

RNS Number : 4896R
TMT Investments PLC
04 November 2011

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TMT INVESTMENTS PLC

("TMT" or the "Company")

Investment in PeekYou LLC

The Board of TMT is pleased to announce an investment in PeekYou LLC, a search company focused on indexing the public Web around people ("PeekYou").

TMT's investment consists of a US\$123,671 unsecured convertible promissory note in PeekYou (the "Note") on the following terms:

Interest rate - 5% per annum;

Term - 12 months from the date of issuance of the Note;

Conversion - the outstanding principal and unpaid accrued interest of the Note will be automatically converted into PeekYou's equity securities upon the earliest of (i) PeekYou's conversion from a limited liability company to a corporation, (ii) closing of the next equity financing, or (iii) on a change of control of PeekYou. In the event PeekYou does not undergo incorporation during the Term, the outstanding principal of and unpaid accrued interest on the Note will be automatically converted into 13.38 capital unit interests (an LLC's approximate equivalent of ordinary shares) in PeekYou (currently equivalent to 1.04% of PeekYou's equity on a fully diluted basis) upon the expiration of the Term;

Right to participate in the next equity financing - TMT will have the right to purchase up to ten (10%) percent of the total number of PeekYou's equity securities sold in the next equity financing.

Founded in 2006, PeekYou is a limited liability company registered in Delaware, USA. PeekYou's search technology helps users and partners to determine the who, where, and what of the people behind internet addresses on the Web to provide powerful search applications used for research, analytics and marketing purposes. The PeekYou.com web site generates over 22 million page views per month.

Pursuant to the agreement between TMT and its US consultant, the Company will have an obligation to cede 3% of its holding of the Note or any subsequently converted equity securities to the consultant.

In respect of the year ended 31 December 2010, PeekYou's unaudited loss before taxation amounted to \$208,258, and unaudited net assets as at that date amounted to \$281,692.

TMT believes that PeekYou is well placed to become a key player in the rapidly growing social data management industry. The company's search algorithms have proved effective in managing social data publicly available on the Internet. Along with the PeekYou website, where everyone can easily find the data associated with various individuals, PeekYou is building a business-to-business platform, which has already generated significant interest from a number of leading companies specialised in social data management.

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About TMT Investments

The Investment Policy & Strategy

The Company's objective is to generate an attractive rate of return for Shareholders, predominantly through capital appreciation, by taking advantage of opportunities to invest in the TMT Sector. The Company aims to provide equity and equity-related investment capital, such as convertible loans, to private companies which are seeking capital for growth and development, consolidation or acquisition, or as a pre-IPO financing.

In addition, the Company intends to invest in publicly traded equities which have securities listed on a stock exchange or over-the-counter market. These investments may be in combination with additional debt or equity-related financing, and in appropriate circumstances in collaboration with other value added financial and/or strategic investors.

The Company is not geographically restricted in terms of where it will consider making investments. It will consider any geographical area, to the extent that the investment fits within the Company's investment criteria. The Directors and Consultants have expertise in emerging markets and, in particular, in Russia and the Commonwealth of Independent States. The Company will not be subject to any borrowing or leveraging limits.

Private Companies

The Company will target small and mid-sized companies and will seek to secure at least blocking stakes and board representation, where it considers that the Company and/or an investee company would benefit from such an appointment. The Company will consider making equity investments in lower than blocking stakes only where it sees ways to increase the stakes to blocking or controlling stakes at a later date. Each investment is expected to be at least US\$250,000.

The investments targeted by the Company will aim to support rapidly-growing private companies to increase market share and achieve long-term shareholder value. It is envisaged that if the Company invested in a private company prior to that company listing on a stock market, the Company would retain a part of its investment in the listed entity going forward. The Company intends to work closely with the management of each investee company to create value by focusing on driving growth through revenue creation, margin enhancement and extracting cost efficiencies, as well as implementing appropriate capital structures to enhance returns.

Public Companies

When investing in public equities, the Company will seek to select companies with a dominant market share or strong growth potential in their respective segments. No restrictions will be placed on the size of public companies in which the Company may make an investment. The Directors intend to make investments in companies or businesses with attractive valuation, growth potential, with competent and motivated management, which enjoy brand recognition, have scalable business models, have strong relationships with customers and have in place transparent accounting policies.

Realisation of Returns

The Directors will, when appropriate, consider how best to realise value for Shareholders whether through a trade sale, flotation or secondary refinancing of the investee companies. The proposed exit route will form a key consideration of the initial investment analysis.

The Company expects to derive returns on investments principally through long-term capital gains and/or the payment of dividends by investees. The primary ways in which the Company expects to realise these returns include: (a) the sale or merger of a company; (b) the sale of securities of a company by means of public or private offerings; and (c) the disposal of public equity investments through the stock exchanges on which they are listed.

For private investee companies the Company believes that its typical investment holding period should provide sufficient time for investee companies to adequately benefit from the capital and operational improvements resulting from the Company's investment. The targeted holding period shall be reviewed on a regular basis by the Company, but it is expected that this will typically be between two to four years. For public equities the Company's objective is to maximise capital appreciation. Following the acquisition, the Company will continue to conduct extensive research and monitoring of the investment. Importance will be placed on the timing of any disposal which will follow a thorough review of market conditions and those reports and sources that are available to investors. Should the Company consider that the capital appreciation of a particular public equity investment has reached its peak or is likely to or has begun to decline, then the Company will consider the sale of that investment.