

MARKET ANNOUNCEMENT

19 December 2017

HIGH COURT UPHOLDS NZCC DECISION DECLINING FAIRFAX NZ MERGER

AUCKLAND, 19 December 2017: NZME Limited (NZX:NZM) (“NZME”) has been advised the High Court has upheld the New Zealand Commerce Commission’s (“NZCC”) decision not to clear or authorise the proposed merger of NZME and Fairfax Media Limited’s (ASX:FXJ) Fairfax New Zealand Limited (“Fairfax”).

On 3 May 2017, the NZCC announced that after almost a 12 month process, it had declined to clear or authorise the merger of NZME and Fairfax. The appeal by NZME and Fairfax, heard in the High Court in October 2017, has been unsuccessful.

NZME CEO, Michael Boggs, said he was disappointed in the decision as NZME was of the view that the merger was in the best interests of both shareholders and the industry as a whole as it would have improved the efficiency of news and entertainment content generation and distribution for New Zealand audiences. NZME remains committed to its strategic and operational priorities, which include:

- Growing audience reach by enhancing content and targeting;
- Retaining Print revenue by further innovating the proposition and leveraging sales;
- Returning Radio to growth by capitalising on improved ratings and sales transformation;
- Growing new revenue streams through the digital classifieds verticals;
- Managing costs and capital effectively through operational enhancements; and
- Continuing to develop people and talent.

“While the Fairfax merger offered us benefits, we have not been resting on our laurels in the last 18 months as we pursued the transaction.

“We will continue to examine shareholder value enhancing strategic initiatives leveraging our strong brands and audience reach, while enhancing the competitiveness of content generation and distribution.

“NZME has great people, brands, audiences and customers and a sound strategy to grow shareholder value. We remain very much of the view that the New Zealand media sector is an exciting place to operate and, while there are headwinds in some areas, there are real opportunities in others. NZME is well positioned to take advantage of those opportunities,” said Mr Boggs.

NZME will take the time to review the full judgement when released in the coming days, including the option to appeal the decision.

A copy of the media release advising of the outcome of the appeal is attached. The full judgment will be subject to a brief embargo pending determination of confidentiality issues.

– ENDS –

For further information:

Paddy Walker
Investor Relations Manager
NZME
T: +6421 486 003
Email: Paddy.Walker@nzme.co.nz

About NZME

NZME is a leading New Zealand media and entertainment business that reaches more than 3.3 million kiwis*. Whether reading, listening, watching, our audience gets the content they want - where and when they want it. NZME offers advertisers a unique opportunity to access its growing audience via a fully integrated multi-platform presence. NZME is listed on the NZX Main Board (code NZM) with a foreign exempt listing on the ASX (code NZM).

www.nzme.co.nz

*Source: Nielsen CMI, fused database: September 2017 (based on population 10 years +). Based on unduplicated weekly reach of NZME newspapers, radio stations, and monthly domestic unique audience of NZME's digital channels.