

**DMG
BROADCASTING:
RADIO**



Peter Williams
Chairman (left)
Paul Thompson
Managing Director (right)

DMG Radio Australia outperformed the market once again, recording revenue growth from continuing operations of 39% and operating profit* growth (excluding new station costs) of over 95%.

With the spectacular launch of Nova 106.9 in Brisbane in April, the national Nova network was complete, seeing the culmination of a plan which began in 1996.

In Nova Brisbane's first independent listener survey in June, it debuted as the Number One station for people Under 40 and the market's second most popular station overall. This result enabled the Nova network to become the number one station in its targeted Under 40 demographic in every metropolitan market.

While Nova Adelaide capitalised on its successful launch in late 2004, the more established Nova stations in Sydney, Melbourne and Perth all continued to record strong above-market increases in revenues resulting in a 60% increase in operating profit* for those existing stations.

Nova 969 in Sydney continued to lead the group being recognised in every survey as Sydney's number one choice for commercial FM listening in the important breakfast programme. It was also the overall number one FM station in all but one survey.

The second of DMG Radio's metropolitan FM brands was born in August when Vega 95.3 Sydney and Vega 91.5 Melbourne were launched. Vega complements Nova, targeting people aged 40-60 and focusing on a combination of talk and music from the past 40 years.

In an unprecedented programme of activity, DMG Radio has launched nine new commercial FM stations within Australia over the past five years, and with the addition of the new services in Sydney and Melbourne, DMG Radio now operates two stations in each of the cities of Sydney, Melbourne and Adelaide.

DMG Radio's metropolitan talk (speech) station, Five AA in Adelaide consolidated on recent improvements, winning the all important breakfast programme in every survey held in calendar 2005.

DMG Radio was required to divest of its controlling interest in Hot 91 Sunshine Coast in order to comply with broadcasting regulations resulting from its acquisition of Nova 106.9 in Brisbane in 2004. The sale took place in December 2004, with DMG Radio recognising a gain on its original investment, in addition to retaining a 14.9% interest in this fast growing market.

In the U.K., GWR Group plc, in which the Group held a 29.9% stake, completed its merger with Capital Radio plc in May. As a consequence, DMGT took a 14.3% investment in the renamed GCap Media plc.

Financial highlights

Turnover
£34m

Operating profit*
(£0.4m)

Operating margin*
-1%

*Adjusted operating profit (before exceptional items and amortisation and impairment of intangible assets)



In its first independent listener survey as a completed network, Nova was the Number One station in its targeted Under 40 demographic in every market.

DMG Broadcasting: Radio
Metropolitan revenue from 2001 – 2005
(£ million)

