

HT&E Ltd Annual Shareholders Meeting - Final

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Presentation

PETER MAXWELL COSGROVE, CHAIRMAN OF THE BOARD, HT&E LIMITED: Good morning, everyone, and welcome to the Annual General Meeting of Shareholders of HT&E. My name is Peter Cosgrove, the Chairman of Directors of your company. Let me introduce Ciaran Davis, CEO; Yvette Lamont, the Group General Counsel; Jeff Howard, Chief Financial Officer; and non-executive directors Paul Connolly, Peter Cullinane, Christine Holman and I'd like to introduce Robert Kaybe whose appointment I will speak about shortly and Templeman-Jones.

Also with us today is the Australian Radio Chief Executive, Rob Atkinson, Chief Executive of Adshel, Mike Tyquin; Chief -- [Energy Australia], Chief Executive, [Dominique Rammonde]. Is that the right pronunciation? Very good. Thank you. Emotive Chief Executive, Simon Joyce; Chief Revenue Officer, Tony Kendall and the Company's Auditor [Matt Graham].

So I'm now informed that there is a quorum present and accordingly I declare the meeting open. You should have received the notice of Annual General Meeting and explanatory notes dated the 5th of April 2018. And I assume that it's your wish that the notice be taken as read. And the minutes of the previous general meeting are available for inspection by members.

Let me say some opening remarks here. The structural transformation of HT&E is now finalized. We have completely exited publishing. Our focus is on the two pillars of radio and outdoor, strong operating performance and growth. We will continue to make bolt-on acquisitions and equip our business to thrive in the new economy digital era.

First let me address some recent market commentary. Your board and management team are absolutely clear that the best interest of the company as a whole is at the center of everything we do. After a number of years of transformation our focus is on operating the company and driving synergy benefits between the divisions. We have a number of highly attractive media assets in radio and outdoor, Adshel is a very valuable asset both as a standalone and as part of the HT&E Group.

We have appointed advisors, we are willing to engage in any proposal that offers compelling value for shareholders on any asset. In 2017 we were able to focus on radio and outdoor which for the first time were 100% owned businesses. These 2 growth pillars make HT&E a unique media company in Australia. There are growing synergies and benefits in having strong radio and outdoor assets in the one company, including cross-promotion, cross-selling and product development and the ability to leverage the effective combination of sights and sound working together. Our CEO, Ciaran Davis, will discuss this in more detail.

Turning to the 2017 financial results. In 2017 looking at the statutory results on a pro forma basis from continuing operations revenues would have risen by 3% to \$472 million and EBITDA before exceptional items would have increased by 1% to \$118 million compared to 2016.

Results were below expectations, and actions have been taken to deliver a stronger performance in 2018. The board believes the right strategy is in place now and with our experienced management team HT&E is committed to delivering improved results for shareholders over the long term.

Dividend payments recommenced in 2017 with \$0.07 per share paid during the year. Our dividend policy has a payout ratio of 40% to 60% of underlying NPATA when leverage is less than 2x. In February this year the board declared a fully franked final dividend of \$0.04 per share.

Our balance sheet is strong, net debt less than 1x EBITDA at the end of 2017 financial year. We have sufficient capacity to cover any potential negative outcome on the tax dispute. The board remains confident in

our position and we will continue to pursue all avenues to achieve the best possible outcome for the company and its shareholders.

Looking at board renewal. Peter Cullinane has recently taken on the role as Chairman of NZME. It's an appropriate time for him to step down from the HT&E Board. Peter was appointed to the company's board in November '13 and has served as Chair of the Remuneration Committee. He also played a key role throughout and following the demerger of NZME remaining on both boards to ensure a smooth transition. So on behalf of the board and management team I'd like to thank Peter for his significant contribution to the company.

In late '17 we commenced the search for new board members and I'd like to take this opportunity to welcome our newly appointed Director, Robert Kaye, who joined the board in February. Robert has extensive board experience and a strong legal background as a senior counsel. His skill set is a welcome addition to the board, and subject to his appointment today Robert will Chair the remuneration committee. In further changes, Paul Connolly has been appointed Chair of the Nominations and Governance Committee. We are currently conducting a board review and the search for an additional Director and have engaged advisors on both.

Turning to our focus. HT&E focus is to create shareholder value with four objectives: to grow our audience base, diversify our revenues, expand digital and data capabilities and optimize integration. The media segments in which we operate continue to see audience growth at a time when there is significant disruption in the media industry and where social media and search companies are dominating advertising spend.

