



MONITISE™

Embargoed for 7.01am, Friday 8 June 2007

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**Monitise plc
Intention to seek admission to AIM**

Monitise plc (“Monitise” or the “Group”), which will, following the proposed demerger announced by Morse plc (“Morse”), be made up of the subsidiaries and joint venture interests of Morse’s Monitise business (which provides “switch” infrastructure and software to carry out personal banking transactions and enquiries securely on mobile phones), announces its intention to seek admission to AIM. It is expected that Investec Bank (UK) Limited will be appointed as nominated adviser and broker to Monitise.

Information on Monitise

The Monitise business, which was founded four years ago, has already made significant progress. It has developed a market-leading mobile and banking payments platform in the UK, on which foundation it continues to build. Monitise operates in exciting, valuable and growing markets and its management believes it has the opportunity to establish itself in key geographies as a leading service player.

The Group has to date signed contracts to implement the Group’s UK mobile banking service (“MONILINK™”) with a number of major UK retail banks, of which HSBC, first direct and Alliance & Leicester have live services available to their customers and The Royal Bank of Scotland group is at the testing and implementation stage. These retail banking brands account for over 33% of the current account cards in the UK market and management are confident that they will reach similar agreements with other UK retail banking groups. Vodafone, Orange, T-Mobile, O2, Virgin Mobile, Tesco Mobile and Hutchison 3G have “connected” to the Monitise platform and can provide their customers with services delivered using the Monitise platform.

The Monitise platform, already deployed in the UK, can be replicated in other countries with minimal localisation. The Group has selected and is building relationships with a number of partners around the world who management believe have the credibility and relationships to be able to roll out the Monitise platform in the relevant territories. On Morse’s demerger becoming effective, Monitise will have established a joint venture with Metavante, the banking and payments technology subsidiary of Marshall & Ilsley Corporation, to target the North American market. Management believes that this strategy will reduce the time to market, investment and execution risk for the Group.

The Group has also made significant steps towards furthering the Group’s first direct licensing opportunity. A preferred supplier agreement has been signed with T-Systems in Germany, including a commitment to make a payment to Monitise for a period of exclusivity. This is a significant step towards the final licensing and integration of a full overseas service provider. Management has confirmed that interest has also been received regarding the Monitise platform in a variety of other overseas territories.

Management estimates that the global opportunity for all participants in this fast-emerging market could amount to over £5 billion over the next five years and believes that mobile banking growth will eventually surpass global internet banking growth.

Key strengths

Management believes that the Group's key strengths are:

- **Significant barriers to entry**
 - an established joint venture with LINK;
 - Monitise has been first to market in the UK with an industry platform;
 - contracts/arrangements are in place with key banks, mobile operators and other partners in several key countries;
 - relationships have been established with switches, banks and mobile network operators in several key countries;
 - robust, scalable technology with bank-grade security architecture;
 - successful integration with the LINK network, the busiest ATM switch engine in the world;
 - the security model is effective in the UK, one of the world's most conservative, security conscious and heavily regulated financial markets; and
 - the Monitise platform leverages the existing infrastructure of banks, mobile network operators and switches.
- **Significant potential**
 - a high-growth global market provides significant opportunity;
 - potential to replicate and exceed the impact of ATM's and internet banking on financial services;
 - potential to become a global de-facto standard;
 - foundation is in place for development in parallel areas (such as supporting contactless payments and e-cash platforms); and
 - mobile banking technology and expertise is able to be applied to other sectors through its solutions business, Monitise Business Solutions.
- **Experienced management team and strong board**
 - listed company and growth company experience; and
 - blend of leading industry specialists from banking, mobile and technology sectors.

Current trading and prospects

Management believes that Monitise is an exciting business providing substantial opportunity based around secure mobile banking applications and that its business is making substantial progress. The market continues rapidly to expand and considerable interest continues to be shown in the services provided by the Monitise business. Management is confident about the prospects for the Monitise business.

As at 31 December 2006, Morse and LINK Interchange Network Limited had invested approximately £10m in the Group, of which £8m had been contributed by Morse.

The Placing

Management anticipates that an increasing level of investment in the Monitise business will be required during the next 18 months, amounting to approximately £20 million in total, which should be partially offset by expected revenues from a number of overseas sales opportunities together with revenues beginning to build from the Monitise business's operations. Management has determined that this investment will be most appropriately provided by external sources and consequently it is anticipated that a placing of further Monitise shares will be undertaken on the Business Day following the Demerger.

Board

The Monitise board is headed by Duncan McIntyre as Executive Chairman and Alastair Lukies, co-founder of Monitise, as CEO. Other members of the board include David Dey, Peter Radcliffe and Colin Tucker as Non-Executive Directors and Lee Cameron as Company Secretary.

In addition, Monitise has in place an advisory board which comprises Sir Digby Jones, John Hardy, CEO of LINK Interchange Network Ltd and Andrew Harrison, CEO of Carphone Warehouse UK.

Commenting on the proposed listing of Monitise on AIM, Duncan McIntyre, Executive Chairman said:

"Now is the right time for Monitise to demerge and seek admission to AIM - it is a strong, established business with leading intellectual property and a compelling commercial proposition. The opportunities it has for growth are very significant and we have every confidence in its continued success as a separately listed business."

Alastair Lukies, CEO of Monitise, added:

“It is widely acknowledged that mobile will become the fifth and potentially largest consumer banking channel worldwide. The strength of the Monitise ecosystem is that it replicates the central network model of the existing payments and ATM infrastructure and provides a single platform for the delivery of new consumer banking and payment services.

“With live services across some of the UK’s largest banking groups, arrangements to launch our service in the United States and in other key markets, this is a unique opportunity to commercialise our business on a mass-market, international scale.

“The proposed placing and admission to AIM will provide us with the appropriate financial structure to enable us to exploit the unique position we hold in this rapidly developing, high growth, global market and to retain a leading position as the market evolves.”

Ends

Some of the information in this announcement may contain projections or other forward-looking statements regarding future events or the future financial performance of Morse plc. You can identify forward-looking statements by terms such as “expect,” “believe,” “anticipate,” “estimate,” “intend,” “will,” “could,” “may” or “might” the negative of such terms or other similar expressions. These statements are only predictions and actual events or results may differ materially. We do not intend to or undertake any obligation to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, general economic conditions, our competitive environment and market change in our industries, and other factors specifically related to Morse plc and its operations.

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