

APP
Securities

Asia Pacific
Prudential Securities

News Corp

Australia

Media Disruption

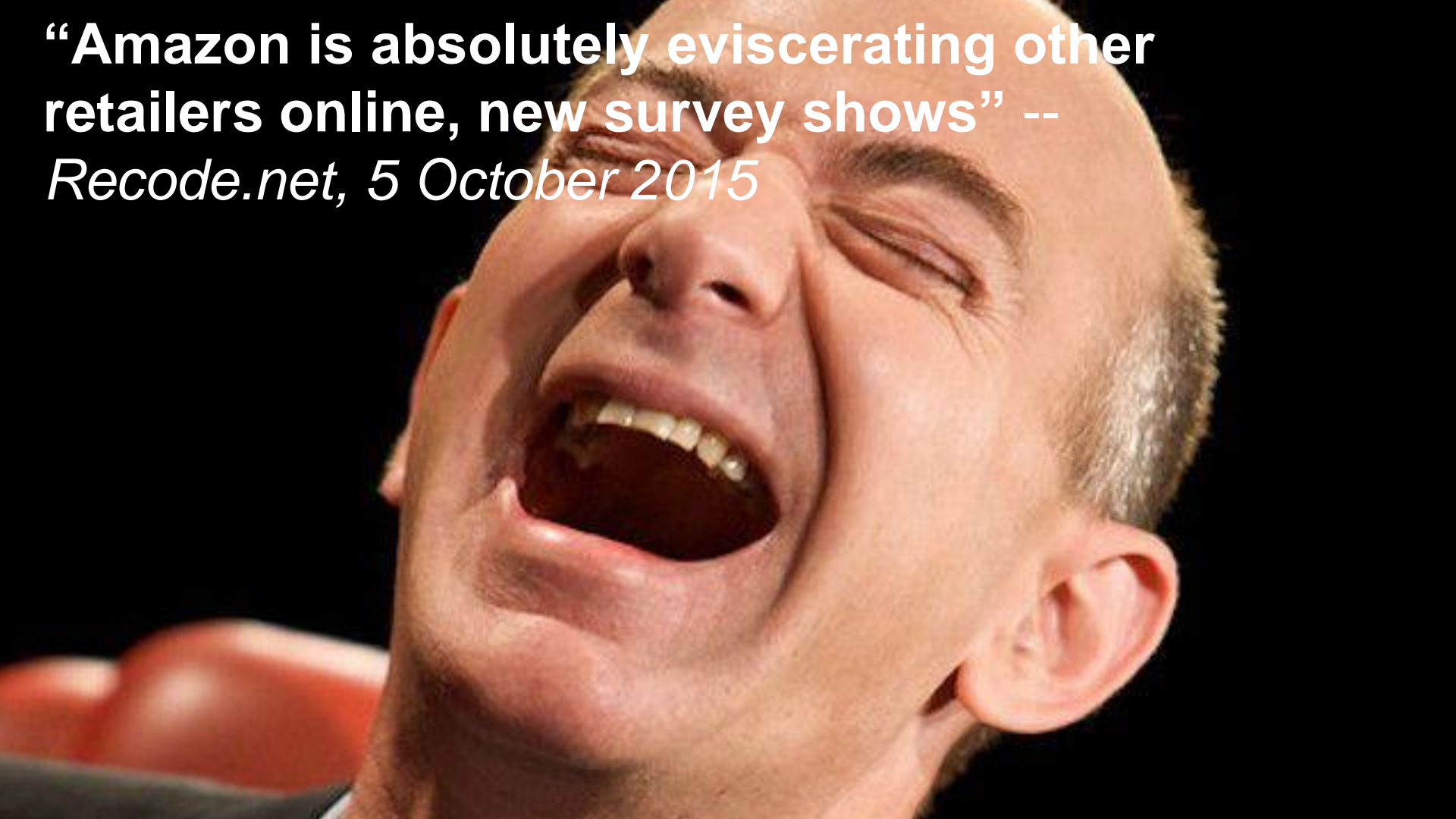
- What News thinks is disruptive to its industry;
- How News is responding to the challenges; and
- How News thinks it and /or the industry might look in 3 years' time.

