

QUARTERLY REPORT OF IDW MEDIA HOLDINGS, INC.
FOR THE THREE MONTHS ENDED JANUARY 31, 2016

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 Quarterly Report.

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

Forward-Looking Statements

This Quarterly 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.

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

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

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 increased the properties and products of IDW.

IDW's revenues represented 58.8% and 62.3% of our consolidated revenues in the three months ended January 31, 2016 and 2015, 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 14,000 display stations in over 32 states and provinces in the United States and Canada. CTM, through Ettractions, Inc., its digital operating company, sells its Ettractions ExploreBoard touchscreen advertising and information delivery system and services and maintains content on systems sold to third parties.

On February 16, 2016 CTM acquired the assets of a publishing, digital web and distribution service company on Cape Cod in Massachusetts. This acquisition expanded CTM's network by 1,000 distribution locations, added four online digital properties and widened CTM's service area in New England.

On February 13, 2015, CTM acquired the assets of the brochure distribution network of a company in New England. This acquisition expanded 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 and digital kiosks 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 41.2% and 37.7% of our consolidated revenues in the three months ended January 31, 2016 and 2015, 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. 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.

Effective July 27, 2015, the Company amended its Certificate of Incorporation to provide for the following changes:

- Conversion of each outstanding share of the Company’s Class A Common Stock into one share of the Company’s Class B Common Stock, thereby eliminating the Company’s Class A Common Stock, and providing for the conversion of the Company’s Class C Common Stock into Class B Common Stock instead of Class A Common Stock under certain conditions set forth therein.
- Effect a ten-for-one stock split of each share of the Company’s Class B Common Stock and Class C Common Stock (the “Stock Split”).
- Increase the number of the Company’s authorized shares of: (i) Class B Common Stock from 600,000 shares to 12,000,000 shares, (ii) Class C Common Stock from 125,000 shares to 2,500,000 shares, and (iii) Preferred Stock from 25,000 shares to 500,000 shares.
- Change the Company’s name from CTM Media Holdings, Inc. to IDW Media Holdings, Inc.

On October 31, 2013, the Company’s Board of Directors granted Howard Jonas, the Company’s Chairman of the Company’s Board of Directors and its majority stockholder, 38,796 restricted shares (387,960 restricted shares after giving effect to the ten for one Stock Split) 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 \$96,000 and \$91,000 for the three months ended January 31, 2016 and January 31, 2015, respectively.

The restricted shares vest as follows:

<u>Date</u>	<u>Number of shares</u>	<u>Number of shares</u> <u>(after giving effect to the 10 for 1 Stock Split)</u>
10/31/13	833	8,330
9/30/15	5,834	58,340
9/30/16	6,417	64,170
9/30/17	7,058	70,580
9/30/18	7,764	77,640
9/30/19	8,541	85,410
12/31/19	2,349	23,490

Net income attributable to IDW Media Holdings, Inc. and non-controlling interests

(in thousands) (unaudited)

Three months ended January 31,	2016	2015	Change	
			\$	%
Income from operations	\$ 168	\$ 702	\$ (534)	(76.1%)
Interest income (expense), net	(13)	-	(13)	(100.0%)
Other income (expense), net	(41)	(153)	112	73.2%
Provision for income taxes	(102)	(207)	105	50.7%
Net income	12	342	(330)	(96.5%)
Less: Net income attributable to non-controlling interest	(104)	(265)	161	60.8%
Net income (loss) attributable to IDW Media Holdings, Inc.	\$ (92)	\$ 77	\$ (169)	(219.5%)

Income from operations. Income from operations decreased for the three months ended January 31, 2016 compared to the three months ended January 31, 2015, primarily due to decreased revenue of and resulting gross profit of (\$225,000) in the IDW segment offset by increased revenue and resulting gross profit in the CTM segment of \$74,000, as well as increased selling general and administrative expenses of approximately \$370,000. Selling, General and Administrative expenses increased by \$370,000 comprised of \$188,000 in executive salaries and benefits, IDW segment salaries and benefits of \$121,000 and other net increases of 69,000.

