

SOUTHERN CROSS AUSTEREO

INVESTOR PRESENTATION

30 OCTOBER 2014



SOUTHERN CROSS AUSTEREO
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WELCOME & INTRODUCTION



RHYS HOLLERAN



RHYS HOLLERAN
CEO



NICK MCKECHNIE
CFO



GUY DOBSON
EXECUTIVE DIRECTOR METRO



RICK LENARCIC
EXECUTIVE DIRECTOR REGIONAL



CRAIG BRUCE
HEAD OF CONTENT



ANDREA INGHAM
NATIONAL SALES DIRECTOR

AGENDA

1. Welcome and introduction
2. Group overview and strategic overview
3. Financial summary
4. Metro radio
5. Content strategy
6. Regional media
7. Digital
8. Sales

BUSINESS EVOLUTION

1997 - 2003

2004 - 2006

2007 - 2010

2011 - 2014

2015 +

STRATEGIC THEMES

Leveraging scale

Optimising operations

Cross-media diversity

National diversification

Leveraging digital platforms
Legislative change

BUSINESS GROWTH

Regional Radio Bureau

Macquarie Regional Radio Works

Southern Cross Broadcasting

Austereo

KEY FEATURES

License build out
Leveraging technology

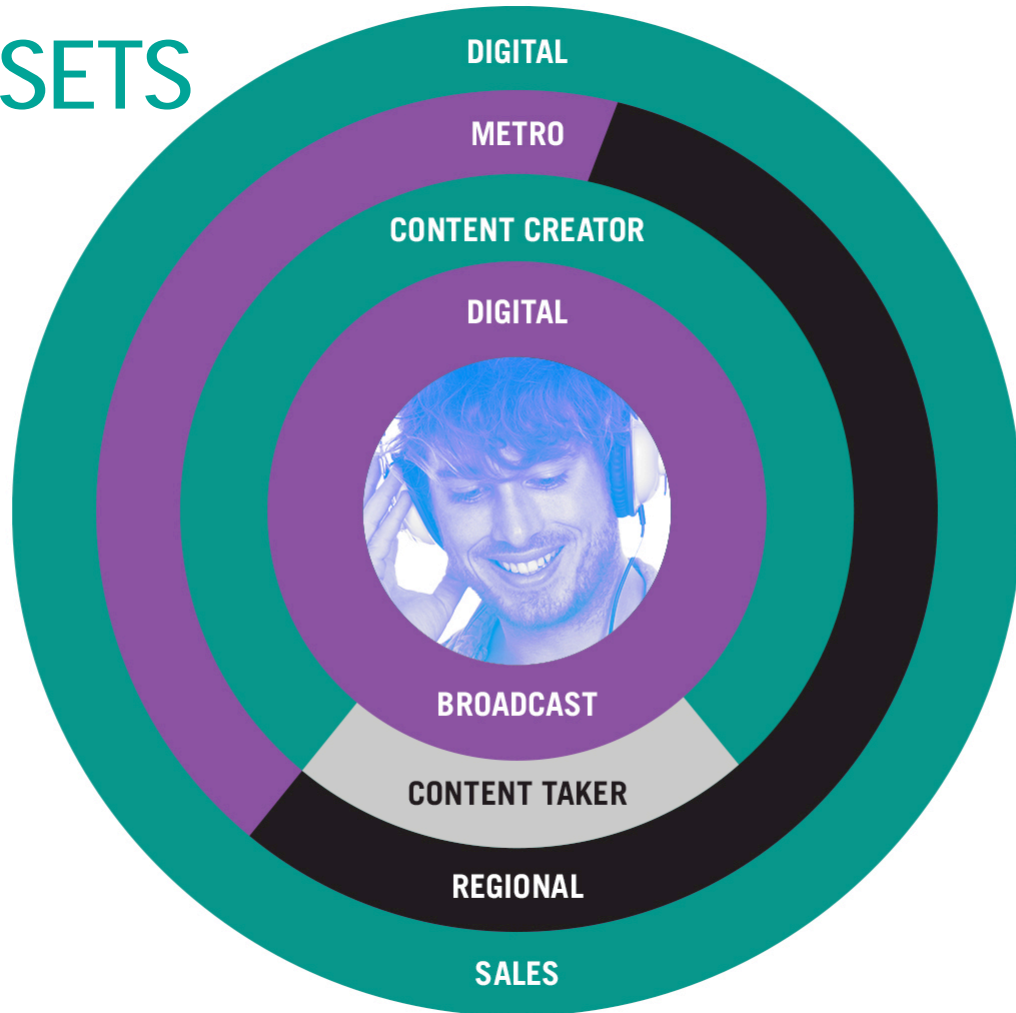
Aligning operating practices

Multi-media sales
Merging operational sites

National sales platforms
Cost synergies
Digital growth

Ubiquity of devices
Audience engagement

