

NZCC DECLINES TO GRANT AUTHORISATION FOR PROPOSED FAIRFAX NZ / NZME MERGER

SYDNEY, 3 May 2017: Fairfax Media Limited [ASX:FXJ] (“**Fairfax**”) has been advised by the New Zealand Commerce Commission (“**NZCC**”) of its decision to decline to grant the authorisation to the proposed merger of Fairfax New Zealand Limited and NZME Limited.

Fairfax Media Chief Executive Officer Greg Hywood said: “We are disappointed by this decision and will now take the time to carefully review the NZCC’s reasons for the decision.

“This decision does nothing to address the challenge of the global search and social giants, which produce no local journalism, employ very few New Zealanders, and pay minimal, if any, local taxes.

“We believe that the NZCC has failed New Zealand in blocking two local media companies from gaining the scale and resources necessary to aggressively compete now and into the future.

“Our impression from the outset is the NZCC seemed to be fixed in its assumption that the relevant competitive marketplace was restricted to only traditional media. No amount of market data, comparable decisions or studies from similar markets overseas could move them from that.

“During the whole of the year-long NZCC process we continued developing our own standalone strategy.

“Our strategy involves leveraging our trusted brands and independent journalism and content reaching 90% of New Zealanders. This is reflected in high levels of engagement and rich data and insights.

“Stuff.co.nz is New Zealand’s most visited local website and benefits from market-leading product innovation.

“Ensuring the ongoing sustainability of the New Zealand business will require continued diversification of our digital revenue base, building on recent progress of monetising our audiences through new advertising products and businesses such as Stuff Fibre and Events.

“In light of the NZCC decision, an even greater focus on cost efficiency will be necessary. Moving to the next stage of our New Zealand publishing model will involve reshaping how we deliver our journalism to local communities. Further publishing frequency changes and consolidation of titles is an inevitability.”

– ENDS –

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