



## **Myriad Group Reports EBITDA of USD 11 Million for 2009 H1**

**DUEBENDORF-ZURICH, Switzerland – 23 September 2009** – Myriad Group AG (SIX: MYRN), a global leader in mobile technology with software in over 2 billion phones, today reported its results for the first half of 2009.

- Pro forma revenues USD 62.7 million, up 215% from 2008 H1 <sup>(1)</sup>
- Gross profit margin of 61%, up 7 pct points
- EBITDA USD 11.0 million (before restructuring charges)
- Operating cash flow of USD 2.7 million
- Cash & cash equivalents of USD 21.7 million

"I am very pleased with the progress of the new company during this first half," said Simon Wilkinson, CEO of Myriad. "We closed the acquisition of Purple Labs, delivered the cost synergies of the integrated companies, and achieved the strong revenue and margins that we expected in bringing these companies together – all contributing to the rapid improvement in our EBITDA result.

"We are now looking to build on this momentum as we prepare for 2010. Given the depth of our portfolio and team, Myriad is well positioned to extend both its market leadership and profitability."

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(1) Pro forma financial information disclosed in this news release reflects 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. Myriad believes that pro forma financial information provides more meaningful period-to-period comparisons of its performance, as under IFRS Purple Labs results have only been consolidated since April 1, 2009. For more information, see the financial statements for the six months period ended June 30 on the company's website.

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### **Details of half-year 2009 results, pro forma <sup>(1)</sup>**

**Revenue** for the first half of 2009 reached USD 62.7 million, an increase of 215% compared to USD 19.9 million in the first half of 2008.

The *Device Solutions* segment – which provides software and engineering services to leading manufacturers of mobile phones and other devices – reported revenue of USD 55.2 million for 2009 H1, compared to USD 11.4 million in 2008 H1. Revenue growth in 2009 primarily resulted from the acquisitions of Sagem Mobiles software activities and Purple Labs, although underlying demand for

Myriad device software and services continues to be robust, with the company recording USD 23.4 million in new orders during the 6-month period.

The *Mobile Services Platforms* segment – which provides self-care services and other solutions for mobile network operators – reported revenue of USD 7.5 million in 2009 H1. The decline from USD 8.5 million in the prior year period reflects the global slowdown in infrastructure investment by mobile network operators in 2009. Nonetheless, Myriad added T-Mobile and three other new operator customers in the first six months of 2009, and retained its industry-leading market share with a customer base of 33 network operators worldwide.

**Gross profit** increased 259% to USD 38.4 million for 2009 H1, from USD 10.7 million in 2008 H1. Lifted by the increased scale and efficiencies of the combined company, gross margin also rose sharply, reaching 61% compared to 54% in the year ago period.

**Underlying operating profit** <sup>(2)</sup> increased to USD 11.0 million for the first half of 2009, delivering an underlying operating profit margin of 18%. In 2008 H1, EBITDA was reported at USD 0.6 million with 3% profit margin.

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(2) Pro forma EBITDA excluding any costs associated with restructuring and impairment of intangible assets including goodwill. Myriad considers this Underlying Operating Profit to be an important indicator of the operational strength of the business.

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The underlying operating profit in 2009 H1 is the best ever recorded by the company, and again reflects the increased scale and efficiencies resulting from the integration of Purple Labs.

Sales and marketing expense for the combined company was USD 5.4 million in 2009 H1, down slightly from USD 5.5 million in 2008 H1. As a percent of revenue, sales and marketing expense was reduced to 9%, compared to 28% in the prior year period.

General and administrative (G&A) expense also was reduced as a percent of revenue, from 18% in 2008 H1 to 15% in 2009 H1.

These efficiencies in sales, marketing and G&A allowed the combined company to increase its research and development (R&D) costs, net of capitalisation, to USD 15.7 million in 2009 H1 from USD 2.0 million in 2008 H1. Myriad expects that this greater emphasis on R&D activity will accelerate the introduction of new products and resulting growth.

**Operating Loss (EBIT) before Exceptional Charges** improved to USD 1.5 million in 2009 H1 compared to USD 2.2 million in 2008 H1, despite increased amortisation following the acquisitions of Sagem Mobiles software activities and Purple Labs. Amortisation of intangible assets was USD 12.1 million in 2009 H1 compared to USD 2.6 million in the year earlier period.

Exceptional charges during the first half of 2009 included restructuring costs related to the acquisitions and impairment of certain intangible assets, which together totalled USD 24.4 million.

Restructuring charges following the acquisitions of Sagem Mobiles software activities and Purple Labs totalled USD 9.9 million in the period. Management does not expect to record further restructuring charges for these acquisitions in the second half of 2009.

The Myriad Board of Directors decided to record a non-cash impairment charge in 2009 H1 to reduce the carrying value of goodwill and other intangible assets. The total impairment of USD 14.4 million includes USD 4.6 million against certain intangible assets in the Device Solutions segment and USD 9.8 million of goodwill in the Mobile Services Platforms segment.

**Net Loss** for the period was USD 29.1 million in 2009 H1, including the above one-time charges and further expenses related to financial results and taxes.

