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UNITED STATES

ASX RELEASE

Wednesday, 15 April 2020

Retail Entitlement Offer Notification to Ineligible Retail Shareholders

Southern Cross Media Group Limited (ASX: SXL) (SCA) will today dispatch the attached letter to ineligible retail shareholders in relation to the retail component of its accelerated non-renounceable pro-rata entitlement offer of fully paid ordinary shares in SCA, details of which were announced to ASX on Monday, 6 April 2020 (**Retail Entitlement Offer**).

Further information

If you have any questions in respect of the Retail Entitlement Offer, please call the SCA Offer Information Line on 1300 069 341 (within Australia) or +61 3 9415 4282 (outside Australia) from 8:30am to 5:30pm (Sydney time) Monday to Friday during the Retail Entitlement Offer period, or consult your stockbroker, accountant, financial or other professional advisor.

Approved for release by SCA's board of directors.

For further information, please contact:

Southern Cross Media Group Limited

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About Southern Cross Austereo

Southern Cross Austereo (SCA) is one of Australia's leading media companies reaching more than 95% of the Australian population through its radio, television and digital assets. Under the Triple M and Hit network brands, SCA owns 98 stations across FM, AM and DAB+ radio. SCA provides national sales representation for 23 other regional radio stations. SCA broadcasts 92 free to air TV signals across regional Australia, reaching 4.4 million people a week, with Nine Network programming and advertising representation across Australia's East Coast, Seven Network programming in Tasmania and Darwin, and Seven, Nine and Ten programming in Spencer Gulf. SCA operates Australia's leading premium podcasting network - PodcastOne Australia – and provides Australian sales representation for global open audio platform SoundCloud. SCA's premium brands are supported by social media, live events, video, online and mobile assets that deliver national and local entertainment and news content. <https://www.southerncrossaustereo.com.au/>

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15 April 2020

SXL

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Dear shareholder

Southern Cross Media Group Limited Entitlement Offer Notification to Ineligible Retail Shareholders

On Monday, 6 April 2020, Southern Cross Media Group Limited (ASX: SXL) (**SCA** or the **Company**) announced a fully underwritten¹ accelerated non-renounceable pro-rata entitlement offer to eligible shareholders to subscribe for 1.75 new fully paid ordinary shares in SCA (**New Shares**) for every 1 existing fully paid ordinary share in SCA (**Shares**) held as at 7.00pm (Sydney time) on the record date (being, Wednesday, 8 April 2020 (**Record Date**)) at an issue price of \$0.09 per New Share (**Issue Price**) to raise approximately \$121 million (**Entitlement Offer**).²

SCA also announced a fully underwritten¹ placement of New Shares to institutional and sophisticated investors at the Issue Price per New Share to raise approximately \$47.5 million (before costs) (**Placement**) which occurred concurrently with the institutional component of the Entitlement Offer. The Placement and Entitlement Offer (together, the **Equity Raising**) is expected to raise approximately \$169 million (before costs).³

The proceeds of the Equity Raising will be used to reduce net debt, and to fund the costs of the Equity Raising.

In conducting the Placement, SCA has relied on the class waiver decision "Temporary Extra Placement Capacity" issued by the Australian Securities Exchange (**ASX**) on 31 March 2020 which lifts the limit on the number of New Shares that SCA can issue without obtaining prior shareholder approval pursuant to ASX Listing Rule 7.1 from 15% to 25%. The class waiver also permits the Company to include in its calculation for the purposes of ASX Listing Rule 7.1 the number of New Shares that may be issued under the underwritten⁴ Entitlement Offer.

¹ Refer to note 1 on Page 1 of the Company's investor presentation released to ASX on 6 April 2020.

² As at 5:00pm on 7 April 2020. Remains subject to final reconciliations. The issue (and associated settlement) of ~50 million New Shares under the Institutional Entitlement Offer (defined below) has been deferred until 4 May 2020 for regulatory reasons, being the same day as the issue date for New Shares to be issued under the Retail Entitlement Offer (defined below).

³ Components of the Equity Raising may not add to \$169m due to rounding.

⁴ Refer to note 1 above.

Details of the Entitlement Offer

The Entitlement Offer comprises an institutional entitlement offer (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders (as defined below) to participate on the same terms (**Retail Entitlement Offer**).

