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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, DC 20549

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**FORM 8-K**

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**CURRENT REPORT**  
**PURSUANT TO SECTION 13 OR 15(d)**  
**OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of report (Date of earliest event reported) November 17, 2014**

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**Mandalay Digital Group, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

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**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**001-35958**  
(Commission  
File Number)

**22-2267658**  
(IRS Employer  
Identification No.)

**2811 Cahuenga Blvd. West, Los Angeles, CA**  
(Address of Principal Executive Offices)

**90068**  
(Zip Code)

**(323) 472-5461**  
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 7.01 Regulation FD Disclosure.**

On November 17, 2014, Mandalay Digital Group, Inc. (the “Company” or “Mandalay Digital”) prepared an investor presentation with respect to the proposed merger transaction with Appia, Inc (“Appia”). A copy of the investor presentation is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information reported in this Item 7.01 shall not be deemed “filed” for any purpose, including for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section. The information in this Item 7.01, including Exhibit 99.1, attached hereto, shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act regardless of any general incorporation language in such filing.

**Forward-Looking Statements**

This communication includes “forward-looking statements” within the meaning of the U.S. federal securities laws. Statements in this news release that are not statements of historical fact and that concern future results from operations, financial position, economic conditions, product releases, revenue and product synergies, cost savings, product or competitive enhancements and any other statement that may be construed as a prediction of future performance or events, including that Appia’s technology will enhance Mandalay Digital’s existing products or foster new technology innovation, perceived benefits from the business combination to the surviving company, or that the acquisition will result in increased revenue, cost savings and better competitive position, or that Mandalay Digital will successfully integrate Appia’s technology, are forward-looking statements that speak only as of the date made and which involve known and unknown risks, uncertainties and other factors which may, should one or more of these risks uncertainties or other factors materialize, cause actual results to differ materially from those expressed or implied by such statements. These factors include the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement; the inability to complete the merger within the expected time period or at all, including due to the failure to obtain stockholder approval, or the failure to satisfy other conditions to completion of the merger; risks related to disruption of management’s attention from the ongoing business operations due to the proposed merger; the effect of the announcement of the proposed merger on the Mandalay’s or Appia’s relationships with their respective customers, lenders, operating results and businesses generally; material adverse changes in Mandalay Digital’s or Appia’s operations or financial results prior to closing; the ability to expand the combined company’s global reach, accelerate growth and create a scalable, low-capex business model that drives EBITDA; failure to realize anticipated operational efficiencies, revenue (including projected revenue) and cost synergies and resulting revenue growth, EBITDA and free cash flow conversion if the merger is consummated; the ability to achieve internal strategic forecasts; inability to refinance the assumed Appia debt subsequent to the closing or to refinance the debt on favorable terms; unforeseen challenges related to relationships with operators, publishers and advertisers and expanding and maintaining those relationships; the ability to execute upon, and realize any benefits from, potential value creation opportunities through strategic relationships in

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the future or at all, including the ability to leverage advertising opportunities effectively and increase revenue streams for carriers; unforeseen difficulties preventing rapid integration of Appia's app-install infrastructure into Digital Turbine's existing platform; the inherent and deal specific challenges in converting discussions with carriers into actual contractual relationships; the Company's ability as a smaller company to manage international, and as a result of the proposed merger, larger operations, varying and often unpredictable levels of orders, the challenges inherent in technology development necessary to maintain the Company's competitive advantage; the potential for unforeseen or underestimated cash requirements necessary to enable the transaction synergies to be realized, and other risks including those described from time to time in Mandalay Digital's filings on Forms 10-K and 10-Q with the SEC, press releases and other communications. You should not place undue reliance on these forward-looking statements. The Company does not undertake to update forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

