Outlook

Edison investment research

30 June 2008

Monitise

Year End	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	PE (x)	Yield (%)
06/06 **	0.2	(3.3)	(1.6)	0.0	N/A	N/A
06/07	0.5	(8.1)	(3.4)	0.0	N/A	N/A
06/08e	1.5	(12.2)	(4.8)	0.0	N/A	N/A
06/09e	5.0	(11.3)	(3.4)	0.0	N/A	N/A

Note: *PBT and EPS are normalised, excluding share-based payments and exceptional items.
** nine months.

Investment summary: Masses of untapped potential

Monitise is uniquely positioned as a hub for multiple banks, telecom and other service operators to roll out mobile financial services through its partnership arrangements and its relationship with both the ATM and banking networks in the UK, the US and beyond. Monitise has a strong management team and an impressive advisory board, moreover a competitive business model and extensive product offering. We believe that the recent share subscription alleviates near term funding uncertainty and adds a number of strategic investors, most notably Standard Chartered, which will facilitate the roll out of the standardised Monitise platform overseas and drive ratings higher.

Funded for expansion

Current cash balances of £9.5m together with proceeds from the subscription will provide total cash of approximately £21m, leaving the group well funded with sufficient flexibility to continue to implement its development strategy.

Building value

With platforms live in both the UK and the US, the foundations of key technologies and operating practices are already in place for rapid development and international reach.

Untapped potential

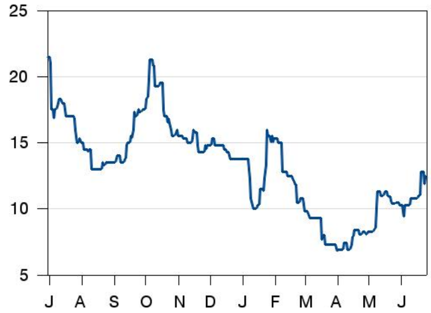
Mobile phone banking provides consumers with a new banking channel that has the potential to become the primary access device for consumer banking. Worldwide, there are 2.7bn mobile phones, 2.5bn individuals with current accounts and 262bn global non-cash transactions, this represents considerable untapped potential.

Conservative valuation

The share subscription was at 15p, a 36% premium to the share price on announcement. Our long term DCF estimate implies a total equity value of 22p per share. Additionally, the group has agreements and technology that could prove attractive to potential acquirers.

Price	12.25p
Market Cap	£31m

Share price graph



Share details

Code	MONI
Listing	AIM
Sector	Mobile Telecommunications
Shares in issue	254.5m

Price

52 week	High	Low
	21.50p	6.75p

Balance sheet as at 31 December 2007

Debt/Equity (%)	N/A
NAV per share (p)	5.9
Net cash (£m)	19.4

Business

Monitise provides a mass market technology platform that enables banks, card schemes and other financial providers the ability to offer mobile banking and payment services.

Valuation

	2007	2008e	2009e
P/E relative	N/A	N/A	N/A
P/CF	N/A	N/A	N/A
EV/Sales	0.4	15.3	6.5
ROE	N/A	N/A	N/A

Revenues by geography 2008e

UK	Europe	US	Other
75%	0%	20%	5%

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Monitise is a research client of Edison Investment Research Limited

Investment summary: Masses of untapped potential

Company description: Uniquely placed

Monitise is a global leader in mobile banking and payments. Monitise provides secure, mass-market services which enable consumers to manage bank accounts, cards and payments directly from their mobile phones. Working in partnership with financial institutions and MNOs, Monitise creates multi-issuer/multi-operator ecosystems which allow all parties to share in the benefits.

Monitise derives value by charging an annually recurring licence fee to license its technology into regions. The real upside for Monitise is through future royalties or via equity participation in joint ventures when this technology is adopted in new territories on a mass market scale.

At present the company has revenues from the UK (where it has a dominant 53% coverage of the market following the integration of the latest Tier One bank) and the US, with a growth strategy targeting new partners in Africa, India and other territories overseas.