Our radio business, ARN, is a consistent performer. It is very cash generative. We have used that cash to invest in the digitalization of Adshel, pay dividends to shareholders and make investments in growth sectors such as eSports. At an appropriate time we will consider a share buyback. In our view radio deserves higher multiple, higher value multiples than currently being applied across the sector.

Outdoor is a very -- in a very dynamic phase. Street furniture in particular is an exciting segment. As digitalization and data capabilities improve advertisers will benefit from more flexibility and innovation. We have recently launched time/day/location trading across Adshel's digital network which has significant growth potential.

So HT&E is well-positioned with its current business. 2018 is all about operational focus and good capital management which will drive shareholder value. 2018 will be our first clean year, as I call it, since the transformation and will provide a better picture of maintainable earnings going forward. We are in attractive sectors selected for their growth potential. We have a strong balance sheet and an experienced management team. So on behalf of the board I'd like to express my gratitude to everyone at HT&E for their efforts over the past 12 months. I also wish to thank my fellow directors and the management team for their hard work and contribution in 2017 and in particular for completing the transformation.

Finally, and above all, I'd like to thank you, our shareholders for your continuing support.

So before I move to the resolutions I'd like to invite the CEO, Ciaran, to give us a presentation on the company.

CIARAN DAVIS, CEO, MD & EXECUTIVE DIRECTOR, HT&E LIMITED: Thank you, Peter. Good morning. Today as well as taking the opportunity to highlight the performance of your business in 2017 I'd also like to briefly outline the plans we are implementing to build a unique business for today and tomorrow. You will hear that our radio business, ARN, is performing well and still has growth in its core business. Our outdoor business, Adshel, is pioneering digital expansion in Australia and New Zealand and launching new opportunities for growth.

Owning and operating Adshel and ARN together is starting to yield revenue opportunities and creating added benefits for the group. We remain focused on maximizing the performance of our core business while investing in the digital futures and we believe we have the right approach to create new opportunities for HT&E in a world increasingly dominated by digital content consumption and distribution.

Looking back firstly at our 2017 results. On a group basis pro forma and revenue increased 3% while EBITDA was up 1% to \$118 million, driven by strong Adshel performance mainly offset by the impact of establishing Cody's tram contract, Club Roar and eSports and the first half decline of radio. The statutory results were materially impacted by full year ownership of Adshel with more than 90% of revenue, costs and EBITDA growth related to the full year impact of acquiring 100%.

Hong Kong had a tough year but after restructuring the portfolio and helped by better market conditions we are on track to breakeven in 2018. A noncash impairment of \$163 million was taken in 2017 after the noncash value uplift of \$220 million in 2016. Underlying EPS for the group in '17 was \$0.139 and a final dividend of \$0.04 per share was declared in February after payment of \$0.03 interim dividend in August.

In terms of net debt our balance sheet is very strong with leverage just under 1x EBITDA and interest cover of nearly 15x. The debt facility matures in July '19 and we will be refinancing at some stage this year. We maintain more than \$200 million in undrawn limits which as the chairman states is sufficient to cover immediate group requirements as well as the potential tax dispute costs. After a challenging first half ARN finished the year strongly regained the #1 ratings position and ended the year as the #1 metropolitan network in the country. Revenue performance reflected these improved ratings which in the second half grew 5% compared to a market up to. This resulted in full year revenue down only \$1.4 million compared to nearly \$7 million in the first half.

Agency revenue in particular was very strong, up nearly 10% in H2 as the benefits of the commercial restructure and improved ratings started to take effect. Operating costs were 15% lower year-on-year due to aggressive cost-outs particularly in marketing which was down 25% in the year and as a result of the media reform package passed license fees are now permanently eliminated cut with an annualized benefit of about \$4 million a year.

Full year EBITDA decline therefore was limited to \$2.3 million to \$83 million and very strong margins maintained at 38%. Radio is a fantastic business that maintains and is a growth platform. It continues to prove itself a robust and resilient medium. Audience numbers grow year-on-year and that's because the live, local and free content provided by well-known personalities makes spots between the songs much more important than the songs themselves. And radio is flourishing in a digital environment by extending content across new platforms web, mobile, social and increasingly video to engage audiences longer and drive new commercial opportunities.

