



2009 Full Year Result

23 February, 2010

Chief Executive Brendan Hopkins
Chief Financial Officer Peter Myers

Overview

- Result in line with guidance
- Strong cost outcome – high operating leverage
- February/March 2010 revenue improvement
- Publishing leading the recovery in Australia and New Zealand
- Online integration progressing to plan
- New Fairfax online venture
- Significant debt reduction
- Outlook more positive

2009 Full Year Result

Revenue	\$1,030.7m
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EBITDA	\$230.2m
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EBIT	\$189.0m
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NPAT	\$94.2m
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Earnings Per Share	17.0 cents
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Dividend Per Share	4.0 cents (fully franked)
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Note: Unless otherwise stated, all figures are before exceptional items and discontinued businesses

Divisional Performance – FY[†]

AUD millions	Revenue			EBIT		
	FY 2009	Change on pcp		FY 2009	Change on pcp	
		LC*	Reported		LC*	Reported
Australian Publishing	272.2	(11%)	(11%)	59.5	(29%)	(29%)
NZ Publishing	321.9	(15%)	(18%)	66.5	(24%)	(27%)
Australian Radio	123.3	(6%)	(6%)	43.6	(9%)	(9%)
NZ Radio	85.0	(15%)	(19%)	13.5	(32%)	(35%)
Outdoor	231.0	(14%)	(13%)	16.1	(60%)	(59%)
Corporate	9.1			(10.2)		
Total	1,042.4	(13%)	(14%)	189.0	(32%)	(33%)
Interest	1.7					
Exceptionals	7.9			(5.5)		
TOTAL	1,052.0			183.5		

† Before exceptional items and discontinued businesses.

* Local Currency

Divisional Performance – H2[†]

AUD millions	Revenue			EBIT		
	FY 2009	Change on pcp		FY 2009	Change on pcp	
		LC*	Reported		LC*	Reported
Australian Publishing	140.6	(8%)	(8%)	33.7	(21%)	(21%)
NZ Publishing	164.3	(10%)	(13%)	36.4	(9%)	(11%)
Australian Radio	63.7	(5%)	(5%)	21.5	(15%)	(15%)
NZ Radio	43.4	(12%)	(15%)	7.7	(20%)	(22%)
Outdoor	115.5	(13%)	(16%)	12.5	(46%)	(47%)
Corporate	7.8			(3.0)		
Total	535.3	(9%)	(11%)	108.8	(24%)	(25%)
Interest	1.1					
Exceptionals	4.4			1.2		
TOTAL	540.8			110.0		

† Before exceptional items and discontinued businesses.

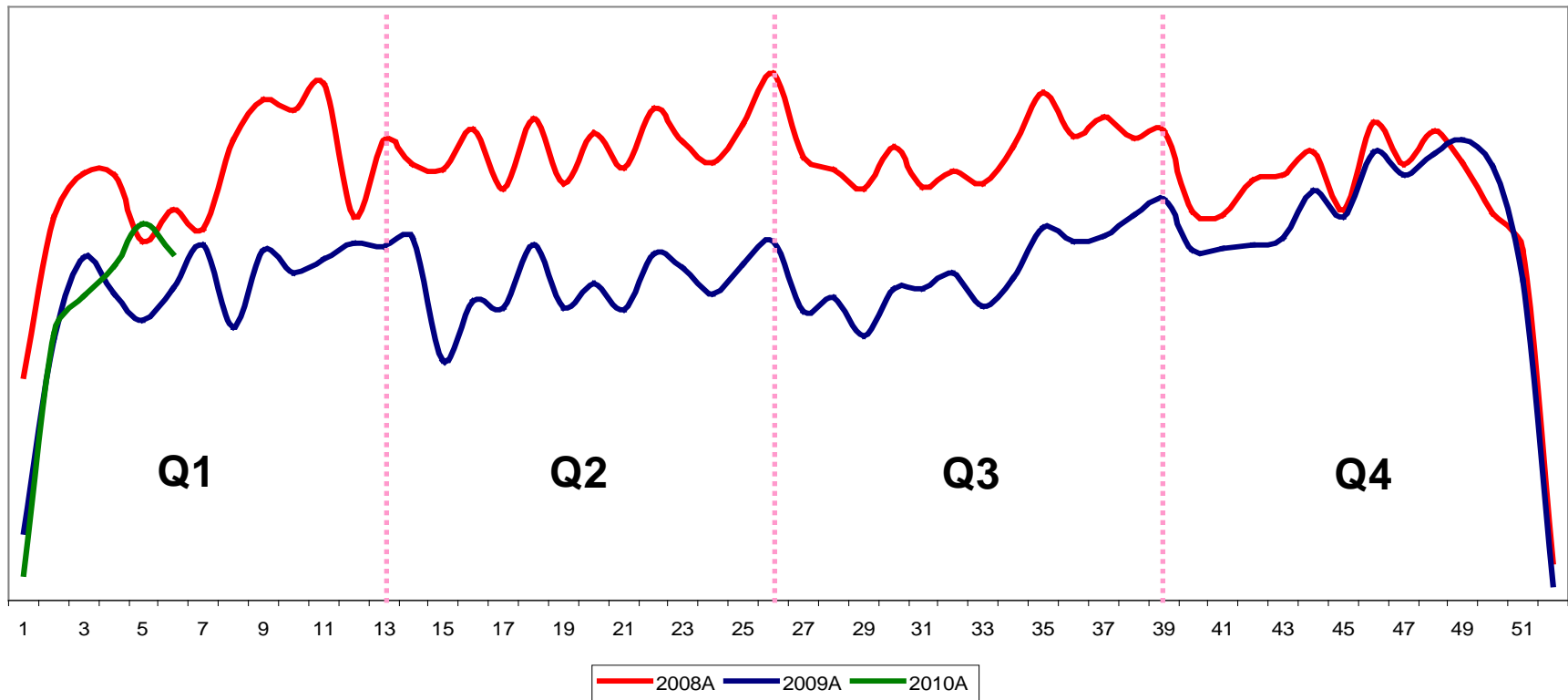
* Local Currency

Australian Publishing including Online

		Revenue	Costs	EBIT
H2 Performance	A\$	(8%)	(2%)	(21%)