Income Taxes. Income tax expense decreased for the three months ended January 31, 2016 compared to the three months ended January 31, 2015 by approximately \$105,000 principally due to a decrease in taxable income as well as the difference in rates in the jurisdictions in which the income was earned.

Income attributable to non-controlling interest. On April 1, 2015, the Company's newly formed corporation, IDW, Inc., acquired 100% of the ownership of Idea and Design Works, LLC in exchange for IDW, Inc. stock. As a result of this transaction, the Company increased its ownership in IDW to 83%. Minority stockholders 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) (unaudited)

Three months ended January 31,	2016	2015	Change	
			\$	%
Revenues	\$ 6,260	\$ 7,022	\$ (762)	(10.9%)
Direct cost of revenues	3,209	3,757	(548)	(14.6%)
Selling, general and administrative	2,758	2,348	410	17.5%
Depreciation and amortization	85	20	65	325.0%
Income from operations	\$ 208	\$ 897	\$ (689)	(76.8%)

Revenues. The \$762,000 decrease in IDW's revenues in the three months ended January 31, 2016 compared to the three months ended January 31, 2015 was primarily due to decreases in net publishing revenue of approximately \$930,000, principally related to fewer "blockbuster" publishing titles, lower digital revenue of \$162,000 due to primarily to greater prior year "Humble Bundle" product sales, offset by an increase licensing and royalty revenue of approximately \$325,000 due primarily to revenue from Wynonna Earp, Batman and Teenage Mutant Turtle releases.

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 ended January 31, 2016 decreased by \$548,000 compared to the three months ended January 31, 2015 principally due to lower revenues.

IDW's gross margin for the three months ended January 31, 2016 increased to 48.7% from 46.5% for the three months ended January 31, 2015. The increase in gross profit was principally due to the mix of products and their associated costs and royalty arrangements, primarily the increases in licensing and royalty revenues that carry a lower cost.

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 ended January 31, 2016. This build-up is a result of IDW's recent acquisition of Top Shelf Productions and the expansion of the IDW Entertainment division, a new business commenced last fiscal year that develops properties for television production. IDW Entertainment division selling, general and administrative expenses amounted to \$190,000 and \$174,000 for the three months ended January 31, 2016 and January 31, 2015, respectively.

Selling, general and administrative expenses increased by \$410,000 in the three months ended January 31, 2016, compared to the three months ended January 31, 2015. Expenses increased primarily due to net increases in allocations of overhead of \$121,000, principally executive compensation. In addition, there were increases in IDW Publishing salaries and related benefits of \$152,000, due to Top Shelf and expanded product offerings, IDW Entertainment expenses, principally compensation and benefits of \$59,000, and rent and occupancy related to IDW's recent move of \$67,000.

As a percentage of IDW's revenues, selling, general and administrative expenses in the three months ended January 31, 2016 was 44.1% compared to 33.4% in the three months ended January 31, 2015.

CTM

(in thousands) (unaudited)

Three months ended January 31,	2016	2015	Change	
			\$	%
Revenues	\$ 4,395	\$ 4,251	\$ 144	3.4%
Direct cost of revenues	1,563	1,493	70	4.7%
Selling, general and administrative	2,567	2,607	(40)	(1.5%)
Depreciation and amortization	279	358	(79)	(22.1%)
Bad debt expense	25	(12)	37	308.3%
Income from operations	\$ (39)	\$ (195)	\$ 156	80.0%

Revenues. The increase in CTM's revenues during the three months ended January 31, 2016 compared to the three months ended January 31, 2015 was primarily due to increased digital revenue of \$106,000 due primarily to sales and service of the Ettractions ExploreBoard digital touchscreens, and net distribution revenue of \$40,000, resulting from higher Eastern U.S. distribution revenue offset by a decrease in Canadian distribution revenue related to foreign exchange.

Direct Cost of Revenues. Direct cost of revenues consists of distribution and fulfillment payroll, warehouse and distribution vehicle expenses, print and design expenses and digital content costs. Direct cost of revenues for the three months ended January 31, 2016 increased by \$70,000 compared to the three months ended January 31, 2015 principally due to the costs of increased digital revenue.

