



## **Score Media Reports Revenue Growth in 2009**

*Year-end results demonstrate revenue growth across all media platforms*

TORONTO, Oct. 21, 2009 – Score Media Inc. (TSX: SCR) today announced its financial results for the fourth quarter and fiscal year ended August 31, 2009:

- Revenue for the year ended August 31, 2009 increased by \$2.5 million to \$38.9 million compared to \$36.4 million in the year ended August 31, 2008. The company had increases in TV revenues as well as web and mobile revenues.
- EBITDA for the year ended August 31, 2009 was \$3.8 million compared to \$5.9 million in the previous year, due mostly to planned investments in HD programming and marketing
- Net loss for the year ended August 31, 2009 was \$1.5 million, compared to net income of \$2.0 million in the previous year, due primarily to the above noted investments in HD programming and marketing, and increased depreciation expense of \$1.5 million related to Score Media's new HD broadcasting facilities
- Fourth quarter revenue increased by \$0.4 million to \$8.9 million compared to \$8.5 million in the prior year. Fourth quarter EBITDA was \$0.7 million compared to \$1.6 million in the prior year.

"We are pleased with our fiscal 2009 results," says John Levy, Chairman & CEO, Score Media Inc. "Continuing to grow revenue while making strategic investments across various departments and navigating through a tough economy is a noteworthy accomplishment that has left us well positioned for both revenue and EBITDA growth in 2010."

- On September 2, 2008, Score Media launched its high definition (HD) broadcasting studio. Over 80 percent of The Score's programming in fiscal 2009 was broadcast in high definition.
- In celebration of the launch, The Score hosted a Street Party on September 20, 2008 which featured all of The Score's personalities in addition to top athletes and musical guests
- In June 2009, the Company launched ScoreMobile for BlackBerry, an ad-supported mobile sports application optimized specifically for BlackBerry® smartphone devices. By year-end, the application was a top global download in BlackBerry App World™.
- ScoreMobile iPhone Edition continued to be popular with North American sports fans and averaged more than 10 million monthly page views during the peak period of Spring 2009. By the end of fiscal 2009, ScoreMobile iPhone Edition had been downloaded over 900,000 times.
- theScore.com web traffic continues to grow rapidly; unique visitors and page views were up approximately 23% compared to the previous year

- Score Media's March Madness coverage achieved record levels across all of the Company's platforms including a 22% growth in average tournament television viewership, over 1.4 million views on theScore.com's March Madness pages and 1.2 million views of NCAA basketball pages on ScoreMobile iPhone Edition
- The Company began a nation-wide search for the finest undiscovered sports broadcaster in Canada. Gillette DRAFTED: The Search for Canada's Next Sportscaster is the first Canadian endeavour with an unprecedented prize at stake: a contract with Score Media as a multiplatform sportscaster, contributing to the growth of the Company's television network, website and digital platforms.
- This year The Score was nominated for 3 Gemini Awards within the Best Sportscaster and Best Sports Feature categories
- On April 7, 2009, Score Media completed its previously announced Issuer Bid to purchase for cancellation 17,301,169 million Class A subordinate voting shares ("Class A Shares") at a price per share of \$0.40 or \$6.9 million. This represented 17.6% of Score Media's issued and outstanding Class A Shares.
- In fiscal 2009, The Score was named one of the top 10 media players in Canada by Marketing Magazine

### **About Score Media Inc.**

Score Media is a media company committed to delivering interactive and authentic sports entertainment. Created in 1997 in response to the growing desire for increased participation in the consumption of sports, the Company has now established itself as the home for hardcore sports fans. Score Media's primary asset, The Score Television Network ("The Score"), is a national specialty television service providing sports news, information, highlights and live event programming in more than 6.6 million homes across Canada. Score Media also operates Hardcore Sports Radio, a satellite radio network available across North America on SIRIUS Satellite Radio, and other interactive assets including theScore.com and Score Mobile. Growing from a team of 60 in 1997 to over 220 employees in 2009, Score Media is a revolutionizing interactive media company.

### **Forward-looking (safe harbour) statement**

Statements made in this news release that relate to future plans, events or performances are forward-looking statements. Any statement containing words such as "believes", "plans", "expects" or "intends" and other statements which are not historical facts contained in this release are forward-looking, and these statements involve risks and uncertainties and are based on current expectations. Consequently, actual results could differ materially from the expectations expressed in these forward-looking statements.

## FOURTH QUARTER RESULTS

The following tables reconcile net income to EBITDA:

	<b>Three months ended August 31, 2009</b>	<b>Three months ended August 31, 2008</b>
Net income (loss) for the period	\$ (677)	\$ 1,160
Less:		
Gain on sale of investments:	-	135
Future income tax recovery	-	438
Add back:		
Depreciation and amortization	1,166	930
Interest expense (net)	162	48
Loss on disposal of fixed assets	10	-
Income tax expense	16	-
EBITDA	\$ 677	\$ 1,565

	<b>Twelve months ended August 31, 2009</b>	<b>Twelve months ended August 31, 2008</b>
Net income (loss) for the period	\$ (1,457)	\$ 2,026
Less:		
Gain on sale of investments:	-	597
Add back:		
Restructuring charges	-	967
Depreciation and amortization	4,574	2,986
Interest expense (net)	423	72
Loss on disposal of fixed assets	49	-
Income tax expense	165	442
EBITDA	\$ 3,754	\$ 5,896

Score Media Inc.  
Consolidated Balance Sheets  
(in thousands of dollars)  
(unaudited)

