Mandalay Digital Group, Inc.
Investor Day Presentation

July 9, 2014

Safe Harbor Statements.

Statements in this presentation concerning future results from operations, financial position, economic conditions, product releases and any other statement that may be construed as a prediction of future performance or events, including without limitation statements regarding future profitability and expected 2015 revenues, carrier (including Tier 1 carrier) relationships and product deployment and ramp up are "forward-looking statements" (within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended), which involve known and unknown risks, uncertainties and other factors which may cause actual results to differ materially from those expressed or implied by such statements. We claim the protection of the safe harbor contained in the Private Securities Litigation Reform Act of 1995 related to these forward looking statements. These factors include the inherent challenges in converting discussions with carriers into contractual relationships and deploying our key products within large enterprises such as major carriers in a timely manner, product acceptance of new products in a competitive marketplace, the potential for unforeseen or underestimated cash requirements or liabilities, the impact of currency exchange rate fluctuations on our reported GAAP financial statements, the Company's ability as a smaller company to manage international operations, its ability given the Company's limited resources to identify and consummate acquisitions, varying and often unpredictable levels of orders, the challenges inherent in technology development necessary to maintain the Company's competitive advantage such as adherence to release schedules and the costs and time required for finalization and gaining market acceptance of new products, changes in economic conditions and market demand, rapid and complex changes occurring in the mobile marketplace, pricing and other activities by competitors, and other risks including those described from time to time in Mandalay Digital Group's filings on Forms 10-K and 10-Q with the Securities and Exchange Commission (SEC), press releases and other communications. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

Use of Non-GAAP Financial Measures.

Adjusted EBITDA is calculated as income (loss) from continuing operations before interest expense, foreign exchange gains (losses), financing and related expenses, debt discount and debt settlement expense, gain or loss on extinguishment of debt, acquisition and integration costs, income taxes, asset impairment charges, depreciation and amortization, stock-based compensation expense, change in fair value of derivatives, and accruals for discretionary bonuses. Since Adjusted EBITDA is a non-GAAP measure that does not have a standardized meaning, it may not be comparable to similar measures presented by other companies. Readers are cautioned that Adjusted EBITDA should not be construed as an alternative to net income (loss) determined in accordance with U.S. GAAP as an indicator of performance, which is the most comparable measure under GAAP. Adjusted EBITDA is used by management as an internal measure of profitability. We have included Adjusted EBITDA because we believe that this measure is used by certain investors to assess our financial performance before non-cash charges and certain costs that we do not believe are reflective of our underlying business. A reconciliation of Adjusted EBITDA to U.S. GAAP net income is expected to be included in the press release announcing the results of our second fiscal quarter, however such reconciliation to future net income is not currently available without unreasonable effort. The information that is unavailable is primarily asset impairment and expenses related to stock-based compensation; it is probable that when such amounts are available they will result in a significant GAAP net loss for our second fiscal quarter notwithstanding our expected Adjusted EBITDA results.

Today's Agenda.

- Welcome – Peter Adderton, Director and CEO.
- Digital Turbine – Bill Stone, President and COO.
- Corporate Finance – Andrew Schleimer, Board Advisor.
- Revenue and Gross Margin – Kirstie Brown, CFO Digital Turbine Asia Pacific.
- Partner and Customer Presentations.
- Cocktail Reception.

Introduction and Welcome

Peter Adderton – Director and CEO

mandalay digital group

Vision for Mobile Landscape – As predicted.

- Mobile ecosystem has rapidly changed over the past 5 to 8 years.
- Expanded to include: and
- Platform is now a combination of hardware and software.
- In the process of transforming the mobile industry, both Apple and Google have also changed – yet the carriers have remained the same.

Vision for Mobile Landscape – As predicted.

- We have seen a major shift away from carriers to new evolving ecosystems including mobile payments.

- MDNL offers a real opportunity for the carriers to get back into this business – creating an alternative distribution platform for app developers, advertisers and media companies.

A productive '*First 30 Months*.'

- Contributed Digital Turbine for 100% equity into Mandalay Digital Group.
- Combination of Technology (Adderton) with Content (Guber) – a marriage of strengths.
- Completed multiple acquisitions to build pipe to distribute products and services.

A productive '*First 30 Months*.'

- Strengthened Board of Directors and Management Team.
- Up-listed to Nasdaq from OTC Pink Sheets.
- Cleaned up balance sheet and diversified shareholder base.
- Well-positioned to grow and scale.

Massive growth and valuation potential.

- MNDL current addressable market = **1 BILLION** devices.
- CPI advertising extremely scalable.
- Range per campaign @ $1.50 per slot, four slots per device.

Devices	1	1M	5M	**25M**	50M
Revenue	$6	$6M	$30M	**$150M**	$300M

- Current Ignite installation trajectory 0–12 million with a clear path to 25 million.

Transitioning forward – Passing the baton.

- Management changes – the Company is in good hands.
- Intention to change the company name to:

digital turbine™

Digital Turbine

Bill Stone – President and COO

Topics.

