



MIND CTI Ltd | November 2011

Safe Harbor

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About MIND

MIND is a leading provider of

- Convergent, real-time, end-to-end billing and customer care, product based solutions, for Tier 2 & 3 carriers
- Call accounting solutions for organizations and large multinational corporates

MIND Highlights

- A **public company** (NASDAQ-MNDO)
 - ◆ Headquarters in Israel; Offices in USA, UK and Romania
 - ◆ 300+ Employees worldwide
- Focus on **profitability**
- Large and growing **worldwide customer base**
- Industry **leading partners**
- **Diversified portfolio** and revenue stream
- Recurrent revenue and long-term **order backlog**
- **Experienced management** team

Company Strategy

- Focus on product based end-to-end solutions
- Increase revenue stream from each market segment: enterprise market, traditional carriers and new carriers
- Focus on strategic accounts and channel partners
- Expand offering by partnerships
- Penetrate new markets
- Maintain profitability

Competition

- Home-grown solutions
- End-to-end billing
 - ◆ Amdocs
 - ◆ Oracle / Portal Software
- Enterprise markets
 - ◆ VeraMark
 - ◆ Avotus

Diversified Billing Customer Base



MINDBill Solution Differentiators

- Convergent **prepaid and postpaid** functionality includes billing, customer care, mediation, provisioning, rating for multiple services
- Prepaid rating **capabilities** compatible with postpaid flexibility
- Extensive **experience** in Billing models, proven platform operational for 12 years in: Wireline, Mobile, VoIP, ISP and Cable.
- Proven **track record** with fast deployment based on product based solution and flexibility to meet customer requirements in a short time frame.
- Proven **track record** of worldwide deployments
- Scalable, open and expandable architecture
- **State-of-the-art** technology (multi platform support)
- **Commitment** to customer success
- **Tailored** to meet customer needs
- **Excellent ongoing support**

MINDBill Technology

- DB – Oracle 10g
- J2EE architecture: Open architecture and high throughput
 - ◆ Standard API with JAVA clients: CSR Web Client, XML API, Workflow, Finance Server, Billing Server, etc.
 - ◆ Most of the backend servers applications are Java (Sun JVM) with seamless interaction between modules
 - ✧ E.g. Java applications connect to the Workflow engine
 - ◆ Increased CSR concurrent sessions performance
 - ◆ Invoice throughput increase to millions per day
 - ◆ Asynchronous API between servers and clients
 - ◆ Support high availability clustering and scalability
 - ◆ Standalone and distributed servers
 - ◆ JBoss application server (4.X Version)
 - ◆ Messaging layer: JMS – Java Messaging Service
 - ◆ Multi platform support: deployment on Unix\Linux\Windows
 - ◆ SNMP & Statistics

Call Accounting (CMS) Customer Base



Call Accounting / Billing – PhonEX ONE

- A management tool for the control of the corporate telecommunication expenses
 - ◆ Distribute cost per cost centers
 - ◆ Increase awareness
 - ◆ Control/cut expenses
 - ◆ Eliminate misuse and abuse
 - ◆ Monitor personal phone usage
 - ◆ Distinguish between any organization identity
 - ◆ Carrier bill verification
- PhonEX ONE is a state-of-the-art product
 - ◆ Comprehensive, flexible, fully web-based solution
 - ◆ Based on MS technology

PhonEX One Solution Differentiators

- 15 years of **experience** with 15,000+ installations
- Technology **Partners**: Cisco, Avaya and Siemens Certified
- **High-end solution** for multinational corporates
- Multi-language and multi-currency **support**
- **Proven scalability** with over 100,000 users on one system
- **Full web-based solution** – using ASP.NET
- User friendly
- **Tailored** to meet customer needs
- **Excellent ongoing support**

Call Accounting Technology (Microsoft Based)

- PhonEX ONE supports multi-languages and multi-currencies
- Ability to configure policies/permissions per user
 - ◆ Integration with Microsoft active directory
- Full web-based solution – using ASP.NET
 - ◆ Development language – C#, .NET
- PhonEX ONE database is Microsoft SQL
- PhonEX ONE is a scalable solution

