

ASX ANNOUNCEMENT
25 JULY 2018

CROCMEDIA ACQUIRES AFL PUBLICATIONS BUSINESS

Crocmedia Pty Ltd (**Crocmedia**) a wholly-owned subsidiary of ASX listed Pacific Star Network Limited (**Company**), is pleased to announce it has signed an agreement with the Australian Football League (**AFL**) to acquire the AFL Publications business (**AFL Record**). The Company will acquire all assets and liabilities required to continue to operate the AFL Record, including licencing of AFL trademarks.

Crocmedia will produce all weekly match-day magazine content, including the AFL Record, AFLW publications, the AFL Season Guide, JLT Community Series, AFLX, International Rules Series, and the AFL Finals and Toyota AFL Grand Final editions.

The AFL Record has been the official match program for more than 100 years. Since Essendon won the premiership in the AFL Record's inaugural year of 1912, the AFL Record has continued to inform and entertain fans from generation to generation.

The total purchase price of \$8.1m is comprised of \$5.85m cash and \$2.25m prepaid advertising to be retained by the AFL. Cash consideration will be paid in three instalments over 12 months, being:

- \$2.383m on completion;
- \$1.733m on 31 October 2018; and
- \$1.734m on the anniversary of completion.

Crocmedia will be entitled to the profits from the AFL Record from round 9 in season 2018. The quantum of these profits will be deducted from the second purchase price instalment on 31 October 2018.

The Company intends to fund the acquisition from operating cash flow in addition to utilising existing available debt facilities. The acquisition is expected to be completed this week subject to the satisfaction of standard conditions.

EBITDA from the AFL Record is anticipated to be in the region of \$3.0-3.3m per AFL season and thus represents an acquisition multiple of 2.5-2.7 times. The acquisition is anticipated to be immediately earnings per share accretive for Crocmedia.

AFL General Manager Commercial Ms Kylie Rogers says the agreement will ensure the AFL Record remains a core part of the match day experience for footy fans. "The AFL Record is an essential part of the experience of attending a footy match. Crocmedia is a leader in content production and publishing, they will ensure the AFL Record continues to evolve, grow and succeed".

The AFL considered a number of opportunities, including a range of external options, for the AFL Record. The AFL entered into an agreement with Crocmedia based on Crocmedia's aspiration to ensure the AFL Record remains a key part of the game day experience. Ms Rogers added: "Crocmedia's tender for this much-loved magazine was exceptional. They respect the heritage of being able to mark the

goals down next to your favourite player, paired with a strong vision for its future innovation and national reach. We look forward to seeing the AFL Record remain an essential part of match day and where Crocmedia will take it”.

Crocmedia Chief Executive Officer Craig Hutchison said the acquisition represented a key strategic opportunity to deepen Crocmedia’s AFL association.

“The AFL Record is one of the oldest magazines in Australia so it’s a great privilege to become its custodian into the future,” Hutchison said.

“It complements our broader suite of AFL assets including our flagship **AFL Nation** game-day call and allows us exciting opportunities to integrate our brand partners across multiple touchpoints to connect with footy fans.”

“We have aspirations to grow the Record’s reach while honouring its iconic past. We’ll continue to ensure that footy fans get all the insight, team stats, match previews and exclusive features that they’ve come to know and love – and that it remains a much-loved part of our footy fabric,” he added.

The AFL Record has been produced by AFL Media for the last seven years, having previously been licensed to Slattery Publishing.

The AFL Record will continue to be produced by AFL Media until the Toyota AFL Grand Final edition in 2018.

-ENDS-

MEDIA AND INVESTORS:

Craig Hutchison
CEO and Managing Director - Pacific Star Network Ltd
03. 8825 6600

ABOUT CROCMEDIA

Crocmedia is wholly-owned by ASX listed Pacific Star Network Limited (ASX code: PNW). The group is a sports, entertainment and lifestyle content business connecting brands to national audiences with unique and exclusive content, supported by multi-year AFL, A-League, NRL and Cricket radio broadcasting rights, high profile talent and state-of-the-art production infrastructure.

Content is distributed over two owned radio stations including 1116 SEN and syndicated radio frequencies in metropolitan and regional markets, television, online, in-stadium, live event and print platforms.