



## Mobile Technology Sector

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### Quoted Company Analysis

**Third Quarter 2012**

# Sector Valuation Metrics

Company	Share Price Local	Market Cap	Net Debt	Enterprise	Revenue		EV/Revenue		EV/Revs	EV/EBITDA		Revenue Growth		EBITDA Margin		% Revs
	30-Sep-12	(\$m) <sup>(1)</sup>	(\$m) <sup>(2)</sup>	Value (\$m)	CY12E (\$m)	CY2011	CY2012E	Recurring	CY2011	CY2012E	CY2011 <sup>(4)</sup>	CY2012E <sup>(4)</sup>	CY2011	CY2012E	Recurring <sup>(3)</sup>	
<b>Selected Large Cap</b>																
Gemalto	68.45	7,757	(401)	7,356	2,733	2.9x	2.7x	19.9x	20.4x	17.2x	5.8%	8.4%	14.3%	15.7%	14%	
DeNa	2592.00	5,017	(696)	4,321	2,291	2.5x	1.9x	na	5.1x	4.5x	29.3%	31.5%	48.2%	41.9%	na	
Millennial Media	14.35	1,092	(17)	1,076	178	10.4x	6.0x	na	nm	nm	116.8%	72.0%	0.1%	-0.9%	na	
<b>Average</b>						<b>5.3x</b>	<b>3.5x</b>		<b>12.8x</b>	<b>10.8x</b>			<b>20.9%</b>	<b>18.9%</b>	<b>13.5%</b>	
<b>Total (Large Cap)</b>		<b>13,866</b>	<b>(1,113)</b>	<b>12,753</b>												
<b>Selected Mid Cap</b>																
PayPoint	7.16	785	(56)	729	239	2.3x	3.1x	na	11.1x	10.4x	3.5%	-32.6%	21.0%	29.3%	na	
Monitise	0.36	664	(15)	648	86	16.4x	7.5x	13.1x	nm	nm	157.0%	103.0%	-59.0%	-20.3%	57%	
Velti	8.37	517	(66)	451	294	2.4x	1.5x	2.1x	21.2x	5.3x	62.7%	55.4%	11.3%	28.8%	73%	
NetQin Mobile	8.00	381	(70)	311	88	7.7x	3.5x	4.0x	50.7x	10.6x	129.8%	116.9%	15.1%	33.2%	89%	
Glu Mobile	4.64	302	(32)	270	96	4.1x	2.8x	6.0x	nm	nm	2.9%	45.0%	-18.2%	1.9%	47%	
<b>Average</b>						<b>6.6x</b>	<b>3.7x</b>		<b>27.7x</b>	<b>8.8x</b>			<b>-6.0%</b>	<b>14.6%</b>	<b>66.6%</b>	
<b>Total (Mid Cap)</b>		<b>2,649</b>	<b>(240)</b>	<b>2,409</b>												
<b>Selected Small Cap</b>																
Hi Media	1.99	117	39	156	265	0.5x	0.6x	na	5.0x	7.1x	3.6%	-7.8%	10.7%	8.3%	na	
Myriad Mobile	2.50	162	(21)	141	na	2.3x	na	na	54.7x	na	-39.6%	na	4.2%	na	55%	
Bango	1.86	125	(3)	122	na	4.7x	na	na	nm	na	-19.3%	na	-3.5%	na	90%	
InternetQ	2.29	127	(9)	117	104	1.9x	1.1x	7.1x	13.5x	7.9x	41.1%	65.9%	13.9%	14.3%	16%	
Globo	0.23	121	(6)	115	70	2.0x	1.6x	12.6x	4.5x	3.9x	46.6%	24.3%	45.6%	41.4%	13%	
Seamless Distribution	22.20	108	(3)	104	na	11.7x	na	na	nm	na	19.3%	na	-7.8%	na	na	
Telit Communications	0.63	104	(0)	104	203	0.6x	0.5x	51.1x	9.7x	6.4x	34.7%	14.5%	6.0%	7.9%	1%	
Net Mobile	6.41	101	(5)	96	na	0.7x	na	na	nm	na	15.2%	na	0.1%	na	na	
Augme Technologies	0.78	76	(11)	65	25	6.2x	2.6x	na	nm	nm	324.9%	128.7%	-222.6%	-58.1%	na	
eServGlobal	0.18	36	12	48	na	na	na	na	na	na	-45.1%	na	na	na	67%	
Emblaze	0.48	86	(42)	44	na	36.4x	na	na	nm	na	91.9%	na	-290.9%	na	na	
Aspiro	0.85	45	(8)	36	44	1.1x	0.8x	1.1x	nm	nm	-13.3%	29.2%	-8.1%	-24.5%	77%	
Trunkbow International	0.92	34	0	34	na	1.2x	na	na	3.0x	na	19.2%	na	39.7%	na	12%	
Mobile Tornado Group	0.10	28	3	32	na	9.8x	na	na	na	na	42.9%	na	na	na	66%	
Motricity	0.49	23	8	31	na	0.3x	na	na	nm	na	-8.8%	na	-7.7%	na	86%	
Probability	0.77	33	(3)	30	16	2.9x	1.9x	na	nm	24.7x	33.5%	51.9%	-9.6%	7.8%	na	
Bob Mobile	6.30	32	(3)	29	86	0.7x	0.3x	0.4x	43.3x	2.6x	-13.7%	95.4%	1.5%	13.3%	84%	
Artium Group	0.10	29	(1)	28	na	na	na	na	na	na	40.6%	na	na	na	53%	
Yoc	7.03	20	5	24	48	0.6x	0.5x	1.3x	nm	nm	9.5%	16.3%	-9.2%	-2.7%	39%	
Mobile Streams	0.31	18	(2)	16	na	1.1x	na	na	22.1x	na	35.3%	na	4.7%	na	48%	
Poynt	0.03	13	0	13	na	5.6x	na	na	nm	na	149.1%	na	-737.3%	na	21%	
Vipera	0.06	12	(1)	11	na	10.5x	na	na	nm	na	160.8%	na	-75.0%	na	11%	
Zamano	0.03	5	6	11	na	0.6x	na	na	23.9x	na	-5.0%	na	2.4%	na	na	
Crimson Tide	0.01	11	(0)	10	2	5.4x	4.7x	5.1x	40.3x	na	6.0%	15.4%	13.4%	na	92%	
Zergo Group	0.22	12	(4)	9	na	na	na	na	na	na	-17.5%	na	na	na	88%	
<b>Average</b>						<b>4.8x</b>	<b>1.5x</b>		<b>22.0x</b>	<b>8.8x</b>			<b>-58.5%</b>	<b>0.9%</b>	<b>51.1%</b>	
<b>Total (Small Cap)</b>		<b>1,475</b>	<b>(49)</b>	<b>1,426</b>												
<b>Sector Total</b>		<b>17,990</b>	<b>(1,402)</b>	<b>16,588</b>												

