

APPENDIX 4D

Half Year Report

Name of entity: **Southern Cross Media Group (“SCMG”)**

1. Details of the reporting period

Current Period: 1 July 2009 - 31 December 2009

Previous Corresponding Period: 1 July 2008 - 31 December 2008

2. Results for announcement to the market

				\$A'000
2.1 Revenues from ordinary activities	up/down	10%	to	264,926
2.2 Net Profit/(loss) from ordinary activities for the half year <i>Refer to note 2.6 on page 2 for an explanation of \$158.8 million of net non-cash charges and other expenses included in this result</i>	up/down	16%	to	(148,068)
2.3 Profit/(loss) for the period from ordinary activities attributable to stapled security holders <i>Refer to note 2.6 on page 2 for an explanation of \$158.8 million of net non-cash charges and other expenses included in this result</i>	up/down	16%	to	(148,068)

2. Results for announcement to the market (continued)

2.4 Dividends / Distributions	Amount per security	Franked amount per security
<i>Current Period:</i>		
Interim distribution 2010	3.5 ¢	Nil
Final distribution 2009	3.2 ¢	Nil
<i>Previous Corresponding Period:</i>		
Interim distribution 2009	4.5 ¢	Nil
Final distribution 2008	22.5 ¢	Nil

2.5 Record date for determining entitlements to the dividend/distribution	31 December 2009
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2.6 Provide a brief explanation of any of the figures reported above necessary to enable the figures to be understood.

The net result from operations has decreased to a \$148.1 million net loss for the half year ended 31 December 2009 from a \$127.3 million net loss for the half year ended 31 December 2008. The net loss includes \$158.8 million of net non-cash charges and other expenses (31 December 2008: \$152.8 million) comprising a \$170.6 million impairment charge (31 December 2008: \$127.1 million) in respect of American Consolidated Media (“ACM”), \$20.9 million net fair value gains on interest rate and foreign currency hedging instruments (31 December 2008: net fair value losses of \$70.5 million), net foreign exchange losses of \$6.4 million (31 December 2008: net foreign exchange gains of \$42.1 million) and deferred tax expense of \$2.7 million (31 December 2008: deferred tax benefit of \$2.7 million). These items have been accounted for in the statement of comprehensive income but have no impact on SCMG’s operating cash flows or its ability to pay distributions. Excluding these non-cash items, net profit would have been \$10.7 million (31 December 2008: net profit of \$25.5 million).

Refer attached interim financial report for further information.

3. Net tangible assets per security

	Current period	* Previous period
Net asset backing per stapled security	\$2.54	\$4.41
Net tangible asset backing per stapled security **	(\$0.51)	(\$2.66)

* As at 30 June 2009

** Under the listing rules NTA Backing must be determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary securities (ie, all liabilities, preference shares, outside equity interests etc).

4. Control gained or lost over entities during the period

None.

5. Details of dividends/distributions

On 20 August 2009, the final distribution for the year ended 30 June 2009 of \$6.1 million (3.2 cents per stapled security) was paid to security holders.

The distribution for the period ended 31 December 2009 was \$13.3 million (3.5 cents per stapled security) and was paid to stapled security holders on 17 February 2010.

6. Details of dividend/distribution reinvestment plan

The SCMG Distribution and Dividend Reinvestment Plan ("DRP") remains suspended for the half year ended 31 December 2009.

7. Details of associates and joint venture entities

As at 31 December 2009:

- SCMG holds a 50% interest in Radio Newcastle Pty Ltd, which is held as an associate and equity accounted.
- SCMG holds a 50% interest in Tasmanian Digital Television Pty Ltd, which is held as an associate and equity accounted.
- SCMG holds a 25% interest in Gold Coast Translators Pty Ltd, which is held as an associate and equity accounted.
- SCMG holds a 35.7% interest in Regional TAM Pty Limited, which is held as an associate and equity accounted.
- SCMG holds a 50% interest in Central Digital Television Pty Limited, which is held as an associate and equity accounted.
- SCMG holds a 50% interest in Darwin Digital Television Pty Limited, which is held as an associate and equity accounted.

8. Accounting standards used by foreign entities

All foreign entities have been adjusted to conform with Australian Accounting Standards where necessary.

9. Qualification of audit / review

N/A as there is no audit dispute or qualification. Refer attached interim report for review report.

SOUTHERN CROSS MEDIA GROUP

(FORMERLY KNOWN AS MACQUARIE MEDIA GROUP)

INTERIM FINANCIAL REPORT FOR THE HALF YEAR

ENDED 31 DECEMBER 2009



SOUTHERN CROSS MEDIA GROUP

COMPRISING SOUTHERN CROSS MEDIA TRUST (FORMERLY KNOWN AS MACQUARIE MEDIA TRUST), SOUTHERN CROSS MEDIA GROUP LIMITED (FORMERLY KNOWN AS MACQUARIE MEDIA HOLDINGS LIMITED) AND SOUTHERN CROSS MEDIA INTERNATIONAL LIMITED (FORMERLY KNOWN AS MACQUARIE MEDIA INTERNATIONAL LIMITED) AND THEIR RESPECTIVE SUBSIDIARIES.

Southern Cross Media Group (**SCMG**) (formerly known as Macquarie Media Group) comprises Southern Cross Media Trust (ARSN 116 151 467) (**SCMT**) (formerly known as Macquarie Media Trust), Southern Cross Media Group Limited (ACN 116 024 536) (**SCMGL**) (formerly known as Macquarie Media Holdings Limited) and Southern Cross Media International Limited (ARBN 118 577 423) (**SCMIL**) (formerly known as Macquarie Media International Limited) and their respective subsidiaries.

SCMGL is a company limited by shares incorporated and domiciled in Australia. The registered office of SCMGL is C/- Company Secretarial, Mezzanine Level, No 1 Martin Place, Sydney, NSW 2000, Australia.

SCMIL is an exempted mutual fund company incorporated in Bermuda with limited liability with Bermudian registration number EC37694. The registered office of SCMIL is C/- ISIS Fund Services Ltd, Penboss Building, 2nd Floor, 50 Parliament Street, Hamilton HM12, Bermuda.

Macquarie Media Management Limited (ACN 115 524 019) (AFS Licence No 292297) (**MMML**) is the responsible entity of SCMT and manager of SCMGL and SCMIL. MMML is a member of the Macquarie Group of Companies. MMML's registered office is C/- Company Secretarial, Mezzanine Level, No 1 Martin Place, Sydney, NSW 2000, Australia.

None of the entities noted in this document is an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of Macquarie Bank Limited (ABN 46 008 583 542) (**MBL**). MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities.

This report is not an offer or invitation for subscription or purchase of or a recommendation of securities. It does not take into account the investment objectives, financial situation and particular needs of the investor. Before making an investment in SCMG, the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

MMML, as responsible entity of SCMT and manager of SCMGL and SCMIL is entitled to fees for so acting. The Macquarie Group of Companies (including MMML) together with their officers and directors and officers and directors of SCMGL and SCMIL may hold stapled securities in SCMG from time to time.

Interim Financial Report

for half year ended 31 December 2009

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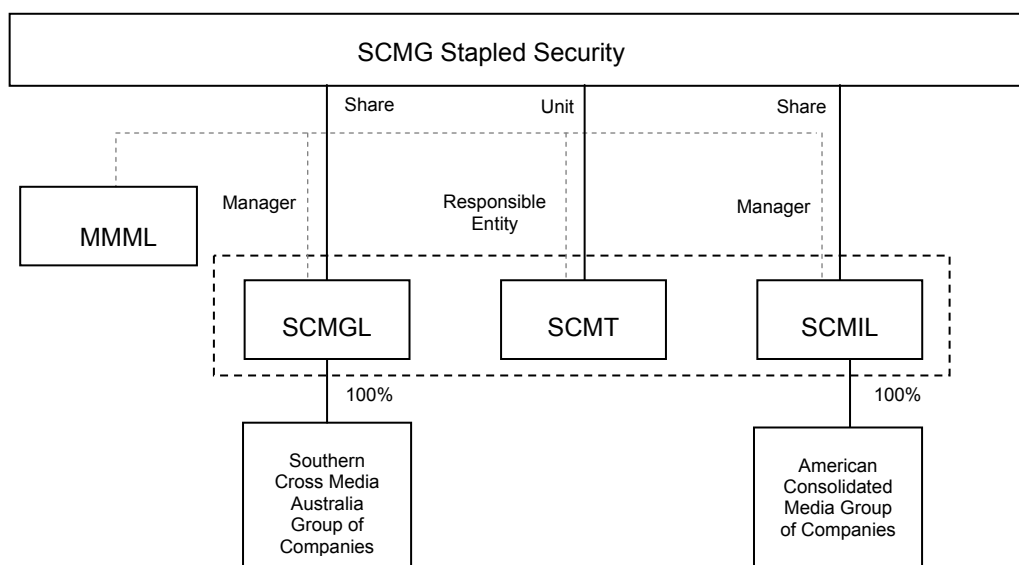
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Explanation of the Interim Financial Report for half year ended 31 December 2009

Explanation of the Interim Financial Report

At 31 December 2009 Southern Cross Media Group (“SCMG” or the “Group”) (formerly known as Macquarie Media Group) comprises Southern Cross Media Trust (“SCMT” or the “Trust”) (formerly known as Macquarie Media Trust), Southern Cross Media Group Limited (“SCMGL”) (formerly known as Macquarie Media Holdings Limited) and its subsidiaries and Southern Cross Media International Limited (“SCMIL”) (formerly known as Macquarie Media International Limited) and its subsidiaries. These three stapled entities trade as one listed security on the Australian Securities Exchange, Southern Cross Media Group, (ASX code: SXL). A summary of the group structure as at 31 December 2009 is illustrated below.

On 17 December 2009 SCMG security holders voted in favour of the Corporatisation of SCMG which is conditional on certain conditions being met. The Corporatisation will create a simplified structure, removing the stapling arrangements and making SCMGL the sole listed parent company of SCMG. This will allow for unification under one board of directors and provide for a simpler governance structure and simpler financial reporting requirements.



Under Australian Accounting Standards, SCMT has been deemed the Parent Entity of SCMGL and SCMIL for accounting purposes. Therefore the SCMT consolidated financial statements include all entities forming Southern Cross Media Group.

Financial statements for the SCMGL consolidated group and SCMIL consolidated group for the half year ended 31 December 2009 have been jointly presented in this report as permitted by ASIC class order 05/642.

The interim financial report for the Group, presented in the first column in the attached interim financial report, serves as a summary of the financial performance and position of the Group as a whole, while the two other interim financial reports provide summaries for the different entities that make up the Group.

As the securities held by investors are stapled securities in the Group, the interim financial report for the Group provides the most concise information regarding the performance of investors' funds, with further information on the components of the investment presented in the remaining columns.

Directors' Report

for half year ended 31 December 2009

Directors' Reports – MMML, SCMGL and SCMIL

Macquarie Media Management Limited ("MMML" or "Responsible Entity") acts as the responsible entity of SCMT, the manager of SCMGL and the manager of SCMIL. The directors of MMML submit the following report together with the interim financial report of the Group for the half year ended 31 December 2009. AASB Interpretation 1002: *Post-Date-of-Transition Stapling Arrangements* requires one of the stapled entities of a stapled structure to be identified as the Parent Entity for the purpose of preparing a consolidated interim financial report. In accordance with this requirement, SCMT has been identified as the parent of the consolidated group comprising SCMT, SCMGL and its subsidiaries and SCMIL and its subsidiaries, together comprising Southern Cross Media Group.

The directors of SCMGL submit the following report for the SCMGL group, comprising SCMGL and its subsidiaries (the "SCMGL Group"), for the half year ended 31 December 2009.

The directors of SCMIL submit the following report for the SCMIL group, comprising SCMIL and its subsidiaries (the "SCMIL Group" and together with the Group and the SCMGL Group, the "Groups"), for the half year ended 31 December 2009.

Principal Activities

The principal activity of SCMG is investment in a broad range of media assets. The investment policy of the Group is to invest funds in accordance with the provisions of the Trust Constitution and the governing documents of the individual entities within the Group.

The principal activity of the SCMGL Group is investment in a broad range of media assets. The investment policy of the SCMGL Group is to invest funds in accordance with the provisions of the governing documents of the individual entities within the SCMGL Group.

The principal activity of the SCMIL Group is investment in a broad range of media assets. The investment policy of the SCMIL Group is to invest funds in accordance with the provisions of the governing documents of the individual entities within the SCMIL Group.

