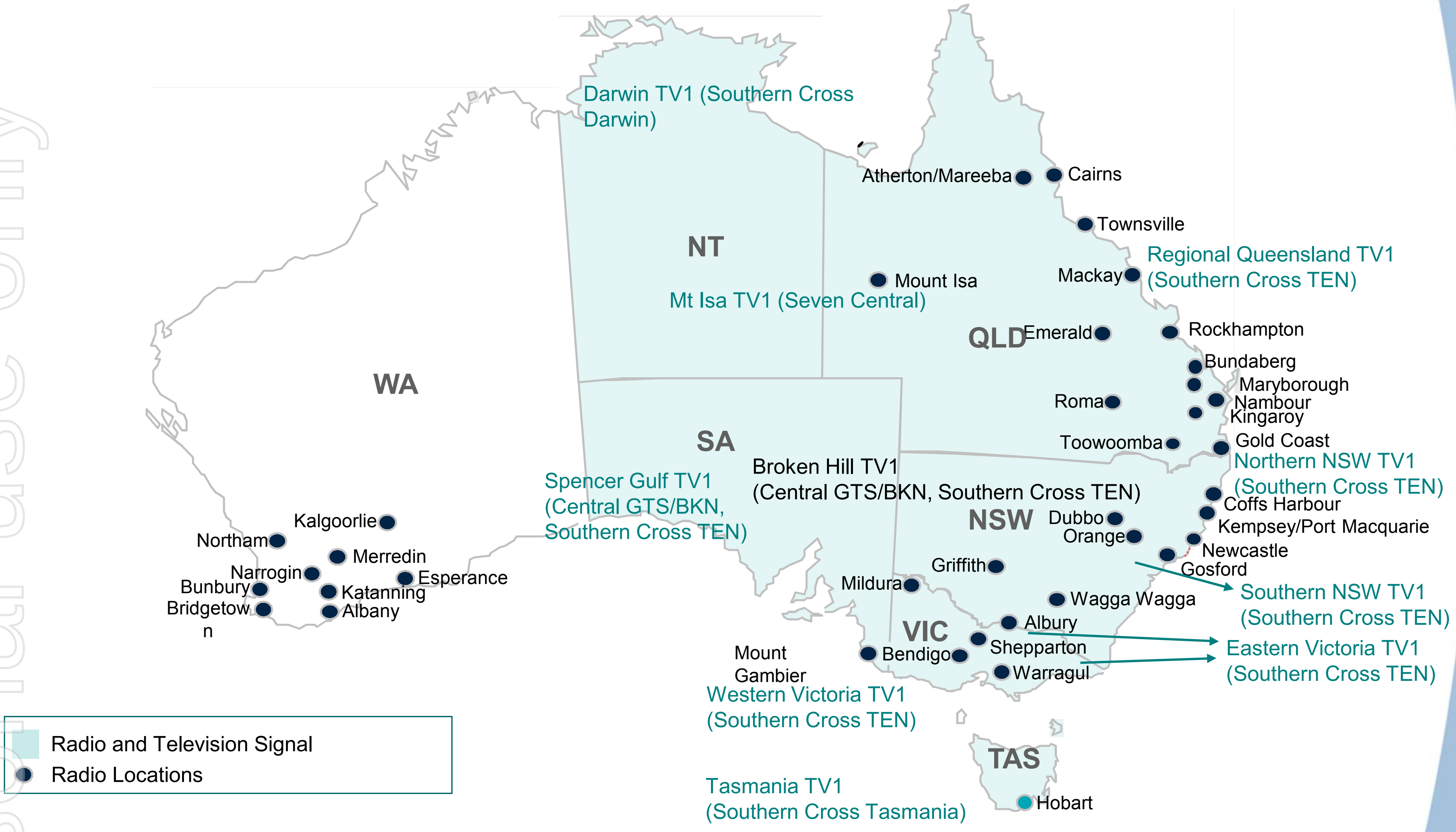
2010 Full Year Results

SOUTHERN CROSS MEDIA GROUP

A presentation by Rhys Holleran, CEO and Steve Kelly, CFO

australia's largest media group



reaching 7.9 million people

96% of regional australia

Southern Cross Assets

Television

- 33 TV stations across 30 regional markets

Radio

- 66 commercial radio stations in 37 licence areas

Online

- 100+ regional radio websites from one central address

Integrated Media

Headline Achievements

- Divested American Newspaper Business June 2010
- Corporatisation and Internalisation Completed March 2010
- Successfully completed $294m entitlement offer December 2009
- Refinance completed March 2010
- Sales, EBITDA and Margins all up on PCP
- EPS increased on increased share capital
- Final dividend of 6.2 cps fully franked (9.7 cps full year)

Steve Kelly, CFO

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Financial Performance

Revenue (reported)	$406.9m	↑	2.8%
Revenue (underlying)	$416.7m	↑	3.5%
EBITDA (underlying)	$129.8m	↑	11.1%
NPAT (underlying)	$ 52.3m	↑	181%
EPS (underlying)	16.2 cps	↑	126%
Net Debt	$249.7m	↓	63.3%

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Underlying Performance (Continuing Operations)

$ millions	FY10		
	Reported	Adjustments	Underlying
Revenue	406.9	9.8	416.7
Expenses	(285.6)	(1.3)	(286.9)
Equity accounted profit	1.6	(1.6)	-
EBITDA	**122.9**	**6.9**	**129.8**
Depreciation & Amort.	(21.8)	(0.3)	(22.1)
