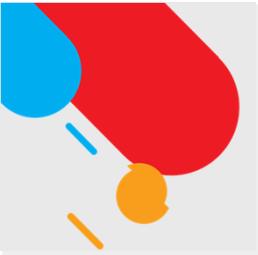




# Half Year Results 2017

*HT&E Limited*  
ABN 95 008 637 643





# Agenda

- Highlights
- Operational summary
- Financial performance
- Trading update
- Q&A
- Appendices



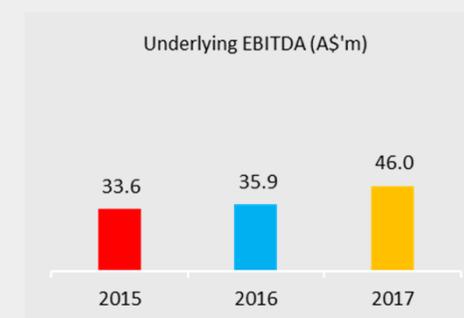
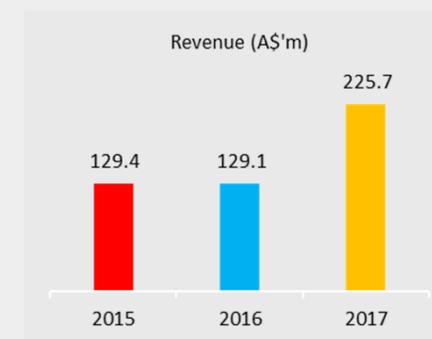
# Highlights 2017 H1

- Rebranded to HT&E following significant business transformation
- Adshel
  - Market share gains and margin improvement driving 23% EBITDA uplift
  - Adshel Live network expansion, albeit hindered by contract and permitting delays
  - APAC-first partnerships with Lotame, Rubicon Project and CIVIQ Smartscapes
- Australian Radio Network
  - Challenging half in line with AGM update
  - Ratings improvement through Survey 4 translating into some Q3 revenue improvement
  - Re-signed Jonesy & Amanda to WSFM through to 2020
- Integration and Digital Investments
  - Conversant Media and ARN digital sales teams fully integrated; Content integration in progress
  - Some cross-platform campaigns success; Marketing in Motion case studies / research underway
  - HT&E Events and Gfinity eSports Australia launched
- Hong Kong strategic review commenced

# Financial highlights 2017 H1

A\$ million	2017	2016	% change
Revenue	225.7	129.1	↑ 75%
Underlying EBITDA	46.0	35.9	↑ 28%
Underlying NPATA <sup>(2)</sup> attributable to shareholders	22.0	10.6	↑ 108%
Underlying NPAT attributable to shareholders	12.8	10.1	↑ 27%
Profit/(Loss) attributable to shareholders	15.8	(256.9)	↑ 106%
Underlying EPS (cps) <sup>(3)</sup>	7.1	6.3	↑ 13%
Interim Dividend per share (cps)	3.0	-	n/m

- Comparative information excludes impact of 2016 H2 acquisitions
- Declared fully franked interim dividend 3.0cps
- Leverage 1.35 times; marginal increase from Dec 16



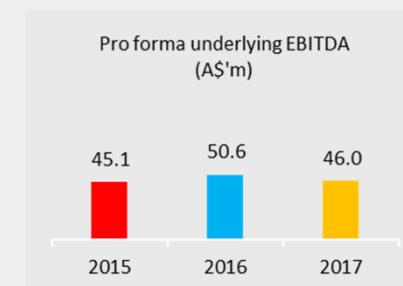
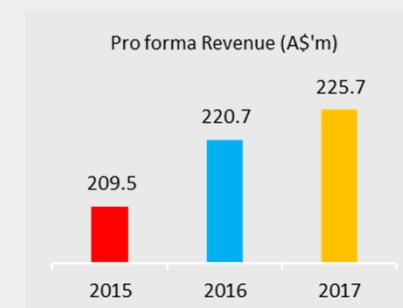
# Business Performance

Results on a pro forma underlying basis

- Adshel - buoyant outdoor sector and digitisation program delivering above market growth
- ARN - actions continue to address soft revenues in a weak radio market, back 1.6%; cost focus continues
- HK Outdoor – challenging trading conditions continued; strategic review underway

A\$ million	2017 Revenue	2016 Revenue	YoY change (\$)	YoY change (%)
Adshel	105.0	91.7	13.3	14%
Australian Radio Network	105.3	112.2	(6.9)	(6%)
Hong Kong Outdoor	11.9	14.4	(2.4)	(17%)
Digital investments	5.8	5.2	0.6	11%
Group eliminations	(2.3)	(2.8)	0.4	(16%)
<b>Total</b>	<b>225.7</b>	<b>220.7</b>	<b>5.0</b>	<b>2%</b>

A\$ million	2017 Underlying EBITDA	2016 Underlying EBITDA	YoY change (\$)	YoY change (%)
Adshel	22.2	18.0	4.2	23%
Australian Radio Network	33.2	39.8	(6.6)	(17%)
Hong Kong Outdoor	(1.2)	(0.5)	(0.8)	> 100%
Digital investments	1.2	2.3	(1.1)	(47%)
Corporate	(9.4)	(9.1)	(0.3)	4%
<b>Total</b>	<b>46.0</b>	<b>50.6</b>	<b>(4.6)</b>	<b>(9%)</b>



# Operational Summary



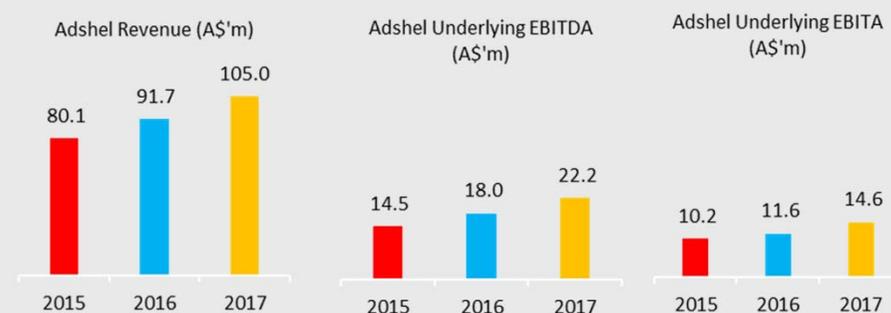
# Adshel

## Half Year Results

# Adshel

- Organic growth and digital conversion driving 14% revenue growth; 23% EBITDA growth
- Outperforming market in both AU and NZ<sup>1</sup>
  - AU growth of 9.2% vs OMA market growth of 6.4%
  - Roadside – Other AU growth of 9.0% vs category growth of 0.7%
  - NZ growth of 39% vs OMANZ market growth of 29%
- Overhead related cost growth ~10%
- Stable leadership through orderly CEO transition
- FY17 capital expenditure expectations approx. \$35m to \$40m; reflecting changes to contract renewal and permit approval timing assumptions; some H2 earnings impact
- Strategic mid-tier contracts secured

A\$ million	2017	2016	% change
Trading revenue	95.0	83.6	14%
Other revenue & income	10.0	8.1	22%
<b>Total revenue &amp; income</b>	<b>105.0</b>	<b>91.7</b>	<b>14%</b>
Costs	(82.7)	(73.7)	12%
<b>EBITDA</b>	<b>22.2</b>	<b>18.0</b>	<b>23%</b>
Depreciation	(7.6)	(6.4)	19%
EBITA	14.6	11.6	26%
Amortisation (2)	(8.6)	(0.6)	> 100%
EBIT	6.0	11.1	(46%)
EBITDA Margin	21%	20%	1%