Radio works for advertisers and has consistently been about 8% of overall advertising in Australia for many years because it delivers exceptional return on investments for advertisers. And within this great industry ARN is the leading metropolitan network in the country, generates over \$80 million in EBITDA, nearly double what it was 5 years ago with high margins and a cash conversion in excess of 95%. Our audiences are growing with survey 8 ratings in 2017 being the highest network share figures ever achieved and that momentum is continuing in 2018.

KIIS is the #1 brand in the country and the good news is that we believe there is still growth to come. We made a number of on-air changes at the beginning of the year in line with our strategy of recruiting and retaining the best talent in this country and beyond. In particular we were looking to strengthen the performance of our Melbourne stations, a market that is the same value as Sydney but where our audience and revenue share lags behind the success we have in Sydney.

Jase & PJ on breakfast on KIIS 101.1 deliver a clear point of difference in a competitive market and we are very pleased with how they have started the year and are working hard to realize their potential. Across the drive network we dictated the changes and took the opportunity to invest in Will & Woody providing security of tenure for at least 3 years. The drive thought is attractive to advertisers and we are seeing increased briefing activity because of the content integration ideas that Will & Woody provide us.

Christian O'Connell on GOLD starts on June 4 and is a great recruitment for us presenting a real opportunity to lead in the Melbourne market. Christian is best known for his work in the U.K. where he has the #1 breakfast show and we believe his unique broadcasting ability will resonate well in that market.

ARN is also making good progress positioning itself as the leading audio entertainment business in Australia. Our strategy is simple and clear, to support the transition of ARN's audiences and revenues in a digital audio world, to build our data capability into a single customer view and to create and acquire audio content that grows new audiences. Our digital platform, iHeartRadio, is beginning to reach a meaningful scale of audience and usage with 1.6 million app downloads, over 1 million registered users, over 3 million hours streamed in April and 370,000 monthly active users. We have the largest and growing podcast library in Australia. And at the end of 2017 commenced the monetization of our iHeartRadio audiences through our ability to insert digital audio ads.

Revenue is not yet meaningful but we do see this increasing over the years as more and more audiences transfer to our digital platform. Turning to Adshel, still the largest street furniture network in Australia and New Zealand with over 16,000 panels both static and digital. Operating in an out-of-home market that continue to deliver growth in 2017 with the Australian outdoor industry up 6% and New Zealand up 18%. Revenue was up 7.5% to \$220 million despite the Yarra Trams contract loss towards the end of the year and importantly digital revenue growth of 23% was not at the expense of static which was down only \$1.2 million year-on-year.

Overall cost growth was 6% year-on-year delivering EBITDA of \$51 million, a solid growth of 11% but disappointingly short of the \$54 million target we were going to hit before the 3rd of October. As highlighted in our February results we are strengthening in our view that the \$15 million EBITDA impact announced last

October is worst-case scenario as trading so far in 2018 is not having as big an impact on our network revenue as was told.

When we launched Adshel Live in 2015 it was the world's first national digital street furniture network with 270 digital screens deployed across Australia's 5 metro cities. In 2016 we delivered a further 117 screens. In 2017 we grew that to 415 screens offering packages designed to provide flexibility at scale. The setback of the Yarra Trams in late 2017 was quickly addressed by management who have regrouped effectively to obtain the right approvals from partners and authorities and to quickly reestablish the national digital network with 41 digital screens up and running in Victoria since April.

2018 will see us continue to extend the Adshel Live network with a further 200 screens being deployed across key metro areas. There have been some untruths spoken about Adshel in recent times particularly about its presence in Melbourne and I would like to address -- I'd like to take the opportunity to address this today. From April 1st we took over the running of the metro trains contract creating a new state of over 150 screens. These screens are located at key Melbourne CBD and inner-city railway stations including Flinders Street, Melbourne Central, Richmond, Parliament and South Yarra and reach and connect with over 4.3 million commuters each week. We are transforming this network to deliver screens that are bigger and offer fully animated contextually relevant advertising with these full motion sites being 2.5x more effective in a rail environment. And when combined with our Sydney trains contract which we recently extended our Adshel rail package delivers a new way to engage with over 14 million commuters each week. Our sale teams are actively in market selling these very attractive bundles to our clients. So as you can from the slide the addition of network value to the existing Adshel network means we are (inaudible) road, rail and [711]. And we are also delighted that our public transport Victoria contract was recently extended further strengthening our position.

