APPENDIX 4D

Half Year Report

Name of entity: **Macquarie Media Group ("MMG")**

1. Details of the reporting period

Current Period: 1 July 2008 - 31 December 2008
Previous Corresponding Period: 1 July 2007 - 31 December 2007

2. Results for announcement to the market

				$A'000
2.1 Revenues from ordinary activities *	up/~~down~~	62%	to	293,825
2.2 Net Profit/(loss) from ordinary activities for the half year *	~~up~~/down	>100%	to	(127,257)
2.3 Profit/(loss) for the period from ordinary activities attributable to stapled security holders *	~~up~~/down	>100%	to	(127,257)

* Please refer to commentary in section 2.6 for explanation of figures reported above.

2. Results for announcement to the market (continued)

2.4 Dividends / Distributions	Amount per security	Franked amount per security
Current Period:		
Interim distribution 2009	4.50c	Nil
Final distribution 2008	22.50c	Nil
Previous Corresponding Period:		
Interim distribution 2008	24.50c	1.492819c
Final distribution 2007	24.50c	0.760884c

2.5 Record date for determining entitlements to the dividend/distribution	31 December 2008

2.6 *Provide a brief explanation of any of the figures reported above necessary to enable the figures to be understood.*

The increase in revenue from the previous corresponding period was mainly due to:-

- a complete half year's results for Southern Cross Broadcasting (Australia) Limited, which was controlled from 26 October 2007 in the corresponding period;
- a complete half year's results for Messenger Publishing Corporation and assets from Brown Publishing Company, which was controlled from 12 December 2007 in the corresponding period;
- a complete half year's results for Chesapeake Publishing Corporation, which was controlled from 8 January 2008.

The net loss from ordinary activities for the half year includes A$155.5m in net non-cash charges comprising an A$127.1m goodwill impairment charge in respect of ACM (in line with the review of carrying values previously indicated to the market on 17 December 2008) and A$70.5m net valuation losses on interest rate and foreign currency hedging instruments. It also includes a net foreign exchange gain of A$42.1m. These items have been accounted for in the income statement but have no impact on MMG's operating cashflow or its ability to pay distributions. Excluding these non-cash items, Net profit from ordinary activities would have been A$28.2m, up 55%. Profit for the period from ordinary activities attributable to stapled security holders would have been A$28.2m, up 216%.

Refer attached interim financial report for further information.

3. Net tangible assets per security

	Current period	* Previous corresponding period
Net asset backing per stapled security	$3.98	$4.50
Net tangible asset backing per stapled security	($2.40)	($1.98)

* As at 30 June 2008

4. Control gained or lost over entities during the period

None.

5. Details of dividends/distributions

On 19 August 2008, the final distribution for the year ended 30 June 2008 of $48.3 million (22.5 cents per stapled security) was paid to security holders.

The distribution for the period ended 31 December 2008 was $9.7 million (4.5 cents per stapled security) and was paid to stapled security holders on 17 February 2009.

6. Details of dividend/distribution reinvestment plan

MMG's Distribution and Dividend Reinvestment Plan ("DRP") was suspended by the Directors in relation to the Final Distribution for the year ended 30 June 2008 and until further notice. The DRP remains suspended in relation to the Interim Distribution for the year ending 30 June 2009.

7. Details of associates and joint venture entities

As at 31 December 2008:

- MMG holds a 50% interest in Radio Newcastle Pty Limited, which is held as an associate and equity accounted.
- MMG held a 50% interest in Tasmanian Digital Television Pty Limited, which is held as an associate and equity accounted.
- MMG holds a 25% interest in Gold Coast Translators Pty Limited, which is held as an associate and equity accounted.
- MMG holds a 35.7% interest in Regional TAM Pty Limited, which is held as an associate and equity accounted.
- MMG holds a 50% interest in Central Television Network Limited, which is held as an associate and equity accounted.
- MMG held a 50% interest in Darwin Digital Television Pty Limited, which is held as an associate and equity accounted.

8. Accounting standards used by foreign entities

All foreign entities have been adjusted to conform with Australian Accounting Standards where necessary.

9. Qualification of audit / review

N/A as there is no audit dispute or qualification. Refer attached interim report for review report.

Macquarie Media Group™[1]

Comprising Macquarie Media Trust, Macquarie Media Holdings Limited and Macquarie Media International Limited and their respective subsidiaries

Interim Financial Report for the half year ended 31 December 2008

1 Trademark of Macquarie Group Limited

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 Level 7, 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 is c/- ISIS Fund Services Limited, 35 Crow Lane, East Broadway, Paget HM20, 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. MMMLis a member of the Macquarie Group of Companies. MMML's registered office is Level 7, No 1 Martin Place Sydney NSW 2000, Australia.

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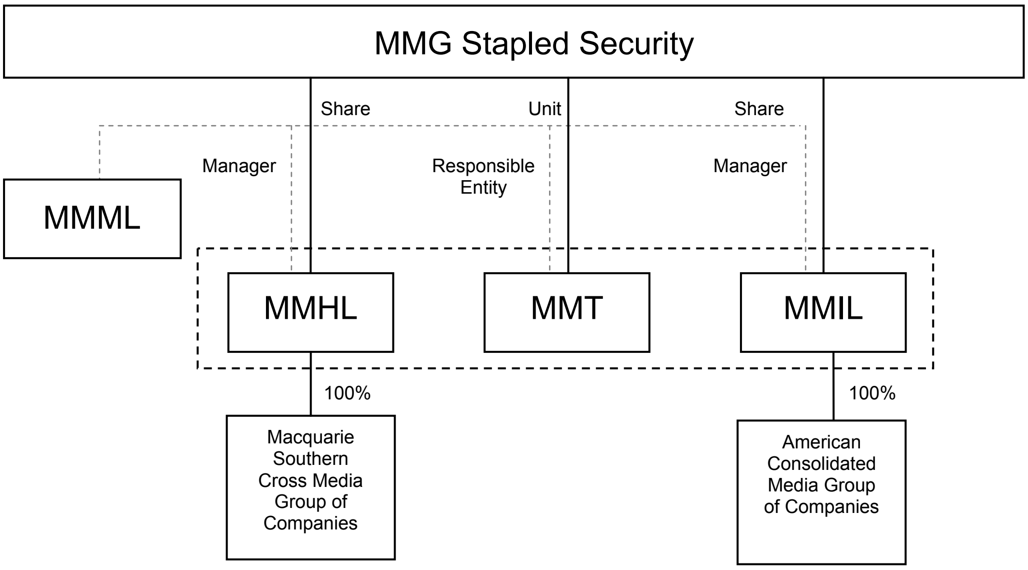
Explanation of the Interim Financial Report

At 31 December 2008 Macquarie Media Group ("Group") comprises Macquarie Media Trust ("MMT" or "the Trust"), Macquarie Media Holdings Limited ("MMHL") and its subsidiaries and Macquarie Media International Limited ("MMIL") and its subsidiaries. These three stapled entities trade as one listed security, Macquarie Media Group, on the Australian Securities Exchange (ASX: MMG). A summary of the corporate structure showing the economic interest that MMG holds in the respective entities at 31 December 2008 is illustrated below in Figure 1.

Figure 1 – MMG



Under Australian Accounting Standards, MMT has been deemed the Parent Entity of MMHL and MMIL for accounting purposes. Therefore the MMT consolidated financial statements include all entities forming Macquarie Media Group.

Financial statements for the MMHL consolidated group and MMIL consolidated group for the half year ended 31 December 2008 have been presented in this report, jointly as permitted by ASIC class order 05/642.

The interim financial report for the Group, presented in the first column in the attached interim financial report, serves as a summary of the financial performance and position of the Group as a whole, while the two other interim financial reports provide summaries for the different entities that make up the Group.

As the securities held by investors are stapled securities in the Group, the interim financial report for the Group provides the most concise information regarding the performance of investors' funds, with further information on the components of the investment presented in the remaining columns.

On 12 June 2008, MMIL disposed of its 60% interest in Taiwan Broadband Communications group of companies ("TBC Group"). Accordingly, the results of the TBC Group for the half year ended 31 December 2007 have been disclosed as a discontinued operation in these financial statements.

Directors' Reports – MMML, MMHL and MMIL

Macquarie Media Management Limited ("MMML" or "Responsible Entity") acts as the responsible entity for Macquarie Media Trust ("MMT"), the manager of Macquarie Media Holdings Limited ("MMHL") and the manager of Macquarie Media International Limited ("MMIL"). The directors of MMML submit the following report together with the interim financial report of the Macquarie Media Trust group ("MMG" or "the Group") for the half year ended 31 December 2008. AASB Interpretation 1002: *Post-Date-of-Transition Stapling Arrangements* requires one of the stapled entities of a stapled structure to be identified as the Parent Entity for the purpose of preparing a consolidated interim financial report. In accordance with this requirement, MMT has been identified as the parent of the consolidated group comprising MMT, MMHL and its subsidiaries and MMIL and its subsidiaries together acting as Macquarie Media Group.

The directors of MMHL submit the following report for the Macquarie Media Holdings Limited group, being Macquarie Media Holdings Limited and its subsidiaries (the "MMHL Group"), for the half year ended 31 December 2008.

The directors of MMIL submit the following report for the Macquarie Media International Limited group, being Macquarie Media International Limited and its subsidiaries (the "MMIL Group"), for the half year ended 31 December 2008.

