



**CONSOLIDATED
MEDIA
HOLDINGS**

28 May 2010

**Companies Announcements Office
ASX Limited**

**VIA FACSIMILE: 1300 135 638
PAGES: 4 (including this letter)**

EXECUTIVE CHAIRMAN'S ADDRESS TO SHAREHOLDERS

Dear Sir / Madam,

In accordance with ASX Listing Rule 3.13.3, please find attached the presentation to be delivered by Executive Chairman Mr John Alexander to shareholders at the CMH General Meeting this morning.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Louise Arthur', written in a cursive style.

Louise Arthur
Company Secretary

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**ASX / MEDIA RELEASE
FOR IMMEDIATE RELEASE
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**EXECUTIVE CHAIRMAN'S ADDRESS TO SHAREHOLDERS
GENERAL MEETING
FRIDAY 28 MAY 2010**

Formally, welcome to the General Meeting of shareholders of Consolidated Media Holdings Limited. Thank you for taking the time today to attend.

The purpose of today's meeting, which is covered in quite some detail in the Notice of General Meeting and its Explanatory Notes, is to request shareholder approval for two distinct resolutions.

The first resolution – "Adoption of New Constitution" - is an item of special business today and concerns the adoption of a new Constitution for the company, and the repealing of the existing constitution that was adopted by the Company more than a decade ago in 1994.

Copies of the new constitution were available on entry to today's meeting, and via our website at www.cmh.com.au.

The first resolution is an item of special business and therefore requires the approval – or the "FOR" vote – of 75 per cent of the votes cast on the resolution. This will include those votes that have been lodged by proxy before today's meeting.

If the resolution to adopt the New Constitution is passed by shareholders today, the New Constitution will be lodged with ASIC, and then released to the ASX immediately after this meeting, and will include a reference that the constitution was adopted by shareholders today, Friday the 28th of May, 2010 on its cover.

We are seeking to update the company's constitution because essentially it is very outdated.

An overview of the material changes between the existing and the new constitution has been provided in the Notice of General Meeting and its accompanying Explanatory Notes.

As quite a bit of detail is included in the Notice of General Meeting and its Explanatory Notes, I will not labour on the intricate details this morning - suffice to say the New Constitution updates the rules governing the company to be consistent with the Corporations Act, the ASX Listing Rules, the ATSC Settlement Rules and current corporate governance practices.

The ASX has confirmed it has no objection to the New Constitution.

The New Constitution will ensure CMH is able to communicate more efficiently and more cost effectively with its shareholders. The new constitution removes ambiguities between the rules of the company and its obligations under the Corporations Act.

All of the directors of CMH have recommended that shareholders vote "for" the resolution to adopt the New Constitution.

There will be an opportunity to ask questions on the New Constitution when I put the special resolution to shareholders today.

The second and final resolution today – “On-Market Buy-Back Approval” - requires an ordinary resolution and seeks shareholder approval for CMH to conduct an on-market buy-back of up to 73,770,492 of its issued ordinary shares during the 12 month period from today’s date for the purposes of section 257C of the Corporations Act.

An ordinary resolution requires the approval – or the “FOR” vote – of 50 per cent of the votes cast on the resolution. This includes proxy votes received before the beginning of the meeting.

In discussing the On-market Buy-Back Approval resolution, I will first give some background to the reasons for the resolution, following which I will give a brief overview of how an on-market buy-back operates, and how it will operate for CMH if approved.

Shareholders will recall that CMH conducted an on-market buy-back in 2009, buying 68,967,692 CMH shares for an average price of approximately \$3.05 per share (excluding brokerage and other costs). The on-market buy-back completed on December 1. This buy-back was referred to in the Notice of General Meeting and Explanatory Notes as the 2009 Buy-Back Program.

As shareholders will be aware, CMH has a formal capital management policy, which is not to hold surplus cash in the absence of an acquisition opportunity. We announced in February, at the time of our half year results, that CMH was considering, and would report to the market in due course, what it proposes by way of an efficient utilisation of its surplus cash. Following a comprehensive review, it became clear that the most flexible, efficient and value accretive option for the company is to implement a further buy-back of CMH shares.

As outlined in the Notice of General Meeting and Explanatory Notes, where a company wishes to acquire more than 10 per cent of its total shares on issue within a 12 month period, it must first obtain the approval of shareholders to do so.

Accordingly, the On-Market Buy-Back Approval resolution today seeks the approval of our shareholders to buy back up to 73,770,492 shares over the next 12 months (i.e. over the period until May 28 next year). If approved, the shares will be bought-back on-market out of the company’s surplus cash of \$225 million.

