

## Form 603

Corporations Act 2001  
Section 671B

### Notice of initial substantial holder

To: Company Name/Scheme **Austereo Group Limited**  
ACN/ARSN **095 552 060**

#### 1. Details of substantial holder (1)

Name **Southern Cross Media Group Limited and each related body corporate named in the list annexed to this notice and marked "A" (SCM Associates)**  
ACN/ARSN (if applicable) **116 024 536**

The holder became a substantial holder on 31/01/11

#### 2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

| Class of securities (4) | Number of securities | Person's votes (5) | Voting power (6)                                      |
|-------------------------|----------------------|--------------------|---|
| Ordinary shares         | 51,372,772           | 51,372,772         | 14.9% (based on 344,798,708 ordinary shares on issue) |

#### 3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

| Holder of relevant interest        | Nature of relevant interest (7)  | Class and number of securities |
|------------------------------------|--|--------------------------------|
| Southern Cross Media Group Limited | Relevant interest under section 608(1) and section 608(8) of the Corporations Act 2001 as a result of entering into a pre-bid agreement on 31 January 2011 between Southern Cross Media Group Limited and Village Roadshow Limited (ACN 010 672 054) in relation to ordinary shares in Austereo Group Limited (a copy of which is annexed to this notice and marked "B") | 51,372,772 ordinary shares     |

#### 4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

| Holder of relevant interest        | Registered holder of securities | Person entitled to be registered as holder (8)   | Class and number of securities |
|------------------------------------|---------------------------------|--|--------------------------------|
| Southern Cross Media Group Limited | Village Roadshow Limited        | Southern Cross Media Group Limited or its nominee would become entitled to be the registered holder if the call option in the pre-bid agreement is exercised | 51,372,772 ordinary shares     |

#### 5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

| Holder of relevant interest        | Date of acquisition | Consideration (9)       |                         | Class and number of securities |
|------------------------------------|---------------------|-------------------------|-------------------------|--------------------------------|
|                                    |                     | Cash                    | Non-cash                |                                |
| Southern Cross Media Group Limited | 31 January 2011     | See annexure marked "B" | See annexure marked "B" | 51,372,772 ordinary shares     |

**6. Associates**

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association   |
|-----------------------------------|---|
| SCM Associates                    | Each company referred to in the list marked "A" is an associate of Southern Cross Media Group Limited under section 12 of the Corporations Act. |

**7. Addresses**

The addresses of the persons named in this form are as follows:

| Name                               | Address  |
|------------------------------------|--|
| Southern Cross Media Group Limited | Level 2, 70 Park Street, South Melbourne VIC 3205, Australia |
| SCM Associates                     | See list marked "A"  |

**Signature**

print name      LOUISE BOLGER      capacity      COMPANY SECRETARY

sign here



date 1/02/11

**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg, a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of the relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A

This is the annexure of 4 pages marked A referred to on the Form 603 (Notice of Initial Substantial Holder) in relation to Austereo Group Limited

Signed..... *L. Bolger*

Date..... *1/2/11*

|     | COMPANY   | A.C.N.      | Registered Address  |
|-----|---|-------------|---|
| 1.  | Southern Cross Media Australia Holdings Pty Ltd             | 110 357 036 | Level 2, 70 Park Street<br>South Melbourne VIC 3205               |
| 2.  | Southern Cross Media No. 1 Pty Limited                      | 134 746 124 | Level 2, 70 Park Street<br>South Melbourne VIC 3205               |
| 3.  | Southern Cross Media No. 2 Pty Ltd                          | 115 944 842 | Level 2, 70 Park Street<br>South Melbourne VIC 3205               |
| 4.  | Southern Cross Media No. 3 Limited                          | 140 526 683 | Level 2, 70 Park Street<br>South Melbourne VIC 3205               |
| 5.  | Southern Cross Media No. 5 Limited                          | 115 524 019 | Level 2, 70 Park Street<br>South Melbourne VIC 3205               |
| 6.  | Southern Cross Media Australia Pty Limited                  | 109 243 110 | Level 2, 70 Park Street<br>South Melbourne VIC 3205               |
| 7.  | Southern Cross Media International Limited ARBN 118 577 423 |             | Penboss Building, 50 Parliament Street,<br>Hamilton HM12, Bermuda |
| 8.  | Southern Cross Media No. 4 Limited EC 42999                 |             | Penboss Building, 50 Parliament Street,<br>Hamilton HM12, Bermuda |
| 9.  | Barrier Reef Broadcasting Pty Ltd                           | 010 998 384 | Level 2, 70 Park Street<br>South Melbourne VIC 3205               |
| 10. | Bassfarr Pty Ltd  | 085 051 761 | Level 2, 70 Park Street<br>South Melbourne VIC 3205               |
| 11. | Belcap Investments Pty Ltd                                  | 009 265 187 | Level 2, 70 Park Street<br>South Melbourne VIC 3205               |
| 12. | Burl Rose Pty Limited                                       | 056 039 591 | Level 2, 70 Park Street<br>South Melbourne VIC 3205               |
| 13. | Central Coast Radio Pty Ltd                                 | 069 299 225 | Level 2, 70 Park Street<br>South Melbourne VIC 3205               |
| 14. | Central Coast No.2 Pty Ltd                                  | 101 229 949 | Level 2, 70 Park Street<br>South Melbourne VIC 3205               |
| 15. | Clalnew Pty Ltd   | 085 051 645 | Level 2, 70 Park Street<br>South Melbourne VIC 3205               |
| 16. | Commercial Radio Coffs Harbour Pty Ltd                      | 001 758 407 | Level 2, 70 Park Street<br>South Melbourne VIC 3205               |
| 17. | Dubbo FM Radio Pty Ltd                                      | 086 880 873 | Level 2, 70 Park Street<br>South Melbourne VIC 3205               |
| 18. | Elddale Pty Ltd   | 009 355 248 | Level 2, 70 Park Street<br>South Melbourne VIC 3205               |
| 19. | Esperance Broadcasters Pty Ltd                              | 008 716 283 | Level 2, 70 Park Street<br>South Melbourne VIC 3205               |
| 20. | FNQ Broadcasters Cairns Pty Limited                         | 081 117 473 | Level 2, 70 Park Street<br>South Melbourne VIC 3205               |
| 21. | FNQ Broadcasters Townsville Pty Limited                     | 081 117 455 | Level 2, 70 Park Street<br>South Melbourne VIC 3205               |
| 22. | Forsby Pty Ltd  | 009 662 668 | Level 2, 70 Park Street<br>South Melbourne VIC 3205               |

