RNS Number : 3533E
MobilityOne Limited
26 September 2008

MobilityOne Limited
("**MobilityOne**" or the "**Company**")

Interim results for the six month ended 30 June 2008

MobilityOne (AIM : MBO), an e-commerce infrastructure payment solutions and platform provider in Malaysia and Indonesia via its subsidiaries MobilityOne Sdn Bhd ("**MobilityOne Malaysia**"), Netoss Sdn Bhd and PT MobilityOne Indonesia (collectively known as "**Group**"), today announces its unaudited interim results for the six months ended 30 June 2008.

Highlights:

- Revenue down 24% to £6.09 million (H1 2007 : £7.97 million)
- Profit before taxation down 96% to £16k (H1 2007 : £439k)
- Earnings per share down 96% to 0.02 pence (H1 2007 : 0.54 pence)
- Number of banking payment channels increased
- Introduced new "OnePay" and "RapidPay" self-service terminals for prepaid reloads

Commenting on the results, Hussian A. Rahman, Chief Executive Officer said: In the first half of 2008, the performance of the Group has been affected by the slowing down of the global economy whereby some of the Group's projects and business expansion had been affected and/or delayed. In addition, the Group had incurred higher operating costs and expenses to explore new business opportunities in the overseas markets and to set up a new subsidiary in Indonesia.

In view of the uncertain global economic outlook, it will continue to be a challenge for the Group's performance for the second half of 2008. Nevertheless, the Group remains committed to develop more innovative technologies and expand the range of products and services.

About the Group:

MobilityOne is the holding company of an established group of companies in the business of providing e-commerce infrastructure payment solutions and platforms through their proprietary technology solutions, which are marketed under the brands MoCS and ABOSSE.

The Group has developed an end-to-end e-commerce solution which connects various service providers across several industries such as banking, telecommunication and transportation through multiple distribution devices such as EDC terminals, short messaging services, automated teller machines, and Internet banking.

The Group's technology platform is flexible, scalable and has been designed to facilitate cash, debit card and credit card transactions from multiple devices while controlling and monitoring the distribution of different products and services.

For more information, please refer to our website at www.mobilityone.com.my.

For further information, please contact:

MobilityOne	+6 03 6286 1999
Hussian A. Rahman, CEO	*www.mobilityone.com.my*
har@mobilityone.com.my	
HB Corporate	+44 (0)20 7510 8600
Luke Cairns	*www.hbcorporate.co.uk*
Threadneedle Communications	+44 (0) 20 7936 9605
Graham Herring	*www.threadneedle.co.uk*
Josh Royston	

Chairman's statement

As previously announced in our trading statement on 25 July 2008, the first half of 2008 had been a challenging period due to the global economic slowdown, inflationary pressures and other negative factors. The performance of the Group has been negatively affected by these factors and is behind the market expectations.

During the period, the Group discontinued the rental of all the self-service terminals (Mr. Kiosk) from the supplier due to unfavourable terms the supplier was proposing to the Group. The impact of this has seen the number of terminals in the service reduce to less than 2,000 with all the remaining and ongoing terminals being owned by the Group. Following the discontinuation of the rental of terminals, the Group has developed a new self-service terminal application under the brand name of "OnePay". By having all of its own terminals, the Group has more flexibility and is able to expand to new business areas such as retail payments and other payment functionalities. The "OnePay" terminals are currently being rolled out at petrol stations throughout Malaysia. In addition, the Group has also developed the self-service terminals namely "RapidPay" to be installed on the buses for the use of the bus passengers to purchase prepaid reloads.

The Group's strategy for growth remains focused on three principal areas: firstly, by increasing the range of products and services; secondly, by expanding our existing solution offerings by introducing the complementary solutions to our current solution range; and finally, by expanding the business into further geographical markets.

In terms of overseas expansion, the Group has made inroads into the Indonesian market, where we have set up a 95%-owned subsidiary earlier this year, namely PT. MobilityOne Indonesia in Jakarta, to market our solutions to banks and telecommunication companies and a Memorandum of Understanding has been entered into with PT. Finnet Indonesia to develop an electronic mobile wallet in Indonesia. Earlier this year, we also expanded into Cambodia where we have been appointed by Telekom Malaysia International (Cambodia) Co., Ltd, one of the major telecommunications companies in Cambodia, as its technology partner to provide the e-voucher and credit transfer platform for its telecommunications operations in Cambodia. Due to some changes to the business partners' requirements, there is a delay of revenue contribution from Cambodia and Indonesia. However, we expect the revenue contributions to start in the fourth quarter of this year.

