MEDIA RELEASE

PRIME MEDIA GROUP (ASX: PRT) ANNOUNCES 53% INCREASE IN CORE NET PROFIT AFTER TAX

- **Net Profit After Tax of $27.1M – up 53%***
- **Revenue of $257M – up 9%***
- **EBITDA of $59.2M – up 17%***
- **EPS of 7.4 cents – up 51%***
- **Final Dividend per Share of 2.4 cents**
- **Gearing ratio reduced to 2.29 (3.23 pcp)**

***continuing operations (before significant items)**

25TH August, 2011

Prime Media Group (ASX:PRT) today announced consolidated net profit after tax for the financial year ended 30 June 2011 of $27.2million, an increase of $81.7m over the prior year loss of $54.5million.

Excluding Discontinuing Operations and Significant Items the Group delivered a core NPAT of $27.2million, an increase of $9.5million or 53% on the prior year.

EBITDA increased by 17.4% to $59.2million and Revenue increased 9% to $257 million.

Prime Media Group's improved performance is the result of a company-wide rationalisation and restructure that included the disposal of non-core and non-broadcasting assets, a management restructure, and strong performance from its television and radio divisions.

Prime Media Group CEO Ian Audsley said: "*The restructure of the business, together with the rebound of the television advertising market in the first half, has delivered a strong result and a solid improvement in Shareholders returns*"

In the 3 aggregated markets of northern NSW, southern NSW and Victoria, Prime's television revenue growth of 8.77% outperformed market growth of 7.14%.

Queensland natural disasters restricted Prime Radio Group's revenue growth to 3% however cost restructuring initiatives resulted in an impressive 46% growth in EBITDA.

At a group level, Broadcasting and transmission expenses increased by $10.5M, or 9%, over the prior year. A scheduled increase in the rate under the Seven Network program supply agreement, together with increased sales volumes resulted in an increase in program costs of 13.5% in the current year. This was partly offset by a reduction in ACMA license fees of 20% in the current year as a result of the increased license fee rebate. The effective rebate rate in the current year was 41.5% (2010: 16.5%).

Additionally, the Company incurred increased staff costs associated with the new digital channels, 7mate and 7TWO.

Sales, marketing and administration cost increased by $2.1M, or 3.3% over the prior year. Whilst variable selling costs increased by 6.2% as a result of the increase in revenue, the benefits of the Company's cost review program has resulted in general operating cost increases of only 1%.

Prime Media Group Directors declared a fully franked final dividend of 2.4 cents a share.

- Ends -

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PRIME

PRIME MEDIA GROUP LIMITED
ACN: 000 764 867

Appendix 4E

Full Year Report

Name of entity

PRIME MEDIA GROUP LIMITED

ABN	Financial year ended ('current period')
97 000 764 867	**30 June 2011**

Results for announcement to the market

Extracts from this report for announcement to the market.

	Notes	12 months ended 30/06/2011 $'000	12 months ended 30/06/2010 $'000	% increase / (decrease)
Revenues from continuing operations		256,998	236,514	9%
Earnings from continuing operations before finance costs, income tax, depreciation, amortisation and significant items (EBITDA)		59,236	50,442	17%
Earnings from continuing operations before finance costs, income tax and significant items (EBIT)		49,061	40,218	22%
Net profit after tax from continuing operations and before significant items (NPAT)		27,207	17,735	53%
Significant income/(expense) items after income tax		981	(20,071)	
Net loss after income tax from discontinuing operations		(1,022)	(52,208)	
Net profit/(loss) after income tax		27,166	(54,544)	
Net profit/(loss) after income tax attributable to members		27,166	(54,459)	

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend Ordinary	2.4¢	2.4¢
Previous corresponding period Ordinary	1.4¢	1.4¢

Record date for determining entitlements to the dividend.	9 September 2011

Review and Results of Operations

The consolidated net profit after tax of the Group attributable to the members of Prime Media Group Limited for the full year of $27,166,000 (2010: loss $54,459,000) represents an increase of $81,625,000 from the prior comparative period.

Excluding the impact of discontinued operations and significant items, the net profit after tax from continuing operations for the full year of $27,207,000 (2010: $17,735,000) was $9,472,000 or 53% up on the previous corresponding period.

During the year the Company disposed of its businesses in outside broadcast production and outdoor cinema. The Company also exited the digital media business effective 30 June 2011 and has disclosed the results of the digital media business as discontinuing operations. The prior year comparatives have been restated to reclassify the revenues and expenses of the digital media business as discontinuing operations. This completes the rationalisation of the group's activities to its core operations of regional broadcasting and associated online activities.

Revenue from continuing operations of $256,998,000 represents a growth of $20,484,000, or 9%, on the previous corresponding period, ahead of the growth in the regional television advertising market as quoted by KPMG of 7.1% (AMB, AMC and AMD). The introduction of Prime's digital channels 7TWO, introduced in March 2010 and 7mate, introduced in October 2010, has contributed to this growth.

