Full Year Results 2018

13th February 2019

HT&E Limited
ABN 95 008 637 643

Agenda

- Executive Summary
- Statutory Results
- Operational Performance
- Financial Results
- Strategic Priorities
- Trading Update
- Q&A

HT&E

Executive Summary

- Transformative year
- Delivering value for shareholders
- Robust operating performance
- Strong balance sheet
- New Board: relevant media experience
- Methodical and balanced approach
- Simplifying structures and reducing corporate costs
- ARN - highly cash generative with exceptional margins
- Focused on the core radio and audio business

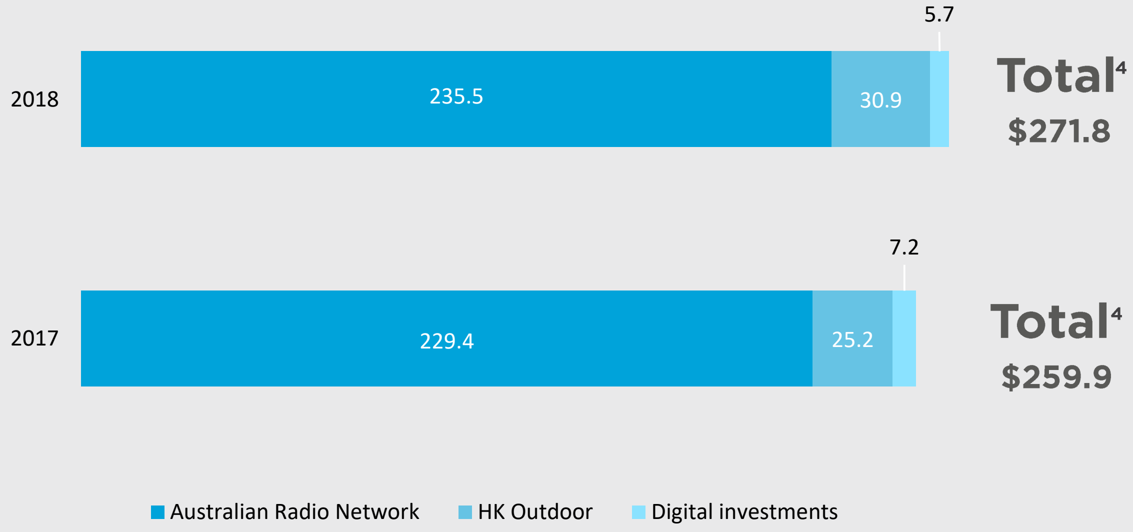
Statutory Results

- Statutory results excludes Adshel
- Reported revenue up 5%
- EBITDA up 7%
- EBIT up 10%
- NPAT up 23%
- Net cash of $128.4m
- Fully franked final dividend of 4 cents per share, payable 15 March 2019

HT&E Reported Result (excluding Adshel)

A$ million	2018	2017[1]	% change
Revenue from continuing operations[1]	271.8	259.9	5%
EBITDA[2]	71.8	66.9	7%
EBIT[2]	67.2	61.2	10%
NPAT attributable to HT&E shareholders[2]	36.7	29.7	23%

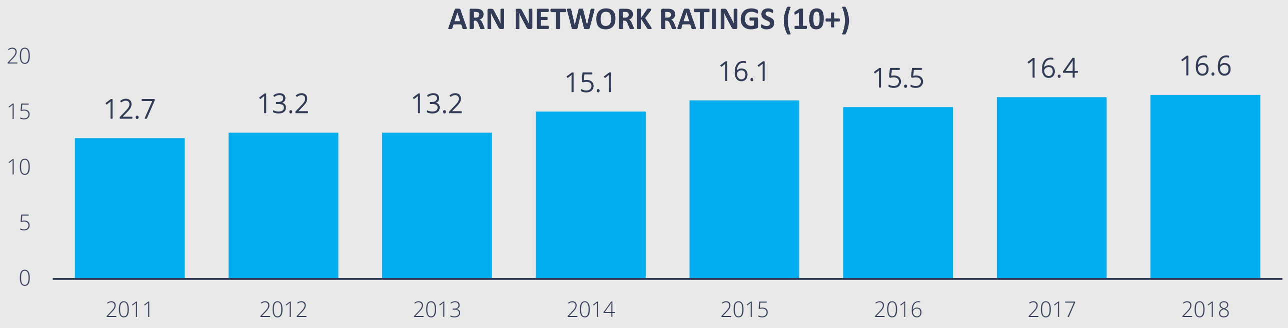
Revenue ($A'm) [1,3]



(1) 2017 revenue and costs restated for impact of accounting policy changes
(2) Before exceptional items and discontinued operations
(3) Before group eliminations and discontinued operations
(4) After group eliminations

ARN FY 2018 Outcomes

- Radio market grew 3.5% in 2018; 5.9% in H1; 1.3% in H2
- ARN revenue $235.5m (+3%)
- EBITDA $84.6m (+1%)
- Highest average ratings year ever [1]
- New shows launched – building familiarity and commercial opportunities
- Dominance in Sydney with No.1 and No. 2 breakfast shows [2]
- Gold in Melbourne #2 station [1] and KIIS 101.1 building momentum
- Mix 102.3 #1 in Adelaide [1]
- Brisbane – competitive market. 97.3 is a priority
- 96FM in Perth – growth expected to continue
- Ambition to be clear #1 national network



