APN NEWS & MEDIA

2011 Investor Day

5 December 2011

CEO Brett Chenoweth

Meet the team

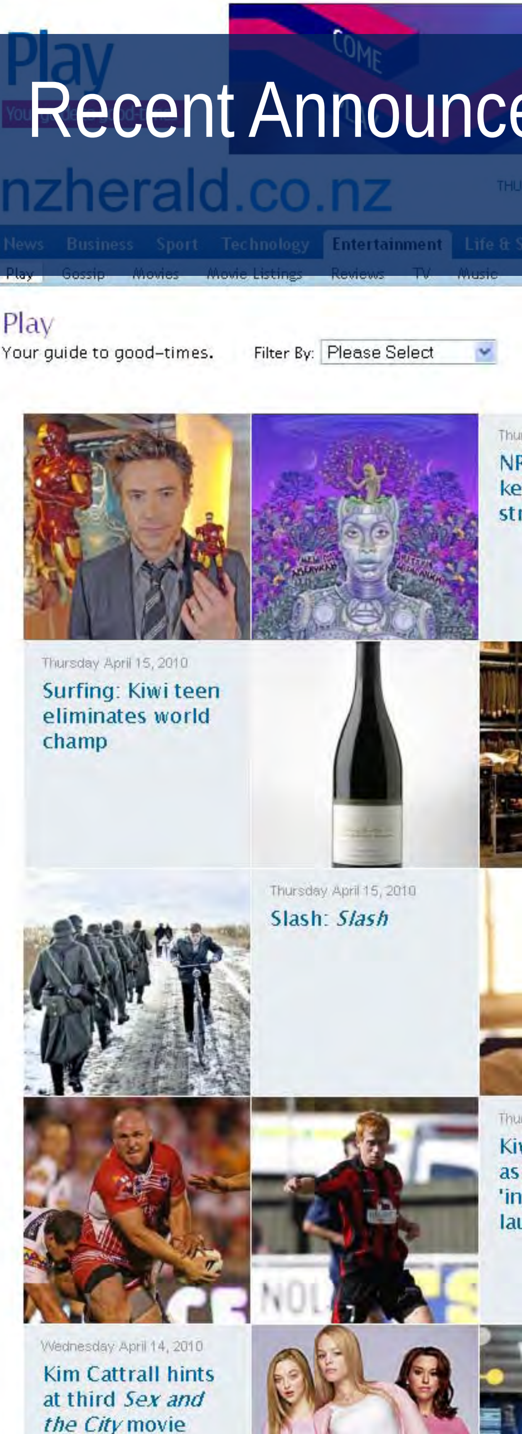
Management team

- Peter Myers, CFO
- Martin Simons, CEO of NZM
- Richard Herring, Group CEO of Radio and Outdoor
- Yvette Lamont, Group General Counsel and Company Secretary
- Rob Lourey, Group Human Resources Director
- Matt Crockett, CDO and Acting CEO of NZM
- Warren Bright, CEO of ARM
- Katrina Stone, Director of Corporate Affairs

Other business leaders

- Ciaran Davis, CEO of ARN
- Duncan Campbell, National Content Director, ARN
- Tim Murphy, Editor-in-Chief of the New Zealand Herald
- Matthew Wilson, GM of Newspaper Sales and Marketing for the New Zealand Herald and Herald on Sunday
- Shane Bradley, founder and CEO of Idea HQ
- Rob Wong, founder and CEO of CC Media

Recent Announcements



Board Appointment

- Melinda Conrad will join APN Board 1 January 2012
- Extensive expertise in retail, strategy and marketing to consumer facing organisations

Outdoor

- APN is engaged in a process to determine how APN might expand its operations, including potential partnerships
- No decision yet on whether to proceed
- Outdoor is a sector in which we will continue to invest

ARM

- ‘Digital first’ newsrooms and twice weekly printed publications
- In keeping with audience and advertiser’s preferences
- Increase local news coverage and investment in digital sites

Investor Day Update

- Full year NPAT of between \$75m and \$77m - slightly below market consensus.

- H2 trading improvement over H1, but behind prior year due to weak advertising markets and weak \$NZ

- In 2011
  - Substantial market share uplift in Outdoor
  - Market share gains in Australian and New Zealand Radio
  - Cost savings targets exceeded
  - Digital acquisitions completed and growth of digital portfolio accelerated
  - Reconfiguration of print products in Australia and NZ

- In 2012
  - Productivity improvements
  - Cost management – disciplined in all business units
  - Outdoor key contract wins and further expansion
  - Radio programming initiatives supported and promoted
  - Digital portfolio build out

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2011 – Significant achievements in a tough market

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

- Reinvigorated APN corporate management team
- New leadership in Radio, Publishing and Digital
- Strong Outdoor share gains and contract renewals
- Radio audience and market share gains in Australia and NZ
- GrabOne remains market leader in NZ in group buying with exceptional growth
- Circulation and readership of NZ Herald are up
- Digital news websites strengthened with traffic and revenue at all time highs

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

- Digital billboard expansion in Sydney and Melbourne
- New mobile applications for ARM, NZM, ARN, TRN with rapid growth
- Grab One expansion to 14 markets in Australia and 6 in NZ, plus launched new verticals
- New format for NZ regional papers
- ARM shift to digital first in Tweed and Coffs

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

- Oggi acquisition strengthening Outdoor in NZ
- Digital investments in Grab One, CC Media ,Jimungo
- Process to expand Outdoor

Strategic imperatives and initiatives for 2012

- Improve short term earnings momentum in all our businesses with a focus on very disciplined cost management and revenue optimisation
- Execute an effective Outdoor partnership and position it to drive aggressive growth.
- Focus on radio execution and drive new programming initiatives to continue to win market share
- Drive resurgence in ARM while continuing to explore portfolio shaping opportunities
- Capitalise on the strength of NZ Herald to drive gains across the NZM portfolio
- Make digital integral to all business outcomes across APN
- Build and grow our portfolio of new digital businesses with a focus on SMB digital marketing services and e-commerce
- Align our organisational model to our near term portfolio and cost imperatives and continue to strengthen the leadership team

APN NEWS & MEDIA

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Driving Digital Growth at APN

APN NEWS & MEDIA

APN Investor Day — December 2011

Beliefs guiding APN's digital activities

- We are entering a new and exciting phase in digital media with substantial value to be created
- APN is well positioned to pursue this digital growth by building on our existing traditional media stable while growing new digital assets
- The best approach in this environment is to make measured but significant investments across a portfolio of digital businesses in areas where value is emerging
- Our focus should be businesses that have defensible trans-Tasman positions – i.e. avoid those where the game will be won globally
- Digital innovations in existing businesses are best driven from within those businesses ... while completely new businesses are best built separately and in partnership with entrepreneurs
- Mobile, video, social, ad product and data analytics capabilities are key in all our existing and new businesses - we will build these in a coordinated and efficient way across the group

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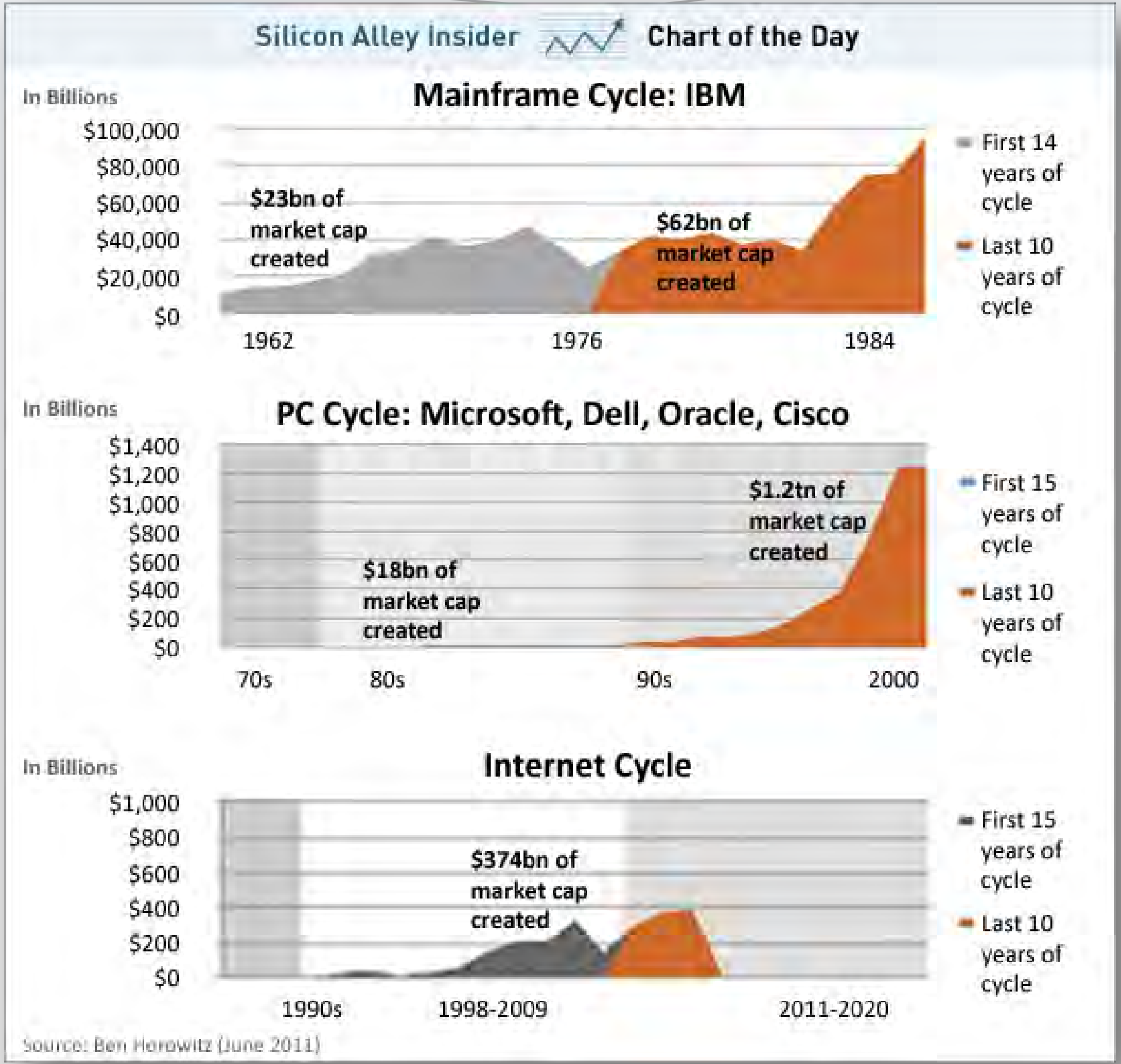
We believe there is substantial value to be created in digital in the next 5–10 years

Substantial value to be created in digital in the next 5–10 years

- Major tech cycles have lasted 25 years with the bulk of adoption and value creation occurring in the last 10 years
- We are poised to hit a major adoption and value creation wave in internet services
- Now is an ideal time for APN to invest and take positions in high growth digital areas that leverage our existing assets and competencies



APN is well positioned to pursue this digital growth

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APN's portfolio of digital businesses — core media

NZ Herald

- NZ Herald.co.nz
- Magazine sites
- Regional sites

APN Outdoor

- Digital panels

APN Regional Media

- Regional Masthead sites
- Fairfax classifieds partnership
- Business Finda

Australian Radio Network

- Mix
- Classic
- The Edge
- Cruise

The Radio Network

- Newstalk ZB
- Radio Sport
- ZM
- Classic Hits
- HaurakiZM
- Easy Mix
- Coast
- Flava

APN's portfolio of digital businesses — ventures

Daily Deals

- Daily deals/SMB marketing across NZ and Australia

Transactional & Traffic Optimisation

- Digital retail catalogue production and distribution

Online Marketplace

- Freemium listings marketplace for goods, real estate and cars

Online Events Hub

- Online destination of all local events in NZ and now Australia

Mobile

- Mobile services and development group focusing on B2B services

Advertising

- Ad exchange managing ad sales for several leading independent websites

We are driving digital in a coordinated and efficient way across APN

Driving digital across our businesses

	NZ Media	Australian Regional Media	Radio	Outdoor	Ventures
Mobile					
Video					
Search & social					
Ad products & platform					
Data & Analytics					
Emerging product trials					
Business development					

Selected 2011 digital portfolio achievements

Mobile	Video	Search & Social	Ad Products & Platform	Data & Analytics	Emerging Product Trials	Business Development
◢ Launched 27 regional mobile sites, plus 3 radio iPhone apps ◢ Grabone instant launched ◢ NZ Herald m-site, iPhone & iPad apps relaunched	◢ NZ Herald video audience up 66% YOY ◢ NZ Herald video advertising up over 100% YOY	◢ NZ Herald PANPA award for best social media strategy ◢ 90% of ZM's online audience engaged via Facebook	◢ Time Out augmented reality app with Sony ◢ Launched behavioural, persona and location based targeting	◢ Extensive audience & advertiser research into local media ◢ Detailed analysis of social media use and expectations	◢ Launched Friendorse trial with incubator Pollinizer ◢ eBook trial ready for launch in December	◢ Acquired sports tipping site Jimungo and CC media ◢ Incubator partnership ◢ Multiple corporate partnership negotiations well advanced

2012 digital portfolio priorities

Mobile

- Execute mobile brand extensions, brand funded apps and mobile sites, deliver trials with a focus on advertising and m-commerce. Continue to leverage smart phone and tablet capabilities to enhance products, e.g. in Grabone.

Video

- Execute key partnerships enabling access to distinctive content. Develop a strong group infrastructure for the delivery of local newsroom created video content and third party video. Enhance video proposition around radio online and mobile sites. Drive substantial ramp up in video monetisaton.

Search and Social

- Embed social best practice in newsrooms and other content businesses and trial emerging social products to drive audience engagement. Explore and consider investment in socially enabled new businesses (e.g. social-commerce).

Ad Products & Platform

- Deliver best practice products and pricing to lift yield enabled by importing best-of-breed ad products with a particular focus on local advertisers.

2012 digital portfolio priorities (Cont)

Data & Analytics

- Acquire or build an APN data analytics organisation and leverage to accelerate ability to capture and monetise audience and advertiser data.

Emerging Product Trials

- Generate trials exploring emerging trends with a focus on branded content, paid content and the evolution of traditional media with a focus on social.

Business Development

- Forge Australian and NZ partnerships - entrepreneurs at an early stage and companies around priority themes. Introduce the best of the world to the local market as a regional sales, marketing and distribution partner.

We will make measured but significant new digital investments

2012 digital investment themes

Vertical Audience	• Build the size and engagement of our audience around priority verticals which compliment our traditional media assets.
SMB Marketing Services	• Build on our group buying position, and APN SMB sales capabilities/relationships, to pursue additional SMB digital marketing opportunities.
E-Commerce	• Take significant portfolio positions in this high-growth market; compliment with local and international partnerships.
Disruptive Classifieds	• Partner, acquire or build to pursue new disruptive online classified models with inherently regional characteristics.
Enabling Capability	• Acquisitions enhancing APN's capabilities in priority areas, e.g. mobile and data analytics.

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We have clear 2012 objectives

2012 digital portfolio objectives

- **Digital growth in existing businesses**
  - Grow audience reach – aggregate APN Group unique visitors
  - Grow audience engagement - e.g. time on sites, transactions per month
  - Substantial growth in digital revenue and EBIT as a % of APN totals
  - Deeply integrate mobile, video, data and social capabilities and executions in all APN businesses as a platform for growth in 2013.

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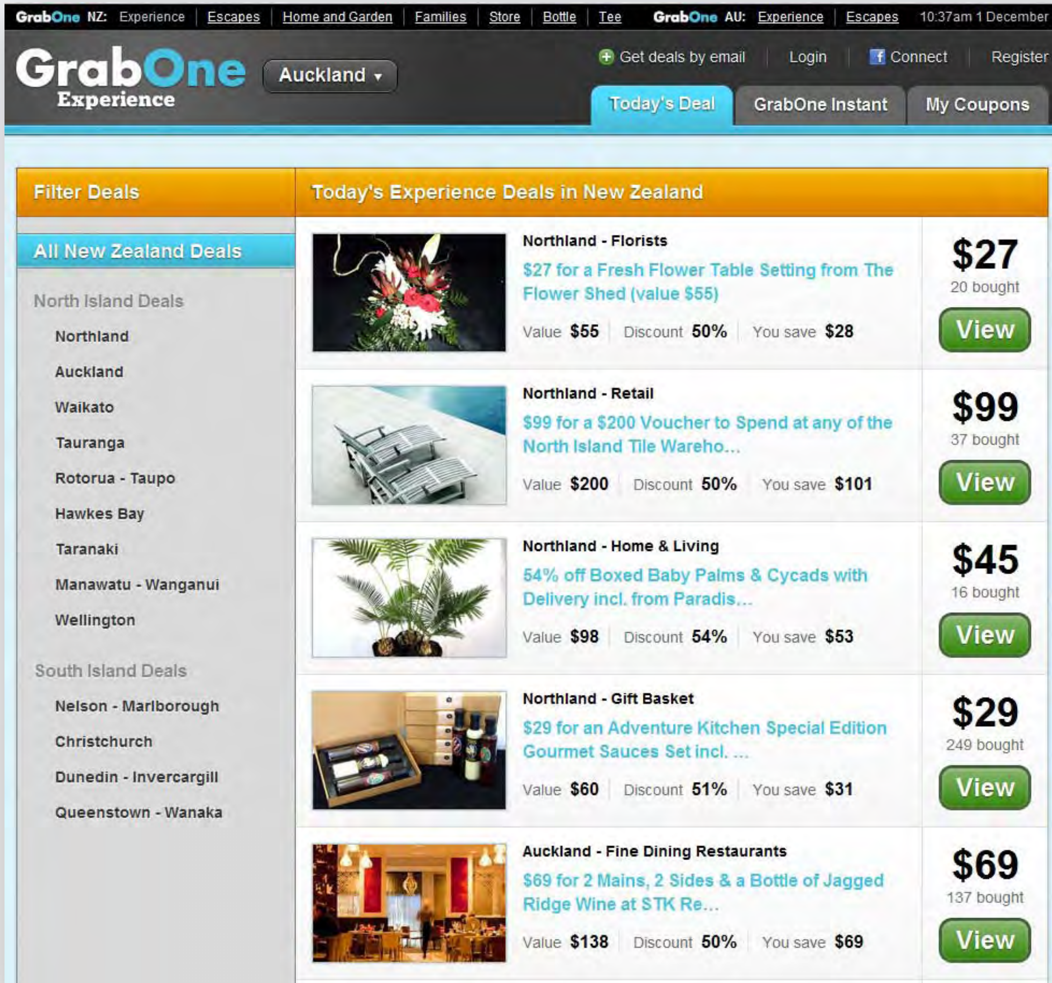
2012 digital ventures objectives

- **Execute business development and acquisition strategy to:**
  - Achieve status as a top three SMB marketing services player in ANZ
  - Establish a position as a leading provider of e-commerce solutions; and
  - Identify and invest in secondary classified disruption models
  - Ensure a high degree of value enhancing engagement between ventures and APN business units.



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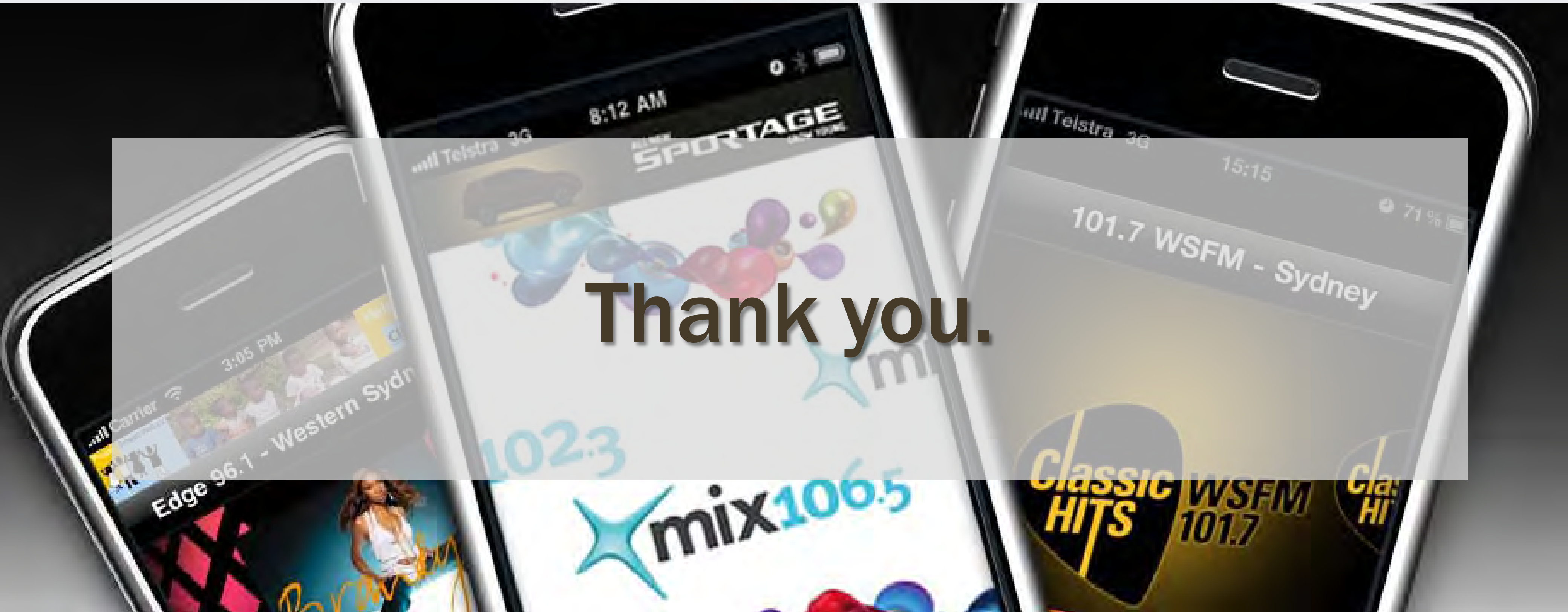

8:12 AM
Telstra 3G
SPORTAGE
Carrier
3:05 PM
Edge 96.1 - Western Sydn
102.3
mix106.5
Telstra 3G
15:15
71 %
101.7 WSFM - Sydney
Classic HITS
WSFM 101.7

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REGIONAL
MATTERS!

CONNECTED.ESSENTIAL.LOCAL.

REGIONAL
MATTERS!

CONNECTED.ESSENTIAL.LOCAL.

2011

+

- Cover every major boom town in Queensland
- Retained very strong positions in regional markets
- Successfully defended against new market entrants
- Digital development including mobile continued
- Transition

-

- Floods and cyclones in Q1
- Declining consumer and small business confidence in Qld
- High Aussie dollar affecting tourism markets

Agenda

Why regional matters

Understanding our transition

Digital First

COVERAGE

12 DAILY

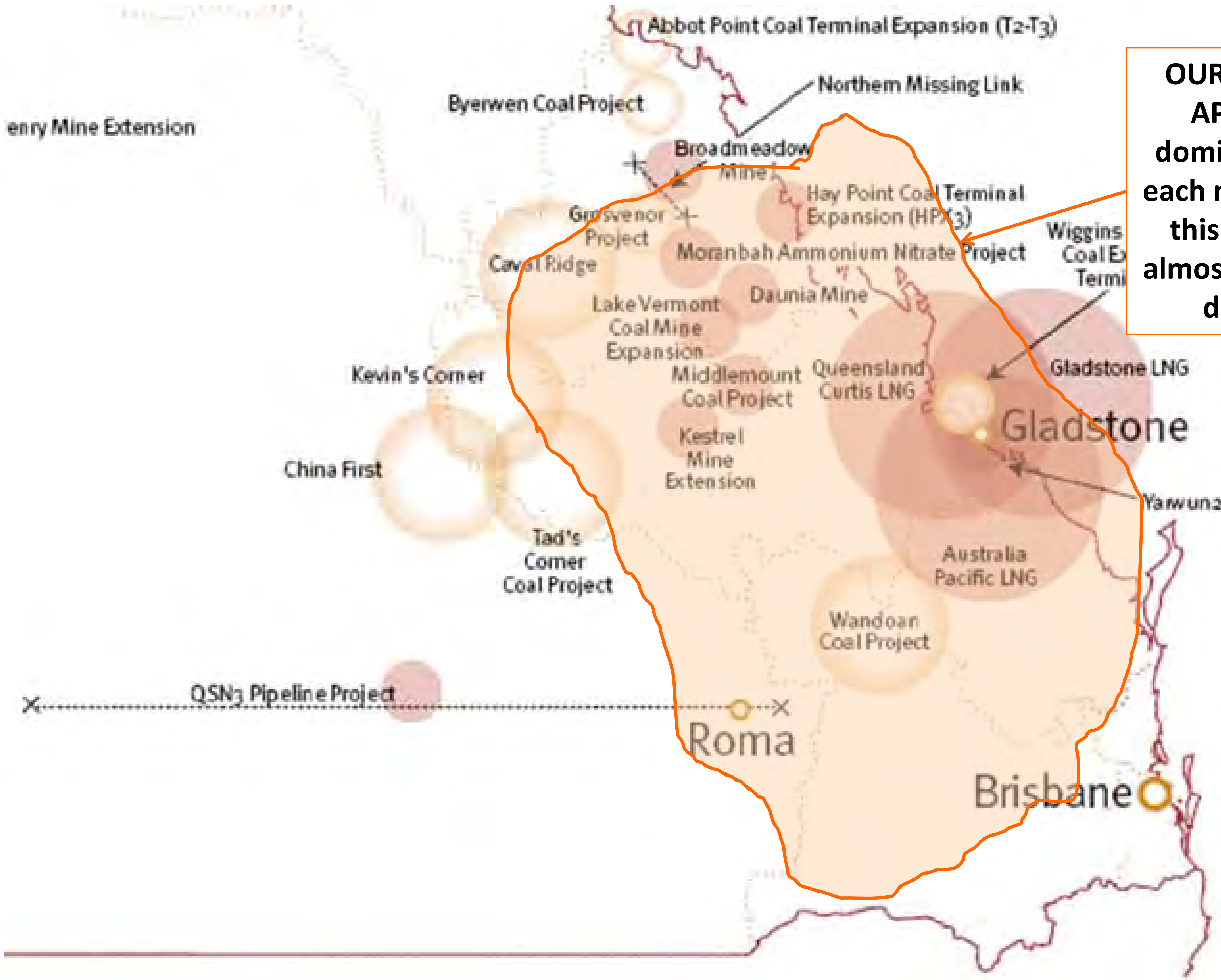
56 NON-DAILY

25 WEBSITES

25 MOBILE SITES

Coffs Harbour to Mackay

Covering every major BOOM TOWN in Queensland



OUR COVERAGE
APN has the dominant daily in each major town in this region plus almost all the non-daily titles

MEAN SALARY
IN QLD MINING

68%

ABOVE BRISBANE &
SYDNEY AVERAGE

80%

ABOVE MELBOURNE
AVERAGE

55%

of all regional daily newspapers sold in qld

COVERING REGIONS HOME TO ALMOST

2 MILLION PEOPLE

connecting with

1.16 MILLION PEOPLE

every week

Offering…
Local relevance
A trusted platform
Essential community connection

APN AUSTRALIAN REGIONAL MEDIA'S

DAILY NEWSPAPERS CONTINUE TO OUTREACH METRO TITLES

GLADSTONE REACH

THE OBSERVER (SAT) = 52%

COURIER-MAIL (SAT) = 17%

TOOWOOMBA REACH

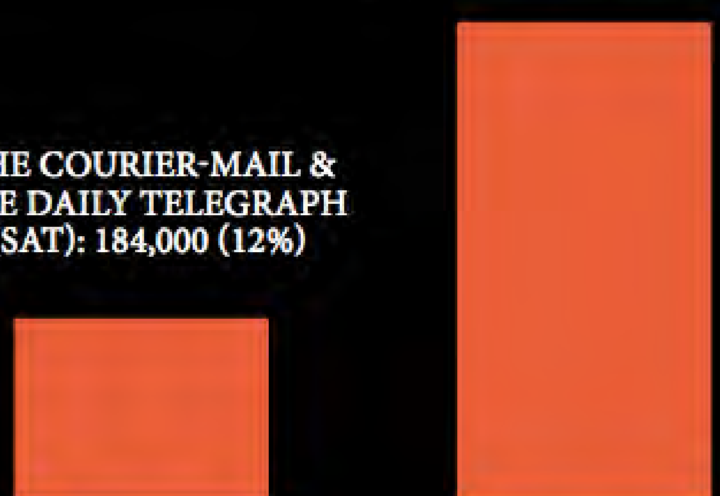
THE CHRONICLE (SAT) = 42%

COURIER-MAIL (SAT) = 9%

APN ARM DAILIES

(SAT): 471,000 (32%)

