

27 June 2016

To: Australian Securities Exchange

PRE-QUOTATION DISCLOSURE

The following information is required to be provided to ASX Limited (**ASX**) for release to the market in connection with the admission to the official list and official quotation on a deferred settlement trading basis of the fully paid ordinary shares in NZME Limited (**NZME**) which will commence on 27 June 2016.

Capitalised terms which have not been otherwise defined in this document have the same meaning as they have in the Explanatory Memorandum released to ASX by NZME on 27 June 2016 (**Explanatory Memorandum**).

TOTAL NUMBER OF SHARES ON ISSUE

The total number of fully paid ordinary shares (**NZME Shares**) on issue in NZME is 196,011,282.

INDICATIVE STATEMENT OF THE 20 LARGEST SHAREHOLDERS

Attachment 1 is an indicative statement of the persons expected to be the 20 largest shareholders of NZME immediately following the Demerger (based on the 20 largest shareholders of APN News & Media Limited (**APN**) as these shareholders are expected to hold a relevant interest in the same percentage of NZME Shares on completion of the Demerger), being the only class of securities of NZME to be quoted, and the number and percentage of NZME Shares to be held by those holders.

INDICATIVE DISTRIBUTION SCHEDULE OF HOLDERS

Attachment 2 is an indicative statement of the expected numbers of shareholdings in each class of securities to be quoted immediately following the Demerger (based on the distribution of holders in APN as APN shareholders are expected to hold a relevant interest in the same percentage of NZME Shares on completion of the Demerger), setting out the number of holders in the following categories:

- 1 – 1,000;
- 1,001 – 5,000;
- 5,001 – 10,000;
- 10,001 – 100,000; and
- 100,001 and over.

NZME Limited

2 Graham Street, PO Box 32, Auckland, New Zealand
Telephone (09) 379 5050; Fax (09) 373 6443
www.nzme.co.nz

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SHAREHOLDER ENTITLEMENTS

To effect the demerger of NZME from APN:

- each Eligible Shareholder will receive one NZME share for every one APN Share it is registered as holding at the Record Date; and
- the NZME Shares that would have otherwise been distributed to Selling Shareholders will be transferred to the Sale Agent and sold on either of the ASX or the NZX.

The "Record Date" for determining entitlements to NZME Shares under the Demerger is 7.00pm on Tuesday, 28 June 2016.

An "Eligible Shareholder" is an APN Shareholder as at the Record Date whose registered address on the APN Share Register is in Australia, New Zealand, Hong Kong, Singapore, United Kingdom, Switzerland, Norway, France, Italy, Ireland or Germany.

A "Selling Shareholder" is an Ineligible Overseas Shareholder (an APN Shareholder who is not an Eligible Shareholder) or a Small Shareholder (an Eligible Shareholder, who on the Record Date, individually holds 500 APN Shares or less) who validly elect to have their NZME Shares sold pursuant to the Sale Facility.

The net proceeds of the sale of NZME Shares through the Sale Facility (after deducting any applicable taxes, duty, currency conversion or other costs and charges) will be transferred by the Sale Agent to the APN Share Registry and distributed in Australian currency by the APN Share Registry to the relevant Selling Shareholders on a pro rata basis so that all Selling Shareholders will receive the same price for each NZME Share sold on their behalf through the Sale Facility. Net proceeds will be remitted to Selling Shareholders as soon as practicable following the sale of those shares.

APN Shareholders can call the APN Shareholder Information Line if they have any questions relating to their entitlement to NZME Shares on:

- 1300 365 969 (within Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday;
- +61 1300 365 969 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday; or
- 0800 729 276 (within New Zealand) between 8.30am and 5.30pm (Sydney time), Monday to Friday.

It is the responsibility of APN Shareholders to determine their entitlements prior to trading in NZME Shares to avoid the risk of selling NZME Shares they do not own. APN Shareholders selling NZME Shares before they receive confirmation of their entitlements do so at their own risk.

