Goldenhill
International M&A Advisors

Mobile Technology Sector

Quoted Company Analysis

Second Quarter 2012

Sector Valuation Metrics

Goldenhill International M&A Advisors

Company	Share Price Local 30-Jun-12	Market Cap ($m)[1]	Net Debt ($m)[2]	Enterprise Value ($m)	Revenue CY12E ($m)	EV/Revenue CY2011	EV/Revenue CY2012E	EV/Revs Recurring	EV/EBITDA CY2011	EV/EBITDA CY2012E	Revenue Growth CY2011[4]	Revenue Growth CY2012E[4]	EBITDA Margin CY2011	EBITDA Margin CY2012E	% Revs Recurring[3]
Selected Large Cap															
Gemalto	56.59	6,301	(401)	5,900	2,797	2.3x	2.1x	15.6x	16.0x	14.3x	5.8%	8.1%	14.3%	14.7%	14%
DeNa	2087.00	3,944	(697)	3,247	2,076	1.9x	1.6x	na	3.9x	3.6x	29.3%	18.9%	48.2%	43.9%	na
Average						**2.1x**	**1.8x**		**10.0x**	**8.9x**			**31.2%**	**29.3%**	**13.5%**
Total (Large Cap)		**10,245**	**(1,098)**	**9,147**											
Selected Mid Cap															
Millennial Media	13.19	1,004	(17)	987	176	9.5x	5.6x	na	nm	nm	116.8%	69.4%	0.1%	-2.0%	na
PayPoint	7.04	748	(56)	692	319	2.2x	2.2x	na	10.5x	na	3.5%	1.0%	21.0%	na	na
Monitise	0.33	526	(37)	490	84	12.9x	5.9x	10.2x	nm	nm	133.3%	142.3%	-63.9%	-23.4%	57%
Velti	6.50	402	(66)	336	292	1.8x	1.2x	1.6x	15.8x	4.0x	62.7%	54.2%	11.3%	28.6%	73%
Buongiorno	2.00	269	62	331	342	1.1x	1.0x	na	18.9x	7.8x	8.4%	16.6%	6.0%	12.4%	na
Glu Mobile	5.55	358	(32)	326	92	4.9x	3.5x	7.5x	nm	nm	2.9%	39.0%	-18.2%	-2.8%	47%
NetQin Mobile	8.19	385	(70)	315	79	7.8x	4.0x	4.5x	51.4x	10.6x	129.8%	93.1%	15.1%	37.9%	89%
Average						**5.7x**	**3.3x**		**24.1x**	**7.5x**			**-4.1%**	**8.4%**	**66.6%**
Total (Mid Cap)		**3,691**	**(215)**	**3,476**											
Selected Small Cap															
Myriad Mobile	3.00	180	(21)	159	66	2.6x	2.4x	4.4x	61.5x	81.9x	-39.6%	8.2%	4.2%	2.9%	55%
Hi Media	2.00	115	39	154	297	0.5x	0.5x	na	4.9x	6.0x	3.6%	0.5%	10.7%	8.6%	na
Augme Technologies	1.53	145	(11)	133	25	12.8x	5.2x	na	nm	nm	324.9%	135.6%	-222.6%	-55.5%	na
Bango	1.75	113	(3)	110	na	4.2x	na	na	nm	na	-19.3%	na	-3.5%	na	90%
Net Mobile	6.91	107	(5)	102	na	0.7x	na	na	nm	na	15.2%	na	0.1%	na	na
Globo	0.20	104	(6)	98	73	1.7x	1.4x	10.4x	3.7x	3.8x	46.6%	24.9%	45.6%	35.4%	13%
InternetQ	2.14	105	(9)	96	94	1.5x	1.0x	6.4x	10.8x	7.1x	41.1%	46.9%	13.9%	14.4%	16%
Telit Communications	0.52	83	(0)	83	204	0.5x	0.4x	40.6x	7.7x	5.1x	34.7%	14.9%	6.0%	7.9%	1%
eServGlobal	0.18	43	12	55	na	na	na	na	na	na	-45.1%	na	na	na	67%
Trunkbow International	1.19	44	0	44	na	1.5x	na	na	3.8x	na	19.2%	na	39.7%	na	12%
Seamless Distribution	13.30	40	(1)	38	na	4.4x	na	na	nm	na	19.3%	na	-7.8%	na	na
Motricity	0.62	29	8	37	97	0.3x	0.4x	0.4x	nm	4.5x	-8.8%	-20.6%	-7.7%	8.4%	86%
Mobile Tornado Group	0.10	30	3	33	na	10.2x	na	na	na	na	42.9%	na	na	na	66%
Yoc	11.05	27	5	31	51	0.7x	0.6x	1.6x	nm	nm	9.5%	19.6%	-9.2%	-0.2%	39%
Bob Mobile	13.80	30	0	30	na	0.7x	na	na	nm	na	-13.8%	na	-1.0%	na	84%
Aspiro	1.23	37	(8)	28	47	0.9x	0.6x	0.8x	nm	nm	-13.3%	40.9%	-8.1%	-16.9%	77%
Probability	0.75	32	(5)	27	16	2.5x	1.7x	na	nm	19.6x	13.8%	35.8%	-5.2%	8.8%	na
2ergo Group	0.52	29	(4)	25	34	0.9x	0.7x	0.8x	na	na	-17.5%	13.2%	na	na	88%
Artilium Group	0.10	23	(1)	22	na	na	na	na	na	na	40.6%	na	na	na	53%
Poynt	0.04	20	0	20	4	8.8x	5.3x	25.2x	nm	nm	149.1%	66.8%	-737.3%	-291.7%	21%
Vipera	0.09	17	(2)	15	na	38.2x	na	na	nm	na	-48.3%	na	-43.0%	na	11%
Mobile Streams	0.25	14	(2)	12	na	0.8x	na	na	17.0x	na	35.3%	na	4.7%	na	48%
Zamano	0.03	5	6	10	na	0.5x	na	na	9.1x	na	-5.0%	na	5.8%	na	na
Crimson Tide	0.01	9	(0)	8	2	4.3x	3.5x	3.8x	32.2x	na	6.0%	23.7%	13.4%	na	92%
Average						**4.5x**	**1.8x**		**16.7x**	**18.3x**			**-45.1%**	**-25.3%**	**51.1%**
Total (Small Cap)		**1,378**	**(5)**	**1,372**											
Sector Total		**15,314**	**(1,319)**	**13,995**											