Source: GfK, Surveys 1-8 YTD average, Mon-Sun 5:30am-12am, All people 10+, SMBAP

(1) Source: GfK, average of Surveys 1-8 2018, Mon-Sun 5:30am-12am, All people 10+, SMBAP
(2) Source: GfK, average of Surveys 1-8 2018, Mon-Fri 6am-9am, All people 10+, SMBAP

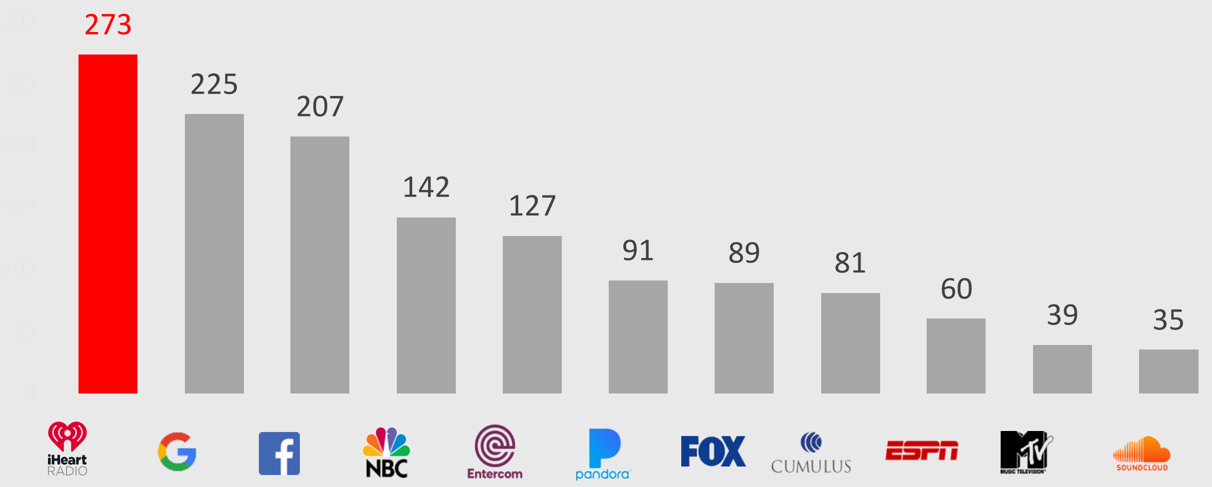
HT&E

Digital Audio

iHeartRadio

- Global platform – downloaded over 1bn times
- #1 media streaming and audio platform in the US
- Long term licence arrangement
- 280+ technical staff
- Leaders in areas such as voice search and smart speaker integration strategies
- Unrivalled commercial proposition that will grow in importance
- 60%+ usage in core ARN demographics (25-54 year olds)
- 30% under 25 years of age – a new audience for ARN

#1 MEDIA STREAMING AND AUDIO PLATFORM IN THE US



MONTHLY REACH P6+ (MILLIONS)

IHEARTRADIO AUSTRALIA

1.27M REGISTERED USERS

581K MONTHLY ACTIVE USERS

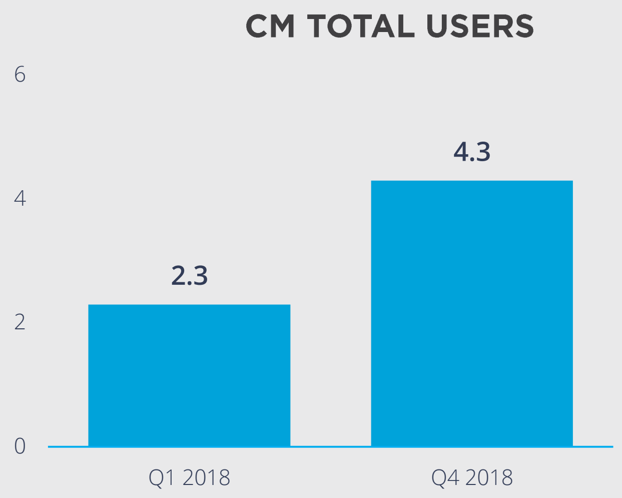
3.7M TOTAL LISTENING HOURS PER MONTH

31% UNDER 25 YEARS

Source: UV's ComScore MediaMetrix MAR 2018 multi platform universe P+6 04162018

Conversant Media

- Conversant Media fully integrated into ARN with momentum building
- Users doubled in Q4 2018
- Return visitors up 83%
- Direct traffic up 33%
- 'The Roar' is a dedicated content vertical delivering Australia's largest user-generated sports content across audio, broadcast, social and digital platforms
- Providing new commercial opportunities
- New shows to launch in Quarter 1
- New formats of content to become less reliant on Facebook algorithms



