrs. Ibitoru Linda Ofili, JP – Non Executive Director

Mrs. Ofili is the immediate past Honorable Commissioner for Women Affairs in Rivers State. She was born on the 15th of December 1957. She studied at St. Godric's Secretarial College, Hamstead, London, United Kingdom and obtained a Higher National Diploma in Secretariat Administration in 1976. She also has a certificate in German language from Fremdstrachen Institute, Cologne, Germany which she received in 1995. In her over thirty-one years of service, she has worked in diverse fields and was made the Managing Director of Refcol Nigeria Limited. She veered into politics and was made the Senior Special Assistant (Special Duties) to the Governor of Rivers State. In 2000, she was seconded as Senior Special Assistant (Social Services) and became the Commissioner of Women Affairs in 2003. She is a recipient of many awards among which are: African Human Development Achievers Award; award for excellence given by the Akwa Ibom Community and award of highest citizenship of Amaopuorubo in recognition of her selfless service and positive contributions to the development of the Bonny Kingdom

Mallam Yaya Abubakar, mni – Non Executive Director

He is a seasoned Broadcaster and Broadcast administrator. He attended the University of Lagos and received his Diploma in Mass Communication in 1971. Thereafter, he attended the Royal Institute of Public Administration and bagged a Diploma in Public Administration in 1982. He is also a recipient of a Certificate in Policy and Strategic Studies from the Institute for Policy and Strategic Studies, Kuru, Jos in the year 1988. He was a past Director, Network News of the Nigerian Television Authority (NTA) and Director-General, Voice of Nigeria (VON). He is a member of the Board of the Nigeria Press Council and Commonwealth Broadcasting Association.

THE CHAIRMAN'S LETTER (CONT'D)

Alhaji Ladi Lawal – Managing Director /CEO

He is one of the founding members of Daar Communications Plc. Apart from being a member of the Board of Directors since the Company's inception, Ladi has served in such capacities as Director of News and Current Affairs, Deputy General Manager (Operations), General Manager (Services), General Manager (Television), Special Adviser to the Executive Chairman, Chief Operating Officer, Executive Director (Operations) and Director General of DAAR. He was appointed Managing Director in the year 2007.

He studied Journalism at the Nigerian Institute of Journalism (NUJ") and was awarded a Diploma in Journalism in 1985. He later underwent a part-time course in History and International Studies at the Lagos State University where he graduated in 2005. An alumnus of Ashridge Management College, Lawal has several awards to his credit including Best Student (News) Reporting, NIJ (1978) and Best Student (Broadcasting) NIJ (1985). His journalism career spans both the print and electronic media. He served in public sector broadcasting as News Staff of Radio Nigeria and rose to a supervisory level before he left to take up an appointment in the print media as Chairman, Editorial Board of the News/Tempo Magazine. Following the deregulation of the Broadcast sector, he returned to the Electronic media to face the pioneering challenges of private sector broadcasting.

Ladi is a former Vice President (Africa) of the International Organisation of Journalists, National President of the Nigeria Union of Journalists and Chairman, Nigeria Union of Journalists, Lagos. He served in the Governing Council of the Nigerian Institute of Journalism and has presented several papers on media and humanities both home and abroad.

Mr. John Iwarue - Executive Director, Marketing and Sales

He attended Auchi Polytechnic from where he graduated with a Higher National Diploma in Business Administration, specializing in Marketing in 1980. In 1988, he graduated from the University of Ibadan with a Master Degree in Business Administration (MBA). He started work with R.T.Briscoe (Digital) Limited in 1981 where he was a Sales Executive.

Between March 1982 and January 1995, he held several positions in Leventis Motors Plc where he was a Sales Manager between March 1982 and April 1987. He was also the Branch Manager, Calabar between June 1992 and January 1995. He veered into private consultancy between January 1995 and September 1996. He joined DAAR in September 1996 and held various positions in the Marketing and Sales Department. He was invited to help develop the strategy for the Marketing Department of Degue Broadcast Network (DBN) television in 2001. He returned to the services of DAAR Communications Plc in 2004 as General Manager, Marketing and Sales.

Mr. Makinde Ilijitima I. Williams – Executive Director, Finance and Admin

A Chartered Accountant and Business Administrator by profession, Makinde was born on the 20th of April, 1961. He attended St. Felix Primary School in 1973 and Oghareki Grammar School in 1978 for his secondary school certificate in Oghara, Delta State. He later proceeded to Ilesha in the then Oyo State, now Osun state for his Advanced Level in 1981. He attended the University of Benin in Edo State where he studied Business Administration and graduated with a Second Class (Upper Division) in 1986. He proceeded to the University of Calabar in Cross Rivers State for his Post-Graduate Degree in Business Administration ("MBA") and graduated in 1995. He qualified as a Chartered Accountant in 2000.

THE CHAIRMAN'S LETTER (CONT'D)

Before joining DAAR as the Executive Director, Finance and Marketing in 2005, he provided private consultancy services between 2003 and 2005.

Engr. Uyah Anthony Chukwuemeka – Executive Director, Engineering Services

He attended the University of Ife, now Obafemi Awolowo University, Ile Ife where he graduated in Mechanical Engineering in 1989. In 2000, he obtained his Master of Science (M.Sc.) degree in TCP/IP Engineering Administration. In 1995, he attended Transmitter Maintenance Training Programme in Italy, organised by ABS, one of the world's largest and reputed broadcast equipment manufacturers. A well travelled broadcast engineer, he started his working career with MG Communications Limited in Lagos in 1989. He held several positions including Trainee Satellite TVRO Installation Engineer (1989), Satellite Installation Engineer (1990) and Manager Satellite Systems in 1991.

He is a pioneer staff of DAAR Communications from inception in 1994. He has been the Chief Engineer/coordinator of all the Engineering operations of the organisation both within and outside the country, most especially the global broadcasting.

Mrs Oluwatosin Dokpesi – Executive Director, Programmes

Mrs. Oluwatosin Dokpesi holds a B.Sc. degree in Zoology in 1994 and a Post Graduate Diploma in Mass Communications and 2001 respectively from the University of Lagos. Her career started in Multimedia International Limited as a television presenter. She later joined Clapper Board Television in 1994 as a television presenter. She joined DAAR Communications Plc in 1996 as a radio presenter and newscaster. She was subsequently seconded to Africa Independent Television ("AIT") in 1997 as a programmes officer. She was appointed an Assistant General Manager in year 2000 and a Deputy General Manager in 2003. In 2004, she was appointed the Head of Domestic and International Operations. She is a member of the Nigeria Union of Journalists and Nigeria Institute of Management. She is the Co-Presenter of AIT flagship programme – Kaakaki and several other popular programmes on Raypower.

Mr. Anege Anthony Akiotu – Executive Director, News

He is a graduate of the London School of Journalism from where he obtained a Diploma in 1989. In 1982, he obtained a Diploma in Mass Communications from the University of Lagos and a certificate in Broadcast Management from Deutsche Welle in Germany in year 2002. He started his broadcast career with the Federal Radio Corporation of Nigeria (FRCN) where he held several positions and posts which culminated as Editor, Head of the Network Sports Unit. He joined DAAR Communications Plc as one of the pioneer staff in 1994 and has held several posts and positions. He was Manager, Sports in 1994; Head of Marketing and Sales in 1996; Assistant General Manager, Marketing and Sales in December 1996; Assistant General Manager, Sports in March 1997; Coordinator, Raypower News Management Committee in July 1998; Head, News and Current Affairs in August 1998; Acting General Manager, Raypower in January 2001; General Manager, Sports in May 2003 and promoted to Deputy Director Operations in 2006. He is the Vice President of the Nigerian Guild of Editors and a member of the International Editors Forum.

THE CHAIRMAN'S LETTER (CONT'D)

Management and Key Staff

The senior management team is led by the Managing Director who oversees the day to day activities of the Company and reports to the Board of Directors. The other key members of the management team include:

Engr Yinka Yousof- Director, Engineering Satellite Services

Engr. Adeyinka Yousof holds a Masters of Degree in Telecommunications Engineering from the Instituto Superior Politecnico, Jose Antonio Echeverria, Havana, Cuba which he obtained in 1989. He also obtained a Diploma in Applied Sciences in 1984 from the Centro Universitario De Mantazas, Cuba. He started his career in Federal Radio Corporation of Nigeria as a Technical Officer in 1980. In 1983, he moved to Nigerian Television Authority, Victoria Island and latter proceeded overseas in 1988 to Caribbean Satellite Earth Station Estacion Terrena, Jaruco-Habana, Cuba where he was responsible for the evaluation of microwave equipment and testing apparatus. He had a short stint with Omiron Microwave Engineering, Chandler, Arizona, USA in 1989 before moving to ABG Communication Limited as an Installation and Maintenance Engineer in 1990. He also worked in Midlands Communications Limited in 1992 and Albida Consulting Nigeria Limited in 1996 before joining Daar Communications Plc in 1996 as a Senior Engineer. He has at various times held positions including Assistant General Manager, Engineering Services (Satellite Services) and Deputy General Manager, Engineering Services and Head of Satellite Services Unit.

Engr. Olalekan P. Atofojomo- Director, Engineering Transmission

Engr. Olalekan A. Atofojomo is a 1992 graduate of the Yaba College of Technology where he bagged a Higher National Diploma in Electrical Engineering. He also obtained a Post Graduate Diploma Certificate in Electronic Telecommunications Engineering in 1998 from the Federal University of Technology, Akure, Ondo State. In 1996, he attended the Transmitter Maintenance and Installations Training Programme Radio and Television in Italy which was organised by ABS, one of the world's largest and reputed broadcast equipment manufacturers. He also attended training on DVB-T and DVB-H Transmissions also in Italy, organised by EuroTel S.P.A in 2007. He joined Daar Communications Plc as a Principal Technical Officer in 1994. He has held various posts in DAAR, some of which include: Assistant Manager, Engineering Services (1996); Assistant General Manager, Engineering Services (2001); and Deputy General Manager, Engineering Services (2004). He has attended various trainings in Nigeria and abroad. He is a corporate and financial member of the Nigerian Society of Engineers

Mr. Uchechukwu N. Ogwe – Director, Finance

He graduated from the University of Port Harcourt in 1996 as best graduating student in the faculty of Management Sciences. He also holds a Masters of Business Administration in Business Management from the Rivers State University of Science and Technology in 2000.

His career started with United Bank for Africa Plc in 1996 as Accounts Officer from where he moved to Intercontinental Bank Plc in 2001 as a Senior Executive Assistant. At various times, he was Director of Operations in Diamond Spec Communications Limited in 2003 and Chief Accountant of the Chamber of Commerce, Industry, Mines and Agriculture (Port Harcourt) in 2006. He joined the services of DAAR in 2006 as Deputy Director Finance. Mr. Ogwe is a chartered Accountant and a member of the Institute of Chartered Accountants of Nigeria.

THE CHAIRMAN'S LETTER (CONT'D)

Mrs. P.A. Ohiokhara - Director, Administration & Human Resources

She holds a Bachelors of Arts (Hons) degree in History from the University of Port Harcourt in 1984 and a Masters Degree in Industrial and Labour Relations from the University of Ibadan in 1992. She is a member of the Chartered Institute of Personnel Management of Nigeria (CIPM) and the Nigeria Institute of Management. Her career started from Leventis Motors Plc as a Personnel Officer, from where she moved to become an Assistant Manager at Interstate Airline. She joined DAAR Communications Plc's Administration and Human Resources Department in 1995 and rose through the ranks to the position of General Manager in 2003 and Deputy Director in 2006. She is presently the Director of Administration and Human Resources Development. She has attended several courses within and outside the country. She is an alumnus of the Cranfield Management School, UK.

Mr. Mac Imomi Amarere – Director, International Operations

He is a graduate of the University of Benin from where he obtained a Bachelor of Science degree in Political Science in 1985 and a Masters of Science degree in International Relations in 1988. He started his career as a reporter with Nigeria Television Authority, Benin in 1980.

He became an Editor for the Observer in 1991 and then an Editor for the Sunday Publication in 1992. In 1994, he joined DAAR and rose to the position of General Manager, Abuja Station in 2007. He was recently appointed Director and his duties include general supervision and co-ordination of television and radio operations, both nationally and internationally. He is a member of the Human Rights Commission. He has attended several courses and workshops both within and outside the country. He has also delivered several papers on the media and human rights.

Mrs. Ibiyemi Olufowobi – Director Programmes (Radio)

She graduated from the University of Ibadan in 1988 with a Bachelor of Arts in Theatre Arts in 1988, she also holds an M.A Radio (Media and Communications) from Goldsmiths College; University of London which she obtained in 2004. She is a member of the International Association of Women in Radio and a seasoned professional in the industry with almost two decades of experience. Her past roles include; Head, Presentation (Radio/TV) Broadcasting Corporation of Oyo State; Head, Public Education MURHI Television, Lagos. She joined DAAR in 1999 as Principal presenter in the Department of Programs and Productions. While on sabbatical to study for her Masters degree, she volunteered at the BBC, as an editor and presenter. She also worked as a researcher for program ideas and development at Ladbroke Radio, Electric Airwaves 29. On her return in 2005, she was appointed Head, Productions (Raypower 100.5 FM). She was recently appointed Director of Programs (Radio).

Mrs. Modupeola Oladeinde – Director, Programmes (Television)

Mrs. Oladeinde Modupeola Ajika is a 1988 graduate of Ogun State Polytechnic (Now Moshood Abiola Polytechnic) Abeokuta where she obtained a Higher National Diploma in Mass Communications. She started her broadcasting career in Nigerian Television Authority, Abeokuta as a Production Assistant (Audio) in 1980. After seventeen meritorious years of service, she left NTA as a Senior Producer in 1997 and joined the Services of DAAR Communications Plc in the same year as a Television Producer responsible for the production of women magazine programmes, Cuisine Africana, Children Television Services, Kids Affairs and production of a daily aerobics programmes tagged "Fitness for Life".

THE CHAIRMAN'S LETTER (CONT'D)

Prior to her current position, she has at various times been Assistant General Manager, Production (2001); and Deputy General Manager, Domestic and International (2004). She has extensive experience in television management, coordination and programmes production, programmes/concept development, coordination of operations at local and national level. She is presently enrolled in a Masters programme at the University of Ibadan.

Mr. Gbenga Mike Aruleba - Director, News (Radio)

He attended the Nigerian Institute of Journalism ("NUJ"), Ogba, Lagos, where he obtained a Diploma in Journalism in 1988. He was the best All Round Student in the NIJ in 1987. He attended several courses both local and internationally in the course of his professional development.

He started his career with Radio Lagos in 1983 and through sheer hard work, rose to the position of an Editor and won the award for exceptional performance as Editor of the Year 1992. He joined DAAR Communications Plc in 1996 and rose through the ranks to the position of General Manager, Raypower (Abuja) 2006.

Mr. Johnson Onime – Director, Corporate Communications/Planning

He attended the University of Ibadan for his Bachelors degree in 1986 and Masters of Communications and Arts specializing in Public Relations in 2006. His career started in the Lagos State Teaching Service Commission where he rose to the position of a Vice Principal in 1989. He held several positions in other companies including Fredic Scott and Associate - a Public Relations Firm as the General Manager in 1993 and Projectscope Limited, before joining DAAR Communications Plc in 1996 as a Principal Officer. A year later he was promoted as an Assistant Manager, and in 1998 was made the Head of Corporate Affairs. He has consulted for several companies and some international organisations on special projects, programmes conceptualization, reputation management, brand promotions, publicity strategies and humanitarian activities.

He is a member of Nigeria Institute of Public Relations (NIPR), Nigeria Institute of Management (NIM) and has attended several professional courses organised by NIPR, FAPRA, etc. He is currently the Director of Corporate Communications where he manages media relations, corporate image development and management, corporate printing/advertising/promotions and opinion appraisal/evaluation.

Mr. Ifeanyi Anyafulu – Director, Production (AIT)

He graduated from the University of Ibadan in 1979 where he obtained a Bachelors degree in Theatre Arts. He started his broadcast career in 1979 when he completed his NYSC with NTA Sokoto.

