



2008 Interim Result

12 August, 2008

Chief Executive Brendan Hopkins
Chief Financial Officer Peter Myers

2008 Interim Result (pre NRI)

Results in line with prior year

	H1 08	H1 07
Trading revenue* constant currency	\$624.5m	\$609.3m
EBITDA	\$158.1m	\$160.4m
EBIT	\$139.0	\$142.4
NPAT	\$72.3m	\$73.2m
Diluted EPS	14.8 cents	15.0 cents
Interim dividend	10.5 cents	10.5 cents

* Excludes finance and other income and NRI gains

2008 H1 Key Outcomes

- Net Profit in line with prior year
- Australian businesses continue to show good growth
- Difficult trading conditions in New Zealand to continue in short term
- Strong Outdoor result with good contribution from Asian businesses
- Business restructuring continues, with focus on cost management remaining a priority
- Improved Australian Radio performance
- Continued organic Online growth

Market conditions

New Zealand

- Trading soft across all sectors of economy
- Inflation at 4% and may rise further, yet ...
- RBNZ cuts cash rate to 8.0%, with more cuts likely
- Agricultural exports forecast to grow 5% pa until 2012

Australia

- Metro markets tightening
- Inflation at 4.5%, yet ...
- RBA points to easing cash rates
- Unemployment remains near 30-year lows

Asia

- Stable economies insulated from credit crisis
- Some Olympic benefit

Outcome by market

Challenging trading conditions in New Zealand contrast with solid outcomes in Australia and Asia

	Revenue % growth*	EBIT % growth
Australia	+5.7%	+6.4%
Asia	+20.9%	+75.1%
NZ	-2.4%	-10.3%
Total	+2.5%	-0.1%

* Constant Currency – restated to convert prior year international currencies to 2008 rates

Cost management

- Cost management the key priority
- Recurring cost growth, apart from Outdoor and acquisitions, less than 1%
- Some 'project creep' with introduction of centralised customer contact centres in Australia and NZ, and Australian advertising services bureau
- Significant cost benefits in 2009



Customer Contact Centre, Tauranga



Ad Services Bureau, Brisbane

Business re-engineering

- New press centres online and printing 12m heatset tabloid pages per week
- New sales structure in place for Radio
- Unified Outdoor trans-Tasman sales management programme
- Pagemasters providing production services for 8 titles; more to follow
- Significant productivity improvement



APN Print Centre, Ballina



Pagemasters, Auckland

Business re-engineering

- Operation Lift
 - Early success in project to improve effectiveness of regional publishing sales force
 - Test programmes in place in Toowoomba and Sunshine Coast
 - More sophisticated approach to market segmentation and analysis
 - More productive use of sales resources
 - Upgraded CRM programmes
 - Intend to rollout to other Divisions

Divisional Performance – H1 (pre-NRI)

AUD millions	Revenue			EBIT		
	H1 08	CC* Growth%	Reported Growth %	H1 08	CC* Growth%	Reported Growth %
Publishing	375.7	0%	(3%)	91.8	(7%)	(10%)
- <i>Regional Publishing</i>	213.4	2%	1%	54.1	(8%)	(9%)
- <i>NZ National Publishing</i>	154.3	(5%)	(10%)	42.4	(5%)	(10%)
- <i>Online</i>	8.0	78%	70%	(4.7)	2%	4%
Radio	117.6	(4%)	(6%)	33.8	(6%)	(7%)
Outdoor	127.3	14%	9%	16.0	79%	74%
Corporate & Other	9.9	123%	123%	(2.6)	N/A	N/A
TOTAL	630.5	2%	0%	139.0	0%	(2%)

* Constant Currency – restated to convert prior year international currencies to 2008 rates

Regional Publishing

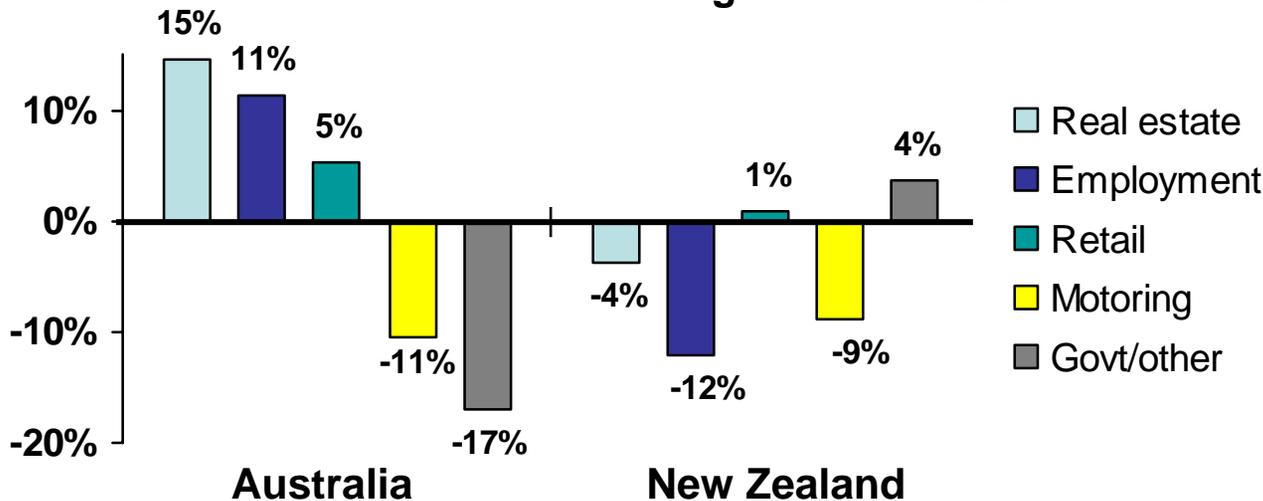
Australia

- Continued good growth in retail, property and employment
- Core government spending disappointing
- 'Project creep' impacted on costs

New Zealand

- Retail positive but general revenue declines
- Costs increase from introduction of customer contact centre

Ad revenue growth H1 2008



Flood impact

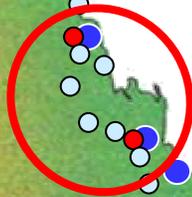


S FLOOD CRISIS



Flood impact

- Dailies
- Country & Community
- Magazines



Floods impacted daily newspapers in Mackay and Rockhampton and non-dailies in Emerald and nearby districts

