



**NZ
ME.**

NEW ZEALAND
**MEDIA AND
ENTERTAINMENT**

2019 HALF YEAR RESULTS
Six Months to 30 June 2019

27 August 2019

NZME.

DISCLAIMER

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This presentation may contain projections or forward-looking statements regarding a variety of items. Such projections or forward-looking statements are based on current expectations, estimates and assumptions and are subject to a number of risks and uncertainties. There is no assurance that results contemplated in any projections or forward looking statements in this presentation will be realised. Actual results may differ materially from those projected in this presentation. No person is under any obligation to update this presentation at any time after its release to you or to provide you with further information about NZME Limited.

The Group adopted NZ IFRS16 Leases on 1 January 2019 without restating the H1 18 comparatives. Operating results as stated throughout this presentation refers to results prior to adjustments for the adoption of NZ IFRS16 and prior to exceptional items. Please refer to note 2.3.2 and note 2.3.3 of the Consolidated Interim Financial Statements for the period ended 30 June 2019 and slide 28 of this presentation for a detailed reconciliation.

Prior period results have been adjusted to include revenue from contracts with customers in line with NZ IFRS15 reporting which was adopted on 1 January 2018. Refer to slide 29 of this presentation for a detailed reconciliation.

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AGENDA

- 04** 2019 half year results summary and highlights
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NZME 2019 HALF YEAR RESULTS

SIX MONTHS TO 30 JUNE 2019

RESULTS SUMMARY



Solid result given
market headwinds

Strong growth
in digital initiatives

Total Revenue

\$181.1m

H1 18 \$189.4m ▼ 4%

Statutory NPAT

\$1.0m

H1 18 \$3.7m ▼ 73%

Operating EBITDA¹

\$19.4m

H1 18 \$23.2m ▼ 16%

Operating NPAT¹

\$4.7m

H1 18 \$5.5m ▼ 15%

EBITDA

\$23.3m

H1 18 \$20.7m ▲ 13%

Operating six months
earnings per share¹

2.4cps

H1 18 2.8cps ▼ 14%

1. Operating results are presented excluding the impact of NZ IFRS16 and exceptional items to allow for a like for like comparison between H1 2018 and H1 2019. Please refer to note 2.3.2 and note 2.3.3 of the Consolidated Interim Financial Statements for the period ended 30 June 2019 and slide 28 of this presentation for a detailed reconciliation.
2. Percentage changes are calculated on the basis of rounded results.
3. 2018 half year comparative numbers have been adjusted to include NZ IFRS15 reporting which was adopted on 1 January 2018, and other prior period reclassification adjustments. Refer to slide 29 of this presentation for a detailed reconciliation.

HIGHLIGHTS OF THE HALF

- Successful launch of NZ Herald Premium – more than 15,000 paid subscribers, exceeding subscription and revenue expectations
- NZ Herald daily brand audience up 4.5% to 1,098,000, average issue readership up 3.9% to 477,000¹
- Radio revenue in growth for the half and showing positive momentum
- Radio talent changes made as part of radio growth strategy
- Increased radio audience market share to 37.7% in June 2019, up from 34.9% in December 2018³
- OneRoof continued listings and audience growth with revenue growing to \$1.3 million
- 3.0% reduction in the underlying cost base⁴
- Net debt reduced by \$8.1 million

1. Nielsen CMI Fused Q2 18 - Q1 19, May 2019, People 15+

2. GfK Radio Audience Measurement, Commercial Stations, NZME and Partners. Cumulative Audience S2 2019, People 10+, Monday-Sunday 12mn-12mn

3. GfK Radio Audience Measurement, Commercial Stations, NZME and Partners in major markets trended to S2 2019, Monday-Sunday 12mn-12mn, station share % AP 18-54.

4. Excluding impact of NZ IFRS16, non-recurring exceptional items and digital classified costs

 TOTAL MONTHLY AUDIENCE¹

3.3 million

 PRINT

1.3 million

Weekly Readers¹

 RADIO

2.0 million

Weekly Listeners²

 DIGITAL

2.4 million

Users per Month¹

2019 STRATEGIC PRIORITIES

ACHIEVEMENT SCORECARD

1 Leading the future of news and journalism in New Zealand

Key Success Metric	Achievement to Date
Paid content launch Q2 2019	NZ Herald Premium launched 30 April 2019
Targeting 10,000 digital subscribers within the first year	Achieved in six weeks
Increased premium content and digital audience engagement	NZ Herald Premium subscriber is almost three times more engaged than a non-subscriber ¹
Improved Print subscriber retention	Early indications show improving trend

2 Increasing radio capability and performance

Key Success Metric	Achievement to Date
Radio revenue in growth	Radio revenue in growth for the half and showing positive momentum
Improve audience share in the key 18-54 demographic	Market share increased to 37.7% ² at June 2019 up from 34.9% ² at Dec 2018.
Continue to grow iHeart registered users and streaming hours	886,000 registered users ³ up 14% 3.8 million listening hours ⁴ up 12%