CTM's gross margin percentage decreased in the three months ended January 31, 2016 to 64.4% compared to 64.9% in the three months ended January 31, 2015. The changes were due primarily to changes in the mix of 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 slightly in the three months ended January 31, 2016 compared to the three months ended January 31, 2015 by \$40,000 primarily due to the timing of CTM's regular company-wide offsite strategy meeting and reduced 401k costs.

As a percentage of CTM's revenue, selling, general and administrative expenses for the three months ended January 31, 2016 were 58.4% compared to 61.3% in the three months ended January 31, 2015.

Bad Debt Expense. Bad debt expense for the three months ended January 31, 2016 increased by \$37,000 compared to the three months ended January 31, 2015 reflecting increased expenses due to seasonal collection experience.

LIQUIDITY AND CAPITAL RESOURCES

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

(in thousands) (unaudited)	Three months ended January 31,	
	2016	2015
Cash flows provided by (used in):		
Operating activities	\$ 106	\$ (1,696)
Investing activities	(42)	(1,443)
Financing activities	(175)	(417)
Net decrease in cash and cash equivalents	\$ (111)	\$ (3,556)

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 \$111,000 and \$3,556,000 for the three months ended January 31, 2016 and 2015, respectively.

Investing Activities. Our capital expenditures were approximately \$135,000 and \$328,000 in the three months ended January 31, 2016 and 2015, respectively. Our business acquisitions were \$0 and \$1,200,000 for the three months ended January 31, 2016 and 2015, respectively. We currently anticipate that total capital expenditures for all of our segments in fiscal 2016 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 three months ended January 31, 2016 and January 31, 2015, we distributed cash to minority interests of IDW in the amounts of \$0 and \$500,000, respectively. During the three months ended January 31, 2016 and January 31, 2015 we repaid capital lease obligations in the amounts of \$70,000 and \$63,000 and repaid term loans in the amounts of \$105,000 and \$50,000, respectively.

CHANGES IN TRADE ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Gross trade accounts receivable increased to approximately \$5,290,000 at January 31, 2016 compared to \$4,904,000 at January 31, 2015 principally due to CTM segment higher sales and the timing of receipts of payments in receivable balances. The allowance for doubtful accounts as a percentage of gross trade accounts receivable was 2.3% at January 31, 2016 compared to 1.0% at January 31, 2015, reflecting CTM segment collection experience.

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 fiscal year ended October 31, 2014, CTM purchased its Southeast distribution network, and in the fiscal year ended October 31, 2015, IDW purchased Top Shelf Productions and CTM purchased the New England distribution network, as discussed in the Overviews above. Subsequent to CTM's transactions, CTM secured term loans of \$2,000,000, which replaced a portion of the cash used for its 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.

With the exception of IDW Entertainment's shows currently in production, we expect that our fiscal 2016 operations, the balance of cash and cash equivalents that we held as of January 31, 2016, a portion of which was provided by the \$2,000,000 term loans described above, a \$2,000,000 IDW line of credit and a \$1,000,000 CTM 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, and fund any potential operating cash flow deficits within any of our segments for at least the next twelve months.

IDW Entertainment. During the third quarter of the fiscal year ended October 31, 2015, IDW Entertainment advanced cash for a portion of the production costs amounting to \$2,000,000 for its production of a live action television series. These advances are included in Production Cost Inventory at January 31, 2016. We believe that additional sources of financing could be needed to assist IDW Entertainment in achieving its long-term strategic plan.

While our expected cash balances, as well as cash flows from our operations, will be sufficient to meet our long-term operational liquidity needs, additional sources of financing, as mentioned above, could be needed to meet the production plans of IDW Entertainment. 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.

Dividends. In light of the current growth initiatives of the Company, particularly in the television property development arm of IDW Entertainment, the Board of Directors has determined to suspend the payment of the cash dividend for the current period. Due to seasonal factors consistent with the historical operations of the Company, the current period is a low point with respect to the cash position in the Company's annual cycle. At the same time, projects that have already been approved and commenced are placing demands on those resources, and management and the Board determined that it was in the best interests of the stockholders to utilize available cash resources for investment in these promising and exciting growth opportunities. This position may continue depending on the timing of projects, the cash generation of the Company's operations and any financing that the Company may consummate. Decisions as to the payment of dividends in future periods will depend on the financial position, results of operations, prospects and current and projected competing demands for cash resources at the relevant time. The Company continues its position of prudent and conservative cash management, and is committed to using all of its resources to maximize shareholder value, balancing short, medium and long term interests.

