



15 March 2006

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

Dear Sir/Madam,

In accordance with Listing Rule 3.17, we enclose a copy of the letter sent today to all holders of Convertible Preference Shares (ASX Code: SBCPA) in relation to the conversion of these shares which mature on 31 March 2006.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Eddie Chia", with a long horizontal line extending to the right.

Eddie Chia
Company Secretary



15 March 2006

Dear Shareholder

CONVERSION OF CONVERTIBLE PREFERENCE SHARES

The maturity date of your holding of Southern Cross Broadcasting Convertible Preference Shares (**CPS**) is 31 March 2006. On this date, under the terms of issue of the CPS, Southern Cross Broadcasting is entitled to elect to either redeem the CPS for their face value of \$12.50, or convert them into ordinary shares in Southern Cross Broadcasting.

In line with advice previously given to the ASX, the company gives notice that it has elected to convert all outstanding CPS into ordinary shares.

Each CPS converts into that number of ordinary shares calculated by reference to a formula which is reliant on the volume weighted average share price of Southern Cross Broadcasting's ordinary shares over the 30 business days prior to 31 March 2006, and is calculated on an ex-dividend basis. The CPS will be entitled to the 2006 interim dividend of 34 cents per share declared by Directors on 8 March 2006. The full terms of issue of the CPS are available in the Bidder's Statement issued in respect of the acquisition of Southern Star Group Limited, located in the Media Releases section on the Southern Cross Broadcasting website (<http://www.southerncrossbroadcasting.com.au>).

In broad terms, the conversion of CPS to ordinary shares is not expected to give rise to a capital gain or a capital loss or any assessable dividend for Australian resident individual taxpayers who hold their shares on capital account. However, CPS holders should consult their own independent professional tax advisers regarding the tax consequences of conversion of the CPS into ordinary shares.

CPS shareholders do not need to do anything to convert their CPS into ordinary shares as this will be done automatically by Southern Cross Broadcasting.

ASX requires that CPS be suspended from trade following market close on 24 March 2006. An announcement will be made to ASX on 3 April 2006 as to the number of ordinary shares to be issued on conversion of each CPS in accordance with the conversion formula. Notification to CPS shareholders of the number of ordinary shares issued to them on conversion will be mailed on 5 April 2006 and ordinary shares issued on conversion will begin trading on ASX on 6 April 2006.

On behalf of your Directors, I thank you for your ongoing support of the company.

Yours faithfully,

John Dahlsen
Chairman