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TECHNOLOGY

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**“Amazon is absolutely eviscerating other
retailers online, new survey shows” --**
Recode.net, 5 October 2015

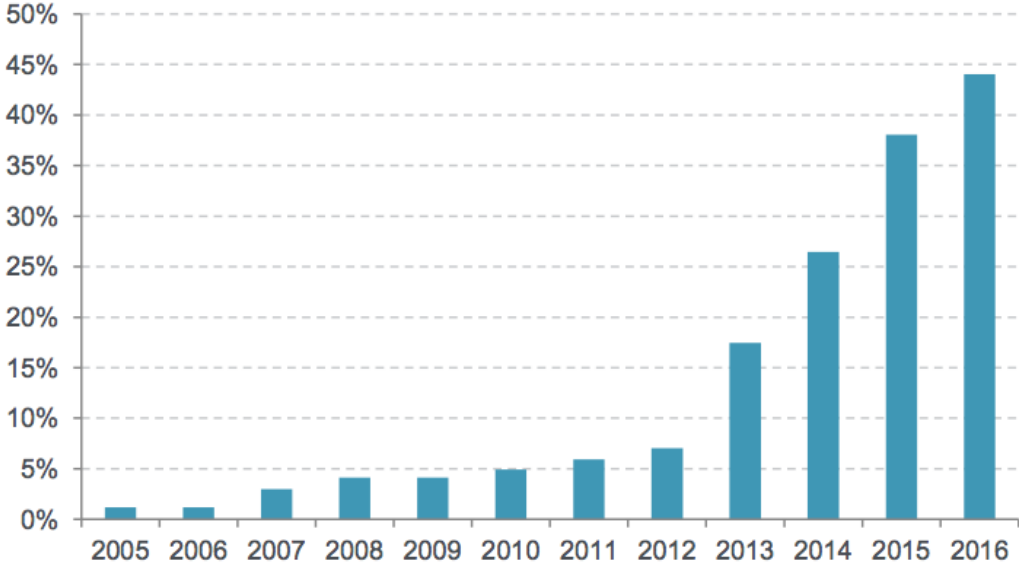


Retail redefined

Exhibit 5

Amazon's Footprint Increasingly Closing in on Population

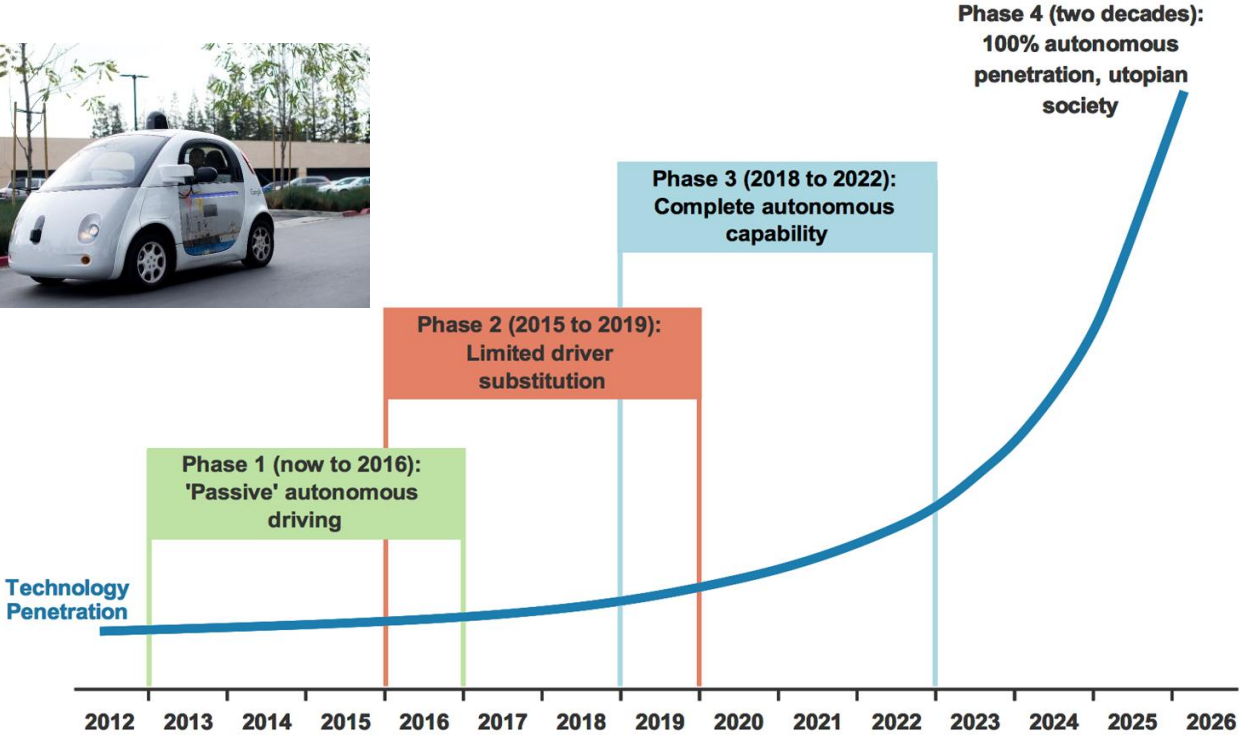
% of Population within 20 Miles of an Amazon Fulfillment Network Node



