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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 enhance 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; 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 at the end of this presentation; 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.

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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
- Transforms competitive positioning through vertical integration
- Mandalay stock to be issued at agreed-upon price of \$4.50/share
 - Appia investor 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>Tremendous opportunity in exploding marketplace*</p>	<ul style="list-style-type: none"> • \$38 billion mobile app+ad market expected to grow 25 CAGR% • Smartphones still only 30% of global user base- but growing* • 86% of smartphone use time spent in apps • Wireless operators have most to gain and most to lose from monetizing mobile apps - away from Google and Facebook • Macro trend of large publishers (Yahoo, Twitter, etc.) acquiring ad-tech companies
<p>Competitive Positioning - Enhances revenue opportunity for operators</p>	<ul style="list-style-type: none"> • Vertically integrates DT's distribution platform with Appia, #1 independent mobile app advertising company • Appia fits hand-in-glove with MNDL app installation growth • Combines complementary customer bases, including Telcel Mexico, Claro in South America and Metro PCS in US • Accelerate growth for both companies- ads and DT product suite • Diversification of revenue streams; operators major part of stream, but not entire stream; revenue exposure to Apple and China enhanced
<p>Adds scale and talent pool with deep expertise</p>	<ul style="list-style-type: none"> • Access to leading publishers and advertisers in a single marketplace • Global reach with active campaigns in over 200 countries- in all major formats • Gaining control of ad tech capabilities to help ensure execution

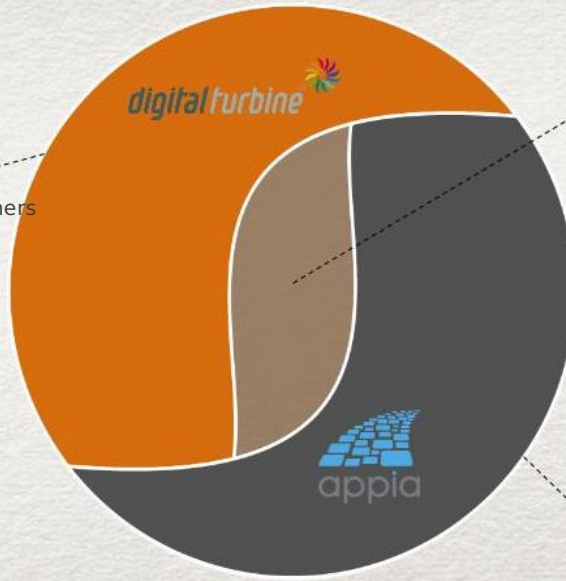
*Sources: @KPCB Global Mobile App revenue per Strategy Analytics; comprises virtual goods, in-app advertising, subscription and download revenue. Global Mobile Advertising revenue per PWC; comprises browser, search and classified advertising revenue- and Flurry.



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



Financial Rationale Compelling

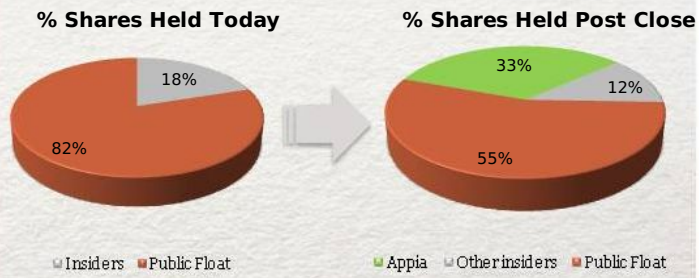
<p>Financial Profile</p>	<ul style="list-style-type: none"> • Appia recorded \$30 million revenue for twelve months ended 9/30/14 • Expected to enhance gross profit and EBITDA profile through revenue and cost synergies • Compelling valuation comps to other similar acquisitions
<p>Revenue and cost synergies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



