Mood Media Reports Third Quarter 2015 Financial and Operating Results, Achieving EBITDA of $25.8 Million

Successfully Grew Revenues & EBITDA Sequentially & Year Over Year on an Underlying Basis

Sees Continuing Annual Improvements in Free Cash Flow in 2015 & 2016 Relative to Prior Year

Completed Repayment of its $50 Million in Convertible Debentures as Planned

TORONTO, Wednesday, Nov. 11, 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 third quarter of 2015 and provided an update on the Company's progress executing against its strategic and operational plans.

Recent Highlights

- For the third quarter, Mood achieved revenues of $118.2 million and EBITDA of $25.8 million.
- Q3 EBITDA rose by 5% relative to last quarter, although was down 2% relative to last year. Excluding the impact of foreign exchange, Q3 EBITDA rose by $0.3 million relative to prior year, or 1%. On a year to date basis, EBITDA was $74.4 million, which is $3.6M or 4.9% stronger than the prior year period on an underlying basis.
- Q3 revenues of $118.2 million declined by 4.8% relative to prior year, although on an underlying basis (excluding foreign exchange impact) revenues rose by 1.2% relative to prior year.
- The Company's 2015/16 global transformation, integration and consolidation initiatives are on track to deliver $7-8 million in annualized savings vs. the original plan of $5 million for Wave 4.
- Local Sales re-build progressed to 131 Account Executives in North America with this initiative achieving gains in Q3 Local new sales and Local Visual new sales.
- Mood's Premier Team re-contracted 14,162 sites in the quarter, many of which are now re-contracting at stable to improving ARPU's. Additionally, Mood achieved notable key client wins, signing new agreements with several clients that couple Mood bundled Audio, Visual and Mobile solutions as part of integrated services campaigns.
- Mood 2015 EBITDA is now expected to decline slightly relative to prior year as the seasonal lift to equipment and installation revenues that typically occurs in the fourth quarter has not materialized to the normal historic levels. In 2015, foreign exchange impacts and asset sales will reduce reported EBITDA by approximately $3.6 million relative to 2014.
- Mood provides guidance for an improvement in underlying free cash flow generation in 2015 of $10-$15 million relative to 2014 (excluding asset dispositions), but with 2015 free cash flow now to be in the range of low double digit negative for the year. The Company is planning to deliver positive Free Cash Flow in 2016 in each of the first and second halves and will be in the coming weeks both budgeting and managing the business to deliver against that objective.
- Mood recently completed the repayment of principal and interest in the amount of approximately $50 million of 10% convertible unsecured debentures, on time and as planned, in connection with their maturity on October 31, 2015.

"In 2015, Mood has shown positive underlying revenue growth, reversing the negative trend that was evident in the business in 2013 and 2014," said Steve Richards, President and CEO of Mood Media. "We are achieving positive gains from our integration and efficiency programs with projected savings of more than $7 million from 2015 and 2016 initiatives, and we have stabilized EBITDA performance. Additionally, we have improved upon the cash outflows in the business via these gains, reduced expenditures on one-time matters, and have successfully managed the maturity of the convertible unsecured debentures. Our local sales rebuild initiatives are steadily improving our new sales performance; and our Technomedia and BIS business units are showing the improvements we expected from their financial performance.

“Our third quarter results tracked to our EBITDA expectations, and we have improved revenues and EBITDA relative to prior year on an underlying basis, with year to date EBITDA up 4.9% relative to prior year accounting for foreign exchange and previous asset sales. We have introduced new partner solutions, have grown our local sales force, signed key re-contracts as well as new business wins and continued to grow our Visual solutions. Our fourth quarter 2015 performance to date is not showing the degree of seasonal lift in equipment and installation sales typical in Q4 historically, accordingly we expect Q4 EBITDA will remain stable relative to quarterly performance to date in 2015.

Looking forward, the transformation of Mood will progress on a measured basis. Our focus will be on delivering positive free cash flow in 2016 as we reduce future capital spending on ERP and infrastructure, reduce our level of spending on items including settlements and process re-engineering, leverage the sales gains of 2015 and continue to improve our penetration in Local markets via sales initiatives and partnerships.

“We are pleased with the overall progress Mood has made from an operational and sales performance stand-point. We, expect 2016 will be a year of incremental gains as we further transform Mood as the global leader for client Experience Design solutions,” Richards concluded.

