



NQmobile

NQ Mobile Inc.
(NYSE: NQ)

Investor Presentation

May 2013



NQ Mobile Today

Leading Global Provider of Mobile Internet Services



Consumer
Mobile
Services

Mobile Security
and Privacy

Mobile Games &
Advertising

- ~404M registered user accounts
- ~125M active user accounts
- ~53M new user accounts added in Q1 2013
- ~#1 mobile game publisher on iOS platform in China and #3 on all smartphone platforms in China (Sino MR, 1Q 2013)

Enterprise
Mobility

Managed Mobility
Services

- ~1,250 enterprise customers
- ~ Over 80 of fortune 500 companies as customers

Investment Highlights





NQmobile

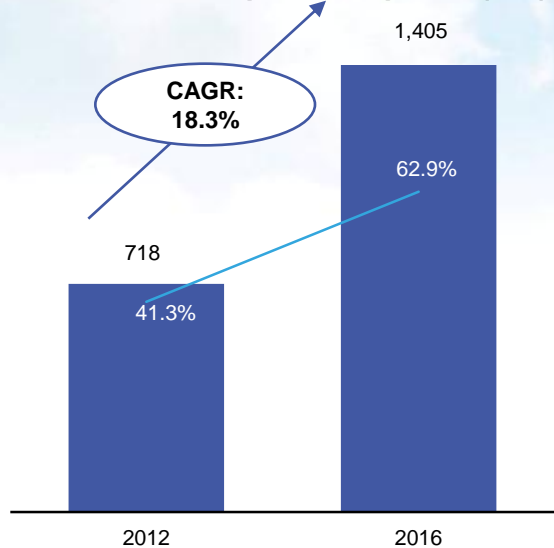


Consumer Mobile Security and Privacy

Proliferation of Mobile Technology

Rapid Adoption of Smart Phones

Worldwide smartphone shipment (MM)

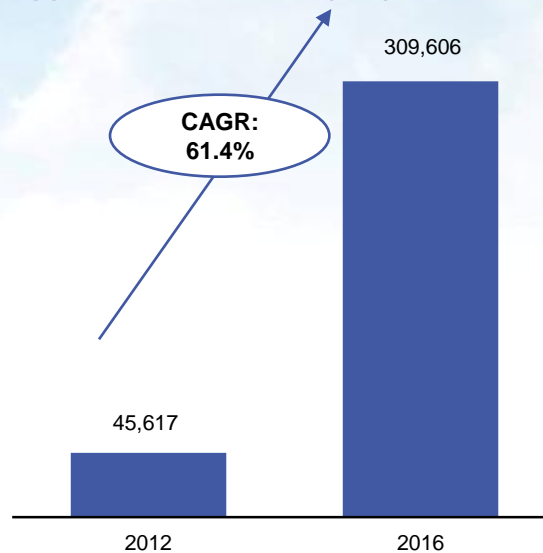


— Smartphone Penetration Rate ⁽³⁾

Source: IDC (December 2012)

Increasing Functionalities

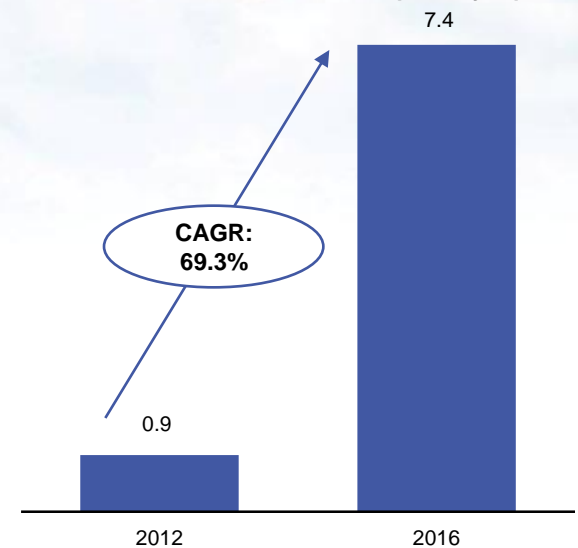
Application download (MM)



Source: Gartner (August 2012)

Surging Mobile Data Traffic

Mobile data traffic / month (Exabyte)



Source: Cisco (February 2013)

An average U.S. household will have 9 connected devices by 2015 ⁽¹⁾

Sales of mobile devices to business worldwide are expected to reach 272MM units by 2016 ⁽²⁾

1 Based on IDC estimates as of May 2012

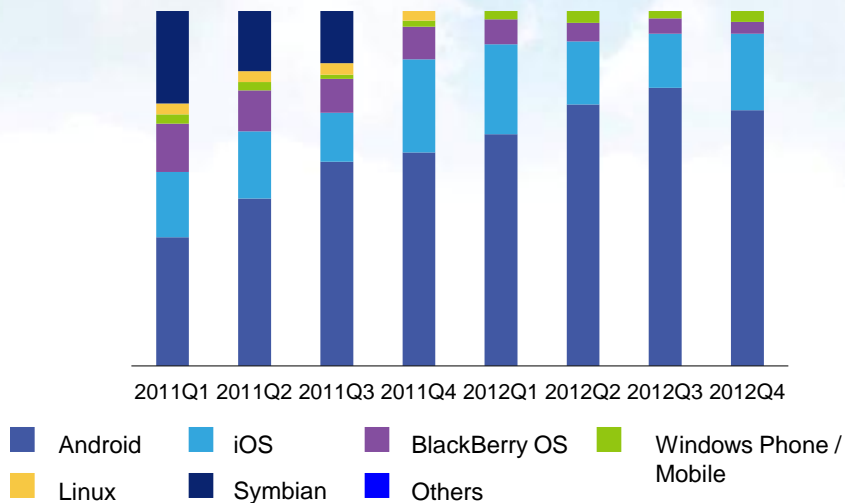
2 Based on Gartner estimate as of February 2013

3 Smartphone shipments as % of total mobile phone shipments

Rapid Increase of Android Phones and Malware on Android

Android Taking Over Global Market Share

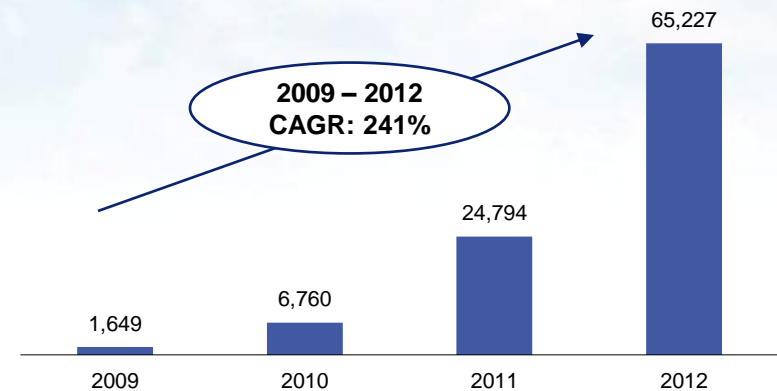
Mobile Platform Market Share



Source: IDC

Rise of Mobile Malware

Number of Threats



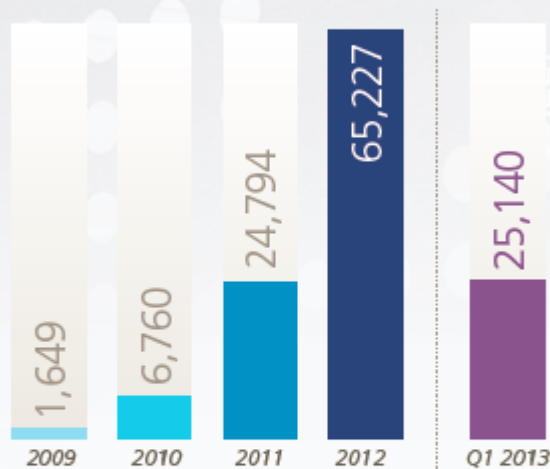
Source: Company Data

Android phones are more vulnerable to malware due to:

- Significant portions of the platform are built on open-source technologies like Linux and WebKit
- Open source code for all Android app developers
- Open market and open distribution channels for all Android apps

NQ Mobile Threat Report 2012 – Malware Explosion

In the first quarter of 2013, NQ Mobile identified 25,140 new threats - that's more discoveries than 2011 and more than 38% of the 2012 annual total.



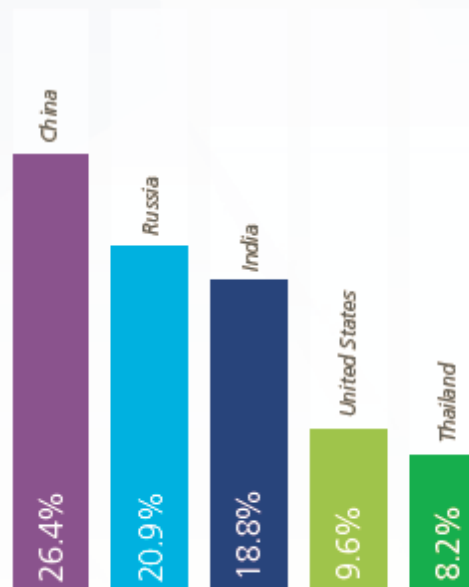
Source: NQ Mobile

Q1 2013 Highlights

- Over 25,000 threats were discovered in 1Q 2013
- NQ Mobile estimated that over 10 million devices were infected in 1Q 2013.
- **Mobile phone Trojan infects PC:** In February 2013 a new type of mobile malware was discovered that could jump from an Android device to infect the PC. More information on this discovery can be found [here](#).

Q1 2013 Top 5 Infected Markets

- China remained the most infected market, increasing nearly 4% over 2012.
- Russia's infection rate increased by 17% to move ahead of India, which saw a 3% decrease.
- United States remained at 9.6%, while Thailand replaced Saudi Arabia in the top 5.



NQ Sense™

283 million registered user accounts and 98 million active user accounts help provide real-time data on new malware and global infection rates.

NQ Crawler

In 2012, our crawler scanned over 2.2 billion URLs, and discovered over 5.4 million fraudulent URLs.

NQ RiskRank

In 2012, our RiskRank algorithm scanned 5.3M apps in 406 marketplaces around the world.

