

## **Myriad Group AG announces Q1 revenue of USD 30 million**

- **Combined revenues of USD 29.7 million, +337% from Q1 2008**
- **Cash position at USD 32.4 million**
- **Integration process confirmed on schedule**

DUEBENDORF-ZURICH, Switzerland – June 2, 2009 – Myriad Group AG today reported revenue of USD 29.7 million, with gross profit of USD 17.9 million, or 60% of revenue, for the first quarter of 2009. The unaudited figures reflect the combined results of Myriad Group with Purple Labs, the industry leader in mobile phone browsers that Myriad acquired earlier this year.

“The combined Group revenues clearly underline our position as Europe’s largest mobile phone software company,” said Simon Wilkinson, CEO of Myriad. “Following the acquisition of Sagem Mobiles’ software activities and Purple Labs, we are now extending our customer relationships with new products and services in order to achieve our revenue plan of \$125 million for the year.”

The acquisition of Purple Labs by Myriad was successfully completed in April 2009, and has been fully consolidated into Myriad Group AG financial statements as of 1 April 2009. Myriad reported the combined Q1 revenue as an indication of the strength of the new company.

### **Strong growth driven by recent acquisitions in the Device Solutions segment**

*Device Solutions* – provided to leading manufacturers of mobile phones and other devices, this segment includes the Java products originally developed by Esmertec, the mobile phone software acquired from Sagem Mobiles in late 2008, and the Purple Labs portfolio. The Device Solutions segment reported revenue of USD 27.7 million for Q1 2009, 50% of these combined revenues derived from the license of Myriad software. Gross profit of the Device Solutions segment reached USD 16.7 million, 60% of the combined revenues.

In order to better align revenues with invoicing and cash, as well as enable faster reporting of quarterly reports, Myriad implemented a new revenue recognition policy for its Device Solutions license revenue from the start of 2009.

*Mobile Services Platforms* – which includes the company’s customer self-care solutions, reported revenue of USD 2 million during Q1 2009, +33% from Q1 2008. During the period, Myriad gained one new customer in the African region, reaching a customer base of 30 mobile network operators worldwide, as well as preparing other customer deployments for Q2. Gross profit of the Mobile Services Platforms segment reached USD 1.2 million, 60% of the segment revenue.

### **Strong cash position**

As of March 31, 2009, Myriad Group held cash, cash equivalents and marketable securities of USD 32.4 million, on a combined basis.

### **Integration running on schedule**

Since mid-March 2009, the integration process has moved ahead rapidly, as Myriad optimises its staff resources and aligns them within common facilities, processes and infrastructure. The targeted USD 13 million of cost savings, resulting from synergies within the Group, are re-confirmed and the majority of the consolidation will be completed by mid-2009.

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**Revenue Myriad Group AG Q1 2009**

in USD million, unaudited

Revenue	Q1 2008 <sup>1</sup>	Q1 2009 Actual	Q1 2009 Combined <sup>2</sup>
License revenue	4.1	3.1	14.0
Service revenue	2.7	8.6	15.7
Total revenue	6.8	11.7	29.7
Gross Profit		4.3	17.9
Gross Margin		37%	60%

<sup>1</sup> Reflects Q1 2008 revenues under new revenue recognition policy

<sup>2</sup> Combined View includes Purple Labs revenues in Q1 2009

**Segment information on Q1 2009 Combined revenue**

in USD million, unaudited

Revenue by segment	Device Solutions	Mobile Services Platforms	Total Myriad Group AG
License revenue	13.9	0.2	14.0
Service revenue	13.8	1.8	15.7
Total revenue	27.7	2.0	29.7
Gross Profit	16.7	1.2	17.9
Gross Margin	60%	60%	60%

**Notes regarding the revised Device Solutions License revenue recognition policy**

Effective January 1, 2009, Myriad Group decided to change its accounting policy for recognizing revenues. While previously, revenues arising from Minimum Purchase Commitment contracts ("MPC") were recognized up-front upon delivery of the master copy, and accounts receivable were subsequently reviewed for any impairment, the revised policy leads to the recognition of revenues when payments actually become due, based on quarterly royalty reports or any other specific payment terms. Past experience has shown that the collectability of receivables related to contracts with

extended payment terms (due in more than 12 months) is not always given and significant bad debt expenses on accounts receivable from such contracts were incurred. As a result, management of the Company has come to the conclusion that extended payment terms beyond one year should be interpreted as an indicator that collectability is not deemed probable, which is also in line with relevant US guidance related to the software industry.

Furthermore, Purple Labs SA, which was acquired by the Company as of April 1, 2009, has already applied the revised policy for Minimum Purchase Commitment contracts ("MPC") in its previous financial statements prepared in accordance with IFRS. Therefore management of the Group decided to adopt the revised policy, which it believes provides more relevant and reliable financial information. This change of accounting policy will be adopted retrospectively as of January 1, 2008 (restatement of prior year figures). The effects will be presented the first time in detail in the half-year financial information of the Group for the period ending June 30, 2009.

#### **About Myriad**

On March 18th 2009, Esmertec AG shareholders approved the acquisition of Purple Labs SA, creating Europe's leading mobile software vendor. We then changed our name to Myriad Group AG, to reflect the magnitude and diversity of our team and technologies in the combined business.

Myriad now provides the best selling products in four of the most important mobile software categories: Java engines, browsers, mobile messaging and USSD-based customer self-care.

Given this unrivalled portfolio of software and the deep expertise of our engineering team, Myriad is clearly positioned to be both a global leader in mobile software, and the partner of choice for manufacturers and network operators seeking to create branded experiences on mass market phones.

Myriad is headquartered in Dübendorf-Zürich Switzerland and is listed on the SIX Swiss Exchange (SIX Symbol: MYRN).

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