17th March 2011

Mobile Streams plc
("Mobile Streams" the "Group")
Unaudited Interim results for the 6 months ended 31 December 2010

Mobile Streams plc (AIM: MOS), a leading global distributor of mobile content, is pleased to report encouraging financial and business performance for the 6 months ended 31 December 2010:

Financial highlights

6 months ended 31 December 2010 vs. 6 months ended 31 December 2009

- Revenues up 51% to £5.3m (2009: £3.5m)
- EBITDA increased to £0.3m (2009: £0.1m)
- Profit after tax of £125,000 (2009: loss of £702,000)

12 months ended 31 December 2010 vs. 12 months ended 31 December 2009

- Revenues up 35% to £9.6m (2009: £7.1m), including £0.1m from Zoombak
- Mobile Internet revenue growth of over 400% to £4.1m (2009: £0.8m)
- EBITDA increased to £0.5m (2009: £0.1m)
- Profit after tax of £169,000 (2009: loss of £1.2m)
- Cash reserves of £1.3m (31 December 2009: £1.7m), with no debt
- The results include the capitalization of Appitalism development costs of £0.3m, as well as the costs of developing Appitalism in the amount of £0.6m

Operational highlights:

- Development and launch of Appitalism service and platform
- Focused on solidifying key global operator relationships
- Rapid expansion of mobile internet business
- Expansion of digital content library and distribution partners to include apps and other mobile and digital media
- Increased focus and resource alignment to support next generation smartphone services through divestment of Ringtones.com

Outlook:

We are now in an investment phase to improve the functionality; content and geographic reach of our fast growing Appitalism service. Early indications are positive in terms of signing up content partners and entering new markets but we do anticipate the new business will be a cash consumer for some months to come as we seek to gain market share and salience. At the end of December 2010 the Company had cash reserves of £1.3m which the Board believes will be sufficient to fund this investment phase, even though releasing some of this cash might be subject to foreign withholding taxes.

Commenting, Simon Buckingham, CEO of Mobile Streams said:

"In 2010, Mobile Streams' global presence helped us to anticipate the rapid market changes, trends and opportunities. The efficiency of the Group's global operations continued to improve during 2010 thanks to the expertise of our personnel around the world.

Mobile Streams was successful in implementing the strategy we formulated in 2009 with the focus on solidifying our key operator customer relationships whilst also rapidly growing our mobile internet business. Concurrently, we invested in building and launching our next generation social smartphone and apps service Appitalism.

Mobile Streams also took the apps and digital content we licensed for Appitalism and monetized this through our other distribution channels, resulting, for example, in the launch in October 2010 of apps on TIM in Brazil in partnership with Qualcomm.
These foundations put Mobile Streams in a strong position to continue to improve our focus and execution in 2011."

Enquires:

Mobile Streams Simon Buckingham, Chief Executive Officer Gabriel Margent, Chief Financial Officer	+1 917 751 9942
Nominated Adviser Grant Thornton UK LLP Philip Secrett	+44 (0)20 7383 5100
Broker Singer Capital Markets Limited Jeff Keating	+44 (0)20 3205 7500

OPERATING REVIEW

2010 was a successful year in the implementation of the Company's strategy, with the Group able to capitalize on its global footprint and balanced product mix to grow both revenues and profits.

Mobile operators

The Group was able to mitigate the impact of reduced visitor traffic to operator portals caused by increased use of smartphone devices through increased effectiveness at converting visitors to its operator services into paying customers. As a result, revenues and gross margins from Operator channels were ahead of expectation.

Mobile internet

During 2010 the Group was successful in rapidly growing its mobile internet retailing business both by expanding geographically and by launching additional services. As a result, revenues from the mobile internet more than quadrupled in revenue compared to 2009. Because of the expenditure on marketing in this channel, much of which resulted in a subscription billing relationship being established with customers, gross margins in this area of the business were in the single digits. The Group launched its Appitalism social app superstore in September 2010 to take advantage of the rising interest in apps and rising use of smartphones.

Outlook

2011 trading has begun well and the Group expects the industry trends from 2010 to carry over into 2011. The Company anticipates that 2011 will bring further growth in the Mobile Internet business, both from its smartphone services such as Appitalism and its content services for feature phones.

The Board feels that, following the investment made in Appitalism in 2010, the Company is well positioned to offer compelling services to its customers irrespective of the digital devices they are using and looks forward to updating the market on further progress made by the Group in the coming months.

