NZ ME.

NEW ZEALAND MEDIA AND ENTERTAINMENT

Annual Shareholders Meeting

12 June 2019

Find your voice.
The voice your customers love. The voice that suits your brand. The voice that sells.
NZ ME.
NEW ZEALAND MEDIA AND ENTERTAINMENT

WELCOME

Peter Cullinane

INDEPENDENT CHAIR

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AGENDA

01 Chairperson's Address

02 Chief Executive Officer's Address

03 Ordinary Resolutions

1. Election of Director
2. Auditor's Remuneration

04 Special Resolution

3. Amendment of Constitution

05 General Business

NZME.

NZME'S AUDIENCE REACH IS 3.3 MILLION[1] 80% OF NEW ZEALANDERS

PRINT

1.3 million

Weekly Readers[1]

RADIO

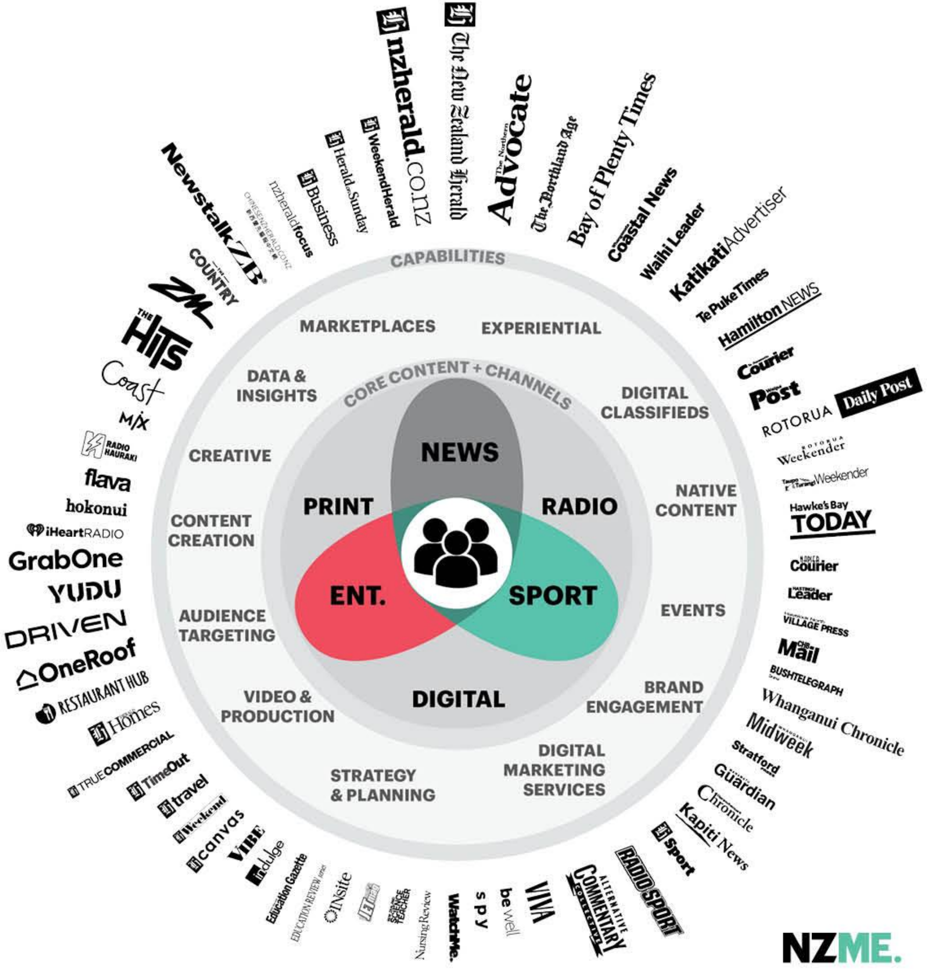
2.0 million

Weekly Listeners[2]

DIGITAL

2.5 million

per Month[1]



(1) Nielsen CMI March 2019 Fused Q1 18 – Q4 18 (population 10+ years).
(2) GfK Radio Audience Measurement, Commercial Stations, NZME and Partners. Cumulative Audience T1 2019.