FOREIGN CURRENCY RISK

Revenues from our international operations, all located in Canada, represented 2.8% and 3.2% of our consolidated revenues for the three months ended January 31, 2016 and January 31, 2015, 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.

IDW MEDIA HOLDINGS, INC.

**INDEX TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)**

Condensed Consolidated Balance Sheets as of January 31, 2016 and October 31, 2015	2
Condensed Consolidated Statements of Operations for the Three Months Ended January 31, 2016 and 2015	3
Condensed Consolidated Statements of Comprehensive Income for the Three Months Ended January 31, 2016 and 2015	4
Condensed Consolidated Statements of Cash Flows for the Three Months Ended January 31, 2016 and 2016	5
Notes to Condensed Consolidated Financial Statements	6

IDW MEDIA HOLDINGS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)	January 31, 2016 (Unaudited)	October 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,485	\$ 6,596
Trade accounts receivable, net	5,170	5,915
Inventory – print and production costs, net	7,175	5,688
Prepaid expenses	2,034	2,015
Deferred taxes – current portion	200	200
Note receivable – current portion	372	372
Total current assets	21,436	20,786
Property and equipment, net	2,901	3,039
Non-current assets		
Note receivable – non-current portion	217	310
Deferred taxes – non-current portion	12,621	12,705
Intangible Assets, net	1,693	1,769
Goodwill	1,700	1,700
Other assets	591	498
Total non-current assets	16,822	16,982
Total assets	\$ 41,159	\$ 40,807
Liabilities and stockholders' equity		
Current liabilities:		
Trade accounts payable	2,250	\$ 1,302
Accrued expenses	3,459	3,907
Dividends payable	759	-
Deferred revenue	2,242	2,131
Income taxes payable	619	936
Deferred taxes payable	441	441
Capital lease obligations – current portion	249	257
Term loans payable – current portion	432	431
Other current liabilities	353	359
Total current liabilities	10,804	9,764
Non-current liabilities		
Capital lease obligations – long term portion	465	527
Term loans payable – long term portion	1,094	1,199
Total non-current liabilities	1,559	1,726
Total liabilities	12,363	11,490
Stockholders' Equity (see note 1):		
IDW Media Holdings, Inc. stockholders' equity:		
Preferred stock, \$0.01 par value; authorized shares – 500; no shares issued at January 31, 2016 and October 31, 2015	-	-
Class B common stock, \$0.01 par value; authorized shares – 12,000; 4,630 shares and 4,623 shares issued and outstanding at January 31, 2016 and October 31, 2015, respectively	46	46
Class C common stock, \$0.01 par value; authorized shares – 2,500; 545 shares issued and outstanding at January 31, 2016 and October 31, 2015	5	5
Additional paid-in capital	46,959	47,419
Accumulated other comprehensive loss	(226)	(153)
Accumulated deficit	(18,872)	(18,780)
Treasury stock, at cost, consisting of 519 shares of Class B common stock at January 31, 2016 and October 31, 2015	(1,196)	(1,196)
Total IDW Media Holdings, Inc. stockholders' equity	26,716	27,341
Non-controlling interests	2,080	1,976
Total stockholders' equity	28,796	29,317
Total liabilities and stockholders' equity	\$ 41,159	\$ 40,807

See accompanying notes to condensed consolidated financial statements.

