Mood Media Reports Full Year 2016 Financial and Operating Results Achieving Revenues of $465.3 Million and Adjusted EBITDA of $93.2 Million

Mood generates Positive Free Cash Flow of $2.8 Million in 2016, Achieving a $17.0 Million Improvement Relative to Prior Year

Mood Reports 10% Increase in Gross Site Additions and 12% Reduction in Churn Sites in 2016 to Achieve 671 Net Site Additions, Including 3,275 in the Fourth Quarter. 2016 Gross Site Additions Highest Level Since 2012.

Mood Underlying In-Store Media Revenues Rise 2% Relative to Prior Year, Given Improvements in Recurring Revenues and Growth in Equipment and Labor Revenues

TORONTO, Thursday, March 9, 2017 – Mood Media Corporation ("Mood Media," "Mood" or the "Company") (TSX:MM), the global leader in elevating Customer Experiences, today reported its 2016 results and provided an update on the Company's progress executing against its strategic and operational plans.

Recent Highlights

- Mood reported revenues of $465.3 million in 2016, down 2.1% relative to the prior year. Underlying revenues, which exclude the effect of foreign exchange translation and asset divestitures, declined by $3.5 million on a year-over-year basis, or 0.7%. In the Company's In-Store Media segments, underlying revenues rose by 1.7% relative to prior year while at BIS underlying revenues rose by 1.9%. However, declines at Technomedia more than offset the gains made in these areas. Similarly, in the fourth quarter In-Store Media and BIS revenues increased, while declines at Technomedia more than offset those gains.
- Consistent with its 2016 guidance, the Company achieved free cash flow of $2.8 million in 2016, posting a $17.0 million improvement from free cash flow of -$14.3 million in 2015. This increase was driven by improvements in net cash flows from operating activities, reduced capital expenditures and reduced financing and leasing costs.
- Mood's key performance indicators show increasing traction from gains in sales and operating performance. The Company reported net site additions of 671 in 2016 (compared with a decline of 9,986 sites in 2015 vs. 2014), including 3,275 in the fourth quarter. In total, the Company grew its number of gross site additions by 9.8% in 2016 relative to the prior year with gains made in both its audio and visual segments and in both its North American and international business units. In 2016, the Company recorded its highest number of gross site additions since 2012 and had its best performance in a number of years with large-client gains, having signed three new 1,500+ site clients in 2016.
- Growth in the site base was also generated by substantially lower churn in 2016 with the number of churn sites declining by 12.2% relative to prior year. The Company's monthly churn rate was 0.8% in the fourth quarter of 2016 compared with 0.9% in the fourth quarter of 2015. The Company attributes the improvement to results from sales and operating activities. ARPU in the fourth quarter was $40.78, a reduction of 3.5% relative to prior year. Excluding the impact of foreign exchange, fourth quarter ARPU declined by 2.3% relative to prior year.
- Mood Adjusted EBITDA was $93.2 million in 2016 and $24.2 million in the fourth quarter compared with $24.0 million in the prior year's fourth quarter. On an underlying basis, excluding the effect of foreign exchange translation and asset disposals, 2016 Adjusted EBITDA declined by $4.0 million relative to prior year. In the fourth quarter of 2016, underlying EBITDA rose by $0.4 million relative to the same period in the prior year. The Company believes that the decline in 2016 underlying EBITDA is primarily related to reductions in large jobs systems sales at Technomedia, investments in sales and marketing, higher sales commissions, the slight reduction in underlying recurring In-Store Media revenues, and the non-repetition of certain prior year gains.

- The Company's 2016 global transformation, integration and consolidation initiatives were completed ahead of target with Mood delivering incremental annualized efficiencies of more than $5.0 million from Wave 5. This Wave 5 result is ahead of Management's original $3.6 million expectation. The Company estimates that savings related to its Wave 6 activities in 2017 to be approximately $6.0 million, compared with its original estimate of $3.0 million, raising the total annualized transformation savings delivered since the program began in the fourth quarter of 2013 to more than $33.0 million.
- In 2017, Mood expects free cash flow will be positive and Adjusted EBITDA to be stable relative to 2016. Mood expects continued positive momentum in North America In-Store Media recurring revenue trends with improved new sales and reduced churn driven by sales investments made in 2016 in the areas of Premier sales, Systems sales, Local inside sales & marketing. Similarly, International In-Store Media is expected to show positive momentum in recurring revenues. Offsetting some of the recurring revenue gains will be increased investments in sales, partnerships and content expansion, as well as a delay in equipment & labor revenues due to an international Auto chain client. BIS is estimated to record moderate EBITDA growth in 2017 and Technomedia EBITDA is estimated to gain ground from its performance in 2016.

