getmobile EUROPE plc

Interim Report 30 June 2008

Highlights

Financial

- Profit before taxation increases 47% to €1.65 million (2007: €1.12 million)
- Contract margins increase, with contract sales of 69,654 compared to 71,871
- Gross margin increases to 11.6% from 8.5%
- Cash balances increase €4 million to €9.7 million
- No debt
- Earnings per share 13.06 cent (2007: 12.68 cent adjusted for share consolidation)
- Tax charge of €0.48 million compared to tax credit of €0.08 million
- Proposed interim dividend 5 cent per share (2007: nil).

Pierce Casey, Chairman, getmobile europe plc, commented:

"Your board is pleased to report strong results, based on good margins in our core contract phone sales, with increasing internet sales which are more profitable and moreover enhance our position in Germany as a leading e-commerce company. Adjusting for the losses, which were anticipated, at our start-up Premingo core profitability increased 65% to €1.85 million (2007: €1.12 million).

Our net cash increased by €4 million to €9.7 million and the group has no debt.

We propose a maiden interim dividend of 5 cent per share.

Current trading is strong."

Chairman's Statement

Introduction

I am pleased to report substantially improved trading results for the six months to 30 June 2008 along with enhanced liquidity and the declaration of a maiden interim dividend of 5 cent.

getmobile europe plc, through its wholly owned subsidiaries getmobile AG and KK Media GmbH is a leading independent direct marketing vendor of post-paid mobile phone contracts in Germany. The basic product offering involves selling mobile phone contracts on behalf of the major German operators and service providers, through the internet, print and TV. Contracts sold by the Group are generally bundled with a mobile phone handset and attractive consumer goods, and are typically sold at nil upfront cost to the consumer with the Group's revenue coming from commissions paid by the operators and service providers.

Germany has the largest contract (post-paid) mobile phone market in Europe.

As a significant purchaser of mobile phone handsets from manufacturers and distributors to satisfy customer contracts, we take advantage of our purchasing power to selectively engage on an opportunist basis in mobile phone handset sales to third parties when market conditions are attractive and supportive to our business as a whole.

getmobile also has a majority interest in premingo.de, a start up open internet platform which gives consumers access to a variety of household contracts.

getmobile europe plc is currently quoted on AIM in London and IEX in Dublin and its shares are also dealt on the Freiverkehr (open market) in Frankfurt.

Results

Profit before taxation in the six months to 30 June 2008 increased by 47% to €1.65 million (2007: €1.12 million)

Sales of €49 million (2007: €50 million) were broadly static, but with gross margin up at €5.7 million (2007: €4.2 million) reflect an increase in margins to 11.6%, up from 8.5%.

Mobile phone contracts sold amounted to 69,654, compared to 71,871 in the comparative period last year. Whilst this represents a modest reduction in the number of contracts sold, our margins increased due to a focus on more profitable contract types, increased internet sales and, in general, better terms with our partners.

Sales of handsets to third party wholesalers decreased during the six months from €20.3 million to €16.4 million reflecting our policy of only making such sales where market conditions are attractive.

Our profit before taxation from our core operations was €1.85 million as our start up price comparison site premingo.de had a loss of €0.2 million in the six months, somewhat lower than anticipated and this amount has been inlcuded in the reported €1.65 million. Therefore, like for like core profitability increased by 65%. Early indications indicate premingo is developing satisfactorily. Premingo is an open internet platform which allows consumers access to a wide variety of household contracts. The revenue model is similar to our core getmobile phone contract business based on commission income from the product providers.

Earnings per share were 13.06 cent marginally up from 12.6 cent for 2007 (as adjusted for the 10 for 1 share consolidated) due to a tax charge of €0.48 million compared to a tax credit of €0.08 million in the corresponding period in 2007. This reflected the (non cash) impact of a deferred tax credit of €204,000 in 2007 as compared to a deferred tax charge of € 170,000 in 2008..

Chairman's Statement

Business Development and Strategy

Our direct marketing channels continue to be attractive to the mobile phone operators and service providers and through organic growth and selective acquisition of internet competitors our strategy is to grow to a 3% plus market share over time. This organic growth will be driven, *inter alia*, by the launch of further retail mobile phone internet sites, and as indicated in our 2008 annual report making our bundled offers available to certain retailers via on online distribution. The acquisition of KK Media has proved rewarding. Our business is not involved in the prepaid mobile sector.

