



## MARKET ANNOUNCEMENT

### DEMERGER OF NZME: AUSTRALIAN TAX INFORMATION

**Sydney, 20 July, 2016**

The Australian Taxation Office (**ATO**) has today issued Class Ruling CR 2016/53 regarding the tax implications of the demerger of NZME for Australian resident shareholders of APN News & Media Limited (ASX, NZX: **APN**) that hold their shares on capital account.

The Class Ruling confirms that demerger relief is available for Australian resident shareholders to disregard any capital gain arising on the receipt of NZME shares under the demerger and that there is no assessable demerger dividend.

The Class Ruling is consistent with the tax treatment more fully described at Section 11 of the Explanatory Memorandum dated 11 May 2016 regarding the demerger of NZME from APN, which was implemented on 29 June 2016.

The Explanatory Memorandum is available at:

<http://www.asx.com.au/asxpdf/20160511/pdf/4374zljlyqybsbq.pdf>

The Class Ruling is available on the ATO website at:

<https://www.ato.gov.au/law/view/pdf/pbr/cr2016-053.pdf>

Further information is provided below to assist shareholders in calculating the tax cost base allocation between APN and NZME shares.

## **Australian taxation implications of the demerger for Australian resident shareholders acquiring shares on or after 20 September 1985 and holding on capital account**

*The information below is a summary of the key tax implications for shareholders that are covered by the class ruling. This information does not constitute tax advice. It does not take into account your individual investment objectives, financial situation or needs, and is not a complete analysis of all taxation laws which may apply to shareholders in relation to the Demerger. You should obtain your own independent taxation advice regarding the taxation implications of the demerger.*

APN News & Media Limited (**APN**) demerged NZME Limited (**NZME**) on 29 June 2016 by way of an in-specie distribution of shares in NZME.

The ATO has issued Class Ruling CR 2016/53 regarding the tax implications of the demerger of NZME for Australian resident shareholders of APN that hold their shares on capital account.

The Class Ruling confirms that demerger relief is available for Australian resident shareholders to disregard any capital gain arising on the receipt of NZME shares under the demerger and that there is no assessable demerger dividend.

No capital loss is available to Australian resident shareholders as a result of the demerger.

The Class Ruling is in line with the tax treatment more fully described at Section 11 of the Explanatory Memorandum dated 11 May 2016 regarding the demerger of NZME from APN, which was implemented on 29 June 2016.

The Explanatory Memorandum is available at:

<http://www.asx.com.au/asxpdf/20160511/pdf/4374zljlybsbq.pdf>.

The Class Ruling is available on the ATO website at:

<https://www.ato.gov.au/law/view/pdf/pbr/cr2016-053.pdf>

The information below is intended to assist Australian resident shareholders of APN who hold their APN shares on capital account and acquired their shares on or after 20 September 1985 (that is, post capital gains tax).



These shareholders must apportion the cost base of their APN shares between their APN and NZME shares. The tax consequences below will be the same whether or not you choose demerger relief.

The apportionment of cost base is based on the volume weighted average prices (**VWAP**) of APN and NZME shares over the first five trading days on the Australian Securities Exchange and New Zealand Exchange (29 June 2016 to 5 July 2016).

The five day VWAP for APN and NZME shares were as follows:

APN	\$AU 3.95	84.58%
NZME	\$AU 0.72	15.42%

The cost base is therefore allocated 84.58% to APN and 15.42% to NZME. For example, if the cost base in your shares was \$AU3.50, the cost base of each APN share would be 84.58% of \$AU3.50 (being \$AU2.96 per share), and the cost base of each NZME share would be 15.42% of \$AU3.50 (being \$AU0.54 per share).

The date of acquisition of your NZME shares is deemed to be the same date as your original APN shares for the purposes of applying the CGT discount on sale of NZME shares.

**Ends.**

For further information:

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