Dear Shareholders,

We are pleased to present the first ever results for your new combined company, Myriad Group. Our solid performance in the first half of 2009 clearly demonstrates both progress and our potential.

- Pro forma revenues of USD 62.7 million [1)]
- Gross profit margin of 61%, up 7 percentage points
- EBITDA of USD 11.0 million (before restructuring charges)
- Operating cash flow of USD 2.7 million
- Cash & cash equivalents of USD 21.7 million

Pro forma revenue in our *Device Solutions* segment – which provides software and engineering services to leading manufacturers of mobile phones and other devices – reached USD 55.2 million for 2009 H1, up nearly five times compared to the same period a year ago. This growth primarily resulted from the acquisitions of Sagem Mobiles software activities at the end of 2008, and Purple Labs in early 2009. Additionally, demand for Myriad device software and services continued to be robust, as we recorded USD 23.4 million in new orders during the first half of this year, resulting in a backlog of USD 157 million as of 30 June 2009.

Our *Mobile Services Platforms* segment – which provides customer self-care services and other solutions for mobile network operators – achieved revenue of USD 7.5 million in 2009 H1, down from USD 8.5 million in 2008 H1. The decline this year is due to the global slowdown in infrastructure investment by mobile network operators. In multiple cases, we observed customers delaying their decision-making or project schedules, although we did manage to add T-Mobile and three other new operator customers in 2009 H1, and retained our industry-leading market share with a customer base of 33 network operators worldwide.

Significant Improvement in Underlying Operating Profit

In addition to achieving strong revenue growth, our teams in the first half-year worked extraordinarily hard on other vital fronts:

- we closed the acquisition of Purple Labs, rebranding the combined company as Myriad Group;
- we completed the integration of the Esmertec, Sagem and Purple Labs businesses;
- and, we delivered over USD 6 million of cost synergies in the period.

All of these efforts contributed to rapid improvement in our profitability in the first half of 2009, as our EBITDA (before restructuring) grew to USD 11.0 million, from USD 0.6 million in the year earlier period. This underlying operating profit in 2009 H1 is the best ever recorded by the company, and directly reflects the increased scale and efficiencies resulting from the acquisition of Purple Labs.

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1 The pro forma financial results referred to in this letter reflect the entire Group's financial results for the first six months of 2009, as if Myriad's acquisition of Purple Labs had closed on 1 January 2009.

Ensuring Transparent and Conservative Reporting

In June this year, we publicly announced with our Q1 results that we had revised our revenue recognition policy to better align revenue with cash receipts, and reduce the potential for bad debt. We are now also adopting a more transparent and conservative approach regarding future business projections and the useful life of intangible assets.

Given the rapid change we now witness in the mobile industry, we have further reduced the amortisation period for certain intangible assets from 5 years to 3 years. Although in the near term this increases our amortisation and makes it more difficult to achieve positive operating income, we feel it is prudent to take this more conservative view.

Our 2009 H1 pro forma results also reflect exceptional charges, including a one-time restructuring charge of USD 9.9 million related to the Sagem and Purple Labs acquisitions, and a non-cash impairment charge of USD 14.4 million to reduce the carrying value of goodwill and other intangible assets.

The immediate consequence of the increased amortisation and the exceptional charges is that we are reporting a pro forma net loss of USD 29.1 million for the first half of 2009. While this result might be disappointing to some shareholders, we expect a far better result in the second half – which will be without the exceptional charges – and we believe that our conservative approach in H1 sets a steady course toward increasing profitability in future years.

Significant Improvement in Cash Position

Despite the considerable one-time costs to integrate and restructure the combined company, the resulting operational efficiencies and our careful management of expenses led to positive operating cash flow of USD 2.7 million in 2009 H1, from USD -0.8 million in the prior year period.

Our cash balance at the end of the first half of 2009 was USD 22.1 million. The increase from USD 3.7 million at year-end 2008 resulted mainly from the USD 22.2 million cash coming from the Purple Labs acquisition, and also reflects the positive operating cash flow in the period.

Given today's challenging economic conditions, it is comforting for all of us that Myriad has sufficient cash on hand to sustain its drive for increased growth and profitability.

Myriad Well Positioned for Future Growth

The mobile sector is currently undergoing multiple fundamental changes in its structure and market dynamics. Niche products like the Apple iPhone have squeezed the volumes and margins of traditional phone brands. Internet services providers like Google are extending their reach to today's more computer-like phones. And network operators are racing to create unique Internet services that can differentiate their brands in the increasingly competitive market.

The core driver of all of these changes is **software**.

Thus, while this industry restructuring creates challenges for Myriad, it also presents significant new opportunities. In particular, network operators and phone manufacturers need software partners that can help them create and deliver services innovation on mass market phones, which often includes both new software in the device and new software in the network infrastructure.

Since the announcement of Myriad Group in February, we have seen heightened interest among operators and manufacturers in working with us on their largest and most strategic projects. This is a direct result of our increased scale, the breadth of our portfolio and the depth of our engineering team. We are, for example, now developing Android applications for a tier-one operator; this opportunity would have been unlikely without the increased credibility we gained as Myriad.

To be clear, these deals are not easily won, but as we prove ourselves a reliable partner, and the reputation of Myriad grows, more and more opportunities will flow to us.

On behalf of the Board of Directors and the Executive Management Team, we would like to thank our employees for their efforts, devotion and contribution. We are delighted to be leading a company with such potential for growth, and we appreciate the confidence that our customers, partners, and you, our shareholders, have shown us.

Rolf P. Jetzer
Chairman

Simon Wilkinson
Chief Executive Officer