(1) Excludes treasury shares

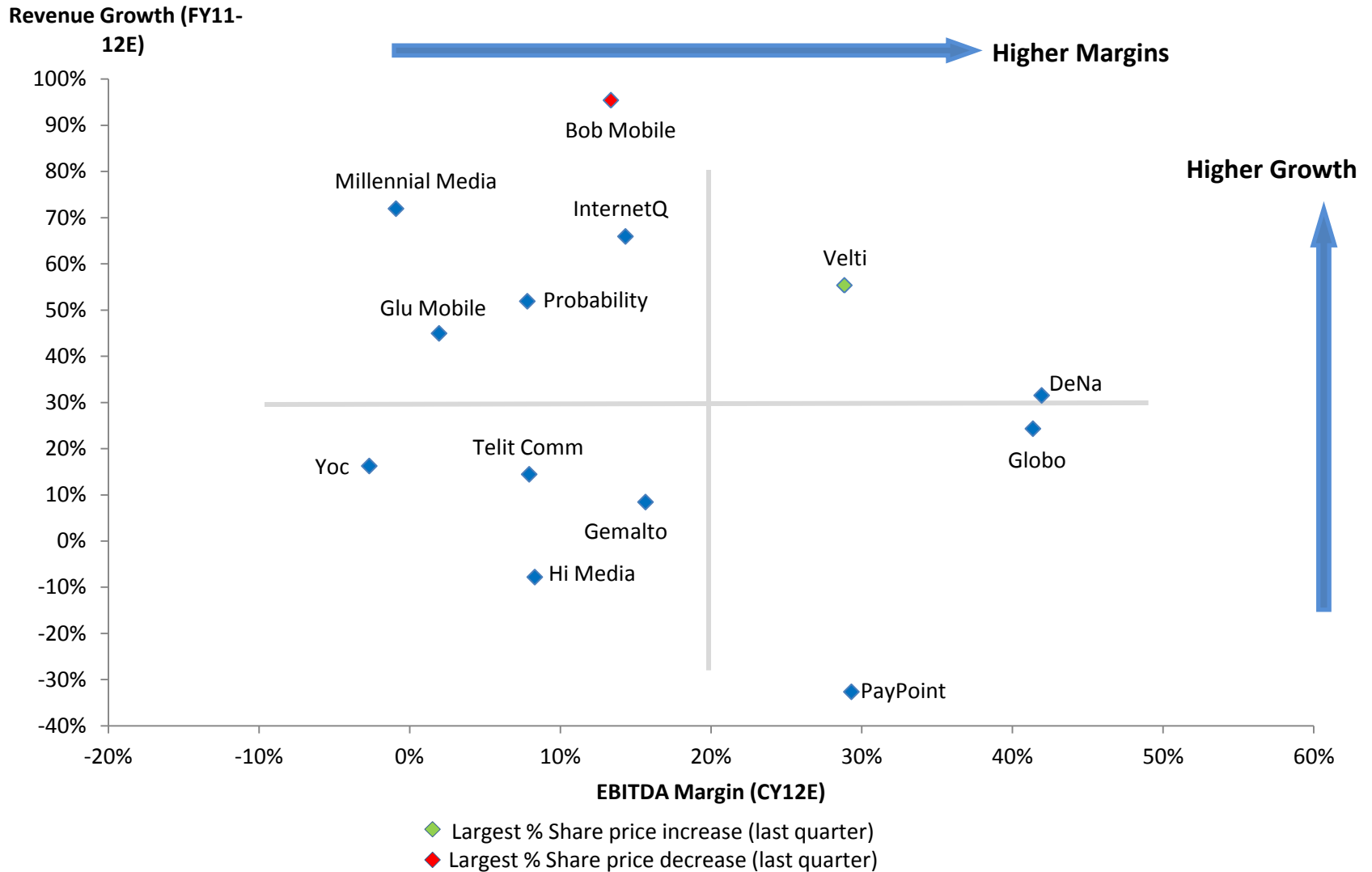
(2) Net financial debt minus marketable securities and collaterals.

