Mood Media Reports Second Quarter 2015 Financial and Operating Results, Achieving EBITDA of $24.5 Million

Successfully Grew EBITDA Year-Over-Year and Sequentially

On Track to Deliver Significant Enhancement in Underlying Free Cash Flow in 2015 and to Grow EBITDA

Raises Expectation for 2015/16 Wave Cost Savings to Greater Than $7 Million, While Supporting Growth Initiatives

Recently Announced the Conclusion of its $50 Million Foreign Subsidiary Debt Issuance

TORONTO, Wednesday, August 12, 2015 – Mood Media Corporation ("Mood Media," "Mood" or "the Company") (ISIN: CA61534J1057) (TSX:MM), the world's largest integrated provider of in-store customer experience solutions, today reported results for the second quarter of 2015 and provided an update on the Company's progress executing against its strategic and operational plans.

Recent Highlights

- Mood achieved Q2 revenues of $117.7 million and EBITDA of $24.5 million.
- Q2 EBITDA rose by 2% relative to last year, and rose by 10% on an underlying basis (excluding foreign exchange impact and asset disposals).
- Underlying revenues rose by 6% year over year in Q2 (excluding FX movements and asset disposals).
- All business units recorded improvements in EBITDA relative to the prior year driven by improved underlying revenues, generation of incremental synergies and efficiencies benefiting costs; catch-up of delayed project revenues at Technomedia and BIS with strengthened revenues given committed sales pipeline backlogs.
- The Company has broadened its global transformation, integration and consolidation initiatives to include 2016 activities. In total, Mood's 2015/16 initiatives are expected to deliver more than $7M in annualized savings, above its original estimates for initiatives identified and begun in 2015.
- Mood maintains its guidance for a significant improvement in underlying free cash flow generation with a greater than $20 million improvement in 2015 relative to 2014 (excluding asset dispositions). EBITDA is expected to rise moderately relative to 2014 while free cash flow generation in 2015 is anticipated to be slightly less than break even, with further free cash flow improvements expected in 2016.
- Mood recently announced the successful closing of its issuance of $50 million of 10% Senior Unsecured Notes of Mood Media Group S.A., the net proceeds from which will be used to repay Mood Media's outstanding 10% Convertible Debentures at maturity.

"The transformation of Mood is well underway and is evident in Mood's mid-single digit revenue growth and 10% EBITDA growth in the quarter on an underlying basis", said Steve Richards President and CEO of Mood Media. "These achievements represent significantly improved trends relative to where the business was even a year ago. Overall we're pleased with Mood's second quarter results and they are in line with our expectations, despite the headwind from foreign exchange translation that obscures the significantly improved operating performance of the business in Mood's reported financials."

"In the second quarter, all four Mood business units grew EBITDA on an underlying basis and three of four grew revenues on an underlying basis. In Mood's North American recurring business, our local sales rebuild is advancing steadily and producing expected gains in terms of improved local gross gain performance, while enhancing Mood's selling efforts and advancing partnerships. In our International division, strong visual gains and a continuing growing sales backlog are producing improved revenues and EBITDA. At Technomedia and BIS, we delivered the upside to revenues and EBITDA as anticipated in the quarter, and as previously outlined. We achieved further gains with our integration, consolidation and efficiency programs, and have broadened the scope of our earlier Wave 4 programs. We are increasing our expectation for cost savings to at least $7 million for delivery in 2015 and 2016, via Wave 4+."

"We are pleased to announce the closing of our US$50 million foreign subsidiary debt arrangement. The proceeds of the new notes enable us to address the maturity of Mood's outstanding convertible debentures later this year, and opens up runway with no pending debt maturities to fully execute our strategic plan, drive growth and enhance shareholder value," continued Mr. Richards.

Second Quarter Financial Results

The Company reported Q2 revenues of $117.7 million and EBITDA of $24.5 million. Reported revenues in Q2 declined by $2.2 million relative to the prior year with underlying revenues growing by $7.7 million, or 6% year over year. Mood's underlying revenue growth was more than offset by $8.8 million of negative impact from foreign exchange translation related to the devaluation of the Euro relative to the U.S. dollar and $1.1 million from asset disposals. Mood's reported rendering of services revenues declined by $1.9 million relative to the prior year with foreign exchange and asset disposals contributing $4.5 million and $1.1 million, respectively, to the decline. Underlying rendering of services revenues rose by $3.7 million, or 4.5%. Mood's sale of goods revenues remained stable in Q2 relative to the prior year, despite a $4.1 million offset related to foreign exchange. Underlying sale of goods revenues rose by $4.0 million or 11% relative to the prior year's quarter. In the second quarter, the average Euro / USD exchange rate used to translate its Euro results was $1.106 compared with $1.371 in the same period of the prior year.

The Company's total expenses declined by $2.7 million in Q2 relative to the prior year and rose by $5.2 million on an underlying basis with operating expenses declining by 5% on an underlying basis, reflecting continued gains from its integration and synergy activities, and underlying cost of sales increasing 14% year over year on double digit revenue growth in its International, Technomedia and BIS segments.

