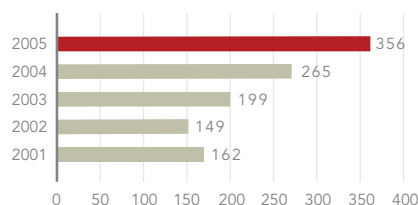
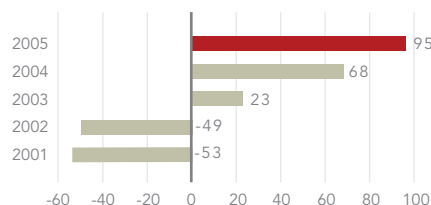


Audited results for the year ended 30 June

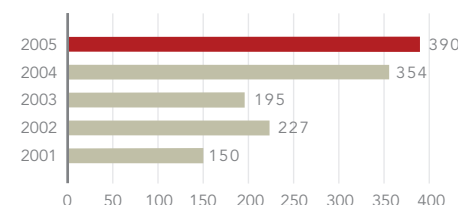
OPERATING PROFIT BEFORE AMORTISATION, FOREIGN EXCHANGE AND EXCEPTIONAL ITEMS
(R'million)



HEADLINE EARNINGS PER SHARE
(cents)



CASH GENERATED FROM OPERATIONS
(R'million)



ABRIDGED CONSOLIDATED INCOME STATEMENT

	% change	Audited 2005 R'000	Audited (restated) 2004 R'000
Revenue	13,0	1 980 308	1 752 387
Operating profit before depreciation	29,0	418 929	324 700
Depreciation		(62 680)	(59 662)
Operating profit before amortisation, foreign exchange items and exceptional items (PBIT)	34,4	356 249	265 038
Amortisation of goodwill and intangibles		(4 701)	(8 620)
Foreign exchange (losses)/gains		(2 101)	1 030
Exceptional items		16 915	23 308
Operating profit	30,5	366 362	280 756
Net finance costs		(39 747)	(16 462)
Revaluation of interest rate swap		(7 518)	-
Share of associated companies' profits/(losses)		457	(331)
Profit before tax	21,1	319 554	263 963
Taxation		(86 642)	(64 032)
Net profit after tax	16,5	232 912	199 931
Minority interest		(17 340)	(24 403)
Net profit for the year	22,8	215 572	175 528
Reconciliation of headline earnings			
Net profit for the year		215 572	175 528
Goodwill amortisation		-	3 874
Net profit on disposal of fixed assets and investments		(206)	(8)
Exceptional items:		(3 799)	(33 236)
- Revaluation/(impairment) of assets and equity investments		578	(14 203)
- Profit on disposal of assets and investments		(4 057)	(9 189)
- Recovery of investments previously written off		(200)	(9 844)
- Other costs written back		(120)	-
Tax effect of non-headline earnings items		95	1 217
Headline earnings	43,6	211 662	147 375
Number of shares ('000)			
- Issued		221 747	216 764
- Weighted average		223 032	216 520
- Diluted weighted average		228 494	225 648
Earnings per share (cents)			
- Headline	39,7	95	68
- Basic	19,8	97	81
- Diluted headline	43,1	93	65
- Diluted basic	20,5	94	78
Exceptional items			
Headline reconciling items above		3 799	33 236
Revaluation/(impairment) of assets and investments		19 409	(4 293)
Charitable donations		(3 000)	-
Other exceptional costs		(3 293)	(5 635)
Gross exceptional items		16 915	23 308

Change in accounting policy and restatement

The Group has changed its accounting policy with regard to the amortisation of goodwill in accordance with Statements of Generally Accepted Accounting Practice. The Group no longer provides amortisation of goodwill, which is now subject to an annual impairment test. In addition, leases with fixed determinable escalation clauses are now expensed on a straight-line basis over the period of the leases as opposed to an incurred basis.

The revised interpretation of the accounting policy with respect to leases has resulted in a credit to trading income of R3,1 million (2004: R1,2 million), an increase in taxation of R0,8 million (2004: R0,4 million) and a net reduction of R17,3 million in the opening retained earnings as at 1 July 2004. Had this change not taken place, headline earnings per share would have been 94 cents (2004: 68 cents), an increase of 38,2%.

