

## SOUTHERN CROSS AUSTEREO ANNOUNCES 19% GROWTH IN NET PROFIT AFTER TAX TO \$77.2 MILLION

Southern Cross Media Group Limited (ASX: SXL) today announced its financial results for the full year to 30 June 2016 including the following comparisons to the prior year:

	<b>FY16</b>	<b>Comparison to FY15</b>	
Revenue	\$642.3m	+ 5.1%	↑
EBITDA	\$167.7m	+ 2.8%	↑
NPAT	\$77.2m	+ 19.1%	↑
Reported EPS	10.1cps	+ 13.3%	↑
Net Debt	\$340.2m	Reduced by 32.9%	↓

Highlights of the results included:

- Growth across all key financial measures with advertising revenue growth across metropolitan and regional media assets outperforming the market.
- Net Profit After Tax (NPAT) up 19% after revenue growth and substantially reduced financing costs.
- A reduction in Net Debt by \$166.7m or 33% to \$340 million with continued divestment of non-core assets.
- Balance sheet repair completed with the leverage ratio now at 1.9x, significantly reduced from 2.8x in June 2015.
- Strong EBITDA to cash conversion of 93.3%.
- Operational and strategic focus with a landmark affiliation agreement with Nine Entertainment, renewal of affiliation agreement with Network Ten for NNSW, and execution of a long term agreement with the Australian Traffic Network.
- Increased shareholder returns with full year dividend up 12.5%. The dividend will be fully franked.
- Positive growth outlook for FY17.

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Southern Cross Austereo CEO Grant Blackley said:

“This year’s results reflect the operational and financial reset of Southern Cross Austereo, which has delivered improved financial performance for FY16 with prospect of further growth for FY17.”

“SCA’s radio and television businesses are consistently outperforming the market, with improved audience share, consistent reinvestment in our content and marketing and a continuous focus on stronger monetisation of our assets.”

“Our new television affiliation with Nine Entertainment Co. will deliver considerable growth in FY17 following a seamless transition on 1 July 2016.”

“As evidenced by new partnerships with Vevo and Australian Traffic Network, FY17 will see Southern Cross Austereo further improve its depth as one of Australia’s most diverse media companies with a broad range of media assets.”

Southern Cross Austereo’s guidance for the FY17 full year includes:

- Revenue growth across all assets with strong growth in television following affiliation agreement with Nine Entertainment;
- EBITDA to be in the range of \$177m - \$183m up 6.0% - 9.0%; with H1 EBITDA to be ~\$92m - \$94m;
- Normalised expense growth at circa 3.0% - 4.0% (excl. affiliation and revenue related costs)

For further information, please contact.

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