

QUARTERLY REPORT OF CTM MEDIA HOLDINGS, INC D/B/A IDW MEDIA HOLDINGS FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2015

Item 5 Financial Statements

Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following information should be read in conjunction with the accompanying audited consolidated financial statements and the notes thereto contained in this Annual Report.

As used below, unless the context otherwise requires, the terms "the Company," "we," "us," and "our" refer to CTM Media Holdings, Inc d/b/a IDW Media Holdings d/b/a IDW Media Holdings, a Delaware corporation, and our subsidiaries.

Forward-Looking Statements

This Annual Report contains forward-looking statements. Statements that are not historical facts are forward-looking statements. Examples of forward-looking statements include:

- statements about the Company and its divisions' future performance;
- projections of the Company and its divisions' results of operations or financial condition; and
- statements regarding the Company plans, objectives or goals, including those relating to its strategies, initiatives, competition, acquisitions, dispositions and/or its products.

Words such as "believe," "anticipate," "plan," "expect," "intend," "target," "estimate," "project," "predict," "forecast," "guideline," "aim," "will," "should," "likely," "continue" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Readers are cautioned not to place undue reliance on these forward-looking statements and all such forward-looking statements are qualified in their entirety by reference to the following cautionary statements.

Forward-looking statements are based on the Company's current expectations, estimates and assumptions and because forward-looking statements address future results, events and conditions, they, by their very nature, involve inherent risks and uncertainties, many of which are unforeseeable and beyond the Company's control. Such known and unknown risks, uncertainties and other factors may cause the Company's actual results, performance or other achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements.

These factors include those discussed under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's annual financial statements.

The Company cautions that such factors are not exhaustive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements.

Forward-looking statements speak only as of the date they are made and are statements of the Company's current expectations concerning future results, events and conditions and the Company is under no obligation to update any of the forward-looking statements, whether as a result of new information, future events or otherwise.

OVERVIEW

Our principal businesses consist of:

Our majority interest in Idea and Design Works, LLC ("IDW"), an entertainment company that includes IDW Publishing, IDW Games and IDW Entertainment.

CTM Media Group ("CTM"), our brochure and digital distribution company and other advertising-based product initiatives focused on small to medium sized businesses; and

IDW

Idea and Design Works, LLC ("IDW"), is an entertainment company that includes IDW Publishing, IDW Games and IDW Entertainment.

On December 12, 2014, IDW purchased principally all of the assets of Top Shelf Productions, a publisher of graphic novels. The purchase increases the properties and products of IDW.

IDW's revenues represented 60.1% and 54.3% of our consolidated revenues in the three months ended April 30, 2015 and 2014, respectively, and 61.2% and 58.0% in the six months ended April 30, 2015 and 2014, respectively.

CTM

CTM develops and distributes print and digital-based advertising and information in targeted tourist markets. CTM operates four integrated and complimentary business lines: Brochure Distribution, Publishing, RightCard™, and Digital Distribution offering its customers a comprehensive media marketing approach through these business lines. CTM owns and services more than 13,400 display stations in over 32 states and provinces in the United States and Canada.

On February 13, 2015, CTM acquired the assets of the brochure distribution network of a company in New England. This acquisition expands CTM's network in the area and added over 1,200 display stations.

On July 31, 2014, CTM acquired a substantial portion of the brochure distribution network of a company in the Southeast United States that includes Georgia, North Carolina, South Carolina, and parts of Tennessee. In addition to the geographical expansion of CTM distribution network, this purchase added over 1,000 display stations to CTM's network.

CTM's display stations are located in travel, tourism and entertainment venues, including hotels and other lodgings, corporate and community venues, transportation terminals and hubs, tourist attractions and entertainment venues. CTM's revenues represented 39.9% and 45.7% of our consolidated revenues in the three months ended April 30, 2015 and 2014, respectively, and 38.8% and 42.0% in the six months ended April 30, 2015 and 2014, respectively.

REPORTABLE SEGMENTS

We have the following two reportable business segments: IDW and CTM.

PRESENTATION OF FINANCIAL INFORMATION

Basis of presentation

The consolidated financial statements for the periods reflect our financial position, results of operations, and cash flows. The financial statements have been prepared using the historical basis for the assets and liabilities and results of operations.

CRITICAL ACCOUNTING POLICIES

Our consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States. Our significant accounting policies are described in Note 1 to the consolidated financial statements included in our Annual Report for fiscal 2014. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses as well as the disclosure of contingent assets and liabilities. Critical accounting policies are those that require application of management's most subjective or complex judgments, often as a result of matters that are inherently uncertain and may change in subsequent periods. Our critical accounting policies include those related to the allowance for doubtful accounts and intangible assets with indefinite useful lives and valuation of long-lived assets including intangible assets with finite useful lives. Management bases its estimates and judgments on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

On October 31, 2013, the Company's Board of Directors granted the Company's Chairman/majority shareholder, 38,796 restricted shares of the Company's Class B common stock with a value of \$2,327,760 on the date of grant in lieu of a bonus for fiscal 2013 and a cash base salary for the period October 14, 2014 through December 31, 2019. Total unrecognized compensation cost on the date of grant was \$2,277,760. The unrecognized compensation is recognized over the vesting period. The stock-based compensation related to this grant was approximately \$91,000 and \$0 for the three months April 30, 2015 and April 30, 2014, respectively, and \$183,000 and \$0 for the six months ended April 30, 2015 and April 30, 2014, respectively.

The restricted shares vest as follows:

| <u>Date</u> | <u>Number of shares</u> |
|-------------|-------------------------|
| 10/31/13 | 833 |
| 9/30/15 | 5,834 |
| 9/30/16 | 6,417 |
| 9/30/17 | 7,058 |
| 9/30/18 | 7,764 |
| 9/30/19 | 8,541 |
| 12/31/19 | 2,349 |

On October 14, 2009, our Board of Directors had granted the Company's Chairman/majority shareholder, 1,785,714 restricted shares (approximately 89,285 restricted shares after giving effect to the Reverse Split) of our Class B common stock with a value of \$1,250,000 on the date of grant in lieu of a cash base salary for the following five years. The restricted shares vested in equal thirds on each of October 14, 2011, October 14, 2012 and October 14, 2013. This arrangement did not impact the Company's Chairman/majority shareholder's cash compensation from the date of the Spin-Off through the pay period including the grant date. Total unrecognized compensation cost on the grant date was \$1,250,000. The unrecognized compensation cost has been recognized over the vesting period from October 14, 2009 through October 14, 2014. The stock-based compensation related to this grant was approximately \$0 and \$69,000 for the three months April 30, 2015 and April 30, 2014, respectively, and \$0 and \$137,000 for the six months ended April 30, 2015 and April 30, 2014, respectively.