### **Additional Information and Where to Find It**

In connection with the proposed transaction, Mandalay Digital intends to file with the SEC a registration statement on Form S-4 that will include a proxy statement and a prospectus. The definitive proxy statement/prospectus will contain important information about the proposed transaction and related matters. **INVESTORS AND SECURITY HOLDERS ARE ADVISED TO READ THE PROXY STATEMENT/PROSPECTUS WHEN IT BECOMES AVAILABLE, BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION.** Investors and security holders may obtain a free copy of the registration statement (when available) and other documents filed by Mandalay Digital with the SEC at the SEC's web site at [www.sec.gov](http://www.sec.gov). These documents may be accessed and downloaded for free at Mandalay Digital's website at [www.mandalaydigital.com](http://www.mandalaydigital.com), or requested from Mandalay Digital by mail at 2811 Cahuenga Boulevard West, Los Angeles, CA 90068, or by directing a request to MacKenzie Partners, Inc., 105, Madison Avenue, New York, New York, 10016; (212) 929-5500; [proxy@mackenziepartners.com](mailto:proxy@mackenziepartners.com).

### **Participants in the Solicitation**

This communication is not a solicitation of a proxy from any security holder of Mandalay Digital. However, Mandalay Digital and its directors and executive officers and certain members of management and employees may be deemed to be participants in the solicitation of proxies from Mandalay Digital's stockholders in respect of the proposed transaction. Information regarding the directors and executive officers of Mandalay Digital may be found in its Form 10-K/A for the fiscal period ended March 31, 2014, which was filed with the SEC on July 29, 2014. Other information regarding the interests of those persons and other persons in the proxy solicitation and a description of their direct and indirect interest, by security holdings or otherwise, will be contained in the proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available. You may obtain free copies of this document as described in the preceding paragraph.

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**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Investor Presentation.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**Mandalay Digital Group, Inc.**

Dated: November 17, 2014

By: /s/ Andrew Schleimer

Andrew Schleimer

Executive Vice President and Chief Financial Officer

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**EXHIBIT INDEX**

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
99.1	Investor Presentation.



**Mandalay Digital Group, Inc.**

**Appia Transaction Presentation**



## Safe Harbor Statements.

Statements in this presentation that are not statements of historical fact and that concern future results from operations, financial position, economic conditions, product releases, revenue and product synergies, cost savings, product or competitive enhancements and any other statement that may be construed as a prediction of future performance or events, including that Appia's technology will enhance Mandalay Digital's existing products or foster new technology innovation, perceived benefits from the business combination that the acquisition will result in increased revenue, cost savings and better competitive position, or that Mandalay Digital will successfully integrate Appia's technology, are forward-looking statements that speak only as of the date made and which involve known and unknown risks, uncertainties and other factors which may, should one or more of these risks, uncertainties or other factors materialize, cause actual results to differ materially from those expressed or implied by such statements. These factors include the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement; the inability to complete the merger or failure to satisfy other conditions to completion of the merger; the inability to complete the merger within the expected time period or at all, including due to the failure to obtain stockholder approval, or the failure to satisfy other conditions to completion of the merger; risks related to disruption of management's attention from the ongoing business operations due to the proposed merger; the effect of the announcement of the proposed merger on the Mandalay's or Appia's relationships with their respective customers, lenders, operating results and businesses generally; material adverse changes in Mandalay Digital's or Appia's operations or financial results prior to closing; the ability to expand the combined company's global reach, accelerate growth and create a scalable, low-capex business model that drives EBITDA; failure to realize anticipated operational efficiencies, revenue (including projected revenue) and cost synergies and resulting revenue growth, EBITDA and free cash flow conversion if the merger is consummated; the ability to achieve internal strategic forecasts; inability to refinance the assumed Appia debt subsequent to the closing or to refinance the debt on favorable terms; unforeseen challenges related to relationships with operators, publishers and advertisers and expanding and maintaining those relationships; the ability to execute upon, and realize any benefits from, potential value creation opportunities through strategic relationships in the future or at all, including the ability to leverage advertising opportunities effectively and increase revenue streams for carriers; unforeseen difficulties preventing rapid integration of Appia's app-install infrastructure into Digital Turbine's existing platform; the inherent and deal specific challenges in converting discussions with carriers into actual contractual relationships; the Company's ability as a smaller company to manage international, and as a result of the proposed merger, larger operations; varying and often unpredictable levels of orders; the challenges inherent in technology

development necessary to maintain the Company's competitive advantage; the potential for unforeseen or underestimated cash requirements necessary to enable the transaction synergies to be realized, and other risks including those described from time to time in Mandalay Digital's filings on Forms 10-K and 10-Q with the SEC, press releases and other communications. You should not place undue reliance on these forward-looking statements. The Company does not undertake to update forward-looking statements, whether as a result of new information, future events or otherwise, except as 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 included in our earnings release; 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.

