



1 June 2016

Dear Shareholder,

SALE FACILITY FORM - NOTIFICATION

On Wednesday, 11 May 2016, APN News & Media Limited (ASX, NZX: APN) (**APN**) announced a proposal to demerge 100% of its New Zealand business, NZME, to APN shareholders and list NZME on the NZX with a secondary listing on the Australian Securities Exchange (**ASX**) (**Demerger**). In addition, APN is also undertaking a 1 for 7 share consolidation, as explained in section 1.8 of the Explanatory Memorandum and Notice of Meeting lodged by APN with the ASX and NZX on Wednesday, 11 May 2016 (**Explanatory Memorandum**). As a result of the Demerger, eligible APN shareholders will receive one new share in NZME for each existing APN share they hold, while retaining their existing APN shareholding. APN will remain listed on the ASX and NZX.

As set out in section 10.3(e) of the Explanatory Memorandum, a "Small Shareholder", being an Eligible Shareholder, who on the Demerger Record Date (being, 7.00pm (AEST), Tuesday, 28 June 2016), individually holds:

- 3,500 APN Shares or less (if the Share Consolidation is not approved); or
- 500 APN Shares or less (if the Share Consolidation is approved),

may elect to have all (but not some) of the NZME Shares to which they would have otherwise been entitled under the Demerger sold on market by the Sale Agent and the Sale Facility proceeds remitted to them, free from any brokerage costs or stamp duty.

To make this election (and participate in the Sale Facility), a Small Shareholder must complete and return the Sale Facility form, in accordance with the instructions on that form, so that it is received by the APN Share Registry by no later than 7.00pm (AEST) on Friday, 24 June 2016.

Based on the register of APN Shareholders as at 7.00pm (AEST), Wednesday, 1 June 2016, APN will mail a Sale Facility form to each APN Shareholder that would qualify as a "Small Shareholder" (for the purposes of the above), as at this time.

If you believe that you are also a Small Shareholder or otherwise you are likely to become a Small Shareholder any time prior to 24 June 2016, and you wish to participate in the Sale Facility, then you must:

- download a copy of the Sale Facility form from the APN website at www.apn.com.au; or
- call the APN Shareholder Information Line on the details below, to have a copy of the Sale Facility form mailed to you,

and complete the Sale Facility form and mail it to the APN Share Registry by no later than 7.00pm (AEST) on Friday, 24 June 2016.

Unless otherwise defined in this notification, capitalised terms used in this notification have the same meaning as set out in the Explanatory Memorandum.

Shareholder Enquiries

If you have any questions in relation to any of the above matters, then you should consult your financial, legal, taxation or other professional adviser, or call the APN Shareholder Information Line on:

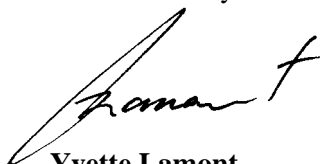
- 1300 365 969 (from within Australia); or
- 0800 729 276 (from within New Zealand); or
- +61 1300 365 969 (from outside Australia and New Zealand),

between 8.30am and 5.30pm (Sydney time) Monday to Friday.

Further Information

Further details about the Demerger and the Share Consolidation are contained in the Explanatory Memorandum and Notice of Meeting lodged with the ASX and NZX on Wednesday, 11 May 2016.

Yours sincerely



Yvette Lamont

Company Secretary

APN News & Media Limited



APN NEWS & MEDIA LIMITED
 ABN 95 008 637 643

All Registry communications to:
 Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia
 Telephone: +61 1300 365 969
 Telephone (within New Zealand): 0800 729 276
 Facsimile: +61 2 9287 0303
 ASX and NZX Code: APN
 Website: www.linkmarketservices.com.au

Holder Reference Number:

**Number of APN Shares held at
 7:00pm (AEST), 1 June 2016:**

Offer Closes 7:00pm (AEST):	24 June 2016
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SALE FACILITY FORM

If you are a Small Shareholder, being an Eligible Shareholder, who on the Demerger Record Date (being, 7:00pm (AEST), Tuesday, 28 June 2016) individually holds: (i) 3,500 APN Shares or less (if the Share Consolidation is not approved); or (ii) 500 APN Shares or less (if the Share Consolidation is approved), you may elect to have all (but not some) of the NZME Shares to which you would have otherwise been entitled under the Demerger sold on market by the Sale Agent and the Sale Facility Proceeds remitted to you, free from any brokerage costs or stamp duty. Please complete boxes B and C below and return this form to the APN Share Registry so that it is received by the APN Share Registry by no later than 7:00pm (AEST), Friday, 24 June 2016. Please note, if on the Demerger Record Date, the number of APN Shares you hold increases to over: (i) 3,500 APN Shares (if the Share Consolidation is not approved); or (ii) more than 500 APN Shares (if the Share Consolidation is approved), you will be unable to use the Sale Facility and you will be transferred NZME Shares in accordance with the Demerger.