|     | COMPANY                                      | A.C.N.      | Registered Address                                  |
|-----|--|-------------|---|
| 23. | Gold Coast FM Pty Limited                    | 057 872 723 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 24. | Gold Radio Service Pty Ltd                   | 009 661 518 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 25. | Goulburn and Border Broadcasters Pty Limited | 082 950 105 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 26. | Goulburn Valley Border Venture Pty Ltd       | 082 950 249 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 27. | Great Southern Land Broadcasters Pty Ltd     | 092 410 305 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 28. | Greater Calms Radio Pty Ltd                  | 008 631 730 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 29. | Harbour View Radio Pty Limited               | 108 208 000 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 30. | Mackay Transmission Facility Pty Ltd         | 086 725 966 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 31. | Maryborough Broadcasting Company Pty Ltd     | 009 661 527 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 32. | Mid Coast Broadcasters Pty Ltd               | 003 566 309 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 33. | Mid Districts Radio Pty Ltd                  | 008 806 166 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 34. | Nessan Pty Ltd                               | 003 012 253 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 35. | National Radio Sales Australia Pty Ltd       | 082 351 282 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 36. | North West Broadcasters Pty Ltd              | 010 553 152 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 37. | Radio 2GZ Pty Ltd                            | 003 490 015 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 38. | Radio 2LF Pty Ltd                            | 061 719 453 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 39. | Radio 2RG Pty Ltd                            | 003 803 218 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 40. | Radio 3B0 Pty Ltd                            | 008 631 758 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 41. | Radio 3CV Pty Ltd                            | 061 299 581 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 42. | Radio 3MA Pty Ltd                            | 052 266 814 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 43. | Radio 6AM Pty Ltd                            | 009 214 733 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 44. | Radio Albury Wodonga Pty Ltd                 | 008 631 687 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 45. | Radio West Broadcasters Pty Ltd              | 009 316 554 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 46. | Regional Broadcasters Australia Pty Ltd      | 059 084 552 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 47. | Regional Radio Broadcasters Pty Limited      | 094 315 474 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |

|     | COMPANY   | A.C.N.      | Registered Address                                  |
|-----|---|-------------|---|
| 48. | Regional Radio No 2 Pty Ltd (formerly DMG Regional Radio Pty Ltd) | 003 882 326 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 49. | River View Radio Pty Limited                                      | 108 209 043 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 50. | Riverina Broadcasters (Holdings) Pty Ltd                          | 008 440 364 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 51. | Rockhampton Broadcasting Co. Pty Ltd.                             | 009 661 634 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 52. | Rockhampton Transmission Facility Pty Ltd                         | 101 064 797 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 53. | Sea FM Central Coast Pty Ltd                                      | 003 644 353 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 54. | Sea FM Gold Coast Pty Ltd   | 076 340 826 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 55. | South Eastern Broadcasters Pty Ltd                                | 054 328 415 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 56. | Southern Cross Media Services Pty Ltd                             | 010 711 056 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 57. | Southern Cross National Network Pty Ltd                           | 148 894 231 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 58. | Sunshine Coast Broadcasters Pty Ltd                               | 009 719 528 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 59. | Tablelands Broadcasting Pty Ltd                                   | 076 812 523 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 60. | The Radio.com.au Pty Ltd  | 090 688 421 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 61. | Third National Network Australia Pty Ltd                          | 095 062 285 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 62. | Town and Coastal Broadcasters Pty Limited                         | 094 315 483 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 63. | Townsville Broadcasters Pty Ltd                                   | 008 631 678 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 64. | Veneta Pty Limited  | 000 644 584 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 65. | Votaint No 620 Pty Limited  | 050 051 477 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 66. | Votaint No 691 Pty Limited  | 055 750 082 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 67. | West Australian Radio Network Pty Ltd                             | 009 429 485 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 68. | Whitsundays Broadcasters Pty Ltd                                  | 082 761 055 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 69. | Australian Capital Television Pty Limited                         | 008 404 706 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 70. | Broken Hill Television Pty Limited                                | 000 450 724 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 71. | Northern Rivers Television Pty Limited                            | 062 851 629 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 72. | Regional Media No.1 Pty Limited                                   | 124 719 400 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |

|     | COMPANY   | A.C.N.      | Registered Address                                  |
|-----|---|-------------|---|
| 73. | Regional Media No.2 Pty Limited                     | 124 720 289 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 74. | Regional Television Pty Limited                     | 067 044 464 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 75. | Southern Cross Broadcasting (Australia) Pty Limited | 006 186 974 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 76. | Southern Cross Communications Pty Limited           | 004 386 038 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 77. | Southern Cross Network (Production) Pty Limited     | 009 483 587 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 78. | Southern Cross Sales Pty Limited                    | 000 762 630 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 79. | Southern Cross Telecommunications Pty Limited       | 089 636 724 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 80. | Southern Cross Television (TNT9) Pty Limited        | 009 483 587 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 81. | Southern Cross Treasury Pty Limited                 | 006 243 474 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 82. | Spencer Gulf Telecasters Pty Limited                | 007 658 782 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |
| 83. | Video Central Pty Limited                           | 076 670 892 | Level 2, 70 Park Street<br>South Melbourne VIC 3205 |