We are now in an investment phase to improve the functionality; content and geographic reach of our fast growing Appitalism service. Early indications are positive in terms of signing up content partners and entering new markets but we do anticipate the new business will be a cash consumer for some months to come as we seek to gain market share and salience. At the end of December 2010 the Company had cash reserves of £1.3m which the Board believes will be sufficient to fund this investment phase.

FINANCIAL REVIEW

6 months ended 31 December 2009

Gross profits for the second half of 2009 were £1.8m, in line with the six months ending 31 December 2008 despite revenues declining 7% to £3.5m. Gross margin was 51%, up from 47% at six months ending 31 December 2008.

6 months ended 31 December 2010

Gross profits for the second half of 2010 were £2.9m, a 61% increase in comparison with the six months ending 31 December 2009 as revenues rose 51% to £5.3m. Gross margin was 50%, down from 51% at six months ending 31 December 2009.

Year ended 31 December 2010

Group revenue of £9.6 m for the calendar year 2010 marked a 35% increase over 2009 (£7.1m). Mobile Internet revenues were up over 400% to £4.1m (2009: £0.8m) largely due to the Latin America content subscriber base increasing by over 370,000 during the year. Mobile Operator revenues declined as expected in all regions except Latin America as consumers continued to move away from the traditional source of mobile content. Despite this the segment is highly profitable and a key part of the Group. Over the past year, Ringtones in Latin America had sales of £73,000 and the board anticipates a similar level of activity for the year to come.

The change in revenue mix, with a higher proportion of revenue coming from Operator Services, reduced the overall gross margin to 49% (2009: 50%).

As announced on 28 September 2010, Mobile Streams' agreement to provide management services to Zoombak, LLC, the location based devices and services subsidiary of TruePosition, Inc. ended in early January 2011. I n addition to the fixed annual management fee that was paid by TruePosition to the Company, the Zoombak management services agreement included certain performance related provisions whereby bonus sums would become payable to Mobile Streams depending on the financial performance of Zoombak. The Company had raised invoices amounting to its calculation of these bonuses in prior years, however, TruePosition disputed these invoices.

Mobile Streams and TruePosition have now negotiated and executed a settlement agreement that amicably resolves the outstanding matters relating to the Zoombak management services agreement. Furthermore, Zoombak made a one-time payment of $250,000 (£155,000) to Mobile Streams. This contract has now been terminated.

During December the ringtones.com domain was sold for US$750,000, shown as Other Income in the income statement. The Group retained the Latin America sub-domains under a lease back arrangement for a period of 12 months. The lease cost is being amortized over the 12 month period.

Selling, marketing and administrative expenses increased by £1.0m to £4.5m (2009: £3.5m). This included the investment in the new Appitalism business (other than capitalized development costs) as well as marketing costs incurred in acquiring Mobile Internet subscribers mainly in Latin America and market research cost associated with the Appitalism business.

The Group had net cash outflows from operations of £0.4m (2009: £0.5m) due mainly to the movements in working capital associated with the Mobile Internet business and the investment in

Appitalism. The disposal of ringtones.com boosted cash and more than offset the capitalized development costs incurred in building the Appitalism.com site.

The Group recorded a profit after tax of £169,000 for the calendar year, generating earnings of 0.464 pence per share, compared to a loss per share of 3.320 pence in the previous year.

CONSOLIDATED INCOME STATEMENT

	6 months ended 31 December 2010 £000's	6 months ended 31 December 2009 £000's	**12 months ended 31 December 2010 £000's**	**Audited** 12 months ended 31 December 2009 £000's
Revenue	**5,312**	3,514	**9,622**	7,112
Other income	**484**	-	**484**	-
Cost of sales	**(2,914)**	(1,724)	**(5,163)**	(3,521)
Gross profit	**2,882**	1,790	**4,943**	3,591
Selling and marketing costs	**(755)**	(126)	**(1,140)**	(197)
Administrative expenses	**(1,823)**	(1,594)	**(3,345)**	(3,281)
Depreciation, amortization and impairment	**(146)**	(763)	**(317)**	(1,344)
Share based compensation	**(1)**	8	**-**	(42)
Operating profit/(loss)	**157**	(685)	**141**	(1,273)
Finance income	**2**	5	**6**	15
Profit/(loss) before income tax	**159**	(680)	**147**	(1,258)
Income tax (expense)/credit	**(34)**	(22)	**22**	54
Profit/ (loss) for the period	**125**	(702)	**169**	(1,204)
Attributable to:				
Attributable to equity shareholders of Mobile Streams Plc	**125**	(702)	**169**	(1,204)

