



# NOTICE OF ANNUAL GENERAL MEETING 2011 AND EXPLANATORY MEMORANDUM

**Date of Meeting:** Tuesday 25 October 2011  
**Time of Meeting:** 11:00 am  
**Place of Meeting:** KPMG Theatre, 147 Collins Street, Melbourne, Victoria

## 1. ANNUAL GENERAL MEETING

The Annual General Meeting (**AGM**) of Southern Cross Media Group Limited (**SCMGL** or **Company**) will be held at **11:00 am AEDT** on **Tuesday 25 October 2011** at:

**KPMG Theatre  
147 Collins Street  
Melbourne Victoria**

The Notice of Meeting is contained in section 2 and the Explanatory Memorandum, which explains the business of the meeting, is contained in section 4. Voting information is contained in section 3 and the proxy form which accompanies this document. The proxy form and Explanatory Memorandum form part of the Notice of Meeting.

The Directors unanimously recommend that you vote in favour of all of the resolutions set out in the Notice of Meeting.

This document is important and requires immediate attention. It should be read in its entirety. If you are uncertain as to the course you should follow, you should seek professional advice without delay.

Certain capitalised terms are defined in section 5 although terms which are defined in the SCMGL constitution have the same meaning when used in this document unless the context requires otherwise.

## 2. NOTICE OF MEETING

SOUTHERN CROSS MEDIA GROUP LIMITED  
ABN 91 116 024 536 (SCMGL or Company)

Notice is given that an Annual General Meeting of the members of SCMGL will be held at **11:00 am AEDT on Tuesday 25 October 2011** at the **KPMG Theatre, 147 Collins Street, Melbourne, Victoria**, to transact the following business:

### Ordinary business

#### Financial Accounts and Reports

To receive and consider the Financial Report of SCMGL and the Directors' Report and Auditor's Report, for the financial year ended 30 June 2011.

#### Resolution 1: Adoption of Remuneration Report

To consider, and if thought fit, to pass as a non-binding and advisory resolution in accordance with section 250R of the Corporations Act:

"That SCMGL adopt the Remuneration Report included in the SCMGL Directors' Report for the financial year ended 30 June 2011."

#### Voting exclusion statement

A vote may not be cast (in any capacity) on Resolution 1 by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on Resolution 1 if:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (d) the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above.

#### Resolution 2: Re-election of Chris de Boer as a Director

To consider, and if thought fit, to pass as an ordinary resolution:

"That Chris de Boer be re-elected as a Director of SCMGL."

#### Resolution 3: Re-election of Tony Bell as a Director

To consider, and if thought fit, to pass as an ordinary resolution:

"That Tony Bell be re-elected as a Director of SCMGL."

#### Resolution 4: Election of Peter Harvie as a Director

To consider, and if thought fit, to pass as an ordinary resolution:

"That Peter Harvie be elected as a Director of SCMGL."

#### Resolution 5: Election of Marina Darling as a Director

To consider, and if thought fit, to pass as an ordinary resolution:

"That Marina Darling be elected as a Director of SCMGL."

### Special business

#### Resolution 6: Increase in cap on annual Directors' Remuneration

To consider, and if thought fit, to pass as an ordinary resolution:

"That, for the purposes of the Corporations Act and Listing Rule 10.17, for the purpose of article 10.9 of the Constitution, and for all other purposes, approval is given for the maximum amount or value of remuneration which may be paid to the SCMGL Directors for their services as directors to be increased by an amount of \$500,000 per annum from \$1,000,000 per annum to \$1,500,000 per annum."

#### Voting exclusion statement

SCMGL will disregard any vote cast on Resolution 6 by the Directors of SCMGL and their associates, however need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or cast by a person chairing the meeting as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

#### Proxy prohibition

A person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 6 if:

(a) the person is either:

- (i) a member of the Key Management Personnel for SCMGL;
- (ii) a Closely Related Party of a member of the Key Management Personnel for SCMGL; and

(b) the appointment does not specify the way the proxy is to vote on Resolution 6.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the meeting; and
- (d) the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for SCMGL.

