Macquarie Media Group®

Investor Information Summary

Repositioning Australia's largest regional radio and television business

MACQUARIE

28 October 2009

Disclaimer

DISCLAIMER

This summary is issued by Macquarie Media Group ("MMG"). MMG comprises Macquarie Media Trust (ARSN 116 151 467) ("MMT"), Macquarie Media Holdings Limited (ABN 91 116 024 536) ("MMHL") and Macquarie Media International Limited (EC 37694, ARBN 118 577 423) ("MMIL"). Macquarie Media Management Limited (ABN 16 115 524 019) (AFS Licence No. 292297) ("MMML") is the responsible entity of MMT and manager of each of MMHL and MMIL. MMML is a member of the Macquarie Group of companies ("Macquarie").

None of the entities noted in this document is an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 ("MBL"). MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities.

This summary has been prepared by MMML (as responsible entity of MMT), MMHL and MMIL based on information available to them. The historical information is derived from sources believed to be accurate at the date of this summary. However, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of any information, opinions and conclusions contained in this summary. To the maximum extent permitted by law, neither MMG nor any member of Macquarie (including MMML), their respective directors, officers, employees, agents, advisers or intermediaries nor any other person accepts any liability for any loss arising from the use of this summary or its contents or otherwise arising in connection with it, including, without limitation, any liability arising from fault or negligence on their part.

GENERAL SECURITIES WARNING

This summary is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or under any other law. It is for information purposes only and is not an invitation nor offer of securities for subscription, purchase or sale in any jurisdiction. This summary does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of MMG stapled securities.

This summary does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in MMG nor does it contain all the information which would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act 2001. This summary has been prepared without taking account of any person's investment objectives, financial situation or particular needs and prospective investors should conduct their own independent investigation and assessment of the Entitlement Offer (as defined in this summary) and the information contained in, or referred to in, this summary.

The information in this summary remains subject to change without notice. MMG reserves the right to withdraw or vary the timetable for the Entitlement Offer, Internalisation or Corporatisation without notice. To the maximum extent permitted by law, MMG, Macquarie, the underwriters and their respective affiliates, officers, employees, agents and advisers disclaim all liability that may otherwise arise due to any information contained in this summary being inaccurate or due to information being omitted from this summary, whether by way of negligence or otherwise.

The historical information in this summary is, or is based upon, information that has been released to the market. It should be read in conjunction with MMG's other periodic and continuous disclosure announcements including the MMG results for the year ended 30 June 2009 lodged with the Australian Securities Exchange ("ASX") on 20 August 2009 and announcements to the ASX available at www.asx.com.au including the Investor Information Booklet lodged with ASX by MMG on the date of this summary.

An investment in MMG is subject to investment risk including possible loss of income and principal invested. Please see the Risk Factors on page 28 and 29 of this summary and Section 11 of the Investor Information Booklet for further details.

Disclaimer

The pro-forma financial information provided in this summary is for illustrative purposes only and is not represented as being indicative of MMG's views on its future financial condition and/or performance.

None of the underwriters and Macquarie, nor any of their respective affiliates, officers, employees, agents, advisers, nor MMG's advisers and intermediaries nor any other person (other than MMG), have authorised, permitted or caused the issue, submission, despatch or provision of this summary and, except to the extent referred to in this summary, none of them makes or purports to make any statement in this summary and there is no statement in this summary which is based on any statement by any of them. Macquarie has provided and is responsible for the information contained in this summary concerning its principal holding in MMG Securities ("Macquarie Information"). Neither MMG nor any of its directors, officers, employees or advisers assumes any responsibility for the accuracy or completeness of the Macquarie Information.

No action has been taken to register the Entitlement Offer or otherwise permit a public offering of securities outside Australia and New Zealand. This summary does not constitute an offer of securities for sale in the United States of America, or to any person that is, or is acting for the account or benefit of any person who is in the United States of America, or in any other jurisdiction in which such an offer would be illegal. This summary may not be distributed or released in the United States of America.

The securities in the proposed Entitlement Offer have not been, and will not be, registered under the U.S. Securities Act of 1933 (“U.S. Securities Act”), or under the securities laws of any state or other jurisdiction of the United States of America, and may not be offered or sold in the United States of America to, or for the account or benefit of any person who is in the United States unless the securities are registered under the U.S. Securities Act or an exemption from the registration requirements of the U.S. Securities Act is available.

All dollar values are in Australian dollars (A$) and financial data is presented as at the date stated.

The pro-forma financial information included in this summary does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US Securities and Exchange Commission. Investors should also be aware that certain financial data included in this summary are "non-GAAP financial measures" under Regulation G of the U.S. Securities Exchange Act of 1934, as amended, including EBITDA (earnings before interest, taxes, depreciation, amortisation and one-offs). The disclosure of such non-GAAP financial measures in the manner included in this summary would not be permissible in a registration statement under the U.S. Securities Act. MMG believes these non-GAAP financial measures provide useful information to users in measuring the financial performance and conditions of MMG. These non-GAAP financial measures do not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-GAAP financial measures and ratios included in this summary.

