APN NEWS & MEDIA

2011 Interim Result

18 August 2011

CEO Brett Chenoweth
CFO Peter Myers

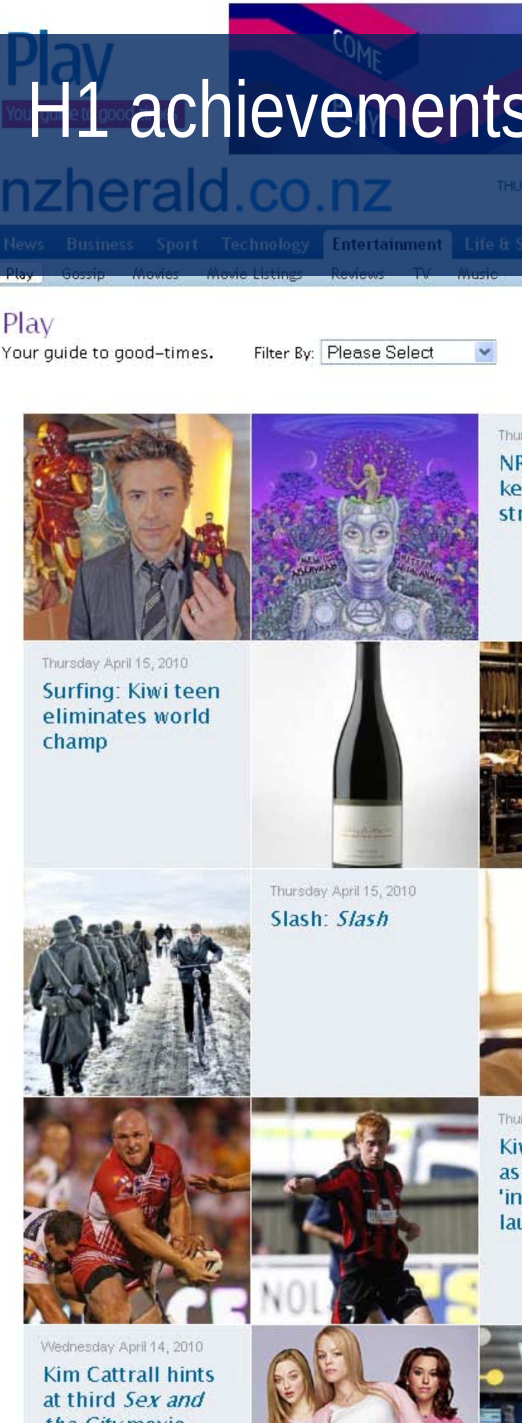
Key financial results

H1 2011 (pre-exceptionals)

AUD millions	June 2011	Δ%
Revenue	508.1	0%
EBITDA	85.0	(22%)
EBIT	66.5	(24%)
NPAT	21.8	(46%)
Net loss after tax as reported	(98.3)	

- Interim dividend per share: 3.5 cents fully franked
- Impairment of $156m (pre tax)

H1 achievements



- Strengthened the management team, including CEO of ARM and Chief Development Officer
- Created a digital team who have developed a digital game plan and robust pipeline
- Pursued cost initiatives in publishing delivering 2011 savings of $7m and annualised savings of $15m
- Designed and implementing an internal and external communications strategy
- Developed a strategic framework to reposition APN for growth

Delivering against our strategic framework

Driving operational excellence to deliver best in class operating performance while growing revenue

- Strong Outdoor result in market share and renewals
- Radio audience and market share gains in both AU and NZ
- Market leader in group buying in NZ
- Circulation and readership of NZ Herald is best in class
- nzherald.co.nz remains #1 news content site in NZ

Deliver earnings momentum in the existing business portfolio through new product initiatives

- Digital - billboards, radio and publishing apps
- GrabOne expansion to new markets and new verticals
- New format NZ regional newspapers

Grow by taking bold but measured steps to where value is emerging in the market

- Oggi acquisitions strengthened Outdoor position in NZ
- Increased ownership share in GrabOne
- Acquired controlling interest in CC Media, Australia
- Acquired Jimungo, NZ

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Summary of divisional performance – H1 2011

H1 2011

	Revenue			EBIT		
AUD millions	H1 2011	Δ% local currency	Δ% as reported	H1 2011	Δ% local currency	Δ% as reported
Australian Regional Media	134.9	(4%)	(4%)	17.6	(39%)	(39%)
New Zealand Media*	147.9	-	(5%)	21.8	(32%)	(36%)
Australian Radio Network	63.1	3%	3%	20.3	(5%)	(5%)
The Radio Network	40.3	6%	-	4.8	12%	6%
Outdoor	121.8	15%	11%	12.4	85%	80%
Corporate				(10.5)	24%	24%
Total	508.1	3%	-	66.5	(22%)	(24%)

