

# SOUTHERN CROSS AUSTEREO

MACQUARIE AUSTRALIAN SECURITIES  
INVESTOR CONFERENCE  
MAY 2015

PRESENTED BY RHYS HOLLERAN, CEO



**SOUTHERN CROSS AUSTERIO**  
*absolutely* engaging

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# SOUTHERN CROSS MEDIA IS A MULTI-MEDIA ENTERPRISE WITH NATIONAL SCALE

## METRO

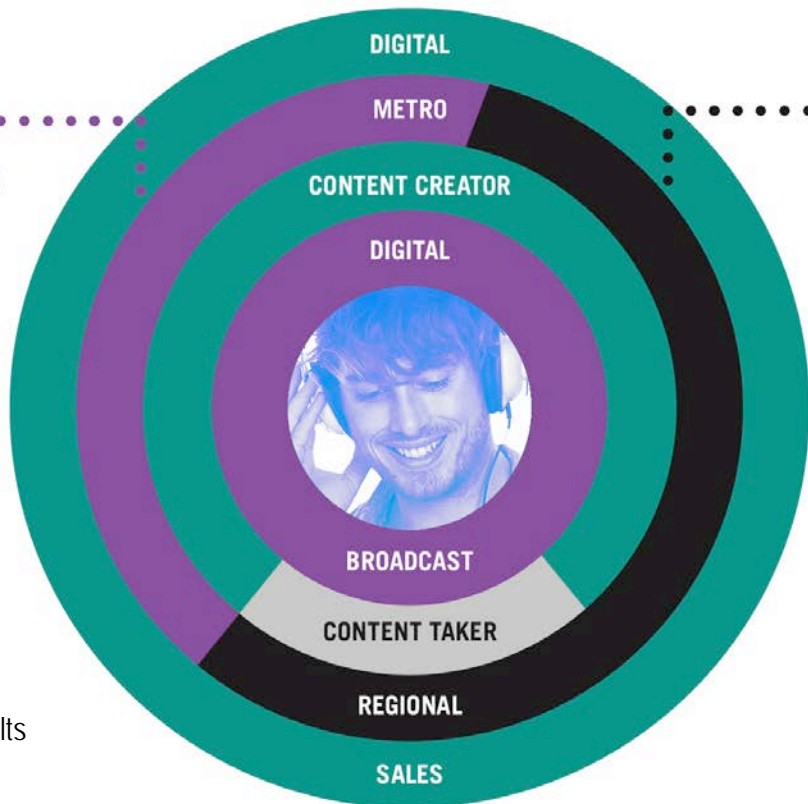
Revenue \$249m  
EBITDA \$73m

## REGIONAL

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

## CORPORATE

Revenue \$29m  
EBITDA \$2m



Numbers represent FY14 full year results  
excluding non-recurring items  
(\$8m onerous contracts)