This summary contains certain "forward looking statements". Forward looking statements can generally be identified by the use of forward looking words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", “will”, "could", "may", "target", "plan" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on future earnings, distributions or financial position or performance are also forward looking statements. The forward looking statements contained in this summary involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of MMG, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

Introduction and overview

(see Section 1 of the Investor Information Booklet)

- The Boards of MMG propose a series of initiatives intended to enhance security holder value, optimise the capital and corporate structure of MMG and reposition Australia's leading regional radio and television operator for the future
- The specific initiatives are:
  - Recapitalisation:
    - Underwritten $294 million capital raising by way of a 1 for 1 single bookbuild accelerated renounceable entitlement offer at $1.55 per stapled security ("Entitlement Offer")[1]
    - Net Entitlement Offer proceeds, together with available cash at MMG's parent level, to be applied to reduce net debt in Macquarie Southern Cross Media Pty Ltd ("MSCM") to $306 million
  - Internalisation: Proposal to internalise the management of MMG for $40.5 million by terminating the existing management rights of Macquarie ("Internalisation")
  - Corporatisation: Proposal to simplify the corporate structure of MMG by converting from a triple stapled structure into a single holding company ("Corporatisation")
  - Proposal to transition MMG's corporate governance framework to that of a single publicly listed Australian company, continuing to include a majority of independent directors[2]
  - Internalisation and Corporatisation proposals are subject to conditions (including MMG security holder approvals) that are detailed in the Investor Information Booklet at sections 5.5 and 6.4
- Independent Expert (Ernst & Young Transaction Advisory Services Limited) has concluded that the Internalisation is fair and reasonable to MMG security holders other than Macquarie and its associates (see Annexure 1 to the Investor Information Booklet)

Notes:

1. Customary underwriting conditions apply. See Sections 4 and 12.2 of the Investor Information Booklet

2. In determining the status of a director, MMG currently applies the standards of independence required by the Macquarie Funds Management Policy, which are similar to but not the same as the ASX Corporate Governance Principles and Recommendations ("the Principles"). The full details of MMG's independence criteria are set out in MMG's Corporate Governance Statement contained in the 2009 Annual Report which is available on MMG's website: www.macquarie.com/mmg. If the Internalisation proceeds, by December 2010 MMG intends to transition to apply the definition of independence as set out in the Principles

Introduction and overview (cont'd)

(see Section 1 of the Investor Information Booklet)

- Recapitalisation positions MMG well for the future[1]:
  - MMG (excluding American Consolidated Media LLC ("ACM")) net debt to EBITDA of 2.7x and EBITDA to interest cover of 4.3x (adjusted pro-forma FY09)
  - MMG (including ACM) net debt to EBITDA of 3.4x and EBITDA to interest cover of 3.2x (adjusted pro-forma FY09)
- MMG will continue to provide investors with exposure to Australia's largest regional broadcasting business, MSCM
  - MSCM refinancing discussions expected to move forward positively given proposed reduction in MSCM debt
- MMG's ownership of ACM is considered a non-core investment
  - If, as expected and previously disclosed to the market, ACM ceases to comply with covenants under the ACM business level bank facility, and if requested amendments or waivers are not provided, the ACM lenders will have the right to accelerate ACM's repayment obligations and take enforcement action which may ultimately result in MMG losing beneficial ownership of ACM[2]
  - Further to the potential covenant breaches disclosed on 13 October 2009, as the US GAAP accounts of ACM are subject to audit finalisation, there may be further financial adjustments that impact the relevant covenants which may mean that ACM was also non-compliant with the leverage covenant under the ACM facility at 30 June 2009 when US GAAP accounts are expected to be filed on or about 28 October 2009 (US time)
  - MMG reiterates that it does not intend to make any cash contributions to ACM from MMG's parent level cash or to provide any other financial support or guarantee to ACM or its lenders

Notes:
1. Financials presented on a post-Internalisation basis and MMG (including ACM) and MMG (excluding ACM) basis having regard to ACM's non-core status
2. Refer MMG announcement of 13 October 2009 and sections 7.3 and 11.2 of the Investor Information Booklet

Repositioning Australia's largest regional radio and television business

		Refer for Further Information
Recapitalisation	▪ Underwritten $294 million capital raising by way of a 1 for 1 single bookbuild accelerated renounceable Entitlement Offer. The Entitlement Offer is subject to customary underwriting conditions but is not conditional on the other proposed initiatives being implemented ▪ Net Entitlement Offer proceeds and available cash at MMG's parent level (after transaction costs and Internalisation payment, should it proceed) to be applied to reduction of MSCM debt ▪ MMG has decided to terminate all of its current buy-backs with immediate effect	Pages 14-17 of this summary and Sections 4 and 12.2 of the Investor Information Booklet
Internalisation proposal	▪ Consideration of $40.5 million payable in cash to Macquarie, with completion to occur on satisfaction of conditions precedent ▪ Internalisation involves termination of Macquarie's management role, provision of transitional services and acquisition of the shares in MMML, the manager of MMG ▪ Independent Board Committees ("IBC") established to consider Internalisation proposal – appointed Financial Adviser (RBS Corporate Finance Limited), Legal Advisers (including Clayton Utz in respect of Australian legal matters) and Independent Expert (Ernst & Young Transaction Advisory Services Limited) ▪ Consideration evaluated against a number of valuation approaches and other benchmarks and reflects negotiations on the value to both parties of the management fees and the costs of supplying management services ▪ Internalisation payment takes into account the MSCM Asset Advisory Agreement under which base and performance fees would become payable if Macquarie is removed as manager of MMG without Macquarie's consent ▪ New corporate name to be proposed for security holder approval in due course	Pages 19-22 of this summary and Sections 5 and 12.3 of the Investor Information Booklet (including conditions precedent relating to security holder and financier approvals)
Corporatisation proposal	▪ Simplifies MMG's corporate structure by converting from a triple stapled structure to a single holding company ▪ Corporatisation to follow completion of Internalisation and satisfaction of conditions precedent ▪ Targeted post-Corporatisation dividend payout ratio of approximately 40% to 60% of Adjusted NPAT[1] (subject to prevailing circumstances, board discretion and available profits)	Pages 24-25 of this summary and Sections 6 and 12.4 of the Investor Information Booklet (including conditions precedent relating to security holder, financier, court a regulatory approvals)

Note: 1. NPAT excluding the impact of non-cash and fair value items such as impairment charges, changes in the fair value of derivatives and other items which are non-recurring

Repositioning Australia's largest regional radio and television business (cont'd)

