Mood Media Reports Third Quarter 2014 Financial and Operating Results

Grows EBITDA Sequentially and Year-Over-Year

Reiterates 2014 EBITDA Guidance

Expects to Achieve Annualized Cost Savings of at Least $9 to $10 Million from Integration and Synergy Activities

TORONTO, November 12, 2014 - Mood Media Corporation ("Mood Media," "Mood" or "the Company") (ISIN: CA61534J1057) (TSX:MM / LSE AIM:MM), the world's largest integrated provider of in-store customer experience solutions, today reported results for the third quarter of 2014 and provided an update on the Company's progress executing against its strategic and operational plans.

Recent Highlights

- Mood achieved Q3 revenues of $124.1 million and EBITDA of $26.3 million
- Strong EBITDA performance in Q3:
  - EBITDA was up year-over-year and grew nearly 10% sequentially
  - Mood's Q3 EBITDA performance is the best in seven quarters on a pro-forma basis excluding the impact of the sale of the Mood Latin America and Canadian accounts and the impact of Muzak Independent Affiliate settlements
- All four Mood business units, North America, International, Technomedia and BIS, posted sequential gains in EBITDA compared to Q2, and all but BIS achieved revenue increases
- The Company continued to successfully implement its global transformation, integration and consolidation activities; Mood now expects to deliver at least $9 to $10 million in annualized cost savings by year-end 2014, excluding several unrealized opportunities still in the early stages
- Mood signed a Premier U.S. Visual deal that is 5 times larger than its previous largest U.S. QSR Visual win and 3 times larger than its previous largest U.S. Visual deal
- Mood further expanded its Local Sales team, broadened its sales channels and introduced new and innovative solutions
- The Company reached several significant deals in Mood International and Technomedia resulting from cross-selling initiatives, most notably including an agreement for more than $5 million in equipment and labor sales
- Mood reiterated its 2014 financial outlook to deliver EBITDA that is flat to slightly up compared with 2013 performance

"We are pleased to see that our efforts to improve efficiencies and reduce our cost structure are beginning to bear fruit as indicated by the nearly 10% sequential improvement in EBITDA, as well as the growth we achieved relative to the prior year," said Steve Richards, President and CEO of Mood Media. "The improvement in our EBITDA is consistent with the expectation for accelerating growth in the back half of 2014 that we outlined earlier in the year and shows that we are on track to achieve our full year EBITDA guidance of flat to slightly up relative to 2013.

"In the third quarter, we made significant progress executing on our transformation initiatives, which are driving expense reductions, enhancing revenues and improving profitability," continued Mr. Richards. "We generated momentum across our key solution platforms, developed and launched innovative products, such as Mood Social WiFi, and leveraged Mood technology to build new capabilities for our clients and their customers. We continued to make progress building out our Local Sales teams and establishing partnerships that not only broaden our sales distribution channels, but expand our suite of solutions. Notably, we signed several exciting new clients and projects in Visual, Premier and International, and further developed our solid pipeline of opportunities in North America, International and Technomedia. We also advanced our efforts to cross-sell our solutions between Mood entities, which resulted in Mood International and Technomedia landing several significant and exciting deals in the quarter.

“In addition, we made significant progress executing on Waves 2 and 3 of our cost saving program, which we now expect to deliver at least $9 to $10 million in annualized cost savings by the end of 2014, excluding several unrealized opportunities still in their early stages,” continued Mr. Richards. “Looking ahead, we remain focused on investing in opportunities to drive top-line growth and executing on our programs to improve operating margins. Our efforts are delivering results and beginning to demonstrate the power of our operating model and strategy to generate enhanced Mood value and returns. As we head into the fourth quarter and 2015, we believe we are well positioned to drive growth and enhance shareholder value.”

Third Quarter Financial Results

The Company reported Q3 revenues of $124.1 million and EBITDA of $26.3 million, both up sequentially compared with Q2. Net loss per share from continuing operations was ($0.11) compared with net loss per share of ($0.51) in the prior-year period and net loss per share of ($0.18) in Q2. The Company’s third quarter revenue and EBITDA performance was impacted by the sale of its Latin American and Canadian accounts. Before adjusting for these disposals, the Company’s revenues were down 1% and EBITDA grew by $360,000 relative to the prior year. Adjusting for these disposals, the Company’s revenues would have been up 1% and EBITDA would have improved by 5% on an underlying basis relative to the prior year. EBITDA performance was also aided by a $2.8 million reduction in operating expenses relative to the prior year, which was attributable primarily to the positive impact of its integration and synergy programs in its North American, International and head office operations.