Directors

The following persons were directors of MMML during the whole of the half year and up to the date of this report:

- Max Moore-Wilton (Chairman)
- John Roberts (Alternate to Max Moore-Wilton and Michael Carapiet)
- Tony Bell
- Chris de Boer
- Michael Carapiet
- Leon Pasternak

The following persons were directors of MMHL during the whole of the half year and up to the date of this report:

- Max Moore-Wilton (Chairman)
- Michael Carapiet (Alternate to Max Moore-Wilton)
- John Roberts (Alternate to Max Moore-Wilton)
- Tony Bell
- Chris de Boer
- Leon Pasternak

The following persons were directors of MMIL during the whole of the half year and up to the date of this report:

- Michael Hamer (Chairman)
- Bob Richards (Deputy Chairman)
- Michael Carapiet (Alternate to Max Moore-Wilton)
- John Roberts (Alternate to Max Moore-Wilton)
- Michael Leverock
- Max Moore-Wilton

Review and Results of Operations

The performances of the groups, as represented by the results of their combined operations presented in accordance with the accounting policies of the Group for the half year ended 31 December 2008, were as follows:

	MMG	**MMHL Group**	**MMIL Group**	MMG	MMHL Group	MMIL Group
	6 months to 31 Dec 08	**6 months to 31 Dec 08**	**6 months to 31 Dec 08**	6 months to 31 Dec 07	6 months to 31 Dec 07	6 months to 31 Dec 07
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Revenue from continuing activities	**293,825**	**220,356**	**74,784**	181,430	118,512	33,834
Other income	**42,814**	**-**	**1,547**	5,997	6,194	1,887
Total revenue and other income from continuing activities	**336,639**	**220,356**	**76,331**	187,427	124,706	35,721
(Loss) / profit before income tax expense	**(129,946)**	**(79,261)**	**(142,060)**	16,288	(4,691)	(19,527)
Income tax benefit / (expense)	**2,689**	**-**	**2,689**	(2,852)	(1,935)	378
(Loss) / profit from continuing operations after income tax	**(127,257)**	**(79,261)**	**(139,371)**	13,436	(6,626)	(19,149)
Loss from discontinuing operations	**-**	**-**	**-**	(15,032)	-	(15,032)
Loss for the half year	**(127,257)**	**(79,261)**	**(139,371)**	(1,596)	(6,626)	(34,181)
Profit / (loss) attributable to:						
- Equity holders of the parent – MMT	**91,108**	**-**	**-**	44,360	-	-
- Equity holders of other stapled entities (MMHL & MMIL as minority interest)	**(218,365)**	**-**	**-**	(40,187)	-	-
- Equity holders of other stapled entities (MMHL & MMIL as parent interest)	**-**	**(79,261)**	**(139,371)**	-	(6,626)	(28,412)
- Stapled security holders	**(127,257)**	**(79,261)**	**(139,371)**	4,173	(6,626)	(28,412)
- Other minority interests	**-**	**-**	**-**	(5,769)	-	(5,769)
	(127,257)	**(79,261)**	**(139,371)**	(1,596)	(6,626)	(34,181)
Basic earnings from continuing operations per unit attributable to:						
- MMT (as Parent Entity) *	**42.42c**	**-**	**-**	21.20c	-	-
Diluted earnings from continuing operations per unit attributable to:						
- MMT (as Parent Entity) *	**42.28c**	**-**	**-**	21.06c	-	-
Basic and diluted loss from continuing operations per share attributable to:						
- MMIL and MMHL (as Parent Entities)	**-**	**(36.90)c**	**(64.89)c**	-	(3.17)c	(9.15)c
Basic and diluted loss from discontinued operations per share attributable to:						
- MMIL (as Parent Entity)	**-**	**-**	**-**	-	-	(4.43)c
Basic and diluted loss per share:						
- MMIL (as Parent Entity)	**-**	**-**	**-**	-	-	(13.58)c

* The basic and diluted earnings per unit attributable to MMT has been calculated using the $91.1 million profit attributable to the equity holders of MMT over the basic and diluted weighted average number of securities.

- ***MMG***

During the period and subsequent to 31 December 2008, the Group announced and commenced implementing a number of actions following a strategic review of capital management initiatives. These included an on-market buyback, the retention of cash on hand to ensure maximum flexibility for the potential future refinancing of debt facilities, and the revision of MMG's distribution policy.

- ***Macquarie Southern Cross Media ("MSCM")***

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.

MSCM delivered a sound performance for the six months to December 2008, particularly taking into account higher revenue levels in the prior corresponding period driven by the Federal Election and the adverse impact of the Olympic Games in August 2008. MSCM's strong local franchises across multiple regional markets, the ability to offer advertisers an integrated radio and television campaign and MSCM's flexible cost base, leave MSCM well placed in the current environment.

Radio

MSCM Radio revenues and earnings before interest, tax and depreciation ("EBITDA") for the six months to 31 December 2008 decreased 12.0% and 10.5% respectively on the prior corresponding period, as a result of the sale of 19 Australian regional radio licences in March 2008 quarter, including the 15 licences that were required to be divested as part of the undertakings given to the Australian Communications and Media Authority (ACMA) and the Australian Competition and Consumer Commission (ACCC) ("DDS"). Radio is operating in a more challenging Australian economic environment, although the local advertising revenues in this period were relatively resilient.

Television

MSCM Television revenues and EBITDA increased 163.8% and 149.4% respectively for the six months to 31 December 2008 on the prior corresponding period. Prior corresponding period for MSCM Television only includes results for the period of ownership commencing 26 October 2007.

- ***American Consolidated Media ("ACM")***

ACM revenues and EBITDA increased 104.6% and 66.1% respectively for the six months to 31 December 2008 on prior corresponding period as a result of the acquisitions of 22 publishing assets of Chesapeake Publishing Corp ("Chesapeake") and 11 publications from Brown Publishing Company ("Brown") on 12 December 2007 and 9 January 2008 respectively. ACM's underlying results have been adversely affected by the challenging economic environment in the United States. As a result of a review on the carrying value of the assets of the ACM business, a non-cash impairment charge of A$127.1 million (US$89.9 million) has been made.

Distributions and Dividends

The interim distribution for the half year ended 31 December 2008 was 4.5 cents per stapled security (31 December 2007: 24.5 cents). This distribution was paid on 17 February 2009 by MMT.

Significant Changes in State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs of MMG, the MMHL Group and the MMIL Group, that occurred during the half year under review.

Events Occurring After Balance Date

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 buyback of up to A$50 million of MMG securities. MMG's on-market buy back commenced in January 2009 and, at the date of this report, 3,965,370 stapled securities had been bought back for a total consideration of $3,429,642.

No other matters or circumstances have arisen since the end of the half year that have significantly affected or may significantly affect the operations of MMG, MMHL Group, and MMIL Group, the results of these operations in future financial years or the state of affairs of those entities in periods subsequent to the half year ended 31 December 2008.

Director's Holdings of Stapled Securities

The aggregate number of MMG stapled securities held directly, indirectly or beneficially by directors of MMML at the date of this report is 1,508,928 (30 June 2008: 1,159,344).

The aggregate number of MMG stapled securities held directly, indirectly or beneficially by directors of MMHL at the date of this report is 1,508,928 (30 June 2008: 1,159,344).

The aggregate number of MMG stapled securities held directly, indirectly or beneficially by directors of MMIL at the date of this report is 1,090,000 (30 June 2008: 1,050,000).

Responsible Entity Holdings of Stapled Securities

MMML holds 45,413,453 stapled securities in MMG as at 31 December 2008 (30 June 2008: 45,413,453).

Application of Class Order

The interim financial reports for the MMHL Group, the MMIL Group and MMG are jointly presented in the one report, the MMG Interim Financial Report, as permitted by ASIC Class Order 05/642.

Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

Rounding of Amounts in the Directors Report and the Interim Financial Report

MMG, MMHL Group and MMIL Group are of a kind referred to in Class Order 98/0100, as amended by Class Order 04/667 and Class Order 05/641, issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the directors' report and interim financial report. Amounts in the directors' report and the interim financial report of all entities have been rounded off in accordance with that Class Order to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with resolutions of the directors of Macquarie Media Management Limited in its capacity as responsible entity of Macquarie Media Trust

Max Moore-Wilton
Chairman
Macquarie Media Management Limited
Sydney, Australia
23 February 2009

Chris de Boer
Director
Macquarie Media Management Limited
Sydney, Australia
23 February 2009

Signed in accordance with resolutions of the directors of Macquarie Media Holdings Limited

Max Moore-Wilton
Chairman
Macquarie Media Holdings Limited
Sydney, Australia
23 February 2009

Chris de Boer
Director
Macquarie Media Holdings Limited
Sydney, Australia
23 February 2009

Signed in accordance with resolutions of the directors of Macquarie Media International Limited

Michael Hamer
Chairman
Macquarie Media International Limited
Hamilton, Bermuda
23 February 2009

Bob Richards
Deputy Chairman
Macquarie Media International Limited
Hamilton, Bermuda
23 February 2009

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Auditors' Independence Declaration

As lead auditor for the review of Macquarie Media Trust and Macquarie Media Holdings Limited for the half year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Macquarie Media Trust, Macquarie Media Holdings Limited and the entities they controlled during the period.

Wayne Andrews

Wayne Andrews
Partner
PricewaterhouseCoopers

Sydney
23 February 2009

Consolidated Income Statements

	Notes	**MMG** 1 Jul 08 - 31 Dec 08 $'000	**MMHL Group** 1 Jul 08 - 31 Dec 08 $'000	**MMIL Group** 1 Jul 08 - 31 Dec 08 $'000	MMG 1 Jul 07 - 31 Dec 07 $'000	MMHL Group 1 Jul 07 - 31 Dec 07 $'000	MMIL Group 1 Jul 07 - 31 Dec 07 $'000
Revenue from continuing activities	2	**293,825**	**220,356**	**74,784**	181,430	118,512	33,834
Other Income	2	**42,814**	**-**	**1,547**	5,997	6,194	1,887
Employee expenses		**(92,146)**	**(64,000)**	**(28,146)**	(62,659)	(37,403)	(17,644)
Broadcast and production costs		**(80,359)**	**(61,275)**	**(19,084)**	(34,497)	(14,585)	(8,177)
Management fee expense	2	**(1,332)**	**(8)**	**(342)**	(7,279)	(1,050)	(1,893)
Occupancy costs		**(8,758)**	**(6,615)**	**(2,142)**	(6,874)	(5,307)	(1,117)
Depreciation and amortisation expense	2	**(16,160)**	**(10,093)**	**(6,067)**	(6,321)	(4,127)	(685)
Finance costs	2	**(51,216)**	**(87,308)**	**(16,535)**	(27,249)	(59,787)	(16,358)
Promotions and marketing costs		**(5,001)**	**(3,793)**	**(1,183)**	(4,227)	(3,251)	(633)
Administration costs		**(13,277)**	**(7,909)**	**(5,172)**	(11,272)	(7,737)	(2,170)
Other expenses from ordinary activities	2	**(71,577)**	**(58,927)**	**(12,650)**	(11,722)	(221)	(6,571)
Share of net profits of investments accounted for using the equity method		**311**	**311**	**-**	961	4,071	-
Impairment of goodwill	5	**(127,070)**	**-**	**(127,070)**	-	-	-
(Loss) / profit from continuing activities before income tax expense		**(129,946)**	**(79,261)**	**(142,060)**	16,288	(4,691)	(19,527)
Income tax benefit / (expense)		**2,689**	**-**	**2,689**	(2,852)	(1,935)	378
(Loss) / profit from continuing operations after income tax expense		**(127,257)**	**(79,261)**	**(139,371)**	13,436	(6,626)	(19,149)
Loss from discontinued operations	4	**-**	**-**	**-**	(15,032)	-	(15,032)
Loss for the half year		**(127,257)**	**(79,261)**	**(139,371)**	(1,596)	(6,626)	(34,181)
Profit / (loss) attributable to:							
- Equity holders of the parent – MMT		**91,108**	**-**	**-**	44,360	-	-
- Equity holders of other stapled entities (MMHL & MMIL as minority interest)		**(218,365)**	**-**	**-**	(40,187)	-	-
- Equity holders of other stapled entities (MMHL & MMIL as parent entities)		**-**	**(79,261)**	**(139,371)**	-	(6,626)	(28,412)
- Stapled security holders		**(127,257)**	**(79,261)**	**(139,371)**	4,173	(6,626)	(28,412)
- Other minority interests		**-**	**-**	**-**	(5,769)	-	(5,769)
		(127,257)	**(79,261)**	**(139,371)**	(1,596)	(6,626)	(34,181)
Basic earnings from continuing operations per unit attributable to:							
- MMT (as Parent Entity)		**42.42c**	**-**	**-**	21.20c	-	-
Diluted earnings from continuing operations per unit attributable to:							
- MMT (as Parent Entity)		**42.28c**	**-**	**-**	21.06c	-	-
Basic and diluted loss from continuing operations per share attributable to:							
- MMIL and MMHL (as Parent Entities)		**-**	**(36.90)c**	**(64.89)c**	-	(3.17)c	(9.15)c
Basic and diluted loss from discontinued operations per share attributable to:							
- MMIL (as Parent Entity)		**-**	**-**	**-**	-	-	(4.43)c
Basic and diluted loss per share:							
- MMIL (as Parent Entity)		**-**	**-**	**-**	-	-	(13.58)c

