

## **News Limited announces new strategic actions for growth**

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**Wednesday June 20, 2012**

The chief executive of News Australia, Kim Williams, today announced a number of major initiatives to grow its businesses. The changes include a restructure of its national, Queensland, NSW and Victorian operations to deliver better customer outcomes. Mr Williams also announced one intended acquisition and one completed acquisition.

Mr Williams confirmed the company has submitted a conditional proposal to acquire 100% of the shares in Consolidated Media Holdings (CMH). If the proposal is accepted News would own 100% of FOX Sports and 50% of FOXTEL. The proposal to acquire the CMH assets will take time as there are regulatory and legal issues the parties need to work through.

Mr Williams also confirmed that News has acquired Australian Independent Business Media (AIBM), the publisher of *Business Spectator* and the *Eureka Report*.

Mr Williams said: "Today we are also announcing major initiatives that will see us invest and innovate to maintain our position as Australia's leading media company.

"By putting customers and innovation at the heart of what we do and by investing in our future we will continue the transformation of News into a truly multi-platform powerhouse. It is an exciting time - one where constructive change is happening every day.

"We have already achieved a great deal in the past six months. In particular we've launched News Australia Sales, the only truly integrated media sales team in Australia. The resulting huge goodwill from our commercial partners has seen a significant upswing in the number of briefs we're receiving. We've also restructured our finance function, implemented a new national approach to production and begun the rollout of our seven day strategy for our metro mastheads.

"Our commitment to making bold investments to grow the company is demonstrated by the recently announced \$60m investment in a new publishing platform, Methode, and today's announcement of the acquisition of AIBM, Australia's number one pure online business and investment publisher.

"The investment in Methode plays a foundation stone role in engaging our customers. It will allow us to create once and publish many times across every platform our customers use – print, online, tablet, mobile, smart devices, and broadcast. We are a media company and we have confidence in all the forms of media that Methode will serve, enabling our journalists to produce great material efficiently.

Mr Williams also announced a new strategy for improved digital product development and growth. News will integrate News Digital Media into its operations and will also create a new Product Innovation team. These changes will drive best-in-class product development across the entire business.

Mr Williams said: "Digital technology and the ever-increasing array of consumer devices and connectivity points represent an important core to the future of our company. To realise the huge opportunities presented we must ensure we have world-class resources supporting our editorial and sales teams.

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“Those resources – people and technology – must be integrated across our editorial product development and execution to be truly successful. Therefore we will no longer run News Digital Media as a separate operating division, but instead embed the knowledge, energy, resources and talent of our digital experts into every part of News.

“The Product Innovation team will be a tightly focussed operation with a fresh, direct, non-bureaucratic approach. They will ensure a steady product roadmap for building revenue generating products focussed on consumer needs and aspirations.”

Mr Williams also announced a new streamlined geographically based company structure that will support customer focus and innovation.

Initially three new divisions have been established in each of New South Wales, Victoria and Queensland. Each will house all state-based operations, uniting the skills and expertise of the company’s metropolitan, regional and community operations.

The changes will provide streamlined operations in management, editorial, advertising sales and marketing across print and digital products.

Mr Williams said that the company would look to simplify operations in other areas of the country after the Victorian, NSW and Queensland structures were settled. *The Australian* and NewsLifeMedia will continue to operate as national divisions.

“These state-based and national divisions will be enabled to provide great journalism to our customers. We will provide the best local stories and national stories from across our entire network. We will continue to lead in breaking stories, filing exclusives and provoking debate and change through our high quality commentary and opinion pieces.”

“The new operating model is designed to empower staff to work smarter and faster. We will upskill our central functions and eliminate wasteful duplication,” Mr Williams said.

“The new model addresses areas where we have skill shortages and are duplicating functions. We will hire new people where required, but regrettably some roles will become redundant.

“At this stage we cannot say how many roles will be made redundant as full details will be resolved with the implementation. Although there will be retrenchments, many roles will be retired through natural attrition.

“Open communication with our workforce will be maintained throughout this period of significant change.”

Mr Williams said the AIBM acquisition and proposal to acquire CMH demonstrate News’ commitment to investing smartly and growing relevant products which are valued by consumers.

“In just five years AIBM has become Australia’s number one pure online business and investment publisher, eclipsing its nearest rival just a couple of weeks ago. Its success has come from creating a high value digital product that delivers, in spades, what its audience wants.

“The acquisition, in combination with the offering of *The Australian* and our colleagues at *The Wall Street Journal*, means there will be no contesting News’ lead in the delivery of a comprehensive business offering.

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“This model of building and acquiring businesses, and partnering with our sister companies, is one we will pursue in other editorial arenas as we transform our operations.

“Our existing strengths, combined with the range of initiatives announced today and others over time will ensure News maintains its leadership position for consumers and advertisers across the range of media products that are central to contemporary life” Mr Williams said.

In closing Mr Williams said, “News’ publication network reaches over 13 million Australians each and every week. Engagement with our content is fundamental to the conversations, knowledge and opinions of our nation. The national public agenda is built on print and its digital extensions. Of course there is major technology and behavioural change and we are enthusiastic participants, leaders and respondents in that process. Print is not dead and has a strong future in which we, for one, have confidence as we build all our future consumer platforms – print, online, tablet, mobile, broadcast and social. The future might be tough but it is exciting and liberating in terms of there never having been more ways to connect with consumers to meet their needs. We welcome the challenge enthusiastically.”

### **Summary of key points**

1. \$60m investment in a new publishing platform, Methode – to allow News to even better service its customers and ‘create once/publish many times’
2. Submission of proposal to acquire CMH assets. If the proposal is accepted, News would own 100% of FOX Sports and 50% of FOXTEL
3. Investment in business journalism – acquisition of Australian Independent Business Media, the publisher of *Business Spectator* and the *Eureka Report*
4. Establishment of state based operating divisions in NSW, Queensland and Victoria – including unified state based editorial and sales teams
5. Creation of new Product Innovation team – to drive best-in-class product development across the entire business.
6. Integration of digital expertise throughout the business – to ensure that digital resources, talent and energy is infused across all of News
7. Ongoing investment in central support functions to ensure News’ support functions work smarter and eliminate wasteful duplication.
8. Builds on existing initiatives such as: launching News Australia Sales, restructuring finance, production and pre-production and the move to seven day newsrooms

End.

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