**This communication is for informational purposes only and is neither an offer to purchase, nor a solicitation of an offer to sell, subscribe for or buy any securities or the solicitation of any vote in any jurisdiction pursuant to the proposed transactions or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.**





## **Mandalay Digital & Appia: Investment Highlights** ***Capturing window of opportunity to accelerate scale in exploding market***

- Mandalay Digital and Appia combine to create single, unique, agnostic mobile app and ad ecosystem  
Name to change to Digital Turbine
- Transforms competitive positioning through vertical integration
- Mandalay stock to be issued at agreed-upon price of \$4.50/share
  - Appia investors to receive a number of shares equivalent to \$100 million less debt and expense at agreed-upon value
- Opportunity to achieve up to \$14 million in revenue and ~\$2 million cost synergies
- Adds scale and accelerates ad revenue and existing DT product growth
- Enhances MNDL's financial profile: Appia stakeholders becoming key new MNDL investors



# Strategic Rationale: Transformation

<p><b>Tremendous opportunity in exploding marketplace*</b></p>	<ul style="list-style-type: none"> <li>• \$38 billion mobile app+ad market expected to grow 25 CAGR%</li> <li>• Smartphones still only 30% of global user base- but growing*</li> <li>• 86% of smartphone users spend in apps</li> <li>• Wireless operators have most to gain and most to lose from monetizing mobile apps - away from Google and Facebook</li> <li>• Macro trend of large publishers (Yahoo, Twitter, etc.) acquiring ad-tech companies</li> </ul>
<p><b>Competitive Positioning - Enhances revenue opportunity for operators</b></p>	<ul style="list-style-type: none"> <li>• Vertically integrates DT's distribution platform with Appia, #1 independent mobile app advertising company</li> <li>• Appia fits hand-in-glove with MNDL app installation growth</li> <li>• Combines complementary customer bases, including Telcel Mexico, Claro in South America and Metro PCS in US</li> <li>• Accelerate growth for both companies- ads and DT product suite</li> <li>• Diversification of revenue streams; operators major part of stream, but not entire stream; revenue exposure to Apple and China enhanced</li> </ul>
<p><b>Adds scale and talent pool with deep expertise</b></p>	<ul style="list-style-type: none"> <li>• Access to leading publishers and advertisers in a single marketplace</li> <li>• Global reach with active campaigns in over 200 countries- in all major formats</li> <li>• Gaining control of ad tech capabilities to help ensure execution</li> </ul>

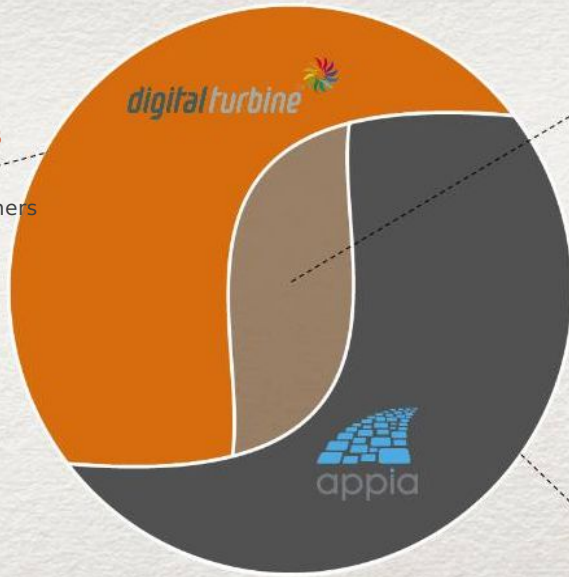
\*Sources: @KPCB - Global Mobile App revenue per Strategy Analytics; comprises virtual goods, in-app advertising, subscription and download revenue. Global Mobile Advertising revenue per PWC; comprises browser, search and classified advertising revenue- and Flurry.