Broadcasting and transmission expenses increased by $10,545,000, or 9%, over the previous corresponding period. A scheduled increase in the rate under the channel 7 program supply agreement, together with increased sales volumes resulted in an increase in program costs of 13.5% in the current year. This was partly offset by a reduction in ACMA license fees of 20% in the current period as a result of the increased ACMA license fee rebate. The effective rebate rate in the current year was 41.5% (2010: 16.5%). Additionally, the Company incurred increased staff costs associated with the new digital channels, 7mate and 7TWO.

Sales, marketing and administration costs increased by $2,069,000, or 3.3% over the previous corresponding period. Whilst variable selling costs increased by 6.2% as a result of the increase in revenue, the benefits of the Company's cost review program has resulted in general operating cost increases of only 1%.

In relation to the cash flow statement, the net cash inflow from operating activities of $34,419,000 represents an increase of $1,253,000, or +3.8% on the prior comparative period. The inclusion of the discontinued operations in the cash flow statement is masking the underlying improvement in the cash flows from continuing operating activities. The discontinued operations of the digital media business incurred payments totalling $5,370,000 in the current year (2010: $2,416,000) made under an onerous contract provision.

Explanation of Dividends

The directors declared a fully franked final dividend of 2.4c per share for this period (2010: 1.4c per share fully franked) reflecting an increase in the dividend payout rate to 75% of Net Profit After Tax for the final dividend.

Details of entities over which control has been gained or lost during the period

On 28 October 2010, the Group completed the sale of its Australian outside broadcasting operations. As part of the sale, the Group sold 100% of its interests in Zero1Zero HD Pty Limited to Gearhouse Broadcast Pty Ltd.

Consolidated Statement of Comprehensive Income

	2011	2010
	$'000	$'000
Continuing Operations		
Revenue from services	**250,030**	231,365
Interest income	**420**	330
Other income	**6,548**	4,819
Total revenue and other income	**256,998**	236,514
Broadcasting and transmission expenses	**(130,995)**	(120,450)
Sales, marketing and administration expenses	**(65,760)**	(63,691)
Depreciation and amortisation expenses	**(10,175)**	(10,224)
Finance costs	**(11,548)**	(11,242)
Share of associate losses	**(586)**	(1,601)
Profit from continuing operations before specific items and income tax	**37,934**	29,306
Specific items		
– Gain from MtM derivative financial instruments	**1,333**	1,518
– Fair value movement in receivable – deferred contingent consideration	**1,181**	-
– Transfer of foreign currency translation reserve to profit and loss	**(995)**	-
– Gain from disposal of available for sale financial assets	**-**	921
– Impairment expense – intangible assets (radio broadcast licences)	**-**	(12,529)
– Impairment expense – loan to associates	**-**	(4,384)
– Impairment expense – television program rights	**-**	(1,302)
– Restructuring expense	**-**	(2,207)
– CEO termination expenses	**-**	(1,871)
– Once off increase to Employee Entitlements resulting from award change	**-**	(626)
– destra administration costs	**-**	(226)
– Redundancies	**(198)**	(718)
Profit before income tax from continuing operations	**39,255**	7,882
Income tax expense	**(11,067)**	(10,218)
Profit/(Loss) after tax from continuing operations	**28,188**	(2,336)
Discontinuing Operations		
Loss after tax from discontinuing operations	**(1,022)**	(52,208)
Profit /(Loss) after tax	**27,166**	(54,544)

Consolidated Statement of Comprehensive Income (continued)

	2011 $'000	2010 $'000
Other comprehensive income		
– Transfer of foreign currency translation reserve to profit and loss	**995**	1,032
– Foreign currency translation differences for the period recognised directly in equity	**(201)**	218
Other comprehensive income after tax	**794**	1,250
Total comprehensive income after tax	**27,960**	(53,294)
Profit/(Loss) for the period is attributable to:		
Non-controlling interest	**-**	(85)
Owners of the Parent	**27,166**	(54,459)
	27,166	(54,544)
Total comprehensive income for the period is attributable to:		
Non-controlling interest	**-**	(85)
Owners of the Parent	**27,960**	(53,209)
	27,960	(53,294)
Basic Earnings per share (cents per share)		
- profit/(loss) for the year	**7.4**	(15.0)
- profit/(loss) from continuing operations	**7.7**	(0.6)
- profit/(loss) from continuing operations before significant items	**7.4**	4.9
Diluted Earnings per share (cents per share)		
- diluted for profit/(loss) for the year	**7.4**	(15.0)