"Our 2016 results clearly show that Mood's client-facing activities are gaining strength on the foundation of improved operational performance and successful sales investments and initiatives", said Steve Richards, Mood's President and Chief Executive Officer. "As a result, we finished 2016 with strong site momentum, adding 3,275 net new sites in the fourth quarter alone, driven both by improved gross site additions and improved churn rates. In fact, in 2016, we added more 1,500+ site clients than in any period since Mood was combined in 2012. Noticeably, leading brands see the value of Mood solutions and are coming to us in greater numbers and for broader Sound, Sight and Social/Mobile solutions.

"Furthermore, we are ahead of plan regarding 2016 Wave 5 initiatives and now expect annualized savings of more than $5 million and we have increased our expectation for 2017 Wave 6 plans to $6.0 million, from $3.0 million previously. The upsized Wave 5 and 6 reductions will raise to $33.0 million the total savings from our integration and synergy program since its inception in 2013.

"Importantly, improved sales performance combined with strong ongoing contributions from our integration programs enabled Mood to achieve positive free cash flow generation in 2016 of $2.8 million. For 2017, we project another year of positive free cash flow as we advance our plan to make Mood the recognized global leader in elevating Customer Experiences.

"Mood's transformation is achieving the important milestones along its trajectory to positive growth in recurring revenues, improved margins and continued generation of free cash flow. Our global efficiency gains have been encouraging, and we believe those efficiencies coupled with new sales momentum and enhanced operating performance put us on track to further our gains in the future," concluded Mr. Richards.

2016 Financial Results

(In thousands of US dollars)

The composition of revenue in 2016 was as follows:

	2016	**2015**
Recurring	$243,338	$246,714
Equipment	148,136	148,322
Installation and services	45,388	49,254
Other	28,412	30,826
	$465,274	**$475,116**

The Company reported 2016 revenues of $465.3 million and Adjusted EBITDA of $93.2 million compared with revenues of $475.1 million and Adjusted EBITDA of $98.4 million in 2015. 2016 revenues declined by 2.1% or $9.8 million relative to prior year, with a $3.5 million decrease from underlying operations (including an $8.1 million decrease in revenues related to Technomedia), a $3.8 million decrease from foreign exchange translation and a $2.6 million decrease related to the sale of its French speaker manufacturing business.

The Company's recurring revenues represent its subscription and partnership revenue streams associated with its In-Store Media operations in its North American and International divisions. The $2.0 million, 0.8%, underlying decrease in 2016 recurring revenues relative to the prior year compares favorably to the 4.0% underlying decrease in 2015 recurring revenues. Recurring revenue improvements have been driven by improved sales and operations activities as evidenced in improved gross site activations, which rose by 10% in 2016 relative to 2015, and improved monthly churn rate of 0.9% in 2016 vs. 1.0% in 2015.

Equipment revenues rose by 2.5% or $3.6 million in 2016 relative to prior year on an underlying basis. The In Store Media divisions in North America and International grew their underlying equipment revenues by 11.6% in 2016 relative to prior year on increased new client installations and higher gross site additions. However, these gains were partially offset by a $5.3 million decline in equipment revenues at Technomedia.

Installation and services revenues relate to the addition of new client locations and the service and maintenance of existing sites. Installation and services revenues declined by $3.2 million on an underlying basis in 2016 relative to 2015, of which $3.9 million was attributable to Technomedia.

Other revenues relate to royalties, advertising and miscellaneous revenue streams. Other revenues declined by $2.0 million on an underlying basis relative to prior year, attributable to Technomedia.

In 2016, the Company's underlying cost of sales decreased by $4.2 million relative to the prior year. Decreases were experienced primarily at Technomedia, while North America experienced an increase owing to higher sales and installation activity and sales mix, content expansion and partnership investment.

The Company's operating expenses were $149.7 million in 2016, for an increase of $4.7 million relative to the prior year on an underlying basis. The increase in operating expenses was primarily attributable to higher investments in sales and marketing activities, higher sales commissions driven by higher equipment revenues and improved recurring revenue performance, and the timing of specific non-repeating gains recorded in the prior period.

Mood's Adjusted EBITDA in 2016 was $93.2 million, or a reduction of $4.0 million relative to the prior year on an underlying basis.