In 1980, he joined NTA Benin where he produced/directed several dramas and documentaries. He was the Assistant Director of the epic drama "Things Fall Apart". In 1987, he was transferred to the national headquarters of the NTA in Lagos where he was a Producer/Director of several dramas, soaps and the network schedule. He joined DAAR Communications Plc in 1996 as a Senior Manager, Programmes and Productions. In 2001, he was promoted to the position of General Manager, AIT before his recent elevation to the post of a Director. He has attended several courses both within and outside the country.

THE CHAIRMAN'S LETTER (CONT'D)

Mrs. Jire Kola-Kuforiji – Director, Presentation

She graduated from the University of Ibadan where she obtained a Bachelor of Arts degree in 1984. Her working career started in 1985 with Ogun State Television (OGTV) where she rose to the position of Head of Presentation. She veered into Public Relations in 1990 when she joined Midi-Tone Digital Recording Studio as the Head of Corporate Affairs. She was part of the formation team that planned to establish a Bank - Apex Merchant Bank in 1991. In 1992 she joined Corporate Trust Limited, a financial Market Services firm.

In 1997, she joined DAAR Communications Plc as an Assistant Manager, Programmes. She was seconded to the US Office of DAAR Communications in 2003, as Head of Presentation, Reporter and News Producer. She currently heads the Organisation's presentation team. She is a member of the Nigerian Union of Journalists (NIJ) and has won several awards for television presentation skills. She co-ordinates and supervises the Newscast crew and presenters of programmes on AIT in the country and abroad by ensuring quality and standardization. She was promoted to the post of a Director in September 1st, 2007.

Mr Marcellinus Ihebu Anyalechi – Chief Internal Auditor

Mr. Anyalechi joined the services of DAAR Communications Plc on November 2007 as the Chief Internal Auditor. He has had vast experience in public practice where he spent about fifteen years in auditing, accountancy, taxation and consultancy services. Prior to this date, he had worked as a Partner in the firm of Okpala, Ezeamii & Co. (a firm of Chartered Accountants). He attended the Nekede Polytechnic Owerri (now Federal Polytechnic Nekede, Owerri) and obtained a HND and an OND at upper credit levels in 1991 and 1998 respectively. He latter proceeded to Lagos State University in 2005 where he obtained a Masters in Business Administration (MBA) with a specialization in International Business Management. He qualified as a chartered Accountant in 1995, and is a member of the Institute of Chartered Accountants of Nigeria and the Chartered Institute of Taxation of Nigeria. He has over the years attended many leadership and management courses and has also delivered training papers in internal audit practices, accounting procedures and practices, business plans etc

Ayodele E. Ogundele – Acting Company Secretary

He attended Bendel State University (now Ambrose Ali University), Ekpoma where he graduated with an LL.B degree in Law in 1990 and later proceeded to the Nigerian Law School where he obtained a Bachelor of Law (B.L) in 1991. During his one year mandatory NYSC scheme, he worked in the Law Firm of T.J Onomigbo Okpoko & Co. (Adane Chambers) between 1991 -1992 and was thereafter retained as a Solicitor and Advocate by the Law Firm.

He joined the services of DAAR Communications Plc in September, 1996 as a Legal Officer and rose to become a Director. He has represented the company in different legal and administrative capacities. In 2004, he was registered by the Advertising Practitioners Council of Nigeria as an Advertising Practitioner. He also obtained a certificate as a Stock Market Agent from the Chartered Institute of Stockbrokers in 2005.

THE CHAIRMAN'S LETTER (CONT'D)

9. PREMISES

DAAR's Head Office is situated at AIT Drive, Kpaduma Hills, Off Gen. T.Y. Danjuma Street, Asokoro, Abuja. The Company currently operates from the under-mentioned business offices spread across Nigeria:

S/N	LOCATION/STATE	ADDRESS	STATUS/TENURE
1.	Abuja	Daar Communications Center, AIT Drive, Kpaduma Hills, Off Gen. T.Y Danjuma Street, Asokoro Extension, Abuja	99 Years Leasehold
2.	Bayelsa	Light Industrial Layout, Elebele, Yenagoa	99 Years Leasehold
3.	Edo	Ivbianokpodi, Agenebode	Yearly Tenancy
4.	Enugu	36, Ziks Avenue, Uwani, Enugu	Yearly Tenancy
5.	Kaduna	9 th Floor, Nagwamtse House, Ahmadu Bello Way, Kaduna	Yearly Tenancy
6.	Kano	6 th Floor, IRS Building 16c, Murtala Muhammed way, Kano	Yearly Tenancy
7.	Lagos	No. 1, AIT Road, Ilapo Village Road, Alagbado, Lagos	99 Years Leasehold
8.	Plateau	9 th Floor, Joseph Gomwalk House, West of Mines, Jos	Yearly Tenancy
9.	Rivers	NTA/Choba Road, Ozuoba, Port Harcourt	99 Years Leasehold

DAAR currently has presence in the following locations, though not transmitting in the respective locations.

10.	Adamawa	Sabru House, Atiku Abubakar Way, Jimeta, Yola	Tenancy At Will
11.	Borno	Damboda Road, Near School of Nursing, Maiduguri	Tenancy At Will
12.	Katsina	Former Ministry of Health Block, Batsari Road, Babbar Ruga, Katsina	Tenancy At Will
13.	Kano	6 th Floor, IRS Building 16c, Murtala Muhammed way, Kano	Tenancy At Will
14.	Osun	Plot 3 & 4, Block 1, Industrial Layout, Along Osogbo/Iwo Road, Osogbo	Tenancy At Will

10. PURPOSE OF THE OFFER

The Offer for Sale is being undertaken to give investors the opportunity to be part owners of DAAR, first private media established in Nigeria and to meet the listing requirement of the Nigerian Stock Exchange which requires that a minimum of 25% of the shares of a listed company must be in the hands of the public.

The Offer for Subscription shall fund the company's local and international expansion plans, through the upgrading and expansion of local stations, the upgrading and purchasing of equipment including local and international satellites and will also be used for additional working Capital. The estimated net proceeds of N8,752,678,561.00 after deducting the cost of the Offer which is estimated at 4.32% of gross proceeds will be utilized as follows:

Purpose	N' Millions	Percentage and Estimated Completion Period -in months	
1. Expansion(Local and International)*	459,946,474.84	5.25%	4 months
2. Completion of Eleven New Stations** and the construction of Film Village	520,000,000.00	5.94%	4 months
3. Upgrade of Existing Facilities	607,944,201.60	6.95%	48 Months
4. Procurement of Programme Content	1,134,908,399.00	12.97%	Immediate
5. Programmes and Digital Satellite System	566,974,050.20	6.48%	3 months
6. Working Capital Requirement	762,905,435.36	8.8%	On going
7. Digital Multi Channel Platform	4,000,000,000.00	45.7%	6 Months
8. Development of mobile TV	700,000,000.00	7.9%	6 Months
Total	8,752,678,561.00	100%	

*Building and equipping of new studios in the states listed below and the UK, US and the Caribbean.

**Adamawa, Borno, Benue, Cross Rivers, Katsina, Kano, Ogun, Osun, Oyo, Sokoto and Zamfara States.

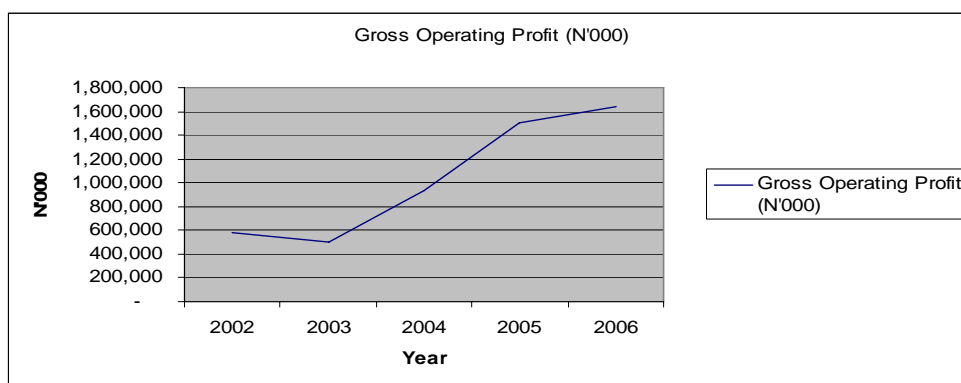
THE CHAIRMAN'S LETTER (CONT'D)

11. FINANCIAL SUMMARY

The financial summary provided below has been extracted from the information provided by the Reporting Accountants'.

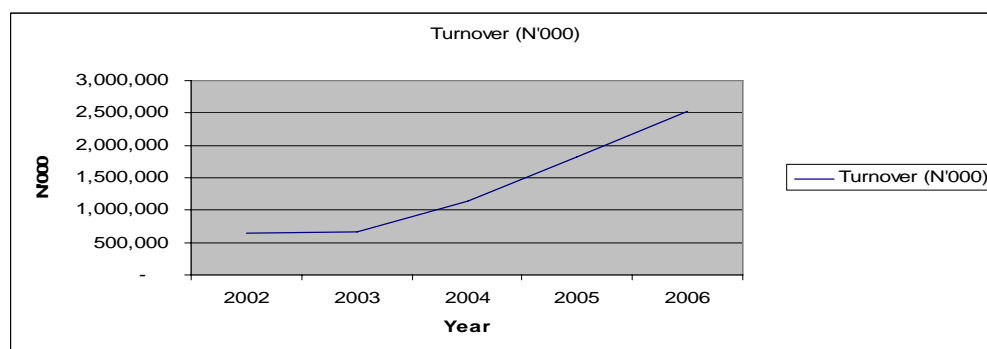
Gross Operating Profit

Within the past 5 years, gross operating profit have grown by over from N580.69 million in 2002, N502.38 million in 2003, N930.55million in 2004, N1.50billion in 2005 to over N1.64 billion in year 2006.



Turnover

Growth in turnover has been driven by the anticipated growth in the Nigerian Broadcasting sector. For DAAR, a growth was experienced during the five year period spanning December 31, 2002, 2003, 2004, 2005 to December 31, 2006 in order of N652.7 million, N695,000 million, N1.13billion, N1.83 billion and N2.53billion respectively.



12. WORKING CAPITAL, PROFIT FORECAST AND DIVIDENDS

The Directors of the Company, having regard to its present financial position and the anticipated proceeds of the Offer, are of the opinion that the Company will have adequate working capital and sufficient liquidity to meet its immediate and foreseeable obligations and funding requirements.

The Directors estimate that in the absence of unforeseen circumstances, the profit before interest, taxation and depreciation for the years ending 2008, 2009 and 2010 will be in the order of N5.87 billion, N7.53 billion and N9.14 billion respectively. If these estimates are achieved, the appropriations thereof will be approximately as follows:

THE CHAIRMAN'S LETTER (CONT'D)

	FOR THE YEARS ENDING 31 DECEMBER		
	2008	2009	2010
	N'000	N'000	N'000
Total Turnover	10,294,774	13,686,948	17,668,445
Gross Income	8,534,022	11,208,102	14,202,749
Profit Before Interest, Tax and Depreciation	5,871,527	7,532,340	9,143,228
Profit After Tax	3,217,877	4,258,910	5,772,106
Proposed Dividend	2,496,000	3,072,000	4,032,000
Forecast Earnings per share (kobo)	40	53	72
Forecast Earnings yield at offer price (%)	8	11	14
Forecast EBITDA per 50 kobo share (kobo)	73	94	114
Forecast Dividend per 50 kobo share (kobo)	31	38	50
Forecast Dividend Yield at Offer price	6	7	10
Forecast Price/Earnings Ratio at Offer Price	12	9	7

The forecast earnings and dividend per share for the years ending 31st December 2008, 2009 and 2010 are based on the 8,000,000,000 ordinary shares of 50 kobo each expected to be in issue as at the respective dates.

13. UNCLAIMED DIVIDENDS AND UNPAID DIVIDENDS

There are no unclaimed/unpaid dividends accruing to shareholders of DAAR as at the date of this Prospectus.

14. MERGERS AND TAKEOVERS

As at the date of this Prospectus, there were no known merger or take over attempts of the Company's securities by a third party or by the Company in respect of another company's securities.

15. TRAINING, RESEARCH AND DEVELOPMENT

The Company currently has devoted enormous resources to training and development of its manpower and processes. It is expected that DAAR will continue to improve on its performance in the years ahead as it carries out research into new entertaining products and services.

16. RELATED PARTY TRANSACTIONS/CONFLICT OF INTEREST

DAAR hereby confirms that there are no related party transactions within the meaning of Rule 56(9) of the Securities and Exchange Commission's Rules and Regulations.

17. CODE OF CORPORATE GOVERNANCE

DAAR is in full compliance with the Code of Corporate Governance particularly with reference to the Board of Directors - **Parts A**, the Shareholders – **Part B** and Audit Committees – **Part C**. The Company is also in compliance with full disclosure and transparency by providing information to all stakeholders in a timely manner. The full extent of the Company's compliance is stated below:

Responsibilities of the Board of Directors:

The Board is in full compliance with the duties and responsibilities under part A of the Code of Corporate Governance. The Board makes strategic planning and decisions for the Company and ensures that stakeholders are adequately carried along in the execution of duties.

Composition of the Board of Directors:

The Board consist of seventeen (17) members made up of six (6) Executive Directors. The Board of DAAR is made up of experienced and knowledgeable professionals in diverse fields of learning who are able to add value to the Company.

THE CHAIRMAN'S LETTER (CONT'D)

Chairman and Chief Executive officer Positions:

The offices of the Chairman and Chief Executive are distinct and separate from each other. The primary role of the Chairman is well defined and is in no way involved in the daily running of the Company.

Proceedings and Frequency of Meetings

The Board meets regularly (once in a quarter). Matters usually discussed are itemised and sent prior to the meeting.

Shareholders usually have ample opportunity to contribute during the Annual General Meeting of the Company.

Non Executive Directors

The non executive Directors of the Company are people capable of making significant contribution towards the operations of the Company. They are usually appointed for one (1) calendar year after which they are subject to reappointment upon successful re-election during the Annual General Meeting. The Directors are not party to pension or option schemes.

Executive Directors

The remuneration of the Executive Directors is fixed by the Board of Directors. The Directors do not play an active role in the determination of their remuneration.

Shareholders' Rights and Privileges

Shareholders of DAAR are responsible for electing Directors. The venue of meetings is usually chosen after proper consideration for the distribution of shareholders in terms of distance and location. Notices are sent at least 21 days prior to meeting date.

18. STATEMENT OF CORPORATE SOCIAL RESPONSIBILITY

Construction of Ilapo Village Road

Prior to the advent of DAAR in Ilapo Village in 1993, the area was a rural community with no access road. DAAR acquired land which was readily deployed to the construction of RayPower Radio station. So as to have easy access to the office complex, the organization constructed a road from Lagos-Abeokuta express road through Ilapo village, to the station. The road was subsequently asphalted by the Col. Buba Marwa administration in 1998. In recognition of the contribution of DAAR to the socio-economic development of Ilapo village in particular and Lagos State in general, the road was subsequently named AIT Road.

Provision of Electricity to Ilapo Village

DAAR at inception operated on generator which provided electricity for the Ilapo village community, which was previously un-electrified due to the under development of the area. DAAR in 2004 funded the provision of a 33KVA transformer which has drastically improved the socio-economic lives of the people in the community.

Development of Kpaduma Hill, Abuja

Upon the fire incident that DAAR experienced in Labour House (the temporary office of both AIT and RayPower), the organization with the assistance of the Federal Capital Development Authority (FCDA) acquired a piece of land in Kpaduma Hill top, in Asokoro, Abuja.

THE CHAIRMAN'S LETTER (CONT'D)

To be assessable, DAAR constructed a road from T.Y. Danjuma Crescent, through the Hill to the station. The road has thus opened a hither-to forest to massive development. Kpaduma Hill top today is a choice area in Asokoro, Abuja.