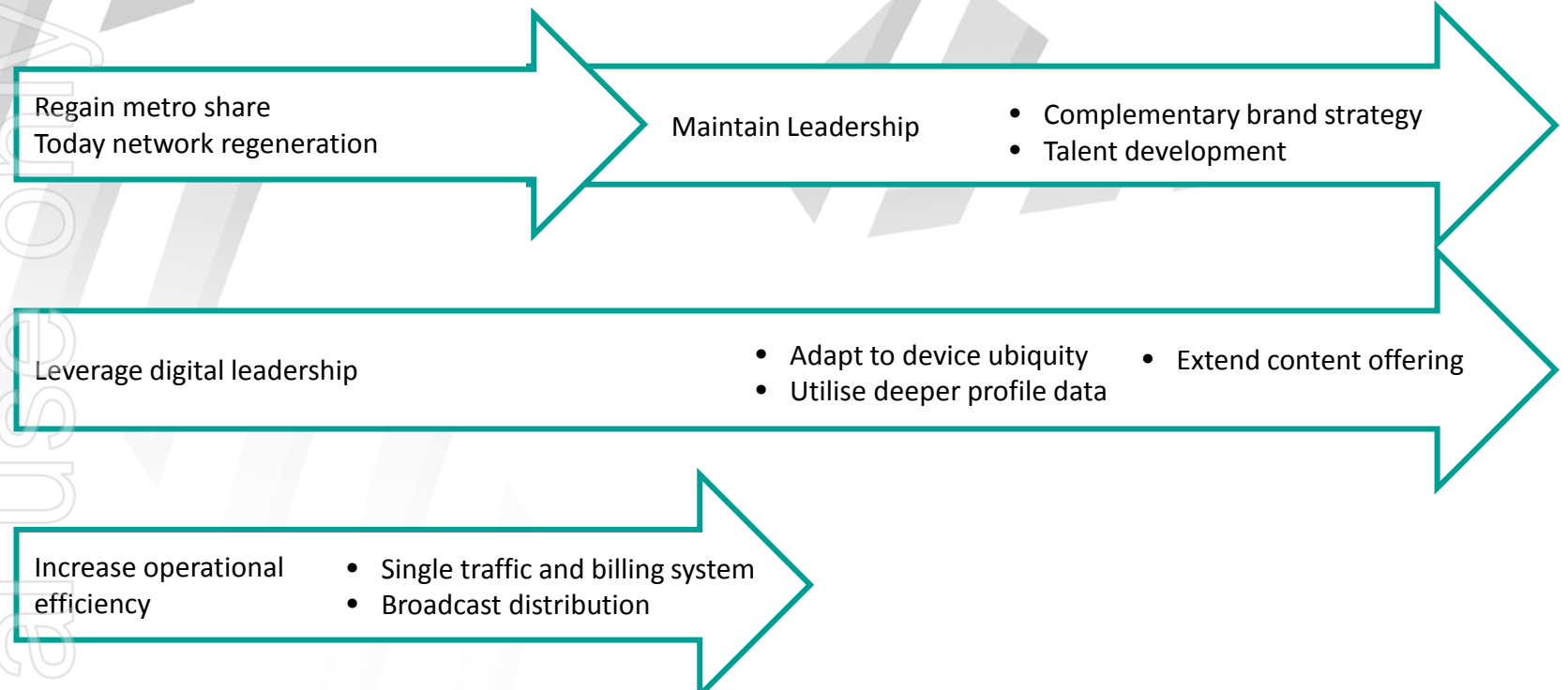
GROUP ASSETS



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STRATEGIC OVERVIEW

YEARS 1 2 3 4 5



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FINANCE



NICK MCKECHNIE

FY14 FINANCIAL SUMMARY

METRO

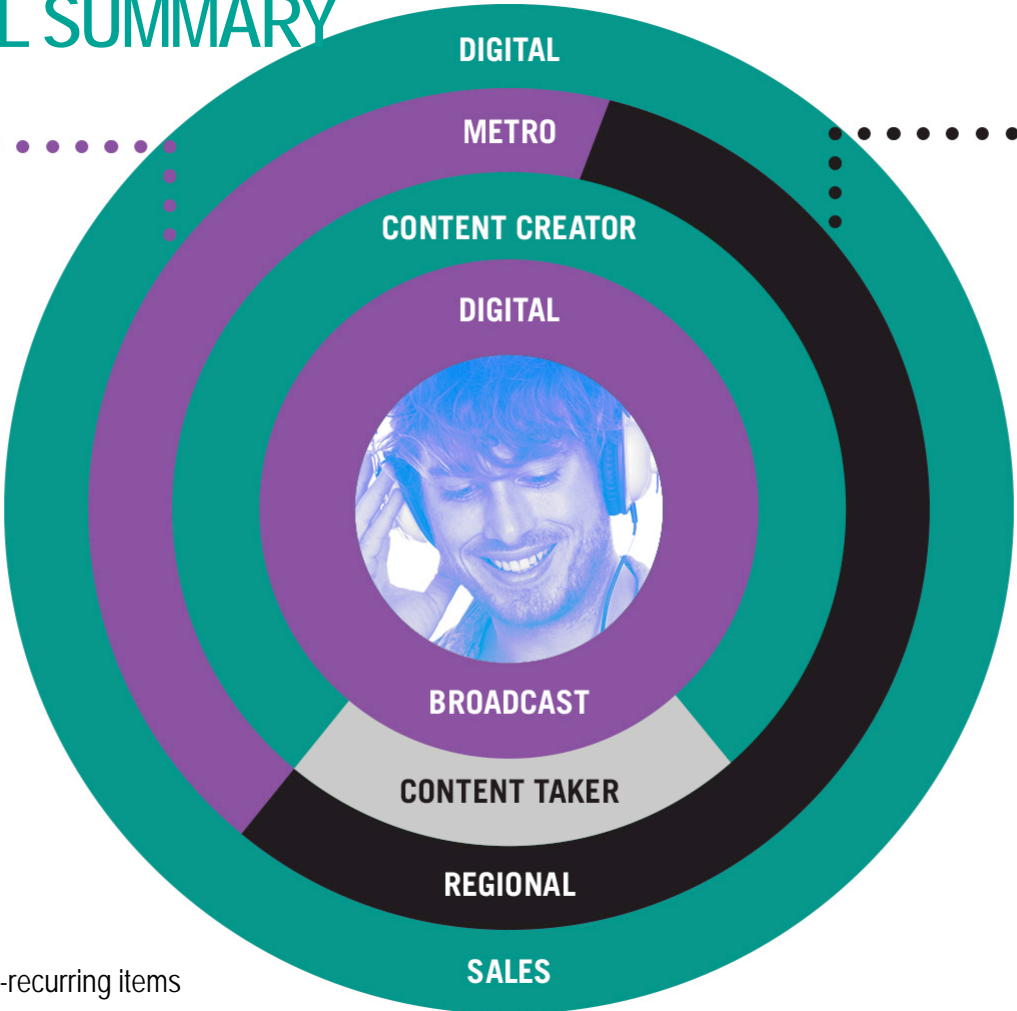
Revenue \$249m
EBITDA \$73m

REGIONAL

Revenue \$363m
Radio 43%
TV 57%
EBITDA \$113m

CORPORATE

Revenue \$29m
EBITDA \$2m

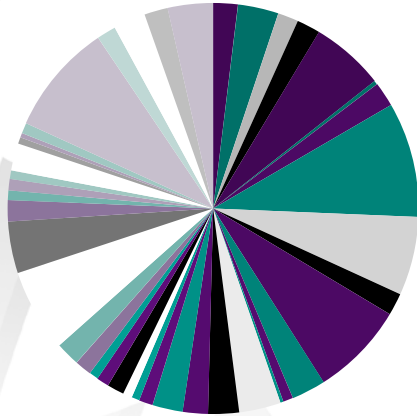


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Note: Adjusted Results exclude non-recurring items (\$8m onerous contracts)

