Myriad Group Announces Full Year 2012 Results

ZURICH, Switzerland – 12 March 2013 – Myriad Group AG (SIX Swiss Exchange: MYRN) today reported revenues of USD 56.3 million, and an EBITDA[1] loss of USD 6.1 million for the full year 2012. Following restructuring post the integration of Synchronica in April 2012, the company achieved second half break even EBITDA[1] on related revenues of USD 31.2 million.

In the second half of 2012, the company appointed a new management team and undertook a major restructuring of the business. A number of legacy messaging platforms were closed, and one third of the operational costs of the combined company were eliminated. As a result, Myriad achieved breakeven EBITDA[1] in the second half of the year.

Stephen Dunford, CEO of Myriad Group AG, commented: "Following the acquisition of Synchronica, 2012 has been a difficult year for Myriad. However, the company has made significant progress in focusing and rationalising its operations, improving product quality and driving innovation. We are already seeing the first results of these actions in customer wins and service performance within our existing tier 1 TV platform and mobile operator customers. I believe the company is now well placed to drive significant and profitable subscriber and revenue growth in 2013.

Revenue for the year amounted to USD 56.3 million (USD 61.0 million in FY 2011), with a post-acquisition contribution from the acquired Synchronica business of USD 15.9 million. The underlying reduction in revenue reflected the continued decline in the legacy 'Device Solutions Division' products as feature phone volumes declined and a lower than planned contribution from new social messaging services. The lower social messaging revenue resulted from slower deployments and increased complexity of product rationalisation post the Synchronica acquisition.

Device Solutions Division (DSD) reported revenues of USD 26.3 million (USD 49.7 million in FY 2011). Whilst legacy revenues declined, new customers and contracts were secured in the growing 'Connected Home' market, most notably with Comcast and Jolla which are expected to deliver more material revenues in 2013.

Mobile Services Division (MSD) reported revenues of USD 30.0 million (USD 11.3 million in FY 2011). The increased MSD revenue mix, as a proportion of total group revenues of 53.2% (18.6% in FY 2011), boosted by Synchronica acquired revenues, is consistent with the strategy to build a market leading social messaging business.

Gross Margin declined 20.1% to 50.2% due to the inclusion of hosting and data centre support costs associated with acquired Synchronica revenues together with the decline in higher margin legacy DSD revenues. Currently there is excess capacity in the hosting capability of the business, however as the rationalisation process continues and subscriber numbers and associated revenues scale, management expect hosting efficiencies to increase reflecting the low marginal cost of cloud based services.

---

[1] EBITDA before restructuring and non-recurring items

EBITDA[1] loss amounted to USD 6.1 million, reflecting an EBITDA margin of (10.8%), compared to USD 8.9 million profit and 14.6% margin in FY 2011.

Research & Development (R&D), gross expenses, amounted to USD 19.3 million or 34.4% of total revenues (USD 18.1 million and 29.7% of revenue in FY 2011). The increase in R&D primarily reflects incremental costs associated with the migration and consolidation of messaging platforms as part of the Synchronica integration.

Sales and Marketing expenses before restructuring and non-recurring costs declined by USD 1.5 million in 2012 to USD 9.5 million (USD 11.0 million in FY 2011) reflecting consolidation of sales roles across the Group. Sales and marketing expenses include exceptional costs of USD 7.0 million relating to the prudent write-down of capitalised exclusivity fees previously incurred by the Group.

General and administrative expenses (G&A) before restructuring costs, depreciation and bad debt expense reduced by USD 2.4 million or 18.8% to USD 10.4 million (USD 12.8 million in FY 2011), reflecting the continued focus to reduce the number of offices and rationalise support activities.

Managing the cost base. Restructuring expenses of USD 5.1 million (included within cost of revenue, sales and marketing and G&A expenses) related to expenditure to reduce the cost base of the Group following the acquisition of Synchronica. In addition, USD 1.5 million (included within other expenses) was accrued to conclude the French social plan costs. Management estimate the annualised savings arising from the restructuring to be approximately USD 27.0 million per annum, of which USD 9.6 million was realised in 2012.

Impairment charges (non-cash) amounting to USD 21.8 million were recorded on goodwill and intangibles, of which USD 20.2 million related to write down of legacy DSD browser messaging intangibles consistent with the decline in related business revenues.

EBIT before non-recurring items, impairment and restructuring charges amounted to a USD 26.0 million loss (USD 8.7 million loss in FY 2011). The non-recurring items during the fiscal year 2012 included: proceeds from the sale of non-core patents; provision for final French social plan costs; restructuring charges; impairment charges; and costs incurred in the acquisition of Synchronica.

Net loss as a result of the above impairments and one-time charges in 2012 amounted to USD 58.5 million (USD 15.9 million in FY 2011).

Liquidity and Capital Structure. As at 31 December, 2012, the balance of cash and cash equivalents was USD 5.9 million (USD 25.9 million in FY 2011). In early 2013 the company secured a financial guarantee of USD 8 million to provide sufficient funding to execute its growth plans. Shareholders' equity decreased to USD 34.0 million (USD 47.8 million in 2011) reflecting net losses during the 2012 financial year with an equity ratio of 31.9% (48.1% in FY 2011).

Outlook 2013. With the relative improvement in second half 2012 EBITDA[1] of USD 0.2 million profit (versus a first half loss of USD 6.3 million), helped by the contribution of 6 months of Synchronica revenues and a reduction in operational costs, management expect a sustained improvement in profitability in 2013.

