



# **Financial Results**

**Year Ended**

**30 June 2013**

# Agenda

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# Group Highlights

- Core net profit after tax<sup>1</sup> of \$35.4 million – up 6.6%
- Reported statutory net profit after tax of \$20.2 million down 27.0% on pcp<sup>2</sup>
- Core EPS of 9.7 cents – up 6.6% on pcp
- Statutory EPS 5.5 cents - down 27.0% on pcp
- Revenue from continuing operations<sup>3</sup>(excluding radio) of \$257.3 million – up 1.8% on pcp
- Total revenue \$277.0 million - up 1.8% on pcp
- EBITDA from continuing operations<sup>3</sup> \$62.7 million – down 0.9% on pcp
- EBITDA from all operations of \$66.0 million – down 2.1% on pcp
- EBIT of \$53.5 million – up 1.3% on pcp
- Loss from continuing operations of \$13.4 million includes radio non-cash impairment charge of \$15.0 million
- Final dividend 3.3 cents per share fully franked (pcp: 3.3 cents)
- Gearing Ratio of 2.1 times (30 June 2012: 1.9 times)

1 Including radio discontinuing operation and before non-core items

2 Statutory net profit after tax includes continuing and discontinuing operations

3 Continuing operations exclude Prime's radio business

# Full Year Overview

- **PRIME 3AGG audience ratings: a strong performance against competitor's Olympic coverage.**
  - Prime All People audience share of 39.5 – up 2.3 share points on pcp\*
- **Revenue share continues to increase**
  - Prime 3AGG revenue share of 40.2% - up 1.1 share points on pcp^
  - Market down 1%^
- **Program supply agreement**
- **Planned step up in Seven Network affiliation fee**

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\* Source – Regional TAM: All People 6am to midnight for period 31 July 2012 – 30 June 2013

^ Source – KPMG industry data

# Full Year Overview

## ➤ Radio

- 2013 characterised by weak consumer confidence, resulting in a short advertising market;
- Revenue down \$956K or 4.8% on pcp;
- EBITDA down \$961K or 4.6% on pcp;
- Value of radio broadcast licences written down by \$15M at 31 Dec 2012;
- Announced sale to Grant Broadcasters on 12 August 2013 for minimum \$24.5M;
- Radio Business held for sale at 30 June and reported as a discontinuing operation; and
- Sale expected to complete 30 August 2013.

# Group Results

# Group Results - Core earnings

	June 13 '000s	June 12 '000s	Var '000s	Var (%)
Core NPAT	35,423	33,220	2,203	6.6%
Non Core Items	15,212	5,538	9,674	174.7%
Statutory Net Profit After Tax from continuing operations	33,608	30,810	2,798	9.1%
Statutory Net Profit After Tax from discontinuing operations	(13,397)	(3,128)	(10,269)	328.3%
Specific Items				
Fair Value Change in Derivatives	2	(1,115)	1,117	(100.2%)
Fair Value Change in receivable - deferred contingent consideration	(270)	(234)	(36)	15.4%
Impairment of radio broadcasting licences	15,000	5,316	9,684	182.2%
Loss on sale of investments	-	345	(345)	(100.0%)
Provision for decommissioning costs	481	492	(11)	(2.2%)
Redundancies	-	571	(571)	(100.0%)
Income tax on non-core items	(1)	163	(164)	(100.6%)

# Group Results - Statutory Net Profit After Tax

	June 13 '000s	June 12 '000s	Var '000s	Var (%)
Revenue from continuing operations	257,261	252,734	4,527	1.8%
EBITDA	62,672	63,216	(544)	-0.9%
<b>Net Profit After Tax - continuing operations</b>	<b>33,608</b>	<b>30,810</b>	<b>2,798</b>	<b>9.1%</b>
Discontinuing operations (net of Tax)	(13,397)	(3,128)	(10,269)	9.1%
<b>Net Profit After Tax attributable to members</b>	<b>20,211</b>	<b>27,682</b>	<b>(7,471)</b>	<b>-27.0%</b>
EPS (continuing ops before non-core specific items)	5.5	7.6	-2.0	-27.0%
<b>Final Dividend per share (cents)</b>	<b>3.3</b>	<b>3.3</b>	0.0	<b>0.0%</b>