The adoption of the new policy with regard to business combinations has resulted in goodwill amortisation of R27,8 million not being charged against income in the current year. There is no requirement to restate the comparative results.

Basis of preparation of financial statements

The Group results as at 30 June 2005 have been prepared in terms of South African Statements of Generally Accepted Accounting Practice applicable to interim financial reporting. With effect from 1 July 2005, the Group will adopt International Financial Reporting Standards and is currently quantifying the impact of this change. The effect of this transition will be disclosed in the interim results for the six months to 31 December 2005 and the 2006 annual report.

Audit report

The consolidated results and the annual financial statements from which they were prepared for the year have been audited by Deloitte & Touche and their unqualified audit reports are available for inspection at the company's registered office.

Investor presentation

Details of the presentation to investors will be available on the Primedia website on 31 August 2005.

ABRIDGED CONSOLIDATED CASH FLOW STATEMENT

	Audited 2005 R'000	Audited (restated) 2004 R'000
Cash generated from operations	389 850	353 629
Net finance cost	(30 845)	(14 550)
Dividends paid to minorities	-	(1 916)
Tax paid	(69 365)	(63 805)
Net cash inflow from operating activities	289 640	273 358
Net acquisition of subsidiaries and investments	(395 893)	(17 352)
Loans advanced to associates and minorities	(2 288)	(9 983)
Net acquisition of fixed assets and software	(86 604)	(43 227)
Net cash outflow from investing activities	(484 785)	(70 562)
Distribution to shareholders	(103 289)	(63 729)
Net proceeds from issue of shares	29 060	-
Share acquisitions and share buy back	(29 106)	(7 540)
Net borrowings raised/(repaid)	225 008	(52 595)
Net cash inflow/(outflow) from financing activities	121 673	(123 864)
Net (decrease)/increase in cash and cash equivalents	(73 472)	78 932
Foreign currency translation	1 064	(287)
Cash and cash equivalents at beginning of year	65 997	(12 648)
Cash and cash equivalents at end of year	(6 411)	65 997

ABRIDGED CONSOLIDATED BALANCE SHEET

	Audited 2005 R'000	Audited (restated) 2004 R'000
ASSETS		
Non-current assets	911 004	551 554
Property, plant and equipment	279 718	248 919
Goodwill and intangible assets	456 326	115 787
Other investments	23 543	13 586
Deferred tax asset	151 417	173 262
Current assets	463 924	438 898
Inventories	51 767	39 569
Trade and other receivables	407 789	333 332
Bank balances and cash	4 368	65 997
Total assets	1 374 928	990 452
EQUITY AND LIABILITIES		
Total shareholders' funds	488 126	333 397
Share capital and reserves	407 199	317 159
Minority interest	80 927	16 238
Non-current liabilities	299 953	104 159
Interest-bearing borrowings	192 745	61 912
Landlord inducement premium	21 384	17 047
Long-term provisions	22 699	24 928
Deferred tax liability	63 125	272
Current liabilities	586 849	552 896
Bank overdrafts and short-term borrowings	10 779	-
Other current liabilities	576 070	552 896
Total equity and liabilities	1 374 928	990 452
Net asset value per share (cents)	184	146

CAPITAL EXPENDITURE, COMMITMENTS AND CONTINGENCIES

Future capital commitments	96 870	78 802
Financial commitments	42 468	30 288
Operating lease commitments	355 144	301 665
- Due within one year	96 335	77 832
- Thereafter	258 809	223 833
Unindemnified contingent liabilities	87 662	80 274
Contingent liabilities	243 656	222 997
Indemnities received	(155 994)	(142 723)