Consolidated income statement

in USD '000	**2012** audited	**2011** audited
Licence revenue	26,168	33,636
Service revenue	30,120	27,385
Total revenue	**56,288**	**61,021**
Cost of revenues	(28,011)	(18,135)
Gross profit before amortisation, impairment, restructuring costs	**28,277**	**28,277**
Gross margin % before amortisation, impairment, restructuring costs	*50.24%*	*50.2%*
Amortisation of intangible assets	(17,512)	(16,351)
Restructuring and integration costs in cost of revenues	(481)	(542)
Impairment of intangible assets	(21,768)	-
Gross (loss) profit	**(11,484)**	**25,993**
Research and development, net of capitalized costs[2]	(13,445)	(13,490)
Sales and marketing[3]	(9,518)	(11,030)
General and administrative[4]	(13,587)	(13,788)
Other (expenses) income	(184)	3,038
EBITDA before restructuring costs and non-recurring items	**(6,057)**	**8,913**
EBITDA margin	*(10.8%)*	*14.6%*
Restructuring and integration costs in operating expenses	(5,050)	(4,304)
Non-recurring items[4][5]	(7,740)	(1,483)
EBIT	**(60,527)**	**(15,064)**
EBIT without non-recurring items, impairment and restructuring costs	**(25,969)**	**(8,735)**
Financial result, net	(2,718)	483
Income tax credit (expense)	4,733	(1,299)
Loss for the year	**(58,512)**	**(15,880)**

[2] Excluding restructuring costs of TUSD 2,485 (TUSD 1,535 in FY 2011).
[3] Excluding restructuring costs of TUSD 671 (TUSD 675 in FY 2011) and non-recurring items of TUSD 7,015 (nil in FY 2011).
[4] Including depreciation costs of TUSD 2,400 (TUSD 1,297 in FY 2011) and excluding restructuring costs of TUSD 1,413 (TUSD 2,094 in FY 2011).
[5] Non-recurring items for FY 2012 include proceeds from the sale of non-core patents TUSD 4,425 (income) and Synchronica acquisition costs TUSD 3,140, French social plan costs TUSD 1,510 and write-down of exclusivity fees TUSD 7,015 (expenses). FY 2011 includes proceeds from legal settlement with Openwave Systems of TUSD 12,000 (income) and legal fees incurred with the Openwave settlement TUSD 2,739, French social plan costs TUSD 10,504 and loss on liquidation of subsidiaries TUSD 240 (expenses).

Segment information FY 2012

In USD '000	Device Solutions Division		Mobile Services Division		Total Myriad Group	
Fiscal year	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
License revenue	14,313	30,931	11,855	2,705	26,168	33,636
Service revenue	12,030	18,752	18,090	8,633	30,120	27,385
Total revenue	**26,343**	**49,683**	**29,945**	**11,338**	**56,288**	**61,021**
Gross profit[6]	**14,796**	**37,149**	**13,481**	**5,737**	**28,277**	**42,886**
Gross margin	*56.2%*	*74.8%*	*45.0%*	*50.6%*	*50.2%*	*70.3%*
EBITDA before restructuring costs and non-recurring items	**591**	**15,283**	**(6,648)**	**(6,370)**	**(6,057)**	**8,913**
EBITDA margin	*2.2%*	*30.8%*	*(22.2%)*	*(56.2%)*	*(10.8%)*	*14.61%*

Balance sheet information as of 31 December

in USD '000	**31 Dec 2012 audited**	**31 Dec 2011 audited**
Current assets	21,780	46,843
includes Cash and cash equivalents	*5,864*	*25,926*
Non-current assets	84,864	52,589
includes Intangible assets	*80,209*	*48,724*
Total assets	106,644	99,432
Total liabilities	72,647	51,610
includes interest-bearing liabilities	1,278	264
Total equity	33,997	47,822
Equity ratio	*31.9%*	*48.1%*

[6] Gross profit before amortisation, impairment and restructuring costs

Information on Myriad's Media and Analyst Briefing

Myriad will present its Fiscal Year 2012 results to members of the media, investors and analysts today.

Media & Analyst conference – 12 March 2013 at 09:00 CET

Zurich Marriott Hotel, Neumühlequai 42, 8002 Zurich

For more information please contact investor_relations@myriadgroup.com

The Annual Report 2012 as well as the presentation slides for the Media & Analyst conference are available on the company's website:

http://www.myriadgroup.com/investors/financial-publications.aspx

Contacts

James Bodha Chief Financial Officer	Gary McManus Investor Relations
Tel: +44 161 249 5400	Tel : +44 161 249 5400

Email: investor_relations@myriadgroup.com

About Myriad

Myriad is chosen by leading OEMs and network service providers to power rich mobile social and web experiences – from the most basic to the smartest connected device through a single, scalable platform.

Today, over 2.5 billion mobile users rely on Myriad software. Myriad apps often provide users with their first taste of the Internet, and with our proven technology embedded in every Android device we are on target to help our partners power the next billion users.

Headquartered in Zurich, Switzerland, Myriad is listed on the SIX Swiss Exchange (SIX

Symbol: MYRN). We operate worldwide, with offices in Switzerland, France, Germany, UK, USA, Canada, Mexico, India, UAE, China, South Korea, Taiwan, Japan, and the Philippines.

For more information please visit our website: www.myriadgroup.com. You can also follow us on twitter@MyriadGroup and view our YouTube Channel - YouTube.com/myriadgroupmarketing.