There is also a lot of speculation about Adshel and its contract maturity profile. We don't talk about specific contracts but let me say this. Adshel has a very disciplined approach to landlord management and contract renewal and we have a team dedicated to this very activity. Since we have lost Yarra Trams we have either retained, won or in the process of renewing more than 80% of Adshel's existing 2018 contracts. The balance are either awaiting decisions or subject to tender. No contracts have been lost. In 2019 we have 1 material contract renewal Brisbane City Council with just 9 other contracts up for renewal that collectively represent less than 3% of group revenue. After that only 2 of 24 contracts to be renewed until 2023 represent more than 1% of group revenue.

The future of street furniture is more than just about rolling out digital screens, in fact it is just the beginning for Adshel as we pioneer how digital is bought and sold in the outdoor market. We are leading with investments in technology platforms and data that enable us to transition to a new sales approach. 2 weeks ago Adshel launched TDL, time, day, location, across the entire Adshel live network, a first in Australian out-of-home. This means that we now offer advertisers the ability to buy outdoor in a tactical way and digital outdoor in a tactical way, through targeted and automated systems so that particular audiences can be reached at particular times of day on particular days of the week or in a specific location. This precise targeting capability comes at a price and we are charging a premium on top of the premium we are charging for digital screens.

Feedback from agencies and clients has so far has been extremely encouraging with many complimenting us being at the forefront of innovation and campaigns are already being signed up. In fact we think it's so good that we actually got a video made.

(presentation)

CIARAN DAVIS: Now, the launch of this milestone is also important as we seek to drive new revenue opportunities for Adshel and ARN to work together delivering above-market commercial growth. Since taking full ownership of Adshel we have proved the relationship between radio and outdoor and the benefits of partnership with HT&E. To-date we have written over \$7 million in new money to ARN with Adshel, money that would not have materialized had we not had 100% ownership.

Good progress has been made with advertising agencies and clients regarding the strength of our away-from-home asset, our story is resonating. At a time when free-to-air television continues to decline with time spent viewing down 8% in 2017, remarkably TV spend remained flat over that period. We content that somewhere between 10% and 20% of that spend is not delivering results for clients and that is the advertising revenue that we seek to exploit, why, because consumers when out and about are 2.5x more alert and more engaged and receptive to advertising than when in the home.

We have conducted numerous case studies to prove our credentials, delivering outstanding advertising results. For instance within the automotive category a combined ARN Adshel campaign delivered 175% greater brand impact per dollar spent than TV. Toyota, the client has booked another campaign as a result. In banking HT&Es campaign was three times more cost effective, and again on the foot of this success the

client has rebooked. And critically, in the FMCG category in a campaign where no TV was used HT&E played a significant role in driving exceptional 12% increase in purchase consideration for a major grocery brand.

And now, thanks to TDL, we are developing off-the-shelf products that can be sold by our sales teams. While time, day, location trading is new to Adshel, it's how radio has been sold for ever, and our ARN sales teams are experts in this area. A combined ARN Adshel package allowing our clients to buy anytime anywhere and benefit from the proven synergistic effects of radio and outdoor will soon be available in market.

Aside from advertising dollars other key synergies of joint ownership relate to funding with ARN cash flow funding the Adshel digital investment phase, cross promotion of content, the sharing of sales and market intel to mutual benefits, and ARN is also a prolific advertiser of Adshel inventory because it works, first of all, and secures this at favorable rates and speed of posting. For instance, last Tuesday when 97.3 went back to #1 in the Brisbane market, we ran extensive awareness campaigns that were up and running that day.

Finally, before I finish I'd like to talk to you briefly about our strategy and vision for the future. Media consumption is evolving, every media business is looking for answers as to where the future lies and where future shareholder value can be realized. In a world that will be dominated by digital content we HT&E need to become more relevant across a broad spectrum of digital platforms.

As the Chairman outlined earlier, HT&E has successfully restructured itself by eliminating the exposure to traditional newspapers and focusing on the growth areas of away-from-home assets in radio and outdoor. We are committed to delivering maximum performance in these assets while investing in their digital futures by investments in things like iHeartRadio and Adshel Live.

We are also making small early investments in new technologies and platforms, and I'd like to show you how these fits with our overall growth plans. Firstly, in the area of eSports, and for those of you that don't know eSports is people watching people play video games, it is predicted to be in the top five most watched sports in the next 10 years. It will be in the Asian Games in 2022 and possibly the Olympic Games.