Third Quarter Financial Results

The Company reported Q3 revenues of $118.2 million and EBITDA of $25.8 million. Reported revenues in Q3 declined by $6.0 million relative to the prior year with underlying revenues growing by $1.4 million, or 1% year over year. Mood’s underlying revenue growth was more than offset by $7.4 million of negative impact from foreign exchange translation related to the devaluation of the Euro relative to the U.S. dollar. Mood’s reported rendering of services revenues declined by $5.1 million relative to the prior year with foreign exchange contributing $3.6 million and underlying recurring revenues declining by $1.6 million, or 1.8%. Mood’s reported sale of goods revenues remained relatively stable in Q3 relative to the prior year with underlying revenues rising by $3.1 million, or 8.1%, which was more than offset by a $3.7 million reduction related to foreign exchange. In the third quarter, the average Euro / USD exchange rate used to translate Mood’s Euro results was $1.112 compared with $1.328 in the same period of the prior year.

The Company’s total expenses (operating expenses and cost of sales) declined by $5.5 million in Q3 relative to the prior year and rose by $1.2 million on an underlying basis with underlying cost of sales increasing 3.0% year over year, owing to revenue improvements in several business segments, and operating expenses declining by 1.5% on an underlying basis, reflecting continued gains from its integration and synergy activities.

Mood’s EBITDA in Q3 declined by $0.5 million relative to the prior year, with underlying gains of $0.3 million (1.1% year over year) being offset by a $0.8 million impact from the adverse change in foreign exchange rates.

Mood Media Revenue and EBITDA Movements
In thousands of US dollars

	Reported Q3.14	Foreign Exchange	Underlying	Reported Q3.15
Rendering of service	85,466	(3,574)	(1,567)	80,325
Sale of goods	37,804	(3,704)	3,073	37,173
Royalty revenues	867	(141)	(65)	661
Total revenues	124,137	(7,419)	1,441	118,159
Cost of sales	58,337	(3,292)	1,737	56,782
Operating expenses	39,520	(3,319)	(576)	35,625
Total expenses	97,857	(6,611)	1,161	92,407
EBITDA	26,280	(808)	280	25,752

Other Expenses totaled $3.9 million in the third quarter compared with $7.3 million in the prior year. Year to date, other expenses have totaled $6.5 million compared with $16.6 million for the same period of 2014. Other Expenses in the quarter were comprised primarily of integration and severance expenses related to its global efficiency program as well as a charge related to a legal settlement.

Net loss per share for the quarter was ($0.05) compared with a net loss per share of ($0.11) in the prior year period. The improved net loss performance is attributable primarily to improved underlying EBITDA, lower other expenses, lower amortization expenses and the non-recurrence of a foreign exchange loss in 2014 related to financing transactions. These factors were partially offset by a higher negative translation impact related to the decline in the value of the Euro relative to the US dollar and higher finance costs.

INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
Unaudited

In thousands of US dollars, except per share information

	Three months ended		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Revenue	**$118,159**	**$124,137**	**$350,082**	**$367,008**
Expenses				
Cost of sales	56,782	58,337	167,543	169,107
Operating expenses	35,625	39,520	108,166	124,246
Depreciation and amortization	16,237	17,498	49,856	53,538
Share-based compensation	417	379	868	991
Other expenses	3,924	7,302	6,512	16,641
Foreign exchange (gain) loss on financing transactions	(553)	9,658	14,254	10,418
Finance costs, net	15,983	13,850	43,757	55,370
Loss for the period before income taxes	**(10,256)**	**(22,407)**	**(40,874)**	**(63,303)**
Income tax recovery	(449)	(2,409)	(1,899)	(3,175)
Loss for the period	**(9,807)**	**(19,998)**	**(38,975)**	**(60,128)**
Net loss attributable to:				
Owners of the parent	(9,858)	(20,004)	(39,011)	(60,177)
Non-controlling interests	51	6	36	49
	$(9,807)	**$(19,998)**	**(38,975)**	**$(60,128)**
Net loss per share attributable to shareholders				
Basic and diluted	$(0.05)	$(0.11)	$(0.21)	$(0.34)
Weighted average number of shares outstanding – basic and diluted	183,040	179,699	181,755	176,160
Loss for the period	**$(9,807)**	**$(19,998)**	**$(38,975)**	**$(60,128)**
Items that may be reclassified subsequently to the loss for the period:				
Exchange gain (loss) on translation of foreign operations	468	(2,748)	2,735	(2,787)
Other comprehensive (loss) income for the period, net of tax	**468**	**(2,748)**	**2,735**	**(2,787)**
Total comprehensive loss for the period, net of tax	**(9,339)**	**(22,746)**	**(36,240)**	**(62,915)**
Comprehensive loss attributable to:				
Owners of the parent	(9,390)	(22,752)	(36,276)	(62,964)
Non-controlling interests	51	6	36	49
	$(9,339)	**$(22,746)**	**$(36,240)**	**$(62,915)**

Key Performance Indicators

In the third quarter of 2015, the number of total Company-owned sites decreased by 2,296 relative to the prior quarter. The Company grew its visual site counts in both North America and International. Its number of audio sites declined slightly in its International and North American business units.

