



NZ ME.

CRAIGS INVESTMENT PARTNERS PRESENTATION

6 DECEMBER 2017

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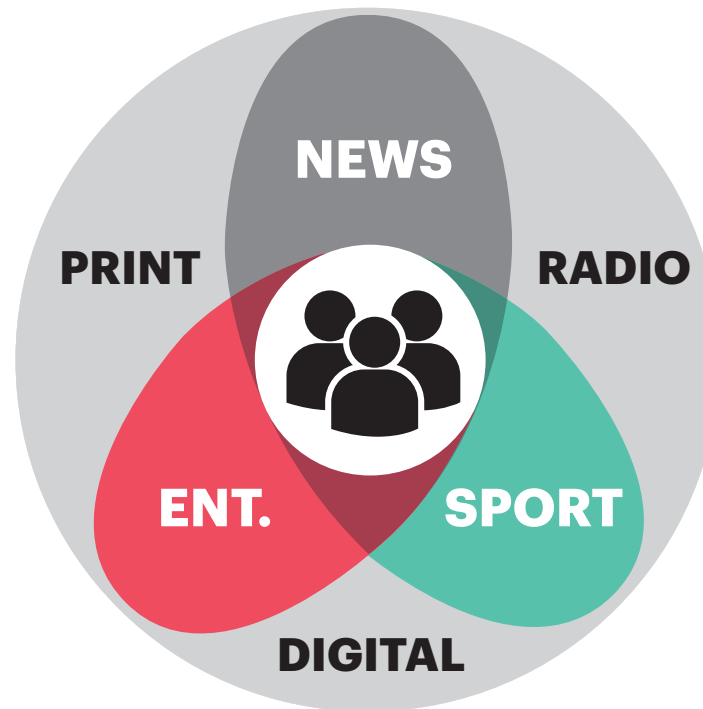
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NZME's Transformation, Integration & Demerger

radionetwork®



GrabOne



NZME.

Listed on NZX Main Board and ASX on 27 June 2016.

Demerged from APN (now HT&E Limited) on 29 June 2016.

Transformed into an audience-centric business focusing on News, Sport and Entertainment pillars.

Integrating our sales and editorial teams, facilitated by NZME Central and regional co-locations.

NZME's reach is growing

82%¹ of New Zealanders now read, watch, listen to, or otherwise engage with our brands

NZME reaches:

85%

of the
North Island¹

▲ 1% YoY

87%

of
Auckland¹

▲ 1% YoY

74%

of the
South Island¹

▲ 11% YoY

Our national and local presence allows us to offer advertisers broad access to their target markets

(1) Nielsen CMI, May fused database: Q2 16 - Q1 17 (population 10 years +).
Based on unduplicated weekly reach of NZME newspapers, radio stations, and monthly domestic unique audience of NZME's digital channels.

NZME FY16 RESULTS SUMMARY

STATUTORY NPAT

\$74.5m

▲ 74% FY15 \$42.9m

TRADING REVENUE¹

\$407.4m

▼ 6% FY15 \$433.0m

TRADING EBITDA¹

\$71.9m

— 0% FY15 \$71.8m²

PRO FORMA NPAT¹

\$27.8m

▲ 1% FY15 \$27.5m

PRO FORMA EPS¹

14.2cps

FINAL DIVIDEND FULLY IMPUTED

6.0cps³

PAID ON 28 APRIL 2017

FULL YEAR DIVIDENDS 9.5cps



NZM

**Jase
+ PJ**

(1) Trading Revenue, Trading EBITDA, Pro forma NPAT and Pro forma EPS are non-GAAP measures that are explained and reconciled in the Full Year 2016 Results Presentation. (2) The FY15 NZME segment result in the APN FY15 accounts was \$74.9m, this has been adjusted for \$3.1m of standalone costs incurred in H2 16 to provide a like for like comparison. (3) A supplementary dividend of 1.06 cents per share will be payable to shareholders who are not tax resident in New Zealand and who hold less than 10% of the shares in NZME Limited.