Source: Piper Jaffray, company filings, MWPL, Facebook, Twitter, various news sources, US Census Bureau

Retail redefined

Timeline for Adoption



Source: Company data, Morgan Stanley Research

TECHNOLOGY

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DATA AROUND THE WORLD



90% of the World's Data

Was created in the past two years. This shows the exponential growth of data in our society.



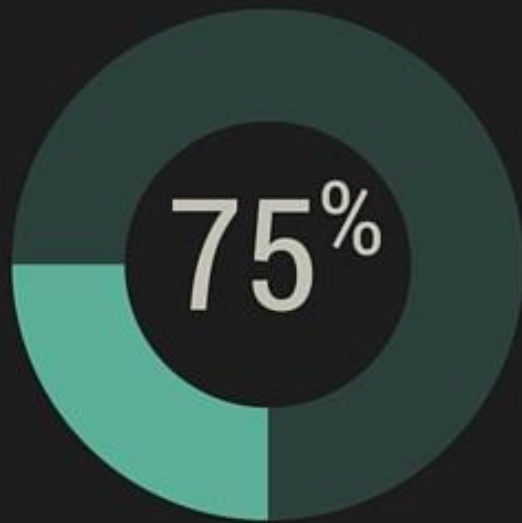
40 Zettabytes

The estimated size of the digital universe by 2020.



3 Billion Online

In 2000, only 738 million people used the internet, but by 2015, this number grew to 3.2 billion.



Did you know?
According to the World Bank,
75% of people own a cell
phone.

What is a Zettabyte anyway?

1 kilobyte	1,000,000,000,000,000,000
1 megabyte	1,000,000,000,000,000,000
1 gigabyte	1,000,000,000,000,000,000
1 terabyte	1,000,000,000,000,000,000
1 petabyte	1,000,000,000,000,000,000
1 exabyte	1,000,000,000,000,000,000,000
1 zettabyte	1,000,000,000,000,000,000,000

More stories, buried in more data but fewer journo's to investigate it

Total number of newsroom employees at U.S. newspapers



Source: American Society for News Editors Newsroom Employment Census projections, 1978-2014, "State of the News Media 2016"

PEW RESEARCH CENTER

TECHNOLOGY

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30bn messages day
+800m MAUs





Snapchat

Twitter

VOUCH

Yo

News Corp Australia

to inform, advocate and inspire to
help build a better Australia

TECHNOLOGY

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Australia's Biggest Selling Newspaper

