

ANGLOGOLD ASHANTI LTD

Form 6-K

February 20, 2013

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, DC 20549**

**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER**

**PURSUANT TO RULE 13a-16 OR 15d-16 OF**

**THE SECURITIES EXCHANGE ACT OF 1934**

Report on Form 6-K dated February 20, 2013

Commission File Number 1-14846

AngloGold Ashanti Limited

(Name of registrant)

76 Jeppe Street

Newtown, 2001

(P.O. Box 62117, Marshalltown, 2107)

South Africa

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

**Form 20-F**  **X** Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes

**No**  **X**

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes

**No**  **X**

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  **No**  **X**

Enclosure: Press release

**AngloGold Annual Earnings of \$924m, Second-Highest Ever**

**AngloGold Ashanti Limited**

(Incorporated in the Republic of South Africa \ Reg. No. 1944/017354/06)

ISIN No. ZAE000043485 – JSE share code: ANG \ CUSIP: 035128206 – NYSE share code: AU

Website: www.anglogoldashanti.com

**News Release**

February 20, 2013

**AngloGold Annual Earnings\* of \$924m, Second-Highest Ever**

(ANGLOGOLD ASHANTI) – AngloGold Ashanti today announced full-year adjusted headline earnings of \$924m, the second-highest on record, despite a difficult year in which an unprotected strike and safety stoppages caused major disruption to its South African operations.

The company is planning to deliver higher margin production from its South African mines, which were shuttered by a strike between the end of September and the beginning of November. Exploration spending across the group has been rationalised, corporate and operating costs are undergoing a review, some assets deemed to be non-core are being considered for sale and capital expenditure has been prioritised.

“We’ve moved decisively to ensure that we continue a strong recovery from a difficult end to last year,” Joint Interim Chief Executive Officer Tony O’Neill said. O’Neill has oversight of all operating and exploration functions while fellow joint interim CEO Srinivasan Venkatakrishnan has accountability for all financial and corporate matters.

AHE for the year was \$924m, or 239 US cents a share, which included about \$208m lost to the strike, compared with \$1.3bn, or 336 cents a share in 2011. Production in 2012 was 3.94Moz at a total cash cost of \$862/oz, which included about 235,000oz lost to the strike. The annual production compares to 4.33Moz at a cash cost of \$728/oz in 2011.

AngloGold Ashanti continues to seek to improve the quality and diversity of its portfolio. The main greenfield projects at Tropicana, in Australia, and the Kibali joint venture, in the Democratic Republic of Congo, remain on track to produce gold within a year. The expansion of Cripple Creek & Victor, in the US, also remains on track.

Production in 2013 is anticipated to grow to between 4.1Moz and 4.4Moz at an improved total cash cost of \$815/oz to \$845/oz. More focused investment in the business has helped AngloGold Ashanti forecast stable capital expenditure of about \$2.1bn for 2013, while corporate costs are expected to decline by about 18% to \$240m. Expensed spending on exploration and feasibility studies is forecast at about \$377m, 18% lower than in 2012.

“Our focus is on improving margins and delivering returns, rather than production growth, and that will continue to drive our decision making,” Venkatakrishnan said. “We have good projects and a solid financial base.”

During October, the company took a decision to terminate its underground development contract with Mining and Building Contractors Limited at its Obuasi mine in Ghana in an effort to improve production and costs. Geita, in Tanzania, was the group’s largest production contributor, improving annual production by 7% to 531,000oz at a total cash cost of \$660/oz. The rest of the group continued to see positive results with annual production in the America’s region rising from 891,000oz to 953,000oz and the Australian operations increasing output to 258,000oz from 246,000oz.



“AngloGold Ashanti continues to deliver the best returns on capital amongst the gold majors, which reflects strict discipline in capital deployment over the past five years,” Outgoing CEO Mark Cutifani said. “That’s been core to our strategy since early 2008, when we outlined our vision for the company.”

#### **Fourth Quarter**

Fourth-quarter AHE was \$7m, or 2 US cents a share, compared to \$295m, or 76 US cents a share in the fourth quarter of 2011. AHE was affected by the lower volumes and higher cash costs during the quarter, reflecting the impact of the strike in South Africa which eroded \$208m of earnings and the change-over of the mine development contractor at Obuasi and other factors which had a negative impact.

A strong performance from the Americas region was primarily offset by the strikes in South Africa. Despite challenges faced in South Africa, Standard & Poor’s affirmed the investment grade rating on AngloGold Ashanti’s publicly traded debt following an extensive review. Major milestones were reached outside of South Africa, most notably the termination of the underground development contract at Obuasi, where sub-par development performance has been identified as a key constraint to the mine’s performance in recent years and which had also hurt earnings in the fourth quarter. At Tropicana, 1.0Moz was added to the resource and the group achieved the lowest quarterly All Injury Frequency Rate (AIFR) on record for the organisation at 6.17 per million hours worked.

\*Adjusted headline earnings

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Certain statements made in this communication, other than statements of historical fact, including, without limitation, those concerning the economic outlook for the gold mining industry, expectations regarding gold prices, production, cash costs and other operating results, return on shareholders' equity, productivity improvements, growth prospects and outlook of AngloGold Ashanti's operations, individually or in the aggregate, including the achievement of project milestones, the completion and commencement of commercial operations of certain of AngloGold Ashanti's exploration and production projects and the completion of acquisitions and dispositions, AngloGold Ashanti's liquidity and capital resources and capital expenditures and the outcome and consequence of any potential or pending litigation or regulatory proceedings or environmental issues, are forward-looking statements or forecasts regarding AngloGold Ashanti's operations, economic performance and financial condition. These forward-looking statements or forecasts involve known and unknown risks, uncertainties and other factors that may cause AngloGold Ashanti's actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in these forward-looking statements. Although AngloGold Ashanti believes that the expectations reflected in such forward-looking statements and forecasts are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic, social, political and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions including environmental approvals, fluctuations in gold prices and exchange rates, and business and operational risk management. For a discussion of certain of these and other factors, refer to AngloGold Ashanti's annual report for the year ended 31 December 2011, which was distributed to shareholders on 4 April 2012, the company's 2011 annual report on Form 20-F, which was filed with the Securities and Exchange Commission in the United States on 23 April 2012 and the prospectus supplement to the company's prospectus dated 17 July 2012 that was filed with the Securities and Exchange Commission on 25 July 2012. These factors are not necessarily all of the important factors that could cause AngloGold Ashanti's actual results to differ materially from those expressed in any forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. Consequently, stakeholders are cautioned not to place undue reliance on forward-looking statements. AngloGold Ashanti undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events, except to the extent required by applicable law. All subsequent written or oral forward-looking statements attributable to AngloGold Ashanti or any person acting on its behalf are qualified by the cautionary statements herein.

This communication may contain certain "Non-GAAP" financial measures. AngloGold Ashanti utilises certain Non-GAAP performance measures and ratios in managing its business. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the reported operating results or cash flow from operations or any other measures of performance prepared in accordance with IFRS. In addition, the

presentation of these measures may not be comparable to similarly titled measures other companies may use. AngloGold Ashanti posts information that is important to investors on the main page of its website at [www.anglogoldashanti.com](http://www.anglogoldashanti.com) and under the “Investors” tab on the main page. This information is updated regularly. Investors should visit this website to obtain important information about AngloGold Ashanti.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AngloGold Ashanti Limited

Date: February 20, 2013

By:

/s/ M E SANZ PEREZ

Name: M E Sanz Perez

Title: Group General Counsel and Company

Secretary

ign:bottom;background-color:#cceeef;">

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Net (loss) income

(46,988

)

(45,387

)

(195

)

(19,669

)

(30,767

)

92,619

Net income (loss) attributable to nonredeemable noncontrolling interest

1,015

1,144

3,046

1,803

(3

)

(1,573

)

Net (loss) income attributable to Syniverse Holdings, Inc.

\$

(48,003

)

\$

(46,531

)

\$

(3,241

)

\$

(21,472

)

\$

(30,764

)

\$

94,192

Balance Sheet Data (at end of period):

Total assets

\$

3,564,601

\$

3,669,018

\$

2,959,039



\$  
3,030,742

\$  
1,420,826

Total debt and capital leases

\$  
2,079,757

\$  
2,058,228

\$  
1,413,481

\$  
1,479,373

\$  
499,581

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Results include the following acquisitions in the respective periods subsequent to the acquisition date: Aicent (1) acquisition completed in August 2014, MACH acquisition completed in June 2013, and the Merger completed in January 2011.

(2) Depreciation and amortization excludes accretion of debt discount and amortization of deferred finance costs, which are both included in Interest expense within the Statement of Operations Data.

Employee termination benefits represents non-retirement post-employment benefit costs including severance, (3) benefits and other employee related costs that are unrelated to a restructuring plan. See Note 14 to our consolidated financial statements for additional information regarding Employee termination benefits.

Restructuring represents costs related to certain exit activities such as involuntary termination costs and contract (4) termination costs associated with the exit of leased facilities. See Note 14 to our consolidated financial statements for additional information regarding Restructuring.

(5) The year ended December 31, 2014 reflects costs associated with the acquisition of Aicent and includes professional services costs, such as legal, tax, audit and transaction advisory costs.

(6) The years ended December 31, 2013 and 2012 reflect costs associated with the acquisition of MACH and include professional services costs, such as legal, tax, audit and transaction advisory costs.

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The period from January 13 to December 31, 2011 and the period from January 1 to January 12, 2011 reflects costs (7) associated with the Merger and related financing transactions, such as legal, advisory and investment banker fees and accelerated stock-based compensation expense.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is intended to help the reader understand our business, financial condition, results of operations, liquidity and capital resources. It should be read in conjunction with "Selected Financial Data," and our consolidated financial statements and related notes beginning on page 86 of this Annual Report on form 10-K. This discussion contains forward-looking statements about our business and operations. Our actual results may differ materially from those we currently anticipate as a result of many factors, including those we describe under "Risk Factors" and elsewhere in this Annual Report on form 10-K. See "Special Note Regarding Forward-Looking Statements."

Business

Syniverse is the leading global transaction processor that connects mobile network operators ("MNOs") and enterprises in nearly 200 countries enabling seamless mobile communications across disparate and rapidly evolving networks, devices and applications. We process transactions that include the authorization and delivery of end user traffic, clearing of billing records and settlement of payments. We also analyze a unique portfolio of real-time data generated by these transactions to deliver a wide range of intelligence tools to our customers. Our portfolio of mission-critical services enables our customers to connect to the mobile ecosystem, optimize their businesses and enhance and personalize the mobile experience for their end-users. We process nearly 3 billion billable transactions daily and settle approximately \$17 billion annually between our customers.

We are the leader in LTE roaming and interconnect, offering superior connectivity critical for delivering the advanced mobile experiences end-users have come to expect from 4G and other advanced mobile network technologies, including Voice over LTE ("VoLTE"). Our IP Exchange ("IPX") network currently directly connects to nearly half of the global mobile population. We believe our global footprint and operational scale are unmatched in our industry. As a trusted partner with over 25 years of experience and a history of innovation, we believe we are well positioned to solve the technical, operational and financial complexities of the mobile ecosystem.

Our diverse and growing customer base includes a broad range of participants in the mobile ecosystem, including over 1,000 MNOs, and over 575 over-the-top providers ("OTTs") and enterprises. Our customers include 99 of the top 100 MNOs globally, such as Verizon Wireless, América Móvil, Vodafone, Telefónica, China Unicom and Reliance Communications; OTTs, including 3 of the 4 largest social networking sites in the U.S. and one of the largest social networking sites in China; and blue-chip enterprise customers, including the top 3 credit card networks worldwide, 3 of the top 5 airlines and 2 multinational hotel brands.

The mobile experience is a critical and pervasive component of modern life and has become increasingly complex. Mobile devices have evolved from cellular phones to smartphones, tablets, wearables and other connected devices that people now use to conduct an expanding set of activities, such as streaming videos, posting social media updates, working and shopping. As a result, today's mobile experience requires seamless and ubiquitous connectivity and coordination between MNOs, OTTs and enterprises across disparate and rapidly evolving networks, devices and applications. The failure to integrate any of these elements can disrupt service, resulting in frustrated end-users, erosion of our customers' brands and loss of revenue by our customers. Our proprietary services bridge these technological and operational complexities.

Syniverse provides approximately 60 mission-critical services to manage the real-time exchange of information and traffic across the mobile ecosystem, enhance our customers' brands and provide valuable intelligence about end-users. Our customers demand, and we deliver, a high quality of service as evidenced by our over 99.999% network availability. Our comprehensive suite of Mobile Transaction Services and Enterprise & Intelligence Solutions includes the services described below.

Mobile Transaction Services: Transaction-based services that are designed to support the long-term success of our MNO customers. Through Mobile Transaction Services, we:

- Clear, process and exchange end-user billing records.
- Process and settle payments between participants in the mobile ecosystem.
- Activate, authenticate and authorize end-user mobile activities.
- Manage the worldwide routing and delivery of text (SMS), multimedia (MMS) and next generation messaging.
- Provide data transport services over our global IP data network regardless of technology protocol.
- Enable real-time policy management for improved end-user experience.

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Provide business intelligence tools to MNOs for fraud control.

Enterprise & Intelligence Solutions: Services that bridge OTTs and enterprises with MNOs and incorporate our real-time intelligence capabilities to enable all of our customers to serve their end-users. Through Enterprise & Intelligence Solutions, we:

- Connect enterprises to the mobile ecosystem to allow them to reliably reach and interact with their customers and employees via mobile devices.

- Bridge OTTs to the mobile ecosystem allowing OTT end-users to seamlessly interact with traditional mobile end-users.

- Provide mobile campaign management services that enable enterprises to optimize their mobile communications strategies through the delivery of customized offers and information to end-users.

- Provide data analytics and business intelligence services designed to measure, enhance and secure the end-user experience for our enterprise and OTT customers.

- Provide data collection and analysis services to enable MNOs to measure and manage the subscriber experience across networks.

In March 2014, our parent Buccaneer Holdings, Inc. (“Buccaneer”) completed a corporate restructuring (the “Restructuring”) to create a new holding company structure under Syniverse Corporation, a Delaware corporation formed on March 20, 2014. To effect the restructuring, (i) Syniverse Corporation was formed by Buccaneer and in turn, formed Buccaneer Holdings, LLC, a Delaware limited liability company (“Buccaneer LLC”) and (ii) pursuant to an agreement and plan of reorganization, dated as of March 26, 2014, Buccaneer merged with and into Buccaneer LLC in a common control transaction with Buccaneer LLC surviving as a direct and wholly-owned subsidiary of Syniverse Corporation. As a result of the Restructuring, Buccaneer LLC became our direct parent.

## Executive Overview

## Financial Highlights

Revenues increased \$57.3 million, or 6.7%, to \$916.3 million for the year ended December 31, 2014, from \$859.0 million for the same period in 2013. Mobile Transaction Services revenue increased \$33.2 million, or 4.4%, to \$782.1 million for the year ended December 31, 2014, from \$748.9 million for the same period in 2013. Enterprise & Intelligence Solutions revenue increased \$24.1 million, or 21.9%, to \$134.2 million for the year ended December 31, 2014, from \$110.1 million for the same period in 2013. The MACH Acquisition contributed revenues of \$63.0 million during the first half of 2014 and the Aicent Acquisition contributed revenues of \$22.0 million during the third and fourth quarters of 2014. Operating income decreased \$36.0 million to \$53.6 million for the year ended December 31, 2014 from \$89.6 million for the same period in 2013. Net loss from continuing operations increased \$6.0 million to \$46.3 million for the year ended December 31, 2014 from \$40.3 million for the same period in 2013. Net loss from continuing operations for the year ended December 31, 2014 included increases in Employee termination benefits and Restructuring of \$3.2 million and \$17.3 million, respectively, as well as lower Acquisitions expense of \$19.7 million. Adjusted EBITDA decreased \$10.3 million, or 2.9%, to \$347.9 million for the year ended December 31, 2014 from \$358.2 million for the same period in 2013. See “Non-GAAP Financial Measures” below for a reconciliation of Adjusted EBITDA to Net loss from continuing operations.

## Business Developments

### Verizon Renewal

Effective January 1, 2015, we entered into an early renewal agreement with Verizon. The renewed service contract has a term of 4 years and includes services covered under the existing contract as well as new offerings including our IPX/LTE, real-time intelligence services and fraud management solutions. The renewal agreement is reflective of evolutions in the CDMA market and expected trends over the next 4 years.

Appointment of Stephen C. Gray as President and Chief Executive Officer

On February 25, 2015, the Board of Directors of the Company, appointed Stephen C. Gray as President and Chief Executive Officer of Syniverse. Mr. Gray has served as Interim President and Chief Executive Officer of the Company since August 2014 and as a director since January 2011.

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### Aicent Acquisition

On August 4, 2014 (the “Aicent Acquisition Date”), Syniverse Technologies, LLC, a Delaware limited liability company and a wholly-owned subsidiary of Syniverse Holdings, Inc. acquired all of the outstanding equity interests of Aicent Holdings Corporation, a Delaware corporation (“Aicent”) from its existing stockholders in accordance with the terms of an agreement and plan of merger for approximately \$292.1 million. The Aicent Acquisition was funded with cash of approximately \$192.1 million and a draw down of Syniverse’s existing Revolving Credit Facility with Barclays Bank PLC in the amount of \$100.0 million. During the three months ended December 31, 2014, the Company repaid \$90.0 million of the draw down.

See Note 4 to our consolidated financial statements for additional information regarding the Aicent Acquisition.

### Sprint Renewal

As of June 30, 2014, our service contracts with Sprint were due to expire during the fourth quarter of 2014. Effective July 1, 2014, we entered into an early renewal agreement with Sprint which provides for a broad range of services, including services covered under the existing service contracts as well as new offerings. The renewed service contract has a term of five years.

### Factors and Trends Affecting Our Results of Operations

Our results of operations have been, and we expect them to continue to be, affected by the following factors, which may cause our future results of operations to differ from our historical results of operations discussed under “Results of Operations” below:

- rapid technological change in the industries we serve, including the increasing demand for seamless and ubiquitous connectivity, personalized mobile services and the proliferation of new and increasingly complex mobile devices, which could lead to growth in our potential customer base, increased opportunities to provide new services to our customers and increased transaction volumes. We may also increase investment in our business in order to develop new technologies and services to effectively serve our customers in light of these developments. In addition, our failure or inability to respond to these developments through the provision of new or updated services or otherwise could have a negative effect on our ability to grow or retain our customer base and on our transaction volumes;

- the rate at which new entrants to the mobile ecosystem adopt our services in order to connect to other mobile participants which will affect the extent to which new entrants potentially seek to utilize our services, which will affect growth in transaction volumes and revenue;

- downward pressure on the prices we charge for our services from our existing customers as we enter into contract renewals, which could have a negative impact on our revenues and margin;

- the extent to which our customers build-out or expand their own networks, which could have a negative impact on transaction volume from those customers and on our revenue;

- our ability to realize some or all of the anticipated benefits from our ongoing integration of the MACH and Aicent businesses;

- costs associated with our international operations, including integration of acquired international operations, compliance with applicable foreign regulations and fluctuations in foreign currency exchange rates may differ from historical experience and our projections, which could impact our earnings;

- the rate of growth associated with our expanded international operations and geographic reach, which may lead to an increase in our number of customer and transaction volumes and would affect our future revenue growth;

- our ability to execute on currently pending and future cost savings initiatives, including efficient resource allocation, management realignment and other activities;

- the extent to which current or future customers develop in-house solutions to provide analogous services or seek alternative providers of our services, which could reduce the number of services we provide their customers and our



overall termination volumes which would have a negative impact on our revenue;  
• consolidation in the mobile industry which may result in reduced transaction volumes, and, as a result, have a negative impact on our revenue;  
• the extent to which increasingly complex requirements and changes in the regulatory landscape drive the need for enhancements to our existing services and infrastructure, the development of new compliance oriented services and the design and implementation of internal control procedures and processes, any of which may increase operational costs and burdens which could reduce our operating margins. Our ability to adapt to these new

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requirements and provide compliant services also could improve our competitive position and generally drive growth in demand for our services, which would drive growth in our revenue; and proposed European Commission regulations that may affect our MNO customers' roaming charges and increase downward pressure on the prices we charge for our data clearing services. A decrease in roaming charges may also lead to an increase in the number of roaming transactions, as the cost to end-users for such transactions would be reduced, and such an increase could drive growth in the number of transactions we process, which could positively affect our revenue.

### Revenues

Revenue is recognized when persuasive evidence of an arrangement exists, service has been rendered or delivery has occurred, the selling price is fixed or determinable and collectability is reasonably assured. The majority of our revenues are derived from transaction-based charges under long-term contracts, typically with three-year terms. From time to time, if a contract expires and we have not previously negotiated a new contract or renewal with the customer, we continue to provide services under the terms of the expired contract as we negotiate new agreements or renewals. A majority of the services and solutions we offer to our customers are provided through applications, connectivity and technology platforms owned and operated by us.

Revenues for our services are generated primarily on transaction-based fees, such as the number of records or transactions processed or the size of data records processed. Approximately 83% of our revenues were generated by transaction-based fees in 2014. For all of our transaction-based services, we recognize revenues at the time the transactions are processed. We also recognize fixed fees as revenues on a monthly basis as the related services are performed. We defer revenues and incremental customer-specific costs related to customer implementations and recognize related fees and costs on a straight-line basis over the life of the initial customer contract.

### Costs and Expenses

Our costs and expenses consist of cost of operations, sales and marketing, general and administrative, depreciation and amortization, employee termination benefits, restructuring and acquisitions expense.

Cost of operations includes data processing costs, network costs, variable costs, such as revenue share service provider arrangements and message termination fees, facilities costs, hardware costs, licensing fees, personnel costs associated with service implementation, training and customer care and off-network database query charges. Variable costs are paid to third party providers and are direct costs that fluctuate either as a percentage of revenue or by the number of transactions processed.

Sales and marketing includes personnel costs, advertising and website costs, trade show costs and related marketing costs.

General and administrative includes research and development expenses, a portion of the expenses associated with our facilities, business development expenses, and expenses for executive, finance, legal, human resources and other administrative departments and professional service fees relating to those functions. Our research and development expenses, consisting primarily of personnel costs, relate to technology creation, enhancement and maintenance of new and existing services.

Depreciation and amortization relate primarily to our property and equipment and identifiable intangibles including our Signaling System 7 ("SS7") network, computer equipment, infrastructure facilities related to information management, capitalized software and other intangible assets recorded as a result of purchase accounting.

- Employee termination benefits represents non-retirement post-employment benefit costs including severance, benefits and other employee related costs

- Restructuring represents costs related to certain exit activities such as involuntary termination costs and contract termination costs associated with the exit of leased facilities.

- Acquisitions include professional services costs, such as legal, tax, audit and transaction advisory costs related to the MACH Acquisition and the Aicent Acquisition (collectively, the "Acquisitions").

### Operating Segments

We currently operate as a single operating segment, as our Chief Executive Officer reviews financial information on the basis of our consolidated financial results for the purposes of making resource allocation decisions.



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## Results of Operations

Comparison of results of continuing operations for the year ended December 31, 2014 with the year ended December 31, 2013

(in thousands)	Year ended		Year ended		2014 compared to 2013		
	December 31, 2014	% of Revenues	December 31, 2013	% of Revenues	\$ change	% change	
Revenues:							
Mobile Transaction Services	\$782,116	85.4	% \$748,907	87.2	% \$33,209	4.4	%
Enterprise & Intelligence Solutions	134,179	14.6	% 110,054	12.8	% 24,125	21.9	%
Revenues	916,295	100.0	% 858,961	100.0	% 57,334	6.7	%
Costs and expenses:							
Cost of operations (excluding depreciation and amortization shown separately below)	378,052	41.3	% 320,796	37.3	% 57,256	17.8	%
Sales and marketing	77,670	8.5	% 74,995	8.7	% 2,675	3.6	%
General and administrative	140,450	15.3	% 129,354	15.1	% 11,096	8.6	%
Depreciation and amortization	237,577	25.9	% 216,198	25.2	% 21,379	9.9	%
Employee termination benefits	9,140	1.0	% 5,939	0.7	% 3,201	53.9	%
Restructuring	17,826	1.9	% 483	0.1	% 17,343	3,590.7	%
Acquisitions	1,974	0.2	% 21,632	2.5	% (19,658)	(90.9)	)%
	862,689	94.1	% 769,397	89.6	% 93,292	12.1	%
Operating income	53,606	5.9	% 89,564	10.4	% (35,958)	(40.1)	)%
Other income (expense), net:							
Interest income	853	0.1	% 686	0.1	% 167	24.3	%
Interest expense	(123,236)	(13.4)	)% (125,656)	(14.6)	)% 2,420	(1.9)	)%
Debt extinguishment costs	—	—	% (2,802)	(0.3)	)% 2,802	(100.0)	)%
Equity income in investee	35	—	% 422	—	% (387)	100.0	%
Other, net	(2,651)	(0.3)	)% (6,837)	(0.8)	)% 4,186	(61.2)	)%
	(124,999)	(13.6)	)% (134,187)	(15.6)	)% 9,188	(6.8)	)%
Loss before benefit from income taxes	(71,393)	(7.8)	)% (44,623)	(5.2)	)% (26,770)	60.0	%
Benefit from income taxes	(25,093)	(2.7)	)% (4,328)	(0.5)	)% (20,765)	479.8	%
Net loss from continuing operations	\$(46,300)	(5.1)	)% \$(40,295)	(4.7)	)% \$(6,005)	14.9	%

## Revenues

Revenues increased \$57.3 million, or 6.7%, to \$916.3 million for the year ended December 31, 2014 from \$859.0 million for the same period in 2013, driven primarily by revenues of \$63.0 million contributed by the MACH Acquisition during the first half of 2014 and \$22.0 million contributed by the Aicent Acquisition during the third and fourth quarters of 2014. Excluding the impact of the Acquisitions, revenue for the year ended December 31, 2014, decreased \$27.7 million, resulting from volume declines in our North American CDMA services and competitive pricing pressure for certain renewals, partially offset by new contract wins and continued growth across our revenue assurance, mobile intelligence services and enterprise connectivity services.

Revenue from Mobile Transaction Services increased \$33.2 million, or 4.4%, to \$782.1 million for the year ended December 31, 2014 from \$748.9 million for the same period in 2013. The increase in revenue was driven primarily by revenues of \$48.4 million contributed by the MACH Acquisition during the first half of 2014 and \$20.8 million contributed by the Aicent Acquisition during the third and fourth quarters of 2014. Excluding the impact of the Acquisitions, revenue decreased \$36.0 million resulting from a decline in revenues from our clearing and settlement services driven primarily by the continued impact of a network build out by a significant North American customer, competitive pricing pressure across our global system for mobiles (“GSM”) clearing and settlement suite and the impact of a legacy messaging service that went end-of-life in May 2014. The declines were partially offset by continued growth in our messaging business resulting from higher volumes as well as an increase in international SMS volumes which were tempered by lower North American traffic. Growth in our revenue assurance and mobile intelligence services also partially offset the decline.

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Revenue from Enterprise & Intelligence Solutions increased \$24.1 million, or 21.9%, to \$134.2 million for the year ended December 31, 2014 from \$110.1 million for the same period in 2013. The increase in revenue was driven by \$14.6 million contributed by the MACH Acquisition during the first half of 2014 and \$1.3 million contributed by the Aicent Acquisition during the third and fourth quarters of 2014. In addition, organic volume growth in our enterprise connectivity services contributed \$8.2 million for the year ended December 31, 2014 as our Enterprise & Intelligence Solutions offerings continue to benefit from strong adoption by new enterprise customers across various verticals, including hospitality, social media and retail.

## Costs and Expenses

Cost of operations increased \$57.3 million to \$378.1 million for the year ended December 31, 2014 from \$320.8 million for the same period in 2013. The table below summarizes our cost of operations by category:

(in thousands)	Year ended December 31,		2014 compared to 2013		
	2014	2013	\$ change	% change	
Cost of operations:					
Headcount and related costs	\$99,687	\$98,904	\$783	0.8	%
Variable costs	110,793	82,825	27,968	33.8	%
Data processing, hosting and support costs	96,608	82,415	14,193	17.2	%
Network costs	55,838	44,051	11,787	26.8	%
Other operating related costs	15,126	12,601	2,525	20.0	%
Cost of operations	\$378,052	\$320,796	\$57,256	17.8	%

The increase in headcount and related costs for the year ended December 31, 2014 was driven by additional headcount resulting from the Acquisitions, partially offset by a decrease in performance-based compensation and a reduction in workforce resulting from our October 2014 restructuring plan.

The increase in variable costs for the year ended December 31, 2014 was due primarily to higher message termination fees related to organic volume increases in our enterprise connectivity services and an increase in revenue share costs resulting from an increase in the associated revenue. In addition, the year ended December 31, 2014 was impacted by volumes contributed by the MACH Acquisition during the first half of 2014 and the Aicent Acquisition during the third and fourth quarters of 2014. As a result of these increases, variable costs as a percentage of operating costs, which management defines as cost of operations, sales and marketing and general and administrative expenses, were 18.6% for the year ended December 31, 2014 compared to 15.8% for the year ended December 31, 2013.

The increase in data processing, hosting and support costs was primarily due to investments in data center expansion to support additional capacity related to global and service offering expansion efforts and anticipated volume increases, as well as higher software maintenance costs related to additional service needs resulting from the MACH Acquisition and organic growth.

The increase in network costs was primarily driven by expansion of our network infrastructure to support global business growth as well as additional costs resulting from the Aicent Acquisition. We intend to continue expanding our network infrastructure for the foreseeable future in order to support future growth opportunities. In addition, integration efforts resulting from the Acquisitions will drive consolidation across our current infrastructure.

As a percentage of revenues, cost of operations increased to 41.3% for the year ended December 31, 2014 from 37.3% for the same period during 2013.

Sales and marketing expense increased \$2.7 million to \$77.7 million for the year ended December 31, 2014 from \$75.0 million for the same period in 2013. The increase was driven primarily by costs of \$8.8 million contributed by the MACH Acquisition during the first half of 2014 and \$1.6 million contributed by the Aicent Acquisition during the third and fourth quarters of 2014, primarily due to headcount related costs for the acquired sales force employees. Excluding the impact of the Acquisitions, sales and marketing expense decreased \$7.7 million due primarily to a reduction in performance-based compensation. As a percentage of revenues, sales and marketing expense decreased to 8.5% for the year ended December 31, 2014 from 8.7% for the same period in 2013.

General and administrative expense increased \$11.1 million to \$140.5 million for the year ended December 31, 2014 from \$129.4 million for the same period in 2013. The increase was driven primarily by headcount related costs, facilities expense

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and professional services costs resulting from the MACH Acquisition during the first half of 2014 and the Aicent Acquisition during the third and fourth quarters of 2014. Excluding the impact of the Acquisitions, general and administrative expense decreased \$4.1 million for the year ended December 31, 2014. The decrease was primarily due to lower performance-based compensation, partially offset by an increase in headcount related costs associated with additional resources to support global business growth and new product development initiatives, as well as an increase in facilities costs. As a percentage of revenues, general and administrative expense increased to 15.3% for the year ended December 31, 2014, from 15.1% for the same period in 2013.

Depreciation and amortization expense increased \$21.4 million to \$237.6 million for the year ended December 31, 2014 from \$216.2 million for the same period in 2013. The increase was driven by \$12.6 million of amortization of intangible assets, including capitalized software, and \$8.7 million of depreciation of property and equipment. The increase in amortization of intangible assets and depreciation of property and equipment was driven by the Acquisitions.

Employee termination benefits expense was \$9.1 million for the year ended December 31, 2014 compared to \$5.9 million for the same period in 2013. The increase was driven primarily by severance and other transition costs associated with the departure of the Company's Chief Executive Officer in September 2014. In addition, the current year period was impacted by a reduction-in-force as a result of cost saving initiatives, including synergies resulting from the integration of the MACH Acquisition.

Restructuring expense was \$17.8 million for the year ended December 31, 2014 compared to \$0.5 million for the same period in 2013. The increase was driven by severance costs related to the October 2014 restructuring plan. See Note 14 to our consolidated financial statements for additional details regarding our restructuring plans.

Acquisitions expense was \$2.0 million and \$21.6 million for the years ended December 31, 2014 and 2013, respectively, and consisted primarily of professional services costs including legal, tax, audit and transaction advisory costs related to the Aicent Acquisition in 2014 and the MACH Acquisition in 2013.

Other Income (Expense), net

Interest expense decreased \$2.4 million to \$123.2 million for the year ended December 31, 2014 from \$125.7 million for the same period in 2013. The decrease was due primarily to lower interest expense of \$1.3 million related to the principal pre-payment on the Term Loan Facilities and refinancing of the Initial Term Loans in September 2013. In addition, the prior year period included \$1.0 million of accelerated amortization of original issue discount and deferred financing costs associated with the principal pre-payment and \$1.7 million debt modification costs associated with the refinancing of our Initial Term Loans. The decrease was partially offset by a \$1.6 million increase in interest expense related to the Revolving Credit Facility.

Equity income in investee was less than \$0.1 million for the year ended December 31, 2014 compared to \$0.4 million for the year ended December 31, 2013 and was comprised of income from our equity investment in a subsidiary acquired in the MACH Acquisition.

Other, net was a loss of \$2.7 million for the year ended December 31, 2014 compared to a loss of \$6.8 million for the same period in 2013. The decrease is primarily due to favorable foreign currency impact from cash settlements between our domestic and foreign entities.

Benefit from Income Taxes



We recorded an income tax benefit of \$25.1 million for the year ended December 31, 2014 compared to a benefit of \$4.3 million for the same period in 2013. During the years ended December 31, 2014 and 2013, the effective tax rate was a benefit of 35.1% and 9.7%, respectively. The change in our effective tax rate was chiefly attributable to (i) the release of uncertain tax positions where statutes of limitations had expired, (ii) the prior year effects of costs related to the acquisition of MACH, some of which were nondeductible for income tax purposes, and (iii) higher taxable income in lower foreign tax rate jurisdictions.

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Comparison of results of operations for the year ended ended December 31, 2013 with the year ended ended December 31, 2012

(in thousands)	Year ended December 31, 2013	% of Revenues	Year ended December 31, 2012	% of Revenues	2013 compared to 2012		
					\$ change	% change	
Revenues:							
Mobile Transaction Services	\$748,907	87.2	% \$663,011	89.1	% \$85,896	13.0	%
Enterprise & Intelligence Solutions	110,054	12.8	% 80,863	10.9	% 29,191	36.1	%
Revenues	858,961	100.0	% 743,874	100.0	% 115,087	15.5	%
Costs and expenses:							
Cost of operations (excluding depreciation and amortization shown separately below)							
Sales and marketing	74,995	8.7	% 68,549	9.2	% 6,446	9.4	%
General and administrative	129,354	15.1	% 103,311	13.9	% 26,043	25.2	%
Depreciation and amortization	216,198	25.2	% 177,320	23.8	% 38,878	21.9	%
Employee termination benefits	5,939	0.7	% 1,198	0.2	% 4,741	395.7	%
Restructuring	483	0.1	% 1,163	0.2	% (680	) (58.5	)%
Acquisitions	21,632	2.5	% 14,684	2.0	% 6,948	47.3	%
Operating income	769,397	89.6	% 641,526	86.2	% 127,871	19.9	%
Other income (expense), net:	89,564	10.4	% 102,348	13.8	% (12,784	) (12.5	)%
Interest income	686	0.1	% 790	0.1	% (104	) (13.2	)%
Interest expense	(125,656	) (14.6	)% (108,704	) (14.6	)% (16,952	) 15.6	%
Debt extinguishment costs	(2,802	) (0.3	)% (6,458	) (0.9	)% 3,656	—	%
Equity income in investee	422	—	% —	—	% 422	—	%
Other, net	(6,837	) (0.8	)% 3,940	0.5	% (10,777	) (273.5	)%
	(134,187	) (15.6	)% (110,432	) (14.8	)% (23,755	) 21.5	%
Loss before benefit from income taxes	(44,623	) (5.2	)% (8,084	) (1.1	)% (36,539	) 452.0	%
Benefit from income taxes	(4,328	) (0.5	)% (7,889	) (1.1	)% 3,561	(45.1	)%
Net loss from continuing operations	\$(40,295	) (4.7	)% \$(195	) —	% \$(40,100	) 20,564.1	%
Revenues							

Revenues increased \$115.1 million, or 15.5%, to \$859.0 million for the year ended December 31, 2013 from \$743.9 million for the same period in 2012. The increase in revenue was primarily driven by revenues of \$74.1 million from the MACH Acquisition in addition to revenues of \$41.0 million from new contract wins and continued volume growth across our clearing and settlement, advanced network interoperability services and enterprise connectivity services.

