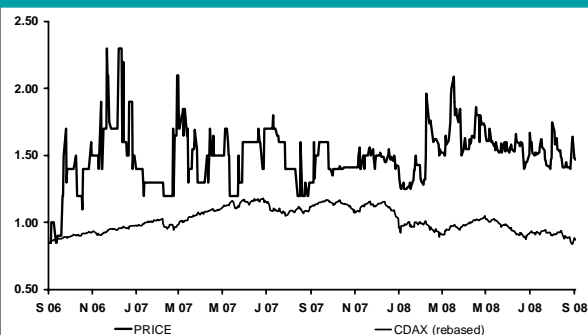


E-Commerce • UK

Fair value: EUR 4.30 (3.00)

- See disclaimer on the back pages -

Price chart



Key data

Price (EUR)	1.47
12 Month H/L (EUR)	2.1 / 1.3
Market Cap. (EUR m)	13.9
Free Float	70.5
Reuters Code	GETM
Bloomberg Code	GZQA
ISIN	GB00B2QTYX55

Valuation

FY 31/12	07	08e	09e	10e
MC/Sales	0.1	0.2	0.2	0.1
EV/EBIT	3.4	1.6	0.8	0.2
P/E	6.4	4.9	4.4	3.6
Div. Yield (%)	6.7	6.8	7.5	8.2

Per share data (EUR)

FY 31/12	07	08e	09e	10e
EPS	0.234	0.300	0.334	0.412
Net DPS	0.100	0.100	0.110	0.120
BVPS	2.27	2.47	2.71	3.01

Financials • EUR m • IFRS

FY 31/12	07	08e	09e	10e
Sales	100.8	88.0	80.0	100.0
(prev.)	100.8	106.0	121.0	135.0
EBIT	2.5	3.2	4.1	5.2
(prev.)	2.5	2.5	3.2	4.2
Adj. Net Profit	2.2	2.8	3.2	3.9
(prev.)	2.2	2.4	2.2	2.7

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Half-year results / Outlook

Higher margins rather than increased volume

- Sharp hike in earnings but slightly lower sales
- Withdrawing from wholesaling
- Focus on contracts that yield more commission
- Plans to extend the business model
- Fair value has increased to EUR 4.30, valuation based on key multiples puts value at EUR 5.60 per share

While sales slipped slightly in H1 2008 to EUR 49.0 million, down from around EUR 49.9 million in H1 2007, getmobile lifted earnings substantially. Including initial start-up losses from the joint venture Premingo (expansion of product bundling to other types of consumer contracts), EBIT advanced from just over EUR 1.0 million to nearly EUR 1.5 million. The reduction in sales was principally due to the decision to scale back the low-margin wholesale operations which have lost their strategic significance (increase in purchasing power and access to conventional retailers). Sales in this area shrank by around EUR 6.4 million to EUR 16.4 million, while business with consumer contracts increased roughly 10% to EUR 32.6 million even though slightly fewer contracts were sold.

getmobile is about to launch a promotional campaign in the conventional retail sector to extend its market reach to this far higher-volume segment. By marketing bundled products through stores, getmobile can target customers it cannot reach through the internet. Having extended its activities from mobile phones to other consumer contracts (through Premingo), getmobile is now working on the further evolution of its internet-based business model. A new idea is scheduled for market launch before the end of this year.

We have increased our profit forecast on the basis of the H1 figures. As a result both the fair value and the valuation derived from comparison of multiples have risen significantly. One particularly striking feature is getmobile's massive discount to the peer group. Moreover, 70% of the share price is covered by liquid assets. Assuming the free cash flow continues to rise, we calculate an almost negative enterprise value by 2010. The recently published prospectus should enable getmobile to market its shares to a wider range of shareholders, especially as it is planning to switch to the Entry Standard on the German stock exchange. getmobile has announced an interim dividend of EUR 0.05 per share.

H1 2008 and outlook

One striking feature of sales in the first half of this year was that revenues from consumer contract business increased even though business volume was slightly lower than in H1 2007 because getmobile did not enter into any low-margin transactions with providers this year. This was partly due to its improved internet presence, which has been supplemented by a third platform, 'besthandy.de'. Nevertheless, sales of mobile phone contracts should increase over the year as a whole because getmobile is planning a marketing drive in conventional stores for the fourth quarter. The aim is to target consumers who would be interested in its bundled products but whom it cannot reach through direct marketing channels. This is important because at most 20% of the roughly 9 million mobile phone contracts concluded in Germany each year are sold through direct marketing channels. getmobile aims to gain access to a far greater slice of the market through conventional stores. In order to implement these plans, it has developed special software for retail stores in recent months.

We are upbeat about getmobile's chances of increasing its market share because bundled products help retailers raise sales of consumer contracts. By contrast, getmobile's wholesale operations have lost their original strategic significance and are to be scaled back radically over the next few months. Since this business still accounted for around 30% of sales in H1 2008, sales revenues are likely to decline in both 2008 and 2009.