Directors

The following persons were directors of MMML during the whole of the half year, unless otherwise stated, and up to the date of this report:

- Max Moore-Wilton (Chairman)
- Leon Pasternak (Deputy Chairman)
- Chris de Boer
- Michael Carapiet
- Tony Bell
- John Roberts (Alternate to Max Moore-Wilton and Michael Carapiet)

The following persons were directors of SCMGL during the whole of the half year, unless otherwise stated, and up to the date of this report:

- Max Moore-Wilton (Chairman)
- Leon Pasternak (Deputy Chairman)
- Chris de Boer
- Tony Bell
- John Roberts (Alternate to Max Moore-Wilton)
- Michael Carapiet (Alternate to Max Moore-Wilton)

Directors' Report

for half year ended 31 December 2009

Directors (continued)

The following persons held office as directors of SCMIL during the whole of the half year, unless otherwise stated, and up to the date of this report:

- Michael Hamer (Chairman)
- Bob Richards (Deputy Chairman)
- Michael Leverock
- Max Moore-Wilton
- John Roberts (Alternate to Max Moore-Wilton)
- Michael Carapiet (Alternate to Max Moore-Wilton)

Review and Results of Operations

The performance of the Groups, as represented by the results of their combined operations presented in accordance with the accounting policies of the Groups for the half year ended 31 December 2009, were as follows:

	SCMG 1 Jul 09 - 31 Dec 09 \$'000	SCMGL Group 1 Jul 09 - 31 Dec 09 \$'000	SCMIL Group 1 Jul 09 - 31 Dec 09 \$'000	SCMG 1 Jul 08 - 31 Dec 08 \$'000	SCMGL Group 1 Jul 08 - 31 Dec 08 \$'000	SCMIL Group 1 Jul 08 - 31 Dec 08 \$'000
Revenue	264,926	208,778	53,288	293,825	220,356	74,784
Other income	20,868	18,673	2,195	42,814	-	1,547
Total revenue and other income	285,794	227,451	55,483	336,639	220,356	76,331
Loss before income tax expense	(145,028)	(12,576)	(176,496)	(129,946)	(79,261)	(142,060)
Income tax (expense) / benefit	(3,040)	(7,473)	4,433	2,689	-	2,689
Loss after income tax for the half-year	(148,068)	(20,049)	(172,063)	(127,257)	(79,261)	(139,371)
Loss is attributable to:						
Equity holders of the parent – SCMT	43,538	-	-	91,108	-	-
Equity holders of other stapled entities (SCMGL & SCMIL as non-controlling interest)	(191,606)	-	-	(218,365)	-	-
Equity holders of other stapled entities (SCMGL & SCMIL as parent interest)	-	(20,049)	(172,063)	-	(79,261)	(139,371)
Stapled security holders	(148,068)	(20,049)	(172,063)	(127,257)	(79,261)	(139,371)
Basic earnings per unit attributable to:						
SCMT (as parent entity) #	16.35c	-	-	34.36c	-	-
Diluted earnings per unit attributable to:						
SCMT (as parent entity) #	16.35c	-	-	34.27c	-	-
Basic and diluted loss per stapled security attributable to:						
SCMGL and SCMIL (as parent entities)	-	(7.53)c	(64.61)c	-	(29.89)c	(52.56)c

The basic and diluted earnings per unit attributable to SCMT has been calculated using \$43.5 million profit (2008: \$91.1 million) attributable to the equity holders of SCMT over basic and diluted weighted average number of securities.

Directors' Report

for half year ended 31 December 2009

Review and Results of Operations (continued)

The net result from operations has decreased to a \$148.1 million net loss for the half year ended 31 December 2009 from a \$127.3 million net loss for the half year ended 31 December 2008. The net loss includes \$158.8 million of net non-cash charges and other expenses (31 December 2008: \$152.8 million) comprising a \$170.6 million impairment charge (31 December 2008: \$127.1 million) in respect of American Consolidated Media ("ACM"), \$20.9 million net fair value gains on interest rate and foreign currency hedging instruments (31 December 2008: net fair value losses of \$70.5 million), net foreign exchange losses of \$6.4 million (31 December 2008: net foreign exchange gains of \$42.1 million) and deferred tax expense of \$2.7 million (31 December 2008: deferred tax benefit of \$2.7 million). These items have been accounted for in the statement of comprehensive income but have no impact on SCMG's operating cash flows or its ability to pay distributions. Excluding these non-cash items, net profit would have been \$10.7 million (31 December 2008: net profit of \$25.5 million).

On 28 October 2009 SCMG (then Macquarie Media Group) announced a series of initiatives intended to enhance security holder value, optimise the capital and corporate structure of SCMG and reposition the business for the future. The initiatives included a recapitalisation of SCMG (see details below) (the "Recapitalisation"), a proposal to internalise management (the "Internalisation") and a proposal to simplify the corporate structure of SCMG by converting from a triple stapled structure into a single holding company (the "Corporatisation"). The Recapitalisation completed in early December 2009. The Internalisation and Corporatisation were approved at SCMG security holder meetings held on 17 December 2009, however completion of those initiatives remains subject to certain conditions. Following security holder approval of the Internalisation on 17 December 2009, Rhys Holleran, the CEO of Southern Cross Media ("SCM") (formerly known as Macquarie Southern Cross Media), assumed the additional responsibility of CEO of SCMG, replacing Mark Dorney.

Recapitalisation

On 2 December 2009 SCMG completed its underwritten A\$294 million single bookbuild accelerated renounceable entitlement offer at \$1.55 per stapled security ("Entitlement Offer"). Of the Entitlement Offer, 59% of retail entitlements and 94% of institutional entitlements were accepted, giving an overall acceptance rate of 83%. The bookbuild in respect of entitlements attributable to renouncing eligible security holders and ineligible security holders completed at a clearing price of \$1.65 per new stapled security, representing a premium of 10 cents per new security.

The net proceeds of the Entitlement Offer together with the majority of parent level cash were applied to reduce debt outstanding under SCM's business level bank facility (the "SCM Facility") from A\$872.5 million to A\$337.5 million on 3 December 2009. Following the debt prepayment, refinance discussions for the SCM Facility, which matures on 1 November 2010, have progressed to an advanced stage.

Internalisation

On 17 December 2009 SCMG security holders voted overwhelmingly in favour of the Internalisation following the unanimous recommendation of the Independent Directors of SCMG and the conclusion by the Independent Expert, Ernst & Young Transaction Advisory Services Limited, that the proposal was fair and reasonable to SCMG security holders other than the Macquarie Group ("Macquarie") and its associates. As consideration for the termination of Macquarie's existing management rights, SCMG will pay Macquarie \$40.5 million cash. As at the date of this report the completion of the Internalisation remains conditional upon SCM lender consent or refinancing on terms permitting the Internalisation and, if completion is to take place prior to 1 July 2010, ACM lender consent or refinancing on terms permitting the Internalisation.

The existing management arrangements with Macquarie will continue until completion of the Internalisation and Macquarie will continue to receive management fees during this period. Following completion of the Internalisation, certain transitional services will be provided to SCMG by Macquarie until 31 December 2010.

Directors' Report

for half year ended 31 December 2009

Review and Results of Operations (continued)

Corporatisation

On 17 December 2009 SCMG security holders also voted overwhelmingly in favour of the Corporatisation. The Corporatisation will involve the termination of the stapling arrangements, following which SCMG security holders will, through a series of steps, exchange their units in SCMT and shares in SCMIL for new shares in SCMGL so that SCMGL becomes the sole listed parent company of SCMG. The benefits of the Corporatisation include creating a simplified structure that is expected to have greater appeal to a broader range of investors, to allow for unification under one board of directors and to provide for a simpler governance structure and simpler financial reporting requirements.

As at the date of this report, completion of the Corporatisation remains conditional upon completion of the Internalisation, SCM lender consent or refinancing on terms permitting the Corporatisation and, if completion is to take place prior to 1 July 2010, ACM lender consent or refinancing on terms permitting the Corporatisation.

On 17 December 2009 SCMG security holders also approved various changes of name for the stapled entities (to remove references to Macquarie) and "Macquarie Media Group" became known as "Southern Cross Media Group".

Southern Cross Media ("SCM") (formerly known as Macquarie Southern Cross Media)

For the six months ended 31 December 2009 revenue from operations has decreased by 2.3% to \$211.9 million and EBITDA has decreased by 4.4% to \$68.9 million. The EBITDA margin has decreased by 0.7% from 33.2% to 32.5%.

Radio revenues have decreased 5.1% on the prior corresponding period, reflecting the continuing demanding external environment. Local advertising revenues, which represent 66.4% of total radio advertising revenues, have declined 4.6% when compared to the prior corresponding period and national advertising revenues, which represent 22.4%, are down 7.6%. While the conditions within which SCM Radio operates remain challenging, performance has improved toward the end of the calendar year as is evidenced by a reducing rate of revenue decline.

TV performance continues to improve, in part due to the improved Southern Cross Ten Ratings and also due to the increased levels of media buyer interest and confidence levels both nationally and within the local markets within which SCM TV operates. Local advertising revenues, which represent 37.6% of total TV advertising revenues, increased by 0.3% and national advertising revenues, which represent 55.1% of total TV advertising revenues, increased 1.4%.

On 3 December 2009 SCM reduced its borrowings outstanding under the SCM Facility from \$872.5 million to \$337.5 million from the net proceeds of the SCMG Entitlement Offer and the majority of parent level cash. The total SCM Facility at 31 December 2009 is \$507.5 million (30 June 2009: \$1,011.0 million), consisting of \$337.5 million drawn and \$170.0 million undrawn (30 June 2009: \$872.5 million drawn and \$138.5 million undrawn), the facility limit having been reduced by the term debt component of the \$535.0 million debt repayment. The debt repayment resulted in a considerable reduction in leverage and an improvement in the terms upon which the facility, which matures on 1 November 2010, could be expected to be refinanced, had the repayment not been made. Following the debt prepayment, refinance discussions for the SCM Facility have progressed to an advanced stage.

American Consolidated Media ("ACM")

The economic conditions in the US markets within which ACM's community newspaper business operates remain challenging. The withdrawal of discretionary advertising spending by local companies continues to impact revenues as does the downturn in the real estate and motor vehicle categories. On a like for like basis revenue has decreased 15.2% on the prior corresponding period and EBITDA has decreased 24.0%. The EBITDA margin has decreased 2.1%, however the full impact of external market pressures on revenues has been softened by management's focus on rigorous cost management. While revenue is down on the prior corresponding period, ACM is still less exposed to the more volatile national advertising market than major city newspaper operators.

ACM's display advertising revenues, which are driven by local advertisers, represent 56.3% of total revenue for the half year ended 31 December 2009 and are down 8.9% on the prior comparative period. In contrast, classified advertising revenues, which are more exposed to the level of consumer transactions in real estate and motor vehicles, and which represent 13.2% of revenue, continue to be materially impacted by the lower overall level of consumer transactions in the market and are down 28.7%. Steady circulation increases have partially offset the impact on total ACM revenues of the decline in advertising.

Directors' Report

for half year ended 31 December 2009

Review and Results of Operations (continued)

American Consolidated Media ("ACM") (continued)

As at 31 December 2009 ACM had current borrowings of US\$133.7 million under its external facility (the "ACM Facility") which is due to mature on 29 June 2010. ACM has breached certain covenants under the ACM Facility, including the leverage covenant for the June and September 2009 quarters and the inclusion of a "going concern" or like qualification or exception in the audit report on ACM's US GAAP accounts for the year to 30 June 2009. On 20 November 2009 ACM entered into a forbearance agreement with its lenders (the "Forbearance Agreement"). Under the Forbearance Agreement, whilst the forbearance did not constitute a waiver of ACM's covenant breaches, the ACM lenders agreed not to exercise their rights arising from specified existing and anticipated covenant breaches until the earlier of 29 January 2010 and the occurrence of a forbearance default. On 29 January 2010 the Forbearance Agreement was extended to 29 March 2010. The terms of the Forbearance Agreement remain materially the same, save that ACM will be liable for additional advisor costs incurred on behalf of the lenders during the forbearance period. Discussions are continuing between ACM and its lenders in relation to the ACM Facility.

Distributions and Dividends

The interim distribution for the half year ended 31 December 2009 was 3.5 cents per stapled security (31 December 2008: 4.5 cents). This distribution was paid on 17 February 2010 by SCMT.

Significant Changes in State of Affairs

Significant changes in State of Affairs during the half year ended 31 December 2009 have been disclosed in the above Review and Results of Operations.

In the opinion of the directors, there were no other significant changes in the state of affairs of SCMG, the SCMGL Group or the SCMIL Group that occurred during the half year under review.

Events Occurring After Balance Sheet Date

On 29 January 2010 the ACM Forbearance Agreement was extended to 29 March 2010.