The Sunday Telegraph

ALL YOUR FAVOURITE LIFTOUTS

WIN A SHARE OF \$250,000

SYDNEY 42°c PENRITH 41°c

THE DAY SYDNEY MELTED

\$250,000

LUCKY NUMBERS: 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

LUCKY NUMBERS: 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100



WELCOME TO THE IDEAS BOOM



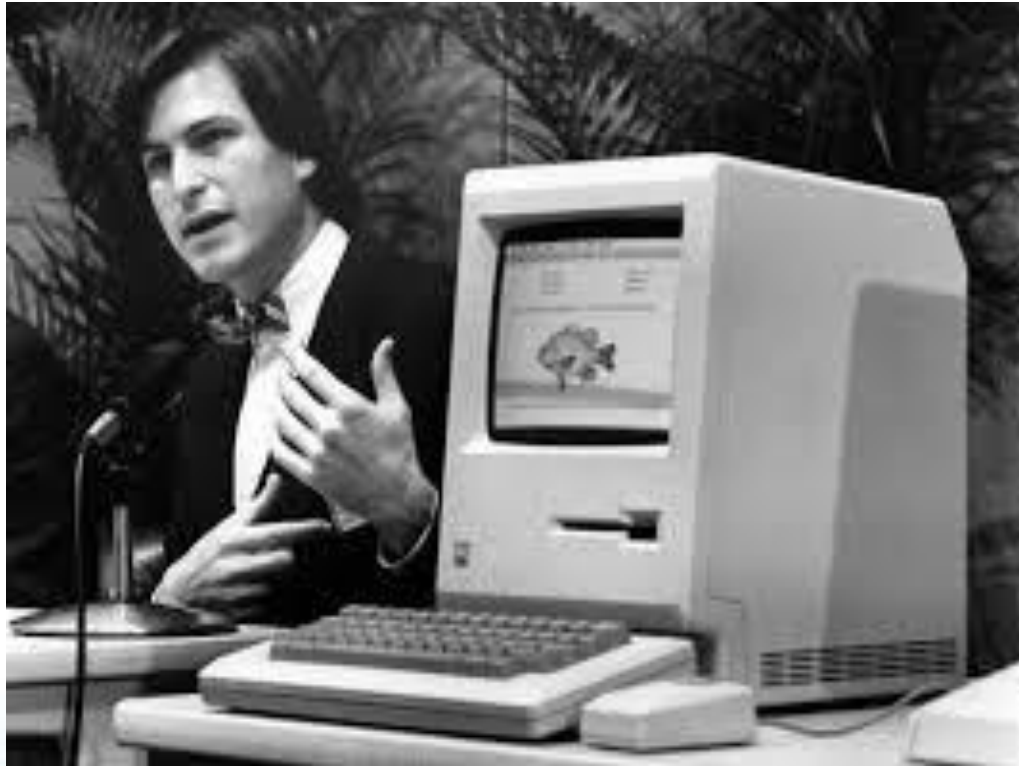
NATIONAL INNOVATION & SCIENCE AGENDA

INNOVATION.GOV.AU



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Is this innovation?



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Is this innovation?