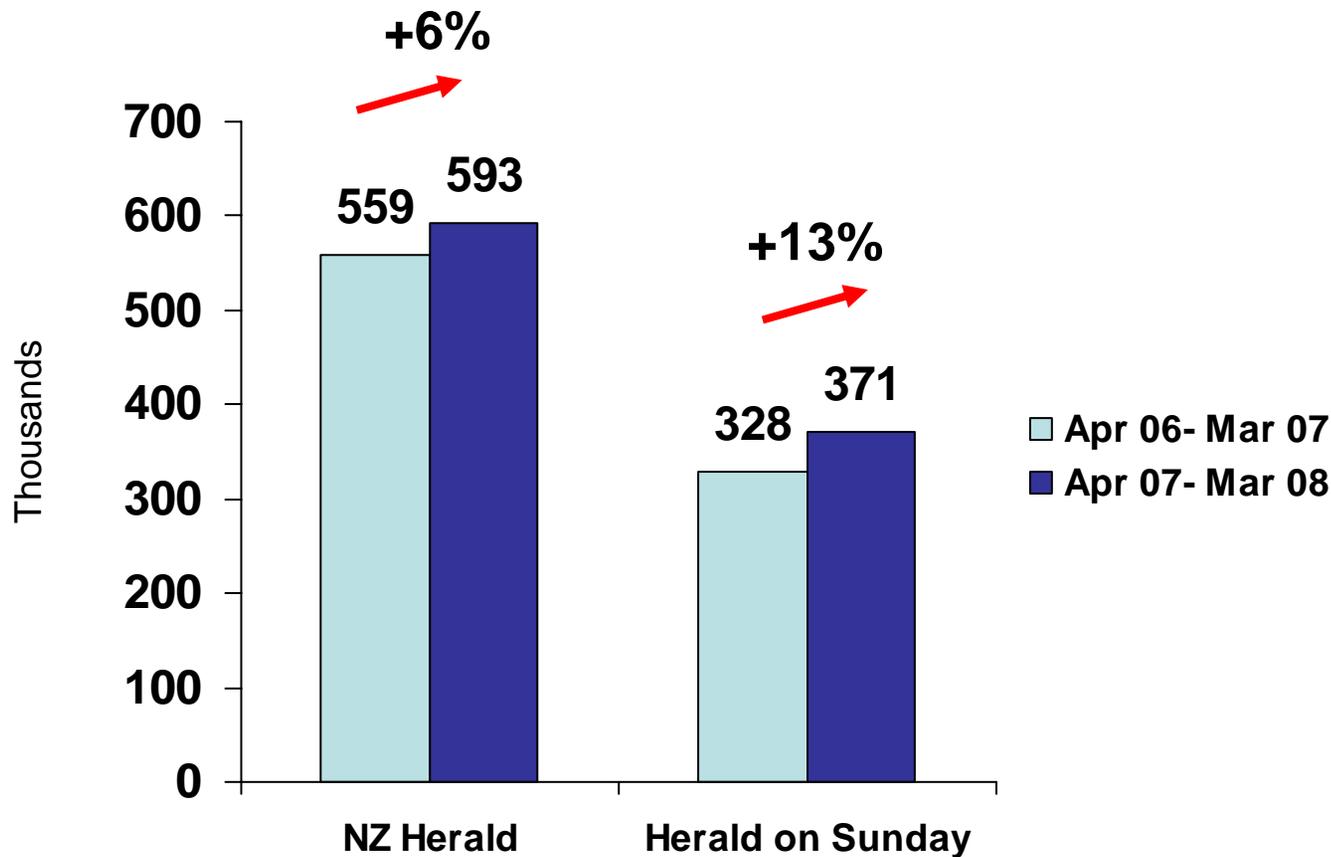
New Zealand National Publishing



- Strong portfolio of market leading publications
- Cost restructure program well advanced
- Half of revenue decline due to 3rd party print market

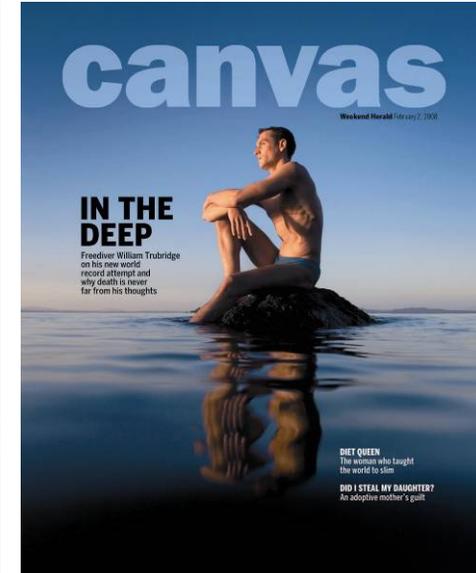
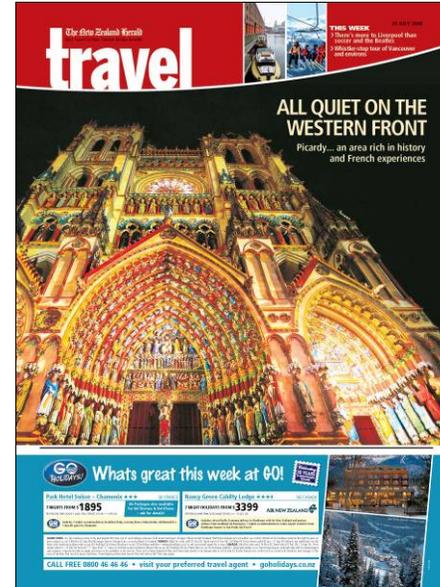
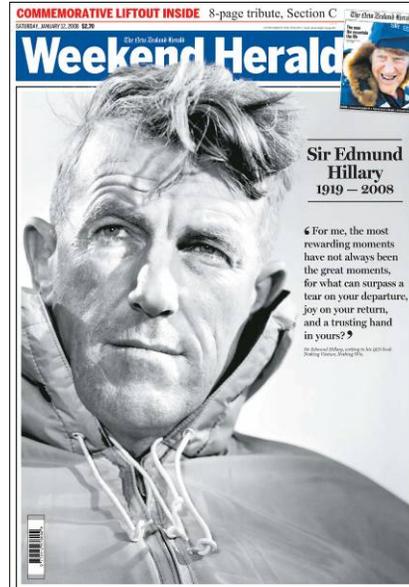
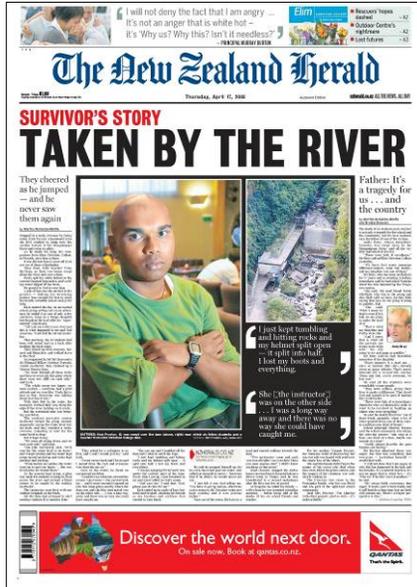
Readership gains

