

Macquarie Media Management Limited
A Member of the Macquarie Group of Companies
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AFS Licence No. 292297

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Macquarie Media Group^{TM1} – 2009 Interim Result **Proportionate earnings per security (EPS)² 20.4c**

Macquarie Media Group (MMG) today announced its financial results for the six months ended 31 December 2008.

Interim results highlights

- Proportionate like-for-like media business revenue down 5.4% on prior corresponding period (pcp)
- Proportionate like-for-like media business earnings before interest, tax, depreciation and amortisation (EBITDA) down 10.7% on pcp
- Proportionate EPS of 20.4 cents, down 19.0% on pcp
- Interim distribution per security of 4.5 cents paid on 17 February 2009
- Net loss from ordinary activities of A\$127.3m, including a A\$127.1m non-cash goodwill impairment charge in respect of American Consolidated Media (ACM) (in line with the review of carrying values previously indicated to the market on 17 December 2008)
- Debt facilities in place at each underlying business with earliest maturity (18.4% of total debt) due in June 2010
- Fund-level cash of A\$324m (A\$1.51 per security)

MMG Chief Executive, Mark Dorney said "MMG has delivered resilient results from its regional media businesses for the six months to 31 December 2008, which were moderately ahead of guidance provided on 17 December 2008. Proportionate like-for-like media business revenue was down 5.4% and proportionate EPS of 20.4c was down 19.0% on pcp. The non-cash impairment charge in respect of ACM has been accounted for in the statutory income statement but has no impact on MMG's operating cashflow or its ability to pay distributions.

"Despite the impact of weaker local retail spend on local advertising revenues in the second half, MMG remains well placed for the 2009 calendar year with A\$324m fund level cash on hand at 31 December 2008 and no debt maturity before June 2010.

¹ Trade mark of Macquarie Group Limited

² As defined in the Unaudited Management Information Report for the half year ended 31 December 2008

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This document is not an offer or invitation for subscription or purchase of or a recommendation of securities. The information in this document does not take into account the investment objectives, financial situation and particular needs of investors. Before making an investment in MMG an investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

“During the period, MMG implemented a number of actions following its strategic review. These included the announcement of an on-market buy-back, the revision of the distribution policy to fund the buy-back and build further cash, and the retention of existing cash on hand to ensure maximum flexibility for the potential future refinancing of business level debt facilities,” said Mr Dorney.

Macquarie Southern Cross Media (MSCM)

“The MSCM business accounts for approximately 84% of MMG’s operating income. As previously noted in our December 2008 operational update, MSCM has performed soundly for the period, particularly taking into account higher revenue levels in the previous December half driven by the Federal Election, and the adverse impact of the Olympic Games on our Ten network affiliated TV stations in August 2008. The December 2008 revenue result was higher than anticipated in the operational update, benefiting from the one-off impact in December of the Federal Government’s first stimulus package,” said Mr Dorney.

The directors have determined that the carrying value of MSCM’s assets remains appropriate.

Australian Revenue A\$'000	% of total revenue 6 months to 31 December 2008	Total Revenue 6 months to 31 December 2008	% change on Proforma pcp	Metropolitan % change on pcp¹
Commercial Radio Broadcasting				
Local	68.0%	54,359	0.5%	(1.0%)
National	23.0%	18,404	(17.5%)	(4.4%)
Total advertising revenue	91.0%	72,763	(4.8%)	(3.2%)
Other operations revenues	9.0%	7,194	3.8%	
Total operations revenue	100.0%	79,957	(4.0%)	
Television				
Local	37.5%	50,943	(2.2%)	(4.7%)
National	54.4%	73,864	(6.1%)	(5.9%)
Total advertising revenue	91.9%	124,807	(4.5%)	(5.9%)
Other operations revenues	8.1%	10,864	15.2%	
Total operations revenue	100.0%	135,671	(3.2%)	
Combined MSCM				
Local	48.8%	105,302	(0.8%)	
National	42.8%	92,268	(8.6%)	
Total advertising revenue	91.6%	197,570	(4.6%)	
Other operations revenues	8.4%	18,058	10.4%	
Total operations revenue	100.0%	215,628	(3.5%)	

Source: Unaudited Management Information Report for half year ended 31 December 2008

¹ Radio metropolitan data from 2008 Metropolitan Commercial Radio Advertising Revenue as sourced by Deloitte. Television metropolitan data excluding contra revenue and is sourced from Free Television Australia 2008.

American Consolidated Media (ACM)

Mr Dorney noted, “ACM was less exposed to the more volatile national advertising market than major city newspapers in the US, however, it was still adversely affected by the continuing difficult economic environment. As flagged in December 2008, the MMG Boards conducted a review of the carrying value of its investments to reflect the tougher market conditions. The decision has been made to take a non-cash impairment charge of US\$89.9m (A\$127.1m) on the goodwill of ACM.

“It was also noted in December that a decision had been made to use ACM’s current cash on hand and future cash earnings to pay down existing debt ahead of the current maturity dates. We are confident that these pro-active initiatives appropriately position ACM to face the ongoing environment in the US.”

US Revenue US\$'000	% of total revenue 6 months to 31 December 2008	Total revenue 6 months to 31 December 2008	% change on Proforma pcp	Metropolitan % change on pcp¹
Display	52.1%	26,998	(6.0%)	(14.9%)
Classified	15.5%	8,057	(23.3%)	(29.8%)
Total advertising revenue (ex Online)	67.6%	35,055	(10.6%)	(19.9%)
Circulation	13.8%	7,173	0.3%	
Commercial printing	15.1%	7,848	4.5%	
Online	1.8%	877	190.1%	
Other revenues	1.7%	896	153.7%	
Total operations revenue	100.0%	51,849	(4.9%)	

Source: Unaudited Management Information Report for half year ended 31 December 2008

1 Based on Newspaper Association of America (NAA) September 2008 quarter historicals and estimates for December 2008 quarter.

Outlook

“MMG’s Boards and management are implementing the capital management initiatives announced in December 2008, and remain confident that they will position MMG with an efficient capital structure and a solid balance sheet for the future,” said Mr Dorney.

“Following the announcement of our capital management initiatives in December, MMG has taken further steps to deliver the announced A\$50m Buy-Back Program, over and above the existing 10% on-market buy-back announced on 17 December 2008. An Extraordinary General Meeting will be called in due course, where investors will be asked to consider approving the Buy-Back Program.

“Despite forecasts of a more difficult advertising market in the second half of FY2009, our businesses remain well diversified, our team is focussed, and we are actively looking at revenue optimisation and cost realignment initiatives. MMG is well placed to emerge stronger as and when the current economic cycle turns.”

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