** New Zealand Media includes GrabOne*

Divisional Performance - Australian Regional Media

AUD millions	Revenue		EBIT	
H1 Performance	134.9	(4%)	17.6	(39%)

- Economic slowdown, natural disasters and weak consumer and business confidence affected results
- Employment revenue up 6%, other pillars down ~ 10% each. Comparatives tougher in Q2 and into Q3
- New CEO and management changes
- Mandate to review the business model and overhaul the fixed cost base
- Costs up with Fairfax alliance, external print contracts and CPI cost increases
- H1 restructure complete – savings expected in H2 and 2012

Divisional Performance – New Zealand Media

AUD millions ∆% local currency	Revenue		EBIT	
H1 Performance	147.9	0%	21.8	(32%)

- New Zealand Media includes both the GrabOne loss for H1 and the Pacific Magazines deal
- Economy showing some signs of improvement
- Costs flat ex Pacific Magazines deal. Restructure progress will contribute to H2 result
- New sections leverage high NZ Herald penetration
- Reconfiguration of regional newspapers yielding results
- Circulation up for 4th consecutive quarter
- Nzherald.co.nz launched iPhone and Android news apps.
- Website attracting 1.8m unique users or 64% of NZ audience (aged 15+ years)

Divisional performance – Radio

ARN AUD millions	Revenue		EBIT	
H1 Performance	63.1	3%	20.3	(5%)

- ARN's markets up 2.2%
- Investment in programming, content and marketing returning solid gains in ratings and advertising market share
- Mix #1 in Brisbane and #1 Adelaide in latest survey

TRN AUD millions ∆% local currency	Revenue		EBIT	
H1 Performance	40.3	6%	4.8	12%

- TRN building share in a market up 3%
- Auckland 10+ audience share 49.9%, 4 of top 5 stations
- Strong national advertising with Rugby World Cup in H2

Divisional performance – Outdoor

AUD millions	Revenue		EBIT	
H1 Performance	121.8	11%	12.4	80%

- Strong outcome in Australia, growing share in an expanding market which was up 5%
- Double-digit revenue growth in billboards and transit
- Renewals positioning APN Outdoor for medium to long term
- Digital rollout and expansion in retail and airport precincts
- Organic market share growth and Oggi acquisition takes NZ market share to 25%
- Hong Kong and Indonesia achieving good revenue gains

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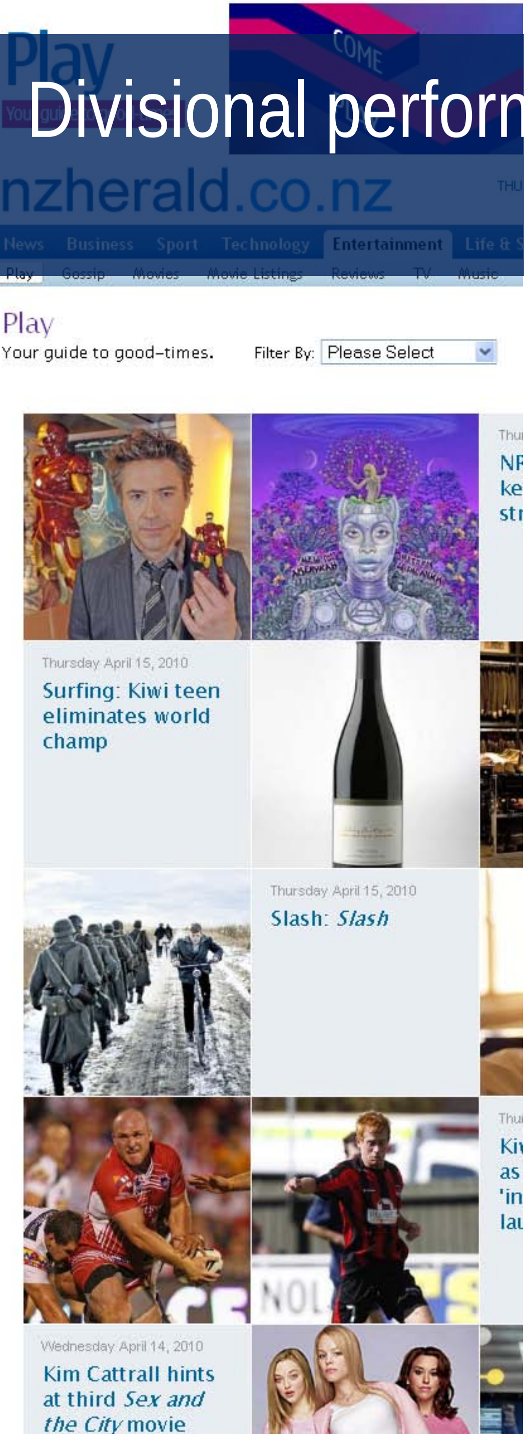
Divisional performance – Digital