Strong readership growth expected to continue



Source: Nielsen Media Research All People 15+

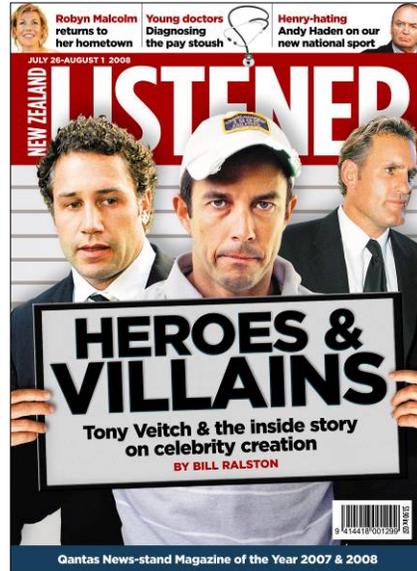
The New Zealand Herald



- Herald maintains position as best-read daily newspaper in NZ*
- Readership growth twice that of population growth
- Daily reach in Auckland over 41%
- Double-digit readership growth in inserted magazines
- Cover price increase in July

* Nielsen Media Research, National Readership Survey: April 2007 to March 2008, All people 15+

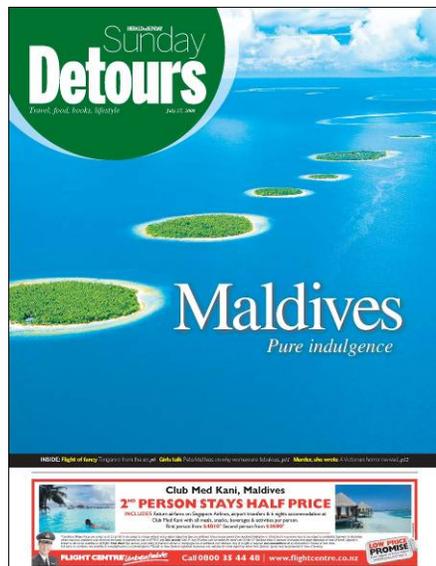
New Zealand Magazines



- Strong contribution from new title acquisitions
- Good readership gains
- Woman's Weekly named Magazine of the Year
- Fastest growing current affairs title (The Listener) and youth title (Crème)

The New Zealand Herald

HERALD ON SUNDAY



- Remains best read Sunday newspaper in the northern region
- Readership up by 43,000 to 371,000, taking significant market share
- Best Newspaper winner in Qantas Media Awards
- Cover price increase in July

Aucklander



- New distribution model
- 4 zoned editions inserted in Thursday Herald; current readership 417,000

APN Online

- Good organic growth and the launch of a number of new online brands
- Directory/search-based opportunities
- Good extension of print brands to online

nzherald.co.nz



eventfinder
.co.nz



finda.
toowoomba

finda.
sunshine coast

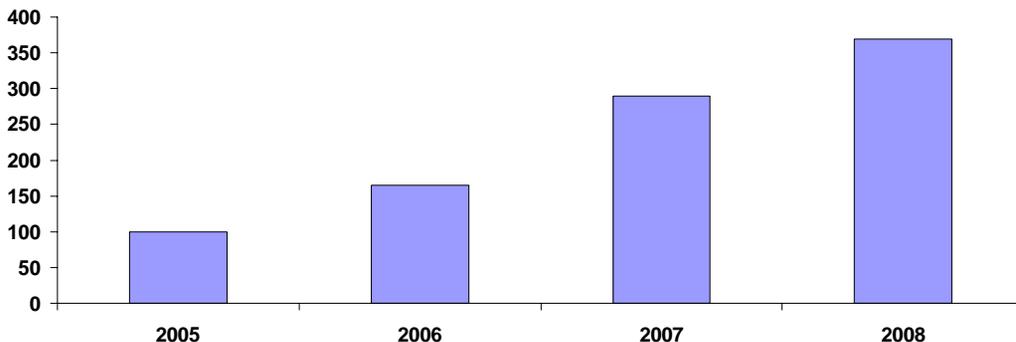

You search. We find.



Online – nzherald.co.nz

- No. 1 news website in NZ; Winner Qantas Media Award Best news website
- Profitable: H1 revenue up 28% on 2007
- 720k+ unique browsers a week; 11m+ page impressions
- Peak of 2.8m+ page impressions a day

nzherald.co.nz ad revenue
Index 2005 = 100

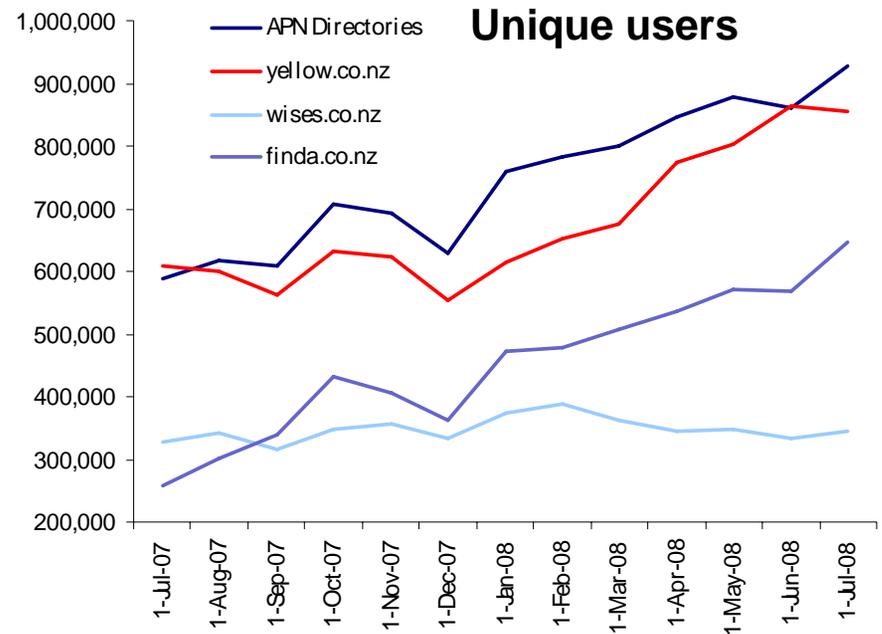


nzherald.co.nz enhancements



- Herald site enhanced with additional functionality
 - Videos, iPhone access, blogging, time-saver traffic, widgets
- The Hive entertainment site leveraging eventfinder.co.nz content