		Refer for Further Information
Governance framework	▪ Subject to completion of Internalisation and Corporatisation, transition of MMG's corporate governance framework to that of a single publicly listed Australian company, continuing to include a majority of independent directors ▪ Leon Pasternak has been appointed as new Deputy Chairman of MMHL and MMML with immediate effect	Section 5.17 of the Investor Information Booklet
Management	▪ MMG CEO Mark Dorney will continue in his role to oversee the Recapitalisation, Internalisation, Corporatisation and repositioning of MMG until security holder approval of the Internalisation ▪ Current MSCM CEO Rhys Holleran will then assume the additional responsibility of CEO of MMG ▪ Mark Dorney will then return to Macquarie as an Executive Director of Macquarie Capital	Section 5.18 of the Investor Information Booklet
Transitional services	▪ Ongoing transitional services support from Macquarie under a Transitional Services Agreement until 31 December 2010 and on a cost-plus 15% basis for up to 3 months thereafter at MMG's discretion ▪ If completion of Internalisation does not occur, MMG will retain its triple stapled security structure and external management with base and potentially performance fees payable to Macquarie	Sections 5.19 and 5.20 of the Investor Information Booklet

Note: 1. Refer MMG announcement of 13 October 2009

Repositioning Australia's largest regional radio and television business (cont'd)

		Refer for Further Information
Trading update	▪ MSCM: Preliminary management estimates of the financial performance of MSCM for the quarter ended 30 September 2009 indicate that MSCM's revenue and EBITDA declined at a lower rate than experienced in the 6 months to 30 June 2009 with revenue down 5.6% and EBITDA down 5.1% on the 3 months to 30 September 2008. The business is currently operating within financial covenants	Section 3.2 of the Investor Information Booklet
	▪ ACM: The revenue and earnings environment in the United States remains challenging. Preliminary management estimates of the financial performance of ACM for the quarter ended 30 September 2009 indicate that ACM's revenue and EBITDA declined at a lower rate than experienced in the 6 months to 30 June 2009, with revenue down 15.8% and EBITDA down 21.1% on the 3 months to 30 September 2008. As stated in the announcement on 13 October 2009, if as expected ACM ceases to comply with covenants under the ACM facility, and if requested amendments or waivers are not provided, the ACM lenders will have the right to accelerate ACM's repayment obligations and take enforcement action which may ultimately result in MMG losing beneficial ownership of ACM	Sections 3.2 and 7.3 of the Investor Information Booklet
Exclusivity	▪ MMG subject to no shop and notification obligations, subject to fiduciary exception	Section 12.3 of the Investor Information Booklet
Risk factors	▪ See 'Summary of risks and disadvantages of the initiatives' on pages 28-29 and relevant sections of the Investor Information Booklet	Pages 28-29 of this summary and sections 1.8, 5.15, 6.8 and 11 of Investor Information Booklet

Investor Information Booklet supplementing this summary

- Further details regarding the MMG initiatives described in this summary are set out in the Investor Information Booklet lodged by MMG with ASX on the date of this summary
- This is a summary only and is qualified in its entirety by the Investor Information Booklet which you should read in full
- The Investor Information Booklet contains material similar to that which will be contained in an explanatory memorandum for the Internalisation and Corporatisation proposals including:
  - The advantages and disadvantages of the initiatives and the alternatives considered by MMG (Sections 1.7, 1.8, 5.14, 5.15, 6.7 and 6.8)
  - Information concerning the resolutions to be proposed at the MMG meetings to consider the Internalisation and Corporatisation (Sections 5.7, 5.24 and 6.10)
  - Information about the status of the conditions to the Internalisation and Corporatisation, including the debt conditions (Sections 5.5 and 6.4)
  - Information regarding the control implications of the Entitlement Offer (Sections 4.7 and 8.2)
  - Full details of all Macquarie's interests in MMG, the Recapitalisation, Internalisation and Corporatisation (Section 8)
  - Full summaries of all key transaction documents (Section 12)
- The Investor Information Booklet also sets out in Annexure 1 an Independent Expert's Report from Ernst & Young Transaction Advisory Services Limited which has concluded that the Internalisation is fair and reasonable to MMG security holders other than Macquarie and its associates

Business overview[1]

- MMG business overview is presented both including and excluding ACM, as ACM is considered non-core
- The analysis below is presented for the year ended 30 June 2009 on a non-statutory adjusted pro-forma post-Recapitalisation, Internalisation and Corporatisation basis. Refer to Section 9 of the Investor Information Booklet for further details including the nature of the adjustments to the statutory financial information

	MMG including ACM		ACM	MMG excluding ACM[3]	
Description	▪ Holding company[2] ▪ Includes MSCM ▪ Includes ACM		▪ Non-core going forward ▪ No plans for cash injections from parent level ▪ If preliminary estimates of financial performance to 30 September 2009 hold true and requested amendments or waivers from lenders are not forthcoming, ACM will not be compliant with certain covenants under the ACM facility	▪ Comprises MSCM and head office ▪ Core part of the business going forward ▪ Net Entitlement Offer proceeds, along with available cash at the MMG parent level, will be applied to reduce net debt in MSCM	
$m	**Entitlement Offer Price**	**TERP[4]**		**Entitlement Offer Price**	**TERP[4]**
Price	$1.55	$2.025	N/A	$1.55	$2.025
Securities on issue Post-Recap	379	379	N/A	379	379
Implied Equity Value	587	767	N/A	587	767
Net Debt[1]	468	468	162	306	306
Implied Enterprise Value	1,055	1,235	N/A	893	1,073
FY09 Adjusted Pro-forma Post-Recapitalisation, Internalisation and Corporatisation[1]					
EBITDA	137		25	113	
EBIT	106		13	93	
Net interest	42		16	26	
Pre-tax operating profit	64		(3)	67	
EV/EBITDA	7.7x	9.0x	N/A	7.9x	9.5x
Adjusted NPAT	45		(3)	48	
Adjusted EPS (cents)	11.9		(0.8)	12.7	

