

The logo for Prime Media Group features the word "PRIME" in a large, bold, white, sans-serif font. A small white square is positioned above the letter "I". Below "PRIME", the words "MEDIA GROUP" are written in a smaller, white, sans-serif font. The background is a vibrant red with a low-poly, geometric pattern of various shades of red and orange.

PRIME

MEDIA GROUP

Investor Briefing
Half-Year Ended 31 December 2015

Highlights: 2016 Half-Year Result

- **CORE NET PROFIT AFTER TAX:** \$14.3 million, within market guidance
- **REVENUE FROM CONTINUING OPERATIONS** of \$124.5 million down 7.9% on prior year
 - Audience growth: 0.3PP to 41.5 share*
 - Total revenue share: back 0.66PP to 41.5 share^
 - Advertising revenue back 7.7% compared to market decline of 6.2%^
- **COST CONTROL:** operating costs down \$1.2 million or 4.7% on prior year
- **EBITDA** of \$29.2 million down 19.1% on prior year
- **STATUTORY NET PROFIT AFTER TAX:** \$16.2 million down 17.1% on prior year
- **NET DEBT:** \$74.9M, Gearing ratio of 1.5x
- **INTERIM DIVIDEND:** 2.0 cents per share fully franked
 - * Source: Regional TAM All People 0600-2359 financial year survey
 - ^ Source: KPMG three aggregated markets of Northern New South Wales, Southern New South Wales and Victoria industry data.

Statutory Results

	1HFY16	1HFY15	Variance
	\$000	\$000	\$000
Revenue from continuing operations	124,543	135,266	(10,723)
EBITDA	29,171	36,036	(6,865)
Statutory Net Profit After Tax - Continuing operations	16,238	19,587	(3,349)
Basic earnings per share (cps)	4.4	5.3	
Interim dividend cents per share (fully franked)	2.0	3.8	

Core Earnings

	1HFY16 \$000	1HFY15 \$000	Variance \$000	Variance (%)
STATUTORY NPAT ATTRIBUTABLE TO MEMBERS	16,238	19,587	(3,349)	(17.1%)
SPECIFIC ITEMS				
Gain on sale of surplus assets	(1,504)	(1,157)	(347)	
Gain on sale of available –for-sale financial assets	(501)	-	501	
Redundancies	119	16	103	
Income tax benefit related to specific items	(36)	(5)	(31)	
Total non-core specific items after tax	(1,922)	(1,146)	(776)	67.7%
CORE NPAT	14,316	18,441	(4,125)	(22.4%)

TV Power Ratio

	1HFY16	1HFY15	Variance (PP)
Total revenue share*	41.5	42.1	(0.6)
Audience share^	41.5	41.2	0.3
Power ratio	1.0	1.0	

* Total advertising 3AGG market - KPMG monthly shares

^ Regional TAM: All people 6am to midnight for the period 1 July 2015 to 31 Dec 2015

Net Debt and Gearing

	31 Dec 15 \$000	30 June 15 \$000	Variance \$000
Net Interest Bearing Debt	74,889	78,899	4,010
Gearing Ratio*	1.5	1.4	
Interest Cover*	13.2	13.0	

*FY16 EBITDA and net interest expense are based on the 12 month period ended 31 December 2015

Outlook:

- Subdued trading conditions are expected to continue throughout the 2016 financial year
- We remain confident of maintaining our leading revenue share position in H2, based on our audience position in the first weeks of official survey
- 2016 Rio Olympics advertising packages are expected to be finalised in coming weeks
- Potential for revenue upside in remainder of 2016 financial year may depend on timing of the Federal Election
- Underlying operating costs continue to be a focus. One-off marketing costs will be incurred in the second half of FY16 in the lead up to the 2016 Rio Olympics