



MACQUARIE MEDIA LIMITED
Annual General Meeting
Address of Russell Tate, Executive Chairman

Sydney, Thursday 9 November 2017;

Good morning ladies and gentlemen. My name is Russell Tate. I am Executive Chairman of Macquarie Media Limited and it is my pleasure to declare open our 2017 AGM and to welcome you. I do so on behalf of the other MML Directors present today:

Monique Anderson
Louise McCann
Greg Hywood
James Millar

FY2017 was our second full year as a merged entity following the combination of Fairfax Radio and Macquarie Radio to form Macquarie Media Limited in April 2015. In this year, as I said in the Annual Report, the realisation of further cost and efficiency synergies was the primary driver of another solid growth in earnings. Our FY2017 earnings (EBITDA) grew to double the combined earnings of the Fairfax and Macquarie companies pre-merger, and represented a 17% increase on prior year. Profit after tax increased by 21% on prior year.

The year though was not without its challenges. Like all Australian media businesses our revenue potential faced ever increasing pressure from digital platforms, particularly Facebook and Google. It is a testament to the strength of Australian radio that overall market revenues remained steady in the face of the online pressure, and to our news-talk format and talent, that we were able to maintain our share of market revenues despite the prolonged absence during the year of Alan Jones from our 2GB and 4BC stations. Alan has been back on air now for over 6 months and in the last ratings survey his Sydney breakfast show recorded another gain in audience share with an average audience size almost 50% higher than that of the number 2 station.

Throughout FY2017, both 2GB in Sydney and 3AW in Melbourne continued to dominate their respective markets from a ratings perspective. The most recent survey results (July 16th - Sept. 23rd 2017) saw 2GB record its 107th consecutive ratings win spanning 13 years, and 3AW, which has won all but 3 of the last 110 Melbourne surveys, record one of its highest ratings results ever. Just as Alan Jones and Ray Hadley on 2GB provide the platform for our overall ratings performance in Sydney, so too do Ross Stevenson and John Burns on 3AW's breakfast show and Neil Mitchell on 3AW's morning show in Melbourne. Ross, John and Neil deserve special mention for their outstanding ratings results during FY2017 and particularly in the latest survey which saw 3AW's breakfast and morning ratings climb to near record levels.



Our news-talk station in Perth (6PR) had a solid ratings year in FY2017. Significant capital investment has been made in our Perth office and during the second half of FY2017 we took back control of the previously outsourced sales force. New presenters are now settled into Morning (Gareth Parker), Afternoon (Simon Beaumont), and Drive (Oliver Peterson) shifts, and off the back of very strong ratings growth by Basil Zempilas and Steve Mills in Breakfast, the station has enjoyed real ratings momentum in the last two surveys which we are confident can be sustained through FY2018 and translated into revenue growth in this market.

Conversely, in Brisbane, whilst 4BC has not made much ground from a ratings perspective over the last year, we have enjoyed strong revenue growth. We are currently reviewing the 4BC program line-up and will commence advertising support for the station in the third quarter.

Overall our news-talk network of stations has performed extremely well through FY2017 and I want to thank and congratulate all of our news-talk presenters and their production teams, and our dedicated news-room staff around the country, for their ongoing excellence and leadership.

During FY2017 we launched a brand new radio format branded "Talking Lifestyle" on our second, lower rating stations. The new format, designed to complement our news-talk stations, launched in Sydney in September 2016 on the station previously branded 2UE, and in February 2017 in Melbourne and Brisbane on our stations previously branded Magic 1278 and Magic 882 respectively. We have been encouraged by early results in Sydney but commercial success for the format will also require the establishment of audience bases in the Melbourne and Brisbane markets which we will be closely monitoring though the next few months. The "Talking Lifestyle" team has also done a great job in launching, from a standing start, a new and untried radio format.

We have begun the new financial year strongly. To date we are achieving solid year on year earnings growth from a combination of revenue growth and cost savings, and are confident that we can again deliver earnings growth in FY2018.

- ENDS -