

Austereo Group Limited

H1 2009 Results Presentation



**SOLID RATINGS & SALES PERFORMANCES
ACROSS BROADCAST & ONLINE/INTERACTIVE
PLATFORMS**

February 2009

Dec 08 Results Overview

- EBIT \$47.9m in line with pcp (\$48.5m 1H08)
- EBITDA margin increases to 38.2% (37.5% 1H08)
- Net Profit \$27.9m in line with pcp (\$27.8m 1H08)
- EPS up 1.3% to 8.0 cps
- Interim dividend maintained at 4.0 cps fully franked
- Non revenue related costs from ongoing operations reduced 4.3% against pcp

Dec 08 Results Overview

Strong Performance

| | 2008 | 2007 | 2006 | 2005 |
|---------------|---------------|-------------|-------------|-------------|
| EPS | 8.0c | 7.9c | 7.2c | 7.0c |
| EBITDA Margin | 38.2% | 37.5% | 37.1% | 36.7% |
| DPS | 4.0cps | 4.0cps | 3.8cps | 3.6cps |

Broadcast & Online Audience Gains

- AEO gains additional 184,000 listeners (All Ppl 10+) with total radio audience of 4,531 million*
- Today Network adds additional 136,000 25-39*, Triple M gains 10,000
- AEO stations added 27 mins* time spent listening (All Ppl 10+)
- AEO greatest TSL gains in under 25 demographics*

*Source: Nelson Media Research – Surveys 5- 8, 2008

Broadcast & Online Audience Gains

- Star talent portfolio drives the audience growth:
 - Kyle & Jackie O (2DAY)
 - Matt & Jo (FOX FM)
 - Hamish & Andy (Today Network), largest commercial radio audience ever
 - Pete & Myf Warhurst (Triple M Melbourne)
 - Roy & HG (Triple M Brisbane, Sydney, Melbourne)
- Exceptional Usage/Sales growth in AEO Online/Interactive enterprise



Sales Overview

- Capital city radio market declines -3.2%. Melbourne +1.4% and Perth +5.6% are positive performers.
- AEO sales revenue (from ongoing operations) -3.1% to \$132.8 m
- Today Network increases sales against pcp
- Triple M underperforms in Sydney and Melbourne sales, but current rebuild presents upside revenue opportunities

Sales Overview

- AEO Group December 08 sales share peaks at highest level since December 06
- Average unit rates increased against pcp
- Renewal of a group of key advertising contracts provide a degree of surety

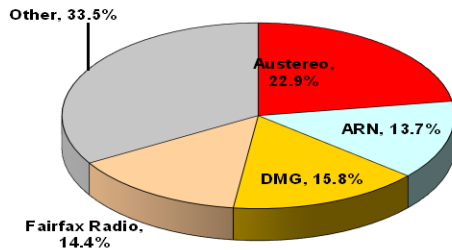
- Sales revenue held in line with market
- Top 40 client retention of 97.5%
- Non-spot revenue continues to grow:
27% growth achieved 6 months to Dec '08
- Yield growth achieved during challenging period
- Top 5 categories of Retail, Entertainment, Auto, Services & Food all showed growth in the first half