ABRIDGED GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Audited 2005 R'000	Audited (restated) 2004 R'000
Share capital and premium	274 717	351 362
Opening balance	351 362	411 738
Shares issued during the year, less expenses	29 060	-
Distribution to shareholders	(103 289)	(62 043)
Movement in treasury shares	(2 416)	1 667
Non-distributable reserves	260 805	305 119
Opening balance	305 119	391 989
Minority share of intangibles previously written off against share premium	(23 734)	(32 383)
Increase/(decrease) in tax value of trademarks previously written off against share premium	(2 756)	1 138
Disposal of subsidiary	-	(5 946)
Translation reserve movement	1 401	(29 247)
Movement in treasury shares	(19 225)	(21 281)
Transfer to non-distributable reserves	-	849
Accumulated loss	(128 323)	(339 322)
Opening balance as previously reported	(339 322)	(501 035)
Restatement - operating leases	-	(17 343)
Opening balance as restated	(339 322)	(518 378)
Net profit for the year	215 572	175 528
Movement in treasury shares	(7 465)	4 377
Negative goodwill released	2 892	-
Transfer from non-distributable reserves	-	(849)
Total share capital and reserves	407 199	317 159

SEGMENT REPORT

	Audited 2005 R'000	Audited (restated) 2004 R'000
REVENUE		
Advertising	950 288	759 901
Content	933 827	899 522
One to one marketing	62 726	67 850
New media sectors	33 467	506
Disposed entities	-	24 608
	1 980 308	1 752 387
PBIT		
Advertising	296 970	211 746
Content	71 444	69 951
One to one marketing	2 095	4 025
New media sectors	2 782	(114)
Disposed entities	-	(3 568)
Central (net of operating lease adjustment)	(17 042)	(17 002)
	356 249	265 038
OPERATING PROFIT		
Advertising	293 535	205 436
Content	81 434	73 427
One to one marketing	1 658	3 644
New media sectors	2 782	(114)
Disposed entities	-	5 776
Central	(13 047)	(7 413)
	366 362	280 756

Directorate

Executive: W Kirsh (CE), O Ighodaro (CFO), FA Gazendam, K Pillay

Non-Executive: AP Nkuna (Chairman), I Kirsh, HM Madima, P Maw, K Motaung

Independent Non-Executive: MJ Bosman, HM Khoza, CS Seabrooke, BJT Shongwe, SV Zilwa, N Canca

Alternate: Keshan Pillay (alternate to AP Nkuna)

Company secretary: SE Sather

Registered office

6th Floor, Primedia Place
5 Gwen Lane
Sandown 2196

Transfer secretaries

Computershare Investor
Services 2004 (Pty) Limited
70 Marshall Street, Johannesburg 2001

Incorporated in the Republic of South Africa

Registration number 1993/003355/06

Share code PMA ISIN ZAE000035119

Share code PMN ISIN ZAE000035127

("Primedia" or "the company" or "Primedia Group")



HIGHLIGHTS

- REVENUE UP 13,0% TO R1,98 BILLION
- OPERATING PROFIT BEFORE DEPRECIATION UP 29,0% TO R418,9 MILLION
- PBIT UP 34,4% TO R356,2 MILLION
- PBIT MARGIN INCREASES FROM 15,1% TO 18,0%
- HEADLINE EARNINGS PER SHARE (HEPS) UP BY 39,7% TO 95 CENTS
- SHAREHOLDER DISTRIBUTIONS PER SHARE UP BY 40% TO 56 CENTS
- CASH GENERATED BY OPERATIONS UP 10,2% TO R389,9 MILLION
- FREE CASH FLOW AS PERCENTAGE OF HEADLINE EARNINGS 110% (2004: 178%)
- STRATEGIC ACQUISITIONS CONCLUDED

www.primedia.co.za



COMMENTARY

1. OVERVIEW

The Primedia Group has enjoyed another very satisfactory year. Whilst the short-term performance of the Group has been stellar, the benefits of its longer-term strategy have also started to show through. In 2000, the Group changed its strategic direction to focus on the domestic market and this strategy, with all its supporting themes, has enabled the Group's South African operations to record a 28,4% compound annual growth in PBIT over the last five years.

2. STRATEGIC REVIEW

2.1 Introduction

The Group's vision is to become a world-class media group incorporating advertising and content-based media assets. Achieving this status requires a continued and disciplined focus on the following principles:

- **Investing in the right media businesses:** This includes owning media assets that have high rights exclusivity, critical mass and that on balance target consumers that have greater spending capacity;
- **Combining the right media assets:** This requires owning media assets that will show long-term growth, can collaborate with one another and have complementary economic cycles. In relation to the latter, advertising businesses tend to be more geared to the economy whilst content businesses are mainly "hit" or "demand" driven;
- **Innovation:** This discipline continually ensures the creation of new income streams and invariably market leadership; and
- **Strong culture:** A strong corporate culture that balances the need for structure and rigour with an enabling environment within which individuals can grow and lead with a high degree of autonomy.