Provision of Pipe Borne Water to Ilapo Village

The people of Ilapo village in Alimosho Local Government Area of Lagos State are now able to have access to good drinking water due to the efforts of DAAR. Before the advent of DAAR, the community's source of drinking water was river water.

Donations and Gifts

On every anniversary Celebrations of RayPower or AIT, DAAR makes donations (foodstuff, clothing materials, cash etc) to the less privileged in the society. Some past beneficiaries include Ijamido Motherless Babies Home, Ogun State; Old Peoples Home, Yaba, Lagos; Red Cross Motherless Babies Home, Makoko, Yaba, Lagos. The Jesse Fire incident of 1998 and the Ikeja bomb blast of year 2002 were all past beneficiaries of relief materials from DAAR.

19. COMPETITION AND COMPETITIVE STRENGTH

Due to the relative attractiveness of the Nigerian broadcast industry, DAAR faces both direct and indirect competition. Direct competition comes from wide-network broadcasting and communications companies especially those poised to further revolutionize the Nigerian TV and radio industry, while substitute service providers will pose indirect competition.

However, considering the more moderate threat from existing substitute providers, DAAR Communication's competitive landscape will focus on direct competitors listed below;

1. Multichoice (DSTV)
2. Silver Bird
3. NTA
4. Minaj
5. CTL/Trend TV
6. Channels TV
7. Rhythm 93.7
8. Brilla FM
9. Cool FM
10. FRCN
11. Voice of Nigeria (VON)
12. News Agency of Nigeria (NAN)
13. States television stations

20. FUTURE PLANS

Expansion Plan - Nigeria

DAAR carries out terrestrial transmission at nine (9) locations across Nigeria: Lagos, Abuja, Port Harcourt, Jos, Yenagoa, Kano, Kaduna and Agenebode. Considering the vast market for broadcasting services, the Company plans to establish additional 11 stations to bring the total number of its stations to 20 in Nigeria. The second phase would have additional 16 stations to be constructed bringing the presence of DAAR to all the 36 states of the Federation. It is hoped that these new Stations will further consolidate the leadership of the Company in the Country and improve its revenue astronomically. The new Stations will also strengthen the Company's network transmission and will automatically position it as the market leader. The Company intends to start this expansion project in 2008. The Company has already acquired and installed the satellite uplink and downlink facilities at the various locations. It has also acquired terrestrial radio and television transmitters, masts and some other equipment for these locations.

With this second phase, the Company will be able to cover all the States in Nigeria. No doubt, Broadcasting will be characterized by increased competition both in terrestrial operations and on satellite transmission. AIT is playing a leading role in terrestrial operations and current efforts in respect of digitally compliant technology and wider coverage through presence in Nigeria's 6 geo-political zones will position the station to maintain its lead in the national market. This strategy will provide a national network that is comparable in scope, reach and programming diversity.

The strategy emphasizes social and cultural relevance to each of the local communities and a strong national network at specific periods that should guarantee a larger share of available advertising revenue in the national advertising mix. AIT's target in its terrestrial operations is to access 50% of the available national advertising revenue for television.

Expansion Plan - Overseas

DAAR Communications Plc intends to review its overseas operations and develop a new market entry plan. The Company plans to strengthen its transmission in the United States of America through Echostar Dish NetWork in order to increase its revenue from subscriptions. It also intends to establish a state of the art studio in the United Kingdom to transmit free-to-air to Europe. It is hoped that revenues earned from advertising would subsequently increase from its UK transmission.

On its international transmission, AIT targets subscription revenue from the U.S. and advertising revenue from Europe. To this end, Nigerians, Africans and the black race in the diaspora are targeted to subscribe to receive AIT programmes delivered to them Direct to Home (DTH). The capacity to introduce a multiplicity of channels with distinct subjects and character will also lead to expected increased subscription level. AIT satellite transmission is currently on Intelsat 901 at 342°E.

Within the Company's strategic plans, the objective of this service will be further realized with a slight modification to its character and format. Since the underlining philosophy of this service is to further free speech, civil liberties, rule of law and defend civil rights, there is a strong consideration to modify its format to accommodate the diverse requirements of Nigerians/Africans.

THE CHAIRMAN'S LETTER (CONT'D)

These modifications are expected to make this service a grass-root station. Providing service for this largely untapped market should also enable the Company to fully realize its target of 50% of available advertising revenue Radio.

Digital Terrestrial Transmission

DAAR intends to start Digital Terrestrial Transmission powered with high definition with specialized channels for Movies, Entertainment, Sports and News. The target of the Company is to commence this transmission in 2008. It is hoped that substantial revenue will be generated from subscription.

Broadband Multi-Media and Interactive Television

DAAR Communications Plc intends to invest in Broadband Multi-media and Interactive Television. This service is presently not available in Nigeria. The Company wants to take advantage of its unavailability to introduce this income-generating service

Establishment of a Film Village

At present, there is no film village in Nigeria. DAAR plans to take advantage of the untapped vast market for film production and recording in Nigeria to establish a world-class Film Village to be situated in Ogun state.

Apart from the market potential of such an investment and its anticipated high return, the Film Village is intended to:

- Provide a location for the production of cultural, traditional and historical movies and television programmes
- Encourage the motion picture industry to contribute to national integration and development
- Promote the growth and development of the Nigeria motion picture industry
- Provide a platform for professional interaction and exchange of ideas
- Promote Tourism and Nigerian Art and Culture

The DAAR Offer represents a unique opportunity for prospective investors to become shareholders in the leading broadcast Company in Nigeria. I encourage prospective investors to take advantage of this unique opportunity this Offer presents to become shareholders of Daar Communication Plc.

Yours faithfully,

HIGH CHIEF ALEOGHO DOKPESI (PHD)
(EZOMO OF WEPPA WANNO KINGDOM)

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THE PROFIT FORECAST

1. LETTER FROM THE REPORTING ACCOUNTANTS

The following is an extract of the report of Ahmed Zakari & Co (Chartered Accountants), the Reporting Accountants to the Offer on the Profit Forecast of DAAR for the years ending 31st December 2008 to 31st December 2010.



December 14, 2007

THE DIRECTORS

DAAR COMMUNICATIONS PLC

AIT DRIVE, KPADUMA HILLS
OFF. GEN, T.Y DANJUMA STREET, ASOKORO
ABUJA

AND

THE DIRECTORS

BGL SECURITIES LIMITED RC269666

NO. 12A, CATHOLIC MISSION STREET
LAGOS ISLAND
LAGOS

THE DIRECTORS

WEMA ASSET MANAGEMENT LIMITED RC 375525

1ST FLOOR, LEVENTIS BUILDING
42/43, MARINA
LAGOS

THE DIRECTORS

NORTHBRIDGE INVESTMENT AND TRUST LIMITED RC 497385

5TH FLOOR, NICON PLAZA
MUHAMMADU BUHARI WAY
CENTRAL BUSINESS DISTRICT
ABUJA

THE DIRECTORS

SKYE BANK PLC RC 142191

3, AKIN ADESOLA STREET
VICTORIA ISLAND
LAGOS

THE DIRECTORS

FIRST INLAND BANK PLC RC 112876

4/6, ADETOKUNBO ADEMOLA
STREET
VICTORIA ISLAND
LAGOS

THE DIRECTORS

ECOBANK NIGERIA PLC RC 89773

THE DIRECTORS
PLOT 21, AHMADU BELLO STREET
VICTORIA ISLAND
LAGOS

THE DIRECTORS

FIDELITY BANK PLC RC 103022

2, KOFO ABAYOMI STREET
VICTORIA ISLAND
LAGOS

THE DIRECTORS

SPRING CAPITAL MARKETS LIMITED RC 254413

PLOT 1611, ADEOLA HOPEWELL
STREET, VICTORIA ISLAND
LAGOS

THE DIRECTORS

GREENWICH TRUST LIMITED RC 189502

THE DIRECTORS
PLOT 1698A, OYIN JOLAYEMI
STREET
VICTORIA ISLAND
LAGOS

Dear Sirs,

We have reviewed the accounting bases and calculations for the profit forecast of DAAR Communications Plc, (for which the Directors of DAAR Communications Plc are solely responsible) for the years ending 31 December, 2008, 2009 and 2010

In our opinion, the annexed forecast, so far as the accounting policies and calculations are concerned, has been properly compiled based on the assumptions made by the Directors of the company as set out on pages 54 to 56 and are presented on a basis consistent with the accounting policies normally adopted by the company and in accordance with generally accepted accounting principles applicable in Nigeria.

THE PROFIT FORECAST (CONT'D)

However, there will usually be differences between forecast and actual results, because events and circumstances frequently do not occur as expected and these differences may be material.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

(Chartered Accountants)

Lagos-Nigeria

Reporting Accountants

THE PROFIT FORECAST (CONT'D)

2. LETTER FROM THE REPORTING ACCOUNTANTS IN RESPECT OF THE GOING CONCERN STATUS



AHMED ZAKARI & CO. Chartered Accountants

December 14, 2007

THE DIRECTORS

DAAR COMMUNICATIONS PLC

AIT DRIVE, KPADUMA HILLS
OFF. GEN, T.Y DANJUMA STREET, ASOKORO
ABUJA

AND

THE DIRECTORS

BGL SECURITIES LIMITED RC269666

NO. 12A, CATHOLIC MISSION STREET
LAGOS ISLAND
LAGOS

THE DIRECTORS

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42/43, MARINA
LAGOS

THE DIRECTORS

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THE DIRECTORS

ECOBANK NIGERIA PLC RC 89773

THE DIRECTORS
PLOT 21, AHMADU BELLO STREET
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LAGOS

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THE DIRECTORS

SPRING CAPITAL MARKETS LIMITED RC 254413

PLOT 1611, ADEOLA HOPEWELL
STREET, VICTORIA ISLAND
LAGOS

THE DIRECTORS

GREENWICH TRUST LIMITED RC 189502

THE DIRECTORS
PLOT 1698A, OYIN JOLAYEMI
STREET
VICTORIA ISLAND
LAGOS

Dear Sirs

CONFIRMATION OF THE GOING CONCERN STATUS OF DAAR COMMUNICATIONS PLC

Based on the conformation received from the Directors of Daar Communications Plc and on the review of the past results of the Company and its existing operations, we do not have reasons to doubt that the Company will not continue in operation in the foreseeable future.

Yours faithfully,

(Chartered Accountants)
Reporting Accountants

Lagos - Nigeria

THE PROFIT FORECAST (CONT'D)

3. BASIS AND ASSUMPTIONS FOR THE PROFIT FORECAST

3.1 INTRODUCTION

This memorandum has been prepared to summarise and outline the information available to the Directors and their basic assumptions at the time of their forecast of the profit before tax for the years ending 31 December, 2008, 2009 and 2010

3.2 FORECAST

The Directors' forecast which is made for the purpose of a proposed public offer for subscription of 1,829,478,000 ordinary shares of 50 kobo each and offer for sale of 960,000,000 ordinary shares of 50 kobo each is as follows:

“The Directors are of the opinion that subject to unforeseen circumstances, the profit after taxation for the years ending 31 December, 2008, 2009 and 2010 after allowing for contingencies will be approximately ~~₦~~3.22 billion, ~~₦~~4.26 billion, and ~~₦~~5.77billion respectively.”

3.3 BASES AND ASSUMPTIONS

The forecast has been arrived at on the following bases and assumptions which are expected to remain in operation throughout the forecast period.

BASES

- i. Previous years' actual performances of the company and the company's actual results for six months ended 30 June, 2007 have been used as a basis for measuring the reasonableness of the forecasts for the 2nd half year 2007 and the 2008, 2009 and 2010 financial years.
- ii. The results for the six months period ended 30 June, 2007 and the estimates for the remaining six months of the year ending 31 December, 2008 and the years ending 31 December, 2009 and 2010 have been prepared on a basis consistent with the company's accounting policies.

ASSUMPTIONS

- iii. Based on the projected level of operations and investment in state-of-the-art communication equipment, the turnover of the company for the years ending 31 December, 2008, 2009 and 2010 will be approximately ~~₦~~10.29 billion, ~~₦~~13.69 billion, and ~~₦~~17.67 billion respectively.
- iv. Cost of services percentage is expected to be at 18.2%, 18.9%, and 20.1% in 2008, 2009 and 2010 respectively.
- v. Administrative expenses are projected to be 26.86%, 28.64% and 28.64% of turnover during the years ending 31 December, 2008, 2009 and 2010 respectively.

THE PROFIT FORECAST (CONT'D)

- vi. Taxation (comprising income and education taxes) will be at an average rate of 20% of net profit before tax for 2008, 2009 and 2010
- vii. Dividend payout will be approximately 72%, 70% and 70% of profit after tax in 2008, 2009 and 2010 respectively.
- viii. The company will continue as a going concern.
- ix. The ongoing expansion of the company's business, through the upgrade of the eight (8) existing stations with high definition equipment and fresh investment in twelve (12) new stations which are expected to come on stream in 2008 plus an additional sixteen (16) new stations by the end of 2010, will be completed on schedule.
- x. The restructuring plan for the company's overseas operations will be completed on schedule and will lead to the implementation of new market entry strategies using a state-of-the-art studio in the UK to transmit free-to-air to Europe and the Echostar Dish Network to transmit in the US.
- xi. The company's plan to enter into strategic alliances with complementary players and independent producers in the acquisition of African programme contents will be achieved and will generate the desired results.
- xii. The company's plan to introduce pay-per-view multi-channel digital terrestrial transmission, powered by high-definition technology with specialised channels for Movies, Entertainment, Sports and News will be achieved.
- xiii. The company's plan to introduce Mobile Television services via enabled telephone handsets and interactive call-in TV programmes in collaboration with mobile telephone network providers will be achieved.
- xiv. The public offer will be fully subscribed and paid-up.
- xv. There will be no government interference in the operations of the company.
- xvi. There will be no legislation limiting local and overseas operations.
- xvii. There will be no changes in the current accounting policies.
- xviii. The current development agenda of the Federal Government of Nigeria will engender growth in the economy and consequently lead to increase in demand for broadcast services.
- xix. There will be no drastic change in the legal, political and economic environment that will adversely affect the operations of the company.
- xx. There will be no adverse change in the existing pricing policy of the company other than as provided in the forecast.
- xxi. The political situation in Nigeria, the UK and the USA will remain stable and the existing relationship between Nigeria and these two countries will remain cordial.

THE PROFIT FORECAST (CONT'D)

xxii. The company will not suffer any major uninsured catastrophe.

xxiii. The quality of the company's management will be upgraded and continually improved during the forecast period.

xxiv. There will be no material successful claims for damages against the company.

