

November 8, 2017

## **CHAIRMAN'S ADDRESS**

Good morning ladies and gentlemen. On behalf of the GTN Board, I would like to welcome you here to our 2017 Annual General Meeting.

I would also like to take this opportunity to pay special tribute to our late Chairman Gary Miles, who passed away earlier this year. Gary served the company with energy and pride, always focused on protecting shareholder interests, and guiding the Executive team.

It was a real privilege for me to have been invited to Chair the Board of GTN. It is a great company and I'm optimistic about its future. I'll ensure we maintain a strong focus on protecting shareholder interests, improving intrinsic shareholder value, and always maintaining ethical behaviour.

We are joined today by GTN's Senior Executives, including the Founder and CEO Bill Yde. I welcome them and, on your behalf, thank them for their efforts during the year.

As you'd be aware from the Notice of Meeting, there are three items of business to be discussed when we move into the formal part of the meeting.

But before that I'll make some general observations about the last 12 months and then Bill Yde will provide us with an update and business outlook. I will then return to open the formal proceedings.

I'll discuss business performance of US and Non-US operations separately.

### **NON USA OPERATIONS**

The Non-US operations continued to generate substantial free cash flow and our balance sheet is conservatively geared. The continued strong performance is largely due to the fact that Bill and the team have a great ability to take a simple business idea, and take it seriously.

The past fiscal year was once again one of impressive growth for the company. We are pleased to report that we exceeded our prospectus forecast for Revenue, EBITDA, Adjusted EBITDA, NPAT and NPATA, excluding our acquisition of Radiate which was not included in the prospectus forecast.

These financial measures were also well ahead of both pro forma and statutory FY2016 results. This performance would not have been possible without the efforts of our local management teams and employees in Australia, Brazil, Canada and the United Kingdom.

We have over 200 employees worldwide (excluding the US), many of them have been with us for over ten years. In an industry that is often marked by the transience of its employees, this remarkable loyalty gives us a competitive advantage.

## USA OPERATIONS

The key to long-term business success is evolution – at GTN this generally means finding better ways to do business and new regions to offer traffic and advertising services.

In this regard it is instructive to look back to 10 years ago. At that time, Australia contributed nearly all of the Group's revenue and 100 percent of the Group's EBITDA. Today, the Australian business remains strong and continues to increase advertising revenue, however the UK, Brazil and Canada now contribute 45% to non US Revenue.

Continuous adaptation and geographic expansion have helped GTN provide superior shareholder returns over the long-term.

We completed our acquisition of Radiate Media in December 2016 which was rebranded as the United States Traffic Network. Entering any new country is always challenging – and there are many examples of Australian companies which have tried and failed – but this investment was only made after a very extensive analysis of the business, the market and the prospects.

Since the acquisition we have added a number of radio station groups to the network, including approximately 115 from CBS Radio, the second largest radio group in both audience and revenue in the United States.

Our current weekly radio audience in the United States is approximately 164 million people broadcast over more than one thousand stations, which is larger than the combined audience of our networks in Australia, Brazil, Canada and United Kingdom.

We have restructured the sales team, which now has more than 50 people. Our current focus is on training the team to effectively monetise the very large consolidated US audience.

One thing shareholders should be very clear about is that this is a long-term investment. It will take years to get USTN up to Bill's high and exacting standards; but we are not daunted by that.

The Board is currently reviewing options to ensure the USTN has access to sufficient capital required to grow into profitability; ensuring the future growth of the business in a way that optimises intrinsic value for all shareholders. We believe that properly funding the United States opportunity is still the best use of capital for the company.

Finally, I'd like to pay tribute to our Executives and Board. The team, led so ably by Bill Yde, is talented, objective and determined. To effectively run a company spread over four continents is a significant undertaking. We are very fortunate to have an executive team that is both highly dedicated and vastly experienced. They have an average of 20 years each in the network traffic business.

Bill Yde is an excellent leader, guided by the principles of preparation and hard work. He has patiently built a company with clear incentives and simple business structures. The Board remains confident in his ability to drive growth in the US while running a solid business in Australia and other markets.

The Board has, in my view, a good balance of experience and the skills required for strong governance. We would like to increase the size of the Board and are currently considering an additional Non-Executive Director with direct experience in the US radio market.

Most importantly, thank you to our shareholders, for your ongoing support. It is very much appreciated. You have been supportive of the direction of the company and we never lose sight that you are the owners of GTN.

I would now like to introduce our CEO Bill Yde who will provide an update on each of the Group's divisions.

After Bill has spoken and we've worked through the meeting agenda there'll be time for questions.

Please now welcome Chief Executive Officer of GTN, Mr. Bill Yde.