We believe that we measure well against the above principles, and this makes us confident about our future.

2.2 2005 strategic priorities revisited

At the end of 2004, the Group codified the following strategic priorities for the 2005 fiscal:

- Maximising cash;
- Continued enhancement of the Group's media portfolio, and in particular, reducing 94,7 Highveld Stereo's contribution to Group PBIT to closer to the targeted 25% to 30% range; and
- Increasing black consumer patronage of the Group's cinema and home entertainment products.

The Group has made excellent progress with the first two strategic priorities. Cash flow management has been good, allowing the Group greater flexibility to create shareholder value through distributions, share buy backs and earnings enhancing acquisitions. In the current year, 94,7 Highveld Stereo's contribution to Group PBIT reduced to 40% (from 47% in 2003 and 46% in 2004) and is expected to decline to approximately 35-30% in 2006 due to the anticipated growth from existing businesses and the new acquisitions referred to in 3 below.

The Group's strategy to increase black consumer patronage at its cinemas, through its affordable pricing strategy, has not met management's expectations in the short term, although black consumer attendances increased by 36% to 3 million representing 19% (2004: 13%) of total attendances. The Group remains committed to stimulating growth in this market segment, and in this regard, has continued with its strategy of establishing a network of home entertainment stores in townships, to stimulate video and DVD consumption among black consumers. To date, five stores have been launched.

2.3 Growth strategy

The Group's growth strategy has been focused on the following five areas: organic growth, growth through innovation, bolt-on acquisitions by existing businesses, judicious expansion into Africa and investing into new growing sectors of the media industry. Factoring in the impact of digital technology on the global media industry as a whole, which will in particular enable content to be exploited far more widely, the Group has now added convergence as a sixth area of growth. In South Africa, the proposed Convergence Bill will open up previously restricted markets and foster greater competition within existing digital delivery platforms. This will create growth opportunities for the Group.

Convergence and the impact of digital technology is also important to another strategic theme of Primedia, which is to focus on the "out of home" media category. This category is benefiting from audience fragmentation "in the home", as audiences are being splintered by the choice created through the new digital options (namely pay TV, internet and electronic games). Primedia's advertising-based "out of home" businesses are industry leaders by a wide margin, which positions the Group well for the long term.

2.4 2006 strategic priorities

The Group is in the best strategic and financial shape that it has ever been. Commensurate with this and the positive outlook, the Group has become increasingly growth-centric. The Group's 2006 strategic priorities are as follows:

- **Black consumer filmed entertainment.** As stated above, the Group remains committed to stimulating patronage by this emerging consumer segment well above current levels;
- **Stimulating cinema frequency of the traditional consumer.** Research as well as the results achieved by Ster-Kinekor's loyalty programmes clearly indicate that the traditional consumer is sensitive to pricing in deciding to choose to go to the movies. The Ster-Kinekor Junction strategy has also been formulated around this need and the economic opportunity, as with that of the black consumer focus, is considered significant;
- **Critical mass for Primedia Unlimited.** The Group's strategy to enter into new growing sectors of the media industry has become a reality through Primedia Unlimited, which has a focus on both the advertising and content sectors. The Group's objective in the current year is for Primedia Unlimited Advertising to achieve annualised PBIT of R20 million. Minimal losses are anticipated from Primedia Unlimited Content;
- **Unlocking the value of the Group's sport assets.** This medium to longer-term strategy is two pronged: Firstly, leveraging the very powerful Kaizer Chiefs brand (in which the Group has a 40% interest) across a range of consumer services, and secondly positioning the Group's leading sports marketing company, Megapro Marketing, to become the preferred media partner to corporate South Africa in the run up to the Soccer World Cup 2010; and
- **Content.** As stated earlier, content is considered a growth sector for media companies, particularly due to the increasing number of digital delivery platforms, and also, is generally less cyclical than advertising-based media businesses. The Group currently generates approximately 20% of its PBIT from its content businesses i.e. Ster-Kinekor Classic and Junction Theatres (cinema exhibition), Ster-Kinekor Home Entertainment (video and DVD distribution) and Ster-Kinekor Games (electronic games distribution). It is the Group's longer-term strategy to increase this contribution through organic growth and diversification into new content businesses.