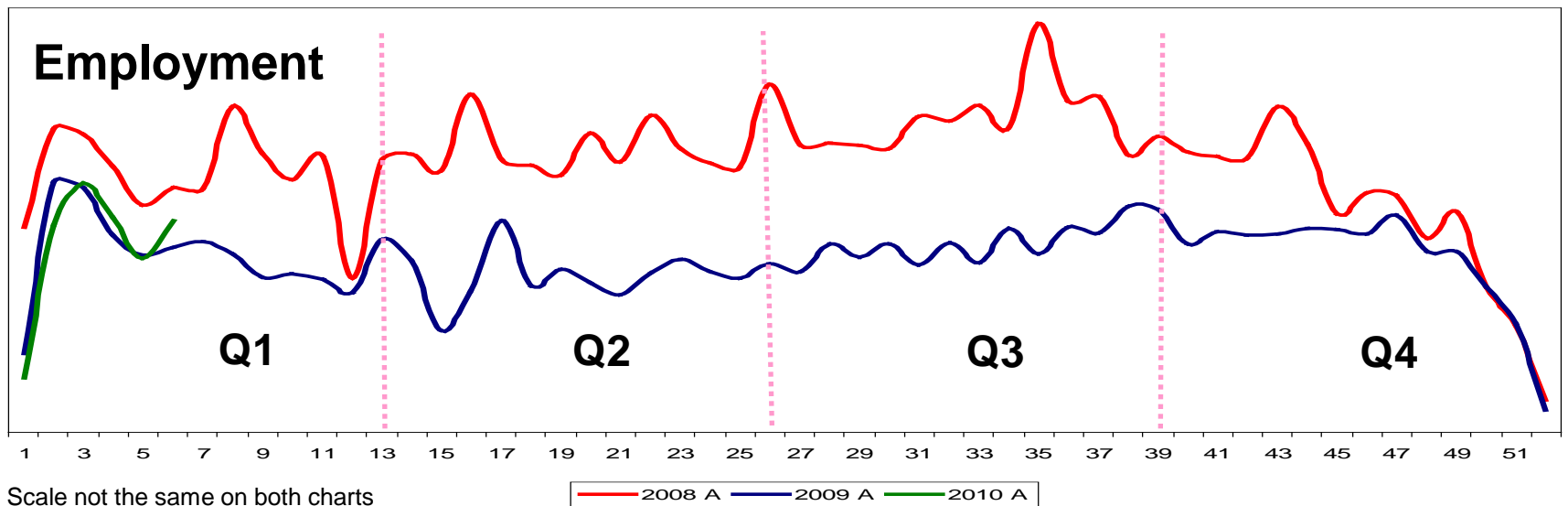
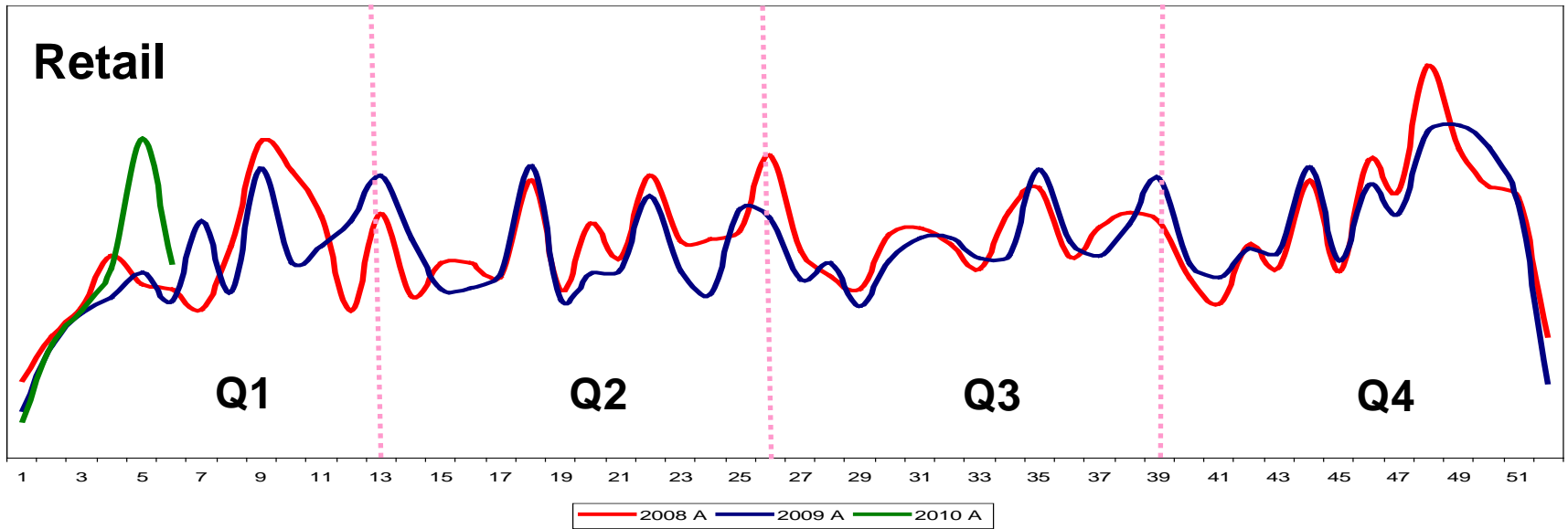
- Restructuring completed – core businesses in good shape
- Press upgrades improve product quality and attract new contracts
- Strengthened management team
- Long-term newsprint arrangement
- Q4 improvement continues into H1

Australian Newspapers – Ad revenue



- Impact of GFC evident from Q3 2008
- Gap closed during Q4 2009
- Further strengthening apparent in start to 2010, tracking ahead of 2009

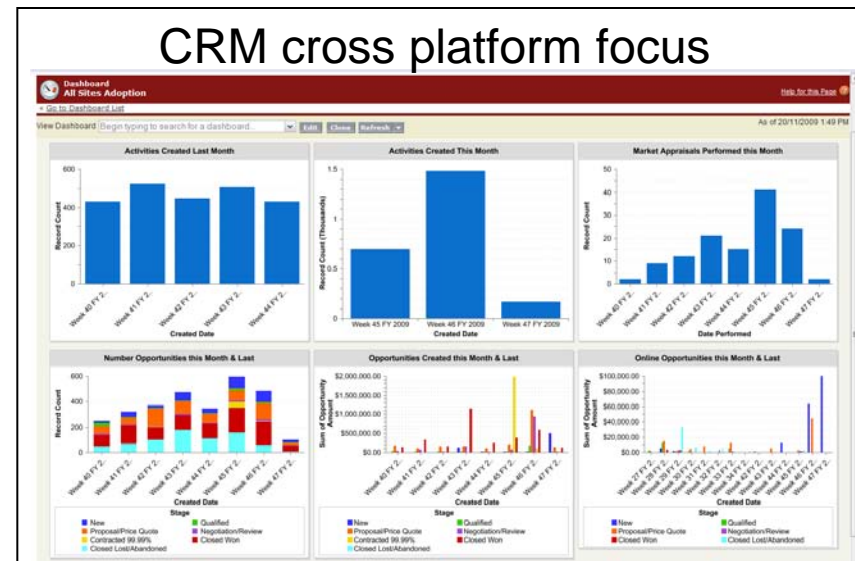
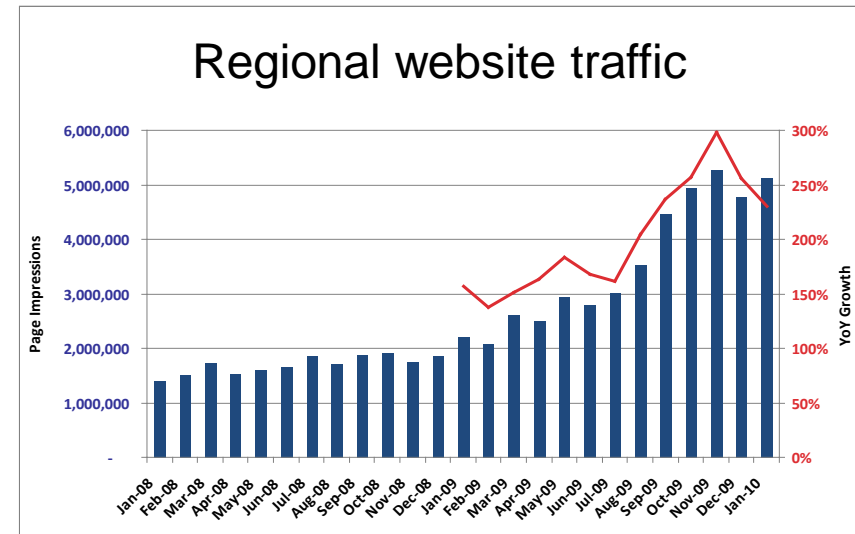
Australian Newspapers – Ad revenue