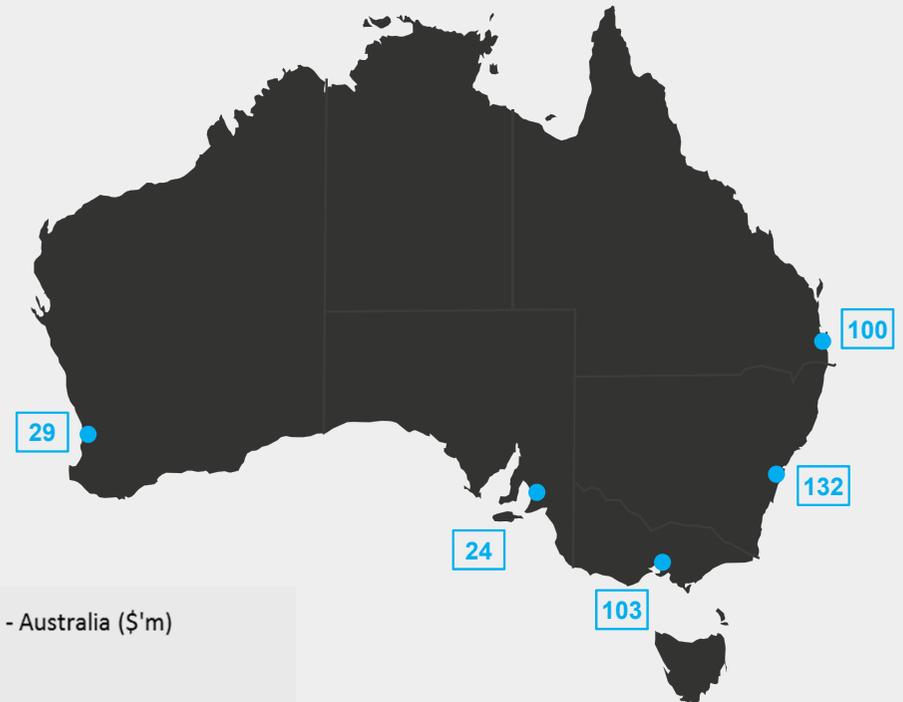
(1) OMA / OMANZ Total Market, 6 months to 30 June 2017

(2) Includes non-cash amortisation of licences and relationships recorded on acquisition in FY16

# Adshel Australia

Driving all the growth in Roadside-Other

- Clear leader in Roadside-Other sector; up 9.0% vs 0.7% OMA category growth<sup>1</sup>
- Classic products proving resilient, benefiting from clear / complementary positioning and supported by research & insights investment
- All digital revenue incremental
- Adshel Live continuing roll-out – 70 planned<sup>2</sup> in H2
- Digital revenues >30%, digital screens <10% of total inventory
- Data leadership – geo-location focus
  - Lotame and Rubicon Project partnerships secured; APAC-firsts; extending data & programmatic leadership



Trading revenue - Australia (\$'m)



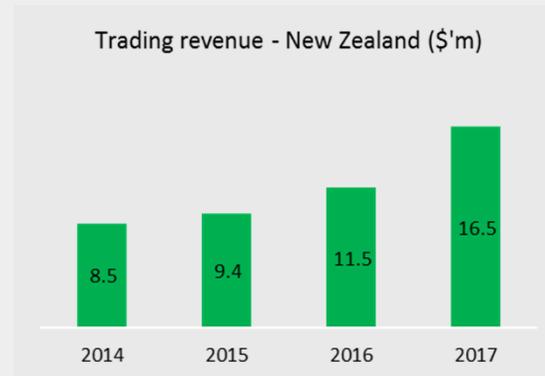
## Adshel Live digital roadside network

- Digital roadside screens
  - 388 digital roadside screens in Australia
  - Digital roadside expansion; approximately 70 more planned in H2-2017<sup>2</sup>
  - Plus 186 Sydney Trains digital assets

# Adshel New Zealand

*Focus on digital & data has repositioned the business*

- Outperformed market; 39% growth in H1, vs OMANZ market growth of 29%<sup>1</sup>
- 70 new digital screens rolled out across late Q2 and early Q3
- Good contract tenure
- Effective data strategy delivering value to clients and supporting strong digital and static yields
- Key appointments across agency partnerships team and growth of digital team strengthen innovation leadership
- CAANZ Beacons NZ Media Business of the Year



## Adshel Live digital roadside network

- Digital roadside screens
- 220 digital roadside screens in New Zealand inclusive of 70 new screens added in Q2/Q3 2017

# Superior digital model

*Leveraging geo-location data to provide better audience intelligence and improve campaign performance*

*"Location is the cookie of the real world, and companies can use mobile-location data to target consumers and measure success, constantly refining and optimizing campaigns with daily data insights. Companies can no longer afford to ignore the power of location data, and industries that are slow to adopt location intelligence will be trounced by their competitors."*

Steven Rosenblatt, President of Foursquare<sup>1</sup>



**ADSHEL** Live

Australasia's only national street furniture digital out-of-home channel with 388 screens in Australia and 220 in New Zealand



ATOM project (Adshel's Transformational Operating Model) – including AYUDA, the world's leading out-of-home enterprise system – will drive velocity and deliver scalability



Propriety data planning tool, AdshellQ, which seamlessly manages all 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> party data sources into and out of the business



Exclusive APAC out-of-home partnership provides enriched geo-location data to profile every Adshel site to improve campaign delivery and effectiveness



APAC out-of-home first access to leading global ad-tech platform delivers automation of buy-sell workflow

Digital expansion

Systems investment & capability

Data & automation/ go-to-market partnerships



(1) Adweek, December 2016

# Delivering innovative and engaging campaigns



Volkswagen

Interactive screens with hand gesture control



realestate.co.nz

Geo-location data used in a dynamic Adshel Live campaign



## Adshel Live case study



- SBS wanted to reach commuters, encouraging them to tune in to SBS World News at 6.30pm
- Adshel launched an automated system giving SBS the control to update their own creative
- Breaking news headlines were then pushed nationally across the Adshel Live digital network, via the real-time solution
- Adshel served 167 SBS headlines during the campaign, with a median go-live time of just 30 secs
- SBS directly reached 3.15 million of their core target audience, at an average frequency of 7.4 times over the two-week period, with 23 million contacts

# Adshel – H2 focus

1. Deepen Roadside-Other and Rail position through key asset retention and acquisition
  - Renewal strategies in hand, with critical mid-tier contracts secured
  - Major RFPs to resolve in H2
  - City of Sydney process to commence early Q4
2. Extend digital position
  - Approx. 70 additional screens to be delivered in H2 2017<sup>1</sup>
3. CIVIQ Smartscapes partnership brings unrivalled international Smart Cities capability and experience



(1) Subject to contract renewals and permit approvals



Adshel has partnered with CIVIQ Smartscapes – a world leader in smart cities platforms and services, and the developer of the LinkNYC communications network.

Adshel has signed an exclusive Letter of Intent with CIVIQ for AU and NZ, leveraging smart cities infrastructure and services to drive value for cities and transport authorities as a clear point of difference.

“LinkNYC is the Wi-Fi network New Yorkers deserve: the largest, fastest municipal Wi-Fi network in the world – and you don’t need to insert a quarter in the slot, because it’s completely free. LinkNYC brings us a couple of steps closer to our goal of levelling the playing field and providing every New Yorker with access to the most important tool of the 21<sup>st</sup> century.”

