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ASX RELEASE

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CHAIRMAN'S AND CEO'S ADDRESSES TO AGM

Southern Cross Media Group Limited (ASX:SXL) will hold its Annual General Meeting of shareholders today at 11:00am at Primus Hotel, Meeting Room 2, Mezzanine Level, 339 Pitt Street, Sydney NSW.

The addresses to be given by the Chairman and the Chief Executive Officer at today's AGM are attached.

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Southern Cross Austereo comprises Southern Cross Media Group Limited and its subsidiaries.

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CHAIRMAN'S ADDRESS

The Company achieved improvement across all key financial measures in the 2017 financial year. Revenue increased by 7.5% to \$690 million and underlying net profit after tax increased by 21.5% to \$93.8 million. These results enabled the Board to declare fully franked dividends of 7.75 cents per share for the year, up from 6.75 cents per share in 2016.

As shareholders will be aware, the Company has substantially repaired its balance sheet over the past three years. Net debt reduced by a further 5.6% to \$321 million in the year just ended and financing costs reduced by 23.9% to \$18.8 million. This has positioned the Company well for refinancing its banking facilities that expire in January 2019. Management is well advanced in this process and will complete this refinancing before 31 December.

While pleased with these results, your Board and management team are firmly focused on the future. Guided by a clear aspiration to be the preferred entertainment company in our markets, the Company is taking proactive steps to take advantage of the opportunities being created by technological change and the ongoing convergence and diversity of entertainment platforms.

During the year, this included the successful transition of audiences and revenue to the Company's new Nine Network television programming across three of the four aggregated markets on the east coast, the sale of the Company's northern NSW Ten Network licence to WIN Corporation, and the sale of a portfolio of 45 transmission sites to a specialist provider, Axicom.

In recent months, the Company launched a new podcasting business in partnership with PodcastOne of the US and an out-of-home advertising joint venture with QIC. While both of these businesses are still advertising-based, they are in high growth sectors and will further diversify the Company's revenue streams.

The Company is also enjoying some success this year in attracting a higher proportion of advertising dollars to regional Australia, after a concerted and targeted strategy. The Company's strong radio and television brands and local focus provide a unique platform for the Company to benefit from this strategy.

We have welcomed the relief from broadcasting licence fees finally approved by the Parliament in 2017. We're also pleased that media ownership legislation has been amended to remove the reach rule and the two out of three rule. Removal of these outdated rules creates both opportunity and challenge for Southern Cross Austereo. Shareholders should be assured that your Board and management have a clear understanding of the available strategic options in order to secure and optimise the Company's future position.

A core element of the Company's strategy is to maintain and benefit from our broad reach and our emphasis on localism. This includes a commitment to being a proactive contributor to the communities in which we operate. Our annual Give Me Five for Kids campaign raised a record amount of over \$2.5 million in 2017, taking the total raised over the years to \$22 million. Supported by the volunteer spirit of our workforce, over 95% of these funds will be donated to children's hospitals and children's wards in regional Australia. We were also proud to support also provided our three charity partners - OzHarvest, Black Dog Institute and CanTeen - to help grow and develop their charitable activities.

Before introducing you to our Managing Director, I would like to thank Peter Harvie for his significant contribution to Southern Cross Austereo. Peter retired as a director in March. Peter also had a distinguished executive career in media including for 20 years as Managing Director of Clemenger Harvie and 18 years leading the Triple M Network and Austereo Group. I and my fellow directors very much enjoyed and benefitted from Peter's forthright contributions to Board discussions.

I also encourage you later in the meeting to support the re-election of Rob Murray and Helen Nash as directors.

Along with the chairs of our People & Culture Committee and our Audit & Risk Committee, I was pleased to meet recently with Allan Goldin from the Australian Shareholders' Association. The ASA provided constructive feedback on a number of issues regarding our remuneration and corporate governance practices and disclosures. This feedback has been taken into account in some of today's presentations and will be taken into account in our future reporting.

Finally, I would like to thank all of our 3000 employees and contractors, led by Grant Blackley and his senior leadership team. Through their efforts, Southern Cross Austereo continues to entertain and play an important role in the lives of millions of people around Australia every day, as well as delivering improved value to our advertising clients and to our shareholders.

I would now like to introduce Grant Blackley.

Grant is now into his third year as CEO and Managing Director of Southern Cross Austereo. He has provided strong leadership and has empowered the business to identify and pursue opportunities to grow revenues and returns across all of our assets. I'd now like to invite Grant to provide an update on the group's current trading.

Peter Bush
Chairman
24 October 2017

CEO'S ADDRESS

The past year has seen SCA build on the growth achieved in 2016.

Today I would like to provide you with an update on recent operational developments, and an update on our trading position for the first quarter.

