

# PRIME MEDIA GROUP

## APPENDIX 4D

Financial report for the half-year ended 31 December 2015

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

All comparisons to the half-year ended 31 December 2014	31 Dec 2015 \$'000	Up/(Down)	Movement %
Revenue from continuing operations	124,543	(10,723)	(7.9%)
Earnings from continuing operations before finance costs, income tax, depreciation and amortisation (EBITDA)	29,171	(6,865)	(19.1%)
Net profit after income tax attributable to members	16,238	(3,349)	(17.1)

### DIVIDEND INFORMATION

	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking credit
Final dividend 2015 (paid during current reporting period)	3.0	3.0	30%
Interim dividend 2016 (not yet paid)	2.0	2.0	30%

#### Interim Dividend Dates

Ex-dividend date	3 March 2016
Record date	7 March 2016
Payment date	29 March 2016

There are no dividend or distribution reinvestment plans in operation.

### EARNINGS PER SECURITY (CENTS PER SHARE)

	Current period	Previous Corresponding period
Basic EPS	4.4	5.3
Basic EPS from continuing operations excluding specific items	3.9	5.0
Net tangible assets per security (cents)	(5.8)	(8.5)

This information should be read in conjunction with the 2015 Annual Report for Prime Media Group Limited and its controlled entities and any public announcements made in the period by Prime Media Group Limited in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and ASX Listing Rules.

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the consolidated financial statements for the half-year ended 31 December 2015.

This report is based on the consolidated financial statements for the half-year ended 31 December 2015 of Prime Media Group Limited and its controlled entities, which have been reviewed by Ernst & Young.

# Directors' Report

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Your directors submit their report for the half-year ended 31 December 2015.

This half-year report covers both Prime Media Group Limited ("the Company") as an individual entity and the consolidated entity comprising Prime Media Group Limited and its subsidiaries ("the Group"). The Group's functional and presentation currency is AUD (\$).

The directors in office during the half-year and until the date of this report (unless otherwise stated) were as follows:

John K Hartigan (Chairman)  
Alexander A Hamill  
Ian R Neal  
Peter J Macourt  
Cass O'Connor  
Michael H Hill  
Michael S Siddle (Retired 10 November 2015)  
Ian C Audsley (Chief Executive Officer)

## RESULTS FROM OPERATIONS

### STATUTORY RESULT FROM CONTINUING OPERATION

The Company's statutory consolidated net profit after tax from continuing operations attributable to the members of Prime Media Group Limited was \$16,238,000 (31 Dec 2014: \$19,587,000), which represents a decrease of \$3,349,000 or 17.1% on the previous corresponding period.

Statutory net profit after tax included the one-off gain on sale of surplus property in Wollongong New South Wales and a gain on sale of shares in Gearhouse Broadcast Pty Limited, totalling \$2,005,000. In the previous corresponding period, the Company reported a gain on sale of surplus property in Wagga Wagga New South Wales of \$1,157,000.

Revenue from continuing operations of \$124,543,000 was down \$10,723,000 or 7.9% on the previous corresponding period. The Company's primary source of revenue during the reporting period was derived from television advertising. During the reporting period, the Company's total revenue share in the combined aggregated market of Northern New South Wales, Southern New South Wales and Victoria reduced by 0.7 share points. The Company's television advertising revenue in the combined aggregated market fell by \$8,396,000 or 7.7% on the previous corresponding period. The market fell by 6.2% on the previous corresponding period.

The Company's gross profit margin from continuing operations fell by 2.4 percentage points to 44.3% due to an increase in affiliate fees and sales employee costs.

Total operating expenses of \$25,368,000 were down \$1,239,000 or 4.7% primarily due to a reduction in broadcast and transmission expenses of \$872,000 or 4.6% compared with the previous corresponding period. Share of associate losses increased by \$98,000 or 21.8% due to ongoing losses in the venture that broadcasts the TEN signal in Mildura.

Depreciation and amortisation expenses of \$5,104,000 decreased by \$384,000 or 7.0% compared with the previous corresponding period due to a reduction in capital expenditure.

Finance costs were \$724,000 or 27.4% favourable to the previous corresponding period, generally due to lower average interest bearing debt levels.

The effective tax rate of 27.0% is due to the recognition of the accounting income from the gain on sale of surplus assets in the current period. The tax effect of these events was recorded in the previous corresponding period.

