

**ABN 20 009 221 630**

## **APPENDIX 4E**

### **Preliminary Final Report for Year Ended 30 June 2018**

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## Appendix 4E

### Results for announcement to the market

#### 1. Company Details

Name of Entity:	Pacific Star Network Limited
ABN	20 009 221 630
Full Year Ended (current period)	30 June 2018
Full Year Ended (previous period)	30 June 2017

#### 2. Results for announcement to the market

	<i>Change %</i>		<b>30 June 2018 \$'000's</b>	30 June 2017 \$'000's
<b>2.1</b> Revenues from continuing activities	+ 48.7%	to	<b>32,835</b>	22,082
<b>2.2</b> EBITDA (underlying) <sup>1</sup>	+ 18.1%	to	<b>3,679</b>	3,116
<b>2.3</b> Net loss from ordinary activities before tax attributable to members	- 61.5%	to	<b>(2,595)</b>	(6,732)
<b>2.4</b> Net loss from ordinary activities after tax attributable to members	- 59.3%	to	<b>(2,986)</b>	(7,341)
<b>2.5</b> Impairment / restructuring costs	- 50.3%	to	<b>(4,227)</b>	(8,501)
<b>2.6</b> Earnings per Share – basic cents (NPAT)	- 71.7%	to	<b>(2.8)</b>	(10.1)
<b>2.7</b> Earnings per Share – basic cents (underlying NPAT) <sup>1</sup>	- 31.6%	to	<b>1.1</b>	1.6
<b>2.8</b> Earnings per Share – basic (cents) (underlying EBITDA) <sup>1</sup>	- 18.0%	to	<b>3.5</b>	4.3

<sup>1</sup> Underlying results exclude transaction fees and implementation costs of \$1.898 million and restructuring costs and provisions of \$1.491 million associated with the acquisition of Crocmedia in March 2018 and impairment of intangibles within the Publishing CGU of \$0.838 million.

#### Note:

The information contained in this Appendix 4E and the attached Full Year Financial Report does not include all notes of the type normally included in the annual financial statements.

Accordingly, these reports are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by the Company during the reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**Results for announcement to the market cont'd**

**2.9 Brief explanation / notes**

Reported revenues for the full year were up 48% to \$32.835 million (FY17: \$22.082 million).

Underlying EBITDA<sup>1</sup> was \$3.679 million (FY17: \$3.116 million) and underlying net profit before tax was \$1.632 million (FY17: \$1.769 million) before recognition of transaction fees, implementation costs and provisions relating to the acquisition of the Crocmedia business and impairment of intangibles in the Publishing CGU.

On March 29, 2018 the Company completed the acquisition of Crocmedia. The resulting increase in revenue of \$9.448 million and underlying EBITDA of \$0.563 million are attributable to the three months of trading activity for the Crocmedia business.

**Financial Performance**

	<b>30 June 2018 \$'000's</b>	30 June 2017 \$'000's
Broadcast revenue	<b>24,741</b>	15,293
Publishing revenue	<b>5,090</b>	6,626
Complementary Services revenue	<b>2,997</b>	-
Other revenue	<b>7</b>	163
Revenue from continuing operations	<b>32,835</b>	22,082
Underlying EBITDA <sup>1</sup>	<b>3,679</b>	3,116
Depreciation / amortisation	<b>(1,706)</b>	(1,044)
Earnings before interest, tax and impairment / restructuring costs <sup>1</sup>	<b>1,973</b>	2,072
Interest received	<b>18</b>	11
Interest paid	<b>(359)</b>	(314)
Impairment / restructuring costs	<b>(4,227)</b>	(8,501)
Net loss before tax	<b>(2,595)</b>	(6,732)
Income tax	<b>(391)</b>	(609)
Net loss after tax	<b>(2,986)</b>	(7,341)
Dividend paid per share	<b>Nil cents fully franked</b>	0.06 cents fully franked

<sup>1</sup> Underlying results exclude transaction fees and implementation costs of \$1.898 million and restructuring costs and provisions of \$1.491 million associated with the acquisition of Crocmedia in March 2018 and impairment of intangibles within the Publishing CGU of \$0.838 million.

**Results for announcement to the market cont'd**

**2.10 Significant Items**

At reporting date, the Company has recognized once-off legal, due diligence, corporate advisory and independent report costs of \$3.389 million relating to the acquisition of the Crocmedia business and \$0.838 million impairment of intangibles in the Publishing CGU.

