getmobile europe plc

Close Brothers Seydler Research AG

Recommendation:	Risk:	Price Target:
BUY (BUY)	HIGH (HIGH)	EUR 1.50 (1.50)

27 November 2009

Disposal of Mobile phone contract buiness

New company name will reflect new business focus

- Yesterday the group announced the disposal of its mobile phone contract business by selling certain assets including inventory, trademarks, software and domain name rights to a newly incorporated subsidiary of wap-telecom GmbH. getmobile however will retain its investments in getperformance GmbH and getlogics GmbH. Back in 2002, getmobile had acquired wap-telecom which then was sold via a management buy-out in 2004. Since then wap-telecom has been further linked to getmobile as an external supplier. Therefore, the sale of this business unit to wap-telecom makes sense and could be completed within short-term. However, this deal is still subject to shareholder approval at the upcoming EGM.

- Summing up the transaction, getmobile will receive overall EUR 0.7m of which EUR 0.4m will become due with the conclusion of the agreement while the remaining EUR 0.3m will be paid in four six-monthly instalments. Considering taxes and transactions costs the group will generate a profit after costs of about EUR 0.59m. From our perspective this deal can be seen as a necessary step since the operational performance of this unit has become very distressing over the year.

- After finalising this deal the group can further focus to its new strategic target of an e-commerce portfolio holding. So far the platform PaulDirekt, which already generated strong growth, is the company's main focus. By investing additional EUR 1m within the next year PaulDirekt should get a growth boost and to manage to be break-even in 2010E with revenues of about EUR 14m. Resulting from the new diversification approach also Shirtinator (2010E: 5m) and getlogics (2010E: 4m) should start to generate significant revenues. Overall, we expect the group to achieve as "new" company revenues of EUR 23m in 2010E with a marginal net loss of EUR 0.07m. From 2011E on, PaulDirekt is expected to achieve revenues of about EUR 19m and the group's revenues should reach EUR 30.6m with a net income of EUR 0.83m (old: 0.54m).

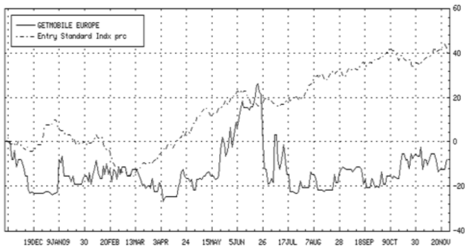
- After a short transition period (name change and completion of deal) which we think will last until 1H 2009, getmobile's new strategic path will be back on track to fulfil the mid-term objectives. We therefore reiterate our BUY recommendation with an unchanged price target of EUR 1.50.

Key data

Y/E 31.12., EUR m	2007	2008	2009E	2010E	2011E
Sales revenues	100.8	101.5	27.5	23.0	30.6
EBITDA	2.7	3.2	-1.0	0.0	1.1
EBIT	2.5	3.1	-13.0	-0.2	0.9
Net income/loss	2.2	2.5	-13.0	-0.1	0.8
EPS	0.24	0.27	-1.38	-0.01	0.09
CPS	0.04	0.49	0.04	0.03	0.12
DPS	0.10	0.11	0.00	0.02	0.03
EBITDA margin	2.7%	3.2%	-3.8%	-0.1%	3.6%
EBIT margin	2.5%	3.0%	-47.3%	-0.7%	3.0%
EV/EBITDA	0.1	0.1	n.m.	n.m.	0.3
EV/EBIT	0.1	0.1	n.m.	n.m.	0.3
P/E	0.1	0.1	n.m.	n.m.	0.4

Source: getmobile europe plc; CBS Research AG

Share price (dark) vs. Entry Standard



Sources: CBS Research AG, Bloomberg

Change	2009E		2010E		2011E	
	new	old	new	old	new	old
Sales	-	27.5	23.0	20.6	30.6	23.1
EBITDA	-1.0	-1.8	0.0	0.5	1.1	0.7
EPS	-1.38	-1.54	-0.01	0.05	0.09	0.06

Internet: www.getmobile-europe.com
WKN: A0QZ0E
Reuters: GETM.DE
Sector: Internet
ISIN: GB00B2QTYX55
Bloomberg: GZQA GY