(1) Excludes treasury shares

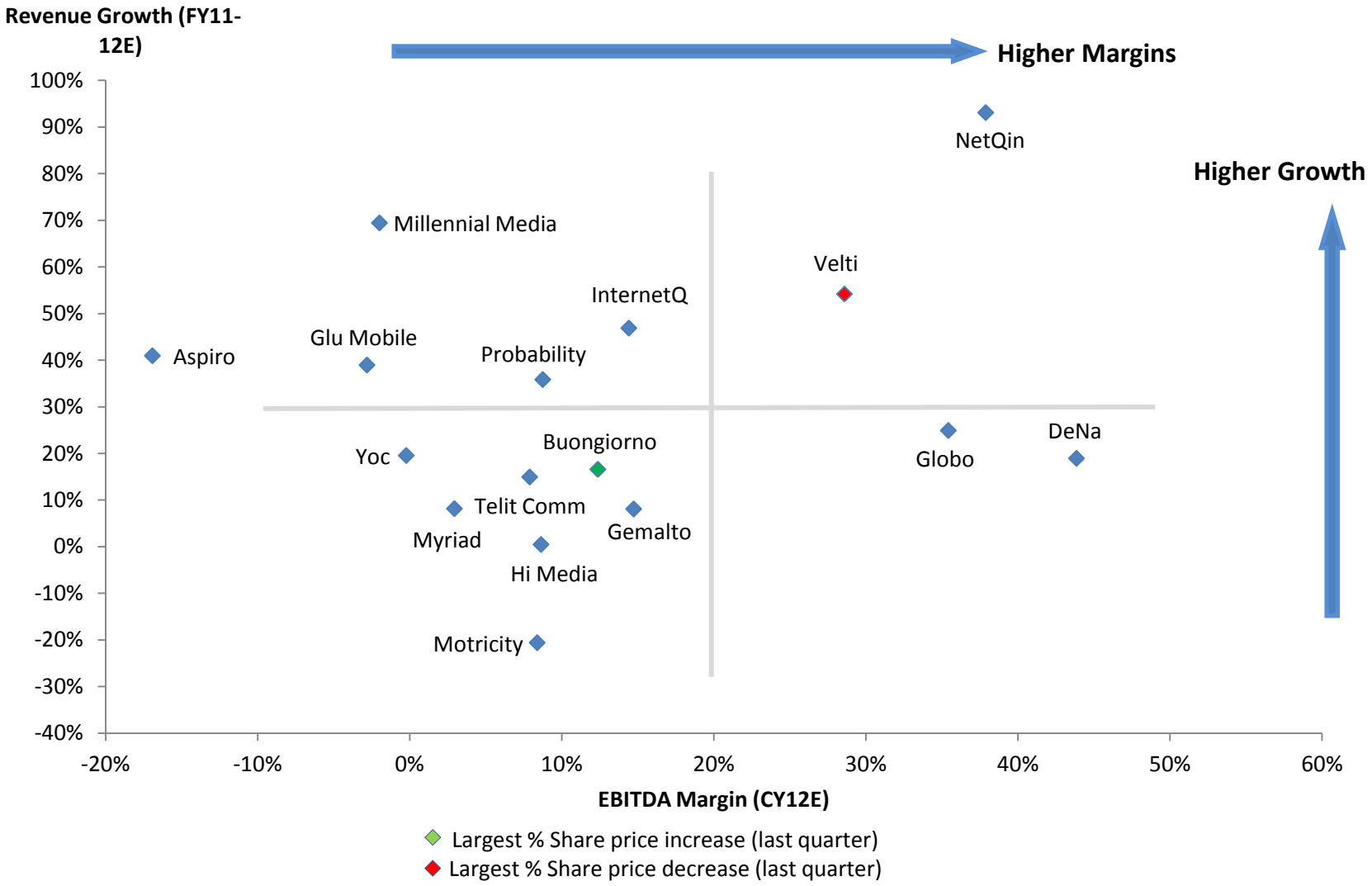
(2) Net financial debt minus marketable securities and collaterals.