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



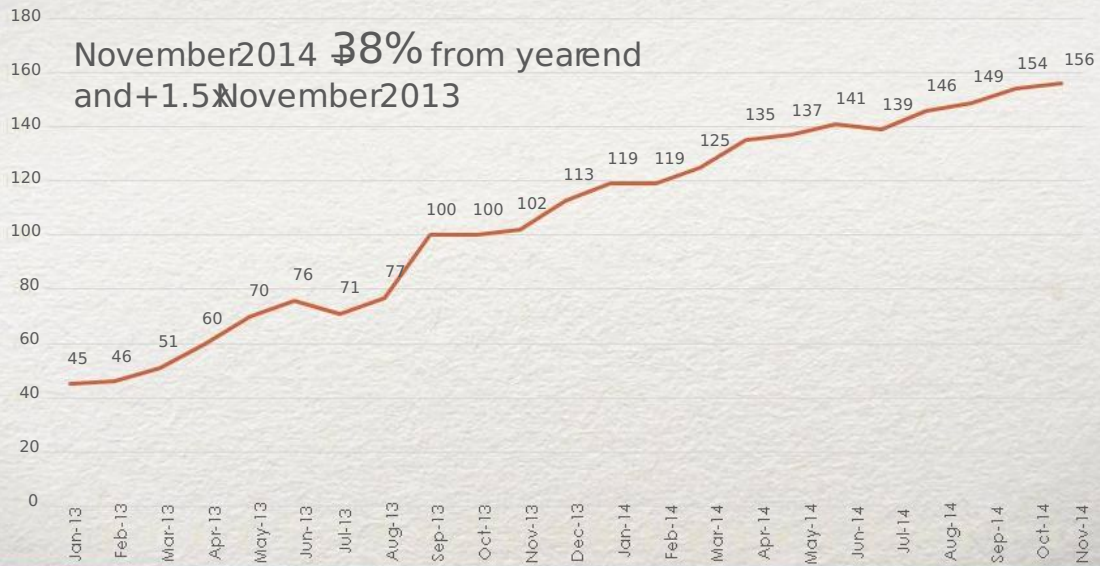
Customers Leveraging the Mandalay Platform

Mandalay's carrier customers using DT Ignite and DT IQ





Appia Advertiser Growth





Appia CYQ4 2014 Revenue Growth

- Appia CYQ4 2014 revenue forecast ranges from \$8.8M-\$9.3M using recent 7 day average, 14 day average, and Quarter to Date trend line



* Excludes Appia-Mandalay partnership revenue

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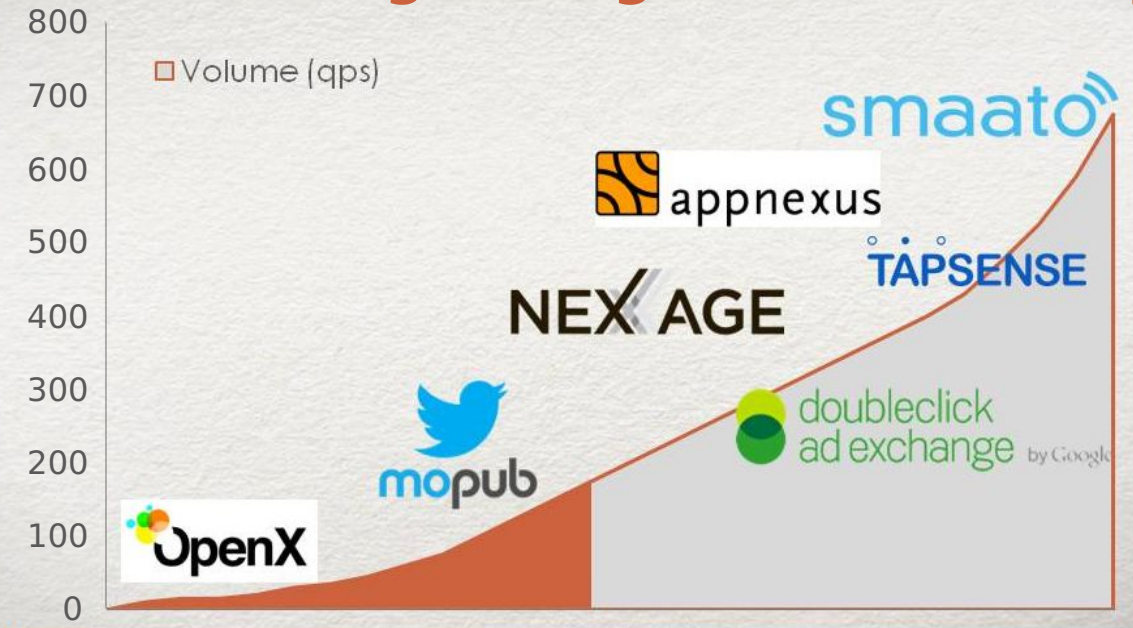
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Appia: Revs from Chinese Publishers

