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ASX Release

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QMS MEDIA COMPLETES STRATEGIC MERGER OF QMS NZ WITH MEDIAWORKS

QMS Media Limited (ASX:QMS) (QMS or the Company) is pleased to announce the completion of the merger between its New Zealand out-of-home, digital media and production business (QMS NZ) and MediaWorks, New Zealand's leading independent radio, TV and digital business. The merger establishes the multi-platform media company as having the largest audience in New Zealand.

The merged entity has also entered into an unconditional agreement to acquire ETC Media's premium Christchurch digital billboard portfolio, adding twelve large format digital billboards, to its existing national digital portfolio. This acquisition will further extend its market leadership position with New Zealand's largest large format digital network now encompassing Auckland, Wellington, Christchurch, Whangarei, Hamilton, Tauranga, Rotorua and New Plymouth.

With the Mediaworks merger completed, QMS will hold a 40% interest in the combined New Zealand business, with funds managed by Oaktree Capital Management L.P. (Oaktree) holding a majority 60% shareholding. QMS will hold two seats on the five member board.

QMS is receiving a capital return of A\$38.0 million which will be used to repay part of the Company's banking facility.

QMS Managing Director and Group CEO, Barclay Nettlefold said: "The merged QMS NZ and MediaWorks business will be the first in market to realise the combined power of out-of-home, radio, TV and digital as an unrivalled destination for advertisers to build brands and maximise audience reach. The merger will deliver compelling value for advertisers and maximise cross-platform revenue synergies for the business.

"For QMS, the merged business remains a substantial ongoing investment in the New Zealand market where the combined capabilities of QMS NZ and MediaWorks can build on their existing market positions to drive future revenue growth. The merger and capital return realise value for QMS shareholders, better positioning the Company to take advantage of compelling future investment opportunities as they arise."

MediaWorks Chairman Jack Matthews said, "We are very pleased to complete this partnership with QMS. The addition of QMS' very strong out-of-home business will give MediaWorks an unparalleled portfolio of assets to deliver outstanding results to our customers."

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For further information:

Investor Relations

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