Net Interest Expense	(53.8)	-	(53.8)
	47.3	**6.6**	**53.9**
Internalisation payment	(40.5)	40.5	-
Financial Derivatives	17.4	-	17.4
Reported PBT	**24.2**	**47.1**	**71.3**
Tax	(4.3)	(14.7)	(19.0)
NPAT	**19.9**	**32.4**	**52.3**

Adjustments

- Proportional consolidation of JV's
- Internalisation payment
- Net effect of one-off corporate restructuring costs ($5.8m pre tax)

Reconciliation of Results

Underlying (Continuing Operations)

$ millions	FY10	FY09	
Revenue	416.7	402.6	3.5%
Expenses	(286.9)	(285.8)	0.4%
EBITDA	**129.8**	**116.8**	11.1%
Depreciation & Amort.	(22.1)	(20.2)	
Net Interest Expense	(53.8)	(65.2)	
	53.9	**31.4**	71.7%
Financial Derivatives	17.4	(46.2)	
Underlying PBT	**71.3**	**(14.8)**	
Tax	(19.0)	33.4	
Underlying NPAT	**52.3**	**18.6**	181%
EPS	**16.2 cps**	**7.2 cps**	126%

Comparative Earnings Analysis

EBITDA by Half (Underlying Cont. Ops)

$ millions	H1 10	H2 10	FY 10	H1 09	H2 09	FY09
Revenue						
TV	136.0	129.9	**265.9**	136.8	112.9	249.7
Radio	75.9	74.9	**150.8**	80.0	72.9	152.9
Total Revenue	211.9	204.8	**416.7**	216.8	185.8	402.6
Expenses						
Broadcast & Production	53.1	51.1	**104.2**	54.9	47.1	102.0
Employee	45.4	46.2	**91.6**	50.9	44.5	95.4
Selling General & Admin	41.1	41.5	**82.6**	43.2	40.0	83.2
Corporate	6.5	2.0	**8.5**	4.0	1.2	5.2
Total Expenses	146.1	140.8	**286.9**	153.0	132.8	285.8
EBITDA	65.8	64.0	**129.8**	**63.8**	**53.0**	**116.8**
Margin	*31.0%*	*31.2%*	*31.1%*	*29.4%*	*28.5%*	*29.0%*

