



mobile money[™]

Interim results for six months ended 31 December 2009

February 2010

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NatWest iPhone TV ad

Introducing our new banking App for iPhone

See your current balance straight away

Check up on recent transactions

Set balance limits and get a text alert when you reach them

Top up your credit or someone else's whilst on the go

Manage multiple accounts at the same time

Download it free from the App Store today or visit natwest.com/iPhone for more information.

NatWest Helpful Banking



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Introduction

- Recent highlights
- Our marketplace
- Our unique role
- Customers
- Operational update
- Financial review
- Outlook, strategy and focus
- Q&A



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Recent Highlights

- Live operations:
 - Existing markets see strong growth in both customer and transaction numbers (*1.75m registered customers - Feb 2010*)
 - Acquired 100% ownership of UK joint venture
 - Partnership with Visa Inc progressing well
- Cash:
 - Substantially strengthened cash resources
- Investment areas:
 - Further strategic partnerships announced
 - Continued enhancements to platform and depth of proposition



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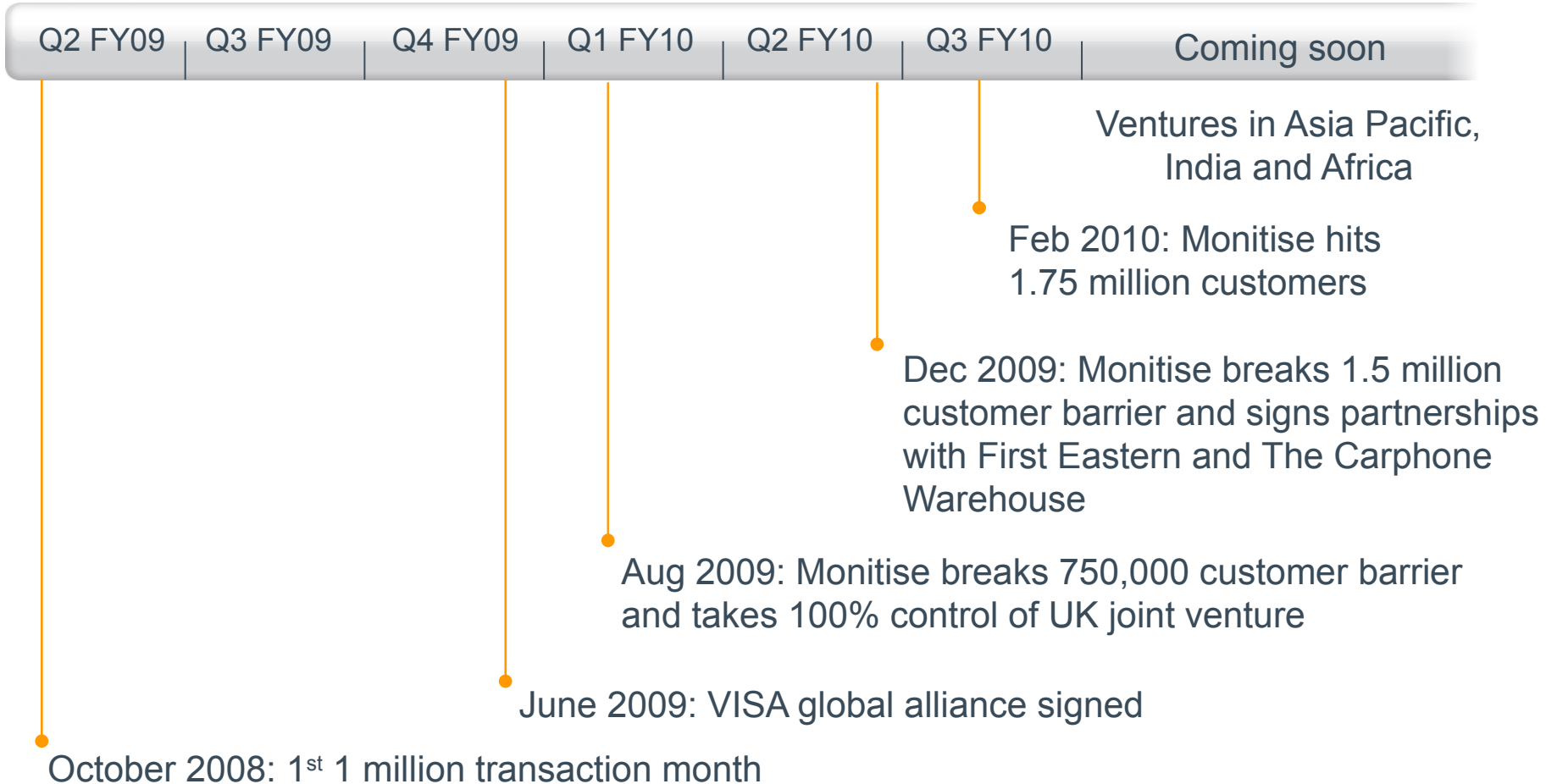
New Strategic Partners – December 2009

- Heads of Terms signed to establish Monitise Asia Pac with First Eastern
- Heads of Terms signed to establish Mobile Money Network with The Carphone Warehouse
- Agreement to invest a minimum of £5m and a maximum of £10m in Monitise plc by First Eastern
- Agreement to invest a maximum of £2.5m in Monitise plc by The Carphone Warehouse
- Existing strategic investors to 'top-up' holdings by maximum of £3.3m