NZME H1 17 Results Summary

STATUTORY NPAT¹

\$7.8m

TRADING EBITDA²

\$28.2m

▲ 1% H1 16 PRO FORMA² \$27.9m

TRADING NPAT²

\$9.9m

▲ 1% H1 16 PRO FORMA² \$9.8m

TRADING REVENUE²

\$189.1m

▼ 3% H1 16 PRO FORMA² \$195.3m

TRADING EARNINGS PER SHARE²

5.0cps

▲ 1% H1 16 PRO FORMA² 5.0cps

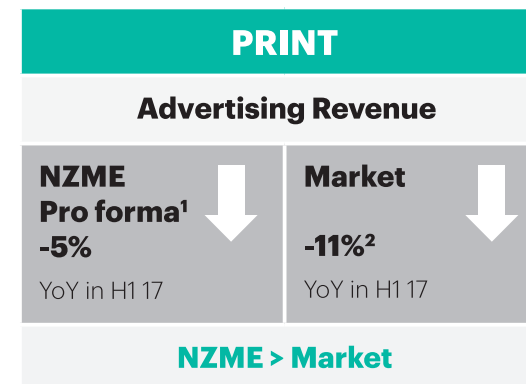
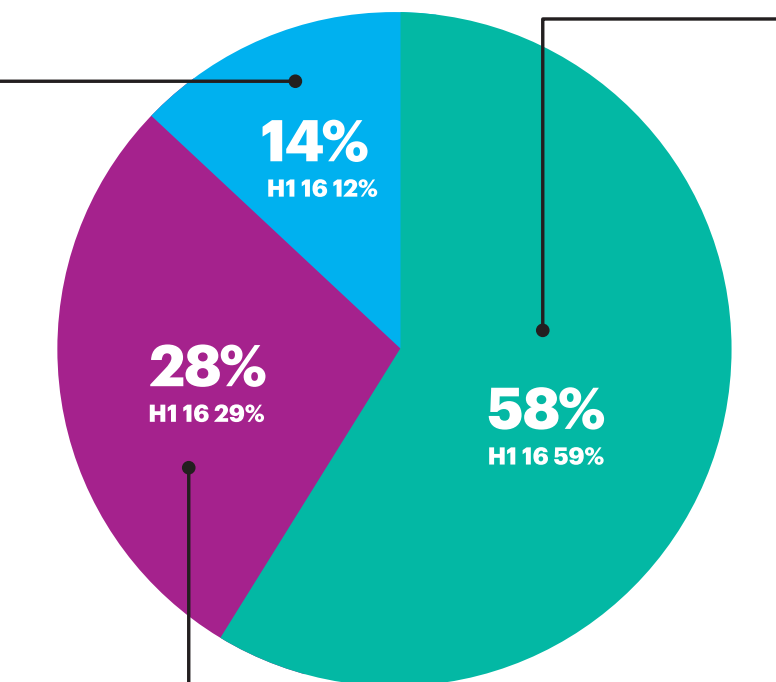
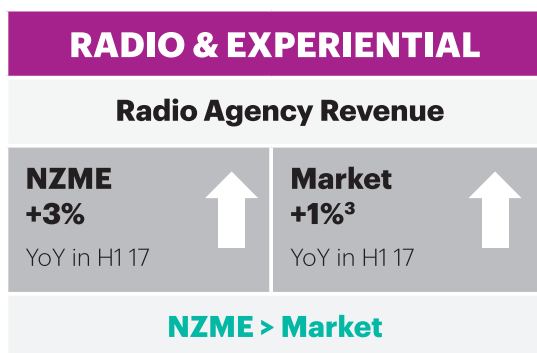
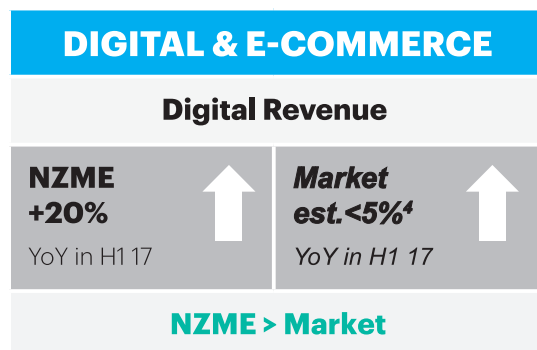
INTERIM DIVIDEND FULLY IMPUTED³