No other matters or circumstances have arisen since the end of the half year that have significantly affected or may significantly affect the operations of SCMG, the SCMGL Group or the SCMIL Group, the results of these operations in future financial years or the state of affairs of those entities in periods subsequent to the half year ended 31 December 2009.

Directors' Holdings of Stapled Securities

The aggregate number of SCMG stapled securities held directly, indirectly or beneficially by directors of MMML at the date of this report is 3,734,327 (30 June 2009: 1,967,416).

The aggregate number of SCMG stapled securities held directly, indirectly or beneficially by directors of SCMGL at the date of this report is 3,734,327 (30 June 2009: 1,967,416).

The aggregate number of SCMG stapled securities held directly, indirectly or beneficially by directors of SCMIL at the date of this report is 2,995,134 (30 June 2009: 1,497,567).

Directors' Report

for half year ended 31 December 2009

Responsible Entity Holdings of Stapled Securities

MMML holds 90,826,906 stapled securities in SCMG as at 31 December 2009 (30 June 2009: 45,413,453).

Application of Class Order

The interim financial reports for SCMG, the SCMGL Group and the SCMIL Group are jointly presented in the one report, the SCMG Interim Financial Report, as permitted by ASIC Class Order 05/642.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

Rounding of Amounts in the Directors' Report and the Interim Financial Report

SCMG and the SCMGL Group are of a kind referred to in Class Order 98/100, as amended by Class Order 04/667 and Class Order 05/641, issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and interim financial report. Amounts in the directors' report and the interim financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, unless otherwise indicated.

For personal use only

Directors' Report

for half year ended 31 December 2009

Signed in accordance with resolutions of the directors of Macquarie Media Management Limited in its capacity as responsible entity of Southern Cross Media Trust



Max Moore-Wilton
Chairman
Macquarie Media Management Limited
Sydney, Australia
22 February 2010

Chris de Boer
Director
Macquarie Media Management Limited
Sydney, Australia
22 February 2010

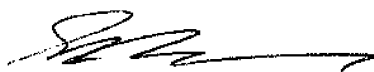
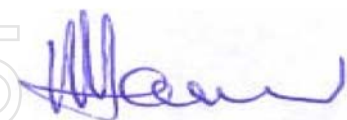
Signed in accordance with resolutions of the directors of Southern Cross Media Group Limited



Max Moore-Wilton
Chairman
Southern Cross Media Group Limited
Sydney, Australia
22 February 2010

Chris de Boer
Director
Southern Cross Media Group Limited
Sydney, Australia
22 February 2010

Signed in accordance with resolutions of the directors of Southern Cross Media International Limited



Michael Hamer
Chairman
Southern Cross Media International Limited
Hamilton, Bermuda
22 February 2010

Bob Richards
Deputy Chairman
Southern Cross Media International Limited
Hamilton, Bermuda
22 February 2010

PricewaterhouseCoopers
ABN 52 780 433 757

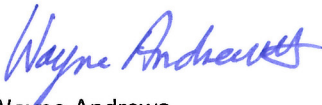
Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
www.pwc.com/au
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999

Auditor's Independence Declaration

As lead auditor for the audit of Southern Cross Media Trust and Southern Cross Media Group Limited for the half year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Southern Cross Media Trust, Southern Cross Media Group Limited and the entities they controlled during the period.



Wayne Andrews
Partner
PricewaterhouseCoopers

Sydney
22 February 2010

Interim Financial Report

for half year ended 31 December 2009

Consolidated Statements of Comprehensive Income

Note	SCMG	SCMGL Group	SCMIL Group	SCMG	SCMGL Group	SCMIL Group
	1 Jul 09 - 31 Dec 09 \$'000	1 Jul 09 - 31 Dec 09 \$'000	1 Jul 09 - 31 Dec 09 \$'000	1 Jul 08 - 31 Dec 08 \$'000	1 Jul 08 - 31 Dec 08 \$'000	1 Jul 08 - 31 Dec 08 \$'000
	Revenue (excluding share of net profits of investments accounted for using the equity method)					
2	264,926	208,778	53,288	293,825	220,356	74,784
2	20,868	18,673	2,195	42,814	-	1,547
	(66,518)	(45,905)	(20,613)	(76,571)	(51,358)	(25,212)
	(82,838)	(68,684)	(14,154)	(92,388)	(70,370)	(22,018)
2	(2,567)	-	(331)	(1,332)	(8)	(342)
	(8,459)	(7,827)	(632)	(4,468)	(3,766)	(702)
2	(15,213)	(11,101)	(4,112)	(16,160)	(10,093)	(6,067)
2	(50,440)	(86,570)	(7,985)	(51,216)	(87,308)	(16,535)
	(4,708)	(3,370)	(1,260)	(5,001)	(3,793)	(1,183)
	(24,213)	(17,649)	(5,947)	(21,113)	(14,305)	(6,612)
2	(6,370)	-	(6,370)	(71,577)	(58,927)	(12,650)
	1,079	1,079	-	311	311	-
4(c)	(170,575)	-	(170,575)	(127,070)	-	(127,070)
	(145,028)	(12,576)	(176,496)	(129,946)	(79,261)	(142,060)
	(3,040)	(7,473)	4,433	2,689	-	2,689
	(148,068)	(20,049)	(172,063)	(127,257)	(79,261)	(139,371)
	Other comprehensive (loss) / income					
	(3,989)	-	(3,989)	27,119	-	27,386
	-	-	-	(744)	(744)	-
	(3,989)	-	(3,989)	26,375	(744)	27,386
	(152,057)	(20,049)	(176,052)	(100,882)	(80,005)	(111,985)
	Loss is attributable to:					
	43,538	-	-	91,108	-	-
	(191,606)	-	-	(218,365)	-	-
	-	(20,049)	(172,063)	-	(79,261)	(139,371)
	(148,068)	(20,049)	(172,063)	(127,257)	(79,261)	(139,371)

The above Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Interim Financial Report

for half year ended 31 December 2009

Consolidated Statements of Comprehensive Income (continued)

Note	SCMG	SCMGL Group	SCMIL Group	SCMG	SCMGL Group	SCMIL Group
	1 Jul 09 - 31 Dec 09 \$'000	1 Jul 09 - 31 Dec 09 \$'000	1 Jul 09 - 31 Dec 09 \$'000	1 Jul 08 - 31 Dec 08 \$'000	1 Jul 08 - 31 Dec 08 \$'000	1 Jul 08 - 31 Dec 08 \$'000
Total comprehensive (loss) / income is attributable to:						
Equity holders of the parent – SCMT	43,538	-	-	(1,199)	-	-
Equity holders of other stapled entities (SCMGL & SCMIL as non-controlling party)	(195,595)	-	-	(99,683)	-	-
Equity holders of other stapled entities (SCMGL & SCMIL as parent entities)	-	(20,049)	(176,052)	-	(80,005)	(111,985)
Stapled security holders	(152,057)	(20,049)	(176,052)	(100,882)	(80,005)	(111,985)
Basic earnings per unit attributable to:						
SCMT (as parent entity)	16.35c	-	-	34.36c	-	-
Diluted earnings per unit attributable to:						
SCMT (as parent entity)	16.35c	-	-	34.27c	-	-
Basic and diluted loss per share attributable to:						
SCMGL and SCMIL (as parent entities)	-	(7.53)c	(64.61)c	-	(29.89)c	(52.56)c

The above Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Interim Financial Report

as at 31 December 2009

Consolidated Statements of Financial Position

	SCMG	SCMGL	SCMIL	SCMG	SCMGL	SCMIL
Note	31 Dec 09	31 Dec 09	31 Dec 09	30 Jun 09	30 Jun 09	30 Jun 09
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets						
Cash and cash equivalents	104,442	30,323	7,677	347,070	25,383	4,056
Receivables	97,953	132,583	11,660	94,247	79,615	14,119
Inventories	1,897	54	1,843	2,355	54	2,301
Total current assets	204,292	162,960	21,180	443,672	105,052	20,476
Non-current assets						
Receivables	1,183	457	166,639	1,347	460	130,326
Investments accounted for using the equity method	29,810	29,810	-	29,503	29,503	-
Property, plant and equipment	162,957	151,002	11,954	183,854	159,260	24,594
Intangible assets	4 1,126,550	1,065,236	61,314	1,317,009	1,065,717	251,292
Deferred tax assets	27,288	27,071	217	34,786	34,544	242
Total non-current assets	1,347,788	1,273,576	240,124	1,566,499	1,289,484	406,454
Total assets	1,552,080	1,436,536	261,304	2,010,171	1,394,536	426,930
Current liabilities						
Distribution payable	13,259	-	-	6,117	-	-
Payables	61,588	189,648	8,410	66,451	162,675	9,488
Provisions	9,412	8,424	988	5,946	4,844	1,102
Borrowings	482,331	853,388	148,175	174,405	9,880	164,525
Current tax liabilities	449	8	442	163	8	136
Derivative financial instruments	9,277	5,839	2,883	31,417	25,753	5,664
Total current liabilities	576,316	1,057,307	160,898	284,499	203,160	180,915
Non-current liabilities						
Provisions	3,892	3,892	-	7,848	7,848	-
Borrowings	264	593,885	-	852,733	1,376,564	-
Deferred tax liabilities	9,396	-	9,396	15,744	-	15,744
Retirement benefit obligations	206	206	-	206	206	-
Derivative financial instruments	-	555	-	6,018	6,018	-
Total non-current liabilities	13,758	598,538	9,396	882,549	1,390,636	15,744
Total liabilities	590,074	1,655,845	170,294	1,167,048	1,593,796	196,659
Net assets/(liabilities)	962,006	(219,309)	91,010	843,123	(199,260)	230,271

The above Consolidated Statements of Financial Position should be read in conjunction with the accompany notes.

Interim Financial Report

as at 31 December 2009

Consolidated Statements of Financial Position (continued)

		SCMG	SCMGL	SCMIL	SCMG	SCMGL	SCMIL
	Note	31 Dec 09	31 Dec 09	31 Dec 09	30 Jun 09	30 Jun 09	30 Jun 09
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Equity							
Equity attributable to equity holders of the parent - SCMT							
Contributed equity	5	1,071,175	-	-	823,278	-	-
Reserves		(68,671)	-	-	(98,968)	-	-
SCMT unitholders' interest		1,002,504	-	-	724,310	-	-
Equity attributable to other stapled security holders – SCMGL & SCMIL							
Contributed equity	5	154,412	4,469	150,450	118,137	4,469	113,668
Reserves		(5,654)	(339)	(5,339)	(1,674)	(339)	(1,359)
Other equity transaction		(77,406)	(77,406)	-	(77,406)	(77,406)	-
(Accumulated losses) / Retained profits	6	(112,148)	(146,331)	(54,101)	79,458	(126,282)	117,962
Other stapled security holders interest		(40,796)	(219,607)	91,010	118,515	(199,558)	230,271
Non-controlling interest		298	298	-	298	298	-
Total equity		962,006	(219,309)	91,010	843,123	(199,260)	230,271

The above Consolidated Statements of Financial Position should be read in conjunction with the accompanying notes.