SOUTHERN CROSS MEDIA GROUP

SOUTHERN CROSS MEDIA GROUP LIMITED ABN 91 116 024 536

Melbourne  
Level 2  
70 Park Street  
South Melbourne  
VIC 3205  
Tel: 03 9922 2121  
Fax: 03 9922 2109

31 January 2011

Village Roadshow Limited  
ACN 010 672 054  
Level 1, 500 Chapel Street  
SOUTH YARRA VIC 3141  
Attention: Directors of  
Village Roadshow Limited

Annexure B  
This is the annexure of 17 pages marked B referred to on the Form 603 (Notice of Initial Substantial Holder) in relation to Austereo Group Limited  
Signed..... *L. Bolger*  
Date..... *1/2/11*.....

Dear Directors of Village Roadshow Limited

**Pre-Bid Agreement – Austereo Group Limited (Austereo)**

Southern Cross Media Group Limited (SCM) or its wholly-owned subsidiary proposes to make an off-market bid under Chapter 6 of the Corporations Act to acquire all of the Austereo Shares. The material terms and conditions of the Offer are set out in Annexure 1.

Village Roadshow Limited (Shareholder) is the registered holder of 181,093,856 Austereo Shares, representing approximately 52.5% of the issued capital of Austereo. For the avoidance of doubt, and without limiting clause 8, this agreement does not create any obligations with respect to any Austereo Shares or interests in Austereo Shares that the Shareholder has or may have at any time other than the Call Option Shares.

In consideration of the payment by SCM of A\$100 to the Shareholder (receipt of which is acknowledged on execution of this agreement) and the various promises in this agreement, the parties agree as set out below.

Capitalised terms in this agreement have the meaning given in clause 22.2.

**1. Grant of Call Option**

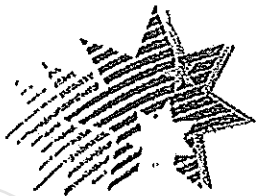
The Shareholder hereby grants SCM an irrevocable option to purchase all (but not some) of the Call Option Shares from the Shareholder for the Exercise Price per Call Option Share free of Encumbrances and otherwise on the terms set out in this agreement.

**2. Exercise of Call Option**

2.1 SCM may exercise the Call Option once by giving to the Shareholder a duly completed Exercise Notice during the period (Call Option Period):

- (a) commencing on the day being the earliest of:

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SOUTHERN CROSS MEDIA GROUP LIMITED ABN 91 116 024 538

Melbourne  
Level 2  
70 Park Street  
South Melbourne  
VIC 3205  
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Fax: 03 9922 2199

- (i) the day on which all of the conditions to the Offer (other than the minimum acceptance condition) have been fulfilled or the Offer has been declared by SCM (or its wholly-owned subsidiary) to be free of all such conditions (including or excluding the minimum acceptance condition); and
- (ii) the first day on which a Competing Bid is capable of acceptance by the Shareholder for its Austereo Shares other than the Call Option Shares; and
- (b) ending on the End Date.
- 2.2 SCM agrees that it will not exercise the Call Option at any time during the Call Option Period which would result in SCM or its Nominee becoming the registered holder of the Call Option Shares prior to the record date for any Interim dividend declared to be paid by Austereo.
- 2.3 SCM may exercise the Call Option and create a contract for the sale and purchase of the Call Option Shares between the Shareholder and:
- (a) itself; or
- (b) by duly completing the relevant part of the Exercise Notice, a Nominee.
- 2.4 If SCM does not exercise the Call Option during the Call Option Period in accordance with clause 2.1 then the Call Option will automatically lapse at 7pm on the End Date.
- 2.5 If the Call Option lapses then, without prejudice to the rights of the parties already existing under this agreement:
- (a) the Shareholder may sell, transfer or otherwise dispose of the Call Option Shares (including by accepting a Competing Bid); and
- (b) this agreement automatically terminates.
3. Shareholder may accept the Offer
- Without limiting clause 5.1(b) and regardless of whether SCM exercises the Call Option by giving an Exercise Notice, the Shareholder may accept the Offer for all of the Call Option Shares and if the Shareholder does so then it must elect to receive cash consideration in respect of the Call Option Shares.
4. Completion of the acquisition of the Call Option Shares
- 4.1 Unless the Shareholder has accepted the Offer for the Call Option Shares in accordance with clause 3, completion of the sale and purchase of the Call Option Shares must occur at the Melbourne office of Allens Arthur Robinson at 4.00pm on the Business Day being two Business Days after SCM gives an Exercise Notice to the Shareholder under clause 2.1.
- 4.2 At completion of the sale and purchase of the Call Option Shares:
- (a) the Shareholder must transfer the Call Option Shares to SCM free of all Encumbrances and, to that end, must deliver to SCM or the Nominee (as applicable) all relevant CHESS details for the Call Option Shares to be delivered by the Shareholder to SCM including:
- (i) If the Call Option Shares are on an Issuer Sponsored Sub-Register, a copy of the Shareholder's holding statement showing the holding of those shares and its SRN; or
- (ii) If the Call Option Shares are on a CHESS Sub-Register, the Shareholder's HIN and the Shareholder's written instructions to its Sponsoring Participant to deliver those shares to SCM or the Nominee (as applicable),



