

# PRIME

PRIME MEDIA GROUP LIMITED

ACN: 000 764 867

Appendix 4E – Final Report  
Full Year Report – 30 June 2015

## Appendix 4E

### Full Year Report

Name of entity

PRIME MEDIA GROUP LIMITED

ABN

97 000 764 867

Financial year ended ('current period')

30 June 2015

### Results for announcement to the market

*Extracts from this report for announcement to the market.*

	12 months ended 30/06/2015 \$'000	12 months ended 30/06/2014 \$'000	% increase / (decrease)
Revenues from continuing operations	258,813	260,277	(0.6%)
Earnings from continuing operations before finance costs, income tax, depreciation, amortisation and impairment (EBITDA)	66,865	64,774	3.2%
Earnings from continuing operations before finance costs, income tax (EBIT)	55,514	52,795	5.2%
Net profit after tax from continuing operations (NPAT)	35,621	31,188	14.2%
Net profit after income tax from discontinued operations	-	2,664	(100.0%)
Net profit after income tax	35,621	33,852	5.2%
Net profit after income tax attributable to members	35,621	33,852	5.2%
<b>Dividends (distributions)</b>			
	Amount per security	Franked amount per security	
Interim dividend 2015 – paid 25 March 2015 Ordinary	3.8¢	3.8¢	
Final dividend 2015 – Recommended Ordinary	3.0¢	3.0¢	
Ex-dividend date	3 September 2015		
Record date for determining entitlements to the dividend	7 September 2015		
Payment date	24 September 2015		
There are no dividend or distribution reinvestment plans in operations			
<b>Earnings per security (cents per share)</b>			
	Current period	Previous corresponding period	
Basic EPS	9.7	9.2	
Basic EPS from continuing operations	9.7	8.5	
Basic EPS from continuing operations excluding specific items	9.1	9.1	
Diluted EPS	9.7	9.2	
Net tangible asset backing per ordinary security (cents)	\$(0.08)	\$(0.11)	



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**Explanation of Profit from ordinary activities after tax attributable to members**

**Consolidated Results Inclusive of Continuing and Discontinued Operations**

The Group's consolidated net profit after tax from continuing and discontinued operations attributable to the members of Prime Media Group Limited for the year ended 30 June 2015 of \$35,621,000 (2014: \$33,852,000) represents an increase of \$1,769,000 or 5.2% on the previous corresponding period.

**Statutory Results from Continuing Operations**

The Company's statutory consolidated net profit after tax from continuing operations attributable to the members of Prime Media Group Limited for the year ended 30 June 2015 was \$35,621,000 (2014: \$31,188,000), which represents an increase of \$4,433,000 or 14.2% on the previous corresponding period. The following non-core items increased the Company's statutory net profit after tax by \$2,208,000:

- Gain on sale of surplus property at Wagga Wagga, New South Wales of \$1,157,000;
- Non-cash revenue of \$1,501,000 to recognise broadcast equipment received under a Federal Government program to restack digital television services and cease television broadcasting in the digital dividend band (694- 820 MHz). The program was completed in the current reporting period.

Revenue from continuing operations of \$258,813,000 was down 0.6% or \$1,464,000 compared to the previous corresponding period. The Group derives its primary source of revenue from the sale of television advertising. During the reporting period, the Company improved its revenue share in the combined aggregated market of Northern New South Wales, Southern New South Wales and Victoria by 1.3 share points. As a result, revenue from television advertising fell by only 0.7% despite the market falling by 3.9% on the previous corresponding period.

The Group's gross profit margin from continuing operations was 46.4% compared to 47.0% in the previous corresponding period. The decline in gross profit margin was largely due to increases in program affiliation costs and other sales related costs.

The Group's total operating expenses of \$53,038,000 were \$4,257,000 or 7.4% down on the previous corresponding period, mainly due to a reduction in broadcast and transmission expenses. Employee costs of \$38,823,000, represents an increase of \$42,000 or 0.1% on the previous corresponding period.

During the reporting period, the Group's operating cash flows increased by \$15,409,000 to \$57,970,000. Net interest bearing debt reduced to \$78.9 million as a result of the improved operating cashflows, the sale of surplus assets, and improved management of working capital. Finance costs of \$4,987,000 were 23.3% less than the previous corresponding reporting period, largely due to lower average debt levels.

**Discontinued Operations**

There were no discontinued operations in the current year. In the previous corresponding period, the Group completed the sale of its radio business on 30 August 2013, which resulted in a gain on sale from radio operations of \$2,302,000. Revenue from discontinued radio operations for the two month period to the date of sale was \$3,499,000, resulting in a net profit after tax of \$362,000.

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### Core Net Profit After Tax

Core net profit after tax and before specific items was \$33,468,000 (2014: \$33,395,000), representing an increase of \$73,000 or 0.2% on the previous corresponding period. The prior year result included the Group's radio operations for a 2 month period. The Group's final dividend has been declared based on the core net profit after tax as follows:

	2015 \$'000	2014 \$'000
Reported profit after tax from continuing operations (refer Statement of comprehensive income)	35,621	31,188
Reported profit after tax from discontinued operations (refer Statement of comprehensive income)	-	2,664
	35,621	33,852
Restack Program revenue (non-cash)	(1,501)	-
Gain on sale of surplus assets	(1,157)	(2,302)
Redundancies	78	626
Derecognise deferred tax asset carried for New Zealand tax losses	-	1,296
Depreciation of decommissioning costs	-	604
Fair value change in receivable – deferred contingent consideration	-	(493)
Income tax expense/(benefit) related to specific items	427	(188)
<b>Core net profit after tax from both continuing and discontinued operations, and before specific items</b>	<b>33,468</b>	<b>33,395</b>

### Explanation of Dividends

The directors have declared a final fully franked dividend of 3.0c per share for this period (2014: 2.8c per share fully franked).

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

Not Applicable.