Total and continuing earnings/(loss) per share	**Pence per share**	Pence per share	**Pence per share**	Pence per share
Basic	**0.345**	(1.936)	**0.464**	(3.320)
Diluted	**0.334**	(1.936)	**0.450**	(3.320)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 31 December 2010	6 months ended 31 December 2009	**12 months ended 31 December 2010**	**Audited** 12 months ended 31 December 2009
	£000's	£000's	**£000's**	£ 000's
Profit/ (loss) for the period	**125**	(702)	**169**	(1,204)
Exchange differences on translating foreign operations	**13**	**(82)**	**(71)**	**292**
Total comprehensive income/ (loss) for the period	**138**	**(784)**	**98**	**(912)**
Attributable to equity shareholders of Mobile Streams plc	**138**	(784)	**98**	(912)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Audited
	31 December 2010 £000's	31 December 2009 £000's
Assets		
Non-current		
Goodwill	**714**	714
Intangible assets	**425**	331
Property, plant and equipment	**43**	79
	1,182	1,124
Current		
Trade and other receivables	**2,155**	1,725
Cash and cash equivalents	**1,281**	1,659
	3,436	3,384
Total assets	**4,618**	4,508
Equity		
Equity attributable to equity holders of Mobile Streams Plc		
Called up share capital	**73**	73
Share Premium	**10,310**	10,310
Translation reserve	**(304)**	(233)
Merger Reserve	**153**	153
Retained earnings	**(9,069)**	(9,238)
Total equity	**1,163**	1,065
Liabilities		
Non-current		
Deferred tax liabilities	**13**	38
Current		
Trade and other payables	**3,245**	3,239
Provisions	**82**	82
Current tax liabilities	**115**	84
	3,442	3,405
Total liabilities	**3,455**	3,443
Total equity and liabilities	**4,618**	4,508

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders of Mobile Streams Plc					
	Called up share capital £000's	**Share premium** £000's	**Trans-lation reserve** £000's	**Retained earnings** £000's	**Merger reserve** £000's	**Total Equity** **£000's**
Balance at 1 January 2009	**73**	**10,310**	**(525)**	**(8,558)**	**635**	**1,935**
Employee share based compensation	-	-	-	50	-	**50**
Transactions with owners	-	-	-	50	-	**50**
Loss for the period	-	-	-	(502)	-	**(502)**
Exchange differences on translating foreign operations	-	-	374	-	-	**374**
Total comprehensive income for the period	-	-	374	(502)	-	**(128)**
Balance at 30 June 2009	**73**	**10,310**	**(151)**	**(9,010)**	**635**	**1,857**
Balance at 1 July 2009	73	10,310	(151)	(9,010)	635	1,857
Employee share based compensation	-	-	-	(8)	-	**(8)**
Transfer to Retained Earnings	-	-	-	482	(482)	**-**
Transactions with owners	-	-	-	474	(482)	**(8)**
Loss for the period	-	-	-	(702)	-	**(702)**
Exchange differences on translating foreign operations	-	-	(82)	-	-	**(82)**
Total comprehensive income for the period	-	-	(82)	(702)	-	**(784)**
Balance at 31 December 2009	**73**	**10,310**	**(233)**	**(9,238)**	**153**	**1,065**
Balance at 1 January 2010	**73**	**10,310**	**(233)**	**(9,238)**	**153**	**1,065**
Employee share based compensation	-	-	-	(1)	-	**(1)**
Transactions with owners	-	-	-	(1)	-	**(1)**
Profit for the 6 months ended 30 June 2010	-	-	-	43	-	**43**
Exchange differences on translating foreign operations	-	-	(84)	-	-	**(84)**
Total comprehensive income for the period	-	-	(84)	43	-	**(41)**
Balance at 30 June 2010	**73**	**10,310**	**(317)**	**(9,196)**	**153**	**1,023**
Balance at 1 July 2010	**73**	**10,310**	**(317)**	**(9,196)**	**153**	**1,023**
Employee share based compensation	-	-	-	2	-	**2**
Transactions with owners	-	-	-	2	-	**2**
Profit for the 6 months ended 31 December 2010	-	-	-	125	-	**125**
Exchange differences on translating foreign operations	-	-	13	-	-	**13**
Total comprehensive income for the period	-	-	13	125	-	**138**
Balance at 31 December 2010	**73**	**10,310**	**(304)**	**(9,069)**	**153**	**1,163**