Net income attributable to CTM Media Holdings, Inc d/b/a IDW Media Holdings and non-controlling interests

(in thousands)

| <u>Three months ended April 30,</u> | | | <u>Change</u> | |
|--|----------------|-----------------|---------------|--------------|
| | <u>2015</u> | <u>2014</u> | <u>\$</u> | <u>%</u> |
| Income from operations | \$ 117 | \$ 138 | \$ (21) | (15.2%) |
| Interest income, net | (1) | 9 | (10) | (111.1%) |
| Other income (expense), net | 12 | (15) | 27 | 180.0% |
| Benefit from (provision for) income taxes | (40) | (201) | 161 | 80.1% |
| Net income | 88 | (69) | 157 | 227.5% |
| Less: Net income attributable to non-controlling interest | (135) | (81) | (54) | (66.7%) |
| Net income (loss) attributable to CTM Media Holdings, Inc d/b/a IDW Media Holdings | <u>\$ (47)</u> | <u>\$ (150)</u> | <u>\$ 103</u> | <u>68.7%</u> |

(in thousands)

| <u>Six months ended April 30,</u> | | | <u>Change</u> | |
|---|--------------|---------------|-----------------|----------------|
| | <u>2015</u> | <u>2014</u> | <u>\$</u> | <u>%</u> |
| Income from operations | \$ 619 | \$ 1,356 | \$ (737) | (54.4%) |
| Interest income, net | (1) | 28 | (29) | (103.6%) |
| Other income (expense), net | 59 | (25) | 84 | 336.0% |
| Provision for income taxes | (247) | (629) | 382 | 60.7% |
| Net income | 430 | 730 | (300) | (41.1%) |
| Less: Net income attributable to non controlling interest | (400) | (422) | 22 | 5.2% |
| Net income attributable to CTM Media Holdings, Inc d/b/a IDW Media Holdings | <u>\$ 30</u> | <u>\$ 308</u> | <u>\$ (278)</u> | <u>(90.3%)</u> |

Income from operations. Income from operations decreased for the three months ended April 30, 2015 compared to the three months ended April 30, 2014 primarily due to the IDW segment increased selling general and administrative expenses of \$857,000, due to its building of infrastructure for its recent acquisition, offset by its increased gross profit of \$811,000 due to increased revenue across its product lines.

Income from operations decreased for the six months ended April 30, 2015 compared to the six months ended April 30, 2014 primarily due to the IDW segment increased selling, general and administrative expenses of \$1,400,000, due to its building of infrastructure for its recent acquisition, offset by increased IDW and CTM gross profit of \$823,000 and \$232,000, respectively, increased expenses for a bad debt reserve against CTM segment note receivable of \$200,000 and increased CTM segment depreciation and amortization, due to its recent acquisitions, of \$248,000, offset by other net expense decreases.

Income Taxes. Income tax expense decreased for the three months and six months ended April 30, 2015 compared to the three months and six months ended April 30, 2014 by approximately \$161,000 and \$382,000 respectively, primarily due to the decreases in taxable income and a prior year adjustment affecting the three months ended April 30, 2014.

The Company and IDT have a Tax Separation Agreement, dated September 14, 2009, that provides for certain tax matters including the assignment of responsibility for the preparation and filing of tax returns, the payment of and indemnification for taxes, entitlement to tax refunds and the prosecution and defense of any tax controversies. Pursuant to this agreement, IDT must indemnify the Company from all

liability for taxes of the Company and its subsidiaries for periods ending on or before September 14, 2009, and the Company must indemnify IDT from all liability for taxes of the Company and its subsidiaries occurring after September 14, 2009. Also, for periods ending on or before September 14, 2009, IDT shall have the right to control the conduct of any audit, examination or other proceeding brought by a taxing authority. The Company has the right to participate jointly in any proceeding that may affect the Company's tax liability unless IDT has indemnified the Company. Finally, the Company and its subsidiaries agreed not to carry back any net operating losses, capital losses or credits for any taxable period ending after September 14, 2009 to a taxable period ending on or before September 14, 2009 unless required by applicable law, in which case any refund of taxes attributable to such carry back shall be for the account of IDT Corporation.

Income attributable to non-controlling interest. On April 1, 2015 the Company's newly formed corporation, IDW, Inc., acquired 100% of the ownership of IDW in exchange for IDW, Inc. stock. As a result of this transaction, the Company increased its ownership in IDW to 83%. Minority shareholders own the remaining 17% of the stock of IDW, Inc. Non-controlling interests arise from the previous 23.335% interest in IDW not held by the Company through March 31, 2015, and the 17% interest in IDW not held by the Company thereafter.

IDW

(in thousands)

| Three months ended April 30, | 2015 | 2014 | Change | |
|-------------------------------------|----------|----------|----------|---------|
| | | | \$ | % |
| Revenues | \$ 6,488 | \$ 4,861 | \$ 1,626 | 33.4% |
| Direct cost of revenues | 3,553 | 2,737 | 815 | 29.8% |
| Selling, general and administrative | 2,611 | 1,755 | 856 | 48.8% |
| Depreciation and amortization | 52 | 6 | 46 | 766.7% |
| Income from operations | \$ 272 | \$ 363 | \$ (91) | (25.1%) |

(in thousands)

| Six months ended April 30, | 2015 | 2014 | Change | |
|-------------------------------------|-----------|-----------|----------|---------|
| | | | \$ | % |
| Revenues | \$ 13,510 | \$ 11,377 | \$ 2,133 | 18.7% |
| Direct cost of revenues | 7,309 | 6,000 | 1,309 | 21.8% |
| Selling, general and administrative | 4,960 | 3,543 | 1,417 | 40.0% |
| Depreciation and amortization | 72 | 11 | 61 | 554.5% |
| Income from operations | \$ 1,169 | \$ 1,823 | \$ (654) | (35.9%) |

During the three months and six months ended April 30, 2015, the Company changed its allocation of overhead to its operating segments. The result of this change was an increase in IDW's selling, general and administrative expenses and a corresponding decrease in operating income of \$328,000 and \$567,000 for the three months and six months ended April 30, 2015, respectively, as further discussed below. Had this change been applied to the three months and six months ended April 30, 2014, it would have resulted in an increase in selling, general and administrative expenses with a corresponding decrease in operating income of \$143,000 and \$386,000, respectively.