2016 Revenue and Adjusted EBITDA Movements

($000)	Reported 2015	Foreign Exchange	Asset Disposals	Underlying	Reported 2016
Revenues					
Recurring	246,714	(1,410)	-	(1,966)	243,338
Equipment	148,322	(1,233)	(2,579)	3,626	148,136
Installation & Service	49,254	(649)	-	(3,217)	45,388
Other	30,826	(463)	-	(1,951)	28,412
Total revenues	475,116	(3,754)	(2,579)	(3,509)	465,274
Cost of sales	229,946	(2,209)	(1,110)	(4,231)	222,396
Gross margin	245,170	(1,546)	(1,469)	723	242,878
Operating expenses	146,783	(559)	(1,228)	4,689	149,685
Adjusted EBITDA	98,387	(987)	(241)	(3,966)	93,193

Other expenses totaled $12.4 million in 2016 compared with $10.3 million in the prior year. Other Expenses in 2016 included a $3.7 million loss on the sale of the Company's speaker manufacturing business.

Net loss per share in 2016 was $(0.31) compared with a net loss per share of $(0.44) in the prior year. The reduction in net loss per share relative to prior year was attributable primarily to lower foreign exchange losses on financing transactions and reduced impairment charges related to goodwill.

2016 Segment Revenue & Profit Information

In thousands of US dollars

	In-store media North America	In-store media International	BIS	Other	Consolidated Group
Revenue	$257,693	$110,205	$58,241	$39,135	$465,274
Expenses					
Cost of sales	115,481	44,092	35,308	27,515	222,396
Operating expenses	67,050	48,907	19,030	14,698	149,685
Segment profit (loss) (i)	**$75,162**	**$17,206**	**$3,903**	**$(3,078)**	**$93,193**

2015 Segment Revenue & Profit Information

	In-store media North America	In-store media International	BIS	Other	Consolidated Group
Revenue	$256,858	$113,589	$57,468	$47,201	$475,116
Expenses					
Cost of sales	112,994	47,327	35,504	34,121	229,946
Operating expenses	65,523	50,095	18,285	12,880	146,783
Segment profit (i)	**$78,341**	**$16,167**	**$3,679**	**$200**	**$98,387**

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
Unaudited

For the year ended December 31, 2016

In thousands of US dollars except per share information and weighted average number of shares

	2016	2015
Revenue	**$465,274**	**$475,116**
Expenses		
Cost of sales	222,396	229,946
Operating expenses	149,685	146,783
Depreciation and amortization	63,585	66,648
Impairment of goodwill	3,575	25,000
Share-based compensation	478	1,264
Other expenses	12,429	10,305
Foreign exchange loss on financing transactions	10,975	20,356
Finance costs, net	57,774	57,216
Loss for the year before income taxes	**(55,623)**	**(82,402)**
Income tax charge (recovery)	2,058	(2,439)
Loss for the year	**(57,681)**	**(79,963)**
Loss attributable to:		
Owners of the parent	(57,786)	(80,022)
Non-controlling interests	105	59
	$(57,681)	**$(79,963)**
Loss per share attributable to shareholders		
Basic and diluted	$(0.31)	$(0.44)
Weighted average number of shares outstanding – basic & diluted	184,535	182,286

Key Performance Indicators

As of December 31, 2016, the number of total Company-owned sites increased by 3,275 relative to September 30, and increased by 671 relative to the previous year end. Relative to prior quarter, the Company grew its number of audio sites by 2,339 and its visual site count by 936.

Total gross site activations in 2016 were 47,180, which is an increase of 10% relative to 2015. In 2016, the number of audio gross site activations rose by 9% relative to prior year to 43,273 while the number of visual gross site activations rose by 15%, or 3,907 higher relative to prior year. Mood Media recorded increases in gross site activations in both its International and North American In-Store Media segments. Overall in 2016, the Company recorded its highest number of gross site activations since 2012.

Total monthly churn was 0.8% in the fourth quarter versus 0.9% in the fourth quarter of 2015. In total, the number of churn sites in 2016 decreased by 12% relative to 2015. This improvement was experienced in both its audio and visual segments as well as in both its North American and International In-Store Media segments.

Blended ARPU in the fourth quarter of 2016 was $40.78, or a reduction of 3.5% relative to the prior year's fourth quarter. When Adjusted for foreign exchange translation, blended ARPU declined by 2.3% relative to the prior year. This ARPU performance is consistent with recent performance and compares very favorably to previous trends from 2013 to 2015, when underlying ARPU declined by approximately 4% on average each year.