CONSOLIDATED CASH FLOW STATEMENT

	6 months ended 31 December 2010 £000's	6 months ended 31 December 2009 £000's	**12 months ended 31 December 2010 £000's**	**Audited** 12 months ended 31 December 2009 £000's
Cash flows from operating activities				
Profit/(loss) before taxation	**159**	(680)	**147**	(1,258)
Adjustments :				
Share based payments	**1**	(8)	**-**	42
Depreciation	**25**	24	**66**	162
Amortisation	**122**	279	**250**	722
Impairment of intangibles and goodwill	**-**	460	**-**	460
(Profit)/loss on disposal of property, plant and equipment	**(435)**	18	**(435)**	18
Interest received	**(3)**	(5)	**(6)**	(15)
Changes in trade and other receivables	**(372)**	(250)	**(430)**	404
Changes in trade and other payables	**188**	(8)	**6**	(793)
Total cash utilised in operating activities	**(315)**	(170)	**(402)**	(258)
Income tax (paid)/refunded	**(38)**	(135)	**28**	(254)
Net cash from operating activities	**(353)**	(305)	**(374)**	(512)
Cash flows from investing activities				
Additions to property, plant and equipment	**(19)**	56	**(38)**	(5)
Additions to other intangible assets	**(229)**	(1)	**(356)**	(103)
Net proceeds from sale of internet domain	**436**	-	**437**	-
Interest received	**3**	5	**6**	15
Total cash flows from investing activities	**191**	60	**49**	(93)
Net change in cash and cash equivalents	**(162)**	(245)	**(326)**	(605)
Cash and cash equivalents at beginning of period	**1,444**	2,119	**1,659**	2,260
Exchange (losses)/gains on cash and cash equivalents	**(1)**	(215)	**(52)**	4
Cash and cash equivalents at end of period	**1,281**	1,659	**1,281**	1,659

NOTES TO COMPANY FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

Mobile Streams Plc's financial year end changed from 31 December to 30 June, as a result Mobile Streams Plc is publishing second interim results for the period ending 31 December, 2010.

The interim results of Mobile Streams plc are prepared in accordance with the requirements of IAS 34 Interim Financial Reporting as adopted by the EU and prepared in accordance with the accounting policies set out in the last financial statements for the year ended 31 December 2009, There were no new standards that have been adopted by the E.U. since January 1, 2010.

The interim results, which are not audited, do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006.

Mobile Streams Plc continues to maintain a significant cash balance of £1.3 m at 31 December 2010 which is sufficient to enable the company to continue to trade. The company has sufficient resources to continue in operational existence for the foreseeable future.

The comparative financial information for the 6 months and 12 months ended 31 December 2009 has been extracted from the interim results and statutory accounts for those periods respectively. In addition, the comparative financial information for the 6 months and 12 months ended December 31, 2010 has been extracted from the Interim results for those periods respectively. The full audited accounts of the Group for the year ended 31 December 2009 were prepared in accordance with International Financial Reporting Standards ("IFRS"), received an unqualified audit opinion, did not contain a statement under section 498(2) or (3) of the Companies Act 2006 and have been delivered to the Registrar of Companies.

2. SEGMENT REPORTING

In identifying its operating segments, management follows the Group's key regional markets, being Europe, North America, Latin American, and Asia Pacific. Revenues are from external customers only and generated from three principal business activities: the sale of mobile content through MNO's (Mobile Operator Services), the sale of mobile content over the internet (Mobile Internet Services) and the provision of consulting and technical services (Other Service Fees).

All operations are continuing and all inter-segment transfers are priced and carried out at arm's length. There have been no changes from prior periods in the measurement methods used to determine operating segments and reported segment profit and loss.