3 Creating New Zealand's leading real estate platform

Key Success Metric	Achievement to Date
Growth in listings as a % of market ⁵	68% of NZ residential listings 89% of Greater Auckland residential listings
Improved audience engagement	297,000 unique browsers each week, up 33% from Dec 2018 ⁶
Meaningful revenue growth	OneRoof revenue \$1.3m in H1 2019 – up from \$0.7m in the full year 2018

1. Based on Average Session Duration
2. GfK Radio Audience Measurement, Commercial Stations, NZME and Partners in major markets trended to S2 2019, Monday-Sunday 12mn-12mn, station share % AP 18-54
3. iHeartMedia; Adobe Analytics, June 2019
4. AdsWhizz and StreamGuys, June 2019 (listening hours per month)
5. OneRoof's listings as a percentage of residential for sale listings on Trade Me
6. Average weekly Unique Browsers. Nielsen Market Intelligence Domestic Traffic Jan 18 – Jul 19.

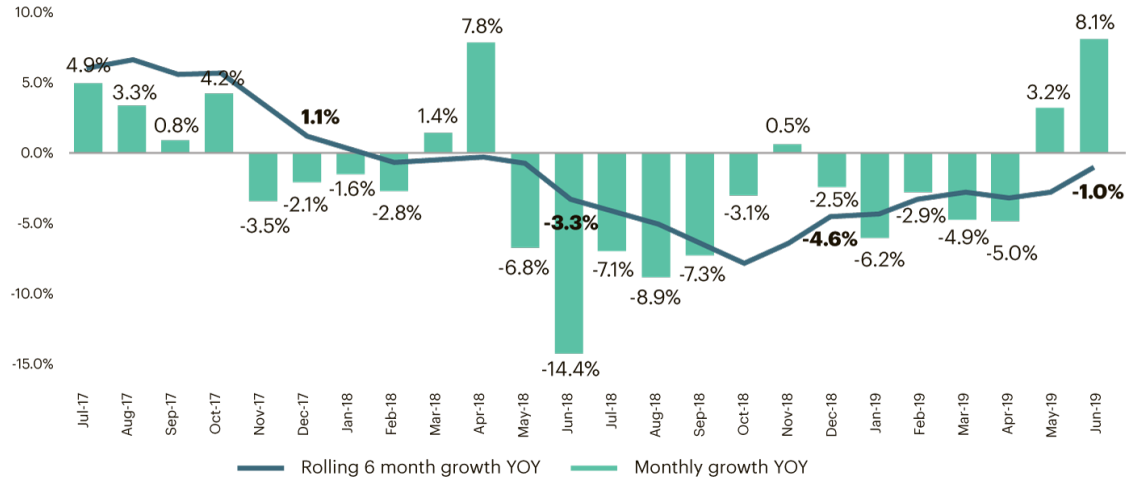


Market Update

AGENCY ADVERTISING MARKET TRENDS

- After a challenging agency advertising market in the first four months of the period, the agency advertising market grew in the months of May and June 2019.
- Total agency advertising growth of 8.1%¹ in the month of June, includes:
 - Newspapers² – down 7.6% YTD, but up 16.7% in June
 - Digital Display – down 3.7% YTD, but up 22.3% in June
 - Radio – up 4.6% YTD and up 4.6% in June

Monthly Trends - Total Agency Demand YOY Growth %¹



NZME PERFORMANCE AGAINST THE MARKET

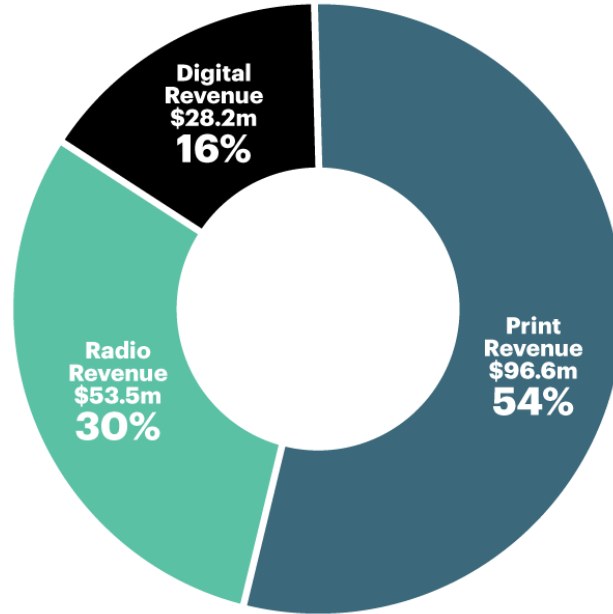
FOR THE SIX MONTHS TO 30 JUNE 2019

DIGITAL – Q1: 3 months to March 2019¹

NZME General Display digital revenue	(8%)
Total General Display market	(8%)

RADIO - 6 months to 30 June 2019²

NZME radio advertising revenue	+ 2%
Total market	+ 2%



Total segment revenue

\$178.3m ▼ 4%
H1 18 \$186.1m

PRINT - 6 months to 30 June 2019³

NZME print advertising revenue	(8%)
Total market	(14%)

