



# NZME H1 16 RESULTS PRESENTATION

For the six months ended 30 June 2016

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**26 AUGUST 2016**



## DISCLAIMER

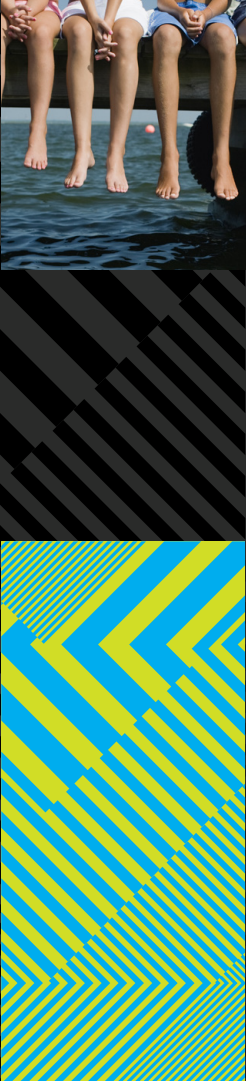
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## AGENDA

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# NZME H1 16 RESULTS SUMMARY

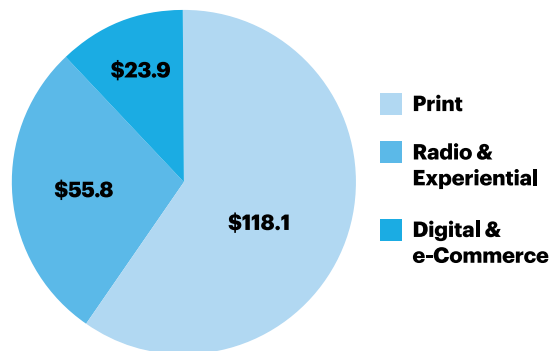
| TRADING <sup>1</sup> |                    |                     |                   |
|----------------------|--------------------|---------------------|-------------------|
| Revenue              | \$197.8m<br>↓ 7.9% | EBITDA <sup>3</sup> | \$32.5m<br>↑ 0.5% |

| PRO FORMA <sup>2</sup> |         |
|------------------------|---------|
| NPAT                   | \$10.4m |

| STATUTORY <sup>3</sup> |         |
|------------------------|---------|
| NPAT                   | \$60.8m |

|                  |        |
|------------------|--------|
| Interim Dividend | 3.5cps |
|------------------|--------|

## REVENUE BY SEGMENT



## H1 HIGHLIGHTS

- NZME delivered stable Trading EBITDA in H1 16 YoY despite a slower Q1 revenue performance.
- Significant cost savings of 9.4% vs. H1 15 driven by business transformation and integration efficiencies, while investing in digital and new revenue streams.
- Successfully listed on NZX Main Board and ASX on 27 June 2016.
- Demerger from APN News & Media Limited completed on 29 June 2016.
- Historical tax disputes with IRD fully settled for \$33.9m, shared equally with APN, with NZME's \$17.0m share paid in August 2016.
- The Statutory Result is not reflective of the NZME business going forward, due to the impact of the demerger, tax payments, and the inclusion of the previous ownership interest in the Australian Radio business.

(1) The NZME Trading Result includes the Educational Media business, which is not reported as part of the Statutory Accounts, the business is part of NZME and as a result of the demerger this business will be reported in the Statutory Accounts going forward. The NZME Trading Result excludes exceptional items, and also pro forma standalone costs of \$3.7m for H1 16 that were outlined in the Explanatory Memorandum for the Demerger of NZME by APN, as these costs were not incurred in H1 16. (2) The NZME Pro forma Result excludes exceptional items, but includes the pro forma standalone costs of \$3.7m for H1 16. Pro forma interest expense has been calculated at NZME's current interest rate payable of 4.0% p.a., net of H1 16 interest income of \$0.2m. Pro forma tax payable has been calculated indicatively utilising NZME's current effective tax rate of 29%. (3) The Statutory Accounts for H1 16 include the Australian Radio Network, NZME's remaining interest in which was sold on 24th June as part of the demerger, and a number of demerger related adjustments that are unrelated to the NZME business going forward. (4) EBITDA is a non-GAAP measure and is NZME's earnings before interest, tax, depreciation and amortisation, before exceptional items. Management and the Board monitor Trading EBITDA and Pro forma NPAT as key indicators of company performance and believe they provide a better comparable measure of NZME's operating performance.



# WE ARE CONTINUING TO DELIVER ON OUR STRATEGIC IMPERATIVES

## GROWING AUDIENCE ENGAGEMENT



- ✓ Overall NZME audience reach increased 5.5% from Q4 15 to Q1 16 to 3.2m<sup>1</sup>
- ✓ NZME's print readership and subscriber base grew in H1 16<sup>2</sup>
- ✓ NZME Radio's share of the 18-54 audience increased 0.6% during H1 16<sup>3</sup>
- ✓ NZ Herald digital audience increased 14.9% from Q4 15 to Q1 16<sup>1</sup>
- ✓ nzherald.co.nz registered users grew 12.4% during H1 16
- ✓ iHeart registered users grew 11.9% during H1 16<sup>2</sup>