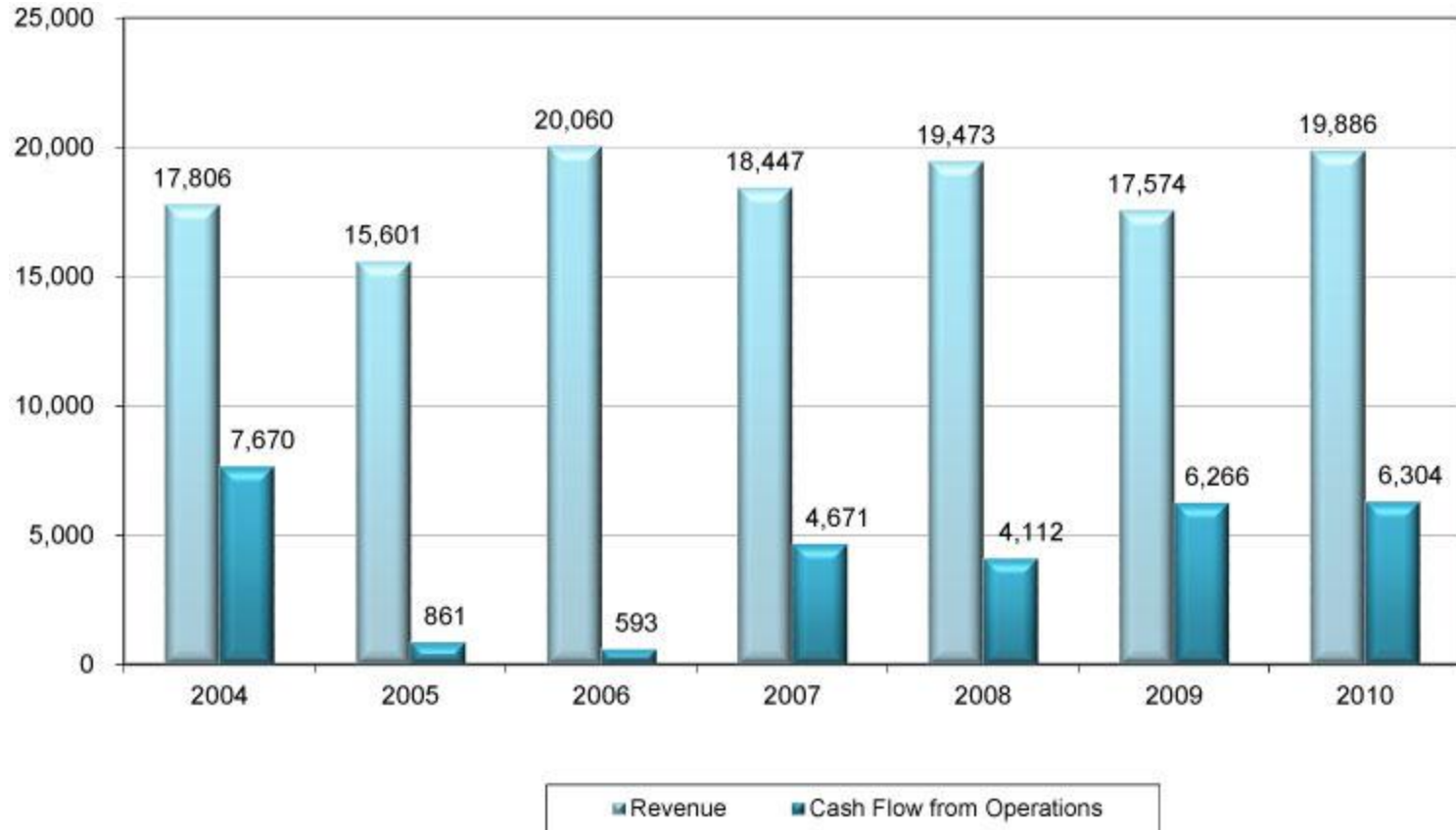
Financial Overview

Investment Highlights

- **Consistent** positive cash flows from operating activities
- **Strong** balance sheet
- **Long-term** relationships and some long-term contracts
- Company invests significantly to ensure **technology leadership**
- **Strong** business model with recurring revenues
- Operation margin **target** of 20%
- **Dividend policy** – once a year, a cash dividend will be distributed, subject to Board review and approval. The amount will be equal to our EBITDA plus financial income (expenses) minus taxes on income

