



11 October 2005

The Manager  
Company Announcements,  
Australian Stock Exchange Limited  
20 Bond Street  
SYDNEY NSW 2000

Dear Sir/Madam,

As required by Listing Rule 3.17, we enclose a copy of the following documents that will be sent to our shareholders today:

- Notice of Annual General Meeting and Explanatory Memorandum; and
- Proxy Form.

In addition, the 2005 Annual Report will also be sent to our shareholders today, the same copy of which was lodged with ASX on 30 September 2005.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Eddie Chia", is written over a horizontal line.

**Eddie Chia**  
Company Secretary



**THIS IS AN IMPORTANT DOCUMENT  
AND REQUIRES YOUR ATTENTION**

**SOUTHERN CROSS BROADCASTING (AUSTRALIA) LIMITED**

ABN 86 006 186 974

**NOTICE OF ANNUAL GENERAL MEETING**

**AND**

**EXPLANATORY MEMORANDUM**

Notice is hereby given that the Twenty-Second Annual General Meeting of Southern Cross Broadcasting (Australia) Limited is to be held on **Thursday 10 November 2005** at the offices of Southern Cross Broadcasting located at Level 1, 70 Park Street, South Melbourne, Victoria, commencing at **11.00 am**.

Southern Cross Broadcasting  
(Australia) Limited  
ABN 86 006 186 974

70 Park Street  
South Melbourne  
Victoria 3205 Australia

GPO Box 1837  
Melbourne  
Victoria 3001 Australia

Telephone +61 03 9243 2100  
Facsimile +61 03 9682 5158



6 October 2005

Dear Shareholder,

The 2005 Annual General Meeting (“**AGM**”) of Southern Cross Broadcasting will be held at the offices of Southern Cross Broadcasting located at Level 1, 70 Park Street, South Melbourne, Victoria, on Thursday 10 November 2005, commencing at 11:00am.

If you are attending the AGM and you are a holder of ordinary shares, please bring the barcoded Proxy Form included in this package with you, to facilitate your registration. If you are unable to attend the meeting, I would encourage you to lodge a completed Proxy Form either by returning it in the enclosed reply paid envelope or faxing it to +61 2 9287 0309, to be received before 11:00am AEST on Tuesday 8 November 2005.

I also invite you to submit any questions you may have regarding the company, using the enclosed Shareholder Question Form. The Managing Director and I will endeavour to address the most frequently asked questions during the AGM.

Shareholders are invited to join the Board for light refreshments at the conclusion of the AGM. I look forward to seeing you.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'John Dahlsen', with a small flourish at the end.

**John Dahlsen**  
Chairman

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty-Second Annual General Meeting of Southern Cross Broadcasting (Australia) Limited ("**Southern Cross Broadcasting**" or the "**Company**") is to be held on Thursday 10 November 2005 at the offices of Southern Cross Broadcasting located at Level 1, 70 Park Street, South Melbourne, Victoria, commencing at 11:00am.

### BUSINESS

#### 1 FINANCIAL STATEMENTS AND REPORTS

To receive and consider the financial report, directors' report and auditor's report for the year ended 30 June 2005.

#### 2 REMUNERATION REPORT

To adopt the remuneration report for the year ended 30 June 2005.

#### 3 RE-ELECTION OF DIRECTORS

- (a) David Ronald Kingston retires by rotation and offers himself for re-election; and
- (b) Colin John Smith retires by rotation and offers himself for re-election.

#### 4 REPLACEMENT OF OPTIONS AND PERFORMANCE RIGHTS ISSUED TO MANAGING DIRECTOR FOLLOWING 2004 ANNUAL GENERAL MEETING

To consider and if thought fit to pass the following resolution as an ordinary resolution:

"That:

- (a) for the purposes of Australian Stock Exchange Listing Rules 6.23 and 10.14; and
- (b) as contemplated by the waiver granted by the Australian Stock Exchange on 25 November 2004;

the replacement of:

- (c) 234,000 options and 45,000 performance rights granted to Mr Anthony E Bell, the Managing Director of the Company, on 10 November 2004 under the Executive Performance Plan (**Original Rights**) as described in the Explanatory Memorandum; with
- (d) 234,000 options and 45,000 performance rights (**Replacement Rights**), issued on the same terms as options and performance rights granted to other senior executives of the Company on 10 November 2004 under the Executive Performance Plan as described in the Explanatory Memorandum;

by cancellation of the Original Rights and issue of the Replacement Rights, be approved."