NQ Mobile Maintains Broad Leadership on Mobile

Full Suite of Products to Protect Mobile Users



NQ Mobile Security

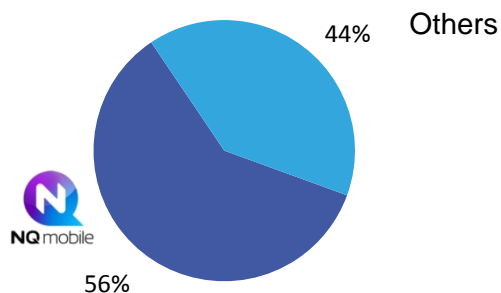


NQ Mobile Vault



NQ Family Guardian

Dominant Market Share in China ⁽¹⁾



Source: SinoMR

R&D and Product Leadership

- 8 proprietary core technologies and mobile security patents registered and over 70 patent application filed
- 309 professionals of our employees engaged in R&D activities
- With our strong R&D capabilities, our security response team can usually provide a solution to a security threat in 6 to 12 hours after identifying the threat

Platform Agnostic



1 The market share measured by the number of registered user accounts as of Dec. 31, 2012

Leading Proprietary IP and Technology

CLOUD

Crawler Scanning Engine

- Collect data across various mobile networks
- Open Platform / Open APIs
- Interaction with different OSs

“Risk rank” algorithm

- Large repository
- Quick response
- Black list/grey list/white list

Security Knowledge Repository

- Largest malware/virus database globally

CLIENT

Mobile malware scanning engine

- Fast scanning
- High accuracy

Intelligent anti-spam filtering engine

- Intelligent filter
- 99%+ accuracy

Productivity

- Device agnostic
- Platform agnostic

Cross-OS support



PARTNERS



carriers app stores web sites

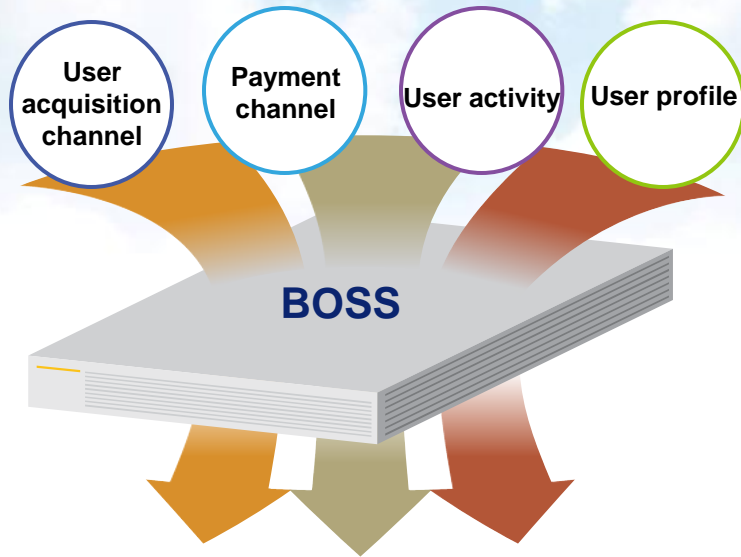
(Open APIs / SDKs)

Technology Know-how
+
Cloud-Client Interaction

The most comprehensive and
accurate service with an outstanding
user experience

BOSS – Business and Operation Support Systems: We Own Our Customers

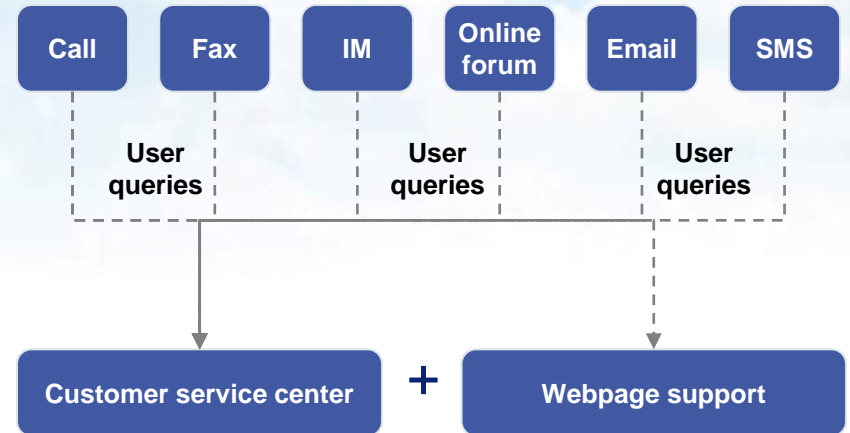
User Life Cycle and Channel Management



- 1 Direct access to user base to better understand user behavior
- 2 Analyze user profiles with consent
- 3 Adjust pricing strategies based on user data analysis

Manage user acquisition and payment channel in real time

Customer Service Integration

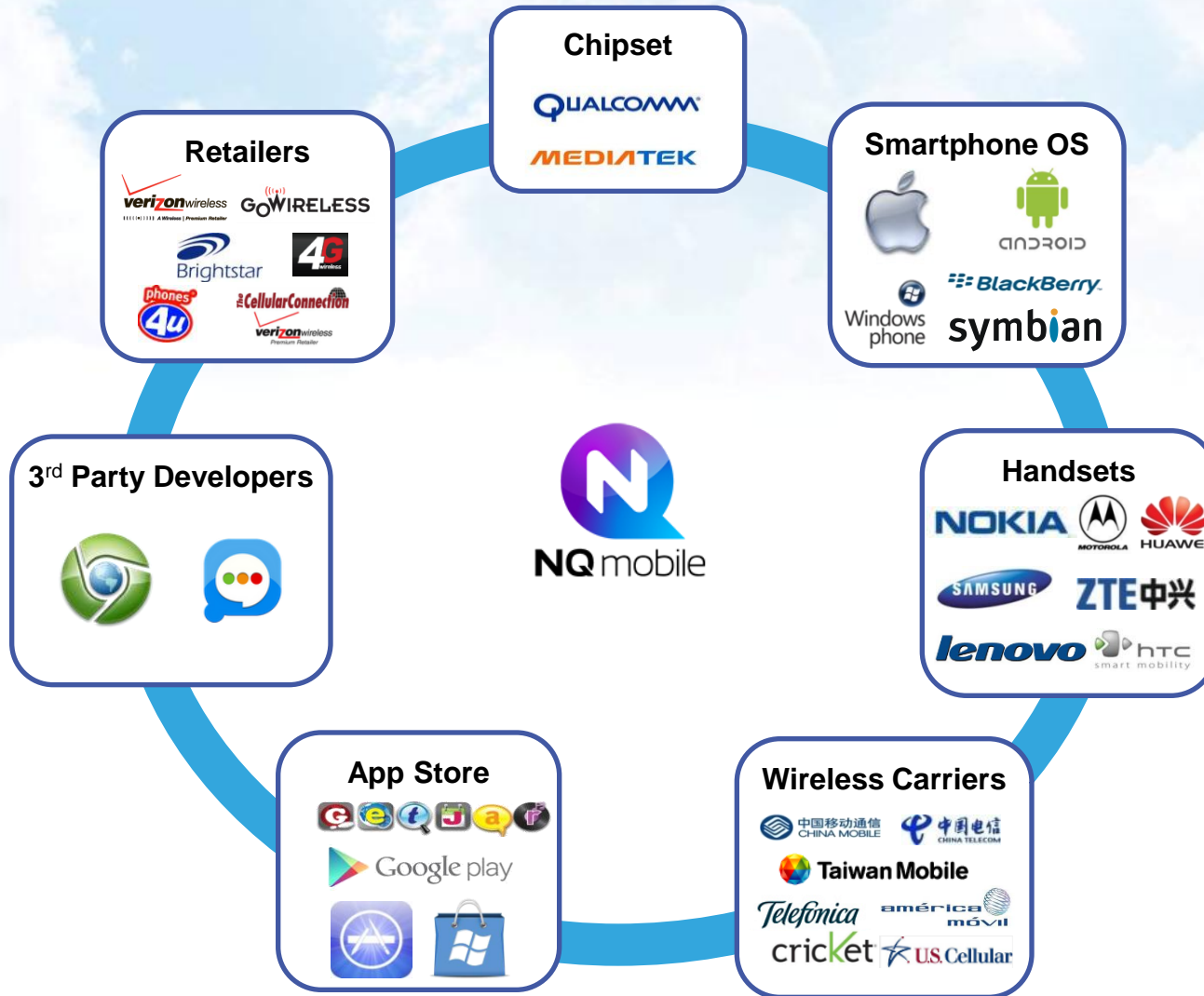


24/7 global customer service center

60 customer service hotlines

✓ FAQs	
?	Installation Guide for Android handsets
?	Installation Guide for Symbian handsets
?	NetQin Mobile Anti-Virus FAQs
?	NetQin Mobile Manager FAQs

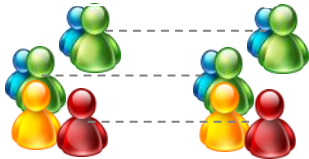
Wide Range of Collaborations with Key Ecosystem Participants



Diversified User Acquisition and Payment Channels

User Acquisition Channels

Viral marketing



Pre-installation



Online download



Customers



Payment Channels

Wireless carriers and mobile payment service providers



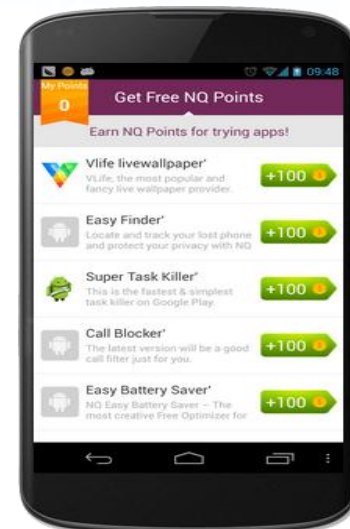
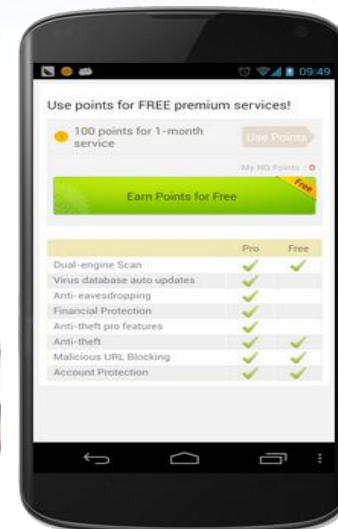
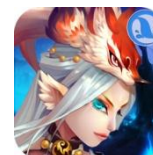
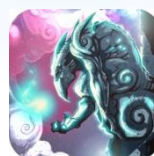
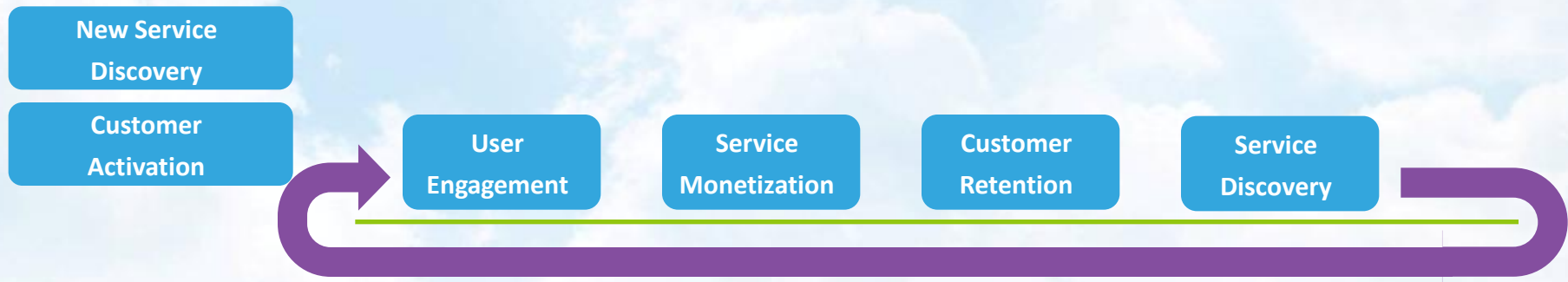
Third party payment processors