## OPTIMISING INTEGRATION OPPORTUNITIES



- ✓ Completed the integration of our regional print, digital and radio sales teams under singular GMs to maximise cross-selling opportunities
- ✓ 13 regional co-locations now completed, 2 remaining
- ✓ Continued product optimisation, including the sale of the Wairarapa Times Age in June and Whakatane News in August
- ✓ Launched CreateMe to maximise the integrated, multi-platform sales proposition, delivering revenue growth via video, branded content and Experiential products

## DIVERSIFYING REVENUES



- ✓ Delivered 19.5% Digital revenue growth YoY
- ✓ Developed RestaurantHub.co.nz, a JV restaurant booking portal
- ✓ Launched Driven, a user generated online classifieds platform
- ✓ Launched NZ Herald Focus, a digital news video brand
- ✓ Developed a JV with Chinese Herald for a Chinese language version of nzherald.co.nz

(1) Source: Nielsen CMI, fused database: Last twelve months Q1 15 – Q1 16 (most recent) (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. (2) Source: Please refer Appendix 1. (3) Source: Gfk New Zealand Commercial Major Markets Survey 1 and 2 2016 18 – 54 age demographic Station Share (%). Mon-Sun 12mn-12mn.

## NZME PRINT

### REVENUE STATEMENT

- Print advertising revenue reduced by 13.6% YoY, however YoY trend has improved in Q2.
- Newspaper circulation revenues remain stable, subscriber revenues up 1.2% YoY, supported by subscriber yield growth of 5.2%, helping to offset volume decline.
- Other revenue growth reflects expanded distribution services provided to Fairfax NZ.

### H1 HIGHLIGHTS

THE COUNTRY

- Launched “The Country” brand, merging Radio, Digital and Print assets to become the hub for all NZME rural content.

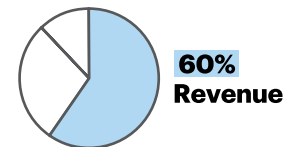
canvas

- Re-designed Canvas and Weekend magazines in the Weekend Herald. Content and design reorganised to enhance reader experience.

Weekend

DRIVEN

- Expanded Driven brand across all regional daily newspapers, growing brand audience and engagement.
- Divested the Wairarapa Times Age daily newspaper in June 2016.



| NZME PRINT REVENUE (\$M)             | H1 16        | H1 15        | % CHANGE       |
|--------------------------------------|--------------|--------------|----------------|
| Advertising Revenue                  | 65.5         | 75.8         | (13.6%)        |
| Circulation Revenue                  | 43.9         | 44.6         | (1.4%)         |
| Other Revenue                        | 8.7          | 8.1          | 6.6%           |
| <b>Total Revenue excl. Magazines</b> | <b>118.1</b> | <b>128.5</b> | <b>(8.1%)</b>  |
| Magazines Revenue <sup>1</sup>       | 0.0          | 4.1          | (100.0%)       |
| <b>Total Revenue<sup>2</sup></b>     | <b>118.1</b> | <b>132.6</b> | <b>(10.9%)</b> |

(1) Relates to the unprofitable Pacific Magazines licenced business closed in September 2015. \$3.6m of this revenue was previously classified as circulation revenue, and \$0.5m as advertising revenue. (2) Total Revenue shown here includes Educational Media, which is not included in the segment note in the Statutory Accounts, the business is part of NZME and as a result of the demerger this business will be reported in the Statutory Accounts going forward.

## NZME RADIO & EXPERIENTIAL



### REVENUE STATEMENT

- Following changes to the agency sales model over the past 12 months, agency radio revenue returned to growth during H1 16.
- Direct radio revenue continues to grow in Auckland, however has decreased YoY overall.
- Other revenue includes iHeart and Events, with growth reflecting an increase in the number of concerts and events held.

### H1 HIGHLIGHTS

—THE—  
**COUNTRY**

- Farming Show rebranded to The Country and now broadcasts on 59 Newstalk ZB, Radio Sport and Hokonui frequencies.

*Mix*

- Mix brand successfully expanded into Wellington, Whangarei and Nelson.

 **iHeart**RADIO

- iHeart Concerts with Temper Trap, Cold War Kids, 5th Harmony and Shihad.

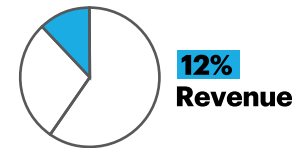


- Entered into exclusive commercial partnerships with WTV and Humm FM.

| NZME RADIO & EXPERIENTIAL REVENUE (\$M) | H1 16       | H1 15       | % CHANGE      |
|-----------------------------------------|-------------|-------------|---------------|
| Radio & Experiential Revenue¹           | 53.6        | 57.6        | (6.9%)        |
| Other Revenue (incl. iHeart and Events) | 2.2         | 1.9         | 17.2%         |
| <b>Total Revenue</b>                    | <b>55.8</b> | <b>59.5</b> | <b>(6.1%)</b> |

(1) Radio & Experiential Revenue includes agency, direct and experiential revenue streams.

## NZME DIGITAL & E-COMMERCE



### REVENUE STATEMENT

- Digital revenue increased 19.5% YoY in H1 16, with growth accelerating in Q2.
- Digital revenue growth driven by our expanding digital audience, new ad units and growing video streams.
- Total programmatic (automated trading) revenue grew 58% YoY in H1, driven by strong KPEX<sup>1</sup> performance.
- GrabOne (e-Commerce) revenues remain under pressure as the business continues to evolve from a traditional daily deals site.