The above Consolidated Income Statements should be read in conjunction with the accompanying notes

Consolidated Balance Sheets

	Notes	MMG 31 Dec 08 $'000	MMHL Group 31 Dec 08 $'000	MMIL Group 31 Dec 08 $'000	MMG 30 Jun 08 $'000	MMHL Group 30 Jun 08 $'000	MMIL Group 30 Jun 08 $'000
Current assets							
Cash and cash equivalents		**354,635**	**25,146**	**214,550**	453,758	51,188	219,228
Receivables		**108,707**	**91,885**	**16,642**	100,337	87,216	13,528
Inventories		**4,180**	**54**	**4,126**	2,630	56	2,574
Current tax assets		**2,627**	**2,627**	**-**	1,360	1,360	-
Non-current assets classified as held for sale		**8,000**	**8,000**	**-**	-	-	-
Other financial assets		**1,182**	**1,182**	**-**	8,000	8,000	-
Derivative financial instruments		**-**	**-**	**-**	2,447	-	2,447
Total current assets		**479,331**	**128,894**	**235,318**	568,532	147,820	237,777
Non-current assets							
Receivables		**1,083**	**140,121**	**1,096**	444	62,055	416
Investments accounted for using the equity method		**20,285**	**20,285**	**-**	20,139	20,139	-
Property, plant and equipment		**190,033**	**161,216**	**28,816**	176,951	156,905	20,046
Intangible assets	5	**1,370,517**	**1,066,199**	**304,318**	1,389,400	1,067,360	322,040
Deferred tax assets		**706**	**-**	**706**	-	-	-
Derivative financial instruments		**-**	**-**	**-**	15,440	15,178	262
Retirement benefit assets		**-**	**-**	**-**	21	21	-
Total non-current assets		**1,582,624**	**1,387,821**	**334,936**	1,602,395	1,321,658	342,764
Total assets		**2,061,955**	**1,516,715**	**570,254**	2,170,927	1,469,478	580,541
Current liabilities							
Distribution payable		**9,672**	**-**	**-**	48,252	-	-
Payables		**53,813**	**116,554**	**11,693**	67,823	93,517	12,947
Provisions		**7,006**	**5,844**	**1,162**	7,213	6,361	852
Borrowings		**7,878**	**215**	**7,663**	298	298	-
Current tax liabilities		**180**	**-**	**180**	789	-	123
Derivative financial instruments		**1,542**	**-**	**1,542**	-	-	-
Total current liabilities		**80,091**	**122,613**	**22,240**	124,375	100,176	13,922
Non-current liabilities							
Provisions		**7,338**	**7,338**	**-**	7,090	7,090	-
Borrowings		**1,045,611**	**1,551,145**	**349,987**	1,056,900	1,492,580	267,454
Deferred tax liabilities		**18,386**	**-**	**18,386**	14,171	-	14,171
Retirement benefit obligations		**1,543**	**1,543**	**-**	-	-	-
Derivative financial instruments		**53,684**	**44,457**	**9,227**	2,595	-	2,595
Total non-current liabilities		**1,126,562**	**1,604,483**	**377,600**	1,080,756	1,499,670	284,220
Total liabilities		**1,206,653**	**1,727,096**	**399,840**	1,205,131	1,599,846	298,142
Net assets/(liabilities)		**855,302**	**(210,381)**	**170,414**	965,796	(130,368)	282,399

The above Consolidated Balance Sheets should be read in conjunction with the accompanying notes

Consolidated Balance Sheets (cont'd)

	Notes	MMG 31 Dec 08 $'000	MMHL Group 31 Dec 08 $'000	MMIL Group 31 Dec 08 $'000	MMG 30 Jun 08 $'000	MMHL Group 30 Jun 08 $'000	MMIL Group 30 Jun 08 $'000
Equity							
Equity attributable to equity holders of the parent - MMT							
Contributed equity	6	**851,095**	**-**	**-**	850,066	-	-
Reserves		**(48,131)**	**-**	**-**	(36,298)	-	-
MMT unitholders' interest		**802,964**	**-**	**-**	813,768	-	-
Equity attributable to other stapled security holders – MMHL & MMIL							
Contributed equity	6	**121,807**	**4,622**	**117,185**	121,178	4,499	116,679
Reserves		**15,567**	**(1,564)**	**17,378**	(10,172)	(689)	(9,502)
Other equity transaction		**(77,406)**	**(77,406)**	**-**	(77,406)	(77,406)	-
(Accumulated losses) / Retained Profits	7	**(7,928)**	**(136,331)**	**35,851**	118,130	(57,070)	175,222
Other stapled security holders interest		**52,040**	**(210,679)**	**170,414**	151,730	(130,666)	282,399
Minority interest		**298**	**298**	**-**	298	298	-
Total equity		**855,302**	**(210,381)**	**170,414**	965,796	(130,368)	282,399

The above Consolidated Balance Sheets should be read in conjunction with the accompanying notes

Statements of Recognised Income and Expenses

	Notes	**MMG** **1 Jul 08 - 31 Dec 08** **$'000**	**MMHL Group** **1 Jul 08 - 31 Dec 08** **$'000**	**MMIL Group** **1 Jul 08 - 31 Dec 08** **$'000**	MMG 1 Jul 07 - 31 Dec 07 $'000	MMHL Group 1 Jul 07 - 31 Dec 07 $'000	MMIL Group 1 Jul 07 - 31 Dec 07 $'000
Exchange differences on translation of foreign operations		**27,119**	**-**	**27,386**	2,976	-	(2,173)
Change in the fair value of available for sale financial assets		**-**	**-**	**-**	5,778	-	-
Actuarial loss on retirement benefits plan		**(744)**	**(744)**	**-**	-	-	-
Loss for the half year		**(127,257)**	**(79,261)**	**(139,371)**	(1,596)	(6,626)	(34,181)
Total recognised income and expenses for the half year		**(100,882)**	**(80,005)**	**(111,985)**	7,158	(6,626)	(36,354)
Total recognised income and expenses for the half year is attributable to:							
– Equity holders of the parent (MMT)		**91,108**	**-**	**-**	50,138	-	-
– Equity holders of other stapled entities (MMHL and MMIL as minority interest and parent entities)		**(191,990)**	**(80,005)**	**(111,985)**	(38,817)	(6,626)	(32,191)
Other Minority Interests		**-**	**-**	**-**	(4,163)	-	(4,163)
		(100,882)	**(80,005)**	**(111,985)**	7,158	(6,626)	(36,354)

The above Statements of Recognised Income and Expenses should be read in conjunction with the accompanying notes