#### 5 GRANT OF PERFORMANCE RIGHTS TO THE MANAGING DIRECTOR

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, under and for the purposes of Australian Stock Exchange Listing Rule 10.14 and for all other purposes, the grant to Mr Anthony E Bell, the Managing Director of the Company, of 50,000 Performance Rights under the Executive Performance Plan on the terms set out in the Explanatory Memorandum, be approved."

## **EXPLANATORY MEMORANDUM**

Further details of, and the reasons for, the proposed resolutions are contained in the attached Explanatory Memorandum, which should be read together with, and forms part of, this Notice of Annual General Meeting.

## **SHAREHOLDERS WHO ARE ENTITLED TO VOTE**

In accordance with the Corporations Act 2001, the Board of Southern Cross Broadcasting has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Company's Share Register as at 7:00pm AEST on Tuesday 8 November 2005. Convertible Preference Share holders are entitled to attend the Annual General Meeting, but have no right to vote on the resolutions put to the meeting.

## **VOTING EXCLUSION STATEMENT**

In accordance with the Australian Stock Exchange Listing Rules, the Company will disregard any votes cast on Items 4 and 5 by:

- Mr Anthony E Bell; and
- Any director of the Company (other than a director who is ineligible to participate in any employee incentive scheme in relation to the Company),

and any of their respective associates. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **VOTING**

A member of Southern Cross Broadcasting can vote in either of two ways:

- by attending the meeting and voting in person or by attorney; or
- by appointing a proxy to attend and vote on their behalf.

## **VOTING BY PROXY**

- A member, entitled to attend and vote at the Annual General Meeting, is entitled to appoint not more than two proxies.
- Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights.
- A proxy need not be a member of the Company.
- A proxy appointed to attend and vote instead of a member has the same right as the member to speak and vote at the meeting on a show of hands and on a poll.
- The instrument appointing a proxy must be in writing under the hand of the appointer or of that person's attorney and if the appointer is a corporation, in accordance with the Corporations Act 2001. Where two or more persons are registered as a member, each person must sign the proxy form.

- If a proxy form is completed by an individual or a corporation under power of attorney, the power of attorney under which the form is signed must accompany the completed proxy form unless the power of attorney has previously been noted by the Company.
- If an attorney is to attend the meeting please submit the relevant power of attorney for noting and return. If a representative of a corporation or body corporate is to attend the meeting the appropriate Letter of Representation should be produced prior to admission.
- Proxy forms (and the power of attorney (if any) under which they are signed) must be lodged at the company's registrar, ASX Perpetual Registrars Limited, Locked Bag A14, Sydney South, NSW 1235 not less than 48 hours before the time of the meeting. A reply paid envelope is enclosed for your use. Alternatively, and if received or recorded by the same time, proxy forms (and the power of attorney (if any) under which they are signed) may be lodged by facsimile on +61 2 9287 0309.
- Members of Southern Cross Broadcasting who return their proxy forms but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the meeting, the secretary or any director which do not contain a direction will be voted in favour of all resolutions.
- For holders of ordinary shares, a proxy form is enclosed with this Notice of Annual General Meeting. An additional form will be supplied by the Company on request.

#### **BY ORDER OF THE BOARD**

**Edward Chia**

Company Secretary

Southern Cross Broadcasting (Australia) Limited

5 October 2005

## EXPLANATORY MEMORANDUM

### 1 FINANCIAL STATEMENTS AND REPORTS

The Corporations Act 2001 requires that the financial report, directors' report and auditor's report for the year ended 30 June 2005 be laid before the Annual General Meeting. However, neither the Corporations Act nor the Company's constitution requires shareholders to vote on, approve or adopt those reports.

Shareholders will have the opportunity at the meeting to raise questions in respect of those reports.

### 2 REMUNERATION REPORT

The Corporations Act 2001 now requires that the remuneration report be submitted to shareholders for consideration and adoption by way of a non-binding resolution.

The remuneration report is set out on pages 28 to 38 of the Company's annual report.

Shareholders will have the opportunity at the meeting to raise questions in respect of the remuneration report.

### 3 RE-ELECTION OF DIRECTORS

In accordance with Listing Rule 14.4 and clause 18.4 of the constitution of the Company, at every Annual General Meeting, one-third of the directors must retire from office and are eligible for re-election. The directors to retire are those who have been longest in office since their appointment or last re-appointment, or, if the directors have been in office for an equal length of time, by agreement.