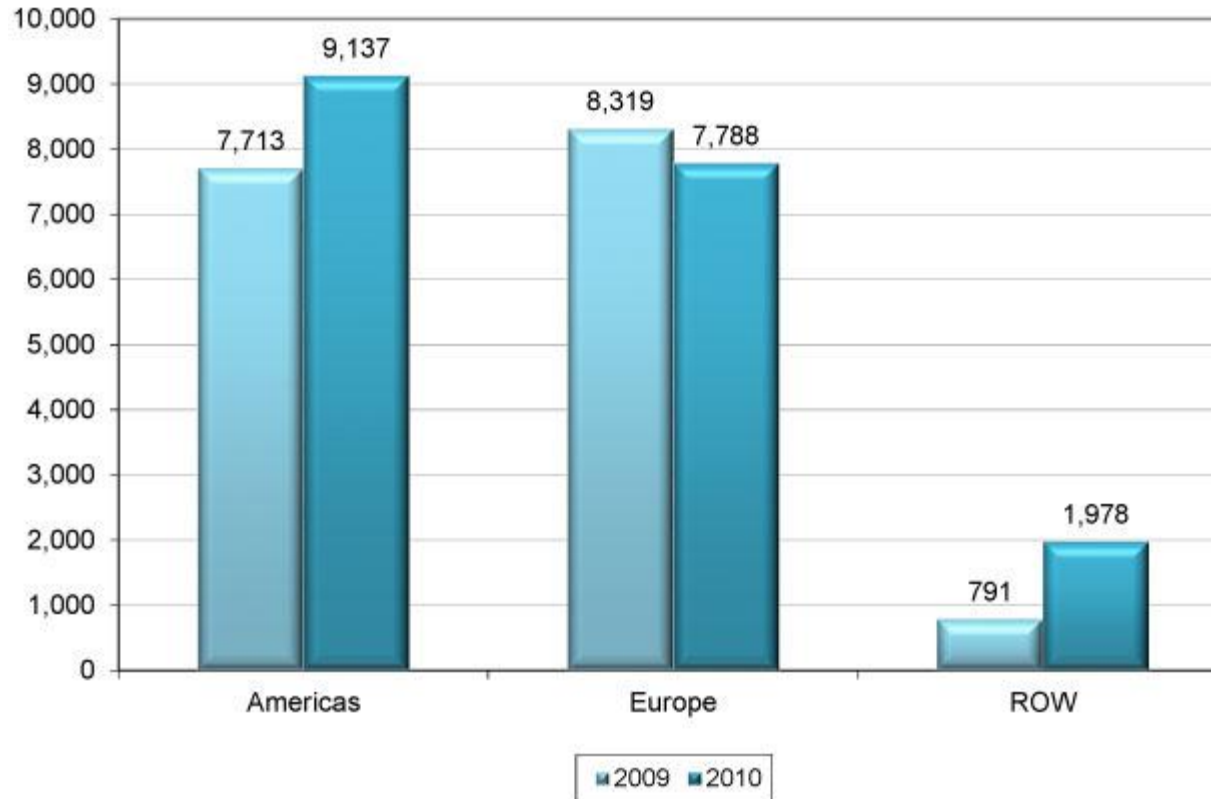
Revenue by Year and Cash Flow from Operations

(\$ in thousands)



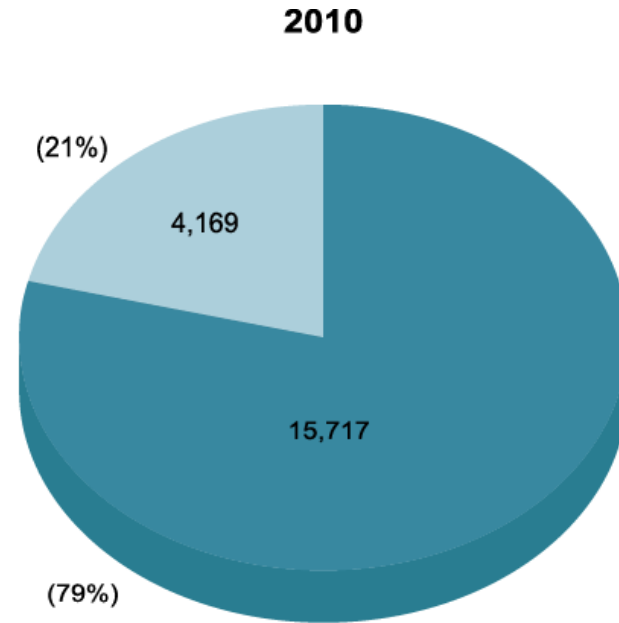
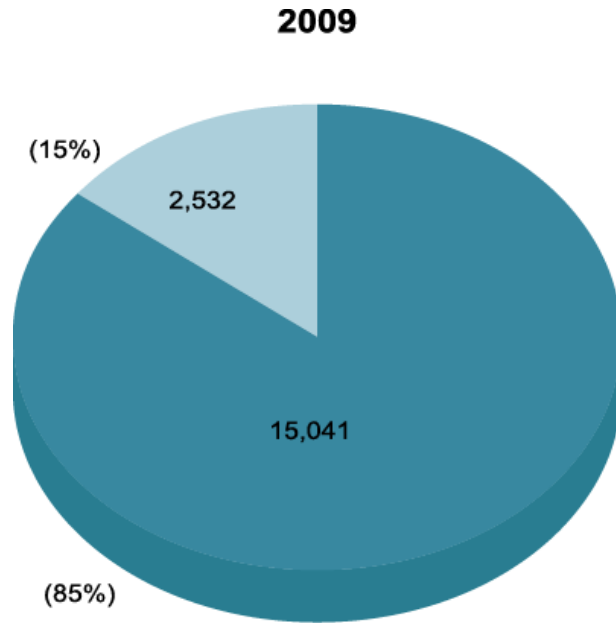
Revenue by Region


