

Annual Report to the ACCC pursuant to section 118PN of the Radiocommunications Act

Financial Year 2014-2015

Digital Radio Joint Venture Companies

Adelaide, Brisbane, Melbourne, Perth and Sydney

31 August 2015



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1. Executive summary

1.1 Background

This document constitutes the annual report by the digital radio multiplex transmission licensees in Adelaide, Brisbane, Melbourne, Perth and Sydney (**JVCs**) under section 118PN of the *Radiocommunications Act 1992* (Cth) for the 2014-2015 financial year.¹

On 22 April 2009, the Australian Competition & Consumer Commission (**ACCC**) determined that an ACCC-modified access undertaking was to apply to multiplex transmission capacity services by the JVCs pursuant to section 118NF(5) of the Radiocommunications Act (the **access undertaking**).

On 19 June 2013, the JVCs submitted a request to the ACCC to vary the access undertaking and the access agreement incorporated within it. Following consultation with stakeholders, the ACCC accepted a revised variation to the access undertaking on 19 December 2013 pursuant to section 118NH of the Radiocommunications Act.

Section 118PN of the Radiocommunications Act provides that, if an access undertaking is in force during the whole or part of a financial year, the JVCs must submit annual reports to the ACCC within 60 days of the end of the financial year, on the following:

- matters specified in the *Digital Radio Multiplex Transmitter Licence Procedural Rules 2008* made by the ACCC under section 118PO of the Radiocommunications Act (**Procedural Rules**); and
- matters that relate to:
 - compliance during that financial year with the access undertaking;
 - compliance during that financial year with the standard access obligations (if any) applicable to the licence;
 - compliance during that financial year with the excess-capacity access obligations (if any) applicable to the licence;
 - compliance during that financial year with the distributed-capacity access obligations (if any) applicable to the licence; or
 - compliance during that financial year with the obligations that are applicable to the licence under section 118NP.

The Procedural Rules require the JVCs to cover the following matters within an annual report:

- compliance during that financial year with the access undertaking;

¹ Further details about the entities that have lodged this annual report are set out in Attachment A.
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- compliance during that financial year with standard access obligations (if any) applicable to the licence;
- compliance during that financial year with excess-capacity access obligations (if any) applicable to the licence;
- compliance during that financial year with obligations that are applicable to the licence under section 118NP of the Radiocommunications Act (i.e. the JVCs' non-discrimination obligation);
- any non-compliance (including reasons) with the above;
- steps taken to rectify non-compliance;
- expected completion dates for matters requiring rectification;
- changes to the membership of the JVCs that have occurred during the financial year; and
- any authorisation of third party users.

This annual report covers the matters identified in section 118PN of the Radiocommunications Act and the Procedural Rules in respect of the 2014-2015 financial year.

1.2 Overview of findings

The JVCs supplied the multiplex transmission service to access seekers pursuant to an access undertaking throughout the course of the 2014-15 financial year.

The JVCs have been compliant with the legislative requirements of the Radiocommunications Act and the terms of the access undertaking and access agreement for the 2014-2015 financial year. The JVCs have supplied the Multiplex Transmission Service to content service providers (including digital community broadcasters) in accordance with their legislative and regulatory obligations.

Some of the key highlights of the 2014-2015 financial year included:

- **On-channel repeaters go live:** the JVCs continue to progress their rollout of on-channel repeaters to address black spots in each BSA radio area and to improve digital radio services. As at 30 June 2015, eleven on-channel repeaters sites were operational, with additional sites at Mount Badgelly and Winmalee coming online over the course of the 2014-15 financial year.

The JVCs are now moving to the next phase of the on-channel repeater rollout to address two additional areas in Melbourne:

- the Werribee area – the JVCs are in the process of developing a new site and hope to have an on-channel repeater operational by June 2016; and

- the Mornington Peninsula area – the JVCs plan to have an on-channel repeater operational in the Mornington Peninsula area by the end of June 2017.
- **Operational handover** – in an effort to optimise operational costs, the JVCs have appointed Broadcast Australia and Agile to take responsibility for the maintenance and management of on-channel repeater sites. Operational handover occurred at four sites (Centrepont, Redfern, Mt Mee and Central Park) in the 2014-15 financial year, which led to an estimated \$45,000 in savings in the JVCs' operational costs. A further seven sites have been identified for handover in the 2015-16 financial year.