IDW MEDIA HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(in thousands, except per share data)	Three Months Ended January 31,	
	2016	2015
Revenues	\$ 10,654	\$ 11,273
Costs and expenses:		
Direct cost of revenues	4,772	5,250
Selling, general and administrative (i)	5,325	4,955
Depreciation and amortization	364	378
Bad debt expense	25	(12)
Total costs and expenses	10,486	10,571
Income from operations	168	702
Interest income (expense), net	(13)	-
Other income (expense), net	(41)	(153)
Income before income taxes	114	549
Provision for income taxes	(102)	(207)
Net income	12	342
Less: net income (loss) attributable to non-controlling interests	(104)	(265)
Net income (loss) attributable to IDW Media Holdings, Inc.	\$ (92)	\$ 77
Basic and diluted income (loss) per share attributable to IDW Media Holdings, Inc. common stockholders (see notes 1 and 3):		
Net income (loss) per share	\$ (.02)	\$.02
Weighted-average number of shares used in the calculation of basic and diluted income per share:	4,649	4,610
Dividend declared per common share:	\$ 0.163	\$ 0.163
Interest Expense	\$ 15	\$ 19
(i) Stock-based compensation included in selling, general and administrative expenses	\$ 96	\$ 91

See accompanying notes to condensed consolidated financial statements.

IDW MEDIA HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(in thousands)	Three Months Ended January 31	
	2016	2015
Net income	\$ 12	342
Foreign currency translation adjustments	(74)	(105)
Comprehensive income	(62)	237
Comprehensive income attributable to non-controlling interests	(104)	(265)
Comprehensive income attributable to IDW Media Holdings, Inc.	<u>\$ (166)</u>	<u>(28)</u>

See accompanying notes to condensed consolidated financial statements

IDW MEDIA HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

Three months ended January 31,
(in thousands)

	2016	2015
Operating activities:		
Net income	\$ 12	\$ 342
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	364	378
Bad debt expense	25	(12)
Stock based compensation	300	469
Changes in assets and liabilities:		
Trade accounts receivable	705	(248)
Inventory, prepaid expenses and other current assets	(1,599)	(1,642)
Deferred taxes	84	97
Notes receivable – current portion	-	200
Trade accounts payable, accrued expenses and other current liabilities	104	(1,246)
Deferred revenue	111	(34)
Net cash provided by (used in) operating activities	<u>106</u>	<u>(1,696)</u>
Investing activities:		
Business acquisitions	-	(1,200)
Capital expenditures	(135)	(328)
Payments received from notes receivable on sale of assets	93	85
Net cash used in investing activities	<u>(42)</u>	<u>(1,443)</u>
Financing activities:		
Distributions to holders of non-controlling interests	-	(500)
Financing under capital leases	-	196
Repayments of capital lease obligations	(70)	(63)
Repayments of term loans	(105)	(50)
Net cash used in financing activities	<u>(175)</u>	<u>(417)</u>
Net decrease in cash and cash equivalents	(111)	(3,556)
Cash and cash equivalents at beginning of period	<u>6,596</u>	<u>11,247</u>
Cash and cash equivalents at end of period	<u>\$ 6,485</u>	<u>\$ 7,871</u>
Supplemental schedule of investing and financing activities		
Cash paid for interest	\$ 15	\$ 19
Cash paid for income taxes	\$ 339	\$ 222
Dividends payable	\$ 759	\$ 758

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

See accompanying notes to condensed consolidated financial statements.

IDW MEDIA HOLDINGS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JANUARY 31, 2016 AND 2015 (Unaudited)

Note 1—Basis of Presentation

The accompanying unaudited consolidated financial statements of IDW Media Holdings, Inc. 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”) for interim financial information. Accordingly, they do not include all information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting principally of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended January 31, 2016 are not necessarily indicative of the results that may be expected for the full fiscal year ended October 31, 2016. The balance sheet at October 31, 2015 has been derived from the Company’s audited financial statements at that date, but does not include all of the information and footnotes required by U.S. GAAP for complete financial statements. For further information, please refer to the Company’s annual report for the fiscal year ended October 31, 2015 filed on January 29, 2016 with the OTC Markets Group Pink Tier.

Each reference below to a fiscal year refers to the fiscal year ending in the calendar year indicated (e.g., fiscal 2016 refers to the fiscal year ending October 31, 2016).

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

Our majority interest in IDW, Inc., owner of 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”) incorporated in the state of Delaware. 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 stockholders own the remaining 17% of the stock of IDW, Inc.