Mayor de Blasio

# Well-placed to outperform

Clear value proposition for advertisers & landlords through expert focus on geo-location enabled Street Furniture & Rail

## Classic

Single platform resilient to audience fragmentation delivering critical broadcast reach for advertisers

- Unrivalled network – reaching 92% of Australians, 68 times a fortnight<sup>1</sup>
- Over 9,500 metro based advertising structures essential to realising benefits of geo-location data & other commercial opportunities
- Outstanding creative platform with award-winning campaigns; OMA Grand Prix Winner



## Digital

Largest street level connected network of screens – broadcast scale, narrowcast targeting, targeted solutions

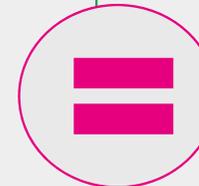
- Network expansion through further digital conversions
- Data driven campaign delivery by time or location
- CIVIQ partnership; smart cities capability



## Data & Insights

Clear focus on geo-location data to leverage mobile and deliver rich insights for more targeted campaigns

- ATOM
- Adshel IQ
- Beacon Network
- Rubicon Project
- Lotame



**Superior network**



**Unparalleled opportunity**



**Broadcast scale and engagement**

(1) MOVE 2016, People 14 yrs and older, every 14 days (Adshel posting period)



# Hong Kong Outdoor

H1&E

Half Year Results

# Hong Kong Outdoor

- Market remains challenging
- Active programme to exit non-performing contracts has resulted in H1 advertising revenues down 17% to \$11.9 million; costs down 12%
- Onerous buzplay contract ended June 2017
- Strategic review process has commenced

A\$ million	2017	2016	% change	Local currency % change
Cody	10.8	12.5	(13%)	(11%)
buzplay	1.2	1.9	(39%)	(38%)
<b>Total Revenue</b>	<b>11.9</b>	<b>14.4</b>	<b>(17%)</b>	<b>(15%)</b>
Costs	(13.1)	(14.8)	(12%)	(9%)
<b>EBITDA</b>	<b>(1.2)</b>	<b>(0.5)</b>	<b>&gt; (100%)</b>	<b>&gt; (100%)</b>
D&A	(0.2)	(0.1)	(2%)	(5%)
EBIT	(1.4)	(0.6)	> (100%)	> (100%)





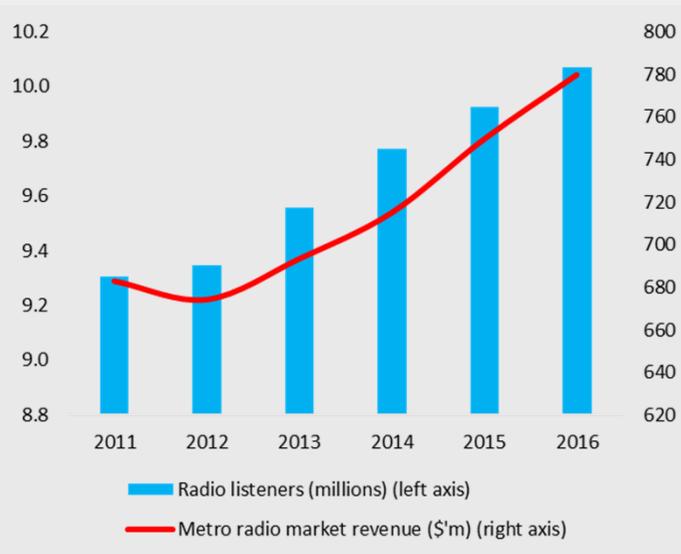
# Australian Radio Network

H&E

# Radio audiences – strong and robust

Long-term growth in listenership providing continuing relevance for advertisers

Growth in commercial radio listeners<sup>1</sup> & Metro radio market revenue<sup>2</sup>



Average time spent listening to commercial radio each week<sup>3</sup>

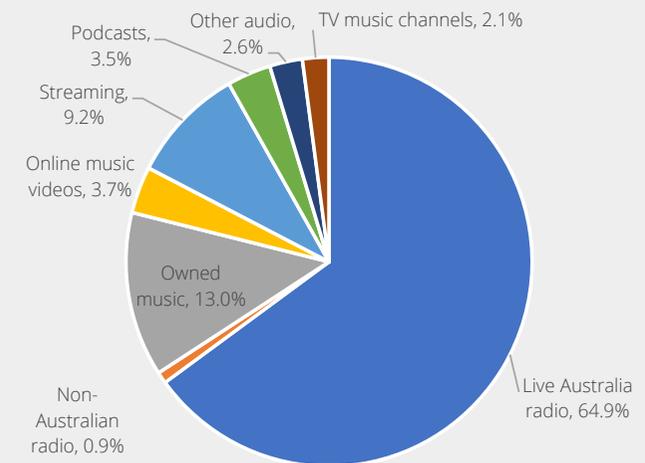
**16HRS + 32 MINS**

**8.2m** people listen during Weekday Breakfast<sup>3</sup>  
UP FROM 7.8m in 2014

**82.6%** of breakfast listening is to Live Australian radio<sup>2</sup> – winning ratings & investment in content is critical

Live Australian radio has **5x** the daily reach of the combined streaming services<sup>4</sup>

2016 GFK Australian Share of Audio

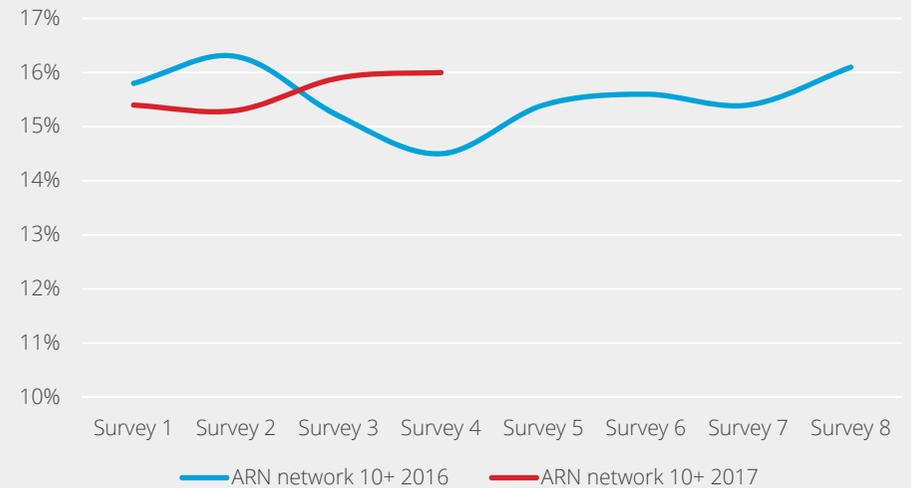


(1) Source: GFK Survey S1 – S8 2012, 2013, 2014, 2015, 2016 SBMAP: M-S 0000-12mn – Commercial Metro Markets – CUME FIGURES  
 (2) Metro Commercial Radio Advertising Revenue as sourced by Deloitte  
 (3) Source: GfK Radio Ratings – 2014 / 2015 / 2016 / 2017 YTD – M-S 0530-midnight, All People 10+, Commercial and Digital Listening, unless otherwise stated  
 (4) Source: GfK Australian Share of Audio 2016, P10+

