



17 December 2009

MONITISE'S MOMENTUM ACCELERATES

- **Key partnerships extend Monitise's footprint:**
 - **Heads of Terms announced with First Eastern, a leading Hong Kong based direct investment firm, to rollout Mobile Money across Asia Pacific region**
 - **Heads of Terms announced with The Carphone Warehouse to create the Mobile Money Network – extending mobile banking and payments into the world of retail**
- **Additional funding secured:**
 - **Subscriptions of £7.4 million secured from First Eastern, UBS, Visa and Standard Chartered Bank**
 - **Further Conditional Subscriptions and Warrant, totalling £8.4 million agreed for early 2010**
- **First Half Trading Update:**
 - **Record consumer growth exceeds target and on track for full year revenue expectations**

Monitise plc (LSE: MONI.L) the global mobile banking and payments company, today announces two new strategic relationships, associated subscriptions for new shares and a first half pre-close trading update for the six months ending 31 December 2009.

New Joint Venture with Hong Kong's First Eastern

The Board of Monitise is delighted to announce that Heads of Terms for a new joint venture agreement covering the wider Asia Pacific region (the "Asia Pacific Joint Venture") to provide mobile banking and payment services have been agreed with First Eastern (Holdings) Limited ("First Eastern"), part of the First Eastern Investment Group, a leading Hong Kong based direct investment firm.

We have been talking to a number of potential partners in the region over the last 12 months. The scale of the opportunity in a region that includes 8 of the 15 most populous countries in the world, and that is expected to generate the highest economic growth globally in the next 5-10 years, meant finding the most appropriate partner was of fundamental importance. First Eastern's experience and track record of investing in the region combined with its local network of relationships will be of significant value alongside Monitise's technology and implementation expertise.

First Eastern, led by Victor Chu, will work with Monitise to deploy mobile banking and payments services in Hong Kong, China and other territories in the Asia Pacific region. The first services are expected to be available through banks and financial institutions to consumers during 2010. Further details will be provided on completion of the joint venture agreement which is expected during Q1 2010.

New Joint Venture with The Carphone Warehouse

The Board of Monitise is also delighted to announce that Heads of Terms have been agreed with The Carphone Warehouse Group plc ("The Carphone Warehouse") for a new joint venture agreement to establish a mobile money network to extend mobile banking and payments into the world of retail ("Mobile Money Network"). It is intended that the Mobile Money Network will be open initially to participants in the UK, before being rolled out into Europe and the USA. It aims to enable tens of millions of consumers to sign up to mobile banking services, buy goods and services from network members, to send money to their friends and family including those in other countries, to top up their prepaid and loyalty cards and to top up their mobile phones, all from a Mobile App. on their handset. The first services are expected to be available to consumers in early 2010.

The Carphone Warehouse retail business in the UK, which has over 800 stores, would become the first retail partner of the joint venture.

The Mobile Money Network will utilise Monitise's proven Mobile Money Manager platform, now supporting over 200 banks and financial institutions in the UK and USA with over 1.3 million registered customers and builds on the marketing agreement between Monitise and The Carphone Warehouse announced earlier this year.

Further details will be provided on completion of the joint venture agreement expected during Q1 2010.

Subscriptions for new ordinary shares in Monitise

First Eastern is subscribing for £5 million of new Monitise ordinary shares at 13p per share. In addition, First Eastern has agreed to subscribe for an additional £2.5 million of new Monitise ordinary shares at 13p per share upon completion of the Asia Pacific Joint Venture provided that completion occurs before 1 April 2010 (or such later date as the parties agree). First Eastern will also be issued a short term warrant to subscribe for a further £2.5 million of new Monitise ordinary shares at 15p per share ("Warrant") to be exercised on or before 1 April 2010 (or such later date that the company agrees). First Eastern will acquire the right to nominate a director for appointment to the Board of Monitise, conditional on the Asia Pacific Joint Venture completing and First Eastern maintaining a shareholding of not less than 10% in Monitise.

The Carphone Warehouse will subscribe for £2.5 million of new Monitise ordinary shares at 15p per share on completion of the Mobile Money Network Joint Venture provided that completion occurs before 1 April 2010 (or such later date as the parties agree). The Carphone Warehouse will also be entitled to subscribe for such shares at 15p per share where the Mobile Money Network Joint Venture is not concluded in certain limited circumstances, including were Monitise to withdraw from discussions with CPW without cause.