THE PROFIT FORECAST (CONT'D)

4. THE PROFIT FORECAST FOR THE YEARS ENDING DECEMBER 31, 2008, 2009 AND 2010

The directors are of the opinion that subject to unforeseen circumstances, and based on the bases and assumptions set out on pages 54 to 56, the profit before taxation for the years ending 31 December 2008, 2009 and 2010 will be in the order of ₦4.02 billion, ₦5.32 billion and ₦7.22 billion respectively as detailed below:-

	2008	2009	2010
	N'000	N'000	N'000
Turnover	10,294,774	13,686,948	17,668,445
Cost of services rendered	(1,871,213)	(2,592,972)	(3,546,926)
Net sales	8,423,561	11,093,976	14,121,519
Investment income	110,461	114,126	81,230
Gross income	8,534,022	11,208,102	14,202,749
Administrative expenses	(2,662,495)	(3,675,762)	(5,059,521)
Profit before interest, tax, depreciation and amortisation	5,871,527	7,532,340	9,143,228
Interest payable and similar charges	(397,818)	(204,390)	(10,963)
Profit before depreciation and amortisation	5,473,709	7,327,950	9,132,265
Depreciation and amortisation	(1,451,363)	(2,004,313)	(1,917,132)
Profit before taxation	4,022,346	5,323,637	7,215,133
Income tax provision	(804,469)	(1,064,727)	(1,443,027)
Profit after taxation	3,217,877	4,258,910	5,772,106
Proposed dividend	(2,496,000)	(3,072,000)	(4,032,000)
Retained profit	721,877	1,186,910	1,740,106
Forecast earnings per 50 kobo share (kobo)	40	53	72
Forecast earnings yield at offer price (%)	8	11	14
Forecast EBITDA per 50 kobo share (kobo)	73	94	114
Forecast dividend per 50 kobo share (kobo)	31	38	50
Forecast dividend yield at offer price(%)	6	8	10
Forecast price/earnings ratio at offer price	12	9	7
Forecast CAPEX - Naira '000	4,211,287	5,080,580	1,390,473

THE PROFIT FORECAST (CONT'D)

5. FORECAST BALANCE SHEET AS AT DECEMBER 31, 2008, 2009 AND 2010

	2008	2009	2010
	N'000	N'000	N'000
Fixed assets	14,076,999	19,157,579	20,548,052
Intangible assets	31,301	20,868	10,434
	<u>14,108,300</u>	<u>19,178,447</u>	<u>20,558,486</u>
CURRENT ASSETS			
Debtors	2,098,618	3,042,972	3,060,239
Other current assets	1,187,990	1,076,515	1,137,156
Cash at bank and in hand	1,002,348	1,087,612	1,211,165
Short-term investment	<u>3,586,853</u>	<u>1,983,399</u>	<u>3,498,153</u>
	<u>7,875,809</u>	<u>7,190,498</u>	<u>8,906,713</u>
CURRENT LIABILITIES			
Trade creditors	65,000	70,000	185,000
Other creditors and accruals	<u>735,547</u>	<u>3,928,473</u>	<u>5,169,622</u>
	<u>800,547</u>	<u>3,998,473</u>	<u>5,354,622</u>
NET CURRENT ASSETS	<u>7,075,262</u>	<u>3,192,025</u>	<u>3,552,091</u>
NET ASSETS	<u>21,183,562</u>	<u>22,370,472</u>	<u>24,110,577</u>
FINANCED BY			
Share capital	4,000,000	4,000,000	4,000,000
Share premium	15,960,436	15,960,436	15,960,436
Revenue reserve	<u>1,223,126</u>	<u>2,410,036</u>	<u>4,150,141</u>
	<u>21,183,562</u>	<u>22,370,472</u>	<u>24,110,577</u>

THE PROFIT FORECAST (CONT'D)

6. FORECAST CASHFLOW STATEMENT AS AT DECEMBER 31, 2008, 2009 AND 2010

	2008	2009	2010
	N'000	N'000	N'000
CASHFLOW FROM OPERATING ACTIVITIES			
Profit/ (Loss) before taxation	4,022,346	5,323,637	7,215,133
Adjustment for non-cash items:			
Depreciation	1,440,929	1,993,879	1,906,698
Amortisation	10,434	10,434	10,434
Operating profit/(loss) before working capital changes	5,473,709	7,327,950	9,132,265
Working Capital changes:			
(Increase)/Decrease in debtors and prepayments	(104,336)	(944,354)	(17,267)
(Increase)/Decrease in other current assets	(1,187,990)	111,475	(60,641)
Increase/(Decrease) in trade creditors	(10,039)	5,000	115,000
Increase/(Decrease) in other creditors and accruals	(2,546,633)	2,356,668	(97,150)
	1,624,711	8,856,739	9,072,207
Tax paid	(154,849)	(804,469)	(1,064,727)
Net cashflow from operating activities	<u>1,469,862</u>	<u>8,052,270</u>	<u>8,007,480</u>
CASHFLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets	(5,652,216)	(7,074,459)	(3,297,171)
Intangible assets	-	-	-
Purchase of short-term investment	(3,586,853)	1,603,454	(1,514,754)
Net cash outflow from investing activities	<u>(9,239,069)</u>	<u>(5,471,005)</u>	<u>(4,811,925)</u>
CASHFLOW FROM FINANCING ACTIVITIES			
Share capital	914,739	-	-
Share Premium	8,232,651	-	-
Dividend Paid	(448,000)	(2,496,000)	(3,072,000)
Deposit for shares	-	-	-
Net cashflow from financing activities	<u>8,699,390</u>	<u>(2,496,000)</u>	<u>(3,072,000)</u>
Net Change in Cash and Cash equivalent	930,183	85,264	123,553
Cash and cash equivalent at 1 January	72,165	1,002,348	1,087,612
Cash and cash equivalent at 31 December	1,002,348	1,087,612	1,211,165
REPRESENTED BY:			
Cash at bank and in hand	<u>1,002,348</u>	<u>1,087,612</u>	<u>1,211,165</u>
	1,002,348	1,087,612	1,211,165

THE PROFIT FORECAST (CONT'D)

7. LETTER FROM THE ISSUING HOUSES

The following is a copy of the letter from the Joint Issuing Houses on the Profit Forecast.

BGL SECURITIES LIMITED RC269666

SKYE BANK PLC RC 142191

FIDELITY BANK PLC RC 103022

**WEMA ASSET MANAGEMENT
LIMITED** RC 375525

FIRST INLAND BANK PLC RC 112876

**SPRING CAPITAL MARKETS
LIMITED** RC 254413

**NORTHBRIDGE INVESTMENT
AND TRUST LIMITED** RC 497385

ECOBANK NIGERIA PLC RC 89773

GREENWICH TRUST LIMITED
RC 189502

December 10, 2007

The Directors
Daar Communications Plc
Daar Communication Centre
Off Gen. T.Y Danjuma Street
Asokoro, Abuja

Dear Sirs

**INITIAL PUBLIC OFFERING VIA AN OFFER FOR SUBSCRIPTION OF 1,829,478,000
ORDINARY SHARES OF 50 KOBO EACH AT N5.00 per share AND OFFER FOR SALE
OF 960,000,000 ORDINARY SHARES OF 50 KOBO EACH AT N5.00 per share IN DAAR
COMMUNICATIONS PLC**

We write further to the Prospectus issued in respect of the Initial Public Offering via an Offer for Subscription of 1,829,478,000 ordinary shares of 50 kobo and an Offer for Sale of 960,000,000 Ordinary Shares of 50 Kobo each in Daar Communications Plc. The Prospectus contains forecasts of the profits of the Company for the years ending 31 December 2008, 2009 and 2010.

We have discussed the bases and assumptions upon which the forecasts were made with you and with Ahmed Zakari & Co. (Chartered Accountants), the Reporting Accountants. We have also considered the letter dated December 10, 2007 from the Reporting Accountants regarding the accounting bases and calculations upon which the forecasts were compiled.

Having considered the assumptions made by you as well as the accounting bases and calculations reviewed by Ahmed Zakari & Co (Chartered Accountants), we consider that the forecasts (for which you as Directors are solely responsible) have been made by you after due and careful enquiry.

Yours faithfully,

For: **JOINT ISSUING HOUSES**

Mr. Albert E. Okumagba
Executive Chairman
BGL Securities Limited

Mr. Akinsola Akinfemiwa
Managing Director/CEO
Skye Bank Plc

Mr. Reginald Ihejiahi
Managing Director/CEO
Fidelity Bank Plc

HISTORICAL FINANCIAL INFORMATION

1. REPORTING ACCOUNTANTS' REPORT

The following is a copy of the report of Ahmed Zakari and Co. (Chartered Accountants), the Reporting Accountants to the Offer



December 14, 2007

THE DIRECTORS

DAAR COMMUNICATIONS PLC

AIT DRIVE, KPADUMA HILLS
OFF. GEN, T.Y DANJUMA STREET, ASOKORO
ABUJA

AND

THE DIRECTORS

BGL SECURITIES LIMITED RC269666

NO. 12A, CATHOLIC MISSION STREET
LAGOS ISLAND
LAGOS

THE DIRECTORS

WEMA ASSET MANAGEMENT LIMITED RC 375525

1ST FLOOR, LEVENTIS BUILDING
42/43, MARINA
LAGOS

THE DIRECTORS

NORTHBRIDGE INVESTMENT AND TRUST LIMITED RC 497385

5TH FLOOR, NICON PLAZA
MUHAMMADU BUHARI WAY
CENTRAL BUSINESS DISTRICT
ABUJA

THE DIRECTORS

SKYE BANK PLC RC 142191

3, AKIN ADESOLA STREET
VICTORIA ISLAND
LAGOS

THE DIRECTORS

FIRST INLAND BANK PLC RC 112876

4/6, ADETOKUNBO ADEMOLA
STREET
VICTORIA ISLAND
LAGOS

THE DIRECTORS

ECOBANK NIGERIA PLC RC 89773

THE DIRECTORS
PLOT 21, AHMADU BELLO STREET
VICTORIA ISLAND
LAGOS

THE DIRECTORS

FIDELITY BANK PLC RC 103022

2, KOFO ABAYOMI STREET
VICTORIA ISLAND
LAGOS

THE DIRECTORS

SPRING CAPITAL MARKETS LIMITED RC 254413

PLOT 1611, ADEOLA HOPEWELL
STREET, VICTORIA ISLAND
LAGOS

THE DIRECTORS

GREENWICH TRUST LIMITED RC 189502

THE DIRECTORS
PLOT 1698A, OYIN JOLAYEMI
STREET
VICTORIA ISLAND
LAGOS

Dear Sirs,

We report on the financial information set out on pages 63 to 72, which have been prepared for inclusion in the Prospectus to be issued in connection with the proposed Offer for Subscription of 1,829,478,000 ordinary shares of 50 kobo and Offer for Sale of 960,000,000 ordinary shares of 50 kobo in the issued share capital of DAAR Communications Plc.

The financial information is based on the audited financial statements of the company for the five years ended 31 December, 2006 and half year ended 30 June, 2007 and incorporates, for comparative purposes only, the segmental profit and loss statement of DAAR Communications Plc for the five years ended 31 December, 2006 and the half year ended 30 June 2007.

HISTORICAL FINANCIAL INFORMATION (CONT'D)

The financial statements were prepared under the historical cost convention. Messrs Abdulraheem, Olaniyi & Co., were the auditors of the company for the year ended 31 December, 2002. Messrs Abdulraheem, Olaniyi & Co. and Messrs Ighodalo & Co., were the joint auditors of the company for the years ended 31 December, 2003, 2004, 2005, 2006 and half year ended 30 June 2007.

The financial information have been prepared in accordance with the accounting policies set out on page 5 after making such adjustments we considered necessary. The financial statements on which the information is based are the responsibility of the Directors of DAAR Communications Plc who approved their issue. The Directors of DAAR Communications Plc are responsible for the contents of the prospectus in which this report is included.

We conducted our work in accordance with the International Standard on Auditing applicable to review engagements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatements. Our review was limited primarily to examination of the work papers of the external auditors, inquiries of the company's personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial information does not give a true and fair view of the state of affairs of DAAR Communications Plc as at the dates stated and of the profit and loss and cashflows for the periods then ended in accordance with generally acceptable accounting principles in Nigeria.

Yours Faithfully,

(Chartered Accountants)

Lagos – Nigeria

Reporting Accountants

HISTORICAL FINANCIAL INFORMATION (CONT'D)

2. STATEMENT OF ACCOUNTING POLICIES FOR THE FIVE YEARS ENDED 31 DECEMBER, 2006 AND HALF YEAR ENDED 30 JUNE 2007

The following are the significant accounting policies adopted by the company and consistently applied in the preparation of its financial statements:

a) Basis of Preparation of Accounts

The financial statements are prepared under the historical cost convention.

b) Depreciation

Depreciation is calculated to write-off the cost of fixed assets on a straight line basis over the expected useful lives of the assets concerned. The annual rates used for the various classes of tangible fixed assets are:

	2007	2006	2005	2004	2003	2002
Land and Building	Nil	Nil	Nil	Nil	Nil	Nil
Plant and Equipment	5%	5%	5%	5%	5%	5%
Furniture and Fixtures	5%	5%	5%	5%	5%	5%
Records, Tapes and Discs	5%	5%	5%	5%	5%	5%
Motor Vehicles	15%	15%	15%	15%	15%	15%

c) Amortisation

Amortisation of intangible asset is charged based on an annual rate of 20% on cost.

d) Debtors

Debtors are stated after deduction of specific provision for debts considered bad or doubtful of recovery.

e) Foreign Currency Translation

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions.

f) Repairs and Maintenance

Repairs and Maintenance are written-off as and when incurred.

g) Turnover

Turnover represents the net value of services provided by the company to third parties.

HISTORICAL FINANCIAL INFORMATION (CONT'D)

3. PROFIT AND LOSS ACCOUNTS

		SIX MONTHS TO 30 JUNE	<-----FOR THE YEARS ENDED 31 DECEMBER----->				
		2007	2006	2005	2004	2003	2002
	Notes	N'000	N'000	N'000	N'000	N'000	N'000
Turnover	2	1,071,194	2,532,444	1,830,537	1,131,293	659,020	652,728
Cost of services rendered	3	<u>(304,691)</u>	<u>(888,521)</u>	<u>(325,821)</u>	<u>(200,737)</u>	<u>(156,638)</u>	<u>(72,029)</u>
Gross operating profit		766,503	1,643,923	1,504,716	930,556	502,382	580,699
Administrative expenses		<u>(375,648)</u>	<u>(673,959)</u>	<u>(655,910)</u>	<u>(413,648)</u>	<u>(322,438)</u>	<u>(759,825)</u>
Other operating expenses		<u>(167,073)</u>	<u>(760,341)</u>	<u>(682,422)</u>	<u>(529,337)</u>	<u>(189,672)</u>	<u>(156,074)</u>
Net operating profit/(loss) before tax	4	223,782	209,623	166,384	(12,429)	(9,728)	(335,200)
Income tax provision	14	<u>-</u>	<u>(40,934)</u>	<u>(19,586)</u>	<u>(17,839)</u>	<u>(18,134)</u>	<u>(14,533)</u>
Profit/(loss) after taxation transferred to revenue		<u>223,782</u>	<u>168,689</u>	<u>146,798</u>	<u>(30,268)</u>	<u>(27,862)</u>	<u>(349,733)</u>

HISTORICAL FINANCIAL INFORMATION (CONT'D)

4. BALANCE SHEET

		SIX MONTHS TO 30 JUNE	<-----AS AT 31 DECEMBER ----->				
		2007	2006	2005	2004	2003	2002
	Note	N'000	N'000	N'000	N'000	N'000	N'000
Fixed assets	5	9,865,712	8,370,484	8,465,033	2,494,181	2,366,740	2,092,074
Investments	6	-	-	259,981	519,885	779,789	779,789
Intangible assets	7	52,169	47,999	63,999	9,742	14,914	7,825
		<u>9,917,881</u>	<u>8,418,483</u>	<u>8,789,013</u>	<u>3,023,808</u>	<u>3,161,443</u>	<u>2,879,688</u>
CURRENT ASSETS							
Debtors	8	1,818,632	1,738,106	1,943,637	1,608,011	1,181,616	435,794
Other current asset	9	-	-	-	6,503	6,854	238
Cash at bank and in hand		<u>48,278</u>	<u>49,960</u>	<u>15,246</u>	<u>13,301</u>	<u>5,541</u>	<u>6,555</u>
		<u>1,866,910</u>	<u>1,788,066</u>	<u>1,958,883</u>	<u>1,627,815</u>	<u>1,194,011</u>	<u>442,587</u>
CURRENT LIABILITIES							
Trade creditors		78,034	225,121	114,234	97,210	78,256	41,315
Other creditors and accruals	10	320,962	429,271	490,951	1,104,523	619,169	323,586
Bank overdraft		<u>3,040</u>	<u>303</u>	<u>6,350</u>	<u>9,429</u>	<u>17,847</u>	<u>14,818</u>
		<u>402,036</u>	<u>654,695</u>	<u>611,535</u>	<u>1,211,162</u>	<u>715,272</u>	<u>379,719</u>
NET CURRENT ASSETS		<u>1,464,874</u>	<u>1,133,371</u>	<u>1,347,348</u>	<u>416,653</u>	<u>478,739</u>	<u>62,868</u>
NET ASSETS		<u>11,382,755</u>	<u>9,551,854</u>	<u>10,136,361</u>	<u>3,440,461</u>	<u>3,640,182</u>	<u>2,942,556</u>
FINANCED BY							
Share capital	11	3,085,261	750,000	750,000	750,000	750,000	750,000
Share premium	12	7,727,784	1,472,000	1,472,000	1,472,000	1,472,000	1,472,000
Deposit for shares		-	7,000,000	7,000,000	-	-	-
Revenue reserve	13	<u>569,710</u>	<u>329,854</u>	<u>914,361</u>	<u>1,218,461</u>	<u>1,418,182</u>	<u>720,556</u>
		<u>11,382,755</u>	<u>9,551,854</u>	<u>10,136,361</u>	<u>3,440,461</u>	<u>3,640,182</u>	<u>2,942,556</u>

