MACQUARIE

Macquarie Media Group®

Management Information Report

For the year ended
30 June 2009

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Macquarie Media Group (MMG) comprises Macquarie Media Trust (MMT) (ARSN 116 151 467), Macquarie Media Holdings Limited (MMHL) (ABN 91 116 024 536) and Macquarie Media International Limited (MMIL) (ARBN 118 577 423) and their respective subsidiaries.

MMHL is a company limited by shares incorporated and domiciled in Australia. The registered office of MMHL is C/ Company Secretarial, Mezzanine Level, No 1 Martin Place Sydney NSW 2000, Australia.

MMIL is an exempted mutual fund company incorporated in Bermuda with limited liability with Bermudian registration number EC37694. The registered office of MMIL is C/ ISIS Fund Services Ltd, Penboss Building, 2nd Floor, 50 Parliament Street, Hamilton HM12, Bermuda.

Macquarie Media Management Limited (MMML) (ABN 16 115 524 019) (AFS Licence No. 292297) is the responsible entity of MMT and manager of MMHL and MMIL. MMML is a member of the Macquarie Group of Companies. MMML's registered office is C/ Company Secretarial, Mezzanine Level, No 1 Martin Place Sydney NSW 2000, Australia.

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 report is not an offer or invitation for subscription or purchase of or a recommendation of securities. It does not take into account the investment objectives, financial situation and particular needs of the investor. Before making an investment in MMG, the 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.

MMML, as responsible entity of MMT and manager of MMHL and MMIL, is entitled to fees for so acting. The Macquarie Group of Companies (including MMML) together with their officers and directors and officers and directors of MMHL and MMIL may hold stapled securities in MMG from time to time.

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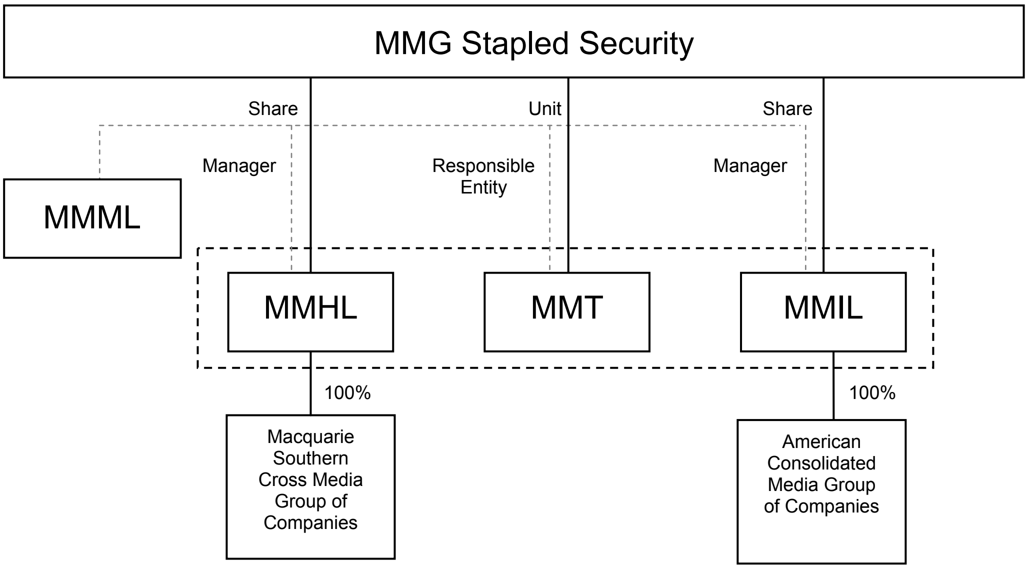
Overview of MMG

Macquarie Media Group ("MMG") is an investor in Australian and international media operations.

It is a triple stapled security listed on the Australian Securities Exchange ("ASX"). Stapled securities in the case of MMG comprise three securities that are quoted and traded as if they were a single security. An MMG stapled security (ASX: MMG) consists of a unit in Macquarie Media Trust ("MMT" or "the Trust"), a share in Macquarie Media Holdings Limited ("MMHL") and a share in Macquarie Media International Limited ("MMIL"). Macquarie Media Management Limited ("MMML") is the responsible entity of MMT and the manager of each of MMHL and MMIL.

A summary of the group structure showing the economic interest that MMG holds in the respective entities and their subsidiaries at 30 June 2009 is illustrated below.

Figure 1 – MMG



The Proportionate Earnings disclosures in this Report include the results of media operations that MMG controls or has significant influence over. At 30 June 2009, MMG's portfolio of operating assets and beneficial ownership interests were as follows:

	Macquarie Southern Cross Media		American Consolidated Media
	Commercial Radio Broadcasting	Commercial Television Broadcasting	Community Newspapers
Economic Interest held	%	%	%
As at 30 June 2009	**100.0**	**100.0**	**100.0**
As at 31 December 2008	100.0	100.0	100.0
% Change	-	-	-

Overview of MMG (cont'd)

The Operations

Macquarie Southern Cross Media

Macquarie Southern Cross Media ("MSCM") is Australia's leading regional broadcaster with the ability to reach a potential audience of approximately 7.5 million people, or 95% of Australia's population outside the mainland State capital cities. MSCM is also the largest regionally focused media provider, able to offer customers an integrated radio and television advertising opportunity.