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

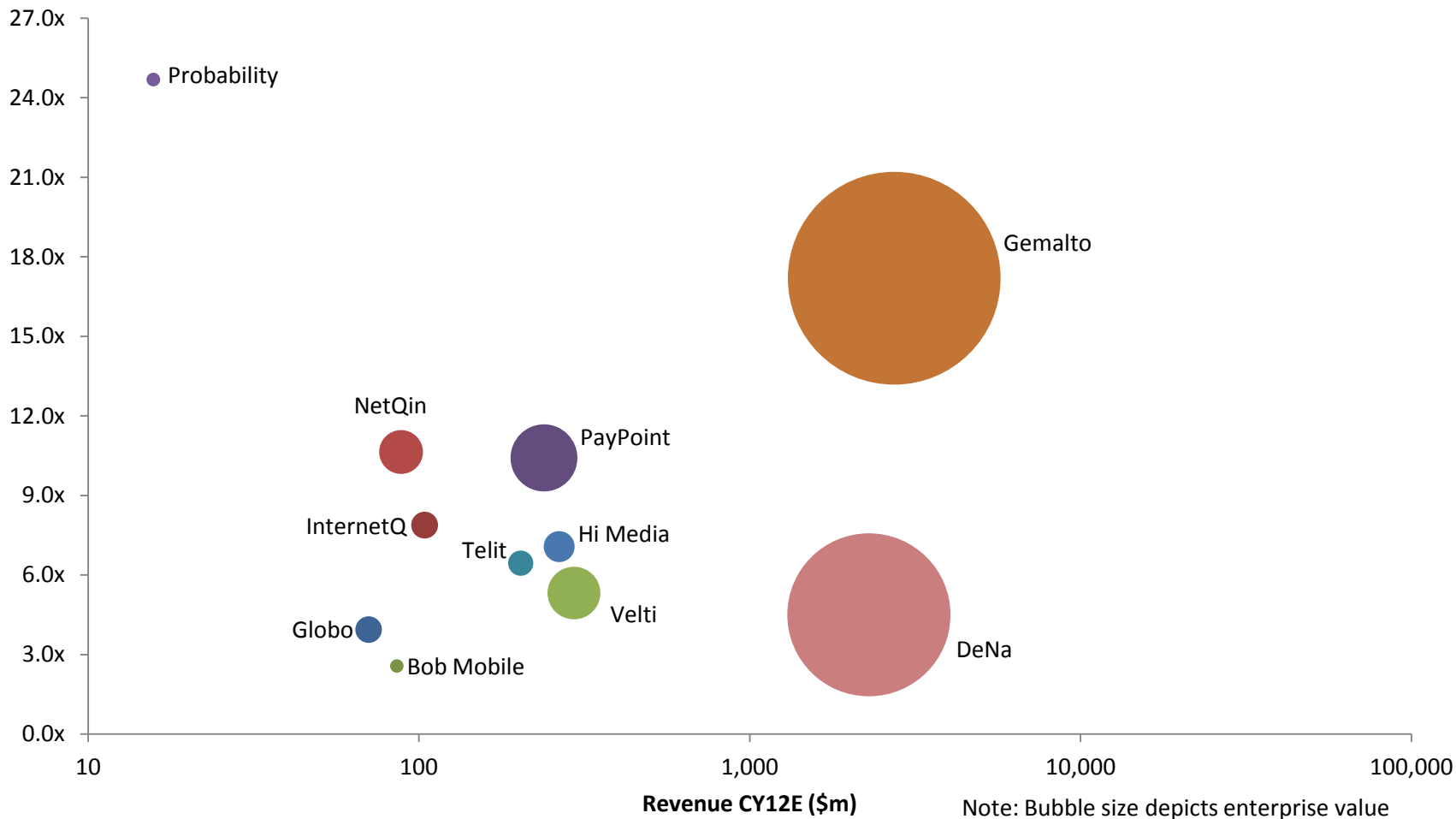
(4) For companies having financial year end as February and March, CY11 and CY12E correspond to FY12/11 and FY13/12 respectively

