

18 September 2012

**TMT INVESTMENTS PLC**  
("TMT" or the "Company")

Investment in Gentoo Labs, Inc.

The Board of TMT is pleased to announce the completion of an investment in Gentoo Labs, Inc. ("Gentoo"). Gentoo was incorporated in Delaware in May 2012 and is based in Palo Alto, California. Gentoo is the company behind "Contacts+", also known as "Contapps", a one-stop contact management mobile application, which helps people manage their contacts effectively, by aggregating relevant information from various communication channels such as LinkedIn, Facebook, Twitter and Google+. "Contacts+" has been downloaded from Google Play over 750,000 times and received over 5,100 5-star ratings. The application is available in 20 languages.

As part of a seed equity financing round, TMT has acquired 671,194 preferred shares in Gentoo for an aggregate consideration of US\$250,000. Assuming the seed equity round is fully subscribed, TMT's fully diluted equity stake in Gentoo will be 6.25%.

The agreements between the parties include pre-emption rights, liquidation preferences and other rights and protections in favour of TMT customary for preferred stock holders. The acquired preferred shares may be converted at any time into Gentoo's common shares at a 1:1 conversion rate.

Definitive agreements for the transaction were entered into, and the transaction was completed, yesterday.

Gentoo did not have any financial accounts in respect of the year ended 31 December 2011.

The rapid growth in the use of smartphones and tablet devices, coupled with an increased level of communication via social networks, has resulted in an ever-increasing contact information overload. Nowadays, the majority of information consumed by users on their smartphones on a daily basis is driven or generated by the users' contacts. Contapps simplifies the way people communicate with and organise information related to their peers by providing a smart "people-centric" platform, which automatically aggregates all contact-related information and services in one place.

Gentoo was co-founded by Lior Romano (CEO), Avidan Hirsch, Shay Erov and Mor Gazith. Lior holds an MBA from the Kellogg School of Management at Northwestern University and an LL.B from Tel Aviv University. He has over 9 years of hands-on business and executive experience and prior to co-founding Gentoo served as a VP of Business Development at KR Aviation Ltd.

Gentoo is a graduate of the UpWest Labs accelerator program and previously received funding from a number of angel investors in Silicon Valley and New York.

Alexander Selegenev, Executive Director of TMT Investments PLC, commented: “Gentoo has created what is probably the best contacts app for Android. The company has exciting plans, including launching Contapps on other platforms, and TMT is delighted to contribute to the company’s further growth.”

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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.