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

Sydney, Tuesday November 15, 2016;

Good morning ladies and gentlemen. My name is Russell Tate. I am the Executive Chairman of Macquarie Media Limited and it is my pleasure to declare open our 2016 AGM and to welcome you.

I would like firstly to introduce the other MML Directors present today:
Monique Marks (Non-Executive)
Louise McCann (Non-Executive)
James Millar (Non-Executive)

Our other Director Greg Hywood is currently overseas and unfortunately could not attend.

Before we get to the formal part of proceedings I would like to recap the results of the 2016 financial year and make some comment about our progress in the 2017 financial year.

FY2016 represented the first full financial year of operations since Macquarie Media Limited was formed following the April 2015 merger of Macquarie Radio Network (MRN) and Fairfax Radio Network (FRN). In reporting our FY2016 financial results in August 2016, I made the point that because the merger was treated as a reverse acquisition in accordance with Australian Accounting Standards, the resultant accounting treatment required of our FY2015 results rendered them fairly meaningless for comparing and evaluating our FY2016 operating performance. As a statutory requirement we did provide the FY2016:FY2015 comparison, and it is also used in our Annual Report.

At the same time though, when we announced our FY2016 results, we also compared them to the combined individual results of Macquarie Radio Network and Fairfax Radio Network for FY2014 when both companies operated independently for the full year. This, we felt, provided a more valid comparison, and a better indication of the success of the merger. Both sets of figures are shown below;

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FY2016 RESULTS

$000s	REPORTED		
	FY2016	FY2015	Variance %
Revenue	135,862	96,836	40%
Expenses	(114,503)	(92,198)	24%
EBITDA	25,456	7,554	237%
EBIT	23,021	5,489	319%
Profit before tax	21,359	4,638	361%
Profit after tax	14,372	5,711	152%

Notes:

- Reported figures exclude discontinued operations
- FY2015 results were restated to reflect the move of 2CH to discontinued operations

$000s	REPORTED		
	FY2016	FY2014 *	Variance %
Revenue	135,862	141,896	-4%
Expenses	(114,503)	(131,031)	-13%
EBITDA	25,456	14,949	70%
EBIT	23,021	12,053	91%
Profit before tax	21,359	10,865	97%
Profit after tax	14,372	7,459	93%

Notes:

- Reported figures exclude discontinued operations

* FY2014 results reflect the seperately audited results of MRN and FRN for that period. MRN 2014 results are as per the 2014 MRN Annual Report and FRN 2014 results are as per the prior year comparative in the 2015 Annual Report of MRN.

That FY2016 to FY2014 comparison demonstrated that whilst total revenues were slightly down, a 13% reduction in expenses was the key driver of a 70% improvement in year to year EBITDA, and a 93% improvement in Net Profit After Tax. We were generally very happy with what we'd achieved in this first full year of the merger. I commented at the time that "this comparison clearly demonstrates the economic benefits of the merger", and that "whilst some further combination efficiencies will be realised in FY2017, our primary focus now shifts to driving sustainable revenue growth and building on the 5% year on year revenue increases we achieved across the second half of FY16."

To that end, we started the current financial year with a re-structured sales management team, a more disciplined approach to customer retention in particular, and some quite aggressive growth strategies and targets.

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We got off to a slow start in terms of our core radio revenues, particularly in July. Four months into the 2017 financial year our revenue is flat on prior year and only slightly ahead of industry trend. Whilst radio bookings remain extremely "short" and therefore difficult to forecast, our November position and December bookings indicate that we are back into solid year-on-year revenue growth, and that the various initiatives which have been launched during the first quarter of FY2017 are beginning to pay dividends.

Reasonable revenue growth over the rest of the year will directly drive earnings growth as our expenses will be in line with, or below prior year. In addition our stations' ratings positions remain very strong in the major markets of Sydney and Melbourne, and we have recorded significant ratings improvement in the latest survey in both Brisbane and Perth which have been underperformers. Our sales position in Perth will be significantly improved during the second half of FY2017 when we resume control of a Perth sales force which has been outsourced.

The launch of our "Talking Lifestyle" format on 2UE in September has been successful. At this early stage it is already delivering significantly higher revenue than the previous news-talk format did last year and from an audience point of view indications are very positive. We will continue to monitor audience and advertiser/sponsor support during this quarter and fine-tune content before making a decision in the New Year about a national launch of the format.

Operationally we continue to make good progress on having our various stations around Australia work more closely together in terms of content development and networking, and adoption of best operating practice. We have made very good progress, in both our news-talk network and "Talking Lifestyle", in developing new program styles and formats which lend themselves to greater sponsor input and involvement, and digital connectivity.

I look forward to building what was a slow start to FY2017 into a year of solid earnings growth for our shareholders.

- **ENDS -**

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