Revenue from Mobile Transaction Services increased \$85.9 million, or 13.0%, to \$748.9 million for the year ended December 31, 2013 from \$663.0 million for the same period in 2012. The increase in revenue was primarily driven by revenues of \$59.4 million from the MACH Acquisition in addition to organic revenue growth of \$26.5 million, or 4.0%, from new contract wins and continued volume growth across our clearing and settlement platforms and advanced network interoperability services, as well as the introduction of a new product which helps MNOs to detect,

remediate and prevent fraudulent messaging activities. While we experienced volume growth in our clearing and settlement services, this growth was partially offset by the impact of lower pricing for customer contract renewals completed in the year ended December 31, 2012, primarily the Verizon Wireless contract renewal in May 2012. Our revenue growth was also offset by volume declines from our messaging services resulting from increased use of OTT and other alternative messaging platforms and from number portability services in India declining to a rate more consistent with historical trends in other developing markets.

Revenue from Enterprise & Intelligence Solutions increased \$29.2 million, or 36.1%, to \$110.1 million for the year ended December 31, 2013 from \$80.9 million for the same period in 2012. The increase in revenue was driven by organic growth of \$14.5 million, or 17.9% from new contract wins and volume growth in our enterprise connectivity services and Real-Time

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Intelligence solutions as our Enterprise & Intelligence Solutions offerings continue to benefit from strong adoption by new enterprise customers across various verticals, including hospitality, social media and retail. In addition, the MACH Acquisition contributed \$14.7 million of enterprise connectivity services revenue.

## Costs and Expenses

Cost of operations increased \$45.5 million to \$320.8 million for the year ended December 31, 2013 from \$275.3 million for the comparable prior year period. The table below summarizes our cost of operations by category:

(in thousands)	Year ended December 31,		2013 compared to 2012		
	2013	2012	\$ change	% change	
Cost of Operations:					
Headcount and related costs	\$98,904	\$91,347	\$7,557	8.3	%
Variable costs	82,825	57,447	25,378	44.2	%
Data processing, hosting and support costs	82,415	77,431	4,984	6.4	%
Network costs	44,051	37,674	6,377	16.9	%
Other operating related costs	12,601	11,402	1,199	10.5	%
Cost of Operations	\$320,796	\$275,301	\$45,495	16.5	%

The increase in headcount and related costs was driven primarily by additional headcount resulting from the MACH Acquisition. Variable costs, which includes revenue share service provider arrangements and message termination fees, increased during the year ended December 31, 2013 primarily due to higher volumes in our enterprise connectivity services resulting from organic growth as well as additional volumes contributed by the MACH Acquisition. As a result, variable costs as a percentage of operating costs, which management defines as cost of operations, sales and marketing and general and administrative expenses, were 15.8% for the year ended December 31, 2013 compared to 12.8% for the same period in 2012. The increase in data processing, hosting and support costs was primarily due to investments in data center expansion to support additional capacity related to global and service offering expansion efforts and anticipated volume increases, as well as higher processing costs associated with higher transaction volumes. The increase in network costs was primarily driven by expansion of our network infrastructure to support global business growth. We intend to continue expanding our network infrastructure for the foreseeable future in order to support future growth opportunities. The increase in other operating related costs was driven primarily by the MACH Acquisition.

As a percentage of revenues, cost of operations increased to 37.3% for the year ended December 31, 2013 from 37.0% during the same period in 2012. The increase in cost of operations as a percentage of revenue was driven primarily by the data center and network expansion to support future growth as discussed above. On a pro forma basis, assuming the MACH Acquisition had taken place on January 1, 2012, cost of operations would have been 37.4% and 36.2% of revenues for the years ended December 31, 2013 and 2012, respectively.

Sales and marketing expense increased \$6.4 million to \$75.0 million for the year ended December 31, 2013 from \$68.5 million for the same period in 2012. The MACH Acquisition contributed \$6.2 million of this increase primarily due to headcount related costs for the acquired sales force employees. Excluding the impact of the MACH Acquisition, sales and marketing expense increased \$0.3 million, primarily driven by an increase in headcount and related costs, including stock-based compensation of \$1.0 million and performance-based compensation of \$0.5 million. These increases were mostly offset by lower travel expenses resulting from a cost savings initiative. As a percentage of revenues, sales and marketing expense decreased to 8.7% for the year ended December 31, 2013 from 9.2% for the same period in 2012.

General and administrative expense increased \$26.0 million to \$129.4 million for the year ended December 31, 2013 from \$103.3 million for the same period in 2012. The MACH Acquisition contributed \$15.3 million of this increase, primarily due to headcount related and facilities costs. Excluding the impact of the MACH Acquisition, general and administrative expense increased \$10.7 million driven primarily by higher headcount related costs of \$6.6 million and

an increase in MACH Acquisition integration planning costs of \$7.4 million. The increase in headcount related costs is associated with additional resources to support global business growth and new product development initiatives. The increase in general and administrative expense was partially offset by a \$3.8 million reduction in business development activities unrelated to the MACH Acquisition. As a percentage of revenues, general and administrative expense increased to 15.1% for the year ended December 31, 2013, from 13.9% for the same period in 2012 primarily due to the MACH Acquisition integration planning costs.

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Depreciation and amortization expense increased \$38.9 million to \$216.2 million for the year ended December 31, 2013 from \$177.3 million for the same period in 2012. The increase was driven by \$26.6 million of amortization of intangible assets, including capitalized software, and \$1.7 million of depreciation of property and equipment, all acquired in the MACH Acquisition, and higher capital expenditures in 2013 compared to 2012, including internally developed capitalized software.

Employee termination benefits expense was \$5.9 million for the year ended December 31, 2013 compared to \$1.2 million for the same period in 2012. The increase was driven primarily by severance costs related to a reduction-in-force in the current year as a result of cost saving initiatives, including synergies resulting from the integration of the MACH Acquisition.

Restructuring expense was \$0.5 million for the year ended December 31, 2013 compared to \$1.2 million for the same period in 2012. The decrease was driven by severance costs related to restructuring plans entered into in prior periods. See Note 14 to our consolidated financial statements for additional details regarding our restructuring plans.

Acquisitions expense was \$21.6 million and \$14.7 million for the years ended December 31, 2013 and 2012, respectively, and consisted primarily of professional services costs including legal, tax, audit and transaction advisory costs related to the MACH Acquisition.

### Other Income (Expense), net

Interest expense increased \$17.0 million to \$125.7 million for the year ended December 31, 2013 from \$108.7 million for the same period in 2012. The increase was primarily due to \$20.1 million of interest expense related to the Tranche B Term Loans and ticking fees of \$4.6 million in respect of the period between the commitment allocation and the actual funding date of the Delayed Draw Facility. See “Debt and Credit Facilities” below for additional details regarding the Delayed Draw Credit Agreement.

The increase in interest expense was partially offset by \$6.1 million of debt modification costs incurred in the prior year period associated with our debt refinancing on April 23, 2012 as compared to \$1.7 million of debt modification costs incurred in 2013 associated with our debt refinancing on September 23, 2013. Going forward, we expect to incur approximately \$27.5 million of interest expense and \$3.0 million of amortization of deferred financing fees and original issue discount on a quarterly basis.

Debt extinguishment costs were \$2.8 million for the year ended December 31, 2013 as compared to \$6.5 million for the same period in 2012. These costs were associated with our refinancing of the Initial Term Loans on September 23, 2013 and with the refinancing of our old senior secured credit facility (the “Old Senior Credit Facility”) in April 2012.

Equity income in investee was \$0.4 million for the year ended December 31, 2013 and was comprised of income from our equity investment in a subsidiary acquired in the MACH Acquisition.

Other, net decreased \$10.8 million to a \$6.8 million loss for the year ended December 31, 2013 from a \$3.9 million gain for the same period in 2012. The decrease was primarily due to foreign exchange losses driven by our expanded global operations resulting from the MACH Acquisition.

### Benefit from Income Taxes

We recorded an income tax benefit of \$4.3 million for the year ended December 31, 2013 compared to a benefit of \$7.9 million for the same period in 2012. During the years ended December 31, 2013 and 2012, the effective tax rate was a benefit of 9.7% and 97.6%, respectively. The change in our effective tax rate was chiefly attributable to (i) the release of uncertain tax positions where statutes of limitations had expired, (ii) certain return to provision true-ups recorded in 2012 and 2013, (iii) costs related to the Acquisition, some of which are non-deductible for income tax

purposes, (iv) the inclusion of the forecasted earnings impact of the Acquisition in calculating the effective tax rate, and (v) state and local related effective income tax rate changes.

#### Liquidity and Capital Resources

Our operations are conducted almost entirely through our subsidiaries and our ability to generate cash to meet our debt service obligations or to pay dividends is highly dependent on the earnings and the receipt of funds from our subsidiaries via dividends or intercompany loans.

Our primary sources of liquidity are expected to be cash flow from operations as well as funds available under the Revolving Credit Facility. We believe that we have sufficient liquidity to meet currently anticipated growth plans, including short and long-term capital expenditures and working capital requirements. In addition, we believe that our liquidity is sufficient

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to fund our debt repayment obligations. Our ability to make payments on our indebtedness will depend on our ability to generate cash flow from operating activities in the future. Our indebtedness requires us to dedicate a substantial portion of our cash flow from operations to debt service, thereby reducing the availability of our cash flow to fund acquisitions, working capital, capital expenditures, research and development efforts and other general corporate purposes. Historically, we have been successful in obtaining financing, although the marketplace for such financing may become restricted depending on a variety of economic and other factors. As of December 31, 2014 approximately 57% of our cash was held by foreign entities.

In August 2014, we used approximately \$192.1 million of cash on hand and \$100.0 million from a draw down of our Revolving Credit Facility to fund the purchase price for the Aicent Acquisition. During the three months ended December 31, 2014, we repaid \$90.0 million of the draw down. The Revolving Credit Facility had an outstanding Euro letter of credit of \$1.9 million at December 31, 2014, which is considered a reduction against our Revolving Credit Facility. The unused commitment under the Revolving Credit Facility was \$138.1 million at December 31, 2014.

We believe that our cash on hand, together with cash flow from operations and, if required, borrowings under the Revolving Credit Facility will be sufficient to meet our cash requirements for the next twelve months. To the extent we require supplemental funding for our operating activities, we may need access to the debt and equity markets; however, there can be no assurances such funding will be available on acceptable terms or at all.

## Cash Flow

Cash and cash equivalents were \$89.3 million at December 31, 2014 as compared to \$306.4 million at December 31, 2013. The following table summarizes the activity within our consolidated statements of cash flows.

(in thousands)	Year ended December 31,	
	2014	2013
Net cash provided by operating activities	\$168,011	\$161,392
Net cash used in investing activities	(377,394)	(701,783)
Net cash (used in) provided by financing activities	(1,249)	607,115
Effect of exchange rate changes on cash	(6,421)	7,481
Net (decrease) increase in cash	\$(217,053)	\$74,205

Net cash provided by operating activities increased \$6.6 million to \$168.0 million for the year ended December 31, 2014 from \$161.4 million for the same period in 2013. The increase was primarily due to:

- increased net income adjusted for non-cash items of \$3.4 million, primarily due to lower expenditures related to our Acquisitions and an increase in revenue, partially offset by an increase in operating costs; and

- increased cash provided by working capital of \$3.2 million due primarily to the timing of performance-based compensation payments and lower interest payments, partially offset by timing of payments to vendors and higher income tax payments.

Net cash used in investing activities was \$377.4 million for the year ended December 31, 2014, as compared to \$701.8 million for the year ended December 31, 2013. The decrease was driven by:

- cash used for acquisitions decreased \$338.1 million due to the use of \$628.2 million in the prior year period to fund the MACH Acquisition compared to the use of \$290.0 million in 2014 to fund the Aicent Acquisition; and



the redemption of a \$3.7 million certificate of deposit during the year ended December 31, 2014 that was purchased in the prior year period.

The decrease was partially offset by:

increased capital expenditures of \$17.8 million, primarily driven by \$15.7 million of capital spend related to integration activities; and

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proceeds of \$0.7 million from the sale of the Divestment Business during the year ended December 31, 2014, compared to proceeds of \$10.8 million during the year ended December 31, 2013.

Net cash used in financing activities was \$1.2 million for the year ended December 31, 2014, as compared to net cash provided by financing activities of \$607.1 million for the year ended December 31, 2013. The decrease was due to:

net proceeds from long-term debt of \$1,608.3 million received in the prior year period related to the Initial Term Loans and Tranche B Term Loans, compared to a draw down of \$100.0 million on the Revolving Credit Facility in 2014;

increased distribution to our parent of \$1.3 million;

the purchase of our redeemable noncontrolling interest of \$0.5 million; and

increased payments on capital lease obligations of \$1.8 million.

The decrease was partially offset by:

decreased principal payments on our long-term debt of \$876.6 million resulting from the partial principal pre-payment on our Term Loan Facilities and refinancing of our Initial Term Loans in the prior year period, partially offset by a \$90.0 million payment on our Revolving Credit Facility in 2014; and

debt issuance costs of \$26.9 million paid in the prior year period related to deferred financing costs associated with our Tranche B Term Loans and debt modification costs associated with the refinancing of our Initial Term Loans.

Debt and Credit Facilities

New Senior Credit Facility

On April 23, 2012, we entered into a credit agreement (the "Credit Agreement") with Buccaneer LLC (as successor by merger to Buccaneer), Barclays Bank PLC, as administrative agent, swing line lender and letters of credit issuer, and the other financial institutions and lenders from time to time party thereto, providing for a new senior credit facility (the "New Senior Credit Facility") consisting of (i) a \$950.0 million term loan facility (the "Initial Term Loans"); and (ii) a \$150.0 million revolving credit facility (the "Revolving Credit Facility") for the making of revolving loans, swing line loans and issuance of letters of credit.

On June 28, 2013 the Company borrowed \$700.0 million of incremental term loans (the "Tranche B Term Loans"), pursuant to the Incremental Amendment to the Credit Agreement. The proceeds of the Tranche B Term Loans were used to refinance, in full, the Escrow Term Loans, a portion of which were used to fund the MACH Acquisition.

On September 23, 2013, the Company entered into the Second Amendment to its Credit Agreement. Under the Second Amendment, the rate at which the Initial Term Loans under the Credit Agreement bear interest was amended to reduce (i) the margin for Eurodollar rate loans from 3.75% to 3.00%, (ii) the margin for base rate loans from 2.75% to 2.00%, (iii) the Eurodollar rate floor from 1.25% to 1.00% and (iv) the base rate floor from 2.25% to 2.00%.

On September 23, 2013, prior to entering into the Second Amendment, the Company made a prepayment of \$50.0 million on the Term Loan Facilities of which \$28.7 million was applied to the Initial Term Loans and \$21.3 million was applied to the Tranche B Term Loans.

Subject to specified conditions, without the consent of the then existing lenders (but subject to the receipt of commitments), the Initial Term Loans, the Tranche B Term Loans or the Revolving Credit Facility may be expanded (or a new term loan facility or revolving credit facility added to the New Senior Credit Facility) by an amount as will not cause the net senior secured leverage ratio after giving effect to the incurrence of such additional amount to exceed

4.0:1.0 (calculated by treating any unsecured debt incurred in reliance on this ratio as if it were secured).

The Term Loan Facilities will mature at the earliest of (i) April 23, 2019, (ii) the date of termination in whole of the commitments under the Term Loan Facilities or (iii) the date the loans under the Term Loan Facilities are declared due and

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payable in connection with an event of default; provided that (a) in the event that more than \$50 million of the Senior Notes remain outstanding on the date that is 91 days prior to the stated maturity of the Senior Notes (the “First Springing Maturity Date”), the maturity date for the Term Loan Facilities will be the First Springing Maturity Date and (b) in the event that more than \$50.0 million in aggregate principal amount of any refinancing indebtedness in respect of the Senior Notes remains outstanding on the date that is 91 days prior to the stated maturity of such refinancing indebtedness (the “Second Springing Maturity Date”), the maturity date for the Term Loan Facilities will be the earlier of the Second Springing Maturity Date and April 23, 2019.

The Revolving Credit Facility will mature at the earlier of (i) April 23, 2017 and (ii) the date of termination in whole of the commitments under the Revolving Credit Facility, the letter of credit sublimit, and the swing line facility under the Credit Agreement.

The Credit Agreement contains customary representations and warranties and customary affirmative and negative covenants. The negative covenants include limitations or restrictions on (i) the Company’s ability to incur debt, grant liens, enter into fundamental corporate transactions, pay subsidiary distributions, enter into transactions with affiliates, make further negative pledges, sell or otherwise transfer assets, make certain payments, investments or acquisitions, repay certain indebtedness in the event of a change of control, and amend certain debt documents and (ii) the activities engaged in by Syniverse Corporation. The negative covenants are subject to the customary exceptions.

There are no financial covenants included in the Credit Agreement other than a springing maximum net senior secured leverage ratio of 4.25 to 1.0, which will be tested only for the benefit of the revolving lenders and only (i) when, at the end of a fiscal quarter, (a) the aggregate amount of any revolving loans, any swing line loans or any letter of credit obligations outstanding exceeds 10% of all commitments under the Revolving Credit Facility in effect as of April 23, 2012 or (b) the aggregate amount of any letter of credit obligations outstanding exceeds 15% of all commitments under the Revolving Credit Facility in effect as of April 23, 2012 and (ii) upon an extension of credit under the Revolving Credit Facility in the form of the making of a revolving loan or a swing line loan, or the issuance of a letter of credit. The events set forth in clauses (i) and (ii) in the preceding sentence did not apply as of December 31, 2014. As of December 31, 2014, we were in compliance with all of the covenants contained in the New Senior Credit Facility.

As of December 31, 2014, the carrying amount of our outstanding indebtedness under the Initial Term Loans and Tranche B Term Loans, excluding original issue discount, was \$911.8 million and \$678.7 million, respectively. At December 31, 2014, the applicable interest rate was 4.00% on these Term Loan Facilities based on the Eurodollar rate loan option.

On August 4, 2014, the Company drew \$100.0 million on the Revolving Credit Facility to fund a portion of the Aicent Acquisition. During the three months ended December 31, 2014, the Company repaid \$90.0 million of the draw down. See Note 4 for additional details regarding the Aicent Acquisition.

The Revolving Credit Facility had an outstanding Euro letter of credit of \$1.9 million at December 31, 2014, which reduced availability under the Revolving Credit Facility. The unused commitment under the Revolving Credit Facility was \$138.1 million at December 31, 2014.

### Delayed Draw Credit Agreement

On February 4, 2013, Syniverse Magellan Finance, LLC (the “Finance Sub”), Syniverse Holdings’ direct wholly-owned subsidiary, entered into the Delayed Draw Credit Agreement with Barclays Bank PLC, as administrative agent, and the other financial institutions and lenders from time to time party thereto, providing for the \$700.0 million Delayed Draw Facility. On May 28, 2013, Finance Sub entered into an amendment to the Delayed Draw Credit Agreement. Upon the closing of this amendment, the lenders funded the Delayed Draw Facility into an escrow account and the Company pre-funded the interest, upfront fees and ticking fees of \$7.2 million, \$3.5 million and \$3.6 million, respectively. The escrowed funds were released to Finance Sub on June 28, 2013.

Following the release, Finance Sub merged with and into the Company with the Company as the survivor to such merger. In connection with this merger, the Company assumed the obligations of Finance Sub under the Delayed Draw Credit Agreement.

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Non-GAAP Financial Measures

Adjusted EBITDA and Free Cash Flow are not presentations made in accordance with U.S. GAAP. Adjusted EBITDA should not be considered as alternatives to net loss, operating income, revenues or any other performance measures derived in accordance with U.S. GAAP as measures of operating performance or operating cash flows or liquidity. We believe that Adjusted EBITDA and Free Cash Flow are measures commonly used by investors to evaluate our performance and that of our competitors. We further believe that the disclosure of Adjusted EBITDA and Free Cash Flow is useful to investors, as these non-GAAP measures form the basis of how our executive team and Board of Directors evaluate our performance. By disclosing these non-GAAP measures, we believe that we create for investors a greater understanding of, and an enhanced level of transparency into, some of the means by which our management team operates and evaluates our Company and facilitates comparisons of current period's results with prior periods.

In addition, these non-GAAP measures may not be comparable to other similarly titled measures of other companies in our industry or otherwise. Because of these limitations, Adjusted EBITDA and Free Cash Flow should not be considered as measures of discretionary cash available to us to invest in the growth of our business. We attempt to compensate for these limitations by relying primarily upon our U.S. GAAP results and using Adjusted EBITDA and Free Cash Flow as supplemental information only.

Adjusted EBITDA and Free Cash Flow have important limitations as analytical tools and you should not consider them in isolation or as substitutes for analysis of our results as reported under U.S. GAAP. For example, some of the limitations of Adjusted EBITDA are as follows:

- excludes certain tax payments or the cash requirements necessary to service interest or principal payments on our debt that may represent a reduction in cash available to us;
- does not reflect any cash capital expenditure requirements for the assets being depreciated and amortized that may have to be replaced in the future;
- does not reflect cash outlays for future contractual commitments;
- does not reflect changes in, or cash requirements for, our working capital needs; and
- does not reflect the significant interest expense on our debt.

Adjusted EBITDA is determined by adding the following items to net loss from continuing operations: other expense, net; excluding the impact of equity income in investee, benefit from income taxes, depreciation and amortization, employee termination benefits, restructuring, non-cash stock-based compensation, acquisitions expense, business development, integration and other related expenses including transition and integration costs generally, CEO transition costs and the Carlyle annual management fee including related expenses.

We believe that Adjusted EBITDA is a useful financial metric to assess our operating performance from period to period by excluding certain items that we believe are not representative of our core business. We rely on Adjusted EBITDA as a primary measure to review and assess the operating performance of our management team in connection with our executive compensation and bonus plans. We also review Adjusted EBITDA to compare our current operating results with prior periods and with the operating results of other companies in our industry. In addition, we utilize Adjusted EBITDA as an assessment of our overall liquidity and our ability to meet our debt service obligations. Adjusted EBITDA is also a measure used under the indenture governing our Senior Notes.

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## Reconciliation of Non-GAAP Measures to GAAP

A reconciliation of net loss from continuing operations, the closest GAAP measure, to Adjusted EBITDA is presented in the following table:

(in thousands)	Year ended December 31,		
	2014	2013	2012
Reconciliation to Adjusted EBITDA			
Net loss from continuing operations	\$ (46,300	) \$ (40,295	) \$ (195
Equity income in investee	35	422	—
Other expense, net	124,999	134,187	110,432
Benefit from income taxes	(25,093	) (4,328	) (7,889
Depreciation and amortization	237,577	216,198	177,320
Employee termination benefits (a)	9,140	5,939	1,198
Restructuring (b)	17,826	483	1,163
Non-cash stock-based compensation (c)	8,574	10,569	7,068
Acquisitions (d)	1,974	21,632	14,684
Business development, integration and other expenses (e)	14,867	10,013	6,547
CEO transition costs (f)	1,188	—	—
Management fee and related expenses (g)	3,086	3,381	3,142
Adjusted EBITDA	\$ 347,873	\$ 358,201	\$ 313,470

(a) Reflects employee termination benefits expense which is comprised primarily of severance benefits associated with our cost rationalization initiatives.

(b) Reflects restructuring expense which is comprised primarily of contract termination costs associated with the exit of leased facilities.

(c) Reflects non-cash expenses related to equity compensation awards.

(d) Reflects expenses associated with the Acquisitions, including professional services costs, such as legal, tax, audit and transaction advisory costs.

(e) Reflects items associated with business development activities, integration expenses, such as incremental contractor, travel and marketing costs and certain advisory services and employee retention costs.

(f) Reflects costs associated with the transition of our Chief Executive Officer, including recruiting and travel expenses.

(g) Reflects management fees paid to Carlyle and related expenses pursuant to a consulting agreement with Carlyle.

Free Cash Flow is determined by adding the result of net cash provided by operating activities adjusted for loss from discontinued operations, net of tax, fair value adjustment to assets and liabilities related to assets held for sale, working capital adjustment related to discontinued operations and acquisitions expense less capital expenditures (excluding capital expenditures related to assets held for sale).

We believe that Free Cash Flow is a useful financial metric to assess our ability to pursue opportunities to enhance our growth. We also use Free Cash Flow as a measure to review and evaluate the operating performance of our management team in connection with our executive compensation and bonus plans. Additionally, we believe this is a useful metric for investors to assess our ability to repay debt.

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A reconciliation of net cash provided by operating activities, the closest GAAP measure, to Free Cash Flow is presented in the following table:

(in thousands)	Year ended December 31,		
	2014	2013	2012
Reconciliation to Free Cash Flow			
Net cash provided by operating activities	\$168,011	\$161,392	\$201,335
Loss from discontinued operations, net of tax	688	5,092	—
Fair value adjustment to assets and liabilities related to assets held for sale	—	(2,816)	) —
Working capital adjustment related to discontinued operations	(688	) 2,553	—
Acquisitions	1,974	21,632	14,684
Capital expenditures	(91,758	) (73,933	) (65,755
Free Cash Flow	\$78,227	\$113,920	\$150,264

Off-Balance Sheet Arrangements

We provide financial settlement services to MNOs to support the payment of roaming related charges to their roaming network partners. In accordance with our customer contracts, funds are held by us as an agent on behalf of our customers to settle their roaming related charges to other MNOs. These funds and the corresponding liability are not reflected in our consolidated balance sheets. The off-balance sheet amounts totaled approximately \$488.5 million and \$492.9 million as of December 31, 2014 and 2013, respectively.

We have also used off-balance sheet financing in recent years primarily in the form of operating leases for facility space and equipment and we expect to continue these practices. We do not use any other type of joint venture or special purpose entities that would create off-balance sheet financing. We believe that our decision to lease office space is similar to that used by many other companies of our size and does not have a material impact on our financial statements. We intend to continue to enter into operating leases for facilities and equipment as these leases expire or additional capacity is required.

Contractual Obligations

The following table set forth the schedule of future payments under certain existing contracts, including debt agreements, as of December 31, 2014.

(in thousands)	Total	Payments Due by Period			
		Less Than 1 Year	1 to 3 Years	3 to 5 Years	More Than 5 Years
Contractual Obligations					
Long-term debt obligations including interest (1)	\$2,555,238	\$108,923	\$251,104	\$2,195,211	\$—
Operating lease obligations (2)	38,649	12,575	16,426	4,654	4,994
Purchase and contractual obligations (3)	110,691	42,590	50,387	14,597	3,117
Capital lease obligations including interest (4)	16,375	7,081	8,461	833	—
Pension obligation (5)	13,462	78	301	499	12,584
Contractual Obligations (6)	\$2,734,415	\$171,247	\$326,679	\$2,215,794	\$20,695

(1) Based on an assumed interest rate on the New Senior Credit Facility of 4.00% based on the current Eurodollar rate loan option and the interest rate on the Senior Notes of 9.125%.

(2) Reflects estimated property and equipment operating lease payments based on contractual rates. Certain of these obligations represent fees that we would incur if we were to cancel or terminate the underlying lease agreement.

(3) Reflects purchase and contractual obligations for equipment and services. Certain of these obligations represent fees that we would incur if we were to cancel or terminate the underlying purchase agreement.

(4) Reflects capital lease obligations for certain software licenses and computer equipment.



(5) Reflects estimated obligations from a noncontributory, defined benefit retirement plan associated with one of our foreign subsidiaries.

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The timing of cash outflows related to liabilities for uncertain tax positions, and the interest thereon, cannot be (6) estimated and, therefore, has not been included in the table. See Note 15 to our consolidated financial statements for additional information regarding the liabilities for uncertain tax positions.

#### Effect of Inflation

Inflation generally affects us by increasing our cost of labor, equipment and new materials. We do not believe that inflation has had a material effect on our results of operations during the years ended December 31, 2014, 2013 or 2012.

#### Critical Accounting Policies and Estimates

The preparation of our consolidated financial statements and related disclosures in conformity with U.S. GAAP requires us to make estimates and judgments that affect our reported amounts of assets, liabilities, revenues and expenses. We consider an accounting estimate to be critical if it requires assumptions to be made that were uncertain at the time the estimate was made and changes in the estimate or different estimates that could have been selected could have a material impact on our results of operations or financial condition. On an on-going basis, we evaluate our estimates and assumptions based upon historical experience and various other factors and circumstances. We believe that our estimates and assumptions are reasonable under the circumstances; however, actual results may vary from these estimates and assumptions under different future circumstances.

During the year ended December 31, 2014, we did not adopt or change the application of any critical accounting policies from the year ended December 31, 2013 that have had a material impact on our financial statements.

#### Revenue Recognition

We recognize revenue in accordance with Accounting Standards Codification (“ASC”) 605 - Revenue Recognition. Our revenues are generated through the sale of Mobile Transaction Services and Enterprise & Intelligence Solutions to mobile operators and enterprise customers throughout the world. The majority of our revenues are generated on a per-transaction basis, primarily through long-term contracts typically averaging three years in duration. We also generate revenues through monthly recurring charges and customer implementation services.

For all of our transaction-based services, we recognize revenues at the time the transactions are processed. We recognize fixed fees as revenues on a monthly basis as the related services are performed. We defer revenues and incremental customer-specific costs related to customer implementations and recognize these fees and costs on a straight-line basis over the life of the initial customer agreements.

See Note 2 to our consolidated financial statements for a detailed discussion of our service offerings and revenue recognition.

#### Impairment of Long-Lived Assets

We evaluate our long-lived assets, including property and equipment, capitalized software and intangible assets with finite lives for impairment when events or changes in circumstances indicate the carrying value of such assets may not be recoverable. We also evaluate the useful life of our assets each reporting period and modify our annual depreciation and/or amortization expense if it is determined that the useful life of an asset or group of assets is different than originally estimated.

If an impairment indicator exists, we perform a comparison of the carrying amount of the assets to the estimated undiscounted future cash flows for the asset or group of assets. An impairment loss is recognized if the carrying amount of a long-lived asset exceeds the sum of its estimated undiscounted future cash flows. Expected future cash flows are based on management’s best estimate, utilizing reasonable and supportable assumptions and projections. If actual market conditions are less favorable than those projected by management, asset impairment charges may be required. Management continues to evaluate overall industry and company-specific circumstances and conditions to identify indicators of impairment. We did not record any impairment losses on long-lived assets in 2014, 2013 or 2012.

#### Impairment of Goodwill and Indefinite-Lived Intangible Assets

We evaluate goodwill and indefinite-lived intangible assets for impairment at least annually, or more frequently if indicators of impairment arise, in accordance with the provisions of generally accepted accounting principles. When

evaluating

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goodwill and indefinite-lived intangible assets for impairment, the Company may first perform an assessment of qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit or indefinite-lived intangible assets is less than its carrying amount. This qualitative assessment is commonly referred to as a "step zero" approach. Qualitative factors include, but are not limited to, macro-economic conditions, market and industry conditions, competitive environment, operational stability and the overall financial performance of our reporting unit including cost factors and budgeted-to-actual revenue results. If, based on the review of the qualitative factors, the Company determines it is more-likely-than-not that the fair value of a reporting unit or indefinite-lived intangible assets is less than its carrying value, the Company performs a two-step impairment test.

For the annual impairment testing during the year ended December 31, 2014, we bypassed the step zero approach and evaluated our goodwill and indefinite-lived intangible assets using the two-step impairment test. While still considering many of the qualitative factors listed above, the first step under this method is to compare the fair value of our reporting unit to its carrying amount, including goodwill. If the carrying amount exceeds the fair value, we would then compare the implied fair value of the reporting unit's goodwill or indefinite-lived intangible assets with the carrying amount of that goodwill or indefinite-lived intangible assets. An impairment loss would be recognized to the extent that the carrying amount of the reporting unit's goodwill or indefinite-lived intangible assets exceeds its implied fair value. Estimates are based on reasonable and supportable assumptions and projections. If actual market conditions are less favorable than those projected by management, an impairment loss may be required to be recognized.

For the annual impairment testing during the year ended December 31, 2013, we elected to use the qualitative assessment for goodwill and indefinite-lived intangible assets impairment testing. Based on the results of the qualitative assessment, we concluded that it was more likely than not that the fair value of our reporting unit and indefinite-lived intangible assets exceeded their respective carrying values.

For the annual impairment testing during the year ended December 31, 2012, our evaluation of goodwill and indefinite-lived intangible assets was measured by the two-step impairment test .

We did not record any impairment loss of goodwill or indefinite-lived intangible assets for the periods ending December 31, 2014, 2013 or 2012. Management continuously evaluates overall industry and company-specific circumstances and conditions as necessary.

#### Income Taxes

We are subject to income taxes in the United States as well as in several foreign jurisdictions. The determination of our provision for income taxes requires management's judgment in the use of estimates and the interpretation and application of complex tax laws. Judgment is also required in assessing the timing and amounts of deductible and taxable items. We believe our tax return positions are fully supportable; however, we establish liabilities for material tax exposures relating to deductions, transactions and other matters involving some uncertainty as to the proper tax treatment of the item. Issues raised by a tax authority may be finally resolved at an amount different than the related liability. When facts and circumstances change (including a resolution of an issue or statute of limitations expiration), these liabilities are adjusted through the provision for income taxes in the period of change.

Judgment will be required to determine whether or not some portion or all of our deferred tax assets will not be realized. To the extent we determine that we will not realize the benefit of some or all of our deferred tax assets, these deferred tax assets will be adjusted through our provision for income taxes in the period in which this determination is made. Our deferred tax assets as of December 31, 2014 include net accumulated foreign net operating losses ("NOLs") of \$213.7 million, net accumulated U.S. federal NOLs of \$21.8 million and net accumulated state NOLs of \$11.6 million. The foreign NOLs remain available indefinitely to offset future taxable income in specific jurisdictions subject to applicable tax laws and regulations. U.S. federal and state NOLs in specific jurisdictions will expire if not

utilized between tax years 2015 and 2034. We continue to maintain a valuation allowance for deferred tax assets primarily associated with certain foreign NOLs. The deferred tax assets also include federal and state tax credit carry forwards of \$2.9 million and \$1.2 million respectively at December 31, 2014. The federal credits will expire if not utilized between tax years between 2033 and 2034. The majority of the state credits have an indefinite carryforward period. We have determined that it is more likely than not that we will realize the benefit of our net deferred tax assets for which we have not established a valuation allowance. The total amount of valuation allowance on our deferred tax assets was \$139.2 million at December 31, 2014. Our assessment of the recoverability of these deferred tax assets is based, in part, on our projections of future business performance and viable tax planning strategies. If future business performance fails to meet projections, we may determine that some or all of these deferred tax assets will not be realized. In the event of such a

determination, we would record a valuation allowance for the amount deemed unrecoverable with a corresponding charge to the provision for income taxes.

#### Stock-Based Compensation

Our stock-based compensation expense is estimated at the grant date based on an award's fair value as calculated by the Black-Scholes option-pricing model and is recognized as expense over the requisite service period. The Black-Scholes model requires various subjective assumptions including expected volatility and option life. If any of the assumptions used in the Black-Scholes model changes significantly, stock-based compensation expense may differ materially in the future from that recorded in the current period. In addition, we estimate the expected forfeiture rate and only recognize expense for those shares expected to vest. We estimate the forfeiture rate based on historical experience. To the extent our actual forfeiture rate is different from our estimate, stock-based compensation expense is adjusted accordingly. See Note 12 to our consolidated financial statements for additional information regarding our stock-based compensation.

#### Common Stock Valuation

In the absence of a public trading market, our Compensation Committee of the Board of Directors, with input from management, determined a reasonable estimate of the then-current fair value of our common stock for purposes of determining fair value of our stock options on the date of grant. We determined the fair value of our common stock utilizing methodologies, approaches and assumptions consistent with the American Institute of Certified Public Accountants Practice Aid, "Valuation of Privately-Held-Company Equity Securities Issued as Compensation." Our approach considered contemporaneous common stock valuations in determining the equity value of our parent using a weighted combination of various methodologies, each of which can be categorized under either of the following two valuation approaches: the income approach and the market approach. In addition, we exercised judgment in evaluating and assessing the foregoing based on several factors including: (i) the nature and history of our business; (ii) our current and historical operating performance; (iii) our expected future operating performance; (iv) our financial condition at the grant date; (v) the lack of marketability of our common stock; (vi) the value of companies we consider peers based on a number of factors, including, but not limited to, similarity to us with respect to industry, business model, stage of growth, intangible value, company size, geographic diversification, profitability, financial risk and other factors; (vii) the likelihood of achieving a liquidity event, such as an IPO or a merger or acquisition of our company given prevailing market conditions; (viii) industry information such as market size and growth; and (ix) macroeconomic conditions.

