

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

3 JULY 2019

FY19 GUIDANCE CONFIRMED AND ACQUISITION OF 23 RADIO LICENCES

Pacific Star Network Limited (**Company**) is pleased to provide an update on its FY19 guidance and acquisition activity.

1. FY19 Guidance Confirmed

The Company confirms existing FY19 underlying EBITDA¹ guidance of between \$8.75-9.25 million.

2. Transformational Acquisition – 23 Radio Licences

The Company's subsidiary Crocmedia Pty Ltd has signed an agreement to acquire 23 narrowband area radio licences (**Licences**) for cash consideration² of \$6.25 million. The Licences transform the Company's radio platform ownership, significantly expanding its radio audience reach and providing opportunity to leverage its extensive content portfolio. The Licences cover several regional radio markets as well as Brisbane, Adelaide, Sydney, Perth, Darwin, Alice Springs and Gold Coast.

The Company will progressively activate licences having regard to available content solutions, respective market considerations and any regulatory requirements. Markets where the Company does not currently provide syndicated content will be a key focus. Some licences have existing broadcasts which will continue without interruption. Further details of the activation strategy will be provided in due course.

The Company's orderly activation strategy and associated investment will be undertaken in a manner that supports continued earnings growth. The Licences are expected to deliver an incrementally positive but immaterial contribution to FY20 earnings. Increased earnings contributions are anticipated from the Licences in future financial years.

The Company's Managing Director, Craig Hutchison said the Licences represent a long-term investment in our radio-led content distribution strategy. "We are one of Australia's leading media content creators, connecting with audiences on a mass scale." Hutchison said. "The Licences will expand our radio audience reach and leverage our extensive content portfolio."

Transaction completion is subject to transfer of some licence transmitter site access agreements and Australian Communications and Media Authority licence transfer approval. Timing of access agreement transfers is uncertain but could be as early as August 2019.

Licences have been acquired from Gumnut Nominees Pty Ltd. Total cash consideration will be funded from operating cashflow in addition to utilising existing debt facilities and is payable as follows:

- \$250,000 previously paid in December 2018
- \$625,000 on execution of the agreement
- \$5,375,000 on transaction completion

The Company remains well funded and continues to actively assess opportunities in line with its strategic objectives.

For more information please contact:

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¹ Earnings before interest, tax, depreciation and amortisation excluding restructuring and transaction costs.

² Cash consideration is exclusive of GST