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and do anything else reasonably required by SCM to effect the transfer to SCM or the Nominee (as applicable) of the legal and beneficial ownership of the Call Option Shares (including directing any nominee, custodian or other registered holder in relation to the Call Option Shares) and delivering all documents (including a document which is, or documents which are, a sufficient transfer of the Call Option Shares under Part 7.11 of the Corporations Act and the Corporations Regulations); and

- (b) SCM (or the Nominee) must pay to the Shareholder, by electronic funds transfer to an account nominated by the Shareholder, an amount equal to the Exercise Price multiplied by the number of Call Option Shares.

4.3 The Call Option will lapse and this agreement will terminate at 7pm on the End Date if it has not been exercised before then.

**5. Restriction on dealing in Call Option Shares**

5.1 The Shareholder undertakes that it will not, from the date of this agreement until 7pm on the End Date (other than with the written consent of SCM) sell, transfer, Encumber or otherwise dispose of any of the Call Option Shares other than:

- (a) pursuant to the Call Option; or
- (b) by accepting the Offer.

5.2 Nothing in this agreement restricts the Shareholder's ability to exercise voting rights attaching to any Call Option Shares in the Shareholder's absolute discretion before the Call Option is completed in respect of the Call Option Shares.

**6. Announcement of Offer**

SCM must announce the Offer on terms and conditions no less favourable to offerees than those set out in Annexure 1 immediately upon execution of this agreement (Announcement).

**7. The Offer**

7.1 The material terms and conditions of the Offer are set out in Annexure 1.

7.2 SCM may, subject to the Corporations Act:

- (a) vary the terms and conditions of the Offer in any manner permitted by law; and
- (b) vary or waive any condition in the Offer, declare the Offer unconditional or extend it at any time.

7.3 SCM must dispatch Offers to Austereo Shareholders within 2 months after the date of the Announcement in accordance with section 631 of the Corporations Act (or any such later date as is permitted by ASIC or the Takeovers Panel).

**8. Voting or acceptance in relation to the Austereo Shares other than the Call Option Shares**

The parties agree that nothing in this agreement restricts, or will be taken to restrict, the ability of the Shareholder to:

- (a) sell, dispose of, Encumber, or otherwise deal with, or enter into negotiations in relation to, its Austereo Shares other than the Call Option Shares, or agree to do any of those things, prior to or after the exercise of the Call Option; or



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- (b) exercise the votes attaching to its Austereo Shares other than the Call Option Shares in the Shareholder's absolute discretion, including to vote for or against any resolution proposed by or in relation to Austereo (for example, any resolution in relation to the Offer, any Compelling Bid or any other proposed takeover bid or scheme), prior to or after the exercise of the Call Option.

## 9. Warranties

### 9.1 The Shareholder represents and warrants to SCM that:

- (a) the Shareholder is the registered holder and beneficial owner of all of the Call Option Shares and the Call Option Shares are fully paid;
- (b) as at the date of this agreement, the Shareholder is the registered holder and beneficial owner of 181,093,856 Austereo Shares and such shares are fully paid;
- (c) It is entitled to, and at completion under clause 4.1 or on acceptance of the Offer in respect of the Call Option Shares (whichever may be applicable) will be entitled to, sell and transfer full ownership in the Call Option Shares and at completion under clause 4.1 or on acceptance of the Offer in respect of the Call Option Shares (whichever may be applicable) there will be no Encumbrances or other third party interests over or affecting the Call Option Shares;
- (d) It has the power and lawful authority to enter into and perform this agreement and this agreement constitutes a legal, valid and binding obligation on the Shareholder, enforceable in accordance with its terms;
- (e) no approvals are required to be obtained by virtue of a law, rule or regulation or the rules of any stock exchange applicable to it or its constitution or of any relevant governmental or regulatory authority, in order to permit it to undertake its obligations under this agreement;
- (f) the entry into and the performance by it of this agreement does not and will not violate, breach or result in a contravention of its constitution or other constituent documents;
- (g) the right of SCM to exercise the Call Option is not affected by any illegality, irregularity or defect in or in respect of the issue of the Call Option Shares or by any circumstances within the knowledge, power or control of the Shareholder rendering unenforceable, void, unlawful or invalid a transfer of any Call Option Share by the Shareholder to SCM (or any Nominee); and
- (h) the right of SCM, or if a Nominee has been nominated, the Nominee, to buy the Call Option Shares and receive a transfer of the Call Option Shares is not affected by any circumstances within the knowledge, power or control of the Shareholder rendering unenforceable, void, unlawful or invalid a transfer of any Call Option Share by the Shareholder to SCM (or any Nominee).

### 9.2 SCM represents and warrants to the Shareholder that:

- (a) It has the power and lawful authority to enter into and perform this agreement and this agreement constitutes a legal, valid and binding obligation on SCM, enforceable in accordance with its terms; and
- (b) no approvals are required to be obtained by virtue of a law, rule or regulation or the rules of any stock exchange applicable to it or its constitution or of any relevant governmental or regulatory authority, in order to permit it to undertake its obligations under this agreement.



**SOUTHERN CROSS MEDIA GROUP**

SOUTHERN CROSS MEDIA GROUP LIMITED ABN 91 116 024 636

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9.3 This clause 9 survives termination or expiry of this agreement and the representations and warranties given in this clause 9 are repeated at completion of the sale and purchase of the Call Option Shares.