1. IAB digital advertising revenue – General Display, IAB NZ Digital advertising revenue report, Q1 2019
2. PwC Radio Performance Comparison Report, Q2 2019
3. PwC NPA Quarterly Performance Comparison Report, Q2 2019



Channel Results

PRINT

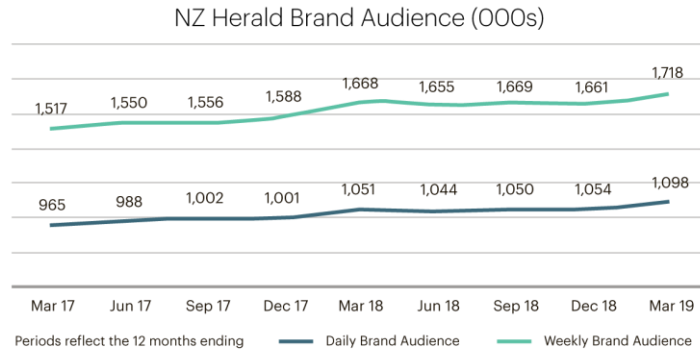
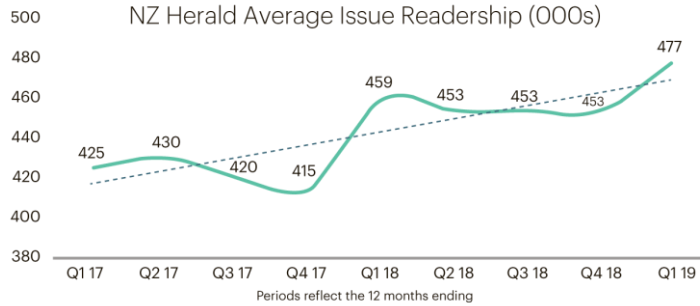
FOR THE SIX MONTHS
ENDED 30 JUNE 2019



\$M	H1 2019	H1 2018	% Change
Advertising revenue	51.1	55.5	(8%)
Circulation Revenue	38.5	40.4	(5%)
Other Revenue	7.0	7.7	(9%)
Total Print Revenue	96.6	103.6	(7%)
Direct Print Costs	(34.2)	(35.9)	(5%)
Total Print Contribution	62.4	67.7	(8%)

- NZME's newspapers - including the NZ Herald - continue to perform well relative to market trends.
- Print advertising revenue declined 8%, consistent with prior year but better than the market which saw total publishing advertising spend down 14%¹.
- NZME increased market share of print advertising revenue from 43.6% for the 6 months to June 2018 to 46.7%¹ for the 6 months to June 2019.
- Circulation revenue reduced by 5%. While volumes decreased 8%, this was partially offset by an improvement in yield.
- Retention of print subscriptions improved in the second quarter, supported by subscribers having the added benefit of access to the NZ Herald Premium offering.
- Cost savings in direct print costs due to lower volumes (total page volumes down 10% compared to H1 2018), cost efficiencies and benefits of plant upgrade.

OUTSTANDING READERSHIP AND AUDIENCE RESULTS



NZME Subscriber Volume and Yield



- NZME daily newspapers reach 1,023,000^{1,2} Kiwis per week – more than the competitors combined.
- The NZ Herald average issue readership is at a four year high at 477,000², with the flagship Weekend Herald now read by 540,000 people each week.
- All magazines³ have increased in readership year on year – NZ Herald's Travel magazine is now the best-read newspaper magazine in New Zealand, with 323,000 readers.
- Subscriber numbers decreased in the period, but this decrease has been partially offset by an improvement in yield.

1. NZ Herald, Bay of Plenty Times, Rotorua Daily Post, Northern Advocate, Whanganui Chronicle or Hawke's Bay Today
2. Nielsen CMI Fused Q2 18 - Q1 19, May 2019, People 15+
3. Magazines include Canvas, TimeOut, Viva, Travel, Spy, Sunday Travel.

RADIO

FOR THE SIX MONTHS
ENDED 30 JUNE 2019



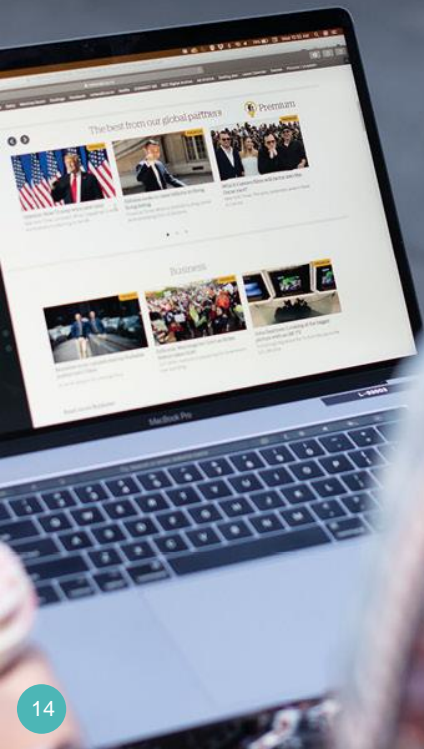
\$M	H1 2019	H1 2018	% Change
Total Radio Revenue	53.5	53.4	0.2%
Direct Radio Costs	(16.1)	(16.0)	0.6%
Total Radio Contribution	37.4	37.4	-