American Consolidated Media

American Consolidated Media ("ACM") is the fifth largest specialist owner of small market (markets comprising <15,000 people) community newspapers in the United States. ACM today owns approximately 100 publications across 18 regional markets in 10 states of the United States of America with a weekly distribution of 961,000 newspapers and a total weekly readership of 2.6 million people.

Buy-back of MMG stapled securities

On 17 December 2008 MMG announced an on-market buy-back of up to 10% of MMG stapled securities and an intention to seek security holder approval for an additional buy-back of up to A$50m worth of MMG securities. The on-market buy-back of up to 10% of MMG stapled securities commenced on 13 January 2009 and may continue up to 12 January 2010. As at 20 August 2009 a total of 10,813,207 MMG stapled securities have been acquired for a total consideration of $10.6m under this existing on-market buy-back.

On 14 April 2009 security holder approval was obtained for the additional buy-back of up to approximately A$50m worth of MMG securities or 86,956,521 MMG securities, whichever is the lesser, via a combination of an off-market buy-back and a further on-market buy-back (the "buy-back program"). The off-market buy-back was completed on 4 May 2009 with the purchase of 14,723,415 MMG stapled securities for a total consideration of $22.1m.

As at 20 August 2009 a total of 25,536,622 MMG stapled securities have been acquired under the off-market buy-back and existing on-market buy-back, representing 11.9% of securities on issue before the buy-backs commenced.

MMG may continue on-market buy-backs for the remainder of the buy-back program (up to the lesser of 72.2 million MMG securities and approximately $27.9m worth of MMG securities) in addition to the existing on-market buy-back (up to 10.1 million MMG securities).

Report Summary

This Management Information Report ("the Report") contains Proportionate Earnings, Unconsolidated Cash Flows and other information for the year ended 30 June 2009. It has been prepared using policies adopted by the directors of MMML, MMHL and MMIL and, unless stated otherwise, these policies have been consistently applied to all periods presented in this Report.

The purpose of this Report is to provide information supplementary to the Financial Report of MMG. This Report has been prepared on a different basis to the MMG Financial Report. The information contained within this Report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and the cash flows of MMG as in the Financial Report. This Report should be read in conjunction with the Financial Report of MMG, which can be found on the MMG website at http://www.macquarie.com.au/au/mmg/investor_centre/financials.htm.

Further details in relation to the preparation of this Report are set out below and in the notes to the Report on pages 12 to 15.

Proportionate Earnings

	Actual Results 12 months to 30 June 2009 $'000	Proforma Results 12 months to 30 June 2008 $'000	Actual Results 12 months to 30 June 2008 $'000
Media operations revenue	**534,015**	582,478	567,562
Media operations expenses	**(385,930)**	(403,854)	(351,820)
Media operations EBITDA	**148,085**	178,624	215,742
Media operations maintenance capital expenditure	**(4,157)**		(10,027)
Media operations net interest expense	**(89,651)**		(92,662)
Media operations net tax expense	**(1,130)**		(5,737)
Proportionate earnings (pre-corporate income and expenses)	**53,147**		107,316
Corporate dividend income	**-**		7,300
Corporate interest income	**18,927**		1,338
(Losses)/gains on foreign currency hedge contracts	**(2,274)**		3,193
Corporate expenses	**(6,258)**		(18,245)
Corporate net tax expense	**(180)**		(1,618)
Proportionate earnings	**63,362**		99,284

For the 12 months to 30 June 2009, MMG's total media operations EBITDA was $148.1m, a decrease of 31.4% on the actual prior corresponding period ("pcp") total media operations EBITDA of $215.7m. This movement includes the combined impact of the following transactions:

- The increased beneficial ownership interest in the Southern Cross Television group of companies ("MSCM-TV") from 13.8% to 100% on 26 October 2007 (a full 12 months of EBITDA in the current period versus 34 weeks in the pcp actual results);
- The entry into agreements by ACM in November 2007 to acquire publications from Brown Publishing Company ("Brown") and Chesapeake Publishing Corporation ("Chesapeake"), these agreements being settled on 12 December 2007 and 8 January 2008 respectively (a full 12 months of EBITDA in the current period versus 29 weeks of Brown and 25 weeks of Chesapeake in the pcp actual results);
- The sale of the 19 Australian regional radio licences in February and March 2008 ($nil EBITDA in the current period versus 8-9 months in the pcp actual results); and
- The sale of MMG's 60% economic interest in Taiwan Broadband Communications on 12 June 2008 ($nil EBITDA in the current period versus 11.5 months in the pcp actual results).

