

**Macquarie Media Management Limited**  
A Member of the Macquarie Group of Companies  
ABN 16 115 524 019  
AFS Licence No. 292297

**Macquarie Media Holdings Limited**  
ABN 91 116 024 536

**Macquarie Media International Limited**  
EC 37694, ARBN 118 577 423

No. 1 Martin Place  
SYDNEY NSW 2000  
GPO Box 4294  
SYDNEY NSW 1164  
AUSTRALIA

Telephone +61 2 8232 9440  
Facsimile +61 2 8232 4713  
Internet [www.macquarie.com/mmq](http://www.macquarie.com/mmq)

7 May 2009



## **ASX RELEASE / MEDIA RELEASE**

### **Macquarie Media Group<sup>®</sup> – Investor Presentation**

Please find attached an investor presentation to be given by Mr Mark Dorney, Chief Executive Officer of Macquarie Media Group (MMG), at the Macquarie Australia Conference, being held today in Sydney.

For any enquiries, please contact:

**Mark Dorney**

Chief Executive Officer  
Tel: 02 8232 9440

Email: [mark.dorney@macquarie.com](mailto:mark.dorney@macquarie.com)

**Karen Halbert**

Public Affairs Manager  
Tel: 02 8232 6755

Mob: 0412 119 389  
Email: [karen.halbert@macquarie.com](mailto:karen.halbert@macquarie.com)

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**Macquarie Media Group®**  
**Macquarie Australia Conference**

Mark Dorney – Chief Executive Officer

7 May 2009





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## Key Messages

- MMG businesses well positioned despite tougher 2H09 advertising environment
  - Resilience of local direct advertising in regional Australia
  - MSCM Radio maintains strong ratings and market positions
  - MSCM TV achieving improved relative ratings performance
  - ACM revenue declines being addressed by active cost management plus easing newsprint and gasoline input prices
- Completed off-market buy-back tender at \$1.50 per security
  - 10.3% of total issued capital at 17 December 2008 bought back under existing on-market and off-market buy-backs to date
- Flexible balance sheet with \$1.58 of fund-level cash backing per security and no fund-level bank facilities





## Leading local media businesses



- **Macquarie Southern Cross Media (MSCM) (84% of operating earnings)**
  - Largest Australian regional radio & free-to-air TV group
  - Reach 95% population outside mainland capital cities
  - 53% of MSCM advertising revenues from local direct sales
  - 94% of radio EBITDA from one or two commercial owner markets
  - Only significant cross-media operator in its TV markets
- **American Consolidated Media (ACM) (16% of operating earnings)**
  - 5<sup>th</sup> largest community newspaper group in US
  - Over 100 titles, 18 regional markets, 9 States
  - 99% of revenues from local markets



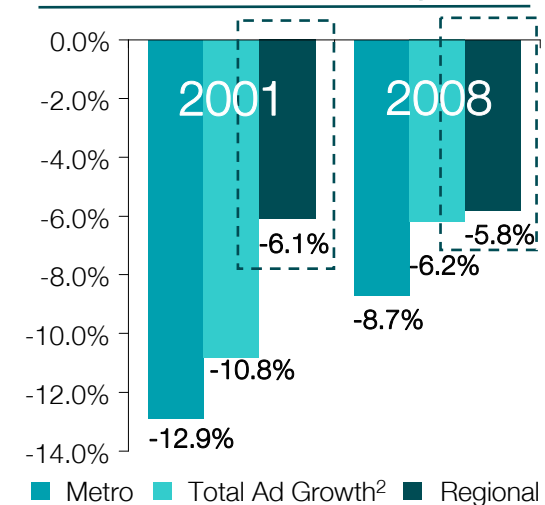


# Australian regional advertising performance

## Regional advertising remains resilient in advertising downturns

- In the CY01 & CY08 advertising downturns, total regional media outperformed both metro media and total ad markets
- Regional radio & regional TV have outperformed other media over the long term
  - CY00-CY08 CAGR of 5.4% (regional radio) & 3.9% (regional TV) vs metro of 4.3% (radio) & 2.4% (TV)