### H1 HIGHLIGHTS



- Launched digital video news show NZ Herald Focus, to meet the growing consumer demand for mobile video content.



- Launched user generated classifieds and auto listings on the Driven digital platform; now hosting over 27,000 listings.



- Launched the Herald Homes App, which enhances our real estate Print assets with direct access to additional online content.



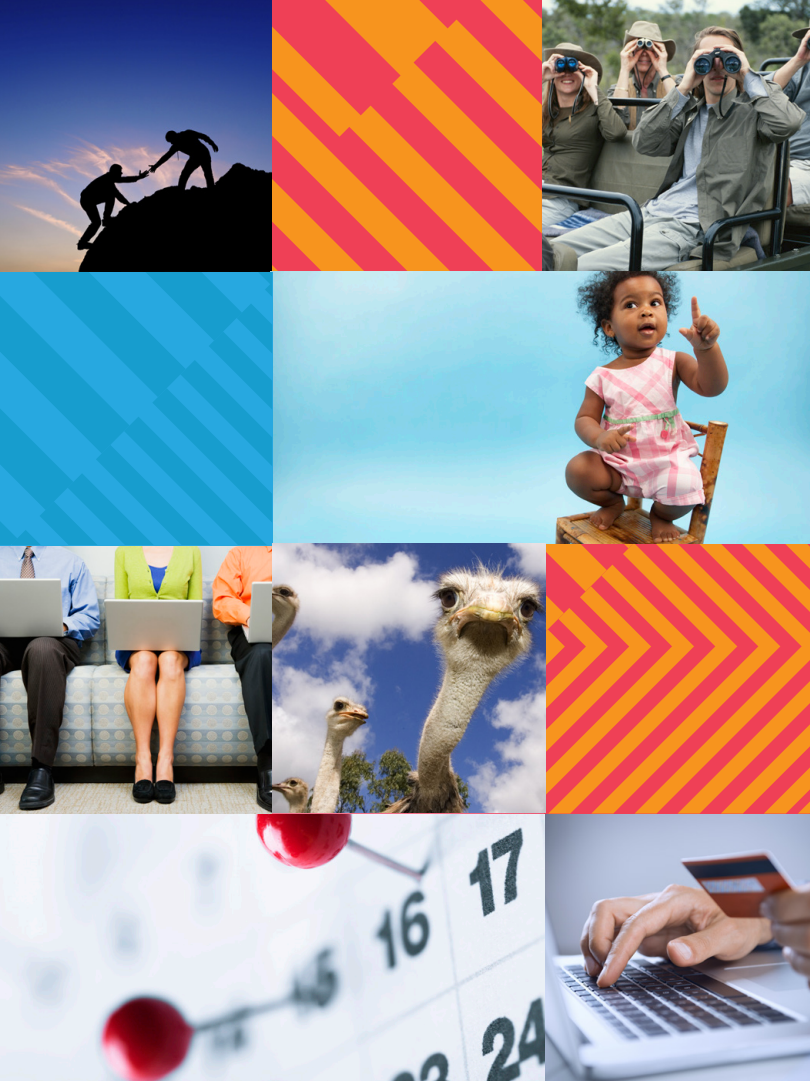
- Developed a joint venture to launch an online restaurant booking and table management platform RestaurantHub.co.nz.



- Developed a joint venture to create a Chinese language version of nzherald.co.nz.

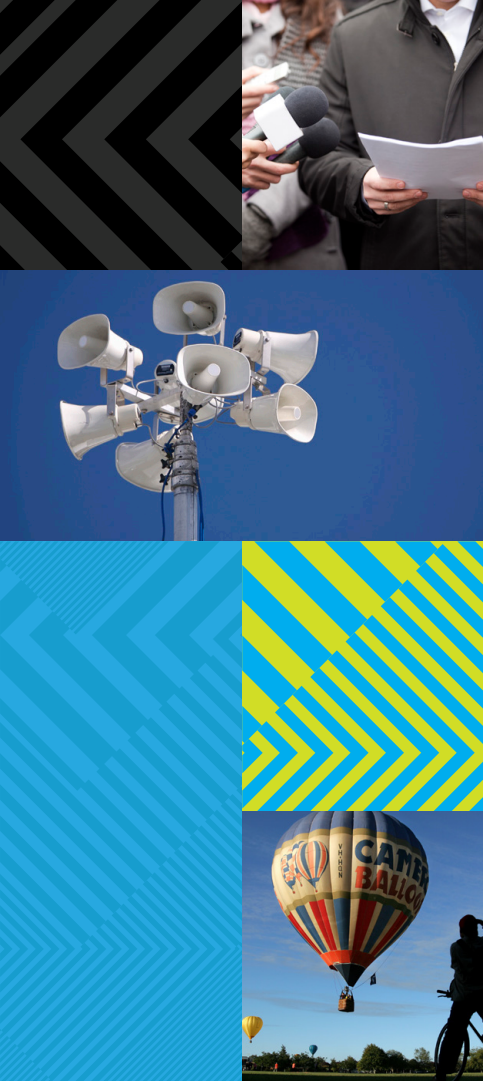
| NZME DIGITAL & E-COMMERCE REVENUE (\$M) | H1 16       | H1 15       | % CHANGE    |
|-----------------------------------------|-------------|-------------|-------------|
| Digital Revenue                         | 17.1        | 14.3        | 19.5%       |
| e-Commerce Revenue                      | 6.8         | 8.6         | (20.8%)     |
| <b>Total Revenue</b>                    | <b>23.9</b> | <b>22.9</b> | <b>4.4%</b> |

(1) KPEX is a joint venture trading desk for Digital advertising, between four New Zealand media businesses (NZME, Fairfax, Mediaworks and TVNZ).



