getmobile EUROPE

Report and Financial Statements

31 December

2006

Contents

Registered No: 5098197

Directors, Secretary and Advisers

Directors:	Pierce Casey, *Chairman* Tim Schwenke, *Co-Chief Executive Officer* Daniel Wild, *Co-Chief Executive Officer* Sven Schreiber, *Chief Financial Officer* Patrick Bosch, *Chief Technology Officer* Brian Stephens, *Non-Executive Director* Maximilian Ardelt, *Non-Executive Director* David Kleeman, *Resigned on 30 September 2006*
Company Secretary:	Dick Lynch
Registered Office:	Fourth Floor, 74 Chancery Lane, London WC2A 1AD, United Kingdom.
Auditors:	Ernst & Young LLP, 1 More London Place, London SE1 2AF, United Kingdom.
Nominated Adviser, IEX Adviser and Broker:	Davy, Davy House, 49 Dawson Street, Dublin 2, Ireland.
Solicitors to the Company:	Matheson Ormbsy Prentice, Third Floor, Pinnacle House, 23-26 St Dunstan's Hill, London EC3R 8HN, United Kingdom.
Registrars:	Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom.
Principal Bankers:	Allied Irish Bank (GB), City Office, 9/10 Angel Court, London EC2R 7AB, United Kingdom.

Chairman's Statement

Introduction

getmobile europe plc ("getmobile" or "the Company") is the AIM and IEX quoted holding company of getmobile AG and its subsidiaries and associated undertakings (together the "Group"). The Group is a leading independent multi-channel direct seller of mobile phone contracts and devices in Germany.

Following profit warnings in October 2005 and June 2006 the board carried out an impairment review of the carrying value of goodwill arising on the acquisition of getmobile AG. This review resulted in its value being written down to €9.2m with a non-cash goodwill impairment charge of €53.97m which was charged in the interim accounts for the six months to June 2006.

Results for the year

The Group operated profitably at the trading level with EBITDA of €1.64 million on turnover of €63.60 million. As a result of the impairment provision an operating loss of €54.58 million was incurred after goodwill amortisation of €2.13 million. The loss before taxation was €54.35 million.

The prior period's figures of revenues of €31.76 million, EBITDA of €2.76 million, operating profit of €1.34 million (after amortisation of goodwill of €1.38 million) and a profit before tax of €1.45 million are not comparable as they related to the 6 months to 31 December 2005 and included only 5 months of getmobile AG's results.

Adjusted earnings per share (before the impairment provision and amortisation of goodwill) amounted to 1.16 cents (3.19 cents for the 6 months to 31 December 2006). Loss per share amounted to 58.23 cents (earnings per share 1.36 cents for the 6 months to 31 December 2005).

Financial position and cash flow

At 31 December 2006 net assets amounted to €18.72 million. Cash balances increased by €0.226 million to €6.82 million after a cash payment of €2.2 million in connection with the acquisition of KK Media. The Group had no debt at year end.

Acquisition of KK Media

On 30 November 2006 getmobile announced the acquisition of KK Media GmbH, an internet based seller of mobile phone contracts and devices based in Aschaffenburg near Frankfurt. The acquisition has augmented our position in internet based channels and has performed in line with expectations since acquisition.

Strategy

In response to difficult market conditions getmobile is refocusing its activities to leverage its strengths in direct marketing, purchasing and distribution and build on its position as the number one own branded television based distributor of mobile phone contracts in Germany.

This includes an increased focus on internet distribution and utilising the independent retail phone store operators as a distribution channel for our bundled packages. The acquisition of KK Media is an integral part of this strategy. In addition, where profitable opportunities arise to enhance our market position we have increased our sales of mobile phone handsets to other trade players in the German market.

Chairman's Statement

Proposed cancellation of share premium account

As a result of the impairment review on the carrying value of the investment in getmobile AG, the Company has a deficit on its revenue reserves of €58.15 million at 31 December 2006. So long as such a deficit exists the Company will be unable to pay a dividend to shareholders.

Accordingly, the Board proposes that the share premium account of the Company amounting to €71.33m be cancelled and that the credit arising on cancellation of the share premium should be used to eliminate the deficiency on the Company's profit and loss account with the balance of the credit arising on cancellation of the share premium account of approximately €13.18 million being used to create a distributable reserve on the Company's profit and loss account.

The cancellation of the share premium account of the Company requires both a special resolution of the Company's shareholders and an Order of the High Court confirming the cancellation of the Company's share premium account. The Court's primary concern is likely to be to protect the position of the creditors of the Company. Given the very low level of the Company's creditors the Directors believe that they will be able to make proposals to the Court for protection of the Company's creditors that the Court will find to be adequate. It is anticipated that the application will be made to the Court immediately after the shareholders pass the special resolution to approve the cancellation of the share premium account and that the application will be heard approximately 5 - 6 weeks after it is filed.

The Directors have included the proposed special resolution to cancel the share premium account of the Company at resolution number 9 in the Notice of the AGM to take place on 16 May 2007.

Current trading and outlook

The Board is budgeting for growth in profitability in 2007. Trading and profitability in the first two months is in line with our expectations.

Pierce Casey
Chairman

3 April 2007

Executive Directors Operating and Financial Review

Introduction

The Group's operating business is carried on via getmobile AG and its subsidiaries and associated companies. getmobile AG, which is head quartered in Munich, was established in 1999 and acquired by getmobile in August 2005.

The Group's revenues are generated from the direct marketing sales of post paid mobile phone contracts on behalf of German mobile telephone network operators and service providers ("the Mobile Telcos"). Sales are made via home television shopping, internet and printed media channels. The Group also sells mobile phone handsets to other German distributors.

The business model

The majority of post paid mobile phone contracts in Germany are for a period of 24 months. Contracts sold by the Group are generally bundled with a mobile phone handset and/or other consumer goods and are typically sold at nil upfront cost to the end consumer with the Group's revenue coming from the commissions paid by the Mobile Telcos. In certain cases the Group also receives a share of the Mobile Telcos' airtime fees.

A key strength of the operation is the Group's ability to identify and source in a cost effective manner mobile phone handsets and attractive consumer goods for bundling with the mobile phone contracts. For example the best selling bundle in the run up to Christmas was 2 mobile phone contracts, two handsets and a motor scooter at nil cost to the consumer.

As it has sold the end consumer the handset, the Group has a direct relationship with its customer which is separate from that customer's relationship with the Mobile Telco which provided the service contract. This relationship can be leveraged by cross selling.

getmobile AG is the market leading home television brand selling mobile phone contracts in Germany and is steadily growing its position in the internet space. Our internet brands getmobile.de and preiswerthandy.de (operated by KK Media) place us head to head with the number one independent internet retailer of mobile phone contracts. We are confident of moving ahead and gaining the clear number one position in the market within the next 18 months.

Given our direct sales model the Group does not carry the fixed costs associated with the operation of a physical chain of stores. Warehousing which is located in Trier, a low cost location in western Germany, was brought under the control of getlogics GmbH ("getlogics") during the year. getlogics is a 39% owned associated company.

The booking and optimisation of direct response TV advertising is carried out via getonTV GmbH ("getonTV"), a wholly owned subsidiary. Both getlogics and getonTV also provide services to third parties on an arms length basis.

The operation of a sophisticated in-house fulfilment software platform and outsourcing of all physical delivery and the majority of call centre activity to third parties underpins getmobile's policy of operating on variable cost basis. Where possible payments to media providers are also negotiated on cost per item sold basis.

In addition to its own branded sales getmobile AG provides a white label based service to international sales and marketing organisations.

Executive Directors Operating and Financial Review

Where profitable opportunities arise getmobile AG purchases and sells mobile phone handsets to other reputable distributors and wholesalers operating in the German market. This activity enhances the Group's purchasing power with its handset suppliers enabling it to secure availability of handsets for inclusion in its consumer bundles.

