

News Corp Australia

Dear Newsagent,

As you would be aware from our previous correspondence, News Corp Australia has undertaken a review of the distribution network in Metropolitan Sydney following a significant number of distribution newsagent territory handbacks.

An extensive consultation process was undertaken in early 2018, with over 150 respondents including industry bodies overwhelmingly supporting consolidation of distribution areas.

In September 2018 News Corp Australia issued a Request for Proposal (RFP) for the Supply of Distribution Services inviting all distribution agents and those with logistics experience to participate.

The RFP outlined proposed key changes to the way the distribution of newspapers in Sydney would be conducted:

- Consolidation of the existing territories into larger zones
- A commitment to reduce or remove the administrative or duplicated aspects traditionally undertaken by distribution newsagents
- To create consistent home delivery product presentation by flat wrapping subscriber copies directly off the press at our printing facility at Chullora.

Following an extensive RFP and evaluation process News Corp Australia has selected National Distribution Services (NDS), a joint venture between two of the country's largest distribution newsagents for eight (8) of the proposed nine (9) zones.

Due to its unique set of delivery requirements we are still reviewing the best options available for the servicing of the Sydney CBD.

Timing of Changes:

It is planned that the transition to the new distributor will be conducted over several months commencing later this year. We expect to be completed by July 2020. The process will start with the migration of customer billing.

Transitional Support:

- Contract Fulfilment Payment. In order to encourage outgoing distribution newsagents to support and assist in the transition to the new model, News Corp Australia will provide a payment to distribution newsagents in return for them making certain commitments to us. Details are included in a pack that they will receive shortly via post.
- Case Manager. For affected agents News Corp Australia has appointed a case manager as a main point of contact who will be in touch soon to further outline these changes and answer any questions they may have.
- Driver Register. NDS will also establish an online portal for existing distributors, drivers and contractors to register their interest to be considered to provide services to NDS. News Corp Australia is not part of this process or portal.

News Corp Australia

Further Information:

- A pack will be mailed to you in the coming days outlining details of the changes including timing of the transition for you.
- A full list of Frequently Asked Questions (FAQs) is attached.
- Agents are also encouraged to attend Townhall meetings in the coming weeks where News Corp Australia representatives will further outline these changes and address queries.
- Any queries regarding the changes or how it impacts individual distributors or retailers should be directed to your dedicated case manager or contact details below:

Distributor enquiries:

Robert Rigby
secondary_distribution@news.com.au

Media enquiries:

Liz Deegan
corporateaffairs@news.com.au

Regards

Michael Newell
Executive General Manager, Publishing Operations
News Corp Australia