These costs are added back to determine underlying EBITDA for the full year.

	<b>\$'000's</b>
Transaction and implementation costs	1,898
Onerous lease and relocation provision	970
Restructuring costs	521
	<b>3,389</b>
Impairment of Publishing intangibles	838
<b>Total</b>	<b>4,227</b>

**2.11 Dividends**

After careful consideration, the directors have taken the decision to not pay a final dividend to enable the ongoing investment across the Company.

**3. Net Tangible Asset (NTA) Backing**

	<b>30 June 2018</b>	<b>30 June 2017</b>
Net tangible asset backing per ordinary security	<b>5.0 cents</b>	(2.2) cents
Net asset backing per ordinary security	<b>20.0 cents</b>	13.6 cents

**4. Details of associates and joint venture entities**

<b>Name of associate / joint venture</b>	<b>Reporting entity's percentage holding</b>		<b>Contribution to net profit in \$'000's</b>	
	<b>30 June 2018</b>	<b>30 June 2017</b>	<b>30 June 2018</b>	<b>30 June 2017</b>
Digital Radio Broadcasting Melbourne Pty Ltd	<b>18%</b>	18%	-	39

*Results for announcement to the market cont'd*

**5. Funding**

	<b>30 June 2018 \$'000's</b>	30 June 2017 \$'000's
Cash	<b>7,981</b>	1,663
Borrowings	<b>(8,521)</b>	(5,750)
Net Debt	<b>(540)</b>	(4,087)
Gearing % = Net Debt / (Net Debt + Shareholder Funds)	<b>1%</b>	30%

At reporting date the Company was fully compliant with banking covenants.

The level of gearing has decreased over the comparative period, due to the increase in Shareholder funds raised from the placement of \$10.0 million for 40,000,000 new shares to strengthen the balance sheet as part of the acquisition of the Crocmedia.

The current bank facility matures on 31 August 2018. Subsequent to year end, the Company has negotiated a new \$15.1 million facility with Commonwealth Bank of Australia.

**6. Control gained over entities during the period**

Name of entities (or group of entities)	Crocmedia Pty Ltd	
Date control gained	29 March 2018	
		<b>\$'000's</b>
Profit from ordinary activities before income tax during the period		1,138
Profit from ordinary activities before income tax for the whole of the previous period (based on unaudited management accounts for twelve months to 30 June 2017)		1,955

## Director's Report

The names and particulars of the directors of the company at any time during or since the end of the financial year are:

<i>Name</i>	<i>Particulars</i>
Ronald Hall	Appointed Non-Executive Director on 13 February 2002 Resigned 15 November 2017 Reappointed as an alternative Non-Executive Director on 24 November 2017
Gary Pert	Appointed Non-Executive Director on 1 July 2008 Resigned 15 November 2017
Colm O'Brien	Appointed Non-Executive Director on 10 September 2015
John Bertrand AO	Appointed Non-Executive Director on 24 November 2016 Resigned 15 November 2017
Peter Quattro	Appointed Non-Executive Director on 7 December 2016 Resigned 15 November 2017
Michael Nettlefold	Appointed Non-Executive Director on 25 August 2017 Resigned 15 November 2017
Andrew Moffat	Appointed Non-Executive Director on 15 November 2017
Craig Coleman	Appointed Non-Executive Director on 15 November 2017
Craig Hutchison	Appointed Chief Executive Officer & Managing Director on 15 March 2018
Chris Giannopoulos	Appointed Executive Director on 15 March 2018

## Principal activities

Pacific Star Network Limited is a media company with interests in specialised niche audiences in both broadcasting (SEN, SEN+, Aussie, Koool and Rythmos) and in publishing (frankie, Smith Journal, Spaces, and Inside Football magazine) and associated digital assets.

## Acquisition

Crocmedia is a sports content and entertainment business, which through its other complementary business units, has capabilities to deliver brand stories to national, metropolitan and regional audiences with unique and exclusive content via multiple platforms including radio, television, online, in-stadium and events.