1.3 Confidentiality

There are aspects of this Annual Report that are confidential to the JVCs. It is requested that aspects of this report that are identified as confidential not be disclosed to the public in accordance with section 13 of the Procedural Rules.

The JVCs do not object to the disclosure of this annual report in its entirety to the Australian Communications and Media Authority in accordance with section 16(1)(f) of the Procedural Rules.

2. Compliance with digital radio access undertaking

2.1 Overview

This section sets out the extent to which the JVCs have complied with key aspects of the access undertakings, including the access agreement that forms part of the access undertakings.

We have not sought to cover all aspects of the access undertaking and access agreement as part of our report given there are many aspects of these documents that are non-substantive or which were not operative or relied upon during the 2014-2015 financial year.

The areas of the access undertaking and access agreement covered in this section include:

- the supply obligations of the JVCs in respect of the multiplex transmission service under clause 9 of the access agreement;
- the obligations of the JVCs in respect of financial security under clause 14 of the access agreement; and
- the compliance by the JVCs with the pricing principles in Schedule 2 of the access agreement, including:
 - the efficient cost principle for the inclusion of capital expenditure, operating expenditure and overheads into the cost base of the JVCs under clause 3.3;

- the determination of the weighted average cost of capital under clause 3.4;
- the criteria for the calculation of access fees under clauses 4.1 and 4.2;
- the criteria for adjustments to access fees based on changes to the amount of multiplex capacity being acquired under clause 4.4; and
- the process for review of the access fees under clause 5.

This section does not explicitly consider the issue of compliance with the standard access obligations and excess capacity access obligations, which are covered in sections 3 and 4 below respectively.

2.2 Supply obligations

Clause 9 of the access agreement:

- forbids the JVCs from preventing an access seeker from obtaining access to the multiplex transmission service in accordance with the access agreement;
- prohibits the JVCs from discriminating between access seekers to which it supplies the multiplex transmission service in relation to technical and operational quality of the service itself, and the technical and operational quality and timing of the fault detection, handling and rectification supplied in respect of the service – this requirement implements the non-discrimination requirement in section 118NP of the Radiocommunications Act; and
- requires that the JVCs make the standard access entitlements and excess-capacity access entitlements available to content service providers.

The JVCs are not aware of any non-compliance with clause 9 of the access agreement in the 2014-2015 financial year. In particular, the JVCs:

- did not prevent any access seeker from receiving the multiplex transmission service during that period;
- supplied the multiplex transmission service on an identical basis to all access seekers from a technical and operational quality perspective during that period; and
- allowed all holders of standard access entitlements and excess-capacity access entitlements to acquire those entitlements pursuant to their respective access agreements.

2.3 Financial security

The JVCs did not require a financial security from any commercial radio broadcasters or digital community broadcasters in the 2014-2015 financial year, nor did the JVCs alter the financial arrangements that were previously put in place between the JVCs and the CBAA (as described in the annual report for 2010-2011).

Under these arrangements with the CBAA, the JVCs hold the equivalent of 3 months' access fees for 256 Kbps of multiplex capacity as financial security. This amount of financial security is adjusted every time the access fee changes and was adjusted in 2014-2015 to take account of the change in the level of access fees.

2.4 Efficient cost principle

Clause 3.1 of Schedule 2 of the access agreement limits the costs that the JVCs can recover from access seekers to those costs that have been efficiently incurred. Clause 3.2 and clause 3.3 of Schedule 2 of the access agreement sets out the specific types and categories of costs that are recoverable in accordance with the "Efficient Costs" principle, including:

- capital expenditure;
- operating expenditure; and
- expenditure on corporate overheads.

The JVCs consider that the costs that have been included within its cost base during the 2014-2015 financial year reflect the efficient costs incurred by the JVCs.