David Ronald Kingston and Colin John Smith each retire by rotation as a director of the Company and offer themselves for re-election.

Profiles of Mr Kingston and Mr Smith are set out below.

#### **David R Kingston**

Age 49, LLB, BCom (Melb). Director of the company since 2002 and is also a member of the Audit Committee and the Business Development Committee. Investment Banker for 22 years, the past 10 years as a Managing Director of N M Rothschild & Sons (Australia) Limited. Also a director of Coopers Brewery Limited and Club Crocodile Holdings Limited and formerly a director of Austereo Limited, Village Roadshow Property Management Limited, Challenger International Property Management Limited, Spencer Gulf Telecasters Limited, Southern Star Group Limited and Rothschild Australia Capital Investors Limited.

*Your Board, other than Mr Kingston, recommends that shareholders vote in favour of the re-election of Mr Kingston. Mr Kingston makes no recommendation to shareholders on this matter given his personal interest.*

#### **Colin J Smith**

Age 55, ISMP (Harvard) MBA. Director of the company since 2002 and is also a member of the Audit Committee and the Business Development Committee. A Senior Partner in the international strategy consulting firm LEK Consulting and heads the firm's Asia-Pacific Media Practice and its Value Management Practice. Formerly Chief Executive of the Australia-wide radio network Wesgo Limited. Director of Rowing Australia Inc. and a member of the Australian Davos Connection and the Australian Institute of Company Directors.

*Your Board, other than Mr Smith, recommends that shareholders vote in favour of the re-election of Mr Smith. Mr Smith makes no recommendation to shareholders on this matter given his personal interest.*

## 4 REPLACEMENT OF OPTIONS AND PERFORMANCE RIGHTS ISSUED TO MANAGING DIRECTOR FOLLOWING 2004 ANNUAL GENERAL MEETING

### **Background**

#### **4.1 2004 Annual General Meeting**

At the 2004 Annual General Meeting of the Company, shareholders approved:

- the Executive Performance Plan (**Plan**), and
- the grant of 234,000 options and 45,000 performance rights (collectively, the **Original Rights**) to Mr Anthony Bell, the Managing Director of the Company, under the Plan as required under Australian Stock Exchange (**ASX**) Listing Rule 10.14, which requires shareholders to approve the acquisition of securities by a director under an employee incentive plan.

Options and performance rights granted under the Plan are together referred to as "**Rights**". A summary of the terms of the Plan was set out in the explanatory notes to the notice for the 2004 Annual General Meeting. In particular, the summary described the calculation of the exercise price for any options granted under the Plan, being the weighted average of the Company's share price as traded on the Australian Stock Exchange during the one week period up to and including the business day immediately preceding the date on which the Rights are granted or deemed to be granted (**Grant Date**), which, for the 2004 options, was to be 10 November 2004.

Before the Plan was put to shareholders for approval, the Chairman reported to the general meeting that the Directors had, subsequent to the notice of meeting being sent to shareholders, formed the view that the exercise price for options to be granted to executives in 2004 should be calculated by reference to 6 October 2004 (being the date that the Board resolved to implement the Plan), instead of 10 November 2004. The exercise price on this basis would be \$12.35, whereas it would be significantly higher if calculated by reference to 10 November 2004, since the share price at close of trading on 9 November 2004 was \$14.63. The Chairman explained that this change was in the Company's interest because the significant increase in the Company's share price since the date the Board approved the Plan would make it less attractive for executives to participate in the Plan, and in the Directors' opinion it was not in the interests of shareholders to disadvantage the executives. Correspondingly, the Chairman reported that the Board would adopt as the performance period used for the performance hurdle for the initial grant of Rights, the period from 6 October 2004 to the third anniversary of the grant. Immediately following this, shareholders at the 2004 Annual General Meeting voted unanimously by show of hands to approve the Plan.

