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25 August 2014

ASX RELEASE

Amended Dividend Reinvestment Plan Rules

Attached to this announcement is a copy of a letter to Southern Cross Media Group Limited (ASX:SXL) (SCMG) Dividend Reinvestment Plan participants and a copy of the amended Dividend Reinvestment Plan Rules.

A copy of the Dividend Reinvestment Plan Rules is available from SCMG's website at:
www.southerncrossaustereo.com.au under the Investor Centre – Dividend Reinvestment Plan tab.

For further information please contact:

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25 August 2014

Dear Participant in SCMG's Dividend Reinvestment Plan

Changes to Dividend Reinvestment Plan

The Southern Cross Media Group Limited (**ASX: SXL**) (**SCMG**) Board of Directors has resolved to amend the company's Dividend Reinvestment Plan (**DRP**) Rules. The changes to the **DRP** Rules are primarily as a result of recent changes to the ASX Listing Rule timetables which now require the last election date for DRPs to be at least one business day after the record date for the relevant dividend.

The Board also took the opportunity to make some other minor amendments to the **DRP** Rules, including:

- Amending the default reference application price by providing that any trading on the Chi-X trading platform will be taken into account in addition to trading on ASX, subject to the discretion of the Directors to determine otherwise; and
- Simplifying the default pricing period definition, again subject to the discretion of the Directors to determine otherwise.

The revised **DRP** Rules are **attached** to this letter and are available from SCMG's website at www.southerncrossaustereo.com.au under the Investor Centre – Dividend Reinvestment Plan tab.

As announced on 20 August, 2014, SCMG's final dividend is scheduled to be paid on 3 November 2014 to shareholders registered as at 5 pm (AEST) on 29 September 2014.

DRP application forms must be received by SCMG's registry, Computershare Investor Services, by 5:00 pm (AEST) on 30 September 2014 to be effective for this dividend. Application forms received after this time will only be effective for subsequent dividends to which the **DRP** may apply. Shareholders who already participate in the **DRP** do not need to lodge another form unless they wish to change their level of participation in the **DRP**.

Shareholders who wish to change their participation in the **DRP** are advised to visit SCMG's registry website (www.investorcentre.com) or to contact Computershare Investor Services on 1300 766 272. Changes to participation must also be received by 5:00 pm (AEST) on 30 September 2014.

Please contact me should you like to discuss any of the above matters.

Yours sincerely,

Jane Summerhayes
Company Secretary



SOUTHERN CROSS MEDIA GROUP LIMITED
DIVIDEND REINVESTMENT PLAN

Disclaimer

This document does not constitute an offer of securities and does not give the right to any person to invest in securities in any jurisdiction in which it would not be lawful to make such an offer or give such a right.

This is not investment advice and does not take into account the investment objectives, financial situation and particular needs of an investor. You should consult your financial or other professional adviser prior to making a decision on whether or not to participate in the Plan.

This plan is dated 20 August 2014.

SOUTHERN CROSS MEDIA GROUP LIMITED

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Share Registry

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Abbotsford, Victoria 3067 Australia
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Melbourne, Victoria 3000 Australia
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FEATURES OF THE DIVIDEND REINVESTMENT PLAN

The Southern Cross Media Group Limited Dividend Reinvestment Plan (the "Plan") is a convenient way for investors to increase their holding in Southern Cross Media Group Limited ("SCMG") by reinvesting all or some of their dividend in additional Shares in SCMG ("Shares").

Participation in the Plan is subject to the Terms and Conditions of the Dividend Reinvestment Plan ("Terms and Conditions").

This document has been prepared without taking into account your investment objectives, financial situation or needs. SCMG recommends that you review this document and the Terms and Conditions in full and seek professional tax and financial advice before making your decision.