(3) Recurring revenues (maintenance, subscriptions, SaaS etc) where reported for last full year

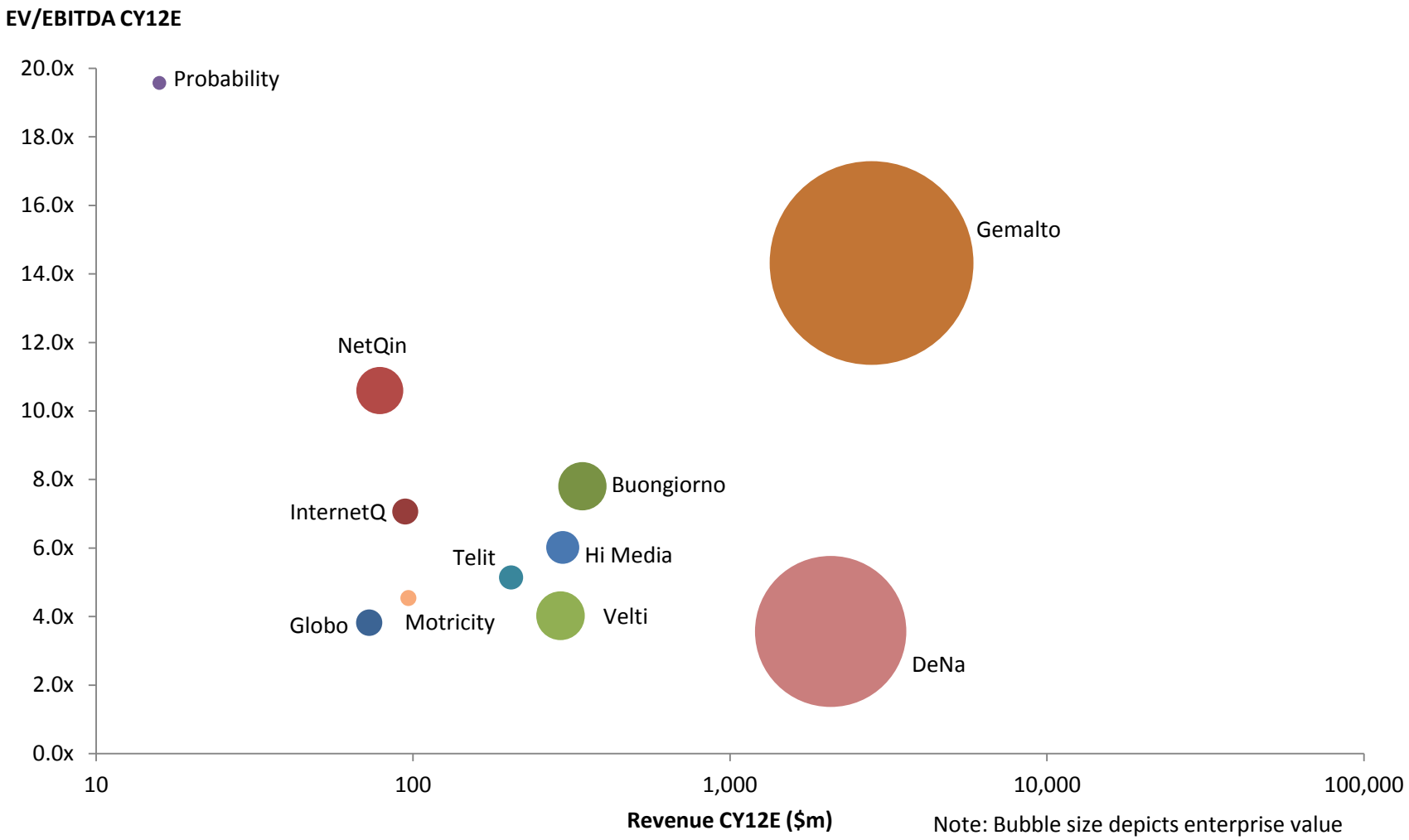
(4) For companies having financial year end as February and March, CY11 and CY12E correspond to FY12/11 and FY13/12 respectively

