

APN News & Media Limited 2017 Annual General Meeting SYDNEY, 4 May 2017

Chairman's Address to Shareholders

2016 was a milestone year for APN. In a fast-changing and increasingly competitive media market, APN delivered revenue and EBITDA growth, significantly reduced debt and exited its publishing assets.

This involved the demerger of our New Zealand business, the completion of the sale of our Australian regional newspapers and the acquisition of the remaining 50 per cent of Adshel.

This is significant progress in APN's transformation.

At the time of the last AGM I spoke about the NZME demerger, at the same time as announcing an equity raising of approximately \$180 million. The proceeds of the offer were used to facilitate appropriate capital structures for APN and NZME.

In December of last year, the divestment of our Australian regional newspaper business was completed, with you, our shareholders, approving the sale to News Corp for \$36.6 million.

A major step was the acquisition of the remaining 50 per cent of Adshel. This was completed last October. The acquisition was funded by an equity raising of \$273 million, and well supported by shareholders. This acquisition had been a long-term objective. It means APN became a significant out-of-home player. 100 per cent ownership of Adshel is allowing us greater scope for digital investment and significant growth opportunities.

The radio industry in Australia continues to perform well, and Ciaran Davis will talk more on the performance of the radio network.

Final Result and payment of dividend

I am encouraged by the result APN delivered in 2016, with pro-forma revenues up 5 per cent to \$458 million, and EBITDA up 8 per cent to \$117 million.

Our balance sheet is in strong shape, having reduced net debt over the past 12 months from \$456 million to \$143 million. This in turn reduced our net debt to EBITDA leverage metric to 1.2 times, compared with 2.7 times at the prior year end.

As a result, the Board made the decision to recommence the payment of dividends. We were pleased to declare a fully franked full year dividend of 4 cents per share, along with the resumption of the Dividend Reinvestment Plan.

Board changes

To recap Board changes in 2016 – following the NZME demerger, Sir John Anderson resigned from the APN Board. I would like to thank Sir John for his contribution to APN and wish him well in his new role as Chairman of NZME.

In August last year, Ciaran Davis was appointed to the Board. Ciaran has made a significant contribution to APN since his promotion to the position of Chief Executive in August 2015, leading the Company through a pivotal phase of transformation.

APN in 2017

This AGM sees APN as a very different company. Over a period of the last three years APN has moved to a position where all of its assets are in the growth sectors of the market. Future revenue growth will lie in outdoor, radio and digital. We believe that the complementary nature of these growth assets places APN in a strong position to meet the growing demand for integrated advertising solutions, as well as our audiences' changing media consumption habits.

We now see many opportunities for our businesses and a greater platform for growth by exploring the integration of operations where it makes sense, and where we can derive audience and advertiser benefits.

APN is effectively a new business, and today you'll also be voting on a resolution to adopt a new name for the Company to reflect the unique radio, outdoor and digital nature of the Group. We believe now is a fitting time to do so. Australian Provincial Newspapers (or APN) no longer represents our asset base and I believe that you will find the new name and brand to be a fresh and appropriate change. Ciaran Davis will provide further details on this exciting development shortly.

Thank you

On behalf of the Board, I would like to express my gratitude to the teams at APN for their hard work and dedication. I also wish to thank my fellow Directors and the management team. It has been a very busy 12 months, and I would like to acknowledge and thank everyone for their efforts.

Finally, I would like to thank you, our shareholders, for your continuing support. 2016 was a critical turning point in our transformation, and the Board and I are determined to maintain that momentum.

- ENDS -

For further information:

Peter Brookes, Citadel-MAGNUS, +61 407 911 389 Helen McCombie, Citadel-MAGNUS, +61 411 756 248