

FY 2013 SEPTEMBER QUARTER CHAIRMAN'S REVIEW

Q1 KEY HIGHLIGHTS

Unaudited Sales Revenues of \$5.13m increase of 814% from corresponding quarter in FY 2012.

Projected Sales Revenues for the December quarter are expected to increase to approx. \$7.5m

Acquisition of OfferMobi USA, a mobile performance advertising network.

Acquisition of All Night Media UK, a carrier-based mobile content & management service.

Unaudited underlying profit result from normal trading activities for the September quarter, excluding abnormal items and non-cash expenses, was \$49,128.

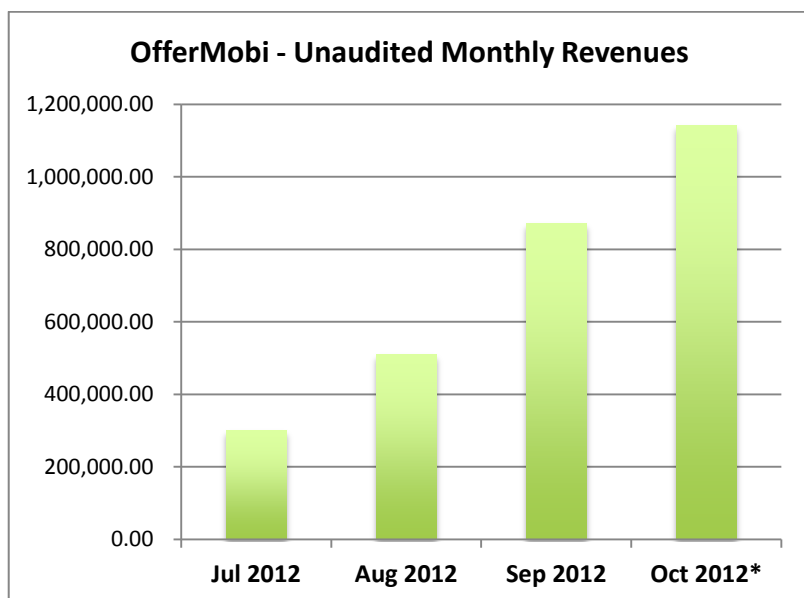
Unaudited EBITDA result and net loss for the quarter was (\$0.45m) and (\$0.60m) respectively, which included the following abnormal items:

| | \$m |
|--|-------------|
| Restructure costs – including employee terminations | 0.10 |
| Acquisition related Professional Fees, and associated activities | 0.06 |
| Corporate developments costs (USA) | 0.09 |
| New marketing & channel development (UK) | 0.22 |
| Other administration | 0.03 |
| | |
| Total abnormal items: | 0.50 |

NEW ACQUISITIONS & NEW MARKETING INITIATIVES

The September quarter was a very active period in that the Company closed two new acquisitions, being OfferMobi USA and All Night Media UK. These acquisitions have broadened the Company's product suite and distribution channels and will be accretive to the Company in this current financial year.

OfferMobi in particular is performing strongly and we have seen revenues more than double in the last 3 months.



**NB: October revenues are estimate only.*

Also during the quarter, the Company initiated new consumer product activities and established new business units to exploit these channels. As a result there was a corresponding uplift in new marketing and channel development costs and it is anticipated that these activities will deliver increased revenues in the coming quarters.

The board continues to assess various acquisition target opportunities, particularly in areas of mobile gaming and mobile e-commerce, in order to broaden the platform offering and will update shareholders should anything progress to a relevantly advanced stage.

POSITIVE UPLIFT FOR THE DECEMBER QUARTER

The Company entered the December quarter in a strong position and with the full integration of OfferMobi and All Night Media, the Group sales revenues for the Dec-12 quarter is expected to increase by 45% to approximately \$7.5m, which is anticipated to yield a positive EBITDA result for Q2.

Net cashflow was negative this current quarter due to the ramp up of the OfferMobi business and various other new business initiatives. We expect that this will return to a positive position in the new year as these initiatives are implemented and the receivables for Q1 and Q2 start flowing in.