THE NZME BOARD

- **A** **Peter Cullinane**
  Independent Chair
- **B** **Carol Campbell**
  Independent Director
- **C** **David Gibson**
  Independent Director
- **D** **Barbara Chapman**
  Independent Director
- **E** **Sussan Turner**
  Independent Director

THE NZME
EXECUTIVE TEAM

A **Michael Boggs**
Chief Executive Officer

B **David Mackrell**
Chief Financial Officer

C **Laura Maxwell**
Chief Digital Officer

D **Matt Headland**
Chief Commercial Officer

E **Shayne Currie**
Managing Editor

F **Dean Buchanan**
Group Director,
Entertainment

G **Matthew Wilson**
Chief Operations Officer

H **Katie Mills**
Chief Marketing Officer

I **Allison Whitney**
General Counsel &
Company Secretary

OUR PURPOSE

KEEPING KIWIS IN THE KNOW.

New Zealand Media and Entertainment is built on a legacy of award-winning journalism and broadcasting.

We deliver news, entertainment, and information to Kiwis every day.

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Corporate Social Responsibility

Amplifying our ability to create positive change in our society

- Committed to a sustainable business focused on our People, our Environment and our Communities
- Materiality matrix of sustainability issues directly affecting NZME completed
- UN Sustainable Development Goals framework adopted to provide a measurement and reporting regime
- A CSR Framework and measurements will be reported for the 2020 financial year

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Capital Management

- Supports long term strategic objectives and operational priorities to maximise shareholder value.
- Reduce gearing, maintaining investment in our growth opportunities and continuing to pay dividend where trading and investment conditions permit.
- Consistent with the policy, the Board elected not to declare a final dividend with respect to the 2018 financial year.
- Target reduction in net debt of $10-15 million per annum until such time as the leverage ratio is within our target range of 1.0 – 1.5 times rolling 12-month Trading EBITDA.
- Subject to achieving annual debt reduction targets, and having regard to NZME’s capital requirements, operating performance, financial position and cash flow at the time, NZME intends to pay dividends of 30 – 50% of reported NPAT.

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Michael Boggs

CHIEF EXECUTIVE OFFICER

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NZME 2018
RESULTS SUMMARY

Results impacted by

Pro-active investment in Digital Classifieds

Agency market headwinds

Statutory NPAT
$11.6m
2017 $20.9m ▼ 44%

Trading Revenue[1]
$378.4m
2017 $387.7m ▼ 2%

Trading EBITDA[1]
$54.7m
2017 $66.2m ▼ 17%

Trading NPAT[1]
$18.9m
2017 $26.7m ▼ 29%

Trading Earnings Per Share[1]
9.6cps
2017 $13.6cps ▼ 29%

Final Dividend
nil
2018 total dividends 2 cents per share

(1) Trading measures used throughout this presentation are non-GAAP measures that are explained and reconciled on pages 34 and 35 of the NZME Full Year 2018 Results Presentation available on the Company's website.

NZME PRINT

TRADING REVENUE

$211.6 m

-4% vs 2017 **FY2018**

- Print advertising revenue $114.2m (down 6% vs 2017)
- Circulation revenue $81.5m (down 2% vs 2017)

NZME RADIO

TRADING REVENUE

$106.8 m

-3% vs 2017 **FY2018**

- Maintained our share of radio advertising market revenue[1]
- Positive trends in radio advertising revenue in FY19

NZME DIGITAL & eCOMMERCE

TRADING REVENUE

$60.0 m

+6% vs 2017 **FY2018**

- Long-term driver of growth

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1. PwC Radio Advertising Benchmark Report, April 2019