In the 2014-2015 financial year, the JVCs incurred additional costs associated with the rollout and operation of on-channel repeaters. By 30 June 2015, on-channel repeaters were rolled out to a further two sites – Mount Badgelly and Winmalee –which brings the total number of sites in operation to eleven.

The following table summarises the 'go live' date for on-channel repeaters up to the end of the 2014-2015 financial year:

Site location	Operational ("on-air") date
Mount Mee, Brisbane	30 October 2013
Mount Badgelly, Sydney	October 2014
Collaroy, Sydney	5 May 2014
Centrepont, Sydney	30 October 2013
Newport, Sydney	16 July 2014
Redfern, Sydney	30 October 2013
Winmalee, Sydney	June 2015
Bacchus Marsh, Melbourne	26 March 2014
Fishermans Bend, Melbourne	4 September 2014
Mindarie, Western Australia	28 May 2014
Central Park, Western Australia	21 November 2013

The JVCs intend to further progress the on-channel repeater rollout in the 2015-16 financial year. The current intention is to have an on-channel repeater in operation at Werribee, Melbourne by the end of June 2016. The JVCs also plan to rollout an on-channel repeater to Mornington Peninsula, Melbourne by the end of June 2017.

The capital and operating costs associated with the OCR rollout, and the JVCs' compliance with the efficient cost principle in relation to these costs, were discussed in the 2012-2013 annual report. In summary:

- in relation to capital expenditure – the JVCs procured on-channel repeater equipment through a competitive tendering method having regard to the total cost of ownership, thereby ensuring that costs were incurred prudently – this is notwithstanding the fact that the capital costs associated with OCRs have been funded from auction revenue incurred by the JVCs from the allocation of excess-capacity access entitlements; and
- in relation to operating expenditure – the JVCs chose the location of on-channel repeater sites on the basis of their ability to mitigate identified black spots, while site access arrangements between the JVCs and tower/rooftop owners were entered into on an arm’s length basis and other operating costs (such as electricity costs) have been incurred by reference to standard procurement methods.

In addition to the on-channel repeater related costs, during the 2014-2015 financial year, the JVCs also incurred increased costs due to [C-I-C: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

In an effort to optimise operational costs, the JVCs have appointed Broadcast Australia and Agile to take responsibility for the maintenance and management of on-channel repeater sites. Operational handover occurred at four sites (Centrepont, Redfern, Mt Mee and Central Park) in the 2014-15 financial year, which led to an estimated \$45,000 of savings in the JVCs’ operational costs. A further seven sites have been identified for handover in the 2015-16 financial year.

In light of the above, the JVCs are not aware of any non-compliance with the efficient cost principle contained within the pricing principles in Schedule 2 of the access agreement.

2.5 Weighted Average Cost of Capital

During the 2014-2015 financial year, the JVCs used a post-tax Weighted Average Cost of Capital (**WACC**) of 8.17% for the purpose of determining access fees. This is the WACC that has been used since 1 October 2011.

The specific parameters used by the JVCs to calculate the WACC during the 2014-2015 financial year are summarised below:

Parameter	Value
Gearing	30%
Nominal risk free rate	5.56%
Inflation	2.52%
Real risk free rate	2.97%
Equity beta	0.83
Gamma	0.45
MRP	6.00%

Nominal return on equity (post-tax)	10.53%
Cost of debt	9.49%
Cost of equity	11.5%
Vanilla post-tax WACC	10.22%
Officer post-tax WACC	8.17%

The JVCs engaged in preliminary discussions with the ACCC in the 2014-2015 financial year regarding a potential review of the WACC. The JVCs' current intention is to review the WACC over the course of the 2015-2016 financial year and to consult with the ACCC during this process.

2.6 Calculation of access fees

Clause 4.1 of Schedule 2 of the access agreement provides that the JVCs will levy fixed recurring charges based on the amount of multiplex capacity allocated to an access seeker, regardless of whether such capacity is used.

Clause 4.2 establishes a formula for the conversion of the JVCs annualised costs into an annual fixed recurring charge, based on the following formula:

$$\text{AFRC} = \text{AC} \times \text{BMC}/\text{TMC}$$

Where:

AFRC is the annual fixed recurring charge.

