

27 February 2007

121Media, Inc. ("121Media" or the "Company")

Investment by Morgan Stanley Principal Investments

121Media, Inc. (AIM: OTO and OTOM), a market leader in the field of contextual online advertising, is pleased to announce that Morgan Stanley Principal Investments has agreed to make an investment in the Company (the "Placing"), which will strengthen the Company's capital structure.

121Media has conditionally placed 169,808 new common shares of \$0.001 ("Common Shares") at £15.00 per share to raise \$5 million (approximately £2.56 million) before expenses. These new shares will be held by Morgan Stanley Principal Investments. The Placing is conditional, *inter alia*, upon admission of the Common Shares to trading on AIM.

Application will be made for the Common Shares to be admitted to trading on AIM and admission to trading in these shares is expected to commence on 2 March 2007. The Common Shares will represent, after the closing of the Placing, approximately 1.5 percent of the outstanding common share capital of the Company.

121Media intends to use the proceeds from the Placing to continue the development and implementation of its technology with Internet Service Providers (ISPs) and for general working capital. As previously announced, the Company's discussions with global ISPs continue to progress well and the Company expects significant developments in the near future, including the addition of new Board members.

Commenting on the investment, Kent Ertugrul, 121Media founder and CEO said, "We are delighted that Morgan Stanley, one of the world's leading financial services institutions, has decided to invest in 121Media. This is an endorsement of our strategy and will underpin the development of our business worldwide."

For Enquiries

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