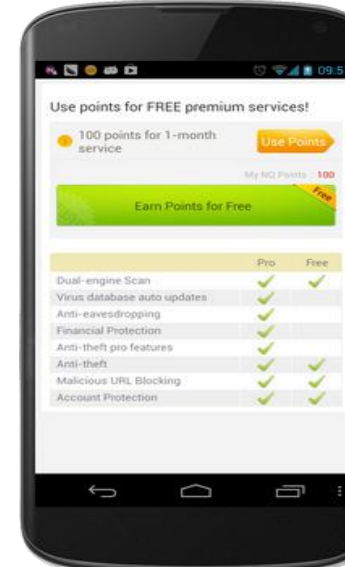
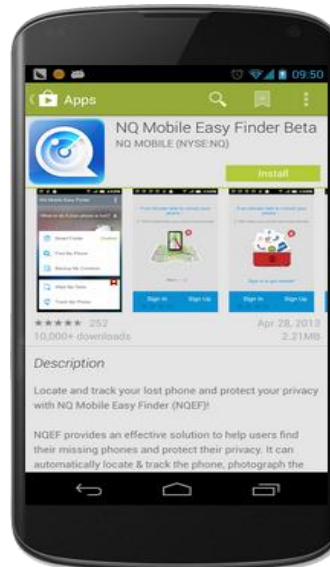
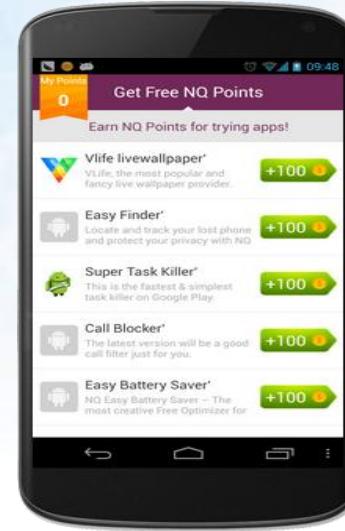
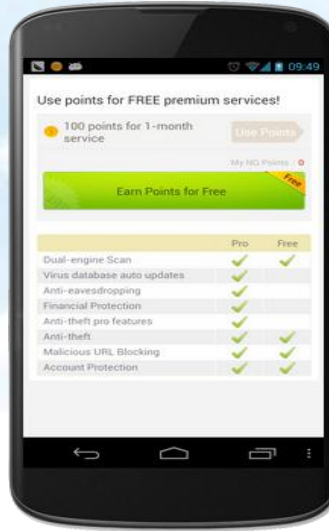
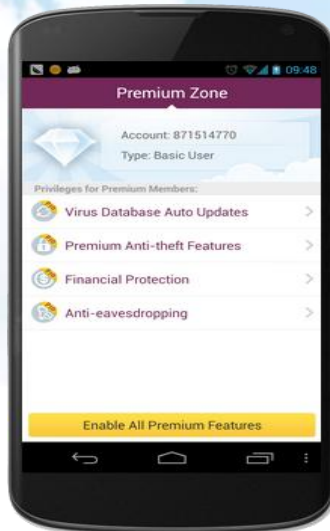
Pre-paid cards



Discovery to Monetization to Discovery



Offer Wall – Monetization of Active Users



NQ @ America Móvil

América Móvil and NQ Mobile™ Collaborate to offer Mobile Subscribers Security, Privacy and Family Protection across Mexico, and Latin America



Google Play promotion

Internet telcel

Computadoras Teléfonos Tablets Servicios Promociones Contacto

Explota al máximo Internet Telcel con la gama de servicios adicionales que te ofrecemos.

Compras con Tarjeta Seguridad Correo iTelcel Calculadora de Datos Medidor de Velocidad Consumo de Internet

Seguridad Telcel

Inicio Activa Preguntas Frecuentes MI Cuenta

Seguridad para tu Móvil

Antirrobo	Protege	Antivirus y Antirrobo
<ul style="list-style-type: none">Bloqueo RemotoBorrado RemotoLocalizaciónAlertas SMS por cambio de ChipAlarma tipo ScreamEnvío de comandos remotos via SMS y/o Web	<ul style="list-style-type: none">Antivirus y AntispywareProtección de NavegaciónOptimizaciónPolítica de privacidadPaquete Antirrobo	<ul style="list-style-type: none">Bloqueo RemotoBorrado RemotoLocalizaciónAlertas SMS por cambio de ChipAntivirus y AntispywareProtección de NavegaciónRespaldo de DatosAlarma tipo Scream
<p>Android \$ 15.00 al mes</p> <p>Descargar 30 días Gratis</p>	<p>Android \$ 39.00 al mes</p> <p>Descargar 30 días Gratis</p>	<p>Android \$ 69.00 al mes</p> <p>Descargar 30 días Gratis</p>

Recuerda que también puedes proteger tu computadora con Seguridad Telcel. [Más información aquí.](#)

Las tarifas publicadas incluyen el 16% de IVA. En el caso de algunas ciudades fronterizas la tasa de IVA que se aplicará es del 11%. [Ver Ciudades Fronterizas](#)

Para mayor información comunícate al: **01800 839 4615**. De 7:00 a 22:00 hrs. de Lunes a Domingo.

Accesos Rápidos

- Compra con Tarjeta
- Seguridad telcel
- Consumo de internet
- Mi telcel
- Correo iTelcel

Online promotion



NQ @ US Cellular

NQ Mobile™ Announces that U.S. Cellular® Will Begin Offering Family Guardian™ Product Under the Name U.S. Cellular Family Protector, winning out over Location Labs.

Protect your family with your Smartphone.

U.S. Cellular's Family Protector provides Smartphone protection for kids and peace of mind for parents.

Locate your child with GPS

Block inappropriate websites

Make sure apps are kid-friendly

Block certain numbers

Monitor texts, calls, apps & browser

Set up times when kids can use phones



Scan this QR code to learn how you can get a FREE trial.

To Family Protector \$99.99 for 30 days. See the charges and restrictions (like applicable taxes) for more on us at uscellular.com. Smartphone. An activation fee may apply. See us in-store for details.

Powered by NQmobile



U.S. Cellular Hello Better.

Phones & More | Plans | Offers | Apps & Entertainment | Business | Support | Rewards

Apps & Entertainment

Smartphone protection for kids. Peace of mind for parents.

Smartphone protection for kids. Peace of mind for parents. Turn wait time into a good time. Help manage your business with these mobile apps. Access to the world's best music and entertainment. Any time. Anywhere.

U.S. Cellular® gives you access to the hottest games, ringtones and mobile tools for your phone to make your wireless experience even more fun and enjoyable.

Smartphone Apps & Games

Go

Feature Phone Apps and Games

Go

Text Alerts

Go

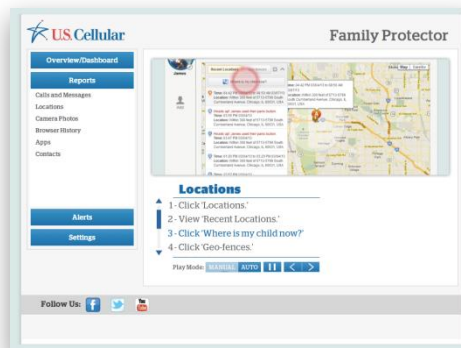
Web To Text

Go

Online Albums

Go

uscellular.com promotion



U.S. Cellular Hello Better.

Family Protector

Overview/Dashboard | Reports

Calls and Messages | Locations | Camera Photos | Browser History | Apps | Contacts

Alerts | Settings

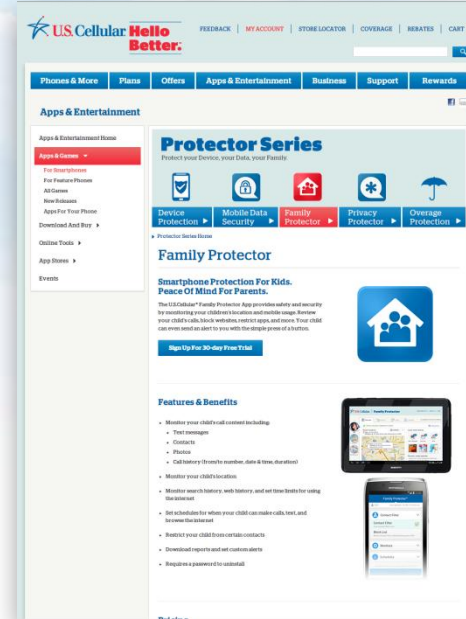
Follow Us: Facebook | Twitter | YouTube

Locations

- 1- Click 'Locations.'
- 2- View 'Recent Locations.'
- 3- Click 'Where is my child now?'
- 4- Click 'Geo-fences.'

Play Mode: **RAMBLER** **ASTRO** **CL**

Online tutorial



U.S. Cellular Hello Better.

Phones & More | Plans | Offers | Apps & Entertainment | Business | Support | Rewards

Apps & Entertainment

Apps & Entertainment Home

Protect your Device, your Data, your Parents!

Device Protection | Mobile Data Security | Family Protector | Privacy Protector | Overage Protection

Family Protector

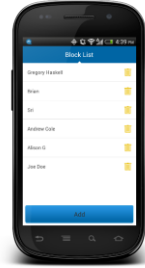
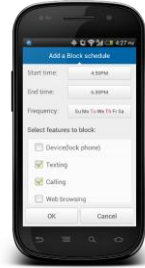
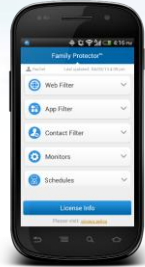
Smartphone Protection For Kids. Peace Of Mind For Parents.