#### Resolution 7: Approval of financial assistance

To consider, and if thought fit, to pass as a special resolution:

"That, for the purposes of sections 260A and 260B(2) of the Corporations Act and for all other purposes, approval is given for each of the Acquired Companies, each a wholly owned subsidiary of the Company, to give financial assistance to the Company in relation to the acquisition by the Company (directly or indirectly) of shares in the Acquired Companies, as described in the Explanatory Memorandum."

By Order of the Board of Southern Cross Media Group Limited



**Louise Bolger**  
Company Secretary

22 September 2011

### 3. VOTING ENTITLEMENT AND PROXY INFORMATION

#### Voting

You can vote in either of two ways:

- by attending the meeting and voting in person or, if you are a corporate member, by corporate representative voting for you; or
- by appointing a proxy to attend and vote for you, using the enclosed voting and proxy form.

#### Voting in person

If you plan to attend the meeting, we ask that you arrive at the meeting venue at least 30 minutes prior to the time designated for the meeting so that we may check your shareholding against our register of members and note your attendance. The meeting will be held at **11:00 am AEDT on Tuesday 25 October 2011 at KPMG Theatre, 147 Collins Street, Melbourne, Victoria.**

#### Voting by corporate representative

If a corporate member plans to attend through a corporate representative, it must appoint a person to act as its representative and the appointed person must bring appropriate written evidence of the appointment to the meeting signed under the corporation's common seal or in accordance with section 127 of the Corporations Act.

#### Voting by proxy

If you do not intend to attend the meeting and are entitled to vote on the resolution, you may select a representative or the chairman of the meeting to act as your proxy to attend and vote for you. A representative may be a natural person or a body corporate and need not be a member of SCMGL. Your proxy can be appointed in respect of some or all of your votes. If you are entitled to cast two or more votes at the meeting you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where a proportion is not specified, each may exercise half of your voting rights.

If you appoint a proxy, you may still attend the meeting. However, your proxy's rights to speak and vote are suspended while you are present. Accordingly, you will be asked to revoke your proxy if you register at the meeting.

#### Proxy vote if appointment specifies way to vote

The new section 250BB of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way;
- if the proxy has two or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- if the proxy is the Chairman of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

#### Transfer of non-chair proxy to Chairman in certain circumstances

The new section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- the appointed proxy is not the Chairman of the meeting;
- at the meeting, a poll is demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the Chairman of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at that meeting,

#### Entitlement to vote

SCMGL has determined that for the purpose of voting at the meeting, SCMGL shares will be taken to be held by those persons holding shares in the Company that are listed for quotation on the Australian Securities Exchange and recorded on the Company's register as at **11:00 am AEDT on Sunday 23 October 2011.**

#### Timing

For the appointment of a proxy to be effective, you must ensure that your proxy form (and a certified copy of the authority under which it is signed) is received by the registry, Computershare Investor Services Pty Limited, at least 48 hours before the start of the meeting, that is, by no later than **11:00 am AEDT on Sunday 23 October 2011:**

- by mail;
- by facsimile;
- by internet; or
- by hand delivery.

The relevant contact details are set out on the back page of this document.

#### Details for lodgement of Proxies

Mailing Address	Computershare Investor Services Pty Limited GPO Box 242 Melbourne Vic 3001
Delivery Address	Computershare Investor Services Pty Limited Level 4, 60 Carrington Street Sydney NSW 2000
Facsimile	1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)
Internet	Log on to <a href="http://www.investorvote.com.au">www.investorvote.com.au</a>  If you are a custodian and an Intermediary Online subscriber, you can log on to <a href="http://www.intermediaryonline.com">www.intermediaryonline.com</a>

A reply paid envelope is enclosed for the return of the proxy form by mail.

As a shareholder in SCMGL, Chapter 2C of the Corporations Act requires certain information about you (including your name, address and details of the SCMGL shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your shareholding. This information is held by Computershare Investor Services Pty Limited on behalf of SCMGL in its capacity as SCMGL's appointed registry.

## 4. EXPLANATORY MEMORANDUM



### Financial Accounts and Reports

As required by the Corporations Act, the Financial Report, Directors' Report and Auditor's Report of SCMGL for the most recent financial year will be laid before the AGM. The members of SCMGL are not required to pass a resolution in relation to these documents.