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

# Performance Quadrants: Revenue Growth & Operating Margin

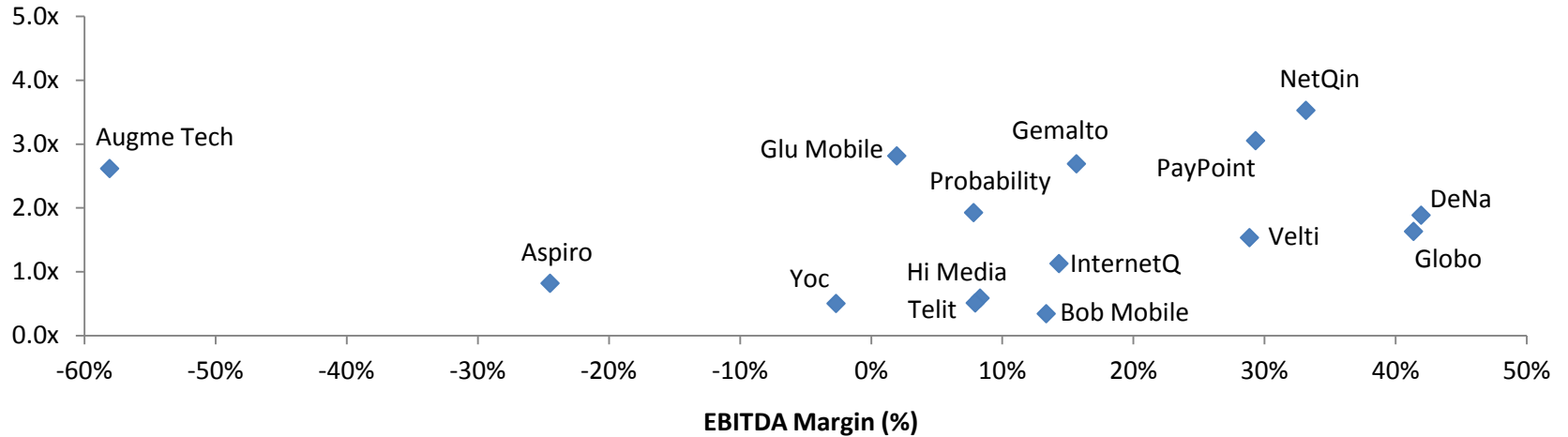


