

Macquarie Media Management Limited
A Member of the Macquarie Group of Companies
ABN 16 115 524 019
AFS Licence No. 292297

Southern Cross Media Group Limited
ABN 91 116 024 536

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ASX RELEASE / MEDIA RELEASE

Southern Cross Media Group - 2010 Interim Results **Proportionate Earnings per Security (EPS)¹² 12.3 cents**

Southern Cross Media Group (**SCMG**) today announced its financial results for the six months ended 31 December 2009.

Interim results highlights

Proportionate like-for-like media business revenue	A\$261.9m down 5.0% on prior corresponding period (pcp)
Proportionate like-for-like media business earnings before interest, tax, depreciation and amortisation (EBITDA)	A\$78.0m down 7.2% on pcp
Proportionate EPS (including one-off transaction costs associated with Internalisation and Corporatisation)	12.3 cents
Proportionate EPS (excluding one-off transaction costs associated with Internalisation and Corporatisation)	13.5 cents
Interim distribution per security	3.5 cents paid on 17 February 2010
Net loss from ordinary activities	A\$148.1m. This includes a non-cash impairment charge of A\$170.6m in relation to American Consolidated Media (ACM)
Southern Cross Media (SCM) debt	Reduced from A\$872.5m to A\$337.5m

SCMG Chief Executive, Rhys Holleran, said "For the six months to 31 December 2009, SCMG has delivered resilient results from its regional media businesses. The results are moderately ahead of guidance provided on 16 December 2009. Proportionate like-for-like media business revenue was down 5.0% on pcp and proportionate EPS of 13.5 cents (excluding one-off transaction costs associated with the Internalisation and Corporatisation) was down 18.2% on pcp. These results reflect a more challenging economic environment generally in the 6 months ended 31 December 2009 for both the Australian and US operations.

¹ As defined in the Unaudited Management Information Report for the half year ended 31 December 2009

² Including one-off transaction costs associated with the Internalisation and Corporatisation

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This document is not an offer or invitation for subscription or purchase of or a recommendation of securities. The information in this document does not take into account the investment objectives, financial situation and particular needs of investors. Before making an investment in SCMG an 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.

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"During the first half of FY10, SCMG has progressed a number of strategic initiatives. These include the now completed Recapitalisation of SCMG, the potential refinancing of SCM's business level bank facility, and the Internalisation and Corporatisation proposals which were approved by security holders on 17 December 2009³. Once completed, these initiatives will provide SCMG with maximum flexibility to improve its operations in the coming year," said Mr Holleran.

Southern Cross Media (SCM)

"The SCM business accounts for approximately 88% of SCMG's EBITDA. SCM has continued to deliver sound performance despite the challenging macro-economic conditions in Australia. The TV business continues to improve with advertising revenue up 1.0% vs pcp and 4.9% for the December quarter. The Government's recent announcement on licence fee rebates is expected to assist us in providing additional television services for regional Australians who currently receive limited services.

Radio markets remain challenging however we have seen the rate of revenue decline slow significantly in the December quarter, which was down only 1.4%, and expect considerable improvement in 2H10," said Mr Holleran.

Australian Revenue	% of total revenue 6 months to 31 December 2009	% change on Proforma pcp	% of total revenue 6 months to 31 December 2008
Commercial Radio Broadcasting			
Local	68.4%	(4.6%)	68.0%
National	22.4%	(7.6%)	23.0%
Total advertising revenue	90.8%	(5.4%)	91.0%
Other operations revenues	9.2%	(2.5%)	9.0%
Total operations revenue	100.0%	(5.1%)	100.0%
Commercial Television Broadcasting			
Local	37.6%	0.3%	37.2%
National	55.1%	1.4%	54.0%
Total advertising revenue	92.7%	1.0%	91.2%
Other operations revenues	7.3%	(16.7%)	8.8%
Total operations revenue	100.0%	(0.6%)	100.0%
Combined SCM			
Local	48.6%	(2.2%)	48.6%
National	43.4%	(0.4%)	42.5%
Total advertising revenue	92.0%	(1.4%)	91.1%
Other operations revenues	8.0%	(11.4%)	8.9%
Total operations revenue	100.0%	(2.3%)	100.0%