(5) nm - not meaningful and na - not available

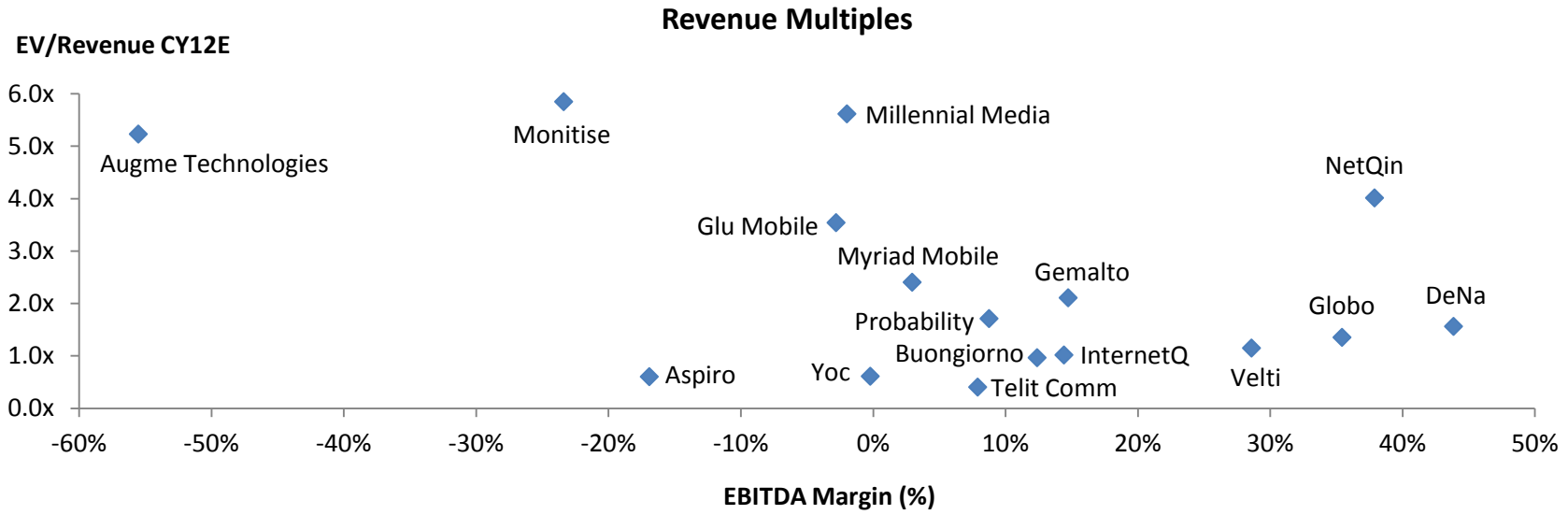
Performance Quadrants: Revenue Growth & Operating Margin

