








SOUTHERN CROSS AUSTEREO ANNOUNCES 11.8% GROWTH IN NET PROFIT AFTER TAX

Southern Cross Media Group Limited (ASX: SXL) today announced its financial results for the half year to 31 December 2016 including the following comparisons to the prior corresponding period:

	H1 FY17	Comparison to H1FY16
Revenue	\$351.8m	9.2% 
EBITDA	\$92.6m	1.3% 
NPAT	\$48.5m	11.8% 
Reported EPS	6.3cps	10.5% 
Net Debt	\$347.8m	2.1% 

Highlights of the results include:

- Net Profit After Tax (NPAT) up 11.8% to \$48.5m.
- Improvements across all key financial measures with advertising growth across all asset classes.
- Group revenue up 9.2% boosted by strong growth in regional TV revenue and improved sales practices across all businesses.
- A seamless transition to Nine Network in key TV markets in Queensland, Victoria and Southern NSW with increased focus on monetisation and local content. Natural integration of the Authentic Entertainment and Vevo representation assets.
- EBITDA of \$92.6m, within guidance, and with growth at 1.3%.
- Increased shareholder returns with a fully franked interim dividend of 3.75c.

Southern Cross Austereo CEO Grant Blackley said:

“These results demonstrate the depth and strength of a diverse media company that is outperforming the market in each of its categories.”

“We have been systematically resetting SCA for success by focussing on our financial performance, our operational effectiveness in our existing businesses and investing in new growth opportunities that leverage our expertise in audio and entertainment.”

"I'm excited about recent changes to our metro on-air line ups with a number of strong and engaging program formats including the Em Rusciano Radio Show with Harley Breen on 2Day Breakfast in Sydney, Carrie Bickmore and Tommy Little at 3.00 – 4.00pm Drive on the Hit Network, Robin Bailey joining Triple M Breakfast in Brisbane, Angus O'Loughlin joining Adelaide's Hit Network, Emma Freedman joining Triple M's Grill Team in Sydney and The Queen Sesh with Constance Hall launching on the Hit Network on Sundays."

"In the last six months we were involved in twenty four new regional radio surveys, rebranded sixty eight of our regional radio stations into the Hit and Triple M Networks and rebranded many of our television stations to Nine. These have all been aimed at improving our "ease of buying" for our clients and boosting our national marketing and sales capability."

"Our seamless transition to our new affiliation the Nine Network has provided the platform to substantially grow revenues in our television businesses and excitingly, we have started rolling out fifteen local 6pm news services in many of our Nine markets."

"The successful acquisition of the Authentic Entertainment assets and importantly the integration of Vevo's exclusive Australian sales representation has further improved our scale and digital content offering in market."

Southern Cross Austereo's outlook and guidance for H2 FY17 includes:

- Reflecting an advertising market with low growth forecast, EBITDA is expected to deliver growth on H2 FY16 with full year operating EBITDA forecast to be at the lower end of the guidance range (\$177m-\$183m)¹.
- Increases in revenue driven by new formats across metro radio and improved national sales opportunities resulting from:
 - Regional radio surveys and the rebranding of regional radio stations as part of the national MMM and Hit Networks
 - Further maturity and monetisation of the improving brand and content of Nine inclusive of new local Nine news services in 15 markets throughout regional Victoria, southern New South Wales and Queensland
- Continued focus on technology to deliver enhanced productivity and back office efficiencies to mitigate the cost of investing in enhanced content
- The continued disposal of non-core assets evidenced by the announcement of the sale of 45 transmission sites, while preserving long term access rights².

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¹ Excluding impact of any non-recurring benefits from asset disposals

² Subject to FIRB approval.