Consolidated Balance Sheet

	2011 $'000	2010 $'000
ASSETS		
Current Assets		
Cash and cash equivalents	**19,374**	5,664
Trade and other receivables	**54,387**	51,514
Intangible assets	**616**	832
Other assets	**2,001**	2,462
Current tax assets	**-**	57
	76,378	60,529
Assets of disposal group classified as held for sale	**-**	39,888
Total Current Assets	**76,378**	100,417
Non-Current assets		
Receivables	**672**	317
Investments in associates	**-**	80
Investment in available for sale financial assets	**5,138**	3,137
Property, plant and equipment	**54,334**	56,308
Deferred tax assets	**8,052**	12,093
Intangible assets and goodwill	**224,694**	225,284
Other assets	**2,332**	1,561
Total Non-Current Assets	**295,222**	298,780
TOTAL ASSETS	**371,600**	399,197
LIABILITIES		
Current Liabilities		
Trade and other payables	**57,584**	60,406
Interest-bearing loans and borrowings	**627**	408
Current tax liabilities	**3,077**	-
Provisions	**2,255**	8,102
Derivative financial instruments	**1,687**	3,020
	65,230	71,936
Liabilities directly associated with assets classified as held for sale	**-**	24,162
Total Current Liabilities	**65,230**	96,098

Consolidated Balance Sheet (continued)

	2011 $'000	2010 $'000
Non-Current Liabilities		
Trade and other payables	-	68
Interest-bearing loans and borrowings	152,823	165,201
Provisions	434	520
Total Non-Current Liabilities	153,257	165,789
TOTAL LIABILITIES	218,487	261,887
NET ASSETS	153,113	137,310
EQUITY		
Equity attributable to equity holders of the parent interest		
Contributed equity	310,262	310,262
Reserves	(78)	(1,537)
Accumulated losses	(157,071)	(171,415)
Parent interests	153,113	137,310
TOTAL EQUITY	153,113	137,310

Consolidated Statement of Changes in Equity

	2011 $'000	2010 $'000
Total equity at beginning of period	**137,310**	197,338
Profit/(Loss) for period	**27,166**	(54,544)
Other comprehensive income	**794**	1,250
Total comprehensive income and expense for the period	**27,960**	(53,294)
Transactions with equity holders in their capacity as equity holders:		
Shares issued as consideration of equity settled transactions	**-**	1,890
Shares issued as consideration for acquisition of non-controlling interest in controlled entities	**-**	3,354
Share based payments	**665**	16
Transaction costs of acquiring non-controlling interest	**-**	(625)
Non-controlling interest acquired in controlled entities	**-**	(3,354)
Dividends on ordinary shares	**(12,822)**	(8,015)
Total Equity	**153,113**	137,310

Consolidated Statement of Cash Flows

	2011 $'000	2010 $'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	**290,607**	301,726
Payments to suppliers and employees (inclusive of GST)	**(239,315)**	(254,349)
Interest received	**504**	355
Borrowing costs paid	**(13,659)**	(12,842)
Income tax refunds received	**1,170**	4,577
Income tax paid	**(4,888)**	(6,301)
Net cash flows from operating activities	**34,419**	33,166
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	**1,049**	45
Purchase of property, plant and equipment	**(9,727)**	(26,259)
Proceeds from sale of available-for-sale financial assets	**34**	1,998
Proceeds from sale of business operations	**20,508**	-
Payment of deferred consideration for acquisition of subsidiaries and related business assets	**(1,250)**	(1,339)
Loan Funds to other parties	**(154)**	-
Loan Funds to related parties	**(300)**	(1,717)
Net cash flows from/(used in) investing activities	**10,160**	(27,272)
Cash flows from financing activities		
Costs of issue of ordinary shares	**-**	(159)
Proceeds from borrowings	**76,000**	92,000
Finance lease liability payments	**(1,110)**	(1,998)
Repayments of borrowings	**(92,933)**	(88,838)
Dividends paid	**(12,822)**	(8,015)
Net cash flows used in financing activities	**(30,865)**	(7,010)
Net increase/(decrease) in cash and cash equivalents	**13,714**	(1,116)
Cash and cash equivalents at beginning of period	**5,664**	6,669
Net foreign exchange differences	**(4)**	111
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**19,374**	5,664

Notes to the preliminary final report

1. Basis of preparation of preliminary final report

This preliminary final report has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

This preliminary final report does not include all the notes of the type normally included in the annual financial report. Accordingly, this report is to be read in conjunction with the last annual report and any public announcements to the market made by the Company during the reporting period in accordance with the continuous disclosure requirement of the Corporations Act 2001 and the listing rules of the Australia Securities Exchange.

The accounting policies adopted are consistent with those of the previous year.

Historical cost convention

This report has been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets and derivative financial instruments at fair value.

2. Profit after tax from continuing operations (excluding significant items)

	2011 $'000	2010 $'000
Reported profit/(loss) after tax from continuing operations (refer Statement of comprehensive income)	**28,188**	(2,336)
– Fair value change in derivatives	**(1,333)**	(1,518)
– Fair value change in receivable – deferred contingent consideration	**(1,181)**	-
– Transfer of foreign currency translation reserve to profit and loss	**995**	-
– Impairment of radio broadcasting licences	**-**	12,529
_ Gain on sale of investments	**-**	(921)
– Impairment of television program rights	**-**	1,302
– Staff redundancies	**198**	718
– CEO termination expenses	**-**	1,871
_ destra administration costs	**-**	226
_ Impairment on loan to associate	**-**	4,384
– Restructuring	**-**	2,207
– Once off increase to employee entitlements resulting from award change	**-**	626
_ Income tax expense/(benefit) related to significant items	**340**	(1,353)
Profit after tax from continuing operations before significant items attributable to members of Prime Media Group Limited	**27,207**	17,735

