

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

3 September 2018

SALE OF NON-SPORT PUBLISHING ASSETS

Pacific Star Network Limited (**Company**) has signed an agreement to sell the business of Morrison Media Services Pty Ltd (**Morrison**) to nextmedia Pty Ltd (**Next**). Morrison formed part of the Company's Publishing division and was responsible for non-sport related publications including Frankie Magazine and Smith Journal. The sale follows a strategic review of the Company's publishing assets and related opportunities.

Total sale consideration is \$2.4 million cash (**Consideration**) less working capital adjustments¹. Consideration is payable 70% on settlement and 30% on 30 June 2019. The sale represents a multiple of approximately 3.2x FY18 EBITDA².

Next will acquire Morrison's business assets. Mr. Hamish Bayliss, Managing Director of Next commented "We are delighted to add two premium brands to our portfolio and further cement nextmedia's position as the leader in specialist publishing."

Mr. Craig Hutchison, Managing Director of the Company commented "Since announcing the merger with Crocmedia Pty Ltd in January 2018, we have undertaken numerous operational and financial initiatives. The sale of Morrison aligns with the continued expansion of our 'Whole of Sport' offering. Publishing remains core to our 'Whole of Sport' offering. Our recent acquisition of the AFL Publishing business, responsible for the iconic AFL Record publication, complements our broader suite of sporting assets.

We continue to assess other opportunities to expand our 'Whole of Sport' offering and complement our live sports agenda and commercial radio broadcasting rights."

Settlement and completion of the sale is subject to customary conditions precedent being satisfied, expected to occur by mid-September 2018.

For more information please contact:

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¹ To be finalised prior to settlement and will include subscriptions and prepaid revenue transferrable to Next

² Prior to working capital adjustments