Valuation: 22p DCF valuation

There are risks inherent with an early stage development stock but we believe they are outweighed by the growth trajectory for Monitise and the displacement value already achieved through the JVs now up and running in the UK and the US. Based on current investment of £30m, the equity value per share is underpinned at 11.8p. We have used a conservative discounted cash flow model to value the company at 22p based on a 20% discount rate and long-term growth rate of 2.5%.

Sensitivities: Company at an early stage of development

The majority of the sensitivities to our investment outlook are those associated with a company at an early stage of development:

- Dependence on key personnel: While Alastair Lukies is a driving force behind the direction of the group, it is our belief that the quality of senior management and the advisory board has diluted the importance of any one individual.
- Ability to implement growth strategy.
- Intellectual property rights and competitive outlook: In January 2007 Mobile VPT argued that there had been an infringement to patent. There is a risk that this claim may be valid although Monitise management strongly believes this claim to have no foundation, based on external legal and expert advice.
- Security.
- Rapidly changing technology and inherent risks associated with geographic expansion.

Financials: Forecasts conservative, funding uncertainty removed

- Our FY09 revenue expectations are lower than consensus as we anticipate a roll-out of no more than one new region per year.
- Following the recent share subscription, raising £11.8m gross, we believe the company is adequately funded in the near term.

Company description: Uniquely positioned

Established by its founders in 2003, and subsequently incubated within the Morse Group, Monitise was demerged and listed on AIM in June 2007. Monitise provides a mass market technology platform that facilitates secure, mass-market services which enable consumers to manage bank accounts, cards and payments directly from their mobile phones. Working in partnership with financial institutions and MNOs, Monitise creates multi-issuer/multi-operator ecosystems which allow all parties to share in the benefits delivered from the fast evolving mobile banking and payments channel. Monitise is the conduit through which the multiple banks, telecom operators and merchant networks can interface through a single environment.

The benefit of the ecosystem approach to mobile phone based payment systems is that it gives the banks and telecom carriers another possible source of revenues. It is a collaboration that leaves something on the table for all the participants.

Business model: Significant competitive advantage

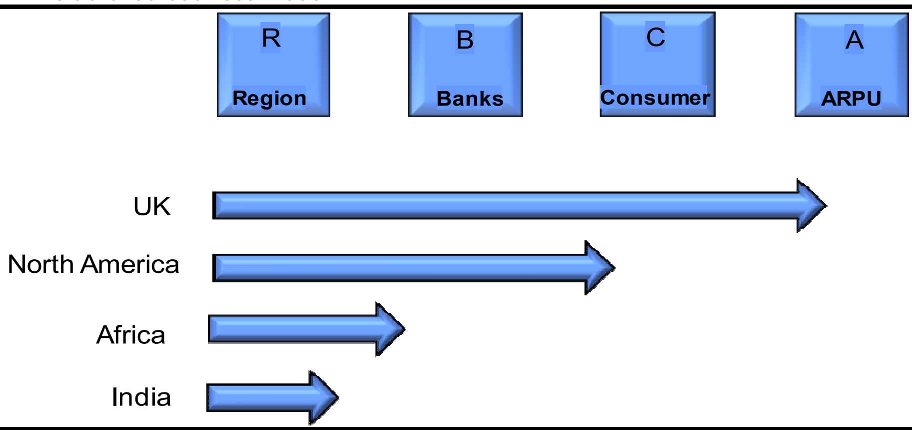
The business model is to capitalise on the rapidly developing global mobile banking and payments market, through building further partnerships with major international retail banks and MNOs.

In the UK Monitise has taken a partnership approach and created a 50%/50% joint venture (JV) called MONILINK. The JV partner is VocaLink, the operator of the UK ATM switch and the UK BACS network and the introducer of Faster Payments in the UK. Monitise's technology has been adopted by six banks representing 37% of the banking market and is accessible across all of the major mobile phone network operators. An additional Tier One bank is being integrated and is expected to come on-stream in the summer, representing a total of 53% coverage of the banking market.