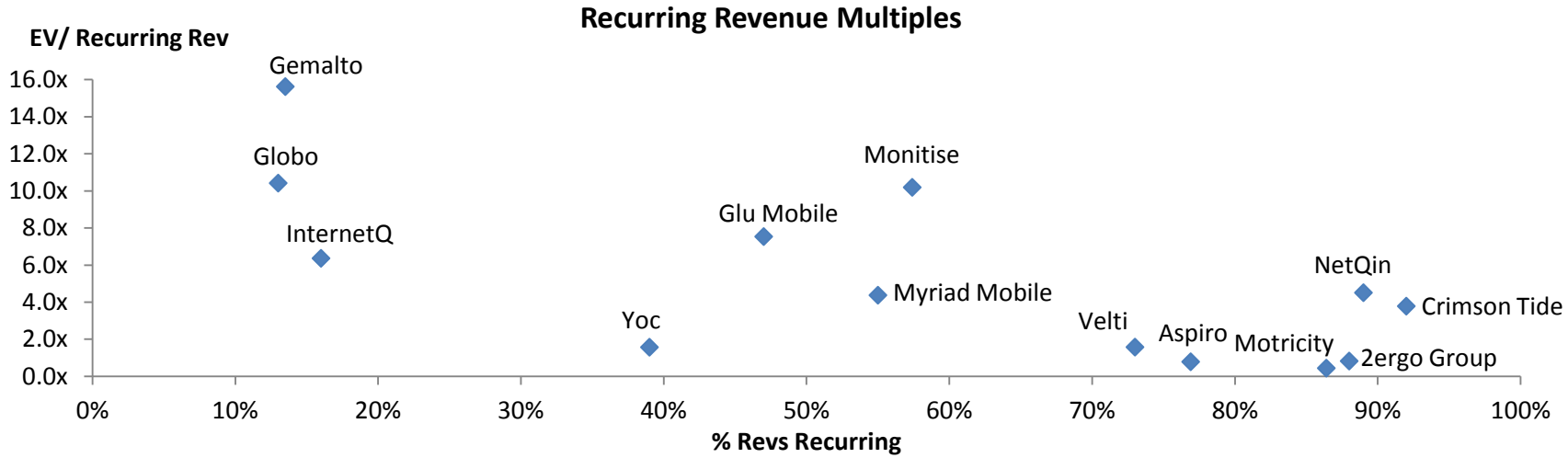


Scale as a Value Driver

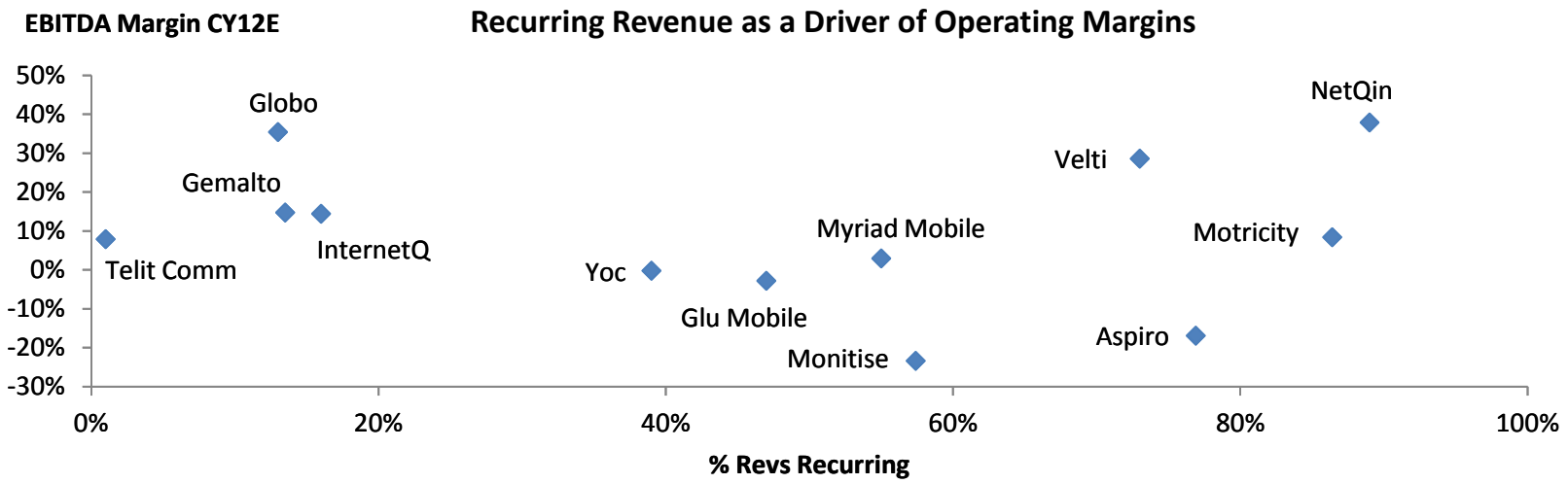


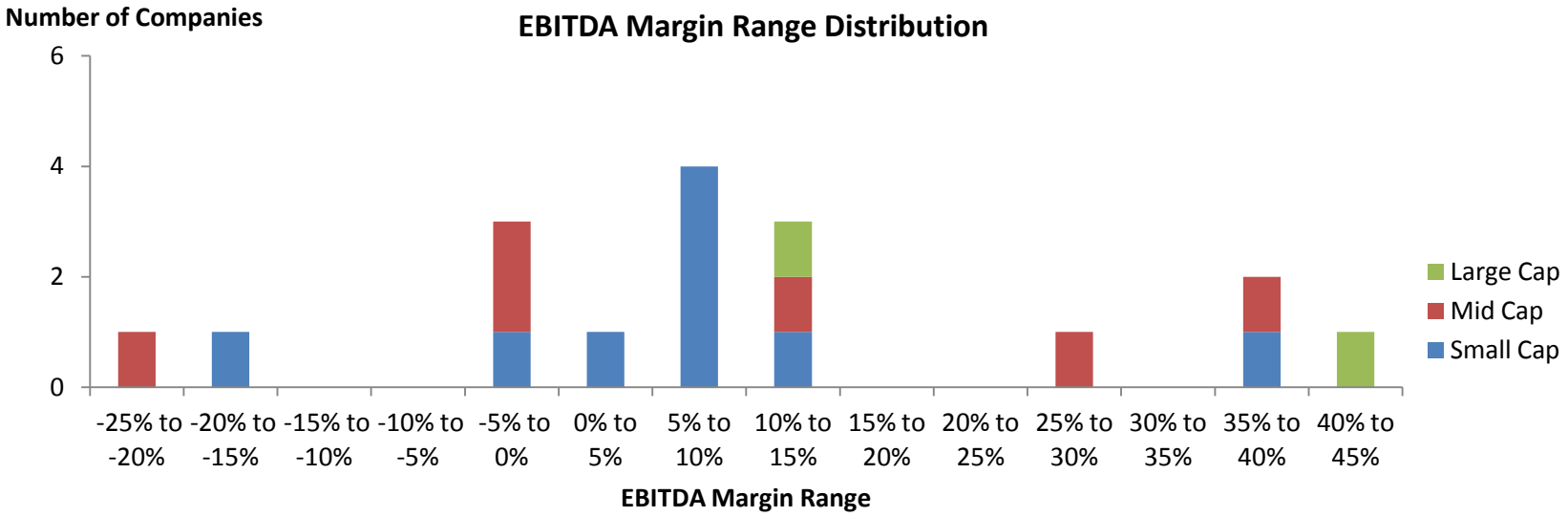
Operating Efficiency and Recurring Revenue as Value Drivers