The segmental results for the 6 months ended 31 December 2010 were as follows:

£000's	**Europe**	**Asia**	**North America**	**Latin America**	**Total**
Mobile Operator Services	81	783	399	1,049	**2,312**
Mobile Internet Services	97	-	58	2,354	**2,509**
Other Service fees	415	49	11	16	**491**
Segment revenues	**593**	**832**	**468**	**3,419**	**5,312**
Other income	**484**	**-**	**-**	**-**	**484**
Segment EBITDA*	**272**	**53**	**(238)**	**218**	**305**
Segment profit/(loss)before tax	**164**	**52**	**(262)**	**205**	**159**
Segment net assets/(liabilities)	**5,491**	**(296)**	**(4,034)**	**(852)**	**309**

The segmental results for the 6 months ended 31 December 2009 were as follows:

£000's	Europe	Asia	North America	Latin America	Total
Mobile Operator Services	137	1,269	604	641	2,651
Mobile Internet Services	141	-	113	228	482
Other Service fees	246	47	66	22	381
Segment revenues	524	1,316	783	891	3,514
Segment EBITDA*	304	90	(379)	55	70
Segment profit/(loss) before tax	7	(372)	(356)	41	(680)
Segment net assets/(liabilities)	4,901	(374)	(2,801)	(1,002)	724

The segmental results for the 12 months ended 31 December 2010 are as follows:

£000's	**Europe**	**Asia**	**North America**	**Latin America**	**Total**
Mobile Operator Services	183	1,802	903	1,820	**4,708**
Mobile Internet Services	208	-	176	3,692	**4,076**
Other Service fees	664	99	43	32	**838**
Segment revenues	**1,055**	**1,901**	**1,122**	**5,544**	**9,622**
Other income	484	-	-	-	484
Segment EBITDA*	283	257	(514)	432	458
Segment profit/ (loss) before tax	32	255	(546)	406	147
Segment net assets/(liabilities)	**5,745**	**(349)**	**(4,195)**	**(751)**	**450**

The segmental results for the 12 months ended 31 December 2009 were as follows:

£000's	Europe	Asia	North America	Latin America	Total
Mobile Operator Services	315	2,604	1,263	1,330	5,512
Mobile Internet Services	291	-	234	265	790
Other Service fees	525	80	157	48	810
Segment revenues	1,131	2,684	1,654	1,643	7,112
Segment EBITDA*	399	141	(383)	(44)	113
Segment profit/(loss) before tax	(331)	(359)	(490)	(78)	(1,258)
Segment net assets/(liabilities)	5,329	(416)	(3,554)	(1,010)	349

*Calculated as profit before tax, interest, amortization, depreciation, share compensation expense and impairment of assets.

3. EARNINGS PER SHARE

Earnings/(loss) per share

Earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	6 months ended 31 December 2010	6 months ended 31 December 2009	**12 months ended 31 December 2010**	**Audited** 12 months ended 31 December 2009
Profit/ (loss) for the period (£000's)	**125**	(702)	**169**	(1,204)
Earnings/(loss) per share (pence):				
Basic	**0.345**	(1.936)	**0.464**	(3.320)
Diluted	**0.334**	(1.936)	**0.450**	(3.320)

Adjusted earnings per share

Adjusted earnings per share is calculated to reflect the underlying profitability of the business by excluding non-cash charges for depreciation, amortization, impairments and share compensation charges.

	6 months ended 31 December 2010 £000's	6 months ended 31 December 2009 £000's	**12 months ended 31 December 2010 £000's**	12 months ended 31 December 2009 £000's
Profit/(loss) for the period	**125**	(702)	**169**	(1,204)
Add back: share compensation expense/(credit)	**1**	(8)	**-**	42
Add back: impairment of intangibles and goodwill	**-**	460	**-**	460
Add back: depreciation and amortisation	**147**	303	**317**	884
Adjusted profit for the period	**273**	53	**486**	182
	Pence per share	Pence per share	**Pence per share**	Pence per share
Adjusted earnings per share	**0.753**	0.146	**1.338**	0.502
Adjusted diluted earnings per share	**0.730**	0.148	**1.297**	0.489

Weighted Average number of shares

	Number of shares	Number of shares	**Number of shares**	Number of shares
Basic	**36,278,265**	36,268,192	**36,273,284**	36,268,192
Exercisable share options	**1,174,484**	958,652	**1,130,953**	958,652
Diluted	**37,452,749**	37,226,844	**37,404,237**	37,226,844

Diluted earnings/(loss) per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has only one category of dilutive ordinary shares: share options.

The calculation is performed for the share options to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options and the yet to be recognised expenses in terms of the option. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. Where there is a loss for the period in question, there is no dilution applied.