



Corporate Profile

Innodata (NASDAQ: INOD) is a technology enabled services company focused on creating, managing and distributing digital content for our clients.

Innodata Services

- ▶ Build and maintain information products for publishers and information providers
- ▶ Production and distribution of e-books
- ▶ Build workflows for businesses to facilitate the creation, management and consumption of digital information

MARKET DATA

Stock symbol: NASDAQ: INOD
 Price at 12/31/12: \$3.78
 52-week range: \$2.80 - \$7.35
 Market capitalization: \$96 million
 Enterprise Value (EV): \$68 million
 Diluted shares:** 26 million
 TTM P/E: 13x
 Fiscal year end: December
 Institutional holdings: 24%
 Analyst coverage: Noble Financial Capital Mkts; Sidoti & Co. LLC

KEY STATISTICS

Over 7,000 employees
 Global operations in the US, Philippines, India, Sri Lanka, Europe and Israel
 Services 7 out of 10 top publishing companies.
 Total customers: 250+
 Industries served: publishing, information, media, entertainment, aerospace, defense, financial services, government, healthcare, insurance, intelligence, manufacturing and law

Our Competitive Strengths

Deep Domain Expertise

Innodata has more than 15 years of enterprise experience in co-creating knowledge-intensive, data-rich content for leading publishing companies and information providers. Innodata has also provided digital content and data enrichment, consulting or technology services for 7 of the world's top 10 publishing and information services organizations and an array of leading enterprises. Innodata has produced more than 1.3 million e-books since the beginning of the e-book explosion and is now a trusted partner to all of the major e-book platform providers.

Global Scalability

Innodata's global operations teams operate with an efficiency that allows it to scale to meet the challenges of individual publishers as well as the largest content providers.

Defined Approach

Helping content providers solve their biggest challenges, Innodata employs structured, defined approaches to driving revenue, reducing costs and managing risks. These approaches, which combine Innodata's consulting, technology services, data and content enrichment and expert knowledge of publishing, allow Innodata to serve publishing and enterprise content providers at the highest, most strategic levels.

ePublishing Leadership

Innodata has emerged as one of the largest producers of technology and processes for transforming books into e-book formats that are required for distribution and sell-through on tablets and eReaders. Innodata is at present producing and distributing e-books across 25+ global platforms and e-bookstores. Innodata has established strong relationships with all the major e-book retailers — Apple, Sony, Amazon and Kobo. Late in 2010, Innodata announced a strategic relationship with Apple in which Innodata became Apple's Digital Publishing Services Partner for North America.

Business Challenges

- ▶ Project based revenues: 30% fluctuation in our top-line
- ▶ Revenue concentration: Top 5 customers comprised 56% of Q4 revenues
- ▶ e-Book sector is nascent and investments are unpredictable

Q4 2012 FINANCIAL AND OPERATING HIGHLIGHTS

Revenues: \$19.0 million
 Gross Margin: \$5.9 million (31% of Revenue)
 Pre-tax Earnings: \$0.1 million (1% of Revenue)*
 Diluted EPS: \$0.03

EBITDA: \$1 million
 Cash and investments:** \$28 million
 Total Assets:** \$66 million
 Total Debt:** \$0

* Including startup costs of \$1.7 million, net of revenues, incurred for IADS ** At December 31, 2012

INNODATA RECENT HIGHLIGHTS

Content Services

- ▶ Began producing Chinese and Japanese e-books and high-touch interactive e-books
- ▶ Increased direct project margins 14 percentage points over 2010
- ▶ Received enterprise-wide ISO 27001, DPA, HIPAA certifications

Innodata Advanced Data Solutions

- ▶ Synodex (IADS) pilots underway and pipeline increasing
- ▶ Opened new 800-seat Delhi facility for IADS services
- ▶ Incurred \$7.5 million in operating expenses and \$2.0 million in capex

MARQUIS CLIENTS



High Value Services

As domain experts in all aspects of the publishing and content development supply chain, Innodata is increasingly viewed by its clients as a trusted advisor and strategic partner. This comes as a result of its ability to focus on the core challenges facing senior level publishing and enterprise executives: increasing revenue, reducing costs and managing risk. Specifically, Innodata helps executives address new product development in a print-to-digital world; tablet and ePlatform transformation; monetizing existing content; and organizational excellence.

Innodata's defined approach to addressing these challenges is powered by detailed methodologies which combine to deliver high-value services. From solution visualization to agile content development and technology blueprinting, Innodata's clients value its ability to conceive solutions and execute them with precision.