### CORE NET PROFIT AFTER TAX

Core net profit after tax and before specific items of \$14,316,000 (31 Dec 2014: \$18,441,000) decreased \$4,125,000 or 22.4% on the previous corresponding reporting period. The Group's interim dividend has been declared based on the core net profit after tax, which is summarised at Note 5.

# Directors' Report

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## ROUNDING OF AMOUNTS

The amounts contained in this report and in the half-year financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the Class Order applies.

## AUDITORS INDEPENDENCE DECLARATION

The Directors have received and are satisfied with the 'Audit Independence Declaration' provided by the Company's external directors, Ernst & Young, which is included on page 3.



**P. J Macourt**  
**Director**

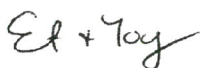
Sydney, 26 February 2016

## Auditor's Independence Declaration to the Directors of Prime Media Group Limited

As lead auditor for the audit of Prime Media Group Limited for the half-year ended 31 December 2015, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Prime Media Group Limited and the entities it controlled during the financial year.



Ernst & Young



Chris George  
Partner  
26 February 2016



# Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2015

	NOTES	CONSOLIDATED	
		31 DEC 2015	31 DEC 2014
		\$'000	\$'000
<b>CONTINUING OPERATIONS</b>			
<b>Revenue and other income</b>			
Revenue from services	3(a)	121,603	132,816
Interest income	3(a)	90	132
Other income	3(a)	2,850	2,318
<b>Total revenue and other income</b>		<b>124,543</b>	135,266
Cost of sales		(69,367)	(72,041)
<b>Gross profit</b>		<b>55,176</b>	63,225
Broadcasting and transmission expenses		(18,289)	(19,161)
Sales, marketing and administration expenses		(7,079)	(7,446)
Depreciation and amortisation expenses		(5,104)	(5,488)
<b>Operating Profit</b>		<b>24,704</b>	<b>31,130</b>
Finance costs	3(b)	(1,917)	(2,641)
Share of associate losses		(548)	(450)
<b>Profit from continuing operations before income tax</b>		<b>22,239</b>	28,039
Income tax expense		(6,001)	(8,452)
<b>Profit for the year from continuing operations</b>		<b>16,238</b>	<b>19,587</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive income for the year, net of tax</b>		-	-
<b>Total comprehensive income for the year, net of tax</b>		<b>16,238</b>	<b>19,587</b>
<b>Profit attributable to:</b>			
Owners of the Parent		16,238	19,587
		<b>16,238</b>	<b>19,587</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Parent		16,238	19,587
		<b>16,238</b>	<b>19,587</b>
<b>Basic Earnings per share (cents per share)</b>			
— profit for the half-year		4.4	5.3
— profit from continuing operations		4.4	5.3
<b>Diluted Earnings per share (cents per share)</b>			
— profit for the half-year		4.4	5.3
— profit from continuing operations		4.4	5.3

# Interim Consolidated Statement of Financial Position

As at 31 December 2015

	NOTES	CONSOLIDATED	
		31 DEC 2015	30 JUN 2015
		\$'000	\$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and short term deposits		6,887	9,837
Trade and other receivables		43,832	49,669
Intangible assets	7	1,667	1,667
Other assets		3,745	1,273
		<b>56,131</b>	<b>62,446</b>
Assets classified as held for sale		357	963
<b>Total Current Assets</b>		<b>56,488</b>	<b>63,409</b>
<b>Non-Current Assets</b>			
Investment in associates		1,098	1,259
Investment in available-for-sale financial assets		9	2,508
Property, plant and equipment		33,212	35,475
Deferred tax assets		1,596	993
Intangible assets and goodwill	7	198,413	199,722
Other assets		1,037	1,118
		<b>235,365</b>	<b>241,075</b>
<b>Total Non-Current Assets</b>		<b>235,365</b>	<b>241,075</b>
<b>Total Assets</b>		<b>291,853</b>	<b>304,484</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		28,344	35,963
Interest-bearing loans and borrowings		277	270
Current tax liabilities		2,151	5,127
Provisions		296	365
		<b>31,068</b>	<b>41,725</b>
<b>Total Current Liabilities</b>		<b>31,068</b>	<b>41,725</b>
<b>Non-Current Liabilities</b>			
Interest-bearing loans and borrowings		81,499	88,466
Provisions		439	417
		<b>81,938</b>	<b>88,883</b>
<b>Total Non-Current Liabilities</b>		<b>81,938</b>	<b>88,883</b>
<b>Total Liabilities</b>		<b>113,006</b>	<b>130,608</b>
<b>Net Assets</b>		<b>178,847</b>	<b>173,876</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the parent interest</b>			
Contributed equity		310,262	310,262
Reserves		3,873	4,150
Accumulated losses		(135,288)	(140,536)
		<b>178,847</b>	<b>173,876</b>
<b>Parent Interests</b>		<b>178,847</b>	<b>173,876</b>
<b>Total Equity</b>		<b>178,847</b>	<b>173,876</b>