- Radio revenue market has returned to growth and NZME has maintained market share of 39.0%¹ for the 6 months to June 2019.
- Increased radio audience market share to 37.7%² as at June 2019, up from 34.9% as at Dec 2018 presenting real value opportunity.
- Investment in new talent has resulted in:
 - Newstalk ZB extending its lead as New Zealand's number one commercial radio network¹
 - Station of the Year, ZM, is now the most popular music station for 18-34 year olds.
- iHeart – over 886,000 registered users³, up 14% year on year and 3.8 million listening hours⁴ up 12% year on year.

1. PwC Radio Performance Comparison Report, Q2 2019
2. GfK Radio Audience Measurement, Commercial Stations, NZME and Partners in major markets trended to S2 2019, Monday-Sunday 12mn-12mn, station share % AP 18-54.
3. iHeartMedia; Adobe Analytics, June 2019
4. AdsWhizz and StreamGuys, June 2019

DIGITAL

FOR THE SIX MONTHS
ENDED 30 JUNE 2019



\$M	H1 2019	H1 2018	% Change
Advertising revenue	22.0	23.9	(8%)
Classifieds revenue	1.4	0.2	n/a
Subscription revenue	0.2 ¹	-	n/a
e-Commerce revenue	4.6	5.0	(8%)
Total Digital Revenue	28.2	29.1	(3%)
Direct Digital Costs	(4.3)	(5.0)	(14%)
Direct Classified Costs	(3.6)	(3.3)	9%
Digital Contribution	20.3	20.8	(2%)

- Digital advertising revenue reduced 8% in line with the challenging General Digital Display market².
- Total market agency digital display advertising revenue was down 3.7%³ in the 6 months to June 2019, with early signs of recovery and growth in the second half.
- NZ Herald Premium and OneRoof are showing strong growth. Other digital initiatives continue to show potential.
- More than 30% of digital premium subscribers have an annual subscription.
- e-Commerce revenue declines were offset by cost reductions.
- Increased direct classified costs reflect the acceleration of OneRoof proposition.

1. Digital subscription revenue for 2 months since the launch of NZ Herald Premium from 30 April 2019

2. Source: Q1 2019 IAB New Zealand Digital Advertising Report

3. Standard Media Index (SMI) NZ June 2019 Data Release

2019 Half Year Results

Financial Results in Detail



NewstalkZB

New

OPERATING RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2019

- Segment Revenue declined 4% in the half but a pleasing result in radio with digital showing signs of future growth in NZ Herald Premium and OneRoof.
- Other revenue decreased primarily due to reduced number of events in the period.
- Continued cost focus resulted in \$4.8 million (3%) cost savings achieved in the half.
- Higher digital classified costs with the continued development of OneRoof.

\$M	Six months 30 June 2019 ¹	Six months 30 June 2018	% change
Print, radio and digital revenue	178.3	186.1	(4%)
Other revenue	2.8	3.3	(15%)
Total Revenue & Other Income	181.1	189.4	(4%)
Costs (excl. digital classifieds)	(158.1)	(162.9)	(3%)
Digital classifieds	(3.6)	(3.3)	9%
EBITDA	19.4	23.2	(16%)
Depreciation and amortisation	(10.6)	(13.1)	(19%)
EBIT	8.8	10.1	(13%)
Net interest expense	(2.4)	(2.1)	14%
NPBT	6.4	8.0	(20%)
Tax	(1.7)	(2.5)	(32%)
NPAT	4.7	5.5	(15%)

1. Operating results are presented excluding the impact of NZ IFRS16 and exceptional items to allow for a like for like comparison between H1 2018 and H1 2019. Please refer to note 2.3.2 and note 2.3.3 of the Consolidated Interim Financial Statements for the period ended 30 June 2019 and slide 28 of this presentation for a detailed reconciliation.

IMPACT OF NEW LEASES STANDARD – NZ IFRS16

- NZ IFRS16 requires most leases to be recognised as a lease liability on the Balance Sheet with a corresponding “Right-of-use” asset.
- In the Income Statement, operating lease cost is reclassified to Interest Expense and Depreciation.
- The adoption of NZ IFRS16 by NZME on 1 January 2019 results in the following changes:
 - Total Assets increase, offset by an increase in Total Liabilities;
 - EBITDA increases as lease costs are reclassified as interest and depreciation; and
 - NPAT is negatively impacted by higher interest costs in a lease’s earlier years offset by a positive impact in later years.

