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**MEDIA RELEASE  
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**NEIL BALNAVES,  
SOUTHERN STAR EXECUTIVE CHAIRMAN,  
TO RETIRE 30 SEPTEMBER;  
HUGH MARKS TO SUCCEED**

After more than 30 years at the forefront of the Australian entertainment and media industries, Neil Balnaves announced today he is retiring as Executive Chairman of the Southern Star Group, effective September 30.

Balnaves will step down from the company he started from scratch in 1974 and built into Australia's largest independent TV producer and international program distributor, with annual revenues of more than \$120 million.

He will continue as a director of the Group's parent, Southern Cross Broadcasting, where he is one of the largest individual shareholders, and serve as a consultant to the company.

Southern Cross Broadcasting's Managing Director Tony Bell also announced that Hugh Marks, Chief Executive of production division Southern Star Entertainment, will take over the reins of the Southern Star Group, effective September 15.

"I'm a firm believer that chief executives should not stay around forever," Balnaves said. "The dynamics of younger people are vital to keep companies refreshed and moving forward."

"Southern Star is now comfortably integrated with Southern Cross and has just finished its most successful year ever, producing 550 hours of programming and reaching international sales of over \$60 million."

The Southern Star Group was acquired in April 2004 by Southern Cross Broadcasting, one of Australia's largest media companies with interests in TV broadcasting and capital city radio stations.

"It had always been my intention to retire once the business had settled in after the sale," Balnaves said, "and I'm delighted that Hugh Marks is ready to step up to the important job of running the Group."

Hugh Marks joined Southern Star in 2002 after seven years with the Nine Network. He worked initially with Southern Star Entertainment chief executive Errol Sullivan, and took over in 2003.

"There are so many great people at all levels of Southern Star and it's a privilege to have the opportunity to lead them," Marks said.

Cathy Payne, Chief Executive of Southern Star International, said: "I'm really looking forward to working with Hugh and the team on the many opportunities in front of us."

Balnaves will continue as Chairman of the Macquarie Leisure Trust, which owns Dreamworld, AMF bowling centres and D'albora marinas. He's also a director of Bond University Limited and Technicolor.

As well as continuing as a director of Southern Cross, Balnaves will devote time to the Balnaves Foundation, a charitable trust which invests more than \$1 million annually to support the fields of medicine and the arts.

"I have a keen interest in seeking out opportunities that can have an impact on the community," he said.

Southern Star is an integrated film and television production and distribution group. Divisions of the company are involved in film, television and video production; sales and distribution; and licensing and merchandising. Southern Star is a division of Southern Cross Broadcasting (Australia) Limited, a publicly listed company on the Australian Stock Exchange.

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### **NEIL BALNAVES BIOGRAPHY**

Neil Balnaves cut his teeth in the business in the 1960s as advertising and public relations manager for Rigby Publishers and then for the Paul Hamlyn Group.

Southern Star had its origins as the animation studio Hanna Barbera Australia, part-owned by the publishing group Hamlyn, which acquired 51% of that business in 1974 and appointed Balnaves as managing director.

In 1979 he was appointed Managing Director of the Hamlyn Group, publishing and leisure division of James Hardie Industries—at age 34, the youngest person to run an integrated publishing and leisure business in Australia. That division later became the Taft Hardie Group.

Balnaves led a management buy-out of Taft Hardie in 1988, valued at \$11 million, and changed its name to Southern Star. He sold the Hanna Barbera studios to the Walt Disney Co. but retained the rights to its catalogue for Australasia and Southeast Asia.

In 1985 he led the consortium which developed Australia's Wonderland, the country's largest theme park. He served as Wonderland's chairman for five years.

In the 1990s, Balnaves and his team of producers created numerous hit dramas including Police Rescue, Blue Heelers and Water Rats, as well as acclaimed miniseries such as Blue Murder, Joh's Jury and On the Beach.

In 1996, Southern Star was listed on the Australian stock exchange after a \$140 million initial public offering.

In recent years, Southern Star established a substantial and growing business in the U.K. with the acquisition of Circle Communications, Primetime and a majority stake in Carnival Films.

Balnaves became a passionate advocate for Big Brother and in 2000 formed the Endemol Southern Star joint venture, which produces Big Brother, Deal or No Deal, Strictly Dancing and Ready Steady Cook.

During his tenure, Southern Star and its associated companies have produced more than 12,000 hours of programming.

The distribution arm Southern Star International, headed by Cathy Payne, represents more than 14,000 hours of programming and has scored numerous deals such as the lifetime pact for Home and Away with the U.K's Five.

Cathy has built up one of the largest English-speaking film and TV program libraries in the world, selling into nearly 200 countries. Southern Star International is the major distributor of Australian programming in the world, representing shows such as McLeod's Daughters, All Saints and Blue Water High.