

1<sup>st</sup> September 2011



## Preliminary results

Year ended 30<sup>th</sup> June 2011

# Agenda

- Headlines
- Market overview
- Financial summary
- Business update
- Q&A

# Headlines

## Breakthrough year for Monitise

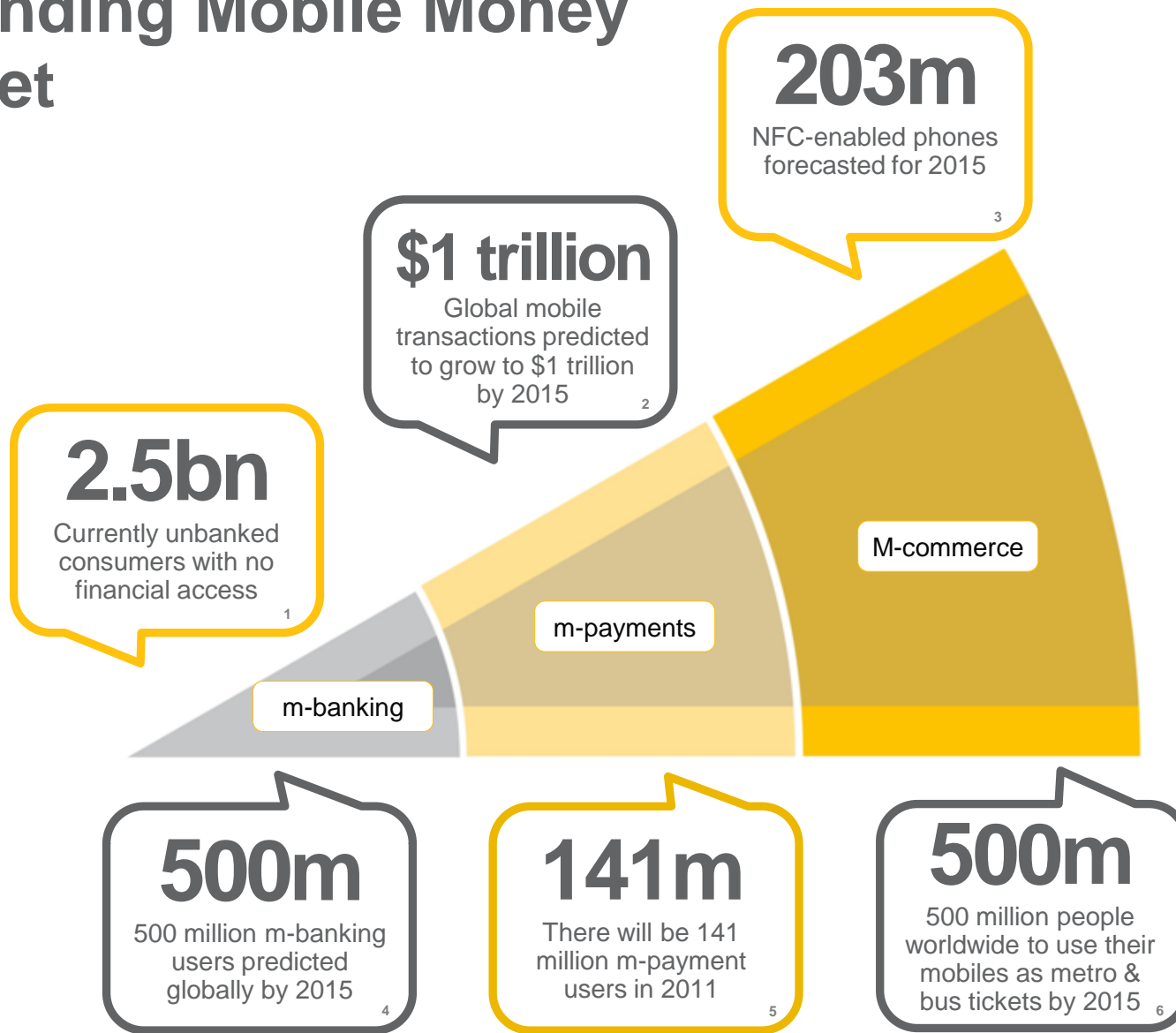
- Profits accelerate in live operations
- Revenues doubled and on track to double again in 2012
- Growing order book with £78m (\$128m) secured
- Global alliances strengthened with world leading strategic partners