# REGIONAL SUMMARY

72 RADIO  
STATIONS

REACH POTENTIAL OF  
5.2M

30 TV SUB  
MARKETS

REACH POTENTIAL OF  
6.3M

ONLINE MOBILE  
SOCIAL

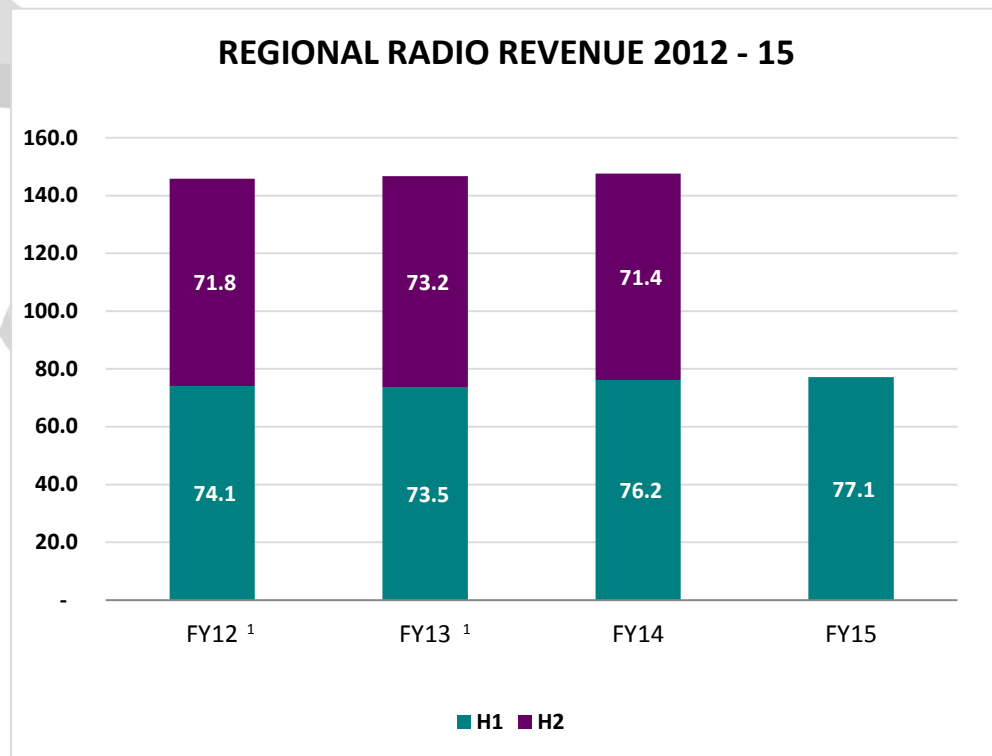
57 INDIVIDUAL  
REGIONAL WEBSITES  
16,403 AVERAGE DAILY  
UNIQUE BROWSERS<sup>1</sup>  
53 FACEBOOK PAGES  
35 TWITTER PAGES

303

SALES STAFF ON THE GROUND

# REGIONAL OPERATIONS – KEY FEATURES

- Revenue stability through geographic and client diversity
  - 41 regional markets across Australia
  - 26,000 client accounts
- Regional radio
  - strong presence in local markets
  - consistent recurring revenues
- Regional TV
  - 70% Channel 10 / 30% Channels 7 and 9
- Multi-media sales approach
  - 20 multi-media markets selling TV and radio
  - Higher local power ratios



<sup>1</sup> Excludes divested Sunshine Coast radio licence

# METRO SUMMARY

## SCA METRO LEADS THE CATEGORY IN SCALE

4.65M

TOTAL RADIO  
LISTENERS

2.42M

LISTEN TO THE TODAY NETWORK

2.23M

LISTEN TO THE TRIPLE M NETWORK

# METRO RADIO– KEY FEATURES

- National network – Triple M & Hit station in each market
- Strong National Sales approach- 68% revenue
- Localised breakfast and daytime programming supported by national drive and evening shows
- Integrated content provides strong client engagement
- Highly engaged listener base through digital platform and social media



# OPERATIONAL STRATEGY

YEARS

1

2

3

4

5

Regain metro share

Maintain Leadership

Leverage digital leadership

Increase operational efficiency



# METRO RADIO GROWTH STRATEGY

\$700M METRO RADIO AD MARKET



24% FEMALES  
18 – 39<sup>1</sup>

36% MALES  
25- 54<sup>1</sup>



## COMPLEMENTARY BRAND STRATEGY TARGETS OPTIMUM MARKET SHARE

### Target

Most listened to  
network in Australia

### Target

Dominate target  
demographic with deep  
engagement

<sup>1</sup> Landsberry & James AQX Competitive Spend & Oztam Measuring Audience (October 2014)