National Audience Leadership

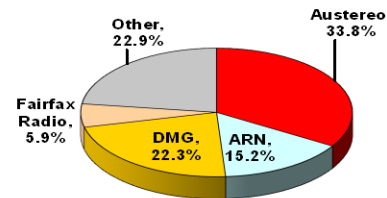
Survey #8 2008

Audience Share Sydney Melbourne Brisbane Adelaide Perth

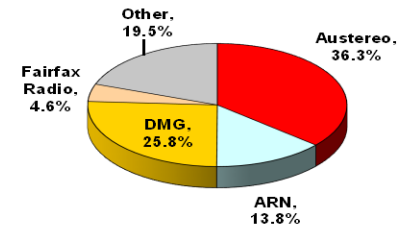
All 10+



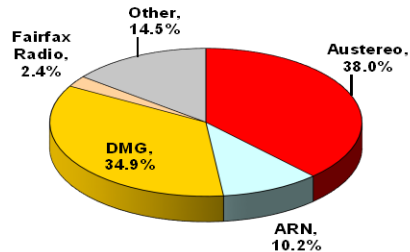
All 25-39



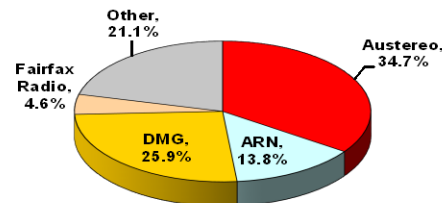
Under 40



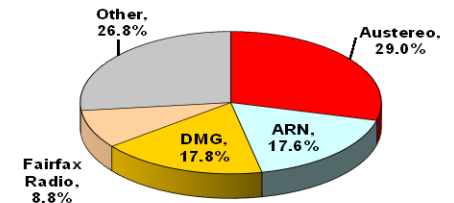
All 18-24



All 18-39



All 25-54



Source: Nielsen Media Research - Survey #8 2008 (Sydney, Melbourne, Brisbane, Adelaide, Perth)

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

Content

- **Today Network** continues to build, maintaining FM leadership
- Success driven from commanding results from breakfast teams and Hamish & Andy
 - Kylie & Jackie O increased listeners & maintain #1
 - Hamish & Andy impressive results all year in all cities
 - Fox FM finished year at 15.6% share – largest audience since 2001



Content

- **Triple M** maintained results nationally and is well positioned for a successful 2009
 - Sydney breakfast relaunch 1 December 2008
 - New music position
 - Roy & HG impact on-air and online