Margin Expansion

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Full Year Cash Flow

$ millions	Australian Ops	US Ops	Total
Opening Cash	*343.5*	*3.6*	*347.1*
Cash From Operations (ex Internalisation fee)	125.7	16.2	141.9
Internalisation fee	(40.5)	-	(40.5)
Capital expenditure	(9.4)	(0.9)	(10.3)
Distributions to Security Holders	(19.4)	-	(19.4)
Net Capital raising proceeds	283.9	-	283.9
Debt reduction	(572.5)	-	(572.5)
Interest & Derivative payments	(73.2)	(12.9)	(86.1)
Disposal of US Operations	-	(6.0)	(6.0)
Closing Cash	**38.1**	**-**	**38.1**
EBITDA (Reported)	122.9		
Conversion	**102%**		

Cash Conversion

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Balance Sheet (Continuing Operations)

$ millions	June 2010	June 2009
Cash	**38.1**	**343.5**
Receivables	84.8	80.7
Property Plant & Equipment	147.9	159.3
Investments (equity accounted)	29.6	29.5
Deferred Tax Assets	30.6	34.5
Intangibles	1,064.8	1,065.7
Total Assets	**1,395.8**	**1,713.2**
Borrowings	**287.8**	**862.6**
Payables & Provisions	75.6	108.7
Total Liabilities	363.4	971.3
Shareholders Equity	1,032.4	741.9
Net Debt	**249.7**	**519.1**
NTA per share	($0.10)	($1.83)

Strengthened

Debt Facilities (Continuing Operations)

$ millions	June 2010	June 2009
Current and Non-Current		
Bank facilities	300.0	872.5
Deferred borrowing costs	(12.8)	(10.4)
Lease liabilities	0.6	0.5
	287.8	**862.6**
Bank facilities		
Facilities available	375.0	1,011.0
Facilities utilised	(300.0)	(872.5)
Unused facilities	75.0	138.5
Ratios (Underlying)		
Interest Cover	2.3 x	1.8 x
Gross Debt / EBITDA	**2.3 x**	7.4 x
Net Debt / EBITDA	**2.0 x**	4.4 x

Deleveraged business

EPS Analysis

cents per share	FY10	FY09
Operations	12.46	11.77
Prior year tax adjustment impact	-	7.91
Derivative impact	3.78	(12.48)
Continuing Ops (underlying)	**16.24**	**7.20**
Net restructuring cost impact	(1.27)	-
Internalisation impact	(8.79)	-
Continuing operations (reported)	6.18	7.20
From discontinued operations	(31.85)	(39.84)
Reported	**(25.67)**	**(32.64)**
Weighted average # of shares	*322.1 m*	*259.1m**
Actual closing # of securities	*378.8 m*	*191.0 m*