Review of 2006 trading and financial outcome

Background to Trading

The mobile phone market in Germany experienced a turbulent year in 2006. Although the Group does not operate in the prepaid market segment, the post paid contract market was adversely affected by the activities of the mobile virtual network operators (MVNO's) competing vigorously in the prepaid market segment by cutting the cost per minute for prepaid subscribers.

Despite this difficult environment trading in the first quarter was in line with expectations. However, while the getmobile AG's own branded television channel continued to perform and internet sales grew, sales via RTL Shop our major third party TV shopping channel were substantially below budget and have failed to respond to remedial action. This shortfall in RTL Shop sales was primarily responsible for a 28% decline in the number of contracts from 145,000 in 2005 to 105,000 in 2006.

A profit warning was issued at the end of the second quarter which resulted in a substantial fall in our share price.

Following the profit warning and in light of the failure of getmobile AG to achieve the level of sales and profitability anticipated at the time of its acquisition an impairment review of the carrying value of the investment in getmobile AG and the associated goodwill was carried out and resulted in a charge of €53.97 million in the accounts for the 6 months to 30 June 2006.

Results and Taxation

Turnover of €63.6 million, all of which arose in Germany, grew by 7% on an annualised basis in getmobile AG. The reduction in turnover arising from the fall in the number of contracts was offset by €22.4 million of handset sales. Group EBITDA amounted to €1.64 million. The Group's loss before taxation was €54.35 million reflecting the impairment provision of €53.97 million and amortisation of goodwill of €2.13 million. The tax charge of €0.65 million includes a deferred tax charge of €0.51 million and a UK tax charge of €0.06 million. The actual cash tax charge in Germany amounted to €0.07 million and reflects the availability of significant tax losses forward.

The underlying profitability and tight control of working capital has ensured that the business remained cash generative with cash on hand increasing by €0.226 million to €6.8 million despite the payment of €2.2 million initial cash consideration on the acquisition of KK Media.

The results for the comparative period with turnover of €31.76 million, EBITDA of €2.76 million and operating profit of €1.34 million after charging €1.38 million for the amortisation of goodwill are not comparable as they relate to a 6 month period which includes only 5 months post acquisition trading for getmobile AG.

Acquisition of KK Media

The acquisition of KK Media GmbH on 30 November 2006 has provided the Group with an enhanced position in the internet sales channel, a new range of customers and suppliers and greater buying power. The cost of acquisition was based on a €2 million initial payment, €0.18 million deferred consideration and a net asset adjustment for the extent to which net assets on acquisition exceeded €50,000. The final price including fees is estimated at €2.77 million, including a net asset adjustment payment due of €0.43 million.

Executive Directors Operating and Financial Review

Strategy 2007

It is currently estimated that the overall level of sales of post paid contracts in Germany is circa 8.7 million units per annum. The bulk of the Group's drop in sales can be attributed to the changing fortunes of our RTL Shop channel which suffered a 73% decline in contracts sold. At 105,000 units our market share of the post paid contract market is approximately 1.2% providing substantial room for organic growth.

Despite the setback in 2006 the Group continues to receive attractive commissions from network operators and service providers. Terms with hardware manufacturers are also favourable. This enables the Group to bundle very attractive offers, e.g. two phones with two contracts and a scooter at nil upfront cost to the consumer. The competition appears to have difficulty matching these offers.

Taking account of this the Group plans to distribute its offers via any available channel which does not incur material fixed cost, this includes increased emphasis on our own branded television channel and particularly sales via the internet. During the year our internet sales grew by over 150%. Our focus in the internet area in 2007 will be primarily on search engine optimisation, further improving our internet IT capacity and ability and on affiliate programs. The acquisition of KK Media has strengthened our position in the internet area and is an integral part of our internet strategy.

We are also piloting the distribution of mobile phone contracts by offering smaller chains of mobile phone stores and individual stores access to our bundled offers of consumer goods and mobile contracts. The first pilot run by KK Media shows promising results. We have also enabled a former mobile phone only distributor to also market our bundles to its retailers. We are planning to develop an additional module for our software to optimise these distribution activities.

Our sales of handsets to other distributors will be grown selectively as and when profitable opportunities arise.

Our enhanced activities will constitute a unique multi channel strategy allowing us to leverage our purchasing capabilities across all channels employed on the basis of a continuously improving IT platform. Our goal is to reach a materially increased market share in the mobile phone contract market.

In addition to this core strategy we will selectively invest small sums in new promising business areas, that are closely related to getmobile's core strengths. Projects under active investigation include our media agency getontv expanding into becoming a media agency in the IP TV sector and Getmobile AG is considering the launch of an open internet platform for contract sales of various types.

In summary, our strategy is to leverage our excellent purchasing capabilities via any sales channel that does not incur significant fixed cost to getmobile and to carefully launch new projects closely related to our core strengths.

Tim Schwenke, Daniel Wild, Sven Schreiber and Patrick Bosch
Co-Chief Executive Officers, Chief Financial Officer and Chief Technology Officer

3 April 2007

Directors

Pierce Casey, *age 51* – Chairman

Pierce Casey, a Chartered Accountant, is an entrepreneur and private equity specialist who has been a founder of several successful businesses in the UK and Europe since 1989. He is chairman of Imprint plc and was previously chairman of Fayrewood plc, both of which are traded on AIM. He is a former chairman of the supervisory board of Computerlinks AG which is quoted on the main market in Frankfurt. He is a director of Alchemy Venture Partners Limited and was previously a director of Apax Partners & Co. and DCC in London. He has extensive experience in pan-European acquisitions.

Tim Schwenke, *age 36* **-** Co-Chief Executive Officer

Tim Schwenke is a founding director of getmobile. He is primarily responsible for strategy and sales. Prior to joining getmobile, Mr. Schwenke worked as a management consultant at the Mitchell Madison Group, a McKinsey spin-off, in their eCommerce practice. Mr. Schwenke holds a Masters Degree in Business Administration from the University of Hamburg, Germany.

Daniel Wild, *age 35* - Co-Chief Executive Officer

Daniel Wild is a founding director of getmobile. He is primarily responsible for business development and getmobile's marketing and communications activities. He previously worked as a management consultant at the Mitchell Madison Group where he worked in the services and private banking sectors. He holds a Masters Degree in Business Administration from the University of Trier, Germany and a MBA from East Carolina University, USA.

Sven Schreiber, *age 36* **-** Chief Financial Officer

Sven Schreiber is finance director of getmobile and is also responsible for purchasing and controlling. Prior to joining getmobile in 1999, he was a management consultant for the Boston Consulting Group in Germany and Austria, where he focused on the eCommerce and financial services sectors. Mr. Schreiber holds a Masters Degree in Management and Technology from the University of Karlsruhe, Germany.

Patrick Bosch, *age 35* **-** Chief Technology Officer

Patrick Bosch is the main architect of getmobile's sophisticated technology platform. He is also responsible for getmobile's operational logistics and fulfilment functions. Mr. Bosch joined getmobile from the German IT service provider T-Systems, a Deutsche Telekom Group subsidiary, where he was involved in projects in Germany and the US. He holds a Masters Degree in Computer Science from the University of Bonn, Germany.

Brian Stephens, *age 51* – Non-Executive Director

Brian Stephens qualified as a Chartered Accountant with KPMG and is an economics graduate. He has wide-ranging experience in private equity and mergers and acquisitions. He is a director of Adelaide Capital Corp Limited and was previously a director of both Alchemy Venture Partners Limited and NCB Corporate Finance and spent six years with Allied Irish Bank’s Private Equity arm in Dublin and London.

