



ASX RELEASE

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**SOUTHERN CROSS AUSTEREO ANNOUNCES
40.7% GROWTH IN NET PROFIT AFTER TAX TO \$108.6M**

Southern Cross Media Group Limited (ASX: SXL) today announced its financial results for the year ended 30 June 2017 including the following comparisons to the prior year:

	FY17	Comparison to FY16
Revenue	\$690.8m	7.5% ↑
EBITDA	\$177.4m	5.8% ↑
Reported NPAT	\$108.6m	40.7% ↑
Underlying NPAT	\$93.8m	21.5% ↑
Underlying EPS	\$12.2cps	20.8% ↑
Net Debt	\$321.0m	5.6% ↑
Full year dividends	7.75 cents	14.8% ↑

Highlights of the results include:

- Improvement across all key financial measures – building on a strong prior year performance
- Revenue has increased 7.5% with growth in all asset classes
- Underlying Net Profit After Tax (NPAT) up 21.5% after a 24% reduction in financing costs and lower tax
- Increased shareholder returns with dividends of 7.75 cents per share for the financial year up 14.8%. The final dividend of 4.00 cents per share will be fully franked.

Southern Cross Austereo CEO Grant Blackley said:

“In FY17 SCA has delivered on a number of our key objectives: further optimising our sales and improving the monetisation of our assets, and successfully transitioning our television broadcast business across to the Nine affiliation including rolling out fifteen new local regional news services.

“SCA continues to invest to improve our content and marketing with the introduction of new formats and the incorporating sixty four regional radio stations in the HIT and Triple M families.”

“We have remained focused on efficient use of our capital by divesting non-core assets including sale to the WIN Television Network of the Northern NSW television business and sale of a portfolio of 45 transmission towers to specialist operator Axicom. This has enabled us to reduce debt by \$56 million over the past year, reducing financing costs, improving Net Profit After Tax and strengthening our balance sheet.

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“SCA is enhancing the audio experience for our audiences with a range of new digital radio stations, improving engagement and accessibility to our products via a range of devices, and generating better information about our consumers so we can deliver them the high quality audio content that they want.

“Audio on demand is following the way of video on demand. Building on our long standing expertise in creating and selling audio, SCA is developing a new Australian podcasting network which offers listeners original audio content on demand available through the PodcastOne website and mobile app.

“Expanding our interests into high growth sectors of the entertainment market, SCA has launched a new regional Out of Home business with major mall owner and operator QIC. Our podcasting and Out of Home interests ensures SCA is tapping into its core strengths across emerging and high growth digital sectors that further diversify our future earnings profile.

“With a focus on developing our entertainment asset base and improving monetisation of all assets SCA is moving towards its aspiration of being the preferred entertainment company in our markets.”

FY18 Outlook

In FY18, even as advertising markets are likely to remain challenging, Southern Cross Austereo expects the consistency of its metropolitan and regional content, the full deployment of regional television news and the ability to monetise digital radio will deliver revenue growth.

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