Let me give you some further stats. Already the global audience for eSports is over 380 million people. Global eSports revenue will reach over 900 people in 2018, Twitch owned by Amazon and the digital broadcast channel of choice for eSports with an audience of over 100 million people monthly recently paid \$90 million to stream the Overwatch series. Entry into eSports leagues in the U.S. is going for \$20 million plus, and in the first 3 months of 2018 \$2 billion has already been invested in the area.

Last year we announced our intention to launch an eSports business in Australia investing up to \$10 million over 3 years with the intention of becoming the premier eSports business in Australia. To-date we have made good progress and are delivering on our plans having signed an extensive partnership agreement with HOYTS to build a dedicated state-of-the-art eSports arena in Sydney, the first of its kind with future digital -- with future growth opportunities. Dell has come onboard as presenting partner, Logitech are sponsors of our professional series and there are further sponsorship opportunities to come.

Twitch, who I mentioned earlier, have signed up as exclusive digital broadcaster and Channel 10 will run a live broadcast over 7 weeks of our competition. We announced 6 city-based clubs that will partake in our league, realizing our ambition to make Gfinity Australia the first city-based franchise league for eSports in the country, and we are building a highly engaged digital audience across social media and have already run a successful tournament for FIFA, the world body for soccer in advance of the World Cup in Russia.

Revenue streams from eSports come from broadcasting rights, franchise owners with in-stream advertising in demand as eSports viewers tend to be younger, predominately male a demographic that advertisers and sporting bodies all over the world are finding it hard to reach. And the best part, we already have over \$10 million in commitments and the competition hasn't even started.

We're also excited by a new business we will launch later this year, bringing together brands we already own to create a unique media business of the future. Brands like The Roar, Techly, Lost At E Minor, The Edge radio station, Unbound, our virtual reality and augmented business and others all focused on the millennial market will distribute content seamlessly across multiple channels like mobile, radio, virtual and augmented reality, social video events and many more.

Now rather than me trying to explain what it is let me show you how the millennial audience consumes media today and the investments that we're making to hit them and make sure we're targeting them.

(presentation)

CIARAN DAVIS: Generation E Media will become a one-stop media powerhouse with all our digital assets under one roof. Remember, we already own these businesses that generate over \$8 million in revenues. But what we are doing is ensuring that we are delivering more and better-aligned consumer experiences, helping

us to further reach and grow our brands whilst introducing more opportunities for our advertising and commercial partners.

In terms of a trading update. Trading continues -- sorry, let me start again. I was on the -- off on the page. Trading conditions remain consistent with the updates released on the 15th of February and the 11th of April. At Adshel the launch of MTM and the reinstatement of the National Live Network from early May has seen an improvement in Australian bookings in recent weeks.

Q2 visibility is good. And after adjusting for \$6 million of Yarra Trams' revenue in Q2 '17, bookings are in line with last year. Costs will be approximately 7% to 8% lower than prior year in Q2. At ARN, after a strong finishing Q1, current market conditions indicates ARN H1 revenue growth is now tracking ahead of prior year by 6% to 7%.

Growth cost remains slightly ahead of revenue. On this basis if future market conditions continue H1 EBITDA is expected to be ahead of pro forma prior year by approximately 5% to 6%. Assuming current market conditions continue we remain confident the company will achieve and may exceed current analyst 2018 EBITDA consensus estimates of between \$113 million and \$114 million.

Ladies and gentlemen, shareholders, thank you for your time this morning. Before closing I want to make special reference to our staff who work for your business and your company. We have over 1,000 talented people who help create what you have seen today. I want to thank them sincerely for their ongoing efforts, ambition, commitment and desire to do the best they can day-in day-out. Thank you.

PETER MAXWELL COSGROVE: Thank you, Ciaran. And before we start with the formal part of the meeting I wish to explain the voting arrangements. When you came in and registered you were handed either a yellow card or if you have already lodged your proxy, a red card, or if you are a visitor a blue card. Only those people holding yellow or red cards can ask questions of the meeting and only those holding yellow cards can vote at the resolutions. As Chairman I propose to take a poll today on all resolutions, which I now declare open.