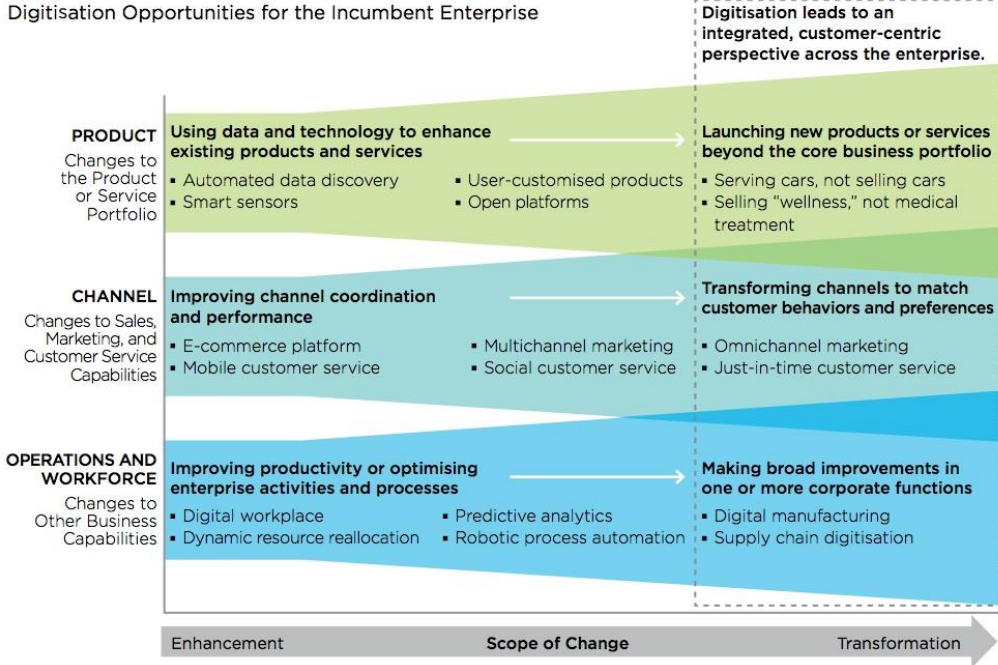
TECHNOLOGY

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Real innovation needs to happen at several levels, not just channel

WHAT BUSINESS LEADERS MEAN BY DIGITISATION

Digitisation Opportunities for the Incumbent Enterprise



Note: In this document, we will treat digitisation, digitalisation, and digital as synonymous.
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**(i)nnovation
@newscorpaus is
recombining
content, people &
process in new
ways for growth**

Can [News Corp]* ever invent its future?

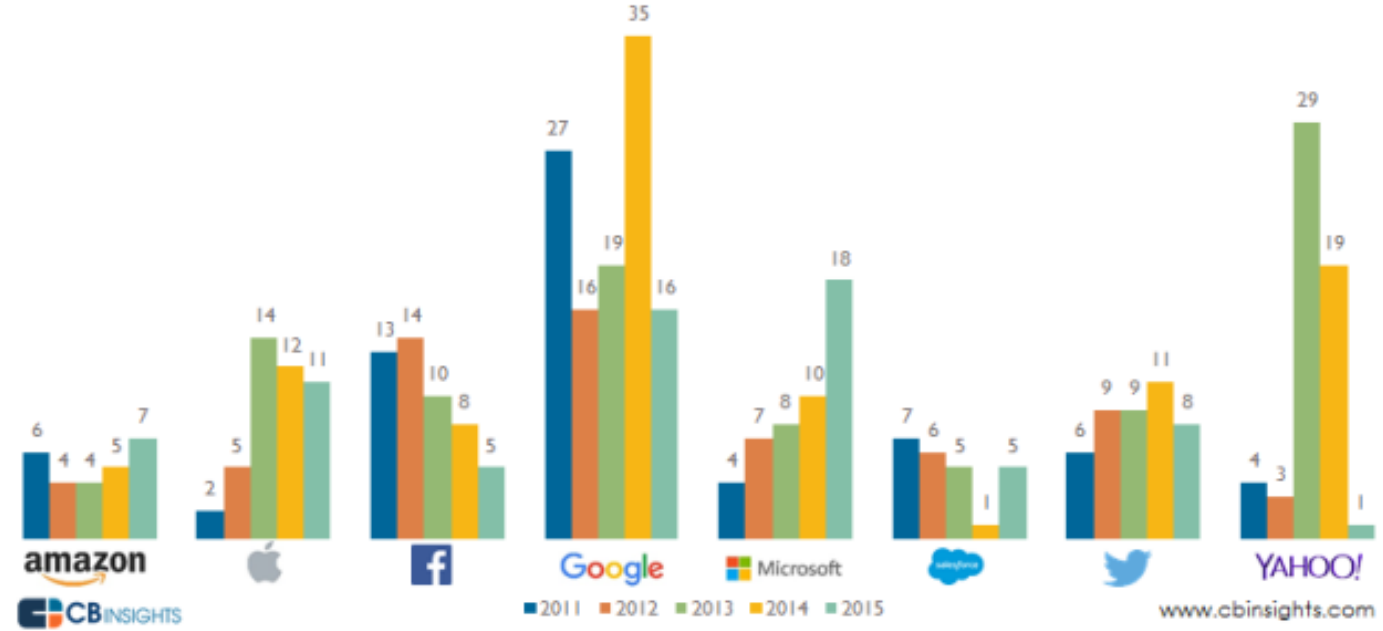
* Insert major global Corporation Name here