2019 STRATEGIC PRIORITIES
FOCUSED ON GROWTH

1 **Leading the future of news and journalism in New Zealand**

Your Premium

nzherald.co.nz/premium

nzherald.co.nz

2 **Increasing radio capability and performance**

The Hits · Radio Hauraki · Coast · ZM · Flava · Mix · Radio Sport · Newstalk ZB · Hokonui · iHeartRADIO

3 **Creating New Zealand's leading real estate platform**

The new home of real estate

OneRoof.co.nz

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1 NEWS

LEADING THE FUTURE OF NEWS AND JOURNALISM IN NEW ZEALAND

FY19 Focus

- New Zealand's destination for trusted premium news content
- Launch digital subscriptions
- Enhancing print subscriber value proposition

Key success metrics

- Paid content launch Q2 2019
- Targeting 10,000 digital subscribers within the first year
- Increased premium content and digital audience engagement
- Improved print subscriber retention

Results to date

- NZ Herald Premium launched in April 2019
- 10,000 digital subscribers, of which over 35% have opted for an annual subscription
- 20% of existing 5+day print subscribers have activated their online access

NZ Herald – Best Daily Newspaper

"A number of excellent news breaks, and a quality production across all sections."

Viva – Best Magazine

"An intelligent and professionally put-together magazine section that has its readers in sharp focus and keeps them engaged and entertained ... its fresh design and digital platforms were a standout"

voyager. Media Awards 2019 | NEW ZEALAND JOURNALISM AT ITS BEST

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2 RADIO

INCREASING RADIO CAPABILITY AND PERFORMANCE

FY19 Focus

- Enhance radio sales skills to support integrated selling
- Digital audience and revenue growth leveraging iHeart capability
- Successfully develop an engaged following for new shows

Key success metrics

- Radio revenue in growth
- Improved audience share in the key 18-54 demographic
- Continue to grow iHeart registered users and streaming hours

Results to date

- Radio revenue in growth overall at the end of Q1
- Weekly audience of 2 million New Zealanders and increased market share across all markets[1]
- NewstalkZB remains the number one radio breakfast show in New Zealand[2]
- New shows on other channels are proving successful, including:
  - NewstalkZB afternoons
  - NewstalkZB Drive Show
  - The Hits with Laura, Sam & Toni
  - ZM with Bree & Clint
  - Coast with Bernie & Jason
- iHeart registered users ~870,000, up 15% YoY[1]
- iHeart streaming hours 3.5 million, up 6% YoY[2]

(1) GfK Radio Audience Measurement, Commercial Stations, NZME and Partners. Cumulative Audience T1 2019
(2) GfK Radio Audience Measurement, Commercial Stations, M-F 6am-9am, Cumulative Audience T1 2019
(3) iHeartMedia; Adobe Analytics, April 2019
(4) AdsWhizz and StreamGuys, April 2019

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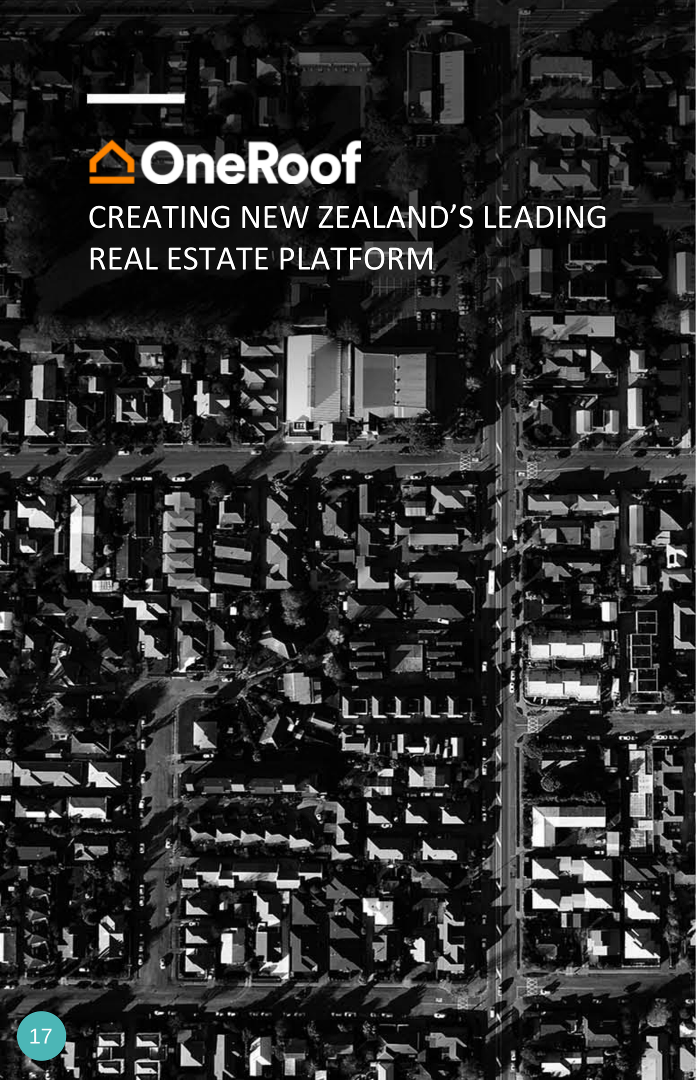