3. STRATEGIC ACQUISITIONS

3.1 Acquisition by existing businesses

In the 2005 fiscal, the Group spent R389,6 million on earnings enhancing acquisitions. These included the acquisition of a 92,2% economic interest in KFM, settlement of the acquisition last year of an additional 30,5% economic interest in 94,7 Highveld Stereo, acquisition of an additional 56% economic interest in 567 Cape Talk, an additional 34% interest in Rank TV, an additional 43% stake in Rank Branding and an additional 10% stake in Primedia Sport.

Subsequent to the year-end, the following acquisitions were made:

- Primedia Broadcasting reached agreement, subject to regulatory approvals, to acquire the remaining minority interest in Africa on Air from Mineworkers' Investment Company for a total consideration of R77,4 million which will be settled by cash of R7,1 million and the issue of 5 962 385 Primedia N shares. Given that the transaction is between related parties, Deloitte & Touche have issued an opinion that, in their view, the transaction is fair and reasonable.
- Comutanet acquired 100% of GMR (a division of Altmedia (Pty) Limited ("Altmedia")), a leader in commuter advertising. The acquisition should result in high levels of efficiencies given their similar operating footprints; and
- Primedia Outdoor has acquired Altmedia's strategic holding of outdoor advertising sites at the important airports.

3.2 Acquisitions by Primedia Unlimited

Primedia Unlimited Advertising has acquired stakes in various high growth media companies including Wide Open Platform (50,1%), Primall Media formerly A+D Media (50,1%), Forecourt Media, formerly Forecourt Television Network (100%), in conjunction with Comutanet, and Primestars Marketing (50,1%).

The aforementioned acquisitions by Primedia Unlimited Advertising cost R6,0 million, with further payments of R11,3 million to be made in the first quarter of the 2006 fiscal due to the earn-out of profit warranties.

Subsequent to year-end, Primedia Unlimited Advertising has made the following acquisitions:

- 90% of The Letter Corporation (a division of Altmedia), which dominates the washroom advertising space in South Africa; and
 - 80% of XProcure, the leading electronic ordering system provider to the pharmaceutical industry, handling R3 billion of the R11 billion of merchandise purchased by pharmacies from pharmaceutical manufacturers and distributors. Whilst XProcure earns a small commission on facilitating transactions, the bulk of its revenue is made from advertising. Due to advertising restrictions placed on pharmaceutical manufacturers by the Department of Health in respect of scheduled drugs, the channel to pharmacies that XProcure provides is highly sought after by pharmaceutical manufacturers and distributors. XProcure together with Primedia also intends to launch other services to this targeted sector.
- TLC and XProcure will cost R28,6 million in the current year, with a further R11,1 million payable in future years based on the achievement of profit warranties. In addition to the new home entertainment stores targeted at the black consumer market in the townships, Primedia Unlimited Content made the following small acquisitions subsequent to year end, costing R10 million:
- Book4Golf (50,1%), a new business that facilitates the seamless booking of golfing times and other activities over the web, through highly sophisticated and exclusive software, and call centres. This venture has both domestic and international (tourists to South Africa) appeal; and
 - Airgames (Pty) Limited (50,1%), an emerging mobile entertainment company, which will open up the opportunity to participate in the fast growing mobile content business. (Agreement in principle reached).

4. FINANCIAL RESULTS

The Group increased turnover by 13,0% to R1 980 million (2004: R1 752 million).

Group operating profit before depreciation rose by 29,0% to R418,9 million (2004: R324,7 million) which resulted mainly from an improvement in gross margins, organic growth, growth from innovations and acquisitions.

Group PBIT before amortisation, foreign exchange items and exceptional items was up 34,4% to R356,2 million (2004: R265,0 million). KFM and the small contribution (R3,9 million) from the Primedia Unlimited acquisitions contributed R49,4 million to the results. Operating margins increased from 15,1% to 18,0% mainly due to the growth in the higher margin advertising businesses as well as the acquisitions.