In the US, Monitise has a 49%/51% JV with Metavante, a leading US processor, to deliver mobile banking and payment services across North America, launched in November 2007. More than 30 financial institutions have now adopted Monitise Americas' technology. Monitise was platform live in the US in less than six months because the key technologies and operating practices were already established.

Elsewhere there are partnership arrangements, for example with VISA Europe where VISA shopping vouchers are due to be launched and most recently an announcement for Africa (Made in Africa). Management has indicated that positive progress is being made and that at least one new regional operation is expected to come on-stream each financial year.

Exhibit 1: Established business model



Source: Monitise and Edison Investment Research

Monitise has a significant competitive advantage, through its exclusive relationships with VocaLink and Metavante, the company acts as a hub for banks, telecom operators and other service providers. Crucially, as the VocaLink and Metavante ATM networks are embedded in the networks of these banks, integrating the Monitise technology is seamless. The telecom operators have the benefit of being able to access virtually all the major banks through a single connection. For Monitise this is an unrivalled position, the front end of an ecosystem within which both merchants and pre-pay providers can market their own products and services. Also importantly, with coverage increasing to 53% in the UK, Monitise has a dominant position in the marketplace, which will act as a barrier to entry.

Revenue model: Dual source of revenues

Monitise goes to market via a joint venture model or via partnership agreements. The most fundamental part of the Monitise revenue model is that it owns its own IP. Investment is focused on creating and driving this software and platform both in the UK and in overseas territories.

Monitise derives value by charging an annually recurring licence fee to license its technology into regions. This contributes an initial annuity revenue stream. However, the real upside for Monitise is through future royalties or via equity participation in joint ventures when this technology is adopted in new territories on a mass market scale.

Within each territory, income for the Monitise joint venture is driven by monthly service fees from banks and commissions on pre-pay mobile and stored value top-up cards from operators and merchants.

Monitise currently proportionally consolidates and therefore recognises a 50% contribution of revenues and costs from the UK JV. The Metavante JV started contributing to revenues through the licence fee in October 2007.

Moving forward US revenues are likely to build rapidly and exceed UK revenues in the medium term.

The revenue stream to date has been consultancy driven but we believe that the mix will change fundamentally over the next two to three years. Licence revenue will increase but the key driver will be the increasing value share of transaction income from mass market adoption.

Monitise markets: Well positioned

Exhibit 2: Key target business areas

Monitise markets	Description	Status
Mobile banking	Account servicing from the mobile, eg balance enquiries, mini-statements, internal transfers, account reloads, information and sales services, messaging and alerts.	Dominant UK provider. Leading US provider. Unique global position.
Mobile payments	Payments initiated from the mobile, including bill payments, person to person and account to account payments, international remittances, payments to charities, lottery and transit providers.	Well positioned to provide mobile payments conduit for banks and card issuers.
Mobile commerce	Creating commercial models underpinned by mobile locational capabilities, eg making a purchase and having delivery to home without revealing an address or card details.	Well positioned to establish a leading position in emergent mCommerce market.
Mobile card servicing	Account servicing for card holders, including credit, prepaid, virtual and loyalty/reward accounts. Informational and financial services enabling users to track spending, reload and pay card bills.	Leading global player in second generation card management.
Mobile identity	Using mobiles as authenticators for internet banking, online shopping, enterprise log in to company systems. Expected use of mobiles as a device to store, manage and validate multiple forms of identity.	Niche provider with clear extension potential.
Near field communications (NFC)	Provisioning and management of multi-purpose 'wallets' supporting PoS payments, transport, travel, event ticketing, loyalty coupons, vouchers/gift cards, access management, location based ads and presence solutions. 'Beep and go'.	Strong position as trusted intermediary. Mass market in five years.

Source: Monitise and Edison Investment Research

Strategy for growth: Growth on all fronts

Growth will come in the near term from two main sources: mobile banking and pre-pay mobile services, however progress is being made in all business areas.