**Demand at an all time high, explosive growth in Mobile Money market...**



**THE  
MARKET**

# Expanding Mobile Money market



Source 1: Financial Access initiative October 2009  
 Source 2,3 & 4: Yankee Group June 2011

Source 5 Canals June 2011  
 Source 6: Juniper Research July 2011

# A foundation built on partnerships

## What partners say about us...

“We’ve created an inter-bank processing service without equal in Europe. This agreement with Monitise now places us in an undisputed position to deliver mobile services with incredible scale and processing efficiency in the mobile arena, enabling Visa Europe's member banks to offer mobile payment services direct to their customers – consumers and retailers.”

Peter Ayliffe  
Visa Europe Chief Executive  
Feb 2011

“This is the start of a new chapter in mobile banking innovation as we prepare for an increasingly mobile future and our customers become more mobile than ever before”.

Mike Errington  
RBS Technology Services Director  
Aug 2011

# Technology & payments converging

## What Journalists say about us...

**“Smart tech and sharp thinking”**

UK Wired Magazine  
July 2011

“The market has really taken off in the last four to six months. We are seeing more and more announcements from operators, but it is clear that Monitise is well positioned, with exposure to the major banks and Visa.”

Financial Times  
July 2011

# Mobile apps – the most popular way to stay in touch with your money

Av. **16**  
Mobile app  
transactions  
a month

**£160m**  
Over £160m  
transfers and  
payments a month



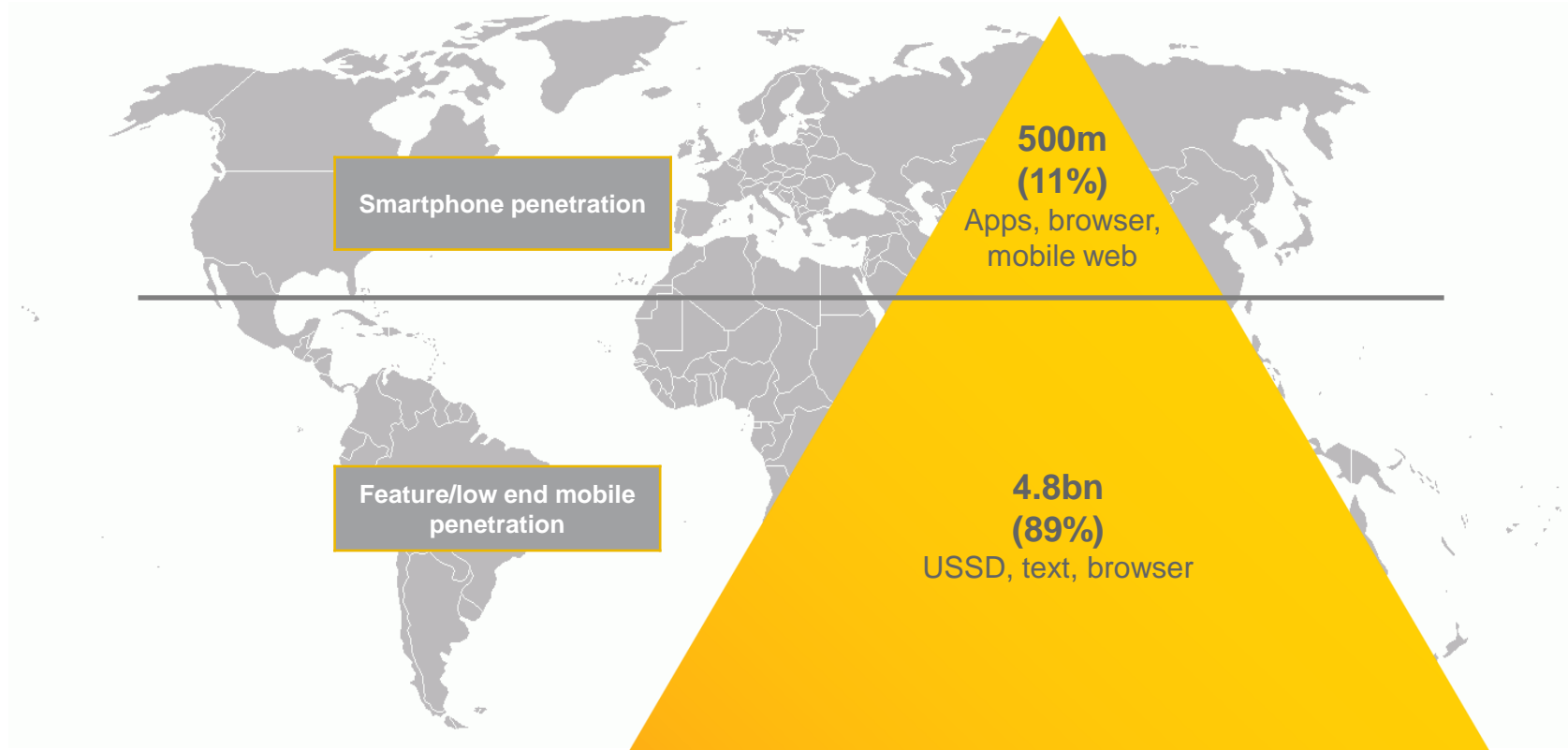
Av. **6**  
Internet banking  
logins a month