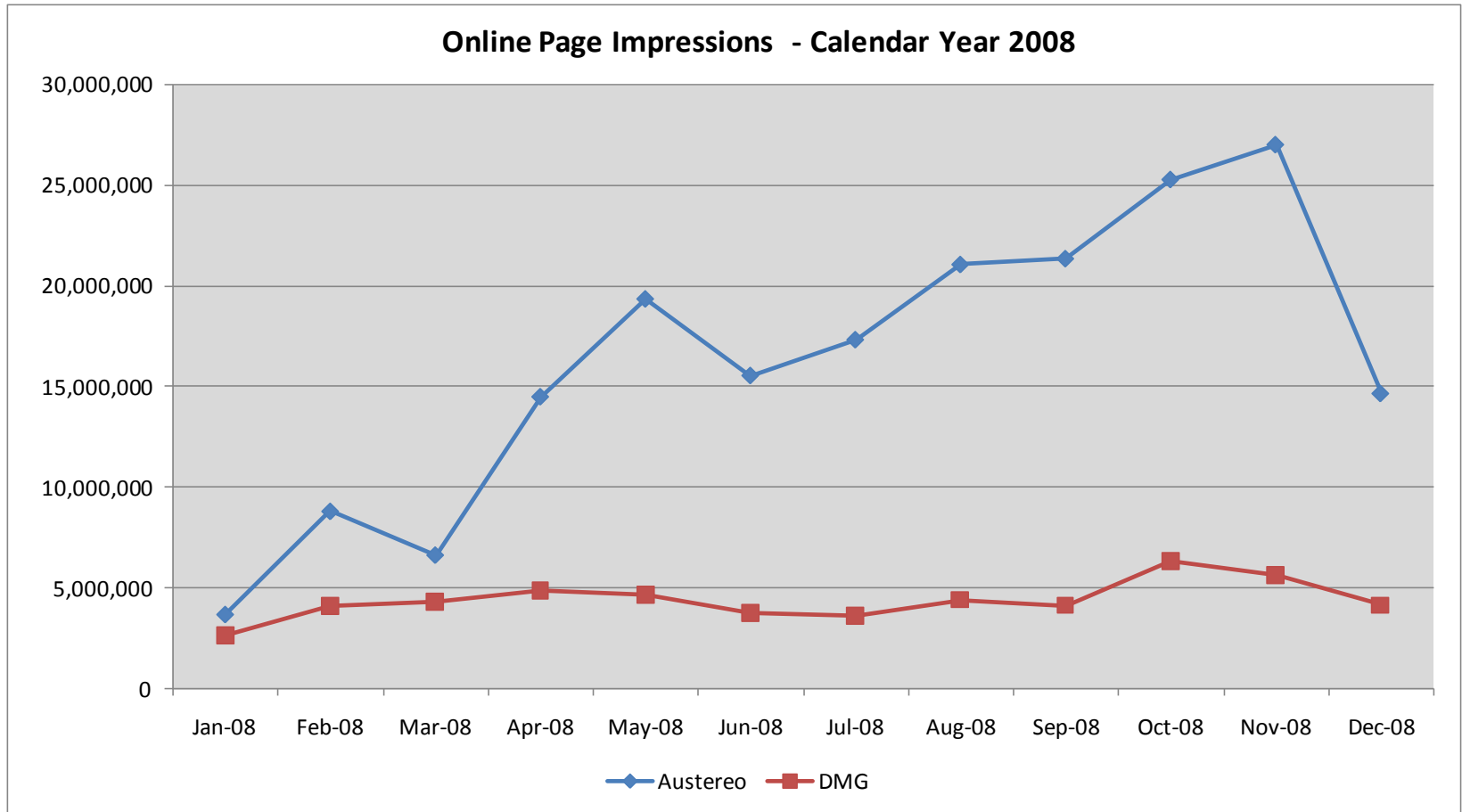


Online/Interactive

- Continuing AEO leadership
 - Online radio sites
 - Online revenue
 - Cross platform Integration & Sales
 - Roy & HG drive Triple M podcasts
- Video streaming has steadily increased averaging 432,282 streams per month
- Unique browsers rose 86% to 762,000*
- Page impressions increased 311% from 3.6m to 14.7m*