1) Mobile banking

Mobile banking is becoming the fifth channel to market for retail banks after branches, ATMs, call centres and internet banking. Monitise estimates the global mobile banking market could exceed £5bn in five years and surpass internet banking which currently has a 20% penetration across Tier One banks in the UK. The basic premise is that mobile phones are cheaper than PCs, there are three times more of them and take-up of mobile phones is growing at twice the speed of that of PCs, and more people have mobile phones than have internet access.

The success of Monitise's mobile banking strategy is based on the gradual introduction of additional functionality rather than hitting consumers with powerful function rich applications in one go. It is estimated that 25% of mobile users will regularly use their mobile phone for banking services by the end of 2009 compared with 7% today. In the US the comparative figure is 35m in 2010 compared with 1.6m in 2007. (Source: two separate Aite Group, Boston studies).

Monitise management has noted that the key benefit of mobile banking is that the phone is always with you, it is estimated that 65% of calls to bank call centres are from a mobile phone. For the banks, mobile banking is cost effective and enables them to up-sell to premium account holders. There are no infrastructure issues as there are for internet access, and Monitise's technology works with 85% of handsets and 98% of new handsets in the UK.

We believe that Monitise's technology is differentiated from pure SMS text based mobile banking services currently on offer by its functionality, security and ease of use. It will be further differentiated by increased functionality over time.

Monitise reported in excess of 110,000 consumer registrations at its interim results (Feb 2008).

2) Mobile payments

Monitise's technology, as shown in the above table, enables users to use their handsets to top up pre-pay mobiles and, in time, transit cards such as Oyster cards.

By the end of 2009, 25% of users are expected to use their handsets for mobile banking, while 26.3% will use them for mobile commerce (source: Aite Group, October 2007).

In 2006, the online payment industry was responsible for a total payment value in excess of £100bn, mobile payments accounted for less than £1bn.

Mobile remittances which form part of mobile payments are a significant growth area. In 2005, remittances worldwide amounted to $231bn, this grew to $295m in 2008, an annual growth rate of 8.5%. Assuming this growth rate until 2011 would imply a value of $383bn. The World Bank estimates that reducing remittance charges by 2–5% could increase the flow of formal remittances by some 50–70%. A 25% market share would imply a mobile remittance market value of $96bn, a 1% service provider share and a 30% cost/income ratio implies a total revenue of $958bn and profit of $670m.

3) Mobile commerce

In 2007, 15% of all retail spending was online, our assumption is that growth of mobile commerce will substantially drive this sector and that a 10% mobile market share is achievable. Retail spending in the UK was $600bn (source: Capgemini retail spending research for 2007), a 10% share would imply £60bn, deducting a 1% commission for service providers and a 30% cost/income ratio gives revenues of $600m and a service provider profit of $420m.

Exhibit 3 clearly shows the business and investment value potential from Monitise, based on a profile of total market potential across the key business areas.

Exhibit 3: The market share potential

	Profit potential ($)	Low 10%	Medium 25%	High 50%
Mobile Banking	2.8bn	280m	700m	1.4bn
Mobile Payments	2.2bn	220m	550m	1.1bn
Mobile Commerce	3.4bn	340m	850m	1.7bn
Mobile Card Servicing	3.1bn	310m	775m	1.5bn
Mobile Identity	334m	33m	83m	167m
NFC	987m	98m	246m	493m

Source: Edison Investment Research

It is our intention to cover the future business growth areas of Mobile card servicing, Mobile identity and near field communications in future research on Monitise.

Management: Proven and experienced team

Monitise has also built a strong and experienced executive and non executive management team comprising:

Duncan McIntyre – Executive Chairman – previously CEO of Morse plc, which he joined as Finance Director in 1994. A qualified accountant, previously working for 10 years at Price Waterhouse before joining Morse. He is also a Non-Executive Director of Profero Limited and Executive Deputy Chairman of Morse plc.