DIRECT TRAFFIC UP 33%

RETURN VISITORS UP 83%

Source: Google Analytics, AU Audience statistics

Digital Investments

Esports

- Launched inaugural Gfinity Elite Series Australia across two seasons as the first city-based esports league in the country
- Strong partnerships and sponsor support; purpose built esports arena in conjunction with Hoyts
- Esports industry still in early stages of development
- Leading provider of integrated esports and entertainment based video game solutions
- Revised opex down from $10m to break even in 2020

Emotive

- Increased EBITDA and gross margin
- Launched 'Search to Social'

Unbound

- Creative technology business in VR/AR
- Content driven strategy monetised through subscription, pay-per-view, advertising and sponsorship

Soprano

- Soprano Design, in which HT&E has a 25% investment, continues its momentum through market, channel and customer acquisition and growth.
- The business manages more than 3 billion trusted mobile interactions per annum, for some of the largest enterprises and governments in 14 countries.
- Paid HT&E a dividend of $1.25 million during 2018

Financial Results

HT&E

FY 2018 Reported Financial Result

- Revenue from continuing operations up $11.9m (5%)
  - Strong radio and Hong Kong performance offset by soft digital display ad market in Australia
- Costs increased by $6.2m mostly in ARN driven by marketing and cost of sales
- Underlying EBITDA(2) from continuing operations up 7%
- Interest savings from lower debt offset by costs associated with tax deposit
- Effective tax rate on continuing operations of 31% (2017: 31%)
- Exceptional items relate to acquisition earnout provision reversal offset by contract close out costs in Hong Kong
- Discontinued operations reflects the Adshel gain on sale, operating profit plus the net benefit of a number of exceptional items
- Final fully franked dividend of 4 cents per share
- Underlying EPS includes limited benefit from buyback: 12.8cps on closing shares on issue, up 34% YoY

A$ million	2018	2017[1]
Revenue before finance income[1]	271.8	259.9
Other income	7.4	7.4
Share of associate profits	0.5	1.3
Costs[1]	(207.9)	(201.6)
Underlying EBITDA[2]	**71.8**	**66.9**
Depreciation and amortisation	(4.6)	(5.7)
Underlying EBIT[2]	**67.2**	**61.2**
Net interest expense	(6.0)	(9.1)
Net profit before tax[2]	**61.2**	**52.1**
Taxation on net profit	(19.0)	(16.2)
Net profit after tax (NPAT)[2]	**42.2**	**35.9**
Less non-controlling interest	(5.5)	(6.2)
NPAT attributable to HT&E shareholders[2]	**36.7**	**29.7**
Exceptional items	0.9	2.2
NPAT from discontinued operations	188.0	(149.4)
NPAT attributable to HT&E shareholders	**225.5**	**(117.5)**
Underlying EPS (cps)[2]	11.9	9.6
Final dividend per share (cps)	4.0	4.0

(1) 2017 revenue and costs restated for impact of accounting policy changes
(2) Before exceptional items and discontinued operations

Residual business (ARN, Hong Kong, Digital Investments and Corporate) reverting to P&L format reporting EBITDA, depreciation and amortisation, EBIT (refer page 27 of appendix for reconciliation between EBITA and EBITDA formats for last year comparative)

HT&E

ARN

- ARN revenue growth:
  - Revenue growth of 3% compared to market growth of 3.5%
  - H1 revenue growth 9%; H2 down 3%
  - Market share 24.9% (LY: 25.3%)
- Direct market down 2.9%; ARN down 4%
- Agency growth in line with market growth of 6%
- Total costs up 3%
  - Costs of sales up $0.7m
  - Staff and talent costs flat year on year despite new and extended contracts
  - Investment in new shows lifted marketing by $2.4m
  - Reinstatement of prior year savings increased other opex net $1.4m including staff recruitment and training
- Margin held steady at 36%

A$ million	2018	2017	% change
Agency	154.3	145.2	6%
Direct	68.0	70.9	(4%)
Digital & Other	13.2	13.3	(1%)
Total revenue	**235.5**	**229.4**	**3%**
Cost of sales	(42.2)	(41.5)	2%
Staff and talent	(77.9)	(77.6)	0%
Operating costs	(30.8)	(27.0)	14%
Total costs	**(150.9)**	**(146.1)**	**3%**
EBITDA	**84.6**	**83.4**	**1%**
D&A	(4.1)	(5.0)	(17%)
EBIT	**80.5**	**78.4**	**3%**
EBITDA Margin	36%	36%	

2017 revenue and costs restated for impact of accounting policy change and integration of Conversant Media

Hong Kong Outdoor

- Significant turnaround in performance, first profitable full year since 2015
- Revenue growth in cross harbour tunnel and tram assets
  - Western Harbour Tunnel up 21%
  - Eastern Harbour Tunnel up 6%
  - Hung Hing Rd up 12% (decommissioned Dec 2018)
  - Yield increase in tram shelters driven by upgrades, attracting major global fashion brands
  - Appointed 1 of 3 advertising agents for APAC's largest LED screen
- Costs down 6% (local currency) from strict cost management
  - Direct costs down 4%
  - Overheads up 2%
  - Buzplay costs ceased June 2017
- Final unprofitable contract exited in December 2018

