



ASX statement

UPDATE ON PROPOSED PRIME SCHEME OF ARRANGEMENT – SPECIAL DIVIDEND

9 December 2019: Prime Media Group Limited (ASX: PRT) (**Prime**) refers to the Scheme Implementation Deed entered into by Prime and Seven West Media Limited (**Seven**) in relation to the proposed acquisition of Prime by Seven by way of a scheme of arrangement (the **Scheme**) (the **Scheme Implementation Deed**), as announced to the ASX on 18 October 2019.

The Prime Board is pleased to inform Prime shareholders that it intends to determine that Prime will pay a fully franked dividend of \$0.03 per fully paid ordinary share in Prime (**Prime Share**) to Prime shareholders, conditional on the Scheme becoming Effective (as that term is defined in the Scheme Implementation Deed) (**Special Dividend**).

Seven has consented to the payment of the Special Dividend in accordance with the terms of the Scheme Implementation Deed.

In order to facilitate payment of the Special Dividend, Seven has agreed to defer payment of certain fees that have accrued, and will shortly be due for payment, by Prime under the Program Supply Agreement.

The Special Dividend, if paid, will be a separate payment from Prime and is in addition to the Scheme Consideration which Prime Shareholders will receive. Accordingly, if the Scheme is approved, the Scheme becomes Effective and the Special Dividend is paid, Prime Shareholders who are on the register on the Special Dividend record date and the Scheme record date will receive:

- the Scheme Consideration of 0.4582 new seven shares for each Prime Share they hold on the Scheme record date; and
- the Special Dividend of \$0.03 for each Prime Share they hold on the Special Dividend record date.

The Special Dividend will only be paid if the Scheme Resolution is approved at the Scheme Meeting, which is scheduled to occur on 19 December 2019, and the Scheme becomes Effective, after receiving the necessary approvals.

In the event the Special Dividend is paid, those Prime Shareholders who are entitled to the Special Dividend may be entitled to a franking credit of up to approximately \$0.013 per



Prime Share (subject to confirmation from the Australian Taxation Office via a class ruling, which Prime intends to submit). Whether a Prime Shareholder will be able to realise the full benefit of franking credits attached to any Special Dividend will depend on their tax status and specific circumstances. Prime Shareholders should seek independent taxation advice in respect of this matter.

Payment of the Special Dividend will be determined by the Prime Board at the appropriate time having regard to applicable law. The Prime Directors have no reason to believe that the Special Dividend will not be paid following shareholder approval of the Scheme.

With the exception of the Special Dividend, the Prime Board has no current intention to resume the payment of dividends.

The Prime Board continues to unanimously recommend that Prime shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interest of Prime shareholders.

Media inquiries

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Investor Inquiries

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