THE COURIER-MAIL & THE DAILY TELEGRAPH (SAT): 184,000 (12%)



GRAFTON REACH

THE DAILY EXAMINER (SAT) =44%

THE DAILY TELEGRAPH (SAT) = 29%

THE SYDNEY MORNING HERALD (SAT) =3%

AND

1.05MILLION

ONLINE AND
MOBILE USERS

Who don’t visit metro sites

And don’t visit national sites

81% DID NOT

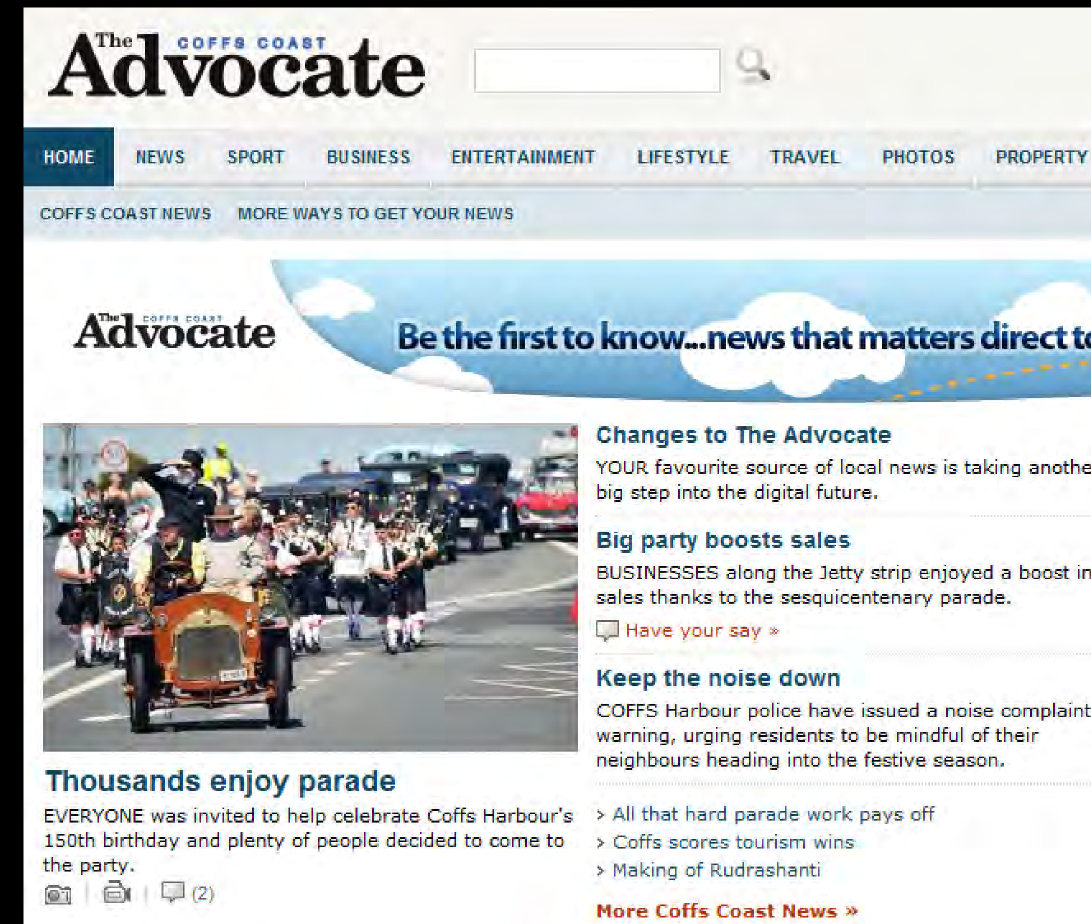
VISIT

NEWS.COM.AU

73% DID NOT

VISIT

NINEMSN NEWS



Our point of difference is that we are local, we are relevant and in most markets the only REAL source of local news

Why regional matters

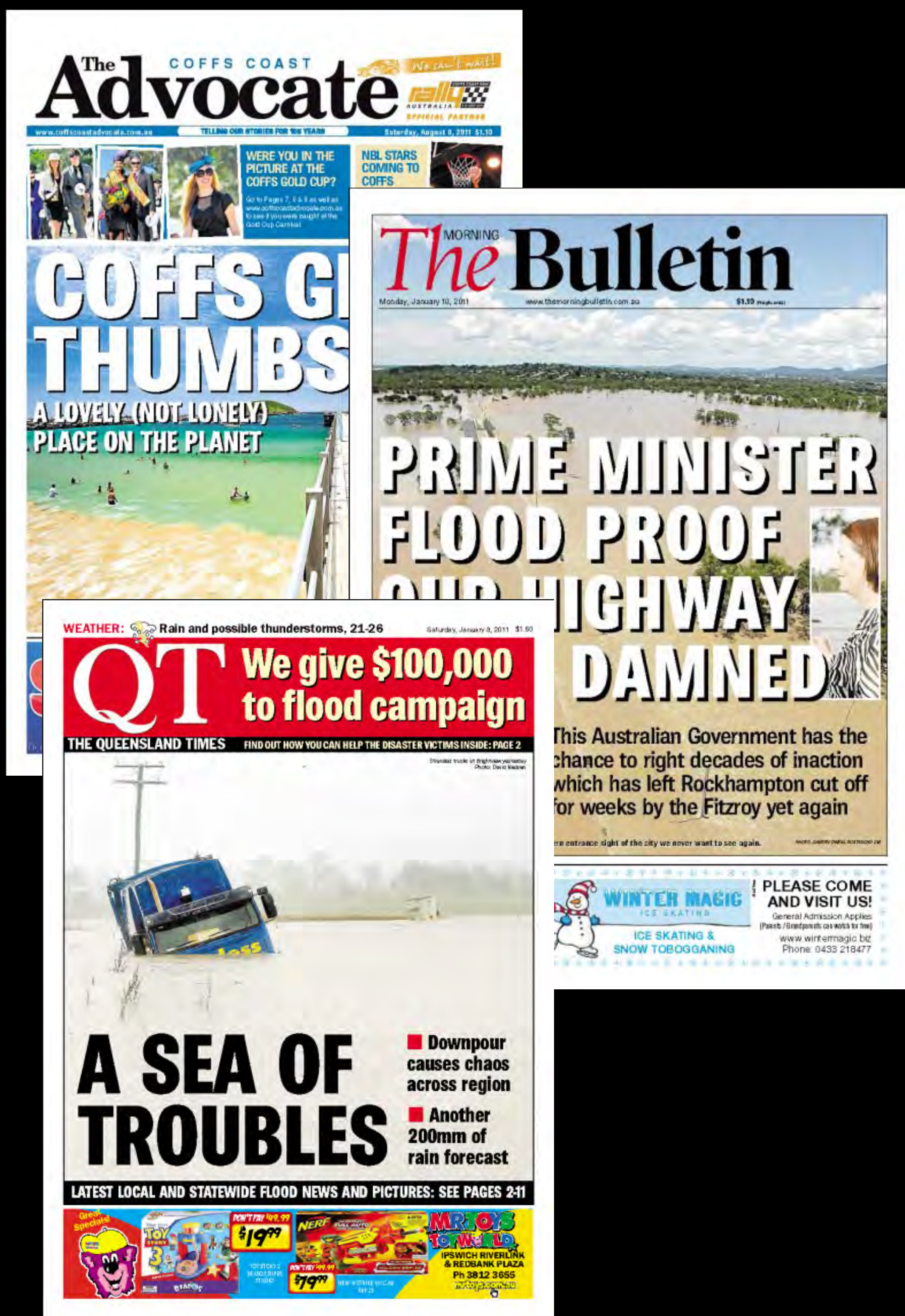
Understanding our transition

Digital First

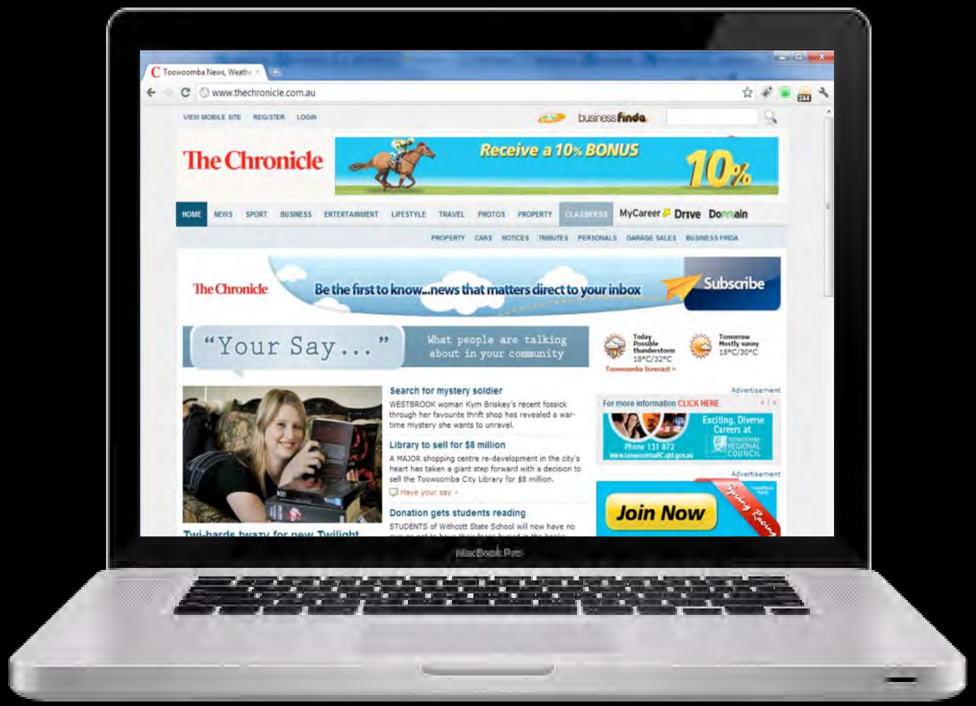
In Transition

- ✓ Products
- ✓ Operating models
- ✓ Our approach

More impactful, more now, more relevant



Continued digital development



Better EXECUTION
Greater EFFICIENCY

Adapting operating models

Focus on increasing dollar productivity of teams

Call centre targeting long tail of clients

Deployment of additional self serve advertising systems

Use of technology - tablets, smart phones – to boost productivity

Adapting operating models

Focus on increasing efficiency of editorial

Better use of technology - no more double handling

Single entry/multi-platform output

More UGC/crowd sourcing of content in all areas

Why regional matters

Understanding our transition

Digital First

Understanding Digital First

Situation – pre Digital First

- Same title delivered free 2 days and paid 4 days
- 90%+ advertising in the two free days
- Reach on free days 61%, on paid days under 20%
- Circulation under 4K, readership of 10K
- Online audience ~40K
- Editorial activity geared around once a day event of producing paper
- Online secondary so content not as compelling, not as regularly updated

Understanding Digital First

Digital First + Print

- Focus editorial effort on constantly breaking news online
- Equip journalists with technology to make them multi-media – not just words
- Model requires less editorial staff as much of the noise around producing a daily paper is removed
- Retain 2 most well supported print titles – the Free editions – and reverse publish from web to print
- Twice daily news updates via email
- Retain advertising revenues in print, focus sales teams on smaller product set, increase digital sales
- Results in less fixed costs and higher margins

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APN Outdoor

December 2011

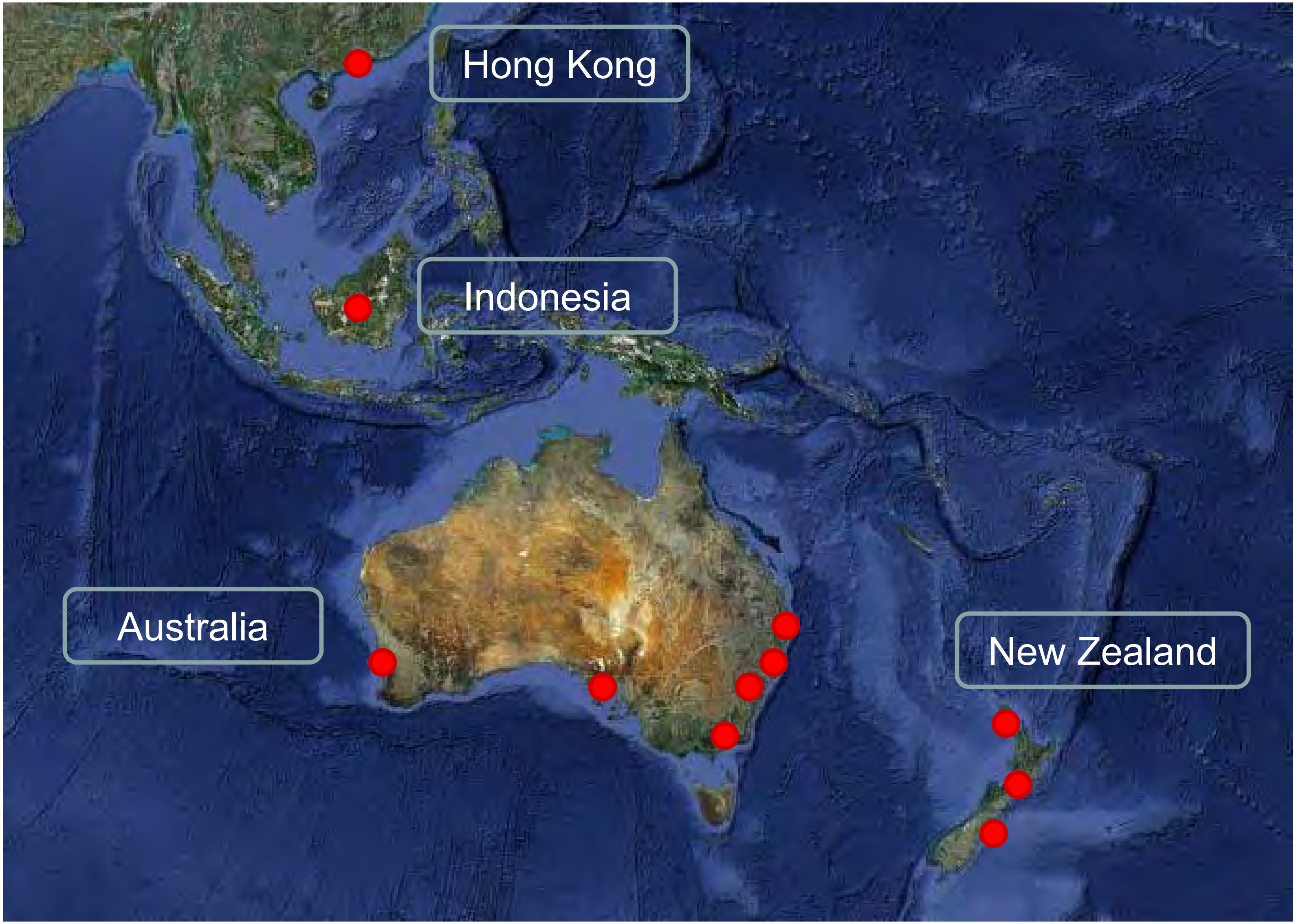
Richard Herring
Group Radio & Outdoor Chief Executive

Andrew Hines
Chief Operating Officer

Agenda

1. Portfolio Summary
2. Market Performance
3. Market Share Estimates
4. Media Positioning
5. Highlights & Developments
6. Summary

Scope



Scope

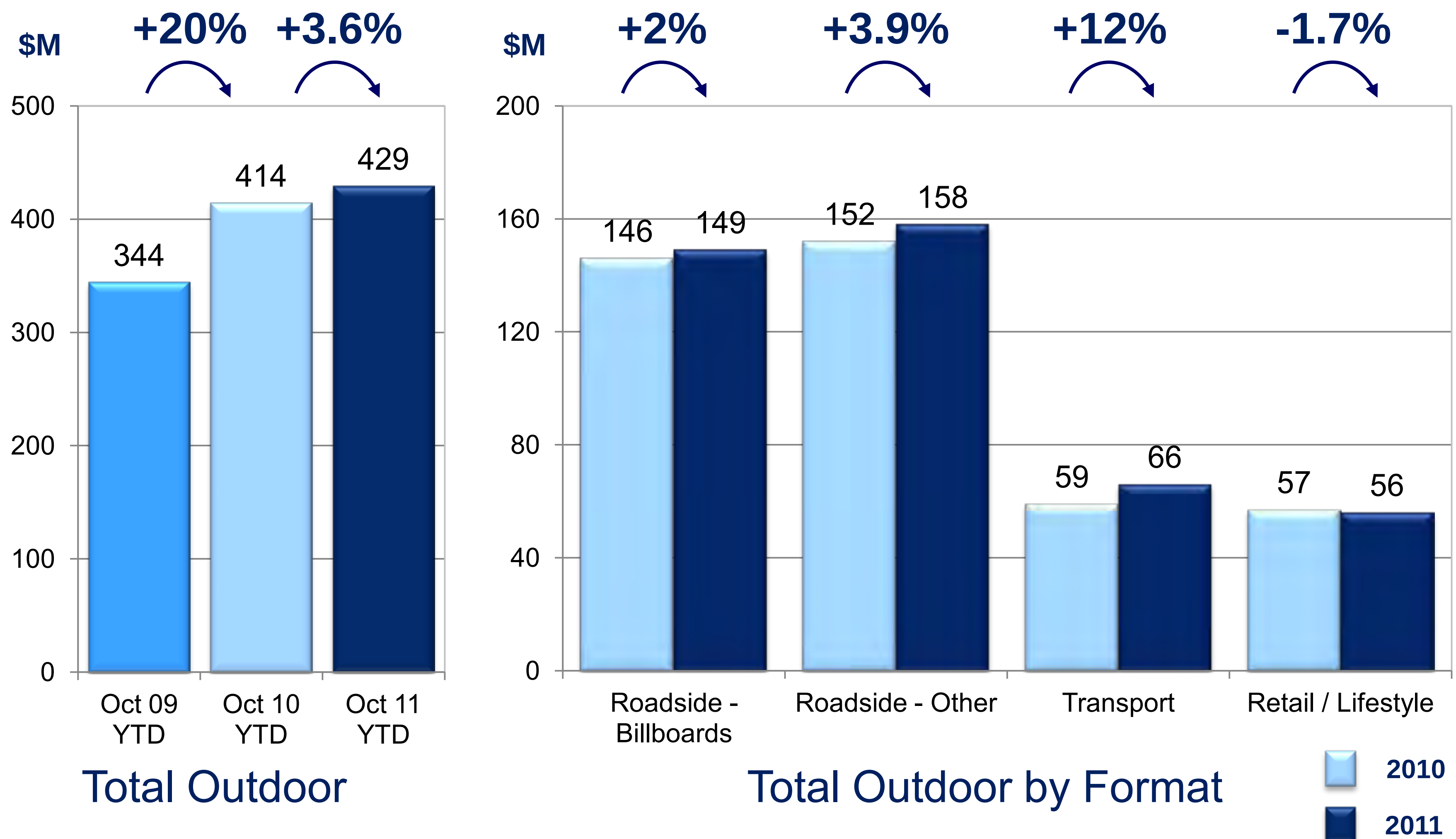
Who are we

Country	Outdoor Format	Brand	Ownership
Australia	Posters	APN Outdoor	100%
	Transit	APN Outdoor	100%
	Large Format	APN Outdoor	100%
	Street Furniture	Adshel	50% *
	Printing	GSP	100%
New Zealand	Posters	APN Outdoor	100%
	Large Format	APN Outdoor	100%
	Street Furniture	Adshel	50% *
Hong Kong	Transit	Buspak	50% *
	Large Format	Cody	50% *
Indonesia	Large Format	Rainbow	50%

* JV partner is Clear Channel International

Market Growth - Australia

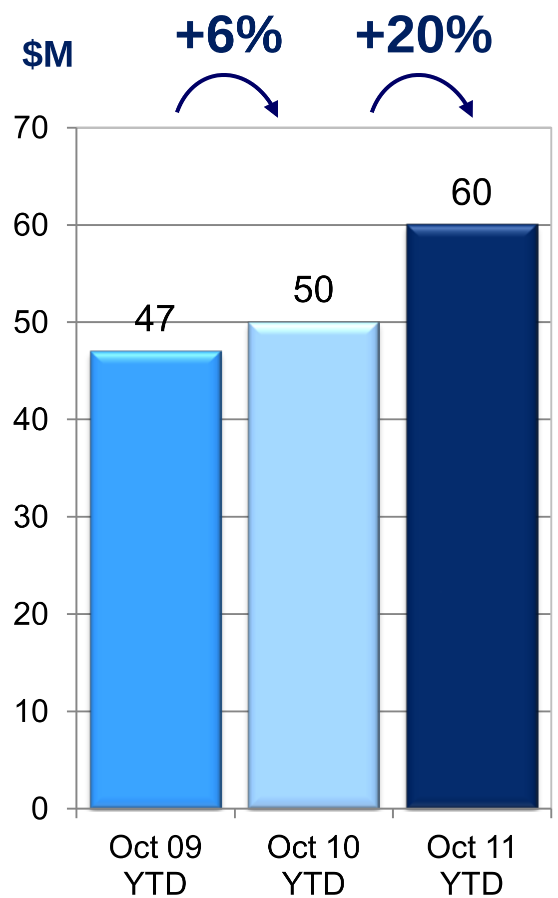
Market Revenue Australia - YTD October 2011



All figures are approx GMS A$M for the Australian Market

Market Growth – New Zealand

Market Revenue New Zealand - YTD October 2011

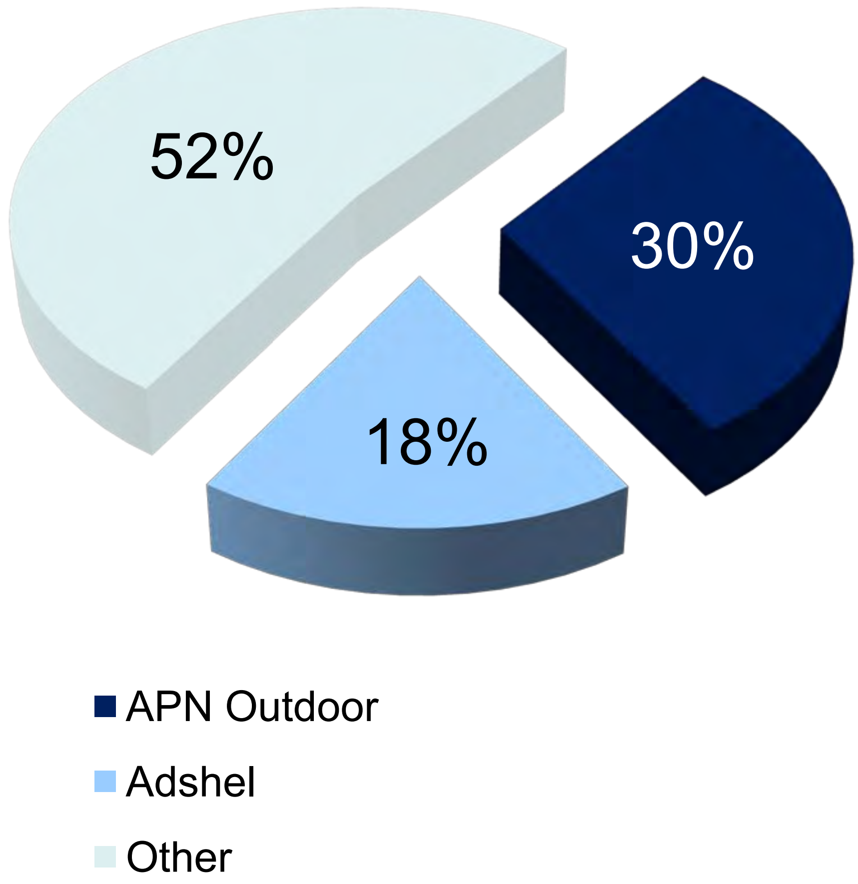


Total Outdoor

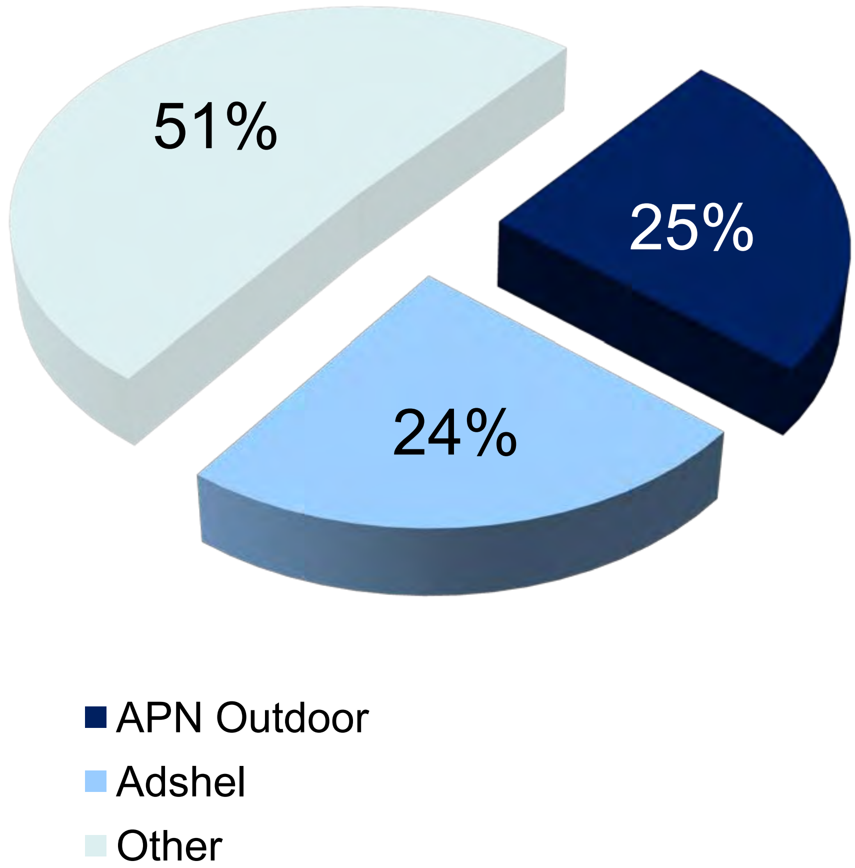
All figures are approx GMS NZ$M for the New Zealand Market

Market Share

Market Share - Australia



Market Share – New Zealand



Outdoor's Media Position

- Audience growth not fragmentation
- Multiple environmental touch points
- Less channel conflict
- Product development opportunities
- Integrated with growing mobility trend

Strategic Objective Review

- Leading supplier in main Outdoor formats
- Australia, New Zealand and select Asia markets
- Lead delivery of relevant assets to advertisers
- Deliver outstanding customer service
- Develop a highly engaged workforce

Highlights & Developments in 2011

Industry

- Consolidation in New Zealand market
- Mobility and digital integration examples
- Digital rollout continues
- MOVE – increasing understanding and usage
- Improved Insights research

Highlights & Developments in 2011

APN Outdoor - Australia

- Major renewals - WA Buses, Rail Corp & City Link
- New contracts - Main Roads - Brisbane, Top Ryde - Sydney
- Successful integration of SACL T1 – Internal Airport Contract
- Transit research project - neuro science study into impact of movement
- Increased roll out of WiFi on transit fleet
- Increased market share

Highlights & Developments in 2011

APN Outdoor – New Zealand

- Successful acquisition and implementation of OGGI
- Market Share growth in every month
- Development of 1st Large Format Digital Screen – CIAL
- RWC factor

