

ALLIANCE MEDIA HOLDINGS INC. REPORTS FOURTH QUARTER AND YEAR END FINANCIAL RESULTS

For Immediate Release

New York, New York – September 24, 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 fourth quarter and fiscal year ended June 30, 2015.

Net sales for the three months ended June 30, 2015 decreased less than 1% to \$12.7 million from \$12.8 million for the three months ended June 30, 2014. Net income for the three months ended June 30, 2015 decreased to \$61,000 compared to \$251,000 for the three months ended June 30, 2014. Net income for the three months ended June 30, 2015 includes a non-cash write off of approximating \$ 66,000 in deferred tax assets related to the expiration of unexercised stock options granted to employees in 2005.

For the fiscal year ended June 30, 2015, net sales decreased 11% to \$54.1 million from \$60.9 million for the year ended June 30, 2014. Net income was approximately \$326,000 for the year ended June 30, 2015 compared to \$1.2 million for comparable 2014 period.

Jay Gelman, Chairman and Chief Executive Officer, said, "During the fourth quarter we continued to have fewer sources of value product than in the corresponding 2014 period. As I mentioned previously, the decline in availability reflects residual turmoil from last year's new platform introductions of Sony's Playstation®4, Microsoft's Xbox One and Nintendo's Wii U, vendors who are out of business, vendors' licensing lapses, and a reduction in distress closeout opportunities. I anticipate that vendors who are concentrating on new platform products will in due course accelerate their value product offerings.

"Our fiscal 2015 results were also affected by approximately \$550,000 in costs to develop our BlazeBlue: Battle Cards™ title. The introduction of the title brought positive reviews but very limited economic activity. We have substantially reduced our internal development staff and expect to outsource more of our future development activity.

"We are the exclusive publishers of Gianna Sisters: Twisted Dreams - Director's Cut and Brunswick Pro Bowling for North America and South America, and in the next several months expect to introduce Gianna Sisters for the Wii U and Brunswick Pro Bowling for the PS4™, Xbox One and Wii U. Gianna Sisters was developed by Black Forest Games. Brunswick Pro Bowling was developed by Farsight Studios."

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).

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 Digital Media and Battle Cards are trademarks or registered trademarks of Alliance Metaversal Studio LLC. 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.

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

	<u>Three Months</u>		<u>Year</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
NET SALES	\$12,748	\$12,827	\$54,126	\$60,853
COST OF SALES	<u>11,035</u>	<u>11,026</u>	<u>47,185</u>	<u>52,500</u>
GROSS PROFIT	1,713	1,801	6,941	8,353
OPERATING COSTS AND EXPENSES	<u>1,413</u>	<u>1,311</u>	<u>5,986</u>	<u>6,003</u>
INCOME FROM OPERATIONS	300	490	955	2,350
Interest expense	<u>78</u>	<u>94</u>	<u>297</u>	<u>371</u>
INCOME BEFORE PROVISION FOR INCOME TAXES	222	396	658	1,979
Provision for income taxes	<u>161</u>	<u>145</u>	<u>332</u>	<u>740</u>
NET INCOME	<u>\$ 61</u>	<u>\$ 251</u>	<u>\$ 326</u>	<u>\$ 1,239</u>
Net income per share – basic and diluted	<u>\$ -</u>	<u>\$ 0.01</u>	<u>\$ 0.01</u>	<u>\$ 0.03</u>
Weighted average common shares outstanding –				
Basic	<u>44,157</u>	<u>44,157</u>	<u>44,157</u>	<u>44,157</u>
Diluted	<u>44,804</u>	<u>44,529</u>	<u>44,630</u>	<u>44,657</u>

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

	JUNE 30,	
	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT ASSETS:		
Cash and equivalents	\$ 347	\$ 155
Accounts receivable-net	4,948	3,689
Inventory	14,633	12,495
Advances to suppliers	-	22
Prepaid expenses and other current assets	194	256
Deferred income taxes	<u>593</u>	<u>541</u>
Total current assets	20,715	17,158
PROPERTY AND EQUIPMENT – NET	102	118
DEFERRED INCOME TAXES	129	129
OTHER ASSETS	<u>63</u>	<u>54</u>
TOTAL	<u>\$21,009</u>	<u>\$17,459</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Asset based revolving loan – bank	\$6,488	\$7,634
Current portion of long-term debt	-	239
Accounts payable	6,288	1,659
Accrued expenses and other current liabilities	<u>550</u>	<u>709</u>
Total current liabilities	<u>13,326</u>	<u>10,241</u>
DEFERRED RENT	<u>23</u>	<u>19</u>
STOCKHOLDERS' EQUITY		
Common Stock, 44,157 shares issued and outstanding	44	44
Additional paid in capital	3,684	3,549
Retained earnings	<u>3,932</u>	<u>3,606</u>
Total stockholders' equity	<u>7,660</u>	<u>7,199</u>
TOTAL	<u>\$21,009</u>	<u>\$17,459</u>

ALLIANCE MEDIA HOLDINGS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2015 AND 2014
(in thousands)

	<u>2015</u>	<u>2014</u>
OPERATING ACTIVITIES:		
Net income	\$ 326	\$ 1,239
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	61	70
Stock-based compensation expense	135	70
Deferred income taxes	(52)	(247)
Other	18	37
Changes in operating assets and liabilities, net	<u>1,164</u>	<u>2,139</u>
Net cash provided by operating activities	<u>1,652</u>	<u>3,308</u>
INVESTING ACTIVITIES:		
Purchase of property and equipment	<u>(45)</u>	<u>(21)</u>
Net cash used in investing activities	<u>(45)</u>	<u>(21)</u>
FINANCING ACTIVITIES:		
Payment of note payable-bank, net of proceeds	(1,146)	(2,687)
Payment of deferred financing costs	(30)	(25)
Payment of long-term debt	<u>(239)</u>	<u>(761)</u>
Net cash used in financing activities	<u>(1,415)</u>	<u>(3,473)</u>
INCREASE (DECREASE) IN CASH AND EQUIVALENTS	<u>192</u>	<u>(186)</u>
CASH AND EQUIVALENTS, BEGINNING OF YEAR	<u>155</u>	<u>341</u>
CASH AND EQUIVALENTS, END OF YEAR	<u>\$ 347</u>	<u>\$ 155</u>

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