

CASE STUDY

Merger & Acquisition Communications

The merger of Rural Press and Fairfax Media was one of the more significant transactions in Australia's media industry for many decades. It brought together two established businesses, with a substantial and successful history, to create a media powerhouse meeting the needs of readers and communities nationally and in New Zealand, in city and country.



Rural Press Limited



It was a \$9 billion transaction creating Australasia's largest integrated metropolitan, regional and rural print and digital media business.

Challenge

The communications challenge was to ensure the media and markets saw the transaction as a merger of two equally successful companies seeking to create an even more successful enterprise by joining forces. One of the benefits of the transaction was to create a bigger media footprint, especially in online media, and this was a driving element of the transaction to be presented in key messages.

Strategy

The principal focus of communication was the primary announcement document and a strategy for presenting the case to the media and investment community. Confidentiality was critical and spokespersons from both sides were prepared to present the argument persuasively and informatively.

Implementation

The set piece for launching the transaction was a mid morning briefing to the investment community followed by a media briefing. Announcement to the ASX was made early in the morning, allowing spokespersons to make personal contact with key government figures and company stakeholders. Guiding each of these conversations and briefings were the key points of the transaction and its benefits. A major human interest element in the news was the return of Mr John B Fairfax, architect of the Rural Press growth story, to the board of Fairfax Media, a company associated with his great grandfather since 1841.

Results

Media coverage was comprehensive across print and electronic media, with the transaction being a lead story for some time after initial announcement. The transaction was well received by the media and investors, with all appreciating the advantages of the strengths of two management teams taking the merged business forward to future growth. Launched in December 2006, the transaction was finalised in mid 2007.



THE AUSTRALIAN
20 December 2006

Fairfax, Rural ready to roll



Fairfax family buys back into the farm

By MATHEW CHARLES
AFTER almost 20 years in exile the Fairfax family is poised for a triumphant return to the media empire which still bears its name. Under the terms of a \$2.5 billion merger with Rural Press, the company's majority shareholder is chairman — family man John B. Fairfax — will emerge with a 13 per cent of Fairfax Media. At the same time, shareholders could have helped trigger a break-up of the company — namely Kerry Stokes' Seven Network. Analysts said a break-up could be ruled out but any deal would now have to pay most equity out in cash as KFC has deep enough pockets to do so. Seven has declined to comment. The new company will gather Rural Press' 17 regional radio stations and 11 plus radio stations and the TV with the existing and online media between them. Although Mr Fairfax is a shareholder, he will own 13 per cent of so no proprietary control. However, he indicates the stake if director company agreed. The point is we are performing. Mr F Obviously we actions according mance of the con



Merger ... David Kirk, Ron Walker, John B. Fairfax and Rural Press CEO Brian McCarthy yesterday. Photo: GRAHAM CROUCH



Merger of Fairfax Media and Rural Press



Westbrook Communications is Australia's leading independent financial public relations firm.

Our team comprises senior people with backgrounds in journalism and the investment markets, giving us an edge in advice on communication of business information.

Our years of experience enable us to advise companies on communication with the media, investors and the investment community.

Crucial to this is guidance on the content of what is said and the how and when to maximise its value.

With our input your company can achieve the positioning and recognition it deserves.

Level 1
17 Castlereagh Street
Sydney NSW 2000
Telephone 61 2 9231 0922
Facsimile 61 2 9231 0131
info@westbrookfin.com.au
www.westbrookfin.com.au



Westbrook communications