TECHNOLOGY

News Corp

Can [News Corp]* ever invent its future?

The M&A Activity of Tech's Largest Players 2011 - 2015



So why invest in innovation?

Investing in innovation is paramount to us, because while the evidence says @NewsCorpAUS is probably not going to organically develop its breakthrough ideas from inside the company, but we can create a culture and capabilities that allows us to:

- 1) **recognise** breakthrough ideas and
- 2) **integrate** & scale breakthrough ideas into our business

Unless we can think and act like a disruptive start-up, these possibilities are permanently blocked.

Connection

MAJORAN



Fishburners



Ignite sessions

SlingShot

MediaFund

Corporate M&A



Collaboration



NewsCorp OS & CodeJams



JV hackathons

University Outreach

Angel Events



Meet ups



NewsCorp Studios

SLT offsites

Platforms of Innovation

Innovation @ News Corp Australia

Learning & Development

Accelerate, TWYT, blogs, lunch 'n learns, Ignite sessions

Ideas Register

Kindling

Ceremonies & Events

NewsFoundry, #FutureFocused

Capital Allocation

Accelerate Masters; Capex, MediaFund



Getting to know our JVs



Incentives

ACCELERATE POWERED BY FUSION LABS Design Thinking, Lean Development, BMC

CEO Recognition

Talent and mobility

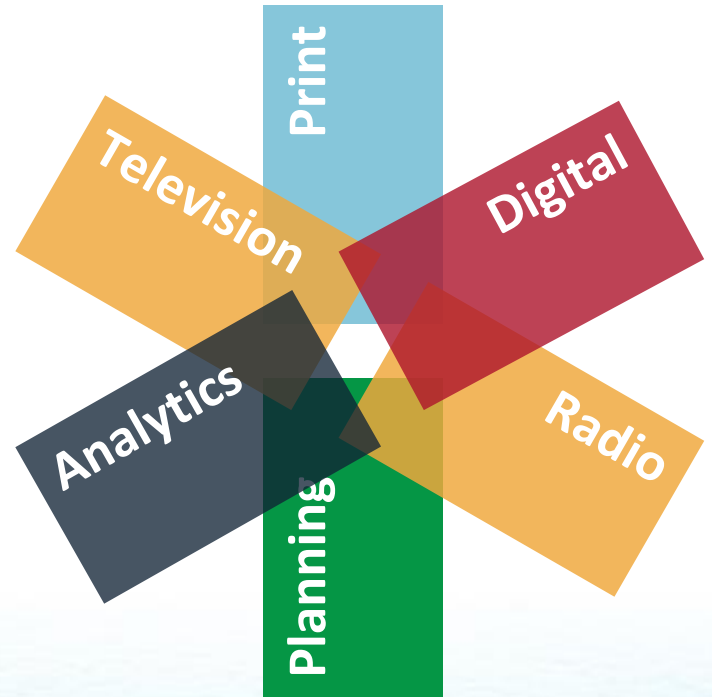
Creativity

Culture

Scaleup Mediafund: a media investor for growth businesses

Scaleup Mediafund is the leading media investor in growth businesses seeking to drive market adoption and build a household brand.

We bring Australia's largest, quality multi-platform audiences to one place and offer it, in exchange for equity, at better value than investees could access elsewhere.



