

Mood Media sells Latin American music division to Stingray for \$16.3 million

BY DAVID FRIEND, THE CANADIAN PRESS JANUARY 10, 2014

TORONTO - Mood Media Corp. (TSX:MM), a provider of scents and digital signs to the retail industry, is selling off its residential Latin American music division to a Montreal-based company for \$16.3 million.

Stingray Digital, owner of the Galaxie TV digital music service, will buy the operations as part of an expanded supply agreement between the two companies for music.

The Latin American division broadcasts music channels to satellite and cable operators in South America, quite similar to its Galaxie service in Canada

Stingray, a privately owned company, will now deliver music to more than 100 million subscribers in 113 countries worldwide.

The transaction comes as Mood Media looks for parts of its business it can sell while expanding the number of partnerships it has with other businesses.

Earlier this week, the company appointed Claude Nahon as president of its international operations.

"This transaction strengthens our balance sheet as we execute our strategy to broaden audio, visual, mobile, scent and experiential solutions to support current and prospective clients," president and CEO Steve Richards said in a release.

"We are pleased to achieve this milestone, further underscoring Mood's commitment to delivering growth and enhanced returns for stakeholders. "

Mood Media has been moving its priorities away from music and into scents and digital signage for clients like W Hotels, Crate & Barrel and Tommy Hilfiger.

Under the agreement, Mood will receive a \$10-million cash payment and an intercompany settlement of \$1.4 million between the partners. The rest of the money will come when certain key performance indicators are reached over 18 months.

<http://www.montrealgazette.com/business/Mood+Media+sells+Latin+American+music+division+Stingray+million/9372861/story.html>

A spokesman for Stingray said the company is also developing smartphone apps to deliver music to listeners outside their homes.

Last month, Stingray signed an expanded agreement with Mood Media to supply music to an additional 7,500 additional Mood commercial locations, making it the largest provider of background music to about 70,000 Canadian retail stores.

Mood Media shares gained two cents to 78 cents in Friday afternoon trading on the Toronto Stock Exchange.