3.5cps

PAID ON 27 OCTOBER 2017

(1) The H1 16 Statutory NPAT of \$60.8m was impacted by the demerger from APN (now HT&E) and discontinued businesses, and is therefore not comparable with the H1 17 result as explained in the Half Year 2017 Results Presentation. (2) All Trading and Pro forma measures shown here are non-GAAP measures that are explained and reconciled in the Half Year 2017 Results Presentation. (3) A supplementary dividend of 0.6176 cents per share will be payable to shareholders who are not tax residents in New Zealand and who hold less than 10% of the shares in NZME Limited.

NZME H1 17 Market Comparables



Pro forma¹ Revenue

- Print
- Radio & Experiential
- Digital & e-Commerce

NZME Pro forma Revenue ¹ Summary (\$m)	H1 17	H1 16	% Change
Print Revenue	110.6	115.6	(4%)
Radio & Experiential Revenue	52.6	55.8	(6%)
Digital & e-Commerce Revenue	26.0	23.9	9%
Total Pro forma Revenue¹	189.1	195.3	(3%)

(1) Pro forma Revenue is a non-GAAP measure that is explained and reconciled in the Half Year 2017 Results Presentation. (2) PwC NPA Quarterly Performance Comparison Report Q2 2017. (3) SMI New Zealand Agency Advertising Expenditure Report June 2017. (4) IAB / PwC New Zealand H1 2017 Interactive Advertising Spend Report (NZ market only). Note: Year on year comparison is only indicative as data collection and collation methodology has changed.

NZME H1 17 Achievements against Operational Priorities

1. Audience growth 4% YoY to 3.3 million¹

2. Print revenue decline slowed further

3. Radio revenue audience share growth achieved, agency growth continues

4. Digital revenue 20% YoY growth

5. Cost savings 4% YoY²

6. Talent developed leadership engagement improved,
The Hits & Newstalk ZB talent enhancements

7. Merger progressed
NZ Commerce Commission appeal process underway

(1) Nielsen CMI, May fused database: Q2 16 to Q1 17 (population 10 years +). Based on unduplicated weekly reach of NZME newspapers, radio stations, and monthly domestic unique audience of NZME's digital channels. (2) Please refer to the Half Year 2017 Results Presentation for a reconciliation of H1 16 Statutory, previously reported and Pro forma Costs.

Mike Hosking
New Zealand's No. 1 Breakfast Host

Newstalk
ZB

NZME FY17 Priorities

- 1. Grow audience reach** by leveraging Washington Post platform and tools to enhance audience analytics, content performance and advertising targeting
- 2. Continue to retain Print revenue** by further innovating the print proposition and leveraging integrated sales
- 3. Return Radio revenue to growth** by capitalising on improved ratings results and sales team transformation to deliver revenue
- 4. Grow new revenue streams** through digital classifieds verticals of property, employment and motoring
- 5. Effective cost and capital management** through operational enhancements across the business
- 6. Develop our people and retain our talent** through further improving engagement and continuing talent succession planning
- 7. Progress the Fairfax merger** subject to successful appeal and shareholder approval

A photograph of Peter Burling, a New Zealand sailor, celebrating with the America's Cup trophy. He is wearing a black and blue racing jacket with logos for Toyota, Emirates, and Omega. He is holding the large silver trophy high in the air with both hands. The background is slightly blurred, showing other people and a crowd.

Peter Burling – Team New Zealand
Helmsman, America's Cup 2017



Q&A

ZM's Floating Music Festival, Taupo 2017