Interim Financial Report

for half year ended 31 December 2009

Consolidated Statements of Changes in Equity

SCMG Consolidated

	Attributable to equity holders of the parent - SCMT					Non-controlling Interest \$'000	Total equity \$'000
	Contributed equity \$'000	Reserves \$'000	Other equity transactions \$'000	Retained earnings \$'000	Total \$'000		
Total equity at 1 July 2009	823,278	(98,968)	-	-	724,310	-	724,310
Profit for the half year	-	-	-	43,538	43,538	-	43,538
Total comprehensive income	-	-	-	43,538	43,538	-	43,538
Transactions with equity holders in their capacity as equity holders:							
Employee share entitlements	-	18	-	-	18	-	18
Buy backs	(1,935)	-	-	-	(1,935)	-	(1,935)
Capital raising	252,251	-	-	-	252,251	-	252,251
Cost of raising capital/buy backs	(2,419)	-	-	-	(2,419)	-	(2,419)
Distributions provided for or paid	-	-	-	(13,259)	(13,259)	-	(13,259)
Transfer to/(from) capital reserve	-	30,279	-	(30,279)	-	-	-
	247,897	30,297	-	(43,538)	234,656	-	234,656
Total equity at 31 December 2009	1,071,175	(68,671)	-	-	1,002,504	-	1,002,504

SCMG Consolidated

	Attributable to other stapled security holders – SCMGL & SCMIL					Non-controlling Interest \$'000	Total equity \$'000
	Contributed equity \$'000	Reserves \$'000	Other equity transactions \$'000	Retained earnings / (Accumulated losses) \$'000	Total \$'000		
Total equity at 1 July 2009	118,137	(1,674)	(77,406)	79,458	118,515	298	118,813
Loss for the half year	-	-	-	(191,606)	(191,606)	-	(191,606)
Exchange differences on translation of foreign operations	-	(3,989)	-	-	(3,989)	-	(3,989)
Total comprehensive income	-	(3,989)	-	(191,606)	(195,595)	-	(195,595)
Transactions with equity holders in their capacity as equity holders:							
Employee share entitlements	-	9	-	-	9	-	9
Buy backs	(270)	-	-	-	(270)	-	(270)
Capital raising	41,333	-	-	-	41,333	-	41,333
Cost of raising capital/buy backs	(4,788)	-	-	-	(4,788)	-	(4,788)
	36,275	9	-	-	36,284	-	36,284
Total equity at 31 December 2009	154,412	(5,654)	(77,406)	(112,148)	(40,796)	298	(40,498)

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Interim Financial Report

for half year ended 31 December 2009

Consolidated Statements of Changes in Equity (continued)

SCMG Consolidated

	Attributable to equity holders of the parent - SCMT				Total \$'000	Non- controlling Interest \$'000	Total equity \$'000
	Contributed equity \$'000	Reserves \$'000	Other equity transactions \$'000	Retained earnings \$'000			
Total equity at 1 July 2008	850,066	(36,298)	-	-	813,768	-	813,768
Loss for the half year	-	-	-	(1,199)	(1,199)	-	(1,199)
Total comprehensive income	-	-	-	(1,199)	(1,199)	-	(1,199)
Transactions with equity holders in their capacity as equity holders:							
Issue of stapled securities in relation to vested ACM employee shares (29 August 2008)							
	1,029	(1,029)	-	-	-	-	-
Employee share entitlements	-	67	-	-	67	-	67
Distributions provided for or paid	-	-	-	(9,672)	(9,672)	-	(9,672)
Transfer to/(from) capital reserve	-	(10,871)	-	10,871	-	-	-
	1,029	(11,833)	-	1,199	(9,605)	-	(9,605)
Total equity at 31 December 2008	851,095	(48,131)	-	-	802,964	-	802,964

SCMG Consolidated

	Attributable to other stapled security holders – SCMGL & SCMIL				Total \$'000	Non- controlling Interest \$'000	Total equity \$'000
	Contributed equity \$'000	Reserves \$'000	Other equity transactions \$'000	Retained earnings / (Accumulated losses) \$'000			
Total equity at 1 July 2008	121,178	(10,172)	(77,406)	118,130	151,730	298	152,028
Loss for the half year	-	-	-	(126,058)	(126,058)	-	(126,058)
Exchange differences on translation of foreign operations	-	27,119	-	-	27,119	-	27,119
Actuarial loss on retirement benefits plan	-	(744)	-	-	(744)	-	(744)
Total comprehensive income	-	26,375	-	(126,058)	(99,683)	-	(99,683)
Transactions with equity holders in their capacity as equity holders:							
Issue of stapled securities in relation to vested ACM employee shares (29 August 2008)							
	629	(629)	-	-	-	-	-
Employee share entitlements	-	(7)	-	-	(7)	-	(7)
	629	(636)	-	-	(7)	-	(7)
Total equity at 31 December 2008	121,807	15,567	(77,406)	(7,928)	52,040	298	52,338

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Interim Financial Report

for half year ended 31 December 2009

Consolidated Statements of Changes in Equity (continued)

SCMGL Group Consolidated	Attributable to other stapled security holders – SCMGL					Non-controlling Interest \$'000	Total equity \$'000
	Contributed equity \$'000	Reserves \$'000	Other equity transactions \$'000	Accumulated losses \$'000	Total \$'000		
Total equity at 1 July 2009	4,469	(339)	(77,406)	(126,282)	(199,558)	298	(199,260)
Loss for the half year	-	-	-	(20,049)	(20,049)	-	(20,049)
Total comprehensive income	-	-	-	(20,049)	(20,049)	-	(20,049)
Transactions with equity holders in their capacity as equity holders:							
Capital raising	1,894	-	-	-	1,894	-	1,894
Cost of raising capital/buy backs	(1,894)	-	-	-	(1,894)	-	(1,894)
	-	-	-	-	-	-	-
Total equity at 31 December 2009	4,469	(339)	(77,406)	(146,331)	(219,607)	298	(219,309)

SCMGL Group Consolidated	Attributable to other stapled security holders – SCMGL					Non-controlling Interest \$'000	Total equity \$'000
	Contributed equity \$'000	Reserves \$'000	Other equity transactions \$'000	Accumulated losses \$'000	Total \$'000		
Total equity at 1 July 2008	4,499	(689)	(77,406)	(57,070)	(130,666)	298	(130,368)
Loss for the half year	-	-	-	(79,261)	(79,261)	-	(79,261)
Actuarial loss on retirement benefits plan	-	(744)	-	-	(744)	-	(744)
Total comprehensive income	-	(744)	-	(79,261)	(80,005)	-	(80,005)
Transactions with equity holders in their capacity as equity holders:							
Issue of stapled securities in relation to vested ACM employee shares (29 August 2008)	123	(123)	-	-	-	-	-
Employee share entitlements	-	(8)	-	-	(8)	-	(8)
	123	(131)	-	-	(8)	-	(8)
Total equity at 31 December 2008	4,622	(1,564)	(77,406)	(136,331)	(210,679)	298	(210,381)

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Interim Financial Report

for half year ended 31 December 2009

Consolidated Statements of Changes in Equity (continued)

SCMIL Group Consolidated

	Attributable to other stapled security holders – SCMIL			
	Contributed equity \$'000	Reserves \$'000	Retained earnings / (Accumulated losses) \$'000	Total equity \$'000
Total equity at 1 July 2009	113,668	(1,359)	117,962	230,271
Loss for the half year	-	-	(172,063)	(172,063)
Exchange differences on translation of foreign operations	-	(3,989)	-	(3,989)
Total comprehensive income	-	(3,989)	(172,063)	(176,052)
Transactions with equity holders in their capacity as equity holders:				
Employee share entitlements	-	9	-	9
Buy backs	(270)	-	-	(270)
Capital raising	39,439	-	-	39,439
Cost of raising capital/buy backs	(2,387)	-	-	(2,387)
	36,782	9	-	36,791
Total equity at 31 December 2009	150,450	(5,339)	(54,101)	91,010

SCMIL Group Consolidated

	Attributable to other stapled security holders – SCMIL			
	Contributed equity \$'000	Reserves \$'000	Retained earnings / (Accumulated losses) \$'000	Total equity \$'000
Total equity at 1 July 2008	116,679	(9,502)	175,222	282,399
Loss for the half year	-	-	(139,371)	(139,371)
Exchange differences on translation of foreign operations	-	27,386	-	27,386
Total comprehensive income	-	27,386	(139,371)	(111,985)
Transactions with equity holders in their capacity as equity holders:				
Issue of stapled securities in relation to vested ACM employee shares (29 August 2008)	506	(506)	-	-
	506	(506)	-	-
Total equity at 31 December 2008	117,185	17,378	35,851	170,414

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Interim Financial Report

for half year ended 31 December 2009

Consolidated Statements of Cash Flows

Note	SCMG	SCMGL	SCMIL	SCMG	SCMGL	SCMIL
	1 Jul 09 - 31 Dec 09 \$'000	1 Jul 09 - 31 Dec 09 \$'000	1 Jul 09 - 31 Dec 09 \$'000	1 Jul 08 - 31 Dec 08 \$'000	1 Jul 08 - 31 Dec 08 \$'000	1 Jul 08 - 31 Dec 08 \$'000
Cash flows from operating activities						
Receipts from customers	268,322	218,700	49,622	292,908	227,223	65,685
Payments to suppliers/employees	(201,963)	(158,008)	(42,875)	(228,282)	(168,932)	(58,970)
Government grants received	1,132	1,132	-	1,141	1,141	-
Responsible entity / manager base fees paid	-	-	-	(2,513)	(90)	(681)
Payments on/ proceeds from settlement of derivative financial instruments	-	-	-	(1,343)	-	(1,343)
Interest received from external parties	7,081	526	34	14,812	1,425	7,921
Interest received from related parties	-	-	165	-	2,076	-
Distributions received from associates	1,850	1,850	-	1,000	1,000	-
Net indirect tax paid	(10,812)	(10,753)	(53)	(12,143)	(11,600)	(3)
Tax paid	-	-	-	(149)	(149)	-
Net cash flows from operating activities	65,610	53,447	6,893	65,431	52,094	12,609
Cash flows from investing activities						
Payments for purchase of property, plant and equipment	(2,726)	(2,467)	(259)	(15,211)	(14,059)	(1,152)
Proceeds from sale of property, plant and equipment	116	105	11	145	138	7
Proceeds from sale of financial assets	31	-	31	-	-	-
Net cash flows from investing activities	(2,579)	(2,362)	(217)	(15,066)	(13,921)	(1,145)
Cash flows from financing activities						
Distributions paid to security holders	(6,117)	-	-	(48,252)	-	-
Distributions on redeemable preference shares	-	(7,233)	-	-	-	-
Borrowings from external parties	-	-	-	31,500	31,500	-
Repayment of borrowings to external parties	7	(535,000)	(535,000)	(92,054)	(86,400)	(5,654)
Loans advanced to / borrowings from related parties	-	543,512	(35,000)	-	(18,676)	6,051
Borrowings repaid to / from related parties	-	(4,600)	1,551	-	48,159	(7,931)
Proceeds from capital raising	293,584	1,894	39,439	-	-	-
Payments for buy backs	(2,205)	-	(505)	-	-	-
Costs of raising capital raising / buy backs	(7,473)	(2,397)	(2,413)	-	-	-
Finance lease payments	(87)	(87)	-	-	-	-
Interest paid to external parties	(41,198)	(35,531)	(5,667)	(45,197)	(38,798)	(6,399)
Payments on early settlement of derivative financial instruments – interest rate swaps	(6,703)	(6,703)	-	-	-	-
Interest paid to related parties	-	-	-	-	-	(6,724)
Net cash flows from financing activities	(305,199)	(46,145)	(2,595)	(154,003)	(64,215)	(20,657)
Net (decrease) / increase in cash and cash assets held	(242,168)	4,940	4,081	(103,638)	(26,042)	(9,193)
Cash assets at the beginning of the half-year	347,070	25,383	4,056	453,758	51,188	219,228
Exchange rate movements	(460)	-	(460)	4,515	-	4,515
Cash assets at the end of the half-year	104,442	30,323	7,677	354,635	25,146	214,550

The above Consolidated Statements of Cash Flows should be read in conjunction with the accompanying notes.

Interim Financial Report

for half year ended 31 December 2009

Notes to the Financial Statements

1 Summary of Significant Accounting Policies

This general purpose interim financial report for the half year reporting period ended 31 December 2009 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* (where applicable).

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual reports of SCMG (formerly known as Macquarie Media Group), the SCMGL Group (formerly known as the Macquarie Media Holdings Limited Group) and the SCMIL Group (formerly known as the Macquarie Media International Limited Group) for the year ended 30 June 2009 and any public announcements made by SCMG (formerly known as Macquarie Media Group) during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out in note 1 (g) below:

(a) Basis of Preparation

As permitted by ASIC Class order 05/642, this report consists of the consolidated financial statements of Southern Cross Media Trust ("SCMT") and the entities it controlled at the end of and during the period (collectively referred to as "SCMG" or the "Group"), the consolidated financial statements of Southern Cross Media Group Limited ("SCMGL") and the entities it controlled at the end of and during the period (collectively referred to as the "SCMGL Group") and the consolidated financial statements of Southern Cross Media International Limited ("SCMIL") and the entities it controlled at the end of and during the period (collectively referred to as the "SCMIL Group").

Compliance with IFRS

Compliance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* ensures that the interim financial report complies with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB). Consequently, this interim financial report has also been prepared in accordance with and complies with IAS 34 *Interim Financial Reporting* as issued by the IASB.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current period.

Interim Financial Report

for half year ended 31 December 2009

1 Summary of Significant Accounting Policies (continued)

(a) Basis of Preparation (continued)

Going Concern

The interim financial reports have been prepared on a going concern basis.

SCMG

As at 31 December 2009, SCMG had an excess of current liabilities over current assets of \$372.0 million (30 June 2009: excess of current assets over current liabilities of \$159.2 million). In this regard it is noted that SCMG generates positive cash flows from its operations.

A member of the SCMGL Group, Southern Cross Media Australia Pty Limited ("SCM"), has an external finance facility (the "SCM Facility"), drawn to \$337.5 million included in current liabilities which is due to mature on 1 November 2010. The SCM Facility is secured against SCM and its assets. There are no guarantees or security granted by SCMGL, SCMT or SCMIL to SCM's external financiers.

