

SOUTHERN CROSS AUSTEREO

MACQUARIE AUSTRALIAN SECURITIES
INVESTOR CONFERENCE
MAY 2015

PRESENTED BY RHYS HOLLERAN, CEO



SOUTHERN CROSS AUSTEREO
absolutely engaging

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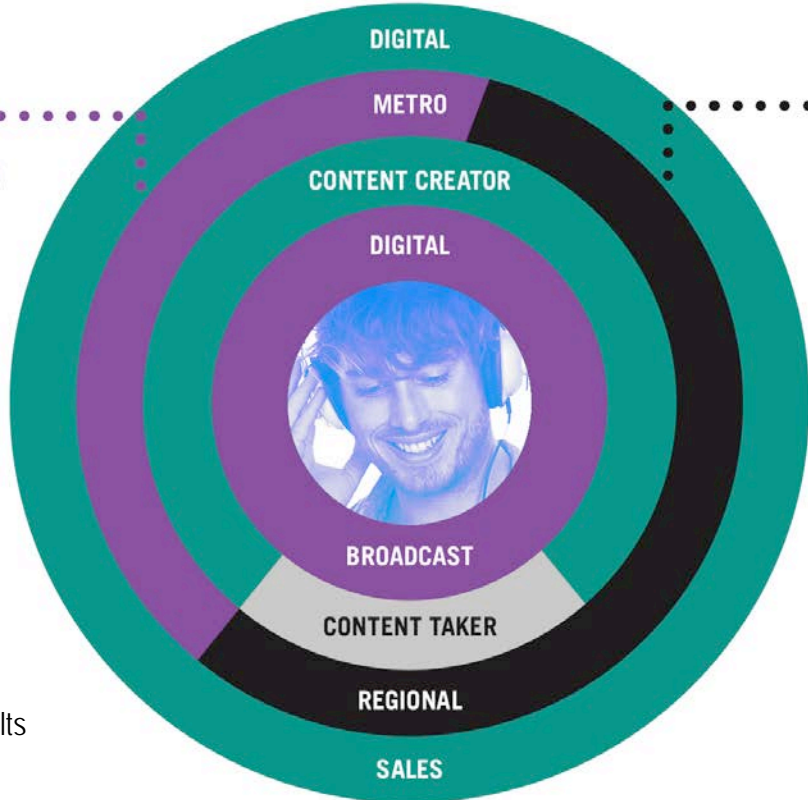
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SOUTHERN CROSS MEDIA IS A MULTI-MEDIA ENTERPRISE WITH NATIONAL SCALE

use only

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

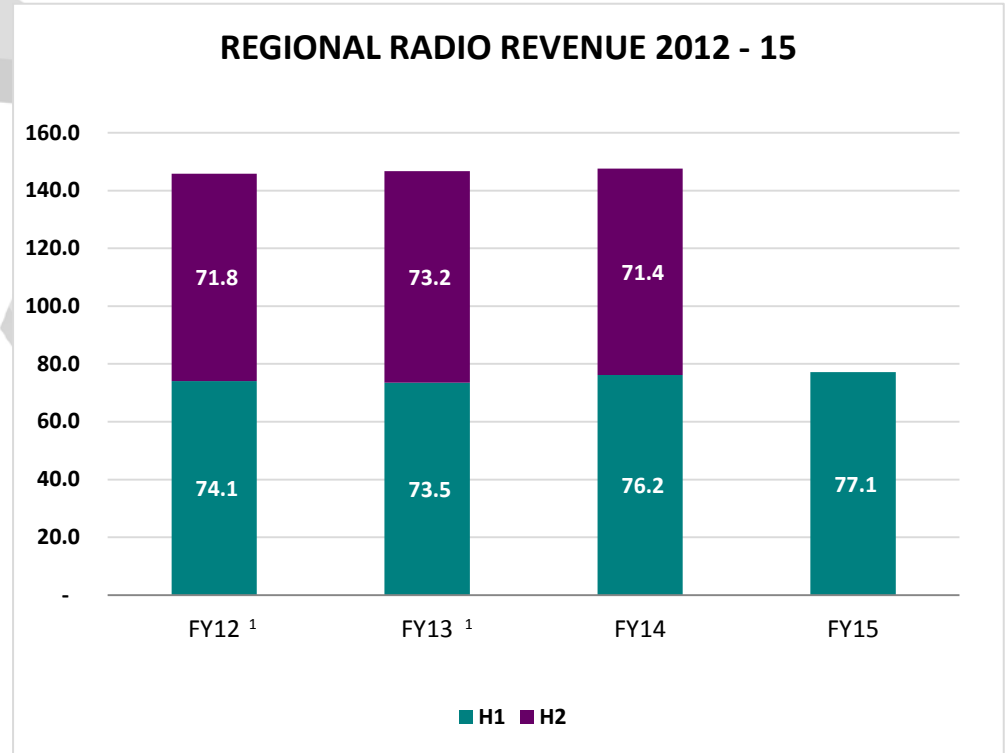
57 INDIVIDUAL
REGIONAL WEBSITES
16,403 AVERAGE DAILY
UNIQUE BROWSERS¹
53 FACEBOOK PAGES
35 TWITTER PAGES