U.S. Cellular's Family Protector App provides safety and security by monitoring your children's location and mobile usage. Receive your child's calls, block website, restrict apps, and more. Your child can even send an alert to you with the simple press of a button.

Sign Up For 30-day Free Trial!

Features & Benefits

- Monitor your child's cell content including:
 - Text messages
 - Contacts
 - Photos
 - Call history (number, date & time, duration)
- Monitor your child's location.
- Monitor search history, web history, and set time limits for using the internet.
- Set schedules for when your child can make or call, text and receive Blue2Go text.
- Block your child's text messages and contacts.
- Download reports and set custom alerts.
- Requires a parent or guardian.



In-store promotion

NQ @ Retail - ~3000 US Retail locations this summer

From warehouse to point-of-sale

Semi-permanent fixtures highlight product offerings, with the opportunity to flex-in new product or promotional literature quickly. Web-based activation tools help sales agents get customers up and running, so they can walk out working.



Retail material ready-to-ship



Point-of-sale presence



Product overview and takeaway material



Promotional material



In-store, on-device activation



NQmobile



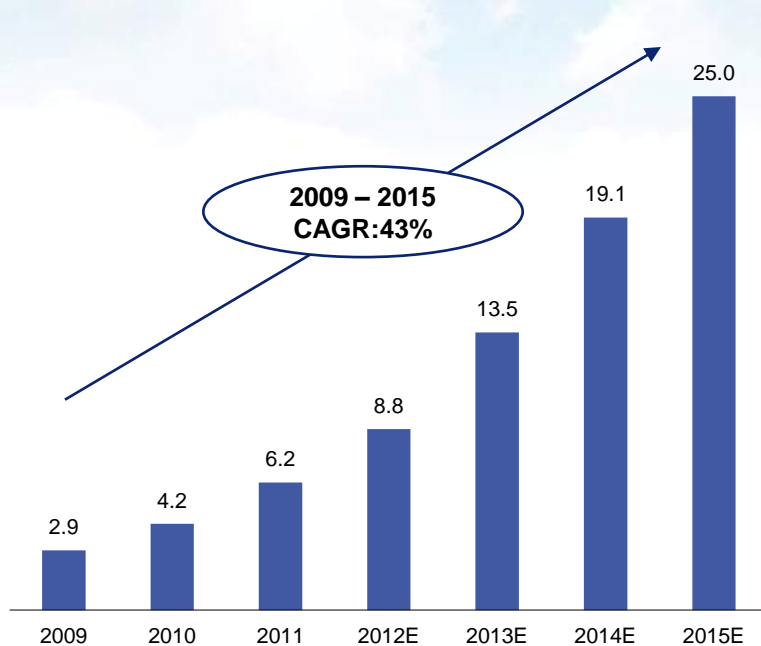
Mobile Games and Advertising

Large and Growing China Mobile Games and Mobile Advertising Market

China Mobile Games Market Size

(RMB Bn)

(%)

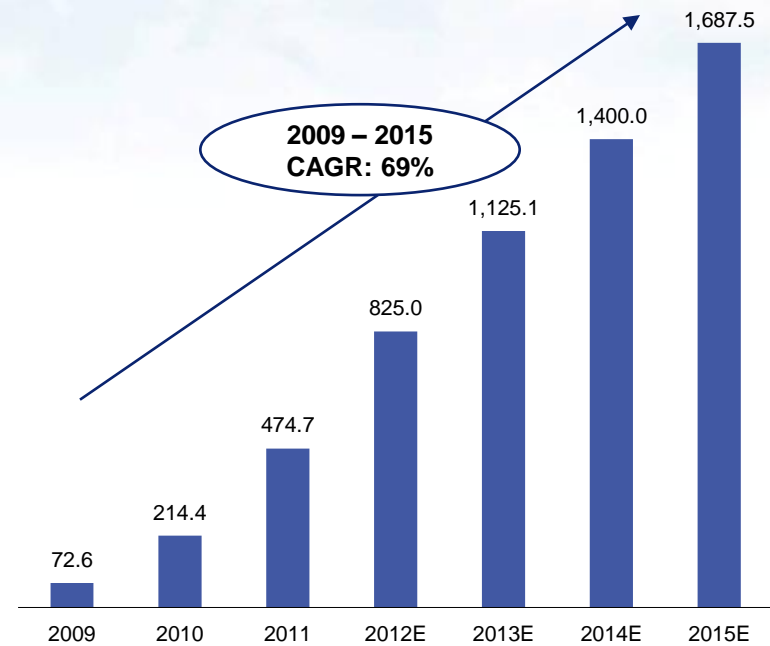


Source iResearch (June 2012)

China Mobile Advertising Market Size

(US\$MM)

(%)



Source IDC (January 2013)

Mobile Games and Advertising Platform – Feiliu



Mobile Games and Advertising Platform

- Founded in 2009, Feiliu is a leading mobile interest based social platform in China
 - Engages user in real-time online group activities, built upon unique interest communities including mobile technology, automobile, health care, games, etc.
- NQ Mobile invested in Feiliu in Feb. 2010 and entered definitive agreement with Feiliu to acquire the remaining stake in Nov. 2012