AC is the annualised costs derived under clause 3 of Schedule 2 of the access agreement.

BMC is the amount of multiplex capacity allocated to the relevant access seeker.

TMC is the total amount of multiplex capacity allocated to all access seekers by the JVC.

The access fees payable by access seekers for the 2014-2015 financial year for standard access entitlements are set out below.

As set out in the table below, price changes in all of the BSA radio areas took effect on 1 October 2014. The changes were made in accordance with clause 5.2(a) of Schedule 2 of the access agreement, which allows the JVCs to review the fees payable by access seekers to ensure consistency with the pricing principles established in Schedule 2 of the access agreement.

The adjustment in the fees payable reflects the increased operating costs incurred by the JVCs in the 2014-2015 financial year as further discussed above.

Access seekers received notice of the changes in accordance with clauses 5.2(c) and 5.2(f) of Schedule 2 of the access agreement.

The figures below are the access fees paid by the access seekers for the 2014-2015 financial year. The figures are exclusive of GST.

BSA Radio Area	Access Seekers	Q1 2014-15 FY Access Fee (per 32 Kbps, per quarter)	Q2 2014-15 FY Access Fee (per 32 Kbps, per quarter)	Q3 2014-15 FY Access Fee (per 32 Kbps, per quarter)	Q4 2014-15 FY Access Fee (per 32 Kbps, per quarter)	TOTAL Access Fee paid 2014-2015 financial year (per 32 Kbps)
1. Adelaide	5AD Broadcasting Pty Limited	\$6,064	\$6,681	\$6,681	\$6,681	\$26,106
	Festival City Broadcasting Pty Limited	\$6,064	\$6,681	\$6,681	\$6,681	\$26,106
	Nova 91.9 Pty Limited	\$6,064	\$6,681	\$6,681	\$6,681	\$26,106
	SCA Digital Pty Limited	\$6,064	\$6,681	\$6,681	\$6,681	\$26,106
	Southern State Broadcasters Pty Limited	\$6,064	\$6,681	\$6,681	\$6,681	\$26,106
	Triple M Adelaide Pty Limited	\$6,064	\$6,681	\$6,681	\$6,681	\$26,106
	Digital Community Broadcasters	\$6,064	\$6,681	\$6,681	\$6,681	\$26,106
2. Brisbane (Channel 9A and 9B)	ARN Communications Pty Limited	\$4,981	\$5,499	\$5,499	\$5,499	\$21,479
	Brisbane FM Radio Pty Limited	\$4,981	\$5,499	\$5,499	\$5,499	\$21,479
	Broadcasting Station 4IP Pty Limited	\$4,981	\$5,499	\$5,499	\$5,499	\$21,479
	Nova 106.9 Pty Limited	\$4,981	\$5,499	\$5,499	\$5,499	\$21,479
	Radio 4BH Brisbane Pty Limited	\$4,981	\$5,499	\$5,499	\$5,499	\$21,479
	Radio 4BC Brisbane Pty Limited	\$4,981	\$5,499	\$5,499	\$5,499	\$21,479
	Today FM Brisbane Pty Limited	\$4,981	\$5,499	\$5,499	\$5,499	\$21,479
	Triple M Brisbane Pty Limited	\$4,981	\$5,499	\$5,499	\$5,499	\$21,479
	Digital Community Broadcasters	\$4,981	\$5,499	\$5,499	\$5,499	\$21,479
3. Melbourne (Channel 9A and 9B)	3UZ Pty Limited	\$6,453	\$6,635	\$6,635	\$6,635	\$26,359
	ARN Broadcasting Pty Limited	\$6,453	\$6,635	\$6,635	\$6,635	\$26,359
	Double T Radio Pty Limited	\$6,453	\$6,635	\$6,635	\$6,635	\$26,359
	Malbend Pty Limited	\$6,453	\$6,635	\$6,635	\$6,635	\$26,359
	Nova 100 Pty Limited	\$6,453	\$6,635	\$6,635	\$6,635	\$26,359
	Radio 1278 Melbourne Pty Limited	\$6,453	\$6,635	\$6,635	\$6,635	\$26,359

