

Austereo Group Limited 2009 Results Presentation



Austereo Audiences Strengthen and Sales Outperform Market

August 2009

Overview

- Sales revenue -2.2% to \$254.8 m*
- EBITDA -7.5% to \$87.6m**
- EBIT - 8.0% to \$79.8m**
- Total expenses held -0.9% (excluding revenue related and depreciation)
- Final dividend of 5.1cps maintaining payout ratio.**
- Total franked dividend of 9.1cps = 9.25% approximate gross yield.
- Investment UKRD fully written down – after tax \$3.8 million.

*Ongoing Operations

** Pre Significant Item

Overview

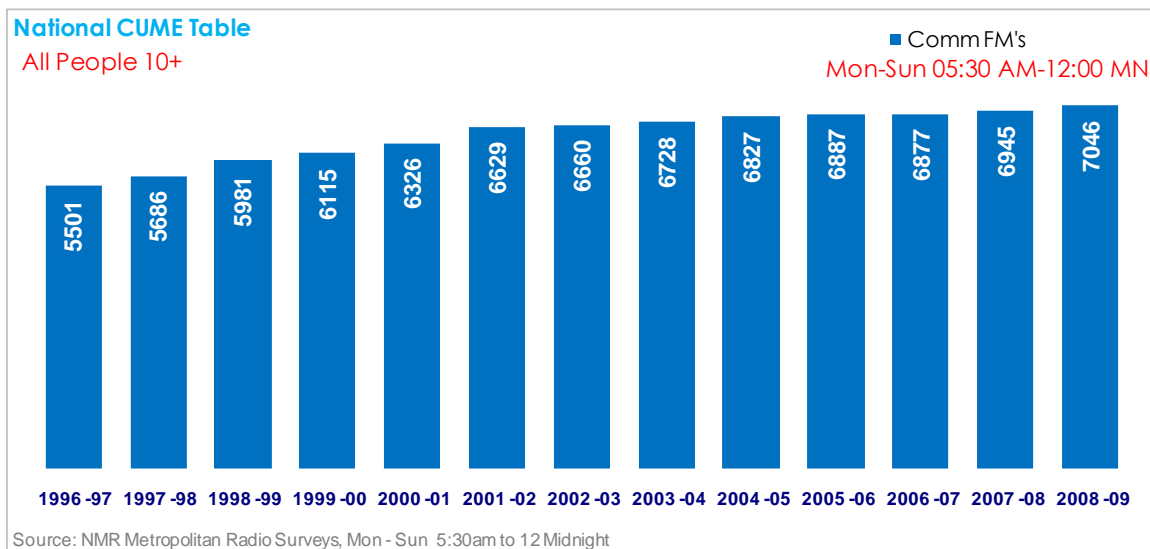
Overall Commercial Radio Market less impacted than other media.

- During the 10 year period between 1998 and 2008, commercial radio adspend grew at a compound annual rate of 5.88%. That annual rate was greater than the growth experienced by any other traditional main media sector.
- Over that same decade, total traditional main media (excluding directories, Pay TV and Online) increased at a compound annual rate of 3.97%. This meant that commercial radio outperformed total traditional main media by 1.91% per annum.

Radio increases total audience with significant gains in under 40

Commercial FM Radio keeps adding new listeners.

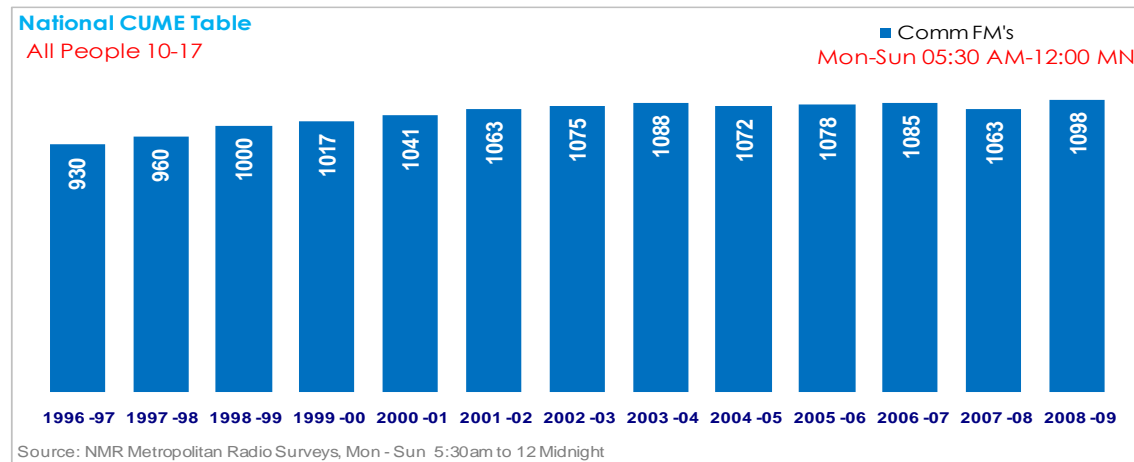
- As Commercial FM stations cater mostly for the younger demographics, it was believed they would be the first to be impacted by younger markets turning to new digital forms of music listening.
- However, the number of listeners to Commercial FM's has continued to grow over the years, and now over 7 million Australians in metropolitan markets tune into Commercial FM every week.