A$ million	2018	2017	% change	Local currency % change
Roadside	20.7	18.7	11%	9%
Transit *	10.1	5.3	91%	87%
Buzplay	-	1.1	(100%)	(100%)
Total Revenue	**30.9**	**25.2**	**23%**	**20%**
Total Costs	(29.6)	(30.9)	(4%)	(6%)
EBITDA pre provision release	**1.2**	**(5.7)**	**n/a**	**n/a**
Utilisation of Buzplay provision	–	4.0	(100%)	(100%)
EBITDA	**1.2**	**(1.8)**	**n/a**	**n/a**
D&A	(0.3)	(0.3)	(4%)	(6%)
EBIT	**0.9**	**(2.1)**	**n/a**	**n/a**
EBITDA Margin	4%	(7%)		

* Includes full year effect of tram shelter contract: 12 months (2018) vs 8 months (2017)

Corporate Costs

- Continue to pursue cost savings in Corporate
- Compliance and advisor costs exclude Adshel sale costs, other activity reduced compared to 2017
- Tax dispute costs increasing as we prepare for potential litigation
- Overhead increase driven by increase in D&O costs up $0.8m YoY
- Corporate structure continues to be reviewed given sale of Adshel. Headcount changes made to date save circa $1.5m - $2m across HT&E

A$ million	2018	2017	% change
Salary & wages	5.0	6.9	(28%)
Group incentives provided for	3.0	1.2	147%
Board costs	0.8	0.9	-18%
Compliance and advisor costs	1.9	3.8	(51%)
Tax dispute costs	1.8	0.7	170%
Overheads (rent, office, other)	2.9	2.3	26%
Total Corporate costs	**15.2**	**15.8**	**(4%)**

Balance Sheet

- Assets and liabilities relating to Adshel on the 2017 balance sheet have been quarantined as Assets sold
- Key like for like balance sheet movements are tax deposit and net increase in cash after repayment of debt, dividends and share buyback
- 2017 restated for changes to AASB 15 *Revenue from Contracts with Customers* being applied; Receivables and net Payables / Other current liabilities both increased $2.1m
- Other non-current assets includes $51m deposit of tax in dispute

	Reported	Restated / Reported	Adshel	Pro forma excl Adshel	Change
A$ million	**2018**	**2017**	**2017**	**2017**	**$**
Cash and cash equivalents	128.4	18.8	(3.5)	15.3	113.0
Receivables	55.2	91.0	(36.3)	54.7	0.4
Other current assets	2.3	11.7	(9.2)	2.5	(0.2)
Assets sold	-	-	457.5	457.5	(457.5)
Property, plant & equipment	16.6	84.1	(67.6)	16.5	0.2
Intangible assets	429.6	769.2	(340.4)	428.8	0.8
Other non-current assets	116.1	54.9	(0.5)	54.4	61.7
Total assets	**748.1**	**1,029.7**	**-**	**1,029.7**	**(281.6)**
Payables	24.2	60.0	(33.9)	26.1	(1.9)
Other current liabilities	29.3	40.2	(11.9)	28.3	1.0
Liabilities directly associated with assets sold	-	-	98.2	98.2	(98.2)
Interest bearing liabilities	-	133.1	-	133.1	(133.1)
Deferred tax liabilities	117.6	150.6	(37.0)	113.6	4.0
Other non-current liabilities	4.9	23.1	(15.5)	7.6	(2.8)
Total liabilities	**176.0**	**407.0**	**-**	**407.0**	**(231.0)**
Net assets	**572.1**	**622.7**	**-**	**622.7**	**(50.5)**
Net debt	**(128.4)**	**114.3**	**-**	**114.3**	**(242.7)**

Cash Flow

- Cash flow includes continuing and discontinued operations
- Operating cash inflow of $45.5m before deposit of tax in dispute
- Group tax instalment payments reflect current year ($3m) and catch up of prior year timing difference in relation to 2017 (~$20m)
- Capex largely related to Adshel shelter build, digitisation project and revenue/inventory systems replacement
- Investments represent proceeds received on sale of Adshel net of cash transferred with the business offset by loans to esports and Unbound JVs
- Borrowing costs relates to refinancing completed in 2018
- Dividends paid include special dividend of $222.4m and $21.6m for Final 2017 and Interim 2018
- Share buyback: 23.3m shares acquired at average of $1.67 - 75% complete

HT&E

A$ million	Continuing operations	Adshel	2018	2017
EBITDA	71.8	33.7	105.5	118.4
Net change in working capital, non-cash and exceptional items (see page 17)	2.5	(25.0)	(22.4)	(24.0)
Net interest paid	(6.3)	(0.1)	(6.4)	(8.9)
Net tax instalments paid	(8.8)	(2.8)	(11.6)	(7.8)
Prior year tax instalments	(19.6)	-	(19.6)	(2.5)
Sub-total	**39.6**	**5.8**	**45.5**	**75.2**
Deposit of tax in dispute	(50.7)	-	(50.7)	–
Net operating cash flow before investing activities	**(11.1)**	**5.8**	**(5.2)**	**75.2**
Capital expenditure	(5.1)	(15.5)	(20.6)	(15.5)
Investments	558.3	-	558.3	(7.1)
Cash received from associates and other entities	1.6	-	1.6	0.8
Net cash flow before financing	**543.6**	**(9.7)**	**534.0**	**53.4**
Payments for borrowing costs	(2.1)	-	(2.1)	(0.0)
Payments for treasury shares	(0.2)	-	(0.2)	(1.8)
Dividends paid to shareholders	(244.0)	-	(244.0)	(18.0)
Share buy back	(39.0)	-	(39.0)	-
Payments to non-controlling interests	(5.5)	-	(5.5)	(5.5)
Net cash flow	**252.8**	**(9.7)**	**243.2**	**28.1**
Net debt at beginning of period	114.8	-	114.8	142.7
Foreign exchange	(0.0)	-	(0.0)	0.3
Net debt at end of period	**(137.9)**	**9.7**	**(128.4)**	**114.8**

