



# adcorp

Monday, 30 November 2015

## 2014-2015 Annual General Meeting – Chairman’s Review

The 2014-2015 year saw a continued focus for Adcorp on re-positioning itself in the wake of rapidly-changing consumer habits in terms of media and advertising consumption, in an environment of uncertain economic conditions. While the return to profitability of the company is pleasing, this has mainly been due to the rationalisation of our cost base. We will continue to seek increased business efficiencies and cost savings, though our focus and allocation of resources for the year ahead will be aimed at increasing revenues through improving profitability on all jobs and projects, introducing new revenue streams and gaining traction into new market sectors.

### Key Results

- Top line billings reduced by 21% to \$67.7 million, mainly as a result of the changing structure of the Australian Government Media account.
- Operating revenues (excluding interest and rent income) were \$18.13m, down 2% from previous year.
- Revenue margin improved from 21.5% to 26.7%; again influenced by changes in the Australian Government Media Account.
- Expenses were down 16% to \$17.97m with reductions in labour accounting for the majority of this decline.
- Operating profit before tax was \$217,000 compared to the prior year’s operating loss of \$2,747,000.

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The board has determined that no dividends will be payable to shareholders for the financial year to June 2015 and will review this position when profitability and cash flow is more robust.

Importantly for the company on November 5 we announced that a preferential claim from the liquidators of Streetwise Advertising Pty Ltd had been settled. This matter was recorded as a contingent liability in the company’s annual accounts released in August. The Directors wish to thank our staff for their dedication and efforts in embracing the necessary changes across the business that has seen the company return to profitability and provide a foundation from which we will diversify and grow.

In continued challenging market conditions for our sector and the economy in general, Adcorp must adapt to be a nimble, highly-responsive and forward-looking organisation.

**Starting conversations**

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As such, Adcorp announced earlier this month a capital raising program through a fully-underwritten Renounceable Rights Issue. The funds generated through this program will assist in providing working capital and improving our current weak balance sheet position that will allow us to take advantage of suitable strategic opportunities while continuing to right-size the business to deliver on the objective of growing profits into the future. The Rights Issue closes at 5pm today.

Thank you

~ends~

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For further information, please contact:  
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