



MEDIA RELEASE

PRIME MEDIA GROUP (ASX:PRT) ANNOUNCES 21.1% INCREASE IN CORE NET PROFIT AFTER TAX FOR THE HALF YEAR ENDED 31 DECEMBER 2012

- **Core net profit after tax¹ of \$19.4 million – up 21.1%**
- **Reported statutory net profit after tax of \$4.6 million down 71.4% on pcp²**
- **Core EPS of 5.3 cents – up 20.5% on pcp**
- **Statutory EPS 1.3 cents - down 70.4% on pcp**
- **Group revenue of \$144.1 million – up 3.9% on pcp**
- **EBITDA of \$35.3 million – up 4.2% on pcp**
- **EBIT of \$15.8 million – down 45.4% on pcp**
- **Non-core items of \$14.7 million includes radio non-cash impairment charge of \$15.0 million**
- **Final dividend 4.0 cents per share fully franked (pcp: 3.3 cents)**
- **Gearing Ratio of 2.0 times (30 June 2012: 1.7 times)**

Prime Media Group (ASX:PRT) today reported a core net profit after tax of \$19.4 million (excluding non-core items of \$14.7 million) for the half year ended 31 December 2012, an increase of \$3.4 million or 21.1% over the prior period.

Statutory net profit after tax inclusive of non-core items was \$4.6 million, a decline of 71.4% on the prior period. Non-core items included a non-cash write down of the company's radio licences of \$15 million.

¹ Before non-core items

² Statutory net profit after tax includes continuing and discontinuing operations

Group revenue of \$144.1 million grew by \$5.4 million or 3.9% on the prior period and resulted in a \$1.4 million or 4.2% increase in EBITDA.

Prime Media Group CEO Ian Audsley said: “We’re very pleased to deliver this core earnings result in a highly competitive and challenged advertising market. Television’s share of national agency revenue³ grew 2.8 share points to a 44.3 share, while audience grew 2.1 share point to a 40.2 share; a tremendous result in an Olympic telecast year on the Nine affiliates WIN & NBN.

The datacasting channel TV4me continues to make a contribution and we were very pleased to announce, just yesterday, that we will launch a second datacasting channel in May of this year”.

Prime Radio continues to battle difficult trading conditions in a weakened Queensland economy. Total radio advertising revenue of \$9.2 million was back \$957K or 9.4% on the previous corresponding period. EBITDA of \$1.9 million was back \$638K or 25.2% on the previous corresponding period.

Mr Audsley said: “Upon reviewing the future cash flows of the radio business, the Board of Directors has taken the decision to impair the carrying value of the business by \$15 million. This non-cash accounting charge reflects the uncertainty in the regional Queensland radio market due to the lingering effects of three natural disasters in the past two years, mining job losses and the reduction in both federal and state government advertising. Combined with the fact that the full impact of recent significant flooding in central Queensland coastal markets is yet to be fully understood and the potential for further such occurrences in the future, the Board believes the impairment is prudent”.

Core Earnings Per Share of 5.3 cents is a 20.4% favourable to the previous corresponding period.

The directors of Prime Media Group have declared a fully franked interim dividend of 4.0 cents per share.

-ENDS-

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³ For the 3 aggregated markets of NNSW, SNSW & Victoria *All people 18:00-23:59. Source: Regional TAM



Financial Results
Half Year Ended
31 December 2012

Agenda

- Group highlights
- Half Year Dec 12 overview
- Group results
 - Group
 - TV
 - Radio
 - Corporate
- Debt and gearing levels
- Outlook
- Questions

Group Highlights

- Core net profit after tax¹ of \$19.4 million – up 21.1%
- Reported statutory net profit after tax of \$4.6 million down 71.4% on pcp²
- Core EPS of 5.3 cents – up 20.5% on pcp
- Statutory EPS 1.3 cents - down 70.4% on pcp
- Group revenue of \$144.1 million – up 3.9% on pcp
- EBITDA of \$35.3 million – up 4.2% on pcp
- EBIT of \$15.8 million – down 45.4% on pcp
- Non-core items of \$14.7 million includes radio non-cash impairment charge of \$15.0 million
- Final dividend 4.0 cents per share fully franked (pcp: 3.3 cents)
- Gearing Ratio of 2.0 times (30 June 2012: 1.7 times)

¹ Before non-core items

² Statutory net profit after tax includes continuing and discontinuing operations

Half Year Dec 12 Overview

- **PRIME 3AGG ratings: a strong outcome in an Olympic year.**
 - PRIME leads its 3 East Coast markets with 40.2 share in prime time.
 - Commercial audience share¹ up 2.1 points in the half year compared to the prior corresponding period.
- **Revenue share continues to increase**
 - Prime up 2.8 share points to 44.3 share.
 - Market back 1.8% year on year.
- **Cost control remains a focus**

¹ Commercial audience share sourced from Regional TAM (All people, 18:00 – 23:59)

Half Year Dec 12 Overview

➤ Radio

- Challenging trading conditions persist.
- Third natural disaster in 2 years.
- Full impact of recent flooding in Central Queensland still to be determined.
- Weak consumer confidence has led to a 'short' advertising market.
- Value of Radio broadcast licenses written down by \$15M.