#### Income approach

The income approach estimates the value of our company based on expected future cash flows discounted to a present value rate of return commensurate with the risks associated with the cash flows ("DCF method"). The cash flows utilized in the DCF method are based on our most recent long-range forecast. The discount rate is intended to reflect the risks inherent in the future cash flows of the Company. Because the cash flows are only projected over a limited number of years, it is also necessary under the income approach to compute a terminal value as of the last period for which discrete cash flows are projected. This terminal value capitalizes the future cash flows beyond the projection period and is determined by taking the projected results for the final year of the projection and applying a terminal exit multiple. This amount is then discounted to its present value using a discount rate to arrive at the present value of the terminal value. The discounted projected cash flows and terminal value are totaled to arrive at an indicated aggregate equity value under the income approach. In applying the income approach, we derived the discount rate from an analysis of the cost of capital of our comparable industry peer companies as of each valuation date and adjusted it to reflect the risks inherent in our business cash flows. A 10.0% discount rate was used in our valuations for the year ended December 31, 2014. We derived the terminal exit multiple from an analysis of the EBITDA multiples of our comparable industry peer companies as of each valuation date. We then used the implied long-term growth rate of our Company to assess the reasonableness of the selected terminal exit multiple.

#### Market approach

The market approach incorporates various methodologies to estimate the equity value of a company and includes the guideline public company ("GPC") method which utilizes market multiples of comparable companies that are publicly traded and the guideline merged and acquired company ("GMAC") method which utilizes multiples achieved in

comparable industry mergers and acquisition transactions. During the year ended December 31, 2014, we performed valuations of our common stock as of January 1st and October 1st. The GPC and GMAC market approaches were given equal weighting for the January 1 valuation. We did not use the GMAC approach in the October 1 valuation as the implied multiples were not indicative of future performance.

When considering which companies to include in our comparable industry peer companies, we mainly focused on U.S.-based publicly traded companies in the industry in which we operate and selected comparable industry peer companies and transactions on the basis of operational and economic similarity to our business at the time of the valuation. The selection of our comparable industry peer companies requires us to make judgments as to the comparability of these companies to us. We considered a number of factors including the business in which the peer company is engaged, business size, market share, revenue model, development stage and historical operating results. We then analyzed the business and financial profiles of the peer companies for relative similarities to us and, based on this assessment, we selected our comparable industry peer companies. The selection of our comparable peer companies has not significantly changed over time as we continue evaluating whether the selected companies remain comparable to us and considering recent initial public offerings and sale transactions. Based on these considerations, we believe the comparable peer companies are a representative group for purposes of selecting sales and EBITDA multiples in the performance of contemporaneous valuations.

For each valuation during the years ended December 31, 2014 and 2013, we equally weighted the income and market approaches. We believe an equal weighting of the two methods is appropriate as it utilizes both management's expectations of future results and an estimate of the market's valuation of companies similar to us. Determining fair value requires the exercise of significant judgment, including judgment about appropriate discount rates, the amount and timing of expected future cash flows, as well as the relevant comparable company revenue and earnings multiples for the market approach.

Once we determined our enterprise value, we then allocated this value between our outstanding debt and common stock. The amount allocated to our outstanding debt is based on the carrying value of our long-term debt, including capital leases. The residual enterprise value, after allocation of value to outstanding debt, is further reduced by the value of outstanding stock options. The remaining value is then prescribed to our outstanding common stock in order to estimate a per share value.

#### Recently Issued Accounting Pronouncements Not Yet Adopted

In April 2014, the FASB issued ASU 2014-08, Presentation of Financial Statements and Property, Plant, and Equipment, which is included in the ASC in Topic 205 and 360. ASU 2014-08 changes the requirement for reporting discontinued operations. Under this guidance, a disposal of a component of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has or will have a major effect on an entity's operations and financial results. Fewer disposals are expected to qualify as discontinued operations under the new guidance. It also requires the disclosure of pretax income of disposals that do not qualify as discontinued operations. The new guidance is effective for us with disposals that occur after January 1, 2015.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers, which is included in the ASC in Topic 606 "Revenue from Contracts with Customers". ASU 2014-09 was issued as a converged guidance with the International Accounting Standards Board ("IASB") on recognizing revenue in contracts with customers and is intended to improve the financial reporting requirements for revenue from contracts with customers by providing a principle based approach to the recognition of revenue. The update includes a five-step framework with applicable guidance, which supersedes existing revenue recognition guidance. This accounting standard is effective for our financial statements beginning January 1, 2017 and can be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. Early application of the standard is not permitted. We are currently assessing the impact of implementing this guidance on our consolidated financial position, results of operations, and cash flows.

## ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

### Interest Rate Market Risk

We have exposure to fluctuations in interest rates on our Term Loan Facilities. Our Term Loan Facilities are subject to variable interest rates dependent upon the Eurodollar rate floor. Under the credit agreement governing our Term Loan Facilities, the Eurodollar rate floor was 1.00% and the base rate floor was 2.00% as of December 31, 2014. Interest rate changes therefore generally do not affect the market value of such debt but do impact the amount of our interest



payments and, therefore, our future earnings and cash flows, assuming other factors are held constant. As of December 31, 2014, a one-eighth percent change in assumed interest rates on our Term Loan Facilities would result in \$2.0 million of additional interest expense.

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Foreign Currency Market Risk

Although the majority of our operations are conducted in U.S. dollars, a portion of our foreign operations are conducted in Euros and Great British Pounds. On a less significant basis, we conduct operations in the various currencies of the Asia-Pacific region, Canada and Latin America. Consequently, a portion of our revenues and expenses are affected by fluctuations in foreign currency exchange rates. We are also affected by fluctuations in exchange rates on assets and liabilities related to our foreign operations. We have not hedged our translation risk on foreign currency exposure through the use of derivative instruments.

A 10% change in average foreign currency rates against the U.S. dollar during the year ended December 31, 2014 would have increased or decreased our revenues and net loss from continuing operations by approximately \$20.8 million and \$8.8 million, respectively.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements required by this item are included as a separate section of this Annual Report on Form 10-K. See Item 15. for an index to the consolidated financial statements which are incorporated by reference herein.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls

Our management, including our principal executive officer and principal financial officer, concluded an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act) as of December 31, 2014. Based on the evaluation, as of December 31, 2014, our management, including our principal executive officer and principal financial officer, concluded that our disclosure controls and procedures were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected or are reasonably likely to materially affect our internal control over financial reporting. In making its assessment of changes in internal control over financial reporting as of December 31, 2014, management has excluded Aicent as it was acquired on August 4, 2014. We are currently assessing the control environment and intend to disclose all material changes resulting from the Aicent Acquisition within or prior to the time our first annual assessment of internal control over financial reporting that is required to include this entity.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in the Exchange Act Rules 13a-15(f) or 15d-15(f). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only

with proper authorizations; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of management, including our principal executive officer and principal financial officer, our management has evaluated the effectiveness of our internal control over financial reporting as of December 31, 2014 based on the criteria established in a report entitled Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO. The Securities and Exchange Commission’s (“SEC”) general guidance permits the exclusion of an assessment of the effectiveness of a registrant’s controls and procedures as they relate to its internal control over financial reporting for an acquired business during the first year following such acquisition if, among other circumstances and factors, there is not an adequate amount of time between the acquisition date and the date of assessment. During the third quarter of 2014, the Company completed its acquisition of Aicent. In accordance with the SEC guidance, the scope of management’s evaluation of internal controls over financial reporting as of December 31, 2014 did not include the internal control over financial reporting of these acquired operations. Assets related to the Aicent acquisition represented 1.2% of the Company’s total consolidated assets at December 31, 2014 and net revenue generated by Aicent subsequent to the date of acquisition represented 2.4% of the Company’s consolidated net revenue for the year ended December 31, 2014. As part of the integration of the acquired business, the Company continues to evaluate Aicent’s internal controls over financial reporting. From the Aicent Acquisition Date to December 31, 2014, the processes and systems of the acquired operations did not significantly impact the Company’s internal control over financial reporting.

Based on its assessment, management concluded that we maintained effective internal control over financial reporting as of December 31, 2014.

ITEM 9B. OTHER INFORMATION

Not applicable.

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## PART III

## ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table sets forth the names and ages of members of our Board of Directors (the “Board” or “Directors”) and executive officers and the positions they held with us as of February 28, 2015:

Name	Age	Position(s)
Stephen C. Gray	56	President and Chief Executive Officer; and Director
David W. Hitchcock	54	Executive Vice President, Chief Financial and Administrative Officer
Alfredo T. de Cárdenas	50	President of Global Sales and Services, Chief Sales Officer
Laura E. Binion	58	Senior Vice President and General Counsel
Mary P. Clark	48	Chief Marketing Officer
Joseph DiFonzo	49	Chief Technology Officer
Leigh M. Hennen	64	Chief Human Resources Officer
Edmond B. Lewis	45	Chief Strategy Officer
John T. McRae	45	Chief Information Officer
John P. Wick, Jr.	50	Senior Vice President and General Manager, Mobile Transaction Services
James A. Attwood, Jr.	56	Chairman of our Board of Directors
Tony G. Holcombe	59	Vice Chairman of our Board of Directors
Kristen Ankerbrandt	36	Director
Kevin L. Beebe	55	Director
Julius Genachowski	51	Director
Mark J. Johnson	41	Director
Raymond A. Ranelli	67	Director

Stephen C. Gray was elected as a director of the Company in January 2011, was named interim President and Chief Executive Officer on August 26, 2014 and was named our permanent President and Chief Executive Officer on February 25, 2015. He is the founder of Gray Venture Partners, LLC and serves as Chairman of ImOn Communications, LLC, Security Coverage, Inc., HH Ventures, LLC (d/b/a, ReadyMobile, LLC) and Involta, LLC. Prior to being named as our President and Chief Executive Officer, Mr. Gray was also an Operating Executive to Carlyle. Mr. Gray currently serves as a director of CommScope, Inc., which is a Carlyle portfolio company, and until October 2010 served as a director of Hawaiian Telecom Communications, Inc. Previously Mr. Gray served in leadership positions at McLeod USA, MCI Communications Corp. and Telecom USA. Mr. Gray earned a bachelor’s degree in business administration from the University of Tennessee. We believe Mr. Gray’s current and prior service on numerous boards in the telecommunications industry, his experience as a senior executive officer of several companies and his current role as Chief Executive Officer of the Company qualifies him to serve on our Board of Directors.

David W. Hitchcock became our Executive Vice President and Chief Financial Officer in June 2007, and on July 1, 2011, also became our Chief Administrative Officer. Prior to joining the Company, Mr. Hitchcock was Chief Financial Officer of North America for Alcatel-Lucent. Mr. Hitchcock has over 20 years of experience in corporate finance, mainly with AT&T and Lucent Technologies. Commencing in 2003, he held a wide range of key financial leadership roles, including Corporate Controller for Lucent Technologies as well as Business Operations and Financial Vice President for Lucent Worldwide Services. Mr. Hitchcock earned both a bachelor’s degree in accounting and master’s degree in business administration from Wake Forest University. He is a certified public accountant.

Alfredo T. de Cárdenas joined the Company in April 2008 and currently serves as President of Global Sales and Services, Chief Sales Officer, a role he assumed in August 2014. Mr. de Cárdenas served as President, Enterprise & Intelligence Solutions, from February 2014 to August 2014, as Chief Operating Officer from August 2012 until February 2014, as President of Global Sales and Customer Support from July 2011 to August 2012 and Executive Vice President, Americas from April 2008 to July 2011. Mr. de Cárdenas brought to the Company more than 20 years of experience in the global telecommunications industry. Before joining the Company, Mr. de Cárdenas was with

Nortel Networks, most recently as general manager of converged multimedia networks. He also held a number of other key leadership roles since joining Nortel in 1992, including vice president positions in carrier support and operations, sales, marketing, customer care, and network operations as well as assignments in

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Colombia and Brazil. He began his career as a senior engineer for Southern Bell. Mr. de Cárdenas earned a bachelor's degree in industrial and systems engineering from Florida International University and a master's degree in business administration from Nova Southeastern University.

Laura E. Binion became our Senior Vice President and General Counsel in June 2008. Prior to joining the Company, Ms. Binion served as Executive Vice President and General Counsel of CheckFree Corporation, a position she held from 2001 to 2007. From 1986 to 2001, Ms. Binion held various positions in the legal departments of Verizon Wireless (or its predecessor companies-Contel Corporation, Contel Cellular, GTE Corporation and GTE Wireless), including General Counsel of Contel Cellular from 1991 to 1995 and Vice President and General Counsel of GTE Wireless from 1997 to 2000. Prior to joining Contel Corporation in 1986, Ms. Binion was an associate at the law firms of Parker, Hudson, Rainer, Dobbs & Kelly and Kutak, Rock & Huie. Ms. Binion earned both a bachelor's degree in political science and a juris doctor degree from the University of Georgia.

Mary P. Clark joined the Company in June 2009 and currently serves as Chief Marketing Officer, a role she assumed in March 2014. Prior to March 2014, Ms. Clark served as Senior Vice President, Roaming from January 2011 to March 2014 and as Vice President of Clearing and Settlement from June 2009 to January 2011. Prior to joining the Company, Ms. Clark served as General Manager, Americas of MACH Cibernet from May 2007 to January 2008, as Vice President, Global Financial Settlement of Cibernet from March 2003 to May 2007 and as Vice President, Operations, of Cibernet when it was a subsidiary of CTIA-The Wireless Association from December 1995 to March 2003. Ms. Clark earned her bachelor's degree in communications from the University of Delaware.

Joseph DiFonzo joined the Company in August 2008 and currently serves as Chief Technology Officer, a role he assumed in August 2013. Prior to becoming Chief Technology Officer, Mr. DiFonzo served as Senior Vice President of Enterprise Mobility Solutions, Senior Vice President and Chief Information Officer, Vice President of Operations and Vice President of Advanced Product Development. Prior to joining the Company, Mr. DiFonzo spent 15 years at Convergys, most recently holding the position of Vice President of Innovation. He also has held telecommunications technology positions at SHL SystemHouse and Cincinnati Bell Information Systems. Mr. DiFonzo earned a bachelor's degree in computer science from the University of Central Florida and has served on the advisory board for the TeleManagement Forum.

Leigh M. Hennen became our Chief Human Resources Officer in August 2006. Before joining Syniverse, Ms. Hennen was Vice President of Human Resources for Emdeon Business Services from January 2004 to March 2006. Prior to that, Ms. Hennen was Senior Vice President of Human Resources for Ceridian Human Resource Solutions from May 2000 to January 2004. From January 1998 to May 2000, Ms. Hennen was a partner in an organization development consulting company called Dannemiller Tyson and Associates. From May 1984 to December 1997, Ms. Hennen held senior human resource leadership positions at Computing Devices International both domestically and internationally.

Edmond B. Lewis joined the Company in June 2013 and serves as Chief Strategy Officer. Before joining the Company, Mr. Lewis was the founder and partner in Belden Partners from March 2008 to May 2013; an investor, founder and Chief Executive Officer of Group Gift Service from May 2012 to April 2013; an investor, founder and Chief Executive Officer of Media Chaperone from January 2009 to April 2012, and a founder and general partner in Relevant C Business Group from January 2001 to March 2008. He led two services firms, Belden Partners and RCBG; founded two technology companies, Group Gift Service and Media Chaperone; and served as a founding board member for the Application Developers Alliance. Prior to these roles, Mr. Lewis served in executive marketing and business development positions for technology companies that included IPIX (later acquired by Sony), Motorola and Telular. He holds a bachelor's degree in psychology and communications and master's degree in business administration from the University of Iowa.

John T. McRae joined the Company in January 2011 and currently serves as its Chief Information Officer, a role he assumed in July 2014. Prior to becoming Chief Information Officer, Mr. McRae served as Senior Vice President and General Manager of Enterprise & Intelligence Solutions and as Senior Vice President of Global Customer Operations. Prior to joining the Company Mr. McRae was the Chief Executive Officer of NCI Nationwide Credit, a global provider of customer relationship and accounts receivable management services. Mr. McRae has also held senior operations and consulting position at several other companies including Emdeon and Deloitte Consulting. Mr. McRae holds a bachelor's degree in finance and accounting from the University of Michigan, Dearborn, and a master's degree

in business administration in operation and management from Case Western Reserve University.

John P. Wick, Jr. joined the Company in 1995 and currently serves as Senior Vice President and General Manager, Mobile Transaction Services, a role he has held since March 2014. Prior to March 2014, Mr. Wick held numerous positions with the Company including most recently Senior Vice President, Network from October 2010 to May 2014 and prior to that as Vice



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President - Network. Before joining the Company, Mr. Wick worked at Contel Federal Systems, GTE Government Systems and GTE Wireless. Mr. Wick holds a bachelor's degree in business administration and a master's degree in business administration from the Nova Southeastern University.

James A. Attwood, Jr. became a director of the Company in January 2011 and serves as the Chairman of our Board of Directors. He is a managing director of Carlyle, a company he joined in 2000 and currently serves as the head of Carlyle's Telecommunications, Media and Technology team. Prior to joining Carlyle, Mr. Attwood served as Executive Vice President for Strategy, Development and Planning at Verizon Communications, Inc. from 1996 to 2000. At Verizon (and GTE prior to that) Mr. Attwood was responsible for the oversight of all strategic planning, alliances, ventures, corporate strategy, development and M&A activities. Prior to joining GTE, Mr. Attwood served as an investment banker at Goldman, Sachs & Co. for 11 years, working in both the New York and Tokyo offices. Mr. Attwood graduated summa cum laude from Yale University in 1980 with a bachelor's degree in applied mathematics and a master's degree in statistics. In 1985, he received both a juris doctor degree and a master's degree in business administration from Harvard University. Mr. Attwood serves as a member of the boards of directors of CoreSite Realty, Getty Images and The Nielsen Company. We believe Mr. Attwood's previous experiences in the telecommunications industry and his current responsibilities at Carlyle, our largest shareholder, qualifies him to serve on our Board of Directors.

Tony G. Holcombe has served as a member of our Board of Directors since 2003 and served as the President and Chief Executive Officer of the Company from January 2006 until his retirement from management of the Company, effective July 1, 2011. Mr. Holcombe continues to serve as the Vice Chairman of our Board of Directors. From December 2003 to November 2005, Mr. Holcombe served in various executive positions at Web MD, including as President of its Emdeon Business Services segment (formerly known as WebMD Business Services) and as President of WebMD. From 2002 to 2003, Mr. Holcombe was Chief Executive Officer of Valutec Card Solutions. From 1997 to 2002, Mr. Holcombe served in various executive positions at Ceridian Corporation and its subsidiaries, including Executive Vice President of Ceridian Corporation. Prior to joining Ceridian Corporation, from 1994 to 1997, Mr. Holcombe was President and Chief Executive Officer of National Processing, Inc. Mr. Holcombe serves on the board of directors of the Numerex Corporation. Mr. Holcombe holds a bachelor's degree from Georgia State University. We believe Mr. Holcombe's previous experience as Chief Executive Officer of the Company and his knowledge of the mobile telecommunications industry qualifies him to serve on our Board of Directors.

Kristen Ankerbrandt became a director of the Company in October 2014. She is a Principal in the U.S. Buyout Fund at The Carlyle Group focused on global investment opportunities in the telecommunications, media and technology sectors. Prior to that, Ms. Ankerbrandt held positions at Goldman, Sachs & Co. in the telecommunications and media investment banking group, private equity firm Bruckmann, Rosser, Sherrill & Co. and Amazon. Ms. Ankerbrandt received a bachelor's degree in economics from Columbia University and a master's degree in business administration from the Harvard Business School. We believe Ms. Ankerbrandt's previous experience in the telecommunications market as well as her current responsibilities at Carlyle, our largest shareholder, qualifies her to serve on our Board of Directors.

Kevin L. Beebe was elected as a director of the Company in January 2011. He has served since November 2007 as the President and Chief Executive Officer of 2BPartners, LLC, a partnership that provides strategic and operational advice to private equity clients and private and public companies. From 1998 to 2007, Mr. Beebe was Group President of Operations at Alltel Corporation, a telecommunications services company. Prior to joining Alltel, Mr. Beebe served as Executive Vice President of Operations at 360° Communications Co., a wireless communications company, from 1996 to 1998. Mr. Beebe also held numerous positions of increasing responsibility at Sprint Corporation, including Vice President of Operations, from 1984 to 1995. Mr. Beebe graduated with honors from Kutztown University in 1981 with a bachelor's degree in economics and received a master's degree in economics from Bowling Green University in 1982. Mr. Beebe serves as a member of the board of directors of Nextel International, SBA Communications and Skyworks Solutions and is a founding partner of Astra Capital Management, a private equity firm. We believe Mr. Beebe's previous experience in and knowledge of the mobile telecommunications industry, including his experience as a senior officer of several of the Company's largest customers, qualifies him to serve on our Board of Directors.

Julius Genachowski was elected as a director of the Company in April 2014. He is a Managing Director in the U.S. Buyout Fund at The Carlyle Group where he focuses on acquisitions and growth investments in global technology, media and telecom, including Internet and mobile. Prior to joining The Carlyle Group, Mr. Genachowski was the Chairman of the FCC from 2009 to 2013. Under Mr. Genachowski's leadership, the FCC took major actions to extend broadband access, accelerate the roll out of advanced mobile networks, free-up spectrum for wireless communications, preserve a vibrant Internet and media landscape, foster competition and enhance public safety communications. Mr. Genachowski also extended the FCC's international engagement, visiting more than 20 countries, leading U.S. delegations and working on agreements involving global Internet policy, technology, spectrum, national security, cybersecurity and privacy. Prior to his FCC appointment, Mr.

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Genachowski worked for more than a decade in the private sector. As a senior executive and member of the Office of the Chairman, Mr. Genachowski helped build IAC/InterActiveCorp, which owned and operated multiple Internet and media businesses, including Expedia, Ticketmaster and USA Network. Mr. Genachowski has taught a joint class at Harvard's Business and Law Schools, and served as a Senior Fellow at the Aspen Institute. Mr. Genachowski has been a board member and advisor to several public and private companies, a Special Adviser at investment firm General Atlantic, on the staff of the Congressional Select Committee on the Iran-Contra Affair and a law clerk to United States Supreme Court Justice David Souter. Mr. Genachowski currently serves as a member of the board of directors of Sonos, Inc. and Mastercard Incorporated. Mr. Genachowski is a graduate of Columbia College and Harvard Law School. We believe Mr. Genachowski's vast experience in the telecommunications industry, including his service as Chairman of the FCC and his current responsibilities at Carlyle, qualifies him to serve on our Board of Directors.

Mark J. Johnson became a director of the Company in January 2011. He is the co-founder and serves as Managing Partner at Astra Capital Management, a private equity firm that primarily invests in communications and technology sectors. Prior to founding Astra Capital Management, Mr. Johnson was a Managing Director in the U.S. Buyout Fund at Carlyle where he was responsible for sourcing, executing and managing leveraged buyouts and growth equity investments in the communications sector globally. Prior to joining Carlyle, Mr. Johnson was a member of the private equity team at the Blackstone Group where he executed private equity investments in an array of industries.

Mr. Johnson has also worked at JH Whitney & Co., Level (3) Communications and Merrill Lynch. Mr. Johnson served as a member of the Obama '08 Telecommunications, Media & Technology Policy Group and both the Technology, Innovation and Government Reform (TIGR) and Commodity Futures Trading Commission Agency Review transition teams. Mr. Johnson is a graduate of Princeton University and received a master's degree in business administration from the Harvard Business School. Mr. Johnson has served as a member of the board of directors of Insight Communications, TRW Automotive Holdings and the governing board of St. Albans School. We believe Mr. Johnson's experience in the private equity market, including his previous experience at Carlyle, our largest shareholder, qualifies him to serve on our Board of Directors.

Raymond A. Ranelli was elected as a director of the Company in January 2011. From 1981 to 2003, Mr. Ranelli was a partner at PricewaterhouseCoopers where he held several positions including Audit Partner, Transaction Services Partner, Managing Partner of the Washington D.C. Regional Offices and Vice Chairman and Global Leader of the Financial Advisory Services practice with operations in twenty countries. Mr. Ranelli serves as a member of the board of directors of K2M, Inc., United Surgical Partners International, Alert Logic, Inc. and Springstone, LLC. Mr. Ranelli holds a bachelor's degree in accounting from Virginia Commonwealth University. We believe Mr. Ranelli's expertise in accounting and prior service on audit committees of other companies qualifies him to serve on our Board of Directors.

Governance Matters

Selection of Directors

The Company has one shareholder who elects all of the members of the Board. The shareholder has selected Directors who have skills, experience and backgrounds that are relevant to the key strategic and operational issues that impact the Company. Directors are typically selected based upon their character, track record of accomplishment in leadership roles, as well as their professional and corporate expertise, skills and experience. There are no procedures pursuant to which anyone other than the shareholder may recommend nominees to the Company's Board.

Independence of Directors

Although the shares of the Company's stock are not publicly traded on any exchange, the Board continues to use the listing standards of the NYSE to determine whether or not the members of the Board are independent. Under these standards, the Board has determined that Messrs. Attwood, Johnson, Genachowski, Holcombe and Gray and Ms. Ankerbrandt are not independent directors.

Board Committees

The Board of Directors has established three standing committees—the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee.

The Audit Committee is comprised of Messrs. Raymond Ranelli (Chairman), Mark Johnson and Ms. Kristen Ankerbrandt. Mr. Stephen C. Gray was also a member of the Audit Committee during 2014 but resigned from this

committee upon becoming our President and Chief Executive Officer on February 25, 2015. Mr. Ranelli is an “audit committee financial

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expert” as defined by Item 407 of Regulation S-K promulgated by the SEC and all members of the Audit Committee are “financially literate” as that term is used under the applicable rules of the NYSE. Mr. Ranelli is independent in accordance with the guidelines and the applicable rules of the NYSE.

The Compensation Committee is comprised of Messrs. James A. Attwood, Jr. (Chairman), Kevin L. Beebe, and Julius Genachowski. Mr. Stephen C. Gray was also a member of the Compensation Committee during 2014 but resigned from this committee upon becoming our President and Chief Executive Officer on February 25, 2015. None of the members of the Compensation Committee was an officer or employee of the Company in 2014 or any time prior thereto. During 2014, none of the members of the Compensation Committee had any relationship with the Company requiring disclosure under Item 404 of Regulation S-K. None of our executive officers served as a member of the board or compensation committee, of any other company whose executive officer(s) served as a member of our Board of Directors or our Compensation Committee.

The Nominating and Corporate Governance Committee is comprised of Messrs. Kevin Beebe (Chairman), James A. Attwood, Jr., Tony G Holcombe and Stephen C. Gray.

Code of Ethics

We have adopted a code of ethics that applies to all of our employees, officers and directors, including our chief executive officer, chief financial officer and other principal executive and senior financial officers. A copy of our Code of Business Conduct, which we believe addresses the code of ethics standards included in Item 406 of Regulation S-K, is available on our website [www.syniverse.com](http://www.syniverse.com), under the heading “About”, “Code of Business Conduct” free of charge.

ITEM 11. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis (“CD&A”)

Compensation Philosophy and Objectives

The Company’s compensation program for its executive officers is designed to motivate executives to achieve the business objectives of the Company, to reward them for their achievements and to attract and retain executive officers who contribute to the long-term success of the Company. The Company believes that its compensation program links performance to both annual and long-term goals and objectives.

Our philosophy for allocating between currently paid and long-term compensation is to provide adequate base compensation to attract and retain personnel, while offering additional incentives to achieve short-term and longer-term financial performance goals and to maximize long-term value for our shareholders. Our policy provides us the flexibility to allocate between short-term and long-term compensation and between cash and equity-based compensation. We provide cash compensation in the form of a base salary to meet competitive salary norms. In addition, we provide annual cash bonuses which reward executive performance against short-term goals. Finally, stock option and restrictive stock awards align executive pay with long-term gains in shareholder value and long-term financial performance results.

The primary objectives of our compensation program are:

- to attract and retain the best possible executive talent;
- to achieve accountability for performance by linking annual cash incentive compensation to the achievement of measurable performance objectives; and
- to align executive officers’ incentives with increases in shareholder value and the achievement of corporate objectives.

The compensation of our named executive officers (“NEOs”) is determined by the Compensation Committee, which considers the following factors in making its determination:

- performance against corporate objectives for the year;
- value of an individual’s unique skills and capabilities to support our objectives;
- contribution as a member of the executive management team; and
- relevant market data for comparable positions in comparable companies.

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Our NEOs for 2014 are Mr. Stephen C. Gray, our President and Chief Executive Officer; Mr. David W. Hitchcock, Chief Financial and Administrative Officer; Mr. Alfredo T. de Cárdenas, President of Global Sales and Services, Chief Sales Officer; Mr. John T. McRae, Chief Information Officer; Mr. Joseph DiFonzo, Chief Technology Officer; Mr. Jeffrey S. Gordon, our former President and Chief Executive Officer, Mr. Morten Brøgger, our former Chief Sales Officer; and Mr. Scott Hatfield, our former Chief Technology Officer. Messrs. Gordon and Brøgger terminated employment with us in August 2014. Mr. Hatfield terminated employment with us in January 2014.

Oversight of Compensation Program

The Compensation Committee of our Board of Directors administers the compensation policies for the Company’s executive officers and directors. The Compensation Committee is also responsible for approving the equity compensation of executive officers under the Company’s long-term equity incentive plan. With the exception of Mr. Gray, the Compensation Committee reviewed and approved all components of compensation of our NEOs, including salary, bonus, and long-term equity incentive compensation, the dollar value to the executive and cost to the Company of all perquisites and other personal benefits, and under several potential severance and change-in-control scenarios. The full Board of Directors approved Mr. Gray’s base salary, bonus potential and stock option award for 2014. The Compensation Committee reviews and approves the compensation of our NEOs with input from our Chief Executive Officer and Chief Human Resources Officer for executive officers other than themselves. The Chief Executive Officer and Chief Human Resources Officer develop and recommend appropriate performance measures and targets for individual compensation levels and compile the competitive benchmark data as described below. The Chief Executive Officer and Chief Human Resources Officer do not participate in the discussions or decisions regarding their own compensation. Mr. Gray abstained from all Board and Compensation Committee votes in 2014 regarding his compensation.

In 2013, the Company retained Mercer (US) Inc. (“Mercer”) to provide objective data analysis to the Compensation Committee regarding the Company’s executive compensation programs. The Compensation Committee uses this information as one input in its decision-making process; its decisions with respect to determining the amount or form of compensation for the Company’s executive officers may reflect factors and considerations other than the information provided by Mercer.

In 2013, the Company also retained Mercer to review the compensation of the Company’s senior leadership positions to ensure that total compensation for these positions was competitive. To perform this comparison, Mercer used the Mercer executive compensation survey and the Radford executive compensation survey and also created a peer group for the Company looking at a number of factors, including revenue, number of employees and industry codes. The Compensation Committee considered the results of the Mercer study in making its decisions regarding executive pay in 2014.

Determining Executive Compensation

Review of Competitive Practice. In making compensation decisions with respect to the total compensation opportunity provided to the NEOs, the Compensation Committee considered a number of factors, including the competitive market for executives and compensation levels provided by comparable companies to similarly situated executives and sought to provide compensation that is competitive in the marketplace and aligned with our performance. As part of its study, Mercer reviewed the compensation packages of the Company’s executives and compared them to both an industry peer group and broader market published survey data for comparably-sized organizations. Each of these data sources is more fully described below.

Peer Group Analysis. The industry peer group developed as part of the Mercer study consisted of the following ten companies, each of which is in the data processing and outsourced services, application software or internet software and services sector.

Global Payments, Inc.	Verifone Systems, Inc.
Total System Services, Inc.	Vantiv, Inc.
Akamai Technologies, Inc.	Henry (Jack) & Associates
VeriSign, Inc.	Neustar, Inc.
Fleetcor Technologies, Inc.	Wex, Inc.

We refer to the above industry peer group as the “Peer Group.”

The Peer Group was selected based on input from management and the members of the Compensation Committee and on a variety of criteria including industry focus, company size, growth and profitability, a focus on global operations and the

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Company's recruiting experiences. In terms of size, as the Company is growing, both organically and inorganically, Mercer conducted the survey benchmarking at two different revenue levels - \$900 million and \$1.5 billion. At the time of the Mercer study, which was prior to the closing of the acquisition of MACH and Aicent, the Company was at or above the Peer Group 25th percentile levels for net sales during last four quarters and equity market cap as of February 28, 2013.

Review of Broader Market Data. In addition to market pay data from the Peer Group, Mercer also compared the compensation packages of the Company's executives to those provided in broader market published survey data for comparably-sized organizations. Data sources used in this analysis included 2012 executive compensation surveys published by Mercer, Towers Watson and Radford. Market values were derived from reported pay levels for comparable positions at companies within the telecommunications, technology, and broader market sectors with revenues generally falling within a range of 50% to 200% of the Company's revenues. Published survey sources did not provide a listing of participating organizations within the above-referenced revenue range and industries. We refer to this broader market published survey data as the Broader Market Data.

Review of Other Published Data. The Company periodically reviewed compensation surveys to obtain market pay data for comparable positions in similar companies, including the 2012 U.S. Executive Radford Survey and the Mercer U.S. Global Executive Survey. In addition, we also reviewed country or region specific surveys for certain of our executives who are not located in the United States. Specifically, we utilized two international surveys in connection with our determination of appropriate compensation for our non-U.S. officers: the Radford International Survey and the IPAS Global Technology Survey. Each of these broad-based international studies includes data submitted by hundreds of public and private companies in countries throughout the world. The companies generally are in the technology business and range in size from \$200 million to \$5 billion in annual revenues.

The Compensation Committee reviewed comparable data for base salary, bonus and long-term compensation and target compensation for our executive officers; seeking to ensure that the compensation packages of its executives were competitive in the marketplace. The Compensation Committee believes that competitive compensation packages allow the Company to recruit highly qualified and experienced executive talent from comparable or larger-sized organizations and allows the Company to recruit and retain executives around the world as necessary for its global operations.

Executive Compensation Programs

In 2014, our executive officer compensation consisted of three components:

- base salary;
- annual incentive compensation; and
- long-term equity incentive compensation.

Each of these elements is discussed in more detail below.

Base Salary. We provide a base salary to attract and retain executive officers and provide them with a fixed and predictable income stream that compensates them for their services during the year. In August 2014, Mr. Gray was named Interim President and Chief Executive Officer. His base salary was initially set at \$720,000 and later adjusted to \$696,000 to reflect an increase in the cost of Mr. Gray's living expenses. Mr. Gray's salary was determined to be market competitive based upon the Mercer Study. Mr. Gray was named our permanent President and Chief Executive Officer in February 2015. His 2015 compensation is described in this CD&A under the subsection entitled "2015 Compensation Arrangements with Mr. Gray."

Our currently employed named executive officers received certain base salary increases during 2014. In April of 2014 Mr. Hitchcock's salary was increased from \$420,000 to \$460,000 in connection with the renegotiation of his employment agreement. Mr. de Cárdenas was awarded two salary increases in 2014. The first increase in April of 2014 was from \$420,000 to \$435,000 and was made in connection with the renegotiation of his employment agreement and in recognition of his increased responsibilities as President and General Manager, Enterprise and Intelligence Solutions. The second increase was in September of 2014 and was from \$435,000 to \$460,000 and reflected the change in Mr. de Cárdenas' duties to President of Global Sales and Services, Chief Sales Officer. Mr. McRae was promoted to Chief Information Officer and his salary was increased from \$300,000 to \$330,000 in



September 2014 to reflect his increased responsibilities. Mr. DiFonzo was promoted to Chief Technology Officer in February 2013 and his salary was increased to \$330,000 to reflect his increased responsibilities. The Compensation Committee determined that these salaries were appropriate in light of the responsibilities of each of these individuals, are market

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competitive based on the Broader Market Data and are in line with the salaries of similar officers of companies in the Peer Group.

Prior to his departure in August 2014, Mr. Gordon's salary was increased in April 2014 from \$675,000 to \$715,000 in connection with the renegotiation of his employment agreement. Messrs. Brøgger and Hatfield did not receive any base salary increases in 2014. In June of 2013, Mr. Brøgger, who was previously the Chief Executive Officer of MACH, was retained by the Company as Chief Sales Officer and his base salary was set at €350,000. Effective October 1, 2013, Mr. Brøgger's base salary was increased to €358,751 as a result of a cost of living increase required under Luxembourg law. Mr. Scott Hatfield joined the Company as Chief Technology Officer in November 2011 and his salary was set at \$400,000.