An SCMGL shareholder who is entitled to vote at the AGM may submit written questions to SCMGL's auditor under section 250PA of the Corporations Act if the question is relevant to the content of the SCMGL Auditor's Report or the conduct of the audit of the SCMGL Financial Report. Any such shareholder wanting to do so must give the question to SCMGL (attention Louise Bolger) at the address for SCMGL shown in the Corporate Directory in section 6 no later than the fifth business day before the meeting (that is, by Tuesday, 18 October 2011).

The auditor will be available at the AGM to answer shareholder questions on the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by SCMGL in relation to the preparation of the Financial Report and the independence of the auditor in relation to the conduct of the audit.

The auditor will either answer these questions at the AGM or table written answers to them at the AGM and make them available to shareholders as soon as practicable after the AGM.

### Resolution to adopt Remuneration Report (Resolution 1)

Directors of listed public companies are required to provide detailed disclosure of the remuneration of Key Management Personnel in the Directors' Report. The SCMGL Remuneration Report appears in the SCMGL Directors' Report for the financial year ended 30 June 2011 and is also available from SCMGL's website [www.scmmediagroup.com.au](http://www.scmmediagroup.com.au).

The contents of the Remuneration Report include (amongst other things):

- a discussion of the Board's policy in relation to the nature and level of remuneration of Directors and senior managers of the Company and group companies;
- discussion of the relationship between the Board's remuneration policy and the Company's performance over the five financial years up to and including 2011; and
- details of the remuneration provided to the Chief Executive Officer, certain senior executives and the non-executive Directors of the Company for the year ended 30 June 2011.

During the discussion on this item of business, members will have reasonable opportunities to ask questions about, and make comments upon, the Remuneration Report.

The Corporations Act requires that the Remuneration Report be adopted at the meeting by way of non-binding resolution. Whilst there is a requirement for a formal resolution, the resolution is advisory only and does not bind the Company. The Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

Under the Corporations Act, if 25 percent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, the Company will be required to put to shareholders a resolution (**Spill Resolution**) proposing an extraordinary general meeting to consider the appointment of the directors of the Company (**Spill Meeting**). If more than 50 percent of the shareholders vote in favour of the Spill Resolution, the Company must hold the Spill Meeting within 90 days of the second AGM at which all of the Company's directors (other than the managing director) must go up for re-election.

### Resolutions to re-elect Chris de Boer (Resolution 2) and Tony Bell (Resolution 3) as Directors

Article 10.3 of the constitution of SCMGL requires that one-third of the Directors on the Board retire at each annual general meeting. If they are eligible, they may stand for re-election.

Accordingly, Chris de Boer and Tony Bell retire by rotation and, being eligible, offer themselves for re-election.

To pass each of these resolutions, more than 50 percent of the votes cast by SCMGL shareholders entitled to vote on each resolution must be in favour of the resolution.

#### Chris de Boer

Chris de Boer was appointed in September 2005. He has had various careers in investment banking, business consulting, stockbroking and direct investment and through them gained experience in initial public offerings, mergers and acquisitions, corporate reorganisations, joint ventures, bond issues and financial advice across London, Hong Kong, Australia and New Zealand, in both domestic and cross-border deals.

Chris also has extensive experience in takeover regulation. Chris spent more than two years as an executive at the Takeover Panel in London, three years on the Takeovers Committee in Hong Kong and four years as chairman of the Takeovers Panel in Hong Kong.

#### Tony Bell

Tony Bell was appointed in April 2008 and is one of Australia's most distinguished media operators with over 30 years' experience in the Australian radio and free-to-air television industry. As managing director of Southern Cross Broadcasting (Australia) Limited from 1993 to 2007, Tony gained extensive experience in regional and metropolitan media and was instrumental in that company's formation as one of Australia's leading media companies.

### Resolution to elect Peter Harvie as a Director (Resolution 4)

Peter Harvie was appointed by the Board in August 2011 under the power contained in article 10.8 of the constitution of SCMGL. Accordingly, Peter Harvie holds office to the end of the AGM and, being eligible, offers himself for election.

