



ASX Announcement: 26 February 2016

CORE NPAT IN LINE WITH MARKET GUIDANCE OPERATING COSTS DOWN 4.7%

PRIME MEDIA GROUP (ASX:PRT) today reported revenue of \$124.5 million for the half-year ended 31 December 2015, down 7.9% on the previous corresponding period. PRIME's total advertising revenue share for the half-year fell marginally by 0.7 share points to a 41.5¹ share, while television audience grew 0.3 of a share point to a 41.5 share².

Statutory net profit after tax from continuing operations of \$16.2 million was down 17.1%, primarily due to the fall in advertising revenues.

Operating expenses were down \$1.2 million or 4.7% as a result of prior year efficiencies achieved in broadcast and transmission operations.

The statutory result included one-off gains from the sale of surplus property of \$1.5 million and the sale of Prime's minority interest in Gearhouse Broadcast Pty Limited of \$501,000.

Core net profit after tax of \$14.3 million was in line with market guidance, despite being back \$4.1 million or 22.3% on the previous corresponding period.

Net interest bearing debt was reduced to \$74.9 million following the sale of surplus assets.

Directors have declared an interim dividend of 2.0 cents per share fully franked, based on a dividend payout rate of 50% of core earnings.

PRIME MEDIA GROUP's Chief Executive Officer Ian Audsley said:

"The 2016 financial year to date has been very challenging. While we continue to take the market-leading revenue share in our combined markets, a lack of confidence persists among regional advertisers, evidenced by the 6.2% revenue decline in the 3 aggregated markets.

"An early Easter period, and the fact that we have no visibility on the timing of Federal election makes forecasting an interesting puzzle.

Mr Audsley explained that: "Directors took the step to reduce the dividend payout ratio to 50% in order to maintain the integrity of the company's balance sheet. We will review again at the full year in light of the advertising market conditions at that time.

"We have been telling politicians for almost three years that the audiences and revenues of

¹ KPMG industry data: Three aggregated markets of Northern NSW, Southern NSW and Victoria;

² Three -aggregated markets of Northern NSW, Southern NSW & Victoria: All People 06:00-23:59. Source Regional TAM



regional television companies are facing significant challenges, particularly given the fact that we are operating under an outmoded legislative framework.

“I would urge all Federal members of parliament to reflect on our financial results for this half and support the expeditious passage of reforms that Minister Fifield is proposing to introduce into the parliament shortly.”

Contact

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