Highlights

- All investors in SCMG with a registered address in Australia or New Zealand are eligible to participate in the Plan.
- Investors may make the following elections:
 - not participate in the Plan and receive cash dividends - in which case dividends will be paid in the normal way;
 - full participation in the Plan - dividends on all Shares held by the investor will be reinvested in Shares, which may be newly issued by SCMG or purchased on-market (or a mixture of both) at SCMG's discretion;
 - partial participation in the Plan - dividends on a specified number or percentage of Shares held by the investor ("participating Shares") will be reinvested in Shares. The dividends on the investor's remaining Shares ("non-participating Shares") will be paid as a cash dividend in the normal way.
- Participation in the Plan is optional. If an investor does not participate in the Plan, dividends will automatically be paid to that investor in the normal way. If an investor does participate in the Plan, on each dividend payment date, the dividend on that investor's participating Shares will be automatically reinvested in Shares. Investors are recommended to consult their financial advisor prior to making a decision on whether or not to participate in the Plan.
- Shares provided under the Plan will be issued at the Application Price (which allows for a discount of up to 10%, as determined by the Directors) and will be free of brokerage, commission and Australian stamp duty (under current laws).
- Shares issued under the Plan will rank equally in all respects with existing Shares from the date of issue.
- Investors may join or leave the Plan at any time by giving notice by 5pm on the Business Day after the Record Date for a particular dividend (and subsequent dividends).
- A Plan Statement providing details of participation will be sent to each investor after each dividend payment date.
- SCMG may terminate or suspend the Plan at any time.
- The Plan may be partially or fully underwritten from time to time at the discretion of SCMG.
- Investors in SCMG who do not have a registered address in Australia or New Zealand are not eligible to participate in the Plan and have their dividends reinvested in Shares. Investors in SCMG who do not have an Australian or New Zealand registered address will receive cash dividends paid in the normal way.

How to Participate in the Plan

In order to participate in the Plan, the application/variation form enclosed with this booklet must be completed and returned to the Registrar. Elections made by investors in respect of their level of participation in the Plan will remain in effect for all future dividends unless varied by the delivery to the Registrar of another application form or following the suspension of the Plan for more than 2 years.

Investors asking to vary their participation in or withdraw completely from the Plan should notify the Registrar by completing an application/variation form.

A notice of participation, variation or withdrawal will be effective for a dividend payment (and subsequent dividends), provided that the notice is received by the Registrar by 5pm on the Business Day after the Record Date for that dividend.

Taxation Considerations

Under current Australian income tax legislation, it is SCMG's understanding that dividends reinvested will be treated in the same manner as if the investor had received those dividends in cash.

The Plan Statement issued following the payment of each dividend will show the amount of the dividend. Plan Statements should be retained by investors as a record.

If an investor intends to participate in the Plan and has not lodged their Tax File Number with the Registrar, Australian income tax may be deducted from the dividend on the investor's participating Shares prior to the entitlement to new Shares.

SCMG does not take any responsibility for the tax liabilities of Participants and it is recommended that investors obtain independent advice concerning their tax position.

Securities Exchange Listing

SCMG will apply for quotation of Shares issued under the Plan on the Official List of the Australian Securities Exchange.

Further Information

This document, the Terms and Conditions and the application form are available on our website www.southerncrossaustereo.com.au under the Investor Centre – Dividend Reinvestment Plan tab.

TERMS AND CONDITIONS OF THE DIVIDEND REINVESTMENT PLAN

1. Participation in the Plan

- 1.1 Participation in SCMG's Dividend Reinvestment Plan is subject to these Terms and Conditions.
- 1.2 Participation in the Plan is optional.
- 1.3 The Plan is open to all investors holding Shares in SCMG who have a Registered Address in Australia or New Zealand.
- 1.4 The Directors have a discretion whether to allow dividend reinvestment and may terminate or suspend the Plan at any time.