# FINANCIAL SUMMARY

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## NZME TRADING RESULT<sup>1</sup>

| \$M                           | H1 16       | H1 15       | H1 15 - H1 16<br>% CHANGE | H2 15       |
|-------------------------------|-------------|-------------|---------------------------|-------------|
| Revenue                       | 197.8       | 214.9       | (7.9%)                    | 218.1       |
| Costs                         | (165.3)     | (182.5)     | (9.4%)                    | (175.6)     |
| <b>EBITDA<sup>2</sup></b>     | <b>32.5</b> | <b>32.4</b> | <b>0.5%</b>               | <b>42.5</b> |
| <b>Interim dividend (cps)</b> | <b>3.5</b>  |             |                           |             |

- EBITDA stable despite revenue headwinds.
- Revenue impacted by a tough advertising market, especially in Q1, and the closure of the unprofitable Pacific Magazines licenced business in September 2015.
- The transition to an integrated media and entertainment business delivered transformation benefits, including improved cost efficiencies.

(1) The NZME Trading Result includes the Educational Media business, which is not reported as part of the Statutory Accounts, the business is part of NZME and as a result of the demerger this business will be reported in the Statutory Accounts going forward. The NZME Trading Result excludes exceptional items, and also pro forma standalone costs of \$3.7m for H1 16 that were outlined in the Explanatory Memorandum for the Demerger of NZME by APN, as these costs were not incurred in H1 16. (2) EBITDA is a non-GAAP measure and is NZME's earnings before interest, tax, depreciation and amortisation, before exceptional items. Management and the Board monitor Trading EBITDA and Pro forma NPAT as key indicators of company performance and believe they provide a better comparable measure of NZME's operating performance.

## NZME COSTS<sup>1</sup>

- A continued focus on cost management contributed to a 9.4% reduction in costs in H1 16.
- Transformation and integration of the Publishing, Radio and GrabOne businesses contributed to a 7.7% reduction in people costs.
- Property costs increased by 4.9%, reflecting the non-cash recognition of future contracted rent increases.
- Content costs increased due to investment in new digital and data initiatives.
- Magazine costs were not incurred in H1 16 due to closure of the licenced business in September 2015.

| \$M                            | H1 16        | H1 15        | % CHANGE      |
|--------------------------------|--------------|--------------|---------------|
| People costs & contributors    | 82.1         | 89.0         | (7.7%)        |
| Print & distribution costs     | 37.7         | 40.6         | (7.1%)        |
| Agency commission & marketing  | 16.8         | 19.8         | (14.9%)       |
| Property                       | 11.1         | 10.6         | 4.9%          |
| Content                        | 6.1          | 5.1          | 19.5%         |
| IT & communications            | 5.4          | 5.9          | (8.6%)        |
| Other                          | 6.0          | 7.0          | (15.0%)       |
| Magazines                      | -            | 4.5          | (100.0%)      |
| <b>Total costs<sup>1</sup></b> | <b>165.3</b> | <b>182.5</b> | <b>(9.4%)</b> |

(1) The NZME Costs include the Educational Media business, which is not reported as part of the Statutory Accounts, the business is part of NZME and as a result of the demerger this business will be reported in the Statutory Accounts going forward. The NZME Costs exclude exceptional items, and also pro forma standalone costs of \$3.7m for H1 16 that were outlined in the Explanatory Memorandum for the Demerger of NZME by APN, as these costs were not incurred in H1 16.



## NZME H1 16 TRADING RECONCILIATION TO STATUTORY ACCOUNTS

| \$M                                              | NZME TRADING RESULT <sup>1</sup> | ACQUIRED & NON-TRADING ITEMS | STATUTORY ACCOUNTS <sup>2</sup> |
|--------------------------------------------------|----------------------------------|------------------------------|---------------------------------|
| Revenue                                          | 197.8                            | (1.2)                        | 196.6                           |
| Costs                                            | (165.3)                          | (0.3)                        | (165.6)                         |
| <b>EBITDA<sup>3</sup></b>                        | <b>32.5</b>                      | <b>(1.5)</b>                 | <b>31.0</b>                     |
| Depreciation and amortisation                    | (12.1)                           | (0.1)                        | (12.2)                          |
| <b>EBIT</b>                                      | <b>20.4</b>                      | <b>(1.6)</b>                 | <b>18.8</b>                     |
| Exceptional items                                | (3.0)                            | (11.7)                       | (14.7)                          |
| <b>EBIT after exceptionals</b>                   | <b>17.4</b>                      | <b>(13.3)</b>                | <b>4.1</b>                      |
| Net interest expense                             |                                  |                              | (6.8)                           |
| <b>NPBT</b>                                      |                                  |                              | <b>(2.8)</b>                    |
| Tax <sup>4</sup>                                 |                                  |                              | 61.5                            |
| Profit from discontinued operations <sup>5</sup> |                                  |                              | 125.1                           |
| <b>Statutory NPAT</b>                            |                                  |                              | <b>60.8</b>                     |