Revenues. The increase in IDW's revenues in the three months ended April 30, 2015 compared to the three months ended April 30, 2014 of \$1,626,000 was primarily due to increases in IDW's publishing revenues of approximately \$1,000,000, including revenue from the Top Shelf acquisition and other publishing revenue categories and increases in revenue from IDW Games, creative services and digital publishing of approximately \$540,000.

The increase in IDW's revenues in the six months ended April 30, 2015 compared to the six months ended April 30, 2014 of \$2,133,000 was primarily due to increases in IDW's direct and non- direct publishing revenue of \$557,000, other publishing revenue categories of \$457,000, the new IDW Games product category revenue of \$769,000, creative services revenue of \$165,000 and digital publishing revenue of \$185,000.

Direct Cost of Revenues. Direct cost of revenues consists primarily of printing expenses and costs of artists and writers. Direct costs of revenues in the three months and six months ended April 30, 2015 increased by \$815,000 and \$1,309,000, respectively, compared to the three months and six months ended April 30, 2014. The increases were primarily due to the increases in revenue, IDW's product mix and related print costs and royalty arrangements with respect to products sold during the quarter.

IDW's gross margin for the three months ended April 30, 2015 increased to 45.2% from 43.7% for the three months ended April 30, 2014. The increase in gross profit was principally due to the mix of products and their associated print costs and royalty arrangements.

IDW's gross margin for the six months ended April 30, 2015 decreased to 45.9% from 47.3% for the six months ended April 30, 2014. The decrease in gross profit was principally due to increased royalty costs principally by the addition of the IDW Games product category revenue and the mix of products and their associated print costs and royalty arrangements.

Selling, General and Administrative. IDW has been building its infrastructure to support and grow the higher level of revenues experienced during the latter part of the previous fiscal year through the three months and six months ended April 30, 2015, and the IDW Entertainment division, a new business development initiative commenced last fiscal year.

Selling, general and administrative expenses increased by \$856,000 and \$1,417,000 in the three months and six months ended April 30, 2015, respectively, compared to the three months and six months ended April 30, 2014. Expenses increased three month period primarily due to net increases in allocations of executive compensation, professional fees and other costs of \$328,000, salaries, bonuses and related benefits of \$387,000, Depreciation and amortization principally related to the Top Shelf acquisition of \$46,000, rent and occupancy related to IDW's recent move of \$35,000, shipping and delivery of \$32,000 principally due to the IDW Games product category, and legal and professional expenses of \$30,000.

As a percentage of IDW's revenues, selling, general and administrative expenses in the three months and six months ended April 30, 2015 was 40.2% and 36.7%, respectively, compared to 36.1% and 31.1% in the three months and six months ended April 30, 2014.

CTM

(in thousands)

| Three months ended April 30, | 2015 | 2014 | Change | |
|-------------------------------------|----------|----------|--------|----------|
| | | | \$ | % |
| Revenues | \$ 4,305 | \$ 4,094 | \$ 211 | 5.2% |
| Direct cost of revenues | 1,460 | 1,412 | 48 | 3.4% |
| Selling, general and administrative | 2,628 | 2,644 | (16) | (0.6%) |
| Depreciation and amortization | 384 | 249 | 135 | 54.2% |
| Bad debt expense | (12) | 14 | (26) | (185.7%) |
| Income (loss) from operations | \$ (155) | \$ (225) | \$ 70 | 31.1% |

(in thousands)

| Six months ended April 30, | 2015 | 2014 | Change | |
|-------------------------------------|----------|----------|---------|---------|
| | | | \$ | % |
| Revenues | \$ 8,556 | \$ 8,255 | \$ 301 | 3.6% |
| Direct cost of revenues | 2,954 | 2,885 | 69 | 2.4% |
| Selling, general and administrative | 5,235 | 5,339 | (104) | (1.9%) |
| Depreciation and amortization | 742 | 495 | 247 | 49.9% |
| Bad debt expense | 175 | 3 | 172 | 5733.3% |
| Income (loss) from operations | \$ (550) | \$ (467) | \$ (83) | (17.8%) |

During the three months and six months ended April 30, 2015, the Company changed its allocation of overhead to its operating segments. The result of this change was a decrease in CTM's selling, general and administrative expenses and a corresponding increase in operating income of \$328,000 and \$567,000, in the three months and six months ending April 30, 2015, respectively, as further discussed below. Had this change been applied to the three months and six months ended April 30, 2014, it would have resulted in a decrease in selling, general and administrative expenses with a corresponding increase in operating income of \$143,000 and \$386,000, respectively.

Revenues. The increase in CTM's revenues during the three months ended April 30, 2015 compared to the three months ended April 30, 2014 was primarily due to increased U.S. distribution revenue of \$250,000, led principally by the Southeast and New England business acquisition, offset by net decreases of \$39,000, principally due to decreases in the New York area, offset by strength in the mid-west.

The increase in CTM's revenues during the six months ended April 30, 2015 compared to the three months ended April 30, 2014 was primarily due to increased U.S. distribution revenue of \$334,000 and ExploreBoard digital touch screen revenue of \$46,000, net of a decrease Canadian distribution of \$36,000, Canadian print revenue (direct print sales changed to referral/commissions, conforming to the U.S. model) and other revenue Categories. Revenue increases were principally due to the Southeast and New England business acquisitions and the expansion of the ExploreBoard footprint, offset by net decreases of \$79,000, principally due to decreases in the New York area, offset by strength in the mid-west.

Direct Cost of Revenues. Direct cost of revenues consists primarily of distribution and fulfillment payroll, warehouse, distribution vehicle expenses, print and design expenses and digital content costs. Direct cost of revenues for the three months and six months ended April 30, 2015 were relatively flat compared to the three months and six months ended April 30, 2014, increasing by approximately \$48,000 and \$69,000, respectively reflecting net costs associated with increased revenues from CTM's acquisitions.