FY19 Focus

Secure further market listings and launch new property categories (e.g. new homes)

Continue to develop user features and tools to enhance listings engagement

Lead property market commentary and insights

Continue revenue growth through premium listings and agent products

Key success metrics

Growth in listings as a % of market

Improved audience listings engagement

Meaningful revenue growth

Results to date

- Celebrated one year of OneRoof in March 2019
- New Homes category launch scheduled for Q3
- Launched new user features:
  - Create and share Saved Property lists
  - Improved open home planner
  - OneRoof Quarterly Property Report
- Reaching up to 348,000 unique browsers each week
- Revenue growth continues

Trading Update

- The successful launch of NZ Herald premium digital subscriptions has exceeded our revenue expectations.
- OneRoof now has 70% of residential property listings with continued revenue growth momentum.
- Advertising bookings year to date are tracking 3% below last year but have declined at a slower rate than full year 2018, with radio revenue in growth.
- Declines in the Agency market continue, impacting digital revenues, however the market is now showing early signs of an improving trend compared to the same period last year.
- Our focus on cost reductions have continued with initiatives delivering improvement in the underlying cost base.
- The company is on target to reduce debt in line with our Capital Management Policy.

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Exclusive: New book exposes Whaleoil blogger's campaign
Opinion
TimeOut Entertainment
Lifestyle
Travel
Rural
OneRoof Property
Driven Motoring
Read more Premium

RESOLUTIONS

ORDINARY RESOLUTIONS

Resolution 1

To consider and, if thought fit, to pass the following ordinary resolution:

Resolution 1: Election of Director

It is hereby resolved, as an ordinary resolution, that Sussan Turner, who joined the board after the last Annual Shareholders' Meeting, be elected as a Director of NZME.

Proxies & Postal votes received	For	Against	Discretionary	Abstain
Number of shares voted by proxy or postal vote	78,264,289	4,288	2,820,540	844,390

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ORDINARY RESOLUTIONS

Resolution 2

To consider and, if thought fit, to pass the following ordinary resolution:

Resolution 2: Auditor’s remuneration

It is hereby resolved, as an ordinary resolution, that the Directors of NZME are authorised to fix the auditor’s remuneration.

Proxies & Postal votes received	For	Against	Discretionary	Abstain
Number of shares voted by proxy or postal vote	78,266,561	22,516	2,810,040	834,390

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SPECIAL RESOLUTION

Resolution 3

To consider and, if thought fit, to pass the following special resolution:

Resolution 3: Amendment of Constitution

To amend NZME's constitution in the form and manner described in the explanatory notes, with effect from the close of the Annual Shareholders' Meeting.

Proxies & Postal votes received	For	Against	Discretionary	Abstain
Number of shares voted by proxy or postal vote	77,960,057	26,239	2,820,040	1,127,171

GENERAL
BUSINESS

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