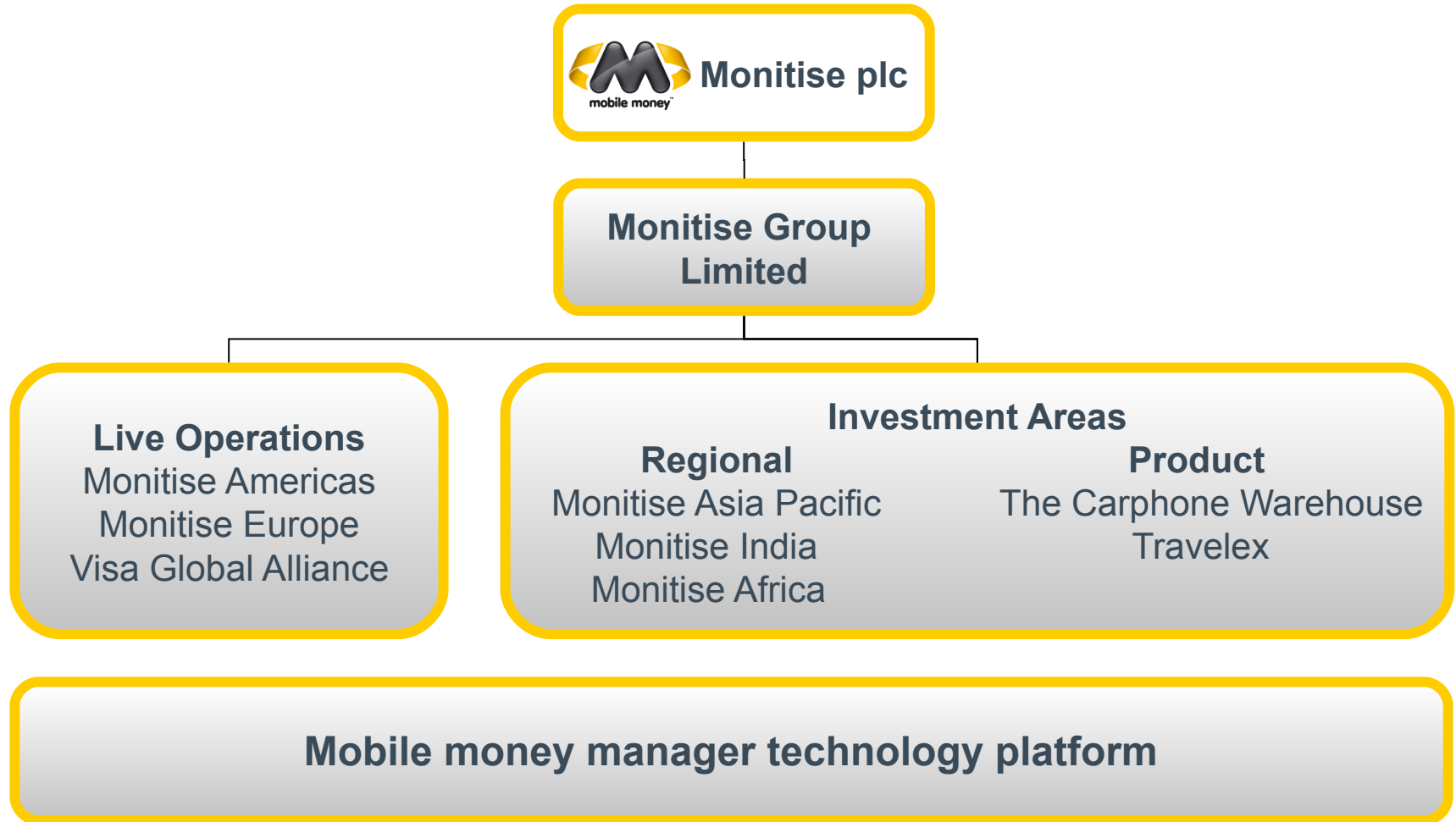


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Recent Milestones

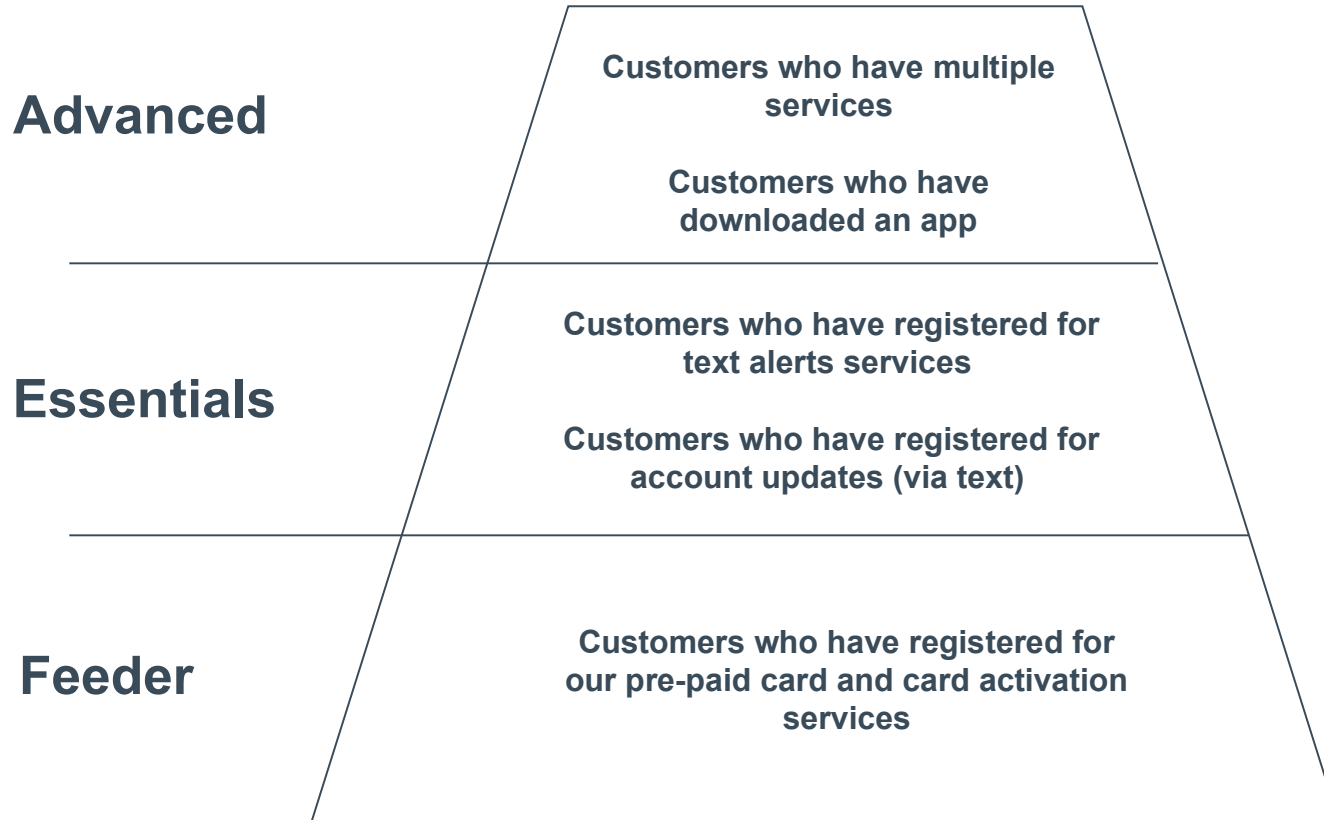


Group Structure



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Key customer groups





Our marketplace

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Mobile Money is becoming a massive market

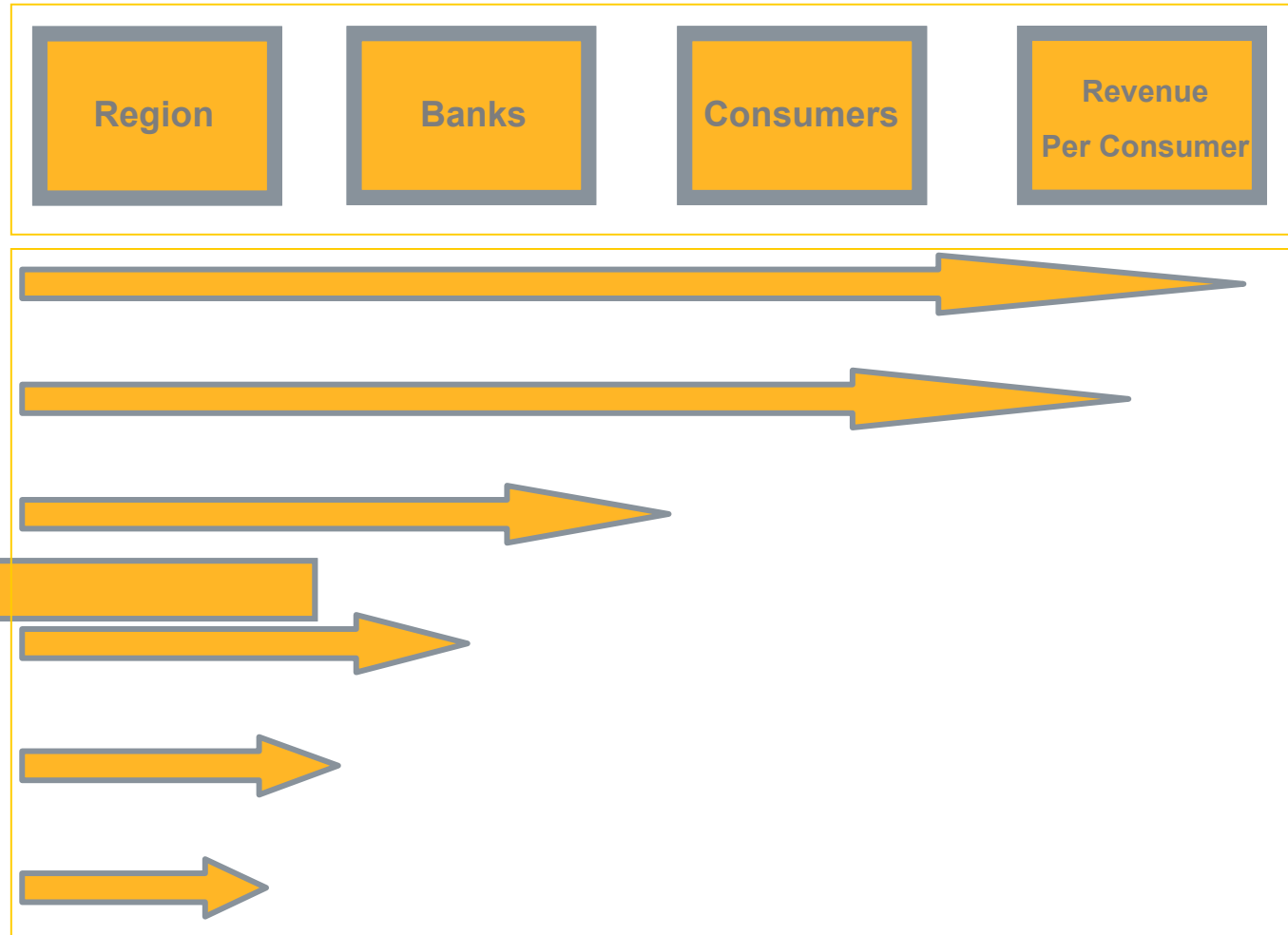
Global mobile banking take up is set to soar over the next five years, with the number of people using the technology growing from 20 million in 2008 to 913 million in 2014, a CAGR of 89% ***Berg Insight, Mar 09***

53% of global consumers were comfortable with the idea of using mobile phones for financial transactions and 54% at least likely to conduct banking through their mobile phone in the next 12 months found KPMG in their world wide survey. ***KPMG, July 2009***



