



NEWS & MEDIA

**APN News & Media Limited  
General Meeting  
SYDNEY, 16 September 2016**

### **Chairman's Address to Shareholders**

Today is an important day for APN News & Media as we give you, our shareholders, the opportunity to vote on the proposed sale of Australian Regional Media (or "ARM") to a subsidiary of News Corp, ("Proposed Transaction").

APN has a long history of print publishing in Queensland and northern New South Wales. However, since the demerger of NZME, ARM represents APN's only remaining publishing asset. Despite the commendable efforts of ARM CEO Neil Monaghan and his management team, the business continues to operate in a challenging environment, with the newspaper industry experiencing declining revenues.

APN's focus is clear. It is to prioritise strategic investments in the growth areas within our portfolio in order to deliver the greatest shareholder return.

On 21 June 2016, APN announced the proposed sale of ARM to a subsidiary of News Corp.

Under ASX Listing Rules, a listed entity must ensure that neither it nor any of its subsidiaries disposes of a substantial asset to a substantial shareholder in the entity without the approval of shareholders. The Board has therefore called this General Meeting to seek APN Shareholder approval of the Proposed Transaction Resolution. News Limited, being a 14.99% shareholder in APN, and its associates, will be excluded from voting on the resolution.

The view of the APN Board is that the Proposed Transaction will enhance shareholder value by enabling APN to pursue its strategic priorities, focusing on the two significant growth sectors in media of radio and outdoor.

In recommending the Proposed Transaction to APN Shareholders, the APN Board conducted a robust sale process, involving a number of interested parties, including existing media operators and private equity funds. APN received and reviewed a number of final bids before entering into binding transaction documentation with News Corp. APN assessed the News Corp bid as offering a superior combination of price, ability to execute the share sale agreement in a timely and efficient manner and certainty of funding, compared to other offers received by APN.

After considering the advantages, disadvantages and risks of the other offers, compared to those of the News Corp bid, the APN Directors unanimously consider that the Proposed Transaction is in the best interests of APN Shareholders. Each APN Director intends to vote in favour of the Proposed Transaction Resolution.

Deloitte Corporate Finance, the Independent Expert appointed by APN to review the Proposed Transaction, has concluded that the Proposed Transaction is fair and reasonable to shareholders not associated with News Limited.

The Proposed Transaction is subject to certain other conditions and regulatory approvals, and APN and/or News Corp are in the process of seeking the approvals and consents necessary to satisfy the conditions.

As you would have seen in the materials we sent out to you and lodged with the ASX and NZX, after the sale of ARM, APN will be focused on the growth industries of radio and outdoor, particularly through our ARN and Adshel assets, which are leading businesses within their respective categories. With increased capital flexibility and a focus on those growth assets, APN can explore and invest in further growth opportunities, to continue delivering the greatest value for our shareholders.

On behalf of the Board, I encourage you to support the Proposed Transaction by voting in favour of the Proposed Transaction Resolution.

I would like to thank you all for your ongoing support of our Company.

Ends.

**For further information:**

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