CTM's gross margin percentage increased in the three months and six months ended April 30, 2015 to 66.1% and 65.5%, respectively, as compared to 65.5% and 65.1% in the three months and six months ended April 30, 2014. The increases were due primarily to the increased distribution and digital product revenues.

Selling, General and Administrative. Selling, general and administrative expenses consist primarily of payroll and related benefits, facilities costs and insurance. Selling, general and administrative expenses decreased in the three months ended April 30, 2015 compared to the three months ended April 30, 2014 by \$16,000. The decrease related principally to a reduction in allocations of executive compensation, professional fees and other costs of \$189,000, offset by increases in compensation and benefits of \$170,000 partially related to the Southeast and New England business acquisitions, increased employer 401k match and workers' compensation insurance. Other net expense decreases of approximately \$43,000 were due to decreases in CTM offsite meetings and partner brochure stand location rents.

Selling, general and administrative expenses decreased in the six months ended April 30, 2015 compared to the six months ended April 30, 2014 by \$104,000. The decrease related principally to a reduction in allocations of executive compensation, professional fees and other costs of \$443,000, offset by increases in compensation and benefits of \$347,000 principally related to the Southeast and New England business acquisitions, increased employer 401k match and workers' compensation insurance.

As a percentage of CTM's revenue, selling, general and administrative expenses for the three months and six months ended April 30, 2015 were 61.0% and 61.2%, respectively, as compared to 64.6% and 64.7% in the three months and six months ended April 30, 2014.

Bad Debt Expense. Bad debt expense for the three months ended April 30, 2015 decreased by \$26,000 as compared to the three months ended April 30, 2014 reflecting seasonal collection experience. Bad debt expense for the six months ended April 30, 2015 increased by \$172,000 as compared to the six months ended April 30, 2014 reflecting a \$200,000 reserve against a note receivable, offset by seasonal collections experience.

LIQUIDITY AND CAPITAL RESOURCES

We satisfied our cash requirements primarily through cash provided by the Company's operating activities.

| (in thousands) | Six Months ended April 30, | |
|---|----------------------------|-------------------|
| | 2015 | 2014 |
| Cash flows provided by (used in): | | |
| Operating activities | \$ (513) | \$ (1,055) |
| Investing activities | (3,180) | 973 |
| Financing activities | (1,553) | (980) |
| Net increase (decrease) in cash and cash equivalents | \$ (5,247) | \$ (1,062) |

Operating Activities. Our cash flow from operations varies from quarter to quarter and from year to year, depending on our operating results and the timing of operating cash receipts and payments, specifically trade accounts receivable and trade accounts payable. Cash flows were used in operating activities based on these factors amounting to approximately \$513,000 and \$1,055,000 for the six months ended April 30, 2015 and 2014, respectively.

Investing Activities. Our capital expenditures were approximately \$1,502,000 and \$351,000 in the six months ended April 30, 2015 and 2014, respectively. Our business acquisitions were \$1,763,000 and \$0 for the six months ended April 30, 2015 and 2014, respectively. We currently anticipate that total capital expenditures for all of our segments in fiscal 2015 will be approximately \$2,000,000. We expect to fund our capital expenditures with our cash and cash equivalents on hand.

Financing Activities. During the six months ended April 30, 2015 and April 30, 2014, we paid our shareholders cash dividends in the amounts of approximately \$1,516,000 and \$1,106,000, respectively, and recorded distributions to minority interests of IDW in the amounts of \$545,000 and \$435,000, respectively. We also repaid capital lease obligations of approximately \$137,000 and \$123,000 in the six months ended April 30, 2015 and April 30, 2014, respectively. Our proceeds from a term loan were \$500,000 and \$0 for the six months ended April 30, 2015 and 2014, respectively.

CHANGES IN TRADE ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Gross trade accounts receivable increased to approximately \$5,495,000 at April 30, 2015 compared to \$3,722,000 at April 30, 2014, reflecting higher revenue for the quarter. The allowance for doubtful accounts as a percentage of gross trade accounts receivable decreased to .8% at April 30, 2015 from 1.9% at April 30, 2014 principally due to higher IDW and CTM current receivable balances.

OTHER SOURCES AND USES OF RESOURCES

We intend to, where appropriate, make strategic investments and acquisitions to complement, expand, and/or enter into new businesses. In considering acquisitions and investments, we search for opportunities to profitably grow our existing businesses, to add qualitatively to the range of businesses in our portfolio and to achieve operational synergies. Historically, such acquisitions have not exceeded \$500,000, however, in the last fiscal year ended October 31, 2014, CTM purchased its Southeast distribution network, and in the six months ended April 30, 2015, IDW purchased Top Shelf Productions and CTM purchased the New England distribution network, as discussed in the Overviews above. Subsequent to these transactions, CTM secured term loans in the amount of \$2,000,000 which replaced a portion of the cash used for these purchases. If we were to pursue additional acquisitions in excess of \$500,000 we would likely need to secure financing arrangements. At this time, we cannot guarantee that we will be presented with acquisition opportunities that meet our return on investment criteria, or that our efforts to make acquisitions that meet our criteria will be successful.

We expect that our fiscal 2015 operations along with the balance of cash and cash equivalents that we held as of April 30, 2015, a portion of which was provided by the \$2,000,000 term loans described above and a \$1,000,000 line of credit with our primary bank will be sufficient to meet our currently anticipated working capital and capital expenditure requirements, pay capital lease obligations, make limited acquisitions and investments, pay any currently announced and any future declared dividends, and fund any potential operating cash flow deficits within any of our segments for at least the next twelve months. In addition, we anticipate that our expected cash balances, as well as cash flows from our operations, will be sufficient to meet our long-term liquidity needs. The foregoing is based on a number of assumptions, including that we will collect on our receivables, effectively manage our working capital requirements, and maintain our revenue levels and liquidity. Predicting these matters is particularly difficult in the current worldwide and national economic situations. Failure to generate sufficient revenues and operating income could have a material adverse effect on our results of operations, financial condition and cash flows.