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Strategy



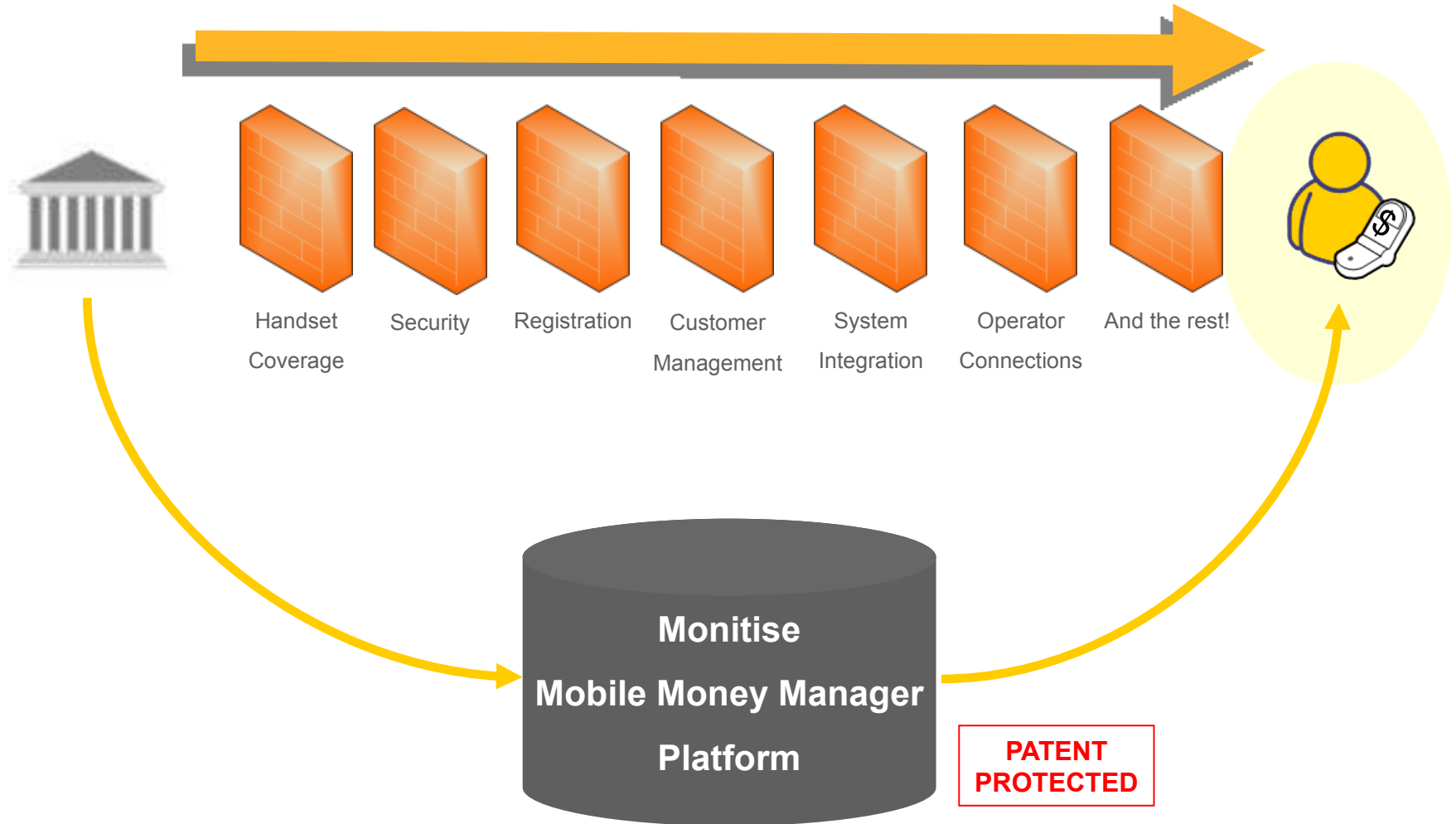


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Our unique role

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The Monitise Mobile Money Manager Platform enables banks, operators, processors and merchants to overcome the many barriers to successful, sustainable deployment



Our proposition

Mobile Money Manager

(app download, web, text)



Simple “essentials” services

- Weekly Balance Text
- Account Balance Alerts (eg threshold)
- Balance and mini statement by text (pull)

Free to customer
Simple registration
Basic “snack functions”

“Advanced” services

- Real-time Mini Statements
- Real-time Balance Enquiry
- Usage History
- Inter account transfers
- Pre-pay Top-up
- Payments and beyond

Premium to customer
May be chargeable



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The Monitise Ecosystem



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Customers

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Key customer profiles

Advanced

Affluent, pioneers



Earns £45k+ a year

Successful, with desire to reach the top

Packaged current account, rarely in the red

Prefers self service & embraces technology like iPad

Essentials & Feeder

Busy strivers



Income of £45k

Comfortable, but balance bills and savings monthly

Standard current account, occasional overdraft user

Want services that make life easier like Sky Plus

Budgeting family



Household income £20k

Weekly struggle to make ends meet

Basic bank account, hovers near overdraft limit

Choose no frills products like pay as you go mobile phones

Our card activation service has multi profile appeal



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Monitise Group total customer registrations – February 2010

AVERAGE REVENUE PER USER (Annualised)