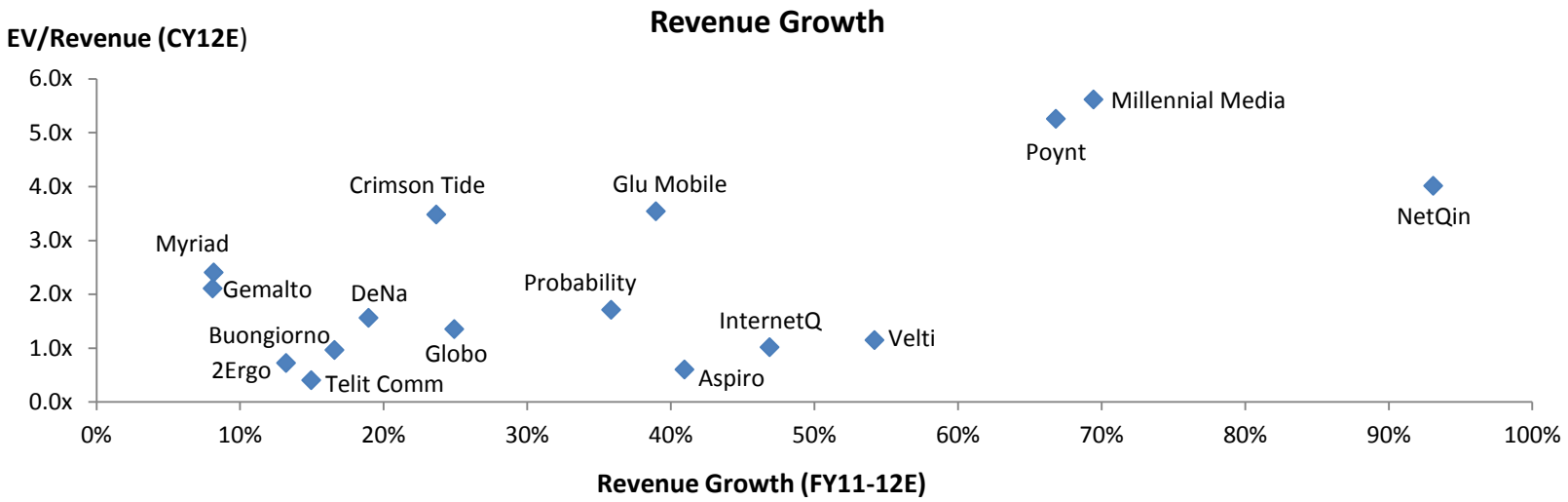


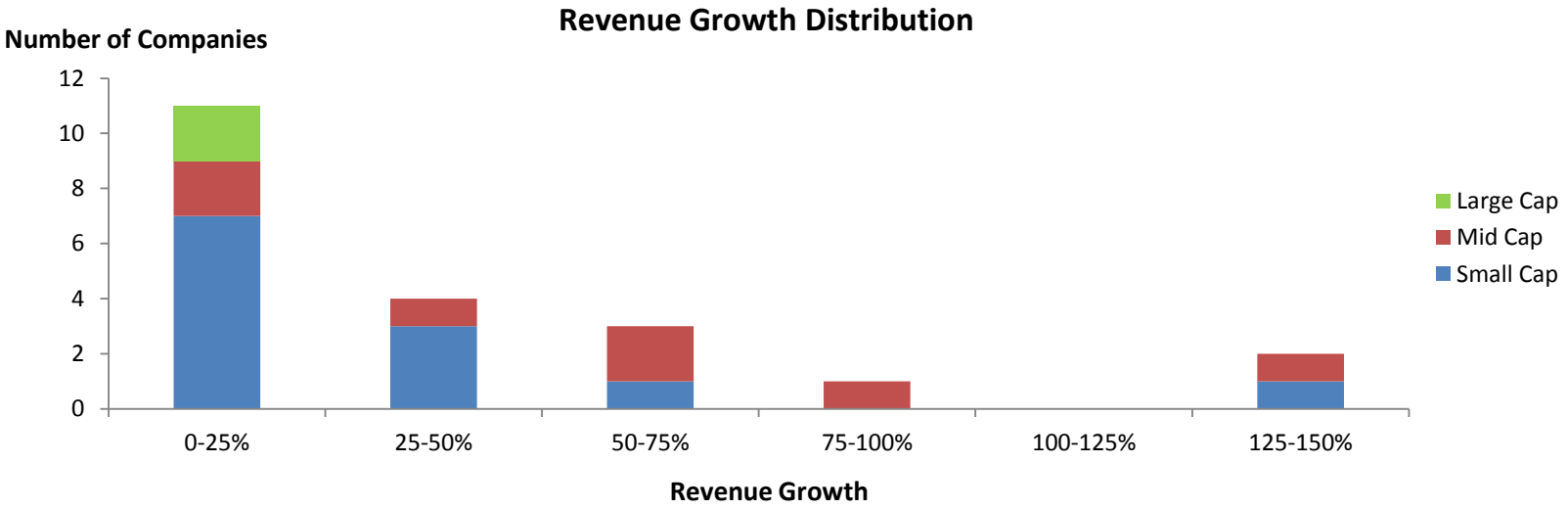
EBITDA Margin Analysis





Growth as a Value Driver





Mobile Technology Deals – Second Quarter 2012

Goldenhill International M&A Advisors

Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/Profit	Revenue Multiple	Target Sector	Commentary
6/11/2012	Facebook	Pieceable [mobile development team]	Mobile app software development employees	Not disclosed	n/a	n/a	Web browser expertise	Facebook is expanding its mobile know-how by hiring the team behind Pieceable Viewer, a mobile service that allows iOS app developers to demonstrate their apps in a Web browser. Facebook has 500m mobile users
6/8/2012	JWT [WPP]	Hungama Digital Media Entertainment - digital and promotions marketing division	Digital marketing solutions including strategic planning, digital and social media marketing, mobile marketing and web design	$10M for a 51% stake	n/a	n/a	Marketing	JWT has agreed to acquire a majority stake in Hungama Digital Services, India's leading digital agency. Its service offering includes strategic planning, digital and social media marketing, mobile marketing, web design, as well as activation, merchandising and events
6/8/2012	Thomson Reuters	Apsmart	Services and solutions for high-end smartphone platforms and develops applications for organisations seeking to execute products on mobile devices	Not disclosed	n/a	n/a	Application development technology and expertise	Thomson Reuters serves the needs of professional customers in the financial and risk, legal, tax and accounting, intellectual property and science and media markets. In their view mobile is becoming increasingly important to how professionals work and consume information. Apsmart's technology will help to deliver Thomson Reuters' expert-enriched content, news and solutions through the interfaces