\$M	H1 2019 Operating Results ¹	NZ IFRS16 Adjustment	H1 2019 including NZ IFRS16 ²
Income Statement:			
Revenue	181.1	-	181.1
Costs	(161.7)	8.2	(153.5)
EBITDA	19.4	8.2	27.6
Depreciation and amortisation	(10.6)	(6.4)	(17.0)
Net interest expense	(2.4)	(2.5)	(4.9)
NPBT	6.4	(0.7)	5.7
Tax	(1.7)	0.2	(1.5)
NPAT	4.7	(0.5)	4.2
Balance Sheet:			
Increase in Right-of-use assets			74.4
Increase in Lease liabilities			80.8
Decrease in Equity			6.4

- Operating results excludes the impact of NZ IFRS16 and exceptional items
- The H1 2019 including NZ IFRS16 amounts exclude exceptional items to show only the impact of NZ IFRS16. Please refer to note 2.3.2 and note 2.3.3 of the Consolidated Interim Financial Statements for the period ended 30 June 2019 and slide 28 of this presentation for a detailed reconciliation.

COSTS

FOR THE SIX MONTHS ENDED 30 JUNE 2019

- Cost initiatives resulted in reduced people costs due to lower headcount.
- Printing and distribution cost decreased due to reduced print volumes and increased efficiencies.
- Property expenses increased due to higher electricity, repairs and maintenance expenses and increased external transmission facility expenses.
- Digital classified costs increased as a result of further development of OneRoof.
- Redundancies increased due to restructuring to achieve cost efficiencies.
- Other exceptional items include disposal costs and historical holiday pay adjustments.

\$M	Six months 30 June 2019 ¹	Six months 30 June 2018	% change
People costs & contributors	75.7	79.3	(5%)
Print & distribution costs	29.6	31.2	(5%)
Agency commission & marketing	20.1	20.1	-
Property	11.1	10.3	8%
Content	7.3	7.6	(4%)
IT & communications	5.7	6.1	(7%)
Other	8.6	8.3	4%
Total Costs excl. Digital Classified	158.1	162.9	(3%)
Digital Classifieds	3.6	3.3	9%
Total Costs	161.7	166.2	(3%)

Exceptional Items:

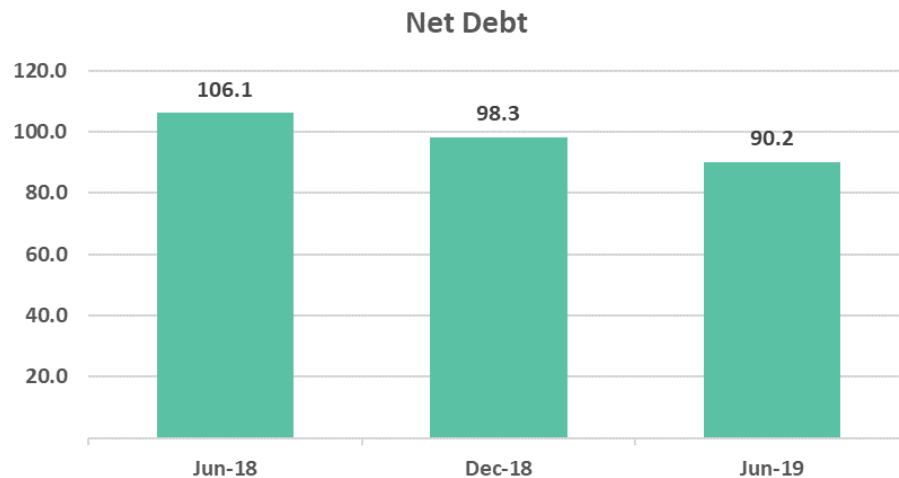
Redundancies	3.2	2.1
Other exceptional items	1.1	0.4
Exceptional items	4.3	2.5

1. Operating results are presented excluding the impact of NZ IFRS16 and exceptional items to allow for a like for like comparison between H1 2018 and H1 2019. Please refer to note 2.3.2 and note 2.3.3 of the Consolidated Interim Financial Statements for the period ended 30 June 2019 and slide 28 of this presentation for a detailed reconciliation.

CAPITAL MANAGEMENT

- Capital management policy objective to reduce debt while maintaining investment in growth opportunities across the business.
- Net debt reduced by \$8.1 million to \$90.2 million in the six months to 30 June 2019.
- Due to the decrease in EBITDA in the period, the leverage ratio has remained at 1.8 times rolling 12-month EBITDA.
- Capital expenditure decreased to \$4.5 million in the six months ended 30 June 2019 (from \$7.1m in the six months ended 30 June 2018).
- NZME is targeting a net debt reduction of \$10 - \$15 million per annum to bring the leverage ratio to within the target range of 1.0 to 1.5 times rolling 12-month EBITDA.

\$M	30 June 2019	31 Dec 2018
Net working capital excluding cash (\$m)	8.8	9.4
Net Debt (\$m)	90.2	98.3
Net interest cover	10.8	12.0
Net debt to EBITDA	1.8	1.8



2019 STRATEGIC PRIORITIES

FOCUSED ON GROWTH

1 Leading the future of news and journalism in New Zealand



Your Premium

nzherald.co.nz/premium

 nzherald.co.nz

2 Increasing radio capability and performance

THE HITS

 RADIO HAURAKI

Coast

ZM

flava

MIX

RADIO SPORT

Newstalk ZB

hokonui

 iHeartRADIO

3 Creating New Zealand's leading real estate platform



NZME.

