

13 May 2010

Companies Announcements Office
ASX Limited

VIA E-LODGEMENT

LETTER TO SHAREHOLDERS

Dear Sir / Madam,

In accordance with ASX Listing Rule 3.17, please find attached a letter which will be sent to all shareholders of Consolidated Media Holdings Limited.

Yours faithfully



Louise Arthur
Company Secretary

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Dear CMH Shareholder,

You will by now have received in the mail a CMH Notice of General Meeting, which convenes a meeting of CMH shareholders at the Sheraton on the Park Hotel, 161 Elizabeth Street Sydney NSW, at 10am on Friday 28 May 2010.

The meeting has been convened to consider two resolutions:

- to approve the adoption of a new Constitution; and
- to authorise a further on-market buy-back of shares to be implemented by CMH.

Since we issued the Notice, we have had discussions with the Australian Securities & Investments Commission about providing information concerning the intentions of our two major shareholders, Consolidated Press Holdings Limited (**CPH**) and Seven Network Limited (**Seven**), in relation to the second resolution (the on-market buy-back resolution).

We have asked CPH and Seven their intentions with respect to the on-market buy-back. The response we received from CPH and Seven is outlined below.

CPH

- CPH is supportive of the on-market buy-back. However, CPH has made no decision on whether it will vote in favour of the on-market buy-back resolution or abstain from voting on the resolution. CPH reserves its ability to vote against the on-market buy-back resolution in the event that circumstances change and it is in CPH's interest to vote against that resolution;
- if CPH votes in favour of the on-market buy-back resolution, and the resolution is passed only because of their vote, then CPH agrees that if its voting interests in CMH at any time during the currency of the on-market buy-back exceeds the **Creep Limit** then it has committed to CMH that it will sell down its CMH shares to ensure that it does not exceed the Creep Limit (**Commitment**); and
- subject to the Commitment, CPH has advised CMH that it has no present intention to sell any CMH shares whether into the buy-back or at all. However, this is the statement of CPH's present intention only and they have advised that their intention may change if circumstances change.

Seven

- Seven does wish to vote its CMH shares in respect of the resolution to approve the buyback.
- Seven has not determined whether it will participate in the buyback, but it may decide to do so.

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What we mean when we refer to the "Creep Limit"

The reference to the Creep Limit in relation to CPH's stated intentions and Commitment is a reference to the provision in the Corporations Act that allows CPH (and any other shareholder whose voting power in the Company exceeds 20%) to increase its voting power by not more than 3% in each six month period.

Today CPH's voting power in CMH is 45.3%, as CPH is the holder of 281,175,931 of CMH's 620,709,233 issued shares.

On 7 June 2010, CPH is entitled to increase its voting power under the Creep Limit to 48.3%. If it did so on that date CPH would then not be able to further increase its voting power in the Company for another six months ie. not before 7 December 2010.

What the Commitment means

Section 2.7(d) of the Notice of General Meeting (at page 12) outlines that there is a possibility that CPH's voting interests could increase to a maximum of 51.4%. This is on the assumption that the maximum number of CMH shares are bought back by CMH under the 2010 on-market buy-back program.

Depending on the number of CMH Shares we acquire under the 2010 on-market buy-back program (assuming it is approved), and the timing of those acquisitions, it is conceivable that CPH could exceed the Creep Limit while the 2010 buy back program is continuing. CPH has confirmed to CMH that if it does exceed the Creep Limit in these circumstances it will sell such number of its CMH shares as required to ensure that it no longer exceeds that limit. This means that if CPH's voting power exceeds 48.3% before 7 December 2010, it will sell down CMH shares to reduce its voting power to 48.3%.

CMH, its shareholders and the market generally will be able to monitor CPH's voting power on a regular basis, as CMH will provide a daily share buy back notice to ASX when it buys back CMH shares under the 2010 on-market buy back program.

Details of the General Meeting

If you have not received our Notice of General Meeting, or would like another copy, please contact our Share Registry Computershare on **1300 850 505**, or our Company Secretary on contact@cmh.com.au.

The Notice of General Meeting is also available on the home page of our website www.cmh.com.au.

If you are unable to attend the meeting and would like to lodge a proxy vote, please remember that proxies must be lodged by no later than **10am (Sydney time) on Wednesday 26 May 2010**.

Further detail on how to lodge proxies is included in the Notice of General Meeting at page 14. If you would like another proxy form, please contact our Share Registry on the number listed above.

Yours faithfully



John Alexander
Executive Chairman