Proportionate Earnings for the 12 months to 30 June 2009 were $63.4m, a decrease of 36.2% on pcp actual results. Proportionate Earnings for the current period exclude the $138.9m impairment charge made against the carrying value of goodwill in relation to ACM. This is a non-cash item which has no impact on MMG's operating cashflows or its ability to pay distributions.

Proforma Results for the 12 months ended 30 June 2008 have been derived by restating the prior period results to reflect the continuing operations, the current period beneficial ownership interests and current period foreign currency exchange rates. This enables comparison of the operational performance of media operations between periods on a "like-for-like" basis. Specifically, the Actual Results for the 12 months to 30 June 2009 and the Proforma Results for the 12 months to 30 June 2008 include the revenue, expenses and EBITDA of the following:

- MSCM–TV for the full 12 months in each of the year ended 30 June 2009 and the year ended 30 June 2008; and
- the Brown and Chesapeake acquisitions by ACM for the full 12 months in each of the year ended 30 June 2009 and the year ended 30 June 2008.

In addition the Actual Results for the 12 months to 30 June 2009 and the Proforma Results for the 12 months to 30 June 2008 specifically exclude the revenue, expenses and EBITDA of the following:

- the former 60% economic interest in Taiwan Broadband Communications; and
- the 19 Australian regional radio licences sold in February and March 2008.

On a Proforma Results basis, Revenue decreased by 8.3% on pcp and EBITDA decreased by 17.1%, however this includes the impact of government licence fee rebates provided in connection with the conversion to digital television broadcasting. The revenue and EBITDA recognised in relation to these rebates decreased from $12.2m in the year ended 30 June 2008 to $2.2m in the year ended 30 June 2009.

Proportionate Earnings (continued)

Excluding the rebates from both the current and prior period Proforma results, Total Media Operations Revenue decreased by 6.7% and Total Media Operations EBITDA decreased by 12.4%. This result reflects higher revenue levels for the Australian operations in the first half of the year ended 30 June 2008 driven by advertising associated with the Federal election, a more challenging economic environment generally in the year ended 30 June 2009 for both the Australian and US operations, and the adverse impact of the Olympic Games on MSCM-TV advertising share in August 2008.

Macquarie Southern Cross Media

	Actual Results 12 months to 30 June 2009 $'000	Proforma Results 12 months to 30 June 2008 $'000	% Change
Commercial Radio Broadcasting:			
Media operations revenue[1]	**152,862**	160,500	(4.8%)
Media operations expenses	**(94,734)**	(97,345)	(2.7%)
Commercial Radio Broadcasting EBITDA	**58,128**	63,155	(8.0%)
EBITDA Margin %	***38.0%***	*39.3%*	*(1.3%)*
Commercial Television Broadcasting:			
Media operations revenue[1,2]	**249,739**	278,197	(10.2%)
Media operations expenses	**(184,516)**	(195,608)	(5.7%)
Commercial Television Broadcasting EBITDA	**65,223**	82,589	(21.0%)
EBITDA Margin %	***26.1%***	*29.7%*	*(3.6%)*
Combined MSCM:			
Media operations revenue[1,2]	**402,601**	438,697	(8.2%)
Media operations expenses	**(279,250)**	(292,953)	(4.7%)
Total media operations EBITDA	**123,351**	145,744	(15.4%)
EBITDA Margin %	***30.6%***	*33.2%*	*(2.6%)*
Maintenance capital expenditure	**(2,934)**		
Net interest expense	**(76,157)**		
Net tax expense	**(848)**		
Proportionate earnings	**43,412**		

[1] Media operations revenue includes local and national advertising sales revenue, production revenue, representation revenue, sponsorship income and promotions income
[2] Television revenue includes the accounting impact of government licence fee rebates provided in connection with the conversion to digital television broadcasting. Amounts included in Proportionate Earnings are $2.2 million for the 12 months ended 30 June 2009 and $12.2 million for the 12 months ended 30 June 2008

Actual Results for the 12 months ended 30 June 2009 include the revenue, expenses and EBITDA of MSCM-TV (the Southern Cross Television group of companies) for the full period. Proforma Results for the 12 months to 30 June 2008 have been adjusted to reflect a like-for-like period of ownership and therefore include the comparative revenue, expenses and EBITDA for the period 1 July 2007 to 30 June 2008 for MSCM-TV.

Demonstrating the resilience of MSCM's regional media markets, MSCM continued to deliver sound performance despite the challenging macro-economic conditions in Australia which have impacted national and, to a lesser extent, local advertising sales.

Revenue has decreased 8.2% to $402.6m and EBITDA has decreased 15.4% to $123.4m. The EBITDA margin has decreased from 33.2% to 30.6%. This result reflects the following:

- lower advertising revenue due to the more demanding external environment – while local advertising revenues have remained relatively resilient for the 12 months ended 30 June 2009 (down 4.0% on pcp), national advertising revenue which represents 42.5% of total revenues is down 9.7% on pcp;
- the adverse impact of the Olympic Games on MSCM-TV advertising shares in August 2008;

Proportionate Earnings (continued)

Macquarie Southern Cross Media (continued)

- higher revenue levels in the first half of the year ended 30 June 2008 driven by advertising associated with the Federal election and government information campaigns; and
- the reduction in government licence fee rebates recognised to $2.2m in the year ended 30 June 2009 from $12.2 m in the 12 months ended 30 June 2008.

