

September 9, 2013



## **Mandalay Digital Provides FY2014 and 2Q2014 Guidance and Hosts Investor Call**

**\$27.0 - \$29.0 million in Revenues Projected for the Year Represents 35-45% Growth; Company expects to turn Adjusted EBITDA positive prior to end of fiscal year**

**Q2 Revenue Guidance of \$6.4 - \$6.8 million, Representing a 25-35% Increase Quarter to Quarter**

**Company to Host Investor Call Today at 4:15pm ET**

LOS ANGELES, Sept. 9, 2013 /PRNewswire/ -- Mandalay Digital Group, Inc. (NASDAQ: MNDL) ("Mandalay Digital" or "the Company"), today announced financial guidance for the fiscal year ending March 31, 2014. The Company has also provided revenue guidance for its second quarter, ending September 30, 2013. Based principally on the additions of MIA and Logia, on new customer wins over the past six months, and sales growth from each of its business lines including DT Pay®, DT Content® and DT Ignite, the Company expects the following:

Q2 2014 (September 30, 2013)

Revenues: \$6.4 to \$6.8 million (25-35% increase quarter to quarter)

FY 2014 (March 31, 2014)

Revenues: \$27.0 to \$29.0 million (35-45% increase year over year)

Adjusted EBITDA\*: Breakeven prior to end of fiscal year

\*Adjusted EBITDA is a non-GAAP financial measure which excludes certain expenses. For definition of Mandalay Digital's use of non-GAAP financial measures, see the section titled "Use of Non-GAAP Financial Measures" below.

"We are beginning to show the fruits of our labor for the last year as the many recently added carrier relationships are contributing meaningful revenues to our business," began Peter Adderton, CEO of Mandalay Digital. "Our rapid sales growth for the quarter and the year is the result of expanding our customer base through new relationships such as Cricket

and Axis as well as providing new products and services to existing customers such as Telstra and Avea. Regarding product and service placements for the first half of the fiscal year, DT Pay® and DT Content Management® are the immediate-term, top-line growth drivers. For the second half, we expect to see DT Ignite® to become a more material top-line and Adjusted EBITDA contributor as previously announced contracts begin to generate revenue from shipments of capable devices in the Holiday season," Adderton concluded.

## CONFERENCE CALL

Mandalay Digital's CEO, Peter Adderton, and Digital Turbine's CEO, Bill Stone, will host the call.

Date: Monday, September 9, 2013

Time: 4:15 pm ET

US Dial-In: 1-877-941-8416

International Dial-In: 1-480-629-9808

Conference ID: 4637547

Webcast: <http://public.viavid.com/index.php?id=105916>

A playback of the call will be available until 11:59 pm ET on September 16, 2013. To listen, call +1-877-870-5176 within the United States or +1-858-384-5517 when calling internationally. Please use the replay PIN number 4637547. The playback of the call will also be made available on the investor relations section of the Company's website.

## About Mandalay Digital Group

Mandalay Digital Group (NASDAQ: MNDL) is at the convergence of Internet media content and mobile communications. It delivers a mobile services platform that works with mobile operators and third-party publishers to provide portal management, user interface, content development and billing technology that enables the responsible distribution of mobile entertainment. Mandalay Digital is headquartered in Los Angeles and has offices in Australia, Germany and Israel. For additional information, visit [www.mandalaydigital.com](http://www.mandalaydigital.com).

## 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 fiscal year ending March 31, 2014, 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 net loss for the fiscal year ending March 31, 2014 notwithstanding our expected Adjusted EBITDA results.

### **Forward Looking Statements**

This press release contains statements that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements in this press release 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 are forward-looking statements 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. These factors include uncertainties as to ability to raise new capital on acceptable terms or at all, ability to manage international operations, ability to identify and consummate roll-up acquisitions targets, levels of orders, ability to record revenues, release schedules, finalization and market acceptance of new products, changes in economic conditions and market demand, 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. Such forward-looking statements speak only as of the date on which they are made and the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this press release.

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