# DEVELOPING LEADING RADIO BRANDS



LEADING TALENT





+ MARKETING SUPPORT

use only



Take us with you anywhere you go.  
**GET THE APP!**  **DOWNLOAD NOW**



**+ DIGITAL ENGAGEMENT**





**YouTube** Hits  
ON THE HIT NETWORK



**SHAZAM**<sup>®</sup>  
TOP 20  
#SHAZAMTOP20



**+ INNOVATIVE PARTNERSHIPS**

**LEADING TALENT**

**+ MARKETING SUPPORT**

**+ DIGITAL ENGAGEMENT**

**+ INNOVATIVE PARTNERSHIPS**

**= LONG TERM RATINGS SUCCESS**

**ON  
AIR**

use only

nal

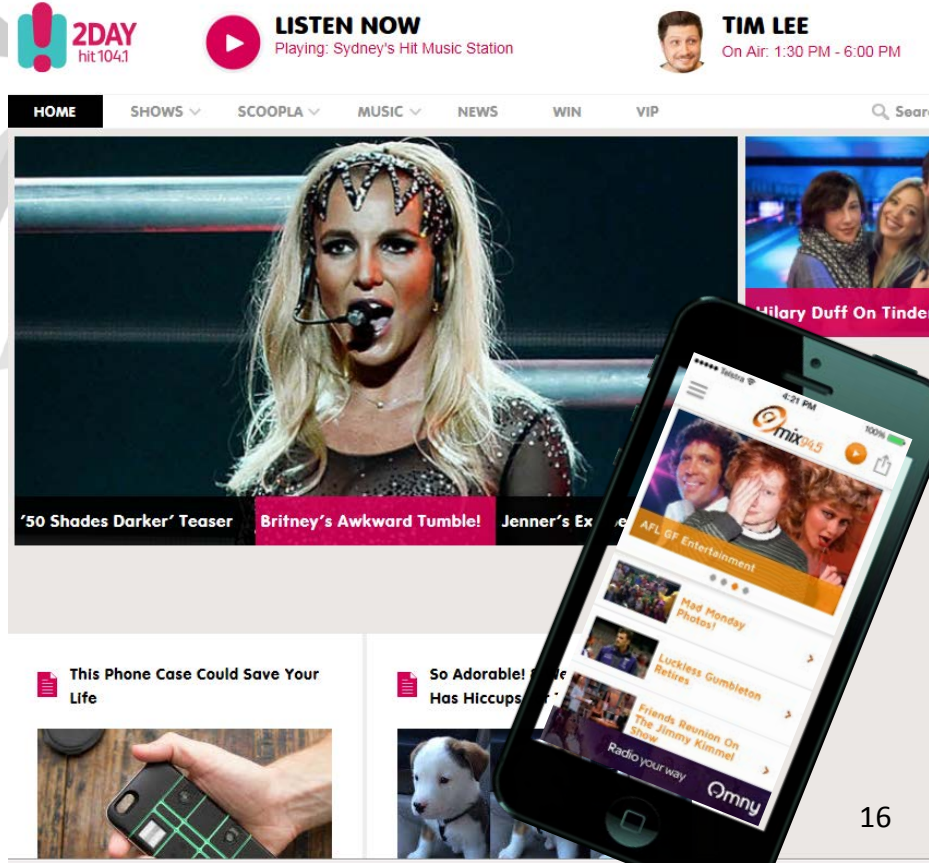
# LEVERAGING DIGITAL LEADERSHIP



ENTERTAINMENT AUDIENCE STRATEGY  
WITH INTIMATE SCALE

# THE URL IS THE NEW TRANSMITTER

- Individual listening devices
- Multimedia
- Profile data
- Observable behaviour