All Commercial FM's: 10-17

Commercial FM's gain more 10-17 listening

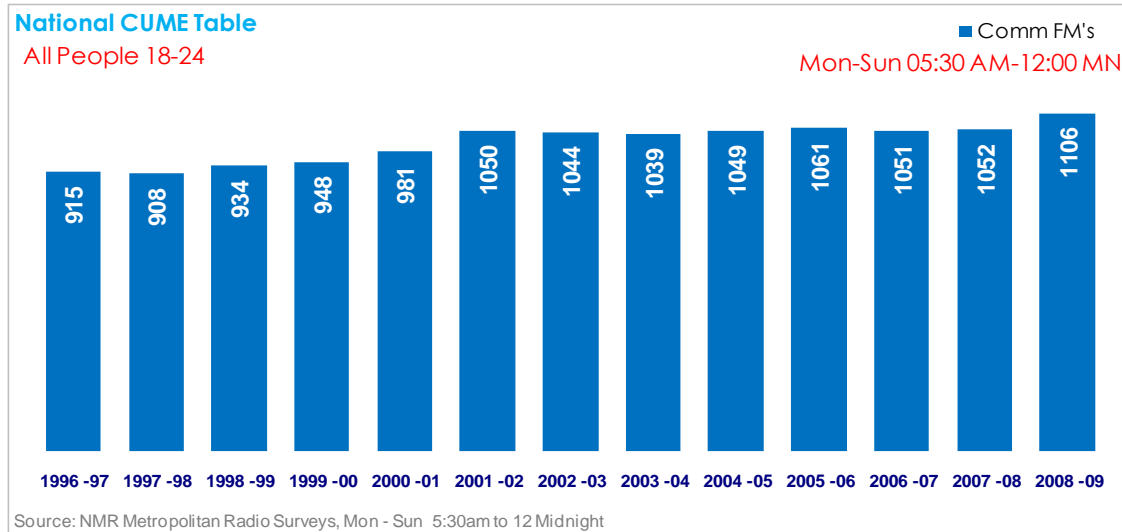
The younger demographics are tuning into Commercial FM radio and this financial year has seen some strong Cume gains.



All Commercial FM's: 18-24

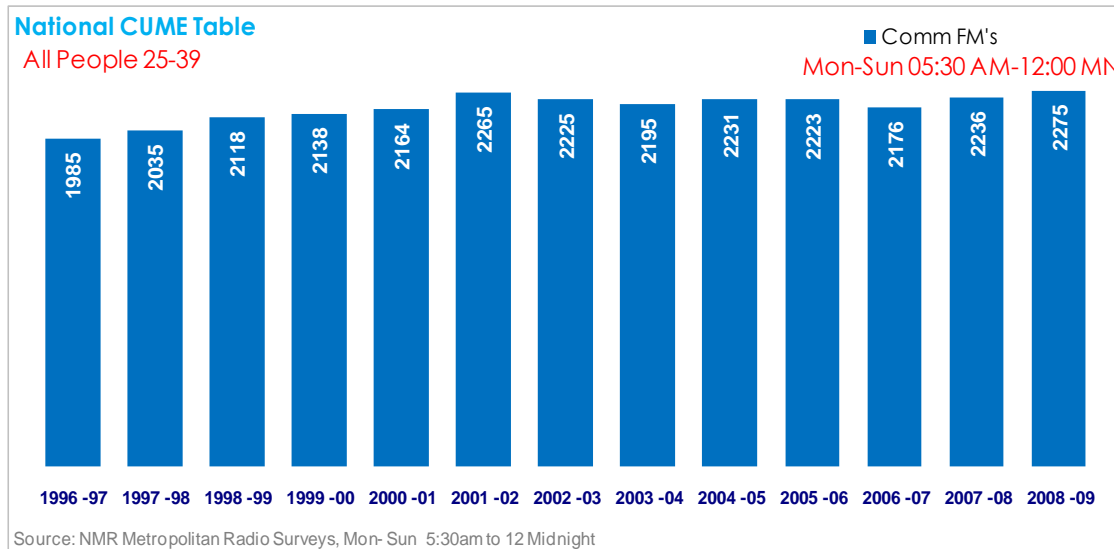
Commercial FM's see an 18 -24 demographic growth.

