

**MONSTERMOB GROUP PLC**

**Management Changes**

**Update on Current Trading**

Since Monsternob went public in 2003 as a UK ringtone download business, it has developed rapidly into one of the major participants in the rapidly evolving mobile media industry with operations in 26 countries.

It has become increasingly clear that the mobile media industry is evolving in different ways in key markets. In countries with a relatively limited fixed line broadband telecoms infrastructure, for example, mobile is expected to be the principal means for customers to access digital content and information, whilst in Western European markets access will continue to be widely available through a variety of media.

Monsternob has anticipated these developments by building strong positions in high growth, developing mobile markets abroad, and these now represent the great bulk of its business. At the same time, the UK mobile media market has suffered from adverse market conditions and we have been incurring costs developing new services in response. The rest of the group's businesses have not been affected by these challenges and can anticipate developing incremental revenue streams as technology permits with less competition from alternative media.

The trading performance of the group for the year to date has been consistent with this picture and the Board currently anticipates that group EBITDA for the year will be in line with market expectations, except for the fact that we now anticipate UK EBITDA of about breakeven, £1.5m lower than previously expected.

Monsternob's business M-Dream which was acquired in January 2006 is performing particularly strongly. By the end of June 2006, Monsternob will have paid a total of US\$16m in new Monsternob shares and cash to M-Dream's previous shareholders. The total consideration payable is dependent in part on the performance of the business following acquisition. Accordingly, Monsternob is increasing its estimate of the balance of the contingent consideration payable to around US\$35-45m, which is due to be paid in new Monsternob stock (priced at the 60 day average mid market closing price prior to issue) or cash (at Monsternob's option) once M-Dream's results for the 12 months to end September 2006 have been finalised.

Against this background, the Board of Monsternob has concluded that the group should focus its resources on developing the opportunities in the most attractive markets, both through continuing organic development and selective acquisitions to deepen and broaden its reach.

This international focus has implications for the group's management structure with the result that the key changes being implemented are:

- Niccolo de Masi becomes Group Chief Executive. Since joining Monsternob in 2004, Niccolo has driven the group's acquisition expansion into emerging markets and has been responsible for operational management.
- Hans Snook, Chairman, will continue with his current responsibilities and will also devote more time to the Group's businesses, concentrating on strategic development.
- Martin Higginson, Group Chief Executive, has been asked to stand down from his responsibilities and leave the group with immediate effect.

**Hans Snook commented:**

"Monsternob has developed in a very short time into one of the world's major mobile media groups. It is a profitable and financially robust business with exciting prospects.

"The group's development and direction mean that the great bulk of its business and potential now lies far from the UK, and this is likely to become even more true. Today's announcements reflect this and best meet the needs of the group for the future.

"We all have much to be grateful for to Martin, who had the vision to identify and establish a significant business opportunity and we wish him very well in all his future ventures.

"Niccolo has gained the respect and confidence of all our businesses around the world and the Board is unanimous in appointing him to lead the group forward."

Niccolo de Masi joined Monsternob in 2004 as Chief Operations Officer, becoming Group Managing Director in 2005. He has been responsible for operational management and has been instrumental in the Group's acquisition led expansion into emerging markets. Before joining Monsternob, Niccolo worked in the financial services (JPMorgan) and media and technology sectors. Niccolo holds a BA (Hons) and a MSci (Hons) from Cambridge University.

**Ends**

## **Enquiries**

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