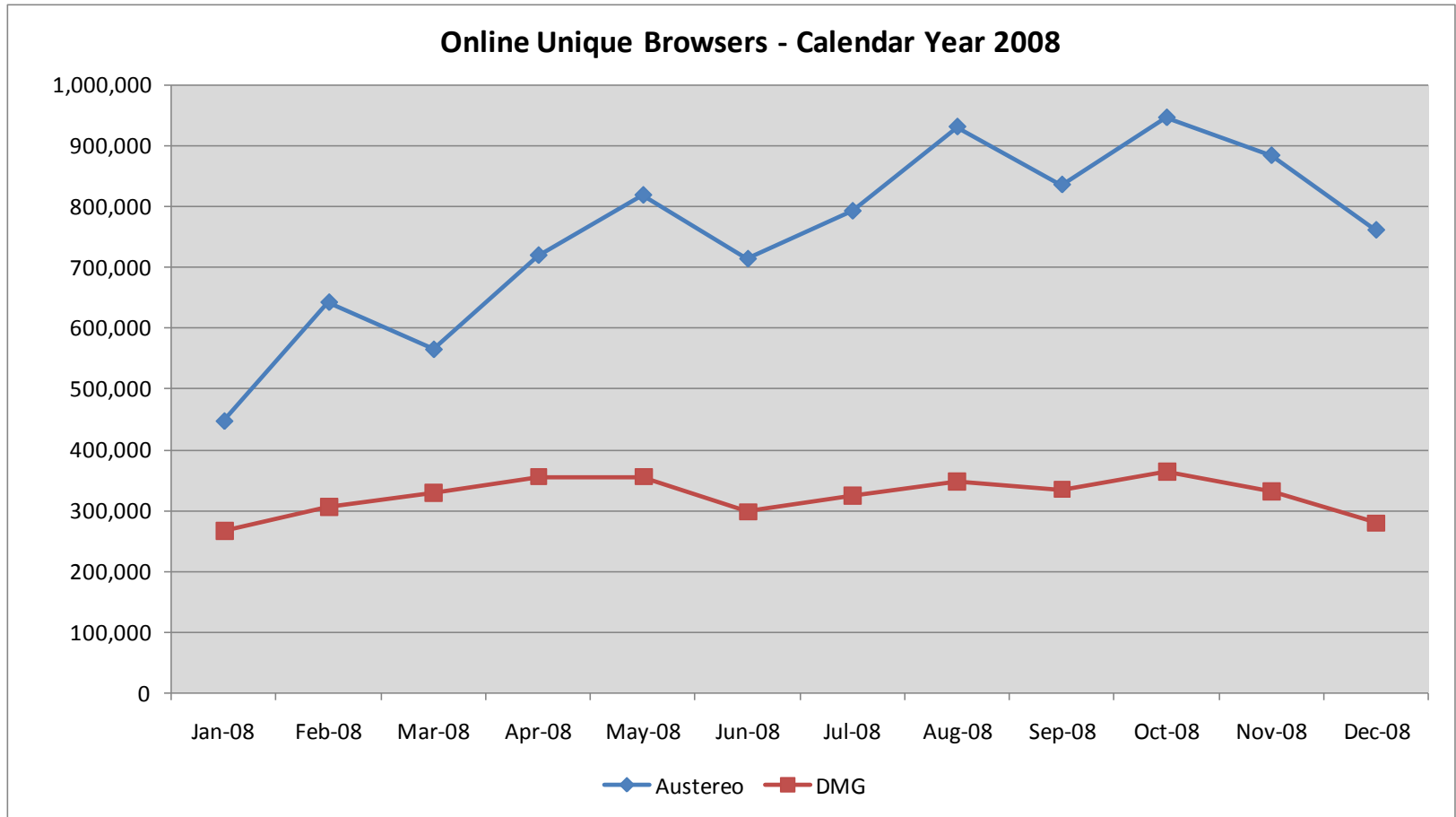
*Source: Nielsen Netrankings

Online/Interactive



Source: Nielsen Netrakings

Online/Interactive



Source: Nielsen Netrakings

Digital Radio Update

- Industry now to launch mid 2009
- AEO announced first commercial digital radio network – RADAR – Dec '08
- Building on digital leadership
- BigPond foundation partner
- Open exciting opportunities to advertisers

Financial Analysis Dec 2008

| | \$m | Dec 2008 | Dec 2007 | % |
|--------------------|-----|--------------|-------------|-------|
| Sales Revenue | | 132.8 | 137.1 | (3.1) |
| Operations sold | | - | 1.5 | |
| Other Income | | 2.0 | 1.9 | 0.3 |
| Total Revenue | | 134.8 | 140.5 | (4.1) |
| Operating Expenses | | 88.0 | 93.0 | (5.4) |
| Profit from Assoc | | 1.1 | 1.1 | - |

Cost Management

- Operating costs declined \$3.1m or 4.3%*
- Employment costs down \$1.2m (-2.7%)
 - Holding employee levels & costs
 - Managing annual leave

*excluding revenue related & operations sold

Cost Management

- Occupancy costs up \$0.3m (8.5%)
 - General rent increases
 - Double rent in Melbourne – sub-lease to be finalised shortly
- Brand enhancement down \$1.7m due to timing of spend and further efficiencies in on-air promotions
- Other General & Admin down \$1.1m (-13%).
 - Recruitment, travel, consultants & general office costs

Financial Analysis Dec 2008

| | \$m | Dec 2008 | Dec 2007 | % |
|---------------|-----|-------------|-------------|--------|
| EBITDA | | 51.4 | 52.6 | (2.3) |
| EBITDA Margin | | 38.2 | 37.5 | |
| Depreciation | | 3.5 | 4.1 | (14.1) |
| EBIT | | 47.9 | 48.5 | (1.3) |

Cost Management

- Depreciation
 - Dec 2007 half impacted by accelerated depreciation on Melbourne premises
 - Forecast for 30 June 2009 is approx \$8m
- Borrowing costs down – lower average debt levels due to the repayment of offshore loans relating to Greece operations

Financial Analysis Dec 2008

| | \$m | 2008 | 2007 | % |
|---------------------|-----|--------|---------|-------|
| Borrowing Costs | | 8.0 | 8.3 | (3.1) |
| NPAT | | 27.9 | 27.8 | 0.3 |
| EPS | | 8.0c | 7.9c | 1.3 |
| DPS (fully franked) | | 4.0cps | 4.0 cps | - |

Balance Sheet

| | | Dec 2008 | June 2008 | Dec 2007 |
|--------------------------|-----|--------------|--------------|-------------|
| GEARING | | | | |
| Net Debt | \$m | 229.4 | 207.8 | 224.5 |
| EBITDA/Interest Cover | X | 6.4 | 5.7 | 6.4 |
| Total Equity | \$m | 660.4 | 663.5 | 658.9 |
| Net Debt/Equity | % | 34.7 | 31.3 | 34.1 |
| No. Shares on Issue | m | 345.0 | 349.7 | 350.6 |

Outlook: 2H 2009

- Anticipated metropolitan radio growth for half in negative territory, -5% or less
- Radio is the resilient medium in challenging times
- January ad sales in line with pcp
- Slower market conditions, but few major budget cuts amongst clients
- Entering an enhanced opportunity period for Radio as marketers seek greater media efficiency and accountability.