

27 June 2016

Dear Shareholder

On behalf of your Board and management, I am pleased to welcome you as a shareholder in NZME Limited (NZME). Following regulatory and APN shareholder approval for the demerger of NZME from APN, NZME listed on the New Zealand and Australian stock exchanges on 27 June 2016 and trades under the ticker code NZM.

NZME is a leading integrated media and entertainment business in New Zealand, operating some of the country's most recognisable publishing, radio and digital brands including the New Zealand Herald, Newstalk ZB, The Hits, Radio Sport and GrabOne.

This public listing is a significant milestone for NZME. The business has undergone a substantial transformation process over the past 18 months, with the integration of the company's publishing, radio and digital assets. NZME has delivered on its transformation goals; delivering on financial performance targets, successfully launching one newsroom and merging its commercial teams.

We are delighted with the listing of NZME and we welcome the support of our shareholders who have received one NZME Share for each APN Share held. With a new, standalone structure in place, NZME is now well positioned to take advantage of a number of emerging opportunities in digital, data and online media and developing new revenue streams through video, events and experiential. Combined with the announced potential merger with Fairfax NZ, the future for NZME is exciting and we look forward to having your continued support.

Regulation and governance

NZME has its primary listing on the NZX Main Board with a foreign exempt listing on the ASX.

As Chairman of the NZME Board I will be supported on the Board by Peter Cullinane, who will also retain his position on the APN board to ensure a smooth transition, and Carol Campbell, a chartered accountant with extensive financial experience and sound understanding of efficient board governance.

Communications and dividends

Throughout the year you will see us report through the stock exchange, media or communicate directly with you. NZME has a 31 December balance date and will announce results for the six months ended 30 June 2016 by the end of August 2016. The half-year results report will be released by the end of September 2016. If you have elected to receive electronic communications you will receive an email with a link to the report rather than receiving a printed copy.

The NZME Board intends to initially target a dividend payout ratio of 60-80% of underlying NPAT subject to maintaining appropriate leverage and having regard to other strategic priorities. An announcement regarding the dividend will be made at the time of the interim

NZME Limited

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

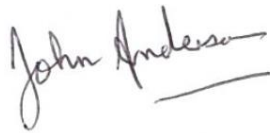
and / or annual results announcement. A dividend advice notice will be posted to you or an email sent with a link to the notice at the time the dividend is paid. NZME expects to pay its inaugural dividend in respect of its results for the six month period ended 30 June 2016.

I encourage you to check our website: www.nzme.co.nz and www.nzx.com/companies/NZM for information updates. Our company website is an excellent source of information about NZME and includes a separate investor section for information including our corporate governance policies, financial results, news and share price history, presentations and shareholder reports.

If at any time you want to check, update or change any of the details in relation to your NZME investment, please go to www.linkmarketservices.co.nz or call Link Market Services Limited on +64 9 375 5998 (New Zealand) or +61 2 8280 7111 (Australia). You will need your CSN/shareholder number and Authorisation Code (FIN) to view and update your holdings online.

Thank you for your support of NZME.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'John Anderson', with a horizontal line underneath.

Sir John Anderson
Chairman

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