Commercial FM's follow the same patterns as All Commercial radio with increased listeners.



All Commercial FM's: 25-39

Commercial FM's Listeners Increase 25-39.



Austereo Gains

- Austereo wins #1 FM Sydney, Melbourne, Brisbane, Perth, Canberra and Newcastle and #2 Adelaide.*



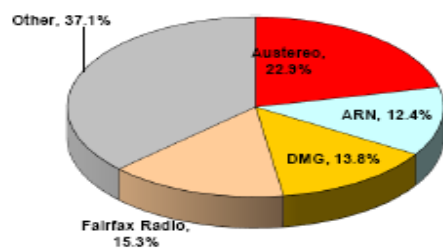
*Source Nielsen Survey 4, 2009

Audience Leadership

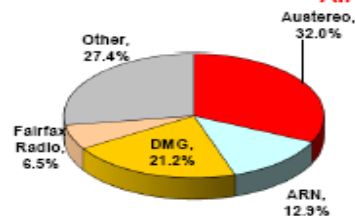
Survey #4 2009

Audience Share Sydney Melbourne Brisbane Adelaide Perth

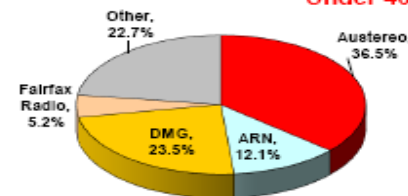
All 10+



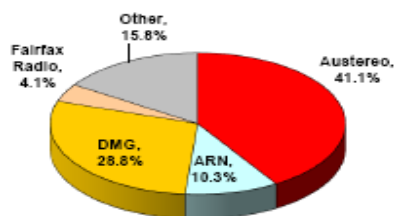
All 25-39



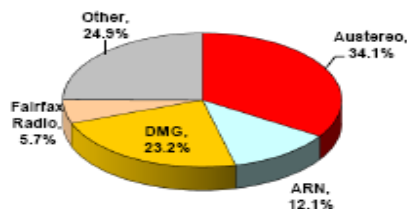
Under 40



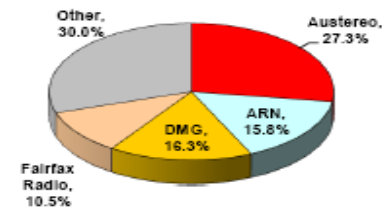
All 18-24



All 18-39



All 25-54



Source: Nielsen Media Research - Survey #4 2009 (Sydney, Melbourne, Brisbane, Adelaide, Perth)

% Share excludes "Other AM" & "Other FM" stations (Average Audience Mon-Sun, 5:30am-12pm - Total Audience)

Overview

- Austereo leads in sales shares
- Challenging sales conditions, but entertainment, services, food and media categories increase year on year.
- Top 40 client retention rate is a strong 97.5%.
- Low exposure to multinational clients has benefited Austereo.
- Strong major media buying group support – top 10 media agencies ease only 3% yoy.

Overview

- Austereo is #1 Online Radio category and #8 in Total Online Entertainment category (unique browsers)*.
- Radio and Online bundled sales packages continue to grow – now over 30% of campaigns.
- Interactive revenues +44% yoy.

*Source: Nielsen Market Intelligence

Programming

- Austereo's on-air success continues with consistent ratings performance.
- Branding remains strong driving results on-line.
- Marketing continues to be targeted and efficient.
- Today's national celebrity focused entertainment content positions the network as a genuine entertainment offering.