# Regaining No.1 in ratings is a priority

- Sydney
  - Secured key breakfast talent for KIIS1065 and WSFM; Jonesy & Amanda until end 2020; Kyle & Jackie O 2021
  - KIIS1065 - #1 FM Breakfast show Kyle & Jackie O; 10% share
  - WSFM - #2 FM Breakfast show Jonesy & Amanda; #2 FM station in Sydney
- Melbourne
  - Strategy of building share working
  - Gold 104.3 - #3 FM station and #3 FM Breakfast and a consistent performer
  - Opportunity remains for KIIS 101.1
- Brisbane
  - Strategy to change out the breakfast show reaping dividends
  - 97.3 - returned to #1 FM Breakfast show with Bianca, Terry & Bob & #2 FM station
- Adelaide
  - Mix1023 - #1 station overall in Adelaide; #1 FM Breakfast Jodie & Soda
- Perth
  - Strong growth on back of new station format

ARN Network - National



FM Ratings by Market	2016 FY ave	2017 YTD ave (s1-s4)	s4 2017
Sydney	16.1	16	16.7
Melbourne	14.3	14.8	15.3
Brisbane	21.3	19.9	19.9
Adelaide	21	21.5	21.1
Perth	8	9	9.4

# Short market, limited visibility

- ARN revenues down 6% in line with guidance at AGM
- Loss of market share in Agency – particularly Melbourne and Perth
- Direct market share improved – new services introduced
- New CEO appointed in March – strong revenue background
- New National Commercial Director and Melbourne Sales Director repositioning sales efforts

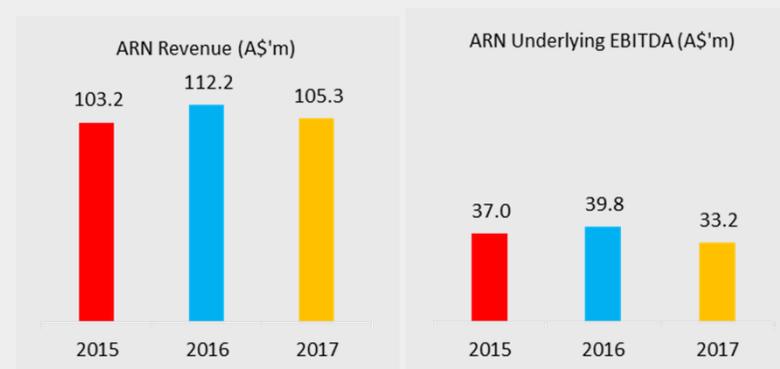
ARN Revenue breakdown:			
	2017	2016	% change
Agency	68.1	74.9	(9%)
Direct	33.0	35.1	(6%)
Other	4.2	2.2	94%
<b>Total</b>	<b>105.3</b>	<b>112.2</b>	<b>(6%)</b>

	FY16 Market value <sup>1</sup>	Jun YTD growth by market	FM Ranking s4 2017
Sydney	\$240m	(0.3%)	2 and 3
Melbourne	\$240m	(1.6%)	3 and 6
Brisbane	\$123m	(2.1%)	2
Adelaide	\$70m	(4.1%)	1
Perth	\$106m	(2.1%)	4

# ARN Financials

- Half year EBITDA decline of \$6.6m
- H1 costs flat
  - Operating cost savings and cost of sales reductions on lower revenue
  - Offset by increased costs of \$4.5m in talent and digital investments
- Note licence fee relief (announced in June) all FY16 – refer exceptional items
- Modest revenue growth expected in H2 subject to market.
- H2 cost of sales will be impacted by a one-off benefit of \$0.7m from the 2016 full year licence fee reduction included in 2H16

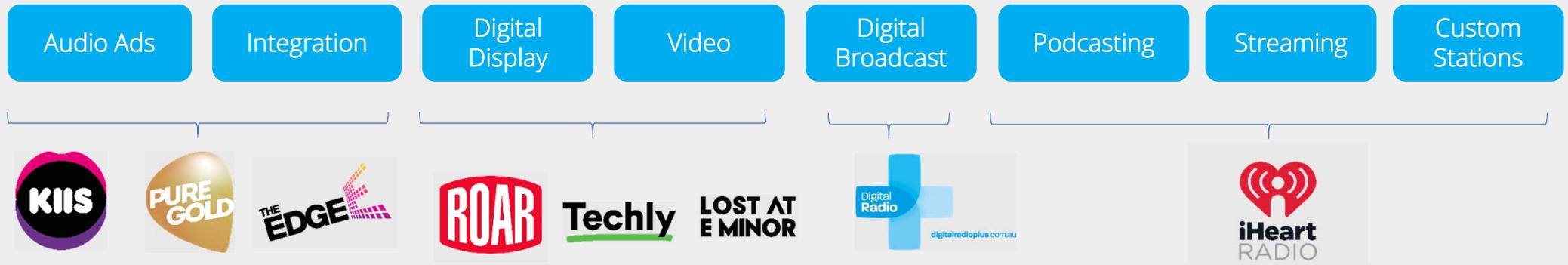
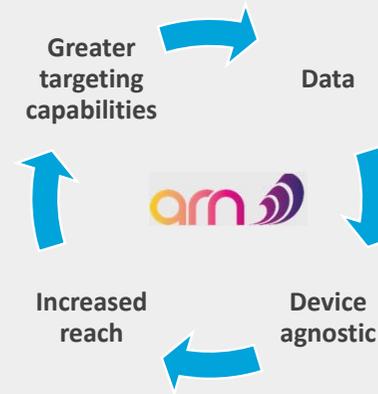
A\$ million	2017	2016	% change
<b>Revenue</b>	<b>105.3</b>	<b>112.2</b>	<b>(6%)</b>
Costs	(72.1)	(72.3)	0%
<b>EBITDA</b>	<b>33.2</b>	<b>39.8</b>	<b>(17%)</b>
D&A	(2.3)	(2.2)	6%
EBIT	31.0	37.7	(18%)
EBITDA Margin	32%	36%	(4%)



\* Comparatives have been updated to reflect the change in segment disclosure (i.e. excludes Emotive) in the current period

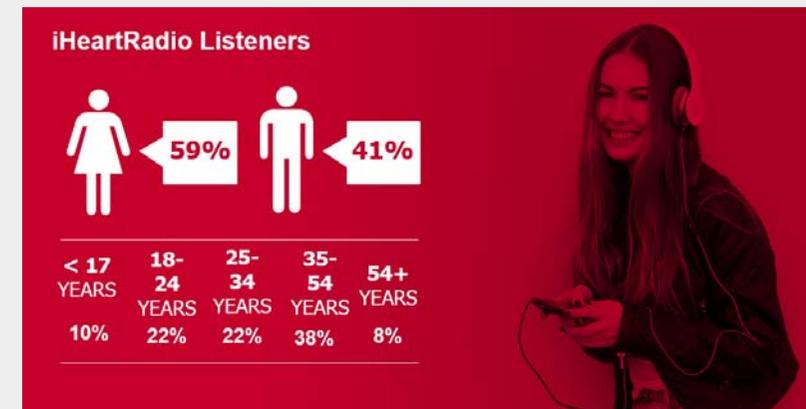
# Delivering multiple audio formats for advertisers

