



HT&E Limited
2019 Annual General Meeting
SYDNEY, 9 May 2019

HT&E AGM CHAIRMAN'S ADDRESS TO SHAREHOLDERS

This is my first meeting as Chairman of HT&E, and it is a wonderful opportunity to be presenting to you following what has been a truly transformative year for the Company.

The three year transformation commenced with the demerger of HT&E's New Zealand assets in 2016 and culminating with the sale of our out of home business Adshel for \$570 million in September last year. This transaction delivered a significant value outcome for shareholders.

It also allowed HT&E to pivot and focus on its core Australian radio and audio assets that have been an integral part of the business for over 20 years.

One of my key considerations for joining the Board last October was the significant progress achieved in this transformation – something that I believe has been unique across the Australian media landscape. Very few if any media companies, locally or globally, have been able to reposition their businesses in a disruptive media environment, in the same manner as HT&E.

Such a transformation is only possible with high quality management and strong leadership. The Company now has the people, the assets and the balance sheet to grow and prosper.

Having worked in the media industry for such a long time I also believe that radio is one of the more resilient sectors both from an audience engagement and an advertiser appetite perspective, and we expect that to remain so for the foreseeable future.

Importantly there is significant collaboration across the sector with constructive dialogue between operators, which ensures that the ambitions of all the players are aligned for the overall benefit of the industry.

Against this backdrop we are determined to drive strong performance and optimise our core business – Australian Radio Network (**ARN**).

We have made it our priority to continue to provide high quality engaging content, broadcast by talent that is known and loved and backed by effective promotion and monetisation.

Alongside our approach to delivering the best in talent and content we have strict cost controls to ensure ARN is Australia's leading radio network.

2018 performance

Turning to what was achieved in 2018, HT&E's performance was in line with expectations which was a very pleasing result given we had the distraction of the Adshel sale.

A strong first half in radio was partially offset by a weaker radio advertising market in the last four months of the year.

Before its sale in September, Adshel results were solid and our Hong Kong Outdoor business delivered a profitable operating result for the first time since 2015.

The Adshel sale has allowed our senior managers to focus on the operational excellence of our core radio operations. We have embarked upon a program of restructuring to put in place the most capable people for the HT&E of today and tomorrow.



Corporate cost reduction and simplification of our organisational structures forms part of this program and is continuing.

Capital management

During the year ordinary dividends of seven cents a share, fully franked, were paid. This represents a payout of approximately 55 percent of 2018 NPAT attributable to HT&E shareholders from continuing operations, before exceptional items. This is at the higher end of the Company's dividend policy of 40-60 percent payout ratio.

Following the completion of the Adshel sale in September, an additional special dividend of 72 cents a share, fully franked, was paid in October.

In December the Company started an on-market buy back of up to ten percent of its issued capital.

Up until 8 May the Company has bought back approximately 23.9 million shares for a total cost of just under \$40 million representing 7.7 percent of issued capital at the time we commenced the buy back.

The Board is focused on delivering strong capital management for shareholders. Ciaran will talk more about that shortly, but let me reinforce that our intention is to ensure consistent dividends to shareholders, pursue on-strategy growth opportunities, and if and when appropriate, return capital to shareholders. All while maintaining an appropriate and healthy balance sheet for the assets that we own and the earnings that they derive.

In that regard, there is a resolution on today's agenda to refresh our buy back limit. This would give us the flexibility to buy back up to ten per cent of the Company's capital from today, if the Board considers it appropriate. I will provide further detail on the resolution later in the meeting.

Our balance sheet position is very strong with net cash of \$128 million at 31 December 2018.

Board changes

2018 saw renewal at Board level with Peter Cosgrove, Peter Cullinane, Anne Templeman-Jones, Robert Kaye and Christine Holman retiring or resigning.

While I would like to thank all of them for their respective contributions to HT&E, I would particularly like to acknowledge the 14 years of dedication from Peter Cosgrove who retired as a Director and as Chairman in 2018 after overseeing such a significant restructure of the group.

There is no doubt that Peter's leadership and vision contributed to the success of the restructure.

We have since reconstituted the Board with a team of highly skilled Directors who have proven expertise to oversee the Company's strategy, direction and culture.

I am pleased to introduce you to Roger Amos and Belinda Rowe. Roger joined the Board in December last year, bringing 25 years of risk and advisory experience at a top tier accounting firm, as well as extensive board exposure in ASX listed companies including the media and technology sectors.

ENDS



For further information, please contact:

For further information, please contact:

Peter Brookes, Citadel-MAGNUS, +61 407 911 389, pbrookes@citadelmagnus.com

Helen McCombie, Citadel-MAGNUS, +61 411 756 248, hmccombie@citadelmagnus.com