

I am pleased to advise that Nine Entertainment Co. has reached agreement with international publishing house Bauer Media Group to purchase ACP Magazines..

Founded in 1875 and based in Hamburg, Germany, Bauer Media Group is still family-owned and a leading magazine publisher with a truly global footprint. It publishes about 400 magazines and more than 100 online products in 15 countries worldwide and has around 8,700 employees. The Bauer Media Group generates approximately EUR2 billion (AUD2.4 billion) in annual sales. Their investment in ACP Magazines marks a further expansion of their international business, which includes the United States, UK, Poland, Russia and China.

Whilst this sale signifies the end of an era as part of the Nine Entertainment family, the purchase of ACP by Bauer brings with it a positive and clear future, with a commitment for the long term for both our brands and our people. ACP will be gaining the scale and experience of a significant global publisher and a natural owner of magazine assets. At the same time, we will continue to maintain a strong working relationship with Nine Entertainment Co, working closely with our colleagues at the Nine Network and Nine Events.

Whilst there are still some hurdles to overcome for the sale to be complete, we anticipate moving to our new ownership structure in the next four to eight weeks. In the meantime, it will be business as usual.

I understand that you will have many questions about what this means for you. The ACP Executive and Senior Management teams have been briefed on how to answer many of the immediate questions that you may have.

I also look forward to providing you with further updates in the months ahead, and to working with you during this exciting time for our business.

Matthew Stanton