To pass this resolution, more than 50 percent of the votes cast by SCMGL shareholders entitled to vote on the resolution must be in favour of the resolution.

#### Peter Harvie

Peter Harvie has more than 35 years' experience in the Australian media industry. Prior to his appointment Peter was the executive chairman of Austereo Group Limited from 2001 until May 2011, executive chairman of Austereo Pty Ltd, managing director of the Triple M Network and managing director of the Clemenger Harvie advertising agency from 1974 to 1993.

### Resolution to elect Marina Darling as a Director (Resolution 5)

Marina Darling was appointed by the Board in September 2011 under the power contained in article 10.8 of the constitution of SCMGL. Accordingly, Marina Darling holds office to the end of the AGM and, being eligible, offers herself for election.

To pass this resolution, more than 50 percent of the votes cast by SCMGL shareholders entitled to vote on the resolution must be in favour of the resolution.

**Marina Darling**

Marina Darling is an experienced company director and has worked in an executive capacity in the legal and corporate finance sectors and property development. Marina is currently a non-executive director of listed company Argo Investments Limited and has previously been a non-executive director of a broad range of listed companies, government bodies and other organisations. These have included Southern Cross Broadcasting Limited, Deacons (Lawyers), National Australia Trustees Limited and Southern Hydro Limited.

**Resolution to increase cap on annual directors' remuneration (Resolution 6)**

Under the SCMGL constitution non-executive Directors are entitled to be remunerated for their services as Directors and the total amount of Directors' fees for all non-executive Directors must not exceed the amount determined by the Company in general meeting. The remuneration is to be divided among the non-executive Directors in the proportion and manner agreed by the Directors. Fees paid to executive Directors are excluded from the aggregate cap of fees.

The Directors' remuneration for the year ended 30 June 2011 is disclosed in the audited Remuneration Report set out on pages 18 to 21 of the 2011 Annual Report. The aggregate Directors' fees payable to the non-executive Directors for that year amounted to \$740,144.

The Directors consider that the annual cap on aggregate non-executive Director remuneration should be set at \$1,500,000 with effect from the date of this meeting. The increase to the aggregate cap will allow for the growth in non-executive Directors' remuneration in future years to reflect market competitiveness, Board structure, and to retain and attract Directors with the skills and experience which are relevant to the ongoing stewardship of SCMGL.

The Directors are of the view that the proposed increase in the aggregate remuneration cap is appropriate for the following reasons:

- (a) the number of the non-executive Directors has in the past year increased from five to seven;
- (b) the agreement made by the Company with Macquarie Capital Group Limited at the time of internalisation and corporatisation, which saw Michael Carapiet's Director fees paid by Macquarie Capital Group Limited, expired on 31 December 2010, with SCMGL now responsible for the payment of Mr Carapiet's fees;
- (c) since SCMGL's acquisition of Austereo Group Limited, the Company has almost doubled in size and in turn the demands placed on the Directors in terms of time and energy in contributing to the Company have increased; and
- (d) the Company's Directors should be properly remunerated for their skills and experience and the duties and liabilities that they accept in their roles.

To pass this resolution, more than 50 percent of the votes cast by SCMGL shareholders entitled to vote on the resolution must be in favour of the resolution.

**Resolution to approve financial assistance (Resolution 7)****Background**

Southern Cross National Network Pty Ltd (**Purchaser**), a wholly owned subsidiary of SCMGL, has acquired (directly or indirectly) all of the shares in Austereo Group Limited and its wholly owned subsidiaries (collectively, the **Acquired Companies**).

The Purchaser's acquisition was funded by financing from Australia and New Zealand Banking Group Limited, National Australia Bank Limited and Commonwealth Bank of Australia provided under the Syndicated Facility Agreement between, amongst others, Southern Cross Media Australia Pty Ltd (**SCMA**), National Australia Bank Limited (**Facility Agent**) and ANZ Fiduciary Services Pty Ltd

(**Security Trustee**) dated 2 September 2004 (**Facility Agreement**) as amended and restated by the Syndicated Facility Agreement – Sixth Amendment and Restatement Deed dated 25 March 2011.