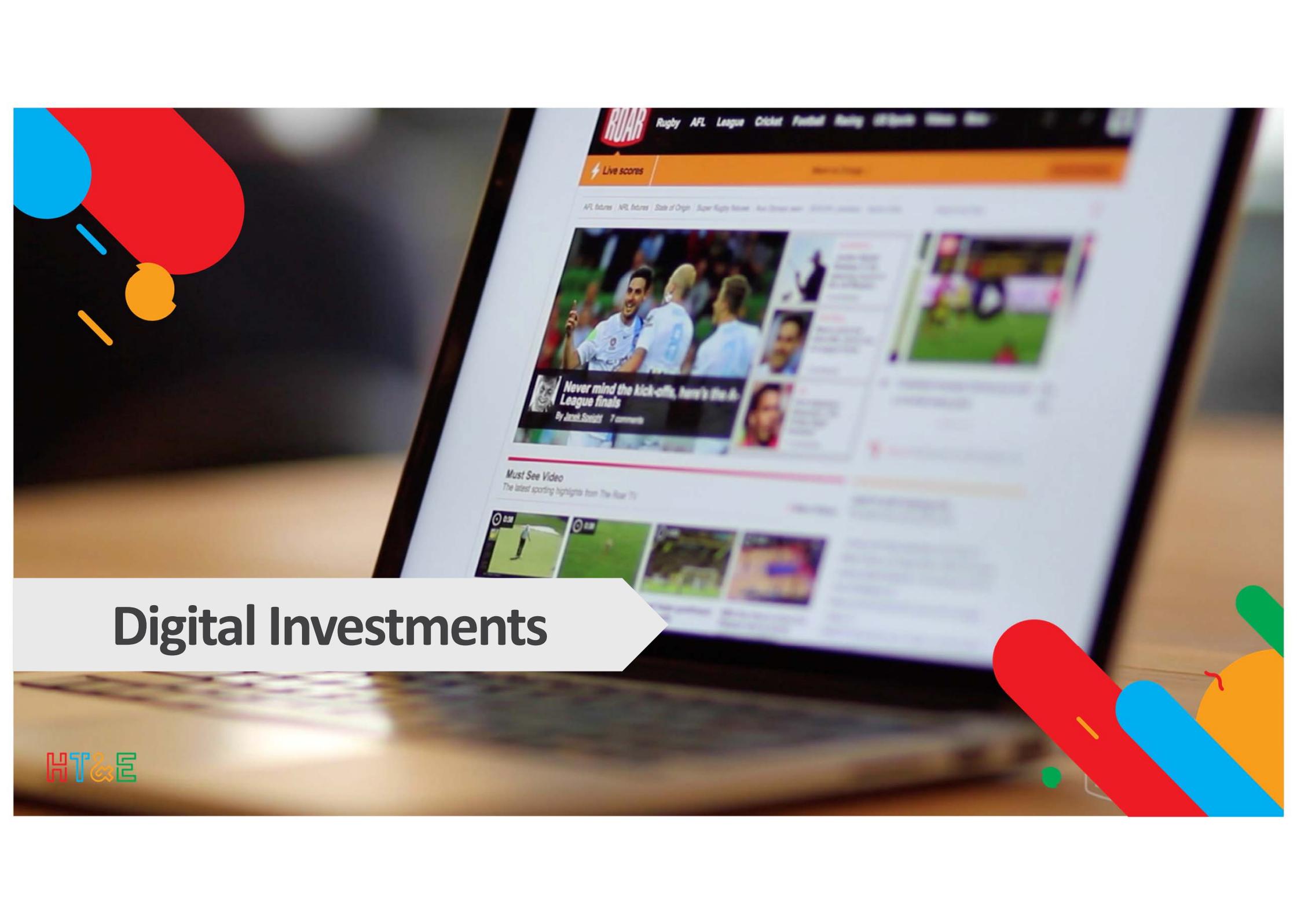
- Investing to grow audience and commercial opportunities
- Content creation more important than ever
- Talent key differentiator



# iHeartRadio – unique audio service of choice

- Over 1.2m downloads of the iHeartRadio app<sup>1</sup> and registered users up 40% on 2016<sup>2</sup>
- Over 3.2m hours consumed monthly<sup>3</sup> – significantly contributing to live listening of ARN stations
- Access to live streaming of unique US events driving incremental usage and audience growth
- Growing a younger audience base
- AdsWizz launched – first dynamic ad insertion engine enabling advertisers to reach highly targeted audiences
- Largest library of podcasting material in Australia – enables Australian audiences to access nearly 225,000 international & local podcasts on a daily basis
- iHeartRadio will be available on voice-activated devices as they launch in Australia later this year



A laptop screen displays a sports website with various news articles and video thumbnails. A white arrow-shaped callout box is overlaid on the screen, pointing to the right. The background is a blurred image of the laptop and its keyboard.

# Digital Investments

# Digital Investments

Our aim is to build a portfolio of digital investments that support HT&E's core radio and outdoor offering

	Grow audience base	Diversify revenues	Expand digital & data capabilities	Optimise integration	Revenue	Ownership
	✓	✓	✓	✓	↑ 7%	100%
	✓	✓	✓	✓	--	50%
	✓	✓	✓	—	↑ 13%	51%
	—	✓	—	—	↑ 7%	25%

# The Roar

Conversant Media's sports opinion website, *The Roar*, continues to see audience increases and video view growth

- Club Roar established in Q2
- Club Roar Awards launched in June, significantly boosting user-generated content
  - 400+ video submissions
  - 11M total video views (to end July)
  - 2nd Awards announced for September
- Well placed to capitalise on wagering sector growth; 46% YoY revenue increase from wagering clients
- Leveraging cross-promotional opportunities, via content sharing and integrated commercial packages with ARN



The Roar - monthly video views

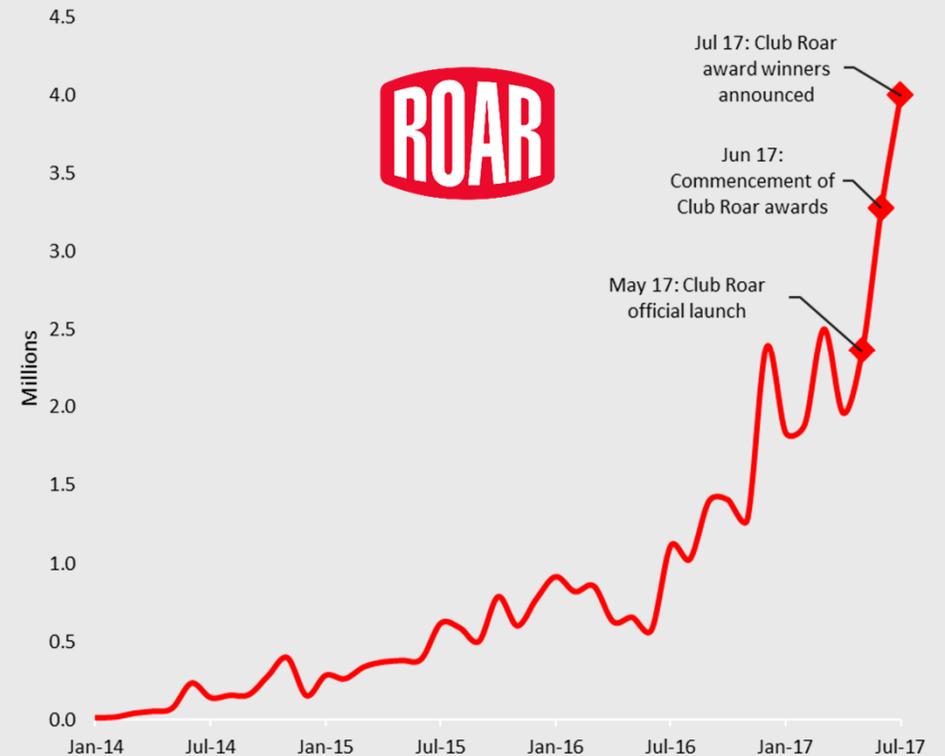


Chart Source: Combined Brightcove & Facebook monthly video views The Roar & Club Roar