Note: Scale not the same on both charts

Australian Publishing including Online

- Cross-platform model opportunities
- Integrated sales teams for local markets
- Regional News Network building advertiser and consumer support
- New CRM systems include cross selling



Cross-platform sales

- Suncorp campaign reflected engagement with the community
- APN leveraged in-paper and online advertising and content
- Local micro sites created
- A case study for other finance clients

www.thechronicle.com.au

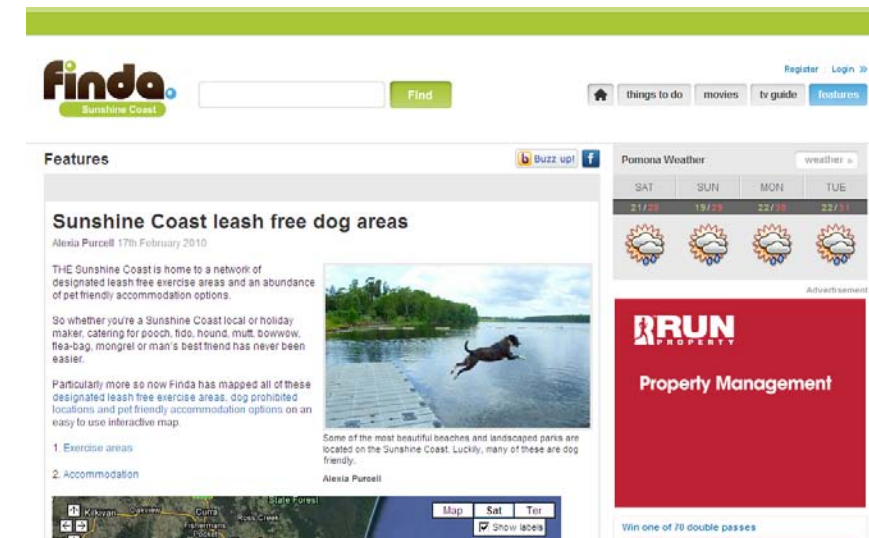
The screenshot shows the website interface for www.thechronicle.com.au. At the top, there is a navigation bar with links for Home, News, Sport, Entertainment, Lifestyle, Money, Travel, What's On, Photos, Weather, Classifieds, and Google Custom Search. A prominent banner at the top right reads "CHOOSE QUEENSLAND'S MUST-HAVE CTP INSURANCE." with the Suncorp Insurance logo. Below this, there are several content blocks: "Insurance" with articles on avoiding household water damage, safe driving in back-to-school zones, and short tips for long trips; "WIN AN AUTOGRAPHED QLD BULLS CRICKET BAT" with a "Click to WIN" button; "THE MUST-HAVE INFORMATION" section with tabs for Home, Car, Handy Tips, Book, and Weather; and a "TOOWOOMBA WEATHER" section. A large green advertisement for Suncorp Insurance is also visible, featuring the text "CHOOSE THE MUST-HAVE MOTOR INSURANCE FOR TOOWOOMBA" and a "Click here" button.

In paper promotion

The image shows a paper promotion for Suncorp Insurance. It features a large, stylized "Win" in yellow text, followed by "an autographed QLD Bulls cricket bat". Below this, it says "For your chance to win go to www.thechronicle.com.au/insurance". The Suncorp Insurance logo and The Chronicle logo are at the bottom right. The background is dark with a glowing effect around the text.

finda network

- Hyper-local user experience
- Local content features
- ‘What’s On’ a key driver
- Increasing community-sourced contributions
- Ad units designed for local markets



Fairfax online venture

- In principal agreement as exclusive reseller of Domain, MyCareer and Drive
- Extends brands to APN markets in northern NSW and Queensland
- Bundled packages to give local advertisers in-paper and national online reach

