

Quarterly Industry Update

As of July 31, 2013

Industry: Mobile Software



Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Mobile Software industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Since July 31, 2012, the median 52-week share price return of the Mobile Software industry has increased by 21.7%. Many companies still exhibit negative profit margins and declining growth within this industry.

Comparable Public Company Key Statistics

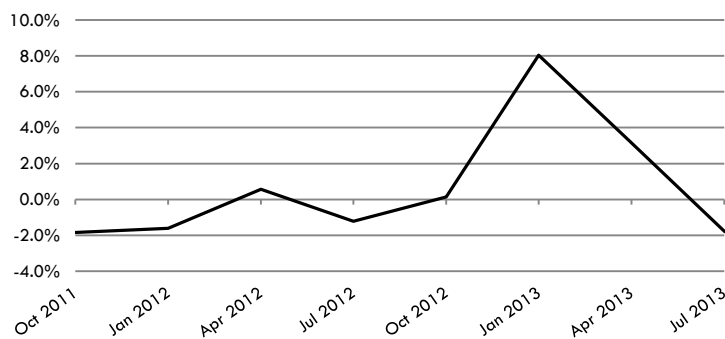
Median 52-Week Return	21.7%	Median EV/Revenue Multiple	1.5x	Median Price/Earnings Multiple	78.1x
Median 3-Year CAGR Return	9.2%	Median EV/EBITDA Multiple	11.0x	Median EV/Gross CF Multiple	37.2x

Comparable Public Company Market Price Returns (As of July 31, 2013)

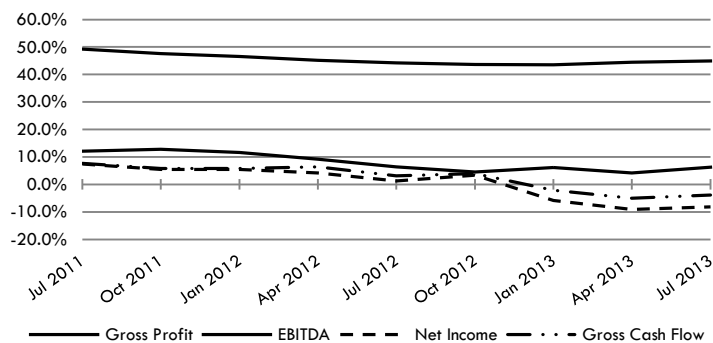
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
Glu Mobile, Inc.	20.2%	-11.0%	-42.9%	-26.1%	28.2%	-6.9%	-27.4%	51.7%	80.0%	130.0%	-90.4%
GameLoft SE	15.7%	20.3%	40.9%	8.0%	17.8%	11.6%	11.1%	-14.1%	44.7%	141.4%	-76.1%
Take-Two Interactive Software Inc.	59.4%	15.0%	99.9%	14.1%	19.6%	-5.1%	-18.7%	10.5%	22.0%	32.9%	-59.0%
Majesco Entertainment Co.	-35.9%	15.2%	-61.6%	-47.3%	0.2%	-5.2%	-56.6%	216.9%	-33.1%	88.6%	-54.8%
Changyou.com Limited	23.5%	12.2%	71.4%	-20.8%	4.4%	N/A	14.3%	-19.2%	-14.2%	N/A	N/A
Mad Catz Interactive Inc.	17.2%	43.0%	-7.0%	-28.9%	9.2%	0.6%	-2.0%	-50.0%	191.4%	16.7%	-74.4%
Smart Technologies Inc.	25.1%	30.6%	21.7%	-42.0%	-49.8%	N/A	-58.0%	-61.0%	N/A	N/A	N/A
Median of Industry Public Companies	20.2%	15.2%	21.7%	-26.1%	9.2%	-5.1%	-18.7%	-14.1%	33.4%	88.6%	-74.4%

(Multiple year periods are calculated as the average annual return.)

Median Quarterly Revenue Growth of All Mobile Software Companies



Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



Median Public Company Multiples of the Mobile Software Industry

Date:	7/31/2011	10/31/2011	1/31/2012	4/30/2012	7/31/2012	10/31/2012	1/31/2013	4/30/2013	7/31/2013
EV/Revenues Multiple	1.2x	1.3x	1.5x	1.3x	1.0x	1.5x	1.1x	1.4x	1.5x
EV/EBITDA Multiple	7.9x	4.9x	5.9x	5.1x	7.9x	4.9x	6.4x	6.2x	11.0x
Price/Earnings Multiple	12.0x	9.3x	12.6x	10.7x	20.5x	8.0x	20.6x	N/A	N/A
EV/Gross Cash Flows Multiple	9.9x	9.1x	10.8x	8.9x	11.4x	6.9x	12.6x	15.6x	N/A

Note: Many companies have reported negative earnings, resulting in non-meaningful multiples. The volatility of multiples over time is a result of few data points available and the volatility of returns exhibited by publicly traded companies in this industry.

