

Quarterly Industry Update

As of March 31, 2014

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 March 31, 2013, the median 52-week share price return of the Mobile Software industry has increased by 35.8%. In the last quarter, the median price-to-earnings multiple has remained unchanged.

Comparable Public Company Key Statistics

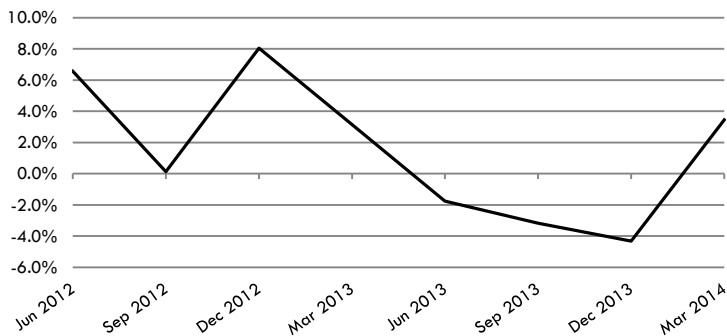
Median 52-Week Return	35.8%	Median EV/Revenue Multiple	1.5x	Median Price/Earnings Multiple	18.7x
Median 3-Year CAGR Return	-2.8%	Median EV/EBITDA Multiple	6.4x	Median EV/Gross CF Multiple	11.7x

Comparable Public Company Market Price Returns (As of March 31, 2014)

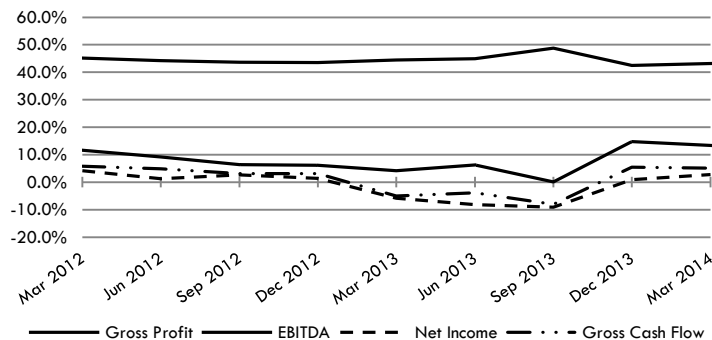
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
Glu Mobile, Inc.	107.9%	22.1%	58.0%	-1.1%	3.1%	58.1%	-27.4%	51.7%	80.0%	130.0%	-90.4%
GameLoft SE	51.4%	-6.2%	61.9%	30.5%	17.4%	37.2%	11.1%	-14.1%	44.7%	141.4%	-76.1%
Take-Two Interactive Software Inc.	99.2%	26.3%	35.8%	19.4%	12.6%	21.3%	-18.7%	10.5%	22.0%	32.9%	-59.0%
Majesco Entertainment Co.	-61.8%	-31.4%	-25.7%	-59.5%	-49.6%	-22.6%	-56.6%	216.9%	-33.1%	88.6%	-54.8%
Changyou.com Limited	12.1%	-7.9%	2.2%	4.3%	-2.8%	N/A	14.3%	-19.2%	-14.2%	N/A	N/A
Mad Catz Interactive Inc.	-3.5%	-6.3%	27.6%	-11.8%	-39.6%	9.2%	-2.0%	-50.0%	191.4%	16.7%	-74.4%
Smart Technologies Inc.	210.9%	127.8%	244.1%	27.1%	-22.9%	N/A	-58.0%	-61.0%	N/A	N/A	N/A
Median of Industry Public Companies	51.4%	-6.2%	35.8%	4.3%	-2.8%	21.3%	-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:	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014
EV/Revenues Multiple	1.4x	1.1x	1.5x	1.0x	1.4x	1.2x	1.7x	0.7x	1.5x
EV/EBITDA Multiple	4.8x	8.0x	7.6x	5.8x	5.9x	8.7x	7.8x	4.7x	6.4x
Price/Earnings Multiple	12.1x	15.8x	11.7x	13.6x	29.1x	N/A	N/A	27.1x	18.7x
EV/Gross Cash Flows Multiple	9.9x	12.2x	7.6x	8.1x	15.1x	N/A	N/A	9.1x	11.7x

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 additional information or questions in connection with this research report.

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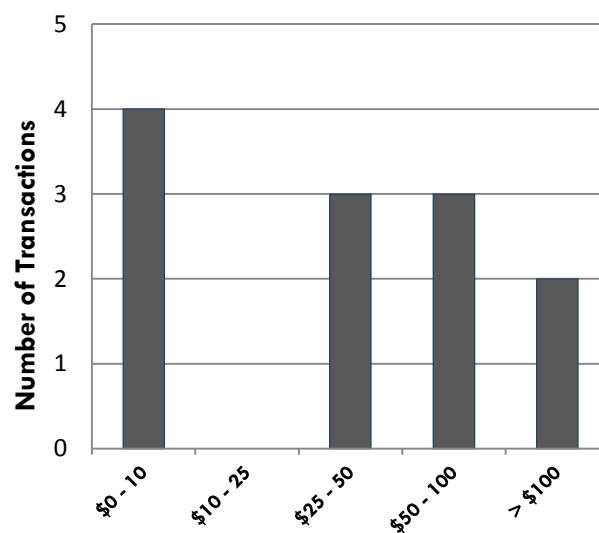
Industry Initial Public Offerings (dollars in millions, except share prices)

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	(\$2.1)	\$8.5
7/14/2010	Smart Technologies	\$17.00	38.8	\$660.1	\$521.7	\$530.0	\$708.7	\$165.1	\$92.1	\$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	\$11.50	7.3	\$84.0	\$81.8	\$11.6	\$46.2	(\$6.3)	(\$12.3)	(\$5.3)
9/24/1999	Keynote Systems	\$14.00	4.0	\$56.0	\$22.9	\$4.4	\$4.7	(\$3.9)	(\$4.7)	N/A
4/14/1997	Take-Two Interactive Software	\$5.00	1.6	\$8.0	N/A	N/A	N/A	N/A	N/A	N/A
Median of All IPOs		nm	nm	\$74.0	\$81.8	\$8.5	\$118.4	\$6.5	(\$2.1)	\$71.8

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
1/31/2014	G-mode Co., Ltd.	ONE-UP Inc.	\$7.2	100%
1/18/2014	iHookup Social App	iHookup Social, Inc.	\$0.3	100%
1/3/2014	Y Dissolution, Inc.	Spindle, Inc.	\$3.9	100%
12/12/2013	Alohar Mobile Inc.	AutoNavi Holdings Limited	\$32.8	100%
6/25/2012	CryptoLogic Limited	Amaya Gaming Group	\$31.9	93%
6/21/2012	SLG Everscreen	Starbreeze AB	\$2.4	100%
6/1/2012	Elo TouchSystems	The Gores Group	\$380.0	100%
3/31/2012	Ntreev Soft	NCsoft	\$96.6	76%
2/6/2012	OutStart	Kenexa	\$83.9	100%
12/13/2011	Gust	Tecmo Koei Holdings	\$28.3	100%
10/19/2011	Renaissance Learning	Permira Advisers	\$485.1	100%
9/28/2011	AQ Interactive	Marvelous Entertainment	\$89.6	100%
Median of All Transaction Targets			\$32.4	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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