Financial Position

Net assets as at 30 June 2008 were €21.8 million as compared to €20.4 million as at 30 June 2007. Included in net assets are intangible assets of €11.8 million.

Cash balances as at 30 June 2008 were €9.7 million (at 31 December 2007: €5.7 million). In the six months cash balances increased by €4 million.

The Company thus has no debt.

Trading and Liquidity of getmobile shares

In my chairman's statement for the year ended 31 December 2007 I reported that in excess of 50% of getmobile's shares were held by shareholders in Germany and continental Europe reflecting a major shift in the composition of our register since getmobile europe plc acquired getmobile AG in 2005. In light of this the directors were of the view that shareholder value would be likely to be enhanced by proactive marketing and increased liquidity of trading of our shares in Germany. Our capacity to do this was restricted by the fact that our AIM and IEX admission document was not deemed to be a prospectus and financial regulations restricted the marketing of our shares in Germany.

Following a thorough review, in association with all our advisers, the conclusion was reached that the only solution was the preparation and issue of a prospectus in compliance with the relevant EU directives to be approved by the UK listing authority and passported into Germany. I am pleased to confirm that this prospectus was issued on 22 September.

The prospectus will allow us to enhance the marketability of our shares in Germany and in this regard we also intend to make application for our shares to be traded on the Deutsche Bourse in Frankfurt (on the entry standard which is broadly similar to AIM and IEX). We look forward to proactively marketing our shares in Germany where all our operations are based. A further announcement will be made in relation to the Entry Standard in due course.

The IEX market in Dublin uses the Xetra trading platform which is also used by the Deutsche Bourse. As it is not technically possible for this trading platform to allow dual trading at present, we reluctantly propose to cancel the admission of our shares on IEX with effect from 22 October, 2008 to facilitate our proposed Deutsche Bourse quote. While we understand that the inability to enjoy a dual IEX and Deutsche Bourse quote may change in the future we have, in conjunction with our advisers, decided to pursue the marketing of our shares through a Deutsche Bourse Entry Standard quote at this time as your board believes it is in the best interests of the Company and its shareholders. We are pleased to retain Davy as our broker, nominated adviser and principal financial adviser to our holding company in relation to our ongoing AIM (London Stock Exchange) quote.

For clarification getmobile is a UK registered company and has no Irish operations.

We are very grateful for the support given to us by the IEX team of the Irish Stock Exchange.

Chairman's Statement

Dividend

The Company paid a maiden final dividend for the year ended 31 December 2007 of 10 cent per share in July 2008.

The board has now decided that, rather than paying a single dividend each year, it would be more appropriate to divide the total amount payable in respect of any financial year between an interim and final dividend. Accordingly the board has declared an interim dividend for the current year of 5 cent per share payable on 11 November 2008 to shareholders on the register at 10 October 2008.

The board will review the overall level of dividend for the year in light of trading to the year end. Subject to satisfactory trading it intends to adopt a progressive dividend policy taking account of the total 10 cent paid in respect of the year ended 31 December 2007.

Outlook

Current trading is strong. The board anticipates an increase in profitability for the full year to 31 December 2008, notwithstanding our budgeted losses at start-up Premingo.

In addition, we continue to review low cost development opportunities both in our core mobile phone contract business and in related, internet community e-commerce propositions.