FOREIGN CURRENCY RISK

Revenues from our international operations, all located in Canada, represented 3.2% and 4.1% of our consolidated revenues for the six months ended April 30, 2015 and April 30, 2014, respectively. Our foreign currency exchange risk is somewhat mitigated by our ability to offset the majority of Canadian Dollar-denominated revenues with operating expenses that are paid in the same currency. While the impact from fluctuations in foreign exchange rates affects our revenues and expenses denominated in the foreign currency, the net amount of our exposure to foreign currency exchange rate changes at the end of each reporting period is generally not material.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any “off-balance sheet arrangements,” as defined in relevant SEC regulations that are reasonably likely to have a current or future effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

Item 5 Financial Statements (continued)

CTM MEDIA HOLDINGS, INC D/B/A IDW MEDIA HOLDINGS
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(Unaudited)

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CTM MEDIA HOLDINGS, INC D/B/A IDW MEDIA HOLDINGS

CONDENSED CONSOLIDATED BALANCE SHEETS

| (in thousands) | April 30, 2015 (Unaudited) | October 31, 2014 |
|--|-------------------------------|---------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 6,180 | \$ 11,427 |
| Trade accounts receivable, net | 5,454 | 4,803 |
| Inventory – finished goods | 3,395 | 2,850 |
| Prepaid expenses | 2,522 | 1,239 |
| Deferred taxes – current portion | 195 | 115 |
| Note receivable – current portion | - | 340 |
| Total current assets | 17,746 | 20,774 |
| Property and equipment, net | 3,036 | 2,078 |
| Note receivable – non-current portion | 990 | 935 |
| Deferred taxes – non-current portion | 14,055 | 14,080 |
| Intangible Assets | 2,014 | 1,221 |
| Goodwill | 1,700 | 1,000 |
| Other assets | 545 | 354 |
| Total assets | \$ 40,086 | \$ 40,442 |
| Liabilities and stockholders' equity | | |
| Current liabilities: | | |
| Trade accounts payable | 2,231 | \$ 1,989 |
| Accrued expenses | 2,709 | 3,518 |
| Deferred revenue | 2,273 | 1,610 |
| Income taxes payable | 572 | 680 |
| Deferred taxes payable | 742 | 551 |
| Capital lease obligations – current portion | 257 | 201 |
| Term loan payable – current portion | 419 | 300 |
| Other current liabilities | 858 | 159 |
| Total current liabilities | 10,061 | 9,008 |
| Capital lease obligations – long term portion | 520 | 396 |
| Term loan payable – long term portion | 1,385 | 1,175 |
| Other liabilities | - | 3 |
| Total non-current liabilities | 1,905 | 1,574 |
| Total liabilities | 11,966 | 10,582 |
| Stockholders' Equity (see note 1): | | |
| CTM Media Holdings, Inc d/b/a IDW Media Holdings stockholders' equity: | | |
| Preferred stock, \$.01 par value; authorized shares – 25; no shares issued at April 30, 2015 and October 31, 2014 | - | - |
| Class A common stock, \$.01 par value; authorized shares – 300; 64 shares issued and outstanding at April 30, 2015 and October 31, 2014 | 1 | 1 |
| Class B common stock, \$.01 par value; authorized shares – 600; 398 shares and 394 shares issued and outstanding at April 30, 2015 and October 31, 2014, respectively | 4 | 4 |
| Class C common stock, \$.01 par value; authorized shares – 125; 55 shares issued and outstanding at April 30, 2015 and October 31, 2014 | 1 | 1 |
| Additional paid-in capital | 48,797 | 49,752 |
| Treasury stock, at cost, consisting of 9 shares of Class A common stock at April 30, 2015, 2015 and October 31, 2014, and 43 shares of Class B common stock at April 30, 2015 and October 31, 2014 | (1,196) | (1,196) |
| Accumulated other comprehensive income (loss) | (48) | 51 |
| Accumulated deficit | (21,085) | (19,620) |
| Total CTM Media Holdings, Inc d/b/a IDW Media Holdings stockholders' equity | 26,474 | 28,993 |
| Non-controlling interests | 1,646 | 867 |
| Total stockholders' equity | 28,120 | 29,860 |
| Total liabilities and stockholders' equity | \$ 40,086 | \$ 40,442 |

See accompanying notes to condensed consolidated financial statements.

CTM MEDIA HOLDINGS, INC D/B/A IDW MEDIA HOLDINGS
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

| (in thousands, except per share data) | Three Months Ended April 30, | | Six Months Ended April 30, | |
|---|---------------------------------|-----------------|-------------------------------|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| Revenues | \$ 10,793 | \$ 8,955 | \$ 22,066 | \$ 19,632 |
| Costs and expenses: | | | | |
| Direct cost of revenues | 5,013 | 4,149 | 10,263 | 8,885 |
| Selling, general and administrative (i) | 5,240 | 4,399 | 10,195 | 8,882 |
| Depreciation and amortization | 436 | 255 | 814 | 506 |
| Bad debt expense | (13) | 14 | 175 | 3 |
| Total costs and expenses | 10,676 | 8,817 | 21,447 | 18,276 |
| Income from operations | 117 | 138 | 619 | 1,356 |
| Interest income, net | (1) | 9 | (1) | 28 |
| Other income (expense), net | 12 | (15) | 59 | (25) |
| Income before income taxes | 128 | 132 | 677 | 1,359 |
| Provision for income taxes | (40) | (201) | (247) | (629) |
| Net income (loss) | 88 | (69) | 430 | 730 |
| Less: net income attributable to non-controlling interests | (135) | (81) | (400) | (422) |
| Net income (loss) attributable to CTM Media Holdings, Inc d/b/a IDW Media Holdings | \$ (47) | \$ (150) | \$ 30 | \$ 308 |
| Basic and diluted income per share attributable to CTM Media Holdings, Inc d/b/a IDW Media Holdings common stockholders (see notes 1 and 3): | | | | |
| Net income (loss) per share | \$ (.10) | \$ (.33) | \$.06 | \$.67 |
| Weighted-average number of shares used in the calculation of basic and diluted income per share: | 465 | 458 | 463 | 457 |
| Dividend declared per common share: | \$ 1.63 | \$ 1.20 | \$ 3.26 | \$ 2.40 |
| Interest Expense | \$ 18 | \$ 3 | \$ 37 | \$ 8 |
| (i) Stock-based compensation included in selling, general and administrative expenses | \$ 91 | \$ 69 | \$ 183 | \$ 137 |

See accompanying notes to condensed consolidated financial statements.