Net Debt / Cash

A$ million	Dec 2018	Jun 2018	Dec 2017
Gross debt	-	190.0	133.6
Less: Cash	(128.4)	(13.5)	(18.8)
Net debt	**(128.4)**	**176.5**	**114.8**
Unamortised borrowing costs	(2.0)	–	(0.5)

- Adshel proceeds of $550m (net of costs and cash transferred with the business) used to repay drawn debt, fund $222.4m special dividend and $39m share buyback (to date)
- Debt facilities refinanced, mostly to 2023; limits of $260m

Tax dispute

- As previously disclosed:
  - Amended assessments in relation to the New Zealand branch matter for years ended December 2009 to December 2015 have been issued by the ATO; their current position involves $102.5m of tax adjustments
  - The ATO is seeking to apply penalties at the rate of 50% to these years; $49m of penalties plus $27.5m of interest
  - The dispute process requires a 50% deposit of the tax in dispute; $50.7m deposit has been paid during 2018
  - This leaves a net potential exposure of ~$128m, currently not provided for in the balance sheet
- The ATO is auditing other matters for years ended December 2010 to December 2013; no certainty of any proposed adjustments or disputes raised by the ATO

Strategic Priorities

Strategic Priorities

CORPORATE

- Simplify organisational structure
- Reduce corporate costs
- ATO dispute
- Capital Management

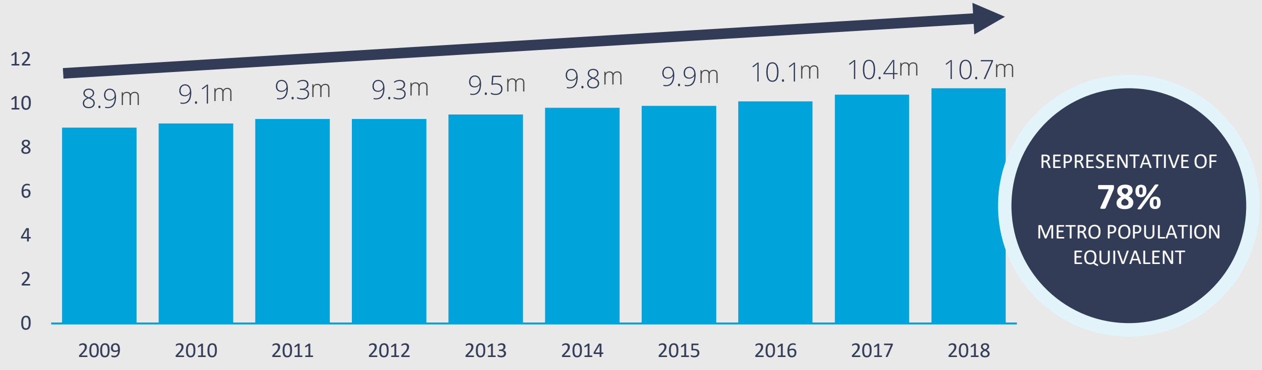
CORE BUSINESS

- Drive core asset performance
- No. 1 radio network in the country
- Expand digital capability and extend audience base
- Create the future of Audio Entertainment

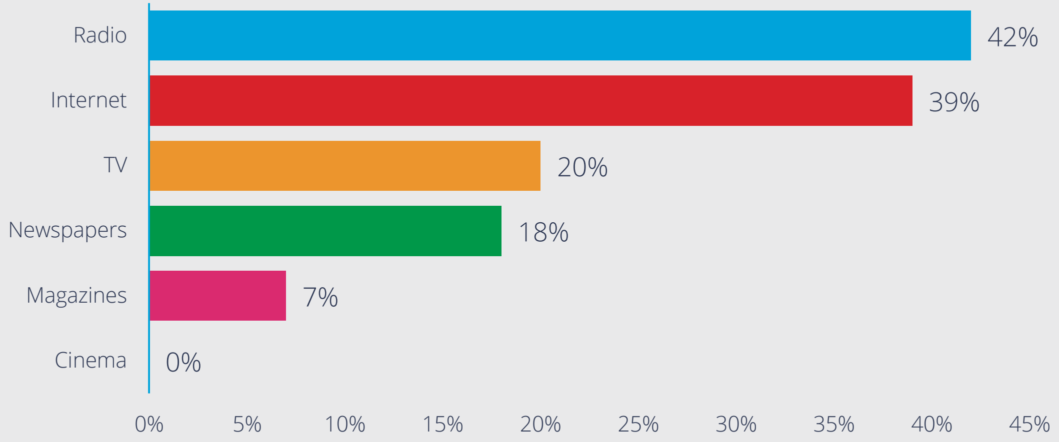
The Power of Radio

- AM/FM radio listenership is growing
- 10.7m people tuned into commercial radio in 2018 – growing 22% over the past 10 years [1]
- Every demographic is up
  - 10-17 Year Olds +2%
  - 18-24 Year Olds +4%
  - 25-39 Year Olds +10%
  - 40-54 Year Olds +7%
  - 55+ +15%
- #1 media channel for reaching Australia at breakfast time; clearly preferred over the internet (including social media); TV and newspapers 2
- Live, local, free and trusted