Before the resolution for the grant of the Original Rights to Mr Bell was put to shareholders, the Chairman informed shareholders at the general meeting that the views expressed above in respect of the exercise price calculation and performance period also applied to Mr Bell. However, as Mr Bell is a director of the Company, the ASX Listing Rules prevented a change to the terms set out in the explanatory notes without appropriate notice to shareholders. Therefore, the Chairman stated that the Directors proposed that shareholders consider the grant of the Original Rights on the terms originally set out in the explanatory notes and that the Company would seek shareholder approval at the next general meeting to achieve the same result for Mr Bell as for other executives who participated in the Plan in 2004. An extract of the Chairman's comments from the 2004 Annual General Meeting is included in Appendix A. Immediately following this, shareholders at the 2004 Annual General Meeting voted unanimously by show of hands to approve the grant of the Original Rights to Mr Bell.

#### **4.2 Waiver from ASX Listing Rule 6.23**

ASX Listing Rule 6.23 provides that a Company may not make any change to options issued which has the effect of reducing the exercise price, increasing the period for exercise or increasing the number of securities received on exercise. This Listing Rule would prevent the Company from replacing any of the Original Rights that were granted to Mr Bell, with new Rights (**Replacement Rights**) on the same terms as those granted to other executives in 2004. This is because the grant of the Replacement Rights:

- would have the effect of reducing the exercise price for the options that form part of the Original Rights, and
- could possibly increase the number of Original Rights that could be exercised by Mr Bell and therefore the number of shares received on exercise.

The Company therefore applied to the ASX for a waiver from Listing Rule 6.23. The ASX granted a waiver on 25 November 2004, permitting the Company to replace the Original Rights with the Replacement Rights provided that shareholders approved such replacement.

#### **4.3 Terms of the Replacement Rights**

The Replacement Rights will be on identical terms as the Original Rights, save as described in the table below:

	<b>Original Rights</b>	<b>Replacement Rights</b>
<b>Exercise Price for Options</b>	\$14.08	\$12.35
<b>Exercise Price for Performance Rights</b>	Nil	Nil
<b>Performance Period</b>	Grant Date (10 November 2004) to the Performance Measurement Date	6 October 2004 to the Performance Measurement Date

#### **4.4 Terms of the Original Rights**

Briefly, the other terms of the Original Rights are:

- (a) (**Tranches and Exercise Period**): the Rights are granted in two tranches as follows:
  - (i) the first tranche is exercisable from and including the third anniversary of the Grant Date, to the fifth anniversary of the Grant Date, provided the Performance Hurdle is satisfied;
  - (ii) the second tranche is exercisable from and including the fourth anniversary of the Grant Date, to the fifth anniversary of the Grant Date, provided the Performance Hurdle is satisfied.
- (b) (**Expiry Date**): any Rights that remain unexercised after the fifth anniversary of the Grant Date expire and are no longer exercisable.
- (c) (**Performance Hurdle**): the performance hurdle is assessed by reference to the Performance Measurement Date, and is based on the Company's Total Shareholder Return (TSR) performance, compared with the TSR of each of the companies in the S&P/ASX 200 Industrials Accumulation Index. TSR is, broadly, the change in the share price over the performance period plus dividends notionally reinvested in the Company's shares.

The TSR performance hurdle incorporates a sliding scale. The percentage of Rights that may be exercised depends on the level of TSR performance, namely, more shares are received the better the Company's TSR performance over the performance period relative to the other companies in the comparative group. For this purpose, the companies in the comparative group (including the Company) are listed in descending order and ranked in percentiles according to their respective TSR performance over the performance period. If the Company is ranked in the 51<sup>st</sup> percentile, then 52% of Rights in the tranche are exercisable, and if the Company is ranked in the 75<sup>th</sup> or greater percentile, then all Rights in the tranche will be exercisable. A ranking between the 51<sup>st</sup> and 75<sup>th</sup> percentile would result in a proportionate increase in the number of Rights in the tranche, namely between 52% and 100%, becoming exercisable. No Rights are exercisable if the Company is ranked below the 51<sup>st</sup> percentile.