Financial performance

The Group's revenue for the six months ended 30 June 2008 was £6.09 million, down 24% from the corresponding period in 2007 of £7.97 million mainly due to the global economic slowdown and inflationary pressures which had caused a negative impact on consumer spending, the implementation of the projects and business expansion.

In view of the revenue reduction and higher operating costs, the Group's operating profit was down 92% to £36k (H1 2007 : £745k), net profit after tax down 96% to £16k (H1 2007 : £439k) and earnings per share were down 96% to 0.02 pence (H1 2007 : 0.54 pence).

Current trading and outlook

The second half of the financial year has started well with a higher revenue growth mainly contributed by the banking payment channels with CIMB Bank Berhad and RHB Bank Berhad in Malaysia. In addition, the Group has also launched the banking payment channels with Bank Kerjasama Rakyat Malaysia Berhad, EON Bank Berhad, Citibank Berhad and Bank Simpanan Nasional.

In view of the general weak market conditions, the short term prospects of the Group shall remain challenging. However, barring any unforeseen circumstances, we expect the Group's prospects over the longer term should be positive.

YB Dato' Dr Wan Azmi Bin Ariffin
Chairman

26 September 2008

CONSOLIDATED INCOME STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2008

	Six months ended 30 June 2008 Unaudited	Six months ended 30 June 2007 Unaudited	Financial year ended 31 December 2007 Audited
	£	£	£
Revenue	6,085,195	7,970,500	16,573,813
Cost of sales	(5,523,711)	(6,869,622)	(14,448,152)
Gross profit	561,484	1,100,878	2,125,661
Other operating income	123,435	656	46,002
Administrative expenses	(427,241)	(355,557)	(835,968)
Distribution costs	(221,810)	(271,265)	(516,020)
Operating profit	35,868	474,712	819,675
Finance costs	(20,263)	(35,225)	(54,418)
Profit before taxation	15,605	439,487	765,257
Taxation	-	(232)	(32,168)
Net profit for the financial period	15,605	439,255	733,089
Attributable to:			
Equity holders	15,605	439,255	733,089
Earnings per share attributable to equity holders of the Group (pence):			
Basic	0.02	0.54	0.84
Diluted	0.02	0.54	0.84

Note:
A reverse acquisition took place on 22 June 2007. The financial information for the current and comparative years/period has been presented as if MobilityOne had been the parent company of the group throughout (see Notes 1 and 2).

CONSOLIDATED BALANCE SHEETS
AS AT 30 JUNE 2008

	At 30 June 2008 Unaudited £	At 30 June 2007 Unaudited £	At 31 December 2007 Audited £
Assets			
Non-current assets			
Intangible assets	1,309,133	1,248,113	1,303,983
Property, plant and equipment	1,542,437	898,599	1,506,937
Prepaid lease payments	169,113	161,345	167,555
	3,020,683	2,308,057	2,978,475
Current assets			
Inventories	726,493	749,527	918,118
Trade receivables	280,638	920,049	160,799
Other receivables & deposits	213,485	183,676	1,572,723
Tax recoverable	6,873	6,690	6,754
Available for sale financial assets	46,431	45,822	45,514
Cash and cash equivalents	278,903	776,870	348,476
	1,552,823	2,682,634	3,052,384
Liabilities			
Current liabilities			
Trade payables	3,276	342,923	6,280
Other payables	62,443	326,174	196,462
Borrowings -secured	490,500	529,122	359,678
Current taxation	-	229	-
	556,219	1,198,448	562,420
Net current assets	996,604	1,484,186	2,489,964
Total assets less current liabilities	4,017,287	3,792,243	5,468,439
Non-current liabilities			
Borrowings - secured	151,794	140,629	150,137
Deferred tax liabilities	35,195	-	34,588
	186,989	140,629	184,725
Net assets	3,830,298	3,651,614	5,283,714
Equity			
Equity attributable to equity holders of the Company			
Called up share capital	1,974,374	2,040,930	2,348,430
Share premium	782,234	-	782,234
Reverse acquisition reserve	708,951	708,951	708,951
Foreign currency translation reserve	(2,707)	(176,963)	71,567
Retained earnings	369,207	1,078,696	1,372,532
Total shareholders' equity	3,832,059	3,651,614	5,283,714
Minonity interest (PT MobilityOne Indonesia – 5%)	(1,761)	-	-
Total equity	3,830,298	3,651,614	5,283,714

Note:
A reverse acquisition took place on 22 June 2007. The financial information for the current and comparative years has been presented as if MobilityOne had been the parent company of the group throughout (see Notes 1 and 2).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2008

