



ASX/Media Release

28 June 2011

MobileActive Limited Operational Update

Key Points

- **MobileActive to focus on growth through significant business-to-business (B2B) interactive services and technology market positioning of its Mobile Embrace business**
- **Cash generating legacy retail business to be phased out over time in favour of cutting edge mobile marketing solutions for major brands**
- **Ongoing revenue from legacy retail business to contribute to development of Mobile Embrace B2B interactive services and technology business opportunity**

MobileActive Limited (ASX: MBA), Australia's leading independent mobile phone content, interactive services and technology company, said the business is now focused on growth through its significant business-to-business (B2B) interactive services and technology market positioning, namely its Mobile Embrace operation.

As previously disclosed to the ASX, the Company launched Mobile Embrace to provide business-to-business mobile interactive services and technology. Mobile Embrace has proven and robust platforms to support high volume, seamless mobile enablement and customer acquisition solutions for business.

Mobile Embrace is well positioned with best of breed technology that provides services including mobile web publishing, advertising, mobile marketing, application development, messaging and commerce -- giving Mobile Embrace full end-to-end capability.

The Company has since the beginning of the financial year been establishing the new Mobile Embrace services and technology platforms and with it a premium billing messaging Gateway that was launched on 22 June 2011.

As announced on 30 May 2011, an Extraordinary General Meeting will be held on 30 June 2011 to ask shareholders to vote on a name change of the company from MobileActive Limited to Mobile Embrace Limited.

The name change to Mobile Embrace Limited will better reflect the Company's core focus on its Mobile Interactive Services and Technology business. If the name change is approved by shareholders, application will be made to the Australian Securities Exchange to change the Company's listing code to MBE.

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As previously noted in the Company's 31 December 2010 half year financial report, additional funding is required to commercialise the Mobile Interactive Services and Technology business.

At the EGM shareholders are being asked to approve the issue of new ordinary shares to raise up to \$1.5 million of additional capital. The funds will be used for working capital and repayment of debt.

The Company's retail business, founded in 2003, was built to be the market leader having achieved gross retail revenues exceeding \$20 million. The area of industry in which it operates is now heavily regulated by multiple regulatory stakeholders. New business investment, increased costs associated with regulation and a difficult trading environment impacted earnings as flagged in November 2010.

Over seven years the retail business has developed extensive reusable intellectual property (IP) to facilitate messaging, marketing, content management, loyalty, rewards and membership management. It has invested \$0.5 million in the 2010 financial year and \$2.5 million in the 2011 financial year into developing the company's new business units.

To ensure the focus on the B2B business growth positioning and opportunity, the company is phasing out its cash generating legacy retail business over time. Overhead has been reduced by \$1.5 million and advertising by \$0.6 million.

Revenue and IP from the retail business will contribute to the development of the B2B interactive services and technology business.

More information is included in the investor presentation to follow this announcement.

About MobileActive Limited

MobileActive Limited (ASX:MBA) is Australia's leading independent mobile phone content, interactive services and technology company across business to consumer, business to business and production and licensing.

The company engages consumers through mobile building reach, value and loyalty for its brands and the businesses and brands of its clients and partners.

The company develops, aggregates, markets and distributes a large and diverse range of mobile phone content and interactive entertainment including applications, games, video, music, graphics, information, text, rewards, user generated content, quiz & challenge, social gaming and social networking.

The company provides interactive services and technology including mobile marketing, mobile internet and applications publishing and development, mobile asset management, m-commerce, mobile messaging, mobile membership, loyalty & reward and mobile advertising.

MobileActive operates three divisions: **Mobile Entertainment Retail MER** – direct to consumer sales, marketing and distribution; **Mobile Embrace** – business to business interactive product, services and technology; **RingRing Studios** - mobile content production and global inbound and outbound licensing and distribution.

For more information see www.mobileactivecorporate.com

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