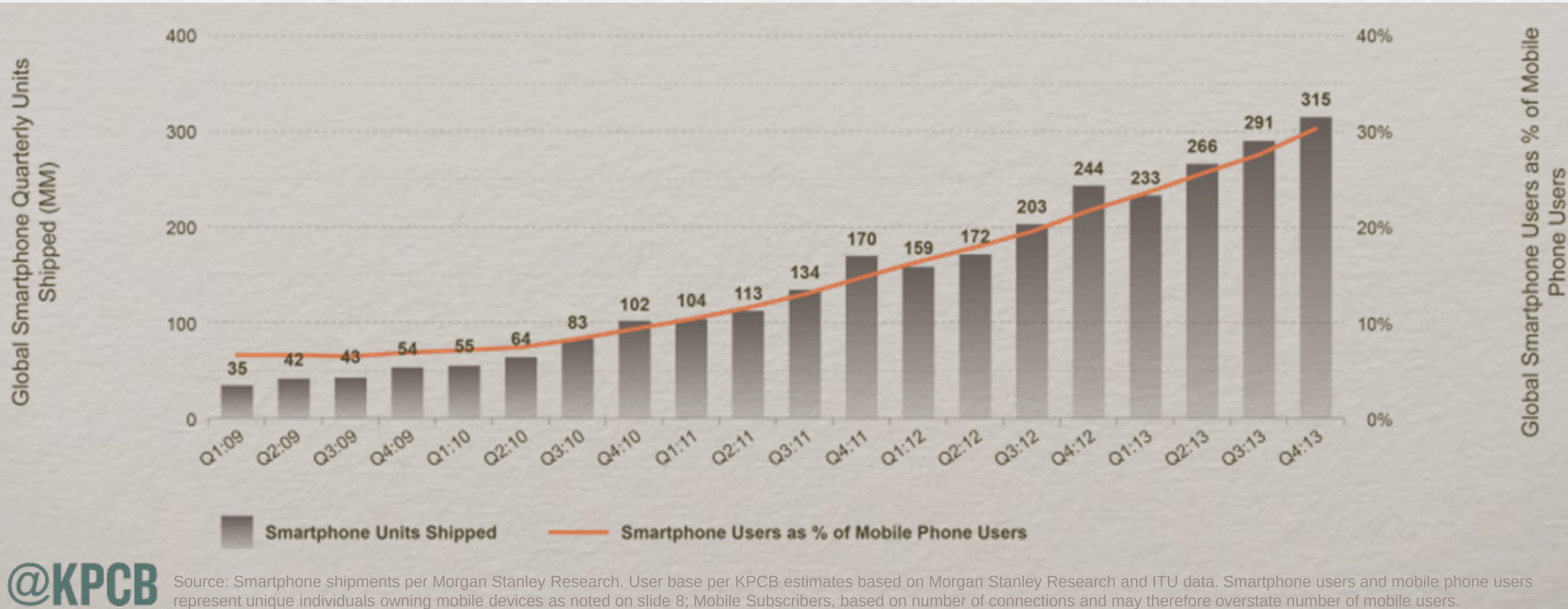
- The Big Picture.
- Connecting Digital Turbine to the Big Picture.
- Digital Turbine Updates:
  - Products.
  - Customers and Case Studies.
  - Metrics.
- Q and A.

The Big Picture.

- Smartphones.
- Operating Systems.
- Mobile Content.
- Mobile Advertising and Applications.
- Operators versus Over-the-top (OTT).

Smartphone Users = Still lots of upside… @ 30% of 5.2B Mobile phone user base.

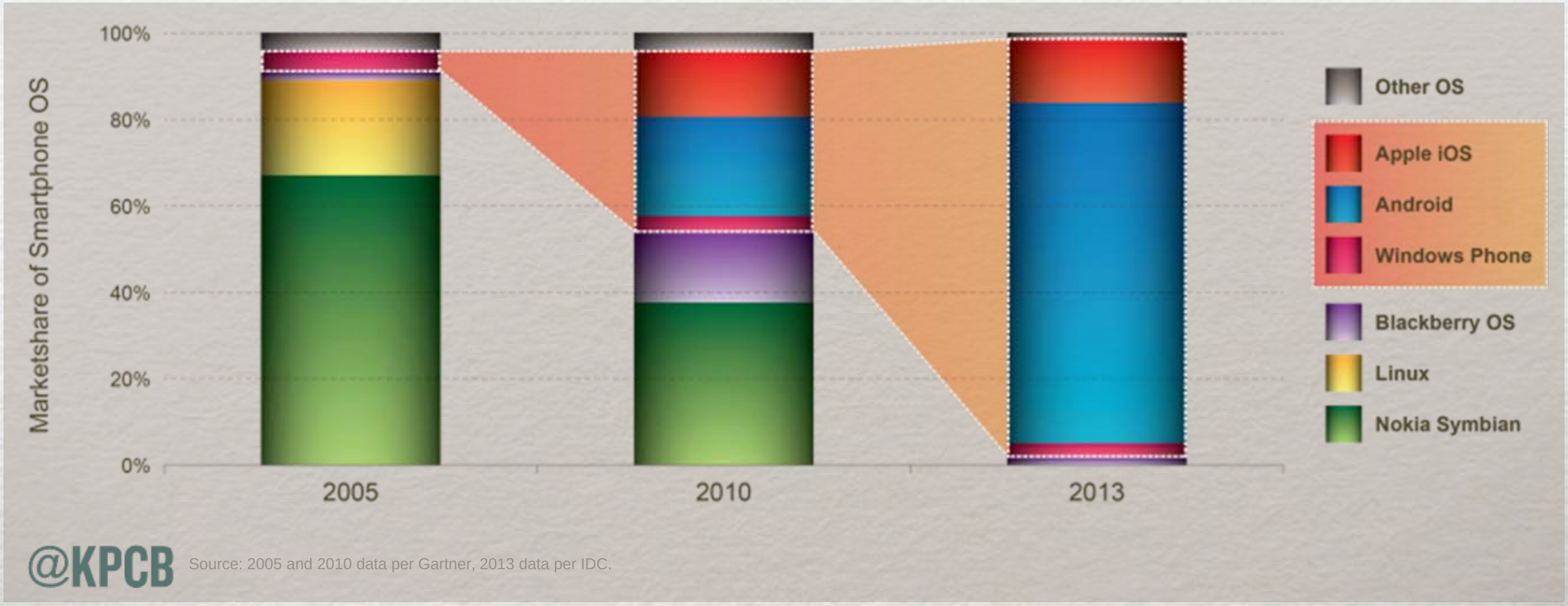
Global smartphone quarterly unit shipments and smartphone users as % of mobile phone users, 2009 – 2013.