# Combined company

## Premium demand for customers

Ignite -IQ  
Content Pay  
20+ global carrier partners



## Delivers single app-driven ecosystem to carriers to generate new revenue streams

Largest non-incentivized engine  
Global  
Highest LTV publishers  
Vertically integrated  
Leveraging App explosion  
Capitalizing on RTB

## Premium supply of advertisers

250+ publishers  
1,000+ campaigns from 150+ advertisers  
60 of the Top 100 Grossing Apps  
Traffic in 200+ countries globally

## Peerless, Agnostic Value Proposition



# Deal Structure and Economics

- Issuing approximately 19 million shares (assumes CQ1'15 close)
  - Jud Bowman, CEO Appia
  - Trident Capital
  - Venrock
  - DCM
  - Noro-Moseley
  - Wakefield Group
  - Relay Ventures
  - Eric Schmidt's Tomorrow Ventures
- Assumption of ~\$10 million debt (Silicon Valley Bank and North Atlantic Capital)
- Plan to refinance assumed indebtedness following closing

Shares to be issued are subject to lockup agreements

**Smart Money to Hold Significant Stake in Company**



# Financial Rationale Compelling

<p><b>Financial Profile</b></p>	<ul style="list-style-type: none"> <li>• Appia recorded \$30 million revenue for twelve months ended 9/30/14</li> <li>• Expected to enhance gross profit and EBITDA profile through revenue and cost synergies</li> <li>• Compelling valuation comps to other similar acquisitions</li> </ul>
<p><b>Revenue and cost synergies</b></p>	<ul style="list-style-type: none"> <li>• Opportunity to achieve up to \$14 million revenue synergies on app-installs currently projected to be sourced by third parties</li> <li>• Mandalay to capture third-party ad partner feeds</li> <li>• Approximately \$2 million in expected cost synergies from campaign management, CPI-infrastructure functions, duplicative corporate headcount</li> </ul>
<p><b>Business Model</b></p>	<ul style="list-style-type: none"> <li>• Combining complementary, scalable, low-capex business models</li> <li>• Direct access to advertisers boosts revenue profile</li> <li>• Drives incremental EBITDA/FCF</li> </ul>
<p><b>Integration</b></p>	<ul style="list-style-type: none"> <li>• Eased by existing partnership and retention of Appia expert resources</li> <li>• App-install infrastructure and platform integrates immediately</li> <li>• Identified cost synergies</li> <li>• Appia founder and CEO Jud Bowman joining Mandalay board</li> </ul>

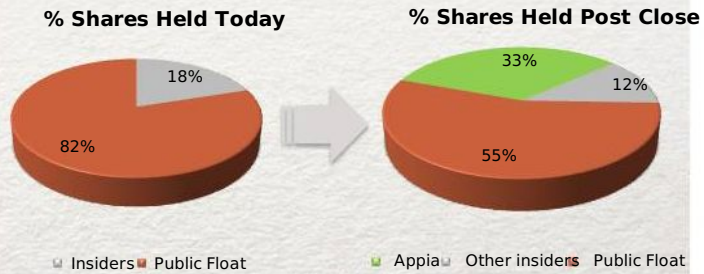


# Pro Forma: Board of Directors and Equity Ownership Structure

## Board Composition Post Close

Rob Deutschman, Chairman
Peter Guber
Paul Schaeffer
Chris Rogers
Jeff Karish
Bill Stone
Jud Bowman
Additional Appia appointee