The Acquired Companies all became subsidiaries (directly or indirectly) of the Purchaser as a result of the acquisition.

**Section 260A of the Corporations Act**

Section 260A of the Act provides that a company may financially assist a person to acquire shares (or units of shares) in the company, or its holding company, only in certain circumstances, one of which is where the assistance is approved by the members under section 260B of the Act.

Section 260B(2) of the Corporations Act requires that financial assistance be approved by a special resolution passed at a general meeting of that corporation where the company that has provided financial assistance will be a subsidiary of a listed domestic corporation immediately after the acquisition of shares in the company under section 260A of the Corporations Act.

Accordingly, Resolution 7 seeks the approval of SCMGL's shareholders, pursuant to section 260B(2) of the Corporations Act, for the financial assistance to be provided by each of the Acquired Companies in connection with the acquisition of the shares by the Purchaser (directly or indirectly) in each of the Acquired Companies as further described below. Approval is sought by special resolution, which requires at least 75 percent of the votes that are cast on the resolution to be in favour of the resolution.

**Details of financial assistance**

It is a condition of the financing under the Facility Agreement that, following the acquisition by the Purchaser (directly or indirectly) of 100 percent of the issued shares in the Acquired Companies, SCMA procures that:

- (a) each of the Acquired Companies enter into:
    - (i) the Combination Security Deed; and
    - (ii) each of the Accession Documents; and
  - (b) Radio Newcastle Pty Ltd enters into the Mortgage,
- (together, the **Finance Documents**)

and that the Finance Documents be extended to secure SCMA's obligations with respect to the Tranche A2 Facility, the Tranche A3 Facility, the Tranche B1 Facility, the Tranche B2 Facility, the Tranche C2 Facility and the Tranche C3 Facility provided to SCMA under the Facility Agreement (together, the Relevant Tranches). The Relevant Tranches have been provided to SCMA under the Facility Agreement for the purposes of, amongst other things, funding the acquisition of the Acquired Companies and funding the ongoing working capital and capital expenditure requirements of the expanded Group following the acquisition.

Pursuant to the Finance Documents, each of the Acquired Companies will:

- (a) give a guarantee and indemnity in favour of the Security Trustee to guarantee all amounts owing under or in relation to the Facility Agreement including the Relevant Tranches (the Guaranteed Money);
- (b) grant in favour of the Security Trustee a charge over all its assets and undertakings, a real property mortgage over all its freehold property, a share mortgage over shares it owns in any other Acquired Company, and such other security interest as requested by the Facility Agent (acting reasonably); and
- (c) become a party to the security trust and intercreditor arrangements which support the financing provided to SCMA under the Facility Agreement.



## 4. EXPLANATORY MEMORANDUM

Therefore, by entering into the Finance Documents with respect to the Relevant Tranches the Acquired Companies may be financially assisting the Purchaser in respect of the acquisition of the shares in the Acquired Companies for the purposes of section 260A of the Corporations Act. SCMA is also required under the Facility Agreement to seek all necessary shareholder approvals for the giving of the financial assistance by the Acquired Companies under the Finance Documents, as provided in the special resolution referred to in Resolution 7.

The financiers under the Facility Agreement may in the future agree to refinance or replace the Facility Agreement by way of the provision of new facilities or they may agree to a variation of the terms of the Facility Agreement. As part of those arrangements, the Finance Documents may be automatically extended and/or the financiers under the Facility Agreement may request the provision of new security to replace or update the Finance Documents. In any such case, the entry into such refinancing, replacement or variation, the replacement of the Finance Documents, the provision of further security and/or the taking of any other actions in connection with any of the above by the Acquired Companies may be taken to constitute financial assistance in connection with the acquisition of the shares in the Acquired Companies. Any documentation required in connection with such refinancing, replacement, variation, provision or action (including any acknowledgement of the continuation of the Finance Documents or granting of further security) may of itself amount to the giving of financial assistance and approval for the entry into of any such documentation is being sought by Resolution 7.

