CONSOLIDATED MEDIA HOLDINGS

FAX TO:	THE MANAGER, COMPANY ANNOUNCEMENTS ASX
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FROM:	LOUISE ARTHUR
COMPANY:	CONSOLIDATED MEDIA HOLDINGS LIMITED (CMH)
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SUBJECT:	EXECUTIVE CHAIRMAN'S ADDRESS TO SHAREHOLDERS AT 2010 CMH ANNUAL GENERAL MEETING
DATE:	30 NOVEMBER 2010

Dear Manager,

Please find attached the Executive Chairman's Address to Shareholders at the 2010 CMH Annual General Meeting today.

Yours faithfully

Louise Arthur
Company Secretary

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EXECUTIVE CHAIRMAN'S ADDRESS
2010 CONSOLIDATED MEDIA HOLDINGS LIMITED ANNUAL GENERAL MEETING

I would like to formally welcome shareholders to the 2010 Annual General Meeting of Consolidated Media Holdings Limited.

CMH has more than 3,000 shareholders registered in Western Australia, and a long history in this state. In fact, some of you may not be aware that your company was originally incorporated in Western Australia, in a different form, with a different name and with different investments, in July 1983. In fact, CMH – when the company was known as Publishing and Broadcasting Limited - was the owner of this casino, Burswood, before we demerged into CMH and Crown in 2007.

I'm sure most of you will have seen our results for the 2010 financial year that were released to the market on August the 20th. Given the time that has passed since the announcement of these results, I propose to cover them only briefly today, and provide you with a little more detail on the performance and innovations of each of our investments since July the 1st.

On the 20th of August, CMH reported a net profit after tax result for the 2010 financial year of $89.5 million, up 27.2 per cent or $19.1 million on the 2009 financial year when comparing the results on a like-for-like basis.

As in previous years, we provided shareholders with a like-for-like comparison to give our shareholders the best understanding of the performance of our ongoing investments in subscription television, particularly given the divestiture of our non-core assets, SEEK and our Park Street building, over the course of the last financial year.

The company's NPAT result continues to be driven year-on-year by the strong underlying results of our investments in FOXTEL and Premier Media Group, with their equity contribution to our NPAT result up 8.3 per cent, to $84.0 million, in the 2010 financial year.

Our 2010 NPAT result also included a solid net interest income of $12 million and reduced head office costs, as a result of continued focus in that area.

The 2010 financial year was a busy one for management and your company, with activity continuing into the first half of the 2011 financial year.

As I mentioned, we sold our non-core assets in the first half of the 2010 financial year for just below $500 million in cash, and for a significant profit.

Some of you will recall I covered the detail of the disposal of our non-core assets at length at our 2009 AGM, so I won't repeat myself here, except to say that these asset sales left CMH with both a substantial sum of cash and with considerable flexibility.

As much of this cash was surplus to CMH's operational requirements and consistent with our capital management policy, CMH sought to distribute the surplus funds to our shareholders in an efficient and effective manner.

CMH paid two dividends to shareholders for the 2010 financial year, totalling 16.5 cents per share.

This 16.5 cents per share represented a dividend yield of over 5 per cent based on the share price during 2010.

CMH completed the 2009 Buy-Back Program in December 2009 – buying back our shares at an average price of $3.05 and has substantially implemented the 2010 Buy-Back Program at an average price of $3.29, following the overwhelming approval of the action by shareholders at a specially-convened general meeting in May this year.

The 2009 and 2010 Buy-Back Programs have both been earnings per share, dividend per share, cash flow per share and value per share accretive.

There is no rush to complete the implementation of the 2010 Buy-Back Program; we will continue to be prudent and patient in buying back shares, with a further $30 million in surplus cash available under the program and until May 28 next year to complete it.

In what many would agree have continued to be volatile equity markets in 2009 and 2010, the CMH share price has remained strong – with a volume weighted average price or VWAP of $3.04 for the 2010 financial year and a VWAP of $3.24 since July 1.

In addition to the implementation of our capital management initiatives, management continues to view one of its key objectives as driving value from the company's pay television investments, and passing this value through to the company's shareholders.

To meet this objective we focus on tightly managing costs at a head office level, including with respect to remuneration, reflected in our remuneration report. Management has also implemented initiatives, to ensure our costs remain as low as possible.