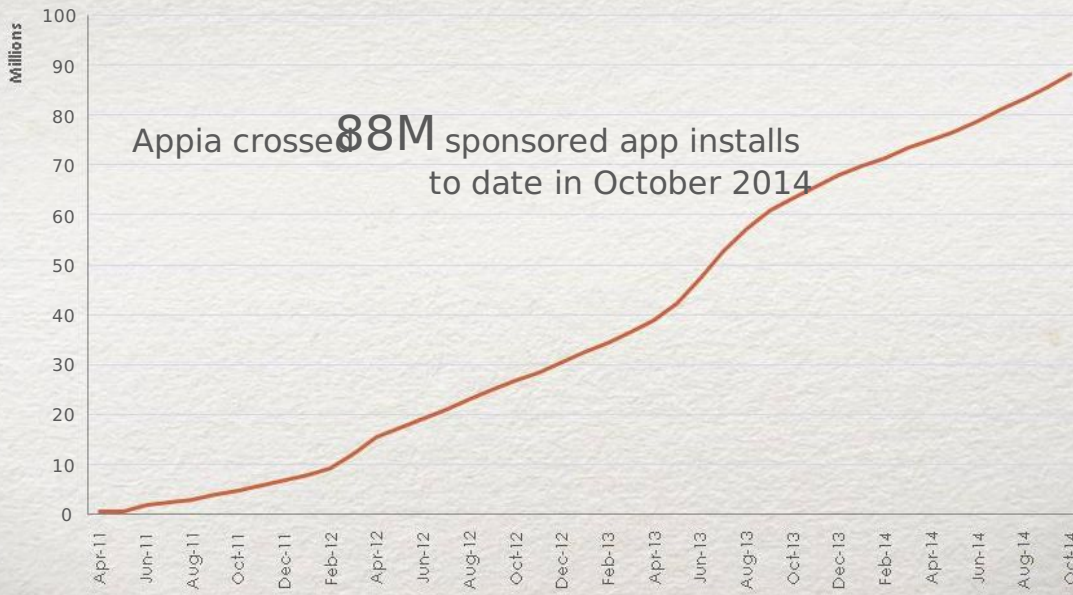
## Equity Ownership Structure



**Increased ownership by senior executive/founders and long-term strategic investors**



# Appia: #1 Independent App Install Network



# Appia's App Install Advertisers (CPI)



Appia works with **150+ Advertisers & Agencies**, including 60 of the grossing apps on the App Store and Google Play





## Publishers Leveraging the Appia Platform



Appia partners with **250+ Publishers** to monetize their mobile tra



# Appia Advertiser Growth





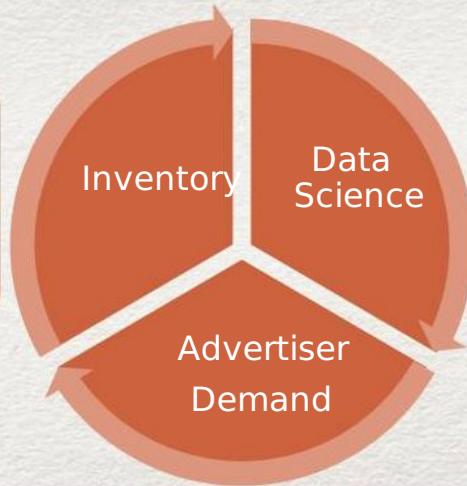
# Appia CYQ4 2014 Revenue Growth

- Appia CQ 2014 revenue forecast ranges from \$8.2M-\$9.0M using recent 7 day average, 14 day average, and Quarter to Date trend line



\* Excludes Appia-Mandalay partnership revenue

# Drivers of RTB Success



- Incremental inventory through:
  - Additional exchange integrations
  - Geographic expansion

- Algorithm improvements through:
  - Data updates
  - User profiles
  - Creative optimization
  - PhD level math
- Leveraging existing data:
  - 88M installs
  - 310M profiles
  - 5B data points

- Existing relationships provide diverse demand:
  - 1,000+ campaigns with 10+ in every country
- Utilizing expanding set of post install event data to improve decisioning



## Synergies Through Vertical Integration

Opportunity to achieve up to \$14 million revenue synergies on all apps currently projected to be sourced by third parties

- Deal Sourcing
  - Apps currently sourced three ways: Direct, Appia, and 3<sup>rd</sup> Parties
  - MNDL + Appia consolidates app sourcing to all direct deals
- Revenue share
  - Revenue currently split three ways: MNDL, Appia, and Carrier partners
  - MNDL + Appia combines to increase revenue to the company



## Valuation Summary

- \$75mm Enterprise Value
  - 19mm shares x \$3.40 plus \$10mm debt
- Appia LTM revenue of \$30mm
- Enterprise Value / LTM revenue = 2.5x
- The median of select comparable deals in the vertical is approximately 5-6x LTM revenue
  - Select comparable transactions include (not limited to):

Millennial / Nexage	Opera / AdColony
Yahoo / BrightRoll	Millennial / JumpTap
comScore / AdXpose	Twitter / MoPub
Amobee / Kontera	