Notes to the preliminary final report

3. Income Tax

	2011 $'000	2010 $'000
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's appropriate income tax rate is as follows:		
Profit/(loss) before tax from continuing operations	**39,255**	7,882
Profit/(loss) before tax from discontinuing operations	**(959)**	(57,958)
Total accounting profit/(loss) before income tax	**38,296**	(50,076)
Prima facie tax expense/(benefit) on accounting profit at the Group's statutory rate of 30% (2010: 30%)	**11,489**	(15,023)
Non temporary differences		
– Expenses not deductible for tax	**1,213**	1,264
– Impairment expense not deductible for tax	**-**	15,550
– DTA not recognised on current year tax losses	**-**	410
– Adjustments in respect of current income tax of previous years	**(719)**	440
– Income not assessable for tax	**(354)**	53
– DTA on timing differences not previously recognised now brought to account	**-**	(1,692)
– De-recognition of DTA on capital losses	**69**	3,851
– DTA on income tax losses not previously recognised	**(568)**	(383)
– Foreign tax rate adjustment	**-**	(2)
Aggregate income tax (benefit)/expense	**11,130**	4,468
Income tax expense attributable to continuing operations	**11,067**	10,218
Income tax expense /(benefit) attributable to discontinuing operations	**63**	(5,750)
	11,130	4,468

Notes to the preliminary final report

4. Segment Note

	Continuing Operations					Discontinuing Operations	
Year Ended 30 June 2011	**Television Broadcasting $'000**	**Radio Broadcasting $'000**	**Online $'000**	**Unallocated $'000**	**Total Continuing $'000**	**Total Discontinuing(1) $'000**	**Total Operations $'000**
Segment Revenues							
External sales and customers	231,374	20,293	1,661	(144)	**253,184**	6,878	**260,062**
Other income (excluding interest income)	2,419	848	36	91	**3,394**	137	**3,531**
Total segment revenue	**233,793**	**21,141**	**1,697**	**(53)**	**256,578**	7,015	**263,593**
Finance income	-	23	-	397	**420**	83	**503**
Total revenue per the statement of comprehensive income	**233,793**	**21,164**	**1,697**	**344**	**256,998**	7,098	**264,096**
Segment Results							
EBITDA	63,206	4,803	(881)	(7,892)	**59,236**	**(408)**	**58,828**
EBIT	54,591	3,638	(1,074)	(8,094)	**49,061**	**(422)**	**48,639**
Profit/(Loss) before significant items and income tax	54,278	3,645	(1,074)	(18,915)	**37,934**	**(376)**	**37,558**
Significant Items							
– Fair value change in derivatives					1,333	-	1,333
– Fair value change in receivable – deferred contingent consideration					1,181	-	1,181
– Transfer of foreign currency translation reserve to profit and loss					(995)	-	(995)
– Redundancies					(198)	-	(198)
– Loss on disposal of assets held for sale					-	(583)	(583)
Profit/(Loss) before income tax per the statement of comprehensive income					**39,255**	**(959)**	**38,296**
Income tax (expense)					(11,067)	(63)	(11,130)
Profit/(Loss) after tax					**28,188**	**(1,022)**	**27,166**
Non-controlling interests							**-**
Profit after tax attributable to members of Prime Media Group Limited							**27,166**

(1) Discontinuing operations includes Broadcast Production Services, On Site Broadcasting, Moonlight Cinema, Prime Media Singapore and Prime Digital Media.

Notes to the preliminary final report

5. Segment Note

Year Ended 30 June 2010	Continuing Operations				Discontinuing Operations	
	Television Broadcasting $'000	Radio Broadcasting $'000	Unallocated $'000	Total Continuing $'000	Total Discontinuing(1) $'000	Total Operations $'000
Segment Revenues						
External sales and customers	212,181	19,184	-	**231,365**	38,187	**269,552**
Other income (excluding interest income)	3,768	1,347	(296)	**4,819**	850	**5,669**
Total segment revenue	**215,949**	**20,531**	**(296)**	**236,184**	**39,037**	**275,221**
Finance income	-	11	319	**330**	25	**355**
Total revenue per the statement of comprehensive income	**215,949**	**20,542**	**23**	**236,514**	**39,062**	**275,576**
Segment Result						
EBITDA	55,449	3,294	(8,301)	**50,442**	**5,408**	**55,850**
EBIT	47,283	2,073	(9,138)	**40,218**	**(2,699)**	**37,519**
Profit before significant items and income tax	46,977	2,073	(19,744)	**29,306**	**(5,139)**	**24,167**
– Fair value change in derivatives				1,518	-	1,518
– Gain on disposal of investment in available-for-sale financial assets				921	-	921
– Impairment expense – intangible assets, radio broadcast licences				(12,529)	-	(12,529)
– Impairment expense – goodwill				-	(39,932)	(39,932)
– Impairment expense – loan to associate				(4,384)	-	(4,384)
– Impairment expense – television program rights				(1,302)	-	(1,302)
– Impairment expense – television production rights				-	(440)	(440)
– Impairment expense – property, plant and equipment				-	(7,863)	(7,863)
– Restructuring				(2,207)	(2,074)	(4,281)
– CEO termination costs				(1,871)	-	(1,871)
– Once off increase to employee entitlements resulting from award change				(626)	-	(626)
– Make Good provision				-	(150)	(150)
– destra administration costs				(226)	-	(226)
– Transfer of foreign currency translation reserve relating to assets held for resale to statement of comprehensive income				-	(1,032)	(1,032)
– Redundancies				(718)	(1,328)	(2,046)
Profit / (Loss) before income tax per the statement of comprehensive income				**7,882**	**(57,958)**	**(50,076)**
Income tax (expense)/benefit				**(10,218)**	5,750	(4,468)
(Loss) after tax				**(2,336)**	**(52,208)**	**(54,544)**
Non-controlling interests						**85**
(Loss) after tax attributable to members of Prime Media Group Limited						**(54,459)**