BSA Radio Area	Access Seekers	Q1 2014-15 FY Access Fee (per 32 Kbps, per quarter)	Q2 2014-15 FY Access Fee (per 32 Kbps, per quarter)	Q3 2014-15 FY Access Fee (per 32 Kbps, per quarter)	Q4 2014-15 FY Access Fee (per 32 Kbps, per quarter)	TOTAL Access Fee paid 2014-2015 financial year (per 32 Kbps)
	Radio 3AW Melbourne Pty Limited	\$6,453	\$6,635	\$6,635	\$6,635	\$26,359
	SCA Digital Pty Limited	\$6,453	\$6,635	\$6,635	\$6,635	\$26,359
	SmoothFM 91.5 Pty Limited	\$6,453	\$6,635	\$6,635	\$6,635	\$26,359
	Triple M Melbourne Pty Limited	\$6,453	\$6,635	\$6,635	\$6,635	\$26,359
	Victorian Radio Network Pty Limited	\$6,453	\$6,635	\$6,635	\$6,635	\$26,359
	Digital Community Broadcasters	\$6,453	\$6,635	\$6,635	\$6,635	\$26,359
4. Perth	Consolidated Broadcasting Systems (W.A.) Pty Ltd	\$6,921	\$7,764	\$7,764	\$7,764	\$30,214
	Perth FM Radio Pty Ltd	\$6,921	\$7,764	\$7,764	\$7,764	\$30,214
	Nova Entertainment (Perth) Pty Ltd	\$6,921	\$7,764	\$7,764	\$7,764	\$30,214
	Radio Perth Pty Ltd	\$6,921	\$7,764	\$7,764	\$7,764	\$30,214
	Radio 96FM Pty Ltd	\$6,921	\$7,764	\$7,764	\$7,764	\$30,214
	Radio 6PR Perth Pty Ltd	\$6,921	\$7,764	\$7,764	\$7,764	\$30,214
	Digital Community Broadcasters	\$6,921	\$7,764	\$7,764	\$7,764	\$30,214
5. Sydney	2KY Broadcasters Pty Limited	\$6,484	\$7,076	\$7,076	\$7,076	\$27,711
	ARN Communications Pty Limited	\$6,484	\$7,076	\$7,076	\$7,076	\$27,711
	Commonwealth Broadcasting Pty Limited	\$6,484	\$7,076	\$7,076	\$7,076	\$27,711
	Harbour Radio Pty Limited	\$6,484	\$7,076	\$7,076	\$7,076	\$27,711
	Nova 96.9 Pty Limited	\$6,484	\$7,076	\$7,076	\$7,076	\$27,711
	Radio 2CH Pty Limited	\$6,484	\$7,076	\$7,076	\$7,076	\$27,711
	Radio 2SM Pty Limited	\$6,484	\$7,076	\$7,076	\$7,076	\$27,711
	Radio 2UE Sydney Pty Limited	\$6,484	\$7,076	\$7,076	\$7,076	\$27,711
	SmoothFM 95.3 Pty Limited	\$6,484	\$7,076	\$7,076	\$7,076	\$27,711
	Today FM Sydney Pty Limited	\$6,484	\$7,076	\$7,076	\$7,076	\$27,711

BSA Radio Area	Access Seekers	Q1 2014-15 FY Access Fee (per 32 Kbps, per quarter)	Q2 2014-15 FY Access Fee (per 32 Kbps, per quarter)	Q3 2014-15 FY Access Fee (per 32 Kbps, per quarter)	Q4 2014-15 FY Access Fee (per 32 Kbps, per quarter)	TOTAL Access Fee paid 2014-2015 financial year (per 32 Kbps)
	Triple M Sydney Pty Limited	\$6,484	\$7,076	\$7,076	\$7,076	\$27,711
	Digital Community Broadcasters	\$6,484	\$7,076	\$7,076	\$7,076	\$27,711

The JVCs are not aware of any non-compliance with clause 5 of Schedule 2 of the access agreement in the 2014-2015 financial year.