Maximilian Ardelt, *age 66* **-** Non-Executive Director

Maximilian Ardelt is one of the founding figures of the German mobile telephone industry. As an executive member of Viag AG’s board from 1994 to 2000 and chairman of their telecom operations in Germany, Austria, Switzerland and Lichtenstein from 2000 to 2002 he played a pivotal role as CEO in the establishment of Viag Interkom AG which, on its sale to BT in 2001, became O2 Germany. Maximilian is a member of the Board of the leading global IT products distribution company Tech Data Corporation which has sales of $21.4 billion, and an adviser to several industrial companies and private equity groups.

Directors' Report

The directors present their report together with the audited financial statements for the year ended 31 December 2006.

Results and dividends

The results of the Group for the year are set out on page 15 and show a loss of €55,008,764 (6 months ended 31 December 2005 profit of €1,032,080). The Group loss for the period includes the impact of a €53,973,477 goodwill impairment charge. The directors do not propose to pay a dividend for the period.

Principal activities, review of business and future developments

The Group's principal activity is the sale in Germany of mobile phone services and devices via electronic and direct sales channels. Sales channels include the internet, home television shopping and printed media.

An analysis of the key performance indicators for the Group for the period shows turnover of €63.60 million, a gross profit of €5.887 million (9.24%) and EBITDA of €1.638 million. Further information is contained in the Chairman's Statement and Executive Directors Operating and Financial Review.

Section 234 ZZB of the Companies Act requires directors to provide a description of the principal risks and uncertainties facing a company.

The principal risks and opportunities for the Group arise from the fact that it is a small entrepreneurially managed group operating in a large, dynamic and competitive market place.

In particular the maintenance of its relationships with network operators, service providers and handset suppliers and the commission and margin available from them are important to the Group. The Group's profitability and growth rate would be affected by general market developments including the rate of growth of the German mobile phone market, the churn rate and general demand level from customers. The business is also dependent on maintaining relationships and terms with existing partners and / or consummating new relationships. It was the failure to consummate new relationships that has led to the impairment of goodwill following acquisition as the Group has not achieved the level of trading that was expected by the Directors and Shareholders.

The directors believe that there has been no material change to the risk factors outlined in the admission document issued on the acquisition of getmobile AG.

The Group has enjoyed a satisfactory start into the year to 31 December 2007 with trading in line with board expectations and the board anticipates growth in both revenues and profitability in 2007.

Charitable and political contribution

There were no political or charitable donations paid during the year.

Corporate Governance

The directors recognise the value of the Principles of Good Governance and Code of Best Practice (the "Combined Code") and, although as an AIM and IEX quoted company it is not required to comply with the Combined Code, getmobile europe plc is taking appropriate measures to ensure that the Group adopts principles of good governance. While the Group does not operate in total compliance with the principles laid down in the Combined Code the board believes that the governance policies are appropriate for a group of its size.

Directors' Report

Substantial shareholdings

As of 30 March 2006 the following had notified the Company that they held a notifiable interest:

	No.	*%*
Tiburon Unternehmensaufbau GmbH ("Tiburon")	11,013,364	11.66%
Pierce Casey	7,974,771	8.44%
Dexia Asset Management SA	6,171,579	6.53%
Mountain Partners AG	5,376,596	5.69%
ZA Capital LLP	4,300,000	4.55%
Kappa Alpha Limited	3,500,000	3.70%
AIM Realisation Fund Limited	3,250,000	3.44%

Policy on the payment of creditors

The Group's payment terms and conditions with individual suppliers vary according to the commercial relationship and the terms of the agreements reached. It is the policy of the Group that whenever possible payments to suppliers are made in accordance with the terms agreed. The average number of days' purchases included within trade creditors at the year end was 20.

Employment policy

The Group continues to give full and fair consideration to applications for employment made by disabled persons, having regard to their respective aptitudes and abilities. The Group has a policy of employee involvement by making information available to employees on matters of concern to them.

Directors

The directors of getmobile europe plc during the period and their beneficial interests in the ordinary share capital of the parent company at 31 December 2006 were as follows:

	As at 31 December 2006	*As at 31 December 2005*
Tiburon*	11,013,364	4,451,819
Pierce Casey	7,974,771	5,552,790
Sven Schreiber**	2,390,754	1,569,494
Patrick Bosch***	1,489,256	898,017
Maximilian Ardelt****	446,792	71,000
Brian Stephens	314,415	201,500
Tim Schwenke *	–	2,103,363
Daniel Wild *	–	1,899,260

David Kleeman resigned as a director on 30 September 2006.

**Tiburon is jointly owned by Tim Schwenke and his spouse (together 46%) and Daniel Wild and his spouse (together 46%). During the year Tim Schwenke and Daniel Wild sold 100% of their personal beneficial holdings to Tiburon.*

Directors' Report

***1,807,363 shares (2005: 995,078) are held directly by Sven Schreiber and the balance of 583,391 shares (2005: 574,416) are held by Schreiber Verm GbR, a company owned 26% by Sven Schreiber and 74% by other members of his family.*

****353,347 shares are directly held by Patrick Bosch or his wife (2005: 67,968) and the balance of 1,135,909 (2005: 830,049) is held via Bosch Verm.GbR, a company owned 40% by Patrick Bosch and his spouse in aggregate and 60% by other members of Patrick Bosch's family.*

*****375,792 shares are directly held by Maximilian Ardelt (2005: 71,000) and the balance is held by Condigit Consult GmbH, a company 100% owned by him.*

The Company provides directors and officers' indemnity insurance for all directors.

Options awarded under Executive Share Option scheme

On 21 December 2006 options over 2 million ordinary shares at an exercise price of 18 cents with a 3 year vesting period were issued to the following directors:

	Number of Options
Patrick Bosch	500,000
Sven Schreiber	500,000
Tim Schwenke	500,000
Daniel Wild	500,000

The options are subject to a performance condition that the Company's share price on either the AIM or IEX market be at least 50 cents for 20 out of the 70 dealing days immediately prior to vesting.

There were no options outstanding at 31 December 2005.

The mid-market price of the ordinary shares of getmobile europe plc as at 29 December 2006 (the last day of dealing in 2006) was 13.25 pence on AIM (19 cents on IEX). The lowest and highest prices during the period were 6.25 pence on AIM (7 cents on IEX) and 33 pence on AIM (45 cents on IEX).

There have been no changes in directors' interests since 31 December 2006.

Directors' statement as to disclosure of information to auditors

Each of the directors confirms that:

(1) so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(2) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Directors' Report

Going concern

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Financial Instruments

The directors set out their policies regarding financial instruments in Note 23 of the financial statements.

Auditors

A resolution to re-appoint Ernst & Young LLP as auditors will be put to members at the Annual General Meeting.

On behalf of the board.

Tim Schwenke and Daniel Wild
Co-Chief Executive Officers

3 April 2007

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report

to the members of getmobile europe plc

We have audited the group and parent company financial statements (the "financial statements") of getmobile europe plc for the year ended 31 December 2006 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses and the related Notes 1 to 25. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises the Chairman's Statement, the Executive Directors Operating and Financial Review, the Contents page, the Directors, Secretary and Advisers page, the Directors page and the Notice of Annual General Meeting. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent Auditors' Report

to the members of getmobile europe plc
(continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2006 and of the group's loss for the year then ended;

- the financial statements have been properly prepared in accordance with the Companies Act 1985; and

- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP
Registered auditor
London