TOTAL PEOPLE TUNED INTO COMMERCIAL RADIO (10+)



MEDIA REACH AT BREAKFAST
(M-S 5:30am-9am)

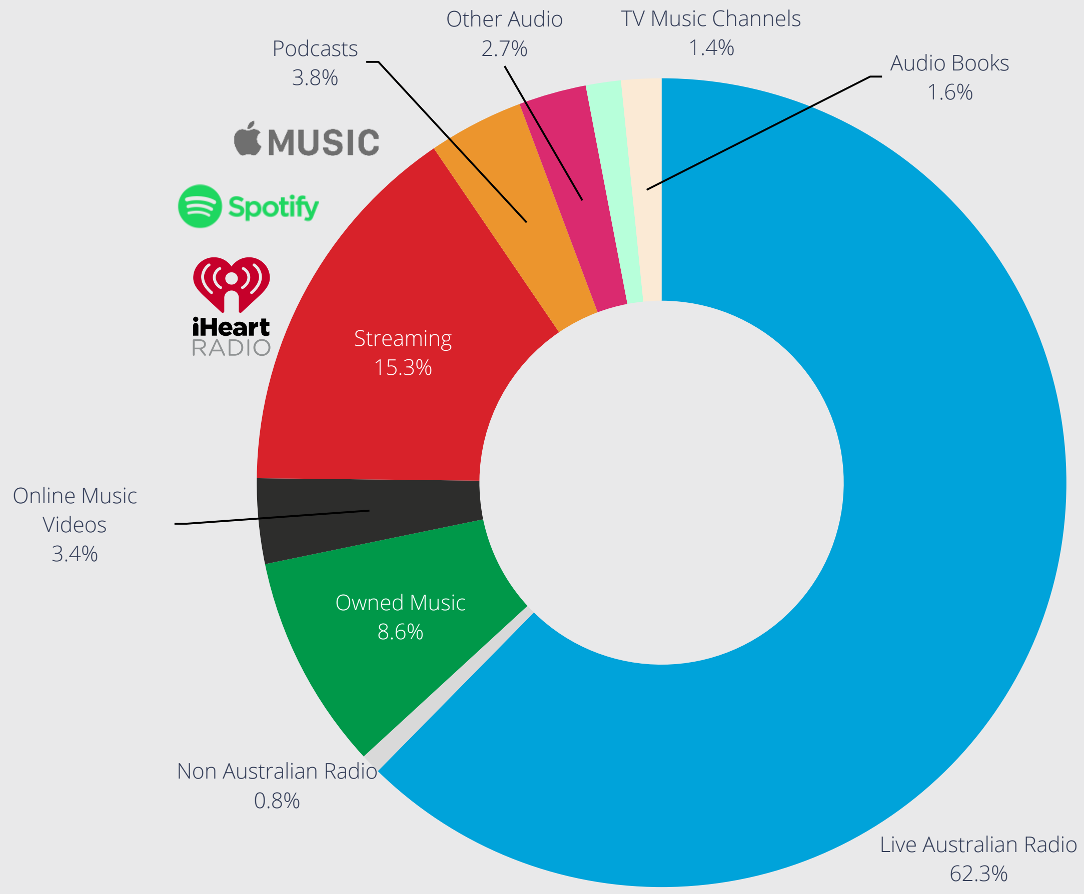


Sources:
1 - GfK Radio Ratings, Survey 1-8, 2014-2018, SMBAP, All people 10+, Mon-Sun 12mn-12mn
2 - CMV NIELSEN S10 2018, Metro Database (SMBAP Markets), Summary Media, P14+

Audio Consumption Habits will Broaden

- Radio is leading audio platform consumed at 62%
- Australians spend more than 2 hours per day listening to radio …. 4x higher than streaming
- Streaming 15%
- Podcasting 4%
- Smartphone ownership 96% (25-54 year olds)
- Smart speakers are bringing radio back into the home
- 300,000 hours of iHeartRadio content consumed on Amazon Alexa and Google Home in December '18

SHARE OF AUDIO LISTENING



Source: GfK Australian Share of Audio Study (CRA) 2018 http://www.radioalive.com.au/Research-Insights/Share-of-Audio/2018/Share-of-Audio-2018

A digitally enabled audio business

- ARN and iHeartRadio ideally positioned to manage the transition to a digitally enabled audio business
- Mass reach
- Trusted talent
- Frequency and efficiency of buying
- All-in-one listening platform
- Local content, national scale
- Multi-device approach
- Largest library of podcast content in Australia
- Subscription capability available in 2019
- Customised content
- Data rich targeting
- Real time reporting

AUDIO + DIGITAL

Trading Update

HT&E

Trading Update

Trading in 2019 is broadly in line with 2018 against strong comps. We are seeing improved briefing activity after a soft last four months of 2018, however remain cautious with federal and state elections during 2019.