Consolidated Statements of Cash Flows

	Notes	MMG 1 Jul 08 - 31 Dec 08 $'000	MMHL Group 1 Jul 08 - 31 Dec 08 $'000	MMIL Group 1 Jul 08 - 31 Dec 08 $'000	MMG 1 Jul 07 - 31 Dec 07 $'000	MMHL Group 1 Jul 07 - 31 Dec 07 $'000	MMIL Group 1 Jul 07 - 31 Dec 07 $'000
Cash flows from operating activities							
Receipts from customers		**292,908**	**227,223**	**65,685**	296,310	117,503	144,820
Payments to suppliers/employees		**(239,424)**	**(180,074)**	**(58,970)**	(200,008)	(106,186)	(73,515)
Government grants received		**1,141**	**1,141**	**-**	8,125	8,125	-
Responsible Entity / Manager base fees paid		**(2,513)**	**(90)**	**(681)**	(7,032)	(729)	(2,180)
Payments on/ proceeds from settlement of derivative financial instruments		**(1,343)**	**-**	**(1,343)**	1,425	-	1,425
Interest received from external parties		**14,812**	**1,425**	**7,921**	2,767	20,074	1,575
Interest received from related parties		**-**	**2,076**	**-**	-	-	-
Distributions received from associates		**1,000**	**1,000**	**-**	817	817	-
Dividends received		**-**	**-**	**-**	7,300	-	-
Net indirect tax (paid) / received		**(1,001)**	**(458)**	**(3)**	(883)	(115)	(543)
Tax paid		**(149)**	**(149)**	**-**	(19,196)	-	(1,869)
Net cash flows from operating activities		**65,431**	**52,094**	**12,609**	89,625	39,489	69,713
Cash flows from investing activities							
Payments for purchase of property, plant and equipment		**(15,211)**	**(14,059)**	**(1,152)**	(18,150)	(2,157)	(15,993)
Proceeds from sale of property, plant and equipment		**145**	**138**	**7**	261	24	237
Proceeds from sale of financial assets		**-**	**-**	**-**	705,924	525,366	180,558
Payment for settlement of scheme of arrangement		**-**	**-**	**-**	(26,187)	-	-
Payments for purchase of controlled entities, net of cash acquired		**-**	**-**	**-**	(1,101,815)	(1,241,764)	(54,940)
Net cash flows from investing activities		**(15,066)**	**(13,921)**	**(1,145)**	(439,967)	(718,531)	109,862
Cash flows from financing activities							
Distributions paid to security holders		**(48,252)**	**-**	**-**	(46,414)	-	-
Distributions paid to minority interests		**-**	**-**	**-**	(96,465)	-	(96,465)
Borrowings from external parties		**31,500**	**31,500**	**-**	1,768,397	869,346	872,530
Repayment of borrowings to external parties		**(92,054)**	**(86,400)**	**(5,654)**	(986,071)	(300,684)	(528,387)
Repayment of borrowings to minority interests		**-**	**-**	**-**	(215,275)	-	(215,275)
Repayment of capital to minority interests		**-**	**-**	**-**	(1,328)	-	(1,328)
Loans advanced to / borrowings from related parties		**-**	**(18,676)**	**6,051**	-	-	(274,902)
Borrowings repaid to / from related parties		**-**	**48,159**	**(7,931)**	-	186,796	94,689
Proceeds from issue of shares		**-**	**-**	**-**	419	-	-
Interest paid to external parties		**(45,197)**	**(38,798)**	**(6,399)**	(39,058)	(17,447)	(54,634)
Interest paid to related parties		**-**	**-**	**(6,724)**	-	-	-
Interest paid to minorities		**-**	**-**	**-**	(25,036)	-	(25,036)
Net cash flows from financing activities		**(154,003)**	**(64,215)**	**(20,657)**	359,169	738,011	(228,808)
Net (decrease) / increase in cash and cash assets held		**(103,638)**	**(26,042)**	**(9,193)**	8,827	58,969	(49,233)
Cash assets at the beginning of the half year		**453,758**	**51,188**	**219,228**	119,610	7,747	100,385
Exchange rate movements		**4,515**	**-**	**4,515**	976	-	925
Cash assets at the end of the half year		**354,635**	**25,146**	**214,550**	129,413	66,716	52,077
Non-cash financing and investing activities	**8**						

The above Consolidated Statements of Cash Flows should be read in conjunction with the accompanying notes

Notes to the Financial Statements

1 Summary of Significant Accounting Policies

This general purpose interim financial report for the half year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Act 2001* (where applicable).

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual reports of MMG, MMHL Group and MMIL Group for the year ended 30 June 2008 and any public announcements made by MMG during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

(a) Basis of Preparation

The accounting policies adopted in the preparation of the interim financial report are consistent with those of the previous financial year and corresponding interim reporting period unless otherwise stated. The principal accounting policies adopted in the preparation of the interim financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

As permitted by ASIC Class order 05/642, this report consists of the consolidated financial statements of Macquarie Media Trust ("MMT") and the entities it controlled at the end of, and during the period (collectively referred to as "MMG" or "the Group"), the consolidated financial statements of Macquarie Media Holdings Limited ("MMHL") and the entities it controlled at the end of, and during the period (collectively referred to as "the MMHL Group") and the consolidated financial statements of Macquarie Media International Limited ("MMIL") and the entities it controlled at the end of, and during the period (collectively referred to as "the MMIL Group").

— **Compliance with IFRS**

Compliance with Australian Accounting Standard AASB 134 Interim Financial Reporting ensures that the interim financial report complies with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB). Consequently, this interim financial report has also been prepared in accordance with and complies with IAS 34 Interim Financial Reporting as issued by the IASB.

— **Historical cost convention**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

— **Net asset deficiency**

As at 31 December 2008, the MMHL Group has a deficiency of capital and reserves of $210.4 million (30 June 2008: $130.4 million). Included in the MMHL Group's liabilities are amounts totalling $593.9 million (30 June 2008: $557.3 million) representing redeemable preference shares ("RPS") held by MMT and corresponding accrued interest payable to MMT. The terms of the RPS are such that they are not required to be redeemed until the date 17 years after their issue. The first such date is in November 2022. RPS, and the interest that accrued to MMT, cannot be redeemed unless the Directors of MMHL declare that, post redemption of the RPS, the MMHL Group remains solvent.

In the opinion of the directors, MMHL will be able to continue to pay its debts as and when they fall due, and the directors of MMHL expect to be able to repay the RPS by the due date. As a result the financial report of MMHL has been prepared on a going concern basis.

1 Summary of Significant Accounting Policies (cont'd)

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the entities deemed to be controlled by MMT as at period end (and their subsidiaries) and the result of the deemed controlled entities (and their subsidiaries) for the period of control. MMT and deemed controlled entities and their subsidiaries are referred to in this interim financial report as the consolidated entity, MMG, or the Group. The effects of all transactions between entities in the consolidated entity are eliminated in full. Other minority interests in the income statement and equity of the deemed subsidiaries are shown separately in the consolidated Income Statements and Balance Sheets respectively. Other minority interests are interests which are attributable to parties other than the stapled security holders.

Upon stapling of the units of MMT and the shares of MMHL and MMIL, the directors deemed MMT to have acquired MMHL and MMIL despite the fact that the units and shares are stapled. Accordingly, the stapled entities of MMG are represented as the consolidated financial statements of MMT. Subsidiaries, other than those that MMT has been deemed to have directly acquired through stapling arrangements, are all those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group except as follows:

- Under Australian Accounting Standards the formation of the stapled group comprising MMT, MMHL and its legal subsidiaries and MMIL and its legal subsidiaries, collectively known as MMG, has been accounted for as a business combination.

- In applying the requirements of AASB 3 *Business Combinations* to the stapled group:

  - MMT as the Parent Entity of the MMG group presents consolidated financial information for the group; and

  - At the time of Initial Public Offering ("IPO") Macquarie Media Group Pty Limited ("MMGPL") is deemed to be the accounting acquirer of both MMHL and MMT, which is neither the legal parent nor legal acquirer.

- This reflects the requirements of AASB 3 that in situations where an existing entity (MMGPL) arranges to be acquired by a smaller entity (MMHL) for the purposes of a stock exchange listing, the existing entity MMGPL should be deemed to be the acquirer, subject to consideration of other factors such as management of the entities involved in the transaction and relative fair values of the entities involved in the transaction. This is commonly referred to as a reverse acquisition.

At the time of IPO, in November 2005, the reverse acquisition guidance of AASB 3 was applied to the MMG group and the cost of the Business Combination was deemed to be paid by MMGPL to acquire MMHL and MMT. The cost was determined by reference to the fair value of the net assets of MMHL and MMT immediately prior to the Business Combination. The investment made by the legal parent MMHL in MMGPL to legally acquire the existing radio assets is eliminated on consolidation. In applying the guidance of AASB 3, this elimination results in a debit of $77.4 million to other equity transactions. This does not affect MMG's distributable profits.

AASB Interpretation 1002: *Post-Date-of-Transition Stapling* Arrangements requires one of the stapled entities of a stapled structure to be identified as the Parent Entity for the purpose of preparing a consolidated financial report. In accordance with this requirement, MMT has been identified as the parent of the consolidated group comprising MMT, MMHL and its subsidiaries and MMIL and its subsidiaries together acting as MMG.

(i) Subsidiaries

Subsidiaries, other than those that MMT has been deemed to have directly acquired through stapling arrangements, are those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

1 Summary of Significant Accounting Policies (cont'd)

(b) Principles of Consolidation (cont'd)

(i) Subsidiaries (cont'd)

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. Where control of an entity is obtained during a financial period, its results are included in the income statement from the date on which control commences. Where control of an entity ceases during a financial period, its results are included for that part of the period during which control existed.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated Income Statements and Balance Sheets respectively.

(ii) Associates

Associates are entities over which the Group has significant influence, but not control. Investments in associates are accounted for in the Parent Entity financial statements (only disclosed in year end financial statements) using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes the fair value of goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the Parent Entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.

(iii) Joint ventures

Interest in joint venture entities are accounted for in the consolidated financial statements using the equity method and are carried at cost by the Parent Entity. As for associates, under the equity method, the share of the profits or losses of the partnership is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the balance sheet.

(iv) Transactions with Minorities

Equity transactions with minorities are recognised in the Group financial statements using the economic entity method, whereby transactions with minorities are treated as transactions with equity participants.

(c) Business Combinations

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus the costs directly attributable to the acquisition.

Identifiable assets and liabilities acquired and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

1 Summary of Significant Accounting Policies (cont'd)

(d) Intangible Assets

— **Free to air commercial television and radio broadcasting licences**

Television and radio licences are initially recognised at cost. The licences are renewable for a minimal cost every five years under provisions within the Broadcasting Services Act. The directors understand that the revocation of a commercial television or radio licence has never occurred in Australia and have no reason to believe the licences have a finite life. As a result, the free to air commercial television and radio broadcasting licences have been assessed to have indefinite useful lives. Accordingly, they are not amortised and are tested for impairment annually, or whenever there is an indication that the carrying value may be impaired, and are carried at cost less accumulated impairment losses.

— **Mastheads and tradenames**

Mastheads and tradenames are initially recognised at cost. The mastheads and tradenames have been assessed to have indefinite useful lives. Accordingly, they are not amortised and are tested for impairment annually, or whenever there is an indication that the carrying value may be impaired, and are carried at cost less accumulated impairment losses.

The Group's mastheads and tradenames operate in established markets with limited restrictions and are expected to continue to complement the Group's media initiatives. On this basis, the directors have determined that mastheads and tradenames have indefinite lives as there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the Group.

— **Other intangibles**

Other intangibles including customer relationships are recognised at cost and are amortised over the useful life of the asset (between 1 – 13 years).

— **Goodwill**

All business combinations are accounted for by applying the purchase method. Where an entity or operation is acquired, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of acquisition over the fair value of the identifiable net assets acquired is brought to account as goodwill.

Goodwill is stated at cost less any impairment losses. Goodwill is allocated to cash-generating units and is no longer amortised but is tested annually for impairment. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

Negative goodwill arising on an acquisition is recognised directly in profit or loss, after reassessment of the identification and measurement of the net assets acquired.

(e) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested at least annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

1 Summary of Significant Accounting Policies (cont'd)

(f) Revenue Recognition

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) or Value Added Tax (VAT) payable to the relevant taxation authority.