	Q1.15	**Q2.15**	**Q3.15**	**Q4.15**	**Q1.16**	**Q2.16**	**Q3.16**	**Q4.16**
Audio sites	402,690	401,428	398,745	398,773	395,596	393,869	394,881	397,220
Visual sites	12,872	13,050	13,437	13,759	14,095	14,363	15,047	15,983
Total sites	415,562	414,478	412,182	412,532	409,691	408,232	409,928	413,203
Audio ARPU	$ 41.71	$ 41.70	$ 40.97	$ 41.10	$ 40.77	$ 41.30	$ 40.43	$ 39.47
Visual ARPU	$ 78.76	$ 81.93	$ 82.26	$ 75.12	$ 72.10	$ 79.52	$ 78.71	$ 74.11
Blended ARPU	$ 42.90	$ 42.96	$ 42.29	$ 42.24	$ 41.83	$ 42.63	$ 41.81	$ 40.78
Audio gross additions	8,625	10,136	9,850	10,947	9,800	11,789	10,022	11,662
Visual gross additions	1,006	698	829	876	786	973	875	1,273
Total gross additions	9,631	10,834	10,679	11,823	10,586	12,762	10,897	12,935
Audio monthly churn	1.2%	0.9%	1.1%	0.9%	1.1%	1.1%	0.8%	0.8%
Visual monthly churn	5.2%	1.3%	0.8%	1.6%	1.1%	1.7%	0.4%	0.7%
Total monthly churn	1.3%	1.0%	1.0%	0.9%	1.1%	1.2%	0.8%	0.8%

Mood presents Adjusted EBITDA information as a supplemental figure because management believes it provides useful information regarding operating performance. The Company recognizes that the term (i) is not a recognized measure under IFRS, (ii) does not have a standardized meaning, and (iii) 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's liquidity and cash flows.

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

In thousands of US dollars

	2016	2015
Segment profit (i)	**$93,193**	**$98,387**
Depreciation and amortization	63,585	66,648
Impairment of goodwill	3,575	25,000
Share-based compensation	478	1,264
Other expenses	12,429	10,305
Foreign exchange loss on financing transactions	10,975	20,356
Finance costs, net	57,774	57,216
Loss for the year before income taxes	**$(55,623)**	**$(82,402)**

(i) Segment profit is a non-IFRS measure 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-IFRS measure does not have a standardized meaning and therefore is unlikely to be comparable to similarly titled measures reported by other companies.

Free Cash Flow ("FCF") is another non-IFRS measure that Mood 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, 2015 to December 31, 2016. 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 or as a measure of Mood liquidity and cash flows.

Reconciliation of Consolidated Group Free Cash Flow
In thousands of US dollars

Description		Dec. 31, 2016		Dec. 31, 2015	Increase or Decrease in Debt & Cash
First lien credit facilities	$	234,538	$	236,888	($2,350)
Senior unsecured notes		350,000		350,000	$0
MMG Notes		50,000		50,000	$0
Finance leases		2,662		3,413	($751)
Total Contractual Principal of Debt	**$**	**637,200**	**$**	**640,301**	**($3,101)**
Less: Unrestricted cash		16,978		17,326	(348)
Net debt	$	620,222	$	622,975	($2,753)
Free Cash Flow / (Increase) or Decrease in Net Debt					**$2,753**

Conference Call
As previously announced, the Company will hold a conference call on March 10, 2017, 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 268820#).

This earnings release, which is current as of March 9, 2017, is a summary of the Company's 2016 results and should be read in conjunction with the Company's 2016 Management Discussion and Analysis, ("MD&A"), 2016 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 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.

Unless otherwise noted, all figures presented in this news release are in U.S. dollars.

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

About Mood Media Corporation
Mood Media Corporation (TSX:MM) is the global leader in elevating Customer Experiences. With more than 500,000 active client locations around the globe, Mood combines sight, sound, scent, social mobile technology and systems to create greater emotional connections between brands and consumers. 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. While Mood 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's Management Discussion and Analysis dated March 9, 2017 and Mood's annual information form dated March 30, 2016, 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.

Forward-looking statements are given only as at the date hereof and Mood 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.

Investor Inquiries

Randal Rudniski
Mood Media Corporation
Tel: +1 (512) 592 2438
Email: randal.rudniski@moodmedia.com

Media Inquiries

Scott Moore
Mood Media Corporation
Tel: +1 (512) 583 8686
Email: scott.moore@moodmedia.com

###