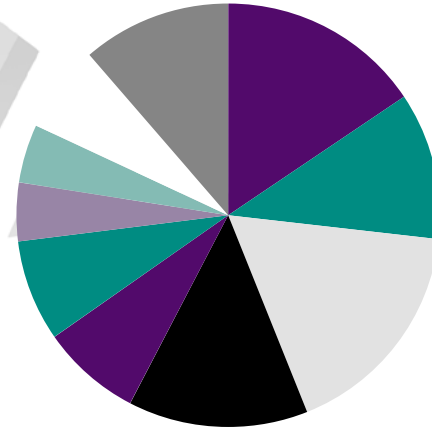
REVENUE MIX – NATIONAL SCALE BRINGS DIVERSITY

REGIONAL REVENUE FY 14
(by Market- consolidated TV / Radio)



- 41 regional markets delivering \$360m revenue
- 26,000 client accounts
- Diversity at geographic and client level

METRO REVENUE FY 14
(by Market and Network)

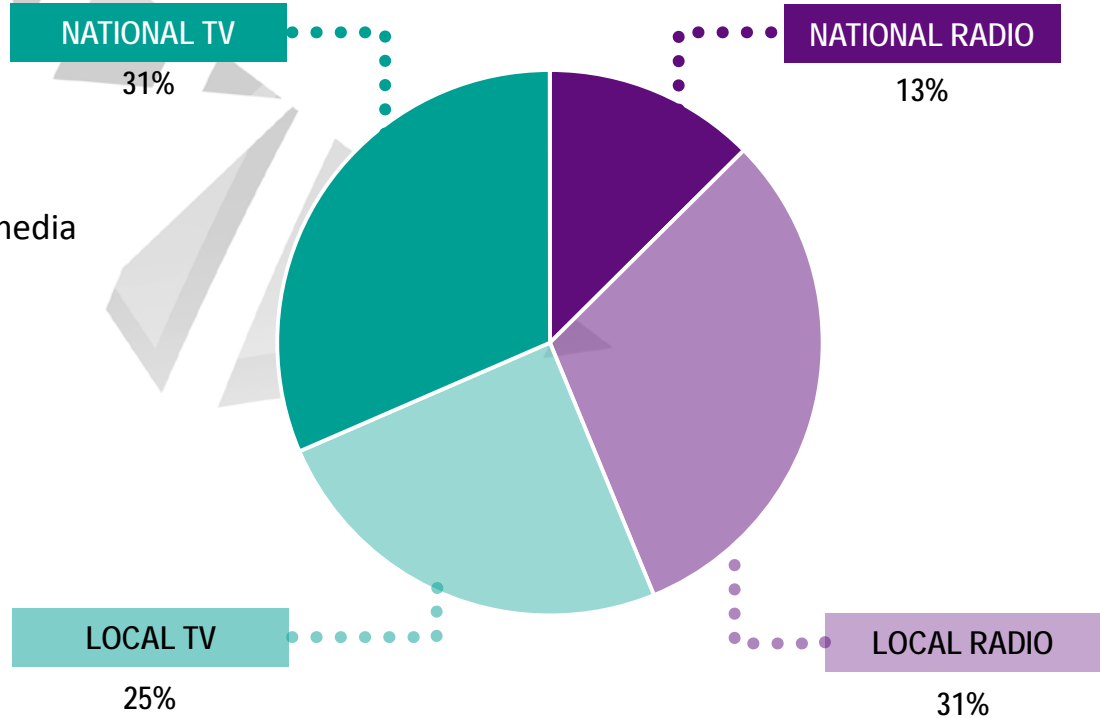


- 10 metro stations
- National platform
- Largest station delivers 17% revenue
- Diversity across brands and metro cities

REVENUE MIX – REGIONAL SALES

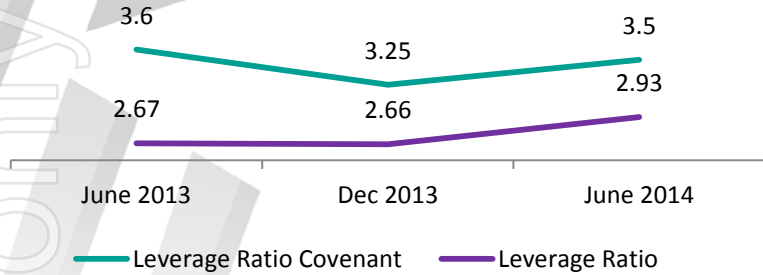
Television

- 70% CH10 / 30% CH7 & CH9
- **32 Local markets:** 12 TV only & 20 multimedia
- **Radio used to leverage TV – Multimedia markets**
 - Higher power ratios
 - 66% of total TV revenues
 - 96% of SC Ten revenues