Directories – New Zealand



- Record traffic levels – up 37% in 6 months since Jan 08
- 220,000 businesses in database
- Focus on delivering enhanced features for businesses
- Working on distribution of listings and developing Vertical properties
- Google distribution deal

Source: Nielsen Netratings Market Intelligence

thedaily.com.au

Finda. Events Classifieds jobs cars property bargains hotels

thedaily.com.au
Sunshine Coast Daily Online

Intel Core 2
DELL™ INSPIRON™ 530 DESKTOP

- Intel® Core™2 Duo Processor
- 4GB* Memory
- 256MB ATI Radeon™ Graphic Card
- 500GB Hard Drive

News Sport Entertainment Lifestyle Money Blogs Photos Weather Search go CLASSIFIEDS

sunshine coast noosa cooloom national world

Sunny min 5° - max 21° 3:18PM Sunday 10 August, 2008

Council tackles problem of noisy sports

A designated area for so-called noisy sports like motorbike riding still appears to be years away for the Sunshine Coast, with councillors divided over the need for it.

Have your say

On-the-spot fines for public nuisance

Queensland police will hand out on-the-spot fines for public nuisance offences, including urinating in public, under a trial to be conducted next year.

Have your say

Pregnant mum failed to stop for police

A heavily pregnant mother of two narrowly missed a police officer when she accelerated through a roadside breath test site and then drove at 140kmh to get home.

Have your say

- ▶ Autopsy on man found dead in home
- ▶ Pilot training's a booming business
- ▶ Soaking up luxury at Hyatt
- ▶ What if Brisbane got The Games?
- ▶ AFL booming in former rugby league heartland
- ▶ Ferguson enjoys freedom despite warrant

Push is on to reduce water use

Individual water use should be restricted to 140 litres per person a day, according to the Sunshine Coast Environment

PROPERTY

All about Real Estate on the Sunshine Coast

THE GOLDEN GAMES

OUR DIARRIES

traffic watch

Check traffic on the go with live & local webcams

Blogs

Blog central

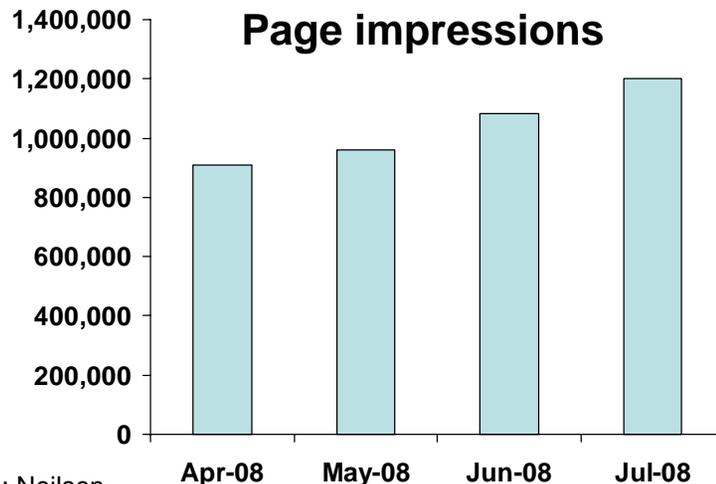
And Another Thing

with Peter Richardson

Am I an anti-Olympian?
Forgive me, but I have entertained negative Olympic thoughts. >>

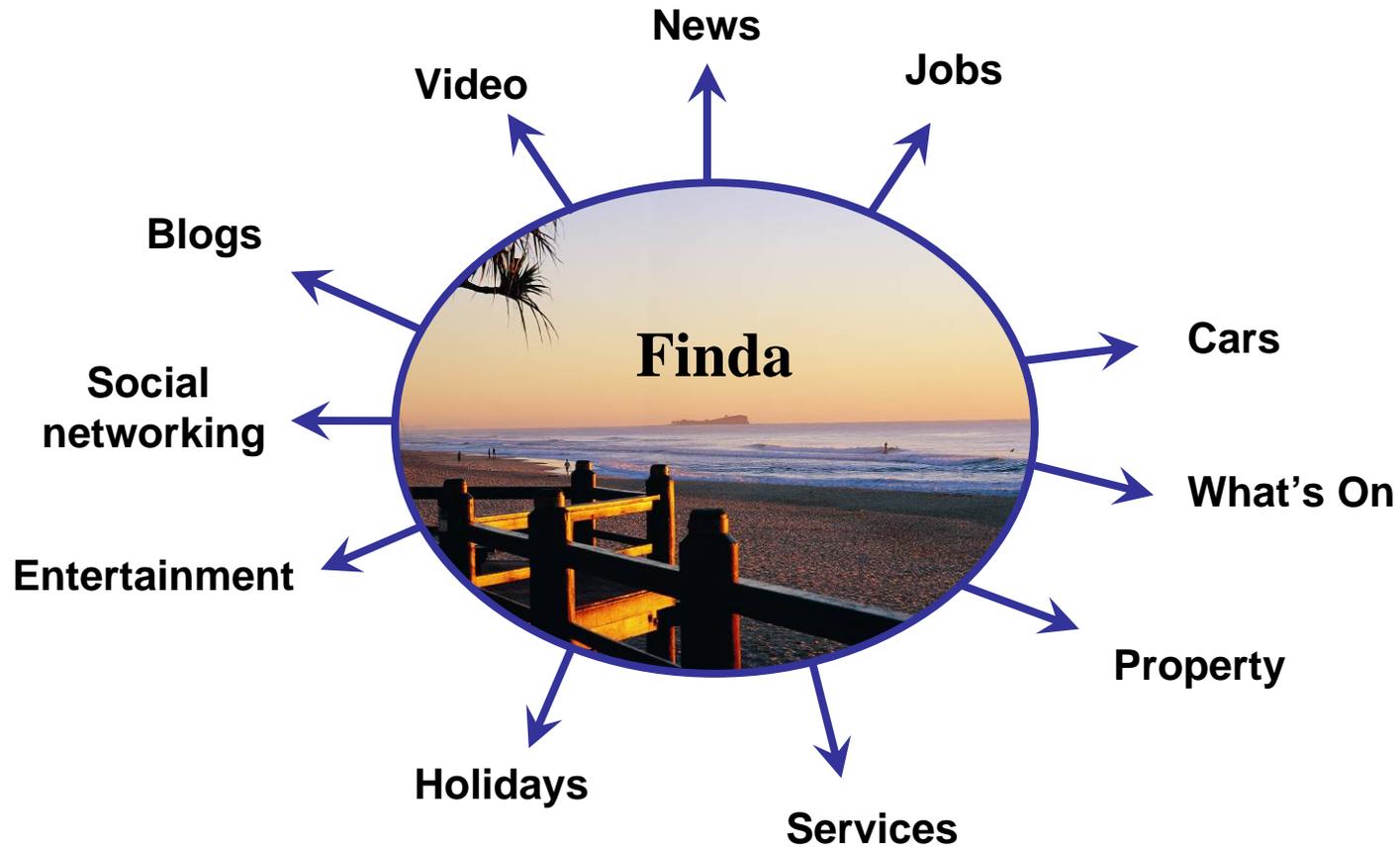
Dunn Diaries : Stumped by a kid's motorbike
Coast Lines : A chance to rebuild our