Mood's EBITDA in Q2 rose by $0.5 million relative to the prior year with underlying gains of $2.4 million (10% year over year) being partially offset by a $1.5M impact from the adverse change in foreign exchange rates and $0.5 million related to its prior disposal of its Canada DMX accounts. All business units contributed to the improvement in underlying EBITDA in the quarter.

Mood Media Revenue and EBITDA Movements
In thousands of dollars

	Reported Q2.14	Asset Disposals	Foreign Exchange	Underlying	Reported Q2.15
Rendering of services	83,839	(1,099)	(4,501)	3,743	81,982
Sale of goods	35,157	-	(4,097)	3,969	35,029
Royalty revenues	885	-	(172)	(56)	657
Total revenues	119,881	(1,099)	(8,770)	7,656	117,668
Cost of sales	53,346	(649)	(3,643)	7,463	56,517
Operating expenses	42,510	-	(3,654)	(2,206)	36,650
Total expenses	95,856	(649)	(7,296)	5,256	93,167
EBITDA	24,025	(450)	(1,474)	2,400	24,501

Other Expenses totaled $1.7 million in the quarter compared with $10.0 million in the prior year and with $28.2 million for the full year 2014. Other Expenses in the quarter were comprised primarily of restructuring expenses related primarily to integration and severance initiatives.

Net loss per share was ($0.01) compared with a net loss per share of ($0.18) in the prior year period. The improved net loss performance is attributable primarily to lower finance costs including refinancing costs in the prior year period, lower operating expenses, lower other expenses and a $4.2 million foreign exchange gain in the current period relative to a $1.8M foreign currency loss in the prior period.

INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
Unaudited

In thousands of US dollars, except per share information

	Three months ended		Six months ended	
	June 30, 2015	**June 30, 2014**	**June 30, 2015**	**June 30, 2014**
Revenue	**$117,668**	**$119,881**	**$231,923**	**$242,871**
Expenses				
Cost of sales	56,517	53,346	110,761	110,770
Operating expenses	36,650	42,510	72,541	84,726
Depreciation and amortization	16,870	17,526	33,619	36,040
Share-based compensation	235	(204)	451	612
Other (income) expenses	1,691	9,974	2,588	9,339
Foreign exchange (gain) loss on financing transactions	(4,196)	1,766	14,807	760
Finance costs, net	13,694	27,794	27,774	41,520
Loss for the period before income taxes	**(3,793)**	**(32,831)**	**(30,618)**	**(40,896)**
Income tax credit	(1,596)	(197)	(1,450)	(766)
Loss for the period	**(2,197)**	**(32,634)**	**(29,168)**	**(40,130)**
Net loss attributable to:				
Owners of the parent	(2,185)	(32,670)	(29,153)	(40,173)
Non-controlling interests	(12)	36	(15)	43
	(2,197)	**(32,634)**	**(29,168)**	**(40,130)**
Net loss per share attributable to shareholders				
Basic and diluted	$(0.01)	$(0.18)	$(0.16)	$(0.23)
Weighted average number of shares outstanding – basic and diluted	182,067	178,927	181,101	174,406
Loss for the period	**$(2,197)**	**$(32,634)**	**$(29,168)**	**$(40,130)**
Items that may be reclassified subsequently to the loss for the period:				
Exchange gain (loss) on translation of foreign operations	(1,025)	817	2,267	(39)
Other comprehensive (loss) income for the period, net of tax	**(1,025)**	**817**	**2,267**	**(39)**
Total comprehensive loss for the period, net of tax	**(3,222)**	**(31,817)**	**(26,901)**	**(40,169)**
Comprehensive loss attributable to:				
Owners of the parent	(3,204)	(31,853)	(26,886)	(40,212)
Non-controlling interests	(18)	36	(15)	43
	$(3,222)	**$(31,817)**	**$(26,901)**	**$(40,169)**

Key Performance Indicators

In the second quarter of 2015, the number of total Company-owned sites decreased by 1,084 relative to the prior quarter. The Company grew its visual site counts in both North America and International. Its number of audio sites grew in its International business unit and declined in North America.

Monthly churn was 1.0% in the second quarter compared with 1.3% in the prior quarter and 0.9% in the comparative quarter of 2014, with audio monthly churn of 0.9% and visual monthly churn of 1.3%.

Blended ARPU declined by 7.4% year over year in the second quarter, which is primarily related to the decline in the value of the Euro relative to the U.S. dollar. On a constant currency basis, blended ARPU declined by 1.8% year over year in the second quarter with audio ARPU declining by 2.6% year over year and visual ARPU rising by 13.2% year over year. The decline in Audio ARPU is related to a 2.0% decrease in underlying Audio ARPU and 0.6% related to the changing mix of sites within Mood's site base.