## EV/EBITDA CY12E



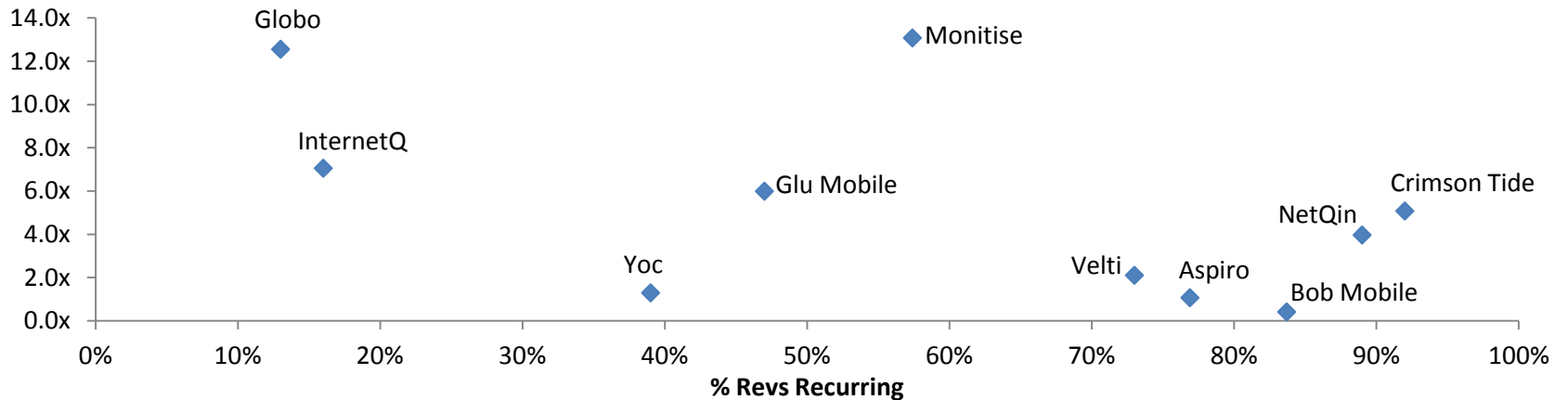
EV/Revenue CY12E

Revenue Multiples



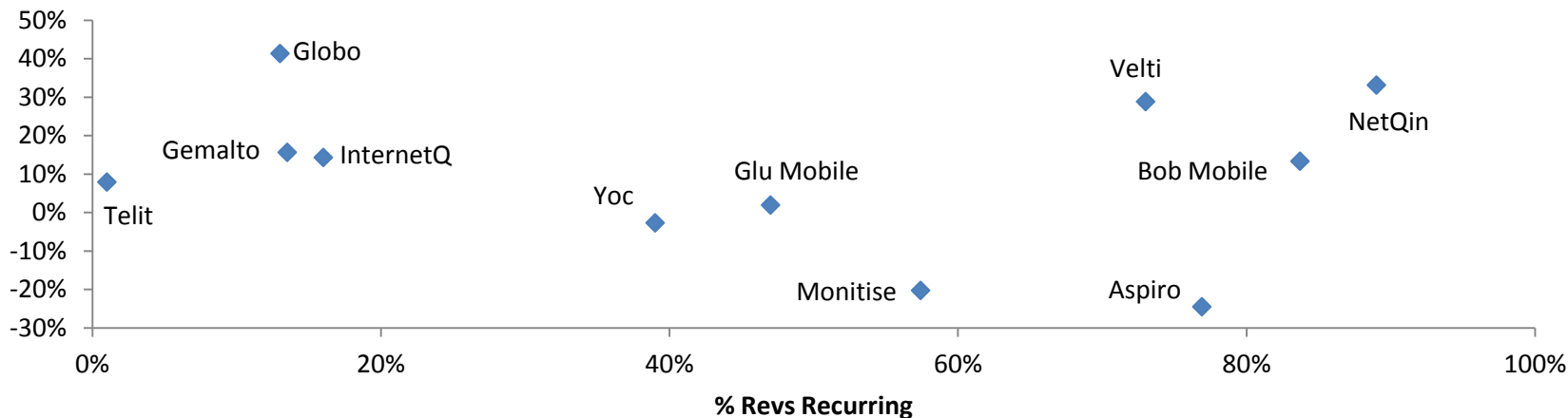
EV/Recurring Rev

Recurring Revenue Multiples