- Regional community news site on Sunshine Coast
- Traffic steadily building since launch
- Gaining traction with community participation on site and increased advertiser support



Source: Neilsen

Regional Online approach



Regional Online rollout

The screenshot shows the 'finda.toowoomba' website. At the top, there is a banner for 'FLY WITH ADSL2+ BROADBAND' featuring a child. Below the banner is a navigation menu with categories: News, Sport, Entertainment, Lifestyle, Money, Search, and a 'Change your region' dropdown. The main heading reads 'For all you need to know in Toowoomba'. The content area includes a large photo of a man and a woman with the headline 'Man saved from fire by passers-by'. To the right, there is a 'This week in Toowoomba' section with a list of local events and a map of the Toowoomba region. At the bottom, there are smaller news snippets and a 'Win a Navman S30!' promotion.

The screenshot shows the 'finda.sunshinecoast' website. It features a similar layout to the Toowoomba version, with a banner for 'FLY WITH ADSL2+ BROADBAND' and a child. The navigation menu includes 'Change your region'. The main heading is 'For all you need to know in Sunshine Coast'. The content area features a large photo of a modern building with the headline 'Five stars for USC'. To the right, there is a 'This week in Sunshine Coast' section with a list of local events and a map of the Sunshine Coast region. At the bottom, there are smaller news snippets and a 'Win a Navman S30!' promotion.

- Regional community network launched
- Creating new regions-based information asset
- Integrates existing newspaper content with local business directory, events, mapping, connecting people

Radio – Australian Radio Network

- 12 stations in key metro markets; Mix & Classic Hits
- More than 4.2m listeners 10+ each week; core 25-54
- Mix format showing ratings success
- Investment in sales and programming drives performance

\$Am	H1 08	H1 07	Var
Revenue	64.0	68.3	(6%)
EBIT	23.1	24.1	(4%)
Margin	36%	35%	



Radio – Australian progress

- Sales restructuring delivering market share gains
- Key appointments driving change
 - Director of Programming
 - Director of Sales
 - Network head of agency sales
 - Network head of direct sales
- Improved sales effectiveness and efficiency via in-house training
- Integration of sales, programming and online to deliver better cross media solutions

Radio – New Zealand

- Leading radio broadcaster in NZ
- 127 AM & FM stations, 8 networks
- #1 Talk station in Auckland, Wellington & Christchurch
- Three top stations in Auckland
- Good Survey 1 results extend audience lead

\$NZm	H1 08	H1 07	Var
Revenue	63.2	64.0	(1%)
EBIT	12.7	14.0	(9%)
Margin	20%	22%	

Keep Up With
NewstalkZB®

ZM
Today's Hit Music

coast
Timeless Music

FLAVA

CLASSIC HITS

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

HAURAKI
CLASSIC ROCK THE 70S

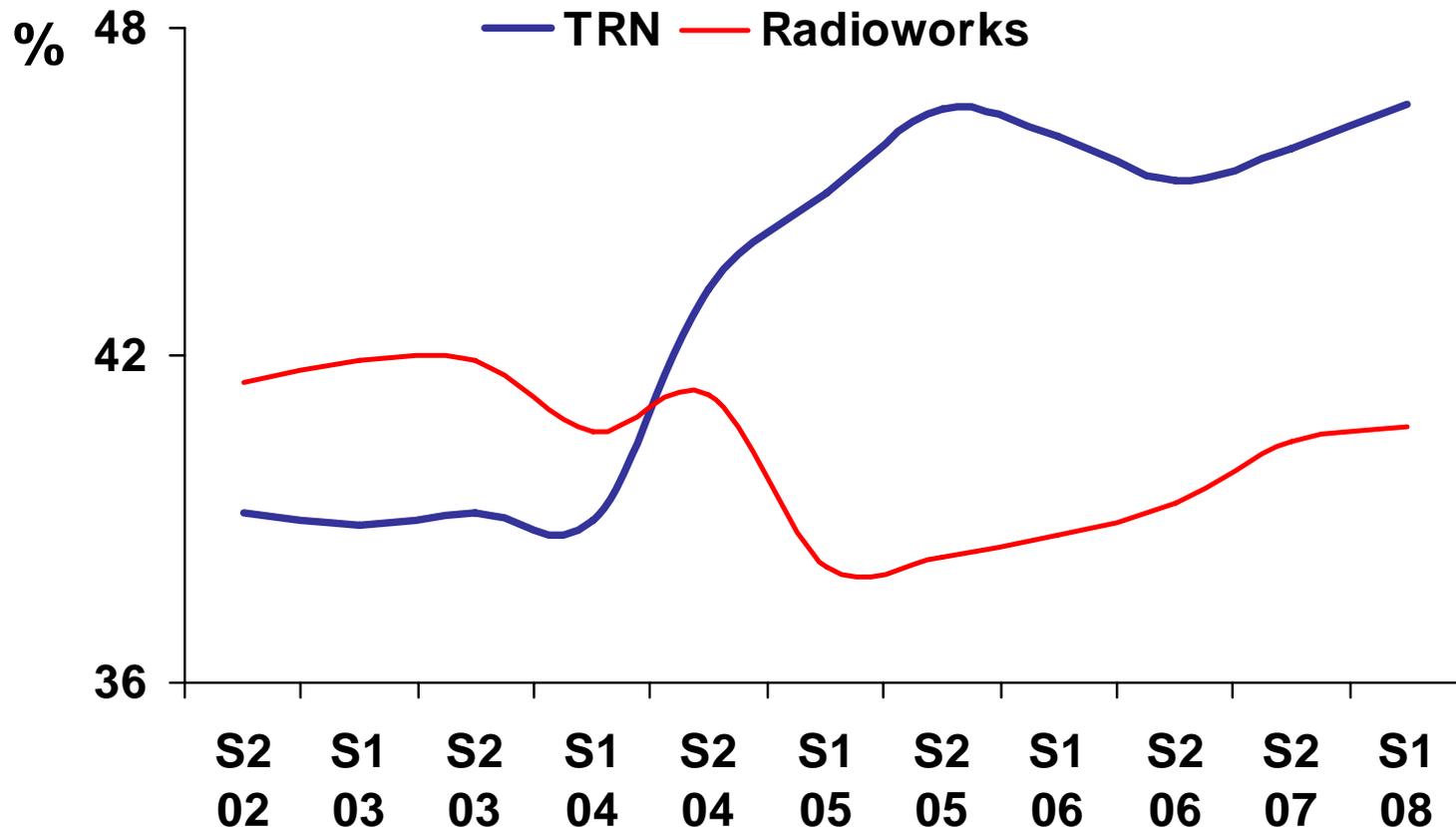
EasyMix
70s to today

RADIO SPORT
Just Sport.