customers want on the mobile devices they use. A Thomson spokesman said "We can all see how tremendously important mobile is but in particular in the enterprise space. When we think about the emerging markets, mobile is going to be the lead platform. It's not a desktop world ... what we discovered is that the number of mobile products that we're now creating as a company is exploding."
6/7/2012	Citrix Systems	Bytemobile	Mobile Internet solutions to wireless network operators to offer mobile video and Web content to their consumers	c$430M in cash	n/a	n/a	Content Technology	Bytemobile provides data and video optimization products for mobile network operators. They already have a partnership which combines Bytemobile's Smart Capacity technology with the Citrix NetScaler products, which offer features such as load balancing, data compression, content caching and SSL acceleration. Smart Capacity is used for video and web optimization, as well as traffic management and bandwidth throttling
6/5/2012	Google	Quickoffice	Mobile productivity software for converting popular file formats	Not disclosed	c$35M	n/a	Application development technology and expertise	Google is acquiring technology for mobile productivity apps for Android and iOS, which allow users to create and edit word, excel and powerpoint files on mobiles. The technology will be used to create Google mobile productivity apps
5/18/2012	Facebook	Karma Science	Mobile gift-giving application provider	c$80M in notes	n/a	n/a	Application development	Karma is a 16-person startup that debuted its first smartphone app in February. But unlike past acquisitions, where Facebook bought small companies mostly for their talented engineers, the social network plans to continue running Karma's service and regards the purchase as an important step into the business of online commerce, say sources

