

Mood Media Reports Third Quarter 2013 Results

Successfully Implementing Operational Initiatives to Support Growth, Create Efficiencies and Enhance Profitability

Integration, Consolidation and Synergy Program Expected to Generate \$8 Million in Annualized Cost Savings Beginning in the Fourth Quarter

Updates 2013 Financial Outlook

TORONTO, November 14, 2013 - Mood Media Corporation (ISIN: CA61534J1057) (TSX:MM / LSE AIM:MM), one of the world's largest integrated providers of in-store customer experience solutions, today reported results for the third quarter ended September 30, 2013, and provided an update on strategic and operational initiatives.

Third Quarter Highlights

- Appointed Steve Richards President and Chief Executive Officer of Mood Media
- Appointed Ken Eissing Chief Operating Officer of Mood Media, North America
- Appointed Randal Rudniski Interim Chief Financial Officer
- Began executing a three-phase business efficiency and business integration synergy program to streamline Mood Media's operating infrastructure to create efficiencies and enhance profitability, while positioning opportunities for growth across Local Audio, Visual Solutions and Mobile Services.
- Announced it has implemented 98% of the first wave of its efficiency and integration program with reductions of over \$8 million in annualized expenses, with benefits to begin in the fourth quarter of 2013.
- Announced third quarter revenues were \$126 million (a 5% increase compared with the same period last year); Achieved EBITDA of \$26 million (a 17% percent decrease compared with the same quarter of 2012).
- Reported growth in its subscriber base, having reduced churn (to 0.6% per month), posting a stabilized trend in ARPU with only a 0.6% reduction quarter over quarter (\$59.00 vs. \$59.37).

"I see significant opportunities to utilize our best-in-class asset portfolio to deliver new experiences for our clients, create new opportunities for longer term growth and extract value for shareholders via integration and consolidation across our business," said Steve Richards, President and CEO of Mood Media. "We are executing several initiatives to better align Mood's operating infrastructure to support growth opportunities, create efficiencies and enhance ongoing profitability. I expected to hit the ground running, and have completed the vast majority of our first wave of efficiency gains and cost savings in my first 30 days. By actions taken in that wave, we expect to generate more than \$8 million in annual savings beginning in the fourth quarter. While we continue to face a relatively subdued underlying retail environment, we will execute our strategies to drive growth and improve profitability throughout 2014. I am excited about our future and am confident we will leverage innovative Mood capabilities and technologies that create and enhance value for the Company and its stakeholders" continued Mr. Richards. Our senior team is focused on aligning the entire organization around planning, executing and achieving integration and efficiency initiatives, standardizing performance benchmarks, developing Local, Visual and Mobile growth campaigns and operating with heightened accountability across all Mood segments. We will measure progress throughout Mood's business to ensure these changes are executed with urgency and transparency as we act as One Team, with One Plan and One Goal – that of enhancing value across the impressive asset base assembled over the past two years for the benefit of stakeholders and shareholders."

The Company reported Q3 revenues of \$126 million and EBITDA of \$26 million. Net loss per share from continuing operations was (\$0.50) compared with net loss of (\$0.03) in the prior-year period. The Company's third quarter revenue performance was impacted by softer equipment sales in North America and International operations, lower revenues at Technomedia, as the delay in contracted equipment

revenues in prior periods that were expected to be recognized in the third quarter did not materialize, as well as moderate declines in ARPU and installation revenues. Partially offsetting these factors was growth in its visual customer base and higher franchise revenues. The EBITDA performance is primarily related to softer performance in Mood's International division, where fixed costs have risen and where gross margins were negatively impacted by reduced equipment/installation revenues. Increased losses in the current period were driven by the EBITDA performance in the quarter, a moderate increase in depreciation and amortization expense, higher other expense and the incurrence of a \$75 million impairment of goodwill related to its European operations. Other expense totaled \$11.5 million in the quarter and related to restructuring and integration expense as well as transaction activities. Restructuring and integration activities include a \$3.6 million expense accrual related to the cost of implementing a revised arrangement with its independent affiliates and \$2.8 million in severance related to senior management. Transaction expense is attributable primarily to professional fees related to its strategic alternatives process and the earn-out accrual related to Technomedia. These factors were partially offset by lower finance costs, a higher foreign exchange gain and lower income tax expense.

