Macquarie Radio Network Ltd

Monday, 18 February 2013: Macquarie Radio network (“MRN”) today released its financial results for the period ending 31 December 2012.

- Revenue from controlled operations (excluding MTR Melbourne) increased by 2.5% over the previous corresponding period (pcp) to $31.5 million.
- Sydney radio market revenue decreased by 1%. MRN’s share of Sydney radio market revenue decreased from 25% to 23.5%.
- Reported EBITDA increased by 50% on pcp to $7.4 million.
- Underlying EBITDA decreased by 38% over the pcp to $5.8 million.
- Reported NPAT increased by 100% on pcp to $4.5 million.
- Underlying NPAT decreased by 56% on pcp to $2.9 million.
- Interim dividend declared of 5 cents per share, fully franked, a 2.5 cent increase on prior year and equal to the highest interim dividend paid by MRN. The dividend will be payable on 15 March 2013 to all shareholders registered at 1 March 2013.

For the six month period ended 31 December 2012 the reported results have improved significantly over prior year due to the absence of the loss making MTR. The underlying performance of controlled operations is in line with previous guidance.

Underlying EBITDA from controlled operations has been adjusted for the one-time receipt of royalty revenue and the effect of the London Olympics ($1.7 million). The prior year underlying EBITDA was adjusted for the share of operating losses and costs associated with MTR ($2.7 million), transaction costs associated with the previous Fairfax Radio bid and the acquisition of the Smart Regional Radio Network ($1.1 million) and non-recurring employee options expense ($0.6 million).

MRN Executive Chairman, Russell Tate commented that the underlying performance of controlled operations was reasonable given the decline in radio market spend levels and the impact of the events surrounding Alan Jones in October 2012. “These results are in line with guidance provided in November”, said Tate. “With regard to the full year guidance, and despite the fact that advertising spends are not yet showing strong signs of recovery, we remain confident that the full year EBITDA guidance of 15-20% reduction on prior year will be achieved. With the removal of the loss making MTR, reported EBITDA levels for the full year are expected to exceed 100% growth on prior year.”

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