# TV Results

	June 13 '000s	June 12 '000s	Var '000s	Var (%)
Advertising Revenue	253,241	248,891	4,350	1.7%
Other Revenue	3,341	2,484	857	34.5%
<b>TOTAL REVENUE</b>	<b>256,582</b>	<b>251,375</b>	<b>5,207</b>	<b>2.1%</b>
TOTAL EXPENSES	(183,741)	(178,636)	(5,105)	-2.9%
<b>EBITDA</b>	<b>72,841</b>	<b>72,739</b>	<b>102</b>	<b>0.1%</b>
EBITDA %	28%	29%		
Depreciation, Amortisation & Impairment	(8,957)	(10,172)	1,215	11.9%
EBIT	63,884	62,567	1,317	2.1%
EBIT %	25%	25%		

\* The FY13 and FY12 TV results include Prime's online business

# TV Power Ratio – National Agency

		FY 13	FY 12	Var PP
Total Revenue Share	Note 1	44.3%	42.4%	1.9
Audience Share	Note 2	39.5%	37.2%	2.3
Power Ratio		1.1	1.1	
<p>Note 1: Total Agency advertising 3AGG market - KPMG monthly shares</p> <p>Note 2: Audience Share 3AGG market sourced from Regional TAM (All people, 06:00-23:59)</p>				

# Radio Results

	June 13	June 12	Var	Var
	'000s	'000s	'000s	(%)
Advertising Revenue	18,999	19,955	(956)	(4.8%)
Other Revenue	772	777	(5)	(0.6%)
<b>TOTAL REVENUE</b>	<b>19,771</b>	<b>20,732</b>	<b>(961)</b>	<b>(4.6%)</b>
TOTAL EXPENSES	(16,435)	(16,538)	103	0.6%
<b>EBITDA</b>	<b>3,304</b>	<b>4,171</b>	<b>(867)</b>	<b>(20.8%)</b>
EBITDA %	17%	20%		
Depreciation, Amortisation, Impairment	(15,957)	(6,326)	(9,631)	(152.2%)
EBIT	(12,653)	(2,155)	(10,498)	487.1%
EBIT %	(64%)	-10%		

# Corporate Results

	June 13 '000s	June 12 '000s	Var '000s	Var (%)
Other Revenue	347	666	(319)	-47.9%
<b>TOTAL REVENUE</b>	<b>347</b>	<b>666</b>	<b>(319)</b>	<b>-47.9%</b>
TOTAL EXPENSES	(10,516)	(10,189)	(326)	3.2%
<b>EBITDA</b>	<b>(10,169)</b>	<b>(9,523)</b>	<b>(645)</b>	<b>-6.8%</b>
Depreciation	(206)	(206)	-	0.0%
EBIT	(10,375)	(9,729)	(645)	-6.6%

# Debt and Gearing Level

	30-Jun-13 \$000	30-Jun-12 \$000	Var	Var (%)
Net Debt	131,949	117,182	14,767	12.6%
<u>Continuing</u>				
EBITDA	62,672	63,216	(544)	(0.9%)
Net Interest expense	7,633	9,793	(2,160)	(22.1%)
<b>Gearing Ratio</b>	<b>2.1</b>	<b>1.9</b>	<b>0.3</b>	<b>13.6%</b>
<b>Interest Cover Ratio</b>	<b>8.2</b>	<b>6.5</b>	<b>1.8</b>	<b>27.2%</b>

\*FY13 and FY12 EBITDA excludes Radio discontinued operations and consideration for sale

# Outlook

## ➤ TV Revenue & Audience

- Solid bookings in first quarter of 2014
- Growth has come from political and government advertising
- Visibility low for October
- Advertiser caution over election outcome