Highlights & Developments in 2011

Adshel

- Yarra Trams renewal and win
- Yield management improvements
- Adshel Create opportunities
  - NFC
  - Experiential

Highlights & Developments in 2011

Asia

- Further rollout of Webus HK – Free WiFi
- Webus Apps and commercial extensions
- Solid Billboard growth in Hong Kong
- Strong Outdoor markets
- Double digit revenue growth in Indonesia and HK

Highlights & Developments in 2011

Summary

- Market growth in all markets
- Positive market share growth
- High performance of business units
- Optimistic growth factors
- Strong year of tender renewals and wins
- Further development of asset enhancements to follow

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Group Radio & Outdoor Chief Executive

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The Radio Network

December 2011

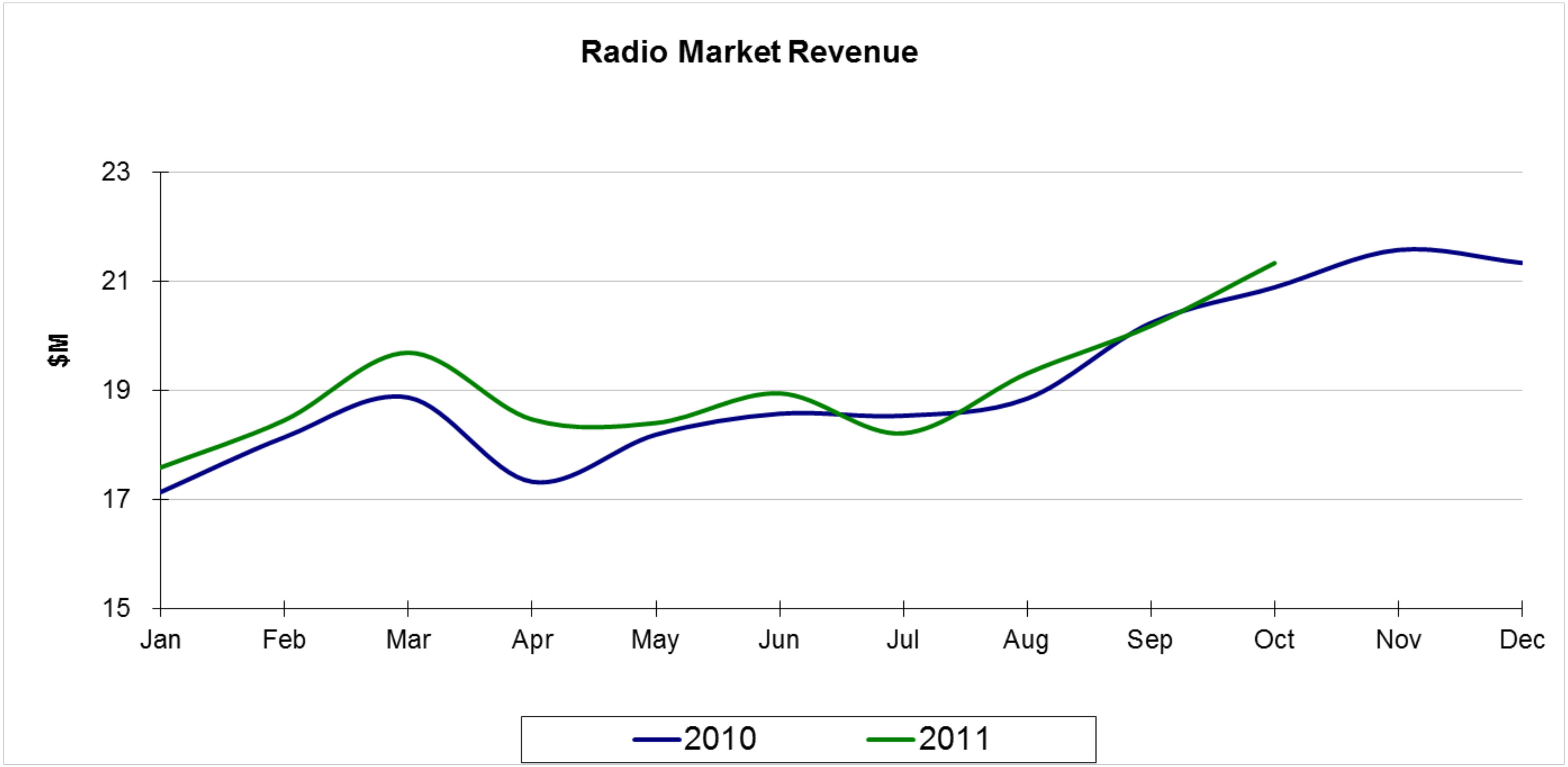
John McElhinney
Chief Executive Officer

The Radio Network

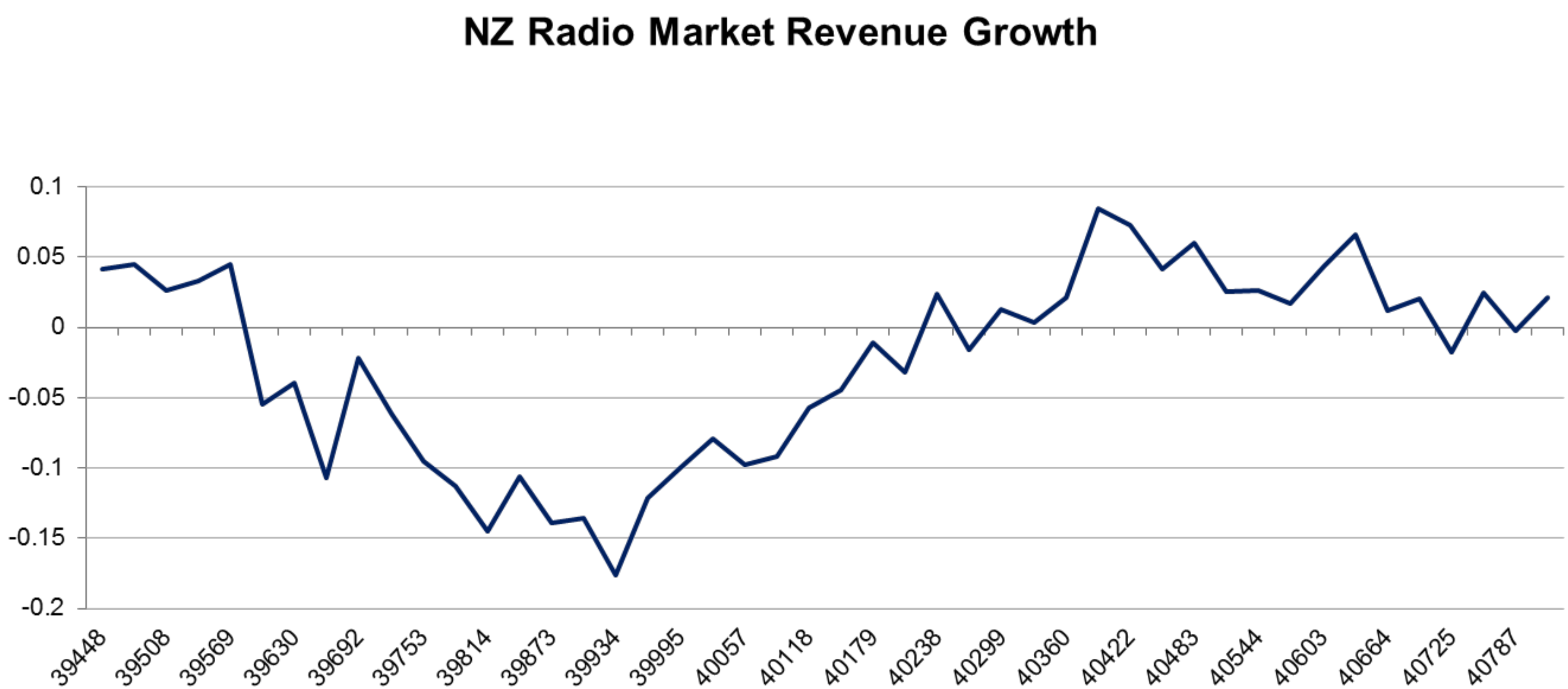
Agenda

- Radio Market
- Sales
- Content
- Digital

The Radio Market is Recovering

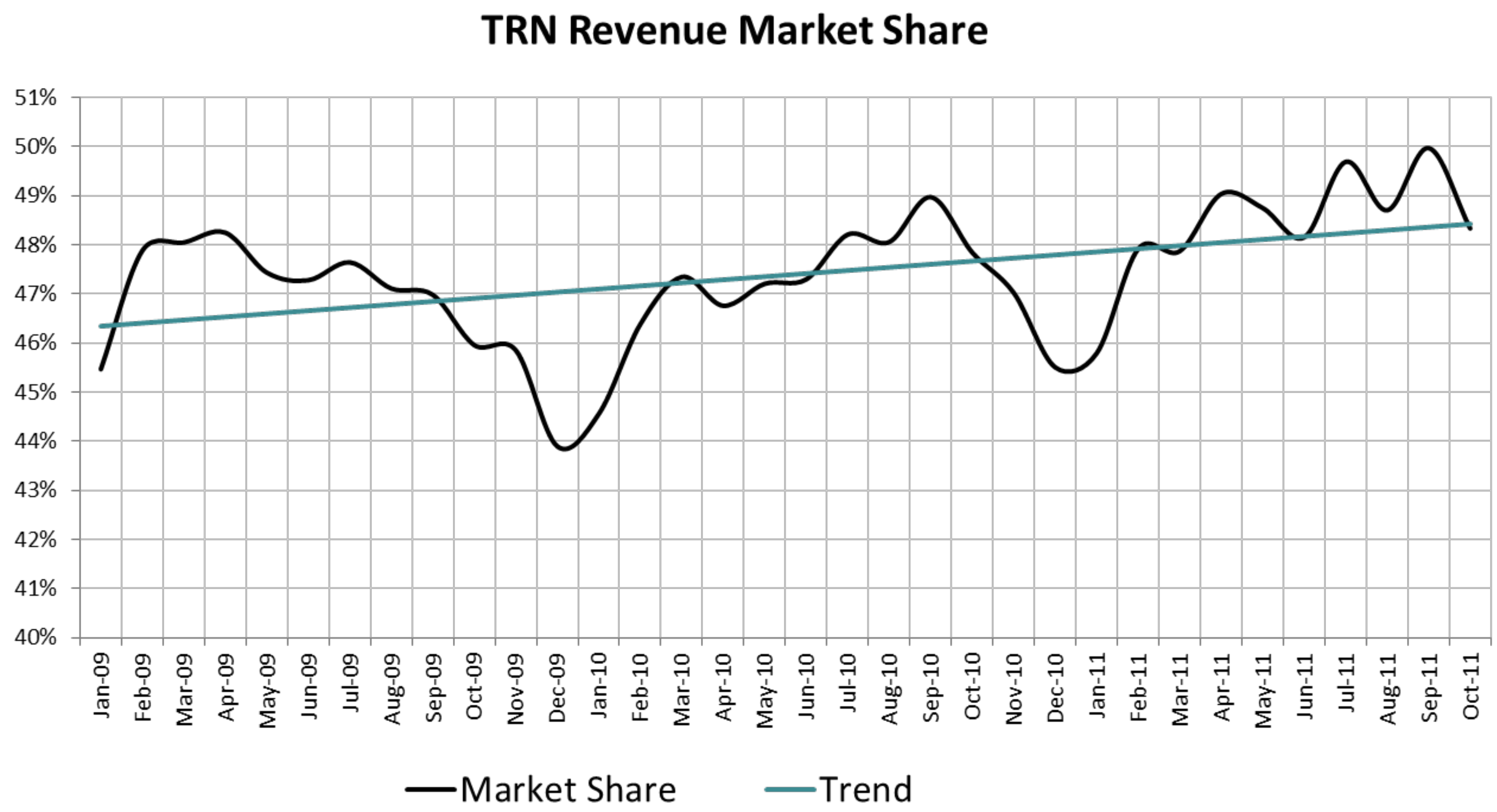


The Radio Market



- The radio market continued the recovery seen across the end of 2010. Q1 growth was 2.9% in Q1 and 3.2% in Q2. Q3 growth slipped to 0.1%, but Q4 appears to be moving back to positive growth. Full year forecast is for 2.0% growth.

Revenue Market Share



- Revenue share is on a growing trend

Product Innovation

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- New products are being developed and rolled out across Agency and Direct channels in all markets
- Central support ensures that the sales process is as easy as it can be for the sales force
- Via the TRB product innovation can be pan-industry to compete strongly with TV

Business Model

- All brands networked from Auckland.
- Central services supporting sales focused regional offices.
- An ‘internal franchise’ approach for sales and content
- Leveraging strengths of JV partners
  - APN local media and promotional strength
  - Collaboration with ARN on common issues (eg systems, training)
  - Radio expertise an IP from Clear Channel, no 1 US radio company

The Strengths of TRN

- Strong, contemporary brands with good audience engagement across multiple platforms
  - Newstalk ZB is the No 1 radio network in NZ
  - TRN has 3 of the top 5 national networks
- Good audience and revenue market share in a duopoly market
- Growing digital revenue and a roadmap for ongoing growth
- Strong talent

The Strengths of TRN

TRN has core strengths and assets in the media value chain that can be leveraged in building revenue from core and new markets

Media Value Chain	Programme	Create	Distribute	Market & Sell	Audience
What is it?	• Development of formats targeted to specific audiences • Acquisition of key talent • Negotiation of content licenses	• Unique content origination across multiple mediums • Integrated solutions for clients	• Distribution of content and programming on air, online and mobile • Execution of client solutions	• Matching advertisers to audience • Strong direct and indirect sales channels	• Strong audience across regions and nationally • High engagement from audience with brands / talent
Core Assets	**Brands**	**Unique content**	**Multi-platform & device**	**Direct Regional Sales**	**Regional Audiences**

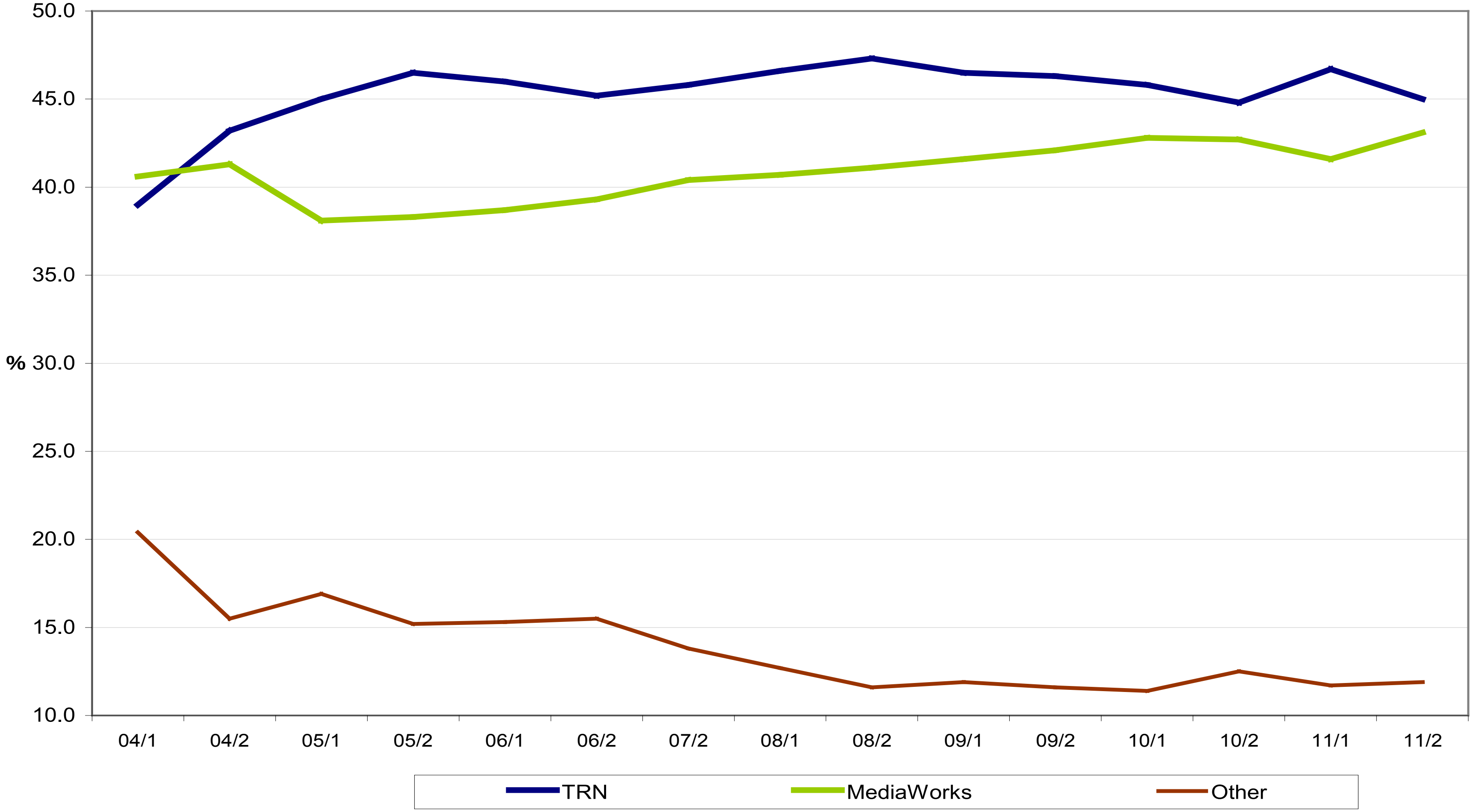
Talent

TRB

Audience Engagement

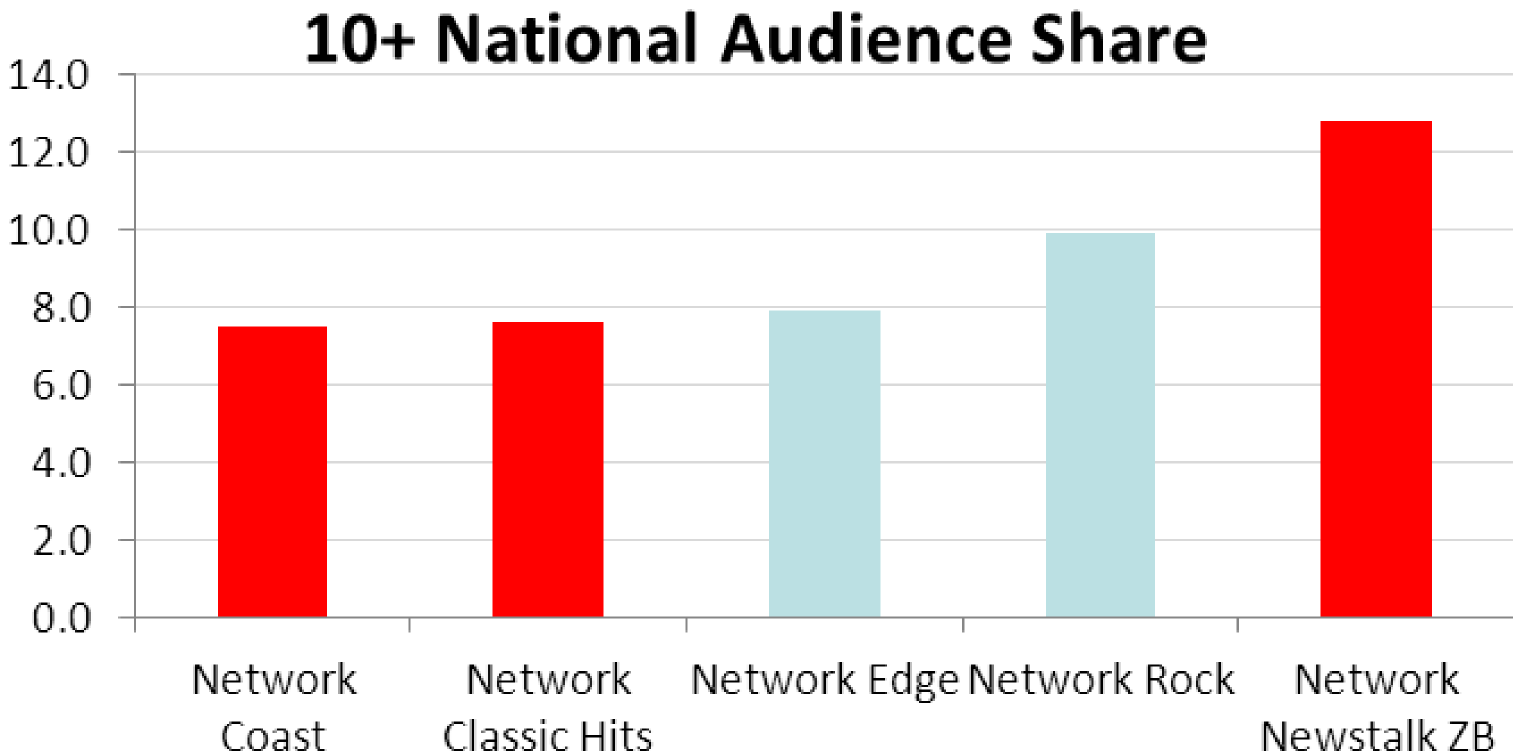
The Radio Network

Total Audience Market Share: 10+



Source: Research International 2 2011

Network Ratings Positions

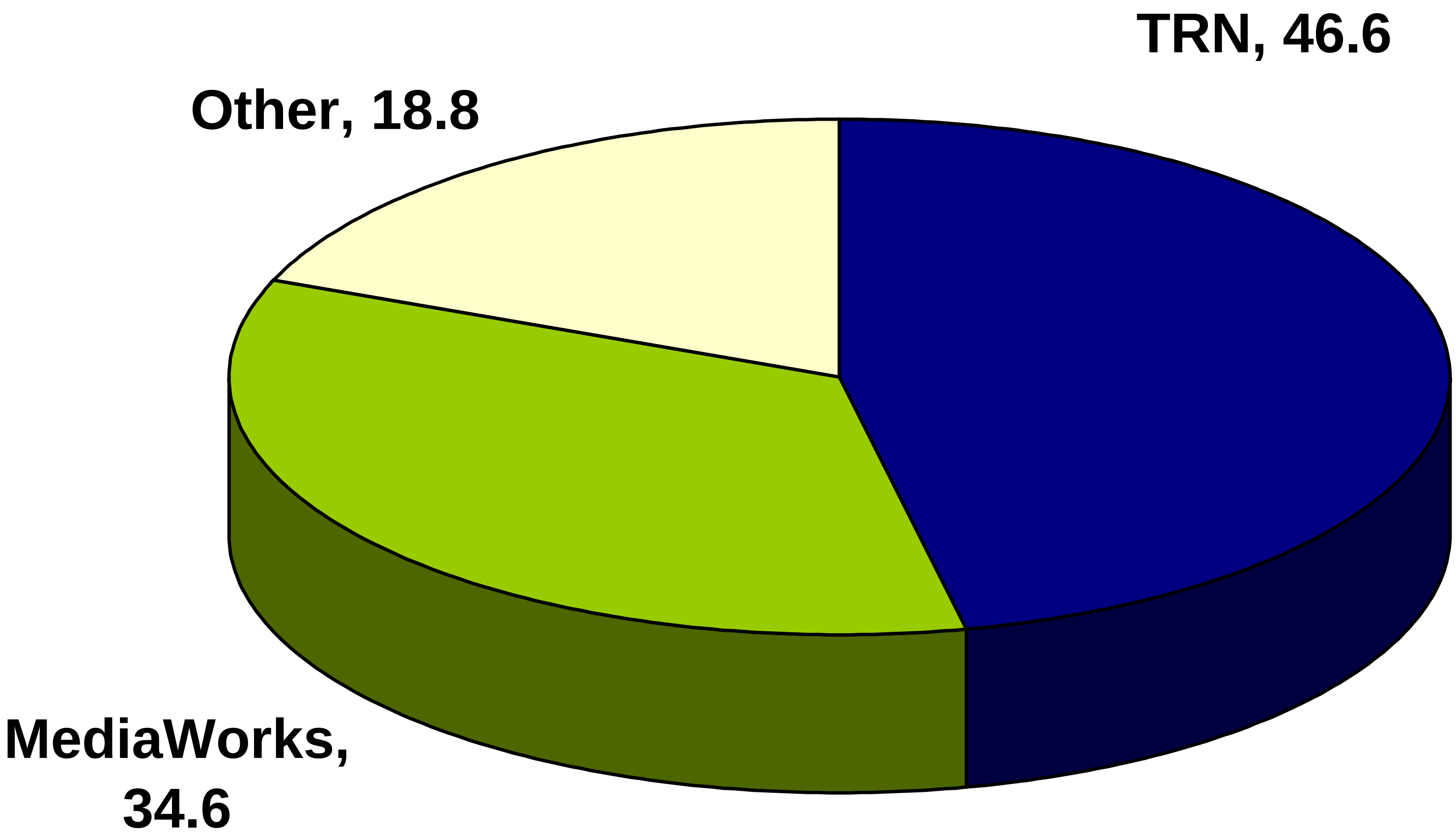


- TRN has 3 of the top 5 national networks
- Newstalk ZB is the clear leader

Source: Research International 2 2010

NZ's Main Market

Auckland - Total 10+ Audience Share

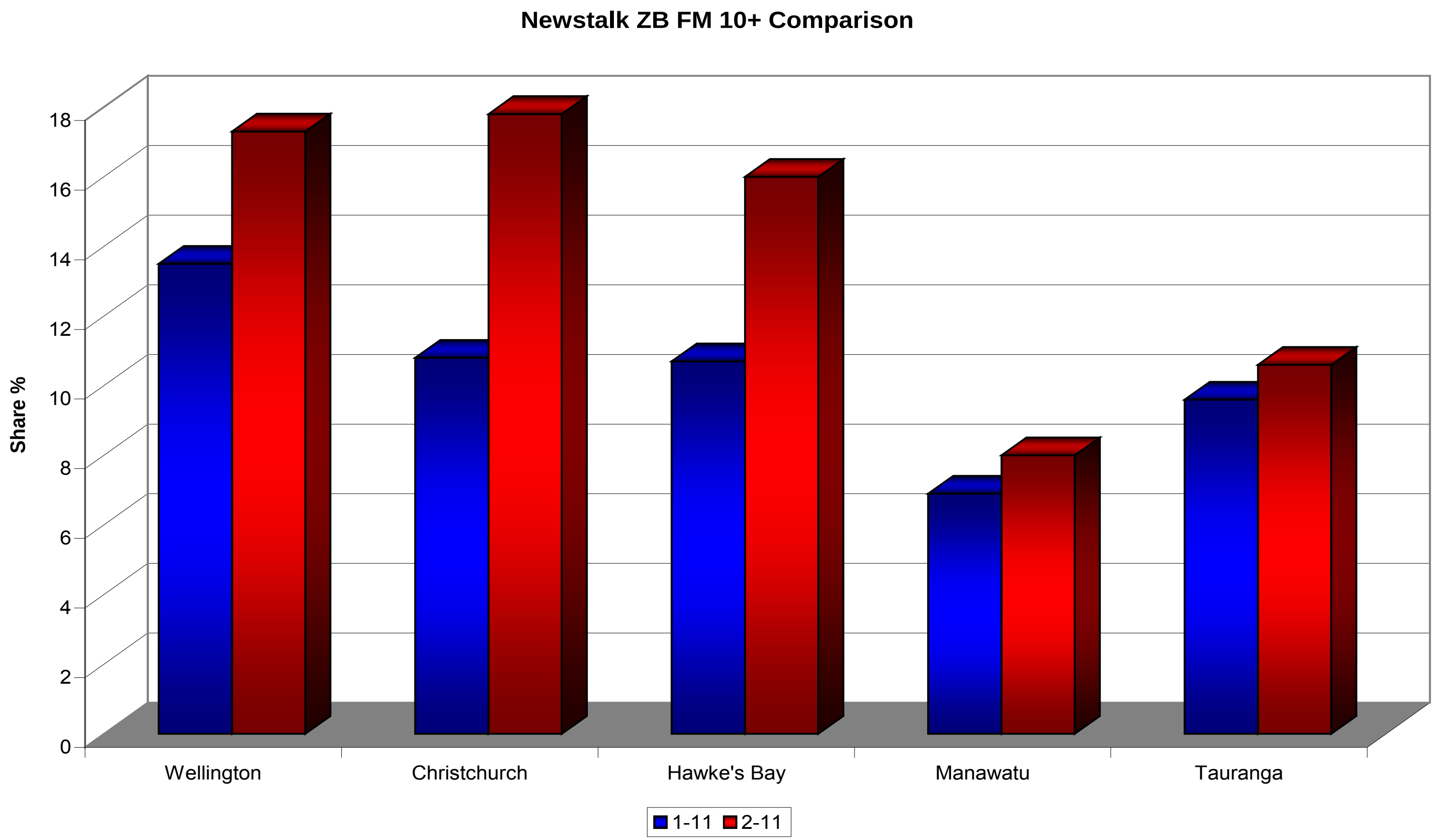


Source: Research International

Newstalk ZB leads the Market

- Nation-wide talk station
- No 1 national network
- No 1 in all 3 metro markets
- 10+ share of 12.8% vs MediaWorks equivalent Radio Live at 3.9%