(1) **Discontinuing operations includes Broadcast Production Services, On Site Broadcasting, Moonlight Cinema, Prime Media Singapore and Prime Digital Media.**

Notes to the preliminary final report

5. Reconciliation of Profit/(Loss) after Tax to Net Cash flow from Operating Activities

	2011 $'000	2010 $'000
Net profit/(loss) after income tax	**27,166**	(54,544)
Non-Cash Items		
Depreciation and amortisation	**10,190**	18,330
Amortisation of program rights	**832**	3,442
Effective interest rate adjustments	**-**	84
Provision for doubtful debts	**314**	542
Net (profit)/loss on disposal of property, plant and equipment	**656**	225
(Gain)/Loss on sale of financial asset	**(34)**	(922)
Unrealised gain/(losses) on foreign currency translation	**995**	1,032
Net (gain)/loss MTM derivatives	**(1,333)**	(1,517)
Impairment of intangibles and goodwill	**-**	52,461
Impairment of property, plant & equipment	**-**	7,863
Impairment of investments in associates	**-**	4,384
Share of losses of associates	**586**	1,601
Share based payments expense	**665**	16
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	**(2,034)**	(174)
(Increase)/decrease in deferred tax assets	**3,849**	(2,425)
(Increase)/decrease in prepayments	**(310)**	(1,465)
(Decrease)/increase in trade and other payables	**(2,259)**	(1,563)
(Decrease)/increase in tax provision	**3,564**	5,332
(Decrease)/increase in deferred tax liability	**-**	(163)
(Decrease)/increase in interest bearing liabilities	**(2,070)**	-
(Decrease)/increase in provisions	**(6,358)**	627
Net cash flow from operating activities	**34,419**	33,166
Cash balance comprises:		
Cash at bank and on hand	**19,374**	5,664
Closing cash balance	**19,374**	5,664

Notes to the preliminary final report

6. Contributed Equity

Ordinary	**2011** Number of shares	**2011** $'000	2010 Number of shares	2010 $'000
Beginning of the financial year	**366,330,303**	**310,262**	358,422,021	305,643
Issued during the year				
- shares issued as consideration for equity settled transaction	**-**	**-**	7,908,282	4,619
End of the financial year	**366,330,303**	**310,262**	366,330,303	310,262

7. Retained Earnings

	2011 $'000	2010 $'000
Balance at the beginning of year	**(171,415)**	(108,941)
Net profit attributable to members of Prime Media Group Limited	**27,166**	(54,459)
Total available for appropriation	**(144,249)**	(163,400)
Dividends provided for or paid	**(12,822)**	(8,015)
Balance at end of year	**(157,071)**	(171,415)

Notes to the preliminary final report

8. Discontinuing Operations

(a) Details of operations disposed and held for Sale

Moonlight Cinema

On 1 October 2010, the Group completed the sale of Moonlight Cinema, its Australian outdoor cinema operation, to Amalgamated Holdings Limited for a disposal sale consideration of $1,627,877, net of selling costs.

On Site Broadcasting

(1) On 9 July 2010, the Group completed the sale of its On Site Broadcasting business in New Zealand to Sky Network Television Limited for total consideration of A$11,130,375, net of selling costs. The deferred consideration is receivable over a period of 4 years to 30 June 2014 and the amount earned is contingent upon the amount of profit earned under various contracts transferred as part of the sale.

The consideration comprised of the following:

Cash consideration	10,565,375
Deferred Contingent Consideration, at fair value	565,000
Total consideration	$11,130,375

As at 30 June 2011 the Company revised the fair value of the deferred contingent consideration up by $1,181,000, on completion of a detailed review of the forecast profits expected from the contracts transferred as part of the sale.

(2) On 28 October 2010, the Group completed the sale of its On Site Broadcasting business in Australia to Gearhouse Broadcast Pty Ltd for a total consideration of $10,314,993, net of selling costs.