On 3 December 2009 SCM reduced the borrowings outstanding under the SCM Facility from \$872.5 million to \$337.5 million resulting in a considerable reduction in leverage and an improvement in the terms upon which the facility could be expected to be refinanced, had the repayment not been made. As of the date of this interim financial report, discussions with SCM's financiers regarding terms for refinancing the SCM Facility are well advanced and SCM has an ability to generate operating cash flows in excess of its interest obligations. As a result, the directors expect the SCM Facility to be refinanced prior to maturity.

A member of the SCMIL Group, American Consolidated Media, LLC ("ACM"), has an external finance facility (the "ACM Facility") included in current liabilities which is due to mature on 29 June 2010. The ACM Facility is secured against ACM and its assets. There are no guarantees or security granted by SCMGL, SCMT or SCMIL to ACM's external financiers. ACM has breached certain covenants under the ACM Facility, including the leverage covenant for the June and September 2009 quarters and the inclusion of a "going concern" or like qualification or exception in the audit report on ACM's US GAAP accounts for the year to 30 June 2009. Upon a covenant breach the lenders rights include demanding repayment of amounts outstanding under the ACM Facility. On 20 November 2009 ACM entered into a forbearance agreement with its lenders (the "Forbearance Agreement"). Under the Forbearance Agreement, whilst the forbearance did not constitute a waiver of ACM's covenant breaches, the ACM lenders agreed not to exercise their rights arising from specified existing and anticipated covenant breaches until the earlier of 29 January 2010 and the occurrence of a forbearance default. On 29 January 2010 the Forbearance Agreement was extended to 29 March 2010. The terms of the Forbearance Agreement remain materially the same, save that ACM will be liable for additional advisor costs incurred on behalf of the lenders during the forbearance period.

Discussions are continuing between ACM and its lenders in relation to the ACM Facility. As these discussions are ongoing, there is significant uncertainty whether new facilities or other funding will be available to ACM to repay or refinance the ACM Facility at or prior to its maturity and therefore whether the SCMIL Group will continue as a going concern. However, the directors believe that there are reasonable grounds to expect that the SCMIL Group will continue as a going concern because of:

- The potential to restructure, refinance or amend the ACM Facility;
- The potential to renegotiate certain loan covenants under the ACM Facility within the current forbearance period or to extend the forbearance period;
- ACM's ability to generate operating cash flows in excess of ACM's interest obligations; and
- The fact that the ACM Facility is secured against ACM and its assets and there are no guarantees or security granted by SCMGL, SCMT or SCMIL to ACM's external financiers.

ACM represents 19% of the revenues and 6% of the total assets of SCMG.

On the basis of the above, the directors consider that notwithstanding the existence of significant uncertainty surrounding the ability of ACM to continue as a going concern, there are reasonable grounds to expect that SCMG will be able to continue as a going concern and that it is appropriate for the SCMG interim financial report to be prepared on a going concern basis.

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1 Summary of Significant Accounting Policies (continued)

(a) Basis of Preparation (continued)

SCMGL Group

As at 31 December 2009, the SCMGL Group had a deficiency of capital and reserves of \$219.3 million (30 June 2009: \$199.3 million). In addition, the SCMGL Group had an excess of current liabilities over current assets of \$894.3 million (30 June 2009: \$98.1 million). In this regard it is noted that the SCMGL Group generates positive cash flows from its operations.

Included in the SCMGL Group's current liabilities are amounts totalling \$658.5 million (30 June 2009: \$106.0 million included in current liabilities and \$519.2 million included in non-current liabilities) representing redeemable preference shares ("RPS") issued by SCMGL to SCMT and corresponding accrued fixed cumulative dividends payable to SCMT. Excluding the RPS and corresponding accrued fixed cumulative dividends payable, the net assets of the SCMGL Group at 31 December 2009 would have been \$439.2 million (30 June 2009: \$425.9 million) and the excess of current liabilities over current assets would have been \$235.8 million (30 June 2009: excess of current assets over current liabilities of \$7.9 million).

The terms of the RPS are such that they are not required to be redeemed until the date 17 years after their issue date provided that any redemption must be effected in accordance with the *Corporations Act 2001* which provides that any such redemption must be funded out of profits or the proceeds of a new issue of shares made for the purpose of the redemption. The first such redemption date is 22 November 2022.

At the SCMGL Extraordinary General Meeting held on 17 December 2009, as part of the SCMG Corporatisation proposal, security holders approved the cancellation of the SCMGL RPS for nil consideration on or after the Corporatisation Implementation Date and before 31 December 2010 at a time determined by SCMGL. The Corporatisation Implementation Date is expected to occur on or before 31 December 2010, subject to the remaining conditions precedent to the Corporatisation being satisfied or otherwise being of no effect. At the date of this report, the directors expect all outstanding conditions precedent to be satisfied on or before 31 December 2010.

A member of the SCMGL Group, SCM, has an external finance facility (the "SCM Facility"), drawn to \$337.5 million included in current liabilities (30 June 2009: \$9.6 million included in current liabilities and \$862.9 million included in non current liabilities) which is due to mature on 1 November 2010. The SCM Facility is secured against SCM and its assets. There are no guarantees or security granted by SCMGL, SCMT or SCMIL to SCM's external financiers.

On 3 December 2009 SCM reduced the borrowings outstanding under the SCM Facility from \$872.5 million to \$337.5 million resulting in a considerable reduction in leverage and an improvement in the terms upon which the facility could be expected to be refinanced, had the repayment not been made. As of the date of this interim financial report, discussions with SCM's financiers regarding terms for refinancing the SCM Facility are well advanced and SCM has an ability to generate operating cash flows in excess of its interest obligations.

On the basis of the above, the directors believe that there are reasonable grounds to expect that the SCM Facility will be refinanced prior to maturity and that the SCMGL Group will be able to continue as a going concern and that it is appropriate for the SCMGL interim financial report to be prepared on a going concern basis.

Interim Financial Report

for half year ended 31 December 2009

1 Summary of Significant Accounting Policies (continued)

(a) Basis of Preparation (continued)

SCMIL Group

As at 31 December 2009, the SCMIL Group had an excess of current liabilities over current assets of \$139.7 million (30 June 2009: \$160.4 million).

A member of the SCMIL Group, ACM, has an external finance facility (the "ACM Facility") included in current liabilities which is due to mature on 29 June 2010. The ACM Facility is secured against ACM and its assets. There are no guarantees or security granted by SCMGL, SCMT or SCMIL to ACM's external financiers. ACM has breached certain covenants under the ACM Facility, including the leverage covenant for the June and September 2009 quarters and the inclusion of a "going concern" or like qualification or exception in the audit report on ACM's US GAAP accounts for the year to 30 June 2009. Upon a covenant breach the lenders rights include demanding repayment of amounts outstanding under the ACM Facility. On 20 November 2009 ACM entered into a forbearance agreement with its lenders (the "Forbearance Agreement"). Under the Forbearance Agreement, whilst the forbearance did not constitute a waiver of ACM's covenant breaches, the ACM lenders agreed not to exercise their rights arising from specified existing and anticipated covenant breaches until the earlier of 29 January 2010 and the occurrence of a forbearance default. On 29 January 2010 the Forbearance Agreement was extended to 29 March 2010. The terms of the Forbearance Agreement remain materially the same, save that ACM will be liable for additional advisor costs incurred on behalf of the lenders during the forbearance period.

Discussions are continuing between ACM and its lenders in relation to the ACM Facility. As these discussions are ongoing, there is significant uncertainty whether new facilities or other funding will be available to ACM to repay or refinance the ACM Facility at or prior to its maturity and therefore whether the SCMIL Group will continue as a going concern. However, the directors believe that there are reasonable grounds to expect that the SCMIL Group will continue as a going concern because of:

- The potential to restructure, refinance or amend the ACM Facility;
- The potential to renegotiate certain loan covenants under the ACM Facility within the current forbearance period or to extend the forbearance period;
- ACM's ability to generate operating cash flows in excess of ACM's interest obligations; and
- The fact that the ACM Facility is secured against ACM and its assets and there are no guarantees or security granted by SCMGL, SCMT or SCMIL to ACM's external financiers.

No adjustments have been made to the interim financial report relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary if the SCMIL Group does not continue as a going concern.

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1 Summary of Significant Accounting Policies (continued)

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the entities deemed to be controlled by SCMT as at period end (and their subsidiaries) and the result of the deemed controlled entities (and their subsidiaries) for the period of control. SCMT and deemed controlled entities and their subsidiaries are referred to in this interim financial report as the consolidated entity, SCMG, or the Group. The effects of all transactions between entities in the consolidated entity are eliminated in full. Other non-controlling interests in the statement of comprehensive income and equity of the deemed subsidiaries are shown separately in the consolidated Statements of Comprehensive Income and Statements of Financial Position respectively. Other non-controlling interests are interests which are attributable to parties other than the stapled security holders.

Upon stapling of the units of SCMT and the shares of SCMGL and SCMIL, the directors deemed SCMT to have acquired SCMGL and SCMIL despite the fact that the units and shares are stapled. Accordingly, the stapled entities of SCMG are represented as the consolidated financial statements of SCMT. Subsidiaries, other than those that SCMT has been deemed to have directly acquired through stapling arrangements, are all those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group except as follows:

- Under Australian Accounting Standards the formation of the stapled group comprising SCMT, SCMGL and its legal subsidiaries and SCMIL and its legal subsidiaries, collectively known as SCMG, has been accounted for as a business combination.
- In applying the requirements of AASB 3 Business Combinations to the stapled group:
 - SCMT as the Parent Entity of the SCMG group presents consolidated financial information for the group; and
 - At the time of Initial Public Offering ("IPO") Southern Cross Media Australia Holdings Pty Limited ("SCMHL") is deemed to be the accounting acquirer of both SCMGL and SCMT, which is neither the legal parent nor legal acquirer.

This reflects the requirements of AASB 3 that in situations where an existing entity (SCMHL) arranges to be acquired by a smaller entity (SCMGL) for the purposes of a stock exchange listing, the existing entity SCMHL should be deemed to be the acquirer, subject to consideration of other factors such as management of the entities involved in the transaction and relative fair values of the entities involved in the transaction. This is commonly referred to as a reverse acquisition.

At the time of IPO, in November 2005, the reverse acquisition guidance of AASB 3 was applied to the SCMG group and the cost of the Business Combination was deemed to be paid by SCMHL to acquire SCMGL and SCMT. The cost was determined by reference to the fair value of the net assets of SCMGL and SCMT immediately prior to the Business Combination. The investment made by the legal parent SCMGL in SCMHL to legally acquire the existing radio assets is eliminated on consolidation. In applying the guidance of AASB 3, this elimination results in a debit of \$77.4 million to other equity transactions. This does not affect SCMG's distributable profits.

AASB Interpretation 1002: Post-Date-of-Transition Stapling Arrangements requires one of the stapled entities of a stapled structure to be identified as the Parent Entity for the purpose of preparing a consolidated financial report. In accordance with this requirement, SCMT has been identified as the parent of the consolidated group comprising SCMT, SCMGL and its subsidiaries and SCMIL and its subsidiaries together acting as SCMG.

Interim Financial Report

for half year ended 31 December 2009

1 Summary of Significant Accounting Policies (continued)

(b) Principles of Consolidation (continued)

(i) *Subsidiaries*

Subsidiaries, other than those that SCMT has been deemed to have directly acquired through stapling arrangements, are those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. Where control of an entity is obtained during a financial period, its results are included in the statement of comprehensive income from the date on which control commences. Where control of an entity ceases during a financial period, its results are included for that part of the period during which control existed.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated Statements of Comprehensive Income and Statements of Financial Position respectively.

(ii) *Associates*

Associates are entities over which the Group has significant influence, but not control. Investments in associates are accounted for in the Parent Entity financial statements (only disclosed in year end financial statements) using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes the fair value of goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the Statement of Comprehensive Income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the Parent Entity's Statement of Comprehensive Income, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.

(iii) *Joint ventures*

Interest in joint venture entities are accounted for in the consolidated financial statements using the equity method and are carried at cost by the Parent Entity. As for associates, under the equity method, the share of the profits or losses of the partnership is recognised in the Statements of Comprehensive Income, and the share of movements in reserves is recognised in reserves in the Statements of Financial Position.

(iv) *Transactions with Non-controlling parties*

Equity transactions with non-controlling entities are recognised in the Group financial statements using the economic entity method, whereby transactions with non-controlling parties are treated as transactions with equity participants.