**10. Termination**

10.1 A party may terminate this agreement (without affecting accrued rights or liabilities) immediately if any of the following applies:

- (a) SCM (or its wholly-owned subsidiary) does not issue an announcement of an Offer on terms and conditions no less favourable to offerees than those set out in Annexure 1 immediately upon execution of this agreement; or
- (b) SCM (or its wholly-owned subsidiary) does not dispatch Offers to Austereo Shareholders within two months after the date of the Announcement in accordance with section 631 of the Corporations Act (or any later period permitted by ASIC or the Takeovers Panel).

10.2 The Shareholder may terminate this agreement (without affecting accrued rights or liabilities) immediately if:

- (a) having issued the Exercise Notice, SCM (or its Nominee) does not complete the purchase of the Call Option Shares in accordance with clause 4; or
- (b) the Shareholder accepts the Offer for the number of Austereo Shares equal to or greater than the number of Call Option Shares.

10.3 SCM may terminate this agreement (without affecting accrued rights or liabilities) at any time and in its absolute discretion by notice in writing to the Shareholder.

10.4 Clause 14 survives the termination of this agreement.

**11. Notices**

11.1 A notice, demand, consent, approval or communication under this agreement (Notice) must be:

- (a) in writing, in English and signed by a person duly authorised by the sender; and
- (b) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender:

**SCM**

Address: Level 2, 70 Park Street, South Melbourne VIC 3205, Australia  
Facsimile: +61 3 9922 2199  
Attention: Stephen Kelly

**Shareholder**

Address: Level 1, 500 Chapel Street, South Yarra VIC 3141, Australia  
Facsimile: +61 3 9660 1763  
Attention: Simon Phillipson

11.2 A Notice given in accordance with clause 11.1 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post, on the second Business Day after the date of posting (or on the seventh Business Day after the date of posting if posted to or from a place outside Australia);



**SOUTHERN CROSS MEDIA GROUP**

SOUTHERN CROSS MEDIA GROUP LIMITED ABN 91 116 024 636

Melbourne  
Level 2  
70 Park Street  
South Melbourne  
VIC 3205  
Tel: 03 9922 2121  
Fax: 03 9922 2199

- (c) If sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a Business Day or is after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the next Business Day.

**12. Equitable remedies**

The parties acknowledge that monetary damages alone would not be adequate compensation for a breach by the Shareholder of its obligations under this agreement and that an equitable remedy (such as specific performance or injunctive relief) for that breach or any suspected breach is an appropriate remedy.

**13. Further assurance**

The Shareholder must do all things necessary or desirable to give effect to this agreement.

**14. Governing Law**

This agreement is governed by the laws of Victoria, Australia, and the parties irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of Victoria, Australia.

**15. Severability**

A term or part of a term of this agreement that is illegal or unenforceable or which the Takeovers Panel decides constitutes unacceptable circumstances may be severed from this agreement and the remaining terms or parts of the term of this agreement continue in force.

**16. Counterparts**

This agreement may be executed in counterparts including by facsimile.

**17. Authority**

Each person signing this agreement on behalf of a party warrants the authority to do so.

**18. Relationship of parties**

This agreement is not intended to create a partnership, joint venture or agency relationship between the parties.

**19. Waiver and exercise of rights**

- (a) A single or partial exercise or waiver by a party of a right relating to this agreement does not prevent any other exercise of that right or the exercise of any other right.
- (b) A party is not liable for any loss, cost or expense of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.

**20. Rights cumulative**

Except as expressly stated otherwise in this agreement, the rights of a party under this agreement are cumulative and are in addition to any other rights of that party.

**21. Entire understanding**

This document contains the entire understanding between the parties as to the subject matter of this document.



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## 22. Interpretation and Defined Terms

22.1 In this agreement headings are for convenience only and do not affect interpretation and unless the context indicates a contrary intention:

- (a) words importing the singular include the plural (and vice versa);
- (b) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has corresponding meaning;
- (c) a reference to A\$, \$A, dollar or \$ is to Australian currency;
- (d) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (e) where the day on or by which any sum is payable or any act, matter or thing is to be done is a day other than a Business Day, that sum will be paid or the act, matter or thing will be done on the next succeeding Business Day; and
- (f) a reference to time is to Melbourne time.

22.2 In this agreement:

**Announcement** is defined in clause 6.

**Austereo Share** means a fully paid ordinary share in the capital of Austereo.

**ASIC** means Australian Securities & Investments Commission.

**ASX Settlement** means ASX Settlement Pty Limited ABN 49 008 504 532.

**ASX Settlement Operating Rules** means the settlement operating rules of ASX Settlement which govern the administration of CHESS.

**Business Day** means a day on which banks are open for business in Melbourne, excluding Saturday, Sunday or public holidays.

**Business Hours** means from 9.00am to 5.00pm on a Business Day.

**Call Option** means the call option granted by the Shareholder in relation to the Call Option Shares under clause 1.

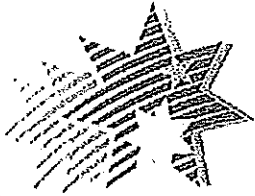
**Call Option Period** is defined in clause 2.1.

**Call Option Shares** means 51,372,772 Austereo Shares, representing no more than 14.9% of the Austereo Shares on Issue.