Notes:
1. Numbers are presented on an adjusted pro-forma post-Recapitalisation, Internalisation and Corporatisation basis. Refer to Section 9 of the Investor Information Booklet for further details
2. ACM and MSCM are wholly-owned subsidiaries of MMG and are not separately quoted
3. Figures are illustrative only, assuming exclusion of ACM
4. Theoretical Ex-Rights Price is the theoretical MMG security price post the Entitlement Offer which is weighted for the market capitalisation of MMG immediately before the announcement and the value of the new MMG securities to be issued under the Entitlement Offer which are issued at a discount

Summary financial position

(see Sections 4.4 and 9 of the Investor Information Booklet)

- MMG's gearing metrics are presented both including and excluding ACM, as ACM is considered non-core
- Net Entitlement Offer proceeds and available cash at the MMG parent level will be used to reduce MSCM gearing and to pay the Internalisation consideration (if the Internalisation proceeds)
- MMG's net debt (excluding ACM) after Internalisation will be $306 million

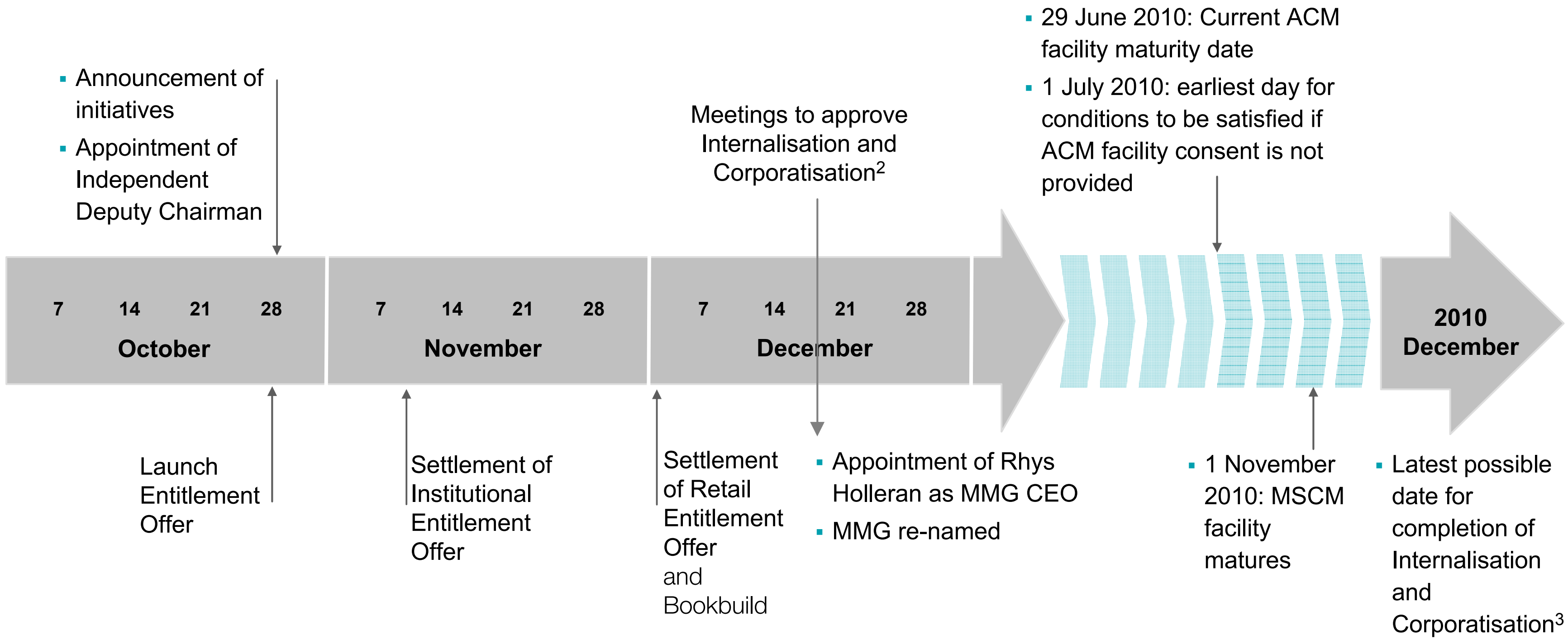
		MMG including ACM	MMG excluding ACM
Actual as at 30 June 2009	Net debt	$691m	$529m
	Net debt / EBITDA	5.0x	4.6x
	EBITDA / Net interest expense	2.0x	2.1x
	EBIT / Net interest expense	1.5x	1.7x
Pro-forma post Recapitalisation[1]	Net debt	$427m	$265m
	Net debt / EBITDA	3.2x	2.5x
	EBITDA / Net interest expense	3.1x	4.1x
	EBIT / Net interest expense	2.4x	3.4x
Adjusted Pro-forma Post-Recapitalisation, Internalisation and Corporatisation[2]	Net debt	$468m	$306m
	Net debt / EBITDA	3.4x	2.7x
	EBITDA / Net interest expense	3.2x	4.3x
	EBIT / Net interest expense	2.5x	3.6x

Notes:

1. Pro-forma gearing metrics have been adjusted to reflect full year impact of the Entitlement Offer, after associated transaction costs of $9.9 million and application of available cash at the MMG parent level to repay MSCM debt (excluding estimated $11.5 million in interest rate swap costs), $2.9 million increase in finance cost in relation to ACM expected breach of loan covenants, additional $6.7 million management fee and $8.3 million in relation to distributions and buybacks subsequent to 30 June 2009. Refer to Section 9 of the Investor Information Booklet for further details

2. Reflects the pro-forma adjustments relating to Recapitalisation and Internalisation, and certain non-cash, fair value and one-off items. Refer pro-forma Section 9 of the Investor Information Booklet for more details

Summary timetable[1]



- All parties to use reasonable endeavours to satisfy conditions as quickly as possible
- MSCM refinancing discussions expected to move forward positively given proposed reduction in MSCM debt
- ACM discussions currently underway regarding requested amendments or waivers in relation to the ACM facility with respect to a potential breach of covenants