# Interim Consolidated Statement of Changes in Equity

As at 31 December 2015

	Issued Capital \$'000	Accumulated Losses \$'000	Employee Benefits Reserve \$'000	Total Parent Entity Interest \$'000
<b>At 1 July 2015</b>	310,262	(140,536)	4,150	173,876
Profit for the period	-	16,238	-	16,238
Other comprehensive income	-	-	-	-
<b>Total comprehensive income and expense for the period</b>	-	16,238	-	16,238
<b>Transactions with equity holders in their capacity as equity holders:</b>				
Exercise of performance rights	-	-	(854)	(854)
Share based payments	-	-	577	577
Dividends on ordinary shares	-	(10,990)	-	(10,990)
<b>At 31 December 2015</b>	310,262	(135,288)	3,873	178,847

	Issued Capital \$'000	Accumulated Losses \$'000	Employee Benefits Reserve \$'000	Total Parent Entity Interest \$'000
<b>At 1 July 2014</b>	310,262	(151,979)	3,957	162,240
Profit for the period	-	19,587	-	19,587
Other comprehensive income	-	-	-	-
<b>Total comprehensive income and expense for the period</b>	-	19,587	-	19,587
<b>Transactions with equity holders in their capacity as equity holders:</b>				
Exercise of performance rights	-	-	(887)	(887)
Share based payments	-	-	530	530
Dividends on ordinary shares	-	(10,257)	-	(10,257)
<b>At 31 December 2014</b>	310,262	(142,649)	3,600	171,213

# Interim Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2015

	NOTES	CONSOLIDATED	
		31 DEC 2015	31 DEC 2014
		\$'000	\$'000
<b>OPERATING ACTIVITIES</b>			
Receipts from customers (inclusive of GST)		140,322	150,889
Payments to suppliers and employees (inclusive of GST)		(116,317)	(119,566)
Interest received		90	132
Borrowing costs paid		(1,593)	(2,402)
Income tax paid		(9,582)	(5,104)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>12,920</b>	<b>23,949</b>
<b>INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		2,160	1,875
Purchase of property, plant & equipment and intangible assets		(1,668)	(2,276)
Proceeds from sale of financial assets		3,000	-
Loan funds to related entities		(387)	(390)
<b>NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		<b>3,105</b>	<b>(791)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from borrowings		46,000	66,000
Repayments of borrowings		(53,000)	(84,000)
Finance lease liability payments		(131)	(121)
Share based payments – performance rights exercised		(854)	(887)
Dividends paid	6	(10,990)	(10,257)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>		<b>(18,975)</b>	<b>(29,265)</b>
<b>NET DECREASE CASH AND CASH EQUIVALENTS</b>		<b>(2,950)</b>	<b>(6,107)</b>
Cash and cash equivalents at beginning of period		9,837	12,722
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>6,887</b>	<b>6,615</b>



# Notes to the Financial Statements

For the Half-Year Ended 31 December 2015

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## 1. CORPORATE INFORMATION

The interim consolidated financial report of Prime Media Group Limited (the “Company” or the “Group”) for the half-year ended 31 December 2015 was authorised for issue in accordance with a resolution of the directors on 26 February 2016.

Prime Media Group Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in Note 4.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The half-year consolidated financial statements have been prepared in accordance with the requirements of the Corporations Act 2001, and AASB 134 Interim Financial Reporting.

The half-year consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements as at 30 June 2015 and any public announcements made by the Company during the half-year ended 31 December 2015.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$’000) unless otherwise stated.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report. Consistent with the most recent annual financial report, the carrying amount of the Group’s current and non-current borrowings approximates their fair value.