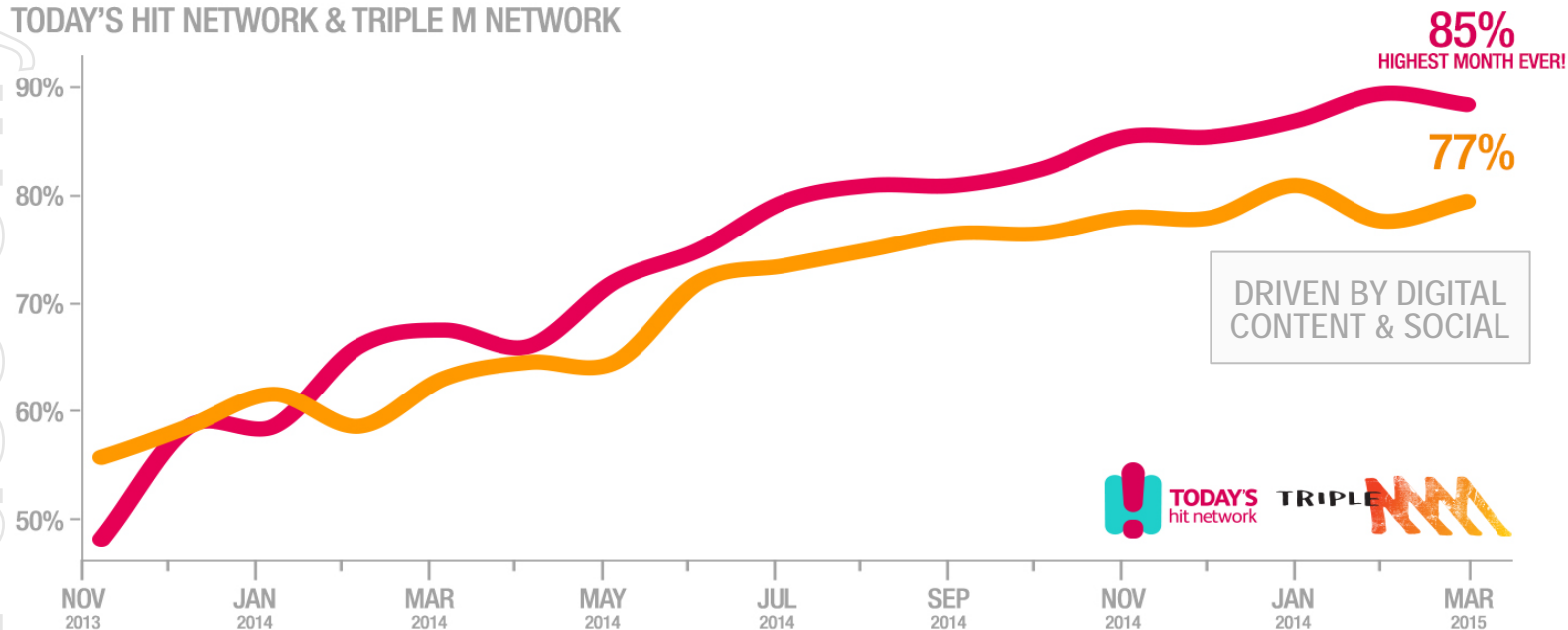




# SCA LEADS THE PUBLISHER INDUSTRY WITH MOBILE FIRST PRODUCT STRATEGY

## MOBILE SHARE OF DAILY SCA RADIO BROWSING

TODAY'S HIT NETWORK & TRIPLE M NETWORK



Source: Nielsen Online Ratings - Market Intelligence (Domestic) - % of Avg. Daily Unique Browsers via mobile (exc. tablet) - Period: November 2013 - March 2015