Source: Smartphone shipments per Morgan Stanley Research. User base per KPCB estimates based on Morgan Stanley Research and ITU data. Smartphone users and mobile phone users represent unique individuals owning mobile devices as noted on slide 8; Mobile Subscribers, based on number of connections and may therefore overstate number of mobile users.

Global smartphone operating systems "Made in the USA": 97% share from 5% eight years ago.

Global smartphone operating system market share (by units shipped), 2005 versus 2010 versus 2013.



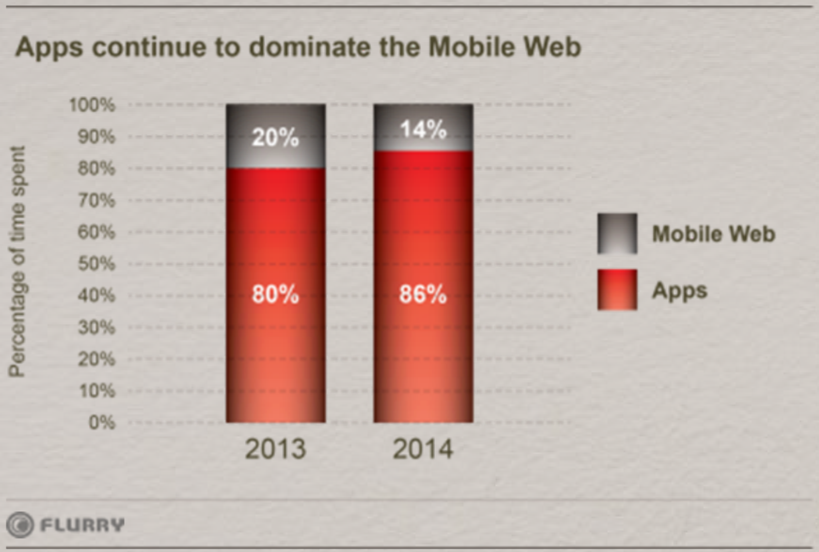
Source: 2005 and 2010 data per Gartner, 2013 data per IDC.

Mobile app revenue = Still trumps Mobile ad revenue… @ 68% of Mobile monetization.

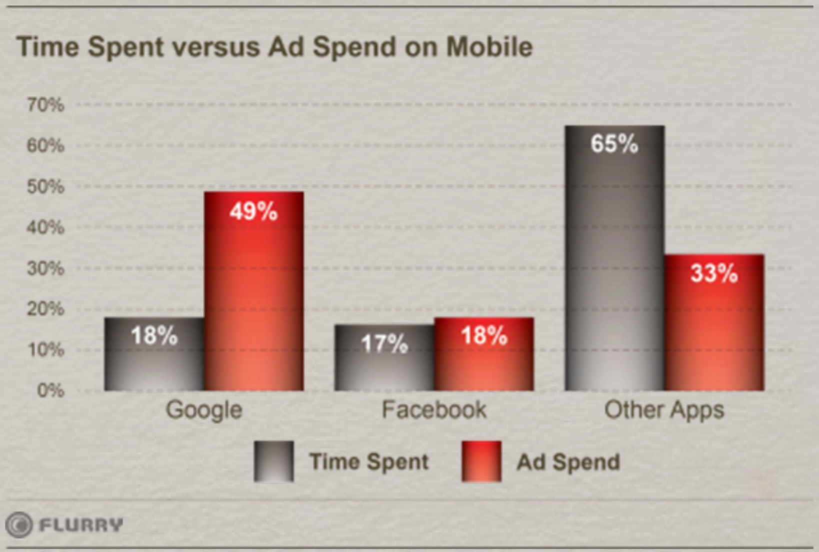
Global mobile app + advertising revenue, 2008 – 2013.

@KPCB Source: Global Mobile App revenue per Strategy Analytics; comprises virtual goods, in-app advertising, subscription and download revenue. Global Mobile Advertising revenue per PWC; comprises browser, search and classified advertising revenue.

Apps versus Mobile web.



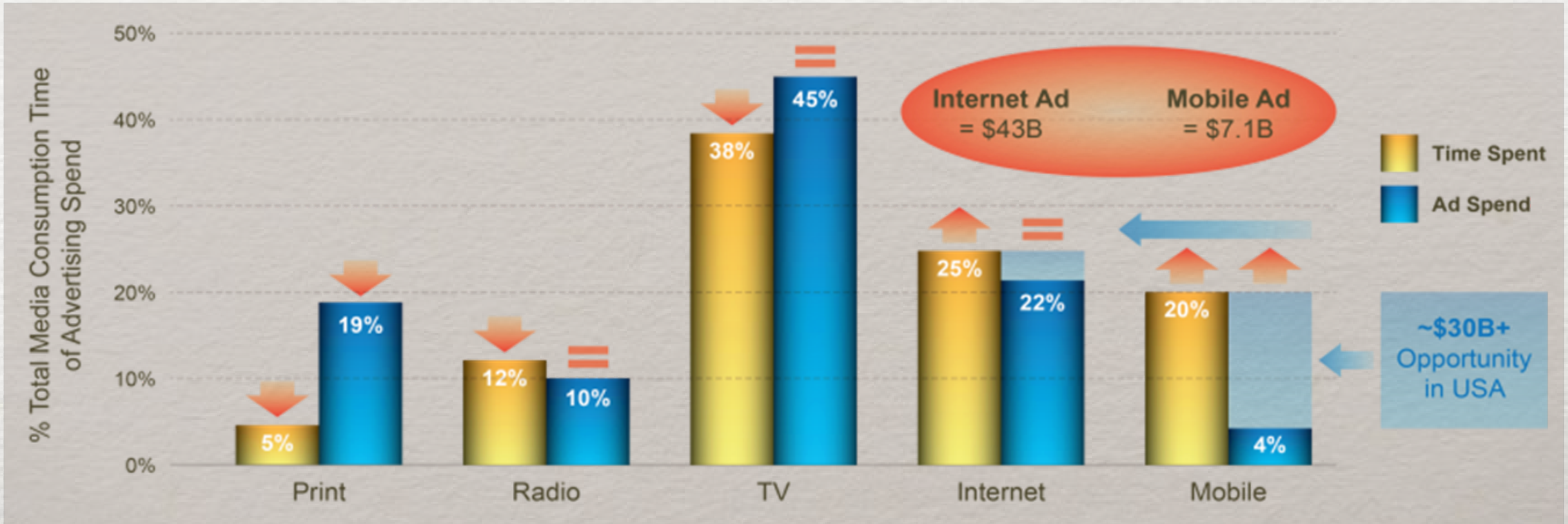
86% of time spent on mobile on Applications.