# Notes to the Financial Statements

For the Half-Year Ended 31 December 2015

## 3. INCOME AND EXPENSES

	CONSOLIDATED	
	31 DEC 2015	31 DEC 2014
	\$'000	\$'000
<b>(a) Income</b>		
Advertising and other external revenue	121,603	132,816
Finance income	90	132
Other revenue	2,850	2,318
	<b>124,543</b>	<b>135,266</b>
<i>Breakdown of finance income:</i>		
Interest received – other persons	90	132
	<b>90</b>	<b>132</b>
<i>Breakdown of other income:</i>		
Government grants	410	444
Other revenues	2,440	1,874
	<b>2,850</b>	<b>2,318</b>
<b>(b) Finance expenses</b>		
Interest expense – other persons	1,917	2,641
	<b>1,917</b>	<b>2,641</b>
<b>(c) Employee Benefit Expense</b>		
Wages and salaries	17,510	18,085
Superannuation expense	1,406	1,408
Share based payments expense	577	530
Other employee benefits expense	899	885
	<b>20,392</b>	<b>20,908</b>
<b>(d) Other Expenses</b>		
Bad and doubtful debts and credit notes – trade debtors	197	(7)
Minimum lease payments – operating leases	6,383	6,805

## 4. OPERATING SEGMENTS

### IDENTIFICATION OF REPORTABLE SEGMENTS

The Group operates as a single segment being television broadcasting. The Board and Executive monitor the operating performance of the segment based on internal reports and discrete financial information provided to the Board on at least a monthly basis.

Television broadcasting comprises free-to-air television broadcasting through PRIME7 and GWN7. The PRIME7 television broadcast signal services the regional locations of Northern and Southern New South Wales, Canberra, Victoria, and the Gold Coast area while regional Western Australia is serviced by the GWN7 television broadcast signal. The majority of revenue is sourced from television and online advertising in Australia.

# Notes to the Financial Statements

For the Half-Year Ended 31 December 2015

## 5. PROFIT FROM CONTINUING OPERATIONS EXCLUDING SPECIFIC ITEMS

	CONSOLIDATED	
	31 DEC 2015 \$'000	31 DEC 2014 \$'000
Statutory net profit after tax from continuing operations	16,238	19,587
	16,238	19,587
– Gain on sale of surplus assets	(1,504)	(1,157)
– Gain on sale of available-for-sale financial assets	(501)	-
– Redundancies	119	16
– Income tax benefit related to specific items	(36)	(5)
<b>Core net profit after tax from operations and before specific items attributable to members of Prime Media Group Limited</b>	<b>14,316</b>	<b>18,441</b>

The Group's interim dividend has been declared based on the core net profit after tax (excluding specific items).

## 6. DIVIDENDS PAID AND PROPOSED

### (A) RECOGNISED AMOUNTS

Declared and paid during the year

	CONSOLIDATED	
	2015 \$'000	2014 \$'000
<b>Previous year final</b>		
Franked dividends 3.0 cents per share (2014: 2.8 cents) – ordinary shares	10,990	10,257

### (B) UNRECOGNISED AMOUNTS

<b>Current year interim</b>		
Franked dividends 2.0 cents per share (2014: 3.8 cents) – ordinary shares	7,327	13,921

# Notes to the Financial Statements

For the Half-Year Ended 31 December 2015

## 7. INTANGIBLE ASSETS AND GOODWILL

Reconciliation of carrying amounts at the beginning and end of the period.