3 April 2007

Group Profit and Loss Account

for the year ended 31 December 2006

	Notes	*Year ended 31 December 2006 €*	*6 months ended 31 December 2005 €*
Turnover	2		
Ongoing		62,829,940	31,762,198
Acquisitions		772,239	–
		63,602,179	31,762,198
Cost of sales			
Ongoing		57,003,443	27,135,352
Acquisitions		712,183	–
		57,715,626	27,135,352
Gross profit		5,886,553	4,626,846
Administrative expenses - other		4,248,681	1,865,654
Earnings before interest, tax, depreciation and amortisation		1,637,872	2,761,192
Administrative expenses - depreciation		106,244	40,482
Administrative expenses - amortisation of goodwill		2,134,281	1,379,333
- impairment of goodwill		53,973,477	–
Total administrative expenses	4	60,462,683	3,285,469
Operating (loss) / profit	4		
Ongoing		(54,648,245)	1,341,377
Acquisitions		72,115	–
		(54,576,130)	1,341,377
Share of profits of associated companies	14	21,386	–
Interest payable and similar charges	7	(11,294)	(1,548)
Interest receivable and similar income	8	211,799	108,019
(Loss) / profit on ordinary activities before taxation		(54,354,239)	1,447,848
Taxation on (loss) / profit on ordinary activities	9	(654,435)	(415,768)
(Loss) / profit for the period		(55,008,674)	1,032,080
		Euro Cents	*Euro Cents*
(Loss) / earnings per share:			
Basic	11	(58.23)	1.36
Diluted	11	(58.23)	1.36
Adjusted earnings per share:			
Basic	11	1.16	3.19
Diluted	11	1.16	3.18

All operations above are continuing.
The notes on pages 20 to 38 form part of these financial statements.
A statement of the movement on reserves is set out in Note 21 to the financial statements.

Group Statement of Total Recognised Gains and Losses

for the year ended 31 December 2006

The recognised (losses) / gains attributable to the shareholders are as follows:

	Notes	*Year ended 31 December 2006* *€*	*6 months ended 31 December 2005* *€*
(Loss) / profit for the period		(55,008,674)	1,032,080
Release of warrant reserve on expiry unexercised	21	15,574	–
		(54,993,100)	1,032,080

Group Balance Sheet

at 31 December 2006

	Notes	31 December 2006 €	31 December 2005 €
Fixed assets			
Intangible assets - goodwill	12	10,989,370	64,828,677
Tangible fixed assets	13	208,965	143,659
Interests in associated undertakings	14	34,352	–
		11,232,687	64,972,336
Current assets			
Stocks	16	1,994,982	855,241
Debtors	17	6,441,036	11,739,628
Cash at bank and in hand	18	6,816,031	6,589,984
		15,252,049	19,184,853
Creditors: amounts falling due within one year	19	7,762,752	10,428,447
Net current assets		7,489,297	8,756,406
Net assets		18,721,984	73,728,742
Capital and reserves			
Called up share capital	20	1,363,581	1,360,499
Share premium account	21	71,330,367	71,154,794
Shares to be issued	21	–	178,655
Other reserves	21	1,916	15,574
Profit and loss account	21	(53,973,880)	1,019,220
Shareholders' funds	21	18,721,984	73,728,742

The financial statements were approved and authorised for issue by the board on 3 April 2007.

Tim Schwenke
Director

Sven Schreiber
Director

Company Balance Sheet
at 31 December 2006

	Notes	31 December 2006 €	31 December 2005 €
Fixed assets			
Investment in subsidiary	15	9,200,000	67,524,334
Current assets			
Loan to subsidiary due in greater than 1 year		4,000,000	4,000,000
Debtors	17	378,002	345,149
		4,378,002	4,345,149
Cash at bank and in hand	18	1,165,479	1,170,648
		5,543,481	5,515,797
Creditors: amounts falling due within one year	19	(199,536)	(361,849)
Net current assets		5,343,945	5,153,948
Net assets		14,543,945	72,678,282
Capital and reserves			
Called up share capital	20	1,363,581	1,360,499
Share premium account	21	71,330,367	71,154,794
Shares to be issued	21	–	178,655
Other reserves	21	–	15,574
Profit and loss account	21	(58,150,003)	(31,240)
Shareholders' funds	21	14,543,945	72,678,282

The financial statements were approved by the board on 3 April 2007.

Tim Schwenke
Director

Sven Schreiber
Director

Group Statement of Cash Flows

for the year ended 31 December 2006

	Notes	Year ended 31 December 2006 €	6 months ended 31 December 2005 €
Net cash inflow from operating activities	24(a)	3,350,437	98,381
Returns on investments and servicing of finance			
Interest received		197,549	108,019
Interest paid		(11,294)	(1,548)
Taxation			
Corporation tax		(636,679)	–
Capital expenditure			
Payments to acquire tangible fixed assets		(143,918)	(44,959)
Proceeds on disposal of fixed assets		472	–
Acquisitions			
Purchase of subsidiary undertakings		(2,159,776)	(55,911,800)
Cash acquired with subsidiary undertakings		253,083	6,634,799
Investment in associated companies		(22,250)	–
Net cash inflow / (outflow) before financing		827,624	(49,117,108)
Financing			
Issue of new ordinary shares		–	62,350,000
Share issue costs		–	(3,427,314)
Repayment of loan acquired		–	(516,000)
Settlement of amounts due to silent partners	24(b)	(601,577)	(4,900,703)
Increase in cash		226,047	4,388,875

Reconciliation of net cash flow to movement in net funds

	Notes	2006 €	2005 €
Increase in cash		226,047	4,388,875
Cash used to repay loan		–	516,000
Cash used to repay silent partners		601,577	4,900,703
Change in net funds resulting from cash flows		827,624	9,805,578
New loan acquired with subsidiary		–	(516,000)
Amounts due to silent partners acquired with subsidiary		–	(5,606,030)
Reduction in liability to silent partners		14,250	–
Movement in net funds in the period		841,874	3,683,548
Opening net funds	24(b)	5,884,657	2,201,109
Closing net funds	24(b)	6,726,531	5,884,657

Notes to the Financial Statements

at 31 December 2006

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

The accounting policies are the same as those set out in the financial statements of the Group for the period ended 31 December 2005, with the exception of share-based payments to employees which are now accounted for under FRS 20 (IFRS 2), as described further in Note 20. Applying a binominal valuation model to the Group's share option plan provides a fair value charge which in accordance with FRS 20 has been added to administrative expenses. As this is the first year in which the Group has operated a share-based payment scheme, the implementation of FRS 20 did not require any restatement of prior year results

International financial reporting standard ("IFRS")

The Group is required to prepare its reported financial statements under IFRS for the year ending 31 December 2007. Consequently, the Group has adopted IFRS in its consolidated financial statements from 1 January 2007, with the first reported results under IFRS being our interim statements later this year.

During 2006 the impact of adopting IFRS both on the Group's financial statements and the methodologies used for recording financial and related information was reviewed.

The following area that will have a material impact on the Group's financial statements has been identified. This summary is not intended to be comprehensive.

Goodwill amortisation - under UK GAAP, the Group's policy is to amortise capitalised goodwill resulting from any acquisitions on a straight-line basis over its estimated useful economic life. On transition to IFRS, IFRS 1 "First-time Adoption of International Financial Reporting Standards" requires the Group to review the carrying value of capitalised goodwill for potential impairment.

Furthermore, in accordance with IFRS 3 "Business Combinations", amortisation of goodwill will no longer be charged in the Group's consolidated profit and loss account. Under IFRS, instead of an annual charge to the profit and loss account, an impairment review will be carried out at each balance sheet date, and this is required irrespective of there being an indicator of impairment in existence. If impairment is identified, the resulting debit will be charged immediately to the profit and loss account.

Accounting currency

The Company uses the Euro as its accounting currency in light of the fact that its subsidiaries' entire revenues and expenses are Euro denominated. The Euro / Sterling exchange rate at 31 December 2006 was .67150

Comparative Figures

In 2005 the Company changed its year end from 30 June to 31 December in order to produce group financial statements coterminous with its main operating subsidiary. Accordingly the comparative figures in these financial statements are for the 6 months to 31 December 2005.

