



MACQUARIE RADIO NETWORK LIMITED (MRN) RECORDS NET PROFIT AFTER TAX INCREASE OF 57%

Sydney, September 6, 2006; Macquarie Radio Network (MRN) today released its results for the year ending 30 June 2006. MRN reported an increase in net profit after tax up **57%** to **\$5.727 million**, from **\$3.654 million** in FY05.

- FY06 Net Profit After Tax up **57%** to **\$5.727 million**
- 2GB Number One Sydney radio station in Revenue and Ratings for FY06.
- 2GB has increased its leadership in the Sydney market, culminating in Survey 4, 2006, when 2GB had a 4.4 point break ahead of the number two Sydney station. This is the biggest lead by a station in 10 years. (Source; Nielsen Media Research.)
- Earnings per Share (fully diluted) increased 35% from 4.5 cents to 6.1 cents per share
- Significant Cost Savings – expenses decreased by **7.8%** (incl. contra) or **5.6%** (.excl contra)¹
- MRN to pay an unfranked dividend of 3.5c – a total of 6c for FY06 (An interim unfranked dividend of 2.5c was paid to shareholders on April 24, 2006)

MRN has outperformed the Sydney radio advertising market and grew market share across the year. MRN's second half revenue performance was stronger than the first half, despite a deterioration in the Sydney radio advertising market. MRN revenue (excl contra) increased \$619,000 for the year an increase of 1.5%. Including contra, overall revenue was \$41.746 million a slight (0.59%) decrease on last year.

The small decrease in gross revenue when compared to FY05 is attributable to the deliberate reduction in non-cash revenue (in the form of advertising contra). MRN is pleased to have reduced contra from **\$1.310 million** in FY05 to **\$445,000** in FY06.

"The Board is pleased with MRN's performance during its first full financial year as a listed public company," said Mr Donnelly. "We have outperformed the radio advertising revenue market for 2H06, and reduced our costs to ensure increased profitability."

"Appropriately, 2GB's dominance all year and 2CH's consistent ratings, combined with our focus on improved sales, has seen MRN secure a larger share of radio advertising dollars."

"We are committed to maximising the revenue and profit potential of 2GB and 2CH. Today's result illustrates that we are delivering on that commitment. We are also investing for the future. Increasingly we see ourselves as a content business, with enormous potential to leverage both existing and new content across multiple platforms."

¹ All contra revenue, while booked as revenue, is 100% off-set in expenditure, representing a cash-flow neutral position to the bottom-line. Contra is a non-cash revenue line where air-time is exchanged for goods and services.

“Initial investments in our web-sites, pod-casting, video pod-casting and streaming content to mobile phones are generating new income streams for the business. We anticipate further revenue growth in these areas. Further investment will be made in these new media opportunities in 2007.”

MRN has declared a final unfranked dividend of 3.5c per share, which together with an unfranked dividend of 2.5c per share resulting in a total unfranked dividend of 6c per share for financial year 2006. The final unfranked dividend is payable on the 24th of November 2006.

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