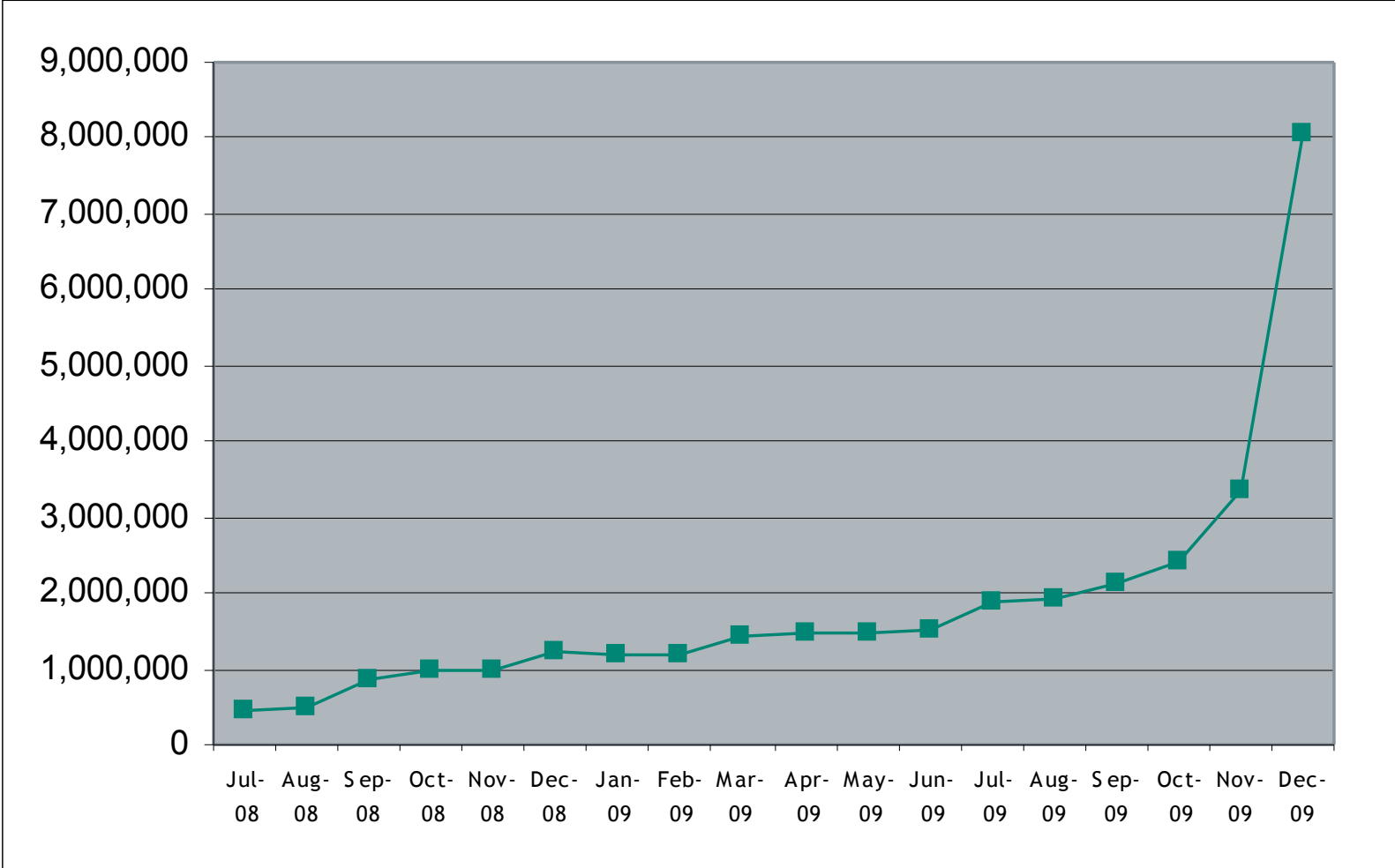


Total customer registrations = 1.75m



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Volume Trends



*Includes Advanced, Essentials and polling transactions



Customer Growth Aspiration / Trend





Operational update

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- 1) **LIVE OPERATIONS: Monitise Europe, Monitise Americas and Visa**
- 2) **INVESTMENT AREAS: Asia Pacific, Mobile Money Network, India, Africa**

Live Operations: – Monitise Europe (previously “Monilink”)

Opportunity

- Flagship home market providing basis for international rollout as moves to profitability
- Ideal market to develop retailer led propositions and accelerate growth

Timing

- Significant uplift in customer numbers H1 FY10 (iPhone launch with NatWest - Nov 09)
- Ongoing build in product functionality with “Essentials” and “Advanced” offerings.

Commercial model

- Ecosystem approach
- Per user per month
- Commission flows for payment services
- 100% ownership boosts long-term shareholder value

Key Partners

- Retail Banks (coverage of >55% Retail Banking market)
- Mobile Networks (covering all major networks)
- Payments Partner: VocaLink



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Live Operations: – Monitise Americas

Opportunity

- Worlds largest consumer market
- Wide coverage of financial institutions via FIS relationship

Timing

- Launched 2008
- User uptake building strongly
- 12 to 18 months behind the UK development curve

Commercial model

- \$1.5m annual license + royalty
- Combination of per user per month and transactional income

Key Partners

- FIS (merged with Metavante)
- Contracted with over 230 financial institutions



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Live Operations: – VISA Global Alliance

Opportunity

- Global opportunity
- Strategic partner and investor
- World's most recognised payments brand

Timing

- Global Alliance Agreement 30 June 09
- H1 FY10 Product Development
- H2 FY10 Launch of Services

Commercial model

- Provides secure annuity revenues with contract minimum of \$13m over five years
- Development, licence and transactional fees yield long-term upside
- Partnering to drive service revenues and transaction volumes

Key Global Partner

Visa Inc

- 1.7 billion Visa cards
- US\$2.7 trillion payments volume
- 16,200 financial institution customers
 - 59 billion total transactions



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Investment Areas

Geographical:

- **India** - Final terms being negotiated for the launch of Monitise India
- **Africa** - Working with Paynet, supported by AECF
- **Asia Pacific** - Regional joint venture close to conclusion with First Eastern
- **SCB** - Supportive across multiple territories

Product Led:

- **Travelex** - Initial cash passport offering
- **Mobile Money Network** - Major opportunity to develop retailer led propositions



