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INDUSTRY NEWS

Omnilab: posts loss of \$24.9 million as revenue plummetsby: [Alex Prior](#)

Screen Hub

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Omnilab Media has posted a loss of \$24.9 million on revenue of \$45 million, as the company waited to hear the results of the Digital Cinema Network damages hearing. It did, however, manage to re-pay the Mapp family interests \$9 million in related party loans, and most of that loss is in impairment charges, not trading losses.

The revenue figure is worse if the Other Revenue line is reversed out. Revenue fell to \$35.275 million from services, and \$10.356 million from Other Revenue, the majority of Other Revenue appears to be a \$9.6 million profit on the sale of Digital Pictures and related post-production business to Deluxe in August, 2012.

The accounts show that Digital Pictures was sold for \$15.9 million, with the \$9.6 million figure coming once the "fair carrying value" of the disposed assets was deducted.

So if Other Revenue is removed, the company's revenue plunged from \$116.7 million in 2012, to \$35 million in the 2013 financial year.

In 2013 the company had 104 employees, down from 481 employees in 2012.

What's In A Debt

"Current debt" also rose from \$48.47 million to \$68.9 million. Current debt is defined as debt which is due within the next 12 months.

Total debt, however, fell from \$78.25 million to \$68.9 million. Debt owed to

the NAB remained stable at \$26 million, revealing that approximately \$9 million in related party loans were repaid during the course of the year. That \$9 million looks surprisingly like the \$9 million in proceeds on the sale of Digital Pictures and Illoura.

A loss is always a loss



The \$24.9 million headline loss is also not all that it would seem at first glance.

\$33 million in costs fall under the category of Other Expenses, and a quick trip to Note 4(d) in the accounts reveals that Other Expenses includes an \$18.5 million impairment charge against the film and television investments. Looking back over the last three years of Omnilab's losses, the company has written down its investment in film and television by \$83 million, producing a series of losses over those years.

It could well be a coincidence that this period of losses began in the 2011 financial year, shortly after the Federal Court returned an adverse finding in the Digital Cinema Network v Omnilab Media case, making Omnilab potentially liable for tens of millions of dollars worth of damages.

If the impairments in Note 4(d) are backed out, then Omnilab traded with either a small loss or a small profit, depending on how diligent we get on impairments.

It certainly put Omnilab in a position to [threaten to enter voluntary Administration](#) and force a settlement in the case.

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