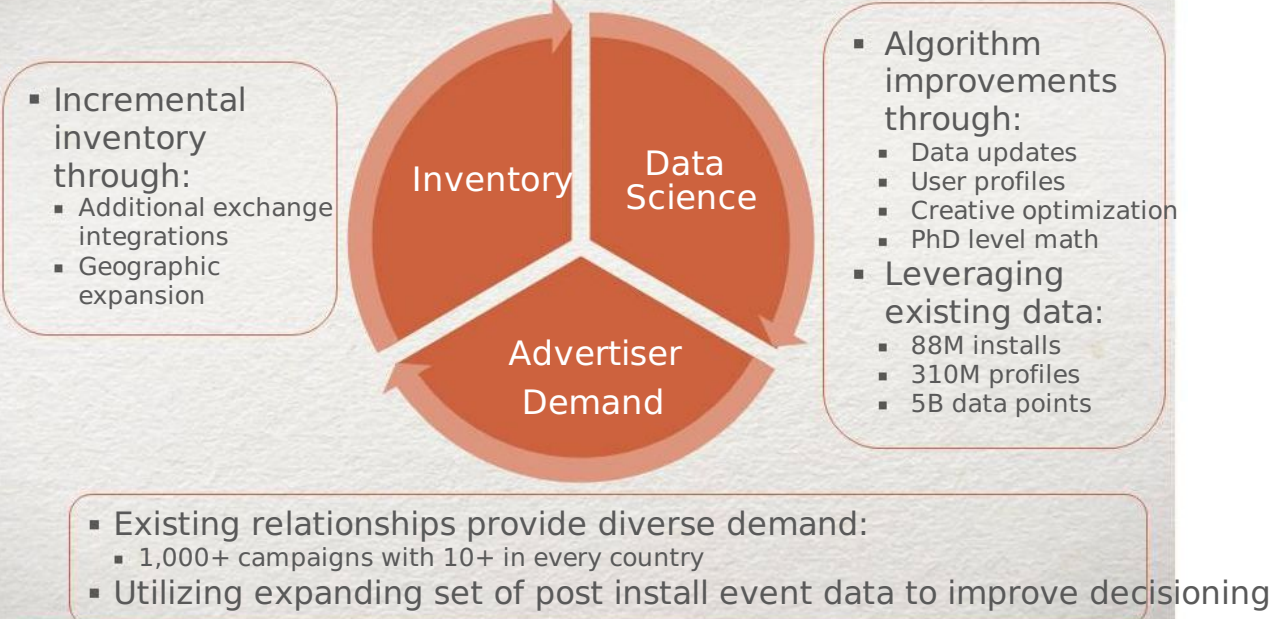


RTB Exchange Integration Roadmap





Drivers of RTB Success





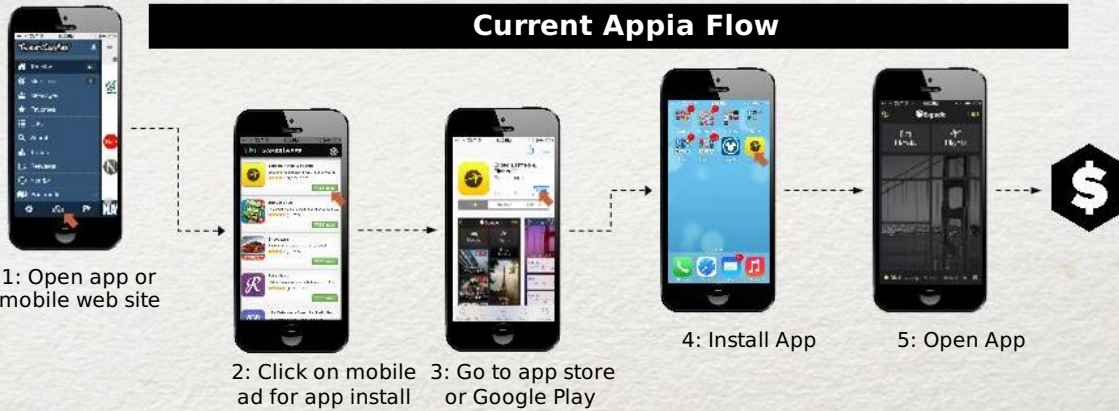
Synergies Through Vertical Integration

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 3rd 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

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



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Digital Turbine Ignite Flow





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 ¹	\$120.0 ¹
Appia	\$7.9	\$31.3	\$59.8 ²
Revenue Synergies			\$14.0 ³
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	Week of 12/1
SEC Feedback	Christmas -January
MNDL Shareholder Vote	20 business days after SEC clearance
Closing	Estimated first calendar quarter 2015