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## NZME H1 16 PRO FORMA RESULT

| \$M                                     | H1 16 PRO FORMA RESULT <sup>2</sup> |
|-----------------------------------------|-------------------------------------|
| <b>Trading<sup>1</sup> EBITDA</b>       | <b>32.5</b>                         |
| Pro forma standalone costs <sup>2</sup> | (3.7)                               |
| <b>EBITDA<sup>3</sup></b>               | <b>28.8</b>                         |
| Depreciation and amortisation           | (12.1)                              |
| <b>EBIT</b>                             | <b>16.7</b>                         |
| Net interest expense <sup>4</sup>       | (2.0)                               |
| <b>NPBT</b>                             | <b>14.6</b>                         |
| Tax <sup>5</sup>                        | (4.2)                               |
| <b>NPAT</b>                             | <b>10.4</b>                         |
| <b>Earnings per share (c)</b>           | <b>5.3</b>                          |
| <b>Dividend per share (c)</b>           | <b>3.5</b>                          |

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## NZME EXCEPTIONAL ITEMS

- \$3.1m of redundancy costs related to ongoing restructuring and integration.
- In addition, \$1.3m of costs were incurred in relation to the proposed Fairfax NZ merger and other ongoing integration programmes.
- A profit on business divestments of \$1.4m related to the disposal of the Wairarapa publishing business.

| \$M                                   | H1 16        |
|---------------------------------------|--------------|
| Redundancies                          | (3.1)        |
| Costs in relation to one-off projects | (1.3)        |
| Business divestments                  | 1.4          |
| <b>NZME related exceptionals</b>      | <b>(3.0)</b> |

As previously disclosed, NZME has reached a settlement agreement with the IRD in relation to historical tax matters. This settlement closes off all current areas of dispute between IRD and the Company. The cash component of this settlement is \$17.0m (being NZME's share of the \$33.9m total being shared equally with APN), settled in August 2016, funded via a draw down on debt facilities.



## NZME BALANCE SHEET

| \$M                                | NZME JUN 2016 | PRO FORMA NZME<br>PER EM' DEC 2015 |
|------------------------------------|---------------|------------------------------------|
| Cash and cash equivalents          | 13.8          | 7.7                                |
| Trade and other receivables        | 58.0          | 64.1                               |
| Trade and other payables           | (55.4)        | (71.2)                             |
| Current tax liabilities            | (17.0)        | -                                  |
| <b>Net working capital</b>         | <b>(0.6)</b>  | <b>0.6</b>                         |
| Fixed, intangible and other assets | 410.1         | 414.9                              |
| Interest bearing liabilities       | (111.6)       | (108.2)                            |
| Other liabilities                  | (19.4)        | (26.8)                             |
| <b>Net assets</b>                  | <b>278.5</b>  | <b>280.6</b>                       |

- NZME has net bank debt of \$97.8m<sup>2</sup>, with a current interest rate payable of 4.0% p.a.
- As at 30 June 2016, NZME had \$48.0m of undrawn bank facilities.
- Current tax liability is the settlement to the IRD, outlined on the previous page, paid in August 2016.
- In H1 16 NZME's capital expenditure was \$6.3m.

(1) The Explanatory Memorandum for the Demerger of NZME by APN published on 11 May 2016. (2) Net bank debt of \$97.8m is calculated as interest bearing liabilities net of cash and borrowing costs.



# FAIRFAX MERGER UPDATE

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## PROPOSED NZME / FAIRFAX MERGER

- NZME is in discussion with Fairfax about merging with its New Zealand business.
- NZME Management considers the businesses to be complimentary to each other, and that the merger will enhance the position the companies are in to continue to deliver high quality, local content to audiences.
- The combination of NZME and Fairfax's New Zealand businesses would create an opportunity to deliver improved, innovative offerings to advertisers and audiences.
- Synergies are likely to maintain or enhance content, meaning more 'NZ centric' coverage.
- On an aggregate basis, pro forma 2015 revenue is NZ\$802.6m and pro forma EBITDA is NZ\$133.7m<sup>1</sup>.
- The transaction remains subject to Board approval by NZME and Fairfax, and will require shareholder approval from NZME's shareholders.

### REGULATORY CONSIDERATIONS

- The transaction will also be subject to regulatory consents, including that of the New Zealand Commerce Commission ("the Commission").
- An application seeking authorisation or clearance for the merger has been lodged with the Commission. The Commission has announced it will make its final decision by 15 March 2017. The Commission intends to release a Draft Determination by early November.
- NZME and Fairfax consider there are strong grounds for clearance by the Commission, as:
  - there is little crossover in NZME and Fairfax's mastheads, with limited head-to-head competition between paid dailies focussed on the same region,
  - the merger will allow greater investment in generating quality content for distribution through the combined channels in order to attract consumers and advertisers, and
  - in digital, a combined NZME / Fairfax NZ will be better placed to compete with international brands such as Google, Microsoft and Facebook.

(1) Source: NZME pro forma FY15 results, Fairfax annual and half year reports.

