Investor Presentation

Macquarie Connections Conference

Presented by: Steve Kelly, CFO

4th May 2011

SOUTHERN CROSS MEDIA GROUP

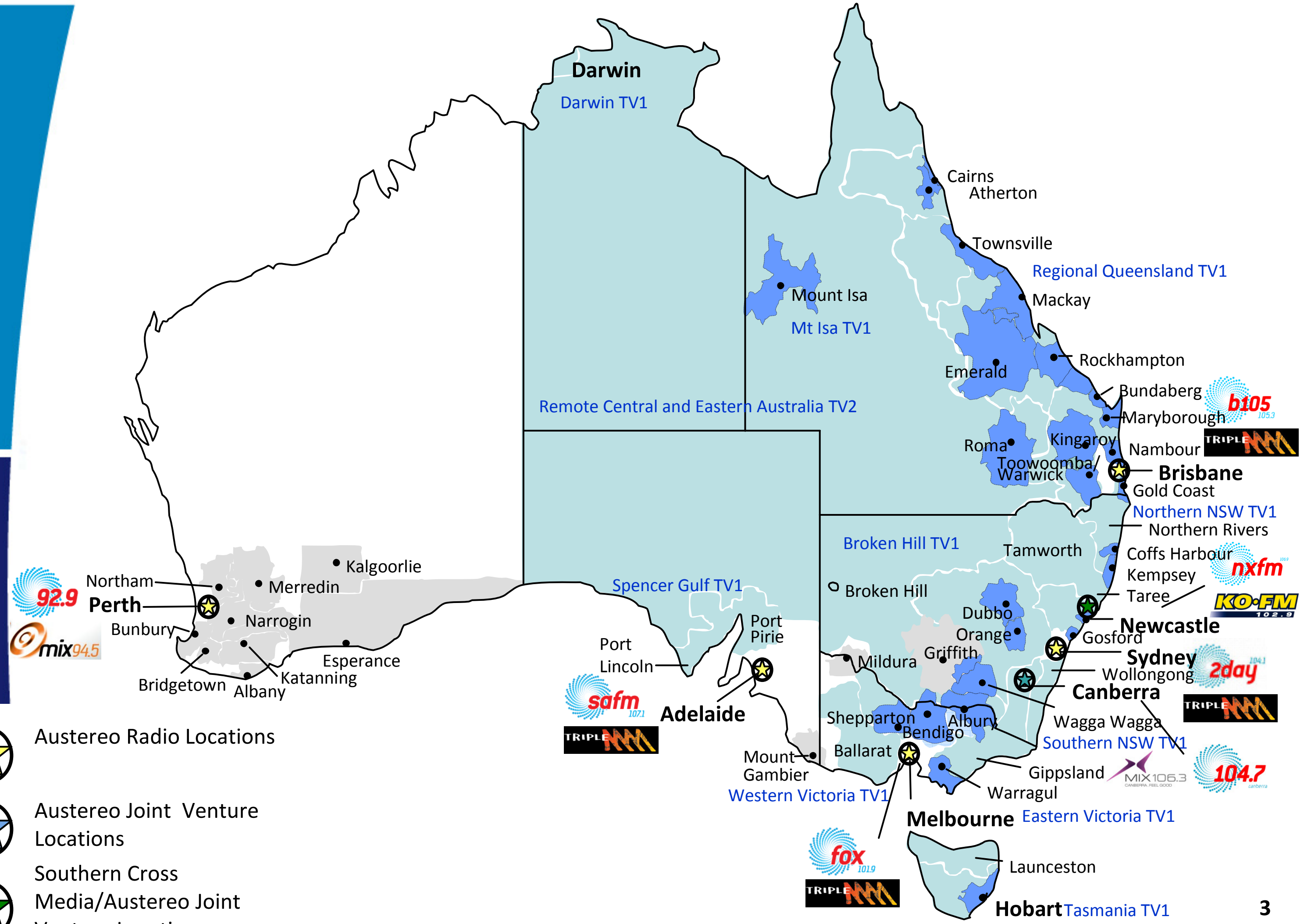
A leading Australian media company

Merged Group would be one of Australia's leading media companies

- Revenues of $696 million[1]
- EBITDA of $230 million[1]
- Combined reach of over 95% of Australians
  - Integrated radio and TV operations
  - Multi-platform content offering
  - Radio coverage – every metropolitan market and 39 regional markets across Australia
  - 21 commercial television licences across 12 television Licence Areas
  - Strong position in Australian digital entertainment