Domain
Just what you're looking for

MyCareer
Always working for you

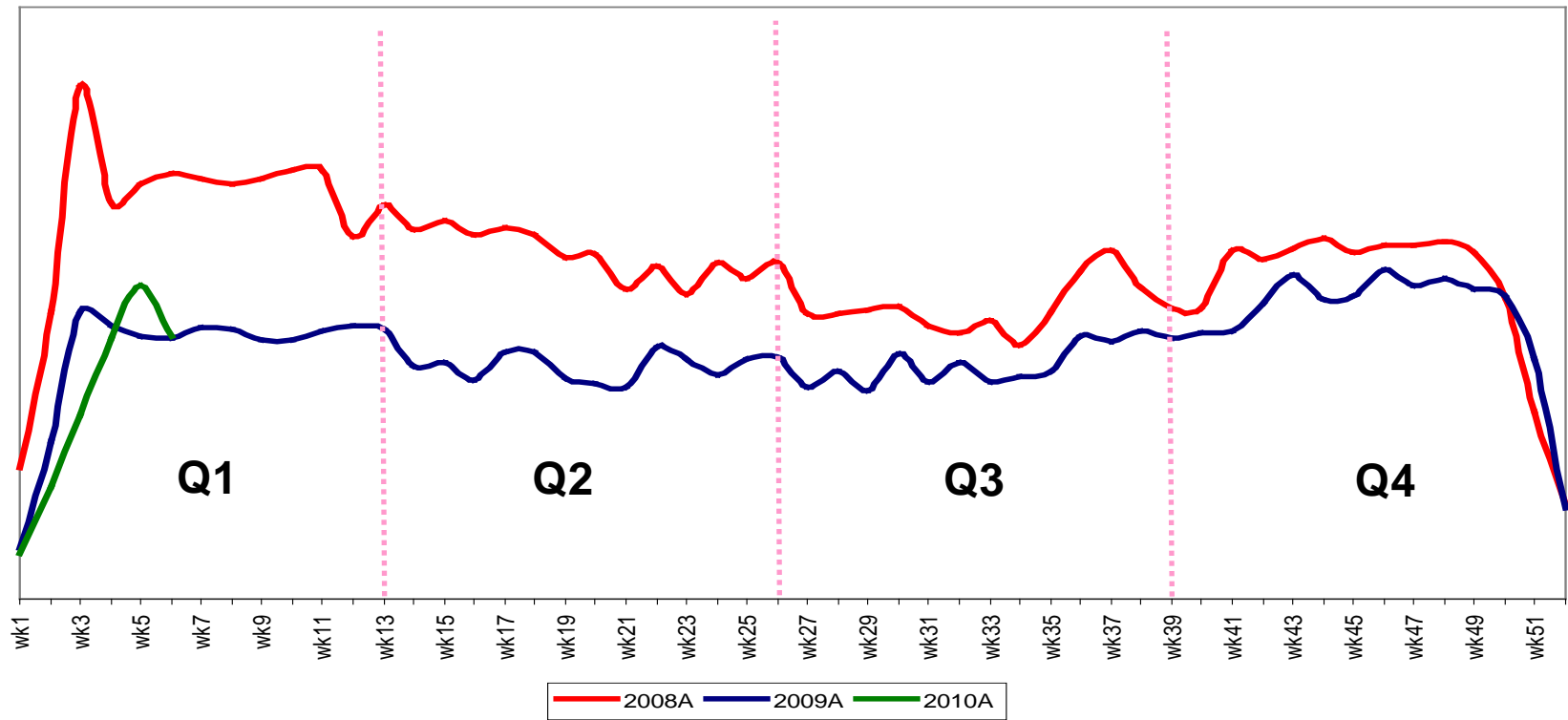
Drive
IT'S NON-STOP CARS

New Zealand Publishing including Online

		Revenue	Costs	EBIT
H2 Performance	NZ\$	(10%)	(10%)	(9%)

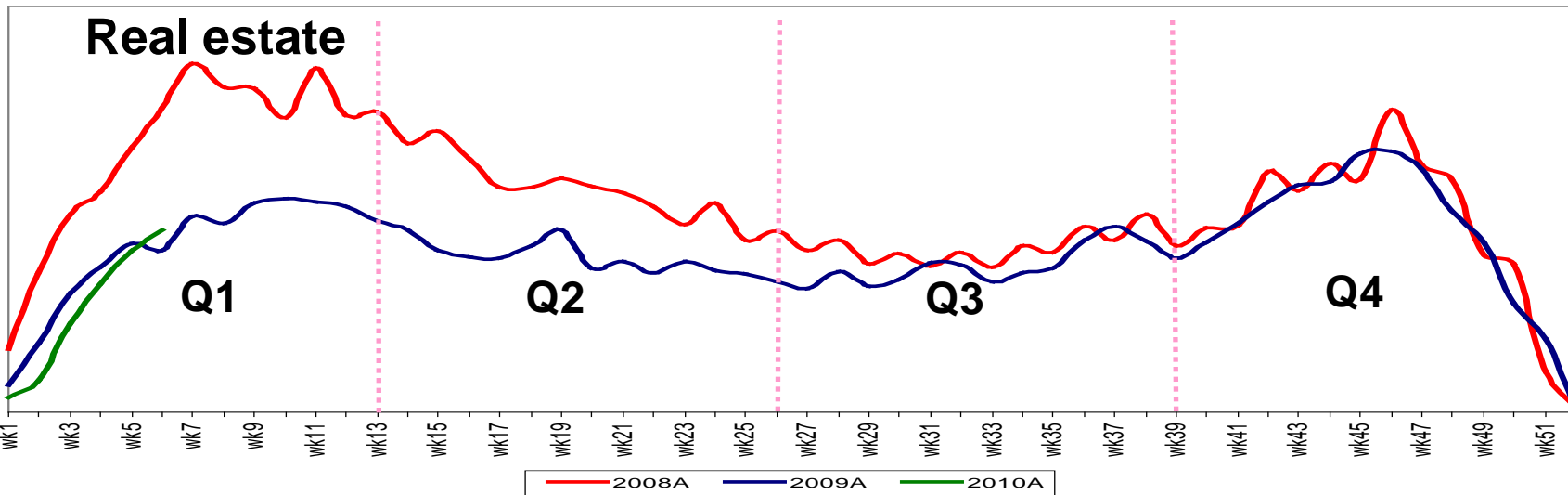
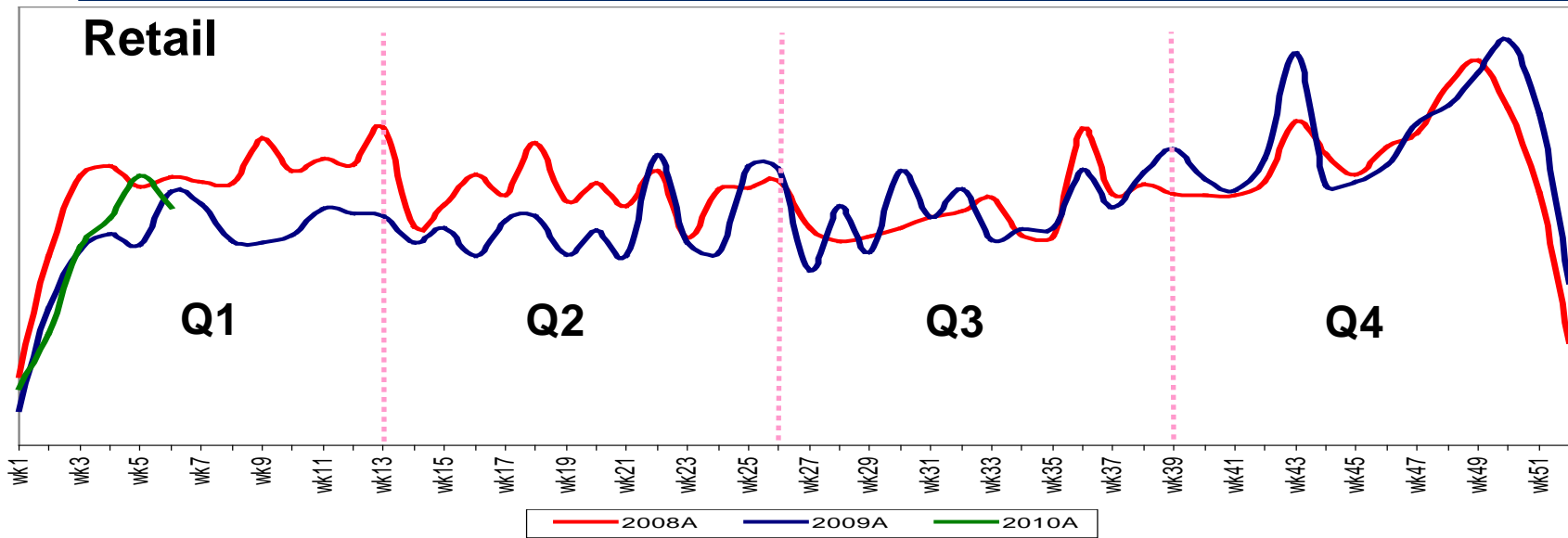
- Revenue improvement in December
- World class cost performance
- Integrated cross-platform model
- Maintained audience
- nzherald.co.nz number 1 news site in the country
- 2010 Q1 positive year-on-year