CONDITIONS PRECEDENT

All of the conditions precedent to the Demerger have been satisfied or waived and the Demerger will proceed.

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DISPATCH OF HOLDING STATEMENTS

The intended date for transferring NZME Shares to Eligible Shareholders is 29 June 2016. The intended date for dispatch of holding statements for NZME Shares is 30 June 2016.

OTHER INFORMATION

This document does not in any way constitute an offer of securities in any place in which, or to any person to whom, it would be unlawful to make such an offer.

This document is neither an offer to sell nor a solicitation of an offer to buy securities as those terms are defined under the US Securities Act. The NZME Shares to be transferred under the Demerger have not been and will not be registered under the US Securities Act or the securities laws of any jurisdiction and may not be offered, sold or resold in, or to persons in, the United States except in accordance with an available exemption from registration under the US Securities Act.

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ATTACHMENT 1
Indicative statement of the 20 largest shareholders¹

No	Shareholder	NZME Shares	% of NZME Shares
1.	HSBC Custody Nominees (Australia) Limited	31,136,766	15.89%
2.	J P Morgan Nominees Australia Limited	29,928,243	15.27%
3.	Citicorp Nominees Pty Limited	28,155,387	14.36%
4.	News Limited	22,325,238	11.39%
5.	National Nominees Limited	21,845,786	11.15%
6.	RBC Investor Services Australia Nominees Pty Limited (Pi Pooled)	8,776,433	4.48%
7.	RBC Investor Services Australia Pty Limited (VFA)	6,924,848	3.53%
8.	BNP Paribas Nominees Pty Ltd (Agency Lending DRP)	5,568,205	2.84%
9.	BNP Paribas Noms Pty Ltd (DRP)	4,587,876	2.34%
10.	Merrill Lynch (Australia) Nominees Pty Limited	3,972,358	2.03%
11.	Citicorp Nominees Pty Limited (Colonial First State Inv)	2,906,919	1.48%
12.	CS Fourth Nominees Pty Limited (HSBC Cust Nom Au Ltd 11)	2,425,709	1.24%
13.	HSBC Custody Nominees (Australia) Limited (3)	2,392,553	1.22%
14.	UBS Nominees Pty Ltd	2,196,586	1.12%
15.	RBC Investor Services Australia Nominees Pty Limited (BKCUST)	2,027,913	1.03%
16.	UBS Nominees Pty Ltd	1,775,657	0.91%

¹ based on the 20 largest shareholders of APN as these shareholders are expected to hold a relevant interest in the same percentage of NZME shares on completion of the Demerger, although these figures will change if those shareholders change their holdings of APN shares prior to the Record Date.

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17.	Brispot Nominees Pty Ltd (House Head Nominee No 1)	1,122,983	0.57%
18.	HSBC Custody Nominees (Australia) Limited (Nt-Comnwlth Super Corp)	784,266	0.40%
19.	HSBC Custody Nominees (Australia) Limited (GSCO ECA)	592,349	0.30%
20.	Warbont Nominees Pty Ltd (Unpaid Entrepot)	404,774	0.21%
Top 20 holders of NZME Shares		179,850,849	91.76%
Balance of NZME Shares		16,160,433	8.24%
Total NZME Shares on issue		196,011,282	100.00%

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ATTACHMENT 2
Indicative distribution schedule of holders²

Range	Holders	NZME Shares	% of NZME Shares
1 – 1,000	4,965	1,389,166	0.71%
1,001 – 5,000	1,376	3,111,430	1.59%
5,001 – 10,000	234	1,637,454	0.84%
10,001 – 100,000	258	6,741,305	3.44%
100,001 and over	37	183,131,927	93.43%
Total	6,870	196,011,282	100%

² based on the distribution of holders in APN as APN shareholders are expected to hold a relevant interest in the same percentage of NZME Shares on completion of the Demerger, although these figures will change if those shareholders change their holdings of APN shares prior to the Record Date.

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