Alastair Lukies – CEO and Co-Founder – Alastair has a proven track record of turning visions and concepts into real businesses. Prior to conceiving, financing and successfully building Monitise, Alastair was a co-founder of epolitix.com, the portal for Westminster, Whitehall and the devolved institutions.

Tom Spurgeon – Chief Financial Officer – Tom brings over 15 years of financial management experience. He is a Chartered Accountant and trained with Price Waterhouse (London). Prior to joining Monitise, Tom spent five years as UK Finance Director of Morse plc.

Lee Cameron – General Counsel – Lee has executive responsibility for Monitise group's legal, corporate development, compliance and human resources departments. Lee is a qualified solicitor and holds the position of Company Secretary of Monitise plc.

David Dey – Non-Executive Director – after a long career with IBM in the US, France and the UK, David joined The Plessey Company and ran its Telecoms Division. In 1987 he joined the board of British Telecom where he stayed for four years, leaving to set up Energis to compete with BT and Mercury. For the past 10 years David has chaired a number of start-up companies in telecoms, software and other industry sectors.

Peter Radcliffe – Non-Executive Director – Peter has held senior executive positions in four FTSE 100 and Fortune 250 bank and IT companies. Peter's entrepreneurial responsibilities have covered global and regional territories, with a period of two years in Hong Kong as MD First Data Asia Pacific. Over the past seven years, Peter has been involved with the Centre for Entrepreneurship at the London Business School and is President of its Enterprise 100 Group.

Colin Tucker – Non-Executive Director – Colin has 30 years' experience in the telecommunications and electronics industries. He was deputy chairman of Hutchison 3G and was technical director of Orange for 10 years. Before joining the Monitise board in 2007, he was a board director of Morse plc.

John Brougham – Non-Executive Director – John was most recently Finance Director of BT Transformation, a role focused on accelerating BT's transformation into a networked IT services company. Previously he spent six years as CFO of BT Global Services. John joined BT in June 1986 and has held a number of divisional FD and CFO roles as well as spending over five years as Director of Investor Relations.

Jan Verplancke – Non-Executive Director (to be appointed after completion of fundraising) – Jan is Chief Information Officer of Standard and Chartered Bank where he is responsible for all systems development, technology support and banking operations. Previously he was Chief Information Officer for the EMEA region at DELL Inc and Chief Architect at Levi Strauss.

Supporting advisory board – this brings huge experience and market knowledge and comprises: John Hardy – Former CEO of LINK Interchange Network Ltd; Andrew Harrison – CEO, Carphone Warehouse UK; Graeme Hutchinson – Former Sales and Marketing Director, Virgin Mobile Telecoms; Christopher Rodriguez – Former President & CEO Visa International; and Frank D'Angelo – President, Metavante.

Sensitivities: Early stage development company

There are inherent risks associated with investment in any early stage development company where technology, pricing and competition are highly variable. These risks create opportunity.

- Dependence on key personnel.
  Monitise has grown rapidly and now has in excess of 100 employees. While Alastair Lukies is a driving force behind the direction of the group, it is our belief that the quality of senior management and the advisory board has diluted the importance of any one individual and therefore does not detrimentally impact growth prospects for the group.
- Ability to implement growth strategy.
  Monitise's business growth strategy is based on implementing the Monitise platform internationally. The recent share subscription removes medium term funding uncertainty.
- Intellectual property rights and competitive outlook.
  Mobile VPT argued in January 2007 that there had been an infringement to patent. There is a risk that this claim may be valid although Monitise management strongly believes the claim to be invalid, based on external legal and expert advice.
- Security.
  In the UK, Monitise operates in one of the most security conscious, heavily regulated and conservative financial markets. Downloadable applications can protect user security and privacy without hampering the user experience. Alternative SMS/WAP applications could require a verification phone call for riskier transactions. The Monitise mobile application can currently register the characteristics of a particular phone as one security factor and a PIN or password as a secondary security factor. The mobile phone could in fact become the epicentre of bank security rather than its nemesis.
- Rapidly changing technology and inherent risks associated with geographic expansion.
  Any change in the market mechanics may detrimentally impact the group.