Ad Revenue Change<sup>1</sup>

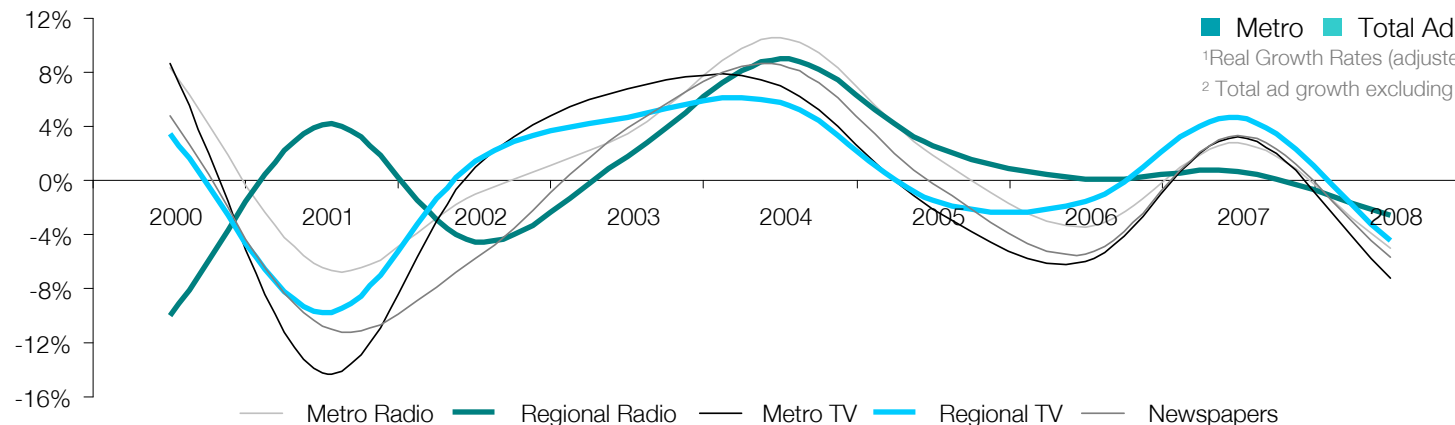


■ Metro ■ Total Ad Growth<sup>2</sup> ■ Regional

<sup>1</sup>Real Growth Rates (adjusted for CPI)

<sup>2</sup> Total ad growth excluding directories and online

Ad Market Change CY00- CY08<sup>1</sup>



Source: Advertising Expenditure in Main Media, Commercial Economic Advisory Service of Australia, December 2008

<sup>1</sup>Real Growth Rates (adjusted for CPI)





# Macquarie Southern Cross Media

## Advertising Revenue update

- 2H09 radio revenue declines to date broadly consistent with 1H09, TV revenues have softened further
- 2H09 local ad revenues to date impacted by further softening in retail conditions
- Radio local advertising revenues have outperformed metro in FY09 to date

December YTD	% Split of 1H09 Revenues	% Change vs pcp	% Change vs pcp	% Split of 1H09 Revenues	% Change vs pcp	% Change vs pcp
	MSCM Radio		Metro Radio <sup>1</sup>	MSCM TV		Metro TV <sup>2</sup>
Local Advertising	68.0%	0.5%	(1.0%)	37.5%	(2.2%)	(4.7%)
National Advertising	23.0%	(17.5%)	(4.4%)	54.4%	(6.1%)	(5.9%)
<b>Total Advertising Revenue</b>	<b>91.0%</b>	<b>(4.8%)</b>	<b>(3.2%)</b>	<b>91.9%</b>	<b>(4.5%)</b>	<b>(5.9%)</b>
Other	9.0%	3.8%		8.1%	15.2%	
<b>Total Revenue</b>	<b>100.0%</b>	<b>(4.0%)</b>		<b>100.0%</b>	<b>(3.2%)</b>	

Source: Unaudited Management Information Report for half year ended 31 December 2008 excluding licence fee rebates

