

MARKET ANNOUNCEMENT

5 February 2018

APPEAL OF HIGH COURT DECISION DECLINING MERGER

AUCKLAND, 5 February 2018: NZME Limited (NZX:NZM, ASX:NZM) (“NZME”), Fairfax Media Limited (ASX:FXJ) and Stuff Limited (previously Fairfax New Zealand Limited) (“Stuff”) have today confirmed that they will apply for leave to appeal the High Court decision upholding the New Zealand Commerce Commission’s (“NZCC”) decision not to clear or authorise the proposed merger of the two businesses.

On 3 May 2017, the NZCC announced that it had declined to clear or authorise the merger of NZME and Stuff. The appeal by NZME and Stuff, heard in the High Court in October 2017, was unsuccessful, although the findings of the High Court revealed that the NZCC had significantly understated the quantifiable public benefits from the proposed merger.

After careful review and analysis of the High Court’s reasons, the companies continue to believe that the NZCC was wrong in fact and wrong in law to decline clearance or authorisation of the merger. The High Court’s findings increase the range of estimated quantifiable net benefits to the public arising from the transaction to \$133 million to \$209 million, up from the NZCC’s estimated range of \$41 million to \$204 million; however the High Court still found that these benefits were outweighed by the expected loss of plurality in the media. The appeal will focus on the issue of plurality.

Given the potentially significant benefits from the merger, NZME is of the view that appealing the High Court decision is in the best interests of NZME, its shareholders and consumers.

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For further information:

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About NZME

NZME is a leading New Zealand media and entertainment business that reaches more than 3.3 million kiwis*. Whether reading, listening or 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.