Newstalk ZB on FM



- Newstalk ZB stations moved to FM in 2011 have achieved immediate audience gain
- Newstalk ZB is now on FM in 8 of 13 survey markets

Classic Hits

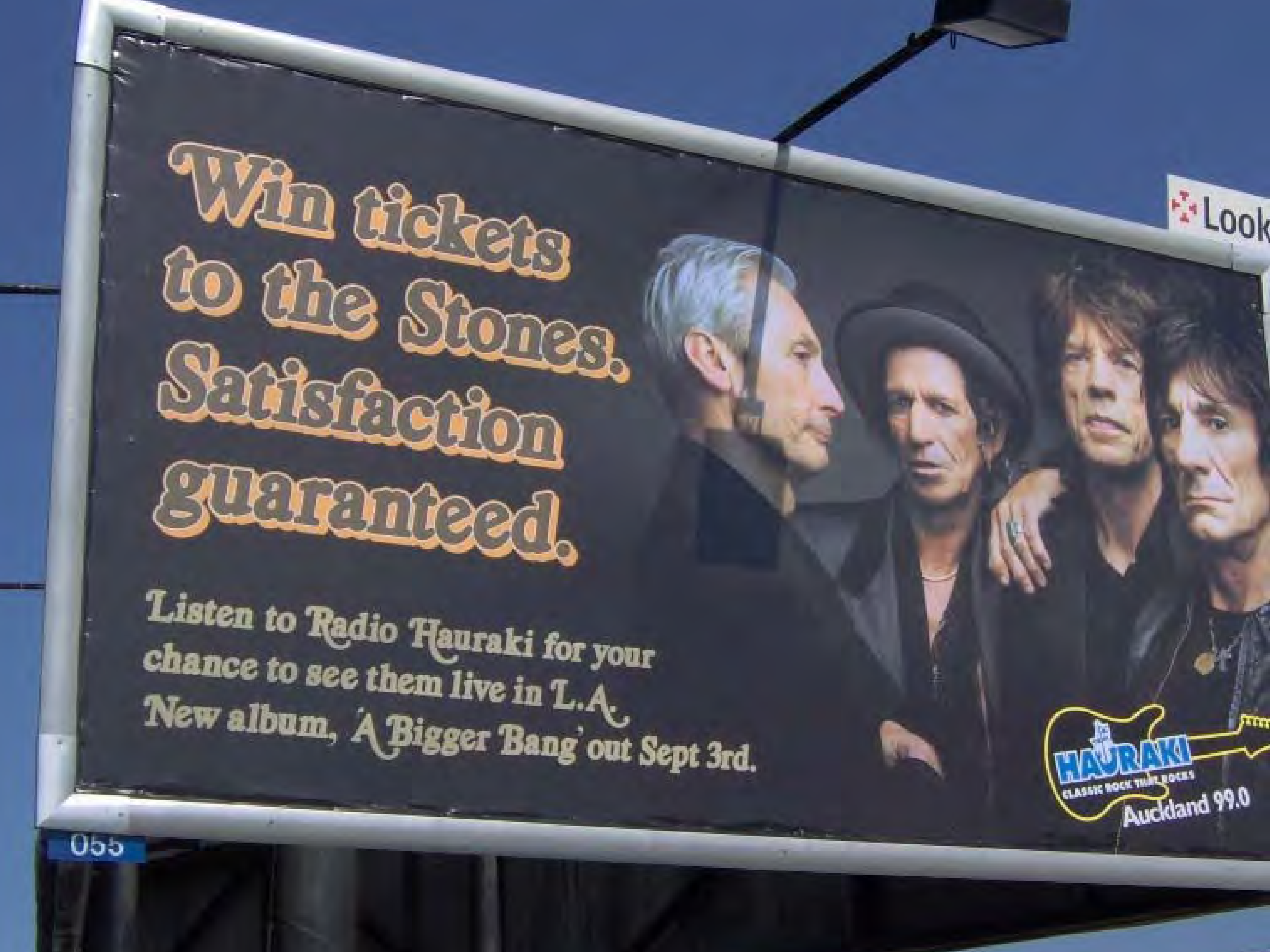
- Adult contemporary network targeting 25-54 household shopper
- Local breakfast shows in all markets creates local engagement
- Brand refreshed to more contemporary look in 2011

the feelers
The 9 to 5 No–Repeat Workday
CLASSIC HITS
90FM
ROADSIDE (03) 384 8729
Secure Car Parks
for Rent


KATY PERRY
CLASSIC HITS
80s 90s TODAY
97.4
classichits.co.nz

Hauraki

- Rock station targeting 25-54 male
- Rebrand in 2011 to attack MediaWork’s strength – The Rock
- New breakfast and drive shows


Win tickets
to the Stones.
Satisfaction
guaranteed.
Listen to Radio Hauraki for your
chance to see them live in L.A.
New album, 'A Bigger Bang' out Sept 3rd.
HAURAKI
CLASSIC ROCK THAT ROCKS
Auckland 99.0
055


MATT HEATH
Drive
4-7PM
HAURAKI
Amped
99FM


HAURAKI
Amped
106.5FM
HAURAKI.CO.NZ


HAURAKI
Amped
96.2FM

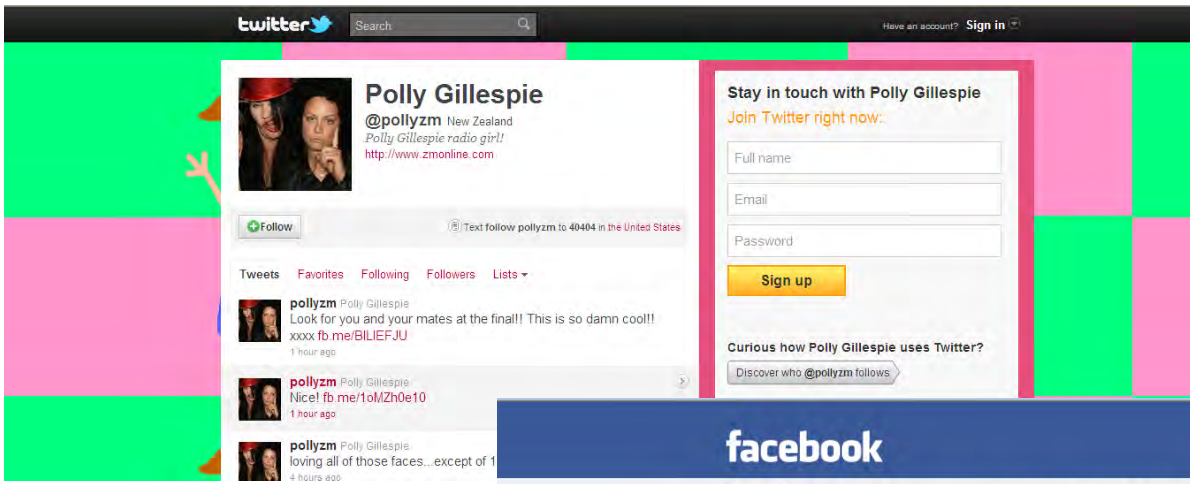
Talent

- Our talent leads the market

- Many are iconic broadcasters and celebrities who our audiences engage with on-air, on-line and in print

Audience

- Audiences are actively engaging with our content and personalities in many ways



Our vision is to keep innovating and redefine ‘Radio’ to reflect the 24 x7 relationship we have with audiences

Investing in the platforms & capability for growth

APN NEWS & MEDIA

Platforms & Capability Delivered

1 **New Digital Technology Platforms**

- Common CMS platform created across TRN and ARN with Mediaspan *
- New master templates rolled out across 4 ARN brands and 8 TRN brands *
- Strong social integration across sites *
- Newsletters migrated to new provider Mail Chimp
- Identified new streaming provider that can support new formats
- Established new ad serving and analytics platform with AI Match
- New mobile application platform to deliver apps to iOS and Android

2 **New Digital Capability**

- Established in house ad operations and trafficking capability
- Increased sales capability and development of new sales propositions
- Enhanced end to end analytics and reporting capability to manage sales pipeline
- Online content producers in each of the brands to drive growth and engagement

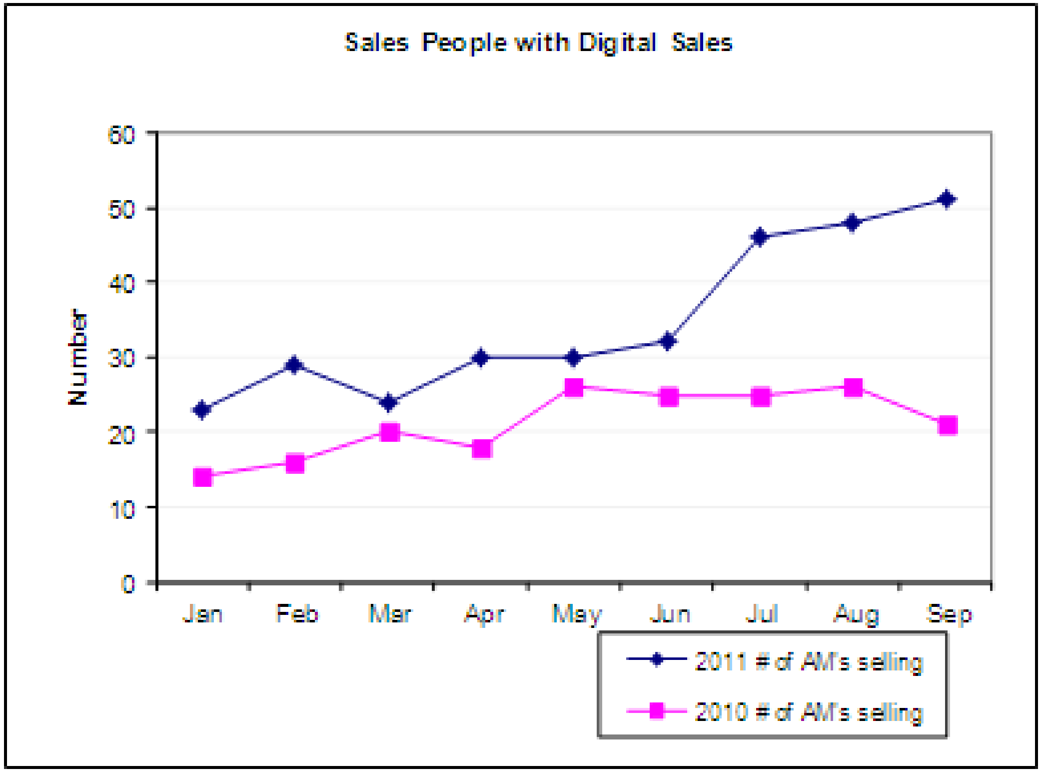
2011 TRN Performance Highlights

- Revenue increased by 47%
- Online engagement increased by
  - UBs increased by 21% per month
  - PIs increased by 30% per month
- Social connections and engagement grew significantly
  - Facebook – increased 260%
  - Twitter – increased 600%
- 8 new websites launched with an increase in inventory of 90%
- 4 premium brands launched mobile apps across iOS and Android by end of year
  - Engagement of 18 minute session times on ZM app
- New platforms established that can be managed and supported seamlessly between TRN and ARN

Note: * common platforms and capability across TRN and ARN
Source: Revenue Sept 11 Forecast, UBs and PIs Oct 11

Leveraging the Direct Sales Force

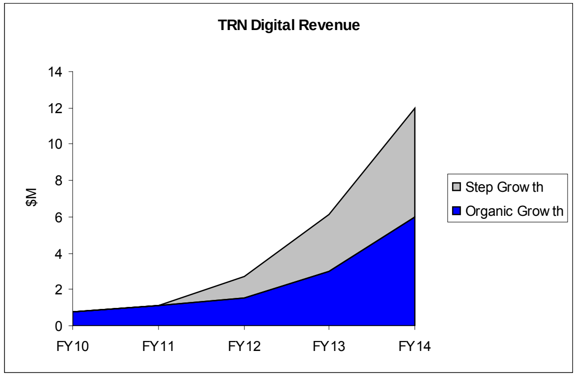
- In 2011 1/3 of the direct sales force generated digital revenue
- There is a significant opportunity to continue to grow this



Focus

Focus on growing existing properties organically and initiatives to step change performance

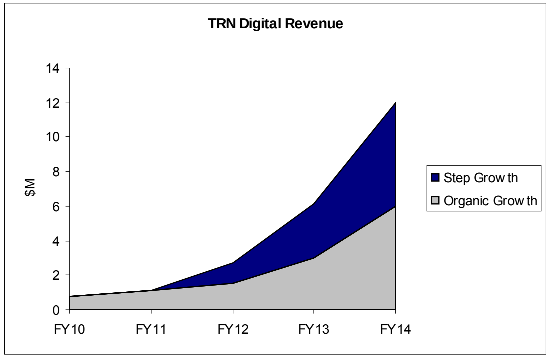
Organic Growth



Key Opportunities

- Improve sell through rate and yield of display inventory
- Create on-going sponsorship revenue through new categories in brand websites
- Package on air and mobile streaming products
- Grow audience and engagement with re-launched websites
- Grow audience and engagement with new mobile apps and mobile revenue stream
- Grow engagement and monetise unique video content
- Extend in-house induction programme to include an ongoing online sales academy programme

Step Change Growth



Key Opportunities

- iHeart Customised Radio
- New market proposition targeted at agriculture segment
- NZ Sport – new proposition targeted at sport
- Integration of market place and transactional propositions

Note: Step Change Revenue Growth is outside of FY12 Budget

Summary

- Radio works well in a multi-media, multi-channel environment
- TRN has strong brands and strong talent that audiences want to engage with
- TRN has a clear digital strategy and a very good core broadcast business

NEWS & MEDIA

The Radio Network

December 2011

John McElhinney
Chief Executive Officer

NEWS & MEDIA

Australian Radio Network

Ciaran Davis

Chief Executive Officer

Monday 5 December 2011

Agenda

1. Executive Summary

2. Focus on Ratings Growth

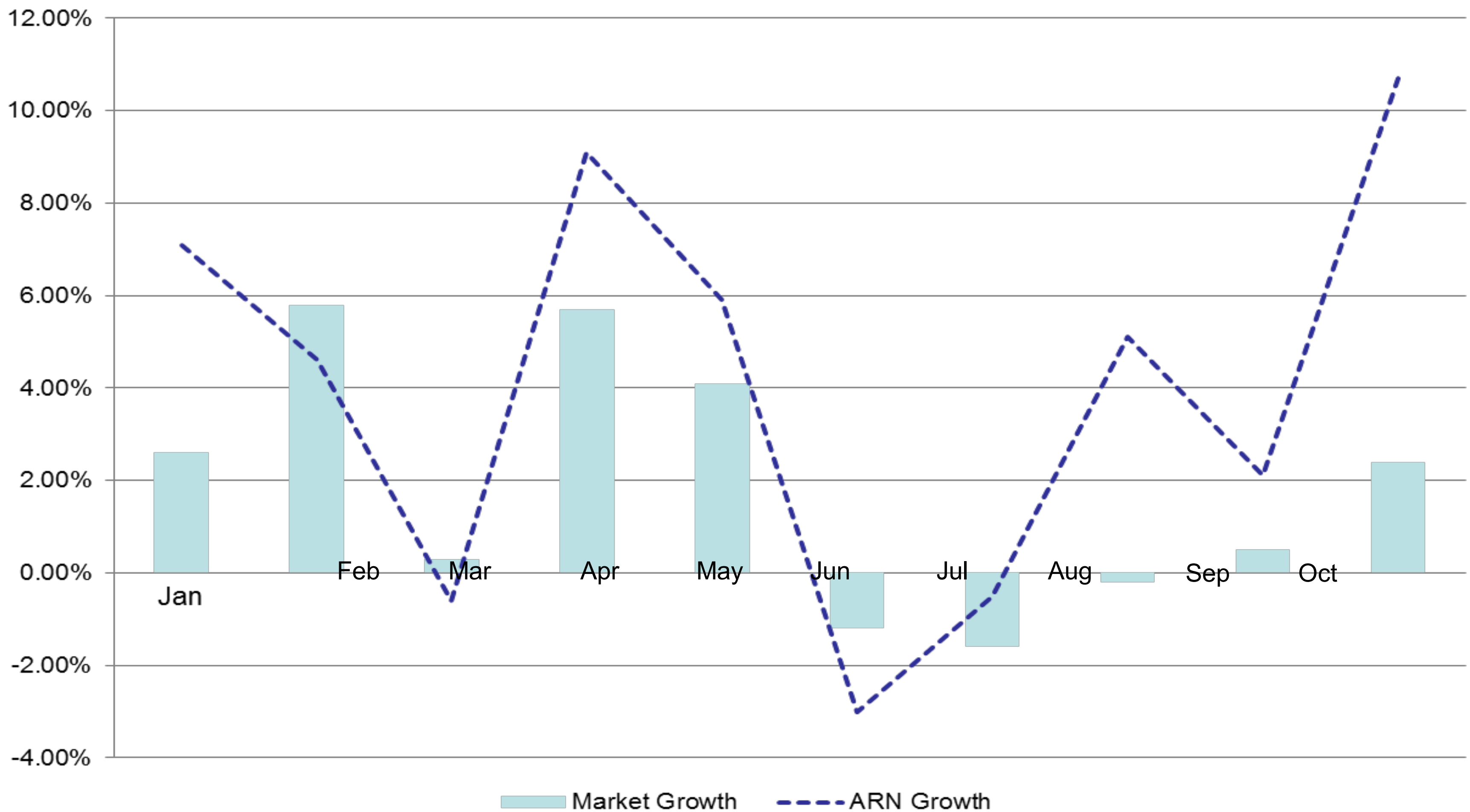
3. Key Sales Initiatives
   - Improving Agency Revenue Performance
   - Yield Management

4. 2012 – Business Focus

Executive Summary - Strategy

Our goal is to …	▪ Build on 2011 profitability turnaround strategy through ratings growth, consistent marketing and prizing, increased revenue market share and tight cost control ▪ Become the No. 1 network among 25-54 year olds in all our markets
We plan to achieve this by …	▪ Align management processes by functional lines ▪ Build on the 2011 ratings gains in 25-54 year olds through well targeted music products on both the Mix and Classic Hits streams ▪ Inject a higher standard of creativity into content/promotions that create more engaging entertainment ▪ Improved agency revenue market share ▪ Stronger yield management
To succeed, we need to …	▪ Continually review performance and make changes when required ▪ Launch 2 breakfast shows in January 2012 – Mix 106.5 (Syd) and Gold (Mel) ▪ Convert cume to TSL ▪ Execute revenue initiatives ▪ Proactive approach to drive incremental client/category spends ▪ Focus on yield management system ▪ Integrate digital offerings into sales strategies ▪ Continued tight cost control – investments will be rolled out in a phased manner

Executive Summary - Market Growth 2011



Executive Summary - Ratings Growth (25-54)

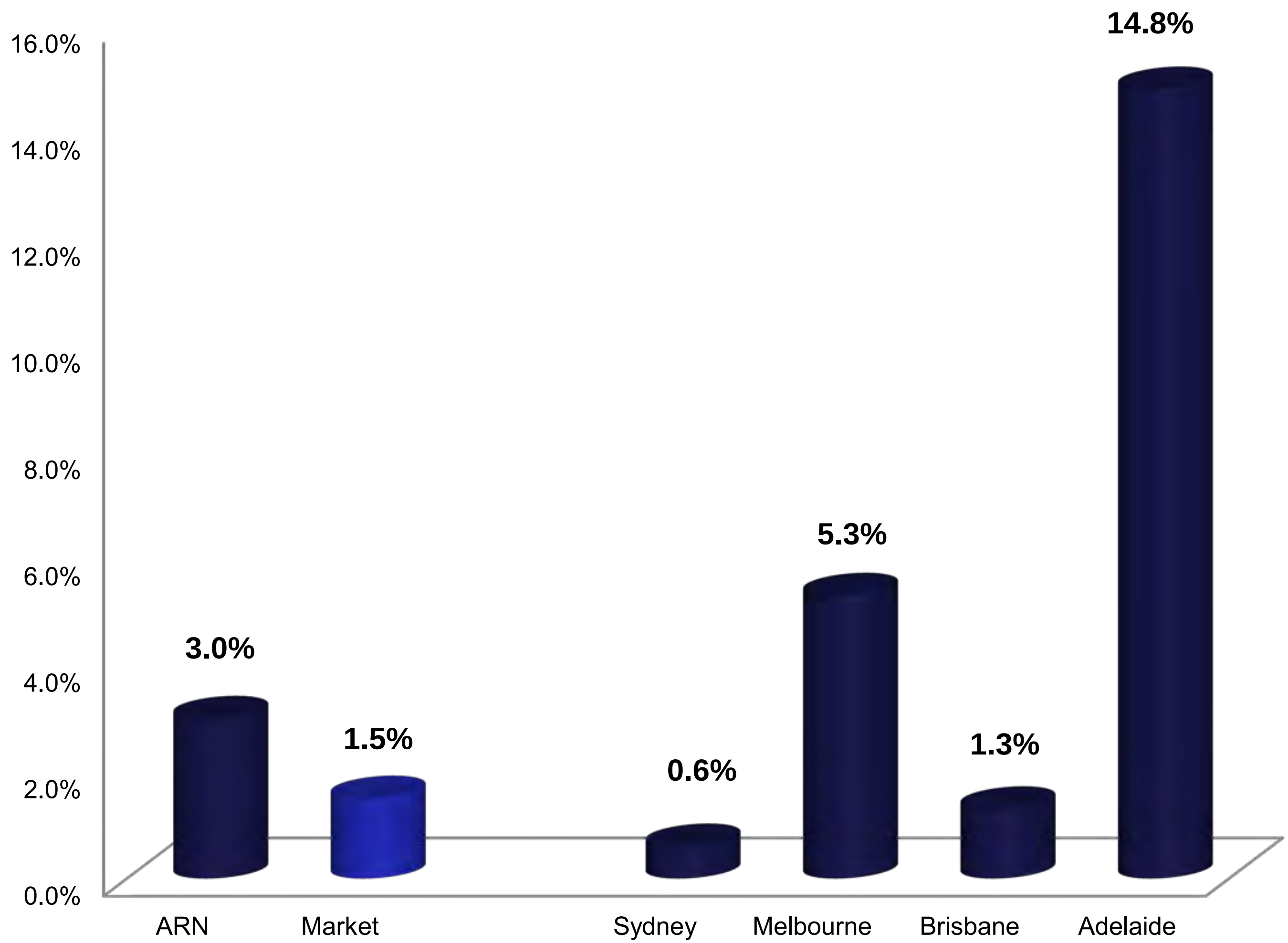
		Share		
		2010 Avg	YTD 2011	Difference
Sydney	ARN	14.6	16.8	2.2
	Austereo	21.1	20.7	-0.4
	DMG	13.4	12.5	-0.9
Melbourne	ARN	16.8	15.6	-1.2
	Austereo	23.2	22.9	-0.3
	DMG	13.3	13.8	0.5
Brisbane	ARN	22.2	21.1	-1.1
	Austereo	31.1	28.4	-2.7
	DMG	13.5	14.0	0.5
Adelaide	ARN	20.6	24.8	4.8
	Austereo	29.8	26.8	-3.0
	DMG	20.2	19.1	-1.1

ARN is No. 1 in Adelaide and No. 2 in all other markets

Executive Summary - Ratings Growth (25-54)

1st time since 2004 ARN has outgrown the market

Market growth
Sydney + 1.6%
Melbourne + 1.0%
Brisbane + 1.1%
Adelaide + 3.3%



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Why 25-54 year olds?