— **Free To Air Commercial Radio and Television Broadcasting**

Revenue represents revenue earned primarily from the sale of advertising airtime and related activities, including sponsorship and promotions. Revenue is recorded when the service is provided, being primarily when the advertisement is aired. Other regular sources of operating revenue are derived from commercial production for advertisers, including facility sharing revenue and program sharing revenue. Revenue from commercial production is recognised on invoice, at the time of completion of the commercial.

— **Newspaper**

Classified and display advertising and circulation revenues are recorded when the publications are issued. The receivables relating to sales to dealers are recorded at the gross sales price of all copies drawn, less an allowance for copies to be returned unsold. Commercial printing revenue is recognised when earned.

— **Interest revenue**

Interest revenue on loans and receivables is recognised using the effective interest rate method.

— **Other service revenue**

Other service revenue is recognised when the service has been provided.

(g) Government Grants

Grants from the government for the introduction of regional digital television broadcasting are recognised at their fair value on entitlement and receipt. Government grants relating to costs are deferred and recognised in the Income Statement over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are deferred and recognised in the Income Statement on a straight line basis over the expected useful lives of the related assets.

(h) Rounding of Amounts

MMG, MMHL Group and MMIL Group are of a kind referred to in Class Order 98/0100, as amended by Class Order 04/667 and Class Order 05/641, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the interim financial reports of all entities have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(i) Critical Accounting Estimates and Judgements

The preparation of the interim financial report in accordance with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. Management believes the estimates used in the preparing of the interim financial report are reasonable. Actual results in the future may differ from those reported.

The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Impairment of goodwill and intangible assets with indefinite useful lives

In accordance with the accounting policy stated in note 1(d) and 1(e) the Group tests at least annually whether goodwill and intangible assets with indefinite useful lives have suffered any impairment and when there is an indication of impairment. The tests incorporate assumptions regarding future events which may or may not occur, resulting in the need for future revisions of estimates. There are also judgements involved in determination of cash generating units. Refer to note 5 for details of these assumptions.

(b) Share based payments

The Group provides incentives to certain employees via share based payment entitlements. The fair value of entitlements is determined in accordance with the accounting policy in Note 1(n)(ii) of the financial report for the year ended 30 June 2008. If certain assumptions used in the fair value calculation were to change, there would be an impact on the Income Statement in future financial periods.

1 Summary of Significant Accounting Policies (cont'd)

(i) Critical Accounting Estimates and Judgements (cont'd)

(c) Retirement benefit assets/obligations

The asset/liability in respect of the defined benefit superannuation plan is calculated as the deficit/surplus of the fair value of the defined benefit plan assets over the present value of the defined benefit obligation. The key assumptions used in determining the retirement benefit asset are described in Note 24 of the financial report for the year ended 30 June 2008 and have not changed significantly since that date.

(d) Income Taxes

The Groups are subject to income taxes in Australia and in some of its foreign operations. Currently the Groups have tax losses available for use that have not been brought to account as deferred tax assets. This is based on an assumption that the use of these losses in the foreseeable future is not probable. If this assumption was to change, the corresponding tax assets may be recognised in the Groups' balance sheets.

2 Profit for the Half Year

The operating profit from continuing activities before income tax included the following specific items of revenue, other income and expense:

	MMG	MMHL Group	MMIL Group	MMG	MMHL Group	MMIL Group
	1 Jul 08 - 31 Dec 08	1 Jul 08 - 31 Dec 08	1 Jul 08 - 31 Dec 08	1 Jul 07 - 31 Dec 07	1 Jul 07 - 31 Dec 07	1 Jul 07 - 31 Dec 07
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue from continuing activities						
Sales revenue	**279,170**	**211,812**	**67,358**	170,633	107,575	33,576
	279,170	**211,812**	**67,358**	170,633	107,575	33,576
Other revenue						
Government grants revenue	**1,141**	**1,141**	**-**	2,042	836	-
Interest income						
Banks	**12,611**	**1,107**	**7,362**	1,311	470	142
Related parties	**903**	**6,296**	**64**	144	9,631	116
Dividend income	**-**	**-**	**-**	7,300	-	-
	14,655	**8,544**	**7,426**	10,797	10,937	258
Total revenue	**293,825**	**220,356**	**74,784**	181,430	118,512	33,834
Other income						
Net fair value gains on financial derivatives - interest rate swaps	**-**	**-**	**-**	4,110	6,194	-
Net fair value gains on financial derivatives - foreign currency	**-**	**-**	**-**	1,887	-	1,887
Net foreign exchange gains	**42,142**	**-**	**875**	-	-	-
Profit on sale of non-current assets	**672**	**-**	**672**	-	-	-
	42,814	**-**	**1,547**	5,997	6,194	1,887

2 Profit for the half year (cont'd)

	MMG 1 Jul 08 - 31 Dec 08 $'000	MMHL Group 1 Jul 08 - 31 Dec 08 $'000	MMIL Group 1 Jul 08 - 31 Dec 08 $'000	MMG 1 Jul 07 - 31 Dec 07 $'000	MMHL Group 1 Jul 07 - 31 Dec 07 $'000	MMIL Group 1 Jul 07 - 31 Dec 07 $'000
Operating expenses from continuing activities						
Management fees						
Base fee expense – Responsible Entity / Manager	**1,332**	**8**	**342**	7,279	1,050	1,893
	1,332	**8**	**342**	7,279	1,050	1,893
Depreciation						
Buildings	**499**	**356**	**143**	97	33	64
Plant & equipment	**9,994**	**8,879**	**1,115**	5,990	4,026	455
Leasehold improvements	**359**	**319**	**40**	75	68	7
Plant & equipment under finance leases	**56**	**56**	**-**	-	-	-
Total depreciation	**10,908**	**9,610**	**1,298**	6,162	4,127	526
Amortisation						
Non-compete agreements	**637**	**-**	**637**	137	-	137
Patents and trademarks	**10**	**-**	**10**	-	-	-
Customer relationships	**4,605**	**483**	**4,122**	22	-	22
Total amortisation	**5,252**	**483**	**4,769**	159	-	159
Total depreciation and amortisation expense	**16,160**	**10,093**	**6,067**	6,321	4,127	685
Finance costs						
Interest expense and other borrowing costs						
External banks	**51,193**	**43,560**	**7,629**	27,249	22,867	3,911
Related parties	**-**	**43,725**	**8,906**	-	36,920	12,447
Finance charges on capitalised leases	**23**	**23**	**-**	-	-	-
Total finance costs	**51,216**	**87,308**	**16,535**	27,249	59,787	16,358
Other expenses						
Net fair value loss on financial derivatives - interest rate swaps	**64,171**	**58,919**	**5,252**	-	-	2,710
Net fair value loss on financial derivatives - foreign currency	**6,322**	**-**	**6,322**	-	-	-
Net foreign exchange losses	**-**	**-**	**-**	10,748	-	3,026
Other expenses	**1,084**	**8**	**1,076**	974	221	835
	71,577	**58,927**	**12,650**	11,722	221	6,571

3 Distributions Paid and Proposed

	MMG*	
	6 months to 31 Dec 2008 $'000	6 months to 31 Dec 2007 $'000
The distributions were paid/payable as follows:		
Final distribution paid for the year ended 30 June	**48,252**	51,059
Interim distribution proposed and subsequently paid for the period ended 31 December	**9,672**	51,346
	Cents per stapled security	Cents per stapled security
Final distribution paid for the year ended 30 June	**22.5**	24.5
Interim distribution proposed and subsequently paid for the period ended 31 December	**4.5**	24.5

*These distributions were paid by MMT. No distributions were paid by MMHL or MMIL.

4 Discontinued Operations

(a) Description

On 12 June 2008, MMG announced the completion of the sale of its 60% ownership interest in Taiwan Broadband Communications ("TBC"). The operations relating to this business are disclosed in the interim financial report as a discontinued operation in the prior period.

Financial information relating to the discontinued operation for the period to the date of the sale is set out below.

(b) Financial performance and cash flow information

There were no financial performance and cash flows from the sale of TBC for the half year to 31 December 2008.

The financial performance and cash flow information presented below are for the half year ended 31 December 2007:

Financial performance

Consolidated	MMG	MMHL Group	MMIL Group
	1 Jul 07 - 31 Dec 07 $'000	1 Jul 07 - 31 Dec 07 $'000	1 Jul 07 - 31 Dec 07 $'000
Financial performance			
Revenue	110,393	-	110,393
Other income	10,658	-	10,658
Expenses	(128,524)	-	(128,524)
Loss before income tax	(7,473)	-	(7,473)
Income tax expense	(7,559)	-	(7,559)
Loss after income tax from discontinued operations	(15,032)	-	(15,032)

Gross proceeds received from the sale of the TBC Group of companies were $390.2 million. Basic and diluted loss from discontinued operations per stapled security is included on the face of the Consolidated Income Statements.

4 Discontinued Operations (cont'd)

Cash flow information

Consolidated	MMG 1 Jul 07 - 31 Dec 07 $'000	MMHL Group 1 Jul 07 - 31 Dec 07 $'000	MMIL Group 1 Jul 07 - 31 Dec 07 $'000
Cash flow information			
Net cash inflow from operating activities	64,997	-	64,997
Net cash inflow from investing activities	164,959	-	164,959
Net cash inflow from financing activities	57,793	-	57,793
Net increase in cash generated from discontinued operations	287,749	-	287,749

5 Non-current Assets – Intangible Assets

Consolidated	**MMG As at 31 Dec 08 $'000**	**MMHL Group As at 31 Dec 08 $'000**	**MMIL Group As at 31 Dec 08 $'000**	MMG As at 30 Jun 08 $'000	MMHL Group As at 30 Jun 08 $'000	MMIL Group As at 30 Jun 08 $'000
Commercial radio/TV broadcast licences – at cost	**768,483**	**768,483**	**-**	768,483	768,483	-
Masthead and Tradenames – at cost	**82,508**	**76**	**82,432**	60,707	64	60,643
Non-compete agreements – at cost	**3,031**	**-**	**3,031**	1,645	-	1,645
Less accumulated amortisation	**(1,167)**	**-**	**(1,167)**	(694)	-	(694)
	1,864	**-**	**1,864**	951	-	951
Customer relationships – at cost	**79,602**	**2,900**	**76,702**	60,645	2,899	57,746
Less accumulated amortisation	**(10,036)**	**(1,128)**	**(8,908)**	(4,079)	(644)	(3,435)
	69,566	**1,772**	**67,794**	56,566	2,255	54,311
Goodwill – at cost	**575,166**	**295,868**	**279,298**	502,693	296,558	206,135
Less impairment	**(127,070)**	**-**	**(127,070)**	-	-	-
	448,096	**295,868**	**152,228**	502,693	296,558	206,135
Total intangibles – at cost	**1,508,790**	**1,067,327**	**441,463**	1,394,173	1,068,004	326,169
Less total accumulated amortisation/impairment	**(138,273)**	**(1,128)**	**(137,145)**	(4,773)	(644)	(4,129)
Total intangibles - net	**1,370,517**	**1,066,199**	**304,318**	1,389,400	1,067,360	322,040