**Annual Incentive Compensation.** The purpose of the annual incentive plan is to focus executives and other management employees on key goals in support of our annual business plan and reinforce a results-oriented management culture by providing opportunities to earn cash incentive awards based on the financial results of the Company. For each individual, the annual incentive is calculated by using a combination of factors, including individual annual percentage award opportunities, corporate financial measurements and weightings, performance goals, and in the discretion of the Compensation Committee, an individual performance adjustment based on the Company's progress with respect to strategic objectives. Each of these factors is discussed below.

First, each eligible employee, including each NEO, is assigned a target annual incentive award opportunity which is reflected as a percentage of his base salary. In August 2014, the target annual award opportunity for Mr. Gray was set at 100% of his base salary. In April 2014, Mr. Hitchcock's target annual award opportunity was increased from 75% to 80% in connection with the renegotiation of his employment agreement. In September 2014, the annual target award opportunities for Messrs. de Cárdenas and McRae were changed in recognition of their change in responsibilities. Mr. de Cárdenas' annual target award opportunity was changed from 75% to 80% and Mr. McRae's annual target award opportunity was changed from 50% to 60%. The annual target opportunity for Mr. DiFonzo was increased in 2013 to 60% in connection with his promotion to Chief Technology Officer and was unchanged in 2014.

The annual target award opportunities for Messrs. Gordon, Brøgger and Hatfield did not change in 2014 and were 100%, 70% and 70%, respectively.

Second, the Compensation Committee chooses corporate financial measures that it believes are important indications of how well the Company is performing and on which it wants our executives to focus each year. The Compensation Committee assigns each corporate financial measure a weighting indicating how important a particular measure will be in calculating the annual incentive awards. The financial measures and weightings may be different for corporate executives than for executives who spend most of their time focused on a specific line of business. For 2014, the Compensation Committee initially selected the following measures and weightings for determining annual incentive awards for corporate executives.

Financial Measure	Weighting
Syniverse Consolidated Revenues	30%
Syniverse Consolidated Adjusted EBITDA*	40%
Syniverse Consolidated Free Cash Flow*	20%
Syniverse New Business Revenue	10%

In June of 2014, the Compensation Committee changed the measures and weightings for corporate executives to reflect line of business revenues separately. Our lines of business are Mobile Transaction Services ("MTS") and Enterprise & Intelligence Solutions ("EIS"). The final 2014 measures and weightings for corporate executives were:

Financial Measure	Weighting
EIS Revenues	15%
MTS Revenues	15%
Syniverse Consolidated Adjusted EBITDA*	40%
Syniverse Consolidated Free Cash Flow*	20%
Syniverse New Business Revenue	10%



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The Compensation Committee chose the initial financial measures because it believes they provide a balanced, comprehensive measurement of the Company's overall financial performance, and focus executives and other plan participants on profitable growth. The measures for corporate executives were changed in June 2014 to emphasize that revenues from both lines of business are equally important.

The Compensation Committee initially selected the following measures and weighting for determining annual incentive awards for executives focused on a specific line of business.

Financial Measure	Weighting
Corporate Consolidated Measures	20%
Line of Business Revenue	45%
Line of Business New Business Revenue	35%

In June of 2014, the Compensation Committee changed the measures and weighting for line of business executives so that to the final 2014 measures and weighting for executives focused on a specific line of business were:

Financial Measure	Weighting
Syniverse Consolidated Revenues	20%
Syniverse Consolidated Adjusted EBITDA*	40%
Syniverse Consolidated Free Cash Flow*	20%
Line of Business New Business Revenue	20%

The Compensation Committee initially chose different financial measures for the executives associated with the lines of business to focus these executives solely on the lines of business. The measures were changed in June of 2014 to provide a more comprehensive focus on the Company's overall financial performance, as opposed to only Revenues, and to reflect that the lines of business were interdependent on each other and on all corporate employees for success. Third, the Compensation Committee establishes a threshold, a target and a superior performance goal for each financial measure. Calculations between the threshold and the superior goals are linear (which means they are determined using straight-line interpolation). In February 2014, the goals established by the Compensation Committee for corporate executives were as follows:

Financial Measure	Threshold	Target	Superior
Syniverse Consolidated Revenues	\$960 million	\$1,000 million	\$1,025 million
Syniverse Consolidated Adjusted EBITDA*	\$405 million	\$444 million	\$455 million
Syniverse Consolidated Free Cash Flow*	\$110 million	\$130 million	\$150 million
Syniverse New Business Revenue	\$87 million	\$102 million	\$105 million

In February 2014 the Compensation Committee established the following goals for Line of Business New Business for EIS and MTS executives:

Financial Measure	Threshold	Target	Superior
EIS New Business Revenue	\$24.5 million	\$28.8 million	\$29.5 million
MTS New Business Revenue	\$62.5 million	\$73.5 million	\$75.3 million

The Compensation Committee did not change the goals for any of the financial measures in June of 2014 when the measures and weightings were changed.

For purposes of determining whether these targets were achieved, Adjusted EBITDA and Free Cash Flow are \*considered non GAAP financial measures. See "Non-GAAP Financial Measures" included in Item 7. "Management's Discussion and

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Analysis of Financial Condition and Results of Operations" included herein for a reconciliation of these non GAAP financial measures to the most directly comparable financial measure presented in accordance with GAAP and the reasons management believes the presentation of these non GAAP financial measures provide useful information. For all NEOs, if the Company's financial performance reaches the threshold goal, then the percentage of the annual incentive cash award attributable to that financial measure is calculated at 50% of the individual's annual target incentive. If the Company's financial performance reaches the target goal, the percentage is 100% and if the Company's financial performance reaches the superior goal, the percentage is 150% of the target award opportunity. The table below sets forth the percentage of each NEO's base salary payable upon the Company achieving the financial performance goals described above.

	Threshold	Target	Superior
Stephen C. Gray	50.00%	100.00%	150.00%
David W. Hitchcock	40.00%	80.00%	120.00%
Alfredo T. de Cárdenas	40.00%	80.00%	120.00%
John T. McRae	30.00%	60.00%	90.00%
Joseph DiFonzo	30.00%	60.00%	90.00%
Jeffrey S. Gordon	50.00%	100.00%	150.00%
Morten Brøgger	35.00%	70.00%	105.00%
Scott Hatfield	35.00%	70.00%	105.00%

Finally, the annual incentive plan specifically allows the Compensation Committee to increase or decrease annual incentive awards within a range of 80% to 120% of the originally calculated amounts based on the Company's progress on certain strategic objectives or other factors the Compensation Committee deems appropriate. This strategic initiative adjustment can be applied by the Compensation Committee on either an individual or group-wide basis and is applicable to all executives at the senior vice president level or above.

In addition, the Compensation Committee may apply discretion to the final determination of any incentive payment for situations where unanticipated events would either unduly reward or unduly deprive participants of just rewards based upon factors beyond their control.

In 2014, the Company did not achieve successful financial results as compared to most of the annual incentive plan performance goals. All measures, except EIS New Business Revenue, were below the threshold goal. EIS New Business Revenue exceeded the threshold goal but was below the target goal. Based on the Company's results, the Compensation Committee of the Board of Directors approved the bonuses in the table below for the fiscal year 2014. For 2014, the Compensation Committee did not apply the overall strategic multiplier on either an individual or group wide basis and did not use their discretionary authority to adjust the incentive payments for any of the NEOs.

	2014 Annual Incentive Plan Award	% of Base Salary
Stephen C. Gray	\$0	0.00%
David W. Hitchcock	\$0	0.00%
Alfredo T. de Cárdenas	\$51,347	11.16%
John T. McRae	\$27,627	8.37%
Joseph DiFonzo	\$0	0.00%
Jeffrey S. Gordon	\$715,000	100.00%
Morten Brøgger	\$0	0.00%
Scott Hatfield	\$0	0.00%

Mr. Gordon was paid 100% of his bonus target pursuant to the terms of his employment agreement and his termination agreement.

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Long-Term Equity Incentive Plan. In April 2011, our parent adopted the 2011 Equity Incentive Plan (the “2011 Plan”). Under the 2011 Plan, directors, employees and consultants of the Company and its subsidiaries may be granted options to purchase common stock, may be granted an offer to purchase common stock or may be granted restricted shares of our parent’s common stock. The purposes of the 2011 Plan are (i) to further the growth, development and financial success of the Company by providing additional incentives to employees, consultants and directors who are given responsibility for the management or administration of the Company’s business affairs; and (ii) to enable the Company to obtain and retain the services of the type of professional, technical and managerial employees, consultants and directors considered essential to the long-range success of our parent, in both cases by providing these individuals with an opportunity to become owners of the common stock of the Company thereby allowing them to benefit directly from our growth, development and financial success. The Compensation Committee believes the 2011 Plan accomplishes these purposes by fostering a partnership between shareholders and management to promote a corporate culture in which managers act and think as shareholders in evaluating strategic and day-to-day decisions and by providing managers with the opportunity to share in the value creation of the Company.

In December 2014, the Board granted 350,000 stock options to Mr. Gray in connection with his commencement of service as our Interim Chief Executive Officer. The stock options vest ratably over a 2 year term based on continuous service. None of our other NEOs received stock option grants during 2014. In April 2011, the Compensation Committee granted 666,667 stock options to each of Messrs. Hitchcock and de Cárdenas, 133,333 stock options to Mr. McRae and 100,000 stock options to Mr. DiFonzo. In July 2011 the Compensation Committee granted to each of Messrs. Hitchcock and de Cárdenas an additional 133,333 stock options. In September 2013, the Compensation Committee granted Mr. DiFonzo 50,000 additional stock options, and in October 2013, the Compensation Committee granted Mr. McRae an additional 66,667 stock options. The stock options granted in 2011 and 2013 have both service- and performance-based vesting conditions. All of the options granted to Messrs. Hitchcock, de Cárdenas, McRae and DiFonzo vest over a period of five years, with 15% of the options vesting on December 31 of each calendar year beginning in the year of grant, based on continuous service of the employee and 5% of the options (the “performance-based options”) vesting on a date on or within 90 days following December 31 of each calendar year if, as of such date, the Compensation Committee has determined that the Adjusted EBITDA as of such December 31 equals or exceeds the applicable Adjusted EBITDA Target for such year. If the Adjusted EBITDA as of the end of any calendar year is less than the applicable Adjusted EBITDA Target with respect to such year, that portion of the option that was subject to vesting with respect to such year will become vested on a date on or within 90 days following the first December 31 thereafter if, as of such date, the Compensation Committee has determined that (A) the Adjusted EBITDA as of such December 31 equals or exceeds the applicable Adjusted EBITDA Target for such year and (B) the Cumulative EBITDA equals or exceeds the applicable Cumulative EBITDA Target through such December 31. The Compensation Committee granted Mr. Gordon 666,667 options in April 2011 and 400,000 additional options in July 2011, Mr. Brøgger 300,000 stock options in 2013, and Mr. Hatfield 400,000 stock options in 2012. The options granted to Messrs. Gordon, Brøgger and Hatfield are subject to the same vesting schedule as those granted to Messrs. Hitchcock, de Cárdenas, McRae and DiFonzo.

The Compensation Committee chose Adjusted EBITDA as the performance metric for the stock options because it believes such metric provides a balanced, comprehensive measurement of the Company’s overall financial performance, and focused executives and other plan participants on profitable growth. The goals established by the Compensation Committee were intended to be challenging but achievable based upon the Company’s strategic plan. The Adjusted EBITDA target for 2014 was \$444 million and the cumulative Adjusted EBITDA target for 2014 was \$1,439 million for options granted in 2011 and \$822 million for options granted in 2013. The performance-based options for calendar year 2014 did not vest because the Adjusted EBITDA target for 2014 was not achieved. In August 2013 the Compensation Committee granted Mr. Hitchcock 17,241 shares of restricted stock that vest ratably over a three year period in recognition of his efforts to complete the MACH acquisition. In September 2014, the Compensation Committee granted Mr. de Cárdenas 17,241 shares of restricted stock that vest ratably over a three year period in recognition of his efforts as President and General Manager, Enterprise and Intelligence Solutions and his promotion to President of Global Sales and Services, Chief Sales Officer.

Other Compensation. We do not currently provide a defined benefit pension plan, deferred compensation program, post-retirement health coverage, or similar benefits for our executives or employees. In 2014, Messrs. Gray, Hitchcock, de Cárdenas, McRae, DiFonzo, Gordon and Hatfield were eligible to participate, during the term of their employment, in the employee benefit plans provided to all U.S. employees, which included the following:

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- a 401(k) plan, pursuant to which participants received a 2% core contribution and a 3% company match assuming they contribute at least 4% to the plan, up to the federal limit;
- health, dental and insurance plans; all employees, including executives, pay a portion of premiums due for health coverage; and
- basic employee life insurance and accidental death and dismemberment coverage equal to the lesser of one times base salary or \$350,000 as well as short-term disability coverage at no cost to the employee.

The U.S.-based NEOs also received enhanced long-term disability insurance benefits in the amount of 66.67% of monthly covered earnings up to a maximum of \$25,000 per month, which is generally payable until age 65 or for specified shorter periods after age 65.

Until his termination date in October 2014 Mr. Brøgger participated in the employee benefit plans provided to all Luxembourg employees, which included the following:

- group life insurance, death and disability benefits;
- Company subsidized lunch vouchers; and
- Luxembourg State Pension Scheme, pursuant to which the Company contributes 8% of base salary up to a monthly €10,000 cap.

### Employment and Termination Agreements

In May 2014, our parent entered into amended and restated employment agreements with Messrs. Hitchcock, de Cárdenas and Gordon. Messrs. McRae and DiFonzo do not have employment agreements; however, both are entitled to certain severance benefits pursuant to letter agreements with the Company. Our parent also maintained an employment agreement with Mr. Brøgger, which was required by Luxembourg law, and Mr. Hatfield. We entered into termination agreements with Messrs. Gordon and Brøgger in August 2014 in order to memorialize the terms of their departure.

The Compensation Committee believes the employment agreements are appropriate because they help the Company retain these talented executives.

For a description of the material terms of the employment agreements, the severance benefits available under such agreements, and the severance benefits available pursuant to the letter agreements, see the “Material Terms of Employment Agreements” following “Grants of Plan-Based Awards,” and “Potential Payments Upon Termination of Employment or Change in Control.”

### 2015 Compensation Arrangement with Mr. Gray

On February 24, 2015, the Board approved Mr. Gray as our permanent President and Chief Executive Officer. In connection with such determination, we entered into an employment agreement with Mr. Gray, effective February 25, 2015, which provides for an initial base salary of \$750,000 and an annual bonus opportunity of 100% of base salary. In addition, the Board granted Mr. Gray restricted stock units, which vest 40% on February 25, 2016, 35% on February 25, 2017 and 25% on February 25, 2018, and stock options, which vest 25% on each of February 25, 2016, 2017, 2018 and 2019, in each case subject to his continued employment with us. Mr. Gray also received a signing bonus of \$1,300,000, which is subject to pro rata repayment if he is terminated for cause or he resigns without good reason (as such terms are defined in his employment agreement) prior to February 25, 2016. The employment agreement provides Mr. Gray with certain severance benefits in the event his employment is terminated without cause or he resigns for good reason.

### Compensation Committee Report

The members of the Company's Compensation Committee reviewed and discussed the above CD&A with management of the Company and, based on that review and discussion, recommended to the Board that the CD&A be included in this Annual Report on Form 10-K.



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By the Company's Compensation Committee

James A. Attwood, Jr. (Chairman)

Kevin L. Beebe

Julius Genachowski

Stephen C. Gray

Compensation Committee Interlocks and Insider Participation

As of December 31, 2014, the Compensation Committee consisted of Messrs. James A. Attwood, Jr. (Chairman), Kevin L. Beebe, Julius Genachowski and Stephen C. Gray. None of the members of our Compensation Committee was an officer or employee of the Company in 2014 or any time prior thereto or had any relationship with the Company requiring disclosure under Item 404 of Regulation S-K. None of our executive officers served as a member of the board or compensation committee of any other company whose executive officer(s) served as a member of our Board of Directors or our Compensation Committee.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$ (7))	Option Awards (\$ (7))	Non Equity Incentive Plan Compensation (\$ (8))	All Other Compensation (\$ (9))	Total (\$)
Stephen C. Gray (1) President, Chief Executive Officer and Director	2014	229,846	—	—	1,750,875	—	2,677	1,983,398
David W. Hitchcock	2014	445,692	—	—	—	—	13,000	458,692
Executive Vice President, Chief Financial and Administrative Officer	2013	420,000	13,765	(10) 249,995	—	332,987	12,847	1,029,594
	2012	420,000	—	—	—	364,242	12,597	796,839
Alfredo T. de Cárdenas Chief Sales Officer and President, Enterprise & Intelligence Solutions	2014	437,327	—	258,615	—	51,347	13,000	760,289
	2013	420,000	—	—	—	87,485	12,750	520,235
	2012	426,664	—	—	—	348,406	12,500	787,570
John T. McRae (2) Chief Information Officer	2014	309,231	—	—	—	27,627	12,848	349,706
Joseph DiFonzo (3) Chief Technology Officer	2014	330,000	—	—	—	—	13,000	343,000
	2013	283,654	—	—	359,025	164,039	12,804	819,522
Jeffrey S. Gordon (4) Former President and Chief Executive Officer	2014	480,692	—	—	—	—	963,603	1,444,295
	2013	599,038	—	—	—	620,474	12,865	1,232,377

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	2012	500,000	—	—	—	578,163	12,615	1,090,778
Morten Brøgger (5)	2014	303,431 (11)	—	—	—	—	123,934	427,365
Former Chief Sales Officer	2013	239,618 (11)	183,753 (12)	—	—	2,154,150 224,508	9,511	2,811,540
Scott Hatfield (6)	2014	15,385	—	—	—	—	428,666	444,051
Former Chief Technology Officer	2013	400,000	—	—	—	77,764	12,750	490,514
	2012	400,000	—	—	—	2,368,120 309,694	12,500	3,090,314

(1) Mr. Gray became our Interim President and Chief Executive Officer on August 26, 2014, and our permanent President and Chief Executive Officer on February 25, 2015.

(2) Mr. McRae became our Chief Information Officer in September 2014. He was not a named executive officer in 2013 or 2012.

(3) Mr. DiFonzo was promoted to Chief Technology Officer in August 2013. He was not a named executive officer in 2012.

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- (4) Mr. Gordon separated from the Company in August 2014.
- (5) Mr. Brøgger joined Syniverse in June 2013. Compensation for services to MACH prior to its acquisition by the Company is not included in this table. He separated from the Company in August 2014.
- (6) Mr. Hatfield separated from the Company on January 3, 2014.  
 Reflects the grant date fair value of stock and option awards granted in the applicable year, determined in accordance with the accounting guidance for share-based compensation. The assumptions used in the calculation of the grant date fair values of the option awards are included in Note 12 to our consolidated financial statements. The grant date fair value of the performance-based option awards granted in 2013 to Messrs. DiFonzo and Brøgger and in 2012 to Mr. Hatfield is computed based upon the probable outcome of the applicable performance conditions as of the date of grant, which was assumed at target performance. The following is the grant date fair value of the performance-based option awards granted during 2013 and 2012 assuming that the highest level of performance conditions was achieved: Mr. DiFonzo and Mr. Brøgger, \$7.18 and Mr. Hatfield, \$5.92.
- (7) Reflects the annual non-equity incentive bonuses earned during the applicable year. Bonus amount for Mr. Brøgger for 2013 includes the MACH bonus payout scheme for the first six months of 2013 prior to the acquisition, which was paid in 2014 together with his bonus payment for the second half of 2013 under our annual incentive plan. The amount for Mr. Brøgger was converted to U.S. dollars based on the Euro to U.S. Dollar exchange rate as of December 31, 2013.  
 The amounts for 2014 reflect the 401(k) Core contribution of \$2,677 for Mr. Gray, the 401(k) Core and Company Match contributions of \$13,000 for Messrs. Gordon, Hitchcock, de Cárdenas and DiFonzo, \$12,848 for Mr. McRae and \$769 for Mr. Hatfield. For Mr. Gordon, the amounts for 2014 also include the following amounts paid or payable in connection with his separation from the Company: a paid-time off payment of \$15,603; severance of \$220,000; and target bonus of \$715,000. For Mr. Hatfield, the amounts for 2014 also include the following amounts paid or payable in connection with his separation from the Company: a paid-time off payment of \$43,281 and severance of \$384,615. For Mr. Brøgger, the amounts for 2014 also include a car allowance of \$10,150, severance of \$75,858 and a payment in consideration of a noncompete of \$37,927. These amounts were converted to U.S. dollars based on the Euro to U.S. Dollar exchange rate on the date paid.
- (9)
- (10) Reflects special bonus paid to significant contributors in completing the MACH acquisition.
- (11) This amount was converted to U.S. dollars based on the Euro to U.S. Dollar exchange rate on the date paid.  
 Includes Retention Bonus related to the MACH acquisition paid in December 2013. Does not include MACH
- (12) closing bonuses of \$1,134,813 related to the MACH acquisition. These amounts were converted to U.S. dollars based on the Euro to U.S. Dollar exchange rate on the date paid.

2014 Grants of Plan-Based Awards

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			All Other Stock Awards: Number of Shares of Stock Units(2)	All Other Option Awards: Number of Securities Underlying Options (#)(3)	Exercise or Base Price of Option Awards (\$/Sh) (4)	Grant Date Fair Value of Stock and Option Awards (\$)(5)
		Threshold (\$)	Target (\$)	Maximum (\$)				
Mr. Gray	12/12/14	348,000	696,000	1,044,000		350,000	11.25	1,750,875
Mr. Hitchcock		184,000	368,000	552,000				
Mr. de Cárdenas	9/12/14	184,000	368,000	552,000	17,241			258,615
Mr. McRae		99,000	198,000	297,000				

Mr. DiFonzo	99,000	198,000	297,000
Mr. Gordon	357,500	715,000	1,072,500
Mr. Brøgger	159,302	318,604	477,906
Mr. Hatfield	140,000	280,000	420,000

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Represents potential threshold, target and maximum payout opportunities under the annual incentive plan excluding strategic initiative multipliers of between 80% and 120%. If the 80% multiplier is applied, the threshold payment would be \$278,400, \$147,200, \$147,200, \$79,200, \$79,200, \$286,000, \$127,442 and \$112,000 for Messrs. Gray, Hitchcock, de Cárdenas, McRae, DiFonzo, Gordon, Brøgger and Hatfield, respectively. If the 120% multiplier is applied, the maximum payout would be \$1,252,800, \$662,400, \$662,400, \$356,400, \$356,400, \$1,287,000, \$573,487 and \$504,000 for Messrs. Gray, Hitchcock, de Cárdenas, McRae, DiFonzo, Gordon, Brøgger and Hatfield, respectively. Actual amounts earned under the annual incentive plan are reported in the Non-Equity Incentive Plan Compensation column of the Summary Compensation table.

(1) Reflects restricted stock awards with service-based vesting requirements.

(2) Reflects option awards with service-based vesting requirements.

(3) The exercise price is the fair market value of Syniverse Corporation's common stock on the grant date.

(4) Reflects the grant date fair value of the option awards, determined in accordance with applicable share-based compensation accounting guidance. The assumptions used in the calculation of the grant date fair values of the option awards are included in Note 12 to our consolidated financial statements.

**Material Terms of Employment Agreements**

The amended and restated employment agreements with Messrs. Hitchcock and Mr. de Cárdenas have an initial term of three years, ending on May 1, 2017. The terms of each of these agreements automatically extend for additional one-year periods unless either party gives prior notice of non-renewal. The Company also maintained employment agreements with each of Messrs. Gordon, Brøgger and Hatfield prior to their separation from the Company. The employment agreements with Messrs. Gordon and Hatfield also had an initial term of three years, with automatic one-year extensions, in the case of Mr. Gordon. The employment agreement with Mr. Brøgger was for an indefinite period. The agreements provide for a base salary and target annual incentive opportunities discussed above in the Compensation Discussion & Analysis. Additionally, Mr. Gordon was entitled to have his dues and fees related to his membership in his country club reimbursed, as well as first-class air travel domestically and business-class air travel internationally reimbursed if he is traveling on business. Mr. Brøgger was entitled to a car lease allowance of €1000 per month as well as a fuel card until the end of his current lease, after which he was entitled to a car allowance of €2000 per month to cover all car expenses, including fuel. Mr. Brøgger was also entitled to reimbursement of his home internet connection and mobile phone expenses. The employment agreements also specify the payments and benefits to which such executives are entitled upon a termination of employment for specified reasons. For more information on the severance benefits provided in the employment agreements, including the definition of a change in control, cause and good reason, and the estimated value of benefits to the NEOs under the employment agreements applicable to them upon a change in control or the termination of their employment as of December 31, 2014, see "Executive Compensation - Potential Payments Upon Termination of Employment or Change in Control."

As discussed above in the Compensation Discussion and Analysis, in connection with Mr. Gray's appointment as our permanent Chief Executive Officer, the Company entered into an employment agreement with Mr. Gray, effective February 25, 2015. Mr. Gray's employment agreement has an initial term of three years, ending on February 25, 2018. The term of his agreement automatically extends for additional one-year periods unless either party gives prior notice of non-renewal. Mr. Gray did not have an employment agreement with the Company prior to February 25, 2015. Messrs. McRae and DiFonzo do not have employment agreements with the Company.

**Outstanding Equity Awards at Fiscal Year End**

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Name	Option Awards					Stock Awards		
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	
Mr. Gray	18,000 —	12,000 350,000	— (1) —	10.00 11.25	4/6/2021 12/12/2024			
Mr. Hitchcock	466,667 93,333	100,000 20,000	(2) 100,000 (3) 20,000	(7) 10.00 (7) 10.00	04/06/21 07/01/21	11,494	(9 ) 129,308	(10)
Mr. de Cárdenas	466,667 93,333	100,000 20,000	(2) 100,000 (3) 20,000	(7) 10.00 (7) 10.00	4/6/2021 7/1/2021	17,241	(11) 193,961	(10)
Mr. McRae	93,333 20,000	20,000 30,000	(3) 20,000 (4) 16,667	(7) 10.00 (8) 14.50	4/6/2021 10/28/2023			
Mr. DiFonzo	70,000 15,000	15,000 22,500	(5) 15,000 (6) 12,500	(7) 10.00 (8) 14.50	04/06/21 09/06/23			
Mr. Gordon	546,667 328,000	— —	— —	10.00 10.00	4/6/2021 7/1/2021			
Mr. Brøgger	45,000	—	—	14.50	9/6/2023			
Mr. Hatfield	—	—	—	—				

(1) 175,000 options vest on December 12, 2015 and December 12, 2016, provided that the executive remains in continuous service on each applicable vesting date.

(2) 100,000 options vest on December 31, 2015, provided that the executive remains in continuous service on each applicable vesting date.

(3) 20,000 options vest on December 31, 2015, provided that the executive remains in continuous service on each applicable vesting date.

(4) 10,000 options vest on each of December 31, 2015, December 31, 2016 and December 31, 2017, provided that the executive remains in continuous service on each applicable vesting date.

(5) 15,000 options vest on each of December 31, 2015, provided that the executive remains in continuous service on each applicable vesting date.

(6) 7,500 options vest on each of December 31, 2015, December 31, 2016 and December 31, 2017, provided that the executive remains in continuous service on each applicable vesting date.

(7)

The options will become vested and exercisable provided that the executive remains in continuous service through the date that the Compensation Committee determines whether the respective EBITDA Targets or Cumulative EBITDA Targets have been met, as follows: (i) an installment consisting of one-third of the options will become vested and exercisable on a date on or within 90 days following December 31, 2015 if, as of such date, the Compensation Committee has determined that the EBITDA as of December 31, 2015 equals or exceeds the applicable EBITDA Target for such year; and (ii) an installment consisting of two-thirds of the options will become vested and exercisable on a date on or within 90 days following December 31, 2015 if, as of such date, the Compensation Committee has determined that (A) the EBITDA as of December 31, 2015 equals or exceeds the applicable EBITDA Target for 2015 and (B) the Cumulative EBITDA equals or exceeds the applicable Cumulative EBITDA Target through December 31, 2015.

The options will become vested and exercisable provided that the executive remains in continuous service through the date that the Compensation Committee determines whether the respective EBITDA Targets or Cumulative EBITDA Targets have been met as follows. An installment consisting of one fifth of the options will become (8) vested and exercisable on a date on or within 90 days following December 31 of each calendar year 2015 through 2017 if, as of such date, the Compensation Committee has determined that the EBITDA as of such December 31 equals or exceeds the applicable EBITDA Target for such year. In addition if the EBITDA as of the end of any calendar year 2015 through 2017 equals or

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exceeds the applicable EBITDA Target for such year, an installment equal to two-fifths of such options will become vested and exercisable if the Compensation Committee determines that the Cumulative EBITDA equals or exceeds the applicable Cumulative EBITDA Target through such December 31. If the EBITDA as of the end of any calendar year 2015 through 2017 is less than the applicable EBITDA Target with respect to such year, one fifth of the option will become vested and exercisable on a date on or within 90 days following the first December 31 thereafter if, as of such date, the Compensation Committee has determined that (A) the EBITDA as of such December 31, equals or exceeds the applicable EBITDA Target for such year and (B) the Cumulative EBITDA equals or exceeds the applicable Cumulative EBITDA Target through such December 31.

(9) 5,747 shares vest on each of August 16, 2015 and August 16, 2016, provided that the executive remains in continued service through each applicable vesting date.

(10) Based on fair market value of Syniverse Corporation common stock of \$11.25 as of December 31, 2014.

(11) 5,747 shares vest on each of September 12, 2015, September 12, 2016 and September 12, 2017, provided that the executive remains in continued service through each applicable vesting date.

Potential Payments Upon Termination of Employment or Change in Control

Messrs. Hitchcock and de Cárdenas

The employment agreements with Messrs. Hitchcock and de Cárdenas specify the payments and benefits to which each are entitled upon a termination of employment for specified reasons. Pursuant to their employment agreements, each executive will be entitled to receive severance benefits if (i) the executive's employment is terminated by the Company without cause or by reason of the executive's disability, (ii) the executive resigns for good reason, (iii) the executive's employment terminates by reason of the Company's non-renewal of the agreement, (iv) the executive's employment terminates by reason of his death, or (v) the executive's employment is terminated purportedly for cause but without following the specified procedures for such a termination in the agreement. In each such case, the executive will be entitled to the following benefits: (i) a severance payment equal to one times his then-current base salary, payable in installments over one year; (ii) an amount equal to his target bonus for the then-current fiscal year, payable at such time as the bonus would have been paid absent the executive's termination of employment; and (iii) payment of the employee-portion of any COBRA premiums for 12 months. In addition, all of Messrs. Hitchcock's and de Cárdenas' stock options granted in 2011 will become vested and exercisable and all of Mr. Hitchcock's restricted stock granted in 2013 will become vested,

In addition, a portion of Mr. de Cárdenas' restricted stock granted in 2014 will become vested, based upon the date of termination, as follows:

• if the date of termination occurs during the period beginning on May 1, 2014 and ending on December 30, 2015, 67% of the restricted stock will automatically become vested;

• if the date of termination occurs during the period beginning on December 31, 2015 and ending on December 30, 2016, 100% of the restricted stock will automatically become vested; and

• if the date of termination occurs during the 180-day period prior to a change in control of the Company, all of such restricted stock will automatically become vested.

For purposes of Messrs. de Cárdenas and Hitchcock's employment agreement, "Cause" generally means the commission of a felony or crime involving moral turpitude or the commission of fraud; conduct tending to bring substantial public disgrace or disrepute on the Company; substantial and repeated failure to perform duties; gross negligence or willful misconduct with respect to the Company; or breach of the executive's covenants regarding confidentiality, noncompetition, nonsolicitation and/or nondisparagement. "Good Reason" generally means requiring the executive to relocate outside of a 50 mile radius from the executive's current employment location; assigning the executive duties which, in the aggregate, represent a material diminution in executive's title, authority or responsibilities; reducing the base salary of the executive; materially reducing, in the aggregate, the benefits the executive receives other than as a reduction in benefits generally applicable to senior executives of the Company; or in connection with a change in control prior to an initial public offering, the failure of the acquiring entity to assume the employment agreement.



In addition, Messrs. de Cárdenas and Hitchcock's employment agreements provide that the executives' unvested stock options will become immediately vested upon a change in control, provided that the executive is employed by us on the date of the change in control. For purposes of Messrs. de Cárdenas and Hitchcock's employment agreements, "Change in Control" generally means any transaction or series of transactions pursuant to which any person or group other than Carlyle in the aggregate acquire(s) (a) beneficial ownership of equity securities of our parent possessing the voting power to elect a majority of the Board

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of Directors (whether by merger, consolidation, reorganization, combination, sale or transfer of our parent's equity, securityholder or voting agreement, proxy, power of attorney or otherwise), or (b) all or substantially all of our parent's assets determined on a consolidated basis.

Pursuant to their employment agreements Messrs. de Cárdenas and Hitchcock have agreed to limitations on his ability to disclose any of the Company's confidential information, and acknowledged that all inventions relating to his employment belong to the Company. Messrs. de Cárdenas and Hitchcock have also agreed not to compete with us anywhere in the world or to solicit our employees for a period of one year following the termination of his employment with the Company.

Messrs. McRae and DiFonzo

Pursuant to letter agreements with the Company, if Messrs. McRae's or DiFonzo's employment is terminated by the Company without cause, the executive will be entitled to a severance payment equal to one times his then-current base salary, payable in installments over one year. Pursuant to their stock option agreements, Messrs. McRae's and DiFonzo's stock options will become fully vested and exercisable if their employment is terminated without cause within the 12-month period immediately following a change in control. For purposes of Messrs. McRae's and DiFonzo's stock option agreements, "Cause" generally means the failure to substantially perform the executive's duties; failure to carry out, or comply with any lawful and reasonable directive of the Board of Directors or the executive's immediate supervisor; the commission, conviction, plea of no contest, plea of nolo contendere, or imposition of unadjudicated probation for any felony, indictable offense or crime involving moral turpitude; unlawful use or possession of illegal drugs on the Company's premises or while performing the executive's duties and responsibilities; or the commission of an act of fraud, embezzlement, misappropriation, misconduct or breach of fiduciary duty against the Company. "Change in Control" has the same meaning as provided above for Messrs. Gordon and Hitchcock.

Summary of Potential Payments Upon Termination of Employment or Upon the Occurrence of a Change in Control  
The following table shows the estimated value of benefits to Messrs. Gray, Hitchcock, de Cárdenas, McRae and DiFonzo if their employment had been terminated under the various circumstances described below as of December 31, 2014, or upon the occurrence of a Change in Control. The amounts shown in the table exclude accrued but unpaid base salary, unreimbursed employment-related expenses, accrued but unpaid vacation pay (which payments and reimbursements would be made to all salaried employees), distributions under our 401(k) retirement plan (which plan is generally available to all of our salaried employees), and the value of equity awards that were vested by their terms as of December 31, 2014. A summary of termination arrangements with Messrs. Gordon, Brøgger and Hatfield, each of whom separated from the Company prior to December 31, 2014, may be found following the table.

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	Qualifying Termination (Not in Connection with a Change in Control) (\$) (9)	Qualifying Termination (Following or in Connection with a Change in Control) (\$) (9)	Termination Other than a Qualifying Termination (Not in Connection with a Change in Control) (\$) (9)	Change in Control (Absent Termination)	Disability (10)
Mr. Gray (1)					
Salary	—	—	—	—	—
Bonus	—	—	—	—	—
COBRA Premium	—	—	—	—	—
Value of Unvested Options	—	—	—	—	—
TOTAL	—	—	—	—	—
Mr. Hitchcock					
Salary (2)	460,000	460,000	—	—	460,000
Bonus (3)	368,000	368,000	—	—	368,000
COBRA Premium (4)	17,549	17,549	—	—	17,549
Value of Unvested Restricted Stock (5)(8)	129,308	129,308	—	—	129,308
Value of Unvested Options (6)(7)(8)	150,000	300,000	—	300,000	150,000
TOTAL	1,124,857	1,274,857	—	300,000	1,124,857
Mr. de Cárdenas					
Salary (2)	460,000	460,000	—	—	460,000
Bonus (3)	368,000	368,000	—	—	368,000
COBRA Premium (4)	19,005	19,005	—	—	19,005
Value of Unvested Restricted Stock (5)(8)	129,954	193,961	—	—	129,953
Value of Unvested Options (6)(7)(8)	150,000	300,000	—	300,000	150,000
TOTAL	1,126,959	1,340,966	—	300,000	1,126,958
Mr. McRae					
Salary (2)	330,000	330,000	—	—	—
Value of Unvested Options (7)(8)	—	50,000	—	—	—
TOTAL	330,000	380,000	—	—	—
Mr. DiFonzo					
Salary (2)	330,000	330,000	—	—	—
Value of Unvested Options (7)(8)	—	37,500	—	—	—
TOTAL	330,000	367,500	—	—	—

(1) Mr. Gray was not entitled to any severance benefits as of December 31, 2014.