NOTE: The deposit for shares of N7,000,000,000.00 plus additional sums as at June 30, 2007 which totalled N8,341,045.33 was converted to shares at the rate of N2.00 per share in favour of Daar Investment & Holding Company Limited

HISTORICAL FINANCIAL INFORMATION (CONT'D)

5. CASHFLOW STATEMENT

	SIX MONTHS TO 30 JUNE	<-----FOR THE YEARS ENDED 31 DECEMBER----->				
	2007	2006	2005	2004	2003	2002
	N'000	N'000	N'000	N'000	N'000	N'000
CASHFLOW FROM OPERATING ACTIVITIES						
Profit/ (Loss) before taxation	223,782	209,623	166,384	(12,429)	(9,728)	(335,200)
Adjustment for non-cash items:						
Depreciation	24,121	269,783	153,700	139,700	119,865	118,259
Investment written-off	-	259,981	259,904	259,904	-	-
Amortisation	7,130	16,000	25,742	6,098	5,912	3,312
Prior year adjustment	16,074	(753,196)	(450,898)	(169,453)	725,488	53
Operating profit/(loss) before working capital changes	271,107	2,191	154,832	223,820	841,537	(213,576)
Working Capital changes:						
(Increase)/Decrease in debtors and prepayments	(80,527)	205,532	(335,626)	(426,395)	(745,822)	163,192
(Increase)/Decrease in other current assets	0	-	6,503	351	(6,616)	(238)
Increase/(Decrease) in trade creditors	(147,087)	110,887	17,024	18,954	36,941	(396)
Increase/(Decrease) in other creditors and accruals	(93,309)	(97,139)	(631,279)	467,666	277,588	87,222
	(49,815)	221,471	(788,546)	284,396	403,628	36,204
Tax paid	(15,000)	(5,475)	(1,878)	(151)	(139)	(123)
Net cashflow from operating activities	(64,815)	215,996	(790,424)	284,245	403,489	36,081
CASHFLOW FROM INVESTING ACTIVITIES						
Purchase of fixed assets	(1,519,349)	(175,235)	(6,124,553)	(267,141)	(394,531)	(30,390)
Increase in intangible assets	(11,300)	-	(79,999)	(926)	(13,001)	(500)
Net cash outflow from investing activities	(1,530,649)	(175,235)	(6,204,552)	(268,067)	(407,532)	(30,890)
CASHFLOW FROM FINANCING ACTIVITIES						
Share capital	2,335,261	-	-	-	-	-
Share premium	6,255,784	-	-	-	-	-
Deposit for shares	(7,000,000)	-	7,000,000	-	-	-
Net cashflow from financing activities	1,591,045	-	7,000,000	-	-	-
Net change in cash and cash equivalent	(4,419)	40,761	5,024	16,178	(4,043)	5,191
Cash and cash equivalent at 1 January	49,657	8,896	3,872	(12,306)	(8,263)	(13,454)
Cash and cash equivalent at 31 December/30 June	45,238	49,657	8,896	3,872	(12,306)	(8,263)
REPRESENTED BY:						
Cash at bank and in hand	48,278	49,960	15,246	13,301	5,541	6,555
Bank overdraft	(3,040)	(303)	(6,350)	(9,429)	(17,847)	(14,818)
	45,238	49,657	8,896	3,872	(12,306)	(8,263)

HISTORICAL FINANCIAL INFORMATION (CONT'D)

6. NOTES TO THE FINANCIAL STATEMENTS

1. THE COMPANY						
DAAR Communications Plc was incorporated as a Limited Liability Company under the Companies Act 1968 on the 31st August, 1988 and was the first private independent communications company in Nigeria. It was later converted to a Public Limited Company under the Companies and Allied Matters Act 1990 on the 23rd of April, 2007. The Company is engaged in the business of Broadcasting, Telecommunications and Allied Multi-Media Services.						
	SIX MONTHS TO 30 JUNE	<-----FOR THE YEARS ENDED 31 DECEMBER----->				
	2007	2006	2005	2004	2003	2002
	N'000	N'000	N'000	N'000	N'000	N'000
2. TURNOVER						
Gross earnings	1,049,712	2,542,565	1,844,766	1,134,221	676,965	655,432
Other income	21,482	-	-	-	-	-
Sales refund	-	(10,121)	(14,229)	(2,928)	(16,269)	(2,704)
Return inwards	-	-	-	-	(1,676)	-
	<u>1,071,194</u>	<u>2,532,444</u>	<u>1,830,537</u>	<u>1,131,293</u>	<u>659,020</u>	<u>652,728</u>
3. COST OF SERVICES RENDERED						
Programme / Production	142,163	652,172	82,754	99,210	68,293	61,992
Satellite fees	64,346	213,128	235,329	78,974	71,489	-
Bureau expenses	<u>98,182</u>	<u>23,221</u>	<u>7,738</u>	<u>22,553</u>	<u>16,856</u>	<u>10,037</u>
	<u>304,691</u>	<u>888,521</u>	<u>325,821</u>	<u>200,737</u>	<u>156,638</u>	<u>72,029</u>
4. PROFIT BEFORE TAXATION						
This is arrived at after charging:						
Auditors' remuneration	2,250	4,500	4,500	2,000	2,260	500
Depreciation	24,121	269,783	153,700	139,700	119,865	118,259
Investment written-off	-	259,981	259,904	259,904	-	-
Amortisation of intangible assets	<u>7,130</u>	<u>16,000</u>	<u>25,742</u>	<u>6,098</u>	<u>5,912</u>	<u>3,312</u>

HISTORICAL FINANCIAL INFORMATION (CONT'D)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	SIX MONTHS TO 30 JUNE	<-----FOR THE YEARS ENDED 31 DECEMBER----->				
	2007	2006	2005	2004	2003	2002
	N'000	N'000	N'000	N'000	N'000	N'000
5 FIXED ASSET						
Cost						
Land and building	4,213,067	4,112,524	4,088,673	265,391	261,604	261,604
Building under construction	12,383	-	-	-	-	-
Plant and equipment	5,997,658	4,660,068	4,610,052	2,391,929	2,139,594	1,757,101
Furniture and fixtures	149,912	128,192	114,916	68,261	65,792	55,925
Records, tapes and discs	378,259	377,991	377,991	376,271	376,043	374,652
Motor vehicles	199,731	152,886	113,951	79,178	70,856	70,076
	<u>10,951,010</u>	<u>9,431,661</u>	<u>9,305,583</u>	<u>3,181,030</u>	<u>2,913,889</u>	<u>2,519,358</u>
Depreciation						
Land and building	-	-	-	-	-	-
Building under construction	-	-	-	-	-	-
Plant and equipment	766,557	766,557	587,669	468,072	361,092	273,237
Furniture and fixtures	31,924	28,719	22,973	19,560	16,270	13,474
Records, tapes and discs	177,307	167,857	148,957	130,143	111,341	92,638
Motor vehicles	109,510	98,044	80,951	69,074	58,446	47,935
	<u>1,085,298</u>	<u>1,061,177</u>	<u>840,550</u>	<u>686,849</u>	<u>547,149</u>	<u>427,284</u>
Net Book Value						
Land and building	4,213,067	4,112,524	4,088,673	265,391	261,604	261,604
Building under construction	12,383	-	-	-	-	-
Plant and equipment	5,231,101	3,893,511	4,022,383	1,923,857	1,778,502	1,483,864
Furniture and fixtures	117,988	99,473	91,943	48,701	49,522	42,451
Records, tapes and discs	200,952	210,134	229,034	246,128	264,702	282,014
Motor vehicles	90,221	54,842	33,000	10,104	12,410	22,141
	<u>9,865,712</u>	<u>8,370,484</u>	<u>8,465,033</u>	<u>2,494,181</u>	<u>2,366,740</u>	<u>2,092,074</u>

HISTORICAL FINANCIAL INFORMATION (CONT'D)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6	<u>INVESTMENT - INTERNET</u>						
	This consists of capital expenditure and expenses incurred on Internet equipment installed at the leased space situated at the CSS bookshop house Broad Street, Lagos. This is being written-off over 3 years period from 2004 to 2006.						
7	<u>INTANGIBLE ASSET</u>						
	This represent payment for Global TV Licence which is paid for five years in advance and hence its amortisation.						
		SIX MONTHS TO 30 JUNE	<-----FOR THE YEARS ENDED 31 DECEMBER----->				
		2007	2006	2005	2004	2003	2002
		N'000	N'000	N'000	N'000	N'000	N'000
	Cost						
	At 1 January	110,486	110,486	30,487	29,561	16,560	16,060
	Addition	11,300	-	79,999	926	13,001	500
	At 31 December/30 June	<u>121,786</u>	<u>110,486</u>	<u>110,486</u>	<u>30,487</u>	<u>29,561</u>	<u>16,560</u>
	Amortisation						
	At 1 January	62,487	46,487	20,745	14,647	8,735	5,423
	Current charge	7,130	16,000	25,742	6,098	5,912	3,312
	At 31 December/30 June	<u>69,617</u>	<u>62,487</u>	<u>46,487</u>	<u>20,745</u>	<u>14,647</u>	<u>8,735</u>
	Value at 31 December/30 June	<u>52,169</u>	<u>47,999</u>	<u>63,999</u>	<u>9,742</u>	<u>14,914</u>	<u>7,825</u>
8	<u>DEBTORS</u>						
	Trade debtors	1,719,649	1,709,453	1,847,222	1,604,368	1,178,661	431,062
	Staff debtors	30,920	23,187	6,621	2,296	1,846	4,732
	Prepaid insurance	61,875	-	-	-	516	-
	Prepaid rent	6,188	5,465	2,234	1,347	593	-
	Prepaid subscription	-	-	60	-	-	-
	Programme rights prepaid	-	-	87,500	-	-	-
		<u>1,818,632</u>	<u>1,738,105</u>	<u>1,943,637</u>	<u>1,608,011</u>	<u>1,181,616</u>	<u>435,794</u>

HISTORICAL FINANCIAL INFORMATION (CONT'D)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

		SIX MONTHS TO 30 JUNE	<-----FOR THE YEARS ENDED 31 DECEMBER----->				
		2007	2006	2005	2004	2003	2002
9	OTHER CURRENT ASSETS	N'000	N'000	N'000	N'000	N'000	N'000
	Abuja current account	-	-	-	6,503	6,503	166
	TV current account	-	-	-	-	298	72
	RayPower current account	-	-	-	-	53	-
	Cheque in transit	-	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>6,503</u>	<u>6,854</u>	<u>238</u>
10	OTHER CREDITORS						
	Accrued salary	54,131	67,366	90,525	151,196	153,390	122,910
	PAYE	13,450	14,590	16,053	19,976	18,590	12,735
	Company income tax (Note 14)	104,052	119,052	83,593	65,885	48,197	30,202
	Pension fund liability	69,211	66,764	54,629	47,961	34,254	24,404
	National housing fund	484	484	484	484	484	484
	Trust fund	-	-	1,000	-	-	-
	Auditors' fees	6,750	4,500	4,500	2,150	2,000	500
	Value added tax	72,202	66,363	23,058	-	35,986	31,548
	Directors' loan	-	90,152	216,365	774,324	289,422	52,357
	Accrued consultancy fees	-	-	-	36,346	36,846	37,346
	Accrued insurance	-	-	620	6,068	-	11,100
	Accrued rent	-	-	-	133	-	-
	Accrued expenses	682	-	-	-	-	-
	Accrued subscription	<u>-</u>	<u>-</u>	<u>124</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>320,962</u>	<u>429,271</u>	<u>490,951</u>	<u>1,104,523</u>	<u>619,169</u>	<u>323,586</u>

HISTORICAL FINANCIAL INFORMATION (CONT'D)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	SIX MONTHS TO 30 JUNE	<-----FOR THE YEARS ENDED 31 DECEMBER----->				
	2007	2006	2005	2004	2003	2002
	N'000	N'000	N'000	N'000	N'000	N'000
11 SHARE CAPITAL						
Authorised						
Ordinary shares of N1.00 each	-	750,000	750,000	750,000	750,000	750,000
Ordinary shares of 50 kobo each	3,200,000	-	-	-	-	-
Issued and fully paid						
At 1 January	750,000	750,000	750,000	750,000	750,000	750,000
Issue of 500,000,000 ordinary shares of 50 kobo each at par [Note 11 (f)]	250,000	-	-	-	-	-
Issue of 4,170,523,000 ordinary shares of 50K at N2.00 [Note 11 (g)]	2,085,261	-	-	-	-	-
At 31 December/30 June	3,085,261	750,000	750,000	750,000	750,000	750,000
(a) The members unanimously resolved on 11 December, 1992 that the authorised share capital of the company be increased from N100,000 to N5,000,000 by the creation of 4,900,000 ordinary shares of N1.00 each. Such new shares are to rank pari passu in all respect with the existing shares in the capital of the company.						
(b) The members unanimously resolved on 13 April, 1995 that the authorised share capital of the company be increased from N5,000,000 to N25,000,000 by the creation of 20,000,000 ordinary shares of N1.00 each. Such new shares are to rank pari passu in all respect with the existing shares in the capital of the company.						
(c) The members unanimously resolved on 4 December, 2000 that the authorised share capital of the company be increased from N25,000,000 to N750,000,000 by the creation of 725,000,000 ordinary shares of N1.00 each. Such new shares are to rank pari passu in all respect with the existing shares in the capital of the company.						
(d) At an extra ordinary meeting of the company held on 12 October 2005, the Executive Chairman, Chief Raymond Aleogho Dokpesi, was authorised to inject funds into the Company as and when needed for the expansion programme of the company. It was further resolved that any amount standing on the Executive Chairman's Current Account at any point in time as a result of this injection of funds, shall be applied as deposit for shares in favour of DAAR Investment & Holdings Company Limited and Chief Raymond Aleogho Dokpesi.						
(e) At an extra ordinary meeting of the company held on 7 April 2007, it was unanimously resolved that the existing share capital of the company be subdivided into 2 shares of 50 kobo each and the authorised share capital be increased from N750,000,000 to N3,200,000,000 by the creation of 4,900,000,000 ordinary shares of 50 kobo each, such new shares to rank pari passu in all respect with the existing ordinary shares in the capital of the company.						
(f) The members unanimously resolved on 8 April, 2007 to issue 500,000,000 shares of 50 kobo each from the deposit for shares account to DAAR Investment and Holdings Company Limited. Such new shares are to rank pari passu in all respect with the existing shares in the capital of the company.						
(g) The members unanimously resolved on 10 April, 2007 that the balance standing in the deposit for shares account as at 30 June, 2007 in the company's books be converted to shares at N2.00k per share in favour of Daar Investment & Holdings Company Limited. Such new shares to rank pari passu in all respect with the existing ordinary shares in the capital of the company.						

Statement On Off Balance Sheet Item

As at June 2007, the date of the last audited accounts, Daar Communication had no off balance sheet items.