Effective July 27, 2015, the Company amended its Certificate of Incorporation to provide for the following changes:

- Conversion of each outstanding share of the Company’s Class A Common Stock into one share of the Company’s Class B Common Stock, thereby eliminating the Company’s Class A Common Stock, and providing for the conversion of the Company’s Class C Common Stock into Class B Common Stock instead of Class A Common Stock under certain conditions set forth therein.
- Effect a ten-for-one stock split of each share of the Company’s Class B Common Stock and Class C Common Stock (the “Stock Split”).
- Increase the number of the Company’s authorized shares of: (i) Class B Common Stock from 600,000 shares to 12,000,000 shares, (ii) Class C Common Stock from 125,000 shares to 2,500,000 shares, and (iii) Preferred Stock from 25,000 shares to 500,000 shares.
- Change the Company’s name from CTM Media Holdings, Inc. to IDW Media Holdings, Inc.

The Company’s significant accounting policies are described in Note 1 of the Notes to Consolidated Financial Statements in the Annual Report for the fiscal year ended October 31, 2015 filed with the OTC Markets Group Pink Tier.

IDW MEDIA HOLDINGS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JANUARY 31, 2016 AND 2015
(Unaudited)

Note 2—Dividends

On February 6, 2016 and October 2, 2015, the Company paid cash dividends the amount of \$0.163 per share (approximately \$758,000 in the aggregate) to stockholders of record as of January 30, 2016 and September 22, 2015 of the Company's Class B common stock and Class C common stock, respectively.

On June 30, 2015, March 31, 2015 and February 19, 2015 the Company, paid cash dividends in the amount of \$1.63 per share (\$0.163 per share after giving effect to the Stock Split) on each date (approximately \$758,000 each date in the aggregate) to stockholders of record as of June 22, 2015, March 23, 2015 and February 6, 2015, respectively, 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 (\$0.163 per share after giving effect to the Stock Split) (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.

The Company's Board of Directors have decided to temporarily suspend the Company's quarterly dividend to provide additional cash for the Company's acquisition initiatives and its production schedule commitments further discussed in Note 8 to these Condensed Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's quarterly report to the OTC Markets Group Pink Tier for the three months ended January 31, 2016.

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.

IDW MEDIA HOLDINGS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE THREE MONTHS ENDED JANUARY 31, 2016 AND 2015
(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 ended January 31, 2016 and January 31, 2015, there were no shares that were potentially dilutive. As a result, basic earnings per share and diluted earnings per share were the same. Per share values reflect the Company's ten-for-one Stock Split.

Note 4—Equity

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

	Three months Ended January 31, 2016		
	Attributable to IDW Media Holdings, Inc.	Non-controlling Interests (in thousands)	Total
Balance, October 31, 2015	27,341	1,976	29,317
Stock based compensation	300	-	300
Dividends	(759)	-	(759)
Comprehensive income (loss):			
Net income (loss)	(92)	104	12
Other comprehensive income (loss)	(74)	-	(74)
Total comprehensive income (loss)	(166)	104	(62)
Balance, January 31, 2016	\$ 26,716	\$ 2,080	\$ 28,796

IDW MEDIA HOLDINGS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE THREE MONTHS ENDED JANUARY 31, 2016 AND 2015
(Unaudited)**

Note 4—Equity (continued)

On October 31, 2013, the Company’s Board of Directors granted Howard Jonas, the Company’s Chairman of the Board of Directors and majority stockholder, 38,796 (387,960 shares after the Stock Split) 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>	<u>Number of shares</u> <u>(after giving effect to the 10 for 1 Stock Split)</u>
10/31/13	833	8,330
9/30/15	5,834	58,340
9/30/16	6,417	64,170
9/30/17	7,058	70,580
9/30/18	7,764	77,640
9/30/19	8,541	85,410
12/31/19	2,349	23,490

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 191,510 shares after giving effect to the 1 for 20 Reverse Split and 10 for 1 Stock 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, Idea and Design Works, LLC, a subsidiary of the Company, 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.