NZ Newspapers – Ad revenue



- Deterioration from early Q2 2008
- Began to stabilise early Q3 2009
- Q4 2009 began to align with 2008 comps
- Encouraging start to 2010

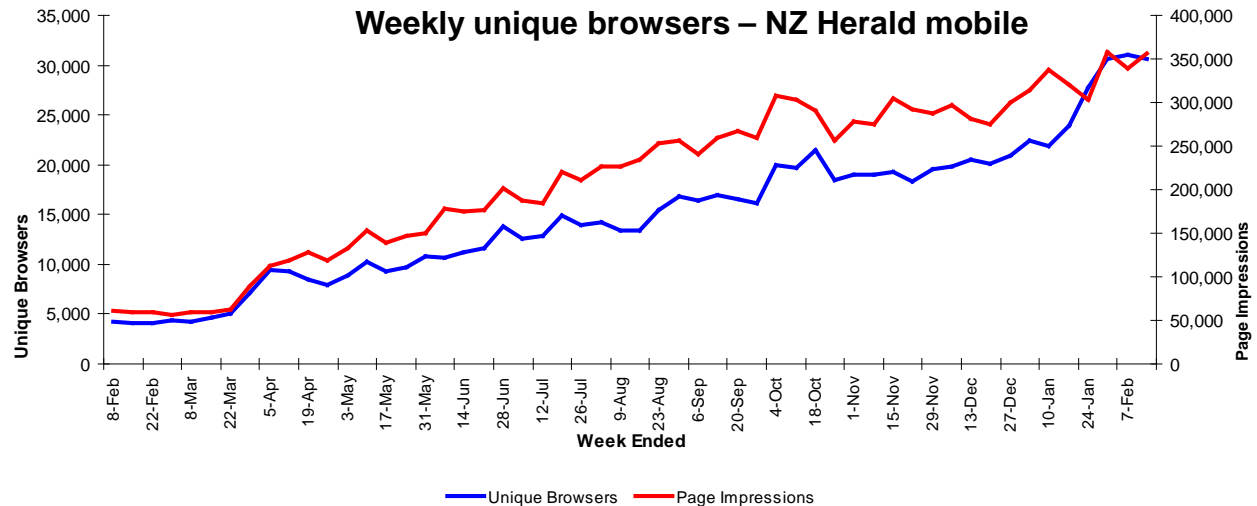
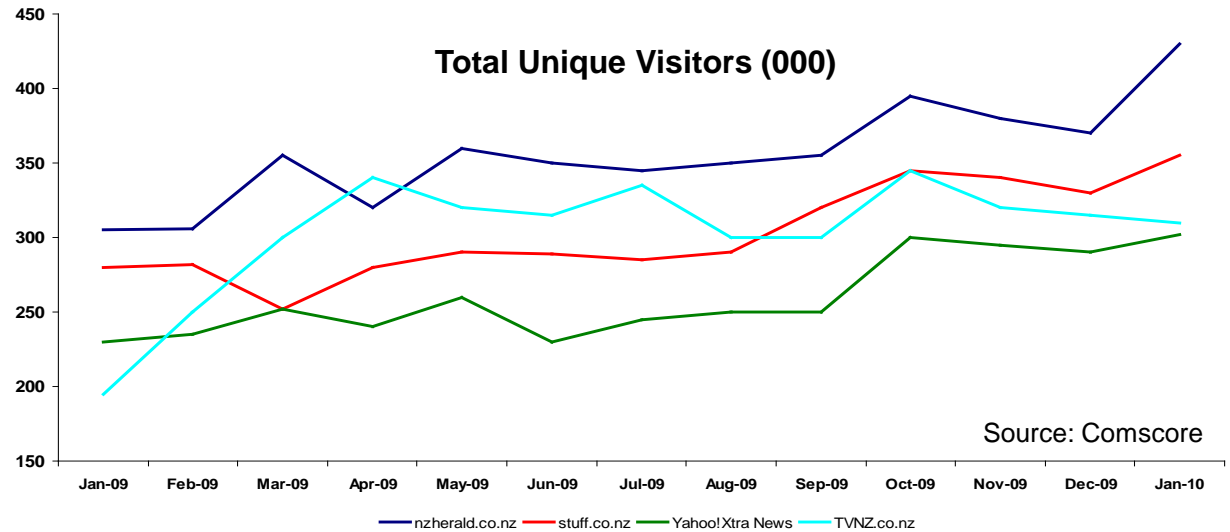
NZ Newspapers - Ad revenue



Note: Scale not the same on both charts

nzherald.co.nz

- nzherald.co.nz increases profitability
- Most popular news website
- Mobile version >30K unique browsers each week
- Charging for mobile content



Cross-platform sales

- Targeting categories that traditionally use TV
- Packages include Magazines, Newspapers, Online, Outdoor and Radio
- All publishing sales teams trained to present multimedia proposals

Magazines
The great inspiration
Guides accompanying your shoppers on holiday and getting there up-to-speed on the latest gear, magazines build an intimate relationship with your brand.

Newspapers
Your opinion shapers
The trust and credibility of newspapers enhance your brand value. Shoppers see newspapers as a great way of finding out new things to try and buy.

Radio
Closest to the shopping basket
Super-gets your brand to the households of your shoppers, even on the way to the supermarket.

Online
Give me info now
Household shoppers see online as a dynamic and up-to-date medium ideal for conveying information – not just about operation figures.

Outdoor
Added 'in-your-face-ness'
Short of turning rolled down. Queue Street with your name on the billboards are the ultimate attention-getters. And normally they won't get you needed – in sleep.