Audio entertainment is at the core of the SCA business and we have recently announced a number of changes to our national radio Drive Shows on both the Hit Network and MMM Network. With Hamish & Andy our current Hit Network Drive hosts retiring from radio (for the time being) this has provided SCA the opportunity to evaluate the format and importantly changing habits around drive time commutes. We recognize the traditional Drive slot Mon – Fri 4.00 - 6.00pm does not represent a modern nor typical representation of a metropolitan commute - which we believe aligns closer to a broader definition being 3.00pm – 7.00pm.

With this in mind, we have confirmed two new formats – best described as early and late drive. We have announced that in 2018, Carrie Bickmore and Tommy Little will be back on the Hit Network with an extended National show from 3pm to 4.30pm and they will be followed by Dave Hughes and Kate Langbroek as the new National Drive team from 4.30 to 6.30pm.

For some time, Kate and Hughesy have performed exceptionally well on a peer network, delivering solid ratings and very strong shares in the desirable Women 25 – 54 age bracket.

In regard to Triple M we are launching a new national Drive Show with Mick Molloy and Jane Kennedy from 4pm to 6pm and this will be supplemented with local Drive lead ins, including the recently announced Chaser Team in Sydney to air from 3pm-4pm.

This combination of Drive Shows across the two networks is designed to offer a compelling and highly competitive set of programs which target all key segments of the market while delivering a more financially beneficial outcome.

The rollout of our Hit and Triple M brands across 68 stations in 34 regional markets in December last year created Australia's first ever truly national radio networks. Together with a substantially improved number of surveys in our regional markets, we have built the framework to drive new business from national advertisers into our regional brands – and the early signs are very encouraging.

SCA also owns nearly half the commercial digital radio spectrum in Australia and we are in the process of rolling out our new strategy for our digital radio stations. Our digital stations now sit under our principal Hit and Triple M brands so we now have the opportunity to monetise that spectrum by providing increased audience reach with national scale to all of our advertisers. We think of these stations as being part of a branded family – in a brand safe environment.

In regional television, we continue our successful transition to Nine which is now being boosted by the completed roll-out of local Nine News services into 15 of our markets. These services will further enhance our ability to realise the full value of these assets. As negotiated through our Affiliation Agreement - the Nine Network employed over 100 journalists and production staff and invested in appropriate capital expenditure to provide this enhanced local news service.

This year, SCA has expended considerable time and effort in reviewing and addressing new business opportunities adjacent to our current assets. With recently signed foundation commercial partners and a full marketing launch of the PodcastOne network, I am confident that we will start to unlock

new revenue streams in our new digital audio on demand business. And our partnership with Vevo strengthens, as we continue to give our clients access to Vevo's premium digital video content.

In August we announced a new venture known as Quik Entertainment which will produce and sell local video for large format digital screens in regional markets. We have entered into a partnership with shopping centre owner QIC - with our first screens expected to be live by early November in Canberra. The reach of this portfolio of QIC malls is over 69 million shoppers each year within six centres. Leveraging our core skills of localism and national reach, this is an exciting opportunity to develop a complementary business in the regional out of home business.

The combination of growing our existing asset base whilst investing into these new growth areas provides a platform for future growth.

Next, I would like to update you on our trading performance for the first quarter and our outlook for the first half.

It has been well documented that a number of sectors of the Australian media industry are subject to challenging trading environments. In SCA's case, while July and August were difficult, we saw improved conditions in September which have continued into the second quarter.

In a metropolitan radio market that has been subdued but showing signs of improvement, SCA's revenue for metropolitan radio for the first quarter is back 6% compared to the first quarter of 2016.

This contrasts with SCA's performance in its regional markets. Revenue for SCA's regional radio business for the first quarter continued to grow, improving by 2%.

In regard to regional television SCA has grown its regional television revenue by 3.5%, on a like for like basis with prior year comparatives excluding the revenues earned from our recently divested NSW TV business.

Total revenue for the first quarter was back 1.7% on the prior year, accounting for the absence of revenue from the disposed television asset in Northern NSW. On a reported basis revenues were down 7% across the period.

Despite the challenging trading conditions, SCA is well placed for the future and continues to maintain or grow its share of market across its portfolio of assets.

SCA is committed to being an entertainment company that will build on its core competencies as a truly national business, reaching 95% of Australia's population, offering strong unique brands and unparalleled localism.

We are predominantly focussed on audio and we will optimise those assets by continuing to develop our national Hit and Triple M brands, by extending our audience reach through our digital radio assets and building our library of compelling original audio-on-demand content for PodcastOne.

We will increase our understanding and monetisation of our audiences through data. Our focus on improving our audience measurement tools and insights will provide further confidence to advertisers around the return on investment from our assets. We will also continue to invest in our sales platforms to increase the automation of sales trading and to improve the ease of doing business with SCA.

Finally, we will continue to explore adjacent markets to find opportunities that complement our existing asset set and which fit with our core competencies.

In summary, as the Chairman has referenced this has been another strong year of growth for SCA and we have put in place a clear strategic plan to grow our existing business and develop new avenues of growth to take advantage of the opportunities that improving technology provides.

Thank you.

Grant Blackley
Chief Executive Officer
24 October 2017

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