CTM MEDIA HOLDINGS, INC D/B/A IDW MEDIA HOLDINGS

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

| (in thousands) | Three Months Ended April 30, | | Six Months Ended April 30, | |
|---|---------------------------------|-------|-------------------------------|--------|
| | 2015 | 2014 | 2015 | 2014 |
| Net income (loss) | \$ 88 | (69) | \$ 430 | \$ 730 |
| Foreign currency translation adjustments | 6 | (7) | (99) | (54) |
| Comprehensive income (loss) | 94 | (76) | 331 | 676 |
| Comprehensive income attributable to non-controlling interests | (135) | (81) | (400) | (422) |
| Comprehensive income (loss) attributable to CTM Media Holdings, Inc d/b/a IDW Media Holdings | \$ (41) | (157) | \$ (69) | \$ 254 |

See accompanying notes to condensed consolidated financial statements

CTM MEDIA HOLDINGS, INC D/B/A IDW MEDIA HOLDINGS
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

Six months ended April 30,
(in thousands)

| | 2015 | 2014 |
|---|-----------------|-----------------|
| Operating activities: | | |
| Net income | \$ 430 | \$ 730 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 814 | 506 |
| Bad debt expense | 175 | 3 |
| Stock based compensation | 561 | 491 |
| Changes in assets and liabilities: | | |
| Trade accounts receivable | (822) | (266) |
| Inventory, prepaid expenses and other current assets | (2,019) | 550 |
| Deferred taxes | 136 | 481 |
| Note receivable – current portion | 200 | - |
| Trade accounts payable, accrued expenses and other current liabilities | (652) | (2,221) |
| Deferred revenue | 664 | 1,086 |
| Net cash provided by (used in) operating activities | <u>(513)</u> | <u>1,360</u> |
| Investing activities: | | |
| Business acquisitions | (1,763) | - |
| Short term investment | - | 1,003 |
| Capital expenditures | (1,502) | (351) |
| Payments received from notes receivable on sale of assets | 85 | 170 |
| Net cash provided by (used in) investing activities | <u>(3,180)</u> | <u>822</u> |
| Financing activities: | | |
| Distributions to holders of non-controlling interests | (545) | (435) |
| Dividends paid | (1,516) | (1,106) |
| Financing under capital leases | 315 | 116 |
| Repayments of capital lease obligations | (137) | (123) |
| Proceeds from term loan | 500 | - |
| Repayments of term loan | (171) | - |
| Net cash used in financing activities | <u>(1,554)</u> | <u>(1,548)</u> |
| Net increase (decrease) in cash and cash equivalents | <u>(5,247)</u> | <u>634</u> |
| Cash and cash equivalents at beginning of period | <u>11,427</u> | <u>9,341</u> |
| Cash and cash equivalents at end of period | <u>\$ 6,180</u> | <u>\$ 9,975</u> |
| Supplemental schedule of investing and financing activities | | |
| Cash paid for interest | \$ 37 | \$ 8 |
| Cash paid for income taxes | \$ 222 | \$ 35 |
| Dividends payable | \$ - | \$ - |
| Purchases of property and equipment through capital lease obligations | \$ 315 | \$ 35 |

The effect of exchange rate changes on cash and cash equivalents is not material.

See accompanying notes to consolidated financial statements.

CTM MEDIA HOLDINGS, INC D/B/A IDW MEDIA HOLDINGS
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2015 AND 2014
(Unaudited)

Note 1—Basis of Presentation

The accompanying consolidated financial statements of CTM Media Holdings, Inc d/b/a IDW Media Holdings, d/b/a IDW Media Holdings and its subsidiaries (the “Company”) have been prepared by Management in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). In the opinion of management, all adjustments (consisting principally of normal recurring accruals) considered necessary for a fair presentation have been included.

Each reference below to a fiscal year refers to the fiscal year ending in the calendar year indicated (e.g., fiscal 2015 refers to the fiscal year ending October 31, 2015).

The Company is a holding company consisting of the following principal businesses:

Our majority interest in Idea and Design Works, LLC (“IDW”), an entertainment company that includes IDW Publishing, IDW Games and IDW Entertainment; and

CTM Media Group (“CTM”), the Company’s brochure and digital distribution companies and other advertising-based product initiatives focused on small to medium sized businesses.

The Company was formerly a subsidiary of IDT Corporation. On September 14, 2009, the Company was spun-off by IDT Corporation and became an independent public company (the “Spin-Off”). IDT Corporation transferred its ownership in all of the entities that became the Company’s consolidated subsidiaries prior to the Spin-Off. The entities that became direct or indirect subsidiaries are: IDT Internet Mobile Group, Inc. (“IIMG”). IIMG previously owned approximately 76.665% of the equity interests in IDW; CTM; Beltway Acquisition Corporation; IDT Local Media, Inc. (which conducted certain operations related to CTM that are no longer active). All indebtedness owed by any of these entities to IDT Corporation or its affiliates was converted into a capital contribution.

On April 1, 2015, the Company’s newly formed corporation, IDW, Inc., acquired 100% of the ownership of IDW in exchange for IDW, Inc. stock. As a result of this transaction, the Company increased its ownership in IDW to 83%. Minority shareholders own the remaining 17% of the stock of IDW, Inc.

During the six months ended April 30, 2015, the Company established a \$200,000 reserve against its note receivable reducing its carrying value to \$990,000, and classified the net note receivable balance as a non-current asset.

CTM MEDIA HOLDINGS, INC D/B/A IDW MEDIA HOLDINGS

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2015 AND 2014

(Unaudited)

Note 2—Dividends

On March 9, 2015, the Board of Directors, in light of the Company's cash position, declared the payment of a cash dividend in the amount of \$1.63 per share (approximately \$758,000 in the aggregate), which was paid on March 31, 2015 to stockholders of record as of March 23, 2015 of the Company's Class A common stock, Class B common stock and Class C common stock.