			Non-Distributable		**Distributable**	
	Share Capital	**Share Premium Reserve**	**Reverse Acquisition Reserve**	**Translation Reserve**	**Retained Earnings**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
At 1 January 2008	2,348,430	782,234	708,951	71,567	1,372,532	5,283,714
Share buyback	(374,056)	-	-	-	(1,018,930)	(1,392,986)
Translation adjustment	-	-	-	(80,488)	-	(80,488)
Profit for the financial period	-	-	-	6,214	15,605	21,819
At 30 June 2008	1,974,374	782,234	708,951	(2,707)	369,207	3,832,059
At 1 January 2007	2,017,021	911	-	(162,608)	1,078,346	2,933,670
Capitalised as bonus issue in subsidiary company	438,905	-	-	-	(438,905)	-
Conversion of redeemable preference shares in subsidiary company	293,044	-	-	-	-	293,044
Reverse acquisition	(708,040)	(911)	708,951	-	-	-
Translation adjustment	-	-	-	(14,355)	-	(14,355)
Profit for the financial period	-	-	-	-	439,255	439,255
At 30 June 2007	2,040,930	-	708,951	(176,963)	1,078,696	3,651,614

CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2008

	Six months ended 30 June 2008	Six months ended 30 June 2007	Financial year ended 31 December 2007
	Unaudited	**Unaudited**	**Audited**
	£	**£**	**£**
Cash flows from operating activities			
Profit before taxation	15,605	439,487	765,257
Adjustments for :-			
Depreciation of property, plant and equipment	93,841	62,618	139,888
Amortisation of prepaid lease rental	3,748	1,417	2,617
Interest expenses	18,906	35,225	51,260
Interest income	-	(500)	(625)
Operating profit before working capital changes	132,100	538,247	958,397
Decrease/(increase) in inventories	191,625	(104,281)	(243,088)
Decrease/(increase) in receivables & deposits	1,239,399	(294,178)	(920,075)
Decrease in payables	(137,023)	(120,763)	(467,485)
Cash generated from operating activities	1,426,101	19,025	(672,251)
Interest paid	(18,906)	(35,225)	(51,260)
Tax paid	-	(2,826)	-
Interest received	525	500	625
Net cash (used in)/ from operating activities	1,407,720	(18,526)	(722,886)
Cash flows from investing activities			
Purchase of property, plant and equipment	(570)	(22,258)	(669,977)
Investment in subsidiaries	(51,280)	-	-
Hire purchase	104,558	-	-
Development costs	-	(67,615)	(68,995)
Purchase of marketable securities	-	-	(45,514)
Net cash used in investing activities	52,708	(89,873)	(784,486)
Cash flows from financing activities			
Net proceeds from issuance of share capital	-	-	1,089,734
Share buyback	(1,392,986)	-	-
(Repayment)/drawdown of hire purchase instalment	(9,502)	-	-
(Repayment)/drawdown of loan	(12,547)	17,102	(172,960)
Net cash from financing activities	(1,415,035)	17,102	916,774
Net (decrease)/increase in cash and cash equivalents	**45,393**	**(91,297)**	**(590,598)**
Currency translation differences	(114,966)	-	70,907
Cash and cash equivalents at beginning of financial year/period	348,476	868,167	868,167
Cash and cash equivalents at end of financial year/period	278,903	776,870	348,476

Note:
A reverse acquisition took place on 22 June 2007. The financial information for the current and comparative years/period has been presented as if MobilityOne had been the parent company of the group throughout (see Notes 1 and 2).

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The Group's interim financial statements for the six months ended 30 June 2008 were authorised for issue by the Board of Directors on 25 September 2008.

The interim financial statements are unaudited and have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The interim financial statements do not constitute full statutory accounts within the meaning of Article 104 Companies (Jersey) Law 1991.

Full details of the accounting policies adopted which are consistent with those disclosed in the Company's Annual Report 2007 will be included in the audited financial statements for the year ending 31 December 2008.

The acquisition by MobilityOne of the entire issued share capital of MobilityOne Malaysia in the prior year met the criteria of a reverse acquisition. The consolidated accounts have therefore been prepared under reverse accounting principles of IFRS 3 showing the continuance of the trading of MobilityOne Malaysia and showing comparative information for MobilityOne Malaysia. For financial reporting purposes, MobilityOne Malaysia (the legal subsidiary) is the acquired and MobilityOne (the legal parent) the acquiree. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

2. Changes in the structure of the Group

As explained in Note 1 to the financial statements, the acquisition by MobilityOne of the entire issued share capital of MobilityOne Malaysia has been accounted for as a reverse acquisition under IFRS 3. Consequently, the previously recognised book values for assets and liabilities have been retained and the consolidated financial statements have been presented as if MobilityOne had always been the parent company of the Group.