(2) Reflects the executive's base salary as of December 31, 2014 which amount would be payable in installments over one year.

(3) Reflects 100% of the executive's 2014 target bonus as of December 31, 2014, payable at such time as the bonus would have been paid absent the executive's termination of employment.

(4) Represents an estimated value, based on current rates, for payment of the employee-portion of any COBRA premiums for 12 months.

Pursuant to Mr. Hitchcock's employment agreement, if his date of termination occurs during the period beginning on December 31, 2014 and ending on December 30, 2015, 100% of his restricted stock granted on August 16, 2013 (5) will automatically become vested. Pursuant to Mr. de Cárdenas' employment agreement, if the date of termination occurs during the period beginning on May 1, 2014 and ending on December 30, 2015, 67% of the restricted stock will automatically become vested.

Pursuant to the executive's employment agreement, if the executive's date of termination occurs during the period beginning on December 31, 2014 and ending on December 30, 2015, 100% of the time-vesting options (75% of the (6) options) granted on April 6, 2011 and July 1, 2011, will automatically become vested and exercisable. In addition, upon the occurrence of a change in control, all of the executives' stock options automatically become vested and exercisable.

Pursuant to the executive's stock option agreement, if the executive's employment is terminated within the 12-month (7) period immediately following a change in control, all of the executives' stock options automatically become vested and exercisable.

For purposes of this calculation, the value of the unvested stock options is based on the difference between the fair (8) market value of our common stock on December 31, 2014 (\$11.25) and the exercise price of the unvested option.

Excludes any

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unvested stock options having an exercise price that is greater than the fair market value of our common stock on December 31, 2014 (\$11.25). The value of unvested shares of restricted stock is based on the fair market value of our common stock on December 31, 2014 (\$11.25).

For purposes of the table, the term “Qualifying Termination” for each executive refers to a termination of (9) employment that would trigger severance payments for such executive as described above in the narrative to this table.

(10) If an executive meets the requirements for disability under our long-term disability plan he is also entitled to receive benefits under our long-term disability plan.

Mr. Gordon

As discussed earlier, Mr. Gordon separated from the Company on August 20, 2014. In connection with his separation, Mr. Gordon has received, or will receive, the following benefits, pursuant to the terms of his employment agreement: (i) continuation of base salary (\$715,000) for twenty-four months, (ii) a single lump sum payment equal to his 2014 target bonus (\$715,000), and (iii) payment of the employee-portion of any COBRA premiums for the shorter of 12 months or the time during which he is eligible for COBRA. In addition, 90% of the time-vesting option (67.5% of the option) granted on April 6, 2011 and July 1, 2011 automatically became vested and exercisable upon his termination of employment.

Mr. Hatfield

As discussed earlier, Mr. Hatfield separated from the Company on January 3, 2014. In connection with his separation, Mr. Hatfield has received, or will receive, the following benefits, pursuant to the terms of his employment agreement: (i) continuation of base salary (\$400,000) for twelve months, (ii) annual bonus for fiscal year 2013 at the greater of target (70% of base salary) or actual performance, (iii) payment of the employee-portion of any COBRA premiums for the shorter of 12 months or the time during which he is eligible for COBRA. In addition, 60,000 options automatically became vested and exercisable upon his termination of employment.

Mr. Brøgger

As discussed earlier, Mr. Brøgger separated from the Company on August 11, 2014. In connection with his separation, Mr. Brøgger has received, or will receive, the following benefits: (i) a continuation of his base salary (\$455,149) as notice pay, payable in accordance with the Company’s general payroll practices during each of August, September and October 2014; and (ii) an amount equal to \$189,644 as termination and severance pay, payable ratably at the end of each month for the ten month period beginning on November 1 2014 and ending on August 31, 2015; and (iii) a single lump sum payment of \$189,644 payable in a single lump sum on August 31, 2015.

2015 Compensation Arrangement with Mr. Gray

As discussed earlier, the Company entered into an employment agreement with Mr. Gray, effective February 25, 2015, which provides certain severance benefits in the event his employment is terminated without cause or he resigns for good reason. Specifically, if (i) his employment is terminated by the Company without cause or by reason of his disability, (ii) he resigns for good reason, (iii) his employment terminates by reason of the Company’s non-renewal of the agreement, (iv) his employment terminates by reason of his death, or (v) his employment is terminated purportedly for cause but without following the specified procedures for such a termination in the agreement, then he will be entitled to the following benefits: (i) a severance payment equal to one times his then-current base salary, payable in installments over one year; (ii) an amount equal to his target bonus for the then-current fiscal year, payable at such time as the bonus would have been paid absent the executive’s termination of employment; and (iii) payment of the employee-portion of any COBRA premiums for 12 months. In addition, a portion of Mr. Gray’s restricted stock units (RSUs) granted on February 25, 2015 will become vested, based upon the date of termination, as follows:

• if the date of termination occurs during the period beginning on February 25, 2015 and ending on February 25, 2016, 40% of the RSUs will automatically become vested;

• if the date of termination occurs during the period beginning on February 26, 2016 and ending on February 25, 2017, 75% of the RSUs will automatically become vested;

• if the date of termination occurs during the period beginning on February 26, 2017 and ending on February 25, 2018, 100% of the RSUs will automatically become vested; and



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if the date of termination occurs during the 180-day period prior to a change in control of the Company, all of the RSUs will automatically become vested.

Similarly, a portion of Mr. Gray's stock option granted on February 25, 2015 will become vested, based upon the date of termination, as follows:

if the date of termination occurs during the period beginning on February 25, 2015 and ending on February 25, 2016, 25% of the option will automatically become vested and exercisable;

if the date of termination occurs during the period beginning on February 26, 2016 and ending on February 25, 2017, 50% of the option will automatically become vested and exercisable;

if the date of termination occurs during the period beginning on February 26, 2017 and ending on February 25, 2018, 75% of the option will automatically become vested and exercisable;

if the date of termination occurs during the period beginning on February 26, 2018 and ending on February 25, 2019, 100% of the option will automatically become vested and exercisable in full; and

if the date of termination occurs during the 180-day period prior to a change in control of the Company, 100% of the option will automatically become vested.

#### Compensation Risk Assessment

We have analyzed the potential risks arising from our compensation policies and practices and determined that there are no such risks that are reasonably likely to have a material adverse effect on the Company.

#### 2014 Director Compensation

In 2014, each director not employed by The Carlyle Group or the Company on January 1, 2014, received an annual retainer of \$60,000. The Chairman of the Audit Committee received an additional \$15,000 and each non-Chair member of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee received an additional \$7,500. Each director may elect to receive up to fifty percent of his cash fees in the form of shares of our parent's common stock. In 2014, no director made such an election. In addition, on April 6, 2011, Messrs. Ranelli, Beebe and Gray received a one-time grant of 30,000 stock options, which stock options have a \$10.00 exercise price and vest in five equal annual installments beginning on the one-year anniversary of the date of grant. On April 6, 2011 Mr. Holcombe, who was then President and Chief Executive Officer of the Company, received a one-time grant of 1,333,333 stock options, 75% of which were scheduled to vest in five equal annual installments beginning on December 31, 2011 ("time based options") and 25% of which were scheduled to vest in five equal annual installments beginning on December 31, 2011 depending upon the financial performance of the Company. On July 1, 2011, Mr. Holcombe, in connection with his retirement, forfeited all but 50,000 of his time based options which have an exercise price of \$10.00 and vest in five equal annual installments beginning on December 31, 2011.

The following table provides information about the compensation earned by members of the Board of Directors during 2014.

#### 2014 Director Compensation Table

Name (1)	Fees Earned or Paid in Cash (\$)	Total
James A. Attwood, Jr.	—	—
Tony G. Holcombe	67,500	67,500
Kristen Ankerbrandt	—	—
Kevin L. Beebe	75,000	75,000
Julius Genachowski	—	—
Stephen C. Gray	82,500	82,500
Mark J. Johnson	—	—
Raymond A. Ranelli	75,000	75,000





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(1) As of December 31, 2014, the Directors held the number of outstanding option awards listed below:

	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)	Option Expiration Date
James A. Atwood, Jr.	—	\$—	
Tony G. Holcombe	50,000	\$10.00	7/1/2021
Kristen Ankerbrandt	—	\$—	
Kevin L. Beebe	30,000	\$10.00	4/6/2021
Julius Genachowski	—	\$—	
Stephen C. Gray	30,000	\$10.00	4/6/2021
Mark J. Johnson	—	\$—	
Raymond A. Ranelli	30,000	\$10.00	4/6/2021

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

We are an indirect, wholly-owned subsidiary of Syniverse Corporation, a Delaware corporation. All of our outstanding capital stock is owned by The Carlyle Group and certain of its affiliates and co-investors, except as discussed below.

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of February 28, 2015 for:

• each of our named executive officers;

• each of our directors;

• all of our named executive officers and directors as a group; and

• each person, or group of affiliated persons, known by us to beneficially own more than 5% of our common stock.

We have determined beneficial ownership in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Except as indicated by the footnotes below, to our knowledge, the persons and entities named in the table below have sole voting and sole investment power with respect to all shares of common stock that they beneficially owned, subject to applicable community property laws. Applicable percentage ownership is based on 120,390,962 shares of common stock outstanding at February 28, 2015. In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of such person, we deemed to be outstanding all shares of common stock subject to equity awards held by the person that are currently exercisable or exercisable within 60 days of February 28, 2015. We did not deem such shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o Syniverse Corporation, 8125 Highwoods Palm Way, Tampa, FL 33647.

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Name of Beneficial Owner	Beneficial Ownership		
	Number	Percent	
Funds Affiliated with the Carlyle Group (1)	120,000,000	99.7	%
Named Executive Officers:			
Stephen C. Gray (2)	34,000	*	
David W. Hitchcock (3)	577,241	*	
Alfredo T. de Cárdenas (4)	587,241	*	
John T. McRae (5)	123,333	*	
Joseph DiFonzo (6)	85,000	*	
Jeffrey S. Gordon (7)	874,667	*	
Morten Brøgger (8)	45,000	*	
Scott A. Hatfield	—	*	
Directors:			
James A. Attwood, Jr.	—	*	
Tony G. Holcombe (9)	90,000	*	
Kristen Ankerbrandt	—	*	
Kevin L. Beebe (10)	124,000	*	
Julius Genachowski	—	*	
Mark J. Johnson	—	*	
Raymond A. Ranelli (11)	44,409	*	
All executive officers and directors as a group (19 persons) (12)	3,254,372	2.7	%

\* Less than 1%

- Represents shares held by the following investment funds associated with Carlyle: Carlyle Partners V, L.P., Carlyle Partners V-A, L.P., CP V Coinvestment A, L.P., and CP V Coinvestment B, L.P. and Carlyle Syniverse Co-Investment L.P., which are together referred to as the “Carlyle Funds.” Carlyle Partners, V, L.P. holds 101,609,306 shares, Carlyle Partners V-A, L.P. holds 2,045,017 shares, CP V Coinvestment A, L.P. holds 3,574,000 shares, and CP V Coinvestment B, L.P. holds 731,677 shares and Carlyle Syniverse Co-Investment L.P. holds 12,040,000 shares. Carlyle Group Management L.L.C. is the general partner of The Carlyle Group L.P., which is a publicly traded entity listed on NASDAQ. The Carlyle Group L.P. is the managing member of Carlyle Holdings II GP L.L.C., which is the general partner of Carlyle Holdings II L.P., which is the general partner of TC Group Cayman Investment Holdings, L.P., which is the general partner of TC Group Cayman Investment Holdings (1) Sub L.P., which is the managing member of TC Group V, L.L.C., which is the general partner of TC Group V, L.P., which is the general partner of each of the Carlyle Funds. Voting and investment determinations with respect to the shares held by the Carlyle Funds are made by an investment committee of TC Group V, L.P. comprised of the following persons: Daniel D’Aniello, William Conway, David Rubenstein, Kewsong Lee, Louis Gerstner, Allan Holt, Peter Clare, Gregor Boehm and Thomas Mayrhofer. Each member of the investment committee of TC Group V, L.P. disclaims beneficial ownership of such shares. The address of TC Group Cayman Investment Holdings, L.P. and TC Group Cayman Investment Holdings Sub L.P. is c/o Walkers Corporate Services Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands. The address of each of the other persons or entities named in this footnote is c/o The Carlyle Group, 1001 Pennsylvania Ave., N.W., Suite 220 South, Washington, DC 20004.
- (2) Mr. Gray also serves as a director of the Company. Includes 10,000 shares owned, 18,000 vested options and 6,000 options that will vest within 60 days of February 28, 2015.
- (3) Includes 560,000 vested options and 17,241 shares of restricted common stock.
- (4)

Includes 10,000 shares owned, 560,000 vested options and 17,241 shares of restricted common stock.

(5) Includes 10,000 shares owned and 113,333 vested options.

(6) Includes 85,000 vested options.

(7) Includes 874,667 vested options.

(8) Includes 45,000 vested options.

(9) Includes 50,000 shares owned and 40,000 vested options.

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- (10) Includes 100,000 shares owned, 18,000 vested options and 6,000 options that will vest within 60 days of February 28, 2015.
- (11) Includes 20,409 shares owned, 18,000 vested options and 6,000 options that will vest within 60 days of February 28, 2015.
- (12) Includes 255,409 shares owned, 2,904,590 vested options, 68,964 shares of restricted common stock and 18,000 options that will vest within 60 days of February 28, 2015.

## Equity Compensation Plan Information

The Company did not have any equity compensation plans in place as of December 31, 2014. However, the following table provides information as of December 31, 2014, about the securities our parent that may be issued under its existing equity compensation plans.

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights(2)	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))(3)
Equity Compensation Plans Approved by Stockholders (1)	8,212,746	\$ 11.15	3,638,026
Equity Compensation Plans Not Approved by Stockholders	—	—	—
Total	8,212,746	\$ 11.15	3,638,026

(1) 2011 Equity Incentive Plan (the “2011 Plan”).

(2) Reflects options outstanding under the 2011 Plan as of December 31, 2014.

(3) All of such shares are available for issuance pursuant to grants of full-value stock awards.

### ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE Procedures for Review, Approval or Ratification of Related Party Transactions

We maintain a related person transactions policy pursuant to which related persons, namely our executives, directors and principal stockholders, and their immediate family members, are not permitted to enter into certain transactions, or materially modify or amend an ongoing transaction, with us, in which the amount involved exceeds \$120,000, without the consent of our Audit Committee or any designated member of the Audit Committee. Any request for us to enter into or materially modify or amend certain such transactions is required to be presented to our Audit Committee for review, consideration and approval. All of our directors and executive officers are required to report any such related person transaction. In approving or rejecting the proposed transaction, our Audit Committee will take into account, among other factors it deems appropriate, whether the proposed related person transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person’s interest in the transaction. Under the policy, if we should discover related person transactions that have not been approved, our Audit Committee will be notified and will determine the appropriate action, including ratification, rescission or amendment of the transaction.

The Company asks its directors to complete a questionnaire each year that is designed to determine, among other things, whether the director is involved in any related person transactions with the Company. In addition, as part of its overall controls process the Company requires each officer of the Company to complete a questionnaire each quarter which specifically asks the officers if they are aware of any related person transactions.

Consulting Agreement with Carlyle

On January 13, 2011, Syniverse entered into a ten-year consulting agreement with Carlyle under which it pays Carlyle a fee for consulting services Carlyle provides to us and our subsidiaries. Under this agreement, subject to certain conditions, Syniverse pays an annual consulting fee to Carlyle of \$3.0 million, reimburses its out-of-pocket expenses and may pay Carlyle additional fees associated with other future transactions. Carlyle also received a one-time transaction fee of \$30.0 million on the effective date of the Merger.

During the years ended December 31, 2014 and 2013, Syniverse recorded \$3.1 million and \$3.4 million, respectively, associated with the consulting fee and the reimbursement of out-of-pocket expenses.

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During the year ended December 31, 2013, under the consulting agreement with Carlyle, Syniverse paid a \$10.0 million transaction fee associated with the acquisition of MACH and related debt issuance. Syniverse recorded \$5.0 million of the transaction fee in Acquisition expenses and \$5.0 million was included in capitalized financing costs. Carlyle, from time to time, participates as a debt holder within the syndication under our Term Loan Facilities.

**Employment Agreements**

See “Executive Compensation - Compensation Discussion and Analysis - Employment Agreements,” for a description of the employment agreements with our named executive officers.

**Director Independence**

Information on independence of our Board is included above under Item 10. “Directors, Executive Officers and Corporate Governance-Independence of Board Members.”

**ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES**

The following table presents fees for professional audit and other services rendered by our independent registered certified public accountants, Ernst & Young LLP, for the years ended December 31, 2014 and 2013.

(in thousands)	Year Ended	
	December 31, 2014	December 31, 2013
Audit fees (1)	\$2,777,142	\$2,650,363
Audit-related fees (2)	756,306	698,884
Tax fees (3)	22,676	3,300
All other (4)	1,995	1,995
Fees	\$3,558,119	\$3,354,542

(1) Audit fees include fees for our fiscal year-end audit and review of financial statements included in our Form 10-Q Quarterly Reports.

(2) Audit-related fees include fees for due diligence performed in connection with proposed acquisitions and internal control attestation services.

(3) Tax fees include fees for professional services rendered in connection with tax compliance.

(4) All other includes fees for the independent registered certified public accountants subscription-based research service in 2014 and 2013.

**Policy on Audit Committee Pre-Approval of Audit, Audit-Related and Permissible Non-Audit Services of the Independent Registered Certified Public Accountants**

The Audit Committee’s policy is to pre-approve all audit, audit-related and permissible non-audit services provided by the independent registered certified public accountants in order to assure that the provision of such services does not impair the auditor’s independence. These services may include audit services, audit-related services, tax services and other services. The Audit Committee has adopted pre-approval policies and procedures detailed as to particular services and particular amounts and delegated pre-approval authority to the chairman of the Audit Committee. Under this policy, the decision of any Audit Committee member to whom pre-approval authority has been delegated must be presented to the full Audit Committee at the next scheduled meeting. Management is required to periodically report to the Audit Committee regarding the extent of services provided by the independent registered certified public accountants in accordance with this pre-approval policy. During fiscal year 2014 and 2013, all services were pre-approved by the Audit Committee or a designated member of the Audit Committee in accordance with this policy.

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PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

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2. Financial Statement Schedule	
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All other schedules have been omitted since the required information is either not applicable or not present in amounts sufficient to require submission of the schedule, or because the information required is included in our consolidated financial statements or notes thereto.	
(b) See Exhibit Index	

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SYNIVERSE HOLDINGS, INC.

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REPORT OF INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholder of Syniverse Holdings, Inc.

We have audited the accompanying consolidated balance sheets of Syniverse Holdings, Inc. as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive loss, changes in stockholder equity and cash flows for each of the three years in the period ended December 31, 2014. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Syniverse Holdings, Inc. at December 31, 2014 and 2013, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2014, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/S/ Ernst & Young LLP  
Tampa, Florida  
March 11, 2015

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SYNIVERSE HOLDINGS, INC.  
 CONSOLIDATED BALANCE SHEETS  
 (IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	December 31, 2014	December 31, 2013
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 89,347	\$ 306,400
Accounts receivable, net of allowances of \$25,608 and \$8,717, respectively	195,963	187,704
Deferred tax assets	5,240	14,964
Income taxes receivable	8,549	9,849
Prepaid and other current assets	36,547	39,525
Total current assets	335,646	558,442
Property and equipment, net	117,374	106,406
Capitalized software, net	226,611	238,288
Deferred costs, net	48,573	58,375
Goodwill	2,319,790	2,150,364
Identifiable intangibles, net	496,500	539,088
Deferred tax assets	6,240	5,584
Other assets	13,867	12,471
Total assets	\$ 3,564,601	\$ 3,669,018
<b>LIABILITIES AND STOCKHOLDER EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 34,967	\$ 25,291
Income taxes payable	5,939	10,179
Accrued liabilities	106,887	113,757
Deferred revenues	8,249	6,164
Deferred tax liabilities	4,777	4,115
Current portion of capital lease obligation	6,862	6,571
Total current liabilities	167,681	166,077
Long-term liabilities:		
Deferred tax liabilities	206,951	214,428
Long-term capital lease obligation, net of current maturities	8,937	409
Long-term debt, net of original issue discount	2,063,958	2,051,248
Other long-term liabilities	41,282	47,709
Total liabilities	2,488,809	2,479,871
Commitments and contingencies		
Redeemable noncontrolling interest	—	501
Stockholder equity:		
Common stock \$0.01 par value; one thousand shares authorized; issued and outstanding as of December 31, 2014 and 2013	—	—
Additional paid-in capital	1,232,108	1,225,374
Accumulated deficit	(119,247 )	(71,244 )
Accumulated other comprehensive (loss) income	(44,222 )	27,735
Total Syniverse Holdings, Inc. stockholder equity	1,068,639	1,181,865
Nonredeemable noncontrolling interest	7,153	6,781
Total equity	1,075,792	1,188,646
Total liabilities and stockholder equity	\$ 3,564,601	\$ 3,669,018
See accompanying notes to consolidated financial statements		



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SYNIVERSE HOLDINGS, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(IN THOUSANDS)

	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
Revenues	\$916,295	\$858,961	\$743,874
Costs and expenses:			
Cost of operations (excluding depreciation and amortization shown separately below)	378,052	320,796	275,301
Sales and marketing	77,670	74,995	68,549
General and administrative	140,450	129,354	103,311
Depreciation and amortization	237,577	216,198	177,320
Employee termination benefits	9,140	5,939	1,198
Restructuring	17,826	483	1,163
Acquisitions	1,974	21,632	14,684
	862,689	769,397	641,526
Operating income	53,606	89,564	102,348
Other income (expense), net:			
Interest income	853	686	790
Interest expense	(123,236)	(125,656)	(108,704)
Debt extinguishment costs	—	(2,802)	(6,458)
Equity income in investee	35	422	—
Other, net	(2,651)	(6,837)	3,940
	(124,999)	(134,187)	(110,432)
Loss before benefit from income taxes	(71,393)	(44,623)	(8,084)
Benefit from income taxes	(25,093)	(4,328)	(7,889)
Net loss from continuing operations	(46,300)	(40,295)	(195)
Loss from discontinued operations, net of tax	(688)	(5,092)	—
Net loss	(46,988)	(45,387)	(195)
Net income attributable to nonredeemable noncontrolling interest	1,015	1,144	3,046
Net loss attributable to Syniverse Holdings, Inc.	\$(48,003)	\$(46,531)	\$(3,241)
Amounts attributable to Syniverse Holdings, Inc.:			
Net loss from continuing operations, net of tax	\$(47,315)	\$(41,439)	\$(3,241)
Loss from discontinued operations, net of tax	(688)	(5,092)	—
Net loss attributable to Syniverse Holdings, Inc.	\$(48,003)	\$(46,531)	\$(3,241)

See accompanying notes to consolidated financial statements

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SYNIVERSE HOLDINGS, INC.  
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS  
 (IN THOUSANDS)

	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
Net loss	\$ (46,988 )	\$ (45,387 )	\$ (195 )
Other comprehensive (loss) income, net of tax:			
Foreign currency translation adjustment (1)	(69,698 )	29,008	(2,160 )
Amortization of unrecognized loss included in net periodic pension cost (2)	(2,014 )	(486 )	(1,246 )
Other comprehensive (loss) income	(71,712 )	28,522	(3,406 )
Comprehensive loss	(118,700 )	(16,865 )	(3,601 )
Less: comprehensive income attributable to nonredeemable noncontrolling interest	1,260	961	3,010
Comprehensive loss attributable to Syniverse Holdings, Inc.	\$ (119,960 )	\$ (17,826 )	\$ (6,611 )

(1) Foreign currency translation adjustments are shown net of income tax (benefit) expense of \$(496), \$523 and \$387 for the years ended December 31, 2014, 2013 and 2012, respectively.

(2) Amortization of unrecognized loss included in net periodic pension cost is shown net of income tax benefit of \$948, \$200 and \$521 for the years ended December 31, 2014, 2013 and 2012, respectively.

See accompanying notes to consolidated financial statements

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SYNIVERSE HOLDINGS, INC.  
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER EQUITY  
(IN THOUSANDS)

	Stockholder of Syniverse Holdings, Inc.						
	Common Stock	Shares	Amount Paid-In Capital	Accumulated Deficit	Accumulated Comprehensive (Loss) Income	Other Nonredeemable Noncontrolling Interest	Total
Balance at December 31, 2011	1	\$ —	\$ 1,208,365	\$ (21,472 )	\$ 2,400	\$ 4,820	\$ 1,194,113
Net (loss) income	—	—	—	(3,241 )	—	3,046	(195 )
Other comprehensive (loss) income							
Foreign currency translation adjustment, net of tax expense of \$387	—	—	—	—	(2,124 )	(36 )	(2,160 )
Actuarial loss on defined benefit pension plan, net of tax benefit of \$521	—	—	—	—	(1,246 )	—	(1,246 )
Stock-based compensation	—	—	7,068	—	—	—	7,068
Distribution to nonredeemable noncontrolling interest	—	—	—	—	—	(1,070 )	(1,070 )
Distribution to Syniverse Corporation	—	—	(83 )	—	—	—	(83 )
Balance at December 31, 2012	1	—	1,215,350	(24,713 )	(970 )	6,760	1,196,427
Net (loss) income	—	—	—	(46,531 )	—	1,144	(45,387 )
Other comprehensive income (loss)							
Foreign currency translation adjustment, net of tax expense of \$523	—	—	—	—	29,191	(183 )	29,008
Actuarial loss on defined benefit pension plan, net of tax benefit of \$200	—	—	—	—	(486 )	—	(486 )
Stock-based compensation	—	—	10,569	—	—	—	10,569
Distribution to nonredeemable noncontrolling interest	—	—	—	—	—	(940 )	(940 )
Distribution to Syniverse Corporation	—	—	(545 )	—	—	—	(545 )
Balance at December 31, 2013	1	—	1,225,374	(71,244 )	27,735	6,781	1,188,646
Net (loss) income	—	—	—	(48,003 )	—	1,015	(46,988 )
Other comprehensive income (loss)							

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Foreign currency translation adjustment, net of tax benefit of \$496	—	—	—	—	(69,943	)	245	(69,698	)	
Actuarial loss on defined benefit pension plan, net of tax benefit of \$948	—	—	—	—	(2,014	)	—	(2,014	)	
Stock-based compensation	—	—	8,574	—	—	—	—	8,574		
Distribution to nonredeemable noncontrolling interest	—	—	—	—	—	—	(888	)	(888	)
Distribution to Syniverse Corporation	—	—	(1,840	)	—	—	—	(1,840	)	
Balance at December 31, 2014	1	\$ —	\$ 1,232,108	\$ (119,247)	\$ (44,222	)	\$ 7,153	\$ 1,075,792		

See accompanying notes to consolidated financial statements

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SYNIVERSE HOLDINGS, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(IN THOUSANDS)

	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
Cash flows from operating activities			
Net loss	\$(46,988	) \$(45,387	) \$(195
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	237,577	216,198	177,320
Amortization of deferred debt issuance costs and original issue discount	12,512	12,577	7,949
Allowance for credit memos and uncollectible accounts	21,290	11,252	8,999
Deferred income tax benefit	(36,989	) (17,620	) (11,449
Debt modification costs	—	1,681	6,115
Debt extinguishment costs	—	2,802	6,458
Stock-based compensation	8,574	10,569	7,068
Fair value adjustment to assets and liabilities related to assets held for sale	—	2,816	—
Other, net	6,239	3,926	115
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	(21,142	) (22,931	) 1,479
Income tax receivable or payable	(3,977	) (1,565	) 6,044
Prepaid and other current assets	(4,839	) (2,769	) 1,015
Accounts payable	5,843	(2,068	) 4,411
Accrued liabilities and deferred revenues	(7,635	) (3,178	) (13,667
Assets and liabilities related to assets held for sale	—	(2,553	) —
Other assets and other long-term liabilities	(2,454	) (2,358	) (327
Net cash provided by operating activities	168,011	161,392	201,335
Cash flows from investing activities			
Capital expenditures	(91,758	) (73,933	) (65,755
Acquisitions, net of acquired cash	(290,047	) (628,191	) —
Redemption (purchase) of certificate of deposit	3,694	(3,753	) —
Capital expenditures, assets held for sale	—	(6,689	) —
Deposit on acquisition	—	—	(37,980
Proceeds from sale of Divestment Business	717	10,783	—
Net cash used in investing activities	(377,394	) (701,783	) (103,735
Cash flows from financing activities			
Proceeds from issuance of long-term debt	100,000	1,608,335	940,500
Debt issuance costs paid	—	(26,917	) (10,181
Principal payments on long-term debt	(90,000	) (966,585	) (1,019,500
Payments on capital lease obligation	(8,020	) (6,233	) (4,139
Distribution to Syniverse Corporation	(1,840	) (545	) (83
Purchase of redeemable noncontrolling interest	(501	) —	—
Distribution to nonredeemable noncontrolling interest	(888	) (940	) (1,070
Net cash (used in) provided by financing activities	(1,249	) 607,115	(94,473
Effect of exchange rate changes on cash	(6,421	) 7,481	2,315
Net (decrease) increase in cash	(217,053	) 74,205	5,442
Cash and cash equivalents at beginning of period	306,400	232,195	226,753



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Cash and cash equivalents at end of period	\$ 89,347	\$ 306,400	\$ 232,195
Supplemental noncash investing and financing activities			
Assets acquired under capital leases	\$ 20,089	\$ 4,985	\$ 12,391
Supplemental cash flow information			
Interest paid	\$ 111,311	\$ 114,699	\$ 96,973
Income taxes paid (refunded)	\$ 15,783	\$ 14,563	\$ (2,484 )

See accompanying notes to consolidated financial statements

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SYNIVERSE HOLDINGS, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business

Syniverse is the leading global transaction processor that connects mobile network operators (“MNOs”) and enterprises in nearly 200 countries enabling seamless mobile communications across disparate and rapidly evolving networks, devices and applications. We process transactions that include the authorization and delivery of end user traffic, clearing of billing records and settlement of payments. We also analyze a unique portfolio of real-time data generated by these transactions to deliver a wide range of intelligence tools to our customers. Our portfolio of mission-critical services enables our customers to connect to the mobile ecosystem, optimize their businesses and enhance and personalize the mobile experience for their end-users. We process nearly 3 billion billable transactions daily and settle approximately \$17 billion annually between our customers.

We are the leader in LTE roaming and interconnect, offering superior connectivity critical for delivering the advanced mobile experiences end-users have come to expect from 4G and other advanced mobile network technologies, including Voice over LTE (“VoLTE”). Our IP Exchange (“IPX”) network currently directly connects to nearly half of the global mobile population. We believe our global footprint and operational scale are unmatched in our industry. As a trusted partner with over 25 years of experience and a history of innovation, we believe we are well positioned to solve the technical, operational and financial complexities of the mobile ecosystem.

Our diverse and growing customer base includes a broad range of participants in the mobile ecosystem, including over 1,000 MNOs, and over 575 over-the-top providers (“OTTs”) and enterprises. Our customers include 99 of the top 100 MNOs globally, such as Verizon Wireless, América Móvil, Vodafone, Telefónica, China Unicom and Reliance Communications; OTTs, including 3 of the 4 largest social networking sites in the United States and one of the largest social networking sites in China; and blue-chip enterprise customers, including the top 3 credit card networks worldwide, 3 of the top 5 airlines and 2 multinational hotel brands.

The mobile experience is a critical and pervasive component of modern life and has become increasingly complex. Mobile devices have evolved from cellular phones to smartphones, tablets, wearables and other connected devices that people now use to conduct an expanding set of activities, such as streaming videos, posting social media updates, working and shopping. As a result, today’s mobile experience requires seamless and ubiquitous connectivity and coordination between MNOs, OTTs and enterprises across disparate and rapidly evolving networks, devices and applications. The failure to integrate any of these elements can disrupt service, resulting in frustrated end-users, erosion of our customers’ brands and loss of revenue by our customers. Our proprietary services bridge these technological and operational complexities.

Syniverse provides approximately 60 mission-critical services to manage the real-time exchange of information and traffic across the mobile ecosystem, enhance our customers’ brands and provide valuable intelligence about end-users. Our customers demand, and we deliver, a high quality of service as evidenced by our over 99.999% network availability.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The consolidated financial statements include the accounts of Syniverse Holdings, Inc. and all of its wholly owned subsidiaries and a variable interest entity (“VIE”) for which Syniverse, Inc. is deemed to be the primary beneficiary.

References to “the Company”, “us”, or “we” include all of the consolidated companies. Redeemable and nonredeemable noncontrolling interest is recognized for the portion of consolidated joint ventures not owned by us. These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") and present our financial position, results of operations and cash flows. All significant intercompany balances and transactions have been eliminated.

The Company is reporting the Divestment Business related to the MACH acquisition as discontinued operations in the consolidated statement of operations. Unless otherwise indicated, the accompanying notes to the consolidated financial statements reflect the Company’s continuing operations. The sale of the Divestment Business was completed on October 1, 2013. See Note 5 for additional details regarding the Divestment Business.

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### Use of Estimates

We have prepared our financial statements in accordance with U.S. GAAP, which requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues and expenses during the period. Actual results could differ from those estimates.

### Revenue Recognition

Revenue is recognized when persuasive evidence of an arrangement exists, service has been rendered or delivery has occurred, the selling price is fixed or determinable and collectability is reasonably assured. The majority of our revenues are derived from transaction-based charges under long-term contracts, typically with three-year terms. From time to time, if a contract expires and we have not previously negotiated a new contract or renewal with the customer, we continue to provide services under the terms of the expired contract as we negotiate new agreements or renewals. A majority of the services we offer to our customers are provided through applications, connectivity and technology platforms owned and operated by us. We generate our revenue through Mobile Transaction Services and Enterprise & Intelligence Solutions to a diverse customer base including MNOs, OTTs and a growing number of enterprises seeking access to the mobile ecosystem.

Mobile Transaction Services facilitate transaction processing for clearing of transaction records, settlement of transaction fees, authentication and activation of subscribers and advanced data transport services, among other MNO and OTT mission critical services. Any time information passes from one network to another, we can provide the connection and process the transaction that enables that exchange.

Enterprise & Intelligence Solutions provide enterprises with the ability to reliably reach and deliver messages to all of their customers and employees regardless of geography, network, device or application through our access to the MNOs. In addition, our services are able to leverage end-user trend analysis, real time activity and profile information to provide uninterrupted and personalized services for end-users, including the creation of specific groups of target MNO, OTT and enterprise customers and enable to selectively schedule and deliver relevant content customized for these specific groups.

Revenues for our services are generated primarily on transaction-based fees, such as the number of records or transactions processed or the size of data records processed. Approximately 83% of our revenues were generated by transaction-based fees in 2014. For all of our transaction-based services, we recognize revenues at the time the transactions are processed. We also recognize fixed fees as revenues on a monthly basis as the related services are performed. We defer revenues and incremental customer-specific costs related to customer implementations and recognize related fees and costs on a straight-line basis over the life of the initial customer contract.

### Cost of operations

Cost of operations includes data processing costs, network costs, variable costs, such as revenue share service provider arrangements and message termination fees, facilities costs, hardware costs, licensing fees, personnel costs associated with service implementation, training and customer care and off-network database query charges.

### Research and Development

Research and development costs are charged to expense as incurred and are included in general and administrative expense in the consolidated statements of operations. For the years ended December 31, 2014, 2013 and 2012, we recorded research and development costs of \$24.1 million, \$29.9 million, and \$22.3 million, respectively.

#### Stock-Based Compensation

We recognize stock-based compensation expense in our consolidated statements of operations based on the grant-date fair value of equity awards. We recognize compensation expense, reduced for estimated forfeitures, under the accelerated attribution method over the requisite service period of the award, which is generally the vesting term of the outstanding stock awards which have service-based vesting. We recognize compensation expense under the accelerated attribution method for

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performance-based awards expected to vest based on probable satisfaction of the cumulative performance condition. See Note 12 for additional details regarding stock-based compensation.