‘for me’

fun confident sing-along

light-hearted

‘life juggler’

feel good

grocery buyer

uplifting

balance

everyday

female 25-44

smart

live in the now

‘good timers’

community

in-touch

quality

traditional

secure genuine

passion

Australian

40-54

young at heart

knowledgeable

A Focus on the Fundamentals

- Comprehensive market studies:
  - Ensure the correct position for each station
  - Optimise ARN duopoly strategy with 25-55
- Music Research:
  - Full Digital Music Tests for each station refreshed in key markets every six months
  - Weekly music tests using strategic filters so only target listeners participate in survey
- Implementation:
  - Detailed monitoring of all station output
  - Development of breakfast show content creating a greater level of engagement with 25-54
  - On-air promotions structured to deliver increased time spent listening

2,000 Moments Video

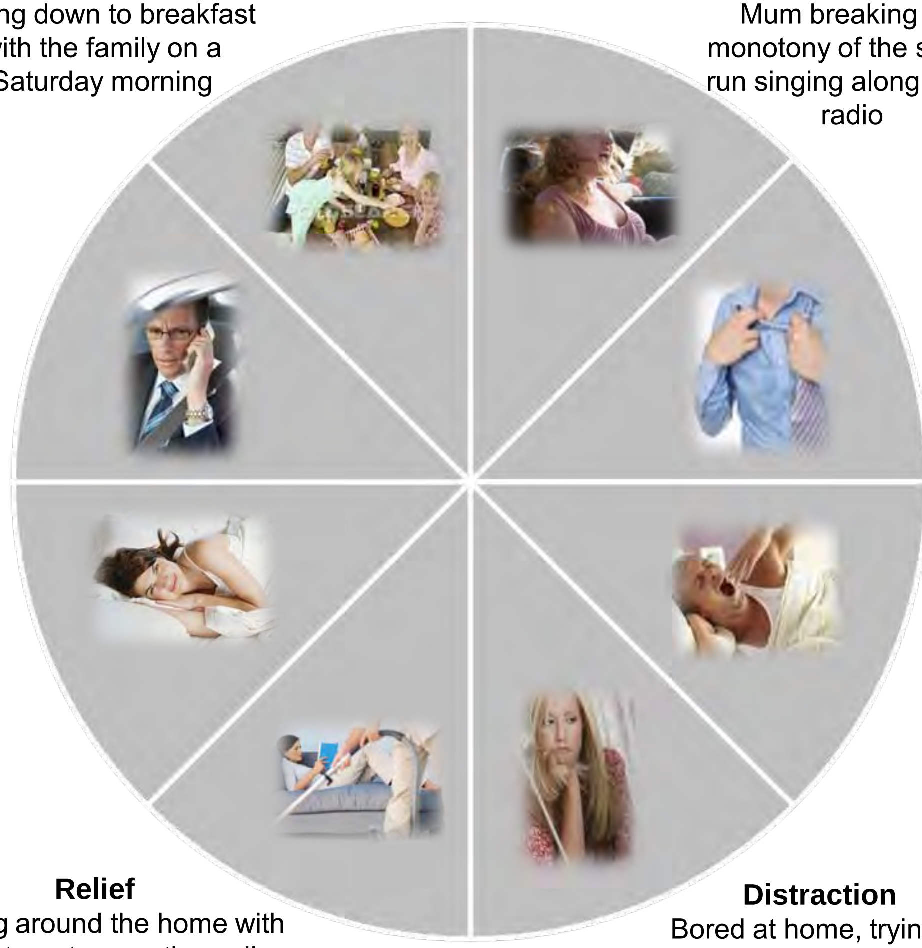
A Focus on the Fundamentals

Bonding
Sitting down to breakfast with the family on a Saturday morning

Uplift
Mum breaking the monotony of the school run singing along to the radio

Connection
Catching up all the must know news and happenings on the way to work in the morning

Escapism
Tuning into the radio on your way home from work to escape and forget the stressful day



Belonging
On my own, lying in bed I switch on to hear what's going on in the world and feel a bit more connected

Preparation
Letting the radio wake you up, mentally preparing in bed for the day at work ahead

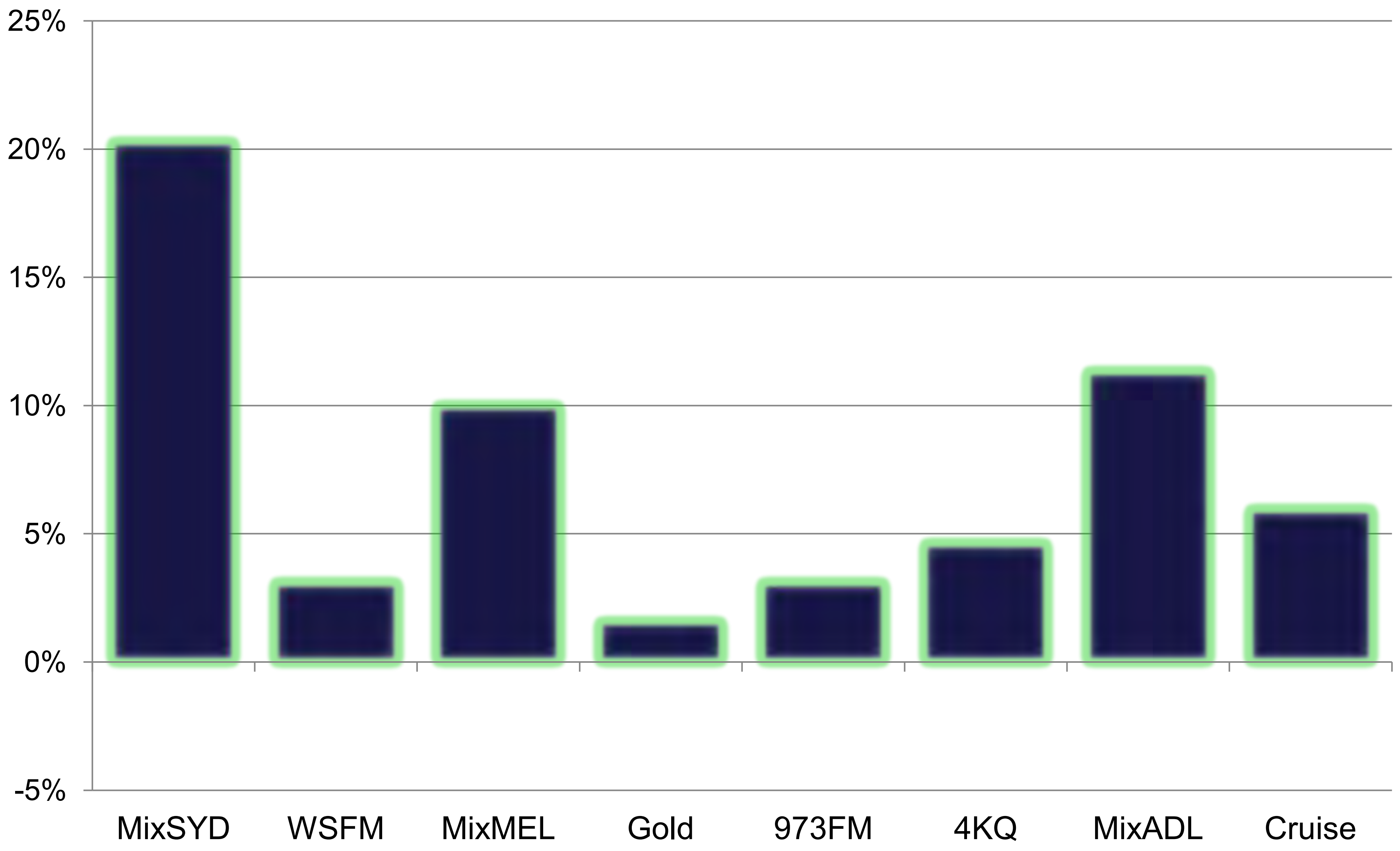
Relief
Working around the home with the partner, turn on the radio to ease the silence relieve myself of my boring task

Distraction
Bored at home, trying to pass time on the computer. Listen to music on the radio to ease boredom

3pm Pick-up

- Radio integration to a new level
- Hosted by two stars that fit perfectly with core demographic
- Premium rate card
- Smart Shoppers
- New advertisers to radio

Cume % Change (YTD 2011 vs Avg 2010)



Converting TSL to Cume

Content Development	• Increased contesting prize pool • Inject greater degree of creativity into all content planning • Further development of content initiatives such as 3pm Pick Up
Talent Management – On air	• Launch Mix 106.5 (Sydney) and Gold (Melbourne) breakfast shows in Q1 2012 • Launch new Drive show on WSFM (Sydney), Gold (Melbourne) , 4KQ (Brisbane) – locally driven, music format • Expand Ryan Seacrest into Brisbane and Adelaide markets
Talent Management – Content Directors	• Find new talent – internally and externally • Maintain focus on detail and accountability • Encourage risks on-air
Brand Marketing	• Focus on the launch and branding of 2 new breakfast shows in 2012 • Build longevity into all brand campaigns • Focus on select survey periods
Channel Development	• Launch 2 initiatives in 2012 similar to 3pm Pick Up initiatives • Utilise integration opportunities gained from Jono & Dano change • Further monetization of Digital Channels and web sites • Continue to rollout digital strategy in conjunction with TRN

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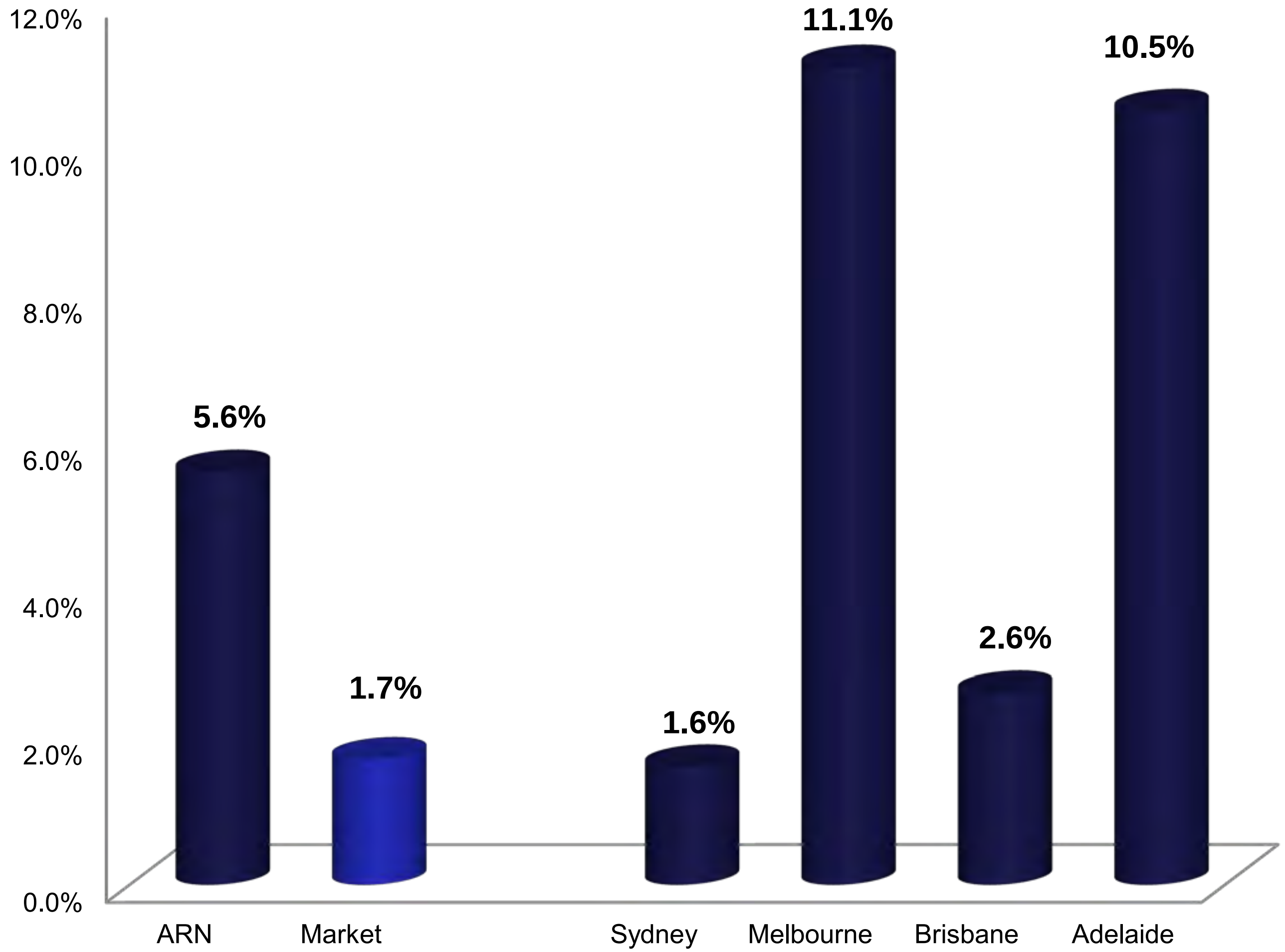
Important to Remember - Direct Performing Well

Strong year of growth

Beat the market in 8 of the 10 months this year

Share is getting back to traditional Levels

Market Growth
Sydney + 0.4%
Melbourne + 2.8%
Brisbane (0.5%)
Adelaide + 5.8%



Sales initiatives identified in Strategic Plan

Product Development	• 3PM – unique day-part currently and premium integration opportunities • Classic Hits Drive – new music based Drive show • 2 new breakfast shows
B2B Marketing	• Dedicated B2B marketing fund to promote brands • Continuation of market specific research (i.e. 2000 Moments) • Market perception tracking and activity plan • Profiling case studies and client wins via PR campaigns
Yield Management	• Changes in policy, processes and business rules to optimise yield under Aquira • Restrictions on discounting, bonuses and overloading ad breaks • Focus on rate card setting and development of forecasting templates • Maximise non spot revenue opportunities, minimise BTA & ROS sales strategies
Agency / Direct Sales Capability	• Full year impact of appointment of experienced Agency Sales Director • Rolling 90 day plans to maximise capability of agency sales teams • Improved efficiency of staffing mix in Direct – investment in Senior AMs
Customer Management	• Moving Solutions to a proactive client/category development focus • Target the recovery of lost business. Grow weak product segments • Integration of Aquira and Outlook for customer call tracking.

Brand Associations

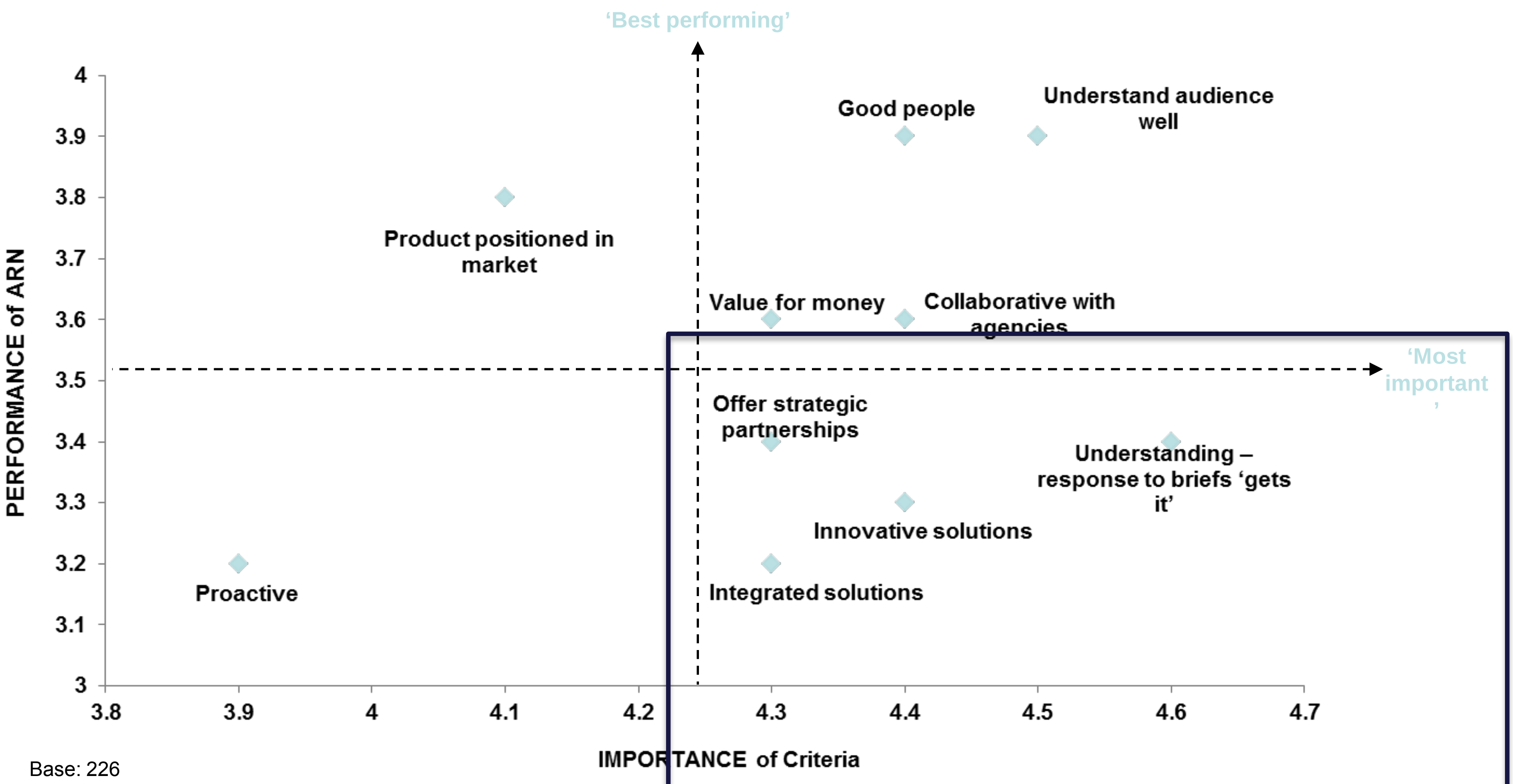
arn
australian radio network

austereo

(((dmg radio australia)))

- Based on brand perceptions, ARN is *more differentiated* than the other two networks which both compete in the area of being 'young and fun'

Agencies are telling us



Base: 226

- This map identifies several areas for ARN to focus on, with the most important being to demonstrate a deeper understanding of client briefs

Looking ahead

APN NEWS & MEDIA

Building on the findings of this research, the following broad areas have become a focus in planning future strategies for ARN

Leverage ARN's differentiation

- ARN is clearly seen as different to Austereo & DMG
- Whilst this may appear 'less sexy' to some, it remains an important point of difference
- The opportunity is to build on this P.O.D. and use it to differentiate ARN further
- Experts in audience understanding is an opportunity

Strengthen ARN's sales depth of offering

- ARN's sales team seem well regarded in the marketplace
- They clearly know both their stations and audiences well
- However, there seems an opportunity to provide better responses to briefs
- Sales training in the area of responding strategically to briefs will be beneficial

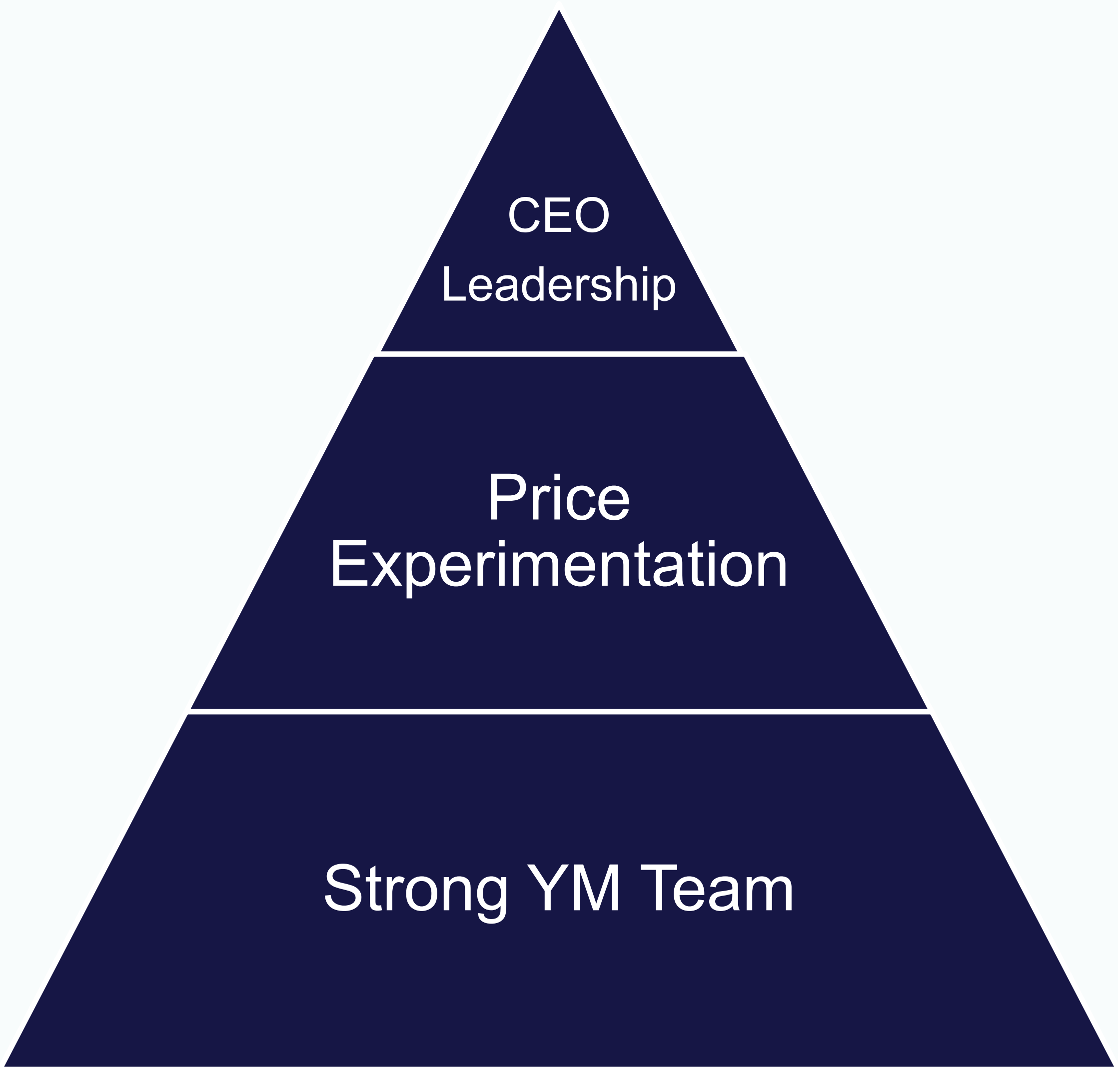
Increase ARN's marketplace presence

- ARN is certainly 'out there' in the marketplace
- However, it appears that DMG and Austereo are out there even more prominently
- There is an opportunity for ARN to ramp up its industry marketing to address this
- Audience Measurement is a frustration within the industry

Why Yield Management?

- Pioneering traffic software introduced to the business
- Centralised traffic and yield management operation
- Inventory rules applied
- Ability to bring to market more flexible and client friendly packages
- Improvement in business results

Yield Management Culture



- Actively driving project
- YM Strategy Meetings in Place

- Culture of Price Experimentation
- Adaptability

- Trading Director in place
- Yield Manager position in Organisation
- Independent from Sales
- Aligned to Sales

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NEWS & MEDIA

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2012 – Business Focus

Competitive Positioning and Differentiation	• Re-structure programme progressing well • Market clearly identifying strengths of ARN • Industry challenger
Investment in Content and Marketing	• Ratings progress made in 2011 • Mix and Classic Hits networks clearly defined to audience and advertisers • Network attracting talented people • Converting cume to TSL is key
Best practice Inventory management	• Significant investment in Aquira in 2011 • Fundamental shift in historical sales practices • Project management and learnings in conjunction with TRN
Growth in Agency Sales	• Improving agency performance 2011 key opportunity • Agencies researched and performance benchmarks set • More aggressive, proactive approach • Digital integration is priority

Australian Radio Network

Ciaran Davis
Chief Executive Officer

Monday 5 December 2011

APN NEW ZEALAND

The New Zealand Herald | WeekendHerald | HERALD ON SUNDAY | nzherald.co.nz | New Zealand Magazines | APN REGIONAL NEWSPAPERS

New Zealand Media

December 2011

Matt Crockett
Acting CEO

Tim Murphy
Editor in Chief, Herald titles

Matthew Wilson
GM, Newspaper Sales

Overview

1. The New Zealand Media group profile and position
2. Drivers of our strong and sustainable publishing position
   - High levels of product innovation
   - High subscriber penetration, data and direct relationships
   - Focus on complimentary, multi-platform approach

The New Zealand Herald

WORLD CUP WINNERS 2011 – SPECIAL EDITION

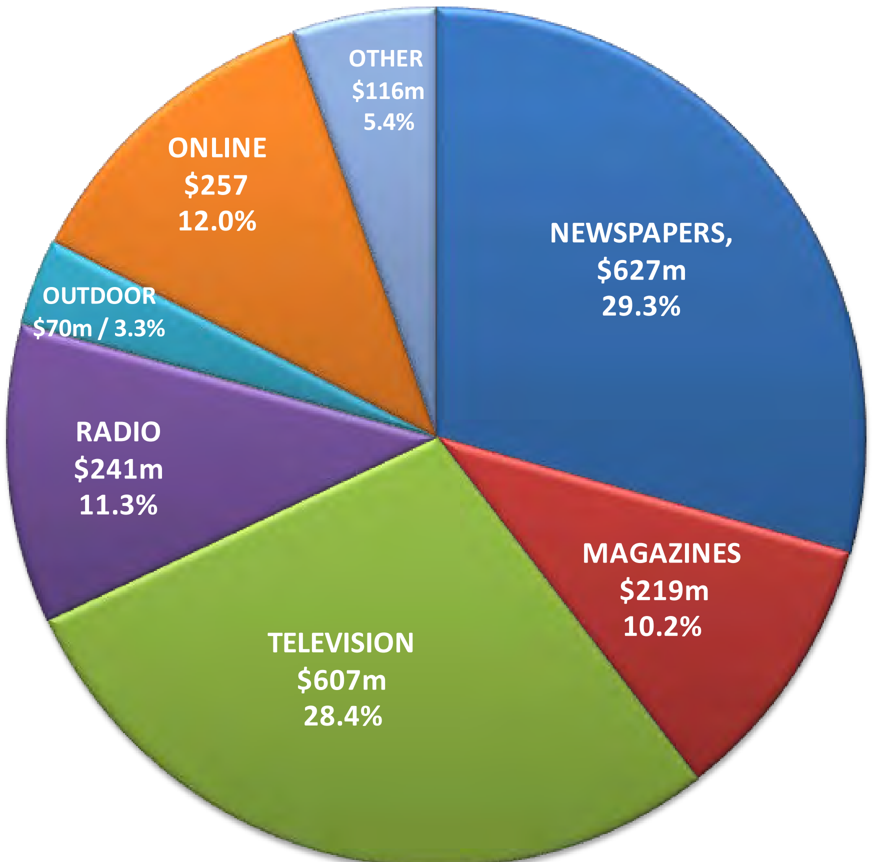
SWEET MERCI!