5 Non-Current Assets – Intangible Assets (cont'd)

Consolidated	**MMG**	**MMHL Group**	**MMIL Group**	MMG	MMHL Group	MMIL Group
	As at 31 Dec 08	**As at 31 Dec 08**	**As at 31 Dec 08**	As at 30 Jun 08	As at 30 Jun 08	As at 30 Jun 08
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Commercial radio/TV broadcast licences						
Opening net book amount	**768,483**	**768,483**	**-**	328,643	328,643	-
Acquisition of subsidiary	**-**	**-**	**-**	460,000	460,000	-
Disposals	**-**	**-**	**-**	(20,160)	(20,160)	-
Closing net book amount	**768,483**	**768,483**	**-**	768,483	768,483	-
Masthead and Tradenames						
Opening net book amount	**60,707**	**64**	**60,643**	28,278	62	28,216
Additions	**12**	**12**	**-**	2	2	-
Acquisition of subsidiaries and business combinations finalisation *	**-**	**-**	**-**	39,835	-	39,835
Amortisation expense	**(10)**	**-**	**(10)**	(12)	-	(12)
Foreign currency exchange differences	**21,799**	**-**	**21,799**	(7,396)	-	(7,396)
Closing net book amount	**82,508**	**76**	**82,432**	60,707	64	60,643
Non-Compete agreements						
Opening net book amount	**951**	**-**	**951**	624	-	624
Additions	**1,205**	**-**	**1,205**	-	-	-
Acquisition of subsidiaries and business combinations finalisation *	**-**	**-**	**-**	682	-	682
Amortisation expense	**(637)**	**-**	**(637)**	(249)	-	(249)
Foreign currency exchange differences	**345**	**-**	**345**	(106)	-	(106)
Closing net book amount	**1,864**	**-**	**1,864**	951	-	951
Customer relationships						
Opening net book amount	**56,566**	**2,255**	**54,311**	126	-	126
Acquisition of subsidiaries and business combinations finalisation *	**-**	**-**	**-**	65,550	2,900	62,650
Amortisation expense	**(4,605)**	**(483)**	**(4,122)**	(4,126)	(645)	(3,481)
Foreign currency exchange differences	**17,605**	**-**	**17,605**	(4,984)	-	(4,984)
Closing net book amount	**69,566**	**1,772**	**67,794**	56,566	2,255	54,311
Goodwill						
Opening net book amount	**502,693**	**296,558**	**206,135**	224,628	19,384	205,244
Acquisition of subsidiaries and business combinations finalisation*	**-**	**-**	**-**	352,853	280,322	72,531
Disposal of subsidiary	**-**	**-**	**-**	(48,612)	-	(48,612)
Disposals	**(690)**	**(690)**	**-**	(3,148)	(3,148)	-
Impairment loss for the half year (c)	**(127,070)**	**-**	**(127,070)**	-	-	-
Foreign currency exchange differences	**73,163**	**-**	**73,163**	(23,028)	-	(23,028)
Closing net book amount	**448,096**	**295,868**	**152,228**	502,693	296,558	206,135
Total intangibles - net	**1,370,517**	**1,066,199**	**304,318**	1,389,400	1,067,360	322,040

* The acquisition of subsidiaries includes reclassification of intangible assets relating to provisional acquisition values of prior period acquisitions. Refer to note 10 for further information.

5 Non-Current Assets – Intangible Assets (cont'd)

(a) Impairment tests for licences, masthead, tradenames and goodwill

The value of licences, masthead, tradenames and goodwill is allocated to the Group's cash generating units (CGUs), identified as one CGU in the Australian free to air broadcasting segment and regional CGU groups in the United States community newspaper segment.

The recoverable amount of each CGU in December 2008 and June 2008 was determined based on a value in use discounted cash flow model (DCF). As the risk profiles of the United States CGUs are similar by geographical segment, the presentation of CGU information has been aggregated for the Groups' non amortising intangible assets as presented below.

Consolidated	Australia Free to Air Broadcasting CGU	United States Community newspapers Group of CGUs	Total MMG
Non- amortising Intangible Assets	$'000	$'000	$'000
December 2008			
Free to air broadcasting	**1,064,427**	**-**	**1,064,427**
Community newspapers	**-**	**234,660**	**234,660**
Total	**1,064,427**	**234,660**	**1,299,087**
Assumptions (see part (b))	%	%	
Revenue growth – Forecast Period	4.0	2.9	
Long term growth rate – terminal value	2.5	1.5	
Discount rate (pre tax)	12.7	11.8	

Consolidated	Australia Free to Air Broadcasting Group of CGUs	United States Community newspapers Group of CGUs	Total MMG
Non- amortising Intangible Assets	$'000	$'000	$'000
June 2008			
Free to air broadcasting	1,074,465	-	1,074,465
Community newspapers	-	281,377	281,377
Total	1,074,465	281,377	1,355,842
Assumptions (see part (b))	%	%	
Revenue growth – Forecast Period	4.0	2.5-3.3	
Long term growth rate – terminal value	2.5	1.5	
Discount rate (pre tax)	10.6	8.2	

(b) Key assumptions used for value in use calculations

The value in use calculations use cash flow projections based on the updated 2009 financial budgets approved by the board extended over the subsequent four year period ("Forecast Period") using estimated growth rates. Cash flows beyond the five year period are extrapolated using growth rates that do not exceed the long term average growth rate for the business in which the CGU operates (refer table above). The discount rate used reflects specific risks relating to the relevant segments and the countries in which they operate (refer table above).

(c) Impairment charge

The carrying amount of the United States community newspaper segment has been reduced to its recoverable amount through recognition of an impairment charge of A$ 127.1 million (US$ 89.9 million) against goodwill. The impairment charge arose in the regional community newspaper CGUs in the United States as a result of unfavourable economic environment. This loss has been disclosed as a separate line item in the Income Statement. No class of asset other than goodwill was impaired.

6 Contributed Equity

	MMG	MMHL Group	MMIL Group	MMG	MMHL Group	MMIL Group
	As at 31 Dec 08	As at 31 Dec 08	As at 31 Dec 08	As at 30 Jun 08	As at 30 Jun 08	As at 30 Jun 08
	$'000	$'000	$'000	$'000	$'000	$'000
Ordinary Units – MMT	851,095	-	-	850,066	-	-
Deemed contributed equity of MMHL & MMIL	121,807	-	-	121,178	-	-
Ordinary Shares – MMHL & MMIL	-	4,622	117,185	-	4,499	116,679
Contributed equity	972,902	4,622	117,185	971,244	4,499	116,679

	MMG	MMHL Group	MMIL Group	MMG	MMHL Group	MMIL Group
	6 months to 31 Dec 08	6 months to 31 Dec 08	6 months to 31 Dec 08	6 months to 31 Dec 07	6 months to 31 Dec 07	6 months to 31 Dec 07
	$'000	$'000	$'000	$'000	$'000	$'000
On issue at the beginning of the half year	971,244	4,499	116,679	947,566	1,375	110,518
Issue of stapled securities in connection with the acquisition of ACM (July 2007)	-	-	-	431	37	144
Issue of stapled securities under DRP (21 Aug 2007)	-	-	-	4,645	397	1,552
Issue of stapled securities in relation to vested ACM employee shares (29 August 2008)	1,658	123	506	-	-	-
Cost of raising capital	-	-	-	(14)	-	(14)
On issue at the end of the half year	972,902	4,622	117,185	952,628	1,809	112,200

	Number of securities			Number of securities		
	'000	'000	'000	'000	'000	'000
On issue at the beginning of the half year	214,452	214,452	214,452	208,404	208,404	208,404
Issue of stapled securities in connection with the acquisition of ACM (July 2007)	-	-	-	97	97	97
Issue of stapled securities under DRP (21 August 2007)	-	-	-	1,074	1,074	1,074
Issue of stapled securities in relation to vested ACM employee shares (29 August 2008)	475	475	475	-	-	-
On issue at the end of the half year	214,927	214,927	214,927	209,575	209,575	209,575

7 Retained Profits / (Accumulated Losses)

	MMG 31 Dec 08 (Half year) $'000	MMHL Group 31 Dec 08 (Half year) $'000	MMIL Group 31 Dec 08 (Half year) $'000	MMG 30 Jun 08 (Full year) $'000	MMHL Group 30 Jun 08 (Full year) $'000	MMIL Group 30 Jun 08 (Full year) $'000
Balance at the beginning of the half year / year	**118,130**	**(57,070)**	**175,222**	(72,878)	(36,831)	(41,193)
(Loss) / profit result attributable to security holders	**(127,257)**	**(79,261)**	**(139,371)**	273,804	(20,239)	216,415
Transfer from capital reserve*	**10,871**	**-**	**-**	16,802	-	-
Distributions/dividends provided for or paid	**(9,672)**	**-**	**-**	(99,598)	-	-
Balance at the end of the half year / year	**(7,928)**	**(136,331)**	**35,851**	118,130	(57,070)	175,222

*The capital reserve represents the amounts transferred to or from the retained profit to allow distributions from MMT to be made in accordance with the constitution.

8 Non-Cash Financing and Investing Activities

On 18 June 2008 MMG's Distribution and Dividend Reinvestment Plan ("DRP") was suspended in relation to the final distribution for the year ended 30 June 2008 and hence during the half year to 31 December 2008 no stapled security holders participated in MMG's DRP. During the half year to 31 December 2007, a portion of stapled security holders participated in MMG's DRP and a total of 1,073,953 new stapled securities were issued under the DRP at an issue price of $4.3253 per stapled security. Accordingly, of the distributions paid during the half year to 31 December 2007, $4,645,169 is not reflected in the Statement of Cash Flows on the basis that it has been reinvested in MMG.

