



ASX Announcement: 24 February 2017

INTERIM 2017 RESULTS ANNOUNCEMENT

PRIME MEDIA GROUP (ASX:PRT) today released its interim financial results for the half-year ended 31 December 2016.

Statutory Results Summary:

- Revenue \$130.7M, up 4.9% on the prior corresponding period
- EBITDA \$31.2M, up 7.1% on prior corresponding period
- Operating costs down 2.3% before one-off redundancy costs
- Net profit after tax of \$17.4M, up 7.2% on prior corresponding period

Core NPAT:

- \$17.8M, up 24.0% on prior corresponding period

Capital Management:

- Net interest bearing debt of \$55.4M, down from \$65.6M at 30 June 2016
- Interim dividend of 1.7c per share (fully franked)

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

"An industry-leading revenue share of 44.8 for the half year, combined with solid operating expenditure reductions, has enabled the Company to deliver a result that outperforms the sector and the guidance we provided to the market in November 2016.

It's a good result, given the challenges of monetising the Rio Olympic Games broadcast in a declining advertising market, coupled with the uncertainty of the affiliation changes experienced by our two main competitors.

In the 3-aggregated markets across New South Wales and Victoria, Prime's national agency revenue grew 9.8%, while our regional advertising revenue grew 2.1%. The 3-aggregated market declined overall by 0.3% in the reporting period.

Cost containment remains a priority for the Company, as evidenced by the successful outsourcing of our on-air operations, consisting of 60 discrete market channels; a key business component transition that was achieved in just 11 weeks. While we incurred one-off redundancy costs of \$502,000, operating costs, excluding redundancies, were down \$570,000 or 2.3% on the prior corresponding period."

"As a result of the strong revenue growth associated with the Rio Olympic Games and a continuing focus on reducing operating expenses, interest bearing debt was reduced by \$10.2 million to \$55.4 million", Mr Audsley said.



Dividend

Mr Audsley said, "Today we have announced that we will pay a dividend of 1.7 cents per share, fully franked. The dividend amount per share is the same amount that our shareholders received in the final 2016 dividend. However, as foreshadowed at Prime's 2016 Annual General Meeting, the dividend payout ratio has been reduced to 35% of core net profit after tax.

The decision to reduce the dividend payout ratio has been taken to further assist our debt reduction at a time when audiences and advertisers are shifting to alternative entertainment platforms, and while we continue to wait for the Federal Government to secure the passage of the Media Reform Bill through the Senate.

The Board will continue to review the dividend payout ratio as the full year outlook becomes more certain."

Full Year Outlook

Mr Audsley noted that, "The first half result for 2017 was, in large part attributable to the one-off Rio Olympic Games telecast and the opportunity it provided our sales teams to extract the optimal outcome from the market. Without the Rio Olympic Games this result would not have been achieved.

Regional television advertising markets continue to be challenged by declining audiences and the growing popularity of new and alternative technology platforms. Prime's advertising revenue is expected to decline in the first quarter of the 2017 calendar year, resulting in a softer full year result.

Visibility in the period after Easter is limited, with national agency briefings continuing to be late, while local advertisers grapple with a distinct lack of confidence in regional Australia generally."

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Investor Briefing

A telephone briefing will be held for shareholders and the investment community at 10:00am (AEST) today.

The teleconference details are as follows:

Conference Number: 1800 573 793

Conference code: 6586598

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