Programming

Today Network dominates the East Coast*

- 2Day FM now reaches 968,000 listeners.
- Fox continues its record reach with an audience of 1,217,000.
- Hamish & Andy maintain #1 Drive position nationally. Tallships delivers the biggest online tactic in Australian Radio history**.
- B105 achieve #1 FM in Brisbane.
- Strong performance for SAFM and 92.9.

*Source: Nielsen Survey 4, 2009

**Source: Nielsen Netratings

Programming

Triple M re-invigoration continues

- New Sydney Breakfast Show – Grill Team with Gus Worland, Stuart McGill and Mark Geyer.
- Paul and Rachel new Sydney drive to compliment Roy and HG.
- Melbourne Team to be advised.
- Football AFL and NRL maintain strong performance.
- Solid and consistent performance from Brisbane and Adelaide.
- Perth 94.5 continues dominance.
- Investment continues in the discovery and development of new talent.



Sales

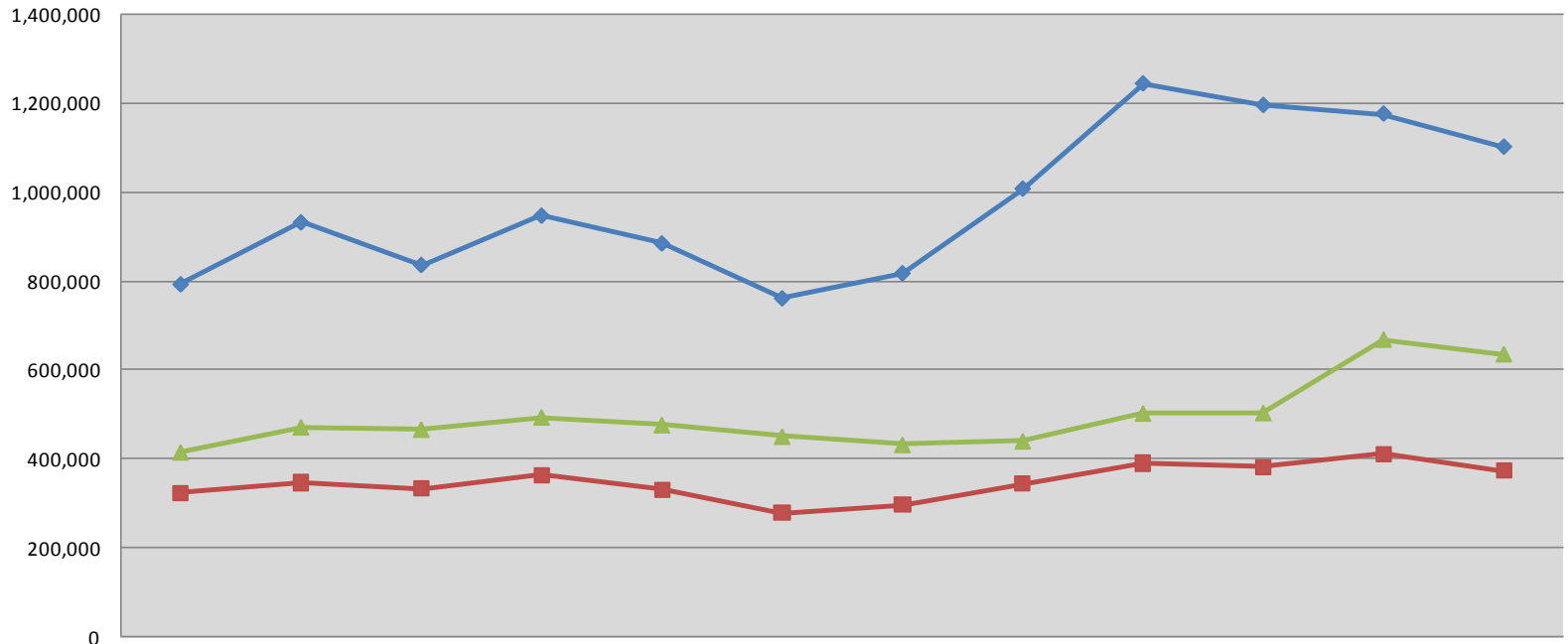
- Austereo sales out performed the market, reflecting strong advertiser support and effective sales teams.
- National revenue continues to be the focus.
- 27% growth in Non Spot Revenue (NSR).
- AUR held yoy.
- Market remains short term.

