



ASX RELEASE

Market Update

Unaudited Net Revenues for December 2011 Passes A\$1 Million

- **MOKO concluded the formal acquisition of Paper Tree Limited and the associated group of companies on 15th December 2011.**
 - **Unaudited EBITDA for the UK operations for December was £82,603 (A\$122,740), much better than expected.**
 - **December Unaudited UK EBITDA was achieved on gross sales of £1.22 million (A\$1.8million) and net revenues of £610,683 (A\$900,700)**
 - **Unaudited combined group December gross sales of over A\$2 million**
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19 January 2012 - The Company is pleased to report that the initial results for the newly acquired UK based mobile entertainment business has achieved a better than expected result. There are many factors that could affect the ongoing performance of the UK operations, including general market conditions, success or failure of current and future marketing campaigns, or delays in carrier deployments, product launches or billing connectivity, but all things being equal and based on the current operations and activities, we expect the UK business to continue to be profitable on a monthly basis.

Further M&A Activities

As outlined in the September quarterly update, the Company is actively pursuing and reviewing further potential M&A deals. These activities are still early in the process and subject to commercial confidence and, as such, cannot be reported on further at this stage. The focus for M&A targets is for businesses currently active or located in the USA, UK and Europe. There is no guarantee that any of these initiatives will ultimately be

successful and we will, of course, make relevant announcements as soon as we are in a position to do so.

Greg McCann

Chairman