- (d) **(Performance Measurement Date)**: the first Performance Measurement Date for the first and second tranches is the third and fourth anniversaries respectively of the Grant Date. If all Rights do not become exercisable at the first Performance Measurement Date for a tranche, the TSR performance will be remeasured periodically thereafter as directed by the Board until the earlier of all the Rights in a tranche become exercisable and the Expiry Date.
- (e) **(Rights to acquire shares)**: provided the Performance Hurdle is satisfied, the options entitle the holder to receive fully paid ordinary shares in the Company upon payment of the exercise price. The performance rights have a nil exercise price.
- (f) **(Early Cessation of Employment)**: if a participant ceases employment with a participating company prior to the stipulated first Performance Measurement Date of any tranche as a result of death, incapacity, retirement, redundancy, or the sale of a company or a business, then subject to the satisfaction of the Performance Hurdle as at the time of cessation, the participant may exercise rights within the periods stated in the Plan rules. The number of rights in a tranche that may be exercised in such case may be reduced pro rata to the elapsed portion of the period over which performance is measured, relative to the period from the Grant Date to the first Performance Measurement Date for that tranche. In the case of resignation, the Board has a discretion to permit a pro rata vesting of rights and will take into account the precise circumstances of the participant's resignation.
- (g) **(Change of Control)**: there may be an exercise of rights, whether or not the Performance Hurdle has been achieved, on a takeover bid, change of control, scheme of arrangement, or winding up and, subject to the discretion of the Board, in the case of a demerger on such terms and conditions as the Board may decide.

#### **4.5 Rationale for replacement of the Original Rights and Directors' recommendation**

The Directors considered prior to the 2004 Annual General Meeting and continue to be of the opinion that it is in the best interests of the Company for the Original Rights to be replaced with the Replacement Rights. There is no reason, save for compliance with the ASX Listing Rules, for the Original Rights to be issued on terms that are different to those Rights issued to other executives at the same time that the Original Rights were issued to Mr Bell. The Directors consider the issue of the Original Rights on less favourable terms is highly inequitable to Mr Bell and results in significant prejudice to Mr Bell's interests.

*The Directors (other than Mr Bell) recommend that shareholders vote in favour of Item 4 to cancel the Original Rights and issue the Replacement Rights. Mr Bell makes no recommendation given his personal interest.*

#### **4.6 Additional information**

In accordance with ASX Listing Rule 10.14, the Company also seeks shareholder approval for Mr Bell, as a director of the Company, to acquire the Replacement Rights under the Plan.

The maximum number of Rights that may be acquired by all persons for whom approval is required under Listing Rule 10.14 comprises the Replacement Rights and the 50,000 performance rights proposed to be granted under Item 5.

The Original Rights were issued at no monetary cost to Mr Bell and, similarly, the Replacement Rights will be issued at no monetary cost to Mr Bell.

As the Plan was new in 2004, it was implemented for the first time following shareholder approval at the 2004 Annual General Meeting. Since the 2004 Annual General Meeting, the only securities granted or issued under the Plan, to those persons for whom approval is required under Listing Rule 10.14, are the Original Rights issued to Mr Bell, which were issued at no cost to him. No securities have been granted or issued to persons for whom approval is required under Listing Rule 10.14 under any option plan other than the Plan since the Company's 2002 Annual General Meeting.

Of all persons for whom approval is required under Listing Rule 10.14, only Mr Bell is eligible to participate in the Plan.

A voting exclusion statement applies to Item 4 and is set out below the resolutions.

There is no loan scheme in relation to the Plan.

The date by which the Replacement Rights will be granted will be no later than 1 year from the Annual General Meeting, being 10 November 2006.

#### **5 GRANT OF PERFORMANCE RIGHTS TO THE MANAGING DIRECTOR**

Shareholder approval is sought for the grant of 50,000 performance rights to the Managing Director of the Company, Mr Anthony E Bell, under the Plan. Shareholder approval is required under ASX Listing Rule 10.14 because Mr Bell is a Director of the Company.

Subject to shareholder approval of this resolution, the performance rights will be granted to Mr Bell in two equal tranches on the same terms as the Original Rights granted under the Plan, which are outlined in item 4.4. The exercise price for the performance rights is nil. The Performance Hurdle is the same as that outlined in item 4.4. The performance period to which the Performance Hurdle relates is the period from 6 October 2005 to the Performance Measurement Date. The first Performance Measurement Date for the first and second tranches will be three and four years respectively from the Grant Date of the performance rights.

In recent years, the Board has sought to better align Mr Bell's interests with the interests of shareholders, by more closely linking his total remuneration with the attainment of performance hurdles which reflect superior performance by the Company. Regular grants of options and/or performance rights subject to performance hurdles will provide an ongoing performance incentive to Mr Bell by giving him the opportunity to obtain a valuable stake in the Company.

