

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

Southern Cross Media International Limited
EC 37694, ARBN 118 577 423

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ASX RELEASE / MEDIA RELEASE

Southern Cross Media Group - Execution of SCM Facility Agreement and Decision to Proceed with Internalisation and Corporatisation

Southern Cross Media Group (**SCMG**) today announces that Southern Cross Media Australia Pty Limited (**SCM**) has entered into an agreement with a consortium of banks for a refinanced facility of A\$375m in place of its existing business level debt facility.

A syndicated facility agreement has been signed with National Australia Bank, ANZ, BOS International, GE Capital, WestLB and Macquarie Bank for a four year term.

Mr Rhys Holleran, Chief Executive Officer of SCMG, said "SCM attracted strong support for the refinancing from existing bank relationships. Upon completion of the refinancing SCM will be well positioned with a conservative and sustainable level of debt with long dated maturity."

SCMG intends to reach financial close on the refinancing today. SCMG and Macquarie have also agreed to waive the American Consolidated Media LLC (**ACM**) financing condition to the Internalisation and Corporatisation. As a result, on financial close of the SCM refinancing, all conditions to the Internalisation will be satisfied or waived, and completion of the Internalisation will occur immediately thereafter.

Corporatisation will then occur on 18 March 2010 in accordance with the timetable previously communicated. Further details will be provided following completion of the Internalisation.

As previously advised, ACM has breached certain covenants under its US\$133.7m business level bank facility (the **ACM Facility**) and has entered into a forbearance agreement with its lenders that expires on 29 March 2010¹ (the **Forbearance Agreement**). Discussions have continued with ACM's lenders during the forbearance period in relation to a possible restructuring of the ACM Facility that would permit the Internalisation and Corporatisation to occur. Given the current status of those discussions and the fact that SCMG is now in a position to satisfy all of the other conditions to the Internalisation and the Corporatisation, the SCMG Independent Board Committees have determined that it is in the interests of security holders to waive the conditions precedent in relation to the ACM Facility, rather than continue to further delay the implementation of these initiatives and the benefits expected to flow from them, including ceasing to pay management fees to Macquarie.

¹ The forbearance period will terminate earlier upon the occurrence of a forbearance default, such as the occurrence of an additional event of default under the ACM Facility.

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ACM will seek to amend or renew the Forbearance Agreement to address any change of control default that arises from completion of the Internalisation and Corporatisation. If the discussions with ACM's lenders are ultimately unsuccessful and/or appropriate waivers are not obtained, the Forbearance Agreement will terminate on completion of the Internalisation and SCMG will be exposed to the risks that were set out in section 10.2(a) of the Notices of Meeting and Explanatory Memorandum dated 12 November 2009, including the possibility that SCMG will lose beneficial ownership of ACM.

Appointment of new Chief Financial Officer

SCMG is also pleased to announce that Stephen Kelly has been appointed to replace Liam Buckley as Chief Financial Officer of SCMG upon Internalisation. Stephen will formally commence in April 2010. Stephen joins SCMG from SMS Management & Technology where he is the current Chief Financial Officer.

For further information, please contact:

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