- GrabOne NZ gross coupon sales grow strongly. Commission exceeded $1m in July. Expanded into Australia. Launched new categories, GrabOne Bottle, GrabOne Escapes and GrabOne Stores
- Sella has more than 500,000 listings and 500,000 members
- Digital strategy has three imperatives
  - Audience and engagement in key verticals
  - Online advertising and transaction businesses
  - Cross portfolio capabilities, e.g. mobile and video
- New digital acquisitions
  - CC Media
  - Jimungo

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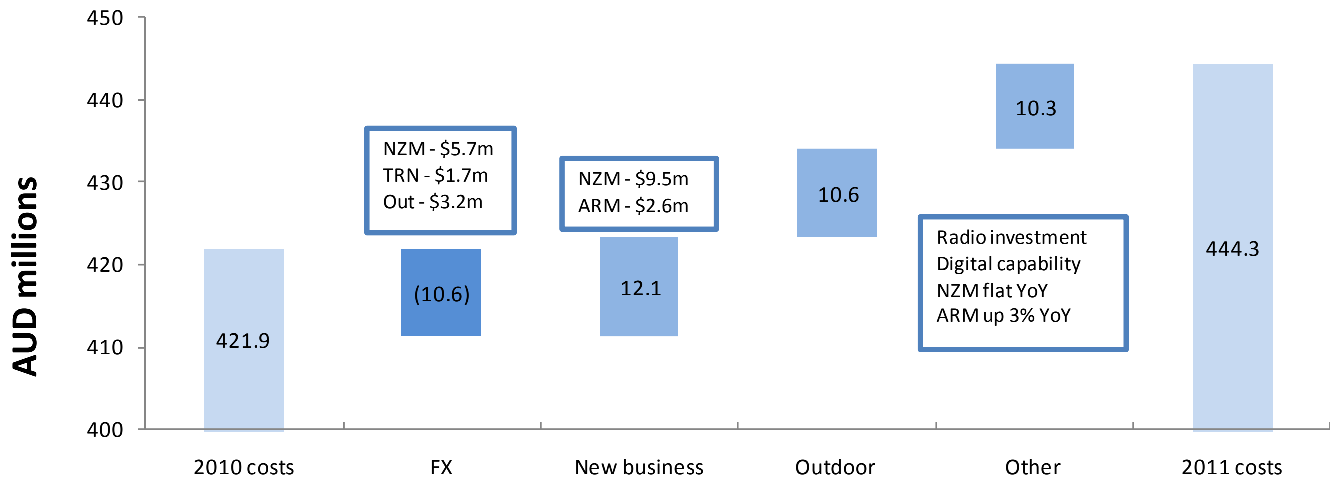
Total	508.1	3%	-	66.5	(22%)	(24%)

** New Zealand Media includes GrabOne*

Underlying result

	Pre exceptionals		Exceptional items/ discontinueds		Post exceptionals	
AUD millions	**H1 11**	H1 10	**H1 11**	H1 10	**H1 11**	H1 10
Revenue before finance income	**508.1**	507.4	**-**	-	**508.1**	507.4
Other income	**1.1**	0.9	**8.1**	1.1	**9.2**	1.9
Associate profits	**1.7**	0.6	**-**	-	**1.7**	0.6
Costs	**(425.8)**	(400.4)	**(178.5)**	(0.7)	**(604.3)**	(401.1)
EBITDA	**85.0**	108.6	**(170.4)**	0.4	**(85.3)**	109.0
Depreciation/amortisation	**(18.5)**	(21.5)	**-**	-	**(18.5)**	(21.5)
EBIT	**66.5**	87.1	**(170.4)**	0.4	**(103.9)**	87.5
Discontinued operations	**-**	-	**-**	(0.5)	**-**	(0.5)
Net interest	**(27.7)**	(24.9)	**-**	-	**(27.7)**	(24.9)
Tax	**(6.3)**	(11.9)	**50.4**	(1.2)	**44.1**	(13.1)
Non controlling interests	**(10.8)**	(10.4)	**(0.1)**	0.4	**(10.9)**	(10.0)
Net profit/(loss) after tax	**21.8**	40.0	**(120.1)**	(1.0)	**(98.3)**	39.0