Operating profit grew by 30,5% to R366,3 million (2004: R280,8 million) which was after foreign exchange losses of R2,1 million (2004: profit of R1,0 million) and amortisation of intangibles of R4,7 million (2004: R8,6 million).

Profit before taxation rose 21,1% to R319,6 million (2004: R264,0 million) which was positively influenced by exceptional items of R16,9 million (2004: R23,3 million) but was reduced by the Group's increased net interest bill of R39,7 million (2004: R16,5 million) as well as a non-cash fair value adjustment of R7,5 million (2004: RNil) relating to an interest rate swap. The interest cover remains a very high 9,0 times (2004: 16,0 times).

Profit after tax rose 16,5% to R232,9 million (2004: R199,9 million). The tax rate was at a more normalised rate of 27,1% (2004: 24,3%).

Net profit for the year increased by 22,8% to R215,6 million (2004: R175,5 million), partly as a result of the lower minority interest, following the purchase of an additional economic interest in 94,7 Highveld Stereo.

Group HEPS increased from 68 cents to 95 cents (up 39,7%).

Cash generated by operations increased by 10,2% to R389,9 million (2004: R353,6 million). Free cash flow exceeded headline earnings by 10% despite the following:

- Increased replacement net capital expenditure from R28,0 million to R62,2 million, mainly due to two-year programme to upgrade Ster-Kinekor Theatre's IT infrastructure, which was outdated and incapable of enabling new operational efficiencies to be achieved; and
- A higher investment in working capital of R18,0 million relating to Ster-Kinekor's investment in film rights. Given the strengthening of the Rand against the US dollar, a strategic decision was taken to prepay film rights amounting to US\$3,0 million when the exchange rate to the dollar was R6,00. This decision has turned out to be the correct one with the subsequent weakening of the Rand.

As at 30 June 2005, the Group's net interest-bearing debt was R322,0 million (2004: R17,5 million). The increase was due mainly to the strategic acquisitions referred to earlier. The Group's financial health remains very good and the Group is operating well within its debt covenants.

5. DIVISIONAL REVIEW

The Group's divisional reporting format has been slightly revised to better reflect the financial outcomes of its strategy.

5.1 Advertising

Turnover was up 25,1% to R950,3 million (2004: R759,9 million). PBIT was up 40,2% to R297,0 million (2004: R211,7 million), with operating margins increasing from 27,9% to 31,3%. KFM generated R77,6 million of turnover and R45,5 million of PBIT to the above results (2004: RNil).

Notable divisional performances were achieved as follows:

- Broadcasting and Internet's PBIT was up by 61,7% to R194,4 million (2004: R120,3 million) on the back of a 55% increase in turnover to R357,9 million (2004: R230,9 million). Excluding KFM and Cape Talk, organic growth in PBIT was a very good 22,5%. All radio stations performed well and are benefiting from the integration of key disciplines. iafrica.com's very small loss was a significant improvement on the prior year;
- Out of Home's PBIT was up 17,5% to R44,3 million (2004: R37,7 million) on a turnover increase of 10,5% to R246,6 million (2004: R223,1 million), fuelled by good performances by Primedia Outdoor and Primedia Instore on the back of good innovations;
- Cinema and Print's turnover was up 13,6% to R200,3 million (2004: R176,4 million) which resulted in PBIT being up 10,5% to R17,6 million. (2004: R15,9 million);
- Sport's turnover increased 44,1% to R49,4 million (2004: R34,3 million) with PBIT being up 32,4% to R13,7 million (2004: R10,3 million), due to the growing recognition by advertisers of the value of sport, as well as the entry by Megapro into the fast growing sport sponsorship consulting business.

5.2 Content (formerly Filmed Entertainment)

Turnover was up 3,8% to R933,8 million (2004: R899,5 million). PBIT was up 2,1% to R71,4 million (2004: R70,0 million), with operating margins decreasing fractionally from 7,8% to 7,7%.