1. Based on pro forma LTM December 2010

Potential broadcasting reach of over 95% of Australians



Southern Cross Media TV Coverage

Southern Cross Media TV and Radio Coverage

Southern Cross Media Radio Coverage

Austereo Radio Locations

Austereo Joint Venture Locations

Southern Cross Media/Austereo Joint Venture Locations

Integrated media offering

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Television

- 21 commercial television licences across 12 television Licence Areas

Radio

- Radio coverage of every metropolitan market and 39 regional markets across Australia

Digital and online

Well positioned in digital and online

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Television

- SCM has completed its transition to digital TV
  - SCM's digital TV offering includes Eleven, One, 7Two and 7mate
  - Eleven early results have been encouraging

Radio

- Austereo owns the largest share of capital city DAB spectrum and operates a number of online radio brands such as Radar, Barry and The Main Stage

Online

- Austereo has strong online presence
  - "The Dirt", Today Network's multiplatform entertainment site increased traffic 40% in the first half of FY11
- SCM's theradio.com.au will allow for shared expertise across the multi-platform entertainment sites

Complementary programming

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Fifi & Jules

80s August

The Hit List

Landed Music

Hamish & Andy

Rocktober

The Kyle and Jackie O Show

Love Month

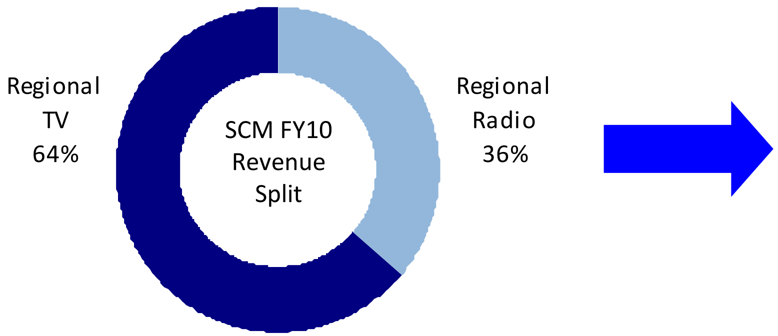
- Breadth of talent across breakfast, morning, afternoon and drive
- Powerful breakfast shows
- Fifi & Jules, Hamish & Andy and Kyle & Jackie O's Hour of Power successfully launched on the Hit Music Network
- Continued rating strength on the Gold Coast Market
- New web sites for all radio assets i.e.: seafm.com.au
- Austereo has a strong online presence
- Cross platform revenue & ratings expansion i.e.: The Hit List

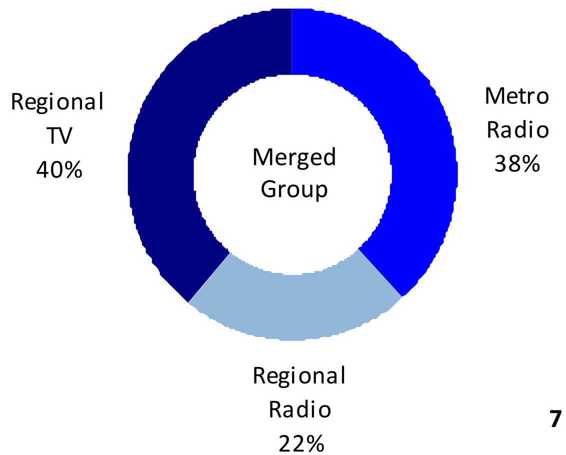
Diversified product and geographic mix

Diversity of integrated media revenues – radio, television and online

- Product mix provides stable and growing revenues
- Radio provides greater stability and resilience through the cycle
- Television benefiting from digital multi-channeling
- SCM provides 100+ regional radio websites from one central address
- Austereo digital leading the industry with Radar, Barry and The Main Stage

Diversity of geographical coverage – metropolitan and regional markets





1. Based on pro-forma FY2010

Material Synergies

Annual synergies and operational improvements of $12 million - $15 million

- The directors of SCM believe annual synergies and operational improvements of $12 million to $15 million should be realised in full by the Merged Group by FY2014 and each year thereafter if SCM acquires 100% of Austereo shares
  - Expects to achieve 37.5% of the estimated synergies by FY2012, 75% by FY2013 and 100% by FY2014
- SCM has a strong track record in merging and integrating businesses and achieving both cost and revenue synergies

Material Synergies

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Revenue synergies

- Successful selling programs
- Increased creative capability
- Broader customer base
- Coordinating sales programs
- Broader programming
- Enhanced digital and online services

Cost synergies

- Removing duplication
- Austereo listing costs
- Scale benefits re supplier services and procurement
- Rationalisation of premises
- Optimisation of management processes
- Amalgamation and rationalisation of national sales personnel
- Best practice processes and systems

Assumes 100% of Austereo Shares will be acquired and other assumptions set out in section 7.4 of the Bidder's Statement

