



**ASX / MEDIA RELEASE
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**EXECUTIVE CHAIRMAN'S ADDRESS
2011 CONSOLIDATED MEDIA HOLDINGS LIMITED ANNUAL GENERAL MEETING**

On behalf of the CMH Board, I would like to formally welcome you to the 2011 Annual General Meeting of your company.

In what was and continues to be a challenging economic period, CMH took a number of steps in the 2011 financial year with the view to enhancing shareholder value.

Before I provide an overview of the financial performance of CMH in FY11 and for the year to date, I will quickly discuss the investment decisions taken by your company since our last meeting.

The first investment – the on-market acquisition by CMH of CMH shares – was taken following shareholder approval at a specially-convened general meeting in May, 2010.

In the period from June to December 2010, CMH acquired more than 58.8 million shares, at a total cost of \$194.1 million.

The end result of the 2009 and 2010 Buy-Back Programs was a reduction in the total shares on issue at your company of more than 127.8 million shares, ensuring a much more efficient capital structure.

Buying back shares was both cashflow and earnings per share accretive.

The second investment made by your company this year was an opportunity offered to us by SEEK Limited, which fell neatly within CMH's new media investment strategy.

Together with SEEK, Macquarie Capital and Tiger Global, all seasoned investors in this space, CMH acquired a 12.1 per cent interest in SEEKAsia Limited, giving us a look-through investment of 9.7 per cent into JobsDB Inc, one of South East Asia's largest online employment website businesses, and the market leader in Hong Kong, Singapore, Thailand and Indonesia.

While not a core investment for CMH, the JobsDB investment presents an excellent opportunity to invest with other experienced businesses in this area, with a capped downside but with significant medium to long term growth potential.

As I mentioned in my Review in the 2011 Annual Report, we expect to start seeing dividends from this investment from the 2012 calendar year. I am pleased to report that, year-to-date, the performance of the business is up strongly year-on-year, which is in line with our expectations at the time we invested.

The third and pending investment – and without doubt CMH’s most significant since the demerger of Publishing and Broadcasting Limited in late 2007 – is our commitment to invest up to \$225 million alongside our FOXTEL partners in FOXTEL’s proposed acquisition of AUSTAR.

As shareholders will be aware, earlier this year FOXTEL provided AUSTAR with an Indicative Proposal to acquire 100 per cent of its shares at \$1.52 a share. It was agreed that this would be done by way of a scheme of arrangement.

To enable us to participate in the transaction, we have put in place a debt facility, fully underwritten by ANZ and BNP Paribas.

This facility has tranches of 3 and 4 years, with a draw down to occur before June 30 next year.

The transaction remains subject to the satisfaction of various conditions precedent, including the approval of the ACCC, the IRS in the United States, FIRB, AUSTAR’s minority shareholders and the Federal Court.

Earlier this month, the ACCC indicated that it expects to release its findings next month, on November 30.

The investment by CMH of up to \$225 million into FOXTEL, to enable FOXTEL to acquire AUSTAR, remains a compelling strategic and financial opportunity for both FOXTEL and CMH.

Turning now to the performance of CMH during the 2011 financial year.

Many shareholders will have seen our full year results announcement in late August 2011, so I will not go into too much detail but instead provide a brief overview of the full year results, and then focus on what we have seen since July 1 this year.

CMH’s Operating NPAT result for the 2011 financial year – being the continuing net profit after tax result excluding any non-recurring gains – was \$94.8 million, up 5.8 per cent on the 2010 financial year.

The excluded non-recurring gain in the 2011 financial year related to the one-off settlement of the service fee arrangement put in place when we sold the Park Street building in 2009.

As in previous years, our Operating NPAT result for the 2011 financial year largely reflected the equity accounted contributions from FOXTEL and Premier Media Group, the latter commonly referred to as FOX SPORTS.

The contributions from both investments were again solid, with FOXTEL contributing \$37.6 million – up 25.6 per cent year-on-year, and PMG, \$51.5 million, down slightly on the previous year.

We maintained our dividend payout for the 2011 financial year at 16.5 cents a share.

Both the interim and final dividends for the 2011 financial year were unfranked due in the main to our low franking account balance. As and when this balance improves, we will seek to pass franking credits on to our shareholders to the extent we are capable of doing so.

As for our share price performance this year, CMH found itself alongside its media peers on a general downward trajectory, which is unfortunate given our limited exposure to the volatile advertising market. We continue to believe that we hold two of Australia's best media assets in FOXTEL and Premier Media Group.

At the head office level, we remain conscious that, as a holding company, we are responsible for ensuring we deliver as much value from our underlying investments as possible to our shareholders.

To that end, we focus on minimising our corporate costs. We have a small corporate head office, and of our ten directors, nine are non-executive, five of whom are not paid fees for their services, with the balance receiving modest director fees.

Turning to what we have seen year-to-date.

Clearly the retail environment remains competitive and challenged, which puts pressure on FOXTEL's ability to continue to increase its subscriber base. Nevertheless, FOXTEL's subscriber performance in August and September was positive, which we believe is a reflection of some of the excellent content available over the past few months, including the Rugby World Cup coverage on FOX SPORTS. While recent signs in October have not been as positive, we remain confident the compelling content proposition offered by FOXTEL, including the comprehensive AFL coverage to be offered from next season, will remain a driver of subscriber growth this financial year.

In addition, average revenue per user, or ARPU, has continued to grow since our full year results in August, and as has been the case for the past few years, this has been on the back of continued take up of additional services and products offered by FOXTEL.

Looking forward, we are excited about the prospect of reintroducing a dedicated AFL high definition channel to take full advantage of the extensive and compelling package of broadcast rights FOXTEL acquired earlier in the year. From the 2012 season, FOXTEL subscribers with the sports tier will have access to every game of every round live, siren-to-siren, in high definition format, as well as most of the AFL finals series.

Work is underway to form the framework for this channel, with additional complementary programming to be introduced to enhance and support the extensive live coverage.

At Premier Media Group, the new Chief Executive Patrick Delany has re-energised FOX SPORTS with a strong focus on reinforcing and where necessary improving the quality of the television produced at the channels.

Rugby programming from the last few months now holds the top 5 positions on the all-time highest rating Australian subscription television events. The Australia versus New Zealand Rugby World Cup semi final earlier this month attracted on average 719,000 viewers over its telecast, the highest rating program ever in Australian pay television history, with the Rugby World Cup final between New Zealand and France a close second, with an average of 648,000 viewers.

And while costs growth at PMG was high during the last financial year due to the timing of major sporting events, we expect that costs growth for FY12 will be back to more normalised levels.

The short term consumer confidence and global economic instability will provide challenges for the retail environment, to which FOXTEL and PMG, and consequently CMH, are not immune.

However, as I mentioned earlier today, CMH believes that we hold two of Australia's best media assets in FOXTEL and PMG, with each of these businesses well placed to meet these challenges.

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COPIES OF RELEASES

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