Existing major shareholders Visa International Service Association ("Visa"), UBS Global Asset Management (UK) Limited ("UBS") and Standard Chartered Bank ("SCB") are supporting the subscriptions. UBS has agreed to invest at each phase of the subscriptions described above and on exercise of the Warrant so as to maintain its percentage holdings in the Company.

Visa and SCB have agreed to subscribe for £1.1 million and £0.6 million, respectively, of new Monitise ordinary shares at 13p per share in the first phase of the Subscriptions so as to maintain their percentage holdings in the Company following the first phase only.

The new shares to be subscribed for at 13p per share will be issued at a premium of 8% to the closing price of 12p on 16 December 2009. The new shares to be subscribed for at 15p per share will be issued at a premium of 25% to the closing price of 12p on 16 December 2009.

The subscriptions referred to above (the "Subscriptions") and the grant of the Warrant are subject, amongst other things, to Monitise shareholder approval, to no material adverse change having occurred to Monitise prior to completion, and to admission of the new shares to trading on AIM.

The effect of the Subscriptions and Warrant on the share capital of Monitise and percentage shareholdings of participants, were all phases to complete and the Warrant to be exercised, are shown in a table at the end of this announcement. All new shares will, if issued, rank *pari passu* in all respects with the Company's existing ordinary shares.

The total aggregate value of all the Subscriptions amounts to £15.8 million.

A Circular will be sent to shareholders shortly convening a General Meeting of the Company to be held on 4 January 2010 to approve the resolutions required to effect the Subscriptions and issue the Warrant.

The Board of Monitise (with an aggregate shareholding of 5.5% of the current issued share capital of Monitise) unanimously recommends that shareholders vote in favour of all the resolutions set out in the Circular and each Board member intends to vote in favour in respect of their own shares.

UBS, through a number of intermediaries, currently has an interest in ordinary shares in Monitise representing 10.4% of the issued share capital of the Company. UBS is subscribing for a maximum of 12.1 million new shares as part of the Subscriptions. Were all subscriptions to complete, this would result in UBS maintaining a total holding of 10.4% of the issued share capital of Monitise immediately following the completion of the Subscriptions. Visa currently has an interest in ordinary shares in Monitise representing 14.4% of the issued share capital of the Company. Visa is subscribing for 8.2 million new shares as part of the first phase of the Subscriptions. The subscription by Visa would result in Visa maintaining a total holding of 14.4% of the issued share capital of Monitise immediately following completion of the first phase of the Subscriptions.

The subscriptions by Visa and UBS are classified as related party transactions under the AIM rules. The Directors consider, having consulted with Investec Bank PLC, the Company's nominated adviser, that the terms of the subscriptions by Visa and UBS are fair and reasonable insofar as shareholders are concerned.

The new joint ventures and Subscriptions will enable Monitise to pursue its dual strategy to develop a global franchise and expand its services in each territory it enters. Its current live banking services in the UK and USA are already expanding rapidly in terms of both customer numbers and the range of money management and payments services available. The move

into the retail sector with The Carphone Warehouse opens up the potential of mobile shopping, consumer offers and friends and family payments to a very substantial audience. Equally, the expansion into Asia from Hong Kong gives Monitise access to this growth market, to complement its work in other markets.

Victor Chu, chairman of First Eastern, said:

“We are most excited to partner with Monitise in the Asia Pacific region. This will be a fantastic growth opportunity for both First Eastern and Monitise in view of the vast market potential here for value added services and products introduced by a proven mobile banking and payments platform. With First Eastern’s extensive network and investment expertise, I am confident that we will contribute significantly as Monitise rolls out its ambitious expansion plans across the Asian region.”

Andrew Harrison, chief executive officer of The Carphone Warehouse, said:

“We are entering the era of true mobility, where people can shop, buy and pay on the move. The Mobile Money Network is designed to open up this new world to everybody and we hope that many retailers will join so that we can offer people simple, secure, mobile shopping, from a single Mobile Application.

“Monitise have proved that their open model works for banking and we are pleased to partner with them in this exciting venture.”

Tim Attinger, global head of product innovation, Visa Inc added:

“We are delighted with how our alliance with Monitise is developing. It is enabling Visa to optimize the development and user experience of Visa mobile applications for a broad range of mobile devices in market today.”

Alastair Lukies, chief executive officer, Monitise commented:

“Monitise has reached a point of significant momentum. These new partnerships, together with the investments and full support of our existing strategic shareholders, validate our market leading status and position us very well to take the business through to profitability. People everywhere will be able do their banking, shopping and make payments from their mobiles as easily as they can talk and text.