The share capital for the year covered by the financial statements and the comparative years/period is stated at the nominal value of the shares issued pursuant to the share swap agreement dated 22 June 2007. Any differences between the nominal value of these shares and previously reported nominal values of shares and applicable share premium issued by MobilityOne Malaysia has been transferred to "reverse acquisition reserves".

3. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("**functional currency**"). The functional currency of the Group is Ringgit Malaysia ("**RM**"). The consolidated financial information is presented in Great Britain Pounds Sterling ("**£**"), which is the Group's presentational currency as this is the currency used in the country in which the entity is listed.

Assets and liabilities are translated into £ at foreign exchange rates ruling at the balance sheet date. Results and cash flows are translated into £ using average rates of exchange for the years/period.

The highlighted financial information has been translated using the exchange rate as follows:

	Exchange rate (RM : £)	
	At balance sheet date	Average for year/period
Period end 30 June 2008	6.50	6.41
Year ended 31 December 2007	6.62	6.87
Year/period ended 31 December 2006	6.90	6.85

4. Segmental reporting

For management reporting purposes, the Group's activities are treated as a single class of business, all arising from goods and services provided in the Far East. Accordingly, no segmental analysis of revenues, profits, assets and liabilities is available for presentation.

5. Taxation

MobilityOne Malaysia has been awarded a MSC status by Multimedia Development Corporate Sdn Bhd and is entitled to tax-free incentives in Malaysia until 2015.

6. Earnings per share

Earnings per share is calculated by dividing the profit attributable to equity shareholders in the six month period ended 30 June 2008 of £15,605 (30 June 2007 : £439,255 and 31 December 2007 : £733,089) by the number of shares in issue at 30 June 2008 of 78,974,951 (30 June 2007 : 81,637,204 and 31 December 2007 (weighted average) : £87,669,255). As explained in Note 2, the share capital for the comparative period has been stated as the number of shares issued pursuant to the share swap agreement dated 22 June 2007. As the exercise price of the outstanding share options are above the market price, there is no dilutive effect of the options.

7. Share repurchase

MobilityOne had on 15 January 2008 repurchased a total of 14,962,253 shares for cancellation. After the share buyback, the issued share capital of the Company reduced to 78,974,951 ordinary shares at 2.5 pence each.

8. Subsidiary companies

On 23 January 2008, MobilityOne Malaysia acquired 100% equity interest in Versatel Sdn Bhd at £0.30 (RM2.00) and the name was subsequently changed to Pay Station Sdn Bhd on 29 January 2008 and is dormant as at to-date.

On 12 March 2008, MobilityOne Malaysia incorporated a new subsidiary, PT.MobilityOne Indonesia, in Jakarta for the purpose of business expansion with a cash consideration of £49,564 (USD100,000), representing 95% of issued and paid up share capital of PT.MobilityOne Indonesia.

9. Significant accounting policies

Intangible Fixed Assets (excluding Goodwill)

Intangible assets acquired separately are capitalized at cost and those acquired as part of a business combination are capitalized separately from goodwill if the fair value can be measured reliably on initial recognition. The costs relating to internally generated intangible assets are capitalized if the criteria for recognition as assets are met. Other expenditure is charged against income statement in the year in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of these intangible assets are assessed to be either finite or indefinite. Where amortisation is charged on assets with finite lives, this expense is taken to the income statement. Useful lives are also reviewed on an annual basis. Intangible assets with indefinite lives are tested for impairment annually, either on an individual or cash generated unit level.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered any impairment are reviewed for possible reversal of the impairment at each reporting date.

Goodwill

Goodwill on acquisition is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the separately identifiable assets, liabilities and contingent liabilities of a subsidiary at the date of acquisition. In accordance with IFRS 3 Business Combinations, goodwill is not amortised but reviewed annually for impairment and as such, is stated at cost less any provision for impairment of value. Any impairment is recognised immediately in the income statement and is not subsequently reversed. On acquisition, any goodwill acquired is allocated to cash generating units for the purposes of impairment testing. Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Development

Development expenditure is capitalised when it is considered that there is a commercially and technically viable product, the related expenditure is separately identifiable and there is reasonable expectation that the related expenditure will be exceeded by future revenues.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of these intangible assets are assessed to be finite. Where amortisation is charged on assets with finite lives, this expense is taken to the income statement. Useful lives are also reviewed on an annual basis. Currently useful lives of 5 years are being used.

Research

Research expenditure that does not meet the above recognition criteria for development is expensed to the income statement in the period incurred.

-Ends-