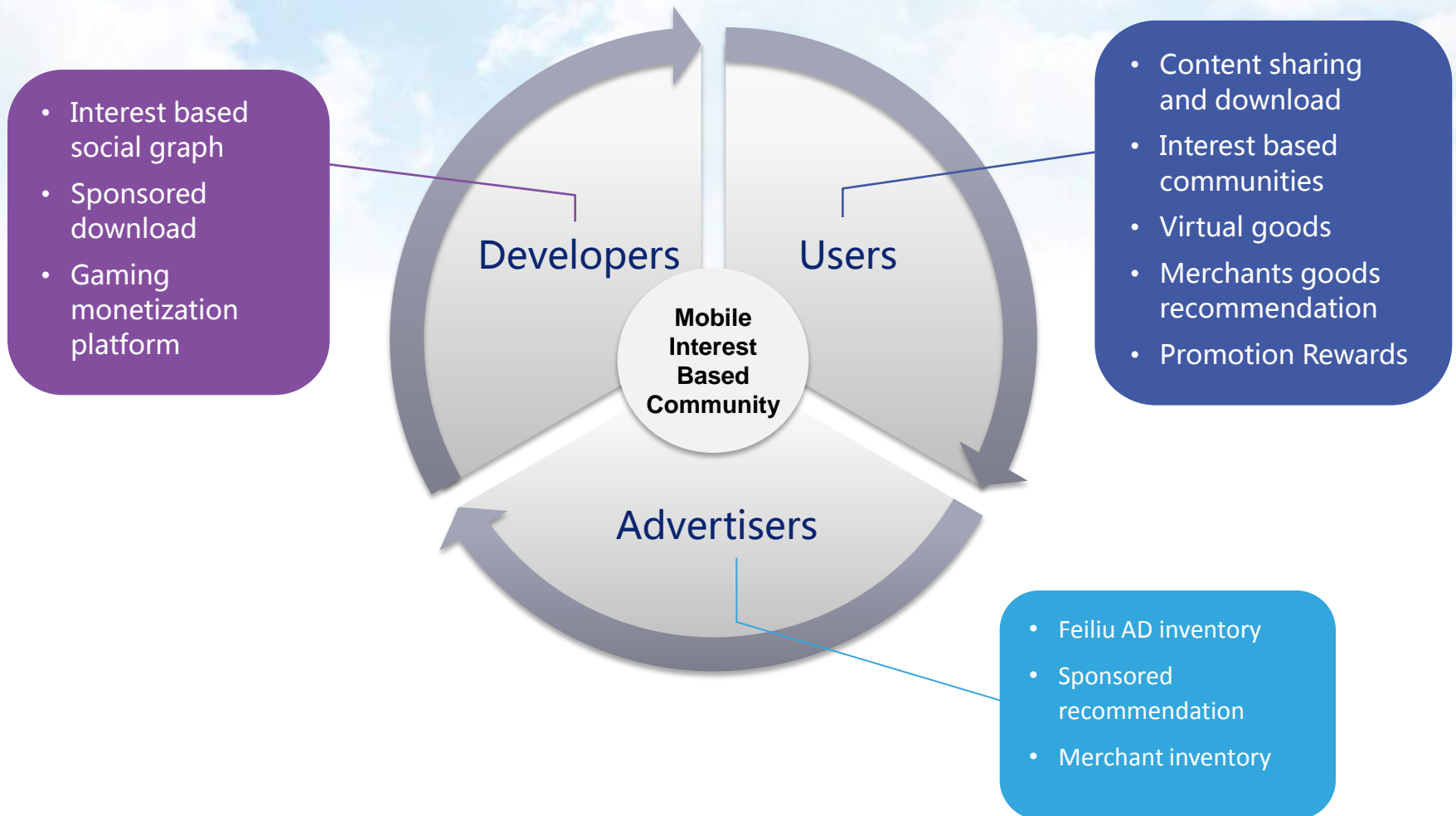


Mobile Interest-based Social Platform

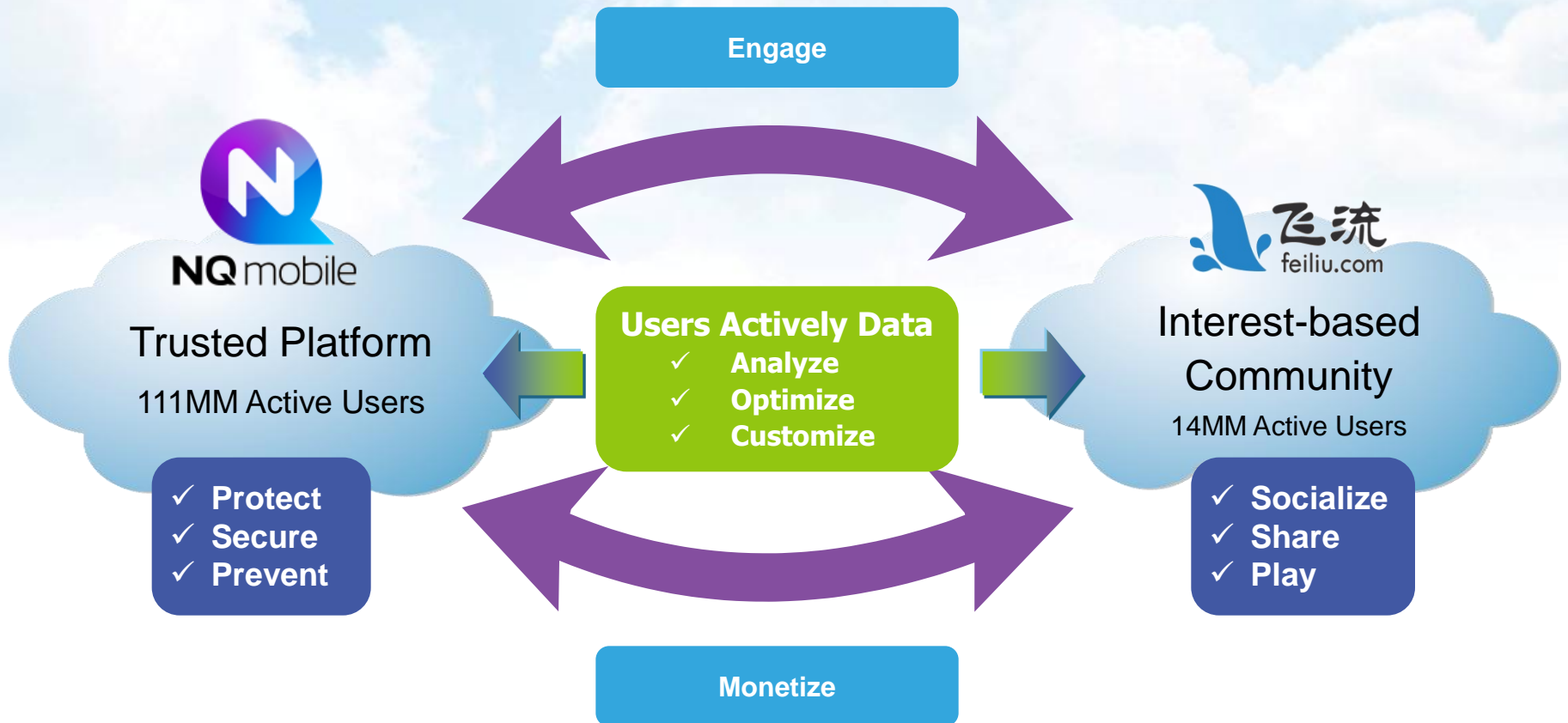
- 77M+ registered users
- 14M+ monthly active users
- Distribute 400K+ apps/games
- #1 mobile game publisher on iOS platform in China and #3 on all smartphone platforms in China (Sino MR, 1Q 2013)



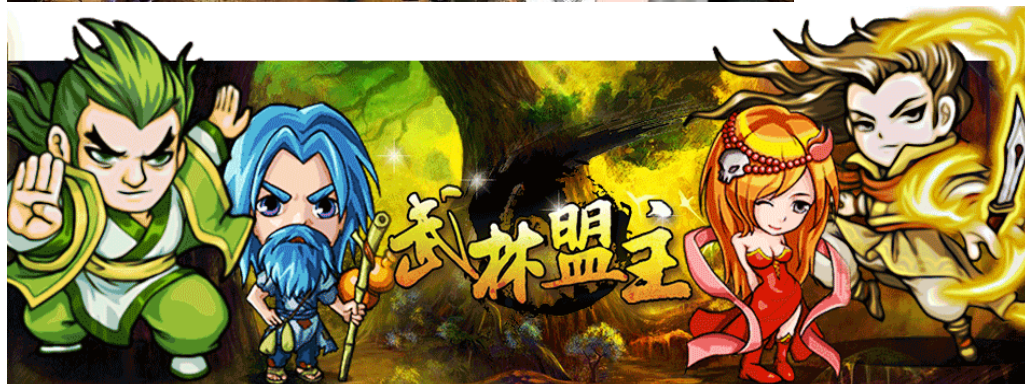
Products and Services



Synergistic Businesses



Feiliu's Top Games





NQmobile

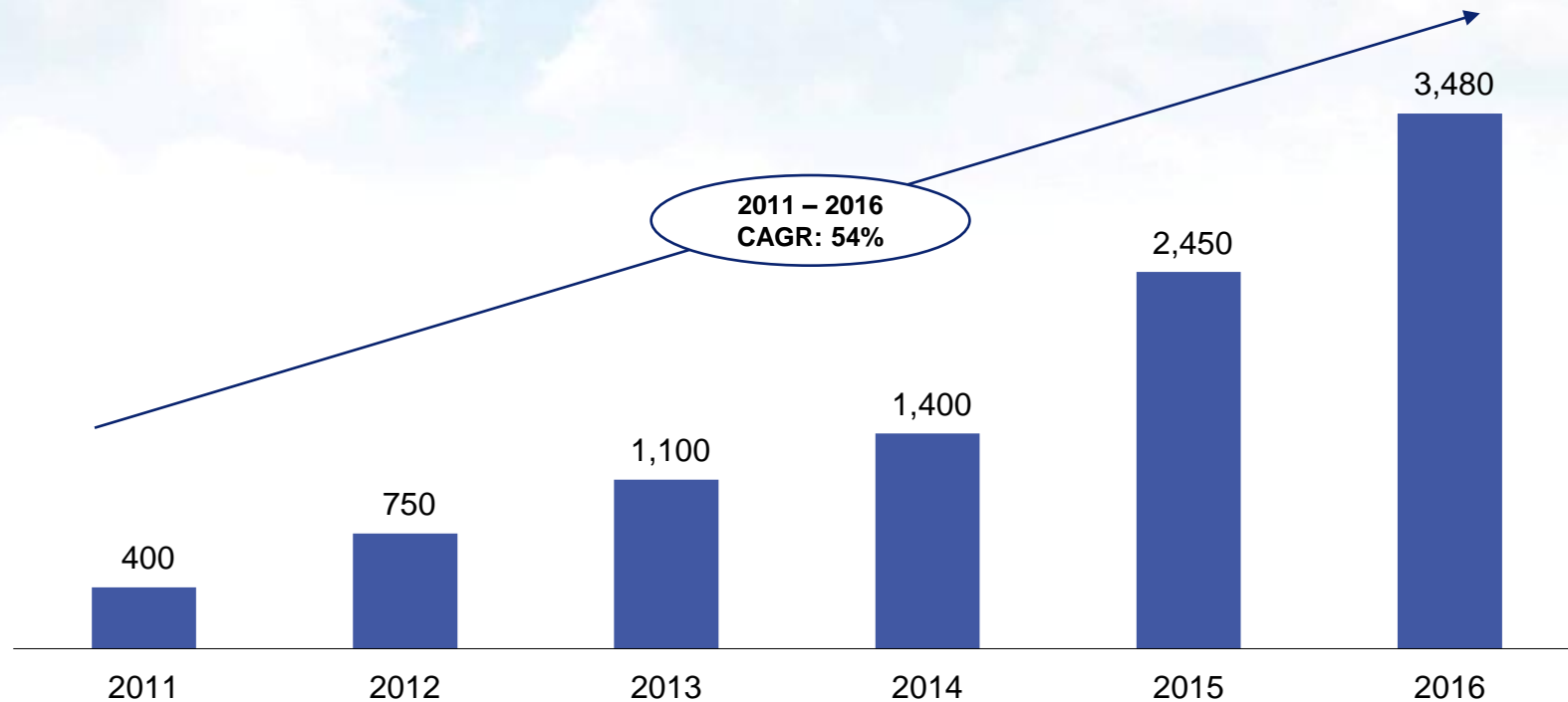


Enterprise Mobility and Security

Managed Mobility Services Outlook

Forecast of Managed Mobility Services Market, Worldwide, 2011–2016

(MM)



Source : Gartner

Enterprise Mobility: NationSky

Nation
Sky



- Founded in 2005 by Charlie Hou
- NQ Mobile acquired majority stake (55%) in May 2012
- Leader in China enterprise mobility services
 - Over 1,250 large and medium enterprise customers
- Strong industry alliance and partnerships
 - Partners include Apple, RIM, China Mobile, Mobile Iron, GEMA etc.
- Cross platform proprietary expertise and IP in mobile enterprise services and software
 - Solutions for iOS, Android, BlackBerry
 - Mobile device/application Management
 - Enterprise app/content distribution

Products and Services

Manageability Services

- Mobile data strategy consulting
- Architecture design and deployment
- Asset management
- Training

Security

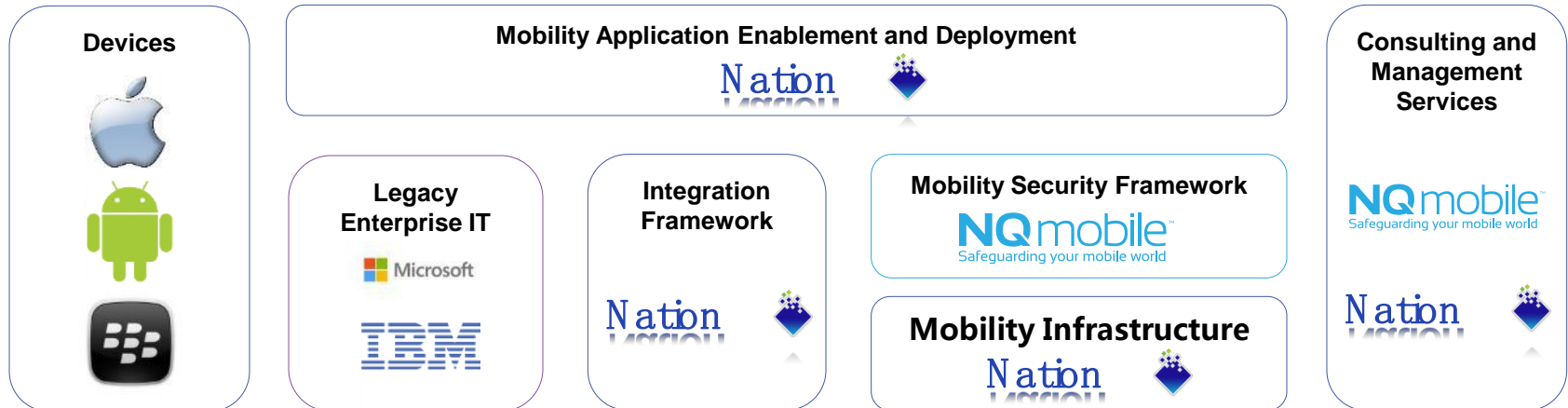
- Mobile device management
- Mobile content management
- Mobile application management

Industry Solutions

- Insurance solution
- Banking solution
- Public service solution
- Logistic solution

Platform Integration Services

- Enterprise app store
- Enterprise content distribution
- Push integration
- Cross platform middleware

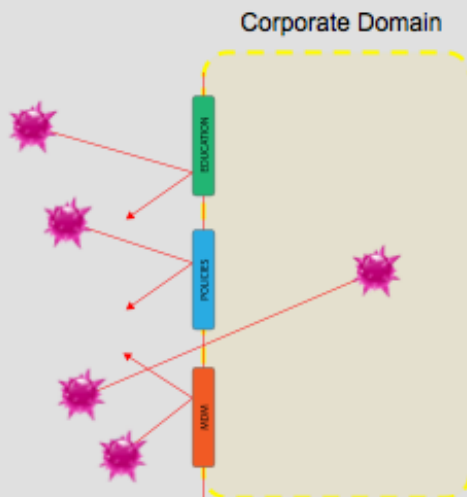


Why Enterprise AV/AM?