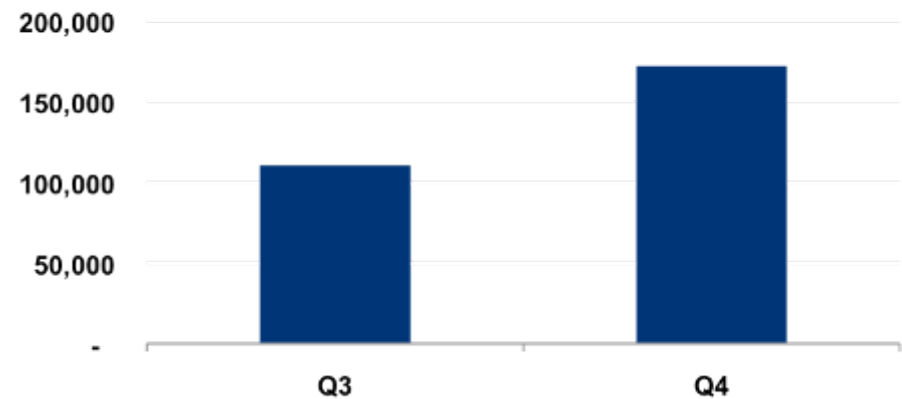


Sella 'freemium' strategy

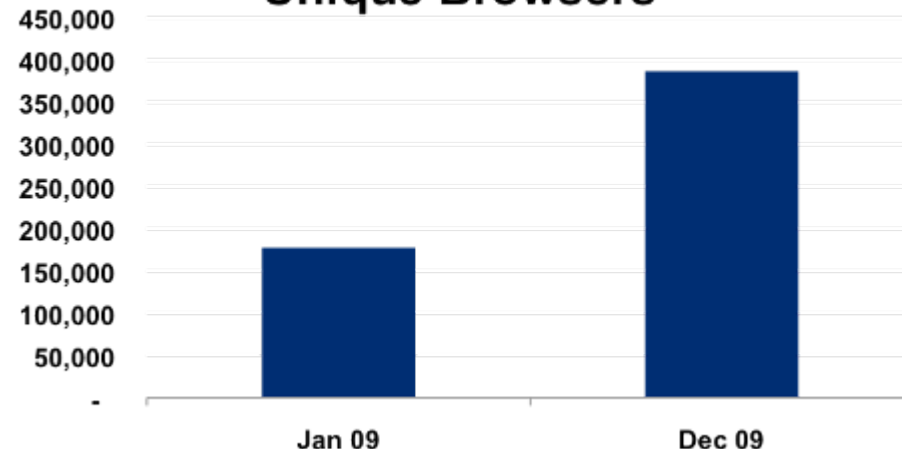
- Free listing model growing quickly
- Users pay for value-add features
- Platform powering APN branded classified verticals for nzherald.co.nz
- Facebook and Twitter referral traffic growing rapidly
- Sella Mobile site planned for Q2
- Sella.com.au on track for launch



Listings



Unique Browsers



Australian Radio

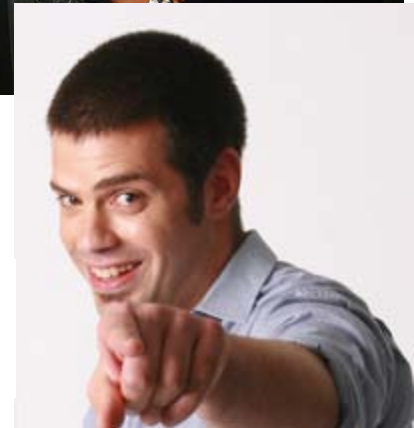
		Revenue	Costs	EBIT
H2 Performance	A\$m	(5%)	1.5%	(15%)

- Resilient market performance
- Improved direct market share
- Reinvigorated Mix format
- Key demographic 25-54
- Strengthened management team
- Fast growing Online presence
- Integrated sales solutions
- Q1 trends more positive



New talent

- New breakfast team for Sydney's Fresh Mix positioning
- Mix Drive show of Ant and Becks for Sydney and Melbourne
- Positioning: Slightly younger, more contemporary and engaging



New Zealand Radio

		Revenue	Costs	EBIT
H2 Performance	NZ\$	(12%)	(11%)	(20%)

- Weak market conditions
- Improved direct share in H2 – 75% of market
- Good cost performance – more to come
- Integrated online selling
- Cross platform growth opportunities
- Market in line with pcp in January



Hits of the 70's, 80's, 90's and Today

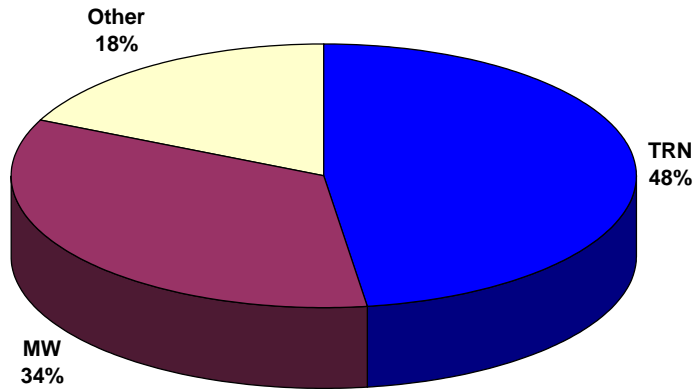
HAIRAKI

Easy Mix
Go to know

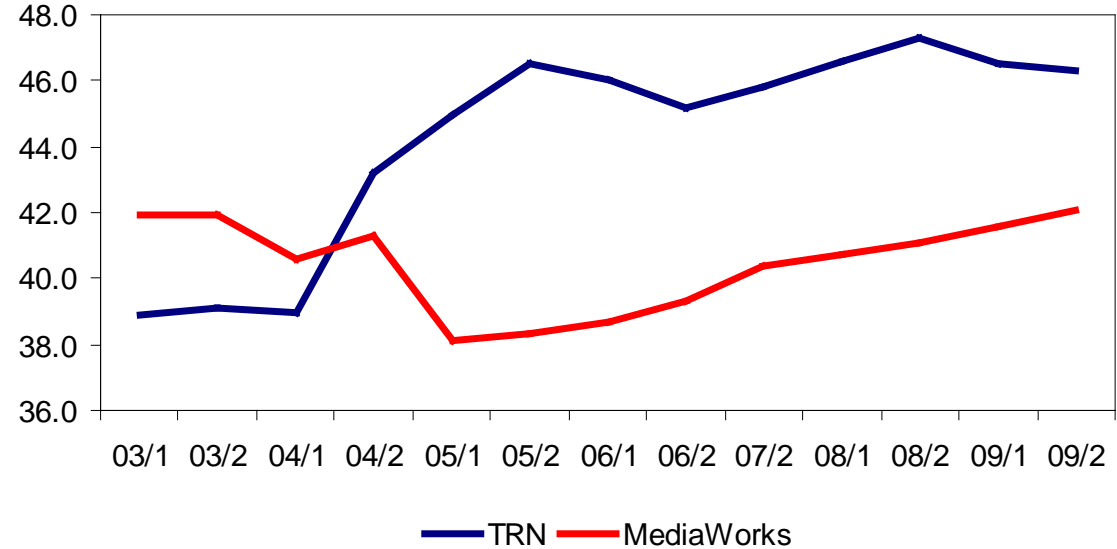
RADIO
SPORT
Just Sport.