“After years of hard work building the platform for Mobile Money, it is good to see it come of age and begin to reach out to the mass market globally.”

TRADING UPDATE

Financial Highlights

Monitise is performing well, with revenues expected to exceed £1.7 million for the half year to 31 December 2009, an increase of at least 55% on the equivalent period last year (£1.1 million). Transaction revenue for the half year of c£0.8 million is a four fold increase on the equivalent period last year. This reflects the fast growth in our customer numbers, and as we migrate customers to higher levels of revenue per user, we expect transaction revenues to accelerate.

Operating loss for the half year will depend on additional deals still in the final stages of negotiation. Costs for the half year will include the impact of the acquisition of 100% of Monilink, our UK joint venture, where we are seeing significant growth, ongoing investment in technical areas, embedding of structures to build on our new business lines, and costs of preparation for the opportunities that are now crystallising. Operating loss for the full year will vary based on deal flow, consumer growth and the level of investment made through the new ventures announced today.

Acquisition accounting impacts under IFRS3 for acquiring the outstanding 50% of Monilink will be provided in the Interim Results to 31 December 2009.

Cash balances across the Group at 31 December 2009 are anticipated to be circa £9 million. This is prior to the subscriptions announced above totalling a maximum of £15.8 million. The injection of additional capital at Group level will enable us to deploy appropriate resources to the new opportunities outlined in today's announcement and enable us to continue to accelerate our growth.

Current Trading

Monitise is growing rapidly and already has more than 1.3 million registered customers in the UK and USA. We are delighted to have hit our target of 1 million registered customers in October this year, more than 2 months ahead of target. The launch of our iPhone app. in the UK has created further impetus.

Equally the mix of services we offer is expanding with our base regular balance updates service being enhanced by balance on demand, inter account transfer and payment services. This means that the customer value is increasing, in particular now that many customers are now choosing multiple mobile services.

Monitise Europe

In the UK, we have taken 100% ownership of Monilink, now being rebranded Monitise. We are delighted to have taken full control of this core asset in the Group, and are experiencing significant momentum and customer growth. The ability to control direction and focus for the business will yield significant benefit both operationally and strategically.

We are very pleased with consumer demand for our iPhone mobile app., currently available through one of our banking partners, and expect roll out of this to other partners, coupled with the development of higher value services to build on the substantial progress we have made with text based services in 2009.

Monitise Americas

In North America we have cemented our relationship with Fidelity National Information Services, Inc ("FIS") following its merger with Metavante, and grown our financial institution base to in excess of 200 institutions, up from 60 in February 2009. The range of services we offer has been expanded and we are beginning to see growth in usage.

Monitise India

We reported in mid 2009 that our Indian venture was awaiting Reserve Bank of India (RBI) approval. We are pleased that clearance has since been obtained from RBI to set up a mobile banking platform that can enable our client banks to deploy mobile banking applications in India. We are now waiting for one of our partners to get their respective internal and regulatory approvals for participating in our proposed venture. We have the support of a number of other significant organisations who are keen for us to commence operations.

We have continued our positive discussions with Standard Chartered Bank and on completion of the establishment of our joint venture, it is expected that Standard Chartered Bank will be one of the first banks to offer mobile services in India through Monitise India.

Further announcements concerning Monitise India and Monitise's relationship with Standard Chartered Bank globally will be made in due course.

Africa and the Middle East

Following agreeing heads of terms for a joint venture with Paynet to develop an ecosystem approach to develop a mobile money network in Africa in association with funds from the Africa Enterprise Challenge Fund, Monitise has tested its technology successfully in East Africa and is already receiving accolades for its inclusive approach. We are pursuing our open ecosystem approach as the best way of achieving sustainability and inclusivity, particularly for the unbanked people of the region.

"The ecosystem approach is the next step in the evolution of mobile money services. Monitise has a proven solution in the developed world and it is not difficult to see the same approach becoming successful in the emerging markets." said Nick Hughes, Creator of mpesa.

"Monitise has a unique approach that can help bring access to affordable mobile financial services to the unbanked." said GSMA's MMU programme manager, Seema Desai.

Visa

As Tim Attinger of Visa has said, work is progressing very well with Visa to deliver a number of mobile services to benefit their customers worldwide, with the first deployment expected in the first quarter of 2010.

Travelex

Our global agreement with Travelex announced recently will enable us to mobilise their leading Cash Passport prepaid card and enables us to develop new services with them in the UK and elsewhere.