3. Compliance with standard access obligations

Section 118NL of the Radiocommunications Act imposes standard access obligations on the JVCs, which in turn require the JVCs to supply multiplex capacity to those content service providers that hold standard access entitlements.

The process for the implementation of standard access entitlements is set out in section 118NQ of the Radiocommunications Act. Clause 6.3 and 6.4 of the access agreement provides the contractual basis for the implementation of these legislative requirements.

The JVCs have made standard access entitlements available with the incumbent commercial broadcasters pursuant to section 118NQ of the Radiocommunications Act and clause 6.3 of the access agreement.

The Radiocommunications Act also requires that the JVCs reserve two-ninths of multiplex capacity under each digital radio multiplex transmitter licence for digital community broadcasters that are nominated by the digital community radio broadcasting representative company (**Representative Company**) to claim the standard access entitlement.²

The JVCs met this requirement in the 2014-15 financial year by allocating standard access entitlements to digital community broadcasters in accordance with the nominations of the Representative Company.

The JVCs have made available standard access entitlements to all digital community broadcasters that have been nominated by the Representative Company as being eligible to acquire multiplex capacity in the designated BSA radio area.

The JVCs are not aware of any non-compliance with their standard access obligations for the 2014-2015 financial year.

² Radiocommunications Act, section 118NR(2). See also clause 6.4(b) of access agreement.

4. Compliance with excess-capacity access obligations

Section 11NM of the Radiocommunications Act imposes excess-capacity access obligations on JVCs, which in turn require the JVCs to supply multiplex capacity to those content service providers that hold excess-capacity access entitlements acquired in accordance with section 118NT of the Radiocommunications Act.

Clause 7 of the access agreement provides the contractual basis for the implementation of the excess-capacity access entitlements.

The JVCs have made excess-capacity access entitlements available to incumbent commercial broadcasters pursuant to section 118NT of the Radiocommunications Act and clause 7 of the access agreement. Further details are available in the 2009-2010 annual report.

No further excess capacity access entitlements were allocated to content service providers in the 2014-2015 financial year.

The JVCs have made available excess-capacity access entitlements to all content service providers that are eligible to acquire the associated multiplex capacity in the designated BSA radio area.

The JVCs are not aware of any non-compliance with their excess capacity access obligations for the 2014-2015 financial year.

5. Compliance with non-discrimination obligation

Section 118NP of the Radiocommunications Act prohibits discrimination by the JVCs between content service providers that have access to multiplex capacity in relation to the following:

- the technical and operational quality of the services supplied to the content service providers; and
- the technical and operational quality and timing of the fault detection, handling and rectification supplied to the content service providers.

This obligation is also reflected in clause 9.3 of the access agreement.

The JVCs are not aware of any non-compliance with their non-discrimination requirements. In particular, the JVCs have supplied the multiplex transmission service on an identical basis to all access seekers from a technical and operational quality perspective, including in respect of fault detection, handling and rectification.

This covers the supply of both standard access entitlements and excess-capacity access entitlements.

6. Changes to membership

There were no changes to the membership structure of any of the JVCs during the 2014-2015 financial year. However, certain shareholders have changed their business names during this period.

Attachment B sets out the membership of the JVCs, including the percentage of shareholdings and updated business names of the shareholders.

7. Authorisation of third party users

Section 114(1) of the Radiocommunications Act provides that the JVCs may, by written instrument, authorise a third party to operate radiocommunications devices under the licence.

During the 2014-2015 financial year, the JVCs have not authorised any third parties to operate radiocommunications devices under this section.