New Zealand Radio audience share

Auckland 10+ Audience Share



National 10+ Audience Share

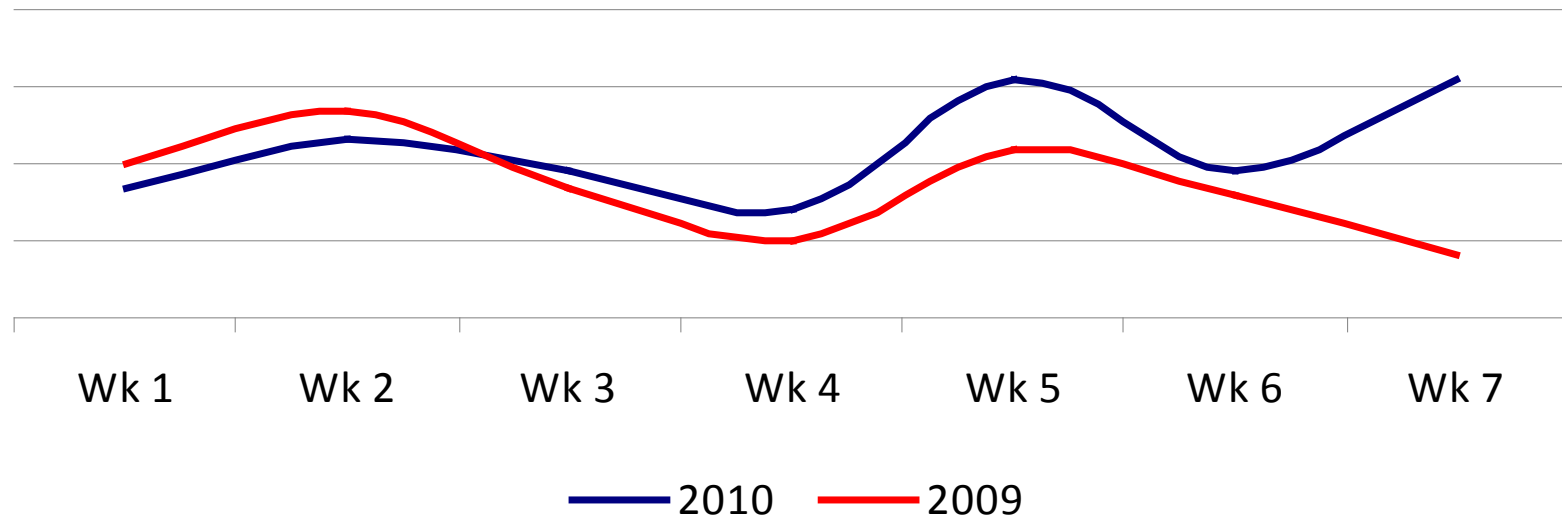


Outdoor

		Revenue	Costs	EBIT
H2 Performance	A\$	(13%)	(6%)	(46%)

- Q4 improvement delivered
- MOVE launch February 23
- Digital growth
- Malaysia disposal
- Trading year-to-date positive
- Forward orders indicate better Q2

Aust Outdoor weekly bookings



- Revenue booked to date for Q1 up 4% YoY
- Revenue booked to date for Q2 up 13%YoY



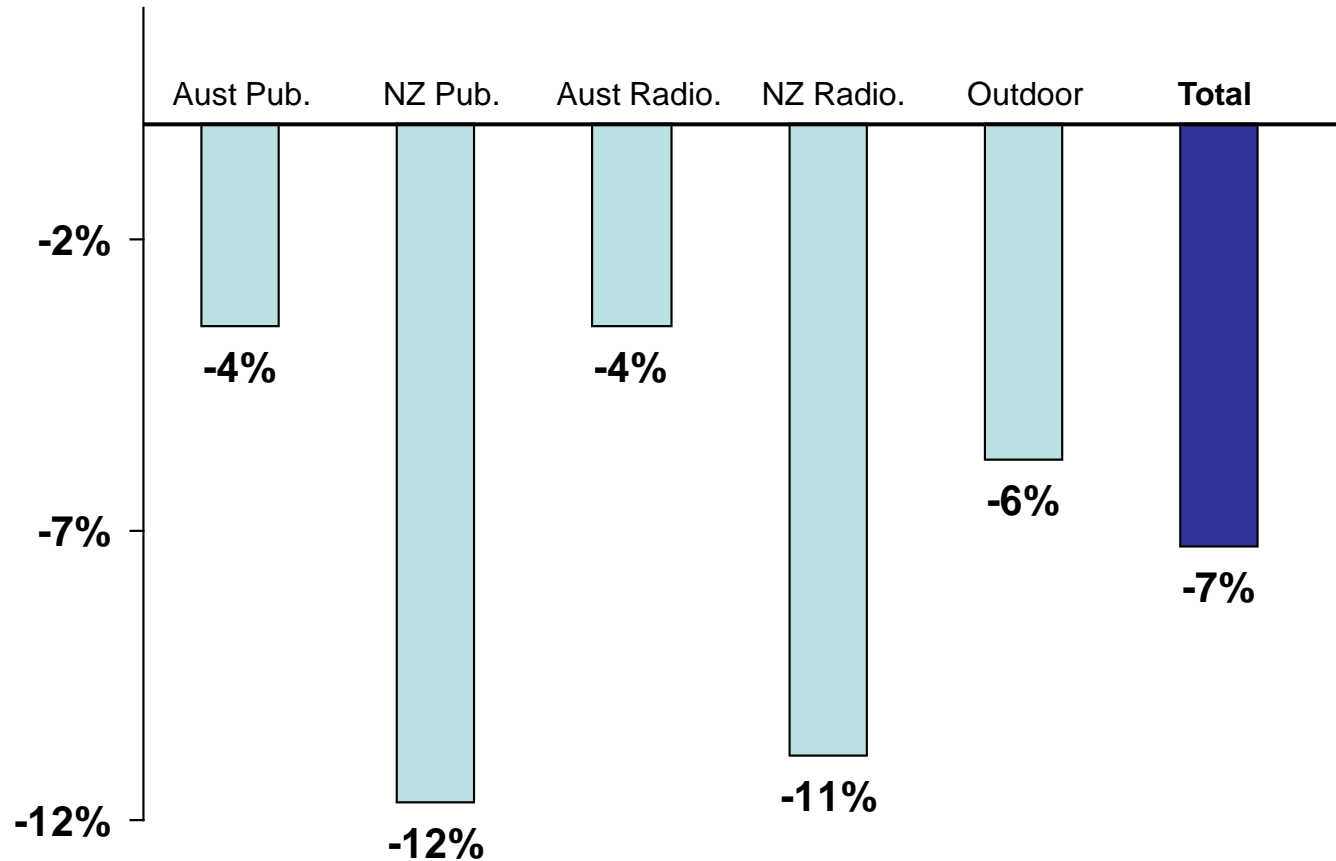
- 60,000 panels measured for 'Likelihood to See'
- Significant agency engagement
- Measurement = Accountability = Advertiser confidence
- Improves multi-format understanding
- Turning point in the development of the industry