The consideration comprised of the following:

Cash consideration	8,314,993
Shares issued in Gearhouse Broadcast Pty Limited (unlisted) at fair value	2,000,000
Deferred Contingent Consideration, at fair value	-
Total consideration	$10,314,993

A component of the sale consideration is a $3,000,000 subordinated loan advanced by the Company to the purchaser and repayable between 31 December 2012 and 31 December 2014. The loan repayment amount is contingent upon the financial performance of the business from the date of the sale to 31 December 2014. As at 30 June 2011 the loan repayment amount had been formally reduced to $1,187,005. The company is carrying this deferred contingent consideration receivable at a fair value of nil.

Television Production

On 20 November 2009, the Board of Directors entered an agreement to transfer the existing production rights for current developments to Beyond International. The television production operations were wound up following the transfer to Beyond International, which was completed on 18 January 2010.

Notes to the preliminary final report

9. Discontinuing Operations (continued)

(b) Financial performance of operations disposed, closed down or held for sale

	2011 $'000	2010 $'000
Revenue	**7,098**	39,062
Expenses	**(8,057)**	(97,020)
Loss attributable to discontinuing operations before tax	**(959)**	(57,958)
Income tax (expense)/benefit	**(63)**	5,750
Loss attributable to discontinuing operations after tax	**(1,022)**	(52,208)
Minority interest in discontinued operations	**-**	85
Loss from discontinuing operations attributable to members of parent entity	**(1,022)**	(52,123)
Loss per share (cents per share)		
- Basic from discontinued operations	**(0.3)**	(14.3)
- Diluted from discontinued operations	**(0.3)**	(14.3)

Discontinuing operations includes Broadcast Production Services, On Site Broadcasting, Moonlight Cinema, Prime Media Singapore and Prime Digital Media.

Notes to the preliminary final report

10. Business Combinations

No business combinations occurred during the current year.

Acquisition of Prime Digitalworks Pty Limited

On 30 June 2010, Prime New Media Investments Pty Limited, a controlled entity of Prime Media Group Limited, acquired 67% of the shares in Prime Digitalworks Pty Limited. This acquisition took the groups' shareholding to 100%.

The final fair value and book value of the identifiable assets purchased are:

	Carrying Amount $'000	Recognised fair value on acquisition $'000
Cash	3	3
Prepayments	79	79
Property, plant & equipment	148	148
Trade payables	(1,576)	(1,576)
Provision for employee benefits	(55)	(55)
Net Assets	**(1,401)**	**(1,401)**
Total purchase consideration		-
Total Goodwill recognised		**1,401**
Goodwill impairment expense		**(1,401)**
Total Goodwill recognised		**-**

Notes to the preliminary final report

11. Investment in Associates and Jointly Controlled Entities

The Consolidated Entity has a material interest in the following entities:

	Ownership interest		Contribution to net profit before tax	
	2011 %	**2010 %**	**2011 $'000**	**2010 $'000**
Unlisted				
Mildura Digital Television Pty Limited	**50%**	**50%**	**(586)**	(425)
Prime Digitalworks Pty Limited (2)	**100%**	**100%**	**-**	(1,176)
destra Corporation Limited (1)	**44%**	**44%**	**-**	-
West Digital Television Pty Limited	**50%**	**50%**	**-**	-
West Digital Television No2 Pty Limited	**50%**	**50%**	**-**	-
West Digital Television No3 Pty Limited	**50%**	**50%**	**-**	-
West Digital Television No4 Pty Limited	**50%**	**50%**	**-**	-
WA SatCo Pty Limited	**50%**	**-**	**-**	-
			(586)	(1,601)

(1) The group's investment in destra Corporation was impaired to Nil during 2009. As such no further share of losses were taken up in the Group accounts.

(2) On 30 June 2010 Prime Digitalworks became a 100% owned subsidiary. Prior to this date the Group's shareholding was 33%.

Other information relating to the financial statements

12. Dividends

Date the dividend is payable	30 September, 2011
Record date to determine entitlements to the dividend	9 September, 2011
If it is a final dividend, has it been declared?	Yes

Amount per security

			Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
	Final dividend:	**2011**	**2.4¢**	**2.4¢**	**-¢**
		2010	1.4¢	1.4¢	-¢
	Interim dividend:	**2011**	**2.1¢**	**2.1¢**	**-¢**
		2010	1.2¢	1.2¢	-¢

Total dividend (distribution) per security (interim *plus* final)

	2011	2010
Ordinary securities	**4.5¢**	2.6¢

Total Dividends paid on all securities

	2011 $'000	2010 $'000
Ordinary securities	**12,822**	8,015
Total	**12,822**	8,015

There are no reinvestment plans operational in relation to the final dividend payable on 30 September 2011.

Any other disclosures in relation to dividends

Final dividend for the current period $8,792,000 (2.4 cents per share) as stated above has not been provided for in the Balance Sheet in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets.

The amount of available franking credits for the next year is $26.7 million.