We have commenced the integration of the corporate and ARN cost bases and continue to pursue cost savings across the group.

Questions?

Appendices

Reconciliation of Segment Result to Statutory Result

	Segment result		Exceptional items		Statutory result	
A$ million	**2018**	**2017[1]**	**2018**	**2017**	**2018**	**2017[1]**
Revenue before finance income	271.8	259.9	–	-	271.8	259.9
Other income	7.4	7.4	–	-	7.4	7.4
Share of associate profits	0.5	1.3	–	-	0.5	1.3
Costs	(207.9)	(201.6)	0.9	4.5	(207.0)	(197.1)
Underlying EBITDA[2]	**71.8**	**66.9**	**0.9**	**4.5**	**72.7**	**71.4**
Depreciation and amortisation	(4.6)	(5.7)	–	(0.8)	(4.6)	(6.5)
Underlying EBIT[2]	**67.2**	**61.2**	**0.9**	**3.7**	**68.1**	**64.9**
Net interest	(6.0)	(9.1)	–	–	(6.0)	(9.1)
Net profit before tax[2]	**61.2**	**52.1**	**0.9**	**3.7**	**62.1**	**55.8**
Taxation on net profit	(19.0)	(16.2)	(0.0)	(1.2)	(19.1)	(17.4)
Net profit after tax (NPAT) [2]	**42.2**	**35.9**	**0.9**	**2.5**	**43.0**	**38.4**
Less non-controlling interest	(5.5)	(6.2)	-	(0.3)	(5.5)	(6.6)
NPAT attributable to HT&E shareholders[2]	**36.7**	**29.7**	**0.9**	**2.2**	**37.5**	**31.9**
NPAT from discontinued operations	13.8	13.2	174.2	(162.5)	188.0	(149.4)
NPAT attributable to HT&E shareholders	**50.5**	**42.9**	**175.0**	**(160.4)**	**225.5**	**(117.5)**

(1) 2017 revenue and costs restated for impact of accounting policy changes
(2) Before discontinued operations

Adshel

- 2018 result to 28th September 2018 vs full year 2017.
- Depreciation and amortisation ceased on 25th June 2018 (date at which Adshel was classified as held for sale following the announcement of sale).
- Exceptional items identified as part of the sale.

A$ million	2018	2017
Revenue	153.3	228.1
Expenses	(119.6)	(176.6)
EBITDA	**33.7**	**51.5**
Depreciation	(7.7)	(17.6)
Amortisation	(6.4)	(15.2)
Interest	(0.1)	0.1
Profit before income tax	**19.4**	**18.9**
Income tax expense	(5.6)	(5.7)
Profit from operations	**13.8**	**13.2**
Exceptional items		
Gain on sale of business	164.8	-
Impairment of intangible asset	-	(163.3)
Onerous contract costs	(3.7)	-
Write back provisions	16.1	-
Income tax (expense) / credit	(3.1)	0.8
Profit/(loss) from discontinued operations	**188.0**	**(149.4)**

2017 revenue and costs restated for impact of accounting policy change

HT&E

Reconciliation of 2017 with Adshel as Continuing Operation

A$ million	Reported result (page 8) 2017[1]	Amortisation – change format 2017	Adshel 2017[1]	Eliminate intercompany 2017	HT&E reported 2017[1]
Revenue before finance income	259.9	–	228.1	(2.3)	485.7
Other income	7.4	–	–	–	7.4
Share of associate profits	1.3	–	–	–	1.3
Costs	(201.6)	–	(176.6)	2.3	(375.9)
Underlying EBITDA[2]	**66.9**	**–**	**51.5**	**–**	**118.4**
Depreciation (and amortisation)	(5.7)	0.9	(17.6)	–	(22.4)
Underlying EBIT / EBITA[2]	**61.2**	**0.9**	**33.9**	**–**	**96.0**
Net interest income / (expense)	(9.1)	–	0.1	–	(9.0)
Net profit before tax and amortisation[2]	**52.1**	**0.9**	**34.0**	**-**	**87.0**
Taxation on net profit before amortisation	(16.2)	(0.3)	(10.2)	–	(26.7)
Profit/NPATA from continuing operations[2]	**35.9**	**0.6**	**23.8**	**–**	**60.3**
Less non-controlling interest	(6.2)	–	–	–	(6.2)
Profit/NPATA attributable to HT&E shareholders[2]	**29.7**	**–**	**23.8**	**–**	**54.1**
Amortisation (net of tax)	–	(0.6)	(10.6)	–	(11.2)
NPAT attributable to HT&E shareholders[2]	**29.7**	**–**	**13.2**	**–**	**42.9**
Exceptional items	2.2	–	(162.5)	–	(160.4)
Profit from discontinued operations	(149.4)	–	149.4	–	–
NPAT attributable to HT&E shareholders	**(117.5)**	**–**	**–**	**–**	**(117.5)**