### Cash and Cash Equivalents

We consider all highly liquid investments with original maturities of three months or less to be cash or cash equivalents. Cash and cash equivalents consists primarily of various deposit accounts that are stated at cost, which approximates fair value.

### Restricted Cash

On occasion, we are required to maintain cash or certificates of deposit with certain banks with respect to contractual obligations related to acquisitions or other collateral required under certain contractual or other terms. As of December 31, 2014, the amount of restricted cash was \$1.1 million, of which \$0.9 million was included in Prepaid and other current assets and \$0.2 million was included in Other assets in the consolidated balance sheets. As of December 31, 2013, the amount of restricted cash was \$6.2 million, of which \$5.5 million was included in Prepaid and other current assets and \$0.7 million was included in Other assets in the consolidated balance sheets.

### Customer Accounts

We provide financial settlement services to wireless operators to support the payment of roaming related charges to their roaming network partners. In accordance with our customer contracts, funds are held by us as an agent on behalf of our customers to settle their roaming related charges to other operators. These funds and the corresponding liability are not reflected in our consolidated balance sheets. The off-balance sheet amounts totaled approximately \$488.5 million and \$492.9 million as of December 31, 2014 and 2013, respectively.

### Accounts Receivable

Accounts receivable are recorded at net realizable value which is the amount we expect to collect on our gross customer trade receivables. We establish an allowance for estimated losses that may result from the inability of our customers to pay, as well as for specific receivables from customers with known collection problems due to circumstances such as liquidity or bankruptcy. Collection problems are identified using an aging of receivables analysis based on invoice due dates. Items that are deemed uncollectible are written off against the allowance for uncollectible accounts. We do not require deposits or other collateral from our customers. If actual customer performance were to deteriorate to an extent not expected by us, additional allowances may be required. As of December 31, 2014 and 2013, our allowance for uncollectible accounts was \$8.9 million and \$1.7 million, respectively.

We maintain an allowance for credit memos based on our historical activity. These allowances are recorded primarily as the result of price concessions, service level penalties, billing and service disputes and other customer specific matters. Allowances for credit memos are recorded as direct reductions of accounts receivable and revenues. If our billing errors or discrepancies are not resolved satisfactorily or our customers' disputes over billing are not resolved satisfactorily, increases to the allowance may be required. As of December 31, 2014 and 2013, our allowance for credit memos was \$16.7 million and \$7.0 million, respectively.

### Property and Equipment, Net

Property and equipment consists primarily of computer hardware and network equipment, leasehold improvements and furniture and fixtures, which are recorded at cost and depreciated using the straight-line method over the estimated

useful lives. Leasehold improvements are depreciated over the shorter of the term of the lease or life of the asset.

The useful lives of our property and equipment are as follows:

	Average Lives (In Years)
Computers and equipment	5
Furniture and fixtures	6
Leasehold improvements	2 – 15

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When depreciable assets are replaced, retired or otherwise disposed of, the related cost and accumulated depreciation are deducted from the respective accounts and any gains or losses on disposition are recognized in income. Repairs and maintenance costs are expensed as incurred.

### Capitalized Software Costs

We capitalize the cost of externally purchased software, internal-use software and developed technology that has a useful life in excess of one year. Subsequent additions, modifications or upgrades to internal-use software are capitalized only to the extent that they enable the software to perform a task it previously was unable to perform. Software maintenance and training costs are expensed in the period in which they are incurred. Capitalized software and developed technology are amortized using the straight-line method over a period of 3 years and 2 to 8 years, respectively.

### Goodwill

Goodwill represents the excess purchase price of acquired businesses over the fair value of the net assets acquired. Goodwill is not amortized, but is instead tested for impairment, at least annually on October 1, or more frequently if indicators of impairment arise. Goodwill is tested for impairment at the reporting unit level. A reporting unit is an operating segment or one level below an operating segment, referred to as a component. We have not identified any components within our single operating segment and, hence, have a single reporting unit for purposes of our goodwill.

When evaluating goodwill for impairment, the Company may first perform an assessment of qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. This qualitative assessment is commonly referred to as a "step zero" approach. If, based on the review of the qualitative factors, the Company determines it is more-likely-than-not that the fair value of a reporting unit is less than its carrying value, the Company performs a two-step impairment test. We did not record any impairment loss on goodwill for the years ended December 31, 2014, 2013 or 2012.

### Indefinite-Lived Identifiable Intangible Assets

Indefinite-lived intangible assets are comprised of tradename and trademarks. Indefinite-lived intangible assets are not amortized, but instead are tested for impairment, at least annually on October 1, or more frequently if indicators of impairment arise. When evaluating indefinite-lived identifiable intangible assets for impairment, the Company may first perform an assessment of qualitative factors to determine whether it is more likely than not that the asset is impaired. If, based on the review of the qualitative factors, the Company determines it is more-likely-than-not that the identifiable intangible asset is impaired, the Company performs a two-step impairment test. We did not record any impairment loss on indefinite-lived intangible assets for the years ended December 31, 2014, 2013 or 2012.

### Finite-Lived Identifiable Intangible Assets

Our finite-lived identifiable intangible assets include customer-related intangible assets such as customer relationships and customer contracts as well as a covenant not to compete and non-solicitation agreement associated with our acquisitions. Customer relationships are amortized using either the pattern of consumption method or the straight-line method, depending on which method more accurately reflects the pattern in which the asset is consumed. The benefits are expected to be realized for these relationships over 5 to 10 years based on the underlying asset. The pattern of consumption is determined primarily based on forecasted cash flows, which includes estimates for revenues, expenses and customer attrition. We amortize our covenant not to compete and our non-solicitation agreement over their contract terms of 3 years and 1.4 years, respectively, using the straight-line method.



### Impairment of Long-Lived Assets

We evaluate our long-lived assets including property and equipment, capitalized software and intangible assets with finite lives for impairment when events occur that indicate the carrying value of such assets may not be recoverable. We also evaluate the useful life of our assets each reporting period and modify our annual depreciation and/or amortization expense if it is determined that the useful life of an asset or group of assets is different than originally estimated.

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If an impairment indicator exists, we perform a comparison of the carrying amount of the assets to the estimated undiscounted future cash flows for the asset or group of assets. If the undiscounted cash flows are less than the long-lived asset's carrying amount, we recognize an impairment loss based on the excess of the carrying amount of the long-lived asset over its respective fair value. Expected future cash flows are based on management's best estimate, utilizing reasonable and supportable assumptions and projections. If actual market conditions are less favorable than those projected by management, asset impairment charges may be required. Management continues to evaluate overall industry and company-specific circumstances and conditions to identify indicators of impairment. Assets to be sold are stated at the lower of the assets' carrying amount or fair value and depreciation is no longer recognized. We did not record any impairment loss on long-lived assets for the years ended December 31, 2014, 2013 or 2012.

## Income Taxes

We provide for federal, state and foreign income taxes currently payable, as well as for those deferred due to timing differences between reporting income and expenses for financial statement purposes versus tax purposes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in income tax rates is recognized as income or expense in the period that includes the enactment date.

We, and our eligible subsidiaries, file a consolidated U.S. federal income tax return. All subsidiaries incorporated outside of the U.S. are consolidated for financial reporting purposes; however, they are not eligible to be included in our consolidated U.S. federal income tax return. Separate provisions for income taxes have been recorded for these entities. We intend to reinvest substantially all of the unremitted earnings of our non-U.S. subsidiaries and postpone their remittance indefinitely. Accordingly, no provision for U.S. income taxes for these non-U.S. subsidiaries was recorded in the accompanying consolidated statements of operations.

## Joint Venture Interests

In February 2009, we entered into a joint venture agreement to implement number portability services in India. Our economic interest in the joint venture is 37.5%. We expect to provide India's telecommunications operators with number portability clearing house and centralized database solutions until March 2019. We consolidate the operations of this joint venture, as we retain the contractual power to direct the activities of this entity which most significantly and directly impact its economic performance. The activity of this joint venture is not significant to our overall operations. The assets of this joint venture are restricted from the standpoint of Syniverse, Inc., in that they are not available for our general business use outside the context of the joint venture. The holders of the liabilities of the joint venture have no recourse to Syniverse, Inc.

In June 2013, through the MACH Acquisition, we acquired a 45% interest in Link2One, an equity method investee that provides a third party hub that automates all the tests and technical procedures to standardize telecommunications operators' requirements in connection with arrangements for the provision of roaming services. The carrying amount of the investment in the equity method investee as of December 31, 2014 and 2013 was \$4.1 million and \$5.0 million, respectively, and is included in Other assets.

## Fair Value of Financial Instruments

The accounting standard for fair value provides a framework for measuring fair value, clarifies the definition of fair value and expands disclosures regarding fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the

reporting date. The accounting standard prescribes methods for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value and expands disclosures about fair value measurements. See Note 18 for more information regarding the fair value of financial instruments, including a listing of our assets and liabilities required to be measured or disclosed at fair value on a recurring basis and where they are classified within the hierarchy as of December 31, 2014 and 2013.

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## Foreign Currencies

We have operations in subsidiaries in Europe (primarily the United Kingdom, Germany and Luxembourg), India and the Asia Pacific region, each of whose functional currency is their local currency. Gains and losses on transactions denominated in currencies other than the relevant functional currencies are included in Other, net in the consolidated statements of operations. For the years ended December 31, 2014 and 2013, we recorded foreign currency transaction losses of \$2.7 million and \$6.8 million, respectively. For the year ended December 31, 2012, we recorded foreign currency transaction gains of \$3.9 million.

The assets and liabilities of subsidiaries whose functional currency is other than the U.S. dollar are translated at the period-end rate of exchange. The resulting translation adjustment is recorded as a component of accumulated other comprehensive (loss) income and is included in stockholder equity in the consolidated balance sheets. Transaction gains and losses on intercompany balances which are deemed to be of a long-term investment nature are also recorded as a component of accumulated other comprehensive (loss) income. Items within the consolidated statements of operations are translated at the average rates prevailing during the period.

## Redeemable Noncontrolling Interest

Through the MACH Acquisition, we acquired a redeemable noncontrolling interest with a fair value of \$0.5 million as of the MACH Acquisition Date, which was redeemed during the first quarter of 2014.

## Accumulated Other Comprehensive (Loss) Income

Accumulated other comprehensive (loss) income is comprised of changes in our currency translation adjustment account and changes in our minimum pension liability account, each net of tax. Accumulated other comprehensive (loss) income for the periods ended December 31, 2014, 2013 and 2012 was as follows:

(in thousands)	Foreign Currency Translation (Loss) Gain	Actuarial Loss on Defined Benefit Pension Plan	Total
Balance at December 31, 2011	\$2,901	\$(501)	\$2,400
Changes	(2,124)	(1,246)	(3,370)
Balance at December 31, 2012	777	(1,747)	(970)
Changes	29,191	(486)	28,705
Balance at December 31, 2013	29,968	(2,233)	27,735
Changes	(69,943)	(2,014)	(71,957)
Balance at December 31, 2014	\$(39,975)	\$(4,247)	(1) \$(44,222)

(1) Accumulated other comprehensive income as of December 31, 2014 included an actuarial loss of \$0.3 million which we expect to recognize as a component of net periodic pension cost in 2015.

## Segment Information

We have evaluated our portfolio of service offerings, reportable segment and the financial information reviewed by our chief operating decision maker for purposes of making resource allocation decisions. We operate as a single operating segment, as our Chief Executive Officer serving as our chief operating decision maker, reviews financial information on the basis of our consolidated financial results for purposes of making resource allocation decisions.

During the fourth quarter of 2013, in an effort to better address our customers' needs, we realigned our business into two service offerings: Mobile Transaction Services and Enterprise & Intelligence Solutions. Our former service offerings - Network Services, Messaging Services, Roaming Services and Other - were classified within the newly identified service offerings based on the type of products within each offering.

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Revenues by service offerings were as follows:

(in thousands)	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
Mobile Transaction Services	\$782,116	\$748,907	\$663,011
Enterprise & Intelligence Solutions	134,179	110,054	80,863
Revenues	\$916,295	\$858,961	\$743,874

Revenues by geographic region, based on the “bill to” location on the invoice, were as follows:

(in thousands)	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
North America	\$585,455	\$588,493	\$557,238
Europe, Middle East and Africa	165,661	120,875	60,041
Asia Pacific	101,714	84,118	71,525
Caribbean and Latin America	63,465	65,475	55,070
Revenues	\$916,295	\$858,961	\$743,874

For the years ended December 31, 2014, 2013 and 2012, we derived 59.7%, 64.2% and 69.6%, respectively, of our revenues from customers in the United States.

Long-lived assets, which consist of property and equipment, net and capitalized software, net, by geographic location were as follows:

(in thousands)	December 31, 2014	December 31, 2013
North America	\$252,129	\$252,704
Europe, Middle East and Africa	76,371	84,475
Asia Pacific	14,655	6,517
Caribbean and Latin America	830	998
Long-lived assets, net	\$343,985	\$344,694

For the years ended December 31, 2014 and 2013, 73.3% of our long-lived assets were located in the United States.

### Acquisitions

The Acquisitions line item in our consolidated statements of operations includes professional services costs, such as legal, tax, audit and transaction advisory costs related to the MACH Acquisition (defined below) completed in 2013 and the Aicent Acquisition (defined below) completed in 2014 (collectively, the “Acquisitions”). See Note 4 for additional details regarding the Acquisitions.

### Reclassifications of Prior Year Presentation

Certain reclassifications of 2013 and 2012 financial information have been made to conform to the current year presentation. The reclassifications had no effect on our reported results of operations. For the years ended December 31, 2013 and 2012, we reclassified certain non-retirement post-employment benefits out of Restructuring into the Employee termination benefits line item in our consolidated statements of operations. For the years ended

December 31, 2013 and 2012, we reclassified Borrowings under Initial Term Loans and Borrowings under Tranche B Term Loans into the Proceeds from issuance of long-

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term debt line item and Principal payments on Initial Term Loans and Principal payments on Tranche B Term Loans into the Principal payments on long-term debt line items in our consolidated statements of cash flows. For the year ended December 31, 2012, we reclassified MACH Acquisition expenses out of General and administrative expenses into the Acquisitions line item in our consolidated statement of operations.

### 3. Recent Accounting Pronouncements

In March 2013, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update (“ASU”) 2013-05, Parent’s Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity, which is included in the Accounting Standard Codification (“ASC”) in Topic 830 “Foreign Currency Matters”. ASU 2013-05 clarifies the treatment of cumulative translation adjustment (“CTA”) for entities that cease to hold a controlling financial interest in a subsidiary or group of assets within a foreign entity and those that acquire a business in stages by increasing an investment in a foreign entity from one accounted for under the equity method to one accounted for as a consolidated investment. The amendments in this update provide for the release of the CTA into net income only if a sale or transfer represents a sale or complete or substantially complete liquidation of an investment in a foreign entity. Additionally, the amendments in this ASU clarify that the sale of an investment in a foreign entity includes both (1) events that result in the loss of a controlling financial interest in a foreign entity (that is, irrespective of any retained investment) and (2) events that result in an acquirer obtaining control of an acquiree in which it held an equity interest immediately before the acquisition date (sometimes also referred to as a step acquisition). Accordingly, the cumulative translation adjustment should be released into net income upon the occurrence of those events. This accounting standard was effective for our financial statements beginning January 1, 2014 and was applied prospectively. The adoption of this standard did not have a material impact on our consolidated financial statements and related disclosures.

In July 2013, the FASB issued ASU 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists, which is included in the ASC in Topic 740 “Income Taxes”. ASU 2013-11 eliminates the diversity in practice in the presentation of unrecognized tax benefits when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. Under this guidance, an unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, except in certain circumstances. This accounting standard was effective for our financial statements beginning January 1, 2014. The adoption of this standard was applied prospectively and did not have a material impact on our consolidated financial statements and related disclosures.

In April 2014, the FASB issued ASU 2014-08, Presentation of Financial Statements and Property, Plant, and Equipment, which is included in the ASC in Topic 205 and 360. ASU 2014-08 changes the requirement for reporting discontinued operations. Under this guidance, a disposal of a component of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has or will have a major effect on an entity’s operations and financial results. Fewer disposals are expected to qualify as discontinued operations under the new guidance. It also requires the disclosure of pretax income of disposals that do not qualify as discontinued operations. The new guidance is effective for us with disposals that occur after January 1, 2015.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers, which is included in the ASC in Topic 606 “Revenue from Contracts with Customers”. ASU 2014-09 was issued as a converged guidance with the International Accounting Standards Board (“IASB”) on recognizing revenue in contracts with customers and is intended to improve the financial reporting requirements for revenue from contracts with customers by providing a principle based approach to the recognition of revenue. The update includes a five-step framework with applicable guidance, which supersedes existing revenue recognition guidance. This accounting standard is effective for our financial



statements beginning January 1, 2017 and can be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. Early application of the standard is not permitted. We are currently assessing the impact of implementing this guidance on our consolidated financial position, results of operations, and cash flows.

#### 4. Acquisitions

##### Aicent Acquisition

On August 4, 2014 (the “Aicent Acquisition Date”), Syniverse Technologies, LLC, a Delaware limited liability company and a wholly-owned subsidiary of Syniverse Holdings, Inc. acquired all of the outstanding equity interests of Aicent Holdings Corporation, a Delaware corporation (“Aicent”) from its existing stockholders in accordance with the terms of an agreement

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and plan of merger for approximately \$292.1 million (the “Aicent Acquisition”). The Aicent Acquisition was funded with cash of \$192.1 million and a draw down of Syniverse’s existing revolving credit facility in the amount of \$100.0 million.

The Aicent Acquisition is expected to further expand our global communications network, drive increased service and value to customers through real-time intelligence, and extend our global reach to mobile subscribers, enterprises and mobile operators in Asia.

The Aicent Acquisition was accounted for under the purchase method of accounting. The total purchase price was allocated to the acquired assets and liabilities assumed based on their estimated fair values at the Aicent Acquisition Date. The following table summarizes the final allocation of the purchase price to the estimated fair values of the assets acquired and liabilities assumed in connection with the Aicent Acquisition based on their fair values on the Aicent Acquisition Date:

(in thousands)	
Total purchase price	\$292,086
Less: cash acquired	2,039
Cash consideration	\$290,047
Fair value of net assets acquired:	
Cash	\$2,039
Accounts receivable	11,858
Prepaid and other current assets	807
Property and equipment	3,266
Customer relationships	85,300
Capitalized Software	16,209
Other identifiable intangible assets	2,500
Deferred tax assets	1,502
Other assets	242
Accounts payable	(4,437 )
Income taxes payable	(634 )
Accrued liabilities	(4,600 )
Deferred revenues	(126 )
Deferred tax liabilities	(33,536 )
Other long-term liabilities	(959 )
Net assets acquired	79,431
Allocation to goodwill	\$212,655

The excess of the purchase price over the fair value of the net assets acquired resulted in goodwill of \$212.7 million, which is primarily attributable to operating synergies and potential expansion into other global markets. We do not expect goodwill to be deductible for tax purposes. We incurred Aicent Acquisition related expenses of \$2.0 million for the year ended December 31, 2014. These costs were recorded in the Acquisitions line item in our consolidated statements of operations.

Customer relationships were valued using discounted future cash flows. The future cash flows for the customer relationships were discounted using a weighted-average cost of capital, which was based on an analysis of the cost of capital for guideline companies within the technology industry. We determined useful lives of the customer relationships based on the period over which we expect those assets to contribute directly or indirectly to future cash flows. Customer relationships acquired in the Aicent Acquisition are amortized using the straight-line method over a

shortened useful life of 10 years.

The results of operations of Aicent have been included in our operating results subsequent to the Aicent Acquisition Date. During the year ended December 31, 2014, the Aicent Acquisition contributed \$22.0 million to revenue.

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## MACH Acquisition

On June 28, 2013 (the “MACH Acquisition Date”), we completed our acquisition of WP Roaming III S.à r.l. (“WP Roaming”), for a total purchase price of approximately \$712.0 million. As part of this transaction, we acquired from WP Roaming S.à r.l., a Luxembourg limited liability company (the “Seller”), all the shares and preferred equity certificates (whether convertible or not) in WP Roaming (the “MACH Acquisition”). The purchase price was funded through a portion of the net proceeds from a new \$700.0 million senior secured credit facility and a deposit of €30.0 million paid to the Seller on July 2, 2012.

The MACH Acquisition was accounted for under the purchase method of accounting. The total purchase price was allocated to the acquired assets and liabilities assumed based on their estimated fair values at the MACH Acquisition Date. The following table summarizes the final allocation of the purchase price, including adjustments to previously reported figures on June 30, 2013, to the estimated fair values of the assets acquired and liabilities assumed in connection with the MACH Acquisition based on their fair values on the MACH Acquisition Date:

(in thousands)	As initially reported on June 30, 2013	Measurement period adjustments	June 30, 2013 (as adjusted)
Total purchase price	\$712,009	\$—	\$712,009
Less: cash acquired	44,644	—	44,644
Cash consideration	\$667,365	\$—	\$667,365
Fair value of net assets acquired:			
Cash	\$44,644	\$—	\$44,644
Accounts receivable	26,887	(1,011	) 25,876
Prepaid and other current assets	10,456	(530	) 9,926
Assets held for sale	11,046	(226	) 10,820
Property and equipment	7,157	—	7,157
Capitalized software	74,229	(1,952	) 72,277
Customer relationships	207,037	(41,381	) 165,656
Other identifiable intangible assets	2,103	—	2,103
Deferred tax assets	897	2,752	3,649
Other assets	5,657	(390	) 5,267
Accounts payable	(8,847	) —	(8,847
Income taxes payable	(1,993	) 584	(1,409
Accrued and other liabilities	(32,638	) (15,021	) (47,659
Deferred revenues	(1,484	) —	(1,484
Liabilities related to assets held for sale	(2,693	) 226	(2,467
Deferred tax liabilities	(27,636	) 2,890	(24,746
Redeemable noncontrolling interest	(203	) (298	) (501
Net assets acquired	314,619	(54,357	) 260,262
Allocation to goodwill	\$397,390	\$54,357	\$451,747

The excess of the purchase price over the fair value of the net assets acquired resulted in goodwill of \$451.7 million, which is primarily attributable to assembled workforce, operating synergies and potential expansion into other global markets. Goodwill is not deductible for tax purposes. We incurred MACH Acquisition related expenses of \$21.6 million and \$14.7 million for the years ended December 31, 2013 and 2012, respectively. These costs were recorded in the Acquisitions line item in our consolidated statements of operations. We did not incur any MACH Acquisition related expenses for the year ended December 31, 2014, nor do we expect to incur any further costs in the future.

Supplemental Pro Forma Financial Information

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The following unaudited pro forma financial information for the year ended December 31, 2013 and 2012 represent combined revenue and (loss) income from continuing operations as if the MACH Acquisition had taken place on January 1, 2012. The unaudited pro forma results reflect certain adjustments including additional estimated amortization expense associated with acquired intangible assets and interest expense associated with debt used to fund the MACH Acquisition. The pro forma financial information does not purport to be indicative of the results of operations that would have been achieved had the MACH Acquisition taken place on the date indicated or the results of operations that may result in the future.

(in thousands)	Year ended December 31,	
	2013	2012
Revenues	\$933,300	\$902,326
(Loss) income from continuing operations attributable to Syniverse Holdings, Inc.	\$(16,625	) \$17,654

#### 5. Assets and Liabilities Related to Assets Held for Sale and Discontinued Operations

##### Assets and Liabilities Related to Assets Held for Sale

The approval of the MACH Acquisition was conditioned upon the Company's commitment to divest certain assets supporting MACH's data clearing and near real-time roaming data exchange ("NRTRDE") business in the European Economic Area, which includes European Union countries plus Iceland, Liechtenstein and Norway (the "EEA"), including technology platforms, necessary employees, customer contracts and the MACH brand (the "Divestment Business").

On June 3, 2013, Interfact S.à r.l., a Luxembourg limited liability company and the MACH group company that was the immediate shareholder of the Divestment Business, signed a definitive agreement (the "Divestment Agreement") to sell the Divestment Business upon the completion of the MACH Acquisition.

During the third quarter of 2013, Syniverse remeasured the net assets held for sale at fair value, less cost to sell and recorded a loss as shown below, which is included in Loss from discontinued operations, net of tax in the consolidated statements of operations for the year ended December 31, 2013. The fair value of these net assets was assessed using inputs classified as Level 3 in the fair value hierarchy. On October 1, 2013, Syniverse completed the sale of the Divestment Business for €9.9 million. During the year ended December 31, 2014, we received \$0.7 million in proceeds related to a purchase price adjustment allowed for under the purchase agreement

##### Discontinued Operations

In connection with the Company's commitment to sell the Divestment Business, we entered into a Transition Services Agreement ("TSA") with the buyer to provide certain services for a transitional period not to exceed twelve months. Under the terms of the TSA, both parties to the agreement were entitled to collect service charges based on the services provided. We determined that the continuing cash flows generated by the TSA were not significant in proportion to the cash flows of the Company and that the arrangement did not provide the Company the ability to influence the operating or financial policies of the Divestment Business. Accordingly, the TSA did not constitute significant continuing involvement by the Company in the operations of the Divestment Business. As such, the results of operations of the Divestment Business have been presented separately as discontinued operations in the consolidated statements of operations.



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A summary of the results of operations of the Divestment Business for the years ended December 31, 2014 and 2013 are presented in the table below:

(in thousands)	December 31, 2014	December 31, 2013
Revenues	\$—	\$4,164
Loss from operations of Divestment Business, net of tax benefit of \$0	(688	) (295
Fair value adjustment to assets and liabilities of Divestment Business, net of tax benefit of \$0	—	(2,816
Cost to sell Divestment Business, net of tax benefit of \$0	—	(1,981
Loss from discontinued operations, net of tax benefit of \$0	\$(688	) \$(5,092

## 6. Property and Equipment

Property and equipment, net, consisted of the following:

(in thousands)	December 31, 2014	December 31, 2013
Computers and equipment	\$215,384	\$175,178
Computer equipment under capital lease	12,062	5,948
Furniture and fixtures	5,239	3,365
Leasehold improvements	15,040	11,444
	247,725	195,935
Accumulated depreciation	(125,792	) (87,670
Accumulated depreciation of computer equipment under capital lease	(4,559	) (1,859
Property and Equipment	\$117,374	\$106,406

Depreciation expense related to property and equipment for the years ended December 31, 2014, 2013, and 2012 was \$42.8 million, \$34.1 million and \$27.8 million, respectively.

## 7. Capitalized Software

Capitalized software, net, consisted of the following:

(in thousands)	December 31, 2014	December 31, 2013
Capitalized software	\$444,231	\$393,403
Capitalized software licenses under capital leases	25,749	11,453
	469,980	404,856
Accumulated amortization	(232,462	) (160,523
Accumulated amortization of capitalized software under capital lease	(10,907	) (6,045
Capitalized Software	\$226,611	\$238,288

Amortization expense related to capitalized software for the years ended December 31, 2014, 2013 and 2012 was \$78.0 million, \$69.5 million and \$54.2 million, respectively.



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## 8. Identifiable Intangible Assets and Goodwill

Identifiable intangible assets, net consisted of the following:

(in thousands)	December 31, 2014			December 31, 2013		
	Gross carrying amount	Accumulated amortization	Net book value	Gross carrying amount	Accumulated amortization	Net book value
Finite-lived intangible assets:						
Customer relationships	\$849,903	\$(438,513)	) \$411,390	\$781,858	\$(326,995)	) \$454,863
Non-solicitation agreement	1,595	(796)	) 799	1,790	(282)	) 1,508
Covenant not to compete	1,582	(664)	) 918	282	(282)	) —
Favorable lease	411	(411)	) —	411	(94)	) 317
Tradename	1,200	(207)	) 993	—	—	) —
	854,691	(440,591)	) 414,100	784,341	(327,653)	) 456,688
Indefinite-lived intangible assets:						
Tradename and trademarks	82,400	—	82,400	82,400	—	82,400
Intangible assets	\$937,091	\$(440,591)	) \$496,500	\$866,741	\$(327,653)	) \$539,088

Customer relationships are amortized using either the pattern of consumption method or the straight-line method, depending on which method more accurately reflects the pattern in which the asset is consumed. The pattern of consumption is determined primarily based on forecasted cash flows, which includes estimates for revenues, expenses and customer attrition. The weighted-average amortization period for customer relationships is 9.8 years. The non-solicitation agreement and covenant not to compete are amortized over their estimated useful life of 3 years and 1.4 years, respectively. The weighted-average amortization period for finite-lived intangible assets is 8.8 years.

Amortization expense of identifiable intangible assets, which is included in Depreciation and amortization in the consolidated statements of operations, for the years ended December 31, 2014, 2013 and 2012 was \$116.8 million, \$112.6 million and \$95.3 million, respectively.

The estimated amortization expense of intangible assets over the next five years and thereafter is as follows:

(in thousands)	
Year ended December 31, 2015	\$88,940
Year ended December 31, 2016	80,673
Year ended December 31, 2017	67,508
Year ended December 31, 2018	55,993
Year ended December 31, 2019	46,344
Thereafter	74,642
Amortization Expense	\$414,100

Estimated amortization expense for intangible assets denominated in currencies other than the U.S. dollar is based on foreign exchange rates as of December 31, 2014.

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The following table summarizes the changes in the carrying amount of goodwill for the periods ended December 31, 2014 and 2013:

(in thousands)		
Balance at December 31, 2012		\$ 1,682,171
Acquisition goodwill		451,747
Effect of foreign currency translation		16,446
Balance at December 31, 2013		2,150,364
Acquisition goodwill		212,655
Effect of foreign currency translation		(43,229 )
Balance at December 31, 2014		\$2,319,790

## 9. Detail of Accrued Liabilities

Accrued liabilities consisted of the following:

(in thousands)		
	December 31, 2014	December 31, 2013
Accrued payroll and related benefits	\$36,454	\$41,036
Accrued interest	26,419	27,245
Accrued network and data processing expenses	11,049	8,596
Accrued revenue share expenses	4,256	3,560
Other accrued liabilities	28,709	33,320
Accrued Liabilities	\$106,887	\$113,757

## 10. Debt and Credit Facilities

Our total outstanding debt as of December 31, 2014 and 2013 was as follows:

(in thousands)		
	December 31, 2014	December 31, 2013
Senior Credit Facility:		
Initial Term Loans, due 2019	\$911,835	\$911,835
Original issue discount	(8,982 )	(11,166 )
Tranche B Term Loans, due 2019	678,665	678,665
Original issue discount	(2,560 )	(3,086 )
Revolving Credit Facility	10,000	—
Senior Notes:		
9.125% senior unsecured notes, due 2019	475,000	475,000
Debt and Credit Facilities	\$2,063,958	\$2,051,248

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As a result of a principal prepayment during the year ended December 31, 2013, which was applied in direct order of maturity (as more fully described below), our Initial Term Loans (as defined below) will resume amortizing and our Tranche B Term Loans (as defined below) will begin amortizing in quarterly installments commencing on September 30, 2016. Maturities of long-term debt excluding original issue discount for each of the next five years and thereafter are as follows.

(in thousands)

Year ended December 31, 2015	\$—
Year ended December 31, 2016	7,750
Year ended December 31, 2017	26,500
Year ended December 31, 2018	16,500
Year ended December 31, 2019	2,024,750
	\$2,075,500

During the year ended December 31, 2013, as a result of the refinancing of our Initial Term Loans, we incurred \$2.8 million of debt extinguishment costs for a write-off of \$1.1 million of original issue discount and \$1.7 million of deferred financing fees. Additionally, we incurred \$1.7 million of debt modification costs which were recorded in interest expense in the consolidated statement of operations.

During the year ended December 31, 2013, we paid \$3.5 million in upfront fees associated with the Escrow Term Loans (as defined below) which were refinanced through the proceeds from the Tranche B Term Loans. We recorded the upfront fees as original issue discount to be amortized over the life of the Tranche B Term Loans using the effective interest method.

Amortization of original issue discount and deferred financing fees for the years ended December 31, 2014 and 2013 was \$12.5 million and \$12.6 million, respectively, and was related to our New Senior Credit Facility and our Senior Notes (as defined below) and were recorded in interest expense in our consolidated statement of operations.

Amortization of original issue discount and deferred financing fees for the year ended December 31, 2012 was \$7.9 million. This amount includes amortization related to our Old and New Senior Credit Facility and our Senior Notes. We recorded debt extinguishment costs of \$6.5 million during the year ended December 31, 2012 for the write-off of original issue discount and deferred financing fees related to the refinancing of our Old Senior Credit Facility (as defined below).

The net book value of deferred financing fees included in the accompanying consolidated balance sheets was as follows:

(in thousands)	December 31, 2014	December 31, 2013
Prepaid and other current assets	\$1,543	\$1,543
Deferred costs, net	48,573	58,375
Total	\$50,116	\$59,918

#### Old Senior Credit Facility

On December 21, 2010, we entered into a senior credit facility consisting of a \$150.0 million revolving credit facility and a \$1.0 billion Term Loan B (the "Old Senior Credit Facility"), and on January 13, 2011, our Old Senior Credit Facility became effective. The Old Senior Credit Facility was used to fund, in part, the Merger (as defined in Item 6. "Selected Financial Data"). The Company received net proceeds of \$1.0 billion after payment of upfront fees of \$12.5

million to Barclays Capital, Credit Suisse Securities (USA) LLC, Goldman Sachs Bank USA and Sumitomo Mitsui Banking Corporation. We recorded the upfront fees as an original issue discount to be amortized over the life of the debt using the effective interest method. In addition, we incurred debt issuance costs of \$36.2 million.

Borrowings bore interest at a floating rate which could have been, at our option, either (i) a Eurodollar borrowing rate for a specified interest period plus an applicable margin or, (ii) an alternative base rate plus an applicable margin, in each case, subject to a Eurodollar rate floor of 1.50% or a base rate floor of 2.50%, as applicable. The applicable margin for the term loan

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and revolving loans under our Old Senior Credit Facility was 3.75% per annum for Eurodollar loans and 2.75% per annum for base rate loans, and in the case of the revolving loans, subject to an adjustment based on a total net leverage ratio test.

New Senior Credit Facility

On April 23, 2012, we entered into a credit agreement (the "Credit Agreement") with Buccaneer LLC (as successor by merger to Buccaneer), Barclays Bank PLC, as administrative agent, swing line lender and letters of credit issuer, and the other financial institutions and lenders from time to time party thereto, providing for a new senior credit facility (the "New Senior Credit Facility") consisting of (i) a \$950.0 million term loan facility (the "Initial Term Loans"); and (ii) a \$150.0 million revolving credit facility (the "Revolving Credit Facility") for the making of revolving loans, swing line loans and issuance of letters of credit.

On June 28, 2013, the Company borrowed \$700.0 million of incremental term loans (the "Tranche B Term Loans"), pursuant to an incremental amendment (the "Incremental Amendment") to its Credit Agreement. The proceeds of the Tranche B Term Loans were used to refinance, in full, the Escrow Term Loans (defined below), a portion of which were used to fund the MACH Acquisition.

On September 23, 2013, the Company made a prepayment of \$50.0 million on the Term Loan Facilities (as defined in the next paragraph), of which \$28.7 million was applied to the Initial Term Loans and \$21.3 million was applied to the Tranche B Term Loans. In relation to the prepayment, Syniverse accelerated the amortization of \$0.4 million of original issue discount and \$0.6 million of deferred financing costs.

On August 4, 2014, the Company drew \$100.0 million on the Revolving Credit Facility to fund a portion of the Aicent Acquisition. During the three months ended December 31, 2014, the Company paid \$90.0 million on the Revolving Credit Facility. See Note 4 for additional details regarding the Aicent Acquisition.

Subject to specified conditions, without the consent of the then existing lenders (but subject to the receipt of commitments), the Initial Term Loans, the Tranche B Term Loans (collectively the "Term Loan Facilities") or the Revolving Credit Facility may be expanded (or a new term loan facility or revolving credit facility added to the New Senior Credit Facility) by an amount that will not cause the net senior secured leverage ratio, after giving effect to the incurrence of such additional amount, to exceed 4.0:1.0 (calculated by treating any unsecured debt incurred in reliance on this ratio as if it were secured).

The Term Loan Facilities will mature at the earliest of (i) April 23, 2019, (ii) the date of termination in whole of the commitments under the Term Loan Facilities or (iii) the date the loans under the Term Loan Facilities are declared due and payable in connection with an event of default; provided that (a) in the event that more than \$50.0 million of the Senior Notes remain outstanding on the date that is 91 days prior to the stated maturity of the Senior Notes (the "First Springing Maturity Date"), the maturity date for the Term Loan Facilities will be the First Springing Maturity Date and (b) in the event that more than \$50.0 million in aggregate principal amount of any refinancing indebtedness in respect of the Senior Notes remains outstanding on the date that is 91 days prior to the stated maturity of such refinancing indebtedness (the "Second Springing Maturity Date"), the maturity date for the Term Loan Facilities will be the earlier of the Second Springing Maturity Date and April 23, 2019.

