

UPDATE ON NZME & FAIRFAX NZ MERGER PROCESS AND ADSHEL OPTION

AUCKLAND, 28 November 2016: NZME Limited (NZX:NZM, ASX:NZM) (“**NZME**”) confirms that it has filed a submission with the New Zealand Commerce Commission (“**NZCC**”) in response to the issues raised in the NZCC’s draft determination on the proposed merger between NZME and the New Zealand subsidiary of Fairfax Media Limited (ASX:FJX) (“**Fairfax New Zealand**”).

The submission is a joint submission with Fairfax New Zealand and explains why the parties believe that the NZCC has failed to properly take into account the diversity of opinions that will continue post-transaction in an increasingly converged digital world.

NZME looks forward to participating in the NZCC conference process to provide further assistance to the NZCC in making a final determination. The conference is scheduled for three days in Wellington: Tuesday 6 – Thursday 8 December 2016.

NZME has determined that it will defer seeking NZME shareholder approval for the proposed merger until after the NZCC’s final determination is released, which is currently expected on or before 15 March 2017.

At the time of NZME’s demerger from APN News & Media Limited (“**APN**”), APN granted NZME an option to acquire the New Zealand business of Adshel (“**Adshel NZ**”) from APN. The option was triggered by APN’s acquisition of the remaining 50% interest in the Adshel joint venture (“**CC Interest**”), announced on 25 October 2016.

The option required NZME to exercise it within one month of APN’s acquisition of the CC Interest. On the basis of the information available to it, NZME has chosen not to exercise the option.

– ENDS –

For further information:

NZME

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About NZME

NZME is one of New Zealand’s leading media and entertainment businesses with its brands connecting with over 3 million kiwis¹. Whether reading, listening, watching or engaging with NZME brands, they can get the content they want - where and when they want it. NZME is listed on the NZX Main Board with a foreign exempt listing on the ASX.

www.nzme.co.nz

¹ Nielsen CMI, fused database: February 2016 (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