2. Definitions and Interpretations

- 2.1 When used in these Terms and Conditions, the words listed will, except to the extent that the context otherwise requires, have the following meanings:

"Application Price" of a Share to be allotted or transferred under the Plan is the average of the daily volume weighted average price of all sales of Shares recorded on the ASX or Chi-X automated trading venues during the "Pricing Period", including the closing single price auction, but excluding sales such as any special crossings, crossings prior to the commencement of normal trading or during the closing phase or after hours adjustment phase, crossings during overnight trading, or any overseas trades or trades pursuant to the exercise of options over Shares, or any other sales which the Directors consider may not be reflective of natural supply and demand) less the discount (if any) of not more than 10% of this amount determined by the Directors, rounded down to four decimal places. If, in the absolute discretion of the Directors, the pre-discount volume weighted average price as calculated above is not considered to represent the then fair market value of Shares, the Directors may determine the fair market value of Shares in their absolute discretion.

"ASX" means ASX Limited or the Australian Securities Exchange operated by it, as appropriate.

"Business Day" means a day which is a Business Day under the ASX Listing Rules.

"Constitution" means the Constitution of SCMG as amended from time to time.

"Directors" means the directors of SCMG from time to time.

"dividend" means amounts to be paid as dividends by SCMG to investors pursuant to article 16 of the Constitution of SCMG.

"holding" means a holding of Shares recorded in the Register.

"investor" means a person holding Shares.

"Participant" means an investor whose application to participate in the Plan has been accepted by SCMG.

"Plan" means SCMG's Dividend Reinvestment Plan the subject of these Terms and Conditions.

"Plan Account" means the plan account established by SCMG and maintained by the Registrar for each Participant in accordance with these Terms and Conditions.

"Plan Statement" means a plan statement which complies with clause 10.

"Pricing Period" means, in respect of a particular dividend, the period of 10 Trading Days commencing on the second Trading Day following the Record Date for that dividend (or such other commencement date or pricing period as the Directors determine and announce to ASX).

"Record Date" means any date and time specified by SCMG for determining entitlements to a dividend paid by SCMG.

"Registered Address" means the address of an investor as shown in the Register.

"Register" means the register of all investors maintained by the Registrar.

"Registrar" means Computershare Investor Services Pty Limited, Level 3, 60 Carrington Street, Sydney NSW 2000 or such other registrar as may be appointed by SCMG from time to time.

"Share" means an ordinary share in SCMG.

"SCMG" means Southern Cross Media Group Limited.

"Trading Day" means a trading day on ASX on which the Shares are not suspended from trading or in a trading halt for any part of the day.

- 2.2 Words importing the singular include the plural and vice versa, words importing any gender include other genders and "person" includes a corporation.
- 2.3 Headings are for convenience only and do not affect the interpretation.
- 2.4 References to time are to the time in Melbourne, Australia.

3. Application to Participate

- 3.1 An investor may apply to the Registrar to participate in the Plan by completing and signing an application form and returning it to the Registrar.
- 3.2 Where an investor has more than one allocated holding on the Register, the investor must complete an application form for each separate holding.

4. Degree of Participation

- 4.1 Participation in the Plan may be full or partial.
- 4.2 In the case of full participation all Shares registered in the Participant's name from time to time, including Shares provided under the Plan, bonus Shares, Shares issued to the Participant pursuant to a rights issue, placement or Share Purchase Plan, and subsequent purchases will participate in the Plan.
- 4.3 In the case of partial participation only the number of Shares specified by the Participant in the application form or in any subsequent notice under clause 8 together with bonus Shares and Shares provided in relation to Shares participating in the Plan, will be subject to the Plan.
- 4.4 A Participant must specify on the application form the degree of participation by either:
 - (a) placing a tick in the box marked full participation; or
 - (b) specifying the number or percentage of Shares to participate in the Plan.
- 4.5 If an application form received by the Registrar does not indicate the degree of participation it will be deemed to be an application for full participation.