Basis of consolidation

The Group financial statements consolidate the financial statements of getmobile europe plc and all its subsidiary undertakings drawn up to 31 December each year. The subsidiary undertakings financial years are coterminous with those of the parent company. Intra group transactions and assets and liabilities are eliminated on consolidation. The accounting policies of the subsidiaries do not differ from those of the parent company. No profit and loss account is presented for getmobile Europe plc as permitted by section 230 of the Companies Act 1985.

Notes to the Financial Statements

at 31 December 2006

1. Accounting policies (continued)

Basis of consolidation (continued)

KK Media GmbH has been included in the Group financial statements using the acquisition method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows for the one month period from its acquisition on 30 November 2006. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Entities, other than subsidiary undertakings or joint ventures, in which the Group has a participating interest and over whose operating and financial policies the group exercises a significant influence are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Fixed asset investments

The investment in subsidiaries is stated at cost less any impairment provisions. The carrying value is reviewed for impairment periodically for events or changes in circumstances that indicate that the carrying value may not be recoverable.

Intangible asset - goodwill

Positive goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life up to a presumed maximum of 10 years (2005: 20 years). It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Tangible fixed assets and depreciation

Tangible fixed assets are initially recorded at cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Furniture, fixtures and fittings, and office equipment	-	10%-33% per annum
Computer equipment	-	33% per annum

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. The calculation of net realisable value includes any commission income in selling bundled goods and services.

Share based payment accounting policy

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuer using an appropriate pricing model, further details of which are given in Note 20.

Notes to the Financial Statements

at 31 December 2006

1. Accounting policies (continued)

Share based payment accounting policy (continued)

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (‘the vesting date'). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Turnover

The Company is involved in the direct sale to consumers of mobile phone contracts on behalf of leading mobile telephone network operators and service providers. The contracts are typically bundled with a mobile phone and/or other consumer electronic goods.

Turnover represents commissions and share of airtime revenues receivable from mobile telephone network operators and service providers, the sale of mobile telephone and consumer electronics to end consumers and the sale of mobile phones to wholesalers.

Turnover in relation to commissions and the sale of phones and goods is recognised when the related goods are dispatched from the warehouse. Share of airtime revenue is recognised as earned from the mobile telephone network operators and service providers.

Where sales are made with the right of return to the Group the loss expected to arise from the rights of return are recognised and the related sale is adjusted accordingly.

Leasing

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated, but not reversed at the balance sheet date, in respect of transactions or events that have occurred at that date that will result in an obligation to pay more, or right to pay less, tax, with the following exceptions:

- provision is made for deferred tax that would arise on remittance of the retained earnings of subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable; and

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the Financial Statements

at 31 December 2006

1. Accounting policies (continued)

Foreign currencies

The Company's and Group's financial statements are prepared in Euro.

Transactions in currencies other than the Euro ("foreign currencies") are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Interest income and expense

Interest income and expense are recognised as interest accrues using the effective interest method.

2. Turnover

Turnover, which is stated net of value added tax arises from the activities described in Note 1 above.

3. Segmental analysis

The Group's turnover, operating profit and loss and net assets by destination and source, were all derived from external customers in the European Union. The directors are of the opinion that Group's activities constitute a single class of business.

4. Operating (loss) / profit

This is stated after charging:

		Year ended 31 December 2006 *€*	*6 months ended 31 December 2005* *€*
Auditors' remuneration			
	- audit of the financial statements*	55,199	50,000
Other fees to auditors	- local statutory audits for subsidiaries	78,425	35,000
	- corporate finance services	9,430	–
Depreciation of tangible fixed assets		106,244	40,482
Amortisation of goodwill		2,134,281	1,379,333
Provision for impairment		53,973,477	–
Operating lease rentals	- land and buildings	189,777	57,913
	- plant and machinery	56,557	21,626
Share based payments to employees		1,916	–

** €13,000 (2005 - €12,000) of this relates to the company.*

Notes to the Financial Statements

at 31 December 2006

4. Operating (loss) / profit (continued)

An analysis of the administrative expenses excluding goodwill impairment of €53,973,477 (2005: €nil) from ongoing operations and acquisitions is set out below:

	Year ended 31 December 2006 €	*6 months ended 31 December 2005 €*
Administrative expenses – ongoing	6,409,474	274,194
Administrative expenses – acquisitions	79,732	3,011,275
	6,489,206	3,285,469

5. Directors' remuneration

The emoluments of the individual directors were as follows:

Year ended 31 December 2006

	Salary €	*Benefits €*	*Bonus €*	*Fees €*	*Total emoluments €*
Pierce Casey	–	–	–	120,000	120,000
Tim Schwenke	190,000	24,282	–	–	214,282
Daniel Wild	190,000	17,006	–	–	207,006
Sven Schreiber	190,000	16,618	–	–	206,618
Patrick Bosch	190,000	20,616	–	–	210,616
Brian Stephens	–	–	–	80,000	80,000
Maximilian Ardelt	–	–	–	25,000	25,000
David Kleeman (prior to resignation)	–	–	–	17,500	17,500
	760,000	78,522	–	242,500	1,081,022

6 months ended 31 December 2005

	Salary €	*Benefits €*	*Bonus €*	*Fees €*	*Total emoluments €*
Pierce Casey	–	–	–	33,387	33,387
Tim Schwenke	61,339	4,256	–	–	65,595
Daniel Wild	61,339	6,920	–	–	68,259
Sven Schreiber	61,339	6,759	30,000	–	98,098
Patrick Bosch	61,339	7,104	20,000	–	88,443
Brian Stephens	–	–	–	24,190	24,190
Maximilian Ardelt	–	–	–	2,708	2,708
David Kleeman	–	–	–	7,100	7,100
	245,356	25,039	50,000	67,385	387,780

Notes to the Financial Statements

at 31 December 2006

6. Staff costs

	Year ended 31 December 2006 €	*6 months ended 31 December 2005 €*
Wages and salaries	2,285,928	713,827
Social security costs	238,208	102,700
	2,524,136	816,527

The average monthly number of employees, including directors with service contracts, during the period was as follows:

	Year ended 31 December 2006 No.	*6 months ended 31 December 2005 No.*
Administrative	29	23
Sales and warehouse	21	11
	50	34

7. Interest payable

	Year ended 31 December 2006 €	*6 months ended 31 December 2005 €*
Bank interest and similar charges payable	11,294	1,548

8. Interest receivable and similar income

	Year ended 31 December 2006 €	*6 months ended 31 December 2005 €*
Bank interest and similar income receivable	197,549	108,019
Gain on settlement of liabilities to silent partners	14,250	–
	211,799	108,019

Notes to the Financial Statements

at 31 December 2006

9. Taxation

(a) Tax on (loss) / profit on ordinary activities

The tax charge is made up as follows:

		Year ended 31 December 2006 €		*6 months ended 31 December 2005 €*
Current tax:				
UK corporation tax on (loss) / profit for the year		58,500		–
Foreign tax:				
Foreign taxes on (loss) / profit for the year	77,816		410,668	
Adjustments in respect of prior periods	(4,165)	73,651	17,500	428,168
Share of associates current tax		9,284		–
Current tax charge (Note 9(b))		141,435		428,168
Deferred tax charge / (credit)		513,000		(12,400)
Tax on (loss) / profit on ordinary activities		654,435		415,768

(b) Factors affecting the current tax charge for the year

	Year ended 31 December 2006 €	*6 months ended 31 December 2005 €*
Group (loss) / profit on ordinary activities before tax	(54,354,239)	1,447,848
Group (loss) / profit on ordinary activities before tax at 30%	(16,306,272)	434,354
Goodwill amortisation and impairment	16,832,327	413,800
Losses utilised	(576,272)	(972,000)
Higher rates of overseas tax	195,817	529,000
Adjustment in respect of prior periods	(4,165)	17,500
UK losses not utilised	–	5,514
Total current tax (Note 9(a))	141,435	428,168

(c) Factors that may affect future tax charges

getmobile AG has estimated tax losses of €6.7m (2005: €7.8m) for trade taxes and €4.5m (2005: €5.5m) for corporate income taxes available to carry forward against future taxable profits. In any one year the first €1 million of profits in getmobile AG can be offset off against trade and corporate income tax losses brought forward in full, relief for profits in excess of €1 million is restricted to 60% in that year. In addition for the next 14 years, there is a separate annual write off allowable against both taxes of €0.2 million in respect of the settlement of the liability to former silent partners.