A ROBUST MOBILE END-POINT SECURITY SOLUTION COMPLEMENTS YOUR EXISTING SECURITY INVESTMENTS

Without a Mobile Security Solution

"GOOD"



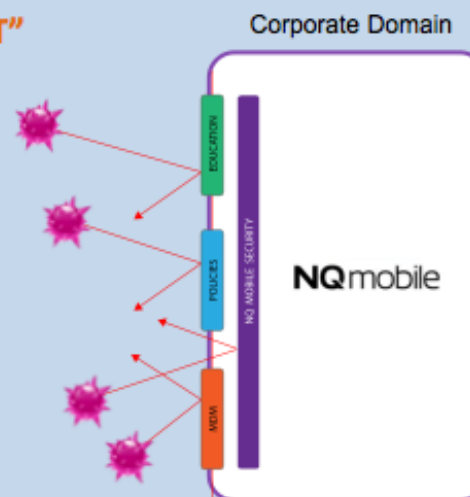
Playing Catchup

Existing investments to secure one's corporate domain are only as good as both the effectiveness of the application and the consistency (i.e., enforcement) of deployment within the enterprise. Unfortunately GAPS will exist.

Effectiveness depends on continuous adaptation to a changing technology landscape and motivating employees to consistently apply policy and avoid inconsistent behavior.

WITH a Mobile Security Solution

"BEST"

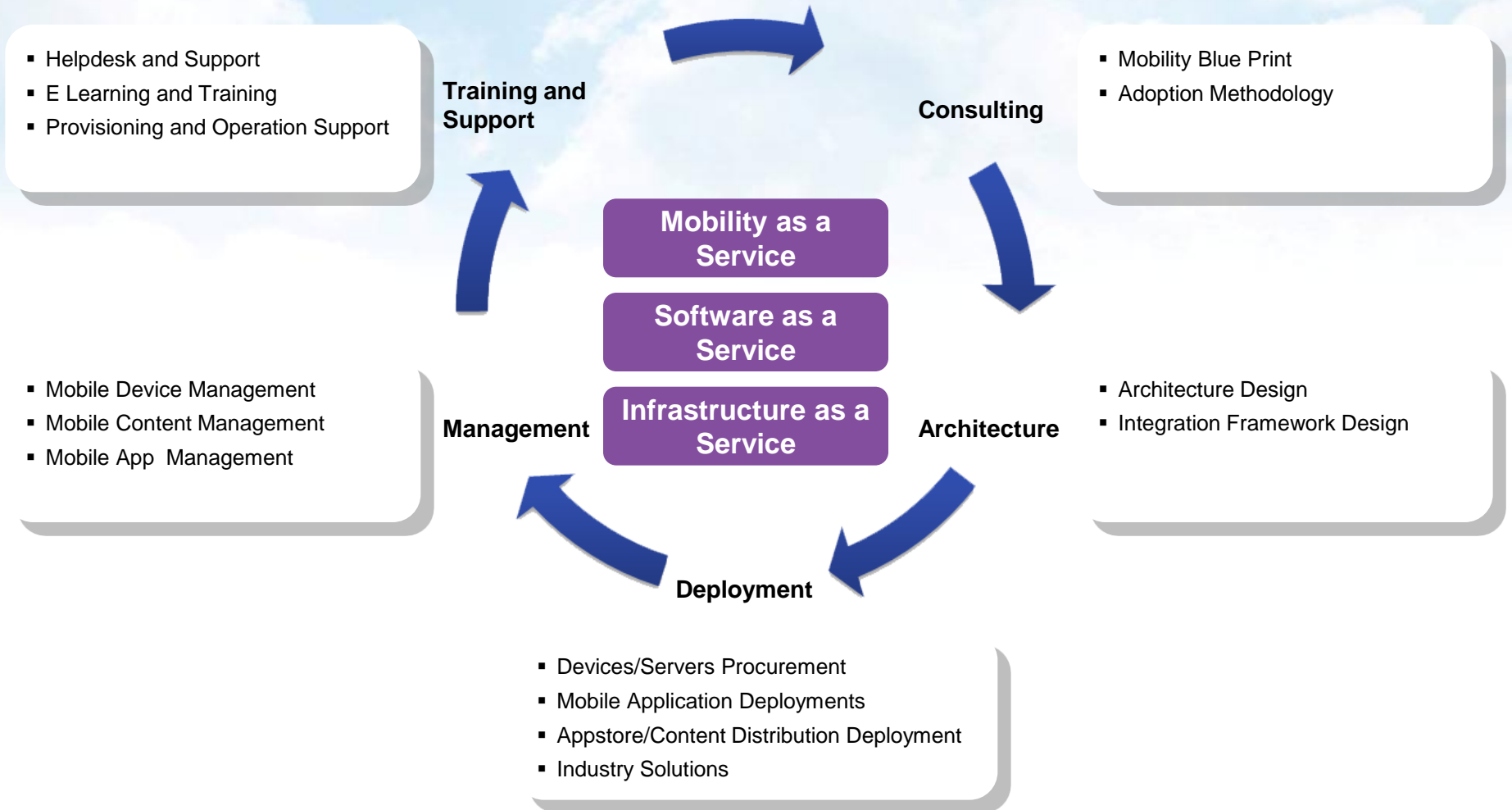


Integrated End-Point Security Approach

A robust, end-point mobile security solution complements an already comprehensive security approach, seamlessly integrating within the environment, either as a stand-alone offering or an integrated platform.

There is simply no substitute to integrating a real end-point security solution into ones security plans.

NationSky Customer Engagement Model



Selected Customers of NationSky

Banking



Brokerage



Insurance



Pharmaceutical



Manufacturing



Energy





NQmobile



Financial Highlights

Strong Underlying Operating Metrics

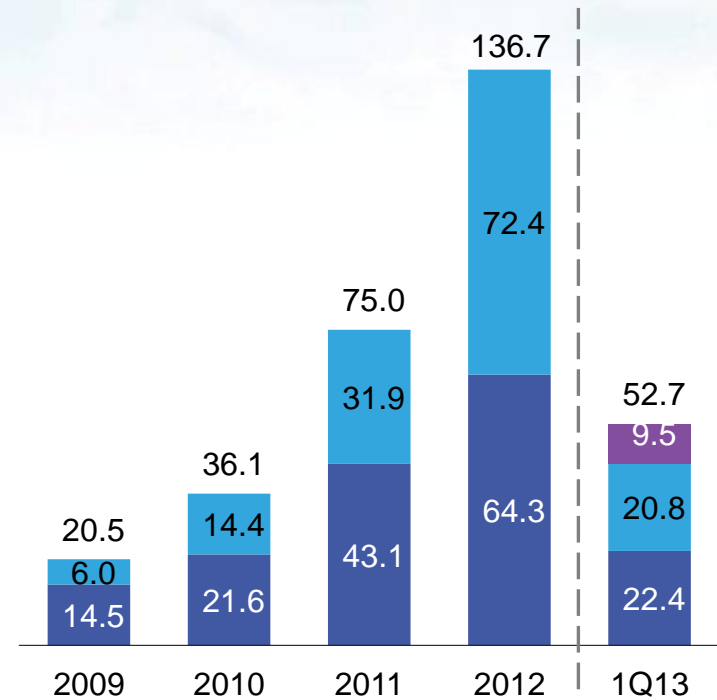
Registered User Accounts⁽¹⁾

(MM)



Registered User Account Additions⁽¹⁾

(MM)



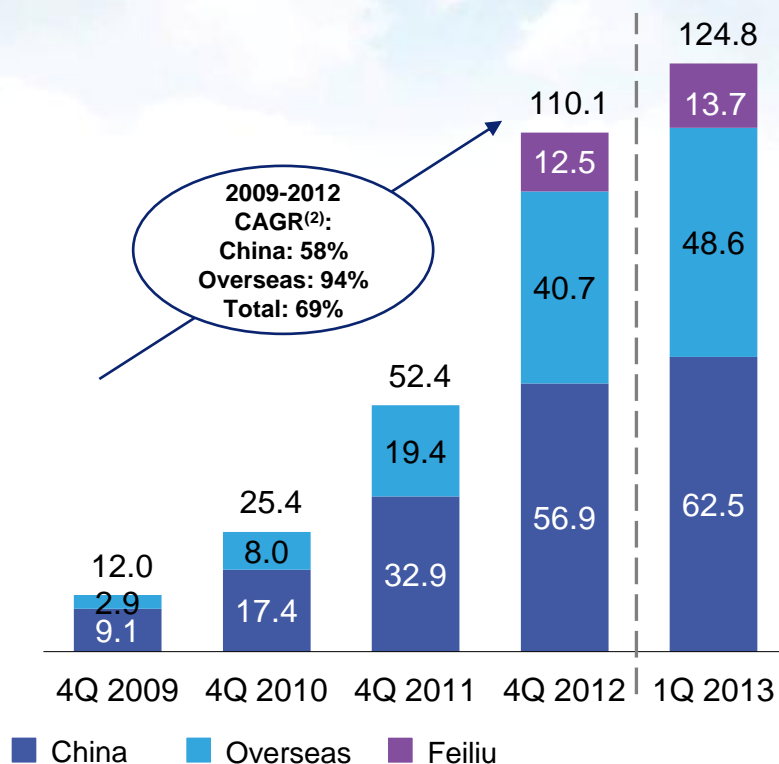
1 The registered user accounts are as of year / quarter end

2 Excluding Feiliiu

Strong Underlying Operating Metrics (cont'd)

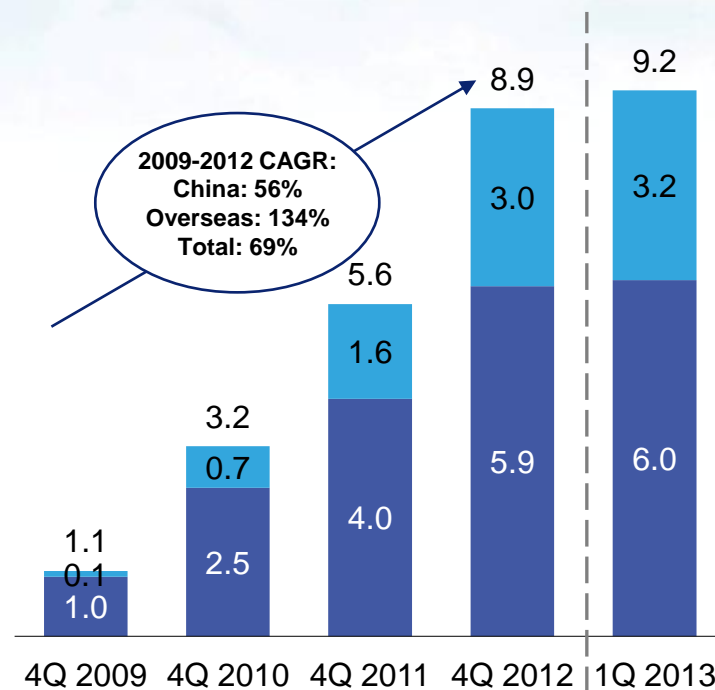
Active User Accounts⁽¹⁾

(MM)