Partly offsetting the above factors is a reduction in variable costs such as television programming costs and sales commissions in line with lower revenue. MSCM has also seen the impact of cost synergies from the acquisition of MSCM-TV and of management's actions to realign the cost base in response to the external environment and to continue to advance group wide revenue improvement strategies.

While the second half revenue performance continued to be impacted by a difficult national advertising environment and more cautious retail conditions as outlined above, there has been evidence of the rate of revenue decline reducing towards the end of the financial year.

As noted the Revenue and EBITDA reported above include the accounting impact of government licence fee rebates. Excluding these amounts from the current period and pcp to more accurately reflect underlying performance:

- Television revenue has decreased 7.0% and Television EBITDA has decreased 10.5% on pcp. Television EBITDA margin has decreased 1.0% to 25.5%.
- Combined MSCM revenue has decreased 6.1% and EBITDA has decreased 9.3% on pcp. Combined MSCM EBITDA margin has decreased 1.1% to 30.3%.

While a decrease in EBITDA margin on an ex-rebate basis reflects lower advertising revenues and a base level of fixed costs, the decrease has been largely mitigated through the impact of variable cost reductions, cost synergies and performance optimisation initiatives.

American Consolidated Media

	Actual Results 12 months to 30 June 2009 $'000	**Proforma Results 12 months to 30 June 2008 $'000**	% Change
Media operations revenue	**131,414**	143,781	(8.6%)
Media operations expenses	**(106,680)**	(110,901)	(3.8%)
Total media operations EBITDA	**24,734**	32,880	(24.8%)
EBITDA Margin %	***18.8%***	*22.9%*	*(4.1%)*
Maintenance capital expenditure	**(1,223)**		
Net interest expense	**(13,494)**		
Net tax expense	**(282)**		
Proportionate earnings	**9,735**		

Actual Results for the 12 months ended 30 June 2009 include the revenue, expenses and EBITDA of Brown and Chesapeake for the full period. Proforma Results for the 12 months to 30 June 2008 have been adjusted to reflect a like-for-like period of ownership and therefore include the comparative revenue, expenses and EBITDA for the period 1 July 2007 to 30 June 2008 for Brown and Chesapeake.

All media businesses in the United States have been adversely affected by significantly challenging economic conditions; however, as almost all of ACM's revenues come from local communities, ACM is less exposed to the more volatile national advertising market than major city newspaper operators and hence has continued to outperform metropolitan newspaper operators. More significantly, ACM's new sales initiatives and programmes imported from MMG's Australian business have also enabled ACM to outperform its US community newspaper peers.

Display advertising revenues, which are driven by local advertisers, represent 52.0% of total revenue for the 12 months ended 30 June 2009 and are down 9.2% on pcp. In contrast, classified advertising revenues, which are more exposed to the level of consumer transactions in housing and motor vehicles, and which represent 14.9% of total revenue, have been materially impacted by the lower overall level of consumer transactions in the market and are down 27.6%. Steady

Proportionate Earnings (continued)

■ *American Consolidated Media (continued)*

circulation revenue increases and solid growth in on-line advertising revenues are helping to partially offset the impact on overall ACM revenues of this advertising decline.

Higher newsprint prices adversely impacted EBITDA for the first three quarters of the year ended 30 June 2009, particularly in January and February 2009 when newsprint input prices reached 30-year highs. However newsprint pricing has recently begun to ease and this has contributed to lower costs in the last quarter of the year.

In response to the challenging revenue environment, management has continued to focus on optimising operational performance through rigorous ongoing cost management and new revenue enhancement initiatives to adapt to external market pressures and support operational earnings.

■ *MMG Corporate net interest income*

Corporate net interest income represents interest earned on fund level cash and has increased since the prior corresponding period following receipt of cash proceeds from the sales of TBC and the 19 Australian regional radio licences during the year ended 30 June 2008. Cash interest income in the second half of the financial year was well down on the first half of the financial year, reflecting the decline in cash rates over the period.

■ *MMG Corporate expenses*

Included in MMG Corporate expenses for the 12 months ended 30 June 2009 are Base Fees of $1.3 million and Performance Fees of $nil. Base Fees for the quarter ended 30 September 2008 of $1.3 million were paid in October 2008. No base fee has been payable since that quarter.