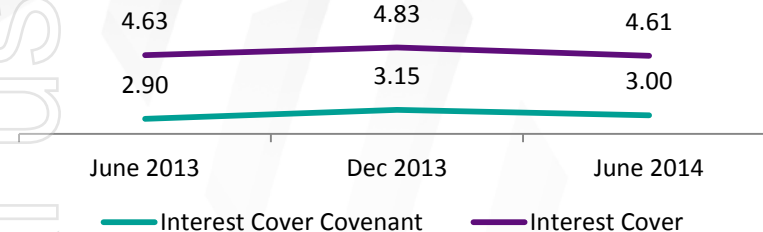
DEBT COVENANTS

Leverage Ratio



- \$650m term loan facility, maturing January 2019 (fully drawn)
- \$50m 2 year ancillary facility (to January 2016, undrawn)
- \$594m net debt at 30 June 2014

Interest Cover



Leverage ratio calculation

30 June 2014

FY14 adjusted EBITDA	\$188m
Add, costs outside borrowing group	\$15m
	<hr/>
	\$203m
Borrowing group net debt	\$594m
Net debt / EBITDA	2.93x

REDUCTION IN NET DEBT

- Measures to reduce net debt will reduce pressure on leverage covenant
- Each \$10m reduction in net debt reduces leverage ratio by ~5-6 bps
- Debt reduction measures
 - DRP implemented for FY14 final dividend \$21m
 - Maturing interest rate swaps ~\$10m
(\$350m @ 5.9% expires March 2015)
 - Surplus property review
 - DRP for FY15
 - Net cashflow

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METRO OPERATIONS



GUY DOBSON

SCA METRO LEADS THE CATEGORY IN SCALE

4.3M

TOTAL RADIO
LISTENERS

2.7M

LISTEN TO THE TODAY NETWORK

2.2M

LISTEN TO THE TRIPLE M NETWORK

SCA METRO WINS

KEY AUDIENCE DEMOGRAPHICS

2.5M

#1 WITH 25 – 54s

2.1M

#1 WITH 18 - 39s

2.1M

#1 WITH MEN

#1 AUDIENCES UNLOCK HIGHEST SPEND

75%

AD SPEND

#1 WITH 25 – 54s

45%

AD SPEND

#1 WITH 18 - 39s

36%

AD SPEND

#1 WITH MEN

39%

AD SPEND

WOMEN 25-54s

36%

AD SPEND

MEN 25 - 54s

AD SPEND BY GENDER EVENS UP

METRO RADIO COMMERCIAL IMPERATIVES

- Superstars and new talent drive ratings
- Defined environments and brand positioning return results
- Leading demographic audiences
- Innovation, media firsts, new ideas and partnerships
- Deliver high demand client solutions



WE WIN WOMEN



#1

- Fifi and Dave - 1 million listeners
- Network for women nationally
- Most powerful national female radio personality – Fifi Box
- Most engaged social community
- Online radio business in Australia



NATIONAL SHOWS DELIVER BIG NUMBERS

1.1M

HAMISH & ANDY
TOTAL LISTENERS

1.4M

DAN & MAZ
TOTAL LISTENERS



RATINGS OBJECTIVES



- Dominant national brand
- Biggest network in the country
- National shows deliver national scale
- Growth in Sydney
- Continue to grow females and brand loyalty
- Dominant position

