



STREAMCO JOINT VENTURE

SYDNEY, 27 August, 2014: Nine Entertainment Co. ("Nine") [ASX:NEC] and Fairfax Media Limited ("Fairfax") [ASX:FXJ] have today announced the formation of a joint venture to launch an Australian Subscription Video-On-Demand (SVOD) service ("StreamCo").

StreamCo is expected to launch during the 2015 financial year. It will offer a broad range of local and international programming to subscribers for a fixed monthly subscription fee and no minimum term commitment. StreamCo is finalising its technical infrastructure for the service and has concluded a number of cornerstone content deals ahead of its launch.

SVOD is expected to grow significantly in Australia in the next decade, with media consumers looking to supplement their free-to-air viewing with on-demand, internet-delivered content. StreamCo will take a leading position in the development of SVOD in Australia, bringing access to a substantial catalogue spanning TV series, movies, kids and family programming, and documentaries from a wide range of leading Australian and international studios, along with market-leading content from Nine. The StreamCo service will provide unlimited, on-demand viewing through a range of devices including television screens, tablets, PCs and mobile devices for a low fixed monthly price.

Nine's deep background in the television industry in Australia, and understanding of Australian viewer preferences, will be complemented by Fairfax's experience and strength in subscription services and digital products. The StreamCo service will benefit from the combined marketing and cross promotional capabilities of two of Australia's leading media brands.

StreamCo is headed by CEO Mike Sneesby and will be operated independently of Nine's and Fairfax's existing media businesses. Mike's history in digital media and IPTV includes the roll-out of a pioneering IPTV platform in the Middle East as well as many years' experience in Australia, primarily through his role as Head of Corporate Strategy and Development at ninemsn.

StreamCo will be owned 50:50 by Nine and Fairfax and the joint venture board will include each company's respective CEO, David Gyngell and Greg Hywood. Nine and Fairfax have agreed to commit up to \$50 million each to the venture over a multi-year period, which includes expenditure on marketing and advertising. The StreamCo business will source the bulk of its marketing and advertising requirements from its two shareholders on a commercial basis.

David Gyngell, CEO of NEC, said: "I am excited about working with one of Australia's iconic media companies on this ground breaking opportunity. The combination of our two businesses will provide the joint venture with unprecedented distribution and awareness. I look forward to building one of Australia's greatest new media businesses."

Greg Hywood, CEO of Fairfax Media, said: "We're delighted to join Nine in developing a compelling subscription video service. SVOD is a proven business model overseas, and we look forward to offering this service to our subscribers, and indeed all Australians. Fairfax will continue to seek innovative ways to engage and expand our audiences, and this is an



opportunity to create value through participating in the next wave of media evolution. Nine is a fantastic partner and we look forward to working with them on StreamCo.”

Mike Sneesby, CEO of StreamCo, said: “Having two of Australia’s pre-eminent media companies as StreamCo’s shareholders strengthens the base of our experience, whilst providing an amazing marketing and promotional platform for our new service. I look forward to revealing more details about our offering in the near future.”

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