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Financial Performance

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Overview

Financial Highlights

- Revenues of £1.7m (H1 2009: £1.1m)
- Annualised revenue run rate of £5m entering 2010 and continuing to build
- Operating Loss, excluding share based payments, Monilink acquisition and exceptional item, £6.0m (H1 2009: £6.0m loss)
 - Operating Loss including Monilink acquisition, but excluding share based payments and exceptional item £6.9m (H1 2009: £6.0m loss)
- Two rounds of funding:
 - July 2009 £5.1m gross subscriptions
 - Dec 2009 up to £15.8m gross subscriptions, £7.4m completed post period end
- Cash funds of up to £25m available, assuming all subscriptions complete



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Cost Drivers for the Business

- **Underlying Technology costs**
 - stable with scalable and redeployable platform
- **Live Operations** (*incl Visa*)
 - UK moves towards profitability
 - USA to follow
- **Central**
 - ongoing plc and other group costs
- **Investment areas**
 - selected regional and new product development continues

**Annualised
Spend**

£5m

£5m

£3m

Variable



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Monilink Acquisition

- Monilink (*now branded Monitise Europe*) acquired August 2009
- Consideration:
 - £1.5m cash (deferred over 3 years)
 - £1.5m contingent consideration
- Acquisition Accounting (IFRS3 (revised)):
 - P&L impact:
 - Profit of £1.0m on acquisition
 - Balance sheet impact:
 - Creation of Intangible assets £2.0m, Deferred Tax liability £0.6m, Goodwill £0.5m
- Impact on Operating Profit
 - Operating Loss excluding Monilink acquisition, share based payments and exceptional item £6.0m (H1 2009: £6.0m)



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Consolidated P&L - half on half comparison

£'m	Six months to		Mvmt
	31-Dec 2008	31-Dec 2009	
Revenue	1.1	1.7	0.6
Gross profit	0.5	0.9	0.4
Overheads	(6.5)	(7.8)	(1.3)
Op loss before SBP and exceptional gain	(6.0)	(6.9)	(0.9)
Share based payments	(0.9)	(0.8)	0.1
Exceptional gain	-	1.0	1.0
Operating loss	(6.9)	(6.7)	0.2
Interest	0.5	-	(0.5)
Loss before tax	(6.4)	(6.7)	(0.3)

Note: Joint ventures consolidated on proportional basis

Summary balance sheet

£'m	31-Dec 2008	31-Dec 2009	30-Jun 2009
Fixed Assets	1.2	3.3	1.0
Current assets (excl cash and JV Loan)	1.1	1.6	2.6
Liabilities (excl JV loan)	(2.3)	(5.6)	(4.1)
UK JV partner loans (net)*	(0.3)	-	(0.3)
Cash	15.4	9.5	10.1
Net assets	15.1	8.8	9.3

* Prior to full acquisition in FY10 UK JV partner loans are shown gross within Assets and Liabilities for the statutory accounts

Summary cash flow

£'m

	Six months to		Year to
	31-Dec 2008	31-Dec 2009	June 2009
Net cash utilised in operations	(6.1)	(5.6)	(11.4)
Capital expenditure	(0.3)	(0.1)	(0.3)
Interest	0.5	-	0.6
Acquisition of subsidiary net of cash acquired	-	0.1	-
Cashflow pre financing	(5.9)	(5.6)	(11.1)
Net proceeds from placing	11.5	5.0	11.5
Other	0.1	-	0.1
Increase / (Decrease) in cash	5.7	(0.6)	0.5

Group Cash Summary

• Cash at 31 December 2009	£9.5m
– First Eastern / CPW Subscriptions	
• Phase 1 (complete)	£7.4m
• Phase 2 (conditional)	<u>£8.4m</u>
• Total	£15.8m
• Total Potential Cash Resources	£25.3m

Summary and Outlook

- Consumer growth continues
- Revenue run rate building strongly from live operations
- Continued investment with both “Horizontal” expansion (new territories and key alliances) and “Vertical” expansion (deeper proposition mix)
- Highly successful acquisition of Monilink, expected to reach month-on-month cash breakeven this year
- Additional funding positions us well for continued growth



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Q & A Session



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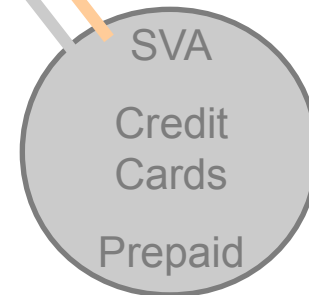
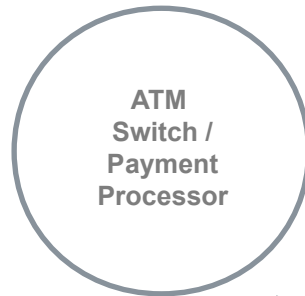
Appendix

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Commercial Model: Typical UK Tier One Bank

Functionality includes:

- Balance Enquiries
- Mini-statements
- Text Alerts
- Money Transfers



No consumer charge (certain bank segments)