CMH will not take on any debt to implement the buy-back, and will continue to remain debt free.

A more detailed coverage of the terms of the on-market buy-back, and in particular its advantages and disadvantages, is provided in the Notice of General Meeting and its accompanying Explanatory Notes, and as such I will not cover them at length today.

The Company expects the proposed on-market buy-back to be earnings per share, value per share and cashflow per share accretive. The proposed on-market buy-back is an efficient and flexible means by which to distribute the company’s \$225 million in surplus cash, for both the company and for its shareholders.

For the benefit of those shareholders in the room that may not be intimately familiar with the on-market buy-back process – how it operates and why it would be adopted by a company as a capital management initiative, I will cover this briefly for you now.

If the on-market buy-back is approved by shareholders today, CMH may – via an appointed broker – buy back shares on-market within a 12 month period until May 28 next year. This period is referred to in the Notice of General Meeting and Explanatory Notes as the “Buy-Back Period”.

During the Buy-Back Period, our broker may go into the market and buy shares on behalf of CMH. CMH will report on a daily basis to ASX how many shares it bought back the day before and at what cost.

As disclosed in the Notice of General Meeting and Explanatory Notes, CMH will instruct its broker that the broker cannot buy shares on-market during the black-out periods under the CMH Securities Trading Policy.

In simple terms – this means that CMH will not be buying back shares on-market during the period of the 1st of July, 2010 up to and including the day on which yearly results are released (we expect to release our results on or about the 20th of August, 2010); and from the 1st of January, 2011 up to and including the day on which the half-yearly results are released (we expect to release our results in the third week of February in 2011).

Shareholders who sell their shares on-market during the Buy-Back Period – excluding the black-out periods - may end up selling their shares to CMH’s broker. The seller will not be aware that this is the case.

It is important to clarify that CMH’s broker will be just another buyer of CMH shares on the market on any given day. The resolution you are being asked to approve is **not** an invitation by CMH to each shareholder to sell their shares at a set price. Shareholders will **not** be able to contact our broker and sell directly to CMH.

The shares that CMH buys back over the Buy-Back Period will be settled in the normal manner (T+3). The voting rights attached to the shares suspend, and the shares are immediately cancelled once transferred to CMH as required by the Corporations Act. This results in the total number of shares issued by CMH decreasing.

We have outlined in our Notice of General Meeting that the maximum number of shares CMH can buy back is 73,770,492 shares. This maximum is referred to in the Notice of General Meeting and Explanatory Notes as the Buy-Back Cap.

If CMH manages to buy back the full 73,770,492 shares (which would mean CMH would be buying back shares on-market at an average price of \$3.05), then the total shares on issue will reduce to 546,938,741 shares.

If CMH buys back shares on-market at an average price per share of greater than \$3.05, then it will not buy back the maximum number of shares. If CMH buys back shares on market at an average price per share of less than \$3.05, then it can only buy-back the maximum number of shares. In this case, CMH would be left with some of its surplus cash.

Relevantly, there is a limit under the ASX Listing Rules of the price CMH may buy back shares each day. The ASX Listing Rules require the price for an on-market buy-back of shares to be not more than 5 per cent above the average of the closing

market prices for ordinary shares calculated over the last 5 days when trades occurred on ASX before the day on which the on-market buy-back is to be made.

As I mentioned earlier, and as outlined in the Notice of General Meeting and Explanatory Notes, the on-market buy-back offers the company a flexible means by which to distribute the surplus cash to its shareholders. The on-market buy-back is expected to be earnings per share, cashflow per share and value per share accretive.

The on-market buy-back also allows the company the flexibility to stop and start the buy-back as requirements change – for instance – if an acquisition opportunity were to arise. In this regard, however, the company is not aware of any potential acquisition or investment opportunities at this time but continues to watch for opportunities.

The CPH and Seven nominees – James Packer, Ashok Jacob, Guy Jalland, Peter Gammell and Ryan Stokes, did not vote as directors on whether to put the buy-back resolution to shareholders, and are not providing a recommendation in relation to the buy-back, to avoid the potential for a conflict of interest.

The Recommending Directors – being Christopher Corrigan, Christopher Mackay, Geoffrey Dixon, Rowena Danziger and myself – all recommend that shareholders vote for the On-Market Buy-Back Approval resolution.

ENDS

COPIES OF RELEASES

Copies of previous media and ASX announcements issued by CMH are available at CMH's website at www.cmh.com.au.