An example of one such initiative is the Non-Marketable Parcel Program, which reduces CMH's costs on the one hand, whilst on the other gives our smallest shareholders the opportunity to sell their shares with CMH picking up the brokerage.

As I have mentioned earlier in this address, CMH is driven by the success of its two major investments.

I will now briefly discuss the performance of each of these investments.

FOXTEL's 2010 results were released to the market in August this year. FOXTEL's ongoing profitability through 2010 was reflected by another year of EBITDA growth – its result of $477 million was up 17.5 per cent on the result for 2009.

FOXTEL's profit before tax also showed a 17.5 per cent improvement, increasing to $159 million in 2010.

Existing subscribers continued to embrace the FOXTEL products and FOXTEL's innovations during the year, with the average revenue per user increasing $6 to over $92 per user. This

ARPU growth trajectory has continued in the 2011 financial year and is now consistently above $94 per user.

The strong 2010 results at FOXTEL, and the continued solid performance to date, were despite a slowdown in new subscriber growth, with the number of subscribers at June 30th flat year on year.

The subdued subscriber growth – in what remains a very competitive television space, a challenging economic environment on the back of successive interest rate rises and weaker discretionary retail spending, remains a primary area of focus for FOXTEL management.

FOXTEL continues to implement initiatives to re-invigorate subscriber sales.

To this end, FOXTEL has continued to focus on what it does best: innovate and offer compelling content. FOXTEL has expanded its new channel and technology offerings, with the introduction of 32 new channels in the last financial year and a further 12 since July 1 – taking its total channel offering to 213 channels.

Its channels are now available on the XBOX and will soon be available on the Telstra T-Box.

FOXTEL also continues to introduce compelling new Australian programming and foreign content across its channels, including the first 3D transmission of a sporting event in Australia; the introduction of new Australian dramas such as *Spirited*; and a comprehensive coverage of politics and the 2010 election on Sky News Australia with a separate 24 hour news channel dedicated exclusively to the election.

FOXTEL has this year given its subscribers greater flexibility on-demand.

By early next year more than 850,000 of FOXTEL's iQ subscribers will be able to tap into a library of content via the internet-enabled FOXTEL iQ box. FOXTEL has plans to grow the depth and breadth of this library.

The FOXTEL iQ Box has considerable potential and, in an environment where content and innovation is key, is well placed to continue to deliver best-in-class entertainment to subscribers.

Turning now to our 50 per cent investment in Premier Media Group.

Premier Media Group's EBITDA grew in 2010 to $153 million, a small improvement of 1.2 per cent on the 2009 result. The 2009 result included $7 million of one-off items, so on a normalised basis the 2010 result from PMG is a good one. The PMG PBT result of $144 million was flat on the 2009 result.

PMG renewed a number of sporting rights contracts during the year – including the English Premier League, the French Open tennis, a plethora of golfing and cricket events, and the SANZAR contract which includes the enhanced Super Rugby, Tri Nations and Bledisloe Cup competitions.

Renewing rights such as these is critical as it ensures PMG remains the leading provider of television sporting content in Australia, whether via a subscription television service or via an IPTV service such as the FOX SPORTS Play channel, which is now available on FOXTEL by XBOX.

PMG's channels consistently draw the highest audience numbers on subscription television.

We expect this will continue with another strong summer of sport - with PMG holding the live rights to the Cricket World Cup and the Asian Cup football; an exciting new super rugby union format; and later in the year what is already shaping up as an interesting and competitive league season. We also look forward to the introduction of the new Gold Coast franchise to the AFL competition in 2011.

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In summary, we are pleased with the performance of each of our investments for the 2010 financial year.

Fiscal 2011 is not without its challenges, for the reasons I have outlined today. The management teams at FOXTEL and PMG are each working hard to drive growth at their businesses, and year to date, I am pleased that these efforts have been successful.

As I have stated at previous Annual General Meetings of this company, CMH remains an excellent opportunity for shareholders to gain exposure to the profitable subscription television sector. We continue to work at making sure the profits from our investments are passed through to our shareholders, with minimal costs at our head office level.

We continue to monitor the market for potential acquisition and investment opportunities and as we sit here today, are a low-cost, debt-free company with investments in two of Australia's pre-eminent media assets.

ENDS

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