- Transformational acquisition expected to close CQ1'15
- Capturing window of opportunity to accelerate scale in exploding market



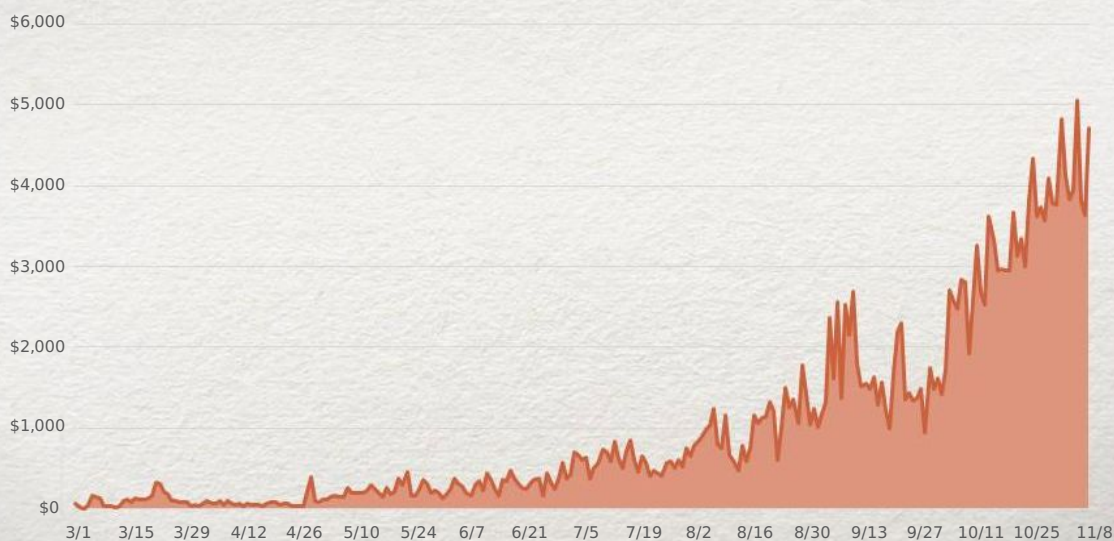
Digital Turbine



Appendix



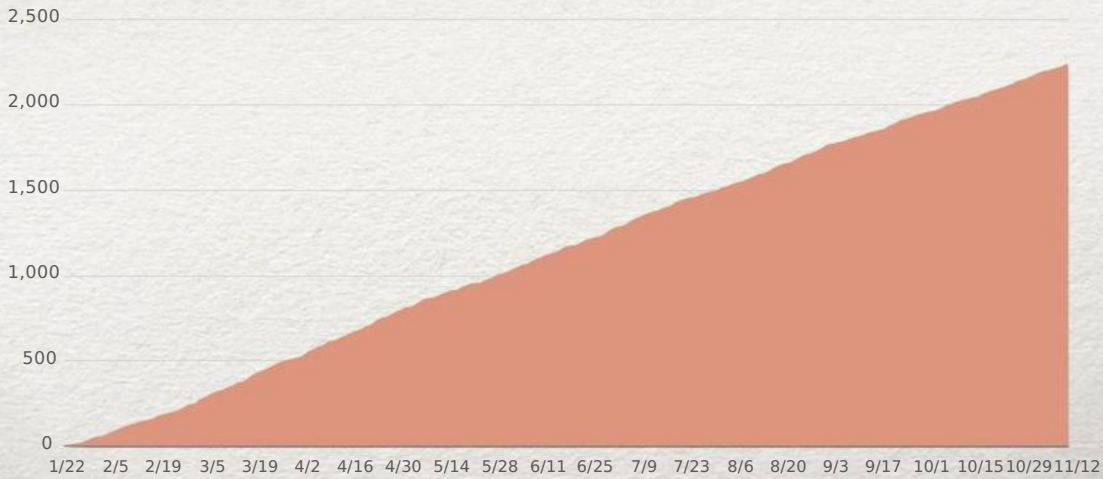
Appia: Partner Self Service Revenue





Appia: Partner Self Service Growth

Cumulative Partners Since Launch





Additional Information

Additional Information and Where to Find It

In connection with the proposed transaction, Mandalay Digital intends to file with the Securities and Exchange Commission (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. These documents may be accessed and downloaded for free at Mandalay Digital's website at 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.

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 material to be filed with the SEC when they become available. You may obtain free copies of this document as described in the preceding paragraph.