Other expense totaled $7.3 million in the quarter compared with $11.5 million in the prior year. Other expense in the quarter was comprised primarily of restructuring expenses pertaining to severance expense in Mood International and BIS related to the Company’s integration and synergy program as well as onerous lease charges.

Key Performance Indicators

	Q1.13	Q2.13	Q3.13	Q4.13	**2013**	Q1.14	Q2.14	Adjustment	Q2.14* Adjusted	Q3.14* Reported
Audio sites	428,835	427,038	428,085	428,095	428,095	423,796	418,513	(11,155)	407,358	406,139
Visual sites	11,552	12,115	12,479	12,666	12,666	12,997	13,821	(498)	13,323	13,558
Total sites	440,387	439,153	440,564	440,761	440,761	436,793	432,334	(11,653)	420,681	419,697
Audio ARPU	$ 47.19	$ 46.25	$ 45.65	$ 45.62	$ 46.17	$ 45.35	$ 45.17	-	-	$ 44.83
Visual ARPU	$ 89.78	$ 83.42	$ 89.21	$ 81.27	$ 84.30	$ 84.59	$ 85.08	-	-	$ 83.60
Blended ARPU	$ 48.28	$ 47.25	$ 46.87	$ 46.64	$ 47.23	$ 46.50	$ 46.40	-	-	$ 46.09
Audio gross additions	11,599	9,960	9,208	9,765	40,532	10,112	6,981	-	-	9,279
Visual gross additions	1,092	699	497	1,219	3,507	478	996	-	-	761
Total gross additions	12,691	10,659	9,705	10,984	44,039	10,590	7,977	-	-	10,040
Audio monthly churn	0.8%	0.9%	0.6%	0.8%	0.8%	1.1%	1.0%	-	-	0.9%
Visual monthly churn	1.4%	0.4%	0.4%	2.8%	1.3%	0.4%	0.4%	-	-	1.3%
Total monthly churn	0.8%	0.9%	0.6%	0.8%	0.8%	1.1%	0.9%	-	-	0.9%

* Note: Effective July 1 the Company transferred 8,409 audio sites and 396 visual sites as a result of the disposal of its Canadian commercial accounts to Stingray. The Company also conducted a one-time adjustment to its site base to reflect the settlement of the Muzak IA agreement, which resulted in a decrease of 2,848 sites, including 102 visual sites.

In the third quarter, the number of total Company-owned sites declined by 12,637 relative to the second quarter. The decrease in sites was primarily attributable to its sale of the Company’s Canadian commercial accounts and to a lesser degree to a one-time adjustment to its site base reflecting the settlement of the Muzak IA agreement in 2013 in connection with its acquisition and integration of DMX. Excluding these factors, the number of Company-owned sites decreased by 984 relative to the prior quarter.

Monthly churn was 0.9% in the third quarter compared with 0.9% in the second quarter, with Audio churn at 0.9% and Visual churn at 1.3%. The Company grew its Visual site base by 235 sites on an adjusted basis relative to the second quarter.

Blended ARPU declined by 1.7% year-over-year in the third quarter to $46.09 per month, which continues the pattern of sequential improvement compared with a decline of 5.2% year-over-year in the third quarter of 2013, and remained stable compared with the ARPU in recent quarters. Audio ARPU decreased by 1.8% relative to the prior year to $44.83 compared with a year-over-year decrease of 5.6% in the third quarter of 2013 while Visual ARPU decreased by 6.3% year-over-year to $83.60 but is in line with the trailing three quarter average Visual ARPU. Audio ARPU was stable in North America and declined slightly in its International operations. Visual ARPU increased in North America and decreased in its International operations, although International Visual ARPU has improved sequentially over the past several quarters in local currency.

Conference Call

As previously announced, the Company will hold a conference call on November 13, 2014, at 8:00 a.m. Eastern Time to discuss its results and respond to questions from the investment community. The call can be accessed by telephone by dialing 416-764-8658, or 1 888-886-7786 for international callers. Listeners are advised to dial in at least five minutes prior to the call.

This earnings release, which is current as of November 12, 2014, is a summary of our third quarter results, and should be read in conjunction with our third quarter 2014 MD&A and Consolidated Financial Statements and Notes thereto and our other recent filings with securities regulatory authorities in Canada and the United Kingdom.

The financial information presented herein has been prepared on the basis of IFRS for interim financial statements and is expressed in United States dollars unless otherwise stated.

This news release includes certain non-IFRS financial measures. Mood Media uses these non-IFRS financial measures as supplemental indicators of its operating performance and financial position. These measures do not have any standardized meanings prescribed by IFRS and therefore may not be comparable to the calculation of similar measures used by other companies, and should not be viewed as alternatives to measures of financial performance calculated in accordance with IFRS.