** Impacted by rights issue*

Increased EPS

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Rhys Holleran, CEO

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Trading Highlights

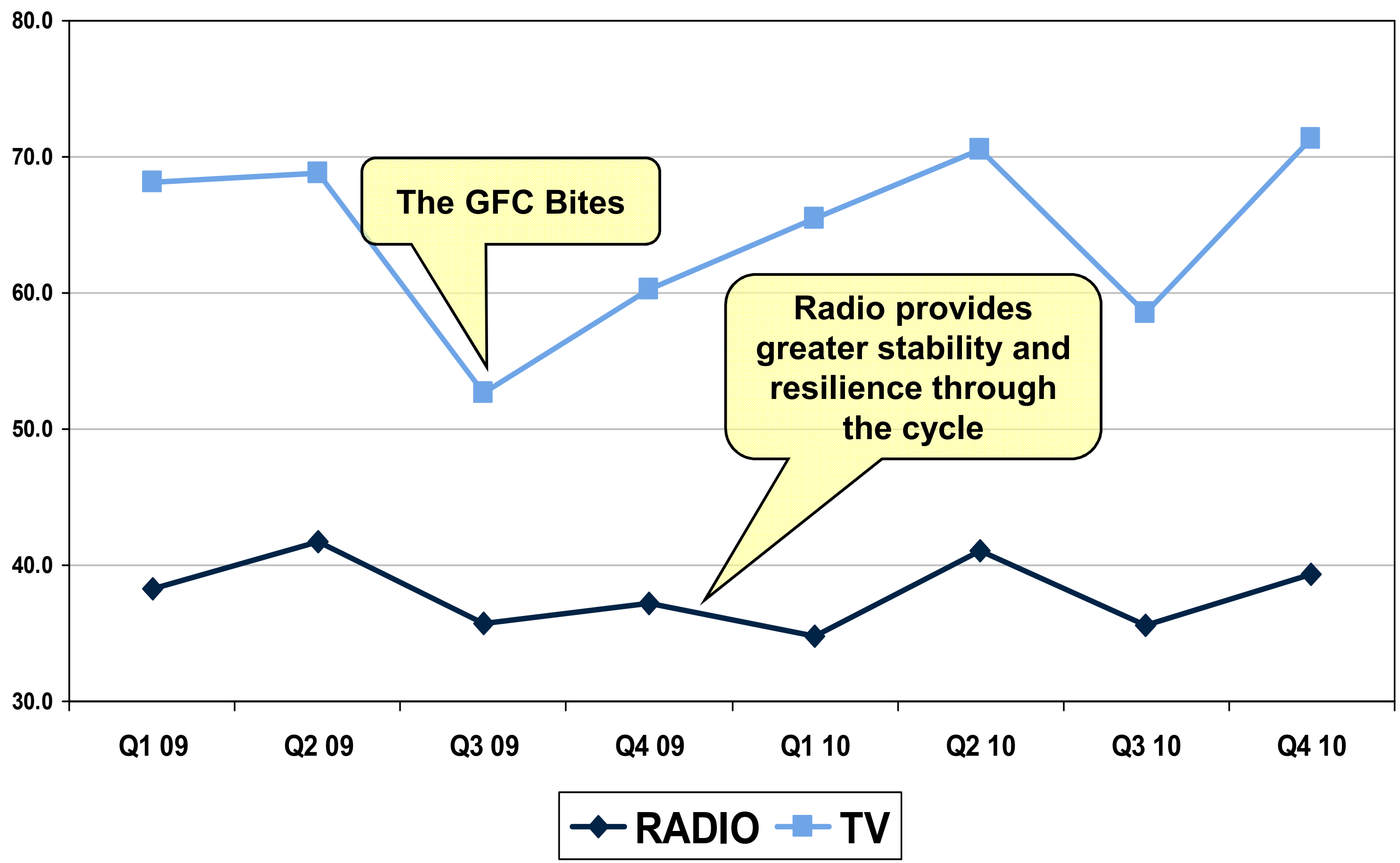
- Second half improvement
- Radio return to growth in Q4
- Strong national performance across all media
- Local markets gradually improving

Advertising Revenues

- H2 lift in advertising conditions resulted in a positive growth outcome
- TV was very strong across half and broadly in line with market trends
- Radio, whilst down on prior period, has recovered to growth in Q4 FY10

Full Year	Radio		Metro Radio	TV		Metro TV
	% split of revenues	% change vs pcp	% change vs pcp	% split of revenues	% change vs pcp	% change vs pcp
Local Advertising	66.91%	-2.21%	6.20%	36.76%	4.21%	2.39%
National Advertising	23.29%	-0.94%	0.00%	54.58%	7.89%	6.82%
Total Advertising	90.20%	-1.88%	2.30%	91.34%	6.38%	5.07%
Other	9.80%	4.03%		8.66%	7.26%	-21.89%
Total Revenue	**100.00%**	**-1.33%**		**100.00%**	**6.46%**	**4.89%**