2009 Underlying Result

	Underlying result		Exceptional items/ discontinueds		As reported	
	FY 09	FY 08	FY 09	FY 08	FY 09	FY 08
(AUD millions)						
Revenue before finance income	1,030.7	1,193.4			1,030.7	1,193.4
Other income	11.8	17.8	7.9	10.8	19.6	28.5
Associate profits	3.3	6.5			3.3	6.5
Costs	(815.5)	(896.8)	(13.3)	(203.0)	(828.8)	(1,099.8)
EBITDA	230.2	320.8	(5.5)	(192.2)	224.8	128.6
Depreciation/amortisation	(41.3)	(38.0)			(41.3)	(38.0)
EBIT	189.0	282.8	(5.5)	(192.2)	183.5	90.6
Discontinued operations			(1.8)	(3.0)	(1.8)	(3.0)
Net interest	(50.5)	(75.5)			(50.5)	(75.5)
Tax	(20.1)	(34.1)	5.4	27.8	(14.6)	(6.3)
Minority interests	(24.2)	(30.1)	0.3	0.3	(23.8)	(29.8)
Net profit after tax	94.2	143.1	(1.5)	(167.0)	92.6	(24.0)

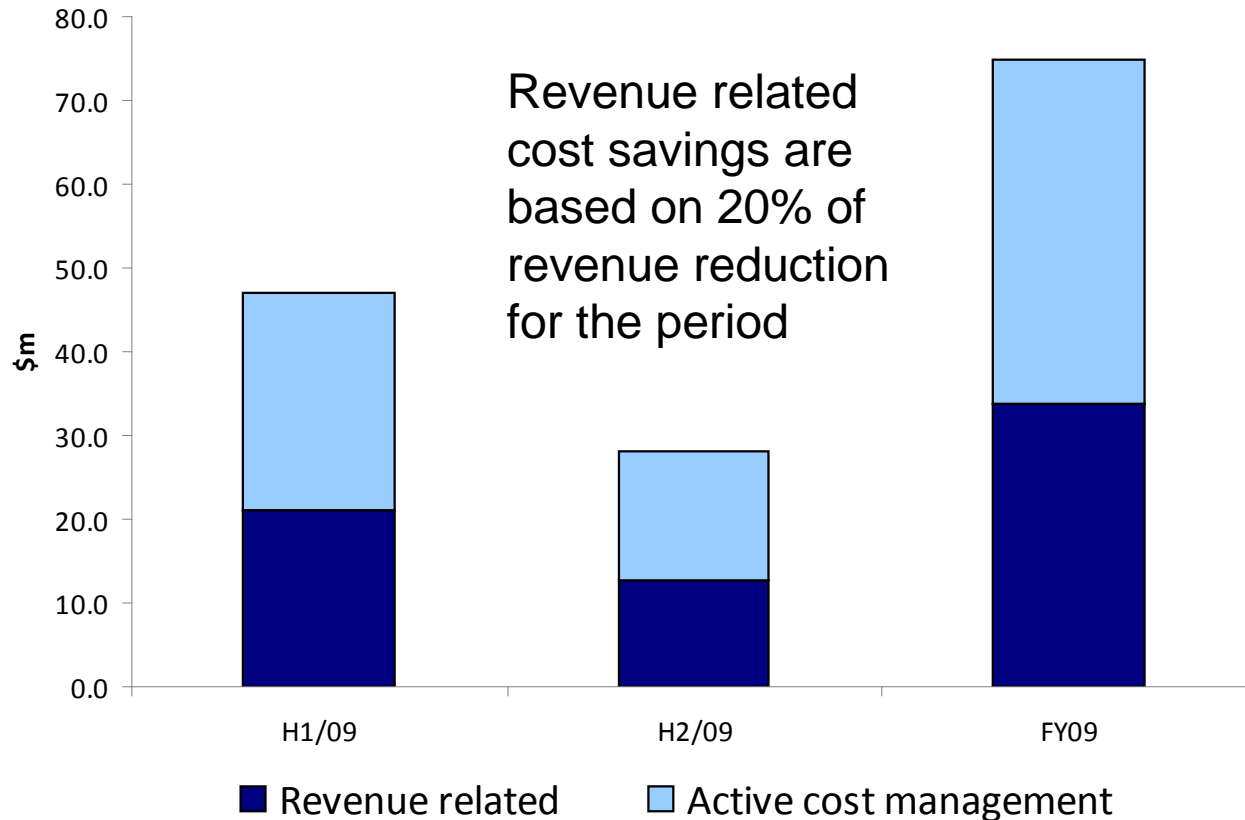
Divisional YoY cost analysis

Divisional Costs – Full year 2009 vs 2008



Note: Local currency basis - excludes exceptionals and discontinued businesses

Operating leverage



- \$78m of cost savings – less than half due to revenue decline
- Direct revenue related costs about 20% - natural operating leverage remains high

2009 Cash Flow

AUD millions	FY 09	FY 08
Gross operating cash flow exc. exceptionals	201.3	322.3
Payments related to exceptionals	(16.4)	(37.3)
Net interest paid	(46.7)	(80.4)
Net tax paid	(18.8)	(30.7)
Capital expenditure/investment	(20.6)	(81.1)
Asset sales - exceptionals	23.6	10.2
Asset sales - other	7.4	10.7
Dividends - APN shareholders	(52.2)	(151.8)
Payments to minority interests	(28.4)	(36.4)
Share issues & other	97.2	(1.6)
Total cash generated	146.3	(76.1)

Strong cashflow generation

AUD millions

	FY 09	FY 08
EBITDA (pre exceptionals and discontinueds)	230.2	320.8
Operating cash flow (pre exceptionals)	201.3	322.3
% of EBITDA	87%	100%
Adjusted for Adshel	89%	103%

Debt

AUD millions	Dec 2009	Dec 2008
Gross debt	783	963
Cash	(33)	(59)
Net Debt	750	904

- Undrawn facilities at year-end: A\$270m
- No major debt maturing until 2011
- Net debt/EBITDA = 3.3x

Exceptional items

AUD millions	FY 09
Gains on assets sales	7.9
Redundancies and associated costs	(8.9)
Project planning and implementation	(3.4)
Corporate, legal & other	(1.5)
Online establishment costs	(1.7)
Net investment impairments	2.1
Net exceptional items (pre tax)	(5.5)
Minority interest	0.3
Income tax credit	5.4
Net exceptional items (post tax)	(0.3)

- Heatset treated as discontinued business – minor restatement of 2008 comparisons and H1 '09 as a result

Currency

	AUD/NZD		AUD/HKD	
Exchange rates	2009	2008	2009	2008
June half average	1.251	1.179	5.51	7.21
Full year average	1.246	1.192	6.13	6.63
Period end rate	1.238	1.195	6.94	5.36

Dividends

- Final dividend 4 cents per share
- Fully franked – one-off occurrence
- Dividend payment date 30 March 2010; record date 9 March 2010

Overview

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- Online integration progressing to plan
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- Significant debt reduction
- Outlook more positive

Outlook

- The Directors have seen an improvement in trading over the fourth quarter and in the early weeks of the New Year that provides confidence that 2010 will be a better year.
- As a leading diversified media company, APN operates in some of the most attractive markets in one of the world's best performing economic areas. With an expected return to revenue growth and a demonstrated ability to manage costs, APN is well positioned to take advantage of the improvement in trading presently being experienced.



2009 Full Year Result

23 February, 2010, 2009

Chief Executive Brendan Hopkins
Chief Financial Officer Peter Myers

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