Monetization of other apps lagging Google and Facebook.

Remain optimistic about Mobile Ad spend growth… print remains way over-extended.

% of time spent in media versus
% of Advertising Spending, USA 2013.



@KPCB Source: Advertising Spend based on IAB data for full year 2013. Print includes newspaper and magazine. $30B+ opportunity calculated on assuming internet and mobile ad spend share equal their respective time spent share. Time spent share data based on eMarketer 7/13 (adjusted to exclude outdoors / classified media spend). Arrows denote Y/Y shift in percent share.

Evolution of Apps ➡ Internet unbundling…

First, multi-purpose web apps…

then, multi-purpose ***mobile*** apps.

Now, single-purpose =
"***There's an app for that***."

@KPCB Source: Megan Quinn, KPCB Partner.

mandalay digital group

Evolution of Apps ➡ Internet unbundling… The rise of the Invisible App.

Now some apps are disappearing altogether.

Foursquare Swarm | **Runkeeper Breeze** | **Dark Sky** | **WUT**

We're entering the age of Apps as service layers.

These are Apps you have on your phone, but only open when you know they have something explicitly to say to you.

They aren't for "*idle browsing*," they're "*purpose-built*" and informed by contextual signals, like hardware sensors, location, history of use and predictive computation. ***– Mathew Panzarino, TechCrunch, 05.15.2014***

@KPCB

Source: Matthew Panzarino, TechCrunch.

mandalay digital group

Facebook and App-Installs.

- FB stock hits low of $17.73
  on September 4, 2012.
- Launches app install ads
  on October 17, 2012.
- 350 million app installs
  through Q1 2014.
- 945 million
  mobile monthly active users.
- Driving more than $5 billion
  in annual mobile ad revenue from
  app install ads.

Mobile Operators versus Over-the-top (OTT).

- Operators over $2T in revenue.
- Google, Apple, Facebook are approximately 25% of operator revenue (including non-mobile).
- OTT competing against operator services.
- Operator history of competing and monetizing mobile content distribution is poor.

Takeaways from the Big Picture.

Trend	Implication
Smartphones	Global and growing
Operating Systems	Android dominates… for now
Mobile Content Business Models	About Apps AND Advertising not Apps OR Advertising
Mobile Advertising	Under-indexed form of media
Applications versus Mobile Web	Majority of time on on Apps versus Mobile Web
Ecosystems	Not necessarily defined by Operating System
Operators versus OTT	Operators most to gain and lose

How does Digital Turbine capitalize?

Trend	Implication for Digital Turbine
Smartphones	Global opportunity, not just a US one
Operating Systems	Focus on Android today; however, platform architected for flexibility
Mobile Content Business Models	Monetize through app-installs, content sales, and payments
Applications versus Mobile Web	Focus on App Installs over search, browsers, etc.
Ecosystems	Large stakeholders want in on the growth and can't do it on their own
Operators versus OTT	Operators best distribution channel (but not only)

Digital Turbine product mix.

mandalay digital group

digital turbine Ignite™

application management solution

- Pre-loads a problem for operators.
- Customization.
- Platform and device agnostic.
- Flexible.

mandalay digital group

digital turbine iQ™
intelligent search

- Discovery.
- Recommendation.
- Organization.
- App drawer and search.

mandalay digital group

digital turbine **Content**™

content management solution

- Sphere in the Cloud.
- Full-service, all categories.
- Business models changing.
- Integrated billing.

mandalay digital group

digital turbine Pay™

secure in-app purchase

- Strategic.
- Content providers concerned.
- Operators limit connectivity.
- Expansion.

Closing the loop: Bringing the products together.

- Bundled versus a-la-carte.
- Today versus tomorrow.
- Google Play problem.
- Revenue “double-dipping”.

mandalay digital group

Customers

digital turbine Content™
content management solution

digital turbine Pay™
secure in-app purchase

Telstra

vodafone

SingTel

SMART
LIVE MORE

3

OPTUS yes

TELECOM ITALIA

WIND

Cellcom

Globe™

Customers

Media.

- >$5M of media sold to date for summer device launches globally.
- Strong demand from advertisers.
- CPI ranges from $.50 (India) to $3.00 (USA).
- Across multiple categories (eg: games, travel, etc.).
- Open rates?

Case Study: Cellcom Israel.

- Four slots:
  - El Al Airlines.
  - Dominos Pizza.
  - Gullivers Travel (local travel).
  - Super Pharm (local pharmacy).
- Gross revenue 10 shekels/device ($2.80).
- Pushed across Android device line-up including Galaxy S5.