Although withdrawing from this business is cutting sales in the short term, it is boosting profitability. Consequently, getmobile's earnings performance in the first half was well above our expectations. EBIT was EUR 1.5 million, almost 60% of our forecast for the full year – and the second half of the year tends to be the stronger half. We have therefore raised our EBIT forecast for 2008 from EUR 2.5 million to EUR 3.2 million. We assume that sales will rise to EUR 100 million by 2010 while EBIT will advance to around EUR 5.2 million.

The Premingo internet platform, which will be used to extend the business model from mobile phones to other consumer contracts, is now in the start-up phase. This is the first step away from mobile phone contracts to the broader universe of consumer contracts for products such as insurance, electricity and gas, magazine subscriptions, credit cards and bank accounts. The company evidently has firm plans for other internet-based retail platforms and should announce its next project before year-end.

While online marketing is one of getmobile's core competencies, marketing of its own shares has been somewhat less successful of late. The shares have now been admitted to trading on the Open Market in Frankfurt and getmobile has shed its "penny stock" image through a reverse stock split. However, since it had not published a securities prospectus, the company has so far only been able to address qualified investors and was thus excluded from the broader investment community. At the end of last week it published a prospectus, which has been approved by the German regulator BaFin, giving it new opportunities to attract investors. In view of this, getmobile is planning to switch to the Entry Standard in the near future.

Valuation

Alongside concrete forecasts for the period to 2010, in the light of the increase in margins resulting from the withdrawal from wholesaling, we have increased the medium-term return expectations in our valuation model by 2.5 percentage points to 15% and the long-term expectations by 1.5 percentage points to 12.5%. Since market interest rates have declined substantially since July in the wake of the financial crisis, this results in a sharp rise in fair value from EUR 28.0 million to around EUR 41.1 million, i.e. from EUR 3.00 per share to EUR 4.30 per share.

The increase in the valuation derived from our peer group comparison based on key multiples is even higher: from EUR 3.80 per share to EUR 5.60 per share. The principal reason for this, apart from the higher forecasts, is expansion of the peer group to include the Bavarian company zooplus AG, which claims to be the leading internet retailer of pet products (pet foods and accessories) and has been listed in the Entry Standard for some months.

Peer group multiples

	Currency	Price on 23.9.2008	Market cap. (in Mio.)	EV (in Mio.)	PER		EV / EBIT	
					2008e	2009e	2008e	2009e
Buch.de	EUR	3.00	31	21	33.3	27.3	21.6	18.9
Delticom	EUR	41.00	162	125	15.4	12.2	8.2	6.7
Hotel.de	EUR	18.31	69	51	20.1	8.8	11.1	4.7
Interhyp	EUR	61.00	402	370	17.7	14.7	11.7	9.6
Stamps.com	USD	12.95	251	172	21.4	19.5	n.a.	n.a.
zooplus	EUR	28.80	69	71	40.0	24.0	n.a.	n.a.
Average (without extremes)					23.1	17.6	11.4	8.1
getmobile (at a share price of €1.47)					4.9	4.4	1.3	1.0

Source: Thomson Financial, Concord Equity Research

Determination of market valuation of getmobile

based on 2008e and 2009e, in EUR Mio.

	Based on market cap.	Based on Enterprise value
Enterprise value		34.6
Net cash		9.7
Equity value	60.6	44.3
Percentage of weighted average	50%	50%
Weighted equity value		52.5
Number of shares (current year, in Mio.)		9.4
Value per share (in €)		5.60

Source: Thomson Financial, Concord Equity Research

getmobile europe plc - Shareholder value analysis

EUR m	Economic profit	Free cash flow	Discount factor	PV of economic profit	PV of free cash flow
12/2008e	(0.12)	(0.46)	0.8927	(0.11)	(0.41)
12/2009e	(0.01)	0.76	0.7983	(0.01)	0.61
12/2010e	0.75	1.13	0.7142	0.54	0.81
Terminal- / Continuing value				15.84	37.51
Total				16.26	38.51
Net assets (12/2007)				22.25	
Fair value (debt + equity)				38.51	38.51
Adjustment factor per 23/09/2008					1.087
Current fair value (debt + equity)					41.85
Debt (12/2007)					(0.76)
Fair value of equity					41.08
Fair value per share (EUR)					4.30
Parameters used	(2011 - 2015)	(from 2016)			
RONA (%)	15.0	12.5			
CAGR Net assets (%)	7.0	2.5			
Change in CE / adjusted profit (%)	46.7	20.0			
WACC (%)	11.6	8.3			