On January 26, 2015, the Board of Directors, in light of the Company's cash position, declared the payment of a cash dividend in the amount of \$1.63 per share (approximately \$757,000 in the aggregate), which was paid on February 19, 2015 to stockholders of record as of February 9, 2015 of the Company's Class A common stock, Class B common stock and Class C common stock.

On September 29, 2014 the Company paid cash dividends in the amount of \$1.63 per share (approximately \$750,000 in the aggregate) to stockholders of record as of September 20, 2014 of the Company's Class A common stock, Class B common stock and Class C common stock.

On January 24, 2014, April 2, 2014 and July 2, 2014 the Company paid cash dividends in the amount of \$1.20 per share on each date (approximately \$553,000 each date in the aggregate) to stockholders of record as of January 20, 2014, March 26, 2014 and June 24, 2014, respectively, of the Company's Class A common stock, Class B common stock and Class C common stock.

The declaration of future dividends will be at the discretion of our Board of Directors and will depend on our financial condition, results of operations, capital requirements, business conditions and other factors, as well as a determination by the Board that dividends are in the best interest of our stockholders at that time, subject to confirmation by the Company's management that there is sufficient surplus as of the proposed future payment dates and other circumstances existing at the relevant times.

CTM MEDIA HOLDINGS, INC D/B/A IDW MEDIA HOLDINGS

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2015 AND 2014

(Unaudited)

Note 3—Earnings Per Share

Basic earnings per share is computed by dividing net income attributable to all classes of common stockholders by the weighted average number of shares of all classes of common stock outstanding during the applicable period. The number of shares outstanding has been increased to include unvested restricted Class B stock issued to the Company's founder and Chairman of the Board, Howard Jonas. Diluted earnings per share is computed in the same manner as basic earnings per share except that the number of shares is increased to include any potentially dilutive shares. During the three months and six months ended April 30, 2015 and April 30, 2014, there were no shares that were potentially dilutive. As a result basic earnings per share and diluted earnings per share were the same.

Note 4—Equity

Changes in the components of stockholders' equity were as follows:

| | Six Months Ended April 30, 2015 | | |
|--|---|--------------------------------------|------------------|
| | Attributable to CTM Media Holdings, Inc d/b/a IDW Media Holdings | Non-controlling Interests | Total |
| | (in thousands) | | |
| Balance, October 31, 2014 | \$ 28,993 | \$ 867 | \$ 29,860 |
| Stock based compensation | 561 | - | 561 |
| Distributions | - | (1,119) | (1,119) |
| Non-controlling interests in subsidiary | (1,498) | 1,498 | - |
| Cash dividends | (1,516) | - | (1,516) |
| Comprehensive income: | | | |
| Net income | 30 | 400 | 430 |
| Other comprehensive income (loss) | (96) | - | (96) |
| Total comprehensive income (loss) | (66) | 400 | 334 |
| Balance, April 30, 2015 | <u>\$ 26,474</u> | <u>\$ 1,646</u> | <u>\$ 28,120</u> |

On October 31, 2013, the Company's Board of Directors granted the Company's Chairman/majority shareholder, 38,796 restricted shares of the Company's Class B common stock with a value of \$2,327,760 on the date of grant in lieu of a bonus for fiscal 2013 and a cash base salary for the period October 14, 2014 to December 31, 2019. Total unrecognized compensation cost on the date of grant was \$2,277,760. The unrecognized compensation is recognized over the vesting period. The restricted shares vest as follows:

| <u>Date</u> | <u>Number of shares</u> |
|-------------|-------------------------|
| 10/31/13 | 833 |
| 9/30/15 | 5,834 |
| 9/30/16 | 6,417 |
| 9/30/17 | 7,058 |
| 9/30/18 | 7,764 |
| 9/30/19 | 8,541 |
| 12/31/19 | 2,349 |

CTM MEDIA HOLDINGS, INC D/B/A IDW MEDIA HOLDINGS
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2015 AND 2014
(Unaudited)

Note 4—Equity (continued)

On April 24, 2012 the Company repurchased 3,152 shares of its Class B common stock for the aggregate amount of \$125,922 from the IDT Corporation 401(k) plan. The Company's Chairman of the Board is also the Chairman of the Board of IDT Corporation, which administers the IDT Corporation 401(k) Plan.

On October 14, 2009, the Company's Board of Directors granted its Chairman/majority shareholder, 1,785,714 restricted shares (approximately 89,285 restricted shares after giving effect to the Reverse Split) of the Company's Class B common stock with a value of \$1,250,000 on the date of grant in lieu of a cash base salary for the next five years. The restricted shares vested in equal thirds on each of October 14, 2011, October 14, 2012 and October 14, 2013. Total unrecognized compensation cost on the grant date was \$1,250,000. The unrecognized compensation was recognized over the vesting period from October 14, 2009 through October 14, 2014.

On September 3, 2009, the Company's Compensation Committee ratified the Company's 2009 Stock Option and Incentive Plan (the "Company's Stock Option and Incentive Plan"), which was previously adopted by the Company's Board of Directors and approved by IDT Corporation as the Company's sole stockholder at the time, to provide incentives to executive officers, employees, directors and consultants of the Company and/or its subsidiaries. The maximum number of shares of the Company's Class B common stock reserved for the grant of awards under the Company's Stock Option and Incentive Plan is 383,020 shares (approximately 19,151 shares after giving effect to the Reverse Split), subject to adjustment. Incentives available under the Company's Stock Option and Incentive Plan may include stock options, stock appreciation rights, limited stock appreciation rights, restricted stock and deferred stock units.

Under the Company's Stock Option and Incentive Plan, the option price of each option award shall not be less than one hundred percent of the fair market value of the Company's Class B common stock on the date of grant. Each option agreement shall provide the exercise schedule for the option as determined by the Compensation Committee. The exercise period will be ten years from the date of the grant of the option unless otherwise determined by the Compensation Committee. No awards have been granted under the Company's Stock Option and Incentive Plan to date.

Note 5—Asset Purchases

On February 13, 2015, CTM Media Group, Inc, a subsidiary of the Company, acquired a 1,200 display station distribution network and assets of a company in New England that expanded its network throughout New England.

On December 12, 2014, IDW purchased principally all of the assets of Top Shelf Productions, a publisher of graphic novels.