• FULL CUP COVERAGE A2, A3, A4, A5, A7, A8 • RugbyHerald P1-12, including ALL BLACKS POSTER

We lead in NZ … and outperform relative to Australia and other markets

New Zealand ad revenue shares

- New Zealand advertising market worth $2.1 billion in 2010 (all media)
- Total revenue increased by $94m or 5%
- Newspaper 's continue to be highest revenue earner, increasing by $4m to $627m
- Online revenue (including newspaper brands) showed most significant growth, up $43m



$NZ2,137 million

NZ Advertising Revenue 2010

Source: Advertising Standards Authority, 2010

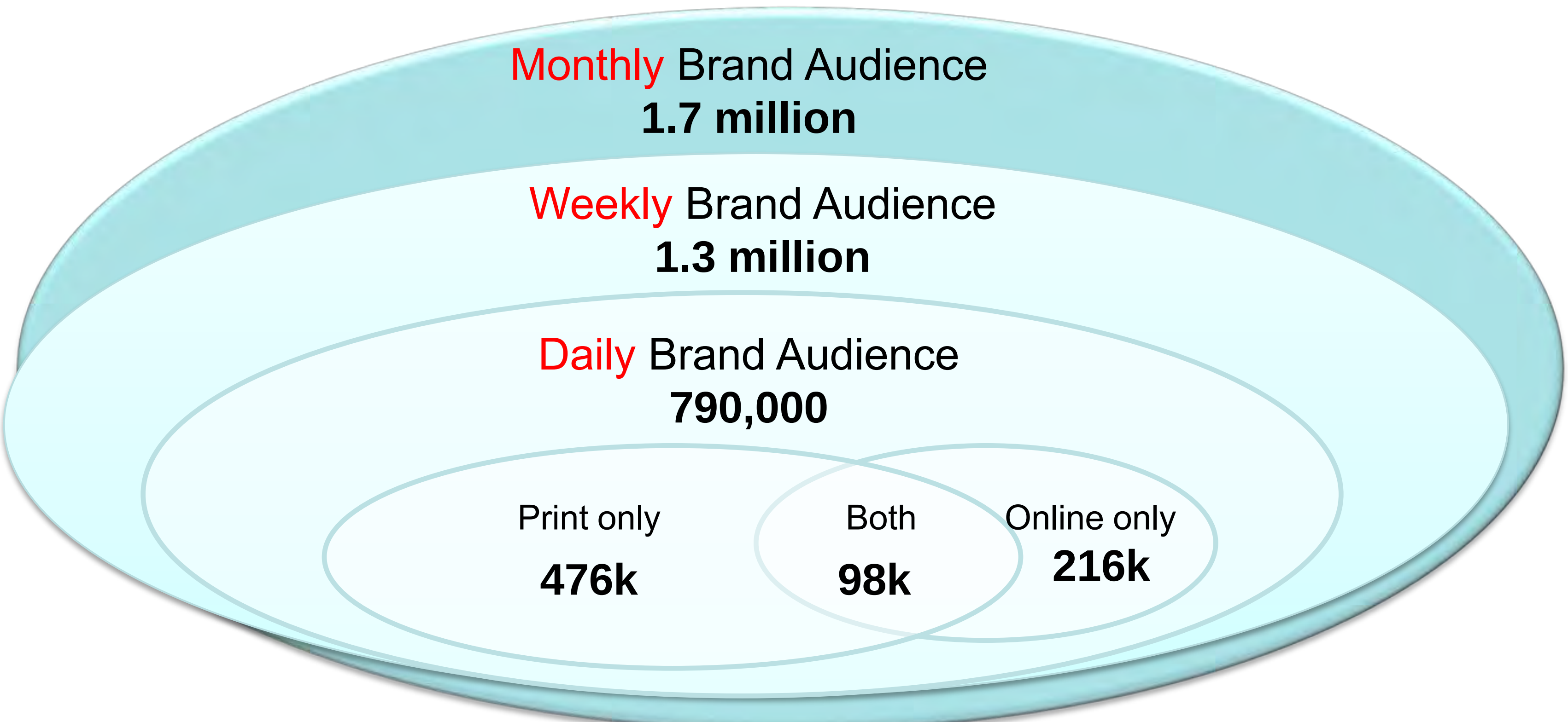
APN brands lead market

- APN brands hold strong market positions
  - **The New Zealand Herald** brand connects with 1.3 million New Zealanders in print or online each week
  - **The New Zealand Herald** is the **best read daily** newspaper in the country reaching more readers than the other three metros combined
  - The **Herald on Sunday** is the **Number 1 Sunday** newspaper north of Taupo.
  - The **New Zealand Herald** and **Herald on Sunday** are the only major NZ newspapers achieving circulation growth
  - ***nzherald.co.nz*** has a monthly audience of 1.7m, which is 62% of the total online audience, and **mobile browsers** have increased 170% to 566,970
  - **New Zealand Woman's Weekly** is the **best read magazine** in NZ metropolitan markets
  - **Regional titles** maintain 60%+ market penetration each week

Source: Nielsen CMI AP 15+, Comscore mediametrix, Nielsen Site Census

Herald brand universe expanding

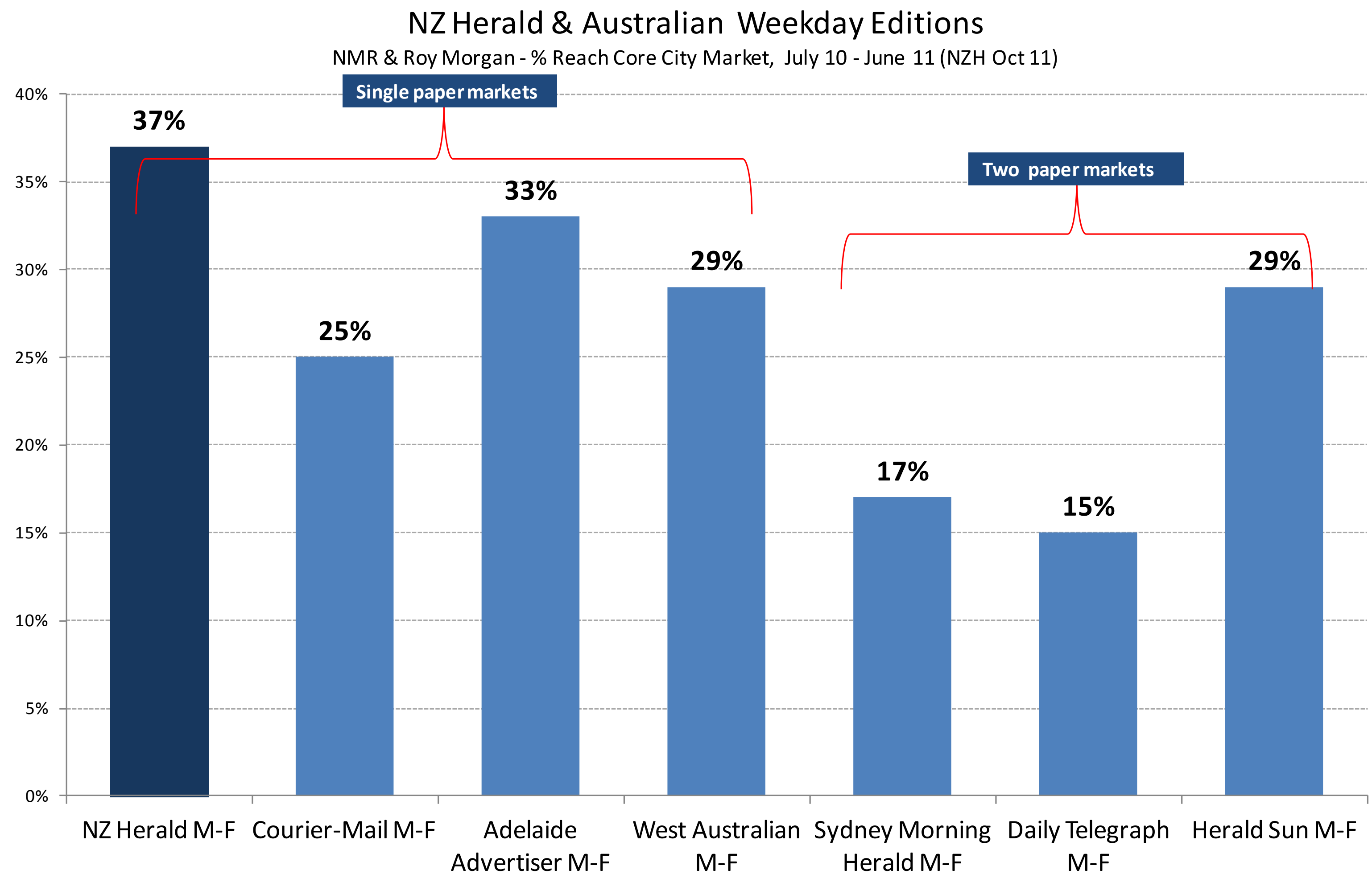
- All sectors of the ***Herald*** brand audience have grown in the past 12 months, with 72% of Aucklanders interacting with print or on-line products on a weekly basis
- Total daily brand audience is up 3.4% YOY (41,000) in 2011
- The print / online combination is benefiting from increased broadband and mobile penetration and remains a strong growth opportunity



Source: Nielsen CMI AP 15+, Q3,2010 – Q3, 2011

NZH leads metro market penetration

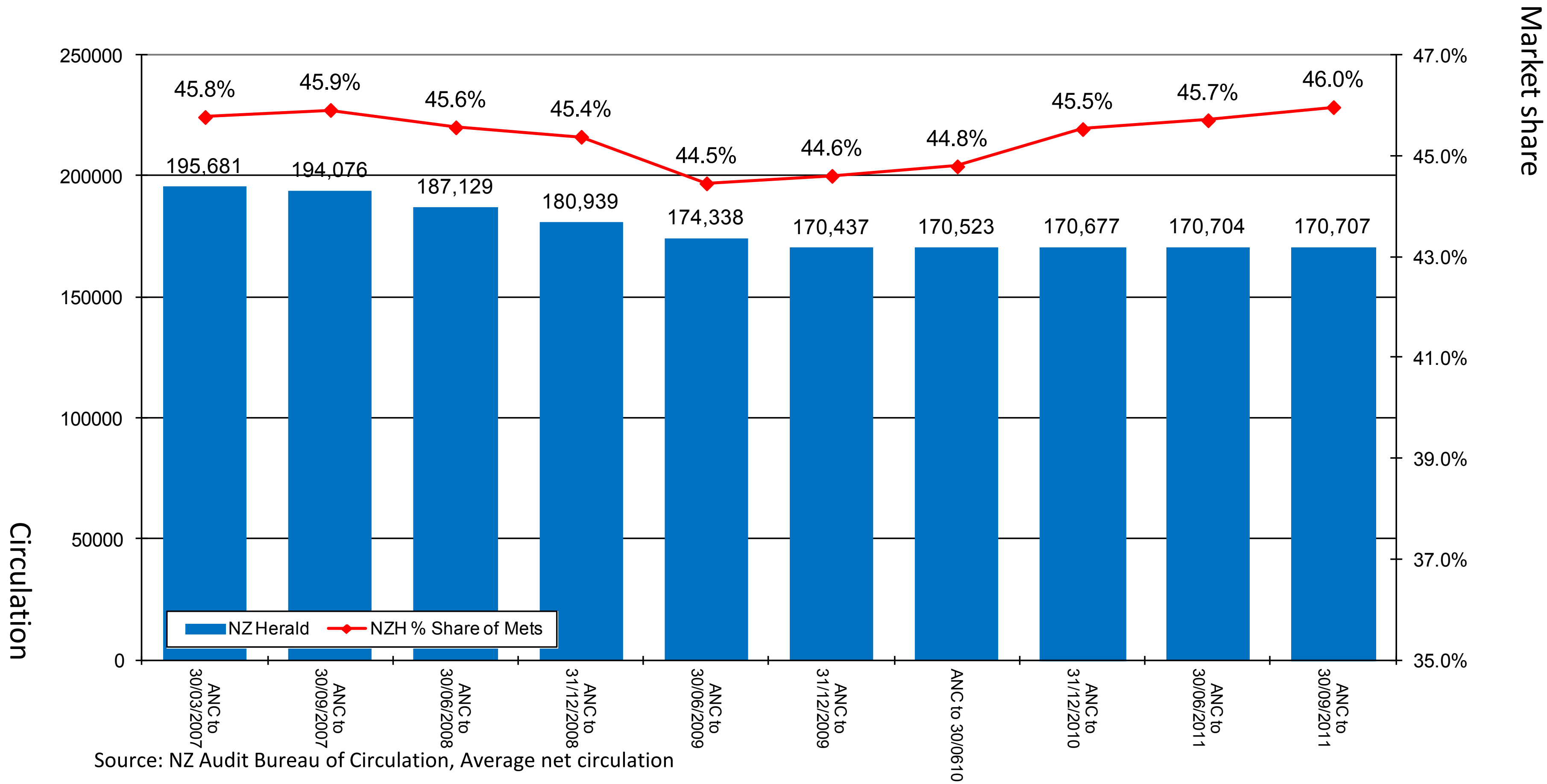
- Despite a higher cover price The ***New Zealand Herald*** has a stronger weekday reach than Australian newspapers, due to its strong subscriber base



NZH circulation stable and growing share

- Stable circulation over the last 3 years has pushed ***New Zealand Herald*** market share of metropolitan newspapers to its highest level since 2007

NZ Herald Share of Metropolitan Newspaper Audited Circulation
Source: Audit Bureau of Circulation 2000 - 2011



Source: NZ Audit Bureau of Circulation, Average net circulation

The trans-Tasman scorecard

- The positive performance of *The New Zealand Herald* has been achieved during a period of rapid online growth driven by tablets and smart phones

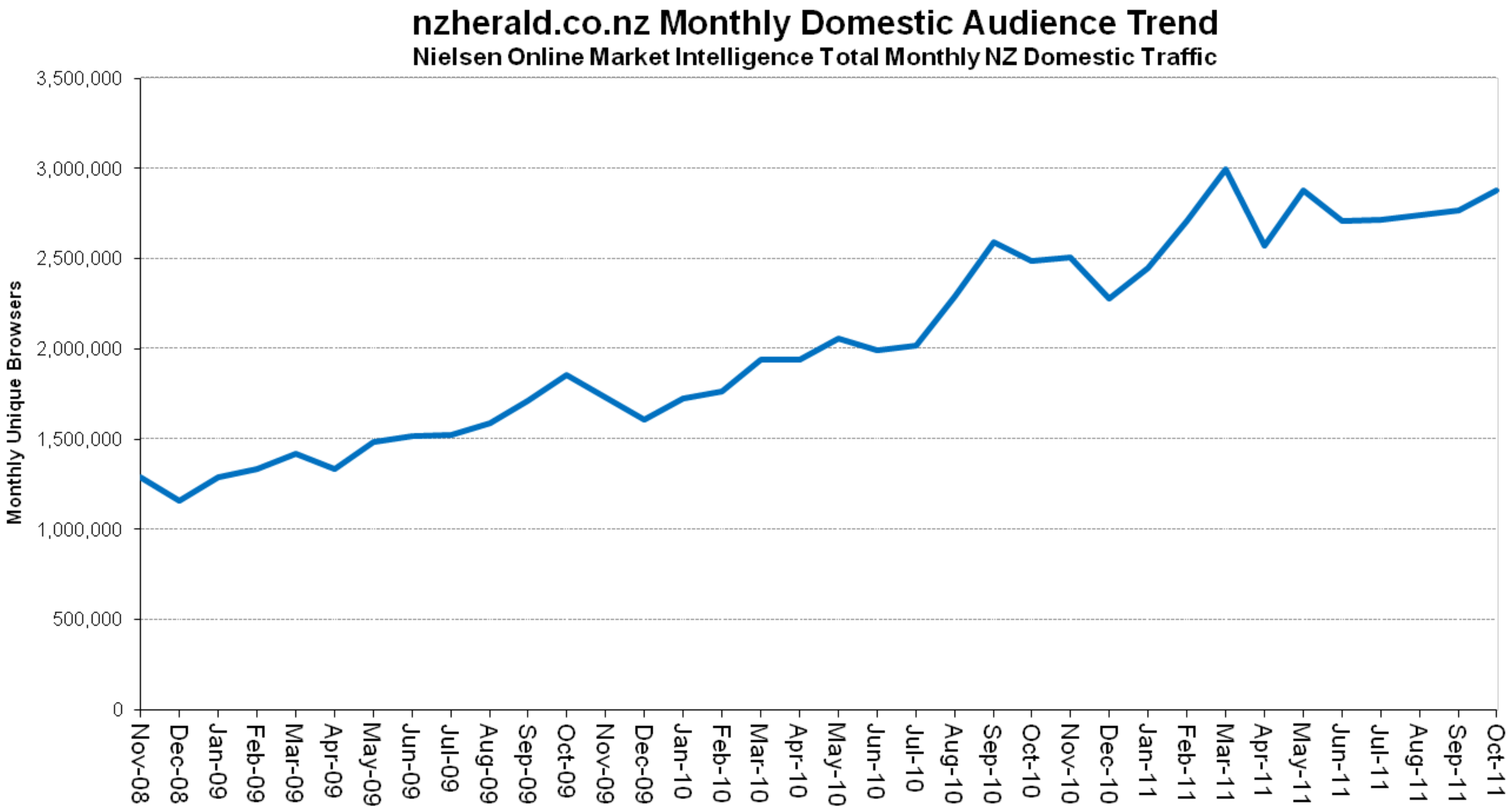
Australian Metropolitan Daily Newspapers	% Annual circulation change
Courier Mail	-6.0%
Daily Telegraph	-2.3%
Sydney Morning Herald	-1.8%
The Age	-2.2%
Herald Sun	-4.1%
The Advertiser	-2.6%
West Australian	-3.3%

New Zealand Metropolitan Daily Newspapers	% Annual circulation change
New Zealand Herald	**+0.1%**
Dominion Post	-2.6%
Waikato Times	-0.7%
The Press	-1.8%
Otago Daily Times	-1.7%

Source: Australian & NZ Audit Bureau of Circulation. Base on 6 day average, July 09 – June 10 v.s July 10 – June 11

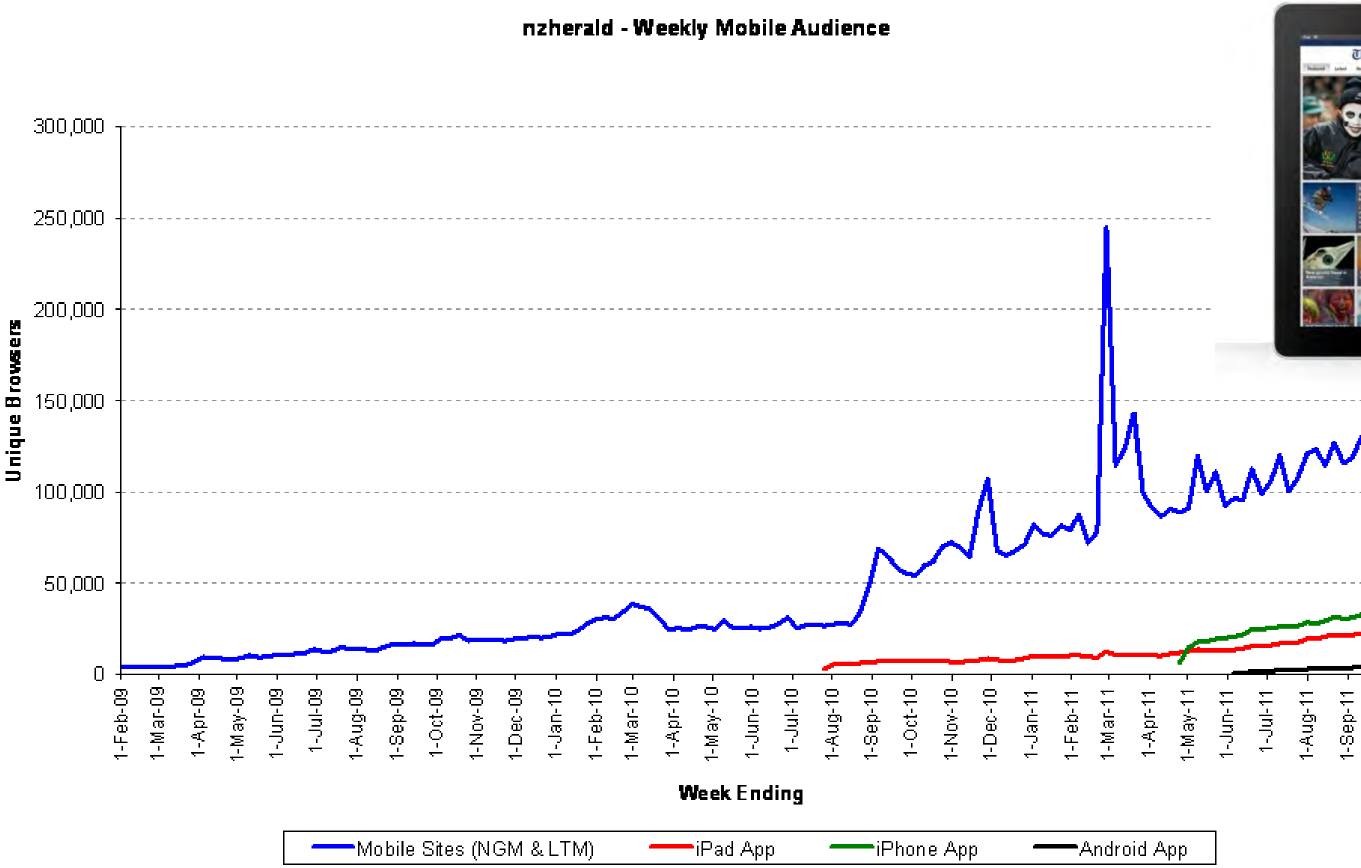
nzherald.co.nz audience is growing strongly

- ***nzherald.co.nz*** is continuing to drive audience growth with traffic records broken during the Christchurch Earthquake in February this year



Mobile share of online growth increasing

- ***nzherald.co.nz*** reaches 62% of the total online audience with high audience engagement – almost double the length of page duration than our nearest competitor
- Over the last 12 months the ***Herald*** has released iPad, iPhone and Android apps which attracted 98,740 unique visitors in September and more than 12 million page views



Source: Nielsen Market Intelligence

APN Consumer magazines deliver to the most important demographics

APN NEWS & MEDIA

Mass Market Weeklies

- Portfolio reaches **1,031,000 unduplicated readers**
- 39% of all **main household shoppers** with children

Current Affairs

- New Zealand's **No. 1 current affairs** magazine
- Readers 47% more likely to be in **top 2 socio** economic groups

Youth

- 227,000 **unduplicated** readers
- Reaches 49% of **all females 10-17**

Lifestyle

- New Zealand's **No. 1 selling fashion magazine**
- Readers twice as likely to have household **income over $120k**

Source: Nielsen National Readership Survey, All People 10+ Sept 10 – Sept 11

How have we achieved this?

1. Superior product innovation

2008

2009

2010

A good run

- Newspaper of the Year – 4 in a row
- Top website
- Herald readership near decade highs
- New Zealand's newsroom

2011

In tough times…

- Natural disasters
- Economic risks
- News proliferation


NEWSPAPER OF THE YEAR
The New Zealand Herald
WAIKATO EDITION
TEEN'S iPOD DEATH
Mum speaks out
viva
Win a trip to Samoa
RugbyHerald
'The All Black we'll target'
JONAH LEAVES HOSPITAL
WORLD CUP OMENS
'Worst disaster'
Stricken ship tips further as oil flood oozes towards beaches
ASTROLABE REEF
KORANDO 2WD AUTO
INTEREST FREE 1/3, 1/3, 1/3
SSANGYONG


CHRISTCHURCH QUAKE DISASTER
The New Zealand Herald
There are lots of bodies . . . just lying there, covered in bricks
OUR DARKEST DAY
At least 65 people killed, with fears toll will reach 300
Frantic search for survivors after buildings crumble
Why 6.3 quake caused so much more devastation


EARTHQUAKE SPECIAL EDITION
THE STAR
FYI
Vital information
My legs or my life
QUAKE AMPUTEE
PLUS
Fast track aid
775 buildings face demolition
Haven for pets
Teen's cruel fate
ALSO World Oscars Business Sport

…and in good times


nzherald.co.nz MONDAY, OCTOBER 24, 2011 $2.00

The New Zealand Herald

WORLD CHAMPIONS SPECIAL EDITION

SWEET MERCI!

World champions – by one point. Victory sealed by 30 men for a stadium of four million.

The valiant All Blacks ended 24 years of World Cup grief with an incredible, heart-stopping 8-7 victory over a dogged French side at Eden Park last night.

Battered and bruised, Richie McCaw hoisted the Webb Ellis Cup aloft, extending a nationwide party long into the night and well into Labour Day. Some of his All Blacks, including hard man Brad Thorn, were in tears.

"I'm absolutely shagged," said McCaw, reminiscent of the comments of another great All Black, Peter Jones.

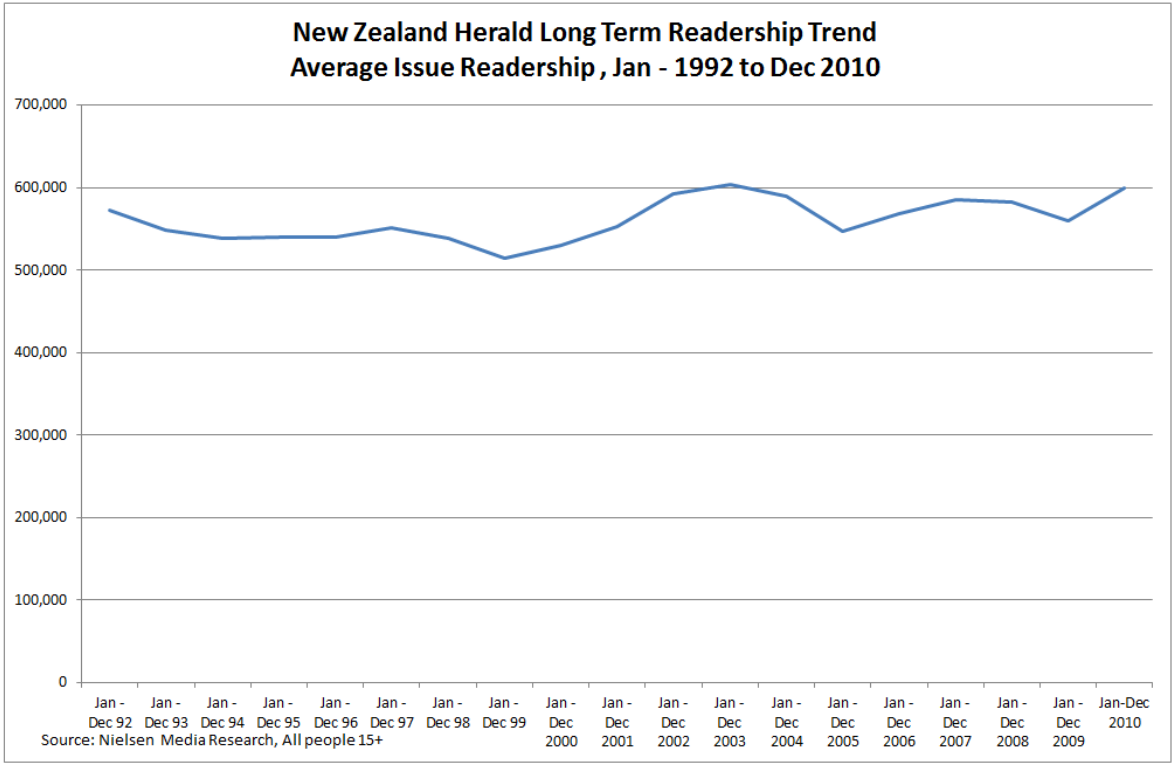
Fittingly, it was an All Black vilified by many over the past 18 months who nailed the penalty to put the All Blacks beyond reach. Stephen Donald, the fourth-string first five-eighths, handled the cauldron with aplomb. "Jeez, he was composed," beamed McCaw.

After a shocking 12 months for New Zealand – more than 200 killed in the Christchurch earthquake and at the Pike River mine – the victory stretches far beyond the rugby field. It's a triumph for the nation, a party for us all – and the dawn of a new legacy of All Black dominance.

• VICTORY COVERAGE A2, A3, A4, A5, A7, A8 • PARADE PLANS A4 • RugbyHerald P1-12, including ABs POSTER

…and in good times

- World class for World Cup
- 1000 extra pages
- 11 magazines, 48 Rugby Herald’s, rugby TV
- APN whole more than parts



Readers up…

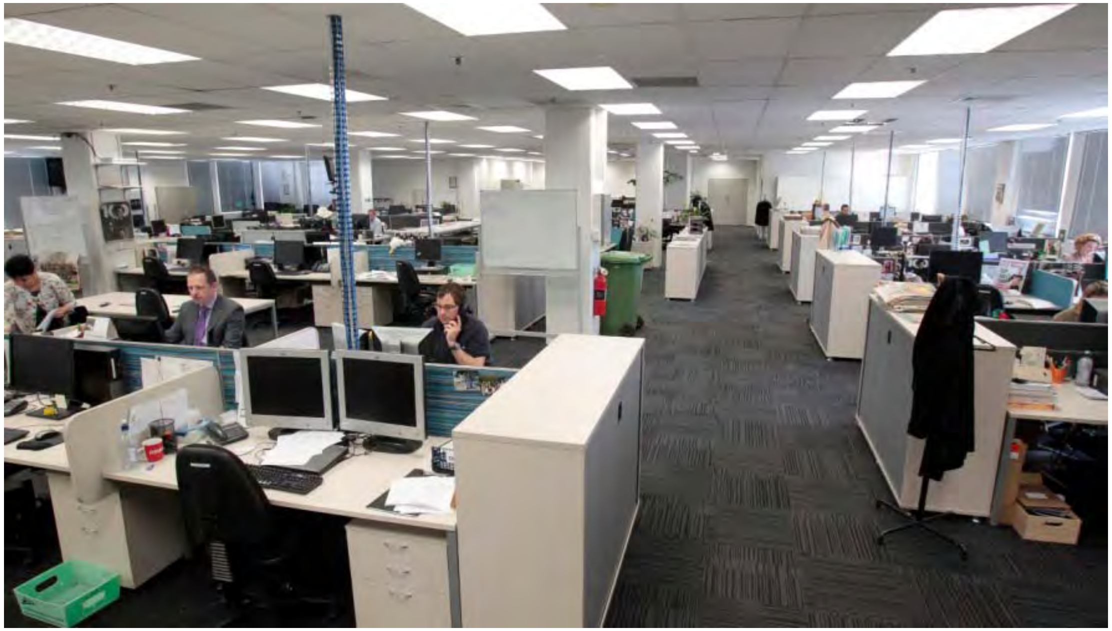
- Hit decade highs
- All segments of brand audience up
- nzherald.co.nz record traffic and long stayers

How we've done it…

- Seizing the centre
- Popularised NZ Herald
- Women, family, middle market
- Inspired by site and Herald on Sunday
- Relentless on opportunities

News Plus

- Permanent improvement to core news
- New added-value magazines
- Story first – channel giving best bang for buck



What Now

- Integrate content gathering – lift the Sunday
- Exploit content goldmine in verticals
- Digitise print journalism
- Give customers what they want, where they want it

How have we achieved this?

2. High subscriber penetration, data and direct relationships

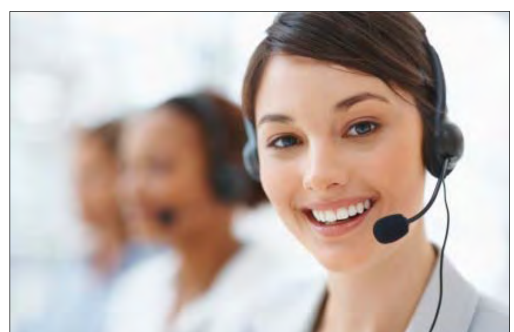
How have we achieved this?