**<1**  
Enquiry a month  
for telephone  
banking

Source 1: British Bankers' Association – Abstract of Banking Statistics 2009

# Strategic context

The Mobile Money opportunity – much more than just smartphones (11%)



Source: Estimated Smartphone penetration 2011, Cisco Visual Networking Index (VNI); ITU estimate 5.3bn mobile subscribers by year end

# The unique Monitise role



A photograph of a man in a white shirt and tie walking across a street. In the foreground, a yellow utility pole is visible, featuring a pedestrian symbol. The background shows a city street with buildings and a clear blue sky.

**FINANCE  
UPDATE**

# Revenue & Gross Margin

## Hitting targets

- Revenue more than double prior year
  - Full year revenue of £14.0m (2010: £6.0m)
  - Second half revenue of £8.7m (H2 2010: £4.3m)
- Gross margin
  - Full year 62%, H2 2011 63%

*Note: Full Year 2011 represents 12 months to 30 June 2011*

# Strong revenue growth

## Development /integration revenue

- Threefold year on year growth
- H2 growth over H1, from £1.6m to £4.4m
  - Driven by new business (incl Visa Europe/MMN/RBS)
  - Leading to future growth in user generated revenue
- User generated revenue
  - Full year more than doubled

	2010			2011			YOY Growth		
	H1 £m	H2 £m	Year £m	H1 £m	H2 £m	Year £m	H1 %	H2 %	Year %
Devpt/Int	0.4	1.0	1.4	1.6	4.4	6.0	283	335	320
Licences	0.5	1.2*	1.7	1.2**	0.5	1.7	152	(63)	(3)
User generated	0.8	2.1	2.9	2.5	3.8	6.3	202	92	123
<b>Total</b>	<b>1.7</b>	<b>4.3</b>	<b>6.0</b>	<b>5.3</b>	<b>8.7</b>	<b>14.0</b>	<b>207</b>	<b>104</b>	<b>133</b>

\* One off £0.9m India JV licence \*\* £0.9m exclusivity licence in Russia/Mexico

# 2011 Profit and Loss – year on year

- Breakthrough into profitability of live operations as revenues grow
- Continued opex investment in line with strategy

	2010		2011		Change	
	Revenue £m	Op Profit (Loss) £m	Revenue £m	Op Profit (Loss) £m	Revenue £m	Op Profit (Loss) £m
UK	3.2	(2.1)	7.2	1.4	4.0	3.5
US	0.8	-	0.9	0.1	0.1	0.1
Global	0.8	(0.4)	4.3	1.7	3.5	2.1
<b>Live Ops</b>	<b>4.8</b>	<b>(2.5)</b>	<b>12.4</b>	<b>3.2</b>	<b>7.6</b>	<b>5.7</b>
Future Ops	1.2	(2.8)	1.6	(6.8)	0.4	(4.0)
Technology	-	(4.9)	-	(6.8)	-	(1.9)
Corporate	-	(4.1)	-	(5.3)	-	(1.2)
<b>Total Group</b>	<b>6.0</b>	<b>(14.3)</b>	<b>14.0</b>	<b>(15.7)</b>	<b>8.0</b>	<b>(1.4)</b>

