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CHAIRMAN'S AND CEO'S ADDRESSES TO AGM

Southern Cross Media Group Limited (ASX:SXL) will hold its Annual General Meeting of shareholders today at 11:00am at Primus Hotel, Meeting Room 2, Mezzanine Level, 339 Pitt Street, Sydney NSW.

The addresses to be given by the Chairman and the Chief Executive Officer at today's AGM are attached.

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CHAIRMAN'S ADDRESS

I'm delighted to report that the 2016 financial year was a busy and successful one for Southern Cross Austereo and that the momentum is continuing in the new financial year. Your Board and management team is energised and looking to bed down the successes of the past year while being actively engaged in addressing the challenges and optimising the Group's position for the future.

The highlight of the past year was the signing of a landmark five year television affiliation agreement with the Nine Network covering regional Queensland, southern New South Wales and regional Victoria. This was the first change in regional television affiliations in 30 years. The transition has been managed seamlessly by both companies, and this augurs well for an ongoing mutually beneficial relationship in years to come.

In parallel, we continue to invest in our long term relationships with the Ten and Seven Networks in other regional markets, particularly in northern New South Wales and Tasmania.

Importantly for shareholders, the Group's financial performance significantly improved in this year, enabling the Board to declare fully franked dividends of 6.75 cents per share for the year, up from 6.0 cents per share in 2015. These dividends have been paid fully in cash without recourse to the dividend reinvestment plan. Total shareholder return for the year was 37% as the Group's financial position and outlook improved.

Revenue increased across all the Group's media assets. It was particularly notable that the Group's regional television revenue grew by 3.1% against a backdrop of the regional TV advertising market falling by 6.1%. This was attributable in part to improved ratings for Channel Ten programming and in part to improved monetisation of those ratings by our own sales teams. Those same sales skills are now being applied to the sale of higher rating Channel Nine programming under the new affiliation agreement.

The Group's regional radio business continued to perform strongly, with advertising revenues up 6.1%. Revenue from our large and diverse local client base was up by 5.3%, while national advertising revenue grew by 7.9%. This growth in national advertising revenues provided an early return from the Group's investment in regional audience surveys, which provide valuable information to advertisers about our regional radio audiences.

The metropolitan radio advertising market grew by 5.9% in the year. The Group capitalised on this growth and, in addition, increased its commercial share from 27.8% in 2015 to 28.7%. EBITDA from metro radio operations was down by 11% to $51M, reflecting the investment that has been made in flagship radio shows, including the national Hamish & Andy Drive show and Rove & Sam in Sydney Breakfast. We remain confident that this investment will bring stronger returns in years to come.

We continue to be one of Australia's leading online publishers through our portfolio of websites and social media. The Group's digital activities were integrated back into the sales and content teams during the year. This integration better supports the role of our digital assets in building and reinforcing our radio listeners' engagement with their favourite shows and personalities, and as a complement to our advertisers' radio and television campaigns.

The Group also completed repair of its balance sheet during the year, reducing net debt to $340 million and the Group's leverage ratio to 1.9 times at 30 June. This compares with net debt of $594 million and a leverage ratio of 2.9 times just two years ago. This was enabled by improved working capital management, disposal of non-core assets, and entry into a long term agreement with Australian Traffic Network, under which the Group received an upfront payment of $100 million.

I noted at last year's AGM that the Group faced both opportunities and challenges as new technology platforms continued to disrupt traditional media while potential changes in media laws fuelled speculation and manoeuvring in relation to ownership of media assets. While changes in media laws have not yet become reality, disruption and changes in ownership continued unabated. We have been consistent in our advocacy for media law reform, while acknowledging the rationale for ongoing protection of local content for regional communities. We encourage the federal government to pursue the vision of bringing Australia's media regulation up to date with modern technology and consumer expectations and behaviour. In the meantime, as I did last year, I can assure you that preserving and enhancing our future position is the key focus of the board and management.