Proportionate Earnings per Security (“EPS”)

		Actual Results 12 months to 30 June 2009	**Actual Results 12 months to 30 June 2008**
Weighted average MMG securities on issue for the financial year	000	**209,835**	211,166
Proportionate EPS	cents	**30.2 cps**	47.0 cps

The number of securities on issue decreased during the 12 months ended 30 June 2009 as a result of security holders’ participation in the on-market and off-market buy-backs. The on-market buy-back commenced in January 2009 and remained on foot for the remainder for the financial year. The off-market buy-back was completed on 4 May 2009. A total of 23.9 million MMG stapled securities were acquired under the combined buy-backs during the period 13 January 2009 to 30 June 2009, bringing securities on issue down to 191.0 million as at 30 June 2009.

The 36.2% decrease in Proportionate Earnings reflects the divestment of Taiwan Broadband Communications in June 2008 as well as the challenging advertising environment in Australia and the United States during the financial year. Although partly mitigated by the reduction in weighted average MMG securities on issue as a result of the buy-backs, Proportionate Earnings per Security have reduced 35.7% from 47.0 cps to 30.2 cps.

Unconsolidated Cash Flows

	12 months to 30 June 2009 $'000	12 months to 30 June 2008 $'000
Cash flows from operations		
Macquarie Southern Cross Media	**71,797**	55,269
Taiwan Broadband Communications	**-**	67,531
American Consolidated Media	**-**	4,905
Cash flows from media operations	**71,797**	127,705
Interest received	**20,038**	1,445
Payments to suppliers (inclusive of goods and services tax)	**(8,690)**	(3,295)
Responsible entity and manager fees paid	**(2,246)**	(14,526)
Taxes refunded/(paid)	**249**	(1,333)
Net (payment)/proceeds (made)/received on settlement of foreign exchange contracts	**(3,335)**	2,568
Dividends received[1]	**-**	7,300
Net cash flows from operations	**77,813**	119,864
Cash flows from investing activities		
Proceeds from sale of media operations[2]	**22,623**	402,715
Payments for intangibles	**(1,253)**	-
Payments for investments in media operations[3]	**-**	(115,263)
Net cash flows from investing activities	**21,370**	287,452
Cash flows from financing activities		
Proceeds received from issue of stapled securities	**-**	419
Proceeds from borrowings from media operations	**-**	201,257
Repayment of borrowings from media operations	**(67,034)**	(114,519)
Interest paid on borrowings from media operations	**(19,341)**	(18,529)
Net proceeds from/(repayment of) fund level borrowings	**-**	1,330
Interest paid on fund level borrowings	**-**	(1,771)
Buy-backs – cost of acquiring MMG stapled securities and associated costs	**(31,205)**	-
Distributions paid to MMG security holders	**(57,923)**	(82,445)
Net cash flows from financing activities	**(175,503)**	(14,258)
Net increase/(decrease) in cash assets held	**(76,320)**	393,058
Cash assets at the beginning of the year	**407,781**	14,847
Exchange rate movements	**(233)**	(124)
Cash assets at the end of the year	**331,228**	407,781

[1] In the prior period this was dividends received from Southern Cross Broadcasting (Australia) Ltd prior to the date MMG acquired control

[2] In the current year this is the receipt of amounts previously held on escrow in relation to the proceeds on sale of TBC

[3] Payments for purchases of media operations include, where applicable, both the equity investment as well as loans provided to the acquiring entities (100% owned subsidiaries of MMG). In the 12 months ended 30 June 2008 media operations acquired were Brown and Chesapeake by ACM. The acquisition of the remaining 86.2% interest in Southern Cross Broadcasting (Australia) Ltd on 26 October 2007 was fully debt funded by a subsidiary entity and therefore the cash flows associated with that acquisition are not included above for that year

Media Operations – Operational Information

(1) Macquarie Southern Cross Media

Australian Revenue[1]	% of total revenue 12 months to 30 June 2009	% change on Proforma pcp	% of total revenue 12 months to 30 June 2008
Commercial Radio Broadcasting			
Local[2]	67.5%	(2.7%)	66.1%
National	23.2%	(11.9%)	25.1%
Total advertising revenue	90.7%	(5.2%)	91.2%
Other operations revenues[3]	9.3%	0.2%	8.8%
Total operations revenue[3]	**100.0%**	**(4.8%)**	**100.0%**
Television			
Local[2]	37.9%	(5.3%)	37.2%
National	54.3%	(9.2%)	55.7%
Total advertising revenue	92.2%	(7.6%)	92.9%
Other operations revenues[3]	7.8%	2.0%	7.1%
Total operations revenue[3]	**100.0%**	**(7.0%)**	**100.0%**
Combined MSCM			
Local[2]	49.2%	(4.0%)	48.1%
National	42.5%	(9.7%)	44.1%
Total advertising revenue	91.7%	(6.7%)	92.2%
Other operations revenues[3]	8.3%	1.2%	7.8%
Total operations revenue[3]	**100.0%**	**(6.1%)**	**100.0%**

[1] Like-for-like basis including MSCM-TV as if owned for the entire prior corresponding period, based on unaudited management accounts, and excluding the revenue from the 19 Australian regional radio licences sold in February and March 2008 from the prior corresponding period's revenue

