

ALLIANCE MEDIA HOLDINGS INC. REPORTS SEPTEMBER 30, 2015 FINANCIAL RESULTS

For Immediate Release

New York, New York – November 12, 2015 – Alliance Media Holdings Inc. (Pink Sheets: ADTR), a distributor, developer and publisher of interactive video games and gaming products, announced today its financial results for the first quarter ended September 30, 2015.

Net sales for the quarter ended September 30, 2015 decreased 4% to \$12.6 million from \$13.2 million for the quarter ended September 30, 2014. Net income for the 2015 quarter decreased to \$6,000 from \$215,000 in the corresponding period in 2014.

Jay Gelman, Chairman and Chief Executive Officer, said "The decline in net income in the first quarter from the corresponding quarter of last year reflects a reduction in the availability of value product for the older PS3, Xbox 360, Wii, WiiU, and DS platforms. We anticipate that there will be opportunities to purchase significant quantities of value product for the new PS4 and Xbox One if hardware units for these platforms continue to sell at their current rate."

About Alliance

Alliance Media Holdings Inc., formerly Alliance Distributors Holding Inc., (www.alliancemediaholdings.com) is a vertically integrated video game company. Its Alliance Distributors operating division is a full-service wholesale distributor of video games, hardware and accessories, with a special concentration in value video games. Alliance is a licensed publisher for Sony Computer Entertainment of America, Microsoft and Nintendo, and as Alliance Digital Media® publishes both originally created and third party licensed games in console, mobile, and PC/Mac formats. Alliance develops both original and third-party video games as Alliance Game Studios (formerly Metaversal Studios).

Xbox One, Xbox, Xbox 360 and Xbox LIVE are either registered trademarks or trademarks of the Microsoft group of companies. Other Company and product names may be trademarks of their respective owners.

Safe Harbor

Certain statements contained in this press release contain forward-looking statements including without limitation, statements concerning our operations, economic performance, and financial condition. The words "estimate," "believe," "expect," "should" and "anticipate" and other similar expressions generally identify forward-looking statements, which speak only as of their dates.

Investors are cautioned that all forward-looking statements, which are based largely on our current expectations, involve risks and uncertainty. Actual results, events and circumstances (including future performance, results and trends) could differ materially from those set forth in such statements due to various factors, risks and uncertainties, including without limitation, risks associated with technological change, competitive factors and general economic conditions, including the related impact on discretionary consumer spending, changes in marketing and distribution strategies by manufacturers, timely development and release of video game products we produce, potential cost overruns in our development of video games, ability to protect our

intellectual property rights, potential claims that we have infringed the intellectual property rights of others, market acceptance of games we develop and / or publish, ability to realize anticipated benefits of acquisitions, potential undiscovered liabilities of companies that we acquire, changes in our business or growth strategy, the emergence of new or growing competitors, various other competitive and technological factors. There can be no assurance that the results referred to in the forward-looking statements contained in this release will occur. The Company has no duty and undertakes no obligation to update any forward-looking information, whether as a result of new information, future developments or otherwise.

ALLIANCE MEDIA HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
THREE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014
(In thousands, except per share amounts)

	<u>2015</u>	<u>2014</u>
NET SALES	\$12,648	\$13,180
COST OF SALES	<u>11,192</u>	<u>11,403</u>
GROSS PROFIT	1,456	1,777
OPERATING COSTS AND EXPENSES	<u>1,380</u>	<u>1,352</u>
INCOME FROM OPERATIONS	76	425
Interest expense	<u>70</u>	<u>77</u>
INCOME BEFORE PROVISION FOR INCOME TAXES	6	348
Provision for income taxes	<u>-</u>	<u>133</u>
NET INCOME	<u>\$ 6</u>	<u>\$ 215</u>
Net income per share – basic and diluted	<u>\$ -</u>	<u>\$ -</u>
Weighted average common shares outstanding –		
Basic	<u>44,157</u>	<u>44,157</u>
Diluted	<u>45,184</u>	<u>44,620</u>

ALLIANCE MEDIA HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2015 AND 2014
(Unaudited, in thousands)

	September 30,	
	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT ASSETS:		
Cash and equivalents	\$ 117	\$ 218
Accounts receivable-net	3,837	5,869
Inventory	15,192	12,160
Advances to suppliers	289	724
Prepaid expenses and other current assets	487	257
Deferred income taxes	<u>601</u>	<u>580</u>
Total current assets	20,523	19,808
PROPERTY AND EQUIPMENT – NET	88	123
DEFERRED INCOME TAXES	141	144
OTHER ASSETS	<u>64</u>	<u>62</u>
TOTAL	<u>\$20,816</u>	<u>\$20,137</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Asset based revolving loan – bank	\$9,674	\$7,881
Accounts payable	3,006	4,385
Accrued expenses and other current liabilities	<u>414</u>	<u>404</u>
Total current liabilities	<u>13,094</u>	<u>12,670</u>
DEFERRED RENT	<u>19</u>	<u>32</u>
STOCKHOLDERS' EQUITY		
Common Stock, 44,157 shares issued and outstanding	44	44
Additional paid in capital	3,721	3,570
Retained earnings	<u>3,938</u>	<u>3,821</u>
Total stockholders' equity	<u>7,703</u>	<u>7,435</u>
TOTAL	<u>\$20,816</u>	<u>\$20,137</u>

ALLIANCE MEDIA HOLDINGS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014
(Unaudited, in thousands)

	<u>2015</u>	<u>2014</u>
OPERATING ACTIVITIES:		
Net income	\$ 6	\$ 215
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	15	15
Stock-based compensation expense	37	21
Deferred income taxes	(20)	(54)
Other	(2)	7
Changes in operating assets and liabilities, net	<u>(3,451)</u>	<u>(129)</u>
Net cash (used in) provided by operating activities	<u>(3,415)</u>	<u>75</u>
INVESTING ACTIVITIES:		
Purchase of property and equipment	<u>(1)</u>	<u>(20)</u>
Net cash used in investing activities	<u>(1)</u>	<u>(20)</u>
FINANCING ACTIVITIES:		
Proceeds from asset based revolving loan – bank, net of repayments	3,186	247
Payment of long-term debt	<u>-</u>	<u>(239)</u>
Net cash provided by (used in) financing activities	<u>3,186</u>	<u>8</u>
(DECREASE) INCREASE IN CASH AND EQUIVALENTS	<u>(230)</u>	<u>63</u>
CASH AND EQUIVALENTS, BEGINNING OF PERIOD	<u>347</u>	<u>155</u>
CASH AND EQUIVALENTS, END OF PERIOD	<u>\$ 117</u>	<u>\$ 218</u>

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