(\$ in thousands)



Revenue by Product Line

(\$ in thousands)

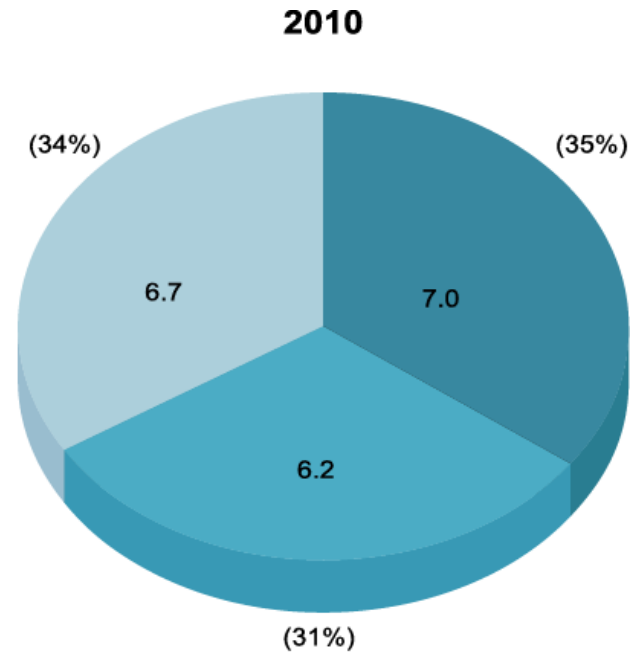
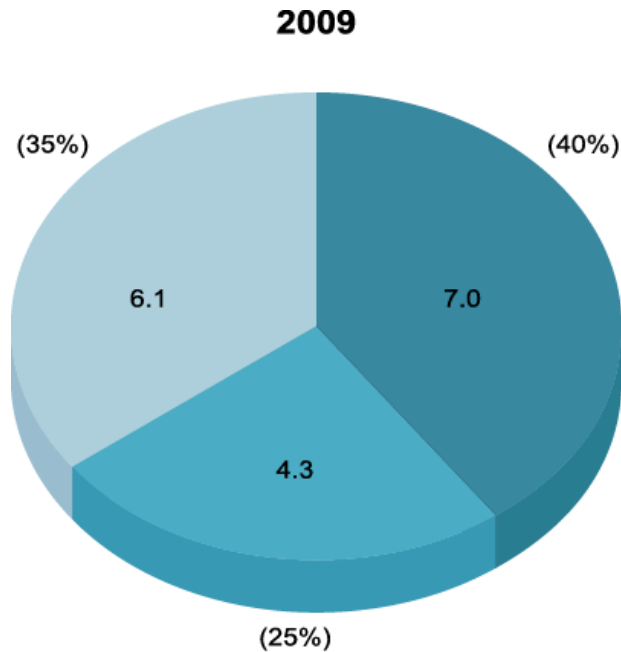


 Billing & Customer Care

 Call Management Solutions

Revenue Distribution

(\$ in millions)



■ Maintenance ■ Services ■ License

Quarterly Profit & Loss

(\$ in Thousands)

	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011
Revenues	\$ 4,073	\$ 4,969	\$ 5,278	\$ 4,902	\$ 4,715	\$ 4,991	\$ 4,459	\$ 4,552	\$ 4,627
Cost of Revenues	1,280	1,527	1,674	1,704	1,456	1,333	1,390	1,673	1,477
Gross Profit	2,793	3,442	3,604	3,198	3,259	3,658	3,069	2,879	3,150
Research & Development	1,146	1,022	1,081	891	1,034	1,051	1,219	1,165	1,211
Selling & Marketing	579	586	617	503	530	469	504	448	469
General & Administrative	499	588	434	421	404	296	424	423	478
Goodwill Impairment					586				
Intangible Asset Impairment					407				
Operating income (loss)	569	1,246	1,472	1,383	298	1,842	922	843	992
Impairment of ARS	(13)	(42)							
Other Financial income	18,661	1	(94)	(73)	159	57	250	153	(76)
Income (loss) before taxes	19,217	1,205	1,378	1,310	457	1,899	1,172	996	916
Taxes	33	60	22	26	101	39	10	29	25
Net Income (Loss)	\$ 19,184	\$ 1,145	\$ 1,356	\$ 1,284	\$ 356	\$ 1,860	\$ 1,162	\$ 967	\$ 891