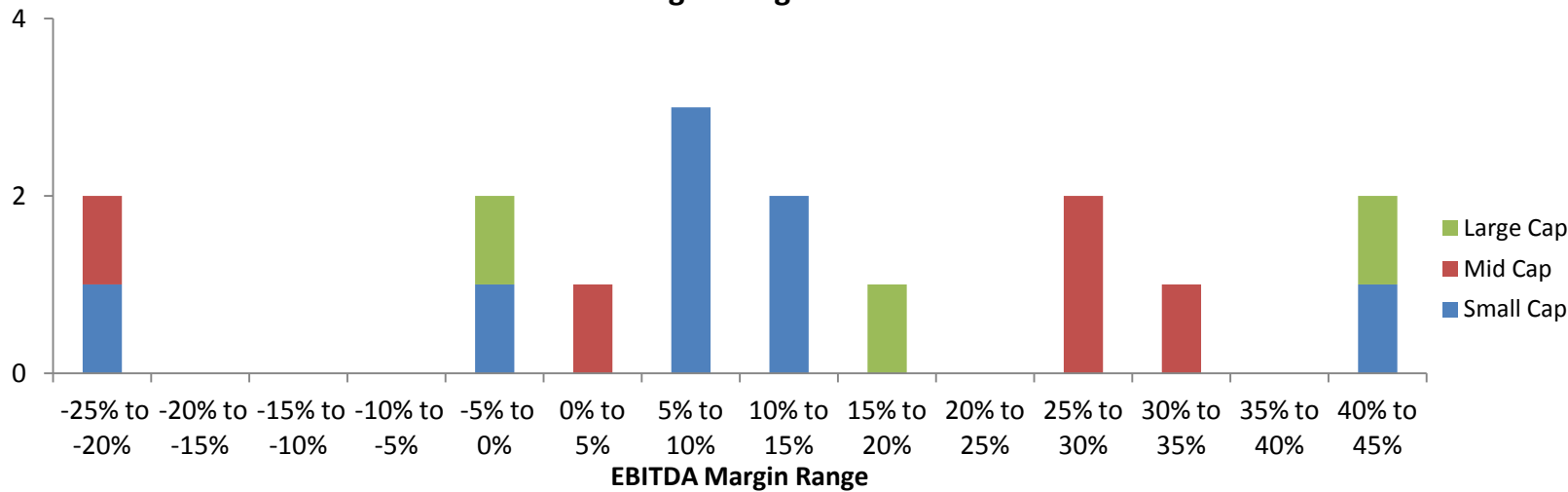
EBITDA Margin CY12E

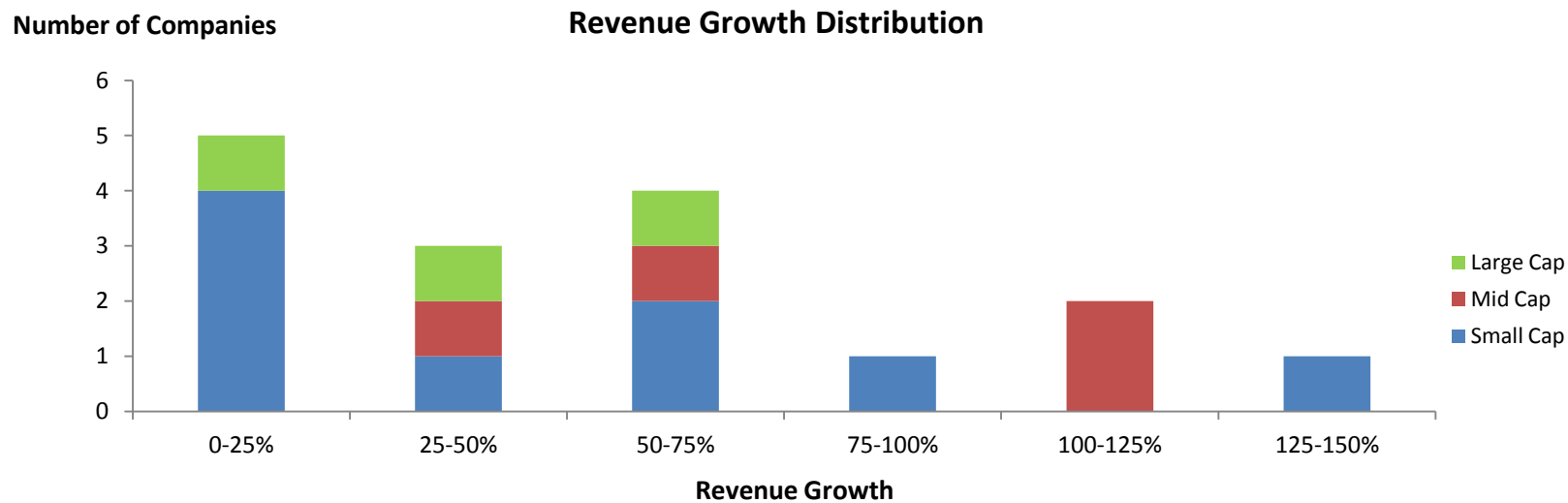
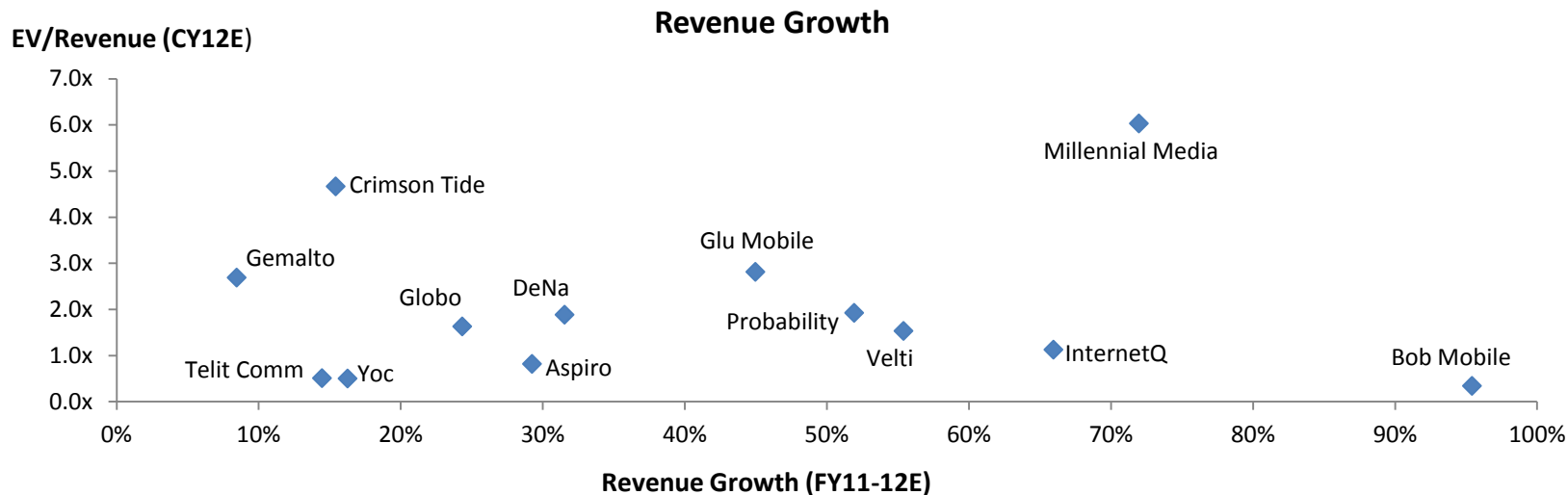
Recurring Revenue as a Driver of Operating Margins