- 4.6 Where the number of Shares registered in the name of a Participant at the Record Date is less than the number of Shares specified by the Participant, all those Shares registered in the name of the Participant will be subject to the Plan.

5. Operation of the Plan

- 5.1 The Directors may, in their absolute discretion, either issue new Shares or cause existing Shares to be acquired in the market for transfer to Participants (or undertake a combination of both options), to satisfy SCMG's obligations under the Plan.
- 5.2 If the Directors determine to cause the transfer of Shares to Participants, those Shares may be acquired in the market in the manner they consider appropriate.
- 5.3 A Participant shall be deemed to have:
- (a) directed SCMG to apply the cash dividend that is available for payment to the Participant in relation to the participating Shares of the Participant on the dividend record date (less any applicable withholding tax, income tax, stamp duty or other tax, duty, impost, deduction or charge imposed by a government including goods and services tax or any other amount then payable by the Participant to SCMG) towards the issue or acquisition price of further Shares;
 - (b) authorised SCMG to subscribe for, acquire or procure the acquisition of Shares on the Participant's behalf; and
 - (c) agreed to be bound by the Constitution in respect of all the Shares issued or transferred to the Participant under the Plan.
- 5.4 SCMG will establish and the Registrar will maintain a Plan Account for each Participant.
- 5.5 SCMG will:
- (a) determine the cash dividend that is available for payment to the Participant in relation to the participating Shares of the Participant (less any applicable withholding tax, income tax, stamp duty or other tax, duty, impost, deduction or charge imposed by a government including goods and services tax or any other amount then payable by the Participant to SCMG) and credit that amount to the Participant's Plan Account;
 - (b) determine the maximum whole number of Shares which could be acquired at the Application Price by dividing the credit balance amount in the Participant's Plan Account by the Application Price and rounding that number down to the nearest whole number;
 - (c) on behalf of and in the name of the Participant, subscribe for, transfer or procure the transfer of that number of additional Shares determined under clause 5.5(b) and debit the Participant's Plan Account with the aggregate Application Price of the Shares subscribed for or transferred;
 - (d) issue, transfer or procure the transfer of that number of Shares determined under clause 5.5(b) to the Participant; and
 - (e) retain in the Participant's Plan Account any credit balance remaining after the issue or transfer of Shares under clause 5.5(d) until the payment of the next dividend when that amount will be aggregated with any further dividend credited to the Participant's Plan Account.
- 5.6 No interest will accrue to a Participant in relation to any credit balance retained in the Participant's Plan Account.

- 5.7 Where a Participant ceases to participate in the Plan for any reason, including under clause 8, 9 or 12 of the Plan or where the Plan is terminated, then SCMG will retain any credit balance in the Participant's Plan Account.

6. Shares under the Plan

- 6.1 Shares issued under the Plan will be allotted in accordance with the terms and conditions of the Plan and the Constitution and will rank equally in all respects with existing Shares as from the date of issue.
- 6.2 Shares issued or transferred to a Participant under the Plan will be registered on the Register.
- 6.3 Shares issued under the Plan will be allotted in accordance with the Constitution.
- 6.4 A security holding statement will be sent to each Participant within 30 days from the date of allotment or transfer of Shares provided under the Plan specifying the number of Shares allotted or transferred to the Participant and the amount of the dividend represented by the Shares.

7. Cost to Participants

- 7.1 Subject to clause 7.2 no brokerage, commission, stamp duty or other transaction costs will be payable by a Participant in respect of Shares issued or transferred under the Plan.
- 7.2 In the event of a change in the existing legislation so that at the date of any issue, stamp duty is payable in any Australian state jurisdiction in respect of the issue, the amount of such stamp duty shall be paid by the Participant to whom the Shares are provided and will be debited to that Participant's Plan Account.