HISTORICAL FINANCIAL INFORMATION (CONT'D)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

		SIX MONTHS TO 30 JUNE	<-----FOR THE YEARS ENDED 31 DECEMBER----->				
		2007	2006	2005	2004	2003	2002
		N'000	N'000	N'000	N'000	N'000	N'000
12	<u>SHARE PREMIUM</u>						
	At 1 January	1,472,000	1,472,000	1,472,000	1,472,000	1,472,000	1,472,000
	Issue of 4,170,523,000 ordinary shares of 50 kobo each at N2.00	6,255,784	-	-	-	-	-
	At 31 December/30 June	<u>7,727,784</u>	<u>1,472,000</u>	<u>1,472,000</u>	<u>1,472,000</u>	<u>1,472,000</u>	<u>1,472,000</u>
13	<u>REVENUE RESERVE</u>						
	At 1 January	329,854	914,361	1,218,461	1,418,182	720,556	1,070,236
	Prior year adjustment	16,074	(753,196)	(450,898)	(169,453)	725,488	53
	Transfer from profit and loss account	223,782	168,689	146,798	(30,268)	(27,862)	(349,733)
	At 31 December/30 June	<u>569,710</u>	<u>329,854</u>	<u>914,361</u>	<u>1,218,461</u>	<u>1,418,182</u>	<u>720,556</u>
14	<u>TAXATION</u>						
	At 1 January	119,052	83,593	65,885	48,197	30,202	15,792
	Current year provision	-	40,934	19,586	17,839	18,134	14,533
	Payments during the year	(15,000)	(5,475)	(1,878)	(151)	(139)	(123)
	At 31 December/30 June	<u>104,052</u>	<u>119,052</u>	<u>83,593</u>	<u>65,885</u>	<u>48,197</u>	<u>30,202</u>
15	<u>POST BALANCE SHEET EVENT</u>						
15.1	Increase in Authorised Share Capital						
	At an extra ordinary meeting of the company held on 26 November 2007, it was unanimously resolved that the authorised share capital be increased from N3,200,000,000 to N4,000,000,000 by the creation of 1,600,000,000 ordinary shares of 50 kobo each, such new shares are to rank pari passu in all respect with the existing ordinary shares in the capital of the company.						

STATUTORY AND GENERAL INFORMATION

1. INCORPORATION AND SHARE CAPITAL HISTORY

Daar Communications Plc was incorporated as a Private Limited Liability Company in 1988 with an authorised share capital of N100,000.00 comprising 100,000 ordinary shares of N1.00 each. The Company was issued a broadcasting Licence in 1994 and commenced operations thereon. The Company became a Public Limited Liability Company on 23rd of April 2007.

At the Annual General Meeting of DAAR held on the 6th of December, 2006, the authorised share capital was increased to N3,200,000,000 divided into 6,400,000,000 ordinary shares of 50 Kobo each of which N2,668,209,000 divided into 5,336,418,000 ordinary shares of 50 Kobo each have now been issued and fully paid.

The initial share capital on incorporation and subsequent changes therein are as follows:

DATE	AUTHORISED (₦)		Issued & Fully Paid-up (₦)		Consideration
	Increase	Cumulative	Increase	Cumulative	
1988	0	100,000	0	100,000	cash
1992	4,900,000	5,000,000	4,900,000	5,000,000	cash
1995	20,000,000	25,000,000	20,000,000	25,000,000	cash
2000	525,000,000	725,000,000	525,000,000	725,000,000	cash
April 2007*	2,475,000,001	3,200,000,000	250,000,000	1,000,000,000	Cash
December 2007	1,600,000,000	4,000,000,000	2,085,261,000	3,085,261,000	Cash

* Stocks split from N1.00 to N0.50k

2. SHAREHOLDING STRUCTURE (BEFORE THE OFFER)

As at the date of the offer, the sum of N3,085,261,000 comprising 6,170,522,000 ordinary shares of 50 kobo each was beneficially held as follows:

SHAREHOLDER	NO. OF FULLY PAID SHARES	PERCENTAGE
1. Daar Investment & Holding Company Limited*	5,850,522,000	94.81
2. Chief (Dr.) Raymond Dokpesi	320,000,000	5.19
TOTAL	6,170,522,000	100%

*Chief (Dr) Raymond Dokpesi owns 100% of Daar Investment & Holding Company Limited.

Except as stated above, no other shareholder holds more than 5% of the issued share capital of the Company.

SHAREHOLDING STRUCTURE (AFTER THE OFFER)

SHAREHOLDER	NO. OF FULLY PAID SHARES	PERCENTAGE
1. Daar Investment & Holding Coy. Ltd.	4,890,523,000	61%
2. Chief Raymond Dokpesi	320,000,000	4%
3. Others	2,789,478,000	35%
TOTAL	8,000,000,000	100%

STATUTORY AND GENERAL INFORMATION (CONT'D)

3. DIRECTOR'S INTERESTS

The interests of the Directors of DAAR in the issued share capital of the Company as recorded in the Register of Members as at the date of this Offer for Sale and Offer for Subscription date and as notified by them for the purpose of Section 275 (1) of the Companies & Allied Matters Act Cap C20 LFN 2004 are as follows:

DIRECTOR	DIRECT SHAREHOLDING	INDIRECT SHAREHOLDING
Chief (Dr.) Raymond Dokpesi	320,000,000	5,850,522,000

No other Director has direct or indirect shareholding in DAAR.

DIRECTORS	SHAREHOLDING	PERCENTAGE
Dr Thomas Adaba	Nil	Nil
Mallam Yaya abubakar	Nil	Nil
Alh Tahir Bello	Nil	Nil
Alh Abba Dabo	Nil	Nil
Mr Emeka Lawrence	Nil	Nil
Alh Gambo Lawal	Nil	Nil
Prince Shedrak Akolokwu	Nil	Nil
Mrs Toru Ofili	Nil	Nil
Ambassador (Chief) Segun Olusola	Nil	Nil
Alh Ladi Lawal	Nil	Nil
Mr Makinde Ilajitima I. Williams	Nil	Nil
Engr. Uyah A. Chukwuemeka	Nil	Nil
Mr Anegebe A. Akiotu	Nil	Nil
Mrs Oluwatosin Dokpesi	Nil	Nil
Mr John Iwarue	Nil	Nil

4. RELATED PARTY TRANSACTION

To date, the Company is not involved in any related party transactions.

5. INDEBTEDNESS

As at the 30th day of June 2007 the Company had no outstanding debentures, mortgages, loans, charges or similar liability as material contingent liability other than in the ordinary course of business. The Company also has no contingent liabilities in the ordinary course of business.

6. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the date of this Prospectus, the Company had the following subsidiaries:

Company	Percentage Holding
Daar Communications (UK) Limited	61%
Daar Communications (USA) Limited	61%

7. EXTRACTS FROM THE MEMORANDUM AND ARTICLES OF ASSOCIATION
MEMORANDUM

1. The name of the company is **DAAR COMMUNICATIONS PLC.**
2. The registered office of the company will be situated in Nigeria.
3. The objects for which the company is established are:
 - (1) To engage in the business of broadcasting and communications, video, audio and data transmission and redistribution, satellite radio and television transmission and redistribution and to produce, receive and transmit radio and television programmes of all sorts as it may be licensed to do by the government and copyright owners respectively.
 - (2) To carry on the business of magazine, periodical and journal proprietors, press agents, news agents, publishers, booksellers, book binders, wholesales and retail stationers, and account book manufacturers.
 - (3) To start, acquire, print, publish and circulate or otherwise deal with any newspaper or newspapers, or other publications and generally to carry on the business of newspapers proprietors and general publishers.
 - (4) To carry on the business of advertising contractors and agents; to acquire and dispose of advertising time, space or opportunities in any media, to undertake advertising and promotions campaigns of every nature, to acquire and provide promotional requisites of every kind and description, and to carry on any other business which may be usefully carried on in connection with such business, and to acquire and undertake the whole or any part of the business, property and liabilities of any person or company carrying on business as such contractors or agents, or any other business which may be usefully carried on in connection therewith.
 - (5) To carry on the business of manufacturers of and dealers in paper of all kinds and article made from paper or pulp, and materials used in the manufacture or treatment of paper.
 - (10) To purchase or sell, take or let on lease, take or give in exchange or on hire, or otherwise acquire, grant, hold or dispose of any estate or interest in any lands, building, easements, concessions, machinery, plant, stock in trade, goodwill, trademarks, designs, patterns, patent, copyright or licences, or any other real or personal property or any right, privilege, option, estate or interest.
 - (11) To borrow or raise money for the purpose of the company and for that purpose to mortgage or otherwise charge the whole or any part of the company's undertakings, property and assets including the uncalled capital of the company.
 - (14) To accept, draw, make, execute, discount and endorse bills of exchange, promissory notes or other negotiable instruments.

STATUTORY AND GENERAL INFORMATION (CONT'D)

- (15) To apply for and take out, purchase or otherwise acquire any trade marks, designs, patterns, patents, patent rights, inventions, or secret processes which may be useful for the company's objects, and to grant licenses to use the same.
- (18) To establish or promote any company for the purpose of acquiring all or any of the property, rights and liabilities of the company or for any other purposes which may seem directly or indirectly calculated to benefit the company.
- (20) To amalgamate with any company having objects similar to those of this company.
- (21) To sell or dispose of the whole undertakings of the company or any part thereof for such consideration as the company may think fit and in particular for shares, debentures or security of any other company having objects altogether or in part similar to those of this company.
- (25) Subject to the provisions of the Companies and Allied Matters Act of 1990 (as amended) to grant credit facilities to such persons, firms or companies and on such terms as may seem expedient and in particular to customers and others having dealings with the company, and to guarantee the performance of contracts by such persons, firms or companies.
- (28) To grant bonuses, gratuities, pensions or charitable aid to persons employed by the company.

IT IS HEREBY DECLARED THAT

- (33) For the avoidance of all doubts, nothing in this Memorandum of Association contained shall be deemed to authorize member/members the exercise of any power or authority in conflict with any provisions of the National Broadcasting Commission Decree No. 38 of 1992 or its subsequent amendments and replacement clauses from time to time.
- 4. The Company is public limited liability company.
- 5. The liability of the members is limited

ARTICLES

- 2. i. Any member may transfer all or any of his shares by instrument in writing in any usual or common form applicable to a public company limited by shares and in accordance with the provisions of the CAMA (1990). The transfer of the company's shares shall be by instrument of transfer shall be without restriction.
- ii. Subject to the provisions of the CAMA (1990) the transfer of any shares shall be by written instrument in the common form signed by both the Transferee and the Transferor and the Transferor shall be deemed to remain the holder of the share until the name of the Transferee is entered in the Register of Members in respect hereof.

STATUTORY AND GENERAL INFORMATION (CONT'D)

3. The Directors may in their absolute discretion and without assigning any reason thereof decline to register any transfer of shares on which the company has a lien the Director shall have power on giving notice by advertisement as required by Section 89 of the Act to close the transfer books of the company for such periods of time not exceeding whole thirty days in each year. The Directors may refuse to register any instrument of transfer unless:-
 - i. The instrument of transfer is accompanied by the certificate of the share to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and if the Directors refuse to register a transfer of any shares they shall within two months after the date on which the transfer was lodged with the company send to the transferee notice of refusal to register.
4. The personal representative of a deceased Sole holder of a share shall be the only person recognized by the company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivors, or the personal representatives of the deceased survivor, shall be the only persons recognized by the company as having any title to the share.
5. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member shall upon such evidence being produced as may from time to time be required by the Directors have the right either to be registered as member in respect of the shares or instead of being registered himself, to make such transfer of the shares as the deceased or bankrupt person could have made; but the Directors shall in either case, have the same right to decline or suspend registration as they would have had in the same case of a transfer of the shares by the deceased or bankrupt person before the death or bankruptcy.
6. Any person becoming entitled to shares in consequence of the death or bankruptcy of a member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a member in respect of the shares, be entitled in respect of it to exercise any rights conferred by membership in relation to meetings of the company.

ALTERATION OF CAPITAL

7. The Company may from time to time by Ordinary Resolution increase the Share Capital of the Company by such sum to be divided into Shares of such amount as the Resolution shall prescribe.
8. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, surrender and otherwise.

STATUTORY AND GENERAL INFORMATION (CONT'D)

9. The Company may by Ordinary Resolution:
- a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
 - b) Sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by its Memorandum of Association subject, nevertheless, to the provisions of Section 100(1)(c) of the Act. Subject to these Articles the resolution by which any shares are subdivided may determine that as between the holders of the shares resulting from such sub-division one or more of such shares may be given any preference or advantage over the others or any other such shares.
 - c) Cancel any shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

NOTICE OF GENERAL MEETINGS

10. An Annual General Meeting and a meeting called for the passing of a special resolution shall be called by twenty-one days' notice in writing at the least, and a meeting of the Company other than an annual general meeting, or a meeting for the passing of a special resolution, shall be called by fourteen days' notice in writing at the least. The notice shall be exclusive of the day on which it is given and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business shall be given, in a manner if any, as may be prescribed by the Company in general meeting to such persons as are, under regulations of the Company, entitled to receive such notices from the company; provided that a meeting of the company shall notwithstanding that it is called by short notice than that specified in this regulations be deemed to have been duly called if it so agreed:
- a) In the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
 - b) In the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the share giving that right.

11. The accidental omission to give notice of a meeting to or non-receipt of notice of a meeting by any persons entitled to receive notice shall not invalidate the proceedings at the meeting.

PROCEEDINGS AT GENERAL MEETING

12. All business shall be deemed special that is transacted at an Extra-Ordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consolidation of the Accounts, Balance Sheets, and the Reports of the directors and the Auditors; the election of Directors in the place of those retiring and the appointment of, and the fixing of remuneration of the Auditors.

STATUTORY AND GENERAL INFORMATION (CONT'D)

13. No business shall be transacted at any General Meeting unless a quorum of members present at the time when the meeting proceeds to business, 3/5th (three fifth) of members present in person or by proxy shall be a quorum.
14. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting of convened upon the requisition of members shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members of whatever class present shall be at a quorum.
15. The Chairman of the Board of Directors shall preside at every General Meeting, but if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same or shall be unwilling to act as Chairman, the members present shall choose some Director or if no Directors be present or if all the Directors present decline to take the **chair**, they shall choose some member present to be Chairman of the Meeting.
16. At any General Meeting a resolution put to the vote at the meeting shall be decided on a shadow of hands unless a pool is (before or on the declaration of the result of show of hands) demanded by the Chairman or at least three members entitled to vote at the meeting or by the holders present in person or by proxy of at least on-tenth part of the total voting rights of all the members having the right to vote at the meeting or by a member or members holding shares on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid upon all the shares conferring that right.

Unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Minute book of the company shall be conclusive evidence thereof without proof of the number or proportion of the votes recorded in favour of or against such resolution. A proxy need not be a member of the company.
17. Any corporation which is a member of this company may, by resolution of its directors or other governing body, authorize any person to act as its representative at any meeting or meetings of this company or if any class of members thereof and such representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as if he had been an individual shareholder or including power, when personally present, to vote on a show of hands.
18. A proxy may take part in the proceedings of a General Meeting as if he were the member whom he represents.

VOTES OF MEMBERS

19. On a show of hands every member present in person or by proxy shall have one vote. On a poll, every member shall have one vote for each share of which he is the holder.

STATUTORY AND GENERAL INFORMATION (CONT'D)

DIRECTORS

20. The First Directors of the Company shall be appointed in writing by subscribers to the Memorandum of Association or a majority of them who may appoint themselves or any one or more of themselves.
21. Unless and until otherwise determined by the company in General Meeting, the number of Directors shall not be less than two or more than twenty.
22. The Directors shall have power to appoint new directors to fill any casual vacancy arising out of death, resignation, retirement or removal of a director.
23. The Company in General Meeting may from time to time direct such sums as may be thought fit to be paid as and by way of remuneration to the Directors and such remuneration shall be divided amongst them as they may agree, or failing such agreement, equally. The Directors shall be entitled to be paid all expenses personally incurred by them respectively in or at the performance of their duties as Directors.
24. It shall not be necessary for any Director of the Company to acquire or hold any share qualification, but Director shall be entitled to receive notice of and to attend all General Meetings.