Final Transaction Funding

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Invested Funds:		
• Austereo equity	$724 m	
• SXL & AEO Transaction Costs	$ 32 m	$756 m
Funding Sources:		
• 6 for 7 renounceable rights issue	$471 m	
• Increased debt	$222 m	
• Cash	$ 63 m	$756 m
Re-Financing of SXL & AEO:		
• SXL	$300 m	
• AEO	$203 m	$503 m
• Re-financing Costs		$ 10 m

Recent Events

- April 5 we reached 94% ownership
- Offer closed April 19 with 99.1% acceptances - remaining shares compulsorily acquired
- SXL & AEO will be consolidated from 1 April 2011
- Institutional Rights Issue (83%) commenced April 6 @$1.45
    - 99% take-up
    - Renounced rights cleared at $1.70
- Retail rights issue (17%) closed May 3
- CEO has completed “lap of the map” with all staff meetings
- Joint work-streams on integration of businesses have commenced

Current Trading Conditions

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- Local regional markets still recovering from natural disasters
- National markets softened in April & May driven by "choppy" environments in retail, government and auto sectors
- 11 performing consistently – rating alongside 7mate & GO
- One improving with recent programming changes
- Ten entering strong programming line-up period
- Last quarter comps challenging
- Earnings expected to be within market expectations

questions?

For further information, please contact

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SCM 2011 First Half Year Results

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Revenue (reported)	$218.7m	↑	5.0%
Revenue (underlying)	$224.4m	↑	5.9%
EBITDA (underlying)	$70.3m	↑	10.9%
NPAT (underlying / reported)	$33.6m	↑	29.2% / 36.6%
EPS (underlying)	8.3 cps	↑	69%
Net Debt to EBITDA (annualised)	1.8 : 1	↓	10%

- Interim dividend of 7.0 cps fully franked (3.5 cps for the pcp)
- Further improvement in operating margins
- Good Cost Management
- 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

Pro forma income statement

SOUTHERN CROSS MEDIA GROUP

$ millions	LTM 31 Dec 2010 SCM Group	LTM 31 Dec 2010 AEO	LTM 31 Dec 2010 Aggregated	LTM 31 Dec 2010 Pro forma Merged Group 100% Maximum Cash Consideration	LTM 31 Dec 2010 Pro forma Merged Group 100% Maximum Scrip Consideration	LTM 31 Dec 2010 Pro forma Merged Group 50.1% Maximum Cash Consideration	LTM 31 Dec 2010 Pro forma Merged Group 50.1% Maximum Scrip Consideration
Revenue	**417**	**279**	**696**	**696**	**696**	**696**	**696**
Other income	-	-	-	-	-	-	-
Operating expenses	(282)	(188)	(470)	(470)	(470)	(470)	(470)
Share of net profits of associates	2	2	4	4	4	4	4
EBITDA	137	93	230	230	230	230	230
Depreciation and amortisation expense	(21)	(8)	(29)	(29)	(29)	(29)	(29)
PBIT	116	85	201	201	201	201	201
Pro forma net finance costs				**(62)**	**(62)**	**(55)**	**(45)**
Pro forma PBT				139	139	146	156
Pro forma income tax expense				(42)	(42)	(44)	(47)
Pro forma NPAT				**97**	**97**	**102**	**109**
Pro forma NPAT attributable to minority interest				-	-	25	25
Owners of Southern Cross Media Group				**97**	**97**	**77**	**84**

Notes:

For the purposes of calculating pro forma net finance costs, it has been assumed that the Proposed Acquisition occurred on 1 January 2010 and that available cash is fully utilised (and remains fully utilised for the year) to finance the purchase consideration and transaction costs. Interest expense is calculated at an effective rate of 7.9%, which is consistent with the agreed terms of the senior debt facility and includes amortisation of the establishment costs relating to the senior debt facility. To the extent that free cash flow is utilised to repay borrowings this will reduce the actual interest expense incurred.

The pro forma income tax expense for the Merged Group has been calculated assuming a 30% Australian corporate tax rate. This tax rate is based on the historical information of each entity, adjusted for internalisation transactions no longer impacting the Southern Cross Media Group.

The pro forma income statements do not include the anticipated financial benefits from the synergies described in **section 7.4** of the Bidder's Statement

Fair value movements in derivatives have been excluded from the pro forma combined income statement of the Merged Group.

See section 7 of the Bidder's Statement for the basis on which the pro forma income statement has been prepared. Maximum Cash Consideration and Maximum Scrip Consideration are defined in the Glossary to the Bidder's Statement. The Cash Consideration is $2.00 for each Austereo Share and the Scrip Consideration is 0.95 Southern Cross Media Shares for each Austereo Share.