

**Mandalay Digital Group, Inc.**  
**Investor Update Conference Call**  
**January 22, 2013**

**Operator:** Good morning, ladies and gentlemen, and thank you for standing by. Welcome to the Mandalay Digital Group, Inc. Conference Call. At this time, all participants are in a listen-only mode. Please be advised that there will not be a question and answer session in today's call. If anyone has any difficulties hearing the conference, please press the star, followed by the zero for Operator assistance at any time.

I will now turn the presentation over John Mattio, Investor Relations for Mandalay Digital. Please go ahead, sir.

**John Mattio:** Thanks, Operator, and welcome, everyone, to Mandalay Digital's Investor Update call. On line today is Mr. Peter Adderton, Mandalay's CEO; Bill Stone, CEO of Digital Turbine; and Jeff Klausner, CFO.

For those of you who are unable to listen to the entire call, we'll have an audio replay that will be available for one week and a webcast replay available for one year.

As a reminder, management will not host a Q&A session on this call.

Management will make statements on this call that may contain forward-looking statements that are subject to risks and uncertainties. Therefore, the Company claims the protection from the Safe Harbor for forward-looking statements that is contained in the Private Securities Litigation Reform Act of 1995.

Now, I would like to turn the call over to Peter Adderton, CEO of Mandalay Digital. Peter, the floor is yours.

**Peter Adderton:** Thanks, John. I'd like to thank everybody for joining today's conference call. We appreciate you guys taking the time with such short notice. Today's announcement about signing of a US tier 1 carrier marks a major milestone for Mandalay Digital. It's testimony to our strategy, our vision and, most importantly, the widespread adoption, and global adoption, of our products and services designed for carriers to play a larger role in the mobile content and advertising ecosystem, and while we understand and appreciate the importance of this US key carrier, which we touch upon in just a moment, I want to take the opportunity to stress the value and importance of all of our global partners.

Mandalay Digital solutions, as we said last on the call, are used by more than 30 million customers each month, across more than 20 global operators. These operator partners are core to our business and its growth prospects. Our opportunity is a global one. We have a scalable business model which relies heavily on our reach with access to over one billion subscribers per signed agreement. No one agreement or carrier will make or break our business.

With that said, I'm very excited by our recent signing and it's with great pleasure that I turn it over to Bill to discuss some of the recent carrier developments, including the specifics around our newest US relationship. Thanks, Bill.

**Bill Stone:** Yes, thanks, Pete. Yes, as Pete said, we have a lot of positive momentum with our new operator partners and I wanted today to provide a brief update on some of our current customers, as well as our new Digital Turbine partner here in the United States.

Just as a reminder, on our last investor call we talked about continuing to work with our existing customers to develop deeper relationships with more products and services. For example, we'll be launching both DT Ignite and DT IQ on Vodafone Australia in the first half of this calendar year. We've been able to use our momentum and marketplace credibility from both DT content management and DT Pay to deepen our relationship to include these new products. Vodafone's been a great partner who's looking to Digital Turbine to help drive its monetization of mobile content.

Another example of this is the launch of Ignite with AIS in Thailand, also in the first half of this calendar year. AIS, which has approximately 35 million subscribers, is part of the Sing Tel Group, and Sing Tel has more than 400 million subscribers on a global basis. Thailand will be the third Sing Tel market in which we will have launched DT products, as we are already live with Ignite in Singapore, and the content management and Pay in Australia.

Finally, we're also monetizing our Ignite product with CPI, or cost per install, relationships across multiple operators where Ignite is used to preload third-party applications, and although this won't be a material financial driver for us in the next six months, over the next 12 to 24 months we do expect this new revenue stream to become a major top and bottom line financial driver for the business.

So, building on that momentum, the new partner we want to announce today is Verizon, who has over 100 million subscribers here in the United States. We've been working with Verizon over the past year to establish the right business relationship and I'm pleased to announce today that we've signed a multi-year agreement with them that includes the deployment of both Ignite and IQ, including the anticipated deployment of CPI relationships on Verizon devices. We expect to be commercially launched in the marketplace with Verizon this summer and are extremely excited about building a long-lasting and deep partnership with them.

Unfortunately, I am unable to share any additional specifics of our new deal today, but I do want to stress that being selected as one of Verizon's partners is a very big deal, given how many companies seek to do business with them and how many internal initiatives they are working on. Verizon is recognized globally as one of the best of the best of mobile operators and we anticipate our Verizon relationship, and the credibility they bring, will also help us with new relationships around the globe.

We plan to provide additional updates on our earnings call next month, as there are a number of deals very deep and active in the pipeline that we expect to close this quarter. We anticipate these deals will help accelerate the metrics we communicated to you last month. In particular, we see our over 25 million active monthly users and 2.5 million active paying users continue to show good growth. It's important to remind you that these metrics are lead indicators of top line growth for our Company.

With that, I'll turn the call back over to Pete, and as always, we appreciate your guys' support of the Company. Pete?

**Peter Adderton:** Thanks for that, Bill. As Bill say, we were excited to have Verizon join an ever-growing list of global carriers who are partnering with Mandalay's Digital Turbine suite of products, and we will, as the management team, and my focus as CEO, is to continue to innovate as a Company, to add more creative solutions to help global carriers look for better ways to add value and added service to the customers.

We've launched a new website and I would encourage you all to go to [digitalturbine.com](http://digitalturbine.com) so you can see the suite of products and videos and the Ignite product that we've put out.

Again, we thank everybody for taking the time and look forward to speaking to you next month.