# Illustrative PF Financial Overview

- FY 2016 Illustrative PF Combined revenue of ~\$194mm in incl synergies
- Appia is projected to be profitable at MNDL's FY 2016

\$ in millions	FYQ2 - 2015	FY - 2015	FY - 2016
Digital Turbine	\$5.5	\$38.0 <sup>1</sup>	\$120.0 <sup>1</sup>
Appia	\$7.9	\$31.3	\$59.8 <sup>2</sup>
Revenue Synergies			\$14.0 <sup>3</sup>
Pro Forma Combined Gross Revenue	\$13.3	\$69.3	\$193.8

**Notes:**

**All numbers are unaudited. Appia figures are preliminary and unaudited.**

1. Revenue forecasts are midpoint of current guidance
2. Revenue forecasts per Appia management long-term plan, not intended to be revenue guidance
3. Opportunity to achieve up to \$14 million revenue synergies on app-installs currently projected to be sourced by third parties
4. Pro Forma Combined (PFC) revenue is net of intercompany revenue



# Appia Opportunity

- Appia: #1 Independent App Install Network
  - Appia crossed 88M+ sponsored app installs to date in October 2014
- 100% Focused on app install ads
  - 100% non-incentivized with intense focus on driving high LTV installs for Advertisers
  - 700+ live campaigns for Android, 300+ live campaigns for iOS, in 200+ countries
  - 60 of the top 100 grossing apps on the App Store and Google Play
- Proprietary platform that deliver high LTV users, at scale
  - Deep technology stack enables algorithmic targeting of high quality mobile app users
  - Integrations with 15+ 3rd party analytics & tracking partners
- Flexibility drives diverse customer base
  - Revenue well distributed between Apps & Games
  - Mobile Web expertise as Appia platform doesn't require an SDK and
- Deep mobile and advertising experience
  - Experienced management team with deep understanding of mobile and advertising
  - Relationships with advertisers and publishers around the globe building off historical developer and carrier connections



## Transaction Process

Step	Expected Timing
Filing s-4	Thanksgiving
SEC Feedback	Christmas- January
MNDL Shareholder Vote	20 business days after SEC clearance
Closing	Estimated first calendar quarter 2015

- Transformational acquisition expected to close Q1'15
- Capturing window of opportunity to accelerate scale in exploding market

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# Digital Turbine

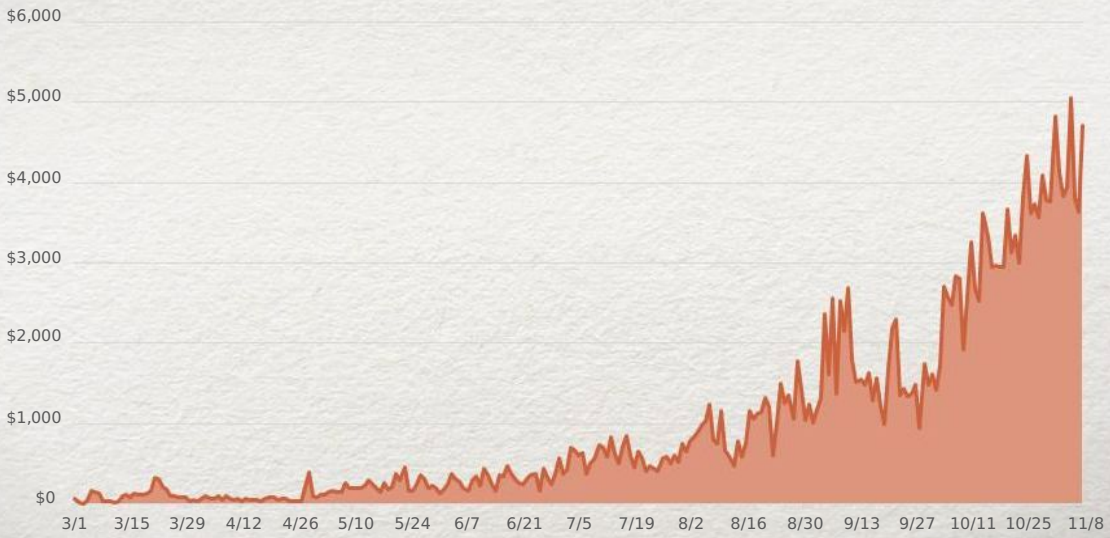
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# Appendix