Paying User Accounts⁽¹⁾

(MM)



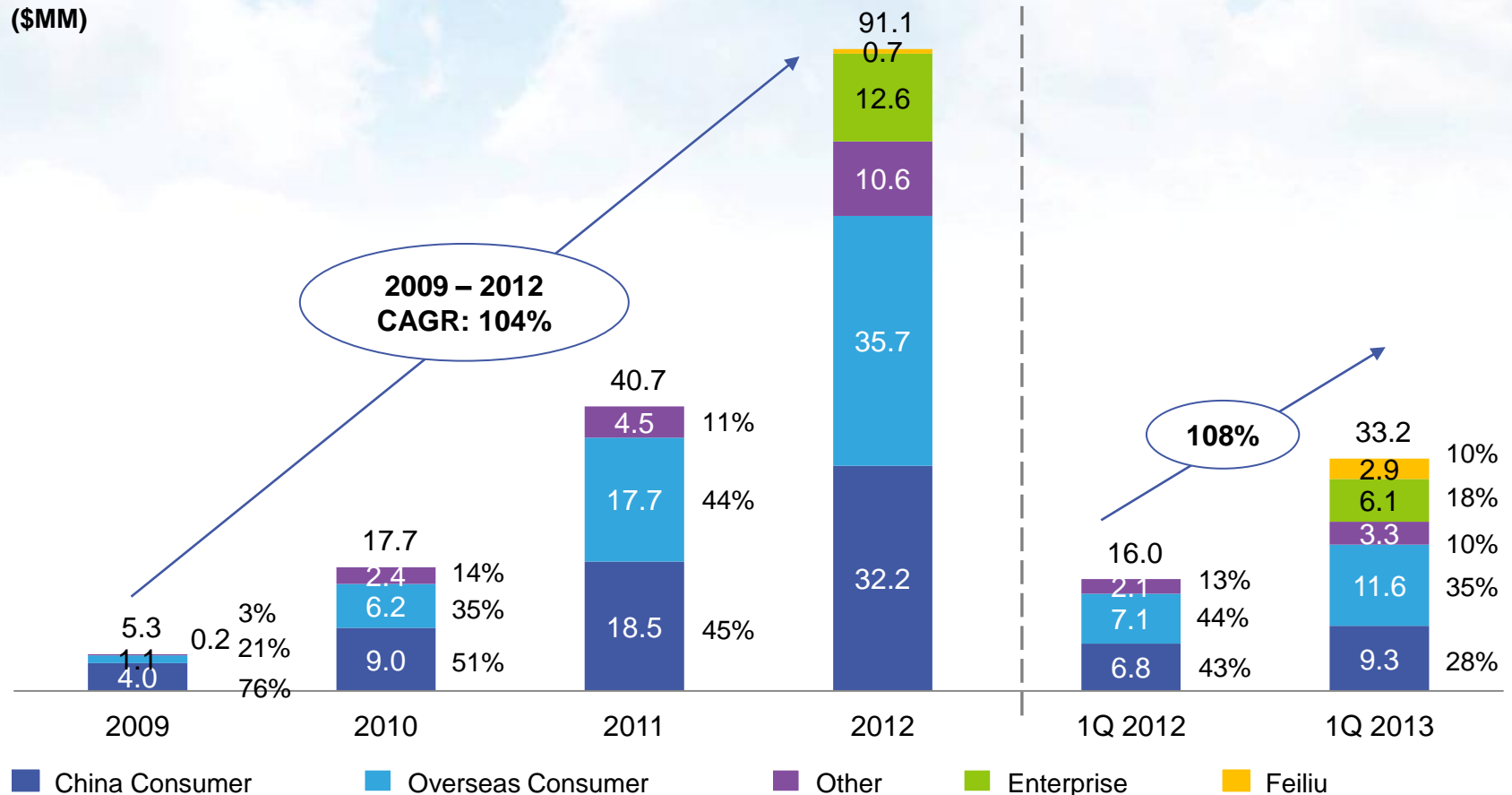
1 The active user accounts and paying user accounts are average monthly numbers for the specified quarter

2 Excluding Feiluu

Rapidly Growing Revenues

Revenue (1)

(\$MM)

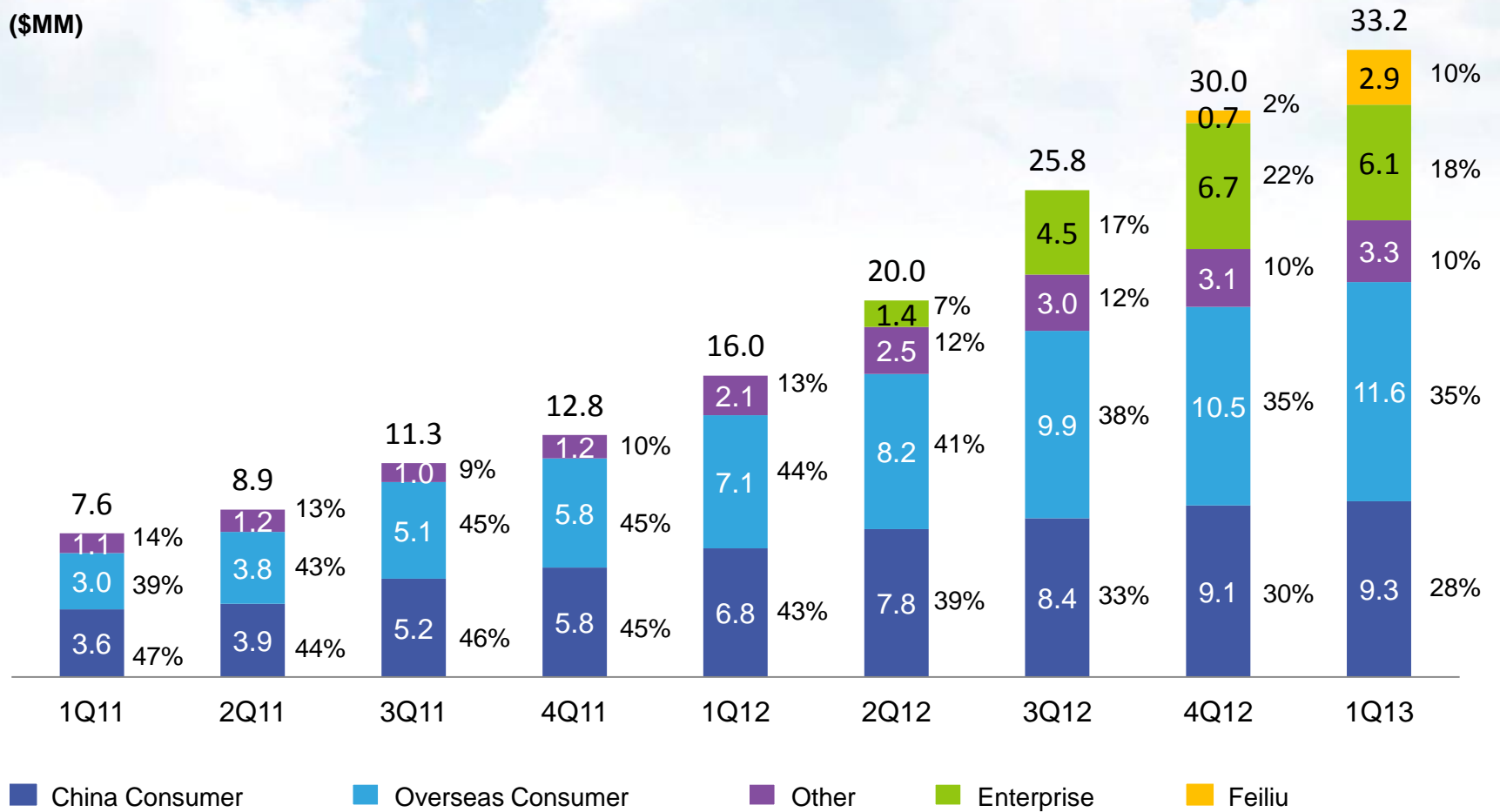


1 2012 revenues include full year results for Enterprise (Nationsky) and Feiliu even though they were acquired in 2Q and 4Q, respectively

Rapidly Growing Revenues (cont'd)

Quarterly Revenue

(\$MM)