(1) 2017 revenue and costs restated for impact of accounting policy changes
(2) Before discontinued operations

H1 and H2 Performance

Continuing operations	H1 Revenue			H1 EBITDA			H2 Revenue			H2 EBITDA		
A$ million	2018	Local currency	As reported	2018	Local currency	As reported	2018	Local currency	As reported	2018	Local currency	As reported
Australian Radio Network [1]	119.6	9%	9%	37.2	11%	11%	115.9	(3%)	(3%)	47.4	(5%)	(5%)
HK Outdoor	14.8	28%	24%	0.3	>100%	>100%	16.0	14%	21%	0.9	>100%	>100%
Digital Investments	2.7	(27%)	(27%)	0.6	(34%)	(34%)	3.0	(14%)	(14%)	0.7	>100%	>100%
Corporate	-	-	-	(7.7)	(18%)	(18%)	-	-	-	(7.5)	17%	17%
Group eliminations	(0.2)	(81%)	(81%)	-	-	-	(0.1)	(91%)	(91%)	-	-	-
Total	**137.0**	**10%**	**10%**	**30.4**	**27%**	**28%**	**134.8**	**(1%)**	**(0%)**	**41.4**	**(4%)**	**(4%)**

(1) Includes Conversant Media

Cash Flow – Working Capital

- Working capital from continuing operations YoY variance predominantly Hong Kong on better collections and other timing differences

A$ million	Continuing operations	Adshel	2018	2017
Net changes in working capital	5.7	(12.1)	(6.3)	(5.7)
Deduct non-cash items, share of associates NPAT net of cash / dividends from investments	(2.8)	(0.0)	(2.9)	(2.8)
Recurring	**2.9**	**(12.2)**	**(9.1)**	**(8.5)**
HK Outdoor – Hung Hing Road decommissioning	(0.5)	-	(0.5)	(4.0)
Transaction and demerger costs	-	(12.9)	(12.9)	(8.1)
Reclassification of HK Outdoor cash deposits	-	-	–	(3.4)
Non-recurring	**(0.5)**	**(12.9)**	**(13.3)**	**(15.5)**
Net change in working capital, non-cash and exceptional items	**2.5**	**(25.0)**	**(22.4)**	**(24.0)**

Additional Financial Information

Exceptional items: continuing operations

Continuing operations (A$ million)	2018	2017
Benefit from retrospective application of ACMA licence fee relief	–	5.4
Redundancies	-	(0.7)
Onerous contracts and other costs	(0.5)	(0.8)
Reversal of Conversant Media earn out provision	1.4	–
Transaction costs	-	(0.3)
	0.9	**3.7**
Income tax expense on exceptional items	(0.0)	(1.2)
Exceptional items, net of tax	**0.9**	**2.5**

Exceptional items: discontinued operations

Discontinued operations (A$ million)	2018	2017
Reversal of compliance obligation provisions	16.1	-
Onerous contract provision	(3.7)	-
Transaction costs	(14.2)	–
Gain on sale of Adshel	179.0	-
Impairment on Adshel goodwill and intangibles	-	(163.3)
	177.3	**(163.3)**
Income tax expense on exceptional items	(3.1)	(0.8)
Exceptional items, net of tax	**174.2**	**(162.5)**

Currency

	AUD / NZD		AUD / HKD	
	2018	2017	2018	2017
Full year average	1.083	1.079	5.859	5.976
Period end rate	1.091	1.101	5.523	6.098

- Adshel exceptional items relate to reversal of certain compliance obligation provisions, offset by a new onerous contract provision and transaction costs

Digital investments

A$ million	2018	2017
Total Revenue	5.7	7.2
Total Costs	(5.2)	(7.3)
Share of associates' NPAT	0.5	1.3
Dividends received	0.3	–
EBITDA	**1.3**	**1.2**
D&A	(0.1)	(0.1)
EBIT	**1.2**	**1.1**

Digital investment EBITDA breakdown

A$ million	2018	2017
Emotive	0.9	0.9
esports establishment costs	(0.4)	(0.9)
Dividends received	0.3	–
Share of associates' NPAT (Soprano, esports, Unbound)	0.5	1.3
EBITDA	**1.3**	**1.2**

HT&E

Disclaimer

HT&E Limited (HT&E) does not accept any liability to any person, organisation or company for any loss or damage suffered as a result of reliance on this document. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, and are subject to variation. All forward-looking statements in this document reflect the current expectations of HT&E concerning future results and events.

Any forward-looking statements contained or implied, either within this document or verbally, involve known and unknown risks, uncertainties and other factors (including economic and market conditions, changes in operating conditions, currency fluctuations, political events, labour relations, availability and cost of labour, material and equipment) that may cause HT&E's actual results, performance or achievements to differ materially from the anticipated results, performance or achievements, expressed, projected or implied by any forward-looking statements.

HT&E uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These measures are collectively referred to as "non-IFRS financial measures" and include EBITDA before exceptional items, EBITA before exceptional items and net profit before exceptional items.

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.