On July 31, 2014, CTM Media Group, Inc, a subsidiary of the Company, acquired a substantial portion of the brochure distribution network of a company in the Southeast United States that includes Georgia, North Carolina, South Carolina and parts of Tennessee.

The total effect of these acquisitions did not have a material impact on the Company.

CTM MEDIA HOLDINGS, INC D/B/A IDW MEDIA HOLDINGS
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2015 AND 2014
(Unaudited)

Note 6—Note Payable and Line of Credit

On March 4, 2015, CTM Media Group, Inc., a subsidiary of the Company, entered into a term loan agreement with its primary bank for \$500,000 payable in equal monthly installments of \$11,256 including principal and interest at 3.81%, with the final payment due on February 28, 2019.

On October 3, 2014, CTM Media Group, Inc., a subsidiary of the Company, entered into a term loan agreement with its primary bank for \$1,500,000 payable in equal monthly installments of \$25,000, plus interest at 3.76%, with the final balance of principal payable on August 31, 2018.

The Company has pledged substantially all of its CTM Segment assets in guarantee of the loans and the Company's CTM Segment subsidiaries have also provided guarantees under the agreement. The agreement requires the company to maintain certain ratios related to liquidity and profitability, among other provisions. On April 30, 2015, \$1,804,000 was outstanding under the term loans.

On July 28, 2012, CTM Media Group Inc., entered into a loan agreement with its primary bank that had provided for a \$1.5 million revolving line of credit, renewable annually, with interest payable monthly. In conjunction with the October 3, 2014 term loan described above, the revolving line of credit was reduced to \$1,000,000. Amendments dated June 13, 2013, November 22, 2013 and April 30, 2014 renewed and extended the line of credit to April 30, 2015. Any outstanding balance of interest and principal is payable no later than the expiration date of the agreement. The Company has pledged substantially all of its CTM Segment assets in guarantee of the loan and the Company's CTM Segment subsidiaries have also provided guarantees under the agreement. The agreement requires the company to maintain certain ratios related to liquidity and profitability, among other provisions. At April 30, 2015, no balance was outstanding under the line of credit.

CTM MEDIA HOLDINGS, INC D/B/A IDW MEDIA HOLDINGS

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2015 AND 2014

(Unaudited)

Note 7—Business Segment Information

The Company has the following two reportable business segments: IDW and CTM. Idea and Design Works, LLC ("IDW") is an entertainment company that includes IDW Publishing, IDW Games and IDW Entertainment.

CTM consists of the Company's brochure and digital advertising distribution company and other advertising-based product initiatives focused on small to medium sized businesses.

The Company's reportable segments are distinguished by types of service, customers and methods used to provide their services. The operating results of these business segments are regularly reviewed by the Company's chief operating decision maker.

The accounting policies of the segments are the same as the accounting policies of the Company as a whole. The Company evaluates the performance of its business segments based primarily on operating income. There are no other significant asymmetrical allocations to segments.

Operating results for the business segments of the Company are as follows:

| (in thousands) | IDW | CTM | Total |
|--|------------|------------|--------------|
| Three months ended April 30, 2015 | | | |
| Revenues | \$ 6,488 | \$ 4,305 | \$ 10,793 |
| Operating income (loss) | \$ 272 | \$ (155) | \$ 117 |
| Depreciation and amortization | \$ 52 | \$ 384 | \$ 436 |
| Total assets at April 30, 2015 | \$ 13,877 | \$ 26,209 | \$ 40,086 |
| Three months ended April 30, 2014 | | | |
| Revenues | \$ 4,861 | \$ 4,094 | \$ 8,955 |
| Operating income (loss) | \$ 363 | \$ (225) | \$ 138 |
| Depreciation and amortization | \$ 6 | \$ 249 | \$ 255 |
| Total assets at April 30, 2014 | \$ 7,878 | \$ 26,780 | \$ 34,658 |
| Six months ended April 30, 2015 | | | |
| Revenues | \$ 13,510 | \$ 8,556 | \$ 22,066 |
| Operating income (loss) | \$ 1,169 | \$ (550) | \$ 619 |
| Depreciation and amortization | \$ 72 | \$ 742 | \$ 814 |
| Total assets at April 30, 2014 | \$ 13,877 | \$ 26,209 | \$ 40,086 |
| Six months ended April 30, 2014 | | | |
| Revenues | \$ 11,377 | \$ 8,255 | \$ 19,632 |
| Operating income (loss) | \$ 1,823 | \$ (467) | \$ 1,356 |
| Depreciation and amortization | \$ 11 | \$ 495 | \$ 506 |
| Total assets at April 30, 2014 | \$ 7,878 | \$ 26,780 | \$ 34,658 |

Note 8—Provision for Income Taxes

Income tax expense decreased for the three months ended April 30, 2015 compared to the three months ended April 30, 2014 by approximately \$161,000 due primarily to a prior year tax adjustment during the three months ended April 30, 2014. Income tax expense decreased for the six months ended April 30, 2015 compared to the six months ended April 30, 2014 by approximately \$382,000 due primarily to a decrease in taxable income, in addition to the adjustment in the three months ended April 30, 2014.

CTM MEDIA HOLDINGS, INC D/B/A IDW MEDIA HOLDINGS
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2015 AND 2014
(Unaudited)

Note 9— Subsequent events

Management has evaluated subsequent events through June 15, 2015, the date on which the consolidated financial statements were available to be issued. There were no material subsequent events that require recognition or additional disclosures in these condensed consolidated financial statements, except as shown below:

On June 8, 2015, the Board of Directors, in light of the Company's cash position, declared the payment of a cash dividend in the amount of \$1.63 per share (approximately \$758,000 in the aggregate), which will be paid on or about June 30, 2015 to stockholders of record as of June 22, 2015 of the Company's Class A common stock, Class B common stock and Class C common stock.

Item 10 Certifications.

I, Theodore B. Adams, certify that:

1. I have reviewed this quarterly disclosure statement of CTM Media Holdings, Inc d/b/a IDW Media Holdings;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: June 15, 2015

/s/ Theodore B. Adams

Chief Executive Officer

I, Leslie B. Rozner, certify that:

1. I have reviewed this quarterly disclosure statement of CTM Media Holdings, Inc d/b/a IDW Media Holdings;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: June 15, 2015

/s/ Leslie B. Rozner

Chief Financial Officer