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ASX RELEASE

Southern Cross Media Group – In-Principle Settlement with ATO on Redeemable Preference Share Matter

Southern Cross Media Group Limited (**ASX: SXL**) advises it has agreed in-principle terms to settle all matters concerning deductibility of distributions paid on Redeemable Preference Shares and all related matters for the income years 2006 to 2011. SXL will make a primary tax payment of \$14 million following execution of a formal settlement deed, in full settlement of this matter. The cash payment is to be made in the first quarter of FY2015.

As SXL recognised a provision for the amended assessments received in respect of the income years 2006 to 2009, settlement on the above basis will result in a net reversal of income tax expense of \$15.6 million and a reversal of interest expense of \$10.9 million, resulting in a \$26.5 million increase in Net Profit After Tax on reported earnings for FY2014. These reversals will not impact underlying earnings for FY2014.

For further information, please contact:

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