The Entitlement Offer is being made by SCA in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Act**) as modified, including by the Australian Securities and Investments Commission's (**ASIC**) Corporations Instrument (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Trading Suspensions Relief) Instrument 2020/289, meaning that no prospectus or other disclosure document needs to be prepared. The Institutional Entitlement Offer and Placement have already closed and the results have been announced to the ASX.

Documents relating to the Retail Entitlement Offer were lodged with the ASX today and are being sent to Eligible Retail Shareholders.

This notice is to inform you about the Retail Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Retail Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. **You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Equity Raising that you should be aware of.**

Details of the Retail Entitlement Offer

The Retail Entitlement Offer is being made to Eligible Retail Shareholders (as defined below) on the basis of 1.75 New Shares for every 1 existing share in SCA held as at 7.00pm (Sydney time) on the Record Date.

In conducting the Entitlement Offer, SCA has relied on the class waiver decision "Non-renounceable Offers" issued by ASX on 31 March 2020 which permits the ratio of New Shares to be offered under the Entitlement Offer to be greater than one New Share offered for each Share held.

Eligibility criteria

<p>Who are Eligible Retail Shareholders?</p>	<p>Shareholders who are eligible to participate in the Retail Entitlement Offer (Eligible Retail Shareholders) are shareholders who:</p> <ul style="list-style-type: none"> (a) are registered as a holder of Shares as at the Record Date; (b) have a registered address in Australia or New Zealand as noted on SCA’s register or are persons that SCA has otherwise determined in its discretion are Eligible Retail Shareholders; (c) are not located in the United States and are not acting for the account or benefit of a person in the United States (to the extent that such shareholders hold shares for the account or benefit of a person in the United States); (d) were not invited to participate in the Institutional Entitlement Offer and were not treated as ineligible institutional shareholders in respect of the Institutional Entitlement Offer (other than as a nominee or custodian, in each case in respect of other underlying holdings); and (e) are eligible under all applicable securities laws to receive an offer of New Shares under the Retail Entitlement Offer.
<p>Why are there restrictions on eligibility?</p>	<p>SCA has determined, pursuant to section 9A of the Act and ASX Listing Rule 7.7.1(a), that it would be unreasonable to extend the Retail Entitlement Offer to shareholders who are not Eligible Retail Shareholders (Ineligible Retail Shareholders) having regard to:</p> <ul style="list-style-type: none"> (a) the relatively small number of such Ineligible Retail Shareholders; (b) the small number, and therefore low value, of the New Shares that would be offered to the Ineligible Retail Shareholders; and (c) the cost of complying with the relevant legal and regulatory requirements in the respective overseas jurisdictions.
<p>Do you meet the eligibility criteria?</p>	<p>Unfortunately, as you do not satisfy the eligibility criteria for being an Eligible Retail Shareholder, you are not eligible to subscribe for New Shares under the Retail Entitlement Offer and you will not be sent a copy of the offer document.</p> <p>SCA wishes to advise you that it will not be extending the Retail Entitlement Offer to you.</p> <p>Notwithstanding the above, SCA may, in its absolute discretion, extend the Retail Entitlement Offer to any SCA shareholder if it is satisfied that the Retail Entitlement Offer may be made to the shareholder in compliance with all applicable laws.</p>

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**Southern Cross Media Group Limited Entitlement Offer
Notification to Ineligible Retail Shareholders**

Non-renounceable offer	As the Retail Entitlement Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any New Shares that would have been offered to you if you were an Eligible Retail Shareholder.
Questions	For further information in relation to the Retail Entitlement Offer, please contact the Offer Information Line on 1300 069 341 (within Australia) or +61 3 9415 4282 (from outside Australia) at any time between 8.30am and 5.30pm (Sydney time), Monday to Friday during the retail offer period. For other questions, please consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

On behalf of SCA, we regret that you are not eligible to participate in the Retail Entitlement Offer and thank you for your continued support.

Yours sincerely,

Tony Hudson
Company Secretary
Southern Cross Media Group Limited
ACN 116 024 536

This letter is not a prospectus or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia. This letter is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any New Shares in SCA.

The provision of this letter is not, and should not be considered as, financial product advice. The information in this letter is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

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This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), or in any other jurisdiction in which, or to any person to whom, such an offer would be illegal. None of the entitlements or the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, none of the entitlements nor the New Shares may be offered or sold, directly or indirectly, in the United States, or to any person who is acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities law of any state or other jurisdiction of the United States.

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