Share data:	
Share price (EUR):	1.17
Shares outstanding (m):	9.4
Market capitalisation (EURm):	11.1
Enterprise value (EURm):	0.3
Ø daily trading volume (3m, no. of shares):	22,717

Performance data:	
High 52 weeks:	1.59
Low 52 weeks:	0.79
Absolute performance (12 months):	-7.50%
Relative performance (vs. Entry Standard):	
1 month	-5.1%
3 months	3.4%
6 months	-17.9%
12 months	-22.1%

Shareholders:	
Tiburon Unternehmensaufbau GmbH:	15.8%
Pierce Casey:	9.9%
Mountain Partners AG:	6.9%
Dexia Asset Management AG:	6.5%
Others:	60.9%

Financial calender:

EGM — December 2009

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Profit and loss account

IFRS EUR 1,000	2007	2008	2009E	2010E	2011E
Sales	**100,766**	**101,458**	**27,489**	**22,985**	**30,625**
YoY growth	145.7%	59.5%	-69.0%	-16.4%	33.2%
Cost of sales	-91,692	-90,192	-27,187	-21,394	-27,379
as % of sales	-91.0%	-88.9%	-98.9%	-93.1%	-89.4%
Gross profit	**9,074**	**11,266**	**302**	**1,591**	**3,246**
as % of sales	9.0%	11.1%	1.1%	6.9%	10.6%
Administrative expenses excl. depreciation, amortisation and goodwill impairments	-6,344	-8,042	-1,924	-1,609	-2,144
as % of sales	-6.3%	-7.9%	-7.0%	-7.0%	-7.0%
Other operating income	0.0	0.0	700.0	0.0	0.0
as % of sales	0.0%	0.0%	2.5%	0.0%	0.0%
Other operating expenses	0.0	0.0	-110.0	0.0	0.0
as % of sales	0.0%	0.0%	-0.4%	0.0%	0.0%
EBITDA	**2,730**	**3,224**	**-1,032**	**-18**	**1,103**
as % of sales	2.7%	3.2%	-3.8%	-0.1%	3.6%
Depreciation and amortisation	-238	-248	-281	-202	-261
as % of sales	-0.2%	-0.2%	-1.0%	-0.9%	-0.9%
Goodwill impairments	0	0	-11,742	0	0
as % of sales	0.0%	0.0%	-42.7%	0.0%	0.0%
Share of post tax profit of associates	53	101	60	70	75
EBIT	**2,545**	**3,077**	**-12,995**	**-150**	**916**
as % of sales	2.5%	3.0%	-47.3%	-0.7%	3.0%
Net financial results	136	268	100	110	120
EBT (Earnings before income taxes)	**2,681**	**3,345**	**-12,895**	**-40**	**1,036**
as % of sales	2.7%	3.3%	-46.9%	-0.2%	3.4%
Income taxes	-468	-972	-155	-30	-207
as % of EBT	-17.5%	-29.1%	1.2%	74.2%	-20.0%
Group net income including minorities	**2,213**	**2,373**	**-13,050**	**-70**	**829**
Minority interests	-16	-140	-4	-3	-2
Net income attributable to shareholders	**2,229**	**2,513**	**-13,046**	**-67**	**831**
as % of sales	2.2%	2.5%	-47.5%	-0.3%	2.7%
Shares outstanding (in thousands)	9,447	9,447	9,447	9,447	9,447
Basic earnings per share (EUR)	**0.24**	**0.27**	**-1.38**	**-0.01**	**0.09**

Source: getmobile europe plc, CBS Research AG

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BUY: The expected performance of the share price is above +10%.

NEUTRAL: The expected performance of the share price trend is between +5% and +10%.

SELL: The expected performance of the share price is below 5%.

Recommendation history for the company analysed in this report:

Date	Recommendation	Price at change date	Price Target
06 November 2008	BUY	EUR 1.54 (Initiating Coverage)	EUR 3.95
27 January 2009	BUY	EUR 1.05	EUR 3.95
27 March 2009	BUY	EUR 1.04	EUR 3.95
09 April 2009	BUY	EUR 0.98	EUR 2.94
30 June 2009	BUY	EUR 1.11	EUR 1.50
29 September 2009	BUY	EUR 1.00	EUR 1.50
27 November 2009	BUY	EUR 1.17	EUR 1.50

Risk-scaling System:
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MEDIUM: The volatility is expected equal to the volatility of the benchmark

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