WINNING MEN, FOOTY, ONLINE AND MOBILE

TRIPLE **MM**



KICKING GOALS WITH FOOTY FANS

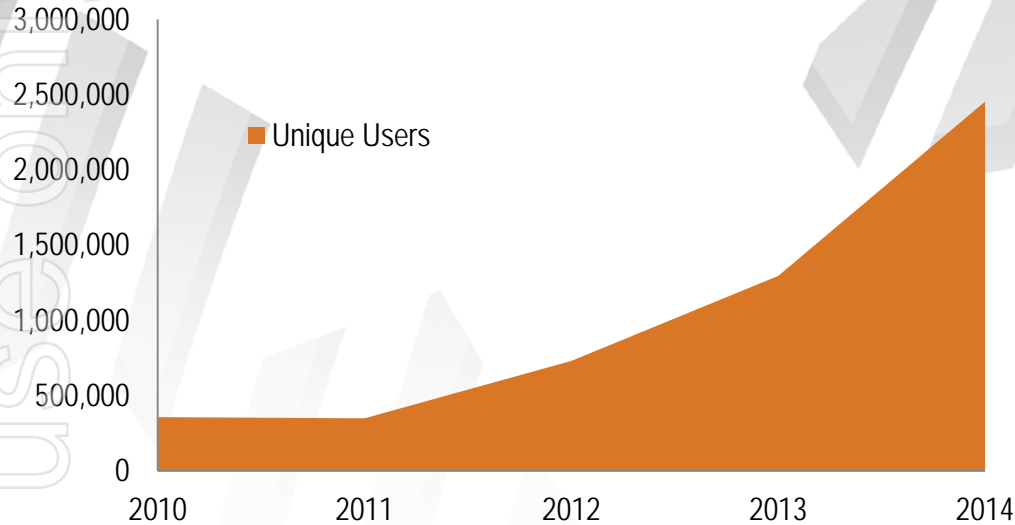
#1

- With all people under 55 in Sydney and Melbourne and Brisbane
- With males under 55 in Sydney, Melbourne, Brisbane and Adelaide



AFL & NRL ONLINE HAS SEEN HUGE GROWTH

Triple M Network Users – Sport 2014 TTD (Jan – July)



The Stats...

2,454,061 ↑ YoY 89%

Unique users

Including:

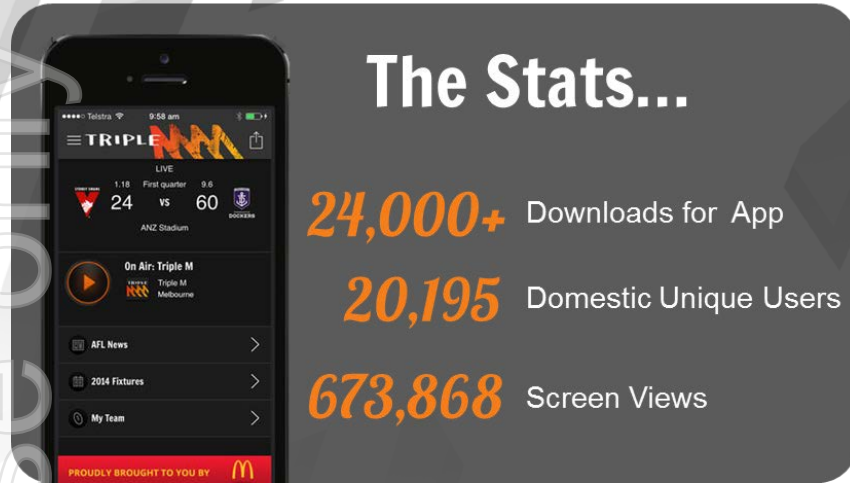
1,813,056 ↑ YoY 153%

Mobile Users (73% of total)