Costs



Analysis above excludes impairment charge of $156m and other exceptional costs of $22.5m (2010: $0.5m)

Exceptional items

AUD millions	H1 11	H1 10
Gain on disposal of properties	-	1.1
Fair value adjustment on acquisition of associate	8.1	-
Redundancies and associated costs	(10.3)	(1.0)
Asset write downs	(11.3)	-
NZ music royalties	-	(1.8)
Impairment of intangibles	(156.0)	-
Multimedia restructure/closure of Finda	(0.8)	(0.9)
Reversal of impairment of investment in associate	-	3.0
	(170.4)	0.4
Income tax credit	50.4	1.1
Impact of New Zealand tax changes	0.0	(2.4)
Non controlling interest	(0.1)	0.4
Exceptional items, net of tax and minority interest	(120.1)	(0.5)

Free cash flow

AUD millions	**12 mths to June 11**	12 mths to June 10
EBITDA (pre exceptionals and discontinueds)	**220.8**	237.9
Operating cash flow (pre exceptionals)	**217.7**	229.1
% of EBITDA	**99%**	96%
Adjusted for Adshel	**101%**	97%

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Cash flow

AUD millions	H1 11	H1 10
Operating cash flow excluding exceptionals	**100.9**	120.2
Payments related to exceptionals	**(5.8)**	(1.9)
Net interest paid	**(25.9)**	(22.8)
Net tax paid	**(15.7)**	(9.6)
Capital expenditure	**(13.1)**	(11.9)
Payments related to investments	**(5.6)**	-
Asset sales	**4.5**	1.7
Other	**2.8**	3.3
Total cash inflow before financing	**42.2**	79.0
Dividends – APN shareholders	**(24.1)**	(15.8)
Payments to non controlling interests	**(10.6)**	(8.7)
Total cash inflow	**7.5**	54.5

Debt

AUD millions	**Jun-11**	Dec-10
Gross debt	**683.1**	720.1
Cash	**25.3**	63.5
Net debt	**657.8**	656.6

- Undrawn facilities of circa A$400m sufficient to cover maturities until 2013
- No major debt maturing until H2 2012
- Net debt / EBITDA = 2.98 x

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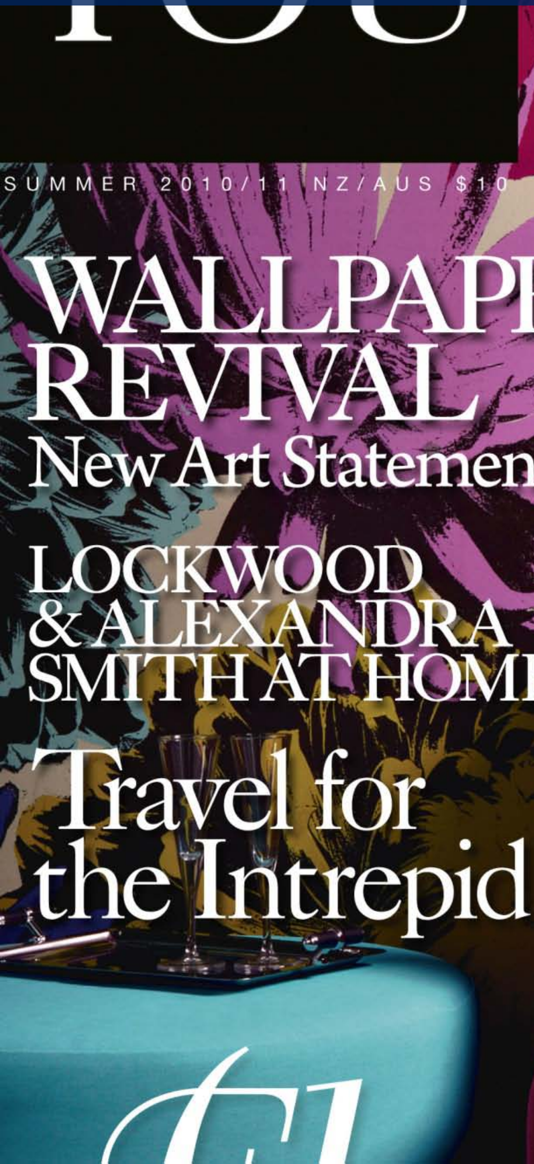
Currency and tax



