



ASX Announcement: 16 February 2018

INTERIM 2018 RESULTS ANNOUNCEMENT

PRIME MEDIA GROUP (ASX:PRT) today released its interim financial results for the half-year ended 31 December 2017.

Statutory Results Summary:

- Revenue \$113.3M, down 13.3% on the prior corresponding period
- EBITDA \$24.3M, down 22.1% on prior corresponding period
- Operating costs up 3.5% on prior corresponding period
- One-off non-cash impairment expense of \$31.0M
- Net loss of \$8.6M, decreasing 149.4% on prior corresponding period

Core NPAT:

- \$14.0M, down 21.1% on prior corresponding period

Capital Management:

- Net interest bearing debt of \$29.2M, down from \$36.9M at 30 June 2017

Prime Media Group (the Group) reported a consolidated loss of \$8.6M for the half-year ended 31 December 2017, a decrease of \$26M or 149.4% on the prior corresponding period. Included in the consolidated loss is a one-off non-cash impairment of the television licences of \$31.0M. The impairment reflects the on-going decline of regional free-to-air television advertising markets and increasing program costs.

While the Group's core NPAT of \$14.0M was ahead of market guidance, the positive variance was due to a number of factors, including national revenue being ahead of forecast and a reduction in expenses, in part due to a restructure of key management personnel.

The Group's total advertising revenue is back 13.7% on the prior period, which included the 2016 Rio Olympics. When compared to two years ago, total advertising revenue is down 6.6%.

Chief Executive Officer, Mr Ian Audsley said, "During the reporting period Prime maintained an industry-leading national revenue share of 41.8% for the half year, albeit at a level less than the prior year.

"In the current circumstances, it is important that we put Prime in the optimal position to successfully navigate this period of uncertainty where declining audiences and declining advertising revenues are colliding with increasing content costs. Over the past couple of years Prime has reduced its dividend payout ratio to increase the rate of interest bearing debt reduction. In keeping with previous commentary to the market, the Board has decided that it must now prioritise debt reduction. Accordingly, the Board will not be declaring an interim dividend and will suspend dividend payments until further notice".

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Full Year Outlook

Mr Audsley noted that, "While there are a number of key sporting broadcasts in the second half, including the Winter Olympics and the Commonwealth Games, which will provide stimulus to the entertainment schedule, it does not necessarily point to long term revenue growth in regional TV advertising markets.

"We reported to the market in August 2017 that the Group's full year result was likely to be between 25% and 30% below the prior year. The current trading conditions suggest that Prime will be at the bottom end of that guidance, inclusive of a successful Commonwealth Games."

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Investor Briefing

A telephone briefing will be held for shareholders and the investment community at 9:00am (AEST) on **Monday 19 February 2018**.

The teleconference details are as follows:

Sydney: (02) 9193 3706
Toll free Australia: 1800 573 793
Conference code: 9331995

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