	Goodwill	Broadcast Licences	Program Rights	Infrastructure Access Licence	Business Software and Development Costs	Website Development Costs	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cost</b>							
<b>At 30 June 2014</b>	<b>18,355</b>	<b>182,963</b>	<b>14,000</b>	<b>3,885</b>	<b>16,438</b>	<b>550</b>	<b>236,191</b>
Additions	-	-	-	167	1,608	-	1,775
Disposals	-	-	-	-	(2,237)	-	(2,237)
<b>At 30 June 2015</b>	<b>18,355</b>	<b>182,963</b>	<b>14,000</b>	<b>4,052</b>	<b>15,809</b>	<b>550</b>	<b>235,729</b>
Additions	-	-	-	98	497	-	595
Disposals	-	-	-	-	(8)	-	(8)
<b>At 31 Dec 2015</b>	<b>18,355</b>	<b>182,963</b>	<b>14,000</b>	<b>4,150</b>	<b>16,298</b>	<b>550</b>	<b>236,316</b>
<b>Amortisation and impairment</b>							
<b>At 1 July 2014</b>	<b>(14,874)</b>	<b>-</b>	<b>(5,267)</b>	<b>(1,625)</b>	<b>(10,098)</b>	<b>(519)</b>	<b>(32,383)</b>
Amortisation charges	-	-	(2,066)	(687)	(1,408)	(31)	(4,192)
Disposals	-	-	-	-	2,235	-	2,235
<b>At 30 June 2015</b>	<b>(14,874)</b>	<b>-</b>	<b>(7,333)</b>	<b>(2,312)</b>	<b>(9,271)</b>	<b>(550)</b>	<b>(34,340)</b>
Amortisation charges	-	-	(833)	(343)	(727)	-	(1,903)
Disposals	-	-	-	-	7	-	7
<b>At 31 December 2015</b>	<b>(14,874)</b>	<b>-</b>	<b>(8,166)</b>	<b>(2,655)</b>	<b>(9,991)</b>	<b>(550)</b>	<b>(36,236)</b>
<b>Net Book Value</b>							
<b>At 31 December 2015</b>	<b>3,481</b>	<b>182,963</b>	<b>5,834</b>	<b>1,495</b>	<b>6,307</b>	<b>-</b>	<b>200,080</b>
Total Current	-	-	1,667	-	-	-	1,667
Total Non-Current	3,481	182,963	4,167	1,495	6,307	-	198,413
<b>At 30 June 2015</b>	<b>3,481</b>	<b>182,963</b>	<b>6,667</b>	<b>1,740</b>	<b>6,538</b>	<b>-</b>	<b>201,389</b>
Total Current	-	-	1,667	-	-	-	1,667
Total Non-Current	3,481	182,963	5,000	1,740	6,538	-	199,722

# Notes to the Financial Statements

For the Half-Year Ended 31 December 2015

## 8. CONTRIBUTED EQUITY

### (A) ISSUED AND PAID UP CAPITAL

	CONSOLIDATED	
	31 DEC 2015	30 JUN 2015
	\$'000	\$'000
Ordinary shares fully paid		
366,330,303 shares (June 2015: 366,330,303 shares)	310,262	310,262

### (B) MOVEMENTS IN SHARES ON ISSUE

	31 DEC 2015		30 JUN 2015	
	Number of shares	\$'000	Number of shares	\$'000
<i>Ordinary</i>				
Beginning of the financial year	366,330,303	310,262	366,330,303	310,262
End of the financial year	366,330,303	310,262	366,330,303	310,262

## 9. COMMITMENTS

At 31 December 2015, the Group had capital commitments of \$580,000 (June 2015: \$333,000). The majority of the capital commitments relate to the acquisition of broadcast and computer equipment.

## 10. SHARE BASED PAYMENTS

The following performance rights have been issued in the reporting period under the Prime Media Group Limited Performance Rights Plan, which was established for Senior Executives of the consolidated entity. The rights are issued for nil consideration and are granted in accordance with the plan's guidelines established by the Directors of Prime Media Group Limited.

	31 Dec 2015		31 Dec 2014	
	Chief Executive Officer	Senior Executives	Chief Executive Officer	Senior Executives
Issue Date	10 Nov 2015	14 Sep 2015	20 Nov 2014	15 Sep 2014
Performance rights issued	750,000	1,227,753	600,000	917,438
Fair value at grant date (per share)	\$0.416	\$0.426	\$0.659	\$0.811
Expected annual dividends	\$0.068	\$0.068	\$0.068	\$0.073
Expected volatility	30.60%	30.60%	26.94%	27.45%
Performance rights exercise price	\$0.00	\$0.00	\$0.00	\$0.00
Risk-free rate	2.71%	2.71%	3.45%	3.45%
Expected life	3 years	3 years	3 years	3 years

## 11. SUBSEQUENT EVENTS

There have been no significant events subsequent to balance date.



# Directors' Declaration

For the Half-Year Ended 31 December 2015

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In accordance with a resolution of the directors of Prime Media Group Limited, I state that:

In the opinion of the directors:

- a. The financial statements and notes of Prime Media Group Limited for the half-year ended 31 December 2015 are in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
  - ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



**P.J Macourt**  
**Director**

Sydney, 26 February 2016



## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Prime Media Group Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Prime Media Group Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

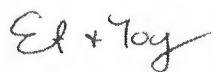
### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Prime Media Group Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Chris George  
Partner  
Sydney  
26 February 2016