As we move through the items of business I will ask you to mark your yellow card and have it ready for a poll vote. I will run through the voting procedures later in the meeting. I've appointed Sumit Singh from Link Market Services as the returning officer for today, today's meeting. Only shareholders and the representative proxies or attorneys are entitled to vote. If you believe you're entitled to vote but have not been given a yellow card, please see one of the registration staff immediately.

The purpose of this meeting is to discuss the matters of business as set out in the notice of the meeting. Please raise your yellow or red card if you have a question. You will then be invited to speak at one of the microphones. Please introduce yourself and advise whether you are a shareholder or a proxy holder.

I'd also ask you to keep your questions relevant to the items of business on hand, that way we'll ensure an efficient meeting and be able to answer any questions you may have. I will now move to the matters of formal business as set out in the notice of meeting.

Item one, I tabled before the meeting the financial report, the directors' report, and independent auditor's report for the year ending 31 December 2017 for consideration, and invite any questions or comment that you may have on these reports or on company management.

As previously mentioned, the auditor of the company is in attendance and can answer any questions you may have about the conduct of the audit, the preparation and content of the independent auditor's report, the accounting policies adopted by the company and the independence of the auditor. So ladies and gentleman, do we have any questions? Okay, no -- sorry, yes?

UNIDENTIFIED PARTICIPANT: (inaudible).

PETER MAXWELL COSGROVE: Just hang on one second. We'll get you a microphone.

UNIDENTIFIED PARTICIPANT: The Chief Executive Officer referred to the increase in revenue from 2017 to '18 and cast a positive light on that. Given the increase or the rate of increase of Australia's population if -- is that being factored into the way in which you look at those improvement in revenue over that period because that population increase has been very significant.

PETER MAXWELL COSGROVE: Do you want to answer that?

CIARAN DAVIS: Yes, sure. I think from a radio perspective the -- what we look at is obviously the growing number of audiences year-on-year which is, are growing but not as high rate on population is. And from an Adshel perspective we don't look at population, we look at it from purely the number of digital assets in particular that we're rolling out and the more people we can reach as a result of that. So obviously population growth is something that we look at. I think the changing demographic on the younger profile of audiences is

something that we consider quite strongly. As you would have seen from the end the presentation there, that millennium market is growing in importance both in spending power, in overall influence in terms of purchasing decisions and we've got to position our business to be ready to make sure that we are, capture a large part of that millennial audience.

PETER MAXWELL COSGROVE: Thank you.

UNIDENTIFIED SHAREHOLDER: Good morning. My name is [Darius Betscheck], shareholder. I've been a shareholder for a long time, I think around 12 years. So I've seen a lot of changes in this company. I just have a question on Page 120 of your annual report. We have 5 years of financial data. And when I'm looking at the market price per share did we have a consolidation somewhere around 2015 and '16 because the price went up from \$0.53 to \$2.84?

CIARAN DAVIS: Yes, there was a 7:1 consolidation.

UNIDENTIFIED SHAREHOLDER: Right, yes, I think that's my understanding as well. But I think there should be a note about that in below here which I don't see.

CIARAN DAVIS: Is there one in there, Jeff?

UNIDENTIFIED SHAREHOLDER: It was somewhere else.

PETER MAXWELL COSGROVE: Thank you. No, good point. We'll put a note on there for --

UNIDENTIFIED SHAREHOLDER: Thank you. Great. And just because I was shareholder just since before GFC, does anyone now could remind me what was the market cap of APN in 2007?

PETER MAXWELL COSGROVE: In 2007.

UNIDENTIFIED SHAREHOLDER: I'm sorry I'm going that far.

PETER MAXWELL COSGROVE: Could I answer that after the meeting or --

UNIDENTIFIED SHAREHOLDER: Okay, that's fair.

PETER MAXWELL COSGROVE: Don't have that that far back. Do you have it, Jeff?

UNIDENTIFIED SHAREHOLDER: But it was in billion something.

JEFFREY PETER HOWARD, CFO, HT&E LIMITED: It was the height of the newspaper boom. The market capital of the company was in \$3 billion territory, I think. But this is in the times when newspapers in New Zealand were making in excess of under \$100 million EBITDA and the newspapers in Queensland were making -- in excess of \$100 million of EBITDA, and that has obviously radically changed since the GFC.

PETER MAXWELL COSGROVE: We were a big newspaper company at that time.

UNIDENTIFIED SHAREHOLDER: Yes, of course, yes. Yes, I know it's not -- it was a general situation in media, it's not only APN. It was Fairfax, Star as well. So but I just want to have a -- it's great that you are giving us 5 year financial history and I just want to have the overall perspective of the company the way it was going for long time. Thank you.