NZ national audience share

TRN continues to be the clear market leader in NZ radio

The Radio Network National 10+ Share



Source: Research International; National Database 1 2008

Radio – Developments

Australia

- Digital broadcasting from 1 July 2009
- Supplementary technology; analogue broadcasting to remain in place

New Zealand

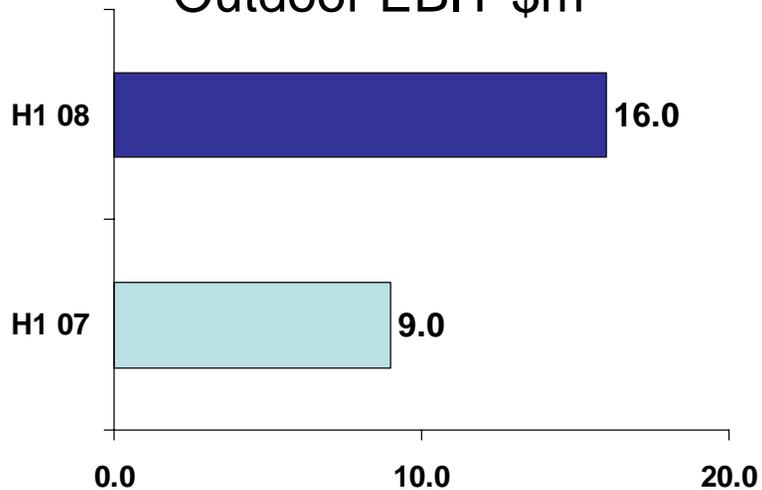
- Radio tenure secured
- 21 new licences acquired in public auction for NZ\$1.3m
- Improved coverage of existing 8 networks complete in 2009

APN Outdoor

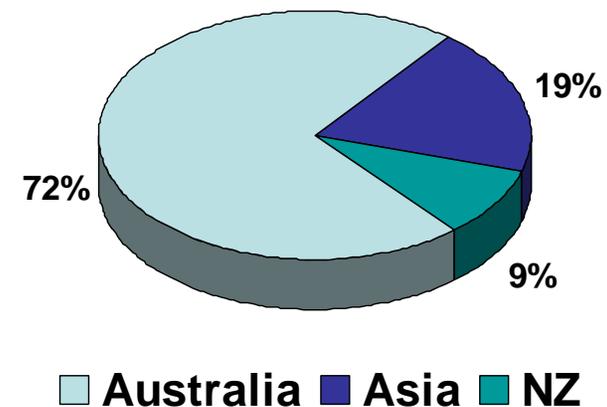
- Strong EBIT result
- Good outcome in Posters and Large Format
- Premium site contract wins
- Positive outlook