1. 2008 Metropolitan Commercial Radio Advertising Revenue as sourced by Deloitte

2. Free Television Australia 2008 excluding contra revenue





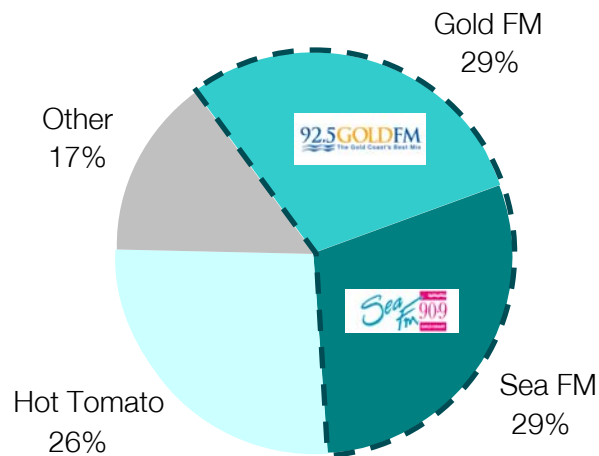
# Macquarie Southern Cross Media

## Leading Radio Surveys

### MSCM Radio maintains #1 & #2 audience share in key markets<sup>1</sup>

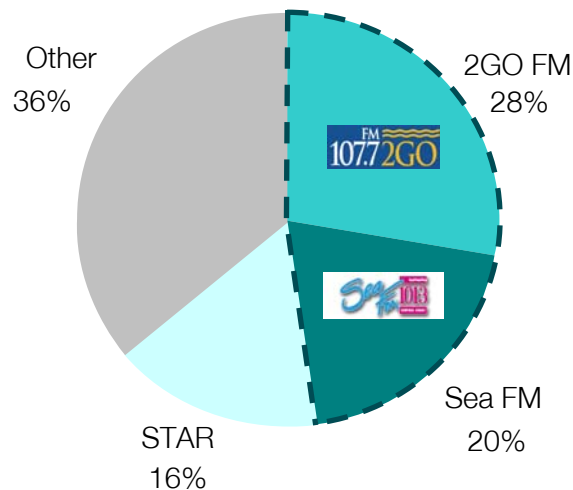
- 94% of EBITDA from markets where MSCM is 2 out of 4 (18%), 2 out of 3 (60%) or 2 out of 2 (16%) radio stations

#### Equal #1 - Gold Coast



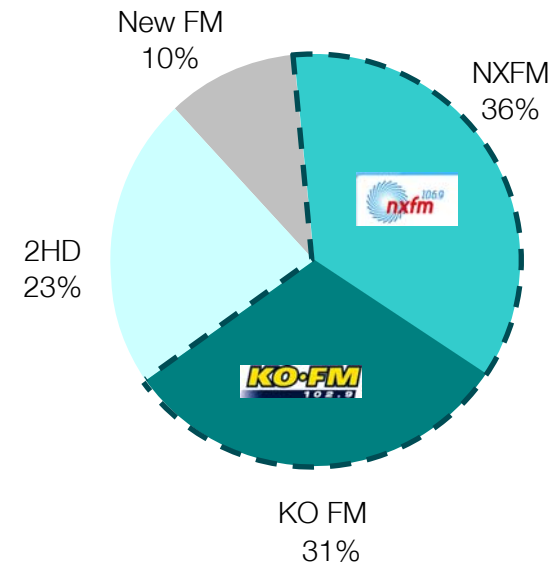
Source: Neilson Media Research- Gold Coast Radio-Survey #1 2009, 22 February to 18 April 2009, All 10+, Average Audience Mon-Sun 5:30am-12:00 Midnight

#### #1 & #2 - Central Coast



Source: Neilson Media Research- Central Coast Radio- Survey #1 2008, 27 April to 7 June 2008, All 10+, Average Audience Mon-Sun 5:30am-12:00 Midnight

#### #1 & #2 - Newcastle JV<sup>2</sup>



Source: Neilson Media Research- Newcastle Radio-Survey #1 2009 22 March to 4 April 2009, All 10+, Average Audience Mon-Sun 5:30am-12:00 Midnight

1. % Audience share based on commercial radio stations only (including broadcasters from nearby metropolitan markets), excludes "Other AM" and "Other FM" stations not included in surveys (such as community radio stations)