[2] Excludes contra revenue

[3] Includes production revenue, sponsorship income, representation revenue, promotions income and contra revenues but excludes government licence fee rebates

(2) American Consolidated Media – Community Newspapers

US Revenue[1]	% of total revenue 12 months to 30 June 2009	% change on Proforma pcp	% of total revenue 12 months to 30 June 2008
Display	52.0%	(9.2%)	52.3%
Classified	14.9%	(27.6%)	18.8%
Total advertising revenue (ex Online)	66.9%	(14.0%)	71.1%
Commercial printing	15.2%	(0.5%)	14.0%
Circulation	14.8%	1.8%	13.3%
Online	1.8%	121.8%	0.7%
Other revenues	1.3%	39.7%	0.9%
Total operations revenue	**100.0%**	**(8.6%)**	**100.0%**

[1] Like-for-like including Chesapeake and Brown as if owned for the entire prior corresponding period on a constant currency basis, based on unaudited management accounts

Financing Facilities

Information presented below in respect of the Financing Facilities is as at 30 June 2009. Facilities for which the borrowing currency is not AUD have been translated at 30 June 2009 period end rates.

(a) Finance facilities available

Borrower	MMG Fund level	MSCM Group of companies[1]	ACM Group of companies[1,2]	Total MMG
	100%	100%	100%	
	A$m	A$m	A$m	A$m
Term loan facilities - secured				
Drawn at balance date	-	841.0	165.8	**1,006.8**
Unused at balance date	-	100.0	-	**100.0**
Total term loan facility	-	941.0	165.8	**1,106.8**
Working capital and capital expenditure facilities				
Drawn	-	31.5	-	**31.5**
Unused at balance date	-	38.5	12.4	**50.9**
Total working capital facility	-	70.0	12.4	**82.4**
Total facilities	-	1,011.0	178.2	**1,189.2**
Less: unused at balance date	-	(138.5)	(12.4)	**(150.9)**
Total drawn facilities at balance date	-	872.5	165.8	**1,038.3**
Less: cash on hand	(331.2)	(12.2)	(3.6)	**(347.0)**
Net debt/(cash)	(331.2)	860.3	162.2	**691.3**
Weighted average maturity from balance date – Term loan and working capital facilities	-	1.3 years	1.0 years	
Borrowing currency	-	AUD	USD	

[1] Both the MSCM and ACM media operation level facilities are non-recourse to each of the stapled entities
[2] Converted into AUD at 0.8068, being the exchange rate as at 30 June 2009

Post 30 June 2009 the following transactions took place at the MMG Fund level:

- Payment on 20 August 2009 of the final 2009 distribution, ($6.1m) ; and
- Settlement of on-market buyback acquisitions up until the date of this report, ($2.2m).

Of the $331.2m fund level cash as at 30 June 2009, $325.4m has been invested in short term instruments at a weighted average interest rate of 3.9%, with the remainder in transactional bank accounts.

(b) Facilities Interest Rate Risk on long term borrowings

	Floating interest rates	Fixed interest rate			Total
		Within 1 year	Over 1 year to 2 years	Over 2 years to 3 years	
MSCM facility drawn at balance date	872.5	-	-	-	**872.5**
Interest rate swaps	(788.6)	251.3	437.3	100.0	**-**
Total	83.9	251.3	437.3	100.0	**872.5**
Weighted average interest rate	5.1%	8.5%	9.2%	8.0%	**8.5%**
ACM facility drawn at balance date	165.8	-	-	-	**165.8**
Interest rate swaps	(152.8)	152.8	-	-	**-**
Total	13.0	152.8	-	-	**165.8**
Weighted average interest rate	3.5%	7.4%	-	-	**7.1%**

Financing Facilities (continued)

(b) Facilities Interest Rate Risk on long term borrowings (continued)

The weighted average interest rate for the Group's long term borrowings as at 30 June 2009 is 8.3% and the proportion of drawn down principal that is hedged via interest rate swaps is 91%.

- ***Macquarie Southern Cross Media***

MSCM has facilities comprising a $941.0m 3-year interest only term loan, which includes a revolving $100.0m tranche which is currently undrawn, as well as a $70.0m working capital and capital expenditure facility which is currently drawn to $31.5m. The facility is scheduled to mature on 1 November 2010. Interest rate swaps have been entered into for 90% of the drawn down principal.

- ***American Consolidated Media***

ACM has facilities comprising an interest-only three year term loan facility of US$133.7m, fully drawn, and a US$10.0m working capital facility, which is currently undrawn. The term loan facility was applied as to US$73.2m to fund the acquisition of Superior Publishing on 30 June 2007 with subsequent increases of US$23.4m in connection with the acquisition of Brown Publishing and US$46.6m in connection with the acquisition of Chesapeake Publishing. The term loan facility limit has been reduced by $US9.5m since these acquisitions following the partial prepayment of debt. The working capital facility of US$10.0m which is currently undrawn may be used to meet working capital and capital expenditure requirements as required. The facility is scheduled to mature on 29 June 2010. Interest rate swaps have been entered into for 92% of the drawn down principal over the period to the loan's maturity.