Sensitivity analysis

Share price potential versus RONA and growth in economic profit

		MT RONA (%)					LT RONA (%)						
		13.0	14.0	15.0	16.0	17.0			10.5	11.5	12.5	13.5	14.5
MT growth p.a. (%)	5.0	172	179	186	193	200	LT growth p.a. (%)	1.5	141	161	181	201	222
	6.0	177	184	191	198	205		2.0	144	166	188	210	232
	7.0	182	189	196	203	210		2.5	148	172	196	220	243
	8.0	187	194	201	208	215		3.0	153	179	205	231	257
	9.0	192	199	206	214	221		3.5	159	188	217	245	274

Share price potential after a change in interest rates

Long-term bond yield (%)	3.24	3.49	3.74	3.99	4.24	4.49	4.74	4.99	5.24
Share price potential (%)	264	245	227	211	196	182	170	158	147

Share price potential depending on the risk premium

Risk premium (%)	2.0	2.5	3.0	3.5	4.0	4.5	5.0	5.5	6.0
Share price potential (%)	428	348	286	236	196	162	134	111	90

Share price potential depending on medium-term beta

Medium-term beta	2.00	1.40	1.60	1.80	2.00	2.20	2.40	2.60	2.80
Share price potential (%)	196	238	223	209	196	183	171	160	149

getmobile europe plc - Economic profit

	12/06	12/07	12/08e	12/09e	12/10e
	EUR m	EUR m	EUR m	EUR m	EUR m
Economic profit	(6.86)	0.10	(0.12)	(0.01)	0.75
Adjusted profit after tax	1.63	2.41	2.55	2.98	3.98
Weighted average cost of capital after tax	8.5	2.3	2.7	3.0	3.2
Value added margin (%)	(9.0)	0.5	(0.6)	(0.0)	2.7
Return on net assets (%)	2.1	12.4	11.5	11.8	14.5
Weighted average cost of capital after tax* (%)	11.2	11.9	12.0	11.8	11.8

* Year-end values from prior year

	12/06	12/07	12/08e	12/09e	12/10e
	EUR m	EUR m	EUR m	EUR m	EUR m
Profit and loss account					
Sales	63.60	100.77	88.00	80.00	100.00
Gross profit	5.80	8.84	9.80	11.20	13.10
EBITDA	1.61	2.73	3.48	4.39	5.58
EBIT	(54.10)	2.49	3.18	4.06	5.25
Profit before income tax	(53.89)	2.68	3.50	4.44	5.69
Net profit after minority interests	(54.54)	2.21	2.83	3.16	3.89
Earnings per share (EUR)	(5.773)	0.234	0.300	0.334	0.412
Balance sheet					
Non-current assets	11.71	12.01	12.12	12.19	12.22
Current assets	13.96	20.27	24.43	26.49	31.84
Other	1.29	0.75	0.90	1.00	1.00
Total assets	26.96	33.03	37.45	39.68	45.06
Shareholders' equity	19.20	21.51	23.58	25.79	28.64
Liabilities	7.76	11.52	12.93	12.94	15.47
Total liabilities and shareholders' equity	26.96	33.03	36.51	38.73	44.11
Net assets					
Capital employed	13.91	18.41	18.09	18.14	19.19
Working capital	5.48	11.14	11.53	11.54	13.87
Other operating assets	8.43	7.26	6.55	6.60	5.33
Non-operating assets	5.58	3.85	7.18	9.34	11.14
Net assets	19.49	22.25	25.26	27.48	30.33
Flow of funds					
Cash provided by ordinary activities	3.29	(0.56)	3.31	3.34	3.60
Cash used for investments	(2.45)	(0.54)	(0.41)	(0.40)	(0.36)
Change in cash from financing activities	(0.61)	0.01	(0.76)	(0.94)	(1.04)
Change in liquid assets	0.23	(1.09)	2.13	2.00	2.20
Operating margins					
Operating cash flow / Sales	5.9	(0.3)	4.2	5.3	5.0
EBITDA / Sales	2.5	2.7	4.0	5.5	5.6
EBITA / Sales	2.4	2.5	3.6	5.1	5.2
EBIT / Sales	(85.1)	2.5	3.6	5.1	5.2
Pre-tax margin	(84.7)	2.7	4.0	5.6	5.7
After-tax margin	(85.7)	2.2	3.0	3.7	3.9
Ratios					
Equity ratio (%)	28.5	30.5	32.8	36.7	38.7
Pre-tax return on equity	(117.9)	13.5	15.8	18.4	21.3
After-tax return on equity	(119.3)	11.1	12.0	12.2	14.7
Interest cover	158.0	329.5	429.8	546.0	701.0

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The following reports have previously been published on this company (data adjusted for reverse share split):

DATE	FAIR VALUE	PRICE
03.07.2008	EUR 3.00	EUR 1.66
08.04.2008	EUR 3.20	EUR 2.10
20.12.2007	EUR 2.40	EUR 1.40

The regulatory body is the Bundesanstalt für Finanzdienstleistungen (BaFin) in Germany.