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for half year ended 31 December 2009

1 Summary of Significant Accounting Policies (continued)

(c) Intangible Assets

Free to air commercial television and radio broadcasting licences

Television and radio licences are initially recognised at cost. The licences are renewable for a minimal cost every five years under provisions within the Broadcasting Services Act. The directors understand that the revocation of a commercial television or radio licence has never occurred in Australia and have no reason to believe the licences have a finite life. As a result, the free to air commercial television and radio broadcasting licences have been assessed to have indefinite useful lives. Accordingly, they are not amortised and are tested for impairment annually, or whenever there is an indication that the carrying value may be impaired, and are carried at cost less accumulated impairment losses.

Mastheads and tradenames

Mastheads and tradenames are initially recognised at cost. The mastheads and tradenames have been assessed to have indefinite useful lives. Accordingly, they are not amortised and are tested for impairment annually, or whenever there is an indication that the carrying value may be impaired, and are carried at cost less accumulated impairment losses.

The Group's mastheads and tradenames operate in established markets with limited restrictions and are expected to continue to complement the Group's media initiatives. On this basis, the directors have determined that mastheads and tradenames have indefinite lives as there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows.

Other intangibles

Other intangibles including customer relationships and non-compete agreements are recognised at cost and are amortised over the useful life of the asset (between 1 – 13 years).

Goodwill

All business combinations are accounted for by applying the purchase method. Where an entity or operation is acquired, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of acquisition over the fair value of the identifiable net assets acquired is brought to account as goodwill.

Goodwill is stated at cost less any impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

Negative goodwill arising on an acquisition is recognised directly in profit or loss, after reassessment of the identification and measurement of the net assets acquired.

(d) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested at least annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

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1 Summary of Significant Accounting Policies (continued)

(e) Rounding of Amounts

SCMG and the SCMIL Group are of a kind referred to in Class Order 98/100, as amended by Class Order 04/667 and Class Order 05/641, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the interim financial report. Amounts in the interim financial reports of all entities have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(f) Critical Accounting Estimates and Judgement

The preparation of the interim financial report in accordance with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. Management believes the estimates used in the preparation of the interim financial report are reasonable. Actual results in the future may differ from those reported.

The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Impairment of goodwill and intangible assets with indefinite useful lives

In accordance with the accounting policy stated in note 1(c) and 1(d) the Group tests at least annually whether goodwill and intangible assets with indefinite useful lives have suffered any impairment and when there is an indication of impairment. The tests incorporate assumptions regarding future events which may or may not occur, resulting in the need for future revisions of estimates. There are also judgements involved in determination of cash generating units. Refer to note 4 for details of these assumptions.

(ii) Share based payments

The Group provides incentives to certain employees via share based payment entitlements. The fair value of entitlements is determined in accordance with the accounting policy in note 1(n)(ii) of the financial report for the year ended 30 June 2009. If certain assumptions used in the fair value calculation were to change, there would be an impact on the statement of comprehensive income in future financial periods.

(iii) Retirement benefit assets/obligations

The asset/liability in respect of the defined benefit superannuation plan is calculated as the deficit/surplus of the fair value of the defined benefit plan assets over the present value of the defined benefit obligation. The key assumptions used in determining the retirement benefit asset are described in note 24 of the financial report for the year ended 30 June 2009 and have not changed significantly since that date.

(iv) Income taxes

The Groups are subject to income taxes in Australia and in some of its foreign operations. Currently the Groups have tax losses available for use that have been brought to account as deferred tax assets. This is based on an assumption that the use of these losses in the foreseeable future is probable. If this assumption was to change, the corresponding tax assets may be derecognised in the Groups' balance sheets.

(v) Derivative financial instruments

The fair values of over-the-counter derivatives are determined using valuation techniques adopted by the directors with assumptions that are based on market conditions existing at each balance sheet date. The fair values of interest rate swaps are calculated as the present values of the estimated future cash flows.

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for half year ended 31 December 2009

1 Summary of Significant Accounting Policies (continued)

(g) Impact of new accounting policies

The Group had to change some of its accounting policies as the result of new or revised accounting standards which became operative for the annual reporting period commencing on 1 July 2009. The affected policies and standards are:

(i) Revised AASB 101: Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (effective from 1 January 2009)

AASB 101 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity but has not affected any of the amounts recognised in the financial statements. If the Group made a prior period adjustment or has reclassified items in the financial statements, it would also need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Group has not disclosed a third balance sheet as it has not made a prior period adjustment.

(ii) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 (effective from 1 January 2009)

AASB 8 has resulted in a change in the approach to segment reporting, as it requires adoption of a "management approach" to reporting on the financial performance. The information being reported is based on what the key decision-makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The Group has adopted AASB 8 from 1 July 2009. Refer to note 9 for segment information.

(h) Impact of standards issued but not yet applied

In December 2009, the AASB issued AASB 9 *Financial Instruments* which addresses the classification and measurement of financial assets and is likely to affect the SCMG, SCMGL and SCMIL accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Groups are assessing the impact of this new accounting standard.

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2 Loss for the Half Year

The operating loss before income tax included the following specific items of revenue, other income and expenses:

	SCMG 1 Jul 09 – 31 Dec 09 \$'000	SCMGL Group 1 Jul 09 – 31 Dec 09 \$'000	SCMIL Group 1 Jul 09 – 31 Dec 09 \$'000	SCMG 1 Jul 08 – 31 Dec 08 \$'000	SCMGL Group 1 Jul 08 – 31 Dec 08 \$'000	SCMIL Group 1 Jul 08 – 31 Dec 08 \$'000
Revenue						
Sales revenue	257,192	207,121	50,071	279,170	211,812	67,358
	257,192	207,121	50,071	279,170	211,812	67,358
Other revenue						
Government grants revenue	1,132	1,132	-	1,141	1,141	-
Interest income						
Banks	5,846	503	25	12,611	1,107	7,362
Related parties	756	22	3,192	903	6,296	64
	7,734	1,657	3,217	14,655	8,544	7,426
Total revenue	264,926	208,778	53,288	293,825	220,356	74,784
Other income						
Net fair value gains on financial derivatives - interest rate swaps	20,868	18,673	2,195	-	-	-
Net foreign exchange gains	-	-	-	42,142	-	875
Gain on sale of non-current assets	-	-	-	672	-	672
	20,868	18,673	2,195	42,814	-	1,547

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2 Loss for the Half Year (continued)

	SCMG	SCMGL	SCMIL	SCMG	SCMGL	SCMIL
	1 Jul 09 – 31 Dec 09	1 Jul 09 – 31 Dec 09	1 Jul 09 – 31 Dec 09	1 Jul 08 – 31 Dec 08	1 Jul 08 – 31 Dec 08	1 Jul 08 – 31 Dec 08
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating expenses						
Management fees						
Base fee expense – Responsible entity / manager	2,567	-	331	1,332	8	342
Depreciation						
Buildings	744	561	183	499	356	143
Plant & equipment	10,451	9,688	763	9,994	8,879	1,115
Leasehold improvements	340	300	40	359	319	40
Plant & equipment under finance leases	69	69	-	56	56	-
Total depreciation	11,604	10,618	986	10,908	9,610	1,298
Amortisation						
Non-compete agreements	329	-	329	637	-	637
Patents and trademarks	9	-	9	10	-	10
Customer relationships	3,271	483	2,788	4,605	483	4,122
Total amortisation	3,609	483	3,126	5,252	483	4,769
Total depreciation and amortisation expense	15,213	11,101	4,112	16,160	10,093	6,067
Finance costs						
Interest expense and other borrowing costs						
External banks	50,420	42,431	7,985	51,193	43,560	7,629
Related parties	-	44,119	-	-	43,725	8,906
Finance charges on capitalised leases	20	20	-	23	23	-
Total finance costs	50,440	86,570	7,985	51,216	87,308	16,535
Other expenses						
Net fair value loss on financial derivatives - interest rate swaps	-	-	-	64,171	58,919	5,252
Net fair value loss on financial derivatives - foreign currency	-	-	-	6,322	-	6,322
Net foreign exchange losses	6,370	-	6,370	-	-	-
Other expenses	-	-	-	1,084	8	1,076
Total other expenses	6,370	-	6,370	71,577	58,927	12,650

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3 Distributions Paid and Proposed

	SCMG *	
	6 months to 31 Dec 2009 \$'000	6 months to 31 Dec 2008 \$'000
The distributions were paid / payable as follows:		
Final distribution paid for the year ended 30 June	6,117	48,252
Interim distribution proposed and subsequently paid for the period ended 31 December	13,259	9,672
	Cents per stapled security	Cents per stapled security
Final distribution paid for the year ended 30 June	3.2	22.5
Interim distribution proposed and subsequently paid for the period ended 31 December	3.5	4.5

* These distributions were paid by SCMT. No distributions were paid by SCMGL or SCMIL.

4 Non-current Assets – Intangible Assets

	SCMG	SCMGL Group	SCMIL Group	SCMG	SCMGL Group	SCMIL Group
	As at 31 Dec 09 \$'000	As at 31 Dec 09 \$'000	As at 31 Dec 09 \$'000	As at 30 Jun 09 \$'000	As at 30 Jun 09 \$'000	As at 30 Jun 09 \$'000
Commercial radio / TV broadcast licences – at cost	768,483	768,483	-	768,483	768,483	-
Masthead and tradenames – at cost	65,338	79	65,259	72,381	77	72,304
Less accumulated amortisation and impairment charges	(29,072)	-	(29,072)	(33)	-	(33)
	36,266	79	36,187	72,348	77	72,271
Non-compete agreements – at cost	2,611	-	2,611	3,034	-	3,034
Less accumulated amortisation and impairment charges	(2,268)	-	(2,268)	(2,079)	-	(2,079)
	343	-	343	955	-	955
Customer relationships – at cost	63,256	2,900	60,356	70,168	2,900	67,268
Less accumulated amortisation and impairment charges	(37,666)	(2,094)	(35,572)	(12,497)	(1,611)	(10,886)
	25,590	806	24,784	57,671	1,289	56,382
Goodwill – at cost	515,325	295,868	219,457	540,843	295,868	244,975
Less accumulated impairment charges	(219,457)	-	(219,457)	(123,291)	-	(123,291)
	295,868	295,868	-	417,552	295,868	121,684
Total intangibles – at cost	1,415,013	1,067,330	347,683	1,454,909	1,067,328	387,581
Less total accumulated amortisation and impairment charges	(288,463)	(2,094)	(286,369)	(137,900)	(1,611)	(136,289)
Total intangibles – net	1,126,550	1,065,236	61,314	1,317,009	1,065,717	251,292

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4 Non-current Assets – Intangible Assets (continued)

	SCMG (Half year)	SCMGL Group (Half year)	SCMIL Group (Half year)	SCMG (Full year)	SCMGL Group (Full year)	SCMIL Group (Full year)
	1 Jul 09 – 31 Dec 09 \$'000	1 Jul 09 – 31 Dec 09 \$'000	1 Jul 09 – 31 Dec 09 \$'000	1 Jul 08 – 30 Jun 09 \$'000	1 Jul 08 – 30 Jun 09 \$'000	1 Jul 08 – 30 Jun 09 \$'000
Commercial radio/TV broadcast licences						
Carrying amount at the beginning of the period	768,483	768,483	-	768,483	768,483	-
Disposals	-	-	-	-	-	-
Carrying amount at the end of the period	768,483	768,483	-	768,483	768,483	-
Masthead and Tradenames						
Carrying amount at the beginning of the period	72,348	77	72,271	60,707	64	60,643
Additions	2	2	-	13	13	-
Amortisation expense	(9)	-	(9)	(20)	-	(20)
Impairment charge for the period (c)	(29,034)	-	(29,034)	-	-	-
Foreign currency exchange differences	(7,041)	-	(7,041)	11,648	-	11,648
Carrying amount at the end of the period	36,266	79	36,187	72,348	77	72,271
Non-compete agreements						
Carrying amount at the beginning of the period	955	-	955	951	-	951
Additions	-	-	-	1,280	-	1,280
Amortisation expense	(329)	-	(329)	(1,436)	-	(1,436)
Impairment charge for the period (c)	(205)	-	(205)	-	-	-
Foreign currency exchange differences	(78)	-	(78)	160	-	160
Carrying amount at the end of the period	343	-	343	955	-	955
Customer relationships						
Carrying amount at the beginning of the period	57,671	1,289	56,382	56,566	2,255	54,311
Additions	-	-	-	13	-	13
Amortisation expense	(3,271)	(483)	(2,788)	(8,594)	(966)	(7,628)
Impairment charge for the period (c)	(23,107)	-	(23,107)	-	-	-
Foreign currency exchange differences	(5,703)	-	(5,703)	9,686	-	9,686
Carrying amount at the end of the period	25,590	806	24,784	57,671	1,289	56,382
Goodwill						
Carrying amount at the beginning of the period	417,552	295,868	121,684	502,693	296,558	206,135
Disposals	-	-	-	(690)	(690)	-
Impairment charge for the period (c)	(108,835)	-	(108,835)	(138,940)	-	(138,940)
Foreign currency exchange differences	(12,849)	-	(12,849)	54,489	-	54,489
Carrying amount at the end of the period	295,868	295,868	-	417,552	295,868	121,684
Total intangibles – net	1,126,550	1,065,236	61,314	1,317,009	1,065,717	251,292

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4 Non-current Assets – Intangible Assets (continued)

(a) Impairment tests for licences, masthead, tradenames and goodwill

The value of licences, mastheads, tradenames and goodwill is allocated to the Group's cash generating units ("CGUs"), identified as the Australian free to air broadcasting business and regional CGU groups in the United States community newspaper business.