	Q1.14	Q2.14	Q3.14	Q4.14	**2014**	Q1.15	Q2.15
Audio sites	423,796	418,513	406,139	408,457	408,457	402,690	401,428
Visual sites	12,997	13,821	13,558	14,061	14,061	12,872	13,050
Total sites	436,793	432,334	419,697	422,518	422,518	415,562	414,478
Audio ARPU	$ 45.35	$ 45.17	$ 44.83	$ 43.09	$ 44.57	$ 41.71	$ 41.70
Visual ARPU	$ 84.59	$ 85.08	$ 83.60	$ 82.12	$ 83.72	$ 78.76	$ 81.93
Blended ARPU	$ 46.50	$ 46.40	$ 46.09	$ 44.37	$ 45.79	$ 42.90	$ 42.96
Audio gross additions	10,112	6,981	9,279	12,394	38,766	8,625	10,136
Visual gross additions	478	996	761	685	2,920	1,006	698
Total gross additions	10,590	7,977	10,040	13,079	41,686	9,631	10,834
Audio monthly churn	1.1%	1.0%	0.9%	0.8%	0.9%	1.2%	0.9%
Visual monthly churn	0.4%	0.4%	1.3%	0.4%	0.7%	5.2%	1.3%
Total monthly churn	1.1%	0.9%	0.9%	0.8%	0.9%	1.3%	1.0%

Note: For the full year in 2014, the Company's site base decreased by 18,243 sites. The decrease in sites was primarily attributable to the sale of its 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. These factors represented a decrease of 11,653 sites in the third quarter of 2014.

Conference Call
As previously announced, the Company will hold a conference call on Aug. 13, 2015, at 8:00 a.m. Eastern Time to discuss its results and respond to questions from the investment community. To participate, please dial 416-764-8658 or toll free at 1-888-886-7786. A replay will be available within 24 hours following the teleconference by dialing 416-764-8691 or toll free at 1-877-674-6060 (passcode 241628).

This earnings release, which is current as of Aug. 12, 2015, is a summary of the Company's second quarter results and should be read in conjunction with the Company's second quarter 2015 Management Discussion and Analysis ("MD&A") and Interim Condensed Consolidated Financial Statements and Notes thereto and our other recent regulatory filings.

The financial information presented herein has been prepared on the basis of International Financial Reporting Standards ("IFRS") for consolidated 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.

About Mood Media Corporation
Mood Media Corporation (TSX: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 the following specific assumptions: general industry and economic conditions; and changes in regulatory requirements affecting the businesses of Mood Media. 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 risks identified in Mood Media's management discussion and analysis dated Aug. 12, 2015 and risk factors identified in Mood Media's annual information form dated March 31, 2015, 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/Adjusted EBITDA information as a supplemental figure because management believes it provides useful information regarding operating performance. The Company uses the terms EBITDA and Adjusted EBITDA interchangeably and recognizes that neither is a recognized measure under IFRS, does not have standardized meaning, and may not 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.

Reconciliation of segment profit to Consolidated Group loss for the period before taxes from operations

	Three months ended		Six months ended	
	June 30, 2015	**June 30, 2014**	**June 30, 2015**	**June 30, 2014**
Segment profit (i)	**$24,501**	**$24,025**	**$48,621**	**$47,375**
Depreciation and amortization	16,870	17,526	33,619	36,040
Share-based compensation	235	(204)	451	612
Other (income) expenses	1,691	9,974	2,588	9,339
Foreign exchange (gain) loss on financing transactions	(4,196)	1,766	14,807	760
Finance costs, net	13,694	27,794	27,774	41,520
Loss for the period before income taxes	**$(3,793)**	**$(32,831)**	**$(30,618)**	**$(40,896)**

(i) Segment profit is a non-GAAP metric internally referred to by management as Adjusted EBITDA and is prepared on a consistent basis. Adjusted EBITDA is considered by executive management as one of the key drivers for the purpose of making decisions about performance assessment and resource allocation of each operating segment. It is calculated by reducing revenue by cost of sales and operating expenses. The non-GAAP measure does not have a standardized meaning, and therefore unlikely to be comparable to similarly titled measures reported by other companies.

Free Cash Flow (FCF) is another non-IFRS measure that Mood Media uses to explain positive or negative net cash flows. The company defines FCF as the change in net debt from the end of the prior period to the end of the current period being reported. Contractual debt less unrestricted cash is used to calculate net debt at the respective balance sheet dates. The Company uses the contractual principal amount of its debt instruments and financing leases. Following is a table which sets forth the calculation of net debt and FCF from December 31, 2014 to June 30, 2015. The Company cautions that net debt and free cash flow do not have standardized meanings and may not be comparable to similar measures used by other companies. Accordingly, investors are cautioned that FCF and change in net debt 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.

Reconciliation of Consolidated Group free cash flow

Description	June 30, 2015	Dec. 31, 2014	Increase or Decrease in Debt & Cash
First lien credit facility	$ 232,063	$ 233,238	($1,175)
Senior unsecured notes	350,000	350,000	-
Convertible debentures	50,266	50,266	-
Finance leases	47	761	(714)
Total Contractual Principal of Debt	**$ 632,376**	**$ 634,265**	**($1,889)**
Less: Unrestricted cash	20,795	25,573	(4,778)
Net debt	**$ 611,581**	**$ 608,692**	**$ 2,889**
Free Cash Flow / (Increase) or Decrease in Net Debt			**($2,889)**

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