Metrics: Operators and Advertisers

- **Ignite:**
  - 100K installs on 12.31.2013.
  - 1M installs to date.
  - 12M by end of FY.
  - $1 CPI, three-slots and 50/50 rev share is “*average of averages*”.
- **IQ:**
  - Less than 100K today.
  - 1M by end of FY.
- **Content Management** and **Pay:**
  - 30M month.
  - 2M pay.
  - $3 Average ARPU.
  - Focus on traffic over ARPU.

Q and A Session.

Corporate Finance

Andrew Schleimer

The Past – a complex story to tell.

- Former ‘shell’ company.
- OTC-listed – not on major exchange until June 2013.
- Virtually nil liquidity.
- Organic and inorganic growth financed privately by high net-worth individuals.
- Private placements of convertible debt and equity with warrants.

The Past – a complex story to tell.

- Closely-held ‘quasi private’ company, no real institutional support.
- Company built through acquisitions, with a number of starts and stops.
- Former shell status, restructuring of ValueAct debt, subsequent acquisitions and private financings resulted in complex capital structure.

The Present – clean and well positioned.

- NASD-listed as of June 6, 2013 – profile enhanced but only one piece of the puzzle.
- Completed financing in August 2013 @ $2.48 per share – important transaction for Company.
- Re-equitized the balance sheet in complete de-levering transaction.
- All value inures to the benefit of the shareholders – no longer ‘working for the debt holders.’

The Present – clean and well positioned.

- Liquidity profile enhanced following capital raise – stock started to trade more naturally as more institutions held shares.
- New primary shares sold to institutions and therefore fewer shares held by insiders on a relative basis.
- Enhanced IR program and PR efforts.
- Verizon announced, T-Mobile in the works.
- Completed financing in March 2014 @ $4.10 per share.

The Present – clean and well positioned.

- Four sell-side institutions covering MNDL, more in the works.
- T-Mobile announced, 2014 fiscal revenues up five-fold y-o-y.

So, what's next?

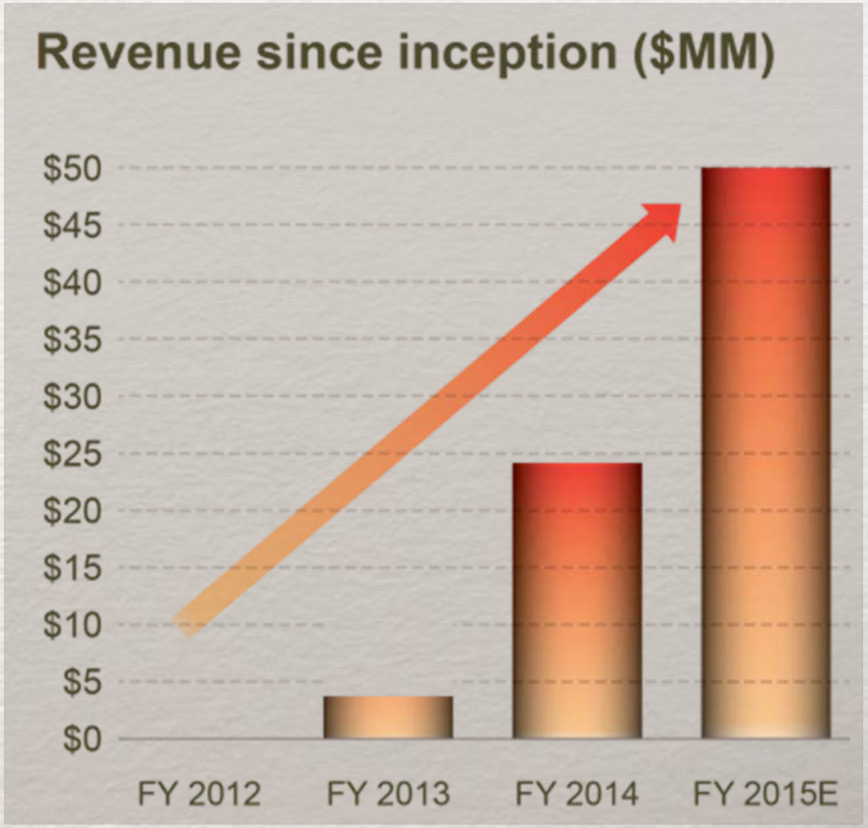
- Transition from a "**Story Stock**" to an "**Execution Stock**":
  - Growth.
  - Stability.
  - Liquidity.
  - Credibility, trust and transparency.
  - M & A.

Growth: Fiscal 2015 Revenue Guidance of 90-100% Growth.

Revenue Guidance:
90-100% y-o-y projected revenue growth.