Group Results

Statutory Net Profit After Tax

| | Dec 12 '000s | Dec 11 '000s | Var '000s | Var (%) |
|---|-----------------|-----------------|-----------------|----------------|
| Revenue | 144,054 | 138,686 | 5,368 | 3.9% |
| EBITDA | 35,337 | 33,907 | 1,430 | 4.2% |
| Net Profit After Tax - continuing operations | 4,619 | 16,207 | (11,588) | (71.5%) |
| Discontinuing operations (net of Tax) | | (61) | 61 | |
| Net Profit After Tax | 4,619 | 16,146 | (11,527) | (71.4%) |
| Net Profit After Tax attributable to members | 4,619 | 16,146 | (11,527) | (71.4%) |
| EPS (continuing ops before non-core specific items) | 1.3 | 4.4 | (3.1) | (70.4%) |
| Interim Dividend per share (cents) | 4.0 | 3.3 | 0.7 | 21.2% |

Core earnings - specific non-core items

| | Dec 12 '000s | Dec 11 '000s | Var '000s | Var (%) |
|---|-----------------|-----------------|--------------|------------|
| Core NPAT | 19,367 | 15,989 | 3,378 | 21.1% |
| Non Core Items | 14,748 | (218) | 14,966 | (6865.1%) |
| Reported Net Profit After Tax | 4,619 | 16,207 | (11,588) | (71.5%) |
| Fair Value Change in Derivatives | 2 | (167) | 169 | (101.2%) |
| Fair Value Change in receivable - deferred contingent consideration | (254) | (638) | 384 | (60.2%) |
| Impairment of radio broadcasting licences | 15,000 | - | 15,000 | 100.0% |
| Loss on sale of investments | - | 345 | (345) | 100.0% |
| Income tax on non-core items | - | 242 | (242) | (100.0%) |

TV Results

| | Dec 12 | Dec 11 | Var | Var |
|---|----------------|----------------|--------------|-------------|
| | '000s | '000s | '000s | (%) |
| Advertising Revenue | 132,699 | 126,508 | 6,191 | 4.9% |
| Other Revenue | 614 | 99 | 515 | 520.2% |
| TOTAL REVENUE | 133,313 | 126,607 | 6,706 | 5.3% |
| TOTAL EXPENSES | (94,929) | (90,531) | (4,398) | (4.9%) |
| EBITDA | 38,384 | 36,076 | 2,308 | 6.4% |
| EBITDA % | 29% | 28% | | |
| Depreciation, Amortisation & Impairment | (3,954) | (4,298) | 344 | 8.0% |
| EBIT | 34,430 | 31,778 | 2,652 | 8.3% |
| EBIT % | 26% | 25% | | |

TV Power Ratio – National Agency

| | | Dec-12 | Dec-11 | Var PP |
|--|--------|--------|--------|-----------|
| Total Revenue Share | Note 1 | 44.3% | 41.5% | 2.8 |
| Audience Share | Note 2 | 40.2% | 38.1% | 2.1 |
| Power Ratio | | 1.1 | 1.1 | |
| <p>Note 1: Total Agency advertising 3AGG market - KPMG</p> <p>Note 2: Audience Share sourced from Regional TAM (All people, 18:00-23:59)</p> | | | | |

Radio Results

| | Dec 12 | Dec 11 | Var | Var |
|--|-----------------|----------------|-----------------|----------------|
| | '000s | '000s | '000s | (%) |
| Advertising Revenue | 9,837 | 10,057 | (220) | (2.2%) |
| Other Revenue | 458 | 420 | 38 | 9.0% |
| TOTAL REVENUE | 10,295 | 10,477 | (182) | (1.7%) |
| TOTAL EXPENSES | (8,392) | (7,931) | (461) | (5.8%) |
| EBITDA | 1,891 | 2,529 | (638) | (25.2%) |
| EBITDA % | 18% | 24% | | |
| Depreciation, Amortisation, Impairment | (15,496) | (509) | (14,986) | (2943%) |
| EBIT | (13,605) | 2,020 | (15,625) | (774%) |
| EBIT % | (132%) | 19% | | |

Corporate Results

| | Dec 12 '000s | Dec 11 '000s | Var '000s | Var (%) |
|----------------------|-----------------|-----------------|--------------|----------------|
| Other Revenue | 446 | 497 | (51) | (10.3%) |
| TOTAL REVENUE | 446 | 497 | (51) | (10.3%) |
| TOTAL EXPENSES | (5,200) | (4,720) | (480) | 10.2% |
| EBITDA | (4,938) | (4,632) | (306) | (6.6%) |
| Depreciation | (106) | (105) | (2) | (1.6%) |
| EBIT | (5,044) | (4,736) | (308) | (6.5%) |

Debt and Gearing Level

| | 31-Dec-12 | 30-Jun-12 | Var | Var (%) |
|----------------------|-----------|-----------|----------|---------|
| Net Debt | 137,628 | 117,182 | (20,446) | (17.4%) |
| <u>Continuing</u> | | | | |
| EBITDA | 35,337 | 68,697 | | |
| Net Interest expense | 3,909 | 10,876 | | |
| Gearing Ratio | 2.0 | 1.7 | | |
| Interest Cover Ratio | 7.6 | 6.3 | | |

Outlook

➤ TV Revenue

- Advertising market: limited visibility.

➤ Radio Revenue

- Difficult market conditions to persist in the short to medium term.
- Full impact of recent floods still to be determined.