**CHESS** has the meaning given in the ASX Settlement Operating Rules.

**CHESS Sub-Register** has the meaning given in the ASX Settlement Operating Rules.

**Competing Bid** means a takeover bid under Chapter 6 of the Corporations Act for Austereo by a Third Person involving offers for all of the Austereo Shares which are or have become unconditional (or which would become unconditional if the Shareholder accepted the offer in respect of its Austereo Shares other than the Call Option Shares) and:



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- (a) which if completed substantially in accordance with the terms announced, would mean that a Third Person acquires a relevant interest in more than 50% of Austereo's issued ordinary share capital; and
- (b) for which the offer price includes a cash alternative of at least A\$2.15 per Austereo Share (less the cash paid per share under any interim dividend paid by Austereo).

**Control** has the meaning given under section 50AA of the Corporations Act. **Controlled** has the same meaning. **Corporations Act** means the *Corporations Act 2001* (Cth).

**Corporations Regulations** means the *Corporations Regulations 2001* (Cth).

**Encumbrance** means a restriction against transfer or an interest or power:

- (a) reserved in or over an interest in any asset including, but not limited to, any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of, or having similar commercial effect to, security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes, but is not limited to, any agreement to grant or create any of the above, and **Encumber** is to be construed accordingly.

**End Date** means the earliest of:

- (a) the date of termination of this agreement;
- (b) the day SCM (or its wholly-owned subsidiary) becomes the registered holder of all the Call Option Shares;
- (c) provided the Offer is unconditional, the day being four Business Days prior to the last day of the Offer Period (provided that, if the Offer is extended not less than four Business Days prior to the last day of the Offer Period, the relevant day is the day which is four Business Days prior to the end of the extended Offer Period);
- (d) if one Competing Bid exists, the day being four Business Days prior to the last day on which the Competing Bid can be accepted (provided that, if the Competing Bid is extended not less than four Business Days prior to that last day, the relevant day is the day which is four Business Days prior to the end of the extended offer period);
- (e) if more than one Competing Bid exists, the day being four Business Days prior to the last day for the Competing Bid which is scheduled to close first (provided that, if a Competing Bid is extended not less than four Business Days prior to its last day, the relevant last day in relation to that Competing Bid is the day which is four Business Days prior to the end of the extended offer period);
- (f) the date that the Offer is withdrawn; and
- (g) the date being six months from the date of this agreement.

**Exercise Notice** means a notice substantially in the form set out in Annexure 2.

**Exercise Price** means A\$2.00 per Call Option Share or any higher amount notified by SCM in its absolute discretion.

**HIN** has the meaning given in the ASX Settlement Operating Rules.



SOUTHERN CROSS MEDIA GROUP

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Fax: 03 9922 2199

**Nominee** means a wholly-owned subsidiary nominated by SCM as purchaser of the Call Option Shares.

**Offer** means the offer to acquire Austereo Shares to be made by SCM or its wholly-owned subsidiary under an off-market bid, the material terms and conditions of which are set out in Annexure 1 as may be varied in accordance with the Corporations Act from time to time.

**Offer Period** means the period during which the Offer is open for acceptance.

**Related Entity** means in relation to a party, any entity that is related to that party within the meaning of section 50 of the Corporations Act or which is an economic entity (as defined in any approved Australian accounting standard) that is Controlled by that party.

**Related Parties** means in relation to a party, its Related Entities, directors, officers, advisers and agents.

**relevant interest** has the same meaning as in the Corporations Act.

**SRN** has the meaning given in the ASX Settlement Operating Rules.

**Third Person** means any person other than SCM or its Related Entities.

**23. Acceptance**

Please indicate your acceptance of these terms by signing this letter where indicated below.

Yours faithfully

Name: *S.D. KELLY*  
Title: *CHIEF FINANCIAL OFFICER*

Please indicate your acceptance of these terms by signing on the following page.



SOUTHERN CROSS MEDIA GROUP

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Fax: 03 9922 2199

Accepted by Village Roadshow Limited

Name: GRAHAM BURKE  
Title: MANAGING DIRECTOR

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**SOUTHERN CROSS MEDIA GROUP**

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**Melbourne  
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VIC 3205  
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Fax: 03 9922 2190**

**Annexure 1 – SCM's proposed announcement of Offer**

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Southern Cross Media Group Limited  
ABN 91 116 024 536

Level 2, 70 Park Street  
SOUTH MELBOURNE VIC 3205  
AUSTRALIA

Telephone +61 3 9922 2121  
Fax +61 3 9922 2189  
Internet [www.scmmediagroup.com.au](http://www.scmmediagroup.com.au)



31 January 2011

**Southern Cross Media Group Limited (ASX: SXL) announces recommended offer for Austereo Group Limited (ASX: AEO)**

Southern Cross Media Group Limited ABN 91 116 024 536 (SCM Group) announces that it has executed an implementation agreement with Austereo Group Limited ABN 58 095 552 060 (Austereo) under which a wholly owned subsidiary of SCM Group will make an offer for all the shares in Austereo.

The proposed transaction will be implemented by way of an off-market takeover (Offer). Under the terms of the Offer, Austereo shareholders have the choice of receiving A\$2.05 cash per share (comprising A\$2.00 per share cash paid by SCM Group (Cash Consideration) and the intended dividend of A\$0.05 per share announced today by Austereo), or an entitlement to 0.95 SCM Group shares for every Austereo share (Scrip Consideration) together with the intended dividend of A\$0.05 per share announced today by Austereo).

Austereo shareholders may elect to receive all Cash Consideration, all Scrip Consideration or a combination of Cash Consideration and Scrip Consideration, in addition to the intended dividend announced today by Austereo.

