

August 19, 2013



Mandalay Digital and YellowDot Initiate Operations in Africa with MTN Cameroon

Digital Turbine Marketplace™ to Service Cell Phone Users in West African Nation with SMS and Gaming Content

LOS ANGELES, Aug. 19, 2013 /PRNewswire/ -- **Mandalay Digital Group, Inc. (NASDAQ: MNDL) ("Mandalay Digital" or "the Company")**, a global, mobile service provider, and YellowDot, a value-added-supplier for cellular operators in five African countries, have signed its first agreement with MTN Cameroon to provide value-added services (VAS) and mobile content to MTN subscribers in Cameroon. The collaboration was orchestrated by YellowDot with the intent to generate additional revenues via mobile content for MTN. Beginning in September 2013, Mandalay Digital will offer SMS and gaming-based content through its Digital Turbine Marketplace™ platform to MTN subscribers in Cameroon.

MTN is the largest mobile operator in Cameroon with more than 7.5 million subscribers with approximately 56% of the market share. Currently, Cameroon has a total of 11.0 million mobile subscribers and a penetration level of approximately 50%, with nearly 80% of the country receiving coverage. MTN Cameroon is a part of the MTN group, which operates in 22 countries and services 197 million subscribers. The agreement marks Mandalay Digital's first venture into the African mobile market and YellowDot's continued growth on the African continent, the second largest mobile marketplace in the World.

"This partnership is an exciting step forward for us as we continue to expand our services to new territories," says Noy Hazan, CEO of YellowDot, Africa. "The demand for data and cellphone content is growing rapidly in the region and we hope that we can do our part to help meet that growing demand. Operators have to continuously be aware of mobile trends, and what we are noticing is that while consumption of voice content and services has plateaued, VAS content, such as gaming and music content is just beginning to take hold."

"This deal is a win-win for MTN, YellowDot and Mandalay," added Peter Adderton, Chief Executive Officer of Mandalay Digital Group. "We are excited about our expansion into the mobile market in Africa where we can continue to leverage our knowledge and technological abilities to drive higher consumption of quality content."

About Mandalay Digital Group

Mandalay Digital Group is at the convergence of Internet media content and mobile communications. It delivers a mobile services platform that works with mobile operators and third-party publishers to provide portal management, user interface, content development and billing technology that enables the responsible distribution of mobile entertainment. Mandalay Digital is headquartered in Los Angeles and has offices in Australia, Germany and Israel. For additional information, visit www.mandalaydigital.com

About Yellow dot

Established in January 2013, YellowDot provides VAS to cellular operators in five African nations. The company works with MTN subsidiaries and maintains offices in South Africa, Nigeria, and Cameroon. YellowDot Africa is offering an end-to-end solution with managed services, which bring together content, technology and device expertise to ensure an enhanced digital experience to the operators' end users.

About the MTN Group

Launched in 1994, the MTN (JSE: MTN) Group is a leading emerging market operator, connecting subscribers in 22 countries in Africa, Asia and the Middle East. As of 30 April 2013, MTN recorded 197.4 million subscribers across 22 countries.

Forward Looking Statement

Statements in this news release concerning future results from operations, financial position, economic conditions, product releases and any other statement that may be construed as a prediction of future performance or events are forward-looking statements which involve known and unknown risks, uncertainties and other factors which may cause actual results to differ materially from those expressed or implied by such statements. These factors include uncertainties as to ability to raise new capital on acceptable terms or at all, ability to manage international operations, ability to identify and consummate roll-up acquisitions targets, levels of orders, ability to record revenues, release schedules, finalization and market acceptance of new products, changes in economic conditions and market demand, pricing and other activities by competitors, and other risks including those described from time to time in Mandalay Digital Group's filings on Forms 10-K and 10-Q with the Securities and Exchange Commission (SEC), press releases and other communications.

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