## Director's Report (continued)

### Operating Result

- The company reports a net loss after tax of \$2.986 million compared to the corresponding period (2017: \$7.341 million loss).
- The underlying net profit before tax (excluding the impact of significant items \$4.227 million) was \$1.632 million (2017: \$1.769 million).
- EBITDA result was a loss of \$0.548 million due to the inclusion of impairment, transaction, implementation and restructuring costs (2017: \$5.385 million).
- Underlying EBITDA (excluding significant items of \$4.227 million) was \$3.679 million, up 18% on the comparative period (2017: \$3.116 million).
- Revenue at \$32.835 million for the year was up 49% on the comparative period (2017: \$22.082 million) which includes three months of trading results for the Crocmedia business.
- Operating costs at \$35.448 million include \$4.227 million of impairment, transaction, implementation and restructuring costs. Excluding the impact of these costs, operating costs were \$31.221 million (2017: \$20.324 million) due to the inclusion of three months trading for the Crocmedia business.
- Operating cash flows were \$0.790 million excluding transaction, implementation and restructuring costs (2017: \$1.451 million).
- Taxable loss for the reporting period is estimated at \$2.595 million. Income tax benefit for the period is estimated at \$391,000 representing an effective tax rate of 30%.

### Review of Operations

On 29 March 2018 the Company successfully completed its acquisition of Crocmedia.

For the period under the Company's ownership, revenue was up \$3.234 million to \$10.343 million (2017: \$7.109 million) and underlying earnings for the period were up \$0.420 million to \$1.612 million (2017: \$1.192 million) (excluding any transaction and once-off costs).

Just prior to completion, Crocmedia secured a National Rugby League broadcast partnership for 2018-2022 under a sub-licence agreement with Macquarie Media Limited and the Australian Rugby League Commission.

In addition, SEN1116 secured rights to broadcast the US Masters golf tournament, Superbowl LII, the international cricket test between Australia and South Africa all led by renowned Chief Sports Caller Gerard Whateley.

The acquisition of Crocmedia and these new broadcast rights are key to the Company's desire to be the leading whole of sport, entertainment and lifestyle content business in Australia.

### Dividends

After careful consideration of our financial position and the need to continue investing back in to the business, directors have taken the decision to not declare a final dividend. The Board will continue to review its dividend policy at each reporting date.

## Director's Report (continued)

### Rounding of Amounts

Pacific Star Network Limited is of a kind referred to in ASIC Legislative Instrument 2016/191 and in accordance with the Legislative Instrument, amounts in the Directors' Report and Financial Report have been rounded to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors'.



Craig Coleman  
**Chairman**

Melbourne, 31 August 2018



## Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 30 June 2018

	Notes	30 June 2018 \$'000's	30 June 2017 \$'000's
<b>REVENUE</b>	<b>2</b>	<b>32,853</b>	22,093
Sales and marketing expenses		(8,281)	(4,331)
Occupancy expenses		(1,215)	(870)
Administration expenses		(4,934)	(3,512)
Technical expenses		(11,789)	(6,952)
Production / creative expenses		(3,318)	(3,594)
Impairment costs		(838)	(8,501)
Restructuring costs		(3,389)	-
Corporate expenses		(1,325)	(790)
Finance costs		(359)	(314)
Investments accounted for using the equity method		-	39
<b>EXPENSES</b>		<b>(35,448)</b>	(28,825)
<b>LOSS BEFORE INCOME TAX</b>		<b>(2,595)</b>	(6,732)
Income tax expense	<b>3</b>	(391)	(609)
<b>LOSS FOR THE YEAR AFTER INCOME TAX</b>		<b>(2,986)</b>	(7,341)
Other comprehensive income net of tax		-	-
<b>COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(2,986)</b>	(7,341)
<b>LOSS PER SHARE</b>			
Basic (cents per share)	<b>4</b>	<b>(2.9)</b>	(10.1)
Diluted (cents per share)	<b>4</b>	<b>(2.8)</b>	(10.1)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