Notes to the Financial Statements

at 31 December 2006

9. Taxation (continued)

(d) Deferred tax

The deferred tax asset recognised during the year is analysed as follows:

	Year ended 31 December 2006	*6 months ended 31 December 2005*
	€	*€*
Opening balance	1,007,400	–
On acquisition of getmobile AG	–	995,000
Deferred tax (charged)/credited in profit and loss account for the year - Note 9(a)	(513,000)	12,400
At 31 December 2006	494,400	1,007,400

The recognised and unrecognised deferred tax asset comprises the following:

Group	*Recognised*		*Unrecognised*	
	31 December 2006	*31 December 2005*	*31 December 2006*	*31 December 2005*
	€	*€*	*€*	*€*
Losses carried forward	494,400	1,007,400	2,900,000	1,529,000

Company	*Recognised*		*Unrecognised*	
	31 December 2006	*31 December 2005*	*31 December 2006*	*31 December 2005*
	€	*€*	*€*	*€*
Losses carried forward	–	–	–	7,957

10. Loss attributable to members of parent company

The loss dealt with in the financial statements of the parent company was €58,134,337 (6 months to 31 December 2005 - €18,380).

Notes to the Financial Statements

at 31 December 2006

11. (Loss) / earnings per share

The calculation of basic (loss) / earnings per share is based on a loss of €55,008,674 (6 months to 31 December 2005 – profit €1,032,080) and on a weighted average number of ordinary shares in issue of 94,472,403 (6 months to 31 December 2005 - 75,673,945).

The calculation of adjusted earnings per ordinary share is based on the attributable profit of €1,099,084 (6 months to 31 December 2005 - €2,411,413) being the profit after tax but before charges for goodwill amortisation and impairment of €56,107,758 (6 months to 31 December 2005 - €1,379,333) as the directors believe that this is an appropriate measure of underlying performance.

The fully diluted earnings per ordinary share for the 6 months to 31 December 2006 was based on the issue of 175,000 shares under the warrant instrument grated to Davy and which was exercisable at 40 pence up to 2 July 2006. The warrant expired unexercised.

	Shares	*Loss/profit per share*	*Shares*	*Profit per share*
	31 December 2006	*31 December 2006*	*31 December 2005*	*31 December 2005*
	Nos	*Cents*	*Nos*	*Cents*
Basic EPS	94,472,403	(58.23)	75,673,945	1.36
Dilution for warrants	–		42,954	
Dilution for shares to be issued	–		207,738	
Diluted EPS	94,472,403	(58.23)	75,924,637	1.36
Adjusted EPS	94,472,403	1.16	75,673,945	3.19
Diluted adjusted EPS	94,472,403	1.16	75,924,637	3.18

Notes to the Financial Statements

at 31 December 2006

12. Intangible assets - goodwill

(i)

	€
Cost:	
At 1 January 2006	66,208,010
Acquisition of subsidiary undertaking	2,289,776
Reduction in cost of getmobile AG	(21,325)
At 31 December 2006	68,476,461
Amortisation and impairment:	
At 1 January 2006	(1,379,333)
Charge for the year	(2,134,281)
	(3,513,614)
Impairment provision made at 30 June 2006	(53,973,477)
	(57,487,091)
Net book value:	
At 31 December 2006	10,989,370
At 1 January 2006	64,828,677

Goodwill is being amortised over 10 years (2005: 20 years).

In light of the failure of getmobile AG to achieve the levels of profitability and growth rates anticipated at the time of its acquisition in August 2005 an impairment review on the value of goodwill was carried out at 30 June 2006 in accordance with the terms of FRS 11 - Impairment of Fixed Assets and Goodwill.

As a result a provision of €53,973,477 was made to write goodwill down to €9.2 million. This calculation was based on cashflow assumptions using a 20% discount rate.

The Company accounts for goodwill under the terms of FRS 10 - Goodwill and Intangible Assets which requires the amortisation of goodwill over its useful economic life. Following the impairment review it was decided to reduce the estimated remaining useful economic life from 20 to 10 years.

(ii) On 30 November 2006 the Group, through its subsidiary getmobile AG, acquired all of the issued share capital of KK Media GmbH, a company registered in Germany, for cash. The gross cost is €2,773,126 as follows:

	€
Acquisition	2,613,350
Costs of acquisition	159,776
	2,773,126

€613,350 of this amount is deferred at year end and is included in other creditors and accruals.

Notes to the Financial Statements

at 31 December 2006

12. Intangible assets – goodwill (continued)

(ii) (continued)

The following table sets out the book values of the identifiable assets and liabilities acquired:

	€
Fixed assets	
Tangible fixed assets	28,104
Current assets	
Stock	163,329
Debtors	913,535
Cash	253,083
	1,329,947
Creditors	734,847
Corporation tax	139,854
	874,701
Net assets	483,350
Gross cost	2,773,126
Goodwill	2,289,776

Having considered the position the directors are of the view that the net assets acquired represent fair value and no adjustment is required, however, this is their provisional view and they will revisit fair values on acquisition as appropriate.

(iii) During the prior period the company acquired 100% of the issued share capital of getmobile AG and its wholly owned subsidiary getonTV GmbH. The gross cost was €67,524,334 and the fair value of the net assets acquired was €1,316,324 resulting in goodwill of €66,208,010. During the year this cost was reduced by €21,325 as the result of the release of an accrual for costs which is no longer required.

Notes to the Financial Statements

at 31 December 2006

13. Tangible fixed assets

Group	*Furniture, fixtures and fittings* €	*Office equipment* €	*Computer equipment and software* €	*Total* €
Cost:				
At 31 December 2005	59,698	23,247	101,196	184,141
Acquisitions (Note 12)	–	8,220	19,884	28,104
Additions	15,656	4,160	124,102	143,918
Disposals	–	–	(739)	(739)
At 31 December 2006	75,354	35,627	244,443	355,424
Depreciation:				
At 31 December 2005	18,514	2,161	19,807	40,482
Provided during the year	6,367	5,984	93,893	106,244
Disposals	–	–	(267)	(267)
At 31 December 2006	24,881	8,145	113,433	146,459
Net book value:				
At 31 December 2006	50,473	27,482	131,010	208,965
At 31 December 2005	41,184	21,086	81,389	143,659

There were no tangible fixed assets held by the Company at 31 December 2006 or 31 December 2005.

14. Interests in associated undertakings

During the year the Group, through its subsidiary getmobile AG, invested in 39% of getlogics GmbH and 50% of MBIS GmbH. Both companies are incorporated in Germany. getlogics GmbH provides logistics services and MBIS GmbH provides VOIP telephoning services. The carrying value at the year end was made up as follows:

		31 December 2006 €	*31 December 2005* €
Cost of investments		22,250	–
Share of profits	21,386		
Share of tax	(9,284)	12,102	–
		34,352	–

Notes to the Financial Statements

at 31 December 2006

15. Fixed asset investments

Company	*Investment in subsidiary undertakings*
	€
Cost:	
At 31 December 2005	67,524,334
Accrued cost no longer required	(21,325)
Written off as result of impairment review (Note 12)	(58,303,009)
At 31 December 2006	9,200,000

In the opinion of the directors, the aggregate value of the investments in subsidiary undertakings is not less than the amount at which they are stated in the balance sheet.

