



Financial Results

Year Ended 30 June 2014

Group Highlights

- Revenue from continuing operations of \$260.3 million up 1.2% on prior year.
- EBITDA of \$64.8 million up 3.4% on prior year.
- Statutory net profit after tax from all operations of \$33.8 million up 67.5 % on prior year.
- Statutory net profit after tax from continuing operations of \$31.2 million down 7.2% on prior year.
- Statutory EPS of 9.2 cents compared to 5.5 cents in prior year.
- Core net profit after tax* of \$33.4 million ahead of market guidance.
- Core EPS of 9.1 cents* compared to 9.7 cents in prior year.
- Final dividend 2.8 cents per share fully franked based on payout ratio of 75% of core NPAT.
- Improved gearing ratio of 1.8 times (June 2013: 2.1 times).

*Including radio discontinuing operations and before specific non-core items

Overview

- PRIME 3AGG audience ratings: a strong performance –
 - Prime All People audience share 06:00 to 23:59 of 40.0 share points, up 0.5 share points on pcp.*
 - Prime All People audience share 18:00 to 23.59 stable at 40.8 share points, up 0.4 of a share point.
- Revenue share in the three aggregated markets of Northern New South Wales, Southern New South Wales and Victoria:
 - Total revenue increased to a 40.8 share, up 0.6 share points;^
 - Agency revenue share up 1.3 share points to an industry-leading 45.6 share.^
- Revenue growth in the three aggregated markets was up 2.3% compared to market growth of 0.8%.^

* Source: Regional TAM financial year survey period (excluding summer and Easter weeks).

^ Source - KPMG industry data.

Group Results – Statutory Net Profit After Tax

	FY14 \$000	FY13 \$000	Variance \$000	Variance (%)
Revenue from continuing operations	260,277	257,261	3,016	1.2%
EBITDA	64,774	62,672	2,102	3.4%
Net Profit After Tax - Continuing Operations	31,188	33,608	(2,420)	(7.2%)
Discontinuing Operations (net of tax)	2,664	(13,397)	16,061	119.9%
Net profit after tax attributable to members	33,852	20,211	13,641	67.5%
Statutory earnings per share	9.2	5.5		
Final dividend cents per share (fully franked)	2.8	3.3		

Group Results – Core Earnings

	FY14	FY13	Variance	Variance
	\$000	\$000	\$000	(%)
Statutory NPAT continuing operations	31,188	33,608	(2,420)	(7.2%)
Statutory NPAT discontinued operations	2,664	(13,397)	16,571	(119.9%)
STATUTORY NPAT ATTRIBUTABLE TO MEMBERS	33,852	20,211	13,641	67.5%
SPECIFIC ITEMS				
Fair value change in derivatives	-	2	(2)	(100.0%)
Fair value change in deferred contingent consideration	(493)	(270)	(223)	82.6%
Impairment of radio broadcast licences	-	15,000	(15,000)	(100.0%)
Gain on sale of radio segment	(2,302)	-	(2,302)	100.0%
Depreciation of decommissioning costs	604	481	123	25.6%
Redundancies	626	-	626	100.0%
Derecognise deferred tax assets – NZ Tax Losses	1,296	-	1,296	100.0%
Income tax benefit related to specific items	(188)	(1)	(187)	18700.0%
Total non-core specific items after tax	(457)	15,212	(15,669)	(103.0%)
CORE NPAT	33,395	35,423	(2,028)	(5.7%)

TV Segment Result

	FY14 \$000	FY13 \$000	Variance \$000	Variance (%)
Total segment revenue	259,304	256,582	2,722	1.1%
Total segment expenses	(184,319)	(183,741)	(578)	(0.3%)
EBITDA	74,985	72,841	2,144	2.9%
EBITDA %	28.9%	28.4%		
Depreciation and Amortisation	(11,776)	(8,957)	(2,819)	(31.5%)
EBIT	63,209	63,884	(675)	(1.1%)
EBIT %	24.4%	24.9%		

TV Power Ratio

	FY14	FY13	Variance (PP)
Total revenue share	40.8%	40.2%	0.6
Audience share	40.0%	39.5%	0.5
Power ratio	1.02	1.02	-

Note 1: Total advertising 3AGG market - KPMG monthly shares

Note 2: Regional TAM: All people 6am to midnight for the period 1 July 2013 to 30 June 2014

Corporate Results

	FY14 \$000	FY13 \$000	Variance \$000	Variance (%)
Other revenue	683	347	336	96.8%
Total revenue	683	347	336	96.8%
Total expenses	(10,894)	(10,516)	(378)	(3.6%)
EBITDA	(10,211)	(10,169)	(42)	(0.4%)
Depreciation and Amortisation	(203)	(207)	4	1.9%
EBIT	(10,414)	(10,376)	(38)	0.4%

* FY14 total expenses include one off corporate redundancy costs of \$468K.

Net Debt and Gearing

	June 14 \$000	June 13 \$000	Variance \$000	Variance (%)
Net Debt	106,923	131,949	25,026	19.0%
EBITDA from continuing operations	64,774	62,672	2,102	3.4%
Net interest expense	6,209	7,633	1,424	18.7%
Gearing Ratio	1.8	2.1	0.3	
Interest Cover	10.4	8.2	2.2	

Outlook

TV Revenue & Audience

- Audience growth of almost 1 share point in 3 aggregated markets of Northern NSW, Southern NSW and Victoria delivers a 40.5 share.
- Survey year to date audience growth of 0.6 share point in Western Australia delivers a 53.3 share.
- July revenue disappointing in a difficult market with competitive trading.
- Budget achieved for August.
- September – pace ahead of prior year.
- October activity good but too early to call, and too early to call HF1 growth.
- Local revenue improving – Western Australia returning to form but Southern NSW continues to be soft due to Canberra job cuts and poor consumer sentiment.