Note:

1. Timetable is indicative only and subject to change in MMG's absolute discretion

2. Security holder vote on Internalisation and Corporatisation intended to occur on the same day if possible

3. Internalisation and Corporatisation are subject to a number of conditions precedent (including lender consent or refinancing) and may be completed earlier. See Investor Information Booklet (Section 5.5 and 6.4). If Internalisation does not complete, existing external MMG management arrangements and corporate structure will remain in place

1 Recapitalisation

(see Section 4 of the Investor Information Booklet)

Recapitalisation overview

(see Section 4 of the Investor Information Booklet)

Offer structure & size	▪ Underwritten 1 for 1 single bookbuild accelerated renounceable entitlement offer of $294 million ▪ Entitlements of renouncing security holders, and entitlements which would have been offered to ineligible security holders, will be sold via a single bookbuild on 27 November 2009 following completion of the Retail Entitlement Offer. Any proceeds from successful bookbuild participants in excess of the Entitlement Offer price will be paid to these security holders
Entitlement ratio & offer price	▪ 1 new MMG stapled security for every 1 existing MMG stapled security held at the Record Date (7.00pm AEST, Monday 2 November 2009) ▪ Entitlement Offer price of $1.55 per stapled security - 38% discount to last closing price[1] of $2.50 per stapled security - 23% discount to Theoretical Ex-Rights Price[2] of $2.025 per stapled security
Conditionality	▪ Entitlement Offer is subject to customary underwriting conditions but is not conditional on Internalisation or Corporatisation proceeding
Ranking	▪ New MMG securities issued under the Entitlement Offer will be issued fully paid and will rank equally in all respects with existing MMG stapled securities, including entitlement to 1H10 distribution
Macquarie participation	▪ Macquarie has committed to taking up its entitlement in respect of its 24.8% principal holding in full[3]

Note:
1. As at close 27 October 2009
2. Theoretical Ex-Rights Price is the theoretical security price post the Entitlement Offer which is weighted for MMG's market capitalisation immediately before the announcement and the value of the new MMG securities to be issued under the Entitlement Offer which are issued at a discount
3. Macquarie has a principal holding of 47.0 million MMG securities (24.8% of MMG securities on issue as at 23 October 2009). This principal holding is held by the Macquarie Capital business division of Macquarie (through MMML and Macquarie Capital Group Limited)

Recapitalisation overview (cont'd)

(see Section 4 of the Investor Information Booklet)

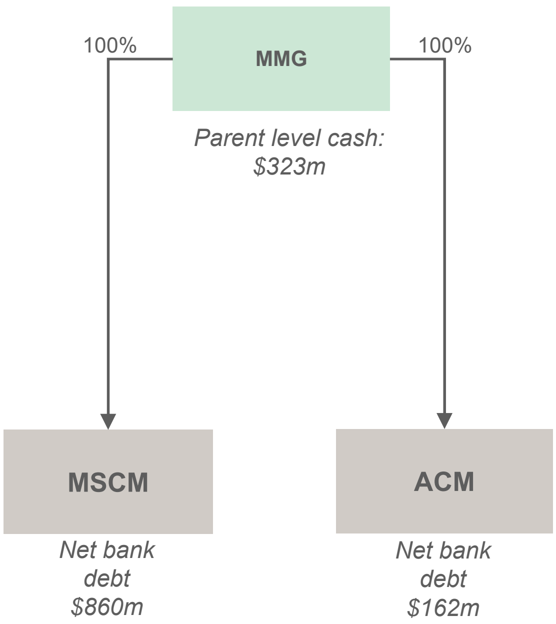
Underwriting and effect on Macquarie	▪ The Entitlement Offer (excluding Macquarie's 24.8% principal holding) is fully underwritten in equal proportions by RBS Equity Capital Markets (Australia) Limited and Macquarie Capital Advisers Limited ▪ Macquarie's voting power may increase from its current 26.5% to a maximum of approximately 45% to the extent that it is required to take up any shortfall under the underwriting agreement ▪ See Sections 4.7, 8.2 and 12.2 for details of the potential impact of the underwriting on Macquarie's voting power and the underwriting terms
Use of proceeds	▪ Net Entitlement Offer proceeds and available cash at the MMG parent level (after Internalisation payment, if Internalisation proceeds) will be used to reduce MSCM net debt ▪ MMG has no plans to apply any proceeds or parent level cash to reduce business level gearing within ACM ▪ Reduction of MSCM net debt associated with the Entitlement Offer will occur regardless of Internalisation or Corporatisation, subject to the Entitlement Offer proceeding ▪ Entitlement Offer and MSCM debt reduction will increase base fees for Macquarie based on increased Net Investment Value[1] of MMG until completion of the Internalisation
Selling restrictions and ineligible security holders	▪ Certain security holders resident outside Australia and New Zealand are not eligible to participate in the Entitlement Offer ▪ Refer Sections 4.13, 4.21 and Annexure 3 of the Investor Information Booklet

Note: 1. The market value of MMG securities plus the amount of any external borrowings and the amount firmly committed to future investments less the amount invested in cash or cash equivalents

Application of proceeds

(see Sections 4.4 and 9 of the Investor Information Booklet)

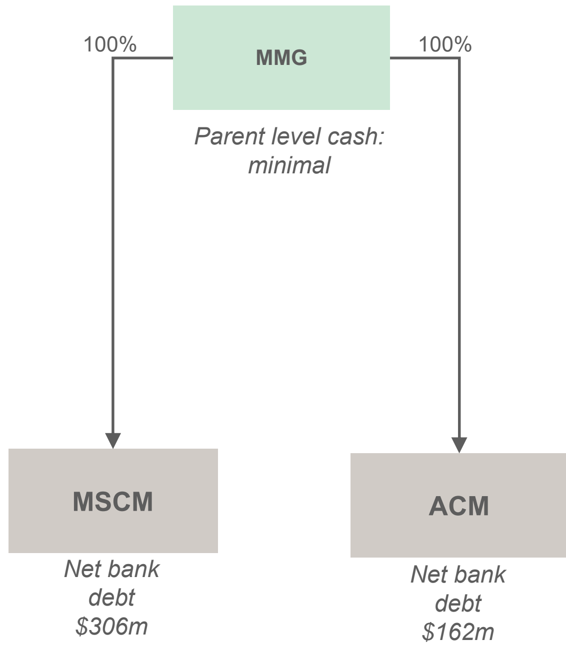
Pre-Recapitalisation[1]