The Company and its subsidiaries may also, from time to time, arrange refinancing and additional financing facilities (including working capital facilities) of an amount to be determined in the future. In order to secure and to regulate the obligations of the Company and any subsidiary or related entity of it in relation to such financing facilities, each Acquired Company may from time to time be asked to enter into new facilities agreements as an obligor or give one or more of a guarantee, indemnity or security interest over its assets (whether by way of mortgage, charge or otherwise) to secure each obligor's obligations under any new facilities agreement and any related document. The entering into and performing of obligations under any of these documents by an Acquired Company as referred to above may constitute the giving of financial assistance to the Company in connection with the acquisition by the Company of the shares in the Acquired Companies and approval for such financial assistance is being sought by Resolution 7.

### *Reasons for the financial assistance*

The Purchaser required financing to fund its acquisition of shares (directly or indirectly) in the Acquired Companies. It is a condition of that financing that the Purchaser procures that the Acquired Companies enter into the Finance Documents and that the Finance Documents be extended to cover the Relevant Tranches.

To ensure that SCMA and its subsidiaries continue to have the benefit of the facilities made available under the Facility Agreement and comply with their respective obligations under the Facility Agreement, it is necessary for the financial assistance to be given by the Acquired Companies.

### *Effects of the financial assistance*

The adverse effects that may result in the case of each of the Acquired Companies due to that company entering into the Finance Documents with respect to the Relevant Tranches are that:

- (a) each Acquired Company will become liable as a guarantor on a cross guarantee and indemnity basis for the Guaranteed Money and that Acquired Company's assets may become subject to enforcement action by the financiers under the Facility Agreement in the event of a default under the Facility Agreement;

- (b) it may impact on the Acquired Company's ability to borrow money in the future because a financier may be deterred by the existence of any securities from making finance available to that Acquired Company;
- (c) if SCMA, the Purchaser or other obligors fail to pay amounts due or perform obligations in accordance with the Facility Agreement then the financiers under the Facility Agreement may enforce the Finance Documents against the Acquired Company having an adverse impact on the Acquired Company's financial position; and
- (d) in the event of the winding up of the Acquired Company, the financiers under the Facility Agreement will rank ahead of the members of the Acquired Company with respect to the amounts payable in connection with the Finance Documents.

However, the Directors of the Company have considered SCMA's and the Purchaser's balance sheets, future profits and cash flow and do not consider that SCMA or the Purchaser will have any cause to default in any of its payments or obligations under the Facility Agreement.

The Directors of the Company consider that the Acquired Companies will benefit from being subsidiaries (directly or indirectly) of the Purchaser, in that the Acquired Companies may gain access to:

- (a) working capital or inter-company loans at beneficial rates; or
- (b) management expertise and business strategies developed for the group of companies of which the Purchaser is part (Group).

Accordingly, the Directors of the Company have formed the view that the giving of financial assistance and entering into the Finance Documents will not materially prejudice the interests of the Acquired Company or its members. However, the Directors consider it prudent and consistent with good business practice to seek shareholders' approval.

The Directors of the Company have also formed the view that the giving of financial assistance and entering into the Finance Documents is in the best interests, and for the corporate benefit, of the Acquired Company and its members because (among other things):

- (a) the Group's financing arrangements will be more flexible and secured;
- (b) if Resolution 7 is not approved and the Company does not enter into the Finance Documents (as extended to the Relevant Tranches), the financiers under the Facility Agreement may exercise their rights to demand repayment of all money owing under the Facility Agreement which, as at the date of this Notice is approximately \$725 million; and
- (c) if Resolution 7 is not approved and the financiers under the Facility Agreement demand repayment of all money owing under the Facility Agreement, SCMA will need to seek alternative funding to replace the funding provided under the Facility Agreement, which funding may not be available on terms as favourable as those provided under the Facility Agreement, and further, could expect to incur significant transaction costs in connection with such a refinance.

### *Disclosure*

The Directors of the Company consider that the Notice and this Explanatory Memorandum contains all information known to the Company that would be material to the shareholders in deciding how to vote on the proposed resolution other than information which it would be unreasonable to require the Company to include because it has been previously disclosed to the shareholders of the Company.