13. Earnings per share

	2011	2010
Basic Earnings per share	**7.4**	(15.0)
Basic Earnings per share from continuing operations	**7.7**	(0.6)
Basic Earnings per share from continuing operations before significant items	**7.4**	4.9
Diluted Earnings per share	**7.4**	(15.0)
Weighted average number of ordinary shares outstanding during the period	**366,330,303**	363,522,662

14. Net Tangible Asset Backing

	2011	2010
Net tangible asset backing per ordinary security	**(0.20)**	(0.24)

15. Significant Events after Balance Date

There have been no significant events subsequent to balance date.

Annual general meeting

The annual general meeting will be held as follows:

Place	Hilton Hotel, 488 George Street, Sydney NSW
Date	17 November 2011
Time	11:30 AM
Approximate date the annual report will be available	15 October, 2011.

Compliance statement

1 This report is based on accounts which are in the process of being audited.

2 The entity has a formally constituted audit committee.

Sign here: .... (Director)   Date: 25 August 2011

Print name: Peter Evans

PRIME MEDIA GROUP

Financial Results

FYE 30 June 2011

Agenda

- Group highlights
- Overview of Year
- Financial Results
  - Continuing divisional results
  - Discontinuing results
  - Significant Items
- Debt and gearing levels
- Outlook
- Questions

Group Highlights

- Net Profit After Tax of $27.2M – up 53%*
- Revenue of $257M – up 9%*
- EBITDA of $59.2M – up 17%*
- EPS of 7.4 cents – up 51%*
- Final dividend per share of 2.4 cents – up 71%
- Gearing ratio 2.29 (3.23 pcp)

***Continuing operations (before Significant Items)**

Overview FY11

- **Group Rationalisation and Restructure:**
  - Completed sale of OSB Australia, OSB NZ & Moonlight Cinema
  - Exited digital media business (PDM) effective 30 June 2011

- **Fresh Corporate Executive Team:**
  - New CEO, CFO, National Sales Director and Director Content & Integration

- **TV Delivers Strong Audience, Revenue and EBITDA Growth:**
  - Audience share strong.
  - Revenue growth exceeds audience growth (improved power ratio).
  - Aligned TV brand to Seven Network – reduce costs.
  - Adopted Seven Network on air promos – improved efficiency and costs.
  - Centralisation and refresh of local news production – reduce costs.

PRIME MEDIA GROUP

Overview FY11 (cont'd)

- **QLD Radio Delivers Strong EBITDA Growth Despite Natural Disasters:**
  - New senior management team;
  - Improved systems and accountabilities;
  - Strong growth in earnings achieved despite modest revenue growth

- **Established Framework for Online Success in FY12**
  - Executed agreement with Yahoo!7 - white label arrangement;
  - Transitioned to a lower risk variable cost model;
  - New site launched July 2011.

PRIME MEDIA GROUP

Group Results

Group Results

	FY 11 '000s	FY 10 '000s	Var '000s	Var (%)
Revenue	256,998	236,514	20,484	9%
EBITDA	59,237	50,446	8,791	17%
EBITDA %	**23%**	**21%**		
Net Profit After Tax - continuing operations	**27,207**	**17,735**	**9,472**	**53%**
Significant Income/(Expense) Items (net of Tax)	981	(20,071)	21,052	
Discontinuing operations (net of Tax)	(1,022)	(52,208)	51,186	
Net Profit After Tax attributable to members	**27,166**	**(54,459)**	**81,625**	
EPS (continuing ops before sig items)	**7.4**	4.9	2.5	**51%**
Final Dividend per share (cents)	**2.4**	1.4	1	**71%**

PRIME MEDIA GROUP

TV Results

TV Results

	FY 11 '000s	FY 10 '000s	Var '000s	Var (%)
Advertising Revenue	227,566	210,815	16,751	8%
Other Revenue	6,227	5,134	1,093	21%
TOTAL REVENUE	**233,793**	**215,949**	**17,844**	**8%**
EBITDA	**63,207**	**55,449**	**7,758**	**14%**
EBITDA %	27%	26%		
Depreciation	(8,616)	(8,166)	(450)	(6%)
EBIT	54,591	47,283	7,308	15%
EBIT %	23%	22%		

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TV Revenue Growth (FY11 vs FY10)

Revenue Growth (YOY)	Prime	Market	Var PP
National	12.9%	8.7%	4.2
Total	8.8%	7.1%	1.7

Source: KPMG data 3 AGG market

TV Audience Share

Network Audience Share	FY 11	FY 10	Var (PP)
Prime	**36.6%**	**35.1%**	**1.5**
WIN/NBN	39.4%	39.3%	0.1
SCM	24.0%	25.6%	-1.6

Footnote

- Audience Share sourced from Regional TAM (rating All people, 06:00-23:59)

TV Power Ratio – National Agency

		FY 11	FY 10	Var PP
Total Revenue Share	Note 1	39.6%	38.1%	1.5
Audience Share	Note 2	36.6%	35.1%	1.5
Power Ratio		1.08	1.08	

Footnote

Note 1: Total Agency advertising 3AGG market -KPMG

Note 2: Audience Share sourced from Regional TAM (All people, 06:00-23:59)