Continued Growth in Digital Operations

- Websites continue strong performance giving Austereo leadership in online radio sites.
- Austereo capitalised on growing advertiser awareness, increasing revenue 44% yoy.
- Industry leader in achieving true cross-platform integration of content & sales.
- Austereo averages 975,018 UB's a month – up 50% yoy with over 1 million UB's since February 2009.¹
- Video continues to grow with Today sites hitting over 1 million – equates to 2.5 million minutes of footage watched.²
- Podcasts increased 255% yoy reflecting the popularity of our programmes.³

Source: ¹Netratings / ²Brightcove / ³AVAZCAST

Continued Growth in Digital Operations UB's



	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09
◆ Austereo UB Total	793,249	932,135	836,650	947,294	884,832	761,867	818,049	1,007,928	1,244,090	1,195,677	1,176,339	1,102,106
■ DMG UB Total	323,926	347,194	334,290	363,909	331,121	279,064	297,330	343,890	391,813	382,777	411,585	373,858
▲ MCM UB Total	416,478	472,288	467,303	494,491	477,178	451,466	433,147	441,151	503,170	504,249	667,945	635,389

Data source = Nielsen Market Intelligence By Publisher. Austereo figures include NX-FM & KO-FM.

Continued Growth in Digital Operations

Digital Radio

- Now launched in Sydney, Melbourne, Brisbane, Adelaide and Perth.
- Has many consumer benefits including: pause, rewind and record functionality; visual information; digital sound quality; clear reception and new digital-only stations.
- Industry uniting together under the launch campaign “Its radio as you know it, plus” with \$10 million of support to promote digital radio to consumers.
- Official launch of digital radio celebrated on August 6th with the ‘Radio United’ outside broadcast events in each state.
- Austereo led the way with the launch of Radar Radio, Australia’s first commercial digital radio station, in December 08.
- Austereo’s Pink Radio has demonstrated the great flexibility DAB+ allows, to produce short-term content initiatives that meet client and consumer needs.

Financial Analysis 2009

	\$m	June 2009	June 2008	%
Sales Revenue				
– continuing ops		254.8	260.6	-2.2
– discontinuing ops		-	1.5	
Other Income		4.1	4.6	-10.9
Total Revenue		258.9	266.7	-2.9
Operating Expenses		180.9	181.8	-0.5

Cost Management

- Operating Costs* decreased \$1.2m or -0.9%.
- Employee benefit expenses held yoy.
- Occupancy +\$0.2m
 - Double rent Melbourne – sublet April 2009.
- Brand Enhancement -\$1.1m
 - Decrease spend as Triple M realigned.

*Excluding revenue related and depreciation.

Financial Analysis 2009

	\$m	2009	2008	%
Profit from Assoc		1.8	1.9	-7.2
EBITDA		87.6	94.7	-7.5
EBITDA Margin		33.8%	35.5%	
Depreciation		7.8	7.9	-1.8
EBIT		79.8	86.8	-8.0

Financial Analysis 2009

	\$m	2009	2008	%
Borrowing Costs		14.5	16.5	-12.1
NPAT		45.2	48.8	-7.4
EPS		13.08	13.93	-6.1
DPS (fully franked)		9.1c	10.0c	-9.0
Significant Items (after tax) - Writedown UKRD		-3.8	-	-

Balance Sheet

		2009	2008
GEARING			
Net Debt	\$m	219.4	207.8
EBITDA/Interest Cover	X	6.0	5.7
Net Debt/EBITDA	X	2.5	2.2
Total Equity	\$m	660.6	663.5
Net Debt/Equity	%	33.2	31.3
No. Shares on Issue	m	344.8	349.7

Outlook: Radio performs well in uncertain conditions

- Survey 5* (11 August 09) provided strong opening to FY10, with #1 FM Sydney, Melbourne, Adelaide and Perth, #2 Brisbane. All-people audience held from yoy at 22.9%.
- Radio is following the established pattern of outperforming in downturns.
- In the decade to '07, radio metro adspend increased +6.17% pa, TV +4.28% and daily press +2.89%.
- Austereo believes total capital city market revenue for 1H10 will be less than -5%.

* Nielsen Radio Survey

Outlook: Radio performs well in uncertain conditions

- Austereo is uniquely placed, through its current leading ratings and sales share, to capitalise on future advertising market uplift.
- After a distinguished 20 year career with Austereo and 6 years as Chief Executive Officer, Michael Anderson will not renew contract past 30 June 2010 – search for successor in place.