Source: Unaudited Management Information Report for the half year ended 31 December 2009

American Consolidated Media (ACM)

Mr Holleran noted, "All media businesses in the United States have been adversely affected by the continued difficult economic conditions. However, ACM is less exposed to the more volatile

³ Further details of the Internalisation and Corporatisation initiatives, including the conditions precedent to completion, can be found in the Notices of Meeting and Explanatory Memorandum dated 12 November 2009 and related SCMG announcements to the ASX.

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national advertising market than major city newspapers in the US due to the large proportion of its revenues coming from local communities.

US Revenue	% of total revenue 6 months to 31 December 2009	% change on Proforma pcp	% of total revenue 6 months to 31 December 2008
Display	56.3%	(8.9%)	52.4%
Classified	13.2%	(28.7%)	15.7%
Total advertising revenue (ex Online)	69.5%	(13.5%)	68.1%
Commercial printing	11.4%	(36.9%)	15.3%
Circulation	17.0%	3.9%	13.9%
Online	1.5%	(24.1%)	1.7%
Other revenues	0.6%	(50.3%)	1.0%
Total operations revenue	100.0%	(15.2%)	100.0%

Source: Unaudited Management Information Report for the half year ended 31 December 2009

As announced in October 2009, ACM has breached certain covenants under its external debt facility (the **ACM Facility**). ACM has entered into a forbearance agreement with its lenders until 29 March 2010⁴. Discussions are continuing with ACM's lenders in relation to the ACM Facility. As previously advised, the SCMG parent level entities have no plans to provide any parent level cash injections or other financial support or guarantee to ACM or its lenders. However, given ACM's financial position, the directors have determined that a non-cash impairment charge of A\$170.6m is required to ensure ACM's assets are not carried at a value in excess of their recoverable amount."

Outlook

"The recent strategic initiatives to recapitalise SCMG, internalise management and corporatise SCMG's structure are designed to position SCMG with an optimal capital structure and a solid balance sheet for the future.

"Our ratings through Channel Ten have been strong and will assist our growth, as will our already strong radio brands."

"There has been some evidence that the market is gaining momentum, and SCMG is well placed as we move into the second half of FY10. Our team is focussed on growing revenue while exercising strong cost control. We remain cautiously optimistic about the year ahead" said Mr Holleran.

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⁴ The forbearance period may be terminated earlier upon the occurrence of a forbearance default, such as the occurrence of an additional event of default under the ACM Facility. Further details in relation to the ACM Facility and forbearance are set out in section 6.8 of the Notices of Meeting and Explanatory Memorandum dated 12 November 2009 and SCMG's announcements of 13 October 2009, 29 October 2009, 20 November 2009 and 1 February 2010.

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About Southern Cross Media Group

Southern Cross Media Group has media operations on two continents providing more than 10.1 million people with information and entertainment focussed on their local community. Since listing on the Australian Securities Exchange in late 2005, Southern Cross Media Group has built a diversified media business with a strong focus on attractive regional markets.

Southern Cross Media (SCM) is Australia's leading regional media provider. SCM owns 15 regional free-to-air television licences across 11 commercial television licence areas and owns and operates 68 commercial radio stations in 38 commercial radio licence areas. With the ability to reach a potential audience of approximately 7.5 million people, or 95% of Australia's population outside the mainland State capital cities, SCM is the only regionally focused media provider to offer advertisers opportunities across radio and television.

American Consolidated Media (ACM) is among the top five specialist owners of community newspapers in the US, reaching a total readership population of more than 2.6 million people through more than 90 publications serving 18 geographic regions across 9 states.

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