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



¹ Excludes divested Sunshine Coast radio licence

METRO SUMMARY

SCA METRO LEADS THE CATEGORY IN SCALE

2.42M

LISTEN TO THE TODAY NETWORK

4.65M

TOTAL RADIO
LISTENERS

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



METRO RADIO GROWTH STRATEGY

\$700M METRO RADIO AD MARKET



24% FEMALES
18 – 39¹

36% MALES
25- 54¹



COMPLEMENTARY BRAND STRATEGY TARGETS OPTIMUM MARKET SHARE

Target

Most listened to
network in Australia

Target

Dominate target
demographic with deep
engagement

¹ Landsberry & James AQX Competitive Spend & Oztam Measuring Audience (October 2014)

DEVELOPING LEADING RADIO BRANDS



LEADING TALENT



+ MARKETING SUPPORT

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



+ DIGITAL ENGAGEMENT



usa only
YouTube Hits

ON THE HIT NETWORK



SHAZAM[®]

TOP 20

#SHAZAMTOP20



ma
+ INNOVATIVE PARTNERSHIPS

LEADING TALENT

+ MARKETING SUPPORT

+ DIGITAL ENGAGEMENT

+ INNOVATIVE PARTNERSHIPS

**ON
AIR**

= LONG TERM RATINGS SUCCESS

use only

nal

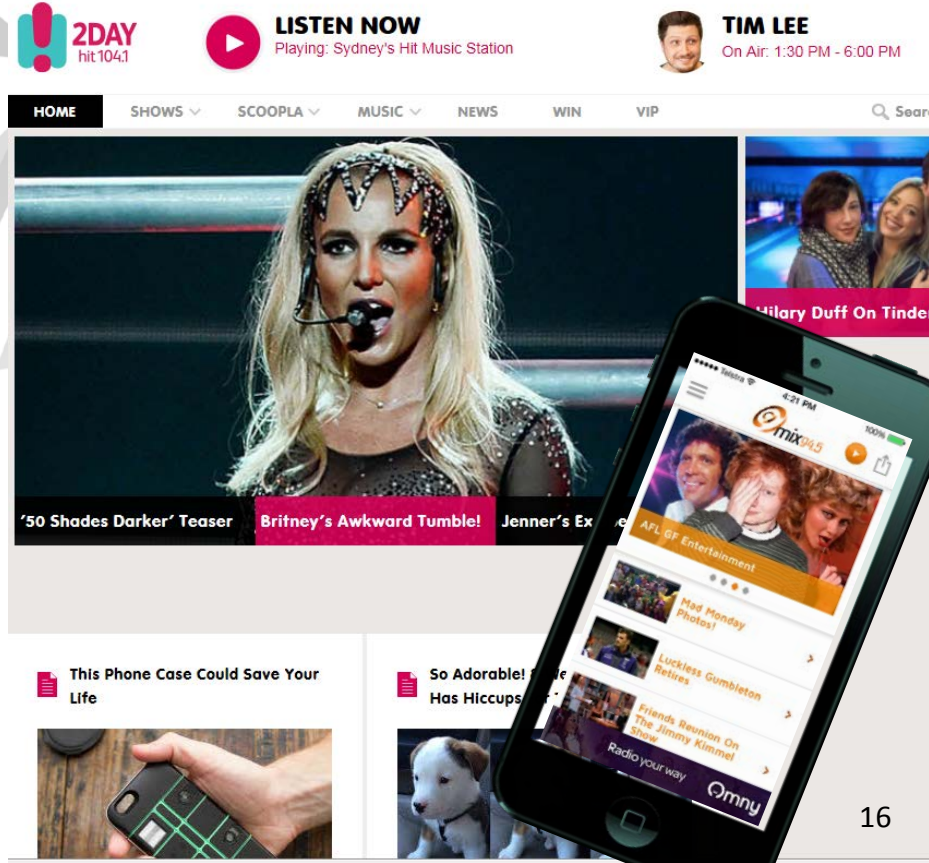
LEVERAGING DIGITAL LEADERSHIP



ENTERTAINMENT AUDIENCE STRATEGY
WITH INTIMATE SCALE

THE URL IS THE NEW TRANSMITTER

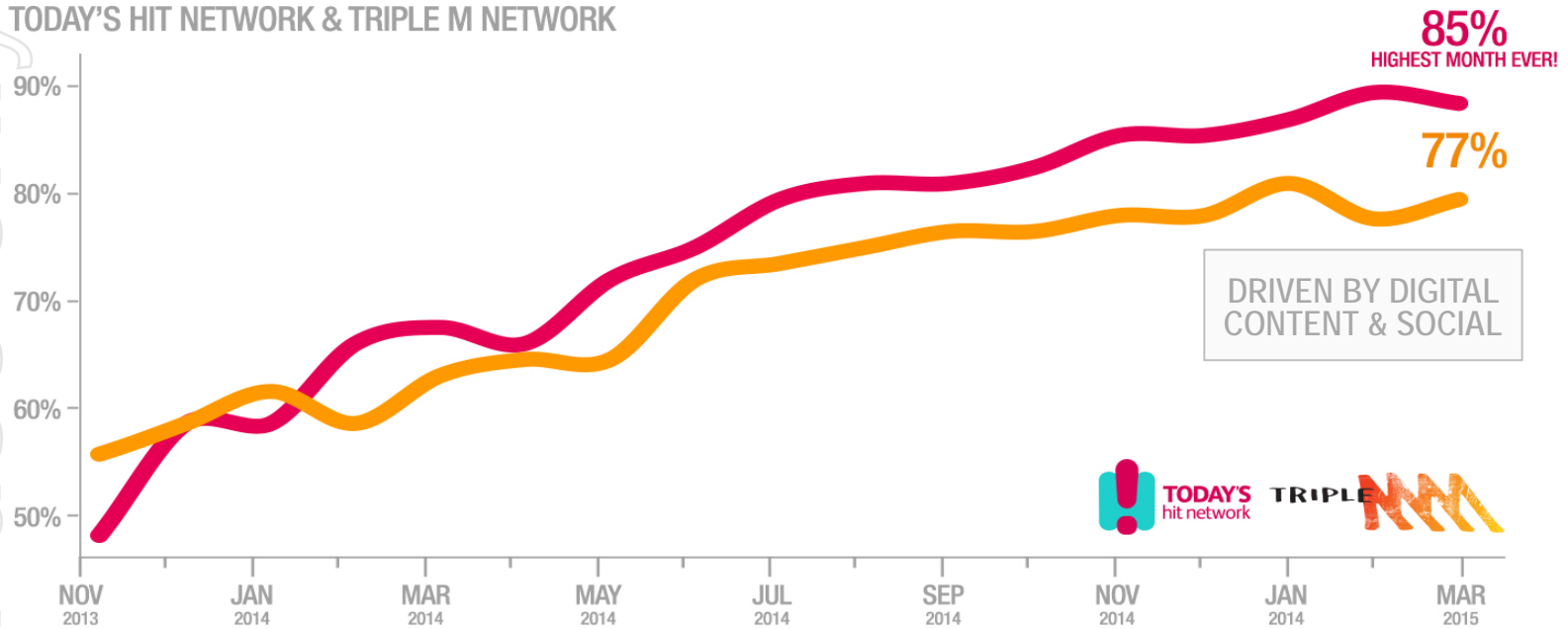
- Individual listening devices
- Multimedia
- Profile data
- Observable behaviour



