ASX / MEDIA RELEASE
FOR IMMEDIATE RELEASE
16 DECEMBER 2008

SYDNEY: Consolidated Media Holdings Limited (CMH) (ASX: CMJ) announces today it has received confirmation from PBL Media that its majority shareholder, Red Earth Holdings B.V. (an entity owned by funds advised by CVC Asia Pacific and CVC Capital Partners) (**CVC**), shall contribute a further $335 million to PBL Media.

It is expected that this contribution will occur before 31 December 2008.

The impact of this contribution by CVC is that CMH's shareholding in PBL Media shall dilute from 25 per cent to 0.074 per cent.

A copy of a press release from PBL Media 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.

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PRESS RELEASE

PBL Media today announced it received overwhelming consent from its banking syndicate for the $445m re-capitalization package put forward by its ultimate shareholders, funds advised by CVC Capital Partners and CVC Asia Pacific ("CVC funds"). The recapitalisation involves CVC funds investing $335 million of new equity into PBL Media while at the same time cancelling $110 million of excess undrawn facilities.

The package comes with wholesale changes to the existing financial covenants relating to PBL Media's $3.8 billion of net debt post recapitalisation.

PBL Media Chief Executive Officer, Ian Law, said the recapitalisation of the business and the new covenants would provide sufficient earnings and cashflow headroom to allow the company to safely trade through the bottom of the current economic cycle. It ensures that the capital structure of PBL Media is robust if the economic environment continues to deteriorate.

"The next 12 to 24 months are clearly going to be testing for all businesses," Mr Law said.

"The great thing about the revised financial structure is we are now in a position to withstand a severe recession, should that eventuate, and we will not have an issue with our financing. We think our business is well placed and current trading is holding up well.

"With our amended covenants and longer dated debt, the reality is we now have more financial resilience than many listed companies that have a lower level of gearing. The perceived "indebtedness" issue has now been finally resolved for PBL Media."

"Our forecast net debt of $3.8 billion ($3.05 billion Senior debt and $765m Mezzanine debt) post this recapitalisation is long term in nature with no refinancing on any of it until early 2013."

As previously announced, Consolidated Media Holdings will not participate in the fresh equity injection and will therefore be diluted to less than 1% ownership as a consequence.

Mr Law said he remained optimistic PBL Media would emerge from the current downturn in a very strong position.

"We can now get on and focus on running the business for the longer term," he said.

"We have a number of exciting opportunities before us including the new press and distribution facility for ACP Magazines and the installation of new state of art digital equipment for the National Nine Network.

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"These are fundamental initiatives which will deliver significant financial benefits for the business and put ACP Magazines and the Nine Network in very strong positions to continue to grow in their respective markets."

Adrian MacKenzie, Managing Partner of CVC Asia Pacific said the necessary majority of more than two thirds of the senior debt lenders was comfortably exceeded and 100% of the mezzanine debt lenders provided consent. This was achieved within the offer period which closed on 15th December.

"The speed of the process and the high acceptance levels from the banks was very encouraging. It indicates they saw the offer of significant new equity and the restructuring of the covenants as fundamentally good for the business," he said.

"We are firm believers in the business and its management team."

"PBL Media has some of the best media brands in Australia and the management team has made a number of significant operational changes since we took ownership of the business. That means it is very well positioned to do well when economic conditions improve. We take a longer term view of our investments and it is in this context we sought to change the capital structure, invest more equity and support PBL Media."

CVC funds initially invested $1 billion to take a 50% interest in the business alongside Publishing and Broadcasting Limited when PBL Media was formed in late 2006. In 2007 CVC funds invested an additional $526 million to buy a further 25% from the then Consolidated Media Holdings which had been divested from PBL. The latest investment takes the total commitment in PBL Media to more than $1.8 billion.

Mr Law said that the Management Equity Plan involving 36 of the senior managers of PBL Media has also been restructured as part of the recapitalisation process. "This is a very important outcome for those of us who have personally invested in the business. The new targets within the Management Equity Plan reflect the economic environment and the plan is a tangible incentive for management to create shareholder value," Mr Law said.

Completion of the recapitalisation will occur before December 31, 2008.

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For further Information contact:

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