8. Variation and Termination of Participation

- 8.1 A Participant may at any time give notice (in the form of an application form) to the Registrar either:
- (a) increasing or decreasing the number or percentage of participating Shares; or
 - (b) terminating participation in the Plan.
- 8.2 An application varying or terminating a Participant's participation in the Plan will be effective for a dividend payment and subsequent dividends, provided that the application is received by the Registrar by 5pm on the Business Day after the Record Date for that dividend.

9. Alteration or Termination of Participation Where No Notice is Given

- 9.1 Where a Participant disposes of part of its holding of Shares and does not give notice otherwise then:
- (a) if the number of Shares disposed of is less than the number of the Participant's non-participating Shares then the number of Shares disposed of will be deemed to be non-participating Shares; and
 - (b) if the number of Shares disposed of is greater than the number of the Participant's non-participating Shares, then the Shares disposed of will be deemed to be all of the non-participating Shares plus any additional number of participating Shares as may be necessary to equal in aggregate the total number of Shares disposed of.
- 9.2 Where a Participant disposes of all its Shares without giving the Registrar notice of termination of participation in the Plan, the Participant will be deemed to have given

notice of termination of participation in the Plan on the last date on which the Registrar registered a transfer or instrument of disposal of the Shares.

- 9.3 Where a Participant changes their Registered Address so that it is no longer in Australia or New Zealand, the Participant will be deemed to have given notice of termination of participation in the Plan effective from the date of receipt by the Registrar of notification of the change.

10. Plan Statement

- 10.1 The Registrar, or SCMG when sending dividend statements will send to each Participant a Plan Statement providing, at the relevant date, full details of the Participant's Plan Account and transactions pursuant to the Plan. A Plan Statement will be provided to a Participant within 30 days of the day on which the Shares are provided to a Participant under the Plan.

11. Applications and Notices

- 11.1 Applications and notices for the purposes of the Plan shall be in writing in such form and lodged at such place as SCMG may from time to time require.
- 11.2 Applications and notices (other than notices of death, bankruptcy or liquidation) in respect of Shares registered in joint names must be signed by all registered holders of those Shares.
- 11.3 Applications and notices will take effect on and from the date on which they are received by the Registrar provided that:
- (a) an application to participate in the Plan is not effective until it has been accepted by SCMG; and
 - (b) applications and notices received by the Registrar after 5pm on the Business Day after the Record Date for a dividend will not be effective in relation to that dividend but will be effective for subsequent dividends.

12. Powers in relation to the modification or termination of the Plan

- 12.1 The Directors may:
- (a) at any time modify, vary or amend the Plan;
 - (b) suspend the operation of the Plan from time to time for any period; and
 - (c) by first giving one month's notice to investors, terminate the Plan to take effect at the end of that period of one month.
- 12.2 If the Plan is suspended, each Participant's participation in the Plan is also suspended and all Shares will be deemed to be non-participating Shares for the purpose of any dividend paid while the Plan is suspended. If the Plan is suspended for:
- (a) less than 2 years then upon reinstatement of the Plan a Participant's participation in the Plan will be reinstated subject to any variation or termination of a Participant's participation under the Plan received by the Registrar by 5pm on the Business Day after the first Record Date after reinstatement of the Plan; or
 - (b) more than 2 years, then each Participant will be deemed to have terminated their participation in the Plan.
- 12.3 If the Plan is modified, varied or amended, each Participant must be provided with notice of the modification, variation or amendment. The accidental omission to give to an investor a notice of modification, variation, amendment, suspension or termination of the Plan, or non-receipt of such a notice by an investor, shall not

invalidate the modification, amendment, variation, suspension or termination of the Plan. SCMG may, at its discretion, give such notice by notice to the ASX, for release to the market, or by notice to Participants in accordance with the provisions regarding the giving of notice to Shareholders contained in the Constitution.

13. Taxation

- 13.1 SCMG does not make any representation or warranty in respect of, or accept any responsibility for, the liability of Participants to the payment of tax or stamp duty in respect of any issue or transfer of Shares, payment or other transaction pursuant to the Plan.

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