**Operating cash flow** was positive in 2009 H1, growing to USD 2.7 million from USD -0.8 million in the prior year period.

**Cash & cash equivalents** as of 30 June 2009 was USD 21.7 million. The increase from USD 3.7 million at year-end 2008 resulted mainly from the USD 22.2 million net cash coming from the Purple Labs acquisition, and also reflects the positive operating cash flow in the period.

### **Information on Myriad's Media and Analyst Briefing**

Today in Zurich, Myriad will present its H1 2009 results to members of the media and analysts.

Media & Analyst conference - 23 September 2009  
9:00 a.m. CET  
SIX Swiss Exchange ConventionPoint, Zurich, Switzerland.

For more information please contact [investor\\_relations@myriadgroup.com](mailto:investor_relations@myriadgroup.com)

The Financial Statements for the six-month period ended 30 June 2009 is available on the company's website:

<http://www.myriadgroup.com/Investors/Financial-Publications.aspx>

### **Investor Calendar**

Myriad will present Q3 2009 business update by 30 October 2009

## Interim consolidated statements of operations

Six months ended June 30, in USD '000 (unaudited)	2008 IFRS	2009 IFRS	2009 Pro forma
License revenue	11,631	17,141	29,844
Service revenue	8,237	25,734	32,812
<b>Total revenue</b>	<b>19,868</b>	<b>42,875</b>	<b>62,656</b>
Cost of revenues	-9,160	-19,011	-24,252
<b>Gross profit</b>	<b>10,708</b>	<b>23,864</b>	<b>38,404</b>
<i>Gross margin</i>	<i>53.9%</i>	<i>55.7%</i>	<i>61.3%</i>
Research and development, net of capitalized costs	-2,033	-9,290	-15,688
Selling and marketing	-5,500	-4,312	-5,361
Bad debt expense	729	-225	-225
General and administrative	-3,516	-7,836	-9,478
Other income/(expense), net	0	730	2,952
<b>EBITDA before restructuring charges</b>	<b>590</b>	<b>3,316</b>	<b>11,040</b>
<i>EBITDA margin</i>	<i>3.0%</i>	<i>7.7%</i>	<i>17.6%</i>
Amortisation of intangible assets	-2,635	-10,497	-12,097
<b>EBIT before exceptional charges</b>	<b>-2,247</b>	<b>-7,566</b>	<b>-1,493</b>
Restructuring and integration costs	0	-8,111	-9,941
Impairment of intangible assets	0	-14,449	-14,449
<b>Loss from operations</b>	<b>-2,247</b>	<b>-30,126</b>	<b>-25,883</b>
Financial result, net	-4,436	-2,085	-2,514
Income tax benefits / (expense)	178	-570	-688
<b>Net loss for the period</b>	<b>-6,505</b>	<b>-32,781</b>	<b>-29,085</b>

Note: Pro forma reflects H1 2009 results including Purple Labs contribution for the entire six months period. The H1 2009 actual figures reflect consolidation of Purple Labs as of 1 April 2009, in accordance with IFRS. Operating expenses include depreciation costs of USD 0.202m, 0.385m and 0.436m for IFRS 2008, 2009 and pro forma 2009.

## Segment information H1 2009 pro forma

<b>Six months ended June 30, 2009</b> in USD `000 (unaudited)	<b>Device Solutions</b>	<b>Mobile Services Platforms</b>	<b>Total Myriad Group</b>
License revenue	27,653	2,191	29,844
Service revenue	27,582	5,284	32,812
<b>Total revenue</b>	<b>55,181</b>	<b>7,474</b>	<b>62,656</b>
<b>Gross profit</b>	<b>32,976</b>	<b>5,428</b>	<b>38,404</b>
<i>Gross margin</i>	<i>59.8%</i>	<i>72.6%</i>	<i>61.3%</i>
<b>EBITDA before restructuring charges</b>	<b>10,190</b>	<b>850</b>	<b>11,040</b>
<i>EBITDA margin</i>	<i>18.5%</i>	<i>11.4%</i>	<i>17.6%</i>
<b>Loss from operations</b>	<b>-16,026</b>	<b>-9,857</b>	<b>-25,883</b>

### About Myriad

Myriad Group AG is a global leader in mobile technology and has shipped software in more than 2 billion devices. Its comprehensive portfolio includes browsers, messaging, Java, user interfaces and middleware for all types of mobile phones, from ultra-low cost handsets to advanced smartphones.

The company provides both individual components and complete solutions, which enable handset manufacturers and operators to deliver amazing experiences on mobile phones. Myriad also develops USSD-based customer self-care platforms that deliver over 10 billion messages a year to 220 million mobile users across more than 33 mobile operators worldwide.

Myriad was created from the combination of industry-leading companies, Esmertec and Purple Labs. It operates worldwide, with offices in Switzerland, France, UK, USA, China, South Korea, Taiwan and Japan. Headquartered in Dübendorf-Zürich Switzerland, Myriad is listed on the SIX Swiss Exchange (SIX Symbol: MYRN). For more information, visit [www.myriadgroup.com](http://www.myriadgroup.com)

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