IDW MEDIA HOLDINGS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JANUARY 31, 2016 AND 2015

(Unaudited)

Note 6—Notes Payable and Lines of Credit

On July 31, 2015, Idea and Design Works, LLC (IDW, LLC) a subsidiary of the Company, entered into a loan agreement with IDW Media Holdings, Inc.'s primary bank that provides for a \$2,000,000 revolving line of credit, renewable annually, with interest payable monthly. IDW, LLC has pledged its fixed assets, inventory and receivables as collateral under the agreement. Any outstanding balance of interest and principal is payable no later than the expiration date of the agreement. The agreement requires IDW, LLC to maintain certain ratios related to liquidity and net worth, among other provisions. At January 31, 2016, no balance was outstanding under the 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 January 31, 2016, \$1,526,000 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, April 24, 2014 and March 4, 2015 renewed and extended the line of credit through April 30, 2016. 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 January 31, 2016, no balance was outstanding under the line of credit.

Maturities under the term loans are as follows:

<u>Date</u>	<u>Amount</u>
1/31/17	\$ 432,000
1/31/18	427,000
1/31/19	657,000
1/31/20	<u>10,000</u>
Total	<u>\$1,526,000</u>

IDW MEDIA HOLDINGS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JANUARY 31, 2016 AND 2015
(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) (unaudited)	IDW	CTM	Total
Three months ended January 31, 2016			
Revenues	\$ 6,260	\$ 4,394	\$ 10,654
Income (loss) from operations	\$ 207	\$ (39)	\$ 168
Depreciation and amortization	\$ 85	\$ 279	\$ 364
Net income (loss)	\$ 122	\$ (110)	\$ 12
Total assets at January 31, 2016	\$ 16,124	\$ 23,635	\$ 39,759
Three months ended January 31, 2015			
Revenues	\$ 7,022	\$ 4,251	\$ 11,273
Income (loss) from operations	\$ 897	\$ (195)	\$ 702
Depreciation and amortization	\$ 20	\$ 358	\$ 378
Net income (loss)	\$ 635	\$ (293)	\$ 342
Total assets at January 31, 2015	\$ 13,291	\$ 26,352	\$ 39,643

Note 8—Inventory

Inventory consists of the following:

(in thousands)	January 31, 2016	October 31, 2015
Print	\$ 3,070	\$ 3,053
Production costs	4,105	2,635
Total	\$ 7,175	\$ 5,688

Note 9—Provision for Income Taxes

Income tax expense decreased for the three months ended January 31, 2016 compared to the three months ended January 31, 2015 by approximately \$105,000. The decrease was principally due to a decrease in taxable income as well as the difference in rates in the jurisdictions in which the income was earned.

IDW MEDIA HOLDINGS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JANUARY 31, 2016 AND 2015

Note 10—Commitments

Lease Commitments

The future minimum payments for capital and operating leases as of January 31, 2016 are as follows:

(in thousands)	Operating Leases	Capital Leases
Period ending January 31:		
2017	\$ 1,165	\$ 250
2018	1,385	218
2019	1,222	147
2020	854	94
2021	755	8
Thereafter	789	-
Total payments	<u>\$ 6,170</u>	<u>717</u>
Less amount representing interest		(3)
Less current portion principal		(249)
Capital lease obligations—long-term portion principal		<u>\$ 465</u>

Other commitments

The Company is committed through a subsidiary to guaranteed minimum payments of \$4,500,000, net of the Company's contracted pre-sales pursuant to an agreement, which has been assigned by a vendor to a third party bank. In accordance with the delivery schedule set forth in the agreement, all payments under the guarantee are scheduled to be made by October 31, 2016.

Note 11— Subsequent events

Management has evaluated subsequent events through March 16, 2016, 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 February 16, 2016, CTM acquired the assets of a publishing, digital web and distribution service company on Cape Cod in Massachusetts. This acquisition expanded CTM's network by 1,000 distribution locations, added four online digital properties and widened CTM's service area in New England.

Item 10 Certifications.

I, Theodore B. Adams, certify that:

1. I have reviewed this quarterly disclosure statement of IDW Media Holdings, Inc.;
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: March 16, 2016

/s/ Theodore B. Adams

Chief Executive Officer

I, Leslie B. Rozner, certify that:

1. I have reviewed this quarterly disclosure statement of IDW Media Holdings, Inc.;
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: March 16, 2016

/s/ Leslie B. Rozner

Chief Financial Officer