Top up average £11

Switch Fees

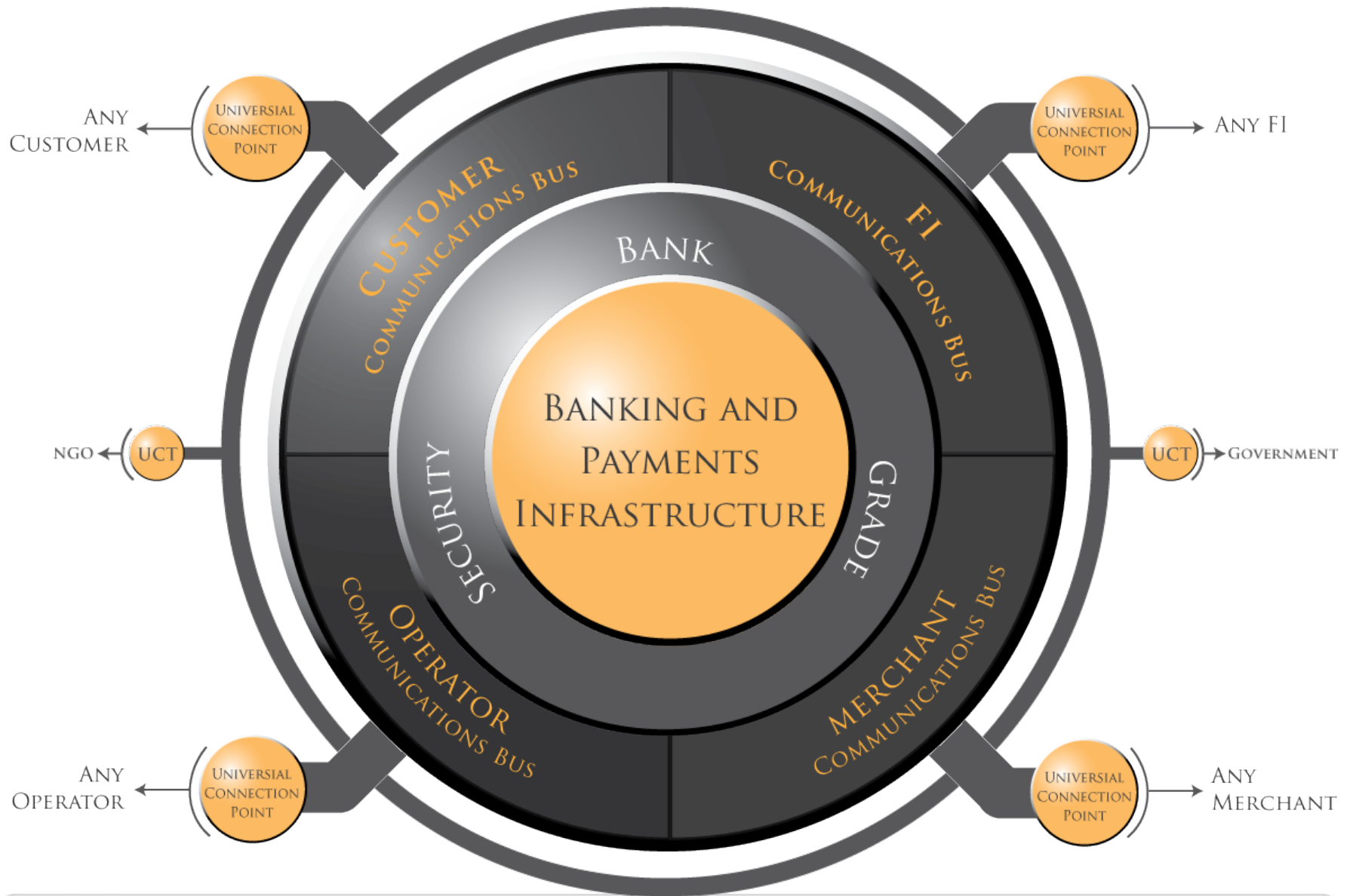
Technology, IP, Resource
Deployment Revenues

