

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.

PRIME

MEDIA GROUP

Investor briefing
Full year result
Year ended 30 June 2016

2016 FINANCIAL YEAR

- CORE NET PROFIT: \$27.3 million, 11% above market guidance includes 25% television broadcast licence fee relief
- TOTAL REVENUE: \$238.8 million down 7.7% on prior year
 - Audience share: up 0.1PP to 41.8 share*
 - Total revenue share: maintains market leading share 41.7 share^
 - Advertising revenue back 7.0% compared to market decline of 6.0%^
- COST CONTROL: operating costs down \$1.2 million or 2.3% on prior year
- EBITDA: \$55.4 million down 17.1% on prior year
- STATUTORY LOSS: \$93.6 million (2015: profit of \$35.6 million)
 - Non-cash impairment of broadcast licences and goodwill: \$122.9 million
 - No impact on bank covenants
- NET DEBT: \$65.6 million, Gearing ratio of 1.4x
- FINAL DIVIDEND: 1.7 cents per share fully franked

* Source: Regional TAM All People 0600-2359 financial year survey. three aggregated markets of Northern New South Wales, Southern New South Wales and Victoria industry data

^ Source: KPMG three aggregated markets of Northern New South Wales, Southern New South Wales and Victoria industry data.

STATUTORY RESULTS

	FY16	FY15	Variance
	\$000	\$000	\$000
Total Revenue	238,818	258,813	(19,995)
EBITDA	55,410	66,865	(11,455)
Impairment charge	(122,931)	-	
(Loss)/profit for the year	(93,578)	35,621	(129,349)
Basic earnings per share (cps)	(25.5)	9.7	
Final dividend cents per share (fully franked)	1.7	2.0	

CORE EARNINGS

	FY16	FY15	Variance	Variance
	\$000	\$000	\$000	(%)
(LOSS)/PROFIT AFTER TAX	(93,578)	35,621	(129,199)	(362.7%)
SPECIFIC ITEMS				
Impairment of television broadcast licences and goodwill (non-cash)	122,931	-		
Gain on sale of surplus assets	(2,084)	(1,157)		
Digital Restack Program revenue (non-cash)	-	(1,501)		
Redundancies	118	78		
Income tax benefit related to specific items	(36)	427		
CORE NPAT	27,351	33,468	(6,117)	(18.3%)

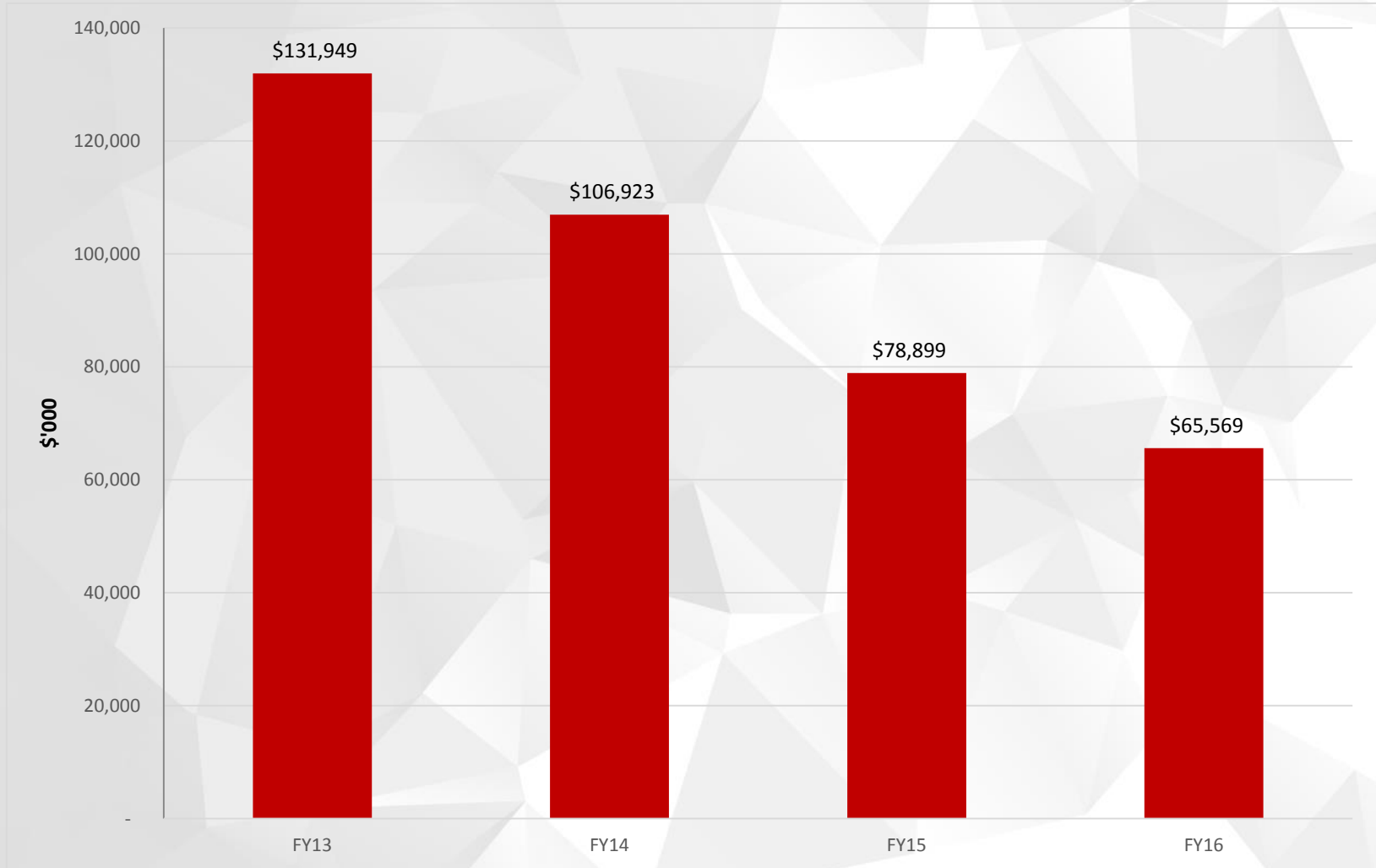
POWER RATIO

	FY16	FY15	Variance (PP)
Total revenue share*	41.7	42.2	(0.5)
Audience share^	41.8	41.7	0.1
Power ratio	0.998	1.01	

* Total advertising 3AGG market - KPMG monthly shares

^ Regional TAM: All people 6am to midnight for the period 1 July 2015 to 30 June 2016, 3AGG market

NET DEBT AND GEARING



FY17 OUTLOOK

- First quarter advertising revenue to show strong improvement on the prior corresponding period:
 - Rio Olympic Games (including Paralympics)
 - July benefited from disrupted competitors changing affiliation agreements
 - September trading encouraging - AFL Finals
- Olympics revenue uplift but one-off marketing costs for Rio Olympics
- Decline in regional audiences expected to continue
- First half results too difficult to forecast
- Trading update to be provided in lead up to AGM