Pierce Casey

Chairman

Group Income Statement

for the six months ended 30 June 2008

	Notes	*Six months ended 30 June 2008 Unaudited €000's*	*Six months ended 30 June 2007 Unaudited €000's*	*Year ended 31 December 2007 Audited €000's*
Revenue	*2*	48,984	49,798	100,766
Cost of sales		(43,267)	(45,564)	(91,692)
Gross profit		5,717	4,234	9,074
Administrative expenses excluding depreciation and amortisation		(4,096)	(3,086)	(6,344)
Earnings before interest, tax, depreciation and amortisation		1,621	1,147	2,730
Administrative expenses - depreciation and amortisation		(129)	(106)	(238)
Total administrative expenses		(4,225)	(3,192)	(6,582)
Share of post tax profit of associates		43	25	53
Group operating profit from continuing operations	*2*	1,535	1,067	2,545
Finance revenue	*3*	115	60	144
Finance costs	*3*	-	(9)	(8)
Profit from continuing operations before taxation		1,650	1,118	2,681
Income tax (expense)/credit	*5*	(480)	79	(468)
Profit for the period from continuing operations		1,170	1,197	2,213
Profit / (loss) for the period attributable to:				
Equity holders of the parent		1,234	1,197	2,229
Minority interest		(64)	-	(16)
		1,170	1,197	2,213
		Euro Cents	*Euro Cents*	*Euro Cents*
Earnings per share	*8*			
Basic		13.06	1.27	2.36
Diluted		13.06	1.27	2.36
Adjusted earnings per share	*8*			
Basic		13.06	12.68	23.59
Diluted		13.06	12.68	23.59

Group Statement of Changes in Equity

for the six months ended 30 June 2008

	Share capital €000's	*Share premium €000's*	*Distributable reserves €000's*	*Shareholder equity €000's*	*Minority interest €000's*	*Total equity €000's*
At 1 January 2007	1,364	71,330	(53,499)	19,195		19,195
Profit for the period			1,197	1,197		1,197
Other movements:						
Transfer		(71,330)	71,330			0
Share based payments			36	36		36
At 30 June 2007	1,364	-	19,064	20,428	0	20,428
Profit/(loss) for the period			1,032	1,032	(16)	1,016
Other movements:						
Group equity attributable to minority interest					34	34
Share based payments			30	30		30
At 31 December 2007	1,364	-	20,126	21,490	18	21,508
Profit / (loss) for the period			1,234	1,234	(64)	1,170
Other movements:						
Group equity attributable to minority interest					122	122
Share based payments			30	30		
Dividend declared			(945)	(945)		(945)
	1,364	-	20,445	21,809	76	21,855

Group Balance Sheet

as at 30 June 2008

	Notes	Six months ended 30 June 2008 Unaudited €000's	30 June 2007 Unaudited €000's	Year ended 31 December 2007 Audited €000's
Non current assets				
Intangible assets		11,807	11,468	11,662
Property, plant and equipment		231	175	209
Investment in associates	*4*	128	109	137
Deferred tax asset		182	699	352
		12,348	12,451	12,360
Current assets				
Inventories		2,382	2,362	1,709
Trade and other receivables		11,071	9,667	12,978
Overseas tax paid in advance		289	-	256
Cash and cash equivalents		9,719	8,590	5,724
		23,461	20,619	20,667
Total assets		35,809	33,070	33,027
Current liabilities				
Trade and other payables		13,375	12,143	11,217
Corporation and overseas taxes		549	499	302
		13,924	12,642	11,519
Net assets		21,885	20,428	21,508
Equity attributable to equity holders of the parent				
Called up share capital		1,364	1,364	1,364
Distributable reserves		20,445	19,064	20,126
Group shareholders equity		21,809	20,428	21,490
Minority interest		76	-	18
		21,885	20,428	21,508

Group Statement of Cash Flows

for the six months ended 30 June 2008

	Six months ended 30 June 2008 Unaudited €000's	*Six months ended 30 June 2007 Unaudited €000's*	*Year ended 31 December 2007 Audited €000's*
Operating activities			
Profit for the period	1,170	1,197	2,213
Adjustments to reconcile profit for the year to net cash inflow from operating activities			
Tax on continuing operations	480	(79)	468
Net finance revenue	(115)	(57)	(142)
Silent partner cost	-	6	6
Net profit on sale of associates	(15)	-	-
Share of post tax profits of associates	(43)	(25)	(53)
Depreciation and impairment of property, plant and equipment	45	71	127
Amortisation and impairment of intangible assets	84	35	111
Share-based payments	30	35	66
(Increase)/decrease in inventories	(673)	(367)	286
Decrease /(Increase) in trade and other receivables	1,906	(3,721)	(7,031)
Increase in trade and other payables	1,214	4,742	3,816
Cash generated from operations	4,083	1,837	(133)
Income taxes (paid) refund	(96)	102	(552)
Net cash flow from operating activities	3,987	1,939	(685)
Investing activities			
Interest received	115	60	144
Sale of associates	68	-	-
Investment in associates net of cash acquired	-	(50)	(50)
Investment in subsidiary undertakings	(19)	-	(36)
Payments to acquire property, plant and equipment	(68)	(77)	(163)
Payments to acquire intangibles	(88)	-	(203)
Payments to silent partners	-	(95)	(95)
Net cash flow from investing activities	8	(162)	(403)
Financing activities			
Interest paid	-	(3)	(3)
Net cash flow from financing activities	-	(3)	(3)
Increase/(decrease) in cash and cash equivalents	3,995	1,774	(1,091)
Cash used to repay silent partners	-	95	95
Increase in liability to silent partner	-	(5)	(6)
Cash and cash equivalents at the beginning of the year	5,724	6,726	6,726
Cash and cash equivalents at the period end	9,719	8,590	5,724