The following results were achieved:

- Ster-Kinekor Classic and Junction Theatres together with Ster-Kinekor Pictures recorded a 36,5% decline in PBIT to R31,3 million (2004: R49,3 million), on the back of a 7,5% decline in turnover to R462,8 million (2004: R500,2 million). The decline year on year was mainly attributable to the lower than expected attendances. Ster-Kinekor intends to establish an industry forum, together with all participants, to address the challenges facing the industry, including the impact of ongoing changes in digital technology; and
- Ster-Kinekor Home Entertainment fared very well with PBIT increasing by 64,1% to R48,0 million (2004: R29,3 million) on the back of turnover increasing by 16,7% to R471,0 million (2004: R403,7 million). Both the video and DVD, as well as the electronic games divisions had a very good year. Going forward, the latter will be called Ster-Kinekor Games, in order to focus on the wider, fast growing electronic games industry.

5.3 New media sectors (Primedia Unlimited)

Most of Primedia Unlimited's Advertising businesses were owned for a six month period and contributed PBIT of R3,9 million whereas the content side of Primedia Unlimited recorded a small loss of R1,1 million due to the start up nature of the fledgling home entertainment chain (DVD City) in the townships.

5.4 One to one

The one to one business experienced a 7,5% decline in turnover to R62,7 million (2004: R67,8 million). PBIT also declined by 47,5% to R2,1 million (2004: R4,0 million). The SA-based Knowledge Factory performed very well. The UK-based Database Group, however, disappointed but corrective measures have been taken to improve performance. The Database Group remains profitable and cash flow positive.

6. ACKNOWLEDGEMENTS

During the year, the Group was honoured to have been nominated as 'The Most Transformed Media Company' as rated by the Financial Mail/Empowerdex and 'The Media Owner of the Year' by the Financial Mail/Adfocus, in recognition of the great progress the Group has made in recent times. The turnaround the Group has experienced and the current positive momentum is due to the unwavering efforts of the Group's spirited employees and continued support from our major stakeholders, specifically our customers, shareholders and professional advisers.

7. PROSPECTS AND CONCLUSION

The Group's focus on the principles of building a world class media group should continue to build shareholder value over the short, medium and long term. Over the next 12 months, the following specific issues should help confirm a good set of results for the 2006 fiscal, namely:

- Expected continued favourable economic conditions;
- Annualisation effect of the KFM acquisition (included only for nine months in 2005) as well as Primedia Unlimited Advertising acquisitions (included only for six months in 2005);
- Benefits from the recent earnings enhancing acquisitions, such as the Africa on Air minority interests, Altmedia, and XProcure; and
- Benefits from the execution of the Group's five key strategic priorities for 2006 as well as its growth strategy.

8. DISTRIBUTIONS OUT OF SHARE PREMIUM

In line with the Group's policy of maintaining a cover of 2 times (subject to the circumstances of the Group), the Board has, in terms of the general authority granted to directors at the annual general meeting held on 26 January 2005, resolved to pay a total distribution of 56 cents per share which is 40% higher than in the previous year. This will result in shareholders receiving a final distribution of 34 cents in addition to 22 cents declared at the interim stage. The distribution cover is in line with last year's 1,7 times.

Accordingly, notice is hereby given that a final cash distribution out of share premium of 34 cents, in lieu of a dividend, has been awarded to shareholders recorded in the register of the company at the close of business on Friday, 28 October 2005. Shareholders are advised that the last day to trade "cum" the distribution will be on Friday, 21 October 2005 and the shares will trade "ex" the distribution from Monday, 24 October 2005. Payment will be made on Monday, 31 October 2005. Share certificates may not be rematerialised or dematerialised during the period Monday, 24 October 2005 to Friday, 28 October 2005, both days inclusive.

In terms of the requirements of the Companies Act 1973, the directors confirm that after the payment of the distribution, the company will be able to pay its debts as they become due in the ordinary course of business and its consolidated assets, fairly valued, will exceed its consolidated liabilities.

9. CAUTIONARY

Primedia shareholders are advised that the company has entered into negotiations regarding the potential increase of the Black Economic Empowerment shareholding in Primedia and accordingly, shareholders should continue to exercise caution in dealing in the company's shares until a further announcement in this regard is made.

AP NKUNA
Chairman

W KIRSH
Chief Executive

O IGHODARO
Chief Financial Officer

Johannesburg
30 August 2005