The non-executive Directors are of the view that the overall remuneration for Mr Bell, including the proposed grant of performance rights, is appropriate having regard to the circumstances of the Company, the duties and responsibilities of Mr Bell and market levels of remuneration for managing directors and chief executive officers of similar sized companies. Mr Bell's current base salary (including non-monetary benefits) and superannuation is \$1,043,196. Mr Bell is also entitled to a short-term performance incentive bonus of up to \$365,119, subject to the achievement of appropriate internal and personal hurdles and the extent to which they are achieved.

The fair value of each performance right has been estimated by Deloitte Touche Tohmatsu using a Black Scholes Monte-Carlo Simulation Model at \$7.41 for tranche 1 and \$6.76 for tranche 2. The number and value of performance rights that ultimately vest will depend on the relative level of performance of the Company under the hurdles.

The Board's current estimate of the annual cost of Mr Bell's performance rights proposed to be granted under Item 5 calculated in accordance with AASB 2 is approximately \$104,000 based on the fair values referred to above.

*The Directors (other than Mr Bell) recommend that the Shareholders vote in favour of Item 5. Mr Bell makes no recommendation given his personal interest.*

### **Additional Information**

The following information to be disclosed in accordance with ASX Listing Rule 10.15 is set out in item 4.6:

- the maximum number of Rights that may be acquired by all persons for whom approval is required under Listing Rule 10.14;
- the names of all persons referred to in Listing Rule 10.14 who received Rights under the Plan since approval under that Listing Rule was last sought at the 2004 Annual General Meeting, the number of Rights received and the acquisition price for those Rights; and
- the names of all persons within Listing Rule 10.14 entitled to participate in the Plan.

There is no amount payable by Mr Bell either on grant or exercise of the performance rights.

A voting exclusion statement applies to Item 5 is set out below the resolutions.

There is no loan scheme in relation to the Plan.

The date by which performance rights approved under Item 5 will be granted will be no later than one year from the Annual General Meeting, being 10 November 2006.

Other features of the performance rights, which are consistent with the Plan Rules, include:

- the performance rights will not be listed on ASX;
- the shares issued on exercise of the performance rights will rank equally in all respects with the Company's shares listed on ASX; and
- the Company will apply to ASX for official quotation of the newly issued shares on exercise of the performance rights.

The present intention of the Company is to procure the acquisition of existing shares on the ASX to satisfy an exercise of the performance rights on the ASX, instead of issuing new shares.

## APPENDIX A

### EXTRACT OF COMMENTS MADE BY THE CHAIRMAN, MR JOHN DAHLSSEN, AT THE 2004 ANNUAL GENERAL MEETING REGARDING THE GRANT OF OPTIONS AND PERFORMANCE RIGHTS TO EXECUTIVES AND TO MR BELL

Before putting the resolution to approve the Executive Performance Plan to the meeting, the Chairman reported as follows:

*The directors decided on 6 October to implement the Executive Performance Plan. The exercise price of options, had they been granted on that date, would have been \$12.35. Since that time, there has been a significant increase in the market price of the Company's shares to \$14.63 at yesterday's close. The consequence will be that were the Executive Performance Plan to be implemented in the manner foreshadowed in the Explanatory Memorandum, it would be less attractive for executives and therefore would not achieve the objectives of the Directors to provide appropriate incentives for executives.*

*As it is not in the interests of shareholders to disadvantage executives by adopting the current weighted average price of the company's shares, the directors will adopt the weighted average price in the week prior to 6 October, namely \$12.35. Correspondingly, they will adopt as the Performance Measurement Period for the initial grant of Rights, the period from 6 October 2004 to the third anniversary of the grant. The grant will continue to be subject to the achievement of a rigorous Total Shareholder Return performance hurdle.*

Before putting the resolution to approve the grant of options and performance rights to Mr Bell to the meeting, the Chairman reported as follows:

*I have explained the Directors' views as to the unfairness of implementing the Executive Performance Plan in the manner outlined in the Explanatory Memorandum. That unfairness also applies to Tony Bell. As Tony is a director, we are regulated by the ASX Listing Rules and cannot unilaterally alter the terms of grant of options. Directors propose that shareholders pass a resolution as set out in the notice of meeting which will take effect consistent with the Explanatory Memorandum, and on the basis that, at the next General Meeting of shareholders, approval will be sought to achieve the same result for the Managing Director as for other executives.*



## HOW TO GET TO THE AGM

### Location

Southern Cross Broadcasting  
Level 1, 70 Park Street, South Melbourne, Victoria

Park Street intersects with St Kilda Road opposite the Shrine of Remembrance Gardens and Kings Way. 70 Park Street is between St Kilda Road and Kings Way.