Subsidiary undertakings

The Company holds all of the share capital of the following subsidiaries.

Name	*Country of incorporation*	*Nature of business*
Getmobile AG - directly	Germany	Sales of mobile phones and contracts
GetonTV GmbH – via getmobile AG	Germany	Placement of television advertising
KK Media GmbH – via getmobile AG	Germany	Sales of mobile phones and contracts

16. Stocks

		Group		*Company*
	31 December 2006	*31 December 2005*	*31 December 2006*	*31 December 2005*
	€	*€*	*€*	*€*
Goods for resale	1,994,982	855,241	–	–

17. Debtors

		Group		*Company*
	31 December 2006	*31 December 2005*	*31 December 2006*	*31 December 2005*
	€	*€*	*€*	*€*
Trade debtors	5,072,870	9,836,643	–	–
Amounts owed by group undertakings	–	–	365,130	215,250
Amounts owed by associates	49,797	–	–	–
Prepayments and other debtors	799,166	715,429	10,360	7,783
Deferred tax (Note 9(d))	494,400	1,007,400	–	–
VAT repayment due	24,803	180,156	2,512	122,116
	6,441,036	11,739,628	378,002	345,149

Notes to the Financial Statements

at 31 December 2006

18. Cash at bank and in hand

	Group		Company	
	31 December 2006	*31 December 2005*	*31 December 2006*	*31 December 2005*
	€	*€*	*€*	*€*
Cash at bank and in hand	6,816,031	6,589,984	1,165,479	1,170,648

19. Creditors: amounts falling due within one year

	Group		Company	
	31 December 2006	*31 December 2005*	*31 December 2006*	*31 December 2005*
	€	*€*	*€*	*€*
Trade creditors	3,957,068	4,608,553	19,811	91,249
Amount owed to group undertakings	–	–	51,930	–
Other taxes and social security costs	199,253	61,870	–	–
Other creditors and accruals	3,244,741	4,415,832	69,295	270,600
Financial liability to silent partners	89,500	705,327	–	
Corporation tax	58,500	–	58,500	–
Overseas tax	213,690	636,865	–	–
	7,762,752	10,428,447	199,536	361,849

20. Share capital

Group and Company		*Authorised*		*Allotted, called up and fully paid*
	No.	*Stg£*	*No.*	*€*
Ordinary shares of 1p each at 31 December 2005	200,000,000	2,000,000	94,264,665	1,360,499
Ordinary shares of 1p each at 31 December 2006	200,000,000	2,000,000	94,472,403	1,363,581

The shares are denominated as 1p Sterling. The Euro value of the allotted, called up and fully paid share capital has been calculated at the Euro / Sterling exchange rate ruling on the date of issue.

On 21 December the Company, in order to provide appropriate incentives for staff, adopted the getmobile europe plc Executive Share Option Scheme 2006, and issued options over 4.1 million shares at an exercise price of 18 cents with a vesting date of 21 December 2009. The fair value of the options has been calculated at 7.1 cents per share.

Notes to the Financial Statements

at 31 December 2006

20. Share capital (continued)

Details of options outstanding are as follows:

	Number of Options
Outstanding at 1 January 2006	–
Granted during the year	4,100,000
Outstanding at 31 December 2006	4,100,000

The options are subject to a performance condition that the Company's share price on the AIM or IEX market be at least 50 cents for 20 out of the 70 dealing days immediately prior to vesting. The options expire on 20 December 2019.

The amount charged to the profit and loss account in respect of the employee share options was €1,916 (2005: €nil).

The fair value of the options granted was calculated using a Binominal Model taking into account the terms and conditions upon which the options were granted. The assumptions used were as follows:

Share price at date of grant and exercise price	18 cents
Risk free rate of interest	4.63%
Volatility	50%
Dividend yield	0%

The share price used at the date of grant was the mid market price on IEX.

The risk free rate of interest has been approximated to the average yield on government gilt edged stock.

The volatility rate adopted by the directors reflects their expectation that the volatility applicable to the shares will reduce in comparison to its early trading when its price was affected by 2 profit warnings.

As part of the valuation the likelihood of the option holders achieving the performance condition has been taken into account in valuing the options granted.

Notes to the Financial Statements

at 31 December 2006

21. Reconciliation of shareholders' funds and movements on reserves

Group

	Share capital €	*Share premium* €	*Shares to be issued* €	*Other reserves* €	*Profit and loss account* €	*Totals* €
At 30 June 2005	125,622	2,033,106	–	15,574	(12,860)	2,161,442
Profit for the period	–	–	–	–	1,032,080	1,032,080
Other movements:						
Proceeds of issue of shares	1,234,877	72,549,002	–	–	–	73,783,879
Costs of issue of shares	–	(3,427,314)	–	–	–	(3,427,314)
Shares to be issued	–	–	178,655	–	–	178,655
At 31 December 2005	1,360,499	71,154,794	178,655	15,574	1,019,220	73,728,742
Loss for the year	–	–	–	–	(55,008,674)	(55,008,674)
Other movements:						
Proceeds of issue of shares	3,082	175,573	(178,655)	–	–	–
Release of warrant reserve	–	–	–	(15,574)	15,574	–
Share based payments	–	–	–	1,916		1,916
At 31 December 2006	1,363,581	71,330,367	–	1,916	(53,973,880)	18,721,984

Company

	Share capital €	*Share premium* €	*Shares to be issued* €	*Other reserves* €	*Profit and loss account* €	*Totals* €
At 30 June 2005	125,622	2,033,106	–	15,574	(12,860)	2,161,442
Loss for the period	–	–	–	–	(18,380)	(18,380)
Other movements:						
Proceeds of issue of shares	1,234,877	72,549,002	–	–	–	73,783,879
Costs of issue of shares	–	(3,427,314)	–	–	–	(3,427,314)
Shares to be issued	–	–	178,655	–	–	178,655
At 31 December 2005	1,360,499	71,154,794	178,655	15,574	(31,240)	72,678,282
Loss for the year	–	–	–	–	58,134,337)	(58,134,337)
Other movements:						
Proceeds of issue of shares	3,082	175,573	(178,655)	–	–	–
Release of warrant reserve	–	–	–	(15,574)	15,574	–
As at 31 December 2006	1,363,581	71,330,367	–	–	(58,150,003)	14,543,945

Notes to the Financial Statements

at 31 December 2006

21. Reconciliation of shareholders' funds and movements on reserves (continued)

Details of share capital issued during the period are as follows:

On 18 September 2006 207,738 ordinary shares were issued at 86 cents in settlement of the final consideration due to the vendors of getmobile AG resulting in the cancellation of the shares to be issued reserve.

Under a warrant instrument dated 25 June 2004, a warrant was granted to Davy in respect of 175,000 ordinary shares exercisable at 40 pence Sterling per share. The warrant expired unexercised on 2 July 2006 and accordingly the credit standing to the warrant reserve has been transferred to the profit and loss account.

22. Other financial commitments

Annual commitments under non-cancellable operating leases are as follows:

Group	*Land and buildings*		*Other*	
	31 December 2006	*31 December 2005*	*31 December 2006*	*31 December 2005*
	€	*€*	*€*	*€*
Operating leases which expire:				
Within 1 year	4,118	25,592	398	1,213
Between 2 and 5 years	185,659	108,814	66,586	44,144

The Company had no such commitments.

23. Treasury policy

The Group operates treasury policies, which include the ongoing assessment of interest rate management. Cash surpluses are invested in short-term deposits which are generally repayable on demand. The Group's financial risk management objective is to maintain a balance between continuity of funding and flexibility. The Board approves all decisions on treasury policy.

The Group does not trade financial instruments, nor hedge any financial exposures. The directors consider that the group does not have any significant exposure to price risk or cash flow risk.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Group policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. Where considered appropriate credit insurance is sought for debtor balances. Details of the Group's debtors are shown in Note 17 to the financial statements.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The group aims to mitigate liquidity risk by managing cash generation by its operations. At 31 December 2006 the Group's net current assets were €7.5m.