The recoverable amount of the Australian free to air broadcasting CGU at 31 December 2009 and 30 June 2009 was determined based on a value in use discounted cash flow ("DCF") model.

The recoverable amount of each of the United States community newspaper group CGUs at 30 June 2009 was determined based on a value in use DCF model. At 31 December 2009, the recoverable amount of the CGUs has been determined based on the fair value less cost to sell as this is higher than that based on the value in use method.

Allocation of goodwill and other intangible assets

	Australia Free to Air Broadcasting CGU	United States Community Newspapers Group of CGUs	Total SCMG
	\$'000	\$'000	\$'000
Consolidated			
December 2009			
Goodwill allocated to CGU			
Free to air broadcasting	295,868	-	295,868
Community newspapers			
Southwest Texas	-	-	-
Ohio	-	-	-
Chesapeake	-	-	-
Superior	-	-	-
Total goodwill	295,868	-	295,868
Indefinite life intangible assets allocated to CGU			
Free to air broadcasting	768,483	-	768,483
Community newspapers			
Southwest Texas	-	15,003	15,003
Ohio	-	3,690	3,690
Chesapeake	-	8,496	8,496
Superior	-	8,495	8,495
Total indefinite life intangible assets	768,483	35,684	804,167
Total goodwill and indefinite life intangible assets	1,064,351	35,684	1,100,035
Assumptions (see part (b))			
		%	
Value in use assumptions			
Revenue growth – forecast period	3.8-4.9	-	
Cost growth	2.9-3.4	-	
Long term growth rate – terminal value	2.5	-	
Discount rate (pre tax)	13.5	-	
Fair value less costs to sell assumptions			
EBITDA multiple	-	4.5x	
Costs to sell	-	1.75%	

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4 Non-current Assets – Intangible Assets (continued)

(a) Impairment tests for licences, masthead, tradenames and goodwill (continued)

Allocation of goodwill and other intangible assets (continued)

	Australia Free to Air Broadcasting CGU	United States Community Newspapers Group of CGUs	Total SCMG
Consolidated	\$'000	\$'000	\$'000
June 2009			
Goodwill allocated to CGU			
Free to air broadcasting	295,868	-	295,868
Community newspapers			
Southwest Texas	-	49,800	49,800
Ohio	-	13,462	13,462
Chesapeake	-	19,006	19,006
Superior	-	38,996	38,996
Total goodwill	295,868	121,264	417,132
Indefinite life intangible assets allocated to CGU			
Free to air broadcasting	768,483	-	768,483
Community newspapers			
Southwest Texas	-	25,256	25,256
Ohio	-	6,878	6,878
Chesapeake	-	25,469	25,469
Superior	-	14,460	14,460
Total indefinite life intangible assets	768,483	72,063	840,546
Total goodwill and indefinite life intangible assets	1,064,351	193,327	1,257,678
Assumptions (see part (b))			
	%	%	
Revenue growth – Forecast Period	3.8-4.9	2.8-5.3	
Cost growth	3.2	2.5	
Long term growth rate – terminal value	2.5	2.0	
Discount rate (pre tax)	12.6	13.8	

(b) Key assumptions used for value in use calculations

The value in use calculations use cash flow projections based on the updated 2010 financial budgets extended over the subsequent four year period (“Forecast Period”) using estimated growth rates approved by the board. Such growth rates do not exceed the long term industry growth rates. Cash flows beyond the five year period are extrapolated using growth rates that do not exceed the long term average growth rate for the business in which the CGU operates (refer table on the previous page). The discount rate used reflects specific risks relating to the relevant segments and the countries in which they operate (refer table above on the previous page). The fair value less cost to sell calculations use estimated EBITDA multiples which are applied to the updated 2010 budgeted EBITDA less the estimated costs to sell.

(c) Impairment charge

At 31 December 2009, the carrying amount of the United States community newspaper segment had been reduced to its recoverable amount through the recognition of an impairment charge of A\$170.6 million (US\$153.4 million). This impairment charge arose in the regional community newspaper CGUs in the United States as a result of the continued unfavourable economic environment impacting current and forecast trading performance and a reduction in earnings multiple received in sale transactions for comparable businesses. The impairment charge consists of: an impairment charge of A\$58.1 million (US\$52.2 million) in relation to the Southwest Texas CGU, an impairment charge of A\$20.6 million (US\$18.6 million) in relation to the Ohio CGU, an impairment charge of A\$46.8million (US\$42.1 million) in relation to the Chesapeake CGU and an impairment charge of A\$45.1 million (US\$40.5 million) in relation to the Superior CGU. After the current period impairment charge the net liabilities of ACM at 31 December 2009 (excluding loans from SCML) are A\$75.8 million (US\$68.1 million).

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4 Non-current Assets – Intangible Assets (continued)

(c) Impairment charge (continued)

This loss had been disclosed as a separate line item in the Statements of Comprehensive Income of the interim financial report for the half year ended 31 December 2009. The different classes of assets have been impaired as follows:

A\$'000s	Goodwill	Mastheads and tradenames	Non-compete agreements	Customer relationships	Property plant equipment	Total
Southwest Texas	(45,788)	(7,711)	(80)	(2,782)	(1,703)	(58,064)
Ohio	(12,782)	(2,480)	(123)	(4,144)	(1,089)	(20,618)
Chesapeake	(14,822)	(14,356)	-	(13,430)	(4,234)	(46,842)
Superior	(35,443)	(4,487)	(2)	(2,751)	(2,368)	(45,051)
	(108,835)	(29,034)	(205)	(23,107)	(9,394)	(170,575)

At 30 June 2009, the carrying amount of the United States community newspaper segment had been reduced to its recoverable amount through the recognition of impairment charges of A\$138.9 million (US\$99.5 million) against goodwill recognised in the year ending 30 June 2009. These impairment charges arose in the regional community newspaper CGUs in the United States as a result of the unfavourable economic environment impacting current and forecast trading performance. The total impairment charges for the year ended 30 June 2009 consisted of: an impairment charge of A\$29.6 million (US\$20.9 million) in relation to the Southwest Texas CGU, an impairment charge of A\$22.5 million (US\$16.3 million) in relation to the Ohio CGU, an impairment charge of A\$75.7 million (US\$53.6 million) in relation to the Chesapeake CGU and an impairment charge of A\$11.1 million (US\$8.7 million) in relation to the Superior CGU. This loss had been disclosed as a separate line item in the Statements of Comprehensive Income of the financial report for the year ended 30 June 2009. No class of asset other than goodwill had been impaired.

(d) Impact of a reasonably possible change in key assumptions

Free to air broadcasting

At 31 December 2009, an increase of 0.4% in the discount rate to reflect a higher cost of debt finance than currently forecast or other changes in the cost of equity, would result in the free to air broadcasting CGU carrying amount to exceed the recoverable amount. In addition, if the revenue was to decrease by 1.2% or operating expenses increase by 1.8% over the forecast period, it would result in the free to air broadcasting CGU carrying amount to exceed its recoverable amount. At 31 December 2009, the amount by which the recoverable amount exceeded the carrying value of the assets allocated to the free to air broadcasting CGU was \$47.1 million.

At 30 June 2009, an increase of 1.0% in the discount rate to reflect a higher cost of debt finance than currently forecast or other changes in the cost of equity would have resulted in the free to air broadcasting CGU carrying amount to exceed the recoverable amount. In addition, if the forecast revenue assumption was to decrease by 4.5% in the forecast period, or the operating expenses assumption was to increase by 4.5% in the same period, they would have resulted in the free to air broadcasting CGU carrying amount exceeding the recoverable amount. At 30 June 2009, the amount by which the recoverable amount exceeded the carrying value of the assets allocated to the free to air broadcasting CGU was \$128.4 million.

Community newspapers

At 30 June 2009, management had calculated a pre-tax discount rate of 13.8% for each community newspaper CGU, which is an estimate of their weighted average cost of capital and this has been applied against cash flow projections to calculate the recoverable amount. As there had been credit market liquidity constraints and volatile equity markets, the determination of the appropriate discount rate was subject to judgement. An increase of 0.1% and 0.7% in the discount rate to reflect a higher cost of debt finance than currently forecast or other changes in the cost of equity would have resulted in the carrying amount of Chesapeake and Southwest Texas CGUs respectively exceeding their recoverable amount. At 30 June 2009, the amount by which the recoverable amount of Chesapeake and Southwest Texas CGUs exceeded their carrying value respectively was A\$3.3 million and A\$1.7 million.

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5 Contributed Equity

	SCMG	SCMGL Group	SCMIL Group	SCMG	SCMGL Group	SCMIL Group
	As at 31 Dec 09 \$'000	As at 31 Dec 09 \$'000	As at 31 Dec 09 \$'000	As at 30 Jun 09 \$'000	As at 30 Jun 09 \$'000	As at 30 Jun 09 \$'000
Ordinary Units – SCMT	1,071,175	-	-	823,278	-	-
Deemed contributed equity of SCMGL & SCMIL	154,412	-	-	118,137	-	-
Ordinary Shares – SCMGL & SCMIL	-	4,469	150,450	-	4,469	113,668
Contributed equity	1,225,587	4,469	150,450	941,415	4,469	113,668

	SCMG	SCMGL Group	SCMIL Group	SCMG	SCMGL Group	SCMIL Group
	1 Jul 09 to 31 Dec 09 (Half Year) \$'000	1 Jul 09 to 31 Dec 09 (Half Year) \$'000	1 Jul 09 to 31 Dec 09 (Half Year) \$'000	1 Jul 08 to 31 Dec 08 (Half Year) \$'000	1 Jul 08 to 31 Dec 08 (Half Year) \$'000	1 Jul 08 to 31 Dec 08 (Half Year) \$'000
On issue at the beginning of the half year	941,415	4,469	113,668	971,244	4,499	116,679
Issue of stapled securities in relation to vested ACM employee shares (29 August 2008)	-	-	-	1,658	123	506
Buy backs	(2,205)	-	(270)	-	-	-
Capital raising	293,584	1,894	39,439	-	-	-
Cost of raising capital/buy backs	(7,207)	(1,894)	(2,387)	-	-	-
On issue at the end of the half year	1,225,587	4,469	150,450	972,902	4,622	117,185

	Number of Securities			Number of Securities		
	'000	'000	'000	'000	'000	'000
On issue at the beginning of the half year	190,998	190,998	190,998	214,452	214,452	214,452
Issue of stapled securities in relation to vested ACM employee shares (29 August 2008)	-	-	-	475	475	475
Buy backs	(1,589)	(1,589)	(1,589)	-	-	-
Capital Raising	189,409	189,409	189,409	-	-	-
On issue at the end of the half year	378,818	378,818	378,818	214,927	214,927	214,927

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6 (Accumulated Losses) / Retained Profits

	SCMG	SCMGL Group	SCMIL Group	SCMG	SCMGL Group	SCMIL Group
	1 Jul 09 to 31 Dec 09 (Half Year) \$'000	1 Jul 09 to 31 Dec 09 (Half Year) \$'000	1 Jul 09 to 31 Dec 09 (Half Year) \$'000	1 Jul 08 to 30 Jun 09 (Full Year) \$'000	1 Jul 08 to 30 Jun 09 (Full Year) \$'000	1 Jul 08 to 30 Jun 09 (Full Year) \$'000
Balance at the beginning of the period	79,458	(126,282)	117,962	118,130	(57,070)	175,222
Loss result attributable to security holders	(148,068)	(20,049)	(172,063)	(84,568)	(69,212)	(57,260)
Transfer (to) / from capital reserve*	(30,279)	-	-	61,685	-	-
Distributions/dividends provided for or paid	(13,259)	-	-	(15,789)	-	-
Balance at the end of the period	(112,148)	(146,331)	(54,101)	79,458	(126,282)	117,962

* The capital reserve represents the amounts transferred to or from the retained profit to allow distributions from SCMT to be made in accordance with the constitution.