(2) Source: SMI Financial Booking Data at Apr 4, 2016 (year to Feb 2016)





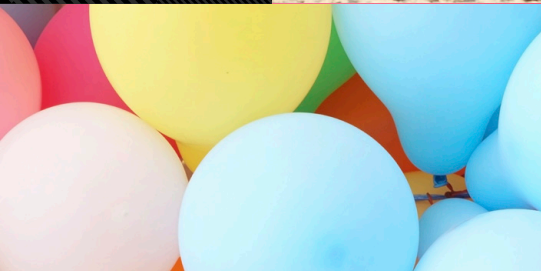
# H2 PRIORITIES





## H2 16 PRIORITIES

- 1 Growing our audience reach**
- 2 Continuing focus on retaining print revenues**
- 3 Returning radio to growth**
- 4 Growing digital and new revenue streams**
- 5 Continuing focus on cost out and capital management**
- 6 Developing our people and retaining our talent**
- 7 Continuing to progress the proposed merger with Fairfax NZ**



# Q&A



# APPENDIX 1: AUDIENCE REACH

## CONTENT / AUDIENCES / DATA / MARKETPLACES

Our News, Sport and Entertainment assets **generated \$198m revenue.**

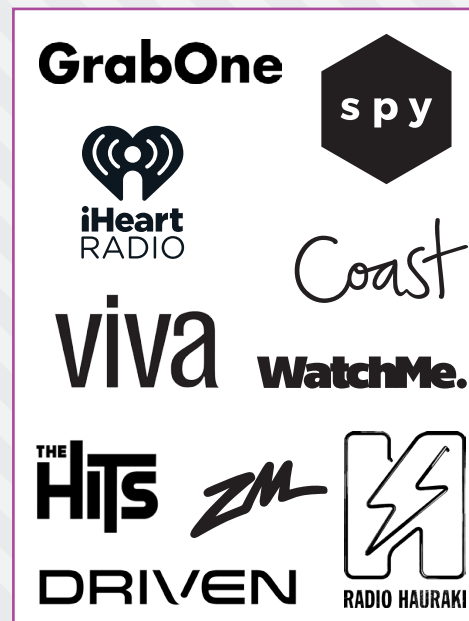
### NEWS



### SPORT



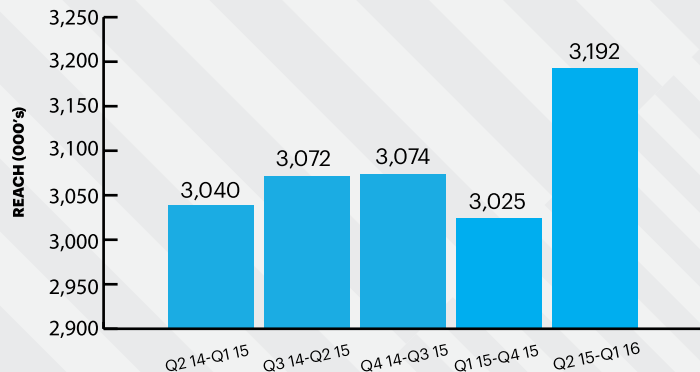
### ENTERTAINMENT



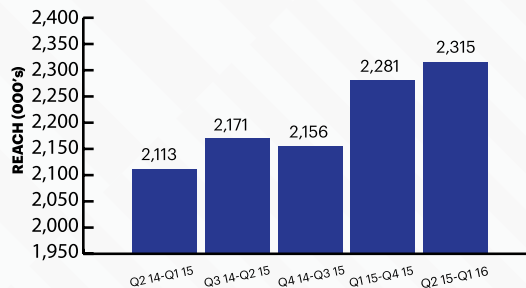
## OUR AUDIENCE REACH CONTINUES TO GROW

**5% YoY growth  
delivered in H1**

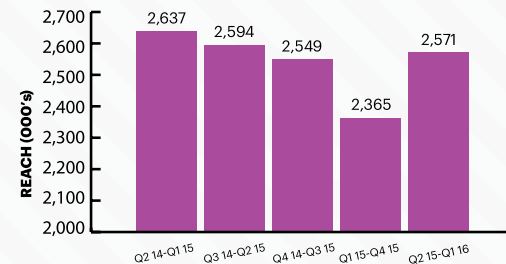
### NZME TOTAL REACH



### NZME NEWS REACH

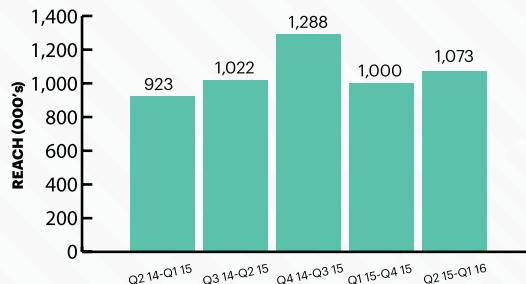


### NZME ENTERTAINMENT REACH



Note: Drop in entertainment reach in last twelve months to Q4-15 was largely driven by closure of the Living publication with its replacements Travel/Spy not included in sample until Q1 16.