	AUD/NZD		AUD/HKD	
	2011	2010	**2011**	2010
June half average	**1.335**	1.267	**8.108**	6.942
Full year average	**N/A**	1.273	**N/A**	7.141
Period end rate (June 11 / Dec 10)	**1.294**	1.326	**8.310**	7.917

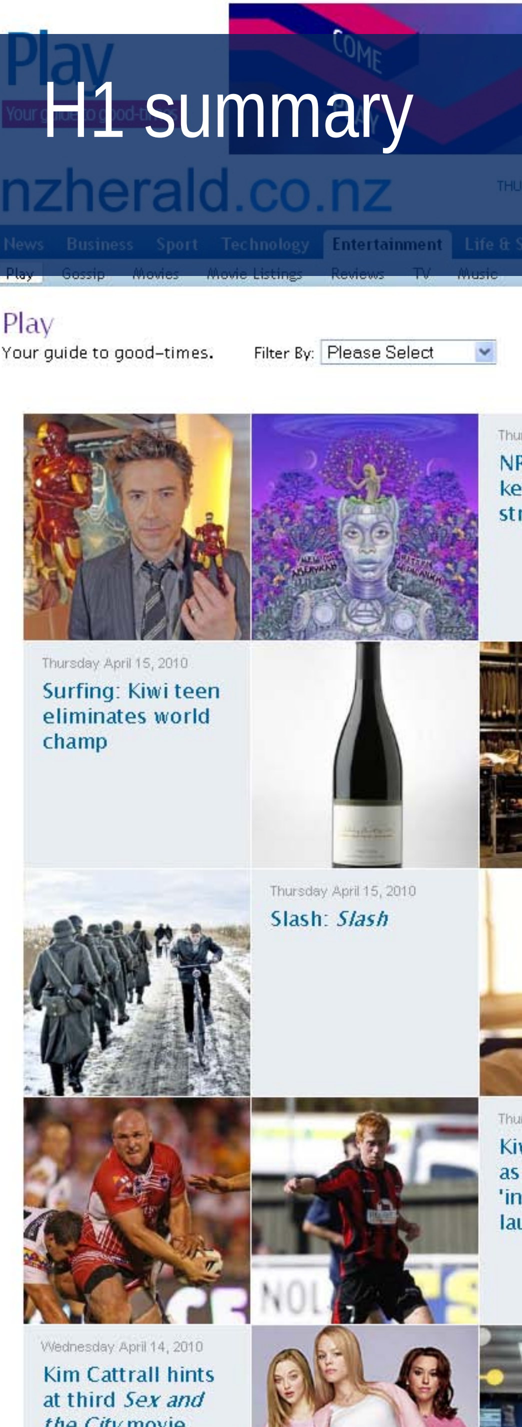
Effective tax rate (pre exceptionals)	2010	Half Year	19%
	2011	Half Year	16%

HY tax rate is based on estimate of FY effective tax rate

Dividend

- Fully franked 3.5 cents
- Payable 28 September 2011 (record date of 7 September)
- Dividend reinvestment plan remains in place with a 2.5% discount

H1 summary



- Diverse portfolio has been important in extraordinary economic downturn.
- Publishing has had a tough start to the year, but remediation underway and products are rock solid
- Strong performance in outdoor, radio and digital. Increasing market share in growing markets. We will continue to drive hard
- Cost management has been strong and disciplined and continues
- Investments in capability, technology and new businesses

H2 priorities in line with strategic framework

Driving operational excellence to deliver best in class operating performance while growing revenue

- Cost control across the group
- Partner in printing and distribution
- Clear leadership in Outdoor
- Continue radio improvements
- H1 cost restructuring to deliver efficiencies into H2 and 2012
- Better integration of asset portfolio

Deliver earnings momentum in the existing business portfolio through new product initiatives

- GrabOne "II"
- Enhance video and mobile capabilities
- Deliver regional digital solution

Grow by taking bold but measured steps to where value is emerging in the market

- Drive Outdoor consolidation
- Maximise partnering opportunities
- Continue to build digital portfolio

Outlook

- We are a seasonal business and although it is difficult to predict how our advertisers will react to recent volatility on financial markets we are entering our strongest trading period for the year and our forward bookings are encouraging.

- We are targeting EBIT for H2 in line with the same period last year ($118m). Second half trading to date is yet to move ahead of the prior period. However, we remain confident that our outdoor and radio market shares will continue to grow and our H1 cost saving measures will have increasing effect throughout the balance of the year.

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