2. Joint venture owned by Macquarie Southern Cross Media and Austereo Group



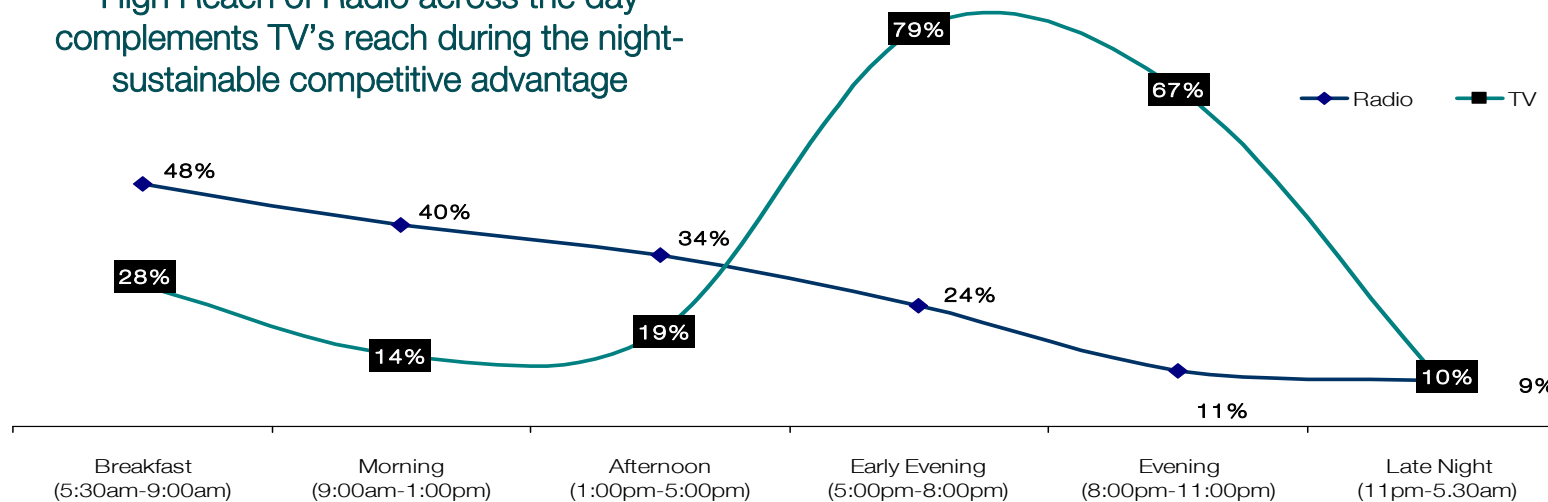


## Macquarie Southern Cross Media

### Improved relative TV ratings

- Cross promotion initiatives drives ratings performance
  - Radio peak listenership is in the mornings, TV peak viewership is at night
  - Radio commercials promote TV, TV commercials promote radio
- TV audience share gap between SC Ten and metro Ten narrowed
  - Average 10 Feb 08 to 28 June 08 - Gap of 2.4 share points<sup>1</sup>
  - Average 29 June 08 to 4 April 09- Gap of 0.7 share points<sup>1</sup>

High Reach of Radio across the day  
complements TV's reach during the night-  
sustainable competitive advantage



Source: NMR Panorama Survey 8 2008 Regional Australia (All People)

<sup>1</sup>AGS Nielson, Zone 1 Total People QLD, NNSW, SNSW, VIC





## Macquarie Southern Cross Media

### Bringing Digital TV to regional Australia

- Full high definition (HD) multi-channel capabilities implemented across majority of markets
  - \$15.2 million HD capex already spent
  - c.\$5.6 million in HD and standard definition (SD) capex remaining to end of CY2010
- Analogue switch-off in MSCM's regions to commence in December half 2010 and complete December half 2013
  - Switch-off expected to drive steady ramp-up in opex savings, up to c.\$6 million per annum once 100% complete
- On track to be digital-ready across entire television network in CY2009 / early CY2010
  - Digital reach currently over 90% of households in our markets
- Southern Cross Ten stations will launch Network Ten's 24-hour, free-to-air sports channel – "ONE" in first half FY2010.
  - Programming to be obtained from Ten under existing affiliation agreements with no change to commercial terms
  - No change in fixed costs, programming is a variable cost





# American Consolidated Media

## Advertising Revenues update

- Advertising environment further toughened in 2H09
- ACM advertising revenues and total revenues continue to outperform metro peers
- Revenue declines beginning to be offset by impact of cost initiatives. Falling newsprint and gasoline costs in recent weeks will also assist
- Non advertising revenues continue to grow

December YTD	% Split of 1H09 Revenues	% Change vs pcp	% Change vs pcp
	ACM		Metro <sup>1</sup>
Display	52.1%	(6.0%)	(14.9%)
Classifieds	15.5%	(23.3%)	(29.8%)
<b>Total Advertising Revenue (ex Online)</b>	<b>67.6%</b>	<b>(10.6%)</b>	<b>(19.9%)</b>
Circulation	13.8%	0.3%	
Commercial Printing	15.1%	4.5%	
Internet	1.7%	190.1%	
Other	1.7%	153.7%	
<b>Total Other Revenue</b>	<b>32.4%</b>	<b>9.6%</b>	
<b>Total Revenue</b>	<b>100.0%</b>	<b>(4.9%)</b>	