Number of Companies

EBITDA Margin Range Distribution





# Mobile Technology Deals – Third Quarter 2012

Date Announced	Buyer	Seller	Seller Description	Deal Size	Seller Revenue/Profit	Revenue Multiple	Target Sector	Commentary
9/20/2012	Unwire	InMoDo	Provides mobile transportation and event ticket and coupon issuance software that enables businesses to deliver tickets and coupons to consumers via text message. Also provides related mobile ticket scanning and verification devices	Not disclosed	n/a	n/a	Transport	Complementary mobile technology to increase the functionality in the transport sector
9/10/2012	General Dynamics	Open Kernel Labs	Provides embedded, open-source mobile smart phone OS virtualization software for mobile device and semiconductor manufacturers globally. Software enables businesses to secure enterprise content and applications by separating them from a user's personal information.	Not disclosed	n/a	n/a	Security	The transaction enhances General Dynamics' ability to meet growing government and military needs for secure computing on commercial handheld devices. OK Labs' "Defence-Grade" solutions for commercial devices enable secure separation of corporate data and applications from a user's personal data stored or accessed on the same device
9/6/2012	Gannett (Newspapers)	Mobestream Media	Provides a smart phone application, Key Ring, that enables iOS, BlackBerry, Android and Windows Phone users to store and receive merchant loyalty card information and digital coupons via mobile devices.	Not disclosed	n/a	n/a	Marketing	Mobile coupons are a fast-growing segment of the national and local marketing sector. Key Ring has led the way with consumer adoption of its smartphone app and developed key relationships with small and mid-sized retailers. Key Ring will provide consumers with an easy way to use and manage digital customer loyalty cards and access mobile coupons. For business clients, Key Ring enables enhancement and growth in relationships with customers by distributing loyalty programs and providing a new method of reaching consumers
9/4/2012	Tesco	Mobcast Services	Provides mobile e-book content distribution and reader software for businesses and consumers in the UK. Also provides related e-commerce software that enables publishers to sell e-books online.	£4.5m	n/a	n/a	Mobile technology and expertise	The acquisition further strengthens Tesco's digital entertainment offer, following the purchase of movie and TV streaming service Blinkbox in 2011 and personalised internet radio service WE7 in June 2012
8/30/2012	Accenture	NewsPage	Provides mobile product distribution network management, salesforce automation (SFA), customer and merchandising information management, and logistics management software for the consumer goods sector globally.	Not disclosed	n/a	n/a	Consumer goods	The acquisition will complement the capabilities of the Accenture CAS software platform, a leading integrated software platform that supports the consumer goods industry sales processes, and help strengthen its capabilities in emerging markets
8/28/2012	Rabobank	MyOrder	Provides a smart phone application that enables Dutch iPhone, Android, Windows Mobile, BlackBerry and Symbian device users to order and pay for products via mobile devices.	Not disclosed	n/a	n/a	Payments	To enable customers to make payments using mobile devices
8/21/2012	Kony Solutions	Sky Technologies	Provides SAP-focused mobile application deployment software used to quickly convert desktop applications for use in mobile environments under the SkyMobile brand. Also provides SAP application management software.	Not disclosed	n/a	n/a	Enterprise software applications	The acquisition brings together Sky's deep enterprise expertise and large installed base of SAP mobile customers with Kony's award-winning mobile and multichannel application platform, packaged mobile applications, and mobile application management (MAM) solutions