Shareholders should also be assured that Southern Cross Austereo is a proactive contributor to the many and diverse communities in which we operate. Our local news services on radio and television keep communities up to date on the issues that matter to them, as well as providing local skilled jobs, promoting local events, supporting local businesses, providing local advertising opportunities and supporting local charities and community initiatives. We work with emergency and essential services organisations to broadcast warnings and information about existing or threatened emergencies. Our radio and television stations, covering up to 95% of Australia's population, along with the volunteer spirit of our workforce, also lend powerful support to help our charity partners to grow and develop their charitable activities. Our annual Give Me Five for Kids campaign for children's hospitals and wards in regional Australia this year raised over $2 million. Since its inception in 2000, Give Me Five for Kids has raised and donated over $19 million.

Before introducing our Managing Director, I would like to thank Chris de Boer and Kathy Gramp who retired as directors during the year. I and my fellow directors greatly appreciated their counsel and contribution, in Chris' case for over 11 years. We were also pleased to welcome Melanie Willis to the Board during the year. Melanie is already an active contributor as chair of the Audit & Risk Committee and as a member of the People & Culture Committee. Following considerable renewal over the past two years, the Board has an appropriate mix of relevant skills and experience to effectively guide the business and will continue to evolve to support the needs of the business.

I encourage you later in the meeting to support the election of Melanie Willis, as well as the re-election of Leon Pasternak and Glen Boreham.

Finally, I would like to thank all of our 2500 employees and contractors. Their creativity and commitment enable us to entertain and play an important role in the lives of 10 million people around Australia every week and to deliver value to our advertising clients and to our shareholders.

I would now like to introduce Grant Blackley.

Grant has led a significant change program in his first year as CEO and Managing Director, providing operational and financial stability, as well as impetus and opportunity for the Group to grow revenues and returns across all its assets. I'd now like to invite Grant to provide an update on the group's current trading.

CEO'S ADDRESS

Thank you Chairman.

I am pleased to be here today to report to you after what has been my first full year as CEO of the Southern Cross Austereo Group.

In the past year we have initiated a substantial amount of change to reposition the group's assets, to focus on revenue growth and to better define the accountability of key executives.

Let me step through the key areas of operational strategy that I identified to you a year ago and the progress that has been made against each initiative, before moving on to look at our trading position for the first quarter and our focus for the year ahead.

In metro radio, a clear priority was to return the business to a market leading position. This has involved a reinvestment in key talent and marketing across our Triple M and Hit Networks - most notably through the return of Hamish and Andy to the national drive slot, introduction of Rove and Sam into the Sydney breakfast show on 2DAY FM – as well as adding Osher Gunsberg to our Brisbane Hit105 breakfast team and Brendan Fevola to our leading Fox Breakfast team in Melbourne. This investment has ensured that SCA is the leading network in the core 18-39 and 25-54 demos respectively and this position has been reinforced through the incremental cumulative audience and share numbers achieved in the last year.

While 2DAY FM in Sydney remains a key area of focus for the group and very much a work in progress, I am pleased to report that the Rove and Sam breakfast show is beginning to win back audiences and has improved in each of the seven surveys since the show started in November 2015.

Regional radio enjoyed another very solid year recording our fifth consecutive year of growth, with revenues up 6.1%. That said, in our opinion, regional markets remain underweight in advertisers' minds and actions. We are pleased to report therefore that our investment in 21 new audience surveys this past year – expanding to 25 markets this year – will provide more reason to stimulate investment in these valuable SCA assets.

In regional television, we were very pleased to announce a new programming supply for the next five years across Southern NSW, Victoria and Queensland with the Nine Network – while also extending our existing affiliation agreement with the Ten Network in Northern New South Wales for a further five years. The new affiliation arrangement with Nine has substantially increased our audience reach – and importantly our ability to improve revenues. Looking forward, we will begin delivering localised news bulletins in the second half of the year and this will provide a further opportunity for audience growth and revenue maximisation.

