

RNS Number : 1701L
TMT Investments PLC
27 July 2011

TMT INVESTMENTS PLC

("TMT" or the "Company")

Investment in DepositPhotos Inc.

The Board of TMT is pleased to announce completion of an investment in DepositPhotos Inc. ("DepositPhotos"), a rapidly growing photobank selling images on a royalty-free basis.

A photobank is an online image storage facility, acting as intermediary between picture right owners and buyers. It provides authors with access to customers and payment processing facilities, while giving buyers an opportunity to effectively search for and inexpensively buy high-quality and legally licensed images.

DepositPhotos is an unquoted private company incorporated in Florida. It was established in 2009 by its founder, Dmitry Sergeev, and is now a rapidly growing online source of photos, illustrations and vector art for designers, advertisers, photo editors, content managers or individuals, with millions of high-quality images available at affordable prices.

TMT has acquired new shares amounting to 15% of DepositPhotos's equity capital (post-transaction) for a consideration of \$1,988. In addition, TMT has agreed to make capital contributions to DepositPhotos of twice the amount of any capital contributions made by Mr. Sergeev in the period up to 3 years, up to a total further investment by TMT of \$1m. Capital contributions will not alter the percentage shareholdings of the parties.

TMT has also been granted an option to increase its investment in DepositPhotos by subscribing for new shares representing a further 15% of the share capital at an aggregate price of between \$500,000 and \$2m, dependent on the amount of DepositPhotos's audited EBITDA for the period of one year from the completion of the initial investment.

The agreements between the parties include pre-emption rights in favour of the Company in the event of a proposed sale of shares by any shareholder, and a right on the part of shareholders to participate in any sale of shares where the Company does not exercise its pre-emption right.

In respect of the year ended 31 December 2010, DepositPhotos's unaudited loss before taxation amounted to \$251,869, and unaudited net assets as at that date amounted to (\$306,154).

This investment provides TMT with exposure to a fast-growing photobank industry, and TMT believes that DepositPhotos is well placed to become one of the leading photobanks in its segment.

For further information contact:

TMT INVESTMENTS PLC

+44(0)1534 281 843

Mr. Alexander Selegenev

alexander.selegenev@tmtinvestments.com

www.tmtinvestments.com

ZAI Corporate Finance Ltd

020 7060 2220

NOMAD and Broker

Marc Cramsie/Irina Lomova

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.