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8/20/2012	NCC	Intrepidus	Provides mobile application penetration and other security testing and assessment and source code analysis services for businesses	£7.1m	n/a	n/a	Security	Provides a range of services to detect security flaws in mobile devices, applications, systems and networks, complementary to NCC Group's existing capabilities
8/20/2012	HTC	Magnet Systems	Develops mobile phone application software including SalesWIN, a sales management application	£22.5m for 17%	n/a	n/a	Enterprise software applications	The investment will bring social, mobile, and cloud capabilities to HTC's portfolio of service offerings to its mobile enterprise customers. The leading-edge social, mobile and cloud technologies at the heart of Magnet's platform make it an ideal foundation for the applications and services that enterprises will be buying and building in the coming years
8/2/2012	MoneyDesktop	MoneyReef	Provides mobile personal financial management software development services for financial institutions.	Not disclosed	n/a	n/a	Personal financial management	MoneyDesktop will integrate MoneyReef's talent into an already dynamic team and incorporate MoneyReef's award winning design into MoneyDesktop's industry leading PFM platform. The acquisition adds additional momentum towards MoneyDesktop's goal of providing an unmatched mobile personal financial management experience to the account holders of its growing client list of more than 300 financial institutions
7/31/2012	InMobi	Metaflow Solutions	Provides mobile application and videogame distribution software for mobile application developers and online retailers	Not Disclosed	n/a	n/a	Content distribution	As a global leader in the mobile advertising space, InMobi is committed to growing the mobile ecosystem. The acquisition of Metaflow Solutions will help continue to rapidly expand the distribution and monetisation of content for its developers and publisher partners
7/23/2012	Esri (Australia)	Maptel	Develops ESRI ArcPad, a mobile mapping and geographic information system (GIS) technology that provides database access, mapping, GIS, and global positioning system (GPS) integration to users out in the field via handheld and mobile devices	Not Disclosed	n/a	n/a	GIS	To extend access for users to mobile devices
7/17/2012	Autodesk	Socialcam	Provides a mobile application that enables iPhone and Android device users to capture, edit and share videos via social networks, YouTube, email and text message.	£40m	n/a	n/a	Visualisation	Mobile computing, the cloud and social media are improving and changing the way people design, engineer and create projects. Video is an ideal medium for professionals and consumers alike to communicate and share design ideas. Socialcam joins a growing portfolio of applications, services and communities for digital art, personal design and fabrication, home design and entertainment
7/14/2012	Facebook	Spool	Provides a beta-stage Web browser plug-in and mobile application that enable users to save Web content to mobile devices.	Not disclosed	n/a	n/a	Web content	Spool makes content easy to consume on a mobile device, accomplished by sophisticated technology and a deep expertise in mobile software development. Solving these problems will be increasingly important as the world accesses the Internet primarily through mobile devices
7/12/2012	Vodafone	Invitation Digital	Delivers third party promotions on mobile and internet platform	Not disclosed	n/a	n/a	Content	Content to send to customers on a regular basis
7/2/2012	HCL Infosystems	Attano Media and	education applications and e-books	Not disclosed	n/a	n/a	Education	To help HCL run content on mobile devices

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