# 2011 Profit and Loss - half yearly trend

- Profit accelerates in live operations

	2010				2011			
	H1		H2		H1		H2	
	Revenue £m	Op Profit (Loss) £m	Revenue £m	Op Profit (Loss) £m	Revenue £m	Op Profit (Loss) £m	Revenue £m	Op Profit (Loss) £m
UK	1.0	(1.5)	2.2	(0.6)	2.7	-	4.5	1.4
US	0.4	-	0.4	-	0.4	-	0.5	0.1
Global	0.2	(0.1)	0.6	(0.3)	1.8*	0.9*	2.5	0.8
<b>Live Ops</b>	<b>1.6</b>	<b>(1.6)</b>	<b>3.2</b>	<b>(0.9)</b>	<b>4.9</b>	<b>0.9</b>	<b>7.5</b>	<b>2.3</b>
Future Ops	0.1	(1.3)	1.1*	(1.5)*	0.4	(3.0)	1.2	(3.8)
Technology	-	(2.2)	-	(2.7)	-	(3.3)	-	(3.5)
Corporate	-	(1.8)	-	(2.3)	-	(2.5)	-	(2.8)
<b>Total Group</b>	<b>1.7</b>	<b>(6.9)</b>	<b>4.3</b>	<b>(7.4)</b>	<b>5.3</b>	<b>(7.9)</b>	<b>8.7</b>	<b>(7.8)</b>

\* Include £0.9m from one off licences, revenue and profit

# Step increase in order book

- £55m at 30 June 2011, more than 4 times £13m as at 30 June 2010
- £78m today, 6 times the level as at 30 June 2010
- Contracted orders cover £14m revenue in 2012

## Further underpins targets

- Doubling of revenue in 2012
- Cash breakeven in calendar 2013

# On track to double revenues in 2012

	2011 Revenues	2012 Revenues			
	£m	Already Contracted £m	Subject to Contract £m	From Pipeline £m	Total £m
Development / Integration	6	5	7	3	15
Licences	2	1	-	1	2
User generated	6	8	2	1	11
	<b>14</b>	<b>14</b>	<b>9</b>	<b>5</b>	<b>28</b>

Target minimum gross margin remains at 60%

# 2011 Summary Cash Flow

- Cash utilised in operations reducing
- Capitalised costs mainly relate to new strategic long term contracts

	<b>2010</b>		<b>2011</b>	
	<b>Year</b>	<b>H1</b>	<b>H2</b>	<b>Year</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Opening cash balance</b>	<b>10.1</b>	<b>13.2</b>	<b>33.7</b>	<b>13.2</b>
Cash utilised in operations	(13.9)	(7.6)	(5.7)	(13.3)
Capitalised costs	(1.1)	(2.5)	(4.5)	(7.0)
Other movements	0.4	(0.5)	0.3	(0.2)
<b>Inc (Dec) Pre-funding</b>	<b>(14.6)</b>	<b>(10.6)</b>	<b>(9.9)</b>	<b>(20.5)</b>
Fundraising	17.7	31.1	-	31.1
<b>Closing cash balance</b>	<b>13.2</b>	<b>33.7</b>	<b>23.6</b>	<b>23.6</b>



**BUSINESS  
UPDATE**

# Monitise overview

## Global Mobile Money specialists

<b>250+</b> <b>Banks</b>	<b>4.5m+</b> <b>Users</b>
<b>120m+</b> <b>Transactions</b> p.a.	<b>350+</b> <b>People</b>

## Services



Mobile platform for  
 m-Banking  
 m-Payments  
 m-Commerce

## Clients



## Global coverage



# The Mobile Money market

## Propositions

	<b>m-banking</b>	<b>m-payment</b>	<b>m-commerce</b>
<b>Emerging markets</b>	Mobile Money Mobile Wallet	Mobile Money P2P Payments	Mobile Money MPTU
<b>Hybrid eg BRIC</b>	SCB Breeze Banking	Utility & Bill Payments	SCB Breeze Cinema Tickets
<b>Developed markets</b>	NatWest ipad/iPhone App	US Bank Proximity Payments	Mobile Money Network