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5/18/2012	Intuit	AisleBuyer	Software that enables consumers to receive product notifications, scan barcodes to compare products and pay for in-store purchases via smart phones	$20M	n/a	n/a	Application development	Intuit said it chose to acquire AisleBuyer because it provides the technology platform that aids the transition of its existing point-of-sale solutions and GoPayment, its mobile payment processing solution, to the cloud. The technology will also assist in opening up this mobile POS ecosystem to Intuit's own as well as third-party developers. The AisleBuyer mobile app, which is being used by several merchants, lets users scan a product's bar code in a store, see reviews and ratings, as well as pay for a product with a credit card without having to stand in line at the register
5/14/2012	NTT DoCoMo	Buongiorno [fka Buongiorno Vitaminic]	Mobile software application and content development services	€224M	€228.6M / €7.0M	1.0x	Application development & content	Buongiorno's services are used by some 2 billion customers in 57 countries across four continents and Docomo will take advantage of this distribution channel. The acquisition will combine Docomo's mobile business and services know-how in Japan with Buongiorno's advanced mobile technologies and extensive global customer base. As part of expanding the businesses of both companies, Docomo expects to strengthen the foundation of its mobile platform businesses overseas
5/7/2012	Capital One	BankOns	Smart phone applications that enables consumers to receive digital coupon offers based on prior purchasing history	Not disclosed	n/a	n/a	Marketing	The platform links transaction data to a customer's location which makes it possible to deliver highly targeted and welcomed offers, creating new and repeated revenue opportunities for financial institutions and savings opportunities for consumers. For financial institutions, the service was an interesting value-add, because it could offer a feature set beyond balance inquiry in their mobile apps
5/2/2012	GREE International	Funzio	Mobile games developer	$210.0M in cash	n/a	n/a	Gaming	Japanese gaming giant GREE just acquired mid-core, mobile game developer Funzio for $210 million in an all-cash deal that should boost its ability to build games for Western audiences.
4/10/2012	SAP	Syclo	Enterprise mobile applications and technologies for utilities, oil & gas, life sciences and manufacturing industries	Not disclosed	n/a	n/a	Application development	Syclo is a provider of enterprise mobile applications and technologies. The addition of Syclo's expertise in building and selling mobile solutions in industries such as utilities, oil & gas, life sciences and manufacturing will enhance SAP mobile solutions. It will also accelerate the adoption and deployment of new mobile asset management and field service solutions on Sybase unwired platform part of the SAP mobile platform and the company's infrastructure for developing and managing mobile
4/9/2012	Facebook	Instagram	Operates a digital photo sharing application for mobile devices	$1.0BN - $300M in cash & $700M in shares	n/a	n/a	Application development	Instagram is one of the fastest-growing social networks, starting in October 2010 and reaching 30m users solely through its iPhone app in less than 18 months. The service's simple function allows users to take pictures and then upload them to its own social network, and also to send them to Facebook or Twitter, as well as emailing them. An Android version of the app has been downloaded millions of times

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4/3/2012	Sophos	Dialogs Software	Developer of mobile device management and monitoring SaaS	Not disclosed	n/a	n/a	Device management	Dialogs, one of Europe's leading mobile device management providers with customers such as BMW, Daimler, Siemens and ThyssenKrupp brings twenty years of experience in mobile product development. This acquisition further solidifies Sophos's leadership position within enterprise mobile protection. The increased prevalence of smartphones and tablets represents a major shift in the way people and businesses work and collaborate. IT staff at enterprises of all sizes are faced with new challenges and risks in handling and securing an array of corporate and personal devices. That, coupled with the ever-expanding usage of apps and the threat of device loss or theft, reinforces the importance of mobile data protection solutions

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