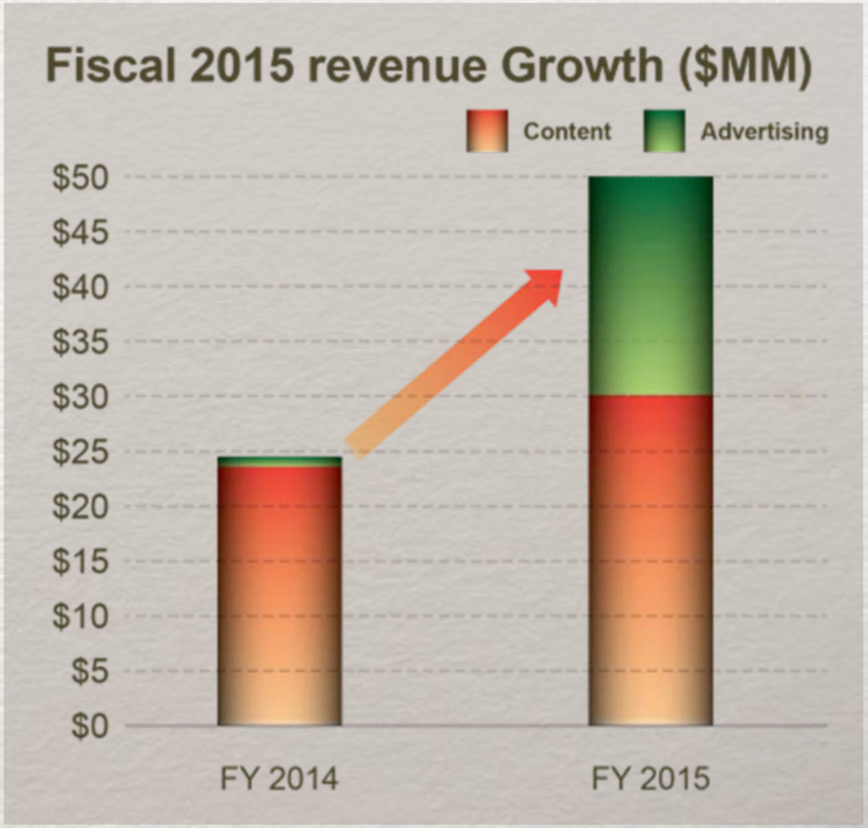
Gross Margin Guidance:
>50% for fiscal year.

Adjusted EBITDA Guidance:
Positive for full second fiscal quarter.



Growth: Current Snapshot of Financials.
Where is growth coming from? CPI versus Content.

Components of fiscal 2015 revenue:
Growth driven by advertising spend (CPI).



mandalay digital group

Growth: Keeping expenses in-line.
Management focused on OPEX spending.

Operating expenses flat quarter-over-quarter during operational ramp for Ignite and IQ.

ACTUAL					
Operating Expenses**	Q1	Q2	Q3	Q4	FY 14
DT EMEA	1,065	992	1,287	1,219	4,563
DT APAC	1,147	1,225	1,417	1,336	5,125
DT US	951	849	379	575	2,754
Corporate	1,250	1,030	931	1,127	4,338
TOTAL Operating Expenses:	4,413	4,096	4,014	4,257	16,780

***Excludes stock-based compensation, bonus accrual, depreciation and amortization, impairment and one-time tax re-class*

Stability: Reported cash on hand of $22 million @ March 31

- **Cash on hand.**
- **Working capital strength:** Ramp in revenues will yield increases in net working capital.
- **Balance Sheet:** debt free and encumbrance free.

	Mar. '13	Mar. '14
Cash and Equivalents	1,149	22,005
Accounts Receivable	1,995	5,102
Total Current Assets	3,992	27,481
TOTAL ASSETS:	12,485	45,095
Accounts Payable	3,783	2,943
Accrued Liabilities	1,361	5,076
TOTAL CURRENT LIABILITIES:	5,878	11,906
Debt and Contingencies	5,870	238
TOTAL LIABILITIES:	11,748	12,144
Stockholders' Equity	737	32,951
TOTAL LIABILITIES AND EQUITY:	12,485	45,095

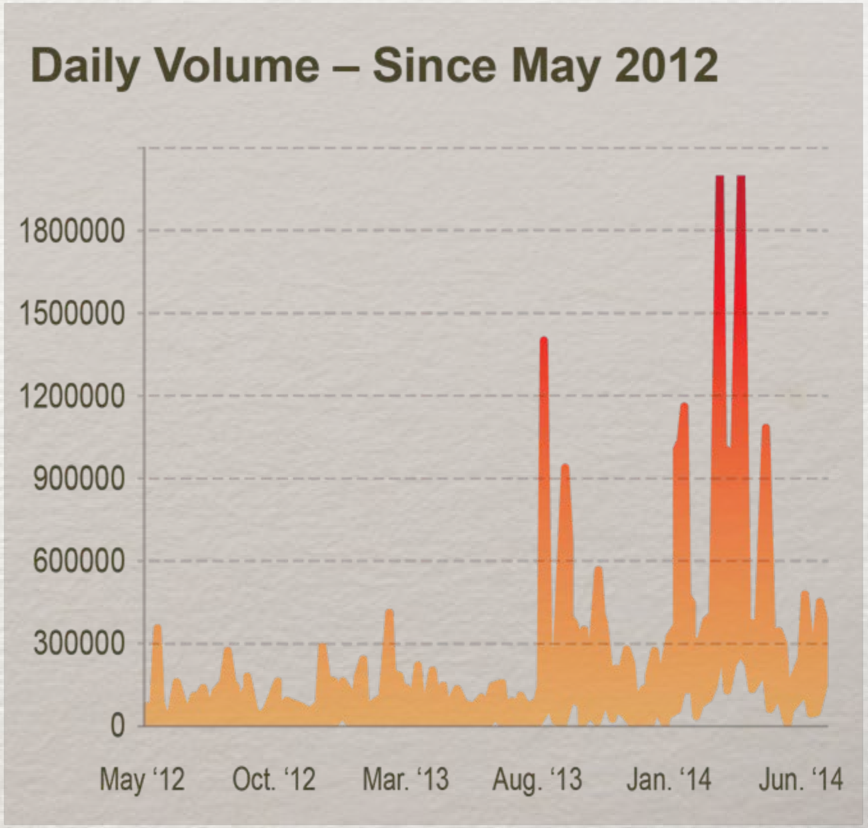
Liquidity: Company re-IPO in August 2013 through Ladenburg Offering.

Nasdaq listing from OTC Pink in June 2013.

Liquidity: Currently trading over 200,000 shares daily (volume increase approx 10x).

Insider and affiliate ownership reduced from >50% to approximately 20%.

Russell Micro Index rebalanced 6/27 to include MNDL.



mandalay digital group

Credibility: Actions speak louder than words.