Notes to MMG Management Information Report

Summary of Significant Report Policies

The significant policies which have been adopted by the board of MMML, in its capacity as responsible entity of MMT, the board of MMHL and the board of MMIL, and used in the preparation of this Report, are stated to assist in a general understanding of this Report. Unless stated otherwise, these policies have been consistently applied to all periods presented in this Report.

PricewaterhouseCoopers ("PwC") have been engaged to perform certain procedures for the directors of MMML, MMHL and MMIL in relation to their preparation of the Proportionate Earnings, Proportionate Earnings per Security, Unconsolidated Cash Flows, Media Operations - Operational Information and Financing Facilities disclosures in this Report on the basis set out below. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed by PwC is that of the directors, and these procedures were performed solely to assist the directors of MMML, MMHL and MMIL in evaluating the accuracy of the disclosures.

PwC conducted their engagement in accordance with Australian Auditing Standards applicable to agreed upon procedures engagements. The procedures do not constitute either an audit or review in accordance with Australian Auditing Standards and accordingly PwC express no assurance over the accuracy of the Proportionate Earnings, Proportionate Earnings per Security, Unconsolidated Cash Flows, Media Operations - Operational Information and Financing Facilities disclosures or on any other aspect of the Report.

Proportionate Earnings

Current and prior period proportionate earnings information contained in this Report involves the aggregation of the financial results of MMG's relevant media operations in the relevant proportions that MMG holds beneficial ownership interests. It is calculated as media operations' revenues less media operations' expenses, media operations' maintenance capital expenditure, media operations' net interest expense, media operations' net tax expense, corporate expenses and corporate net tax expense plus corporate dividend income, corporate net interest income and certain net gains/(losses) on foreign exchange hedge contracts which relate to media operations' distributions earnings ("Proportionate Earnings").

Proportionate Earnings are disclosed for the year and the prior corresponding year ("Actual Results").

Proportionate Earnings information is also disclosed down to Media Operations Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") under a proforma approach. The Proforma EBITDA is derived by restating the prior period results with the media operations' ownership percentages and foreign currency exchange rates from the current period ("Proforma Results"). Proforma Results are produced to allow comparisons of the operational performance of media operations between periods, as it incorporates the impact of changes in ownership interests and foreign currencies in the prior periods.

The principal policies adopted in the preparation of Proportionate Earnings include:

Relevant assets

For an asset to qualify as a relevant media operation for inclusion in Proportionate Earnings, it must be an operation over which MMG has had control or significant influence during the period and which forms part of the Group's ongoing operations.

Based on the above qualification criteria, this Report includes Proportionate Earnings for the following assets for the year:

- Macquarie Southern Cross Media – Commercial Free to Air Broadcasting; and
- American Consolidated Media.

Actual Proportionate Earnings of the prior corresponding period include Taiwan Broadband Communications up until financial close on the divestment of this operation on 12 June 2008 and include MSCM–Television from the date control was acquired on 26 October 2007.

Information for each of the assets is sourced from unaudited management accounts prepared in accordance with MMG's accounting policies as set out in the most recent annual financial report.

Notes to MMG Management Information Report (continued)

Proportionate Earnings (continued)

Foreign currency exchange

All Proportionate Earnings information contained in this Report is disclosed in Australian dollars unless stated otherwise. Earnings denominated in foreign currencies are translated to Australian dollars at average monthly foreign currency exchange rates.

The average foreign currency exchange rates including those pertaining to the prior corresponding period are set out in the table below:

	USD	TWD
12 months to 30 June 2009	**0.7451**	**n/a**
12 months to 30 June 2008	0.9035	28.4966

MMG's beneficial ownership interest

The beneficial ownership interest of MMG in the relevant media operations used in the calculation of Proportionate Earnings for the 12 months to 30 June 2009 as well as the prior corresponding period is set out below:

	Macquarie Southern Cross Media		Taiwan Broadband Communications	American Consolidated Media
	Commercial Radio Broadcasting	Commercial Television Broadcasting[1]		
	%	%	%	%
30 June 2007	**100.0**	**13.8**	**60.0**	**100.0**
Movement	-	86.2	-	-
31 December 2007	**100.0**	**100.0**	**60.0**	**100.0**
Movement	-	-	(60.0)	-
30 June 2008	**100.0**	**100.0**	**-**	**100.0**
Movement	-	-	-	-
31 December 2008	**100.0**	**100.0**	**-**	**100.0**
Movement	-	-	-	-
30 June 2009	**100.0**	**100.0**	**-**	**100.0**

[1] While a 13.8% beneficial ownership interest in MSCM-TV was held as at 30 June 2007, it was not until 26 October 2007 (date control acquired) that MSCM-TV had its results included in Proportionate Earnings as a relevant media operation. Dividend income received in relation to that 13.8% beneficial ownership interest was included as corporate dividend income up until that date

Media operations revenue

Media operations' revenue is calculated by the aggregation of the product of the beneficial ownership interest and the total revenue of each of the relevant businesses. Revenue is recognised under MMG's accounting policies as set out in the most recent annual financial report and includes all types of operating revenue for each of the MMG's operations.

