



ASX Announcement

PACIFIC STAR NETWORK HALF YEAR RESULTS

Pacific Star Network Limited (ASX: **PNW**) is pleased to announce half year results for the period ending 31 December 2014.

Key highlights of the results include:

- Announced new niche media strategy;
- Completed the acquisition of Morrison Media;
- Completed a new \$5 million equity raising;
- Underlying EBITDA up 82% to \$1.8 million;
- Underlying EBITDA per share up 37% to 2.6 cents; and
- Declared an interim fully franked dividend of 1.25 cents, up 79%.

New Corporate Strategy

The company announced a strategy to develop into an innovative media company focused on targeted content for niche communities. The Board believes there is a gap between small independent content businesses and large media groups and we aim to fill this gap by investing in innovative media brands and content-driven businesses.

The company acquired Morrison Media, an independent Lifestyle/Sport media group, and publisher of award winning titles *frankie*, *Smith Journal*, *Surfing Life*, *Slow Living* and *White Horses*. Established in 1984, Morrison Media is a publisher of consumer sports and lifestyle related titles, both in print and digital formats and has successfully launched, acquired and integrated a number of titles over the years.

To provide balance sheet flexibility and maintain conservative balance sheet settings, the Board determined to raise additional equity capital. The company entered into conditional placement agreements with a limited number of sophisticated and professional investors and senior managers of the company to raise \$4.0 million and launched a Share Purchase Plan to all eligible shareholders which raised a further \$1.0 million.

Financial Performance

Group revenue was up 24% to \$9.5 million due largely to the contribution of the acquired Morrison media business. Revenue was also positively impacted by growth of 3.5% in broadcast revenue.

Underlying EBITDA was up 82% to \$1.8 million. The result includes a solid performance by the broadcasting business and one month's trading activity for the Morrison Media business, however the result should not be taken as indicative or extrapolated out for the full year due to the seasonality of the Morrison Media business over the Christmas period.

Net profit before significant items was up more than 100% to \$1.2 million. After taking account of significant items of \$1.2 million relating to transaction costs associated with the purchase of Morrison Media, the company incurred a small loss of \$38 thousand.

Outlook

A key focus in coming months will be the consolidation of the Morrison Media business, to ensure that the company leverages an appropriate level of return from this investment whilst continuing to grow the company's broadcasting assets.

For further information please contact either:

Andrew Moffat
Chairman
0411 153 050

or

Barrie Quick
Chief Executive Officer
0419 915 409

About Pacific Star Network Limited (PNW)

Pacific Star Network (PNW) is an ASX listed media company with interests in broadcasting and publishing.

PNW owns two Melbourne AM commercial broadcasting licenses and broadcasts 24/7 on **1377 MyMP** and **1116 SEN**. **PNW** also operates 2 digital only radio stations, **AUSSIE**, all Australian all the time, and **KOOOL**, songs from the 70s and 80s. **1116 SEN** Sports Entertainment Network broadcasts sports radio throughout the Melbourne metropolitan area and caters for all sports on a 24/7 basis.

PNW recently acquired Morrison Media an independent Lifestyle / Sport media group and publisher of award winning titles frankie, Smith Journal, Surfing Life, Slow Living and White Horses.