## Consolidated Statement of Financial Position as at 30 June 2018

	Notes	30 June 2018 \$'000's	30 June 2017 \$'000's
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		7,981	1,663
Trade and other receivables		13,475	4,326
Prepayments		2,273	207
<b>TOTAL CURRENT ASSETS</b>		<b>23,729</b>	<b>6,196</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		4,217	1,197
Deferred tax asset		832	648
Receivables from associate		-	92
Investments accounted for using the equity method		248	201
Intangibles	5	29,719	11,192
<b>TOTAL NON-CURRENT ASSETS</b>		<b>35,016</b>	<b>13,330</b>
<b>TOTAL ASSETS</b>		<b>58,745</b>	<b>19,526</b>
<b>CURRENT LIABILITIES</b>			
Borrowings		8,521	5,750
Trade and other payables		8,254	2,493
Income tax		(224)	363
Provisions		1,912	607
<b>TOTAL CURRENT LIABILITIES</b>		<b>18,463</b>	<b>9,213</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liability		390	649
Provisions		203	7
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>593</b>	<b>656</b>
<b>TOTAL LIABILITIES</b>		<b>19,056</b>	<b>9,869</b>
<b>NET ASSETS</b>		<b>39,689</b>	<b>9,657</b>
<b>EQUITY</b>			
Issued capital		54,642	21,680
Share based payment reserve		748	692
Accumulated losses		(15,701)	(12,715)
<b>TOTAL EQUITY</b>		<b>39,689</b>	<b>9,657</b>

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity for Financial Year Ended 30 June 2018

	Notes	Issued Capital \$'000's	Share Based Payment Reserve \$'000's	Accumulated Losses \$'000's	Total \$'000's
<b>TOTAL EQUITY AT 1 JULY 2017</b>		<b>21,680</b>	<b>692</b>	<b>(12,715)</b>	<b>9,657</b>
Loss after income tax		-	-	<b>(2,986)</b>	<b>(2,986)</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive loss</b>		-	-	<b>(2,986)</b>	<b>(2,986)</b>
<b>Transactions with owners in their capacity as owners</b>					
Dividends paid		-	-	-	-
Issue of share capital <sup>1</sup>	<b>6</b>	<b>32,962</b>	-	-	<b>32,962</b>
Amortisation of share options granted		-	<b>56</b>	-	<b>56</b>
<b>TOTAL EQUITY AT 30 JUNE 2018</b>		<b>54,642</b>	<b>748</b>	<b>(15,701)</b>	<b>39,689</b>
<b>TOTAL EQUITY AT 1 JULY 2016</b>					
		21,508	666	(4,202)	17,972
Loss after income tax		-	-	(7,341)	(7,341)
Other comprehensive income		-	-	-	-
<b>Total comprehensive income</b>		-	-	<b>(7,341)</b>	<b>(7,341)</b>
<b>Transactions with owners in their capacity as owners</b>					
Dividends paid		-	-	(1,172)	(1,172)
Issue of share capital <sup>2</sup>	<b>6</b>	172	-	-	172
Amortisation of share options granted		-	26	-	26
<b>TOTAL EQUITY AT 30 JUNE 2017</b>		<b>21,680</b>	<b>692</b>	<b>(12,715)</b>	<b>9,657</b>

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

<sup>1</sup> Issued 91,598,199 ordinary shares as scrip consideration for the acquisition of 100% of the shares in Crocmedia, 40,000,000 ordinary shares issued under the Placement for \$10.0 million relating to the acquisition of Crocmedia

<sup>2</sup> Issued 198,880 ordinary shares for nil consideration under the Company's Exempt Employee Share Plan (EESP) in the financial year.

## Consolidated Statement of Cash Flows for the Financial Year Ended 30 June 2018

	Inflows / (Outflows)	
	30 June 2018 \$'000's	30 June 2017 \$'000's
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers (inclusive of GST)	33,434	25,792
Payments to suppliers and employees (inclusive of GST)	(33,952)	(23,780)
Interest received	18	11
Interest and other costs of finance paid	(377)	(236)
Income taxes paid	(1,722)	(598)
<b>Net cash (used)/provided by operating activities</b>	<b>(2,599)</b>	<b>1,189</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	(1,083)	(406)
<b>Net cash used in investing activities</b>	<b>(1,083)</b>	<b>(406)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	10,000	-
Dividends paid	-	(1,028)
<b>Net cash provided/(used) in financing activities</b>	<b>10,000</b>	<b>(1,028)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>6,318</b>	<b>(245)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>1,663</b>	<b>1,908</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>7,981</b>	<b>1,663</b>

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

## 1. Summary of significant accounting policies

This preliminary financial report has been authorised for issue by the directors and is presented in the Australian currency.

### Statement of Compliance

The preliminary report has been prepared in accordance with ASX Listing Rule 4.3A, the disclosure requirements of ASX Appendix 4E, and in accordance with the recognition and measurement requirements but not the disclosure requirements of Accounting Standards and Australian Accounting Interpretations and the Corporations Act 2001. Accounting Standards includes Australian equivalents to International Financial Reporting Standards (A-IFRS).