### *Directors' recommendation*

The Directors recommend that shareholders approve the giving of financial assistance by each of the Acquired Companies by way of a special resolution.

## 5. GLOSSARY

\$ means Australian Dollars.

**Accession Documents** means the documents entitled:

- “New Obligor and Guarantor Accession Deed Poll” dated 27 May 2011 by each of the Acquired Companies in favour of the Facility Agent, the Security Trustee and others; and;
- “Security Trust Deed – New Obligor Accession Deed” dated 27 May 2011 between each of the Acquired Companies, the Facility Agent and the Security Trustee.

**Acquired Companies** means each of the following wholly owned subsidiaries of SCMGL:

- Austereo Group Limited (ACN 007 914 641)
- Austereo Capital FM Pty Ltd (ACN 074 733 841)
- Austereo Entertainment Pty Ltd (ACN 067 790 345)
- Austereo ESP Finance Pty Ltd (ACN 095 343 294)
- Austereo International Pty Ltd (ACN 066 861 489)
- Austereo Pty Ltd (ACN 007 914 641)
- Perth FM Radio Pty Ltd (ACN 077 569 110)
- Triple M Adelaide Pty Ltd (ACN 060 560 198)
- Triple M Brisbane Pty Ltd (ACN 095 320 424)
- Triple M Melbourne Pty Ltd (ACN 095 319 903)
- Triple M Sydney Pty Ltd (ACN 095 323 185)
- Austereo Online Pty Ltd (ACN 073 667 197)
- Today FM Brisbane Pty Ltd (ACN 095 320 415)
- Today FM Sydney Pty Ltd (ACN 095 323 201)
- Consolidated Broadcasting System (WA) Pty Ltd (ACN 008 670 460)
- Radio Newcastle Pty Ltd (ACN 000 225 525)
- Austereo Pty Ltd (ACN 007 914 641)
- Today Radio Network Pty Ltd (ACN 095 317 927)
- Triple M Network Pty Ltd (ACN 095 317 936)
- VRB Pty Ltd (ACN 064 740 030).

**AEDT** means Australian Eastern Daylight Time.

**AGM** means annual general meeting.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules** means the official listing rules of ASX.

**Business Day** means a business day for the purposes of the Corporations Act, being a day that is not a Saturday, a Sunday or a public holiday or bank holiday in Melbourne, Australia.

**Closely Related Party** means any of the following persons:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or of the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- a company that the member controls; or
- a person described by the *Corporations Regulations 2001* (Cth).

**Combination Security Deed** means:

- in the case of the Acquired Companies not including Austereo Group Limited, the deed entitled “Combination Security Deed” between the Acquired Companies (not including Austereo Group Limited) and the Security Trustee dated 27 May 2011; and
- in the case of Austereo Group Limited, the deed entitled “Combination Security Deed” between Austereo Group Limited and the Security Trustee dated 25 August 2011.

**Corporations Act** means *Corporations Act 2001* (Cth).

**Directors** means the directors of SCMGL and “Director” refers to one of the Directors.

**Explanatory Memorandum** means the explanatory memorandum set out in section 4 of this document.

**Facility Agent** means the National Australia Bank Limited.

**Facility Agreement** means the Syndicated Facility Agreement between, amongst others, SCMA, the Facility Agent and the Security Trustee dated 2 September 2004 as amended and restated by the Syndicated Facility Agreement – Sixth Amendment and Restatement Deed dated 25 March 2011.

**Finance Documents** means each Combination Security Deed, the Accession Documents and the Mortgage.

**Key Management Personnel** has the same meaning as in the Australian Accounting Standards and broadly includes persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any Director.

**Mortgage** means the document entitled “Schedule to mortgage cover sheet” between Radio Newcastle Pty Ltd and the Security Trustee in relation to a mortgage over property at 252 Pacific Highway, Charlestown NSW 2290, described in certificates of title 10/651357 and 1/772205.

**Notice and Notice of Meeting** means this notice of annual general meeting and a reference to this Notice includes the Explanatory Memorandum and the proxy form that accompanies it.