Outdoor EBIT \$m*



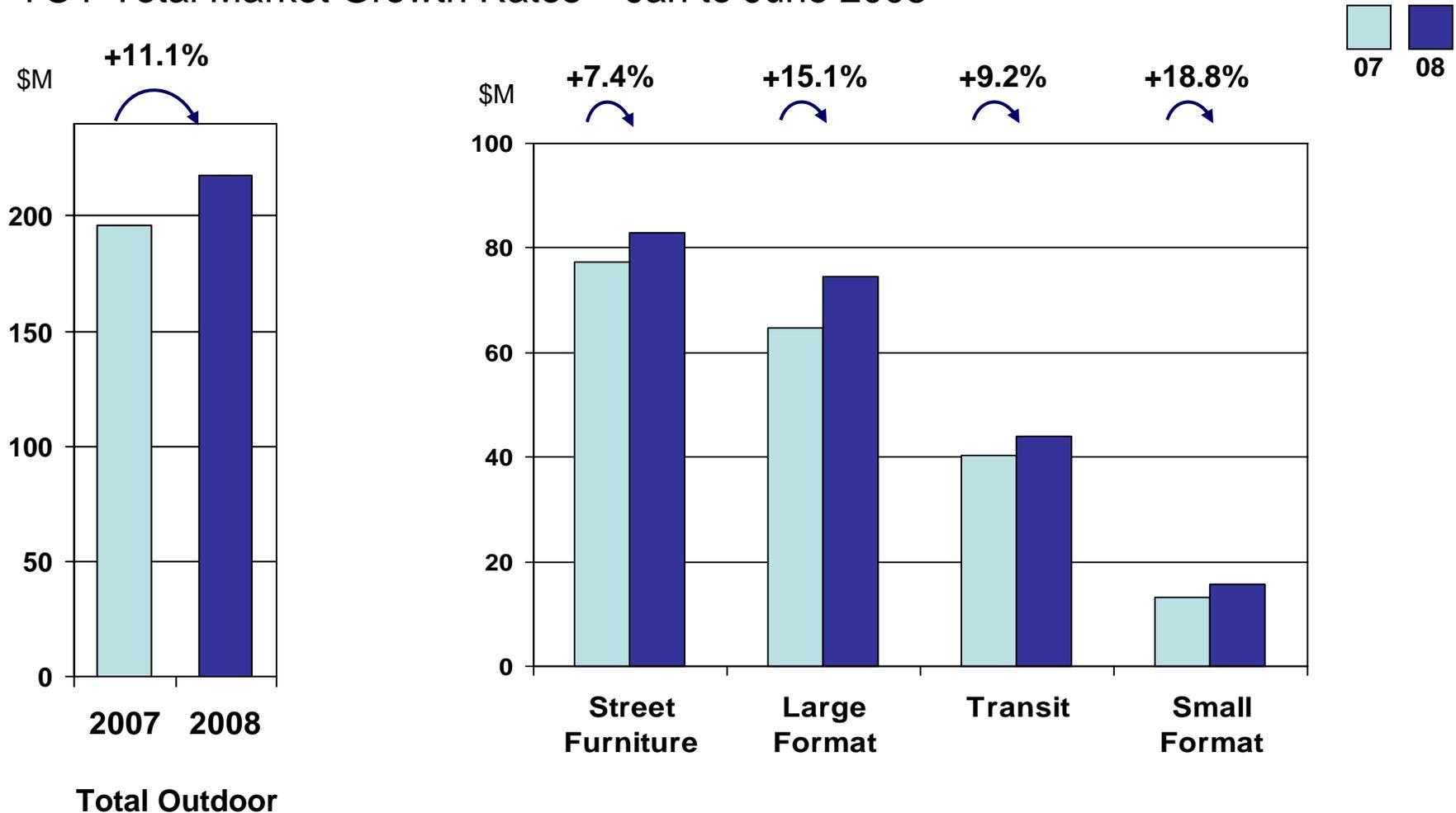
Outdoor Revenue by Geography



Note: Includes Adshel

2008 Market Growth | Australia

YOY Total Market Growth Rates – Jan to June 2008



All Figures are for the Jan to June period, showing NMS \$M for the Australian Market

APN Outdoor – Australia & NZ



- All brands brought under APN Outdoor
- APN continues as market leader in all major categories
- Media 1 acquisition in New Zealand

MEDIA1



- Acquisition of #3 billboard company in New Zealand
- 130 premium sites covering all major markets
- Combines with 500 existing APN Outdoor sites to improve offering to advertisers
- Cements APN's position as market leader

APN Outdoor - Adshel



- Adshel extends market leadership in Street Furniture
- New contracts in fast growing SE Queensland market
- Build out completed in New Zealand

APN Outdoor - Asia



- Outdoor benefiting from stable economies and good growth
- Olympic bonus in Hong Kong
- Strong revenue growth across the region

APN Outdoor - Asia



APN Outdoor – MOVE project



- Launch of audience measurement system on track for end H2
- ‘Likelihood to see’ measurement
- Benefits to flow from 2009
- All major industry players involved in development



APN Outdoor – Innovations



- Largest digital Billboard in Australia in premium location
- Allows creative flexibility and high quality presentation
- Launches in 3rd Quarter



2008 Interim Result

12 August, 2008

Chief Financial Officer Peter Myers

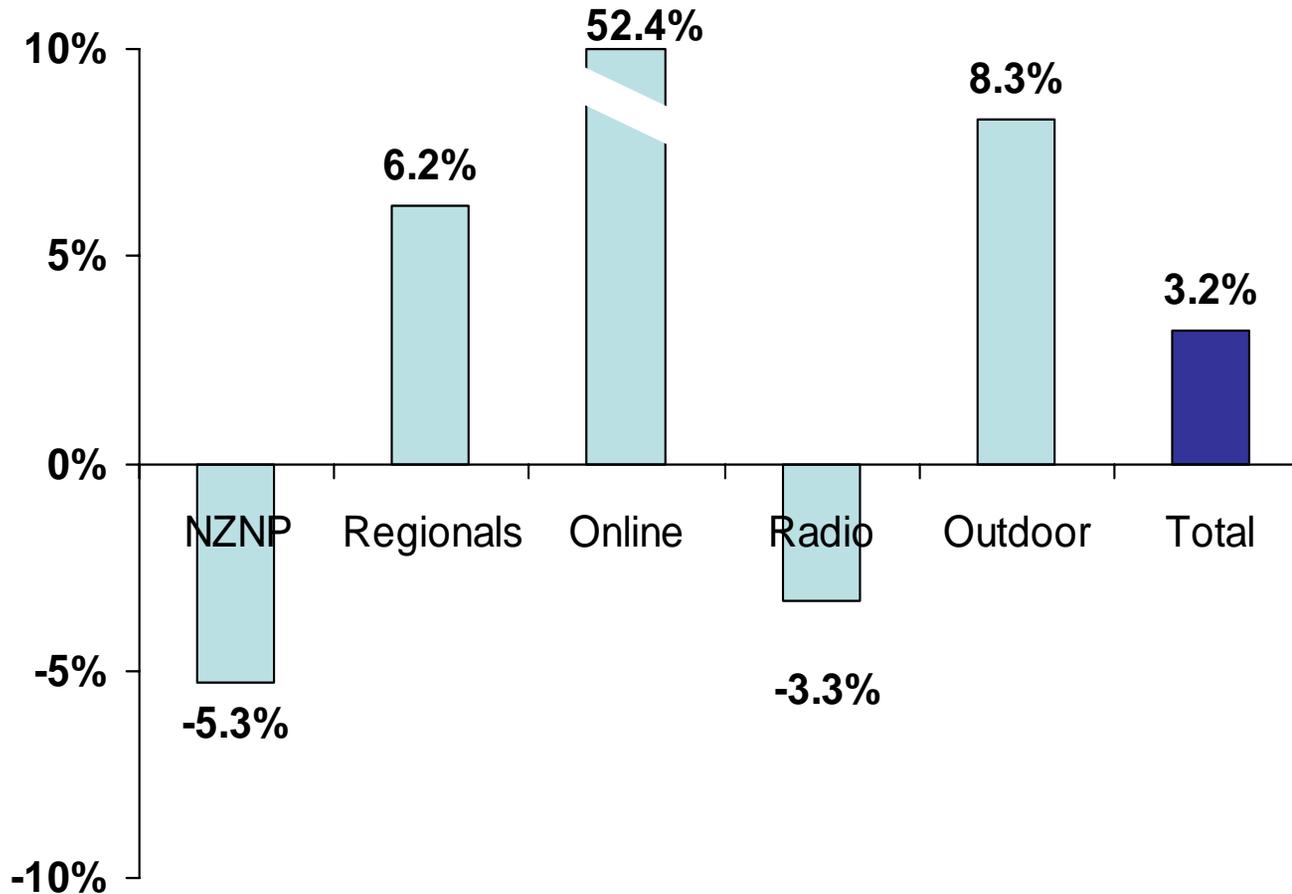
Finance Agenda

- Result
- Costs
- Cash Flow
- Debt & Financial Ratios
- Currency
- Taxation
- Dividends

2008 Interim Result (pre NRI)

AUD millions	H1 08	H1 07
EBITDA	158.1	160.4
Depreciation/amortisation	(19.1)	(18.0)
EBIT	139.0	142.4
Net finance costs	(37.3)	(30.7)
Profit before tax	101.7	111.7
Tax	(14.8)	(21.0)
Minorities	(14.6)	(17.5)
Net Profit pre NRI	72.3	73.2
<i>Diluted EPS (pre NRI)</i>	14.8c	15.0c
<i>Net Profit post NRI</i>	71.9	72.5