Markets

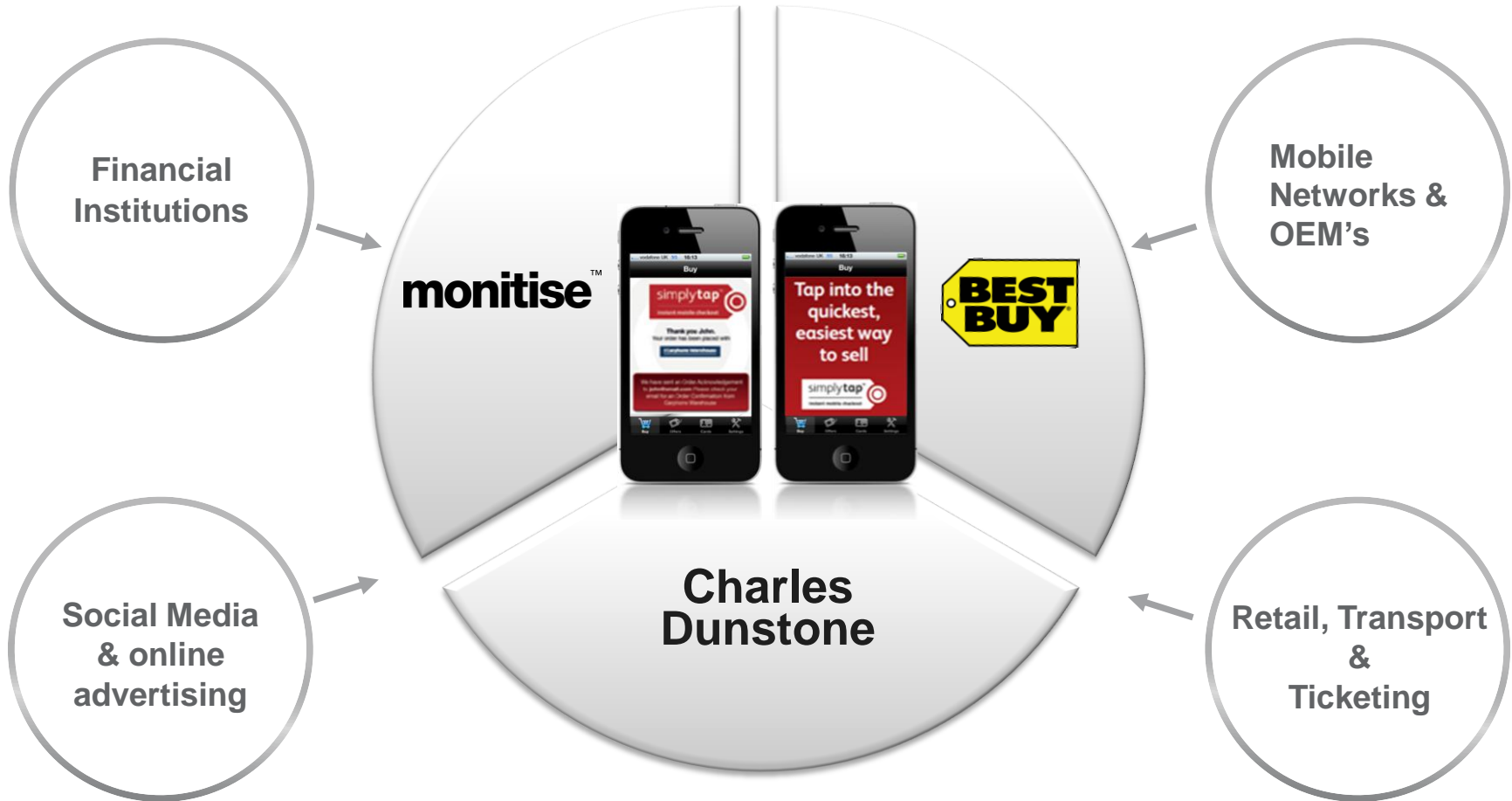
# Strategic context

Set of investments and partnerships designed to grow & cement global footprint and increase asset value



# Mobile Money Network update

The Mobile Money Network



- Launch update from the Mobile Money Network imminent

# Summary

- Business on track
- Platform scaling globally
- Unrivalled partnerships in place
- Market exploding

# Thank you

## Q&A

Alastair Lukies	- CEO
John Brougham	- CFO
Lee Cameron	- CCO
Mike Keyworth	- CIO