



TRADING UPDATE

Sydney, October 2018

Prime Media Group Limited (ASX:PRT) provides the following trading update to the market.

Total advertising revenue for the quarter to 30 September 2018 has declined 9.1% on the prior period. National agency revenue in the first quarter was back 8.3% while local direct revenue declined 12.3%.

Despite the difficult trading conditions in the first quarter of this financial year, trading for October through to December is forecast to improve as advertisers focus on the summer cricket broadcast. Prime has made significant progress signing major sponsorship agreements with national advertisers to broadcast test and Big Bash cricket in regional Australia. The Victorian market is also expected to benefit from the state election to be held in November 2018.

Prime's earnings before interest tax and depreciation for the half-year to 31 December is expected to be between \$15.5 million to \$17.5 million.

As previously reported, Prime has extended its program supply agreement with the Seven Network until 2023. Under the terms of the extension, Prime made an additional affiliation payment of \$15 million during the period. As a consequence, Prime's net interest bearing debt at 31 December 2018 is forecast to be between \$28 million and \$30 million.

PRIME Chief Executive Officer, Ian Audsley said:

"Survey year to date Prime has increased its audience share by almost one share point, reporting a 41 audience share*and winning 29 of the 35 week surveys – making it the most watched television network in New South Wales and Victoria.

This summer's broadcast of the test cricket and Big Bash League represents a tremendous opportunity, particularly given the soft trading environment in regional television advertising markets. National advertising sponsorships have been encouraging, while we believe local advertiser sentiment will improve as the cricket season draws closer. As a result, Prime expects its core net profit after tax for the half-year to 31 December 2018 to be between \$6 million and \$8 million.

According to recent reports, regional Australian cities are leading the nation in real estate sales growth and are increasingly attracting investment off the back of population growth. We are cautiously optimistic that this economic growth is sustainable in the medium to long term and will provide new opportunity for advertising markets."

*Survey year to date Total People, 0600-2400, 3 aggregated markets of Northern and Southern New South Wales and Victoria.

For further information, please contact:

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