

MACQUARIE RADIO NETWORK LIMITED

Extraordinary General Meeting

Address of Russell Tate, Executive Chairman

Sydney, Wednesday, 25 March 2015

On 22 December 2014, MRN announced the proposed merger between MRN and Fairfax Radio Network, FRN (**Proposed Transaction**).

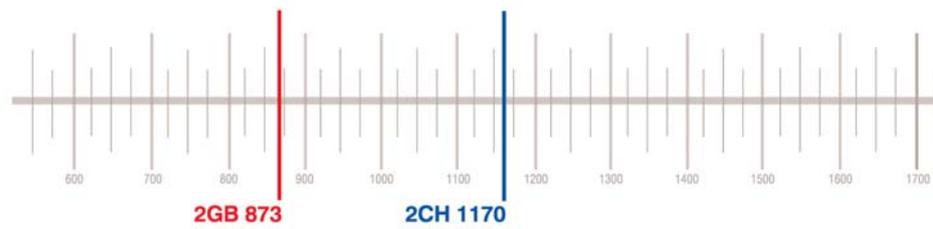
Under the Proposed Transaction, MRN will acquire 100% of the issued share capital of FRN in exchange for the issuance of new MRN Shares to Fairfax and an equalising cash payment to Fairfax of approximately \$18 million based on the net debt positions of FRN and MRN. On completion, existing MRN shareholders will hold 45.5% and Fairfax will hold the remaining 54.5% of MRN shares on issue.

The proposed 'merger of equals' brings together Australia's leading news-talk radio operations which currently occupy number one overall ratings positions in Sydney (MRN's 2GB) and Melbourne (Fairfax's 3AW). The combined group will consolidate the operations of an additional five radio stations across Australia: 2UE (Sydney), Magic 1278 (Melbourne), 4BC (Brisbane), Magic 882 (Brisbane) and 6PR (Perth) and also includes two additional radio businesses, Satellite Music Australia and Fairfax Radio Syndication. As part of the proposed transaction and due to regulatory requirements, MRN is required to divest 2CH and Macquarie Regional Radio network. The proposed transaction does not include FRN's 96FM (Perth) station which was sold by FRN in a transaction that completed on 30 January 2015.

Approval of the Proposed Transaction by MRN shareholders is required under the Corporations Act and ASX Listing Rules. The proposed transaction is subject to a number of other conditions precedent being satisfied or waived, as outlined in the Explanatory Memorandum.

If the resolution relating to the Proposed Transaction, which is Resolution 2, is approved by MRN Shareholders, and all other conditions precedent to the Merger Implementation Agreement are satisfied or waived, then completion of the proposed transaction is scheduled to occur on or about 31 March 2015.

I will lead the merged operations as Executive Chairman for an interim 12 months supported by Adam Lang, currently FRN's Managing Director, who will be appointed Chief Operating Officer. The Board will comprise Jack Singleton, myself, two Fairfax nominees, Greg Hywood and James Millar, and one yet to be determined independent Director, who is expected to be appointed shortly after completion, subject to ACMA approval being received. This means that, as at completion of the proposed transaction, assuming it is approved, each of Kate Thompson, Maureen Plavsic and Max Donnelly will step down from the Board. I would like to thank each of them for their service to MRN over the years.



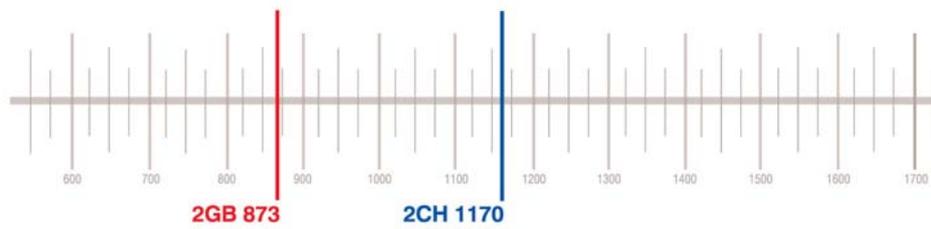
The Directors believe that significant benefits will be delivered from the proposed transaction, including:

- bringing together the greatest mix of talkback talent ever assembled in a single radio network. The combined group boasts leading presenters who engage listeners with an unprecedented quality and diversity of commentary, entertainment and sport coverage;
- unlocking significant cost and revenue synergies from enhanced networking and sales opportunities for both our news talk and music stations;
- providing national advertisers in particular with ease of access to the increasingly important and sought after over 45 demographic segments;
- economies of scale associated with programming and talent costs derived from broader distribution of appropriate content and improvements in quality of content; and
- mitigating the market and talent risk to which MRN is exposed by geography.

The Directors engaged Grant Thornton Corporate Finance Pty Ltd (**Grant Thornton**) to provide an Independent Expert's Report to assist MRN shareholders in deciding whether or not to approve Resolution 2 relating to the proposed transaction. In that report, Grant Thornton as the Independent Expert, has concluded that the proposed transaction is fair and reasonable to MRN shareholders. The Independent Expert's Report is set out in Appendix A of the Explanatory Memorandum.

Separately, and independently of the Proposed Transaction, MRN also proposes to amend the company's constitution to provide its current major shareholder, John Singleton Promotions Pty Limited, with the right to appoint one nominee director to the Board for a period of 3 years, so long as it holds in excess of 20% of the Shares on issue. If the resolution is successful, Jack Singleton will be the first nominee. The directors believe that the constitution amendment is in the best interests of MRN shareholders having regard to the contribution of John Singleton Promotions Pty Limited as a strategic partner of, and stakeholder in, MRN over the long term. This constitution amendment is subject to the approval of MRN Shareholders, which is also being sought at this meeting under the proposed Resolution 1.

The Directors have unanimously recommended that MRN Shareholders vote in favour of both resolutions (in the case of Resolution 2, subject to no superior proposal being received). Each Director who holds or controls MRN shares, and is entitled to vote, intends to vote those shares, or cause those controlled entities to vote, in favour of the resolutions.



Each of John Singleton and the Carnegie family, as the major and substantial Shareholders of MRN, have indicated that they will support the proposed transaction and constitution amendment and vote in favour of them, assuming the various conditions in the MIA are satisfied and no superior proposal is received.

I note that since announcement of the proposed merger on 21 December 2014, four months ago, no alternative proposal has emerged. I also note that approval for the proposed transaction has been received from the ACCC and ACMA, Fairfax's Radio 96FM has been sold, no material adverse change to the business, assets, liabilities, financial, trading position, profitability or prospects for either MRN or FRN has occurred or is likely to occur before completion of the proposed transaction and there has been no 'prescribed occurrence' in relation to the MRN Group (except for Macquarie Regional Radio and Radio 2CH) or FRN Group. Accordingly, we expect all other conditions precedent to be satisfied subject to the transaction being approved by MRN Shareholders.

ENDS