Notes to the Financial Information

1. Basis of preparation

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 1985.

The financial information contained in this interim statement does not amount to statutory financial statements within the meaning of section 240 Companies Act 1985. The financial statements for the year ended 31 December 2007, from which information has been extracted, were prepared under IFRS and have been delivered to the Registrar of Companies. The report of the auditors was unqualified in accordance with section 235 Companies Act 1985 and did not contain a statement under section 237 (2) or (30) Companies Act 1985.

2. Revenue and segmental analysis

The Group's revenue, operating profit by destination and source, were all derived from external customers in the European Union where its net assets are located. All revenues arose in the Group's German businesses.

3. Finance revenues and costs

	Six months ended		*Year ended*
	30 June 2008	*30 June 2007*	*31 December 2007*
	Unaudited	*Unaudited*	*Audited*
	€000's	*€000's*	*€000's*
Finance revenue – bank interest receivable	115	60	144
Loss on settlement of liabilities to silent partners	-	(6)	(5)
Finance costs - bank interest payable	-	(3)	(3)
	-	9	8

4. Investment in associated companies

	Six months ended		*Year ended*
	30 June 2008	*30 June 2007*	*31 December 2007*
	Unaudited	*Unaudited*	*Audited*
	€000's	*€000's*	*€000's*
Cost of investments	10	72	84
Cumulative share of profits after tax	118	37	53
Carrying value	128	109	137

Notes to the Financial Information

5. Income tax credit/(expense)

	Six months ended		*Year ended*
	30 June 2008	*30 June 2007*	*31 December 2007*
	Unaudited	*Unaudited*	*Audited*
	€000's	*€000's*	*€000's*
Current tax UK (expense)/credit	(43)	9	(3)
Current overseas tax (expense)	(267)	(134)	(323)
Deferred tax (expense)/credit	(170)	204	(142)
Total tax (expense)/credit	(480)	79	(468)

Under the provisions of IAS 12 "Income Taxes", a deferred tax asset of €182,000 (30 June 2007: €699,000 31 December 2007: €352,000), relating to historic losses carried forward at the Company's German subsidiary and tax adjustments in relation to its former silent partner investors, has been recognised and is included in non current assets.

6. Earnings per share

	Six months ended		*Year ended*
	30 June 2008	*30 June 2007*	*31 December 2007*
	Unaudited	*Unaudited*	*Audited*
	€000's	*€000's*	*€000's*
Profit for period for basic and diluted earnings per share	1,234	1,197	2,229
	No. 000's	*No. 000's*	*No. 000's*
Weighted average number of ordinary shares for basic and diluted EPS	9,447	94,472	94,472
Basic earnings per share (cents)	13.06	1.27	2.36
Diluted earnings per share (cents)	13.06	1.27	2.36

On 9 May 2008 the Company's 1p Ordinary Shares were consolidated on a 10 for 1 basis and the resulting issued share capital is 9,447,291 10p Ordinary Shares. In order to provide a true comparison with the previous periods adjusted basic and diluted earnings per share for those periods have been calculated using the new issued share capital of 9,447,291 10p Ordinary Shares.

7. Interim report

This interim financial information was approved by a committee of the Board of Directors on 23 September 2008.

This report will be sent to all shareholders and copies will be available from the Company's registered office - 4th Floor, 74 Chancery Lane, London WC2A IAD and on the Company's website - www.getmobile-europe.com.