

FAIRFAX AND APN TO AGREE PRINTING DEAL IN AUCKLAND, NEW ZEALAND

SYDNEY, 27 June, 2014: Fairfax Media Limited [ASX:FXJ] and APN News & Media Limited [ASX, NSX:APN] today announced a proposed printing agreement in the upper North Island of New Zealand.

Under the arrangement, APN would provide printing services to Fairfax in New Zealand for several newspapers at its Ellerslie facility in Auckland's south. This includes printing Fairfax's *Waikato Times*, *Sunday Star-Times*, *Sunday News* and other community titles. Work currently performed at Fairfax's Auckland and Hamilton print sites would transition into the state-of-the-art Ellerslie facility within three months starting from August 2014.

Chief Executive Officer of Fairfax Media, Greg Hywood, said: "This new arrangement makes absolute sense for Fairfax in New Zealand. Sharing a print site with a competitor is fairly common practice in overseas markets. In this instance we boost our print capability in the upper North Island market without the need for significant capital investment and gain significant benefits from the additional scale and efficiencies.

"Fairfax remains focused on providing high-quality journalism and content to our readers – across all platforms – including print. Where it makes sense, we will continue to invest in print, as we did recently at our Petone facility located in the lower North Island of New Zealand."

Chief Executive Officer of APN, Michael Miller, said: "Our conversations with Fairfax have been very positive and reflect similar optimism for the ongoing viability of printed newspapers, which continue to play a vital role in the communities they reach."

APN recently consolidated the printing of a number of its New Zealand titles to its Ellerslie print site following a significant investment in upgrading equipment at the plant as part of the company's FY2013 \$40 million publishing cost savings program.

Mr Miller said: "The arrangement with Fairfax allows APN to utilise spare capacity at our state-of-the-art Ellerslie facility and deliver further cost savings. We are on track to achieve our target of a further \$20 million in cost savings across APN's publishing businesses in 2014."

APN in New Zealand publishes *The New Zealand Herald* and its associated titles, as well as seven regional daily newspapers and more than 40 community newspapers.

Fairfax Media in New Zealand publishes three metro newspapers including *The Dominion Post*, and *The Press* in Christchurch, six regional daily newspapers and more than 60 community newspapers.

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