

14 October 2013

MOKO Social Media Limited

ASX Release:

HIGHLIGHTS:

- **Exclusive agreement to secure REC*IT mobile rights for intramural sports, fitness and recreational activity data from over 600 US colleges. Expands REC*IT addressable audience from approximately 5 million to approximately 10 million students.**
- **Placement of up to approximately 36 million new shares to professional and sophisticated investors at 11 cents per share to raise up to \$4 million.**
- **Commences NASDAQ listing process.**

MOKO Social Media Limited (ASX: MKB) is pleased to announce it has signed an exclusive agreement (**Agreement**) with IM Leagues LLC (**IML**). IML operates the imleagues.com sports website used by recreational and intramural sports departments in over 600 colleges across the US. IML offers a suite of tools from online signup to comprehensive scheduling required to manage college intramural leagues.

MOKO has secured the exclusive mobile rights to IML's data, including student and team schedules, fixtures, standings, statistics and news feeds. The Agreement substantially expands the addressable audience of MOKO's mobile REC.IT platform to approximately 10 million students across 600 US colleges. MOKO has secured an initial three-year term of exclusivity, which may be extended for a further three years by mutual agreement.

MOKO will maintain, develop, and with the assistance of IML, promote REC.IT to all the colleges in the IML portfolio. The REC.IT application will be provided free of charge to colleges and students. MOKO will use this platform to sell mobile advertising to sponsors, businesses and organisations seeking exposure to the US college student demographic. MOKO will be responsible for the development, pricing and inclusion of mobile digital advertising via its US mobile advertising division. MOKO will manage the advertising inventory and be responsible for selling and brokering the advertising with media buyers and mobile affiliate marketing partners.

"We are excited by the potential of this important deal to MOKO," said MOKO CEO Ian Rodwell. "Through our agreements with ACIS and now IML, the



**MOKO
SOCIAL
MEDIA**

MOKO SOCIAL MEDIA
LIMITED

ABN 35 111 082 485
ASX:MKB

T: +61 2 9299 9690
F: +61 2 9299 9629
Suite 4 Level 9 341
George Street
Sydney, NSW 2000,
Australia

mokosocialmedia.com
contact@moko.mobi

REC.IT application is estimated to have an addressable audience of approximately 10 million students in over 600 US colleges. This represents approximately half of the total US college student population and is a very attractive demographic for advertisers.”

MOKO has completed the main REC.IT platform development and is now working with IML to integrate its data streams for the alpha and beta testing phases. The beta phase or pilot phase is expected to be completed by the March quarter 2014. Subject to the successful completion of the pilot phase, MOKO will be able to fast track the roll-out of REC.IT to over 600 colleges in time for the beginning of the new school year in August 2014. The IML deal has considerably expanded the addressable audience of REC.IT in an accelerated timeframe, ahead of previous expectations.

Over the past month MOKO has conducted focus groups at George Washington University and Georgetown University, two of the top US colleges. Feedback was positive and indicated overwhelming support for product features offered by REC*IT, given the lack of available mobile applications for college intramural sports and recreational activities.

The amount of advertising revenue likely to be generated from the REC.IT platform will depend on the extent and timing that MOKO is able to deploy REC.IT across the combined ACIS and IML college group and then attract advertisers. While MOKO is confident of successfully developing REC.IT via its promotion through IML and its member colleges and then to sell advertising, at this time it is not prudent to forecast the timing of take up of advertising or likely revenues. As such, it is not possible to predict what impact that the agreement with IML will have on MOKO's revenue or earnings for the financial year to June 2014. In accordance with MOKO's continuous disclosure obligations, in the event that this changes, the market will be immediately updated.

CAPITAL RAISING & NASDAQ LISTING

As a result of the expansion of REC*IT in connection with the IML deal, and together with other potential projects progressing in its business development pipeline, MOKO has agreed to place up to approximately 36 million new shares to sophisticated and professional investors at 11 cents per share to raise gross proceeds to up to \$4 million. Triple C Consulting stockbrokers will support MOKO in the placement.

The Company has also engaged US legal counsel and initiated the process to file an F-1 listing of its shares on Nasdaq, together with a registration for the issue of its securities to enable MOKO's investment bankers to conduct a capital raise with investors in the US. The proposed timetable, Notice of Meeting and further details of the relevant resolutions seeking shareholder approval, will be released shortly.

For further information, please contact:

Andrew Bursill
Company Secretary
+61 2 9299 9690

About MOKO

MOKO Social Media Limited develops customised mobile community applications to improve communications within organisations such as universities, sports bodies and political groupings. MOKO uses its social platform to work with these organisations to provide important information to their audience/group members via mobile devices. MOKO generates revenue from mobile advertising. MOKO acquired New York based OfferMobi in August 2012, a mobile specific advertising platform linking publishers with advertisers wishing to reach mobile audiences. MOKO has also signed an exclusive development deal with the American Collegiate Intramural Sports Network under which it will build a mobile application promoted on-campus at over 200 US colleges with an audience of approximately 10 million students.

Special Note on Forward-Looking Statements

This press release contains information that constitutes forward-looking statements and uses forward-looking terminology such as “anticipate,” “believe,” “expect,” “estimate,” “future,” “intend,” “may,” “ought to,” “plan,” “should,” “will,” negatives of such terms or other similar statements. You should not place undue reliance on any forward-looking statement due to its inherent risk and uncertainties, both general and specific. Although we believe the assumptions on which the forward-looking statements are based are reasonable and within the bounds of our knowledge of our business and operations as of the date hereof, any or all of those assumptions could prove to be inaccurate. Risk factors that could contribute to such differences include the intense competition we face; failure to innovate and provide products and services that are useful to users; our ongoing need for capital for investment in new and existing business strategies and new products, services and technologies, including through acquisitions; our dependence on advertising revenues; the potential for declines in our revenue growth rate and downward pressure on our operating margin in the future; increased regulatory scrutiny that may negatively impact our business; legal proceedings that may result in adverse outcomes; failure to maintain and enhance our brand; uncertainty as to our ability to protect and enforce our intellectual property rights; and uncertainty as to our ability to attract and retain qualified executives and personnel. The forward-looking information provided herein represents the Company's estimates as of the date of the press release, and subsequent events and developments may cause the Company's estimates to change. The Company specifically disclaims any obligation to update the forward-looking information in the future. Therefore, this forward-looking information should not be relied upon as representing the Company's estimates of its future financial performance as of any date subsequent to the date of this press release. Actual results of our operations may differ materially from information contained in the forward-looking statements as a result of the risk factors.