Strategic Priority #1

Leading the future of news and journalism in New Zealand

NZ HERALD PREMIUM

- Successful launch of NZ Herald Premium in April 2019.
- Developed Freemium Paywall in partnership with Washington Post Arc platform.
- 40,000 total subscribers including more than 15,000 new paid subscribers and 24,000 print subscribers who have activated access to NZ Herald Premium.
- Exceeding subscription and revenue expectations.
- More than 30% of digital premium subscribers have an annual subscription.

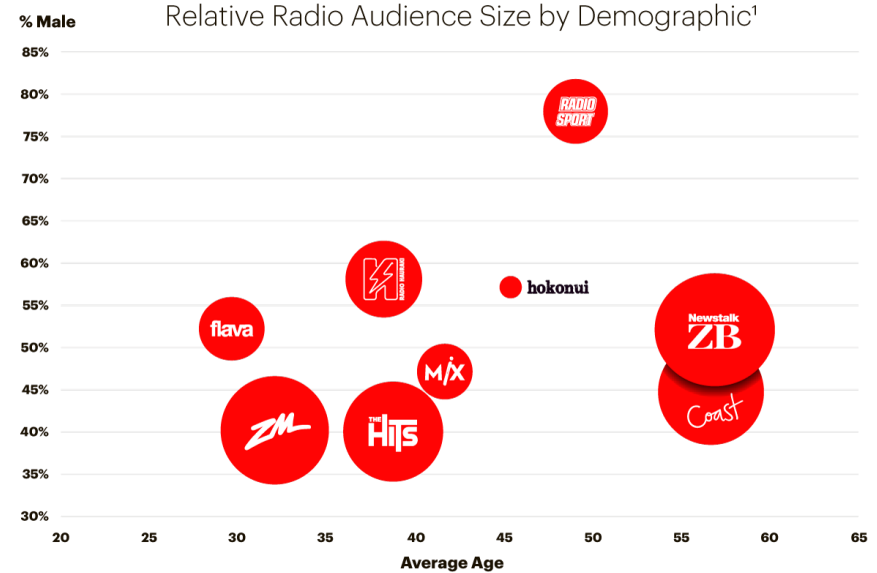
	CONTENT	CAPABILITY	AUDIENCE
Delivered in 2019	<ul style="list-style-type: none">• Delivering first class NZ premium journalism.• Access to a selection of stories from New York Times, Financial Times, Times of London and Harvard Business Review.• Joining our existing providers of The Washington Post, The Telegraph and South China Morning Post.	<ul style="list-style-type: none">• Washington Post Arc Subscriptions product suite and propensity modelling data software.• Marketing automation tools to facilitate customer acquisition and retention strategies and content personalisation.	<ul style="list-style-type: none">• Achieved annual target of 10,000 new paid subscribers in six weeks.• Subscribers are highly engaged - spending ~three times longer on nzherald.co.nz than non-subscribers.• Subscriber conversion driven by business, politics and sport content.
Focus	<ul style="list-style-type: none">• Delivering premium content around significant upcoming news events including the Rugby World Cup and local body elections.• Investigating new content offerings.	<ul style="list-style-type: none">• Continued development will focus on enhanced membership optionality, new self-service authentication tools and propensity modelling.	<ul style="list-style-type: none">• Continued momentum to increase the number of subscribers and engagement levels.

RADIO

Strategic Priority #2

Increasing radio capability and performance

	CONTENT	CAPABILITY	AUDIENCE
Delivered in 2019	<ul style="list-style-type: none"> Investment in new talent and shows on Newstalk ZB and The Hits. iHeart radio now the largest podcast library in New Zealand. 	<ul style="list-style-type: none"> Improved sales capability. Technology interface for inventory management and cross-channel bundling. New iHeart radio app delivered enhanced content and communication options. 	<ul style="list-style-type: none"> Increased radio audience market share to 37.7%² as at June 2019, up from 34.9% as at Dec 2018 presenting real value opportunity. Record iHeart audience – more than 886,000 registered users and 3.8 million listening hours.
Focus	<ul style="list-style-type: none"> Embed new radio shows. Continued podcast trials, development and monetisation. 	<ul style="list-style-type: none"> Continued development of digital radio New advertising products for iHeart radio including an innovative audio proposition to launch in Q3. 	<ul style="list-style-type: none"> Continued focus on key 18-54 year old audience segment. Promote radio brands across each other and other media channels.

