



SHARE SCHEME MEETING

Chairman's Address

19 October 2007

Good morning Ladies and Gentlemen, and welcome to this important meeting of the shareholders of Southern Cross Broadcasting.

My name is John Dahlsen and I am the Chairman of Southern Cross Broadcasting. I will be chairing this Scheme Meeting. I am joined by members of the Board of Directors and the Company Secretary of Southern Cross Broadcasting.

--Chairman introduces Board Members and Company Secretary--

This meeting has been convened in accordance with orders made by the Supreme Court of Victoria on 7 September 2007. I declare the Share Scheme Meeting of Southern Cross Broadcasting open.

Before we commence with the formal business of this meeting, I would like to make some opening remarks.

On 3 July 2007, we announced a proposal for Macquarie Media Group to acquire all of the shares in Southern Cross Broadcasting which it does not currently own by way of a recommended scheme of arrangement, under which holders of fully paid shares in Southern Cross Broadcasting would receive \$17.41 per share, comprising a cash payment of \$17.05 per share and a Special Dividend of \$0.36 per share. This proposal is subject to (among other things) the Scheme being approved by the necessary majority of Southern Cross Broadcasting Shareholders at today's meeting.

As a Southern Cross Broadcasting Shareholder, you will have already received a detailed Scheme Booklet dated 7 September 2007, which outlines the transaction details, the Directors' recommendations, the reasons to vote in favour of the Scheme, and possible reasons not to vote in favour of the Scheme.

Your Directors believe that the Macquarie Media Group proposal offers excellent value to Southern Cross Broadcasting shareholders and unanimously recommend that you vote in favour of the Scheme. Each member of the Board intends to vote the Southern Cross Broadcasting shares over which he or she has voting control in favour of the Scheme.

The Board's primary reasons for recommending that you vote in favour of the proposal are as follows:

- The Scheme Payment represents a significant premium over Southern Cross Broadcasting's historical share price performance before Macquarie Media Group acquired its strategic stake in Southern Cross Broadcasting, and is a significant

premium to research analysts' fundamental valuations at the time the transaction was announced;

- The implied valuation multiple of 12.9x 2007 normalised EBITDA, or 13.6x – 13.8x 2007 normalised EBITDA when excluding the Southern Star business at the valuation ascribed by the Independent Expert, is attractive having regard to precedent transactions in the media space;
- Depending on your individual tax positions, shareholders are able to capture incremental value from the franking credits attached to the 36 cent fully franked Special Dividend; and
- Because the transaction consideration is 100% cash, you will receive certain and immediate value for your shares.

Since the proposal was announced on 3 July 2007, the Board has not received any other proposals for your shares and no new developments have come to our attention that would change our view that the Macquarie Media Group offer is in the best interests of Southern Cross Broadcasting shareholders.

The Scheme Booklet also includes a copy of the Independent Expert's Report which was prepared by Grant Samuel to assist Southern Cross Broadcasting shareholders in their evaluation of whether the Scheme is in their best interests.

The Independent Expert concluded that the \$17.41 share scheme payment is fair and reasonable and that the Share Scheme is therefore in the best interests of Southern Cross Broadcasting shareholders. In arriving at this conclusion, the Independent Expert estimated the full underlying value of Southern Cross Broadcasting to be between \$15.58 and \$17.66 per share. Your Directors note that the share scheme payment of \$17.41 is towards the top end of the Independent Expert's valuation range.

The Scheme is subject to a number of conditions and will only be implemented if all of those conditions have been satisfied or waived at the time that the Court is asked to approve the Scheme. One of those conditions is that shareholders approve the Scheme by passing the resolution to be considered at this meeting today by the necessary statutory majorities.

In addition, there are a number of other conditions that must be satisfied or waived which were summarised in Sections 4.3 and 4.4 of the Scheme Booklet and set out in full in Annexures B and C. In this regard, I note the following:

- On 17 October, the ACCC announced that it does not intend to intervene in the proposed transaction;
- Seven Network and Network Ten have provided their written consent under material contracts between Southern Cross and Seven Network and Network Ten to the change in control of Southern Cross that will occur if the Scheme is implemented;
- SCB concluded the sale of Channel 9 Adelaide on 23 July 2007; and

- The requisite majorities of Option Holders have voted in favour of the Option Scheme at an Option Holder Scheme Meeting held just prior to this meeting.