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Steven Kam at 415-392-0888 for more information or questions in connection with this research report.

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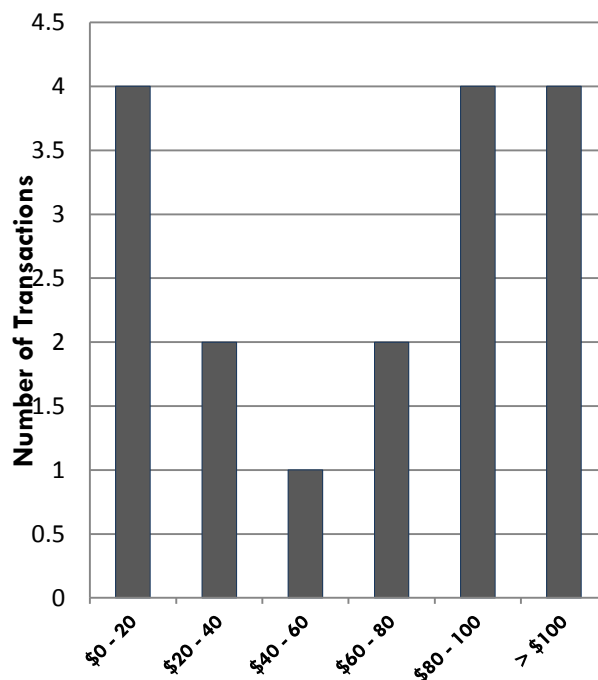
Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
8/1/2013	Control4 Corporation	\$16.00	4.0	\$64.0	\$55.3	\$3.8	\$118.4	\$6.5	\$0.0	\$8.5
7/14/2010	Smart Technologies Inc.	\$17.00	38.8	\$660.1	\$521.7	\$530.0	\$708.7	\$165.1	\$0.0	\$188.4
4/1/2009	Changyou.com Limited	\$16.00	7.5	\$120.0	\$214.4	\$8.5	\$222.5	\$135.1	\$126.3	\$135.1
3/21/2007	Glu Mobile, Inc.	\$11.50	7.3	\$84.0	\$81.8	\$11.6	\$46.2	(\$6.3)	(\$19.0)	(\$5.3)
9/24/1999	Keynote Systems, Inc.	\$14.00	4.0	\$56.0	\$22.9	\$4.4	\$4.7	(\$3.9)	(\$7.9)	N/A
4/14/1997	Take-Two Interactive Software Inc.	\$5.00	1.6	\$8.0	N/A	N/A	\$16.5	\$2.0	(\$69.1)	\$2.3
Median of All IPOs		nm	nm	\$74.0	\$81.8	\$8.5	\$82.3	\$4.2	(\$3.9)	\$8.5

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
6/25/2012	CryptoLogic Limited	Amaya Gaming Group	\$31.9	93%
6/21/2012	SLG Everscreen AB	Starbreeze AB	\$2.4	100%
6/1/2012	Elo TouchSystems	The Gores Group LLC	\$380.0	100%
3/31/2012	Ntreev Soft Co., Ltd.	NCsoft Corporation	\$96.6	76%
2/6/2012	OutStart, Inc.	Kenexa Corp.	\$83.9	100%
12/13/2011	Gust Co., Ltd.	Tecmo Koei Holdings	\$28.3	100%
10/19/2011	Renaissance Learning	Permira Advisers Ltd.	\$485.1	100%
9/28/2011	AQ Interactive Inc.	Marvelous Entertainment	\$89.6	100%
3/2/2011	TechFront Desenvolvimento	Quepasa Corporation	\$8.6	100%
2/13/2010	Virtue Fusion Ltd.	Playtech Limited	\$62.9	100%
1/15/2010	Greentube Internet	Astra Games Ltd.	\$11.1	70%
12/8/2009	Gaming Technology Solutions	Playtech Limited	\$47.8	100%
10/5/2009	Nadeo SAS	Ubisoft Entertainment	\$14.2	100%
4/21/2009	SCI Entertainment Group	Square Enix Ltd.	\$152.9	100%
3/16/2009	D3 Inc.	NAMCO BANDAI	\$89.4	100%
1/26/2009	Tecmo Ltd.	Koei Co. Ltd.	\$223.8	100%
Median of All Transaction Targets			\$73.4	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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