



## **MEDIA RELEASE**

16 March 2005

### **SOUTHERN CROSS BROADCASTING TO ACQUIRE SATELLITE MUSIC AUSTRALIA**

Southern Cross Broadcasting has entered a Heads of Agreement to acquire 100% interest in Satellite Music Australia for total cash consideration of \$11.7 million. The acquisition is subject to the satisfactory completion of due diligence.

Satellite Music Australia is the leading Australian supplier of subscription music. It provides 30 channels of music to pay TV operators and smaller retail customers, as well as customised music with advertising content to larger retail chains.

The current Chairman, Greg Solomon, and Managing Director, Rick Solomon will continue with the business.

Commenting on the acquisition, Southern Cross Broadcasting's Managing Director, Tony Bell, said "Satellite Music Australia is an excellent business in its own right, with long term contracts to supply Foxtel and Austar with music channels, and a large stable of in-store music customers. The company has an enormous library of digitised music and has developed cutting edge technology.

"We believe that the growth prospects for this business under Southern Cross Broadcasting's ownership are strong, particularly with an opportunity to more fully utilise our substantial sales force and market presence. We also believe there is considerable opportunity to develop new models for delivering music and other product to a wider range of consumers via emerging technologies."

Satellite Music's Chairman, Greg Solomon, said "We are proud of the Satellite Music business that we have built over the past nine years, and believe that, with the support and capability of Southern Cross Broadcasting, we can now take the business to another level."

The acquisition should be finalised prior to the end of the current financial year and is expected to be EPS accretive.

For further information, please contact Tony Bell, Managing Director, on (03) 9243 2100.