Our Revolving Credit Facility will mature at the earlier of (i) April 23, 2017 and (ii) the date of termination in whole of the commitments under the Revolving Credit Facility, the letter of credit sublimit, and the swing line facility under the New Credit Agreement.

We may voluntarily prepay loans or reduce commitments under our New Senior Credit Facility, in whole or in part, subject to minimum amounts, with prior notice but without premium or penalty. We must prepay our Term Loan Facilities with the net cash proceeds of asset sales, casualty and condemnation events, the incurrence or issuance of indebtedness (other than indebtedness permitted to be incurred under our New Senior Credit Facility, unless specifically incurred to refinance a portion of our New Senior Credit Facility) and 50% of excess cash flow (such percentage to be subject to a reduction to zero based on the achievement of a net senior secured leverage ratio of 2.75:1.0), in each case, subject to certain reinvestment rights and other exceptions, as well as the right of the lenders to decline certain prepayments.

The following fees are applicable under our Revolving Credit Facility: (i) an unused line fee of 0.50% per annum, subject to an adjustment to 0.25% based on a net senior secured leverage ratio of 1.75:1.0; (ii) a letter of credit participation fee on the aggregate stated amount of each letter of credit available to be drawn equal to the applicable margin for Eurodollar rate

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loans; (iii) a letter of credit fronting fee equal to 0.125% per annum on the daily amount of each letter of credit available to be drawn; and (iv) certain other customary fees and expenses payable to our letter of credit issuers.

Our obligations under the New Senior Credit Facility are (1) guaranteed by Buccaneer LLC and each of our current and future direct and indirect wholly owned domestic subsidiaries (the “Subsidiary Guarantors”) (other than (i) subsidiaries designated as unrestricted, (ii) immaterial subsidiaries, (iii) any subsidiary that is prohibited by applicable law or certain contractual obligations from guaranteeing our New Senior Credit Facility or which would require governmental approval to provide a guarantee, (iv) certain holding companies of foreign subsidiaries, (v) not-for-profit subsidiaries, if any, (vi) certain receivables financing subsidiaries, (vii) any subsidiary with respect to which the Company and the administrative agent reasonably agree that the burden, cost or other consequences of providing a guarantee will be excessive in view of the benefits obtained by the lenders therefrom and (viii) any subsidiary whose guaranteeing of the New Senior Credit Facility would result in a material adverse tax consequence) and (2) are secured by a first lien on substantially all of our, Buccaneer LLC’s and the Subsidiary Guarantors’ assets, including capital stock of subsidiaries (subject to certain exceptions). The Subsidiary Guarantors under our New Senior Credit Facility also guarantee the Senior Notes and are the same guarantors of the Old Senior Credit Facility, as follows: Syniverse Technologies, LLC (formerly known as Syniverse Technologies, Inc.), Syniverse ICX Corporation, The Rapid Roaming Company.

Our New Senior Credit Facility contains customary representations and warranties and customary affirmative and negative covenants. The negative covenants include limitations or restrictions on (i) our ability to incur debt, grant liens, enter into fundamental corporate transactions, pay subsidiary distributions, enter into transactions with affiliates, make further negative pledges, sell or otherwise transfer assets, make certain payments, investments or acquisitions, repay certain indebtedness in the event of a change of control, and amend certain debt documents and (ii) the activities engaged in by Buccaneer LLC. The negative covenants are subject to the customary exceptions.

On March 6, 2015, we entered into an amendment (the “Amendment”) to the credit agreement governing our Revolving Credit Facility. Prior to the Amendment, the Revolving Credit Facility required that under certain circumstances we comply with a financial maintenance covenant. If required to be tested, the financial maintenance covenant required that our consolidated senior secured debt ratio, as of the end of any fiscal quarter, be less than or equal to 4.25:1.00. The covenant was not required to be tested unless (a) the aggregate amount of revolving credit loans, swing line loans or letter of credit obligations (to the extent not cash collateralized to at least 105% of their maximum stated amount) outstanding exceeded 10% of all revolving credit commitments in effect as of April 23, 2012 or (b) the aggregate amount of any letter of credit obligations (to the extent not cash collateralized to at least 105% of their maximum stated amount) outstanding exceeded 15% of all revolving credit commitments in effect as of April 23, 2012. The events set forth in clauses (a) and (b) in the preceding sentence did not apply as of December 31, 2014.

Pursuant to the Amendment, the financial maintenance covenant has been modified to require that our consolidated senior secured debt ratio, as of March 31, 2015, June 30, 2015, September 30, 2015, December 31, 2015 and March 31, 2016, be less than or equal to 5.25:1.00 and, as of June 30, 2016 and the end of each fiscal quarter ended thereafter, 5.00:1.00, in each case if required to be tested. We are only required to comply with the covenant if the aggregate amount of any revolving credit loans, any swing line loans or any letter of credit obligations (excluding letter of credit obligations not in excess of \$10 million and any letters of credit which are cash collateralized to at least 105% of their maximum stated amount) outstanding exceeds 25% of all revolving credit commitments.

### Initial Term Loans

On April 23, 2012, we received net proceeds of \$940.5 million under the Initial Term Loans and paid upfront fees of \$11.3 million. The proceeds from the Initial Term Loans plus cash on hand were used to repay the Old Senior Credit Facility. We recorded \$9.5 million of the upfront fees as an original issue discount to be amortized over the life of the

Initial Term Loans using the effective interest method. Since we had no amounts drawn under the Revolving Credit Facility at June 30, 2012, we recorded \$1.8 million of the upfront fees as deferred financing costs to be amortized over the life of the Revolving Credit Facility using the effective interest method. We had \$138.1 million of unused commitments under this facility, including an outstanding Euro letter of credit of \$1.9 million at December 31, 2014, which is considered a reduction against the facility under the credit agreement.

During the year ended December 31, 2012, we incurred additional debt issuance costs of \$8.3 million in connection with the refinancing of the Old Senior Credit Facility, which was determined to be a partial debt modification and partial debt extinguishment under the applicable accounting guidance. We therefore recorded \$6.1 million to interest expense related to the



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modification and recorded the remaining \$2.2 million as deferred financing fees, of which \$1.2 million is being amortized over the life of the Initial Term Loans and \$1.0 million is being amortized over the life of the Revolving Credit Facility. We recorded additional debt extinguishment costs of \$6.5 million related to the write-off of a portion of the original issue discount and deferred financing fees associated with the Old Senior Credit Facility in the debt extinguishment costs line item on the consolidated statement of operations.

On September 23, 2013, we entered into a second amendment (the “Second Amendment”) to the Credit Agreement. Under the Second Amendment, the rate at which the Initial Term Loans under the Credit Agreement bear interest was amended to reduce (i) the margin over the Eurodollar rate from 3.75% to 3.00%, (ii) the margin over the base rate from 2.75% to 2.00%, (iii) the “Eurodollar rate floor” from 1.25% to 1.00% and (iv) the “base rate floor” from 2.25% to 2.00%. The Company recorded \$2.8 million of debt extinguishment costs and \$1.7 million of debt modification costs associated with the refinancing of the Initial Term Loans.

Borrowings under our Revolving Credit Facility bear interest at a floating rate which can be, at our option, either (i) a Eurodollar borrowing rate for a specified interest period plus an applicable margin or, (ii) an alternative base rate plus an applicable margin. The applicable margin for loans is 3.75% per annum for Eurodollar loans and 2.75% per annum for base rate loans, subject to an adjustment to 3.50% and 2.50%, respectively, based on a net senior secured leverage ratio of 1.75:1.0.

Commencing on September 30, 2016, our Initial Term Loans will resume amortizing in quarterly installments in an amount equal to 0.25% per quarter of the original principal amount thereof, with the remaining balance due at final maturity.

### Tranche B Term Loans

On June 28, 2013, we received net proceeds of \$696.5 million under the Tranche B Term Loans, the proceeds of which were used to refinance the Escrow Term Loans (as defined below) in full. We paid upfront fees of \$3.5 million associated with the Escrow Term Loans which were recorded as original issue discount to be amortized over the life of the Tranche B Term Loans using the effective interest method. We incurred \$25.2 million of debt issuance costs which were recorded as deferred financing costs to be amortized over the life of the Tranche B Term Loans using the effective interest method.

Borrowings bear interest at a floating rate which can be, at our option, either (i) a Eurodollar borrowing rate for a specified interest period plus an applicable margin or, (ii) an alternative base rate plus an applicable margin, in the case of the Tranche B Term Loans under the Credit Agreement, subject to a Eurodollar rate floor of 1.00% or a base rate floor of 2.00%, as applicable. The applicable margin for the Tranche B Term Loans under our New Senior Credit Facility is 3.00% per annum for Eurodollar loans and 2.00% per annum for base rate loans.

Commencing on September 30, 2016, our Tranche B Term Loans will begin amortizing in quarterly installments in an amount equal to 0.25% per quarter of the original principal amount thereof, with the remaining balance due at final maturity.

### Delayed Draw Credit Agreement

On February 4, 2013, Syniverse Magellan Finance, LLC (the “Finance Sub”), our wholly owned subsidiary, entered into a delayed draw credit agreement (the “Delayed Draw Credit Agreement”) with Barclays Bank PLC, as administrative agent, and the other financial institutions and lenders from time to time party thereto, providing for a new senior credit facility consisting of a \$700.0 million delayed draw term loan facility (the “Delayed Draw Facility”). On May 28, 2013, Finance Sub entered into an amendment to the Delayed Draw Credit Agreement (the “Escrow Credit Agreement”).

Upon the closing of this amendment, the lenders funded the Delayed Draw Facility into an escrow account (“Escrow Term Loans”) and the Company pre-funded the interest, upfront fees and ticking fees of \$7.2 million, \$3.5 million and \$3.6 million, respectively (the “Escrowed Funds”). The Escrowed funds were released to Finance Sub on June 28, 2013 (the “Release”). In addition to the pre-funded amount, we paid additional ticking fees of \$1.0 million during the second quarter. These fees were paid to Barclays Bank PLC as administrative agent to compensate for the time lag between the commitment allocation and actual funding for the Delayed Draw Facility.

Following the Release, Finance Sub merged with and into the Company with the Company as the survivor to such merger (the “Magellan Merger”). In connection with the Magellan Merger, the Company assumed the obligations of Finance Sub under the Escrow Credit Agreement (the “Debt Assumption”).

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Following the Debt Assumption, on June 28, 2013 the Company borrowed \$700.0 million of Tranche B Term Loans, pursuant to the Incremental Amendment to its Credit Agreement. The proceeds of the Tranche B Term Loans were used to refinance the Escrow Term Loans in full.

9.125% senior unsecured notes due 2019

On December 22, 2010, we issued \$475.0 million senior unsecured notes bearing interest at 9.125% that will mature on January 15, 2019 (the “Senior Notes”). Interest on the notes is paid on January 15 and July 15 of each year.

On and after January 15, 2015, we may redeem the notes, at our option, in whole at any time or in part from time to time, at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on January 15 of the years set forth below:

Period	Redemption Price
2015	104.563%
2016	102.281%
2017 and thereafter	100.000%

The Senior Notes are guaranteed on a senior basis by the Subsidiary Guarantors. In addition, we have the ability to designate certain of our subsidiaries as unrestricted subsidiaries pursuant to the terms of the indenture governing our Senior Notes, and any subsidiary so designated will not be a guarantor of the notes. The right of noteholders to receive payment on the Senior Notes is effectively subordinated to the rights of our existing and future secured creditors.

The Senior Notes contain customary negative covenants including, but not limited to, restrictions on our and our restricted subsidiaries’ ability to merge and consolidate with other companies, incur indebtedness, grant liens or security interests on assets, make acquisitions, loans, advances or investments, pay dividends, sell or otherwise transfer assets, optionally prepay certain subordinated indebtedness or enter into transactions with affiliates.

We incurred financing fees of \$20.4 million in connection with the issuance of the Senior Notes which have been amortized over the term of the notes using the effective interest method.

11. Employee Benefits

Defined Contribution Benefit Plans

We have a 401(k) plan covering all U.S. employees subject to certain eligibility requirements. Under this plan, a certain percentage of contributions are matched. Contributions made to the 401(k) plan were \$5.1 million, \$4.8 million and \$4.4 million for the years ended December 31, 2014, 2013 and 2012, respectively.

We have defined contribution plans in certain locations set up in accordance with the local statutory requirements. Contributions made to the plans were \$1.7 million, \$1.1 million and \$0.8 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Pension Plan

We have a noncontributory, unfunded defined benefit retirement plan for employees located in Germany. The benefits are based on employees’ annual compensation and plan benefits are paid to employees at least 65 years of age that

have been employed a minimum of ten years. We recorded pension liabilities of \$13.5 million and \$10.8 million as of December 31, 2014 and December 31, 2013, respectively, which are included in Other long-term liabilities on the consolidated balance sheet.

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Assumptions used in determining the benefit obligations for pension and other postretirement plans as of December 31, 2014 and 2013, were as follows:

	December 31,	
	2014	2013
Discount rate	2.2%	3.5%
Average compensation increase (salaried employees only)	3.0%	3.0%

The following table provides a reconciliation of the change in our benefit obligation as of December 31, 2014 and 2013:

(in thousands)	December 31,		
	2014	2013	
Benefit obligation at beginning of year	\$10,807	\$8,913	
Service cost	396	401	
Interest cost	333	355	
Actuarial loss	3,213	686	
Benefits paid	(21	) (14	)
Effect of currency translation	(1,266	) 466	
Balance at end of year	\$13,462	\$10,807	

Net periodic pension cost recognized in the consolidated statements of operations for the periods ended December 31, 2014, 2013 and 2012 included the following components:

(in thousands)	December 31,		
	2014	2013	2012
Service cost on benefits earned during the year	\$396	\$401	\$283
Interest cost on projected benefit obligation	333	355	332
Amortization of actuarial loss	128	—	—
Net periodic pension cost	\$857	\$756	\$615

The estimated benefit payments for each of the next five years and in aggregate for the five years thereafter are as follows:

(in thousands)	
2015	\$78
2016	108
2017	193
2018	236
2019	263
2020 and Thereafter	12,584
	\$13,462

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12. Stock-Based Compensation

2011 Equity Incentive Plan

Effective April 6, 2011, our parent established the 2011 Equity Incentive Plan (the “2011 Plan”) for the employees, consultants and directors of Syniverse Corporation and its subsidiaries. The 2011 Plan provides incentive compensation through grants of incentive or non-qualified stock options, stock purchase rights, restricted stock awards, restricted stock units, or any combination of the foregoing. Syniverse Corporation will issue shares of its common stock to satisfy equity based compensation instruments. On August 16, 2013, the Compensation Committee of the Board of Directors (the “Committee”) approved an amendment to the 2011 Plan to increase the plan shares available by 3,000,000 shares to 12,291,667 shares. Of that amount, 625,000 shares are restricted for purchase by the Board and certain members of management.

The number of shares and exercise price per share is determined by the Committee for those awards granted. However, the exercise price of any option may not be less than 100% of the fair market value of a share of common stock of Syniverse Corporation on the date of grant and the exercise price of an incentive option awarded to a person who owns stock constituting more than 10% of Syniverse Corporation’s voting power may not be less than 110% of the fair market value on the date of grant. The exercise price of the option is set at the time of grant. Those eligible to participate in the 2011 Plan are limited to employees, consultants and directors (including non-employee directors) of Syniverse Corporation and its subsidiaries selected by the Committee, including participants located outside the United States. Determinations made by the Committee under the 2011 Plan need not be uniform and may be made selectively among eligible participants.

In accordance with the 2011 Plan, each option has an exercisable life of no more than 10 years from the date of grant for both non-qualified and incentive stock options. Employee stock option vesting is dependent on both the service of the employee and performance of the Company. The service based portion, based on continued employment, is 75% of each option grant which vests ratably over a five year period on each December 31. The remaining 25% of the option grant vests upon achievement of certain annual and cumulative earnings-based targets. Director stock option vesting is dependent on active service of the Board member. These options vest 20% each year on the grant anniversary date. As of December 31, 2014 and 2013, there were 8,212,746 and 9,203,082 options outstanding under the 2011 Plan, respectively.

In December 2014, the Committee approved a grant of 350,000 service based non-qualified share options to our Chief Executive Officer. The options vest ratably over a two year period.

In September 2013, the Committee, utilizing the discretion afforded under the 2011 Plan, approved an amendment to certain annual and cumulative earnings based targets for outstanding performance-based options agreements under the 2011 Plan to reflect the MACH Acquisition, resulting in a modification of the vesting terms. There was no additional compensation expense recorded as a result of this modification as the amended targets were not achieved as of December 31, 2013.

In February 2013, the Committee, utilizing the discretion afforded under the 2011 Plan, approved the vesting of the 2012 performance-based stock options resulting in a modification of the vesting terms, for which we recorded additional stock compensation expense of \$2.1 million.

Directors have the option to receive shares of common stock in lieu of a portion of their director fee. During the year ended December 31, 2012, 3,409 shares were issued in lieu of director fees and are fully vested. Stock awards are issued and measured at market value on the date of grant.



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The fair values of service based stock option grants and restricted stock awards are amortized as compensation expense using the straight-line attribution method over the vesting period of the grants. The fair values of performance based stock option grants are amortized as compensation expense using the accelerated attribution method over the vesting period of the grants. The fair values of stock options as of December 31, 2014, 2013 and 2012 were estimated at the date of grant using a Black-Scholes option-pricing model with the following weighted-average assumptions:

	Years Ended December 31,		
	2014	2013	2012
Risk-free interest rate	2.1%	2.0%	1.2%
Volatility factor	47.9%	51.6%	55.0%
Dividend yield	—%	—%	—%
Weighted-average expected life of options (in years)	6.1	6.1	6.5

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options, which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of subjective assumptions including the expected stock price volatility. Although we have a history of publicly traded stock, our common stock is 100% indirectly owned by Syniverse Corporation. As such, we used the historical volatility for the Company prior to the Merger (as defined in Item 6. “Selected Financial Data”) through the delist date (January 12, 2011). For the period subsequent to the delist date, we used the average historical volatility factor of comparable companies. We based our assumptions for the expected life of the options on the average of our contractual term and the weighted average option term.

The applicable accounting guidance requires us to estimate potential forfeitures of stock grants and adjust compensation cost recorded accordingly. We estimate our forfeitures based on an average of our historical experience excluding certain option grants for the management team issued in a period of high turnover, which we do not believe is representative of future activity.

The following table summarizes our stock option activity for the year ended December 31, 2014:

Stock Options	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term in Years	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2013	9,203,082	\$ 11.07		\$31,549
Granted	1,001,663	\$ 13.69		
Exercised	(467,500 )	\$ 10.99		
Canceled or expired	(1,524,499 )	\$ 12.39		
Outstanding at December 31, 2014	8,212,746	\$ 11.15	6.36	\$821
Vested and expected to vest at December 31, 2014	6,742,646	\$ 10.96	6.12	\$1,969
Exercisable at December 31, 2014	4,904,512	\$ 10.56	5.38	\$3,394

As of December 31, 2014, there was \$20.7 million of total unrecognized compensation cost related to stock options. The weighted-average recognition period for the remaining unrecognized stock-based compensation expense is approximately 2.3 years.





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The impact to our loss from continuing operations of recording stock-based compensation under the 2011 Plan for the year ended December 31, 2014, 2013 and 2012 was as follows:

(in thousands)	Year Ended December 31,		
	2014	2013	2012
Cost of operations	\$257	\$770	\$500
Sales and marketing	3,383	3,996	2,732
General and administrative	4,934	5,803	3,836
Stock-based compensation	\$8,574	\$10,569	\$7,068
Tax benefit	\$2,525	\$2,877	\$2,237

During the years ended December 31, 2014, 2013 and 2012:

the weighted-average fair value per share of stock options granted to employees was \$6.73, \$7.06 and \$6.06, respectively;

the total intrinsic value of stock options exercised was \$1.8 million, \$0.9 million and \$0.1 million, respectively; and

the total fair value of stock options that vested during the period was \$8.2 million, \$10.4 million and \$9.1 million, respectively.

There was no stock-based compensation cost capitalized into assets for the periods ended December 31, 2014, 2013 and 2012.

Restricted stock awards are issued and measured at market value on the date of grant. Vesting of restricted stock is based solely on time vesting. The following table summarizes our restricted stock activity under the 2011 Plan for the year ended December 31, 2014:

Restricted Stock	Shares	Weighted-Average Grant-Date Fair Value
Outstanding at December 31, 2013	86,205	\$ 14.50
Granted	17,241	\$ 15.00
Vested	(22,988)	) \$ 14.50
Forfeited	(17,241)	) \$ 14.50
Outstanding at December 31, 2014	63,217	\$ 14.64

### 13. Leasing Arrangements

We lease certain facilities and equipment for use in our operations. We record operating lease expenses on a straight-line basis over the term of the lease after taking into consideration rent holidays, rent escalations and leasehold incentives. Total rent expense under operating leases was \$15.5 million, \$12.4 million and \$13.3 million for the years ended December 31, 2014, 2013 and 2012, respectively. These leases contain various renewal options that could extend the terms of the leases beyond 2020 at our option.

Interest rates for our capital leases range from 1.4% to 11.0% with maturity dates between February 2015 and June 2019.

As of December 31, 2014, the aggregate future minimum lease commitments under non-cancelable leases were as follows:

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(in thousands)	Capital Leases	Operating Leases
Year ended December 31, 2015	\$7,081	\$12,575
Year ended December 31, 2016	4,455	10,959
Year ended December 31, 2017	4,006	5,467
Year ended December 31, 2018	798	3,471
Year ended December 31, 2019	35	1,183
Thereafter	—	4,994
Total future minimum lease payments	\$16,375	\$38,649
Less: amount representing interest	576	
Present value of net minimum lease payments	15,799	
Less: current portion	6,862	
Long-term obligations under capital leases at December 31, 2014	\$8,937	

## 14. Employee Termination Benefits and Restructuring

The following tables summarize the activity in our employee termination benefit liabilities for the years ended December 31, 2014, 2013 and 2012:

(in thousands)	December 31, 2013				December 31, 2014
	Balance	Additions	Payments	Adjustments	Balance
Employee termination benefits	\$2,691	9,140	(7,624 )	(28 )	\$4,179

  

(in thousands)	December 31, 2012				December 31, 2013
	Balance	Additions	Payments	Adjustments	Balance
Employee termination benefits	\$1,155	5,939	(4,409 )	6	\$2,691

  

(in thousands)	December 31, 2011				December 31, 2012
	Balance	Additions	Payments	Adjustments	Balance
Employee termination benefits	\$1,354	1,198	(1,412 )	15	\$1,155

Employee termination benefits represents non-retirement post-employment benefit costs including severance, benefits and other employee related costs that are unrelated to a restructuring plan.

The following table summarizes the activity in our restructuring liabilities for the years ended December 31, 2014, 2013 and 2012:

(in thousands)	December 31, 2013				December 31, 2014
	Balance	Additions	Payments	Adjustments	Balance
October 2014 Plan	\$—	\$17,822	\$(3,017 )	\$(183 )	\$14,622
December 2011 Plan	264	4	(6 )	—	262
December 2010 Plan	619	—	—	(72 )	547
Total	\$883	\$17,826	\$(3,023 )	\$(255 )	\$15,431

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	December 31, 2012				December 31, 2013
(in thousands)	Balance	Additions	Payments	Adjustments	Balance
June 2013 Plan	\$—	\$110	\$(110 )	\$—	\$—
December 2012 Plan	508	37	(554 )	9	—
December 2011 Plan	479	—	(215 )	—	264
December 2010 Plan	189	336	—	94	619
Total	\$1,176	\$483	\$(879 )	\$103	\$883

  

	December 31, 2011				December 31, 2012
(in thousands)	Balance	Additions	Payments	Adjustments	Balance
December 2012 Plan	\$—	\$573	\$(65 )	\$—	\$508
December 2011 Plan	2,961	590	(3,059 )	(13 )	479
December 2010 Plan	336	—	(147 )	—	189
Total	\$3,297	\$1,163	\$(3,271 )	\$(13 )	\$1,176

In October 2014, we implemented a restructuring plan primarily due to the realignment of our costs and expenses with our current revenue trends across our portfolio. As a result of this plan, we incurred severance related costs of \$17.1 million and contract termination costs of \$0.7 million related to the exit of leased facilities. We have paid \$3.0 million related to this plan as of December 31, 2014.

In June 2013, we implemented a restructuring plan primarily to allocate proper resources to key positions within the company. As a result of this plan, we incurred severance related costs of \$0.1 million, of which all amounts have been paid.

In December 2012, we implemented a restructuring plan primarily to align certain functions and address our cost structure in the messaging business. As a result of this plan, we incurred severance related costs of \$0.6 million, of which all amounts have been paid.

In December 2011, we implemented a restructuring plan primarily to regionalize our customer support workforce for better alignment with our customers' needs. As a result of this plan, we incurred severance related costs of \$3.7 million and contract termination costs of \$0.4 million related to the exit of a leased facility. We have paid \$3.8 million related to this plan as of December 31, 2014.

In December 2010, we implemented a restructuring plan primarily to realign certain senior management functions. As a result of this plan, we incurred severance related costs of \$2.6 million. As of December 31, 2014, we have paid \$2.1 million related to this plan.

We expect to pay the remainder of the benefits outstanding under each of these plans by the end of the second quarter of 2016.

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## 15. Income Taxes

The components of income tax benefit are as follows:

	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
Current:			
Federal	\$(116 )	\$(1,874 )	\$(6,056 )
Foreign	9,561	14,456	9,099
State and local	861	358	517
	10,306	12,940	3,560
Deferred			
Federal	(27,696 )	(11,611 )	(11,379 )
Foreign	(1,928 )	52	1,753
State and local	(5,775 )	(5,709 )	(1,823 )
	(35,399 )	(17,268 )	(11,449 )
Benefit from income taxes	\$(25,093 )	\$(4,328 )	\$(7,889 )

The income tax benefit differs from amounts computed by applying the U.S. statutory rate of 35% to pre-tax (loss) income as follows:

	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
Statutory federal income tax rate	35.0 %	35.0 %	35.0 %
State and local income tax, net of federal tax benefit	2.0	3.7	6.2
Impact of foreign tax rates	28.8	19.6	33.2
Foreign withholding and audit	(3.9 )	(4.1 )	(18.7 )
Acquisition-related costs	(0.5 )	(17.6 )	0.0
Other permanent items	(0.3 )	0.5	6.6
Tax credits	1.9	8.8	19.8
Changes to uncertain tax positions	3.1	(15.6 )	9.9
Changes in measurement of deferred tax liabilities and other	2.9	8.2	(13.5 )
Change in valuation allowance	(30.0 )	(29.1 )	11.3
Expiration of net operating losses ("NOLs")	—	—	(2.8 )
Domestic production benefits	—	—	37.9
Unrealized gain/loss	—	(1.1 )	(24.8 )
Dividends	(3.1 )	—	—
Other, net	(0.8 )	1.4	(2.5 )
	35.1 %	9.7 %	97.6 %

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The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate, was \$25.8 million, \$34.1 million and \$15.5 million at December 31, 2014, 2013 and 2012, respectively. Uncertain tax positions are included in other long-term liabilities on the consolidated balance sheets. A reconciliation of the beginning and ending amount of uncertain tax positions is as follows:

(in thousands)	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
Balance at beginning of period	\$58,549	\$15,546	\$17,035
Additions based on tax positions related to the current year	13,768	11,303	1,188
Additions for tax positions of prior years	625	35,437	459
Reductions for tax positions of prior years	(1,563	) (1,681	) (168
Reductions for tax positions effectively settled	(472	) (406	) —
Reductions for lapse of statute of limitations	(3,722	) (1,650	) (2,968
Balance at end of period	\$67,185	\$58,549	\$15,546

It is reasonably possible that the December 31, 2014 unrecognized tax benefits could decrease within the next twelve months by \$1.4 million.

We recognize accrued interest and penalties related to uncertain tax positions as a component of income tax expense. Cumulative accrued interest and penalties was \$2.2 million, \$2.4 million and \$1.1 million as of December 31, 2014, 2013 and 2012, respectively. Period accrued interest and penalties were a (benefit) expense of \$(0.5) million, \$0.2 million and \$0.4 million for the years ended December 31, 2014, 2013 and 2012, respectively. Included in the additions for prior years are items of \$0.6 million and \$32.0 million related to the Aicent and MACH acquisitions, respectively.

We conduct business globally and file income tax returns in the United States federal jurisdiction and various state and foreign jurisdictions. In the normal course of business, we are subject to examination by taxing authorities throughout the world, including such major jurisdictions as the United States. Tax years 2011 through 2014 are subject to examination by the federal taxing authorities. Tax years 2003 through 2014 are subject to examination by the state taxing authorities. In our international tax jurisdictions, tax years 2008 and subsequent years remain open in all of our major international tax jurisdictions. We are currently under audit by the Internal Revenue Service of the United States for the Successor periods (as discussed in Item 6. "Selected Financial Data") ended December 31, 2011 and 2012.

The Company's non-U.S. subsidiaries had \$70.9 million in cumulative undistributed earnings as of December 31, 2014. This amount represents the post-income tax earnings under U.S. GAAP adjusted for previously taxed income. The earnings from the Company's non-U.S. subsidiaries are considered to be indefinitely reinvested. Accordingly, no provision for U.S. federal and state income taxes has been made in the accompanying consolidated financial statements. Further, a determination of the unrecognized deferred tax liability is not practicable. Any future distribution of these non-U.S. earnings may subject the Company to both U.S. federal and state income taxes, as adjusted for non-U.S. tax credits, and withholding taxes payable to various non-U.S. countries.

The components of pretax loss from operations are as follows:

(in thousands)	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
United States	\$(84,509	) \$(65,496	) \$(49,456

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Foreign	13,116	20,873	41,372	
	\$(71,393	) \$(44,623	) \$(8,084	)

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Deferred income tax assets and liabilities are recorded due primarily to different carrying amounts for financial and income tax reporting purposes arising from cumulative temporary differences. Significant components of deferred tax assets (liabilities) are shown in the following table:

(in thousands)	December 31, 2014		December 31, 2013	
	Current	Non-Current	Current	Non-Current
Deferred Tax Assets and Liabilities:				
Intangibles	\$—	\$(219,848 )	\$—	\$(203,481 )
Property & equipment	—	(41,367 )	—	(51,858 )
Interest	—	(8,700 )	—	(10,484 )
Employee benefit accruals	5,728	10,030	4,497	8,123
Accrued expenses	1,242	—	674	—
Deferrals	—	582	—	423
Software development costs	—	(16,747 )	—	(10,701 )
Foreign currency translation	(186 )	2,628	75	(997 )
Net operating loss carryforwards	—	204,466	10,270	180,876
Other, net	(4,508 )	5,594	(1,892 )	4,919
	2,276	(63,362 )	13,624	(83,180 )
Less: Valuation allowance	(1,813 )	(137,349 )	(2,775 )	(125,664 )
Net Deferred Tax Assets and Liabilities	\$463	\$(200,711 )	\$10,849	\$(208,844 )

The activity in deferred tax assets includes the deferred tax impact of foreign currency translation adjustments and actuarial gains associated with our defined benefit pension plan totaling \$1.4 million, \$0.1 million and \$(0.1) million to increase (decrease) the deferred tax asset on accumulated other comprehensive (loss) income during 2014, 2013 and 2012, respectively.

Our deferred tax assets include net accumulated foreign net operating losses (NOLs) of \$213.7 million, net accumulated federal NOLs of \$21.8 million and net accumulated state NOLs of \$11.6 million at December 31, 2014. The foreign NOLs remain available indefinitely to offset future taxable income in specific jurisdictions subject to applicable tax laws and regulations while state NOLs in specific jurisdictions will expire if not utilized between tax years 2015 and 2034. The deferred tax assets also include federal and state tax credit carry forwards of \$2.9 million and \$1.2 million, respectively, at December 31, 2014. The federal credits will expire if not utilized between tax years between 2033 and 2034. The majority of the state credits have an indefinite carryforward period. We continue to maintain a valuation allowance for deferred tax assets primarily associated with certain foreign NOLs. We have determined that it is more likely than not that we will realize the benefit of our net deferred tax assets for which we have not established a valuation allowance. The total amount of valuation allowance on our deferred tax assets was \$139.2 million and \$128.4 million at December 31, 2014 and 2013, respectively. The change is mainly related to additional foreign current period NOLs.

Certain intangible assets and goodwill arising from our prior acquisition activities have tax deductible basis. However, these assets were subsequently recorded at fair value in the prior period in accordance with the applicable accounting guidance for business combinations as it relates to the Merger. We believe the tax benefits for these historical assets will continue in future periods and are included in our deferred tax liabilities.

## 16. Concentration of Business

Financial instruments that subject us to concentrations of credit risk are limited to our trade receivables from major customers and cash. One customer represented more than 10% of accounts receivable as of December 31, 2014 and 2013. Our cash is placed with high credit quality financial institutions.

Our largest customer, Verizon Wireless, generated 20.3% of total revenues for the year ended December 31, 2014. For the year ended December 31, 2013, our two largest customers, Verizon Wireless and Sprint contributed 21.6% and 10.7% of total revenues, respectively. For the year ended December 31, 2012, Verizon Wireless and Sprint contributed 23.6% and 12.2% of total revenues, respectively.

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No other customer represented more than 10% of revenues for the periods presented, although a significant amount of our remaining revenues were generated from services provided to a small number of other customers.

17. Commitments and Contingencies

We are currently a party to various claims and legal actions that arise in the ordinary course of business. We believe such claims and legal actions, individually and in the aggregate, will not have a material adverse effect on our business, financial condition, results of operations or cash flows. As of December 31, 2014, we have considered all of the claims and disputes of which we are aware and have provided for probable losses, which are not significant.

18. Fair Value Measurements

The accounting standards for fair value require disclosure about how fair value is determined for assets and liabilities and establishes a hierarchy for which these assets and liabilities must be grouped, based on significant levels of inputs. The three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies, is as follows:

Level 1—Quoted prices for identical assets and liabilities in active markets.

Level 2—Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3—Unobservable inputs for the asset or liability.

Transfers between levels are determined at the end of the reporting period. No transfers between levels have been recognized for the years ended December 31, 2014 and 2013.

Cash, accounts receivable, accounts payable and accrued liabilities are reflected in the financial statements at their carrying value, which approximate their fair value due to their short maturity.

Restricted cash included \$1.1 million and \$4.8 million of certificates of deposit at December 31, 2014 and 2013, respectively. The fair value of certificates of deposit is the balance at the reporting date less early withdrawal penalties, if applicable, and is based on observable inputs of rates offered on deposits of similar remaining maturities (Level 2). Certificates of deposit are reflected in the financial statements at their carrying value, which approximates their fair value, due to the insignificant nature of early withdrawal penalties.

At December 31, 2013, restricted cash also included \$1.3 million of cash held in escrow related to additional cash payments that were made in 2014 to the former owner of an entity acquired by MACH in 2011 as required under a purchase agreement existing at the MACH Acquisition Date. This amount is reflected in the financial statements at its carrying value, which approximated its fair value (Level 3).

From time to time, we measure certain assets at fair value on a non-recurring basis, specifically long-lived assets evaluated for impairment. We estimate the fair value of our long-lived assets using company-specific assumptions which would be categorized within Level 2 of the fair value hierarchy.

The carrying amounts and fair values of our long-term debt as of December 31, 2014 and 2013 were as follows:

December 31, 2014

December 31, 2013

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(in thousands)	Carrying Value	Fair Value	Carrying Value	Fair Value
Initial Term Loans	\$911,835	\$891,319	\$911,835	\$916,394
Tranche B Term Loans	\$678,665	\$663,395	\$678,665	\$683,331
Revolving Credit Facility	\$10,000	\$10,000	\$—	\$—
Senior Notes	\$475,000	\$491,625	\$475,000	\$520,125

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The fair values of the Initial Term Loans, the Tranche B Term Loans and the Senior Notes were based upon quoted market prices in inactive markets for similar instruments (Level 2). The Revolving Credit Facility bore interest at a floating rate, therefore the Company believes that the carrying value approximates fair value and is classified within Level 3 of the fair value hierarchy.