Pro Forma Key Performance Indicators

Revenues	Q3.12	Q3.13
Recurring and other	89,171	85,190
Visual systems	24,163	22,670
Equipment	21,008	17,802
Total	134,343	125,662
Total subscribers (EOP)	430,874	434,543
Audio	423,081	422,083
Visual	7,793	12,460
Blended ARPU	\$ 59.37	\$ 59.00
Blended Churn	0.7%	0.6%

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

Recurring and other revenues reflect the Company's subscriber-related activities, installation, service, franchise and other revenues. In the third quarter, recurring and other revenues were affected by continued growth in its visual subscriber base and an increase in franchise revenues, offset by a moderate decline in ARPU and a decline in installation revenues. Visual subscriber site gross additions totaled 465 in the third quarter which resulted in approximately 60% growth in the number of its visual sites, while visual systems revenues declined by 6% year-over-year. Visual systems revenues represent the Company's flagship visual operations, which consists primarily of Technomedia and BIS, that were both 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 systems revenues were significantly affected by the timing and size of installation activity in the quarter, given customer uncertainty resulting from Mood's strategic review process.

Equipment revenues, which account for approximately 14% of overall revenues, declined in Q3 2013 relative to the prior year's quarter, attributable to lower gross subscriber additions in the current quarter and reduced value of equipment revenues per order.

In the Company's view, it maintains adequate liquidity with its existing revolving credit facility and \$28 million in unrestricted cash on hand. Mood Media's generated positive operating free cash flow in the quarter and it expects operational and integration initiatives announced and forthcoming to have a positive effect on its free cash flow in 2014. The Company anticipates it will remain in compliance with covenants in coming quarters.

Conference Call

As previously announced, the Company will hold a conference call today at 8:30 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) 764-8646, or 1 (888) 396-8049 for international callers. Listeners are advised to dial in at least five minutes prior to the call.

Investor Presentations

The Company also announced that its senior management team is presenting its strategic and operational plan for investors in Toronto, Canada (November 20th) and New York City (November 21st). For more information, please contact Sumter Cox at Mood Media at sumter.cox@moodmedia.com.

Mood Media Corporation

INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS)

For the three and nine months ended September 30, 2013

In thousands of US dollars unless otherwise stated

	Notes	Three months ended September 30, 2013	September 30, 2012	Nine months ended September 30, 2013	September 30, 2012
<u>Continuing operations</u>					
Revenue	5,19	\$125,662	\$119,951	\$381,017	\$311,877
Expenses					
Cost of sales (excludes depreciation and amortization)		57,471	50,301	170,634	122,714
Operating expenses		42,272	37,599	130,844	105,480
Depreciation and amortization		16,925	14,043	51,145	40,017
Impairment to goodwill	12,21	75,000	-	75,000	-
Share-based compensation	16	1,172	1,063	1,860	2,892
Other expenses	6	11,460	8,047	25,270	24,368
Foreign exchange (gain) loss on financing transactions		(6,634)	(2,601)	(4,777)	2,767
Finance costs, net	7	13,866	16,012	24,360	41,516
Loss for the period before taxes		(85,870)	(4,513)	(93,319)	(27,877)
Income tax charge (credit)	8	(16)	1,295	6,875	(16,657)
Loss for the period from continuing operations		(85,854)	(5,808)	(100,194)	(11,220)
<u>Discontinued operations</u>					
Loss after tax from discontinued operations	20	(1,751)	(4,848)	(16,487)	(40,864)
Loss for the period		(87,605)	(10,656)	(116,681)	(52,084)
Attributable to					
Owners of the parent		(87,695)	(10,815)	(117,009)	(52,211)
Non-controlling interests		90	159	328	127
		\$(87,605)	\$(10,656)	\$(116,681)	\$(52,084)
Net loss per share					
Basic and diluted	9	\$(0.51)	\$(0.06)	\$(0.68)	\$(0.33)
Basic and diluted from continuing operations	9	(0.50)	(0.03)	(0.58)	(0.07)
Basic and diluted from discontinued operations	9	(0.01)	(0.03)	(0.10)	(0.26)

The accompanying notes form part of the interim consolidated financial statements

This earnings release, which is current as of November 14, 2013, is a summary of our 2013 third quarter results, and should be read in conjunction with our third quarter 2013 MD&A and our 2013 third 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 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 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 November 14, 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.

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