



2 July 2015

Audioboom Group plc
(the "Company" or "Audioboom")

Advertising revenue share agreement and trading update

Major US radio group uses Audioboom to roll-out digital strategy

Audioboom (AIM: BOOM), the leading spoken-word audio on-demand mobile platform, announces an agreement with Cumulus Media Holdings, Inc. ("Cumulus"), the second largest radio group in the USA, to use its fully featured SaaS platform to provide on-demand creative, hosting, broadcasting and advertising tools for the entire Cumulus radio network, encompassing over 450 stations, over 100 nationally syndicated shows and over 240 million unique listeners.

The Audioboom platform will be used by Cumulus to embed content across its networks' websites and mobile apps, offering listen-again, on-demand and bespoke podcasts and to create clips that can be distributed via Audioboom's embeddable players, social media integration (Twitter and Facebook), and RSS feeds into third party audio platforms. Importantly, the platform will allow Cumulus, as exclusive sales representation agent, to monetise this digital content through the sale of pre- and post-roll video, audio and display advertising, as well as the significant growth of 'in-read' native advertising for podcasts. Under the agreement Audioboom will receive a share of all advertising revenues generated using its platform.

In addition, Audioboom and Cumulus will collaborate to commission and produce original audio content to be distributed through new podcast networks covering news, sports and country music. This content will allow revenues to be generated from additional 'in-read' or 'mid-roll' advertising, to run alongside pre- and post-roll ads.

As part of the agreement Audioboom will also appoint Westwood One, Inc. ("Westwood"), the national syndication and media sales arm of Cumulus, as its advertising sales representative to sell advertisements embedded in the audio content made via the agreement, as well as additional US content provided by Audioboom.

Westwood is a wholly-owned subsidiary of Cumulus, and is the leading multi-platform provider of sports, music, news, spoken word, and digital audio content in the US with 244 million weekly listeners and 70 million digital users a month. Their national portfolio includes well known brands such as the NFL, NBC Sports Radio, the GRAMMYS, NASH, and Rdio, and they have a strong reputation in effectively connecting advertisers and audiences.

As part of the agreement, Cumulus will be issued up to 20 million warrants (representing 3.8% of the Company's existing share capital) to subscribe for ordinary shares in Audioboom at 12.5 pence per share. A proportion of these warrants will be conditional on Audioboom having received certain levels of net revenue from the advertising revenue share with Cumulus/Westwood. Further details of the warrant terms will be announced at the time of their issue, expected to be within the next 30 days.

Trading update

The Cumulus agreement, together with progress and developments in other areas, especially our new video ad players, provides us with confidence that we will achieve our long-term plan for substantial growth in advertising sales.

The Directors believe the Company is well positioned to deliver revenues for the year ending 30 November 2016 in line with market expectations. However the additional time taken to conclude the Cumulus partnership negotiations means that advertising revenues in the current year will be substantially skewed to the latter part of the financial year, resulting in lower sales than market expectations.

Additionally, Audioboom has taken the strategic decision to increase its marketing budget by approximately £800,000 over the course of the financial year, so that the Company can further capitalise on the strong growth in KPIs in H1 with a view to achieving its long-term goals, targeting cash generation and profitability in 2017.

Audioboom CEO, Rob Proctor, commented, *"As we've consistently explained, the generation of significant advertising revenues is a long-term goal, and so we have initially focused on building up our active user base and content partners. This transformational deal will help to boost these existing KPIs, but it is also a very big step towards revenue generation. This partnership represents a major step-change in our plans for monetisation, and as we see the full roll-out of our platform across the entire USA we expect to benefit from a considerable increase in monthly listens and registered users but also a steady flow of advertising revenues.*

"It's also worth noting that our partnership with Cumulus is not just about making Cumulus content available to our users, rather, this is about using our platform to allow Cumulus to become a truly distributed media company, providing on-demand content across all of Cumulus' stations' websites, apps, third party websites, and third party audio platforms. In fact, anywhere a potential listener may choose to consume content and which, in turn, will generate advertising revenues for Cumulus and Audioboom."

Cumulus Media CEO, Lew Dickey, commented, *"This exciting new partnership marries Cumulus' and Westwood One's best-in-class local and national content with Audioboom's industry-leading technology and distribution capabilities. Radio is America's #1 reach medium, and as listeners continue to increase their consumption of audio, this partnership allows for new ways for consumers to explore and engage with the radio stations and on-air talent they know and love today. Additionally, from an advertising perspective, the short-form and on-demand digital medium provides a unique and effective way for brands to activate consumers. This partnership highlights Westwood One's continued commitment to bringing new unique content and advertising options to market."*

Audioboom Group plc

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About Audioboom (www.audioboom.com)

Audioboom is the leading mobile, web and connected device platform for the very best spoken-word content in news, current affairs, business, entertainment and sports.

It operates a digital, on-demand, streaming audio platform enabling the creation, broadcast and consumption of audio across multiple global media outlets. Audioboom works with some of the biggest names in broadcasting across sport, entertainment and current affairs to bring their content to millions of listeners worldwide via Facebook, Twitter and other media platforms.

The technology allows partners to embed playlists onto their sites and apps, use our mobile apps and functionality as listen again players and re-syndicate their content around the web.

Audioboom also allows the monetisation of audio via the dynamic insertion of pre and post roll advertising into content as a user is listening, allowing contemporary advertising selection, depending on content genre and geographic location of the user.

Audioboom has over 3,000 active content partners, including the *BBC, Telegraph, Guardian, CBS, Sky Sports, Premier League, Southern Cross Austereo, Reuters, CNBC, Universal* and *Fox*.

Audioboom is using this platform to create the world's first aggregated audio content syndication and advertising network.

About Cumulus Media (www.cumulus.com)

Cumulus is America's second largest operator of radio stations. Cumulus provides high-impact local marketing solutions in 90 metropolitan areas. It introduces businesses of all sizes to their communities of over 240 million listeners via radio, digital media, targeted e-mail and on-site promotions. These solutions help its customers build strong brands and tap into over US\$4 trillion of local spending power.

About Westwood One (www.westwoodone.com)

Westwood One is the leading multi-platform provider of sports, music, news, spoken word, and digital audio content. It is the national-facing arm of Cumulus Media, and the largest audio company - with 9,100 affiliates, 244 million weekly listeners, and 70 million digital users a month. Westwood One is the expert in audio – its team is passionate about utilising its diverse platform to design custom solutions for audio companies, publishers, and marketers. It is a trusted connection between audio companies, advertisers, and the audience.