PRIME MEDIA GROUP

TV Operating Costs

	FY 11 '000s	FY 10 '000s	Var '000s	Var (%)
Broadcast and Transmission costs	(123,194)	(114,673)	(8,521)	(7%)
Sales, marketing and admin costs	(47,392)	(45,827)	(1,565)	(3%)
TOTAL EXPENSES	**(170,586)**	**(160,500)**	**(10,086)**	**(6%)**

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Radio

Radio Results

	FY 11 '000s	FY 10 '000s	Var '000s	Var (%)
Advertising Revenue	19,766	19,184	582	3%
Other Revenue	1,398	1,358	40	3%
TOTAL REVENUE	**21,164**	**20,542**	**622**	**3%**
EBITDA	**4,803**	**3,294**	**1,509**	**46%**
EBITDA %	23%	16%		
Depreciation	(1,165)	(1,221)	56	5%
EBIT	3,638	2,073	1,565	75%
EBIT %	17%	10%		

PRIME MEDIA GROUP

Radio Operating Costs

	FY 11 '000s	FY 10 '000s	Var '000s	Var (%)
Broadcast and Transmission costs	(5,342)	(5,777)	435	8%
Sales, marketing and admin costs	(10,996)	(11,460)	464	4%
TOTAL EXPENSES	**(16,338)**	**(17,237)**	**899**	**5%**

PRIME MEDIA GROUP

Online

Online Results

	FY 11 '000s	FY 10 '000s	Var '000s	Var (%)
Advertising Revenue	1,447	0	1,447	
Other Revenue	250	0	250	
TOTAL REVENUE	**1,697**	**0**	**1,697**	
EBITDA	**(881)**	**(1,176)**	**295**	
EBITDA %	(52%)			
Depreciation	(193)	0	(193)	
EBIT	(1,074)	(1,176)	102	
EBIT %	(63%)			

Footnote: The Company acquired a controlling share (100%) in the online business on 30 June 2010.
The results of the online business were consolidated into the Group WEF 1 July 2010.

Corporate

Corporate Results

	FY 11 '000s	FY 10 '000s	Var '000s	Var (%)
Advertising Revenue	0	0	0	0%
Other Revenue	344	23	321	1396%
TOTAL REVENUE	**344**	**23**	**321**	**1396%**
EBITDA (before Sig items)	**(7,892)**	**(7,121)**	**(771)**	**(11%)**
Depreciation	(202)	(837)	635	76%
EBIT	(8,094)	(7,958)	(136)	(2%)

PRIME MEDIA GROUP

Discontinued Operations

Discontinued Operations

	FY 11 '000s	FY 10 '000s	Var '000s	Var (%)
TOTAL REVENUE	7,098	39,062	(31,964)	(82%)
EBITDA (before Sig. Items)	**(409)**	**5,408**	**(5,817)**	**(108%)**
EBITDA %	(6%)	13.84%		
NPAT pre-significant items	**(439)**	**611**	**(1,050)**	**(172%)**
Significant Items (net of tax)	(583)	(52,819)		
NPAT post significant items	**(1,022)**	**(52,208)**		

Significant Items

Significant Items

	FY 11 '000s	FY 10 '000s
Fair value change in derivatives	1,333	1,518
Fair value change in receivable - deferred contingent consideration	1,181	
Transfer of foreign currency translation reserve to profit and loss	(995)	
Redundancy provision	(198)	(718)
Gain on disposal of investment in available for sale financial assets		921
Impairment expense - intangible assets, radio broadcast licences		(12,529)
Impairment expense - loan to associate		(4,384)
Impairment expense - television program rights		(1,302)
Restructuring		(2,207)
CEO termination costs		(1,871)
other		(852)
Income tax expense	(340)	1,353
Total Significant Items	**981**	**(20,071)**

PRIME MEDIA GROUP

Debt and Gearing Levels

Debt and Gearing Level

	30-Jun-11	30-Jun-10	Var	% Var
Net Debt *	135,764	162,966	27,202	17%
EBITDA	59,237	50,446		
Net Interest expense	11,127	10,916		
Gearing Ratio	**2.3**	**3.2**	**0.9**	**29%**
Interest Cover Ratio	**5.3**	**4.6**	**0.7**	**15%**

* 2010 debt excludes $24M of debt retired with the sale of the BPS business

Debt and Gearing Level (cont'd)

- Current bank loan facility expires July 2012.
- The Company has secured commitments of $200M from existing bankers
- Key Terms:
  - Facility Amount = $200M;
  - Term = 4 Years;
  - Margin = 1.90% (based on current gearing levels)
- Execution of new facility expected by 30 September 2011.

Outlook

Outlook

- National Ad market:
  - 1H FY 12 – flat. No visibility into 2H FY 12.
- Costs
  - Program fees:- no scheduled increase in FY 12 under 7 Network program supply;
  - ACMA Licence fee rebate increases to 50% (FY 10 - 42.5%);
  - Analogue switch off - $0.5M
  - Other costs – increase in line with CPI

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