SCM Group will pay accepting shareholders (regardless of whether they have elected the Cash Consideration or the Scrip Consideration or the combination) an additional A\$0.10 cash per Austereo share if it reaches the 90% compulsory acquisition threshold and is entitled to proceed to compulsory acquisition.

The total payments of A\$2.15 per share (under the Cash Consideration option, if the 90% threshold is achieved and SCM Group is entitled to proceed to compulsory acquisition) represent a 28% premium to Austereo's 3 month VWAP of A\$1.680 and a 19% premium to Austereo's closing share price of A\$1.805 on 20 January 2011, which was the day prior to Austereo's announcement in relation to discussions regarding a potential transaction involving Village Roadshow Limited's (VRL) 52.52% shareholding in Austereo.

The directors of Austereo have announced that they will unanimously recommend that Austereo shareholders accept the Offer in the absence of a superior proposal, and have announced their intention to accept the Offer in respect of shares in which they have a beneficial interest, in the absence of a superior proposal.

In addition, the major shareholder of Austereo, VRL, has granted SCM Group a call option to acquire shares representing 14.9% of outstanding Austereo shares at A\$2.00 per share (with such call option not to be exercised until after the record date for the intended Austereo dividend).

The merged business will create one of Australia's leading media companies with revenues in excess of A\$670 million, EBITDA in excess of A\$215 million (based on pro-forma FY2010) and strong cash flow generation.

Mr Max Moore-Wilton, Chairman of SCM Group said:

"This deal is consistent with our strategy to build a strong Australian media company. Our shareholders will benefit from the larger group, significant opportunities for cross fertilization and strong cash generation."

Mr Rhys Holleran, Chief Executive Officer, of SCM Group said:

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"This is a fantastic deal for both SCM Group and Austereo. We are really looking forward to working with the team at Austereo to build a great Australian media company with coverage across regional and metro Australia. The combined business's radio and television assets will have the ability to reach Australians in regional and metropolitan areas. On top of that it will create great opportunities for on and off air talent. We see real potential to offer our premium content across a national platform and apply capabilities in metro radio to enhance our local radio offering."

#### Transaction Summary

- The proposal offers Austereo shareholders a choice of:
  - A\$2.05 cash payments per share, comprising A\$2.00 per share cash paid by SCM Group (Cash Consideration) and the Intended dividend of A\$0.05 per share announced today by Austereo; or
  - an entitlement to 0.95 SCM Group shares for each Austereo share (Scrip Consideration) together with the Intended dividend of A\$0.05 per share announced today by Austereo; or
  - Austereo shareholders can elect to receive the Cash Consideration, the Scrip Consideration or a combination of the Cash Consideration and the Scrip Consideration, in addition to the Intended dividend announced today by Austereo.

In addition, if SCM Group reaches the 90% threshold and becomes entitled to proceed to compulsory acquisition, the Offer will be increased by A\$0.10 per share (consideration would be payable in cash to all Austereo shareholders, whether they have taken the Scrip Consideration, Cash Consideration or a mixture).

- Austereo shareholders accepting Scrip Consideration will not be entitled to a SCM Group Interim dividend for the half year ending 31 December 2010
- The Scrip Consideration will be subject to a pro-rata scale-back (across all shareholders who elected to receive the Scrip Consideration) if elections for the Scrip Consideration are received in respect of more than 47.5% of the Austereo shares. Should VRL accept the Offer and elect to receive the Cash Consideration in respect of all its current shareholding the scale-back will not apply and any other Austereo shareholder that accepts the Scrip Consideration will receive SCM Group shares (subject to the satisfaction of the Offer conditions).
- The total cash payments of A\$2.15 per share under the Cash Consideration option (if the 90% threshold is achieved and SCM Group becomes entitled to proceed to compulsory acquisition) represents:
  - a 28% premium to Austereo's 3 month VWAP (of A\$1.680 to 20 January 2011); and
  - a 19% premium to Austereo's closing share price of A\$1.605 on 20 January 2011, which was the day prior to Austereo's announcement in relation to discussions regarding a potential transaction involving VRL's shareholding in Austereo.
- The directors of Austereo have announced they will unanimously recommend that Austereo shareholders accept the Offer in the absence of a superior proposal, and intend to accept the Offer in respect of shares in which they have a legal or beneficial interest, in the absence of a superior proposal.
- VRL has granted SCM Group a call option to acquire shares representing 14.9% of outstanding Austereo shares at A\$2.00 per share (with such call option not to be exercised until after the record date for the Intended Austereo dividend). The call option is exercisable in certain circumstances, including if the Offer becomes unconditional (except for the minimum acceptance condition being satisfied), or a competing offer (capable of acceptance by VRL and with a cash alternative of at least A\$2.15 per Austereo share less any interim dividend) is made and becomes unconditional (other than in respect of the minimum acceptance condition).

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- The Offer will be subject to a number of conditions set out in the attached Schedule, including SCM Group achieving at least a 50.1% relevant interest by the end of the offer period, and receiving required regulatory clearances and approvals from the Australian Competition and Consumer Commission and the Australian Communications and Media Authority.
  - The transaction will be funded through a combination of new senior debt facilities of up to A\$755 million and an equity bridge facility of up to A\$540 million.
    - New senior debt facilities will be partly used to refinance existing debt at SCM Group
    - SCM Group proposes to repay the equity bridge facility by way of an entitlement offer, most likely in the form of an accelerated renounceable entitlement offer (RAPIDS). Any equity raising will be open to any Austereo shareholders that have accepted the Offer and elected to take the Scrip Consideration and remain registered as SCM Group shareholders on the record date for the equity raising. Information about the entitlement offer will be provided once SCM Group has greater certainty around the outcome of the Offer, including the ratio of Cash Consideration and Scrip Consideration acceptances.
    - The leverage of the combined business post-transaction if 100% is acquired is expected to be approximately 3x Net Debt / EBITDA. SCM Group expects this leverage to decrease in the next 12 – 18 months as some of the cash flows generated by the combined businesses are used for debt repayment.