New Growth Opportunities

In 2011, Innodata launched Innodata Advanced Data Solutions (IADS) as a separate segment to leverage its domain expertise and global platform to serve industries requiring complex data and information analysis for risk mitigation or for managing key business processes. IADS operates through two subsidiaries. Synodex offers a range of document and data analysis to healthcare, medical and insurance companies. docGenix focuses on financial and legal documentation relating primarily to derivatives. Synodex is more advanced in terms of having an active list of prospects with whom we are doing pilot engagements. During 2011, Innodata invested \$2.2 million in operating expenses and \$2.0 million in capital expenditures in IADS. In addition, it spent \$7.5 million in operating expenses and \$2.0 million in capital expenditures in IADS in 2012. As Jack Abuhoff, Chairman and CEO, indicated in the company's fourth quarter 2012 press release, "We are making further progress in marketing the Synodex component of our IADS business. In the fourth quarter we completed pilot work for four prospective clients, and in the first quarter of 2013 we arranged to perform pilot work for eight additional prospective clients. Although we have not yet achieved significant Synodex revenues, the positive feedback we received on the pilot programs we completed in the fourth quarter makes us cautiously optimistic about closing deals and earning revenues in the near term."

Market Opportunity

The \$350 billion global publishing and information market¹ is going through dramatic changes. Shifting market trends from paper content to digital content and from online publishing to multi-channel publishing are creating expanding demand for Innodata's services.

It is estimated that 7.5% — or \$22 billion¹ — of this market will be outsourced. Moreover, rapid digital adoption by consumers and professionals are driving even greater opportunity. 300 million tablets will be sold by 2015² and the percentage of the worldwide book market attributed to e-books will rise from 3.2% in 2011 to 16.1% by 2013 representing \$12.7 billion¹.

In addition, as enterprises consume larger amounts of more complex data, the need for advanced analytics is increasing, and Innodata is uniquely positioned to capitalize on this growing market.

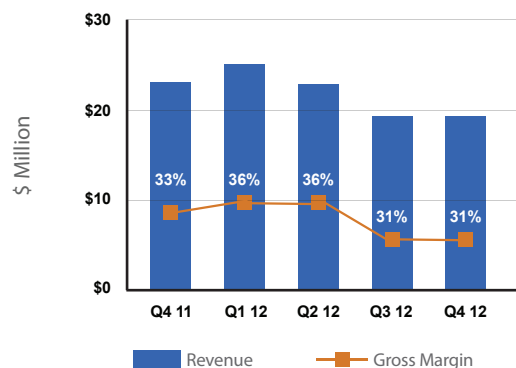
(1) Source: Outsell (2) Source: Gartner

MANAGEMENT TEAM

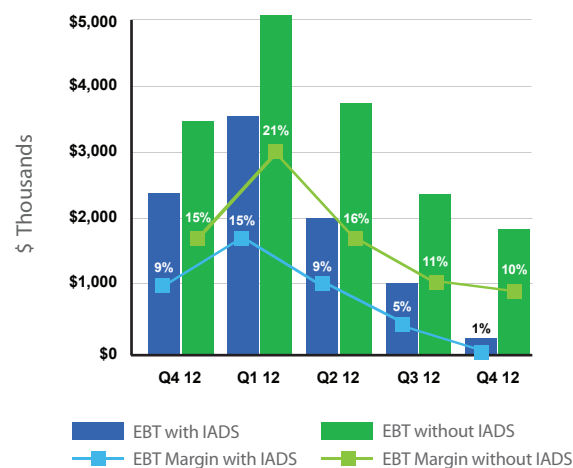
Jack Abuhoff, *President & CEO*
Ashok Kumar Mishra, *EVP & COO*
O'Neil Nalavadi, *SVP & CFO*
Amy Agress, *VP & General Counsel*

Doug Kemp, *SVP Product Innovation*
Jim Lewis, *SVP Sales & Marketing*
Stephen Ryden-Lloyd, *SVP Consulting Practice*

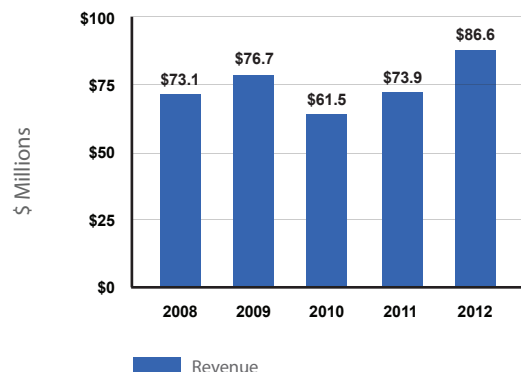
Revenue & Gross Margin



Earnings Before Tax (EBT)



Annual Revenues



CORPORATE CONTACT

Raj Jain
Vice President
rjain@innodata.com
201-371-8024

For information on how Innodata can help to solve your business problems, email us at solutions@innodata.com or visit us at www.innodata.com

INVESTOR RELATIONS CONTACTS

SM Berger & Company
Stanley Berger
stan@smberger.com
216-464-6400

Andrew Berger
andrew@smberger.com
216-464-6400