

Full Year 2016 Final Dividend – Supplementary Dividend for Non-Resident Shareholders

As announced on 24 February 2017, NZME Limited will pay a supplementary dividend of 1.0588 cents per share to all holders of NZME Limited shares who are not resident in New Zealand for the purposes of the Income Tax Act 2007, who hold less than 10% of the shares in the Company and whose names (or whose nominee's name) will be entered on NZME Limited's share register on 11 April 2017 (being the record date).

A supplementary dividend is paid to non-resident shareholders to offset the amount of non-resident withholding tax ("NRWT") that New Zealand companies are required to deduct from dividends paid to non-resident shareholders. A supplementary dividend is paid to ensure equitable treatment between non-resident shareholders and resident shareholders (whose dividends are not subject to NRWT).

In summary, there is no disadvantage to NZME Limited shareholders since the supplementary dividend will be funded by way of a credit to the Company under New Zealand Foreign Investor Tax Credit regime; and the payment of a supplementary dividend effectively puts these non-resident shareholders in the position they would have been had New Zealand tax credits been available to them.

The supplementary dividend will be paid on 28 April 2017.