PETER MAXWELL COSGROVE: Thank you.

UNIDENTIFIED SHAREHOLDER: [Nole Leevey] is the name, shareholder. I just have a question relating to the recent approach by some company to buy the Adshel business. Are you still involved with them or are they still in the market for us, and are there any other companies that are interested?

PETER MAXWELL COSGROVE: Thank you, Nole. As I said in my address there we have appointed advisors, and that would give you an indication that we take it very seriously. We will and obviously engage with any proposal that offers compelling value for shareholders on the company or any asset. So public company is here, that's as much as I can say. But I think you can take it that with the appointment of advisors we're taking it very seriously.

Okay. So we now move on to the election and reelection of directors. Resolution 2A, the election of Robert Kaye as a director, to consider and if thought fit pass the following resolution as an ordinary resolution, that Robert Kaye, a director appointed to the board since the last Annual General Meeting and being eligible for election be elected as a Director of the company. I now invite questions or comments on this resolution.

Thank you. If there are no further or no questions in relation to this resolution we'll move to voting on this resolution. As explained earlier, the poll is already open and the resolution has been put before the meeting. I advise that proxies received on this resolution are shown on your screen. If you are a proxy holder, please ensure that you vote in accordance with any direction given by the shareholder that appointed you. And please mark your yellow card for Resolution 2A.

As the next resolution involves my reelection as a Director of the company I will now step aside and invite Paul Connolly to take the chair for this resolution. Paul?

PAUL CONNOLLY: Good morning. Thank you, Peter. Resolution to be reelection of Peter Cosgrove as a director. To consider and -- if thought fit pass the following as an ordinary resolution, Peter Cosgrove who retires as a Director by rotation under the constitution and the ASX listing rules and being eligible for reelection be reelected as a director of the company. I now invite questions or comments on this resolution.

As there are no questions in relation to this resolution we will move to the voting on this resolution. I advise that proxies received in this resolution is shown on the screen behind me. Please mark your yellow card for Resolution 2B. I now pass the chair back to Peter Cosgrove.

PETER MAXWELL COSGROVE: Thank you, Paul. We now move on to the adoption of the remuneration report. The remuneration report can be found on pages 29 to 44 of the annual report. So to consider and if thought fit pass the following as an ordinary resolution that the company's remuneration report for the year ended 31 December '17 be adopted. I note that this resolution is advisory only and does not bind the directors of the company. I now invite questions or comments on this resolution.

Okay. We will now move to voting on this resolution. In accordance with the Corporations Act no person nominated as key management personnel in the 2017 annual report or their closely related parties as defined in the Corporations Act will vote on this resolution. I advise that proxies received on this resolution are shown on the screen. Please mark your yellow card for Resolution 3.

Item 4. We now move to the grant of deferred rights to the Managing Director and CEO, Ciaran Davis. You are being asked to vote on a resolution granting Ciaran deferred rights to acquire shares in the company under the financial year '17 total incentive plan. Under this plan eligible executives receive an annual incentive award to be delivered in the form of deferred rights to acquire shares. The company has determined that no cash payment be made relating to financial year '17 performance. These deferred rights will be clawed back if the company does not achieve target performance thresholds in 2018. If target performance thresholds are met, deferred rights will vest and convert into shares which will then be subject to a 2-year trading restriction. Further details of course can be found in the remuneration report.

It is currently intend that shares will be acquired on market for any of Ciaran's vested deferred rights. Shareholder approval is therefore not required under the ASX listing rules, however it is being sought as a matter of good governance and transparency as well as to provide the flexibility for shares to be issued by the company. To consider and if thought fit pass the following resolution as an ordinary resolution. That for the purpose of ASX listing rule 10.14 and for all other purposes approval will be given to issue of 66,255 deferred rights to Ciaran Davis, CEO and Management Director, in relation to the company's financial year '17 total incentive plan award on the terms summarized in the explanatory notes.

I now invite any questions or comments on this resolution.

Nole, yes.

UNIDENTIFIED SHAREHOLDER: Just reading this information in the notice of meeting and what's the -- what does the chief executive have to achieve to actually get it, is it just remain employed for a year?

PETER MAXWELL COSGROVE: Thank you, Nole. Peter, your last meeting, Chair of Remuneration Committee, would you like to respond to that? Just use your microphone if you don't mind.