### By Tram

#### *From St Kilda Road*

The nearest tram stop is the Domain Interchange at the Junction of St Kilda Road and Park Street. All trams departing from Flinders St running along St Kilda Road **apart from Routes 1 and 22** will stop at the Domain Interchange. 70 Park Street is a three to five minute walk west from Domain Interchange.

#### *From Kings Way*

Route 55 travels along William Street through the CBD. The nearest tram stop is at the corner of Kings Way and Park Street. Alight at stop and proceed east to 70 Park Street.

### By Car

Limited meter parking is available in Park Street and the surrounding streets.

The following commercial car parks are located close to Southern Cross Broadcasting:

#### Secure Parking

- 312 St Kilda Road, South Melbourne – enter from Coventry Street; and
- 21 Bank Street, South Melbourne.



## QUESTIONS FROM SHAREHOLDERS

We invite you to use this form to submit questions to:

- Management of the Company regarding Southern Cross Broadcasting generally. We will endeavour to respond to as many of the most frequently asked questions as practicable as part of the Chairman's and Managing Director's addresses; and/or
- Ernst & Young, the Company's auditor, regarding the content of Ernst & Young's audit report or the conduct of its audit of the Company's financial report for the year ended 30 June 2005. A list of these questions will be made available to shareholders attending the Annual General Meeting.

Questions should be submitted no later than 5:00pm on 3 November 2005 as follows:

By Facsimile: (61 3) 9682 5158

By Mail: GPO Box 1837Q  
Melbourne Vic 3001

By Internet: Complete this form online at [www.southerncrossbroadcasting.com.au](http://www.southerncrossbroadcasting.com.au)

Shareholder's Name
Address
Shareholder Reference Number (SRN) or Holder Identification Number (HIN)
Question(s) _____ _____ _____ _____ _____ _____



**SOUTHERN CROSS BROADCASTING (AUSTRALIA) LIMITED**

ABN 86 006 186 974

Please return your Proxy forms to:  
ASX Perpetual Registrars Limited  
Level 8, 580 George Street, Sydney, NSW, 2000  
Locked Bag A14, Sydney South, NSW, 1235  
Telephone (within Australia): 1300 554 474  
Telephone (outside Australia) +61 3 9615 9947  
Facsimile: (02) 9287 0309  
ASX Code: SBC  
Email: registrars@asxperpetual.com.au  
Website: www.asxperpetual.com.au

**APPOINTMENT OF PROXY**

If you would like to attend and vote at the Annual General Meeting, please bring this form with you. This will assist in registering your attendance.

I/We being a member(s) of **Southern Cross Broadcasting (Australia) Limited** and entitled to attend and vote hereby appoint

**A** the **Chairman of the Meeting (mark box)**  **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

**or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following instructions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held at 11:00am on Thursday, 10 November 2005 and at any adjournment of that meeting.**

Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. **Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.**

**B** To direct your proxy how to vote on any item please insert  in the appropriate box below.

	For	Against	Abstain*		For	Against	Abstain*
<b>Item 2</b> Adoption of Remuneration Report (Non-Binding Item)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Item 4</b> Replacement of Options and Performance Rights issued to Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Item 3</b> <b>Re-Election of Directors</b> 3a David Ronald Kingston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Item 5</b> Grant of Performance Rights to the Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3b Colin John Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

**IMPORTANT: FOR ITEMS 4 AND 5 ABOVE**

**C**  If the Chairman of the Meeting is to be your proxy and you have not directed your proxy how to vote on Items 4 and 5 above, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of those Items and that votes cast by him, other than as proxyholder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Items 4 and 5 and your votes will not be counted in computing the required majority if a poll is called on these Items. The Chairman of the Meeting intends to vote undirected proxies in favour of Items 4 and 5.

\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**D SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED**

Securityholder 1 (Individual) <input type="text"/>	Joint Securityholder 2 (Individual) <input type="text"/>	Joint Securityholder 3 (Individual) <input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the securityholder's constitution and the *Corporations Act 2001* (Cwth).

ASX Perpetual Registrars Limited advises that Chapter 2C of the *Corporations Act 2001* requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website ([www.asxperpetual.com.au](http://www.asxperpetual.com.au)).