Service fees
Commission share

Service fee share
Commission



Critical Success Factors for Mobile Money



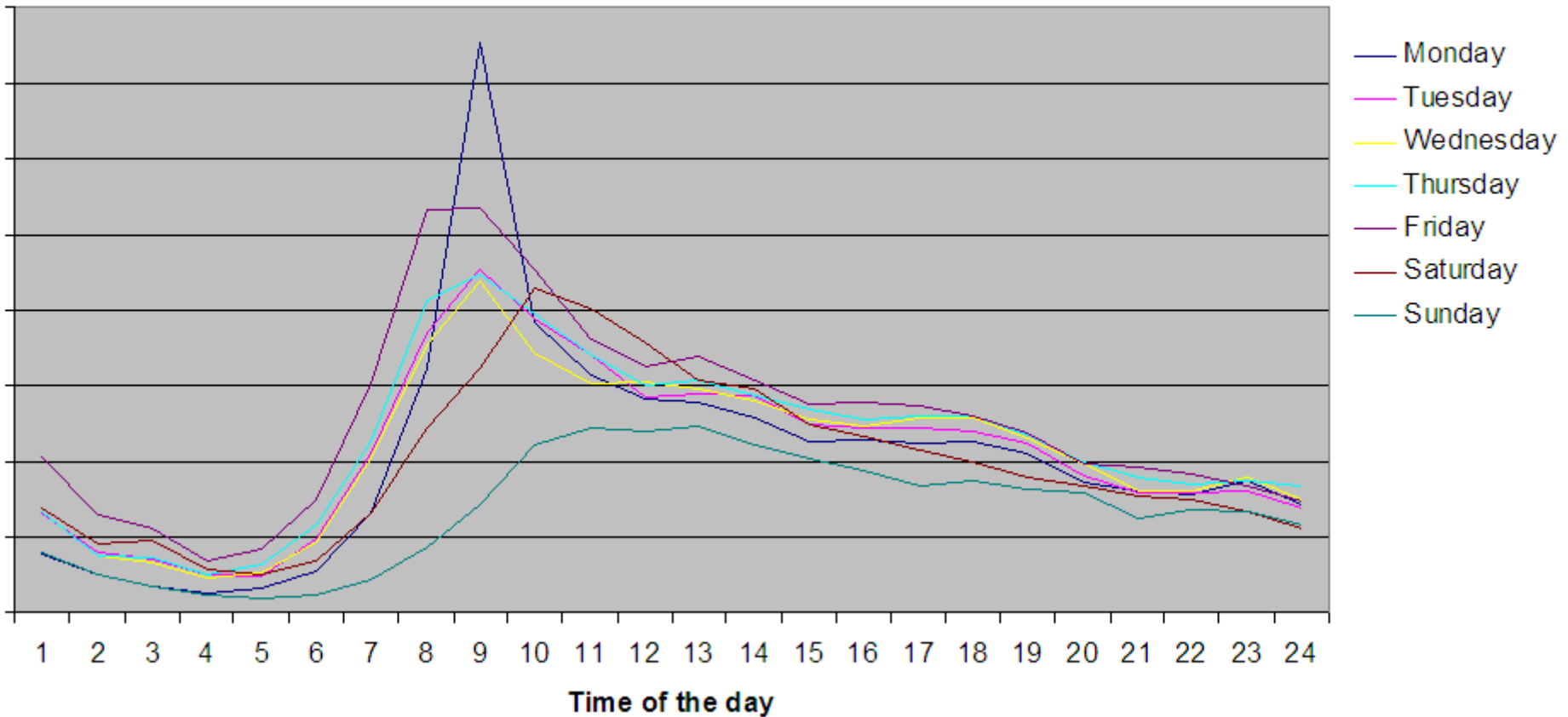
Revenue trend analysis

£'m	Six months to				Year to June 2009
	30-Jun 2008	31-Dec 2008	30-Jun 2009	31-Dec 2009	
Live Ops: Per user/ transaction fees	0.1 9%	0.2 18%	0.3 18%	0.8 47%	0.5 18%
License fees/ Royalties	0.2 18%	0.2 18%	0.9 56%	0.5 29%	1.1 41%
Deployment/ integration	0.8 73%	0.7 64%	0.4 26%	0.4 24%	1.1 41%
Total	1.1	1.1	1.6	1.7	2.7

Note: Joint ventures consolidated on proportional basis

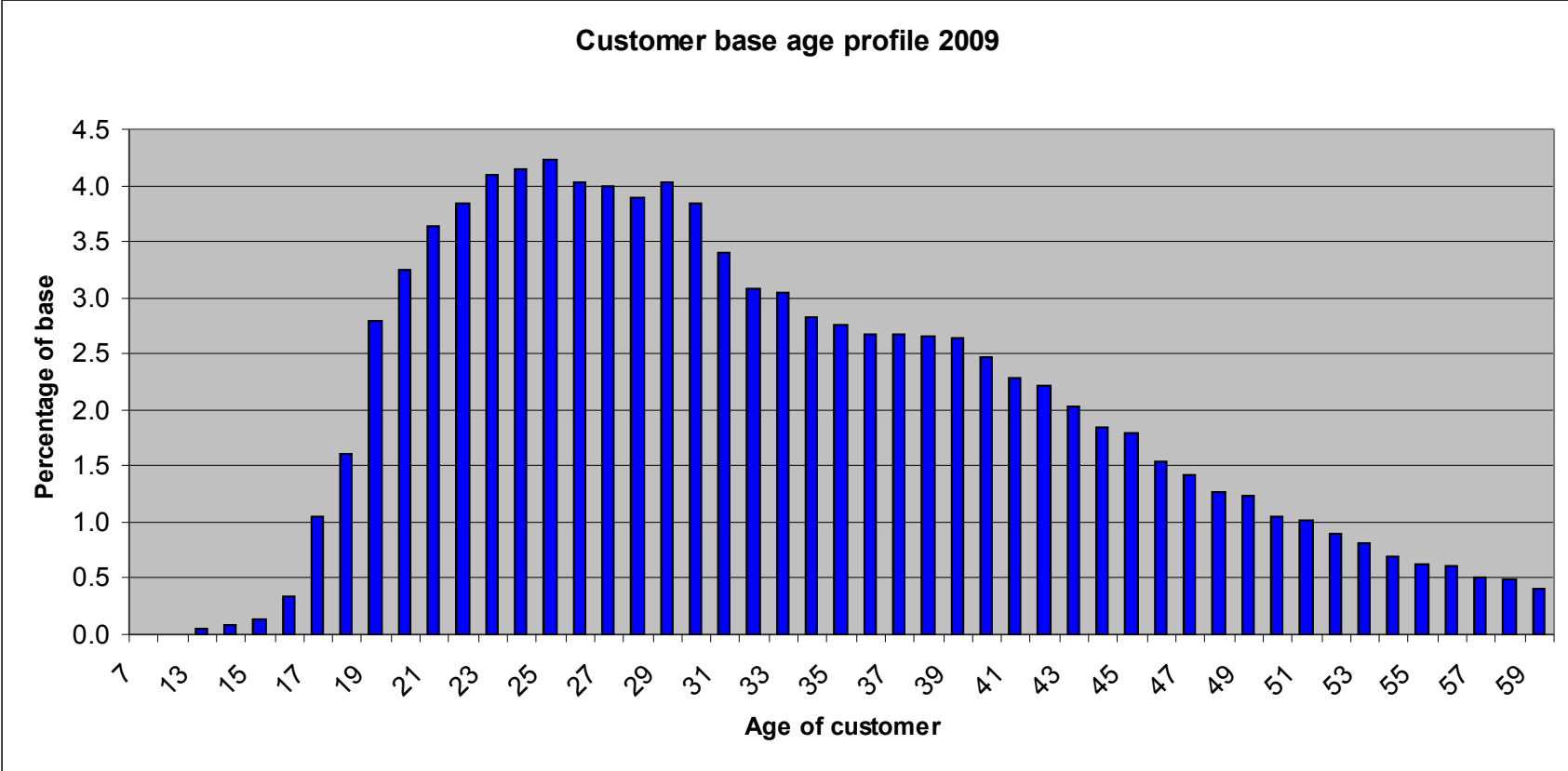
Understanding their finances sets them up for the day

Weekly peak times



Appealing to a mass market

- UK Customer Age Profile



Appealing to a mass market

- USA Customer Age Profile