Valuation: DCF valuation of 22p

There are risks inherent with an early stage development stock but we believe they are outweighed by the growth trajectory for Monitise and the displacement value already achieved through the JVs now up and running in the UK and the US.

There are precedents in the marketplace in terms of an indicative business valuation – in November 2007, Qualcomm paid $210m to acquire Firethorn to expand its payments functionality.

On our forecasts, Monitise has an EV/sales of 11x and a revenue growth rate of 233% for 2008, which is significantly greater than any other comparatives to Monitise among its peer group of publicly listed payments companies.

Basis for the valuation: Discounted cash flow

In the absence of positive EBITDA near term, a multiple or comparative based valuation method is not appropriate. We have therefore used discounted cash flow (DCF) as a valuation metric. We acknowledge that DCF has its limitations in that free cash flow generation is some way off and is dependent on assumptions on required rates of return, so we have therefore made very conservative assumptions. Our forecasts are underpinned by total investment in the business to date of £30m equivalent to a value of 11.8p per share. At this level we believe that Monitise is attractive to strategic purchasers due to its proprietary agreements and technology.

Valuation method: Conservative assumptions

Estimates are on the conservative side given the huge market potential. We believe that a 20% WACC is appropriate on the basis that there is a road map in the UK and the US. Monitise has a clear strategy of building up regional exposure, signing up the banks and then the consumers and then driving ARPU. Adding additional territories will be following the same roadmap. We have conservatively assumed a 2.5% implicit growth rate.

This implies a long term valuation based on our DCF estimate of a total equity value of 22p per share.

Exhibit 4: DCF analysis

Note: This exhibit reflects the recently announced funding which is still subject to shareholder approval

FYE June (£m)	2008e	2009e	2010e	2011e	2012e	2013e	2014e	2015e	2016e	2017e
Net cash from operating activities	(10.2)	(12.1)	(5.0)	2.0	8.0	17.0	25.0	34.0	42.0	51.0
Net cash invested in operating activities	(0.3)	(0.3)	(1.0)	(1.3)	(1.5)	(1.8)	(2.2)	(2.6)	(3.1)	(3.7)
Free cash flow	(10.5)	(12.4)	(6.0)	0.7	6.5	15.2	22.8	31.4	38.9	47.3
Free cash flow per share	(2.8)p	(3.3)p	(1.6)p	0.2p	1.8p	4.1p	6.2p	8.5p	10.5p	12.8p

DCF values	
PV of next nine years	8.5
Terminal value	43.7
Total enterprise value	**52.1**
Add: cash funding	28.6
Total equity value	**80.7**
Value per share (p)	**21.8**
Discount rate (%)	20.0%
Perpetual growth rate	2.5%

Enterprise value sensitivity table (£m)

		Discount rate				
Perpetual growth (%)		16%	18%	20%	22%	24%
	2.00%	92.2	68.2	50.9	38.1	28.4
	2.25%	93.5	69.1	51.5	38.5	28.7
	2.50%	95.0	70.0	52.1	38.9	29.0
	2.75%	96.5	71.0	52.8	39.4	29.3
	3.00%	98.0	72.0	53.4	39.8	29.6

Source: Edison Investment Research

Financials: Funding uncertainty removed

Conservative revenue forecasts

As an early stage development company, we have taken a conservative stance on projected revenue growth trends, assuming at least one new territory per annum and a retained operating margin. All numbers are normalised.

Funding uncertainty removed

The recent share subscription created 78.6m new ordinary shares and proceeds of £11.8m gross, an offer price of 15p, a 36% premium to the share price on announcement. Subscription shares account for 23.6% of the shared capital. The share subscription has brought a number of key new strategic investors – namely Standard Chartered Bank, PCCW Limited, a Hong Kong telecommunications provider and Lochside Ltd, with 10.0%, 6.0% and 2.0% of the issued share capital respectively. These new strategic investors provide considerable expertise in the key markets for expansion of Africa and the Asia Pacific region. The deal will go unconditional when the new shares are admitted to AIM on 14 July.