# HT&E Events and eSports

- JV with UK-based IKON Media & Entertainment
- Australia's premier eSports and related events business
- Total investment <\$10 million and aims to be break even by 2020
- First structured city-based franchise league in Australia
- Competition for amateurs and professionals
- Challenger Series launching in late September, open to all players
- Elite Series to be held in early 2018; team draft early 2018
- Platform partnership with Gfinity plc; global leader in eSports

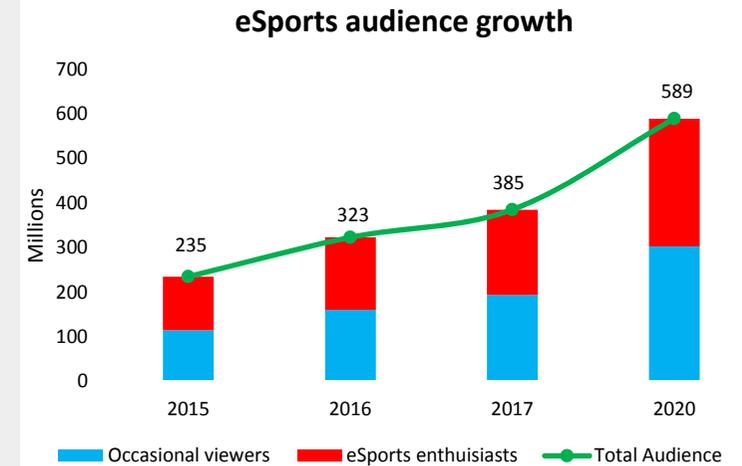


eSports: *multiplayer video games played competitively for spectators*

# The eSports phenomenon

eSports is a part of the huge global games market

- Global eSports market expected to grow 41% to US\$696 million in 2017<sup>1</sup>
- Large and fast growing audience; affluent and highly engaged
- The sport of the Millennial; driven by fans
- Primarily online broadcast platform – data & insights potential
- Inherently social and digital – ideally placed to drive engagement across social media and HT&E's digital properties



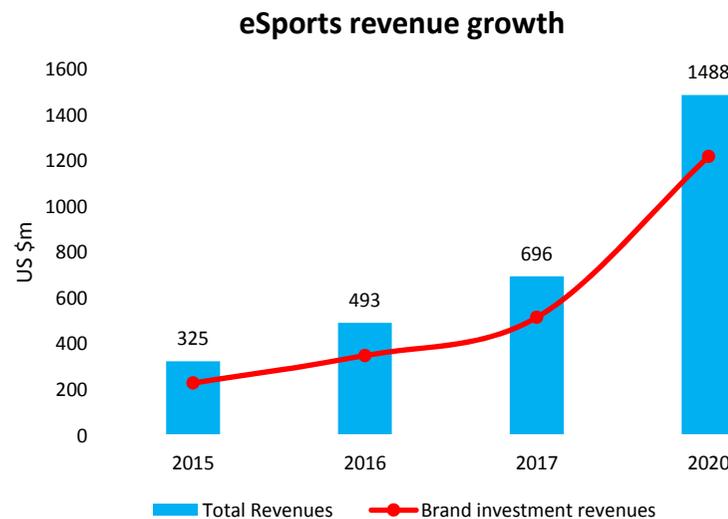
**41%**

Annual growth in global eSports market 2016-17<sup>1</sup>



**US\$1.5 Billion**

Projected eSports market value by 2020<sup>1</sup>



**385 million**

Global eSports audience forecast for 2017<sup>1</sup>

"Gaming is what every traditional sports league is desperate to become: young, global, digital and increasingly diverse."  
ESPN Magazine



(1) Source: Newzoo Free 2017 Global eSports Market Report  
(2) Source: "eSports and The Future of TV" report, IHS Markit 2017

# Gfinity eSports Australia schedule



2017

AUG

SEPT

OCT

NOV

DEC

2018

JAN

FEB

MAR

Commercial partner engagement

## The Challenger Series (Q3/Q4)

- Online competition open to all gamers, to win a chance to play alongside the professionals
- Top-ranking amateurs go into a pool, for selection via a draft

Elite draft

## The Elite Series (2018)

- Australia's first city-based franchise league
- 7 teams; defined number of pro & amateur gamers
- Competing weekly at dedicated eSports venues
- Broadcast live online and across other platforms





# Financial performance

# Reconciliation of segment result to statutory result

A\$ million	Segment result		Exceptional items		Statutory result	
	2017	2016	2017	2016	2017	2016
Revenue before finance income	225.7	129.1	-	-	225.7	129.1
Other income	2.4	2.3	-	0.4	2.4	2.8
Share of associate profits	0.6	5.2	-	-	0.6	5.2
Costs	(182.5)	(100.8)	4.6	(2.7)	(177.9)	(103.6)
<b>EBITDA</b>	<b>46.0</b>	<b>35.9</b>	<b>4.6</b>	<b>(2.3)</b>	<b>50.8</b>	<b>33.6</b>
Depreciation and amortisation	(18.9)	(2.4)	-	-	(18.9)	(2.4)
<b>EBIT</b>	<b>27.1</b>	<b>33.5</b>	<b>4.6</b>	<b>(2.3)</b>	<b>31.8</b>	<b>31.2</b>
Net interest	(4.6)	(12.1)	-	-	(4.6)	(12.1)
Tax	(7.0)	(8.0)	(1.4)	(15.5)	(8.4)	(23.5)
<b>Profit/(loss) from continuing operations</b>	<b>15.6</b>	<b>13.4</b>	<b>3.2</b>	<b>(17.8)</b>	<b>18.8</b>	<b>(4.4)</b>
Profit/(loss) from discontinued operations	-	18.0	-	(267.2)	-	(249.3)
<b>Net profit/(loss) after tax</b>	<b>15.6</b>	<b>31.4</b>	<b>3.2</b>	<b>(285.0)</b>	<b>18.8</b>	<b>(253.6)</b>
Profit/(loss) attributable to owners of the parent entity	12.8	28.1	3.0	(285.0)	15.8	(256.9)
Non-controlling interest	2.8	3.3	0.3	-	3.0	3.3
<b>Net profit/(loss) after tax</b>	<b>15.6</b>	<b>31.4</b>	<b>3.2</b>	<b>(285.0)</b>	<b>18.8</b>	<b>(253.6)</b>
Amortisation	9.1	4.1	-	-	9.1	4.1
<b>Net profit/(loss) after tax before amortisation</b>	<b>24.7</b>	<b>35.5</b>	<b>3.2</b>	<b>(285.0)</b>	<b>28.0</b>	<b>(249.5)</b>
Profit attributable to APN shareholders	22.0	32.2	3.0	(285.0)	25.0	(252.8)
Non-controlling interest	2.8	3.3	0.3	-	3.0	3.3
<b>Net profit/(loss) after tax before amortisation</b>	<b>24.7</b>	<b>35.5</b>	<b>3.2</b>	<b>(285.0)</b>	<b>28.0</b>	<b>(249.5)</b>

