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ASX RELEASE / MEDIA RELEASE

Southern Cross Media Group Limited (ASX: SXL) – 2011 Half Year Results

Southern Cross Media Group (SCMG) today announced its financial results for the six months to 31 December 2010.

Results highlights:

Revenue (underlying)	\$224.3 million	Up 5.9% on pcp
EBITDA (underlying)	\$70.3 million	Up 10.9%
NPAT (underlying)	\$33.6 million	Up 29.2%
Net Debt	\$242.6 million	
EPS (reported)	8.9 cents per share	
Interim Dividend	7.0 cents per share fully franked	

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SCMG Chief Executive Officer, Rhys Holleran said “Our regional television and radio businesses delivered a solid first half result against the backdrop of a challenging operating environment, demonstrating the resilience of our diversified multi-market, multi-media business.

“The underlying business performed strongly with improved operating margins, strong cash flow and cash conversion and good cost control.

“We continue to invest in our programming line-up and during the half we successfully launched a number of programs including Fifi & Jules; Hamish & Andy and Kyle & Jackie O’s Hour of Power on the Hit Music Network. We’ve also made good progress on cross-platform initiatives like the Hit List which have delivered both revenue and ratings expansion; as well as the launch of new websites for radio assets, like seafm.com.au.

“The television business grew steadily, with revenues up 4% in the half, despite a challenging ratings environment.

“The recovery in radio markets evident in the second half of last year continued, with revenues up close on 6%.”

Half Year Ended 31 December 2010

Revenue	% of total revenue Half Year Ended 31 December 2010	% change on Proforma pcp	% of total revenue Half Year Ended 31 December 2009
Radio			
Local	64.7%	2.7%	68.4%
National	22.7%	15.0%	22.4%
Total advertising revenue	87.3%	5.7%	90.8%
Other operations revenues	12.7%	31.3%	9.2%
Total operations revenue	100.0%	7.2%	100.0%
Television			
Local	38.6%	5.1%	37.6%
National	54.2%	3.3%	55.1%
Total advertising revenue	92.7%	4.0%	92.7%
Other operations revenues	7.3%	17.9%	7.3%
Total operations revenue	100.0%	5.0%	100.0%
Combined Revenue			
Local	47.9%	3.9%	48.6%
National	43.4%	5.5%	43.4%
Total advertising revenue	91.2%	4.6%	92.0%
Other operations revenues	8.8%	15.5%	8.0%
Total operations revenue	100.0%	5.9%	100.0%

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Offer for Austereo

During the period SCMG announced a recommended takeover offer for Austereo Limited. SCM expects to lodge a Bidder's Statement with the Australian Securities and Investments Commission on or before 28 February 2011.

Commenting on the offer, Rhys Holleran said, "This is an exciting deal that is entirely consistent with our strategy to build a leading Australian media group. Our businesses are highly complementary and their combination will create a national radio and television group with a strong presence in both regional and metro markets, and an enhanced offer for advertisers and program sponsors."

Outlook

"While television ratings remain challenging, our diversified business model gives us a measure of resilience. This, together with the momentum in our business, the strength of our programming line-up and our ongoing investment in talent positions us well. We remain cautiously optimistic for the full year".

For further information, please contact:

Analysts and investors:

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