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

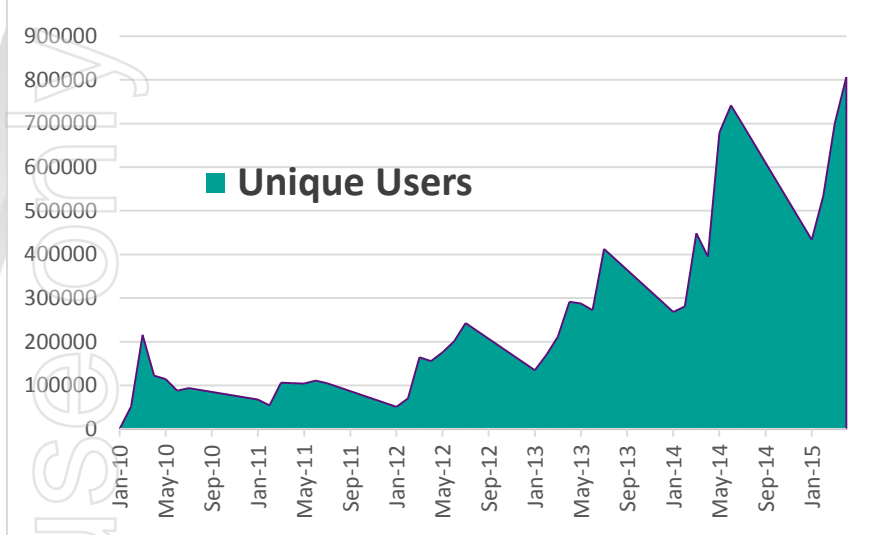


SPORTS

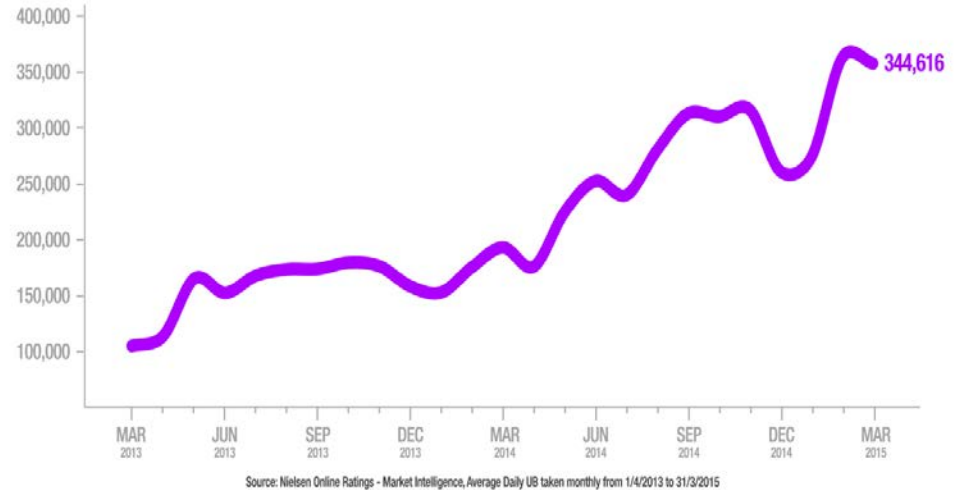


INCREASING DIGITAL PUBLISHING

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



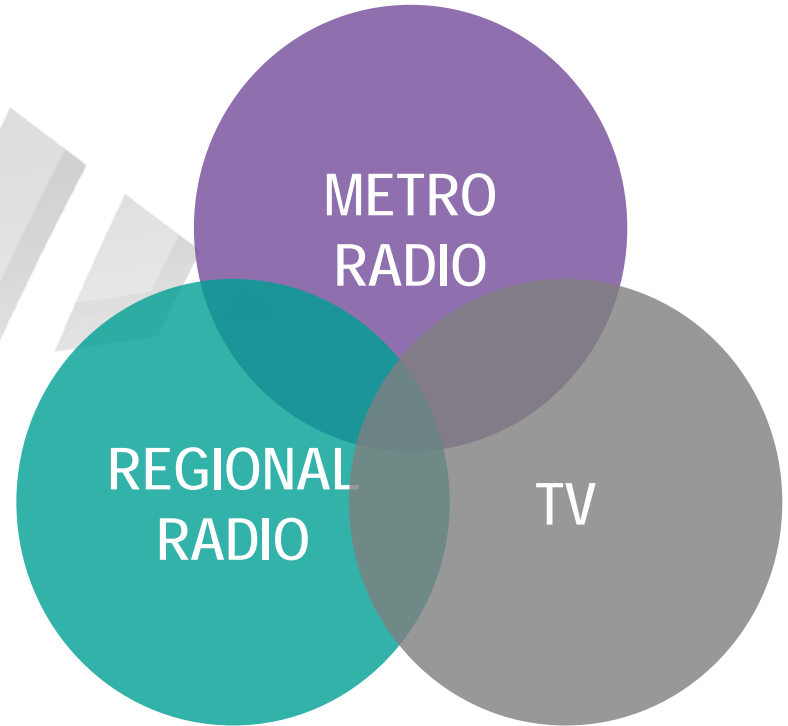
Daily Unique Browsers (entire network) (March 13 – March 15)



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