	August 31, 2009	August 31, 2008
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 276	\$ 292
Accounts receivable	6,875	7,651
Prepaid expenses and deposits	616	569
Future tax assets	663	1,665
	<u>8,430</u>	<u>10,177</u>
Fixed assets	18,584	19,551
Deferred charges	327	344
Future tax assets	7,011	6,174
	<u>\$ 34,352</u>	<u>\$ 36,246</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	5,132	6,358
Revolving credit facility	11,449	3,803
Shareholders' equity	17,771	26,085
	<u>\$ 34,352</u>	<u>\$ 36,246</u>

Score Media Inc.  
Consolidated Statements of Operations and Retained Earnings  
(in thousands of dollars, except per share amounts)  
(unaudited)

	Three months ended August 31, 2009	Three months ended August 31, 2008	Twelve months ended August 31, 2009	Twelve months ended August 31, 2008
Revenue	\$ 8,909	\$ 8,524	\$ 38,884	\$ 36,383
Production and other direct expenses	3,734	3,063	15,596	14,798
Selling, general and administration	3,540	3,517	14,190	11,512
Program rights	958	379	5,344	4,177
	<u>8,232</u>	<u>6,959</u>	<u>35,130</u>	<u>30,487</u>
Income before undernoted	677	1,565	3,754	5,896
Interest expense, net	162	48	423	72
Depreciation	1,122	893	4,386	2,853
Amortization	44	37	188	133
Loss on disposal of fixed assets	10	-	49	-
Restructuring charges	-	-	-	967
Gain on sale of investments	-	(135)	-	(597)
Income (loss) before income taxes	(661)	722	(1,292)	2,468
Future income tax expense (recovery)	16	(438)	165	442
Net income (loss) for the period	<u>\$ (677)</u>	<u>\$ 1,160</u>	<u>\$ (1,457)</u>	<u>\$ 2,026</u>
Income (loss) per share – basic and diluted	<u>\$ (0.01)</u>	<u>\$ 0.01</u>	<u>\$ (0.02)</u>	<u>\$ 0.02</u>
Weighted average number of Class A Subordinate Voting and Special Voting Shares Outstanding:				
-Basic	81,146,781	98,409,023	91,504,735	98,137,287
-Diluted	<u>81,146,781</u>	<u>98,824,760</u>	<u>91,504,735</u>	<u>99,017,523</u>

Score Media Inc.  
Consolidated Statements of Cash Flows  
(in thousands of dollars, except per share amounts)  
(unaudited)

	Three months ended August 31, 2009	Three months ended August 31, 2008	Twelve months ended August 31, 2009	Twelve months ended August 31, 2008
Cash provided by (used in):				
Operations:				
Net income (loss) for the period	\$ (677)	\$ 1,160	\$ (1,457)	\$ 2,026
Items not involving cash:				
Depreciation	1,122	893	4,386	2,853
Amortization	44	37	188	133
Loss on disposal of fixed assets	10	-	49	-
Non-cash compensation expense	231	271	429	496
Gain on sale of investments	-	(135)	-	(597)
Future income tax expenses	16	(438)	165	442
Change in non-cash operating working capital:				
Accounts receivable	1,232	1,088	776	(1,009)
Prepaid expenses and deposits	113	(103)	(47)	284
Accounts payable and accrued liabilities	(343)	310	940	1,245
	1,748	3,083	5,429	5,873
Financing:				
Draw from (repayment of) credit facility	(1,049)	92	7,646	(5,447)
Repurchase of Class A subordinate voting shares	-	-	(7,271)	-
Issuance of common shares	-	7	13	233
	(1,049)	99	1,437	(5,214)
Investing:				
Additions to fixed assets	(798)	(3,869)	(3,496)	(14,370)
Change in non-cash working capital related to fixed assets	165	256	(2,166)	1,987
Deferred charges	(3)	-	(171)	(145)
Proceeds on sale of investments	-	135	-	497
	(636)	(3,478)	(5,833)	(11,931)
Increase (decrease) in cash and cash equivalents	63	(296)	(16)	(11,272)
Cash and cash equivalents, beginning of period	213	588	292	11,564
Cash and cash equivalents, end of period	\$ 276	\$ 292	\$ 276	\$ 292
Supplemental Cash Flow information				
Interest paid	\$ 224	\$ 45	\$ 431	\$ 232

The following selected quarterly financial data of the Corporation relates to the eight quarters ended August 31, 2009.

<b>Quarterly Results</b>	<b>Revenue</b>	<b>EBITDA</b>	<b>Net income (loss)</b>	<b>Income (loss) per share – basic and diluted</b>
	<b>(\$000's)</b>	<b>(\$000's)</b>	<b>(\$000's)</b>	<b>(\$)</b>
August 31, 2009	8,909	677	(677)	(0.01)
May 31, 2009	10,816	1,654	8	0.00
February 28, 2009	8,662	204	(1,026)	(0.01)
November 30, 2008	10,498	1,220	239	0.00
August 31, 2008	8,524	1,565	1,160	0.01
May 31, 2008	10,206	2,185	684	0.01
February 29, 2008	8,363	939	34	0.00
November 30, 2007	9,290	1,207	148	0.00

The Company's revenues have historically reflected a seasonality trend, with the third quarter (ending May 31<sup>st</sup>) being the strongest, followed by the first quarter (ending November 30<sup>th</sup>), the fourth quarter (ending August 31<sup>st</sup>), and finally the second quarter (ending February 28<sup>th</sup>). This seasonality reflects general trends for sports media advertising, which in turn reflects the schedules (particularly the playoffs) of the major sports leagues.

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