Monthly churn was 1.0% in the third quarter and was stable relative to the prior quarter with audio monthly churn of 1.1% and visual monthly churn of 0.8%.

Blended ARPU declined by 8.2% year over year in the third 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 3.6% year-over-year in the third quarter with audio ARPU declining by 4.5% year over year and visual ARPU rising by 12.9% year over year. The decline in Audio ARPU is related to a 3.6% decrease in underlying Audio ARPU and 0.9% related to the changing mix of sites within its site base.

	Q1.14	Q2.14	Q3.14	Q4.14	Q1.15	Q2.15	Q3.15
Audio sites	423,796	418,513	406,139	408,457	402,690	401,428	398,745
Visual sites	12,997	13,821	13,558	14,061	12,872	13,050	13,437
Total sites	436,793	432,334	419,697	422,518	415,562	414,478	412,182
Audio ARPU	$ 45.35	$ 45.17	$ 44.83	$ 43.09	$ 41.71	$ 41.70	$ 40.97
Visual ARPU	$ 84.59	$ 85.08	$ 83.60	$ 82.12	$ 78.76	$ 81.93	$ 82.26
Blended ARPU	$ 46.50	$ 46.40	$ 46.09	$ 44.37	$ 42.90	$ 42.96	$ 42.29
Audio gross additions	10,112	6,981	9,279	12,394	8,625	10,136	9,850
Visual gross additions	478	996	761	685	1,006	698	829
Total gross additions	10,590	7,977	10,040	13,079	9,631	10,834	10,679
Audio monthly churn	1.1%	1.0%	0.9%	0.8%	1.2%	0.9%	1.1%
Visual monthly churn	0.4%	0.4%	1.3%	0.4%	5.2%	1.3%	0.8%
Total monthly churn	1.1%	0.9%	0.9%	0.8%	1.3%	1.0%	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 Nov. 12, 2015, at 8:30 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 962196).

This earnings release, which is current as of Nov. 11, 2015, is a summary of the Company's third quarter results and should be read in conjunction with the Company's third 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 (TSX:MM) is the largest provider of Experience Design solutions. With more than 500,000 active client locations around the globe, Mood enhances the customer experience through interactive mobile marketing, visual, audio and sensory solutions. Mood's clients include businesses of all sizes and market sectors, from the world's most recognized retailers and hotels to quick-service restaurants, local banks and thousands of small businesses. For more details: http://us.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", "is planning" 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 risk factors identified in Mood Media's management discussion and analysis dated November 11, 2015 and 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 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		Nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Segment profit (i)	**$25,752**	**$26,280**	**$74,373**	**$73,655**
Depreciation and amortization	16,237	17,498	49,856	53,538
Share-based compensation	417	379	868	991
Other (income) expenses	3,924	7,302	6,512	16,641
Foreign exchange (gain) loss on financing transactions	(553)	9,658	14,254	10,418
Finance costs, net	15,983	13,850	43,757	55,370
Loss for the period before income taxes	**$(10,256)**	**$(22,407)**	**$(40,874)**	**$(63,303)**

(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 September 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	Sept. 30, 2015	Dec. 31, 2014	Increase or Decrease in Debt & Cash
First lien credit facility	$ 237,476	$ 233,238	$4,238
Senior unsecured notes	350,000	350,000	-
Convertible debentures	31,818	50,266	(18,448)
MMG Notes	50,000	-	50,000
Finance leases	922	761	161
Total Contractual Principal of Debt	**$ 670,216**	**$ 634,265**	**$35,951**
Less: Unrestricted cash	20,718	25,573	(4,855)
Less: Restricted cash dedicated to debt repayment	31,552	-	31,552
Net debt	**$ 617,946**	**$ 608,692**	**$ 9,254**
Free Cash Flow / (Increase) or Decrease in Net Debt			**($9,254)**

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