Execute on business plan.

Continued progress with sell side community.

First Annual Meeting of Stockholders.

High quality investor confidence.

Shareholder breakdown:

Key Board Members / Management / Others		Key Institutional Shareholders (Public filings)
Peter Guber	>20%	Adage Capital Management
Peter Adderton		Millennium Management
Bill Stone		Verition Fund Mgmt
Paul Schaeffer		Gruber and McBaine
Andrew Schleimer		NorthPointe Capital

M & A.

- March capital raise primarily for M & A:
  - $22 million of cash on hand at March 31.
  - Continued progress on a number of potential transactions.
  - Management disciplined approach.
  - View each opportunity through lens of financial and strategic accretion.

Revenue and Gross margin

Kirstie Brown

mandalay digital group

Revenue Models:
Content and Advertising.

Content

digital turbine Pay™
secure in-app purchase

digital turbine Content™
content management solution

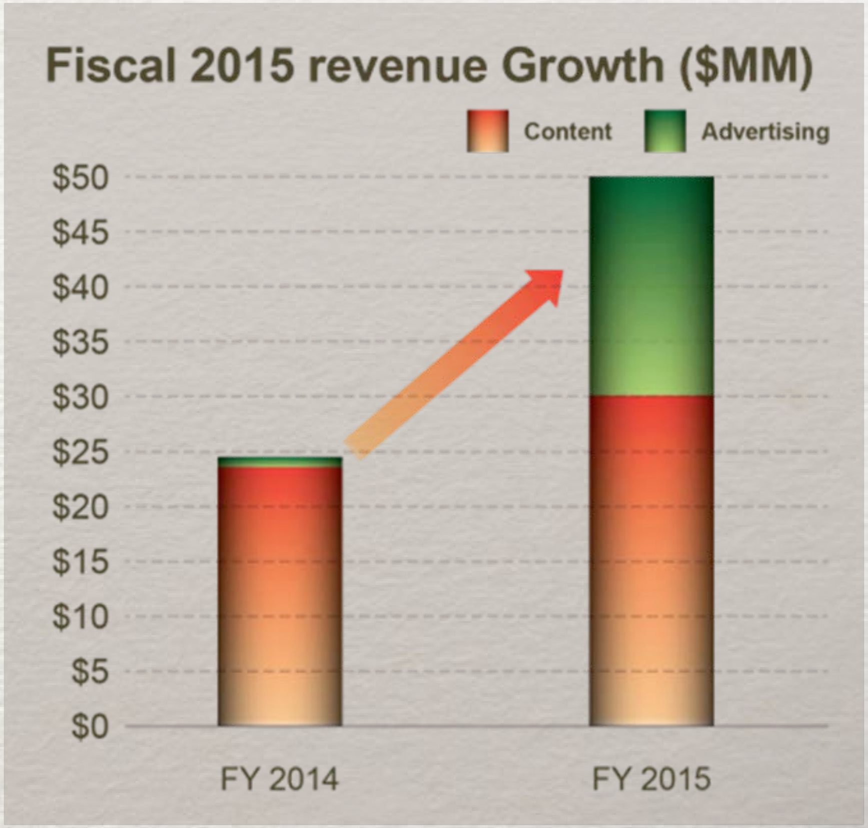
Advertising

digital turbine Ignite™
application management solution

digital turbine iQ™
intelligent search

Growth: Current Snapshot of Financials.
Where is growth coming from? CPI versus Content.

Components of fiscal 2015 revenue:
Growth driven by advertising spend (CPI).



mandalay digital group

Content revenue model.

$2.99	**End User purchases content.**
$1.88	**DT bills Carrier PPD less taxes less Carrier Rev Share.**
$1.27	**DT pays content suppliers and third parties.**
$0.62	**DT margin varies by content type and supplier.**

- Traditional Carrier content services, transactional content sales for services built, hosted and managed by Digital Turbine.
- API billing product enables third parties to monetize their services via direct carrier billing.
- Revenue is recognized net of carrier revenue share.
- DT manages the payment process for suppliers and third parties.
- DT Pay is a high revenue, low margin product.
- Content is a high revenue and variable margin product.

Advertising revenue model – CPI.

$3.00 — **DT sources campaigns agrees CPI.**

$2.40 — **DT invoices Ad Network for install revenue.**

$0.24 — **DT Pays Carrier revenue share.**

$2.16 — **DT Margin varies by Carrier revenue share.**

Revenue for **DT Ignite** and **DT IQ** can be generated by Digital Turbine sourcing campaigns and selling inventory…