Greg McCann
Chairman

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

MOKO.MOBI LIMITED

ABN

31 111 082 485

Quarter ended ("current quarter")

30 SEPTEMBER 2012

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--|-------------------------------|---------------------------------------|
| 1.1 Receipts from customers | 5,105 | 5,105 |
| 1.2 Payments for | | |
| (a) staff costs | (965) | (965) |
| (b) advertising and marketing | (898) | (898) |
| (c) research & development | - | - |
| (d) other working capital | (3,635) | (3,635) |
| (e) other | - | - |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 3 | 3 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes received/(paid) | - | - |
| 1.7 Other (R&D grant received) | - | - |
| Net operating cash flows | (390) | (390) |

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

| | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|-------------------------------|---------------------------------------|
| 1.8 Net operating cash flows (carried forward) | (390) | (390) |
| Cash flows related to investing activities | | |
| 1.9 Payment for acquisition of: | | |
| (a) businesses (item 5) | (1,024) | (1,024) |
| (b) equity investments | - | - |
| (c) intellectual property | - | - |
| (d) physical non-current assets | (36) | (36) |
| (e) other non-current assets | - | - |
| 1.10 Proceeds from disposal of: | | |
| (a) businesses (item 5) | - | - |
| (b) equity investments | - | - |
| (c) intellectual property | - | - |
| (d) physical non-current assets | - | - |
| (e) other non-current assets | - | - |
| (f) cash acquired on acquisition | 110 | 110 |
| 1.11 Loans to other entities | - | - |
| 1.12 Loans repaid by other entities | - | - |
| 1.13 Other (payment for product development cost) | - | - |
| Net investing cash flows | (950) | (950) |
| 1.14 Total operating and investing cash flows | (1,340) | (1,340) |
| Cash flows related to financing activities | | |
| 1.15 Proceeds from issues of shares, options, etc (net) | 641 | 641 |
| 1.16 Proceeds from sale of forfeited shares | - | - |
| 1.17 Proceeds from borrowings | 100 | 100 |
| 1.18 Repayment of borrowings | - | - |
| 1.19 Dividends paid | - | - |
| 1.20 Other | - | - |
| Net financing cash flows | 741 | 741 |
| Net increase/ (decrease) in cash held | (599) | (599) |
| 1.21 Cash at beginning of quarter/year to date | 1,575 | 1,575 |
| 1.22 Exchange rate adjustments to item 1.21 | (259) | (259) |
| 1.23 Cash at end of quarter | 717 | 717 |

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

| | | Current quarter \$A'000 |
|------|--|----------------------------|
| 1.24 | Aggregate amount of payments to the parties included in item 1.2 | 157 |
| 1.25 | Aggregate amount of loans to the parties included in item 1.11 | - |

1.26 Explanation necessary for an understanding of the transactions

| | | |
|-------------|--|-----|
| <u>1.24</u> | | |
| - | Directors' and associates' remuneration | 118 |
| - | Services provided by Directors' related entities | 39 |

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

| |
|-----|
| N/A |
|-----|

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

| |
|-----|
| N/A |
|-----|

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

| | | Amount available \$A'000 | Amount used \$A'000 |
|-----|-----------------------------|-----------------------------|------------------------|
| 3.1 | Loan facilities | - | - |
| 3.2 | Credit standby arrangements | - | - |

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter \$A'000 | Previous quarter \$A'000 |
|---|----------------------------|-----------------------------|
| 4.1 Cash on hand and at bank | 717 | 1,575 |
| 4.2 Deposits at call | - | - |
| 4.3 Bank overdraft | - | - |
| 4.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.23) | 717 | 1,575 |

Acquisitions and disposals of business entities

| | Acquisitions (Item 1.9(a)) | Disposals (Item 1.10(a)) |
|---|--|-----------------------------|
| 5.1 Name of entity | OfferMobi USA All Night Media | N/A |
| 5.2 Place of incorporation or registration | OM-United States of America ANM-United Kingdom | N/A |
| 5.3 Consideration for acquisition or disposal | OfferMobi USA: Maximum USD\$5,000,000 as USD\$2,900,000 cash & USD\$2,100,000 equity, Initially: USD\$1.2m as USD\$1m cash & 4m fully paid ordinary shares @ \$0.05 ea + Deferred: up to USD\$3.8m as 50% cash & 50% equity paid quarterly over 2 years on agreed performance hurdles All Night Media: Cash: USD\$525,000 (US\$75,000 at completion & three quarterly payments of US\$150,000 from Jan-13) plus estimated GBP£150,000 representing ANM's net cash assets upon completion Equity: 4,000,000 fully paid ordinary shares @ \$0.05 ea | N/A |
| 5.4 Total net/ (deficiency) assets | N/A | N/A |
| 5.5 Nature of business | OfferMobi USA – Mobile marketing All Night Media – Mobile content | N/A |

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:
Company Secretary

Date: **31 October 2012**

Print name: **Andrew Bursill**