

15 September 2011

## **TMT INVESTMENTS PLC**

("TMT" or the "Company")

### **Acquisition of Shares of Unicell Advanced Cellular Solutions Ltd.**

The Board of TMT is pleased to announce the acquisition of shares of Unicell Advanced Cellular Solutions Ltd. ("Unicell"), a leading mobile application service and content provider in Israel (<http://www.unicell.co.il/>).

Unicell is a limited liability company incorporated on 7 May 2002 under the laws of Israel. Unicell provides a wide range of solutions and services for the mobile communications market, including corporate mobile data solutions; premium content and billing services; interactive media solutions; mobile advertising and marketing; intelligent mobile search and surfing solutions; and turnkey solutions for mobile telecom operators and media and advertising agencies.

TMT has acquired from a number of Unicell's current shareholders shares representing 10% of Unicell's equity capital (post-transaction) for an aggregate consideration of NIS 10,400,000 (approx. \$2.96 million). A definitive agreement for the transaction was entered into, and the transaction was completed, today.

As part of the foregoing transaction, Unicell's articles of association have been amended in order to provide TMT with a number of protective rights, including the right, alongside with certain other named shareholders, to participate in future issuances of shares by Unicell on a pro rata basis, as well as pre-emption rights in the event of a proposed sale of shares over a certain threshold by Unicell's other shareholders. According to the amended articles, as long as TMT holds more than 5% of the issued and outstanding share capital of Unicell, the Company will have the right to appoint an observer to the board of directors of Unicell.

In respect of the year ended 31 December 2010, Unicell's audited revenues amounted to NIS 221.8 million (approx. \$61.6 million), audited profit before taxation amounted to NIS 7.6 million (approx. \$2.1 million), and audited net assets as at that date amounted to NIS 19.7 million (approx. \$5.5 million).

TMT believes that its purchase of Unicell shares will become a first step towards a long and productive partnership with one of the leading mobile application service companies in Israel. In particular, TMT and Unicell intend to utilise their respective knowledge and international distribution expertise to generate mutually synergistic cross-selling opportunities.

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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.