

**Southern Cross Media Group Limited**  
ABN 91 116 024 536

Level 2, 70 Park Street  
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AUSTRALIA

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14 April 2011



### **Confirmation of Despatch of Prospectus**

Southern Cross Media Group Limited (**Southern Cross Media**) confirms that despatch of the Prospectus and accompanying Entitlement and Acceptance Forms / Conditional Entitlement and Acceptance Forms in respect of the accelerated renounceable entitlement offer (the **Entitlement Offer**) of new fully paid ordinary Southern Cross Media shares to Eligible Retail Shareholders and remaining Austereo Shareholders (excluding Ineligible Foreign Austereo Shareholders) was completed yesterday, Wednesday 13 April 2011 in accordance with the timetable set out in the Prospectus.

A copy of the letter sent yesterday to retail shareholders who are ineligible to participate under the Entitlement Offer is also attached.

Yours sincerely,

Louise Bolger, Company Secretary  
Southern Cross Media Group Limited

This notice does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act")) ("U.S. Person"). No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia or New Zealand. In particular, neither the Entitlements nor the New Shares have been, or will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up by, and the New Shares may not be offered or sold to, persons in the United States or persons who are U.S. Persons or are acting for the account or benefit of U.S. Persons, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act.

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

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13 April 2011

Dear Shareholder

**Southern Cross Media Group Limited – Notification to ineligible retail shareholders**

On 6 April 2011, Southern Cross Media Group Limited ABN 91 116 024 536 (**Southern Cross Media**) announced an accelerated renounceable entitlement offer (the **Entitlement Offer**) of new fully paid ordinary Southern Cross Media shares (**"New Shares"**) to raise a minimum of A\$471 million. Under the Entitlement Offer:

- eligible shareholders of Southern Cross Media may subscribe for 6 New Shares for every 7 existing Southern Cross Media shares held as at 7.00pm (Melbourne time) on 11 April 2011 (the **"Record Date"**) at A\$1.45 per New Share (the **"Offer Price"**); and
- eligible Austereo Group Limited (**"Austereo"**) shareholders who:
  - (i) accept a takeover offer made by a wholly owned subsidiary of Southern Cross Media for all of their shares in Austereo (**"Takeover Offer"**) prior to or on the Takeover Offer close date (19 April 2011); and
  - (ii) elect to receive scrip consideration as part or all of their consideration under the Takeover Offer,may subscribe at the Offer Price for 6 New Shares for every 7 Southern Cross Media shares issued to them as scrip consideration under the Takeover Offer.

The Entitlement Offer comprises an institutional component (**"Institutional Entitlement Offer"**) and a retail component (**"Retail Entitlement Offer"**). The Institutional Entitlement Offer (and associated Institutional Bookbuild) was completed on 8 April 2011 and raised gross proceeds of approximately A\$391 million. It is expected that the Retail Entitlement Offer will raise a minimum of approximately A\$80 million.

Documents relating to the Retail Entitlement Offer have been despatched to eligible retail shareholders (as defined below) and eligible Austereo shareholders.

This letter is to inform you that, under the terms of the Entitlement Offer, you are not eligible to subscribe for New Shares and you will therefore not be sent the Prospectus or any other materials relating to the Entitlement Offer. This notice is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares.

**You are not required to do anything in response to this letter.**

**ELIGIBILITY CRITERIA**

"Eligible Retail Shareholders" are those persons who as at the Record Date:

- were registered as a holder of Southern Cross Media shares;
- have a registered address in Australia or New Zealand;
- are not an eligible institutional shareholder to whom the Joint Lead Managers made an offer on behalf of Southern Cross Media under the Institutional Entitlement Offer or an ineligible institutional shareholder;
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer; and
- are not in the United States or a person acting for the account or benefit of a person in the United States.

Shareholders who are not "Eligible Retail Shareholders" and who did not participate in the Institutional Entitlement Offer are "Ineligible Retail Shareholders".

The restrictions on eligibility are because Southern Cross Media has determined that, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules, it would be unreasonable to extend the Retail Entitlement Offer to Southern Cross Media shareholders who reside in countries other than Australia and New Zealand. This decision has been made having regard to the legal limitations on making or extending the Retail Entitlement Offer into jurisdictions outside of Australia and New Zealand, the potential cost of complying with regulatory requirements in those countries, the relatively small number of shareholders in those countries and as a result, the small number and value of New Shares to which those shareholders would otherwise be entitled. Accordingly, in compliance with ASX Listing Rule 7.7.1(b), Southern Cross Media wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will therefore not be able to subscribe for New Shares under the Retail Entitlement Offer.

New Shares attributable to the entitlements that Ineligible Retail Shareholders would have otherwise been entitled to, will be offered to certain institutional investors through a retail bookbuild process ("**Retail Bookbuild**"), which is currently scheduled to be undertaken by the Joint Lead Managers of the Entitlement Offer (RBS Equity Capital Markets (Australia) Limited and Macquarie Capital Advisers Limited) on 9 - 10 May 2011. Where the price achieved through the Retail Bookbuild ("**Clearing Price**") is greater than the Offer Price of A\$1.45 per New Share, that difference will be paid to Ineligible Retail Shareholders (less applicable withholding taxes) on a pro rata basis. However, the ability to sell New Shares and obtain a Clearing Price that exceeds the Offer Price will depend on a number of factors, including market conditions. No guarantee can be given that the Clearing Price achieved will be higher than the Offer Price and consequently, Ineligible Retail Shareholders may not receive any proceeds as a result of the Retail Bookbuild.

To the maximum extent permitted by law, neither Southern Cross Media nor the Joint Lead Managers, nor their respective related bodies corporate, nor the directors, officers, employees, agents or advisers of any of them, will be liable for a failure to achieve a Clearing Price that is greater than the Offer Price.

If you have any queries, please contact the Southern Cross Media Entitlement Offer Information Line on 1300 651 576 (within Australia) or +61 3 9415 4881 (from outside Australia) between 8:30am to 5:00pm (Melbourne time) Monday to Friday during the Entitlement Offer period. For other questions, you should consult your stockbroker, legal, financial or other professional adviser.

Yours sincerely,



Louise Bolger, Company Secretary  
Southern Cross Media Group Limited

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The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.