If you submit your completed Sale Facility Form on or prior to 24 June 2016, it will be deemed to have been received at 7:00pm (AEST), Friday, 24 June 2016.

A Sale of NZME Shares

I/We wish to sell ALL of my/our NZME Shares.

B Contact Details

Please provide a daytime telephone number where we can contact you if we have any questions about this form.

Daytime telephone number

Contact name (PRINT)

C Shareholder Signature(s)

By signing and returning this form you agree to all of the terms of the Sale Facility as summarised in the Explanatory Memorandum (Sale Facility Terms), and you give the warranties, acknowledgements, authorisations and agreements set out in the Sale Facility Terms (as applicable).

Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

Date

**TO BE A VALID INSTRUCTION, THIS FORM MUST BE RECEIVED AT ONE OF THE ADDRESSES LISTED
 OVERLEAF BY NO LATER THAN 7:00PM (AEST), FRIDAY, 24 JUNE 2016**

APN SSF001



How to complete the Sale Facility Form

Please read this form carefully. If you do not understand this form or if you have any doubts about what to do, please consult your appropriate professional adviser. Terms defined in the APN Notice of Meeting and Explanatory Memorandum for the Demerger of NZME from APN have the same meaning in this form (unless the context otherwise requires).

Operation of the Sale Facility

NZME Shares that would otherwise have been transferred to Small Shareholders who elect to participate in the Sale Facility referred to in Section 10.3(e) of the Explanatory Memorandum and Ineligible Overseas Shareholders referred to in Section 10.3(c) of the Explanatory Memorandum will be transferred to the Sale Agent to be sold under the Sale Facility.

Under the Sale Facility, the Sale Agent will, as soon as reasonably practicable (and in any event not more than 20 Business Days following the Demerger Date or, subject to obtaining any necessary ASIC exemptions or waivers, such longer period of time which APN and the Sale Agent determine), sell for the benefit of each Selling Shareholder those NZME Shares on either ASX or NZX.

The Sale Agent will sell those NZME Shares on ASX or NZX at such price and on such other terms as the Sale Agent determines in good faith, and at the risk of the Selling Shareholders.

As the market price of NZME Shares will be subject to change from time to time, the sale price of those NZME Shares and the proceeds of that sale are at the risk of the Selling Shareholders and cannot be guaranteed. Selling Shareholders will be able to obtain information on the market price of NZME Shares on ASX's website at www.asx.com.au and on the NZX's website at www.nzx.com.

Signing Instructions

Joint holders – all holders must sign.

Power of Attorney – if not already noted by the APN Share Registry, a certified copy of the power of attorney must accompany this form. If this Sale Facility Form is signed under power of attorney, the attorney declares that they have no notice of revocation of that power.

Deceased Estate – all executors must sign and, if not already noted by the APN Share Registry, a certified copy of probate or letters of administration must accompany this form.

Company – this form must be signed by 2 directors or a director and the company secretary. For companies with a sole director and sole company secretary, a single signature only suffices. Titles of all signatories should be indicated and inapplicable titles be deleted.

Lodgement Instructions

The form may be mailed or delivered to the APN Share Registry at:

POSTAL DELIVERY

APN News & Media Limited – Sale Facility
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

OR

HAND DELIVERY

APN News & Media Limited – Sale Facility
Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
Australia

Please do not use this address for postal delivery.

If you require further information on how to complete this Sale Facility Form, please contact the APN Shareholder Information Line on 1300 365 969 (within Australia) or +61 1300 365 969 (outside Australia) or 0800 729 276 (within New Zealand) between 8:30am and 5:30pm (AEST), Monday to Friday.

Personal Information Collection Notification Statement: Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (AEST) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.