



ASX / MEDIA RELEASE
FOR IMMEDIATE RELEASE
26 MAY 2011

FOXTEL'S INDICATIVE PROPOSAL TO ACQUIRE AUSTAR

SYDNEY: Consolidated Media Holdings Limited (CMH) (ASX:CMJ) announces today that FOXTEL, an entity in which CMH has a 25 per cent investment, has submitted a non-binding, indicative, conditional, incomplete proposal to Austar United Communications Limited (AUSTAR) (ASX:AUN) to acquire 100 per cent of the issued shares in AUSTAR at \$1.52 per share (the **Indicative Proposal**). It is expected that, should the conditional Indicative Proposal progress to final transaction documents, CMH will fund its contribution to any transaction through the use of a newly arranged debt facility. A copy of the FOXTEL announcement is attached.

ENDS

COPIES OF RELEASES

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



Media Release: 26 May 2011

FOXTEL announces proposal to acquire AUSTAR

FOXTEL notes the statement made by AUSTAR today regarding a proposal by FOXTEL to acquire AUSTAR at a price of \$1.52 per share.

FOXTEL confirms it has put a conditional proposal to AUSTAR, which, if implemented, would result in FOXTEL acquiring 100% of the shares in AUSTAR and the merger of the FOXTEL and AUSTAR businesses.

A successful transaction would bring together two of Australia's major subscription TV service providers, creating one of Australia's largest media businesses with over 2,500 full-time equivalent employees and anticipated revenues of over \$2.8 billion with a combined investment in original Australian content of more than \$500 million per annum.

FOXTEL believes a merger of FOXTEL and AUSTAR would bring significant benefits to consumers, in particular:

- a merged FOXTEL/AUSTAR will be able to roll out new digital products and services even faster to existing and new customers;
- Australian consumers in regional areas will be able to enjoy access to new digital subscription channels as well as new flexible packages and pricing through products such as FOXTEL on Xbox 360 and FOXTEL on T-Box[®]
- consumers in regional Australia will also get access to the same quality digital services at the same time as their metropolitan counterparts; and
- the continuation of the long history over the last fifteen years of FOXTEL investing in and being one of Australia's great innovators in media delivery.

It is FOXTEL's intention to maintain the world class AUSTAR facility in Robina, Gold Coast, which would be an important part of the combined group.

"This is a logical transaction with significant consumer and industrial upside for all stakeholders. The two companies are a complementary fit," said FOXTEL CEO Mr Kim Williams AM. "If the merger were to go ahead, it is a win-win transaction that delivers value to AUSTAR shareholders, synergies and growth opportunities for FOXTEL and increased services and choice for all consumers."

FOXTEL's proposal to AUSTAR is indicative, non-binding and subject to a number of conditions and there can be no certainty that any transaction will eventuate.

Conditions to the finalisation of any transaction include the Board of AUSTAR recommending the transaction to AUSTAR shareholders, the completion of due diligence by FOXTEL and entry into definitive transaction documents once approved by the Boards of FOXTEL and its Partners. Any transaction will be subject to regulatory approvals, including from FIRB and the ACCC.

The transaction would be funded by a combination of FOXTEL bank debt and shareholder capital contributions.

FOXTEL is being advised by AquAsia, UBS AG and Allens.

For more information call: Adam Suckling, FOXTEL, on 0419 205 488 or Brian Tyson/Peter Ogden, Kreab Gavin Anderson, on (02) 9552 4499

About FOXTEL

FOXTEL is Australia's leading subscription television provider and is connected to over 1.63 million homes on cable and satellite through retail and wholesale distribution. FOXTEL strives to ensure subscribers find TV they want to watch every time they switch on through delivery of more than 200 channels covering news, sport, general entertainment, movies, documentaries, music and children's programming. FOXTEL is owned by Telstra Corporation Ltd (50%), The News Corporation Ltd (25%), and Consolidated Media Holdings Ltd (25%).