Existing shareholders, UBS and Harris Associates have subscribed to 3.0% and 2.6% of the issued share capital respectively.

Our cash flow forecasts show closing net cash of £8.2m in the current year. Current cash balances and the additional funds raised will provide total cash of £21m. Management has indicated that cash costs for the year to June 2009, before taking into account any group revenues, will be approximately £13m–£14m, leaving the group well funded with sufficient flexibility to continue to implement its development strategy in the near term.

Size of the addressable market

Exhibit 5 is building a scenario to show the business and investment value potential from Monitise. Our model assumes limited penetration across just four key territories and clearly demonstrates the massive potential of the established business model already operating in the UK and US. This is a theoretical model based on an assumed steady state in each territory. We believe that an assumed annual ARPU of £8 is entirely within the band of current Monitise pricing to banks, moreover represents a base ARPU which will be driven higher by additional services.

Exhibit 5: Addressable target markets

		UK	USA	W Europe	Developing nations	Cards	Group
Size of market (addressable users)		45,000,000	120,000,000	40,000,000	100,000,000		
Economy weighting		1	0.9	1	0.2		
Active customers (average)		4,500,000	10,000,000	3,000,000	10,000,000	12,500,000	**40,000,000**
		10%	8%	8%	10%		
ARPU	£8	8.0	7.2	8.0	1.6	5.0	
Revenue		36,000,000	72,000,000	24,000,000	16,000,000	62,500,000	
JV structure		50%	49%	50%	50%	50%	
Share of revenue		18,000,000	35,280,000	12,000,000	8,000,000	31,250,000	**104,530,000**
Gross margin	50%	9,000,000	17,640,000	6,000,000	4,000,000	15,625,000	**52,265,000**
Cost base		(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	
Central cost						(10,000,000)	**(20,000,000)**
Operating profit		7,000,000	15,640,000	4,000,000	2,000,000	3,625,000	32,265,000

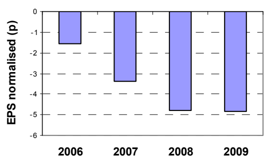
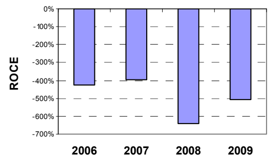
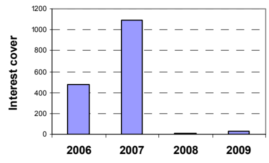
Source: Edison Investment Research

Exhibit 6: Financials

Note: Normalised EPS excludes exceptionals and share-based payments.