### NZME SPORT REACH



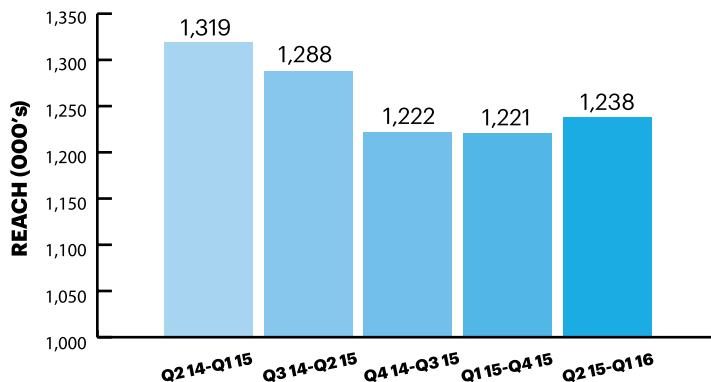
Source: Nielsen CMI, fused database: Last twelve months Q2 14 - Q1 16 (based on population 10 years +). Based on unduplicated weekly reach of NZME newspapers, radio stations, and monthly domestic unique audience of NZME's digital channels



## NZME PRINT READERSHIP HAS STABILISED OVER THE PAST THREE QUARTERS

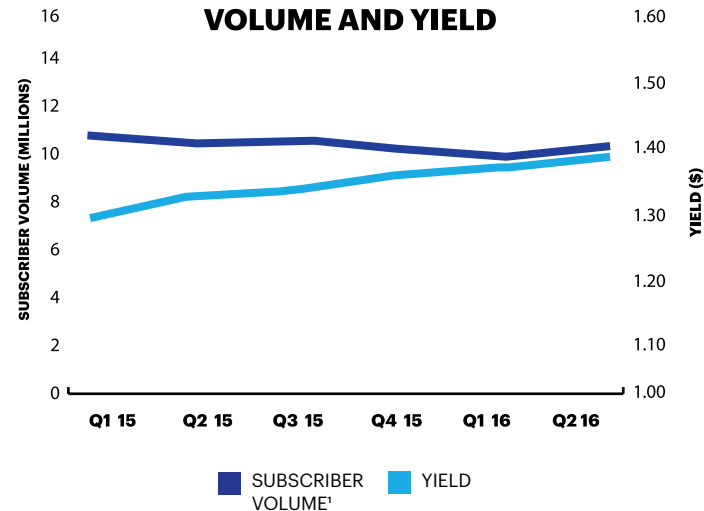
- Subscriber net acquisition has been strong in H1 16; NZ Herald and Herald on Sunday subscriber base grew by over 1,100 subscribers in H1 16
- Subscriber yield in H1 16 was up 5.2% on H1 15, more than offsetting the impact of the YoY decrease in subscriber volume

### NZME NEWSPAPERS UNDUPLICATED WEEKLY REACH



Source: Nielsen CMI, fused database: Last twelve months Q2 14 – Q1 16 (based on population 10 years +). Based on unduplicated weekly reach of NZME newspapers

### NZME SUBSCRIBER VOLUME AND YIELD

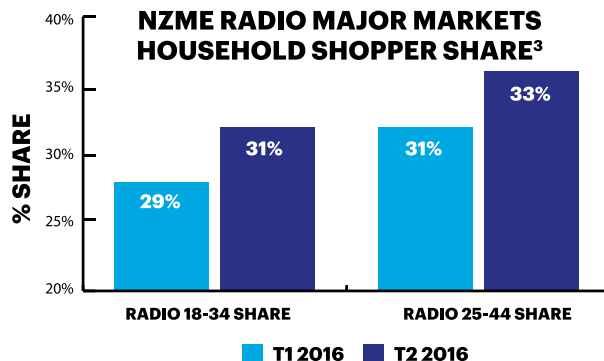
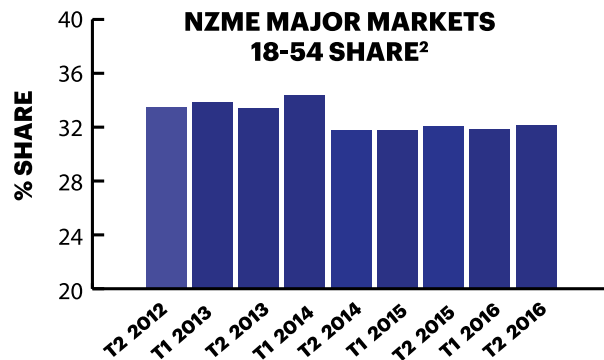
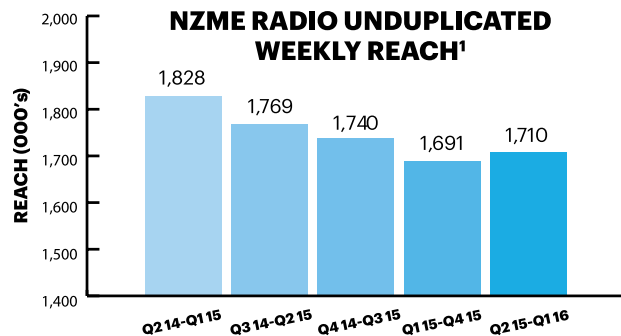


(1) Subscriber volume drives revenue and represents the count of individual "paid" papers delivered, including NZ Herald, Herald on Sunday and Regionals (includes paid trials)