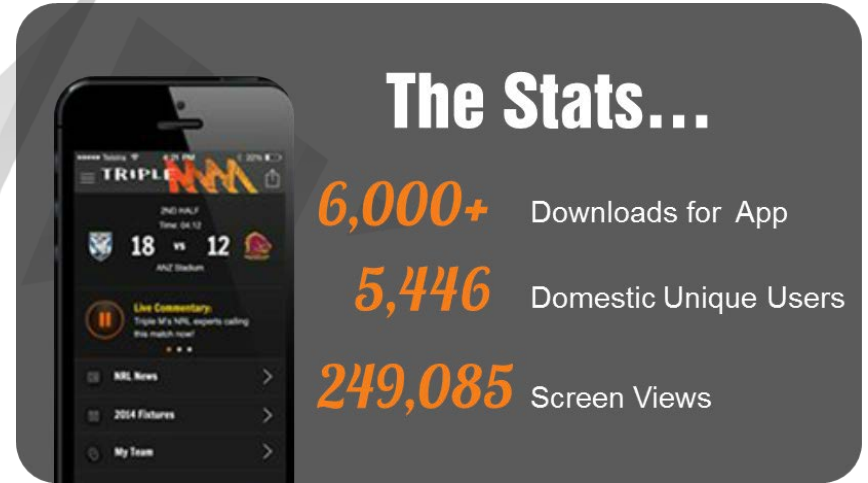
2ms 51secs ↑ YoY 157%

Average time on site

INTERACTION WITH AFL & NRL VIA APPS AND TIPPING IS ALSO IN GROWTH



AFL Tipping
16,758
participants



NRL Tipping
9,706
participants

RATINGS OBJECTIVES



- Consistency nationally
- Growing impact, loyalty and position with males
- Ratings = revenue with growth to come

SCA MELBOURNE

- #1 FM radio in Melbourne – Fox FM
- More listeners than any other station in the country – Fox FM
- Dan & Maz #1 FM share in drive – Fox FM
- #1 FM breakfast show - Triple M's Hot Breakfast with Eddie McGuire, Mick Molloy & Luke Darcy is the
- #1 in footy with the highest share of under 55s – Triple M



SCA SYDNEY

- More women listening in breakfast & drive
- 2Day creates a a great launch pad for 2015
- Dan & Maz in drive deliver a 9.4 share of women U40
- #1 with men 18 - 44 in breakfast - Triple M's The Grill Team with Matty Johns, Mark Geyer & Gus Worland
- #1 in footy with people under 55 – Triple M



SCA BRISBANE

- #1 with women 18-24 – B105
- #1 FM with males 10+ - Triple M
- #1 men 25-54 - Triple M



SCA ADELAIDE

- New station brand hit107 launches
- #1 in drive with Dan & Maz with females 25-39
- #1 with men 25-54 – Classic Triple M



SCA PERTH

- 92.9 is on the rise with 15,000 new listeners tuning in
- Heidi, Will & Woody for breakfast win social and online
- #1 station overall in Perth – mix94.5



Source: GfK Radio Ratings Survey 6 2014

Source: Nielsen Online Ratings - Market Intelligence (Domestic) excl. multi-market websites, August 2014. Social ranked by engagement and fans; Facebook and SCA Facebook Data, as at 1/09/2014 -

*Engagement: Average of Facebook's "People Talking About This" figure taken daily from 1/08/2014 to 31/08/2014.

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CONTENT



CRAIG BRUCE

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HAMISH & ANDY



DAN & MAZ



5 YEARS
TOGETHER

TALKING TO
1.4 MILLION

RESEARCH SHOWS
AUDIENCE APPEAL

OLD VS NEW

OLDER (OVER 35 YRS)

smoothfm 95.3
sydney's new place to relax



JONESY & AMANDA



THE GRILL TEAM
TRIPLE M 104.9



JULES, MERRICK & SOPHIE



KYLE & JACKIE O
KIIS 1065

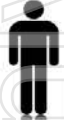


FITZY & WIPPA



DAN & MAZ

YOUNGER (UNDER 35 YRS)



MALE



FEMALE

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DAN & MAZ



YOUTHFUL, FRESH,
OF THE MOMENT



DAN & MAZ

ANGUS & ASH

JULES

HAMISH & ANDY

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MOST LISTENED TO STATION IN AUSTRALIA

1 MILLION TUNING IN



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FIFI & DAVE



HEIDI, WILL & WOODY

92.9





MOVE TO IT

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AMOS & DANI



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MOVE TO IT

TRIPLE **MM**

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THE HOT BREAKFAST

TRIPLE **MM**
105.1

TRIPLE **MM**

#1

MEN 25 - 54



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THE GRILL TEAM

TRIPLE M 104.9

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THE GRILL TEAM

TRIPLE MM
104.5

ROO & DITTS
for breakfast

classic
TRIPLE **MM**
104.7



TRIPLE **MM**
ROCKS FOOTBALL



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ROCK



SPORT



COMEDY

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DEPTH OF SCA TALENT PIPELINE

73
SHOWS

140
ANNOUNCERS

100's
OF MAN HOURS

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HAVING ALREADY WORKED IN ALBURY, BUNBURY, GOSFORD AND NEWCASTLE

130,000
LISTENERS

222,000
LISTENERS

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DAN & MAZ



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HAMISH & ANDY



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