INTERIM RESULTS

Monitise intends to announce its Interim Results to 31 December 2009 on 16 February 2010.

ANNEX: IMPACT OF SUBSCRIPTIONS

The table below shows the impact of each phase of the Subscriptions on participants and on the overall number of shares in issue. The table provides an indication of the overall impact of the deal, assuming all Subscriptions complete in the order shown below and the Warrant is exercised. Shareholdings are shown as cumulative figures after each phase completes.

Shareholder	Pre-subscriptions		Phase 1		Phase 2		Phase 3		Phase 4	
	Shares	%	Shares	%	Shares	%	Shares	%	Shares	%
Visa Shares	59,523,810	14.4%	67,753,000	14.4%	67,753,000	13.7%	67,753,000	13.2%	67,753,000	12.8%
UBS Shares	43,076,599	10.4%	49,031,955	10.4%	51,264,472	10.4%	53,199,320	10.4%	55,134,168	10.4%
SCB Shares	33,333,334	8.0%	37,941,680	8.0%	37,941,680	7.7%	37,941,680	7.4%	37,941,680	7.2%
First Eastern Shares	0	0.0%	38,461,538	8.2%	57,692,307	11.7%	57,692,307	11.3%	74,358,973	14.0%
CPW Shares	0	0.0%	0	0.0%	0	0.0%	16,666,666	3.3%	16,666,666	3.1%
Total	414,135,737		471,390,167		492,853,453		511,454,967		530,056,481	

Notes:

Phase 1: Initial £5m Subscription by First Eastern at 13p per share, with accompanying investment by Visa, UBS and SCB on same terms

Phase 2: Further £2.5m Subscription by First Eastern at 13p per share on completion of Asia Pacific Joint Venture, with accompanying investment by UBS on same terms

Phase 3: £2.5m Subscription by CPW at 15p per share on completion of Mobile Money Network joint venture, with accompanying investment by UBS on same terms

Phase 4: Further £2.5m Subscription by First Eastern at 15p per share on exercise of Warrant, with accompanying investment by UBS on same terms

ends

About Monitise

Monitise plc (LSE: MONI.L) has created the world's first mobile money networks, which allow customers of multiple banks and mobile operators to perform banking and payment transactions directly from their mobile handset.

With live services in the UK and in the USA, where it is in partnership with FIS, the company is currently working with international partners to deliver similar safe, secure mobile banking and payment services in territories worldwide. Current key partners include Visa, FIS, HSBC, Lloyds TSB, First Direct, Alliance & Leicester, Royal Bank of Scotland, NatWest, Ulster Bank, Vocalink, Vodafone, Orange, O2, T-Mobile and 3UK.

www.monitisegroup.com

About First Eastern

First Eastern is a leading Hong Kong-based investment group pioneering in the field of direct investments in China. Founded by Victor Chu in 1988, First Eastern has offices in Hong Kong, Beijing, Shanghai, Dubai, and London.

First Eastern and its associates have invested into over 100 projects in China and the Asia Pacific region covering infrastructure projects, light industries, real-estate development and financial services.

Victor Chu is the Chairman of First Eastern Investment Group. He is also Chairman of First Eastern Investment Bank Limited and FE Securities Limited. Over the last 20 years, Victor Chu has served at various times as Director and Council Member of the Hong Kong Stock Exchange, Member of the Hong Kong Takeovers and Mergers Panel, Advisory Committee Member of the Securities and Futures Commission, and part-time member of the Hong Kong Government's Central Policy Unit. Mr. Chu is currently a Foundation Board Member of the World Economic Forum in Geneva and co-chairs the Forum's International Business Council. He is also an Executive Board Member of the Paris-based International Chamber of Commerce and chairs the ICC Commission on Financial Services and Insurance on a worldwide basis.

About The Carphone Warehouse

The Carphone Warehouse (CPW) has over 820 stores nationwide. CPW is the largest independent mobile phone retailer in the world with 2,400 stores operating across 10 markets. The company is committed to offering impartial and expert advice on the widest range of the latest product plus unbeatable, aftersales care.
www.carphonewarehouse.com

In May 2008, Best Buy and CPW agreed to create a new company, Best Buy Europe. The assets of the newly-formed company comprise CPW's existing retail business, operating from more than 2,400 stores in nine European countries under The Carphone Warehouse and Phone House brands. CPW continues to own 100% of its fixed line telecoms business in the U.K., comprising TalkTalk, AOL Broadband and Opal; and its share of the Virgin Mobile France joint venture.

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