**Purchaser** means Southern Cross National Network Pty Ltd ABN 53 148 894 231.

**Relevant Tranches** means the Tranche A2 Facility, the Tranche A3 Facility, the Tranche B1 Facility, the Tranche B2 Facility, the Tranche C2 Facility and the Tranche C3 Facility, each as defined under the Facility Agreement.

**SCMA** means Southern Cross Media Australia Pty Ltd ABN 78 109 243 110.

**SCMGL** means Southern Cross Media Group Limited ABN 91 116 024 536.

**Security Trustee** means ANZ Fiduciary Services Pty Ltd.

**Spill Meeting** means an extraordinary general meeting to consider the appointment of the Directors of the Company that must be held if a Spill Resolution is passed.

**Spill Resolution** means a resolution put to shareholders by the Company where the Remuneration Report is not adopted at two consecutive AGMs for the Company.

## 6. CORPORATE DIRECTORY

### Southern Cross Media Group Limited

Level 2  
257 Clarendon Street  
South Melbourne Vic 3205  
Australia

Telephone: 03 9252 1019 (Australia)  
+61 3 9252 1019 (International)

Facsimile: +61 3 9252 1270

Website: [www.scmediagroup.com.au](http://www.scmediagroup.com.au)

Directors: Max Moore-Wilton (chairman)  
Leon Pasternak (deputy chairman)  
Tony Bell  
Chris de Boer  
Michael Carapiet  
Peter Harvie  
Marina Darling

Secretary: Louise Bolger

### Registry

Computershare Investor Services Pty Ltd  
GPO Box 2975 Melbourne Vic 3001

Telephone: 1300 766 272 (Australia)  
+61 3 9415 4257 (International)

Facsimile: +61 3 9473 2500

### Financial report

A copy of the SCMGL consolidated financial report for the period ended 30 June 2011 is available on the SCMGL website: [www.scmediagroup.com.au](http://www.scmediagroup.com.au).





Southern Cross Media Group Limited  
ABN 91 116 024 536

## Lodge your vote:



**Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)



**By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

## For all enquiries call:

(within Australia) 1300 766 272  
(outside Australia) +61 3 9415 4257

## Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

**[www.investorvote.com.au](http://www.investorvote.com.au)**

- ☒ Cast your proxy vote
- ☒ Access the annual report
- ☒ Review and update your shareholding

### Your secure access information is:

**Control Number:**

**SRN/HIN:**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

**For your vote to be effective it must be received by 11:00 am AEDT on Sunday 23 October 2011**

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of shares you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of shares for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of shares for each in Step 1 overleaf.

**A proxy need not be a shareholder of the Company.**

## Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the shareholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the shareholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

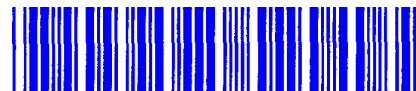
## Attending the Meeting

Bring this form to assist registration. If a representative of a corporate shareholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the "Information" tab, "Downloadable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form →**

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Shareholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



# Proxy Form

Please mark ☒ to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Southern Cross Media Group Limited hereby appoint

☐ the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Southern Cross Media Group Limited to be held at the KPMG Theatre, 147 Collins Street, Melbourne, Victoria on Tuesday, 25 October 2011 at 11:00 am AEDT, and at any adjournment of that meeting.

### Important for items 1 and 6 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default

By marking this box, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on items 1 and 6 as set out below. If you do not mark this box, and you have not directed your proxy how to vote on items 1 and 6, the Chairman of the Meeting will not cast your votes on items 1 and 6 and your votes will not be counted in computing the required majority if a poll is called on this item. If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the boxes in Step 2 below (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of items 1 and 6).

The Chairman of the Meeting intends to vote all available proxies in favour of items 1 and 6 of business.

☐ I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on items 1 and 6 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Items 1 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

### ORDINARY BUSINESS

	For	Against	Abstain
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Chris de Boer as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Tony Bell as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Election of Peter Harvie as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Election of Marina Darling as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### SPECIAL BUSINESS

6. Increase in cap on annual Directors' Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Approval of financial assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

## STEP 3 Signature of Shareholder(s) *This section must be completed.*

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact  
Name

Contact  
Daytime  
Telephone

Date / /