Sources and Uses of Funds ($m)

Sources and Uses of Funds ($m)	
Parent Level Cash	$323
Entitlement Offer	$294
Total Sources	**$617**
Cash for Debt Paydown	$(555)
Internalisation[2]	$(41)
Underwriting and Other Fees	$(10)
Interest Rate Swap Break Costs[3]	$(12)
Total Uses	**$(617)**

Post-Recapitalisation



Notes:

1. Cash at the MMG parent level and net debt figures sourced from the audited MMG Financial Report and unaudited MMG Management Report for the year ended 30 June 2009 (subject to adjustment to parent level cash for post balance date payment of FY09 final distribution and buy-backs completed up to 5 August 2009). ACM facilities are in USD and therefore subject to exchange rate changes

2. If Internalisation proceeds

3. These costs to be paid from existing parent level cash. "Interest Rate Swap Break Costs" relates to the estimated costs of $11.5 million that may arise as a result of breaking existing interest rate swaps as a result of debt reduction. Refer Section 8.3 of the Investor Information Booklet

MACQUARIE

Entitlement Offer timetable[1]

(see Section 4 of the Investor Information Booklet)

Event	Date
Announcement of the Entitlement Offer and commence trading halt	Wednesday, 28 October 2009
Institutional Entitlement Offer open	Wednesday, 28 October 2009
Institutional Entitlement Offer close	Thursday, 29 October 2009
Trading halt ends and results of Institutional Entitlement Offer announced	Friday, 30 October 2009
Record Date for the Entitlement Offer	7.00pm AEDT Monday, 2 November 2009
Retail Entitlement Offer opens	Tuesday, 3 November 2009
Mailing of entitlement and acceptance form and Retail Entitlement Offer Booklet to eligible retail security holders	By Wednesday, 4 November 2009
Early Retail Entitlement Offer close	5.00pm AEDT Tuesday, 10 November 2009
Settlement of the Institutional Entitlement Offer and Early Retail Entitlement Offer applications	Wednesday, 11 November 2009
Allotment of new securities under the Institutional Entitlement Offer and Early Retail Entitlement Offer applications, and normal trading of those securities expected to commence on ASX	Thursday, 12 November 2009
Retail Entitlement Offer closes	5.00pm AEDT Friday, 20 November 2009
Bookbuild	Friday, 27 November 2009
Settlement of the Retail Entitlement Offer and Bookbuild	Wednesday, 2 December 2009
Allotment of new securities under the Retail Entitlement Offer and Bookbuild	Thursday, 3 December 2009
Normal trading of remaining new securities expected to commence on ASX	By Friday, 4 December 2009
Despatch of holding statements for Retail Entitlement Offer and Bookbuild	By Monday, 7 December 2009

Note: 1. Timetable is subject to change in MMG's absolute discretion. MMG reserves the right to withdraw or vary the timetable for the Entitlement Offer without notice. In particular, MMG reserves the right to extend the closing date for the Retail Entitlement Offer, to accept late applications either generally or in particular cases or to withdraw the Retail Entitlement Offer without notice

2 Internalisation

(see Section 5 of the Investor Information Booklet)

Internalisation overview

(see Section 5 of the Investor Information Booklet)

Overview of Internalisation proposal

- MMG and Macquarie have agreed terms, subject to certain conditions being satisfied, to internalise the management of MMG for total cash consideration of $40.5 million
  - Termination of all management rights including MSCM Asset Advisory Agreement
  - Transitional services to be provided by Macquarie until 31 December 2010 and on a cost-plus 15% basis for up to 3 months thereafter at MMG's discretion
  - Management fees continue to be payable up to completion of Internalisation
- Independent Expert (Ernst & Young Transaction Advisory Services Limited) has concluded that the Internalisation is fair and reasonable to MMG security holders other than Macquarie and its associates (see Annexure 1 to the Investor Information Booklet)
- Independent Directors of MMG intend to unanimously recommend that security holders vote in favour of the Internalisation, subject to the Independent Expert not changing or withdrawing its conclusion in the Independent Expert's Report and no superior proposal arising. Independent Directors reserve the right to change their recommendation if their fiduciary duties require it
- Initiative evaluated against a range of alternatives by IBC and Financial Adviser (RBS Corporate Finance (Australia) Limited). Consideration evaluated against a range of benchmarks and reflects negotiations on the value to both parties of the management fees and the costs of supplying management services
- Explanatory Memorandum and Notices of Meeting expected to be sent to security holders in November 2009
- MMG subject to no shop and notification obligations, subject to fiduciary exception – refer Section 12.3 of the Investor Information Booklet
- Refer to Section 12.3 of the Investor Information Booklet for further details of the Internalisation, including description of the key Internalisation agreements

Internalisation overview (cont'd)

(see Section 5 of the Investor Information Booklet)

Conditions to Internalisation (see Section 5.5 of the Investor Information Booklet) include:

- Successful completion of the Entitlement Offer
- Approval of MMG security holders through an ordinary resolution - Macquarie and its associates will not be entitled to vote on these resolutions
- Independent Expert not changing or withdrawing its conclusion that the Internalisation is fair and reasonable to MMG security holders other than Macquarie and its associates
- MSCM lenders' approval or refinancing on terms permitting Internalisation
- If completion is to take place prior to 1 July 2010 (being after the current maturity date of the ACM facility of 29 June 2010), ACM lenders' approval or refinancing on terms permitting Internalisation is required. If ACM facility consent or refinancing is not obtained by 1 July 2010, this condition ceases to apply.
- MMG and Macquarie to do all things reasonably necessary to satisfy conditions as soon as possible, with a 10 December 2010 end date for satisfaction of conditions. Further information on the conditions and the status of the conditions is set out in Sections 5.5 and 12.3 of the Investor Information Booklet[1]
- If completion does not occur on or before 10 December 2010, existing management arrangements stay in place

Note: 1. Termination events also apply. See Section 5.5 of the Investor Information Booklet

Internalisation proposal assessment procedures

(see Sections 1.9 and 1.10 of the Investor Information Booklet)

- MMG management conducted a full review for the MMG Boards of potential strategic options available to address security holder feedback on the capital structure, corporate structure and external management arrangements impacting on the value of MMG securities
- After considering management analysis, and preliminary discussions with Macquarie, the MMG Boards established the IBC to review the strategic options in more detail
- The IBC then appointed RBS Corporate Finance (Australia) Limited as Financial Adviser to provide a detailed review of strategic options available to MMG, which included Internalisation
- The following additional appointments were made by the IBC:
  - Legal Advisers (including Clayton Utz in respect of Australian legal matters and Conyers Dill & Pearman in respect of Bermudan legal matters)
  - Independent Expert (Ernst & Young Transaction Advisory Services Limited)
- Upon commencement of the evaluation of Internalisation, the Boards of MMG also put in place protocols to manage actual and potential conflicts of interest and the flow of information between Macquarie and MMG
- Additionally, Macquarie directed the senior MMG management team to be solely answerable to the IBC in respect of the proposals
- All fees payable to the Underwriters in connection with the Recapitalisation tested against a number of recent market benchmarks

Internalisation valuation considerations

(see Section 5.12 of the Investor Information Booklet)

Management fees – historic and illustrative go-forward

- Average base management fee of ~$9.7 million over FY2006 to 2009[1]
  - In addition, there have been performance fees paid[2]
- Illustrative go-forward management fees[3]
  - Application of available MMG parent level cash increases management fees[4]
    - FY09 base fee of $1.3 million reflects temporary impact of cash held at parent level
    - $7.1 million pro-forma base fee assuming current $2.50 security price, no Entitlement Offer and application of MMG parent level cash
  - Post-Recapitalisation (Entitlement Offer and application of available parent level cash), pro-forma base management fee of $11.4 million[5,6]

Internalisation payment

- $40.5 million payment in cash on completion in relation to the termination of Macquarie's management role including under MMG parent level management services agreements, MMT constitution and MSCM Asset Advisory Agreement[7]. Transitional services to be provided from completion of the Internalisation until at least 31 December 2010
- Internalisation payment determined using a number of valuation approaches including DCF valuation of estimated cost savings, a multiples based analysis drawing on estimated fees payable, and other benchmarks

Internalisation expected to benefit MMG security holders

- Additional management costs estimated to be up to $4.5 million post-Internalisation; implies a saving of $6.9 million based on illustrative go-forward management fee of $11.4 million post-Recapitalisation
- Internalisation initially expected to be neutral to positive to MMG earnings
- Expected to be increasingly positive to earnings on the assumption of future security price increases

Note:

1. *Base Management Fees have been: FY06: $9.2m, FY07: $14.4m, FY08: $11.4m, FY09: $1.3m. MMG was listed for 3 of 4 quarters in FY06. Average reflects this timing*
2. *Performance Fee of $9.3 million paid in FY06*
3. *Figures are forward looking estimates and assume Recapitalisation completes. Actual results may vary*
4. *Base Management Fees calculated as 1.5% of the Net Investment Value. Net Investment Value is the market value of MMG Securities plus the amount of any external borrowings and the amount firmly committed to future investments less the amount invested in cash or cash equivalents. Refer to section 8.8 of the Investor Information Booklet for further details*
5. *Based on closing price as at 27 October 2009 of $2.50 per security*
6. *Assumes cash at the MMG parent level of $322.9 million applied to the payment for Internalisation and interest rate swap break costs to reduce debt in MSCM. MMG market capitalisation as at 27 October is $474m, and net proceeds from entitlement offer are $284m, implying a Net Investment Value of $757m. Base Management Fee of $11.4m is calculated as 1.5% x the Net Investment Value*
7. *Refer to Section 8.8 of the Investor Information Booklet and MMG website www.macquarie.com/mmg for overview of existing management agreements*

3 Corporatisation

(see Section 6 of the Investor Information Booklet)

Corporatisation overview

(see Section 6 of the Investor Information Booklet)

Overview of Corporatisation proposal

- MMG proposes to simplify its corporate structure by converting from a triple stapled structure to a single holding company
- Rationale for proposed Corporatisation includes:
  - Creating a simplified structure that may have greater appeal to a broader range of investors
  - Corporatisation will allow MMG to pay franked dividends over time (for further detail, refer sections 6 and 10 of the Investor Information Booklet)
  - Potential to reduce head office costs due to reduced administrative complexity
  - Unification under one Board of Directors, providing for a simpler governance structure
  - Simplified financial reporting requirements
- Targeted post-Corporatisation dividend payout ratio of approximately 40% to 60% of Adjusted NPAT (subject to prevailing circumstances, board discretion and available profits)

Corporatisation overview (cont’d)

(see Section 6 of the Investor Information Booklet)

Conditions to Corporatisation (see Section 6.4 of the Investor Information Booklet) include:

- Certain ASIC relief and ASX waivers and confirmations
- Approval of MMG security holders (Macquarie will be entitled to vote on these resolutions)
- Completion of the Internalisation
- Court approval for a scheme of arrangement for MMIL
- Bermudan regulatory approval
- MSCM lenders’ approval or refinancing on terms which permit the Corporatisation
- If completion is to take place prior to 1 July 2010 (being after the current maturity date of the ACM facility of 29 June 2010), ACM lenders' approval or refinancing on terms which permit the Corporatisation is required. If ACM facility consent or refinancing is not obtained by 1 July 2010, this condition ceases to apply.

