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## **ASX RELEASE / MEDIA RELEASE**

### **Southern Cross Media Group Capital Management Initiatives**

Southern Cross Media Group Limited (**ASX: SXL**) today announced capital management initiatives focused on returning value to shareholders in what are expected to be value accretive actions.

**1. Buy-Back:** Commencing December 2011, SXL intends to put in place an on-market buy-back of up to 37.9 million shares<sup>1</sup> representing approximately 5.4% of total shares on issue. The buy-back will provide SXL with the ability to opportunistically repurchase shares at attractive valuations which are expected to be EPS accretive for SXL shareholders. There is no guarantee SXL will repurchase the full 37,882,775 shares. The earliest day the buy-back can commence is 9 December 2011.

**2. Dividend Policy:** SXL advises that it intends that future dividend distributions to shareholders will represent 60% to 70% of financial year NPAT (Net Profit After Tax). Dividends will continue to be paid on a semi-annual basis with details of the FY12 interim dividend announced with the first half results in late February 2012.

**3. Financial Leverage:** In instituting these initiatives the Board has carefully considered SXL's balance sheet position and in implementing the buy-back, intends that the company's financial leverage ratios are not materially impacted. Any shares bought back and / or dividends paid will be funded from cash reserves.

The Board will continue to assess the merits of these initiatives as market conditions - both operating and financial - evolve.

<sup>1</sup>. SXL reserves the right to suspend or terminate the buy-back program at any time and to buy-back less than 37,882,775 shares.



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