



18 December 2019

GTN 1H20 EARNINGS AND TRADING UPDATE

GTN Limited (**ASX: GTN**) today advises it expects ¹Adjusted EBITDA for the half-year ended 31 December 2019 will be in the range of ²\$17 million-\$18 million, compared to \$22.3 million in the previous corresponding period.

GTN expects Group revenue will be in the range of ²\$94 million to \$95 million, compared to \$94.4 million for the half-year ending 31 December 2018. Revenue has been stronger during the second quarter of fiscal 2020 compared to the first fiscal quarter of this year which posted a 4.9% decline compared to first quarter fiscal 2019. Revenue for the half-year is expected to increase in all the Company's markets outside of Australia. While Australia revenue is anticipated to decrease for the half-year period, Australia revenue is expected to increase for the second quarter of fiscal 2020 compared to last year, which is a significant improvement over the 13.8% decline in the first quarter of fiscal 2020. Fiscal 2019 first quarter revenue was the highest first quarter revenue ever achieved by the Australia operations which, combined with a down radio advertising market in Australia, led to a difficult comparison for the current year fiscal first quarter.

Expenses are expected to increase for 1H FY2020 compared to 1H FY2019 due to higher station compensation, including the impact of a full period of Rogers station compensation in Toronto, additional costs related to the expansion of our sales staff as well as our continued expansion in Brazil, including the opening of the Curitiba market in October 2019.

Absent a material deviation from the above forecast, the Company does not plan to update its guidance prior to the release of its Appendix 4D/Results for Announcement to the Market.

¹ **Adjusted EBITDA** is EBITDA adjusted to include the non-cash interest income arising from the long-term prepaid Southern Cross Austereo Affiliate Contract and excludes foreign exchange gains or losses and transaction costs.

² These forecasts are subject to a number of factors including, but not limited to, ultimate foreign exchange rates for the period, final December 2019 revenue and expenses, and completion of the half-year review.

Trading Window Changes

The Company has revised its internal trading policies to allow for insiders (including the Company's on-market share buyback) to trade in the Company's stock up to the last day of its financial period (i.e. 31 December and 30 June). Previously, the trading window closed six weeks prior to the close of the financial period. The rest of the Share Trading policy remains unchanged.

The Board also reaffirms it intends to re-start the share buyback once the current black-out period is lifted following this release. The Company has in excess of \$18.7 million remaining under its current share buyback authorization up to a maximum of an additional 21.4 million shares.

Balance Sheet and Capital Management

The Company continues to maintain a strong balance sheet and generate positive cash flow. As of 30 November 2019, the Company's cash balances were \$47.8 million.

The Board of Directors reaffirms the current dividend policy of an annual dividend of 70%-90% of NPAT with the total dividend weighted toward the final dividend and paying approximately 50% of half-year NPAT as an interim dividend, in order to maximize the available franking credits.

Conference Call

GTN will host an investor briefing regarding the market update at 9:00 a.m. Australian Eastern Daylight Savings time today.

Conference ID Code: 1129789

Dial-in numbers:

Australia (toll free): 1800 123 296

Australia (toll): +61 2 8038 5221

New Zealand: 0800 452 782

Hong Kong: 30082034

Singapore: 800 616 2288

Conference Call Replay

The conference call will be archived following the call. It will be available to be heard at <http://openbriefing.com.au/CompanyProfile.aspx/466414>.

For further enquiries please contact:

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Announcement authorised by:

Board of Directors

This document contains forward-looking statements, including the Company's expectations about the performance of its business. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believe", "estimate", "plan", "project", "anticipate", "expect", "intend", "likely", "may", "will", "could" or "should" or, in each case, their negative or other variations or other similar expressions, or by discussions of strategy, plans, objectives, targets, goals, future events or intentions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements are not a guarantee of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company and which may cause actual results to differ materially from those expressed or implied in such statements. Readers are cautioned not to place undue reliance on any forward-looking statements. Actual results or performance may vary from those expressed in, or implied by, any forward-looking statements. Past performance is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements. The Company does not undertake to update any forward-looking statements contained in this document, to the maximum extent permitted by law.