Divisional YoY cost analysis



Note: Constant currency basis -- excludes NRIs

2008 Interim Result - Cash Flow

AUD millions	H1 08	H1 07
Operating cash flow exc NRIs	150.4	142.5
Payments related to NRIs	(10.0)	(11.1)
Interest paid	(36.0)	(34.4)
Tax paid	(22.7)	(23.2)
Capital expenditure/investment	(31.2)	(131.1)
Asset sales	7.7	14.3
Dividends – APN shareholders	(102.8)	(99.8)
Minority interests	(20.0)	(12.8)
Share issues & other	3.3	2.3
Total cash generated before financing	(61.3)	(153.3)

Note: H1 2007 Capex/Investments includes Toowoomba Acquisition

Free cash flow

AUD millions

EBITDA (pre NRI)

Operating cash flow (pre NRI)

% of EBITDA

H1 08

158.1

150.4

95%

H1 07

160.4

142.5

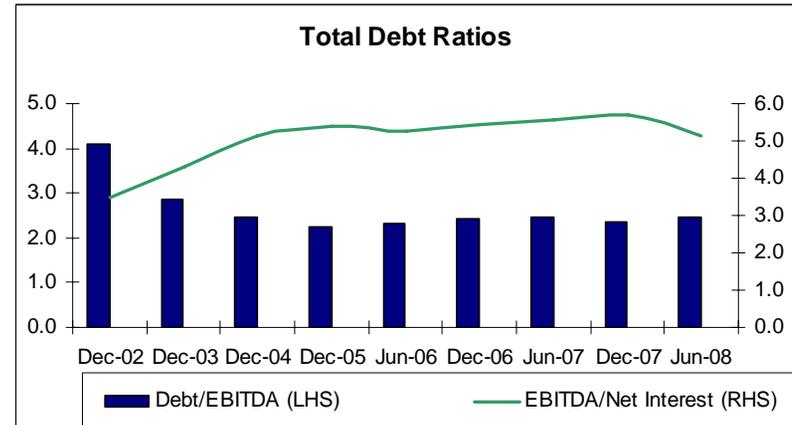
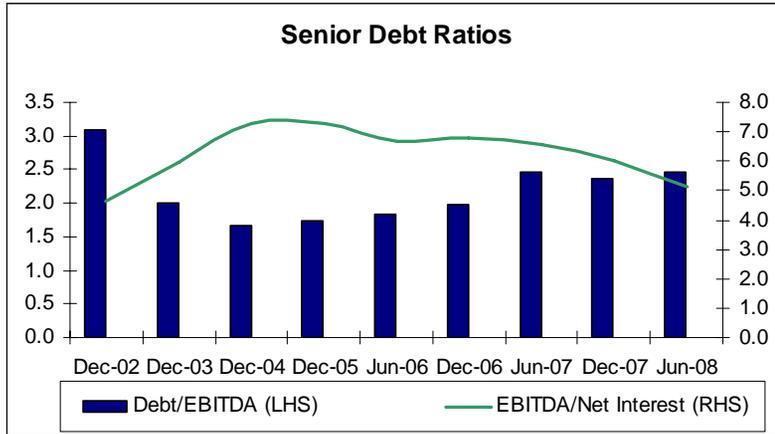
89%

Senior Debt

AUD millions

	June 2008	June 2007	December 2007
Core debt	921	786	858
Masthead licensing – AUD equiv	-	118	78
Cash	(42)	(69)	(89)
Net Debt	879	835	847

Financial Strength



- Continued prudent gearing
- Refinanced in 2006
- No material maturities until 2010 – some to 2012

Non-recurring items

AUD millions	H1 08	H1 07
Profit on disposal of properties	2.6	7.8
Profit on sale of businesses	-	1.1
Fair value adjt. on acquisition of associate	7.2	-
Restructure and redundancies	(6.2)	(1.7)
Project planning and implementation	(3.6)	(3.9)
Scheme costs and other	(0.8)	(2.3)
Online development and rollouts	(3.8)	(3.1)
NRI pre tax	(4.6)	(2.2)
Minority interest	0.1	(1.9)
Income tax	4.2	3.4
NRI after tax	(0.3)	(0.7)

Currency and Tax

	AUD/NZD		AUD/HKD	
Exchange rates (AUD/NZD)	2008	2007	2008	2007
June half average	1.179	1.125	7.21	6.32
Full year average	N/A	1.141	-	6.55
Period end rate	1.259	1.099	7.51	6.83

Average tax rate (pre NRI)	2007	Half Year	18.9%
	2008	Half Year	14.5%

- Full year rate will be higher
- 2008 tax rate to remain low with some increase thereafter

Dividends

- Interim dividend 10.5 cents per share
- Unfranked - no NZ imputation
- Dividend payment date 2 October 2008; record date 11 September 2008
- DRP reinstated – no discount – buy back option



2008 Interim Result

12 August, 2008

Chief Executive Brendan Hopkins

2008 H1 Key Outcomes

- Net Profit in line with prior year
- Australian businesses continue to show good growth
- Difficult trading conditions in New Zealand to continue in short term
- Strong Outdoor result with good contribution from Asian businesses
- Business restructuring continues, with focus on cost management remaining a priority
- Improved Australian Radio performance
- Continued organic Online growth

Outlook

- APN is covered by ten media analysts, eight of whom have circulated full year forecasts to the market in the last six weeks. The Board is comfortable with their consensus full year forecast of \$162m Net Profit After Tax but notes that its achievement will largely depend on the performance in the final quarter, where 33% of EBIT traditionally occurs, and there being no further deterioration in the New Zealand trading environment.
- Continued solid performances from our Australian and Asian businesses give the Board confidence that APN is well placed to take advantage of improvements in underlying trading conditions in each of our major markets.



2008 Interim Result

12 August, 2008

Chief Executive Brendan Hopkins
Chief Financial Officer Peter Myers

Disclaimer

APN News & Media Limited (APN) does not accept any liability to any person, organisation or company for any loss or damage suffered as a result of reliance on this document. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, and are subject to variation. All forward-looking statements in this document reflect the current expectations of APN concerning future results and events.

Any forward-looking statements contained or implied, either within this document or verbally, involve known and unknown risks, uncertainties and other factors (including economic and market conditions, changes in operating conditions, currency fluctuations, political events, labour relations, availability and cost of labour, material and equipment) that may cause APN's actual results, performance or achievements to differ materially from the anticipated results, performance or achievements, expressed, projected or implied by any forward-looking statements.