Attachment A List of JVCs submitting this annual report

This annual report for 2014-2015 has been submitted by the following entities:

- Digital Radio Broadcasting Adelaide Pty Ltd (ACN 128 742 772) – Foundation Category 1 Digital Radio Multiplex Transmitter Licence Number 1901330
- Digital Radio Broadcasting Brisbane Pty Ltd (ACN 128 742 950) – Foundation Category 1 Digital Radio Multiplex Transmitter Licence Number 1901423 and 1901424
- Digital Radio Broadcasting Melbourne Pty Ltd (ACN 128 742 898) – Foundation Category 1 Digital Radio Multiplex Transmitter Licence Number 1901421 and 1901422
- Digital Radio Broadcasting Perth Pty Ltd (ACN 128 742 638) – Foundation Category 1 Digital Radio Multiplex Transmitter Licence Number 1901331
- Digital Radio Broadcasting Sydney Pty Ltd (ACN 128 742 978) – Foundation Category 1 Digital Radio Multiplex Transmitter Licence Number 1901419 and 1901420.

Attachment B JVC membership for 2014-2015 financial year³

Digital Radio Broadcasting Adelaide Pty Ltd	Number of shares	Shareholding percentage
5AD Broadcasting Pty Limited	13,000	16.66%
Festival City Broadcasting Pty Limited	13,000	16.66%
Nova 91.9 Pty Limited	13,000	16.66%
SCA Digital Pty Limited	13,000	16.66%
Southern State Broadcasters Pty Limited	13,000	16.66%
Triple M Adelaide Pty Limited	13,000	16.66%
Total	78,000	100%

Digital Radio Broadcasting Brisbane Pty Ltd	Number of shares	Shareholding percentage
ARN Communications Pty Limited	10,000	12.50%
Brisbane FM Radio Pty Limited	10,000	12.50%
Broadcasting Station 4IP Pty Limited	10,000	12.50%
Nova 106.9 Pty Limited	10,000	12.50%
Radio 4BH Brisbane Pty Limited	10,000	12.50%

³ Please note that shareholdings have been rounded to 2 decimal points.

Radio 4BC Brisbane Pty Limited	10,000	12.50%
Today FM Brisbane Pty Limited	10,000	12.50%
Triple M Brisbane Pty Limited	10,000	12.50%
Total	80,000	100%

Digital Radio Broadcasting Melbourne Pty Ltd	Number of shares	Shareholding percentage
3UZ Pty Limited	7,000	9.09%
ARN Broadcasting Pty Limited	7,000	9.09%
Double T Radio Pty Limited	7,000	9.09%
Malbend Pty Limited	7,000	9.09%
Nova 100 Pty Limited	7,000	9.09%
Radio 1278 Melbourne Pty Limited	7,000	9.09%
Radio 3AW Melbourne Pty Limited	7,000	9.09%
SCA Digital Pty Limited	7,000	9.09%
SmoothFM 91.5 Pty Limited	7,000	9.09%
Triple M Melbourne Pty Limited	7,000	9.09%
Victorian Radio Network Pty Limited	7,000	9.09%
Total	77,000	100%

Digital Radio Broadcasting Perth Pty Ltd	Number of shares	Shareholding percentage
Consolidated Broadcasting Systems (W.A.) Pty Ltd	13,000	16.67%
Perth FM Radio Pty Ltd	13,000	16.67%
Nova Entertainment (Perth) Pty Ltd	13,000	16.67%
Radio Perth Pty Ltd	13,000	16.67%
Radio 96FM Pty Ltd	13,000	16.67%
Radio 6PR Perth Pty Ltd	13,000	16.67%
Total	78,000	100%

Digital Radio Broadcasting Sydney Pty Ltd	Number of shares	Shareholding percentage
2KY Broadcasters Pty Limited	342,425	9.27%
ARN Communications Pty Limited	416,964	11.29%
Commonwealth Broadcasting Pty Limited	416,964	11.29%
Harbour Radio Pty Limited	7,000	0.19%
Nova 96.9 Pty Limited	416,964	11.29%
Radio 2CH Pty Limited	7,000	0.19%
Radio 2SM Pty Limited	416,964	11.29%
Radio 2UE Sydney Pty Limited	416,964	11.29%

Today FM Sydney Pty Limited	416,964	11.29%
Triple M Sydney Pty Limited	416,964	11.29%
SmoothFM 95.3 Pty Limited	416,964	11.29%
Total	3,692,137	100%