# Balance sheet

	Reported	Adjusted	Change
A\$ million	Jun 2017	Dec 2016	\$
Cash and cash equivalents	12.4	20.2	(7.8)
Receivables	90.7	86.3	4.4
Other current assets	15.8	17.0	(1.1)
Property, plant & equipment	87.1	93.8	(6.7)
Intangible assets	948.0	954.1	(6.1)
Other non-current assets	48.2	44.6	3.6
<b>Total assets</b>	<b>1,202.2</b>	<b>1,216.0</b>	<b>(13.8)</b>
Payables	64.5	88.8	(24.3)
Other current liabilities	34.1	25.3	8.8
Interest bearing liabilities <sup>1</sup>	166.7	161.3	5.4
Deferred tax liabilities	152.2	154.4	(2.2)
Other non-current liabilities	15.0	23.8	(8.8)
<b>Total liabilities</b>	<b>432.5</b>	<b>453.6</b>	<b>(21.0)</b>
<b>Net assets</b>	<b>769.7</b>	<b>762.5</b>	<b>7.3</b>
<b>Metrics</b>			
Gross debt	167.8	162.9	4.9
Less: Cash	(12.4)	(20.2)	7.8
<b>Net debt</b>	<b>155.3</b>	<b>142.7</b>	<b>12.7</b>

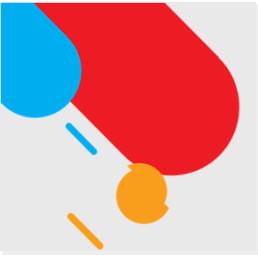
- Financial covenant headroom:
  - Leverage (net debt / EBITDA) of 1.35 times, compared to covenant of 3.5 times
  - Interest (EBITDA / interest) of 12.7 times compared to covenant of 3.25 times
- Debt facility matures July 2019
- All in cost of finance on drawn debt ~5.5% for H1; consistent going forward
- Intangibles includes \$382.5m goodwill and \$125.9m licences and relationships relating to the Adshel acquisition in FY16; acquisition accounting remains provisional
- Comparatives updated for acquisition accounting and change in accounting policy

# Cash flow

A\$ million	2017	2016
Operating cash flow (before exceptional items)	35.4	24.3
Operating cash flow (ARM/NZME)	-	34.2
Net payments related to exceptional items	-	(7.3)
Net interest paid and refinancing	(4.4)	(17.4)
HK Outdoor onerous lease costs	(4.0)	(3.6)
Transaction and demerger costs	(7.1)	(5.9)
Net tax paid	(7.5)	(3.6)
Capital expenditure	(6.3)	(7.2)
Cash received from associates	-	1.3
Payments to non-controlling interests	(2.6)	(2.8)
Other	(1.2)	2.1
<b>Net cash flow before investing activities</b>	<b>2.3</b>	<b>14.1</b>
Proceeds from sale of business and properties	-	2.8
Net payments / receipts for investments / divestments	(2.7)	(3.8)
Net debt transferred on demerger	-	93.7
Payments for treasury shares	(1.8)	-
Dividends paid to shareholders	(10.4)	-
<b>Net cash flow</b>	<b>(12.5)</b>	<b>283.5</b>
Net debt / (cash) at beginning of period	142.7	455.5
Foreign exchange	0.1	(3.5)
<b>Net debt / (cash) at end of period</b>	<b>155.3</b>	<b>175.5</b>

- H116 includes both continuing and discontinued operations; trading of NZME and ARM prior to disposal
- Lower interest cost following FY16 transactional activity and reduced facility limits
- HK onerous lease ended in June 17
- FY17 cash flow includes residual FY16 transaction activity costs (including settlement of pre-acquisition Adshel legal matter ~\$3m)
- Remaining available AU tax losses fully utilised in FY16; tax paying in FY17

# Trading update



# Trading Update

## ARN

In a soft radio market, month on month run rates are improving and recent advertiser briefing activity is encouraging with August trading mid-single digits above same time last year and forward bookings suggesting modest growth is continuing into H2.

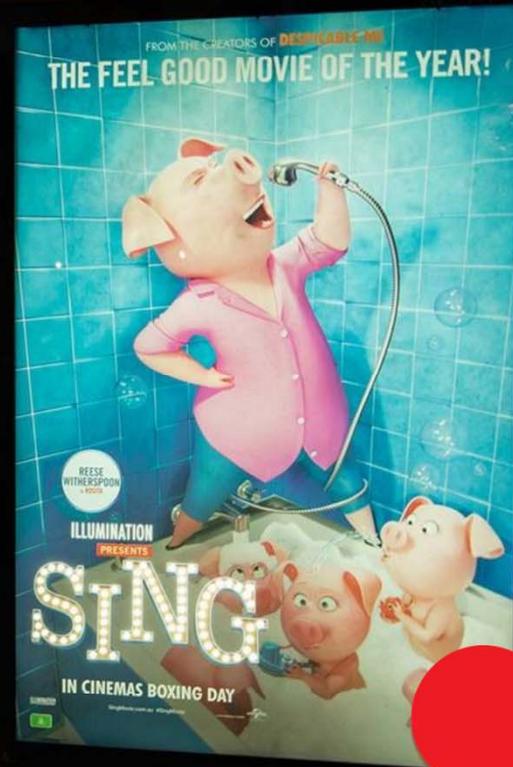
Contracted talent increases and any cost of sales growth will be somewhat offset by further modest operating cost savings in H2. We have not assumed any further licence fee cuts.

## Adshel

Adshel performed broadly in-line with a soft Roadside-Other segment in July. Forward bookings and pipeline are strengthening into Q4.

While we are confident about long term digitisation and contract opportunities, frustrating delays in the digital panel rollout in H1 will subdue Adshel's revenue opportunity in H2. Despite this we remain focused on achieving full year expectations.

Questions?

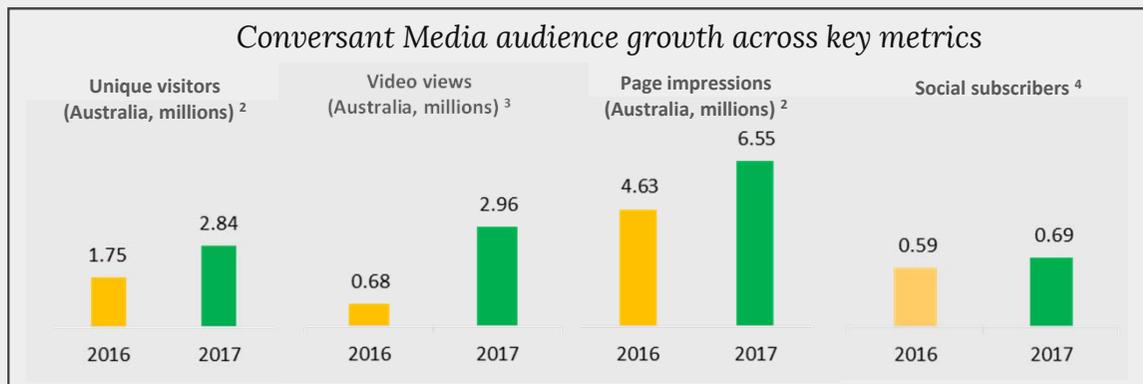
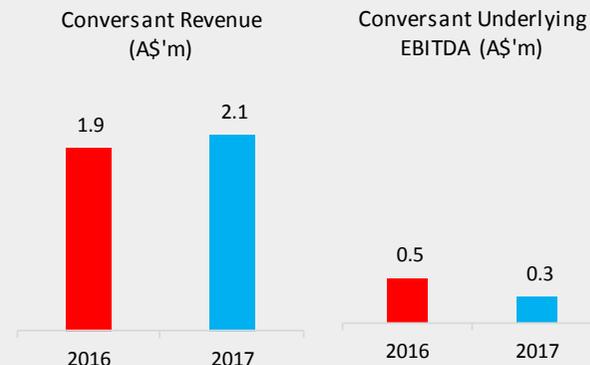
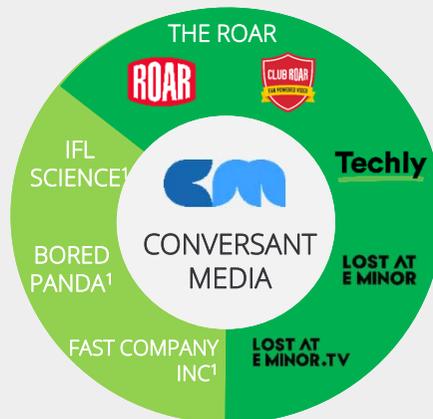