7 Borrowings

On 3 December 2009 SCM, which is included in SCMG and the SCMGL Group, repaid \$535.0 million of its external borrowings. The total SCM Facility at 31 December 2009 is \$507.5 million (30 June 2009: \$1,011.0 million) consisting of \$337.5 million drawn and \$170.0 million undrawn (30 June 2009: \$872.5 million drawn and \$138.5 million undrawn).

8 Restricted Cash

Included in the cash balances at 31 December 2009 of SCMG and the SCMIL Group is restricted cash of \$3.2 million (US\$ 2.9 million) represented by ACM cash that has been restricted in accordance with the requirements of the Forbearance Agreement.

9 Segment Information

(a) Description of operating segments

Management has determined operating segments based on the information reported to the SCMG CEO and the MMML, SCMIL and SCMGL Board of Directors ("SCMG Boards"). Management has determined that the SCMG business has two operating segments being the free to air commercial radio and television broadcasting ("free to air broadcasting") segment included in the SCM group of companies and the community newspapers segment included in the ACM group of companies.

Free to air broadcasting

Free to air broadcasting consists of the commercial radio and television broadcast licences held throughout regional Australia and operates within the SCMGL Group.

Community newspapers

The community newspapers businesses of ACM are located in the United States of America (USA) and operate within the SCMIL group.

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9 Segment Information (continued)

(b) Segment information provided to the SCMG Boards

The segment information provided in the tables below details the operating segments for the SCMGL Group, the SCMIL Group and SCMG. The free to air broadcasting operating segment is within the SCMGL Group and the community newspaper operating segment is within the SCMIL Group.

	Australia Free to Air broadcasting	USA Community Newspaper	Total segment continuing operations
	1 Jul 09 - 31 Dec 09 \$'000	1 Jul 09 - 31 Dec 09 \$'000	1 Jul 09 - 31 Dec 09 \$'000
SCMG 2009			
Segment Result			
Segment revenue			
Television	136,009	-	136,009
Radio	75,852	-	75,852
Newspapers	-	50,071	50,071
Total segment revenue	211,861	50,071	261,932
Segment expenses	(143,003)	(40,907)	(183,910)
Segment EBITDA	68,858	9,164	78,022
EBITDA margin	32.5%	18.3%	29.8%
	31 Dec 09 \$'000	31 Dec 09 \$'000	31 Dec 09 \$'000
Segment assets*	1,361,406	93,099	1,454,505
* Excludes deferred tax assets			
	Australia Free to Air broadcasting	USA Community Newspaper	Total segment continuing operations
	1 Jul 08 - 31 Dec 08 \$'000	1 Jul 08 - 31 Dec 08 \$'000	1 Jul 08 - 31 Dec 08 \$'000
SCMG 2008			
Segment Result			
Segment revenue			
Television	136,813	-	136,813
Radio	79,957	-	79,957
Newspapers	-	68,030	68,030
Total segment revenue	216,770	68,030	284,800
Segment expenses	(144,752)	(54,163)	(198,915)
Segment EBITDA	72,018	13,867	85,885
EBITDA margin	33.2%	20.4%	30.2%
	31 Dec 08 \$'000	31 Dec 08 \$'000	31 Dec 08 \$'000
Segment assets*	1,375,772	363,459	1,739,231

* Excludes deferred tax assets

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9 Segment Information (continued)

(b) Segment information provided to the SCMG Boards (continued)

	Total continuing operations			Total continuing operations		
	SCMG	SCMGL Group	SCMIL Group	SCMG	SCMGL Group	SCMIL Group
	1 Jul 09 - 31 Dec 09	1 Jul 09 - 31 Dec 09	1 Jul 09 - 31 Dec 09	1 Jul 08 - 31 Dec 08	1 Jul 08 - 31 Dec 08	1 Jul 08 - 31 Dec 08
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reconciliation of Segment Revenue to SCMG Revenue						
Segment revenue	261,932	211,861	50,071	284,800	216,770	68,030
Interest income	6,602	525	3,217	13,514	7,403	7,426
Gain on sale of non-current assets	-	-	-	(672)	-	(672)
Revenue attributable to investments accounted for under the equity method*	(3,608)	(3,608)	-	(3,817)	(3,817)	-
Total revenue	264,926	208,778	53,288	293,825	220,356	74,784
Reconciliation of Segment EBITDA to SCMG Loss before income tax expense						
Segment EBITDA	78,022	68,858	9,164	85,885	72,018	13,867
Interest income	6,602	525	3,217	13,514	7,403	7,426
Net foreign exchange (losses) / gains	(6,370)	-	(6,370)	42,142	-	875
Depreciation and amortisation	(15,213)	(11,101)	(4,112)	(16,160)	(10,093)	(6,067)
Finance costs	(50,440)	(86,570)	(7,985)	(51,216)	(87,308)	(16,535)
Parent entity corporate costs	(7,959)	(2,246)	(2,273)	(4,506)	(892)	(2,410)
Fair value gains / (losses) and realised losses on financial derivatives	20,868	18,673	2,195	(70,493)	(58,919)	(11,574)
Impairment of non-current assets	(170,575)	-	(170,575)	(127,070)	-	(127,070)
Other expenses/income	37	(715)	243	(2,042)	(1,470)	(572)
Loss before income tax expense	(145,028)	(12,576)	(176,496)	(129,946)	(79,261)	(142,060)
	SCMG	SCMGL Group	SCMIL Group	SCMG	SCMGL Group	SCMIL Group
	As at 31 Dec 09	As at 31 Dec 09	As at 31 Dec 09	As at 31 Dec 08	As at 31 Dec 08	As at 31 Dec 08
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reconciliation of Segment Assets to SCMG total Assets						
Segment assets	1,454,505	1,361,406	93,099	1,739,231	1,375,772	363,459
Parent entity cash	69,571	1,461	1,669	320,747	761	205,047
Deferred tax assets	27,288	27,071	217	706	-	706
Parent entity receivables	716	46,598	166,319	1,271	140,182	1,042
Total assets	1,552,080	1,436,536	261,304	2,061,955	1,516,715	570,254

* Revenue attributable to investments accounted for under the equity method is included within the *Share of net profits of investments accounted for using the equity method* line in the Statements of Comprehensive Income. Proportionate revenue relating to investments accounted for under the equity method is included in the information reported to the SCMG Boards.

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10 Contingent Liabilities

Contingent fees

Under the Asset Advisory Agreement ("the Agreement"), Asset Base Fees and Asset Performance Fees are payable in certain limited circumstances which are contingent on the occurrence of: (a) a delisting of SCMGL or Southern Cross Media Trust ("SCMT") (an entity which forms part of the Stapled Group including SCMGL) or the removal of SCMG stapled securities from quotation, other than by Macquarie Group Limited and its associates ("Macquarie"); (b) a Macquarie company ceasing to be the responsible entity of SCMT, other than through retirement; or, (c) the termination of a Management Services Agreement which SCMGL has entered into with MMML (as Manager), other than by the Manager.

On 17 December 2009 SCMG security holders voted overwhelmingly in favour of the Internalisation. As consideration for the termination of Macquarie's existing management rights including the termination of the Agreement noted above, SCMG will pay Macquarie \$40.5 million cash. As at the date of this report the completion of the Internalisation remains conditional upon SCM lender consent or refinancing on terms permitting the Internalisation and, if the Internalisation is to take place prior to 1 July 2010, ACM lender consent or refinancing on terms permitting the Internalisation.

11 Events Occurring after Balance Sheet Date

On 29 January 2010 the ACM Forbearance Agreement was extended to 29 March 2010.

No other matters or circumstances have arisen since the end of the half year that have significantly affected or may significantly affect the operations of SCMG, the SCMGL Group or the SCMIL Group, the results of these operations in future financial years or the state of affairs of those entities in periods subsequent to the period ended 31 December 2009.

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Statement by the Directors of the Responsible Entity of Southern Cross Media Trust

On the Interim Financial Report of Southern Cross Media Trust

In the opinion of the directors of Macquarie Media Management Limited in its capacity as the responsible entity of Southern Cross Media Trust ("SCMT"), the interim financial report for SCMT and its subsidiaries ("SCMG") set out on pages 10 to 39 is in accordance with the *Corporations Act 2001*, including:

- a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- b) giving a true and fair view of the financial position of SCMG as at 31 December 2009 and of its performance, as represented by the results of its operations, changes in equity, and cash flows, for the financial period ended on that date; and
- c) there are reasonable grounds to believe that SCMG will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of Macquarie Media Management Limited in its capacity as responsible entity of Southern Cross Media Trust.



Max Moore-Wilton

Chairman
Sydney, Australia
22 February 2010

Chris de Boer

Director
Sydney, Australia
22 February 2010

Interim Financial Report

for half year ended 31 December 2009

Directors' Declaration – Southern Cross Media Group Limited

On the Interim Financial Report of Southern Cross Media Group Limited


The directors of Southern Cross Media Group Limited ("SCMGL") declare that the interim financial report of SCMGL and its subsidiaries (the "SCMGL Group") and notes set out on pages 10 to 39 is in accordance with the *Corporations Act 2001*, including:

- a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- b) giving a true and fair view of the financial position of the SCMGL Group as at 31 December 2009 and the financial performance of the SCMGL Group, as represented by the results of its operations, changes in equity, and cash flows, for the financial period ended on that date; and
- c) there are reasonable grounds to believe that the SCMGL Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of Southern Cross Media Group Limited.



Max Moore-Wilton
Chairman
Sydney, Australia
22 February 2010



Chris de Boer
Director
Sydney, Australia
22 February 2010

Interim Financial Report

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Directors' Declaration – Southern Cross Media International Limited

On the Interim Financial Report of Southern Cross Media International Limited

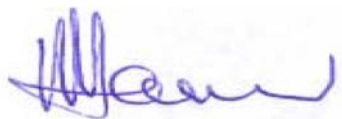
The directors of Southern Cross Media International Limited ("SCMIL") declare that the interim financial report of SCMIL and its subsidiaries (the "SCMIL Group") and notes set out on pages 10 to 39:

- a) comply with Accounting Standards and other mandatory professional reporting requirements; and
- b) give a true and fair view of the financial position of the SCMIL Group as at 31 December 2009 and of its performance, as represented by the results of its operations, changes in equity, and cash flows, for the financial period ended on that date.

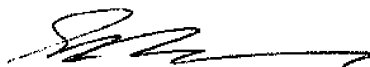
In the directors' opinion:

- a) whilst there is significant uncertainty as to whether the SCMIL Group can continue as a going concern as outlined in note 1(a), there are reasonable grounds to believe that the SCMIL Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors of Southern Cross Media International Limited.



Michael Hamer
Chairman
Hamilton, Bermuda
22 February 2010



Bob Richards
Deputy Chairman
Hamilton, Bermuda
22 February 2010

Independent auditor's review report to the unitholders of
Southern Cross Media Trust, members of Southern Cross
Media Group Limited and members of Southern Cross
Media International Limited

Report on the half-year financial reports

We have reviewed the accompanying half-year financial reports of Southern Cross Media Group ('SCMG'), Southern Cross Media Group Limited ('SCMGL') and Southern Cross Media International Limited ('SCMIL'), which comprise the consolidated statements of financial position as at 31 December 2009, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declarations or statement by directors of the responsible entity of the trust (as applicable) for SCMG, the SCMGL Group (defined below) and the SCMIL Group (defined below).

SCMG comprises both Southern Cross Media Trust ('SCMT') and the entities it controlled and was deemed to control during that half-year, including the SCMGL Group and the SCMIL Group. The SCMGL Group comprises both SCMGL and the entities it controlled during that half-year. The SCMIL Group comprises both SCMIL and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of Macquarie Media Management Limited ('the Responsible Entity'), the Responsible Entity of SCMT, the directors of SCMGL and the directors of SCMIL (together 'the directors') are responsible for the preparation and fair presentation of the half-year financial reports in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Act 2001* and the Trust Constitution of SCMT as applicable. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial reports that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial reports based on our reviews. We conducted our reviews in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial reports are not in accordance with the *Corporations Act 2001* including: giving a true and fair view of SCMG's, the SCMGL Group's and the SCMIL Group's financial positions as at 31 December 2009 and their performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* (as applicable). As the auditor of SCMG, the SCMGL Group and the SCMIL Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial reports.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial reports of SCMG, the SCMGL Group and the SCMIL Group are not in accordance with the *Corporations Act 2001* (as applicable) including:

- (a) giving a true and fair view of SCMG's, the SCMGL Group's and the SCMIL Group's financial positions as at 31 December 2009 and of their performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* (as applicable).

Significant Uncertainty Regarding Continuation as a Going Concern

Without qualification to our conclusion expressed above, we draw attention to Note 1(a) in the half-year financial report which indicates that there is significant uncertainty whether the SCMIL Group will continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.



PricewaterhouseCoopers



Wayne Andrews
Partner

Sydney
22 February 2010