9 Segment Information

(a) Description of segments

Business segments

The Group is organised into the following service types:

— **Free to air commercial radio and television broadcasting ("Free to air broadcasting")**
Consisting of the commercial radio and television broadcast licences held throughout regional Australia. This is the only segment that operates solely within the MMHL group.

— **Community Newspapers**
The community newspapers businesses of ACM are located in the United States of America (USA). This segment operates within the MMIL group.

— **Subscription Television & Broadband Internet Services ("Cable")**
Discontinued operations which consisted of the subscription television and broadband services which are delivered over cable network in operation in Taiwan (R.O.C.). This segment operated within the MMIL group until its sale on 12 June 2008.

Geographical segments

The Group operates in following main geographical areas:

— **Australia**
The principal area of operation is the commercial radio and television broadcast business which houses the Australian regional radio and television assets of the Group. This business operates solely within the MMHL group.

— **United States of America**
Consisting of the ACM business in operation in the USA. This business operates within the MMIL group.

— **Discontinued Operations – Taiwan R.O.C.**
The Cable TV business of TBC is located in Taiwan R.O.C. This business operated within the MMIL group until its sale on 12 June 2008.

9 Segment Information (cont'd)

(b) Primary reporting format – business segments

The segment information provided in the table overleaf details the business segments for MMHL Group, MMIL Group and MMG. The entire free to air broadcasting segment falls within the MMHL Group and the community newspaper segment is within the MMIL Group. The subscription television and broadband internet services discontinued segment was within the MMIL Group until its sale on 12 June 2008.

	Australia Free to Air broadcasting	USA Community Newspaper	Inter-segment eliminations / unallocated	Total continuing operations
	1 Jul 08 - 31 Dec 08 $'000	1 Jul 08 - 31 Dec 08 $'000	1 Jul 08 - 31 Dec 08 $'000	1 Jul 08 - 31 Dec 08 $'000
MMG 2008				
Segment revenue				
Segment revenue	**212,953**	**67,358**	**-**	**280,311**
Non-segment revenues				
Interest income	**-**	**-**	**13,514**	**13,514**
Total MMG revenue	**212,953**	**67,358**	**13,514**	**293,825**
Segment result				
Segment result *	**60,927**	**(118,991)**	**-**	**(58,064)**
Unallocated revenue less unallocated expenses			**(71,882)**	**(71,882)**
Profit before income tax			**(71,882)**	**(129,946)**

	Australia Free to Air broadcasting	USA Community Newspaper	Inter-segment eliminations / unallocated	Total continuing operations	Taiwan R.O.C. Discontinued Operation Cable	Consolidated
	1 Jul 07 - 31 Dec 07 $'000	1 Jul 07 - 31 Dec 07 $'000	1 Jul 07 - 31 Dec 07 $'000	1 Jul 07 - 31 Dec 07 $'000	1 Jul 07 - 31 Dec 07 $'000	1 Jul 07 - 31 Dec 07 $'000
MMG 2007						
Segment revenue						
Segment revenue	139,098	33,577	-	172,675	110,243	282,918
Non-segment revenues						
Interest income	-	-	1,455	1,455	150	1,605
Dividend income	-	-	7,300	7,300	-	7,300
Total MMG revenue	139,098	33,577	8,755	181,430	110,393	291,823
Segment result						
Segment result *	44,777	3,806	-	48,583	49,109	97,692
Unallocated revenue less unallocated expenses			(32,295)	(32,295)	(56,582)	(88,877)
Profit before income tax			(32,295)	16,288	(7,473)	8,815

* Segment results refer to earnings before finance costs and tax. Included in the community newspaper segment result for the current period is a $127.1 million impairment charge.

10 Business Combination

(a) Summary of acquisition of Southern Cross Broadcasting (Australia) Limited group of companies

On 26 October 2007, MMG obtained control over all the ordinary shares and outstanding options of the Southern Cross Broadcasting (Australia) Limited group of companies ("Southern Cross") through an intermediary entity, Regional Media No 2. Pty Ltd ("RM2"), via a scheme of arrangement. MMT had acquired a strategic stake of 13.8% in Southern Cross in November 2006.

As the acquired business was controlled by MMG from 26 October 2007, it contributed to the revenues and net profits of MMG from 26 October 2007. Following amendments to the ownership of the holding company of RM2 on 4 December 2007, the MMHL Group also obtained control of the RM2 consolidated group, including Southern Cross. Accordingly, the acquired group also contributes to revenues and net profits of the MMHL Group from 4 December 2007.

The acquired business contributed revenues (excluding interest revenue) of $51.9 million (MMHL: $21.2 million) and earnings before interest tax and depreciation and amortisation ("EBITDA") of approximately $16.0 million (MMHL: $6.5 million) to MMG for the period of control during the half year ended 31 December 2007. If the acquisition had occurred on 1 July 2007, consolidated revenue of the Group for the half year to 31 December 2007 would have been increased by approximately $94.5 million.

The acquired business contributed revenues (excluding interest revenue) of $183.7 million (MMHL: $153.0 million) and earnings before interest tax and depreciation and amortisation ("EBITDA") of approximately $53.5 million (MMHL: $44.0 million) to MMG for the period of control during the year ended 30 June 2008. If the acquisition had occurred on 1 July 2007, consolidated revenue of the Group for the year ended 30 June 2008 would have been increased by approximately $94.5 million.

Due to changes in the capital structure of the Southern Cross and MMHL Group post acquisition, it is not possible to provide a comparative net profit figure.

Details of the fair value of assets and liabilities and goodwill are as follows:

	$'000
Purchase consideration (MMHL Group and MMG)	
Cash paid for 13.8% strategic stake	165,758
Cash paid as part of Scheme of Arrangement	1,069,442
Direct costs relating to the acquisition	10,155
Total purchase consideration	1,245,355
Less fair value of assets held for sale	(522,580)
	722,775
Fair value of Television associated businesses net identifiable assets acquired	(442,453)
Goodwill	280,322

Purchase consideration

	MMHL Group $'000	MMG $'000
Outflow of cash to acquire subsidiary, net of cash acquired		
Cash consideration	1,245,355	1,245,355
Prior period cash paid	-	(165,758)
Less: Cash balances acquired on 26 October 2007	-	(31,763)
Less: Cash balances acquired on 4 December 2007	(2,632)	-
Outflow of cash	1,242,723	1,047,834

Included within the fair value of net assets purchased, is the combined fair value of the net assets acquired relating to the Southern Star Group, Tricom Radio Holdings, Tricom Group and Southern Cross View Pty Ltd ("Assets held for sale"). These assets were effectively acquired for immediate resale to Fairfax Media Limited ("Fairfax"). As this transaction with Fairfax completed on 9 November 2007, no further assets or liabilities relating to these assets held for sale are included in the 31 December 2008 or 30 June 2008 financial statements.

10 Business Combination (cont'd)

(a) Summary of acquisition of Southern Cross Broadcasting (Australia) Limited Group of Companies

Assets and liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount $'000	Fair value $'000
Assets		
Current assets		
Cash balances	31,763	31,763
Trade and other receivables	70,798	70,798
Assets held for sale	522,580	522,580
Other current assets	3,235	3,235
Total current assets	628,376	628,376
Non current assets		
Property, plant and equipment	112,594	117,142
Intangible assets – licenses	356,315	460,000
Intangible assets – other	-	2,899
Other non current financial assets	110	8,110
Deferred tax assets	14,795	-
Total non-current assets	483,814	588,151
Total assets	1,112,190	1,216,527
Liabilities		
Current liabilities		
Trade and other payables	56,627	56,627
Provision for tax	18,870	17,510
Provision for Special Dividend	26,187	26,187
Provisions	5,972	5,972
Total current liabilities	107,656	106,296
Non-Current liabilities		
Deferred tax liabilities	38,995	-
Borrowings	143,000	143,000
Provisions	1,900	1,900
Total non-current liabilities	183,895	144,900
Total liabilities	291,551	251,196
Less: Share attributable to Minority Interests		298
Fair value of net identifiable assets acquired		965,033
Goodwill on consolidation		280,322
Total consideration		1,245,355

10 Business Combination (cont'd)

(a) Summary of acquisition of Southern Cross Broadcasting (Australia) Limited Group of Companies

In accordance with the time requirements of AASB 3: *Business Combinations*, the Group had 12 months from the date of control to finalise the acquisition accounting. In respect of the Southern Cross acquisition, this accounting was completed during the period. As a result of changes between the provisional accounting and the final accounting, certain changes have been made to the disclosure in the financial report for the year ended 30 June 2008 as required by AASB 3.

The following table summarises these changes:

	$'000	$'000
Provisional goodwill at 30 June 2008		289,682
(Increase) in the fair value of other financial assets	(8,000)	
(Decrease) in provision for tax	(1,360)	
(Decrease) in goodwill		(9,360)
Final goodwill as above		280,322

The change between the provisional acquisition accounting and the finalised numbers, as disclosed above, is in relation to the finalisation of management's assessment of the fair value of assets acquired through the business combination.

10 Business Combination (cont'd)

(b) Summary of acquisition of Brown Publishing

On 12 December 2007, an entity within the American Consolidated Media Group ("ACM") obtained control over 100% of the issued ordinary share capital of Messenger Publishing Corporation, a publisher of 1 community newspaper, and control over certain assets relating to 11 community newspapers in southern Ohio from Brown Publishing Corporation.

As the acquired businesses were purchased on 12 December 2007, they contributed revenues and net profits from 12 December 2007 to the MMIL Group and MMG.

The acquired businesses contributed revenues of $0.8 million to the MMIL Group and MMG for the period of control during the half year ended 31 December 2007. If the acquisition had occurred on 1 July 2007, consolidated revenue of the Group for the half year to 31 December 2007 would have been increased by approximately $6.4 million.

The acquired businesses contributed revenues of $7.2 million to the MMIL Group and MMG for the period of control during the year ended 30 June 2008. If the acquisition had occurred on 1 July 2007, consolidated revenue of the Group for the year to 30 June 2008 would have been increased by approximately $6.4 million.

Due to changes in the funding structure of the ACM Group and acquired entities post acquisition, it is not possible to provide a comparative net profit figure.