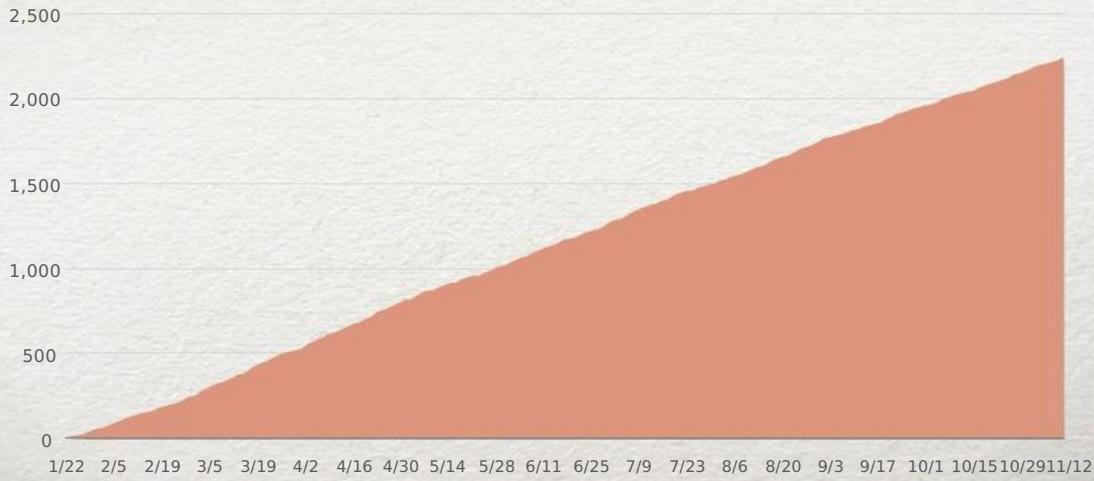
# Appia: Partner Self Service Revenue



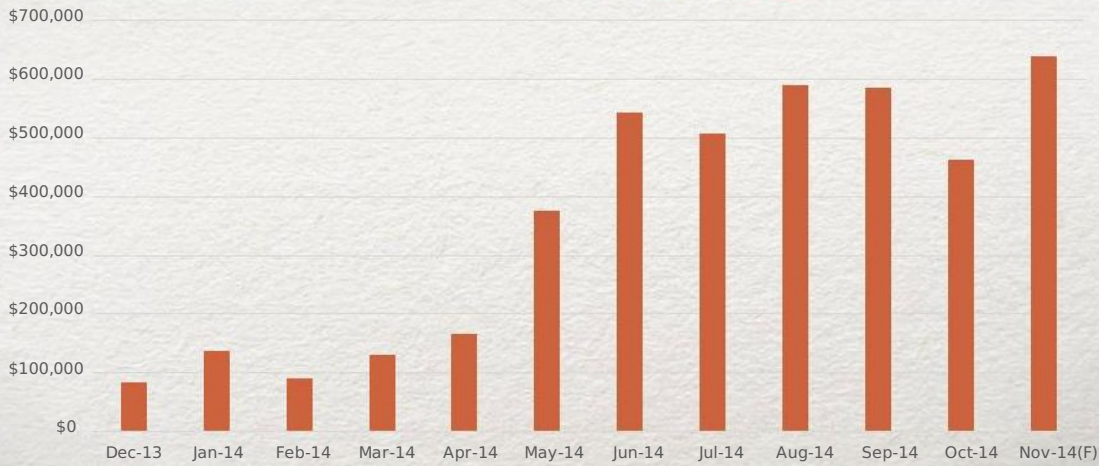


# Appia: Partner Self Service Growth

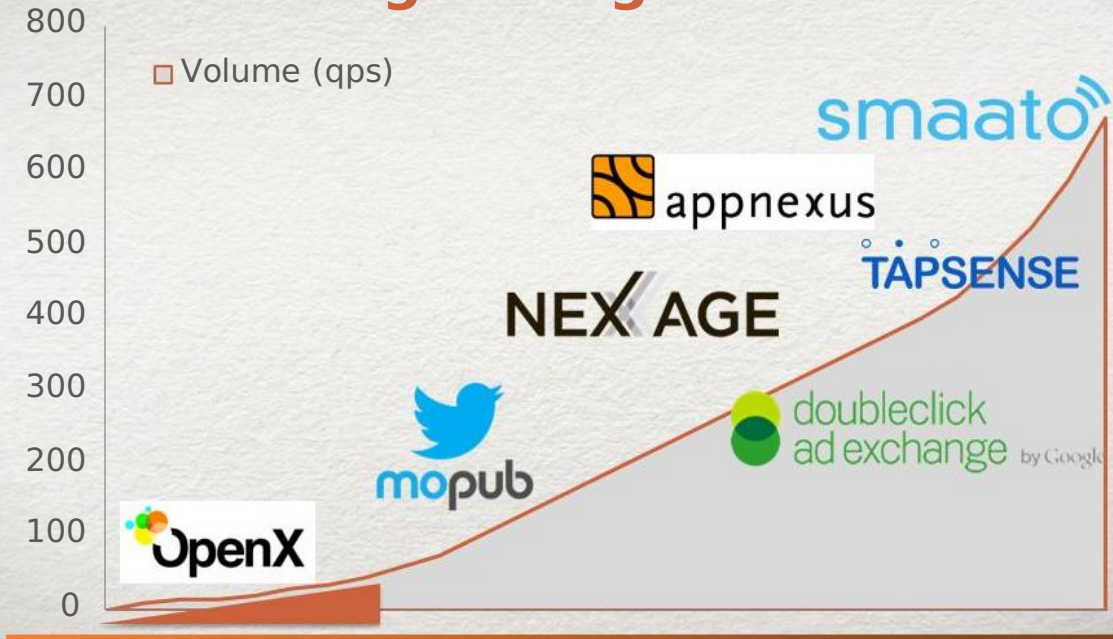
## Cumulative Partners Since Launch



# Appia: Revs from Chinese Publishers

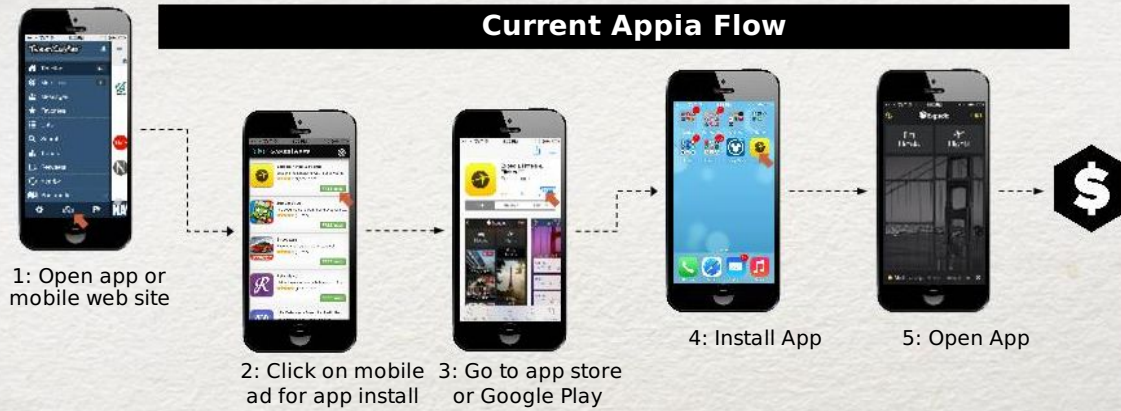


# RTB Exchange Integration Roadmap



## Optimizing User Flow to Increase Performance

Digital Turbine's Ignite simplifies the conversion flow for app installs from 6 steps to 2 steps, creating an order of magnitude increase in mobile monetization





## Optimizing User Flow to Increase Performance

Digital Turbine's Ignite simplifies the conversion flow for app installs from 6 steps to 2 steps, creating an order of magnitude increase in mobile monetization

### Digital Turbine Ignite Flow





# Additional Information

## Additional Information and Where to Find It

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