The strong performance in 2016 in all asset classes was underpinned by the improved monetisation of our assets through our revitalised sales structure. We have a clear strategy in sales to deliver improved performance through providing creative solutions that meet our customers' needs – and to this end we launched our client- facing brand, The Studio, which is now delivering strong creative-led ideas backed by data and research for our clients.

Looking forward, our strategy is to deliver further sustained improvement in our operational and financial performance. We will continue to invest in our core radio brands across all 34 markets and, as testament, we have recently announced that we will roll out the Hit and Triple M brands across our entire regional network. This will provide an enhanced, cohesive brand strategy on a national basis and will make our two radio networks the largest in Australia.

We will continue to invest in content across our networks – pleasingly we recently announced an extended six year agreement with the AFL. This announcement builds on our two decade old relationship with the sporting code - and we will be providing greater coverage than ever before of the game across all our markets. In addition, we continue to enjoy a meaningful relationship with the NRL through our numerous radio calls and broader focus on the code. We also recognised the opportunity to extend the sporting focus of Triple M across the summer period – and have recently signed a deal with Cricket Australia to cover international cricket for the first time over the next few years.

We will also continue to develop further premium audio and video content across our leading social, web and mobile assets to increase the volume of our content and to make it available on the distribution channels that our audiences want.

SCA enhanced its asset base by becoming the exclusive sales representative for Vevo which provides us with significant premium video inventory to offer to our valued clients. Vevo is a global music video giant averaging over 175 million views per month in Australia and 19 billion globally. In addition, SCA recently completed the acquisition of all of Authentic Entertainment's key assets - which has provided greater certainty and economic value over existing SCA formats whilst providing stronger syndication opportunities both domestically and abroad.

In regional television we will continue to build on the relationship we have developed with Nine Entertainment and seek to benefit from the enhanced local news offering, as well as monetise key partnerships better - as we will have a full calendar year of shows and formats, rather than transitioning mid-way through the year.

We made significant progress in deleveraging our balance sheet in 2016, paying down $166m in debt in this past year -and providing the group with a stronger financial footing and more flexibility for the future. We will continue to look at ways at to improve the efficiency of our back of house assets and will divest assets and recycle capital where it makes sense to do so.

The executive team was strengthened in the year with a number of senior appointments to key roles with a clear accountability and focus on operational improvement. Part of this change has been to bring together our four businesses of television, metropolitan radio, regional radio and digital into a more cohesive company that leverages its expertise, talent, scale and wide reach.

Moving on, I would now like to discuss our trading performance for the first quarter and our outlook for the first half. I'm able to report that revenues are up 12% in the first quarter compared to a year ago, with growth in all asset classes.

Metro advertising revenues have grown by around 5% in the first quarter compared to a year ago, despite the adverse impact in the first half of this financial year from the revised ATN contract and post - election hangover. Our revenue has continued to grow even though the market declined by 1% across the quarter - following the 9% growth recorded in the same quarter a year ago.

Regional radio continues to grow and revenues for the first quarter are up 3%. Unsurprisingly, national advertising growth has outpaced local growth in regional markets as we continue to focus on addressing the historic underinvestment in regional areas by national clients.

In television, in the first quarter the regional East coast market was down 0.4%, demonstrating a moderated level of decline compared to the negative 7% experienced a year prior. Despite this mild market contraction, SCA's television assets will show strong growth due to the change in affiliation on July 1 in three of our four aggregated markets.

We have provided guidance to the market that we expect total television advertising revenues (inclusive of all markets) to be 30-35% higher for the full financial year and the first quarter is in line with that forecast with revenue up 31%.

At the August results presentation we forecast first half EBITDA performance to be in the range of $92 - $94 million and that remains our guidance for the period.

In conclusion, the last 12 months has been a period of significant change for the business and I am heartened by the improvement in operational and financial performance experienced to date. However, there is more work to be done as we seek to deliver consistent and sustained financial improvement over the long term.

Thank you for your attention. I will now hand back to the Chairman.