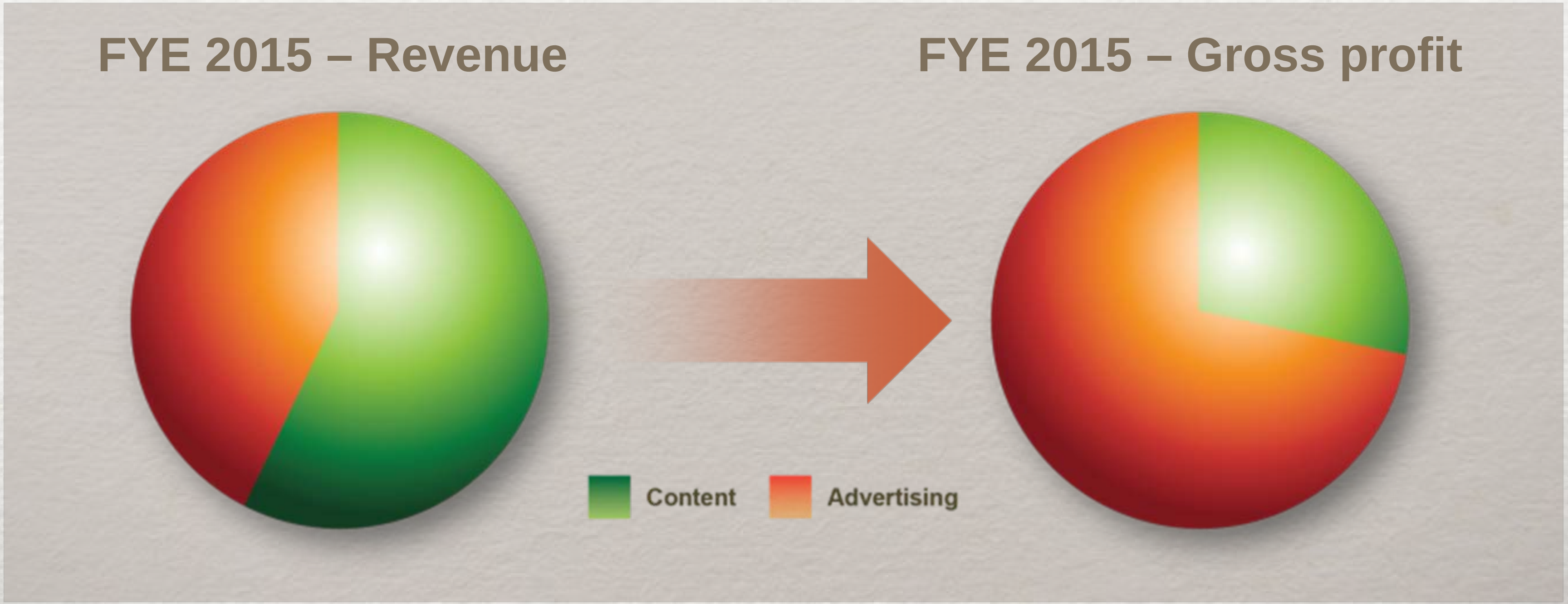
OR

By the Carrier selling inventory and sourcing campaigns.

- The install can be paid on either "*Pre-Load*" or "*Open*" basis.
- Revenue is recognized monthly by the number of installs (net of Ad Network Revenue share – between 20%-30%, as appropriate).
- **DT Ignite** and **DT IQ** are high revenue and high margin products.

Contribution and margin.

Components of fiscal 2015 gross profit – revenue mix shift to advertising driving gross profit.



Q and A Session.

Appia, Inc.

Jud Bowman

Telstra Corporation

Stuart Bird

KEY TELSTRA FACTS

- AUSTRALIA'S LEADING TELCOMMUNICATIONS COMPANY
- $64B MARKET CAP, 10th BIGGEST TELCO GLOBALLY; 4.4% OF ASX200 INDEX; 6.6% OF BLOOMBERG ASIA-PAC TELCO INDEX; 0.1% OF BLOOMBERG WORLD INDEX; 1.2% OF STOXX ASIA-PAC 600;
- AUSTRALIAN CUSTOMER BASE AT DECEMBER 2013: MOBILES 15.8M, FIXED VOICE 6.4M, FIXED DATA 2.8M, FOXTEL 2.5M[1]
- SUPERIOR NETWORKS: MOBILE COVERAGE WITH 4G TO 85% OF THE POPULATION AND 3G TO 99%; THE NEXT IP® DATA NETWORK PROVIDES COVERAGE TO OVER 95% OF AUSTRALIAN BUSINESSES
- PROVIDER OF ADVANCED NETWORK APPLICATIONS AND SERVICES TO ENTERPRISE AND GOVERNMENT CUSTOMERS
- INTERNATIONAL SCALE: 4,000 STAFF IN 16 COUNTRIES OUTSIDE AUSTRALIAN, 1,900 POINTS OF PRESENCE IN 230 COUNTRIES AND TERRITORIES, LARGE UNDERSEA CABLE NETWORK IN ASIA, 18 DATA CENTRES GLOBALLY, 65% STAKE IN AUTOHOME

IT'S HOW WE CONNECT

1. Foxtel is 50% owned by Telstra

HALF-YEAR HIGHLIGHTS[1]

KEY FINANCIALS

TOTAL INCOME	↑	4.1%
EBITDA	↑	7.0%
NPAT	↑	9.7%
EPS	↑	8.7%
DPS	↑	3.6%

PRODUCT REVENUE

MOBILES	↑	6.4%
FIXED VOICE	↓	-7.3%
FIXED DATA	↑	6.0%
NAS	↑	29.3%
INTERNATIONAL	↑	28.3%

CUSTOMER GROWTH

739,000 NEW DOMESTIC RETAIL MOBILE CUSTOMER SERVICES

75,000 NEW RETAIL FIXED DATA CUSTOMERS

117,000 NEW CUSTOMERS ON A FIXED BUNDLE

WE ARE ON TRACK TO MEET FY14 GUIDANCE

IT'S HOW WE CONNECT

1. Total income excludes discontinued operations. The Sensis Group was disclosed as a discontinued operation. The carrying value of assets and liabilities of the Sensis Group, with the exception of the cash balances which were excluded from the sale agreement, were classified as held for sale as at 31 December 2013, and measured at the lower of carrying amount and fair value less costs to sell.

mandalay digital group

STRATEGIC PRIORITIES

IMPROVE CUSTOMER ADVOCACY

DRIVE VALUE FROM THE CORE

BUILD NEW GROWTH BUSINESSES

IT'S HOW WE CONNECT

TELSTRA CORPORATION AND DIGITAL TURBINE

1. **Direct Customer Relationships and improvements in Customer Advocacy**
2. **Strategically important partnerships in a rapidly changing landscape**
3. **Future Opportunities**

IT'S HOW WE CONNECT

Additional Customer Insight