In addition, MMG has informed SCB that, assuming there is no material change in circumstances prior to the Second Court Date, it is MMG's current intention to waive the condition precedent relating to ACMA approval of the transaction on the basis that, as set out in the Scheme Booklet, the ACMA approvals already obtained by MMG would be sufficient to enable the transaction to proceed without the need to obtain any further approval. MMG has also informed SCB that FIRB approval is not currently required and therefore that unless the current circumstances change it is MMG's current intention to waive the condition precedent relating to FIRB approval of the transaction.

MMG has also indicated that, as a result of the Option Scheme being approved at the Option Holder Scheme Meeting held this morning, it will be satisfied that all of the SCB shares will be transferred to it on the Implementation Date (subject to the Scheme becoming effective and payment of the Scheme Consideration), all options will have been exercised before the Second Court Date or cancelled and that on the Implementation Date no person will have any rights to options and the conditions precedent relating to those issues will therefore be satisfied.

Finally, I note that there are a number of other conditions precedent which cannot be satisfied until the Second Court Date. Subject to SCB shareholders approving the scheme by the necessary majorities this morning, and to the exercise by the Court of its discretion to approve the Scheme, your Board is not aware of any current circumstances which might prevent those conditions precedent being satisfied

If you vote in favour of this Share Scheme, both the Share Scheme and Option Scheme will then need to be approved by the Supreme Court of Victoria at a court hearing currently scheduled for Friday, 26 October 2007. If the Supreme Court of Victoria approves the Schemes, you can expect to receive payment under the Scheme on or about 5 November 2007.

I would now like proceed on to the formal business of this meeting to consider the resolution.

The Notice convening this Share Scheme Meeting was sent to shareholders with the Scheme Booklet. Unless there is any objection, I will take the Notice as read.

The item for consideration today is to consider, and if thought fit, pass the following resolution:

"That pursuant to and in accordance with section 411 of the Corporations Act, the Scheme of Arrangement proposed to be entered into between Southern Cross Broadcasting (Australia) Limited and holders of its fully paid ordinary shares (which is described in the booklet of which the notice convening this meeting forms part) is agreed to with or without such modifications or conditions as may be approved by the Supreme Court of Victoria."

Under the Corporations Act, the resolution must be approved by:

- A majority in number of Southern Cross Broadcasting shareholders present and entitled to vote (either in person or by proxy) at today's meeting; and
- 75% of the votes cast on the resolution.

I would now like to open the matter for discussion. We welcome the opportunity for Southern Cross Shareholders to ask questions and we ask that you please limit your questions to matters relevant to the proposed scheme and identify yourself before asking your question.

--Chairman to take questions from shareholders--

There being no more questions, I now direct that a poll be held. Tom Watson of Link Market Services, will conduct the poll as Returning Officer. I retain the right to make all final decisions on who may vote, the votes cast, and the declaration of the final result of the poll.

I have made rulings on the appointment of proxies and can report that 1,646 proxy forms were received by 10:00am on 17 October 2007. The proxies received and accepted on the resolution are displayed on the screen above. In summary, 1,248 proxies representing 38,834,662 shares have been cast in favour of the resolution and 68 proxies representing 99,090 shares have been cast against. In addition, I hold 330 undirected proxies, which I intend to vote in favour of the resolution.

I will now ask the company secretary, Mr Eddie Chia, to explain the poll procedures.

Mr Chia to explain poll procedures. Chairman resumes.

Chairman: I believe that those persons who wish to vote in the poll have now done so. If there is any individual present who has not yet had their completed poll paper collected from them by the Returning Officer's staff, would you please raise your hand.

[After allowing sufficient time:]

I now declare the poll closed. The results of the poll will be announced through the Australian Stock Exchange and will also be published on the Southern Cross Broadcasting website as soon as they are available.

Ladies and gentlemen, that concludes the business of this Share Scheme Meeting and I now formally declare the meeting closed. Thank you for attending.