# Appendices

# HT&E Investments



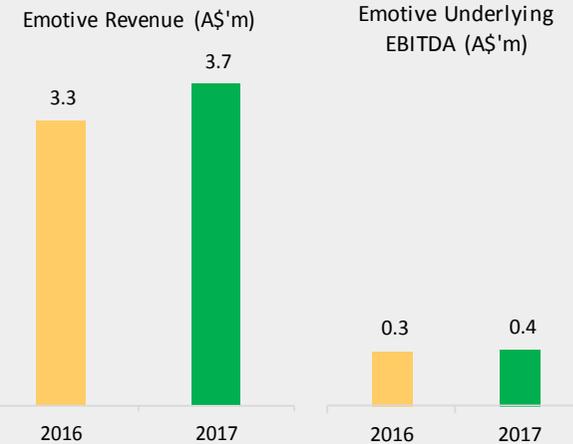
Investment	Conversant Media
Invested	~\$10.9m (+ earn outs tbc), 2016
HT&E stake	100% (consolidated)
Partner	Zac and Zolton Zavos, Founders
What	<ul style="list-style-type: none"> <li>Sports, culture and technology digital content and video publisher</li> <li>Unique hybrid content model of expert contributors alongside edited submissions from 'the crowd'</li> </ul>
Key developments	<ul style="list-style-type: none"> <li>Full Integration with ARN's digital sales team</li> <li>Content sharing with radio commenced</li> <li>Launched Club Roar – fan powered video – and associated awards</li> </ul>
HT&E strategy	Early stage growth; 2 way digital integration with Radio to drive value
Websites	<a href="http://www.conversant-media.com">www.conversant-media.com</a> <a href="http://www.theroar.com.au">www.theroar.com.au</a> <a href="http://www.lostateminor.com">www.lostateminor.com</a> <a href="http://www.techly.com.au">www.techly.com.au</a>



(1) Third party owned titles – Conversant is the sales representative in the Australian market for these digital titles  
 (2) Google analytics – June 17, June 16  
 (3) Brightcove – June 17, June 16  
 (4) Facebook likes, Instagram and Twitter followers across all sites; The Roar, The Roar TV, Roar Rugby, Lost At E Minor + Techly globally



Investment	Emotive
Invested	\$1m, 2015
HT&E stake	51% (consolidated)
Partner	Simon Joyce, Founder (~39%)
What	<ul style="list-style-type: none"> <li>Specialist social video content marketing agency;</li> <li>Building, inspiring and entertaining audiences through fearless creativity and unrivalled amplification</li> </ul>
Key developments	<ul style="list-style-type: none"> <li>New clients acquired including Revlon, Danone Murray Goulburn, HelloFresh, Audible and Rebel Sport</li> <li>Appointed to the Optus &amp; Virgin Mobile agency village as content specialist in Australia</li> <li>9.7M mins of Emotive social media content consumed H1 2017; 28.7M+ views</li> <li>Awarded 2017 Emerging Agency of the Year (Mumbrella)</li> </ul>
HT&E strategy	Early stage growth; ideation integration with Radio and Adshel
Website	<a href="http://www.emotivecontent.com">www.emotivecontent.com</a>



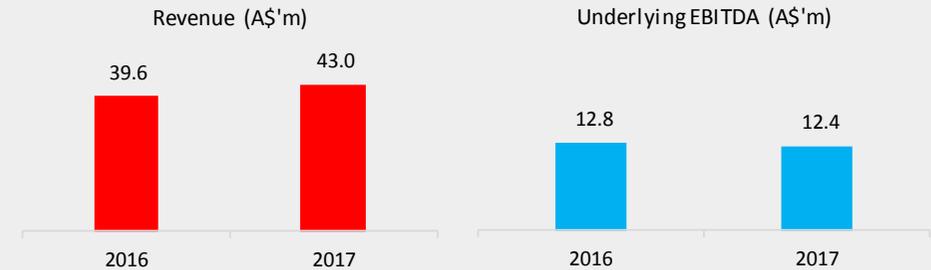
2017 Global Content Marketing Award winners  
 Best Use of Multichannel Social Media in Content Marketing – #DoltForYourself campaign



## HT&E Investments



Investment	Soprano Design
Invested	\$8m, 2001
HT&E stake	~25% (equity / associate)
Partner	Richard Favero, Founder (~75%)
What	Mission critical, cloud based mobile messaging solution for enterprises, sold predominantly through global carrier partners
Key developments	<ul style="list-style-type: none"> <li>• Management refresh and reorganisation (CEO, CFO) preparing for next growth phase</li> <li>• Major carrier wins in Colombia</li> <li>• Launch of Soprano branded offer in USA, Colombia, Chile, Brazil, Spain, Germany, Australia and New Zealand</li> <li>• Launch of a business continuity alerting product line</li> </ul>
HT&E strategy	Growth to exit (~2-3 years)
Website	<a href="http://www.sopranodesign.com">www.sopranodesign.com</a>



Information above presented on a full year 30 June basis



# Additional financial information

## Statutory performance

A\$ million	2017 Revenue	2016 Revenue	YoY change (\$)	YoY change (%)
Adshel	105.0	-	105.0	100%
Australian Radio Network	105.3	112.2	(6.9)	(6%)
Hong Kong Outdoor	11.9	14.4	(2.4)	(17%)
Digital investments	5.8	3.3	2.5	75%
Group eliminations	(2.3)	(0.7)	(1.6)	> 100%
<b>Total</b>	<b>225.7</b>	<b>129.1</b>	<b>96.5</b>	<b>75%</b>

A\$ million	2017 Underlying EBITDA	2016 Underlying EBITDA	YoY change (\$)	YoY change (%)
Adshel	22.2	3.8	18.5	> 100%
Australian Radio Network	33.2	39.8	(6.6)	(17%)
Hong Kong Outdoor	(1.2)	(0.5)	(0.8)	> 100%
Digital investments	1.2	1.8	(0.6)	(34%)
Corporate	(9.4)	(9.1)	(0.3)	4%
<b>Total</b>	<b>46.0</b>	<b>35.9</b>	<b>10.1</b>	<b>28%</b>

## Exceptional items

A\$ million	2017	2016
Benefit from retrospective application of ACMA licence fee relief	4.6	-
Net gain on disposal of properties and businesses	-	0.4
Onerous contract and other costs	-	(2.7)
	<b>4.6</b>	<b>(2.3)</b>
Income tax (expense) / credit	(1.4)	0.5
IRD settlement – APN allocation (NZ\$16.95m)	-	(15.7)
Write-off of tax losses	-	(0.4)
<b>Exceptional items, net of tax</b>	<b>3.2</b>	<b>(17.8)</b>

## Currency

	AUD / NZD		AUD / HKD	
	2017	2016	2017	2016
June half average	1.065	1.084	5.865	5.704
Full year average		1.067		5.776
Period end rate	1.048	1.044	6.002	5.783

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