1. Based on Newspaper Association of America (NAA) September quarter 08 historicals and estimates for December quarter 08  
Source: Unaudited Management Information Report for half year ended 31 December 2008

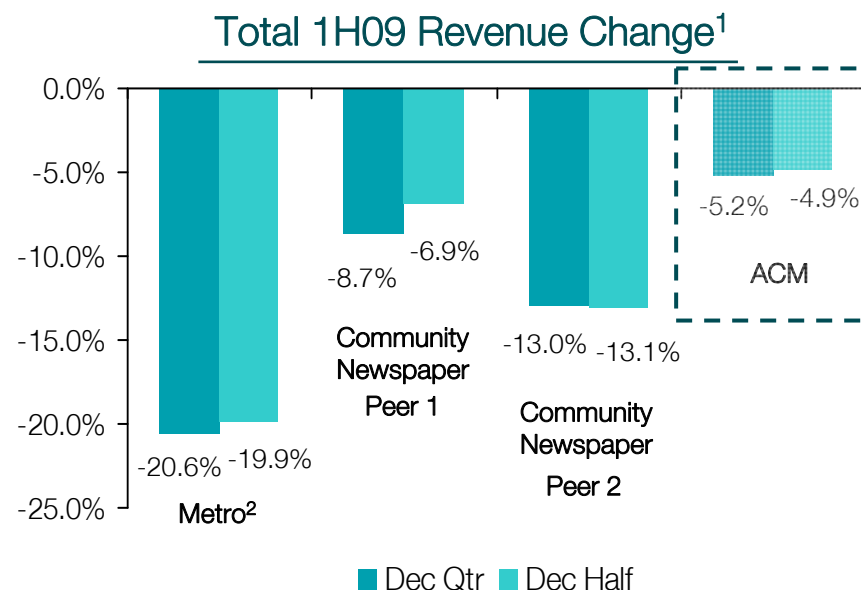




# American Consolidated Media

## Outperforming newspaper peers

- ACM has outperformed newspaper listed peers
  - 1H09 total revenues down 4.9%, community peers down 10.0% (average)
  - 1H09 ad revenues down 10.6%, metro peers down 19.9%
- ACM performance reflects:
  - Lower dependence on classified advertising
  - Growth in other revenue line
- Cost improvement initiatives already completed equivalent to 34% of CY07 EBITDA (11% of CY07 cost base):
  - Streamlined management and reporting structure
  - Consolidated HR, payroll and accounts payable
  - Centralised printing and production of publications in proximate markets
  - Optimising operations: press runs, circulation / distribution coverage, newsprint usage and procurement



1. Total Revenues, Company Financial Reports, Unaudited Management Information Report for half year ended 31 December 2008

2. Based on Newspaper Association of America (NAA), advertising revenues only





## Capital Management Cash & Debt Profile

- Strong, flexible balance sheet and liquidity
  - Fund-level cash of \$1.58 per security
- Earliest asset level debt maturity in June 2010
  - June 2010: ACM, US\$136.5m drawn (total facilities of US\$146.5m)
    - US\$6.7m of ACM cash used to reduce debt since December 2008
    - ACM current and future cash on hand and cash earnings used to pay down existing debt ahead of maturity date
  - November 2010: MSCM, A\$873 million drawn (total facilities of A\$1,011m)





## Capital Management Buy-Backs

- Off-market Tender completed on 4 May 2009
  - 14.7m securities bought back at buy-back price of \$1.50, discount of 5.1% / 8 cents to fund-level cash backing per security following completion of off-market tender
  - Proceeds to be dispatched to successful security holders on 8 May 2009
  - 7.4m securities bought back to 13 March 2009 under existing on-market buy-back at a total cost of \$5.8m
- Existing on-market and off-market buy-backs equivalent to 10.3% of total issued capital at 17 December 2008
  - Cash Backing per security accretive
  - Proportionate Earnings per security accretive
  - Fair Market Value (as assessed by Independent Expert) per security accretive





Macquarie Media Group®



Q&A





# Macquarie Media Group®



## Contact –

Investors:

**Mark Dorney**

Chief Executive Officer

Tel: (612) 8232 9440

Email: [mark.dorney@macquarie.com](mailto:mark.dorney@macquarie.com)

Media:

**Karen Halbert**

Public Affairs

Tel: (612) 8232 6755

Email: [karen.halbert@macquarie.com](mailto:karen.halbert@macquarie.com)