Media owner backed

Scaleup Mediafund is backed by Australia's leading and largest media creators

Our extensive Scaleup Mediafund shareholder-owned network provides us with unique scale and the best flexible options across to premium digital, radio, print and TV inventory.

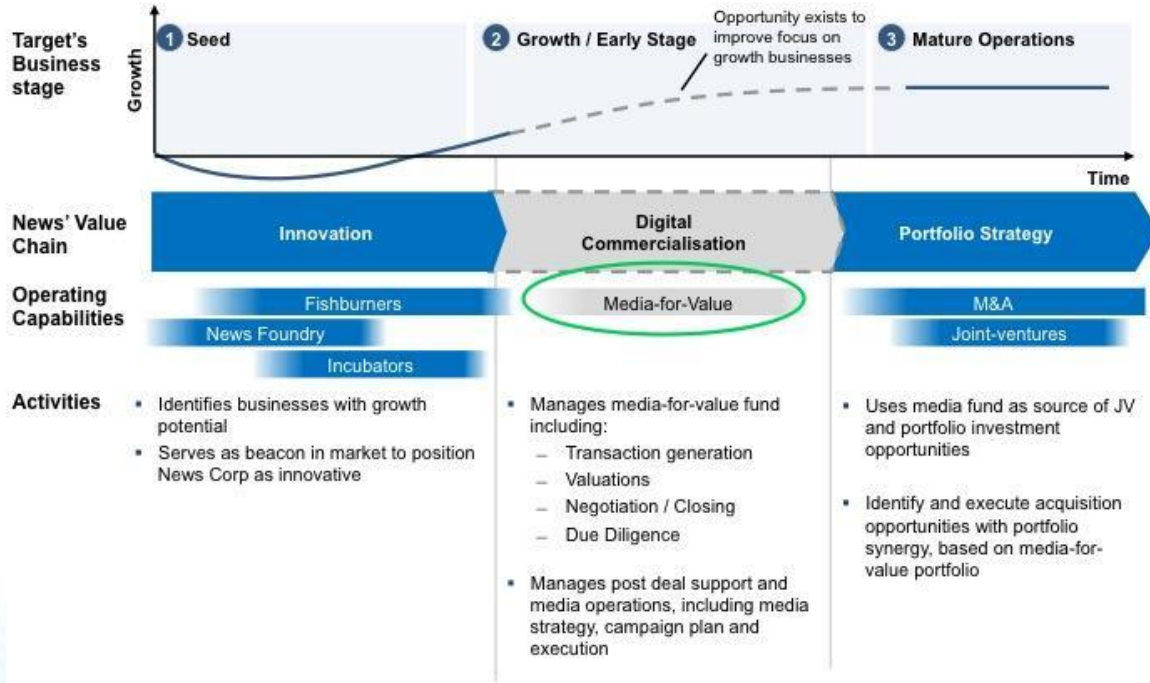
The diversity of our offer provides the best possible opportunity to get the marketing function right.

Our offer includes:

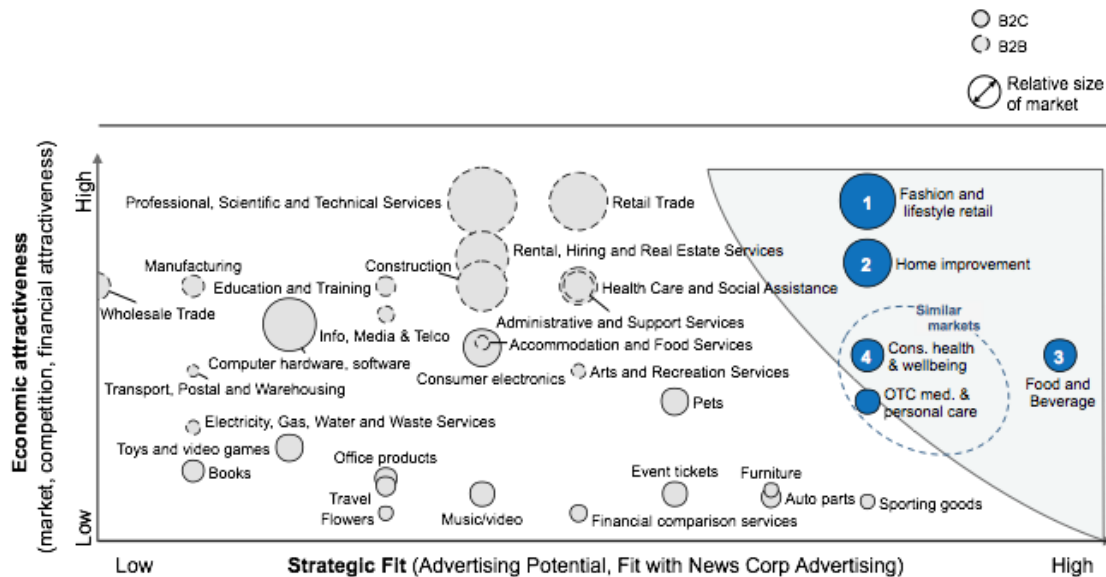
- media know-how
- guaranteed advertising inventory
- optimised campaign execution



How does Scaleup fit with our M&A strategy?



Where are we focused on investing via Scaleup Media Fund?



Many B2B segments are attractive, but lack strategic fit due to lower mass-market advertising potential and a lower relevance in use of media as currency

Questions?

TECHNOLOGY

News Corp

Our Focus

We are focused on businesses that have gained traction with a customer base and are solving a real problem.

These businesses will be seeking investment rounds (series A and beyond) and will demonstrate strong potential to scale and gain their market through a strategic partnership with Australia's largest media owners.

Scaleup Mediafund's role is to act as the strategic marketing partner. With this focus in mind we look to VC and cash investors to lead investment rounds.

Scaleup Mediafund will:

- Participate in planned finance rounds as minority investors – Scaleup Mediafund will not take Board positions.
- Enable founders and VC to realise more value and improve valuations through de-risked higher value advertising and marketing
- Get to know our investees and after understanding them better consider them within our shareholders' M&A processes (e.g. NewsCorp acquisition)

Our investment criteria reflects your needs – ideal investees have:

- Products aligned with our retail advertising & marketing capabilities
- Demonstrated marketing capabilities within the business
- Sound unit economics and a track record of sales growth

The conditions for success

- / Evangelising on the disruptive forces at play
- / Creating an intrapreneurs mindset
- / Providing the platforms* to enable experimentation
- / Building our external brand as an open partner
- / A channel to scale the best of our ideas...

* L&D, collaboration tools, events & ceremonies, culture, incentives, access to resource, governance

Our Offer

More
industry
know-how

Guaranteed
advertising
Inventory

Optimised
campaign
execution

- We provide media company **internal expertise** to advise on what works and setup your campaign
- Our solutions are **tailored to your unique needs** to maximise returns on marketing investment
- We source **premium advertising** from leading media companies and quality brands
- We secure a **contractual commitment** for our clients to guarantee value upfront
- We obtain advertising at **the lowest prices** with no margin or commissions
- We offer **flexible options** and adjust media plans based on your campaign results
- We maintain a **high-level of service** by using the same sales booking and fulfilment processes used for key accounts
- We **track and manage campaign performance** through leading systems and analytics tools

We're building the next generation of consumer brands

Background

hipages is a leading online consumer platform that matches consumers to trades and services (T&S) provides in a local area through a trusted online marketplace.

hipages had many existing users, however overall household awareness was low.

hipages partnered with Scaleup Mediafund to:

- Raise awareness of its product and offering among Australians households
- Attract T&S providers to sign-up and seek leads using hipages' platform



Solution

Quality advertising placements with Australian's leading media providers including NewsCorp Australia, NewsLifeMedia and REA

Partnership with NewsCorp Australia's community newspapers which were used as a marketing vehicle

High-impact brand advertising with state-based Newspapers such as the Daily Telegraph including front and back page wraparound

Results