Year end 30 June	£'000	2006 IFRS	2007 IFRS	2008E IFRS	2009E IFRS
PROFIT & LOSS					
Revenue		240	472	1,500	5,000
Cost of Sales		(250)	(327)	(634)	(1,400)
Gross Profit		(10)	145	866	3,600
EBITDA		(3,338)	(8,092)	(13,060)	(11,801)
Operating Profit (before GW and except.)		(3,338)	(8,092)	(13,060)	(11,801)
Exceptionals		0	(596)	0	0
Other		0	0	(2,100)	(1,700)
Operating Profit		(3,338)	(8,688)	(15,160)	(13,501)
Net Interest		7	8	900	470
Profit Before Tax (norm)		(3,331)	(8,084)	(12,160)	(11,331)
Profit Before Tax (FRS 3)		(3,331)	(8,680)	(14,260)	(13,031)
Tax		897	2,775	0	0
Profit After Tax (norm)		(2,434)	(5,309)	(12,160)	(11,331)
Profit After Tax (FRS 3)		(2,434)	(5,905)	(14,260)	(13,031)
Average Number of Shares Outstanding (m)		157	157	254	329
EPS - normalised (p)		(1.6)	(3.4)	(4.8)	(3.4)
EPS - FRS 3 (p)		(1.6)	(3.8)	(5.6)	(4.0)
Dividend per share (p)		0	0	0	0
Gross Margin (%)		(4)	31	58	72
EBITDA Margin (%)		(1,391)	(1,714)	(871)	(236)
Operating Margin (before GW and except.) (%)		(1,391)	(1,714)	(871)	(236)
BALANCE SHEET					
Fixed Assets		816	1,147	1,407	1,757
Intangible Assets		478	790	800	900
Tangible Assets		338	357	607	857
Current Assets		1,083	22,494	12,100	13,213
Debtors		0	185	2,600	4,100
Other		923	1,936	0	0
Cash		160	20,373	9,500	9,113
Current Liabilities		(595)	(1,411)	(1,809)	(3,003)
Creditors		(595)	(1,411)	(1,809)	(3,003)
Long Term Liabilities		(4,328)	(1,294)	(1,300)	(1,300)
Long term borrowings		(4,328)	(1,294)	(1,300)	(1,300)
Net Assets		(3,024)	20,936	10,398	10,667
CASH FLOW					
Operating Cash Flow		(3,902)	(8,728)	(10,229)	(12,107)
Net Interest		0	0	900	470
Tax		0	0	0	0
Capex		(125)	(104)	(250)	(250)
Acquisitions/disposals		(120)	(437)	0	0
Financing (including demerger adjustments)		(27)	32,516	0	11,500
Dividends		0	0	0	0
Net Cash Flow		(4,174)	23,247	(9,579)	(387)
Opening net debt/(cash)		(6)	4,168	(19,079)	(8,200)
Closing net debt/(cash)		4,168	(19,079)	(8,200)	(7,813)

Source: Monitise Report and Accounts and Edison Investment Research

Growth	Profitability	Balance sheet strength	Sensitivities evaluation	
			Litigation/regulatory	●
			Pensions	○
			Currency	◖
			Stock overhang	◖
			Interest rates	◖
			Oil/commodity prices	○

Growth metrics	%	Profitability metrics	%	Balance sheet metrics		Company details	
EPS CAGR 05-09e	N/A	ROCE 08e	N/A	Gearing 08e	N/A	Address:	
EPS CAGR 07-09e	20.0	Avg ROCE 06-08e	N/A	Interest cover 08e	N/A	Providian House 16-18 Monument Street London EC3R 8AJ	
EBITDA CAGR 05-09e	N/A	ROE 08e	N/A	CA/CL 08e	6.1		
EBITDA CAGR 07-09e	25.8	Gross margin 08e	58	Stock turn 08e	0.0	Phone	020 7868 5200
Sales CAGR 05-09	N/A	Operating margin 08e	N/A	Debtor days 08e	633	Fax	020 7868 5201
Sales CAGR 07-09e	225.5	Gr mgn/Op mgn 08e	N/A	Creditor days 08e	145	www.monitisegroup.com	

Principal shareholders	%
Harris Associates LP	14.6
3i Group	9.8
UBS Asset Management	8.4
D.J.McIntyre	7.8
Capital International	7.8
Liontrust Inv.	3.7
Source: Hemscott	

Forthcoming announcements/catalysts	Date *
AGM	October 2008
Investor day	N/A
Trading update	N/A
Full year results	August 2008
*Note: * = estimated*	

Management team
CEO: Alastair Lukies
Alastair has a proven track record of turning visions and concepts into real businesses. Prior to conceiving, financing and successfully building Monitise, Alastair was a co-founder of epolitix.com, the portal for Westminster, Whitehall and the devolved institutions.
CFO: Tom Spurgeon
Tom brings over 15 years of financial management experience. He is a Chartered Accountant and trained with Price Waterhouse (London). Prior to joining Monitise, Tom spent five years as UK Finance Director of Morse plc.
Chairman: Duncan McIntyre
Former CEO of Morse plc, which he joined as Finance Director in 1994. A qualified accountant, previously working for 10 years at Price Waterhouse before joining Morse. He is also a Non-Executive Director of Profero Limited and Executive Deputy Chairman of Morse plc.