4 Additional Information

Possible outcomes of the initiatives

(see Sections 1.3 and 5.8 of the Investor Information Booklet)

- As the Recapitalisation precedes implementation of the Internalisation and the Corporatisation (detailed in the Investor Information Booklet), the Recapitalisation will take place irrespective of whether or not the Internalisation and the Corporatisation are implemented
- Therefore, there are four main outcomes which may occur:
  - None of the initiatives are implemented
  - The Recapitalisation is implemented but not the Internalisation or the Corporatisation
  - The Recapitalisation and the Internalisation are implemented but not the Corporatisation
  - All the initiatives are implemented
- The general commercial impact of the last three possible outcomes on MMG and on the interests of MMG security holders can be broadly described as:

		Refer to Investor Information Booklet Section
Recapitalisation but no Internalisation or Corporatisation	▪ MSCM's net debt reduced ▪ MMG remains triple stapled structure ▪ Macquarie's existing management rights remain ▪ Macquarie's base management fees increase as a result of higher Net Investment Value of MMG following the Recapitalisation	1.3, 4, 5, 6 and 8
Recapitalisation and Internalisation but no Corporatisation	▪ MSCM's net debt reduced ▪ MMG pays consideration, terminates Macquarie's existing management rights and internalises management ▪ MMG remains a triple stapled structure	1.3, 4, 5, 6 and 8
All initiatives implemented	▪ MSCM's debt reduced ▪ MMG pays consideration, terminates Macquarie's existing management rights and internalises management ▪ MMHL (an MMG entity) becomes sole holding company listed on ASX	1.3, 4, 5, 6 and 8

- The table above is a high level summary only and MMG security holders considering whether or not to participate in the Entitlement Offer must consider all of the materials contained in the Investor Information Booklet to assess the potential impact of the initiatives

Summary of risks and disadvantages of the initiatives

(see Sections 1.8, 5.15, 6.8 and 11 of the Investor Information Booklet)

- The key risks and disadvantages associated with the initiatives described below are not the only ones facing MMG or associated with an investment in MMG securities (refer Sections 1.8, 5.15, 6.8 and 11 of the Investor Information Booklet)

Recapitalisation:

- If Internalisation does not occur (or until completion of the Internalisation), MMG will continue to pay fees to Macquarie but on the increased post-Recapitalisation Net Investment Value
- There are a number of risks and uncertainties which are both MMG-specific and of a more general nature that may affect the future financial performance and position of MMG and the value of MMG securities
- There is no guarantee that new MMG securities will trade at or above the Entitlement Offer issue price
- ACM is expected not to be compliant with certain covenants under the ACM facility, in which case the ACM lenders will have the right to accelerate ACM's repayment obligations and take enforcement action which may ultimately result in MMG losing beneficial ownership of ACM
- MMG parent entities and members of the MSCM group have not given any guarantees, security or any other form of contractual credit support in favour of ACM or its lenders in respect of the ACM facility, and on that basis MMG believes that liability and recourse in relation to the ACM facility is limited to members of the ACM group and their assets. However MMG cannot exclude the possibility that lenders or other creditors could seek to make other claims against the MMG parent entities or members of the MSCM group. MMG does not believe there would be a reasonable basis for such claims
- Macquarie could increase its voting power in MMG above its current 26.5% (which includes Macquarie's principal holding of 24.8%) to a maximum of approximately 45%

Internalisation:

- Unanticipated changes in key assumptions may reduce the expected net present value of cost savings from Internalisation
- MMG will incur incremental annual costs associated with internalised management as well as one-off external transaction and implementation costs
- After the Internalisation, MMG will need to attract and retain additional staff and develop additional infrastructure appropriate for an independent, listed media company, to replace the services currently performed by Macquarie
- The transition from external to internal management may cause a level of head office disruption, even though Macquarie has agreed to provide transitional services to MMG for a period after completion to assist in achieving a smooth separation and transition

Summary of risks and disadvantages of the initiatives (cont'd)

(see Sections 1.8, 5.15, 6.8 and 11 of the Investor Information Booklet)

Internalisation (cont'd):

- While the IBC believes that the Internalisation (coupled with the other announced initiatives) will assist in reflecting the underlying asset values of MMG's businesses in MMG stapled securities, there is no guarantee that the MMG security price will increase
- If the Internalisation is implemented, MMG will cease to use the "Macquarie" name and logos and MMG and its businesses will be renamed and re-branded. There can be no certainty as to what impact that will have on the MMG security price
- The Internalisation may impact MMHL's ability to carry forward prior year tax losses for recoupment against taxable income of future years if certain currently proposed changes to taxation laws are ultimately legislated
- Internalisation is subject to a number of conditions precedent and if these conditions are not satisfied or waived, completion of the Internalisation may not occur

Corporatisation:

- Following the Corporatisation, MMG would only be able to pay dividends (other than a return of capital or buy-back) to the extent that it has generated a net profit for the period or had accumulated positive retained earnings (rather than being able to distribute excess free cash flow as a distribution from MMT)
- Transaction costs will be incurred, including the costs associated with holding the relevant meetings and seeking the consent of the Bermudan Court
- Post Corporatisation, MMG is likely to commence paying tax much earlier than if it were to remain part of a triple stapled structure. This means that in due course, MMG will commence paying franked dividends which would be less advantageous to certain foreign security holders and other entities that are not able to fully utilise franking credits (for further detail, refer section 6 of the Investor Information Booklet)
- Ineligible Overseas Security Holders will have the majority of their MMG securities sold through a foreign nominee sale process. No guarantees can be made in relation to the amount of proceeds received
- The Corporatisation is subject to satisfaction of various conditions, which may or may not be satisfied