



SOUTHERN CROSS AUSTereo
absolutely engaging

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ASX RELEASE / MEDIA RELEASE

Southern Cross Austereo announces half year reported NPAT of \$34.7m

Southern Cross Media Group Limited (ASX:SXL) ("Southern Cross Austereo") today announced its interim financial results for the half year to 31 December 2014. These results include:

- Revenue of \$307.6 million, down 7.3%
- Earnings before interest, tax, depreciation and amortisation ("EBITDA") of \$85.8 million, down 18.3%
- Net profit after tax ("NPAT") of \$34.7 million, down 24.4%
- Net finance costs reduced by \$4.1 million, part of the ongoing benefit from the January 2014 refinancing
- Net debt for the group reduced by \$14.8 million to \$573.1 million, due to cash conservation measures introduced. This included retention of \$21.2 million in cash from the underwritten Dividend Reinvestment Plan ("DRP") but was after a \$14 million one off payment for settlement of tax issue

CEO Rhys Holleran said *"The first half results for FY 2015 reflect challenging conditions in television advertising markets and a reduced metro radio market share. In 2015, we are strengthened by the talent line ups in metro radio and are confident that the strategic direction of the company and the focus on debt reduction will put the company in a sound position to improve over this financial year and the next."*

Southern Cross Austereo is focussed on delivering a content led recovery, with the refresh of Today's Hit Network being completed in January 2015, Dan & Maz moving to breakfast on Hit 104.1 2Day in Sydney from January 2015, and Hamish & Andy returning to national drive from July 2015. Key content highlights of the Group for the half include:

- Regional radio revenues growing year on year, highlighting the resilience of the business
- Today's Hit Network - number 1 breakfast and drive shows in Melbourne, Brisbane and Perth for females under 40
- Triple M - number 1 breakfast shows in all markets for men 25-54
- Channel 10 audience share continues to improve - second straight half of audience share improvement

The Group has also announced it has taken out \$320 million in new interest rate swaps commencing April 2015 and maturing January 2018. Net finance costs for FY 2015 are expected to be around \$39 million, and net finance costs for FY 2016 expected to be in the range of \$32 - \$34 million.

Southern Cross Austereo announced an interim fully franked dividend of 3.0 cents per share, a payout ratio of 63% on NPAT. The DRP will continue to operate and the Group also announced that it has entered into a DRP Shortfall Placement Agreement with CBA Equities Limited for up to 100% of the DRP shortfall.



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Capital Management Initiatives

The Group remains well within its covenants for the borrowing group, with the leverage ratio at 3.12x (covenant 3.5x) and interest cover ratio at 4.43x (covenant 3.0x). The Group's lenders are supportive of the focus on debt reduction and the regeneration strategy for Today's Hit Network and the Group has secured additional leverage ratio covenant headroom to 3.75x for the June and December 2015 ratio testing dates.

The Group maintains the stated objective of reaching a leverage ratio of 2.5x as soon as practical. The Group expects to achieve the stated leverage ratio objective between June 2016 and December 2016. Consistent with the intent to reduce net debt and reduce net financing costs, the Group has also cancelled the undrawn \$50 million revolving facility effective 26 February 2015.

For further information, please contact:

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