The preliminary final report does not include notes of the type normally included in an annual report.

### Basis of Preparation

The preliminary report is to be read in conjunction with the 2017 Annual Financial Report, the December 2017 half year report and any public announcements made by Pacific Star Network Limited and its controlled entities during the year in accordance with the continuous disclosure obligation arising under ASX Listing Rules.

The preliminary final report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the preliminary final report are consistent with those adopted and disclosed in the Company's Annual Financial Report for the year ended 30 June 2017.

### Critical accounting judgements and key sources of estimation uncertainty

In the application of accounting policies, management is required to make judgements, estimates, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates and assumptions have been utilised for the impairment testing of intangible assets with indefinite lives.

By their nature, these estimates incorporate inherent risks as they are based on future events which could have a material impact on the value of assets and liabilities in this financial year.

### Rounding of Amounts

In accordance with Legislative Instrument 2016/191, amounts shown in the financial report have been rounded off to the nearest thousand dollars.

	30 June 2018 \$'000's	30 June 2017 \$'000's
<b>2. Revenue from continuing operations</b>		
Broadcast revenue	24,741	15,293
Publishing revenue	5,090	6,626
Complementary Services revenue	2,997	-
Interest revenue	18	11
Other revenue	7	163
Revenue from continuing operations	<b>32,853</b>	22,093
<b>3. Income Tax</b>		
a) Income tax expense for the financial year differs from the amount calculated in the net result from continuing operations. The difference is reconciled as follows:		
Loss before income tax expense	(2,986)	(6,732)
Income tax benefit calculated at 30%	(895)	(2,020)
Non allowable expenses / assessable income	1,163	2,689
Deductible expenses / non assessable income	-	(90)
	<b>268</b>	579
Income tax – under / (over) provision in prior years	123	30
Current tax expense	<b>391</b>	609
b)		
Income tax expense		
Current tax	834	564
Movement in deferred tax asset	(184)	162
Movement in deferred tax liability	(259)	(117)
Income tax expense	<b>391</b>	609
<b>4. Earnings Per Share</b>		
	\$'000's	\$'000's
Loss for the year after income tax	(2,986)	(7,341)
(a) Basic Loss per Share	000's	000's
Weighted average number of ordinary shares	104,891	72,363
Basic loss per share (cents per share)	(2.9)	(10.1)
(a) Diluted Loss per Share		
Weighted average number of ordinary shares and potential ordinary shares	107,591	71,973
Diluted loss per share (cents per share)	(2.8)	(10.1)

## 5. Intangible Assets

### *Broadcasting CGU*

	30 June 2018 \$'000's	30 June 2017 \$'000's
Radio licences – indefinite useful life	8,169	8,169
Patents and trademarks	122	122
Sub-total	<b>8,291</b>	8,291
Website – SportsSENtral	245	381
Website – amortisation	(82)	(190)
Sub-total	<b>163</b>	191
Broadcasting – total	<b>8,454</b>	8,482

### *Crocmedia CGU*

Goodwill – indefinite useful life	11,190	-
Broadcast rights – finite useful life	9,280	-
Broadcast rights – amortisation	(485)	-
Sub-total	<b>8,795</b>	-
Crocmedia – total	<b>19,985</b>	-

### *Publishing CGU*

Mastheads – indefinite useful life	1,280	2,077
Impairment of Inside Football masthead	-	(797)
Sub-total	<b>1,280</b>	1,280
Goodwill – indefinite useful life	-	7,442
Impairment of goodwill on Morrison Media acquisition	-	(7,442)
Sub-total	-	-
Customer relationships – finite useful life	2,959	2,959
Customer relationships – amortisation / write off	(2,959)	(1,529)
Sub-total	-	1,430
Publishing – total	<b>1,280</b>	2,710
Intangibles – total	<b>29,719</b>	11,192

## 5. Intangible Assets (continued)

Intangibles have been allocated to three CGU's for impairment testing as follows:

- Broadcasting CGU – \$8.454 million  
Radio licences included in broadcasting intangibles are considered to have an indefinite useful life and are not amortised but are reviewed for impairment at each reporting date.
- Crocmedia CGU – \$19.985 million  
Sports broadcasting rights in Crocmedia intangibles each have a finite useful life and are amortised as follows:
 

AFL and NRL	4.75 years
A-League	5.25 years
- Publishing CGU – \$1.280 million  
Publishing intangibles including mastheads, brands, and goodwill designated to have an indefinite useful life are not amortised but are reviewed for impairment at each reporting date.