Advertising sales revenue, used in the operational information disclosure for Commercial Radio and Commercial Television Broadcasting operations, excludes contra revenue which is a non-cash item and other non-advertising revenue such as sponsorships, promotions, representation revenue, facility sharing, government grants and rebates and program sharing revenue.

Media operations expenses

Media operations' expenses are calculated by the aggregation of the product of the beneficial ownership interest and the total operating expenses incurred by each of the relevant businesses. Operating expenses are recognised under MMG's accounting policies as set out in the most recent annual financial report, other than one-off restructuring and termination costs, non-cash share based employee entitlements and non-cash impairment charges which are not included in media operations' expenses.

Notes to MMG Management Information Report (continued)

Proportionate Earnings (continued)

Media operations maintenance capital expenditure

Media operations' maintenance capital expenditure is calculated by the aggregation of the product of the beneficial ownership interest and the total maintenance capital expenditure of each of the relevant assets.

Media operations' maintenance capital expenditure is the expenditure on items of a capital nature to support the ongoing operations of the media businesses. This does not include the capital expenditure incurred to provide the capability to deliver products and services either not currently offered by the Group or which are to be offered to a new group of customers as defined by segment or location. It also excludes any substantial investments in technologies or facilities that change the way in which the Group's activities are offered or conducted.

Media operations net interest expense

Media operations' net interest expense is calculated by the aggregation of the product of the beneficial ownership interest and the net interest expense incurred by:

- the operating company of the relevant business; and
- entities interposed between any of the MMG stapled entities and the media operations companies, which have debt that is not guaranteed by the MMG stapled entities.

The definition of net interest expense includes all contractual interest expenses, borrowing expenses and interest revenues payable to, or payable by, third parties. Interest and borrowing expenses, or interest revenues, in respect of shareholder loans or similar agreements are excluded from the definition of net interest expense. Also excluded from the definition of net interest expense are fair value adjustments on financial instruments (interest rate swaps) and interest and borrowing costs that are capitalised and/or amortised.

Media operations net tax expense

Tax expense for the purposes of the calculation of net tax expense is that current tax expense that will be required to be paid determined with reference to the local generally accepted accounting principles ("GAAP") applicable to each relevant media operations entity. Net tax expense is made up of the aggregation of the following components:

- the product of the beneficial ownership interest and the net current tax expense of each of the relevant media operations, where the media operating company does not, in conjunction with any entities that are majority owned by one or a combination of the MMG stapled entities, form part of a consolidated group for tax purposes;
- the product of the beneficial economic interest in the ultimate holding company in a consolidated group for taxation purposes and the net current tax expense of the relevant consolidated group.

Corporate interest income

Corporate interest income is the aggregation of interest income earned by:

- any of the MMG stapled entities; and
- any of the entities interposed between any of the MMG stapled entities and the media operations companies which is not included in media operations' interest income.

The definition of interest income includes all interest revenues received and receivable from third parties except interest revenues in respect of shareholder loans or similar agreements.

Gains/(losses) on foreign exchange hedge contracts

Net gains/(losses) on foreign exchange hedge contracts reflect the realised gains and losses on foreign exchange forward contracts entered into by MMG to hedge distributions from its media operations.

Notes to MMG Management Information Report (continued)

Proportionate Earnings (continued)

Corporate expenses

Corporate expenses reflect the aggregation of:

- all expenses paid by MMG (excluding divestment costs), including base fees and performance fees (to the extent that either or both are payable in cash and subsequently not reinvested in MMG securities); and
- MMG's share of expenses from entities interposed between any of the MMG stapled entities and the media operator companies not included in media operations' operating expenses.

Corporate expenses exclude non-cash share based employee entitlements.

Corporate net tax expense

Corporate net tax expense is made up of the net current tax expense of any of the MMG stapled entities and subsidiaries thereof that do not form part of another Tax Consolidated Group for taxation purposes.

Proportionate Earnings per Security

The number of issued securities for the purpose of calculating Proportionate Earnings per Security ("Proportionate EPS") is calculated by the aggregation of each issue of MMG securities weighted by the number of days each security was on issue during the period.

Unconsolidated Cash Flows

Unconsolidated Cash Flows represent the aggregation of the cash flows attributable to MMG security holders. This includes the cash flows of each of the MMG stapled entities and net cash flows received from their subsidiaries, excluding all cash flows of entities which have non-recourse debt to MMG as these entities are considered to be part of the media operating company groups.

All information in this Report relating to Unconsolidated Cash Flows is disclosed in Australian dollars using foreign currency exchange rates applicable to the relevant transactions included in Unconsolidated Cash Flows.