



Media Release

MACQUARIE RADIO NETWORK (MRN) LIMITED RECORDS 1H06 PROFIT AFTER TAX INCREASE OF 42.1%

13th March, 2006 - Macquarie Radio Network (MRN) today released its half year results for the period ending 31 December 2005. MRN reported an increase in profit after tax of 42.1% to \$3.702 million, up from \$2.606 million in the 2004 corresponding period.

- 1H06 Revenue in line with expectations
- 1H06 Profit After Tax of \$3.702 million
- Significant Cost Savings – expenses decreased by 10.4%¹

¹ compared to the 2004 corresponding period

The Company today also reported sales revenue of \$21.448 million for 1H06, a decrease of 3.4%. The small decrease in gross revenue is primarily attributable to the deliberate reduction in non-cash revenue (in the form of advertising contra) and, to a lesser extent, the absence of the extraordinary item revenue generated by the Olympic Games reported in 1H05.

The industry-wide decline of 2.4%² (for the half) in revenue generated from radio advertising in the NSW direct market also had an impact. Historically, MRN have derived more than 50% of their revenue from the direct advertising market.

MRN Chairman, Max Donnelly said the results meant the company has delivered on its primary objective to increase shareholder value.

“The Board is pleased with MRN’s performance during its first full half-year as a listed public company,” said Mr Donnelly. “We have continued to reduce our costs to ensure increased profitability through the softening revenue cycle.

“Our financial performance is solid in a period characterised by challenging advertising conditions for the Sydney radio market and the impact of the necessary restructuring of our business to allow us to increase the advertising revenue derived from agency sales.

“Convergence is no longer a catchphrase it is a reality. We are increasingly seeing ourselves as a content business, with enormous potential to leverage both existing and new content across multiple platforms. We have radio licences in one capital city but demand for our content is nationwide.

“The investment has been in both the actual content production and the infrastructure required for content creation. The business is able to produce content in multiple formats, video and audio. Initial investments in our web-sites and email newsletters have generated new income streams for the business and we anticipate further revenue growth in these areas.

² Price Waterhouse Coopers, Sydney Radio Commercial Advertising Revenue Statistics, July to December 2005

“Further investment will be made in these new media opportunities in 2H06 and will continue in 2007.”

MRN's key milestones include:

- MRN – Sydney's top commercial radio network for 2005
- 2GB 873 the number 1 commercial radio station in Sydney for 2005
- Outstanding exclusive audience figures. Approximately 38%³ of Macquarie Radio Network's listeners do not listen to any other commercial radio station.
- A number of innovations in digital radio and new media including the launch of a 24 hour News Channel and an NRL live score update on 2GB's Digital Radio arm – 2GB Plus, along with the launch of 2GB pod-casting in July 2005. 2GB produce over 80 pod-casts.

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³ Nielsen Media Research All ppl 10+ Surveys 5-8 2005