# NZME RADIO AUDIENCE REACH HAS GROWN AND INCREASED SHARE IN KEY HOUSEHOLD SHOPPER DEMOS

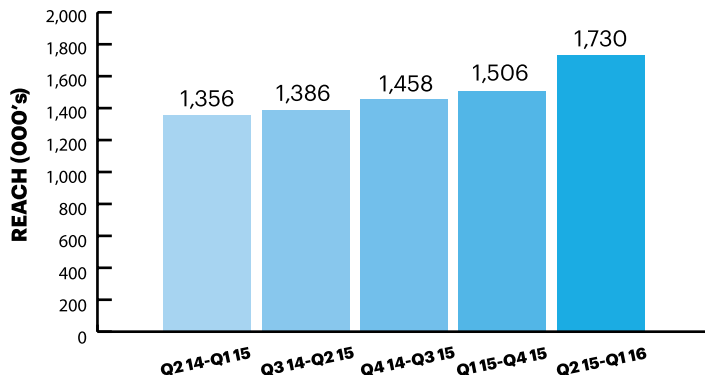
- NZME's unduplicated weekly radio reach has stabilised in H1 16<sup>1</sup>
- Newstalk ZB continues to dominate NZ Radio with the largest share of any commercial station<sup>1</sup>
- NZME's key 18-54 demographic share has remained stable over the last two years<sup>2</sup>, and in the latest GfK radio survey NZME has successfully grown share in key household shopper demographics<sup>3</sup>



(1) Source: Nielsen CMI, fused database: Last twelve months Q2 14 – Q1 16 (based on population 10 years +). Based on unduplicated weekly reach of radio stations. (2) Source: T2 2012 – T2 2015 conducted by previous provider TNS, T1 and T2 2016 conducted by current provider GfK - Radio Trended Network Data, Commercial Major Markets 2012 – 2016, Station Share (%). 18-54 y/o Mon-Sun 12mn-12mn. Note T2 2015 conducted by the incumbent provider TNS, and not released as an official survey result. (3) Source: GfK New Zealand Commercial Major Markets Survey 1 and 2 2016 Station Share (%). Mon-Sun 12mn-12mn, demographics as specified

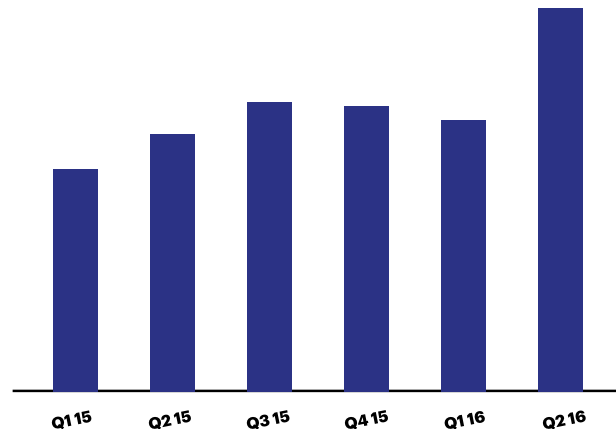
## NZME'S DIGITAL AUDIENCE REACH HAS GROWN BY 28%<sup>1</sup>, AND VIDEO STREAMS BY 37%<sup>2</sup> IN THE LAST YEAR

### NZHERALD.CO.NZ UNDUPLICATED WEEKLY REACH



- nzherald.co.nz has a unique monthly audience reach of 1.7m, with over 107 million page views per month in June, an increase of 18.2% in H1 16<sup>1</sup>.
- Digital registrations on nzherald.co.nz have grown by 12.4% in H1 16.

### NZME NATIVE VIDEO STREAMS



- NZME's native video streams have grown by 36.7% in H1 16 YoY<sup>2</sup>, driven in part by the new NZ Herald Focus news show, WatchMe and other video initiatives.
- iHeart registered users grew 11.9% during H1 16; from 425k in December 2015, to 476k in June 2016.

(1) Source: Nielsen CMI, fused database: Last twelve months Q1 15 – Q1 16 (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. (2) Source: Brightcove Analytics January 2015 – June 2016.



# APPENDIX 2: APN DEMERGER ILLUSTRATION

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## APN DEMERGER ILLUSTRATION

On 29 June 2016 NZME demerged from APN and created a stand-alone NZ group comprising Print, Radio and Experiential, and Digital businesses. Business segments were re-organised for reporting purposes at this point providing for visibility of the digital segment separately. The demerger was a result of APN's desire to create a stand-alone New Zealand integrated media and entertainment group that would form its own strategic priorities and have the potential to increase its value as a stand-alone business.

### WILSON & HORTON (LEGAL ENTITY)

#### PUBLISHING

Newspapers and related digital platforms such as the NZ Herald website. Also included some Events.

#### RADIO

Radio was the second largest division and includes digital platforms such as iHeartRadio, along with traditional stations.

#### AUSTRALIAN RADIO NETWORK

Australian Radio network was divested from Wilson & Horton as part of the demerger.

#### E-COMMERCE

E-Commerce comprises solely of GrabOne, a daily deals website, and does not include digital platforms for Publishing or Radio.

#### UNALLOCATED

Corporate function NZME Group costs.

### NZME (LEGAL ENTITY)

#### PRINT

Newspapers such as the NZ Herald, Herald on Sunday and regional papers. Excludes digital assets.

#### RADIO & EXPERIENTIAL

Radio and Experiential is the second largest division and includes iHeartRadio and Events.

#### DIGITAL

Digital includes all print and radio digital platforms, as well as e-Commerce platforms (e.g. GrabOne).

#### NZME EDUCATION MEDIA

Education Media was previously part of the wider APN group, and has been brought in to be part of NZME.

#### UNALLOCATED

Corporate function NZME Group costs.



# THANK YOU

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