In this earnings release, the terms "we", "us", "our", "Mood Media", “Mood” and "the Company" refer to Mood Media Corporation and our subsidiaries.

Mood Media Corporation

INTERIM CONSOLIDATED STATEMENTS OF LOSS

Unaudited

For the three and nine months ended September 30, 2014

In thousands of US dollars, unless otherwise stated

	Three months ended		Nine months ended	
	September 30, 2014	**September 30, 2013**	**September 30, 2014**	**September 30, 2013**
Continuing operations				
Revenue	**$124,137**	**$125,662**	**$367,008**	**$381,017**
Expenses				
Cost of sales (excludes depreciation and amortization)	58,337	57,471	169,107	170,634
Operating expenses	39,520	42,272	124,246	130,844
Depreciation and amortization	17,498	16,925	53,538	51,145
Impairment to goodwill	-	75,000	-	75,000
Share-based compensation	379	1,172	991	1,860
Other expenses	7,302	11,460	16,641	25,270
Foreign exchange loss (gain) on financing transactions	9,658	(6,634)	10,418	(4,777)
Finance costs, net	13,850	13,866	55,370	24,360
Loss for the period before taxes	**(22,407)**	**(85,870)**	**(63,303)**	**(93,319)**
Income tax charge (credit)	(2,409)	(16)	(3,175)	6,875
Loss for the period from continuing operations	**(19,998)**	**(85,854)**	**(60,128)**	**(100,194)**
Discontinued operations				
Loss after tax from discontinued operations	-	(1,751)	-	(16,487)
Loss for the period	**(19,998)**	**(87,605)**	**(60,128)**	**(116,681)**
Attributable to:				
Owners of the parent	(20,004)	(87,695)	(60,177)	(117,009)
Non-controlling interests	6	90	49	328
	$(19,998)	**$(87,605)**	**$(60,128)**	**$(116,681)**
Net loss per share				
Basic and diluted	**$(0.11)**	**$(0.51)**	**$(0.34)**	**$(0.68)**
Basic and diluted from continuing operations	(0.11)	(0.50)	(0.34)	(0.58)
Basic and diluted from discontinued operations	-	(0.01)	-	(0.10)

About Mood Media Corporation

Mood Media Corporation (TSX:MM/ LSE AIM:MM), is one of the world's largest designers of in-store consumer experiences, including audio, visual, interactive, scent, voice and advertising solutions. Mood Media's solutions reach over 150 million consumers each day through more than half a million subscriber locations in over 40 countries throughout North America, Europe, Asia and Australia.

Mood Media Corporation's client base includes more than 850 U.S. and international brands in diverse market sectors that include: retail, from fashion to financial services; hospitality, from hotels to health spas; and food retail, including restaurants, bars, quick-serve and fast casual dining. Our marketing platforms include 77% of the top 100 retailers in the United States and all of the top 50 quick-serve and fast-casual restaurant companies.

For further information about Mood Media, please visit www.moodmedia.com.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements. The words "believe", "expect", "anticipate", "estimate", "intend", "may", "will", "would" and similar expressions and the negative of such expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements are subject to important assumptions, including without limitation, expected growth, results of operations, performance, financial condition, strategy and business prospects and opportunities. While Mood Media considers these factors and assumptions to be reasonable based on information currently available, they are inherently subject to significant uncertainties and contingencies and may prove to be incorrect.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: the impact of general market, industry, credit and economic conditions, currency fluctuations as well as the risk factors identified in Mood Media's management discussion and analysis dated November 12, 2014 and Mood Media's annual information form dated March 28, 2014, both of which are available on www.sedar.com.

Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. All of the forward-looking statements made in this press release are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Mood Media.

Forward-looking statements are given only as at the date hereof and Mood Media disclaims any obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws.

Mood Media Corporation presents Adjusted EBITDA information as a supplemental figure because management believes it provides useful information regarding operating performance. Adjusted EBITDA is not a recognized measure under International Financial Reporting Standards ("IFRS"), does not have standardized meaning, and is unlikely to be comparable to similar measures used by other companies. Accordingly, investors are cautioned that Adjusted EBITDA should not be construed as an alternative to net earnings or (loss) determined in accordance with IFRS as an indicator of the financial performance of Mood Media or as a measure of Mood Media's liquidity and cash flows. For a reconciliation of Adjusted EBITDA to the Consolidated Statements of Income (Loss), please see Footnote 18 to the Interim Consolidated Financial Statements which provides Segment Information.

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