… and why are we different

1. Own our customer database and the end to end customer experience
2. Commitment to gathering as much actionable data as we can manage.
3. Increased our understanding of the market
4. Investment in the tools and people to leverage the data
5. Unwavering focus on quality acquisition. **Retention commences with acquisition**
6. Developed continuity and communication programme

1

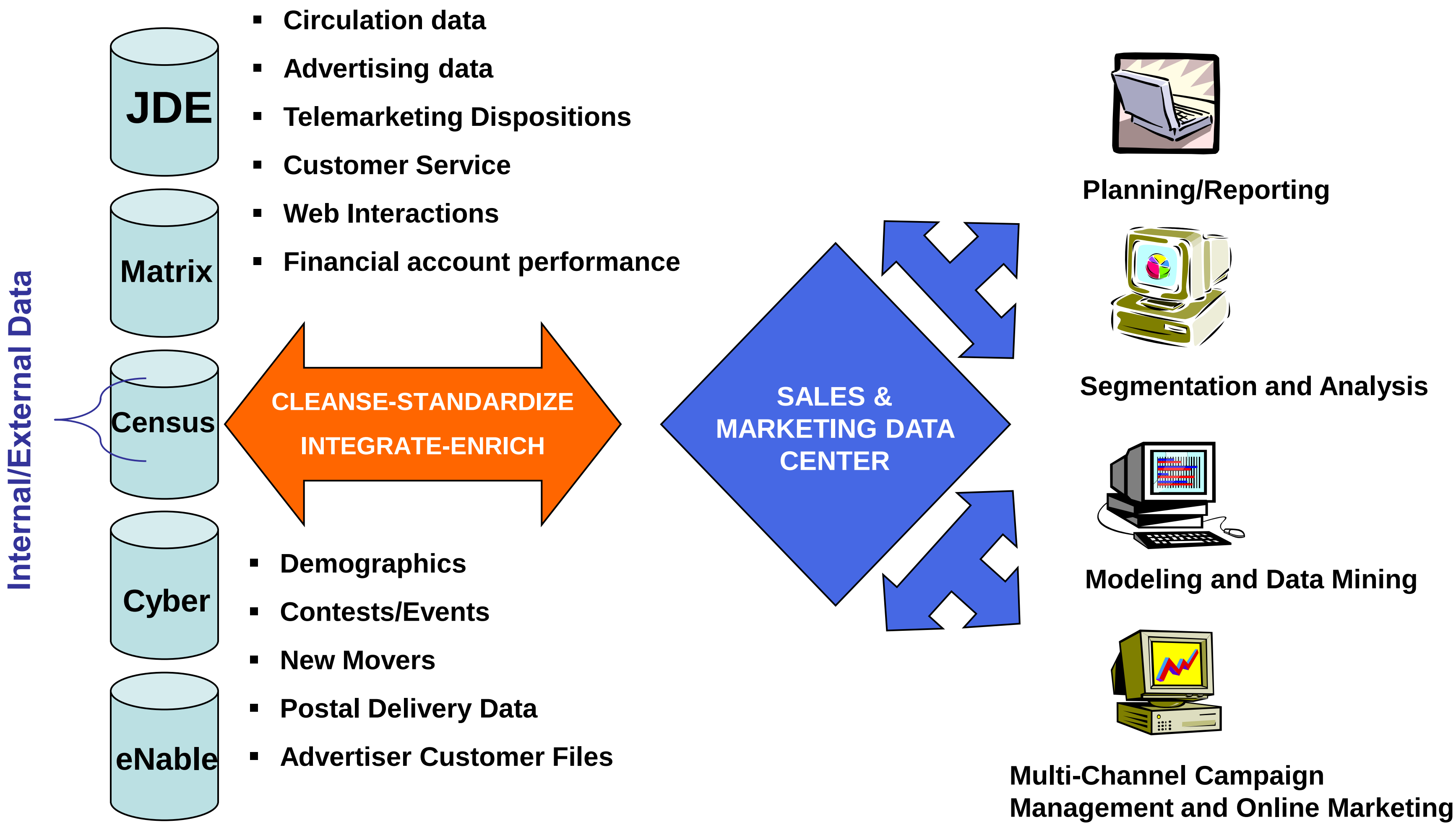
2



3

Investment in tools and people

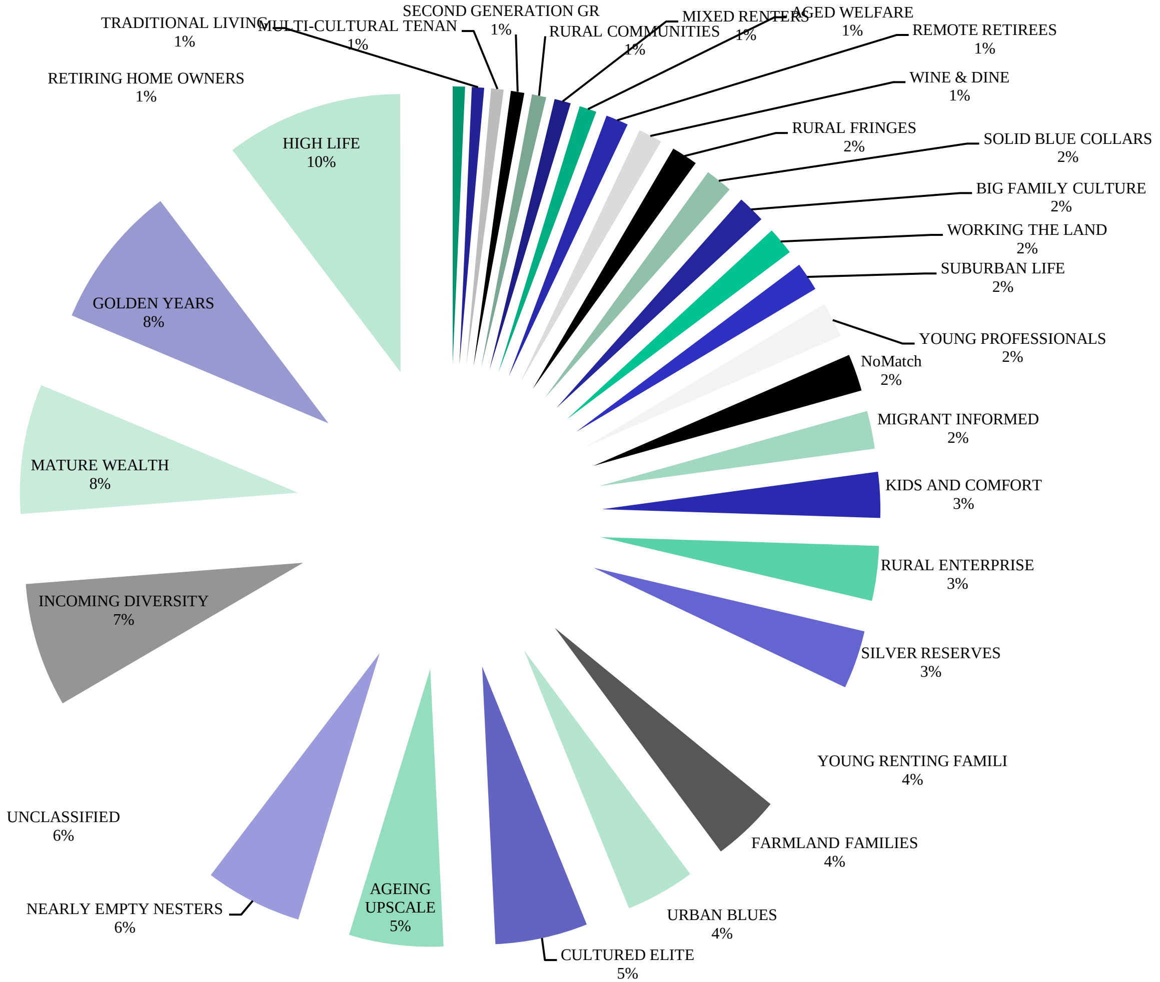
MaaX: collects information from multiple sources and presents in real-time – quickly & easily



Retention commences with acquisition

Who are the most profitable subscribers?

Purchased Acxiom segmentation licence to enable targeting of direct selling activity to households that share characteristics of more profitable or sticky existing subscribers



Retention commences with acquisition

Quality impacts all sales programmes

APN NEWS & MEDIA

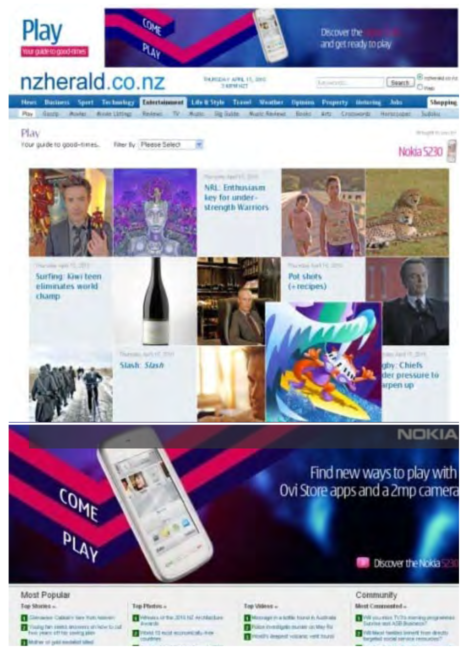
- Door-to-Door sales team given actual addresses to knock
- Enter promotions live at events to generate prospect lists
- Partnered with quality databases to offer free sampling trials without damaging brand equity
- Telemarketing unit focuses on “warm” leads to increase conversion

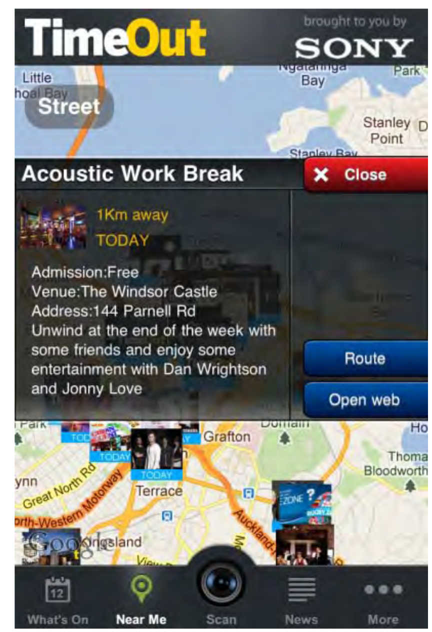
Where to next

- Link all APN databases to gain single customer view and leverage new data
- Predictive churn modelling based on live daily activity
- Route optimisation to shorten the time to market
- Integrate circulation and marketing functions with NZM
- Increased contact management of the market.

How have we achieved this?

3. Our complimentary multi-platform approach





APN multi-media case study launched for RWC
Brancott Estate

APN NEWS & MEDIA

- Brancott Estate – exclusive APN campaign promoting official Rugby World Cup sponsor
- Objective: Move Brancott Estate **brand awareness from 30% to 60%** in 3-month, 2 wave campaign
- Outdoor billboards, TRN Radio, NZ Herald, canvas and Listener – launch wraps and print campaign, nzherald.co.nz – banners and homepage
- Result: **Brand awareness outperformed at 66%** at the end of wave 1 (final results available December)
- Full campaign results will be developed into a trade marketing case study demonstrating **APN's ability to build brands** through **multi media engagement**

Proven ability to drive online brands

- GrabOne launched in the NZ market in July 2010
- APN 'family' marketing support has enabled GrabOne to launch rapidly into the NZ market – rate card value of $1.2 million over 10 months
- Trust and credibility of APN's media portfolio gave New Zealanders the confidence to trial a new way of buying
- Despite a rapid proliferation of similar websites, GrabOne holds a strong #1 position and 60% market share … and the major advantage in the minds of consumers as first to market in NZ

APN
NEW ZEALAND

The New Zealand Herald | WeekendHerald | HERALD ON SUNDAY | nzherald.co.nz | New Zealand Magazines | APN REGIONAL NEWSPAPERS

New Zealand Media

December 2011

Matt Crockett
Acting CEO

Tim Murphy
Editor in Chief, Herald titles

Matthew Wilson
GM, Newspaper Sales

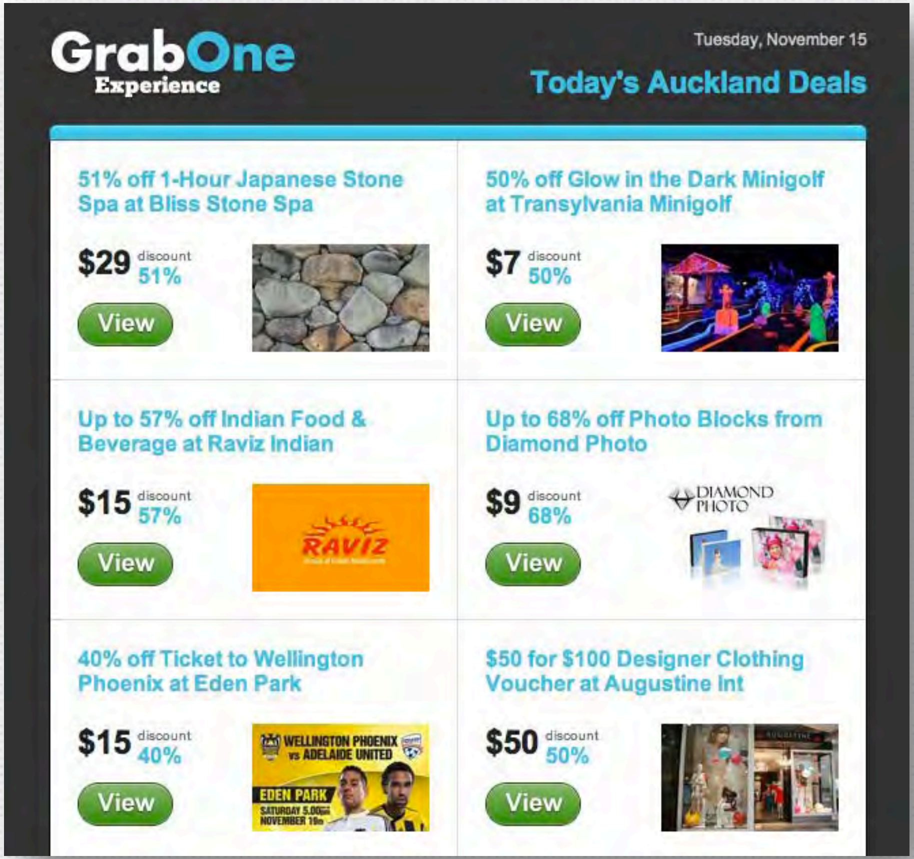
APN INVESTOR CONFERENCE

SHANE BRADLEY
DECEMBER 5TH

RECAP ON THE MODEL

GrabOne
Buy together, Save together

- Sales Rep organises a deal with a business
- Deal featured online for 24 hours
- Email sent to members at 8:30am
- Members purchase throughout the day and get a coupon to redeem at the business
- GrabOne earns money by taking a commission off each sale



WHY MERCHANTS LOVE US

GrabOne
Buy together, Save together

Valuable new customers, guaranteed!

- Benefit from our established and eager customer base.

Positive exposure

- Exclusive spotlight on the business.

Risk free marketing

- It costs nothing to be featured on GrabOne. Only pay commissions based on pre-determined prices and volumes.

Measurable activity

- Track demand in real time and study the results after.

Generate repeat business

- Retain new found customers and drive more business in the future.

WHY MEMBERS LOVE US

- We give members opportunities to enjoy their city while saving money
- 100 + deals a day – we have the widest selection of deals available in the market
- Available in 14 regions in NZ
- Ability to purchase deals on desktop, mobile devices.

17 MONTHS ON – THE CHANGES IN THE PRODUCT

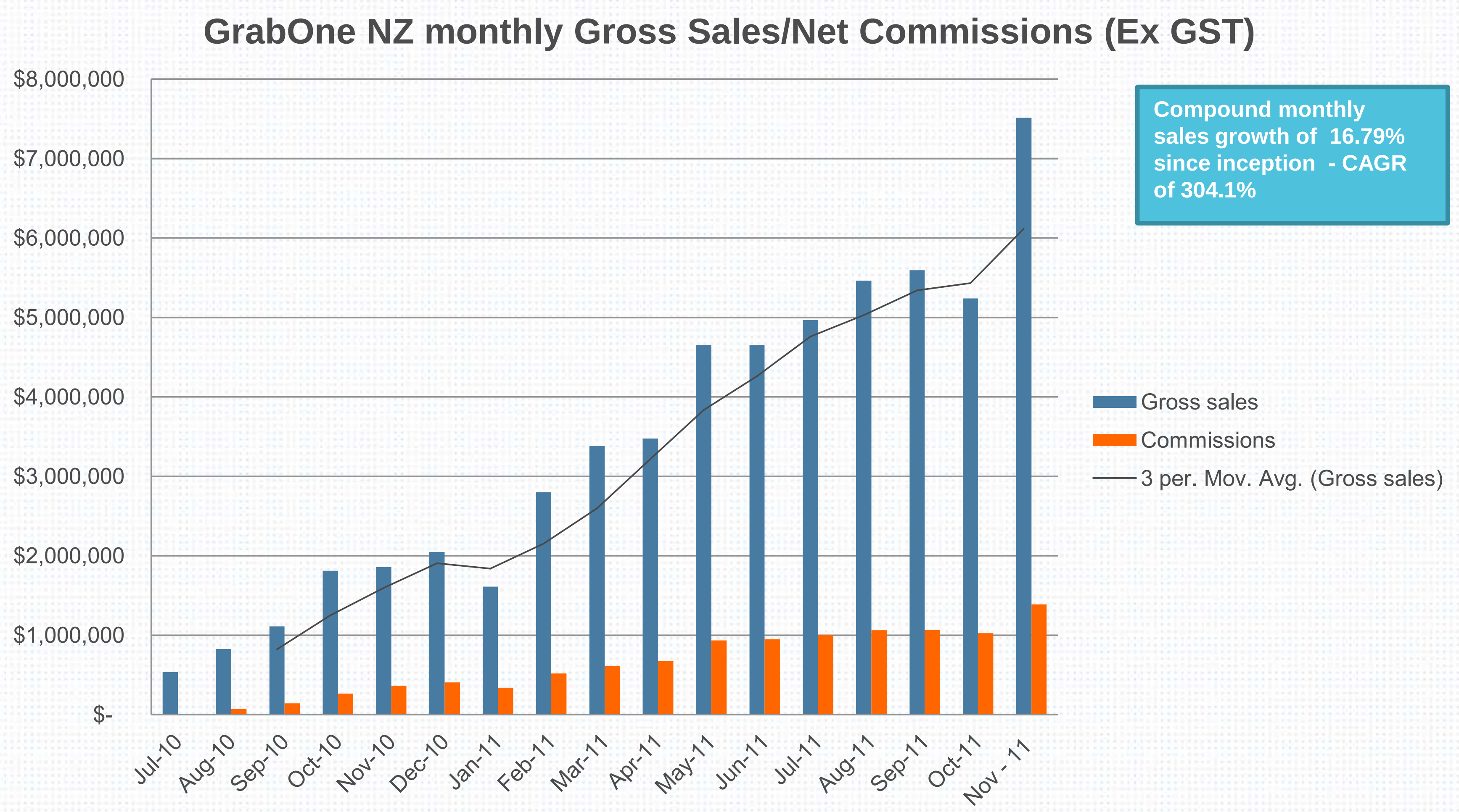
GrabOne
Buy together, Save together

- 2010 GrabOne was
  - 1 deal a day in Auckland
  - 7 people

- 2011 GrabOne is
  - 3 countries
  - 23 Regions
  - 100+ deals a day
  - 7 different verticals – Experiences, Home & Garden etc
  - 800,000 + members
  - 150,000 daily visits to the site (NZ only)
  - 50,000+ daily visits to our mobile sites
  - $7 mil + monthly gross sales
  - 115 people

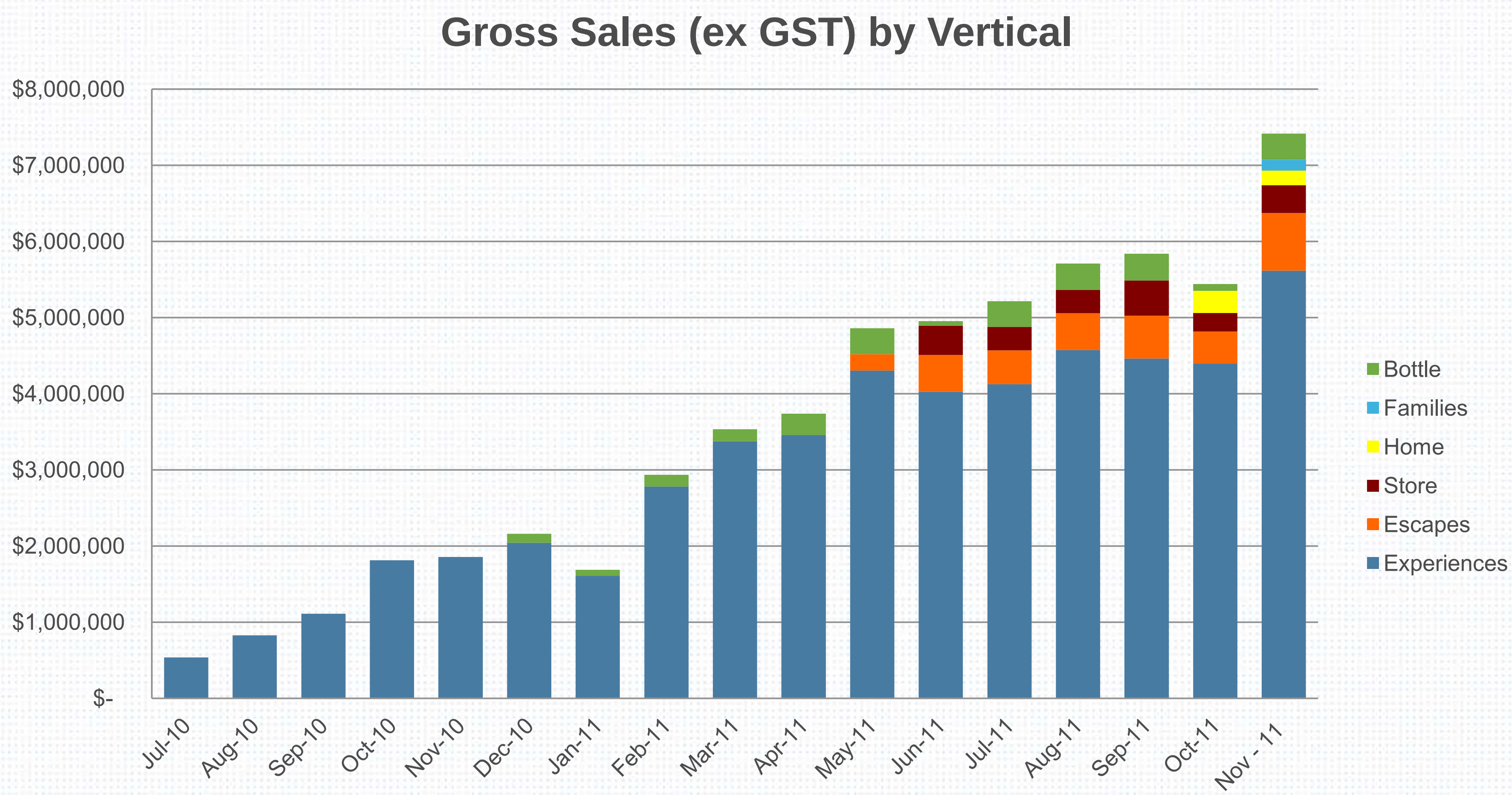
TOTAL COMPANY GROWTH

GrabOne
Buy together, Save together



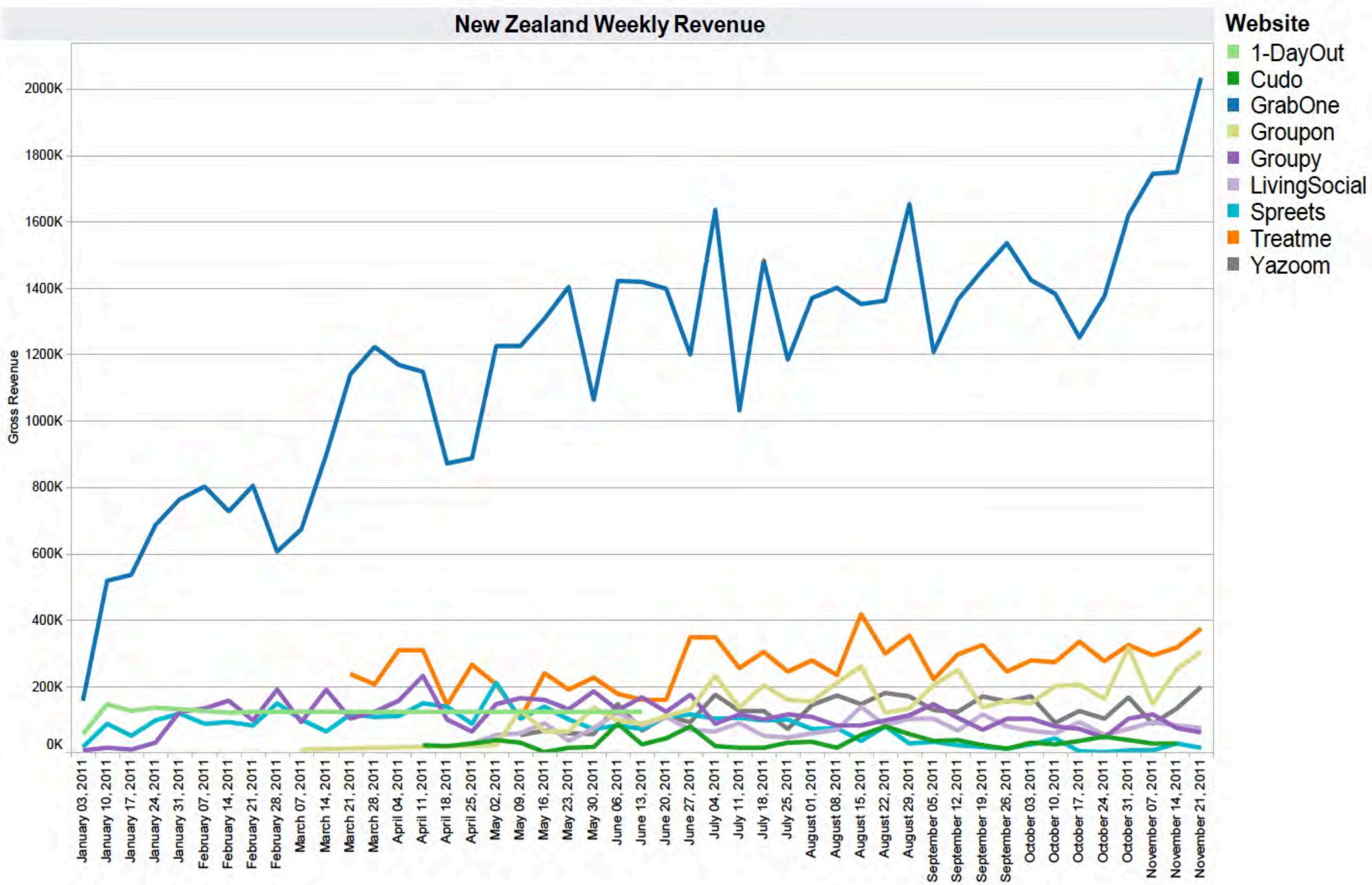
GROWTH COMING FROM NEW CHANNELS

GrabOne
Buy together, Save together



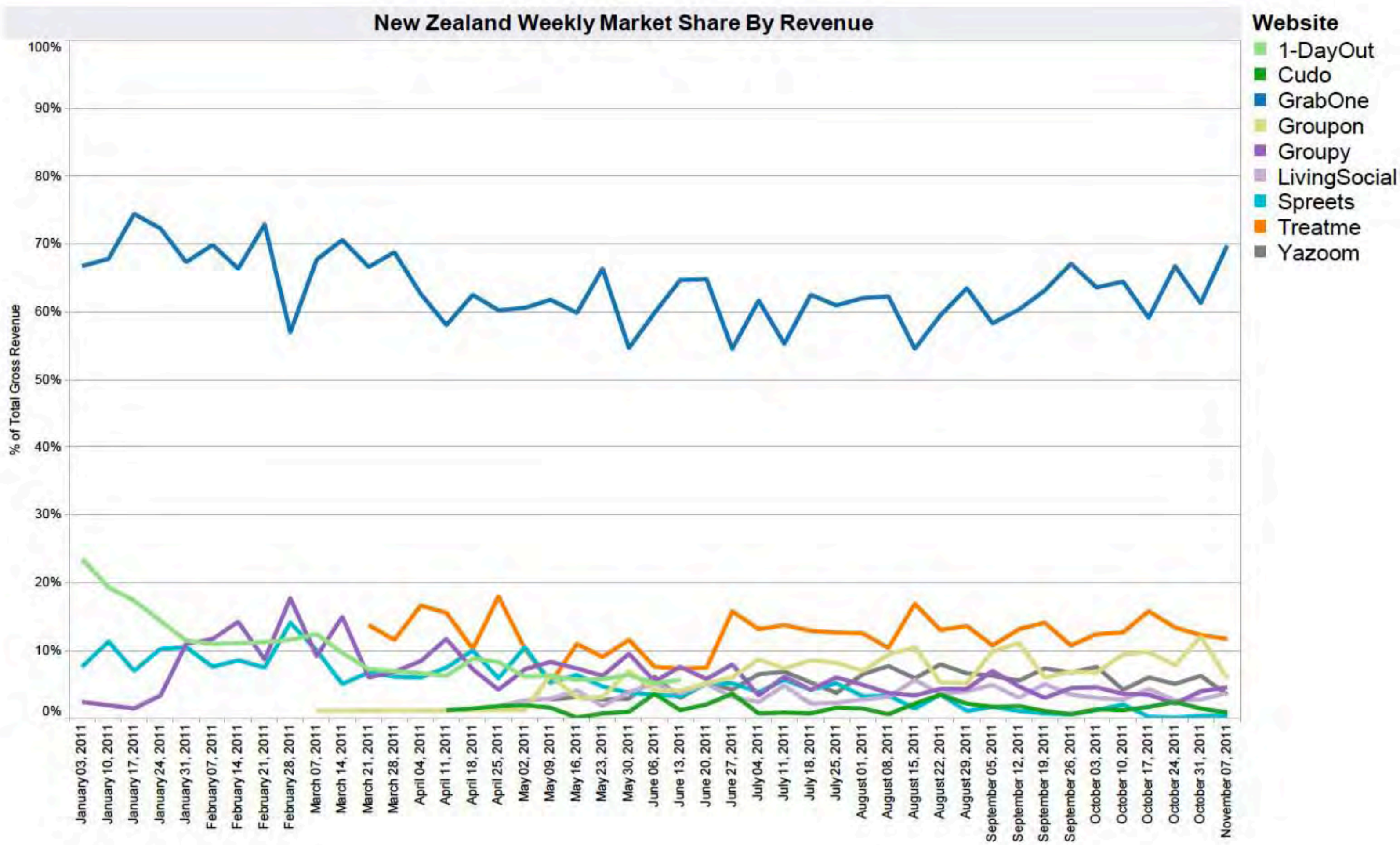
WE ARE THE CLEAR NUMBER 1 IN THE NZ MARKET