POWERS AND DUTIES OF DIRECTORS

25. The Directors, from time to time, and at any time, may provide through Local Boards, Attorneys or Agencies for the management of the affairs of the company outside Nigeria and may appoint any person to be members of such Local Boards or as attorneys or agents and may remove any person so appointed and appoint others in their place, and may fix their remuneration.
26. The Directors, from time to time, and may at any time delegate to any such Local board, Attorney or Agent any of the powers, authorities and discretions for the time being vested in the Directors, other than the power to make calls, forfeit shares, borrow money or issue debentures and any such delegation may be made on such terms and subject to such corrections as the Directors may at any time annul or vary such delegation, but no person dealing in good faith and without notice of such annulment or variation shall be affected thereby.
27. Any Director may at any time appoint any other Director or appoint any other person **approved by majority** of the other directors for the time being to be his Alternate and may at any time remove any Alternate Director Appointed by him, and (subject to such approval as aforesaid) appoint another in his place. An alternate Director shall not be entitled to receive any remuneration from the company nor shall it be necessary for him to acquire or hold any qualification share, but he shall be entitled (subject to his giving to the Company an address within Nigeria at which notices may be served on him) to receive notice of meetings at which the Director appointing him is not present and at such meetings to exercise all powers, duties and authorities of the Director appointing him.

STATUTORY AND GENERAL INFORMATION (CONT'D)

A Director who is also an Alternate Director shall be entitled in addition to his vote, to a separate vote on behalf of the Director he is representing. An alternate Director, if his appoint or ceases for any reason to be a Director, shall ipso facto cease to be an Alternate Director. Every person acting as an Alternate Director shall be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be an Agent of or for the Director appointing him.

All appointments and removals of an Alternate Director made by any Director in pursuance of this Article shall be in writing under the hand of the Director making the same and shall be sent to or left at the Registered Office of the Company.

BORROWING POWERS

28. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled Capital, or part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
29. No property or properties of the company up to a single or cumulative value of Five Hundred Thousand Naira shall be mortgaged or disposed off in any manner without the consent in writing of the Chairman or in his absence, the Vice Chairman and a second Director and the Company Secretary.
30. The Directors may, subject to the provisions of Articles 29 and 30 hereof at any time borrow or raise for the purpose of the company from the Directors, members and any other persons such sums of money and at such rates of interest in any form or manner and for any amount as the Directors may think proper and may secure the payment of such moneys or any other money which the company may be liable to pay, by mortgage or charge or debentures or debenture stock, perpetual or otherwise forming a charge upon the whole or any part of the property, assets and undertakings of the company both present and future **including** its unpaid or uncalled capital for the time being in such manner and upon such terms and conditions and with such security as the Directors shall determine. Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender, allotment of shares, attending and voting at General Meetings of the Company, appointment of Directors or otherwise.

DISQUALIFICATION OF DIRECTORS

31. The office of a Director shall be vacated:
 1. Upon removal in accordance with the provisions of Articles 35 hereof.
 2. If by notice in writing to the Company he resigns the office of Director.
 3. If he becomes bankrupt.
 4. If he is prohibited from being a Director by an order made under any of the Provisions of the Companies and Allied Matters Act 1990 or any statutes.

STATUTORY AND GENERAL INFORMATION (CONT'D)

5. If he is requested in writing by all other Directors to resign his office.
6. If he is found lunatic or becomes of unsound mind.
32. A Director may hold any other office or place of profit under the Company except of Auditor, upon which such terms as to remuneration, tenure of Office and otherwise as may be determined by the Board of Directors.
33. A Director shall be capable of contracting or participating in the profits of any contract with the Company in the same manner as if he were not a Director, subject nevertheless to the following provisions:
 1. He shall declare the nature of his interest in any contract in which he is interested; and
 2. After he has become interested there in he shall not vote as a Director in respect of the contract or any matter arising there out, and if he does so vote his vote shall not be counted. The prohibition against voting shall not, however, apply to any contract or agreement for giving securities to a Director for advances made or to be made by him to the Company for liabilities or obligations, whether by way of guarantee or otherwise; incurred or assumed or proposed to be incurred or assumed by him on behalf of or for the benefit of the Company, or to any contract for or relating to the subscription by a Director (whether absolutely or conditionally) for Shares or debentures of the Company or of any Company in which this company is interested, and it may at any time be suspended, relaxed or removed to any extent and on any terms or conditions by the Company in General Meeting.
 3. A Director shall be counted for the purpose of forming a quorum notwithstanding that he may be disqualified from voting under this Article.
34. The Company may, by Ordinary Resolution remove any Director and may, by an Ordinary Resolution appoint another in his stead. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.

PROCEEDINGS OF DIRECTORS

35. Any question arising at any meeting shall be decided by a majority votes, and in case of an equality of votes the Chairman shall have a second or casting vote.
36. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed shall not be less than four.
37. A Resolution in writing signed by all Directors entitled to notice of a meeting of Directors shall have the same effect and validity as a resolution of the Board duly passed at a meeting of the Board duly convened and constituted.

STATUTORY AND GENERAL INFORMATION (CONT'D)

8. CLAIMS AND LITIGATION

As at the date of this Prospectus, DAAR in its ordinary course of business is involved in nine (9) lawsuits. Out of the nine (9) lawsuits, two (2) were instituted by the Company while the remaining seven (7) were instituted against the company. In the unlikely event of judgement against the Company in all the cases in which it is a defendant (or co-defendant), the total monetary claim against the Company sums up to ₦1,200,000,000.00 (one billion, two hundred million naira only). However, over 80% of this amount is claimed as general damages which precedents from the courts strongly suggest would be drastically reduced in the unlikely event that they are awarded. The total amount claimed in the two (2) suits instituted by the Company is estimated at ₦100,000,000.00 (one hundred million naira only). The Joint Solicitors are of the opinion that the pending matters in court would not adversely affect the proposed Offer for Subscription and Offer for Sale.

9. COST AND EXPENSES

The costs, charges and expenses of and incidental to the Initial Public Offering via an Offer for Subscription and the Offer for Sale including fees payable to the regulatory authorities, professional parties, brokerage commission, advertising, printing and distribution expenses are estimated at N575,466,439.00 representing 4.13% of the total Offer proceeds. Of this amount, 4.32% representing N394,711,439.00 of the Offer for Sale proceeds are payable by DAAR, while 3.77% representing N180,755,000.00 of the Offer for Subscription proceeds shall be paid by Daar Investment & Holding Company Limited.

10. MATERIAL CONTRACT

The Company has entered into the following contract that would be deemed material to this transaction:

- 1) A Vending Agreement dated February 20, 2008 under terms of which BGL Securities Limited, Skye Bank Plc, Fidelity Bank Plc, Wema Asset Management Limited, First Inland Bank Plc, Spring Capital Markets Limited, Ecobank Nigeria Plc, Greenwich Trust Limited and Northbridge Investment and Trust Limited have agreed to Offer for Subscription 1,829,478,000 ordinary shares of 50 Kobo each in Daar Communications Plc and Offer for Sale of 960,000,000 Ordinary shares of 50 Kobo each in Daar Investment & Holding Company Limited.
- 2) An Underwriting Agreement dated February 20, 2008 under terms of which BGL Limited, Skye Bank Plc, Fidelity Bank Plc, Wema Asset Management Limited, First Inland Bank Plc, Spring Capital Markets Limited, Ecobank Nigeria Plc, Greenwich Trust Limited and Northbridge Investment and Trust Limited have agree to underwrite 100% of the Offer for Subscription and the Offer for Sale on a firm basis.
- 3) A Memorandum of Understanding, dated April 26, 2007 between DAAR Communications Limited and Olivegates Pictures, commissioning Olivegates Limited to produce one sitcom for Daar.
- 4) A Memorandum of Understanding, dated April 26, 2007 between DAAR Communications Limited and Olivegates Pictures, commissioning Olivegates Limited to produce two soap operas for Daar.
- 5) A distribution and Subscription Management Service Agreement between DAAR Communications Limited and Globecast Television Corporation, dated January 19, 2004.

STATUTORY AND GENERAL INFORMATION (CONT'D)

- 6) An International Affiliation Agreement dated September 28, 2006 between Echostar Satellite L.L.C and DAAR Communications Inc., and S Corporation Africa Independent Television.
- 7) A Radio Channel Distribution Agreement dated October 1, 2003 and entered into for the distribution of Raypower 100.5 FM, between Multichoice Africa Limited and DAAR.

Regulatory Licenses and Agreement

- 8) National Broadcasting Corporation of Nigeria (“NBC”) press release dated 14th June 1995 granting approval for Nigeria’s first satellite television broadcast license to DAAR.
- 9) A letter from the NBC dated 14th June 1995 conveying the Head of State’s approval for the granting of a license for Satellite broadcasting of television programme to DAAR.
- 10) A letter from NBC dated 28th May 1999 to DAAR’s Chairman informing him of the approval by the Head of State of Nigeria for the granting of a License to cooperate Ray Power 2 in Lagos.
- 11) An NBC letter dated July 8th 1999 to DAAR’s Chairman conveying the NBC’s allocation of Channel 29 and approval of a broadcasting license for a Television station in Abuja.
- 12) The Solicitors to the Offer have noted that the licenses granted to DAAR also cover approval for Satellite broadcasting for global coverage. They also confirm that the company is duly licensed to carry on both radio and television broadcasting and that the licenses cover both terrestrial and satellite broadcasting of the company’s programmes.

11. RELATIONSHIP BETWEEN THE ISSUER AND ITS ADVISERS

There is no relationship between the Company and any of its Advisers as at the date of the Prospectus.

12. CONSENTS

The following have given, and not withdrawn, their written consents to the issue of this Prospectus with their names and reports (where applicable) included in the form and context in which they appear:

Directors of the Company

High Chief Raymond Alaeogho Dokpesi
Dr. Thomas A. Adaba
Mallam Yaya Abubakar
Alhaji Tahir Bello
Ambassador (Chief) Segun Olusola
Alhaji A. Dabo
Mr. Emeka Lawrence
Alhaji Gambo Lawan
Prince Shedrack Akolokwu
Mrs. Toru Ofili
Alhaji Ladi Lawal
Mr. John Iwarue
Mr. Makinde Iljitima I. Williams
Mrs. Oluwatosin Dokpesi
Alhaji Uyah A. Chukwuemeka
Mr. Anegbe A. Akiotu

STATUTORY AND GENERAL INFORMATION (CONT'D)

Acting Company Secretary

Ayodele E. Ogundele

Financial Advisers

BGL Limited

Joint Issuing Houses

BGL Securities Limited

Skye Bank Plc

Fidelity Bank Plc

Wema Asset Management Limited

First Inland Bank Plc

Spring capital Markets Limited

Ecobank Nigeria Plc

Greenwich Trust Plc

Northbridge investment and Trust Ltd

Joint Underwriters

BGL Limited

Skye Bank Plc

Fidelity Bank Plc

Wema Asset Management Limited

First Inland Bank Plc

Spring Capital Markets Limited

Ecobank Nigeria Plc

Greenwich Trust Plc

Northbridge Investment and Trust Ltd

Joint Stockbrokers

BGL Securities Limited

ICON Stockbrokers Limited

Capital Assets Limited

Camry Securities Limited

Core Trust and Investment Limited

Equity Capital Solutions Limited

Falcon Securities Limited

Finmal Finance Company Limited

Fidelity Union Securities Limited

First Inland Securities and Asset Management Limited

Greenwich Trust Limited

PrimeWealth Capital Limited

Professional Stockbrokers Limited

Santrust Securities Limited

UBA Stockbrokers Limited

UNEX Securities Limited

STATUTORY AND GENERAL INFORMATION (CONT'D)

Auditors	Ighodalo & Co Abdulraheem Olaniyi & Co
Reporting Accountants	Ahmed Zakari & Co
Solicitors to the Company	Olatunji Sofowora & Co
Solicitors to the Offer	Chuma Anosike & Co Dama Afabor & Co
Registrars	First Registrars Nigeria Limited
Joint Receiving Bankers	Ecobank Nigeria Plc Fidelity Bank Plc First Inland Bank Plc Oceanic Bank International Plc Skye Bank Plc United Bank for Africa Plc

13. STATEMENT ON OFF BALANCE SHEET ITEMS

As at June 2007, the date of the last audited accounts, Daar Communications Plc had no off balance sheet items.

14. DECLARATIONS

Except as otherwise disclosed in this Prospectus:

- a. No share of DAAR is under option or agreed conditionally or unconditionally to be put under option;
- b. No commissions, discounts, brokerages or other special terms have been granted by DAAR to any person in connection with the Offer of any share of the Company;
- c. Save as disclosed herein, the Directors of DAAR have not been informed of any holding representing 5% or more of the issued share capital of the Company;
- d. There are no founders', management or deferred shares or any options outstanding in DAAR;
- e. There are no material service agreements between DAAR or any of its Directors and employees other than in the ordinary course of business;
- f. There are no long term service agreements between DAAR and any of its Directors and employees except Pension Agreements; and
- g. No Director of the Company has had any interest, direct or indirect, in any property purchased or proposed to be purchased by the Company in the five years prior to the date of this Prospectus.

STATUTORY AND GENERAL INFORMATION (CONT'D)

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following may be inspected at the offices of BGL Securities Limited, No. 12A, Catholic Mission Street, Victoria Island, Lagos; Skye Bank Plc, 3, Akin Adesola Street, Victoria Island, Lagos; Fidelity Bank Plc, 23, Awolowo Road, Ikoyi, Lagos; Wema Asset Management Limited, 1st Floor, Leventis Building, 42/43, Marina, Lagos; First Inland Bank Plc, 4/6, Adetokunbo Ademola Street, Victoria Island, Lagos; Spring Capital Markets Limited, Plot 1611, Adeola Hopewell Street, Victoria Island, Lagos; Ecobank Nigeria Plc, Plot 21, Ahmadu Bello Way, Victoria Island, Lagos; Greenwich Trust Limited, Plot 1698A, Oyin Jolayemi Street, Victoria Island and Northbridge Investment and Trust Limited, 5th Floor, NICON Plaza, Muhammadu Buhari Way, Central Business District, Abuja during normal business hours on any weekday (except holidays), from Monday February 25, 2008 to 1.30pm on Monday, March 31, 2008.

1. Certificate of Incorporation of the Company;
2. Memorandum and Articles of Association of the Company;
3. The Shareholders Resolution authorizing the Offer;
4. The Board Resolution authorizing the Offer;
5. The audited financial statements of the Company for each of the five years ended 31 December 2006, 2005, 2004, 2003 and 2002; and six months ended 30 June 2007;
6. The Report of Ahmed Zakari & Co (Chartered Accountants), the Reporting Accountants, on the audited financial statements of the Company for the years ended 31 December 2006, 2005, 2004, 2003 and 2002 and six months ended 30 June 2007;
7. The Report of Ahmed Zakari & Co (Chartered Accountants), Reporting Accountants, on the Profit Forecast of the Company for the years ending 31 December 2008, 2009 and 2010;
8. The list of outstanding Claims and Litigation referred to in 8 above;
9. The Materials Contracts referred to in 10 above;
10. The Written Consents referred to in 12 above;
11. The letter of approval from the Securities and Exchange Commission; and
12. The letter of Approval from the Nigerian Stock Exchange.