Intangibles are tested annually for impairment at CGU level and the recoverable amount of each CGU has been determined based on the higher of value in use or fair value less costs of disposal.

Directors have determined that the Publishing CGU customer relationships intangibles are impaired by \$0.838 million at reporting date.

## 6. Equity Securities Issued

	30 June 2018		30 June 2017	
	000's	\$'000's	000's	\$'000's
<i>Issues of Ordinary Shares during the year</i>				
Issue of shares – EESP/EEIP	276	62	181	42
Issue of shares – Dividend Reinvestment Plan (DRP)	-	-	522	130
Issue of shares – Placement	40,000	10,000	-	-
Issue of shares – Scrip Consideration	91,598	22,900	-	-
	<b>131,874</b>	<b>32,962</b>	703	172



## 7. Segment Information

	30 June 2018				30 June 2017			Total	
	(\$000's)				(\$000's)			(\$000's)	
	Broadcasting	Publishing	Complementary	Head Office	Broadcasting	Publishing	Head Office	2018	2017
Segment Revenue	24,741	5,090	2,997	7	15,465	6,628	-	32,835	22,093
Underlying EBITDA	3,086	678	403	(489)	2,500	1,462	(846)	3,679	3,116
Depreciation & Amortisation	(906)	(670)	-	(130)	(437)	(607)	-	(1,706)	(1,044)
Earnings before interest, tax & significant items	2,180	8	403	(619)	2,063	855	(846)	1,973	2,072
Net finance cost	-	-	-	(341)	(1)	3	(305)	(341)	(303)
Impairment/Restructuring	(3,314)	(883)	-	(30)	(146)	(8,355)	-	(4,227)	(8,501)
Segment (loss)/profit before tax	(1,134)	(875)	403	(989)	1,916	(7,497)	(1,151)	(2,595)	(6,732)

## 8. Dividends Paid and Proposed

	30 June 2018 (\$'000's)	30 June 2017 (\$'000's)
<b>Dividends paid / payable were as follows</b>		
Interim dividend paid for half year ended 31 December	-	736
Final dividend paid for the financial year ended 30 June	-	436
	-	1,172
<b>Dividends paid in cash during the year was as follows:</b>		
Paid in cash	-	1,028
Paid via issue of shares in Dividend Reinvestment Plan (DRP)	-	144
	-	1,172
Interim dividend paid for half year – cents per share	n/a	0.60
Final dividend declared – cents per share	n/a	n/a
Total dividend paid for the full year	-	0.60

## 9. Business Combinations

On 29 March 2018, the Company acquired 100% of the issued shares in Crocmedia for scrip consideration of \$22,899,550. Crocmedia is a sports content and entertainment business, which through its other complementary business units, has capabilities to deliver brand stories to national, metropolitan and regional audiences with unique and exclusive content via multiple platforms including radio, television, online, in-stadium and events.

	<b>Fair Value \$000's</b>
Cash and cash equivalents	1,306
Trade and other receivables	5,741
Prepayments	1,903
Property, plant and equipment	2,476
Borrowings	(2,771)
Trade and other payables	(5,849)
Provisions	(242)
Deferred Revenue	(135)
Net Identifiable Assets Acquired	<u>2,429</u>

The Group will finalise its fair value assessment for the acquisition of Crocmedia in the financial statements of the Group for the half-year ending 31 December 2018.

The provisional goodwill arising on the acquisition was as follows:

	<b>\$000's</b>
Purchase consideration	22,900
Less: provisional value of net identifiable assets acquired	(2,429)
Fair value of intangible contracts acquired	<u>(9,280)</u>
Provisional goodwill arising on acquisition	<u>11,191</u>

Goodwill arising from the acquisition of Crocmedia remains provisional as at 30 June 2018 while the Company finalises its assessment of the fair value of assets and liabilities acquired.

## 10. Contingent Liabilities

As at the reporting date, there were no material claims or disputes of a contingent nature against the Company and its subsidiaries.

## 11. Changes in the composition of the consolidated entity

Other than the acquisition of the Crocmedia business which is noted elsewhere in this report, there were no changes in the composition of the consolidated entity.

## 12. Related party disclosures

Arrangements with related parties continue in operation and have not changed since the last reporting date.

## 13. Audit

This report is based on financial statements that are in the process of being audited.