

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 2199
Internet www.scmmediagroup.com.au

6 April 2011

ASX RELEASE / MEDIA RELEASE



Southern Cross Media announces A\$471 million equity raising after reaching 90% acceptances for the takeover of Austereo

- 90% relevant interest in Austereo achieved under Southern Cross Media's takeover offer
- Additional A\$0.10 cash consideration payable
- Launching underwritten 6 for 7 accelerated renounceable entitlement offer to raise A\$471 million at an offer price of A\$1.45 per new share
- Proceeding to compulsory acquisition to acquire 100% of Austereo shares

Takeover offer

Southern Cross Media Group Limited (**Southern Cross Media**) has today announced that it has a relevant interest in more than 90% of Austereo Group Limited (**Austereo**) as a result of acceptances under the off-market takeover offer made by Southern Cross National Network Pty Limited (**SCNN**), a wholly owned subsidiary of Southern Cross Media (the **Takeover Offer**).

As a result, SCNN will pay an additional A\$0.10 cash to all accepting Austereo shareholders under the Takeover Offer.

SCNN will proceed to compulsory acquisition of any remaining Austereo shares for which acceptances are not received prior to the close of the Takeover Offer, paving the way for the operations of Austereo to be merged with Southern Cross Media.

SCNN also announces it intends to extend the Takeover Offer period until 7.00pm (Melbourne time) on 19 April 2011 to allow remaining Austereo shareholders who have not accepted the Takeover Offer further time to accept and be paid within 7 days of receipt of a valid acceptance by SCNN.

The acquisition of Austereo will create one of Australia's leading media companies:

- **Unique national media platform** – potential audience reach of over 95% of Australians
- **Leadership in ratings, brands and talent** – top performing radio stations coupled with market leading brands and talent
- **Diversified integrated media platform** – increased earnings through expanded integrated media offering
- **Compelling financial rationale** - A\$12 to A\$15 million in annual synergies and operational improvements; the acquisition is expected to be EPS accretive on achievement of full synergies by the end of FY 2013

For personal use only

Southern Cross Media's Chairman, Mr Max-Moore-Wilton, said:

"I am delighted that 90% of Austereo's shareholders have decided to accept our offer. This is an important milestone towards creating a national footprint across both metropolitan and regional radio markets, as well as an integrated regional television offering".

Southern Cross Media's Chief Executive Officer, Mr Rhys Holleran, said:

"We are excited by this opportunity to join forces with Austereo to create one of Australia's leading media companies. The acquisition of Austereo enhances our audience reach, increases our earnings through an expanded integrated media offering and gives us the ability to combine complementary content across national radio, regional free-to-air television and online platforms".

Equity raising

Southern Cross Media has today announced an accelerated renounceable entitlement offer to raise A\$471 million (**Entitlement Offer**). The net proceeds of the Entitlement Offer will be applied to repay the equity bridge facility which provided part of the funding for the acquisition of Austereo. Any net amount raised under the Entitlement Offer in excess of the amount required to repay the equity bridge facility will be used to pay down debt.

Eligible Southern Cross Media shareholders (as defined in the prospectus) are invited to subscribe for 6 new Southern Cross Media shares (**New Shares**) for every 7 existing Southern Cross Media shares held as at 7.00pm (Melbourne time) on 11 April 2011 (**Record Date**) at an offer price of A\$1.45 per New Share (**Offer Price**).

The Offer Price represents a 9.4% discount to the theoretical ex-entitlement price (**TERP**) of A\$1.60 and a 16.2% discount to Southern Cross Media's closing share price of A\$1.73 on 5 April 2011. New Shares issued under the Entitlement Offer will rank equally with existing ordinary shares.

Southern Cross Media's largest shareholder, Macquarie Group Limited, has committed to take up its entitlement in respect of its 25.5% principal holding in full.

The Entitlement Offer to Southern Cross Media shareholders at the Record Date is underwritten by Macquarie Capital Advisers Limited and RBS Equity Capital Markets (Australia) Limited.

Offer to eligible Austereo shareholders

The Entitlement Offer is also being offered at the same Offer Price and offer ratio to eligible Austereo shareholders who accept the Takeover Offer and elect scrip consideration prior to or on the Takeover Offer close date of 19 April 2011.

The Entitlement Offer to Austereo shareholders who accept the Takeover Offer and elect scrip consideration is not underwritten.

Entitlement Offer timetable

Event	Date
Institutional Entitlement Offer opens	6 April 2011
Institutional Entitlement Offer closes	7 April 2011
Institutional Bookbuild opens	7 April 2011
Institutional Bookbuild closes	8 April 2011
Retail Entitlement Offer opens	11 April 2011
Record Date	7.00pm, 11 April 2011
Institutional Entitlement Offer and Institutional Bookbuild settlement	18 April 2011
Issue of New Shares under the Institutional Entitlement Offer and	19 April 2011

For personal use only

Institutional Bookbuild, and normal trading of those shares expected to commence on ASX	
Takeover Offer closes	19 April 2011
Retail Entitlement Offer closes	3 May 2011
Retail Bookbuild	9-10 May 2011
Retail Entitlement Offer and Retail Bookbuild settlement	13 May 2011
Issue of New Shares under the Retail Entitlement Offer and Retail Bookbuild	16 May 2011
Normal trading of those shares expected to commence on ASX	17 May 2011

Note: Dates and times are indicative only and are subject to change. All dates and times refer to Melbourne time.

Prospectus

The Prospectus has been lodged with the Australian Securities and Investments Commission and will be made available on ASX's website. A copy of the Prospectus will be despatched to eligible Southern Cross Media shareholders and eligible Austereo shareholders on or around 13 April 2011. Any eligible retail shareholder or eligible Austereo shareholder who wishes to acquire New Shares under the Retail Entitlement Offer will need to complete, or otherwise apply with, the personalised entitlement and acceptance form or personalised conditional entitlement and acceptance form (as applicable) that will accompany the Prospectus (Eligible Austereo shareholders who wish to acquire New Shares under the Retail Entitlement Offer will also need to ensure that they have accepted the Takeover Offer on or prior to 19 April 2011 - the closing date of the Takeover Offer and elected scrip consideration in order for their participation in the Entitlement Offer to be considered valid). Eligible retail shareholders and eligible Austereo shareholders should read the Prospectus in its entirety before deciding whether to subscribe for New Shares.

Further information

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 3 9614 6930

Kate Inverarity +61 413 163 020

Lisa Keenan +61 409 150 771

If you have any additional enquiries about the Entitlement Offer, please contact the Southern Cross Media Entitlement Offer Information Line on 1300 651 576 (or +61 3 9415 4881 for international callers) at any time from 8.30am to 5.00pm (Melbourne time) Monday to Friday during the Entitlement Offer period.

Important Information:

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action taken on the basis of the information.

For personal use only

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OF AMERICA

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither the entitlements nor the shares to be issued under the entitlements have been, or will be, registered under the U.S. Securities Act of 1933 (the "Securities Act") or the securities law of any state or other jurisdiction of the United States, and may not be offered or sold in the United States, unless they have been registered under the Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

Neither this announcement nor the Prospectus or any other documents relating to the offer of shares may be sent or distributed to persons in the United States.

For personal use only