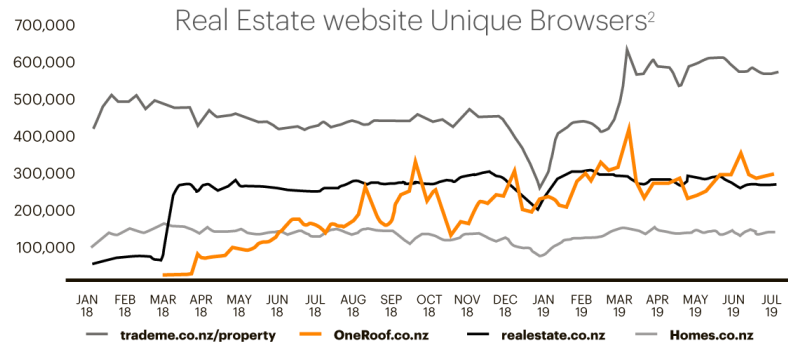


- Station of the year – ZM
- Best music breakfast show – ZM
- Best talk presenter (Breakfast or Drive) – Mike Hosking (Newstalk ZB)
- Best Talk Presenter (Other) – Marcus Lush (Newstalk ZB)

Strategic Priority #3

Creating New Zealand's leading real estate platform

	LISTINGS	AUDIENCE	REVENUE
Delivered in 2019	<ul style="list-style-type: none"> ~21,000 'for sale' listings 68% of NZ residential listings¹ 89% of Greater Auckland residential listings¹ New listings results page and interactive map delivering higher listings interactions 	<ul style="list-style-type: none"> Strong audience growth supported by integrated content and advertising 297,000 average weekly unique browsers (June 2019), up 33% from Dec 2018² Over 100,000 App Downloads and growing Direct to site audience over 65% 	<ul style="list-style-type: none"> OneRoof revenue \$1.3m in H1 2019 – up from \$0.7m in the full year 2018 Strong vertical performance given difficult real estate market Over 50% of revenue from listings upgrades
Focus	<ul style="list-style-type: none"> Secure remaining agency listings New Homes section to be deployed in Q3 	<ul style="list-style-type: none"> Enhanced content personalisation using data and AI automation tools. Continued improvement of audience engagement with listings (views, saved properties and enquiry rates) 	<ul style="list-style-type: none"> Digital listings upgrades and bundled packages gaining momentum Grow advertising revenue across native content, video series, podcast and Quarterly Property Reports



OneRoof \$M	H1 2019	H2 2018	H1 2018
Revenue	1.3	0.7	0.0
Direct Costs	(2.6)	(2.4)	(1.5)
Total OneRoof Contribution	(1.3)	(1.7)	(1.5)
Total NZME Real Estate Revenue	16.1	17.0	16.5

OUR SUSTAINABILITY COMMITMENT

We are committed to protecting the craft of journalism and broadcasting to keep Kiwis in the know.

OUR COMMUNITIES

We connect and empower our communities.



Responsible reporting



Connecting communities



Sharing our platforms

OUR PEOPLE

We provide a workplace that fosters innovation, engagement and inclusion.



Promoting a healthy, diverse and safe workplace



Championing the craft



Equipping our people

OUR ENVIRONMENT

We take our responsibility to the environment seriously.