GrabOne
Buy together, Save together



MARKET SHARE CONTINUES TO HOLD FIRM

GrabOne
Buy together, Save together



MERCHANTS SURVEYS

GrabOne
Buy together, Save together

When we asked our merchants what they thought of us - this is what they had to say:

- 94% would consider running another deal
- 91% would recommend running a GrabOne deal to a friend of colleague
- 97% were satisfied with their overall GrabOne experience, from initial contact to completed deal
- The majority of merchants surveyed claimed daily deals was the number one form of advertising they intend to spend their marketing budget on

MEMBER SURVEY

When we surveyed our Grabbies, the majority believed GrabOne is the best site, most trustworthy deal provider and easiest to use:

- 92% of Grabbies think we have the best deal site
- 87% of Grabbies think we have the best range of deals
- 95% found our website easy to use and our deals easy to access
- 87% had a great experience grabbing a deal from GrabOne

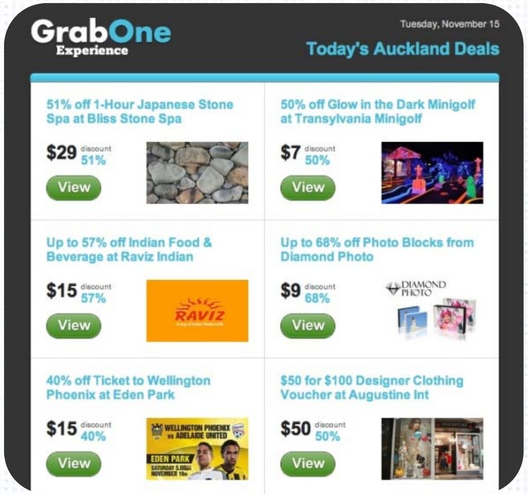
WHY ARE WE SUCH A CLEAR NUMBER 1 IN NZ?

GrabOne
Buy together, Save together

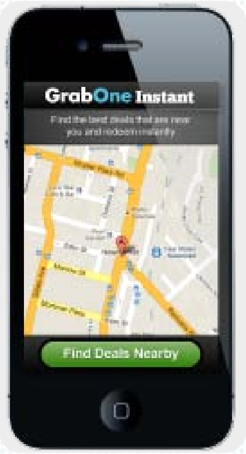
- Brand
- Talent
- Scale
- Operational Excellence
- Innovation
- Technology

3 KEY PILLARS OF GRABONE

1. Customer Acquisition
   – GrabOne Daily Deals



2. Yield Management
   – GrabOne Instant



3. Loyalty & Retention
   – GrabOne Reward Program

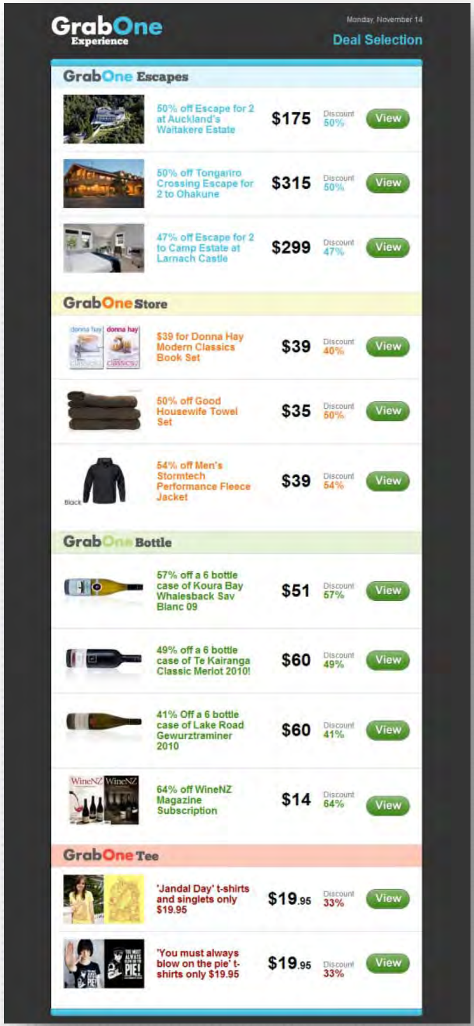
PERSONALISATION

- Sending deals specific to your wants

- Our members are telling us their
  - Age
  - Birthdate
  - Marital status
  - Preferred restaurant types
  - Preferred deal types
  - No more haircuts!!

- Email is personalised with deals that match your criteria

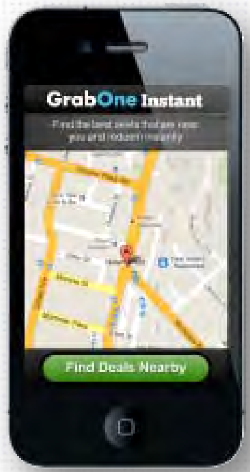
- Higher CTR, less churn



GRABONE INSTANT DEALS

GrabOne
Buy together, Save together

- Geo Located deals
- Run for short periods of time & shorter quantities
- Members search via smartphone
  - GO has 50,000 + people daily use one of its Mobile offerings
- Merchants provided with Tablet for instant redemption
- Merchants can self serve deals



FUTURE AND BEYOND

Opportunities exist to work with our merchants on a range of other products to become their marketing partner, such as.

- Online booking systems – i.e restaurants, hairdressers
- Social Media presence – i.e Facebook / Twitter
- Online presence – i.e google, websites
- Loyalty Programs

SELLA

- Sella continues to grow slowly but surely
- We are working on a significant change to the model and will relaunch the site shortly
- Possibilities to tie Sella & GrabOne together are opening up
- Since TradeMe IPO documents have been in circulation more Traders have become aware of how much money TradeMe makes.

SELLA – LISTINGS HAVE GROWN 50% OVER THE YEAR

GrabOne
Buy together, Save together

SELLA – MEMBERS UP 65% FOR YEAR TO DATE

GrabOne
Buy together, Save together

Questions?

RETAIL DIGITAL EXPERTS

APN Investor Presentation - CC Media

December 2011

Background

- CC Media commenced pilot operations in 2006 as www.cataloguecentral.com.au
- Founder Robert Wong – 20 years advertising experience (Above the line, Direct, CRM, Online)
- Objective: Capture migrating advertising as retailers focus on high growth in online audiences and broadband.
- Strategy - Use the retailers most effective offline traffic driving vehicle “catalogue” and present this to online audiences, based on a pay for performance readership model.
  - Value to retailers : More efficient reach targeting “interested buyers”
  - Value to Consumers: 24/7 access when they want. “No junk”
- Successful high growth securing major clients with room to expand scale.
- 2009/10 Expanded scale through development of iNC Retail Affiliate Network
- Majority Acquired by APN in August 2011.

Executive Team

Robert Wong - Founder CEO Commercial Director

Jason Kibsgaard – Operations & Product Innovation

David Burke – Network Partner Development

Tasha Velican – Behavioural Analytics & Insights

Matt Paine – Key Client Business Development

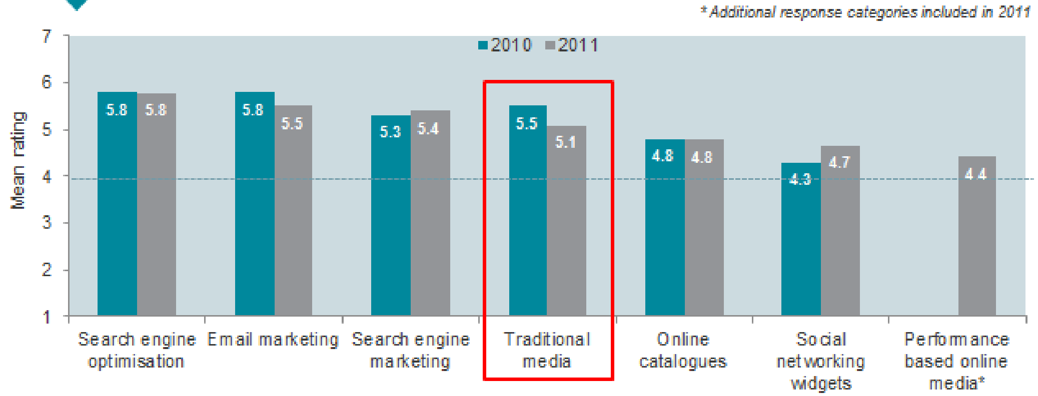
Retail Advertising Market

CCmedia
RETAIL DIGITAL EXPERTS

- Retail is the single biggest advertising category (TV, Press, Radio, Outdoor etc) at over $2 billion per year. Source: CEASA 2010
- In-addition retailers spend an additional $2 billion on Catalogue Print & Distribution (Estimated Over $1billion in the top 100 retail advertisers). Source: Australian Catalogue Assoc.

Retail Online Advertising Priorities

ccmedia RETAIL DIGITAL EXPERTS



Importance of online media

Traditional media still lags behind online and interactive media in 2011, with respondents rating SEO (5.8), email marketing (5.5) and SEM (5.5) all higher in importance than traditional media (5.1).

Most important strategies

- Respondents rated their top three strategies in each of the following areas:
  - Top 3 for **online advertising** were the same as in 2010
    1. SEO
    2. Email marketing
    3. Online catalogues
  - Top 3 for **online selling** were the same as in 2010
    1. Driving traffic to stores
    2. Driving traffic to websites
    3. Building a customer database for marketing

Consumer Media Migration

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RETAIL DIGITAL EXPERTS

The market's shifted,
It's now a matter of how far.....

Roy Morgan Research

(Roy Morgan Study 2010)

Already 20% of Australian's 18-64 prefer digital catalogues to paper catalogues.

57% of people aged 18-64 are interested in reading online catalogues.
This is the swinging vote that will continue to migrate to preferring online catalogues over paper catalogues in the coming years

Even changes in living habits ie inner urban, high density living effects catalogue consumption

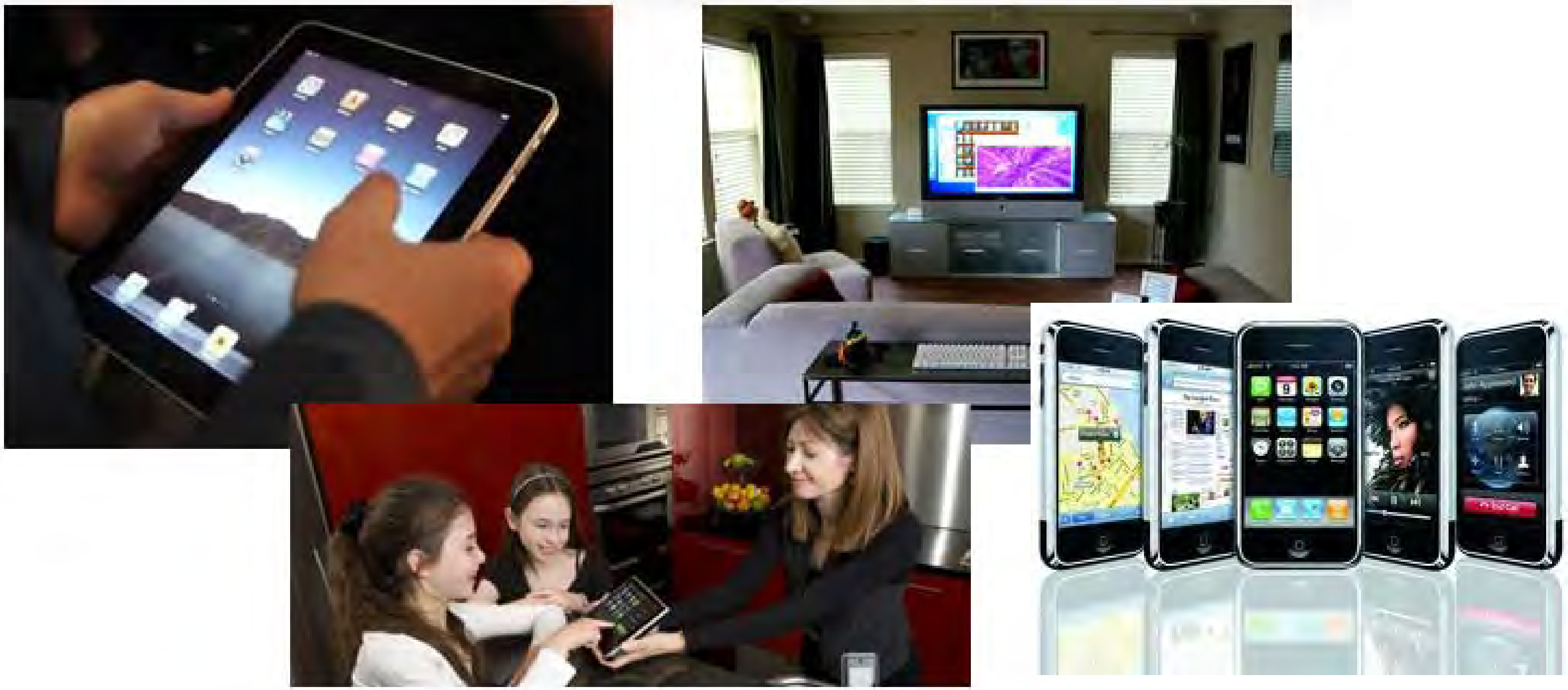
29% of people in flat/apartment over 3 levels DON'T receive a physical catalogue.

Consumer Media Migration

RETAIL DIGITAL EXPERTS

We are changing how we consume media .....

(Roy Morgan Study 2010)



How our Business Works

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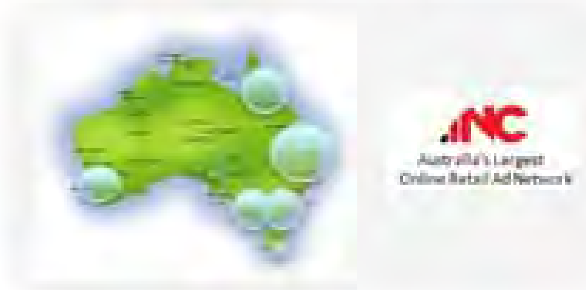
RETAIL DIGITAL EXPERTS

1. Catalogue converted from PDF into online version for iNC distribution

2. Catalogues distributed <u>online</u> around Australia from city to country



3. Catalogue placed across network of 5,800 sites / 3.8million+ consumers

4. Campaign target achieved, data and analytics reported.

Multichannel Digital Reach

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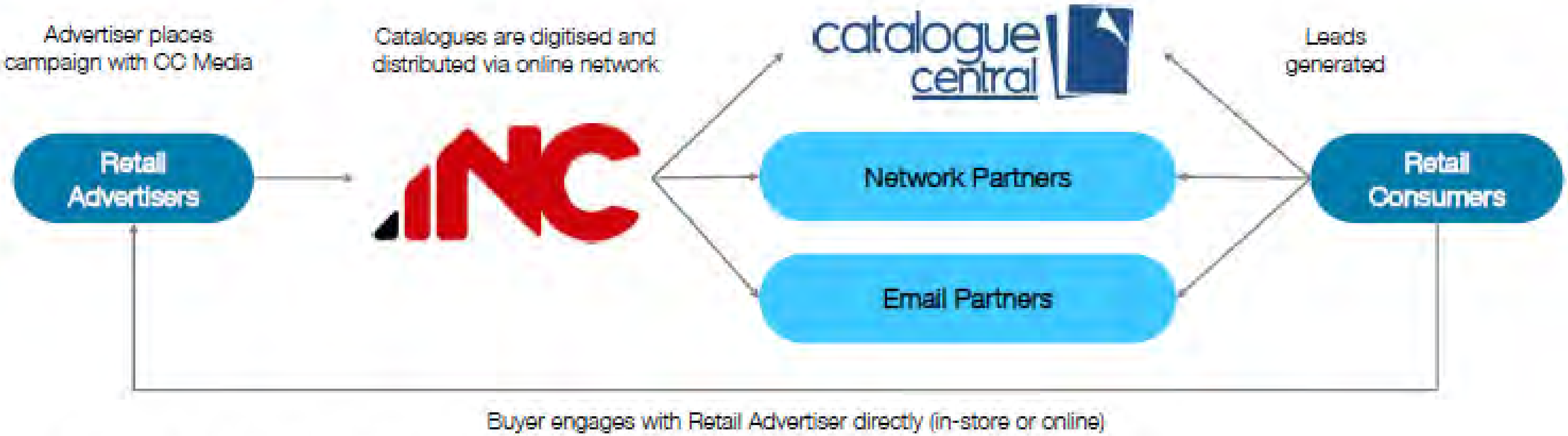
RETAIL DIGITAL EXPERTS

Revenue Model

Delivers online audiences on a fee for performance basis to retail catalogue advertisers

CC Media revenue model



- Cost per read revenue model
  - Retail advertisers only pay for digital catalogue readership delivered
    - Charged when a consumer downloads a digital catalogue from the iNC network
  - Standard rate is highly competitive in comparison to the cost of paper catalogue delivery
- Additional revenue streams include analytics, banners, e-commerce links, email campaigns and production
- CC Media's campaigns are delivering on average 600,000[1] reads a month and trending upwards

Major Retail Clients

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RETAIL DIGITAL EXPERTS

Kmart
Target.
Dan Murphy's
BUNNINGS warehouse

Snooze
ABC Shop abcshop.com.au
ToysRus
adairs

TVSN TV Shopping Network
vodafone
SNOWGUM
AllansMusic + billy hyde

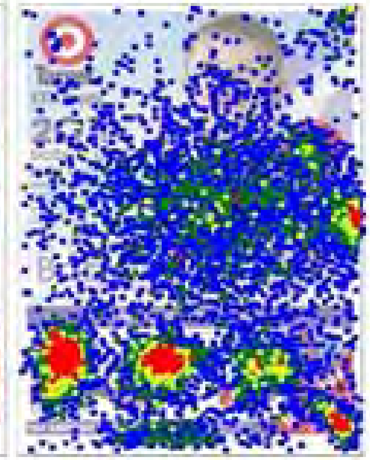
SPOTLIGHT
THE GOOD GUYS
TerryWhite chemists
Officeworks

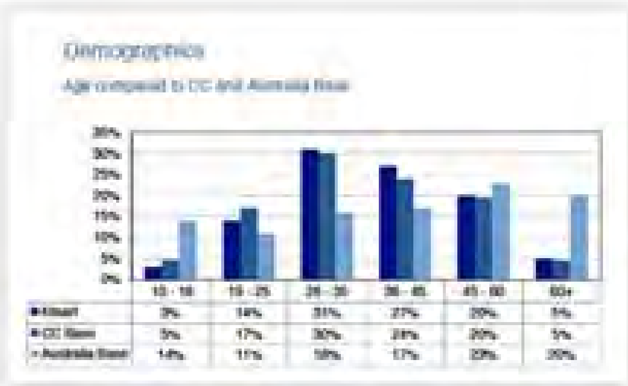
IKEA
BEST & LESS BIG ON QUALITY, LOW ON PRICE
reece
SUPERCHEAP AUTO

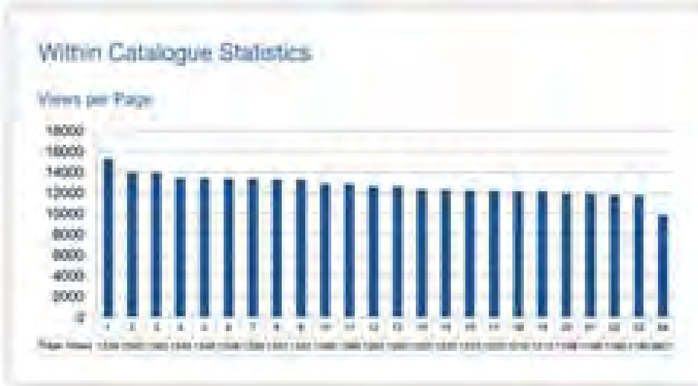
Behavioural Analytics Databank

RETAIL DIGITAL EXPERTS

- Receive full reports on each catalogue/campaign with invaluable information to help future marketing decisions:
  - Demographics
  - Catalogue statistics
  - Heat map
  - Data analytical reporting

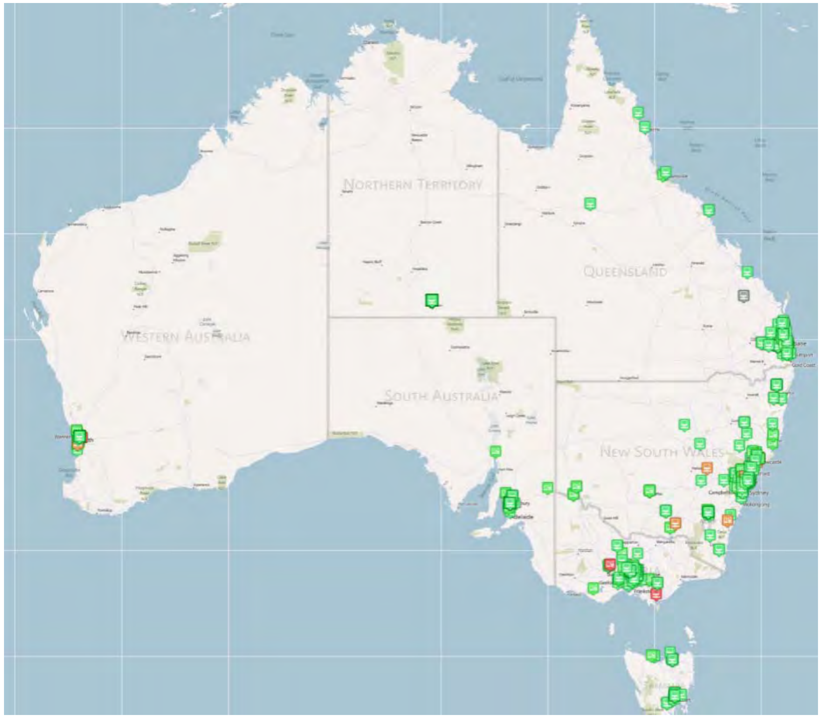






Network Performance Monitoring

- Network performance is of critical importance to our business as lagging seconds can cost us substantially in lost revenue.
- We have developed a national alert system which allows us to monitor and drill down to any location nationally when and where network problems occur across our Network.



Case Study - It's about Results

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— Major Australian bedding & manchester business

— Over 80 stores nationally.

Campaign Objectives

- Prove digital catalogue performance compared to traditional media used by Snooze.
- To what extent can digital distribution drive in-store and web traffic.
- How does this lead to efficient sales.

Digital Catalogue Distribution Campaign

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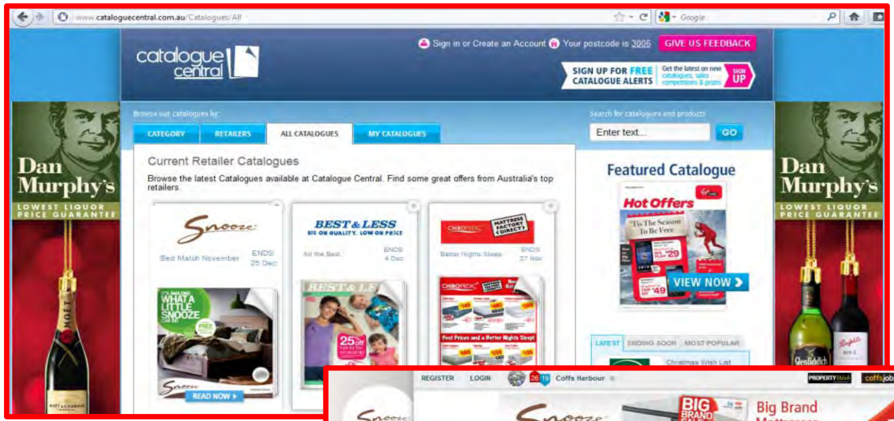
RETAIL DIGITAL EXPERTS

- Digital catalogue promoted through our 200 Network partners in September 2010 for two weeks, then two additional test campaigns over three months.



Results

- 30,000 digital catalogues were read in the first two weeks.
- CC Media PA Survey
  - 18% into store or web
  - 10% purchased
- Now investing significantly in online catalogue distribution media.
- New behavioural marketing intelligence

Value Proposition

Online retail catalogue advertising is more efficient and aligns advertising spend with viewing habits of consumers driving both on and offline store traffic.

- Advantages are it's:
  - Price competitive and performance guranteed
  - Measurable ROI
  - New behavioural analytics
  - Significant online reach

- CC Media provides a specialist online performance based advertising media for retailers, allowing them to align their media spend with audience migration to online media channels with zero wastage - guaranteed.

Future Growth Direction

ccmedia RETAIL DIGITAL EXPERTS

- Increased share and evolution of the business model
  - Variable pricing by category
  - Combination pricing (CPM, CPC, CPA, CPS)
- Complimentary media products (Retail Video)
- New media segments (Motor, New Homes)
- International expansion

Value of the APN Partnership

- Access to Senior client relationships directly and with agencies
- Network traffic through APN Online Properties
- Expansion opportunities internationally (NZ and other markets)
- Joint sales partnering opportunities
- Opportunity to be a significant part of APN’s digital portfolio strategy and intellectual brains trust.

Questions