#### Overview of the merged business

The merger of SCM Group and Austereo will produce one of Australia's leading media companies. Based on pro-forma FY2010, the combined business will have:

- Revenues in excess of A\$670 million
- Earnings before interest tax depreciation and amortisation (EBITDA) in excess of A\$215 million
- Strong cash flow generation

The merged company will have national coverage, including both metropolitan and regional areas. In addition, SCM Group will continue to provide advertisers with an integrated television and radio offering in regional markets. The larger group will be able to draw upon the combined expertise of the businesses:

- Easier access for advertisers and programme sponsors to a broad audience across all of Australia
- Enhanced digital services, particularly for regional audiences
- Increased opportunity for talent and staff in the two organisations to work across a larger business

#### Further Information

SCM Group expects to lodge its Bidder's Statement containing the terms of the Offer and other material information relevant for Austereo shareholders consideration of the Offer to ASIC within approximately 28 days. The Target's Statement by Austereo will contain further information, including the reasons why the Austereo directors are unanimously recommending that Austereo shareholders accept the Offer, in the absence of a superior proposal. Austereo shareholders should consider the information contained in the Bidder's and Target's Statements before taking any action in relation to the Offer.

For further information, please contact:

Investors and analysts:

Rhys Holleran, Chief Executive Officer +61 3 9922 2000

Stephen Kelly, Chief Financial Officer +61 3 9922 2000

Media:

nightingale communications +61 39614 6930

Kate Inverarity +61 413 163 020

Tim Williamson +61 458 680 130

#### **About Southern Cross Media Group Limited**

SCM Group is Australia's leading regional media provider. 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 Group is the only regionally focused media provider to offer advertisers opportunities across radio and television.

SCM Group owns regional radio and free-to-air television in Australia. SCM Group is committed to providing quality entertainment, news and information to viewers and listeners and offers advertisers strong coverage in regional Australia.

SCM Group owns 14 regional free-to-air television licences. Its businesses include Southern Cross Ten, Southern Cross Television, Tasmanian Digital Television and Darwin Digital Television which cover the aggregated markets of Victoria, southern and northern New South Wales, Queensland, Tasmania and the Spencer Gulf region of South Australia, and has a potential reach of more than 7.5 million people.

SCM Group's radio business owns and operates the largest commercial radio network in Australia, with 68 commercial radio stations in 38 licence areas in Queensland, New South Wales, Victoria, Tasmania, South Australia and Western Australia.

SCM Group is listed on the ASX with a market capitalisation of approximately A\$818 million.

#### **About Austereo Group Limited**

Austereo is a leading Australian commercial radio broadcaster.

Austereo operates three national radio networks: Today and Triple M, with stations in all mainland Australian state capital cities with two JV stations in Newcastle and Canberra, as well as digital radio brands including Radar Radio. The Today Network consists of: Sydney - 2DAY FM, Melbourne - Fox FM, Brisbane - B105, Perth - 92.9 FM, and Adelaide - SA FM. The Triple M Network consists of: Sydney - 104.9, Melbourne 105.1, Brisbane - 104.5, Adelaide - 104.7 and Mix 94. Joint venture stations include FM 104.7 in Canberra and NX FM in Newcastle.

Austereo is listed on the ASX with a market capitalisation of approximately A\$651 million.

#### **Advisers and Counsel to the transaction**

SCM Group's financial adviser is Macquarie Capital Advisers Limited, and its legal adviser is Corrs Chambers Westgarth.

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**Annexure: Implementation Deed and Pre-Bid Agreement**

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SOUTHERN CROSS MEDIA GROUP

SOUTHERN CROSS MEDIA GROUP LIMITED ABN 91 116 024 636

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VIC 3205  
Tel: 03 9922 2121  
Fax: 03 9922 2109

## Annexure 2 – Exercise Notice

[insert date]

To: Shareholder [insert details]

### 1. General

Any term used in this Exercise Notice which is defined in the pre-bid agreement dated 31 January 2011 between Southern Cross Media Group Limited (SCM) and Village Roadshow Limited (Shareholder) (Pre-Bid Agreement) has the same meaning as in the Pre-Bid Agreement.

### 2. Exercise by SCM

Under clause 2 of the Pre-Bid Agreement, SCM gives notice that it exercises the Call Option and requires the Shareholder to sell all Call Option Shares to SCM in accordance with the terms of the Pre-Bid Agreement.

### 3. [Exercise by Nominee]

SCM nominates [\*] as Nominee under clause 2.2 of the Pre-Bid Agreement to purchase the Call Option Shares.

Under clause 2.2 of the Pre-Bid Agreement, SCM gives notice that it exercises the Call Option and requires the Shareholder to sell all Call Option Shares to [\*].

The Nominee:

- a) acknowledges that it has read the Pre-Bid Agreement referred to above and agrees to be bound by its terms and conditions; and
- b) accepts its nomination as Nominee.]

### 4. Completion

In accordance with clause 4.1, the completion date is at 4pm on [\*] at the address set out below:

Allens Arthur Robinson  
530 Collins Street  
Melbourne Vic 3000

.....  
Signed by [\*]

[insert position]

[insert entity]