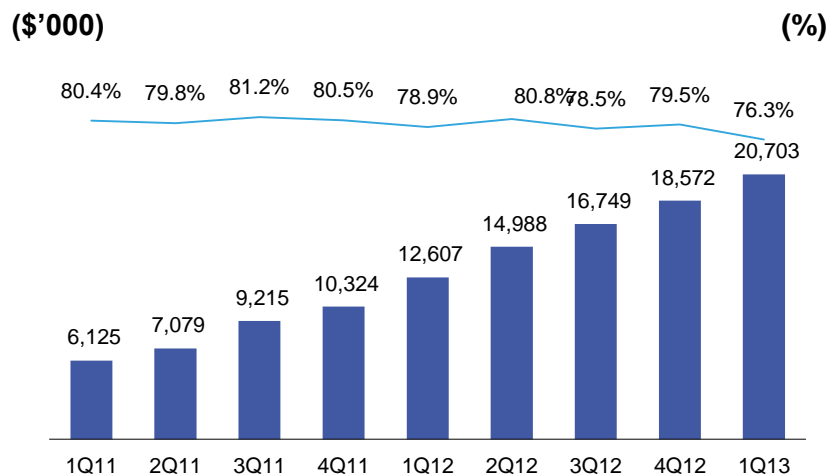


Healthy Gross and Operating Margins

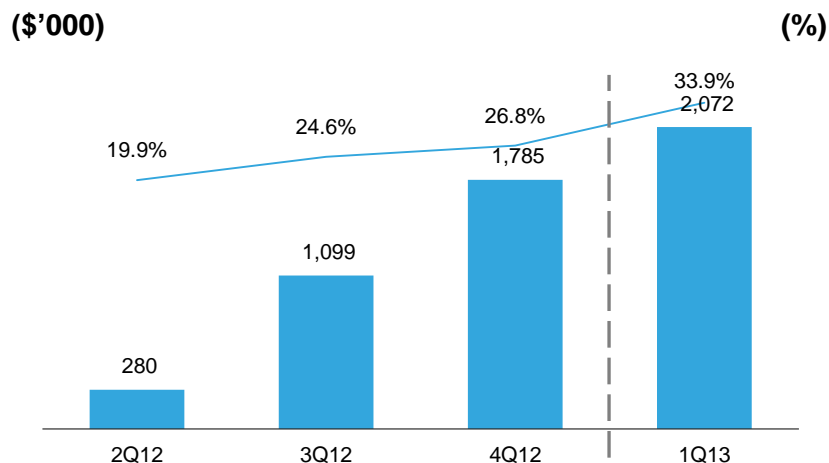
Total Gross Profit⁽¹⁾



NQ ex. NationSky Gross Profit⁽¹⁾



Enterprise (NationSky) Gross Profit⁽¹⁾



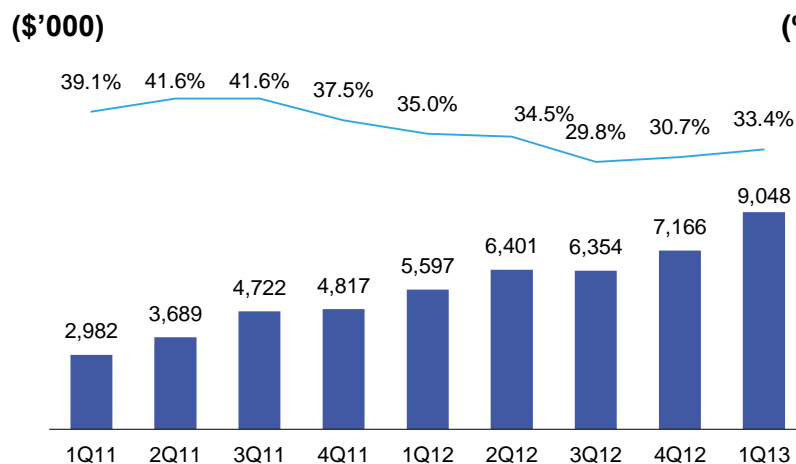
1 GAAP figures, which include share based compensation

Healthy Gross and Operating Margins (cont'd)

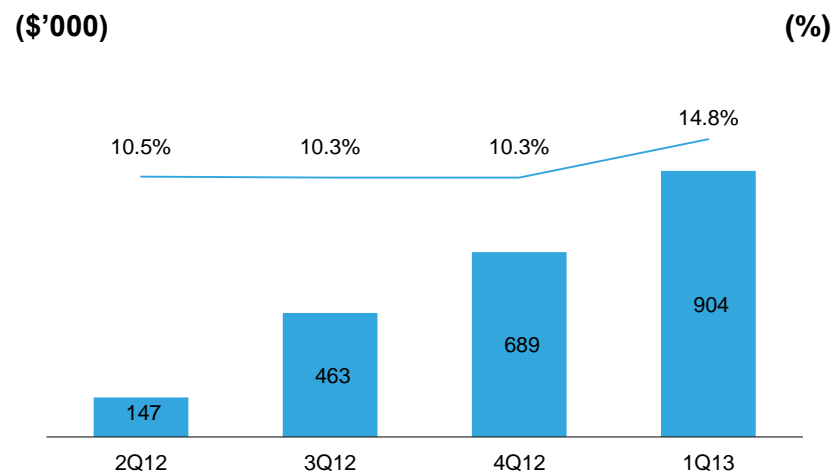
Total Operating Profit⁽¹⁾



NQ ex. NationSky Operating Profit⁽¹⁾



Enterprise (NationSky) Operating Profit⁽¹⁾



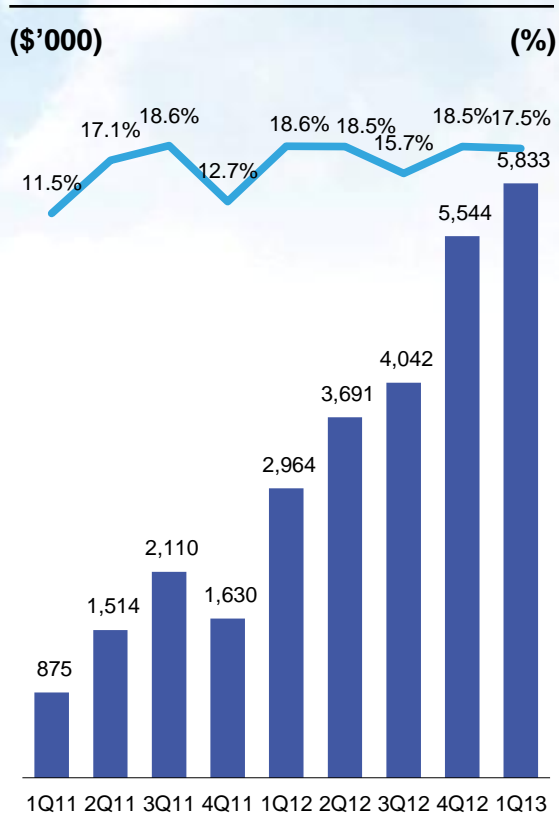
¹ Non-GAAP figures, which exclude share based compensation. The percentage represents the non-GAAP operating margin

Healthy Gross and Operating Margins (cont'd)

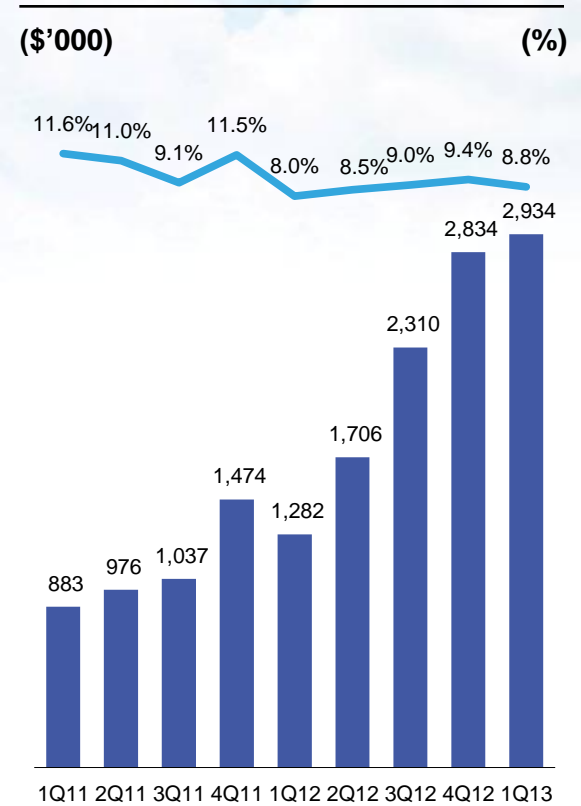
Selling & Marketing Costs⁽¹⁾



General & Administrative Costs⁽¹⁾



Research & Development Costs⁽¹⁾



¹ Non-GAAP figures excludes share based compensation. The percentage represents the non-GAAP operating expense as a percentage of total revenue

Healthy Profitability

Non-GAAP Net Income⁽¹⁾

(\$'000)

(%)

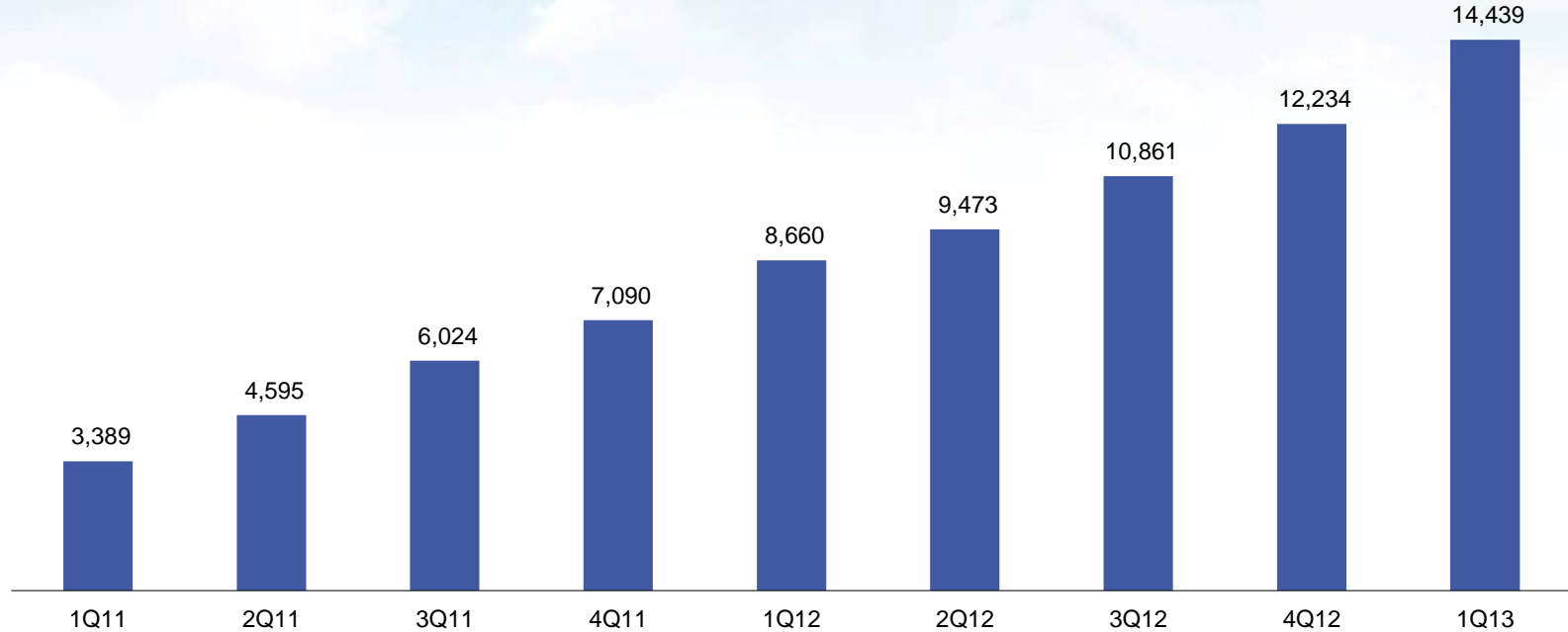


1 Non-GAAP figures excludes share based compensation. The percentage represents the non-GAAP net margin

High Visibility and Strong Cash Flow

Deferred Revenue

(\$'000)



High Visibility and Strong Cash Flow (cont'd)

Operating Cash Flow

(\$'000)