Revenue Trends



Revenue Comparative Trend

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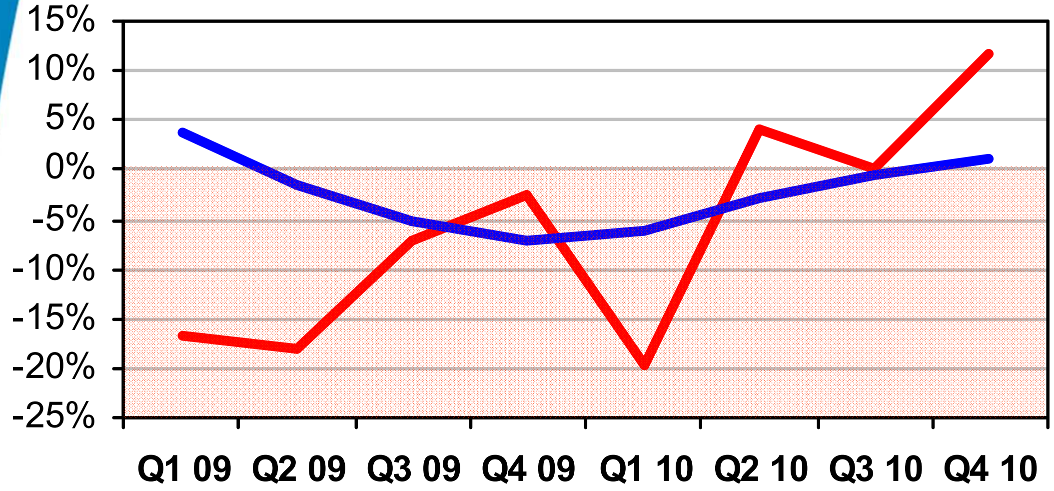
RADIO

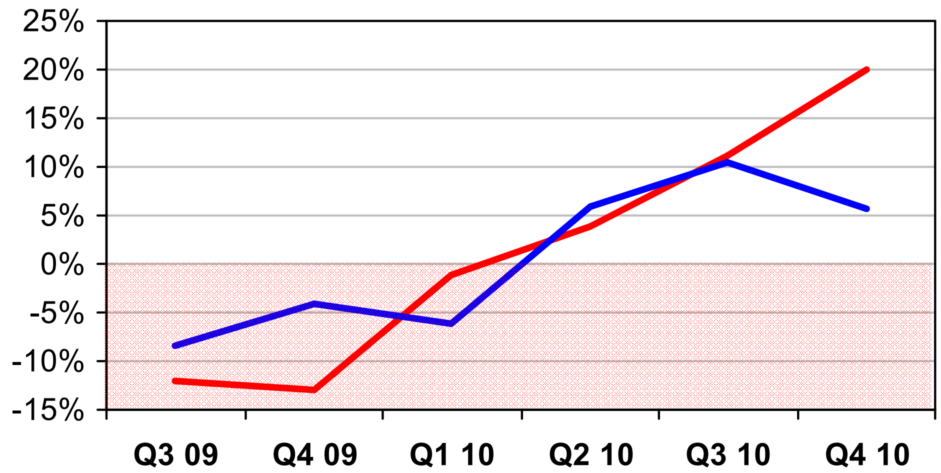


- National growth trend
- Local rebounding

TV

National Local

- Strong National Comps
- Local recovery evident
- Q410 local market effected by strength in National



Our Programs’

- Continuing to build a strong multi market and multi media platform with a range of shows
- Radio Brands achieving strong ratings

Our Community

Initiative has achieved over $1.25 million in donations during the Give Me 5 For Kids appeal through June. All proceeds benefiting local regional communities

Now in its second year this initiative is delivering happiness to thousands of families in need in regional Australia

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Outlook

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- The market has been solid in the second half of FY10 and we have seen a return to growth in radio in Q4 of FY10
- Advertising cycle has lengthened
- Q1 FY11 has seen strong performance aided by the Election and a continuing robust TV Market
- Commonwealth Games in October will aid revenue growth (but be largely profit neutral)
- We are cautiously optimistic about the second quarter of FY11
- Licence Fee rebates in FY11 will have a positive impact
- Potential lifting of the 75% reach rule will be positive

Summary

- Business has been returned to core Regional Australia Media Assets
- Return to profitability and improved margins
- Cash conversion is strong and capital capacity restored
- Q1 FY11 has seen a continuation of a strong Q4 FY10
- Radio continuing a gradual return to growth
- Market confidence is still volatile which leads to cautious optimism
- Confidence shown via final dividend of 6.2 cps

  (Annual distribution of 9.7 cps - 60% - on underlying eps)

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questions?

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