At 31 December cash at bank and deposits amounted to €6,816,031 (2005: €6,589,984) of which €92,086 (2005: €124,503) was held in Sterling. Interest is earned on Euro and Sterling denominated amounts at rates linked to the banks floating rates. No other financial assets earn interest. All financial assets are repayable to the group within one year.

Notes to the Financial Statements

at 31 December 2006

23. Treasury policy (continued)

None of the financial liabilities are subject to interest charges and all the financial liabilities are repayable by the group within one year.

The directors consider that the carrying value of all of the Group's financial assets and liabilities is representative of their fair value.

The main functional currency of the group is Euro though a number of expenses are incurred in Sterling. The Group does not have material transactional currency exposures nor is there a material exposure to foreign-denominated monetary assets and liabilities.

24. Notes to the statement of cash flows

(a) Reconciliation of operating (loss) / profit to net cash inflow from operating activities:

	Year ended 31 December 2006 €	*6 months ended 31 December 2005 €*
Operating (loss) / profit	(54,576,130)	1,341,377
Share based payments	1,916	–
Depreciation	106,244	40,482
Amortisation of goodwill	2,134,281	1,379,333
Impairment provision	53,973,477	–
Increase in stock	(976,412)	(148,004)
Decrease / (increase) in operating debtors	5,699,126	(4,914,358)
(Decrease) / increase in operating creditors	(3,012,065)	2,399,551
	3,350,437	98,381

(b) Analysis of changes in net funds

Group	*At 31 December 2005 €*	*Cash flow €*	*Other movements €*	*At 31 December 2006 €*
Cash at bank and in hand	6,589,984	226,047	–	6,816,031
Amounts due to silent partners	(705,327)	601,577	14,250	(89,500)
	5,884,657	827,624	14,250	6,726,531

(c) Non-cash transactions

During the year negotiations on the final value of the liability to silent partners acquired on the acquisition of getmobile AG in August 2005 were completed. As a result €14,250 has been released from the accrued liability to the profit and loss account.

Notes to the Financial Statements

at 31 December 2006

25. Related parties transactions

The Company was charged €250,000 (2005: €78,803) by Adelaide Capital Corp Limited, a company controlled by Pierce Casey, and of which both Pierce Casey and Brian Stephens are directors. The charge was made up as follows: fee for provision of services of Pierce Casey, €120,000 (2005: €33,387) and Brian Stephens €80,000 (2005: €24,190), and for accounting, office and administrative services €50,000 (2005: €22,226). A corporate finance fee of €145,000 in relation to the acquisition of getmobile AG was also charged in the period to 31 December 2005 by Adelaide Capital Corp Limited.

The Company was charged €17,500 (2005: €7,100) by Daman Financial Services Limited, a company controlled by David Kleeman, for the provision of his services as a non-executive director, and €1,125 (2005: €nil) for the use of office premises.

The Company was charged €25,000 by Condigit Consult GmbH, a company controlled by Maximilian Ardelt for the provision of his services as non-executive director (2005: €2,708 charged to getmobile AG re services to its Supervisory Board).

At 31 December 2006 the Company owed Adelaide Capital Corp Limited €nil (2005: €47,500) and Daman Financial Services Limited €nil (2005: €5,601) in respect of these charges.

Under the terms of the agreement for the purchase of getmobile AG the Company was required at 31 December 2005 to issue a further 167,109 shares to certain directors and companies related to them. At the issue price of 86 cents the liability amounted to €143,714. This amount was included in the shares to be issued reserve as part of the consideration for the acquisition. Details of the individuals and companies to whom the shares were due to be issued are set out in the note on directors' beneficial holdings on page 9.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Buchanan Communications, 6th Floor, 45 Moorfields, London EC2Y 9AE, on 16 May 2007 at 11am for the transaction of the following business:

1. To receive and adopt the financial statements of the Company for the year ended 31 December 2006 together with the directors' report and the auditor's report on those financial statements.

2. To re-elect Pierce Casey, a director retiring by rotation, as a director of the Company.

3. To re-elect Brian Stephens, a director retiring by rotation, as a director of the Company.

4. To re-elect Maximilian Ardelt, a director retiring by rotation, as a director of the Company.

5. To re-appoint Ernst & Young LLP as auditor of the Company to hold office from the conclusion of the meeting to the conclusion of the next annual general meeting at which financial statements are laid before the Company.

6. To authorise the directors to determine the auditor's remuneration.

Special business

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

7. THAT, in substitution for all existing authorities, the directors be generally and unconditionally authorised for the purpose of Section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £314,000 for a period expiring at the expiry of the date which is 15 months after the date of passing of this Resolution or if earlier, at the conclusion of the next annual general meeting of the Company, save that the Company may before expiry of this authority make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

To consider and, if thought fit, pass the following resolutions as a special resolution:

8. THAT, subject to the passing of resolution 7 , the directors be generally empowered pursuant to Section 95 of the Companies Act 1985 ("CA 1985") to allot equity securities (within the meaning of Section 94(2) of the CA 1985) for cash as if Section 89(1) of the CA 1985 did not apply to the allotment, provided that the power conferred by this resolution:

   (a) will expire at the expiry of the date which is 15 months after the date of the passing of this Resolution or if earlier, at the conclusion of the next annual general meeting of the Company, save that the Company may before expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the power conferred by this resolution has expired; and

Notice of Annual General Meeting

(b) is limited to:

(i) an allotment of equity securities in connection with a Rights Issue. For the purpose of this resolution 8, a "Rights Issue" means an offer of securities, open for acceptance for a period fixed by the directors, to holders of ordinary shares or other equity securities of any class made in proportion (as nearly as practicable) to their respective existing holdings of ordinary shares or other equity securities of the class concerned (so that any offer to holders of other equity securities of any class shall be on the basis of their rights to receive that offer, or in the case of securities convertible into ordinary shares, proportionate to the number of ordinary shares which would be allocated upon the exercise in full of the attached conversion rights) but subject to the directors having a right to make such exclusions or other arrangements as they consider necessary or expedient in relation to fractional entitlements or legal or practical problems arising in any overseas territory, by virtue of the shares being represented by depositary receipts or by the requirements of any regulatory body or stock exchange; and

(ii) the allotment (otherwise than pursuant to (i) above) of equity securities for cash having, in the case of relevant shares, a nominal amount or, in the case of other equity securities, giving the right to subscribe for or convert into relevant shares having a nominal amount not exceeding in aggregate £94,472.

and the power conferred by this resolution 8 shall also apply to a sale of treasury shares, which is an allotment of equity securities by virtue of Section 94(3A) of the CA 1985, but with the omission of the words "pursuant to the authority conferred by resolution 7".

9. THAT, the share premium of the Company be cancelled.

Dated 3 April 2007
By order of the Board

Dick Lynch
Secretary

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote on his/her behalf on a poll. A proxy need not be a member of the Company.

2. A form of proxy is enclosed and to be valid it must be lodged at the registrars, Capita Registrars, Proxy Processing Centre, Telford Road, Bicester OX26 4LD so as to be received not later than 11am on 14 May 2007. Completion and return of a form of proxy will not prevent a member from attending and voting at the meeting in person if he/she so wishes.

3. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered in the register of members at the close of business on 14 May 2006 shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after this time shall be disregarded in determining the right of any person to attend and vote at the meeting.

4. The register of directors' interests in the share capital of the Company and copies of each director's service contract or letter of appointment will be available for inspection at the registered office of the Company during normal business hours on any weekday (public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting and at Buchanan Communications, 45 Moorfields, London, EC2Y 9AE for 15 minutes prior to and during the meeting.