

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

APN News & Media Limited (APN)

ABN

95 008 637 643

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |  |
|---|---|--|
| 1 | +Class of +securities issued or to be issued  | Fully paid ordinary shares ( <b>Shares</b> )   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | APN will issue 343,013,785 Shares ( <b>Entitlement Offer Shares</b> ) pursuant to a fully underwritten pro rata accelerated renounceable entitlement offer as detailed in the announcement dated Wednesday, 11 May 2016 ( <b>Entitlement Offer</b> ). The final number of Entitlement Offer Shares issued, and the split between the institutional component and the retail component of the Entitlement Offer remains subject to reconciliation of shareholders' holdings and rounding. |

+ See chapter 19 for defined terms.

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3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

Fully paid ordinary shares.

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+ See chapter 19 for defined terms.

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>From the issue date, the Entitlement Offer Shares will rank equally in all respects with the existing fully paid ordinary shares in APN.</p>
5	Issue price or consideration	\$0.53 per Entitlement Offer Share.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The net proceeds of the Entitlement Offer will be used to repay a portion of APN's corporate debt, and if the Demerger proceeds (as defined and further explained in the Notice of Meeting and Explanatory Memorandum which was also lodged by APN with the ASX on Wednesday, 11 May 2016), to establish an appropriate post Demerger capital structure for APN and NZME.
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	N/A
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	N/A

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6d	Number of +securities issued with security holder approval under rule 7.1A	N/A				
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A				
6f	Number of +securities issued under an exception in rule 7.2	N/A				
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A				
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A				
7	+Issue dates  Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.  Cross reference: item 33 of Appendix 3B.	The issue date under the institutional component of the Entitlement Offer is scheduled for Friday, 20 May 2016.  The issue date under the retail component of the Entitlement Offer is scheduled for Tuesday, 7 June 2016.				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>1,372,055,141 which includes Shares to be issued under the Entitlement Offer</td> <td>Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	+Class	1,372,055,141 which includes Shares to be issued under the Entitlement Offer	Fully paid ordinary shares
Number	+Class					
1,372,055,141 which includes Shares to be issued under the Entitlement Offer	Fully paid ordinary shares					

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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	5,654,321 Performance rights issued under APN's Long Term Incentive Plan
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Same dividend entitlements as apply to existing ordinary shares in APN.

## Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the +securities will be offered	1 new share for every 3 existing ordinary shares in APN held at the record date
14	+Class of +securities to which the offer relates	Fully paid ordinary shares
15	+Record date to determine entitlements	7:00pm (Sydney time) on Friday, 13 May 2016
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Any fractions arising in the calculation of entitlements will be rounded up to the nearest whole number of new Shares.

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- 18 Names of countries in which the entity has security holders who will not be sent new offer documents

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7.

For the institutional component of the Entitlement Offer, all countries other than New Zealand, Hong Kong, Singapore, United Kingdom, Switzerland, Norway, France, Italy, Ireland, Germany, and any other jurisdictions agreed by APN and the Joint Lead Managers.

For the retail component of the Entitlement Offer, all countries other than Australia, New Zealand and Ireland.

- 19 Closing date for receipt of acceptances or renunciations

The institutional component of the Entitlement Offer is scheduled to close on Thursday, 12 May 2016.

The retail component of the Entitlement Offer is scheduled to close at 5:00pm (Sydney Time) on Friday, 27 May 2016.

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+ See chapter 19 for defined terms.

20	Names of any underwriters	Credit Suisse (Australia) Limited ( <b>Credit Suisse</b> ) and UBS AG, Australia Branch ( <b>UBS</b> )
21	Amount of any underwriting fee or commission	<p>APN has agreed to pay each of Credit Suisse and UBS (as joint lead managers, underwriters and bookrunners) half of each of the following fees: (A) in relation to the institutional component of the Entitlement Offer, an underwriting fee of 1.45% of the institutional offer proceeds (excluding GST) and a management fee of 0.70% of the institutional offer proceeds (excluding GST); and (B) in relation to the retail component of the Entitlement Offer, an underwriting fee of 1.45% of the retail offer proceeds (excluding GST) and a management fee of 0.70% of the retail offer proceeds (excluding GST).</p> <p>In addition, APN may, in its absolute discretion, consider paying the underwriters in aggregate an incentive fee of up to 0.35% of the total Entitlement Offer proceeds.</p>
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A

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26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	<p>No prospectus or product disclosure statement is being prepared. An investor presentation has been provided to the ASX with this Appendix 3B.</p> <p>A Retail Entitlement Booklet and Entitlement and Acceptance Form will be sent to eligible retail shareholders on Wednesday, 18 May 2016.</p>
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	<p>Friday, 13 May 2016 (on a deferred settlement basis)</p> <p>Friday, 20 May 2016 (on a normal settlement basis)</p>
29	Date rights trading will end (if applicable)	Friday, 20 May 2016
30	How do security holders sell their entitlements <i>in full</i> through a broker?	<p>Eligible retail shareholders who want to sell their entitlements in full on ASX through a broker can do so by instructing their broker personally and providing details as requested in the Entitlement and Acceptable Form.</p> <p>All ASX sales of entitlements must be made by close of retail entitlement trading period, which is scheduled to be Friday, 20 May 2016.</p>
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	<p>Eligible retail shareholders who want to sell part of their entitlements through a broker and accept for the balance must:</p> <ul style="list-style-type: none"> <li>in respect of the part of their entitlement being taken up, complete and return the Entitlement and Acceptance Form to the APN Share Registry with the required Application Monies (being the issue price multiplied by the number of new</li> </ul>

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- Shares applied for) or via BPAY by following the instructions set out in the Entitlement and Acceptance Form; and
- in respect of entitlements to be sold, instruct their broker personally and provide details as requested from the Entitlement and Acceptance Form.

All sales on ASX of eligible retail shareholder entitlements must be effected by close of the retail entitlement trading period, which is scheduled to be Friday, 20 May 2016.

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- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- Eligible retail shareholders participating in the retail component of the Entitlement Offer who wish to transfer all or part of their entitlement to another person other than on ASX (provided that the purchaser has an address in Australia, New Zealand or Ireland and is not in the United States or acting for the account or benefit of a person in the United States) must send a completed Renunciation and Acceptance Form to the APN Share Registry. If the transferee wishes to take up all or part of the entitlement transferred to them they must send their Application Monies together with the Entitlement and Acceptance Form related to the entitlement transferred to them to the APN Share Registry.
- Renunciation and Acceptance Forms can be obtained through the APN Shareholder Information Line or from a stockbroker.
- The Renunciation and Acceptance Form as well as the transferee's Application Monies and the Entitlement and Acceptance Form related to the entitlement transferred must be received by the Registry no later than 5:00pm (Sydney time) on Friday, 27 May 2016.
- 33 <sup>+</sup>Issue date
- The issue date under the institutional component of the Entitlement Offer is scheduled for Friday, 20 May 2016.
- The issue date under the retail component of the Entitlement Offer is scheduled for Tuesday, 7 June 2016.

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of <sup>+</sup>securities  
(tick one)
- (a)  <sup>+</sup>Securities described in Part 1

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<sup>+</sup> See chapter 19 for defined terms.

(b)  All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities

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**Entities that have ticked box 34(b)**

38	Number of +securities for which +quotation is sought	N/A	
39	+Class of +securities for which quotation is sought	N/A	
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	N/A	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	N/A	
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	Number	+Class
		N/A	N/A

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**Quotation agreement**

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



(Director/Company secretary)

Print name: Yvette Lamont

Date: 11 May 2016

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+ See chapter 19 for defined terms.