## 19. Quarterly Financial Information (Unaudited)

The following table summarizes quarterly financial results for the year ended December 31, 2014:

	First Quarter 2014	Second Quarter 2014	Third Quarter 2014	Fourth Quarter 2014
(in thousands)				
Revenues	\$219,700	\$227,136	\$239,822	\$229,637
Gross Profit	\$131,308	\$134,768	\$143,002	\$129,165
Operating income (loss)	\$11,920	\$23,101	\$23,684	\$(5,099)
Net (loss) income from continuing operations	\$(16,217)	\$(9,017)	\$15,724	\$(36,790)
Loss from discontinued operations, net of tax	\$—	\$(560)	\$—	\$(128)
Net (loss) income	\$(16,217)	\$(9,577)	\$15,724	\$(36,918)
Net (loss) income attributable to Syniverse Holdings, Inc.	\$(16,497)	\$(9,679)	\$15,415	\$(37,242)

The following table summarizes quarterly financial results for the year ended December 31, 2013:

	First Quarter 2013	Second Quarter 2013	Third Quarter 2013	Fourth Quarter 2013
(in thousands)				
Revenues	\$183,882	\$193,271	\$238,890	\$242,918
Gross Profit	\$111,951	\$121,337	\$152,959	\$151,918
Operating income	\$10,123	\$7,614	\$39,484	\$32,343
Net loss from continuing operations	\$(13,047)	\$(24,144)	\$(1,471)	\$(1,633)
Loss from discontinued operations, net of tax	\$—	\$—	\$(4,980)	\$(112)
Net loss	\$(13,047)	\$(24,144)	\$(6,451)	\$(1,745)
Net loss attributable to Syniverse Holdings, Inc.	\$(13,459)	\$(24,336)	\$(6,534)	\$(2,202)

## 20. Related Party Transactions

## Consulting Agreement with Carlyle

On January 13, 2011, we entered into a ten-year consulting agreement with Carlyle under which we pay Carlyle a fee for consulting services Carlyle provides to us and our subsidiaries. During the years ended December 31, 2014, 2013 and 2012, we recorded \$3.1 million, \$3.4 million and \$3.1 million, respectively, associated with the consulting fee and the reimbursement of out-of-pocket expenses.

During the year ended December 31, 2013, under the Consulting Agreement with Carlyle, we paid a \$10.0 million transaction fee associated with the MACH Acquisition and related debt issuance. We recorded \$5.0 million of the transaction fee in Acquisitions expense and \$5.0 million was included in capitalized financing costs.

Carlyle, from time to time, participates as a debt holder within the syndicate under our Initial Term Loans and Tranche B Term Loans. As of December 31, 2014, Carlyle held \$52.0 million and \$17.5 million of our Initial Term Loans and Tranche



B Term Loans, respectively. As of December 31, 2013, Carlyle held \$49.0 million and \$17.5 million of our Initial Term Loans and Tranche B Term Loans, respectively.

#### 21. Supplemental Consolidating Financial Information

We have presented supplemental consolidating balance sheets, statements of operations, statements of comprehensive (loss) income and statements of cash flows for Syniverse Holdings, Inc., which we refer to in this footnote only as Syniverse, Inc., the subsidiary guarantors and the subsidiary non-guarantors for all periods presented to reflect the guarantor structure under the Senior Notes. The supplemental financial information reflects the investment of Syniverse, Inc. using the equity method of accounting.

Syniverse, Inc.'s payment obligations under the Senior Notes are guaranteed by the 100% owned subsidiary guarantors. Syniverse, Inc.'s other subsidiaries are included as non-guarantors (collectively, the "Subsidiary Non-Guarantors"). Such guarantees are irrevocable, full, unconditional and joint and several.

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CONSOLIDATING BALANCE SHEET  
AS OF DECEMBER 31, 2014  
(IN THOUSANDS)

	Syniverse Inc.	Subsidiary Guarantors	Subsidiary Non-Guarantors	Adjustments	Consolidated
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$—	\$38,685	\$ 50,662	\$—	\$89,347
Accounts receivable, net of allowances	—	142,793	53,170	—	195,963
Accounts receivable - affiliates	2,024,262	2,180,581	414,014	(4,618,857 )	—
Interest receivable - affiliates	337	—	—	(337 )	—
Deferred tax assets	10,635	706	4,534	(10,635 )	5,240
Income taxes receivable	—	3,195	5,354	—	8,549
Prepaid and other current assets	1,543	17,251	17,753	—	36,547
Total current assets	2,036,777	2,383,211	545,487	(4,629,829 )	335,646
Property and equipment, net	—	90,186	27,188	—	117,374
Capitalized software, net	—	181,465	45,146	—	226,611
Deferred costs, net	48,573	—	—	—	48,573
Goodwill	—	1,924,005	395,785	—	2,319,790
Identifiable intangibles, net	—	400,017	96,483	—	496,500
Long-term note receivable - affiliates	5,284	—	7,182	(12,466 )	—
Deferred tax assets	—	—	6,240	—	6,240
Other assets	—	5,311	8,556	—	13,867
Investment in subsidiaries	2,330,367	735,309	—	(3,065,676 )	—
Total assets	\$4,421,001	\$5,719,504	\$ 1,132,067	\$(7,707,971 )	\$3,564,601
<b>LIABILITIES AND STOCKHOLDER EQUITY</b>					
Current liabilities:					
Accounts payable	\$—	\$25,883	\$ 9,084	\$—	34,967
Accounts payable - affiliates	1,268,265	3,077,728	272,864	(4,618,857 )	—
Income taxes payable	—	1,894	4,045	—	5,939
Accrued liabilities	26,347	43,669	36,871	—	106,887
Accrued interest - affiliates	—	140	197	(337 )	—
Deferred revenues	—	2,839	5,410	—	8,249
Deferred tax liabilities	—	—	4,777	—	4,777
Current portion of capital lease obligation	—	6,788	74	—	6,862
Total current liabilities	1,294,612	3,158,941	333,322	(4,619,194 )	167,681
Long-term liabilities:					
Long-term note payable - affiliates	—	7,183	5,296	(12,479 )	—
Deferred tax liabilities	—	199,557	18,029	(10,635 )	206,951
Long-term capital lease obligation, net of current maturities	—	8,937	—	—	8,937
Long-term debt, net of current portion and original issue discount	2,063,958	—	—	—	2,063,958
Other long-term liabilities	—	14,519	32,958	(6,195 )	41,282
Total liabilities	3,358,570	3,389,137	389,605	(4,648,503 )	2,488,809
Commitments and contingencies					



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Stockholder equity:

Common stock	—	—	136,929	(136,929 )	—
Additional paid-in capital	1,182,622	2,209,459	559,359	(2,719,332 )	1,232,108
(Accumulated deficit) retained earnings	(119,221 )	120,375	91,082	(211,483 )	(119,247 )
Accumulated other comprehensive (loss) income	(970 )	533	(44,908 )	1,123	(44,222 )
Total Syniverse Holdings Inc. stockholder equity	1,062,431	2,330,367	742,462	(3,066,621 )	1,068,639
Nonredeemable noncontrolling interest	—	—	—	7,153	7,153
Total equity	1,062,431	2,330,367	742,462	(3,059,468 )	1,075,792
Total liabilities and stockholder equity	\$4,421,001	\$5,719,504	\$ 1,132,067	\$(7,707,971 )	\$3,564,601

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CONSOLIDATING STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(IN THOUSANDS)

	Syniverse Inc.	Subsidiary Guarantors	Subsidiary Non-Guarantors	Adjustments	Consolidated
Revenues	\$—	\$691,161	\$ 225,134	\$—	\$916,295
Costs and expenses:					
Cost of operations (excluding depreciation and amortization shown separately below)	—	326,865	51,187	—	378,052
Sales and marketing	—	44,460	33,210	—	77,670
General and administrative	—	88,543	51,907	—	140,450
Depreciation and amortization	—	189,024	48,553	—	237,577
Employee termination benefits	—	5,920	3,220	—	9,140
Restructuring	—	5,098	12,728	—	17,826
Acquisitions	—	1,974	—	—	1,974
	—	661,884	200,805	—	862,689
Operating income	—	29,277	24,329	—	53,606
Other income (expense), net:					
Income (loss) from equity investment	(51,975	) 18,494	—	33,481	—
Interest income	—	10	843	—	853
Interest expense	(122,777	) (375	) (84	) —	(123,236
Interest expense - affiliate	239	(231	) (8	) —	—
Equity income in investee	—	—	35	—	35
Other, net	84,144	(89,106	) 150,453	(148,142	) (2,651
	(90,369	) (71,208	) 151,239	(114,661	) (124,999
(Loss) income before (benefit from) provision for income taxes	(90,369	) (41,931	) 175,568	(114,661	) (71,393
(Benefit from) provision for income taxes	(42,392	) 9,110	8,189	—	(25,093
Net (loss) income from continuing operations	(47,977	) (51,041	) 167,379	(114,661	) (46,300
Loss from discontinued operations, net of tax	—	—	(688	) —	(688
Net (loss) income	(47,977	) (51,041	) 166,691	(114,661	) (46,988
Net income attributable to nonredeemable noncontrolling interest	—	—	—	1,015	1,015
Net (loss) income attributable to Syniverse Holdings, Inc.	\$(47,977	) \$(51,041	) \$ 166,691	\$(115,676	) \$(48,003
Amounts attributable to Syniverse Holdings, Inc.:					
(Loss) income from continuing operations, net of tax	\$(47,977	) \$(51,041	) \$ 167,379	\$(115,676	) \$(47,315
Loss from discontinued operations, net of tax	—	—	(688	) —	(688
Net (loss) income attributable to Syniverse Holdings, Inc.	\$(47,977	) \$(51,041	) \$ 166,691	\$(115,676	) \$(48,003



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CONSOLIDATING STATEMENT OF COMPREHENSIVE (LOSS) INCOME  
 FOR THE YEAR ENDED DECEMBER 31, 2014  
 (IN THOUSANDS)

	Syniverse Inc.	Subsidiary Guarantors	Subsidiary Non-Guarantors	Adjustments	Consolidated
Net (loss) income	\$(47,977 )	\$(51,041 )	\$ 166,691	\$(114,661 )	\$(46,988 )
Other comprehensive income (loss):					
Foreign currency translation adjustment, net of tax benefit of \$496	—	—	(69,698 )	—	(69,698 )
Actuarial loss on defined benefit pension plan, net of tax benefit of \$948	—	—	(2,014 )	—	(2,014 )
Other comprehensive loss	—	—	(71,712 )	—	(71,712 )
Comprehensive (loss) income	(47,977 )	(51,041 )	94,979	(114,661 )	(118,700 )
Less: comprehensive income attributable to nonredeemable noncontrolling interest	—	—	—	1,260	1,260
Comprehensive (loss) income attributable to Syniverse Holdings, Inc.	\$(47,977 )	\$(51,041 )	\$ 94,979	\$(115,921 )	\$(119,960 )

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CONSOLIDATING STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED DECEMBER 31, 2014  
 (IN THOUSANDS)

	Syniverse Inc.	Subsidiary Guarantors	Subsidiary Non-Guarantors	Adjustments	Consolidated
Cash flows from operating activities	1,633	170,621	(4,243 )	—	168,011
Cash flows from investing activities					
Capital expenditures	—	(60,243 )	(31,515 )	—	(91,758 )
Acquisitions, net of acquired cash	—	(290,047 )	—	—	(290,047 )
Redemption of certificate of deposit	—	—	3,694	—	3,694
Proceeds from sale of Divestment Business	—	—	717	—	717
Net cash used in investing activities	—	(350,290 )	(27,104 )	—	(377,394 )
Cash flows from financing activities					
Proceeds from issuance of long-term debt	100,000	—	—	—	100,000
Principal payments on long-term debt	(90,000 )	—	—	—	(90,000 )
Payments on capital lease obligation	—	(7,875 )	(145 )	—	(8,020 )
Distribution to Syniverse Corporation	(1,840 )	—	—	—	(1,840 )
Payments on intercompany notes	(9,793 )	18,915	(9,122 )	—	—
Purchase of redeemable noncontrolling interest	—	—	(501 )	—	(501 )
Distribution to nonredeemable noncontrolling interest	—	—	(888 )	—	(888 )
Net cash (used in) provided by financing activities	(1,633 )	11,040	(10,656 )	—	(1,249 )
Effect of exchange rate changes on cash	—	—	(6,421 )	—	(6,421 )
Net increase in cash	—	(168,629 )	(48,424 )	—	(217,053 )
Cash and cash equivalents at beginning of period	—	207,314	99,086	—	306,400
Cash and cash equivalents at end of period	\$—	\$38,685	\$ 50,662	\$—	\$89,347

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CONSOLIDATING BALANCE SHEET  
AS OF DECEMBER 31, 2013  
(IN THOUSANDS)

	Syniverse Inc.	Subsidiary Guarantors	Subsidiary Non-Guarantors	Adjustments	Consolidated
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$—	\$207,314	\$ 99,086	\$—	\$306,400
Accounts receivable, net of allowances	—	135,524	52,180	—	187,704
Accounts receivable - affiliates	1,915,933	1,865,025	237,274	(4,018,232 )	—
Interest receivable - affiliates	2,368	—	—	(2,368 )	—
Deferred tax assets	9,317	4,217	1,430	—	14,964
Income taxes receivable	—	7,400	2,449	—	9,849
Prepaid and other current assets	1,544	21,872	16,109	—	39,525
Total current assets	1,929,162	2,241,352	408,528	(4,020,600 )	558,442
Property and equipment, net	—	88,339	18,067	—	106,406
Capitalized software, net	—	187,099	51,189	—	238,288
Deferred costs, net	58,375	—	—	—	58,375
Goodwill	—	1,710,100	440,264	—	2,150,364
Identifiable intangibles, net	—	400,897	138,191	—	539,088
Long-term note receivable - affiliates	—	11,732	—	(11,732 )	—
Deferred tax assets	—	—	5,584	—	5,584
Other assets	—	3,179	9,292	—	12,471
Investment in subsidiaries	2,434,279	779,982	—	(3,214,261 )	—
Total assets	\$4,421,816	\$5,422,680	\$ 1,071,115	\$(7,246,593 )	\$3,669,018
<b>LIABILITIES AND STOCKHOLDER EQUITY</b>					
Current liabilities:					
Accounts payable	\$—	\$14,358	\$ 10,933	\$—	\$25,291
Accounts payable - affiliates	1,150,319	2,703,548	164,365	(4,018,232 )	—
Income taxes payable	—	—	10,179	—	10,179
Accrued liabilities	27,156	51,792	34,809	—	113,757
Accrued interest - affiliates	—	—	2,368	(2,368 )	—
Deferred revenues	—	1,334	4,830	—	6,164
Deferred tax liabilities	—	—	4,115	—	4,115
Current portion of capital lease obligation	—	6,428	143	—	6,571
Total current liabilities	1,177,475	2,777,460	231,742	(4,020,600 )	166,077
Long-term liabilities:					
Long-term note payable - affiliates	6,540	—	5,192	(11,732 )	—
Deferred tax liabilities	4,688	187,496	22,244	—	214,428
Long-term capital lease obligation, net of current maturities	—	333	76	—	409
Long-term debt, net of current portion and original issue discount	2,051,248	—	—	—	2,051,248
Other long-term liabilities	—	23,112	24,597	—	47,709
Total liabilities	3,239,951	2,988,401	283,851	(4,032,332 )	2,479,871

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Commitments and contingencies					
Redeemable noncontrolling interest	—	—	501	—	501
Stockholder equity:					
Common stock	—	—	136,929	(136,929 )	—
Additional paid-in capital	1,254,079	2,264,071	548,539	(2,841,315 )	1,225,374
Accumulated (deficit) retained earnings	(71,244 )	169,675	74,246	(243,921 )	(71,244 )
Accumulated other comprehensive (loss) income	(970 )	533	27,049	1,123	27,735
Total Syniverse Holdings Inc. stockholder equity	1,181,865	2,434,279	786,763	(3,221,042 )	1,181,865
Nonredeemable noncontrolling interest	—	—	—	6,781	6,781
Total equity	1,181,865	2,434,279	786,763	(3,214,261 )	1,188,646
Total liabilities and stockholder equity	\$4,421,816	\$5,422,680	\$ 1,071,115	\$(7,246,593 )	\$3,669,018

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CONSOLIDATING STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2013  
(IN THOUSANDS)

	Syniverse Inc.	Subsidiary Guarantors	Subsidiary Non-Guarantors	Adjustments	Consolidated
Revenues	\$—	\$678,984	\$ 179,977	\$—	\$858,961
Costs and expenses:					
Cost of operations (excluding depreciation and amortization shown separately below)	—	252,474	68,322	—	320,796
Sales and marketing	—	48,827	26,168	—	74,995
General and administrative	—	118,241	11,113	—	129,354
Depreciation and amortization	—	185,881	30,317	—	216,198
Employee termination benefits	—	4,067	1,872	—	5,939
Restructuring	—	—	483	—	483
Acquisitions	—	21,632	—	—	21,632
	—	631,122	138,275	—	769,397
Operating income	—	47,862	41,702	—	89,564
Other income (expense), net:					
Income (loss) from equity investment	55,553	13,562	—	(69,115 )	—
Interest income	215	10	461	—	686
Interest expense	(124,813 )	(783 )	(60 )	—	(125,656 )
Debt extinguishment costs	(2,802 )	—	—	—	(2,802 )
Equity income in investee	—	—	422	—	422
Other, net	(37,077 )	39,334	(9,094 )	—	(6,837 )
	(108,924 )	52,123	(8,271 )	(69,115 )	(134,187 )
(Loss) income before (benefit from) provision for income taxes	(108,924 )	99,985	33,431	(69,115 )	(44,623 )
(Benefit from) provision for income taxes	(62,393 )	44,432	13,633	—	(4,328 )
Net (loss) income from continuing operations	(46,531 )	55,553	19,798	(69,115 )	(40,295 )
Loss from discontinued operations, net of tax	—	—	(5,092 )	—	(5,092 )
Net (loss) income	(46,531 )	55,553	14,706	(69,115 )	(45,387 )
Net income attributable to nonredeemable noncontrolling interest	—	—	—	1,144	1,144
Net (loss) income attributable to Syniverse Holdings, Inc.	\$(46,531 )	\$55,553	\$ 14,706	\$(70,259 )	\$(46,531 )
Amounts attributable to Syniverse Holdings, Inc.:					
(Loss) income from continuing operations, net of tax	\$(46,531 )	\$55,553	\$ 19,798	\$(70,259 )	\$(41,439 )
Loss from discontinued operations, net of tax	—	—	(5,092 )	—	(5,092 )
Net (loss) income attributable to Syniverse Holdings, Inc.	\$(46,531 )	\$55,553	\$ 14,706	\$(70,259 )	\$(46,531 )





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CONSOLIDATING STATEMENT OF COMPREHENSIVE (LOSS) INCOME  
 FOR THE YEAR ENDED DECEMBER 31, 2013  
 (IN THOUSANDS)

	Syniverse Inc.	Subsidiary Guarantors	Subsidiary Non-Guarantors	Adjustments	Consolidated
Net (loss) income	\$(46,531 )	\$55,553	\$ 14,706	\$(69,115 )	\$(45,387 )
Other comprehensive loss:					
Foreign currency translation adjustment, net of tax expense of \$523	—	—	29,008	—	29,008
Actuarial loss on defined benefit pension plan, net of tax benefit of \$200	—	—	(486 )	—	(486 )
Other comprehensive income	—	—	28,522	—	28,522
Comprehensive (loss) income	(46,531 )	55,553	43,228	(69,115 )	(16,865 )
Less: comprehensive income attributable to nonredeemable noncontrolling interest	—	—	—	961	961
Comprehensive (loss) income attributable to Syniverse Holdings, Inc.	\$(46,531 )	\$55,553	\$ 43,228	\$(70,076 )	\$(17,826 )

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CONSOLIDATING STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED DECEMBER 31, 2013  
 (IN THOUSANDS)

	Syniverse Inc.	Subsidiary Guarantors	Subsidiary Non-Guarantors	Adjustments	Consolidated
Cash flows from operating activities	(614,288 )	136,609	639,071	—	161,392
Cash flows from investing activities					
Capital expenditures	—	(67,350 )	(6,583 )	—	(73,933 )
Deposit on Acquisition	—	(35,820 )	(592,371 )	—	(628,191 )
Purchase of certificate of deposit	—	—	(3,753 )	—	(3,753 )
Capital expenditure, assets held for sale	—	—	(6,689 )	—	(6,689 )
Proceeds from sale of Divestment Business	—	—	10,783	—	10,783
Net cash used in investing activities	—	(103,170 )	(598,613 )	—	(701,783 )
Cash flows from financing activities					
Proceeds from issuance of long-term debt	1,608,335	—	—	—	1,608,335
Debt issuance costs paid	(26,917 )	—	—	—	(26,917 )
Principal payments on long-term debt	(966,585 )	—	—	—	(966,585 )
Payments on capital lease obligation	—	(6,064 )	(169 )	—	(6,233 )
Distribution to Syniverse Corporation	(545 )	—	—	—	(545 )
Distribution to nonredeemable noncontrolling interest	—	—	(940 )	—	(940 )
Net cash used in financing activities	614,288	(6,064 )	(1,109 )	—	607,115
Effect of exchange rate changes on cash	—	(2,930 )	10,411	—	7,481
Net (decrease) increase in cash	—	24,445	49,760	—	74,205
Cash and cash equivalents at beginning of period	—	182,869	49,326	—	232,195
Cash and cash equivalents at end of period	\$—	\$207,314	\$ 99,086	\$—	\$306,400

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CONSOLIDATING STATEMENT OF OPERATIONS  
 FOR THE YEAR ENDED DECEMBER 31, 2012  
 (IN THOUSANDS)

	Syniverse Inc.	Subsidiary Guarantors	Subsidiary Non-Guarantors	Adjustments	Consolidated
Revenues	\$—	\$642,189	\$ 101,685	\$—	\$743,874
Costs and expenses:					
Cost of operations (excluding depreciation and amortization shown separately below)	—	236,698	38,603	—	275,301
Sales and marketing	—	47,836	20,713	—	68,549
General and administrative	—	107,665	(4,354 )	—	103,311
Depreciation and amortization	—	170,955	6,365	—	177,320
Employee termination benefits	—	1,198	—	—	1,198
Restructuring	—	1,125	38	—	1,163
Acquisitions	—	14,684	—	—	14,684
	—	580,161	61,365	—	641,526
Operating income	—	62,028	40,320	—	102,348
Other income (expense), net:					
Income (loss) from equity investment	67,701	25,872	—	(93,573 )	—
Interest income	—	370	420	—	790
Interest expense	(108,704 )	—	—	—	(108,704 )
Debt extinguishment costs	(6,458 )	—	—	—	(6,458 )
Other, net	—	5,547	(1,607 )	—	3,940
	(47,461 )	31,789	(1,187 )	(93,573 )	(110,432 )
(Loss) income before (benefit from) provision for income taxes	(47,461 )	93,817	39,133	(93,573 )	(8,084 )
(Benefit from) provision for income taxes	(44,220 )	26,116	10,215	—	(7,889 )
Net (loss) income	(3,241 )	67,701	28,918	(93,573 )	(195 )
Net income attributable to nonredeemable noncontrolling interest	—	—	—	3,046	3,046
Net (loss) income attributable to Syniverse Holdings, Inc.	\$(3,241 )	\$67,701	\$ 28,918	\$(96,619 )	\$(3,241 )

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CONSOLIDATING STATEMENT OF COMPREHENSIVE (LOSS) INCOME  
 FOR THE YEAR ENDED DECEMBER 31, 2012  
 (IN THOUSANDS)

	Syniverse Inc.	Subsidiary Guarantors	Subsidiary Non-Guarantors	Adjustments	Consolidated
Net (loss) income	\$(3,241 )	\$67,701	\$ 28,918	\$(93,573 )	\$(195 )
Other comprehensive income:					
Foreign currency translation adjustment, net of tax expense of \$387	—	—	(2,160 )	—	(2,160 )
Actuarial loss on defined benefit pension plan, net of tax benefit of \$521	—	—	(1,246 )	—	(1,246 )
Other comprehensive loss	—	—	(3,406 )	—	(3,406 )
Comprehensive (loss) income	(3,241 )	67,701	25,512	(93,573 )	(3,601 )
Less: comprehensive income attributable to nonredeemable noncontrolling interest	—	—	—	3,010	3,010
Comprehensive (loss) income attributable to Syniverse Holdings, Inc.	\$(3,241 )	\$67,701	\$ 25,512	\$(96,583 )	\$(6,611 )

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CONSOLIDATING STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED DECEMBER 31, 2012  
 (IN THOUSANDS)

	Syniverse Inc.	Subsidiary Guarantors	Subsidiary Non-Guarantors	Adjustments	Consolidated
Cash flows from operating activities	89,220	83,655	28,460	—	201,335
Cash flows from investing activities					
Capital expenditures	—	(59,378	) (6,377	) —	(65,755 )
Deposit on acquisition	—	(37,980	) —	—	(37,980 )
Net cash used in investing activities	—	(97,358	) (6,377	) —	(103,735 )
Cash flows from financing activities					
Proceeds from issuance of long-term debt	940,500	—	—	—	940,500
Debt issuance costs paid	(10,181	) —	—	—	(10,181 )
Principal payments on long-term debt	(1,019,500	) —	—	—	(1,019,500 )
Payments on capital lease obligation	—	(4,258	) 119	—	(4,139 )
Distribution to Syniverse Corporation	(83	) —	—	—	(83 )
Distribution to nonredeemable noncontrolling interest	—	—	(1,070	) —	(1,070 )
Net cash provided by (used in) financing activities	(89,264	) (4,258	) (951	) —	(94,473 )
Effect of exchange rate changes on cash	—	(920	) 3,235	—	2,315
Net (decrease) increase in cash	(44	) (18,881	) 24,367	—	5,442
Cash and cash equivalents at beginning of period	44	201,750	24,959	—	226,753
Cash and cash equivalents at end of period	\$—	\$182,869	\$ 49,326	\$—	\$232,195

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22. Subsequent Events

Verizon Renewal

Effective January 1, 2015, we entered into an early renewal agreement with Verizon. The renewed service contract has a term of 4 years, and includes services covered under the existing contract as well as new offerings including our IPX/LTE, real-time intelligence services and fraud management solutions. The renewal agreement is reflective of evolutions in the CDMA market and expected trends over the next 4 years.

Appointment of Stephen C. Gray as President and Chief Executive Officer

On February 25, 2015, the Board of Directors of the Company, appointed Stephen C. Gray as President and Chief Executive Officer of Syniverse. Mr. Gray has served as Interim President and Chief Executive Officer of the Company since August 2014 and as a director since January 2011.

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SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS  
 SYNIVERSE HOLDINGS, INC.  
 (IN THOUSANDS)

Column A	Column B	Column C	Column D	Column E
(in thousands)	Balance at	Charged to	Write-offs of	Balance
Description	Beginning	Costs and	Uncollectible	at end
	of Period	Expenses	Accounts	of Period
Allowance for doubtful accounts:				
Year ended December 31, 2012	\$2,765	\$864	\$(629 )	\$3,000
Year ended December 31, 2013	\$3,000	\$47	\$(1,317 )	\$1,730
Year ended December 31, 2014	\$1,730	\$2,668	\$4,502	\$8,900

Column A	Column B	Column C	Column D	Column E
(in thousands)	Balance at	Charged to		Balance
Description	Beginning	Costs and	Deductions	at end
	of Period	Expenses		of Period
Allowance for credit memos:				
Year ended December 31, 2012	\$4,609	\$8,135	\$(5,832 )	\$6,912
Year ended December 31, 2013	\$6,912	\$11,205	\$(11,130 )	\$6,987
Year ended December 31, 2014	\$6,987	\$18,826	\$(9,105 )	\$16,708

Column A	Column B	Column C	Column D	Column E	Column F
(in thousands)	Balance at	Charged to			Balance
Description	Beginning	Costs and	Deductions	Acquisition	at end
	of Period	Expenses			of Period
Valuation allowance for deferred income taxes:					
Year ended December 31, 2012	14,233	378	(1) (3,255 )	(2) —	11,356
Year ended December 31, 2013	11,356	12,989	(1) (1,561 )	(2) 105,655	(3) 128,439
Year ended December 31, 2014	128,439	13,681	(1) (3,896 )	(2) 938	(4) 139,162

- (1) Recognition of additional valuation allowances.  
 (2) Reduction related to partial reversal of valuation allowance.  
 (3) Adjustments related to the MACH Acquisition  
 (4) Adjustments related to the Aicent Acquisition



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## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 11, 2015.

SYNIVERSE HOLDINGS, INC.

By: /S/ DAVID W. HITCHCOCK  
David W. Hitchcock  
Chief Financial and Administrative  
Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant in the capacities and on the dates indicated:

Signatures	Capacity	Dates
/S/ STEPHEN C. GRAY Stephen C. Gray	Chief Executive Officer, President and Director (Principal Executive Officer)	March 11, 2015
/S/ DAVID W. HITCHCOCK David W. Hitchcock	Chief Financial and Administrative Officer (Principal Financial and Accounting Officer)	March 11, 2015
/S/ JAMES A. ATTWOOD, JR. James A. Attwood, Jr.	Chairman of the Board of Directors	March 11, 2015
/S/ TONY G. HOLCOMBE Tony G. Holcombe	Vice Chairman of the Board of Directors	March 11, 2015
/S/ KRISTEN ANKERBRANDT Kristen Ankerbrandt	Director	March 11, 2015
/S/ KEVIN L. BEEBE Kevin L. Beebe	Director	March 11, 2015
/S/ JULIUS GENACHOWSKI Julius Genachowski	Director	March 11, 2015
/S/ MARK J. JOHNSON Mark J. Johnson	Director	March 11, 2015
/S/ RAYMOND A. RANELLI Raymond A. Ranelli	Director	March 11, 2015

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EXHIBIT INDEX

Exhibit No. Description

3.1	Third Amended and Restated Certificate of Incorporation of Syniverse Holdings, Inc. (1)
3.2	Amended and Restated Bylaws of Syniverse Holdings, Inc. (1)
4.1	Indenture, dated as of December 22, 2010, among Buccaneer Merger Sub, Inc. (which merged into Syniverse Holdings, Inc.) and Wilmington Trust, National Association, as successor by merger to Wilmington Trust FSB, as trustee governing the 9.125% Senior Notes due 2019 (1)
4.2	First Supplemental Indenture, dated January 13, 2011, among Syniverse Holdings, Inc., the subsidiary guarantors party thereto and Wilmington Trust, National Association, as successor by merger to Wilmington Trust FSB, as trustee governing the 9.125% Senior Notes due 2019 (9)
4.3	Form of Senior Notes due 2019 (included as Exhibit A to Exhibit 4.1)
#10.1	Amended and Restated Employment Agreement, dated as of June 5, 2014 among Syniverse Corporation and Jeffrey Gordon (12)
10.2	Separation Letter, dated August 26, 2014, among Syniverse Corporation and Mr. Jeffrey Gordon (13)
*#10.3	Termination Agreement, dated August 28, 2014, between Syniverse Technologies S.à.r.l. and Morten Brøgger
#10.4	Employment Offer Letter Agreement, dated April 8, 2013, between Syniverse Technologies LLC and Edmond B. Lewis (9)
#10.5	Amended and Restated Employment Agreement, dated May 3, 2014, among Syniverse Corporation and David W. Hitchcock (13)
*#10.6	Amended and Restated Employment Agreement, dated as of June 10, 2014 among Syniverse Corporation and Alfredo T. de Cárdenas
*#10.7	Amendment to Employment Agreement, dated as of October 1, 2014 among Syniverse Corporation and Alfredo T. de Cárdenas
#10.8	Consulting Agreement, effective July 1, 2011, by and between Buccaneer Holdings, Inc. and Tony G. Holcombe (1)
#10.9	Consulting Agreement, effective December 1, 2012, by and between Buccaneer Holdings, Inc. and Tony G. Holcombe (6)
#10.10	2011 Equity Incentive Plan of Syniverse Corporation (formerly known as the 2001 Equity Incentive Plan of Buccaneer Holdings, Inc.) (10)
#10.11	Form of Stock Option Agreement for 2011 Equity Incentive Plan (1)
#10.12	Management Stockholders Agreement, dated April 6, 2011, by and among Buccaneer Holdings, Inc., certain Carlyle entities named therein, and certain individual stockholders who become parties thereto from time to time in accordance with the terms thereof (1)
#10.13	Form of Director Indemnification Agreement (1)
10.14	Credit Agreement, dated April 23, 2012 by and among Syniverse Holdings, Inc., Buccaneer Holdings, Inc., Barclays Bank PLC, as administrative agent, swing line lender and l/c issuer, and the other financial institutions and lenders from time to time party thereto (4)
10.15	Subsidiary Guaranty, dated April 23, 2012, by the Subsidiary Guarantors party thereto (4)
10.16	Security Agreement, dated April 23, 2012, by and among Syniverse Holdings, Inc., Buccaneer Holdings, Inc. and the Subsidiary Guarantors party thereto, and Barclays Bank PLC, as administrative agent (4)
#10.17	Employment Offer Letter Agreement, dated August 5, 2013 between Syniverse Technologies LLC and Joseph DiFonzo (9)
10.18	Incremental Commitment Amendment, dated as of June 28, 2013, to the Credit Agreement by and among Syniverse Holdings, Inc., Buccaneer Holdings Inc., Barclays Bank PLC as administrative agent, swing

line lender and l/c issuer, and the other financial institutions and lenders from time to time party thereto  
(7)

- 10.19 Second Amendment, dated as of September 23, 2013, by and among Syniverse Holdings, Inc., Buccaneer Holdings, Inc., the financial institutions and lenders from time to time party thereto and Barclays Bank PLC as administrative agent (8)
- #10.20 Form of Restricted Stock Award Agreement for 2011 Equity Incentive Plan (9)
- 10.21 Agreement and Plan of Merger, dated May 12, 2014, among Syniverse Technologies, LLC, Aicent Holdings Corporation, Putter Mergerco, Inc. and TA Associates Management, L.P. (11)
- \*#10.22 Stock Option Agreement, dated as of December 12, 2014 among Syniverse Corporation and Stephen C. Gray
- \*12.1 Statement regarding computation of ratio of earnings to fixed charges

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Exhibit No. Description

*21.1	List of subsidiaries of Syniverse Holdings, Inc.
*31.1	Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by the Chief Executive Officer.
*31.2	Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by the Chief Financial Officer.
**32.1	Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by the Chief Executive Officer.
**32.2	Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by the Chief Financial Officer.
101	The following financial information from Syniverse Holdings, Inc.'s Annual Report on Form 10-K for the period ended December 31, 2014, filed with the SEC, formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Loss, (iv) the Consolidated Statement of Changes in Stockholders Equity, (v) the Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements.

Notes:

- (1) Incorporated by reference from the Registrants' Registration Statement on Form S-4 (Registration No. 333-176382) filed by Syniverse Holdings, Inc. and the co-registrants named therein on August 18, 2011.
- (2) Incorporated by reference from the Current Report on Form 8-K filed by Syniverse Holdings, Inc. on January 10, 2006.
- (3) Incorporated by reference from the Annual Report on Form 10-K for the fiscal year ended December 31, 2008 filed by Syniverse Holdings, Inc. on February 27, 2009.
- (4) Incorporated by reference from the Current Report on Form 8-K filed by Syniverse Holdings, Inc. on April 26, 2012.
- (5) Incorporated by reference from the Quarterly Report on Form 10-Q filed by Syniverse Holdings, Inc. on August 8, 2012.
- (6) Incorporated by reference from the Annual Report on Form 10-K for the fiscal year ended December 31, 2012 filed by Syniverse Holdings, Inc. on March 6, 2013.
- (7) Incorporated by reference from the Quarterly Report on Form 10-Q filed by Syniverse Holdings, Inc. on August 14, 2013.
- (8) Incorporated by reference from the Quarterly Report on Form 10-Q filed by Syniverse Holdings, Inc. on November 13, 2013.
- (9) Incorporated by reference from the Annual Report on Form 10-K for the fiscal year ended December 31, 2013 filed by Syniverse Holdings, Inc. on March 25, 2014.
- (10) Incorporated by reference from the Quarterly Report on Form 10-Q filed by Syniverse Holdings, Inc. on May 14, 2014.
- (11) Incorporated by reference from the Quarterly Report on Form 10-Q filed by Syniverse Holdings, Inc. on August 12, 2014.
- (12) Incorporated by reference from the Current Report on Form 8-K filed by Syniverse Holdings, Inc. on August 26, 2014.
- (13) Incorporated by reference from the Quarterly Report on Form 10-Q filed by Syniverse Holdings, Inc. on November 12, 2014.

\* Filed herewith

\*\* Furnished herewith

# Management contract or compensatory plan or arrangement