Details of the fair value of the assets and liabilities and goodwill are as follows:

	$'000
Purchase consideration	
Cash paid/payable	51,284
Direct costs relating to the acquisition	2,179
Total purchase consideration	53,463
Less fair value of net identifiable assets acquired	(22,768)
Goodwill	30,695

Purchase consideration

	MMIL Consolidated $'000
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	53,463
Less: Cash balances acquired	-
Outflow of cash	53,463

10 Business Combination (cont'd)

(b) Summary of acquisition of Brown Publishing (cont'd)

Assets and liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount $'000	Fair value $'000
Assets		
Current assets		
Trade and other receivables	1,733	1,045
Other current assets	45	45
Total current assets	1,778	1,090
Non current assets		
Property, plant and equipment	2,689	2,689
Intangible assets – other	1,100	13,428
Intangible assets – mastheads	-	6,279
Total non-current assets	3,789	22,396
Total assets	5,567	23,486
Liabilities		
Current liabilities		
Trade and other payables	50	108
Other liabilities	610	610
Total current liabilities	660	718
Fair value of net identifiable assets acquired		22,768
Goodwill on consolidation		30,695
Total consideration		53,463

In accordance with the time requirements of AASB 3: *Business Combinations*, the Group had 12 months from the date of control to finalise the acquisition accounting. In respect of the Brown acquisition, this accounting was completed during the period. As a result of changes between the provisional accounting and the final accounting, certain changes have been made to the disclosure in the financial report for the year ended 30 June 2008 as required by AASB 3.

The following table summarises these changes:

	$'000	$'000
Provisional goodwill at 30 June 2008		34,989
(Increase) in the fair value of intangibles	(3,799)	
(Decrease) in deferred tax liabilities	(1,241)	
Decrease in the fair value of trade receivables	688	
Increase in the fair value of trade payables	58	
(Decrease) in goodwill		(4,294)
Final goodwill as above		30,695

The change between the provisional acquisition accounting and the finalised numbers, as disclosed above, is in relation to the finalisation of management's assessment of the fair value of assets acquired through the business combination.

10 Business Combination (cont'd)

(c) Summary of acquisition of Chesapeake Publishing Corporation ("CPC")

On 8 January 2008 MMIL obtained control over certain assets relating to 22 publishing assets of Chesapeake Publishing.

The acquired business contributed revenues of $17.2 million to the MMIL Group and MMG for the period from 8 January 2008 to 30 June 2008. If the acquisition had occurred on 1 July 2007, consolidated revenue of the Group would have been increased by approximately $19.8 million for the year to 30 June 2008. Due to changes in the capital structure of the ACM Group post acquisition, it is not possible to provide net profit figures.

Details of the fair value of the assets and liabilities and goodwill are as follows:

	$'000
Purchase consideration (refer below)	
Cash paid/payable	135,344
Direct costs relating to the acquisition	3,981
Total purchase consideration	139,325
Less fair value of net identifiable assets acquired (refer below)	(61,344)
Goodwill	77,981

Purchase consideration

	MMIL Consolidated $'000
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	139,325
Less: Cash balances acquired	-
Outflow of cash	139,325

10 Business Combination (cont'd)

(c) Summary of acquisition of Chesapeake Publishing Corporation ("CPC") (cont'd)

Assets and liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount	Fair value
	$'000	$'000
Assets		
Current assets		
Trade and other receivables	4,154	4,154
Inventories	1,337	1,337
Total current assets	5,491	5,491
Non current assets		
Property, plant and equipment	7,729	7,729
Intangible assets – Mastheads	-	23,250
Intangible assets – Other	-	26,444
Other non-current assets	216	216
Total non-current assets	7,945	57,639
Total assets	13,436	63,130
Liabilities		
Current liabilities		
Trade and other payables	549	549
Other liabilities	1,237	1,237
Total current liabilities	1,786	1,786
Fair value of net identifiable assets acquired		61,344
Goodwill on consolidation		77,981
Total consideration		139,325

In accordance with the time requirements of AASB 3: *Business Combinations*, the Group had 12 months from the date of control to finalise the acquisition accounting. In respect of the Chesapeake acquisition, this accounting was completed during the period. As a result of changes between the provisional accounting and the final accounting, certain changes have been made to the disclosure in the financial report for the year ended 30 June 2008 as required by AASB 3.

The following table summarises these changes:

	$'000	$'000
Provisional goodwill at 30 June 2008		85,403
(Increase) in the fair value of intangibles	(7,733)	
Increase in consideration	311	
(Decrease) in fair value of goodwill		(7,422)
Final goodwill as above		77,981

The change between the provisional acquisition accounting and the finalised numbers, as disclosed above, is in relation to the finalisation of management's assessment of the fair value of assets acquired through the business combination.

11 Contingent Liabilities

Contingent fees

Under the Asset Advisory Agreement, Asset Base Fees and Asset Performance Fees are payable in certain limited circumstances which are contingent on the occurrence of: (a) a delisting of MMHL or Macquarie Media Trust ("MMT") (an entity which forms part of the Stapled Group including MMHL) or the removal of MMG stapled securities from quotation, other than by Macquarie Group Limited and its associates ("Macquarie Group"); (b) a Macquarie Group company ceasing to be the responsible entity of MMT, other than through retirement; or, (c) the termination of a Management Services Agreement which MMHL has entered into with Macquarie Media Management Limited ("MMHL) (as Manager), other than by the Manager.

12 Events Occurring after Balance Sheet Date

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 buyback of up to A$50 million of MMG securities. MMG's on-market buy-back commenced in January 2009 and, at the date of this report, 3,965,370 stapled securities had been bought back for a total consideration of $3,429,642.

No other matters or circumstances have arisen since the end of the half year that have significantly affected or may significantly affect the operations of MMG, MMHL Group or MMIL Group, the results of these operations in future financial years or the state of affairs of the those entities in periods subsequent to the period ended 31 December 2008.

Statement by the Directors of the Responsible Entity of Macquarie Media Trust

On the Interim Financial Report of Macquarie Media Trust

In the opinion of the directors of Macquarie Media Management Limited ("the Responsible Entity"), the Responsible Entity of Macquarie Media Trust ("MMT"), the interim financial report for MMT and its subsidiaries ("MMG") set out on pages 8 to 35 is in accordance with the Corporations Act 2001, including:

a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

b) giving a true and fair view of the financial position of MMG as at 31 December 2008 and of its performance, as represented by the results of its operations, changes in equity, and cash flows, for the financial period ended on that date; and

c) there are reasonable grounds to believe that MMG will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of Macquarie Media Management Limited in its capacity as Responsible Entity for Macquarie Media Trust.

Max Moore-Wilton
Chairman
Sydney, Australia
23 February 2009

Chris de Boer
Director
Sydney, Australia
23 February 2009

Directors' Declaration - MMHL

On the Interim Financial Report of Macquarie Media Holdings Limited

The directors of Macquarie Media Holdings Limited ("MMHL") declare that the financial statements of MMHL and its subsidiaries ("the MMHL Group") and notes set out on pages 8 to 35 are in accordance with the Corporations Act 2001, including:

a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

b) giving a true and fair view of the financial position of the MMHL Group as at 31 December 2008 and the financial performance of the MMHL Group, as represented by the results of its operations, changes in equity, and cash flows, for the financial period ended on that date;

c) there are reasonable grounds to believe that the MMHL Group will be able to pay its debts as and when they become due and payable; and

Signed in accordance with a resolution of the directors of Macquarie Media Holdings Limited.

Max Moore-Wilton
Chairman
Sydney, Australia
23 February 2009

Chris de Boer
Director
Sydney, Australia
23 February 2009

Directors' Declaration - MMIL

On the Interim Financial Report of Macquarie Media International Limited

The directors of Macquarie Media International Limited ("MMIL") declare that the interim financial report of MMIL and its subsidiaries ("the MMIL Group") and notes set out on pages 8 to 35:

a) complying with Accounting Standards and other mandatory professional reporting requirements; and

b) give a true and fair view of the MMIL Group financial position as at 31 December 2008 and of its performance, as represented by the results of its operations, changes in equity, and cash flows, for the financial period ended on that date.

In the directors' opinion:

a) there are reasonable grounds to believe that the MMIL Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors of Macquarie Media International Limited.

Michael Hamer
Chairman
Hamilton, Bermuda
23 February 2009

Bob Richards
Deputy Chairman
Hamilton, Bermuda
23 February 2009

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Independent auditor's review report to the unit holders of Macquarie Media Trust, members of Macquarie Media Holdings Limited and members of Macquarie Media International Limited

Report on the Interim Financial Reports

We have reviewed the accompanying interim financial reports of Macquarie Media Group ('MMG'), Macquarie Media Holdings Limited ('MMHL') and Macquarie Media International Limited ('MMIL') (together 'the interim financial reports'), which comprise the balance sheets as at 31 December 2008 and the income statements, statements of recognised income and expense and statements of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration and statement by directors of the responsible entity of Macquarie Media Trust (MMT) (as applicable) for MMG (defined below), the MMHL Group (defined below) and the MMIL Group (defined below).

MMG comprises both MMT and the entities it controlled at the half year's end or from time to time during the half year, including the MMHL Group and the MMIL Group. The MMHL Group comprises both MMHL and the entities it controlled at the half year's end or from time to time during the half year. The MMIL Group comprises both MMIL and the entities it controlled at the half year's end or from time to time during the half year.

Directors' responsibility for the interim financial reports

The directors of Macquarie Media Management Limited ('the Responsible Entity'), the Responsible Entity of MMT, the directors of MMHL and the directors of MMIL (together 'the directors') are responsible for the preparation and fair presentation of the interim financial reports in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* (as applicable), as they apply to the entities. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the interim financial reports that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial reports based on our review. We conducted our reviews in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial reports are not in accordance with the *Corporations Act 2001* as it applies to the entities, including: giving a true and fair view of MMG's, the MMHL Group's and the MMIL Group's financial position as at 31 December 2008 and their performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of MMG, the MMHL Group and the MMIL Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial reports.

A review of a interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the interim financial report to determine whether it contains any material inconsistencies with the interim financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

For further explanation of a review, visit our website http://www.pwc.com/au/financialstatementaudit.

While we considered the effectiveness of management's internal controls over financial reporting when

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Independent auditor's review report to the unit holders of Macquarie Media Trust, members of Macquarie Media Holdings Limited and members of Macquarie Media International Limited (continued)

determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial reports of MMG, the MMHL Group and the MMIL Group are not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of MMG's, the MMHL Group's and the MMIL Group's financial position as at 31 December 2008 and of their performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001, as it applies to the entities.

PricewaterhouseCoopers

PricewaterhouseCoopers

Wayne Andrews

Wayne Andrews
Partner

Sydney
23 February 2009