



Australian
Competition &
Consumer
Commission

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NEWS RELEASE

ACCC INVITES FEEDBACK ON NEWS CORPORATION'S PROPOSED ACQUISITION OF APN'S AUSTRALIAN REGIONAL MEDIA DIVISION

The Australian Competition and Consumer Commission has released a Statement of Issues on the proposed acquisition of Australian Regional Media (ARM) from APN News and Media (ASX: APN) by News Corporation (ASX:NWS).

The proposed acquisition would combine the two main newspaper publishers in Queensland, adding ARM's community and regional publications in Queensland and northern New South Wales to News' extensive portfolio of community, regional, state, and national publications. The ACCC is investigating the effect that this would have on competition for both readers and advertisers.

"One area of focus is the loss of competition between ARM's paid regional newspapers and News' *The Courier Mail*. If the proposed acquisition proceeds, News will own both *The Courier Mail* and the local paid newspaper in nearly every city or town in Queensland. This may result in a reduction of quality and diversity of content available to readers. Reinforcing that concern is that both News and ARM have a strong presence in online news through their websites associated with the Queensland newspapers," ACCC Chairman Rod Sims said.

"The ACCC is seeking to understand whether the competitive tension between News and ARM is an important factor in maintaining quality and range of content, or whether the threat of readers shifting to alternatives, particularly alternative online news sites, will competitively constrain News after the acquisition."

ARM publishes paid daily regional papers in Mackay, Rockhampton, Gladstone, Bundaberg, Hervey Bay, Gympie, Sunshine Coast, Toowoomba, Ipswich and Warwick. The ACCC will be looking closely at these areas.

"In particular the ACCC will test how important diversity of content and opinion is to readers when assessing the extent of competition between papers," Mr Sims said.

ARM and News both also publish overlapping community papers in Caboolture/Bribie Island, south west Brisbane, Brisbane northern bayside, Logan, and Tweed Heads/southern Gold Coast. These are mostly free papers with a strong local focus. The ACCC is seeking to assess the effect on readers and local advertisers in those areas, and to assess whether the reduction in competition is significant.

"The ACCC will be assessing the importance of diversity of local content in these competing community publications. The ACCC is also seeking to understand whether advertising opportunities on other media platforms, such as local radio, pamphlets, and online, will constrain prices for advertising in the ARM and News community newspapers," Mr Sims said.

The ACCC invites further submissions from industry participants in response to the Statement of Issues by 27 October 2016. The ACCC expects to announce its final decision on 1 December 2016.

Further information and the ACCC's Statement of Issues is available on the public register.

Background

News is a global media company with subscription television, magazines, newspapers and publishing operations and interests. In Australia, News publishes a number of state, regional and community newspapers as well as its national publication *The Australian*. It also publishes websites associated with many of its newspapers as well as news.com.au.

APN is an ASX-listed Australian company with media, radio, publishing and digital assets in Australia, and outdoor advertising assets in Australia, New Zealand and Hong Kong. The ARM division of APN, which is proposed to be sold to News, includes a large number of mostly regional publications in Queensland and northern NSW, including 12 paid daily, 14 paid non-daily and 32 free non-daily community newspapers.

APN's radio and outdoor assets are not part of the proposed acquisition and will be retained by APN.

Notes to Editors

A full list of ARM's print publications is set out below:

North Queensland (Mackay region)

Daily Mercury, The Midweek, Whitsunday Times, and Whitsunday Coast Guardian.

Central Queensland

The Morning Bulletin, The Observer, Capricorn Coast Mirror, Central Telegraph, and Central Queensland News.

Wide Bay Burnett

NewsMail, Fraser Coast Chronicle, The Gympie Times, Guardian, Isis Town & Country, Central & North Burnett Times, Hervey Bay Observer, The Maryborough Herald, Cooloola Advertiser, and Hervey Bay Independent.

South-East Queensland - Sunshine Coast

Sunshine Coast Daily, Sunshine Coast Sunday, Noosa News, Coolum & North Shore News, Maroochy Weekly, Kawana Weekly, Caloundra Weekly, Nambour Weekly, and Buderim Chronicle.

South-East Queensland (Greater Brisbane and Ipswich)

Caboolture News, Bribie Weekly, The Logan Reporter, The Satellite, Bayside Northern Suburbs Star, The Queensland Times, and The Ipswich Advertiser.

South-West Queensland

Warwick Daily News, The Chronicle, Stanthorpe Border Post, Dalby Herald, Gatton, Lockyer and Brisbane Valley Star, Laidley Plainland Leader, South Burnett Times, Southern Downs Weekly, Balonne Beacon, The Western Star, Western Times, Chinchilla News and Murilla Advertiser.

Northern NSW (Gold Coast, Tweed and northern NSW)

Tweed Daily News, Tweed Daily News – Community Edition, The Northern Star, The Daily Examiner, The Woolgoolga Advertiser, Byron Shire News, Ballina Shire Advocate, Lismore Echo, The Richmond River Express Examiner, Coastal Views, and The Coffs Coast Advocate.

Specialist publications

Surat Basin News, Rural Weekly (five editions, including a Northern Territory edition), Big Rigs, CQ Industry, Style Magazine, Seniors Newspaper (eight different editions distributed in South-East Queensland and NSW), and APN Educational Media publications (business-to-business publisher of Education Review, Nursing Review, Aged Care Insite and Campus Review).

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