nielsen

SCAdigital

# INCREASING DIGITAL PUBLISHING



## BROADCAST AMPLIFICATION



### NEWS & ENTERTAINMENT

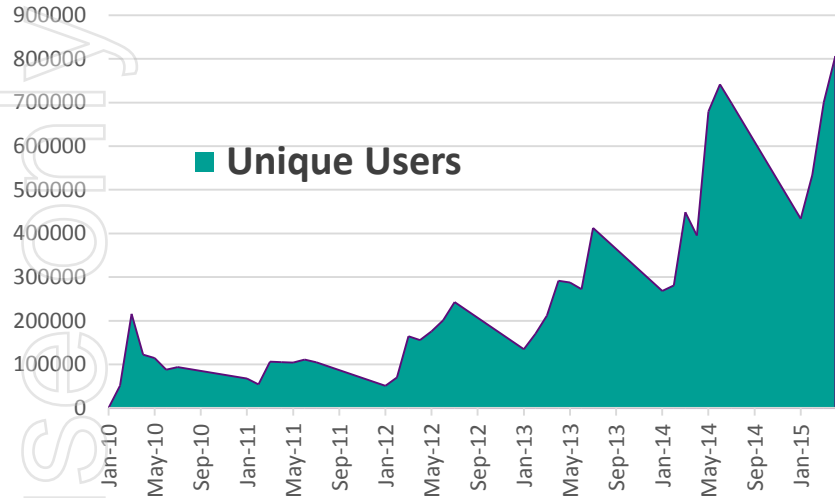


### SPORTS

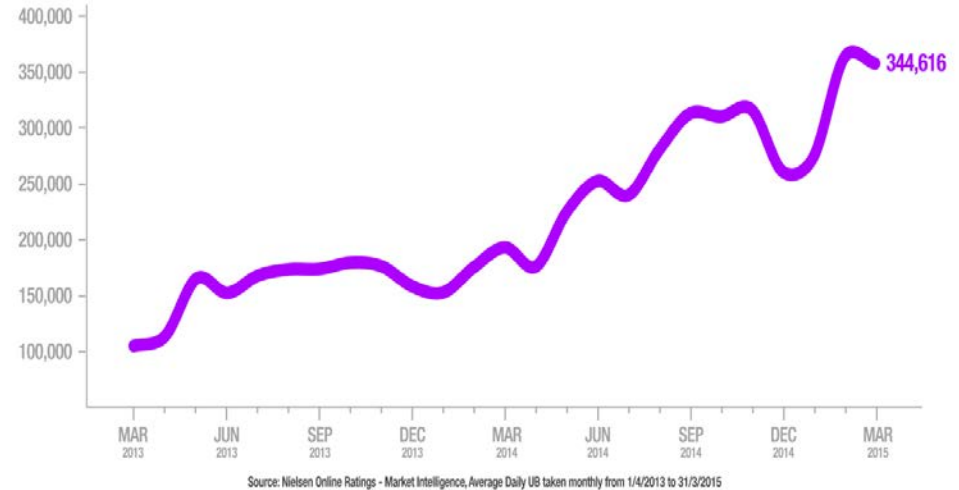


# INCREASING DIGITAL PUBLISHING

**Triple M Network Users - Sport  
2015 TTD (Jan - July)**



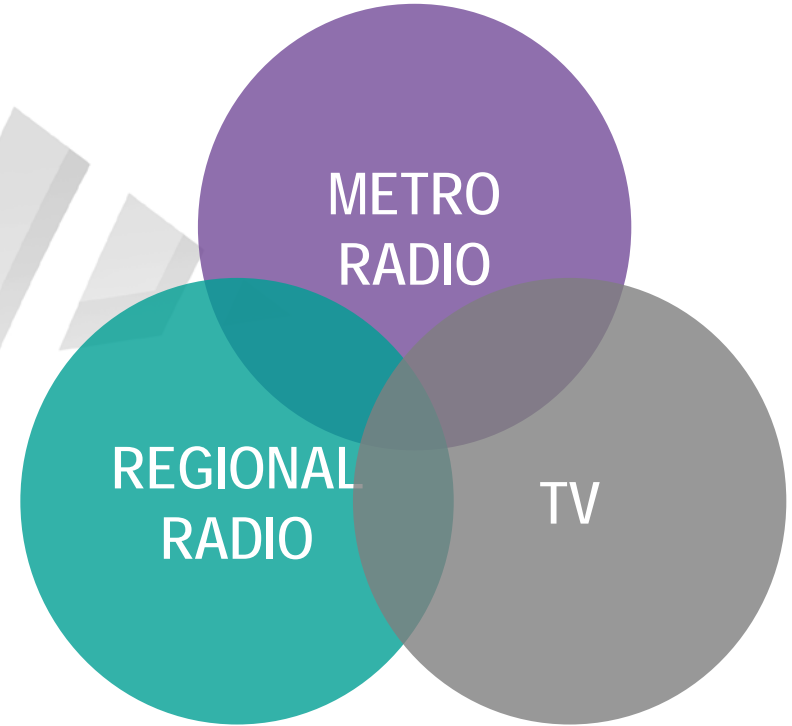
**Daily Unique Browsers (entire network)  
(March 13 – March 15)**



Source: Google Analytics. Triple M Network Users – Sport Jan-July YOY.

# OPERATIONAL EFFICIENCY

- Demonstrated history of cost efficiencies
- Merged regional radio and TV offices and sales teams
- National sales team serves key clients across all media
- Single billing platform will increase control and deliver uniform processes
- Distribution systems enable efficient playout of content



# CAPITAL MANAGEMENT STRATEGY

**Capital management initiatives targeting reduction in leverage to 2.5x**

**Investment in talent to deliver ratings and revenue growth**

**Increased cashflow from cost savings**

**Cash conservation through underwritten DRP**

**Review of non-core assets**

# CONCLUSION

- Multi-media business with national scale and revenue diversity
- Strong cashflow generation from assets
- Re-generation plan for metro radio underway
- Leading digital position – high audience engagement and increasing publishing
- Capital management plan is reducing leverage and increasing flexibility