

Mood Media Reports Q2 2013 Operating and Financial Results

- Mood Media Corporation revenues rise by 17% year-over-year to \$126.3 million
- Second quarter EBITDA reaches \$27.7 million
- Second quarter operating free cash flow rises to \$22 million
- Management re-affirms 2013 guidance

TORONTO, Aug. 8, 2013 /CNW/ - Mood Media Corporation (ISIN: CA61534J1057) (TSX:MM / LSE AIM:MM), one of the world's largest integrated providers of in-store customer solutions, today reported results for the second quarter ended June 30, 2013.

The Company reported revenues of \$126.3 million (a 17% increase versus the prior year's quarter) and EBITDA of \$27.7 million (an 8% decrease versus the prior year's quarter). The EBITDA performance was affected by the presence of \$0.9 million in unusually high healthcare expenses in the current quarter and by acquisitions.

Net loss per share from continuing operations was (\$0.05) compared with a net loss of (\$0.04) in the prior-year period. Increased losses in the current period were driven by the EBITDA performance in the quarter, a moderate increase in depreciation and amortization expense, higher financial expense and an increase in income tax expense, which was offset by a favorable foreign exchange gain.

"We are generally satisfied with our performance in the quarter and believe we are on the right track to deliver on our strategy," said Lorne Abony, Chairman and CEO of Mood Media. "Our EBITDA performance in the quarter was affected by some one-time gains in the prior year and by some unusually high expenses in the current quarter, which affected the reported trend in EBITDA. However, we are pleased with the pace of our integration efforts and expect it will produce long term benefits for the Company."

"We are continuing to push forward with our three-pronged strategy to drive our business powerfully into the future. Our plan consists of a relentless focus on product innovation and leadership, leveraging our global scale to lower our costs, and realigning our business processes and culture in order to speed up our innovation and execution. We are incredibly excited about our game plan and in the opportunities that lay ahead."

Pro Forma Key Performance Indicators

	Q2.12	Q2.13
Revenues		
Recurring and royalty	90,117	90,113
Visual services	24,885	23,679
Equipment revenues	18,234	12,476
Total	133,236	126,268
 Total subscribers (EOP)	 431,527	 435,113
Audio	423,999	423,025
Visual	7,528	12,088
Blended ARPU	\$ 59.94	\$ 58.59
Blended Churn	0.9%	1.0%

Note: the Company has reclassified certain revenue and subscriber data in the current presentation.

On a pro forma basis, reflecting all acquisitions as if they had occurred as of Jan. 1, 2012, revenues declined by 5% year-over-year in the second quarter. Underlying that performance, recurring and visual services revenues were stable in the period, while equipment revenues declined by 32% year over year.

Recurring and royalty revenues in the period were affected by positive trends in several categories within the visual and audio business. However, these positive trends were largely offset by competitive activity in 2012 that carried through to the Q2 2013 performance.

Visual services revenues declined by 5% year-over-year. Visual services revenues represent the Company's flagship visual operations, and consists primarily of Technomedia and BIS, both of which were acquired in 2012. These businesses do not operate on a subscription revenue model and accordingly have been classified with sale of goods in the Company's statutory accounts. Visual services revenues were significantly affected by the timing and size of installation activity in the quarter. The Company continues to believe its flagship visual operations are exceedingly well positioned to generate growth in future quarters.

Equipment revenues declined in the second quarter of 2013 relative to the prior year's quarter which is attributable primarily to the timing of equipment purchases in Europe. The Company expects that these purchases represent delays and will resume in future quarters.

Mood Media Corporation

INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS)

For the three and six months ended June 30, 2013

In thousands of US dollars unless otherwise stated

	Three months ended		Six months ended	
	Notes	June 30, 2013	June 30, 2012	June 30, 2013
Continuing operations				
Revenue	5,19	\$126,268	\$107,844	\$255,355
Expenses				
Cost of sales (excludes depreciation and amortization)		54,476	39,503	113,163
Operating expenses		44,134	38,280	88,572
Depreciation and amortization		16,496	13,664	34,220
Share-based compensation	16	325	942	688
Other expenses	6	7,916	5,645	13,810
Foreign exchange (gain) loss on financing transactions		(4,178)	8,856	1,857
Finance costs, net	7	15,970	9,273	10,494
Loss for the period before taxes		(8,871)	(8,319)	(7,449)
Income tax charge (credit)	8	499	(1,155)	6,891
				(17,952)

Loss for the period from continuing operations	(9,370)	(7,164)	(14,340)	(5,412)
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Discontinued operations

Loss after tax from discontinued operations	20	(10,984)	(23,763)	(14,736)	(36,016)
Loss for the period		(20,354)	(30,927)	(29,076)	(41,428)
Attributable to					
Owners of the parent		(20,476)	(30,933)	(29,314)	(41,396)
Non-controlling interests		122	6	238	(32)
		\$ (20,354)	\$ (30,927)	\$ (29,076)	\$ (41,428)
Net earnings (loss) per share					
Basic and diluted	9	\$(0.12)	\$(0.18)	\$(0.17)	\$(0.28)
Basic and diluted from continuing operations	9	(0.05)	(0.04)	(0.08)	(0.04)
Basic and diluted from discontinued operations	9	(0.07)	(0.14)	(0.09)	(0.24)

The accompanying notes form part of the interim consolidated financial statements

This earnings release, which is current as of August 8, 2013, is a summary of our 2013 second quarter results, and should be read in conjunction with our second quarter 2013 MD&A and our 2013 second quarter 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" and "the Company" refer to Mood Media Corporation and our subsidiaries.

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 570,000 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 100% 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, and business prospects and opportunities. While Mood Media considers these factors and assumptions to be reasonable based on information currently available, they 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 August 8, 2013 and Mood Media's annual information form dated March 28, 2013, 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 EBITDA information as a supplemental figure because management believes it provides useful information regarding operating performance. 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 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.

SOURCE: Mood Media Corporation

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