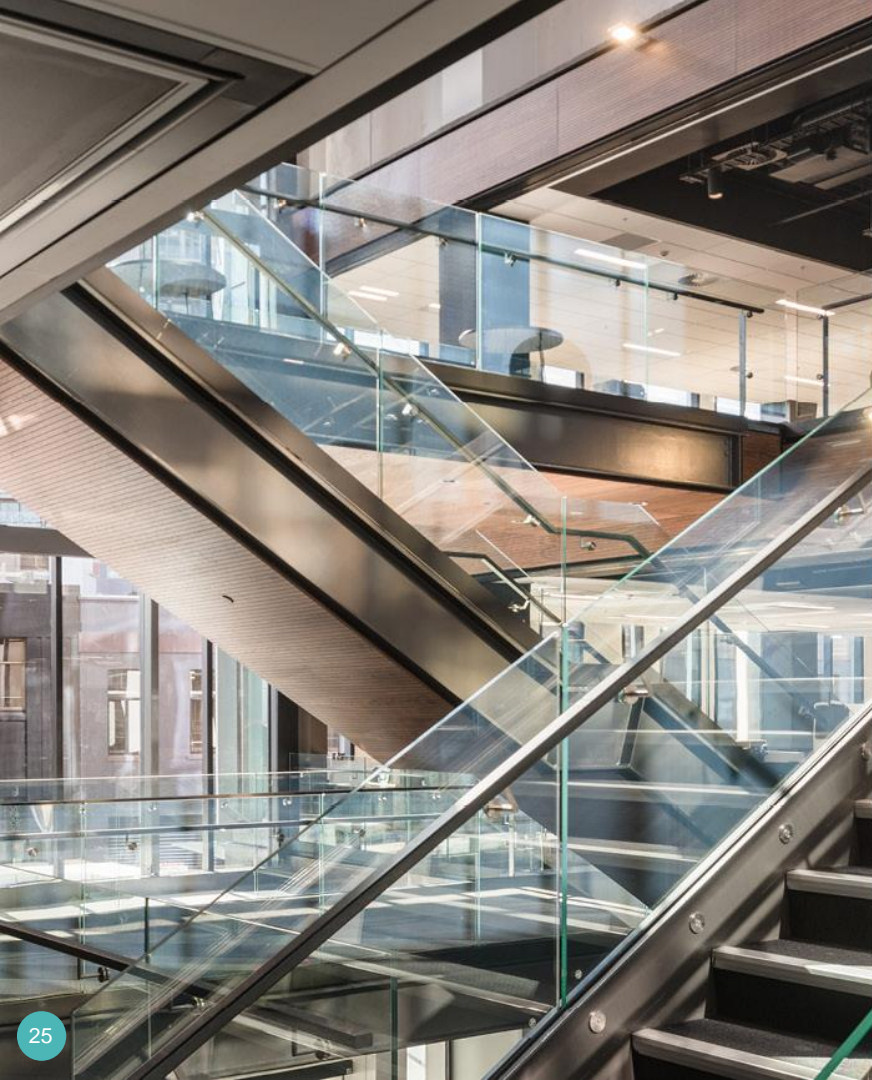
Recycling



Best practice



Responsibility



Outlook

- Encouraging start to the second half.
- Advertising market shows some signs of improvement – with our Q3 bookings up 6% compared to the same period last year.
- However, we remain cautious of the potential impact of the softening economy and weaker business confidence.
- Our focus on cost reduction continues with initiatives delivering improvement in the cost base.
- The company is on target to reduce debt in line with our Capital Management Policy.



Q&A



Supplementary Information

RECONCILIATION OF OPERATING RESULTS TO FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2019

	Six months ended 30 June 2019			
\$M	Operating results	NZ IFRS16 Adjustment	Exceptional Items	Per Financial Statements
Segment Revenue	178.3	-	-	178.3
Other revenue	2.8	-	-	2.8
Total Revenue	181.1	-	-	181.1
Costs	(158.1)	8.2	(4.3)	(154.2)
Digital classified costs	(3.6)	-	-	(3.6)
EBITDA	19.4	8.2	(4.3)	23.3
Depreciation and amortisation	(10.6)	(6.4)	-	(17.0)
EBIT	8.8	1.8	(4.3)	6.3
Net interest expense	(2.4)	(2.5)	-	(4.9)
NPBT	6.4	(0.7)	(4.3)	1.4
Tax	(1.7)	0.2	1.1	(0.4)
NPAT	4.7	(0.5)	(3.2)	1.0

RECONCILIATION OF OPERATING RESULTS TO FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Six months ended 30 June 2018					
\$M	Reported operating results	NZ IFRS15 adjustment	Adjustment to prior period ¹	Restated Operating Results	Exceptional Items	Per Financial Statements
Segment Revenue	183.5	3.8	(1.3)	186.1	-	186.1
Other revenue	2.2	-	1.1	3.3	-	3.3
Total Revenue	185.7	3.8	(0.2)	189.4	-	189.4
Costs	(159.4)	(3.8)	0.4	(162.9)	(2.5)	(165.4)
Digital classified costs	(3.1)	-	(0.2)	(3.3)	-	(3.3)
EBITDA	23.2	-	-	23.2	(2.5)	20.7
Depreciation and amortisation	(13.1)	-	-	(13.1)	-	(13.1)
EBIT	10.1	-	-	10.1	(2.5)	7.6
Net interest expense	(2.1)	-	-	(2.1)	-	(2.1)
NPBT	8.0	-	-	8.0	(2.5)	5.5
Tax	(2.4)	-	-	(2.4)	0.7	(1.8)
NPAT	5.5	-	-	5.5	(1.8)	3.7

1. Adjustment to prior period includes reclassification of \$1.1m of events revenue out of Radio and into Other Revenue, and \$0.2m reclassification between radio revenue and radio costs.

BALANCE SHEET

AS AT 30 JUNE 2019

\$M	30 June 2019	31 December 2018
Trade, other receivables and inventory	57.0	60.6
Trade and other payables	(50.4)	(52.0)
Current tax receivable	2.2	0.9
Net working capital	8.8	9.4
Fixed, intangibles and other assets	384.5	389.6
Right of use assets (NZ IFRS16)	74.4	-
Net interest-bearing liabilities	(90.2)	(98.3)
Lease Liabilities (NZ IFRS16)	(94.8)	-
Deferred tax	(1.0)	(0.4)
Lease Liability	-	(13.7)
Net Assets	281.8	286.6
Net interest cover	10.8	12.0
Net debt to EBITDA	1.8	1.8

CASHFLOW

FOR THE SIX MONTHS
ENDED 30 JUNE 2019

\$M	Six months 30 June 2019	Six months 30 June 2018
Operating EBITDA ¹	19.4	23.2
NZ IFRS16 impact on EBITDA	8.2	-
Non-cash transactions	0.1	0.2
Interest paid on bank facilities	(2.0)	(2.0)
Interest paid on leases	(2.4)	-
Working capital movement	1.3	(3.9)
Tax paid	(2.0)	(11.9)
Exceptional items	(4.3)	(2.5)
Cash from operations	18.3	3.1
Capital expenditure	(4.5)	(7.1)
Dividend paid	-	(11.8)
Lease liability principal repayment	(5.7)	-
Movement in net debt	8.1	(15.8)

1. Operating EBITDA is excluding impact of NZ IFRS16 and excluding exceptional items.