PETER DAMIEN CULLINANE, FORMER NON-EXECUTIVE DIRECTOR, HT&E LIMITED: Certainly, so the question relates to -- could you repeat the question for me? Sorry.

UNIDENTIFIED SHAREHOLDER: You weren't listening?

PETER DAMIEN CULLINANE: I was listening but I think what you said was?

UNIDENTIFIED SHAREHOLDER: (inaudible).

PETER DAMIEN CULLINANE: I think what you said was are these rights simply given because Ciaran has been here for a year.

UNIDENTIFIED SHAREHOLDER: Well that's more if he stays for another year, is that all he has to achieve to actually have these rights of assets?

PETER DAMIEN CULLINANE: No, the rights are granted under Ciaran's employment terms and part of his overall new remuneration agreement. And I think that this year in particular we have been very strict on how we've assessed any payments. And this is part of that assessment. So you've certainly done more than simply lasted the course.

UNIDENTIFIED SHAREHOLDER: But does he have to achieve any sort of thresholds or something in different areas to actually have these rights vest?

PETER DAMIEN CULLINANE: Yes.

UNIDENTIFIED SHAREHOLDER: And what are they?

PETER DAMIEN CULLINANE: Yes, you do.

UNIDENTIFIED SHAREHOLDER: They're not mentioned on this notice of meeting, I couldn't find anything. The only thing that I could pick up there was that he had to remain employed for over 12 months --

PETER DAMIEN CULLINANE: They were part of the demerger rights when APN and NZME demerged. So 75% were vested when -- I'm just reading the full explanation when we exceeded the adjusted pretax EPS targets, which we did, that equated to 93,000 rights and none of those CSR rights were vested therefore 31,000 rights lapsed. So the aim to ensure participants were economically disadvantaged for the demerger of NZME in 2016, the number of vested actually in the long-term incentive rights were adjusted upwards in accordance to the plan rules rather than satisfying the vesting outcome with both HT&E (inaudible) share. So in other words he was owed and that's part of the 2016 plan. Shares in both APN and NZME, and we adjusted them back to HT&E shares.

UNIDENTIFIED SHAREHOLDER: You've confused me. Thank you.

CIARAN DAVIS: And now can I --

PETER MAXWELL COSGROVE: Yes, okay.

CIARAN DAVIS: Can I just offer there. In terms of these particular rights, Nole, it's -- they won't be paid if we don't hit targets, which is EBITDA this year, so they won't be paid. And then under the normal rules of the TIP scheme all shares for this year are divided into 25% for return on capital investment, 25% EPS, 25% on EBITDA performance and 25% KPI. But in relation to these specific shares it's actually achievement of EBITDA for the year.

UNIDENTIFIED SHAREHOLDER: But it doesn't mention that here, in the notice of meeting, I couldn't find it anyway. The only thing I could find was that you had to stay employed for the year, and I was thinking what's the point there (inaudible) in the fixed annual remuneration.

PETER MAXWELL COSGROVE: Well, no, fair point, no, the -- what we have is a 4-year scheme. One year is performance, one year then divest and then a 2-year lock, so it is a 4-year scheme. But to your point this is a grant for his past performance. It's not a grant for a future performance, so this is under the 17 scheme, that's what this grant is for. But we have put a clawback that if we don't hit the budgets this year on the targets they won't vest. Thank you.

Any other questions? If there are no further questions then we will move to voting on this resolution. In accordance with ASX listing rules any vote cast by or on behalf of Ciaran Davis and any of his associates as defined in the Corporations Act regardless of the capacity in which the votes are cast will be disregarded on this resolution. I advise that proxy received on this resolution are shown on the screen behind me. So please mark your yellow card for Resolution 4. As this is the last resolution for the meeting please ensure you've marked all four resolution on your yellow card.

A member of Link's staff will now collect the yellow cards from you. You might maybe hold them up in the air to, make it a little hard, sorry. Any more yellow cards out there? There's two more I can see. All in. Everybody thank you. As there are no outstanding cards I now declare the poll closed.

After the votes have been counted and reviewed the results of the poll will be released to the ASX and will be available on the company's website. And that of course completes the formal matters. I'd like to thank you for attending today's meeting. As there is no further business I declare the meeting closed. Please join us for some refreshments at the back of the room here. Thank you very much.

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