PROCEDURE FOR APPLICATION AND ALLOTMENT

1. APPLICATION

- 1) The general investing public is hereby invited to apply for the ordinary shares through any of the receiving agents listed on page 89 of this Prospectus.
- 2) Application for the ordinary shares now being offered must be made in accordance with the instructions set out on the back of the Application Form. Care must be taken to follow the instructions as applications which do not comply will be rejected.
- 3) The application list for ordinary shares will open on Monday, February 25, 2008, and close on Monday, March 31, 2008. Applications for the shares must be for a minimum of 1,000 shares and in multiples of 100 shares thereafter. The number of shares for which application is made and the amount of the cash, cheque or bank draft attached should be entered in the boxes provided.
- 4) The subscription currency for the offer is the Nigerian Naira (₦). However, foreign currency subscribers are advised to contact any of the Receiving Banks for the applicable US Dollar exchange rate on the date the remittance is being effected.
- 5) Applications must be made only on the application form. However, applications made on photocopies of the application form will be accepted.
- 6) The applicant should make only one application, whether in his own name or in the name of a nominee. Multiple or suspected multiple applications will be rejected.
- 7) Individual applicants should sign the declaration and write his/her name, address, occupation in the appropriate section on the Application Form for the Offer while the preceding sections should be completed in the case of joint applicants. A corporate applicant should write its full name, address, Incorporation (RC) number and affix its official seal in the clearly marked section for this purpose.
- 8) Each Application should be forwarded ONLY to any of the Receiving Agents listed on page 89 of this prospectus, together with the cash, cheque or bank draft for the full amount of the purchase price, crossed “**DAAR Offer**” and made payable to the Receiving Agent to which the application is addressed. All bank drafts will be presented upon receipt and all applications in respect of which cheques or bank drafts are returned unpaid will be rejected.

2. ALLOTMENT

BGL Securities Limited, Fidelity Bank Plc, Skye Bank Plc, Wema Asset Management Limited, Ecobank Nigeria Plc, FirstInland Bank Plc, Northbridge Investment and Trust Limited and Greenwich Trust Limited reserve the right to accept or reject any application in whole or in part. The allotment Proposal will be subject to the clearance of the SEC.

3. APPLICATION MONIES

All application monies will be retained in separate interest yielding bank accounts with the Receiving Banks pending allotment. If any application is not accepted, or is accepted for fewer shares than the number applied for, a crossed cheque for the full amount or the balance of the amount paid with interest (as the case may be) will be returned by registered post within 5 (five) working days of allotment. Share Certificates in respect of shares allotted will be sent by registered post not later than 15 (fifteen) working days from the allotment. *Any investors who does not wish to receive his/her physical share certificate, should state the name of his/her Stockbroker, his/her CSCS account number and his/her Clearing House Number in the space provided on the Application Form.*

RECEIVING AGENTS

Application Forms may be obtained free of charge from any of the following Receiving Agents registered as capital market operators by SEC, to whom brokerage will be paid at the rate of 75 Kobo per ₦100 worth of units allotted in respect of applications bearing their official stamps.

The Issuing House cannot accept responsibility for the conduct of any of the institutions listed below. Investors are therefore advised to conduct their own independent enquiries before choosing an agent to act on their behalf. Evidence of lodgement of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Issuing Houses, cannot give rise to a liability on the part of the Issuing House under any circumstances.

BANKS

Access Bank Plc Afribank Nigeria Plc Diamond Bank Plc Ecobank Plc Equitorial Trust Bank Plc Fidelity Bank Plc First Bank Plc First City Monument Bank Plc	First Inland Bank Plc Guaranty Trust Bank Plc IBTC- Chartered Bank Plc Nigeria International Bank Plc Intercontinental Bank Plc Oceanic International Bank Plc Platinum Habib Bank Plc Skye Bank Plc Spring Bank Plc	Sterling Bank Plc Stanbic Bank Nigeria Limited Standard Chartered Bank of Africa Union Bank Plc United Bank for Africa plc Zenith Bank Plc Unity Bank Plc Wema Bank Plc
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A.A.A Stockbrokers Limited Adamawa Securities Limited AIL Securities Ltd Alliance Capital Management Company Ltd Altrade Securities Ltd AMYN Investments Ltd Anchoria Investment & Securities Ltd Apel Asset & Trust Limited APT Securities & Funds Ltd Associated Asset Managers Ltd Atlas Portfolio Ltd Belfry Investment & Securities Ltd Best link Investment Ltd Best Worth Assets & Trust Ltd BFCL Assets & Securities Ltd BGL Securities Ltd BSD Securities Ltd Bytofel Trust & Securities Ltd Calyx Securities Ltd Camry Securities Ltd Capital Asset Ltd Capital Bancorp Ltd Capital Express Securities Ltd Capital Trust Brokers Limited Cash Craft Securities Ltd Centre-Point Investment Ltd Century Securities Ltd City-Code Trust & Investment Ltd Consolidated Investment Ltd Cooper Fleming Stockbrokers Ltd Cordross Capital Ltd Coretrust & Investment Ltd Counters Trust Securities Ltd Cowry Asset Management Ltd Crossworld Securities Ltd CSL Stockbrokers Ltd Davandy Finance & Securities Ltd De-Canon Investment Ltd De-Lords Securities Ltd Denham Management Ltd Dependable Securities Ltd Dynamic Portfolios Ltd EBN Securities Ltd ECL Asset Management Ltd Emerging Capital Ltd Empire Securities Ltd Enterprise Stockbroker Plc ESL Securities Ltd ESS Investment & Trust Ltd Eurocomm Securities Ltd Excel Securities Ltd Express Portfolio Services Ltd F & C Securities Ltd Falcon Securities Ltd Finmal Finance Services Ltd First Alstate Securities Ltd First Equity Securities Ltd First Stockbrokers Ltd FIS Securities Ltd Foresight Securities Investment Ltd Forte Asset Management Ltd Foresight Securities Investment Limited Forte Asset Management Ltd Forthright Securities & Investments Ltd Fountain Securities & Investment Ltd Future View Securities Ltd	Gidauniya Investment & Securities Ltd Global Assets Management (Nig) Ltd Golden Securities Ltd Greenwich Trust Ltd GTI Capital Ltd Heartbeat Investments Limited Hedge Securities & Investment Company Ltd Horizon Stockbrokers Ltd IBTC Asset Management Ltd ICMG Securities Limited ICON Stockbrokers Ltd Ideal Securities & Investments Ltd Independent Securities Ltd Intercontinental Securities Ltd Integrated Trust & Investments Ltd International Standard Securities Ltd Interstate Securities Ltd Investment Centre Ltd Investment Masters & Trust Ltd Jenkins Investment Ltd Kapital Care Trust & Securities Ltd Kinley Securities Ltd Kundila Finance Services Ltd Lambeth Trust & Investments Company Ltd LB Securities Ltd Lead Capital Ltd Lighthouse Asset Management Ltd MacLaize Trust & Securities Ltd Mainland Trust Ltd Maninvest Asset Management Ltd Marimpex Finance & Investment Ltd Marina Securities Limited Maven Asset Management Ltd Maxifund Investment & Securities Ltd Mayfield Investment Ltd MBC Securities Ltd MBL Financial Services Ltd Mega Equities Ltd Mercov Securities Ltd Meristem Securities Ltd Metropolitan Trust Nigeria Ltd Midas Stockbrokers Limited Mission Securities Ltd Molten Trust Ltd Mountain Investment & Securities Ltd Newdevco Investment & Securities Ltd Nigerian International Securities Ltd Nigerian Stockbrokers Ltd Omas Investment & Trust Ltd OMF Securities & Finance Ltd Options Securities Ltd P.S.I Securities Ltd Partnership Investment Company Limited Perfecta Investment Trust Ltd Peninsula Asset Management Limited Pilot Securities Ltd Pine Fields Investment Services Ltd Pivot Trust & Investment Company Ltd Premium Services Ltd Professional Stockbrokers Ltd Profund Securities Ltd PSL Securities Ltd Pyramid Securities Ltd Quantum Securities Ltd	Reading Investments Ltd Regency Assets Management Ltd Resano Securities Limited Resort Securities & Trusts Ltd Reward Inv & Sec Ltd RivTrust Securities Limited Rox Securities Ltd Rostrum Inv. & Inv Securities Limited Royal Crest Finance Ltd Santrust Securities Ltd Securities Solutions Ltd Securities Trading and Investment Ltd Securities Transaction & Trust Company Ltd Security Swaps Ltd Shelong Investment Ltd Sigma Securities Ltd Signet Investments Securities Limited SMADAC Securities Limited Solid Rock Securities & Investment Ltd Spring Stockbrokers Ltd Spring Trust & Securities Ltd Springboard Trust & Investment Ltd Stanbic Euties Nig. Ltd Stanwal Securities Ltd Strategy & Arbitrage Ltd Summa Guaranty & Trust Co Summit Finance Company Ltd Supra Commercial Trust Ltd TFS Securities & Investment Ltd Tiddo Securities Ltd Tomil Trust Ltd Topmost Finance & Investment Ltd Tower Assets Management Ltd Tower Securities & Investment Ltd Traders Trust & Investment Company Ltd Trans Africa Financial Services Ltd Transworld Investment Ltd Tropics Securities Ltd Trust Yield Securities Ltd Trusthouse Investments Ltd TRW Stockbrokers Limited UBA Global Markets Limited UNEX Securities & Investment Ltd Union Capital Markets Ltd Valmon Securities Ltd Valueline Securities & Investment Ltd Vetiva Capital Management Ltd Vision Trust & Investment Ltd Viva Securities Ltd Wizetrade Capital Asset Management Ltd WSTC Financial Services Ltd Yobe Investment Company Ltd Zenith Securities Ltd
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APPLICATION FORM – OFFER FOR SUBSCRIPTION

Application List Opens
Monday
February 25, 2008



Application List Closes
Monday
March 31, 2008

JOINT ISSUING HOUSES:

DAAR COMMUNICATIONS PLC
Offer for Subscription of
1,829,478,000 Ordinary Shares of 50 kobo each
at 5.00 per share
Payable in Full on Application



Applications must be made in accordance with the instructions set out on the back of this application form. Care must be taken to follow these instructions as applications that do not comply may be rejected. If you are in any doubt, please consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance.

DECLARATION

☐ I/We am/are 18 years of age or over

☐ I/We authorise you to send a share certificate and/or cheque for any amount overpaid, by Registered post to the address given below and to procure registration in my/our name as the holder(s) of such number of shares or such smaller number, as aforesaid.

☐ I/We attach the amount payable in full on application for the number of shares in DAAR Communication Plc at N5.00 per share.

☐ I/We agree to accept the same or any smaller number of shares in respect of which allotment may be made upon the terms of the Prospectus and subject to the Memorandum and Articles of Association of DAAR Communications Plc.

☐ I/We declare that I/we have read a copy of the Prospectus for the Offer dated February 20, 2008 by the Joint Issuing Houses on behalf of DAAR Communications Plc.

GUIDE TO APPLICATION

Number of units applied for	Amount payable
1,000 minimum	N5,000.000
Subsequent multiples of 500 units	N 500.00

Date (DD/MM/YYYY)

/ 2 0 0 8

CONTROL NO: (Registrar's use only)

Number of Units Applied for:

Value of units applied for / Amount Paid

N .

PLEASE COMPLETE IN BLOCK LETTERS

1. INDIVIDUAL / CORPORATE APPLICANT

Surname / Company's Name

Title: ☐ Mr. ☐ Mrs. ☐ Miss ☐ Others

Other Names (for individual applicant only)

Full Postal Address

Street

Town/State

Land Phone Number

Mobile (GSM) Phone Number

Email Address

Next of Kin

CSCS NO (if you want shares allotted credited to your CSCS A/C)

Clearing House No.

2. JOINT APPLICANT

Surname

Title: ☐ Mr. ☐ Mrs. ☐ Miss

Other Names

3. Bank details (for E-Dividend):

Name of Bank

Branch

Account No:

Signature or Thumbprint



First Registrars

Signature or Thumbprint

Stamp of Receiving Agent

Company Seal & Incorporation Number (Corporate Applicant)

0892360963

* Subscribers are advised to contact their stockbrokers for their Clearing House Number.

APPLICATION FORM – OFFER FOR SALE

Application List Opens
Monday
February 25, 2008



Application List Closes
Monday
March 31, 2008

JOINT ISSUING HOUSES:



RC 269666



RC 375525

DAAR INVESTMENT & HOLDING COMPANY LIMITED

Offer for Sale of
960,000,000 Ordinary Shares of 50 kobo each
at 5.00 per share
Payable in Full on Application



RC 112876



RC. 189502



RC 112876



RC. 497385

Applications must be made in accordance with the instructions set out on the back of this application form. Care must be taken to follow these instructions as applications that do not comply may be rejected. If you are in any doubt, please consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance.

DECLARATION

☐ I/We am/are 18 years of age or over

☐ I/We authorise you to send a share certificate and/or cheque for any amount overpaid, by Registered post to the address given below and to procure registration in my/our name as the holder(s) of such number of shares or such smaller number, as aforesaid.

☐ I/We attach the amount payable in full on application for the number of shares in Daar Inv & Holding Coy Ltd at N5.00 per share.

☐ I/We agree to accept the same or any smaller number of shares in respect of which allotment may be made upon the terms of the Prospectus and subject to the Memorandum and Articles of Association of Daar Inv & Holding Coy Ltd.

☐ I/We declare that I/we have read a copy of the Prospectus for the Offer dated February 20, 2008 by the Joint Issuing Houses on behalf of Daar Inv & Holding Coy Ltd.

GUIDE TO APPLICATION

Number of units applied for
1,000 minimum
Subsequent multiples of 100 units

Amount payable
N5,000.00
N 500.00

Date (DD/MM/YYYY)

/ 2 0 0 8

CONTROL NO: (Registrar's use only)

Number of Units Applied for:

Value of units applied for / Amount Paid

N

PLEASE COMPLETE IN BLOCK LETTERS

1. INDIVIDUAL / CORPORATE APPLICANT

Surname / Company's Name Title: ☐ Mr. ☐ Mrs. ☐ Miss ☐ Others

Other Names (for individual applicant only)

Full Postal Address

Street

Town/State

Land Phone Number

Mobile (GSM) Phone Number

Email Address

Next of Kin

CSCS NO (if you want shares allotted credited to your CSCS A/C)

Clearing House No.

2. JOINT APPLICANT

Surname Title: ☐ Mr. ☐ Mrs. ☐ Miss

Other Names

3. Bank details (for E-Dividend):

Name of Bank

Branch

Account No:

Signature or Thumbprint



First Registrars

Signature or Thumbprint

Stamp of Receiving Agent

Company Seal & Incorporation Number (Corporate Applicant)

0892360963

* Subscribers are advised to contact their stockbrokers for their Clearing House Number.

INSTRUCTIONS FOR COMPLETING THE FORM

1. Applications should be made only on the Application Form or photocopy, downloaded or scanned copies of the Application Form.
2. Applications must not be for less than the minimum number of shares stated on the Application Form. Applications for more than the minimum number of shares must be in the multiples stated on the Application Form. The number of ordinary shares for which an application is made and the amount of the cheque or bank draft attached should be entered in the boxes provided.
3. The Application Form when completed should be lodged with any of the Receiving Agents listed on Page 89. Applications must be accompanied by a cheque or bank draft made payable to the Receiving Agent to whom the application is submitted, for the full amount payable on application. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed “**DAAR OFFER**” with the name, address and daytime telephone number of the applicant written on the back. All bank commissions and transfer charges must be prepaid by the applicant. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected.
4. The applicant should make only one application, whether in his own name or in the name of a nominee. Multiple or suspected multiple applications will be rejected.
5. Joint applicants must all sign the Application Form.
6. An application from a group of individuals should be made in the names of those individuals with no mention of the name of the group. An application by a firm which is not registered under the Companies and Allied Matters Act Cap C20 LFN 2004 should be made either in the name of the proprietor or in the names of the individual partners. In neither case should the name of the firm be mentioned.
7. An application from a corporate body must bear the corporate body’s seal and be completed under the hand of a duly authorised official.
8. An application by an illiterate should bear his right thumbprint on the Application Form and be witnessed by an official of the Bank or Stockbroker at which the application is lodged who must first have explained the meaning and effect of the Application Form to the illiterate in his own language. Above the thumb print of the illiterate, the witness must record in writing that he has given this explanation to the illiterate in a language understandable to him and that the illiterate appeared to have understood same before affixing his thumb impression.
9. The applicant should not print his signature. If he is unable to sign in the normal manner he should be treated for the purpose of this as an illiterate and his right thumbprint should be clearly impressed on the Application Form.

Application Form

DAAR COMMUNICATIONS PLC